

**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, DECEMBER 11, 2024

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

PLACE: HYBRID REGULAR MEETING VIA ZOOM AND IN-PERSON

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

**For Zoom Participation:**

[www.zoom.us/join](https://www.zoom.us/join)

Meeting ID: 895 8263 0861

Passcode: 291033

**For Zoom Call-in Only:**

Call: (669) 900-9128

Meeting ID: 895 8263 0861

Passcode: 291033

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

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

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. ROLL CALL
4. DETERMINATION OF A QUORUM
5. ADOPTION OF AGENDA
6. PERSONAL APPEARANCES AND PUBLIC COMMENTS

7. PRESENTATION OF AWARDS AND HONORABLE MENTIONS

Service Awards, Promotions and Honorable Mentions

- \* Mike Keller – Systems Operator II – 20 Years
- \* Cesar Vigil – Utility II – Rehire
- \* Salden Stone – Instrument Control Technician I – Promotion
- \* Brandon Barnick – Field Services Supervisor – 10 Years
- \* Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting – 29th Year

8. CONSIDER APPROVAL OF THE MINUTES OF THE NOVEMBER 6, 2024, SPECIAL BOARD OF DIRECTORS MEETING

9. CONSENT CALENDAR

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

C-a	CONSIDER ADOPTION OF A MOTION APPROVING THE PAYMENT OF LISTED WARRANTS FROM THE DISTRICT'S REVOLVING AND REGULAR ACCOUNTS; LISTED TRANSFERS OF FUNDS; REIMBURSEMENT OF EXPENSES TO BOARD MEMBERS AND STAFF; AND MONTHLY INVESTMENT REPORTS
C-b	CONSIDER ADOPTION OF A MOTION APPROVING THE DISTRICT'S CONSOLIDATED STATEMENT OF NET POSITION, CONSOLIDATED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION, CONSOLIDATED STATEMENT OF CASH FLOWS, CONSOLIDATED ACTUAL VS BUDGET SUMMARY, AND CONSTRUCTION IN PROGRESS REPORTS
C-c	CONSIDER ADOPTION OF A RESOLUTION SUPPORTING THE DISTRICT'S EMPLOYEE SAFETY AND WELLNESS PROGRAMS
C-d	CONSIDER REVISIONS TO THE LEGISLATIVE GUIDELINES FOR 2025
C-e	CONSIDER APPROVAL OF ANNUAL REVISIONS TO THE DISTRICT'S RECORDS RETENTION SCHEDULE
C-f	CONSIDER ANNUAL REVIEW OF THE OLIVENHAIN MUNICIPAL WATER DISTRICT'S INVESTMENT POLICY AND APPROVE THE PROPOSED CHANGES FOR CALENDAR YEAR 2025
C-g	CONSIDER ACCEPTANCE OF THE 45 RANCH NEIGHBORHOOD 1 SEWER PUMP STATION REPLACEMENT PROJECT INTO OMWD'S SYSTEM AND ORDER A NOTICE OF COMPLETION FILED
C-h	CONSIDER ACCEPTANCE OF THE DAVID C. MCCOLLOM WATER TREATMENT PLANT CHLORINE GENERATION ROOM FLOOR PROJECT INTO OMWD'S SYSTEM AND ORDER A NOTICE OF COMPLETION FILED
C-i	CONSIDER APPROVAL OF A CONTRACT WITH UTILITY SERVICE CO., INC. IN THE AMOUNT OF \$499,249 FOR THE CONSTRUCTION OF THE OLIVENHAIN RESERVOIRS SAFETY IMPROVEMENTS PROJECT AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF OMWD, ADOPT A RESOLUTION MAKING CEQA FINDINGS, AND AUTHORIZE A NOTICE OF EXEMPTION TO BE FILED WITH THE COUNTY CLERK, COUNTY OF SAN DIEGO

10. CONSIDER ADOPTION OF A RESOLUTION OF THE BOARD OF DIRECTORS OF THE OLIVENHAIN MUNICIPAL WATER DISTRICT HONORING JEFF ANDERSON FOR 25 YEARS OF DEDICATED SERVICE
11. CONSIDER ADOPTION OF AN ORDINANCE AMENDING THE OLIVENHAIN MUNICIPAL WATER DISTRICT'S ADMINISTRATIVE AND ETHICS CODE (Article 4 – Classified Positions and Article 5 – Working Hours, Employee Benefits)
12. CONSIDER DISCUSSION OF BOARD OFFICERS AND COMMITTEE ASSIGNMENTS TO TAKE PLACE AT THE JANUARY 2025 BOARD MEETING
13. CONSIDER INFORMATIONAL REPORT ON COMPLETION OF ADVANCED METERING INFRASTRUCTURE DEPLOYMENT
14. CONSIDER APPROVAL OF THE DISTRICT'S FISCAL YEAR 2023-2024 AUDITED FINANCIAL STATEMENTS, FISCAL YEAR 2023-2024 SINGLE AUDIT, AND ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEARS ENDED JUNE 30, 2024 AND 2023 (FINAL DRAFT)
15. CONSIDER THE OMWD FINANCING AUTHORITY (JOINT POWERS AUTHORITY) BOARD MEETING (See Separate Agenda)
16. CONSIDER THE OMWD FINANCE CORPORATION ANNUAL MEETING (See Separate Agenda)
17. PRESENTATION TO PRESIDENT GUERIN FOR SERVING AS BOARD PRESIDENT FOR THE 2023-2024 TERM
18. 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
19. CORRESPONDENCE
20. AUTHORIZATION TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS
21. FUTURE AGENDA ITEMS
22. CONSIDER PUBLIC COMMENTS
23. CLOSED SESSION
  - A) CONSIDER LITIGATION – OLIVENHAIN MUNICIPAL WATER DISTRICT v. COUNTY OF SAN DIEGO [PURSUANT TO GOVERNMENT CODE SECTION 54956.9]

- B) CONSIDER LITIGATION – STANLEY D. JONES ET AL. VS. OLIVENHAIN MUNICIPAL WATER DISTRICT [PURSUANT TO GOVERNMENT CODE SECTION 54956.9]

24. OPEN SESSION

25. ADJOURNMENT





# Memo

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

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

# Memo

Date: December 11, 2024  
To: Olivenhain Municipal Water District Board of Directors  
From: Rainy Selamat, Finance Manager  
Via: Kimberly Thorner, General Manager  
Subject: **CONSIDER ADOPTION OF A MOTION APPROVING THE PAYMENT OF LISTED WARRANTS FROM THE DISTRICT'S REVOLVING AND REGULAR ACCOUNTS; LISTED TRANSFERS OF FUNDS; REIMBURSEMENT OF EXPENSES TO BOARD MEMBERS AND STAFF; AND MONTHLY INVESTMENT REPORTS**

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

- November 2024 Summary of payment of listed warrants from the District's checking account and listed transfer of funds.
- November 2024 Monthly Summary of Reimbursement Expenses to Board Members and Staff.
- June, July, August, and September 2024 Monthly Investment Reports

Olivenhain Municipal Water District  
Proposed Motions for December 11, 2024 Board of Directors Meeting  
November 2024 Activities  
Consent Calendar Item # C-a

Proposed Motions:

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

Regular Account	Warrants - by check	036167	to	036277	\$	729,561.75
	Warrants - by EFT	EFT000000001812	to	EFT000000001895		1,978,104.62
						<u>2,707,666.37</u>
	ACH Payments - Payroll					233,061.36
	Wire - SDCWA - Monthly Purchased Water Payment					3,414,268.50
	ACH Payments - Payroll					240,533.92
	ACH Payments - 2015A Bond Payment					190,000.00
	ACH Payments - 2016A Bond Payment					180,000.00
	ACH Payments - 2021A Bond Payment					50,000.00
	ACH Payments - 2021B Bond Payment					15,000.00
					\$	<u>7,030,530.15</u>

Major Category of Disbursements

Total warrants from the District's checking account:

\$ 2,707,666.37

Following is a breakdown of this total by major categories:

Category

Outside services	\$	683,192.02
Inventory and supplies		1,232,471.20
Utilities		158,935.95
Repairs and maintenance		34,899.65
Other		6,205.98
Refunds		11,673.17
Insurance		566,149.90
Permit Fees		14,138.50

Total

\$ 2,707,666.37

Sincerely,



Rainy K. Selamat/Finance Manager

Olivenhain Municipal Water District  
Proposed Motions for December 11, 2024 Board of Directors Meeting  
November 2024 Activities

California Bank and Trust

Regular Account

Warrants - by check	036167	to	036277	\$	729,561.75
Warrants - by EFT	EFT000000001812	to	EFT000000001895		1,978,104.62

2,707,666.37

11/7/2024 ACH Payments - Payroll	233,061.36
11/15/2024 Wire - SDCWA - Monthly Purchased Water Payment	3,414,268.50
11/21/2024 ACH Payments - Payroll	240,533.92
11/22/2024 ACH Payments - 2015A Bond Payment	190,000.00
11/22/2024 ACH Payments - 2016A Bond Payment	180,000.00
11/22/2024 ACH Payments - 2021A Bond Payment	50,000.00
11/22/2024 ACH Payments - 2021B Bond Payment	15,000.00

Total	\$	7,030,530.15
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ACH Payments - Payroll

For Board Consideration and Approval

**Olivenhain Municipal Water District**  
**November 2024 Warrant List - Check & EFT**

Number	Date	Name	Amount	Inv Reference	Multiple Invoices?
036167	11/6/2024	American Messaging	65.99	L1-072035	
036168	11/6/2024	Jeff Anderson	250.00	25 YEAR SERVICE AWARD	
036169	11/6/2024	Brandon Barnick	179.95	DISTRIB SYSTEM REVIEW COURSE	
036170	11/6/2024	Bee Rescue LLC	1,050.00	BEE REMOVAL - VARIOUS LOCATIONS	Yes
036171	11/6/2024	California State Disbursement Unit	123.23	GARNISHMENT	
036172	11/6/2024	Christopher Berkley	138.41	REF:1093157_193425	
036173	11/6/2024	Coast Waste Mgmt Inc	557.12	WASTE DISPOSAL	
036174	11/6/2024	County Of San Diego	1,779.00	1966 OLIVENHAIN ROAD	
036175	11/6/2024	DCL Enterprise Inc Db	31.79	KEYS	
036176	11/6/2024	Dean Dille	76.78	REF:1008348_205070	
036177	11/6/2024	Edco Waste & Recycling	683.19	25-4A 861816	Yes
036178	11/6/2024	Farwest Corrosion Control Co.	1,865.47	REF:1094743_303785	
036179	11/6/2024	Federal Express Corp	153.59	SHIPPING CHARGES - WTP	
036180	11/6/2024	Ferguson Enterprises Inc. #1083	8,016.52	Macro FCA, clay valves, diaphragms, and other inventory items	Yes
036181	11/6/2024	Grangetto's Ag. Supply	10.95	SUPPLIES	
036182	11/6/2024	Guardian	969.68	1104 DENTAL INSURANCE PREM	
036183	11/6/2024	Idexx Distribution Inc	291.26	WTP SUPPLIES	
036184	11/6/2024	Infosend	4,057.08	9/24 MAINTENACE FEE	
036185	11/6/2024	Jarod Campbell	500.00	EDUCATION INCENTIVE	
036186	11/6/2024	Jeff Fuchs	275.00	EDUCATION INCENTIVE	
036187	11/6/2024	Vince Dixon Ford dba	928.93	FB46 SUPPLIES	Yes
036188	11/6/2024	Manna Development	1,554.32	REF:1084653_301070	
036189	11/6/2024	Michelle Payne	101.07	REF:1025892_201020	
036190	11/6/2024	Miller Paving Corporation	342.83	REF:1095284_304295	
036191	11/6/2024	Pacific Pipeline Supply	2,219.65	METER GASKETS	Yes
036192	11/6/2024	Republic Services	1,878.15	4-4530-0333405	
036193	11/6/2024	Republic Services #661	939.63	3-0661-1001776	
036194	11/6/2024	Richard Bryne	401.77	REF:1039547_303220	
036195	11/6/2024	San Diego County Treasurer	86.12	267-313-07-00	Yes
036196	11/6/2024	San Diego Gas & Electric	35,169.44	UTILITIES	Yes
036197	11/6/2024	Shane Sullivan	24.00	10/24 GYM REIMBURSEMENT	
036198	11/6/2024	TASC	2,044.80	Q3 2024 TRUSTEE FEE	Yes
036199	11/6/2024	Teichert Energy & Utilities Group, Inc.	99,750.00	RW Pipeline Extensions for CB, Village Park & Summerhill	Yes
036200	11/6/2024	Thomas Kee	112.44	REF:1093809_104410	
036201	11/6/2024	ADAI DON	1,322.16	RM REFUND: DEBIT000000000596	
036202	11/6/2024	ASANA PARTNERS FUND II REIT S, LLC	1,782.54	RM REFUND: DEBIT000000000594	
036203	11/6/2024	HEALEY CUSTOM CONSTRUCTION, INC	1,314.69	RM REFUND: DEBIT000000000595	
036204	11/13/2024	Brandon Barnick	100.00	10 YEAR SERVICE AWARD	
036205	11/13/2024	A1157 Design DBA Cultura	1,484.46	WWTP FILE DRAWER	
036206	11/13/2024	Ferguson Enterprises Inc. #1083	2,373.57	VARIOUS INVENTORY ITEMS	Yes
036207	11/13/2024	Infrastructure Engineering Corporation	1,875.00	Hydraulic Model/Master Plan	Yes
036208	11/13/2024	Kaufmann, Stephanie	68.61	MILEAGE REIMBURSEMENT	
036209	11/13/2024	Leonardo Fitness	720.00	YOGA CLASS REIMB W/GRANT FUNDS	
036210	11/13/2024	Napa Auto Parts	1,160.56	10/24 SUPPLIES	
036211	11/13/2024	SoCal Pacific Construction Corp.	77,897.35	DCMWTP Chlorine Generation Room Floor Repair Project	Yes
036212	11/13/2024	Neal Meyers	40.20	WFP LUNCHEON MILEAGE REIM	
036213	11/13/2024	Rancho Santa Fe Community Svs	20,132.97	10/24 24.39 AC/FT RECYCLED WTR	
036214	11/13/2024	Rob Kreutzer	27.20	MILEAGE REIMBURSEMENT	
036215	11/13/2024	San Diego County Recorder	50.00	NOE WATER RATE FILING FEE	
036216	11/13/2024	Santa Fe Irrigation Dist	152.87	008128-005	
036217	11/13/2024	United Parcel Service	17.58	SHIPPING -ENGINEERING	
036218	11/20/2024	A.M. Ortega Construction, Inc.	342.83	REF:1000771_303690	
036219	11/20/2024	Alfa Laval Inc.	139.61	WWTP SUPPLIES	
036220	11/20/2024	AT & T	1,275.66	9391056789	Yes
036221	11/20/2024	Badger Meter Inc	77,993.63	METERS - QTY 336	Yes
036222	11/20/2024	Marcus Barad	1,026.64	CPT1 COURSE EXPENSE REIMB	
036223	11/20/2024	California State Disbursement Unit	123.23	GARNISHMENT	
036224	11/20/2024	City Treasurer	385.26	620000109372	
036225	11/20/2024	Corodata	316.06	RECORDS STORAGE	
036226	11/20/2024	Corodata Shredding, Inc	63.24	PAPER DESTRUCTION SERVICES	
036227	11/20/2024	County Of San Diego	2,446.50	17117 4S RANCH PARKWAY	Yes
036228	11/20/2024	Doosan Bobcat North America, Inc dba	92,519.25	Base Vehicle-Budgeted Small Cap item	Yes
036229	11/20/2024	Eagle Paving Company, INC	1,041.74	REF:1091474_304345	
036230	11/20/2024	Encinitas Ford	823.00	PUR6 SUPPLIES	Yes
036231	11/20/2024	Ferguson Enterprises Inc. #1083	17,718.25	Pipe, fittings, restraints, ball valves, PVC, pressure gauges, brass nipples, ball valves, branch assemblies	Yes
036232	11/20/2024	First Choice Technology	163.20	13001474	Yes
036233	11/20/2024	Frost Company	22,500.00	WWTP DIGESTER ASSESSMENT	Yes
036234	11/20/2024	Grangetto's Ag. Supply	16.53	SUPPLIES	
036235	11/20/2024	Home Depot/Gecf	2,678.03	10/24 SUPPLIES	Yes
036236	11/20/2024	Infosend	11,326.03	10/24 WATER BILLING	
036237	11/20/2024	JVI Entertainment	850.00	EOY EVENT DJ - FUNDED BY ERC	
036238	11/20/2024	Vince Dixon Ford dba	319.80	PU47 SMOG	Yes
036239	11/20/2024	Michelle Young	120.07	REF:1092049_192050	
036240	11/20/2024	N Harris Computer Corporation	56,917.58	2025 CIS INFINITY SUPPORT	
036241	11/20/2024	Pacific Pipeline Supply	8,681.46	HIT HYDRANT SUPPLIES, ANGLE STOPS	Yes
036242	11/20/2024	PTS Communications	82.80	760-489-9971	
036243	11/20/2024	Republic Services #661	3,654.31	WASTE DISPOSAL	Yes
036244	11/20/2024	S D G & E	264.85	UTILITIES	

**Olivenhain Municipal Water District**  
**November 2024 Warrant List - Check & EFT**

Number	Date	Name	Amount	Inv Reference	Multiple Invoices?
036245	11/20/2024	Samantha Stechel	37.51	REF:1089987_188855	
036246	11/20/2024	San Diego Gas & Electric	94,412.48	UTILITIES	Yes
036247	11/20/2024	Sandra Glashaw	58.61	REF:1047568_186365	
036248	11/20/2024	Sierra Nichols	114.39	REF:1083260_194690	
036249	11/20/2024	SWRCB Accounting Office	8,181.00	RECYCLED WATER FEES	
036250	11/20/2024	ULINE	588.03	WTP SUPPLIES	
036251	11/20/2024	United Parcel Service	72.52	SHIPPING	
036252	11/20/2024	Utility Cost Management Llc	16,792.48	SDGE ELECTRICITY SERVICE	
036253	11/20/2024	Zachary Scuffham	10.52	REF:1090239_208625	
036254	11/27/2024	Anthony Ortegon	124.92	REF:1088173_202185	
036255	11/27/2024	AT & T	791.93	Utilities	Yes
036256	11/27/2024	Christine Fromme	32.01	REF:1047327_234445	
036257	11/27/2024	County Of San Diego	603.00	15839 VIA APICE	
036258	11/27/2024	County Of San Diego	1,129.00	14177 RANCHO SANTA FE FARMS	
036259	11/27/2024	Ed Karanevich	89.22	REF:1016766_188925	
036260	11/27/2024	Ferguson Enterprises Inc. #1083	1,562.38	SUPPLIES	
036261	11/27/2024	Grangetto's Ag. Supply	109.31	SUPPLIES	
036262	11/27/2024	Guardian	990.76	12/24 DENTAL ADMIN FEES	
036263	11/27/2024	Infosend	9,114.37	8/24 WATER BILLING	
036264	11/27/2024	Interstate Battery Of San Diego Inc	274.55	SHOP SUPPLIES	
036265	11/27/2024	J.M.D. Landscape Inc	4,240.00	CANYON DE ORO	
036266	11/27/2024	Jordan Kass	41.60	REF:1094951_228160	
036267	11/27/2024	Karen Mossman	230.41	REF:1023438_229805	
036268	11/27/2024	Laura Richitelli	146.63	REF:1094882_100095	
036269	11/27/2024	Liebert Cassidy Whitmore	5,840.00	10/24 legal services; harrasment prevention policy revisions	Yes
036270	11/27/2024	Lori Colantuono	81.01	REF:1094520_192710	
036271	11/27/2024	Michi Suzuki	40.27	REF:1089318_240620	
036272	11/27/2024	Republic Services	458.30	4-4530-0333405	
036273	11/27/2024	San Diego Gas & Electric	1,250.15	UTILITIES	Yes
036274	11/27/2024	Shawn Spori	148.95	REF:1094066_221160	
036275	11/27/2024	Sunbelt Rentals, Inc.	284.24	CONCRETE & MIXER RENTAL	
036276	11/27/2024	TASC	569.80	11/24 ADMIN & CLAIMS FEES	
036277	11/27/2024	Vanessa Rivera	203.92	RSF EMERGENCY LEAK EXP REIMB	
EFT000000001812	11/6/2024	Boot World Inc	559.49	Safety Boots	Yes
EFT000000001813	11/6/2024	Standard Insurance Co.	6,379.99	11/24 LIFE & LTD INS PREMIUM	
EFT000000001814	11/6/2024	Hill Brothers Chemical Company	4,036.98	WWTP CHEMICALS	
EFT000000001815	11/6/2024	Southern Counties Lubricants, LLC.	4,581.46	FUEL SUPPLIES	
EFT000000001816	11/6/2024	Traffic Supply Inc	185.01	SUPPLIES	
EFT000000001817	11/6/2024	B. Weber Consulting LLC	2,460.00	CONSULTING SERVICES	Yes
EFT000000001818	11/6/2024	Hasa	15,175.38	WTP CHEMICALS	Yes
EFT000000001819	11/6/2024	McMaster-Carr Supply Co.	192.15	SUPPLIES	Yes
EFT000000001820	11/6/2024	Radwell International, Inc.	225.49	WWTP SUPPLIES	
EFT000000001821	11/6/2024	CyberlinkASP Technology	10,352.56	HOSTING SERVICES	
EFT000000001822	11/6/2024	Volt Management Corp DBA	1,611.09	WTP & CONSTRUCTION INTERNS	
EFT000000001823	11/6/2024	G. Briest Consulting, Inc.	2,953.14	ENGINEER CONSULTING SERVICES	Yes
EFT000000001824	11/6/2024	Alpha Mechanical, Inc	3,742.00	WTP - EXHAUST FAN RPLCMNT	
EFT000000001825	11/6/2024	EcosConnect LLC	874.50	BACKFLOW REPORTS	
EFT000000001826	11/6/2024	Ignacio Tool Supply Inc.	95.90	SHOP SUPPLIES	
EFT000000001827	11/6/2024	Rusty Wallis Inc.	4,550.00	WTP CHEMICALS	
EFT000000001828	11/6/2024	Rincon Consultants Inc.	7,834.70	NSDWRC GRANT ADMIN SUPPORT	Yes
EFT000000001829	11/6/2024	Pillsbury Winthrop Shaw Pittman LLP	2,844.00	CONSULTING SERVICES	
EFT000000001830	11/6/2024	USA Blue Book	957.16	WWTP SUPPLIES	
EFT000000001831	11/6/2024	Express Services Inc	4,599.40	TEMP LABOR PPE 102024	Yes
EFT000000001832	11/6/2024	Nossaman LLP	16,271.89	9/24 LEGAL SERVICES	Yes
EFT000000001833	11/6/2024	Harrington Industrial Plastics Inc	470.61	WTP SUPPLIES	
EFT000000001834	11/6/2024	Water for People	63.00	WTRPL 11/7/2024	
EFT000000001835	11/13/2024	ACWA - JPIA	555,194.87	AUTO/GEN LIABILITY INSURANCE	Yes
EFT000000001836	11/13/2024	Escondido Metal Supply	796.92	PARKS SUPPLIES	
EFT000000001837	11/13/2024	DLM Engineering Inc	9,908.61	Engineering Consulting Services	Yes
EFT000000001838	11/13/2024	Wageworks	278.00	10/24 ADMIN FEES	
EFT000000001839	11/13/2024	Controlled Entry Specialists	2,688.00	LOOP SENSORS @ CONNEMARA PS	Yes
EFT000000001840	11/13/2024	Evoqua Water Technologies	203.26	WWTP PREVENT MAINT SVCS	
EFT000000001841	11/13/2024	Fallbrook Printing Corp	188.56	Printing Services FY 2025	Yes
EFT000000001842	11/13/2024	Radwell International, Inc.	186.19	WWTP SUPPLIES	
EFT000000001843	11/13/2024	Volt Management Corp DBA	1,476.09	WTP & WRF INTERNS W/E 10/18/24	
EFT000000001844	11/13/2024	PWLC I, INC	9,575.00	45 Recycled Water Pond Cleaning	Yes
EFT000000001845	11/13/2024	Martin Marietta Materials Inc	410.00	DUMP YARD MATERIALS	
EFT000000001846	11/13/2024	Aqua Metric	33,325.35	1 1/2" OMNI R2 Measuring Chamber MMP 100 CF	Yes
EFT000000001847	11/13/2024	West Coast Sand & Gravel	1,478.33	YARD MATERIALS	
EFT000000001848	11/13/2024	Bay City Electric Works	4,638.12	RANCHO LAKES PS #2 FIRE PUMP	Yes
EFT000000001849	11/13/2024	Rockwell Construction	2,375.00	Construction Mgmt Services PLC Replacement Project (Potable/Recycled)	Yes

**Olivenhain Municipal Water District**  
**November 2024 Warrant List - Check & EFT**

Number	Date	Name	Amount	Inv Reference	Multiple Invoices?
EFT000000001850	11/13/2024	Univar Solutions Usa Inc	638.68	WTP CHEMICALS	
EFT000000001851	11/13/2024	Harrington Industrial Plastics Inc	419.67	WTP SUPPLIES	
EFT000000001852	11/20/2024	TS Industrial Supply	843.10	WWTP SUPPLIES	Yes
EFT000000001853	11/20/2024	Boot World Inc	200.00	Safety Boots	Yes
EFT000000001854	11/20/2024	Underground Service Alert	389.25	DIG ALERT TICKETS	
EFT000000001855	11/20/2024	Stephen Lee Mowry DBA	1,740.00	FABRICATE 4X4 RISER TEE	
EFT000000001856	11/20/2024	Peterson Structural Engineers, Inc.	9,079.20	Engineering Services - Chlorine Gen Room Floor Repair	Yes
EFT000000001857	11/20/2024	Vallecitos Water District	55,646.07	RECLAIMED WATER SALES	Yes
EFT000000001858	11/20/2024	Southern Counties Lubricants, LLC.	7,366.19	FUEL SUPPLIES	Yes
EFT000000001859	11/20/2024	AG Tech Lic	2,682.60	BIO SOLIDS WASTE DISPOSAL	
EFT000000001860	11/20/2024	Hasa	23,034.72	WWTP CHEMICALS	Yes
EFT000000001861	11/20/2024	Evoqua Water Technologies	630.27	WWTP PREVENT MAINT SERVICES	Yes
EFT000000001862	11/20/2024	San Elijo Joint Powers Auth.	53,125.80	10/24 27.8 AF RECYCLED WATER	
EFT000000001863	11/20/2024	McMaster-Carr Supply Co.	2,935.57	SUPPLIES	Yes
EFT000000001864	11/20/2024	Steven L. Sherman DBA	4,590.00	Conservation landscape services-evaluation	Yes
EFT000000001865	11/20/2024	Ninyo & Moore	19,729.25	Geotech Observations & Material Testing for Unit A	Yes
EFT000000001866	11/20/2024	Balboa Engineering Inc.	2,442.50	Preliminary & Final Design Services for VP West PRS Replacement Project	Yes
EFT000000001867	11/20/2024	Woodard & Curran	613.75	NSDWRC GRANT ADMIN SUPPORT	Yes
EFT000000001868	11/20/2024	Volt Management Corp DBA	1,491.00	WTP INTERN	Yes
EFT000000001869	11/20/2024	California Association of Sanitation Agencies	2,810.00	2025 MEMBERSHIP DUES	
EFT000000001870	11/20/2024	Traffic Safety Solutions	1,100.00	MESSAGE SIGN BOARD	
EFT000000001871	11/20/2024	WREGIS	1.47	RENEW ENERGY	
EFT000000001872	11/20/2024	PWLC I, INC	19,528.00	LANDSCAPE MAINTENANCE	Yes
EFT000000001873	11/20/2024	Martin Marietta Materials Inc	1,280.10	YARD MATERIALS	Yes
EFT000000001874	11/20/2024	KDC Inc. dba	118,133.47	PLC Replacement Project Construction (Potable/Recycled)	Yes
EFT000000001875	11/20/2024	GovernmentJobs.com, Inc. dba	6,255.00	SUBSCRIPTION FEE	
EFT000000001876	11/20/2024	GSE Construction Co., Inc.	62,234.33	Construction of the DCMWTP Stage 4 Upgrades (Centrifuge)	Yes
EFT000000001877	11/20/2024	TerraVerde Energy, LLC	1,912.50	Vehicle Fleet Electrification Feasibility Study & Conceptual Plan Phase 1	Yes
EFT000000001878	11/20/2024	McGrath RentCorp dba	8,137.86	PARKS TRAILER RENTAL	
EFT000000001879	11/20/2024	Aqua Metric	60,842.28	METERS QTY 136	Yes
EFT000000001880	11/20/2024	Gallade Chemical	5,009.34	WTP CHEMICALS	
EFT000000001881	11/20/2024	USA Blue Book	470.99	WWTP SUPPLIES	
EFT000000001882	11/20/2024	Express Services Inc	8,217.24	TEMP LABOR	Yes
EFT000000001883	11/20/2024	Samba Holdings Inc	188.27	DRIVER RECORD MONITORING	
EFT000000001884	11/20/2024	Raftelis Financial Consultant	5,548.37	2024 WATER PROP 218 CONSULTING SERVICES	
EFT000000001885	11/20/2024	Whitson CM	300.00	10/24 OMWD HQ SITE INSPECTION	
EFT000000001886	11/20/2024	CDW Government Inc	804.30	MILESTONE XPROTECT PRO-DVC	
EFT000000001887	11/20/2024	MGM Plastics Inc	484.88	WTP SUPPLIES	
EFT000000001888	11/20/2024	Nossaman LLP	6,750.00	LOBBYING SERVICES	
EFT000000001889	11/20/2024	TK Elevator Corporation	1,057.47	WTP SERVICES	
EFT000000001890	11/20/2024	NBS	250.00	PINNACLES CFD PREFORMATION	Yes
EFT000000001891	11/20/2024	Zenon Environmental Corporation	764,627.86	MEMBRANE REPLACEMENT PROJECT WTP	Yes
EFT000000001892	11/20/2024	County of San Diego, RCS	177.00	10/24 RADIO SERVICES	
EFT000000001893	11/20/2024	Motion Industries	377.11	WTP SUPPLIES	Yes
EFT000000001894	11/20/2024	Harrington Industrial Plastics Inc	207.96	SUPPLIES	Yes
EFT000000001895	11/20/2024	Water for People	63.00	WTRPL 11/21/2024	

2,707,666.37 ✓

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

<u>Name</u>	<u>Payment Date</u>	<u>Check#/ Credit Card</u>	<u>Meals &amp; Lodging</u>	<u>Travel &amp; Transport</u>	<u>Other</u>	<u>Total Reimbursed Expenses</u>	<u>Directors Fee*</u>
Director Guerin			0.00	0.00	0.00	0.00	450.00
			0.00	0.00	0.00	0.00	450.00
Director Hahn			0.00	0.00	0.00	0.00	150.00
			0.00	0.00	0.00	0.00	150.00
Director Meyers	11/13/2024	36212	0.00	40.20	0.00	40.20	750.00
			0.00	40.20	0.00	40.20	750.00
Director San Antonio			0.00	0.00	0.00	0.00	150.00
			0.00	0.00	0.00	0.00	150.00
Director Watt			0.00	0.00	0.00	0.00	450.00
			0.00	0.00	0.00	0.00	450.00
General Manager Thorner			0.00	0.00	0.00	0.00	
			0.00	0.00	0.00	0.00	
Human Resources Manager Joslin			0.00	0.00	0.00	0.00	
			0.00	0.00	0.00	0.00	
Finance Manager Selamat			0.00	0.00	0.00	0.00	
			0.00	0.00	0.00	0.00	
Operations Manager Bartlett-May			0.00	0.00	0.00	0.00	
			0.00	0.00	0.00	0.00	
Engineering Manager Stephenson			0.00	0.00	0.00	0.00	
			0.00	0.00	0.00	0.00	
Assistant General Manager Randall			0.00	0.00	0.00	0.00	
			0.00	0.00	0.00	0.00	
Customer Service Manager Carnegie			0.00	0.00	0.00	0.00	
			0.00	0.00	0.00	0.00	

\*Includes October and November 2024 Per Diems.

Notes:

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



**Olivenhain Municipal Water District**  
**MONTHLY CASH AND INVESTMENT SUMMARY**  
**As of June 30, 2024**

**Active Deposits**

	<b><u>Book Value</u></b>
Checking Accounts	\$ 2,009,530
Cash Restricted for Specific Use	956,147
Petty Cash/Disaster Preparedness	1,496
Total Active Deposits	<u>\$ 2,967,173</u>

**Deposits Not Covered by Investment Policy**

Cash with Fiscal Agents	2,306,389
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<b><u>Investments</u></b>	<b><u>Face Value</u></b>	<b><u>Market Value</u></b>	<b><u>Current Yield</u></b>	
LAIF	\$ 6,633,847	6,609,409	4.33%	\$ 6,633,847
CAMP - US Bank	24,765,322	24,765,322	5.43%	24,765,322
Money Market Funds	3,153,473	3,153,473	4.77%	3,153,473
Municipal Bonds	1,000,000	998,460	5.01%	1,216,760
U.S. Treasury Securities	20,100,000	19,875,241	4.93%	19,793,144
U.S. Agency Securities	31,975,000	30,566,542	1.74%	31,973,000
Total Investments	<u>\$ 87,627,643</u>	<u>\$ 85,968,447</u>	<u>3.89%</u>	<u>\$ 87,535,547</u>

**Total - All Deposits/Investments**

**\$ 92,809,109**

**Maturity Analysis of Investments**

	<b><u>Percent</u></b>	<b><u>Balance</u></b>
Demand Deposits	39.5%	\$ 34,552,643
Maturity within the next two months	11.1%	9,741,166
Maturity within three months and one year	18.3%	16,015,294
Maturity beyond one year	31.1%	27,226,444
Total Investments	<u>100.0%</u>	<u>\$ 87,535,547</u>

**Weighted Average Days to Maturity**

**242**

**Other Required Disclosures:**

Accrued interest receivable as of 06/30/2024 \$ 413,665

The above investments are in accordance with the portfolio limitations in the Investment Policy approved by the Board in December 2023.

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

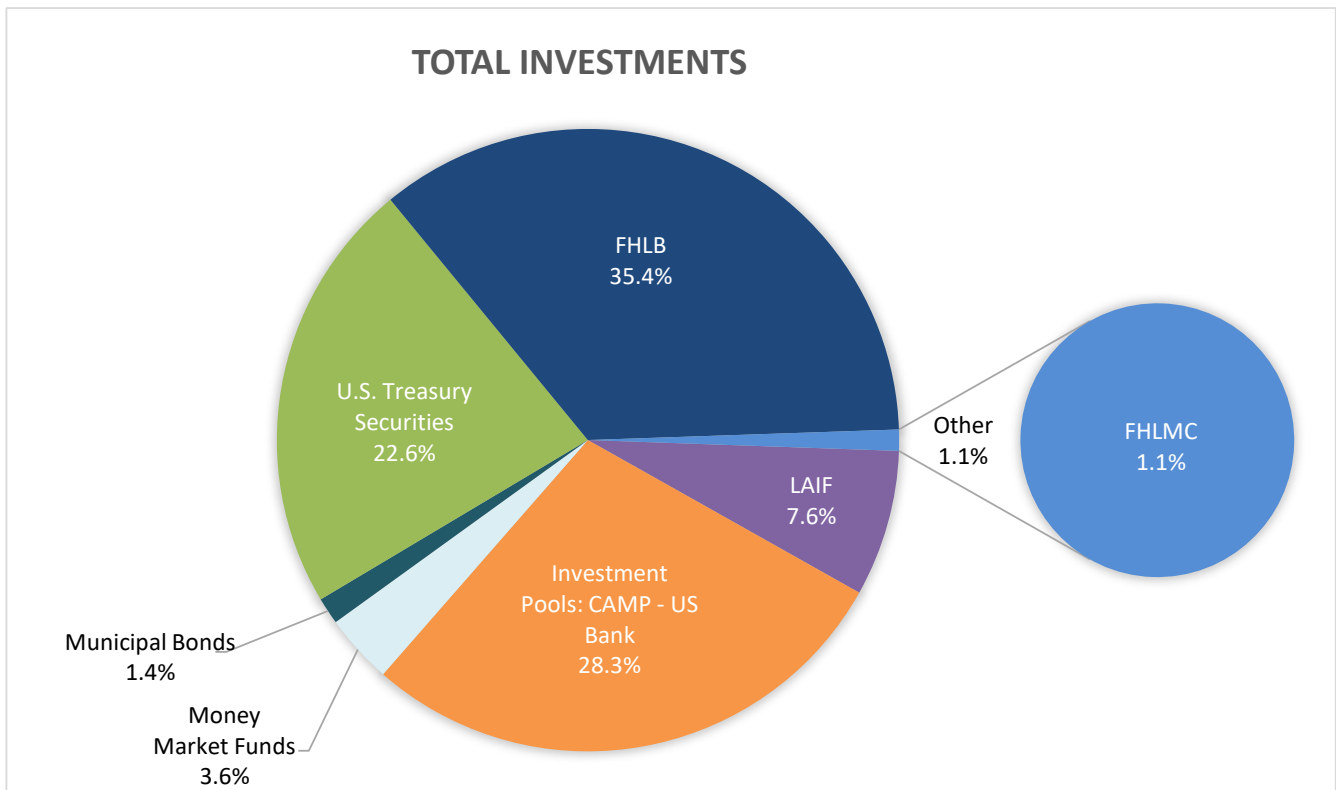
**Olivenhain Municipal Water District**  
**PORTFOLIO LIMITATIONS ANALYSIS PER INVESTMENT POLICY**  
**June 30, 2024**

		<b>Book Value</b>	<b>Percent</b>	<b>Permitted Percent</b>		<b>In Compliance?</b>
LAIF		\$ 6,633,847	7.6%	50.0%	(1)	Yes
Investment Pools: CAMP - US Bank		24,765,322	28.3%	30.0%		Yes
Money Market Funds		3,153,473	3.6%	20.0%	(2)	Yes
Municipal Bonds		1,216,760	1.4%	30.0%		Yes
U.S. Treasury Securities		19,793,144	22.6%	100.0%	(3)	Yes
U.S. Agency Securities		31,973,000	36.5%	50.0%		Yes
<i>FHLB</i>	<i>Federal Home Loan Bank</i>	<i>30,973,000</i>	<i>35.4%</i>			
<i>FHLMC</i>	<i>Freddie Mac</i>	<i>1,000,000</i>	<i>1.1%</i>			

<b>Total Investments</b>	<b>\$ 87,535,547</b>	<b>100%</b>
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Note:

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



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

Olivenhain Municipal Water District  
MONTHLY INVESTMENTS DETAIL  
June 30, 2024

ACTIVE DEPOSIT										Book Value
Checking A/C: California Bank and Trust for General Purpose										2,009,530
California Bank and Trust for Specific Purpose										145,515
CAMP 2021A Bond										810,633
Petty Cash/Disaster Preparedness										1,496
Total - Active Deposits										2,967,173

DEPOSITS NOT COVERED BY INVESTMENT POLICY

Cash with Fiscal Agents:

Union Bank - RAD 96-1 Refunding Bond	1,212,641
Union Bank - 2015A Refunding Bond	2,957
SRF Loan	1,085,716
Union Bank - 2016A Refunding Bond	3,195
Union Bank - 2021A WW Revenue Bond	873
Union Bank - 2021B Refunding Bond	1,007

Total Deposits Not Covered by Investment Policy

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

INVESTMENTS

Invest. Pools:	US Bank Calif. Asset Mgmt Prgm (CAMP)	Demand	1	5.43%	\$ 24,765,322	\$ 24,765,322	\$ 24,765,322
	State Local Agency Investment Fund (LAIF)	Demand	1	4.33%	6,609,409	6,633,847	6,633,847
	First American Government 31846V567	Demand	1	5.20%	73,496	73,496	73,496
	CB&T Money Market Account	Demand	1	4.76%	3,079,977	3,079,977	3,079,977

U.S. Treasury Notes/Bills

912796Y52	U.S. Treasury Bills	Aaa	-	04/09/24	07/05/24	6	5.30%	5.31%	1,998,820	2,000,000	1,975,100
912797GB7	U.S. Treasury Bills	Aaa	-	04/11/24	07/11/24	12	5.33%	5.33%	1,997,080	2,000,000	1,973,859
912797KC0	U.S. Treasury Bills	Aaa	-	02/29/24	08/22/24	54	5.30%	5.34%	5,855,455	5,900,000	5,792,207
912797GL5	U.S. Treasury Bills	Aaa	-	03/14/24	09/05/24	68	5.27%	5.32%	1,980,860	2,000,000	1,950,809
912797GL5	U.S. Treasury Bills	Aaa	-	06/10/24	09/05/24	68	5.30%	5.32%	1,683,731	1,700,000	1,678,838
912797KK2	U.S. Treasury Bills	Aaa	-	06/21/24	09/12/24	75	5.28%	5.34%	989,380	1,000,000	988,075
91282CBQ3	U.S. Treasury Notes	Aaa	-	03/09/21	09/30/24	93	0.50%	0.54%	931,170	1,000,000	984,478
912797GW1	U.S. Treasury Bills	Aaa	-	04/11/24	10/03/24	96	5.31%	5.38%	1,479,735	1,500,000	1,462,852
912797KU0	U.S. Treasury Bills	Aaa	-	04/25/24	10/17/24	110	5.32%	5.41%	1,968,780	2,000,000	1,950,243
912828YH7	U.S. Treasury Notes	Aaa	-	03/09/21	02/28/26	609	1.50%	1.51%	990,230	1,000,000	1,036,684
						55	4.87%	4.93%	\$ 19,875,241	\$ 20,100,000	\$ 19,793,144

U.S. Agency Securities

3130ANTP5	FHLB Callable	Aaa	AA+	09/16/21	09/16/24	09/16/24	79	79	0.50%	0.51%	989,130	1,000,000	1,000,000
3130ANSP6	FHLB Callable	Aaa	AA+	09/17/21	10/17/24	09/17/24	110	80	0.50%	0.51%	984,990	1,000,000	1,000,000
3130B1SG3	FHLB	Aaa	AA+	06/20/24	09/20/24		83		5.35%	5.36%	998,510	1,000,000	1,000,000
3130AKEW2	FHLB Callable	Aaa	AA+	11/04/20	11/04/24	Anytime	128	1	0.43%	0.44%	1,964,080	2,000,000	2,000,000
3130ANGN4	FHLB Step-up Callable	Aaa	AA+	08/18/21	02/18/25	08/18/24	234	50	1.00%	1.03%	975,280	1,000,000	1,000,000
3130AMKE1	FHLB Callable	Aaa	AA+	05/27/21	02/27/25	08/27/24	243	59	0.66%	0.68%	969,860	1,000,000	1,000,000
3134GWAQ9	FHLMC Callable	Aaa	AA+	07/28/20	07/28/25	07/28/24	394	29	0.65%	0.68%	954,430	1,000,000	1,000,000
3130B1CT2	FHLB Callable	Aaa	AA+	05/28/24	11/28/25	08/28/24	517	60	5.50%	5.51%	998,800	1,000,000	1,000,000
3130AKGX8	FHLB Step-up Callable	Aaa	AA+	12/15/20	12/15/25	09/15/24	534	78	1.00%	1.05%	1,912,580	2,000,000	2,000,000
3130AKMD5	FHLB Callable	Aaa	AA+	01/26/21	01/26/26	07/26/24	576	27	0.50%	0.54%	931,980	1,000,000	999,500
3130AKU53	FHLB Callable	Aaa	AA+	01/28/21	01/28/26	07/28/24	578	29	0.52%	0.56%	932,070	1,000,000	1,000,000
3130AKN69	FHLB Callable	Aaa	AA+	01/28/21	01/28/26	01/28/25	578	213	0.50%	0.54%	931,770	1,000,000	1,000,000
3130AKVN3	FHLB Callable	Aaa	AA+	01/29/21	01/29/26	07/29/24	579	30	0.52%	0.56%	931,890	1,000,000	1,000,000
3130AKWK8	FHLB Callable	Aaa	AA+	02/12/21	02/12/26	08/12/24	593	44	0.51%	0.55%	930,230	1,000,000	1,000,000
3130AKX43	FHLB Step-up Callable	Aaa	AA+	02/24/21	02/24/26	08/24/24	605	56	0.70%	0.75%	1,864,940	2,000,000	2,000,000
3130AL7M0	FHLB Callable	Aaa	AA+	02/24/21	02/24/26	08/24/24	605	56	0.63%	0.67%	930,680	1,000,000	1,000,000
3130AKYR1	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	02/25/25	606	241	0.55%	0.59%	929,460	1,000,000	1,000,000
3130AL6K5	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	02/25/25	606	241	0.58%	0.62%	929,930	1,000,000	1,000,000
3130ALD76	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	08/25/24	606	57	0.70%	0.75%	931,820	1,000,000	1,000,000
3130ALCW2	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	02/25/25	606	241	0.63%	0.67%	930,640	1,000,000	998,500
3130ALGJ7	FHLB Callable	Aaa	AA+	03/23/21	03/23/26	07/23/24	632	24	1.00%	1.07%	912,122	975,000	975,000
3130ALPQ1	FHLB Step-up Callable	Aaa	AA+	03/30/21	03/30/26	06/30/24	639	1	1.50%	1.59%	944,780	1,000,000	1,000,000
3130ALVC5	FHLB Step-up Callable	Aaa	AA+	04/14/21	04/14/26	07/14/24	654	15	1.25%	1.32%	944,710	1,000,000	1,000,000
3130B1PZ4	FHLB Callable	Aaa	AA+	06/13/24	06/11/26	12/11/24	712	165	5.35%	5.35%	999,780	1,000,000	1,000,000
3130APAY1	FHLB Callable	Aaa	AA+	10/21/21	10/21/26	07/21/24	844	22	1.10%	1.20%	918,270	1,000,000	1,000,000
3130APL78	FHLB Callable	Aaa	AA+	10/28/21	10/28/26	07/28/24	851	29	1.38%	1.49%	924,490	1,000,000	1,000,000
3130B1GJ0	FHLB Callable	Aaa	AA+	05/21/24	11/20/26	11/20/24	874	144	5.50%	5.50%	999,320	1,000,000	1,000,000
3130B0WG0	FHLB Callable	Aaa	AA+	04/17/24	04/17/29	07/17/24	1,753	18	6.00%	6.00%	1,000,070	1,000,000	1,000,000
3130B1AF4	FHLB Callable	Aaa	AA+	05/02/24	05/02/29	08/02/24	1,768	34	6.00%	6.00%	999,930	1,000,000	1,000,000
							589	73	1.66%	1.74%	\$ 30,566,542	\$ 31,975,000	\$ 31,973,000

Municipal Bonds

882724RA7	TEXAS ST PUB FIN AUTH	Aaa	AAA	10/30/20	10/01/25	459	5.00%	5.01%	998,460	1,000,000	1,216,760
						17	5.00%	5.01%	\$ 998,460	\$ 1,000,000	\$ 1,216,760
Total Investments						242	3.82%	3.89%	\$ 85,968,447	\$ 87,627,643	\$ 87,535,547

TOTAL - ALL DEPOSITS AND INVESTMENTS										\$ 92,809,109
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**Olivenhain Municipal Water District**  
**INVESTMENTS TRANSACTION**  
**June 30, 2024**

**PURCHASED**

DATE				Investment Description	<i>Stated</i>	<i>Current</i>	Face Value	Book Value
Purchase	Maturity	Call	Step-Up		Coupon	Yield		
06/10/24	09/05/24	12/11/24		U.S. Treasury Bills	5.303%	5.325%	1,700,000	1,678,838
06/13/24	06/11/26			FHLB Callable	5.350%	5.351%	1,000,000	1,000,000
06/20/24	09/20/24			FHLB	5.350%	5.358%	1,000,000	1,000,000
06/21/24	09/12/24			U.S. Treasury Bills	5.280%	5.337%	1,000,000	988,075

**MATURED / REDEEMED / CALLED**

DATE				Investment Description	<i>Stated</i>	<i>Current</i>	Face Value	Book Value
Redemption	Maturity	Call	Step-Up		Coupon	Yield		
06/03/24	06/03/24			FHLB Callable	0.400%	0.400%	500,000	500,000
06/10/24	06/10/24			FHLB Callable	0.300%	0.300%	1,000,000	999,000
06/13/24	06/13/24			U.S. Treasury Bills	5.317%	5.325%	1,000,000	987,660
06/20/24	06/20/24			U.S. Treasury Bills	5.336%	5.349%	2,000,000	1,973,815

**Olivenhain Municipal Water District**  
**UNAUDITED CASH POSITION BY FUNDING SOURCES**  
**As of June 30, 2024**

<b><u>Water Funds (Potable &amp; Recycled)</u></b>		<b><u>Balance</u></b>
10050-100	Cash - Petty Cash Fund	1,496
10010-100	Cash - Operating Fund	12,592,953
10030-100	Cash - Capital and Equipment Fund	40,937,480
10040-100	Cash - Rate Stabilization Fund	11,732,346
10080-100	Cash - Pension Stabilization Fund	678,030
10060-100	Cash - Deposit Work for Other	142,738
14000-500	Restricted Cash - Capacity Fee Fund	6,725,802
<b>Total Water Funds (Potable &amp; Recycled)</b>		<b><u>72,810,846</u></b>
 <b><u>Wastewater Funds</u></b>		
10010-110	Wastewater - Operating Fund	5,081,302
10030-110	Wastewater - Capital Replacement Fund	8,834,819
10040-110	Wastewater - Rate Stabilization Fund	2,758,871
10080-110	Cash - Pension Stabilization Fund	60,736
<b>Total Wastewater Funds</b>		<b><u>16,735,727</u></b>
 <b><u>Non Fiscal Agent Debt Service Cash</u></b>		
14020-570	Cash non-agent - RAD 96-1	134,314
10070-561	Cash non-agent - Bond 2015A	621
10070-581	Cash non-agent - Bond 2016A	10,580
14020-521	Cash non-agent - Bond 2021A	810,633
<b>Total Non Fiscal Agent Debt Service Cash</b>		<b><u>956,147</u></b>
 <b><u>Debt Service Funds</u></b>		
14030-510	SRF Loan - Fiscal Agent	1,085,716
14105-570	Redemption fund - RAD 96-1	1,161,887
14110-570	Reserve fund - RAD 96-1	50,754
14100-561	Redemption fund - Bond 2015A	2,957
14100-581	Redemption fund - Bond 2016A	3,195
14100-521	Redemption fund - Bond 2021A	873
14100-522	Redemption fund - Bond 2021B	1,007
<b>Total Debt Service Funds</b>		<b><u>2,306,389</u></b>
<b>TOTAL FUND BALANCES</b>		<b><u>92,809,109</u></b>

**Olivenhain Municipal Water District**  
**MONTHLY CASH AND INVESTMENT SUMMARY**  
**As of July 31, 2024**

**Active Deposits**

	<b><u>Book Value</u></b>
Checking Accounts	\$ 2,442,400
Cash Restricted for Specific Use	686,800
Petty Cash/Disaster Preparedness	1,496
Total Active Deposits	<u>\$ 3,130,696</u>

**Deposits Not Covered by Investment Policy**

Cash with Fiscal Agents	2,308,974
-------------------------	-----------

<b><u>Investments</u></b>	<b><u>Face Value</u></b>	<b><u>Market Value</u></b>	<b><u>Current Yield</u></b>	
LAIF	\$ 6,710,431	6,685,710	4.52%	\$ 6,710,431
CAMP - US Bank	24,879,300	24,879,300	5.43%	24,879,300
Money Market Funds	4,219,393	4,219,393	4.35%	4,219,393
Municipal Bonds	1,000,000	1,002,280	4.99%	1,216,760
U.S. Treasury Securities	19,100,000	18,923,172	4.89%	18,806,285
U.S. Agency Securities	32,975,000	31,782,682	1.83%	32,973,000
Total Investments	<u>\$ 88,884,124</u>	<u>\$ 87,492,536</u>	<u>3.88%</u>	<u>\$ 88,805,169</u>

**Total - All Deposits/Investments**

**\$ 94,244,838**

**Maturity Analysis of Investments**

	<b><u>Percent</u></b>	<b><u>Balance</u></b>
Demand Deposits	40.3%	\$ 35,809,124
Maturity within the next two months	14.0%	12,394,406
Maturity within three months and one year	15.1%	13,375,195
Maturity beyond one year	30.7%	27,226,444
Total Investments	<u>100.0%</u>	<u>\$ 88,805,169</u>

**Weighted Average Days to Maturity**

**238**

**Other Required Disclosures:**

Accrued interest receivable as of 07/31/2024 \$ 445,433

The above investments are in accordance with the portfolio limitations in the Investment Policy approved by the Board in December 2023.

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

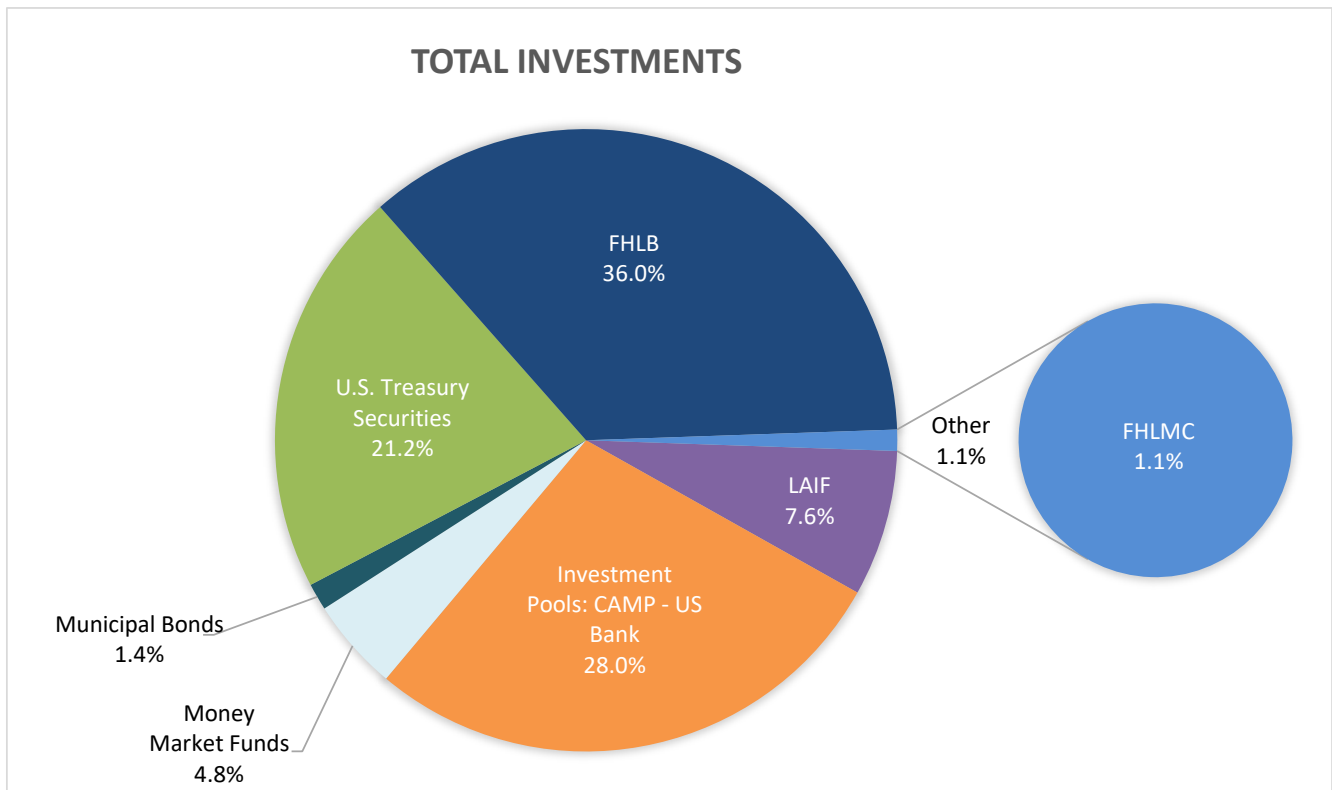
**Olivenhain Municipal Water District**  
**PORTFOLIO LIMITATIONS ANALYSIS PER INVESTMENT POLICY**  
**July 31, 2024**

	<b>Book Value</b>	<b>Percent</b>	<b>Permitted Percent</b>	<b>In Compliance?</b>
LAIF	\$ 6,710,431	7.6%	50.0% <sup>(1)</sup>	Yes
Investment Pools: CAMP - US Bank	24,879,300	28.0%	30.0%	Yes
Money Market Funds	4,219,393	4.8%	20.0% <sup>(2)</sup>	Yes
Municipal Bonds	1,216,760	1.4%	30.0%	Yes
U.S. Treasury Securities	18,806,285	21.2%	100.0% <sup>(3)</sup>	Yes
U.S. Agency Securities	32,973,000	37.1%	50.0%	Yes
<i>FHLB</i> <i>Federal Home Loan Bank</i>	<i>31,973,000</i>	<i>36.0%</i>		
<i>FHLMC</i> <i>Freddie Mac</i>	<i>1,000,000</i>	<i>1.1%</i>		

**Total Investments**                      **\$ 88,805,169**                      **100%**

Note:

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



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

Olivenhain Municipal Water District  
MONTHLY INVESTMENTS DETAIL  
July 31, 2024

ACTIVE DEPOSIT

										Book Value
Checking A/C: California Bank and Trust for General Purpose										2,442,400
California Bank and Trust for Specific Purpose										141,089
CAMP 2021A Bond										545,711
Petty Cash/Disaster Preparedness										1,496
Total - Active Deposits										3,130,696

DEPOSITS NOT COVERED BY INVESTMENT POLICY

Cash with Fiscal Agents:

Union Bank - RAD 96-1 Refunding Bond	1,212,644
Union Bank - 2015A Refunding Bond	3,588
SRF Loan	1,087,431
Union Bank - 2016A Refunding Bond	3,430
Union Bank - 2021A WW Revenue Bond	873
Union Bank - 2021B Refunding Bond	1,007

Total Deposits Not Covered by Investment Policy

2,308,974

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

INVESTMENTS

Invest. Pools:	US Bank Calif. Asset Mgmt Prgm (CAMP)	Demand	1	5.43%	\$ 24,879,300	\$ 24,879,300	\$ 24,879,300
	State Local Agency Investment Fund (LAIF)	Demand	1	4.52%	6,685,710	6,710,431	6,710,431
	First American Government 31846V567	Demand	1	5.18%	125,177	125,177	125,177
	CB&T Money Market Account	Demand	1	4.32%	4,094,216	4,094,216	4,094,216

U.S. Treasury Notes/Bills

912797KC0	U.S. Treasury Bills	Aaa	-	02/29/24	08/22/24	23		5.30%	5.32%	5,881,828	5,900,000	5,792,207
912797GL5	U.S. Treasury Bills	Aaa	-	03/14/24	09/05/24	37		5.27%	5.30%	1,989,740	2,000,000	1,950,809
912797GL5.	U.S. Treasury Bills	Aaa	-	06/10/24	09/05/24	37		5.30%	5.30%	1,691,279	1,700,000	1,678,838
912797KK2	U.S. Treasury Bills	Aaa	-	06/21/24	09/12/24	44		5.28%	5.31%	993,840	1,000,000	988,075
91282CBQ3	U.S. Treasury Notes	Aaa	-	03/09/21	09/30/24	62		0.50%	0.53%	940,390	1,000,000	984,478
912797GW1	U.S. Treasury Bills	Aaa	-	04/11/24	10/03/24	65		5.31%	5.36%	1,486,395	1,500,000	1,462,852
912797LS4	U.S. Treasury Bills	Aaa	-	07/05/24	10/08/24	70		5.28%	5.33%	990,220	1,000,000	986,457
912797KU0	U.S. Treasury Bills	Aaa	-	04/25/24	10/17/24	79		5.32%	5.38%	1,977,980	2,000,000	1,950,243
912797KU0.	U.S. Treasury Bills	Aaa	-	07/16/24	10/17/24	79		5.24%	5.30%	988,990	1,000,000	986,816
912797KU0..	U.S. Treasury Bills	Aaa	-	07/30/24	10/17/24	79		5.22%	5.28%	988,990	1,000,000	988,827
912828YH7	U.S. Treasury Notes	Aaa	-	03/09/21	02/28/26	578		1.50%	1.51%	993,520	1,000,000	1,036,684

44 4.84% 4.89% \$ 18,923,172 \$ 19,100,000 \$ 18,806,285

U.S. Agency Securities

3130ANTP5	FHLB Callable	Aaa	AA+	09/16/21	09/16/24	None	48		0.50%	0.50%	993,920	1,000,000	1,000,000
3130ANSP6	FHLB Callable	Aaa	AA+	09/17/21	10/17/24	09/17/24	79	49	0.50%	0.51%	989,920	1,000,000	1,000,000
3130B1SG3	FHLB Callable	Aaa	AA+	06/20/24	04/15/25	09/20/24	259	52	5.35%	5.36%	998,910	1,000,000	1,000,000
3130AKEW2	FHLB Callable	Aaa	AA+	11/04/20	11/04/24	Anytime	97	1	0.43%	0.44%	1,975,580	2,000,000	2,000,000
3130ANGN4	FHLB Step-up Callable	Aaa	AA+	08/18/21	02/18/25	08/18/24	203	19	1.00%	1.02%	979,130	1,000,000	1,000,000
3130AMKE1	FHLB Callable	Aaa	AA+	05/27/21	02/27/25	08/27/24	212	28	0.66%	0.68%	975,060	1,000,000	1,000,000
3130B1TA5	FHLB Callable	Aaa	AA+	07/09/24	07/09/27	07/09/25	1,074	344	5.20%	5.20%	999,760	1,000,000	1,000,000
3134GWAQ9	FHLMC Callable	Aaa	AA+	07/28/20	07/28/25	None	363		0.65%	0.68%	958,950	1,000,000	1,000,000
3130B1CT2	FHLB Callable	Aaa	AA+	05/28/24	11/28/25	08/28/24	486	29	5.50%	5.50%	999,240	1,000,000	1,000,000
3130AKGX8	FHLB Step-up Callable	Aaa	AA+	12/15/20	12/15/25	09/15/24	503	47	1.00%	1.04%	1,926,480	2,000,000	2,000,000
3130AKMD5	FHLB Callable	Aaa	AA+	01/26/21	01/26/26	10/26/24	545	88	0.50%	0.53%	940,000	1,000,000	999,500
3130AKU53	FHLB Callable	Aaa	AA+	01/28/21	01/28/26	10/28/24	547	90	0.52%	0.55%	942,290	1,000,000	1,000,000
3130AKN69	FHLB Callable	Aaa	AA+	01/28/21	01/28/26	01/28/25	547	182	0.50%	0.53%	939,810	1,000,000	1,000,000
3130AKVN3	FHLB Callable	Aaa	AA+	01/29/21	01/29/26	10/29/24	548	91	0.52%	0.55%	940,000	1,000,000	1,000,000
3130AKWK8	FHLB Callable	Aaa	AA+	02/12/21	02/12/26	08/12/24	562	13	0.51%	0.54%	938,590	1,000,000	1,000,000
3130AKX43	FHLB Step-up Callable	Aaa	AA+	02/24/21	02/24/26	08/24/24	574	25	0.70%	0.74%	1,881,760	2,000,000	2,000,000
3130AL7M0	FHLB Callable	Aaa	AA+	02/24/21	02/24/26	08/24/24	574	25	0.63%	0.66%	941,860	1,000,000	1,000,000
3130AKYR1	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	02/25/25	575	210	0.55%	0.58%	940,650	1,000,000	1,000,000
3130AL6K5	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	02/25/25	575	210	0.58%	0.62%	941,090	1,000,000	1,000,000
3130ALD76	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	08/25/24	575	26	0.70%	0.74%	942,880	1,000,000	1,000,000
3130ALCW2	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	02/25/25	575	210	0.63%	0.66%	941,760	1,000,000	998,500
3130ALGJ7	FHLB Callable	Aaa	AA+	03/23/21	03/23/26	08/23/24	601	24	1.00%	1.06%	921,122	975,000	975,000
3130ALPQ1	FHLB Step-up Callable	Aaa	AA+	03/30/21	03/30/26	09/30/24	608	62	1.50%	1.58%	952,350	1,000,000	1,000,000
3130ALVC5	FHLB Step-up Callable	Aaa	AA+	04/14/21	04/14/26	10/14/24	623	76	1.25%	1.31%	953,450	1,000,000	1,000,000
3130B1PZ4	FHLB Callable	Aaa	AA+	06/13/24	06/11/26	12/11/24	681	134	5.35%	5.35%	1,000,430	1,000,000	1,000,000
3130APAY1	FHLB Callable	Aaa	AA+	10/21/21	10/21/26	10/21/24	813	83	1.10%	1.18%	930,970	1,000,000	1,000,000
3130APL78	FHLB Callable	Aaa	AA+	10/28/21	10/28/26	10/28/24	820	90	1.38%	1.47%	936,180	1,000,000	1,000,000
3130B1GJ0	FHLB Callable	Aaa	AA+	05/21/24	11/20/26	11/20/24	843	113	5.50%	5.50%	1,000,390	1,000,000	1,000,000
3130B0WG0	FHLB Callable	Aaa	AA+	04/17/24	04/17/29	10/17/24	1,722	79	6.00%	6.00%	1,000,100	1,000,000	1,000,000
3130B1AF4	FHLB Callable	Aaa	AA+	05/02/24	05/02/29	08/02/24	1,737	3	6.00%	6.00%	1,000,050	1,000,000	1,000,000

580 80 1.77% 1.83% \$ 31,782,682 \$ 32,975,000 \$ 32,973,000

Municipal Bonds

882724RA7	TEXAS ST PUB FIN AUTH	Aaa	AAA	10/30/20	10/01/25	428		5.00%	4.99%	1,002,280	1,000,000	1,216,760
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16 5.00% 4.99% \$ 1,002,280 \$ 1,000,000 \$ 1,216,760

Total Investments

238 3.82% 3.88% \$ 87,492,536 \$ 88,884,124 \$ 88,805,169

TOTAL - ALL DEPOSITS AND INVESTMENTS

\$ 94,244,838



**Olivenhain Municipal Water District**  
**INVESTMENTS TRANSACTION**  
**July 31, 2024**

**PURCHASED**

DATE				Investment Description	<i>Stated</i>	<i>Current</i>	Face Value	Book Value
Purchase	Maturity	Call	Step-Up		Coupon	Yield		
07/05/24	10/08/24			U.S. Treasury Bills	5.275%	5.327%	1,000,000	986,457
07/09/24	07/09/27	07/09/25		FHLB Callable	5.200%	5.201%	1,000,000	1,000,000
07/16/24	10/17/24			U.S. Treasury Bills	5.244%	5.302%	1,000,000	986,816
07/30/24	10/17/24			U.S. Treasury Bills	5.221%	5.279%	1,000,000	988,827

**MATURED / REDEEMED / CALLED**

DATE				Investment Description	<i>Stated</i>	<i>Current</i>	Face Value	Book Value
Redemption	Maturity	Call	Step-Up		Coupon	Yield		
07/05/24	07/05/24			U.S. Treasury Bills	5.304%	5.307%	2,000,000	1,975,100
07/11/24	07/11/24			U.S. Treasury Bills	5.326%	5.334%	2,000,000	1,973,859

**Olivenhain Municipal Water District**  
**UNAUDITED CASH POSITION BY FUNDING SOURCES**  
**As of July 31, 2024**

<b><u>Water Funds (Potable &amp; Recycled)</u></b>		<b><u>Balance</u></b>
10050-100	Cash - Petty Cash Fund	1,496
10010-100	Cash - Operating Fund	11,207,224
10030-100	Cash - Capital and Equipment Fund	44,512,591
10040-100	Cash - Rate Stabilization Fund	11,692,901
10080-100	Cash - Pension Stabilization Fund	680,263
10060-100	Cash - Deposit Work for Other	143,987
14000-500	Restricted Cash - Capacity Fee Fund	6,740,483
<b>Total Water Funds (Potable &amp; Recycled)</b>		<b><u>74,978,946</u></b>
 <b><u>Wastewater Funds</u></b>		
10010-110	Wastewater - Operating Fund	4,038,606
10030-110	Wastewater - Capital Replacement Fund	9,402,618
10040-110	Wastewater - Rate Stabilization Fund	2,767,959
10080-110	Cash - Pension Stabilization Fund	60,936
<b>Total Wastewater Funds</b>		<b><u>16,270,118</u></b>
 <b><u>Non Fiscal Agent Debt Service Cash</u></b>		
14020-570	Cash non-agent - RAD 96-1	129,889
10070-561	Cash non-agent - Bond 2015A	621
10070-581	Cash non-agent - Bond 2016A	10,580
14020-521	Cash non-agent - Bond 2021A	545,711
<b>Total Non Fiscal Agent Debt Service Cash</b>		<b><u>686,800</u></b>
 <b><u>Debt Service Funds</u></b>		
14030-510	SRF Loan - Fiscal Agent	1,087,431
14105-570	Redemption fund - RAD 96-1	1,161,890
14110-570	Reserve fund - RAD 96-1	50,754
14100-561	Redemption fund - Bond 2015A	3,588
14100-581	Redemption fund - Bond 2016A	3,430
14100-521	Redemption fund - Bond 2021A	873
14100-522	Redemption fund - Bond 2021B	1,007
<b>Total Debt Service Funds</b>		<b><u>2,308,974</u></b>
<b>TOTAL FUND BALANCES</b>		<b><u><u>94,244,838</u></u></b>

**Olivenhain Municipal Water District**  
**MONTHLY CASH AND INVESTMENT SUMMARY**  
**As of August 31, 2024**

**Active Deposits**

	<b><u>Book Value</u></b>
Checking Accounts	\$ 2,032,961
Cash Restricted for Specific Use	689,920
Petty Cash/Disaster Preparedness	1,496
Total Active Deposits	<u>\$ 2,724,377</u>

**Deposits Not Covered by Investment Policy**

Cash with Fiscal Agents	2,310,570
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<b><u>Investments</u></b>	<b><u>Face Value</u></b>	<b><u>Market Value</u></b>	<b><u>Current Yield</u></b>	
LAIF	\$ 6,710,431	6,685,710	4.58%	\$ 6,710,431
CAMP - US Bank	24,993,403	24,993,403	5.41%	24,993,403
Money Market Funds	5,307,167	5,307,167	4.85%	5,307,167
Municipal Bonds	1,000,000	1,004,950	4.98%	1,216,760
U.S. Treasury Securities	15,100,000	14,985,917	4.73%	14,890,335
U.S. Agency Securities	35,975,000	34,958,820	2.09%	35,973,000
Total Investments	<u>\$ 89,086,001</u>	<u>\$ 87,935,967</u>	<u>3.87%</u>	<u>\$ 89,091,095</u>

**Total - All Deposits/Investments**

**\$ 94,126,043**

**Maturity Analysis of Investments**

	<b><u>Percent</u></b>	<b><u>Balance</u></b>
Demand Deposits	41.5%	\$ 37,011,001
Maturity within the next two months	15.7%	13,977,394
Maturity within three months and one year	8.8%	7,876,256
Maturity beyond one year	33.9%	30,226,444
Total Investments	<u>100.0%</u>	<u>\$ 89,091,095</u>

**Weighted Average Days to Maturity**

**233**

**Other Required Disclosures:**

Accrued interest receivable as of 08/31/2024 \$ 420,684

The above investments are in accordance with the portfolio limitations in the Investment Policy approved by the Board in December 2023.

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

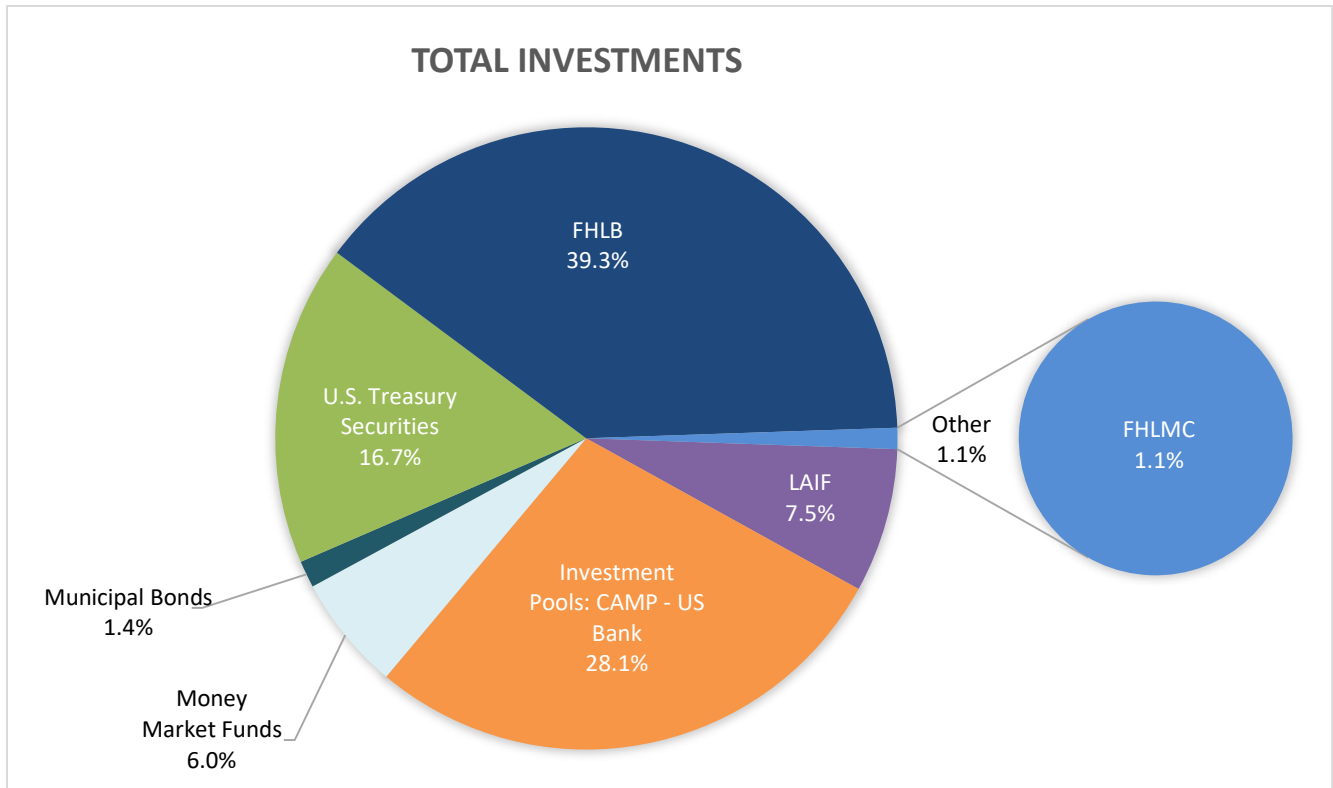
**Olivenhain Municipal Water District**  
**PORTFOLIO LIMITATIONS ANALYSIS PER INVESTMENT POLICY**  
**August 31, 2024**

	<b>Book Value</b>	<b>Percent</b>	<b>Permitted Percent</b>	<b>In Compliance?</b>
LAIF	\$ 6,710,431	7.5%	50.0% (1)	Yes
Investment Pools: CAMP - US Bank	24,993,403	28.1%	30.0%	Yes
Money Market Funds	5,307,167	6.0%	20.0% (2)	Yes
Municipal Bonds	1,216,760	1.4%	30.0%	Yes
U.S. Treasury Securities	14,890,335	16.7%	100.0% (3)	Yes
U.S. Agency Securities	35,973,000	40.4%	50.0%	Yes
<i>FHLB Federal Home Loan Bank</i>	<i>34,973,000</i>	<i>39.3%</i>		
<i>FHLMC Freddie Mac</i>	<i>1,000,000</i>	<i>1.1%</i>		

<b>Total Investments</b>	<b>\$ 89,091,095</b>	<b>100%</b>
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Note:

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



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

Olivenhain Municipal Water District  
MONTHLY INVESTMENTS DETAIL  
August 31, 2024

ACTIVE DEPOSIT

										Book Value
Checking A/C: California Bank and Trust for General Purpose										2,032,961
California Bank and Trust for Specific Purpose										141,706
CAMP 2021A Bond										548,214
Petty Cash/Disaster Preparedness										1,496
Total - Active Deposits										2,724,377

DEPOSITS NOT COVERED BY INVESTMENT POLICY

Cash with Fiscal Agents:

Union Bank - RAD 96-1 Refunding Bond	1,212,650
Union Bank - 2015A Refunding Bond	3,604
SRF Loan	1,088,991
Union Bank - 2016A Refunding Bond	3,446
Union Bank - 2021A WW Revenue Bond	873
Union Bank - 2021B Refunding Bond	1,007

Total Deposits Not Covered by Investment Policy

2,310,570

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

INVESTMENTS

Invest. Pools:	US Bank Calif. Asset Mgmt Prgm (CAMP)	Demand	1						5.41%	\$ 24,993,403	\$ 24,993,403	\$ 24,993,403
	State Local Agency Investment Fund (LAIF)	Demand	1						4.58%	6,685,710	6,710,431	6,710,431
	First American Government 31846V567	Demand	1						5.18%	1,197,287	1,197,287	1,197,287
	CB&T Money Market Account	Demand	1						4.76%	4,109,880	4,109,880	4,109,880

U.S. Treasury Notes/Bills

912797GL5	U.S. Treasury Bills	Aaa	-	03/14/24	09/05/24		6		5.27%	5.28%	1,999,420	2,000,000	1,950,809
912797GL5.	U.S. Treasury Bills	Aaa	-	06/10/24	09/05/24		6		5.30%	5.28%	1,699,507	1,700,000	1,678,838
912797KK2	U.S. Treasury Bills	Aaa	-	06/21/24	09/12/24		13		5.28%	5.29%	998,700	1,000,000	988,075
91282CBQ3	U.S. Treasury Notes	Aaa	-	03/09/21	09/30/24		31		0.50%	0.53%	948,200	1,000,000	984,478
912797GW1	U.S. Treasury Bills	Aaa	-	04/11/24	10/03/24		34		5.31%	5.33%	1,493,565	1,500,000	1,462,852
912797LS4	U.S. Treasury Bills	Aaa	-	07/05/24	10/08/24		39		5.28%	5.30%	995,020	1,000,000	986,457
912797KU0	U.S. Treasury Bills	Aaa	-	04/25/24	10/17/24		48		5.32%	5.35%	1,987,540	2,000,000	1,950,243
912797KU0.	U.S. Treasury Bills	Aaa	-	07/16/24	10/17/24		48		5.24%	5.28%	993,770	1,000,000	986,816
912797KU0..	U.S. Treasury Bills	Aaa	-	07/30/24	10/17/24		48		5.22%	5.25%	993,770	1,000,000	988,827
912797LE5	U.S. Treasury Bills	Aaa	-	08/22/24	11/21/24		83		5.08%	5.13%	1,879,195	1,900,000	1,876,256
912828YH7	U.S. Treasury Notes	Aaa	-	03/09/21	02/28/26		547		1.50%	1.50%	997,230	1,000,000	1,036,684

30 4.69% 4.73% \$ 14,985,917 \$ 15,100,000 \$ 14,890,335

U.S. Agency Securities

3130ANTP5	FHLB Callable	Aaa	AA+	09/16/21	09/16/24	None	17		0.50%	0.50%	998,300	1,000,000	1,000,000
3130ANSP6	FHLB Callable	Aaa	AA+	09/17/21	10/17/24	09/17/24	48	18	0.50%	0.50%	993,790	1,000,000	1,000,000
3130AKEW2	FHLB Callable	Aaa	AA+	11/04/20	11/04/24	Anytime	66	1	0.43%	0.43%	1,982,600	2,000,000	2,000,000
3130ANGN4	FHLB Step-up Callable	Aaa	AA+	08/18/21	02/18/25	11/18/24	172	80	1.50%	1.53%	983,310	1,000,000	1,000,000
3130AMKE1	FHLB Callable	Aaa	AA+	05/27/21	02/27/25	11/27/24	181	89	0.66%	0.67%	979,570	1,000,000	1,000,000
3130B1SG3	FHLB Callable	Aaa	AA+	06/20/24	04/15/25	09/20/24	228	21	5.35%	5.35%	999,450	1,000,000	1,000,000
3134GWAQ9	FHLMC Callable	Aaa	AA+	07/28/20	07/28/25	None	332		0.65%	0.67%	964,820	1,000,000	1,000,000
3130B1CT2	FHLB Callable	Aaa	AA+	05/28/24	11/28/25	09/28/24	455	29	5.50%	5.51%	999,090	1,000,000	1,000,000
3130AKGX8	FHLB Step-up Callable	Aaa	AA+	12/15/20	12/15/25	09/15/24	472	16	1.00%	1.03%	1,938,700	2,000,000	2,000,000
3130AKMD5	FHLB Callable	Aaa	AA+	01/26/21	01/26/26	10/26/24	514	57	0.50%	0.53%	949,750	1,000,000	999,500
3130AKUJ3	FHLB Callable	Aaa	AA+	01/28/21	01/28/26	10/28/24	516	59	0.52%	0.55%	949,800	1,000,000	1,000,000
3130AKN69	FHLB Callable	Aaa	AA+	01/28/21	01/28/26	01/28/25	516	151	0.50%	0.53%	949,530	1,000,000	1,000,000
3130AKVN3	FHLB Callable	Aaa	AA+	01/29/21	01/29/26	10/29/24	517	60	0.52%	0.55%	949,700	1,000,000	1,000,000
3130B2CA1	FHLB Callable	Aaa	AA+	08/12/24	02/10/26	09/10/24	529	11	5.25%	5.28%	994,860	1,000,000	1,000,000
3130AKVK8	FHLB Callable	Aaa	AA+	02/12/21	02/12/26	11/12/24	531	74	0.51%	0.54%	948,380	1,000,000	1,000,000
3130AKX43	FHLB Step-up Callable	Aaa	AA+	02/24/21	02/24/26	11/24/24	543	86	0.70%	0.74%	1,895,580	2,000,000	2,000,000
3130AL7M0	FHLB Callable	Aaa	AA+	02/24/21	02/24/26	11/24/24	543	86	0.63%	0.66%	948,800	1,000,000	1,000,000
3130AKYR1	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	02/25/25	544	179	0.55%	0.58%	947,640	1,000,000	1,000,000
3130AL6K5	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	02/25/25	544	179	0.58%	0.61%	948,070	1,000,000	1,000,000
3130ALD76	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	11/25/24	544	87	0.70%	0.74%	949,780	1,000,000	1,000,000
3130ALCW2	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	02/25/25	544	179	0.63%	0.66%	948,710	1,000,000	998,500
3130ALGJ7	FHLB Callable	Aaa	AA+	03/23/21	03/23/26	09/23/24	570	24	1.00%	1.05%	928,190	975,000	975,000
3130ALPQ1	FHLB Step-up Callable	Aaa	AA+	03/30/21	03/30/26	09/30/24	577	31	1.50%	1.56%	962,840	1,000,000	1,000,000
3130ALVC5	FHLB Step-up Callable	Aaa	AA+	04/14/21	04/14/26	10/14/24	592	45	1.25%	1.30%	960,360	1,000,000	1,000,000
3130B1PZ4	FHLB Callable	Aaa	AA+	06/13/24	06/11/26	12/11/24	650	103	5.35%	5.35%	1,000,630	1,000,000	1,000,000
3130B2GY5	FHLB Callable	Aaa	AA+	08/23/24	08/12/26	11/12/24	712	74	5.20%	5.20%	999,370	1,000,000	1,000,000
3130B2J89	FHLB Callable	Aaa	AA+	08/28/24	08/14/26	11/14/24	714	76	5.15%	5.15%	1,000,000	1,000,000	1,000,000
3130APAY1	FHLB Callable	Aaa	AA+	10/21/21	10/21/26	10/21/24	782	52	1.10%	1.17%	939,830	1,000,000	1,000,000
3130APL78	FHLB Callable	Aaa	AA+	10/28/21	10/28/26	10/28/24	789	59	1.38%	1.46%	944,890	1,000,000	1,000,000
3130B1GJ0	FHLB Callable	Aaa	AA+	05/21/24	11/20/26	11/20/24	812	82	5.50%	5.50%	1,000,590	1,000,000	1,000,000
3130B2DX0	FHLB Callable	Aaa	AA+	08/27/24	11/27/26	Anytime	819	1	4.55%	4.55%	999,460	1,000,000	1,000,000
3130B1TA5	FHLB Callable	Aaa	AA+	07/09/24	07/09/27	07/09/25	1,043	313	5.20%	5.19%	1,002,100	1,000,000	1,000,000
3130B0WG0	FHLB Callable	Aaa	AA+	04/17/24	04/17/29	10/17/24	1,691	48	6.00%	6.00%	1,000,330	1,000,000	1,000,000

533 73 2.03% 2.09% \$ 34,958,820 \$ 35,975,000 \$ 35,973,000

Municipal Bonds

882724RA7	TEXAS ST PUB FIN AUTH	Aaa	AAA	10/30/20	10/01/25		397		5.00%	4.98%	1,004,950	1,000,000	1,216,760
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Total Investments

13 5.00% 4.98% \$ 1,004,950 \$ 1,000,000 \$ 1,216,760  
233 3.82% 3.87% \$ 87,935,967 \$ 89,086,001 \$ 89,091,095

TOTAL - ALL DEPOSITS AND INVESTMENTS

\$ 94,126,043

**Olivenhain Municipal Water District  
INVESTMENTS TRANSACTION  
August 31, 2024**

**PURCHASED**

DATE				Investment Description	<i>Stated</i>	<i>Current</i>	Face Value	Book Value
Purchase	Maturity	Call	Step-Up		Coupon	Yield		
08/12/24	02/10/26	09/10/24		FHLB Callable	5.250%	5.277%	1,000,000	1,000,000
08/22/24	11/21/24			U.S. Treasury Bills	5.076%	5.132%	1,900,000	1,876,256
08/23/24	08/12/26	11/12/24		FHLB Callable	5.200%	5.203%	1,000,000	1,000,000
08/28/24	08/14/26	11/14/24		FHLB Callable	5.150%	5.150%	1,000,000	1,000,000
08/27/24	11/27/26	Anytime		FHLB Callable	4.550%	4.552%	1,000,000	1,000,000

**MATURED / REDEEMED / CALLED**

DATE				Investment Description	<i>Stated</i>	<i>Current</i>	Face Value	Book Value
Redemption	Maturity	Call	Step-Up		Coupon	Yield		
08/22/24	08/22/24			U.S. Treasury Bills	5.300%	5.316%	5,900,000	5,792,207
08/02/24	05/02/29	08/02/24		FHLB Callable	6.000%	6.000%	1,000,000	1,000,000

**Olivenhain Municipal Water District**  
**UNAUDITED CASH POSITION BY FUNDING SOURCES**  
**As of August 31, 2024**

<b><u>Water Funds (Potable &amp; Recycled)</u></b>		<b><u>Balance</u></b>
10050-100	Cash - Petty Cash Fund	1,496
10010-100	Cash - Operating Fund	12,207,214
10030-100	Cash - Capital and Equipment Fund	44,494,192
10040-100	Cash - Rate Stabilization Fund	11,638,461
10080-100	Cash - Pension Stabilization Fund	682,184
10060-100	Cash - Deposit Work for Other	146,537
14000-500	Restricted Cash - Capacity Fee Fund	6,767,259
<b>Total Water Funds (Potable &amp; Recycled)</b>		<b><u>75,937,343</u></b>
 <b><u>Wastewater Funds</u></b>		
10010-110	Wastewater - Operating Fund	3,464,829
10030-110	Wastewater - Capital Replacement Fund	8,886,497
10040-110	Wastewater - Rate Stabilization Fund	2,775,776
10080-110	Cash - Pension Stabilization Fund	61,108
<b>Total Wastewater Funds</b>		<b><u>15,188,210</u></b>
 <b><u>Non Fiscal Agent Debt Service Cash</u></b>		
14020-570	Cash non-agent - RAD 96-1	130,506
10070-561	Cash non-agent - Bond 2015A	621
10070-581	Cash non-agent - Bond 2016A	10,580
14020-521	Cash non-agent - Bond 2021A	548,214
<b>Total Non Fiscal Agent Debt Service Cash</b>		<b><u>689,920</u></b>
 <b><u>Debt Service Funds</u></b>		
14030-510	SRF Loan - Fiscal Agent	1,088,991
14105-570	Redemption fund - RAD 96-1	1,161,895
14110-570	Reserve fund - RAD 96-1	50,754
14100-561	Redemption fund - Bond 2015A	3,604
14100-581	Redemption fund - Bond 2016A	3,446
14100-521	Redemption fund - Bond 2021A	873
14100-522	Redemption fund - Bond 2021B	1,007
<b>Total Debt Service Funds</b>		<b><u>2,310,570</u></b>
<b>TOTAL FUND BALANCES</b>		<b><u>94,126,043</u></b>

**Olivenhain Municipal Water District**  
**MONTHLY CASH AND INVESTMENT SUMMARY**  
**As of September 30, 2024**

**Active Deposits**

	<b><u>Book Value</u></b>
Checking Accounts	\$ 4,305,084
Cash Restricted for Specific Use	144,467
Petty Cash/Disaster Preparedness	1,496
Total Active Deposits	<u>\$ 4,451,048</u>

**Deposits Not Covered by Investment Policy**

Cash with Fiscal Agents	1,380,558
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<b><u>Investments</u></b>	<b><u>Face Value</u></b>	<b><u>Market Value</u></b>	<b><u>Current Yield</u></b>	
LAIF	\$ 6,710,431	6,685,710	4.58%	\$ 6,710,431
CAMP - US Bank	25,101,741	25,101,741	5.29%	25,101,741
Money Market Funds	5,230,674	5,230,674	4.66%	5,230,674
Municipal Bonds	1,000,000	1,000,770	5.00%	1,216,760
U.S. Treasury Securities	14,311,000	14,203,412	4.84%	14,089,419
U.S. Agency Securities	35,975,000	35,144,818	2.13%	35,973,000
Total Investments	<u>\$ 88,328,845</u>	<u>\$ 87,367,124</u>	<u>3.85%</u>	<u>\$ 88,322,024</u>
<b>Total - All Deposits/Investments</b>				<b><u><u>\$ 94,153,630</u></u></b>

**Maturity Analysis of Investments**

	<b><u>Percent</u></b>	<b><u>Balance</u></b>
Demand Deposits	41.9%	\$ 37,042,845
Maturity within the next two months	15.0%	13,228,389
Maturity within three months and one year	6.7%	5,876,552
Maturity beyond one year	36.4%	32,174,238
<b>Total Investments</b>	<u><b>100.0%</b></u>	<u><b>\$ 88,322,024</b></u>

**Weighted Average Days to Maturity** **262**

**Other Required Disclosures:**

Accrued interest receivable as of 09/30/2024 \$ 423,609

The above investments are in accordance with the portfolio limitations in the Investment Policy approved by the Board in December 2023.

