

**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, SEPTEMBER 20, 2023

TIME: 4:00 P.M.

PLACE: HYBRID REGULAR MEETING VIA ZOOM, IN-PERSON, AND REMOTE LOCATION FOR DIRECTOR WATT OF 110 SAGAMORE RD. BOLTON LANDING, NY 12814

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. Director Watt is participating from 110 Sagamore Rd. Bolton Landing, NY 12814. Director Watt has posted the agenda at his location and the location is accessible to the public.

For Zoom Participation:

www.zoom.us/join

Meeting ID: 859 6415 7065

Password: 760753

For Zoom Call-in Only:

Call: (669) 900-9128

Meeting ID: 859 6415 7065

Password: 760753

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

* DUE TO DIRECTOR WATT TELECONFERENCING, ALL VOTES WILL BE ROLL CALL

4. DETERMINATION OF A QUORUM

5. ADOPTION OF AGENDA
6. PERSONAL APPEARANCES AND PUBLIC COMMENTS
7. PRESENTATION OF AWARDS AND HONORABLE MENTIONS
8. CONSIDER APPROVAL OF THE MINUTES OF THE AUGUST 16, 2023, 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 ADOPTION OF A RESOLUTION MAKING CALIFORNIA ENVIRONMENTAL QUALITY ACT EXEMPTION FINDINGS FOR THE UNIT A RANCHO SANTA FE ROAD PIPELINE REPLACEMENT PROJECT AND AUTHORIZE A NOTICE OF EXEMPTION TO BE FILED WITH THE COUNTY CLERK, COUNTY OF SAN DIEGO
C-c	CONSIDER ACCEPTANCE OF THE 7760 – 7770 EL CAMINO REAL FIRE DETECTOR CHECK INSTALL (AP BEACON CARLSBAD, L.P.) INTO OMWD'S SYSTEM AND ORDER A NOTICE OF COMPLETION FILED
C-d	CONSIDER ACCEPTANCE OF THE 18128 VIA ROSWITHA FIRE DETECTOR CHECK INSTALL (ANN C. KESSLER) INTO OMWD'S SYSTEM AND ORDER A NOTICE OF COMPLETION FILED
C-e	CONSIDER ACCEPTANCE OF THE CALLE HERMOSA MAIN EXTENSION 260, FIRE HYDRANT, AND WATER SERVICE INSTALL (DONALD D. ADAIR) INTO OMWD'S SYSTEM AND ORDER A NOTICE OF COMPLETION FILED
C-f	CONSIDER ACCEPTANCE OF THE 17082 THORN MINT COURT SEWER LATERAL INSTALL (ASML) INTO OMWD'S SYSTEM AND ORDER A NOTICE OF COMPLETION FILED
C-g	CONSIDER APPROVAL OF PRIVATE ENCROACHMENT PERMIT NO. 422 FOR PHILIP D. WICKHAM AND MALLORY WICKHAM, TO PAVE WITHIN EASEMENT 319 LOCATED AT 1252 BERRYMAN CANYON AND ORDER THE PERMIT BE RECORDED

10. CONSIDER ADOPTION OF A RESOLUTION OF THE BOARD OF DIRECTORS OF THE OLIVENHAIN MUNICIPAL WATER DISTRICT HONORING TERESA CHASE FOR 25 YEARS OF DEDICATED SERVICE
11. CONSIDER APPROVAL OF AN AGREEMENT BETWEEN OMWD AND THE PUN GROUP, LLP FOR PROFESSIONAL AUDITING SERVICES FOR THREE YEARS ENDING JUNE 30, 2024, 2025, AND 2026 IN THE AMOUNT OF \$108,182 AND AUTHORIZE THE GENERAL MANAGER TO SIGN THE AGREEMENT ON BEHALF OF THE DISTRICT

12. CONSIDER STAFF PRESENTATION ON THE PROPOSED PASS-THROUGH INCREASES AND ADJUSTMENTS TO OMWD POTABLE AND RECYCLED WATER RATES AND CHARGES FOR 2024 AND PROVIDE INPUT TO STAFF
13. CONSIDER STATUS UPDATE ON THE DETACHMENT OF FALLBROOK AND RAINBOW AND THE RECENT LAWSUIT FILED BY THE SAN DIEGO COUNTY WATER AUTHORITY, ASSEMBLY BILL 399, AND THE COMMENCEMENT OF THE MUNICIPAL SERVICE REVIEW ON THE SAN DIEGO COUNTY WATER AUTHORITY
14. CONSIDER AWARD OF A CONTRACT WITH TEICHERT ENERGY AND UTILITIES GROUP INC. DBA TEICHERT UTILITIES IN THE AMOUNT OF \$2,897,777 FOR THE CONSTRUCTION OF THE RECYCLED WATER PIPELINE EXTENSIONS FOR CALLE BARCELONA, VILLAGE PARK, AND SUMMERHILL PROJECT AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF OMWD
15. CONSIDER AN UPDATE ON 4S RANCH WATER RECLAMATION FACILITY DIGESTER BLOWER FIRE AND CONSIDER APPROVAL FOR A \$200,000 INCREASE TO FISCAL YEAR 2024 APPROPRIATION AND BUDGET FROM THE WASTEWATER CAPITAL RESERVE FUND
16. INFORMATIONAL REPORTS
 - A. PRESIDENT
 - B. GENERAL MANAGER
 - C. CONSULTING ENGINEER
 - D. GENERAL COUNSEL
 - E. SAN DIEGO COUNTY WATER AUTHORITY REPRESENTATIVE
 - F. LEGISLATIVE
 - G. TWELVE MONTH CALENDAR / OTHER MEETINGS / REPORTS BY BOARD MEMBERS PER AB 1234
 - H. BOARD COMMENTS
17. CORRESPONDENCE
18. AUTHORIZATION TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS
19. FUTURE AGENDA ITEMS
20. CONSIDER PUBLIC COMMENTS
21. 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: September 20, 2023
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:

- August 2023 Summary of payment of listed warrants from the District's checking account and listed transfer of funds.
- August 2023 Monthly Summary of Reimbursement Expenses to Board Members and Staff.

The District's June Financial Statements (typically item C-b) and the June 2023 Monthly Investment Report will be available for review and approval by the Board after the fiscal year 2022/23 financial audit is completed in November 2023. As of the writing of this memo, Finance Staff is currently working on closing fiscal year 2022/23.

Olivenhain Municipal Water District
Proposed Motions for September 20, 2023 Board of Directors Meeting
August 2023 Activities
Consent Calendar Item # C-a

Proposed Motions:

I. That the following warrants and transfers be approved:

Regular Account	Warrants - by check	033976	to	034210	\$	1,900,545.57
	Warrants - by EFT	EFT000000000628	to	EFT000000000680		1,240,673.09
						<u>3,141,218.66</u>
	ACH Payments - Payroll					224,507.60
	Wire - SDCWA - Monthly Purchased Water Payment					2,624,560.63
	ACH Payments - Payroll					225,199.25
	ACH Payments - Payroll					228,691.34
					\$	<u>6,444,177.48</u>

Major Category of Disbursements

Total warrants from the District's checking account:

\$ 3,141,218.66

Following is a breakdown of this total by major categories:

Category

Outside services	\$	1,027,009.16
Inventory and supplies		1,413,771.22
Utilities		257,715.05
Repairs and maintenance		263,805.17
Other		8,410.54
Refunds		10,618.43
Insurance		158,195.09
Permit Fees		1,694.00

Total

\$ 3,141,218.66

Sincerely,



Rainy K. Selamat/Finance Manager

Olivenhain Municipal Water District
Proposed Motions for September 20, 2023 Board of Directors Meeting
August 2023 Activities

California Bank and Trust

Regular Account

Warrants - by check	033976	to	034210	\$	1,900,545.57
Warrants - by EFT	EFT000000000628	to	EFT000000000680		1,240,673.09
					<hr/>
					3,141,218.66
8/3/2023 ACH Payments - Payroll					224,507.60
8/15/2023 Wire - SDCWA - Monthly Purchased Water Payment					2,624,560.63
8/17/2023 ACH Payments - Payroll					225,199.25
8/31/2023 ACH Payments - Payroll					228,691.34
Total					<hr/>
					\$ 6,444,177.48

Approved:

For Board Consideration and Approval

Olivenhain Municipal Water District
August 2023 Warrant List - Check & EFT

Number	Date	Name	Amount	Inv Reference	Multiple Invoices?
033976	8/2/2023	45 Ranch Gasoline & Car Wash	2,821.08	WWTP GASOLINE/CAR WASH	Yes
033977	8/2/2023	American Messaging	60.67	L1-072035	
033978	8/2/2023	AT & T	563.73	9391056158	
033979	8/2/2023	Bay City Electric Works	5,109.72	HQ, WTP, CONAMERA PS, CIELO PS, RANCHO LAKES PS PREV. MAINT. SERVICES	Yes
033980	8/2/2023	Boot World Inc	189.08	Safety Boots	Yes
033981	8/2/2023	California State Disbursement Unit	123.23	Garnishment	
033982	8/2/2023	Carollo Engineers	19,175.00	DCMWTP Condition Assessment Project	Yes
033983	8/2/2023	Christopher O'Donnell	45.87	REF:1088714_236980 - Customer Refund	
033984	8/2/2023	County Of San Diego	564.00	10249 CAMINO SAN THOMAS	
033985	8/2/2023	CWS Via Monte, LP California West Comm.	473.83	REF:1091998_303275 - Customer Refund	
033986	8/2/2023	David Brown	138.80	REF:1062324_125595 - Customer Refund	
033987	8/2/2023	David Rusthoven	74.67	REF:1091078_160640 - Customer Refund	
033988	8/2/2023	EcosConnect LLC	2,574.50	6/23 BACKFLOW REPORTING	
033989	8/2/2023	Edco Waste & Recycling	632.83	25-4A 861816	Yes
033990	8/2/2023	Encina Wastewater Authority	9,964.00	WATER SAMPLES	Yes
033991	8/2/2023	Ferguson Enterprises Inc. #1083	12,298.59	WTP membrane repair materials, 16" SS seat	Yes
033992	8/2/2023	Franchise Tax Board	593.42	Garnishment	
033993	8/2/2023	Freeway Truck and Vans, Inc	69,334.60	Vehicle Purchase: 2023 Isuzu NPR-HD	Yes
033994	8/2/2023	Geoscience Support Svcs, Inc.	40,924.28	SDVGW Consulting Services	Yes
033995	8/2/2023	Grangetto's Ag. Supply	72.83	Straw hats & shovel	Yes
033996	8/2/2023	Guang Shi	119.79	REF:1091040_158385 - Customer Refund	
033997	8/2/2023	Hazen and Sawyer	8,350.50	Design Services for DCMWTP Fourth Stage Centrifuge Project	Yes
033998	8/2/2023	Henri Justino	80.29	REF:1089810_126155 - Customer Refund	
033999	8/2/2023	HHS Construction, LLC	1,549.25	REF:1092536_303475 - Customer Refund	
034000	8/2/2023	Hill Brothers Chemical Company	13,479.98	WTP CHEMICALS	
034001	8/2/2023	Hoch Consulting	20,860.92	Consulting Services for Recycled Water Pipeline Extension Project	Yes
034002	8/2/2023	Infrastructure Engineering Corporation	25,379.25	Consulting Service for NBHD 1 SPS Replacement, FEMA LOMR Analysis, Recycled Water Hydr. Model, Master Plan	Yes
034003	8/2/2023	Ingersoll-Rand Company	6,056.51	4 year Ingersoll Rand Package Care Agreement	Yes
034004	8/2/2023	Integrity Municipal Systems	1,303.00	WWTP ODOR SCRUBBER MAINT	
034005	8/2/2023	J.M.D. Landscape Inc	9,400.00	CIELO PS, FIREHOUSE PS LANDSCAPE SERVICES	Yes
034006	8/2/2023	J.R. Filanc Construction	3,986.47	WWTP - CPVC CHEMICAL PIPING	
034007	8/2/2023	James Bondell	40.80	REF:1003289_223375 - Customer Refund	
034008	8/2/2023	L A Design Studio Inc	700.00	WEB DESIGN SERVICES	
034009	8/2/2023	McCullough Design & Development	139.01	REF:1081467_303125 - Customer Refund	
034010	8/2/2023	Michael Burgess	139.86	REF:1090676_127820 - Customer Refund	
034011	8/2/2023	Pacific Star Chemical, LLC	20,387.36	50% Citric Acid annual purchase	Yes
034012	8/2/2023	Pacific Pipeline Supply	332.06	SUPPLIES	
034013	8/2/2023	Parkhouse Tire Inc	470.70	PU66 SUPPLIES	Yes
034014	8/2/2023	Patten Systems Inc	1,410.20	WTP - ELECTRONIC SWITCH	
034015	8/2/2023	Republic Services	3,256.35	WASTE DISPOSAL SERVICES	
034016	8/2/2023	Samba Holdings Inc	416.90	DRIVERS RECORD MONITORING	Yes
034017	8/2/2023	San Diego County Recorder	44.00	EP #424 RECORDING FEE	Yes
034018	8/2/2023	Tetra Tech Inc	15,555.10	PLC Replacement PW, WW Design	Yes
034019	8/2/2023	Traffic Supply Inc	1,211.11	28" ORGANGE 7LB CONES (50)	Yes
034020	8/2/2023	TS Industrial Supply	3,072.98	WACKER DIAPHRAGM TRASH PUMP, TOOL BOX FOR FB05	Yes
034021	8/2/2023	US Bank	2,190.51	PRINTERS LEASE	
034022	8/2/2023	USA Blue Book	380.99	INDUSTRIAL PSI TRANSMITTER	
034023	8/2/2023	Utility Service Co. Inc	218,323.67	QUARTERLY TANK MAINTENANCE	Yes
034024	8/2/2023	William Beasley	125.41	REF:1060177_132530 - Customer Refund	
034025	8/2/2023	Young Choi	142.27	REF:1046081_162870 - Customer Refund	
034026	8/9/2023	Aflac	1,445.50	Supplemental Insurance	
034027	8/9/2023	Alpha Mechanical, Inc	5,646.26	OMWD HQ, BUILDING J AC SERVICES	Yes
034028	8/9/2023	Aqua Metric	8,462.91	1 1/2" Omni R2 Meter (QTY 13)	Yes
034029	8/9/2023	Asbury Environmental Services	3,459.00	OIL/MIXED OILS WASTE DISPOSAL; ASBESTOS DISPOSAL SERVICES	Yes
034030	8/9/2023	AT & T	24.52	9391056562	
034031	8/9/2023	Balboa Engineering Inc.	2,137.50	Preliminary & Final Design Services for VP West, Gardendale PRS Replacement Project	Yes
034032	8/9/2023	Bee Rescue LLC	540.00	GANO RESERVOIR BEE REMOVAL	Yes
034033	8/9/2023	Betty J Knott	107.67	REF:1017779_197520 - Customer Refund	
034034	8/9/2023	Boot World Inc	200.00	Safety Boots	Yes
034035	8/9/2023	Chris Maceyko	57.01	REF:1092523_154485 - Customer Refund	
034036	8/9/2023	Ethan Hall	55.99	REF:1089572_191035 - Customer Refund	
034037	8/9/2023	Fallbrook Printing Corp	474.51	AMI POSTCARDS - QTY 180	Yes
034038	8/9/2023	Grangetto's Ag. Supply	101.34	IRRIGATION SUPPLIES (HQ)	
034039	8/9/2023	HDR Engineering, Inc.	2,970.00	Long Term Budgeting for Pipeline Replacements & CCTV Reviews	Yes
034040	8/9/2023	Home Depot/Geef	9,641.79	7/23 FIELD SUPPLIES	Yes
034041	8/9/2023	Infrastructure Engineering Corporation	4,947.00	FEMA LOMR Analysis and Application Package for Building D	Yes
034042	8/9/2023	Interstate Battery Of San Diego Inc	688.02	SHOP SUPPLIES	Yes
034043	8/9/2023	Jill Buria	46.65	REF:1088423_206090 - Customer Refund	
034044	8/9/2023	Leonardo Fitness	640.00	WORKOUT CLASS - PAID FOR BY ACWA WELLNESS GRANT	
034045	8/9/2023	Morton Salt Inc	6,426.27	WTP CHEMICALS	
034046	8/9/2023	North County Powder Coating	1,123.75	MAG SYSTEM FRAME (WWTP)	
034047	8/9/2023	NVS, Inc	31,127.50	DESIGN SERVICES FOR MANCHESTER RECYCLED, UAV SERVICES (13 SITES)	Yes
034048	8/9/2023	Pacific Pipeline Supply	4,219.28	VALVES, BOXES, AND LIDS	Yes

Olivenhain Municipal Water District
August 2023 Warrant List - Check & EFT

Number	Date	Name	Amount	Inv Reference	Multiple Invoices?
034049	8/9/2023	Parkhouse Tire Inc	38.50	TIRE DISPOSAL FEE	
034050	8/9/2023	Patriot Environmental	575.00	WWTP ROLL OFF BIN DISPOSAL SVC	
034051	8/9/2023	Qingli Huang	83.06	REF:1090061_154225 - Customer Refund	
034052	8/9/2023	RCP Block & Brick Inc	149.45	YARD MATERIALS - BLACK OXIDE	
034053	8/9/2023	Republic Services #529	728.59	3-0661-1001776	
034054	8/9/2023	Rob Kreutzer	68.17	OPS MEETING REIMBURSEMENT	
034055	8/9/2023	Roberta Henry	152.67	REF:1091572_231460 - Customer Refund	
034056	8/9/2023	San Diego Gas & Electric	73,389.37	UTILITIES	Yes
034057	8/9/2023	State Water Resources	60.00	T2 CERT RENEWAL - J.FICHTELMAN	
034058	8/9/2023	TASC	464.61	7/23 VEBA ADMIN/CLAIMS FEES	
034059	8/9/2023	TS Industrial Supply	13.65	WTP SUPPLIES - CLAMPS, HOSE	
034060	8/9/2023	Underground Service Alert	410.75	DIG ALERT TICKETS	
034061	8/9/2023	UniFirst Aid Corp	243.25	FIRST AID SUPPLIES	Yes
034062	8/9/2023	United Parcel Service	27.69	SHIPPING	
034063	8/9/2023	Verizon Connect Fleet USA, LLC	924.85	100000112726	
034064	8/9/2023	West Coast Sand & Gravel	1,086.55	YARD MATERIALS	
034065	8/16/2023	Ababa Bolt Inc	48.98	SUPPLIES	
034066	8/16/2023	Alpha Mechanical, Inc	1,589.25	HVAC SERVICES - HQ, WWTP	Yes
034067	8/16/2023	American Conservation & Billing Solutions, Inc.	3,251.00	8/23 AQUAHAWK	
034068	8/16/2023	Asbury Environmental Services	5.00	ANTIFREEZE DISPOSAL SERVICES	
034069	8/16/2023	Bob Turner's Crane Service Inc	902.00	FILTER RPLCMNT - CRANE SVCS	
034070	8/16/2023	Boyd Fasteners	136.53	BRACKETS (WTP)	
034071	8/16/2023	California State Disbursement Unit	123.23	ED100514-8/17/2023	
034072	8/16/2023	Adam Calm	200.00	EDUCATION INCENTIVE	
034073	8/16/2023	Core & Main LP	10,236.25	ZINC ANODES	Yes
034074	8/16/2023	Corodata Shredding, Inc	56.37	PAPER DESTRUCTION SERVICES	
034075	8/16/2023	County Of San Diego	1,130.00	RW PLAN REVIEWS/PERMITS- VARIOUS LOCATIONS	Yes
034076	8/16/2023	ESS	4,399.93	CENTER INTRUSION ALARM, CARD READER SERVICES	Yes
034077	8/16/2023	Ferguson Enterprises Inc. #1083	4,380.04	3/8" Crd Diaphragm, 3"8" Speed Control	Yes
034078	8/16/2023	Franchise Tax Board	593.42	Garnishment	
034079	8/16/2023	Gustavo Briceno	200.00	EDUCATION INCENTIVE	
034080	8/16/2023	Hasa	19,170.58	WWTP CHEMICALS	Yes
034081	8/16/2023	Ignacio Tool Supply Inc.	53.88	SHOP TOOLS	
034082	8/16/2023	Infosend	12,081.56	6/23 WATER BILL STATEMENTS AND MAINTENANCE FEE	Yes
034083	8/16/2023	KRC Rock	108.57	YARD MATERIALS	
034084	8/16/2023	Mission Electric Supply, Inc.	168.35	LED FLOOD LIGHTS (8)	
034085	8/16/2023	Napa Auto Parts	830.35	7/23 SHOP SUPPLIES	
034086	8/16/2023	Naumann Hobbs - San Diego	620.69	WTP - FORKLIFT SERVICES	
034087	8/16/2023	Pacific Star Chemical, LLC	36,651.65	WTP CHEMICALS	Yes
034088	8/16/2023	Pacific Pipeline Supply	4,649.80	HYDRANT SPOOLS	Yes
034089	8/16/2023	Jaroeth Inc., dba	78.00	760-489-9971	
034090	8/16/2023	Patriot Environmental	575.00	WW ROLL OFF BIN DISPOSAL SVCS	
034091	8/16/2023	PWLC I, INC	4,985.00	HQ LOWER YARD BASINS	Yes
034092	8/16/2023	Raftelis Financial Consultant	5,579.41	CONSULTING SERVICES FOR WATER RATES AND CAPACITY FEE STUDY	Yes
034093	8/16/2023	Rancho Santa Fe Community Svs	33,777.82	7/23 40.92 AC/FT RECYCLED WTR	
034094	8/16/2023	Republic Services #661	4,001.93	WASTE DISPOSAL SERVICES	Yes
034095	8/16/2023	Rob Kreutzer	36.02	MILEAGE REIMBURSEMENT	
034096	8/16/2023	RS Instruments & Services	2,370.00	NBHD 1&3 PS FLOW MTR SERVICES	
034097	8/16/2023	S D G & E	264.85	UTILITIES	
034098	8/16/2023	Safelite Fulfillment Inc	1,518.09	PU113 WINDSHIELD	Yes
034099	8/16/2023	San Diego Gas & Electric	93,381.69	UTILITIES	Yes
034100	8/16/2023	San Eljo Joint Powers Auth.	59,031.90	7/23 32.10 AC/FT RECYCLED WTR	
034101	8/16/2023	Santa Fe Irrigation Dist	3,789.88	008128-009	Yes
034102	8/16/2023	SiteOne Landscape Supply, LLC	409.73	HQ IRRIGATION PARTS	
034103	8/16/2023	State Water Resources	105.00	D5 CERT RENEWAL - A.CALM	
034104	8/16/2023	Superior Elec. Motor Service, Inc.	12,345.61	Repairs for 45 WRF Influent Filter Pump	Yes
034105	8/16/2023	Traffic Supply Inc	326.45	VEHICLE REFLECTIVE DECALS	
034106	8/16/2023	TS Industrial Supply	947.65	HOSE AND HOSE REEL	
034107	8/16/2023	West Coast Sand & Gravel	980.07	YARD MATERIALS	
034108	8/16/2023	VOID	-	VOID - ZENON - SENT VIA EFT INSTEAD	
034109	8/16/2023	HALCYON TRADE BUILDING CO. INC	470.00	RM REFUND: DEBIT000000000584	
034110	8/16/2023	TONY HUTCHINSON	470.00	RM REFUND: DEBIT000000000583	
034111	8/23/2023	4S Ranch Gasoline & Car Wash	1,090.38	WWTP GASOLINE & CAR WASH	
034112	8/23/2023	Angus Asphalt Inc.	1,454.25	REF:1093373_303530 - Customer Refund	
034113	8/23/2023	Annie Bang	137.83	REF:1085238_186305 - Customer Refund	
034114	8/23/2023	Asbury Environmental Services	907.15	USED/MIXED OIL DISPOSAL	Yes
034115	8/23/2023	AT & T	1,113.77	9391056789	Yes
034116	8/23/2023	Brandon Barnick	400.00	EDUCATION INCENTIVE	
034117	8/23/2023	Bee Rescue LLC	300.00	3821 MEGAN LANE	
034118	8/23/2023	Teresa L Chase	250.00	25 YEAR SERVICE AWARD	
034119	8/23/2023	Claude Heacox	150.65	REF:1048060_137415 - Customer Refund	
034120	8/23/2023	Cyber Marketing Network Inc	155.12	Safety Boots	Yes
034121	8/23/2023	Don & Lisa Adair	56.20	REF:1090591_303485 - Customer Refund	
034122	8/23/2023	Encinitas Ford	432.10	VN57 SUPPLIES	Yes
034123	8/23/2023	Erin Motola	12.35	REF:1090349_223425 - Customer Refund	
034124	8/23/2023	First Choice Technology	153.46	13001474	Yes
034125	8/23/2023	Grangetto's Ag. Supply	28.10	WTP CHLORINE LINE SUPPLIES	
034126	8/23/2023	Guardian	969.68	9/23 ADMIN SERVICES	
034127	8/23/2023	Hon Nam	151.74	REF:1091825_160025 - Customer Refund	
034128	8/23/2023	Ignacio Tool Supply Inc.	87.55	SHOP TOOLS	
034129	8/23/2023	James Bondell	91.77	REF:1003289_223375 - Customer Refund	
034130	8/23/2023	Jenna Bambe	96.99	REF:1061714_226715 - Customer Refund	
034131	8/23/2023	Kodyak Tisch	72.43	REF:1087202_191325 - Customer Refund	

Olivenhain Municipal Water District
August 2023 Warrant List - Check & EFT

Number	Date	Name	Amount	Inv Reference	Multiple Invoices?
034132	8/23/2023	Ljuba Mccormick	143.71	REF:1085830_117810 - Customer Refund	
034133	8/23/2023	Manna Development	746.97	REF:1084653_303570 - Customer Refund	
034134	8/23/2023	Marilena Sirbu	97.30	REF:1092179_207595 - Customer Refund	
034135	8/23/2023	Mary Raser	117.38	REF:1086356_103575 - Customer Refund	
034136	8/23/2023	Morgan Run Resort and Club	5.57	REF:1023286_103750 - Customer Refund	
034137	8/23/2023	Morton Salt Inc	6,106.12	WTP CHEMICALS	
034138	8/23/2023	Nautilus General Contractors	311.25	REF:1093420_303545 - Customer Refund	
034139	8/23/2023	Nicholas Goineau	95.88	REF:1084498_237240 - Customer Refund	
034140	8/23/2023	Nikita Mundhada	162.23	REF:1092646_160520 - Customer Refund	
034141	8/23/2023	Olga Farmer	91.68	REF:1092680_161240 - Customer Refund	
034142	8/23/2023	Orlando Javien	101.17	REF:1086126_153365 - Customer Refund	
034143	8/23/2023	Rockwell Solutions	454.54	WWTP SUPPLIES	
034144	8/23/2023	San Diego County Recorder	50.00	NOE FILING FEE - CAPACITY FEES	
034145	8/23/2023	San Diego Gas & Electric	16,414.21	UTILITIES	Yes
034146	8/23/2023	TASC	459.48	8/23 VEBa ADMIN & CLAIMS	
034147	8/23/2023	Utility Cost Management Llc	24,145.91	SDG&E ELECTRICITY SERVICES	
034148	8/30/2023	Aflac	1,445.50	Supplemental Insurance	
034149	8/30/2023	AG Tech Llc	1,651.80	WWTP BIOSOLIDIS WASTE DISPOSAL	
034150	8/30/2023	Alpha Mechanical, Inc	7,630.78	HVAC Preventive Maintenance Services- 4SWRF, WTP, PARK TRAILER, BUILDING J, HQ	Yes
034151	8/30/2023	American Conservation & Billing Solutions, Inc.	3,251.00	9/23 AQUAHAWK SERVICES	
034152	8/30/2023	Angus Asphalt Inc.	161,975.00	Angus Asphalt - AC Concrete & Paving Maint / SWPPP Drainage Improvement Project (D120101)	Yes
034153	8/30/2023	Angus Asphalt Inc.	1,336.57	REF:1093373_303525 - Customer Refund	
034154	8/30/2023	Arash Monjazebeh	134.93	REF:1091815_127215 - Customer Refund	
034155	8/30/2023	AT & T	600.99	9391056158	
034156	8/30/2023	Barrett Engineered Pumps	25,554.37	Replacement Pumps for Camino Sin Puente SPS	Yes
034157	8/30/2023	Bay City Electric Works	1,495.21	OMWD HQ GENERATOR LOAD TEST	
034158	8/30/2023	Bee Rescue LLC	240.00	4S RANCH BEE SERVICES	
034159	8/30/2023	Blue-White Industries	5,564.11	Spare chemical metering pump	Yes
034160	8/30/2023	C E Wilson Corporation	6,887.50	VRP FY22/23 -Construction	Yes
034161	8/30/2023	Caitlin Stout	50.96	REF:1086656_163550 - Customer Refund	
034162	8/30/2023	California State Disbursement Unit	123.23	Garnishment	
034163	8/30/2023	City Treasurer	12,919.79	RECYCLED WATER PURCHASE	
034164	8/30/2023	City Treasurer	19,935.22	RECYCLED WATER PURCHASE	
034165	8/30/2023	Clean Water SoCal	1,686.00	FY 2023/2024 MEMBERSHIP DUES	
034166	8/30/2023	Core & Main LP	19,986.40	20 inch gate valve, mega lug restrainer, hymax coupling, bolt kit, ring gasket	Yes
034167	8/30/2023	Corning Ford Inc.	120,585.99	F-650 Dump Truck Purchase	Yes
034168	8/30/2023	Corodata	332.76	OFFSITE RECORDS STORAGE	
034169	8/30/2023	County of San Diego, RCS	171.00	7/23 RADIO SERVICES	
034170	8/30/2023	DCL Enterprise Inc Dba	38.79	KEYS - PARKS DEPT	
034171	8/30/2023	Elamprakash Savariarnes Nesan	51.74	REF:1090176_160250 - Customer Refund	
034172	8/30/2023	Escondido Metal Supply	441.87	SHOP SUPPLIES	Yes
034173	8/30/2023	Evan Chen	52.07	REF:1087999_143585 - Customer Refund	
034174	8/30/2023	Fallbrook Printing Corp	1,397.09	WELCOME LETTERS (387)	Yes
034175	8/30/2023	Federal Express Corp	62.11	SHIPPING	
034176	8/30/2023	Franchise Tax Board	593.42	Garnishment	
034177	8/30/2023	G.A. Abell, Inc. dba	221.00	HQ PARKING LOT LIGHT REPAIR	
034178	8/30/2023	Geoscience Support Svcs, Inc.	40,190.03	SDVGW Consulting Services	Yes
034179	8/30/2023	Global Power Group Inc	2,255.83	WWTP PREVENT MAINT SERVICES	Yes
034180	8/30/2023	Grangetto's Ag. Supply	380.93	SUPPLIES	Yes
034181	8/30/2023	Hi-Line Electric Company, Inc.	331.80	SHOP SUPPLIES	
034182	8/30/2023	Ignacio Tool Supply Inc.	32.70	SHOP TOOLS	
034183	8/30/2023	Infosend	8,212.48	7/23 WATER BILL STATEMENTS AND MAINTENANCE FEE	Yes
034184	8/30/2023	Integrity Municipal Systems	1,303.00	WWTP ODOR SCRUBBER MAINT	
034185	8/30/2023	Interstate Battery Of San Diego Inc	1,532.98	SHOP SUPPLIES	Yes
034186	8/30/2023	J.R. Filanc Construction	4,975.16	WWTP SERVICES	
034187	8/30/2023	Matthew Gordon	123.66	REF:1081425_159890 - Customer Refund	
034188	8/30/2023	Morton Salt Inc	6,139.43	WTP CHEMICALS	
034189	8/30/2023	Nate Naugles	568.28	TRI-STATE CONF EXPENSE REIMB	
034190	8/30/2023	Neil Mcentaggart	89.93	REF:1091571_151535 - Customer Refund	
034191	8/30/2023	North County Powder Coating	106.55	WTP SERVICES	
034192	8/30/2023	Orion Construction Corporation	299,915.00	Neighborhood 1 SPS Construction Services	Yes
034193	8/30/2023	Pacific Pipeline Supply	20,626.43	SUPPLIES: brass nipples, unions, couplings, valves, can body & lids, blow-off body & lids, flange bolt kit	Yes
034194	8/30/2023	Petco Animal Supplies	48.04	REF:1026168_129015 - Customer Refund	
034195	8/30/2023	PWLC I, INC	17,523.00	LANDSCAPE MAINTENANCE, HQ LOWER MAINTENANCE MATERIALS	Yes
034196	8/30/2023	Raymond Wong	120.28	REF:1083812_159020 - Customer Refund	
034197	8/30/2023	RCP Block & Brick Inc	293.72	SAND BAGS (FILLED)	
034198	8/30/2023	Republic Services	5,879.30	WASTE DISPOSAL SERVICES	Yes
034199	8/30/2023	Rob Kreutzer	43.62	MILEAGE REIMBURSEMENT	
034200	8/30/2023	Rocky's Balancing Inc	1,600.00	VIBRATION DATA COLLECTION-WTP	
034201	8/30/2023	Ryan Herco	218.97	WTP SUPPLIES	
034202	8/30/2023	San Diego Building Maintenance	5,396.00	7/23 JANITORIAL SERVICES	
034203	8/30/2023	San Diego Gas & Electric	59.54	UTILITIES	
034204	8/30/2023	Sunbelt Rentals, Inc.	1,412.75	TOWABLE CONCRETE MIXER RENTAL	Yes
034205	8/30/2023	Tetra Tech Inc	5,588.40	PLC Replacement PW,WW Design Services	Yes
034206	8/30/2023	The Water Research Foundation	2,178.14	2023 MEMBERSHIP DUES	
034207	8/30/2023	TS Industrial Supply	668.62	SUPPLIES	Yes
034208	8/30/2023	Underground Service Alert	1,660.50	DIG ALERT TICKETS	Yes
034209	8/30/2023	US Bank	2,190.51	PRINTERS LEASE	
034210	8/30/2023	VVR International LLC	217.74	WTP SUPPLIES	
EFT0000000000628	8/2/2023	Southern Counties Lubricants, LLC.	7,733.06	FUEL SUPPLIES	
EFT0000000000629	8/2/2023	Radwell International, Inc.	1,358.25	REPAIRS AND MAINTENANCE, WTP SUPPLIES	Yes

Olivenhain Municipal Water District
August 2023 Warrant List - Check & EFT

Number	Date	Name	Amount	Inv Reference	Multiple Invoices?
EFT0000000000630	8/2/2023	Woodard & Curran	11,493.00	Environmental and Grant Admin Services for Title XVI	Yes
EFT0000000000631	8/2/2023	Rutan & Tucker, LLP	2,373.00	Special counsel and strategic assistance for SDVGW project	Yes
EFT0000000000632	8/2/2023	RS AMERICAS INC.	898.71	HONEYWELL MICROSWITCH	
EFT0000000000633	8/2/2023	CDW Government Inc	291.11	COMPUTER SUPPLIES	Yes
EFT0000000000634	8/2/2023	MGM Plastics Inc	2,155.00	WTP SUPPLIES - PANEL FOR FLOURIDE	
EFT0000000000635	8/2/2023	Nossaman LLP	41,805.72	6/23 LEGAL SERVICES	Yes
EFT0000000000636	8/2/2023	Western Hose & Gasket	243.20	VAC02 SUPPLIES	Yes
EFT0000000000637	8/2/2023	Water for People	66.00	WTRPL 8/3/2023	
EFT0000000000638	8/9/2023	ACWA - JPIA	148,899.06	9/23 GROUP INSURANCE	
EFT0000000000639	8/9/2023	PSI Water Technologies, Inc	2,351.25	WTP SERVICES	
EFT0000000000640	8/9/2023	Radwell International, Inc.	1,763.19	SUPPLIES	
EFT0000000000641	8/9/2023	CyberlinkASP Technology	18,645.00	HOSTING SERVICES & DEDICATED SERVERS - JULY AND AUGUST 2023	Yes
EFT0000000000642	8/9/2023	Parsons	6,940.23	Design Services - Unit A North, RSF Rd Potable Pipeline Replacement	Yes
EFT0000000000643	8/9/2023	RS AMERICAS INC.	13.26	SUBMINIATURE FUSE	
EFT0000000000644	8/9/2023	CDW Government Inc	42.92	HDMI ADAPTER CABLE	
EFT0000000000645	8/9/2023	Nossaman LLP	6,750.00	7/23 LOBBYING SERVICES	
EFT0000000000646	8/9/2023	Univar Solutions Usa Inc	2,080.00	25% Sodium Bisulfite annual purchase	Yes
EFT0000000000647	8/9/2023	Western Hose & Gasket	621.26	BA03 SUPPLIES	Yes
EFT0000000000648	8/9/2023	Harrington Industrial Plastics Inc	441.77	WTP SUPPLIES	Yes
EFT0000000000649	8/16/2023	DLM Engineering Inc	16,688.76	ENGINEER CONSULTING SERVICES	Yes
EFT0000000000650	8/16/2023	Evoqua Water Technologies	6,369.51	DEL DIOS SPS CHEMICALS	
EFT0000000000651	8/16/2023	PSI Water Technologies, Inc	53,478.40	NOVA 240 PPD Cells for WTP (Qty. 2)	Yes
EFT0000000000652	8/16/2023	McMaster-Carr Supply Co.	618.78	Pipe fitting, brass tubing/pipe	Yes
EFT0000000000653	8/16/2023	Radwell International, Inc.	2,444.75	PLC Processor	
EFT0000000000654	8/16/2023	WREGIS	1.12	RENEW ENERGY FEE	
EFT0000000000655	8/16/2023	Martin Marietta Materials Inc	346.96	YARD MATERIALS	
EFT0000000000656	8/16/2023	Harrington Industrial Plastics Inc	630.69	Ball valves, adapters, bushings	
EFT0000000000657	8/16/2023	Water for People	66.00	WTRPL 8/17/2023	
EFT0000000000658	8/16/2023	Zenon Environmental Corporation	771,098.63	WTP 1ST STAGE MEMBRANCE RPLCMNT @ WTP	Yes
EFT0000000000659	8/23/2023	Standard Insurance Co.	5,956.76	9/23 LIFE & LTD INSURANCE PREM	
EFT0000000000660	8/23/2023	Peterson Structural Engineers, Inc.	5,498.60	Design Services for Tank Safety Improvements Project	Yes
EFT0000000000661	8/23/2023	Southern Counties Lubricants, LLC.	14,201.66	FUEL SUPPLIES	Yes
EFT0000000000662	8/23/2023	Westamerica Communications, Inc.	4,629.32	7/23 WATCHING WATER	
EFT0000000000663	8/23/2023	Radwell International, Inc.	2,014.17	PLC REPAIRS	
EFT0000000000664	8/23/2023	Aqua Metric	36,105.90	MMU Stock up for AMI project-520M Touch Coupler Single, Dual	Yes
EFT0000000000665	8/30/2023	Watereuse Association	1,000.00	SPONSORSHIP DUES	
EFT0000000000666	8/30/2023	Evoqua Water Technologies	575.36	WWTP PREVENT MAINT SERVICES	Yes
EFT0000000000667	8/30/2023	McMaster-Carr Supply Co.	1,435.67	SUPPLIES	Yes
EFT0000000000668	8/30/2023	Radwell International, Inc.	422.17	EXTENSION MODULE REPAIR	
EFT0000000000669	8/30/2023	NexusTek Phoenix	5,196.99	CLOUD STORAGE	
EFT0000000000670	8/30/2023	The Pun Group LLP	8,500.00	6/30/23 AUDIT SERVICES	
EFT0000000000671	8/30/2023	Martin Marietta Materials Inc	1,457.99	YARD MATERIALS	Yes
EFT0000000000672	8/30/2023	RS AMERICAS INC.	160.47	LAMP,LED,BULB (4) 110-130 VAC	
EFT0000000000673	8/30/2023	Gallade Chemical	6,290.36	WTP CHEMICALS	
EFT0000000000674	8/30/2023	Whitson CM	2,300.00	7/23 OMWD SITE INSPECTIONS	
EFT0000000000675	8/30/2023	CDW Government Inc	2,101.42	Computer supplies	Yes
EFT0000000000676	8/30/2023	Polydyne Inc	8,464.71	WWTP CHEMICALS	
EFT0000000000677	8/30/2023	Insight Public Sector, Inc.	10,957.64	Palo Partner Enabled Premium Support – extended service agreement renewal (1 year)	Yes
EFT0000000000678	8/30/2023	Valley Construction Management	13,330.00	Construction Management and Inspection Services	Yes
EFT0000000000679	8/30/2023	Harrington Industrial Plastics Inc	1,299.31	WTP SUPPLIES	Yes
EFT0000000000680	8/30/2023	Water for People	66.00	WTRPL 8/31/2023	
			<u>3,141,218.66</u>		

Olivenhain Municipal Water District
Monthly Directors Fee and Reimbursed Expenses for Directors and Staff
August 2023

<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	1,350.00
			0.00	0.00	0.00	0.00	1,350.00
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	1,350.00
			0.00	0.00	0.00	0.00	1,350.00
Director San Antonio			0.00	0.00	0.00	0.00	450.00
			0.00	0.00	0.00	0.00	450.00
Director Watt			0.00	0.00	0.00	0.00	1,500.00
			0.00	0.00	0.00	0.00	1,500.00
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 Fulks			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	

*July and August Per Diems.

Notes:

- (1) Reviewed and discussed with the Finance Committee (02/05/18).
- (2) Reimbursement of expenses are in compliance with Article 19 of the District's Administrative and Ethics Code.
- (3) Travel and other expenses charged to District's credit cards and paid by the District are recorded and maintained separately.

Memo

Date: September 20, 2023
To: Olivenhain Municipal Water District Board of Directors
From: Andrea Scott, Engineering Technician III
Via: Kimberly A. Thorner, General Manager
Subject: **CONSIDER ADOPTION OF A RESOLUTION MAKING CALIFORNIA ENVIRONMENTAL QUALITY ACT EXEMPTION FINDINGS FOR THE UNIT A RANCHO SANTA FE ROAD PIPELINE REPLACEMENT PROJECT AND AUTHORIZE A NOTICE OF EXEMPTION TO BE FILED WITH THE COUNTY CLERK, COUNTY OF SAN DIEGO**

Purpose

The purpose of this agenda item is to consider adoption of a resolution making California Environmental Quality Act (CEQA) exemption findings for the Unit A Rancho Santa Fe Road Pipeline Replacement Project (Project) and authorize a Notice of Exemption (NOE) to be filed with the County Clerk of San Diego.

Recommendation

Staff recommends adoption of the proposed Resolution which makes CEQA findings for declaration of the Project as an exempt project under California Public Resources Code 21080.21 and CEQA Guidelines Sections 15282(k) and 15302. Staff also recommends authorizing a NOE to be filed for the Project with the County Clerk of San Diego per CEQA Guidelines Section 15062.

Alternative(s)

The Board could elect to:

- Adopt the resolution and direct staff to not file the NOE which would increase the Statute of Limitations for filing protests against the Project from 35 days to 180 days; or
- Determine that CEQA is not required for the Project and not adopt the Resolution.

Background

The Project will replace approximately 1,600 feet of a 12" cement mortar lined and coated (CMLC) steel pipeline located along Rancho Santa Fe Road between Las Olas Court and Calle Acervo, within Director Division 3 (Guerin) and Director Division 5 (Meyers). The existing 12-inch potable water pipeline was installed in 1961 as part of a larger construction project including several miles of pipeline known as the Unit A pipeline.

In January of 2020, the stretch of pipe was inspected using Pipeline Inspection and Condition Analysis Corporation (PICA) to conduct electromagnetic remote field testing to identify defects. In June of 2020, the findings were included in an Inspection and Condition Assessment Report prepared by HDR Engineering Inc. and presented to the Board in August of 2020 with a recommendation to replace the pipeline.

On December 15, 2021, following a request for proposals in accordance with Administrative and Ethics Code Section 6, the Board awarded the preliminary and final design of the Project to Parsons. As part of preliminary design, Parsons prepared a Preliminary Design Report (PDR) to identify the proposed alignment. Staff then initiated final design and environmental review for the Project.

Fiscal Impact

The proposed work was included in the FY 24 budget under the Rancho Santa Fe Unit A North Pipeline Replacement Project (D120093).

Is this a Multi Fiscal Year Project? Yes

In which FY did this capital project first appear in the CIP budget? 2020

Total Project Budget: \$2,094,000

Current Fiscal Year Appropriation: \$2,094,000

To Date Approved Appropriations: \$2,094,000

Target Project Completion Date: January 2025

Expenditures and Encumbrances as of October 31, 2022: \$376,527

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 parallel to final design, the District contracted with Recon Environmental, Inc. (RECON), the District's current as-needed environmental consultant, to conduct an environmental review of the Project and determine if the project is a Categorical Exempt project under CEQA guidelines. CEQA Guidelines Section 15282(k) and 15302 allows for categorical exemptions for projects less than 1 mile in length and for the maintenance of existing facilities involving negligible or no expansion of existing use or capacity. Because the Project is replacing an existing pipeline within the above constraints, RECON's determination is the Project is Categorical Exempt under CEQA guidelines. Staff recommends adoption of the proposed Resolution and authorization for staff to file a NOE with the County Clerk of San Diego.

Following final design and successful public bid, the Project will be returned to the Board for their consideration to award a construction agreement with appropriate mitigation measures in place.

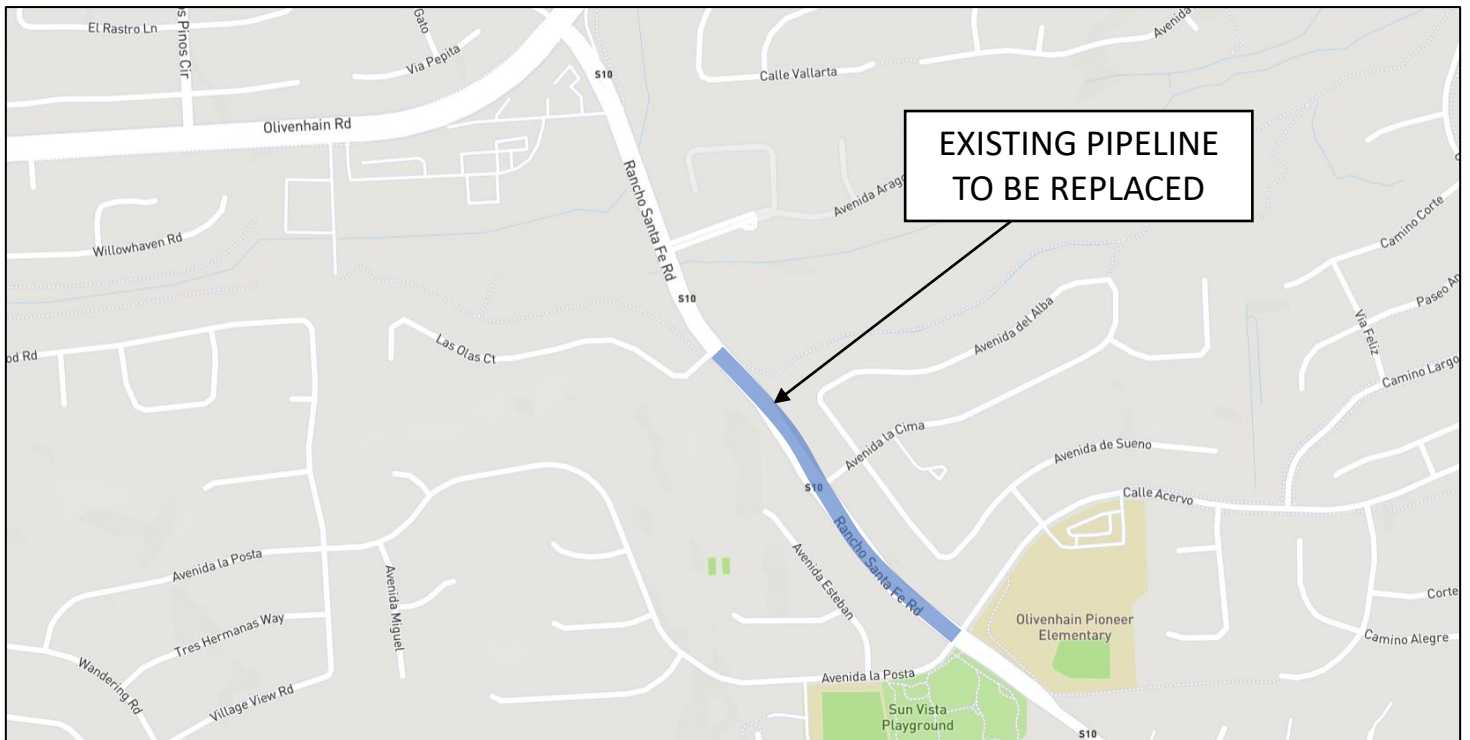
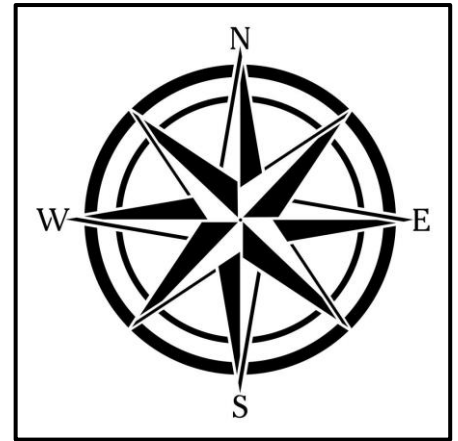
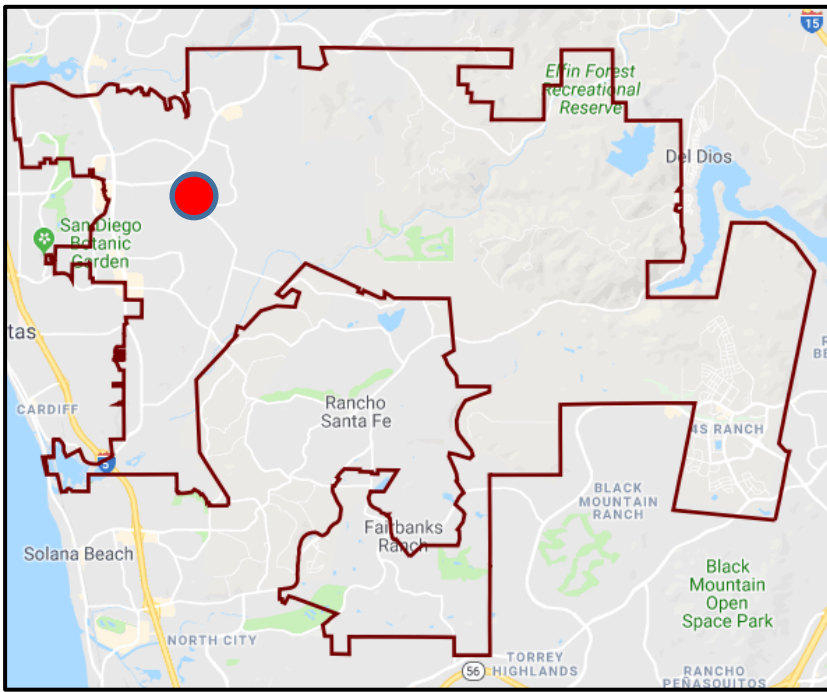
Staff is available to answer any questions.

Attachment(s):

Project Site Map

Resolution

NOE



LOCATION MAP

UNIT A RANCHO SANTA FE PIPELINE REPLACEMENT PROJECT

DISTRICT PROJECT NO. D120093

RESOLUTION NO. 2023-XX

RESOLUTION OF THE BOARD OF DIRECTORS OF THE OLIVENHAIN
MUNICIPAL WATER DISTRICT MAKING CALIFORNIA
ENVIRONMENTAL QUALITY ACT FINDINGS FOR THE UNIT A
RANCHO SANTA FE ROAD PIPELINE REPLACEMENT PROJECT AND
AUTHORIZING A NOTICE OF EXEMPTION FILED WITH THE COUNTY
CLERK, COUNTY OF SAN DIEGO

WHEREAS the Olivenhain Municipal Water District, is a water agency organized and operating pursuant to California Water Code Sections 71000 et seq; and

WHEREAS the Olivenhain Municipal Water District owns and operates a 12-inch diameter, cement-mortar lined steel potable water pipeline within public right-of-way in Rancho Santa Fe Road between Las Olas Court and Calle Acerco, all in City of Carlsbad, State of California; and

WHEREAS, the Unit A Rancho Santa Fe Road Pipeline Replacement Project entails the replacement approximately 1,700 linear feet or 0.3 miles of pipelines constructed in 1961; and

WHEREAS, pursuant to the CEQA Guidelines, the Olivenhain Municipal Water District Board of Directors has caused to be prepared a Notice of Exemption according to CEQA Guidelines Section 15062, stating that the project is exempt according to California Public Resource Code 21080.21 and CEQA Guidelines Section 15282(k) and 15302; and

NOW, THEREFORE, the Board of Directors of the Olivenhain Municipal Water District does hereby find, determine, resolve and authorize as follows:

SECTION 1: The foregoing facts are found and determined to be true and correct.

SECTION 2: In accordance with the California Environmental Quality Act Guidelines Section 15062, the Board of Directors hereby finds and determines that the Rancho Santa Fe Road Unit A North Pipeline Project is exempt from CEQA for the following reasons:

- 1) State CEQA Guideline § 15282(k) (Other Statutory Exemptions) allows for the installation of new pipeline or maintenance, repair, restoration, removal, or demolition of an existing pipeline as set forth in Section 21080.21 of the Public Resources Code, as long as the project does not exceed one mile in length.
- 2) State CEQA Guidelines § 15302 (Replacement or Reconstruction) allows for projects consisting of replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced.
- 3) The project consists of replacement of a portion of an existing water pipeline within the public right-of-way of Rancho Santa Fe Road, north to south from Las Olas Court to 400 feet north of Avendia La Posta. The proposed replacement of the pipeline is under a mile in length. No expansion of the existing pipeline is proposed; therefore, the project is exempt from CEQA under Sections 15302 and

15282(k).

SECTION 3: The Board of Directors of the Olivenhain Municipal Water District hereby authorize District Staff to file a Notice of Exemption with the County Clerk of the County of San Diego stating that the Unit A Rancho Santa Fe Road Pipeline Replacement Project is exempt from CEQA in accordance CEQA Guidelines Section 15282(k) and 15302.

PASSED, ADOPTED AND APPROVED at a regular meeting of the Board of Directors of Olivenhain Municipal Water District held on Wednesday, September 20, 2023.

Christy Guerin, President
Board of Directors
Olivenhain Municipal Water District

ATTEST:

Kimberly A. Thorner, Assistant Secretary
General Manager
Olivenhain Municipal Water District

Notice of Exemption

Appendix E

To: Office of Planning and Research
P.O. Box 3044, Room 113
Sacramento, CA 95812-3044

From: (Public Agency): Olivenhain Municipal Water District
1966 Olivenhain Road
Encinitas, CA 92024

(Address)

County Clerk

County of: San Diego

1600 Pacific Highway

San Diego, CA 92101

Project Title: Unit A Rancho Santa Fe Road Pipeline Replacement Project

Project Applicant: Olivenhain Municipal Water District

Project Location - Specific:

The project coordinates are Latitude 33.064863, Longitude -117.244256

Project Location - City: Carlsbad

Project Location - County: San Diego

Description of Nature, Purpose and Beneficiaries of Project:

The work includes the replacement of approximately 1,700 feet of a 12-inch-diameter potable water pipeline from Station 1+00 to Station 17+08+84, within Rancho Santa Fe Road, just south of the Olivenhain Municipal Water District's offices. The project area roughly extends north to south from Las Olas Court to approximately 400 feet north of Avenida La Posta and is within the Olivenhain Municipal Water District easements.

Name of Public Agency Approving Project: Olivenhain Municipal Water District

Name of Person or Agency Carrying Out Project: Olivenhain Municipal Water District

Exempt Status: **(check one):**

- ☐ Ministerial (Sec. 21080(b)(1); 15268)
- ☐ Declared Emergency (Sec. 21080(b)(3); 15269(a))
- ☐ Emergency Project (Sec. 21080(b)(4); 15269 (b)(c))
- ☒ Categorical Exemption. State Type and section number: 15302
- ☒ Statutory Exemptions. State code number: 15282(k)

Reasons why project is exempt:

State CEQA Guideline § 15282(k) (Other Statutory Exemptions) allows for the installation of new pipeline or maintenance, repair, restoration, removal, or demolition of an existing pipeline as set forth in Section 21080.21 of the Public Resources Code, as long as the project does not exceed one mile in length.

State CEQA Guidelines § 15302 (Replacement or Reconstruction) allows for projects consisting of replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced.

The project consists of replacement of a portion of an existing water pipeline within the public right-of-way of Rancho Santa Fe Road, north to south from Las Olas Court to 400 feet north of Avenida La Posta. The proposed replacement of the pipeline is under a mile in length. No expansion of the existing pipeline is proposed; therefore, the project is exempt from CEQA under Sections 15302 and 15282(k).

Lead Agency

Contact Person: Steven Weddle, Engineering Supervisor Area Code/Telephone/Extension: (760) 632-4221

If filed by applicant:

1. Attach certified document of exemption finding.
2. Has a notice of exemption been filed by the public agency approving the project? ☐ Yes ☐ No

Signature: _____ Date: _____ Title: General Manager

☒ Signed by Lead Agency ☐ Signed by Applicant

Authority cited: Sections 21083 and 21110, Public Resources Code.
Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.

Date Received for filing at OPR: _____

Memo

Date: September 20, 2023
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 7760 – 7770 EL CAMINO REAL FIRE DETECTOR CHECK INSTALL (AP BEACON CARLSBAD, L.P.) 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 potable water facilities constructed by AP Beacon Carlsbad, L.P., (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 7760 – 7770 El Camino Real Fire Detector Check (FDC) Installation Project is located on El Camino Real, south of La Costa Avenue in Director Division 2 (Watt). The project consisted of the installation of one FDC.

OMWD entered into an agreement with the Developer in May of 2022 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.

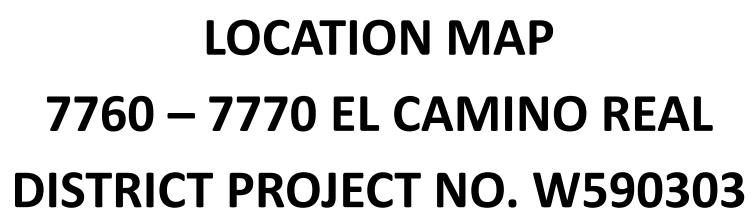
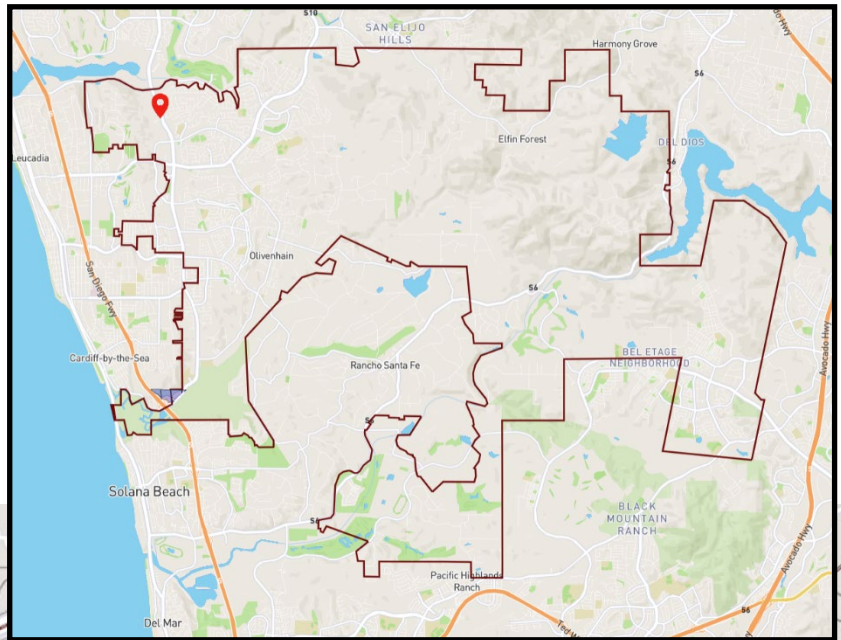
Discussion

Staff is available to answer questions.

Attachments:

Location Map

Notice of Completion



**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 216-124-16-00 of Map No. 10283, recorded on July 30th, 1980. Recording located in the County of San Diego, State of California for which AP Beacon Carlsbad, L.P., ("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 as of August 23, 2023. The facilities have been accepted by the Board of Directors of the OLIVENHAIN MUNICIPAL WATER DISTRICT on this 20th day of September 2023.

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: September 20, 2023
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 18128 VIA ROSWITHA FIRE DETECTOR CHECK
INSTALL (ANN C. KESSLER) 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 potable water facilities constructed by Ann C. Kessler (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 and to OMWD's Standard Specifications and Drawings per the Development Construction Agreement.

Background

The 18128 Via Roswitha Fire Detector Check (FDC) Installation Project is located on Via Roswitha, north of El Camino del Norte in Director Division 1 (San Antonio). The project consisted of the installation of one FDC.

OMWD entered into an agreement with the Developer in June of 2022 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.

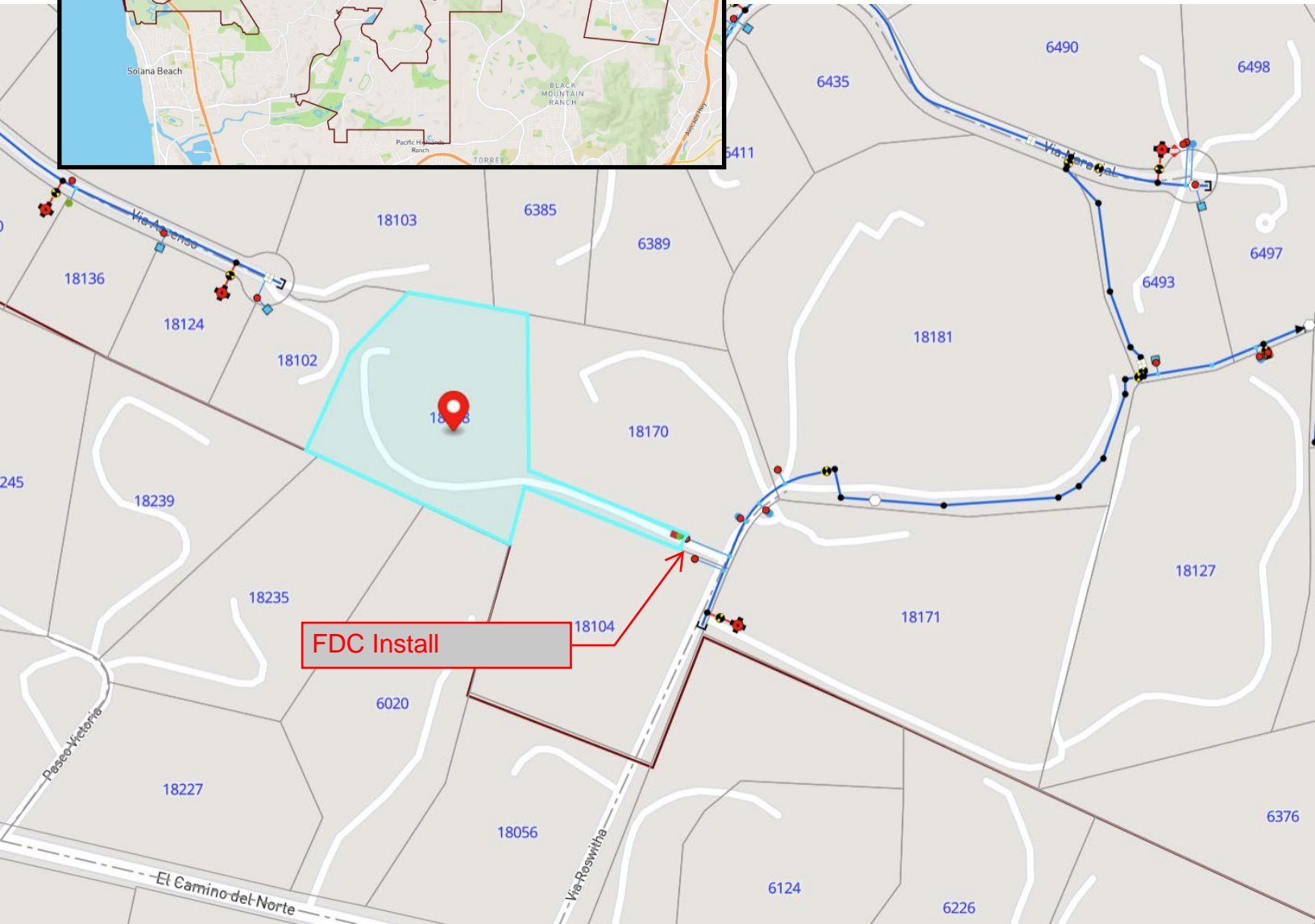
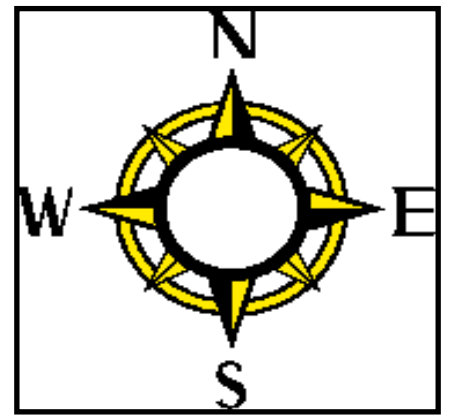
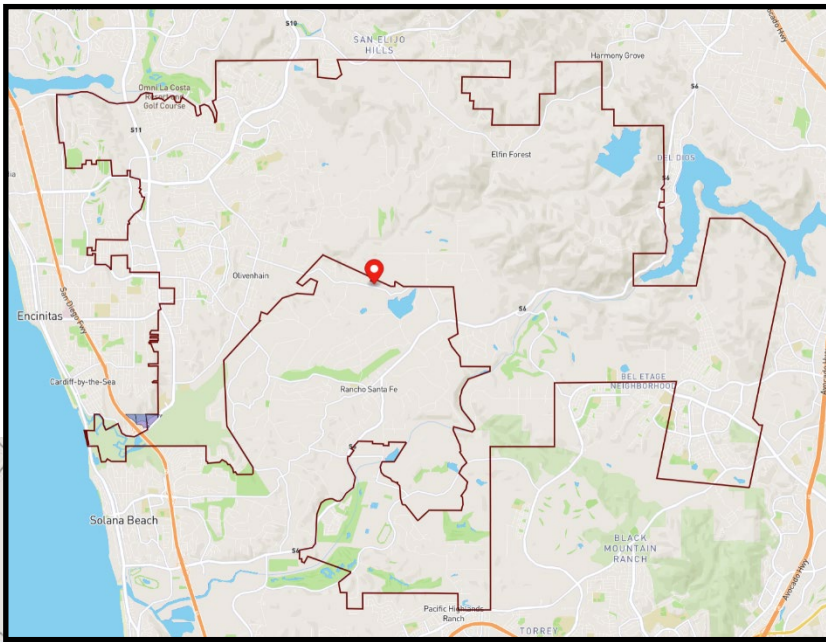
Discussion

Staff is available to answer questions.

Attachments:

Location Map

Notice of Completion



LOCATION MAP
18128 VIA ROSWITHA
DISTRICT PROJECT NO. W590307

**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 265-442-31-00 of Map No. 11899, recorded on September 17th, 1987. Recording located in the County of San Diego, State of California for which Ann C. Kessler, ("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 as of August 23rd, 2023. The facilities have been accepted by the Board of Directors of the OLIVENHAIN MUNICIPAL WATER DISTRICT on this 20th day of September 2023.

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: September 20, 2023
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 CALLE HERMOSA MAIN EXTENSION 260, FIRE HYDRANT, AND WATER SERVICE INSTALL (DONALD D. ADAIR) 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 potable water facilities constructed by Donald D. Adair (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 and to OMWD's Standard Specifications and Drawings per the Development Construction Agreement.

Background

The potable water facilities were installed by the Developer on Calle Hermosa, north of Artesian Road in Director Division 1 (San Antonio). The project consisted of the installation of a water main extension, fire hydrant, and water service.

OMWD entered into an agreement with the Developer in March of 2023 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.

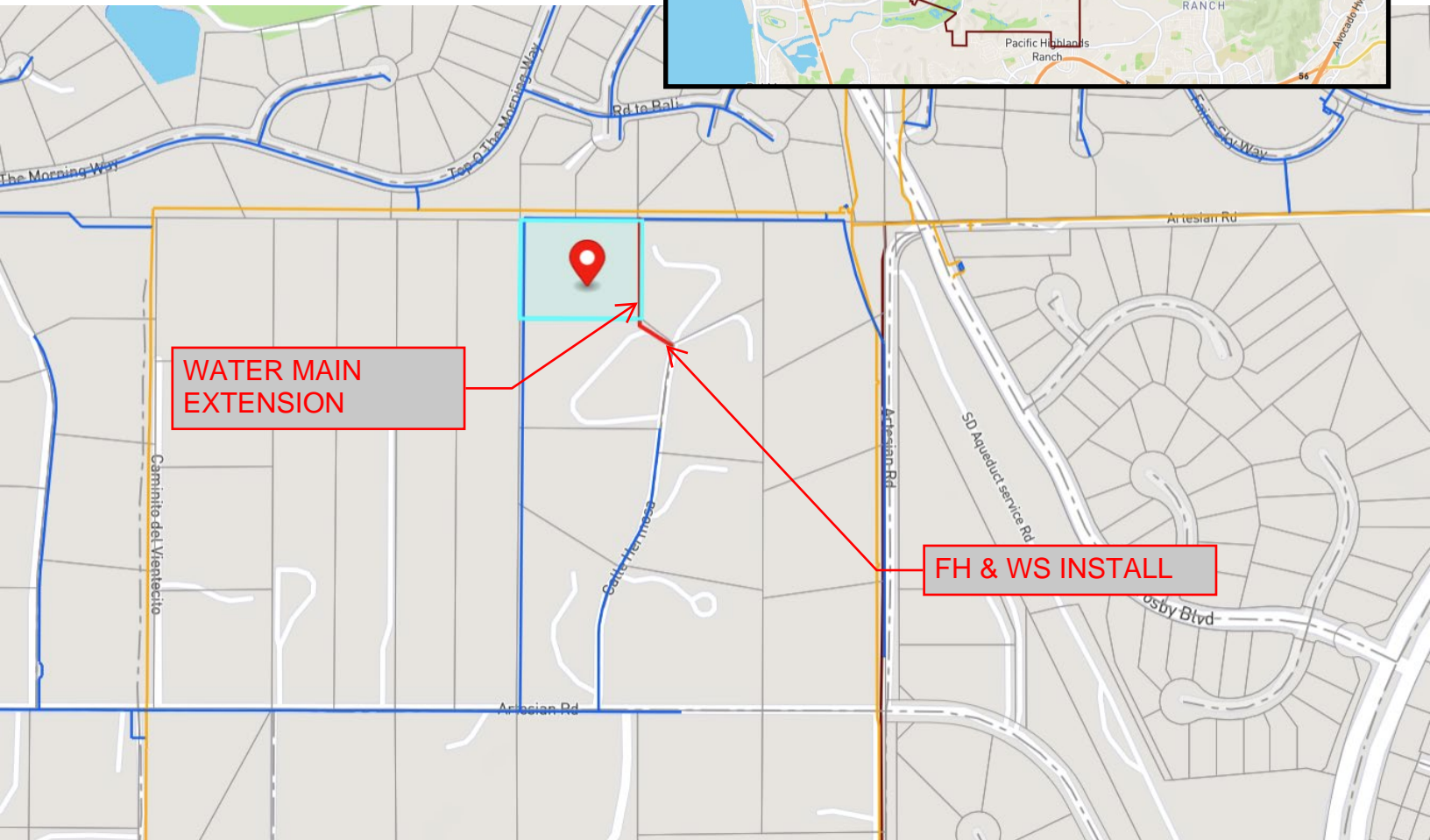
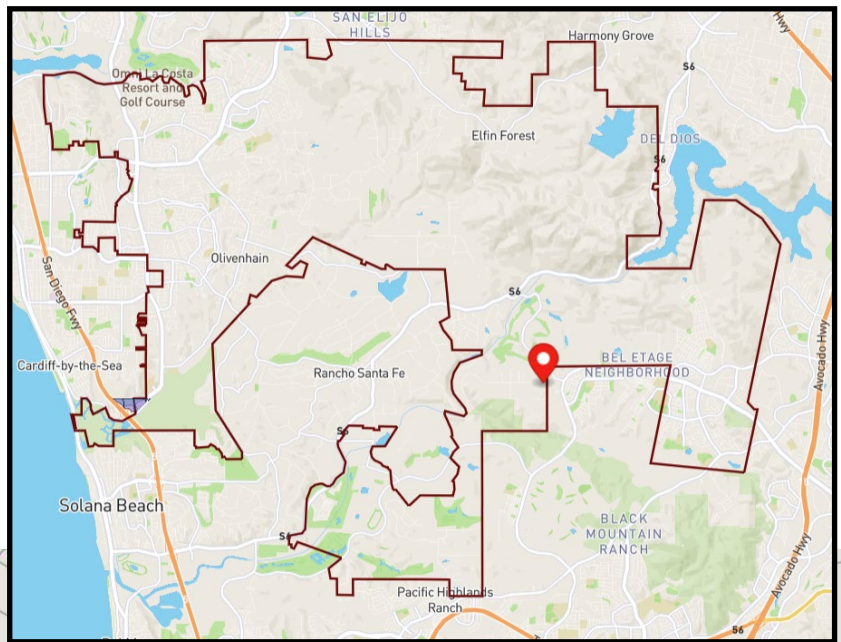
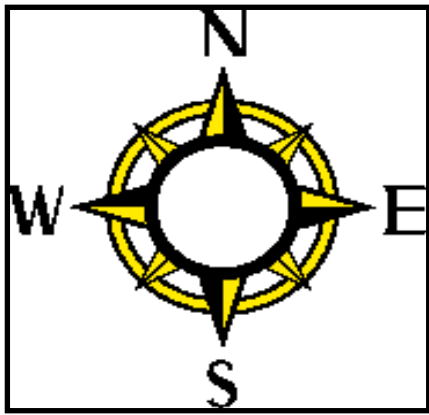
Discussion

Staff is available to answer questions.

Attachments:

Location Map

Notice of Completion



LOCATION MAP
CALLE HERMOSA MAIN EXT 260, FH, & WS INSTALL
DISTRICT PROJECT NO. W560017

**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 267-147-11-00 of Map No. 16319, recorded on Date of Map Recording located in the County of San Diego, State of California for which Donald D. Adair, ("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 OMWD Standard Specifications and Drawings as of August 23rd of 2023. The facilities have been accepted by the Board of Directors of the OLIVENHAIN MUNICIPAL WATER DISTRICT on this 20th day of September 2023.

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

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

OLIVENHAIN MUNICIPAL WATER DISTRICT

Date: _____, 20__

By: _____

Kimberly A. Thorner
General Manager

District Project No. W560017 – Main Ext. 260 Calle Hermosa FH and WS Install

Memo

Date: September 20, 2023
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 17082 THORNMINT COURT SEWER LATERAL INSTALL (ASML) 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 ASML (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 sewer 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 17082 Thornmint Court Sewer Lateral Installation Project is located on Thornmint Court, north of Thornmint Road in Director Division 4 (Hahn). The project consisted of the installation of a sewer lateral.

OMWD entered into an agreement with the Developer in June of 2023 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.

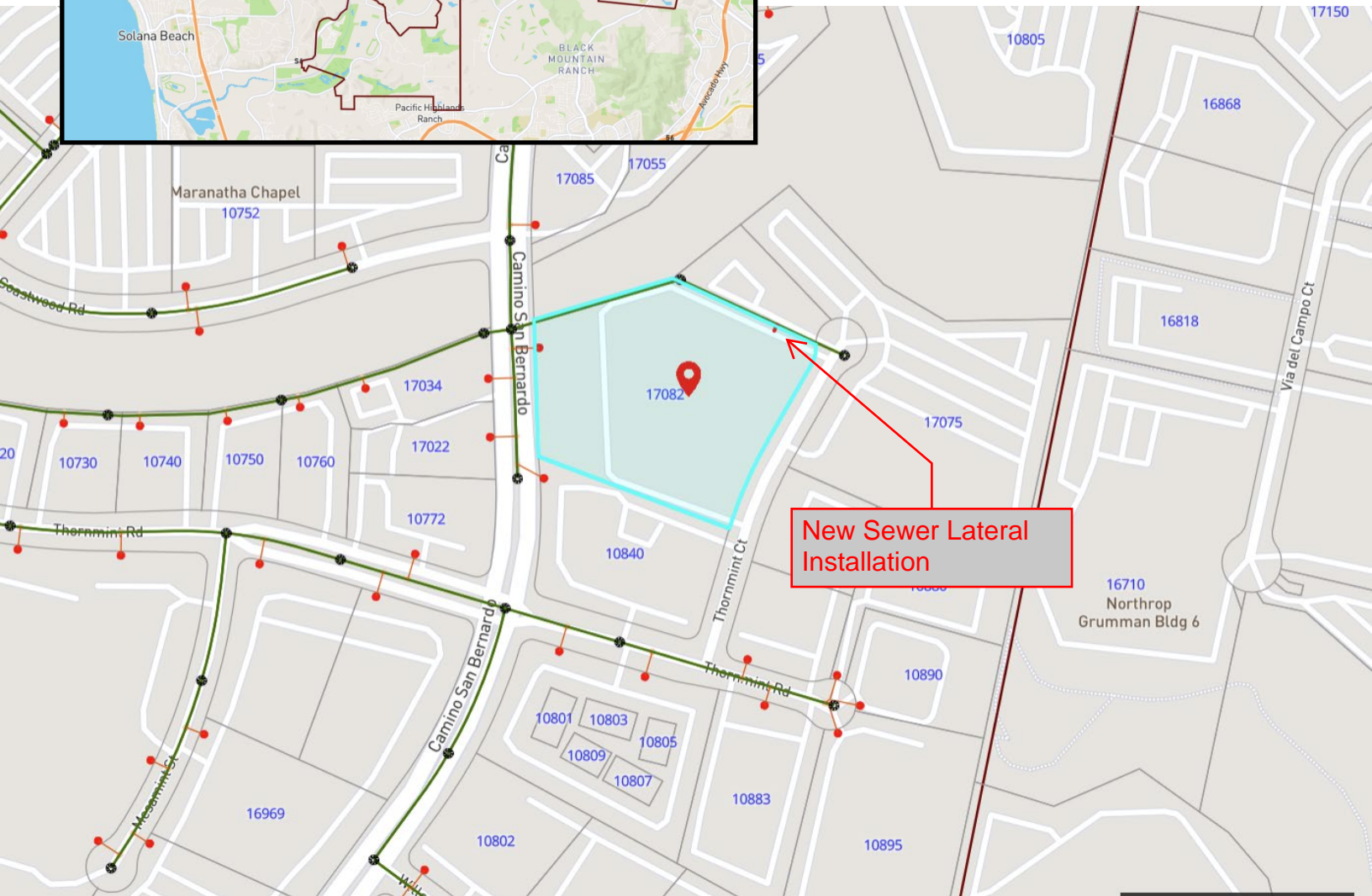
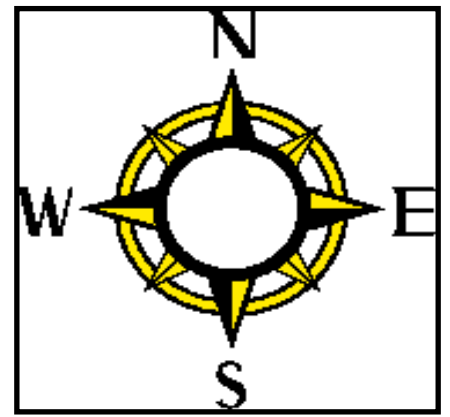
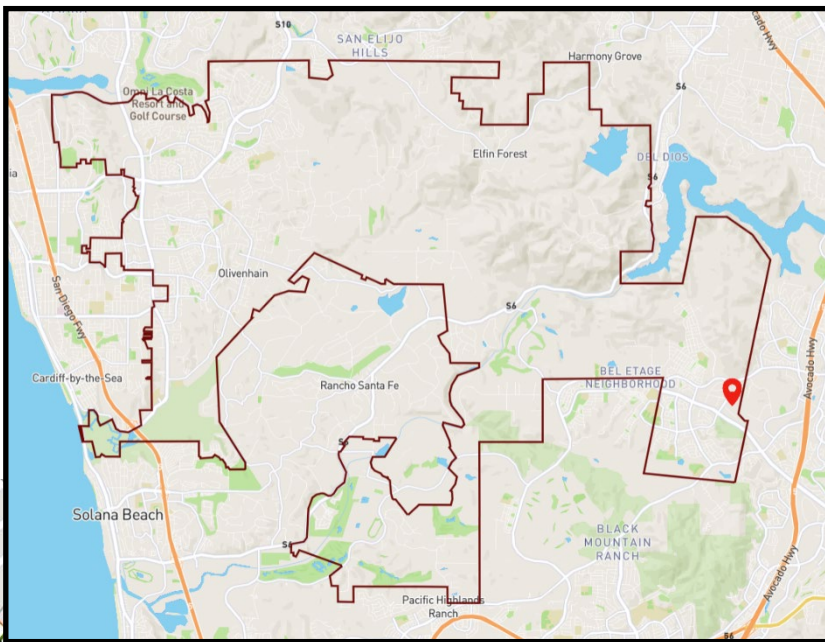
Discussion

Staff is available to answer questions.

Attachments:

Location Map

Notice of Completion



LOCATION MAP
17082 THORNMINT CT
DISTRICT PROJECT NO. W590302

**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 678-291-35-00 of Map No. 11984, recorded on January 7th, 1988 of Map Recording located in the County of San Diego, State of California for which ASML, ("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 as of July 27th, 2023. The facilities have been accepted by the Board of Directors of the OLIVENHAIN MUNICIPAL WATER DISTRICT on this 20th day of September 2023.

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: September 20, 2023
To: Olivenhain Municipal Water District Board of Directors
From: Paul Martinez, Engineering Technician I
Via: Kimberly A. Thorner, General Manager
Subject: **CONSIDER APPROVAL OF PRIVATE ENCROACHMENT PERMIT NO. 422 FOR PHILIP D. WICKHAM AND MALLORY WICKHAM, TO PAVE WITHIN EASEMENT 319 LOCATED AT 1252 BERRYMAN CANYON AND ORDER THE PERMIT BE RECORDED**

Purpose

The purpose of this agenda item is to consider approval to enter into Encroachment Permit No. 422 which is an encroachment permit agreement with Philip D. Wickham and Mallory Wickham for the encroaching facilities to serve 1252 Berryman Canyon in the City of Encinitas. The facilities encroach upon OMWD's Water Easement No. 319 (Exhibit C). Approval would additionally authorize the General Manager to sign the Encroachment Permit on behalf of OMWD for recordation by the County of San Diego Recorder's Office.

Recommendation

Staff recommends approval of Encroachment Permit No. 422 and authorization for the General Manager to sign the permit on behalf of OMWD. The proposed encroaching facilities have been reviewed and approved by OMWD staff.

Alternative(s)

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

Background

The encroaching facilities will be installed within OMWD's water Easement No. 319 at 1252 Berryman Canyon in Director Division 3 (Guerin). The encroaching facilities consist of pavers installed no closer than 5 feet to the water main, and concrete installed over the pipeline with 10-foot section joints located within the easement, as outlined in Exhibit B. These improvements are to facilitate requested fire department access and turnaround radius to the residence. The Engineering Department has verified minimum horizontal separation has met or exceeded District standards. Any approved encroachment, including the concrete installed over the pipeline, will be replaced at the owner's expense if required.

Fiscal Impact

There is no fiscal impact to OMWD in approving Encroachment Permit No. 422. The Encroachment Permit Agreement stipulates that the permittee is responsible for all costs incurred to remove and rebuild the encroaching facilities should the District need access to their facilities within the easement. The permit also sets forth the District's limitations of liability for any damage to the encroaching facilities which may be caused by the District's use of the easement.

Discussion

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

Attachments:

Location Map

Encroachment Permit Agreement No. 422

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

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

(This space for recorder's use)
A.P.N. No. 262-080-26-00

**OLIVENHAIN MUNICIPAL WATER DISTRICT
PRIVATE ENCROACHMENT PERMIT AGREEMENT NO. 422**

THIS ENCROACHMENT PERMIT No. Permit No. 422 (hereinafter "Agreement") entered into by and between the OLIVENHAIN MUNICIPAL WATER DISTRICT organized and existing pursuant to the Municipal Water District Act of 1911, California Water Code §71000, et seq. (hereinafter "DISTRICT"), and PHILIP D. WICKHAM and MALLORY WICKHAM (hereinafter "PERMITTEE").

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

1. The DISTRICT presently holds title to an easement as more particularly described in the DISTRICT's document no. 319, recorded May 17, 1976, as File/Page 76-147996, Official Records, San Diego County, not attached hereto, but incorporated herein by reference.
2. PERMITTEE desires to encroach upon this easement.
3. PERMITTEE is the owner of property described in Exhibit "A" attached hereto.
4. The parties agree that PERMITTEE shall be entitled to encroach upon this easement only to the extent and in the manner specified in this Agreement. No other encroachments shall be allowed without the express prior written consent of the DISTRICT.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

13. Agreement as Covenant Running with Land and Binding on Successors: The parties expressly agree that this Agreement shall be construed as a valid and binding equitable servitude and covenant running with the land which shall be binding upon the heirs, personal representatives,

successors, assigns, or transferees of the parties hereto. The parties expressly waive the right to challenge the enforceability of this Agreement as a legal and binding equitable servitude and covenant running with the land in any subsequent arbitration or litigation between the parties or their successors.

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

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

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

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

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

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

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

21. Effective Date: The effective date of this permit is _____, 2023.

22. Board of Director's Approval: This Agreement is executed by the DISTRICT pursuant to Board action of September 20th, 2023.

“DISTRICT”

OLIVENHAIN MUNICIPAL WATER DISTRICT

Dated: _____, 2023

By: _____
Kimberly A. Thorner
General Manager

“PERMITTEE”

PHILIP D. WICKHAM AND MALLORY WICKHAM

Dated: _____, 2023

By: _____
Philip D. Wickham

Dated: _____, 2023

By: _____
Mallory Wickham

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

EXHIBIT "A"

Sheet 1 of 2

Legal Description

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF ENCINITAS, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL A:

PARCEL 2 OF PARCEL MAP 3725, IN THE CITY OF ENCINITAS, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, APRIL 24, 1975.

PARCEL B:

AN EASEMENT AND RIGHT OF WAY FOR ROAD AND PUBLIC UTILITY PURPOSES OVER, UNDER, ALONG AND ACROSS THE NORTHERLY 30.00 FEET OF THAT PORTION OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 23, TOWNSHIP 13 SOUTH, RANGE 4 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF ENCINITAS, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

BEGINNING AT THE INTERSECTION OF THE NORTHERLY LINE OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 23, WITH THE EASTERLY LINE OF THE WESTERLY 920.00 FEET OF SAID SOUTHEAST QUARTER OF THE NORTHEAST QUARTER; THENCE ALONG THE NORTH LINE OF SAID SOUTHEAST QUARTER OF THE NORTHEAST QUARTER, SOUTH 89° 41' 50" EAST, 31.59 FEET TO THE NORTHEASTERLY CORNER OF THE LAND DESCRIBED IN DEED TO DALE WOODWARD RECORDED SEPTEMBER 19, 1962 AS FILE NO. 161482 OF OFFICIAL RECORDS; THENCE SOUTH 00° 03' 05" EAST 168.20 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING SOUTH 00° 03' 50" EAST 251.80 FEET TO THE SOUTHEAST CORNER OF SAID LAND; THENCE ALONG THE SOUTHERLY LINE OF THE NORTHERLY 420.00 FEET OF SAID SOUTHEAST QUARTER OF THE NORTHEAST QUARTER, NORTH 89° 41' 50" WEST 344.09 FEET TO THE EAST LINE OF THE WESTERLY 609.00 FEET OF SAID SOUTHEAST QUARTER OF THE NORTHEAST QUARTER; THENCE ALONG SAID EAST LINE NORTH 00° 09' 09" EAST 251.80 FEET TO TO A LINE WHICH BEARS NORTH 89° 41' 50" WEST FROM THE TRUE POINT OF BEGINNING; THENCE SOUTH 89° 41' 50" EAST 343.20 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL C:

AN EASEMENT FOR ROAD AND UTILITY PURPOSES OVER, UNDER, ALONG AND ACROSS THE WESTERLY 40.00 FEET OF THE EASTERLY 400.00 FEET OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 23, TOWNSHIP 13

EXHIBIT "A"
Sheet 2 of 2

SOUTH, RANGE 4 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF ENCINITAS, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPTING THEREFROM THAT PORTION LYING NORTHERLY OF THE NORTHERLY LINE OF PARCEL B HEREINABOVE DESCRIBED.

ALSO EXCEPTING THEREFROM THAT PORTION IF ANY, LYING WITHIN THE WESTERLY 920.00 FEET OF SAID SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 23.

PARCEL D:

AN EASEMENT FOR ROAD AND UTILITY PURPOSES OVER, UNDER, ALONG AND ACROSS THE SOUTHERLY 40.00 FEET OF THE EASTERLY 360.00 FEET OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 23, TOWNSHIP 13 SOUTH, RANGE 4 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF ENCINITAS, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

APN 262-080-26-00

EXHIBIT “B”
Sheet 1 of 2

1. **Encroachment Facilities:**

- A. Please see Exhibit ‘B’ sheet 2 of 2 for layout regarding encroaching facilities through Easement No. 319.

2. **Encroachment Area:**

The encroachment facilities encroach upon District Easement No. 319 as shown on Exhibit ‘C’ sheet 1 of 1.

3. **Special Conditions of Encroachment:**

A. No facilities other than those identified in this encroachment permit shall be placed within the DISTRICT’s easement without the DISTRICT’s prior written approval.

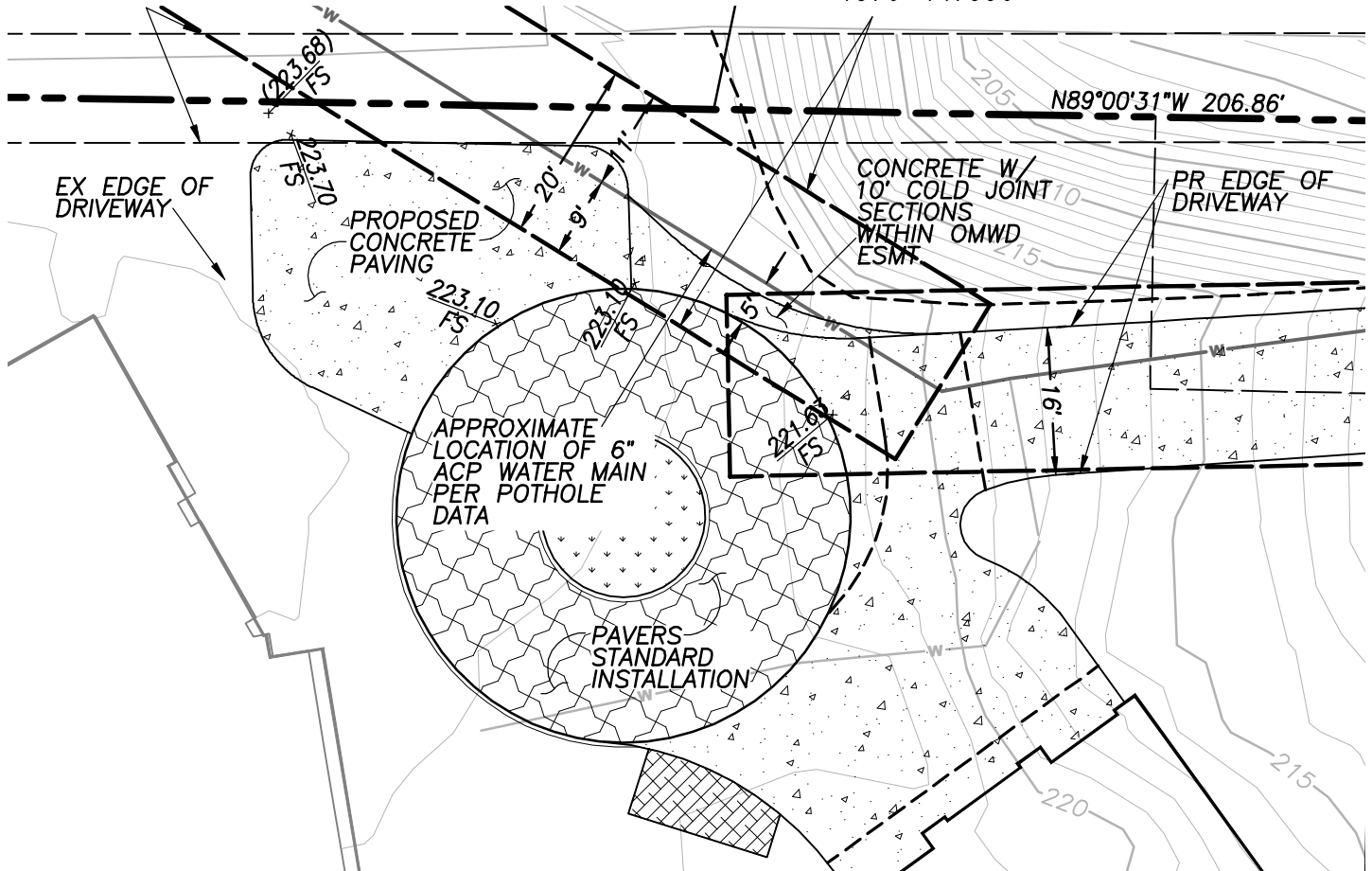
B. The DISTRICT shall not be responsible for the placement of encroaching facilities placed within the easement area should they be required to be removed for installation, construction, repair, relocation or maintenance of DISTRICT facilities or any other work undertaken at the sole discretion of the DISTRICT.

C. No work may begin or proceed without direction of DISTRICT’s Inspector. Contractor shall notify the DISTRICT inspections department 48 hours prior to the beginning of work to arrange for inspection of the project. The Contractor must call "Dig Alert of Southern California" to have underground service utilities located prior to construction. This call will be made at least 48 hours in advance prior to any work being performed in public right-of-way. (Dig Alert phone: 800-227-2600).

Exhibit B 2 of 2

EXISTING 20'
WATER ESMT.
PER DOC. NO.
1976-147996

EXISTING 12'
SDGE ESMT.



LEGEND:

PROPERTY LINE.....

OMWD EASEMENT LINE.....

EXISTING 6" ACP WATER MAIN.....

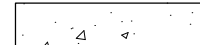
PROPOSED CONCRETE PAVING.....

DRIVEWAY PAVERS PATAGONIA GREY 4x4 COBBLE.....

GRASSCRETE PAVING.....

LANDSCAPE AREA.....

-----W-----



SCALE 1" = 20'

PREPARED BY:

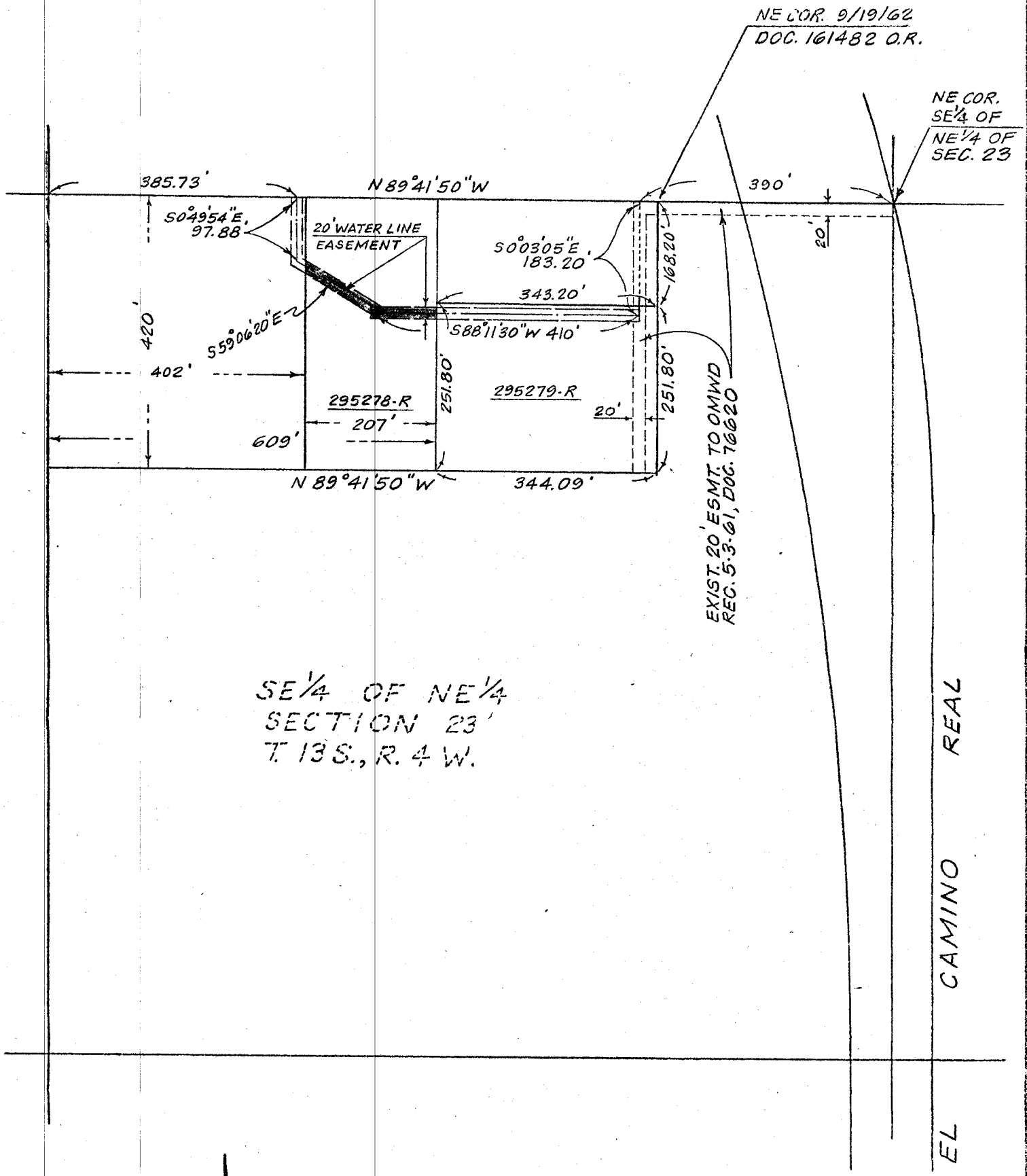


FUSION ENG TECH
1810 GILLESPIE WAY #207
EL CAJON, CA 92020
(619) 736-2800

OMWD ENCROACHMENT
EXHIBIT
1252 BERRYMAN CANYON

CITY OF ENCINITAS, CALIFORNIA

Ex. B
Sheet
2
OF
2

Exhibit C
1 of 1

Tax Par. # 262-080-02

Base Map # 7

PLAT
of easements required by the
Olivenhain Municipal Water District
SUMMERFIELD ENCINITAS UNIT 7 &
REPORT ITEM 8

Prepared by:
Boyle Engineering Corporation

C-001-193-01
C.A.N. C-001-156-01
R/W #295278-R (REV.)
Date: 4-30-75

E00319-5

Memo

Date: September 20, 2023
To: Olivenhain Municipal Water District Board of Directors
From: Kimberly A. Thorner, General Manager
Subject: **CONSIDER ADOPTION OF A RESOLUTION OF THE BOARD OF DIRECTORS OF THE OLIVENHAIN MUNICIPAL WATER DISTRICT HONORING TERESA CHASE FOR 25 YEARS OF DEDICATED SERVICE**

Purpose

The purpose of this item is to consider the attached Resolution for presentation to Administrative Analyst, Teresa Chase for her 25 years of service.