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



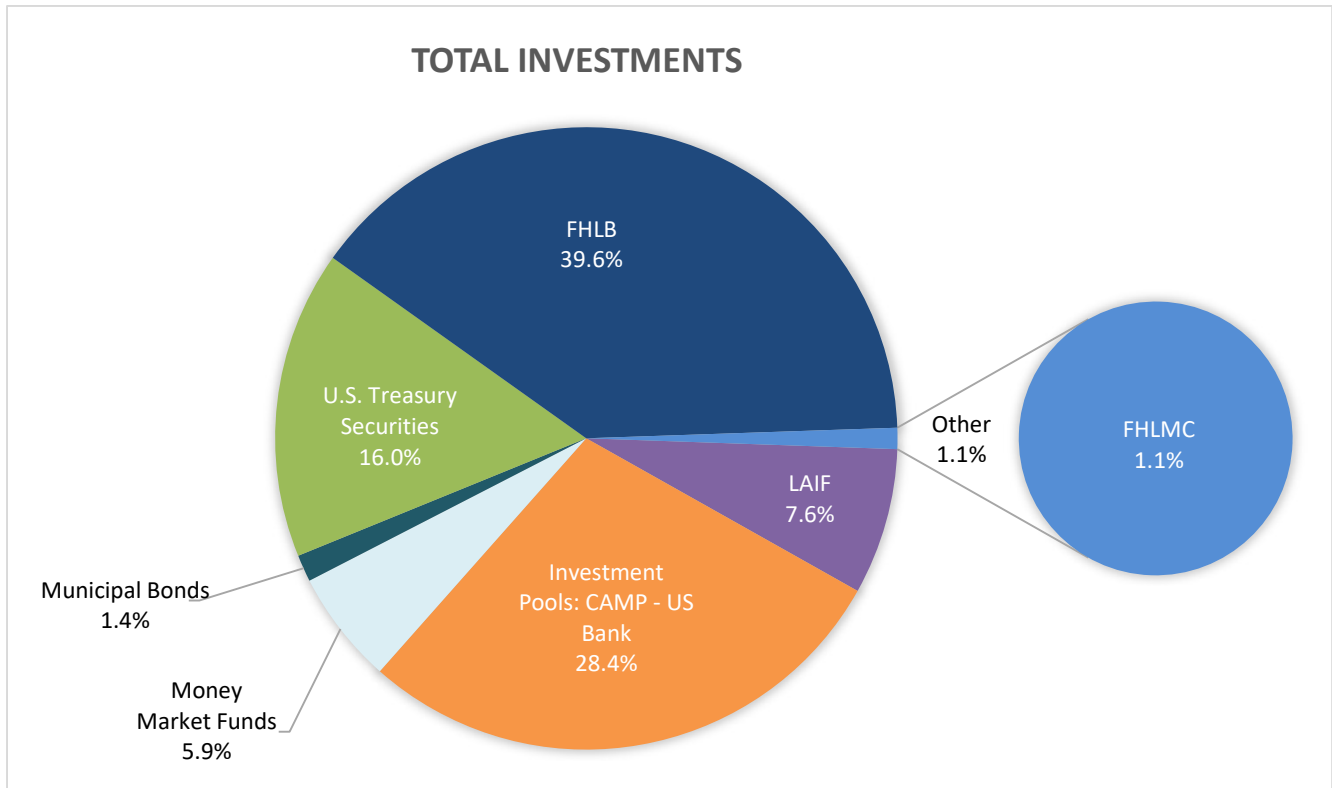
**Olivenhain Municipal Water District**  
**PORTFOLIO LIMITATIONS ANALYSIS PER INVESTMENT POLICY**  
**September 30, 2024**

	<b>Book Value</b>	<b>Percent</b>	<b>Permitted Percent</b>	<b>In Compliance?</b>
LAIF	\$ 6,710,431	7.6%	50.0% <sup>(1)</sup>	Yes
Investment Pools: CAMP - US Bank	25,101,741	28.4%	30.0%	Yes
Money Market Funds	5,230,674	5.9%	20.0% <sup>(2)</sup>	Yes
Municipal Bonds	1,216,760	1.4%	30.0%	Yes
U.S. Treasury Securities	14,089,419	16.0%	100.0% <sup>(3)</sup>	Yes
U.S. Agency Securities	35,973,000	40.7%	50.0%	Yes
<i>FHLB</i> <i>Federal Home Loan Bank</i>	<i>34,973,000</i>	<i>39.6%</i>		
<i>FHLMC</i> <i>Freddie Mac</i>	<i>1,000,000</i>	<i>1.1%</i>		

<b>Total Investments</b>	<b>\$ 88,322,024</b>	<b>100%</b>
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Note:

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



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

Olivenhain Municipal Water District  
MONTHLY INVESTMENTS DETAIL  
September 30, 2024

ACTIVE DEPOSIT										Book Value
Checking A/C: California Bank and Trust for General Purpose										4,305,084
California Bank and Trust for Specific Purpose										144,467
Petty Cash/Disaster Preparedness										1,496
Total - Active Deposits										4,451,048

DEPOSITS NOT COVERED BY INVESTMENT POLICY

Cash with Fiscal Agents:

Union Bank - RAD 96-1 Refunding Bond	281,155
Union Bank - 2015A Refunding Bond	3,620
SRF Loan	1,090,443
Union Bank - 2016A Refunding Bond	3,461
Union Bank - 2021A WW Revenue Bond	873
Union Bank - 2021B Refunding Bond	1,007

Total Deposits Not Covered by Investment Policy

1,380,558

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

INVESTMENTS

Invest. Pools:	US Bank Calif. Asset Mgmt Prgm (CAMP)	Demand	1	5.29%	\$ 25,101,741	\$ 25,101,741	\$ 25,101,741
	State Local Agency Investment Fund (LAIF)	Demand	1	4.58%	6,685,710	6,710,431	6,710,431
	First American Government 31846V567	Demand	1	4.78%	2,107,308	2,107,308	2,107,308
	CB&T Money Market Account	Demand	1	4.59%	3,123,366	3,123,366	3,123,366

U.S. Treasury Notes/Bills

912797GW1	U.S. Treasury Bills	Aaa	-	04/11/24	10/03/24	4		5.31%	5.31%	1,499,610	1,500,000	1,462,852
912797LS4	U.S. Treasury Bills	Aaa	AA+	07/05/24	10/08/24	9		5.28%	5.28%	999,090	1,000,000	986,457
912797KU0	U.S. Treasury Bills	Aaa	-	04/25/24	10/17/24	18		5.32%	5.33%	1,995,820	2,000,000	1,950,243
912797KU0	U.S. Treasury Bills	Aaa	-	07/16/24	10/17/24	18		5.24%	5.25%	997,910	1,000,000	986,816
912797KU0..	U.S. Treasury Bills	Aaa	-	07/30/24	10/17/24	18		5.22%	5.23%	997,910	1,000,000	988,827
912797HP5	U.S. Treasury Bills	Aaa	-	09/05/24	11/09/24	41		5.02%	5.06%	1,984,620	2,000,000	1,976,938
912797LE5	U.S. Treasury Bills	Aaa	-	08/22/24	11/21/24	53		5.08%	5.11%	1,887,536	1,900,000	1,876,256
912797LF2	U.S. Treasury Bills	Aaa	-	09/05/24	12/05/24	67		5.02%	5.06%	991,840	1,000,000	987,638
912797LP0	U.S. Treasury Bills	Aaa	-	09/18/24	12/12/24	74		4.76%	4.80%	991,060	1,000,000	989,039
912797LP0.	U.S. Treasury Bills	Aaa	-	09/11/24	12/12/24	74		4.91%	4.95%	902,856	911,000	899,875
91282CBQ3	U.S. Treasury Notes	Aaa	-	03/09/21	02/28/26	517		0.50%	0.52%	955,160	1,000,000	984,478
						27		4.81%	4.84%	\$ 14,203,412	\$ 14,311,000	\$ 14,089,419

U.S. Agency Securities

3130ANSP6	FHLB Callable	Aaa	AA+	09/17/21	10/17/24	None		18		0.50%	0.50%	998,150	1,000,000	1,000,000
3130AKEW2	FHLB Callable	Aaa	AA+	11/04/20	11/04/24	Anytime		36	1	0.43%	0.43%	1,991,320	2,000,000	2,000,000
3130ANGN4	FHLB Step-up Callable	Aaa	AA+	08/18/21	02/18/25	11/18/24	None	142	50	1.50%	1.52%	987,310	1,000,000	1,000,000
3130AMKE1	FHLB Callable	Aaa	AA+	05/27/21	02/27/25	11/27/24		151	59	0.66%	0.67%	984,300	1,000,000	1,000,000
3134GWAQ9	FHLMC Callable	Aaa	AA+	07/28/20	07/28/25	None		302		0.65%	0.67%	972,620	1,000,000	1,000,000
3130AKGX8	FHLB Step-up Callable	Aaa	AA+	12/15/20	12/15/25	12/15/24	12/15/24	442	77	1.00%	1.02%	1,959,280	2,000,000	2,000,000
3130AKMD5	FHLB Callable	Aaa	AA+	01/26/21	01/26/26	10/26/24		484	27	0.50%	0.52%	956,680	1,000,000	999,500
3130AKU53	FHLB Callable	Aaa	AA+	01/28/21	01/28/26	10/28/24		486	29	0.52%	0.54%	956,730	1,000,000	1,000,000
3130AKN69	FHLB Callable	Aaa	AA+	01/28/21	01/28/26	01/28/25		486	121	0.50%	0.52%	956,480	1,000,000	1,000,000
3130AKVN3	FHLB Callable	Aaa	AA+	01/29/21	01/29/26	10/29/24		487	30	0.52%	0.54%	956,580	1,000,000	1,000,000
3130B2CA1	FHLB Callable	Aaa	AA+	08/12/24	02/10/26	10/10/24		499	11	5.25%	5.26%	997,670	1,000,000	1,000,000
3130AKWK8	FHLB Callable	Aaa	AA+	02/12/21	02/12/26	11/12/24		501	44	0.51%	0.53%	955,220	1,000,000	1,000,000
3130AKX43	FHLB Step-up Callable	Aaa	AA+	02/24/21	02/24/26	11/24/24	None	513	56	0.70%	0.73%	1,915,100	2,000,000	2,000,000
3130AL7M0	FHLB Callable	Aaa	AA+	02/24/21	02/24/26	11/24/24		513	56	0.63%	0.65%	955,250	1,000,000	1,000,000
3130AKYR1	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	02/25/25		514	149	0.55%	0.58%	954,580	1,000,000	1,000,000
3130AL6K5	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	02/25/25		514	149	0.58%	0.61%	954,980	1,000,000	1,000,000
3130ALD76	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	11/25/24		514	57	0.70%	0.73%	956,600	1,000,000	1,000,000
3130ALCW2	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	02/25/25		514	149	0.63%	0.65%	955,590	1,000,000	998,500
3130ALGJ7	FHLB Callable	Aaa	AA+	03/23/21	03/23/26	10/23/24		540	24	1.00%	1.04%	934,508	975,000	975,000
3130B2RS6	FHLB Callable	Aaa	AA+	09/27/24	03/27/26	03/27/25		544	179	4.33%	4.34%	997,870	1,000,000	1,000,000
3130ALPQ1	FHLB Step-up Callable	Aaa	AA+	03/30/21	03/30/26	09/30/24	03/30/25	547	1	1.50%	1.54%	971,090	1,000,000	1,000,000
3130ALVC5	FHLB Step-up Callable	Aaa	AA+	04/14/21	04/14/26	10/14/24	10/14/24	562	15	1.25%	1.29%	970,110	1,000,000	1,000,000
3130B1PZ4	FHLB Callable	Aaa	AA+	06/13/24	06/11/26	12/11/24		620	73	5.35%	5.35%	1,000,630	1,000,000	1,000,000
3130B2GY5	FHLB Callable	Aaa	AA+	08/23/24	08/12/26	11/12/24		682	44	5.20%	5.20%	999,600	1,000,000	1,000,000
3130B2J89	FHLB Callable	Aaa	AA+	08/28/24	08/14/26	11/14/24		684	46	5.15%	5.15%	999,560	1,000,000	1,000,000
3130APAY1	FHLB Callable	Aaa	AA+	10/21/21	10/21/26	10/21/24		752	22	1.10%	1.16%	947,310	1,000,000	1,000,000
3130APL78	FHLB Callable	Aaa	AA+	10/28/21	10/28/26	10/28/24		759	29	1.38%	1.44%	952,280	1,000,000	1,000,000
3130B1GJ0	FHLB Callable	Aaa	AA+	05/21/24	11/20/26	11/20/24		782	52	5.50%	5.50%	1,000,770	1,000,000	1,000,000
3130B2DX0	FHLB Callable	Aaa	AA+	08/27/24	11/27/26	Anytime		789	1	4.55%	4.53%	1,003,450	1,000,000	1,000,000
3130B1TA5	FHLB Callable	Aaa	AA+	07/09/24	07/09/27	07/09/25		1,013	283	5.20%	5.17%	1,006,380	1,000,000	1,000,000
3130B0WG0	FHLB Callable	Aaa	AA+	04/17/24	04/17/29	10/17/24		1,661	18	6.00%	6.00%	1,000,510	1,000,000	1,000,000
3130B2N43	FHLB Callable	Aaa	AA+	09/10/24	09/10/29	09/10/26		1,807	711	4.00%	4.01%	997,450	1,000,000	1,000,000
3130B2NM3	FHLB Callable	Aaa	AA+	09/17/24	09/17/29	03/17/25		1,814	169	4.92%	4.93%	998,860	1,000,000	1,000,000
								602	84	2.08%	2.13%	\$ 35,144,818	\$ 35,975,000	\$ 35,973,000

Municipal Bonds

882724RA7	TEXAS ST PUB FIN AUTH	Aaa	AAA	10/30/20	10/01/25	367		5.00%	5.00%	1,000,770	1,000,000	1,216,760
						12		5.00%	5.00%	\$ 1,000,770	\$ 1,000,000	\$ 1,216,760
Total Investments						262		3.81%	3.85%	\$ 87,367,124	\$ 88,328,845	\$ 88,322,024

TOTAL - ALL DEPOSITS AND INVESTMENTS

\$ 94,153,630

**Olivenhain Municipal Water District  
INVESTMENTS TRANSACTION  
September 30, 2024**

**PURCHASED**

DATE				Investment Description	Stated	Current	Face Value	Book Value
Purchase	Maturity	Call	Step-Up		Coupon	Yield		
09/17/24	09/17/29	03/17/25		FHLB Callable	4.920%	4.926%	1,000,000	1,000,000
09/27/24	03/27/26	03/27/25		FHLB Callable	4.330%	4.339%	1,000,000	1,000,000
09/10/24	09/10/29	09/10/26		FHLB Callable	4.000%	4.010%	1,000,000	1,000,000
09/05/24	11/09/24			U.S. Treasury Bills	5.023%	5.062%	2,000,000	1,976,938
09/05/24	12/05/24			U.S. Treasury Bills	5.021%	5.062%	1,000,000	987,638
09/18/24	12/12/24			U.S. Treasury Bills	4.759%	4.802%	1,000,000	989,039
09/18/24	12/12/24			U.S. Treasury Bills	4.759%	4.802%	1,000,000	989,039

**MATURED / REDEEMED / CALLED**

DATE				Investment Description	Stated	Current	Face Value	Book Value
Redemption	Maturity	Call	Step-Up		Coupon	Yield		
09/05/24	09/05/24			U.S. Treasury Bills	5.280%	5.282%	3,700,000	3,629,646
09/12/24	09/12/24			U.S. Treasury Bills	5.280%	5.287%	1,000,000	988,075
09/16/24	09/16/24	None		FHLB Callable	0.500%	0.501%	1,000,000	1,000,000
09/20/24	04/15/25	09/20/24		FHLB Callable	5.350%	5.353%	1,000,000	1,000,000
09/28/24	11/28/25	09/28/24		FHLB Callable	5.500%	5.505%	1,000,000	1,000,000
09/30/24	02/28/26	09/30/24		U.S. Treasury Notes	1.500%	1.504%	1,000,000	1,036,684

**Olivenhain Municipal Water District**  
**UNAUDITED CASH POSITION BY FUNDING SOURCES**  
**As of September 30, 2024**

<b><u>Water Funds (Potable &amp; Recycled)</u></b>		<b><u>Balance</u></b>
10050-100	Cash - Petty Cash Fund	1,496
10010-100	Cash - Operating Fund	14,122,152
10030-100	Cash - Capital and Equipment Fund	44,149,081
10040-100	Cash - Rate Stabilization Fund	11,575,577
10080-100	Cash - Pension Stabilization Fund	683,901
10060-100	Cash - Deposit Work for Other	176,938
14000-500	Restricted Cash - Capacity Fee Fund	6,815,991
<b>Total Water Funds (Potable &amp; Recycled)</b>		<b><u>77,525,136</u></b>
 <b><u>Wastewater Funds</u></b>		
10010-110	Wastewater - Operating Fund	3,192,621
10030-110	Wastewater - Capital Replacement Fund	9,066,826
10040-110	Wastewater - Rate Stabilization Fund	2,782,760
10080-110	Cash - Pension Stabilization Fund	61,262
<b>Total Wastewater Funds</b>		<b><u>15,103,468</u></b>
 <b><u>Non Fiscal Agent Debt Service Cash</u></b>		
14020-570	Cash non-agent - RAD 96-1	133,267
10070-561	Cash non-agent - Bond 2015A	621
10070-581	Cash non-agent - Bond 2016A	10,580
<b>Total Non Fiscal Agent Debt Service Cash</b>		<b><u>144,467</u></b>
 <b><u>Debt Service Funds</u></b>		
14030-510	SRF Loan - Fiscal Agent	1,090,443
14105-570	Redemption fund - RAD 96-1	230,401
14110-570	Reserve fund - RAD 96-1	50,754
14100-561	Redemption fund - Bond 2015A	3,620
14100-581	Redemption fund - Bond 2016A	3,461
14100-521	Redemption fund - Bond 2021A	873
14100-522	Redemption fund - Bond 2021B	1,007
<b>Total Debt Service Funds</b>		<b><u>1,380,558</u></b>
<b>TOTAL FUND BALANCES</b>		<b><u><u>94,153,630</u></u></b>

# Memo

Date: December 11, 2024  
To: Olivenhain Municipal Water District Board of Directors  
From: Rainy K. Selamat, Finance Manager  
Via: Kimberly Thorner, General Manager  
Subject: **CONSIDER ADOPTION OF A MOTION APPROVING THE DISTRICT'S  
CONSOLIDATED STATEMENT OF NET POSITION, CONSOLIDATED  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION,  
CONSOLIDATED STATEMENT OF CASH FLOWS, CONSOLIDATED ACTUAL VS  
BUDGET SUMMARY, AND CONSTRUCTION IN PROGRESS REPORTS**

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

- July, August, and September 2024 Monthly Statement of Net Position Reports.
- July, August, and September 2024 Statement of Revenues, Expenses, and Changes in Net Position Reports.
- July, August, and September 2024 Consolidated Statement of Cash Flows.
- July, August, and September 2024 Monthly Consolidated Actual VS Budget Summary and explanation of significant variance reports.
- July, August, and September 2024 Construction In Progress Reports.

OLIVENHAIN MUNICIPAL WATER DISTRICT  
Statement of Net Position (Unaudited)  
All Funds  
7/31/2024

**Assets**

Current assets:

Unrestricted assets:

Cash and cash equivalents	\$83,087,204
Accounts receivable - water and sewer, net	11,318,679
Interest Receivable	445,433
Taxes receivable	212,142
Other receivables	278,777
Lease receivable	418,980
Inventories	1,933,041
Prepaid expenses and deposits	1,947,461
Total unrestricted assets	<u>99,641,717</u>

Restricted assets:

Cash and cash equivalents	9,586,300
Assesments receivable	49,448
Grants receivable	565,716
Total restricted assets	<u>10,201,464</u>
Total current assets	<u>109,843,181</u>

Noncurrent assets:

Capital assets, nondepreciable	48,739,050
Capital assets, depreciable/amortizable, net	<u>321,824,662</u>
Capital assets, net	370,563,712
Prepaid bond insurance	13,425
Lease receivable	<u>10,556,981</u>
Total noncurrent assets	<u>381,134,118</u>
Total assets	<u>490,977,299</u>

Deferred Outflows of Resources

Deferred amount on refunding	(706,741)
Deferred amount from pension	<u>(7,033,805)</u>
Total deferred outflows of resources	<u>(7,740,546)</u>

**Liabilities**

Current Liabilities

Liabilities payable from unrestricted assets:

Accounts payable	7,774,516
Accrued payroll	730,123
Customer deposits	414,310
Payable related to work in progress	134,395
Compensated absences, current portion	1,150,779
Current portion of long-term debt:	
Wastewater Revenue Bonds 2021A	216,210
Wastewater Refunding Revenue Bonds 2021B	581,980
Water Revenue Refunding Bonds 2016A	615,000
Water Revenue Refunding Bonds 2015A	2,035,000
Special Assessment Debt with Government Commi...	892,931
Notes Payable	855,907
Subscription Liability	38,096
Total liabilities payable from unrestricted assets	<u>15,439,247</u>

Liabilities payable from restricted assets:

Accounts payable	41,412
Interest payable	<u>274,752</u>
Total liabilities payable from restricted assets	<u>316,164</u>
Total current liabilities	<u>15,755,411</u>

Noncurrent liabilities

Compensated absences	1,102,817
Net pension liability	17,930,299
Long-term debt, excluding current portion:	
Wastewater Revenue Bonds 2021A	4,161,270
Wastewater Refunding Revenue Bonds 2021B	1,786,450
Water Revenue Refunding Bonds 2016A	11,746,740
Water Revenue Refunding Bonds 2015A	7,183,261
Special Assessment Debt with Government Commi...	2,797,851
Notes Payable	8,652,907
Subscription Liability	<u>9,704</u>

OLIVENHAIN MUNICIPAL WATER DISTRICT  
Statement of Net Position (Unaudited)

All Funds

7/31/2024

Total noncurrent liabilities	55,371,300
Total liabilities	<u>71,126,711</u>

Deferred Inflows of Resources

Deferred amounts on pension	298,346
Deferred amounts on leases	9,811,059

Total deferred inflows of resources	<u>10,109,405</u>
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Net Position

Investment in Capital Assets, net of related debt	330,242,856
Restricted Net Position	9,339,589
Unrestricted Net Position	<u>77,899,284</u>
Total Net Position	<u><u>417,481,729</u></u>

OLIVENHAIN MUNICIPAL WATER DISTRICT  
Statement of Net Position (Unaudited)  
All Funds  
8/31/2024

**Assets**

Current assets:

Unrestricted assets:

Cash and cash equivalents	\$82,937,173
Accounts receivable - water and sewer, net	11,734,671
Interest Receivable	420,684
Taxes receivable	212,142
Other receivables	292,021
Lease receivable	418,980
Inventories	1,849,512
Prepaid expenses and deposits	2,087,905
Total unrestricted assets	<u>99,953,087</u>

Restricted assets:

Cash and cash equivalents	9,613,301
Assessments receivable	49,448
Grants receivable	565,716
Total restricted assets	<u>10,228,465</u>
Total current assets	<u>110,181,551</u>

Noncurrent assets:

Capital assets, nondepreciable	50,354,253
Capital assets, depreciable/amortizable, net	<u>320,921,972</u>
Capital assets, net	371,276,224
Prepaid bond insurance	13,133
Lease receivable	<u>10,556,981</u>
Total noncurrent assets	<u>381,846,339</u>
Total assets	<u>492,027,890</u>

Deferred Outflows of Resources

Deferred amount on refunding	(696,518)
Deferred amount from pension	<u>(7,033,805)</u>
Total deferred outflows of resources	<u>(7,730,323)</u>

**Liabilities**

Current Liabilities

Liabilities payable from unrestricted assets:

Accounts payable	8,471,208
Accrued payroll	430,124
Customer deposits	405,885
Payable related to work in progress	136,172
Compensated absences, current portion	1,150,779
Current portion of long-term debt:	
Wastewater Revenue Bonds 2021A	216,210
Wastewater Refunding Revenue Bonds 2021B	581,980
Water Revenue Refunding Bonds 2016A	615,000
Water Revenue Refunding Bonds 2015A	2,035,000
Special Assessment Debt with Government Commi...	892,931
Notes Payable	855,907
Subscription Liability	38,096
Total liabilities payable from unrestricted assets	<u>15,829,292</u>

Liabilities payable from restricted assets:

Interest payable	371,263
Total liabilities payable from restricted assets	<u>371,263</u>
Total current liabilities	<u>16,200,555</u>

Noncurrent liabilities

Compensated absences	1,219,675
Net pension liability	17,930,299
Long-term debt, excluding current portion:	
Wastewater Revenue Bonds 2021A	4,161,270
Wastewater Refunding Revenue Bonds 2021B	1,786,450
Water Revenue Refunding Bonds 2016A	11,740,195
Water Revenue Refunding Bonds 2015A	7,165,504
Special Assessment Debt with Government Commi...	2,797,851
Notes Payable	8,652,907
Subscription Liability	9,704
Total noncurrent liabilities	<u>55,463,855</u>



OLIVENHAIN MUNICIPAL WATER DISTRICT  
Statement of Net Position (Unaudited)

All Funds

8/31/2024

Total liabilities	<u>71,664,410</u>
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Deferred Inflows of Resources

Deferred amounts on pension	298,346
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Deferred amounts on leases	9,811,059
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Total deferred inflows of resources	<u>10,109,405</u>
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Net Position

Investment in Capital Assets, net of related debt	330,971,951
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Restricted Net Position	9,308,987
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Unrestricted Net Position	<u>77,703,460</u>
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Total Net Position	<u><u>417,984,398</u></u>
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OLIVENHAIN MUNICIPAL WATER DISTRICT  
Statement of Net Position (Unaudited)  
All Funds  
9/30/2024

**Assets**

Current assets:

Unrestricted assets:

Cash and cash equivalents	\$84,390,265
Accounts receivable - water and sewer, net	11,555,967
Interest Receivable	423,609
Taxes receivable	212,142
Other receivables	253,993
Lease receivable	418,980
Inventories	1,747,309
Prepaid expenses and deposits	1,783,191
Total unrestricted assets	<u>100,785,455</u>

Restricted assets:

Cash and cash equivalents	8,196,357
Assesments receivable	49,448
Grants receivable	565,716
Total restricted assets	<u>8,811,521</u>
Total current assets	<u>109,596,976</u>

Noncurrent assets:

Capital assets, nondepreciable	51,380,240
Capital assets, depreciable/amortizable, net	<u>320,012,103</u>
Capital assets, net	371,392,343
Prepaid bond insurance	12,842
Lease receivable	<u>10,556,981</u>
Total noncurrent assets	<u>381,962,165</u>
Total assets	<u>491,559,141</u>

Deferred Outflows of Resources

Deferred amount on refunding	(686,295)
Deferred amount from pension	<u>(7,033,805)</u>
Total deferred outflows of resources	<u>(7,720,100)</u>

**Liabilities**

Current Liabilities

Liabilities payable from unrestricted assets:

Accounts payable	8,086,946
Accrued payroll	482,780
Customer deposits	417,185
Payable related to work in progress	167,753
Compensated absences, current portion	1,150,779
Current portion of long-term debt:	
Wastewater Revenue Bonds 2021A	216,210
Wastewater Refunding Revenue Bonds 2021B	581,980
Water Revenue Refunding Bonds 2016A	615,000
Water Revenue Refunding Bonds 2015A	2,035,000
Special Assessment Debt with Government Commi...	912,774
Notes Payable	855,907
Subscription Liability	38,096
Total liabilities payable from unrestricted assets	<u>15,560,409</u>

Liabilities payable from restricted assets:

Accounts payable	10,613
Interest payable	427,651
Total liabilities payable from restricted assets	<u>438,264</u>
Total current liabilities	<u>15,998,673</u>

Noncurrent liabilities

Compensated absences	1,139,753
Net pension liability	17,930,299
Long-term debt, excluding current portion:	
Wastewater Revenue Bonds 2021A	4,161,270
Wastewater Refunding Revenue Bonds 2021B	1,786,450
Water Revenue Refunding Bonds 2016A	11,733,649
Water Revenue Refunding Bonds 2015A	7,147,747
Special Assessment Debt with Government Commi...	1,885,077
Notes Payable	8,652,907
Subscription Liability	<u>9,704</u>

OLIVENHAIN MUNICIPAL WATER DISTRICT  
Statement of Net Position (Unaudited)

All Funds

9/30/2024

Total noncurrent liabilities	54,446,857
Total liabilities	<u>70,445,530</u>

Deferred Inflows of Resources

Deferred amounts on pension	298,346
Deferred amounts on leases	9,811,059

Total deferred inflows of resources	<u>10,109,405</u>
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Net Position

Investment in Capital Assets, net of related debt	331,446,866
Restricted Net Position	8,373,257
Unrestricted Net Position	<u>78,904,183</u>
Total Net Position	<u><u>418,724,306</u></u>

OLIVENHAIN MUNICIPAL WATER DISTRICT  
Statement of Revenues, Expenses and Changes in Net Position (Unaudited)  
All Funds  
For the One Month Ending 7/31/2024

	<u>2025</u>
<b>Operating Revenues:</b>	
Water Sales	\$7,131,181
Sewer Charges	13,418
Other Water Operating revenues	151,458
<b>Total Operating Revenues</b>	<u>7,296,058</u>
<b>Operating Expenses</b>	
Cost of Purchased Water Sold	3,710,374
Pumping and Water Treatment	259,215
Transmission and Distribution	288,858
Sewer Collection and Treatment	78,175
Elfin Forest Recreation Operations	34,256
Facilities Maintenance	61,971
Customer Service	170,938
General and Administrative	813,914
Depreciation and Amortization	933,070
<b>Total Operating Expenses</b>	<u>6,350,771</u>
<b>Operating Income (Loss)</b>	<b>945,286</b>
<b>Nonoperating Revenues (Expenses)</b>	
Investment income	302,874
Property taxes	40,909
Capacity charges	63,212
Benefit assessments	6,945
Other nonoperating revenues	64,247
Interest expense, net	(82,432)
Other nonoperating expenses	(98,805)
<b>Total nonoperating revenues (expenses)</b>	<u>296,950</u>
<b>Income before capital contributions</b>	<u>1,242,236</u>
<b>Capital contributions</b>	<u>0</u>
<b>Change in net position</b>	<u>1,242,236</u>
<b>Net Position, Beginning of year</b>	<u>416,239,493</u>
<b>Net Position, End of year</b>	<u><u>417,481,729</u></u>

OLIVENHAIN MUNICIPAL WATER DISTRICT  
Statement of Revenues, Expenses and Changes in Net Position (Unaudited)  
All Funds  
For the Two Months Ending 8/31/2024

<b>Operating Revenues:</b>	
Water Sales	\$14,426,816
Sewer Charges	14,087
Other Water Operating revenues	284,229
<b>Total Operating Revenues</b>	<b>14,725,133</b>
<b>Operating Expenses</b>	
Cost of Purchased Water Sold	7,534,370
Pumping and Water Treatment	829,097
Transmission and Distribution	746,988
Sewer Collection and Treatment	246,280
Elfin Forest Recreation Operations	71,935
Facilities Maintenance	187,115
Customer Service	426,288
General and Administrative	1,661,263
Depreciation and Amortization	1,866,140
<b>Total Operating Expenses</b>	<b>13,569,475</b>
<b>Operating Income (Loss)</b>	<b>1,155,657</b>
<b>Nonoperating Revenues (Expenses)</b>	
Investment income	563,916
Property taxes	129,317
Capacity charges	117,544
Benefit assessments	8,054
Other nonoperating revenues	128,591
Interest expense, net	(164,864)
Other nonoperating expenses	(195,256)
<b>Total nonoperating revenues (expenses)</b>	<b>587,302</b>
<b>Income before capital contributions</b>	<b>1,742,959</b>
<b>Capital contributions</b>	<b>1,946</b>
<b>Change in net position</b>	<b>1,744,906</b>
<b>Net Position, Beginning of year</b>	<b>416,239,493</b>
<b>Net Position, End of year</b>	<b>417,984,398</b>

OLIVENHAIN MUNICIPAL WATER DISTRICT  
Statement of Revenues, Expenses and Changes in Net Position (Unaudited)  
All Funds  
For the Three Months Ending 9/30/2024

<b>Operating Revenues:</b>	
Water Sales	\$21,142,858
Sewer Charges	20,354
Other Water Operating revenues	449,446
<b>Total Operating Revenues</b>	<u>21,612,658</u>
<b>Operating Expenses</b>	
Cost of Purchased Water Sold	11,170,738
Pumping and Water Treatment	1,191,490
Transmission and Distribution	1,101,817
Sewer Collection and Treatment	410,819
Elfin Forest Recreation Operations	103,007
Facilities Maintenance	292,914
Customer Service	592,719
General and Administrative	2,257,458
Depreciation and Amortization	2,799,210
<b>Total Operating Expenses</b>	<u>19,920,173</u>
<b>Operating Income (Loss)</b>	<b>1,692,485</b>
<b>Nonoperating Revenues (Expenses)</b>	
Investment income	809,195
Property taxes	169,568
Capacity charges	161,768
Benefit assessments	12,893
Other nonoperating revenues	190,498
Interest expense, net	(245,741)
Other nonoperating expenses	(307,798)
<b>Total nonoperating revenues (expenses)</b>	<u>790,382</u>
<b>Income before capital contributions</b>	<u>2,482,867</u>
<b>Capital contributions</b>	<u>1,946</u>
<b>Change in net position</b>	<u>2,484,814</u>
<b>Net Position, Beginning of year</b>	<u>416,239,493</u>
<b>Net Position, End of year</b>	<u><u>418,724,306</u></u>

OLIVENHAIN MUNICIPAL WATER DISTRICT  
CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)  
AS OF JULY 31, 2024

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Receipts from water and sewer customers	\$ 6,227,773
Payments for water	(3,167,878)
Payments for services and supplies	(2,548,414)
Payments for employee wages, benefits and related costs	(1,480,573)
<b>Net cash provided by operating activities</b>	<u>(969,093)</u>

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

Property taxes and benefit assessments received	47,854
<b>Net cash provided by noncapital and related financing activities</b>	<u>47,854</u>

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

Acquisition and construction of capital assets	(294,671)
Proceeds from Grants	2,882,381
Principal paid on long-term debt	(444,961)
Interest paid on long-term debt	(100,283)
Capacity charges received	63,212
Other capital financing receipts (expenses)	(24,049)
<b>Net cash used by capital and related financing activities</b>	<u>2,081,629</u>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Investment income received	271,106
<b>Net cash provided (used) by investing activities</b>	<u>271,106</u>

<b>Net increase (decrease) in cash and cash equivalents</b>	1,431,496
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Cash and cash equivalents, beginning of year	<u>57,755,606</u>
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Cash and cash equivalents, end of period	<u>\$ 59,187,102</u>
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**FINANCIAL STATEMENT PRESENTATION:**

Cash and cash equivalents - current assets	52,166,103
Cash and cash equivalents - restricted assets	7,020,999
<b>Total cash and cash equivalents</b>	<u>\$ 59,187,102</u>

**CASH AND CASH EQUIVALENTS RECONCILIATION**

		Balance Includes Mkt Securities	Without Mkt Securities
Unrestricted cash	7/31/2024	83,087,204	52,166,103
Restricted cash	7/31/2024	9,586,300	7,020,999
<b>Total cash and cash equivalents</b>			<u>59,187,102</u>

OLIVENHAIN MUNICIPAL WATER DISTRICT  
CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)  
AS OF AUGUST 31, 2024

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Receipts from water and sewer customers	\$ 13,219,187
Payments for water	(6,486,070)
Payments for services and supplies	(3,388,770)
Payments for employee wages, benefits and related costs	(3,190,660)
<b>Net cash provided by operating activities</b>	<u>153,687</u>

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

Property taxes and benefit assessments received	137,371
<b>Net cash provided by noncapital and related financing activities</b>	<u>137,371</u>

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

Acquisition and construction of capital assets	(1,938,308)
Proceeds from Grants	2,882,381
Principal paid on long-term debt	(469,263)
Interest paid on long-term debt	(86,204)
Capacity charges received	117,544
Other capital financing receipts (expenses)	(45,639)
<b>Net cash used by capital and related financing activities</b>	<u>460,511</u>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Investment income received	556,897
<b>Net cash provided (used) by investing activities</b>	<u>556,897</u>

**Net increase (decrease) in cash and cash equivalents** 1,308,466

**Cash and cash equivalents, beginning of year** 57,755,606

**Cash and cash equivalents, end of period** \$ 59,064,072

**FINANCIAL STATEMENT PRESENTATION:**

Cash and cash equivalents - current assets	52,016,072
Cash and cash equivalents - restricted assets	7,048,000
<b>Total cash and cash equivalents</b>	<u><u>\$ 59,064,072</u></u>

**CASH AND CASH EQUIVALENTS RECONCILIATION**

		<b>Balance Includes Mkt Securities</b>	<b>Without Mkt Securities</b>
Unrestricted cash	8/31/2024	82,937,173	52,016,072
Restricted cash	8/31/2024	9,613,301	7,048,000
<b>Total cash and cash equivalents</b>			<u><u>59,064,072</u></u>



OLIVENHAIN MUNICIPAL WATER DISTRICT  
CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)  
AS OF SEPTEMBER 30, 2024

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Receipts from water and sewer customers	\$ 20,334,745
Payments for water	(10,229,761)
Payments for services and supplies	(3,790,487)
Payments for employee wages, benefits and related costs	(4,425,295)
<b>Net cash provided by operating activities</b>	<u>1,889,202</u>

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

Property taxes and benefit assessments received	182,461
<b>Net cash provided by noncapital and related financing activities</b>	<u>182,461</u>

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

Acquisition and construction of capital assets	(2,987,496)
Proceeds from Grants	2,882,381
Principal paid on long-term debt	(1,386,497)
Interest paid on long-term debt	(110,693)
Capacity charges received	161,768
Other capital financing receipts (expenses)	(85,763)
<b>Net cash used by capital and related financing activities</b>	<u>(1,526,300)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Investment income received	799,251
<b>Net cash provided (used) by investing activities</b>	<u>799,251</u>

**Net increase (decrease) in cash and cash equivalents** 1,344,614

**Cash and cash equivalents, beginning of year** 57,755,606

**Cash and cash equivalents, end of period** \$ 59,100,220

**FINANCIAL STATEMENT PRESENTATION:**

Cash and cash equivalents - current assets	53,469,164
Cash and cash equivalents - restricted assets	5,631,056
<b>Total cash and cash equivalents</b>	<u><u>\$ 59,100,220</u></u>

**CASH AND CASH EQUIVALENTS RECONCILIATION**

		<b>Balance Includes Mkt Securities</b>	<b>Without Mkt Securities</b>
Unrestricted cash	9/30/2024	84,390,265	53,469,164
Restricted cash	9/30/2024	8,196,357	5,631,056
<b>Total cash and cash equivalents</b>			<u><u>59,100,220</u></u>

OLIVENHAIN MUNICIPAL WATER DISTRICT  
Consolidated Actual vs Budget Summary  
For the One Month Ending 7/31/2024

	Approved Budget	Actual YTD	Budget YTD	Variance Amt	Variance %	Notes
<b>Operating Revenues</b>						
Commodity Water Sales	\$46,817,000.00	\$5,645,647.98	\$5,670,500.00	(\$24,852.02)	(0.4%)	
Water Fees and Services	19,701,000.00	1,636,991.73	1,641,750.00	(4,758.27)	(0.3%)	
Sewer Revenue	5,725,000.00	13,417.96	18,800.00	(5,382.04)	(28.6%)	
<b>Total Operating Revenues</b>	<b>72,243,000.00</b>	<b>7,296,057.67</b>	<b>7,331,050.00</b>	<b>(34,992.33)</b>	<b>(0.5%)</b>	
<b>Operating Expenses</b>						
Purchased Water - Variable	27,264,000.00	2,952,348.83	2,957,750.00	5,401.17	0.2%	
Purchased Water - Fixed	9,593,000.00	758,025.00	758,900.00	875.00	0.1%	
General Manager Dept	2,232,000.00	152,385.52	186,010.00	33,624.48	18.1%	1
Engineering Dept	2,577,000.00	198,461.00	214,670.00	16,209.00	7.6%	1
Finance Dept	1,875,000.00	127,522.50	156,330.00	28,807.50	18.4%	1
Customer Service Dept	3,226,500.00	248,106.79	269,023.00	20,916.21	7.8%	1
Human Resources Dept	878,000.00	80,662.44	73,183.00	(7,479.44)	(10.2%)	1
Water Operations and Maintenance Dept	13,026,000.00	773,730.31	1,085,879.00	312,148.69	28.7%	1
Parks Dept	542,800.00	37,936.82	45,346.00	7,409.18	16.3%	1
Other Operating Expenses	50,000.00		4,200.00	4,200.00	100.0%	
Sewer Operations and Maintenance Dept	3,397,000.00	176,607.24	283,362.00	106,754.76	37.7%	1
Recycled Water Operations Dept	1,252,500.00	80,583.78	104,210.00	23,626.22	22.7%	1
Paygo Transfers						
Water Operations	5,382,000.00	449,000.00	449,000.00		0.0%	
Sanitation Operations	3,245,000.00	270,000.00	270,000.00		0.0%	
Recycled Operations	1,700,000.00	142,000.00	142,000.00		0.0%	
Capitalized Operations Expenditures	(1,969,700.00)	(90,465.04)	(164,060.00)	(73,594.96)	44.9%	2
<b>Total Operating Expenses</b>	<b>74,271,100.00</b>	<b>6,356,905.19</b>	<b>6,835,803.00</b>	<b>478,897.81</b>	<b>7.0%</b>	
<b>Net Operating Income (Loss)</b>	<b>(2,028,100.00)</b>	<b>939,152.48</b>	<b>495,247.00</b>	<b>443,905.48</b>		
<b>Nonoperating Revenues</b>						
Water Funds	7,289,000.00	294,139.19	266,170.00	27,969.19	10.5%	3
Debt Service Funds	1,057,000.00	12,663.65	13,280.00	(616.35)	(4.6%)	
Sewer Funds	145,000.00	23,850.58	12,100.00	11,750.58	97.1%	3
Recycled Water Funds	342,000.00	31,954.99	28,500.00	3,454.99	12.1%	
<b>Total Nonoperating Revenue</b>	<b>8,833,000.00</b>	<b>362,608.41</b>	<b>320,050.00</b>	<b>42,558.41</b>	<b>13.3%</b>	
<b>Nonoperating Expense</b>						
Capacity Fee Funds	30,000.00	3,076.98	2,480.00	(596.98)	(24.1%)	
Debt Service Funds	1,242,400.00	94,095.02	103,670.00	9,574.98	9.2%	4
Potable Water Funds	748,000.00	77,930.82	79,800.00	1,869.18	2.3%	
<b>Total Nonoperating Expense</b>	<b>2,020,400.00</b>	<b>175,102.82</b>	<b>185,950.00</b>	<b>10,847.18</b>	<b>5.8%</b>	
<b>Inc before Cap Fees and Capital Contributions</b>	<b>4,784,500.00</b>	<b>1,126,658.07</b>	<b>629,347.00</b>	<b>497,311.07</b>		
Capacity Fee Funds	1,457,000.00	115,578.14				
Capital contributions	1,772,000.00	(0.01)				
<b>Change in Net Position</b>		<b>1,242,236.20</b>				

OLIVENHAIN MUNICIPAL WATER DISTRICT  
Actual vs Budget Variance  
For the One Month Ending 7/31/2024

1. Actual departmental expenses varied from the Budget YTD amounts due to the timing of actual operating expenses. The Budget YTD amounts assume expenditures are incurred evenly throughout the year.
2. Actual Capitalized Operating Expenses were lower than the Budget YTD amount due to the timing of capitalized labor spent on District projects. The Budget YTD amount assumes expenditures are incurred evenly throughout the year.
3. Actual Non-operating Revenues – Water Funds and Wastewater Funds were greater than Budget YTD for a positive variance due to higher interest income earned on short-term investments over budgeted returns.
4. Actual Non-operating Expenses - Debt Service Funds were lower than the Budget YTD amount for a positive variance because amortization of the issuance premium is not included in the 2015A Bonds interest expense.

OLIVENHAIN MUNICIPAL WATER DISTRICT  
Consolidated Actual vs Budget Summary  
For the Two Months Ending 8/31/2024

	Approved Budget	Actual YTD	Budget YTD	Variance Amt	Variance %	Notes
<b>Operating Revenues</b>						
Commodity Water Sales	\$46,817,000.00	\$11,498,343.19	\$11,198,800.00	\$299,543.19	2.7%	
Water Fees and Services	19,701,000.00	3,212,702.09	3,283,500.00	(70,797.91)	(2.2%)	
Sewer Revenue	5,725,000.00	14,087.33	20,800.00	(6,712.67)	(32.3%)	
<b>Total Operating Revenues</b>	<b>72,243,000.00</b>	<b>14,725,132.61</b>	<b>14,503,100.00</b>	<b>222,032.61</b>	<b>1.5%</b>	
<b>Operating Expenses</b>						
Purchased Water - Variable	27,264,000.00	6,018,319.64	6,366,500.00	348,180.36	5.5%	1
Purchased Water - Fixed	9,593,000.00	1,516,050.00	1,517,800.00	1,750.00	0.1%	
General Manager Dept	2,232,000.00	330,270.72	372,020.00	41,749.28	11.2%	2
Engineering Dept	2,577,000.00	410,089.41	429,340.00	19,250.59	4.5%	2
Finance Dept	1,875,000.00	371,059.11	312,660.00	(58,399.11)	(18.7%)	2
Customer Service Dept	3,226,500.00	516,889.19	538,046.00	21,156.81	3.9%	2
Human Resources Dept	878,000.00	158,588.57	146,366.00	(12,222.57)	(8.4%)	2
Water Operations and Maintenance Dept	13,026,000.00	2,017,034.45	2,171,758.00	154,723.55	7.1%	2
Parks Dept	542,800.00	79,791.59	90,692.00	10,900.41	12.0%	2
Other Operating Expenses	50,000.00		8,400.00	8,400.00	100.0%	
Sewer Operations and Maintenance Dept	3,397,000.00	444,895.13	566,724.00	121,828.87	21.5%	2
Recycled Water Operations Dept	1,252,500.00	178,563.36	208,420.00	29,856.64	14.3%	2
Paygo Transfers						
Water Operations	5,382,000.00	898,000.00	898,000.00		0.0%	
Sanitation Operations	3,245,000.00	540,000.00	540,000.00		0.0%	
Recycled Operations	1,700,000.00	284,000.00	284,000.00		0.0%	
Capitalized Operations Expenditures	(1,969,700.00)	(181,177.14)	(328,120.00)	(146,942.86)	44.8%	3
<b>Total Operating Expenses</b>	<b>74,271,100.00</b>	<b>13,582,374.03</b>	<b>14,122,606.00</b>	<b>540,231.97</b>	<b>3.8%</b>	
<b>Net Operating Income (Loss)</b>	<b>(2,028,100.00)</b>	<b>1,142,758.58</b>	<b>380,494.00</b>	<b>762,264.58</b>		
<b>Nonoperating Revenues</b>						
Water Funds	7,289,000.00	609,777.91	561,340.00	48,437.91	8.6%	4
Debt Service Funds	1,057,000.00	17,872.49	20,060.00	(2,187.51)	(10.9%)	
Sewer Funds	145,000.00	42,395.53	24,200.00	18,195.53	75.2%	4
Recycled Water Funds	342,000.00	51,287.65	57,000.00	(5,712.35)	(10.0%)	
<b>Total Nonoperating Revenue</b>	<b>8,833,000.00</b>	<b>721,333.58</b>	<b>662,600.00</b>	<b>58,733.58</b>	<b>8.9%</b>	
<b>Nonoperating Expense</b>						
Capacity Fee Funds	30,000.00	4,639.16	4,960.00	320.84	6.5%	
Debt Service Funds	1,242,400.00	177,310.99	207,340.00	30,029.01	14.5%	5
Potable Water Funds	748,000.00	165,271.59	170,600.00	5,328.41	3.1%	
<b>Total Nonoperating Expense</b>	<b>2,020,400.00</b>	<b>347,221.74</b>	<b>382,900.00</b>	<b>35,678.26</b>	<b>9.3%</b>	
<b>Inc before Cap Fees and Capital Contributions</b>	<b>4,784,500.00</b>	<b>1,516,870.42</b>	<b>660,194.00</b>	<b>856,676.42</b>		
Capacity Fee Funds	1,457,000.00	226,088.77				
Capital contributions	1,772,000.00	1,946.36				
<b>Change in Net Position</b>		<b>1,744,905.55</b>				

OLIVENHAIN MUNICIPAL WATER DISTRICT  
Actual vs Budget Variance  
For the Two Months Ending 8/31/2024

1. Purchased Water – Variable costs were lower than the Budget YTD for a favorable variance of \$348 thousand or 5.5%. This is primarily due to the timing of the final take or pay amount owed to the City of San Diego per the recycled water agreement which is included in Budget YTD but not yet paid to the City.
2. Actual departmental expenses varied from the Budget YTD amounts due to the timing of actual operating expenses. The Budget YTD amounts assume expenditures are incurred evenly throughout the year. Finance Department actual departmental costs exceeded Budget YTD primarily due to the printing, mailing, and consulting fees for OMWD's Prop 218 notice and Water Cost of Service Study being higher than staff's estimate, coupled with the timing of expenses hitting at the beginning of the fiscal year.
3. Actual Capitalized Operating Expenses were lower than the Budget YTD amount due to the timing of capitalized labor spent on District projects. The Budget YTD amount assumes expenditures are incurred evenly throughout the year.
4. Actual Non-operating Revenues – Water Funds and Wastewater Funds were greater than Budget YTD for a positive variance due to higher interest income earned on short-term investments over budgeted returns.
5. Actual Non-operating Expenses - Debt Service Funds were lower than the Budget YTD amount for a positive variance because amortization of the issuance premium is not included in the 2015A Bonds interest expense.

OLIVENHAIN MUNICIPAL WATER DISTRICT  
Consolidated Actual vs Budget Summary  
For the Three Months Ending 9/30/2024

	Approved Budget	Actual YTD	Budget YTD	Variance Amt	Variance %	Notes
<b>Operating Revenues</b>						
Commodity Water Sales	\$46,817,000.00	\$16,771,950.78	\$16,034,100.00	\$737,850.78	4.6%	1
Water Fees and Services	19,701,000.00	4,820,353.00	4,925,250.00	(104,897.00)	(2.1%)	
Wastewater Revenue	5,725,000.00	20,353.94	24,800.00	(4,446.06)	(17.9%)	2
<b>Total Operating Revenues</b>	<b>72,243,000.00</b>	<b>21,612,657.72</b>	<b>20,984,150.00</b>	<b>628,507.72</b>	<b>3.0%</b>	
<b>Operating Expenses</b>						
Purchased Water - Variable	27,264,000.00	8,896,663.38	9,439,250.00	542,586.62	5.7%	3
Purchased Water - Fixed	9,593,000.00	2,274,075.00	2,276,700.00	2,625.00	0.1%	
General Manager Dept	2,232,000.00	455,972.43	558,030.00	102,057.57	18.3%	4
Engineering Dept	2,577,000.00	576,045.26	644,010.00	67,964.74	10.6%	4
Finance Dept	1,875,000.00	497,839.06	468,990.00	(28,849.06)	(6.2%)	4
Customer Service Dept	3,226,500.00	724,314.80	807,069.00	82,754.20	10.3%	4
Human Resources Dept	878,000.00	221,575.63	219,549.00	(2,026.63)	(0.9%)	4
Water Operations and Maintenance Dept	13,026,000.00	2,873,140.38	3,257,637.00	384,496.62	11.8%	4
Parks Dept	542,800.00	114,917.19	136,038.00	21,120.81	15.5%	4
Other Operating Expenses	50,000.00		12,600.00	12,600.00	100.0%	
Sewer Operations and Maintenance Dept	3,397,000.00	705,218.02	850,086.00	144,867.98	17.0%	4
Recycled Water Operations Dept	1,252,500.00	294,490.26	312,630.00	18,139.74	5.8%	4
Paygo Transfers						
Water Operations	5,382,000.00	1,347,000.00	1,347,000.00		0.0%	
Sanitation Operations	3,245,000.00	810,000.00	810,000.00		0.0%	
Recycled Operations	1,700,000.00	426,000.00	426,000.00		0.0%	
Capitalized Operations Expenditures	(1,969,700.00)	(273,985.91)	(492,180.00)	(218,194.09)	44.3%	5
<b>Total Operating Expenses</b>	<b>74,271,100.00</b>	<b>19,943,265.50</b>	<b>21,073,409.00</b>	<b>1,130,143.50</b>	<b>5.4%</b>	
<b>Net Operating Income (Loss)</b>	<b>(2,028,100.00)</b>	<b>1,669,392.22</b>	<b>(89,259.00)</b>	<b>1,758,651.22</b>		
<b>Nonoperating Revenues</b>						
Water Funds	7,289,000.00	871,351.95	822,510.00	48,841.95	5.9%	6
Debt Service Funds	1,057,000.00	25,573.35	28,840.00	(3,266.65)	(11.3%)	6
Wastewater Funds	145,000.00	57,876.45	36,300.00	21,576.45	59.4%	6
Recycled Water Funds	342,000.00	69,519.95	85,500.00	(15,980.05)	(18.7%)	6
<b>Total Nonoperating Revenue</b>	<b>8,833,000.00</b>	<b>1,024,321.70</b>	<b>973,150.00</b>	<b>51,171.70</b>	<b>5.3%</b>	
<b>Nonoperating Expense</b>						
Capacity Fee Funds	30,000.00	10,547.40	7,440.00	(3,107.40)	(41.8%)	
Debt Service Funds	1,242,400.00	262,576.47	311,010.00	48,433.53	15.6%	7
Potable Water Funds	748,000.00	257,322.78	254,400.00	(2,922.78)	(1.1%)	
<b>Total Nonoperating Expense</b>	<b>2,020,400.00</b>	<b>530,446.65</b>	<b>572,850.00</b>	<b>42,403.35</b>	<b>7.4%</b>	
<b>Inc before Cap Fees and Capital Contributions</b>	<b>4,784,500.00</b>	<b>2,163,267.27</b>	<b>311,041.00</b>	<b>1,852,226.27</b>		
Capacity Fee Funds	1,457,000.00	319,599.89				
Capital contributions	1,772,000.00	1,946.36				
<b>Change in Net Position</b>		<b>2,484,813.52</b>				

OLIVENHAIN MUNICIPAL WATER DISTRICT  
Actual vs Budget Variance  
For the Three Months Ending 9/30/2024

1. Water Sales revenue was higher than Budget YTD by approximately \$738 thousand resulting in a favorable variance of 4.6% due to the timing of unbilled water estimates. Customers' water usage in the first quarter of fiscal year 2025 was about the same as the amount budgeted YTD.
2. Wastewater Revenue was less than Budget YTD due to timing. 4S Ranch and Rancho Cielo Sanitation Districts' wastewater service fees are collected on the County's tax roll when customers pay their property tax to the County. Actual YTD wastewater service revenue will be closer to Budget YTD amount as the year progresses.
3. Purchased water variable expenses were lower than the Budget YTD for a favorable variance of \$543 thousand or 5.7%. This is primarily due to the timing of the final take or pay amount owed to the City of San Diego per the recycled water agreement which is included in Budget YTD but not yet paid to the City.
4. Actual departmental expenses varied from the Budget YTD amounts due to the timing of actual operating expenses. The Budget YTD amounts assume expenditures are incurred evenly throughout the year. Finance Department actual departmental costs exceeded Budget YTD primarily due to the printing, mailing, and consulting fees for OMWD's Prop 218 notice and Water Cost of Service Study being higher than staff's estimate, coupled with the timing of expenses hitting at the beginning of the fiscal year.
5. Actual Capitalized Operating Expenses were lower than the Budget YTD amount due to the timing of capitalized labor spent on District projects. The Budget YTD amount assumes expenditures are incurred evenly throughout the year.
6. Actual Non-operating Revenues – Water Funds, Debt Service Funds, Wastewater Funds, and Recycled Water Funds were overall greater than Budget YTD for a positive variance due to higher interest income earned on short-term investments over budgeted returns. This is partially offset by the timing of property tax revenues received from the County, and the timing of proceeds from the sale of the District's Wiegand parcels included in the budget.
7. Actual Non-operating Expenses - Debt Service Funds were lower than the Budget YTD amount for a positive variance because amortization of the issuance premium is not included in the 2015A Bonds interest expense.

**Construction Work In Progress Report as of 7/31/2024**

Project Name	Total Project Budget	Cumulative Appropriation Thru FY '25	Total Expensed Thru 7/31/2024 <sup>1</sup>	(Over) Under Cumulative Appropriation Thru FY '25
Replace Neighborhood 1 Sewer Pump Station	\$8,382,000	\$8,382,000	\$6,789,252	\$1,592,748
San Dieguito Desalination	\$75,437,000	\$5,414,000	\$4,997,942	\$416,058
HOA Recycled Pipeline Ext - CB, VP, SH	\$4,145,000	\$4,145,000	\$989,340	\$3,155,660
DCMWTP 4th Stage Centrifuge	\$3,340,000	\$3,340,000	\$488,332	\$2,851,668
RSFe Rd Unit A North Pipeline	\$2,094,000	\$1,936,000	\$530,281	\$1,405,719
District-Wide PLC Replacements	\$1,466,000	\$1,466,000	\$272,938	\$1,193,062
District-Wide PLC Replacement Wastewater	\$1,456,000	\$1,456,000	\$241,597	\$1,214,403
Village Park Pressure Reducing Station	\$1,410,000	\$1,410,000	\$170,357	\$1,239,643
Gardendale Pressure Reducing Station	\$1,410,000	\$1,410,000	\$152,401	\$1,257,599
Replace Headworks Manual System	\$3,369,000	\$1,221,000	\$437,626	\$783,374
Replace DCMWTP Membranes	\$11,231,000	\$936,000	\$0	\$936,000
Replace Potable Meters	\$9,304,000	\$830,000	\$42,870	\$787,130
Replace Valves	\$8,604,000	\$750,000	\$71,393	\$678,607
Fixed Base AMI	\$715,000	\$715,000	\$59,541	\$655,459
Raw Water Equalizer Tank Rehabilitation	\$671,000	\$671,000	\$9,079	\$661,921
Off-Spec and High Flow Diversion Pipeline	\$685,000	\$610,000	\$0	\$610,000
Tank Safety Improvements	\$590,000	\$590,000	\$95,083	\$494,917
Potable & Recycled Master Plan	\$583,000	\$583,000	\$514,957	\$68,043
DCMWTP 2nd Stage Basin & Beam	\$1,784,000	\$577,000	\$0	\$577,000
Units B & K Pipeline Rehabilitation	\$2,142,000	\$562,000	\$235,080	\$326,920
DCMWTP 1st Stage Beam Replacement	\$2,206,000	\$560,000	\$0	\$560,000
Replace Pipelines	\$5,725,000	\$500,000	\$4,812	\$495,188
EFRR Parking Lot Expansion	\$1,385,000	\$476,000	\$93,940	\$382,060
Steel Mains Protection	\$3,484,000	\$304,000	\$2,139	\$301,861
Palms I and II Reservoirs	\$1,792,000	\$277,000	\$90,288	\$186,712
Encinitas Blvd Inspection & Repair	\$677,000	\$274,000	\$8,895	\$265,105
DCMWTP 2nd Stage Membrane Train	\$472,500	\$272,500	\$150,644	\$121,856
Replace 75HP Digester Blower	\$263,000	\$263,000	\$0	\$263,000
District-Wide Scada Upgrades	\$256,000	\$256,000	\$130,719	\$125,281
CIS System Upgrade	\$400,500	\$216,500	\$3,293	\$213,207
Replace WW Pumps, Motors & Equipment	\$2,539,000	\$200,000	\$0	\$200,000
Chlorine Gen Rm Lining Rehabilitation	\$195,000	\$195,000	\$58,261	\$136,739
Fleet Electrification Plan	\$2,450,000	\$193,000	\$28,233	\$164,767
DCMWTP Combined Filter Influent & Backwash Pipe Replacement	\$708,000	\$180,000	\$0	\$180,000
Replace Potable Pumps and Motors	\$2,004,000	\$175,000	\$5,279	\$169,721
Rancho La Cima/Aliso Canyon Pipeline	\$315,000	\$165,000	\$63,359	\$101,641
Firehouse SPS Liner Replacement	\$160,000	\$160,000	\$0	\$160,000
Replace Meter Anodes	\$1,811,000	\$158,000	\$17,342	\$140,658
Golem 14" Pipeline Condition Assessment	\$150,000	\$150,000	\$16,901	\$133,099
Santa Fe Valley Reservoir Improvements	\$150,000	\$150,000	\$0	\$150,000
Manchester Recycled Pipeline Extension	\$150,000	\$150,000	\$41,822	\$108,178
Wanket RW Reservoir Rehabilitation	\$150,000	\$150,000	\$17,525	\$132,475
Del Dios SPS Improvements	\$773,000	\$139,000	\$0	\$139,000
District-Wide Facility Security	\$130,000	\$130,000	\$94,551	\$35,449
Dusty Trails Pipeline Replacement	\$1,180,000	\$120,000	\$0	\$120,000
Replace MSB-S & Transfer Switch	\$1,286,000	\$113,000	\$0	\$113,000
Network Security	\$1,210,000	\$100,000	\$0	\$100,000
DCMWTP Equipment Replacement	\$1,434,000	\$100,000	\$0	\$100,000
Collection System Pipeline Rehabilitation and Replacement	\$865,000	\$75,000	\$0	\$75,000
Replace Recycled Valves	\$850,000	\$75,000	\$0	\$75,000
DCMWTP Bridge Crane Rehabilitation	\$65,000	\$65,000	\$0	\$65,000
Recycled Conversions	\$819,000	\$65,000	\$514	\$64,486
4S WRF Scada Upgrades	\$64,000	\$64,000	\$60,860	\$3,140
DCMWTP Inlet Strainer MOV	\$63,000	\$63,000	\$0	\$63,000
Site Asphalt Improvements	\$200,000	\$60,000	\$0	\$60,000
Replace WRF Electrical Conduits, Enclosures, and Lighting	\$367,000	\$54,000	\$0	\$54,000
Replace PRS Valves	\$642,000	\$54,000	\$0	\$54,000
Replace Overflow Pond Strainer	\$50,000	\$50,000	\$15,096	\$34,904
WW Pump Station Rehab & Replace	\$813,000	\$50,000	\$0	\$50,000
Replace Recycled Pipeline	\$590,000	\$50,000	\$0	\$50,000
Collection System Manhole Rehabilitation Program	\$770,000	\$43,000	\$0	\$43,000
DCMWTP Membrane Train Control	\$395,000	\$35,000	\$0	\$35,000
Replace Recycled Meters	\$543,000	\$30,000	\$0	\$30,000
4S Physical Security Upgrades	\$180,000	\$30,000	\$525	\$29,475
WRF Equipment Replacement Program	\$269,000	\$30,000	\$0	\$30,000
Physical Security Upgrades	\$250,000	\$25,000	\$6,021	\$18,979
Rehab Concrete Tanks	\$295,000	\$25,000	\$0	\$25,000
Gano & San Dieguito Access Improvements	\$75,000	\$20,000	\$0	\$20,000
Upgrade Filter Electrical	\$118,000	\$17,000	\$0	\$17,000
Fleet Electrification Wastewater	\$950,000	\$15,000	\$0	\$15,000
Automotive Equipment Purchases (Small Cap)	\$210,000	\$210,000	\$0	\$210,000
Shop & Field Equipment Purchases (Small Cap)	\$179,000	\$179,000	\$0	\$179,000
Computer Hardware/Software Purchases (Small Cap)	\$78,000	\$78,000	\$0	\$78,000
Office Furniture/Equipment Purchases (Small Cap)	\$20,000	\$20,000	\$5,402	\$14,598
<b>Total :</b>	<b>\$181,994,000</b>	<b>\$44,613,000</b>	<b>\$17,014,489</b>	<b>\$27,598,511</b>

<sup>1</sup> Excludes encumbrances



**Construction Work In Progress Report as of 8/31/2024**

Project Name	Total Project Budget	Cumulative Appropriation Thru FY '25	Total Expensed Thru 8/31/2024 <sup>1</sup>	(Over) Under Cumulative Appropriation Thru FY '25
Replace Neighborhood 1 Sewer Pump Station	\$8,382,000	\$8,382,000	\$7,435,153	\$946,847
San Dieguito Desalination	\$75,437,000	\$5,414,000	\$5,002,654	\$411,346
HOA Recycled Pipeline Ext - CB, VP, SH	\$4,145,000	\$4,145,000	\$1,315,990	\$2,829,010
DCMWTP 4th Stage Centrifuge	\$3,340,000	\$3,340,000	\$496,981	\$2,843,019
RSFe Rd Unit A North Pipeline	\$2,094,000	\$1,936,000	\$698,858	\$1,237,142
District-Wide PLC Replacements	\$1,466,000	\$1,466,000	\$282,341	\$1,183,659
District-Wide PLC Replacement Wastewater	\$1,456,000	\$1,456,000	\$251,001	\$1,204,999
Village Park Pressure Reducing Station	\$1,410,000	\$1,410,000	\$172,148	\$1,237,852
Gardendale Pressure Reducing Station	\$1,410,000	\$1,410,000	\$153,875	\$1,256,125
Replace Headworks Manual System	\$3,369,000	\$1,221,000	\$439,644	\$781,356
Replace DCMWTP Membranes	\$11,231,000	\$936,000	\$0	\$936,000
Replace Potable Meters	\$9,304,000	\$830,000	\$77,197	\$752,803
Replace Valves	\$8,604,000	\$750,000	\$103,412	\$646,588
Fixed Base AMI	\$715,000	\$715,000	\$184,894	\$530,106
Raw Water Equalizer Tank Rehabilitation	\$671,000	\$671,000	\$9,703	\$661,297
Off-Spec and High Flow Diversion Pipeline	\$685,000	\$610,000	\$0	\$610,000
Tank Safety Improvements	\$590,000	\$590,000	\$107,372	\$482,628
Potable & Recycled Master Plan	\$583,000	\$583,000	\$524,701	\$58,299
DCMWTP 2nd Stage Basin & Beam	\$1,784,000	\$577,000	\$0	\$577,000
Units B & K Pipeline Rehabilitation	\$2,142,000	\$562,000	\$235,080	\$326,920
DCMWTP 1st Stage Beam Replacement	\$2,206,000	\$560,000	\$0	\$560,000
Replace Pipelines	\$5,725,000	\$500,000	\$10,415	\$489,585
EFRR Parking Lot Expansion	\$1,385,000	\$476,000	\$95,200	\$380,800
Steel Mains Protection	\$3,484,000	\$304,000	\$5,958	\$298,042
Palms I and II Reservoirs	\$1,792,000	\$277,000	\$93,251	\$183,749
Encinitas Blvd Inspection & Repair	\$677,000	\$274,000	\$11,824	\$262,176
DCMWTP 2nd Stage Membrane Train	\$472,500	\$272,500	\$150,644	\$121,856
Replace 75HP Digester Blower	\$263,000	\$263,000	\$758	\$262,242
District-Wide Scada Upgrades	\$256,000	\$256,000	\$130,719	\$125,281
CIS System Upgrade	\$400,500	\$216,500	\$3,539	\$212,961
Replace WW Pumps, Motors & Equipment	\$2,539,000	\$200,000	\$0	\$200,000
Chlorine Gen Rm Lining Rehabilitation	\$195,000	\$195,000	\$78,013	\$116,987
Fleet Electrification Plan	\$2,450,000	\$193,000	\$29,959	\$163,041
DCMWTP Combined Filter Influent & Backwash Pipe Replacement	\$708,000	\$180,000	\$0	\$180,000
Replace Potable Pumps and Motors	\$2,004,000	\$175,000	\$10,944	\$164,056
Rancho La Cima/Aliso Canyon Pipeline	\$315,000	\$165,000	\$63,359	\$101,641
Firehouse SPS Liner Replacement	\$160,000	\$160,000	\$0	\$160,000
Replace Meter Anodes	\$1,811,000	\$158,000	\$29,750	\$128,250
Golem 14" Pipeline Condition Assessment	\$150,000	\$150,000	\$16,901	\$133,099
Santa Fe Valley Reservoir Improvements	\$150,000	\$150,000	\$0	\$150,000
Manchester Recycled Pipeline Extension	\$150,000	\$150,000	\$41,822	\$108,178
Wanket RW Reservoir Rehabilitation	\$150,000	\$150,000	\$17,838	\$132,163
Del Dios SPS Improvements	\$773,000	\$160,100	\$158,080	\$2,020
District-Wide Facility Security	\$130,000	\$130,000	\$94,551	\$35,449
Dusty Trails Pipeline Replacement	\$1,180,000	\$120,000	\$0	\$120,000
Replace MSB-S & Transfer Switch	\$1,286,000	\$113,000	\$0	\$113,000
Network Security	\$1,210,000	\$100,000	\$0	\$100,000
DCMWTP Equipment Replacement	\$1,434,000	\$100,000	\$0	\$100,000
Collection System Pipeline Rehabilitation and Replacement	\$865,000	\$75,000	\$0	\$75,000
Replace Recycled Valves	\$850,000	\$75,000	\$0	\$75,000
DCMWTP Bridge Crane Rehabilitation	\$65,000	\$65,000	\$0	\$65,000
Recycled Conversions	\$819,000	\$65,000	\$807	\$64,193
4S WRF Scada Upgrades	\$64,000	\$64,000	\$60,860	\$3,140
DCMWTP Inlet Strainer MOV	\$63,000	\$63,000	\$0	\$63,000
Site Asphalt Improvements	\$200,000	\$60,000	\$0	\$60,000
Replace WRF Electrical Conduits, Enclosures, and Lighting	\$367,000	\$54,000	\$0	\$54,000
Replace PRS Valves	\$642,000	\$54,000	\$0	\$54,000
Replace Overflow Pond Strainer	\$50,000	\$50,000	\$15,096	\$34,904
WW Pump Station Rehab & Replace	\$813,000	\$28,900	\$0	\$28,900
Replace Recycled Pipeline	\$590,000	\$50,000	\$0	\$50,000
Collection System Manhole Rehabilitation Program	\$770,000	\$43,000	\$0	\$43,000
DCMWTP Membrane Train Control	\$395,000	\$35,000	\$0	\$35,000
Replace Recycled Meters	\$543,000	\$30,000	\$191	\$29,809
4S Physical Security Upgrades	\$180,000	\$30,000	\$525	\$29,475
WRF Equipment Replacement Program	\$269,000	\$30,000	\$0	\$30,000
Physical Security Upgrades	\$250,000	\$25,000	\$6,021	\$18,979
Rehab Concrete Tanks	\$295,000	\$25,000	\$0	\$25,000
Gano & San Dieguito Access Improvements	\$75,000	\$20,000	\$0	\$20,000
Upgrade Filter Electrical	\$118,000	\$17,000	\$0	\$17,000
Fleet Electrification Wastewater	\$950,000	\$15,000	\$0	\$15,000
Automotive Equipment Purchases (Small Cap)	\$210,000	\$210,000	\$0	\$210,000
Shop & Field Equipment Purchases (Small Cap)	\$179,000	\$179,000	\$14,500	\$164,500
Computer Hardware/Software Purchases (Small Cap)	\$78,000	\$78,000	\$0	\$78,000
Office Furniture/Equipment Purchases (Small Cap)	\$20,000	\$20,000	\$19,334	\$666
<b>Total :</b>	<b>\$181,994,000</b>	<b>\$44,613,000</b>	<b>\$18,651,859</b>	<b>\$25,961,141</b>

<sup>1</sup> Excludes encumbrances

**Construction Work In Progress Report as of 9/30/2024**

Project Name	Total Project Budget	Cumulative Appropriation Thru FY '25	Total Expensed Thru 9/30/2024 <sup>1</sup>	(Over) Under Cumulative Appropriation Thru FY '25
Replace Neighborhood 1 Sewer Pump Station	\$8,382,000	\$8,382,000	\$7,810,198	\$571,802
San Dieguito Desalination	\$75,437,000	\$5,414,000	\$5,017,472	\$396,528
HOA Recycled Pipeline Ext - CB, VP, SH	\$4,145,000	\$4,145,000	\$1,369,134	\$2,775,866
DCMWTP 4th Stage Centrifuge	\$3,340,000	\$3,340,000	\$526,069	\$2,813,931
RSFe Rd Unit A North Pipeline	\$2,094,000	\$1,936,000	\$742,706	\$1,193,294
District-Wide PLC Replacements	\$1,466,000	\$1,466,000	\$290,275	\$1,175,725
District-Wide PLC Replacement Wastewater	\$1,456,000	\$1,456,000	\$259,960	\$1,196,040
Village Park Pressure Reducing Station	\$1,410,000	\$1,410,000	\$252,956	\$1,157,044
Gardendale Pressure Reducing Station	\$1,410,000	\$1,410,000	\$345,946	\$1,064,054
Replace Headworks Manual System	\$3,369,000	\$1,221,000	\$447,458	\$773,542
Replace DCMWTP Membranes	\$11,231,000	\$936,000	\$2,448	\$933,552
Replace Potable Meters	\$9,304,000	\$830,000	\$116,653	\$713,347
Replace Valves	\$8,604,000	\$750,000	\$108,600	\$641,400
Fixed Base AMI	\$715,000	\$715,000	\$262,111	\$452,889
Raw Water Equalizer Tank Rehabilitation	\$671,000	\$671,000	\$9,703	\$661,297
Off-Spec and High Flow Diversion Pipeline	\$685,000	\$610,000	\$0	\$610,000
Tank Safety Improvements	\$590,000	\$590,000	\$107,856	\$482,144
Potable & Recycled Master Plan	\$583,000	\$583,000	\$538,089	\$44,911
DCMWTP 2nd Stage Basin & Beam	\$1,784,000	\$577,000	\$0	\$577,000
Units B & K Pipeline Rehabilitation	\$2,142,000	\$562,000	\$235,080	\$326,920
DCMWTP 1st Stage Beam Replacement	\$2,206,000	\$560,000	\$0	\$560,000
Replace Pipelines	\$5,725,000	\$500,000	\$11,240	\$488,760
EFRR Parking Lot Expansion	\$1,385,000	\$476,000	\$95,200	\$380,800
Steel Mains Protection	\$3,484,000	\$304,000	\$10,005	\$293,995
Palms I and II Reservoirs	\$1,792,000	\$277,000	\$99,211	\$177,789
Encinitas Blvd Inspection & Repair	\$677,000	\$274,000	\$13,587	\$260,413
DCMWTP 2nd Stage Membrane Train	\$472,500	\$272,500	\$150,644	\$121,856
Replace 75HP Digester Blower	\$263,000	\$263,000	\$758	\$262,242
District-Wide Scada Upgrades	\$256,000	\$256,000	\$141,323	\$114,677
CIS System Upgrade	\$400,500	\$216,500	\$4,031	\$212,469
Replace WW Pumps, Motors & Equipment	\$2,539,000	\$200,000	\$0	\$200,000
Chlorine Gen Rm Lining Rehabilitation	\$195,000	\$195,000	\$94,500	\$100,500
Fleet Electrification Plan	\$2,450,000	\$193,000	\$33,868	\$159,132
DCMWTP Combined Filter Influent & Backwash Pipe Replacement	\$708,000	\$180,000	\$0	\$180,000
Replace Potable Pumps and Motors	\$2,004,000	\$175,000	\$10,944	\$164,056
Rancho La Cima/Aliso Canyon Pipeline	\$315,000	\$165,000	\$63,359	\$101,641
Firehouse SPS Liner Replacement	\$160,000	\$160,000	\$0	\$160,000
Replace Meter Anodes	\$1,811,000	\$158,000	\$47,962	\$110,038
Golem 14" Pipeline Condition Assessment	\$150,000	\$150,000	\$16,901	\$133,099
Santa Fe Valley Reservoir Improvements	\$150,000	\$150,000	\$0	\$150,000
Manchester Recycled Pipeline Extension	\$150,000	\$150,000	\$41,822	\$108,178
Wanket RW Reservoir Rehabilitation	\$150,000	\$150,000	\$19,249	\$130,751
Del Dios SPS Improvements	\$773,000	\$160,100	\$158,080	\$2,020
District-Wide Facility Security	\$130,000	\$130,000	\$94,551	\$35,449
Dusty Trails Pipeline Replacement	\$1,180,000	\$120,000	\$0	\$120,000
Replace MSB-S & Transfer Switch	\$1,286,000	\$113,000	\$0	\$113,000
Network Security	\$1,210,000	\$100,000	\$0	\$100,000
DCMWTP Equipment Replacement	\$1,434,000	\$100,000	\$0	\$100,000
Collection System Pipeline Rehabilitation and Replacement	\$865,000	\$75,000	\$0	\$75,000
Replace Recycled Valves	\$850,000	\$75,000	\$0	\$75,000
DCMWTP Bridge Crane Rehabilitation	\$65,000	\$65,000	\$0	\$65,000
Recycled Conversions	\$819,000	\$65,000	\$1,627	\$63,373
4S WRF Scada Upgrades	\$64,000	\$64,000	\$60,860	\$3,140
DCMWTP Inlet Strainer MOV	\$63,000	\$63,000	\$0	\$63,000
Site Asphalt Improvements	\$200,000	\$60,000	\$0	\$60,000
Replace WRF Electrical Conduits, Enclosures, and Lighting	\$367,000	\$54,000	\$0	\$54,000
Replace PRS Valves	\$642,000	\$54,000	\$0	\$54,000
Replace Overflow Pond Strainer	\$50,000	\$50,000	\$15,096	\$34,904
WW Pump Station Rehab & Replace	\$813,000	\$28,900	\$0	\$28,900
Replace Recycled Pipeline	\$590,000	\$50,000	\$0	\$50,000
Collection System Manhole Rehabilitation Program	\$770,000	\$43,000	\$0	\$43,000
DCMWTP Membrane Train Control	\$395,000	\$35,000	\$0	\$35,000
Replace Recycled Meters	\$543,000	\$30,000	\$7,015	\$22,985
4S Physical Security Upgrades	\$180,000	\$30,000	\$525	\$29,475
WRF Equipment Replacement Program	\$269,000	\$30,000	\$0	\$30,000
Physical Security Upgrades	\$250,000	\$25,000	\$6,021	\$18,979
Rehab Concrete Tanks	\$295,000	\$25,000	\$0	\$25,000
Gano & San Dieguito Access Improvements	\$75,000	\$20,000	\$0	\$20,000
Upgrade Filter Electrical	\$118,000	\$17,000	\$0	\$17,000
Fleet Electrification Wastewater	\$950,000	\$15,000	\$0	\$15,000
Automotive Equipment Purchases (Small Cap)	\$210,000	\$210,000	\$0	\$210,000
Shop & Field Equipment Purchases (Small Cap)	\$179,000	\$179,000	\$35,483	\$143,517
Computer Hardware/Software Purchases (Small Cap)	\$78,000	\$78,000	\$2,219	\$75,781
Office Furniture/Equipment Purchases (Small Cap)	\$20,000	\$20,000	\$19,334	\$666
<b>Total :</b>	<b>\$181,994,000</b>	<b>\$44,613,000</b>	<b>\$19,698,128</b>	<b>\$24,914,872</b>

<sup>1</sup> Excludes encumbrances

# Memo

Date: December 11, 2024  
To: Olivenhain Municipal Water District Board of Directors  
From: Jennifer Joslin, Human Resources Manager  
Via: Kimberly A. Thorner, General Manager  
Subject: **CONSIDER ADOPTION OF A RESOLUTION SUPPORTING THE DISTRICT'S  
EMPLOYEE SAFETY AND WELLNESS PROGRAMS**

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## Purpose

The purpose of this agenda item is to consider adoption of this Resolution that will formalize the Board's support of the District's Employee Safety and Wellness programs. This is an annual review of the ongoing programs.

## Recommendation

Staff recommends approval of this Resolution to continue the District's Safety and Wellness programs.

## Alternatives

- The Board may choose to not adopt the Resolution at this time.
- The Board could request that Staff make further revisions to the Resolution or parts of the programs before adoption.

## Background

The Board of Directors has supported the District's Safety and Wellness programs since they were established in June of 1993. Staff asks the Board to support and consider any necessary revisions to the District's Safety and Wellness programs each year. The

Safety program's "*Safety Has No Quitting Time*" (SHNQT) \$10,000 ceiling for any preventable vehicle and property incident damage was last discussed at the September 25, 2024 Safety Committee Meeting. The Safety Committee (Directors Hahn and Meyers) concurred to keep the \$10,000 ceiling in place. No changes to the SHNQT program were recommended by the Committee for 2025. The Safety Recognition Goal of achieving 1,000 days of no preventable lost time injuries was reset to zero effective on September 13, 2022 due to a preventable lost time injury. However, the milestone of achieving two years without a preventable lost time injury was reached on September 13, 2024 and staff are hoping to achieve the 1,000 day goal in June of 2025.

### **Fiscal Impact**

Continuing to support the Safety and Wellness programs will have the following approximate annual fiscal impact, assuming all goals noted below are met:

- \$23,950 - for Safety Recognition (see Chart on Exhibit B) based on Board approved Organizational Chart if fully staffed:
  - Jan 1 to Jun 30 – \$4,750 (\$ 50 x 95 employees) for less than 40 hours of lost time due to preventable injury/incident
  - Jan 1 to Dec 31 – \$4,750 (\$ 50 x 95 employees) for lost time and injury incident rate below 3-year national average
  - Jan 1 to Dec 31 – \$4,750 (\$ 50 x 95 employees) + 100 (\$ 50 x 2 non-payroll positions estimated) vehicle damage under \$10,000
  - Jan 1 to Dec 31 - \$9,500 (\$ 100 x 95 employees) for achieving 1,000 days of no preventable lost time
- \$2,000 - for a Safety Luncheon to recognize safety accomplishments
- \$500 - per year for the "Caught Being Safe" (CBS) recognition (approx. 20 recognitions @ \$25 each)

**\$26,350 = TOTAL amount requested for 2025 Safety Employee Recognition**

The SHNQT program and the CBS program both serve to assist the District with the Special District Risk Management Authority (SDRMA) workers' compensation Credit Incentive Program (CIP), making it possible to earn up to an additional 15% workers' compensation premium discount by adhering to educational, administrative, safety, and risk management practices. Both programs also relate to our "Experience Modification" (ex-mod) number. Keeping a low ex-mod contributes immensely to lowering our overall workers' compensation insurance costs. The District's 2024-2025 ex-mod of .63 significantly reduced the annual premium. The District's 10-year ex-mod and claims history have been included for reference.

**Olivenhain Municipal Water District**  
**Member Since - 07/01/1982**  
**Member Type - Water**  
**As of 10/31/2024**

Coverage Period	EMOD Comparison			Number of Claims			Total Claims Amount		
	Member	Member Type Avg	Pool Avg	Open	Closed	Total	Paid	Outstanding Reserve	Total Incurred
2024-25	0.63	1.10	1.04	1	0	1	\$1,781	\$792	\$2,573
2023-24	0.60	1.06	1.00	0	3	3	\$2,010	\$0	\$2,010
2022-23	0.74	1.00	0.99	0	2	2	\$1,202	\$0	\$1,202
2021-22	0.92	0.97	1.01	0	1	1	\$763	\$0	\$763
2020-21	1.09	1.03	1.03	0	2	2	\$3,822	\$0	\$3,822
2019-20	1.00	1.04	1.04	0	1	1	\$407	\$0	\$407
2018-19	1.05	1.07	1.01	0	8	8	\$68,106	\$0	\$68,106
2017-18	0.82	0.97	0.97	0	5	5	\$89,440	\$0	\$89,440
2016-17	0.70	1.13	1.02	0	4	4	\$42,660	\$0	\$42,660
2015-16	0.94	1.17	1.06	0	3	3	\$56,423	\$0	\$56,423
	<b>0.85</b>	<b>1.05</b>	<b>1.02</b>	<b>1</b>	<b>29</b>	<b>30</b>	<b>\$266,615</b>	<b>\$792</b>	<b>\$267,407</b>

For 2024-2025, the District \$411,333.99 workers' compensation annual premium was reduced to \$169,721.35 including significant ex-mod, CIP, and longevity discounts equating to \$241, 612.64 in savings. The District can earn up to 15 annual CIP points (1% discount per point) off our workers' compensation premium. Information about the CIP points is attached and as can be seen, involves numerous safety related goals and directives which will enhance our safety culture. The goal of the Safety/Risk Compliance Administrator (SRCA) in 2025 is to achieve the total 15% discount incentive. Staff notes this incentive is an offset to the 2025 Safety Recognition Program fiscal impact.

### Discussion

With the Board's continued commitment and approval of our safety programs, District employees get involved and take ownership of their safety performance. The District can also promote healthy lifestyles for employees through various means including wellness trainings, use of the onsite gym facility, onsite fitness/yoga instructor, and even employee wellness challenges. This support has created an exceptional safety culture and helped to provide a safe and healthy work environment for staff.

Attachments:     Workers' Compensation Program Invoice  
                          CIP Incentive Program Criteria  
                          CIP Status Report  
                          Resolution and Exhibits

Workers' Compensation Program Invoice



Program Year 2024-25

Olivenhain Municipal Water District

1966 Olivenhain Road  
Encinitas, California 92024

Invoice Date: 06/05/2024  
Invoice Number: 75912  
Member Number: 5158

Class Code	Classification Description	Reported Payroll	Rate per \$100	Annual Contribution
7520	Waterworks Operations	\$4,629,675	\$5.97	\$276,391.60
7580	Sanitary or Sanitation Agency Operations	\$835,025	\$7.33	\$61,207.33
8742-D	Paid Governing Body Members	\$45,000	\$0.72	\$324.00
8810	Clerical/Office Employees	\$3,723,031	\$0.67	\$24,944.31
9410	Non-Manual Labor; including Agency Managers and Recreation Person	\$940,770	\$2.19	\$20,602.86
9420	Manual Labor; including Park and Landscape Maintenance Personnel	\$288,745	\$9.65	\$27,863.89

\*\* Indicates per capita rate class code

Total Estimated Annual Contribution Based on Manual Rates	\$411,333.99
Contribution as Adjusted by the Experience Modification Factor of 63%	\$259,140.41
Less: *9% Credit Incentive Program Discount	-37,020.06
Estimated Annual Adjusted Contribution	\$222,120.35
Less: Longevity Distribution Credit	-52,324.00
Less: 5% Multi-Program Discount	0.00
Less: Member Plus Online RQ Bonus	-75.00
Net Estimated Annual Contribution	\$169,721.35

Total Contribution Amount Due by 30 Days \$169,721.35

Please pay in full by the due date. If not, a late charge of one percent (1%) per month, twelve percent (12%) per annum, will be assessed on all sums past due. Imposition of this charge does not extend the due date for payment.

Remit Payment to:  
Special District Risk Management Authority  
P.O. Box 15677, Sacramento, California 95852

For invoice questions contact the SDRMA Finance Department at [accounting@sdrma.org](mailto:accounting@sdrma.org) or 800.537.7790

### 2024-25 Credit Incentive Program Criteria

Special District Risk Management Authority (SDRMA) is committed to establishing a strategic partnership with our members to provide maximum protection, help control losses and positively impact the overall cost of workers' compensation coverage through the Credit Incentive Program.

Credit incentives of up to 15 points can be earned based on an Agency's participation in meeting the following program guidelines. One CIP point is equal to a 1% discount on the Agency's Workers' Compensation Program contributions invoice. Participating members may choose among various options to complete during the CIP period (April 1 – March 31) to reach the maximum points allowable within each track.

**The maximum total points a member can receive is 15 points (not including bonus points) and points earned before March 31, 2025, will be applied to the 2025-26 Program Year.** Options allowing a member to earn points for both Property/Liability and Workers' Compensation are designated with ***(Credit will be applied to both programs)***. Points are currently awarded as follows:

#### **RISK CONTROL TRACK (8 POINTS MAXIMUM)**

**SDRMA General Safety Specialist or Supervisor Safety Specialist Certificate** *(Credit will be applied to both programs)*

**2 points maximum | Documentation Required** - Submit certificates of completed Vector Solutions/OSHA courses to SDRMA. If course is taken at SDRMA Education Day, no documentation is required.

Description: For staff accredited with the SDRMA General Safety Specialist Certificate or Supervisor Safety Specialist Certificate. This certificate program is a way for the Agency's staff to demonstrate their dedication to safety and loss prevention. The General Safety Specialist certificate requires the Agency employee complete and pass four OSHA certified general training courses and to receive the Supervisor Safety Specialist certificate, complete and pass two supervisory safety courses in addition to the four OSHA certified general training courses. Certificates are valid for 2 years. (Credits earned for first year and renewal)

**Staff Attendance at SDRMA Workshop** *(Credit will be applied to both programs)*

**3 Points maximum | No Documentation Required** - Will be confirmed by SDRMA.

Description: For each full-day attendance by the Agency's safety officer, designated individual, or employee(s) at an SDRMA Safety/Claims Education Day or SDRMA Regional Workshop. (First attendee earns 2 points, second attendee earns 1 point)

**Management Staff Attendance at Legal Seminar**

**2 Points maximum | Documentation Required** – Course syllabus and certificate of completion.

Description: For management staff or governing body member attending an approved Legal Seminar relating to Employment Practices or Human Resource issues. (Each attendee earns 1 point)

**Vector Solutions Online Training Program**

**3 points maximum | No Documentation Required** - Will be confirmed by SDRMA.

Description: For staff participation in SDRMA's online safety training program – Vector Solutions Safety Programs. 25% of member employees (FT, PT and volunteer firefighters) must each successfully complete a minimum of four individual e-training modules.

## Workers' Compensation Program



### Staff Participation in Defensive Driver Training

**2 points maximum | Documentation Required** – Course syllabus and certificate of completion of all drivers who drive for the member (whether in a scheduled vehicle or non-scheduled vehicle) must be submitted to SDRMA for credit.

Description: For staff participation in defensive driving course for members with scheduled or non-scheduled vehicles. All drivers must participate. Defensive Driver courses are also available on Vector Solutions website.

### ADMINISTRATION TRACK (2 POINTS MAXIMUM)

#### Management Staff with CSDM accreditation by SDLF *(Credit will be applied to both programs)*

**2 points maximum | No Documentation Required** - Will be confirmed by SDLF.

Description: For management staff accredited with the Certified Special District Manager (CSDM) designation by the Special District Leadership Foundation (SDLF). This certification program is a way for special district administrators to affirm – to their customers, to their board of directors, and to themselves – that they are competent and experienced in their profession. Requirements for this certification include management experience, continuing education, community service, and ultimately an exam. (Credits earned for first year and renewal)

#### Management Staff Attendance at CSDA Sponsored Training *(Credit will be applied to both programs)*

**2 points maximum | No Documentation Required** - Will be confirmed by CSDA.

Description: For each full-conference attendance by the Agency's management staff at the following California Special Districts Association (CSDA) sponsored training programs: CSDA annual conference workshops, GM Summit Conference, Board Secretary Conference and the Special District Leadership Academy training program (Each attendee earns 1 point).

### GOVERNANCE TRACK – GOVERNING BODY RELATED (2 POINTS MAXIMUM)

#### SDLF District of Distinction Designation *(Credit will be applied to both programs)*

**2 points maximum | No Documentation Required** - Will be confirmed by SDLF.

Description: For Agency accredited with District of Distinction designation by the Special District Leadership Foundation (SDLF). This accreditation program enables districts to demonstrate to their communities, the media and legislators their commitment to operate in a sound, responsible manner. Districts apply to SDLF for designation as a "District of Distinction" by submitting financial audits, policies and procedures and proof of Governance and Ethics training received by directors and executive staff. (Credits earned for first year and renewal)

#### Single Board Member Attendance at CSDA Training *(Credit will be applied to both programs)*

**2 points maximum | No Documentation Required** - Will be confirmed by CSDA training attendance sheet.

Description: For each full-conference attendance by a member of the Agency's governing body at the following California Special Districts Association (CSDA) sponsored training programs: CSDA annual conference workshops, GM Summit Conference, and the Special District Leadership Academy and/or Special District Leadership Foundation programs. (Each attendee earns 1 point).

### CLAIMS TRACK (3 POINTS MAXIMUM)

#### Utilization of Company Nurse

**1 point maximum | No Documentation Required** - Will be confirmed by SDRMA.

Description: For a member agency utilizing the Company Nurse incident reporting toll-free number (877.518.6711) to report each workplace incident during the program year prior to filing a workers' compensation claim form (DWC1).



## Workers' Compensation Program

### No Claims During the Year

**1 point | No Documentation Required** - Will be confirmed by SDRMA.

*Description:* For a participating member agency not having any "paid" **and/or** "filed" claims for one year as well as having an EMOD 1.0 or under.

### No Claims for Prior 3 Years

**2 points | No Documentation Required** - Will be confirmed by SDRMA.

*Description:* For a participating member agency not having any "paid" **and/or** "filed" claims for three years as well as having an EMOD 1.0 or under.

**The following bonus points are in addition to the 15 CIP point limit:**

<b>CLAIMS BONUS TRACK (3 POINTS MAXIMUM)</b>
--

#### 5 Year No Claims Bonus

**3 points | No Documentation Required** - Will be confirmed by SDRMA.

*Description:* For a participating member agency not having any "paid" **and/or** "filed" claims for five years as well as having an EMOD 1.0 or under.

### CONTACT INFORMATION

For questions regarding the Credit Incentive Program, please contact us at [memberplus@sdrma.org](mailto:memberplus@sdrma.org) or 800.537.7790.

Also, visit our website at [www.sdrma.org](http://www.sdrma.org), click on MemberPlus Services and then click on Vector Solutions Program to view information about the Online Certified Safety Training Program Courses available to all members including:

Over 800-member safety-training courses in English and Spanish

- Courses that meet State and Federal government regulations for required contact hours for certified water and wastewater operators
- Courses endorsed by the National Fire Protection Association (NFPA)
- Courses that are recognized and accepted by the California Water Environmental Association (CWEA) and the California Department of Health Services (DHS)
- OSHA approved training courses – 40 new courses
- Professional Development Courses in Leadership, Management, Computer Skills, Customer Service, Finance, Health and Wellness
- Online Driver Training and Compliance Program
- Emergency Vehicle Operator
- Law Enforcement, Online Police Training
- Human Resources

**\*Note – Management staff is defined as a member employee who directly supervises other employees or holds the Board Clerk position. Job title must include "supervisor" or "manager" to qualify for CIP credits.**

# Workers' Compensation Credit Incentive Program



## Olivenhain Municipal Water District

CIP Points Earned as of: 11/20/2024

The Credit Incentive Program (CIP) is designed to encourage our Members to take a proactive approach for loss prevention administration, training and safety/risk management. In an effort to assist our Members in achieving the lowest contributions possible, we performed a review of the documents submitted to date for the CIP program year 2024-25. The following earned credits have been documented:

CIP Criteria Description*	CIPs Earned	Unearned CIPs
SDRMA Safety Specialist Certificate	0	2
Staff Attendance at SDRMA Workshop	0	2
Additional Staff Attendance at SDRMA Workshop	0	1
Management Staff Attendance at CSDA Legal Seminar	0	1
Additional Management Staff Attendance at CSDA Legal Seminar	0	1
Vector Solutions Online Training Program	3	0
Staff Participation in Defensive Driver Training	0	2
<b>RISK CONTROL TRACK TOTALS - 8 POINTS MAXIMUM</b>	<b>3</b>	<b>5</b>
Management Staff with CSDM accreditation by SDLF	0	2
Management Staff Attendance at CSDA Sponsored Training	1	0
Additional Management Staff Attendance at CSDA Sponsored Training	0	1
<b>ADMINISTRATION TRACK TOTALS - 2 POINTS MAXIMUM</b>	<b>1</b>	<b>1</b>
SDLF District of Distinction designation	0	2
Single Board Member Attendance at CSDA Training	1	0
Additional Board Member Attendance at CSDA Training	1	0
<b>GOVERNANCE TRACK TOTALS - 2 POINTS MAXIMUM</b>	<b>2</b>	<b>0</b>
No Claims during the year	0	1
No Claims for prior 3 years	0	2
Utilization of Company Nurse	0	2
<b>CLAIMS TRACK TOTALS - 3 POINTS MAXIMUM</b>	<b>0</b>	<b>3</b>
<b>COMBINED TRACK TOTALS - 15 POINTS MAXIMUM</b>	<b>6</b>	<b>9</b>
<b>5 YEAR NO CLAIMS BONUS</b>	<b>0</b>	<b>3</b>
<b>TOTAL CREDIT INCENTIVE POINTS</b>	<b>6</b>	<b>12</b>

\*For detailed information, please see the Workers' Compensation CIP criteria for the applicable Program Year. For questions, please contact us at [memberplus@sdrma.org](mailto:memberplus@sdrma.org) or 800.537.7790.

RESOLUTION NO. 202~~43~~##

RESOLUTION OF THE BOARD OF DIRECTORS OF THE OLIVENHAIN  
MUNICIPAL WATER DISTRICT SUPPORTING EMPLOYEE SAFETY AND  
WELLNESS PROGRAMS

WHEREAS, the Board of Directors of Olivenhain Municipal Water District wishes to recognize its employees as its most valuable asset; and

WHEREAS, the Board wishes to promote safety awareness among employees and continue to recognize the significance of safe behavior; and

WHEREAS, the Board recognizes that implementing health promotion programs can reduce lifestyle related diseases among employees; and

WHEREAS, the Board believes that promoting healthy lifestyles can reduce illness and absences among employees and subsequently have a beneficial effect on the cost of sick leave and health insurance claims experience and premiums; and

WHEREAS, the Board wishes to encourage "employee ownership" of the Safety and Wellness Program and to create an atmosphere of success through teamwork; and

WHEREAS, the Board believes that providing safety and wellness incentives will encourage loss prevention efforts and result in savings on workers' compensation insurance and reduction in health insurance claims.

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

Section 1. The Board shall continue to support the District's Safety and Wellness Program as managed by the Safety Committee (*Exhibit "A"*).

Section 2. The District is committed to continuing to fund the SHNQT (***Safety Has No Quitting Time***) employee recognition program for calendar year 202~~5~~4 (*Exhibit "B"*).

Section 3. The District remains committed to the ***"Caught Being Safe"*** (CBS) program, which will provide additional recognition of employees at the District's monthly Employee Forums (*Exhibit "B"*).

| PASSED, ADOPTED AND APPROVED at a regular Board meeting of the Board of Directors of the Olivenhain Municipal Water District held on December 1~~1~~3, 202~~4~~3.

ATTEST:

\_\_\_\_\_  
Christy Guerin, President  
Board of Directors  
Olivenhain Municipal Water District

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

## 2025 SAFETY AND WELLNESS PROGRAM

### Goal:

Emphasize the positive role safety has in the workplace by creating interactive safety and wellness programs for employees. Maintain a workplace wellness program to encourage employees to choose personal health goals and healthy lifestyles with their family members and doctors.

### Elements:

- 1) Continue employee healthy lifestyle programs such as the *Health and Wellness Fair* and the *Healthy Heart Walk*.
- 2) Maintain the onsite Wellness Center (District's Gym) for use by employees and their families.
- 3) Promote employees' participation in the District's onsite gym.
  - If requested, obtain personal trainer(s) (yoga or fitness) to instruct classes on employees' time at employees' expense and allow employees to use their sick time for payment.
  - Provide authorized reimbursements not to exceed \$24.00/month for offsite employees who work-out at a non-District gym at least four (4) times a month and submit proof of attendance. (An offsite employee is an employee whose primary assignment is working at the Water Reclamation Facility, the Water Treatment Plant, or the Elfin Forest Recreational Reserve.)
- 4) Maintain the SHNQT (*Safety Has No Quitting Time*) employee recognition program and to keep the goal of zero lost time injuries each year.
  - Work with employee committees HR/Employee Association Team (HEART), Bargaining Unit Members Association (BUMA), District Employees Association (DEA), Safety Sub-committee, etc. to keep the program effective and avoid entitlement;
  - Retain Employee Volunteer Safety Sub-committee to get accurate employee feedback about safety promotions;
  - Work with the Employee Volunteer Safety Sub-committee to determine methods to maintain a safe and rewarding work environment.
- 5) Continue the "*Caught Being Safe*" program to recognize District employees at Employee Forums and acknowledge their safety practices.
- 6) Continue awareness campaigns and make sure that CPR and First Aid trainings are offered at least once per year.
- 7) Continue to promote *Injury Prevention Program* (IPP) with monthly Special District Risk Management Authority (SDRMA) and OMWD in-house tailgate trainings.



## SAFETY HAS NO QUITTING TIME (SHNQT) Employee Longevity Safety Recognition Program

The Board of Directors has approved a Safety Resolution supporting a recognition program for all employees. The program's objective is to encourage safe behaviors and training resulting in zero on the job, lost time, injuries and illnesses. An employee volunteer Sub-Committee works with the Safety/Risk Compliance Administrator to support the recognition program and assist with identifying various methods to achieve our safety goals.

The Safety Committee shall use the following guidelines when evaluating accidents for the purpose of the Employee Longevity Safety Recognition Program:

1. **Definitions:** See the District's Safety Manual for definitions of Preventable, Reasonable, Responsible Party, and Lost Time.
2. **Eligibility:** Only OMWD employees are eligible for recognition regarding preventable lost time injuries. OMWD employee and non-payroll positions (temps/interns) are eligible for recognition regarding vehicle incident and/or vehicle related property damage as seen below. Eligible personnel must have worked 1 day during the eligible period and must maintain their employment status on the day of recognition distribution.
3. **Specifics:** OSHA work-related injury and illness recordkeeping requirements are separate and distinct from the District's safety recognition program. It will take a majority vote of the Safety Committee (including agreement of Committee Board Member(s) present) to approve the determination that a specific recordable OSHA Form 300 injury/illness is non-preventable. Only OMWD employees will impact recognition status regarding preventable lost time injuries. OMWD employees, Board Members, and non-payroll positions (temps/interns) will impact the recognition status regarding vehicle incident and/or vehicle related property damage as seen below.
4. **Structure:** The annual Employee Longevity Safety Recognition Program is structured to recognize employees and the safety record on a continuous basis, with an opportunity to reach our safety goals in order to be eligible for the safety recognition. Every six months, the number of lost time hours will be determined and if the goal as identified below is achieved, employees will receive the safety recognition. If portions of the end-of-year goals are not achieved, there may be a pro-rated recognition. Should a preventable lost time injury occur, the next eligibility timeframe will begin the day after the incident.

The **Employee Longevity Safety Recognition** will be given to all eligible personnel after the end of the calendar year if:

1. The OMWD Injury Incidence Rate (IIR) is below the previous three-year average "National incident rate for Water Supply and Irrigation Systems (22131)" **The National Injury/Illness Rate can be found at [www.BLS.gov](http://www.BLS.gov) (Bureau of Labor Statistics) AND**
2. Any preventable vehicle & property incident damage (District or public) is less than \$10,000. (Inclusive of materials, labor, tax, and parts costs when calculated.) Staff time is not included. Estimated damages also count towards this total even if it is decided not to completely repair the vehicle or property. Preventable vehicle & property damage involving Board Members, Non-Payroll Positions, and OMWD Employees will count towards the "Employee Longevity Safety Recognition Program."
  - o *This \$10,000 was determined by the number of miles and total number of vehicles driven by the District each year and was again approved by the Safety Committee in 9/2024. The value of the Longevity Safety Recognition is based on the approved annual budget by the Board of Directors. A safety recognition luncheon will be held yearly to present the safety recognition.*

### Safety Recognition Goals CY 20254

Recognition Period	Goal	Recognition
January 1 to June 30	Less than 40 hours of lost time due to preventable injury/accident	\$50
January 1 to December 31	1) Keep less than 40 hours of lost time due to preventable injury/accident <b>AND;</b> 2) Keep IIR (Injury Incident Rate) below 3-year national average	\$50
	3) Keep preventable vehicle incident and/or vehicle related property damage below \$10,000	\$50
	4) Achieve 1,000 days of no preventable lost time injuries from 9/13/22	\$100

**Preventable damage to any vehicle and/or property (District or public) in excess of \$10,000 will result in the loss of \$50 towards the January 1 to December 31 safety recognition. However, the other \$50 Longevity Safety Recognition portion will still be in effect. In addition, employees will be eligible for \$100 if the record of no preventable lost time injuries is continued. Thus, the maximum end-of-year recognition is \$200.**

### Caught Being Safe Program (CBS Program)

The Caught Being Safe program was developed to provide an opportunity to recognize those employees who consistently demonstrate a high regard for safety on the job. Employees are nominated by peers, Supervisors, Managers, or the Safety Administrator to receive a \$25 maximum/minimum value recognition at a monthly Employee Forum. All employees with a satisfactory or above performance rating and not currently on disciplinary action are eligible for a CBS award. A CBS award shall be approved by the General Manager.

# Memo

Date: December 11, 2024  
To: Olivenhain Municipal Water District Board of Directors  
From: Melody Colombo, Administrative Analyst  
Via: Kimberly A. Thorner, General Manager  
Subject: **CONSIDER REVISIONS TO THE LEGISLATIVE GUIDELINES FOR 2025**

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## Purpose

The purpose of this item is to consider proposed updates to OMWD's Legislative Guidelines for 2025. This item is an annual update.

## Recommendation

Staff recommends approval of the proposed revisions to the Legislative Guidelines.

## Alternative(s)

- The board could choose against approval of changes to the Legislative Guidelines for 2025.
- The board could direct staff as otherwise deemed appropriate.

## **Background**

OMWD's Legislative Guidelines were originally drafted at the direction of the Ad Hoc Legislative Committee (since dissolved) and approved by the board in 2008. The guidelines provide a framework for staff to evaluate the potential impact of state and federal legislation upon OMWD, and to establish positions on legislation accordingly. The guidelines also identify board positions on issues that may arise through administrative or regulatory actions. Having such guidelines in place allows staff to act expeditiously between board meetings on legislation that falls within the guidelines. Staff does not act upon legislation with potentially complicated, cost-prohibitive, or indeterminate implications prior to obtaining guidance from the board. Substantive changes to the guidelines in 2016 reflected the retention of Nossaman LLP for legislative and regulatory government relations at the state level as well as grant support services, which have since been extended annually.

In May 2024, the board adopted water bond priorities for a state climate bond and approved proposed revisions to the 2024 Legislative Guidelines concerning water bonds.

## **Fiscal Impact**

There is no direct fiscal impact associated with revising the Legislative Guidelines.


## **Discussion**

Revisions proposed for 2025 include a new guideline to support a state-administered low-income water rate assistance program aligned with the final State Water Resources Control Board AB 401 Report (2020). Another new proposed guideline supports legislation that makes updates to Public Contract Code to establish reasonable limits for public works contracts allowing OMWD the flexibility to cost-effectively procure goods and services according to its needs. In addition to OMWD staff's independent analysis of OMWD's existing guidelines for potential improvements, the proposed updates also incorporate many of the changes made by San Diego County Water Authority to its own Legislative Policy Guidelines for 2025. The proposed changes for 2025 have been reviewed by Nossaman LLP.

### *Attachments:*

- *Proposed 2025 Legislative Guidelines - redlined*



 Municipal Water District <b>Guidelines &amp; Procedures Manual</b>	<b>Legislative Guidelines</b>	
	OMWD Guidelines & Procedures	
	Page 1 of 26	Latest Revision Date <del>December 11, 2024</del> May 15, 2024

## Introduction

Olivenhain Municipal Water District is a multi-purpose public agency established in 1959. OMWD provides water, wastewater, recycled water, and recreation management services to its customers in northern San Diego County.

OMWD faces growth necessitating the acquisition and development of water treatment and supply opportunities, infrastructure expansion and improvements, and enhanced customer services. OMWD also operates in an environment of escalating costs, increased regulatory compliance, customer demands for continuously improving services, and competition for resources.


In this dynamic environment, OMWD strives to accomplish its mission of providing safe, reliable water, wastewater, and recycled water services to its customers in a cost-efficient and environmentally responsible manner. To support the accomplishment of this objective, OMWD has developed a legislative program to represent its interests and those of its customers in Sacramento and Washington, DC. OMWD is fully committed to proactive legislative action in a rapidly changing water supply environment.

These guidelines provide direction to staff as to how to respond to state and federal legislation that may impact OMWD. The guidelines may also be applied as appropriate to administrative or regulatory issues of concern. Legislation that meets or fails to meet the principles set forth in these guidelines may be supported or opposed accordingly. These guidelines permit staff to act expeditiously between board meetings on issues that fall within the guidelines; such actions are then reported to the board at their next meeting. Staff will not act upon legislation with potentially complicated, cost-prohibitive, or indeterminate implications without guidance from the board. Concepts for new legislation may be presented to the board for action in the event that OMWD seeks sponsorship of a bill.

OMWD will also use the monthly Legislative Report to inform the board and generate discussion of legislative, regulatory, or administrative items of significance.

## Legislative Program

- Staff will maintain a current list of bills or proposed legislation that may affect OMWD and its customers.
- Staff will prepare regular updates accessible to the Board of Directors, the General Manager, and the executive team.
- Staff will represent OMWD before state and federal legislative and administrative bodies.

 Municipal Water District Guidelines & Procedures Manual	Legislative Guidelines	
	OMWD Guidelines & Procedures	
	Page 2 of 26	Latest Revision Date <del>December 11, 2024</del> May 15, 2024

- Staff will defend, sponsor, or promote legislation that serves OMWD and its customers.

### Legislative Advocate

OMWD’s current state legislative advocate is Nossaman LLP. The firm’s scope of work includes but is not limited to reporting to the board and staff on legislation, budget action, and regulatory action that may affect OMWD; making recommendations to OMWD regarding strategy on when to engage on issues impacting OMWD; conveying the positions of OMWD through direct advocacy with Sacramento decision-makers; ensuring that OMWD is part of all discussion and negotiation before legislation and regulatory issues are finalized; facilitating meetings for OMWD with legislators/regulatory decision makers; and assisting OMWD in educating local and state policymakers/regulators on the development of local water supply projects within OMWD's service territory.


In the role of state legislative advocate, Nossaman LLP’s scope also includes identifying grant opportunities for the priority projects of OMWD; drafting and coordinating the preparation of grant applications for state funding and/or Integrated Regional Water Management opportunities; meeting with relevant state agency staff to review the scope of projects and review the components necessary to submit successful grant applications; coordinating support for grant applications from local government partners, local organizations, political leaders, and community groups; providing direct advocacy for grant projects with SWRCB members and/or executive staff; providing availability to meet with regional partners, district leadership, board members, or the community to educate and advocate for grant projects; and providing other services as determined by mutual agreement that will lead to OMWD receiving state financial assistance for construction of a project.

### Guidelines for Policy on Legislation


OMWD’s Legislative Guidelines for the current legislative session shall be applied at the direction of the General Manager as relevant legislation arises. Actions taken by staff shall be reported to the board, citing the guideline(s) with which the action complies.

#### ***I. Imported Water Supply - It shall be OMWD’s policy to support legislation that:***

1. Provides for development of a comprehensive state water plan that balances California's competing water needs in an equitable “fair share” approach that balances costs amongst regions and results in a reliable and affordable supply of high-quality water for the San Diego region.
2. Provides conveyance and storage facilities that are cost-effective and are proportionate to the benefits they receive, improve the reliability and quality of the San Diego region's water supplies, and protect the Sacramento-San Joaquin Delta’s ecosystem.

 Municipal Water District Guidelines & Procedures Manual	Legislative Guidelines	
	OMWD Guidelines & Procedures	
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3. Investigates and provides financial support to projects designed to mitigate potential negative impacts of climate change on water supply reliability.
4. Authorizes and appropriates the federal share of funding for the long-term Sacramento-San Joaquin Delta solution.
5. Provides the ongoing state share of funding for the long-term Sacramento-San Joaquin Delta solution.
6. Provides state funding for aquatic toxicity monitoring in the Sacramento-San Joaquin Delta. Such legislation should not place a surcharge on water supply exports nor should it substantively reduce funding for other measures that protect the environment and public health.
7. Supports implementation and funding of the California Colorado River Water Use Plan, including the Lower Colorado River Multi-Species Conservation Program.
8. Provides funding for Colorado River salinity control projects and other water quality management efforts.
9. Encourages and facilitates voluntary water transfers and exchanges consistent with other OMWD policies and agreements.
10. Provides appropriate protection or mitigation for the environment, groundwater basins, water-rights holders, and third-party impacts within the district transferring water.
11. Streamlines the permitting and approval process for implementing transfers and exchanges that will improve water management.
12. Encourages efficient use of existing facilities to advance voluntary transfers and exchanges of water.
13. Provides an appropriate level of accountability and cost control over Metropolitan Water District of Southern California and San Diego County Water Authority spending. When time permits, legislation on this issue is to be brought to the board before any action is taken.
14. Requires Metropolitan Water District of Southern California and the San Diego County Water Authority to refund or credit to their member agencies revenues collected from them that result in reserve balances greater than the maximum reserve levels established pursuant to state legislation.

 Municipal Water District Guidelines & Procedures Manual	Legislative Guidelines	
	OMWD Guidelines & Procedures	
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~~15. Promotes the sustainability of the Colorado River through the development of water supply storage in order to provide flexibility with annual transfer volumes and support drought contingency planning.~~

~~15. Supports the sustainability of the Colorado River and provides operational flexibility through the development of storage, including in Lake Mead, and through the renegotiation of the new interim shortage guidelines for the Colorado River's continued operation.~~

16. Provides federal and/or state authorization, resources to manage, and appropriations of funding to implement, Salton Sea mitigation efforts, and the state's phased approach to restoration consistent with the Salton Sea Management Program.

17. Supports the state's Salton Sea Management Program adopted by the State Water Resources Control Board in November 2017.

18. Supports a more equitable voting structure at the San Diego County Water Authority.

19. Advances strategic long-term water management that includes the ability to transfer, share, and exchange supplies both within the state of California and across state lines.

~~18-20.~~ Incorporates seawater desalination and brackish groundwater desalination as part of a slate of long-term infrastructure projects to support the Colorado River.

## **II. Imported Water Supply - It shall be OMWD's policy to oppose legislation that:**


1. Establishes a broad-based user fee that does not support a specific Sacramento-San Joaquin Delta conveyance option; any fee must provide a clear nexus to the benefit the fee would provide.

2. Makes urban water supplies less reliable or substantially increases the cost of imported water without also improving the reliability and/or quality of the water.

3. Adversely affects local water management efforts ~~by granting property rights status for the right to use or receive water and requires compensation for federal actions that impact users of water from federal projects.~~

4. Impedes the ability to implement water transfers and exchanges both inter-state and intra-state through increased regulatory or procedural impediments. ~~Creates a water transfer clearinghouse that is anything other than a neutral information resource.~~


5. Does not adhere to the Law of the River, nor protect water rights. ~~Increases regulatory or procedural impediments to water transfers at the local or state level.~~

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5-6. As part of the development of the next set of Colorado River management guidelines, imposes potential future reductions on just the Lower Basin rather than balancing potential reductions between both the Upper and Lower Basins.

**III. Local Water Resources - It shall be OMWD's policy to support legislation that:**

1. Provides funding to the San Diego County Water Authority and/or its member agencies for conservation, peak management programs, water recycling (including potable reuse), groundwater recovery and recharge, surface water and groundwater development and management projects, including reservoir management, source water protection and watershed planning studies, and facilities that sustain long-term, cost-effective, and reliable water resources.
2. Provides funding to the San Diego County Water Authority and/or its member agencies for cost-effective seawater and brackish groundwater desalination studies and facilities.
3. Recognizes and supports the development of seawater desalination as a critical new water supply for the state, including San Diego County.
4. Preserves and protects potential cost-effective seawater desalination sites and existing coastal facilities including intake and discharge infrastructure that could be used or reused by a seawater desalination facility.
5. Ensures that desalination intake and discharge regulations are science-based, considering site-specific conditions, and recognizing that all technologies or mitigation strategies are feasible or cost-effective at every site.
6. Recognizes and supports the development of potable water reuse as critical water sources for San Diego County and the State of California.
7. Authorizes and/or facilitates expanded use of cost-effective local water resources including water recycling, potable reuse, graywater, and rainwater harvesting, and brackish groundwater.
8. Facilitates and encourages the safe use of rainwater capture systems (e.g., barrels and cisterns) and alternative water sources (e.g., air conditioner condensate) for use in irrigation.
9. Authorizes local governmental agencies to regulate the discharge of contaminants to the sewer collection system that may adversely affect water recycling and reuse.

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10. Facilitates and encourages the use of recycled water in commercial, industrial, institutional, and residential settings.
11. Encourages dual-plumbing in all new development to enable utilization of recycled water when available.
12. Provides financial incentives to assist in the disposal of concentrate, sludge, and other byproducts created in the water treatment process and supports the appropriate degree of regulation commensurate with the effect on the environment.
13. Ensures OMWD receives the dry-year water supply benefits of its investment in local water supply sources.
14. Provides for the interchangeability of funding for groundwater and surface water enhancements to best fit the hydrogeological attributes of a particular region.
15. Provides for watershed planning, watershed signage, and actions to protect source water (including reservoirs), such as land acquisition around reservoirs, limited land use, and increased buffer areas.
16. Promotes uniform regulatory interpretation of state recycled water system standards.
17. Supports beneficial revisions to the California Plumbing Code that address recycled water systems.
18. Authorizes, promotes, and/or provides incentives or credits for development of local drought-resilient water supply projects such as desalination, non-potable recycling, and potable reuse projects.
19. Streamlines regulatory processes and requirements to encourage and support the development of potable reuse as a municipal water supply.
20. Defines purified recycled water as a source of water supply and not as waste.
21. Ensures that decision-making with regard to stormwater management and recapture is kept at the local or regional level through local water agencies, stormwater districts, cities, counties, and regional water management groups.
22. Recognizes that stormwater management and recapture are important tools in a diversified water portfolio that can help to achieve improved water quality in local surface and groundwater supplies, augment surface and groundwater supplies for local water agencies, and promote landscape conservation from a water runoff perspective.

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23. Promotes and encourages the use of stormwater best management practices to reduce pollutant loading, increase local municipal water supplies, and improve water quality through low-impact development and watershed-based stormwater treatment systems.
24. Provides incentives for the local or regional use of stormwater management, nutrient management, and/or recapture.
25. Reduces or removes regulatory hurdles that hinder the use of stormwater management and recapture.
26. Preserves local water agencies' ability to establish local priorities for water resources planning decisions.

**IV. Local Water Resources - It shall be OMWD's policy to oppose legislation that:**

1. Limits the ability of local governmental agencies to regulate the discharge of contaminants to the sewer collection system that may adversely affect water recycling and reuse.
2. Establishes unreasonable regulatory requirements or fees relative to the safe use of recycled water, which may unreasonably impede or create a disincentive to its further development.
3. Contributes to the degradation of source water quality in and around reservoirs and groundwater basins.
4. Promotes unreasonable and burdensome restrictions on reporting requirements on the effective operation of OMWD facilities, such as the classification of a water treatment plant as a chemical facility under Homeland Security reporting provisions.
5. Restricts OMWD's ability to manage, store, or distribute water supplied through actions to manage or recapture stormwater.
6. Diminishes the water rights of downstream water users through actions to manage or recapture stormwater.
7. Imposes unnecessary regulations or costs upon local retail agencies developing alternative water supplies such as recycled water, desalination, brackish groundwater desalination, etc.
8. Limits local water agencies' ability to establish local priorities for water resources planning decisions.

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9. Mandates the reduction of wastewater discharges to the ocean absent the inclusion of funding to offset the significant costs of implementation.

**V. Water Affordability – It shall be OMWD’s policy to support legislation that:**

1. Is consistent with, and does not conflict in any way with, the standard of Proposition 218 and Proposition 26 in the California Constitution regarding proportionality of water rates and cost-of-service provisions.
2. Requires data-driven analysis to be included in California’s Water Plan, including water affordability analysis.
3. Creates a low-income water rate assistance program that provides financial relief to ratepayers by utilizing existing resources within the State’s General Fund, or by allocating cap-and-trade funding.
4. Does not include burdensome or prescriptive mandates, including collecting water taxes or water rate and water district boundary data.
- 4.5. Creates a low-income water rate assistance program that is state-administered and aligned with the final AB 401 report, produced by State Water Resources Control Board (2020).


**VI. Water Affordability – It shall be OMWD’s policy to oppose legislation that:**

1. Is not targeted in scope to low-income households and individuals.
2. Does not have a sustainable funding source, or relies on a water tax or water surcharge.
3. Does not use an existing benefit distribution method, and requires water agencies to create a new method.
4. Imposes unfair financial and legal leverage to other parties for damages to water infrastructure.


**VII. Water Quality Issues - It shall be OMWD’s policy to support legislation that:**

1. Assists in achieving a year-round blend of imported water supplies that achieves board-adopted water quality objectives, which allow OMWD and the region to maximize the development of recycled water and reduce financial costs to the customer due to high levels of total dissolved solids in imported water supplies.



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2. Assures cost-effective remediation and cleanup of contaminants of concern that have impacted groundwater and surface water.
3. Provides the necessary funding for research on the occurrence, treatment, health effects, and environmental clean-up related to contamination of drinking water sources.
4. Incorporates sound scientific principles in adopting drinking water standards for drinking water contaminants.
5. Provides for the protection of source water such as reservoirs and groundwater basins so that the waters can be beneficially used for consumptive purposes.
6. Implements and funds the San Diego Regional Water Quality Control Board's triennial review of water quality standards.
7. Supports enhancements to treatment technology beneficial to the water industry.
8. Provides funds for water treatment facility upgrades in order to comply with future regulations.
9. Exempts the conveyance, storage, or release of water supplies from regulation as a discharge under the Clean Water Act and other water quality control laws.
10. Appropriately protects drinking source water reservoirs as special-purpose, man-made water bodies different in nature than natural waterways, rivers, lakes, and coastal waters, while allowing maximum flexibility for operations as part of a managed water supply system.
11. Establishes appropriate quality standards, testing procedures, and treatment processes for emerging contaminants.
12. Directs the state's participation or assistance in water quality issues related to or threatening the Colorado River water source.
13. Provides funding and support for Colorado River salinity control projects and other water quality management efforts.
14. Alters the definition of "lead free" to reduce the permissible amount of lead in fixtures, plumbing, and pipe fittings to be installed for the delivery of drinking water.
15. Exempts purified wastewater from regulation as a discharge under the Clean Water Act.

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16. Streamlines permitting of facilities constructed for the purpose of improving water quality.
17. Implements source control for management and prevention of contamination by constituents of emerging concern.

**VIII. Water Quality Issues - It shall be OMWD's policy to oppose legislation that:**

1. Creates unreasonable and costly restrictions on water treatment facilities.
2. Makes water suppliers financially and legally responsible for mitigation of pollution and/or contamination caused by third parties.
3. Makes water suppliers financially and legally responsible for testing or correcting any water quality-related issues associated with private property or on-site plumbing systems

**IX. Integrated Regional Water Management Planning - It shall be OMWD's policy to support legislation that:**

1. Defines the "San Diego sub-region" and "San Diego County watersheds" as those portions of the westward-flowing watersheds of the South Coast hydrologic region situated within the boundaries of San Diego County.
2. Requires the state agencies responsible for preparing the integrated regional water management grant program guidelines to conduct a comprehensive public outreach process that ensures stakeholders have an opportunity to provide adequate input on preparation of the guidelines and that the state agencies consider and respond to comments received through the outreach process.
3. Provides for population-based distribution of funds to ensure adequate distribution of grant funding throughout the state.
4. Allows for creation of sub-area plans that enhance, but do not duplicate, or replace, a larger recognized integrated regional water management plan.
5. Establishes a task force to provide recommendations to the state on improving the integrated regional water management planning process in California.
6. Provides for the use of state funds for binational projects where projects benefit water supply or water quality in the San Diego region.

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7. Improves and streamlines the state’s reimbursement process to ensure timely remittance of IRWM funds.
8. Promotes the ability of the Regional Water Management Group to more directly administer state grant funds specifically identified for IRWM programs.
9. Promotes cost sharing amongst regions for regional conveyance.

**X. *Integrated Regional Water Management Planning - It shall be OMWD’s policy to oppose legislation that:***

1. Dilutes public water agency participation ~~on~~ ~~in the~~ Regional Water Management Group.
2. Establishes funding criteria that limit local discretion in project selection.

**XI. *Water Facilities/Facility Improvement - It shall be OMWD’s policy to support legislation that:***


1. Funds or otherwise facilitates planning, design, construction, and/or maintenance of public water storage, watershed areas, and treatment and delivery facilities and facilitates maintenance and/or enhancement of groundwater recharge spreading areas and groundwater basin rehabilitation that benefit OMWD and/or San Diego County.
2. Provides funding for water infrastructure development, security, rehabilitation, and/or replacement projects that benefit OMWD and/or San Diego County.
3. Funds enhancements to water treatment, recycling, and potable reuse facilities to meet more stringent regulations.
4. Funds improvements to water treatment facilities that allow greater use of State Project water.
5. Provides funding for the preservation of cultural resources affected by construction or operation of water conveyance and storage facilities.
6. Provides funding for habitat preservation programs that address impacts resulting from construction or operation of water system facilities.
7. Provides OMWD with greater flexibility in the management of environmental mitigation parcels.

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8. Provides funding for the control, prevention, or eradication of non-indigenous aquatic species, including dreissenid mussels.
9. Authorizes state and federal wildlife agencies to provide assistance to local water agencies in the control, prevention, and eradication of non-indigenous aquatic species, including dreissenid mussels.
10. Exempts owners and operators of water supply facilities from criminal and civil liabilities associated with dreissenid mussel infestations if due diligence requirements are being met.
11. Provides incentives that encourage the optimization, expansion, and cooperative use of existing surface reservoirs.
12. Provides funding for projects that improve the security of OMWD facilities and operations.
13. Provides funding to water agencies for the voluntary retrofit of facilities for on-site generation of chlorine.
14. Permits the use of grant funding for projects implemented under public-private partnerships where the grant provides funding for a public benefit.

**XII. *Water Facilities/Facility Improvement - It shall be OMWD's policy to oppose legislation that:***


1. Impairs OMWD's ability to provide and operate the necessary facilities for a safe, reliable, and operationally flexible water system.
2. Limits OMWD's sole jurisdiction over the bidding, planning, design, routing, approval, procurement, construction, operation, or maintenance of its water facilities.
3. Limits OMWD's discretion over protecting the security and privacy of comprehensive inventories of all assets, which includes infrastructure location, condition, performance, and useful life.
4. Shifts the risks of indemnity for damages and defense of claims from contractors to OMWD.
5. Impairs OMWD's ability to execute the planning, design, and construction of projects using its own employees.

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6. Authorizes state and federal wildlife agencies to control, prevent, or eradicate invasive species in a way that excessively interferes with the operations or water supplies of local water agencies.
7. Requires prior to the construction of new facilities any consultation, mitigation, or restitution to the Native American Heritage Commission and/or local tribal authorities additional to the existing requirements of the California Environmental Quality Act.
8. Prohibits or in any way limits the ability of water agencies from making full beneficial use of any water, wastewater, or recycling facility and resource investments.
9. Impedes individual water agency discretion for achieving water loss efficiency objectives or any state-mandated water use efficiency goals, targets, or standards.
10. Establishes meter testing requirements that fail to consider industry standards and cost-effectiveness.
11. Limits the autonomy or discretion of water suppliers to develop and execute asset management inspection programs that include visual inspections, internal/external inspections, asset condition assessments, and corrosion mitigation in a manner that recognizes the individuality and uniqueness of each water supplier and its systems.

**XIII. Water Use Efficiency - It shall be OMWD's policy to support legislation that:**

1. Preserves individual water agency discretion and options for achieving water use efficiency objectives or any state-mandated water use efficiency goals, targets, or standards.
2. Establishes multiple compliance options for urban retail water suppliers for achieving water use efficiency objectives or any state-mandated water use efficiency goals, targets, or standards.
3. Establishes an appropriate existing "baseline" and recognizes unique hydrology, weather, and land-use patterns, as well as past conservation efforts, within a particular water supplier's jurisdiction for achieving water use efficiency objectives or any state-mandated water use efficiency goals, targets, or standards.
4. Provides full credit for past and future distribution of recycled water for non-potable uses and indirect potable groundwater recharge and reservoir augmentation where advanced treatment is part of the full treatment.
5. Allows for individual water agencies to collaborate, if so desired, to establish integrated regional water conservation goals.

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6. Allows for local agencies to account for all water supplies available during droughts or other events when calculating a water supply shortage level.
7. Recognizes the variations among communities, regions, and counties with respect to their abilities to withstand the impacts and effects of droughts, and assurance that any temporary or permanent statutory or regulatory direction for improving water use efficiency to meet statutory or regulatory goals, targets, or standards is focused on regional achievement of objectives rather than a one-size-fits-all approach.
8. Assists OMWD's ability to provide and operate the necessary facilities for a safe, reliable, and operationally flexible water storage, treatment, and delivery system.
9. Requires installation and use of retail water meters.
10. Sets cost-effective efficiency standards for water-using devices.
11. Provides loans and grants to fund incentives for water-efficient devices or practices, and demonstration projects and studies.
12. Ensures accurate and meaningful reporting of implementation of water conservation measures.
13. Encourages implementation of effective water management practices for urban landscape and agricultural irrigation.
14. Recognizes local control in determining water use efficiency criteria, such as the impact of recycled water salinity on irrigation use and efficiency for the application of non-potable recycled water
15. Encourages the use of decentralized non-potable water systems and graywater where it complies with local guidelines and regulations and is cost-effective.
16. Establishes standards for the utilization of high-efficiency commercial and residential clothes washers.
17. Requires sub-metering connections to be built in new construction of multiple commercial or residential buildings.
18. Encourages plumbing fixture retrofit upon real property resale.
19. Encourages stakeholders to investigate and develop statewide landscape water conservation standards and regulations.

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20. Restricts Property Owner Associations from forbidding the use of California native plants, other low-water-use plants, or artificial turf in well-maintained landscapes.
21. Restricts Property Owner Associations from forbidding retrofits of multiple unit facilities for the purpose of sub-metering, if feasible.
22. Ensures plumbing codes and standards facilitate the installation and/or retrofit of water-efficient devices.
23. Encourages and/or supports programs that promote a sustainable approach to landscape design, construction, and maintenance.
24. Provides for federal tax-exempt status for water use efficiency rebates, consistent with income tax treatment at the state level.
25. Recognizes local control in determining how to meet an overall efficient water use goal, based on the combined efficient indoor use, outdoor use, and leak loss, as established under the criteria provided for in any applicable statute.
26. Facilitates and encourages the development and use of new agricultural technologies (e.g., vertical farming, integrated remote soil moisture monitoring, hydroponics) resulting in irrigation water savings and other “Agtech” irrigation water savings technologies.
27. Supports and encourages the transfer and storage of water during both emergency and non-emergency conditions to reduce the impact of drought.
- 26-28. Streamlines reporting requirements to reduce redundant efforts.

**XIV. Water Use Efficiency - It shall be OMWD’s policy to oppose legislation that:**

1. Repeals cost-effective efficiency standards for water-using devices.
2. Prescribes mandatory urban water conservation management practices that override the authority of the board of directors of local water agencies to adopt management practices that are most appropriate for the specific needs of their water agencies.
3. Prescribes mandatory conservation-based rate structures that override the authority of the boards of directors of local water agencies to set rate structures and management practices according to the specific needs of the water agencies in accordance with cost-of-service requirements.


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4. Creates a disincentive or impedes water agencies from making investments to maximize the potential for recycled water, potable reuse, desalination, and other drought-resilient water supplies.
5. Mandates regulation of the commercial sector in a manner that is discriminatory, sets unachievable compliance targets, or would otherwise impair economic activity or the viability of the commercial sector.
6. Requires redundant reporting of water conservation-related information.

**XV. *Biological and Habitat Preservation - It shall be OMWD's policy to support legislation that:***

1. Supports development of comprehensive multi-species habitat conservation plans that anticipate and mitigate project development impacts while preserving representative ecosystems, rather than individual species.
2. Exempts operation, maintenance, and repair of water system facilities from endangered species and other habitat conservation regulations because they provide beneficial cyclical habitat values to declining species and foster biological diversity in California.
3. Provides environmental regulatory certainty for implementation of existing and proposed long-term water supply programs.
4. Authorizes federal and state funding to develop and implement regional or sub-regional wildlife and habitat conservation programs, including but not limited to property acquisition, re-vegetation programs, and watershed plans.
5. Incorporates an emergency exemption for "take" of a listed species listed under the state or federal Endangered Species Acts when necessary to mitigate or prevent loss of or damage to life, health, property, or essential public services.
6. Encourages species listings, critical habitat designation, and recovery plans developed pursuant to the state or federal Endangered Species Acts to be consistent with existing interstate compacts, tribal treaties, and other state and federal agreements.
7. Provides federal and/or state funding to implement actions that address the ecological watershed, and water supply management issues of the Sacramento-San Joaquin Bay-Delta.
8. Provides federal and/or state funding for restoration of the Salton Sea.



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9. Consolidates wetland regulations to alleviate multi-agency jurisdiction over the same environmental resource.

**XVI. Biological and Habitat Preservation - It shall be OMWD's policy to oppose legislation that:**

1. Provides for after-the-fact reduction in quantity or quality of a public water supply due to new restrictions on the operation or use of water supply facilities unless, funding for alternate sources of water is provided.
2. Imposes endangered species or habitat conservation requirements that restrict the operation, maintenance, or repair of public water supply, conveyance, treatment, or storage facilities.
3. Imposes a "user utility fee" or "surcharge" on water for the purposes of financing open space/habitat preservation, restoration, or creation.


**XVII. Fiscal Policy and Water Rates - It shall be OMWD's policy to support legislation that:**

1. Requires the federal and state governments to provide a subvention to reimburse local governments for all mandated costs or regulatory actions.
2. Provides OMWD with additional forms of cost-effective financing for public facilities.
3. Provides OMWD with grant funding for public facilities.
4. Provides OMWD with additional investment opportunities.
5. Maintains the authority and requirements of water agencies to establish water rates ~~locally,~~ consistent with cost-of-service requirements of the law.
6. Maximizes the ability of water agencies to design rate structures to meet local water supply goals.
7. Protects or enhances OMWD's ability to receive/collect funds it is owed.
8. Provides OMWD and water ratepayers with financial relief during economic downturns and/or economic shocks such as pandemics through a variety of means, including but not limited to, direct financial assistance and flexibility in debt management.
- 8.9. Makes updates to Public Contract Code to establish reasonable limits for public works contracts and allow OMWD the flexibility to cost-effectively procure goods and services according to its needs.

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**XVIII. Fiscal Policy and Water Rates - It shall be OMWD's policy to oppose legislation that:**


1. Imposes mandated costs or regulatory constraints on local governments without providing subventions to reimburse local governments for such costs.
2. Is inconsistent with OMWD's current investment policies and practices.
3. Makes any unilateral reallocation of OMWD's revenues by the state.
4. Impairs OMWD's ability to provide reliable service at reasonable costs or to charge the same or similar rate for each class of service consistent with cost-of-service requirements of the law.
5. Pre-empt's OMWD's ability to impose or change rate charges, fees, or assessments.
6. Impairs OMWD's ability to maintain reasonable reserve funds and obtain and retain reasonable rates of return on its reserve accounts.
7. Imposes additional administrative requirements and/or restricts OMWD or its ability to finance public facilities through the issuance of long-term debt.
8. Reduces OMWD's revenues without giving OMWD a commensurate public benefit that is clearly identifiable and separate from a general statewide benefit.
9. Restructures OMWD's responsibilities without also providing the commensurate restructuring of revenues.
10. Requires the expenditure of OMWD or member agency funds to accomplish federal water supply commitments such as may be required in national treaties.
11. Weakens the protections afforded OMWD under California's Proposition 1A (2004) or Proposition 26 (2010).
12. Mandates a specific rate structure for retail water agencies.
13. Imposes a water user fee on water agencies or water users that do not provide a commensurate and directly linked local benefit in the local area or region from which the water user fee is collected.
14. Imposes a water user fee for statewide projects or programs for which the projects or programs are not clearly defined, the beneficiaries identified, and the reasonable cost identified.

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15. Imposes a water user fee in order to create a state fund that can be used to finance undefined future projects and programs.
16. Imposes a “public goods charge” on public water agencies or their ratepayers.
17. Interferes with the responsibility of a region, operating under an Integrated Regional Water Management Plan, for setting priorities and generating projects to be paid from any IRWM accounts and grants.
18. Interferes with the control exercised by the San Diego funding sub-region over the use and expenditure of any water user fee revenues that may be dedicated to the region.
19. Reduces or eliminates the tax-exempt status of municipal financing.

**XIX. *Water Bond Legislation or Initiative – It shall be OMWD’s policy to support water bond (legislation and/or an initiative) that:***

1. Allocates funds to developing water storage infrastructure that will bolster resilience against droughts and ensures reliable supplies.
2. Provides OMWD’s wholesalers with funding that protects local ratepayers from rising costs while offering solutions that benefit the region.
3. Allocates resources for the rehabilitation and modernization of aging water and wastewater (recycled) infrastructure that improves operational efficiency and minimizes water loss.
4. Finances robust cybersecurity measures that are necessary to safeguard water infrastructure against state and non-state cyber targeting of American interests from cyber threats, protect sensitive data, and ensure uninterrupted service delivery.
5. Provides funding for the Lake Hodges Dam which serves OMWD in an emergency capacity and helps to control wholesale rates.
6. Dedicates funds towards regulatory compliance efforts, with a specific focus on addressing emerging contaminants such as per- and polyfluoroalkyl substances (PFAS) to ensure water quality and public health protection.
7. Advances investment in new water supply projects that maximize and diversify limited water resources.
8. Prioritizes the allocation of funds for open spaces surrounding water reservoirs.

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9. Ensures that the application process for funding is not unnecessarily burdensome and costly, with an emphasis on auditing and streamlining the process.
10. Consolidates administration of all voter-approved water-related bond funding in one place, preserves existing expertise within the state bureaucracy to manage bond funding processes, and provides consistent application and evaluation of bond funding applications.

**XX. *Water Bond Legislation or Initiative – It shall be OMWD’s policy to oppose water bond (legislation and/or an initiative) that:***

1. Imposes a fee on water users to repay the principal and interest on a statewide general obligation bond.
2. Prioritizes hydroelectric generation, or is laden with investment criteria that do not adequately bolster water infrastructure.
3. Disproportionately funds non-water or wastewater related priorities.


**XXI. *Right of Way and Property - It shall be OMWD’s policy to support legislation that:***

1. Improves OMWD’s efforts to maintain and protect its property, rights of way, easements, pipelines, and related facilities and minimizes liability to OMWD.
2. Protects OMWD’s properties from restriction when surrounding properties are incorporated into preservation areas.

**XXII. *Right of Way and Property - It shall be OMWD’s policy to oppose legislation that:***

1. Impairs OMWD’s efforts to acquire property or property interests required for essential capital improvement projects.
2. Increases the cost of property and right of way acquisition.
3. Restricts OMWD’s use of public rights of way or increases the cost of using public rights of way.
4. Restricts the transfer of property acquired for purposes of environmental mitigation credits to other public entities for long-term management.


**XXIII. *Energy - It shall be OMWD’s policy to support legislation that:***

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1. Provides opportunities for reduced energy rates for OMWD.
2. Provides greater flexibility in the utilization of OMWD facilities for generation and acquisition of electrical power.
3. Provides OMWD with greater flexibility in the licensing, permitting, interconnection, construction, and operation of its existing and potential in-line hydroelectric, solar, or other renewable energy generation or energy storage projects.
4. Provides protection from energy rate increases and provides rate relief.
5. Makes State Water Project power available for seawater and brackish groundwater desalination.
6. Promotes the classification of electricity generated by in-line hydroelectric and off-stream pumped storage facilities as environmentally sound.
7. Provides state and federal grants for the construction of in-line hydroelectric, solar, wind, biogas cogeneration, and off-stream pumped storage facilities as a means of reducing greenhouse gas emissions and energy costs.
8. Promotes funding for use of renewable energy in the operation of OMWD facilities.
9. Provides for restrictions on price gouging during public safety power shutoff events and for at least 72 hours following restoration of power.
10. Provides that de-energization or public safety power shutoff events may be included as a condition constituting a state emergency or local emergency.
11. Provides a tax exemption for the sale of, or the storage, use, or consumption of, a backup electrical resource, that is purchased for exclusive use by a city, county, special district, or other entity of local government, during a de-energization or public safety power shutoff event.
12. Establishes the use of alternative power sources, such as generators, by essential public services during de-energization or public safety power shutoff events shall not be limited by state or local regulations or rules.

**XXIV. Energy - It shall be OMWD's policy to oppose legislation that:**


1. Adversely affects the cost ~~of~~ for reliability of energy needed to move, treat, or deliver water.

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2. Adversely affects OMWD's ability to own, operate, and/or contract work for supplying its own facilities with natural gas and electricity.
3. Impedes OMWD's ability to contract for the purchase of gas and electricity from the United States, the State of California, and any other public agency or private entity and sell the gas and electricity to any public agency or private entity engaged in retail sales of electricity and gas.
4. Restricts or caps future energy demands needed for possible expansion of recycled water, potable reuse, and desalination projects.
5. Adversely affects OMWD's ability to expand cogeneration at planned or existing facilities.
6. Prevents OMWD from enhancing energy reliability and independence for its facilities.
7. Imposes greenhouse gas reduction obligations on public water agencies for energy purchased or produced for the sole purpose of operating its system.
8. Does not count or credit qualified renewable energy projects toward accomplishment and satisfaction of the California Renewables Portfolio Standard objectives.
9. Mandates that water agencies include an embedded energy calculation for their water supply sources in the Urban Water Management Plan or any other water resource planning or master planning document.
10. Results in a lengthy, more complicated, or more costly interconnection of energy loads and resources such as solar, in-line hydroelectricity, pumped storage, and other renewable energy generation or storage technologies to the electric distribution and transmission grid.
11. Authorizes air quality management districts or other regulatory bodies to adopt or maintain rules that would limit or prohibit a local government entity's use of a state and/or federally compliant power generator during a de-energization or public safety power shutoff event.

**XXV. Local Autonomy - It shall be OMWD's policy to oppose legislation that:**

1. Diminishes the power of OMWD's Board of Directors to govern OMWD's affairs.
2. Diminishes OMWD's power or rights to govern relations with its employees.

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3. Limits or restricts the ability of OMWD, or professional associations, trade groups, or regional coalitions it is a part of, to engage in public outreach, educational activities, legislative advocacy, training seminars, regional coordination, and similar activities that promote OMWD’s mission.

**XXVI. *Land Use and Water Management Planning - It shall be OMWD’s policy to support legislation that:***

1. Promotes enhanced coordination and linkage of general plans and water management plans.
2. Discourages piecemeal or uncoordinated land use and water management planning.
3. Requires that projected population and other demographic factors utilized in forecasting future water demands in accordance with the Urban Water Management Planning Act and state law be consistent with the regional growth management plans and general plans applicable to the territory within the service area of the supplier.
4. Allows and funds land exchanges between local public agencies and federal or state agencies when mutually beneficial to all agencies and enhances water resources for the region.
5. Designates public lands that are tributary to drinking source water reservoirs as wilderness, habitat preserve, open space, or other protected status, provided such designation does not impede current or reasonable future use of those water resources.
6. Provides funding for, or otherwise facilitates, development of groundwater management plans pursuant to the sustainability efforts under the Sustainable Groundwater Management Act.
7. Protects floodplains and lands over prime groundwater recharge zones for stormwater catchment and bioremediation.
8. Considers the multiple local variables and priorities that are associated with water supply planning and the selection of water resources for implementation.

**XXVII. *Land Use and Water Management Planning - It shall be OMWD’s policy to oppose legislation that:***

1. Restricts OMWD’s ability to utilize a demand forecasting methodology that is best suited for the region.

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2. Imposes land use designations that preclude the use of such lands for public water infrastructure determined necessary to ensure a cost-effective, safe, and reliable water supply.
3. Requires the use of specific evaluation criteria in water supply planning and selection of potential water supply projects that fail to take into account or conflict with existing local and regional planning policies and implementation priorities.
4. Imposes mandates requiring specific water resources to be developed by water agencies that fail to take into account local factors such as water reliability, hydrologic and geographic characteristics, and the economic, political, public acceptance, and social environment, which can influence selection of resources, and/or fails to take into account or conflicts with existing local and regional planning policies and implementation priorities.


**XXVIII. Safety & Security - It shall be OMWD's policy to support legislation that:**

1. Provides funding for water infrastructure development, infrastructure security, cybersecurity, and replacement projects that benefit OMWD.
2. Provides funding for projects that provide security against terrorist acts or other criminal threats to water operations, facilities, or supplies.
3. Provides funding for security and cybersecurity vulnerability assessments.
4. Recognizes water agencies as emergency responders in the event of a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent and mitigate the loss or impairment of life, health, property, or essential public services due to natural disasters (e.g., wildfires, earthquakes), power outages, and terrorist or other criminal activities.
5. Provides or expands protections of utility workers and vehicles by creating criminal penalty enhancements for violence or harassment against a worker and adding utility vehicles to the list of stationary vehicles drivers must treat with caution.

**XXIX. Safety & Security - It shall be OMWD's policy to oppose legislation that:**

1. Restricts OMWD's ability to respond swiftly and decisively to an emergency that threatens to disrupt water deliveries or restricts the draining of pipelines or other facilities in emergencies or for repairs or preventive maintenance.



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**XXX. Jurisdictional Authority - It shall be OMWD's policy to refer all such legislation to the Board of Directors.**

**XXXI. Climate Change - It shall be OMWD's policy to support legislation that:**

1. Incorporates state-provided climate change information into statewide, regional, and local water management planning, and provides funding for projects that assist in adapting to the effects of climate change on the water supply portfolios across the state.
2. Provides financial support to local projects designed to mitigate or adapt to potential negative impacts of climate change on water supply reliability.
3. Promotes continued development and deployment of more sophisticated and integrated hydrological, water quality, and meteorological water monitoring for the purpose of assessing water supply conditions resulting from climate change.

**XXXII. Climate Change - It shall be OMWD's policy to oppose legislation that:**


1. Places an undue burden or compromises OMWD's ability to implement its primary mission.

**XXXIII. Employment Matters - It shall be OMWD's policy to support legislation that:**

1. Continues to reform workers' compensation.
2. Results in predictable costs and benefits for employees.
3. Provides a pathway for military veterans to apply their advanced skills and experience toward state and industry-supplied certifications in the water and wastewater treatment and distribution operator fields.

**XXXIV. Employment Matters - It shall be OMWD's policy to oppose legislation that:**

1. Creates unrealistic ergonomic protocol.
2. Interferes with OMWD's efficient operation.
3. Results in unreasonable costs associated with unnecessary requirements such as providing 24 hours' notice for overtime work.

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**XXXV. Governance - It shall be OMWD’s policy to support legislation that:**

1. Promotes transparent government processes when burdens upon OMWD are reasonable and cost-neutral.
2. Ensures an open and transparent process for adoption of regulations, policies, and guidelines by state agencies.

**XXXVI. Governance - It shall be OMWD’s policy to oppose legislation that:**

1. Does not provide resources, while requiring additional burdensome governance-related requirements.

# Memo

Date: December 11, 2024  
To: Olivenhain Municipal Water District Board of Directors  
From: Jennifer Joslin, Human Resources Manager  
Via: Kimberly A. Thorner, General Manager  
Subject: **CONSIDER APPROVAL OF ANNUAL REVISIONS TO THE DISTRICT'S RECORDS RETENTION SCHEDULE**

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## Purpose

The purpose of this item is to present new information and to delete outdated and/or irrelevant data from the proposed 2025 Records Retention Schedule (RRS); all updates are shown in red.

## Recommendation

Staff recommends approval of the proposed 2025 RRS.

## Alternatives

- The Board could choose to not approve the RRS as presented.
- The Board could direct Staff as otherwise deemed appropriate.

## Background

The District's RRS is reviewed annually to ensure compliance with applicable law as well as District policy. The RRS is reviewed by key District employees, Department Managers, the General Manager, General Counsel, and then presented to the Board for approval in December. Approved updates will become effective on January 1, 2025.

## **Fiscal Impact**

The costs to destroy District paper records reaching retention limits that apply to all areas affiliated with the District's destruction process are as follows:

On-site destruction costs - approximately \$950 annually  
+ Off-site destruction costs - approximately \$500 annually  
= **Total** destruction costs - approximately **\$1,450 annually**

## **Discussion**

Revisions are minimal for the proposed 2025 RRS. A brief explanation of the departmental requested changes are listed below. Please refer to the attached proposed 2025 RRS for all requested changes:

**Customer Services:** No changes.

**Engineering:** No changes.

**Finance:** No changes.

**General Manager:** The retention period for the Board Packet (Electronic) record series has been increased to 30 years.

**Human Resources/Safety:** No changes.

**Operations:** The Duty Log Book record series has been deleted. A DCMWTP District Files record series has been added with a total retention of 10 years and the total retention for the Sanitation District Files (4S Ranch & Rancho Cielo) has been updated to 10 years to create consistency between the plants.

*Attachments:*

*Proposed 2025 Records Retention Schedule*

*Email Retention Policy*

OLIVENHAIN MUNICIPAL WATER DISTRICT  
RECORDS RETENTION SCHEDULE 20254

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
<b>Email Retention Policy</b> – The retention of all emails are reflected in the Board approved Email Retention Policy.	ALL DEPARTMENTS	ALL EMPLOYEES	OMWD Intranet	Electronic	See Email Retention Policy	N/A	See Email Retention Policy
<b>ENTERPRISE ASSET MANAGEMENT (EAM)</b> – Records maintained in the EAM system are considered to be a viable source of information related to preventive and corrective maintenance of District infrastructure. All records in EAM are interlinked and without proper destruction will corrupt the system.	ALL DEPARTMENTS	MANAGERS	EAM	Electronic	N/A	N/A	Permanent
<b>Record Drawings (As-Built)</b> – Revised set of drawings submitted by a contractor upon completion of a project or a particular job. Reflects all changes made in the specifications and working drawings during the construction process, and show the exact dimensions, geometry, and location of all elements of the work completed under the contract. Includes plans for potable, sewer, recycled, and raw (water), related facilities, and District buildings.	ALL DEPARTMENTS	All Work Groups	Department	Electronic/ Paper and/or Mylar	Permanent	0	Permanent
<b>Voicemails Converted to an APP File</b> - Changing the audio message to an email or to a text on your cell phone. Retain in accordance with 'record value' as listed in the Email Retention Policy.	ALL DEPARTMENTS	ALL EMPLOYEES	Department	Electronic	See Email Retention Policy	N/A	See Email Retention Policy
<b>ACH/DPP Application</b> – Signed application for direct deposit service for payment of water bill. Includes a void check or deposit slip scanned into the EDMS; hard copy destroyed.	CUSTOMER SERVICES	Customer Service	Admin	EDMS/CIS Infinity	Until closed + 2 fys	N/A	Closed + 2 fys
<b>Application for Water Service</b> – Completed and signed applications for water service for either a new or transfer of water service. Original is scanned to electronic document management system upon receipt and paper original is destroyed.	CUSTOMER SERVICES	Customer Service	Admin	Electronic in EDMS	0	N/A	Permanent
<b>Cash Receipts Book</b> – For any payment not recorded elsewhere. Most usual occurrence is payment of water bill at the front counter.	CUSTOMER SERVICES	Customer Service	Admin	Paper	Audit + 4 fys	N/A	Audit + 4 fys
<b>Consumer Confidence Report (CCR)</b> – This report is prepared for OMWD water customers and includes information related to water quality including testing data. The report is distributed to all customers annually. This report was formerly titled Annual Water Quality Report.	CUSTOMER SERVICES	Public Affairs	Admin	Electronic	Permanent	N/A	Permanent

\*EDMS (Electronic Document Management System)

OLIVENHAIN MUNICIPAL WATER DISTRICT  
RECORDS RETENTION SCHEDULE 20254

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
<b>Customer Accounts</b> – Information is stored in CIS Infinity. This includes meter reads, transaction data, bills, past due notices, final closed accounts and service orders generated to request work at a property.	CUSTOMER SERVICES	Customer Service / Field Services	Admin	Electronic CIS Infinity	Permanent	N/A	Permanent
<b>Insurance Files</b> – All records related to the purchase of District liability insurance. Original policies are maintained in GM agreements files.	CUSTOMER SERVICES	Admin	Admin	Electronic	Active phase or no longer needed	Active phase or no longer needed	Active phase or no longer needed
<b>Legislation Files</b> – These files contain correspondence, and legislative bulletins related to District activities.	CUSTOMER SERVICES	Public Affairs	Admin	Electronic	2 yrs	N/A	2 yrs
<b>Parks Operations</b> - CCC records, trail closure information.	CUSTOMER SERVICES	Park	Park	Electronic	1 yr	N/A	1 yr
<b>Parks Operations</b> - CDF contracts, Volunteer Release Waivers.	CUSTOMER SERVICES	Park	Park	Electronic/ Paper	3 yrs	N/A	3 yrs
<b>Parks Operations</b> - Escondido Creek Conservancy/ Interpretive Center Agreements.	CUSTOMER SERVICES	Park	Park	Electronic	Life of Agreement + 1 yr	N/A	Life of Agreement + 1 yr
<b>Parks Operations</b> - CADF&W Permits.	CUSTOMER SERVICES	Park	Park	Electronic	5 yrs	N/A	5 yrs
<b>Parks Operations</b> – Volunteer docent applications and waivers.	CUSTOMER SERVICES	Park	Park	Electronic	Termination + 4 yrs	N/A	Termination + 4 yrs
<b>Parks Operations</b> - Trail Maintenance Log, Incident Reports, and Special Event Permits.	CUSTOMER SERVICES	Park	Park	Electronic/ Paper	20 yrs	N/A	20 yrs
<b>Press Releases</b> – These files consist of articles created by OMWD staff to report significant District events. They are sent to various publications.	CUSTOMER SERVICES	Public Affairs	Admin	Electronic	2 yrs	N/A	2 yrs
<b>Social Media Posts/Comments</b> – OMWD posts to social media services and public comments not subject to deletion shall be hosted exclusively by the respective social media service.	CUSTOMER SERVICES	Public Affairs	Admin	Electronic	0	N/A	Current
<b>Social Media Comments (Removed)</b> – Local copies shall be maintained of public comments removed from OMWD social media accounts due to violation(s) of Social Media and Outreach Policy.	CUSTOMER SERVICES	Public Affairs	Admin	Electronic	3 yrs	N/A	3 yrs
<b>Urban Water Management Plan</b> – This report details the District's future plan of operation. It is published every five years and is submitted to the Department of Water Resources.	CUSTOMER SERVICES	Public Affairs	Admin	Electronic	0	N/A	Permanent
<b>Website</b> – District website – hosted off site.	CUSTOMER SERVICES	Public Affairs	Admin	Electronic	0	Current	Current

\*EDMS (Electronic Document Management System)

OLIVENHAIN MUNICIPAL WATER DISTRICT  
RECORDS RETENTION SCHEDULE 20254

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
<b>Agreements</b> – Non-Professional Services -This record series includes documents which have a different retention period than other agreements (e.g. facilities maintenance agreement). Must comply with PREVAILING WAGE LAW Dept. of Industrial Relations (DIR) effective August 1, 2016.	ENGINEERING	Eng Admin	Department	Paper	End of Agreement	N/A	Until Recording Notice of Completion
				Electronic in EDMS		N/A	End of Agreement + 10 yrs
<b>Agreements - Professional Service (Project Specific)</b> – Agreements for work associated with capital projects and Work for others projects scanned into EDMS. Must comply with PREVAILING WAGE LAW Dept. of Industrial Relations (DIR) effective August 1, 2016.	ENGINEERING	Eng Admin	GM Files	Paper	End of Project	20 yrs	End of Warranty + 20 yrs
				Electronic	End of Warranty + 20 yrs	N/A	End of Warranty + 20 yrs
<b>Agreements - Professional Service (Non-Project Specific)</b> – Includes annual agreements and studies; no on-call service agreements. Must comply with PREVAILING WAGE LAW Dept. of Industrial Relations (DIR) effective August 1, 2016.	ENGINEERING	Eng Admin	GM Files	Paper	End of Agreement	0	End of Agreement End of Agreement + 12 yrs
				Electronic		N/A	
<b>Annexations and Detachments</b> – These files contain LAFCO pending and final property modifications.	ENGINEERING	Eng Admin	Department	Paper	Permanent	N/A	Permanent
				Electronic	Permanent		Permanent
<b>Architectural</b> – Renderings and other drawings of significant historical value. Transitioning to electronic beginning 2014.	ENGINEERING	Eng Admin	Department	Paper	Active or no longer needed	Permanent	Permanent
				Electronic	Permanent	N/A	Permanent
<b>Assessment Apportionment Report</b> – Reports showing reapportioned assessments required when parcels split or undergo lot line adjustments. Electronic only after June 2010.	ENGINEERING	Eng Admin	Department	Electronic	0	N/A	Permanent
<b>Assessment Apportionment Maps</b> – Mylar or paper maps and diagram maps showing reapportioned parcels or lot line adjustments. Maps received after Jan 1, 2013 will be stored in EDMS only.	ENGINEERING	Eng Admin	Department	Electronic	Permanent	N/A	Permanent
<b>Construction Bids – Unsuccessful</b> – Proposals only – no contracts executed.	ENGINEERING	Eng Admin	Department	Paper	Bid closing + 2 yrs	N/A	Bid closing + 2 yrs
<b>Daily Inspection Reports</b> – Reports prepared by <b>both District inspectors AND outside consultants</b> from November 01, 2010 through December 31, 2011 are scanned into the EDMS. Beginning January 2012 both District Inspectors and Outside Consultants will be retained electronically in EDMS, or in EAM when feasible. The electronic report is the official record.	ENGINEERING	Inspector	Department	Electronic	End of Warranty + 20 yrs	N/A	End of Warranty + 20 yrs

\*EDMS (Electronic Document Management System)

OLIVENHAIN MUNICIPAL WATER DISTRICT  
RECORDS RETENTION SCHEDULE 20254

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
<b>Environmental Documents Before 2012</b> – Includes EIRs, permits, and reports prepared for projects. Originals are scanned into the EDMS* and a hard copy is filed in RECORDS. Does not include Notices of Exemption – see Projects.	ENGINEERING	Eng Admin	Department	Paper	Duration of project including mitigation phase + 5 yrs	20 yrs	25 yrs
				Electronic		N/A	Permanent
<b>Environmental Documents 2012 and After</b> – Includes EIRs, permits, and reports prepared for projects. Originals are scanned into the EDMS* and a hard copy is filed in RECORDS. Does not include Notices of Exemption – see Projects.	ENGINEERING	Eng Admin	Department	Paper	Duration of project including mitigation phase + 5 yrs	N/A	Duration of project including mitigation phase + 5 yrs
				Electronic	Permanent	N/A	Permanent
<b>Escrow Bid Documents – Successful</b> – Documents submitted by bidders on construction projects. These documents are submitted in lieu of holding 5% on monthly progress payments.	ENGINEERING	Eng Admin	Department	Paper	End of Warranty	N/A	End of Warranty
				Electronic		N/A	End of Warranty + 20 yrs
<b>Hydraulic Reports/Water System Analysis (Minor/Master/Major Subdivisions)</b> – Technical reports including WSAs, feasibility studies or related engineering subjects, as required, for District engineering projects. Paper offsite through CY 2004; electronically in EDMS began 2005.	ENGINEERING	Eng Admin	Department	Paper	End of Warranty	Permanent Prior to 2005	Permanent
				Electronic	Permanent	N/A	Permanent
<b>Hydraulic Reports Non District Engineering Projects</b> – Technical reports including feasibility studies, and related engineering subjects not directly related to a specific District engineering project. Electronically in EDMS began January 01, 2013.	ENGINEERING	Eng Admin	Department	Paper	End of Warranty	Permanent Prior to 2013	Permanent
				Electronic	Permanent	N/A	Permanent
<b>Plans: Mylars-Original Mylars:</b> includes as-built/record plans, plans for potable water, sewer, recycled water, raw water, related facilities, and District buildings.	ENGINEERING	Eng Admin	Department	Mylar	Permanent	N/A	Permanent

\*EDMS (Electronic Document Management System)



OLIVENHAIN MUNICIPAL WATER DISTRICT  
RECORDS RETENTION SCHEDULE 20254

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
<b>Project Files</b> – A separate file is kept for each project and may contain as-built drawings, approved materials list (AML), correspondence, receipts, bond information, insurance, contract information, estimate and payment forms, <b>submittals</b> and inspection reports and focus group document files. For CIP projects, the file will include mitigation and all phases of design and construction scanned into EDMS*. Beginning 2019 No Offsite Storage; Electronic Storage ONLY. <b>See Agreements (Project Specific) General Manager Record Series.</b>	ENGINEERING	Eng Admin	Department	Paper	End of Warranty Period	0	End of Warranty Period
				Electronic	End of Warranty period + 20 yrs	N/A	End of Warranty Period + 20 yrs
<b>Proposals for professional Services – Unsuccessful</b> – Proposals only – no contracts executed.	ENGINEERING	Eng Admin	Department	Electronic	Proposal Closing Date + 2 yrs	N/A	Proposal Closing Date + 2 yrs
<b>Resident Negotiations Files</b> – Includes correspondence, releases and related documentation. Signed agreement between resident and OMWD filed in GM agreements files.	ENGINEERING	Eng Admin	Records	Paper	End of Warranty Period	0	End of Warranty Period
				Electronic		N/A	Permanent
<b>Right of Way (ROW) Files – Includes Easements, Grant Deeds, Encroachment Permits, Quitclaims and Joint Use Agreements</b> – Files contain correspondence, deeds, recorded documents related to the activities of obtaining such permissions. Only recorded documents are in GIS; backup is in ROW file.	ENGINEERING	Eng Admin	Department	Paper	Permanent	N/A	Permanent
				Electronic in GIS	GIS	N/A	Permanent
<b>Specification Books (Current)</b> – OMWD Standard Specification and Drawings for the construction of water, recycled water, and sewer facilities.	ENGINEERING	Eng Admin	Department	Paper/Electronic	Current	N/A	Current
<b>Technical Reports</b> – Reports related to the Capital Improvement Projects Program of the District. Environmental documents are considered part of the Project file and scanned into the EDMS*.	ENGINEERING	Eng Admin	Department	Paper	Active or no longer needed	N/A	Active or no longer needed
				Electronic		N/A	Permanent
<b>Underground Service Alert Files</b> – Include notification (tickets) of activity near pipelines within District boundary. Notification is sent electronically by Dig Alert and routed through Nobel, which sends and stores the tickets on their servers.	ENGINEERING	Line Locator	Department	Electronic at USA	14 days	Remote Site	14 days
				Electronic GIS	2 yrs GIS	N/A	2 yrs

\*EDMS (Electronic Document Management System)