Recommendation

Staff recommends that the Board approve the attached Resolution.

Background

Traditionally and as part of the "Employee Service Recognition and Retirement Guidelines," District employees receive resolutions upon attaining 25 years of service and/or upon retiring with more than 20 years of service.

RESOLUTION NO. 2023-XX

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
OLIVENHAIN MUNICIPAL WATER DISTRICT HONORING
TERESA CHASE FOR 25 YEARS OF DEDICATED SERVICE

WHEREAS, the Olivenhain Municipal Water District is a public agency of the State of California, organized and existing in accordance with the Municipal Water District law of 1911, Section 71000 of the Water Code of the State of California; and

WHEREAS, TERESA CHASE has served the Olivenhain Municipal Water District (District) for 25 years through exceptional support of the entire district; and

WHEREAS, TERESA CHASE began serving the District on September 3, 1998 as a Community Services Representative/Administrative Assistant; and

WHEREAS, TERESA CHASE over the last 25 years has also served as Education & Conservation Coordinator, Staff Analyst, and Administrative Analyst; and

WHEREAS, TERESA CHASE'S dedicated commitment to the customers and employees of the District has made the District a brighter and better place, and has also made her an exceptional OMWD tour guide providing engaging public tours over the years; and

WHEREAS, TERESA CHASE has been creating social media posts for OMWD since 2013; and

WHEREAS, TERESA CHASE'S contributions to the OMWD's Consumer Confidence Reports, Annual Objectives reports and tracking, and Watching Water Newsletters have been invaluable; and

WHEREAS, TERESA CHASE has volunteered countless hours helping coordinate volunteer drives, holiday events, and birthday celebrations; and

WHEREAS, TERESA CHASE wins the award for biggest costume collection; and

WHEREAS, TERESA CHASE'S innovation, proofreading skills, and creativity are appreciated; and

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

Section 1: The Board of Directors, on behalf of the ratepayers of the District, do hereby express their appreciation and honor TERESA CHASE for her 25 years of dedicated public service and commitment to serve the Olivenhain Municipal Water District.

Section 2: The contributions and dedication of TERESA CHASE have contributed greatly to achieving the mission of the Olivenhain Municipal Water District.

PASSED, ADOPTED AND APPROVED at a regular meeting of the Board of Directors on the 20th day of September 2023.

ATTEST:

Christy Guerin, President
Board of Directors
Olivenhain Municipal Water District

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

Memo

Date: September 20, 2023

To: Olivenhain Municipal Water District Board of Directors

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

Via: Kimberly A. Thorner, General Manager

Subject: **CONSIDER APPROVAL OF AN AGREEMENT BETWEEN OMWD AND THE PUN GROUP, LLP FOR PROFESSIONAL AUDITING SERVICES FOR THE THREE YEARS ENDING JUNE 30, 2024, 2025 AND 2026 IN THE AMOUNT OF \$108,182 AND AUTHORIZE THE GENERAL MANAGER TO SIGN THE AGREEMENT ON BEHALF OF THE DISTRICT**

Purpose

Staff is requesting the Board to consider approval of the professional auditing services agreement for three fiscal years ending June 30, 2024, 2025, and 2026 with The Pun Group, LLP in the amount of \$108,182 and authorize the General Manager to sign on the behalf of the District.

The agreement has been reviewed by the District's General Counsel, Alfred Smith.

Recommendation

This item was discussed with the Finance Committee (Director Meyers and Director Watt) at its special meeting on August 8, 2023, where two firms were interviewed by the Committee, The Pun Group, LLP and Davis Farr, LLP. The Pun Group, LLP, the District's current auditor, was recommended by the Committee for the Board's consideration and approval.

Alternative

Staff could release a second Request for Proposals for auditing services and conduct a second round of interviews of audit firms.

Background

Staff sent out a Request for Proposals for auditing services to six public accounting firms in California that specialize in governmental auditing. These firms were recommended by other San Diego County Water Authority member agency Fiscal Officers. A copy of the District's Request for Proposals for auditing services was also posted on the website so that other firms could participate in the process. The District received a total of two proposals for auditing services from qualified public accounting firms (The Pun Group, LLP and Davis Farr, LLP).

The proposals were distributed to the Finance Committee (Director Meyers and Director Watt) for discussion at the August 8th Committee meeting. The Finance Committee also conducted interviews of the two firms at the meeting, where questions related to qualifications, experience, the importance of auditor independence were asked and discussed. Following the interviews and discussion, the Committee recommended that staff bring a 3-year agreement with The Pun Group, LLP for audit services to the full Board for consideration and approval.

Fiscal Impact

The total cost of professional auditing services for water and wastewater operations as shown in the attached auditing service agreement over the next three fiscal years (fiscal years 2024, 2025, and 2026) would be \$108,182. This is inclusive of Single Audit costs, should the District expend over \$750,000 in federal grant funds in a given year.

Discussion

The Pun Group, LLP is a full service Certified Public Accounting Firm licensed to do business in the State of California with expertise in auditing services for special districts and cities. The Pun Group, LLP has provided auditing services for several water and wastewater districts in California, including Santa Fe Irrigation District, Padre Dam Municipal Water District, San Elijo Joint Powers Authority, and the Sweetwater Authority.

The Pun Group, LLP has served as the District's current auditor for the past five fiscal years. The Pun Group agrees to provide audit services requested by the District at all times in accordance with all applicable federal, state, and local laws and regulations which apply to the professional services being provided.

Section 3.4 of the District's Administrative and Ethics Code indicates that the Board shall consider the employment of a different auditor every 4 to 5 years. California Government Code section 12410.6. (b) requires that a local agency not have the same lead audit partner, or the coordinating audit partner having primary responsibility for the audit, or the audit partner responsible for reviewing the audit for the local agency for six consecutive years.

In order to comply with the above requirements, and to ensure auditor independence, the Pun Group, LLP will rotate the lead partner and the audit team responsible for the District's audit through the agreement period (fiscal year end 2024, 2025, 2026 audits).

A copy of the agreement between the District and The Pun Group, LLP is attached for the Board's review and consideration.

Staff and Mr. Kenneth Pun, Managing Partner at The Pun Group, LLP, will be available during the meeting for discussion.

Attachment: DRAFT Agreement with Exhibit A (the Pun Group proposal).

**AUDITING SERVICES AGREEMENT BETWEEN THE PUN GROUP LLP AND
OLIVENHAIN MUNICIPAL WATER DISTRICT**

This Agreement is entered into by and between the Olivenhain Municipal Water District, a Municipal Water District organized and operating pursuant to Water Code Sections 71000 *et seq.* (hereinafter the District) and The Pun Group, LLP, a public accounting firm with license to practice professional auditing services and operate in the State of California (hereinafter “The Pun Group”).

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

1. The District is a public agency organized and operating pursuant to Water Code Sections 71000 *et seq.*, which provides water, recycled water, and sewer service within certain areas of Northern San Diego County.
2. The District is in need of professional auditing services for the following project: Audited Financial Statements, Notes to the Financial Statements, and Required Supplementary Information (RSI) for its Potable Water, Recycled Water, and Wastewater operations (hereinafter referred to as “the Project”).
3. The Pun Group is a public accounting firm licensed to do business in the State of California with expertise in auditing and single audit services for special districts.
4. The District desires to retain The Pun Group to perform independent audits of the District’s financial statements in accordance with Generally Accepted Auditing Standards to include tests of the District’s accounting records and other procedures necessary to express an unmodified opinion on the financial position of the District as of June 30 and the result of its operations for the years then ending, and to perform an agreed-upon procedures applied to Appropriations Limitations prescribed by Article XIII-B of the California Constitution as well as to perform special reviews as requested by the District’s Board of Directors and Staff.
5. The Pun Group will perform the following services for the District:

- Audit of the financial statements of the District in accordance with Generally Accepted Auditing Standards (GAAS) set forth by the American Institute of Certified Public Accounts (AICPA) in the Statement of Auditing Standards. Additionally, the audit shall be made in accordance with auditing standards as required by *Government Auditing Standards* issued by the Comptroller General of the United States, Single Audit Act in accordance with the Uniform Guidance – Part 200 – *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. The objective of the audits is to enable The Pun Group to issue an unmodified opinion on the District's financial position as of June 30, 2024, 2025, and 2026. The Pun Group will submit a final draft of the Audited Financial Statements, Notes to the Financial Statements, and Required Supplementary Information (RSI), no later than October 31th for the Finance Committee. The Pun Group will then provide one electronic copy of the independent auditor's report shortly thereafter.
- Assist with the preparation of the District's Annual Comprehensive Financial Report in accordance with Generally Accepted Accounting Principles (GAAP) as applicable to government agencies.
- Observe and evaluate the adequacy of the District's system of internal control, accounting procedures, and other significant observations and make recommendations as appropriate. Upon completion of the interim fieldwork, any deficiencies in the internal control system should be communicated to the Finance Manager and General Manager.
- Preparation of a report to management noting significant audit findings discovered in the course of the audit.
- An opinion on the fair presentation of the District's financial statements in conformity with generally accepted accounting principles.
- Perform an agreed-upon procedures report on the District's appropriations limitation to meet the requirements of Article XIII-B of the California Constitution.

- Presentations of audit result and findings as well as key financial ratios for assessing the District's financial health to Finance Committee and to the Board of Directors.

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

1. Services to Be Performed. The services to be provided by The Pun Group are more particularly described in the Proposal attached hereto as Exhibit "A" and incorporated herein by reference. All work performed by The Pun Group shall be subject to review and approval by the District. The District shall have no obligation to approve any work found defective by the District, in its sole discretion.

2. Correction of Defective Work. The Pun Group agrees to correct defective work found by the District at The Pun Group's sole cost and expense. All work found defective by the District shall be corrected in the time specified by the District by written notice to The Pun Group.

3. Price for Work. The Pun Group agrees to perform all services included in Exhibit "A" for a total price not to exceed \$108,182 for the three fiscal years ended June 30, 2024, June 30, 2025, and June 30, 2026. No increase in this price shall be allowed without the express written consent of the District. The District shall have no obligation to grant this consent and may deny consent to any price increase, in its sole discretion. The District may in its sole discretion decide to extend the contract for two (2) additional fiscal years.

4. Payment for Work. The Pun Group shall submit to the District a progress billing for services rendered up to a maximum of 90% of Total Professional Fees for the appropriate year. The remaining 10% of the professional fees shall not be due until all final reports are delivered and accepted by the District in writing. All bills shall be subject to review and approval by the District. Invoices approved by the District will be paid on a monthly basis thirty (30) days after the invoice has been approved by the District. The District shall have no obligation to pay for any work not expressly approved by the District. The District's approval shall not be unreasonably withheld. The Pun Group shall provide the District with any additional information

requested by the District from time to time to support any item contained on an invoice no later than seven (7) days after a written request for this information from the District.

5. Extra Work. The District may request extra work or additional agreed-upon services from The Pun Group from time to time, as the District shall determine, in its sole discretion. The Pun Group shall not commence any additional work or services without the District's written consent and approval. Additional services or work performed by The Pun Group without approval from the District will not be paid for by the District. In the event the District determines that additional work is warranted and justified, the parties shall agree on the additional work to be performed and the price to be paid for this additional work prior to commencement of any additional work by The Pun Group. It is understood by the parties that The Pun Group shall not be entitled to any payment for additional services unless the District determines that it desires extra work to be performed and a written request for agreed-upon services has been executed by the parties. An amendment to the Agreement shall be prepared by the District and executed by both parties before performance of such services or the District will not be required to pay for the changes in the scope of work. Such amendment shall not render ineffective or invalidate unaffected portions of this Agreement.

6. Standard of Care. In performing all work and services required by this Agreement, The Pun Group agrees to use the highest degree of skill and expertise ordinarily exercised, under similar circumstances, by a Certified Public Accountant firm having special expertise and competence in audit of financial statements in accordance with Generally Accepted Auditing Standards, U.S. General Accounting Office's *Government Auditing Standards*, Single Audit Act in accordance with Uniform Guidance – Part 200 – *Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards*. The Pun Group further acknowledges and agrees to perform all work and services required by this Agreement in accordance with Government Code section 12410.6(b). As a material term of this Agreement, The Pun Group warrants and represents that it has secured all licenses required by federal or California law to perform all work and services required by this Agreement. The Pun Group agrees to perform all work required by this Agreement at all times in strict accordance with all applicable federal, state, and local laws and regulations which apply to the professional services being provided.

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

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

9. Time for Completion of Services. As a material term of this Agreement, The Pun Group agrees to complete all work and services required by this agreement by no later than the project schedule and timeline included in Exhibit A to ensure compliance with all applicable laws, ordinances, codes, and regulations of the federal, state, and local government. The breach of this paragraph shall constitute a material breach of this Agreement.

10. District Termination Right. The District shall have the express right to terminate this Agreement at any time without cause by giving seven (7) consecutive days advance written notice to The Pun Group. This Agreement shall be automatically terminated without further action of any party upon expiration of the seven (7) day period. Promptly upon receipt of any termination notice from the District, The Pun Group shall cease all further work and services, except as otherwise expressly directed by the District in the written termination notice. In the event the District exercises its termination right, The Pun Group shall be paid only for work and services performed and approved by the District to the date this Agreement terminates. The District shall have the express right to withhold any payment otherwise due The Pun Group to correct any work determined to be defective by the District at the time of termination. All reports, schedules, or other writings of any type or nature prepared by The Pun Group as a result

of this Agreement shall become and remain the sole property of the District. All such writings shall be provided to the District not later than seven (7) consecutive days after termination of this Agreement for any reason. All labor, supplies, work and materials provided by The Pun Group in conjunction with this Agreement shall become and remain the sole property of the District.

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

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

13. Breach. The breach of any term or provision of this Agreement by The Pun Group shall constitute a material breach of this Agreement.

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

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

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

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

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

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

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

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

A. General Liability:

- | | |
|-------------------------|--|
| 1. Comprehensive Form | 5. Contractual Insurance |
| 2. Premises-Operations | 6. Broad form Property Damage, Including |
| 3. Completed Operations | |
| 4. Personal Liability | |

B. Auto Liability

1. Comprehensive Form
2. Owned
3. Hired

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

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

15.3 Professional Liability Insurance. Following execution of this Agreement, and prior to commencement of any work, The Pun Group shall provide the District with proof of professional liability insurance with an insurance provider licensed to do business in the State of California, providing \$1,000,000 of coverage per occurrence and \$2,000,000 minimum aggregate. This insurance shall have a deductible not to exceed \$10,000.

15.4 ACORD Certificate of Liability Insurance and Additional Insured Endorsements. All insurance required by Paragraph 15.1, 15.2, and 15.3 of this agreement shall be submitted on an ACORD Certificate of Liability Insurance. Insurers must be authorized to do business and have an agent for service of process in the State of California and have an ‘A’ financial strength rating and a financial size rating of at least Class VI in accordance with the most current A.M. Best’s Rating Guide. Additional Insured Endorsements must be provided for the Liability Insurance called out in Paragraph 15.1 with the **Olivenhain Municipal Water District (District), the District’s Engineer/Architect, the District’s Representatives, Consultants, and each of the District’s Directors, Officers, Agents, and Employees** named as additional insureds. The insurance must include a Waiver of Subrogation and must be Primary and non-Contributory. The additional insured endorsements must be provided on Form CG 20

10 10 01. The insurance certificate and endorsements shall be cancelable with notice delivered to the District in accordance with the policy provisions.

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

17. Indemnity. As a material term of this Agreement, The Pun Group agrees to hold harmless, indemnify, and defend the District and its directors, officers, employees, agents, and representatives from and against any and all demands, liability, claims, suits, actions, damages, costs, fees, expenses, fines, and penalties, of whatever type or nature, including, but not limited to, reasonable attorney fees, to the extent arising out of, pertaining to, or relating to the willful misconduct, recklessness, or negligence of The Pun Group, including its directors, officers, employees, agents, subcontractors, sub-consultants, suppliers, independent contractors, or other persons and entities employed or utilized by The Pun Group in the performance of this Agreement. In the event that any administrative proceeding, litigation or arbitration is instituted naming the District or any other indemnified parties as a defendant, the District and such other indemnified parties shall be entitled to appoint their own independent counsel to represent them, and The Pun Group agrees to pay all reasonable attorneys fees, expert fees and costs, and litigation costs associated with this defense within thirty (30) days of any billing; provided however, that the The Pun Group's obligation shall be limited as provided by Civil Code Section 2782.8 to the extent that the The Pun Group establishes its proportionate percentage of fault by stipulation of all the parties to the proceeding or a final adjudicatory determination.

18. Miscellaneous Provisions.

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

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

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

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

18.5 Entire Agreement. This Agreement, together with all exhibits attached hereto, contains all representations and the entire understanding between the parties with respect to the subject matter of this Agreement. Any prior correspondence, memoranda, or agreements, whether or not such correspondence, memoranda or agreements are in conflict with this Agreement, are intended to be replaced in total by this Agreement and its exhibits. The Pun Group warrants and represents that no District representative has made any oral representations or oral agreements not contained in this Agreement. The Pun Group further warrants and represents that The Pun Group has not relied upon any oral statements or promises made by any District representative or agent in executing this Agreement. The parties mutually declare that this Agreement and its exhibits constitute a final, complete and integrated agreement between the parties.

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

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

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

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

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

18.11 No Waiver. The failure of either party to enforce any term, covenant or condition of this Agreement on the date it is to be performed shall not be construed as a waiver of that party's right to enforce this, or any other, term, covenant, or condition of this Agreement at any later date or as a waiver of any term, covenant, or condition of this Agreement. No waiver shall occur unless the waiver is expressly stated in writing and signed by the person for the party having the authority to expressly waive the benefit or provision, in writing. No oral waivers shall be effective against either party.

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

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

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

To: "The Pun Group"
The Pun Group, LLP
Certified Public Accountants and Business Advisors
Attn: Kenneth Pun, CPA, CGMA (Managing Partner)
200 E. Sandpointe Avenue, Suite 600
Santa Ana, CA 92707
Ken.pun@pungroup.com

To: "District"

Olivenhain Municipal Water District
Attn: General Manager
1966 Olivenhain Road
Encinitas, California 92024
kthorner@olivenhain.com

18.15 Effective Date. The effective date of this Agreement executed in counterparts in Olivenhain, California, within the North County Judicial District, County of San Diego, State of California, is September 20, 2023.

Dated: _____, 2023

Olivenhain Municipal Water District,
a public agency

By: _____
Kimberly A. Thorner
General Manager

Dated: _____, 2023

The Pun Group, LLP

By: _____

Title: _____

OLIVENHAIN MUNICIPAL WATER DISTRICT

Kenneth H. Pun, CPA, CGMA

Managing Partner
4660 La Jolla Village Drive, Suite 100
San Diego, CA 92122
(949) 777-8801 | ken.pun@pungroup.cpa

May 5, 2023

PROPOSAL

Professional Auditing Services





Kenneth H. Pun, CPA, CGMA
Founder & Managing Partner

WHY CHOOSE THE PUN GROUP LLP?

“ The Pun Group’s most valuable asset is our people, they and their deep experience drive our every interaction with clients. ”

- Big firm expertise, small firm values
- Personal attention meets technical expertise
- A unique firm culture
- Innovation embraced
- Achievable plans to move your organization forward

The Pun Group LLP is recognized for its professionalism, integrity and for providing clients with practical solutions unique to their circumstances and issues. You will receive a superior level of service and a quality audit.

Thank You!

Thank you for allowing us to submit our qualifications to provide you with
Professional Auditing Services.

The Pun Group LLP
Certified Public Accountants and Business Advisors

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The Pun Group Wins 2023 “Best of Accounting” Award



The Pun Group LLP is proud to have won 2023's Best of Accounting® award from ClearlyRated for providing superior service to its clients.

Winners of such awards have proven to be industry leaders in service quality based entirely on ratings provided by their clients. On average, clients of 2023 Best of Accounting winners are 70% more likely to be satisfied than those who work with non-winning firms.

"I am pleased to introduce the 2023 Best of Accounting winners alongside their validated service ratings on ClearlyRated.com," said ClearlyRated's CEO, Eric Gregg. "These firms have demonstrated a remarkable commitment to delivering amazing experiences, despite another year of upheaval and macroeconomic uncertainty. Hats off to these service leaders - it's truly an honor to recognize and celebrate their achievements."

The Pun Group LLP received satisfaction scores of 9 or 10 out of 10 from 94.1% of their clients, significantly higher than the industry's average of 50%.

Our firm excelled in five key areas: Responsiveness, Quality, Value, Needs Understanding, and Proactive Approach.

About ClearlyRated

Rooted in satisfaction research for professional service firms, ClearlyRated utilizes a Net Promoter® Score survey program to help professional service firms measure their service experience, build an online reputation, and differentiate on service quality.



"Excellent customer service and staff and partners are expert in their fields."

Lani H.

State and Local Government Client



"The Firm has consistently exceeded our expectations as client."

Clint O.

State and Local Government Client



"We started using Pun Group when the pandemic first started two years ago so had a little apprehension about doing everything remotely with a new firm. But the audit went very well and was completed on time without problem."

Kevin W.

State and Local Government Client



"An excellent partner and amazing service."

Jim T.

Private Sector Client



May 5, 2023

Olivenhain Municipal Water District
Rainy Selamat, Finance Director
1966 Olivenhain Road
Encinitas, California 92024

Re: RFP for Professional Auditing Services

Dear Rainy Salamat:

On behalf of The Pun Group LLP, we are pleased to present our proposal to continue to provide Professional Auditing Services to the Olivenhain Municipal Water District (the "District") for three year period for years ending June 30, 2024, 2025, and 2026 with an option to extend the contract for two (2) additional fiscal years ending June 30, **2027 and 2028**. We sincerely appreciate the opportunity to have served as your auditor in the past, and we look forward to continuing to serve you well in the future.

Our Firm has developed an understanding of the District's operations which has aided us in delivering quality audit services. With the knowledge we gathered since we started providing services to the District, we have been able to expand our audit efforts and offer observations that have assisted the District's staff. We have also demonstrated our ability to respond to the District's requests and our ability to deliver quality services. It's our further understanding that the District has been satisfied with our efforts.

This letter is an acknowledgment of the Firm's understanding of the work to be performed. We are offering our commitment to deliver all of the required work, complete the audit, and issue the necessary auditor's reports within the periods outlined by the District. No subcontractors will be utilized for this engagement.

The Pun Group is the right choice for the Olivenhain Municipal Water District because:

We Understand the Demographics and Your Needs. The Pun Group is reputable for its governmental practice. We are professional services providers to districts such as Rancho Santa Fe Fire Protection District, San Bernardino County Fire Protection District, Marina Coast Water District, Olivenhain Municipal Water District, Carmel Area Wastewater District, and Santa Fe Irrigation District. Accordingly, we have a deep understanding of the current issues special districts are facing, such as varying demographics, economic environments, and the constantly changing landscape of laws and regulations.



Recognized Leader in the Governmental Industry. We are a small national Firm with licenses in the States of California, Arizona, and Nevada and a proven leader in professional services to the government sector. All key engagement team professionals are licensed to practice as Certified Public Accountants and meet the Continuing Professional Education requirements under US GAO's Government Auditing Standards to perform the proposed audits. The partners and all employees proposed to perform the requested services do not have a record of substandard audit work nor have any outstanding claim of substandard practice or unsatisfactory performance pending with the State Board of Accountancy or other professional organizations. In addition, we are members of the national AICPA Audit Quality Center.

We strongly believe that part of our success is credited to our professionals' participation in various industry-leading organizations. Such affiliations are critical to addressing emerging accounting and auditing issues within the industry environment.

Olivenhain Municipal Water District



You'll Work with a Team that Embraces Innovation and Continuous Improvement. Our Firm is committed to continuous improvement as it relates to service delivery. We embrace innovation and identify areas of technological enhancements in our audit and project management approaches. For example:

Secure Data File Transfer System. In order to improve audit efficiency, workflow management software plays an essential role between your organization and our engagement team. We employ a secure data file transfer system called Suralink. Suralink's dynamic request list is integrated with our secure file hosting system for seamless document-request coordination, including the upload of large-size files. It means all our requests are in one place, updated in real-time, and accessible by everyone working on the engagement. Not only makes the operation more cost-efficient, but it also enables you and your team to spend your time getting the job done, not reconciling a messy list of outstanding items. In addition, Suralink's dashboard allows you to visualize the process of document-request fulfillment.

AI Auditor. The Pun Group leverages the technology and research tools required to provide excellent services to its clients. With the usage of Artificial Intelligence (AI) technology, the Firm is capable of issuing all reports requested faster than other audit firms without exposing the District to unnecessary risks.

Remote Auditing Capability. Remote working arrangements have suddenly become the "new normal" in these trying times. Our Firm has deployed top-notch technology and fully transitioned to "remote auditing," offering our clients the quality services they deserve while being fully "remote" or operating in a "hybrid" schedule. "On-site" audits are still the Firm's preferred method, and we'll continue to offer and promote those as well.



Knowledge is Shared with You. As part of our pledge to keep you updated on new technical accounting and financial issues, we implemented our 2023 *Virtual* Government Accounting Conference, which qualifies for up to 15 hours of CPE – nearly double what other firms offer. These online sessions are free of charge and part of the service package provided to you. More details and dates can be found on the "*Client Training Webinars*" topic under this proposal.

The Pun Group is proud of its inclusive values and is an avid promoter of equality and diversity. In addition, the Firm is an equal-opportunity employer and complies with all federal and state hiring requirements. We're proud of supporting affirmative-action philosophies and work hard to provide opportunities for self-enhancement to members of disadvantaged groups.

This proposal is a firm and irrevocable offer valid for ninety (90) days following the closing date for the receipt of all proposals.

Finally, we would like to emphasize one additional point: **We want to keep your trust and your business!** We are confident that the energetic and experienced team we have assembled is the right one for the District.

Our commitment to serving the Olivenhain Municipal Water District cannot be adequately conveyed in a letter, and I look forward to continuing the discussion with you. I'm assigned as your primary contact for contract negotiations and stand steadfast to serve as your engagement/lead partner. I'm also authorized to legally bind the Firm. Should you have any questions or wish to discuss this proposal, please do not hesitate to contact me at (949) 777-8801 or by email at ken.pun@pungroup.cpa.

Sincerely,

Kenneth H. Pun, CPA, CGMA | Managing Partner | The Pun Group LLP
4660 La Jolla Village Drive, Suite 100, San Diego, California 92122

Independence

Independence

The Pun Group LLP requires all employees to adhere to strict independence standards concerning the Firm's clients. These independence standards exceed, in many instances, the rules promulgated by the American Institute of Certified Public Accountants (AICPA).

The Pun Group LLP certifies that it is independent of the Olivenhain Municipal Water District. The Firm meets independence requirements defined by the United States Government Accountability Office's (US GAO's) Government Auditing Standards and the American Institute of Certified Public Accountants (AICPA). Based on that, we have not identified an instance that constitutes a conflict of interest relative to performing the services requested by the District.

The Firm has no business interests which will conflict in any way with maintaining independence in regard to the Olivenhain Municipal Water District.

The Firm will give the Olivenhain Municipal Water District written notice of any professional relationships entered into during the period of the engagement.

License to Practice

License to Practice in California

The Firm and all key professional staff are licensed by the State of California to practice as Certified Public Accountants and meet the Continuing Professional Education requirements under US GAO's Government Auditing Standards to perform the proposed audits.

Firm Registration:

California State Board of Accountancy Number – PAR 7601

Federal Identification Number – 46-4016990

Insurance

If selected, the Firm will maintain the minimum insurance requirements during the entire execution of the agreement with the Olivenhain Municipal Water District. Within ten days from the implementation of the contract, we will furnish the Olivenhain Municipal Water District with satisfactory evidence of the insurance requirements and proof that each carrier is required to give at least 30 days prior written notice of the cancellation of any policy during the entire period of the agreement.

Our current policy can be found in the appendices section of this proposal.

Firm Qualifications and Experience

The Pun Group ^{LLP}, Certified Public Accountants, and Business Advisors, founded in 2012, is a limited liability partnership. We are a full-service accounting firm comprised of fifty professionals providing auditing, accounting, and advisory services to our clients.

The Firm has become one of the “Top Accounting Firms” in Orange County according to the Orange County Business Journal and is also on the list of CalCPA Top 150 firms.

The combination of our hands-on experience and practical knowledge exercised by our audit professionals makes the Firm unique in our field. Our technical expertise and thorough understanding of current regulations and issues—along with the Firm’s commitment to hard work, integrity, and teamwork in every engagement—enable us to help our clients succeed.

Our Partners’ Group—which includes Kenneth Pun, Coley Delaney, Andrew Roth, Frances Kuo, Vanessa Burke, John Georger Jr., Gary Caporicci, and Jim Fritzsche — provides auditing, accounting, and advisory services to numerous governmental entities throughout the United States. With more than two hundred years of combined experience in the industry, we have become a trusted business partner and are well-respected as leaders in the industry in one of the fastest-growing firms. With nearly 100 government and not-for-profit audit clients, our Partners have a real passion for the industry and believe we are unmatched in our municipal experience. The firm also meets professional standards generally accepted in the United States of America and the standards applicable to financial audits contained in ‘*Government Auditing Standards*’ issued by the Comptroller General of the United States.

The Firm’s headquarters are located in Orange County, California, with five branches in San Diego, Walnut Creek, Sacramento (California), Las Vegas (Nevada), and Phoenix (Arizona).

The *San Diego Office*, located at 4660 La Jolla Village Drive, Suite 100, San Diego, CA 92122, will perform the requested services for the District. However, we may assign additional staff from our other offices to the engagement at no extra cost to the District. No subcontractors will be used in this engagement.

Global Capabilities

The Pun Group ^{LLP} is an independent member of Allinial Global, an association of over 100 independent accounting and consulting firms. Based in North America, Allinial Global offers international support by connecting its member firms to providers and global networks of accounting firms worldwide.

OUR FIRM AT A GLANCE



50 full-time auditing, accounting, tax and advisory professionals



One of the fastest growing firms serving California, Nevada and Arizona



Client retention rate:
90 – 95%



6 offices across
3 states



OUR AFFILIATIONS



Full-Time Government Auditors

As full-time government auditors, we understand that governmental entities do not operate independently but in an increasingly complex web of local, state, and federal relationships. We know how these relationships work, what they mean at the local level, and how every public organization's focus on resource management is critical to success.

Also, while many accounting Firms can provide services, not all can build excellent working relationships with their clients. The Pun Group LLP prides itself on developing lasting, personal relationships with our clients. Our hands-on partner involvement and low personnel turnover are crucial tools to our success and are highly beneficial to the District.

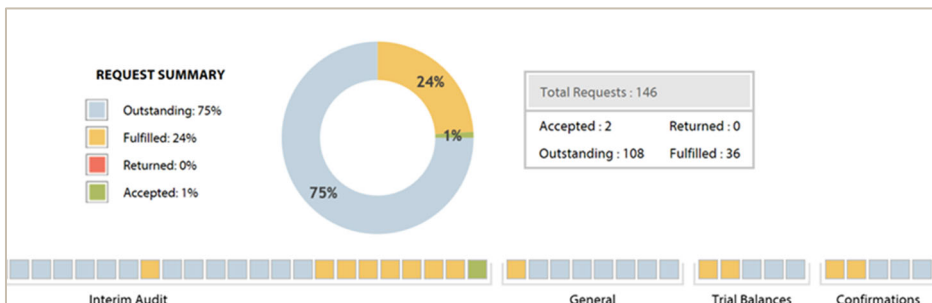
Local Office's Information Technology (IT) Audit Capabilities

The Pun Group LLP continues our efforts to invest in our IT system to enhance our security further and promote audit efficiency.

Top security for your data is the key to our success. When we have your data virtualized, our Firm takes all the preventive steps to avoid putting your information at risk. Our In-House IT administrator maintains our server to ensure our IT environment is continuously updated with the latest security fixes. Through VPN and Microsoft Remote Desktop, our In-House network administrator can lock down files and system access from a single point, limiting the ability of remote sites to take data from our server.

Access to systems from anywhere and anytime. With more mobility being the norm rather than the exception, our engagement team needs robust access to the engagement files when they are working in your office. Accounting and Auditing Software applications are installed in our "Private" server and can be securely accessed through VPN and Microsoft Remote Desktop. The Firm uses CCH ProSystem fx® Engagement for audit documentation, which allows real-time synchronization of the work papers and instant collaboration quality control review.

Secure Data File Transfer System. In order to improve audit efficiency, workflow management software plays an essential role between your organization and our engagement team. We employ a secure data file transfer system called *Suralink*. *Suralink*'s dynamic request list is integrated with our secure file-hosting system for seamless document-request coordination. It means all our requests are in one place, updated in real-time, and accessible by everyone working on the engagement. As a client, you no longer have to manually maintain a spreadsheet amongst several people, only to repeat the process in a day or two. Not only makes the operation more cost-efficient, but it also enables you and your team to spend your time getting the job done, not reconciling a messy list of outstanding items. The *Suralink* dashboard, as shown below, allows you to visualize the process of document-request fulfillment.



BIG FIRM EXPERTISE. SMALL FIRM VALUES.

Our professional backgrounds at major national firms showed us how to solve complicated business and accounting challenges, but the sense of personal connection was missing.

We launched The Pun Group because we believe every client deserves to work with experienced business advisors and CPAs who have the time – and take the time – to create an authentic connection. Every client is our top priority!



A UNIQUE CULTURE.

"Personalization" is not just a buzzword – it's part of our firm's culture. We take a personal approach to everything we do. We collaborate with our clients, so they're always part of the process. We listen to our staff to make sure they have the right support and resources to do a great job. Getting to know others and discovering how we can serve them better is not just a sign of good business practices; it's a sign of good people.



INNOVATION EMBRACED.

New ideas keep you ahead of the game. From leveraging the value of emerging technologies to further refining trusted processes, we adopt proven solutions to meet your needs.



WHERE YOU GO, WE GO. WHERE YOU GROW, WE GROW.

Our success is defined by how you achieve yours. Partner with accomplished accounting and financial professionals who are laser-focused on taking your business to the next level.

Our Services

Our partners and seasoned professionals are always available, guiding clients through their periods of rapid growth as well as difficult times. We are able to do that by offering a portfolio of accounting services that are as diverse as the jurisdictions and entities themselves. The Pun Group LLP has successfully provided professional auditing, accounting, financial reporting, and management advisory/consulting services to a broad spectrum of governmental entities.



ASSURANCE

- Financial statements audits
- Compliance audits
- Performance audits
- Internal audits
- Service organization controls audits



ADVISORY

- Operational reviews/risk advisory services
- Forensic investigation
- Financial condition analysis
- Organizational structure review
- Cash flow analysis
- Debt restructuring consultation
- Litigation restructuring consultation



OTHER SERVICES

- Assistance with the preparation and review of the Annual Comprehensive Financial Report
- Government property lease excise tax compliance review
- Sub-recipient monitoring
- Implementation of new GASB pronouncements
- Audit readiness services
- Contract Finance Director/Accountant services

Federal or State Desk Review

No federal or state desk reviews or field reviews have been undertaken of any audits performed by the Firm or any of its partners, managers, or professionals during the past three (3) years.

Disciplinary Action

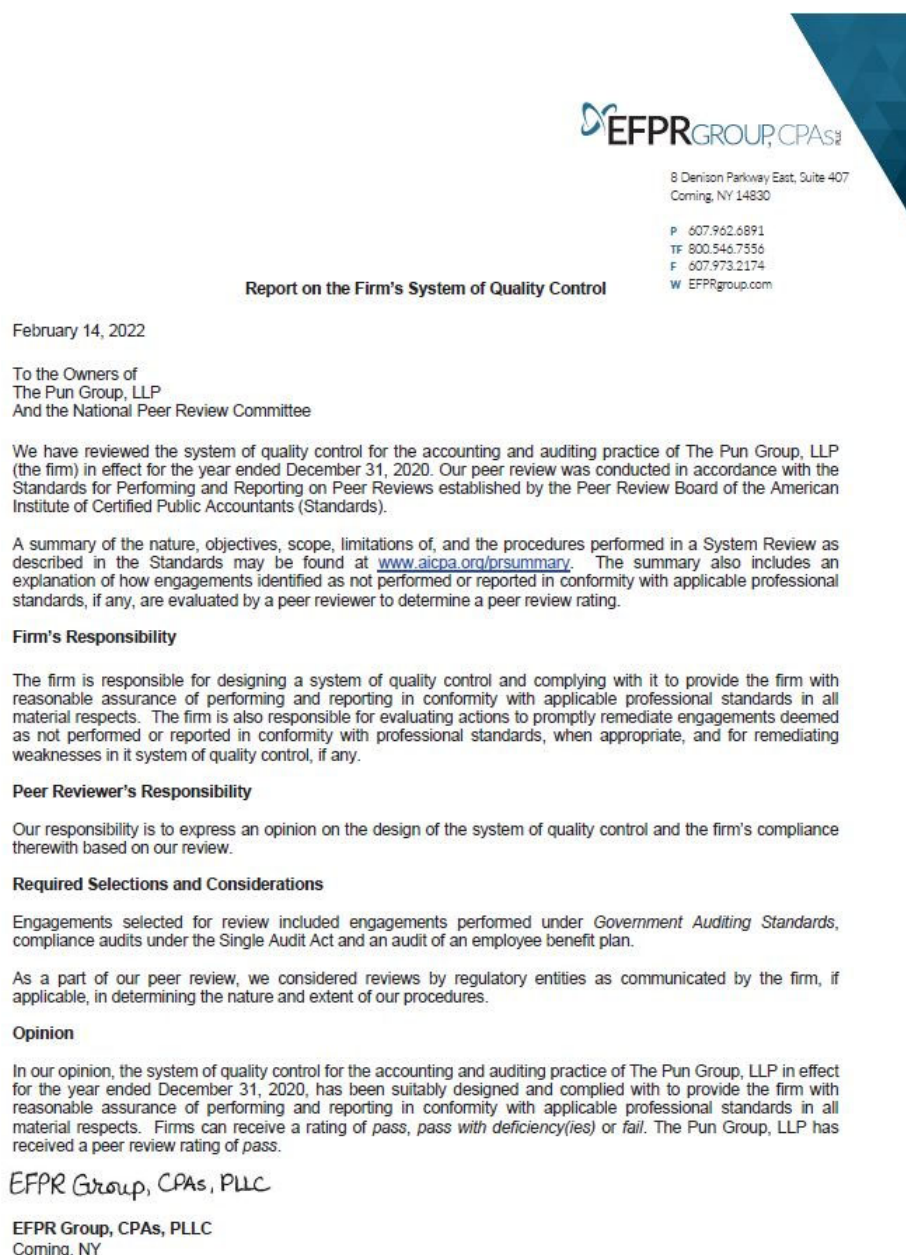
State regulatory bodies or professional organizations have taken no disciplinary action against the Firm or any of its partners, managers, or professionals during the past three (3) years.

The Firm has no conditions such as bankruptcy, pending litigations, planned office closures, mergers, or any organizational conflict of interest that may affect the ability of the Firm to perform the required duties requested by the Olivenhain Municipal Water District.

Peer Review

Being a member of the American Institute of Certified Public Accountants (AICPA), The Pun Group LLP is required to obtain an independent peer review of our audit and accounting practice every three (3) years. The peer reviewer assessed the Firm's quality-control policies, reviewed administrative records, interviewed professional personnel, and inspected the Firm's working papers and reports from a representative sample of accounting and auditing engagements, including governmental audits. The reviewer concluded that the Firm fully complied with the AICPA's stringent standards for quality control and issued a peer review rating of "Pass."

A copy of our most recent peer review is presented on the following page:



Olivenhain Municipal Water District

Firm's Experience Providing Similar Services

The Pun Group LLP has performed numerous audits of organizations subject to financial and compliance audits. These audits were performed under auditing standards generally accepted in the United States, Government Auditing Standards, Uniform Guidance (formerly known as OMB Circular A-133), and its Compliance Supplement (when applicable), Office of the State Controller's Minimum Audit Requirements and Reporting Guidelines.

A representative list of our current clients is as follows:

Municipalities	Dates	Financial Audit	Single Audit	GFOA Certificate	Total Hours
City of Adelanto	2021 – Present	Yes	Yes	Yes	700
City of Alameda	2019 – Present	Accounting and Consulting Services			150
City of Arvin	2013 – Present	Yes	Yes	N/A	400
City of Baldwin Park	2022 – Present	Yes	Yes	Yes	700
City of Bell	2018 – Present	Yes	Yes	Yes	520
City of Bradbury	2012 – Present	Yes	N/A	N/A	150
City of Calexico	2007 – Present	Yes	Yes	N/A	750
City of Clovis	2006 – Present	Yes	Yes	Yes	500
City of Coachella	2017 – Present	Yes	Yes	Yes	410
City of Cottonwood, AZ	2007 – Present	Yes	Yes	Yes	400
City of Corona	2021 – Present	Yes	Yes	Yes	640
Town of Corte Madera	2022 – Present	Yes	Yes	N/A	400
Town of Danville	1999 – Present	Yes	Yes	Yes	400
City of Douglas, AZ	2020 – Present	Yes	Yes	Yes	300
City of Desert Hot Springs	2013 – Present	Yes	N/A	N/A	700
City of Fresno	2022 – Present	Yes	Yes	Yes	1,450
City of Gardena	2007 – Present	Yes	Yes	Yes	700
City of Gilroy	2020 – Present	Yes	Yes	Yes	640
City of Glendora	2017 – Present	Yes	Yes	Yes	430
City of Gustine	2017 – Present	Yes	N/A	N/A	400
City of Hemet	2015 – Present	Yes	Yes	N/A	380
City of Hercules	2020 – Present	Yes	Yes	Yes	450
City of Lakewood	2013 – Present	Yes	Yes	Yes	380
City of Lomita	2020 – Present	Accounting and Consulting Services			150
City of Lynwood	2016 – Present	Yes	Yes	Yes	585

Olivenhain Municipal Water District

Municipalities	Dates	Financial Audit	Single Audit	GFOA Certificate	Total Hours
City of Madera	2019 – Present	Yes	Yes	Yes	470
City of Montebello	2022 – Present	Yes	Yes	Yes	600
County of Monterey	2023 – Present	Yes	Yes	Yes	TBD
City of Monterey Park	2023 – Present	Yes	Yes	Yes	612
City of Napa	2019 – Present	Yes	Yes	Yes	750
City of National City	2013 – Present	Yes	Yes	Yes	600
City of Palm Springs	2020 – Present	Yes	Yes	Yes	1,000
City of Paramount	2023 – Present	Yes	Yes	Yes	460
City of Patterson	2017 – Present	Yes	Yes	Yes	450
City of Placerville	2008 – Present	Yes	Yes	N/A	400
City of Redlands	2022 – Present	Yes	Yes	Yes	650
City of Ridgecrest	2009 – Present	Yes	Yes	Yes	300
City of Rohnert Park	2020 – Present	Yes	Yes	Yes	700
City of Salinas	2022 – Present	Yes	Yes	Yes	800
City of San Mateo	2021 – Present	Yes	Yes	Yes	900
City of Santa Clarita	2022 – Present	Yes	Yes	Yes	1,200
City of Santa Cruz	2023 – Present	Yes	Yes	Yes	800
City of Seal Beach	2017 – Present	Yes	Yes	Yes	410
City of Stockton	2012 – Present	Yes	Yes	N/A	3,000
City of Tracy	2021 – Present	Yes	Yes	Yes	960
Town of Tiburon	2022 – Present	Yes	Yes	Yes	452
City of Visalia	2021 – Present	Yes	Yes	Yes	650
Imperial County Transportation Commission	2020 – Present	Yes	Yes	Yes	600
Nevada County Transportation Commission	2021 – Present	Compliance Services	N/A	N/A	450
San Diego Metropolitan Transit System	2005 – Present	Yes	Yes	Yes	1,850
Shasta Regional Transportation Agency	2015 – Present	Yes	N/A	N/A	400
Alameda County Water District	2018 – Present	Yes	Yes	N/A	550
Camrosa Water District	2020 – Present	Investment Pool			120
Carmel Area Wastewater District	2022 – Present	Yes	Yes	N/A	150
CAWD/PBSCD Wastewater Reclamation Project	2022 – Present	Yes	N/A	N/A	150

Olivenhain Municipal Water District

Municipalities	Dates	Financial Audit	Single Audit	GFOA Certificate	Total Hours
Central Basin Water District	2018 – Present	Yes	Yes	N/A	400
Las Virgenes Municipal Water District	2014 – Present	Yes	N/A	N/A	400
Los Angeles County Law Library	2020 – Present	Yes	N/A	N/A	180
Marina Coast Water District	2012 – Present	Yes	N/A	Yes	240
Menlo Park Fire Protection District	2015 – Present	Yes	Yes	Yes	240
NALEO Educational Fund and NALEO	2020 – Present	Yes	N/A	N/A	300
Olivenhain Municipal Water District	2019 – Present	Yes	Yes	Yes	200
Padre Dam Municipal Water District	2020 – Present	Yes	Yes	Yes	250
Rancho Murieta Community Services District	2019 – Present	Accounting and Consulting Services			800
Rancho Santa Fe Fire Protection District	2015 – Present	Yes	N/A	N/A	120
San Bernardino County Emergency Training Center	2020 – Present	Yes	N/A	N/A	50
San Bernardino County Preschool Services Department	2020 – Present	Yes	Yes	N/A	150
San Bernardino County Fire Protection District	2016 – Present	Yes	N/A	N/A	200
San Elijo Joint Powers Authority	2016 – Present	Yes	N/A	N/A	146
Santa Fe Irrigation District	2019 – Present	Yes	N/A	N/A	250
Sweetwater Authority	2022 – Present	Yes	Yes	Yes	270
South Bay Cities Council of Governments	2020 – Present	Yes	N/A	N/A	100
South Coast AQMD	2023 – Present	Yes	Yes	N/A	410
South Orange County Water Authority	2017 – Present	Yes	Yes	Yes	240
South Bay Regional Public Communications Authority	2015 – Present	Yes	N/A	N/A	100
Southwestern Community College District	2009 – Present	Yes	Yes	N/A	720
Valley Sanitary District	2015 – Present	Yes	N/A	Yes	140
West Valley Mosquito and Vector Control District	2016 – Present	Yes	N/A	N/A	100
Zone 7 Water Agency	2020 – Present	Yes	Yes	Yes	400

GFOA Award Program

The Pun Group LLP realizes the importance of maintaining the Certificate for Excellence in Financial Reporting from the GFOA. Our professionals are exceptionally well qualified to assist governments in obtaining and maintaining their certificates.

The Firm's commitment and involvement in the development of auditing and accounting standards can be shown in our active participation in the GFOA's financial statements certificate programs. 100% of our current clients who submitted their Annual Comprehensive Financial Report to the GFOA received these awards.

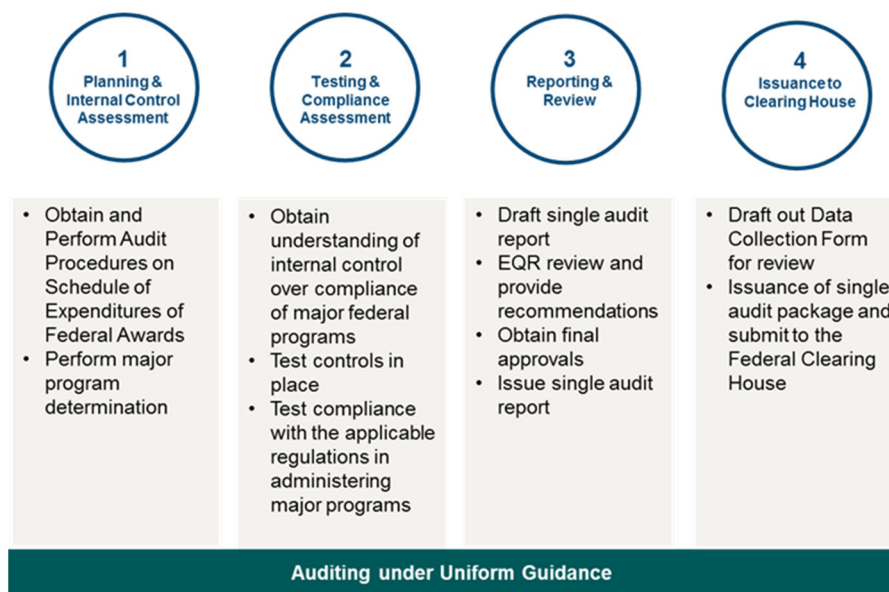
Also, two of our senior partners, Mr. Gary Caporicci and Mr. John F. Georger, are members of the Government Finance Officers Association and participate in the GFOA Special Review Committee.

Firm's Experience with Single Audit and Grants

The Pun Group LLP works with numerous organizations that receive extensive governmental funding and are subject to auditing under Uniform Grant Guidance. This Firm's specialization helps our audit team understand the procedures' nuances and execute the engagement accordingly. We also assist in preparing the data collection form and preparing the reporting package for submission to the federal audit clearinghouse.

The Firm is a member of the AICPA Governmental Audit Quality Center and has demonstrated its commitment to audit quality, including those performed under Government Auditing Standards and Uniform Guidance. Also, we are a recipient of the *Single Audit Resource Center's Award for Excellence*. This award is based on the positive feedback result from our clients in an independent survey, demonstrating our Firm's highest commitment to quality and client satisfaction.

We utilize standardized audit programs from the federal government's Compliance Supplement to ensure that our procedures meet federal standards. Our audit programs are continually updated to reflect the revisions of OMB. Our Uniform Guidance risk-based approach focuses on areas of higher risk of non-compliance. Such an approach truly reflects the federal government's intent by concentrating on the following four steps:



- 1. Planning & Internal control assessment:** The engagement team will obtain an understanding of the District and its operating environment and its internal control over the Schedule of Expenditures of Federal Awards. The engagement team will perform the major program determination and communicate with the District's management before conducting major program testing.
- 2. Testing & compliance assessment:** The engagement team will obtain an understanding of internal control over compliance on the direct and material compliance requirements for each major program. The engagement will perform testing on internal controls over compliance to ensure the controls are in place working effectively and properly and that the District is in compliance with the applicable regulations in administering major programs.
- 3. Reporting & Review:** The engagement team will review and prepare the single audit reports and perform quality control procedures following the Quality Control Standards issued by the AICPA. Any comments will be issued to the management or the Charge with Governance, depending on the magnitude of the issues. Upon obtaining the final approvals from management, the Single Audit report will be issued.
- 4. Issuance to Clearing House:** The engagement team will assist the District in drafting the data collection form and completing the final submission, including uploading the audit package to the Federal Clearing House.

Olivenhain Municipal Water District

Our Firm has audited hundreds of millions of dollars in federal expenditures, making our engagement team uniquely experienced in single audits. We are familiar with *grantors*, such as:



- Corporation for National and Community Services
- Department of Agriculture
- Department of Education
- Department of Health and Human Services
- Department of Housing and Urban Development
- Department of Transportation
- Environmental Protection Agency
- Department of Commerce
- Department of Labor
- Department of Homeland Security
- Department of Justice
- Department of Treasury
- Executive Office of the President

Following are a few examples of the types of federal programs our engagement team has experience auditing:

	Assistance Listings
Child and Adult Care Food Program	10.558
Community Development Block Grants/Entitlement Grants	14.218
Home Investment Partnership	14.239
Housing Vouchers Cluster	14.871
Title XVI Water Reclamation and Reuse Program	15.504
Equitable Sharing Program	16.922
WIA/WIOA Adult Program	17.258
WIA/WIOA Youth Activities	17.259
WIA/WIOA Dislocated Worker Formula Grants	17.278
Airport Improvement Program	20.106
Highway Planning and Construction	20.205
Federal Transit - Capital Investments Grants	20.500
Federal Transit - Formula Grants	20.507
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608
Capitalization Grants for Clean Water State Revolving Funds Cluster	66.458
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045
Nutrition Services Incentive Program	93.053
Temporary Assistance for Needy Families (TANF) State Programs	93.558
Community Service Block Grant	93.569
Child Care and Development Block Grant	93.575
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596
ARRA - Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Programs	93.714
National Urban Search and Rescue (US&R) Response System	97.025
Homeland Security Grant Program	97.067

Olivenhain Municipal Water District

Firm's Current and Past Experience with Special Districts and Authorities

Our Firm has provided professional services to several Districts and Authorities. Below is a representative listing of such engagements:

- Adelanto Public Utility Authority
- Alameda County Water District
- Arbuckle Public Utility District
- Bodega Bay Fire Protection District
- Casitas Municipal Water District
- Central Basin Municipal Water District
- Civic – Recreational – Industrial Authority
- City of Monterey Joint Powers Financing Authority
- Coachella Valley Resource Conservation District
- Coachella Fire Protection District
- Diablo Water District
- East Orange County Water District
- El Toro Water District
- Farm Mutual Water Company
- Las Virgenes Municipal Water District
- Las Virgenes – Triunfo Joint Powers Authority
- Los Angeles Waterkeeper
- Marina Coast Water District
- Menlo Park Fire Protection District
- Mountain Recreation Conservation Authority
- North County Dispatch Joint Powers Authority
- North County Fire Protection District
- Olivenhain Municipal Water District
- Orange County – City Hazardous Materials Emergency Response Authority
- Orange County Coastkeeper
- Palmdale Water District
- Perris Joint Powers Authority
- Presidio Municipal Services Agency
- Rancho Santa Fe Fire Protection District
- Riverside County Flood Control and Water Conservation District
- San Diego Coastkeeper
- San Bernardino County Fire District
- San Elijo Joint Powers Authority
- San Joaquin County Regional Fire Dispatch Authority
- South Bay Regional Public Communications Authority
- Santa Fe Irrigation District
- Sativa Los Angeles County Water District
- South Orange County Wastewater Authority
- Sweetwater Springs Water District
- Trabuco Canyon Water District
- Twentynine Palms Water District
- Valley Sanitary District
- Water Replenishment District of Southern California
- West County Wastewater District

Olivenhain Municipal Water District

Firm's Expertise and Experience in Governmental Accounting Rules and Regulations, Including Implementation of new GASB Pronouncements

Changing federal laws, statutes, ordinances, and compliance provisions have created unprecedented complexity in public accounting today. Our GASB Implementation Specialist, Mr. Gary Caporicci, has helped our clients implement new standards while adapting to changes within the existing standards. Our partners serve on committees that have input into how new standards are written. They actively participate in industry associations focused on state and local governments. By participating in industry associations and activities, we are always up to date on the latest industry changes and their impact on your operations. We will keep you and our colleagues in the Firm fully informed of these developments.

Also, our professionals are familiar with the complexities of governmental accounting, auditing, and financial reporting, including but not limited to all GASB pronouncements, the Single Audit Act, and Uniform Guidance (formerly known as OMB Circular A-133) and fund operations. They have held positions as professional certified public accountants and taken on significant roles within and outside government agencies. Such experience brings to our clients the thought leadership, quality, and level of expertise they require.

The Firm is well versed and experienced in assisting our clients with the implementation of the applicable GASB pronouncements every year, such as GASB 34, GASB 54, GASB 65, GASB 68, GASB 75, and GASB 84. Mr. Gary Caporicci, as a chair of the California Committee on Municipal Accounting "CCMA," wrote "white papers" on each of these pronouncements.

Throughout the engagement, several new GASB pronouncements will become effective. The Engagement Team will pay specific attention to upcoming statements that will become effective and work with the District to create a plan to address new standards before the implementation period. This step will allow the finance department staff the needed time to be prepared.

Special Attention: GASB Pronouncements Effective for Reporting Year 2023

GASB Statement No. 87, *Leases*

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments.

Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2021, and all reporting periods thereafter.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs).

Effective Date: for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*

This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments).

Effective Date: for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

Partner/Supervisory/Staff Qualifications and Experience

Who We Are

The engagement team was carefully selected to provide the District with all the services needed to successfully complete the audit. Your assigned Engagement and Technical Partners will be personally involved in the project, leading a team that has significant experience in *governmental auditing*. You can be confident that our broad experience and technical capabilities will allow us to provide technical support, interpret findings, and offer practical solutions to any issues that may arise.

About Your Engagement Team

The personnel assigned to this engagement are fully qualified to perform an effective audit of the District, and their extensive experience will be critical to the audit process. Our professionals are familiar with the complexities of governmental accounting, auditing, and financial reporting, including but not limited to all GASB pronouncements, the Single Audit Act, Uniform Guidance (formerly known as OMB Circular A-133), and fund operations. They have held positions as professional certified public accountants, as well as significant roles within and outside of government agencies. Such qualities will bring to an entity like the Olivenhain Municipal Water District the thought leadership, quality, and level of experience it requires.

Because of the “familiarity threat” under the professional audit and independence standards that may exist in long-term relationships with audit firms, the Firm is committed and has sufficient resources to rotate engagement partners, managers, and or supervisors assigned to the District’s audit with personnel with similar or higher qualifications and experience in order to overcome this threat.

If the Firm changes key personnel, we will provide the District with a written notification. **Engagement partners, managers, and specialists will only be changed with the express prior written permission from the District.** Audit personnel may be replaced only by those with similar or better qualifications and experience.



Kenneth H. Pun, CPA, CGMA | Engagement/Lead Partner

Kenneth Pun is the Managing Partner and an Assurance Partner at the Firm. With over twenty-one years of public accounting experience in the state and local government sector, he specializes in audits, management, and consulting for governmental organizations. Mr. Pun served as the Contract Deputy Finance Director for the City of San Marino in 2017. He has served as the Chair of the California Society of CPAs Governmental Auditing Accounting Committee. He is a Certified Public Accountant and a Chartered Global Management Accountant.

Mr. Pun will actively serve as the Engagement/Lead Partner overseeing the Engagement Team, developing the audit plan, reviewing fieldwork for quality, approving final reports, and communicating with the Finance Department. He will also be responsible for the timely delivery of all services for the District.



Coley Delaney, CPA | Technical/Concurring Partner

Coley Delaney is a Partner within The Pun Group LLP’s Assurance division, in his fifteen (15) years of accounting and auditing experience. He has performed audits and other attestation services for several governmental agencies throughout California, including cities, counties, transportation agencies, public financing authorities, housing authorities, redevelopment agencies, and special districts. He is a Certified Public Accountant.

Mr. Delaney will act as the Technical/Concurring Partner and provide a second partner review of significant high-risk areas, audit reports, and resolution of significant accounting, auditing, and reporting matters.

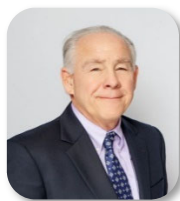
Olivenhain Municipal Water District



Andrew Roth, CPA | Compliance Partner

Andrew Roth is a Partner within the Firm and will serve as the primary point of contact for your team. He holds an Advanced Certification in Single Audits through the AICPA. Andrew draws more than a decade of governmental and not-for-profit experience in the areas of financial audit and reporting under governmental and financial accounting standards, evaluation of internal controls under the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Integrated Framework, the performance of Single Audits under the Uniform Guidance, subrecipient monitoring of Federal Grants, corporate financial reporting, data analytics, and exempt taxation. He is a Certified Public Accountant.

Mr. Roth will lead the audit team in all compliance-related matters, including the Uniform Guidance and Single Audit, and reports issued under specific laws and regulations.



John ("Jack") F. Georger, CPA, CIA, CGMA | Quality Control Reviewer

Throughout his forty years of experience, Mr. Georger has spent many years in the "Big 4" and national firms. He worked diligently alongside numerous governmental municipalities, including cities, counties, and transportation agencies, as well as not-for-profit entities, providing clients with financial and compliance auditing as well as consultation services. Mr. Georger annually instructs over 300 hours in accounting and auditing subjects and has authored training material in governmental accounting and auditing for the AICPA. Mr. Georger is also the technical reviewer of the CCH Knowledge-Based Audits™ of State and Local Governments with Single Audits, GAAP Guide (FASB), and Governmental GAAP Guide (GASB), the gold standard for audit firms throughout the United States. As the Chief Quality Officer in our Firm, he advises clients with their complex accounting questions and supports the engagement team with audit issues. He is a Certified Public Accountant, a Certified Internal Auditor, and a Chartered Global Management Accountant.

Mr. Georger is responsible for reviewing all reports issued by the Firm to ensure the utmost quality and compliance with professional standards and the final quality-control assessment within the engagement.



Gary M. Caporicci, CPA, CGFM, CFF | GASB Implementation Specialist

Gary Caporicci is an appointed member of the State Controller's Retirement Advisory Committee. Mr. Caporicci is a leading expert and has authored and taught several courses for CalCPA and AICPA on GASB 68, *Accounting and Financial Reporting for Pensions*, and GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. As an assurance partner with over forty years of experience, Mr. Caporicci has performed financial, compliance audit, and consultation services to government clients, including cities, counties, transportation agencies, and school districts, as well as various not-for-profit entities. He is a Certified Public Accountant, a Certified Government Financial Manager, and Certified in Financial Forensics.

Mr. Caporicci will utilize his expertise in providing advice and consultation during the implementation of the new GASB standards.



Sophia Kuo, CPA, M.B.A. | Engagement/Project Director

Sophia Kuo is an Assurance Services Director in the Firm who holds an Advanced Certification in Single Audits through the AICPA. She possesses extensive auditing experience, including cities, counties, special districts, and not-for-profit entities. She will work closely with the engagement partners directing and supervising the audit team in its daily activities and tasks. She is a Certified Public Accountant and possesses a MAcc in Accounting and an M.B.A. in Business Administration.

Ms. Kuo will serve as the primary point of contact for your team and will work to ensure the services are conducted within the deadlines and will provide updates on our team's progress to the partners and you.

Olivenhain Municipal Water District

Continuing Education and Professional Development

Because of our commitment to providing the highest quality of services to the District, we provide our professionals with technical training to ensure our people stay current on topics within the industry sectors and better equip themselves to serve our clients.

All professionals are required to obtain continuing education that exceeds the requirements of the American Institute of Certified Public Accountants (AICPA) and, where applicable, *Government Auditing Standards*. Our professionals participate in continuing education programs through the following means:

- Governmental Accounting and Auditing Conference sponsored by AICPA.
- Webinar sponsored by AICPA Government Audit Quality Center.
- Annual Conference sponsored by California Society Municipal Finance Officers.
- Governmental Accounting and Auditing Conference sponsored by CalCPA.
- The Pun Group in-house training on government-specific topics, including but not limited to GASB updates, Government Auditing Standards Revision, Fraud in State and Local Governments, COSO Internal Control-Integrated Framework, Audit of State and Local Governments, Single Audit, and Mindbridge AI Auditors™.



In 2022, our government professionals received an average of 52 hours of continuing professional education, compared with the 40 hours of accounting industry requirement.

By expanding our knowledge through these seminars/conferences, we can provide the right solutions to our clients.

Staff Continuity

The Pun Group ^{LLP} is committed to maintaining staff continuity throughout audit engagements, and we can assure you that the partners assigned to this audit will be involved throughout the entire contract term.

While we cannot guarantee that our staff-level members will stay with the Firm, we encourage loyalty by paying competitive wages, offering opportunities for promotion, using state-of-the-art equipment, and providing excellent working conditions. Also, we offer benefits, including retirement plans, medical plans, profit-sharing programs, and continuing education.

Quality-Control System

Our Firm meticulously monitors the quality and contents of our reports. The Pun Group ^{LLP} is 100% committed to providing only the highest grade of work possible for our clients and for those who rely on our audits. The Firm strives to exceed professional industry standards because of the continuing respect for our clients and our emphasis on creating long-lasting relationships. The Pun Group ^{LLP} works exclusively with those who share the same moral integrity and values. Our quality-control system has been crafted with excellence in mind. It not only meets AICPA standards but also matches our own elevated standards, which include following various professional development activities.

Engagement Team Resumes

The Olivenhain Municipal Water District deserves experienced professionals who work as a team. The Pun Group ^{LLP} will provide qualified professionals to perform the audit. No subcontractors and/or consultants will be utilized to perform the requested services. Resumes for key engagement team members are presented as follows:

Olivenhain Municipal Water District



Kenneth H. Pun

CPA, CGMA

Engagement/
Lead Partner



EMAIL

ken.pun@pungroup.cpa



WEBSITE

www.pungroup.cpa

Expertise:



CITIES



COUNTIES



TRANSPORTATION
AGENCIES



ENTERPRISE
OPERATIONS



HIGHER
EDUCATION



NOT-FOR-PROFIT

Licensed to Practice in:
California

EXPERIENCE

Kenneth H. Pun is the Managing Partner and an Assurance Partner at The Pun Group ^{LLP}, which he founded in 2012 after serving in senior-level positions for well-established national and regional firms. Under his leadership, The Pun Group has become one of the “*Top Accounting Firms*” in Orange County, according to the Orange County Business Journal. The Pun Group is also on the list of CalCPA's Top 150 firms.

Prior to founding The Pun Group, Ken served clients in a variety of industries, including small to very large state and local governmental agencies, insurance companies, not-for-profits, healthcare, technology, and manufacturing and distribution clients. His career in public accounting was spent primarily with Regional firms and National firms.

Leveraging more than 21 years of public accounting experience, Ken has earned a reputation of being a trusted advisor to governmental and Healthcare organizations throughout California and neighboring states. Municipalities and public agencies engage him because of his premier level of client service, commitment, and innovative methods of increasing operational efficiencies and reducing costs.

Ken maintains his deep commitment to professional education through his work as an instructor for the California Education Foundation. He has authored training materials in governmental accounting and auditing, such as Financial Reporting for State and Local Governments, 2018 Government Auditing Standards, and Single Audit Fundamentals for California Education Foundation. He is also the technical reviewer of the CCH Knowledge-Based Audits™ of State and Local Governments with Single Audits. He advises clients on those topics at influential industry forums. Internally, Ken mentors audit teams by providing direction and technical guidance to ensure adherence to the firm's quality controls.

EDUCATION

University of California, Riverside

B.S. Degree – Business Administration, Emphasis in Accounting

LEADERSHIP & AFFILIATIONS

- Member, American Institute of Certified Public Accountants (AICPA)
- Member, California Society of Certified Public Accountants (CalCPA)
- Past Chair, CalCPA Governmental Accounting and Auditing Committee
- Member, CalCPA California Committee on Municipal Accounting
- Member, CalCPA Governmental Accounting and Auditing Conference Planning Committee
- Member Government Finance Officers Association (GFOA)
- Member, California Society of Municipal Finance Officers (CSMFO)
- Member, CSMFO Professional Standards Committee
- Speaker, CSMFO Conference (2014 and 2018)
- Instructor, CalCPA Education Foundation
- Technical Reviewer, CCH Knowledge-Based Audits™ of State and Local Governments with Single Audits

RELEVANT EXPERIENCE

- Alameda County Water District
- El Toro Water District
- Marina Coast Water District
- Riverside County Flood Control and Water Conservation District
- Alameda County Water District
- Central Basin Municipal Water District
- Las Virgenes Municipal Water District
- Orange County Coastkeeper
- South Orange County Wastewater Authority
- Sativa Los Angeles County Water District
- Central Basin Municipal Water District

CONTINUING PROFESSIONAL EDUCATION

Various courses are offered by the Firm online through Thompson Reuters, AICPA, and CalCPA Education Foundation, including:

- Governmental and Nonprofit Annual Update
- Government Auditing Standards
- GASB Basic Financial Statements for State and Local Governments
- Single Audits: Uniform Guidance (formerly OMB Circular A-133)
- Financial Accounting Standards Board Annual Updates
- Statement on Standards for Accounting and Review Services Updates

Has met/exceeded the current CPE educational requirements to perform audits of governmental agencies.



Coley Delaney

CPA

Technical/
Concurrent Partner



EMAIL

coley.delaney@pungroup.cpa



WEBSITE

www.pungroup.cpa

Expertise:



CITIES



COUNTIES



TRANSPORTATION
AGENCIES



SPECIAL
DISTRICTS



HIGHER
EDUCATION



NOT-FOR-PROFIT

Licensed to Practice in:
California

EXPERIENCE

Coley Delaney is a Partner within The Pun Group ^{LLP} Assurance division. In his fifteen (15) years of accounting and auditing experience, Coley has worked with governmental agencies, not-for-profit entities, and private for-profit entities. He specializes in conducting financial audits under GAO Yellow Book standards and compliance audits in accordance with Uniform Guidance (formerly known as OMB Circular A-133).

Mr. Delaney has performed audits and other attestation services for several governmental agencies throughout California, including cities, counties, redevelopment agencies, public financing authorities, housing authorities, transportation agencies, and special districts, and he has helped them publish their Comprehensive Annual Financial Reports in compliance with GASB Statement No. 34.

Mr. Delaney develops training materials and shares his expertise internally with other Firm professionals. Coley is a frequent speaker at in-house seminars on topics related to government auditing standards and Single Audits.

EDUCATION

University of California, Santa Barbara

B.A. Degree – Business Economics, Emphasis in Accounting

LEADERSHIP & AFFILIATIONS

- Member, American Institute of Certified Public Accountants (AICPA)
- Member, California Society of Certified Public Accountants (CalCPA)

RELEVANT EXPERIENCE

- Olivenhain Municipal Water District
- Sweetwater Authority
- Carmel Area Wastewater District
- San Elijo Joint Powers Authority
- Menlo Park Fire Protection District
- San Dieguito Water District
- Padre Dam Municipal Water District
- Marina Coast Water District
- Ventura County Transportation Commission
- North County Fire Protection District

CONTINUING PROFESSIONAL EDUCATION

Various courses are offered by the Firm online through Thompson Reuters, AICPA, and CalCPA Education Foundation, including:

- Governmental and Nonprofit Annual Update
- Government Auditing Standards
- GASB Basic Financial Statements for State and Local Governments
- Single Audits: Uniform Guidance (formerly OMB Circular A-133)
- Financial Accounting Standards Board Annual Updates
- Statement on Standards for Accounting and Review Services Updates

Has met/exceeded the current CPE educational requirements to perform audits of governmental agencies.

Olivenhain Municipal Water District



Andrew Roth
CPA
Compliance
Partner



EMAIL

andrew.roth@pungroup.cpa



WEBSITE

www.pungroup.cpa

Expertise:



CITIES



COUNTIES



TRANSPORTATION
AGENCIES



ENTERPRISE
OPERATIONS



HIGHER
EDUCATION



NOT-FOR-PROFIT

Licensed to Practice in:
California
Arizona

EXPERIENCE

Andrew Roth is a Partner within The Pun Group LLP. He has more than twelve (12) years of governmental and not-for-profit experience in the areas of financial audit and reporting under governmental and financial accounting standards, evaluation of internal controls under the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Integrated Framework, the performance of Single Audits under the Uniform Guidance, subrecipient monitoring of Federal Grants, corporate financial reporting, data analytics, and exempt taxation. His client portfolio consists of moderate to large municipalities (cities and counties), municipal transportation districts, water districts, municipal electric utilities, and not-for-profit organizations whose missions involve building communities. His governmental agency clients have federal grant expenditures that range from \$100 million to \$750 million annually.

In various engagements, Andrew has been responsible for leading the service delivery where he has actively contributed and managed the planning process, implementation of the audit work plan, supervision of multiple audit teams, and provided yearly team updates on the changes in compliance testing requirements for the Single Audits, and preparation of all deliverables including the Annual Comprehensive Financial Reports, the Single Audit, Compliance Reports, Data Collection Forms, and City Council/Board presentations. He has also been a guest speaker on topics involving Federal grants, such as updates to Yellow Book Standards, Compliance Auditing, and Updates to the Uniform Guidance Procurement Requirements.

EDUCATION

San Diego State University
B.A. Degree – Accounting



LEADERSHIP & AFFILIATIONS

- Member, American Institute of Certified Public Accountants (AICPA)
- Member, California Society of Certified Public Accountants (CalCPA)

RELEVANT EXPERIENCE

- Las Virgenes Municipal Water District
- Olivenhain Municipal Water District
- Salinas Valley Basin Groundwater Sustainability Agency
- Menlo Park Fire Protection District
- Marina Coast Water District
- Sweetwater Authority
- San Dieguito Water District
- Carmel Area Wastewater District
- Padre Dam Municipal Water District

CONTINUING PROFESSIONAL EDUCATION

Various courses offered by the Firm online through Thompson Reuters, AICPA, and CalCPA Education Foundation, including:

- Governmental and Nonprofit Annual Update
- Government Auditing Standards
- GASB Basic Financial Statements for State and Local Governments
- Single Audits: Uniform Guidance (formerly OMB Circular A-133)
- Financial Accounting Standards Board Annual Updates
- Statement on Standards for Accounting and Review Services Updates

Has met/exceeded the current CPE educational requirements to perform audits of governmental agencies.

Olivenhain Municipal Water District



John F. Georger, Jr.
CPA, CIA, CGMA
Quality Control
Reviewer



EMAIL

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WEBSITE

www.pungroup.cpa

Expertise:



CITIES



COUNTIES



TRANSPORTATION
AGENCIES



ENTERPRISE
OPERATIONS



HIGHER
EDUCATION



NOT-FOR-PROFIT

Licensed to Practice in:
California
Arizona
Nevada

EXPERIENCE

Jack Georger is the Chief Quality Officer within The Pun Group LLP's Assurance division. By leveraging more than forty (40) years of public accounting and auditing experience in the government, agribusiness, financial services, manufacturing, and nonprofit sectors, Mr. Georger brings in-depth knowledge and practical expertise to each engagement.

Jack coordinates, plans, and manages financial audit activities, consulting activities, federal and state compliance audit activities, performance audits, and numerous quality control and internal control reviews for a broad mix of governmental agencies and programs throughout the United States.

Mr. Georger leads our Peer Review department providing peer review services to other firms under the practice monitoring program of the AICPA.

Mr. Georger is a continuing professional education course instructor for the AICPA. Annually, he instructs over 300 hours in accounting and auditing subjects. Jack has authored training material in governmental accounting and auditing for the AICPA. He is the technical reviewer of the CCH Knowledge-Based Audits™ of State and Local Governments with Single Audits, GAAP Guide (FASB), and Governmental GAAP Guide (GASB).

Mr. Georger is licensed to practice as a certified public accountant in the states of California, New York, Virginia, Maryland, the District of Columbia, Missouri (inactive), Connecticut (inactive), and Wyoming (inactive). He is a Certified Internal Auditor (CIA).

EDUCATION

George Mason University Fairfax, Virginia

B.S. Degree – Accounting

LEADERSHIP & AFFILIATIONS

- Member and Instructor, American Institute of Certified Public Accountants (AICPA)
- Member, Institute of Internal Auditors
- Member, California Society of Certified Public Accountants (CalCPA)
- Member, New York Society of Certified Public Accountants (NYSSCPA)
- Chairman, NYSSCPA Government Accounting and Auditing Committee
- Member, NYSSCPA Auditing Standards Committee
- Member, NYSSCPA Sustainability Committee
- Member, NYSSCPA Not-for-Profit Committee
- Nevada Society of Certified Public Accountants (NSCPA)
- Member, Government Finance Officers Association (GFOA) – Reviewer
- Member, Institute of Internal Auditors

CONTINUING PROFESSIONAL EDUCATION

He has instructed over 300 hours of municipal accounting courses offered by the AICPA.

Has met/exceeded the current CPE educational requirements to perform audits of governmental agencies.



Gary M. Caporicci
CPA, CGFM, CFF
GASB
Implementation
Specialist



EMAIL

gary.caporicci@pungroup.cpa



WEBSITE

www.pungroup.cpa

Expertise:



CITIES



COUNTIES



TRANSPORTATION
AGENCIES



ENTERPRISE
OPERATIONS



HIGHER
EDUCATION



NOT-FOR-PROFIT

Licensed to Practice in:
California

EXPERIENCE

Gary M. Caporicci has more than forty years of diversified business experience, including a specialization in audit and management consulting for government organizations. Gary's clients include public and private universities and colleges, city and county governments, state agencies, joint power authorities, healthcare agencies, transportation agencies, and special districts. Known for his expertise in the areas of construction and government, Gary wrote the AICPA audit guides on these topics, and he has authored many audit and accounting courses for professional groups, as well as academic institutions. He frequently speaks and lectures at many professional organizations, governmental seminars, and conferences held by industry associations, other accounting firms, and universities. Also, he authors white papers for the California Committee on Municipal Accounting.

Before working with the Firm, Gary founded his accounting practice. He also spent eleven years with a "Big Eight" professional services firm, where he was an Audit Manager and gained broad experience in a wide range of industries such as government, construction, manufacturing, mutual funds, and insurance. Gary has held a consultant position with a "Big Four" practice and was Vice President of a national insurance and financial services company.

In 2015 Gary Caporicci was appointed to the State Retirement Advisory Committee by the State Controller.

EDUCATION

Armstrong University

B.S. Degree – Accounting and Finance

LEADERSHIP & AFFILIATIONS

- Member and Instructor, American Institute of Certified Public Accountants (AICPA)
- Member, Author, and Instructor, California Society of Certified Public Accountants (CalCPA)
- Past Chair, CalCPA Governmental Accounting and Auditing Committee
- Chair and Speaker, CalCPA Governmental Accounting and Auditing State Conferences
- Member, CalCPA Council
- Chair, California Committee on Municipal Accounting (CCMA)
- Member, Government Finance Officers Association (GFOA)
- Member, California Society of Municipal Finance Officers (CSMFO)
- Member, Governmental Accounting Standards Board (GASB)
- Member, Deposit and Investment Risks Disclosure Task Force (GASB No. 40)
- National Reviewer and Speaker, Government Finance Officers Association
- Adjunct Professor, National University
- Past Member, Texas Governmental Accounting and Auditing Committee
- GFOA Certificate for Excellence in Financial Reporting – Reviewer

CONTINUING PROFESSIONAL EDUCATION

Author and instructor of various municipal accounting courses offered by the AICPA, CalCPA Education Foundation, and local universities, including:

- Governmental and Non-profit Annual Update
- Government Auditing Standards
- GASB Basic Financial Statements for State and Local Governments
- Single Audits: Uniform Guidance (formerly OMB Circular A-133)
- Financial Accounting Standards Board Annual Updates
- Statement on Standards for Accounting and Review Services Updates

Has met/exceeded the current CPE educational requirements to perform audits of governmental agencies.



Sophia Kuo

CPA, M.B.A.

Engagement/
Project Director



EMAIL
sophia.kuo@pungroup.cpa



WEBSITE
www.pungroup.cpa

Expertise:



CITIES



COUNTIES



TRANSPORTATION
AGENCIES



ENTERPRISE
OPERATIONS



HIGHER
EDUCATION



NOT-FOR-PROFIT

Licensed to Practice in:
California

EXPERIENCE

Sophia Kuo is a Director within The Pun Group, LLP's Assurance division. In her seven years of accounting and auditing experience, Sophia has worked with governmental agencies, not-for-profit entities, and private for-profit entities. She possesses governmental expertise that ranges from GASB audit/reporting, Internal Controls/COSO Framework, Single Audit, Corporate Financial Reporting, Data Analysis, and Taxation.

Ms. Kuo has performed audits and other attestation services for several governmental agencies throughout California. Her portfolio includes cities, counties, redevelopment agencies, public financing authorities, housing authorities, transportation agencies, and special districts. Also, she has helped them publish their Annual Comprehensive Financial Reports in compliance with GASB Statement No. 34.

EDUCATION

Fu Jen Catholic University

B.A. Degree – International Trading and Finance, Emphasis in Finance

Idaho State University

Master of Accounting (MAcc)

Master of Business Administration (M.B.A.)



LEADERSHIP & AFFILIATIONS

- Member, American Institute of Certified Public Accountants (AICPA)
- Member, California Society of Certified Public Accountants (CalCPA)

RELEVANT EXPERIENCE

- Las Virgenes Municipal Water District
- Central Basin Water District
- City of Desert Hot Springs
- City of Coachella
- City of Perris
- South Orange County Wastewater Authority
- Marina Coast Water District
- Valley Sanitary District
- City of Monterey Park
- City of Pomona

CONTINUING PROFESSIONAL EDUCATION

Various courses are offered by the Firm online through Thompson Reuters, AICPA, and CalCPA Education Foundation, including:

- Governmental and Non-profit Annual Update
- Government Auditing Standards
- GASB Basic Financial Statements for State and Local Governments
- Single Audits: Uniform Guidance (formerly OMB Circular A-133)
- Financial Accounting Standards Board Annual Updates
- Statement on Standards for Accounting and Review Services Updates

Has met/exceeded the current CPE educational requirements to perform audits of governmental agencies.

Similar Engagements with Other Government Entities

References

The following are examples of some of the engagements with similar requirements as the Olivenhain Municipal Water District's proposal. Please feel free to contact these agencies to learn more about their experiences working with us.

Name of Public Agency	Alameda County Water District
Contact Info	Ms. Mariana Grajeda, CPA (510) 668-4258 mariana.grajeda@acwd.com
Total Hours:	Approximately 550 hours
Contract Price	\$60,800/year
Date of Services	2019 - Present
Scope of Work/Reports Prepared	Financial Audit and Compliance Services: Annual Comprehensive Financial Report Audit, GFOA Award, Debt Issues/Bond Covenants, SCO Report.

Name of Public Agency	Zone 7 Water Agency
Contact Info	Osborn Solitei, Treasurer/Assistant General Manager, Finance (925) 447-6704 osolitei@zone7water.com
Total Hours:	Approximately 400 hours
Contract Price	\$30,500/year
Date of Services	2020 - Present
Scope of Work/Reports Prepared	Financial Audit and Compliance Services: Annual Comprehensive Financial Report Audit, GFOA Award, Single Audit, OPEB Liability, SCO Report, Livermore Valley Water Financing Authority SCP, Debt Issues/Bond Covenants.
Engagement Partner	Kenneth Pun

Name of Public Agency	Central Basin Municipal Water District
Contact Info	Peggy Williams, Accounting Manager (323) 201-5513 peggyw@centralbasin.org
Total Hours:	Approximately 300 hours
Contract Price	\$30,000/year
Date of Services	2018 - Present
Scope of Work/Reports Prepared	Basic financial statements audit, SCO Report.
Engagement Partner	Kenneth Pun

Name of Public Agency	South Orange County Wastewater Authority
Contact Info	Mary Carey, Finance Controller (949) 234-5440 mcarey@socwa.com
Total Hours:	Approximately 300 hours
Contract Price	\$30,000/year
Date of Services	2017 – Present
Scope of Work/Reports Prepared	Financial Audit, including the preparation of the Annual Comprehensive Financial Report Audit.
Engagement Partner	Kenneth Pun, Frances Kuo

Specific Audit Approach

Scope of Work, Audit Approach, and Methodology

The Olivenhain Municipal Water District is requesting the Firm to perform Professional Auditing Services and issue opinions on the District's financial statements. The audits are to be completed in accordance with all applicable and generally accepted auditing standards, including, but not limited to, the following:

- Generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants (AICPA).
- US General Accounting Office's (GAO) Standard for Audit of Governmental Organizations, Programs, Activities, and Functions.
- Local Governments and Governmental Accounting Standards Board (GASB) Pronouncements.
- The standards applicable to financial audits contained in the most current version of the *Generally Accepted Government Auditing Standards* (Yellow Book), issued by the Comptroller General of the United States.
- The provisions of the Single Audit Act as amended in 1996.
- The provisions of the US Office of Management and Budget (OMB) Uniform Guidance (formerly known as Circular A-133), Audits of State and Local Governments and Non-profit Organizations, and the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

The Firm will perform the following services:

- ✓ Financial Statement Audits and issuance of an opinion statement on the **Annual Comprehensive Financial Report** of the Olivenhain Municipal Water District and the financial statements of its component units. The audit will be conducted in accordance with *Generally Accepted Government Auditing Standards*. The report will be in full compliance with all current GASB pronouncements.

In addition, the Firm will assist in meeting the requirements for the Government Finance Officers Association (GFOA) "**Certificate of Achievement for Excellence in Financial Reporting**."

- ✓ Prepare a **Single Audit Report** which will include the following:
 - Report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with *Government Auditing Standards*.
 - Report on compliance with requirements applicable to each major program, internal control over compliance, and on the schedule of expenditures of federal awards in accordance with Uniform Guidance, "Audits of State and Local Governments," and the Single Audit Act of 1984 (Public Law 98-502).
 - Schedule of Expenditures of Federal Awards.
 - Notes to Schedule of Expenditures of Federal Awards.
 - Schedule of Findings and Questioned Costs.
 - Any other required schedules or reports.
 - Prepare the Data Collection Form for Reporting on Audits of States, Local Governments, and Non-Profit Organizations.
 - Commission single audit of federal grants allocable to HCVP in accordance with Uniform Guidance.
- ✓ Issue an **Auditor's Communication Letter** with any reportable conditions found during the audit. A reportable condition will be defined as a material weakness or significant deficiency.
- ✓ Issue a separate "**Management Letter**" that includes recommendations for improvements on internal control, accounting procedures, and other significant observations that are considered to be no reportable conditions.
- ✓ Provide up to 20 hours/annually of consultation on accounting and financial issues during the year at no extra cost.

Olivenhain Municipal Water District

Provided By Client (PBC) Lists: They will be provided for both interim and final audits according to an agreed-upon timeline between the engagement team and the District in order to be reasonably prepared for a field audit. The engagement team will meet with the District's management during the initial planning stage to discuss audit schedules and review the prior year's audit findings (if any). We will deliver a list of all documents to be provided by the District's staff. Once such materials are agreed upon by the engagement team and District's finance personnel, no other schedules will be requested unless new information comes to light in the course of test work.

Attendance at Meetings and Hearings: The engagement team will participate in as many meetings with staff as needed to perform the work scope tasks, present the audit plan prior to beginning fieldwork, and discuss the draft audit reports. The team will attend public meetings to present and discuss its findings and recommendations. Once all issues of discussion are resolved, the completed Financial Reports, Single Audit report (if applicable), and other reports will be delivered to the District according to the agreed-upon schedule.

Proposed Audit Adjustments: All proposed adjusting journal entries by the Firm will be discussed and explained in a timely manner with the designated Finance Department personnel. Such proposed adjustments will be in a format that shows the lowest level of posting detail needed for data entry in the general ledger systems.

Supplemental Reports, Audits, or Agreed-Upon Procedures: Other services, such as agreed-upon procedures, may be deemed necessary. These services will be performed at agreed-upon rates and will be added to a written agreement before commencing audit work. The Firm and the Olivenhain Municipal Water District will discuss and approve the scope and associated costs of these tasks.

Advice and Consultation: Will be provided throughout the year on matters relating to accounting and financial reporting. Such services do not include any task that entails significant research or a formal report.

GASB Implementation: The Firm will provide technical assistance and training in the implementation of applicable GASB pronouncements not yet in effect. We have a dedicated partner, Mr. Gary Caporicci, who will be responsible for providing advice and consultation for the implementation of these new standards. The Firm will advise the District on the applicability of accounting and reporting standards and other accounting issues and provide guidance on new note disclosures, GASB implementations, and other reporting requirements. We will also provide training, resources, and information on topics relevant to the District's financial reporting and operations. *(Based on the scope, additional charges may apply.)*

Report of all Irregularities and Illegal Acts: The Firm will make an immediate written report of all irregularities and illegal acts or indications of illegal actions of which we may become aware to the Board President and General Manager. The engagement team will also make all communications to the District required by the audit standards under which the engagement is performed.

Working Paper Retention and Access to Working Papers: The Firm will retain, at its own expense, all working papers and reports for a minimum of five (5) years unless the Olivenhain Municipal Water District notifies the Firm in writing of the need to extend the retention period. The Firm will make working papers available upon request by the Olivenhain Municipal Water District or its designees.

Also, we will comply with reasonable requests from successor auditors and allow them to review working papers that relate to matters of continuing accounting significance.

Methodology and Segmentation of Engagement

The Firm's audit approach consists of six phases: Engagement Acceptance and General Planning, Planning and Internal Control Evaluation, Fieldwork, Post Fieldwork, Report Preparation and Review, and Final Production.



Benefits

- Client tailored approach emphasizing careful planning, open communication, proper assignment of responsibilities
- An efficient and effective audit, so disruption to office operations is kept to a minimum
- Offer beneficial observations and recommendation about policies and procedures for accounting and operating controls
- Opportunities to make operations more efficient and reduce costs
- Provide advisory services so recommendations can be implemented
- Meet objectives at no additional cost

- 1. Engagement Acceptance and General Planning:** The engagement partner and manager will meet with District's management to obtain an update on current District policies and procedures, help identify risk areas and new operations, and establish any specific requirements they may have. Our team will work on the identification of unique transactions, implementation of new GASB pronouncements, and develop the audit work plan for the engagement.
- 2. Planning and Internal Control Evaluation:** The engagement team, including the engagement partner, will assess accounting policies adopted by the District in order to obtain an understanding of its structure and its operating environment. Also, our team will review internal controls on all significant transaction classes, perform walkthroughs and/or tests of internal controls, perform preliminary analytical procedures, develop an initial risk assessment, evaluate Single Audit compliance, identify any audit issues, and prepare confirmation correspondence. The engagement team and District's Management will establish expectations, including responsibilities and assignments for the year-end fieldwork, and will hold a progress status meeting at the end of the interim phase.
- 3. Fieldwork:** The engagement team, including the engagement partner, will conduct audit procedures on account balances in the general ledger, finish confirmation procedures, perform data analysis using our AI tools, search for unrecorded liabilities, perform substantial analytical review procedures, complete work on compliance with Federal Assistance, and conclude fieldwork. The engagement team and District's Management will hold an exit conference at year-end. Periodic update meetings will be held to communicate audit progress to management.
- 4. Post Fieldwork:** During the phase, the engagement team, including the engagement partner, will review all documents and evaluate commitments and contingencies. The team will perform an assessment of the going concern and jointly plan for the next steps.
- 5. Report Preparation and Review:** The Firm will review and prepare audit reports and perform quality control procedures following the Quality Control Standards issued by the AICPA. We will also examine reports for compliance with GFOA reporting guidelines at no additional cost. Any comments will be recorded in a letter to management. At the District's request, the engagement partner and manager will present the audit to District's Management and other governing bodies.
- 6. Final Production:** The final phase of our approach entails obtaining the management representation letter and final financial statement report, which may include a final presentation to the District's Management and other governing bodies (if applicable).

The Firm will complete the audit fieldwork and issue all reports within the established timeframe, assuming no internal circumstances within the District causes delays in the audit.

Olivenhain Municipal Water District

Level of Staff and Number of Hours to be Assigned to Each Segment of the Engagement

The Pun Group ^{LLP} understands that the District is not only looking to employ our auditing services but is also seeking to receive value within that professional relationship. We believe that our value derives from the in-depth knowledge, experience, and commitment that our auditing firm employs. We stress and emphasize “employ” because all of the knowledge and expertise listed on paper will not benefit you unless it is applied. That is why we have developed a plan that we feel will accomplish the objectives of the District and your particular needs. Our Firm will utilize the information that you have shared with us and our experience from our previous audits of this nature from various government entities and cities to develop a practical plan for all major areas.

Estimated Total Hours*:

	Partner(s)	Director/ Manager(s)	Supervisor/ Senior(s)	Staff	Clerical	Total
Engagement Acceptance & General Planning	1	2	3	5	0	11
Planning & Internal Control Evaluation	1	2	5	8	0	17
Fieldwork	6	12	24	40	2	84
Post Fieldwork	4	8	16	26	2	56
Report Preparation & Review	6	12	24	40	2	84
Final Production	2	4	8	13	1	28
Total*	20	40	80	132	8	280

*Does not include CPE hours related to Governmental Webinars and/or optional services.

Sample Size and the Extent to Which Statistical Sampling is to be Used in this Engagement

In our audit approach, random and statistical sampling is used in conjunction with our skilled judgment and knowledge of each situation. When designing an audit sample, our auditors consider the purpose of the audit procedure and the characteristics of the population from which the sample will be drawn. We determine a sample size sufficient to reduce sampling risk to an acceptably low level and select items for such a task in a way that we can reasonably expect it to be representative of the relevant sample and likely to provide the auditor with a reasonable basis for conclusions about the population.

Enhancing Auditing Quality with Artificial Intelligence

There are plenty of challenges with established audit practices. Outdated CAAT tools, sampling practices, and the explosive growth of big data are some of the examples, and they all present significant barriers to detecting anomalies, intentional or otherwise, in financial data. The Pun Group deploys a comprehensive, risk-based approach, complemented by using MindBridge™'s Artificial Intelligence Platform, to conduct our audit. Through this tool, we can seamlessly analyze thousands and thousands of financial and operating data and records, **identifying and cataloging significant risks in mere seconds**.



The *AI Auditor* platform works by our side, augmenting our capacity to detect errors or fraud in the collected data not only by analyzing the entire set but by cross-correlating dozens of testing criteria against pre-established data points and presenting us with a view of every user, vendor, and transaction, by risk. All are happening within moments of ingesting analyzed data, which is something standard audit procedures simply cannot accomplish.

We utilize these tools to allow our audit team to increase efficiency in the audit process, enhance the existing quality of our work, provide directed testing in areas subject to the highest risk, and quickly assimilate large amounts of data your staff would typically be asked to gather. The tools also help us to meet our professional requirements regarding fraud and internal control, allowing us to:

- ✓ Run Benford's analysis to check for fraud in transactions.
- ✓ Increase the value of audit findings with complete, 100% data coverage.
- ✓ Isolate risk and control issues before they impact your operations.
- ✓ Improve productivity by automating procedures and eliminating manual tasks.
- ✓ Conduct more direct, efficient, and effective audits to improve overall service quality.

Olivenhain Municipal Water District

Our engagement team easily imports data in a secure environment from the District's financial software and extracts useful data for testing and analytical procedures particular to the following areas:

- Successful Fraud Test
- Questionable Invoices
- Phantom Vendor Schemes
- Kickback or Conflict-of-Interest Schemes
- Dormant Account Schemes
- Money Laundering Schemes

Type and Extent of Analytical Procedures to be used in the Engagement

Analytical procedures are one of many financial audit processes that help an auditor understand the client's operation and changes in the environment and identify potential risk areas to plan other audit procedures. Such procedures include a comparison of financial information on prior periods, budgets, forecasts, and industry benchmarks. We use trend and ratio analysis to identify any uncertain or unusual events. To perform these analyses, our Firm surveys cities and counties and develops benchmarks on specific vital financial indicators, such as the cost of services to tax revenues ratios, average general fund balance, capital assets, debt-to-capital, and general fund unassigned fund balance to total general fund expenditures, etc. Our engagement members have extensive experience in successfully implanting analytical procedures to the District's benefit.

Our analytical procedures process is performed during three stages of the audit: (a) at the start, (b) in the middle, and (c) at the end. These three stages are risk assessment procedures, substantive analytical procedures, and final analytical procedures:

- **Risk assessment procedures** are used to assist the auditor in understanding the business better and in planning the nature, timing, and extent of audit procedures.
- **Substantive analytical procedures** are used to obtain evidential matters about particular assertions related to the account balances or classes of transactions. During the interim phase, our engagement team will set up expectations for the year-to-date results and balances and compare them with budgeted and prior-year amounts. This process allows us to forecast year-end amounts, reducing the workload during the year-end phase and allowing us to focus on areas of concern.
- **Final analytical procedures** are used as an overall review of the financial information in the last review stage of the audit. The Engagement Partner(s) and Manager(s) will perform a high-level analytical analysis of the financial information, comparing its data both quantitatively and qualitatively to ensure the amounts are fairly presented in all material respect in the financial statements.

Approach to be Taken to Gain and Document an Understanding of the Internal Control Structure

Audit risk assessment is established by an internal control review, combined with the engagement team's understanding of the District's operations and accounting software. Using the Committee of Sponsoring Organizations (COSO) Framework, staff members will evaluate the District's processes and identify any control deficiencies. These diagnostic review procedures allow the engagement team to assess the District's systems and controls and to provide constructive feedback to management.

During our initial planning phase of the audit, our engagement team, including the engagement Partner and Manager, will obtain an understanding of the entity and its environment. It is an essential aspect of performing an audit under generally accepted auditing standards. That understanding establishes a frame of reference within which the auditor plans the procedures and exercises professional judgment about assessing risks of material misstatement of the financial statements and responding to those risks throughout the examination.

During the interim phase of the audit, our engagement team will perform a walkthrough of all significant accounting systems, including processes for financial reporting, revenue recognition and cash receipts, purchasing/contract management and cash disbursements, payroll and related liabilities, and others. Our auditors will obtain the written policies and procedures, inquiring accounting personnel, and document the process in either a flowchart or narrative summary format. After gaining an understanding of the accounting and internal control systems, our auditor will make a preliminary assessment of control risk, at the assertion level, for each material account balance or class of transactions.

Olivenhain Municipal Water District

The form and extent of this documentation are influenced by the size and complexity of the entity and the nature of its accounting and internal control systems. Generally, the more complex the entity's accounting and internal control systems and the more extensive the auditor's procedures, the broader our documentation will need to be.

Approach to be Taken in Determining Laws and Regulations that Will be Subject to Audit Test Work

The Firm stays continually up to date with audit requirements—including new regulations, compliance supplements, state guidelines, and related contracts—to ensure that we conduct audits under applicable laws and regulations. We test transactions for compliance with the Single Audit Act, California Government Code, GANN Appropriations Limit, provisions of applicable grant guidelines, requirements of local measures, and others.

For example, the Single Audit Act requires that we determine which grants to include in our audit and select transactions from those grants for detailed testing. While most items will be tested as part of the Interim phase, we cannot determine which grants will be selected for the Single Audit until the year-end/fieldwork stage of the audit.

Our compliance audits of cash, investments, debt covenants, and other areas will be performed following the California Government Code, which has many provisions and regulations covering investments.

Approach to be Taken in Drawing Audit Samples for Purposes of Tests of Compliance

To test compliance, we will follow the AICPA's Audit Sampling Considerations of Uniform Guidance Compliance Audits. We will select an appropriate sample size based on our professional judgment and knowledge. Any deviations from control and compliance requirements will be documented.

Audit Firm's Expectations of the Role and Participation of District's Staff in the Audit Process

The engagement team will meet with the District's management during the initial planning stage to discuss audit schedules and review the prior year's audit findings (if any). We will deliver a list of all documents to be provided by the District's staff. Once such materials are agreed upon by the engagement team and District's finance personnel, no other schedules will be requested unless new information comes to light in the course of test work.

Our goal is to cause the least amount of interruptions to the District's daily operations; therefore, to the extent possible, we will use information in the form available from the District's records.