OLIVENHAIN MUNICIPAL WATER DISTRICT  
RECORDS RETENTION SCHEDULE 202~~5~~4

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
<b>Accounts Payable &amp; Expense Reimbursement - Vendor Files</b> – Consist of expense reimbursement to District Officers or employees or use of District paid credit cards or any travel compensation, paid vendor invoices and backup information, such as packing slips, vendor invoices, and copy of District check.	FINANCE	Accounting	Finance Storage Room – AP Shelf	Paper	2 fys	5 fys	7 fys
<b>Accounts Receivable Reports (Misc)</b> – Includes invoice journals and account aging for activities related to amounts owed to the District for other than water related services and work for others.	FINANCE	Accounting	Dynamics GP	Electronic in Microsoft Dynamics GP	0	0	5 fys
<b>Account Reconciliations</b> – Year-End Audit Boxes – These files consist of staff prepared general ledger account reconciliation and documents prepared for use by auditor and working papers used to produce audit documents. Includes the Inventory Master List and year-end inventory count files.	FINANCE	Accounting	Finance Storage Room - Counter	Paper	Audit + 2 fys	2 fys	Audit + 4 fys
<b>Agricultural Credit Certification Records</b> – These records support claims for monthly agricultural credits.	FINANCE	Accounting	Admin – Finance Storage Room	Paper	Audit + 2 fys	Permanent	Permanent
<b>Apportionment Statement Files</b> – These files consist of monthly statements from San Diego County related to monies collected by County Assessor on tax rolls and remitted to the District. PDF in Finance Directory starting with fiscal year 2019.	FINANCE	Accounting	Admin – Finance Storage Room	Paper	N/A	Permanent	Permanent
				PDF in Finance Directory	Permanent	N/A	Permanent
<b>Assessment or Improvement District Records</b> – Documents related to Prop. 218 ballots; original property assessment documentation and collections information.	FINANCE	Accounting	Admin	Paper	10 yrs	Permanent	Permanent
<b>Audit Working Files</b> – Includes accounting schedules, correspondence, and reports. These documents are used for the preparation of the Annual Comprehensive Financial Report (ACFR)	FINANCE	Accounting	Finance Directory	Electronic in Finance Directory	Audit + 4 fys	N/A	Audit + 4 fys
<b>Bank Statement Reconciliation</b> – Monthly bank statement and reconciliation of cash accounts including General Accounts, Payroll Accounts (payroll checks). These files are stored in the Account Reconciliations – Year-End Audit Boxes (see above).	FINANCE	Accounting	Finance Storage Room – Bank Recons	Paper	3 yrs	2 fys	5 yrs

\*EDMS (Electronic Document Management System)

OLIVENHAIN MUNICIPAL WATER DISTRICT  
RECORDS RETENTION SCHEDULE 20254

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
<b>Bond Report Files</b> – These files consist of annual reports and Continuing Disclosure reports.	FINANCE	Accounting	Finance Storage Room – Debt Service Binders	Paper	Through expiration of Bond	Permanent	Permanent
<b>Budget – Official Budget</b> – As approved by the Board of Directors. Created and published each fiscal year. This report is available for viewing in the EDMS.	FINANCE	Finance	Finance Storage Room – OMWD Budget/AC FR Books	Paper	Audit + 2 fys	Permanent	Permanent
				Electronic in Finance Directory	Permanent	N/A	Permanent
<b>ACFR (Annual Comprehensive Financial Report)</b> – This report is prepared for and submitted to the Government Finance Officers Association as required by this organization for certification. This report includes the District's audited financial statements and notes, which are audited by the District's independent CPA firm. Copies in EDMS began FY 2014-15.	FINANCE	Finance	Finance Storage Room – OMWD Budget/AC FR Books	Paper	Audit + 9 fys	Permanent	Permanent
				PDF in Finance Directory	Permanent	N/A	Permanent
<b>Capacity Fee Studies</b> – These studies summarize the analyses for development of impact fees and may be used to make recommendations to the Board of Directors for establishing impact fees for capital projects.	FINANCE	Finance	Finance Storage Room – Finance Manager Files	Paper	Audit + 2 fys	7 fys	Audit +9 fys
				Electronic	Audit + 9 fys	N/A	Audit +9 fys
<b>Capital Project Invoice Files</b> – These files consist of invoices (and related backup) sent to outside parties for cost sharing on capital projects.	FINANCE	Accounting	Finance Storage Room – Capital Project Files	Paper	1 fy	Project completion + 6 fys	Project completion + 7 fys
<b>Cash Receipts</b> – This file consists of reconciled cash deposits for payments received by the District. Covers customer payments and miscellaneous payments that are received daily. Cash receipts are organized by day, and a folder is created for each month of the fiscal year. Details on customer payments are kept in electronic form in CIS Infinity and in the RoseASP Finance Drive.	FINANCE	Accounting	Admin	Paper	1 fy	2 fys	3 fys
				Electronic	Audit + 4 fys	N/A	Audit + 4 fys

\*EDMS (Electronic Document Management System)

OLIVENHAIN MUNICIPAL WATER DISTRICT  
RECORDS RETENTION SCHEDULE 20254

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
<b>Verizon –Cell Phone bills (business &amp; personal)</b>	FINANCE	Accounting	Admin – AP shelf	Paper	Current fy	Audit + 4 fys	Audit + 4 fys
				Electronic	Current fy	N/A	Audit + 4 fys
<b>CIP Projects Asset Detail</b> – When District projects are capitalized annually, the detail of costs is printed and kept by Fiscal Year along with relevant supporting documentation.	FINANCE	Accounting	Dynamics GP	Electronic	Audit +7 yrs	N/A	Audit +7
<b>Cost Allocation Plan</b> – A report prepared by Finance to calculate the District's indirect rate.	FINANCE	Finance	Finance Directory	PDF	10 fys	N/A	10 fys
<b>CWA Capacity/Connection Fee Summary</b> – Summary of capacity fee receipts for CWA fees collected by OMWD and forwarded to CWA quarterly; used for support for CWA audit.	FINANCE	Accounting	Dynamics GP	Electronic	Audit + 4 fys	N/A	Audit + 4 fys
<b>Cash Activity</b> – Sources and uses of cash, and beginning and ending cash balances, for various district bank and investment accounts.	FINANCE	Finance	Dynamics GP	Electronic	Permanent	N/A	Permanent
<b>Debt Issuance Files</b> – These documents are related to the issuance of debt by the District. Such documents may include official statements, bond indentures, installment purchase agreements, and legal opinions.	FINANCE	Accounting	Finance Storage – Debt Service Binders and Finance Directory	Paper and Electronic	Expiration of the bond	7 fys	Expiration of bond + 7 fys
<b>Delinquency Management Files</b> – These files consist of annual reports of delinquent installments of Assessment District levies prepared by NBS.	FINANCE	Accounting	Finance Storage Room – Debt Service Binders and Finance Directory	Paper and PDF	2 fys	0	2 fys
<b>Direct Payment Program Reports (ACH)</b> – This report is generated by the bank twice per month in electronic format and is received by Finance staff. It details payments that are debited directly from customer bank accounts.	FINANCE	Accounting	Admin	Electronic in CIS Infinity and CB&T	4 fys	N/A	4 fys
<b>Employees Recreation Club (ERC)</b> – These files contain annual financial statements, records and receipts for employee planned events, movie tickets, charities, etc.	FINANCE	Accounting	Finance Directory	Paper	3 yrs	0	3 yrs
				Electronic	3 yrs	N/A	3 yrs

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RECORDS RETENTION SCHEDULE 20254

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
<b>Fixed Assets Subsidiary Ledger</b> – A list of fixed assets, maintained in electronic format PDF. This list is printed periodically.	FINANCE	Accounting	Dynamics GP	Electronic	Audit + 4 fys	N/A	Audit + 4 fys
<b>General Ledger Journal Entries</b> – A hard copy journal that is prepared manually, and not a print out from another media source. Any recurring journal entries and adjustments made to the General Ledger that are done manually.	FINANCE	Accounting	Finance Storage Room – FYE Journal Entries	Paper	Audit + 1 fy	3 fys	Audit + 4 fys
<b>General Ledger Posting Journals</b> – Journal entries for Accounts Payable/Transactions, Capacity Fee postings, Checking Account Disbursements, Daily Deposits.	FINANCE	Accounting/ Supervisor	Dynamics GP	Electronic	Audit + 4 yrs	N/A	Audit + 4 yrs
<b>General Ledger Trial Balance</b> – A monthly report that shows beginning general ledger account balances, monthly activity and ending balances. The information for this report is maintained in electronic format.	FINANCE	Accounting/ Supervisor	Finance Directory Audit Folders and GP	Electronic	Permanent	N/A	Permanent
<b>General Ledger Detailed Trial Balance Report</b> – A separate printed detailed Trial Balance is created at the end of the fiscal year, after the year-end audit is completed.	FINANCE	Accounting/ Supervisor	Dynamics GP	Electronic	Permanent	N/A	Permanent
<b>Hand Bills Files</b> – This file contains lists of parcels direct-billed for AD 96-1 levies and sewer bills because the parcels don't receive property tax bills from the County Assessor.	FINANCE	Accounting	Admin – Finance Storage Room	Paper	Audit + 2 fys	4 fys	Audit + 6 fys
<b>Investment Report</b> – Report prepared monthly for Board of Directors that reflects investment balances, securities held and compliance with investment policy (included in the monthly Board Package).	FINANCE	Finance	Finance Directory	PDF in Finance Directory	Audit + 4 fys	N/A	Audit + 4 fys
<b>Investment Files</b> – These files consist of periodic statements from financial institutions or investment pools with which the District holds investments. Records also include investment approvals and confirmations.	FINANCE	Finance	Finance Directory and Finance Storage Room – Investment Files	Paper and Electronic	Audit + 2 fys	2 fys	Audit + 4 fys

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RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
<b>Inventory Issuance Data</b> – This information contains the items taken from District inventory for use. This information is entered electronically to reflect charges to a project/work order account and is used to update the Inventory Master List.	FINANCE	Inventory Control	Admin	Electronic in Dynamics GP	Audit + 4 yrs	N/A	Audit + 4 yrs
<b>Metropolitan Water District Local Resource Program Records</b> – These records support claims for recycled water rebates for Southeast Quadrant Recycled Water. Agreement is filed in GM Agreements files. Annual reconciliations are kept in Finance.	FINANCE	Accounting	Admin – Finance Storage Room	Paper	2 fys	Permanent	Permanent
<b>Notices of Public Hearing</b> – Notices of Public Hearing for rate changes returned as undeliverable by the post office.	FINANCE	Finance	Finance	Paper	Until close of public hearing	4 yrs	Close + 4 yrs
<b>Ordinance 280 Calculation of Charges Due – Collection of payments on properties made necessary by increased water demands in excess of those assessed in Assessment District (AD 96-1)</b>	FINANCE	Accounting	Admin	Paper	5 fys	Permanent	Permanent
<b>Payments (Checks) Received</b> – Electronically Deposited	FINANCE	Accounting	Admin	Paper	1 fy	0	1 fy
				Electronic	2 fys	N/A	2 fys
<b>Payment Stubs</b> – Portion of customer water bill returned to District with payment.	FINANCE	Accounting	Admin	Paper	1 fy	0	1 fy
<b>Payroll Register</b> – This register is created and maintained in electronic format in GP and documents hours and amounts paid to employees each pay period. Information for this register is input from Employee time cards. Register is filed by calendar year.	FINANCE	Accounting	Admin	Electronic in GP	Audit + 7 yrs	N/A	Audit + 7 yrs
<b>Payroll Deduction Reports</b> – These reports are created and maintained in electronic format and printed out periodically. Each report lists the employee name and the deducted or contributed amount. They include Employee Computer Purchased Program, LTD and Colonial Insurance, day care/medical, gift certificates for safety awards, direct deposit, insurance, vehicle allowance, employee recreation club and United Way, union dues, credit union dues and 457 election forms.	FINANCE	Accounting	Admin	PDF on Server	Audit + 7 yrs	N/A	Audit + 7 yrs
<b>Payroll Direct Deposits &amp; Checks</b> – A list of direct deposits and payroll checks to employees.	FINANCE	Accounting	Admin	PDF on Server	Audit + 7 yrs	N/A	Audit + 7 yrs
<b>Payroll Employee Leave Balances</b> – A list of accrued leave balances.	FINANCE	Accounting	Admin	PDF on Server	Audit + 7 yrs	N/A	Audit + 7 yrs
<b>Payroll Month, Quarter, Year to Date Register</b> – A summary of MQY payroll Information.	FINANCE	Accounting	Admin	PDF on Server	Audit + 7 yrs	N/A	Audit + 7 yrs

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OLIVENHAIN MUNICIPAL WATER DISTRICT  
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RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
<b>Payroll Tax Returns (Quarterly/Yearly)</b> – Sent to <b>EDD</b> via online and maintained on their website; hard copies are sent to the <b>IRS</b> as required by law. This file contains information on payments made to directors and employees and processed through payroll module. Copies are kept in confidential file.	FINANCE	Accounting	Admin	Paper	Audit + 2 yrs	5 yrs	Audit + 7 yrs
<b>Payroll Time Card Audit List</b> – A list of employee time sheet allocation amounts, by account number/name, sorted by account number or employee name, and filed by calendar year.	FINANCE	Accounting	Admin	Electronic in Dynamics GP	Audit + 7 yrs	N/A	Audit + 7 yrs
<b>PERS Reporting Copies</b> – A list of employer contributions to PERS.	FINANCE	Accounting	Admin – Finance Storage Room	Paper	1 fy	Permanent	Permanent
				Electronic	Permanent	N/A	Permanent
<b>Project Agreement Working Files</b> – These contain copies of contracts, agreements, and related change orders authorizing payment, along with schedules tracking invoices received.	FINANCE	Accounting	Admin	Paper	Project Completion +1 yr	6 yrs	Project Completion + 7 yrs
<b>Project/Subdivision Meter Log and General Services Receipts Files [Subdivision Files]</b> – A separate file is kept for each account and contains correspondence, receipts, and a log of meters already set in a sub-division. At project completion it is added to project file in Engineering.	FINANCE	Finance	Admin	Paper	Active phase or no longer needed		End of Project
		Eng Admin			End of Project Warranty Period	20 yrs	End of Project Warranty period + 20 yrs
<b>Property Tax Assessment Valuation Reports</b> – These reports are received annually from the San Diego County Tax Assessor's Office and provide a summary and detail information regarding the assessed values of land parcels located within the District.	FINANCE	Accounting	Admin	Paper	Audit + 2 fys	Permanent	Permanent
<b>Purchase Orders</b> – A completed District form used to purchase items more than \$5,000. Must comply with PREVAILING WAGE LAW Dept. of Industrial Relations (DIR) effective August 1, 2016. Purchase Orders are requested/approved via Paramount/Rose.	FINANCE	Accounting	Admin	Electronic in Paramount	5 yrs	N/A	5 yrs
<b>State Controller's Report</b> – This report is prepared annually for submission to the State Controller's office. File includes working papers developed to support preparation of the report. Report is submitted electronically to the State Controller's office.	FINANCE	Accounting	Finance Storage Room – State Controller's Report	Paper	Audit + 2 fys	Permanent	Permanent

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OLIVENHAIN MUNICIPAL WATER DISTRICT  
RECORDS RETENTION SCHEDULE 20254

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
<b>Tax Return Files</b> – Includes 1099s, W2s, use tax returns, A/P related tax return files, benefit payment information, and payments made to vendors and District's contractors.	FINANCE	Accounting	Finance Storage Room – Fire Cabinet	Paper	Audit + 2 yrs	5 yrs	Audit + 7 yrs
				Electronic	Audit + 7 yrs	N/A	Audit + 7 yrs
<b>Time Cards</b> – A form completed by employees and signed by supervisors for each pay period to track hours assigned to various general ledger/work order/job numbers. The completed form is filed by employee name alphabetically and calendar year there under. Business Portal began Jan 2014.	FINANCE	Accounting	Finance Storage Room – Fire Cabinet	Paper	Audit + 2 fys	4 fys	Audit + 6 fys
				Electronic	Audit +6 fys	N/A	Audit +6 fys
<b>Trustee Statement Files</b> – These consist of monthly fund statements from trustee and requests for disbursement of funds.	FINANCE	Accounting	Finance Storage Room – Debt Service Binders	Paper	Expiration of Bond	7 fys	Expiration of bond issue + 7 fys
<b>Water Meter Application</b> – This file contains completed application for water meter installation. Information on this application includes connection fees and other monies collected related to water meter services.	FINANCE	Accounting	Admin	Paper	4 yrs from date submitted, or removal – whichever is longer	Permanent	Permanent
<b>Water/Sewer Rate Study</b> – A report usually prepared by an outside consultant to document the District's methodology with respect to water and sewer rates charted. Completed every 5 years.	FINANCE	Finance	Finance Storage Room – Finance Manager Files	Electronic in Finance Directory	10 fys	N/A	10 fys
<b>Wire Transfers and ACH Payments</b> – Copies of wire and ACH requests sent to our bank.	FINANCE	Accounting	Admin – Finance Storage Room	Paper	2 fys	5 fys	7 fys
<b>Work Order Log</b> – Used to record the assignment of installation of a permanent or temporary construction meter or work for others. The assigned number follows the work order document through its processes.	FINANCE	Accounting	Admin	Paper	2 yrs	0	2 yrs
<b>Workers Compensation Audit Report</b> – May include actual gross wages, earnings for workers compensation, calculation for the previous year and workers compensation gross wages earnings based on estimated payroll expenses in the current year.	FINANCE	Accounting	Admin	Paper	Audit + 2 fys	5 fys	Audit + 7 fys
				Electronic	Audit + 7 fys	N/A	Audit + 7 fys

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OLIVENHAIN MUNICIPAL WATER DISTRICT  
RECORDS RETENTION SCHEDULE 202~~5~~4

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
<b>Administrative Code</b> – This document constitutes the Board-approved policies for operating the District. The master document changes each time new policies are adopted by the Board.	GENERAL MANAGER	Admin	Admin	Electronic in PDF	Current	N/A	Current
<b>Agreements - MOU's, Leases, Fully Executed Agreements</b> - This record series includes agreements between the District and others. Grant agreements are included unless longer term specified in grant documentation. Must comply with PREVAILING WAGE LAW Dept. of Industrial Relations (DIR) effective August 1, 2016. It does not include construction or pipeline agreements, which have a longer retention period, and are listed separately. (Also see Consultant & Service Agreements listing under Engineering Dept.)	GENERAL MANAGER	Admin	Admin	Paper  Electronic in EDMS	End of agreement	12 yrs  N/A	End of agreement + 12 yrs
<b>Agreements (Project-Specific; Not Recorded)</b> – Hard copies of agreements pertaining to a specific project will be added to the project file upon filing of a Notice of Completion.	GENERAL MANAGER	Admin	Admin	Paper	Until Notice of Completion is filed	See "Project Files" ENG Record Series	See "Project Files" ENG Record Series
<b>Agreements - Recorded</b> – This record series includes documents that have been recorded by the San Diego County Recorder's Office, and bears that information on the first page of the document.	GENERAL MANAGER	Admin	Admin	Paper  Electronic in EDMS	Completion + 10 yrs	Permanent  N/A	Permanent
<b>Appraisals / Appraisal Reports (Owned Land)</b> - Record of land appraisals including all elements used to determine property value. Paper originals discarded after scan.	GENERAL MANAGER	Admin	Admin	Electronic	Full term of ownership	N/A	Full term of ownership
<b>Appraisals / Appraisal Reports (Non-Owned Land; e.g. Schoen wells)</b> - Record of land appraisals including all elements used to determine property value.	GENERAL MANAGER	Admin	Admin	Paper  Electronic	5 yrs	0  N/A	5 yrs
<b>Association Files</b> – These files contain correspondence, payment records for associations that the District has membership in. Published material in this file is considered a non-record and may be destroyed when no longer needed.	GENERAL MANAGER	Admin	Admin	Paper	Until membership ceases + 2 yrs	0	Until membership ceases + 2 yrs
<b>Audio and/or Video Recordings</b> – Recordings of Board of Director meetings.	GENERAL MANAGER	Admin	Admin	Electronic	30 days	N/A	30 days
<b>Board Member Meeting Attendance and Travel Arrangements</b> – These files contain documentation that relates to meeting attendance and travel arrangements for all Board members.	GENERAL MANAGER	Admin	Admin	Paper	5 yrs	0	5 yrs

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OLIVENHAIN MUNICIPAL WATER DISTRICT  
RECORDS RETENTION SCHEDULE 202~~5~~4

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
<b>Board Packet (Electronic)</b> – Files contain monthly financial reports, the full Board packet for Board workshops and meetings. Copies of these files are distributed to Directors. Agenda items with very large reports may be provided in paper, separately. These files also contain the records of District Board Meetings and include Adjournment of Board meeting posted notices, agenda items, agenda, board meeting notes, board member correspondence.	GENERAL MANAGER	Admin	Admin	Electronic	<del>32</del> 0 yrs	N/A	<del>32</del> 0 yrs
<b>Correspondence</b> – Related to legal matters	GENERAL MANAGER	Admin	Admin	Paper	5 yrs or until resolved	Permanent	Permanent
				Electronic	Permanent	N/A	Permanent
<b>Correspondence</b> – Customer Issues	GENERAL MANAGER	Admin	Admin	Paper	2 yrs	18 yrs	20 yrs
				Electronic	20 yrs	N/A	20 yrs
<b>Correspondence</b> – Project related	GENERAL MANAGER	Admin	Admin	Paper	Project Complete + 1 yr warranty	20 years	Warranty + 20 yrs
				Electronic	20 yrs	N/A	Warranty + 20 yrs
<b>General Counsel Opinions</b> – input on board items, agreements, and case studies.	GENERAL MANAGER	All Employees	Admin	Paper	10 yrs	10 yrs	20 yrs
				Electronic	20 yrs	N/A	20 yrs
<b>Minutes</b> – Approved and signed Minutes of Board of Directors meetings are scanned into the EDMS.	GENERAL MANAGER	GM	Admin	Paper	5 yrs	Permanent	Permanent
				Electronic	Permanent	N/A	Permanent
<b>Ordinances &amp; Resolutions</b> – Approved by District Board of Directors.	GENERAL MANAGER	Admin	Admin	Paper	5 yrs	Permanent	Permanent
				Electronic	Permanent	N/A	Permanent
<b>Risk Management</b> – Subpoenas served on the District, litigation, claims exceeding \$5,000, releases and public records requests.	GENERAL MANAGER	Admin	Admin	Paper	Active phase or no longer needed	Permanent	Permanent
<b>Benefit Plan Files</b> – Includes plan summaries and renewal information (not including add/delete enrollments, change forms – these are kept in employee files), and workers' compensation general information documents. Contracts/agreements are held in GM Agreements Files.	HUMAN RESOURCES	Admin	Admin	Electronic	No longer in force + 5 yrs	N/A	No longer in force + 5 yrs

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OLIVENHAIN MUNICIPAL WATER DISTRICT  
RECORDS RETENTION SCHEDULE 202~~5~~4

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
<b>Benefit Plan Claims</b> are to be permanently maintained by the District ONLY if the claim is filed against the District (not the carrier).	HUMAN RESOURCES	Admin	Records	Paper	Permanent ONLY if received by District	Permanent	Permanent
				Electronic	Permanent ONLY if received by District	N/A	Permanent
<b>Employee Programs Files</b> – These files contain records related to the District Wellness Program, Recognition and Awards Programs.	HUMAN RESOURCES	Admin	Admin	Electronic	5 yrs	0	5 yrs
<b>Ethics Training</b> – All documents verifying the completion of required ethics training.	HUMAN RESOURCES	Admin	Admin	Electronic	5 yrs	N/A	5 yrs
<b>Fair Political Practices Commission / Conflict of Interest Files</b> – Consist of completed forms, correspondence related to FPPC and COI forms/filings such as, but not limited to, 470/700/801, Registrar of Voters, required of District Board members and certain employees.	HUMAN RESOURCES	Admin	Admin	Paper	Termination of employment	7 yrs	Termination of employment + 7 yrs
				Electronic	Termination of employment + 7 yrs	N/A	Termination of employment + 7 yrs
<b>Grievance &amp; Claim Files</b> – These files include documents related to hearings and investigations conducted, based on employee claims.	HUMAN RESOURCES	Admin	Admin	Paper	Termination of employment	6 yrs	Termination of employment + 6 yrs
				Electronic	Termination of employment + 6 yrs	N/A	Termination of employment + 6 yrs
<b>I-9 File</b> – includes completed I-9 form and applicable backup documents.	HUMAN RESOURCES	Admin	Admin	Paper	Termination of employment + 3 yrs	0	Termination of employment + 3 yrs
				Electronic	Termination of employment + 3 yrs	N/A	Termination of employment + 3 yrs
<b>Labor Relations Files</b> –These files include documents related to employee associations, labor/management records, negotiation information, regulatory information, unit recognition and membership. (MOUs in GM files)	HUMAN RESOURCES	Admin	Admin	Paper	6 yrs	Permanent	Permanent
				Electronic	Permanent	N/A	Permanent
<b>Medical Files</b> – May include FMLA, medical clearance, DMV medicals, workers' compensation claims; results from hearing, respiratory fit, drug and alcohol testing performed as required.	HUMAN RESOURCES	Admin	Admin	Paper	Termination of employment	30 yrs	Termination of employment + 30 yrs

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OLIVENHAIN MUNICIPAL WATER DISTRICT  
RECORDS RETENTION SCHEDULE 202~~5~~4

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
<b>Medical Records Files</b> – (self-insured) are held separately. They contain records of employees during a period when the District was self-insured.	HUMAN RESOURCES	Admin	Admin	Paper	0	Termination of employment + 30 yrs	Termination of employment + 30 yrs
<b>CalPERS Files</b> – These files contain reports, procedures manual, and other employer information files related to CalPERS activities. (Agreements in GM files)	HUMAN RESOURCES	Admin	Admin	Electronic	5 yrs	N/A	5 yrs
<b>Personnel Files Employee/Director</b> – These files include periodic evaluations, training certificates/seminar/class attendance records, disciplinary records and awards, completed action and benefit forms, performance appraisals, personnel and payroll recommendations, including pay increases and decreases, promotions and demotions (**medical records held separately).	HUMAN RESOURCES	Admin	Admin	Paper	Termination of employment	7 yrs	Termination of employment + 7 yrs
				Electronic **Paper Only	Termination of employment + 7 yrs	N/A	Termination of employment + 7 yrs
<b>Records Management (RM) Annual Updates</b> – These files contain records management program documents and retention schedules (**destruction notices and audits filed separately).	HUMAN RESOURCES	Records Mgt	Admin	Paper	Current	0	Current
				Electronic	20 yrs		20 yrs
				**Electronic Only	20 yrs		20 yrs
<b>Recruitment Files</b> – These files include job announcements, applications, resumes, interview questions/rating sheets, notes, and skills assessment tests. Files may include internal promotional documents.	HUMAN RESOURCES	Admin	Admin	Paper	2 yrs	4 yrs	6 yrs
				Electronic	6 yrs	N/A	6 yrs
<b>Salary Administration Files</b> – Includes salary survey(s), reclassification studies, performance planning, job descriptions and salary administration reference documentation.	HUMAN RESOURCES	Admin	Admin	Electronic	6 yrs	N/A	6 yrs
<b>CAL-OSHA Forms</b> – Tracks on-the-job injury and illness incidents in electronic format for all CAL-OSHA forms that include, but are not limited to Form 300, 300A summary, and the 301 Injury form.	HUMAN RESOURCES/ SAFETY	Health and Safety	Safety Office	Paper	5 yrs	5 yrs	10 yrs
				Electronic	10 yrs	N/A	10 yrs
<b>Confined Space Permits</b> - Per CAL-OSHA Rule 5157 (e)(b)(6).	HUMAN RESOURCES/ SAFETY	Health and Safety	Safety Office	Paper	3 years after cancellation of permit	0	3 years after cancellation of permit
<b>Emergency Management</b> – Files consist of EM Disaster Manuals, disaster plans, table top exercises, equipment, facilities resources, and Member Agency communications.	HUMAN RESOURCES/ SAFETY	Health and Safety	Safety Office	Paper	Current	2 yrs	Current + 2 yrs
				Electronic	Current	N/A	Current + 2 yrs

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RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
<b>Employee Exposure Records</b> – Includes hazard materials, chemicals, hearing audiometric tests, and other CAL-OSHA required information.	HUMAN RESOURCES/ SAFETY	Health and Safety	Safety Office	Paper	Termination of employment + 1 year	29 years	Termination of employment +30 years
<b>Employee and Facility Exposure Measurements</b> – This includes measurements completed at the worksite.	HUMAN RESOURCES SAFETY	Health and Safety	Safety Office	Paper	3 yrs	N/A	3 yrs
<b>Employee Pull Notices</b> – DMV program to alert employer of employee driving activity and license status. On-line monitoring via SambaSafety.	HUMAN RESOURCES/ SAFETY	Health and Safety	Safety Office	EDMS (Disciplined DMV Violations Only) SambaSafety Website (ALL Pull Reports)	Termination of employment + 7 yrs  N/A	N/A  Samba	Termination of employment + 7 yrs  7 yrs
<b>Environmental Files</b> – These files consist of hazardous materials control documents, including regulation of storage tanks, handling; hazardous waste regulations; programs related to Proposition 65, water quality control, safe drinking water and industrial waste pretreatment; air quality control including air pollution inspections, generator inspections.	HUMAN RESOURCES/ SAFETY	Health and Safety	Safety Office	Paper	Current program info and inspections +3 yrs	7 yrs	Current + 10 yrs
<b>Fit Test Records</b> – Certifications of test results from employee respirator fitment.	HUMAN RESOURCES/ SAFETY	Health and Safety	Safety Office	Paper	Permanent	0	Permanent
<b>Hazardous Waste Manifest</b> – Records of hazardous waste removal.	HUMAN RESOURCES/ SAFETY	Health and Safety	Safety Office	Paper Electronic	3 yrs Permanent	0 N/A	3 yrs Permanent
<b>Inspection Files (equipment)</b> – Consists of bi-annual inspection of terminals (BIT), cranes, periodic facility inspections, forklift, first aid supplies certification, safety equipment.	HUMAN RESOURCES/ SAFETY	Health and Safety	Safety Office	Paper	10 yrs	0	10 yrs
<b>Permits</b> – This file consists of permits issued to OMWD from the County of San Diego and State of California related to plant operations and water quality.	HUMAN RESOURCES / SAFETY	Health and Safety	Safety Office	Paper Electronic	Permanent Permanent	0 N/A	Permanent Permanent
<b>Permits and Logs Files</b> – These files contain atmospheric logs, equipment calibration records, Storm Water Pollution Prevention Permit, Hazmat Business Plans, APCD, elevator permit.	HUMAN RESOURCES/ SAFETY	Health and Safety	Safety Office	Paper Electronic	Current + 5 yrs Current + 5 yrs	0 N/A	Current + 5 yrs Current + 5 yrs

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OLIVENHAIN MUNICIPAL WATER DISTRICT  
RECORDS RETENTION SCHEDULE 20254

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
<b>Plan Files</b> – These files contain plans for regulated activities and include Risk Management Plans (RMP), Response Program plans, New Employee Orientation Program, Policies and Procedures for Health & Safety Program, Fire Extinguisher Maintenance Program, Hazardous Materials Business Plan, Storm Water Pollution Prevention Plan, Hazardous Communication Plan, and Lockout/Tagout Program.	HUMAN RESOURCES/ SAFETY	Health and Safety	Safety Office	Paper	Current + 3 yrs	0	Current + 3 yrs
				Electronic	Current + 3 yrs	N/A	Current + 3 yrs
<b>Risk Management Files</b> – Consists of claims under \$5,000, documents related to accidents, vehicle insurance, Workers' Comp Medical Clinic insurance certificates.	HUMAN RESOURCES/ SAFETY	Health and Safety	Safety Office	Paper	Until closed	10 yrs	Closed + 10 yrs
<b>Safety Committee Meeting Files</b> – These files contain the agenda and full meeting packet for monthly meetings of the Safety Committee.	HUMAN RESOURCES/ SAFETY	Health and Safety	Safety Office	Electronic	3 yrs	N/A	3 yrs
<b>Safety Committee Meeting Minutes</b> - Approved and signed Minutes of the Safety Committee are scanned into the EDMS.	HUMAN RESOURCES/ SAFETY	Health and Safety	Records	Paper	Permanent	0	Permanent
				Electronic	Permanent	N/A	Permanent
<b>Audio and/or Video Recordings</b> – Recordings of Safety Committee meetings.	HUMAN RESOURCES/ SAFETY	Health and Safety	OMWD Server	Electronic	60 Days	N/A	60 Days
<b>Safety Data Sheets (SDS)</b> – These reports describe chemicals in the work place and are posted in District work area. A report listing chemicals and years of exposure may be substituted for sheets.	HUMAN RESOURCES/ SAFETY	Health and Safety	Safety Office	Paper	From date of use + 3 yrs	27 yrs	From date of use + 30 yrs
				Electronic in MSDSonline.com	From date of use + 30 yrs	N/A	From date of use + 30 yrs
<b>Safety Manual</b> – Includes procedures for employees.	HUMAN RESOURCES/ SAFETY	Health and Safety	OMWD Server	Electronic	Current + 2 yrs	N/A	Current + 2 yrs
<b>Training Files</b> – Tests may be given in paper format or via the internet in a program provided for this purpose (*VectorSolutions.com).	HUMAN RESOURCES/ SAFETY	Health and Safety	Safety Office	Paper	Current + 5 yrs	0	Current + 5 yrs
				Electronic	Current + 30 yrs	N/A	Current + 30 yrs
<b>Training Records – Employee</b> – Consists of records of attendance at mandated classes, tailgate and monthly training meetings, off-site and on-line classes completed, and asbestos cement (AC) pipe.	HUMAN RESOURCES/ SAFETY	Health and Safety	Safety Office	Paper	Employment	30 yrs	Termination + 30 yrs
<b>Training Rosters</b> – Includes General & Safety Training and Technical Required Safety Training Rosters.	HUMAN RESOURCES/ SAFETY	Health and Safety	Safety Office	Paper	5 yrs	0	5 yrs

\*EDMS (Electronic Document Management System)

OLIVENHAIN MUNICIPAL WATER DISTRICT  
RECORDS RETENTION SCHEDULE 202~~5~~4

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
<b>Visitor Log</b> – Daily sign-in logbook maintained at the District's front desk for guests visiting the District.	HUMAN RESOURCES/ SAFETY	Health and Safety	Front Desk	Paper	1 yr	0	1 yrs
				Electronic	3 yrs	N/A	3 yrs
<b>4S Ranch Water Reclamation Facility Self-Monitoring Reports for Regional Water Quality Control Board</b> – Self-monitoring reports for the 4S Ranch Water Reclamation Facility. Electronic version becomes official record after scanning.	OPERATIONS	Water Reclamation Facility	4S WRF	Paper	0	10 yrs	10 yrs
			Server	Electronic	10 yrs	N/A	10 yrs
<b>4S Ranch Water Reclamation Facility Status Reports</b> – include various water testing reports, including reports submitted to the Regional Water Quality Control Board.	OPERATIONS	Water Reclamation Facility	4S WRF	Paper	10 yrs	Permanent	Permanent
			Server	Electronic		N/A	Permanent
<b>Backflow Records</b> – Consist of installation, annual test, inspection, and enforcement records.	OPERATIONS	Backflow / Cross Connection	4SWRF Server	Paper	3 yrs	0	3 yrs
				Electronic	3 yrs	N/A	3 yrs
<b>City of San Diego Industrial Self-Monitoring</b> – This report is due the 15 <sup>th</sup> of each month for WTP waste discharge permit.	OPERATIONS	DCMWTP	Server	Electronic	10 yrs	N/A	10 yrs
<del><b>Duty Log Book</b> – Duty calls from customers and customer service for after-hour emergency issues. These calls are recorded in the duty call log book and copies of the slips are attached to the employee's time card for the specific pay period.</del>	<del>OPERATIONS</del>	<del>All Work Groups</del>	<del>Operations</del>	<del>Electronic</del>	<del>3 yrs</del>	<del>0</del>	<del>3 yrs</del>
<b>System Infrastructure Repair Records</b> – consist of pipelines and other underground infrastructure.	OPERATIONS	Construction	Server	Electronic	2 yrs	N/A	2 yrs
<b>Industrial Pretreatment Program (IPP)</b> – Files include inspection reports, industrial waste permits, self-monitoring reports and correspondence. Filed by business name.	OPERATIONS	Water Reclamation Facility	4S WRF	Paper	Active phase or no longer needed	10 yrs	End of active phase + 10 yrs
<b>IT: Software Installation Disks /CDs</b> – For software purchased for District uses.	OPERATIONS	Information Technology	Server	Electronic	Current	N/A	Life of the product
<b>IT: Software Licenses</b> – Purchased for use with software purchased for District uses.	OPERATIONS	Information Technology	Server	Electronic	Current	N/A	Life of the product
<b>IT: System Backup (servers hosting important files, databases, and records)</b> – One previous calendar year for system and one previous fiscal year backup for fiscal records. Daily backups are stored locally and at remote sites.	OPERATIONS	Information Technology	Server	Electronic	Remote Sites	Previous year	Current + 2 previous yrs

\*EDMS (Electronic Document Management System)



OLIVENHAIN MUNICIPAL WATER DISTRICT  
RECORDS RETENTION SCHEDULE 20254

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
<b>IT: System Backup (systems and servers for device management, network infrastructure, and network security)</b> – Previous six months for systems used for managing PC and mobile devices, name resolution, IP addressing, authentication, certificate services, network policy, network topology, network security, and reporting. Daily backups are stored locally and at remote sites.	OPERATIONS	Information Technology	Server	Electronic	Remote Sites	Previous 6 months	Previous 6 months
<b>IT: Systems Backup (SCADA operations systems)</b> –For systems used for managing water distribution, water treatment, wastewater treatment, and recycled water. Daily backups are stored locally and at remote sites.	OPERATIONS	Information Technology	Server	Electronic	Remote Sites	Previous 6 months	Previous 6 months
<b>IT: Systems Backup (SCADA historical systems)</b> –For systems that store historical records of SCADA operations. Daily backups are stored locally and at remote sites.	OPERATIONS	Information Technology	Server	Electronic	Remote Sites	Current + 2 previous years	Current +2 previous years
<b>IT: Email Backup</b> – The retention of all emails, including backup of email systems, is reflected in the Board approved Email Retention Policy.	OPERATIONS	Information Technology	Server	Electronic	Remote Sites	Previous 6 months	See Email Retention Policy
<b>Prequalification Documents</b> - Valve replacement excavation and paving support services prequalification submittal documents.	OPERATIONS	Construction	Admin	Paper	End of Prequalification period + 2 yrs	N/A	End of Prequalification period + 2 yrs
			Server	Electronic	End of Prequalification period + 2 yrs	N/A	End of Prequalification period + 2 yrs
<b>Proposals for Professional Services and Construction Bids – Successful</b> – Once signed this document becomes part of the contract documents.	OPERATIONS	All Work Groups	Admin Server	Paper Electronic	End of Warranty Period	End of Warranty +20 yrs	End of Warranty Period + 20 yrs
<b>Proposals for Professional Services and Construction Bids – Unsuccessful</b> – Proposals Only – No contracts executed.	OPERATIONS	All Work Groups	Admin	Paper	Bid opening +2 yrs	0	Bid opening +2 yrs
<b>Recycled Water Certification Reports</b> – Dept. of Environmental Health Certifications; Annual Site Inspections; Cross connection testing as required.	OPERATIONS	Cross Connection	4S WRF	Paper	10 yrs	Permanent	Permanent
			Server	Electronic	10 yrs	N/A	Permanent
<b>Recycled Water Program</b> – Files related to the development and administration of the District's recycled water distribution program. These files may include correspondence related to regulatory reporting, site use approval and permitting, and District infrastructure maintenance.	OPERATIONS	Water Reclamation Facility	4S WRF	Paper	Active or no longer needed	Permanent	Permanent
			Server	Electronic	5 yrs	N/A	Permanent

\*EDMS (Electronic Document Management System)



OLIVENHAIN MUNICIPAL WATER DISTRICT  
RECORDS RETENTION SCHEDULE 202~~5~~4


RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
<b>SCADA Historical Data Base</b> – Automated system that records pressures, levels, flows and other parameters for District water distribution, treatment and reclamation facilities. (Information is stored in historical data bases.)	OPERATIONS	System Operations, 4S WRF, DCMWTP	Server	Electronic	10 yrs	Remote Sites	10 yrs
<b>Sanitation District Files (4S Ranch &amp; Rancho Cielo)</b> – These files are related to the District's operation and maintenance of the sewer collection system and water reclamation facilities. Files may include correspondence relating to the operation and maintenance of these Sanitation Districts, periodic regulatory agency reports (85-40 Waster Discharge Requirement, sewer overflow, stormwater, etc.) and contract operator correspondence.	OPERATIONS	Water Reclamation Facility	4S WRF	Paper	<del>105</del> yrs	0	<del>105</del> yrs
			Server	Electronic	<del>105</del> yrs	N/A	<del>105</del> yrs
<b>Security System Logs</b> – Created by application to identify entry and exit from secured areas in administration and operations buildings yard and remote sites.	OPERATIONS	Information Technology	Server	Electronic in security program	1 yr	N/A	1 yr
<b>Surveillance Cameras</b> – District facilities have cameras for the protection and observation of District property through a software agreement that mandates retention.	OPERATIONS	Information Technology	Server	Electronic	1 yr	N/A	1 yr
<b>System Operations Records</b> – Consists of PR station maintenance, telemetry, CP station maintenance and system performance records, hydro generation, fire flow, chlorine and water watch duty documents.	OPERATIONS	System Operations	Server	Electronic	2 yrs	N/A	2 yrs
<b>Underground Service Alert Files</b> – These files track activity related to repair of main leaks and new service installations. Staff places phone call to Dig Alert for request of service and keeps track of this activity in these files.	OPERATIONS	Construction	Construction	Electronic	2 yrs	0	2 yrs
<b>Vehicle Purchase Records</b> – These records contain pink slips only for District owned vehicles.	OPERATIONS	Construction	Construction	Paper	Until Sold	0	Until Sold
<b>Vehicle and Equipment Repair Records</b> – This file consists of Biennial Inspection Terminals (BIT), repair records, and other documents related to District owned vehicles and equipment.	OPERATIONS	Construction	Mechanics Bay	Paper	Until Sold	0	Until Sold
			Server	Electronic	Until Sold	N/A	Until Sold
<b>Vehicle Maintenance</b> – Files include vehicle inventory, fuel records, repair records and waste oil/emulsion disposal reports.	OPERATIONS	Vehicle Maintenance	Mechanics Bay	Paper	Until Sold	0	Until Sold
				Electronic	Until Sold	N/A	Until Sold
<b>Waterboards DDW (Division of Drinking Water) Routine Monthly Monitoring</b> –Includes all water quality monitoring data, lab reports and complaint/response information to support total coliform rule (TCR), nitrate (NIT) and general physical (GP) reports due the 10 <sup>th</sup> of each month.	OPERATIONS	System Operations	Server	Electronic	10 yrs	N/A	10 yrs

\*EDMS (Electronic Document Management System)

OLIVENHAIN MUNICIPAL WATER DISTRICT  
RECORDS RETENTION SCHEDULE 202~~5~~4

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
<b>Waterboards DDW (Division of Drinking Water) DBP and MRDL</b> - Quarterly reports due the 10 <sup>th</sup> of each completed quarter, dependent upon the date laboratory results are obtained.	OPERATIONS	System Operations	Server	Electronic	10 yrs	N/A	10 yrs
<b>Waterboards DDW (Division of Drinking Water) SWTR and Fluoride Monitoring</b> – Monthly report for DCMWTP raw and treated water quality (SWTR) and fluoride (FL) due the 10 <sup>th</sup> of each month.	OPERATIONS	DCMWTP	Server	Electronic	10 yrs	N/A	10 yrs
<u>DCMWTP District Files – These files are related to the District's operation and maintenance of the water treatment plant facilities.</u>	<u>OPERATION</u>	<u>DCMWTP</u>	<u>DCMWTP</u>	<u>Paper</u>	<u>10 yrs</u>	<u>0</u>	<u>10 yrs</u>
			<u>Server</u>	<u>Electronic</u>	<u>10 yrs</u>	<u>N/A</u>	<u>10 yrs</u>
<b>Waterboards DDW (Division of Drinking Water) eARDWP</b> –Annual report submitted electronically via the DRINC web portal. It is a required report compiled from data provided by several work groups.	OPERATIONS	Operations	Server	Electronic	10 yrs	N/A	10 yrs

\*EDMS (Electronic Document Management System)

 <b>Computer and Device Use Policies</b>	<b>Email Retention Policy</b>	
	OMWD Guidelines & Procedures	
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## **Sec. 2.1 Purpose**

This policy establishes the default retention periods for email retained on active servers. It also confirms roles and responsibilities for implementation, including management of litigation holds.

## **Sec. 2.2 Purpose**

This retention policy applies to:

1. All users and account holders of District email and; and
2. All email sent or received using District email systems.

## **Sec. 2.3 Policy**

### **Sec. 2.3.a Transitory Messages**

Most email records are created primarily for routine communication or information exchange, i.e., not records as defined by the District's Records Management Policies.

These messages should be considered transitory messages that do not have lasting value (defined below) and should be:

1. Read and promptly deleted; or
2. Read and retained on the active server for no longer than the default retention period (defined below) or until their usefulness has ended (whichever occurs first), and then promptly deleted; or
3. Read and moved off the active server when job requirements necessitate retention for periods longer than the default retention period, and then promptly deleted when their usefulness has ended.

Example of transitory messages:

- Notice about meetings or events
- Internal requests for information
- An inquiry about minor Issues not related to any specific project
- Announcements, etc.

### **Sec. 2.3.b Lasting Value Messages**


When the contents of an email exhibits one or more of the following characteristics, it should be classified as having lasting value:

Has operational value (required by a department to perform its primary function)

- Administrative actions taken or planned
- Reports or recommendations
- Policies, procedures, guidelines, or templates

Has legal or evidential value (required to be kept by law)

- Falls within a litigation hold or internal investigation (see "Litigation Holds" below)

 <b>Computer and Device Use Policies</b>	<b>Email Retention Policy</b>	
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Has fiscal value (related to the financial transactions of the District)

- Required for financial reporting and audits

Has historical significance (of long-term value to document past events)

- May arise from exceptional age and/or some significant historical event

Has vital value (critical to maintain to ensure operational continuity after a disruption or disaster)

- Vital records or Information may fall into any one of the above value categories

Since email systems are not designed to be records retention or document management systems, email messages that have lasting value should:

- Be forwarded to the appropriate retention schedule related email address within the District email archive system; and
- NOT be stored within individual users' email folders/files

Lasting Value messages can also be printed and saved in appropriate file systems in hard copy or saved in electronic format outside of the email system.

#### Sec. 2.3.c

##### Responsibility for Retention of Messages with Lasting Value

The burden of determining whether a specific message has lasting value should fall to the department responsible for that particular class or series of records - typically the originator or custodian of those records. Other recipients should not retain messages longer than required for their respective job purposes. When that need no longer exists, the information should be destroyed. In other words, only the department responsible for retention of a specific type of information or record shall store and control the disposition of information, including that which is in electronic form.

#### Sec. 2.3.d


##### Default Retention Period

District email systems will be configured to automatically delete messages retained for more than 180 days on active email servers. This auto delete policy applies to messages within all folders (inbox folders, sent file folders, draft file folders, etc.) stored on active email servers.

District email systems will also be configured to automatically delete messages that have been marked for deletion by users but are still sitting in their "deleted items" folders for more than 7 days on active email servers.

All District email system users are expected to:

- Regularly check for new messages:
- Routinely move messages with lasting value to dedicated storage on Departmental/office networked file systems; and to
- Delete transitory messages as quickly as possible.

 <b>Computer and Device Use Policies</b>	<b>Email Retention Policy</b>	
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**Sec. 2.3.e**      Backup Files

Backup copies of District email system files will be kept for no more than four months. These backups are for system restoration and disaster recovery purposes, and are not intended to facilitate retrieval of deleted messages.

Questions about the proper classification (transitory or lasting value) of a specific message, record, or piece of information should be directed to the employee's Department Manager.

**Sec. 2.3.f**      Litigation Holds

When litigation is pending or threatened against the District or its employees, the law imposes a duty upon the District to preserve all documents and records that pertain to the issues. A litigation hold directive must be issued to the legal custodians of those documents.

A litigation hold directive overrides this email retention policy, as well as any records retention schedules that may have otherwise called for the transfer, disposal or destruction of relevant documents, until the hold has been cleared.

Email and accounts of separated employees that have been placed on litigation hold status must be maintained by the District's System Administrator until the hold is released.


No employee who has received a litigation hold directive may alter or delete an electronic record that falls within the scope of that hold. Those employees are required to provide access to or copies of any electronic records that they have downloaded and saved, or moved to some other storage account or device.

**Sec. 2.4**      **Role and Responsibilities**

The District's System Administrator will:

- Establish and publish standards for email account administration, storage allocations, and automatic archiving of messages (that must be retained for periods longer than the default retention period) to a message archive system.
- Provide facilities and instructions for moving messages with lasting value to dedicated secondary storage or to departmental/office networked file systems;
- Provide the required end user training and helpdesk support;
- Manage server implementation of litigation holds that are issued by District's
- Counsel; and
- Manage electronic messages, records and information that fall within the scope of the litigation holds, and that reside on active servers.

Department Managers are responsible for providing records retention guidance to staff within their respective department. The guidance provided must be in accordance with this policy and the District's Record Retention Policy.

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Originators and custodians of electronic messages, records, and information that have lasting value are responsible for:

- Appropriately identifying and retaining such records in accordance with this policy and the District's Record Retention Policy; and
- Seeking assistance from their respective unit managers or department heads when unsure about how to categorize specific types of messages.

District employees who have been notified by management of a litigation hold are responsible for preserving all messages, records, and information that fall within the scope of the hold that they have downloaded and/or stored locally.



# Memo

Date: December 11, 2024

To: Olivenhain Municipal Water District Board of Directors

From: Jared Graffam, Financial Analyst II  
Rainy Selamat, Finance Manager

Via: Kimberly Thorner, General Manager

Subject: **CONSIDER ANNUAL REVIEW OF THE OLIVENHAIN MUNICIPAL WATER DISTRICT'S INVESTMENT POLICY AND APPROVE THE PROPOSED CHANGES FOR CALENDAR YEAR 2025**

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## Purpose

This is a housekeeping item. The District's Investment Policy (Policy) is reviewed by Staff annually. The Policy is renewed every year because it has a one-year term that expires in December of each year.

Proposed changes to the Policy are attached for the Board's consideration and approval. The proposed changes were reviewed by the Finance Committee members (Director Meyers and Director Watt) at the November 4<sup>th</sup> meeting.

## Recommendation

The Committee is recommending that the Board consider and approve the proposed changes to the District's Policy for 2025.

### **Alternative**

The Board may choose not to approve the proposed changes to the Policy or direct staff to do otherwise. However, the Policy has a one-year term expiring on December 31, 2024.

### **Background**

The District's Policy is reviewed and updated by Staff annually per the terms of the Policy prior to its expiration at the end of each calendar year.

The purpose of this exercise is to help ensure the Policy is consistent and updated each year to comply with applicable federal, state, and local laws regulating the investment of public funds and to meet the District's liquidity needs.

### **Fiscal Impact**

None

### **Discussion**

Based on the 2024 review, the District's Policy is in compliance with all federal, state, and local laws. The District's Policy has been reviewed by PFM Asset Management to make sure the existing Policy is consistent with the California Government Code sections that govern the investment of public funds. The proposed changes to the District's Policy are advised by PFM Asset Management and were discussed and reviewed by the District's Finance Committee at the November 4th meeting.

Staff will be available during the meeting for discussion.

Attachment: Proposed 2025 Investment Policy





**Annual Statement of Investment Policy**  
**Calendar Year ~~2024~~2025**

**OLIVENHAIN MUNICIPAL WATER DISTRICT**  
**Annual Investment Policy**  
**Calendar Year ~~2024~~2025**

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# OLIVENHAIN MUNICIPAL WATER DISTRICT

## Annual Investment Policy

Calendar Year ~~2024~~2025

### INVESTMENT POLICY

#### I. INTRODUCTION

The purpose of this document is to identify policies and procedures that shall govern the investment of all District funds. The ultimate goal of this policy is to enhance the economic status of the District while protecting its funds. These policies shall be followed by the Treasurer in making all investment decisions on behalf of the District.

The Board of Directors of the District has delegated authority to invest funds on behalf of the District to its Treasurer for one (1) year. The Treasurer is required to provide a monthly report of all District investments to the Board. The Treasurer's authority to make investments for the District under this policy is limited to a one (1) year term expiring on December 31, ~~2024~~2025. This authority may be renewed annually at the discretion of the Board of Directors of the District.

This investment policy is intended to guide the Treasurer in the investment of all District funds. These investment policies have four primary goals:

1. To ensure that all District investments comply with federal, state, and local laws governing the investment of all District funds;
2. To recognize that the primary objective of all District investments is to safeguard the principal invested;
3. To recognize that the second objective of all District investments is to meet the liquidity needs of the District; and
4. To maximize the return on all District investments keeping in mind that safeguarding the principal and providing liquidity are more important objectives than the return obtained.

#### II. SCOPE

This investment policy shall cover all funds and investment activities under the direct authority of the District, except for the employee's retirement and deferred compensation funds, checking and payroll accounts, and debt service construction and reserve funds held by trustee in accordance with the District's bond documents.

# OLIVENHAIN MUNICIPAL WATER DISTRICT

## Annual Investment Policy

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### III. OBJECTIVES

- A. Safety. It is the primary duty and responsibility of the Treasurer to protect and preserve the principal of all District funds and investments. Prior to investing any District funds, the investment shall be evaluated by the Treasurer to ensure that capital losses are avoided whether from institution default, broker-dealer default, or erosion of the market value of the securities. The Treasurer shall evaluate, or cause a qualified professional to evaluate, each potential investment of District funds to verify that the issuer is financially strong and there is adequate security as collateral for each investment sufficient to protect the principal being invested. The Treasurer shall diversify District investments so as to reduce the exposure to principal loss.
- B. Liquidity. An adequate percentage of all District investments shall be maintained at all times in liquid short-term securities which can be converted to cash if necessary to meet the District's financial obligations. The Treasurer should consider the District's liquidity needs over the next year in determining the amount that should be maintained in short term instruments. Since all future cash requirements of the District cannot be anticipated, the Treasurer shall, at all times, invest a portion of all District investments in liquid short-term securities that are readily tradable so as to meet the ongoing liquidity needs of the District. These short-term securities shall be selected in a manner that minimizes market risk and provides for the anticipated needs of the District over the next year.
- C. Return on Investments. The Treasurer should invest all District funds in investments that maximize the return for the District keeping in mind that safeguarding the principal and providing liquidity are more important objectives than the return obtained. All investment decisions made by the Treasurer shall be, first, to ensure protection of the principal of all District funds and investments, second, to provide adequate liquidity for the District's future needs, and third, to maximize return where possible without jeopardizing the principal or creating liquidity problems for the District.
- D. Market-Average Rate of Return. The investment portfolio shall be designed to attain a market-average rate of return throughout economic cycles, taking into account the District's risk and liquidity constraints, the cash flow characteristics of the portfolio, State laws limiting District investments, and ordinances or resolutions that restrict investments. To determine if the District is attaining its return

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**Annual Investment Policy**  
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objectives, the Treasurer will periodically review the portfolio's performance against an appropriate benchmark(s).

- E. Diversification. The investment portfolio shall be diversified to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions. The amount invested by the Treasurer in a particular security at any time shall not exceed the limitations contained in Section VII of this Investment Policy.
- F. Prudence. The District adheres to the guidance provided by the "Prudent Investor Rule" California Government Code (Sec. 53600.3), which obligates a fiduciary to insure that investment decisions be made with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

The Treasurer and all other individuals assigned to manage the District's investment portfolio, acting within the intent and scope of the investment policy and other written procedures and exercising due diligence, shall be relieved of personal responsibility and liability for an individual security's credit risk or market price changes, provided deviations from expectations are reported monthly and appropriate action is taken to control adverse developments.

- G. Public Trust: All participants in the investment process shall act as custodians of the public trust. Investment officials shall recognize that the investment portfolio is subject to review and evaluation by the Board. The overall program shall be designed and managed with a degree of professionalism that is worthy of the public trust. In a diversified portfolio it must be recognized that occasional measured losses are inevitable, and these losses must be considered within the context of the overall portfolio's investment return, provided that adequate diversification has been obtained.
- H. Risk Tolerance. The District recognizes that investment risks can result from issuer defaults, market price changes or various technical complications leading to temporary illiquidity. Portfolio diversification is employed as a way to control risk. The Treasurer is expected to display prudence in diversifying the District's investments as a way to minimize default risk. No individual investment transaction shall

## **OLIVENHAIN MUNICIPAL WATER DISTRICT**

### **Annual Investment Policy**

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be undertaken by the Treasurer which jeopardizes the total capital position of the overall portfolio or which exceeds the investment limitations contained in Section VII of this policy. The Treasurer shall periodically establish guidelines and strategies to control risks of default, market price changes and illiquidity.

Risk will also be managed by subscribing to a portfolio management philosophy that helps to control market and interest rate risk by investing to ensure required liquidity and appropriate term. This philosophy also prohibits trading losses (for speculative purposes) unless there is a sudden need for liquidity and the need cannot be satisfied by any other means. Loss of principal will only be acceptable if economic gain can be conclusively demonstrated.

Controlling and managing risk is the foremost portfolio management objective. The District strives to maintain an efficient portfolio by providing for the lowest level of risk for a given level of return. This acceptable level of return has been quantified as a return that is equal to an appropriate benchmark(s) based on the weighted average of the District's portfolio depending on investments and maturities. In addition to these general policy considerations, the following specific policies will be strictly observed:

1. All book-entry transactions will be executed on a delivery-versus-payment basis.
2. A competitive bid process, when practical, will be used to place all investment purchases and to minimize investment costs.

#### **IV. DELEGATION OF AUTHORITY**

The investment of District money is delegated to the Treasurer by the Board of Directors for one year ending December 31, ~~2024~~2025. The Treasurer may delegate the day-to-day operations of investing to his/her designee(s), but not the responsibility for the overall investment program.

#### **V. REPORTING**

Although it is no longer required for the Treasurer of a local agency to annually render a statement of investment policy to the legislative body and submit a quarterly investment report to the legislative body (Government Code Section 53646 (b)), the District Treasurer and General Manager shall submit a monthly investment report to the Board of Directors. This report shall include: type of investment, issuer, date of maturity, the par and dollar amount invested on all securities, the total amount of all investments and monies held by the District, a

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description of any District funds being held or managed by other persons or entities, the coupon and current yield of all securities, a statement that there are or are not sufficient funds to meet the District's obligations for the next six (6) months, and accrued interest receivable. The monthly statement shall also indicate the District's anticipated liquidity needs for the next six (6) months, the ability of the District's investments to meet these anticipated liquidity needs, and a monthly list of transactions, which is required under Government Code 53607 whenever investment authority is delegated by the Board. Additional items listed will also include average weighted average days to maturity, maturity date, purchase date, percentage distribution to each type of investment, and a statement indicating compliance or noncompliance of all District investments with this Statement of Investment Policy. An investment's term or remaining maturity shall be measured from the settlement date to final maturity rather than the commonly interpreted trade date. Furthermore, the forward settlement date of an investment cannot exceed 45 days from the time of investment. All investments not complying with this investment policy shall be called to the attention of the Board during the first monthly meeting after an investment does not comply with this policy.

#### VI. AUTHORIZED INVESTMENT INSTRUMENTS

The District is governed by the California Government Code, Sections 53600 et seq and 16429.1. For all investment types, the purchase of zero coupon, inverse floaters, range notes, strips, mortgage derived interest-only strips, deep discount treasury bonds, or any security that could result in zero interest accrual if held to maturity is not permitted (Government Code Section 56301.6). Within the context of these limitations, the following investments are authorized:

A. Local Agency Investment Fund: The District may invest in the Local Agency Investment Fund established by the State Treasurer for the benefit of local agencies (Government Code Section 16429.1). The fund must have twenty-four hour liquidity. No more than 50% of the total value of all District investments or \$40,000,000 (whichever is lesser) may be invested in Local Agency Investment Fund.

The District may also invest bond proceeds in the Local Agency Investment Fund. Liquidity for bond proceeds, per fund regulations, is thirty calendar day increments from the date of the initial deposit.

B. Treasury Securities: United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest (Government Code Section 53601(b)). These investments are considered the safest possible investment available. There is no maximum portfolio limit. Maximum investment maturities in Treasury Securities shall be restricted to five years.

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C. Depository Accounts and Certificates of Deposit: The District may invest in insured or collateralized certificates of deposits, saving accounts, market rate accounts, or other bank deposits insured by commercial banks, savings and loans, state or federal credit union in California (Government Code Section 53630 et seq). A written depository contract is required with all institutions that hold District deposits. Securities placed in a collateral pool must provide coverage for at least 110 percent of all deposits that are placed in the institution. Acceptable pooled collateral is governed by California Government Code Section 53651. Real estate mortgages are not considered acceptable collateral by the District, even though they are permitted in Government Code Section 53651(m). All financial institutions are required to provide the District with a regular statement of pooled collateral. This report will state that they are meeting the 110 percent collateral rule (Government Code Section 53652(a)), a listing of all collateral with location and market value, plus an accountability of the total amount of deposits secured by the pool. Certificates of deposit, shall not exceed 5% per issuer of the value of all District investments at any time.

Deposits, up to the federal deposit limit, are allowable in any institution that insures its deposits with the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration (NCUA), regardless of Moody's Investors Service or Standard & Poor's Corporation ratings. The Treasurer, for deposits of up to federal insurance limit may waive collateral requirements. A maximum deposit of up to federal insurance limit may be deposited in any one institution without collateral. No bank shall receive District funds of greater than federal insurance limit if it has a Moody's Investor Service or Standard & Poor's Corporation rating less than "A". Maximum investment maturity will be restricted to three (3) years.

In accordance with section 53638 of the California Government Code, any deposit shall not exceed the shareholder's equity of any depository bank, nor shall the deposit exceed the total net worth of any institution. No deposits shall be made at a state or federal credit union if a member of the Board of Directors or the General Manager or Treasurer serves on the Board of Directors or any committee appointed by the Board of Directors of the credit union.

D. Placement Service Deposit: The District may invest in insured deposit placed with a private sector entity that assists in the placement deposits with eligible financial institutions located in the United States (Government Code Section 53601.8). The full amount of the principal and the interest that may be accrued during the maximum term of each deposit shall at all times be insured by federal deposit insurance. Placement Service Deposit, shall not exceed 5% per issuer of the value of the District's investments at any time. The maximum investment maturity will be restricted to three years.

E. Negotiable Certificates of Deposit: Negotiable certificates of



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Deposits issued by a national or a State-chartered or a State or Federal association or by a federally licensed or State-licensed branch of a foreign bank (Government Code Section 53601(i)). Maximum investment maturity is restricted to two years for notes rated "AA-" or higher and five years for "AAA" rated notes. Negotiable Certificates of Deposit, shall not exceed 5% per issuer of the value of all District investments at any time.

F. Commercial Paper: Investment is limited to the highest grade of stand alone or enhanced ("prime") commercial paper as rated by Moody's Investor Service, Standard & Poor's Corporation, or Fitch Financial Services (A1/P1/F1) issued only by a general corporation that is organized and operating within the United States, and having total assets in excess of \$500 million and has debt other than commercial paper that is rated "A" or higher by Moody's, S&P, or Fitch (Government Code Section 53601(h)). The maximum investment maturity for commercial paper shall be restricted to 270 days. Purchases of commercial paper shall not exceed 20% the total value of all District investments at any time and shall not exceed 5% per issuer of all District investments at any time.

G. Medium Term Notes: Medium term notes are corporate or bank notes with a maximum remaining maturity of 5 years or less. Investment is limited to "AA-" rated or higher notes, from a nationally recognized rating service like Moody's Investor Service or Standard and Poor's Corporation. All such notes shall be solely from corporations organized and operating in the U.S. or banks licensed in the U.S. or any state and operating in the United States. Permissible types of notes include fixed rate and variable rate. Maximum investment maturity is restricted to two years for notes rated "AA-" or higher and five years for "AAA" rated notes. Medium term notes shall not exceed 5% per issuer of all District investments at any time.

H. Agencies: The District is permitted to invest in federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued and fully guaranteed as to principal and interest by federal agencies or United States government sponsored enterprises (Government Code 53601(f)). Maximum maturity is limited to 5 years. The amount invested in agencies shall not exceed 50% of all District investments at any time.

I. Money Market Funds: Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 and following) (Government Code 53601(l)(2)). Investments are limited to those money market funds that invest in U.S. Treasuries, Federal Agency obligations, and repurchase agreements relating to such obligations. Funds must have the highest ranking or the highest letter and numerical rating by not less than two nationally recognized rating services, or have an investment adviser registered with the Securities and Exchange Commission

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with not less than five years' experience managing money market funds with assets under management in excess of \$500,000,000. No more than 5% of the value of all District investments shall be invested in any fund and no more than 20% of the value of all District investments may be invested in all money market funds combined. Any fund shares purchased will not include any type of commission.

J. Banker's Acceptances: Bankers' acceptances are bills of exchange or time drafts drawn on and accepted by a commercial bank (Government Code 53601(g)). Purchases of banker's acceptances may not exceed 180 days maturity as per Government Code Section 53601 (g). Maximum portfolio exposure will be limited to 20% of the total value of all District investments at any time and single issuer holdings to no more than 3% per issuer. Banker's acceptances shall not be purchased by the Treasurer without the prior approval of the Board.

K. Repurchase Agreements and Reverse Repurchase Agreements: A Repurchase Agreement is a purchase of securities by the District under an agreement with another party who will repurchase these securities on or before a specified date and for a specified amount and the other party delivers the underlying securities to the District by book entry, physical delivery, or by third-party custodial account. A Reverse Repurchase Agreement means a sale of securities by the District under an agreement where the District will repurchase the securities on or before a specified date. While Repurchase Agreements and Reverse Repurchase Agreements are permitted by state law (Government Code 53601(j)), the Treasurer shall not purchase any securities under a Repurchase Agreement or a Reverse Repurchase Agreement unless it has first been approved by the Board of Directors of the District. State law prohibits Repurchase Agreements unless the underlying value of the securities covering the Repurchase Agreement are valued at least 102% or greater of the funds borrowed against those securities and this value must be adjusted no less than quarterly. Collateral for repurchase agreements is limited to obligations of the United States government and its agencies. Reverse Repurchase Agreements are only permitted by state law where the security being sold by the District has been owned and fully paid for by the District for a minimum of thirty (30) days prior to sale, The agreement may not exceed a term of 90 days unless the agreement includes a provision guaranteeing a minimum earning or spread for the entire period between the sale of a security and the final maturity date.

The amount invested repurchase agreements shall not exceed 20% of all District investments at any time. The amount invested in reverse repurchase agreements shall not exceed 10% of the base value of the District's portfolio at any time.

L. Local Government Investment Pool: Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code

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Section 6509.7 that invests in the securities and obligations authorized in the Government Code (Government Code 53601(p)). Investments are limited to pools that ~~seek to maintain a constant net asset value and which~~ are rated "AA" or better. Local Government Investment Pools shall not exceed 30% of the value of all District investments at any time. The District shall conduct a thorough investigation of any pool prior to making an investment, and on a continual basis thereafter. Best efforts will be made to acquire the following information:

1. A description of eligible investment securities, and a written statement of investment policy and objectives.
2. A description of interest calculations and how it is distributed, and how gains and losses are treated.
3. A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
4. A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
5. A schedule for receiving statements and portfolio listings.
6. Are reserves, retained earnings, etc. utilized by the pool/fund?
7. A fee schedule, and when and how is it assessed.
8. Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

M. Municipal Bonds: The Treasurer is authorized to invest in registered treasury notes or bonds of any of the 50 United States payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency or authority of any of the 50 United States. Such securities must have ratings from at least two of three ratings as follows: "A1" by Moody's Investors Service, or "A+" by Standard & Poor's, or "A+" by Fitch Ratings; or as otherwise approved by the Board; or

Registered general obligation treasury notes or bonds of any of the 50 United States. Such securities must have ratings from two of three rating agencies as follows: at least "A3" by Moody's Investors Service, or "A-" by Standard & Poor's, or "A-" by Fitch Ratings; or as otherwise approved by the Board; or

Adjustable rate registered treasury notes or bonds of any of the 50 United States, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency or authority of any of the 50 United States. Such securities must have ratings from at least two of three rating agencies as follows: "P-1" by Moody's Investors Service, or "A-1+" by Standard & Poor's, or "F-1+" by Fitch Ratings; or as otherwise approved by the Board; or.

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Adjustable rate notes or bonds warrants, or other evidences of indebtedness of any local agency within the State of California with a minimum rating of either "P-1" by Moody's Investors Service, or "A-1+" by Standard & Poor's, or "F-1+" by Fitch Ratings, including bonds, notes, warrants, or other evidences of indebtedness payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by either the local agency, a department, board, agency, or authority of the local agency, or of any local agency within this state; or.

Taxable or tax-exempt bonds, notes, warrants, or other evidences of indebtedness of any local agency within the State of California with a minimum rating of either "A1" by Moody's Investors Service, or "A+" by Standard & Poor's, or "A+" by Fitch Ratings (the minimum rating shall apply to the local agency, irrespective of any credit enhancement), including bonds, notes, warrants, or other evidences of indebtedness payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by either the local agency, a department, board, agency, or authority of the local agency, or of any local agency within this state.

The amount invested in municipal securities shall not exceed 5% per issuer of all District investments at any time.

N. Permitted Investments Without Board Approval: The Treasurer is authorized to invest District funds in federally insured or collateralized depository accounts, the Local Agency Investment Fund, the California Asset Management Pool (CAMP), treasury securities, negotiable certificates of deposit, commercial paper, medium term notes, agencies and money market funds meeting all requirements of this investment policy for the particular investment being purchased without prior Board approval. All other investments such as banker's acceptances, Repurchase Agreements, Reverse Repurchase Agreements, and investments in the San Diego County Investment Pool shall only occur with prior approval of the Board. The Treasurer shall ensure that all investments made on behalf of the District meet all of the minimum requirements contained in this Investment Policy.

## VII. PORTFOLIO LIMITATIONS

Following is a listing of potential authorized investments with corresponding limitations on the amount of the District's portfolio that may be invested in each authorized investment at any given time:

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<b>Investment Type</b>	<b>Maximum Maturity Remaining</b>	<b>Maximum % of Portfolio</b>	<b>% or \$ Limit per Issuer</b>	<b>Minimum Rating Category</b>
Local Agency Investment Fund	N/A	50%	\$40,000,000	None
Treasury Securities	5 years	None	None	None
Certificates of Deposit	3 years	30% all CDs and Placement Deposits	5% or FDIC Limit for any institution that insures its deposits with FDIC	Minimum rating of A if investment is greater than FDIC limit
Placement Service Deposits	3 years	30% all CDs and Placement Deposits	5% and/or FDIC Limit	None
Negotiable Certificates of Deposit	2 years (AA- or greater) 5 years (AAA)	30% all CDs and Placement Deposits	5%	AA- if 2 years AAA if 5 years
Commercial Paper	270 days	20%	5%	A1/P1/F1
Medium Term Notes	2 years (AA- or greater) 5 years (AAA)	30%	5%	AA- if 2 years AAA if 5 years
Agencies	5 years	50%	None	None
Depository Accounts, Money Market Funds	None	20%	5% in any money market fund	None
Bankers Acceptances	180 days	20%	3% per issuer with prior approval of the Board	None
Repurchase Agreements	90 days	20%	With the prior approval of the Board	None

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Reverse Repurchase Agreements	90 days	10%	With the prior approval of the Board	None
Local Government Investments Pools (such as CAMP)	None	30%	None	AA
Municipal Bonds	N/A	30%	5%	A1/A+

The weighted average days to maturity of the total portfolio shall not exceed the liquidity requirements of the District for the next six months based upon on-going staff analyses.

#### **VIII. REVIEW OF INVESTMENT PORTFOLIO**

At least once each quarter, a sub-committee of the Board shall meet with the General Manager or his/her designee to review the District's portfolio and provide guidance for future investments. All transactions will be reviewed by the Treasurer on a regular basis to assure compliance with this Statement of Investment Policy and a monthly report shall be provided to the Board on all District investments.

In the event a security held by the District is subject to a rating change that brings it below the minimum credit ratings specified by the Policy, the Treasurer shall notify the Board at the next regularly scheduled Board meeting along with the Treasurer's recommended course of action. The course of action to be followed will be decided on a case-by-case basis by the Board, considering such factors as the reason for the rate drop, prognosis for recovery or further rate drops, and the market price of the security.

In the event that the percentage limits attributable to each security type are violated due to a temporary imbalance in the portfolio, the Treasurer will make a determination as to the appropriate course of action. The appropriate course of action may be to liquidate securities to rebalance the portfolio or to hold the securities to maturity in order to avoid a market loss. Portfolio percentages are in place to ensure diversification of the investment portfolio and as such a small temporary imbalance would not violate this basic tenet. When a portfolio percentage is exceeded the Treasurer will report the violation in the Treasurers Report at the next regularly scheduled Board meeting, with detail of the strategy determined to address the imbalance, for Board ratification. However, the

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Treasurer shall meet the portfolio percentages required by this investment policy at the end of each month, unless waived by the Board.

#### **IX. BOND PROCEEDS, BOND RESERVE FUNDS AND BOND SERVICE FUNDS**

Investment of bond proceeds and amounts held in bond reserve and service funds are to be made in accordance with the related bond indentures.

#### **X. INTERNAL CONTROLS**

Internal controls shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation of third parties, unanticipated changes in financial markets or imprudent action by employees and officers of the District. Controls deemed most important include: control of collusion; separation of duties and administrative controls; custodial safekeeping; clear delegation of authority; management review and approval of investment transactions; specific limitations regarding securities losses and remedial action; written confirmation of telephone transactions; minimizing the number of authorized investment officials; documentation of transactions and strategies; and code of ethic standards.

Existing procedures require all wire transfers initiated by the Finance Department be reconfirmed by the appropriate financial institution. In addition, the District's signatory resolution specifies authorized signers and number of required signatures for different disbursement transactions. Proper documentation obtained from confirmation and cash disbursement wire transfers is required for each investment transaction. Timely bank reconciliations are conducted to ensure proper handling of all transactions.

The investment portfolio and all related transactions are reviewed and balanced to appropriate general ledger accounts by the Finance Department on a monthly basis. A listing of all investment transactions is provided on a monthly basis to the Board of Directors for their approval. Current policy also requires that the Treasurer's approval be obtained for the purchase or sale of securities other than transfers to/from investment pools or money market funds.

An independent analysis by an external auditor shall be conducted annually to review internal controls, account activity and compliance with policies and procedures.

#### **XI. QUALIFIED BANKS AND SECURITIES DEALERS**

The District shall conduct business only with nationally or state chartered banks, savings and loans or credit unions that are licensed and operating in the United States or a state of the United States, and registered investment securities



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dealers. The District's staff will investigate all institutions that wish to conduct business with the District prior to any District investment in the institution. All banks shall have a minimum rating of "A" by Moody's or Standard and Poor. A list will be maintained by the Finance Manager of approved institutions and security broker/dealers. A bank rating service will be used by staff to verify financial information provided by a financial institution or dealer. Annually, the Treasurer shall transmit a copy of the current Statement of Investment Policy to all approved dealers. The dealer is required to return a signed statement indicating receipt and understanding of the District's Investment Policies. Primary dealers of the Federal Reserve may provide substitute certification language at the discretion of the Treasurer.

## **XII. ETHICS AND CONFLICTS OF INTEREST**

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Additionally, the Treasurer and the Finance Manager are required to annually file applicable financial disclosures as required by the Fair Political Practices Commission (FPPC). All officers and employees involved in the investment of public funds are required to comply with the District's Conflict of Interest Code. The Treasurer and any District employees or agents evaluating any investment for the District shall disclose any interest owned or held in any institution or investment being considered by the District prior to the investment.

## **XII. BOARD DISCRETION**

The District recognizes that this policy consists of guidelines designed to protect District funds and to provide liquidity for the on-going District operations. The Board of Directors may timely approve, on an individual basis, investments which would otherwise not be in accordance with this policy, in the event of unforeseen circumstances, so long as the investment is permitted by state law.

## **XIII. SAFEKEEPING AND CUSTODY**

To protect against potential losses caused by the collapse of a security dealer, all book-entry securities owned by the District, including repurchase agreement collateral previously approved by the Board, shall be kept in safekeeping with "perfected interest" by a third party bank trust department, acting as agent for the District under the terms of a custody agreement executed by the bank and by the District. All book-entry securities will be received and delivered using standard delivery-versus-payment procedures.



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#### **XIV. INTEREST EARNINGS**

All monies earned and collected from investments authorized in this policy shall be allocated monthly to various fund accounts based on the cash balance in each fund as a percentage of the entire pooled portfolio.

#### **XV. PROHIBITED INVESTMENTS**

The Treasurer shall not invest any funds of the District in inverse floaters, range notes, or mortgage derived interest-only strips at any time. The Treasurer shall not invest any funds of the District in any security that could result in zero interest accrual if held to maturity, except as authorized by Code. (Gov't Code §53601.6).

#### **XVI. INVESTMENT PURCHASES**

Any investments that the Treasurer purchases for the District that are not purchased directly from the issuer shall be purchased either from an institution licensed by the State of California as a broker/dealer or from a member of a federally registered securities exchange, from a national or state-chartered bank, from a savings association or a federal association, or from a brokerage firm designated as a primary government dealer by the Federal Reserve Bank. (Gov't Code §53601.5)

#### **XVII. QUARTERLY REPORTS**

At least once each quarter, and within 45 days following the end of the quarter, the District's Finance Officer shall provide an oral report to the Finance Committee, comprised of the District's treasurer and one board member, evaluating the safety of all District investments and advising the committee of any investments of the District that represent a credit risk.

#### **XVIII. TREASURER'S AUTHORITY AND REVIEW OF INVESTMENT POLICY**

The Authority of the Treasurer to make investment decisions on behalf of the District shall automatically expire on December 31, ~~2024~~2025 unless renewed or extended by formal action of the Board of Directors of the District. This investment policy shall be presented to the Board of Directors of the District by no later than December 31, ~~2024~~2025 and annually thereafter.

#### **XIX. GLOSSARY OF INVESTMENT TERMS**

**AGENCIES:** Federal agency securities and/or Government Sponsored Enterprises (GSE) which include Federal Home Loan Bank (FHLB), Federal

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National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), Federal Farm Credit Bank (FFCB), and Federal Agricultural Mortgage Association (Farmer Mac).

**ASKED:** The price at which securities are offered by the seller.

**BANKERS' ACCEPTANCE:** A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

**BENCHMARK:** A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

**BID:** The price at which a buyer offers to buy a security.

**BROKER:** A broker brings buyers and sellers together for a transaction for which the broker receives a commission.

**CERTIFICATE OF DEPOSIT (CD):** A time deposit with a specific maturity evidenced by a Certificate. Large-denomination CD's are typically negotiable.

**COLLATERAL:** Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

**COUPON:** The rate of return at which interest is paid on a bond.

**CREDIT RISK:** The risk that principal and/or interest on an investment will not be paid in a timely manner due to changes in the condition of the issuer.

**CURRENT YIELD:** The annual income from an investment divided by the current market value. This measure examines the current price of a bond rather than the face value. Current yield represents the return an investor would expect to earn if the owner purchased the bond and held it for a year. However, current yield is not the actual return an investor receives if he holds a bond until maturity.

**DEALER:** A dealer acts as a principal in all transactions, buying and selling for his own account.

**DELIVERY VERSUS PAYMENT:** There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities.

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Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

**DERIVATIVES:** (1) Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

**DISCOUNT:** The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

**DISCOUNT SECURITIES:** Noninterest-bearing money market instruments that are issued at a discount and redeemed at maturity for full face value (*e.g., U.S. Treasury Bills.*)

**DIVERSIFICATION:** Dividing investment funds among a variety of securities offering independent returns.

**DURATION:** A measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates. Duration is expressed as a number of years. Rising interest rates mean falling bond prices, while declining interest rates mean rising bond prices.

**FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC):** A federal agency that insures bank deposits, currently up to \$250,000 per entity.

**FEDERAL FUNDS RATE:** The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

**LIQUIDITY:** A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

**LOCAL AGENCY INVESTMENT POOL (LAIF):** A voluntary investment fund open to government entities and certain non-profit organizations in California that is managed by the State Treasurer's Office,

**LOCAL GOVERNMENT INVESTMENT POOL (LGIP):** The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

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**MARKET VALUE:** The price at which a security is trading and could presumably be purchased or sold.

**MATURITY:** The date upon which the principal or stated value of an investment becomes due and payable.

**MEDIUM TERM NOTES:** Corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.

**MONEY MARKET:** The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

**MUNICIPAL BONDS:** Securities issued by state and local agencies to finance capital and operating expenses.

**NEGOTIABLE CD:** A short-term debt instrument that pays interest and is issued by a bank, savings or federal association, state or federal credit union, or state-licensed branch of foreign bank. Negotiable CDs are traded in a secondary market.

**OFFER:** The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See Asked and Bid.

**PORTFOLIO:** Collection of securities held by an investor.

**PRIMARY DEALER:** A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks, and a few unregulated firms.

**PRUDENT PERSON (PRUDENT INVESTOR) RULE:** A standard of responsibility which obligates a fiduciary to insure that investment decisions be made with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

**RATE OF RETURN:** The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

## OLIVENHAIN MUNICIPAL WATER DISTRICT

### Annual Investment Policy

Calendar Year ~~2024~~2025

**REPURCHASE AGREEMENT (REPO):** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security “buyer” in effect lends the “seller” money for the period of the agreement, and the terms of the agreement are structured to compensate him for this.

**REVERSE REPURCHASE AGREEMENT (REVERSE REPO):** A reverse-repurchase agreement (reverse repo) involves an investor borrowing cash from a financial institution in exchange for securities. The investor agrees to repurchase the securities at a specified date for the same cash value plus an agreed upon interest rate. Although the transaction is similar to a repo, the purpose of entering into a reverse repo is quite different. While a repo is a straightforward investment of public funds, the reverse repo is a borrowing.

**SAFEKEEPING:** A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank’s vaults for protection.

**SECONDARY MARKET:** A market made for the purchase and sale of outstanding issues following the initial distribution.

**SECURITIES & EXCHANGE COMMISSION:** Agency created by Congress to protect investors in securities transactions by administering securities legislation.

**STRUCTURED NOTES:** Notes issued by Government Sponsored Enterprises (FHLB, FNMA, FHLMC, etc.) and Corporations, which have imbedded options (e.g., call features, step-up coupons, floating rate coupons, derivative-based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

**TREASURY BILLS:** A noninterest-bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

**TREASURY BONDS:** Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

**TREASURY NOTES:** Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

**OLIVENHAIN MUNICIPAL WATER DISTRICT**

**Annual Investment Policy**

**Calendar Year ~~2024~~2025**

**YIELD:** The rate of annual income return on an investment, expressed as a percentage. (a) INCOME YIELD is obtained by dividing the current dollar income by the current market price for the security. (b) NET YIELD or YIELD TO MATURITY is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

# Memo

Date: December 11, 2024  
To: Olivenhain Municipal Water District Board of Directors  
From: Steven Weddle, Engineering Services Supervisor  
Via: Kimberly A. Thorner, General Manager  
Subject: **CONSIDER ACCEPTANCE OF THE 4S RANCH NEIGHBORHOOD 1 SEWER PUMP STATION REPLACEMENT PROJECT INTO OMWD'S SYSTEM AND ORDER A NOTICE OF COMPLETION FILED**

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## Purpose

The purpose of this agenda item is to consider acceptance of the 4S Ranch Neighborhood 1 Sewer Pump Station Replacement Project (Project) into OMWD's system and authorize the filing of a Notice of Completion with the San Diego County Recorder. This completes OMWD's 2024 Annual Goal 1, Objective 10 to complete construction on the Neighborhood 1 Sewer Pump Station Replacement Project.

## Recommendation

Staff recommends acceptance of the Project into OMWD's system.

## Alternative(s)

None; the Project is complete and constructed in accordance with the contract documents.

## **Background**

The 4S Ranch Neighborhood 1 Sewer Pump Station (NBHD1 SPS) is located at the south end of 4S Ranch Parkway near the 4S Ranch Sports Park/Boys & Girls Club of Greater San Diego and Stone Ranch Elementary School in Director Division 4 (Hahn). The facility was constructed in 2000 by 4S Kelwood and dedicated to OMWD in 2002 as a part of the 4S Ranch Water Reclamation Facility (4S WRF) expansion. The NBHD1 SPS collects tributary flows from customers in the south end of the 4S Ranch development, including Black Mountain Ranch East Clusters, Heritage Bluffs, and the Avion developments. NBHD1 SPS pumps the effluent up 4S Ranch Parkway and over to the 4S Water Reclamation Facility on Dove Canyon Road through sewer force mains.

Following a successful bid in Fall of 2021, the Board awarded the contract to Orion in February 2022 for \$6,123,000 to begin work on replacement of this critical asset.

## **Fiscal Impact**

There are no fiscal impacts to accepting the facilities into OMWD's system, and the new assets will be reported to Finance for capitalization.

## **Discussion**

Following award in February 2022, the Project was delayed by supply chain materials procurement issues on large electrical equipment. In accordance with Administrative and Ethics Code Section 6.8C, CCO 1, a no-cost time extension was signed by the General Manager in August 2022 to account for that delay and extend the contract completion date to September 20, 2023. The Project then broke ground in October of 2022, where Orion unexpectedly encountered excessive groundwater. CCO 2 was approved by the Board in February 2023, in the amount of \$141,650, and extended the contract completion to November 2023. The work completed under CCO 2 largely accounted for excess dewatering and unsuitable, oversaturated soils encountered onsite through mid-January 2023.

Following the Board action in February 2023 on CCO 2, construction progressed where additional unsuitable, oversaturated soils were encountered, excess dewatering continued, and additional unforeseen conditions were encountered requiring modifications to the scope of work. This accounted for CCO 3 and CCO 4 approved by the Board in May 2023, in the combined amount of \$223,344. Construction continued to progress where more unfavorable soils conditions were encountered. Excess dewatering continued, primarily related to the dry pit – the largest excavation on-site.



CCO 5 was approved by the Board in November 2023, to account for these changed conditions.

CCO 6, approved by the Board in February 2024, accounted for additional imported fill for the dry pit excavation, backfilling and replacement of the unsuitable saturated onsite soils due to the infiltration water. In addition, changes in electrical equipment and conduit placement were accounted for to accommodate the new pump station alignment and meet SDG&E requirements for service.

CCO 7 and 8 were approved by the Board in July 2024 to account for several miscellaneous construction items and the critical replacement of the existing wet well liner to ensure reliable service for the sewer pump station.

CCO 9 and 10 were approved by the General Manager in August 2024 and October 2024, respectively, to account for additional infiltration water and unsuitable materials encountered, additional concrete and grading changes, startup delays in schedule, and miscellaneous construction items necessary for Project completion. Both Change Orders were under the General Manger authority in concurrence with the Administration and Ethics Code.

CCO 11 was approved by the Board in November 2024 and was comprised of additional costs and delays associated with startup configuration and calibration, that resulted in the necessity of an additional 4 weeks of bypass pumping costs, for which 2.5 weeks were attributable to changed work. The Contractor took ownership of issues under their concurrent delay, and reduced their price to OMWD accordingly. The time associated with this work was accounted for under CCO 10, but the costs were quantified separately as the work was completed, to ensure the fairest pricing possible. Additionally, damaged paving requiring replacement and restoration, identified during the Project for the access road to the sewer pump station, was fully quantified and priced accordingly.

The contract and change orders through Project completion is summarized in the following table. The approximate cumulative change order value through CCO 11 amounts to 15% of the total construction contract. Approximately half of all change orders are affiliated with the excess infiltration water conditions present on site.

Authorization	Date	Authorized by	Value	Time (Consecutive Calendar Days)
Original Contract	Feb. 16, 2022	Board	\$6,123,000	300
Issued Notice to Proceed	April 20, 2022	--	--	--
CCO No. 1	Aug. 3, 2022	General Manager	\$0	218
CCO No. 2	Feb. 15, 2023	Board Approved	\$141,650	68
CCO No. 3	May 17, 2023	Board Approved	\$44,325	41
CCO No. 4	May 17, 2023	Board Approved	\$179,019	58
CCO No. 5	Nov. 15, 2023	Board Approved	\$106,763	0
CCO No. 6	Feb. 21, 2024	Board Approved	\$72,071	178
CCO No. 7	July 17, 2024	Board Approved	\$26,960	7
CCO No. 8	July 17, 2024	Board Approved	\$198,835	14
CCO No. 9	Aug. 29, 2024	General Manager	\$55,891	21
CCO No. 10	Oct. 10, 2024	General Manager	\$17,726.00	31
CCO No. 11	Nov. 6, 2024	Board Approved	\$81,937	0
<b>Total CCOs</b>	--	--	<b>\$925,177</b>	<b>636</b>
<b>Completed Contract Value</b>	--	--	<b>\$7,048,177</b>	<b>936</b>

As the Project is now complete, staff recommends acceptance of the Project into OMWD's system, and filing a Notice of Completion with the San Diego County Recorder. The warranty period will terminate two (2) years following the acceptance of the facilities by OMWD's Board.

Staff is conducting a lessons learned review on this project for future projects.

Staff is available to answer questions.

*Attachments:*  
*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 work for the 4S Ranch Neighborhood 1 Sewer Pump Station Replacement Project, located at 4S Ranch Parkway at Parcel 678-501-06-00, San Diego, CA 92127 in the County of San Diego, State of California for which the OLIVENHAIN MUNICIPAL WATER DISTRICT ("Owner," in fee), headquartered at 1966 Olivenhain Road, Encinitas, CA 92024, contracted with Orion Construction Corporation ("Contractor"), located at 2185 La Mirada Drive, Vista, Ca, 92081, have been completed in accordance with the plans and specifications as of December 3, 2024. The facilities have been accepted by the Board of Directors of the OLIVENHAIN MUNICIPAL WATER DISTRICT on this 11<sup>th</sup> day of December 2024.

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

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

OLIVENHAIN MUNICIPAL WATER DISTRICT

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

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

# Memo

Date: December 11, 2024  
To: Olivenhain Municipal Water District Board of Directors  
From: Steven Weddle, Engineering Services Supervisor  
Via: Kimberly A. Thorner, General Manager  
Subject: **CONSIDER ACCEPTANCE OF THE DAVID C. MCCOLLOM WATER TREATMENT PLANT CHLORINE GENERATION ROOM FLOOR PROJECT INTO OMWD'S SYSTEM AND ORDER A NOTICE OF COMPLETION FILED**

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## Purpose

The purpose of this agenda item is to consider acceptance of the David C. McCollom Water Treatment Plant (DCMWTP) Chlorine Generation Room Floor Project (Project) 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 Project into OMWD's system.

## Alternative(s)

None; the Project is complete and constructed in accordance with the contract documents.

## **Background**

The Project is located within the Chlorine Generation Room at the DCMWTP that houses the chlorine generation equipment for the potable water treatment processes. Identified in the 2023 condition assessment report, the concrete slab of the chlorine room had several areas in poor condition that required removal and replacement to provide safe and reliable operations. The Project consisted of the replacement of the damaged concrete areas and a new floor coating system to protect the concrete from chemical degradation.

Following a public bid, the Project was awarded to National Coating and Lining Corporation, in June 2024 in the amount of \$55,264. The Notice to Proceed was issued on July 8, 2024, with a contractual completion date of November 11, 2024. The work was included in the CIP budget under the DCMWTP Chlorine Generation Room Floor Project (D120143) and was successfully completed in accordance with the contract documents.

## **Fiscal Impact**

There are no fiscal impacts to accepting the facilities into OMWD's system. The completed Project will be reported to Finance for capitalization.

## **Discussion**

As the Project is now complete, staff recommends acceptance of the Project into OMWD's system and filing a Notice of Completion with the San Diego County Recorder.

The warranty period will terminate two (2) years following the acceptance of the facilities by OMWD's Board.

Staff is available to answer any questions.

*Attachments:*  
*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 work for the David C. McCollom Water Treatment Plant Chlorine Generation Room Floor Project, located at 19090 Via Ambiente Rd, Escondido, Ca 92029 in the County of San Diego, State of California for which the OLIVENHAIN MUNICIPAL WATER DISTRICT ("Owner," in fee), headquartered at 1966 Olivenhain Road, Encinitas, CA 92024, contracted with National Coating and Lining Corporation. ("Contractor"), located at 26713 Madison Ave, Murrieta, CA, have been completed in accordance with the plans and specifications as of November 5, 2024. The facilities have been accepted by the Board of Directors of the OLIVENHAIN MUNICIPAL WATER DISTRICT on this 11<sup>th</sup> day of December 2024.

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

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

OLIVENHAIN MUNICIPAL WATER DISTRICT

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

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

# Memo

Date: December 11, 2024

To: Olivenhain Municipal Water District Board of Directors

From: Andrea Scott, Engineering Technician III

Via: Kimberly A. Thorner, General Manager

Subject: **CONSIDER APPROVAL OF A CONTRACT WITH UTILITY SERVICE CO., INC. IN THE AMOUNT OF \$499,249 FOR THE CONSTRUCTION OF THE OLIVENHAIN RESERVOIRS SAFETY IMPROVEMENTS PROJECT, INCLUDING WAIVER OF A MINOR IRREGULARITY OF \$1 IN THE BID TOTAL, AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF OMWD, ADOPT A RESOLUTION MAKING CEQA FINDINGS, AND AUTHORIZE A NOTICE OF EXEMPTION TO BE FILED WITH THE COUNTY CLERK, COUNTY OF SAN DIEGO**

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## Purpose

The purpose of this agenda item is to consider approval of a contract with Utility Service Co., Inc (Utility Service) in the amount of \$499,249 for the construction of the Olivenhain Reservoirs Safety Improvements Project (Project) and authorize the General Manager to sign on behalf of the Olivenhain Municipal Water District (OMWD), adopt a resolution making CEQA findings, and authorize a Notice of Exemption (NOE) to be filed with the County Clerk of San Diego.

## Recommendation

Staff recommends awarding a contract to Utility Service in the amount of \$499,249 for construction of the Project and authorize the General Manager to sign on behalf of OMWD. Additionally, staff recommends adoption of the proposed Resolution which makes CEQA findings for declaration of the Olivenhain Reservoirs Safety Improvements Project as an exempt project under CEQA Guidelines Section 15061(b)(3), 15301 (e), and

15302(c). Staff also recommends authorizing a Notice of Exemption (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:

- Reject all bids and direct staff to re-bid the Project;
- Elect to delay the Project until a future date;
- 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;
- Determine that CEQA is not required for the Project and not adopt the Resolution; or
- Proceed in a manner as otherwise directed by the Board.

### **Background**

The Olivenhain Reservoirs Safety Improvements Project include safety improvements at Gaty II Reservoir, Gano Reservoir, and Santa Fe Valley Reservoir and which are all located in Director Division 1 (San Antonio).

The Gaty II Reservoir was constructed in 1979 and underwent a condition assessment by Brady & Associated, Inc in 2020. Gano and Santa Fe Valley Reservoirs, constructed in 2004 and 2002 respectively, underwent a condition assessment by Peterson Structural Engineers (PSE) in 2022. Condition assessments of the three prestressed concrete water storage tanks identified and prioritized repairs and improvements to maintain safe and reliable service at the tanks.

The high priority safety repairs recommended by the condition assessments were similar in nature and were incorporated into the proposed Project. The lower priority reservoir improvements were deferred and incorporated into the 10-year capital improvement program for future implementation. The high priority items included in the Project are:

1. **Gaty II Reservoir (Potable)** – Installation of a full circumference handrail, a davit crane system to lower equipment into the reservoir, a handrail to replace a corroded section near an exterior ladder, and safety grating at vaults.
2. **Gano Reservoir (Potable)** – Replacement of the roof cable railing system to meet OSHA requirements.



3. **Santa Fe Valley Reservoir (Recycled)** – Installation of a stairway and landing with a handrail at the reservoir access hatch and a staircase from the ground to the roof of the reservoir to improve access.

To complete the design of the Project, a Request for Proposals for preliminary and final design services was advertised in February 2023. PSE was selected to complete the design in accordance with Administrative and Ethics Code, Section 6.9. Once the design was completed, the contract documents for the Project were prepared to advertise for bid.

### **Fiscal Impact**

The Project is included in the FY 2025 budget under the Tank Safety Improvements (D120130) and Santa Fe Valley Reservoir Improvements (D800024) to address concrete tank safety and rehabilitation issues identified in the condition assessment reports. Both project budgets are cumulatively presented in the fiscal table below.

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

In which FY did this capital project first appear in the CIP budget? **2023**

Total Project Budget: **\$740,000**

Current Fiscal Year Appropriation: **\$740,000**

To Date Approved Appropriations: **\$740,000**

Target Project Completion Date: **December 2025**

Expenditures and Encumbrances as of November 5, 2024: **\$125,055**

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 6.3B, staff publicly issued a Request for Bids for the Project on October 16, 2024. Following the bid posting, a non-mandatory pre-bid meeting was held. One addendum was issued during the bidding process to respond to questions received from potential bidders. Five (5) bids were publicly received on November 19, 2024, and ranged from \$499,249 to \$1,276,595, with an engineer's cost estimate of \$547,500 (PSE). A summary of the bids is presented in the following table:

Contractor	Total Bid Schedule
Utility Service Co., Inc.	\$499,249
Jennette Company Inc	\$510,000
CSI Services	\$660,000
Palm Engineering Construction Company	\$738,000
Metro Builders & Engineers	\$1,276,595

Staff has reviewed the apparent low bid and their qualifications and recommends Utility Service as the lowest responsive and responsible bidder and recommends awarding a contract to Utility Service in the amount of \$499,249 for construction of the Project and authorize the General Manager to sign on behalf of OMWD. Utility Service had a minor irregularity of \$1 between the sum of the individual bid items and the total bid amount, which staff recommends the Board waive this as an inconsequential and minor irregularity. The \$1 irregularity does not change the outcomes of the overall bid rankings and does not disadvantage any other bidder.

Staff reviewed the Project and determined the project is a Categorically Exempt project under CEQA guidelines. CEQA Guidelines Section 15301(e) and 15302(c) allows for categorical exemptions for minor alteration and replacement, respectively, of existing facilities involving negligible or no expansion of existing use or capacity. Staff recommends adoption of the proposed Resolution and to authorize staff to file a NOE with the County Clerk of San Diego and with the State Clearinghouse at the Governor's Office of Planning and Research (OPR).

Staff is available to answer questions.

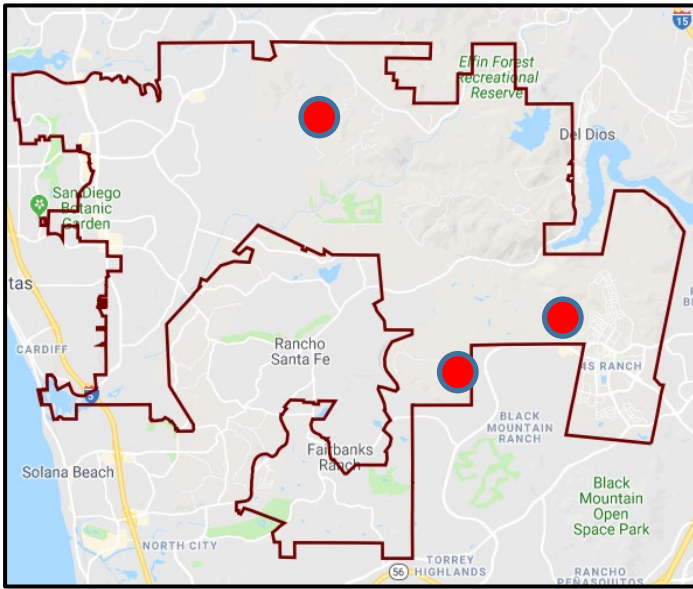
*Attachment(s):*

*Project Site Map*

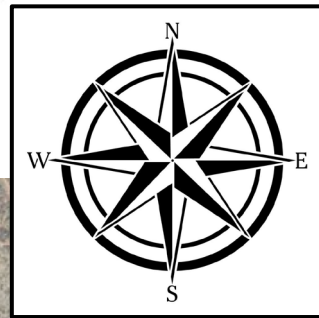
*Bid Results*

*Resolution*

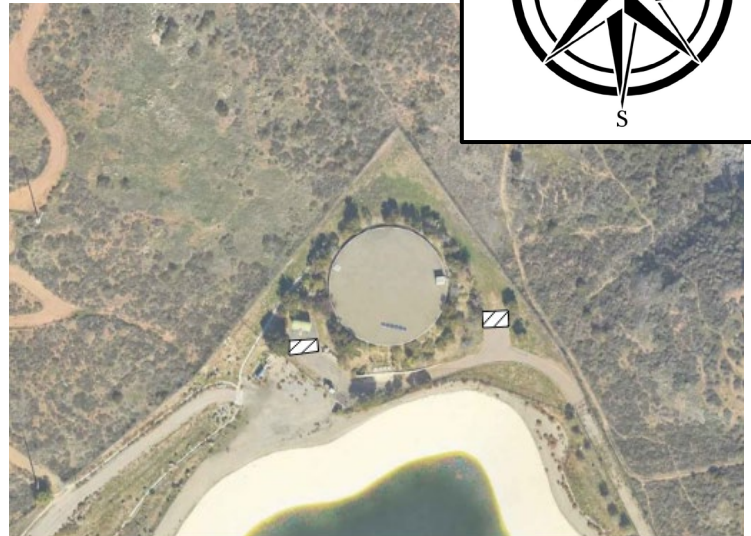
*NOE*



GATY II RESERVOIR  
1790 RANCHO SUMMIT DR  
ENCINITAS, CA 92024



GANO RESERVOIR  
ARTESIAN RD  
SAN DIEGO, CA 92127



SANTA FE VALLEY RESERVOIR  
9062 MARANATHA DR  
SAN DIEGO, CA 92127

# **LOCATION MAP** **OLIVENHAIN RESERVOIR SAFETY IMPROVEMENT PROJECT** **DISTRICT PROJECTS D120130 AND D800024**



Olivenhain Reservoir Safety Improvements Project Bid Opening 11.19.2024 at 2pm				
Contractor	Bid Schedule Total	Bid Form Checklist (Y/N)	Addendum No. 1 (Y/N)	Bid Bond (Y/N)
UTILITY SERVICE CO., INC.	\$499,249	Y	Y	Y
JENNETTE COMPANY INC	\$510,000	Y	Y	Y
CSI SERVICES	\$660,000	Y	Y	Y
PALM ENGINEERING CONSTRUCTION COMPANY	\$738,000	Y	Y	Y
METRO BUILDERS & ENGINEERS	\$1,276,595	Y	Y	Y

\*Utility Service Co., Inc. submitted Bid Schedule Total as \$499,250 (total) and \$499,249 (itemized). Contract General Provisions Section 2.3 & 3.1 states listed unit prices prevails and the Board reserves the right to waive any irregularities. The irregularity does not change the outcomes of the overall bid rankings.

**Final determination and Award to be considered by OMWD**

**Board of Directors on December, 11 2024**

RESOLUTION NO. 2024-XX

RESOLUTION OF THE BOARD OF DIRECTORS OF THE OLIVENHAIN  
MUNICIPAL WATER DISTRICT MAKING CALIFORNIA  
ENVIRONMENTAL QUALITY ACT FINDINGS FOR THE OLIVENHAIN  
RESERVOIRS SAFETY IMPROVEMENTS 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 the Gaty II, Gano, and Santa Fe Valley Reservoirs located at APN 2671421500, APN 6784210400, and APN 2645911300, respectively, all in the State of California; and

WHEREAS, the Olivenhain Reservoirs Safety Improvements Project (Project) specifically consists of the minor exterior alteration to the existing facility and replacement of existing handrail; and

WHEREAS, the Project does not expand capacity of the Gaty II, Gano, and Santa Fe Valley Reservoirs and the requirement for the replacement is not the result of an environmental hazard such as earthquake, landslide or flood; 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 CEQA Guidelines 15301(e) and 15302(c); 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 15061, the Board of Directors hereby finds and determines that the Project is exempt from CEQA for the following reasons:

- 1) State CEQA Guidelines §15301(e) (Existing Facilities) allows for the minor alteration of existing public structures and facilities involving negligible or no expansion of use.
- 2) State CEQA Guidelines §15302(c) (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 proposed project was reviewed for potential exemptions and was found to satisfy the standards of Class 2, as specified within Article 19

Categorical Exemptions of the CEQA Guidelines.

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 and with the State Clearinghouse at the Governor's Office of Planning and Research (OPR) stating that the Project is exempt from CEQA in accordance CEQA Guidelines Section 15301(e) and 15302(c).

PASSED, ADOPTED AND APPROVED at a regular meeting of the Board of Directors of Olivenhain Municipal Water District held on Wednesday, December 11, 2024.

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Christy Guerin, President  
Board of Directors  
Olivenhain Municipal Water District

ATTEST:

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Kimberly A. Thorner, Esq., 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: Olivenhain Reservoirs Safety Improvements Project

Project Applicant: Olivenhain Municipal Water District

Project Location - Specific:

Site 1 - 1790 Rancho Summit Dr, Encinitas, CA 92024 (APN 2645911300)

Site 2 - Artesian Trail, San Diego CA 92127 (APN 2671421500)

Site 3 - 9062 Maranatha Dr, San Diego, CA 92127 (APN 6784210400)

Project Location - City: Encinitas & San Diego

Project Location - County: San Diego

Description of Nature, Purpose and Beneficiaries of Project:

The pressure reducing stations are a Class 2 facility at the end of its service life. The project does not result in an expansion of existing use, will be located on the same site, and will have the same purpose as the structure replaced.

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: 15301(e) and 15302(c)

☐ Statutory Exemptions. State code number: \_\_\_\_\_

Reasons why project is exempt:

State CEQA Guidelines §15301(e) (Existing Facilities) allows for minor alterations of existing public structures and facilities involving negligible or no expansion of use.

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 proposed project was reviewed for potential exemptions and was found to satisfy the standards of Class 2, as specified within Article 19 Categorical Exemptions of the CEQA Guidelines.

Lead Agency

Contact Person: Steven Weddle

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.  
Sections 21108, 21152, and 21152.1, Public Resources Code.

Date Received for filing at OPR: \_\_\_\_\_ Reference: \_\_\_\_\_

# Memo

Date: December 11, 2024  
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 JEFF ANDERSON FOR 25 YEARS OF DEDICATED SERVICE**

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## Purpose

The purpose of this item is to consider the attached Resolution for presentation to Park Supervisor, Jeff Anderson for his 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. 2024-XX

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
OLIVENHAIN MUNICIPAL WATER DISTRICT HONORING  
JEFF ANDERSON 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, JEFF ANDERSON has diligently served the Olivenhain Municipal Water District (District) for 25 years through his exceptional quality of work in the Parks and Operations Departments; and

WHEREAS, JEFF ANDERSON began serving the District in 2000 as a Park Ranger I, was promoted in 2001 to Park Ranger II, transferred to a Water Reclamation Operator I position in 2004, was promoted to a Water Reclamation Operator II in 2007, and later that year was promoted again to the Park Supervisor of the Elfin Forest Recreational Reserve (EFRR); and

WHEREAS, JEFF ANDERSON is responsible for the planning, supervising, and coordinating the activities, operation, construction, maintenance, and repair of the District's recreational trails and facilities of Elfin Forest Recreational Reserve; and

WHEREAS, JEFF ANDERSON has been instrumental monitoring and the battle against the Gold Spotted Oak Borer; and

WHEREAS, JEFF ANDERSON has successfully continued the EFRR Photo Contest; and

WHEREAS, JEFF ANDERSON is a respected leader who effectively organizes and collaborates with The Escondido Creek Conservancy and the many EFRR volunteers; and

WHEREAS, JEFF ANDERSON has left his mark on EFRR with new artistic displays, interpretive structures, and professionally designed signage; and

WHEREAS, JEFF ANDERSON is regarded as a professional duct tape vest fabricator, Chapstick user, in season mountain lion locator; and

WHEREAS, JEFF ANDERSON'S placement of trail cameras has captured some imagery best left unviewed; and

WHEREAS, JEFF ANDERSON understands that "music is everything!"; and

WHEREAS, the force is strong with JEFF ANDERSON as he is greatly valued and should be commended for an excellent 25 years of dedicated service; 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 JEFF ANDERSON for his 25 years of dedicated public service and commitment to serve the Olivenhain Municipal Water District.

Section 2: The contributions and dedication of JEFF ANDERSON 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 11<sup>th</sup> day of December 2024.

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Christy Guerin, President  
Board of Directors  
Olivenhain Municipal Water District

ATTEST:

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

# Memo

Date: December 11, 2024  
To: Olivenhain Municipal Water District Board of Directors  
From: Jennifer Joslin, Human Resources Manager  
Via: Kimberly A. Thorner, General Manager  
Subject: **CONSIDER ADOPTION OF AN ORDINANCE AMENDING THE OLIVENHAIN MUNICIPAL WATER DISTRICT'S ADMINISTRATIVE AND ETHICS CODE (Article 4 – Classified Positions and Article 5 – Working Hours, Employee Benefits)**

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## Purpose

The purpose of this item is to consider adoption of the attached Ordinance amending the District's Administrative and Ethics Code to revise Article 4 Section 4.4 Salary Schedule and Job Classification as well as Article 5 Section 5.31 Vacation Leaves, Section 5.43. Deferred Compensation Plans, and Section 5.52 Voluntary Employees' Beneficiary Association (VEBA).

## Recommendation

Staff recommends adoption of this Ordinance.

## Alternatives

The Board could direct Staff as it otherwise deems appropriate.

## Background

The Board discussed the General Manager's performance review in closed session at its November 6, 2024 meeting. The General Manager's compensation was then approved in open session. Adoption of this part of the Ordinance is a housekeeping item to update the Administrative and Ethics Code Article 4 Section 4.4 Salary Schedule and Job

Classification with the new salary of the General Manager and comply with CalPERS rules and regulations requiring all employees' salaries to be published.

The Board approved the policy for managerial and supervisory employee 401(a) contribution changes effective November 1, 2024 at the September 18, 2024 Board meeting. Adoption of this part of the Ordinance is a housekeeping item to update the Administrative and Ethics Code Article 5 Section 5.31 Vacation Leaves to reflect that upon separation, for managers and supervisors any unused vacation hours over 256 will be contributed to their respective 401(a) accounts and Section 5.43 Deferred Compensation Plans to reflect that any annual matching contributions will also be deposited into their 401(a) accounts.

The VEBA benefit plan was originally agreed upon through the Memorandum of Understanding (MOU) with the employee bargaining units and approved by the Board effective on July 1, 2014. Instead of offering post-retirement medical benefits, the District and employees both contribute a specified amount into a voluntary health reimbursement account that can be used for health related expenses while employed as well as insurance premiums upon retirement. The VEBA plan contributions are made on a pre-tax basis and therefore governed by IRS regulations. One of the requirements is annual non-discrimination testing which is done to ensure that health plans and other benefits do not favor highly compensated employees (making \$155,000 minimum for CY 2024 per IRS code) over non-highly compensated employees. Because the plan is currently structured to provide greater contribution benefits to employees based on higher years of service, and typically compensation increases with tenure, the plan was found to favor highly compensated employees for those with greater than 15 years of service.

To maintain the VEBA plan's pre-tax status and to come into compliance with IRS regulations, it must be restructured. It was advised by a compliance specialist to eliminate the benefit tiers based on years of service and instead require the same employer and employee contribution amounts for all employees. The Human Resources/Employee Association Team "HEART" Committee (composed of the BUMA and DEA employee bargaining unit representatives as well as the Supervisor and Manager group representatives) discussed the results of this year's testing as well as contribution amounts (as is done on an annual basis per the MOU) and agreed to restructure the plan as advised. Thus, instead of the current employee contributions ranging from 1.5% to 2.5% of pay based on years of service, all participating employees will now contribute a flat 2% and instead of the District annual contribution varying from \$200 to \$1,000, it is suggested that all participating employees receive \$1,000 annually.

As the HEART Committee had originally discussed increasing the employee contribution portion by .25% prior to receiving the test results, it was thought that giving participants the current \$1,000 District maximum would help off-set the reduced employee

contribution funds going into the VEBA accounts especially for more tenured staff. If approved by the Board, the VEBA plan document will be amended for CY 2025 to reflect the changes.

### **Fiscal Impact**

The fiscal impact of the General Manager compensation update is a 5% increase with the new bi-weekly salary set at \$12,019.99 for the General Manager.

The fiscal impact of the 401(a) procedure update is an approximate annual savings of \$2,500.

The fiscal impact of the VEBA benefit plan restructuring is an increase of approximately \$35,000 annually by increasing the District contribution to \$1,000 for 65 participating employees.

### **Discussion**

Staff will be available to answer any questions.

*Attachment:*  
*Proposed Ordinance*

ORDINANCE NO. 5XX

AN ORDINANCE OF THE BOARD OF DIRECTORS OF  
OLIVENHAIN MUNICIPAL WATER DISTRICT  
AMENDING THE DISTRICT'S ADMINISTRATIVE AND ETHICS CODE  
(Article 4 – Classified Positions and Article 5 – Working Hours, Employee Benefits)

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

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

Sec. 4.4. Salary Schedule and Job Classification

OLIVENHAIN MUNICIPAL WATER DISTRICT  
RANGES FROM ~~6/29/2024~~12/28/2024 THROUGH 6/27/2025  
(revised ~~5/15/2024~~12/11/2024)

NO.	JOB CLASSIFICATION	GRADE	RANGE	
			<u>BI-WEEKLY</u>	
	<u>EXEMPT CLASSIFICATION</u>		<u>SALARY</u>	
			Actual Effective	
			<del>1/1/24</del> <u>12/28/2024</u>	<del>11,447.61</del> <u>12,019.99</u>
1	GENERAL MANAGER	N/A		
1	ASSISTANT GENERAL MANAGER	19	7,873.41	11,022.79
1	ENGINEERING MANAGER	18	6,059.96	9,665.57
1	FINANCE MANAGER	18	6,059.96	9,665.57
1	OPERATIONS MANAGER	18	6,059.96	9,665.57
1	HUMAN RESOURCES MANAGER	17	5,623.70	8,990.23
1	CUSTOMER SERVICES MANAGER	17	5,623.70	8,990.23
0	NO INCUMBENT	16	5,233.06	8,359.56
0	NO INCUMBENT	15	4,728.93	7,087.22
1	WATER TREATMENT FACILITIES SUPERVISOR	14	4,400.86	6,594.78
1	INFORMATION TECHNOLOGY SUPERVISOR	14	4,400.86	6,594.78
1	CUSTOMER SERVICE AND PUBLIC AFF AIRS SUPERVISOR	13	4,091.38	6,134.01
1	SAFETY/RISK COMPLIANCE ADMINISTRATOR	13	4,091.38	6,134.01
1	ACCOUNTING SUPERVISOR	12	3,801.86	5,705.52
1	ENGINEERING SERVICES SUPERVISOR	12	3,801.86	5,705.52
2	OPERATIONS SUPERVISOR	12	3,801.86	5,705.52
1	FIELD SERVICES SUPERVISOR	12	3,801.86	5,705.52
0	ENGINEERING PROJECT ADMINISTRATOR	12	3,801.86	5,705.52
1	WATER RECLAMATION FACILITIES SUPERVISOR	12	3,801.86	5,705.52
1	SENIOR SYSTEMS ADMINISTRATOR	12	3,801.86	5,705.52
2	SYSTEMS ADMINISTRATOR	11	3,537.07	5,302.53
1	PARK SUPERVISOR	11	3,537.07	5,302.53
21	EXEMPT (current approved headcount)			

SECTION 2: Article 5, Working Hours, Employee Benefits, Sections 5.31, 5.43, and 5.52 of the District's Administrative and Ethics Code is hereby amended to read as follows:

Sec. 5.31. Vacation Leaves.

Accumulated vacation time in excess of the number of hours outlined above shall be paid in one of the following ways:

- 1) Employees having accumulated vacation hours in excess of the maximum limits above must receive payment for 100% of their accumulated vacation hours in excess of the above limits at 100% of their current rate of pay.
- 2) Notwithstanding the above, employees having accumulated vacation hours in excess of 256 hours are eligible to receive payment for 100% of their accumulated vacation hours in excess of 256 hours at 100% of their current rate of pay.
- 3) Upon retirement/separation of employment, employees in the managerial or supervisory groups will have any accrued but unused vacation leave exceeding 256 hours mandatorily contributed to their respective 401(a) accounts up to the current IRS limit.

Sec. 5.43. Deferred Compensation Plans.

In addition to the longevity match, each year the General Manager shall determine in his/her sole discretion an additional District deferred compensation matching contribution amount for Managers/Supervisors. The District will issue any matching funds into a 401(a) account established for each Manager/Supervisor. The 401(a) accounts will be available to Managers/Supervisors only and only OMWD employer contributions can be deposited into 401(a) accounts. The District retains the right to make any changes to this program at any time.

The annual Manager/Supervisor matching contributions by the District will be made based upon inclusion in the annual budget and the General Manager's approval, which can include successful annual review scores as determined by the General Manager, no disciplinary action stating removal from the program, and Manager/Supervisor participation in a deferred compensation plan. Eligible Managers/Supervisors must have contributed matching funds during the current calendar year.

~~If a Manager/Supervisor's 457 plan(s) have met the Internal Revenue Service (IRS) set maximum contribution limits (set each year), the District will issue the matching funds into a 401(a) account. The 401(a) accounts~~

~~will be available to Managers/Supervisors only and only OMWD employer contributions can be deposited into 401(a) accounts.~~

Sec. 5.52. Voluntary Employees' Beneficiary Association (VEBA).

2. Employees will be eligible to join VEBA after one year of service. ~~The OMWD contribution for the 1 to 5 year of service timeframe shall be made at the one year anniversary of employment if the employee opts in to the VEBA.~~ All employees may participate in ~~the~~ VEBA, including part-time employees as defined in §4.7 of the Administrative Code and shall have their VEBA District contribution pro-rated by hours worked pursuant to this same section. The pre-tax employee contribution percentages shall remain the same for part-time employees. Employees must opt in or out of VEBA after one year of service. All employees who are employed at the District and have one year of service credit or more must opt in or out at that time. Employees will have a 15-day election period to opt in or out of VEBA. Once an employee has a VEBA account established, he/she will then be allowed a one-time opportunity to stop participating in the VEBA plan and cannot rejoin at a later date.

Upon start date, rehires (returning employees who have combined service time of at least one year) will have a 15-day election period to opt in or out of the VEBA plan.

5. Annual Funding contribution by the District shall be contributed in November of each calendar year. The years of service to qualify for the District contribution shall be calculated as the years of service of each employee as of the preceding January. The pre-tax funding by the District shall be as follows:

- Up to 1 year of service = no funding
- ~~More than 1, but less than 5 years of service = \$200 per employee per year~~
- ~~More than 5, but less than 10 years of (combined) service = \$400 per employee per year~~
- ~~More than 10, but less than 15 years of (combined) service = \$600 per employee per year~~
- ~~More than 15, but less than 20 years of (combined) service = \$800 per employee per year~~
- ~~More than 20 years of (combined) service = \$1,000 per employee per year~~
- More than 1 year of (combined) service = \$1,000 per participating employee per year

6. ~~Annual Funding by the employee shall also change based on years of (combined) service in January of each year. The participating employees~~ shall make their required contribution of 2% of base wages



ORDINANCE NO. 5XX *continued*

pre-tax in bi-weekly increments through payroll deductions. Base wage shall mean the employee's base hourly or salary rate without overtime, allowances, awards, or other compensation. ~~The employee contribution amounts can be found in the current MOU.~~

PASSED, APPROVED AND ADOPTED at a regular meeting of Olivenhain Municipal Water District's Board of Directors held this 11th day of December 2024.

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Christy Guerin, President  
Board of Directors  
Olivenhain Municipal Water District

ATTEST:

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Matthew R. Hahn, Vice President  
Board of Directors  
Olivenhain Municipal Water District

# Memo

Date: December 11, 2024  
To: Olivenhain Municipal Water District Board of Directors  
From: Kimberly Thorner, General Manager  
Subject: **CONSIDER DISCUSSION OF BOARD OFFICERS AND COMMITTEE ASSIGNMENTS TO TAKE PLACE AT THE JANUARY 2025 BOARD MEETING**

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## **Purpose**

The purpose of this agenda item is to discuss the 2025 board positions and consider their subsequent impact on committee assignments. All Officer positions will transition at the January 2025 Board Meeting and the new Board President will then make Committee Assignments at that time for the next two-year period.

## **Recommendation**

Staff recommends appointing the Treasurer to the Finance Committee as required by the Administrative and Ethics Code. All other appointments are made at the discretion of the incoming Board President for 2025-26.

## **Background**

Per Article 2, Section 2.1 of the Administrative and Ethics Code (Admin. Code), the election of officers shall be rotated sequentially by Director Divisions, commencing with

the office of President, at the first board meeting of January on each odd-numbered year. Additionally, any board member not wishing to hold a particular office may pass on filling that position. It should also be noted that, while committee assignments are made by the board President, the Treasurer is expected to serve on the Finance Committee by virtue of his/her responsibilities.

Finally, per the terms of the Administrative Code, a board member must have served for a least one year in order to assume the offices of President, Treasurer, Secretary or SDCWA Representative.

### **Fiscal Impact**

N/A.

### **Discussion**

In keeping with the sequential rotation as outlined in the Administrative and Ethics Code, the upcoming rotation (2025) would result in Division 4 assuming the office of President and would result in Director Hahn assuming the position of President.

Also, based on the requirement of serving one year, Division 2 would be ineligible\*\* for the office of Secretary. This would rotate the Secretary position to Division 3, Director Guerin.

The resulting OMWD officers would then sequentially fall as follows:

<u>Division</u>	<u>Director</u>	<u>New Office</u>
4	Hahn	President
5	Meyers	Vice President
1	San Antonio	Treasurer
2	Maloni	Director **
3	Guerin	Secretary

The requirements of each position is as follows:

President. It shall be the duty of the President to preside over the meetings of the Board of Directors, and the President shall authenticate all official records of the District where required by law or as directed by a majority of the Board, and such other duties and responsibilities as required or imposed by law or a majority of the Board of Directors.

Vice-President. The Vice-President shall exercise the powers and duties of the President, if the President is absent or unable to act.

Secretary. The Secretary shall authenticate all official records of the District, and shall maintain in a safe location the official records of the District, certify all records wherever required and where necessary, and perform such other duties and responsibilities as imposed upon the Secretary by law or by a majority of the Board of Directors. In the absence of the Secretary, the duties of the Secretary shall be performed by the Assistant Secretary.

Treasurer. The Treasurer shall be appointed by the Board of Directors and a Deputy Treasurer may also be appointed by the Board of Directors. The Treasurer shall be custodian of all monies deposited in the treasury. The Treasurer shall report to the Board at least monthly the condition of the District's finances. In the absence of the Treasurer, the duties of the Treasurer shall be performed by the Deputy Treasurer. The Treasurer and the Deputy Treasurer shall be bonded in an amount to be determined by the Board of Directors.

Per the Admin. Code, the General Manager shall serve as the Assistant Secretary and the Finance Manager shall serve as the Deputy Treasurer.

Staff requests that the board discuss and determine the Board Officer positions at this time. Letterhead with the new positions can then be ordered for the new year, as well as online material and the customer newsletter.

Additionally, a resolution changing OMWD's list of authorized signatories and their positions will be presented for board approval at the January 15, 2025 board meeting.

### **2025-2026 Committee Assignments**

The Board should also discuss committee assignments so that the new Board President can make official assignments at the January 15, 2025 Meeting.

Per the Admin. and Ethics Code, each committee shall have a chairperson and vice chairperson, to be appointed by the President of the Board. Each committee shall meet at stated times to be agreed upon by the committee chairperson, and shall consider matters referred to it by the Board, or matters within the scope of its duties, which are presented to it by its members or by the General Manager. Each committee, having

authority only to recommend to the Board, shall carry on its work if two or more of its members are present at the Meeting. A meeting of any committee may be called by the President of the Board at any time for consideration of matters requiring immediate attention.

Each committee chairperson shall report to the Board of Directors at the next regularly scheduled Board of Directors' Meeting regarding matters considered at committee meetings.

The Safety, Personnel, and Finance Committees shall conduct business in Public Session in conformance with the provisions of the Brown Act as amended, Government Code 54950 et. seq. Ad Hoc Committees may be appointed from time to time and shall only meet as necessary. Not more than two Board Directors shall serve on any one committee.

Below is a TENTATIVE list of all Standing Committees and Ad Hoc Committee assignments from Director Hahn. A description of the responsibilities of each Committee is included below.

While all of the Standing Committees will have meetings in 2025, the General Manager also expects that those Ad Hoc Committees denoted with \*\* will have one or more meetings in 2025 based on the anticipated issues and topics facing the District in 2025.

1. Standing Finance Committee – Directors San Antonio and Meyers

“Admin. Code Sec 27.6 provides:. All funds of the District and all investments shall be handled in accordance with the adopted financial policies of the District. All signatures for investments and fund transfers established by District Resolutions shall be adhered to by all Board members and employees of the District. The Board shall appoint a Finance committee, comprised of the District’s Treasurer, one Board Member, and Staff members appointed by the General Manager to review and evaluate District investments. The Finance Committee shall evaluate the safety of District investments and review the District finances. The Finance committee shall make recommendations to the full Board regarding District financial policies and shall make recommendations to the full Board regarding the hiring of external independent auditors. The Finance Department shall provide a financial report to the Board monthly. Any District financial matters of concern to the Finance Committee shall be reported to the Board at the next scheduled Board meeting.”

## 2. Standing Personnel Committee – Directors Guerin and Meyers

“Admin. Code Sec. 20.4 provides: Board of Directors Personnel Committee. The Board of Directors shall create and maintain a Personnel Committee in accordance with Sec. 2.2. of this Administrative Code. The Personnel Committee shall consider matters referred to it by the Board of Directors, or matters within the scope of its duties, which are presented by its members or by the District’s Employee Relations Officer or his/her designee. The Committee shall have authority only to submit recommendations to the Board of Directors. A meeting may be called at any time for consideration of matters requiring immediate attention.

### A. Duties and Functions of the Personnel Committee.

- (1) The form of the District's organization, including the flow of authority and responsibility; salaries, special benefits, hours of work; personnel working conditions, disagreements and problems; the employment of consultants, advisors and specialists and the conditions of their employment.
- (2) The organization and classification of positions, job duties, salaries, employees' organizations, and pension plans.
- (3) The District's Equal Employment Opportunity Policies, Affirmative Action Program and District employee employer relations policies.
- (4) Interviewing and recommending individuals to serve as General Manager, General Counsel, Treasurer, and any other employee who may not be subject directly to the supervision of the General Manager.
- (5) The acknowledgement and honoring of Board Directors, employees, and others for services rendered.
- (6) Changes in the Administrative Code based upon experience and the best administrative practices.”

3. Standing Safety Committee – Directors Guerin and Hahn

“Admin Code Sec. 5.21 provides: Safety Committee. The District shall have a Safety Committee which shall meet bimonthly on the fourth Wednesday of the month. Additional meetings of the Safety Committee may be scheduled as necessary, provided all such additional meetings are properly noticed pursuant to Government Code §54954. The Human Resources Department shall maintain an agenda of safety items to be discussed, shall keep minutes of the action of the Committee, and shall comply with all other requirements for standing committees per Government Code §§54950-54963. The Committee shall be composed of the General Manager or their designee as Chairperson, HR Manager and the Safety/Risk Compliance Administrator as Co-Chairpersons, two Board Directors, one appointed representative by each Employee Association, and one Manager or Supervisor representative (to serve a minimum of a 2 year term) from each of the following departments: Finance, Engineering, Operations, Customer Services, and Supervisors from the satellite facilities of Water Reclamation, Water Treatment Plant, and the Park Operations. Any District employee may have items placed on the Committee agenda and may attend the meeting with the approval of the employee’s supervisor.”

4. Ad Hoc Facilities Subcommittee \*\* – Directors Guerin and Maloni

This committee is called on an as needed basis to review major issues and developments on OMWD facilities and construction projects.

5. Ad Hoc Customer Outreach and Conservation Subcommittee – Directors San Antonio and Hahn

This Committee is called on an as needed basis to review outreach programs to customers and conservation measures.

6. Ad Hoc Public Policy Subcommittee \*\* – Directors Maloni and Hahn

This Committee meets as needed on state and federal legislative issues that affect OMWD as well as major regional issues.

7. Elfin Forest Recreational Reserve (EFRR) Executive Committee – Directors San Antonio and Maloni
8. San Diego County Water Authority Representative – Director Meyers - Current Appointment Expires August 1, 2026 and was made via Resolution of the OMWD Board.
9. Association of California Water Agencies (ACWA) Joint Power Insurance Authority (JPIA) Representative – Director San Antonio with General Manager Thorner and Human Resources Manager Jennifer Joslin as Alternates. Each member of ACWA JPIA is to appoint a representative to the ACWA JPIA Board, which is OMWD's current medical insurance provider. The ACWA JPIA meets the first day of the ACWA Conference twice per year and generally requires travel to the conferences which are held in various location across the state.

The Board should discuss their desires for Committee service and appointments with the incoming Board President for CY 2025 and 2026.



# Memo

Date: December 11, 2024  
To: Olivenhain Municipal Water District Board of Directors  
From: John Carnegie, Customer Services Manager  
Brandon Barnick, Field Services Supervisor  
Via: Kimberly A. Thorner, General Manager  
Subject: **CONSIDER INFORMATIONAL REPORT ON COMPLETION OF ADVANCED  
METERING INFRASTRUCTURE DEPLOYMENT**

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## Purpose

The purpose of this agenda item is to present an informational report to the board regarding the completion of Advanced Metering Infrastructure (AMI) deployment in OMWD's service area.

## Recommendation

None; informational report only.

## Alternative(s)

None; informational report only.

## **Background**

Prior to 1999, OMWD conducted meter reading on foot, which was a very labor-intensive process. In 1999, OMWD began installing Sensus Automated Meter Reading radio transmitters at each customer water meter, allowing meter readers to obtain meter reads by driving alongside the meter box each month. At this time, OMWD had 16,800 meters. Staff completed retrofitting all of its manually read meters to AMR in 2006.

The expected useful life of the AMR transmitters due to battery life was 7-10 years. By the time these first-generation transmitters were reaching end of life, Sensus and other water meter manufacturers were introducing a new technology called Advanced Metering Infrastructure, through which meters would be read via fixed tower locations versus vehicle-mounted equipment. Benefits offered by AMI included reduced drive time as well as more frequent meter reads by which to better assist customers understanding of water used at their properties.

Realizing that there could be cost savings and other benefits associated with replacing the end-of-life AMR transmitters with the latest technology, staff completed a comprehensive cost/benefit feasibility study for implementation of AMI from different manufacturers and met with other agencies that had begun AMI programs to benefit from their lessons learned.

The study results proposed piloting Sensus AMI in the 4S Ranch area. 4S Ranch was selected because the area was densely populated with 7,000 residential and commercial meters that could be read by the installation of only one Tower Gateway Basestation (TGB). Additionally, 4S Ranch is the community in the OMWD service area located farthest from headquarters, such that AMI would reduce drive time by staff that read these meters.

In May 2012, the board approved staff's recommendation to begin piloting Sensus AMI. OMWD began deployment later that year, including the installation of one TGB at 4S-I Reservoir. The pilot phase continued through FY 16, which resulted in the decision to continue implementing AMI throughout OMWD's service area in ten phases overall. Subsequent phases have since been implemented each fiscal year.

Near the conclusion of the project's pilot phase, staff began working with the contractor for the AMI project, Aqua-Metric Sales Company, to conduct several radio propagation studies to determine those facilities on which additional TGBs would be necessary to provide full coverage of OMWD's service area. Given the cost associated with each TGB,

the intent was to limit the number of TGBs necessary at build-out while maximizing coverage. As staff and Aqua-Metric worked to identify the most advantageous locations at which to install TGBs, the board approved the following resolutions directing Notices of Exemption to be filed:

- On April 22, 2015, the board approved Resolution 2015-06, directing staff to file a Notice of Exemption stating that installation of a TGB and antenna at OMWD's 520 Base Elevation Antennae Site is exempt from CEQA, in accordance with Public Resources Code Section 21084(a) and CEQA Guidelines Section 15301.
- On September 16, 2015, the board approved Resolution 2015-21, directing staff to file a Notice of Exemption for installation of TGBs and antennas at six OMWD tank sites—Wiegand, Wanket, Denk, Gaty, Peay, and Zorro.
- On March 8, 2017, the board approved Resolution 2017-06, which amended Resolution 2015-21 to add two additional tank sites—4G and Gano.

By 2017, the propagation studies determined that, to cover the entirety of OMWD's service area, TGBs would need to be installed at a total of eight OMWD facilities. TGBs were installed at 4G, Zorro, and Gano Reservoirs as part of the AMI project's Phase II, and at Denk and Gaty Reservoirs as part of Phase III. Installation of TGBs at Wiegand and Wanket Reservoirs were anticipated for later phases of the project.

Concurrently, Santa Fe Irrigation District had begun moving forward with its own AMI program, which utilized communication equipment from the same manufacturer, Sensus. The propagation studies that SFID conducted were not limited to SFID facilities, however, and determined that two OMWD facilities would be advantageous locations at which to install SFID TGBs. On July 10, 2016, the board approved a cooperative agreement allowing for the installation of SFID TGBs at two OMWD facilities—the 520 Base Elevation Antenna Site, and an additional site to be determined which was identified in 2018 as Peay Reservoir.

Given the benefits identified by SFID and OMWD with regard to working beyond jurisdictional boundaries, staff conducted an additional propagation study in 2018, that considered not only OMWD facilities, but also those of neighboring agencies. The new study determined that a TGB at Vallecitos Water District's Double Peak Reservoir would be particularly advantageous for OMWD's coverage such that it could reduce the number of TGBs OMWD would need at build-out while still providing necessary coverage. The 2018 study identified that existing TGBs at Denk and Gaty reservoirs would be relocated; one to Double Peak, and one to Wiegand Reservoir.

To facilitate the relocation of a TGB to Double Peak, the board approved on June 17, 2020 Resolution 2020-10, which approved an encroachment agreement with Vallecitos and a CEQA NOE.

The seventh and final TGB location was identified as Wanket Reservoir. On October 20, 2021, the San Dieguito Water District board approved a cooperative agreement to supply power to the TGB located at the Wanket Reservoir site. This completed the installation of the TGBs required in the 2018 propagation study for full buildout of the AMI network.

Once staff had completed the milestone of converting 50% of OMWD meters to AMI, staff began exploring products by which to allow customers to take advantage of the more frequent meter read data offered by AMI. Many products allowed customers to not only view their usage online, but provided the ability to set alerts notifying them of unusual activity (i.e., constant flow suggesting a leak), thereby allowing them to better manage water use at their properties. Staff evaluated six different software platforms and ultimately selected the Aquahawk platform as OMWD's preferred "customer portal." On August 19, 2020, the board approved the contract with American Conservation and Billing Solutions, Inc., for the implementation of the Aquahawk portal. Since implementation in late 2020, 8,340 registered users have taken advantage of the portal.

Due to concerns at the outset of the AMI project about public response to SDG&E's "smart meter" implementation, staff was careful to prepare customers with information about AMI's benefits. Channels included an AMI-specific webpage, newsletter features, and postcards sent in advance of each phase of AMI conversions. Very few customers expressed concerns about the safety of the technology after receiving the postcard. However, during Phase II of the project, one customer expressed their strong opposition. In response, at the October 13, 2017 board meeting, the board adopted Ordinance 453, which amended Article 9 of the Administrative and Ethics Code to specify the conditions under which OMWD may accommodate a customer request to opt out of meter reading by a specific meter-reading technology. Namely, it established that customers wishing to opt out of meter reading via AMI would be responsible for covering all costs associated with the request by paying each month the \$75 return trip fee established in Section 13.11 (B). The board reaffirmed this methodology at the June 2020 board meeting, when a customer who lives in close proximity to headquarters requested reconsideration of the trip fee.

To reduce the budgetary impact of AMI implementation to ratepayers, staff was able to achieve four separate grants:

- On March 17, 2018, the board approved Resolution 2018-01, which authorized the execution of a grant agreement with the United States Bureau of Reclamation (USBR) to fund \$300,000 for Phases 4-6, of which \$75,000 was earmarked for the implementation of a customer portal.
- On August 19, 2020, the board approved Resolution 2020-19, which authorized the execution of a grant agreement with USBR to fund \$500,000 for Phases 7-8.
- OMWD qualified for a Metropolitan Water District of Southern California Member Agency Administered Program grant in the amount of \$30,000 to finalize the launch of the customer portal. This grant agreement was signed on December 8, 2020.
- On July 20, 2022, the board approved Resolution 2022-17, which authorized the execution of a grant agreement with USBR to fund \$500,000 for Phases 9-10.

The cost for full deployment of AMI was originally estimated at \$6.3 million. The total anticipated project cost through project completion is \$5.23 million, which includes an offset of the \$1.3 million in grant awards.

### **Fiscal Impact**

None; informational report only.

### **Discussion**

In November 2024, staff completed the last of the AMI conversions, which enables all 29,151 meters to be read utilizing this technology.

Prior to completion of AMI deployment, staff carefully considered the language in the materials it created to promote the benefits of the customer portal, as there were customers who did not yet have the AMI hourly read functionality that enables the full benefits of the platform. Now that all customers have the capability to access hourly read data and benefits of the portal, staff will actively promote these features in its districtwide outreach campaign.

#### *Attachments:*

- *PowerPoint presentation*

# Completion of Advanced Metering Infrastructure Deployment

December 11, 2024



# Advanced Metering Infrastructure

- What is AMI – Advanced Metering Infrastructure
- Replaced Automated Meter Reading technology
- Equipment - Tower gateway basestations (TGB), and meter transmitting units (MXU)



# Tower Gateway Basestation



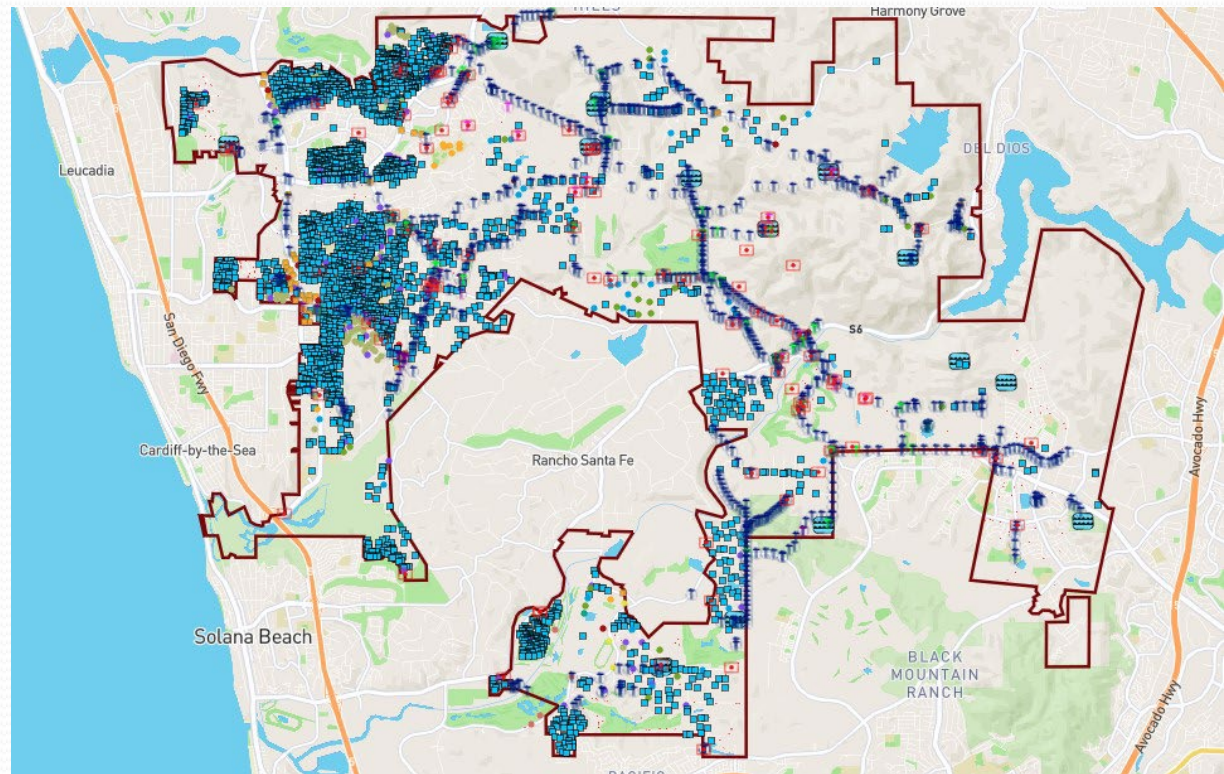


# Meter Transmitting Units



# Advanced Metering Infrastructure Deployment

- Phased approach
- Strategically deployed from the farthest reaches of service area inward to reduce drive time





# AMI Phase 1 – Pilot Study (FY 12-16)

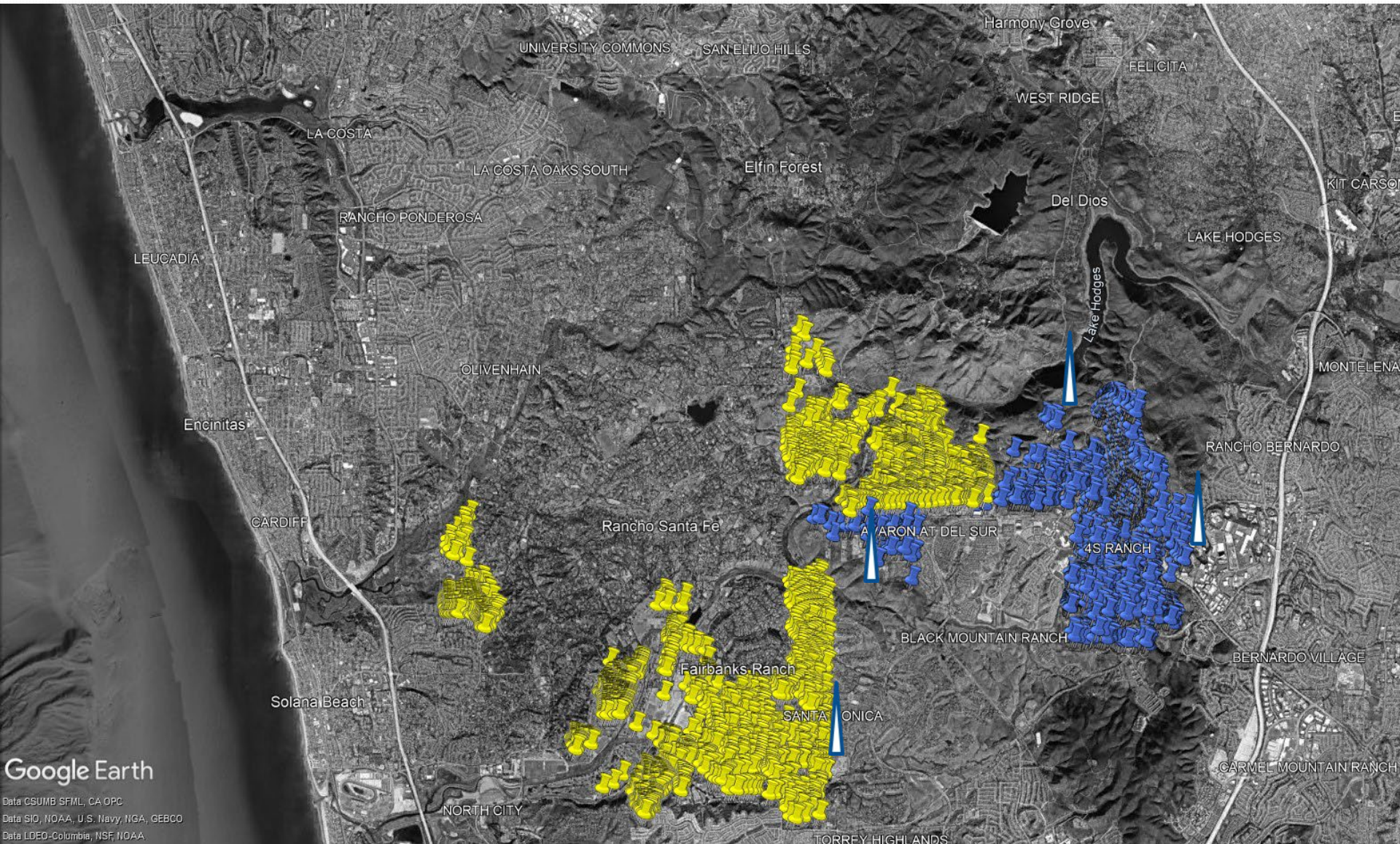


Google Earth

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Data SIO, NOAA, U.S. Navy, NGA, GEBCO  
Data LDEO-Columbia, NSF, NOAA



# AMI Phase 2 (FY 2017)

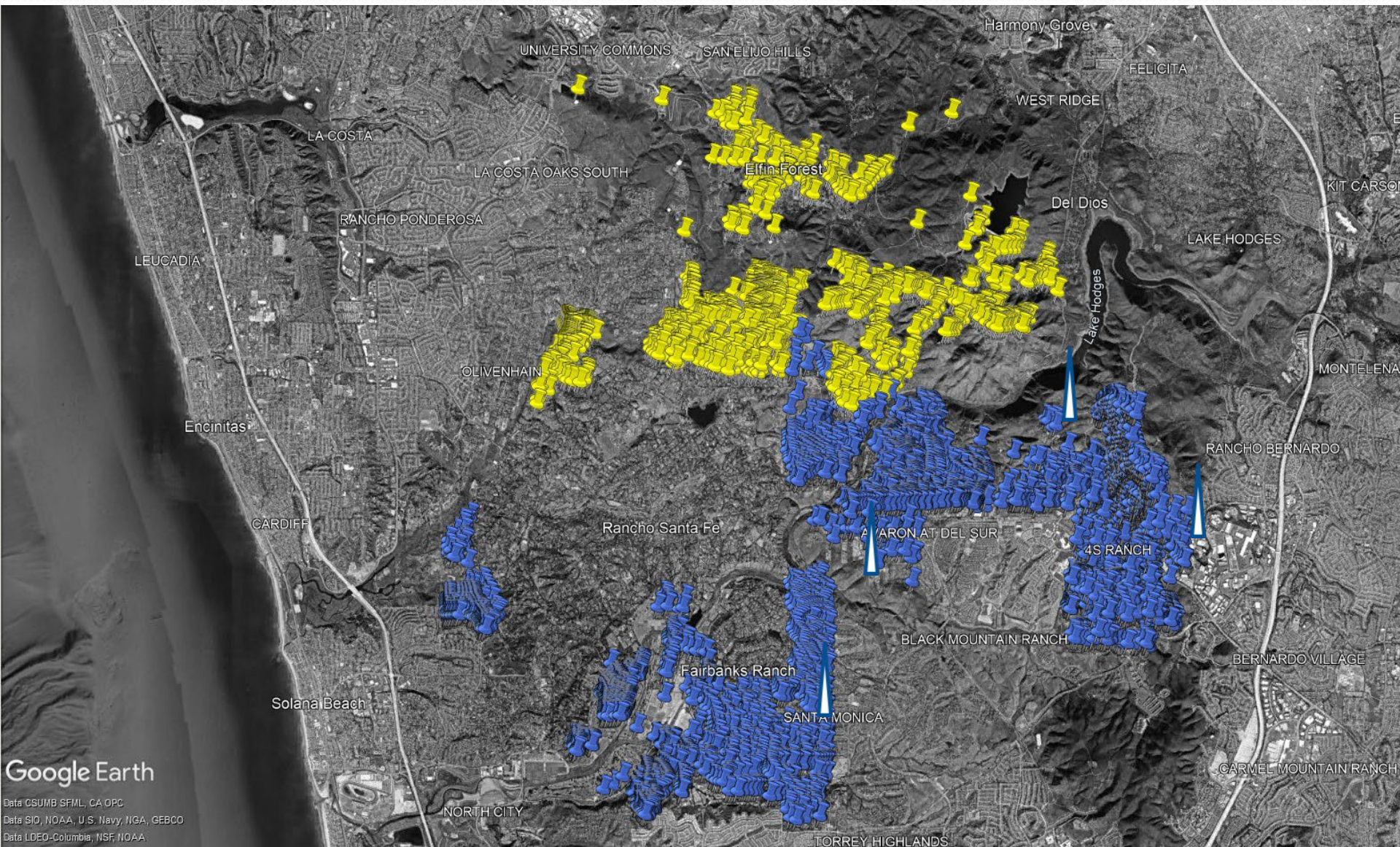


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Data LDEO-Columbia, NSF, NOAA



# AMI Phase 3 (FY 2018)

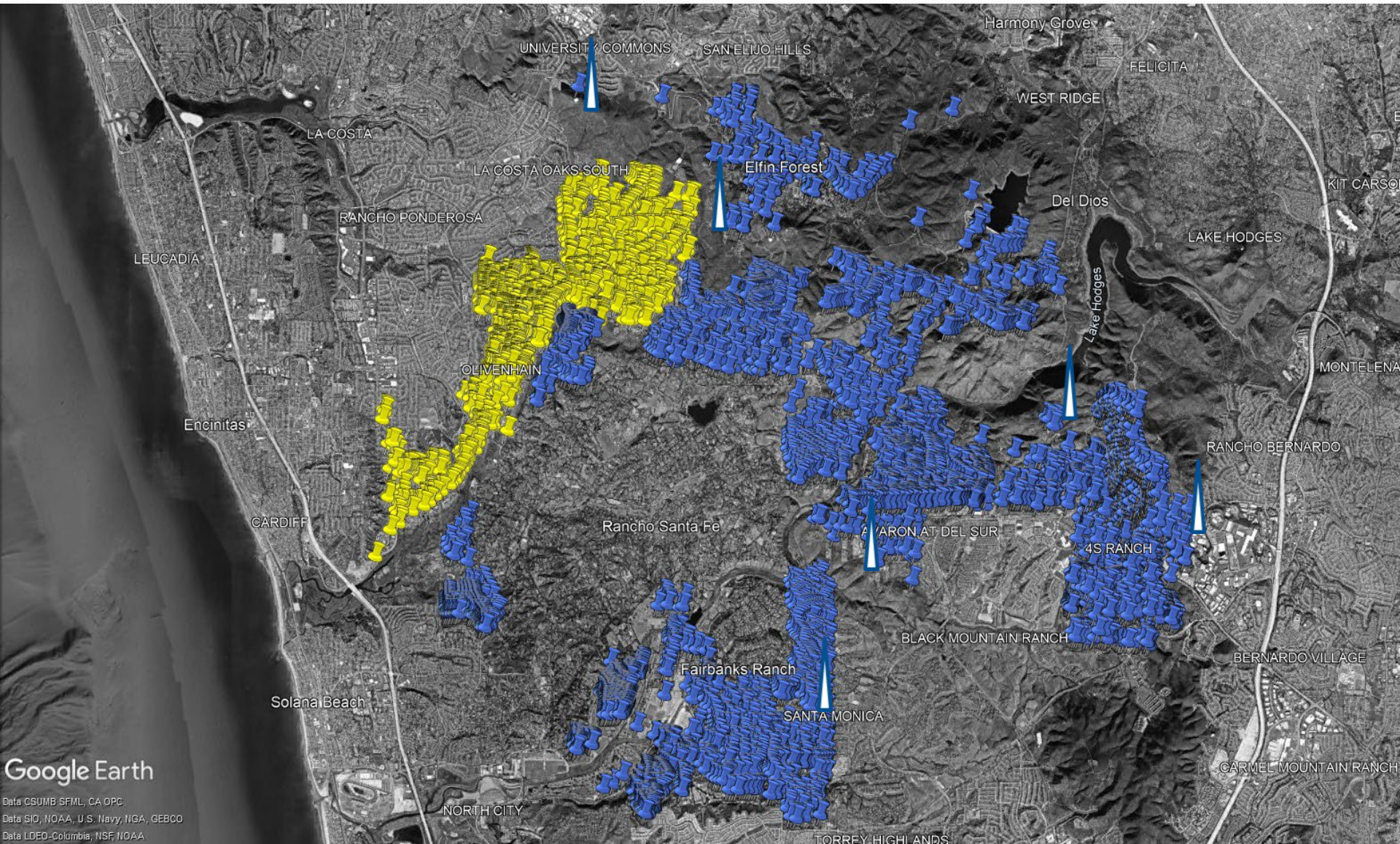


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Data LDEO-Columbia, NSF, NOAA

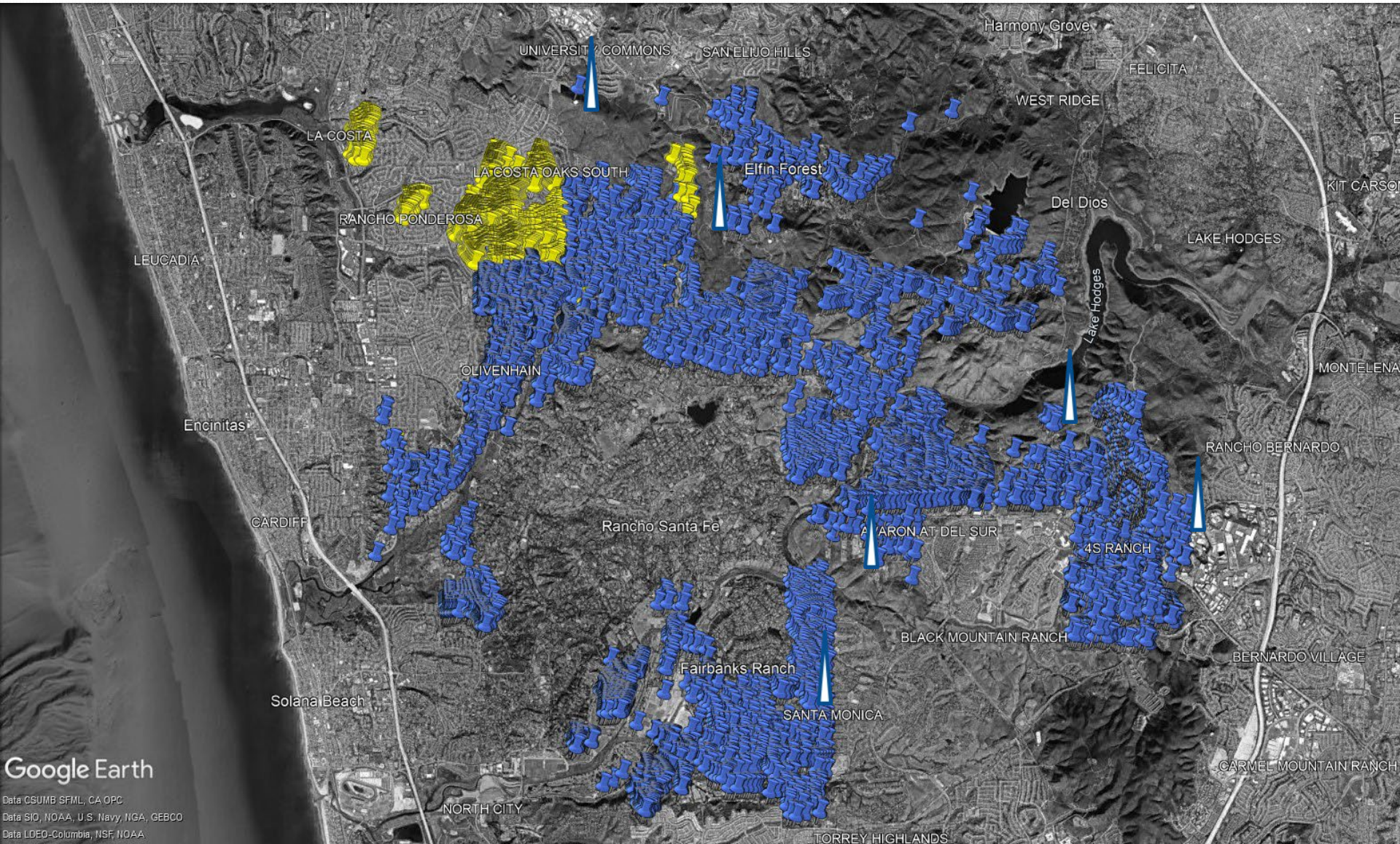


# AMI Phase 4 (FY 2019)





# AMI Phase 5 (FY 2020)

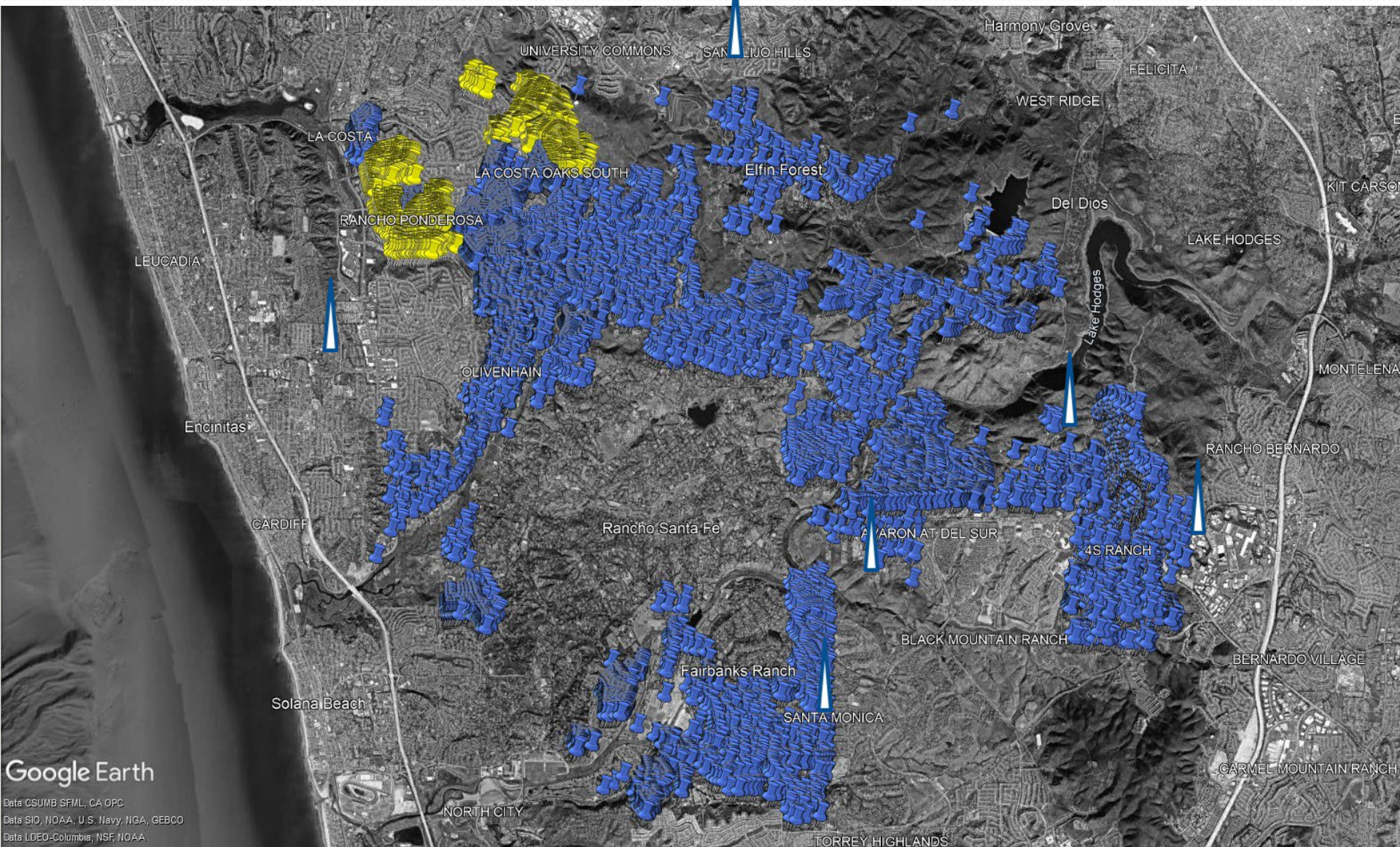


Google Earth

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Data: LDEO-Columbia, NSF, NOAA



# AMI Phase 6 (FY 2021)

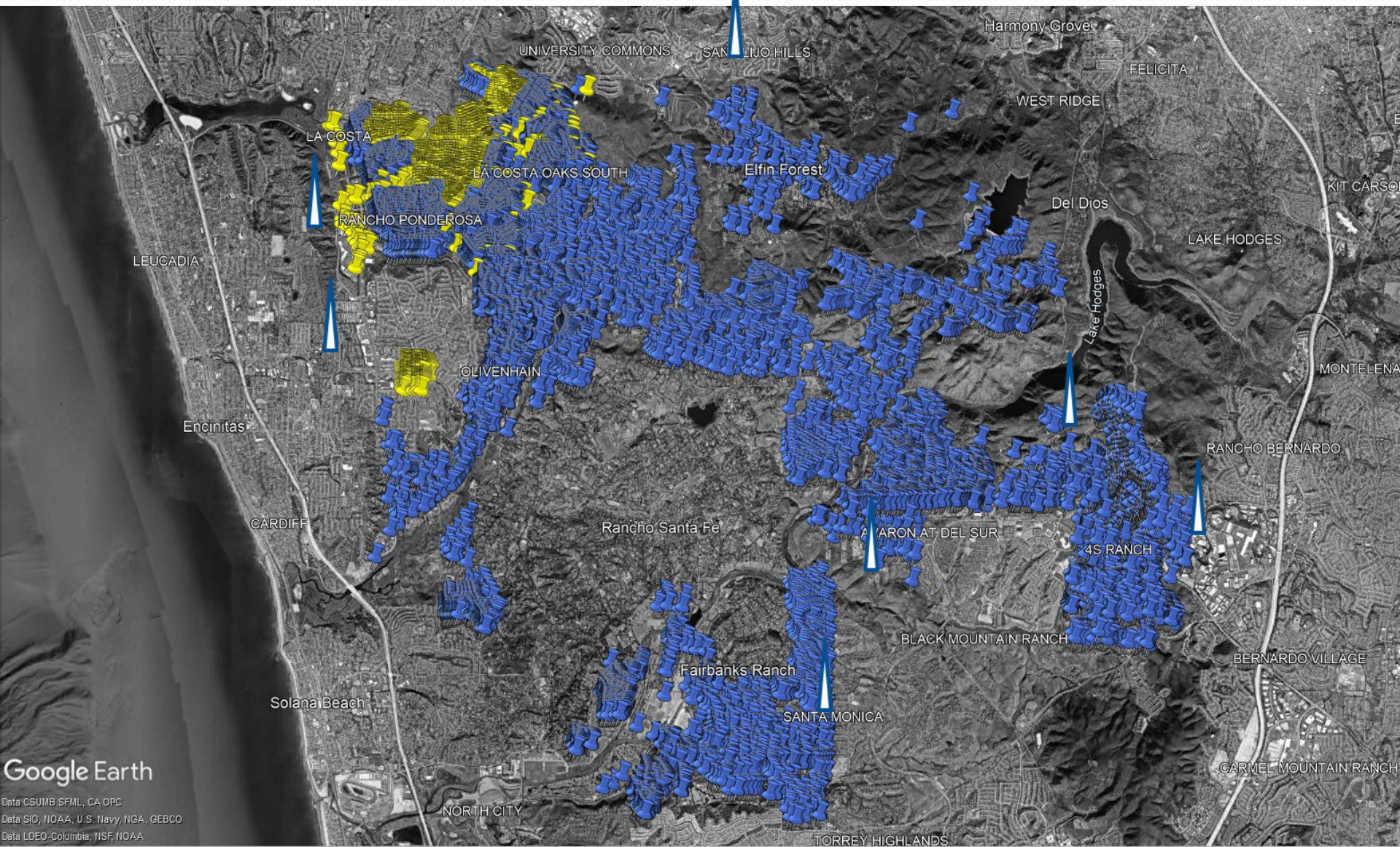


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Data LDEO-Columbia, NSF, NOAA



# AMI Phase 7 (FY 2022)

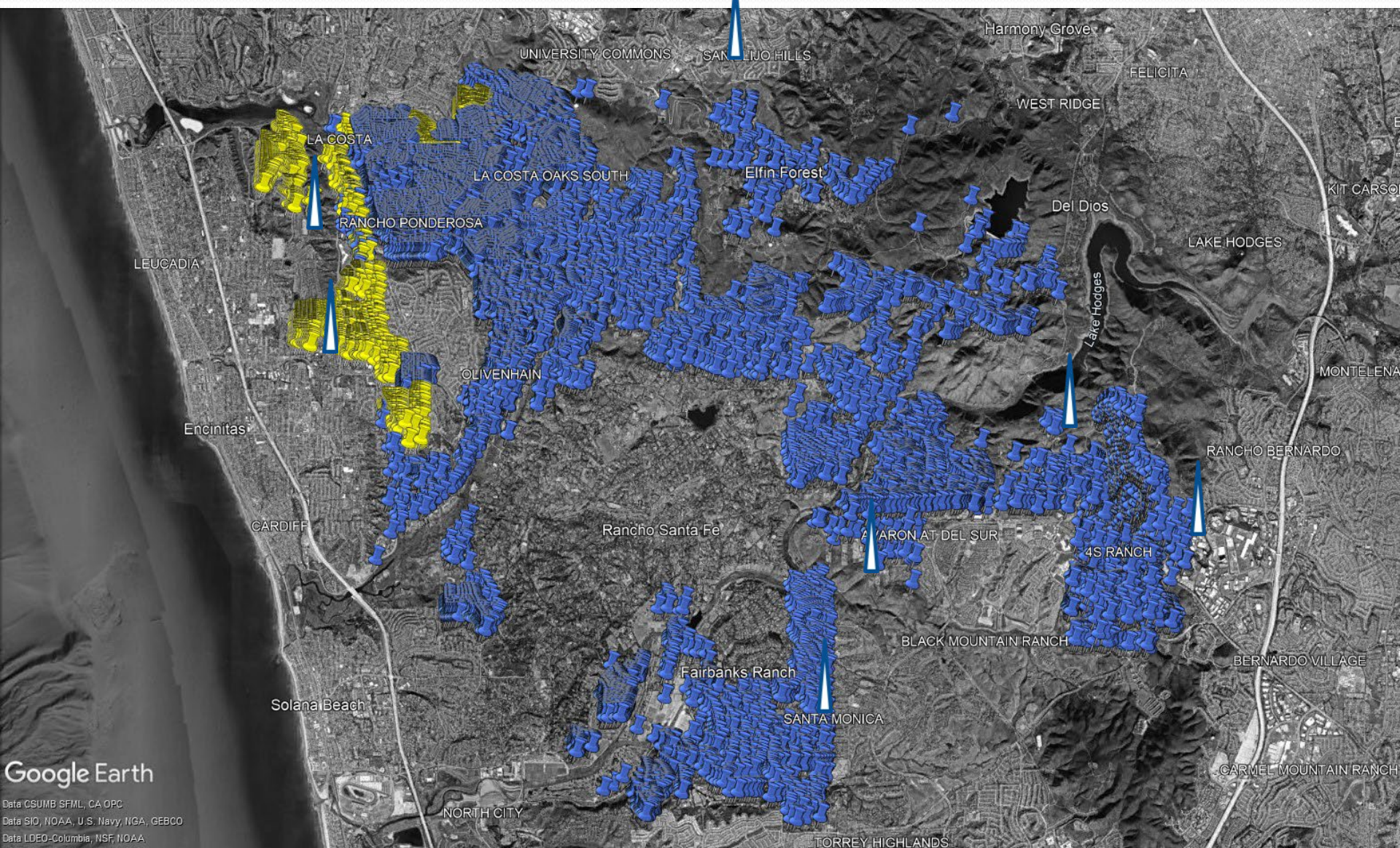


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Data LDEO-Columbia, NSF, NOAA



# AMI Phase 8 (FY 2023)

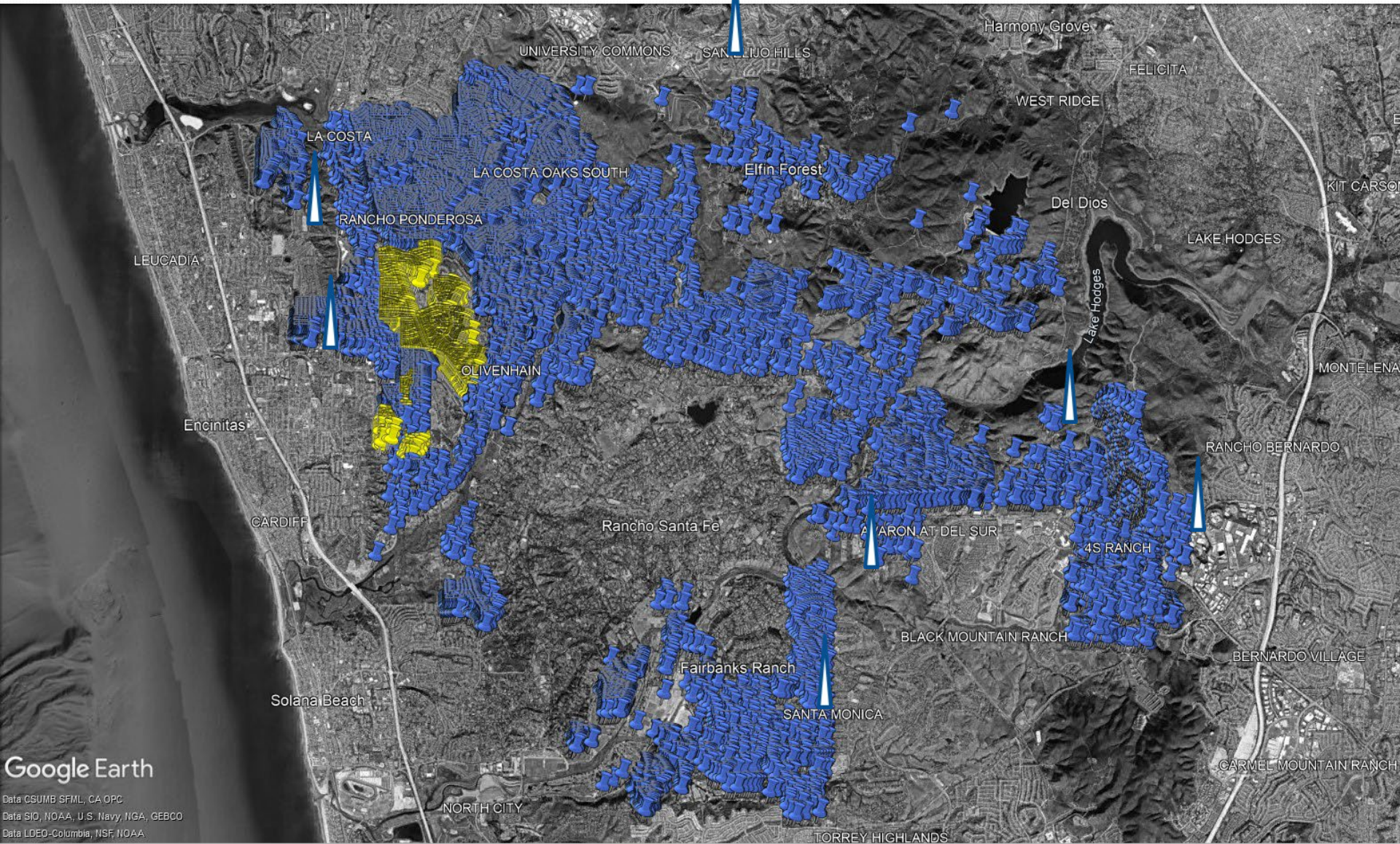


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Data: LDEO-Columbia, NSF, NOAA



# AMI Phase 9 (FY 2024)

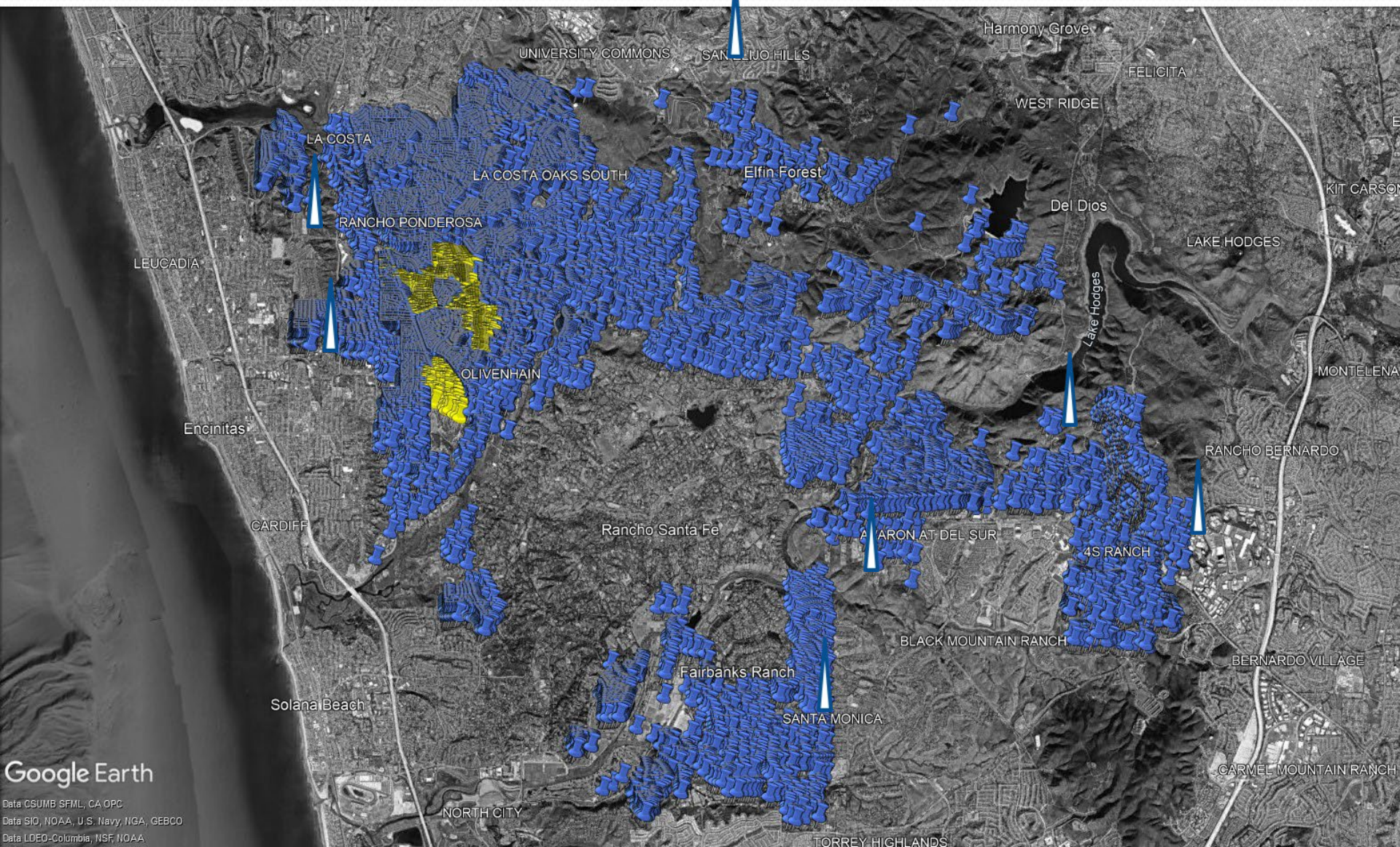


Google Earth

Data: CSUMB SFML, CA OPC  
Data: SIO, NOAA, U.S. Navy, NGA, GEBCO  
Data: LDEQ-Columbia, NSF, NOAA



# AMI Phase 10 (FY 2025)



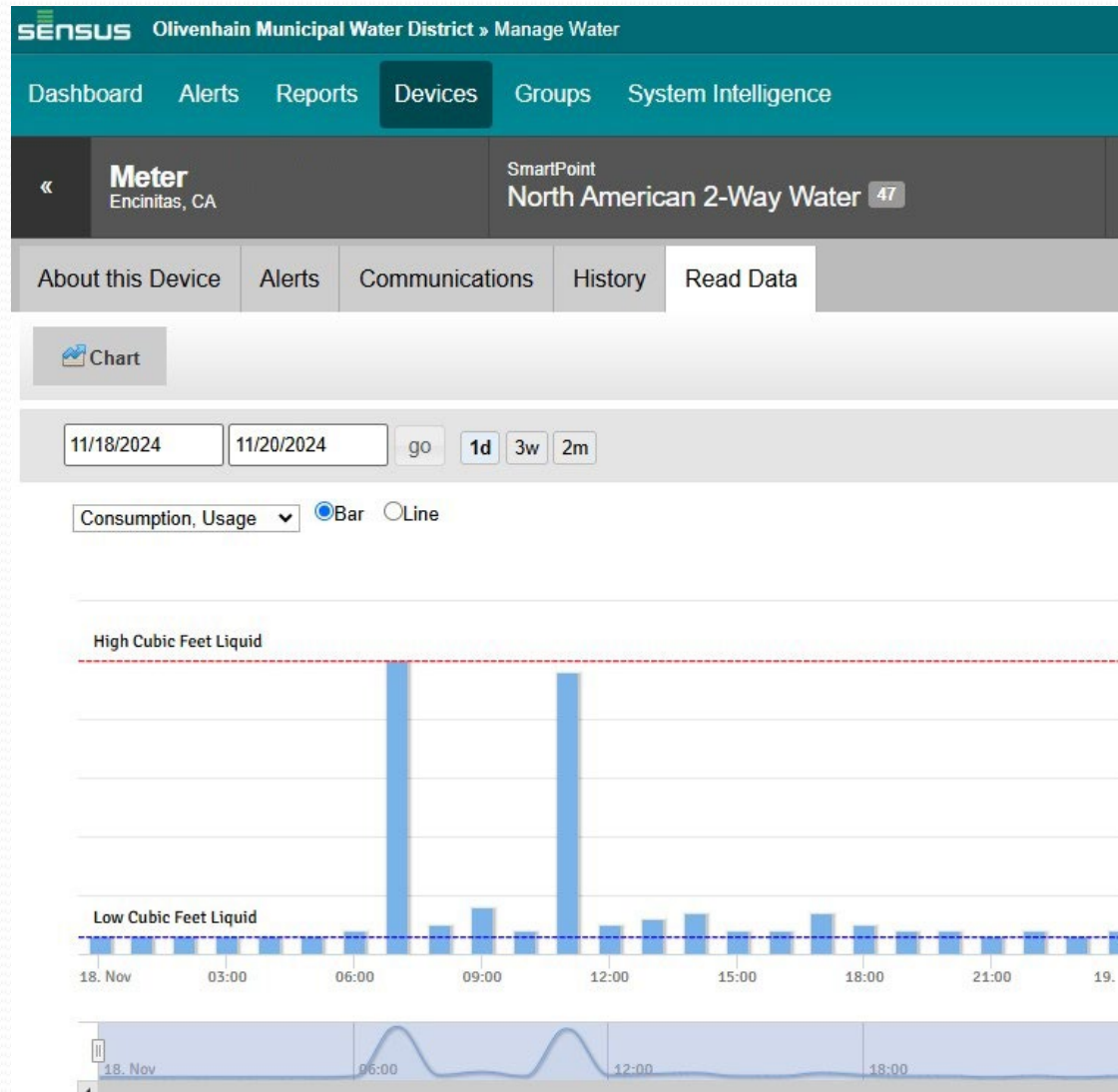
Google Earth

Data CSUMB SFML, CA OPC  
Data SIO, NOAA, U.S. Navy, NGA, GEBCO  
Data LDEO-Columbia, NSF, NOAA



# The Benefits of AMI

- Monthly meter reading efficiency & reliability
- Hourly read data eliminates guesswork with consumption inquiries, supports hydraulic model
- Continuous consumption
- Customer portal
- Customer satisfaction!