We believe client/engagement team communication is vital to perform results satisfactorily. With that sentiment in mind, we will hold regular meetings with the District's management to determine the status of the audit as well as any items which will require special attention. **Open and frequent communication is critical.**

Objectives of Our Services

Our primary objective for the proposed audit is to examine the District's financial statements and express our opinion on the fairness of the presentation, following generally accepted accounting principles. Other objectives that will benefit the District include the following:

- To offer beneficial observations and recommendations about policies and procedures for accounting and operating controls
- To identify opportunities to make District operations more efficient and reduce costs
- To perform the audit efficiently and effectively. Disruptions to office operations are kept to a minimum
- To provide continuing advisory services so the District can implement recommendations
- To meet these objectives at no additional cost to the District

The Engagement Team will perform the audit abiding by the Firm's quality-control procedures, which include following standard audit programs, careful planning, using industry-standardized software for auditing and internal control documentation, and welcoming an objective review of audit work. In other words, our client-tailored approach emphasizes careful planning, open communication, and proper assignment of responsibilities.

The Firm will supply portable computers to the on-site staff members.

Identification of Anticipated Potential Audit Problems

While we do not expect any problems with the audit, we will carefully investigate and monitor the following relevant accounting issues:

Investments:

- Compliance with GASB 31 and GASB 34
- Authorization and approval process for District investments
- Controls to assure the District's compliance with investment limitations and types of specific investments
- Monitoring by the District of its investments

Financial Reporting:

- Compliance with current reporting and disclosure requirements issued by GASB
- Compliance with the various GASBs in effect
- Perform valuations of OPEB benefits to determine the liability for all benefits promised to active, retired, and inactive plan members as of each valuation date
- Compliance with Governmental Accounting Standards Board (GASB) Statements 74 and 75
- Compliance with infrastructure obligations and regulatory provisions

Internal Control Structure:

- District's internal control functions and compliance with proper internal control philosophies
- Computer-system processes and controls and adequacy of the control environment

Bidding Proposal

We are committed to the performance of a high-quality audit at the most reasonable fee level possible, both initially and throughout the engagement. Also, our partners will provide advice and consultation as needed at no additional cost to the Olivenhain Municipal Water District.

Name of Firm: The Pun Group LLP – Certified Public Accountants and Business Advisors
Contact Name: Kenneth H. Pun, CPA, CGMA
Contact Email Address: ken.pun@pungroup.cpa

Authorization to Represent the Firm

I, the undersigned, certify I am duly authorized to represent The Pun Group LLP and am empowered to submit this bid. In addition, I certify I am authorized to contract with the Olivenhain Municipal Water District on behalf of the Firm.



May 5, 2023

Kenneth H. Pun, CPA, CGMA | Managing Partner
The Pun Group LLP

Date

Total All-Inclusive Maximum Price

Our proposed fees for Professional Auditing Services for the three year period for years ending June 30, 2024, 2025, and 2026 with an option to extend the contract for two (2) additional fiscal years ending June 30, 2027 and 2028, are as follows:

Services Provided:	Optional Years				
	2023-24	2024-25	2025-26	2026-27	2027-28
Financial Audit of the District	\$ 30,000	\$ 30,900	\$ 31,827	\$ 32,782	\$ 33,765
Single Audit - if needed (1 Major Program)	\$ 5,000	\$ 5,150	\$ 5,305	\$ 5,464	\$ 5,628
Grand Total:	\$ 35,000	\$ 36,050	\$ 37,132	\$ 38,245	\$ 39,393

- (1) Single Audit fees based on one (1) major program. The fee for auditing additional major programs will be \$5,000 each. The number of programs determined to be "major" will be based on OMB Uniform Guidance. The Engagement Team will discuss this with the Olivenhain Municipal Water District's Management before starting Single Audit work.

Olivenhain Municipal Water District

Out of Pocket Expenses are Included in the Total All-Inclusive Maximum Price and Reimbursement Rates

The Firm's policy is to maintain flexible billing rates to meet the needs of clients and help them control costs. In the interest of continuing our long-term relationship, we will absorb expenses such as travel and printing costs. Additionally, our Partners will be available to provide advice and consultation as necessary to the Olivenhain Municipal Water District. The Firm will also absorb these costs.

Rates for Additional Professional Services

Below are the Firm's hourly billing rates, delineated by staffing levels:

Hourly Billing Rates	
Partner(s)	\$ 300
Director(s)	\$ 250
Senior Manager(s)	\$ 225
Manager(s)	\$ 200
Supervisor(s)	\$ 175
Senior Accountant(s)	\$ 150
Staff Accountant(s)	\$ 125
Clerical	\$ 100

Any supplemental reports, audits, or agreed-upon procedures not covered by this proposal may be added to a written agreement prior to commencing audit work. The Firm and the District will discuss and approve the scope and associated costs of these tasks. Any additional work will be performed at the above-quoted hourly rates.

Manner of Payment

Engagement Team members are required to maintain timesheets detailing the date, number of hours, and work performed for every audit task. The Firm will collect these timesheets and bill the Olivenhain Municipal Water District at the rates outlined in the Total All-Inclusive Maximum Price section in four stages: (1) at the conclusion of the planning phase, (2) at the conclusion of the interim phase, (3) at the conclusion of the Year-End phase, (4) and after presentation and acceptance of the final audit reports. Interim billings will cover a period not less than a calendar month. The billing amounts generally break down as follows:

Work Performed	% of Proposal Amount
Planning	10%
Interim	40%
Fieldwork	40%
Presentation and Acceptance of Reports	10%

Let's Get to Work!

Benefits of Choosing The Pun Group LLP

The Pun Group LLP is recognized for its professionalism, integrity and for providing clients with practical solutions unique to their circumstances and issues. Our Firm prides itself on being able to provide personalized client services, and with that sentiment in mind, we have carefully chosen our engagement teams. The Pun Group's primary objective is to continue offering the Olivenhain Municipal Water District solutions and directions led by highly experienced and capable partners who can successfully implement the work and produce the results you expect. This philosophy and mindset allow us to provide a superior level of service and a quality audit.

We trust that this proposal has given you the information needed about the Firm, the engagement team members, the overall audit approach, cost-saving measures, and audit fees. We are committed to exceeding your expectations, and we look forward to continuing to bring our experience and expertise to the Olivenhain Municipal Water District while providing you with the excellent level of service that you expect and deserve.

Thank You

Thank you for allowing us to submit our qualifications to continue providing you with Professional Auditing Services. Please direct inquiries to:

Kenneth H. Pun, CPA, CGMA
Managing Partner
Email: ken.pun@pungroup.cpa
Phone: (949) 777-8801 | Fax: (949) 777-8850

Sincerely,

A handwritten signature in black ink that reads "The Pun Group, LLP". The signature is written in a cursive, flowing style.

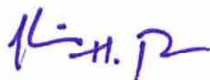
The Pun Group LLP
Certified Public Accountants and Business Advisors

Appendix A – Proposer Warranty

The proposing firm warrants the following:

1. The firm is willing and able to obtain an Errors and Omissions Insurance Policy providing a prudent amount of coverage for the willful or negligent acts or omissions of any officers, employees, or agents thereof.
2. The firm will not delegate or subcontract its responsibilities under an agreement without the express prior written permission of the Olivenhain Municipal Water District.
3. All information provided by the firm in connection with this proposal is true and correct.
4. The firm will acknowledge and agree with all terms and conditions stated in this Request for Proposal.
5. The firm will sign the attached Standard Professional Service Agreement and to provide insurance certificates and all other required documentation within seven (7) days of notification of selection.

Firm



05/05/23

Authorized Representative/Date

Attachment: OMWD Standard Professional Service Agreement

Appendix B – Available Training

Strengthen Your Accounting Knowledge: TPG Client Training Webinars

We pride ourselves in leading the governmental auditing profession nationwide and statewide. Members of our team have been assigned to the AICPA and State Government Accounting and Audit committees. Our membership with these two levels of government keeps us current, and such involvement helps our Firm with the constant changes in accounting and auditing standards, laws and regulations, and compliance provisions, which have created an unprecedented complexity in public accounting for state and local governments.

Every year, the Firm hosts a conference to update governmental clients on new technical accounting and financial issues. Since last year, by implementing “Webinars,” we’ve been expanding our horizons and offering our clients 15 hours of Continuing Professional Education (CPE). These sessions are **free of charge** and part of the service package provided to our clients.

CPE courses we offer:



Appendix C – Certificate of Insurance



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

2/28/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Burnham WGB Insurance Solutions CA Insurance License 0F69771 15901 Red Hill Avenue Tustin CA 92780		CONTACT NAME: Sarah Caballero PHONE (A/C No. Ext.): 714-824-8300 FAX (A/C No.): 714-573-1770 E-MAIL ADDRESS: Sarah.Caballero@wgbib.com	
		INSURER(S) AFFORDING COVERAGE	NAIC #
		INSURER A: Great Divide Insurance Company	25224
		INSURER B: Valley Forge Insurance Company	20508
		INSURER C: Transportation Insurance Company	20494
		INSURER D: Continental Casualty Company	20443
		INSURER E:	
		INSURER F:	

COVERAGES		CERTIFICATE NUMBER: 2039266251		REVISION NUMBER:	
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.					

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
B	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> \$0 deductible GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER:	Y		7013134445	3/1/2023	3/1/2024	EACH OCCURRENCE \$2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$1,000,000 MED EXP (Any one person) \$10,000 PERSONAL & ADV INJURY \$2,000,000 GENERAL AGGREGATE \$4,000,000 PRODUCTS - COM/OP AGG \$4,000,000 \$
C	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			7013117645	3/1/2023	3/1/2024	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
D	UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$10,000			7013136468	3/1/2023	3/1/2024	EACH OCCURRENCE \$1,000,000 AGGREGATE \$ \$
B	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	WC713136289	3/1/2023	3/1/2024	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER No Deductible E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000
A	ESO Retro 12/29/11			CAB20235903	3/1/2023	3/1/2024	3,000,000 agg 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required) Great Divide Insurance Company AM Best Rating A+ XV Certificate holder(s) is/are named as additional insured per attached endorsements subject to the terms & conditions of the policy: General Liability Additional Insured & Waiver of Subrogation # SB146932G General Liability Primary & Contributory #CNA80103XX Umbrella Policy follows form for General Liability, Auto Liability and Employers Liability Auto Primary and Non-Contributory & Waiver of Subrogation #CA00011013 Auto Designated Insured #IL 02 70 07 20 See Attached...

CERTIFICATE HOLDER Olivenhain Municipal Water District Attn: Kimberly A. Thorner, General Manager 1966 Olivenhain Road Encinitas CA 92024	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
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Memo

Date: September 20, 2023
To: Olivenhain Municipal Water District Board of Directors
From: Rainy Selamat, Finance Manager
Via: Kimberly A. Thorner, General Manager
Subject: **CONSIDER STAFF PRESENTATION ON THE PROPOSED PASS-THROUGH INCREASES AND ADJUSTMENTS TO OMWD POTABLE AND RECYCLED WATER RATES AND CHARGES FOR 2024 AND PROVIDE INPUT TO STAFF**

Purpose

The purpose of this agenda item is to consider and discuss four (4) proposed options and pass-through increases and adjustments included in this memo and Staff's presentation (attached).

The initial proposal on options for pass-through increases and adjustments were discussed with the Finance Committee (Director Meyers and Director Watt) at its regular meeting on August 8, 2023.

Recommendation

The Board is not voting on rates today. The Board is providing input to staff as to which option should be publicly advertised to the customers before the Board considers the rates at the January 2024 meeting.

Staff recommends that the Board consider Option 4 to pass through purchased water wholesale cost increases and to pass through annual inflation adjustment to OMWD water rates and charges for 2024. Staff also recommends that the Board consider passing

through increases in the SDCWA-IAC fee on water meters effective January 1, 2024 and a 5% adjustment to OMWD monthly Fire Meter charges.

The Finance Committee (Director Meyers and Director Watt) recommended that three options presented to the Committee at the August 8th meeting be brought forward for consideration and discussion with the full Board. Director Meyers subsequently asked for a fourth option to be considered, which is included today in the packet.

The proposed changes to water rates and charges for 2024 will be brought back to the Board for approval and adoption at the January 2024 meeting prior to implementation. Changes to the current water rates and charges, if adopted by the Board in January, will be implemented on March 1, 2024.

Due to the significant increase in purchased water wholesale costs from SDCWA effective January 1, 2024, a delay in implementing purchased water wholesale cost increases to current OMWD water rates and charges will materially impact the District's financial position and can have a negative impact on the District's credit ratings. Purchased water costs are the District's largest operating expenses in each fiscal year.

Alternatives

There are four (4) water rate options included in the attached presentation for Board consideration to pass through purchased water wholesale cost increases and to pass through an annual inflation adjustment to District water rates and charges. A water credit of 6.9 cents per unit under the Rate Reimbursement Credit Program was included in the calculation of each option that is being considered. The Rate Reimbursement Credit is a program that was approved by the Board in 2022 to help reduce customers' monthly water bills based on water consumption by refunding them the SDCWA rebate payments to OMWD over a six-year period.

The Board may also direct Staff to have other options for consideration at the next meeting.

Background

In December 2019, OMWD Board of Directors adopted a rate ordinance that would allow the District beginning January 1, 2020 through December 2024 to pass through any: (1) increases in purchased water wholesale costs from SDCWA, and any other wholesale water charge increases imposed on OMWD by its public agency water supplier (Purchased Water Wholesale Pass-Through), (2) increases to SDCWA fixed monthly meter fees collected on water meters (SDCWA Infrastructure Access Charge), (3) increases to the District's Costs of Operations and Maintenance and Capital Facility based on over-the-year percentage change in the San Diego County Consumer Price Index for All Urban Customers (Inflationary Pass-Through), and (4) increases in water rates or any

other charges mandated by the State of California and imposed on the District (CA Pass-Through). Per the ordinance, any and all Pass-Through Increases and Adjustments shall not exceed 9% per year, and in no event will these increases result in rates exceeding OMWD's cost of providing water services.

While these are pass-through increases, proposed adjustments to existing water rates and charges are reviewed with the Board annually. The Board has full discretion to set and approve OMWD water rates and charges each year as long as water rate increases do not exceed the cost of providing water services.

Proposed Pass-Through Increases and Adjustments to OMWD water rates and charges for 2024 are summarized as follows:

San Diego County Water Authority (SDCWA) Water Rate Increases

The District must buy 100% of untreated water from SDCWA to meet customer water demand. Purchased water wholesale costs from SDCWA increase on January 1st every year. For the first time in OMWD history, SDCWA's purchased water wholesale cost increases will be higher than the maximum legal limit of 9% included in the District's Proposition 218 Notice (attached).

SDCWA's Board of Directors adopted a 11.8% increase to the County's "All-In" untreated water, and a 12.3% increase for the "All-In" treated water cost per acre foot effective January 1, 2024. The average Effective Impact by Member Agency is 9.5% based on SDCWA's Staff report.

Recycled Water Suppliers Water Rate Increases

The District buys recycled water from other neighboring water agencies to meet its recycled water demand.

Increased purchased recycled water costs from District recycled water suppliers (City of San Diego, Rancho Santa Fe Community Services District, San Elijo Joint Power Association, Vallecitos) resulted in a 3.85% overall increase to the blended recycled water wholesale cost per acre foot for 2024. Staff is proposing to pass through purchased recycled water wholesale cost increases to recycled water commodity rate by 3.85% for 2024.

Inflationary Pass-Through Increase

Inflation adjustments over the last two years have been historically high, between 6-8%.

Higher inflation rates resulted in higher costs to complete the District's water infrastructure replacement and improvement projects. Actual bids received on several projects have also been higher than the Engineering Department's costs estimates for labor and material costs to complete the District's Capital Improvement Projects (CIP).

To avoid operational deficits, depletion of reserves, and inability to address water capital infrastructure needs, the Board is authorized to pass through increases to the District's water operations and maintenance costs based on over-the-year percent change San Diego County Consumer Price Index-Urban (SDCPI-U.) The inflationary pass-through for 2024 is a 7.29% increase based on the change in second half of 2022 index over second half of 2021 index. The annual San Diego/Carlsbad Consumer Price Index for 2022 was 7.7%. The District uses the second half index of SDCPI-U to calculate its annual inflation adjustments on water rates to be consistent with the 2019 Water Rate Study. The SDCPI-U for the second half of 2023 will not be released by the Bureau of Labor Statistics until February 2024.

Staff is proposing a 7.29% increase to pass through inflation based on SDCPI to water rates and charges for 2024.

SDCWA Infrastructure Access Charge

Staff is proposing to pass through a 4% increase or 17 cents per $\frac{3}{4}$ " meter equivalent to SDCWA-IAC meter fee effective January 1, 2024. SDCWA collects a fixed monthly meter charge (SDCWA-IAC) on all County water meters to pay for regional water infrastructure. The District is collecting SDCWA-IAC for SDCWA. SDCWA-IAC is a separate meter charge on each customer's monthly water bill.

OMWD Fire Meter Charge

Staff is proposing a 5% increase to the current OMWD Fire Meter Charge as shown on the attached Proposition 218 Notice for March 1, 2023. Fire Meter Charge is a monthly fixed charge that is assessed per meter and varies by 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. OMWD installed fire meters on certain properties as a fire suppression system as requested by the property owner for fire service protection.

Fiscal Impact

The District could only pass-through 9% of SDCWA's purchased water wholesale

increases in fiscal year 2024. Depending on the option selected, Staff estimates a revenue shortfall ranging from \$400 thousand to \$600 thousand in 2024.

The District's unaudited net water sales revenue for fiscal year 2023 were lower than staff's projection by approximately \$1 million, or 4%, due to wet and cold weather conditions. Unaudited net water sales revenue for fiscal year 2023 was lower by approximately \$2.5 million, or 9%, compared to fiscal year 2022 actual net water sales revenue.

Discussion

OMWD must buy water from SDCWA and its recycled water suppliers to meet water demand. Purchased water costs are significant expenses in the District's budget and will increase each year. The inflation rate is the primary cost driver to most cost increases in the District's water operating budget and capital improvement program.

Factors such as the impact of inflation on District's costs, external and uncontrollable cost increases, the coverage of costs, and water pricing competitiveness were considered when adjusting water rates and charges each year for discussion with the Board.

Based on input received from the Finance Committee members (Director Meyers and Director Watt) at the last meeting, Option 4 is included in the presentation (attached) for discussion with the Board.

Notice to Customers and Next Steps

The Board preferred option will be published to the rate payers with the 2024 proposed changes to current water rates and charges in the District's Newsletter which will be sent to customers with their monthly water bill in November/December 2023 to save mailing costs.

The proposed changes to current water rates and charges will be brought back to the Board for adoption in January 2024 to be effective on March 1, 2024.

Staff will be available for discussion with the Board during the meeting.

Proposed Potable and Recycled Water Rates and Charges for 2024

Board Meeting
September 20, 2023



Agenda

- Background
- OMWD Efforts to Reduce Rate Increases
- Rate Options and Adjustments
 - Potable Water – Water Wholesale Costs Increases from SDCWA effective 1/1/2024
 - Recycled Water – Recycled water cost increases from various suppliers
 - SDCWA-IAC
 - Fire Meter
- Next Steps
- Address questions

Why are we here?

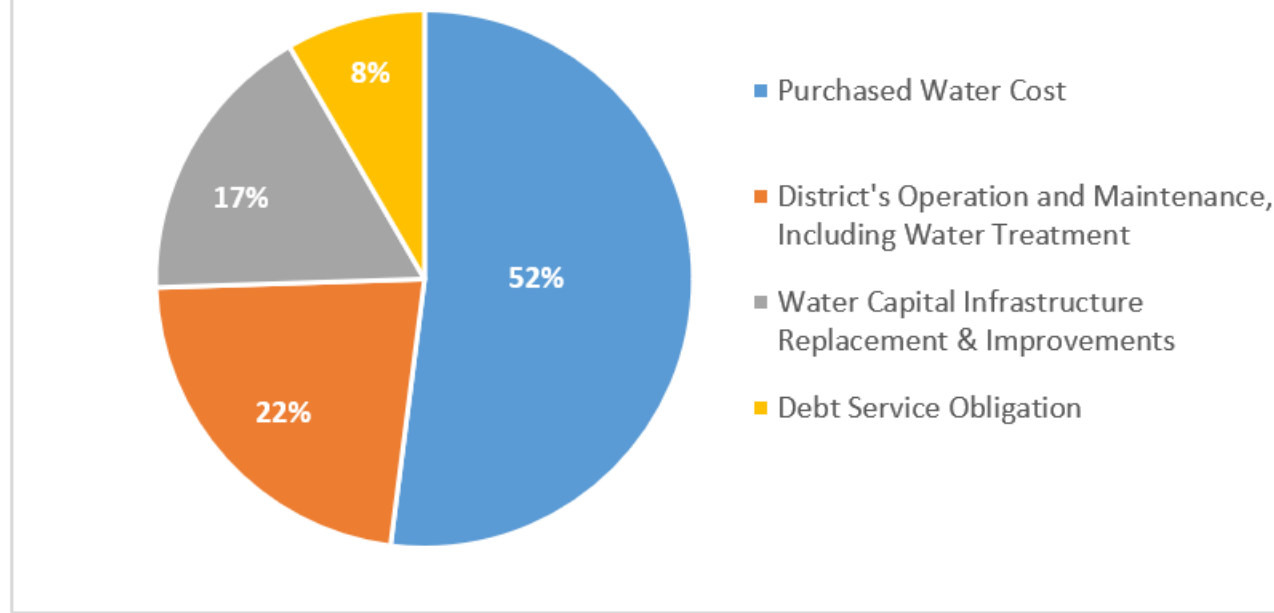
- Discuss Proposed Pass-Through Increases and Water Rate Adjustments for 2024
- Purchased Water Wholesale Cost Increases from SDCWA will be higher than the maximum limit set by the Board to pass through purchased water wholesale cost increases
 - All-in SDCWA Untreated Water Cost increase effective January 1, 2024 – 11.8% increase
 - Commodity/Variable Cost: 10.4%
 - Fixed Cost: 17.4%
 - OMWD maximum in our current 5-year 218 notice: 9%

Facts:

- OMWD must buy 100% of untreated water from SDCWA to meet its potable water demand
- OMWD buys recycled water from Vallecitos and San Elijo JPA to meet 100% of its recycled water demand in northwest recycled water system.
- OMWD produces recycled water from its 4sWRF to meet 74% of recycled water demand in southeast. OMWD buys additional recycled water from City of SD and RSFCSD to meet 100% of its recycled water demand in southeast recycled water system.
- Purchased Water Wholesale Costs from SDCWA, Vallecitos, San Elijo JPA, and City of San Diego, and RSF are OMWD's largest expenses.

How Customer Payments Collected From Water Rates and Charges Are Used

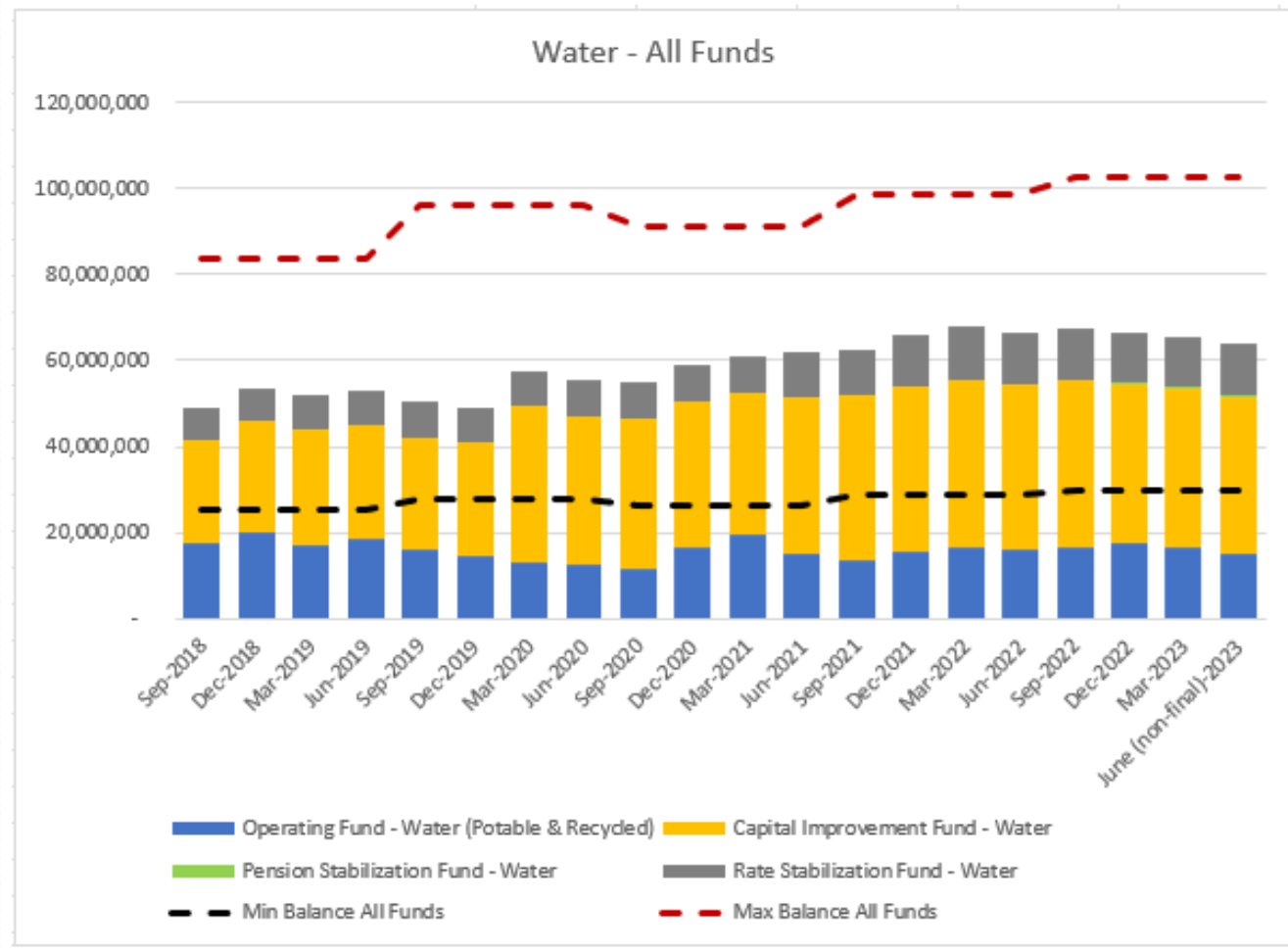
How Customer Payments are Used



OMWD Efforts to Reduce Rate Increases

- Continue with OMWD Rate Reimbursement Credit of 6.9 cents per unit of water purchased on customer's monthly water bill in 2024
- Use Funds in Water Operating Reserves to offset purchased water wholesale cost increases in 2024 and lower than projected water sales revenue in fiscal year 2023
- Selling excess treatment services from DCMWTP to Vallecitos to reduce plant fixed operating costs
- Utilize non-operating revenues such as investment income and capacity fee revenues to offset higher costs in fiscal year 2024 water operating budget
- The proposed overall revenue adjustment for 2024 is below annual SDCPI for 2022 of 7.7% despite less water sales in fiscal year 2023
- Grants received in fiscal year 2023 of \$2.2 million helped offset revenues required to be collected from rates and charges to fund capital improvement projects
- Two Utility positions (Utility I / II / III) remain frozen for FY 2024

History of Water Reserves by Quarter by Fund



OMWD Water Rate Pass-Through Ordinance

- The 2019 ordinance authorized the board to:
- Pass through any increases in purchased water wholesale costs from SDCWA and any other wholesale water charge increases imposed on the District by its public agency water suppliers – Purchased Water Wholesale Pass-Through
- Pass-through increases to SDCWA fixed monthly meter fees collected on water meters – SDCWA Infrastructure Access Charge
- Pass-through increases to the District's Costs of Operations and Maintenance and Capital Facilities based on SDCPI-U – Inflationary Pass Through
- Pass-through increases in water rates or any other charges mandated by the State of California and imposed on the District – CA Pass-Through
- Any and all Pass-Through Increases and Adjustments of the above shall not exceed 9% per year from March 1, 2020 to December 31, 2024.
- In no event, will rates and charges be increased by more than the cost of providing water services
- Rate payers will be notified (written notice) at least 30 days prior to rate changes
- Board will set and approve rate increases each year

Purchased Water Wholesale Pass Through Increases from SDCWA

Alternative 1B: Maintain Existing Policy + Defease

Rates & Charges at the necessary level to support Board Policy and key financial metrics

	CY 2023	CY 2024	%Δ
Variable (\$/AF)			
Supply Rate	\$1,085	\$1,200	10.6%
Treatment Rate	\$350	\$400	14.3%
Transportation	\$173	\$189	9.2%
Untreated SAWR	\$855	\$903	5.6%
Treated SAWR	\$1,205	\$1,303	8.1%
Fixed (\$M)			
Customer Service	\$26.00	\$28.60	10.0%
Storage	\$60.00	\$63.00	5.0%
Supply Reliability	\$40.85	\$43.40	6.2%
IAC (\$/ME)	\$4.24	\$4.41	4.0%

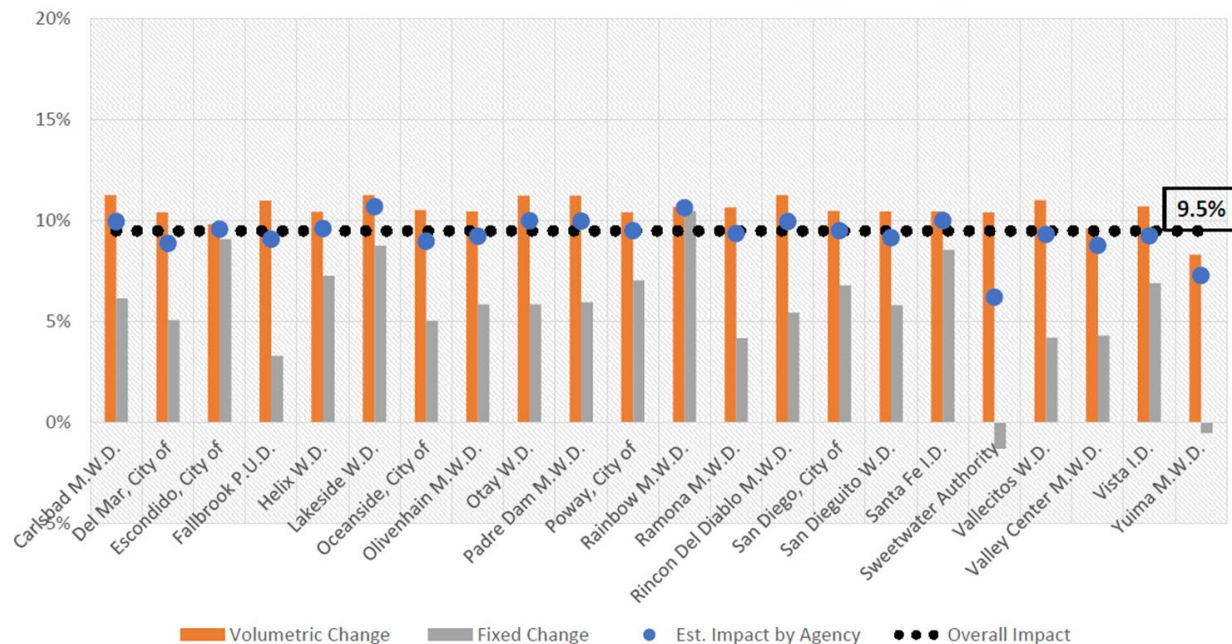
Bottom Line:

Effective CY 2024 rate impact of 9.5%

Purchased Water Wholesale Pass Through Increases from SDCWA (Cont'd)

Alternative 1B: Effective Impact by Member Agency

Average effect of 9.5% varies based on historical and projected system demands



Proposed Purchased Water Wholesale Pass-Through Increase from Recycled Water Suppliers – 3.85%

Recycled Water Rates					
Agency					
	Apr-22	Increase	Apr-23	Increase ¹	Apr-24
RSFCSD	\$ 825.46	6.6%	\$ 879.91	5.9%	\$ 932.18
	Jul-22	Increase	Jul-23	Increase	Jul-24
City of SD	\$ 856.83	12.4%	\$ 962.68	6.1%	\$ 1,021.48
	Jul-22	Increase	Jul-23	Increase	Jul-24
SEJPA ²	\$ 1,320.00	5.2%	\$ 1,389.00	5.2%	\$ 1,461.00
	FY '22	Increase ³	FY '23	Increase ⁴	FY '24
VWD	\$ 1,129.32	26.7%	\$ 1,431.00	0.3%	\$ 1,436.00

1 - Estimated increase based on OMWD proposed recycled rate adjustment

2 - SEJPA amounts are net of \$450 credit

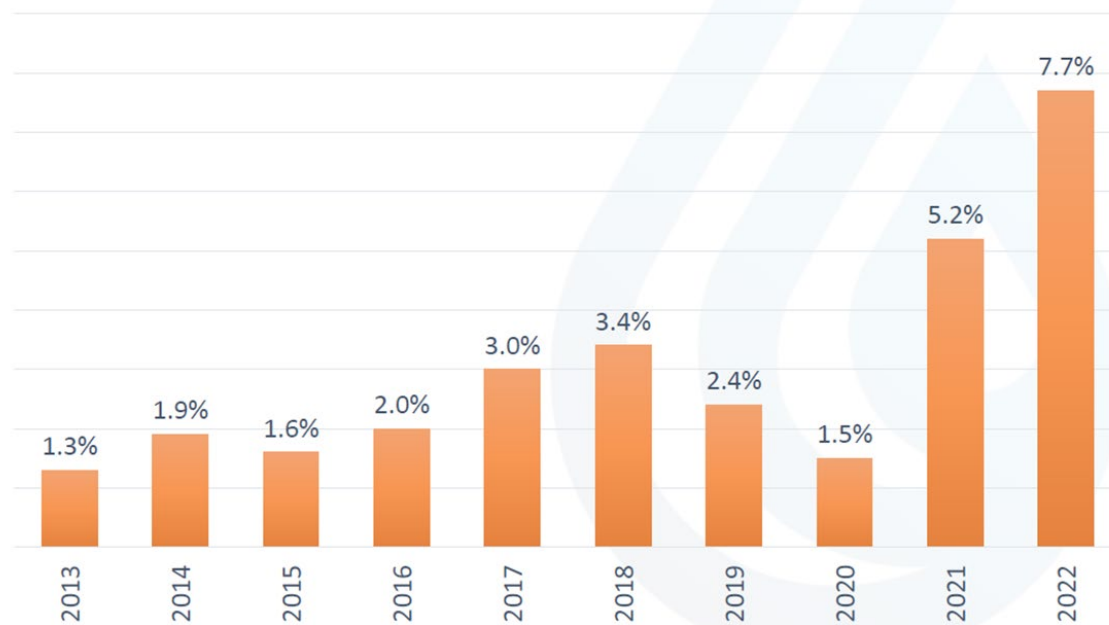
3 - Estimated increase for FY '23 based on VWD budget - awaiting retrospective adjustment

4 - Estimated increase for FY '24 based on VWD budget

SDCPI - 2022 Inflation Adjustment

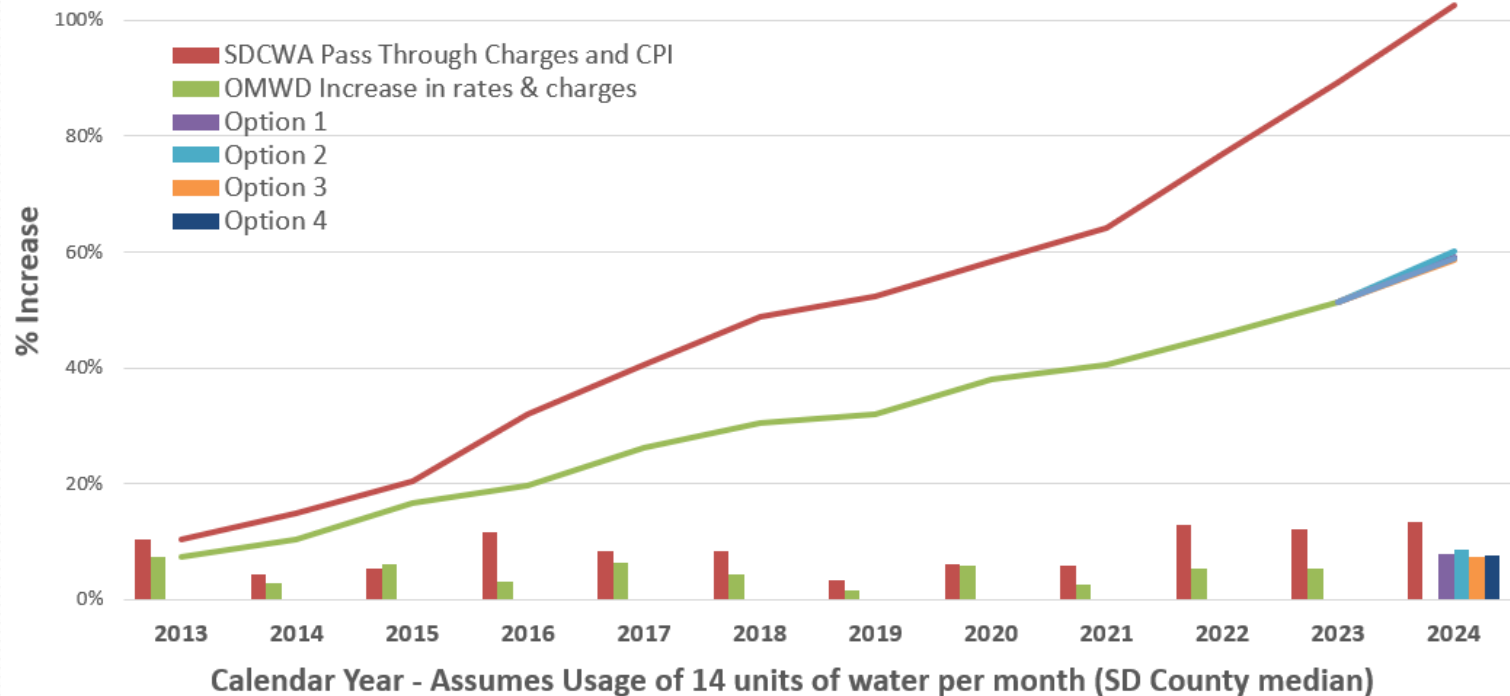
San Diego/Carlsbad Consumer Price Index

Recent inflation has materially impacted the Water Authority's budget and ability to appropriately recovery costs



OMWD Rate Increases vs. SDCWA rate increases and SDCPI inflation

OMWD Increases in Rates & Charges vs. SDCWA Increases and San Diego CPI



Source: Bureau of Labor Statistics (BLS), SDCWA and OMWD.

CPI not yet available for 2023 or 2024 so estimate used of 5% and 3% respectively

Proposed Pass-Through Inflation Adjustment: 7.29%

- 2022 annual inflation adjustment based on San Diego/Carlsbad CPI: 7.7%
- OMWD uses SD/Carlsbad CPI based on an increase in second half 2021 to second half 2022: 7.29%

Options for Consideration (Potable)

2024 Purchased Water Wholesale Pass Through and Inflation Pass Through

Criteria	Option 1: Prop 218	Option 2: SAC @ Max per 218 Notice	Option 3: SDCPI Increase Only	Option 4: Prop 218 Reduced	Bench Mark Full Pass-Through (Not Prop 218 Compliant)
Compliance with OMWD Prop 218 Notice?	✓	✓	✓	✓	X
100% of Purchased Water Wholesale Cost and Inflation Pass Through?	X	X	X	X	✓
Consistency with OMWD Past Practice (2019 Rate Study)	✓	X	X	X	X
\$ and % Difference from Full Cost Recovery (estimates) ¹	\$435,000 or -0.65%	\$108,000 or -0.17%	\$716,000 or -1.08%	\$564,000 or -0.85%	\$0 0.00%
\$ and % Impact on Average Monthly Residential Bill of 23 units by Option ²	\$13.05 7.8%	\$13.97 8.4%	\$12.11 7.3%	\$12.59 7.6%	\$14.42 8.7%
Satisfies District 2023 Annual Goals - not to exceed 2022 SDCPI (7.7%) for average residential customer?	X	X	✓	✓	X
Revenue Adjustment ¹	7.62%	8.15%	7.26%	7.40%	8.32%
Satisfies District 2023 Annual Goals - not to exceed 2022 SDCPI (7.7%) in revenue adjustment?	✓	X	✓	✓	X
Continue with Rate Reimbursement Credit?	Yes	Yes	Yes	Yes	Yes

¹ Amounts include Infrastructure Access Charge (IAC) increase but exclude Rate Reimbursement Credit (RRC)

² Bill impact calculation includes both IAC and RRC

SDCWA- IAC Pass Through – current and proposed

- SDCWA Infrastructure Access Charge (IAC) will be increased from \$4.24 to \$4.41 per ¾” meter equivalent per month
 - OMWD collecting SDCWA-IAC fee on each customer’s water meter for SDCWA. SDCWA uses revenue from IAC fees to pay for County wide water infrastructure and improvements.

Current and Proposed SDCWA Infrastructure Access Charge (IAC)				
Meter Size	Current	Pass-Through Increases & Adjustments		Proposed Effective March 1, 2024
		\$	%	
5/8"	\$4.24	\$0.17	4.0%	\$4.41
3/4"	\$4.24	\$0.17	4.0%	\$4.41
1"	\$8.07	\$0.33	4.1%	\$8.40
1-1/2"	\$13.17	\$0.53	4.0%	\$13.70
2"	\$21.24	\$0.86	4.0%	\$22.10
2-1/2"	\$39.52	\$1.59	4.0%	\$41.11
3"	\$43.35	\$1.74	4.0%	\$45.09
4"	\$72.67	\$2.92	4.0%	\$75.59
6"	\$152.98	\$6.14	4.0%	\$159.12
8"	\$276.24	\$11.08	4.0%	\$287.32

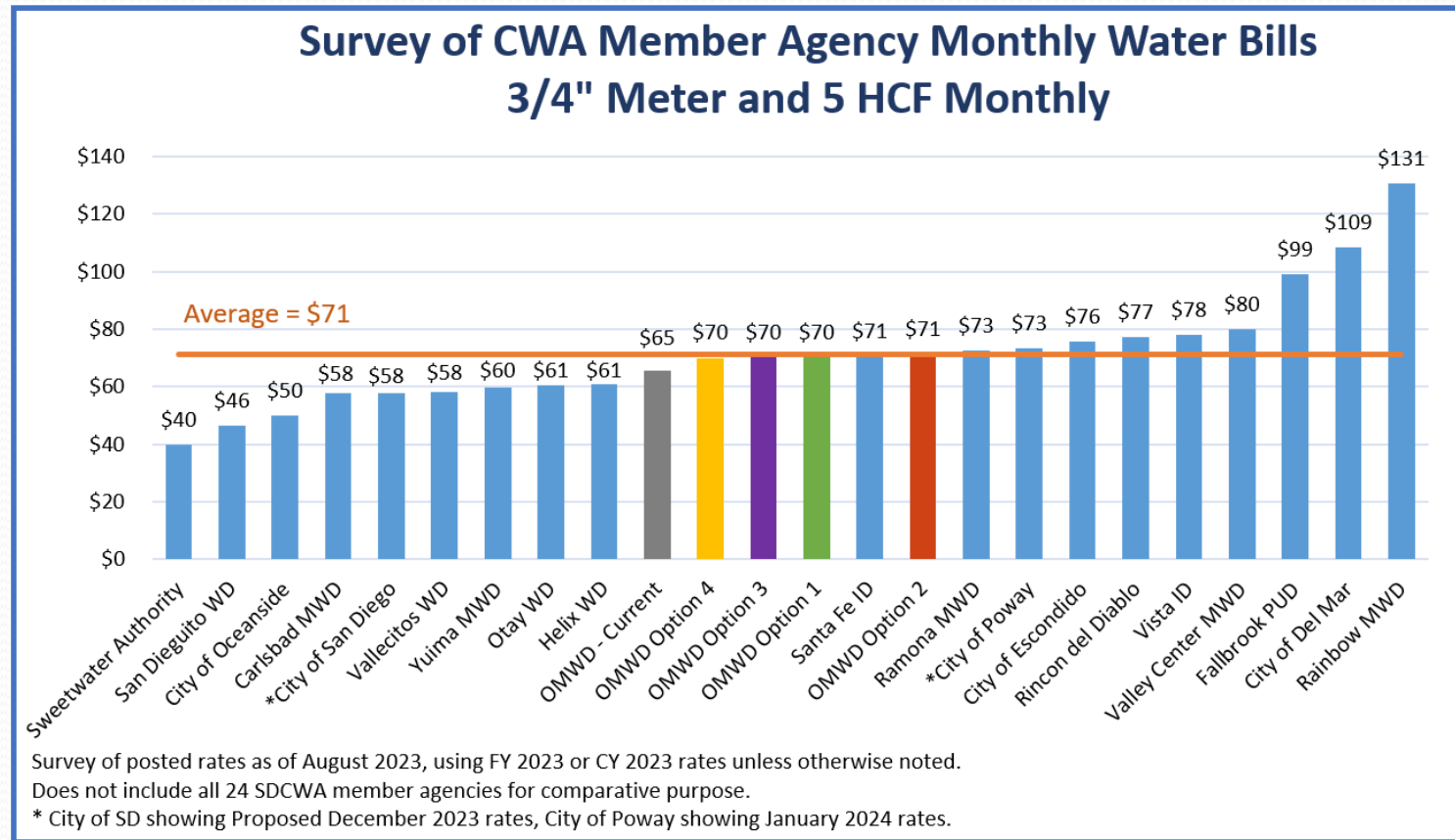
Fire Meter Charges – Current and Proposed

OMWD Fire Meter Charge (\$/Meter Size)						
Meter Size	Current (1)	Proposed 3/1/2020 (4)	Proposed 3/1/2021	Proposed 3/1/2022	Proposed 3/1/2023	Proposed 3/1/2024
5/8"	\$3.82	\$4.82	\$5.07	\$5.33	\$5.60	\$5.88
3/4" (*)	\$3.82	\$4.82	\$5.07	\$5.33	\$5.60	\$5.88
1"	\$4.50	\$5.42	\$5.70	\$5.99	\$6.29	\$6.61
1-1/2"	\$5.42	\$6.21	\$6.53	\$6.86	\$7.21	\$7.58
2"	\$6.88	\$7.48	\$7.86	\$8.26	\$8.68	\$9.12
2-1/2"	\$10.15	\$10.34	\$10.86	\$11.41	\$11.99	\$12.59
3"	\$10.84	\$10.93	\$11.48	\$12.06	\$12.67	\$13.31
4"	\$16.10	\$15.52	\$16.30	\$17.12	\$17.98	\$18.88
6"	\$30.51	\$28.09	\$29.50	\$30.98	\$32.53	\$34.16
8"	\$52.64	\$47.37	\$49.74	\$52.23	\$54.85	\$57.60

← Prop 218 Notice

Current and Proposed OMWD Fire Meter Charge Rates (\$/Meter Size)				
Meter Size	Current	Change	% Change	Proposed Effective March 1, 2024
5/8"	\$5.57	\$0.28	5.0%	\$5.85
3/4"(*)	\$5.57	\$0.28	5.0%	\$5.85
1"	\$6.26	\$0.31	5.0%	\$6.57
1-1/2"	\$7.18	\$0.35	4.9%	\$7.53
2"	\$8.65	\$0.43	5.0%	\$9.08
2-1/2"	\$11.95	\$0.60	5.0%	\$12.55
3"	\$12.64	\$0.63	5.0%	\$13.27
4"	\$17.95	\$0.89	5.0%	\$18.84
6"	\$32.50	\$1.62	5.0%	\$34.12
8"	\$54.82	\$2.74	5.0%	\$57.56

Monthly Water Bills for Single Family Residential (5 units)



Estimated Increase per Month:

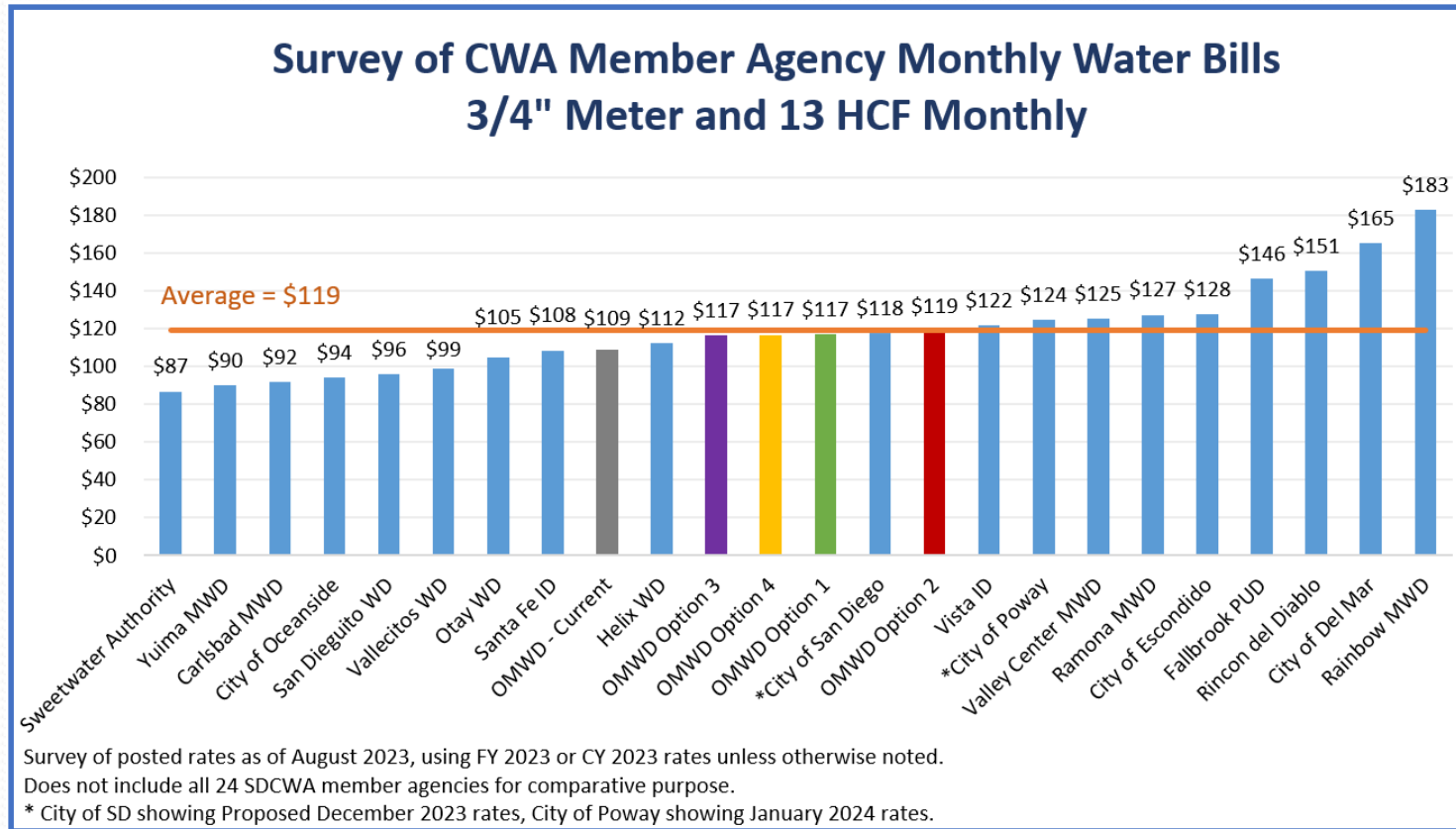
Option 1 (Prop 218) = \$4.72

Option 2 (Max SAC) = \$5.99

Option 3 (CPI) = \$4.68

Option 4 (Prop 218 Reduced) = \$4.62

Monthly Water Bills for Single Family Residential (13 units)



Estimated Increase per Month:

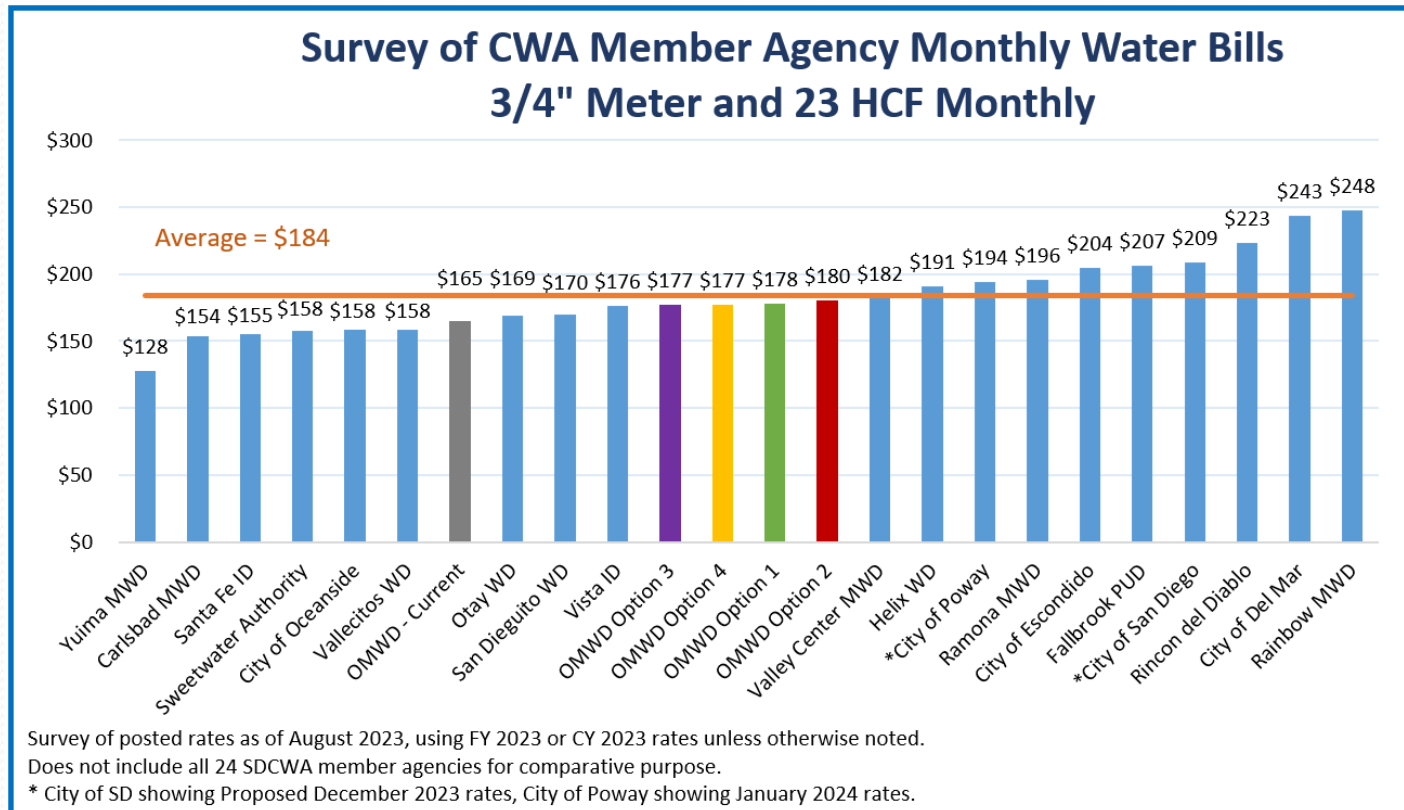
Option 1 (Prop 218) = \$8.35

Option 2 (Max SAC) = \$10.17

Option 3 (CPI) = \$7.91

Option 4 (Prop 218 Reduced) = \$8.09

Monthly Water Bills for Single Family Residential (23 units)



Estimated Increase per Month:

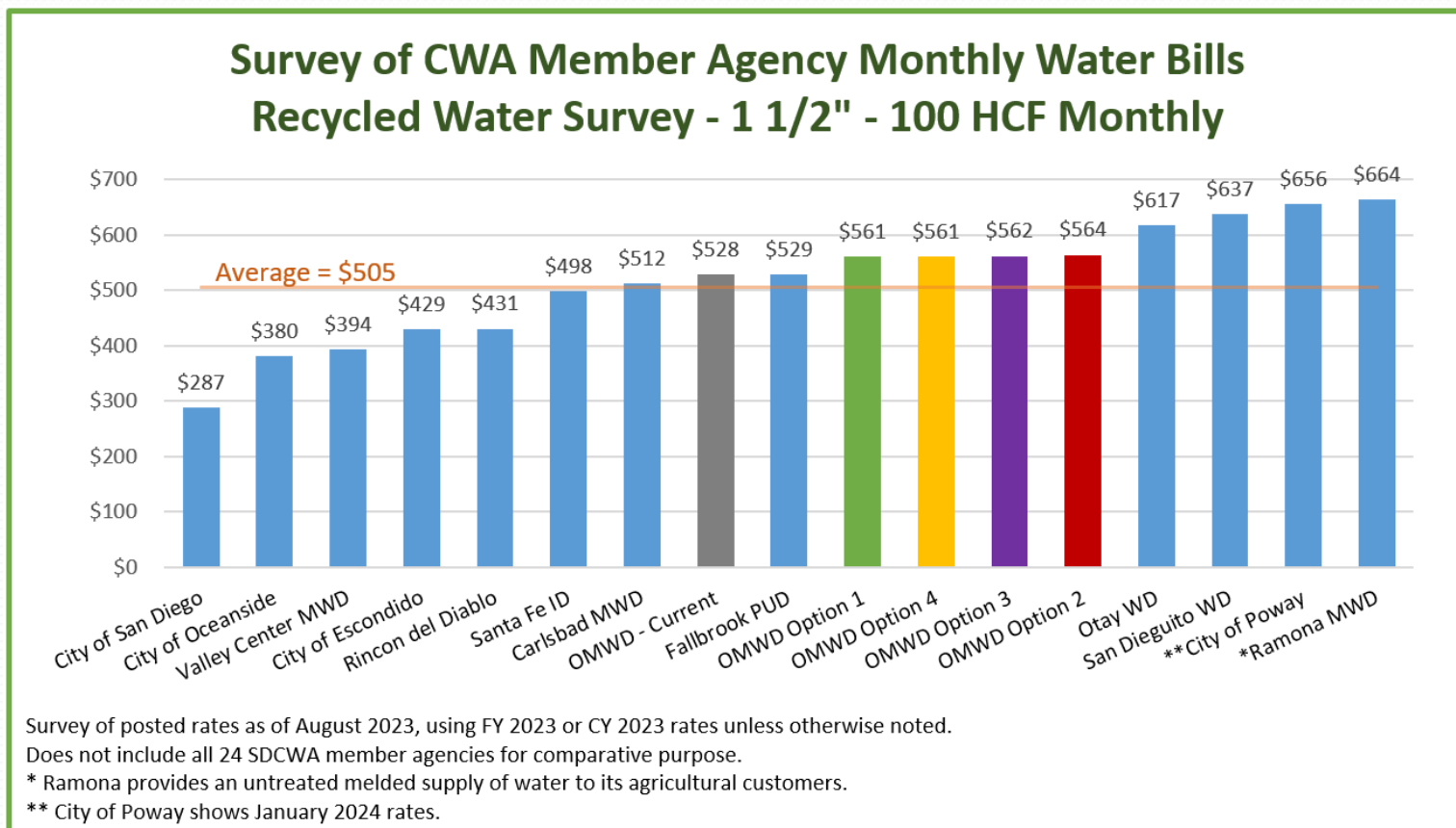
Option 1 (Prop 218) = \$13.05

Option 2 (Max SAC) = \$15.56

Option 3 (CPI) = \$12.11

Option 4 (Prop 218 Reduced) = \$12.59

Monthly Water Bills for Recycled Water Customers (100 units)



Estimated Increase per Month:

Option 1 (Prop 218) = \$33.07

Option 2 (Max SAC) - \$35.52

Option 3 (CPI) = \$33.62

Option 4 (Prop 218 Reduced) = \$33.07

Next Steps:

- Receive input and direction from the Board
 - Option to pass through purchased water wholesale cost increases and inflation adjustment
 - Proposed Pass-Through SDCWA-IAC – Prop 218/Water Rate Ordinance
 - Proposed Pass-Through Recycled Water Cost Increases
 - Proposed Increases in Fire Meter Charge
- Customer notification on the proposed water rates and charges for 2024 will be mailed in November/December with monthly water bill to save mailing costs
- 2024 water rates and charges will be considered by the Board for adoption in January 2024 meeting
- 2024 rates and charges will be implemented on March 1, 2024
- Future water rates and charges will be discussed and reviewed with the Board (2024 water cost of service study)

Questions?

NOTICE OF PUBLIC HEARING

Concerning Proposed Rate Increases and Adjustments for Olivenhain Municipal Water District Water Service Fees

Olivenhain Municipal Water District (the “District”) will conduct a public hearing on November 13, 2019 at 5:30 p.m., in the Boardroom of the District’s administrative office, located at 1966 Olivenhain Road, Encinitas, California 92024, to consider adopting increases in the rates for its water service fees effective with water consumption beginning on March 1, 2020 and an ordinance that would authorize the District to pass through increases in purchased water wholesale costs, increases to the District’s Cost of Operations and Capital Facilities; and any new fees mandated by the State of California to be collected on water rates and charges.

A 2019 Water Cost of Service Study is the basis for allocating costs and calculating the proposed adjustments and increases to the District’s water service charges as shown and described in this notice. A copy of the 2019 Water Rate Study Report can be found at www.olivenhain.com or is available for inspection at the District’s administrative office.

REASONS FOR THE RATE ADJUSTMENTS AND INCREASES

The District is committed to providing high-quality and professional water services to its customers while exceeding all regulatory requirements in a cost-effective and environmentally responsive manner. While continually striving to keep operating costs as low as possible and efficiently utilize its assets, the District needs to pay its debt service obligations, keep pace with inflation and increases in other uncontrollable costs, including, among others, the cost to purchase water.

The District has been successful in managing its costs through conservative financial planning and optimal utilization of its assets to avoid rate spikes. However, the District’s water pipelines, pump stations, reservoirs, and water treatment plant must be maintained and segments replaced each year to ensure reliable water deliveries. Ongoing repairs, replacements, and betterments of water infrastructure and facilities remain a key element for reliable and dependable water service.

Unlike some water agencies that have local water supplies to meet demand, the District purchases 100% of its raw water supply from San Diego County Water Authority (“SDCWA”). The District continues its research and development efforts to find alternative local water supplies to diversify its water supply portfolio and to become less dependent on its water suppliers to meet demand.

The District also purchases recycled water from several recycled water wholesalers to meet its recycled water demand.

An independent rate consulting firm was retained to perform a cost of service analysis and rate study for the District’s water service charges for the next five years (2020-2024). The results of the water rate study are the proposed rate adjustments and increases shown and described herein, which are necessary in order for the District to:

- Recover current and projected costs of operations and maintenance, and capital infrastructure improvements needed to repair, replace, and update the District’s aging water system;
- Be fiscally responsible for financial stability in years to come;
- Comply with state-mandated regulatory requirements and prepare for anticipated periods of mandatory water supply reduction;
- Achieve financial stability in order to sustain operations;
- Be environmentally responsible;

- Keep all financial commitments through compliance with debt service requirements.

BASIS UPON WHICH THE RATES ARE CALCULATED

The District purchases its water from the 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”). The District also purchases water from public agency water suppliers for recycled water.

The District’s existing and proposed water rate structure consists of a Commodity Charge and fixed monthly service fees. The District bills monthly for water service.

Commodity Charge

The District’s Commodity Charge is a volumetric water rate structure that varies by customer class, and by water supply shortage level when Demand Reduction Rate Adjustments are in effect (see below). Domestic customers have a four-tier volumetric rate structure, while irrigation customers have a two-tier volumetric rate structure. Agricultural, Commercial, Construction, Irrigation, and Recycled water customers have unique uniform rates. The District assesses volumetric rates per hundred cubic feet (hcf) of water delivered each month. These rates are calculated on the basis of the cost of providing water and infrastructure, purchased water wholesale costs, and managing the District’s resources. The Potable Commodity Charge applies to Domestic, Agricultural, Commercial, Irrigation, and Construction customers. The Recycled Water Commodity Charge applies to Recycled customers.

The District’s fixed monthly service fees have three components: (1) an Olivenhain Municipal Water District System Access Charge (“OMWD System Access Charge”), which is a fixed meter charge that varies by water meter size to recover certain fixed costs of the District; (2) a SDCWA Infrastructure Access Charge, which is a meter fixed charge established by SDCWA on the basis of the meter size of the parcel of property receiving water service (“SDCWA Infrastructure Access Charge”); and (3) an Olivenhain Municipal Water District Fire Meter Charge, which is a fixed monthly fire meter service fee on certain properties that have fire service connections upon request by the property owner (“OMWD Fire Meter Charge”).

OMWD System Access Charge

The OMWD System Access Charge is a fixed monthly charge that varies by water meter size and is assessed per meter to recover a portion of the District’s fixed costs. These fixed costs include, among others, meter reading, billings and collections, customer service, water facilities repairs and maintenance, and certain other costs imposed on the District by SDCWA and Metropolitan Water District of Southern California (MWD).

SDCWA Infrastructure Access Charge

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. The SDCWA Infrastructure Access Charge is a monthly fixed water meter charge that varies by water meter size and is passed through directly by the District to its customers.

OMWD Fire Meter Charge

The OMWD Fire Meter Charge is a monthly fixed water service fee that is assessed per meter and 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.

The basis used to calculate all components of the proposed water rates and charges included in this notice are structured in such a way as to proportionally allocate the costs of providing water service to all customer classes and tiers based on their proportion of usage in and burden on the system. The methodology used in calculating the proposed rates, adjustments, and increases to the District’s water service charges shown and described in this notice is included in the 2019 Water Cost of Service Study. A copy of the 2019 Water Rate Study report can be found at www.olivenhain.com or is available for inspection at the District’s administrative office.

PASS-THROUGH INCREASES AND ADJUSTMENTS

Over the past five years (2015-2019), the District increased its water rates and fixed monthly charges to pass through: (1) purchased water wholesale cost increases imposed on the District by SDCWA/ MWD and recycled water suppliers, (2) SDCWA Infrastructure Access Charge increases, and (3) annual inflation adjustment based on the San Diego Consumer Price Index, All Items, 1982-1984=100 for All Urban Consumers (“CPI-U”) annually on April 1.

To avoid operational deficits, depletion of reserves, and inability to address water capital infrastructure needs, the District is proposing to adopt an ordinance that would authorize the District, commencing January 1, 2020 and at any time through and including December 31, 2024, to pass through any increases in purchased water wholesale costs from SDCWA, and any other wholesale water charge increases imposed on the District by its public agency water suppliers (collectively referred to as “Purchased Water Wholesale Pass-Through”); increases to SDCWA fixed monthly meter fees collected on water meters (“SDCWA Infrastructure Access Charge”); increases to the District’s Costs of Operations and Maintenance and Capital Facility based on over-the-year percent change in the San Diego County Consumer Price Index for All Urban Consumers (“CPI-U”) (“Inflationary Pass-Through”); and increases in water rates or any other charges mandated by the State of California and imposed on the District (“CA Pass-Through”) (collectively the “Pass-Through Increases and Adjustments”).

Any future increases in 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 rates of OMWD Commodity Charge including Demand Reduction Rate Adjustments. Any CA Pass-Through will affect all water rates and charges. If approved by the Board of Directors, the District may annually implement the Pass-Through Increases and Adjustments for a five-year period commencing March 1, 2020, through December 31, 2024. Any and all Pass-Through Increases and Adjustments shall not exceed 9% per year, and in no event shall any of pass-through increases result in rates exceeding the District’s cost of providing water services to the District’s customers.

Prior to implementing any Pass-Through Increases and Adjustments, the District will provide written notice of to customers not less than 30 days prior to the effective date of the pass-through increases.

DEMAND REDUCTION RATE ADJUSTMENTS FOR THE POTABLE WATER COMMODITY CHARGE

Over the last ten years, the District has experienced declines and

changes in water demand due to water-use restrictions mandated by the State of California. State-mandated water use cutbacks negatively impacted the District’s revenues. A substantial portion of the District’s costs to operate and maintain its water system are fixed. This means the majority of District’s costs remain the same regardless how much water is used by customers. To help mitigate future losses in revenue from reduced sales and to ensure its ability to continue to provide the cost of providing water service, the District is proposing to authorize increases in the Potable Commodity Charge (“Demand Reduction Rate Adjustments”) that would take effect only during declared water shortage stages or state-mandated reductions in the level of potable water usage under the terms of the District Water Supply Shortage Condition Ordinance.

The District’s cost of service study also considered the effects of the reduction in water use on projected revenues and developed rates and charges that may be implemented so that the District could still collect sufficient revenues to pay for the District’s financial obligations in the event the District has to implement a mandatory water conservation program during the next five years from January 1, 2020 through December 31, 2024.

The Demand Reduction Rate Adjustments could be implemented during locally declared water shortages, state-mandated reductions in the level of potable water usage, or other natural disaster or event that requires reduction in water usage. The Board of Directors may implement Demand Reduction Rate Adjustments as necessary, depending on the level of potable water use cutbacks required, to ensure that the District is able to provide safe, reliable drinking water to its customers while exceeding regulatory requirements and recovering sufficient revenues to meet its expenses, including financial obligations.

Under the proposed Demand Reduction Rate Adjustments, the rates for the Potable Commodity Charge then in effect would be adjusted as necessary to achieve full cost recovery of the District’s revenue requirement due to the implementation of any applicable water use demand reduction level. The table below shows the proposed maximum increases that may be added to the Potable Commodity Charge and implemented by the District during various levels of mandatory reductions in water usage. The proposed Demand Reduction Rate Adjustments are linearly prorated for demand reduction level.

Demand Reduction Rate Adjustments - \$/HCF For Potable Water Commodity Charges	
Demand Reduction Level	Increase in Commodity Rates
10%	\$0.23
20%	\$0.50
30%	\$0.85

PROPOSED RATES

The District is proposing to adjust and increase the rates and charges annually over a five-year period based on any pass-through adjustments not to exceed 9% per year. If approved, the proposed Commodity Charge, OMWD System Access Charge, SDCWA Infrastructure Access Charge, and OMWD Fire Meter Charge will be implemented with water consumption beginning on March 1, 2020, and the rates set forth below are the maximum rates that may be imposed by the District pursuant to this notice, subject to any Pass-Through Increases and Adjustments. The proposed maximum rates as of March 1, 2020 for potable water customers and recycled water customers are set forth in the tables on the following pages.

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CUSTOMER TYPE		COMMODITY CHARGE BASE RATES - \$/HCF	10% DEMAND REDUCTION - \$/HCF (5)	20% DEMAND REDUCTION - \$/HCF (5)	30% DEMAND REDUCTION - \$/HCF (5)
		Current (1) (2)	Proposed 3/1/2020 (4)	Proposed 3/1/2020 (4)	Proposed 3/1/2020 (4)
Potable:					
Domestic					
Tier 1: 0-6 Units	\$2.71	\$3.30	\$3.53	\$3.80	\$4.15
Tier 2: 7-23 Units	\$4.75	\$4.90	\$5.13	\$5.40	\$5.75
Tier 3: 24-80 Units	\$5.61	\$5.49	\$5.72	\$5.99	\$6.34
Tier 4: 80+ Units	\$6.58	\$6.58	\$6.81	\$7.08	\$7.43
Agricultural (3)	\$4.75	\$5.42	\$5.65	\$5.92	\$6.27
Combined Agricultural/Domestic					
First 23 Units per month: Follow Domestic rate structure.					
Over 23 Units per month: Follow Agricultural rate structure.					
Commercial	\$4.07	\$4.59	\$4.82	\$5.09	\$5.44
Irrigation					
Tier 1	\$4.35	\$5.20	\$5.43	\$5.70	\$6.05
Tier 2	\$5.90	\$5.57	\$5.80	\$6.07	\$6.42
Construction	\$7.97	\$6.65	\$6.88	\$7.15	\$7.50
Recycled:					
Recycled Water	\$3.85	\$3.61	\$3.61	\$3.61	\$3.61

OMWD System Access Charge (\$/Meter Size)						
Meter Size	Current (1)	Proposed 3/1/2020 (4)	Proposed 3/1/2021	Proposed 3/1/2022	Proposed 3/1/2023	Proposed 3/1/2024
5/8"	\$28.43	\$29.41	\$30.89	\$32.44	\$34.07	\$35.78
3/4" (*)	\$37.70	\$38.46	\$40.39	\$42.41	\$44.54	\$46.77
1"	\$65.55	\$65.60	\$68.88	\$72.33	\$75.95	\$79.75
1-1/2"	\$102.68	\$101.79	\$106.88	\$112.23	\$117.85	\$123.75
2"	\$161.47	\$159.10	\$167.06	\$175.42	\$184.20	\$193.41
2-1/2"	\$294.50	\$288.78	\$303.22	\$318.39	\$334.31	\$351.03
3"	\$322.34	\$315.93	\$331.73	\$348.32	\$365.74	\$384.03
4"	\$535.82	\$524.03	\$550.24	\$577.76	\$606.65	\$636.99
6"	\$1,120.55	\$1,094.04	\$1,148.75	\$1,206.19	\$1,266.50	\$1,329.83
8"	\$2,017.75	\$1,968.66	\$2,067.10	\$2,170.46	\$2,278.99	\$2,392.94

SDCWA Infrastructure Access Charge (\$/Meter Size)		
Meter Size	Current (1)	Proposed 3/1/2020 (4)
5/8"	\$3.01	\$3.66
3/4" (*)	\$3.01	\$3.66
1"	\$5.71	\$6.96
1-1/2"	\$9.33	\$11.35
2"	\$15.05	\$18.30
2-1/2"	\$27.92	\$34.04
3"	\$30.70	\$37.34
4"	\$51.48	\$62.59
6"	\$108.38	\$131.76
8"	\$195.69	\$237.90

OMWD Fire Meter Charge (\$/Meter Size)						
Meter Size	Current (1)	Proposed 3/1/2020 (4)	Proposed 3/1/2021	Proposed 3/1/2022	Proposed 3/1/2023	Proposed 3/1/2024
5/8"	\$3.82	\$4.82	\$5.07	\$5.33	\$5.60	\$5.88
3/4" (*)	\$3.82	\$4.82	\$5.07	\$5.33	\$5.60	\$5.88
1"	\$4.50	\$5.42	\$5.70	\$5.99	\$6.29	\$6.61
1-1/2"	\$5.42	\$6.21	\$6.53	\$6.86	\$7.21	\$7.58
2"	\$6.88	\$7.48	\$7.86	\$8.26	\$8.68	\$9.12
2-1/2"	\$10.15	\$10.34	\$10.86	\$11.41	\$11.99	\$12.59
3"	\$10.84	\$10.93	\$11.48	\$12.06	\$12.67	\$13.31
4"	\$16.10	\$15.52	\$16.30	\$17.12	\$17.98	\$18.88
6"	\$30.51	\$28.09	\$29.50	\$30.98	\$32.53	\$34.16
8"	\$52.64	\$47.37	\$49.74	\$52.23	\$54.85	\$57.60

Irrigation Unit Allotments Tier 1 Allotment / Based upon water use by meter size.				
Meter Size	Current (1)		Proposed	
	Winter (Dec - May)	Summer (Jun - Nov)	Winter (Dec - May)	Summer (Jun - Nov)
5/8"	10	15	10	15
3/4"	20	30	20	30
1"	35	50	35	50
1-1/2"	50	110	50	110
2"	100	200	100	200
3"	200	500	200	500
4"	600	3,500	600	3,500
6"	3,100	11,800	3,100	11,800
8"	5,600	21,300	5,600	21,300

Notes to the Rate Table

* Typical residential meter size

- (1) Commodity Charge, OMWD System Access Charge, SDCWA Infrastructure Access Charge, OMWD Fire Meter Charge, and Irrigation Unit Allotments approved and adopted by the District's Board of Directors. These rates and charges are currently used to calculate the District's monthly water bill.
- (2) Domestic Tier 2 rate currently applies to consumption between 7 and 25 units. Domestic Tier 3 rate currently applies to consumption between 26-80. For Combined Agricultural/Domestic, Domestic rate structure currently applies to first 26 units. For irrigation, all monthly water usage in excess of Tier 1 allotment shown in the Domestic Irrigation Unit Allotments table is charged at Irrigation Tier 2.
- (3) The Agricultural water rate is available only to those who meet program criteria. Visit www.olivenhain.com/ag for details.
- (4) The proposed commodity rates and fixed monthly service fees, if approved, will be effective with water consumption beginning on March 1, 2020. Pass-Through Increases and Adjustments are subject to Board of Directors' approval after adoption of a pass-through ordinance. Prior to implementing any Pass-Through Increases and Adjustments, the District will provide written notice to customers not less than 30 days prior to its effective date.
- (5) Demand Reduction Rates would only be implemented by General Manager or Board action under the terms of the District's Water Supply Shortage Condition Ordinance. Such action by the District is generally triggered by the San Diego County Water Authority (SDCWA) and/or Metropolitan Water District of Southern California's (MWD) declaration of a specific level of water shortage.

PROPOSED WATER BILL INFORMATION

Below are examples of the impact of proposed rates would be on a single-family residential customer with low, average, and high water use. The rates/charges below are proposed to be effective March 1, 2020.

Low Residential Water Bill Based on 6 HCF per Month - 3/4" Meter 1 unit=1 HCF		
Charge/Rate	Current	Proposed 3/1/2020
Commodity Charge - Base Rates		
Tier 1 Water	\$16.26	\$19.80
SDCWA Infrastructure Access Charge	\$3.01	\$3.66
System Access Charge	\$37.70	\$38.46
Monthly Total	\$56.97	\$61.92

Average Residential Water Bill Based on 23 HCF per Month - 3/4" Meter 1 unit=1 HCF		
Charge/Rate	Current	Proposed 3/1/2020
Commodity Charge - Base Rates		
Tier 1 Water	\$16.26	\$19.80
Tier 2 Water	\$80.75	\$83.30
SDCWA Infrastructure Access Charge	\$3.01	\$3.66
System Access Charge	\$37.70	\$38.46
Monthly Total	\$137.72	\$145.22

High Residential Water Bill Based on 48 HCF per Month - 3/4" Meter 1 unit=1 HCF		
Charge/Rate	Current	Proposed 3/1/2020
Commodity Charge - Base Rates		
Tier 1 Water	\$16.26	\$19.80
Tier 2 Water	\$90.25	\$83.30
Tier 3 Water	\$129.03	\$137.25
SDCWA Infrastructure Access Charge	\$3.01	\$3.66
System Access Charge	\$37.70	\$38.46
Monthly Total	\$276.25	\$282.47

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.

PROTESTING THE PROPOSED WATER ADJUSTMENTS AND INCREASES

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 the District's administrative office at 1966 Olivenhain Road, Encinitas, CA 92024, or at the public hearing, as long as they are received by the Board Secretary prior to

the close of the public hearing. Any protest submitted via e-mail or other electronic means will not be accepted.

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 Adjustments and the Demand Reduction Rate Adjustments described in this notice, for a five-year period commencing January 1, 2020, through December 31, 2024.

Memo

Date: September 20, 2023
To: Olivenhain Municipal Water District Board of Directors
From: Kimberly A. Thorner, General Manager
Subject: **CONSIDER STATUS UPDATE ON THE DETACHMENT OF FALLBROOK AND RAINBOW AND THE RECENT LAWSUIT FILED BY THE SAN DIEGO COUNTY WATER AUTHORITY, ASSEMBLY BILL 399, AND THE COMMENCEMENT OF THE MUNICIPAL SERVICE REVIEW ON THE SAN DIEGO COUNTY WATER AUTHORITY**

Purpose

The purpose of this agenda item is to receive a status report on the (1) proposed detachment process of the Fallbrook Public Utilities District (FPUD) and the Rainbow Municipal Water District (RMWD) from the San Diego County Water Authority (SDCWA) and into the service area of Eastern Municipal Water District (Eastern) and the recent lawsuit filed by SDCWA against the San Diego Local Agency Formation Commission (SDLAFCO), RMWD, FPUD, and Eastern, and (2) the status of Assembly Bill 399, and (3) the commencement of the Municipal Service Review (MSR) on the SDCWA.

Recommendation

N/A. This is an informational update to the Board at the request of President Guerin and Director Meyers. The board can provide input, guidance and direction to the General Manager and the San Diego County Water Authority Representative at the board meeting.

The General Manager has invited Chris Cate to present at the Board Meeting on the currently underway SDCWA Municipal Service Review. Mr. Cate is the lead for SDLAFCO on the MSR and they are seeking input from stakeholders on the scope of the MSR. The General Manager recommends that the board provide input to Mr. Cate at the meeting about the upcoming MSR.

Additionally, OMWD is underway with in two MSRs for its service area within Carlsbad and Encinitas as noted below in this memorandum. If there is a desire by the Board to discuss opportunities with other local agencies, direction should be provided to your General Manager. A verbal report and discussion of past partnerships will be provided by the General Manager at the OMWD Board Meeting.

Detachment Status and the SDCWA Lawsuit

On July 10th SDLAFCO voted to move forward with the detachment of FPUD and RMWD with a 5-year detachment fee of \$24.35 million to be paid to San Diego County Water Authority (SDCWA) and separately directed staff to accelerate the MSR on SDCWA.

The detachment will now be voted on by the voters within FPUD and RMWD in the November 7, 2023 election. The San Diego County Water Authority asked the Registrar of Voters to cancel the November election, however the ROV declined and as of the writing of this memorandum, the vote is scheduled to occur.

The SDCWA filed suit against FPUD, RMWD, Eastern and SDLAFCO on August 21st in Superior Court. The case was classified in court as “Toxic Tort/Environmental” and included claims/causes of action for violations of California Environmental Quality Act, the LAFCO Act, the MWD Act, the CWA Act, injunctive relief and/or restraining order, irreparable harm to the environment, prejudicial abuse of discretion, violations of prohibitions against special taxes, violation of the Service Duplication Act, Inverse Condemnation, declaratory relief, as well a request for attorney’s fees and cost of the suit. (<https://www.sdcwa.org/wp-content/uploads/2023/08/08212023-Petition-for-Writ-of-Mandate-and-Complaint-for-Inverse-Condemnation-and-Declaratory-Relief-Documents.pdf>)

As of the writing of this memorandum, the court has set a hearing on motions for October 27, 2023, and the case is set for February 9, 2024. As anticipated, the filing of the lawsuit by SDCWA against FPUD and RMWD ended any hope of continued settlement discussions between the parties to seek a collaborative resolution.

OMWD's position from its May 2023 Board Meeting on detachment was to support "administratively holding consideration of the reorganization proposals until SDLAFCO completes the currently scheduled municipal service review (MSR) covering the SDCWA." The acceleration of the MSR was a positive outcome for OMWD of the SDLAFCO July 10th meeting, as OMWD's position was that financial issues need to be reviewed at SDCWA with respect to declining water sale revenues as member agencies develop local supplies (e.g. OMWD RW conversions, SD/Oceanside/Padre Pure Water projects), and roll off SDCWA and that unless SDCWA leverages its fixed take or pay supplies; it will have more fixed take or pay supplies than it will have demand in the next ten years if its member agencies fully develop all of their local supply projects. While the financial impacts of detachment were mitigated to a level of "less than significance" through the imposition of an exit fee, when combined with the financial impacts of roll offs, the SDCWA's increased and uncontrolled spending* and the current inflationary environment, they collectively accumulate to a level of both significance and concern for OMWD ratepayers.

*(*While SDCWA has publicly stated in the last few weeks that it will have to increase rates immediately an additional 5% (assuming detachment happens), even in light of the exit fee for the first 5 years, of more concern is that even in the face of detachment, pending roll offs and decreased water sales, they continue to increase spending and have made no reported progress on leveraging their fixed take or pay supplies. By way of one example, SDCWA is currently in negotiations to procure land to build a new operations building and while it only had \$12 million budgeted in May of 2023 before its historic rate increase of over 9.5% on member agencies in June of 2023, it is now contemplating a cost of close to \$40 million for the property acquisition.)*

President Guerin stated on the record at the August 2023 Board Meeting that she did not support litigation by SDCWA on the detachment, especially against its own member agencies, however this is now moot as the lawsuit by SDCWA has been filed and includes not only the member agencies, but also Eastern, which is an MWD member agency.

The General Manager has a concern about the precedent this lawsuit may have on future water supply situations for San Diego County if SDCWA prevails on its CEQA argument. As of right now, SDCWA has the ability to take water from both the State Water Project (SWP) and the Colorado River. A majority of SDCWA's contractual rights are to Colorado River water and are tied to the agreement with Imperial Irrigation District (IID). Assume the SDCWA wins its argument in court that the detachment causes significant environmental harm and needs to be addressed via CEQA because water use will be shifted from the Colorado River to the State Water Project. Does SDCWA then leave itself exposed to those same arguments at the end of its agreement with IID in 2047 thus limiting its leverage to negotiate with IID, or, possibly, shift its water supply source to the SWP if financially beneficial? A court ruling that states that a shift from the Colorado River to the SWP causes significant environmental harm is not beneficial to any southern California water agency and would be a hurdle in future water supply strategies.

AB 399

Assembly Bill 399 (AB 399) originally started as Assembly Bill 530, which was a bill that would increase the time required for law enforcement agencies to report vehicle pursuit data to California Highway Patrol (CHP) from 30 days after a pursuit to 45 days after a pursuit, however it was gutted and amended in the Senate on June 14th to make it the "Water Ratepayers Protections Act of 2023." [Bill Text - AB-399 Water Ratepayers Protections Act of 2023: County Water Authority Act: exclusion of territory: procedure. \(ca.gov\)](#)

AB 399 was introduced by Assemblywoman Boerner at the request of the City of San Diego and the SDCWA. If passed, AB 399 would change the County Water Authority Act to state that all detachments would need to be subject to a countywide vote, diluting local control and shifting power away from LAFCO and member agency boards. Currently, the County Water Authority Act only requires the vote of those voters within the detaching service areas.

The OMWD Board Public Policy Committee previously recommended that OMWD not take a formal position in June of 2023 due to the then pending LAFCO hearing on the detachments.

At the July OMWD Board Meeting, the OMWD position, included in the legislative report and discussed with the Board, was to request amendments to AB 399 wherein the voting structure at SDCWA would change from a weighted vote to a combination majority weighted vote/majority agency vote to ensure that decisions made by the SDCWA Board of Directors are in the best interest of the SDCWA, as a whole, and not just the few large agencies. Not only would a SDCWA board vote have to have a majority percentage to pass, but a majority of member agencies would also have to vote to pass an item, fostering more discussion, comprehensive vetting of issues, and collaboration at SDCWA. OMWD issued a letter requesting these amendments to the Assemblywoman.

Assemblywoman Boerner's office indicated that they were not open to the OMWD proposed amendments, as they believe the voting structure amendment is not related to the issue they are trying to address in AB 399 with the detachment of a member agency. They indicated their willingness to discuss the voting structure issue in the fall and look at potential legislation on this next year. Your General Manager is continuing to work on this issue.

OMWD has not taken a position on AB 399 other than to request the amendments to the voting structure at SDCWA, which was declined at this time by the author as noted above.

On August 28th, the Senate Appropriations Committee considered AB 399 and an analysis on the cost implications were included in the hearing. One of the concerns was that the local agencies could request reimbursement for the cost of the election for the entire county from the State of California, as this was a bill that creates new state mandated local costs. The magnitude of the costs that could be borne by the state at that time were stated to be significant yet unknown and potentially in the \$20 million dollar range due to the need for two separate elections. However, subsequent analysis in the Assembly released on September 1, 2023, it stated *"Costs to submit the question to a public agency's own electors would be covered by that public agency, and are not likely to be found to be state-reimbursable."* It is highly likely that the costs of a countywide election would be borne by the SDCWA and its member agencies and not be considered reimbursable, which is yet to be determined by the Commission on State Mandates.

While Supervisor Desmond authored an opinion piece criticizing AB 399 and the voting structure at SDCWA, <https://www.sandiegouniontribune.com/opinion/commentary/story/2023-08-24/opinion-sandags-voting-system-unfairly-disadvantages-small-cities-stifles-regional-collaboration-san-diego>), Supervisor Anderson brought an item to the County Board of Supervisors to support AB 399, which passed on by a 3-1 vote August 30th. (Note: There have been dueling opinion pieces published on this bill on both sides.)

AB 399 was subsequently heard in the Senate Appropriations Committee on September 1st and the speaker removed the urgency clause and it passed out of Appropriations on a 5-2 vote. The removal of the urgency clause means that even if the bill is signed by the Governor this year, it will not be effective until January of 2024, which is after the Fallbrook and Rainbow residents vote on November 7, 2023.

On September 6, 2023 the Senate voted on AB 399 and after three readings it was passed at a vote of 23-10. It then headed to the Assembly for a vote. The Assembly Speaker granted a waiver on the bill so that it did not have to go to a committee in the Assembly, but went straight to a vote on the full Assembly floor. The vote on the Assembly floor on September 12th was 42 in favor and 7 opposed. The bill is now headed to the Governor as of the writing of this memorandum.

Those opposing (not supporting) are as follows:

Local Opposed

City of Carlsbad (Mayor Blackburn and Councilmember)
City of Oceanside
Deer Springs Fire Protection District
Fallbrook Chamber of Commerce
Fallbrook Land Conservancy
Fallbrook Planning Group
Fallbrook Public Utility District
Fallbrook Regional Health District
Helix Water District (*Not Support)
Leucadia Wastewater District
Mootamai Municipal Water District
North County Fire Protection District

Padre Dam Municipal Water District
Pauma Municipal Water District
Rainbow Municipal Water District
Rainbow Planning Group
Ramona Municipal Water District
San Luis Rey Indian Water Authority

Local Oppose Unless Amended

City of Escondido (Mayor and Vice Mayor)
Rincon Del Diablo Water District
Sweetwater Authority

Statewide Opposition

Butte County Board of Supervisors
CAL LAFCO
California Avocado Commission
California Citrus Mutual
California Farm Bureau
CoLab Ventura County
Contra Costa LAFCO
Farm Bureau of Ventura County
Fresno County Farm Bureau
Kings County Farm Bureau
LAFCO of LA County
Madera County Farm Bureau
Monterey Farm Bureau
Orange County LAFCO
Riverside LAFCO
Sacramento LAFCO
San Diego LAFCO
Santa Barbara LAFCO
San Luis Obispo Farm Bureau
Santa Barbara County Farm Bureau
Three Valleys Municipal Water District
Ventura County Agricultural Association
Western Growers Association

Those supporting AB 399 include:

City of San Diego

Chula Vista
Otay Water District
San Diego County Water Authority
San Diego Chamber of Commerce
Many local labor unions, including:

- San Diego & Imperial Counties Labor Council
- San Diego County Building Trades Council

The Accelerated SDCWA MSR

As noted previously in this memorandum, OMWD has previously taken a position on the record at SDLAFCO that an acceleration of the MSR on SDCWA was needed as financial issues need to be comprehensively reviewed at SDCWA. SDLAFCO voted to accelerate the SDCWA MSR on July 10th and include a review of MWD activities within the SDCWA area.

As a reminder, an MSR is:

“...a centerpiece to the comprehensive rewrite to LAFCO law in 2001 and represent comprehensive studies of the level, range, and performance of governmental services provided within defined geographic areas. LAFCOs generally prepare municipal service reviews to explicitly inform subsequent sphere determinations.All municipal service reviews – regardless of their intended purpose – culminate with LAFCOs preparing written statements addressing seven specific service factors listed under Government Code Section 56430.”

Under Government Code Section §56430, LAFCO shall prepare a written statement of its determinations with respect to each of the following for the agency being reviewed in an MSR:

- (1) Growth and population projections.
- (2) The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.
- (3) Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to

sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.

(4) Financial ability of agencies to provide services.

(5) Status of, and opportunities for, shared facilities.

(6) Accountability for community service needs, including governmental structure and operational efficiencies.

(7) Any other matter related to effective or efficient service delivery, as required by commission policy.

In conducting a service review, the commission shall comprehensively review all of the agencies that provide the identified service or services within the designated geographic area. The commission may assess various alternatives for improving efficiency and affordability of infrastructure and service delivery within and contiguous to the sphere of influence, including, but not limited to, the consolidation of governmental agencies.

MSRs are commonplace and happen every 2 to 5 years for all public agencies. OMWD is currently involved in two different MSRs itself which are underway, as its service area overlays both the City of Carlsbad and the City of Encinitas. We are also included in several other MSRs for overlapping jurisdictions at regular intervals.

The consultant who is leading the SDLAFCO MSR on SDCWA, Chris Cate, will be present at the OMWD Board meeting to seek your stakeholder input on the MSR. Mr. Cate is very knowledgeable on both SDCWA and SDLAFCO issues, having previously served as a San Diego Councilman, a SDCWA Board Member, and a SDLAFCO Commissioner.

The OMWD board may want to consider areas that they desire to be specifically reviewed in the SDCWA (and MWD) MSR, potentially including governance (voting structure), finances, rate affordability, operational efficiencies (leveraging fixed take or pay supplies), status of facilities (Twin Oaks), and any other areas within the scope of Government Code §56340. Mr. Cate will be seeking input from the OMWD Board.

No Consensus on Financial Impacts of Detachment or AB 399

In early 2020, the SDCWA released a preliminary analysis of financial impacts that the detachment would have on its member agencies and calculated that the annual revenue loss from the detachments would have an annual estimated impact to OMWD of \$648,548. (This figure did not consider any exit fee which could be imposed by SDLAFCO.)

In late 2020, Dr. Hanemann, the SDLAFCO consultant, calculated that the change in net revenue of \$12.58 million (2020 numbers) in the short run if there were no detachment exit fee and both Fallbrook and Rainbow detached.

In 2022, a SDLAFCO workgroup calculated that the impact on OMWD would be \$528,360 per year if there were no detachment fee. This was based on a 5-year rolling average of water purchases from SDCWA, equating to a 4.2% share of SDCWA's costs.

The final report that the SDLAFCO commission considered at its July 10th meeting stated that the monthly impact to OMWD ratepayers without an exit fee was \$562,128, but with an exit fee imposed, it will be "0". It is important to note that all of these are estimates based on future water sales and there is no way to calculate an exact impact.

If all of these conflicting figures were trued up by inflation in San Diego County for CY2021 and CY2022, the impact to OMWD would be between \$604,306 (Workgroup = lowest figure) and \$741,770 (SDCWA = highest figure) without an exit fee.

With the exit fee approved by SDLAFCO on July 10th, the annual impact to OMWD with inflation factored in for the past two years would be at the low end \$42,178 and at the high end \$179,642.

Of note, if SDCWA carries the cost of the countywide vote and the local vote required by AB 399 at potentially up to \$20,000,000, OMWD's 4.2% share of those election costs could be up to \$840,000 if the State determines that it will not reimburse SDCWA for the cost of the election(s) of the entire county populous. In the Assembly analysis of AB 399 released on September 1, 2023, it stated *"Costs to submit the question to a public agency's own electors would be covered by that public agency, and are not likely to be found to be state-reimbursable."*



► LOCAL AGENCY FORMATION COMMISSION
SAN DIEGO COUNTY



Local Agency Formation Commission (LAFCO)

BACKGROUND

- Local Agency Formation Commissions (LAFCOs) were established in 1963 and are political subdivisions of the State of California responsible for providing regional growth management services in all 58 counties.
- LAFCOs' authority is currently codified under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("CKH") with principal oversight provided by the Assembly Committee on Local Government.



Municipal Service Reviews (MSRs)

OVERVIEW

Independently evaluate services with three outcomes in mind:

- Serve as an informational resource to the general public
- Inform LAFCO's associated tasks to update all cities and special districts' spheres of influence every five years
- Produce directly or indirectly – boundary changes and/or other local government changes – like creating and consolidating special districts

SAN DIEGO COUNTY
LOCAL AGENCY FORMATION COMMISSION



RAMONA REGION
Municipal Service Review | Government Code 56430

Affected Agencies
Ramona Municipal Water District

Draft Report | August 2021

Project Managers
Priscilla Allen, Analyst I (lead)
George Williamson, Contract Planner



Municipal Service Reviews (MSRs)

WHY?

- Government Code Section 56430 requires that LAFCOs prepare municipal service reviews for cities and special districts prior to - or in conjunction with - sphere of influence updates.
- Capture and analyze information about the governance structures and efficiencies of service providers, and to identify opportunities for greater coordination and cooperation between providers.

SAN DIEGO COUNTY
LOCAL AGENCY FORMATION COMMISSION



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Municipal Service Reviews (MSRs)

Three Chapters

Chapter One – Introduction

Chapter Two – Executive Summary

Chapter Three – Agency Profiles

SAN DIEGO COUNTY
LOCAL AGENCY FORMATION COMMISSION



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Municipal Service Reviews (MSRs)

SEVEN SECTIONS (AGENCY PROFILE)

- 1.0 Overview
- 2.0 Background
- 3.0 Boundaries
- 4.0 Demographics
- 5.0 Organization (Governance/ Structure)
- 6.0 Municipal Services
 - Fire Protection/ EMS
 - Wastewater
 - Potable Water Service
 - Park + Rec Service
 - Community Development and related services
- 7.0 Finances
 - Budget, Enterprise Funds, Financial Statements

SAN DIEGO COUNTY
LOCAL AGENCY FORMATION COMMISSION



RAMONA REGION
Municipal Service Review | Government Code 56430

Affected Agencies
Ramona Municipal Water District

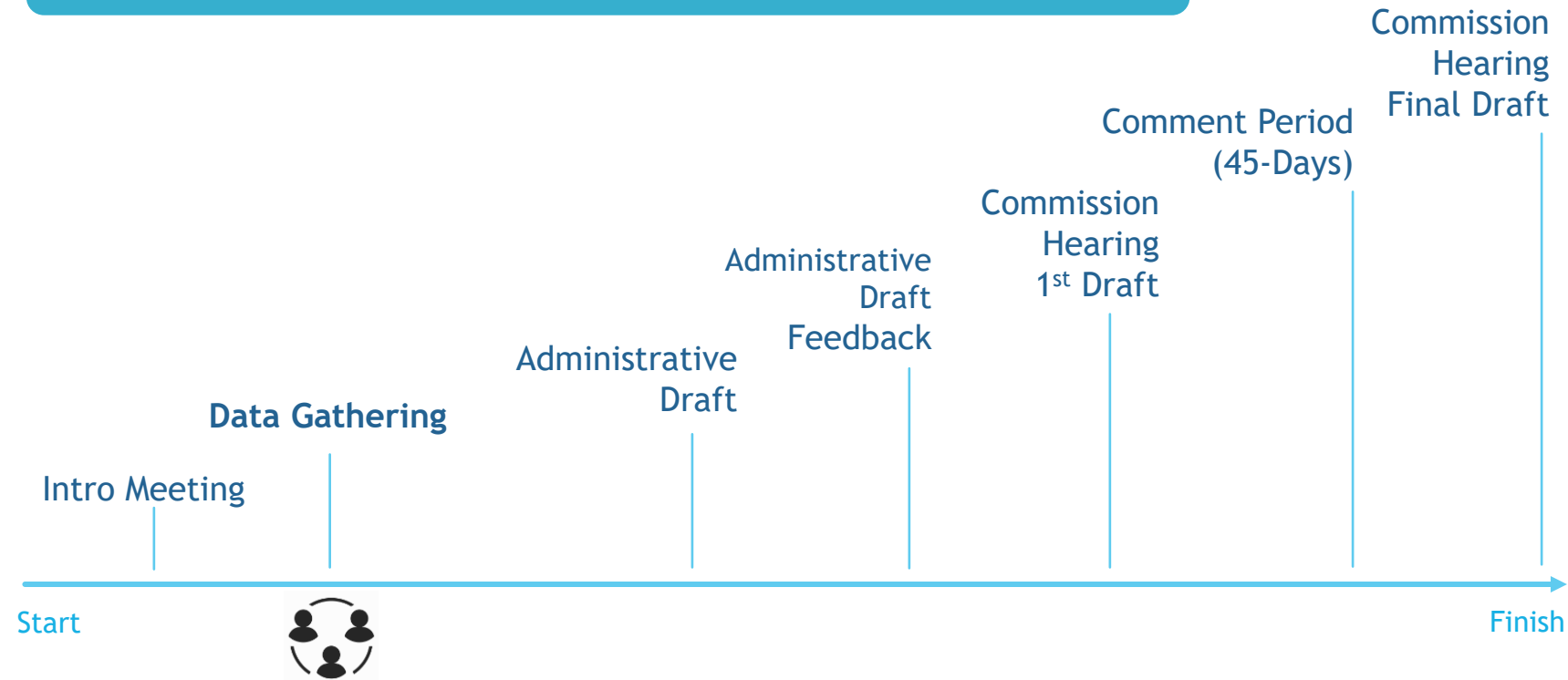
Draft Report | August 2021

Project Managers
Priscilla Allen, Analyst I (lead)
George Williamson, Contract Planner



MSR Process

TIMELINE





MSR of Wholesale Water Agencies

LAFCO Adopted Workplan

- LAFCO Commission prioritization of MSR of wholesale water agencies
- Consistent with the Commission's direction
- Further direction to provide regular status update
- In process of data gathering and conducting outreach to interested stakeholders
- Welcome feedback

SAN DIEGO COUNTY
LOCAL AGENCY FORMATION COMMISSION



RAMONA REGION
Municipal Service Review | Government Code 56430

Affected Agencies
Ramona Municipal Water District

Draft Report | August 2021

Project Managers
Priscilla Allen, Analyst I (lead)
George Williamson, Contract Planner



THANK YOU!