# Customer Portal



Powered by AquaHawk

Water Account Management ▾ Help Brandon Barnick ▾

## Account Information

1057024-242035

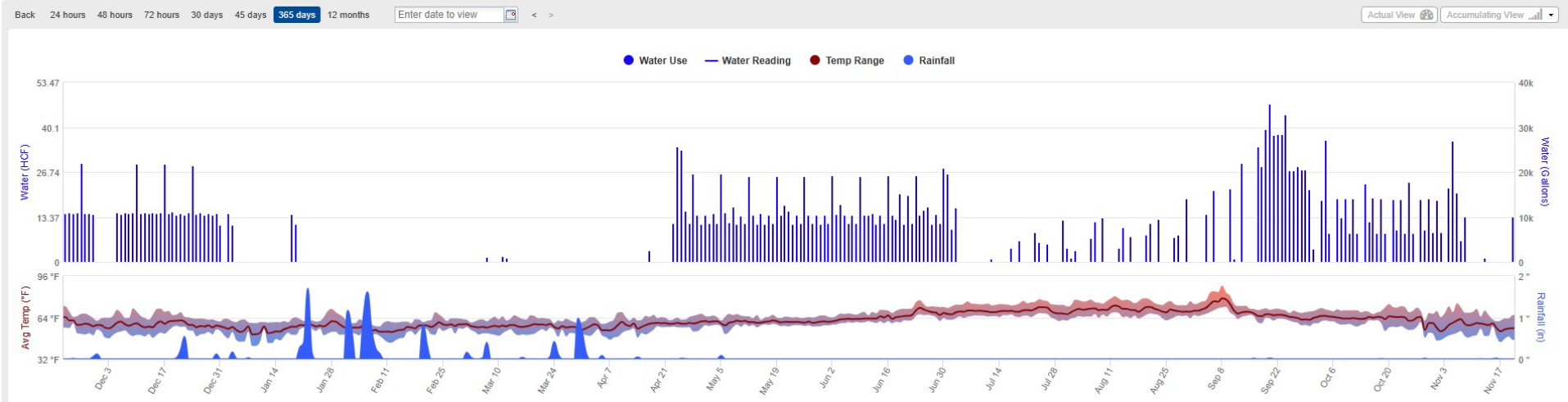
1057024-242035  
OMWD WRF  
4S WRF Irrig RW  
San Diego, CA 92127-2189  
Phone (760) 753-6466  
Registered Users [No Registered Users](#) [\[Register New User\]](#)

Current Billing Period Nov 11, 2024 - Dec 10, 2024 (Day 10 of 30)	
Estimated Bill (as of 11/20/2024 5:00 AM)	\$213.80
Projected Bill (at last reported use rate)	\$715.56
Water Use (as of 11/20/2024 5:00 AM)	12.31 HCF
Projected Water Use (at last reported use rate)	144.7 HCF
Last 24 Hours: 11.03	Last Day: 11.03
Meter Read: 79,429	
<a href="#">Export</a> <a href="#">My Thresholds</a>	

Meter # 61880855 Radio # 89343570 Water-Commercial-Active

## Last 365 Days (Wed Nov 22, 2023 - Wed Nov 20, 2024)

3,023 HCF (0 min, 8.28 avg, 46.98 max)



# Customer Portal - Thresholds

Current Billing Period	
Nov 11, 2024 - Dec 10, 2024 (Day 10 of 30)	
Estimated Bill (as of 11/20/2024 5:00 AM)	\$213.80
Projected Bill (at last reported use rate)	\$715.56
Water Use (as of 11/20/2024 5:00 AM)	12.31 HCF
Projected Water Use (at last reported use rate)	144.7 HCF
Last 24 Hours: 11.03	Last Day: 11.03
Meter Read: 79,429	
<a href="#">Export</a> <a href="#">My Thresholds</a>	

## My Thresholds

Account # 1057024-242035    Meter # 61880855 (Water-Comme

### Billing Period Thresholds (Account)

#### Estimated Bill Alert Threshold

☒ Current    ☐ Projected

Bill Amount (dollars)

Reading

#### Water Use Alert Threshold

☒ Current    ☐ Projected

Water Use (Gallons)

### Water Use Thresholds (Meter)

1 Hour    Water Use (Gallons)

1 Week    Water Use (Gallons)

1 Day    Water Use (Gallons)

1 Month    Water Use (Gallons)

Water Use (Gallons)

gallons per hour for

24 Hours

Apply

Cancel

# Threshold Alerts

## Water Use Alert from Olivenhain Municipal Water District



AquaHawk Alerting <aquahawk@amcobi.com>

To Brian Sodeman

**CAUTION: EXTERNAL EMAIL.** Do not click any links or open attachments unless you recognize the sender, verified their email address, and know the content is safe.

You have enrolled in Olivenhain Municipal Water District's MyWaterUse portal to be notified of potential leaks or other issues.

We have detected the following:

**Alert Date:** Nov 19, 2024

**Alert Type:** Water Use

**Alert Severity:** Critical

**Description:** Abnormal water use detected.

**Details:** Continuous usage of over 100 gallons per hour over the last 24 hours.

**Account:** 100000-000000

**Meter:** 1000000

**Account Name:** OMWD

**Account Address:**

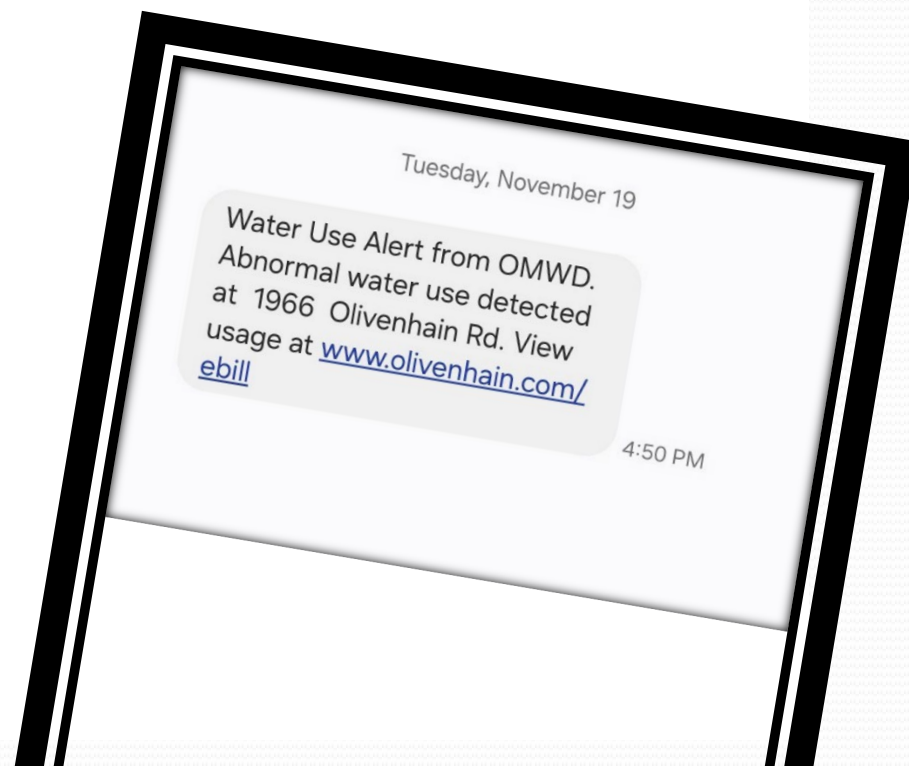
1966 Olivenhain Rd  
Encinitas, CA 92024

You can view your water use at [www.olivenhain.com/ebill](http://www.olivenhain.com/ebill)

Olivenhain Municipal Water District

(760) 753-6466

[customerservice@olivenhain.com](mailto:customerservice@olivenhain.com)





# Looking to the Future

- Continue to promote and inform customers about benefits of the customer portal, and the use of threshold alerts for proactive water usage monitoring
- Pressure profile
- Warranty - how long will this last?
- Benefits of the phased approach



**Thank you for your support!**

# Memo

Date: December 11, 2024  
To: Olivenhain Municipal Water District Board of Directors  
From: Leo Mendez, Accounting Supervisor  
Rainy Selamat, Finance Manager  
Via: Kimberly Thorner, General Manager  
Subject: **CONSIDER APPROVAL OF THE DISTRICT'S FISCAL YEAR 2023-2024 AUDITED FINANCIAL STATEMENTS, FISCAL YEAR 2023-2024 SINGLE AUDIT, AND ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEARS ENDED JUNE 30, 2024 AND 2023 (FINAL DRAFT)**

---

## Purpose

Staff is requesting the Board to consider approval of the fiscal year 2023-2024 audited Financial Statements, fiscal year 2023-2024 Single Audit, and the District's fiscal year 2023-2024 Annual Comprehensive Financial Report (ACFR) final draft.

The auditors completed their audit and have provided the District with an unmodified (clean) opinion on the basic Financial Statements and its compliance with federal grant requirements as highlighted in the Single Audit report. The auditor's opinion letter, audited Financial Statements, and footnote disclosures are included in the attached Fiscal Year 2023-2024 Annual Comprehensive Financial Report (ACFR). The auditor's Single Audit report, letter to the Board of Directors, and presentation to the Board are also attached for review.

The audit results were discussed with the Finance Committee (Director Meyers and Director Watt) at the November 4, 2024 meeting.

## **Recommendation**

Staff recommends the Board consider approval of the fiscal year 2023-2024 audited Financial Statements, Single Audit, and Annual Comprehensive Financial Report.

## **Alternative**

The Board may decide not to approve the fiscal year 2023-2024 audited Financial Statements, Single Audit, and Annual Comprehensive Financial Report as presented.

## **Background**

The District's Financial Statements were audited by The Pun Group, LLP, a full-service Certified Public Accounting Firm with expertise in providing auditing services for special Districts and Cities. Fiscal Year 2023-2024 marks the sixth year that the District's Financial Statements have been audited by The Pun Group, LLP.

At the September 2023 meeting, the District's Board of Directors approved a three-year agreement with The Pun Group, LLP for professional auditing services for fiscal years ending June 30, 2024, 2025, and 2026 following a Request for Proposals for auditing services.

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 these requirements, and to ensure auditor independence, The Pun Group, LLP rotated the lead partner responsible for the District's audit through the new agreement's period (fiscal year end 2024, 2025, 2026 audits).

## **Fiscal Impact**

There were no audit adjustments or findings noted by the auditors as part of the fiscal year 2023-2024 Financial Statements Audit and Single Audit. There were also no material weaknesses or significant deficiencies in internal controls noted by the auditors.

Audit results and financial highlights will be presented for the Board's review and approval by the District's auditor, Ms. Sophia Kuo, an independent Certified Public Accountant with The Pun Group, LLP.

### **Discussion**

The goal of the independent financial audit is to provide reasonable assurance that the District's basic financial statements are free of material misstatements.

As part of their audit, the auditors performed certain audit procedures, observed processes, and noted certain matters for the purpose of expressing their opinion on the financial statements and the District's compliance with federal grant requirements. The auditors' findings are intended to improve the District's internal controls as well as the integrity of the District's financial reporting.

The District's auditor and staff will be available to answer any questions that the Board may have.

Attachments:   **Attachment 1** – Auditors' Letter to the Board  
                          **Attachment 2** – Final Draft of FY 2023-2024 Audited Financial Statements and Annual Comprehensive Financial Report for fiscal years ended June 30, 2024 and 2023  
                          **Attachment 3** – FY 2023-2024 Single Audit and Independent Auditors' Reports  
                          **Attachment 4** – Auditors' Presentation to the Board



4660 La Jolla Village Drive, Suite 100  
San Diego, California 92122



[www.pungroup.cpa](http://www.pungroup.cpa)



November 4, 2024

Board of Directors and Finance Committee  
Olivenhain Municipal Water District  
Encinitas, California

We have audited the financial statements of the business-type activities of the Olivenhain Municipal Water District (the "District") for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 1, 2024. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Matters**

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 2 to the financial statements. No new GASB pronouncements had a significant effect on the District's financial reporting for the fiscal year ended June 30, 2024.

We noted no other new accounting policies were adopted and the application of existing policies was not changed during 2024. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

#### *Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the District's financial statements were:

- Management's estimate of the investment fair market value is based on information provided by the State of California for its investment in the Local Agency Investment Fund and by U.S. Bank, the trustee for the District's investments in municipal bonds and U.S. Government Sponsored Enterprise Securities. We evaluated the key factors and assumptions used to develop the investment fair market value in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the depreciation on capital assets is based on the industry standard and past experience on actual useful life of the asset groups. We evaluated the key factors and assumptions used to develop the depreciation on capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the net pension liability is based on the actuarial valuation on total pension liability and based on audited financial statements on fiduciary net position for CalPERS plans. We evaluated the key factors and assumptions used to develop the net pension liability in determining that it is reasonable in relation to the financial statements taken as a whole.



Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure(s) affecting the financial statements were:

- Note 2 – Summary of Significant Accounting Policies
- Note 4 – Leases Receivable
- Note 6 – Capital Assets
- Note 10 – Employee Retirement Systems
- Note 15 – Economic Dependency
- Note 16 – Commitments and Contingencies
- Note 17 – Segment Information

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated November 4, 2024.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.



**Other Matters**

We applied certain limited procedures to the Management's Discussion and Analysis, Modified Approach for Steel Water Storage Tanks Infrastructure Capital Assets, Schedule of Contributions – Defined Benefit Pension Plans, and Schedule of Proportionate Share of the Net Pension Liability, as listed in the table of contents, which are Required Supplementary Information ("RSI") that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were not engaged to report on the Introductory and Statistical Sections, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Restriction on Use**

This information is intended solely for the information and use of the Finance Committee, Board of Directors, and management of the Olivenhain Municipal Water District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

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

San Diego, California



# Annual Comprehensive Financial Report

FISCAL YEARS ENDED JUNE 30, 2024 AND 2023



OLIVENHAIN MUNICIPAL WATER DISTRICT, ENCINITAS, CALIFORNIA





Annual Comprehensive Financial Report  
Fiscal years ended June 30, 2024 and 2023  
Prepared by the Finance Department

COVER



2024 – 65th Anniversary



# Our Mission

Olivenhain Municipal Water District is committed to serving present and future customers with safe, reliable, high quality water while exceeding all regulatory requirements in a cost effective and environmentally responsive manner.

The District is dedicated to providing recycled water, wastewater treatment, and hydroelectricity in the most cost effective, environmentally responsive, and service-oriented manner.

The District is devoted to the safe operation of the Elfin Forest Recreational Reserve and providing all users with a unique recreational, educational, and environmental experience.

## Board of Directors

**Christy Guerin**, President  
**Matthew R. Hahn**, Vice President  
**Neal Meyers**, Treasurer  
**Lawrence A. Watt**, Secretary  
**Marco San Antonio**, Director

## General Manager

**Kimberly A. Thorner, Esq.**

## General Counsel

**Alfred Smith, Esq.**, Nossaman LLP



**Christy Guerin**  
President



**Matthew R. Hahn**  
Vice President



**Neal Meyers**  
Treasurer



**Lawrence A. Watt**  
Secretary



**Marco San Antonio**  
Director



**Kimberly A. Thorner**  
General Manager



**Alfred Smith**  
General Counsel



Olivenhain Municipal Water District is a public agency proudly serving portions of Encinitas, Carlsbad, Solana Beach, Rancho Santa Fe, San Marcos, Elfin Forest, 4S Ranch, San Diego and the Olivenhain Valley.

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# Introductory Section

## ANNUAL COMPREHENSIVE FINANCIAL REPORT



2014 – 55TH ANNIVERSARY





"WARBLER WITH BEE"

*Submitted by Keith Kelly*

2024 Elfin Forest Recreation Reserve Photo Contest – Best in Show

November 4, 2024

Members of the Board of Directors  
Olivenhain Municipal Water District  
1966 Olivenhain Road  
Encinitas, CA 92024-5699



We are pleased to submit the Annual Comprehensive Financial Report of the Olivenhain Municipal Water District (District) for the fiscal year ended June 30, 2024. The purpose of the report is to provide the governing board, citizens, investors, and other interested parties with reliable financial information about the District.

This Annual Comprehensive Financial Report was prepared by the District's Finance Department in accordance with Accounting Principles Generally Accepted in the United States of America (GAAP). Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with District management. We believe the data, as presented, is accurate in all material respects and that it is presented in a manner designed to fairly set forth the financial position and the results of operations of the District, and that all disclosures necessary to enable readers to gain the maximum understanding of the District's financial activity have been included.

The District's financial statements have been audited by The Pun Group, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2024, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2024, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

This letter of transmittal is designed to complement the Management's Discussion & Analysis (MD&A) and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

## Reporting Entity

The District is a governmental corporation governed by a publicly elected five member Board of Directors. The District was incorporated in 1959 under the provisions of the *California Municipal Water District Act of 1911, section 71000 et.seq.* of the *California Water Code* as amended.

In keeping its books and records, the District has established various self-balancing groups of accounts in order to enhance internal control and to further the attainment of other management objectives. These groups of accounts, which are sub-funds of the reporting entity, are identified in the District's books and records as the General Fund, Recycled Water Capacity Fee Fund, Treated Water Capacity Fee Fund, Reassessment District 96-1 Fund, 4S Sanitation District Fund, Rancho Cielo Sanitation District Fund, 2015 Water System Revenue Refunding Bond Fund, 2016 Water System Revenue Refunding Bond Fund, 2021A Revenue Bond Fund, 2021B Revenue Bond Fund, and 2013 State Revolving Fund Note Payable. All significant inter sub-fund transactions and accounts are eliminated in the combination of the accounts of the sub-funds at the end of each fiscal year for the consolidated financial statements of the District as presented in the financial section of this report. More detailed information on the District's accounting policies can be found in note 2 of the Notes to the Basic Financial Statements.

# General District Operations

The District is operated as an enterprise fund. The finances of the District are kept on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

As an enterprise fund, the District maintains a self-balancing set of accounts established to record the financial position and results that pertain to each activity. The activities of enterprise funds are similar to regular businesses whereby a governmental agency collects sufficient revenues through rates and user charges to pay for on-going operating expenses and maintaining infrastructure in order to sustain operations.

The District’s service area is approximately 48.6 square miles. This service area lies within the northern region of San Diego County and includes portions of incorporated areas such as Encinitas, Carlsbad, San Diego, Solana Beach, San Marcos and large portions of unincorporated areas such as 4S Ranch, Rancho Cielo, Rancho Santa Fe, Elfin Forest, and Santa Fe Valley. All these communities are fairly affluent.

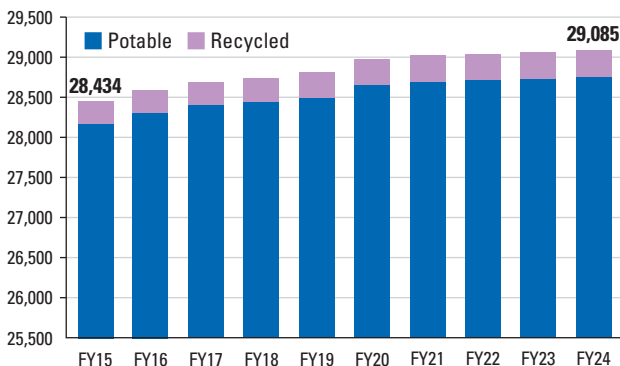
According to recent EDU (Equivalent Dwelling Units) projections, the District has about 1,180 EDUs remaining until it is completely built-out at an estimated 32,929 EDUs. For the fiscal year ended June 30, 2024, 70.5% of water delivered was for domestic use, 28.5% for commercial and irrigation use (including construction and recycled water), and 1.0% for agricultural use. The District relies on the San Diego County Water Authority (SDCWA) as a sole source of untreated water. The District’s primary treated water source is the David C. McCollom Water Treatment Plant.

The District provides sewer collection and treatment services to a portion of the District’s service area and sells recycled water to golf courses and other customers for irrigation. The District’s 4S Ranch Water Reclamation Facility (WRF) collects and treats sewage from two specific areas of the District, Rancho Cielo and 4S Ranch. Sewage is processed in the 4S WRF through various treatment stages to produce California Title 22 tertiary treated recycled water that can be used for unrestricted irrigation purposes. The 4S WRF currently produces approximately 1 million gallons per day (mgd) of its maximum production of 2.0 mgd to meet recycled water demand in the southeast quadrant of the District’s service area. In order to meet demand in the southeast, the District also purchases recycled water from Santa Fe Valley Community Services District and City of San Diego.

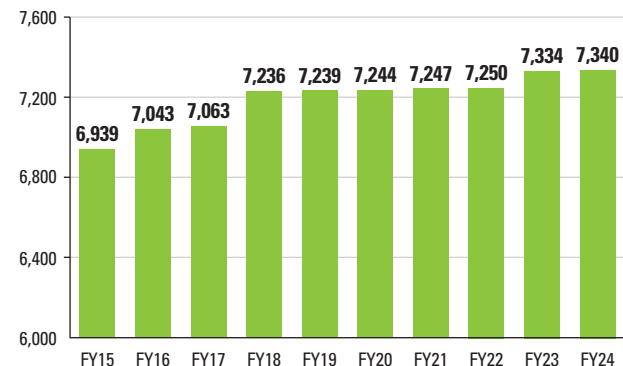
The District also sells recycled water in the northwest of its service area. To meet recycled water demand in the northwest, the District has entered into recycled water purchase agreements with Vallecitos Water District and San Elijo Joint Powers Authority. Recycled water in the northwest is delivered through the utilization of interagency service connections.

During the fiscal year ended June 30, 2024, the District billed 14,322 acre-feet (AF) of potable water through 28,757 active potable water meters and 2,192 AF of recycled water through 328 active recycled meters. The District provided wastewater collection services to 7,340 sewer equivalent dwelling units (EDUs) in 4S Ranch, Rancho Cielo, Santa Luz, and Black Mountain Ranch. Historical information of the District’s number of water meters and sewer EDUs is shown in the graphs below.

Active Potable & Recycled Water Meters



Active Sewer EDUs



# San Diego Region Water Supply and Diversification Strategy

California's water supply outlook is stable. The 2023–2024 water year ended with precipitation in California at 100% of average, and statewide reservoir levels at 113% of historical averages. Snowpack was 111% of historical average at the final spring snow survey. Locally, San Diego experienced over 13 inches of rain at San Diego International Airport, well above the annual average of approximately 10 inches.

Climatic conditions in 2024–2025 water year are not anticipated to be as favorable, with the National Oceanic and Atmospheric Administration predicting warmer than average temperatures and below-average precipitation. These are consistent with La Niña conditions, which NOAA expects to persist through spring 2025. While UC San Diego's Center for Western Weather and Water Extremes also expects warmer, drier conditions, its model shows much of California with a very high chance of reaching at least 75% of normal precipitation through water year 2026.

Also beneficial from a water supply standpoint, the states of California, Nevada, and Arizona reached an agreement in 2023 to voluntarily use less water from the over-drafted Colorado River through 2026. Conservation-based approaches to shortages on the Colorado River assure that the San Diego County Water Authority's Quantification Settlement Agreement supplies are not subject to mandatory reductions. Given this Colorado River deal as well as dramatic improvements in regional drought conditions, the San Diego County Water Authority has assured its member agencies that no mandatory cutbacks will be necessary to meet water demands through 2026.

However, SDCWA's investments in water supply have come at a high price. In April 2024, SDCWA announced that it expected to hike wholesale water costs by an astronomical 39% over three years, and it ultimately adopted a 14% rate increase for 2025 alone. As wholesale water purchases are the District's largest expenditure, the dramatic escalation in SDCWA's rates has an inevitable impact on the District's costs.

To contend with these impacts as well as to better prepare for the next bout with drought conditions, the District continues to diversify its water supply portfolio away from imported water. For example, the District continues to aggressively expand recycled water infrastructure throughout its service area such that irrigation demands can be met with this locally produced supply. This has been achieved largely through interagency coordination with the North San Diego Water Reuse Coalition, a group of water and wastewater agencies for which the District provides leadership. To date, the Coalition has achieved \$30 million in funding from the US Bureau of Reclamation via the Title XVI Water Reclamation and Reuse Program, as well as \$5.0 million in Proposition 84 funding. Individual Coalition members have secured additional funds via Proposition 1 as well. These funding sources have contributed approximately \$900,000 to the District's Recycled Water Pipeline Extensions for Calle Barcelona, Village Park, and Summerhill Projects.

Additionally, the District continues to advance the San Dieguito Brackish Groundwater Desalination Project, which would produce at least 1.3 million gallons per day of potable water from a previously untapped source. A feasibility study for the project has been completed, and in 2024, Congress approved \$960,000 in Community Project Funding for the project. This grant award will allow the District to construct a new test well and conduct a pumping test at an existing well to refine hydrogeologic modeling and treatment design criteria that may ultimately lead to construction of a full-scale treatment facility.

With these proactive measures firmly in place, the District remains confidently positioned to provide essential water services to the communities we serve.



# Internal Controls

District Management is responsible for establishing and maintaining a system of internal controls designed to safeguard District assets from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable assurance that these objectives are met. When establishing or reviewing controls, management must recognize that the cost to implement a control should not exceed the benefits likely to be derived, and that in order to assess cost versus benefit, estimates and judgment on the part of management will be required. All internal control evaluations occur within the above framework. Management believes the current system of internal controls adequately safeguards District assets and provides reasonable assurance that accounting transactions are properly recorded.

## Budget Process

The District has a multi-year operating and capital budget that is approved by the board in June of every other year (biennial budget). The District's Budget is used as a management tool for estimating and planning District revenues and expenditures based on historic and current financial information. Having a two-year budget allows the District to redeploy resources to other activities other than budget preparation, such as putting more emphasis into the budget monitoring process, and promotes a longer-term view to see and measure results greater than a 12-month period. The Finance Department prepares estimates for departmental review. Department managers review and revise the estimates. All managers meet several times to discuss the budgets, after which there is a final review by the General Manager prior to submittal to the Board of Directors for their consideration.

The proposed Budget is submitted to the Board within 45 days prior to July 1st of each budget-approval year. The budget does not go into effect until approved by the Board. Once adopted, the budget becomes the parameter for operating and capital expenditures for each fiscal year.

The District has been the proud recipient of the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award and the California Society of Municipal Finance Officers (CSMFO) Excellence in Budgeting Award for its budget in previous fiscal years. These awards reflect the commitment of the District's Board of Directors and staff to apply the highest principles of governmental budgeting to satisfy nationally recognized guidelines for effective budget presentation.

The District conducts a mid-term review of its multi-year budget in March of non-budget approval years to analyze actual operating and capital expenditures and compares the numbers to the original budget amounts. The purpose of this review is to present the Board with amended budget amounts when required, due to changes in circumstances that were not anticipated at the time the original budget was developed. Project managers may find after the first half of the budget that some projects need to be accelerated or delayed due to changes in housing development conditions in the District. Progress on status of capital projects is reported to the board during the mid-term budget review.

# Designated Fund Balances

The District's Designated Fund Balances Policy is adopted by the District's Board of Directors. This policy represents affirmation of the Board's commitment to financial prudence and careful stewardship of community assets. These funds are designated to carry out specific purposes to ensure prudent management of the District's financial resources. The policy specifies minimum and maximum target balances to be established in each Board-designated fund. All fund balances will be subject to review by the Board when the District's annual financial audit is completed to ensure fund balances meet the goals established in the policy.

To ensure adequate funding to meet the District's short-term and long-term planned capital expenditures and its commitment to the community, the maximum target balance of the District's designated fund balance for capital and equipment for water operations has been adjusted so as not to exceed five fiscal years of approved planned capital expenditures.

# Contacting the District's Finance Department

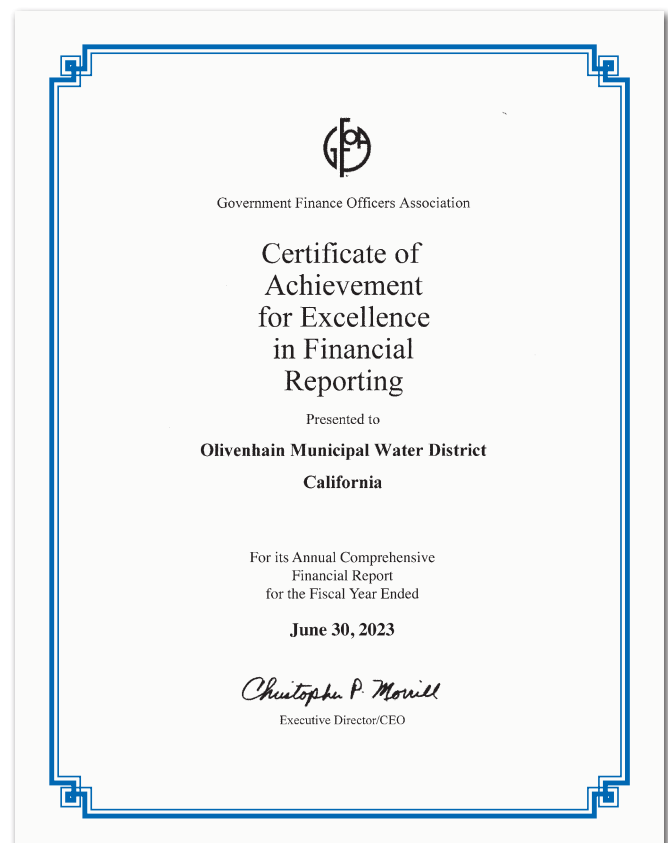
This financial report is designed to provide the Board, customers, creditors and investors with a general overview of the District's financial condition. Should you have any questions regarding the content of this report, please contact Rainy Selamat, the District's Finance Manager, at (760) 753-6466.

# Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Olivenhain Municipal Water District for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023. This was the 29th consecutive year that the District has received this prestigious award.

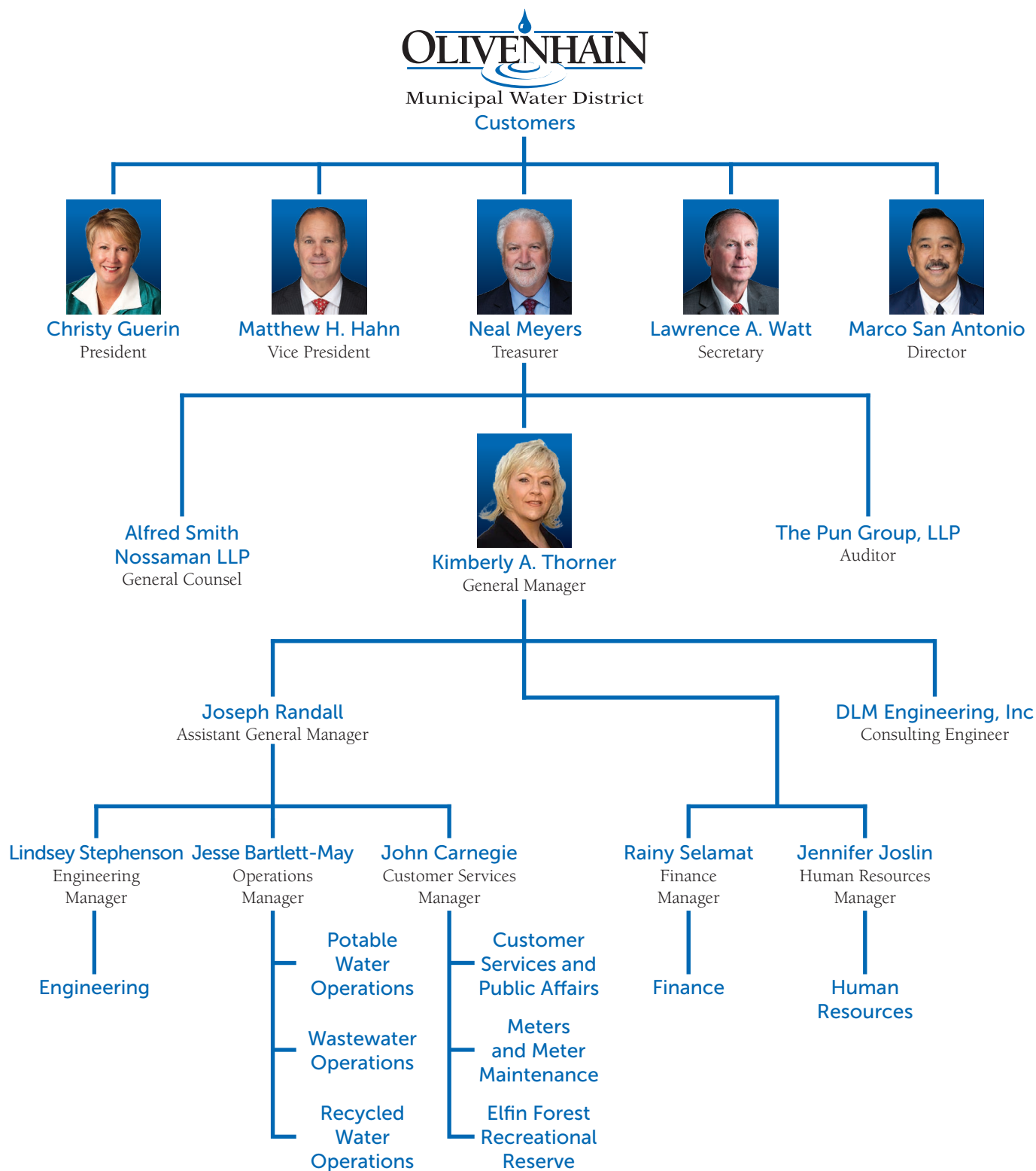
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year only. We believe that our Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.



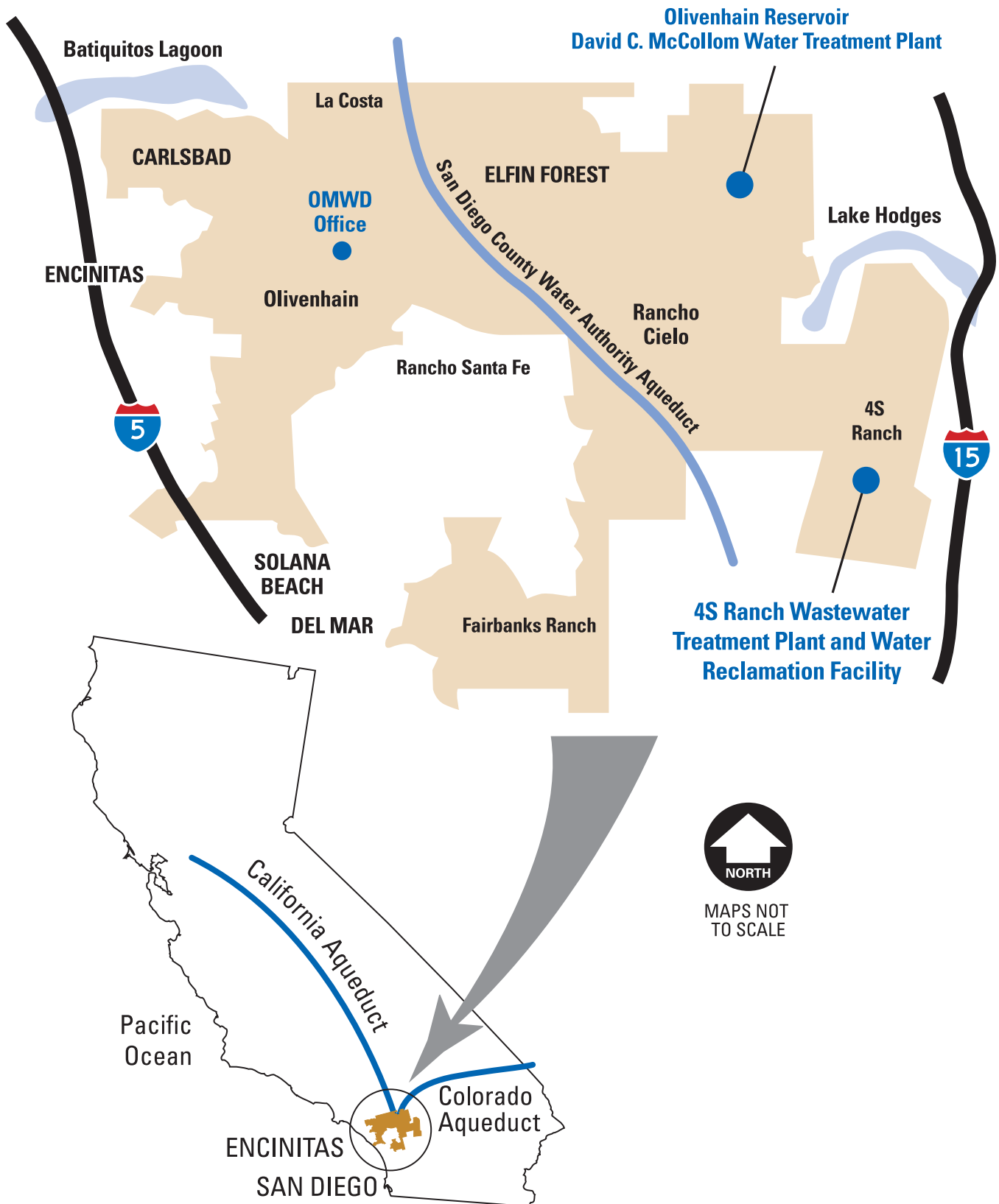


# Organizational Chart



The elected five board members delegate management responsibility of the day-to-day operations of the District to an appointed General Manager. The District is an “at will employer.” All of the District’s employees serve at the pleasure of the General Manager.

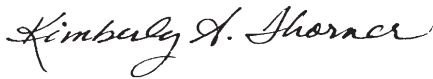
# District Service Area



# Acknowledgments

The preparation of this report could not have been accomplished without support and input from all departments and our independent auditor, The Pun Group, LLP. We would also like to particularly thank the Board of Directors for their continued dedication supporting the highest level of prudent fiscal management.

Respectfully Submitted:

Handwritten signature of Kimberly A. Thorner in black ink.

**Kimberly A. Thorner, Esq.**  
General Manager

Handwritten signature of Rainy K. Selamat in black ink.

**Rainy K. Selamat**  
Finance Manager

# Financial Section

## ANNUAL COMPREHENSIVE FINANCIAL REPORT



2004 – 45TH ANNIVERSARY





"OVERLOOKED ELEGANCE"

*Submitted by Ray Santiago*

2024 Elfin Forest Recreation Reserve Photo Contest – Youth Winner



## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Olivenhain Municipal Water District  
Encinitas, California

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of the Olivenhain Municipal Water District, California (the "District"), which comprise the statements of net position as of June 30, 2024 and 2023, and the related statements of revenues, expenses, and changes in net position, and cash flows, for the years then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District, as of June 30, 2024 and 2023, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and the *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Modified Approach for Steel Water Storage Tanks Infrastructure Capital Assets, the Schedule of Contributions – Defined Benefit Pension Plans, and the Schedule of Proportionate Share of the Net Pension Liability as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the Introductory and Statistical Sections but does not include the basic financial statements and our auditors' report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

San Diego, California  
November 4, 2024

# Management's Discussion and Analysis

## Fiscal Year Ended June 30, 2024

Our discussion and analysis of Olivenhain Municipal Water District's (District) basic financial statements provides general readers with an overview of the District's financial position and results of operations for the fiscal year ended June 30, 2024. Included in this section are:

- Financial highlights;
- Overview of the accompanying basic financial statements;
- Financial analysis of the District as a whole;
- A discussion of financial restrictions, commitments and limitations.

The Management's Discussion and Analysis (MD&A) should be read in conjunction with the audited financial statements. These statements are in the section following the MD&A.

## Financial Highlights

During the fiscal year ended June 30, 2024, the following events impacted, or create the potential to impact, the finances of the District:

- On January 17, 2024, the District's Board of Directors approved a 7.4% revenue adjustment to water rates and charges to pass through increases in the District's purchased water wholesale costs from San Diego County Water Authority (SDCWA) and an inflation adjustment based on a year-over-year percent change in the San Diego County Consumer Price Index for All Urban Consumers (CPI-U). The proposed revenue adjustment resulted in rate increases to the District's rates and fixed charges that became effective with water consumption beginning on March 1, 2024.
- In March of 2024, Fitch reviewed and reaffirmed the District's AAA bond rating on the 2015A and 2016A Water System Refunding Revenue Bonds. The Fitch rating reflects the District's ability to maintain a strong financial performance while keeping rates affordable.
- In June of 2024 the District's Board of Directors approved a new 5-year Wastewater rate ordinance and a 5.5% increase to the District's wastewater (sewer) rates and charges effective July 1, 2024, following the completion of the 2024 Wastewater Cost of Service Study.
- The District completed a Single Audit for fiscal year 2024 as a result of grant funds expended for its recycled water, Advanced Metering Infrastructure (AMI) expansion projects, and FEMA COVID Relief funding. The District reported \$6.28 million in federal award expenditures, \$3.3 million of which was passed through to grant subrecipients. No Single Audit findings were reported by the District's auditors.
- As of June 2024, the District has refunded \$1,075,404 to its customers via the Rate Reimbursement Credit (RRC) program, which was established by the Board of Directors in March of 2022. The program stemmed from refund payments received totaling \$3,661,917 as a result of settlement proceeds from SDCWA. The Board voted to pass on the refunds to District customers via the RRC. More information about the District's RRC is included under the Water Operations section of the Management Discussion and Analysis (MD&A).
- Total Revenues increased in comparison to the prior year due to fluctuations in the District's water demand from changes in weather conditions, changes in water rates and charges, increases in investment income, increases in unrealized gains, and increases in grant revenues earned for the District's recycled water and Advanced Metering Infrastructure projects.
- Total Expenses increased as a result of an increase in cost to purchase water from the District's potable and recycled water suppliers, an increase in operating costs due to inflation, and an increase to Other Non-Operating Expenses resulting from the \$3.3 million grant pass-through expense for the District's Title XVI grant. The pass-through expense was for amounts received and passed through to grant subrecipients, and a corresponding revenue amount was also recorded by the District, in compliance with Generally Accepted Accounting Principles. An increase in pension expense resulting from the District's GASB Statement No. 68 adjustments also contributed to the increase in total expenses.

# Management's Discussion and Analysis (continued)

## Financial Highlights (continued)

- Total Assets increased due to a slight increase in cash from water sales and investment yields and an increase in grants receivable for the Title XVI grant funds awarded to the District and other subrecipients. These increases were partially offset by a decrease in Net Capital Assets due to depreciation, which decreased the carrying value of the District's Capital Assets.
- Deferred Outflows of Resources decreased from the prior year due to amounts from the District's pension that vary from year-to-year based on California Public Employees Retirement System (CalPERS) actuarial assumptions and Governmental Accounting Standards Board (GASB) Statement No. 68 reporting requirements. More information on the District's pension plan can be found in Note 10 of the financial statements.
- Total Liabilities increased slightly due to an increase in amounts owed to vendors, the \$3.3 million owed to subrecipients of the Title XVI grant, and an increase in Net Pension Liability, which fluctuates from year-to-year based on California Public Employees Retirement System (CalPERS) actuarial assumptions and Governmental Accounting Standards Board (GASB) Statement No. 68 reporting requirements. These increases were partially offset by the District's paydown of its long-term debt.
- Deferred Inflows of Resources increased from the prior year due to an increase in deferred amounts on leases from the renewal of an existing cell tower lease during the year. The District is a lessor for leases of land, primarily cell tower sites, and recognizes leases receivable and deferred inflows of resources related to these leases. Decreases to the District's leases receivable and deferred inflows are recorded as lease payments are received. The District's lease receivables for leases of land comply with GASB Statement No. 87. This was partially offset by a decrease in Deferred amounts on Pension due to CalPERS actuarial assumptions and GASB Statement No. 68 reporting requirements.
- The District's Net Position as of June 30, 2024 increased by \$5.0 million compared to fiscal year 2023. The increase was primarily due to an increase in grant revenues, which included Title XVI grant funds, and an increase to investment income. The average return on investments increased from 1% to 3.21% in fiscal year 2023, and to 3.89% by the end of fiscal year 2024, which increased the District's investment income when comparing year over year. Throughout the fiscal year, the District managed its cash flow accordingly to maximize investment income and take advantage of higher yields.
- The District adopted GASB Statement No. 100, "Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62". The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Application of this statement did not have a significant effect on the District's financial reporting for the fiscal year ended June 30, 2024.

More information about the overall analysis of the District's financial position and results of operations is provided in the following sections.

## Overview of the Financial Statements

For financial statement purposes, the District combines several internally maintained funds into one enterprise fund. The financial statements present the financial position, results of operation, and changes in cash balances using the accrual basis of accounting. This methodology is used to account for operations that are financed and operated in a manner similar to business enterprises, where services provided are paid through user charges.

## Required Basic Financial Statements

The required financial statements are reported using the economic resources measurement focus, and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows. These statements offer short-term and long-term financial information about the District. Each financial statement is identified, defined, and analyzed in the following sections.

# Management's Discussion and Analysis (continued)

## Overview of the Financial Statements (continued)

### Required Basic Financial Statements (continued)

The Statement of Net Position includes the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. This statement provides financial information about the nature of investments and ownership (assets), consumption of net position that applies to future periods (deferred outflows), obligations of the District to its bond investors and creditors for all purchases made (liabilities), and acquisition of net position that applies to future periods (deferred inflows). The Statement of Net Position also assesses the liquidity and financial position of the District.

The Statement of Revenue, Expenses, and Changes in Net Position accounts for all activities during the fiscal year. This statement measures the success of the District's operations during the reporting period and can be used to assess whether or not the District has successfully recovered all of its costs through its user fees and other charges. This statement also measures the District's profitability and ability to meet its financial commitments.

The Statement of Cash Flows accounts for the District's cash activities during the reporting period. The primary purpose of this report is to provide information to the general reader about cash inflows and outflows which occurred during the reporting fiscal year. This statement shows cash receipts, cash disbursements, and changes in cash balances based on operating, capital and related financing, noncapital and related financing, and investing activities. The Statement of Cash Flows helps the reader answer the following questions: Where did cash come from? What was cash used for? And, what was the change in cash during the fiscal year?

### Financial Analysis of the District as a Whole

The following statements contain a summary of financial information that was extracted from the basic financial statements to assist general readers in evaluating the District's overall financial position and results of operations as described in this MD&A. Increases or decreases in these statements can be used as performance indicators to assess whether the District's overall financial position has improved or deteriorated. At the same time, other external factors such as changes in economic conditions, growth, and legislative mandates should also be considered as part of this assessment.

### Net Position

Net Position is the difference between assets acquired, owned, and operated by the District plus its deferred outflows of resources, and its amounts owed (liabilities) plus its deferred inflows of resources. In accordance with Generally Accepted Accounting Principles (GAAP), capital assets acquired through purchase or construction by the District are recorded at historical cost. Capital assets contributed by developers are recorded at developers' bonded cost. Net Position represents the District's net worth including, but not limited to, capital contributions received to date and all investments in capital assets since formation. Net Position helps answer the following question: "Is the District, as a whole, better or worse off as a result of the year's activities?"

# Management's Discussion and Analysis (continued)

## Financial Analysis of the District as a Whole (continued)

### Highlights of Statement of Net Position

	Fiscal Year ended June 30		
	2024	2023	2022
Current Assets – unrestricted	\$ 95,833,829	\$ 89,298,112	\$ 93,308,859
Current Assets – restricted	16,666,572	14,570,261	12,899,002
Capital Assets, net	371,202,111	374,715,143	375,213,684
Noncurrent Assets – unrestricted	10,556,981	9,355,778	9,955,712
Other Noncurrent Assets	13,717	17,219	35,463
Total Assets	494,273,210	487,956,513	491,412,720
Deferred Amounts on Refunding	716,964	857,886	1,016,228
Deferred Amount from Pension	7,033,805	7,296,286	2,731,692
Total Deferred Outflows of Resources	7,750,769	8,154,172	3,747,920
Current Liabilities – unrestricted	16,237,483	14,598,670	14,224,239
Current Liabilities – restricted	3,726,543	189,507	158,941
Compensated Absences, long-term	987,859	1,189,983	939,187
Net Pension Liability	17,930,299	16,832,760	7,819,768
Long-term Debt	36,792,890	42,393,127	47,891,832
Total Liabilities	75,675,074	75,204,047	71,033,967
Deferred Amount on Pension	298,347	720,171	6,995,887
Deferred Amount on Leases	9,811,059	8,953,346	9,796,852
Total Deferred Inflows of Resources	10,109,406	9,673,517	16,792,739
Invested in Capital Assets, net of related debt	330,711,440	332,382,861	328,832,740
Restricted Net Assets	12,129,396	10,503,646	7,727,858
Unrestricted Net Assets	73,398,663	68,346,614	70,773,336
Total Net Position	\$ 416,239,499	\$ 411,233,121	\$ 407,333,934

For a detailed discussion regarding the changes in total net position, please see the section for the Statement of Revenues, Expenses and Changes in Net Position in the following pages.

**Current Assets – unrestricted:** an increase in fiscal year 2024 compared to 2023, and a decrease in fiscal year 2023 compared to 2022. This was due to a combination of fluctuations in water sales from changes in water demand due to weather conditions and annual rate increases, changes in sewer revenue collected, and realized and unrealized gains in 2024 on the District's investments.

**Current Assets – restricted:** An increase in fiscal year 2024 compared to 2023, and an increase in fiscal year 2023 compared to 2022. The increase in fiscal year 2024 compared to 2023 is primarily due to a large grant receivable due to the District from the Title XVI grant. The increase in fiscal year 2023 compared to 2022 was due to an increase in grant receivables recognized for the District's Manchester Recycled Pipeline Extension project.

**Capital Assets, net:** a decrease between fiscal years 2024 and 2023, and a decrease between fiscal years 2023 and 2022. These decreases are primarily due to increases in accumulated depreciation, which decreased the carrying value of the District's Capital Assets. The decreases were partially offset by increases in capital assets from Construction in Progress (CIP) projects that were capitalized during the fiscal year. See note 6 of the District's financial statements for more details on the District's capital assets.

# Management's Discussion and Analysis (continued)

## Financial Analysis of the District as a Whole (continued)

**Noncurrent Assets – unrestricted:** an increase in fiscal year 2024 compared to 2023, and a decrease between fiscal year 2023 compared to 2022. The increase between fiscal years 2024 and 2023 was due to an increase in the District's lease receivable resulting from a new cell tower site agreement. Governmental Accounting Standards Board Statement (GASB) No. 87 – Leases requires the District to recognize a noncurrent asset for the lease payments that are expected to be received during the lease term of the District's leases, which are primarily composed of cell tower sites. The District has 17 existing lease agreements, which generate other non-operating revenue for the District. The decrease between fiscal years 2023 and 2022 is due to a decrease in the District's leases receivable for its cell tower sites, as a result of regular lease payments received throughout the year.

**Other Noncurrent Assets:** a decrease between fiscal years 2024 and 2023 and a decrease between fiscal years 2023 and 2022. The decrease in fiscal year 2024 compared to 2023 was caused by the decrease in pre-paid bond insurance. The decrease in fiscal year 2023 compared to 2022 was due to the decrease in pre-paid bond insurance and payments made on loan receivables issued by the District to qualified Home Owners' Associations (HOAs) under the Recycled Water Loan Program. The program, which was implemented in fiscal year 2017, offers financial assistance in the form of low-interest loans to qualified HOAs that retrofit their potable water irrigation system to recycled water. All loans were paid off in fiscal year 2023 by the respective HOAs.

**Deferred Outflows of Resources:** In 2024, the District had Deferred Outflows of Resources of \$7.8 million, a decrease of \$403 thousand compared to fiscal year 2023. In 2023, the District had Deferred Outflows of Resources of \$8.2 million, an increase of \$4.5 million compared to fiscal year 2022. The change in the District's Deferred Outflows was primarily due to fluctuations in recorded pension amounts as a result of changes in pension contributions subsequent to the measurement date, differences in actual and expected expenses, assumption changes, proportion changes, and net differences between projected and actual earnings on plan investments, as required by GASB Statement No. 68. The remaining change in the District's Deferred Outflows is due to decreases in the deferred loss on refunding recognized for the District's Water System Revenue Bonds. More information on the District's Long-term debt can be found in Note 8 of the basic financial statements.

**Current Liabilities – unrestricted:** an increase between fiscal years 2024 and 2023, and an increase between fiscal years 2023 and 2022. The changes were due to fluctuations in the District's payables related to water purchases and the District's operations. Changes to the current portion of compensated absences and the current portion of long-term debt also contributed to the increase in Current Liabilities – unrestricted.

**Current Liabilities – restricted:** an increase in fiscal year 2024 compared to 2023, and an increase in fiscal year 2023 compared to 2022. The Increase in fiscal year 2024 is due to \$3.3 million in grants payable related to the Title XVI grant that is owed to grant subrecipients. Fluctuations in restricted payables related to the District's various construction projects also contributed to the increases.

**Compensated Absences, long-term:** a decrease in fiscal year 2024 compared to fiscal year 2023 and an increase in fiscal year 2023 compared to fiscal year 2022. The changes are due to fluctuations in accrued benefits included in the Memorandum of Understanding between the District and its two bargaining units that was executed in 2021. In fiscal year 2022, the District implemented GASB 101 – Compensated Absences and accrued the Social Security and Medicare portion of the District's compensated absences liability, which contributed to the increase in 2023.

**Net Pension Liability:** an increase of \$1.1 million in fiscal year 2024 compared to 2023, and an increase of \$9.0 million in fiscal year 2023 compared to 2022. Net Pension Liability is reported at \$17.9 million for fiscal year 2024 and is based on the District's proportionate share of the net pension liability for the Miscellaneous Classic and Public Employees' Pension Reform Act (PEPRA) plans under the CalPERS retirement program. The District's Net Pension Liability for each fiscal year was recorded based on CalPERS actuarial report as of June 30th of the prior year. The District's Net Pension Liability was \$16.8 million and \$7.8 million for fiscal years 2023 and 2022, respectively.

# Management's Discussion and Analysis (continued)

## Financial Analysis of the District as a Whole (continued)

**Long-term Debt:** a decrease in fiscal year 2024 compared to 2023 and a decrease in fiscal year 2023 compared to 2022. The decreases were due to the District's regular payments on outstanding debt. The long-term debt decreased every year for the current portion of these debts paid down in each fiscal year. For more information on the District's outstanding bond debts and payment schedules see Note 8 to the financial statements.

**Deferred Inflows of Resources:** The District had Deferred Inflows of Resources of \$10.1 million in fiscal year 2024, an increase of \$436 thousand compared to 2023. The District had Deferred inflow of resources of \$9.7 million in fiscal year 2023, a decrease of \$7.1 million compared to fiscal year 2022. The increase in fiscal year 2024 compared to 2023 and decrease in fiscal year 2023 compared to 2022 were due to changes in deferred inflows for the District's pension plan, which vary from year-to-year due to CalPERS actuarial assumptions and GASB 68, as described in the above Net Pension Liability Section.

**Total Net Position:** Total Net Position increased in fiscal year 2024 compared to 2023 by \$5.0 million and increased between fiscal years 2023 and 2022 by \$3.9 million. The increases in both fiscal year 2024 and 2023 were primarily due increases in grant revenue and investment income. The average return on investments increased from 0.97% at the end of fiscal year 2022, to 3.21% at the end of fiscal year 2023, and increased again to 3.89% at the end of fiscal year 2024, which increased the District's investment income. Additionally, the District recognized a significant amount of grant revenue in 2024 and 2023, which was used to fund its recycled water and Advanced Metering Infrastructure (AMI) projects. Fluctuations in the District's Net Pension Liability, Deferred Outflows of Resources, Deferred Inflows of Resources, and pension expense based on California Public Employees Retirement System (CalPERS) actuarial assumptions and Governmental Accounting Standards Board (GASB) Statement No. 68 reporting requirements have also contributed to the year-to-year changes in the District's Total Net Position.

## Statement of Revenues, Expenses and Changes in Net Position

While the Statement of Net Position focuses on the District's financial position at June 30 of each year, the Statement of Revenues, Expenses, and Changes in Net Position summarizes the District's operations during the year. Revenues are recognized (recorded) when water or services are provided, and expenses are recorded when incurred. Operating revenues and expenses are primarily related to the District's core activities (potable water, recycled water, and wastewater service). Non-operating revenues and expenses are not directly related to the core activities of the District (investment income, property taxes, and capacity charges).

## Water Operations

During fiscal year 2024, the District provided potable water and recycled water services to 29,085 active meters. Water services include reading and billing water meters on a monthly basis, a back-flow prevention program, meter maintenance, water quality services, and other on-site services as requested by District customers, including testing meters for accuracy and checking for water leaks.

The District's five board members have independent rate-setting authority. The District's rate structure for monthly water service fees is comprised of three components: commodity charge, monthly system access charge, and SDCWA Infrastructure Access Charge. The District's rates and charges are set to cover the cost of providing water services, such as system administration costs, operations and maintenance expenses, and capital improvement and replacement needs.

On December 11, 2019, the District's Board of Directors adopted an ordinance that allowed the District to pass through to its water customers, for the following five years: (1) increased costs in Purchased Wholesale Water from the San Diego County Water Authority (SDCWA), (2) increases to the District's Cost of Operations and Maintenance and Capital Facilities based on over-the-year percent change in the San Diego Consumer Price Index for All Urban Customers (CPI-U); and (3) any increases in water rates or any other charges mandated and imposed by the State of California. A 2019 Water Cost of Service Study was the basis for allocating costs and calculating the proposed adjustments and increases to the District's water services charges, and a Proposition 218 hearing was held on November 13, 2019 to consider public comment. Per the ordinance, the District's total of annual pass-through increases shall not exceed 9% per year through December 31, 2024.



# Management's Discussion and Analysis (continued)

## Water Operations (continued)

A new Water Cost of Service Study was conducted in 2024 and revenue adjustments for rates effective January 1, 2025 and thereafter are currently being considered by the Board of Directors.

About 75% of the District's water revenues are collected from commodity charges. The District's commodity charge for domestic customers consists of a tiered rate structure with higher rates per unit of water as the level of consumption increases, a water conservation-based pricing. Commodity revenues vary from month to month depending on water consumption. Commodity rates for domestic customers range from \$4.24 to \$8.14 per unit (one unit equals 748 gallons of water).

About 25% of the District's water revenues are collected from fixed monthly system access charges. The District's fixed monthly system access charge is established on the basis of meter size of the property receiving water service. Currently, average customers with a  $\frac{3}{4}$  inch meter pay a typical bill of \$44.79 per month for their monthly system access charge. SDCWA Infrastructure Access Charge is imposed by SDCWA on District water meters for the purpose of recovering certain SDCWA infrastructure costs. Currently, average customers pay a typical bill of \$4.41 per month for their monthly SDCWA Infrastructure Access Charge.

In March of 2022, the District's Board of Directors established the District's Rate Reimbursement Credit (RRC) Program, which helps reduce the impact of current and future OMWD water rate increases on customers' monthly water bills. The program stemmed from a refund payment received totaling \$3,661,917 from the SDCWA for the District's share of settlement proceeds resulting from lawsuits between 2010 and 2018, where SDCWA challenged the Metropolitan Water District's (MWD) Water Stewardship Rate. The District's Board of Directors voted to return the \$3,661,917 to all District potable water customers (excluding construction users) as a credit on their monthly water bills equaling 6.9 cents per unit of water billed, this was then increased to 11 cents per unit of water billed, until the full amount has been dispersed. As of June 2024, the District has refunded \$1,075,404 to District customers via the RRC program.

The District's water pricing remains competitive compared to other water districts in the County.

## Wastewater (Sewer) Operations

The District's 4S Ranch Water Reclamation Facility (4S WRF) collects and treats sewage effluent from two areas within its boundaries, 4S Ranch and Rancho Cielo. These service areas, comprised of a wide variety of commercial, industrial, and residential uses, encompass a total of approximately 4,000 acres.

In May of 2024, the District's Board of Directors adopted an ordinance that authorized the District to pass-through to its wastewater customers, for the next five fiscal years (fiscal year 2025 – fiscal year 2029), cost increases to collect, treat, and dispose of sewage and costs to maintain the 4S Ranch Wastewater and Reclamation Facilities within the 4S Ranch Sanitation District. These increases were also necessary for the planned construction of wastewater capital improvements needed to replace and refurbish the District's aging wastewater facilities. The Board of Directors adopted a 5.5% revenue increase adjustment effective July 1, 2024 and 5.5% increases thereafter on July 1st of each fiscal year for fiscal years 2026–2029.

The District's wastewater rate consists of two components: a service access charge, which is a fixed charge; and a commodity charge, which reflects each customer's wintertime water use. The wintertime water use (December through March) for each single-family residential customer is capped at 10 hundred cubic feet (HCF). The cap of 10 HCF was based on the 90th percentile of minimum wintertime water usage. Other wastewater customer types (multi-family and commercial) are billed commodity charges based on their monthly water usage, as these customers have separate irrigation meters. Revenue derived from the rates and charges is used for the recovery of operations and maintenance costs of the District's wastewater operations, as well as capital improvement expenditures.

Wastewater service fees are billed via the property tax roll and collected by the County of San Diego Property Tax Services Division. Currently, the District bills approximately 7,340 equivalent dwelling units (EDUs) for wastewater discharged from residential and commercial customers.

# Management's Discussion and Analysis (continued)

## Recycled Water Operations

The 4S Ranch Water Reclamation Facility (4S WRF) is capable of treating wastewater effluent to California Administrative Code Title 22 levels so that treated water from this plant can be used for irrigation purposes in the southeast portion of the District's service area. The District also buys recycled water from other agencies to supply its recycled water demand in the southeast as well as the northwest portion of the District's service area. Recycled water sold by the District to its retail customers is either produced at the 4S Ranch Water Reclamation Facility or purchased from Rancho Santa Fe Community Services District, the City of San Diego, San Elijo Joint Powers Authority, and Vallecitos Water District.

Recycled water revenues are collected from commodity rates and a monthly system access charge. The District adopted a uniform rate structure for collecting recycled water user fees based on monthly water consumption, and adjusts this fee annually to ensure it covers the costs of operation. The recycled commodity rate is currently billed at \$4.29 per unit (one unit equals 748 gallons of water).

The District continues to expand its recycled water system in the southeast and northwest recycled water service areas. The board approved the Recycled Water Retrofit Loan Program, which offers financial assistance in the form of low-interest loans to qualified Homeowners' Associations' (HOA) that retrofit their potable water irrigation system to recycled water.

# Management's Discussion and Analysis (continued)

## Statements of Revenues, Expenses and Changes in Net Position

### Highlights of Statement of Revenues, Expenses, and Changes in Net Position

	Fiscal Year ended June 30		
	2024	2023	2022
<b>REVENUES</b>			
Operating Revenues:			
Water Sales	\$ 56,723,757	\$ 53,633,877	\$ 57,747,541
Sewer Charges	5,443,940	5,621,985	5,480,925
Other Operating Revenues	1,606,103	1,084,666	1,303,126
Total Operating Revenues	<u>63,773,800</u>	<u>60,340,528</u>	<u>64,531,592</u>
Non-Operating Revenues:			
Property Tax Revenues	4,802,446	4,577,755	4,242,794
Capacity Charges	577,702	1,327,295	1,530,925
Benefit Assessment Revenues	1,048,779	1,045,315	1,058,241
Investment Income	3,195,143	2,105,348	402,702
Fair Market Value Adjustment	1,355,207	(207,285)	(2,467,642)
Other Non-Operating Revenues	1,361,331	1,055,260	2,237,334
Total Non-Operating Revenues	<u>12,340,608</u>	<u>9,903,688</u>	<u>7,004,354</u>
Total Revenues	<u>76,114,408</u>	<u>70,244,216</u>	<u>71,535,946</u>
<b>EXPENSES</b>			
Operating Expenses:			
Cost of Water Sold	30,712,658	29,609,781	31,265,804
Depreciation	16,207,532	15,910,790	16,132,953
General and Administrative	8,700,174	6,865,224	7,745,048
Pumping and Water Treatment	5,246,548	4,353,775	4,322,820
Transmission and Distribution	4,992,405	4,434,815	4,485,962
Sewer Collection and Treatment	2,026,890	2,026,695	2,170,341
Customer Services	2,412,185	1,754,190	2,036,267
Facilities Maintenance	1,441,133	1,274,751	1,387,010
Elfin Forest Recreational Reserve	493,779	386,905	428,174
Other Operating Expenses	395,808	212,580	304,037
Total Operating Expenses	<u>72,629,112</u>	<u>66,829,506</u>	<u>70,278,416</u>
Non-Operating Expenses:			
Interest Expense, net	1,171,516	1,220,156	1,322,948
Other Non-Operating, net	4,291,473	1,935,949	606,602
Total Non-Operating Expenses	<u>5,462,989</u>	<u>3,156,105</u>	<u>1,929,550</u>
Total Expenses	<u>78,092,101</u>	<u>69,985,611</u>	<u>72,207,966</u>
Income (Loss) Before Capital Contributions	(1,977,693)	258,605	(672,020)
Capital Contributions	6,984,071	3,640,582	569,745
Changes in Net Position	5,006,378	3,899,187	(102,275)
Beginning Net Position	411,233,121	407,333,934	407,436,209
Ending Net Position	<u>\$ 416,239,499</u>	<u>\$ 411,233,121</u>	<u>\$ 407,333,934</u>

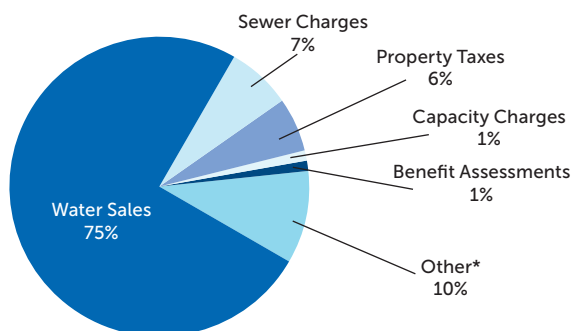
# Management's Discussion and Analysis (continued)

## Statements of Revenues, Expenses and Changes in Net Position (continued)

### Revenues

#### Sources of Revenues

Fiscal Year Ended June 30, 2024



\*Includes Other Operating Revenues, Other Non-operating Revenues, Investment Income, and the fair market value adjustment on the District's investments.

**Total Revenues:** as reported on the Statement of Revenues, Expenses and Changes in Net Position for fiscal year ended June 30, 2024, total revenues were \$76.1 million, an 8.4% increase compared to fiscal year 2023. Total revenues in fiscal year 2023 were \$70.2 million, a 1.8% decrease compared to fiscal year 2022. The change in fiscal year 2024 compared to 2023 was due to an increase in water sales revenue from an increase in water rates, and an increase in investment revenue due to an increase in investment yields. The decrease in fiscal year 2023 compared to 2022 was due to a decrease in operating revenue from lower-than-average water demand caused by wet weather conditions during the year. Water demand varies year to year based on weather conditions and other factors. This decrease was partially offset by an increase in investment income compared to the prior year as a result of an increase in investment yields.

**Operating Revenues:** an increase in fiscal year 2024 compared to 2023, and a decrease between fiscal years 2023 and 2022 due to changes in water consumption. The fluctuation in water consumption was offset by the 7.4% revenue adjustment in fiscal year 2024 and 5.9% revenue adjustment in 2023 water rates and charges. Fluctuations in water sales are due to year-to-year changes in customers' water consumption behaviors which vary depending on weather conditions. Revenues from wastewater charges decreased in fiscal year 2024 and increased in fiscal year 2023 due to fluctuations in water usage, which affects wastewater bills, and increases in wastewater rates and charges.

**Other Operating Revenues:** an increase in fiscal year 2024 compared to 2023, and a decrease in fiscal year 2023 compared to 2022. The decrease in fiscal year 2023 and increase in fiscal year 2024 are due to fluctuations in the revenue from the selling of excess treatment services to Vallecitos Water District from the David C. McCollom Water Treatment Plant (DCMWTP). Vallecitos Water District temporarily shut down its pipeline for planned repairs during the last three months of fiscal year 2022 and first six months of fiscal year 2023, which resulted in a decrease in revenue from the selling of excess treatment services during those years.

**Non-operating Revenues:** an increase in fiscal year 2024 compared to 2023, and an increase in fiscal year 2023 compared to 2022. The increases in both fiscal years 2024 and 2023 were due to higher investment income during both years. The average return on investments increased from 0.97% at the end of fiscal year 2022, to 3.21% at the end of fiscal year 2023, and increased again to 3.89% by the end of fiscal year 2024. The increases were partially offset by decreases in capacity fees collected during both fiscal years. Fluctuations in the amounts collected from the District's property tax revenues, and benefit assessment revenues from the 96-1 Reassessment District Limited Obligation Improvement Bonds also contributed to the changes in Non-operating revenues over the years.

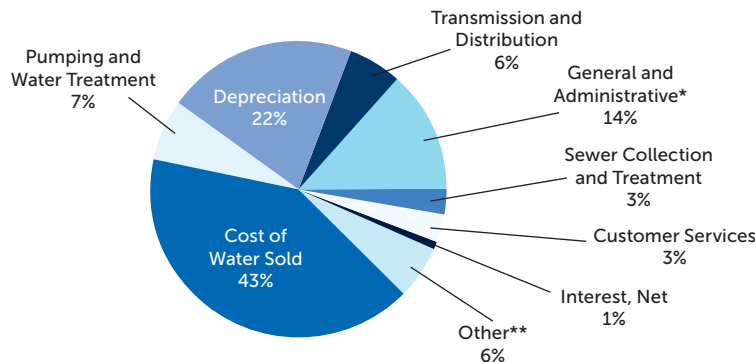
# Management's Discussion and Analysis (continued)

## Statements of Revenues, Expenses and Changes in Net Position (continued)

### Expenses

#### Sources of Expenses

Fiscal Year Ended June 30, 2024



\*Includes Facilities Maintenance and Elfin Forest Recreational Reserve Expenses.

\*\*Includes Other Operating Expenses and Other Non-operating Expenses.

**Total Expenses:** fiscal year ended June 30, 2024 reported expenses were \$78.1 million. Included in Total Expenses were \$72.6 million in Operating Expenses and \$5.5 million in Non-operating Expenses. Total Expenses reported in fiscal years 2023 and 2022 were \$70.0 and \$72.2 million, respectively.

**Operating Expenses:** increased in fiscal year 2024 compared to fiscal year 2023 and decreased in fiscal year 2023 compared to fiscal year 2022. The increase in costs in fiscal year 2024 is due to increases in costs to purchase water, the impact of higher inflation on District water and sewer operating expenses, and an increase in salary and wages based on the 2021 Memorandum of Understanding between the District, its District Employee Association, and the Bargaining Unit Members Associations. The District also recorded an increase in pension expense as a result of adjustments required by GASB Statement No. 68. The decrease in costs in fiscal year 2023 compared to 2022 was primarily due to the decreased cost to purchase water from the District's potable and recycled water suppliers due to reduced water consumption in 2023. The District also recorded a reduction in pension expense as a result of adjustments required by GASB Statement No. 68. These reductions were partially offset by higher costs of power, fuel, and chemicals to operate the treatment plants due to rising costs.

**Other Non-operating Expenses, net:** increased in fiscal years 2024 compared to fiscal year 2023 and increased in fiscal year 2023 compared to fiscal year 2022. The increases in fiscal years 2024 and 2023 are due to about \$3.3 million and \$1.0 million of pass-through grant funds in 2024 and 2023 respectively that were disbursed to subrecipient members of the North San Diego Water Reuse Coalition (NSDWRC) as part of its Title XVI grant. A corresponding revenue amount was recorded as income under the Capital Contributions section of the District's Statement of Revenues, Expenses, and Changes in Net Position. Pursuant to the District's Board of Directors' established Rate Reimbursement Credit (RRC) program, the District passed on \$490,920 and \$444,688 to the District's customers in 2024 and 2023, respectively, and recognized these amounts as Other Non-operating Expenses. More information on the District's Rate Reimbursement Credit (RRC) program is included under the Water Operations section earlier in the Management Discussion and Analysis (MD&A).

# Management's Discussion and Analysis (continued)

## Statements of Revenues, Expenses and Changes in Net Position (continued)

### Income (Loss) Before Capital Contributions & Capital Contributions

**Income (Loss) Before Capital Contributions:** decreased in fiscal year 2024 compared to 2023 and increased in fiscal year 2023 compared to fiscal year 2022. These fluctuations were primarily due to changes in water sales, investment income, unrealized gains and losses on the District's investments, increases in water and sewer operating expenses as a result of higher inflation, and changes in pension expense as a result of adjustments required by GASB Statement No. 68. The District also recognized about \$3.3 million and \$1.0 million of pass-through Title XVI grant funds in 2024 and 2023 respectively, that were disbursed to subrecipients, and contributed to the decrease. A corresponding revenue amount was recorded as income under the Capital Contributions section of the District's Statement of Revenues, Expenses, and Changes in Net Position.

**Capital Contributions:** increased in fiscal year 2024 compared to fiscal year 2023 and increased in fiscal year 2023 compared to fiscal year 2022, primarily due to grant revenue. In fiscal year 2024, the District recognized \$6.4 million in grant revenue, including \$2.9 million for its share of the NSDWRC Title XVI grant, and \$3.3 million in pass-through revenue due to subrecipients. Pass-through funds are recorded as Capital Contributions when earned, with a corresponding recognition in Other Non-operating Expenses, in accordance with Generally Accepted Accounting Principles. In 2024, the District also received grant revenue from grants related to the Advanced Metering Infrastructure (AMI) project. In fiscal year 2023, the District recognized \$1 million in pass-through grant revenue as part of the Title XVI grant. The District also recognized \$2.2 million in grant revenue for its share of funds earned as part of its Title XVI, Proposition 1, Proposition 84, and AMI grants. Grant funds are used to help finance the District's recycled water projects and its Advanced Metering Infrastructure (AMI). The District also recognized contributed revenue for assets received from major developers, which fluctuates from year to year, but has been steadily decreasing, as a result of the District being mostly built out.

### Changes in Net Position

Changes in Net Position for the fiscal year ended June 30, 2024, amounted to an increase of \$5.0 million. The Changes in Net Position for the fiscal years ended June 30, 2023, and June 30, 2022, amounted to an increase of \$3.9 million and a decrease of \$102 thousand, respectively. The fluctuations over the last three fiscal years were primarily attributed to the changes in Total Revenues from water sales, grant revenue, investment income, and increases in the District's operating expenditures as a result of increased inflation. Fluctuations in the District's Net Pension Liability, Deferred Outflows of Resources, Deferred Inflows of Resources, and pension expense based on California Public Employees Retirement System (CalPERS) actuarial assumptions and Governmental Accounting Standards Board (GASB) Statement No. 68 reporting requirements have also contributed to the year-to-year changes in the District's Net Position.

# Management's Discussion and Analysis (continued)

## Restrictions, Commitments, and Limitations

### Capital Assets and Improvement Program

#### Condensed Schedule of Capital Assets

Description	As of June 30, 2024	As of June 30, 2023	As of June 30, 2022
Capital Assets, net of depreciation	\$ 322,752,333	\$ 332,489,700	\$ 336,787,649
Land and Steel Tanks	30,866,760	30,866,760	30,866,760
Construction in Progress	17,583,018	11,358,683	7,559,275
Net Capital Assets	<u>\$ 371,202,111</u>	<u>\$ 374,715,143</u>	<u>\$ 375,213,684</u>

The District's capital assets were financed through a combination of cash and debt financing. Construction in Progress (CIP) is currently being funded using cash accumulated in unrestricted funds and restricted cash for construction. The District's CIP fluctuated from year-to-year depending on the construction cost of infrastructure projects that are currently under construction or are in the planning stages. The District has a Ten (10) Year Capital Spending Plan for its Water and Sewer Capital Improvement Program to address its water and sewer infrastructure needs. The District is currently estimated at 95% build out. The District's ten-year financial projections for water and sewer are included in the Long-Term Financial section of the General Manager's Recommended Biennial Budget document which is available on the District's website, [www.olivenhain.com](http://www.olivenhain.com).