Memo

Date: September 20, 2023

To: Olivenhain Municipal Water District Board of Directors

From: Lindsey Stephenson, Engineering Manager

Via: Kimberly A. Thorner, General Manager

Subject: **CONSIDER AWARD OF A CONTRACT WITH TEICHERT ENERGY AND UTILITIES GROUP INC. DBA TEICHERT UTILITIES IN THE AMOUNT OF \$2,897,777 FOR THE CONSTRUCTION OF THE RECYCLED WATER PIPELINE EXTENSIONS FOR CALLE BARCELONA, VILLAGE PARK, AND SUMMERHILL PROJECT AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF OMWD**

Purpose

The purpose of this agenda item is to consider award of a contract with Teichert Energy and Utilities Group Inc. dba Teichert Utilities (Teichert) in the amount of \$2,897,777 to construct the Recycled Water Pipeline Extensions for Calle Barcelona, Village Park, and Summerhill Project (Project) and authorize the General Manager to sign on behalf of the Olivenhain Municipal Water District (OMWD).

Recommendation

Staff recommends awarding a contract to Teichert in the amount of \$2,897,777 for construction of the Project 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 Project will install approximately 5,600 linear feet of recycled water pipeline and convert approximately 39 AFY of existing potable water demand to recycled water within Director Division 3 (Guerin) and Director Division 5 (Meyers). The Project is divided into the following work areas:

- Site No. 1 – Calle Barcelona pipeline extension in the City of Carlsbad
- Site No. 2 – Village Park Recreation Club #1 and Village Park Townhomes #1 HOA extension in the City of Encinitas
- Site No. 3 – Summerhill HOA extension in the City of Encinitas

For environmental compliance, a Final Programmatic Environmental Impact Report (PEIR) was prepared in 2015 by a coalition of ten northern San Diego County agencies known as the North San Diego Water Reuse Coalition (Coalition) that was formed to investigate the expansion of water reuse within northern San Diego County, including OMWD as the lead agency. The PEIR included Site Nos. 2 and 3 for Village Park and Summerhill neighborhoods and was prepared consistent with the requirements of CEQA and the State CEQA Guidelines, circulated for public review, and certified in October 2015.

In 2022, the District contracted with Recon Environmental, Inc. (RECON), OMWD's current as-needed environmental consultant, to prepare an Addendum to the 2015 PEIR to analyze Site No. 1 for the Calle Barcelona segment, which was not originally included in the 2015 PEIR. The Addendum concluded no new impacts or increase in the severity of impacts identified in the 2015 Final PEIR and was completed January 2023.

Minor mitigation requirements have been incorporated into the design, which include pre-construction bird nesting survey, erosion control, and noise control.

To complete the design of the Project, a Request for Proposal for preliminary and final design services for the Project was advertised in March 2022. Four proposals were received, and Hoch Consulting 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.

A Request for Proposals for construction management and inspection services for the project was advertised in June 2023. Two proposals were received and are currently being reviewed by staff.

Fiscal Impact

The Project was included in the FY 24 budget (CIP Project Number D800019) to extend recycled water service to customers within OMWD's service area.

Grant monies were received from the United States Bureau of Reclamation Title XVI Water Reclamation and Reuse Program (USBR Title XVI) and Department of Water Resources Integrated Regional Water Management (DWR IRWM) Proposition 1 Round 2 for the Project to expand the recycled water system and convert additional irrigation meters to recycled service. Approximately \$900,000 in project expenses are anticipated for eligible reimbursement, which constitutes approximately 25% of the total Project cost, including design and construction.

The grant agreements incorporate standard terms and conditions, which include buy America procurement, affirmative steps for contracting with small and minority businesses, and labor compliance.

These terms and conditions for each funding source were incorporated into the final construction contract documents. Additionally, as part of the bidding process, the contractor formally acknowledged and accepted the standard terms and conditions for each grant agreement.

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

In which FY did this capital project first appear in the CIP budget? **2022**

Total Project Budget: **\$4,145,000**

Current Fiscal Year Appropriation: **\$ 3,871,7523**

To Date Approved Appropriations: **\$4,145,000**

Target Project Completion Date: **December 2024**

Expenditures and Encumbrances as of August 28, 2023: **\$270,401**

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

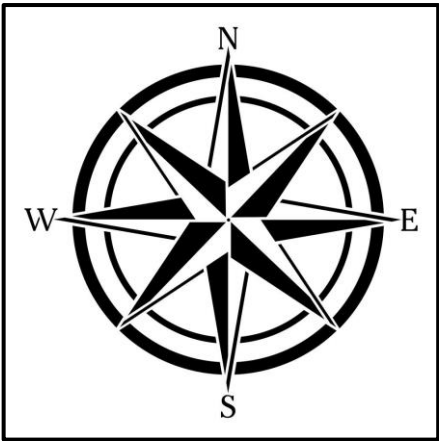
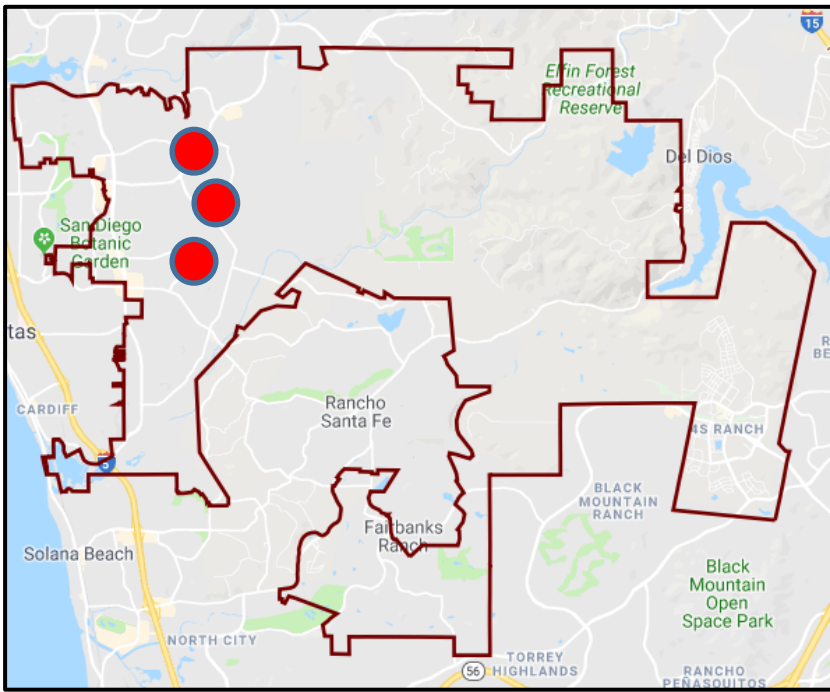
In accordance with Administrative and Ethics Code Section 6, staff publicly issued a Request for Bids for the Project on July 20, 2023 and advertised the Project. Following the bid posting, a non-mandatory pre-bid meeting was held. Three addenda were issued during the bidding process to respond to questions received by contractors. Four (4) bids were publicly received on August 24, 2023 and a summary of the bids are presented in the following table.

Contractor	Total Base Bid
Cass Construction Inc.	\$3,082,419
CCL Contracting, Inc.	\$3,118,655
SRK Engineering	\$3,369,230
Teichert	\$2,897,777

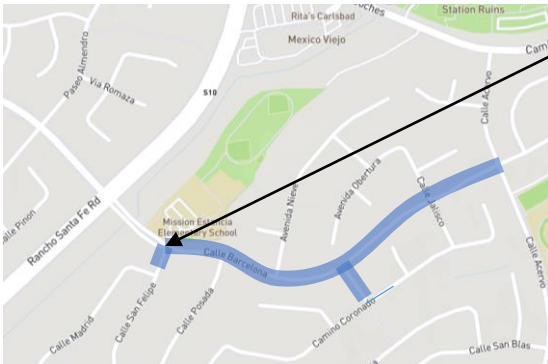
The apparent lowest responsive and responsible bid was received from Teichert in the amount of \$2,897,777. Staff has reviewed the apparent low bid and their qualifications and recommends Teichert as the lowest responsive and responsible bidder and therefore recommends awarding a contract to Teichert in the amount of \$2,897,777.

Staff is available to answer questions.

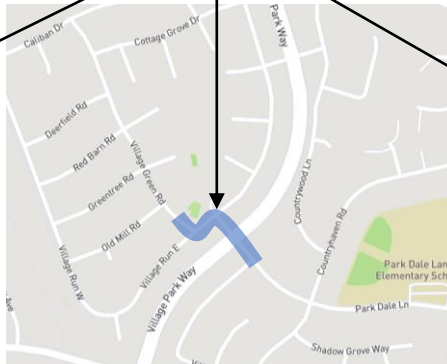
Attachment(s):
Project Site Map
Bid Results



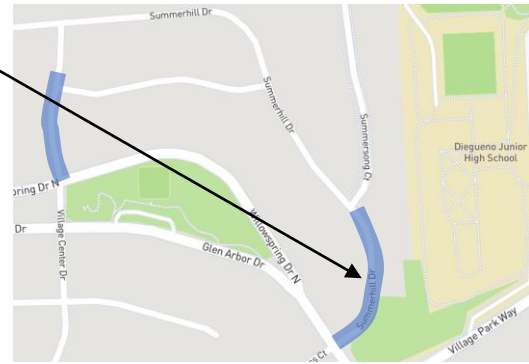
RECYCLED WATER EXTENSIONS



**SITE 1
CALLE BARCELONA**



**SITE 2
VILLAGE PARK**



**SITE 3
SUMMERHILL**

LOCATION MAP

RECYCLED WATER PIPELINE EXTENSIONS FOR CALLE BARCELONA, VILLAGE PARK, AND SUMMERHILL PROJECT

DISTRICT PROJECT NO. D800019



Recycled Water Pipeline Extensions for Calle Barcelona, Village Park and Summerhill Bid Opening 08.24.2023 at 1:30 P.M.									
Contractor	Base Bid Schedule A	Base Bid Schedule B	Base Bid Schedule C	Total Base Bid Schedule A, B, C	Bid Form Checklist (Y/N)	Addendum No. 1 (Y/N)	Addendum No. 2 (Y/N)	Addendum No. 3 (Y/N)	Bid Bond (Y/N)
Cass Construction Inc. dba Cass Arrieta	\$1,423,931	\$786,582	\$871,906	\$3,082,419	Y	Y	Y	Y	Y
CCL Contracting, Inc.	\$1,519,632	\$796,059	\$802,964	\$3,118,655	Y	Y	Y	Y	Y
SRK Engineering	\$1,755,465	\$818,017	\$795,748	\$3,369,230	Y	Y	Y	Y	Y
Teichert Energy Group & Utilities, Inc.	\$1,356,974	\$765,321	\$775,483	\$2,897,777	Y	Y	Y	Y	Y

Memo

Date: September 20, 2023
To: Olivenhain Municipal Water District Board of Directors
From: John Onkka, Water Reclamation Facilities Supervisor
Via: Kimberly A. Thorner, General Manager
Subject: **CONSIDER AN UPDATE ON THE 4S WATER RECLAMATION FACILITY DIGESTER BLOWER FIRE AND CONSIDER APPROVAL FOR A \$200,000 INCREASE TO FISCAL YEAR 2024 APPROPRIATION AND BUDGET FROM THE WASTEWATER CAPITAL RESERVE FUND**

Purpose

The purpose of this agenda item is to provide an update on the digester blower fire at the 4S Water Reclamation Facility (WRF) that occurred on August 25, 2023 and consideration of a \$200,000 increase to FY '24 appropriation and budget from Wastewater Capital Fund. The fire destroyed the Kaeser blower (Blower #2) which was installed in 2008, the internal equipment and the control panel which requires immediate replacement due to the critical nature of the piece of equipment. The 4S WRF Digesters are currently being supplied by the second, redundant blower, a United blower (Blower #1), which was installed in 2002 and has over 20 years of service time. Today's agenda item will review the incident and subsequent response activities.

Recommendation

Staff recommends approval of the FY '24 appropriation and an increase of \$200,000 to the Wastewater Capital Budget.

Alternative(s)

The Board could decide not to approve the \$200,000 appropriation and budget increase and direct staff to delay procurement of a new permanent blower unit and instead rent a blower unit through FY '24 and budget for replacement for FY '25. However, this will increase overall costs (approximately \$75,000) to OMWD as a permanent redundant digester blower unit is critical to maintaining compliance with our wastewater operating permit.

Background

OMWD owns and operates the 4S Ranch Water Reclamation Facility (4S WRF), located in Director Division 4 (Hahn), which treats incoming wastewater flows from 4S Ranch and Rancho Cielo via multiple unit processes, producing tertiary recycled water for use in the OMWD service area. On the afternoon of August 25, 2023, at approximately 4:20 P.M. the Wastewater Duty Operator received a “Blower fail to start” alarm. The Operator logged on and attempted to troubleshoot the alarm; however, these efforts failed to resolve the issue. The Wastewater Duty Operator contacted the Instrument Control Technician (ICT) Duty Operator to inform them that there was an issue with one of the Blowers at the plant and their assistance may be required.

The responding Wastewater Duty Operator arrived at 4S WRF at approximately 5:15 P.M. and saw multiple Rancho Santa Fe Fire Protection District (RSFFPD) and San Diego County Sheriff response units onsite. The RSFFPD Incident Commander informed the responding Wastewater Duty Operator that there had been a fire on a piece of equipment, but the fire had been extinguished. The Incident Commander had some questions about Blower #2, mainly if there were any hazardous materials or chemicals in the enclosure, and the responding Duty Operator confirmed there were none and informed them of the function of the piece of equipment.

Blower #2 was heavily damaged and inoperable. The responding Wastewater Duty Operator contacted the ICT Duty Operator to respond to the plant as assistance was needed. The ICT Duty Operator arrived on scene and isolated the disconnects for the 2 Blowers in the Motor Control Center to allow for the redundant Blower #1 to be safely inspected for damage. Fortunately, the fire was confined to only Blower #2 and there was no visible damage to Blower #1. The ICT Duty Operator

electrically diagnosed Blower #1 and determined it was sound for operation and was started and put into service by approximately 6:30 P.M.

Wastewater staff and ICT personnel performed an assessment of the damaged Blower #2 and confirmed that the unit was damaged beyond repair and a new unit would be needed. The cause of the fire is still being investigated.

Currently, Blower #1 is supplying the Digester with aeration. The aeration supply is associated with the solids process operations at the 4S WRF. However, this second blower is approximately 20 years old and if it were to fail, the Digester would quickly turn septic which would create both a health and safety hazard and an extreme odor nuisance in the 4S Ranch community. Blower #1 was mechanically overhauled 2 years ago, and staff has a replacement motor in our critical parts inventory should the need arise. Fortunately, we have had no violations of any operational permits associated with this event.

Fiscal Impact

A new Capital Project is being created for the replacement and installation of a new digester blower unit. The proposed 4S WRF Digester Blower Replacement Project budget will consist of; 1) procurement and installation of temporary digester blower system for emergency response should Blower #1 fail before the project is complete (costs cannot be capitalized and will come from Operating Budget), 2) material and debris cleanup and removal of destroyed Blower #2, 3) procurement and installation of new permanent blower unit by force account, and 4) staff time for project management. Staff is soliciting multiple bids for the blower unit and will comply with OMWD Administrative and Ethics Code, Article 6 procurement policies.

Final costs are being researched and evaluated; however, a temporary system has been identified at a cost of approximately \$7,100 per month, plus shipping and accessory charges. Potential replacement blower units are approximately \$105,000. Staff estimates the total project cost to be approximately \$200,000, as further described above, with an estimated useful life of the blower unit at 15 years, equaling an annual depreciation amount of \$13,300.

Staff would like to bring to the Board's attention that approval of this project will reduce the Wastewater Capital Reserve Fund to its minimum level per the Board's policy. Staff is reviewing the long-term capital spending plan for wastewater and

will undertake a cost-of-service study and Prop 218 notice process in 2024 to ensure OMWD remains compliant with its reserve policies as set by the Board.

Is this a Multi Fiscal Year Project? **No**

In which FY did this capital project first appear in the CIP budget? **N/A**

Total Project Budget: **\$200,000**

Current Fiscal Year Appropriation: **\$0**

To Date Approved Appropriations: **\$0**

Target Project Completion Date: December 31, 2023

Expenditures and Encumbrances to date: **\$0**

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

If this change order is outside of the appropriation, Source of Fund:
Wastewater Capital Reserve Fund

Wastewater Capital Reserve Fund Minimum Balance: \$6.63 million

Wastewater Capital Reserve Fund Projected Ending Balance FY '24: \$7.36 million

An insurance claim has been opened with OMWD's new insurance provider, ACWA JPIA and we are in the process of scheduling with the 3rd party adjuster and electrical engineering forensics team to perform inspection of the destroyed blower unit. Any claims payment received from ACWA JPIA will be placed back in the Wastewater Capital Reserve Fund upon receipt.

Discussion

Due to the consequences of losing one of the 4S WRF Digester blowers, staff is researching both a temporary blower system and a permanent replacement system. The temporary system recommended is an Aerzen blower system which

can be procured and installed as a back-up to Blower #1, the unit currently operating and supplying aeration to the 4S WRF Digesters. The cost for the temporary system is approximately \$7,100 per month, plus shipping and accessory equipment costs. A permanent replacement was previously identified as a future need and was researched and vetted by OMWD Staff as a part of the development of the 10-year CIP during the last budget cycle. Blower unit cost ranges from \$100,000 - \$125,000 plus installation, start-up, and staff time. Staff continues to research permanent replacement options and with Board approval, staff will create a new capital project to replace the damaged blower unit.

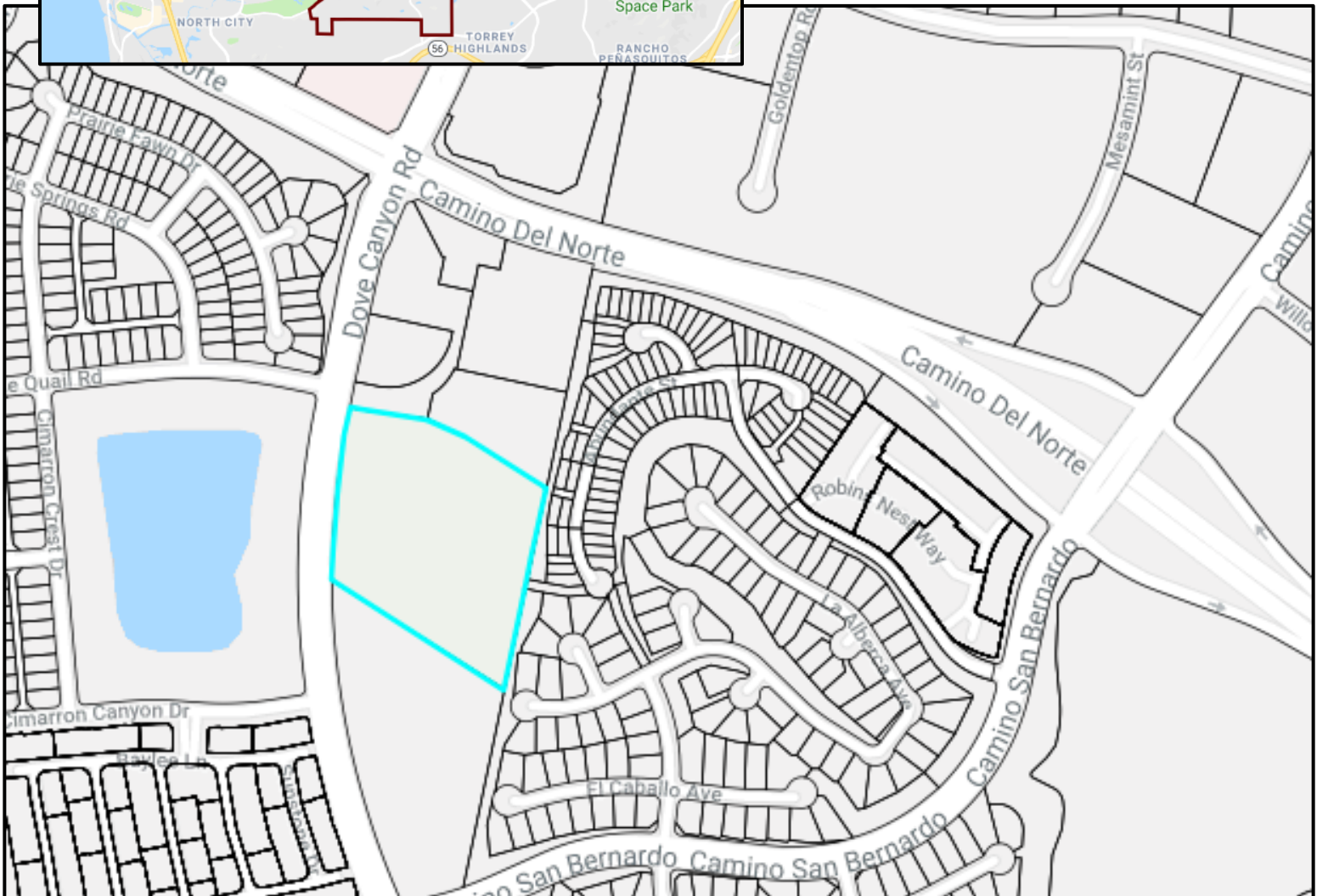
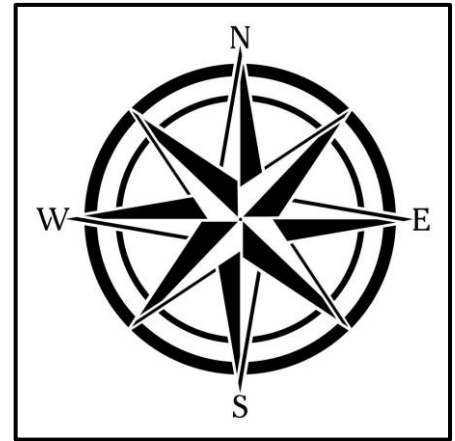
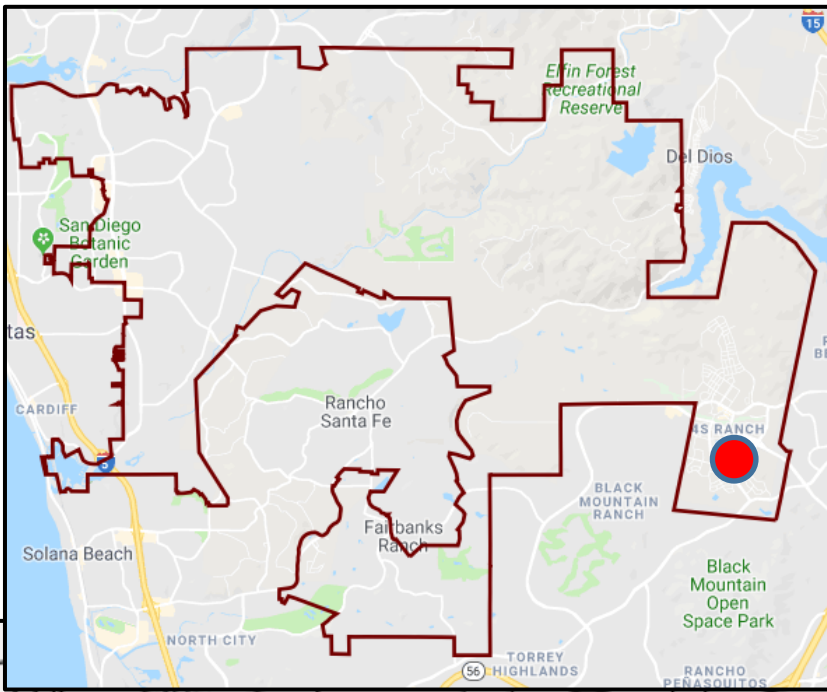
Attachment(s):

Location Map;

4S WRF Digester Blower Presentation



Destroyed 4S WRF Kaeser Blower



4S WATER RECLAMATION FACILITY DIGESTER BLOWER FIRE

The 4S Ranch Water Reclamation Facility Digester Blower Fire

September 20, 2023



4S Ranch Water Reclamation Facility

Digester Blower Units



1" = 150 ft

Sub Title

09/06/2023

OLIVENHAIN
Municipal Water District

This map may represents a visual display of related geographic information. Data provided here on is not guarantee of actual field conditions. To be sure of complete accuracy, please contact the responsible staff for most up-to-date information.

4S WRF Kaeser and United Blowers



Blower, ductile pipe and control panel



Blower Supplies Aeration for Digesters



August 25, 2023 Fire Damage



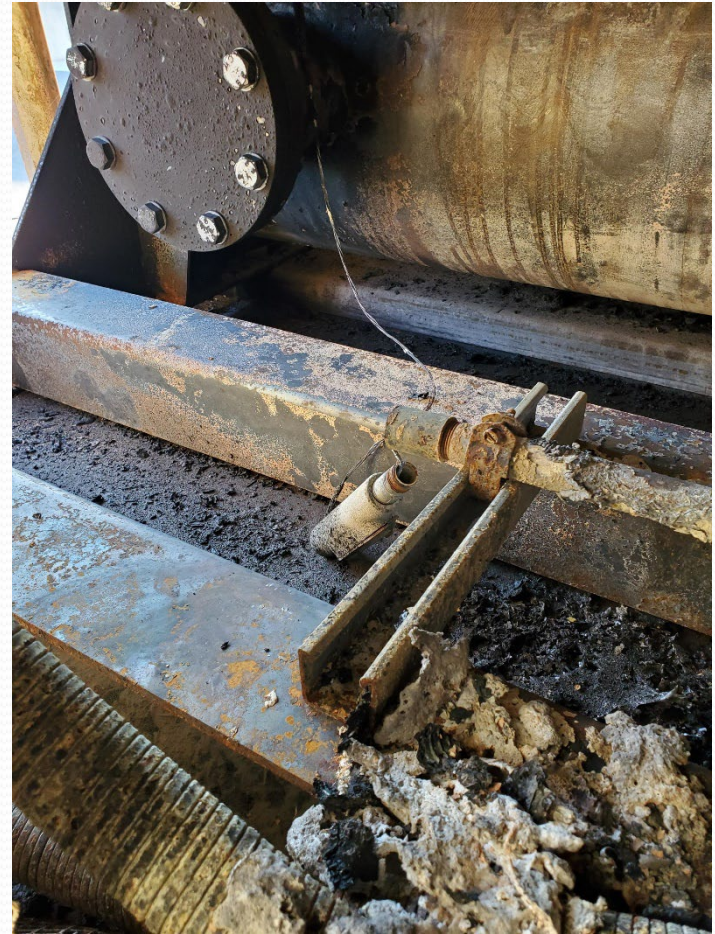
Kaeser and United Blowers



Side and back views of fire damage



Wire Damage



Front view of fire damage



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.

September 20, 2023

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
August 2023:

Operations & Maintenance	August 2023	July 2023
David C. McCollom Water Treatment Plant (DCMWTP) Total Production	551 million gallons	698 million gallons
DCMWTP Average Daily Production	17.8 million gallons	22.5 million gallons
DCMWTP Peak Day Production	24.3 million gallons	26.8 million gallons
Source Water Blend (% State Project Water)	54	51
Total Deliveries to Vallecitos Water District	33.68 acre feet 10.97 million gallons	182.36 acre feet 59.4 million gallons
4S and Rancho Cielo Sewer Systems Total Inflow	40.31 million gallons	38.47 million gallons
4S and Rancho Cielo Sewer Systems Average Daily Inflow	1,300,465 gallons	1,241,042 gallons
4S and Rancho Cielo Sewer Systems Peak Day Inflow	1,702,470 gallons	1,303,444 gallons
4S and Rancho Cielo Sewer Systems Low Day Inflow	1,192,379 gallons	1,142,523 gallons
4S Water Reclamation Facility (4SWRF) Average Daily Production	958,874 gallons	1,098,528 gallons
4SWRF Peak Day Production	1,402,710 gallons	1,392,542 gallons
4SWRF Total to Recycled Water Distribution System	29.73 million gallons	34.05 million gallons
4S Recycled Water Storage Pond Volume	129 acre feet	155 acre feet
Repaired Potable Water Main Leak(s)	0	0
Repaired Potable Water Service Lateral Assembly Leak(s)	4	3
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)	2	2
Replaced Valve(s) Monthly Total	5	1
Replaced Valve(s) Calendar Year to Date	57	52
Recycled Water Use Site Inspections & Visits	27	15
Recycled Water Use Site Cross Connection Tests	5	4
Cross Connection Site Surveys	3	1
Backflow Inspections & Testing (New)	12	7
IT Help Requests	24	22
Customer Services	August 2023	July 2023
Customer Calls and Inquiries	2,355	2,134
Total Monthly Bills Issued	22,977	22,966
Service Orders	677	723
New Potable Meters	3	4
New Fire Meters	2	0
New Recycled Water Meters	1	0

Advanced Metering Infrastructure (AMI) Troubleshooting Investigations	119	131
Customer Services - Continued	August 2023	July 2023
Automated Meter Reading (AMR) Troubleshooting	29	33
Stopped/Underperforming Meters Replaced	66	73
Meter Transceiver Units (MXU) Upgraded to AMI	148	180
Meter Accuracy Tests Performed	0	0
Water Use Evaluations	14	5
Water Use Violation Reports	5	1
Workshops, Events, and Tours	1	1
High-Efficiency Clothes Washer Rebate Applications	11	6
Weather-Based Irrigation Controller Rebate Applications	8	10
Hose Irrigation Controller Rebate Applications	0	0
High-Efficiency Rotating Nozzle Rebate Applications	3	0
High-Efficiency Toilet Rebate Applications	0	3
Rain Barrel Rebate Applications	2	0
Flow Monitor Device Rebate Applications	0	0
Turf Removal Project Rebate Applications	2	1
Social Media Posts	17	25
News Releases/Media Advisories	2	1
EFRR	August 2023	July 2023
Special Use/Event Permits	3	5
Parking Notices	32	40
Incident Reports	6	5
Vehicle Count	2,689	3,209
Trail Use Count	4,577	6,489
Days Closed Due to Rain/Red Flag	2	0
Days Interpretive Center (IC) Open	16	19
Number of IC Visitors	177	459
Volunteer Trail Patrol Shifts	4	5
Volunteer Docent Hours	79	116
Total Number of Docents	61	61
Finance	August 2023	July 2023
Infosend Payments (ACH and Credit Card)	13,293	12,688
OMWD Auto Debit Payments	1,439	1,581
California Bank & Trust Lockbox Payments	3,173	3,016
Over the Counter Payments	544	534
Check-free, Metavante and Chase	4,664	4,252
Finance Calls and Walk-ins	64	48
Service Orders Processed	17	22
Service Orders Closed Out	0	4
Purchase Orders	15	13
Inventory Items Received	546	436
Invoices Processed	597	402
Payroll Direct Deposits Processed	245	244
Accounts Payable Checks and Electronic Fund Transfers	447	327

ENGINEERING DEPARTMENT

Engineering Manager Lindsey Stephenson Highlights for August 2023:

4S Ranch Neighborhood 1 Sewer Pump Station Replacement Project continued to progress through construction. Construction of the Asphalt and Concrete Maintenance Project continued at OMWD Headquarters and is nearing completion. Work is continuing on the Bob Topolovac Memorial Courtyard. Several developer construction projects were completed this month. Staff has been contracting the Lusardi Phase III Cathodic Protection Replacement Project and anticipates starting in September. Staff continued planning and design efforts on multiple CIP projects. Staff 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 August 2023:

Human Resources staff hosted the annual Bring Your Kids to Work Day event for all employees and their children. Participated in the 457/401a plan review meeting with CalPERS deferred compensation advisors. Attended the WUHRC (Water Utilities Human Resources Committee) interagency meeting to discuss various human resources topics. Held interviews for the two vacant Utility positions. Posted the recruitment for Operations Manager. Held a Human Resources/Employee Association (HEART) Committee meeting to review and discuss the updates to the Employee Handbook. Met with the Aflac supplemental insurance representative to review plan offerings for 2023. Records staff processed multiple public records requests. Conducted safety training for the new San Diego County Water Authority intern. Safety staff facilitated the annual Boot Truck event at District headquarters for field staff to select their safety boots. Held backhoe operator training for required employees. Hosted on-site audiometric testing for necessary staff.

OPERATIONS & MAINTENANCE

Operations Highlights for August 2023:

Source water quality issues continue following OMWD's recent algae treatment of Lake Skinner, requiring additional chemical demands for treatment and more process maintenance cleanings throughout the plant. One 1st stage membrane filter train experienced a motor failure and is currently offline, and one of the two membrane basin drain pumps experienced a VFD failure and is also offline. Plant staff are working to get the failed equipment back in service as soon as possible. The remainder of the trains are online and operational. One of the two digester blowers at the 4S Water Reclamation Facility suffered damage due to a fire and staff are diligently working to replace the unit quickly. Rancho Paseana's 3" recycled water meter is now in operation and is receiving recycled water for irrigation. All OMWD maintained backflow devices have been tested. IT staff completed the Data Domain and Firewall configurations and are continuing to deploy new laptops. The Programmable Logic Controller (PLC) Replacement Project is currently out to bid and ICT/PMT staff are up to date on remote site generator maintenance. System Operations continues to provide support to Engineering on the Potable Water/Recycled Water Updated Master Plan. System Operations and Construction completed two emergency valve replacement shutdowns.

which involved system turnarounds to continue water services to impacted customers. Construction procured a new Dump Truck for Operations and assisted the Engineering & IT Departments with trenching and installation of a conduit in the lower yard to upgrade the camera and power to the back gate. Construction is continuing with FY 2024's Valve Replacement Project, with in-house staff replacing 5 valves in the month of August.

CUSTOMER SERVICES DEPARTMENT

Customer Services Manager John Carnegie Highlights for August 2023:

Published August issue of *Watching Water* newsletter; hosted a joint WaterSmart landscape design workshop with SDWD and SFID at Encinitas Community Center; mailed 144 postcards notifying customers affected by the next AMI Expansion Project phase of upcoming work and the My Water Use dashboard; sent e-newsletter on August 23; called over 1,000 customers enrolled in OMWD's Direct Payment Program to encourage them to transition to online autopay; submitted application to WaterReuse California nominating Backflow and Cross Connection Coordinator II Sean Peterson for its Staff Person of the Year Award; and submitted to USBR the Final Report for the FY 2022 AMI grant agreement for phases seven and eight.

At EFRR, hosted a water conservation workshop at the interpretive center highlighting the benefits of hydroponic gardening; assisted San Diego Humane Society's Project Wildlife Program staff in releasing five young coyotes into EFRR; completed trail repairs after tropical storm flooding; and hosted EFRR Executive Committee meeting.

FINANCE DEPARTMENT

Finance Manager Rainy Selamat Highlights for August 2023:

Reviewed FY 2023 accounts reconciliations and schedules in preparation for audit fieldwork; staff worked on new GASB 96 implementation; staff prepared the District's Schedule of Federal Award Expenditures for Single Audit with assistance from the auditors; completed 2023 water capacity fee study and updates; staff completed FY 2023 Workers Compensation Report; discussed and presented water rate options to the Finance Committee; prepared and scheduled interviews for District auditors with Finance Committee members; attended SDCWA Member Agencies water rate workshop with General Manager Thorner on future wholesale purchased water fixed costs; attended internal CIP meetings; and staff participated in internal meeting with Engineering staff to discuss billable construction projects.

ASSISTANT GENERAL MANAGER:

The Assistant General Manager reports the following for August 2023:

Attended North San Diego Water Reuse Coalition workshop at Leucadia Wastewater District, continued serving as interim Operations Manager, participated in interview panel for vacant Utility I position, attended EFRR Executive Committee Meeting, engaged in meetings with various consultants and continued project management efforts on San Dieguito Valley Brackish Groundwater Project in preparation of community outreach meeting, dedicated significant time

to personnel matters, employee recruitment, and claims management.

GENERAL MANAGER:

The General Manager reports the following for August 2023:

General Manager Thorner held a Finance Committee, held an Employee Forum, served on an interview panel, held a Human Resources/Employee Association Team (HEART) Committee Meeting, participated in the WateReuse CA Board Meeting, attended the North San Diego Water Reuse Coalition Meeting, attended the Member Agency Managers Meeting, presented a Resolution at the Vista Irrigation District Board Meeting, hosted a social media department challenge winner lunch, attended the North County Managers Meeting, participated in the Cuyamaca College Water Studies Water/Wastewater Industry Advisory Committee Meeting, participated in the North County Work Group Meeting, attended the WateReuse CA Executive Committee Meeting, participated in the Member Agency Manager/Member Agency Finance Officer Rate Workgroup Meeting, held an Elfin Forest Executive Committee Meeting, met with Carlsbad and Vallecitos General Managers on recycled water negotiations, dedicated significant time to board member briefings, public records requests, litigation, and personnel matters.

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.

MEMORANDUM

To: Kimberly Thorner, Esq., Olivenhain MWD Board of Directors

From: Don MacFarlane, Consulting Engineer

Subject: Metropolitan Water District of Southern California (MWD)
Committee Meetings

Date: September 11, 2023

This is a report on the One Water and Stewardship Committee, the Engineering, Operations, and Technology Committee, and the Finance, Audit, Insurance and Real Property Committee meetings, held on September 11 and 12, 2023. This report is based on the Board webcast, reports and memorandums.

Finance, Audit, Insurance, and Real Property Committee –

1. Climate Adaptation Management Plan (CAMP), Representative Concentration Pathway 8.5
 - a. Representative Concentration Pathways (RCP) are carbon loading scenarios.
 - b. The Committee considered using RCP 8.5 for planning purposes, for one set of planning scenarios. It assumes a more severe climate change is more likely than a moderate change.
 - c. It has high greenhouse gas emissions consistent with the continued use of fossil fuels, with significant declines in emission growth rates in the second half of this century, due to deliberate actions across the globe.
 - d. RCP 8.5 is:
 - i. The Governor's guidance.
 - ii. Conservative
 - iii. Consistent with Southern California Edison and Pacific Gas & Electric.
 - e. It includes changing precipitation patterns, stronger storms and higher peak runoff. It also includes higher temperatures and extreme heat events.
2. Mid-Cycle Budget Review (FY 2022/23 and FY 2023/24)
 - a. Revenues were \$85 million less than budget, while expenses were \$14 million less than budget. Net revenue was - \$71.0 million.
 - b. The change in Unrestricted Reserves was - \$123.8 million.
 - c. Challenges for FY 2023/24 include:
 - i. Low water sales. The initial forecast is 1.24 MAF, which is approximately 20 percent below budget.

MEMORANDUM

Metropolitan Water District of Southern California

September 11, 2023 Committee Meetings

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- ii. High fixed costs.
- iii. Continued inflationary pressures.
- iv. High SWP power costs related to the 100 percent allocation.
- d. Approach for FY 2023/24:
 - i. Monitor water sales and expenditures.
 - ii. Find opportunities to reduce costs and obtain grants.
 - iii. Manage finances.

One Water and Stewardship Committee –

1. State Water Contractor (SWC) Participation Costs – Staff presented a detailed discussion of what the SWC does, and what its budget is used for. Staff also responded to a long list of questions submitted by one of the member agencies. The Committee and the Board approved a payment of \$4.16 million to the SWC for FY 2023/24.
2. AVEK High Desert Water Bank – The Committee and Board approved up to \$80 million in additional costs for the project. This project is particularly valuable because up to 70 TAFY of water can be stored in the bank during high SWP allocations, or withdrawn from the bank during low SWP allocations. Other MWD groundwater banking programs have considerably lower withdrawal capacities.
3. Future Supply Actions (FSA) Program – This is a program that provides funding to accelerate solutions for long-term water supplies. OMWD received \$75,000 in FSA funding for a treatment pilot study for the San Dieguito Valley Groundwater. Staff will bring an action item to the Committee in October for the next funding program. They are planning for two rounds of RFPs, \$3 million each for two years, and seven to eight studies per round. Member agency partnerships are important in the selection criteria.
4. Colorado River USBR 24-Month Look Ahead Study – The recent study of January 1, 2024 reservoir water levels projected:
 - a. Lake Powell would be between 3,525 and 3,575 feet. At this level, and with the projected Lake Mead water levels, the Lake Powell release in water year 2024 would be 7.48 MAF.
 - b. Lake Mead is projected to be between 1,050 and 1,075 feet which would trigger a Level 1 shortage. This is improved over last year's study, and at Level 1, California has no shortages.
5. Colorado River Conservation – This year, California used less water from the Colorado River than any year since 1949. It is expected that CA will use 800 TAF less than its 4.4 MAF allocation, or nearly twice as much as the reduction projected a year ago. Nevada,

MEMORANDUM

Metropolitan Water District of Southern California

June 12, 2023 Committee and Board Meetings

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Arizona, and Mexico have reduced their water use. A combined Lower Basin States use of 7.1 MAF is approximately 2 MAF under the normal allocation, and close to what the Commissioner of the USBR called for. Storage has increased 6 MAF, and the lower Basin states haven't implemented all the planned conservation programs yet. Much of the savings was from conservation but it was also a wet year and agricultural water use was lower than normal.

Engineering, Operations, and Technology Committee –

1. August 2023 Demands - 110 TAF, while the August 2022 demands were 163 TAF. The August demands were the lowest on record.
2. Percentage of SWP Water Delivered to Lake Skinner and the Skinner Water Treatment Plant – 55 percent.

CIP – Capital Improvement Program

CRA – Colorado River Aqueduct

CWA – San Diego County Water Authority EIS – Environmental Impact Statement

DWR – State of California Department of Water Resources

MGD – Million Gallons per Day

MAF – Million acre-feet

MWD – Metropolitan Water District of Southern California

PFAS – Per and Polyfluorinated Substances

SWP – State Water Project

TAF – Thousand acre-feet

SWRCB – State Water Resources Control Board

USBR – United States Bureau of Reclamation

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: September 20, 2023

RE: Attorney Report: Public Officials and Social Media
150152-0005

I. INTRODUCTION.

The United States Supreme Court recently agreed to review an appeal from the Ninth Circuit Court of Appeal regarding the use of social media by local government officials. The Supreme Court granted a certiorari petition filed by Michelle O'Connor-Ratcliff and T.J. Zane (members of the Poway Unified School District Board of Trustees). The board members sought review of the Ninth Circuit's ruling that they violated the First Amendment when they blocked two of their constituents from commenting on their public social media pages.

The Ninth Circuit sided with the plaintiffs, Christopher and Kimberly Garnier, whose children went to school in the district. The Ninth Circuit three-judge panel noted that the board members presented their social media pages as belonging to "government officials"; used the space to post public notifications and to solicit public feedback; and that the use of social media accounts was directly connected to, although not required by, their official positions. The Ninth Circuit accordingly ruled that the board members' social media pages were "public forums." Consequently, the board members' decision to block the parents constituted a state action under 42 U.S. Code Section 1983, which provides civil relief to people deprived of their rights by public officials.

II. BACKGROUND

Board members Michelle O'Connor-Ratcliff and T.J. Zane created public Facebook profiles, and O'Connor-Ratcliff created a Twitter profile, to promote their respective campaigns for school board office. After they won their elections and took office, the board members used their profiles "to inform constituents about goings-on at the School District and on the PUSD Board, to invite the public to board meetings, to solicit input about important Board decisions, and to communicate with parents about safety and security issues at the District's schools."

Both board members listed their public offices in their Facebook profiles, and their posts on Facebook and Twitter included District-related information. They often interacted with members of the public on the platforms and used their social media pages to invite the public to provide feedback on board and District-related issues, such as filling out Local Control and Accountability Plan surveys. Neither board member established any rules of etiquette or decorum regulating how the public could engage with their social media accounts.

The plaintiffs, Christopher and Kimberly Garnier, were district parents who frequently left comments on the board members' Facebook and Twitter accounts. The comments were often long and critical, and the Garniers sometimes posted the same comments repeatedly. For example, on one occasion, Christopher Garnier posted 226 identical replies to Ratcliff's Twitter page within 10 minutes. They often repeated the same comments multiple times under one Facebook post, including posts that were not related to the subject matter of the post. The comments did not include profanity or threats of physical harm.

At first, the board members allowed the comments to stand. Later, as the Garniers' behavior escalated, the board members hid or deleted the comments, and the Garniers were eventually blocked from being able to read and post on the board members' Facebook profiles. O'Connor-Ratcliff also blocked Christopher Garnier on Twitter. The Garniers sued the board members in federal court for violations of their First Amendment rights, under 42 U.S. Code Section 1983. The district court held in favor of the Garniers on the question of the violation of the First Amendment. The board members appealed.

III. COURT'S ANALYSIS.

In order to state a claim under Section 1983, plaintiffs must demonstrate the violation at issue was "committed by someone acting under color of state law" or, in other words, acting within the scope of their public duties. While the board members argued they were not acting under color of state law because the District did not fund, support or require them to have social media pages, the Court held the board members' "maintenance of their social media pages, including the decision to block the Garniers from those pages," was state action.

Citing prior precedent, the Court noted that even "seemingly private behavior may be fairly treated as that of the State" if there is "a close nexus between the State and the challenged action." Although the board members were not required to have Facebook and Twitter accounts as part of their official duties, the Court held that their use of the accounts was "directly tied" to their duties based on how the board members used the pages to facilitate the performance of their official duties, how the pages identified them as board members, and how the pages involved issues being considered by or acted upon by the Board.

Having found that the board members acted under color of state law, the Court went on to find that the board members violated the Garniers' First Amendment rights by blocking them from their social media accounts. The board members had created a designated public forum by making their Facebook and Twitter accounts available to the public, but did not have a policy for regulating the public's engagement. Because the social media accounts were designated public forums, the board members could have imposed reasonable time, place or manner restrictions that were narrowly tailored to serve a significant governmental interest and leave open "ample alternative channels for communication of the information."

The Court further held that the decision to block the Garniers did not serve a governmental interest because the comments did not disrupt the board members' social media pages and prevent engagement from others. The Court distinguished social media pages from in-person meetings for purposes of determining the level of permissible disruption, finding that unlike meetings where there is limited time and space available for public comment, "the features of Facebook and Twitter rendered the Garniers' repetitive comments only minimally distracting."

In addition, the Court held that the decision to block the Garniers was not narrowly tailored because it "burdened substantially more speech than necessary." Rather, the board members had alternatives to blocking access to the Garniers, such as deleting repetitive comments, setting word filters that would filter out certain comments, or establishing clear rules of etiquette for posts on their pages, including rules prohibiting lengthy, repetitive or off-topic comments.

Ultimately, the court found that the board members were not liable to pay damages to the Garniers because they established immunity from liability under the Eleventh Amendment. Because this was a novel issue for the Ninth Circuit, the board members were deemed to be immune from damages, as they could not have known their conduct violated a constitutional right. In future cases, however, board members will be expected to know that blocking members of the public from social media pages, if found a constitutional violation, will not have the benefit of immunity.

IV. CONCLUSION.

The Ninth Circuit's decision suggests that board members who use their Facebook, Twitter or other social media accounts to carry out official duties, including providing information to constituents or soliciting feedback, should be aware of the potential liability for blocking members of the public. The Ninth Circuit's decision also suggests that board members who do utilize these social media services should consider establishing rules of decorum or etiquette for social media pages, such as stating size or subject limits for comments (e.g., requiring comments to relate to the topic of the original post) or providing that repetitive comments will be deleted.

In seeking review by the U.S. Supreme Court, the board members argued that the Supreme Court needs to resolve the circuit split on the correct test for determining whether public officials' blocking of individuals on their social media pages is state action that is subject to the First Amendment. The board members stated that while the Ninth Circuit — along with the Second, Fourth and Eighth circuits — consider the account's "official appearance" and purpose, the Sixth Circuit more narrowly focuses on "whether a public official's operation of a social media account relies on any governmental authority or carries out any governmental duty." The board members argued they were not exerting "any governmental authority nor carrying out any governmental duty" in using their accounts and blocking the parents — and that it was clear that their conduct "would not be treated as state action in the Sixth Circuit."

The United States Supreme Court's decision is expected to provide further clarity on these novel first amendment, social media, and public law issues. The Supreme Court previously considered similar issues in a lawsuit challenging former President Donald Trump's blocking of critics from his personal Twitter account. The case was found to be moot after Trump left office.

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.

**SUMMARY OF FORMAL BOARD OF DIRECTORS' MEETING
AUGUST 24, 2023**

1. Monthly Treasurer's Report on Investments and Cash Flow.
The Board noted and filed the Treasurer's report.
2. Resolution establishing amount due from the City of San Diego for the In-Lieu Charge as a condition of providing water service for Fiscal Year 2024.
The Board adopted Resolution 2023-29 establishing an amount due of \$3,187,375.29 from the City of San Diego for the In-Lieu charge for Fiscal Year 2024.
3. Notice of Completion for the First Aqueduct Treated Water Tunnels Rehabilitation Project.
The Board authorized the General Manager, or designee, to accept the First Aqueduct Treated Water Tunnels Rehabilitation Project as complete, record the Notice of Completion, and release funds held in retention to Michels Trenchless, Inc., in accordance with the contract and applicable law.
4. Amendment to Professional Services Contract with Synergy Companies for continued implementation of the Direct Install Program.
The Board authorized the General Manager to execute an amendment to the professional services contract with Synergy Companies to increase the Direct Install Program's contract capacity by \$2.6 million, for a total contract capacity of not to exceed \$4.6 million.
5. Adopt Resolution No. 2023-30 Authorizing the San Diego County Water Authority to Enter into an Agreement with the State of California Department of Water Resources to Receive Funds for the Lake Hodges Dam and Authorizing the General Manager to Execute the Agreement on Behalf of the San Diego County Water Authority.
The Board adopted Resolution No. 2023-30 authorizing the San Diego County Water Authority to enter into an agreement with the State of California Department of Water Resources to Receive funds for the Lake Hodges Dam and authorizing the General Manager to execute the agreement on behalf of the San Diego County Water Authority.
6. General Manager Appointment.
The Board approved the appointment of Dan Denham as General Manager and his employment contract.
7. Approval of Minutes.
The Board approved the minutes of the Special Board of Directors' meeting of July 13, 2023 and July 27, 2023, and the Formal Board of Directors' meeting of July 27, 2023.

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 (OMWD)
FROM: Ashley Walker, Senior Policy Advisor, Nossaman LLP
Jennifer Capitolo, Jennifer M. Capitolo and Associates LLC
DATE: September 7, 2023
RE: September 2023 Public Policy Report

State Legislative Update:

Status of the Legislature: The fiscal committee deadline for bills that are still moving this legislative year, was on September 1. The Suspense File was taken up on the day of the deadline, and bills were either held, or passed, or passed with amendments. The final day of session is Thursday, September 14. Bills must be passed to the Governor's office by then, or they will become two-year bills and will be eligible to be taken up in 2024.

Legislation: OMWD has taken several positions on legislation, as outlined below.

- **AB 30 (Ward): Atmospheric rivers: research: reservoir operations.** This bill renames the Atmospheric Rivers program as the Atmospheric Rivers Research and Forecast Improvement Program: Enabling Climate Adaptation Through Forecast-Informed Reservoir Operations and Hazard Resiliency Program and requires the Department of Water Resources to research, develop, and implement new observations, prediction models, novel forecasting methods, and tailored decision support systems to improve predictions of atmospheric rivers and their impacts on water supply, flooding, post-wildfire debris flows, and environmental conditions.
Current position: Support.
Status: This bill was signed by the Governor.
- **AB 399 (Boerner) Water Ratepayers Protections Act of 2023: County Water Authority Act: exclusion of territory: procedure.** This bill enacts the Water Ratepayers Protections Act of 2023, which requires a member agency to receive majority voter approval of its electorate, and the entire county water authority's electorate, before it can detach from a county water authority. OMWD put in a letter to the Author requesting amendments be added to the bill. The requested amendment proposed that the voting structure at the County Water Authority be changed from a weighted vote to a combination majority weighted vote/majority agency vote to ensure that decisions made by the SDCWA Board of Directors are in the best interest the Water Authority, as a whole, and not just the few large agencies. Nossaman met with the Author's office and the Assemblywoman is not open to the

proposed amendment in this bill, as they believe the voting structure amendment is not related to the issue they are trying to address in AB 399 with the departure of a Member Agency. They are willing to discuss the voting structure issue in the fall. Nossaman will work to set up a meeting in the fall to discuss this issue.

Current position: Watch.

Status: This bill was amended to remove the urgency clause. The bill is on the Senate Floor.

- **AB 755 (Papan): Water: public entity: cost-of-service analysis.** Requires a public entity, whenever conducting a cost-of-service analysis, to identify the total incremental costs incurred by all the major water users and the total incremental costs incurred by all the low volume water users in the single-family residential class.

Current position: Reviewing amendments.

Status: This bill is on the Senate Floor. ACWA is meeting today to discuss the most recent amendments and position.

- **AB 838 (Connolly): California Water Affordability and Infrastructure Transparency Act of 2023.** This bill would place additional requirements to public water systems by having them provide specified information and data related to the average water bill paid by customers at intervals determined by the State Water Board.

Current position: Oppose.

Status: This bill is dead for the year.

- **AB 1072 (Wicks): Water conservation and efficiency: low-income residential customers.** Seeks to ensure local rebates are available to low-income and disadvantaged communities. Olivenhain MWD strongly supports access to rebates for water efficient fixtures and landscapes for these communities, but recognizes there are barriers to participation. The approach this bill takes to ensuring access to these programs, however, is not workable as it potentially violates Proposition 218 requirements and directs inappropriate state funding for these purposes.

Current position: Oppose unless amended.

Status: This bill is dead for the year.

- **AB 1337 (Wicks): State Water Resources Control Board: water diversion curtailment.** Authorizes SWRCB to issue a curtailment order for any diversion, regardless of basis of right, when water is not available under the diverter's priority of right, and makes the failure to comply with a curtailment order a trespass.

Current position: Oppose.

Status: This bill is dead for the year.

- **AB 1567 (Garcia): Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, Clean Energy, and Workforce Development Bond Act of 2024.** Places a \$15.955 billion climate resilience general obligation bond before the voters on the March 5, 2024, Primary Election ballot.

Current position: Support.

Status: This bill did not meet the policy committee deadline. We are watching for any movement at the end of session.

- **AB 1572 (Friedman): Potable water: nonfunctional turf.** This bill would create a regulatory structure around a prohibition on the use of potable water for the irrigation of nonfunctional turf on properties other than single-family homes. We do not oppose banning irrigation of certain nonfunctional turf with potable water, but have concerns regarding the current definition of nonfunctional turf, scope, and compliance structure provided for in AB 1572.

Current position: Watch.

Status: This bill is on the Senate Floor.

- **AB 1594 (Garcia): Medium- and heavy-duty zero-emission vehicles: public agency utilities.** This bill would require that any state regulation applicable to essential public agency utility vehicles ensures that those vehicles can support a public agency utility's ability to maintain reliable water and electric service, respond to disasters in an emergency capacity, and provide mutual aid assistance statewide and nationwide.

Current position: Support.

Status: This bill is on the Senate Floor.

- **AB 1637 (Irwin): Local government: internet websites and email addresses.** This bill would require local governments to ensure that their public-facing internet websites and email addresses use a ".gov" or ".ca.gov" domain name, no later than January 1, 2029.

Current position: Comments on concerns.

Status: This bill is on the Senate Floor.

- **SB 23 (Caballero): Water supply and flood risk reduction projects: expedited permitting.** ACWA is sponsoring SB 23 which would streamline the regulatory permitting of water supply and flood risk reduction projects.

Current position: Support.

Status: This bill is dead for the year.

- **SB 366 (Caballero): The California Water Plan: long-term supply targets.** CMUA is sponsoring this legislation intended to transform California's water planning efforts from a process where we are managing for scarcity to a future where there is enough water for all beneficial uses.

Current position: Support.

Status: This bill is dead for the year.

- **SB 411 (Portantino): Open meetings: teleconferences: bodies with appointed membership.** This bill ensures alternate teleconferencing provisions indefinitely to boards, an advisory boards of a local agency and commissions. This measure will allow boards and commissions

to continue to serve their constituents uninterrupted by extending appropriate COVID-19 pandemic provisions.

Current position: Support.

Status: This bill is on the Senate Floor for Concurrence.

- **SB 867 (Allen): Drought, Flood, and Water Resilience, Wildfire and Forest Resilience, Coastal Resilience, Extreme Heat Mitigation, Biodiversity and Nature-Based Climate Solutions, Climate Smart Agriculture, Park Creation and Outdoor Access, and Clean Energy Bond Act of 2024.** Authorizes a \$15.5 billion climate resilience bond to be placed before voters at an unspecified election.

Current position: Support.

Status: This bill did not meet the policy committee deadline. We are watching for any movement at the end of session.

Governor's Actions and Executive Orders: The following actions have been taken by the Governor since the last report. This list is compiled from CalOES, California Health and Human Services, California Department of Public Health, and FEMA.

- September 1 - the U.S. Environmental Protection Agency (EPA) and the U.S. International Boundary and Water Commission (IBWC) announced a joint commitment to rehabilitate and expand the South Bay International Wastewater Treatment Plant in San Ysidro.
- August 30 - Governor Gavin Newsom announced the state has mobilized firefighting resources and equipment to communities most at risk ahead of red flag weather.
- August 29 – Governor Gavin Newsom announced the deployment of urban search and rescue (US&R) personnel from California to assist those in the path of Hurricane Idalia.
- August 20 - As Tropical Storm Hilary made landfall in Southern California, Governor Newsom met with impacted communities and first responders leading the initial recovery efforts. The Governor also expanded the number of counties under the state of emergency proclamation – ensuring more communities can access the support, services, and resources they need to respond and recover.
- August 19 - Governor Gavin Newsom proclaimed a state of emergency for much of Southern California to support Hurricane Hilary response and recovery efforts as the state continues mobilizing and coordinating resources ahead of the storm's forecasted impacts.
- August 17 - Governor Gavin Newsom announced that local communities would be receiving \$72 million to prevent destructive wildfires and \$25 million to bolster disaster warning systems.

- August 10 - Governor Gavin Newsom announced the deployment of resources and urban search and rescue personnel to assist in the coordination and support of emergency response operations for the wildfires in Hawaii.
- August 10 - Cal OES awarded more than \$8.2 million under the “Jumpstart” portion of the Prepare California Program for local infrastructure improvements designed to protect people and property.
- August 4 - Governor Newsom signed an executive order to streamline levee repairs and debris removal to help local communities recover from flooding and prepare for the next wet season. This is the latest in a series of actions to protect communities and conserve water from record rain and snowfall.

Water Quality Update:

Advanced Clean Fleets Rule: The Advanced Clean Fleets regulations have been put on hold, with a new call for public feedback and the proposed creation of an industry working group. As background, The California Air Resources Board (CARB) had passed a final regulatory package on California Advanced Clean Fleets (ACF) and submitted it to the California Office of Administrative Law (OAL) for final determination by July 27, 2023. That deadline came and went without OAL action. On July 31, 2023, CARB announced it had withdrawn the final regulatory package from OAL, with an intention to resubmit at a later, undetermined date. Along with the withdrawal, on July 25, 2023, CARB announced its intention to form an industry working group, the Truck Regulation Advisory Committee or “TRAC,” to assist CARB with implementation of the proposed ACF regulation. There was a public meeting on August 22, 2023, to discuss formation of the TRAC and solicit public feedback.

Water Use Efficiency/Conservation Update:

Hydrologic Conditions: The snowpack has essentially melted, river flows are generally nearing seasonal levels, and most reservoirs are being maintained at capacity or above their average capacities statewide. Precipitation has also been generally at seasonally expected levels through early August. U.S. Drought Monitor map released on August 17 shows an area of unseasonably dry conditions in the Klamath watershed along the Oregon border, and in the Mojave and Sonora desert areas. But a strong hurricane off the coast of Baja California is on track to hit southern California as a very rare tropical storm with damaging winds, extremely high rainfall levels, and widespread flooding in coming days. The desert southeast part of the state may be particularly hard hit, relieving any concerns of re-emerging drought conditions in coming months.

State Water Board Update:

Long-term Water Conservation Standards Rulemaking: On August 18 the State Water Resources Control Board (State Water Board) initiated the formal rulemaking for “Making Water Conservation a California Way of Life” by releasing their [proposed regulation and supporting material](#). The draft

regulation outlines proposed outdoor water use efficiency standards, variances, and commercial, industrial, and institutional (CII) measures. Staff also scheduled a Board workshop on October 4 to present and receive comments on the proposal. The anticipated 45-day comment period will end, and written comments will be due on October 17, 2003. Nossaman will continue working with the coalition of other water associations and water suppliers to review the proposed regulation and prepare comprehensive comments. OMWD staff is presenting on this topic to the Conservation and Outreach Committee on September 14th.

Drought Water Conservation Reporting Order: Nossaman continues to monitor the SWRCB reporting process to identify burdensome administrative requirements and propose alternatives to the SWRCB staff.

Olivenhain Legislative Report as of 9/8/2023

Concerns/Amend

[AB 399](#) (Boerner D) Water Ratepayers Protections Act of 2023: County Water Authority Act: exclusion of territory: procedure.
Last Amend: 9/1/2023
Status: 9/7/2023-Assembly Rule 77 suspended. Re-referred to Com. on L. GOV. pursuant to Assembly Rule 77.2.
Location: 9/7/2023-A. L. GOV.
Summary: The County Water Authority Act provides for the formation of county water authorities and grants to those authorities specified powers with regards to providing water service. The act provides 2 methods of excluding territory from any county water authority, one of which is that a public agency whose corporate area as a unit is part of a county water authority may obtain exclusion of the area by submitting to the electors within the public agency, at any general or special election, the proposition of excluding the public agency's corporate area from the county water authority. Current law requires that, if a majority of the electors approve the proposition, specified actions take place to implement the exclusion. This bill, the Water Ratepayers Protections Act of 2023, would additionally require the public entity to submit the proposition of excluding the public agency's corporate area from the county water authority to the electors within the territory of the county water authority. The bill would require the 2 elections to be separate; however, the bill would authorize both elections to run concurrently. The bill would require the ballot materials to include a fiscal impact statement, as described.
Position
Concerns/Amend
Notes: Olivenhain letter to author on AN 399 amendments 7.26.23.

[AB 1637](#) (Irwin D) Local government: internet websites and email addresses.
Last Amend: 6/29/2023
Status: 9/5/2023-Read second time. Ordered to third reading.
Location: 9/5/2023-S. THIRD READING
Summary: Would, no later than January 1, 2029, require a local agency, as defined, that maintains an internet website for use by the public to ensure that the internet website utilizes a ".gov" top-level domain or a ".ca.gov" second-level domain and would require a local agency that maintains an internet website that is noncompliant with that requirement to redirect that internet website to a domain name that does utilize a ".gov" or ".ca.gov" domain. This bill, no later than January 1, 2029, would also require a local agency that maintains public email addresses to ensure that each email address provided to its employees utilizes a ".gov" domain name or a ".ca.gov" domain name. By adding to the duties of local officials, the bill would impose a state-mandated local program.
Position
Concerns/Amend
Notes: Concern/ amend letter sent to ASM Appropriations and author 5/3/23.

Oppose

[AB 755](#) (Papan D) Water: public entity: water usage demand analysis.
Last Amend: 8/14/2023

Status: 8/22/2023-Read second time. Ordered to third reading.

Location: 8/22/2023-S. THIRD READING

Summary: Current law authorizes a public entity that supplies water at retail or wholesale within its service area to adopt, in accordance with specified procedures, and enforce a water conservation program. This bill would require a public entity, as defined, to conduct a water usage demand analysis, as defined, prior to completing, or as part of, a cost-of-service analysis conducted to set fees and charges for water service that are consistent with applicable law. The bill would require a public entity to identify, within the water usage demand analysis, the costs of water service for the highest users, as defined, incurred by the public entity, and the average annual volume of water delivered to high water users.

Position

Oppose

Support

AB 1567 (Garcia D) Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, Clean Energy, and Workforce Development Bond Act of 2024.

Last Amend: 5/26/2023

Status: 6/14/2023-Referred to Coms. on N.R. & W. and GOV. & F.

Location: 6/14/2023-S. N.R. & W.

Summary: Would enact the Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, Clean Energy, and Workforce Development Bond Act of 2024, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$15,995,000,000 pursuant to the State General Obligation Bond Law to finance projects for safe drinking water, wildfire prevention, drought preparation, flood protection, extreme heat mitigation, clean energy, and workforce development programs.

Position

Support

AB 1594 (Garcia D) Medium- and heavy-duty zero-emission vehicles: public agency utilities.

Last Amend: 9/1/2023

Status: 9/5/2023-Read second time. Ordered to third reading.

Location: 9/5/2023-S. THIRD READING

Summary: Current law establishes the Air Quality Improvement Program that is administered by the State Air Resources Board for purposes of funding projects related to, among other things, the reduction of criteria air pollutants and improvement of air quality, and establishes the Medium- and Heavy-Duty Zero-Emission Vehicle Fleet Purchasing Assistance Program within the Air Quality Improvement Program to make financing tools and nonfinancial supports available to operators of medium- and heavy-duty vehicle fleets to enable those operators to transition their fleets to zero-emission vehicles. This bill would require any state regulation that seeks to require, or otherwise compel, the procurement of medium- and heavy-duty zero-emission vehicles to authorize public agency utilities to purchase replacements for traditional utility-specialized vehicles that are at the end of life when needed to maintain reliable service and respond to major foreseeable events, including severe weather, wildfires, natural disasters, and physical attacks, as specified. The bill would define a public agency utility to include a local publicly owned electric utility, a community water system, a water district, and a wastewater treatment provider, as specified.

Position

Support

Notes: AB 1594 (E. Garcia) support letter from Olivenhain to author on 3.29.23.

SB 411 (Portantino D) Open meetings: teleconferences: neighborhood councils.

Last Amend: 8/14/2023

Status: 9/6/2023-Assembly amendments concurred in. (Ayes 32. Noes 6.) Ordered to engrossing and enrolling.

Location: 9/6/2023-S. ENROLLMENT

Summary: Would, until January 1, 2026, authorize an eligible legislative body to use alternate teleconferencing provisions related to notice, agenda, and public participation, as prescribed, if the city council has adopted an authorizing resolution and 2/3 of an eligible legislative body votes to use the alternate teleconferencing provisions. The bill would define "eligible legislative body" for this purpose to mean a neighborhood council that is an advisory body with the purpose to promote more citizen participation in government and make government more responsive to local needs that is established pursuant to the charter of a city with a population of more than 3,000,000 people that is subject to the act. The bill would require an eligible legislative body authorized under the bill to provide publicly accessible physical locations for public participation, as prescribed. The bill would also require that at least a quorum of the members of the neighborhood council participate from locations within the boundaries of the city in which the neighborhood council is established. The bill would require that, at least once per year, at least a quorum of the members of the eligible legislative body participate in person from a singular physical location that is open to the public and within the boundaries of the eligible legislative body.

Position

Support

SB 867 **(Allen D) Drought, Flood, and Water Resilience, Wildfire and Forest Resilience, Coastal Resilience, Extreme Heat Mitigation, Biodiversity and Nature-Based Climate Solutions, Climate Smart Agriculture, Park Creation and Outdoor Access, and Clean Energy Bond Act of 2024.**

Last Amend: 6/22/2023

Status: 7/6/2023-July 10 hearing postponed by committee.

Location: 6/20/2023-A. NAT. RES.

Summary: Would enact the Drought, Flood, and Water Resilience, Wildfire and Forest Resilience, Coastal Resilience, Extreme Heat Mitigation, Biodiversity and Nature-Based Climate Solutions, Climate Smart Agriculture, Park Creation and Outdoor Access, and Clean Energy Bond Act of 2024, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$15,500,000,000 pursuant to the State General Obligation Bond Law to finance projects for drought, flood, and water resilience, wildfire and forest resilience, coastal resilience, extreme heat mitigation, biodiversity and nature-based climate solutions, climate smart agriculture, park creation and outdoor access, and clean energy programs.

Position

Support

Close Watch

AB 520 **(Santiago D) Employment: public entities.**

Last Amend: 9/1/2023

Status: 9/5/2023-Read second time. Ordered to third reading.

Location: 9/5/2023-S. THIRD READING

Summary: Current law authorizes the Labor Commissioner to investigate employee complaints and to provide for a hearing in any action to recover wages, penalties, and other demands for compensation. Under existing law, any individual or business entity that contracts for services in the property services or long-term care industries is jointly and severally liable for any unpaid wages, including interest, where the individual or business entity has been provided notice, by any party, of any proceeding or investigation by the Labor Commissioner in which the employer is found liable for those unpaid wages, to the extent the amounts are for services performed under that contract, as provided, and except as specified. This bill would additionally provide that any public entity, defined as a city, county, city and county, district, public authority, public agency, and any other political subdivision or public corporation in the state, is jointly and severally liable for any unpaid wages, as provided in the above paragraph.

Position
Close Watch

[AB 1627](#) ([Lee D](#)) California Safe Drinking Water Act.

Last Amend: 5/16/2023

Status: 8/30/2023-Enrolled and presented to the Governor at 2:15 p.m.

Location: 8/30/2023-A. ENROLLED

Summary: The California Safe Drinking Water Act requires the State Water Resources Control Board to regulate specified water systems and maintain specified primary drinking water standards. The act defines a public water system as a system for the provision of water for human consumption through pipes or other constructed conveyances that has 15 or more service connections or regularly serves at least 25 individuals daily at least 60 days out of the year. Current law applies the provisions of the act to a food facility that is regulated pursuant to the California Retail Food Code only if the human consumption includes drinking of water. In regard to the number of individuals served, this bill would revise the definition of a public water system to apply to a system that regularly serves an average of at least 25 individuals daily at least 60 days out of the year. To the extent that this bill would expand the scope of coverage of the act by applying its provisions to more public water systems, thereby expanding the application of a crime, this bill would impose a state-mandated local program. This bill would repeal the provision applying the act to a food facility that is regulated pursuant to the California Retail Food Code only if the human consumption includes drinking of water.

Position
Close Watch

[SB 638](#) ([Eggman D](#)) Climate Resiliency and Flood Protection Bond Act of 2024.

Last Amend: 6/28/2023

Status: 7/6/2023-July 11 hearing postponed by committee.

Location: 6/15/2023-A. W.,P. & W.

Summary: Would enact the Climate Resiliency and Flood Protection Bond Act of 2024 which, if approved by the voters, would authorize the issuance of bonds in the amount of \$6,000,000,000 pursuant to the State General Obligation Bond Law, for flood protection and climate resiliency projects.

Position
Close Watch

[SB 659](#) ([Ashby D](#)) California Water Supply Solutions Act of 2023.

Last Amend: 9/1/2023

Status: 9/7/2023-Read third time. Passed. Ordered to the Senate.

Location: 9/7/2023-S. DESK

Summary: Would establish the California Water Supply Solutions Act of 2023 to require the department, as part of the 2028 update, and each subsequent update thereafter to the California Water Plan, to provide actionable recommendations to develop additional groundwater recharge opportunities that increase the recharge of the state's groundwater basins, as provided. The bill would require the Department of Water Resources to consult with the State Water Resources Control Board, the 9 regional water quality control boards, and the advisory committee, which may be enlarged as provided, in carrying out these provisions. The bill would require the recommendations to identify immediate opportunities and potential long-term solutions to increase the state's groundwater supply, and include, among other things, best practices to advance all benefits of groundwater recharge, as specified.

Position
Close Watch

Two Year Bill

[SB 737](#) ([Hurtado D](#)) Groundwater: recharge.

Status: 3/1/2023-Referred to Com. on RLS.

Location: 2/17/2023-S. RLS.

Summary: Would state the intent of the Legislature to enact subsequent legislation to capture floodwater to recharge groundwater basins and to require the Department of Water Resources and the State Water Resources Control Board to work together to expedite the regulatory steps necessary to store significant rainfall and excess water underground, while still ensuring protections for the environment and other water users as required by state law.

Position

Two Year Bill

Watch

[AB 305](#) ([Villapudua](#) D) California Flood Protection Bond Act of 2024.

Last Amend: 4/25/2023

Status: 6/14/2023-Referred to Coms. on N.R. & W. and GOV. & F.

Location: 6/14/2023-S. N.R. & W.

Summary: Would enact the California Flood Protection Bond Act of 2024 which, if approved by the voters, would authorize the issuance of bonds in the amount of \$4,500,000,000 pursuant to the State General Obligation Bond Law for flood protection projects, as specified. The bill would provide for the submission of these provisions to the voters at the November 5, 2024, statewide general election.

Position

Watch

[AB 345](#) ([Wilson](#) D) Habitat restoration: flood control: advance payments.

Last Amend: 6/26/2023

Status: 9/5/2023-Read second time. Ordered to third reading.

Location: 9/5/2023-S. THIRD READING

Summary: Current law establishes the Central Valley Flood Protection Board and authorizes the board to engage in various flood control activities along the Sacramento River, the San Joaquin River, their tributaries, and related areas. This bill would authorize the Department of Water Resources or the board to provide advance payments, as defined, to local agencies for projects that restore habitat for threatened and endangered species under state or federal law or improve flood protection, as provided. The bill would prohibit the amount of funds advanced by the department or the board to the local agency at any one time from exceeding 25% of the entire amount authorized to be provided under the funding agreement. The bill would require the project proponent to demonstrate a need for an advance payment and that the project proponent is sufficiently qualified to manage the project and the project's finances. The bill would require the funds to be spent within 6 months and would require the recipient to provide an accountability report to the department or the board on a quarterly basis, as specified.

Position

Watch

[AB 541](#) ([Wood](#) D) California Safe Drinking Water Act: wildfire aftermath: benzene testing.

Last Amend: 6/8/2023

Status: 7/5/2023-Read second time. Ordered to third reading.

Location: 7/5/2023-S. THIRD READING

Summary: Would direct the State Water Resources Control Board to require a public water system that has experienced a wildfire event meeting specified criteria to perform sample collection and analysis of its source waters, treatment facilities, conveyance facilities, distribution systems, or a combination thereof, for the presence of benzene as soon as it is safe to do so.

Position

Watch

AB 590 (Hart D) State-funded assistance grants and contracts: advance payments.

Last Amend: 9/1/2023

Status: 9/5/2023-Read second time. Ordered to third reading.

Location: 9/5/2023-S. THIRD READING

Summary: Would declare the intent of the Legislature to improve and expand the state's existing advance payment practices for state grants and contracts with nonprofits. The bill would authorize an administering state agency to advance a payment to a recipient entity, defined to mean a private, nonprofit organization qualified under federal law, subject to meeting specified requirements. The bill would require the administering state agency to prioritize recipient entities and projects serving disadvantaged, low-income, and under-resourced communities, and to ensure an advance payment to the recipient entity does not exceed 25% of the total grant or contract amount. The bill would require the recipient entity to satisfy certain minimum requirements, including providing an itemized budget and submitting documentation, as required by the administering state agency, to support the need for advance payment.

Position

Watch

AB 648 (Valencia D) Common interest developments: procedures: meetings by teleconference.

Last Amend: 4/20/2023

Status: 9/5/2023-Read third time. Passed. Ordered to the Assembly. (Ayes 38. Noes 0.). In Assembly. Ordered to Engrossing and Enrolling. (Enrolled Text Released 9/7/2023)

Location: 9/5/2023-A. ENROLLMENT

Summary: Existing law, the Davis-Stirling Common Interest Development Act, governs the management and operation of common interest developments. Existing law defines a board meeting as a congregation or a teleconference, as provided. Existing law requires, among other things, a board meeting held by teleconference to identify at least one physical location so that members of the association may attend, except as provided. Existing law also establishes alternative teleconferencing procedures for a board meeting or a meeting of the members if gathering in person is unsafe or impossible because the common interest development is in an area affected by a federal, state, or local emergency. This bill would authorize a board meeting or a meeting of the members to be conducted entirely by teleconference if specified conditions are satisfied. These conditions would include, among others, a requirement that the notice for the meeting provide clear instructions on how to participate by teleconference and would require each director and member to have the same ability to participate that would exist if the meeting were held in person. These teleconference provisions would not apply to a meeting at which ballots are counted and tabulated, as prescribed. The bill would make conforming changes and include related legislative findings.

Position

Watch

AB 664 (Lee D) California Safe Drinking Water Act.

Last Amend: 9/6/2023

Status: 9/7/2023-Read second time. Ordered to third reading.

Location: 9/7/2023-S. THIRD READING

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. Current law imposes certain responsibilities on public water systems and authorizes the state board to issue a citation to a public water system if the state board determines that the public water system is in violation of the act, or any regulation, permit, standard, or order issued or adopted under the act. Current law requires a public water system to reimburse the state board for actual costs incurred by the state board for specified enforcement activities related to that water system, as provided. This bill would authorize the state board to issue a citation to any person if the state board determines that the person is in violation of the act, or any regulation, permit, standard, or order issued or adopted under the act. The bill would also require persons to reimburse the state board for actual costs incurred by the state water board for specified enforcement activities related to that person, as provided. The bill would expand the definition of "person," defined in existing law for purposes of the act to include

individuals and various corporate and public entities, associations, and institutions, to also include the United States, to the extent authorized by federal law.

Position
Watch

AB 676 (Bennett D) Water: general state policy.

Last Amend: 8/21/2023

Status: 9/7/2023-Read third time. Passed. Ordered to the Assembly. (Ayes 25. Noes 11.). In Assembly. Concurrence in Senate amendments pending. May be considered on or after September 9 pursuant to Assembly Rule 77.

Location: 9/7/2023-A. CONCURRENCE

Calendar: 9/8/2023 #43 ASSEMBLY CONCURRENCE IN SENATE AMENDMENTS

Summary: Would specify that the use of water for domestic purposes includes water use for human consumption, cooking, sanitary purposes, care of household livestock, animals, and gardens, fire suppression and other safety purposes, and a purpose determined to be a domestic purpose as established by the common law.

Position
Watch

AB 682 (Mathis R) State Water Resources Control Board: online search tool: funding applications.

Last Amend: 3/20/2023

Status: 7/5/2023-Read second time. Ordered to third reading.

Location: 7/5/2023-S. THIRD READING

Summary: Current law establishes the State Water Resources Control Board (state board) to exercise the adjudicatory and regulatory functions of the state in the field of water resources. 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. This bill would require, by January 1, 2025, the state board to update the state board's online search tool for funding applications to include a description of the additional information the state board needs from a water system to continue processing the water system's application and a description of the typical steps that must be completed before a funding agreement can be executed after receipt of a complete application, among other information, as specified.

Position
Watch

AB 753 (Papan D) State Water Pollution Cleanup and Abatement Account: annual proceeds transfers.

Last Amend: 8/14/2023

Status: 9/5/2023-Read second time. Ordered to third reading.

Location: 9/5/2023-S. THIRD READING

Summary: Current law requires each regional water board to formulate and adopt water quality control plans for all areas within the region, as provided. Current law authorizes the imposition of civil penalties for violations of certain waste discharge requirements and requires that penalties imposed pursuant to these provisions be deposited into the Waste Discharge Permit Fund, to be expended by the State Water Resources Control Board, upon appropriation by the Legislature, for specified purposes related to water quality. For violations of certain other waste discharge requirements, including the violation of a waste discharge requirement effluent limitation, current law imposes specified civil penalties, the proceeds of which are deposited into the continuously appropriated State Water Pollution Cleanup and Abatement Account, which is established in the State Water Quality Control Fund. This bill would create the Waterway Recovery Account within the Waste Discharge Permit Fund, and would annually transfer from the State Water Pollution Cleanup and Abatement Account, excluding administratively imposed civil liabilities that include a supplemental environmental project in connection with a monetary penalty, 40% of the annual proceeds to the Waterway Recovery Account. The bill would provide that moneys in the account created by the bill are continuously appropriated to the state board without regard to fiscal years. The bill would require the state board to allocate the Waterway Recovery Account moneys to each regional board on a proportional basis, based on moneys generated in each region, and would require

the regional boards to allocate those moneys to third parties for restoration projects, as specified, with priority given to third parties that will undertake projects with multiple benefits that provide greenspace within disadvantaged communities, as provided.

Position

Watch

[AB 779](#) (Wilson D) Groundwater: adjudication.

Last Amend: 8/14/2023

Status: 9/5/2023-Read second time. Ordered to third reading.

Location: 9/5/2023-S. THIRD READING

Summary: Current law establishes various methods and procedures for a comprehensive adjudication of groundwater rights in civil court. This bill would require the court to appoint one party to forward all case management orders, judgments, and interlocutory orders to the Department of Water Resources within 10 business days of issuance. The bill would require the court to allocate payment of the costs incurred by the party appointed to forward all case management orders, judgments, and interlocutory orders to the department among the parties in an amount and a manner that the court deems equitable. The bill would require the department to post the documents on its internet website in the interest of transparency and accessibility within 20 business days of receipt from a party, as specified. The bill would authorize the court to refer the matter to the State Water Resources Control Board for investigation and report in order to assist the court in making findings pursuant to these provisions, and would authorize a party to request that the court refer the matter to the board for these purposes. The bill would require the court to consider the water use of small farmers and disadvantaged communities, as those terms are defined, before entering a judgment.

Position

Watch

[AB 939](#) (Pellerin D) Santa Clara Valley Water District.

Last Amend: 7/6/2023

Status: 8/30/2023-Enrolled and presented to the Governor at 2:15 p.m.

Location: 8/30/2023-A. ENROLLED

Summary: The Santa Clara Valley Water District Act creates the Santa Clara Valley Water District, and authorizes the district to provide for the conservation and management of flood, storm, and recycled waters, and other waters, for beneficial uses and to enhance natural resources in connection with carrying out the purposes of the district. The act authorizes the district to levy ad valorem taxes or assessments in the district to pay the general administrative costs and expenses of the district, to carry out the act's objects or purposes, and to pay the costs and expenses of constructing or extending works within the district. The act additionally authorizes the district to levy taxes or assessments upon all property or all real property within a portion of the district for specified purposes. The act authorizes the district to issue bonds for specified purposes, and requires that the bonds be paid by revenue derived from those tax levies and assessments, except the ad valorem taxes or assessments. This bill would additionally authorize the district to use the revenues from the ad valorem taxes or assessments to pay for the bonds.

Position

Watch

[AB 1205](#) (Bauer-Kahan D) Water rights: sale, transfer, or lease: agricultural lands.

Last Amend: 7/13/2023

Status: 9/5/2023-Read second time. Ordered to third reading.

Location: 9/5/2023-S. THIRD READING

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 1216 (Muratsuchi D) Wastewater treatment plants: monitoring of air pollutants.

Last Amend: 8/16/2023

Status: 9/7/2023-Assembly Rule 77 suspended. Senate amendments concurred in. To Engrossing and Enrolling.

Location: 9/7/2023-A. ENROLLMENT

Summary: Would require, on or before January 1, 2027, the owner or operator of a wastewater treatment facility that is located within 1,500 feet of a residential area and has an original design capacity of 425,000,000 gallons or more per day to develop, install, operate, and maintain a wastewater treatment-related fence-line monitoring system approved by the appropriate air quality management district. The bill would require the wastewater treatment-related fence-line monitoring system to include equipment capable of measuring pollutants of concern, as provided, emitted into the atmosphere that the appropriate air quality management district deems appropriate for monitoring. The bill would provide that it does not alter the responsibility of an owner or operator of a wastewater treatment facility to not exceed limits for nitrogen oxides and volatile organic compounds emitted into the atmosphere established in existing air quality regulations, as provided, and would require source testing for these pollutants to be conducted pursuant to a protocol approved by the appropriate air quality management district.

Position

Watch

AB 1272 (Wood D) State Water Resources Control Board: drought planning.

Last Amend: 9/1/2023

Status: 9/5/2023-Read second time. Ordered to third reading.

Location: 9/5/2023-S. THIRD READING

Summary: Would require the State Water Resources Control Board, in consultation with the Department of Fish and Wildlife, to adopt principles and guidelines for diversion and use of water in coastal watersheds, as specified, during times of water shortage for drought preparedness and climate resiliency. The bill would require that the principles and guidelines allow for the development of locally generated watershed-level plans to support public trust uses, public health and safety, and the human right to water in times of water shortage, among other things. The bill also would require the state board, prior to adopting those principles and guidelines, to allow for public comment and hearing, as provided. The bill would make the implementation of these provisions contingent upon an appropriation of funds by the Legislature for this purpose.

Position

Watch

AB 1572 (Friedman D) Potable water: nonfunctional turf.

Last Amend: 9/5/2023

Status: 9/6/2023-Read second time. Ordered to third reading.

Location: 9/6/2023-S. THIRD READING

Summary: Would make legislative findings and declarations concerning water use, including that the use of potable water to irrigate nonfunctional turf is wasteful and incompatible with state policy relating to climate change, water conservation, and reduced reliance on the Sacramento-San Joaquin Delta ecosystem. The bill would direct all appropriate state agencies to encourage and support the elimination of irrigation of nonfunctional turf with potable water.

Position

Watch

Notes: ACWA close watch- define nonfunctional turf and create a program within the State Board for regulation of nonfunctional turf and prohibit the use of potable water for the irrigation of nonfunctional turf.

AB 1631 (Schiavo D) Water resources: permit to appropriate: application procedure: mining use.

Status: 9/6/2023-Read third time. Passed. Ordered to the Assembly. (Ayes 30. Noes 2.). In Assembly. Ordered to Engrossing and Enrolling.

Location: 9/6/2023-A. ENROLLMENT

Summary: Under existing law, the State Water Resources Control Board administers a water rights program pursuant to which the board grants permits and licenses to appropriate water. Existing law requires an application for a permit to appropriate water to include, among other things, sufficient information to demonstrate a reasonable likelihood that unappropriated water is available for the proposed appropriation. Existing law requires the board to issue and deliver a notice of an application as soon as practicable after the receipt of an application for a permit to appropriate water that conforms to the law. Existing law allows interested persons to file a written protest with regard to an application to appropriate water and requires the protestant to set forth the objections to the application. Existing law declares that no hearing is necessary to issue a permit in connection with an unprotested application, or if the undisputed facts support the issuance of the permit and there is no disputed issue of material fact, unless the board elects to hold a hearing. This bill, if the board has not rendered a final determination on an application for a permit to appropriate water for a beneficial use or uses that include mining use within 30 years from the date the application was filed, would require the board to issue a new notice and provide an opportunity for protests before rendering a final determination, with specified exceptions.

Position

Watch

ACA 2 (Alanis R) Public resources: Water and Wildfire Resiliency Act of 2023.

Status: 4/20/2023-Referred to Coms. on W., P., & W. and NAT. RES.

Location: 4/20/2023-A. W.,P. & W.

Summary: Would establish the Water and Wildfire Resiliency Fund within the State Treasury, and would require the Treasurer to annually transfer an amount equal to 3% of all state revenues that may be appropriated as described from the General Fund to the Water and Wildfire Resiliency Fund. The measure would require the moneys in the fund to be appropriated by the Legislature and would require that 50% of the moneys in the fund be used for water projects, as specified, and that the other 50% of the moneys in the fund be used for forest maintenance and health projects, as specified.

Position

Watch

SB 3 (Dodd D) Discontinuation of residential water service: covered water system.

Last Amend: 9/1/2023

Status: 9/7/2023-Read third time. Passed. Ordered to the Senate. In Senate. Concurrence in Assembly amendments pending.

Location: 9/7/2023-S. CONCURRENCE

Summary: Current law establishes the Safe Drinking Water Account to be available to the State Water Resources Control Board, upon appropriation by the Legislature, for the purpose of providing funds necessary to administer the California Safe Drinking Water Act. This bill would expand the use of available funds in the account to be used by the state board, upon appropriation by the Legislature, to include the administration of the Water Shutoff Protection Act.

Position

Watch

SB 389 (Allen D) State Water Resources Control Board: investigation of water right.

Last Amend: 8/31/2023

Status: 9/5/2023-Read third time. Passed. Ordered to the Senate. In Senate. Concurrence in Assembly amendments pending.

Location: 9/5/2023-S. CONCURRENCE

Summary: Current law provides generally for the appropriation of water. Existing law authorizes the State Water Resources Control Board to investigate bodies of water, to take testimony in regard to the rights to water or the use of water, and to ascertain whether or not

water is appropriated lawfully, as provided. 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 instead authorize the board to investigate and ascertain whether or not a water right is valid. The bill would authorize the board to issue an information order in furtherance of an investigation, as executed by the executive director of the board, as specified. The bill would authorize a diversion or use of water ascertained to be unauthorized to be enforced as a trespass, as specified.

Position

Watch

SB 537 (Becker D) Open meetings: multijurisdictional, cross-county agencies: teleconferences.

Last Amend: 9/5/2023

Status: 9/5/2023-Read third time and amended. Ordered to third reading.

Location: 8/15/2023-A. THIRD READING

Calendar: 9/8/2023 #81 ASSEMBLY THIRD READING FILE - SENATE BILLS

Summary: Current law, until January 1, 2024, authorizes the legislative body of a local agency to use alternate teleconferencing provisions during a proclaimed state of emergency or in other situations related to public health that exempt a legislative body from the general requirements (emergency provisions) and impose different requirements for notice, agenda, and public participation, as prescribed. The emergency provisions specify that they do not require a legislative body to provide a physical location from which the public may attend or comment. Current law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing in certain circumstances related to the particular member if at least a quorum of its members participate from a singular physical location that is open to the public and situated within the agency's jurisdiction and other requirements are met, including restrictions on remote participation by a member of the legislative body. These circumstances include if a member shows "just cause," including for a childcare or caregiving need of a relative that requires the member to participate remotely. This bill would expand the circumstances of "just cause" to apply to the situation in which an immunocompromised child, parent, grandparent, or other specified relative requires the member to participate remotely. The bill would authorize the legislative body of a multijurisdictional, cross-county agency, as specified, to use alternate teleconferencing provisions if the eligible legislative body has adopted an authorizing resolution, as specified. The bill would also require the legislative body to provide a record of attendance of the members of the legislative body, the number of community members in attendance in the teleconference meeting, and the number of public comments on its internet website within 10 days after a teleconference meeting, as specified. The bill would require at least a quorum of members of the legislative body to participate from one or more physical locations that are open to the public and within the boundaries of the territory over which the local agency exercises jurisdiction.

Position

Watch

Total Measures: 32

Total Tracking Forms: 32

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 9/13/23)

Date(s)	Event	Time	Location	Attending Board Member(s)	Additional Information (Speakers' Topic, Cohosts, etc.)
<u>AUGUST 2023</u>					
18-Aug	HOA Site Visit			Guerin	
18-Aug	Conference Call with the General Manger RE: LAFCO MSR & Garden			Watt	
21-Aug	Conference Call with the General Manager RE: Status of OMWD and Hurricane			Watt	
23-Aug	Conference Call with the General Manager RE: CWA Board Meeting			Meyers	
24-Aug	Conference Call with the General Manager RE: CWA Request on AB 399			Guerin	
25-Aug	Hydroponic Gardening Workshop		EFRR	Meyers	
25-Aug	Meeting with the General Manager			Watt	
28-Aug	Document Signing and Meeting with the General Manager			Guerin	
31-Aug	EFRR Executive Committee Meeting	9:00 AM	EFRR Interpretive Center	San Antonio, Watt	
<u>SEPTEMBER 2023</u>					
6-Sep	Conference Call with the General Manager RE: SDCWA Board Meeting			Meyers	
7-Sep	SDVBGWP Community Meeting	5:30 PM	Solana Santa Fe Elementary School 6570 El Apajo, Rancho Santa Fe, CA 92067	Meyers, San Antonio	
9-Sep	VID 100th Anniversary Celebration	10:00 AM - 1:00 PM	Vista Irrigation District	Hahn, Watt	
9-Sep	San Diego Botanic Garden Party		San Diego Botanic Garden 300 Quail Gardens Drive Encinitas, CA 92024	Meyers	
12-Sep	Facilities Committee Meeting	2:00 PM		Guerin, Watt	
14-Sep	Ad Hoc Public Outreach and Conservation Committee Meeting	10:00 AM	OMWD Boardroom	Guerin, San Antonio	

Memo

To: Olivenhain Municipal Water District Board of Directors

Subject: INFORMATIONAL REPORTS

CORRESPONDENCE

Any correspondence is attached.

On behalf of the SFID Board of Directors, we would like to extend our appreciation to your agency for issuing a proclamation celebrating our 100-Year Anniversary. We appreciate the support and partnership of our fellow water industry cohorts, and we look forward to working with your organization for decades to come. We plan to display the proclamation at our administration building, and you are always welcome to stop by to see them.

Thank you again.

Mark Hagan

Allen



Certificate of Appreciation

Is presented to

Olivenhain Municipal Water District

In

Encinitas

In recognition of their support of

The Education Awareness Campaign

For September & October 2023 on

Palomar College's radio station

KKPSM

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.

Olivenhain Municipal Water District Marks Milestone Recycled Water Anniversary

waternewsnetwork.com/olivenhain-municipal-water-district-marks-milestone-recycled-water-anniversary/

Gayle Falkenthal

August 31, 2023



Water recycling reduces the need to import or develop additional drinking water supplies. It is a vital water management strategy to ensure a safe, reliable, and locally controlled water supply to support healthy environments, robust economies, and high quality of life.

Water and wastewater agencies in San Diego County are developing or expanding their water recycling infrastructure. Among those at the forefront is the Olivenhain Municipal Water District. OMWD marks a significant milestone in August: the 20th anniversary of its award-winning 4S Ranch Water Reclamation Facility, which began serving high-quality recycled water for irrigation in August 2003.



The Olivenhain Municipal Water District's award-winning 4S Ranch Water Reclamation Facility celebrates its 20th anniversary in August 2023. Photo: Olivenhain Municipal Water District

OMWD annexed the 4S Ranch and Rancho Cielo Sanitation Districts from the County of San Diego in 1998. OMWD also took ownership of a small wastewater treatment facility in 4S Ranch. This facility had the capability to treat 0.25 million gallons per day (MGD) of wastewater from the surrounding commercial center and condominium complex. Treated wastewater was disposed of by spraying it on nearby unimproved pastures.

Recognizing the significant development plans for the 4S Ranch area, OMWD expanded the capacity of the facility to 2.0 MGD. As part of this expansion, OMWD also incorporated additional treatment phases of filtration and ultraviolet disinfection, improving water quality. OMWD required area developers to install the entire recycled water infrastructure for their planned communities.

Today, the facility produces over one million gallons of recycled water per day. It is delivered to irrigation customers in the southeastern portion of OMWD's service area for use at HOA common areas, schools, parks, streetscapes, and golf courses. Together with recycled water purchased from nearby water and wastewater agencies to serve customers in portions of Encinitas and Carlsbad, OMWD now serves up to 15 percent of its customers' total water demand with recycled water.

"For 20 years, OMWD has proudly served 4S Ranch and neighboring communities with high-quality recycled water, reducing the use of drinking water for irrigation," said OMWD Vice President Matthew Hahn. "As California continues to face water supply challenges, the expansion of our recycled water system strengthens our water supply reliability and promotes sustainable water management."

How water recycling helps build water reliability



OMWD serves up to 15% of its overall demand from recycled water treated through its award-winning 4S Ranch facility. Photo: Olivenhain Municipal Water District

Water recycling is the process of capturing and treating wastewater, for non-domestic purposes such as irrigation and industrial processes.

Water and wastewater agencies across San Diego County are developing or expanding their recycled water systems to reduce the need to import or develop other supplies.

Since 2003, OMWD has significantly increased its recycled water purchases through connections with neighboring agencies, including the City of San Diego, San Elijo Joint Powers Authority, Rancho Santa Fe Community Services District, and Vallecitos Water District. OMWD now serves over two and a half million gallons of recycled water every day. Each year, OMWD installs additional recycled water pipelines and converts more customers from potable water to recycled water.

By 2027, the volume of recycled water produced in the U.S. is projected to increase 37% from 4.8 billion gallons per day to 6.6 billion gallons per day, according to a recent survey by Bluefield Research.

OMWD leadership in developing water recycling



In 2021, the Olivenhain Municipal Water District completed several replacement and upgrade projects at its 4S Ranch Water Reclamation Facility. Photo: Olivenhain Municipal Water District

As a founding member of the North San Diego Water Reuse Coalition, OMWD works with nine northern San Diego County water and wastewater agencies across jurisdictional boundaries to reduce the impact of water supply shortages on San Diego County's \$268 billion economy. This regional approach has proven successful in developing local projects as well as obtaining \$9 million in funding, significantly reducing the costs of water recycling projects for North San Diego County water ratepayers.

In addition, the Coalition has also secured federal funding of \$23.8 million to help cover costs for water reclamation projects through 2025.

Expanding capacity for the future



Water and wastewater agencies across San Diego County including OMWD are developing or expanding water recycling projects, because every gallon of recycled water reduces the need to import or develop other supplies. Photo: Olivenhain Municipal Water District

As it looks forward to the next 20 years, OMWD continues to expand its recycled water capacity. It began construction this summer on three recycled water pipelines near Calle Barcelona in Carlsbad and in Village Park in Encinitas. Once complete, OMWD can convert up to 27 meters to recycled water, offsetting 12.7 million gallons of potable water used annually for irrigation.

OMWD has long pursued alternative water supplies like recycled water, a reliable, drought-proof approach for complementing existing water sources.

The San Diego County Water Authority has supported the development of recycling projects for decades, through membership in groups such as the WaterReuse Association and collaborative efforts to promote local reuse efforts. Approximately 35,000 acre-feet of recycled water is beneficially reused within the Water Authority's service area annually, and the volume is expected to continue growing as new and expanded plants come online.

(Editor's note: The Olivenhain Municipal Water District is one of the San Diego County Water Authority's 24 member agencies that deliver water across the San Diego County region.)