The District's Net Capital Assets in service as of June 30, 2024, were \$371.2 million, net of \$258.6 million in accumulated depreciation and amortization. Included in the total Net Capital Assets is \$17.6 million in Construction in Progress (CIP), which includes: the Neighborhood 1 Sewer Pump Station Replacement, San Elijo Valley Groundwater Project, recycled water extensions, and other capital improvement projects that are in various stages of construction. More information on the District's Capital Assets can be found in Note 6 of this report.

The District elected to use the Modified Approach as defined by GASB Statement No. 34 for infrastructure reporting for its Steel Water Storage Tanks System starting in September 2007. Under GASB Statement No. 34, eligible infrastructure capital is not required to be depreciated if all requirements are met.

The Tank Assessment Index (TAI) minimum established by the District is 5.0. The average TAI for fiscal year 2024 is 9.1, well above the established index. The average TAI for fiscal years 2023 and 2022 was 9.2 and 9.0 respectively. The current lowest TAI is 8.2, and the highest is 9.9. It cost about the same as expected to maintain and preserve infrastructure assets at target conditions during the current period.

More detailed information regarding the modified approach can be found in note 1 of the Required Supplementary Information.



# Management's Discussion and Analysis (continued)

## Restrictions, Commitments, and Limitations (continued)

### Debt Administration

The District has one (1) note payable and five (5) bond issues outstanding: the 2013 State Revolving Fund, the 2019 Reassessment 96-1 Limited Obligation Improvement Bonds, the 2015 Water System Refunding Revenue Bonds Payable, the 2016 Water System Refunding Revenue Bonds Payable, and the 2021A and 2021B Wastewater Revenue Bonds Payable. The District's outstanding bonded indebtedness as of June 30, 2024 is as follows:

#### Schedule of Bond Indebtedness for Fiscal Year Ended 2024

Description	Year Issued	Total Sold	Final Maturity Date	Interest Rate Range		Bonds Outstanding As of June 30, 2024		
				From	To	Current	Long Term	Total
2019 Reassessment 96-1 Limited Obligation Improvement Bonds	2019	\$ 7,130,000	9/2/2027	2.09%	2.09%	\$ 892,931	\$ 2,797,851	\$ 3,690,782
2013 State Revolving Fund	2013	17,069,309	7/1/2035	2.30%	2.30%	846,161	9,083,311	9,929,472
2015 Water System Refunding Revenue Bonds Payable	2015	23,455,000	6/1/2028	2.00%	5.00%	2,035,000	6,710,000	8,745,000
2016 Water System Refunding Revenue Bonds Payable	2016	15,990,000	6/1/2039	2.13%	5.00%	615,000	11,130,000	11,745,000
2021A Wastewater Revenue Bonds Payable	2021	5,042,140	6/1/2041	2.14%	2.14%	216,210	4,161,270	4,377,480
2021B Wastewater Revenue Refunding Bonds Payable	2021	3,932,970	6/1/2028	1.14%	1.14%	581,980	1,786,450	2,368,430

For the fiscal year ended June 30, 2024 the ratio of 2019 Reassessment 96-1 Limited Obligation Improvement Bonds to assessed value was 0.01% and the net bonded debt per capita was \$42.

In March of 2024, Fitch Ratings reviewed and reaffirmed the District's 2015A Water System Refunding Revenue Bonds and 2016 Water Revenue Refunding Bonds "AAA" rating. These revenue bonds are secured by the District's net water system revenues after payment of water operations and maintenance (O&M) expenses.

For more details regarding the District's existing long-term debt, please see Note 8 of the Basic Financial Statements.

## Economic Factors and Next Year's Budgets and Rates

The winter of 2022–2023 brought an end to a three-year dry period and helped improve water supplies in both California and the Colorado River basin. The exceptionally wet winter eased state-mandated water use restrictions and relieved pressures associated with the perennial drought. A second consecutive wet winter in 2023–2024 had similar impacts, eliminating drought conditions in California, and further driving down water demands from residents. The consecutive wet winters had a direct impact on water sales for both wholesale and retail water providers, putting pressure on revenue streams that support their operations. Despite the recent wet weather conditions, longer-term weather forecasts indicate a hotter and drier southwest climate in future years as the El Niño weather conditions continue to strengthen.

# Management's Discussion and Analysis (continued)

## Economic Factors and Next Year's Budgets and Rates (continued)

Meanwhile, purchased water costs from the District's water suppliers have increased. The potable water wholesalers from which the District receives water, Metropolitan Water District of Southern California ("MWD") and San Diego County Water Authority ("SDCWA"), have both implemented dramatic increases in their water rates. While the District continues to keep the costs of its water operations as low as possible, purchased water wholesale costs are external and non-controllable. Purchased water wholesale costs imposed on the District by SDCWA and by Recycled Water Wholesalers make up approximately 60% of the District's water operating costs. Purchased Water Wholesale Costs from SDCWA are anticipated to increase by as much as 39% over the next three years starting on January 1, 2025.

Although inflation has begun to cool, with the US Inflation rate at 2.4% as of September 2024, down from 3.7% in September 2023, costs have risen more than 18% due to inflation from January 2021 to June 2024 based on changes in the San Diego-Carlsbad Consumer Price Index for All Urban Customers ("CPI"). The impact of high inflation has put pressure on the District's operating and capital budget over the last three years. High energy, fuel, and chemical prices have been the drivers for increased operating costs to operate the District's treatment plants; the David McCollom Water Treatment Plant and the 4S Wastewater Treatment Plant and Reclamation Facility.

At the June 2024 Board of Directors meeting, the Board approved the Operating and Capital Budget for Fiscal Years 2025 and 2026. At the meeting, staff demonstrated challenges brought by rising costs of untreated water supplies, combined with high inflation rates and decreased water sales, which will put upward pressure on future rate increases. To mitigate excess rate increases for Fiscal Year 2025 and Fiscal Year 2026, the Board directed staff to strategically delay select non-critical CIP projects to reduce expenses in the coming fiscal budget cycle. As part of its cost savings efforts, the District also continued to aggressively pursue and obtain grant funding to help fund its CIP projects.

Absorbing significant increases in purchased water wholesale costs and inflation would negatively impact OMWD's financial stability. To avoid these negative impacts, the District engaged an independent financial consultant to conduct a cost-of-service study, which was completed in 2024. The study resulted in proposed rate increases, over the next five years starting January 1, 2025, that keep pace with anticipated purchased water wholesale costs increases and inflation. On October 16, 2024, the Board of Directors held a public hearing to consider public comments regarding the proposed increases to the District's rates effective January 1, 2025 that would authorize the District, for the five-year period commencing January 1, 2025 to December 31, 2029, to pass through certain charges not to exceed 12%, and adopt demand reduction rates for its water consumption charge. The proposed revenue adjustment for rates effective January 1, 2025 is 7.8%, and the proposed annual revenue adjustments recommended by the study for the next five years range from 4% to 8.1%. The Board is scheduled to vote on the proposed adjustments at a special board meeting on November 6, 2024.

To help offset proposed adjustments' bill impact to water customers, the Board is planning to increase the existing Rate Reimbursement Credit (RRC) program by increasing the existing credit of 11 cents for each unit of water billed up to 22 cents per unit of water billed to customers. As a result, the bill impact for an average District water customer is approximately 5% for rates effective January 1, 2025.

On the wastewater side, the District continues to collect and treat wastewater from its 4S Ranch Sanitation and Rancho Cielo Sanitation Districts. Annual wastewater service fees are collected by the District on each property owner's property tax bill. Wastewater service fees are due and payable at the same time when a property owner's tax bill is due to the San Diego County Tax Assessor's Office in April and in December of each year.

In 2024, the District completed a cost of service study for wastewater rates, which addressed inflationary pressures and other projected increases in uncontrollable costs through a five-year implementation of wastewater rates and charges adjustments. The study recommended five-year annual revenue adjustments of 5.5% starting July 1, 2024, along with a \$6.5 million debt issuance to help pay for the District's wastewater CIP while preventing rate spikes. In June of 2024, and following a May 2024 rate hearing, the District's Board of Directors adopted an ordinance that would allow staff to adjust wastewater rates each year for the next five fiscal years as recommended by the study and starting with fiscal year 2024–2025.

Despite ongoing cost and inflationary pressures, the District is positioned for financial stability in the years to come, as a result of fiscally responsible budgeting and rate setting.

# Management's Discussion and Analysis (continued)

## Contacting the District's Financial Management

This financial report is designed to provide the District's rate payers, bond investors and other interested parties with a general overview of the District's finances, and to demonstrate the District's accountability for the money it receives and the stewardship of the facilities it maintains. If you have questions about this report or need additional information, contact the Olivenhain Municipal Water District's Finance Department at 1966 Olivenhain Road, Encinitas, California 92024, call the District at (760) 753-6466, or send inquires to our website at [www.olivenhain.com](http://www.olivenhain.com).

# Statements of Net Position

June 30, 2024 and 2023

	2024	2023
<b>ASSETS</b>		
Current assets:		
Unrestricted assets:		
Cash and cash equivalents	\$ 50,475,982	\$ 43,744,879
Investments	30,921,101	33,451,454
Accounts receivable – water and sewer, net	10,129,094	8,352,651
Interest receivable	413,665	337,527
Taxes receivable	212,142	210,021
Leases receivable, due within one year	418,980	403,389
Other receivables	388,813	384,301
Inventories	1,599,976	1,659,616
Prepaid expenses	1,274,076	754,274
Total unrestricted assets	95,833,829	89,298,112
Restricted assets:		
Cash and cash equivalents	7,279,624	9,676,866
Investments	2,565,301	2,761,401
Taxes receivable	49,448	53,206
Grants receivable	6,772,199	2,078,788
Total restricted assets	16,666,572	14,570,261
Total current assets	112,500,401	103,868,373
Noncurrent assets:		
Capital assets, nondepreciable	48,449,778	42,225,443
Capital assets, depreciable/amortizable, net	322,752,333	332,489,700
Capital assets, net	371,202,111	374,715,143
Leases receivables, due in more than one year	10,556,981	9,355,778
Prepaid bond insurance	13,717	17,219
Total noncurrent assets	381,772,809	384,088,140
<b>Total assets</b>	<b>494,273,210</b>	<b>487,956,513</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred amount on refunding	716,964	857,886
Pension-related deferred outflows of resources	7,033,805	7,296,286
<b>Total deferred outflows of resources</b>	<b>7,750,769</b>	<b>8,154,172</b>

(continued)

See accompanying Notes to the Basic Financial Statements.

# Statements of Net Position (continued)

June 30, 2024 and 2023

	2024	2023
<b>LIABILITIES</b>		
Current liabilities:		
Liabilities payable from unrestricted assets:		
Accounts payable	\$ 8,657,197	\$ 7,808,544
Accrued payroll	566,875	580,760
Customer deposits	403,045	374,833
Payable related to work in progress	234,210	199,070
Compensated absences, current portion	1,150,778	961,314
Current portion of long-term debt:		
Wastewater revenue bonds	798,190	787,310
Water revenue refunding bonds	2,650,000	2,520,000
Special assessment debt with government commitment	892,931	883,019
Notes payable	846,161	415,868
Subscription liability	38,096	67,952
Total liabilities payable from unrestricted assets	16,237,483	14,598,670
Liabilities payable from restricted assets:		
Accounts payable	109,838	74,242
Interest payable	292,603	115,265
Grants payable	3,324,102	—
Total liabilities payable from restricted assets	3,726,543	189,507
Total current liabilities	19,964,026	14,788,177
Noncurrent liabilities:		
Compensated absences	987,859	1,189,983
Net pension liability	17,930,299	16,832,760
Long-term debt, excluding current portion:		
Wastewater revenue bonds	5,947,720	6,745,910
Water revenue refunding bonds	18,954,304	21,958,273
Special assessment debt with government commitment	2,797,851	3,711,672
Notes payable	9,083,311	9,929,472
Subscription liability	9,704	47,800
Total noncurrent liabilities	55,711,048	60,415,870
<b>Total liabilities</b>	75,675,074	75,204,047
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension-related deferred inflows of resources	298,347	720,171
Lease-related deferred inflows of resources	9,811,059	8,953,346
<b>Total deferred inflows of resources</b>	10,109,406	9,673,517
<b>NET POSITION</b>		
Net investment in capital assets	330,711,440	332,382,861
Restricted for:		
Debt service	2,194,962	2,258,202
Construction	9,934,434	8,245,444
Total restricted	12,129,396	10,503,646
Unrestricted	73,398,663	68,346,614
<b>Total net position</b>	\$ 416,239,499	\$ 411,233,121

See accompanying Notes to the Basic Financial Statements.

# Statements of Revenues, Expenses and Changes in Net Position

For the years ended June 30, 2024 and 2023

	2024	2023
<b>OPERATING REVENUES</b>		
Water sales	\$ 56,723,757	\$ 53,633,877
Sewer charges	5,443,940	5,621,985
Other water operating revenues	1,606,103	1,084,666
<b>Total operating revenues</b>	<b>63,773,800</b>	<b>60,340,528</b>
<b>OPERATING EXPENSES</b>		
Cost of purchased water sold	30,712,658	29,609,781
Pumping and water treatment	5,246,548	4,353,775
Transmission and distribution	4,992,405	4,434,815
Sewer collection and treatment	2,026,890	2,026,695
Elfin Forest recreation reserve operations	493,779	386,905
Facilities maintenance	1,441,133	1,274,751
Customer services	2,412,185	1,754,190
General and administrative	8,700,174	6,865,224
Other operating expenses	395,808	212,580
Depreciation and amortization	16,207,532	15,910,790
<b>Total operating expenses</b>	<b>72,629,112</b>	<b>66,829,506</b>
<b>Operating (loss)</b>	<b>(8,855,312)</b>	<b>(6,488,978)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Fair market value adjustment	1,355,207	(207,285)
Investment income	3,195,143	2,105,348
Property taxes	4,802,446	4,577,755
Capacity charges	577,702	1,327,295
Benefit assessments	1,048,779	1,045,315
Other nonoperating revenues	1,361,331	1,055,260
Interest expense, net	(1,171,516)	(1,220,156)
Other nonoperating expenses	(4,291,473)	(1,935,949)
<b>Total nonoperating revenues (expenses)</b>	<b>6,877,619</b>	<b>6,747,583</b>
<b>Income (loss) before capital contributions</b>	<b>(1,977,693)</b>	<b>258,605</b>
<b>Capital contributions</b>	<b>6,984,071</b>	<b>3,640,582</b>
<b>Changes in net position</b>	<b>5,006,378</b>	<b>3,899,187</b>
<b>Net position, beginning of year</b>	<b>411,233,121</b>	<b>407,333,934</b>
<b>Net position, end of year</b>	<b>\$ 416,239,499</b>	<b>\$ 411,233,121</b>

See accompanying Notes to the Basic Financial Statements.

# Statements of Cash Flows

For the years ended June 30, 2024 and 2023

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from water and sewer customers	\$ 62,021,066	\$ 61,337,349
Payments for water	(29,727,466)	(30,212,660)
Payments for services and supplies	(11,331,389)	(8,878,715)
Payments for employee wages, benefits, and related costs	(14,036,821)	(12,953,543)
<b>Net cash provided by operating activities</b>	<b>6,925,390</b>	<b>9,292,431</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Property taxes and benefit assessments received	5,852,863	5,583,500
SDCWA water rebate payment	—	18,930
<b>Net cash provided by noncapital financing activities</b>	<b>5,852,863</b>	<b>5,602,430</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition and construction of capital assets	(12,297,061)	(14,493,861)
Proceeds from grants and capital contributions	1,685,094	1,495,622
Principal paid on long-term debt	(4,695,039)	(4,862,730)
Interest paid on long-term debt	(1,207,235)	(1,487,744)
Capacity charges received	587,076	1,364,791
Proceeds from sale of capital assets	132,030	—
Other capital financing receipts	870,222	1,055,261
Other capital financing expenses paid	(720,143)	(1,655,542)
<b>Net cash (used in) capital and related financing activities</b>	<b>(15,645,056)</b>	<b>(18,584,203)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale and maturities of investments	9,951,111	3,000,000
Purchases of investments	(6,000,000)	(2,957,913)
Investment income received	3,249,553	1,121,975
<b>Net cash provided by investing activities</b>	<b>7,200,664</b>	<b>1,164,062</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>4,333,861</b>	<b>(2,525,280)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>53,421,745</b>	<b>55,947,025</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 57,755,606</b>	<b>\$ 53,421,745</b>
<b>FINANCIAL STATEMENT PRESENTATION</b>		
Cash and cash equivalents	\$ 50,475,982	\$ 43,744,879
Cash and cash equivalents – restricted assets	7,279,624	9,676,866
<b>Total cash and cash equivalents</b>	<b>\$ 57,755,606</b>	<b>\$ 53,421,745</b>

(continued)

See accompanying Notes to the Basic Financial Statements.



# Statements of Cash Flows (continued)

For the years ended June 30, 2024 and 2023

	2024	2023
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Operating (loss)	\$ (8,855,312)	\$ (6,488,978)
Adjustments to reconcile operating (loss) to net cash provided by operating activities:		
Depreciation and amortization	16,207,532	15,910,790
GASB 68 adjustment to pension expense	938,196	(1,827,310)
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Receivables	(1,780,956)	977,045
Inventories	59,641	(144,711)
Prepaid expenses and deposits	(519,800)	434,473
Increase (decrease) in liabilities:		
Accounts payable	874,422	58,151
Accrued payroll and compensated absences	(26,545)	353,196
Customer deposits	28,212	19,775
<b>Net cash provided by operating activities</b>	<u><u>\$ 6,925,390</u></u>	<u><u>\$ 9,292,431</u></u>
<b>NONCASH INVESTING AND FINANCING ACTIVITIES:</b>		
Contributions of capital assets	\$ 605,565	\$ 386,344
Amortization of premiums	\$ (353,969)	\$ (413,422)
Unrealized gains (losses) on investments	<u><u>\$ 1,355,207</u></u>	<u><u>\$ (207,285)</u></u>

See accompanying Notes to the Basic Financial Statements.

# Notes to the Basic Financial Statements

For the years ended June 30, 2024 and June 30, 2023

## Note 1 – Reporting Entity

The Olivenhain Municipal Water District (the “District”) is a governmental corporation governed by an elected five-member board of directors. The District was incorporated in 1959 under the provisions of the California Municipal Water District Act of 1911. The District’s 48 square mile service area lies in northern San Diego County and the majority of its sales are to domestic and business users. The District’s offices are located in Encinitas, California.

The basic financial statements of the District include the blended financial activities of the District and the Olivenhain Municipal Water District Financing Corporation (the “Corporation”).

The Corporation was formed in 1997 under the California Nonprofit Public Benefit Corporation Law. Its sole purpose is to assist the District in acquiring and financing various public facilities.

The criteria used in determining the inclusion of a component unit in the reporting entity for financial reporting purposes are: (1) appointment of voting majority of the component unit board, (2) ability to impose its will, (3) financial benefit or burden, and (4) fiscal dependency.

In keeping its books and records, the District has established various self-balancing groups of accounts in order to enhance internal control and to further the attainment of other management objectives. These groups of accounts, which are sub funds of the reporting entity, are identified in the District’s books and records as the General Fund, Recycled Water Capacity Fee Fund, Treated Water Capacity Fee Fund, Reassessment District 96-1 Fund, 4S Sanitation District Fund, Rancho Cielo Sanitation District Fund, 2015 Water System Revenue Refunding Bond Fund, 2016 Water System Revenue Refunding Bond Fund, 2021A Revenue Bond Fund, 2021B Revenue Bond Fund, and 2013 State Revolving Fund Note Payable. All significant inter sub-fund transactions and accounts are eliminated in the combination of the accounts of the sub-funds for the basic financial statements of the District.

## Note 2 – Summary of Significant Accounting Policies

The basic financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for governmental accounting financial reporting purposes. The more significant of the District’s accounting policies are described below:

### A. Financial Statements

The financial statements (i.e., the statement of net position, the statement of revenues, expenses and changes in net position, and statement of cash flows) report information on all of the activities of the District. The statement of revenues, expenses, and changes in net position demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

### B. Measurement Focus, Basis of Accounting, and Financial Statements Presentation

The financial statements are reported using the “*economic resources*” measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as all eligibility requirements have been met. Interest associated with the current fiscal period is considered to be susceptible to accrual and so has been recognized as revenue of the current fiscal period.

# Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2024 and June 30, 2023

## Note 2 – Summary of Significant Accounting Policies (continued)

### B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

In accordance with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, the Statement of Net Position reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

Deferred Outflows of Resources represent a consumption of net assets that applies to future periods and that, therefore, will not be recognized as an expense until that time

Deferred Inflows of Resources represent an acquisition of net assets that applies to future periods and that, therefore, will not be recognized as revenue until that time.

The District distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering water in connection with the District's principal ongoing operations. The principal operating revenues of the District are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Capital contributions are reported as a separate line item in the Statement of Revenues, Expenses and Changes in Net Position.

### C. Use of Restricted/Unrestricted Assets

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

### D. Cash, Cash Equivalents, and Investments

Cash and Cash Equivalents – For purposes of the statement of cash flows, cash and cash equivalents include petty cash, demand deposits with financial institutions, deposits in money market mutual funds (SEC registered), and deposits in external investment pools, and marketable securities that mature within 90 days of purchase. Such marketable securities and deposits in money market funds are carried at fair value.

Risk Disclosures – Certain disclosure requirements, if applicable for deposit and investment risk, are specified for the following areas:

- Interest Rate Risk
- Credit Risk
  - Overall
  - Custodial Credit Risk
  - Concentration of Credit Risk

Investment Valuation – GASB Statement No. 72, *Fair Value Measurement and Application*, defines fair value, establishes a framework for measuring fair value and establishes disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the Statements of Net Position, are categorized based upon the level of judgement associated with the inputs used to measure their fair value. Levels of inputs are as follows:

Level 1 – Inputs are unadjusted, quoted prices for identical assets and liabilities in active markets at the measurement date.

Level 2 – Inputs, other than quoted prices included in Level 1, that are observable for the asset or liability through corroboration with market data at the measurement date.

Level 3 – Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

# Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2024 and June 30, 2023

## Note 2 – Summary of Significant Accounting Policies (continued)

### E. Restricted Assets

Amounts shown as restricted assets have been restricted by debt agreements, by law or regulations, or by contractual obligations to be used for specified purposes, such as service of debt and construction of capital assets.

### F. Water and Wastewater (Sewer) Sales

Water sales revenue is recorded when water is delivered and service is rendered, including an estimated amount for unbilled service. Wastewater (sewer) service fees are collected on each property owner's property tax bill on an annual basis. Sewer bills are due and payable at the same time when a property owner's tax bill is due to the San Diego County Tax Assessor's Office, April and December of each year.

### G. Allowance for Doubtful Accounts

The District recognizes bad debt expense relating to water and sewer receivables when it is probable that the accounts will be uncollectible. Water and sewer accounts receivable at June 30, 2024 and 2023 have been reduced by an allowance for doubtful accounts of \$110,000.

### H. Leases Receivable

#### Lessor

The District is a lessor for leases of land, primarily cell tower sites, and recognizes leases receivable and deferred inflows of resources related to leases in the financial statements as required by GASB Statement No. 87 Leases. At the commencement of a lease, the lease receivable is measured at the present value of payments expected to be received during the lease term. As lease revenue is earned, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources are initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflows of resources are reduced in a straight-line method over the life of the lease term as revenue is recognized.

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The District used U.S. Treasury rates at the time of GASB Statement No. 87 implementation for its existing leases. The District will use the current rate at the time a new lease is executed.
- The lease term includes the noncancelable period of the lease plus any option periods that are likely to be exercised.
- Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

### I. Inventories

Materials inventory is stated at current average cost and was reduced by an allowance for obsolete inventory of \$206,600 at June 30, 2024 and 2023. Water inventory is stated at its purchase cost using the first-in, first-out method.

### J. Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses.

# Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2024 and June 30, 2023

## Note 2 – Summary of Significant Accounting Policies (continued)

### K. Capital Assets, Depreciation and Amortization

Capital assets are valued at cost when constructed or purchased. Contributed capital assets are recorded at developer bonded cost. The District capitalizes all assets with a historical cost of at least \$10,000 and a useful life of more than one year. The cost of normal maintenance and repairs that do not add to the value of assets or materially extend asset lives are not capitalized. Depreciation or amortization on capital assets in service, excluding land, is computed using the straight-line method over the estimated useful lives of such assets and is reported as an operating expense. Capital projects are subject to depreciation or amortization when completed and placed in service. The ranges of estimated useful lives of capital assets are as follows:

Treatment and distribution system	10–75 years
Non-steel tanks	10–60 years
General plant	3–40 years
Capacity rights	17 years

The District is amortizing capacity rights and is reviewing it annually for impairment, and any impairment losses are recognized in the period in which the impairment is determined.

In September 2007, the District elected to use the Modified Approach as defined by GASB Statement No. 34 for reporting the steel water storage tanks subsystem of infrastructure capital assets.

The detail of the subsystems is not presented in these basic financial statements. However, the operating departments maintain information regarding the subsystems.

Per GASB Statement No. 34, a condition assessment will be performed every three years on the steel tanks. The condition of the District's steel water storage tanks is determined using the USCI AMRS via their maintenance program. The tank condition rating, which is a weighted average of an assessment of the ability of individual steel water storage tanks to function structurally, such that water is stored safely and securely, uses a numerical condition scale ranging from 1.0 (unacceptable) to 10.0 (very good).

It is the District's policy to keep all the steel water storage tanks at a condition level of not less than 5.0 (satisfactory). All steel water storage tanks are inspected every two years and washed out every other year. Repairs are done on an as needed basis.

### L. Subscription-Based Information Technology Arrangements (SBITAs)

The District has a policy to recognize a subscription liability and a right-to-use subscription asset (subscription asset) in the financial statements. The District recognizes subscription liabilities with an initial, individual value of \$10,000 or more with a subscription term greater than one year. Variable payments based on future performance of the District's usage of the underlying IT asset, or number of user seats are not included in the measurement of the subscription liability, rather, those variable payments are recognized as outflows of resources (expenses) in the period the obligation for those payments is incurred.

At the commencement of a SBITA, the District initially measures the subscription liability at the net present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made.

Subscription assets are recorded at the amount of the initial measurement of the subscription liabilities, less any payments made to the SBITA vendor before the commencement of the subscription term, and capitalizable initial implementation cost, less any incentives received from the SBITA vendor at or before the commencement of the subscription term.

# Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2024 and June 30, 2023

## Note 2 – Summary of Significant Accounting Policies (continued)

### L. Subscription-Based Information Technology Arrangements (SBITAs) (continued)

Costs associated with a SBITA, other than the subscription payments, are accounted for as follows:

- **Preliminary Project Stage:** Outlays are expensed as incurred.
- **Initial Implementation Stage:** Outlays are capitalized as an addition to the subscription asset.
- **Operation and Additional Implementation Stage:** Outlays are expensed as incurred unless they meet specific capitalization criteria.

Upon adoption, the District elected to exclude the capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage that were incurred prior to the implementation of this Statement in the measurement of subscription assets as of July 1, 2021.

Subscription assets are reported in capital assets and subscription liabilities are reported with long-term liabilities on the statement of net position.

Subscription assets are amortized using the straight-line method over the shorter of the subscription term or the useful life of the underlying IT asset, unless the subscription contains a purchase option that the District has determined is reasonably certain of being exercised. In this case, the subscription asset is amortized over the useful life of the underlying IT asset.

Key estimates and judgments related to SBITA include how the District determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The District used the U.S. Treasury rates at the time of GASB Statement No. 96 implementation for its existing SBITAs. The District will use the current rate at the time of a new SBITA agreement is executed. If available, the District uses the interest rate charged by the SBITA vendor as the discount rate.
- The subscription term includes the noncancellable period of the SBITA. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its subscription liability and will remeasure it accordingly if certain changes occur that are expected to significantly affect the liability.

### M. Capital Contributions

Capital contributions are recorded when the District receives cash contributions or accepts contributions of capital assets in kind or when governmental construction grants are earned. Capital contributions are reported as a separate line item in the Statement of Revenues, Expenses, and Changes in Net Position.

### N. Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused personal leave time up to a maximum of 992 hours, which includes both vacation and sick pay benefits. Sick time may be accumulated up to a maximum of 640 hours. The vacation accumulation maximum is based on number of years of continuous service and ranges from 192 hours to 352 hours. All personal leave time is accrued when incurred. In fiscal year 2022, the District implemented GASB Statement No. 101, *Compensated Absences*.

### O. Long-Term Obligation

Debt premiums and discounts, if any, are deferred and amortized over the life of the debt. Long-term debt is reported net of the applicable bond premium or discount. Debt issuance costs are expensed when incurred.

# Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2024 and June 30, 2023

## Note 2 – Summary of Significant Accounting Policies (continued)

### P. Refunding of Debt

Gains or losses occurring from current or advance refunding of debt are reported as deferred inflows or outflows of resources and are being amortized over the original remaining life of the old debt or the life of the new debt, whichever is less.

### Q. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System ("CalPERS") plans ("Plans") and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The District is participating in a cost-sharing multiple-employer defined benefit plan.

### R. Property Taxes

The County of San Diego (the "County") bills and collects property taxes on behalf of the District. The County's tax calendar year is July 1 to June 30. Property taxes attach as a lien on property on January 1. Taxes are levied on July 1 and are payable in two equal installments on November 1 and February 1, and become delinquent after December 10 and April 10, respectively.

### S. Capacity Charges

Capacity charges are water and wastewater (sewer) capacity fees paid by new property owners prior to connecting to the District's system. Such charges are periodically adjusted based upon changes in construction cost index and/or other factors. Owner capacity charges are nonrefundable and are recorded as nonoperating revenues when collected.

### T. Net Position

Net position of the District is classified into three components: (1) net investment in capital assets, (2) restricted net position, and (3) unrestricted net position. These classifications are defined as follows:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation and amortization and reduced by the outstanding balances of notes or borrowing that are attributable to the acquisition of the asset, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets.

Restricted Net Position – This component of net position consists of net position with constrained use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This component of net position consists of net position that does not meet the definition of "net investment in capital assets," or "restricted net position."

### U. Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.



# Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2024 and June 30, 2023

## Note 2 – Summary of Significant Accounting Policies (continued)

### V. Reclassification

For the year ended June 30, 2024, certain classifications may have been changed to improve financial statement presentation. For comparative purposes, prior year balances may have been reclassified to conform with the current fiscal year 2024 presentation.

### W. Implementation of New GASB Pronouncements For the Year Ended June 30, 2024

During fiscal year ended June 30, 2024, the District has implemented the following new GASB Pronouncements:

- In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Application of this statement did not have a significant effect on the District's financial reporting for the fiscal year ended June 30, 2024.

### X. Upcoming Governmental Accounting Standards Implementation

The District is currently evaluating its accounting practices to determine the potential impact on the financial statements for the following GASB Statements:

- In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. Application of this statement is effective for the District's fiscal year ending June 30, 2025.
- In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. Application of this statement is effective for the District's fiscal year ending June 30, 2026.

## Note 3 – Cash, Cash Equivalents, and Investments

Cash and investments at June 30, 2024 and 2023 are classified in the accompanying financial statements as follows:

	2024	2023
<b>Statement of Net Position:</b>		
Current Assets:		
Cash and cash equivalents	\$ 50,475,982	\$ 43,744,879
Restricted cash and cash equivalents	7,279,624	9,676,866
Investments	30,921,101	33,451,454
Restricted investments	2,565,301	2,761,401
Total cash and investments	<u>\$ 91,242,008</u>	<u>\$ 89,634,600</u>
Cash and investments consist of the following:		
Cash on hand	\$ 1,496	\$ 1,496
Deposits with financial institutions	2,155,044	2,809,866
Investments	89,085,468	86,823,238
Total cash and investments	<u>\$ 91,242,008</u>	<u>\$ 89,634,600</u>

# Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2024 and June 30, 2023

## Note 3 – Cash, Cash Equivalents, and Investments (continued)

### A. Demand Deposits

As of June 30, 2024, the carrying amount of demand deposits was \$2,155,044 and the bank balance was \$2,548,991 compared to \$2,809,866 and \$3,729,278 at June 30, 2023, of which the total amount was collateralized or insured with securities held by the pledging financial institutions in the District's name as discussed below under *Disclosures Relating Custodial Credit Risk*.

### B. Investments Authorized by the California Government Code and the District's Investment Policy

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	None	None
U.S. Government Sponsored Entities	5 years	50%	None
Banker's Acceptances	180 days	20%	3%
Commercial Paper	270 days	20%	5%
Certificates of Deposit	3 years	30%	\$250,000
Repurchase Agreements	90 days	20%	None
Reverse Repurchase Agreements	90 days	10%	None
Medium-Term Notes	5 years	30%	5%
Money Market Mutual Funds, Depository Account	N/A	20%	5%
Municipal Obligations	N/A	30%	5%
Local Government Investment Pool	N/A	30%	None
Local Agency Investment Fund	N/A	50%	\$40,000,000

### C. Investments Authorized by Debt Agreements

Investment of debt proceeds held by the bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District's investment policy.

### D. Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time to provide the cash flow and liquidity needed for operations.

# Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2024 and June 30, 2023

## Note 3 – Cash, Cash Equivalents, and Investments (continued)

### D. Disclosures Relating to Interest Rate Risk (continued)

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity at June 30, 2024.

Investment Type	Total	Remaining Maturity (in Months)		
		12 Months or Less	13 to 24 Months	25 to 60 Months
Local Agency Investment Fund (LAIF)	\$ 6,609,408	\$ 6,609,408	\$ —	\$ —
California Asset Management Program (CAMP)	25,575,955	25,575,955	—	—
Money Market Mutual Funds	5,459,862	5,459,862	—	—
U.S. Government Sponsored Entities	30,566,542	7,836,280	17,888,182	4,842,080
Municipal Obligations	998,460	—	998,460	—
U.S. Treasury Obligations	19,875,241	18,944,071	931,170	—
Total	<u>\$ 89,085,468</u>	<u>\$ 64,425,576</u>	<u>\$ 19,817,812</u>	<u>\$ 4,842,080</u>

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity at June 30, 2023.

Investment Type	Total	Remaining Maturity (in Months)		
		12 Months or Less	13 to 24 Months	25 to 60 Months
Local Agency Investment Fund (LAIF)	\$ 9,265,185	\$ 9,265,185	\$ —	\$ —
California Asset Management Program (CAMP)	27,320,397	27,320,397	—	—
Commercial Paper	496,070	496,070	—	—
Money Market Mutual Funds	2,560,872	2,560,872	—	—
U.S. Government Sponsored Entities	32,865,835	8,243,281	6,527,480	18,095,074
Municipal Obligations	998,530	—	—	998,530
U.S. Treasury Obligations	13,316,349	11,463,930	954,140	898,279
Total	<u>\$ 86,823,238</u>	<u>\$ 59,349,735</u>	<u>\$ 7,481,620</u>	<u>\$ 19,991,883</u>

# Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2024 and June 30, 2023

## Note 3 – Cash, Cash Equivalents, and Investments (continued)

### E. Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a Nationally Recognized Statistical Rating Organization (“NRSRO”). Presented below is the minimum rating required by (where applicable) the California Government Code, the District’s Investment Policy, or debt agreements, and the Moody’s rating for each investment type at June 30, 2024. (CAMP is rated by Standard and Poor’s and has a rating of AAA).

Investment Type	Total	Minimum Legal Rating	Rating as of Year End			
			AAA	AA	A/I+	Not Rated
Local Agency Investment						
Fund (LAIF)	\$ 6,609,408	N/A	\$ —	\$ —	\$ —	\$ 6,609,408
California Asset Management						
Program (CAMP)	25,575,955	AAA	25,575,955	—	—	—
Money Market Mutual Funds	5,459,862	N/A	—	—	—	5,459,862
U.S. Government Sponsored Entities	30,566,542	AAA	30,566,542	—	—	—
Municipal Obligations	998,460	A1/A+	998,460	—	—	—
U.S. Treasury Obligations	19,875,241	N/A	19,875,241	—	—	—
Total	<u>\$ 89,085,468</u>		<u>\$ 77,016,198</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 12,069,270</u>

Presented below is the minimum rating required by (where applicable) the California Government Code, the District’s Investment Policy, or debt agreements, and the Moody’s rating for each investment type at June 30, 2023.

Investment Type	Total	Minimum Legal Rating	Rating as of Year End			
			AAA	AA	A/I+	Not Rated
Local Agency Investment						
Fund (LAIF)	\$ 9,265,185	N/A	\$ —	\$ —	\$ —	\$ 9,265,185
California Asset Management						
Program (CAMP)	27,320,397	AAA	27,320,397	—	—	—
Commercial Paper	496,070	A-1	496,070	—	—	—
Money Market Mutual Funds	2,560,872	N/A	—	—	—	2,560,872
U.S. Government Sponsored Entities	32,865,835	AAA	32,865,835	—	—	—
Municipal Obligations	998,530	A1/A+	998,530	—	—	—
U.S. Treasury Obligations	13,316,349	N/A	13,316,349	—	—	—
Total	<u>\$ 86,823,238</u>		<u>\$ 74,997,181</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 11,826,057</u>

# Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2024 and June 30, 2023

## Note 3 – Cash, Cash Equivalents, and Investments (continued)

### E. Disclosures Relating to Credit Risk (continued)

#### Concentration of Credit Risk

The investment policy of the District is in accordance with limitations on the amount that can be invested in any one issuer as stipulated by the California Government Code. Investments in any one issuer (other than for U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total District investments is as follows:

Issuer	Investment Types	2024	2023
Federal Home Loan Bank	U.S. Govt. Sponsored Entities	\$ 30,566,543	\$ 30,661,988

### F. Disclosures Relating to Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2024 and 2023, \$2,298,991 and \$3,479,278 of the District's deposits with financial institutions in excess of the Federal insurance limits were held in collateralized accounts.

### G. Local Agency Investment Fund (LAIF)

The District is a voluntary participant in the Local Agency Investment Fund ("LAIF") that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. The District's investments with Local Agency Investment Fund (LAIF) include a portion of the pool funds invested in structured notes and asset-backed securities. These investments include the following:

**Structured Notes** – debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options. They are issued by corporations and by government-sponsored enterprises.

**Asset-Backed Securities** – entitle their purchaser to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as CMOs), small business loans or credit card receivables.

LAIF is overseen by the Local Investment Advisory Board, which consists of five members, in accordance with State statute. The fair value of our position in the pool is the same as the value of the pool shares.

# Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2024 and June 30, 2023

## Notes 3 – Cash, Cash Equivalents, and Investments (continued)

### G. Local Agency Investment Fund (LAIF) (continued)

As of June 30, 2024, the District had \$6,609,408 invested in LAIF, which had invested 0.001% of the pool investment funds in structured notes and asset-backed securities compared to \$9,265,185 and 0.20% at June 30, 2023. LAIF is part of the State's Pooled Money Investment Account (PMIA). The District valued its investments in LAIF as of June 30 by multiplying its account balance with LAIF times a fair value factor determined by LAIF. This fair value factor was determined by dividing all LAIF participants' total aggregate fair value by total aggregate amortized cost resulting in a factor of 0.99631604 and 0.984828499 as of June 30, 2024 and 2023, respectively.

### H. California Asset Management Program (CAMP)

The District is a voluntary participant in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (the Trust) and has a rating of AAA. The Trust is a joint powers authority and public agency created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act for the purpose of exercising the common power of its Participants to invest funds. The investments are limited to investments permitted by California Government Code. The total amount invested by all public agencies in CAMP at June 30, 2024 and 2023 was \$16.0 billion and \$16.0 billion, respectively. A board of seven trustees who are officials or employees of public agencies has oversight responsibility for CAMP. The value of the pool shares in CAMP, which may be withdrawn at any time, is determined on an amortized cost basis, which is different from the fair value of the District's position in the pool. At June 30, 2024 and 2023 the amortized cost approximated is the District's cost.

### I. Fair Value Measurements

The following is a summary of the fair value hierarchy of investments held by the District as of June 30, 2024:

	Fair Value Measurement Using	
	Significant Other Observable Inputs (Level 2)	June 30, 2024
<b>Investments by Fair Value Level</b>		
U.S. Government Sponsored Entity Securities		
FHLB	\$ 30,566,542	\$ 30,566,542
U.S. Treasury Securities	19,875,241	19,875,241
Municipal Bonds	998,460	998,460
Total Investments by Fair Value Level	<u>\$ 51,440,243</u>	<u>51,440,243</u>
<b>Investments not subject to fair value hierarchy:</b>		
Local Agency Investment Fund (LAIF)		6,609,408
California Asset Management Program (CAMP)		25,575,955
Money Market Mutual Funds		3,153,473
Held by Fiscal Agent		
Money Market Mutual Funds		<u>2,306,389</u>
Total investments not subject to fair value hierarchy		<u>37,645,225</u>
Total investments		<u>\$ 89,085,468</u>

# Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2024 and June 30, 2023

## Notes 3 – Cash, Cash Equivalents, and Investments (continued)

### I. Fair Value Measurements (continued)

The following is a summary of the fair value hierarchy of investments held by the District as of June 30, 2023:

	Fair Value Measurement Using Significant Other Observable Inputs (Level 2)	June 30, 2023
<b>Investments by Fair Value Level</b>		
U.S. Government Sponsored Entity Securities		
FHLB	\$ 30,661,988	\$ 30,661,988
FHLMC	—	—
FNMA	2,203,847	2,203,847
U.S. Treasury Securities	13,316,349	13,316,349
Commercial Paper	496,070	496,070
Municipal Bonds	998,530	998,530
Total Investments by Fair Value Level	<u>\$ 47,676,784</u>	<u>47,676,784</u>
<b>Investments not subject to fair value hierarchy:</b>		
Local Agency Investment Fund (LAIF)		9,265,185
California Asset Management Program (CAMP)		27,320,397
Money Market Mutual Funds		365,426
Held by Fiscal Agent		
Money Market Mutual Funds		<u>2,195,446</u>
Total investments not subject to fair value hierarchy		<u>39,146,454</u>
Total investments		<u><u>\$ 86,823,238</u></u>

Investments securities classified in Level 2 of the fair value hierarchy are valued using prices determined by the use of matrix pricing techniques maintained by the pricing vendors for these securities. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

## Note 4 – Leases Receivable

The District leases land, primarily cell tower sites, and recognizes leases receivable. Leases receivable consist of agreements with others for the "right-to-use" the underlying land asset at various locations owned by the District. The remaining terms of the agreements that were used in calculating the leases receivable range from 5 to 32 years, and include options to extend the leases, since the District is reasonably certain that these options will be exercised. The calculated interest rates used to calculate the net present value of the leases receivable vary depending on the length of the lease.

For the fiscal year ended June 30, 2024, the District recognized \$635,717 in lease revenue and \$336,405 in interest revenue, and the outstanding receivable amount was \$10,975,961. For the fiscal year ended June 30, 2023, the District recognized \$639,127 in lease revenue and \$307,466 in interest revenue, and the outstanding receivable amount was \$9,759,167.



# Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2024 and June 30, 2023

## Note 4 – Leases Receivable (continued)

A summary of changes in leases receivable for the fiscal year ended June 30, 2024 was as follows:

Balance July 1, 2023	Remeasurement	Additions	Reductions	June 30, 2024	Amounts Due Within One Year	Amounts Due in More Than One Year
\$ 9,759,167	\$ 1,019,278	\$ 578,962	\$ (381,446)	\$ 10,975,961	\$ 418,980	\$ 10,556,981

A summary of changes in leases receivable for the fiscal year ended June 30, 2023 was as follows:

Balance July 1, 2022	Remeasurement	Additions	Reductions	June 30, 2023	Amounts Due Within One Year	Amounts Due in More Than One Year
\$ 10,349,882	\$ (195,799)	\$ —	\$ (394,916)	\$ 9,759,167	\$ 403,389	\$ 9,355,778

At June 30, 2024, the required payments for these leases, including interest, are:

Year Ending June 30	Lease Receivable	Interest	Total
2025	\$ 418,980	\$ 331,540	\$ 750,520
2026	456,460	318,408	774,868
2027	494,709	304,084	798,793
2028	532,126	288,637	820,763
2029	536,919	272,199	809,118
2030–2034	2,277,285	1,138,599	3,415,884
2035–2039	1,583,253	847,920	2,431,173
2040–2044	1,649,970	605,922	2,255,892
2045–2049	2,174,437	306,165	2,480,602
2050–2054	792,033	49,716	841,749
2053–2056	59,789	1,101	60,890
	<u>\$ 10,975,961</u>	<u>\$ 4,464,291</u>	<u>\$ 15,440,252</u>

As of June 30, 2024, the amounts reported as lease-related deferred inflows of resources will be recognized as lease revenue in the upcoming years as follows:

Year Ending June 30	Total
2025	\$ 643,411
2026	643,411
2027	643,411
2028	643,411
2029	617,207
2030–2034	2,391,740
2035–2039	1,459,603
2040–2044	1,192,791
2045–2049	1,147,600
2050–2054	392,149
2053–2056	36,325
	<u>\$ 9,811,059</u>

# Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2024 and June 30, 2023

## Note 5 – Inventories

Inventories at June 30, 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Water inventory	\$ 236,092	\$ 191,787
Materials inventory	1,363,884	1,467,829
Total	<u>\$ 1,599,976</u>	<u>\$ 1,659,616</u>

Materials inventory was reduced by an allowance for obsolete inventory of \$206,600 at June 30, 2024 and 2023.

## Note 6 – Capital Assets

A summary of changes in capital assets for the year ended June 30, 2024, is as follows:

	<u>Balance July 1, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers/ Adjustments</u>	<u>Balance June 30, 2024</u>
Capital assets, not being depreciated:					
Land	\$ 11,005,363	\$ —	\$ —	\$ —	\$ 11,005,363
Steel water storage tanks	19,861,397	—	—	—	19,861,397
Construction in progress	11,358,683	12,524,665	(192,010)	(6,108,320)	17,583,018
Total capital assets, not being depreciated	<u>42,225,443</u>	<u>12,524,665</u>	<u>(192,010)</u>	<u>(6,108,320)</u>	<u>48,449,778</u>
Capital assets, being depreciated/amortized:					
Treatment and distribution system	315,087,524	592,479	(499,206)	1,916,233	317,097,030
Capacity rights	27,739,008	—	—	—	27,739,008
Non-steel tanks	38,990,356	—	(8,999)	—	38,981,357
General plant	194,791,887	13,086	(1,670,359)	4,192,087	197,326,701
Subscription assets	247,215	—	—	—	247,215
Total capital assets, being depreciated/amortized	<u>576,855,990</u>	<u>605,565</u>	<u>(2,178,564)</u>	<u>6,108,320</u>	<u>581,391,311</u>
Accumulated depreciation/amortization:					
Treatment and distribution system	(123,016,222)	(7,587,746)	333,662	—	(130,270,306)
Capacity rights	(20,787,791)	(1,155,587)	—	—	(21,943,378)
Non-steel tanks	(15,373,509)	(944,576)	4,383	—	(16,313,702)
General plant	(85,064,668)	(6,452,495)	1,596,799	—	(89,920,364)
Subscription assets	(124,100)	(67,128)	—	—	(191,228)
Total accumulated depreciation/amortization	<u>(244,366,290)</u>	<u>(16,207,532)</u>	<u>1,934,844</u>	<u>—</u>	<u>(258,638,978)</u>
Total capital assets, being depreciated/amortized, net	<u>332,489,700</u>	<u>(15,601,967)</u>	<u>(243,720)</u>	<u>6,108,320</u>	<u>322,752,333</u>
Total capital assets, net	<u>\$374,715,143</u>	<u>\$ (3,077,302)</u>	<u>\$ (435,730)</u>	<u>\$ —</u>	<u>\$371,202,111</u>

# Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2024 and June 30, 2023

## Note 6 – Capital Assets (continued)

A summary of changes in capital assets for the year ended June 30, 2023, is as follows:

	Balance July 1, 2022	Additions	Deletions	Transfers/ Adjustments	Balance June 30, 2023
Capital assets, not being depreciated:					
Land	\$ 11,005,363	\$ —	\$ —	\$ —	\$ 11,005,363
Steel water storage tanks	19,861,397	—	—	—	19,861,397
Construction in progress	7,559,275	15,402,218	(94,960)	(11,507,850)	11,358,683
Total capital assets, not being depreciated	38,426,035	15,402,218	(94,960)	(11,507,850)	42,225,443
Capital assets, being depreciated/amortized:					
Treatment and distribution system	308,378,862	364,312	(540,285)	6,884,635	315,087,524
Capacity rights	27,739,008	—	—	—	27,739,008
Non-steel tanks	39,102,610	—	(183,913)	71,659	38,990,356
General plant	192,118,381	22,032	(1,900,082)	4,551,556	194,791,887
Subscription assets	247,215	—	—	—	247,215
Total capital assets, being depreciated/amortized	567,586,076	386,344	(2,624,280)	11,507,850	576,855,990
Accumulated depreciation/amortization:					
Treatment and distribution system	(115,962,904)	(7,477,867)	424,549	—	(123,016,222)
Capacity rights	(19,644,628)	(1,143,163)	—	—	(20,787,791)
Non-steel tanks	(14,512,671)	(947,465)	86,627	—	(15,373,509)
General plant	(80,621,251)	(6,275,168)	1,831,751	—	(85,064,668)
Subscription assets	(56,973)	(67,127)	—	—	(124,100)
Total accumulated depreciation/amortization	(230,798,427)	(15,910,790)	2,342,927	—	(244,366,290)
Total capital assets, being depreciated/amortized, net	336,787,649	(15,524,446)	(281,353)	11,507,850	332,489,700
Total capital assets, net	\$375,213,684	\$ (122,228)	\$ (376,313)	\$ —	\$374,715,143

Depreciation expense for depreciable capital assets was \$14,997,242 and \$14,700,500 for the years ended June 30, 2024 and 2023, respectively. Amortization expense for amortizable capital assets was \$1,210,290 and \$1,210,290 for the years ending 2024 and 2023, respectively.

# Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2024 and June 30, 2023

## Note 6 – Capital Assets (continued)

Construction in progress consisted of the following at June 30:

	2024	2023
Replace Neighborhood 1 SPS	\$ 6,786,608	\$ 2,957,396
San Elijo Valley Groundwater	4,996,608	4,444,633
HOA Recycled Pipeline Ext. – CB, VP, SH	984,894	—
DCMWTP Condition Assessment	691,619	606,974
RSFe Rd Unit A North Pipeline Replacement	507,904	—
DCMWTP 4th State Centrifuge	482,092	—
Replace Headworks Manual System	436,658	353,447
Hydropower Turbine Refurbishment	—	402,635
Other capital projects	2,696,635	2,593,598
<b>Total construction in progress</b>	<b>\$ 17,583,018</b>	<b>\$ 11,358,683</b>

## Note 7 – Accounts Payable

Accounts payable to be paid from unrestricted current assets are as follows at June 30:

	2024	2023
Water purchases	\$ 6,163,193	\$ 5,177,992
Construction in progress	1,493,618	1,256,888
Grants payable to other agencies	3,324,102	—
Other	1,000,386	1,373,664
<b>Total</b>	<b>\$ 11,981,299</b>	<b>\$ 7,808,544</b>

Accounts payable, to be paid from restricted current assets are as follows at June 30:

	2024	2023
Construction in progress	\$ 109,838	\$ 74,242
	<b>\$ 109,838</b>	<b>\$ 74,242</b>

# Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2024 and June 30, 2023

## Note 8 – Long-Term Debt

A summary of changes in long-term debt for the year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due Within One Year	Due More Than One Year
Notes Payable:						
2013 Note Payable – direct borrowing	\$ 10,345,340	\$ —	\$ (415,868)	\$ 9,929,472	\$ 846,161	\$ 9,083,311
Notes Payable	<u>10,345,340</u>	<u>—</u>	<u>(415,868)</u>	<u>9,929,472</u>	<u>846,161</u>	<u>9,083,311</u>
SBITA Liability:						
SBITA Liability – direct borrowing	115,752	—	(67,952)	47,800	38,096	9,704
SBITA Liability	<u>115,752</u>	<u>—</u>	<u>(67,952)</u>	<u>47,800</u>	<u>38,096</u>	<u>9,704</u>
Revenue Bonds:						
Publicly Offered:						
2015 Water System Refunding Revenue Bonds	10,680,000	—	(1,935,000)	8,745,000	2,035,000	6,710,000
Plus unamortized bond premiums	760,036	—	(269,018)	491,018	—	491,018
2016 Water System Refunding Revenue Bonds	12,330,000	—	(585,000)	11,745,000	615,000	11,130,000
Plus unamortized bond premiums	708,237	—	(84,951)	623,286	—	623,286
Direct Placement Borrowing:						
2021A Wastewater Revenue Bonds	4,589,160	—	(211,680)	4,377,480	216,210	4,161,270
2021B Wastewater Revenue Bonds	2,944,060	—	(575,630)	2,368,430	581,980	1,786,450
Revenue Bonds, net	<u>32,011,493</u>	<u>—</u>	<u>(3,661,279)</u>	<u>28,350,214</u>	<u>3,448,190</u>	<u>24,902,024</u>
2019 Special Assessment Debt with Government Commitment	4,594,691	—	(903,909)	3,690,782	892,931	2,797,851
Total	<u>\$ 47,067,276</u>	<u>\$ —</u>	<u>\$ (5,049,008)</u>	<u>\$ 42,018,268</u>	<u>\$ 5,225,378</u>	<u>\$ 36,792,890</u>

# Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2024 and June 30, 2023

## Note 8 – Long-Term Debt (continued)

A summary of changes in long-term debt for the year ended June 30, 2023 is as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year	Due More Than One Year
Notes Payable:						
2013 Note Payable – direct borrowing	\$ 11,162,926	\$ —	\$ (817,586)	\$ 10,345,340	\$ 415,868	\$ 9,929,472
Notes Payable	<u>11,162,926</u>	<u>—</u>	<u>(817,586)</u>	<u>10,345,340</u>	<u>415,868</u>	<u>9,929,472</u>
SBITA Liability:						
SBITA Liability – direct borrowing	181,698	—	(65,946)	115,752	67,952	47,800
SBITA Liability	<u>181,698</u>	<u>—</u>	<u>(65,946)</u>	<u>115,752</u>	<u>67,952</u>	<u>47,800</u>
Revenue Bonds:						
Publicly Offered:						
2015 Water System Refunding Revenue Bonds	12,525,000	—	(1,845,000)	10,680,000	1,935,000	8,745,000
Plus unamortized bond premiums	1,082,376	—	(322,340)	760,036	—	760,036
2016 Water System Refunding Revenue Bonds	12,890,000	—	(560,000)	12,330,000	585,000	11,745,000
Plus unamortized bond premiums	799,319	—	(91,082)	708,237	—	708,237
Direct Placement Borrowing:						
2021A Wastewater Revenue Bonds	4,796,400	—	(207,240)	4,589,160	211,680	4,377,480
2021B Wastewater Revenue Bonds	3,513,900	—	(569,840)	2,944,060	575,630	2,368,430
Revenue Bonds, net	<u>35,606,995</u>	<u>—</u>	<u>(3,595,502)</u>	<u>32,011,493</u>	<u>3,307,310</u>	<u>28,704,183</u>
2019 Special Assessment Debt with Government Commitment	5,457,755	—	(863,064)	4,594,691	883,019	3,711,672
Total	<u>\$ 52,409,374</u>	<u>\$ —</u>	<u>\$ (5,342,098)</u>	<u>\$ 47,067,276</u>	<u>\$ 4,674,149</u>	<u>\$ 42,393,127</u>

# Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2024 and June 30, 2023

## Note 8 – Long-Term Debt (continued)

### 2013 Note Payable

On February 24, 2012, the District entered into an agreement with the State of California Department of Public Health for a loan not to exceed \$17,812,998 (2013 Note Payable), under and pursuant to Part 12, Chapter 4 of Division 104 of the Health and Safety Code and California Code of Regulations Title 22 to assist in financing construction of a project which will enable the District to meet safe drinking water standards. The loan repayment term commenced on the due date of the first principal and interest invoice, which was on January 19, 2015, and expires twenty years after the due date of the first principal and interest invoice. The rate of interest to be paid on the principal amount of the loan is 2.3035% annually. At June 30, 2024, the outstanding loan balance was \$9,929,472.

Future debt service requirements for the above note payable based on the initial loan rate is as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 846,161	\$ 223,880	\$ 1,070,041
2026	865,765	204,277	1,070,042
2027	885,822	184,220	1,070,042
2028	906,345	163,697	1,070,042
2029	927,342	142,698	1,070,040
2030–2034	4,969,108	381,101	5,350,209
2035	528,929	6,092	535,021
Total	<u>\$ 9,929,472</u>	<u>\$ 1,305,965</u>	<u>\$ 11,235,437</u>

### 2015 Water System Refunding Revenue Bonds Payable

On August 27, 2015, the District issued Water System Refunding Revenue Bonds, Series 2015A in the amount of \$23,455,000 for the purpose of refunding \$26,290,000 of the outstanding balance of the Water Revenue Refunding Bonds, Series 2006A. The 2015A bonds are limited obligation bonds maturing annually from December 1, 2015 to June 1, 2028 bearing various interest rates between 2.0% and 5.0%.

The District has pledged all of the Net Water System Revenues for the debt service payments of the bond. The total principal and interest remaining to be paid on the bonds is \$9,629,500. For the current year, principal and interest paid on the bonds was \$2,410,375. The bonds contain various covenants and restrictions, principally that the District fix, prescribe, collect rates and charges for the Water Service, which are reasonably expected to be at least sufficient to yield, during each fiscal year net service revenues equal to one hundred and twenty-five percent (125%) of the debt service on senior obligations for such fiscal year, and one hundred percent (100%) of debt service on all obligations for such fiscal year.

The deferred loss on refunding of \$610,166 is being amortized over the remaining life of the refunded debt. Amortization expense totaled \$57,510 for the year ended June 30, 2024. The remaining unamortized balance was \$104,969 at June 30, 2024.

A summary of the refunding bonds is as follows:

Interest Rates	Fiscal Year Maturities (varying amounts)	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
2%–5%	2025–2027	\$ 8,335,000	\$ —	\$ (1,935,000)	\$ 6,400,000
3%	2028	2,345,000	—	—	2,345,000
		<u>\$ 10,680,000</u>	<u>\$ —</u>	<u>\$ (1,935,000)</u>	<u>\$ 8,745,000</u>



# Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2024 and June 30, 2023

## Note 8 – Long-Term Debt (continued)

### 2015 Water System Refunding Revenue Bonds Payable (continued)

Total bonds outstanding as of June 30, 2024, including unamortized bond premiums were as follows:

Principal outstanding at June 30, 2024	\$ 8,745,000
Plus unamortized bond premium	491,018
Total bonds outstanding at June 30, 2024	<u>\$ 9,236,018</u>

Future debt service requirements for the above bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 2,035,000	\$ 378,625	\$ 2,413,625
2026	2,130,000	276,875	2,406,875
2027	2,235,000	170,375	2,405,375
2028	2,345,000	58,625	2,403,625
Total	<u>\$ 8,745,000</u>	<u>\$ 884,500</u>	<u>\$ 9,629,500</u>

### 2016 Water System Refunding Revenue Bonds Payable

On October 19, 2016, the District issued Water System Refunding Revenue Bonds, Series 2016A in the amount of \$15,990,000 for the purpose of refunding \$16,610,000 of the outstanding balance of the Water Revenue Refunding Bonds, Series 2009. The 2016A bonds are limited obligation bonds maturing annually from December 1, 2016 to June 1, 2039 bearing various interest rates between 2.125% and 5.0%.

The District has pledged all of the Net Water System Revenues for the debt service payment of the bond. The total principal and interest remaining to be paid on the bonds is \$14,632,778. For the current year, principal and interest paid on the bonds was \$976,913. The bonds contain various covenants and restrictions, principally that the District fix, prescribe, collect rates and charges for the Water Service, which are reasonably expected to be at least sufficient to yield, during each fiscal year net service revenues equal to one hundred and twenty-five percent (125%) of the debt service on senior obligations for such fiscal year, and one hundred percent (100%) of debt service on all obligations for such fiscal year.

The District refunded the Water Revenue Refunding Bonds, Series 2009 to reduce its total debt service payments over 22 years by \$3,683,827 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$2,753,343.

The deferred loss on refunding of \$1,196,934 is being amortized over the remaining life of the refunded debt. Amortization expense totaled \$83,413 for the year ended June 30, 2024. The remaining unamortized balance was \$611,995 at June 30, 2024.

A summary of the refunding bonds is as follows:

Interest Rates	Fiscal Year Maturities (varying amounts)	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
2%–5%	2025–2036	\$ 9,575,000	\$ —	\$ (585,000)	\$ 8,990,000
2.5%	2037–2039	2,755,000	—	—	2,755,000
		<u>\$ 12,330,000</u>	<u>\$ —</u>	<u>\$ (585,000)</u>	<u>\$ 11,745,000</u>

# Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2024 and June 30, 2023

## Note 8 – Long-Term Debt (continued)

### 2016 Water System Refunding Revenue Bonds Payable (continued)

Total bonds outstanding as of June 30, 2024, including unamortized bond premiums were as follows:

Principal outstanding at June 30, 2024	\$ 11,745,000
Plus unamortized bond premium	623,286
Total bonds outstanding at June 30, 2024	<u>\$ 12,368,286</u>

Future debt service requirements for the above bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 615,000	\$ 362,663	\$ 977,663
2026	645,000	331,913	976,913
2027	675,000	299,663	974,663
2028	705,000	272,663	977,663
2029	730,000	244,463	974,463
2030–2034	3,910,000	967,063	4,877,063
2035–2039	4,465,000	409,350	4,874,350
Total	<u>\$ 11,745,000</u>	<u>\$ 2,887,778</u>	<u>\$ 14,632,778</u>

### 2019 Reassessment District 96-1 Limited Obligation Improvement Bonds

In July 2019 the District issued Limited Obligation Improvement Bonds Reassessment District No. 2019-96-1 (OMWD Water Storage Project) in the amount of \$7,130,000. The Reassessment District 2019-96-1 bonds are limited obligations of the District payable solely from Special Assessments that were previously assessed pursuant to the terms and provisions of the Municipal Improvement Act of 1913 (Division 12 of the Streets and Highways Code of the State of California) to form Assessment District No. 96-1 (OMWD Storage Project). The Reassessment District 2019-96-1 bonds were issued to provide funds to refund and refinance the outstanding principal amount of the District's 2007 Reassessment District No. 96-1 (OMWD Water Storage Project), and to pay for the costs of issuance incurred. The bonds were refinanced at an interest rate of 2.09% and mature in September 2027. The aggregate debt service payments of the new debt are \$2.84 million less than the old debt. The issuance of the new debt and the refunding of the old debt resulted in an economic gain (the difference between the net present value of the old debt and new debt service payments) of approximately \$2.59 million.

Purchasers of the Bonds will not receive certificates representing their beneficial ownership in the Bonds but will receive credit balances on the books of their respective nominees. Principal of and interest on the Bonds are payable by the trustee, and such principal and interest payments, and premium, if any, are to be disbursed to the beneficial owners of the Bonds through their nominees. Installments of principal and interest sufficient to meet annual Bond debt service are included on the regular county tax bills sent to owners of property against which there are unpaid reassessments.

Future debt service requirements for the above bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 892,931	\$ 67,806	\$ 960,737
2026	912,774	48,990	961,764
2027	932,617	29,652	962,269
2028	952,460	9,953	962,413
Total	<u>\$ 3,690,782</u>	<u>\$ 156,401</u>	<u>\$ 3,847,183</u>

# Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2024 and June 30, 2023

## Note 8 – Long-Term Debt (continued)

### 2021A Wastewater Revenue Bonds

On October 27, 2021 the District issued Wastewater Revenue Bonds, Series 2021A in the amount of \$5,042,140 to finance wastewater (sewer) improvements at the 4S Wastewater Treatment Plant, including rehabilitations, replacements, and modifications to the existing Neighborhood One Sewer Pump Station and the Headworks Screening System at the 4S Wastewater Treatment Plant. The Series 2021A bonds mature on June 1, 2041 and carry an interest rate of 2.14%. The District's annual debt service cost for the 2021A bonds is approximately \$310,000. The 2021A Bonds were tax-exempt bonds issued by the Corporation. The District and the Corporation entered into installment purchase agreements to repay the 2021A Bonds from net wastewater revenues. The 2021A Bonds were directly purchased by Sterling National Bank through a private placement financing process.

The District has pledged all of the Net Sewer System Revenues for the debt service payment of the bond. The total principal and interest remaining to be paid on the bonds is \$5,268,084. For the current year, principal and interest paid on the bonds was \$309,888. The bonds contain various covenants and restrictions, principally that the District fix, prescribe, collect rates and charges for wastewater service, which are reasonably expected to be at least sufficient to yield, during each fiscal year net service revenues equal to one hundred and twenty-five percent (125%) of the debt service on senior obligations for such fiscal year, and one hundred percent (100%) of debt service on all obligations for such fiscal year.

Future debt service requirements for the above bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 216,210	\$ 93,678	\$ 309,888
2026	220,840	89,051	309,891
2027	225,560	84,325	309,885
2028	230,390	79,498	309,888
2029	235,320	74,568	309,888
2030–2034	1,254,320	295,112	1,549,432
2035–2039	1,394,410	155,030	1,549,440
2040–2041	600,430	19,342	619,772
Total	<u>\$ 4,377,480</u>	<u>\$ 890,604</u>	<u>\$ 5,268,084</u>

### 2021B Wastewater Revenue Bonds

On October 27, 2021, the District also issued 2021B Refunding Revenue Bonds in the amount of \$3,932,970 to refund and refinance the existing 2018A Sewer Revenue Bonds, which were issued in fiscal year 2018 to finance improvements to the District's administrative and operations building at 1966 Olivenhain Road, Encinitas, CA. The District received an interest rate of 1.14% for the 2021B Refunding Revenue Bonds, which resulted in an estimated net present value savings of \$243,942 after the cost of issuance. The 2021B bonds mature on June 1, 2028. The 2021B Bonds were tax-exempt bonds issued by the OMWD Financing Authority. The District and the OMWD Financing Authority entered into installment purchase agreements to repay the 2021B Bonds from net wastewater revenues. The 2021B Bonds were directly purchased by Sterling National Bank through a private placement financing process.

The District has pledged all of the Net Wastewater System Revenues for the debt service payment of the bond. The total principal and interest remaining to be paid on the bonds is \$2,436,314. For the current year, principal and interest paid on the bonds was \$609,192. The bonds contain various covenants and restrictions, principally that the District fix, prescribe, collect rates and charges for wastewater service, which are reasonably expected to be at least sufficient to yield, during each fiscal year net wastewater service revenues equal to one hundred and twenty-five percent (125%) of the debt service on senior obligations for such fiscal year, and one hundred percent (100%) of debt service on all obligations for such fiscal year.

# Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2024 and June 30, 2023

## Note 8 – Long-Term Debt (continued)

### 2021B Wastewater Revenue Bonds (continued)

The District refunded the 2018 Wastewater Revenue Refunding Bonds to reduce its total debt service payments by \$259,233 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$243,942.

Future debt service requirements for the above bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 581,980	\$ 27,000	\$ 608,980
2026	588,890	20,366	609,256
2027	595,310	13,652	608,962
2028	602,250	6,866	609,116
Total	<u>\$ 2,368,430</u>	<u>\$ 67,884</u>	<u>\$ 2,436,314</u>

### Subscription-Based Information Technology Arrangements (SBITA) Liabilities

The District entered into various subscription-based IT arrangements and has recorded a liability to offset the right-to-use assets. These are calculated using the U.S. Treasury rates at the time of GASB Statement No. 96 implementation.

Future minimum payments on SBITA liabilities are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 38,096	\$ 916	\$ 39,012
2026	9,704	49	9,753
Total	<u>\$ 47,800</u>	<u>\$ 965</u>	<u>\$ 48,765</u>

## Note 9 – Compensated Absences

Vested or accumulated vacation and sick leave is recorded as an expense and liability as benefits accrue to employees. Summary of changes in compensated absences for the year ended June 30, 2024 and 2023, were as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year	Due in More Than One Year
June 30, 2024	\$ 2,151,297	\$ 1,049,116	\$ (1,061,776)	\$ 2,138,637	\$ 1,150,778	\$ 987,859
June 30, 2023	1,936,026	1,110,651	(895,380)	2,151,297	961,314	1,189,983

# Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2024 and June 30, 2023

## Note 10 – Employee Retirement Systems

### A. General Information about the Pension Plan

**Plan Description** – All qualified full-time District employees are required to participate in the District’s Miscellaneous Plan with California Public Employee’s Retirement System (CalPERS). Employees hired prior to January 1, 2013 participate in the Miscellaneous Classic plan while employees hired January 1, 2013 and after participate in the Miscellaneous PEPRA (Public Employees’ Reform Act) plan. Both plans, Classic and PEPRA, are considered a single pension plan. CalPERS provides retirement, disability benefits, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. A menu of benefit provisions as well as other requirements is established by State statutes within the Public Employee’s Retirement Law. The District selects certain benefit provisions from the CalPERS’ menu by contract with CalPERS and adopts those benefits through the Board’s approval. Benefits provisions and all other requirements are established by State statute, the District’s resolutions, and the memorandum of understanding between the Olivenhain Municipal Water District and the Olivenhain Municipal Water District Employees Association and the Bargaining Unit Members Association. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

**Benefits Provided** – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 or 52 with statutorily reduced benefits. All members are eligible for non-industrial disability benefits after five (5) years of service. The death benefit is one of the following: Basic Death Benefit, 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plans’ provisions and benefits in effect at June 30, 2024, are summarized as follows:

	Miscellaneous Plan	
	Classic	PEPRA (Public Employees’ Pension Reform Act)
Hire date	Prior to January 1, 2013	January 1, 2013 and after
Benefit formula	2.5% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50–55	52–67
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.0% to 2.5%
Required employee contribution rate	8%	6.25%
Required employer contribution rate	13.34%	7.68%

**Contributions** – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS’ annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. District contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions requirements are classified as plan member contributions.

# Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2024 and June 30, 2023

## Note 10 – Employee Retirement Systems (continued)

### A. General Information about the Pension Plan (continued)

**Pension Funding Policy** – In June 2022, The District’s Board of Directors established a Pension Funding Policy to address the District’s pension liability and to achieve a minimum target funded ratio goal of 85% by making additional discretionary payments to CalPERS and funding the District’s Pension Stabilization Fund.

### B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

Deferred outflow from pensions resulting from changes in assumptions. This amount is amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plans determined as of June 30, 2023. As of June 30, 2024 and 2023 respectively, the District reported net pension liabilities for its proportionate shares of the net pension liability as follows:

	2024	2023
Classic and PEPRA plans	\$ 17,930,299	\$ 16,832,760
Total net pension liability	<u>\$ 17,930,299</u>	<u>\$ 16,832,760</u>

The District Plans’ net pension liability is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The following is the approach established by the plan actuary to allocate the net pension liability and pension expense to the individual employers within the risk pool:

- (1) In determining a cost-sharing plan’s proportionate share, total amounts of liabilities and assets are first calculated for the risk pool as a whole on the valuation date (June 30, 2022). The risk pool’s fiduciary net position (“FNP”) subtracted from its total pension liability (“TPL”) determines the net pension liability (“NPL”) at the valuation date.
- (2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement date (June 30, 2023). Risk pool FNP at the measurement date is then subtracted from this number to compute the NPL for the risk pool at the measurement date. For purposes of FNP in this step and any later reference thereto, the risk pool’s FNP at the measurement date denotes the aggregate risk pool’s FNP at June 30, 2023 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (fiscal year 2023).
- (3) The individual plan’s TPL, FNP, and NPL are also calculated at the valuation date.
- (4) Two ratios are created by dividing the plan’s individual TPL and FNP as of the valuation date from step (3) by the amounts in step (1), the risk pool’s total TPL and FNP, respectively.
- (5) The plan’s TPL as of the measurement date is equal to the risk pool TPL generated in step (2) multiplied by the TPL ratio generated in step (4). The plan’s FNP as of the measurement date is equal to the FNP generated in step (2) multiplied by the FNP ratio generated in step (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.
- (6) The plan’s NPL at the measurement date is the difference between the TPL and FNP calculated in step (5).

# Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2024 and June 30, 2023

## Note 10 – Employee Retirement Systems (continued)

### B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

The District's proportionate share of the net pension liability for each Plan as of the measurement date ended June 30, 2022 and 2023 was as follows:

	<u>Classic and PEPRA Plans</u>
Proportion – June 30, 2021 (MD)	0.41183%
Proportion – June 30, 2022 (MD)	<u>0.30884%</u>
Change – Increase (Decrease)	-0.10299%
Proportion – June 30, 2022 (MD)	0.30884%
Proportion – June 30, 2023 (MD)	<u>0.31088%</u>
Change – Increase (Decrease)	<u><u>0.00204%</u></u>

For the years ended June 30, 2024 and 2023, the District recognized pension expense of \$3,212,503 and \$3,014,862, respectively. At June 30, 2024 and 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>2024</u>		<u>2023</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 2,274,308	\$ —	\$ 2,376,470	\$ —
Differences between actual and expected experience	773,887	—	111,634	—
Change in assumptions	1,082,533	—	1,724,868	—
Changes in proportions	—	(130,871)	—	(224,189)
Differences between the employer's contributions and the employer's proportionate share of contributions	—	(167,476)	—	(495,982)
Net differences between projected and actual earnings on plan investments	<u>2,903,077</u>	<u>—</u>	<u>3,083,314</u>	<u>—</u>
Total	<u>\$ 7,033,805</u>	<u>\$ (298,347)</u>	<u>\$ 7,296,286</u>	<u>\$ (720,171)</u>

The District reported \$2,274,308 as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ 1,267,757
2026	880,256
2027	2,229,836
2028	<u>83,301</u>
Total	<u><u>\$ 4,461,150</u></u>



# Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2024 and June 30, 2023

## Note 10 – Employee Retirement Systems (continued)

### B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Deferred outflows of resources related to the contribution made subsequent to the measurement date in the amount of \$2,376,470 were recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Amount
2024	\$ 993,591
2025	854,647
2026	465,546
2027	1,885,861
Total	<u>\$ 4,199,645</u>

**Actuarial Assumptions** – For the measurement period ended June 30, 2023 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2022 total pension liability determined in the June 30, 2022 actuarial accounting valuation. The June 30, 2023 total pension liability was based on the following actuarial methods and assumptions:

	Classic and PEPR Plans
Valuation date	June 30, 2022
Measurement date	June 30, 2023
Actuarial cost method	Entry-Age Normal Cost Method
Actual assumptions:	
Discount rate	6.90%
Inflation	2.75%
Salary increases	(1)
Mortality rate table	(2)
Post retirement benefit increase	(3)

(1) Varies by entry age and service.

(2) The mortality table used was developed based on CalPERS specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the April 2014 experience study report (based on CalPERS demographic data from 1997 to 2014) available on the CalPERS website.

(3) Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter.

**Change in Assumptions** – GASB 68, paragraph 30 states that the long-term expected rate of return should be determined net of pension plan investment expense, but without reduction for pension plan administrative expense. In fiscal year 2024, the actuarial report did not have a change of assumption. In fiscal year 2018, the discount rate was reduced from 7.65% to 7.15%. In fiscal year 2023, the discount rate was changed from 7.15% to 6.90%. All other actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period 2017 to 2021, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found on the CalPERS website.

# Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2024 and June 30, 2023

## Note 10 – Employee Retirement Systems (continued)

### B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

**Discount Rate** – The discount rate used to measure the total pension liability was 6.90% for each Plan and reflects the long-term expected rate of return for each Plan net of investment expenses and without reduction for administrative expenses. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the Plans, the tests revealed the assets would not run out. Therefore, the current 6.90% discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long term expected discount rate of 6.90% is applied to all plans in the Public Employees Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained from the CalPERS website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long term expected rate of return, CalPERS took into account both short term and long term market return expectations as well as the expected pension fund (PERF) cash flows. Taking into account historical returns of all the Public Employees Retirement Funds’ asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C funds), expected compound (geometric) returns were calculated over the short term (first 10 years) and the long-term (11–60 years) using a building block approach. Using the expected nominal returns for both short term and long term, the present value of benefits was calculated for each PERF fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short term and long term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the CalPERS Board effective on July 1, 2021.

Asset Class	New Strategic Allocation	Real Return
Public equity	42.00%	4.54%
Private equity	13.00%	3.84%
Fixed income	30.00%	7.28%
Real assets	15.00%	0.27%
Private debt	5.00%	0.50%
Strategic leverage	–5.00%	–0.59%
Total	<u>100.00%</u>	

# Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2024 and June 30, 2023

## Note 10 – Employee Retirement Systems (continued)

### B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** – The following presents the District's proportionate share of the net pension liability for the Plans, calculated using the discount rate for the Plans, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Classic and PEPRA Plans	
	2024	2023
1% decrease	5.90%	5.90%
Net pension liability	\$ 27,471,747	\$ 25,863,266
Current discount rate	6.90%	6.90%
Net pension liability	\$ 17,930,299	\$ 16,832,760
1% increase	7.90%	8.15%
Net pension liability	\$ 10,076,868	\$ 9,402,895

**Pension Plan Fiduciary Net Position** – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

**Payable to the Pension Plan** – The District had no outstanding contributions to the pension plan required for the year ended June 30, 2024.

## Note 11 – Health Savings Plan

The Voluntary Employee Benefits Association ("VEBA") plan is a medical savings plan establishing a funded health reimbursement plan for eligible employees, former employees, and their dependents and beneficiaries as defined in the Plan pursuant to Internal Revenue Code Section 501 (c) (9). The District's VEBA plan was implemented on July 1, 2014 following the District's Board of Directors adoption of a resolution approving the VEBA program at the June 18, 2014 board meeting. During the years ended June 30, 2024 and 2023, the District contributed \$34,600 and \$32,000 to the VEBA plan, respectively.

## Note 12 – Deferred Compensation Plan and Defined Contribution Plan

The Board has adopted two deferred compensation plans and a defined contribution plan (the Plans) in accordance with Sections 457(b) and 401(a), respectively, of the Internal Revenue Code, and has discretion to amend the Plans. These plans permit all eligible employees to defer taxation of a portion of their income until future years.

All District employees are eligible to participate in the 457(b) plan. Participation in the 457(b) plan is not required and employee contributions may be modified from time to time at the employee's direction. The District makes annual longevity match contributions to the 457(b) plan as specified in its Memorandum of Understanding (MOU) with its Employees Association and Bargaining Unit Members Association.

Eligible participants of the 401(a) plan are the General Manager, Managers, and Supervisors. The District makes annual contribution to the 401(a) plan on behalf of the General Manager, Managers, and Supervisors as specified in the compensation plan.

# Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2024 and June 30, 2023

## Note 12 – Deferred Compensation Plan and Defined Contribution Plan (continued)

Contributions to the Plans and interest earnings are 100 percent vested immediately. Benefits depend solely on the amounts contributed to the Plans plus investment earnings. Plan contributions and earnings are not available to employees until termination, retirement, death, disability, or unforeseeable emergencies. All assets and income of the Plans are held in a trust for the exclusive benefit of plan participants and their beneficiaries. The Plans are not considered part of the District's financial reporting entity.

For fiscal year 2024, the employee and employer contributions to the 457(b) plan were \$541,359 and \$104,500, respectively, and the 401(a) plan had employer contributions of \$28,000.

## Note 13 – Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; and natural disasters. The District purchases commercial insurance for its exposure to risk other than those under the workers' compensation laws from the Association of California Water Agencies Joint Powers Insurance Authority (JPIA). JPIA is an intergovernmental risk-pooling self-insurance authority, created under provisions of California Government Code Sections 6500 et. seq. The purpose of JPIA is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage. Commercial insurance expense amounted to \$464,988 and \$482,802 for the years ended June 30, 2024 and 2023, respectively.

The District's coverage as part of its participation in the self insurance programs of JPIA is as follows:

General, Automobile, Employment Practices & Public Officials' Liability: Broad coverage against third-party claims for the District, its directors, employees and volunteers. Covered up to the following limits: the JPIA pools for the first \$5 million and purchases excess coverage with limit up to \$55 million with aggregated policy limits.

Property Loss: Covered up to replacement value with a \$10,000 deductible per occurrence on scheduled buildings, fixed equipment and contents. Replacement cost value on scheduled mobile equipment with a \$1,000 deductible per occurrence and replacement cash value on scheduled vehicles with \$500, deductible per occurrence. JPIA is self insured up to \$10,000,000 per loss and has purchased re-insurance coverage up to a \$500,000,000 limit per occurrence. Scheduled fixed equipment is covered for Accidental Mechanical Breakdown up to sub-limit of \$100,000,000 with deductible \$25,000 to \$50,000 depending on type of equipment. Property Program includes Earthquake with aggregate limit of \$2,500,000, and is subject to minimum \$75,000 deductible, Flood Coverage with aggregate limit of \$25,000,000 and subject to a \$100,000 deductible.

Cyber Liability: Including Cyber Security up to \$3,000,000 per occurrence and \$5,000,000 Aggregate Limit. Cyber Liability Deductible varies from \$10,000 to \$100,000 depending on District Total Insured Values.

Employee Dishonesty/Crime Supplement: Insured up to \$1,100,000 per occurrence with a \$1,000 deductible for employee dishonesty, forgery or alteration and computer fraud. The program covers all employees, the Board of Directors, and the Treasurer.

Additionally, the District carries an Excess Crime Policy with a limit of \$1,000,000 per occurrence and \$100,000 deductible that is in full effect.

The District's workers' compensation risk exposure is handled by the District's participation in the Special District Risk Management Authority (SDRMA) established by the California Special Districts Association. SDRMA is a risk pooling joint powers authority formed under the California Government Code to provide workers' compensation coverage for SDRMA's member districts. SDRMA purchases excess insurance from commercial carriers to reduce its exposure to large losses. Workers' compensation expense amounted to \$112,787 and \$123,103 for the years ended June 30, 2024 and 2023, respectively. There were no instances in the past three years where a settlement exceeded the District's coverage provided through SDRMA or through the District's commercial carriers.

# Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2024 and June 30, 2023

## Note 13 – Risk Management (continued)

Workers' Compensation Coverage and Employer's Liability (SDRMA): Statutory limit per occurrence for Workers' Compensation and \$5.0 Million for Employer's Liability Coverage, subject to the terms, conditions and exclusions as provided in the Certificate of Coverage, effective July 1, 2023.

## Note 14 – Net Position

### A. Net Investment in Capital Assets

Net Investment in Capital Assets at June 30 consisted of the following:

	2024	2023
Net investment in capital assets		
Capital assets, nondepreciable	\$ 48,449,778	\$ 42,225,443
Capital assets, depreciable/amortizable, net	322,752,333	332,489,700
Deferred amount on refunding	716,964	857,886
Unspent debt proceeds	810,633	3,877,108
Current portion of long-term debt:		
Waste water revenue bonds	(798,190)	(787,310)
Water revenue refunding bonds	(2,650,000)	(2,520,000)
Special assessment debt with government commitment	(892,931)	(883,019)
Note payable	(846,161)	(415,868)
Subscription liability	(38,096)	(67,952)
Long-term debt, excluding current portion:		
Waste water revenue bonds	(5,947,720)	(6,745,910)
Water revenue refunding bonds	(18,954,304)	(21,958,273)
Special assessment debt with government commitment	(2,797,851)	(3,711,672)
Note payable	(9,083,311)	(9,929,472)
Subscription liability	(9,704)	(47,800)
Total net investment in capital assets	<u>\$ 330,711,440</u>	<u>\$ 332,382,861</u>

# Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2024 and June 30, 2023

## Note 14 – Net Position (continued)

### B. Restricted Net Position

Restricted Net Position at June 30 consisted of the following:

	<u>2024</u>	<u>2023</u>
Net position restricted for debt service:		
<u>Restricted assets</u>		
Cash	\$ 2,387,890	\$ 2,266,117
Investments	50,227	54,144
Taxes/assessments receivable	49,448	53,206
Total restricted assets for debt service	<u>2,487,565</u>	<u>2,373,467</u>
Less liabilities payable from restricted assets	<u>(292,603)</u>	<u>(115,265)</u>
Net position restricted for debt service	<u>2,194,962</u>	<u>2,258,202</u>
Net position restricted for construction:		
<u>Restricted assets</u>		
Cash	4,081,101	3,533,641
Investments	2,515,074	2,707,257
Grants receivable	6,772,199	2,078,788
Total restricted assets for construction	<u>13,368,374</u>	<u>8,319,686</u>
Less liabilities from restricted assets	<u>(109,838)</u>	<u>(74,242)</u>
Less: grants payable	<u>(3,324,102)</u>	<u>—</u>
Net position restricted for construction	<u>9,934,434</u>	<u>8,245,444</u>
Total restricted net position	<u>\$ 12,129,396</u>	<u>\$ 10,503,646</u>

### C. Unrestricted Net Position

Unrestricted funds are the District's Designated Fund Balances. These funds are designated by the District's Board of Directors to carry out specific purposes as stated in the Board Designated Funds Balances Policy ("Policy"). Unrestricted funds are reviewed annually with the Board to ensure compliance with the Policy. Changes to the Policy will require Board's approval. Unrestricted funds at June 30 consisted of the following:

	<u>2024</u>	<u>2023</u>
Capital replacement reserve	\$ 49,772,400	\$ 45,586,928
Rate stabilization reserve	14,491,220	14,492,666
Pension stabilization reserve	738,765	481,838
Operating reserve	8,396,278	7,785,182
	<u>\$ 73,398,663</u>	<u>\$ 68,346,614</u>

The District received refund payments from the San Diego County Water Authority (SDCWA) in 2021 in the amount of \$3,661,917 for overpayments on water wholesale costs to the Metropolitan Water District of Southern California (MWD). The District's Board of Directors voted to return these refund payments to the District's potable water customers on their monthly water bills as a Rate Reimbursement Credit (RRC) of 6.9 cents per unit of water billed, which was later increased to 11 cents per unit of water billed. These funds are held and paid from the District's rate stabilization reserves. As of June 30, 2024, the District has refunded \$1,075,404 to its customers via the RRC, leaving \$2,586,513 in the District's rate stabilization reserves for future refunds.

# Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2024 and June 30, 2023

## Note 15 – Capital Contributions

Capital contributions for the years ended June 30, 2024 and 2023 were as follows:

	2024	2023
Contribution of capital assets	\$ 605,565	\$ 386,344
Other	6,378,506	3,254,238
Total	<u>\$ 6,984,071</u>	<u>\$ 3,640,582</u>

## Note 16 – Economic Dependency

All potable water sold by the District is purchased from the San Diego County Water Authority (SDCWA). The District purchased 15,635.4 acre-feet (AF) of potable water during fiscal year 2024, and 15,921.4 AF during fiscal year 2023. An acre foot (AF) is a unit of measure equivalent to 325,900 gallons of water, which meets the needs of two average families for one year. The District continues to offset potable water consumption used for irrigation with recycled water through the expansion of its recycled water system. The prospect of future droughts as well as water supply shortages drives the need to diversify water supplies by developing alternative water sources locally to reduce reliance on potable water purchased from SDCWA. Recycled water sold by the District to its retail customers is either produced at the 4S Ranch Water Reclamation Facility or purchased from Rancho Santa Fe Community Services District, the City of San Diego, San Elijo Joint Powers Authority, and Vallecitos Water District.

The District's recycled water system is comprised of two non-contiguous recycled water service areas, the Northwest and Southeast Quadrant. Recycled water sold by the District in the Northwest Quadrant is purchased from Vallecitos Water District and San Elijo Joint Powers Authority. Recycled water sold by the District in the Southeast Quadrant comes from the District's 4S Water Reclamation Facility and purchases from the District's recycled water supplier, the Rancho Santa Fe Community Services District and the City of San Diego.

## Note 17 – Commitments and Contingencies

### A. Contracts

The District has entered into contracts for the engineering and construction of additions to capital assets. Unfulfilled commitments under open contracts as of June 30 are summarized as follows:

	2024	2023
Total open contracts	\$ 19,374,968	\$ 11,529,585
Less costs incurred as of June 30,	(8,692,148)	(5,959,591)
Remaining contractual commitments	<u>\$ 10,682,820</u>	<u>\$ 5,569,994</u>

### B. Litigation

Management is of the opinion that there are no outstanding legal litigations that would have a material effect on the basic financial statements.

### C. Grant Awards

Grant funds received by the District are subject to audit by the grantor agencies. Such audit could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under terms of the grant. Management of the District believes that such disallowances, if any, would not be significant.



# Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2024 and June 30, 2023

## Note 18 – Segment Information

Although the District's financial statements jointly account for water and wastewater (sewer) services, investors in the 2015 and 2016 Water System Refunding Revenue Bonds rely solely on the revenues of the District's water services for repayment. Similarly, investors in the 2021A and 2021B Wastewater Revenue Bonds rely solely on the revenues of the District's wastewater services for repayment. The following condensed financial statements provide a summary of the District's financial information for water and wastewater services for the fiscal year ended June 30, 2024.

### Condensed Statement of Net Position June 30, 2024

	Water Services	Wastewater Services	Total
<b>ASSETS</b>			
Current assets	\$ 94,933,953	\$ 17,566,448	\$ 112,500,401
Capital assets	309,452,671	61,749,440	371,202,111
Long-term assets	10,556,981	—	10,556,981
Other assets	13,717	—	13,717
Total assets	414,957,322	79,315,888	494,273,210
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amount on refunding	716,964	—	716,964
Pension-related deferred outflows of resources	5,786,586	1,247,219	7,033,805
Total deferred outflows of resources	6,503,550	1,247,219	7,750,769
<b>LIABILITIES</b>			
Current liabilities	18,254,568	1,709,458	19,964,026
Long-term liabilities	45,639,359	10,071,689	55,711,048
Total liabilities	63,893,927	11,781,147	75,675,074
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension-related deferred inflows of resources	229,727	68,620	298,347
Lease-related deferred inflows of resources	9,811,059	—	9,811,059
Total deferred inflows of resources	10,040,786	68,620	10,109,406
<b>NET POSITION</b>			
Net investment in capital assets	274,897,276	55,814,164	330,711,440
Restricted for debt service	2,194,962	—	2,194,962
Restricted for construction	9,934,434	—	9,934,434
Unrestricted	60,499,487	12,899,176	73,398,663
Total net position	\$ 347,526,159	\$ 68,713,340	\$ 416,239,499

# Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2024 and June 30, 2023

## Note 18 – Segment Information (continued)

### Changes in Net Position For the Year Ended June 30, 2024

	Water Services	Wastewater Services	Total
<b>OPERATING REVENUES</b>			
Water sales	\$ 56,723,757	\$ —	\$ 56,723,757
Sewer charges	—	5,443,940	5,443,940
Other water operating revenues	1,606,103	—	1,606,103
Total operating revenues	58,329,860	5,443,940	63,773,800
<b>OPERATING EXPENSES</b>			
Cost of purchased water sold	30,712,658	—	30,712,658
Pumping and water treatment	5,246,548	—	5,246,548
Transmission and distribution	4,992,405	—	4,992,405
Sewer collection and treatment	—	2,026,890	2,026,890
Elfin Forest recreation operations	493,779	—	493,779
Facilities maintenance	1,361,448	79,685	1,441,133
Customer services	2,412,185	—	2,412,185
General and administrative	6,957,913	1,742,261	8,700,174
Other operating expenses	395,808	—	395,808
Depreciation and amortization	13,855,789	2,351,743	16,207,532
Total operating expenses	66,428,533	6,200,579	72,629,112
Operating income (loss)	(8,098,673)	(756,639)	(8,855,312)
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Fair market value adjustment	1,136,334	218,873	1,355,207
Investment income	2,533,159	661,984	3,195,143
Property taxes	4,802,446	—	4,802,446
Capacity charges	577,702	—	577,702
Benefit assessments	1,048,779	—	1,048,779
Other nonoperating revenues	1,245,175	116,156	1,361,331
Interest expense, net	(959,973)	(211,543)	(1,171,516)
Other nonoperating expenses	(4,221,089)	(70,384)	(4,291,473)
Total nonoperating revenues (expenses)	6,162,533	715,086	6,877,619
Income (loss) before capital contributions	(1,936,140)	(41,553)	(1,977,693)
Capital contributions	6,497,955	486,116	6,984,071
Change in net position	4,561,815	444,563	5,006,378
Net position, beginning of year, as restated	342,964,344	68,268,777	411,233,121
Net position, end of year	\$ 347,526,159	\$ 68,713,340	\$ 416,239,499

# Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2024 and June 30, 2023

## Note 18 – Segment Information (continued)

### Condensed Statement of Cash Flows For the Year Ended June 30, 2024

	Water Services	Wastewater Services	Total
Net cash provided by operating activities	\$ 4,653,509	\$ 2,271,881	\$ 6,925,390
Net cash provided by noncapital and related financing activities	5,852,863	—	5,852,863
Net cash (used in) capital and related financing activities	(10,303,899)	(5,341,157)	(15,645,056)
Net cash provided by (used in) investing activities	5,830,252	1,370,412	7,200,664
Net increase (decrease) in cash and cash equivalents	6,032,725	(1,698,864)	4,333,861
Cash and cash equivalents, beginning	40,756,590	12,665,155	53,421,745
Cash and cash equivalents, ending	<u>\$ 46,789,315</u>	<u>\$ 10,966,291</u>	<u>\$ 57,755,606</u>

# Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2024 and June 30, 2023

## Note 18 – Segment Information (continued)

The following condensed financial statements provide a summary of the District's financial information for water and wastewater services for the fiscal year ended June 30, 2023.

### Condensed Statement of Net Position June 30, 2023

	Water Services	Wastewater Services	Total
<b>ASSETS</b>			
Current assets	\$ 84,070,451	\$ 19,797,922	\$ 103,868,373
Capital assets	315,590,122	59,125,021	374,715,143
Long-term assets	9,355,778	—	9,355,778
Other assets	17,219	—	17,219
Total assets	<u>409,033,570</u>	<u>78,922,943</u>	<u>487,956,513</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amount on refunding	857,886	—	857,886
Pension-related deferred outflows of resources	5,988,696	1,307,590	7,296,286
Total deferred outflows of resources	<u>6,846,582</u>	<u>1,307,590</u>	<u>8,154,172</u>
<b>LIABILITIES</b>			
Current liabilities	13,609,505	1,178,672	14,788,177
Long-term liabilities	49,798,425	10,617,445	60,415,870
Total liabilities	<u>63,407,930</u>	<u>11,796,117</u>	<u>75,204,047</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension-related deferred inflows of resources	554,532	165,639	720,171
Lease-related deferred inflows of resources	8,953,346	—	8,953,346
Total deferred inflows of resources	<u>9,507,878</u>	<u>165,639</u>	<u>9,673,517</u>
<b>NET POSITION</b>			
Net investment in capital assets	276,913,948	55,468,913	332,382,861
Restricted for debt service	2,258,202	—	2,258,202
Restricted for construction	8,245,444	—	8,245,444
Unrestricted	55,546,750	12,799,864	68,346,614
Total net position	<u>\$ 342,964,344</u>	<u>\$ 68,268,777</u>	<u>\$ 411,233,121</u>

# Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2024 and June 30, 2023

## Note 18 – Segment Information (continued)

### Changes in Net Position For the Year Ended June 30, 2023

	Water Services	Wastewater Services	Total
<b>OPERATING REVENUES</b>			
Water sales	\$ 53,633,877	\$ —	\$ 53,633,877
Sewer charges	—	5,621,985	5,621,985
Other water operating revenues	1,084,666	—	1,084,666
Total operating revenues	54,718,543	5,621,985	60,340,528
<b>OPERATING EXPENSES</b>			
Cost of purchased water sold	29,609,781	—	29,609,781
Pumping and water treatment	4,353,775	—	4,353,775
Transmission and distribution	4,434,815	—	4,434,815
Sewer collection and treatment	—	2,026,695	2,026,695
Elfin Forest recreation operations	386,905	—	386,905
Facilities maintenance	1,203,294	71,457	1,274,751
Customer services	1,753,430	760	1,754,190
General and administrative	5,509,052	1,356,172	6,865,224
Other operating expenses	212,580	—	212,580
Depreciation and amortization	13,582,136	2,328,654	15,910,790
Total operating expenses	61,045,768	5,783,738	66,829,506
Operating income (loss)	(6,327,225)	(161,753)	(6,488,978)
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Fair market value adjustment	(106,538)	(100,747)	(207,285)
Investment income	1,586,693	518,655	2,105,348
Property taxes	4,577,755	—	4,577,755
Capacity charges	1,327,295	—	1,327,295
Benefit assessments	1,045,315	—	1,045,315
Other nonoperating revenues	1,055,260	—	1,055,260
Interest expense, net	(1,073,928)	(146,228)	(1,220,156)
Other nonoperating expenses	(1,799,800)	(136,149)	(1,935,949)
Total nonoperating revenues (expenses)	6,612,052	135,531	6,747,583
Income (loss) before capital contributions	284,827	(26,222)	258,605
Capital contributions	3,183,050	457,532	3,640,582
Change in net position	3,467,877	431,310	3,899,187
Net position, beginning of year, as restated	339,496,467	67,837,467	407,333,934
Net position, end of year	\$ 342,964,344	\$ 68,268,777	\$ 411,233,121

# Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2024 and June 30, 2023

## Note 18 – Segment Information (continued)

### Condensed Statement of Cash Flows For the Year Ended June 30, 2023

	Water Services	Wastewater Services	Total
Net cash provided by operating activities	\$ 7,471,972	\$ 1,820,459	\$ 9,292,431
Net cash provided by noncapital and related financing activities	5,602,430	—	5,602,430
Net cash (used in) capital and related financing activities	(15,518,398)	(3,065,805)	(18,584,203)
Net cash provided by (used in) investing activities	1,204,195	(40,133)	1,164,062
Net increase (decrease) in cash and cash equivalents	(1,239,801)	(1,285,479)	(2,525,280)
Cash and cash equivalents, beginning	41,996,391	13,950,634	55,947,025
Cash and cash equivalents, ending	<u>\$ 40,756,590</u>	<u>\$ 12,665,155</u>	<u>\$ 53,421,745</u>

# Required Supplementary Information (unaudited)

For the years ended June 30, 2024 and June 30, 2023

## Modified Approach for Steel Water Storage Tanks Infrastructure Capital Assets

In accordance with GASB Statement No. 34, the District is required to account for and report infrastructure capital assets. The District defines infrastructure as the basic physical assets including water storage tanks system, used by the District to conduct its business. Each major infrastructure system can be divided into subsystems.

The District has elected to use the Modified Approach as defined by GASB Statement No. 34 for infrastructure reporting for its Steel Water Storage Tanks System. Under GASB Statement No. 34, eligible infrastructure capital assets are not required to be depreciated under the following requirements:

- The District manages the eligible infrastructure capital assets using an assets management system with characteristics of:  
(1) an up-to-date inventory; (2) perform condition assessments and summarize the results using a measurement scale; and  
(3) estimate annual amount to maintain and preserve at the established condition assessment level.

The District documents that the eligible infrastructure capital assets are being preserved approximately at or above the established and disclosed condition assessment level.

In September 2007, the District commissioned a study of the physical condition assessment of the steel water storage tanks. Tank assessment components include tank structure, tank exterior coating, tank interior coating, tank dry interior, tank foundations, tank security and tank safety. The condition assessment will be performed at least every three years. Each tank was assigned a physical condition based on potential defects. A Tank Assessment Index (TAI), a nationally recognized index, was assigned to each tank and expressed in a continuous scale from 1.0 to 10.0, where 1.0 is assigned to the least acceptable physical condition and 10.0 is assigned the physical characteristics of a new tank. During fiscal year 2024, inspections on the various tanks ended in July 2024.

The following conditions were defined:

Condition	TAI Range
Very Good	9.0 – 10.0
Good	7.0 – 8.9
Satisfactory	5.0 – 6.9
Sub Standard	3.0 – 4.9
Unacceptable	1.0 – 2.9

According to the District's policy, a minimum average rating of 5.0 for all steel tanks is considered a satisfactory rating. As of June 30, 2024, 2023, 2022, 2021, and 2020 the District's steel water storage tanks were rated as follows:

Tank #	Name	Size (Gallons)	Type	TAI				
				FY 23/24	FY 22/23	FY 21/22	FY 20/21	FY 19/20
1	4 S-2 Tank	4,000,000	Ground Storage	9.4	9.4	9.4	9.4	8.8
2	Zorro Tank	1,200,000	Ground Storage	9.4	9.5	9.5	9.6	7.8
3	Wiegand Tank	1,000,000	Ground Storage	8.6	8.8	9.0	9.0	9.2
4	Peay Tank	10,000,000	Ground Storage	8.5	8.7	9.0	9.1	8.5
5	Denk Tank	10,000,000	Ground Storage	9.7	9.7	8.2	8.2	8.0
6	4S Tank	10,000,000	Ground Storage	8.9	9.1	9.6	8.7	7.3
7	Cielo Tank	1,000,000	Ground Storage	8.2	8.2	8.3	8.5	8.6
8	Roger Miller Tank	8,000,000	Ground Storage	9.1	9.4	9.4	9.5	9.7
9	Thelma Miller Tank	1,000,000	Ground Storage	9.9	9.9	8.9	8.9	8.9



# Required Supplementary Information (unaudited) (continued)

For the years ended June 30, 2024 and June 30, 2023

## Modified Approach for Steel Water Storage Tanks Infrastructure Capital Assets (continued)

The District expensed \$873,295 and \$865,427 on the steel water storage tanks maintenance for the fiscal years ended June 30, 2024 and 2023, respectively. These expenses delayed deterioration; however, the overall condition of the steel water storage tanks was not improved through these maintenance expenses. The District has estimated that the amount of annual expenses required to maintain the District's steel water storage tanks at the average TAI rating of 5.0 through the year 2024 is a minimum of \$873,294.

A schedule of actual expenses to maintain and preserve the steel water storage tanks at the current level is presented below:

Tank #	Name	Maintenance Expenses 2024		Maintenance Expenses 2023		Maintenance Expenses 2022		Maintenance Expenses 2021		Maintenance Expenses 2020	
		Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
1	4 S-2 Tank	\$ 61,329	\$ 61,329	\$ 63,539	\$ 60,776	\$ 58,290	\$ 58,842	\$ 55,251	\$ 55,251	\$ 55,251	\$ 55,251
2	Zorro Tank	35,778	35,779	37,068	35,456	34,006	34,328	32,233	32,233	32,233	32,233
3	Wiegand Tank	26,877	26,877	27,845	26,635	25,545	25,787	24,213	24,213	24,213	24,213
4	Peay Tank	174,643	174,643	180,936	173,070	165,989	167,563	157,336	157,336	157,336	157,336
5	Denk Tank	185,160	185,160	191,832	183,492	175,985	177,654	166,811	166,811	166,811	166,811
6	4S Tank	175,456	175,456	181,779	173,875	166,762	168,343	158,068	158,068	158,068	158,068
7	Cielo Tank	30,694	30,694	31,800	30,418	29,174	29,450	27,653	27,653	27,653	27,653
8	Roger Miller Tank	155,002	155,002	160,588	153,606	147,322	148,718	139,642	139,642	139,642	139,642
9	Thelma Miller Tank	28,355	28,355	29,377	28,100	26,950	27,206	25,545	25,545	25,545	25,545
Total		<u>\$ 873,294</u>	<u>\$ 873,295</u>	<u>\$ 904,764</u>	<u>\$ 865,428</u>	<u>\$ 830,023</u>	<u>\$ 837,891</u>	<u>\$ 786,752</u>	<u>\$ 786,752</u>	<u>\$ 786,752</u>	<u>\$ 786,752</u>

# Required Supplementary Information (unaudited) (continued)

For the years ended June 30, 2024 and June 30, 2023

## Schedule of Contributions – Defined Benefit Pension Plans

Last Ten Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution (actuarially determined)	\$1,963,308	\$2,065,470	\$1,854,789	\$1,733,027	\$1,509,929	\$1,321,485	\$1,144,038	\$1,026,323	\$ 898,330	\$ 825,748
Contributions in relation to the actuarially determined contributions	<u>2,274,308</u>	<u>2,376,470</u>	<u>1,854,789</u>	<u>2,183,027</u>	<u>1,809,929</u>	<u>1,321,485</u>	<u>1,144,038</u>	<u>1,026,323</u>	<u>898,330</u>	<u>825,748</u>
Contribution deficiency (excess)	<u>\$ (311,000)</u>	<u>\$ (311,000)</u>	<u>\$ —</u>	<u>\$ (450,000)</u>	<u>\$ (300,000)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Covered payroll	\$8,953,066	\$8,748,704	\$7,687,861	\$7,502,733	\$7,168,522	\$6,921,133	\$6,760,547	\$6,392,406	\$6,083,865	\$5,906,665
Contributions as a percentage of covered payroll	25.40%	27.16%	24.13%	29.10%	25.25%	19.09%	16.92%	16.06%	14.77%	13.98%

### Notes to Schedule:

Valuation Date	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
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Methods and Assumptions Used to Determine Contribution Rates:

Single and agent employers	Entry age*
Amortization method	Level percentage of payroll, closed*
Asset valuation method	Market value**
Inflation	2.75%*
Salary increases	Depending on age, service, and type of employment*
Investment rate of return	6.90%, net of pension plan investment expense, including inflation*
Retirement age	50 (2.5%@55), 52 years (2%@62)

\*The valuations for June 30, 2013, 2014, and 2015 (applicable to fiscal years ended June 30, 2015, 2016, and 2017 respectively) included the same actuarial assumptions.

\*\*The valuations for June 30, 2013 (applicable to fiscal year ended June 30, 2015) valued assets using a 15 Year Smoothed Market method. The market value of asset valuation method was utilized for the June 30, 2014, 2015, 2016, 2017, 2018, 2019, 2020, and 2021 valuations (applicable to fiscal years ended June 30, 2016, 2017, 2018, 2019, 2020, 2021, 2022, and 2023, respectively).

# Required Supplementary Information (unaudited) (continued)

For the years ended June 30, 2024 and June 30, 2023

## Schedule of Proportionate Share of the Net Pension Liability

Last Ten Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Miscellaneous and PEPPRA Plan</b>										
Plan's Proportion of the Net Pension Liability	0.35858%	0.35973%	0.41183%	0.34634%	0.34363%	0.33439%	0.32551%	0.12734%	0.12610%	0.10475%
Plan's Proportionate Share of the Net Pension Liability	\$17,930,299	\$16,832,760	\$7,819,768	\$14,608,844	\$13,760,678	\$12,602,286	\$12,831,806	\$11,018,852	\$8,653,737	\$6,517,867
Plan's Covered Payroll	\$8,748,704	\$7,687,861	\$7,502,733	\$7,168,522	\$6,921,133	\$6,760,547	\$6,392,406	\$6,083,865	\$5,906,665	\$5,808,158
Plan's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	204.95%	218.95%	104.23%	203.79%	198.82%	186.41%	200.74%	181.12%	146.51%	112.22%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	74.58%	74.59%	87.14%	74.69%	74.59%	75.38%	73.57%	74.06%	79.86%	83.03%
Plan's Proportionate Share of Aggregate Employer Contributions	\$2,274,308	\$2,376,470	\$2,084,274	\$1,926,217	\$1,673,663	\$1,469,602	\$1,351,241	\$1,196,711	\$1,116,013	\$862,289

# Required Supplementary Information (unaudited) (continued)

For the years ended June 30, 2024 and June 30, 2023

## Schedule of Proportionate Share of the Net Pension Liability (continued)

### Notes to Schedule:

#### Benefit Changes:

There were no changes in benefits.

#### Changes in Assumptions:

##### From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

##### From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

##### From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

##### From fiscal year June 30, 2018 to June 30, 2022:

There were no changes in assumptions.

##### Fiscal year June 30, 2023:

The discount rate was reduced from 7.15% to 6.90%.

##### Fiscal year June 30, 2024:

There were no changes in assumptions.



# Statistical Section

## ANNUAL COMPREHENSIVE FINANCIAL REPORT



1994 – 35TH ANNIVERSARY





*"LILAC GIRAFFE"*

*Submitted by Teresa Chase*

2024 Elfin Forest Recreation Reserve Photo Contest – Employee Winner



# Statistical Section

Government Accounting Standards Board (GASB) Statement No. 44 “Economic Condition Reporting: The Statistical Section (an amendment of NCGA Statement 1)” requires that statistical information be presented as part of the Annual Comprehensive Financial Report.

## Contents

## Table No.

### Financial Trends

I – II

These tables show the current and historical financial trends regarding the nature of investments and ownership during the reporting period to assess the liquidity and financial strength of the District.

Net Position is the accumulated value of the District’s assets minus its liabilities. Changes in Net Position (total revenue less total expenses) measures the success of the District’s operations during the reporting period and its ability to meet its financial commitments.

### Revenue Capacity

III – IX

These tables provide more detailed information about the District’s revenues and expenses. Tables presented in this section show the District’s activities during the reporting year broken down by sources to provide the reader with more information in assessing the District’s financial health over the reporting period. These tables can also be used to assess whether or not the District has successfully recovered all of its costs through its users fees and other charges.

The District’s user rates and charges are established by the Board of Directors and are not subject to regulation by the California Public Utilities Commission or by any other local, state, or federal agency. The District is in compliance with Article XIID of the California State Constitution and Proposition 218 Omnibus Implementation Act.

While the District does not assess a special tax rate, it receives a proportionate amount of ad-valorem tax as established by Proposition 13. The District levies and collects, through the San Diego County Tax Assessor office, for the Reassessment District 96-1 bonds. This assessment revenue is collected to repay for bonds issued to finance the construction of the Olivenhain Dam and Reservoir project.

### Debt Capacity

X – XV

These tables provide information on the District’s ability to issue additional debt in the future.

### Demographic and Economic Information

XVI – XVII

Tables presented in this section will help the reader assess the District’s community profile. Since the District’s service area overlaps between several major cities and includes an unincorporated area, statistical information included in these tables represent the San Diego County economic data as a whole. Demographic and economic data presented have been collected from reasonably accurate sources, however, they should not be relied on in connection with any issuance of bonds.

### Operating Information

XVIII – XIX

Tables presented contain internal information about the District’s water and sewer operations to measure operational efficiency.

# Table I – Net Position by Component (Water and Wastewater)

Last Ten Fiscal Years

	Fiscal Year ended June 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Primary government</b>										
Net investment in capital assets	\$ 330,711,440	\$ 332,382,861	\$ 328,832,740	\$ 330,855,961	\$ 330,720,794	\$ 321,290,220	\$ 322,232,147	\$ 322,388,785	\$ 322,493,799	\$ 315,240,098
Restricted	12,129,396	10,503,646	7,727,858	7,121,300	6,593,159	10,947,134	10,912,202	11,690,890	15,355,420	20,852,200
Unrestricted <sup>(1)</sup>	73,398,663	68,346,614	70,773,336	69,458,948	60,757,811	62,445,287	57,908,178	53,114,033	48,664,923	50,582,280
Total net position	\$ 416,239,499	\$ 411,233,121	\$ 407,333,934	\$ 407,436,209	\$ 398,071,764	\$ 394,682,641	\$ 391,052,527	\$ 387,193,708	\$ 386,514,142	\$ 386,674,578

Source: Olivenhain Municipal Water District

**Note:** (1) Unrestricted Net Position includes \$2,586,513 in rebate payments from SDCWA that are being refunded to the District's customers via the Rate Reimbursement Credit (RRC) program. The District received a total of \$3,661,917 from SDCWA in 2022 and 2021, \$1,075,404 of which has been refunded to customers as of June 2024.

# Table II – Changes in Net Position

Last Ten Fiscal Years

	Fiscal Year ended June 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Operating Revenues</b>										
Water sales	\$ 56,723,757	\$ 53,633,877	\$ 57,747,541	\$ 58,169,813	\$ 50,430,847	\$ 48,238,490	\$ 53,444,449	\$ 45,433,161	\$ 40,936,218	\$ 45,145,400
Sewer charges	5,443,940	5,621,985	5,480,925	5,127,136	4,952,194	5,245,015	4,464,710	4,447,426	4,474,853	4,656,781
Other water operating revenues	1,606,103	1,084,666	1,303,126	1,461,229	2,200,252	2,269,665	2,271,495	2,217,932	1,560,779	1,077,003
Total operating revenues	\$ 63,773,800	\$ 60,340,528	\$ 64,531,592	\$ 64,758,178	\$ 57,583,293	\$ 55,753,170	\$ 60,180,654	\$ 52,098,519	\$ 46,971,850	\$ 50,879,184
<b>Operating Expenses</b>										
Cost of purchased water sold	\$ 30,712,658	\$ 29,609,781	\$ 31,265,804	\$ 30,601,983	\$ 27,188,350	\$ 25,532,687	\$ 27,578,413	\$ 24,568,729	\$ 21,979,036	\$ 23,634,844
Pumping and water treatment	5,246,548	4,353,775	4,322,820	4,378,418	4,139,526	4,028,711	4,129,127	3,988,991	3,390,124	3,629,349
Transmission and distribution	4,992,405	4,434,815	4,485,962	4,220,269	4,090,468	3,480,238	3,557,507	3,874,766	3,482,086	3,348,083
Sewer collection and treatment	2,026,890	2,026,695	2,170,341	2,085,237	1,980,603	1,631,657	1,845,906	1,672,289	1,758,907	1,703,761
Elfin Forest recreation operations	493,779	386,905	428,174	415,386	381,540	376,635	337,557	316,387	287,923	187,525
Facilities maintenance	1,441,133	1,274,751	1,387,010	1,363,564	1,456,702	1,224,506	1,083,246	1,154,241	843,456	888,677
Customer services	2,412,185	1,754,190	2,036,267	2,348,700	2,404,916	1,817,086	1,734,656	1,789,423	1,757,388	1,205,838
General and administrative	8,700,174	6,865,224	7,745,048	7,041,160	7,326,820	6,926,933	7,252,941	6,265,690	5,388,804	5,141,239
Other operating expenses	395,808	212,580	304,037	228,939	329,185	407,811	244,817	388,995	—	—
Depreciation and amortization	16,207,532	15,910,790	16,132,953	15,559,523	15,029,936	14,892,827	14,584,093	15,069,090	13,053,286	13,757,848
Total operating expenses	\$ 72,629,112	\$ 66,829,506	\$ 70,278,416	\$ 68,243,179	\$ 64,328,046	\$ 60,319,091	\$ 62,348,263	\$ 59,088,601	\$ 51,941,010	\$ 53,497,164
Operating income (loss)	(8,855,312)	(6,488,978)	(5,746,824)	(3,485,001)	(6,744,753)	(4,565,921)	(2,167,609)	(6,990,082)	(4,969,160)	(2,617,980)
<b>Non-operating Revenues (Expenses)</b>										
Investment income, net										
of market value adjustment <sup>(1)</sup>	\$ 4,550,350	\$ 1,898,063	\$ (2,064,940)	\$ (107,057)	\$ 1,542,608	\$ 2,135,687	\$ 658,473	\$ 230,271	\$ 514,911	\$ 457,182
Property taxes	4,802,446	4,577,755	4,242,794	4,027,357	3,863,252	3,714,060	3,557,919	3,414,858	3,268,438	3,066,946
Capacity charges	577,702	1,327,295	1,530,925	2,754,730	3,200,022	2,337,015	645,964	3,624,426	1,482,945	1,792,125
Benefit assessments	1,048,779	1,045,315	1,058,241	1,177,302	1,115,704	1,474,830	1,414,791	1,460,881	1,451,751	1,375,093
Other non-operating revenues	1,361,331	1,055,260	2,237,334 <sup>(2)</sup>	6,592,672 <sup>(2)</sup>	91,836	67,097	2,669	278,589	53,458	137,836
Interest expense, net	(1,171,516)	(1,220,156)	(1,322,948)	(1,419,009)	(1,457,739)	(1,794,797)	(2,120,456)	(2,342,667)	(2,629,591)	(2,879,588)
Other non-operating expenses <sup>(3)</sup>	(4,291,473) <sup>(4)</sup>	(1,935,949) <sup>(4)</sup>	(606,602)	(1,076,547)	(1,458,033)	(1,036,442)	(561,079)	(1,012,913)	(1,211,973)	(358,178)
Total non-operating revenues (expenses)	\$ 6,877,619	\$ 6,747,583	\$ 5,074,804	\$ 11,949,448	\$ 6,897,650	\$ 6,897,450	\$ 3,598,281	\$ 5,653,445	\$ 2,929,939	\$ 3,591,416
Income before capital contributions	(1,977,693)	258,605	(672,020)	8,464,447	152,897	2,331,529	1,430,672	(1,336,637)	(2,039,221)	973,436
Capital contributions	6,984,071	3,640,582	569,745	899,998	3,236,226	1,298,585	2,428,147	2,016,203	1,878,785	4,524,509
<b>Change in net position</b>	5,006,378	3,899,187	(102,275)	9,364,445	3,389,123	3,630,114	3,858,819	679,566	(160,436)	5,497,945
<b>Net position</b>										
Beginning of year	\$ 411,233,121	\$ 407,333,934	\$ 407,436,209	\$ 398,071,764	\$ 394,682,641	\$ 391,052,527	\$ 387,193,708	\$ 386,514,142	\$ 386,674,578	\$ 389,896,221
Prior year adjustment/ equity adjustment	—	—	—	—	—	—	—	—	—	(8,719,588)
End of year	\$ 416,239,499	\$ 411,233,121	\$ 407,333,934	\$ 407,436,209	\$ 398,071,764	\$ 394,682,641	\$ 391,052,527	\$ 387,193,708	\$ 386,514,142	\$ 386,674,578

Source: Olivenhain Municipal Water District

**Note:** (1) Fair market value adjustment of \$1,355,207 for FY 2024, \$(207,285) for FY 2023, \$(2,467,642) for FY 2022 and \$(562,019) for FY 2021.

(2) Includes rate refunds from SDCWA in the amount of \$2,039,332 in FY 2021 and \$1,622,585 in FY 2022, a total of \$3,661,917. These amounts are currently being refunded to customers as part of the District's Rate Reimbursement Credit (RRC) program. As of June 2024, the District has refunded \$1,075,404 to customers via the RRC program.

(3) Includes mainly MET Rate Reimbursement Credit, Loss on sale of fixed assets, and grant pass-through amounts.

(4) Includes of grant pass through expenses for the Tittle 16 Grant. \$3.3 million in FY 2024 and \$1.0 million in FY 2023.

# Table III – Revenues by Source

Last Ten Fiscal Years

Fiscal Year Ended	OPERATING REVENUES						NONOPERATING REVENUES						
	Water Sales <sup>(1)</sup>	Service Charges <sup>(1)</sup>	Meter Installs	Sewer Charges	Other <sup>(2)</sup>	Total Operating Revenues	Investment Income <sup>(3)</sup>	Prop. Taxes and Benefit Assessment	Capacity Charges <sup>(4)</sup>	Capital Contributions <sup>(5)</sup>	Other <sup>(2)</sup>	Total Non-operating Revenues	TOTAL REVENUES
2024	\$39,767,355	\$16,956,402	\$ (891)	\$ 5,443,940	\$ 1,606,994	\$63,773,800	\$ 4,550,350	\$ 5,851,225	\$ 577,702	\$ 6,984,071	\$ 1,361,331	\$19,324,679	\$83,098,479
2023	37,503,235	16,130,642	2,017	5,621,985	1,082,649	60,340,528	1,898,063	5,623,070	1,327,295	3,640,582	1,055,260	13,544,270	73,884,798
2022	42,215,756	15,531,785	1,116	5,480,925	1,302,010	64,531,592	(2,064,940)	5,301,035	1,530,925	569,745	2,237,334	7,574,099	72,105,691
2021	42,879,845	15,289,968	11,940	5,127,136	1,449,289	64,758,178	(107,057)	5,204,659	2,754,730	899,998	6,592,672	15,345,002	80,103,180
2020	35,794,646	14,636,202	5,279	4,952,194	2,194,972	57,583,293	1,542,608	4,978,956	3,200,022	3,236,226	91,836	13,049,648	70,632,941
2019	33,747,315	14,491,175	5,891	5,245,015	2,263,774	55,753,170	2,135,687	5,188,890	2,337,015	1,298,585	67,097	11,027,274	66,780,444
2018	39,411,902	14,032,547	5,405	4,464,710	2,266,090	60,180,654	658,473	4,972,710	645,964	2,428,147	2,669	8,707,963	68,888,617
2017	32,160,956	13,272,205	8,590	4,447,426	2,209,342	52,098,519	230,271	4,875,739	3,624,426	2,016,203	278,589	11,025,228	63,123,747
2016	28,335,031	12,601,187	(23,890)	4,474,853	1,584,669	46,971,850	514,911	4,720,189	1,482,945	1,878,785	53,458	8,650,288	55,622,138
2015	33,309,929	11,835,471	49,247	4,656,781	1,027,756	50,879,184	457,182	4,442,039	1,792,125	4,524,509	137,836	11,353,691	62,232,875

Source: Olivenhain Municipal Water District

**Notes:** (1) Includes estimated unbilled water revenue, miscellaneous water sales, recycled commodity sales, and fixed monthly fees.

(2) Other revenues includes excess treated water capacity revenues, rental income, MWD lawsuit settlements, sale of District parcels, and demand offset fees.

(3) Net of fair market value adjustment (fair market value adjustment of \$1,355,207 for FY 2024, \$(207,285) for FY 2023, \$(2,467,642) for FY 2022 and \$(562,019) for FY 2021).

(4) Fees paid by developers and new customers for water services.

(5) Cash contributions or contributions of capital assets in kind or when governmental constructions are earned.

# Table IV – Expenses by Function

Last Ten Fiscal Years

Fiscal Year Ended	OPERATING EXPENSES								NONOPERATING EXPENSES			
	Cost of Water Sold	Pumping and Water Treatment	Transmission and Distribution	Sewer Collection and Treatment	Customer Services	Depreciation and Amortization	Other <sup>(1)</sup>	Total Operating Expenses	Interest Expense	Other <sup>(2)</sup>	Total Non-operating Expenses	TOTAL EXPENSES
2024	\$30,712,658	\$ 5,246,548	\$ 4,992,405	\$ 2,026,890	\$ 2,412,185	\$16,207,532	\$11,030,894	\$72,629,112	\$ 1,171,516	\$ 4,291,473	\$ 5,462,989	\$78,092,101
2023	29,609,781	4,353,775	4,434,815	2,026,695	1,754,190	15,910,790	8,739,460	66,829,506	1,220,156	1,935,949	3,156,105	69,985,611
2022	31,265,804	4,322,820	4,485,962	2,170,341	2,036,267	16,132,953	9,864,269	70,278,416	1,322,948	606,602	1,929,550	72,207,966
2021	30,601,983	4,378,418	4,220,269	2,085,237	2,348,700	15,559,523	9,049,049	68,243,179	1,419,009	1,076,547	2,495,556	70,738,735
2020	27,188,350	4,139,526	4,090,468	1,980,603	2,404,916	15,029,936	9,494,247	64,328,046	1,457,739	1,458,033	2,915,772	67,243,818
2019	25,532,687	4,028,711	3,480,238	1,631,657	1,817,086	14,892,827	8,935,885	60,319,091	1,794,797	1,036,442	2,831,239	63,150,330
2018	27,578,413	4,129,127	3,557,507	1,845,906	1,734,656	14,584,093	8,918,561	62,348,263	2,120,456	561,079	2,681,535	65,029,798
2017	24,568,729	3,988,991	3,874,766	1,672,289	1,789,423	15,069,090	8,125,313	59,088,601	2,342,667	1,012,913	3,355,580	62,444,181
2016	21,979,036	3,390,124	3,482,086	1,758,907	1,757,388	13,053,286	6,520,185	51,941,010	2,629,591	1,211,973	3,841,564	55,782,574
2015	23,634,844	3,629,349	3,348,083	1,703,761	1,205,838	13,757,848	6,217,441	53,497,164	2,879,588	358,178	3,237,766	56,734,930

Source: Olivenhain Municipal Water District

**Notes:** (1) Includes General and Administrative, Facilities Maintenance, and Elfin Forest Recreational Reserve operations, and miscellaneous operating expenses such as expenses related to Work for Others projects.

(2) Includes loss on disposal of capital assets, water rebate payments to customers from SDCWA/MWD rate refunds, and miscellaneous other non-operating expenses such as bank fees and bond consultants. Fiscal Years 2024 and 2023 also include approximately \$3.3 million and \$1.0 million, respectively, of pass-through grant funds that were disbursed to subrecipient members of the North San Diego Water Reuse Coalition (NSDWRC).

# Table V – Water Sales by Source<sup>(1)</sup>

Last Ten Fiscal Years

Fiscal Year Ended	Domestic/Commercial			Agriculture			Recycled Water			Total		Combined Direct Rate <sup>(2)</sup>	
	Value	Acre Feet	% of Total	Value	Acre Feet	% of Total	Value	Acre Feet	% of Total	Value	Acre Feet	\$/Acre Feet	\$/HCF
2024	\$ 34,742,474	14,158.6	88.8%	\$ 453,107	163.2	1.2%	\$ 3,918,060	2,192.4	10.0%	\$ 39,113,642	16,514.2	\$ 2,368	\$ 5.44
2023	33,831,813	14,657.2	88.7%	475,857	183.9	1.2%	3,821,445	2,270.1	10.0%	38,129,114	17,111.2	2,228	5.12
2022	38,105,626	17,179.4	88.7%	373,711	237.5 <sup>(3)</sup>	0.9%	4,481,597	2,773.8	10.4%	42,960,934	20,190.6	2,128	4.88
2021	37,551,897	17,477.5	88.2%	820,954	479.3	1.9%	4,204,817	2,719.3	9.9%	42,577,668	20,676.1	2,059	4.73
2020	30,779,447	15,174.0	87.9%	631,705	420.7	1.8%	3,619,602	2,182.8	10.3%	35,030,754	17,777.5	1,971	4.52
2019	30,025,491	15,221.1	87.5%	629,535	457.6	1.8%	3,655,658	2,227.7	10.7%	34,310,684	17,906.3	1,916	4.40
2018	33,672,603	17,455.7	87.2%	805,794	583.1	2.1%	4,137,994	2,615.3	10.7%	38,616,391	20,654.0	1,870	4.29
2017	27,946,765	15,500.9	87.8%	630,479	475.3	2.0%	3,262,852	2,252.3	10.2%	31,840,096	18,228.5	1,747	4.01
2016	25,085,001	14,310.2	88.3%	787,221	497.0	2.8%	2,533,961	1,856.2	8.9%	28,406,182	16,663.4	1,705	3.91
2015	29,914,133	17,992.9	87.7%	1,092,527	706.8	3.2%	3,112,981	2,323.3	9.1%	34,119,641	21,023.0	1,623	3.73

Source: Olivenhain Municipal Water District

Notes: (1) Exclude unbilled water sales.

(2) Calculated based on total water sales divided by total volume. 1 acre-foot = 43,600 cubic feet = 325,900 gallons.

(3) Decrease in FY 2022 due to reclassing certain Agricultural customers to Domestic/Commercial that did not meet requirements for the PSAWR (Ag) program set forth by SDCWA.

# Table VI – Rate by Activity

Last Ten Fiscal Years

	Fiscal Year ended June 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016 <sup>(5)</sup>	2015
<b>Potable Water<sup>(1)</sup></b>										
Monthly system access charge	\$ 44.79	\$ 41.94	\$ 40.41	\$ 39.44	\$ 38.46	\$ 37.70	\$ 37.70	\$ 36.08	\$ 33.88	\$ 31.97
Monthly commodity charge										
Domestic rate										
1st tier	4.24	3.92	3.68	3.39	3.30	2.71	2.64	2.53	2.50	2.25
2nd tier	6.14	5.69	5.34	5.02	4.90	4.75	4.62	4.43	4.35	3.93
3rd tier	6.85	6.35	5.96	5.63	5.49	5.61	5.46	5.23	5.60	4.65
4th tier	8.14	7.55	7.09	6.74	6.58	6.58	6.40	6.13	6.26	5.44
Rate Reimbursement Credit <sup>(6)</sup>	(0.110)	(0.069)	(0.069)	—	—	—	—	—	—	—
Commercial rate										
1st tier	5.78	5.35	5.02	4.71	4.59	4.07	3.96	3.79	3.64	3.36
Irrigation <sup>(2)</sup>										
1st tier	6.50	6.02	5.65	5.33	5.20	4.35	4.23	4.05	3.99	3.60
2nd tier	6.94	6.43	6.04	5.71	5.57	5.90	5.74	5.50	5.61	4.88
Agricultural rate	6.75	6.26	5.88	5.55	5.42	4.75	4.62	4.43	4.26	3.93
PSAWR/TSARW credit <sup>(3)</sup>	(1.34)	(1.17)	(1.11)	(0.97)	(0.99)	(0.94)	(0.95)	(0.89)	(0.90)	(0.77)
<b>Recycled<sup>(1)</sup></b>										
Monthly system access charge	\$ 44.79	\$ 41.94	\$ 40.41	\$ 39.44	\$ 38.46	\$ 37.70	\$ 37.70	\$ 36.08	\$ 33.88	\$ 31.97
Monthly commodity charge										
uniform rate	4.29	4.04	3.79	3.65	3.61	3.85	3.75	3.59	3.37	3.18
<b>Sewer<sup>(1)</sup></b>										
Annual system access charge per EDU <sup>(4)</sup>										
4S Ranch	\$ 197.52	\$ 191.76	\$ 186.17	\$ 181.09	\$ 181.09	\$ 175.81	\$ 170.68	\$ 165.70	\$ 147.00	\$ 147.00
Rancho Cielo	197.52	191.76	186.17	181.09	181.09	175.81	170.68	165.70	147.00	147.00
Multi-family and commercial	156.31	151.75	147.33	181.09	181.09	175.81	170.68	165.70	147.00	147.00
Commodity charge per unit										
Domestic rate	7.24	7.02	6.81	6.59	6.59	6.39	6.20	6.01	6.00	6.00
Multi-family rate	7.24	7.02	6.81	6.59	6.59	6.39	6.20	6.01	6.00	6.00
Commercial rate										
Group I	7.24	7.02	6.81	6.59	6.59	6.39	6.20	6.01	6.00	6.00
Group II	10.02	9.72	9.43	10.16	10.16	9.86	9.57	9.29	9.29	9.29
Group III	—	—	—	11.36	11.36	11.02	10.69	10.37	15.86	15.86

Source: Olivenhain Municipal Water District

Notes: (1) Commodity charges are for one unit of water (1 unit = 748 gallons).

(2) Irrigation tiers are based on seasonal allotments by meter size.

(3) Permanent/Transitional Special Agricultural Water Rate is calendar year based (January 1 to December 31).

(4) An Equivalent Dwelling Unit (EDU) means the standard measurement of sewage discharged into the sewer system equal to the average discharge from a detached single family unit.

(5) Water Supply Shortage Level 2 Rate.

(6) Rate refunds recived in FY 2021 and 2022 from SDCWA/MWD given back to customers as a per unit bill credit each month.

# Table VII – Principal Water Consumers

Current and Nine Years Ago

## FISCAL YEAR ENDED 2024

Customer Name	Usage (AF)	% of Water Sold
The Bridges Club at RSF Inc. <sup>(1)</sup>	760.7	4.61%
4S Ranch Master HOA <sup>(2)</sup>	449.4	2.72%
Bando National Corporation <sup>(2)(3)</sup>	252.7	1.53%
La Costa Glen Carlsbad LLC <sup>(1)</sup>	226.9	1.37%
La Costa Oaks Association <sup>(2)</sup>	222.9	1.35%
Rancho Santa Fe Farms Golf Inc. <sup>(2)</sup>	217.8	1.32%
Del Mar Country Club <sup>(2)</sup>	188.7	1.14%
Cielo Homeowners Association <sup>(1)</sup>	186.0	1.13%
Crosby Estates HOA <sup>(2)</sup>	177.8	1.08%
Sea Point La Costa HOA <sup>(1)</sup>	159.9	0.97%
Total top ten consumers	2,842.8	17.21%
Other consumers	13,671.4	82.79%
Total water billed	16,514.2	100.00%

## FISCAL YEAR ENDED 2015

Customer Name	Usage (AF)	% of Water Sold
4S Ranch Master HOA	467.9	2.23%
Fairbanks Ranch Country Club	373.7	1.78%
The Bridges Club at Rest Inc.	327.1	1.56%
Del Mar Country Club	243.8	1.16%
La Costa Oaks Association	215.6	1.03%
Rancho Santa Fe Farms Golf Inc.	194.4	0.92%
Crosby National Golf Club	192.4	0.92%
Crosby Estates HOA	178.6	0.85%
La Costa Glen Carlsbad	138.9	0.66%
Cielo Homeowners Association	134.4	0.64%
Total top ten consumers	2,466.8	11.73%
Other consumers	18,556.3	88.27%
Total water billed	21,023.0	100.00%

Source: Olivenhain Municipal Water District

**Note:** (1) Mainly potable water customer.

(2) Mainly recycled water customer.

(3) Previously named Crosby National Golf Club.

# Table VIII – Principal Wastewater (Sewer) Customers

Current and Four Years Ago

## FISCAL YEAR ENDED 2024

Customer Name	Amount Billed	% of Total Sewer Billed
4S Ranch Holdco LLC	\$ 553,237	10.16%
Cymer Inc.	545,768	10.03%
Amante and Ravenna at 4S Ranch	392,336	7.21%
Summit of Rancho Bernardo HOA	288,439	5.30%
Poway Unified School District	265,484	4.88%
Gianni at 4S Ranch	226,780	4.17%
Bridgeport 4S	212,812	3.91%
San Moritz at 4S Ranch HOA	167,578	3.08%
4S Regency Partners LLC	162,184	2.98%
Dove Canyon Apartments	154,045	2.83%
Total top ten consumers	2,968,664	54.53%
Other consumers	2,475,276	45.47%
Total sewer billed	\$ 5,443,940	100.00%

## FISCAL YEAR ENDED 2020

Customer Name	Amount Billed	% of Total Sewer Billed
4S Ranch Holdco LLC	\$ 470,755	9.53%
Cymer Inc.	465,287	9.42%
Amante and Ravenna at 4S Ranch	355,164	7.19%
Summit of Rancho Bernardo HOA	304,500	6.16%
Poway Unified School District	261,516	5.29%
Gianni at 4S Ranch	213,207	4.32%
Bridgeport 4S	188,358	3.81%
San Moritz at 4S Ranch HOA	150,443	3.05%
4S Regency Partners LLC 00760	139,674	2.83%
Dove Canyon Apartments	135,630	2.75%
Total top ten consumers	2,684,534	54.34%
Other consumers	2,255,477	45.66%
Total sewer billed	\$ 4,940,010	100.00%

Source: Olivenhain Municipal Water District

# Table IX – Property Tax and Special Assessment

Last Ten Fiscal Years

Fiscal Year Ended	Current Year Levy <sup>(1)</sup>			Total Collection Through June 30 <sup>(4)</sup>	Net Uncollected at June 30	Percent Uncollected at June 30
	Property Taxes <sup>(2)</sup>	Special Assessment <sup>(3)</sup>	Total Levy			
2024	\$ 4,716,595	\$ 1,032,120	\$ 5,748,715	\$ 5,835,739	\$ (87,024)	-1.51%
2023	4,466,104	1,032,342	5,498,447	5,584,041	(85,594)	-1.56%
2022	4,157,765	1,029,837	5,187,602	5,247,821	(60,219)	-1.16%
2021	3,998,833	1,054,717	5,053,550	5,103,286	(49,737)	-0.98%
2020	3,878,790	1,027,879	4,906,669	4,890,204	16,465	0.34%
2019	3,670,386	1,417,674	5,088,059	5,103,906	(15,847)	-0.31%
2018	3,578,486	1,417,716	4,996,202	4,973,806	22,396	0.45%
2017	3,371,836	1,438,673	4,810,509	4,856,043	(45,534)	-0.95%
2016	3,237,786	1,432,319	4,670,105	4,698,456	(28,351)	-0.61%
2015	3,065,704	1,436,411	4,502,115	4,457,893	44,222	0.98%

Source: County of San Diego Office of the Auditor Controller

**Notes:** (1) Excludes Wastewater Service and Stand-by Charges collected on the County's tax roll.

(2) Includes only current secured and unsecured charges. Excludes delinquent charges, which were reported in previous year.

(3) Special Assessment includes special assessment debt with government commitment (RAD 96-1).

(4) Includes monies collected for all outstanding years, and includes late charges and interest on delinquent payments collected.

# Table X – Assessed Value of Taxable Property

Last Ten Fiscal Years

Fiscal Year Ended	SECURED			Net Assessed Secured Value	Assessed Unsecured Value	Total Assessed Value
	Real Property	Personal Property	Exemptions			
2024	\$29,750,083,901	\$ 31,170,448	\$ (344,505,718)	\$29,436,748,631	\$ 516,144,903	\$29,952,893,534
2023	28,259,090,456	29,421,612	(326,716,447)	27,961,795,621	428,194,797	28,389,990,418
2022	26,419,545,022	19,958,978	(303,262,519)	26,136,241,481	335,348,712	26,471,590,193
2021	25,473,591,937	40,376,998	(303,002,411)	25,210,966,524	438,607,395	25,649,573,919
2020	24,494,325,764	37,689,822	(283,228,046)	24,248,787,540	370,522,672	24,619,310,212
2019	23,391,490,448	39,283,241	(271,258,202)	23,159,515,487	372,459,609	23,531,975,095
2018	22,371,096,064	48,645,131	(270,514,800)	22,149,226,395	281,799,829	22,431,026,224
2017	21,383,894,218	67,716,928	(259,092,644)	21,192,518,502	247,856,828	21,440,375,330
2016	20,566,012,446	83,195,335	(226,276,546)	20,422,931,235	211,765,389	20,634,696,624
2015	19,505,795,291	94,184,239	(219,022,211)	19,380,957,319	241,734,960	19,622,692,279

Source: Office of the Auditor Controller, County of San Diego

**Note:** The District receives its proportionate share of property taxes levied by the County of San Diego in accordance with Proposition 13. The District neither sets its own tax rate nor assesses a tax rate. The County of San Diego bills and collects the District's sewer service charges on behalf of the District.

# Table XI – Ratios of Net Bonded Debt to Assessed Value and Net Bonded Debt Per Capita

Last Ten Fiscal Years

Fiscal Year Ended	Gross Bonded Debt <sup>(1)</sup>	Add: Premium <sup>(2)</sup>	Less: Reserve Funds <sup>(3)</sup>	Net Bonded Debt	Total Secured Real Property <sup>(4)</sup>	Debt to Total Secured Real Property	Population Estimate <sup>(5)</sup>	Net Bonded Debt Per Capita	Personal Income	As a Share of Personal Income
2024	\$ 3,690,782	\$ —	\$ 54,918	\$ 3,635,864	\$ 29,750,083,901	0.01%	86,458	\$ 42	\$ 6,775,367,628	0.05%
2023	4,594,691	—	79,155	4,515,536	28,259,090,456	0.02%	86,441	52	6,355,401,643	0.07%
2022	5,457,755	—	82,152	5,375,603	26,419,545,022	0.02%	86,614	62	6,055,791,038	0.09%
2021	6,300,863	—	247,578	6,053,286	25,473,591,937	0.02%	86,649	70	5,717,794,212	0.11%
2020	7,130,000	—	71,899	7,058,101	24,494,325,764	0.03%	87,084	81	5,379,178,680	0.13%
2019	9,765,000	22,870	1,438,918	8,348,952	23,391,490,448	0.04%	86,997	96	5,167,708,797	0.16%
2018	10,625,000	25,671	1,431,668	9,219,003	22,371,096,064	0.04%	86,478	107	4,987,791,606	0.18%
2017	11,670,000	28,471	1,435,593	10,262,878	21,383,894,218	0.05%	85,792	120	4,842,786,816	0.21%
2016	12,485,000	31,272	1,397,568	11,118,704	20,566,012,446	0.05%	85,010	131	4,690,851,800	0.24%
2015	13,270,000	34,072	1,398,953	11,905,119	19,505,795,291	0.06%	84,352	141	4,529,364,992	0.26%

Source: Olivenhain Municipal Water District, the Office of the Auditor Controller, County of San Diego, California Department of Finance, and California Department of Transportation

**Notes:** (1) Gross Bonded Debt is a special assessment debt with government commitment. It is the outstanding balance of Reassessment District 96-1 Bond at the end of the fiscal year.

(2) Premium was eliminated in fiscal year 2020 due to refinancing of the Reassessment District 96-1 Bond.

(3) Reserve funds decreased significantly in fiscal year 2020 due to refinancing of the Reassessment District 96-1 Bond.

(4) Total Secured Real Property is the total secured value of land and Improvements as stated on County of San Diego Assessed Valuation report for each fiscal year, exclusive of personal property, exemptions and unsecured property.

(5) Population estimate is based on California Department of Finance's Special District Population Benchmark based on 2010 and 2020 census data and population growth estimates for San Diego County.



# Table XII – Direct and Overlapping Debt

June 30, 2024

2023–24 Assessed Valuation: \$29,952,893,534

	Total Debt as of 6/30/2024	% Applicable <sup>(1)</sup>	District's Share of Debt as of 6/30/2024
<b>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</b>			
Metropolitan Water District	\$ 18,210,000	0.774%	\$ 140,945
Mira Costa Community College District	359,270,000	15.847%	56,933,517
Palomar Community College District	627,562,522	4.544%	28,516,441
Poway Unified School District School Facilities Improvement District No. 2002-1	95,780,766	5.278%	5,055,309
Poway Unified School District School Facilities Improvement District No. 2007-1	156,777,094	3.270%	5,126,611
San Marcos Unified School District	263,560,519	0.085%	224,026
Escondido Union High School District	73,705,512	1.497%	1,103,372
San Dieguito Union High School District	408,120,000	26.330%	107,457,996
Cardiff School District	22,316,035	4.586%	1,023,413
Encinitas Union School District	39,845,765	57.404%	22,873,063
Escondido Union School District	171,634,622	1.545%	2,651,755
Rancho Santa Fe School District	26,060,317	27.431%	7,148,606
Solana Beach School District Community Facilities District No. 2016-1	87,455,000	27.312%	23,885,710
Palomar Health District	391,373,366	6.577%	25,740,626
Poway Unified School District Community Facilities Districts	146,301,176	19.641–100%	137,898,051
San Dieguito Union High School District Community Facilities Districts	56,775,000	16.758–100%	26,510,566
City of Encinitas Community Facilities District No. 1	14,975,000	25.865%	3,873,284
Rancho Santa Fe Community Services District Community Facilities District No. 1	21,645,000	100%	21,645,000
Olivenhain Municipal Water District	—	100%	—
Olivenhain Municipal Water District Assessment District No. 2019-96-1	3,720,000	100%	3,720,000
<b>Total direct and overlapping tax and assessment debt</b>			<b>\$ 481,528,291</b>
<b>OVERLAPPING GENERAL FUND DEBT:</b>			
San Diego County General Fund Obligations	\$ 374,600,000	4.260%	\$ 15,957,960
San Diego County Pension Obligation Bonds	211,225,000	4.260%	8,998,185
San Diego County Superintendent of Schools General Fund Obligations	6,050,000	4.260%	257,730
Mira Costa Community College District General Fund Obligations	49,425,000	15.847%	7,832,380
Palomar Community College District General Fund Obligations	1,175,000	4.544%	53,392
Poway Unified School District Certificates of Participation	52,870,000	11.823%	6,250,820
Other School District General Fund Obligations	183,162,981	Various	5,967,410
City of Encinitas Certificates of Participation	39,240,000	36.441%	14,299,448
City of San Diego General Fund Obligations	606,226,846	0.268%	1,624,688
Other Cities' General Fund Obligations	1,565,000	Various	1,706
<b>Total overlapping general fund debt</b>			<b>\$ 61,243,719</b>
<b>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</b>	<b>\$ 177,795,000</b>	<b>0.123%</b>	<b>\$ 218,688</b>
<b>Total direct debt</b>			<b>—</b>
<b>Total overlapping debt</b>			<b>\$ 542,990,698</b>
<b>Combined total debt</b>			<b>\$ 542,990,698<sup>(2)</sup></b>

**Notes:** (1) The percentage of overlapping debt applicable to the district is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the overlapping district divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded lease obligations.

## Ratios to 2023–24 Assessed Valuation:

Direct debt	0.00%
Total direct and overlapping tax and assessment debt	1.61%
Combined total debt	1.81%

## Ratios to Redevelopment Successor Agency Incremental Valuation (\$14,935,189):

Total overlapping tax increment debt	1.46%
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Source: California Municipal Statistics, Inc.

# Table XIII – Water System Revenue to Debt Service Ratio

Last Ten Fiscal Years

Fiscal Year Ended	Water Sales <sup>(1)</sup>	Property Taxes	Capacity Charges	Other Nonoperating Revenues <sup>(2)</sup>	Total Water System Revenues	Less: Cost of Water Sold	Less: Operations and Maintenance Costs <sup>(3)</sup>	Net Water System Revenues <sup>(4)</sup>	Debt Service Payment <sup>(5)</sup>	Revenue to Debt Service Ratio	Pledged Revenue Debt Limit
2024	\$ 58,329,860	\$ 4,802,446	\$ 577,702	\$ 6,473,199	\$ 70,183,207	\$ 30,712,658	\$ 20,774,816	\$ 18,695,733	\$ 4,457,329	4.19	125%
2023	54,718,543	4,577,755	1,327,295	4,622,474	65,246,067	29,609,781	19,271,036	16,365,250	4,462,579	3.67	125%
2022	58,746,630	4,242,794	1,530,925	2,963,069	67,483,418	31,265,804	18,435,197	17,782,417	4,451,579	3.99	125%
2021	59,402,103	4,027,357	2,754,730	4,522,808	70,706,998	30,601,983	17,883,079	22,221,936	4,450,079	4.99	125%
2020	52,307,718	3,863,252	3,200,022	1,345,972	60,716,964	27,188,350	18,112,974	15,415,640	4,453,579	3.46	125%
2019	50,100,343	3,714,060	620,224	1,779,546	56,214,173	25,532,687	16,223,249	14,458,237	4,457,329	3.24	125%
2018	55,471,127	3,557,919	1,761,723	533,766	61,324,535	27,578,413	16,487,251	17,258,871	4,513,537	3.82	125%
2017	47,262,098	3,414,858	3,624,426	474,085	54,775,467	24,568,729	15,906,059	14,300,679	4,716,802	3.03	125%
2016	42,496,997	3,268,438	1,482,945	452,463	47,700,843	21,979,036	13,743,834	11,977,973	4,681,052	2.56	125%
2015	46,222,403	3,066,946	1,792,125	509,070	51,590,544	23,634,844	12,955,907	14,999,793	4,945,400 <sup>(6)</sup>	3.03	115%

Source: Olivenhain Municipal Water District

- Notes:** (1) Includes potable and recycled water sales and other water operating revenues. Excludes other operating revenues related to the District's Work for Other projects. Credits from the District's Rate Reimbursement Credit (RRC) program are excluded from Water Sales and recorded as part of the Other Nonoperating Expenses section of the District's financial statements.  
(2) Includes investment income, gain on sale of capital assets, settlement payments from MWD lawsuit (2022 and 2021 only), sale of District parcels, and contributions from federal and state grant funding for reimbursement of certain capital expenditures. Excludes Wastewater (Sewer) revenues, unrealized gains and losses on investments, contributed assets from developers, GASB year-end adjustments.  
(3) Excludes Elfin Forest Recreational Reserve operations & other operating expenses related to the District's Work for Other projects.  
(4) Includes Total Water System Revenues less Cost of water sold and Operations and Maintenance Costs.  
(5) Debt Service Payments include Interest and Principal paid on Water Revenue Refunding Bonds Series 2015A, 2016A, Water Revenue Bonds Series 2009, and 2013 State Revolving Fund Loan. Excludes Wastewater Bonds.  
(6) Includes 2013 principal and interest paid for the 2013 State Revolving Fund Loan during fiscal year 2015 not due until July 1, 2015.

# Table XIV – Reassessment District 96-1 Billings and Collections<sup>(1)</sup>

Last Ten Fiscal Years

Fiscal Year Ended	AMOUNT LEVIED				Amount Collected <sup>(3)</sup>	Percent Collected
	Principal	Interest	Other <sup>(2)</sup>	Total		
2024	\$ 893,750	\$ 77,234	\$ 61,136	\$ 1,032,120	\$ 1,039,275	100.7%
2023	879,601	95,670	57,071	1,032,342	1,034,916	100.2%
2022	862,309	113,983	53,546	1,029,837	1,037,863	100.8%
2021	844,142	131,835	78,740	1,054,717	1,067,741	101.2%
2020	815,000	162,677	50,202	1,027,879	1,047,644	101.9%
2019	915,294	473,591	28,789	1,417,674	1,410,387	99.5%
2018	876,008	511,464	30,244	1,417,716	1,414,221	99.8%
2017	844,112	548,651	45,911	1,438,673	1,446,310	100.5%
2016	804,478	581,889	45,952	1,432,319	1,434,925	100.2%
2015	779,900	613,211	43,300	1,436,411	1,379,474	96.0%

Source: Olivenhain Municipal Water District

- Notes:** (1) The Reassessment District (RAD) 96-1 Bond was refinanced in fiscal year 2020 resulting in a decrease to principal and interest. The District issued RAD 2019 96-1 bonds to refund and refinance the outstanding principal on the 2007 RAD 96-1 bonds.  
(2) Includes administration and delinquency management fees as well as fund credits.  
(3) As of June 30 of the fiscal year listed. Includes penalties and interest for delinquent payments.

# Table XV – Net Outstanding Long-Term Debt by Type<sup>(1)</sup>

Last Ten Fiscal Years

Fiscal Year Ended	Water Revenue Bonds				Sewer Revenue Bond			Special Assessment Bonds	Note Payable		SBITA Liability	Total Net Outstanding Debt	Percentage of Personal Income	Per Capita
	2016 Water Revenue Refunding Bonds	2015 Water Revenue Refunding Bonds	2009 Water Revenue Bonds	2006 Water Revenue Refunding Bonds	2018 Sewer Revenue Bonds	2021A Sewer Revenue Bonds	2021B Sewer Revenue Refunding Bonds <sup>(3)</sup>	Limited Obligation Reassessment District 96-1 <sup>(2)</sup>	2013 State Revolving Fund	2012 California Bank & Trust <sup>(1)</sup>	SBITA Liability <sup>(4)</sup>			
2024	\$ 11,753,286	\$ 7,201,018	\$ —	\$ —	\$ —	\$ 4,161,270	\$ 1,786,450	\$ 2,797,851	\$ 9,083,311	\$ —	\$ 9,704	\$ 36,792,890	0.54%	426
2023	13,038,237	11,440,036	—	—	—	4,589,160	2,944,060	4,594,691	10,345,340	—	115,752	47,067,278	0.74%	545
2022	13,689,319	13,607,376	—	—	—	4,796,400	3,513,900	5,457,755	11,162,925	—	181,698	52,409,374	0.87%	605
2021	14,316,208	15,730,315	—	—	4,013,000	—	—	6,300,863	11,961,998	—	—	52,322,384	0.92%	604
2020	14,923,628	17,816,383	—	—	4,520,000	—	—	7,130,000	12,742,976	—	—	57,132,987	1.06%	656
2019	15,511,305	19,873,396	—	—	5,011,000	—	—	9,787,870	13,506,271	—	—	63,689,842	1.23%	732
2018	16,084,017	21,899,196	—	—	5,500,000	—	—	10,650,671	14,252,283	—	—	68,386,167	1.37%	791
2017	16,577,296	23,627,014	—	—	—	—	—	11,698,471	15,339,748	—	—	67,242,530	1.39%	784
2016	—	25,289,832	16,925,215	—	—	—	—	12,516,272	15,693,954	518,339	—	70,943,613	1.51%	835
2015	—	—	17,353,724	26,414,577	—	—	—	13,304,072	16,390,314	1,540,841	—	75,003,529	1.66%	889

Source: Olivenhain Municipal Water District

Notes: (1) 2012 California Bank and Trust note was paid off in February 2017.

(2) The Limited Obligation Reassessment District (RAD) 96-1 bonds were refinanced in September, 2019. The District issued the 2019 RAD 96-1 bonds to refund and refinance the outstanding principal on the 2007 RAD 96-1 bonds.

(3) The District issued 2021B Sewer Revenue Refunding Bonds to refund and refinance the 2018 Sewer Revenue Bonds.

(4) The District implemented GASB 96 Accounting for Subscription-Based Information Technology Arrangements starting with fiscal year 2022.

# Table XVI – Demographic Statistics

San Diego County Current and Prior Ten Years

Year	Population Estimate	Personal Income	Per Capita Personal Income <sup>(1)</sup>	Unemployment Rate <sup>(2)</sup>
2024	86,458	\$6,775,367,628	\$ 78,366	4.5%
2023	86,441	6,355,401,643	73,523	3.9%
2022	86,614	6,055,791,038	69,917	3.5%
2021	86,649	5,717,794,212	65,988	7.3% <sup>(3)</sup>
2020	87,084	5,379,178,680	61,770	13.3% <sup>(3)</sup>
2019	86,997	5,167,708,797	59,401	3.4%
2018	86,478	4,987,791,606	57,677	3.6%
2017	85,792	4,842,786,816	56,448	4.3%
2016	85,010	4,690,851,800	55,180	4.7%
2015	84,352	4,529,364,992	53,696	5.2%

Source: California Department of Finance, California Department of Transportation, and Employment Development Department.

Notes: (1) Per capita personal income is for the San Diego County Region. Source: CA Employment Development Department.

(2) Estimate for the San Diego County Region as of June in respective FY. Source: CA Employment Development Department.

(3) COVID-19 Pandemic.

# Table XVII – San Diego County Principal Employers

Current and Ten Years Ago

FISCAL YEAR 2024			FISCAL YEAR 2014 <sup>(5)</sup>		
Employer Name	Number of Employees <sup>(1)</sup>	Percentage of Total County Employment	Employer Name	Number of Employees <sup>(3)</sup>	Percentage of Total County Employment
University of California San Diego <sup>(4)</sup>	52,701	3.49%	U.S. Navy, Marines and Civic Services	30,588	2.13%
Naval Base San Diego	48,000	3.18%	University of California San Diego <sup>(4)</sup>	28,672	2.00%
County of San Diego	22,978	1.52%	Sharp HealthCare	16,446	1.15%
Sharp HealthCare	18,000	1.19%	County of San Diego	16,215	1.13%
San Diego Unified School District	16,774	1.11%	Qualcomm Inc.	13,725	0.96%
Scripps Health	15,000	0.99%	San Diego Unified School District	13,071	0.91%
City of San Diego	13,888	0.92%	City of San Diego	10,411	0.73%
Qualcomm Inc. <sup>(2)</sup>	11,000	0.73%	Kaiser Permanente	8,172	0.57%
San Diego State University	10,438	0.69%	UC San Diego Medical Center <sup>(4)</sup>	6,302	0.44%
Kaiser Permanente San Diego	9,500	0.63%	San Diego Gas & Electric Co.	4,457	0.31%
Total Top Ten County Employers	165,578	10.96%	Total Top Ten County Employers	148,059	10.32%
All Other County Employers	1,345,122	89.04%	All Other County Employers	1,286,641	89.68%
Total County Employment <sup>(3)</sup>	1,510,700	100.00%	Total County Employment <sup>(5)</sup>	1,434,700	100.00%

Sources: California Employment Development Department, PublicPay.ca.gov, military.com, company websites

**Note:** (1) Numbers are based on most recent data available from California Employment Development Department, company websites, or PublicPay.ca.gov.

(2) Approximate based on secondary sources, no primary sources available.

(3) California Employment Development Department in June.

(4) UC San Diego and UC San Diego Health numbers are combined starting in FY 2022.

(5) 2014 numbers pulled from City of San Diego FY 2014 CAFR (ACFR).

# Table XVIII – Full-time Equivalent Employees by Activity

Last Ten Fiscal Years

	Full-time Equivalent Employees <sup>(1)</sup>									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Water operations <sup>(2)</sup>	36	37	36	35	37	34	36	34	31	36
Wastewater and recycled operations <sup>(3)</sup>	9	8	8	8	8	7	7	6	6	6
Elfin Forest recreation operations	3	3	3	3	3	3	3	3	3	3
General and administration										
General manager	4	4	4	4	4	4	4	4	2	2
Engineering	10	10	8	9	8	8	8	8	11	9
Finance	8	8	8	7	8	8	8	8	8	8
Human resources	4	4	4	4	4	4	4	4	4	4
Customer service and public relations	17	16	16	14	16	15	16	14	14	14
<b>Total</b>	<b>91</b>	<b>90</b>	<b>87</b>	<b>84</b>	<b>88</b>	<b>83</b>	<b>86</b>	<b>81</b>	<b>79</b>	<b>82</b>

Source: Olivenhain Municipal Water District

**Notes:** (1) Based on active full-time employees included in the District's payroll as of June 30, 2024, excludes temporary labor and interns.

(2) Includes treatment plant operations at the David C. McCollom Water Treatment Plant.

(3) Includes treatment plant operations at the 45 wastewater treatment plant and water reclamation facility.

# Table XIX – Capital and Operating Indicators by Activity

Last Ten Fiscal Years

	Full-time Equivalent Employees as of June 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Potable</b>										
Service area (acres)	31,117.9	31,123.0	31,123.0	31,123.0	31,123.0	31,123.0	31,123.0	31,123.0	31,123.0	31,123.0
Miles of water main <sup>(1)</sup>	466.6	466.5	466.2	466.2	466.2	466.2	466.2	466.2	419.0	419.0
Number of treated reservoirs in service	12	12	12	12	12	12	12	12	12	12
Total treated reservoirs capacity (million gallons)	66.9	66.9	66.9	66.9	66.9	66.9	66.9	66.9	65.9	65.9
Number of service connections	29,242	28,888	28,871	28,848	28,803	28,664	28,585	28,563	28,477	28,343
Number of meters in service	29,085	28,731	28,713	28,696	28,657	28,504	28,431	28,393	28,295	28,161
Potable water peak demand (million gallons) <sup>(2)</sup>	23.6	24.0	27.0	25.8	25.5	26.7	25.4	29.8	23.9	29.9
Average treated water demand (MGD) <sup>(2)</sup>	13.9	14.2	17.4	17.4	15.3	15.0	17.3	18.9	14.4	17.5
David McCollom treatment plant maximum capacity (MGD)	34.0	34.0	34.0	34.0	34.0	34.0	34.0	34.0	34.0	34.0
Average treatment plant production (MGD) <sup>(2)</sup>	15.2	14.3	17.6	20.8	18.1	17.7	21.4	18.7	13.9	17.1
<b>Sewer</b>										
Service area (acres)	5,549.5	5,549.5	5,508.0	5,508.0	5,508.0	5,508.0	5,508.0	5,508.0	5,338.0	5,338.0
Maximum system capacity (MGD)	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Number of in-service equivalent dwelling units <sup>(3)</sup>	7,340	7,334	7,250	7,247	7,244	7,239	7,236	7,063	7,043	6,939
<b>Recycled</b>										
Service area (acres)	10,638.0	10,638.0	10,638.0	10,638.0	10,638.0	10,638.0	10,638.0	10,637.8	10,567.0	10,567.0
Miles of recycled water main <sup>(6)</sup>	68.2	67.3	67.1	67.1	67.1	67.1	67.0	54.5	48.0	48.0
Total recycled storage capacity (million gallons) <sup>(4)</sup>	136.0	136.0	136.0	136.0	136.0	136.0	136.0	135.6	135.6	4.0
4S WRF maximum capacity (MGD)	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Average treatment daily plant flow (MGD)	1.2	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Number of meters in service	328	320	314	314	308	295	293	288	278	273
<b>General Information</b>										
Average years of service of employees <sup>(5)</sup>	9.5	9.1	8.5	9.1	8.6	10.0	9.3	9.1	9.5	10.1

Source: Olivenhain Municipal Water District

**Notes:** (1) Total miles for FY 2017 and beyond include hydrant laterals in the Geographic Information System (GIS).

(2) FY 2017 and beyond include selling of treatment capacity to Vallecitos Water District.

(3) An equivalent dwelling unit means the standard measurement of water discharged into the sewer collection and treatment system equal to the average discharge from a detached single-family unit.

(4) Recycled storage for FY 2016 and beyond includes Wet Weather Storage Pond storage capacity.

(5) Based on the number of full-time equivalent employees as of June 30.

(6) Total miles for FY 2017 and beyond include laterals in the Geographic Information System (GIS).





# OLIVENHAIN

Municipal Water District

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OLIVENHAIN MUNICIPAL WATER DISTRICT, ENCINITAS, CALIFORNIA



# **Olivenhain Municipal Water District**

Encinitas, California

## **Single Audit and Independent Auditors' Reports**

*For the Year Ended June 30, 2024*



**Olivenhain Municipal Water District**  
**Single Audit Report**  
**For the Year Ended June 30, 2024**  
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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

**Independent Auditors' Report**

To the Board of Directors  
of the Olivenhain Municipal Water District  
Encinitas, California

We have audited, in accordance with the auditing 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 financial statements of the Olivenhain Municipal Water District (the "District"), as of June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 4, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audits of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

To the Board of Directors  
of the Olivenhain Municipal Water District  
San Diego, California  
Page 2

**Purpose of this report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*The Pw Group, LLP*

San Diego, California  
November 4, 2024



**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM,  
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE,  
AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Independent Auditors' Report**

To the Board of Directors  
of the Olivenhain Municipal Water District  
San Diego, California

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the Olivenhain Municipal Water District's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of the auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.



### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

#### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the District as of June 30, 2024 and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 4, 2024, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming our opinion on the District's financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The PwC Group, LLP

San Diego, California  
November 4, 2024

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**Olivenhain Municipal Water District**  
**Single Audit Report**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2024**

Federal Grantor/Pass-Through Grantor Program Title	Federal Assistance Listing Number	Agency or Pass-Through Number	Federal Expenditures	Amount Passed-through to Subrecipients
<b><u>U.S. Department of the Interior</u></b>				
<i>Direct Programs:</i>				
Title XVI Water Reclamation and Reuse	15.504	R22AP00518	\$ 5,980,756	\$ 3,324,102
WaterSMART	15.507	R23AP00571	253,387	-
		<b>Total U.S. Department of the Interior</b>	<b>6,234,143</b>	<b>3,324,102</b>
<b><u>U.S. Department of Homeland Security</u></b>				
<i>Passed-through the CA Governor's Office of Emergency Services</i>				
Emergency Services - Public Assistance Grants	97.036	073-91147-00	49,214	-
		<b>Total U.S. Department of Homeland Security</b>	<b>49,214</b>	<b>-</b>
		<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>	<b>\$ 6,283,357</b>	<b>\$ 3,324,102</b>

**Olivenhain Municipal Water District**  
**Single Audit Report**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2024**

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**Note 1 – Reporting Entity**

The Olivenhain Municipal Water District (the “District”) is a governmental corporation governed by an elected five-member board of directors. The District was incorporated in 1959 under the provisions of the California Municipal Water District Act of 1911.

The District is operated as an enterprise fund. The finances of the District are kept on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. As an enterprise fund, the District maintains a self-balancing set of accounts established to record the financial position and results that pertain to each activity. The activities of enterprise funds are similar to regular businesses whereby a governmental agency collects sufficient revenues through rates and user charges to pay for on-going operating expenses and maintaining infrastructure in order to sustain operations.

The District’s service area is approximately 48.6 square miles. This service area lies within the northern region of San Diego County and includes portions of incorporated areas such as Encinitas, Carlsbad, San Diego, Solana Beach, San Marcos and large portions of unincorporated areas such as 4S Ranch, Rancho Cielo, Rancho Santa Fe, Elfin Forest, and Santa Fe Valley.

The District is at approximately 95% of its ultimate build-out of approximately 34,400 equivalent dwelling units. For the fiscal year ended June 30, 2024, 70.5% of water delivered was for domestic use, 28.5% for commercial and irrigation use (including construction and recycled water), and 1.0% for agricultural use. The District relies on the San Diego County Water Authority (SDCWA) as a sole source of untreated water, which is treated at the District’s David C. McCollom Water Treatment Plant.

The District provides sewer collection and treatment services to a portion of the District’s service area and sells recycled water to golf courses and other customers for irrigation. The District’s 4S Ranch Water Reclamation Facility (“WRF”) collects and treats sewage from two specific areas of the District, Rancho Cielo and 4S Ranch. The 4S WRF currently produces approximately 1 million gallons per day (“mgd”) of recycled water to help meet demand in the southeast quadrant of the District’s service area. The District also purchases recycled water from Santa Fe Valley Community Services District, City of San Diego, Vallecitos Water District, and the San Elijo Joint Powers Authority to help meet recycled water demand throughout its service area.

During the fiscal year ended June 30, 2024, the District billed 14,322 acre-feet (“AF”) of potable water through 28,757 active potable water meters and 2,192 AF of recycled water through 328 active recycled meters. The District provided wastewater collection services to 7,340 sewer equivalent dwelling units (“EDU”)s in 4S Ranch, Rancho Cielo, Santa Luz, and Black Mountain Ranch.

**Note 2 – Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial statements of the District.

**Olivenhain Municipal Water District**  
**Single Audit Report**  
**Notes to the Schedule of Expenditures of Federal Awards (Continued)**  
**For the Year Ended June 30, 2024**

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**Note 3 – Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the full accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Note 4 – Indirect Cost Rate**

The District has not elected to use the 10-percent de minimis indirect rate as allowed under the Uniform Guidance.

**Note 5 – Subrecipients**

The District passed \$3,324,102 through to sub-recipient members of the North San Diego Water Reuse Coalition (“Coalition”) during the fiscal year ended June 30, 2024. The Coalition is a group of nine water and wastewater agencies in San Diego County working together to maximize recycled water use and reduce demand for imported water. The Title XVI Water Reclamation and Reuse grant was awarded to the coalition to fund its Regional Recycled Water Program, which is a joint effort between Coalition members to expand recycled water infrastructure to increase and maximize water reuse in the region. Upon completion of all long-term project elements, the Coalition anticipates increasing water reuse by 11 billion gallons per year.

**Note 6 – Contingencies**

Under the terms of federal and state grants, additional audits may be requested by the grantor agencies and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to a request for reimbursement to the grantor agencies.

**Olivenhain Municipal Water District**  
**Single Audit Report**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2024**

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**Section I – Summary of Auditors’ Results**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None Reported

Noncompliance material to financial statements noted? No

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None Reported

Type of auditors’ report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<b>Federal Assistance</b>	
	<u>Listing Number</u>	<u>Expenditures</u>
Title XVI Water Reclamation and Reuse	15.504	\$ 5,980,756
<b>Total Expenditures of all major federal programs</b>		<u>\$ 5,980,756</u>
<b>Total expenditures of federal awards</b>		<u>\$ 6,283,357</u>
<b>Percentage of total expenditures of federal awards tested as major programs</b>		<u>95.18%</u>

Dollar threshold used to distinguish between type A and type B programs \$750,000

Auditee qualified as low-risk auditee in accordance with 2 CFR 200.520? No



**Olivenhain Municipal Water District**  
**Single Audit Report**  
**Schedule of Findings and Questioned Costs (Continued)**  
**For the Year Ended June 30, 2024**

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**Section II – Financial Statement Findings**

**A. Current Year Financial Statement Findings**

No financial statement findings were noted for the year ended June 30, 2024.

**B. Prior Year Financial Statement Findings**

No financial statement findings were noted for the year ended June 30, 2023.

**Section III – Federal Awards Findings and Questioned Costs**

**A. Current Year Findings and Questioned Costs – Major Federal Award Program Audit**

No federal award findings were noted for the year ended June 30, 2024.

**B. Prior Year Findings and Questioned Costs – Major Federal Award Program Audit**

No federal award findings were noted for the year ended June 30, 2023.

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# OLIVENHAIN MUNICIPAL WATER DISTRICT

Presentation to the Board of Directors  
For the Fiscal Year Ended June 30, 2024

December 11, 2024



# CONTENTS

- Scope of Work
- Audit Responsibilities
- Overview of Financial Statements
- Key Financial Indicators
- Single Audit
- Audit Results

# SCOPE OF WORK

# SCOPE OF WORK

- **Audit of the Annual Comprehensive Financial Report**
  - Financial Section
    - Statement of Net Position
    - Statement of Revenues, Expenses and Changes In Net Position
    - Statement of Cash Flows
    - Notes to the Basic Financial Statements
- **Federal Single Audit**

# AUDIT RESPONSIBILITIES



# MANAGEMENT'S RESPONSIBILITIES

- Responsible for the financial statements
- Present the financial statements in accordance with accounting principles generally accepted in the United States of America (US GAAP)
- Adopt sound accounting policies
- Establish and maintain internal controls over financial reporting and compliance
- Provide evidence supporting the amounts and disclosures in the financial statements
- Fair presentation of financial statements that are free from material misstatements, whether due to fraud or error
- Prevent and detect fraud

# AUDITORS' RESPONSIBILITIES

- Perform the audit in conformity with Auditing 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
- Communicate with “Those Charged with Governance”
- Assess audit risk of internal control over financial reporting
- Determine the fairness of the presentation of the financial statements
- Render an opinion on the financial statements
- Issue recommendations to management, if any

# OVERVIEW OF THE FINANCIAL STATEMENTS

# Olivenhain Municipal Water District

## Comparative Summary Statements of Net Position

### June 30, 2024 and 2023

	2024	2023	\$ Diff	% Diff
<b>Assets</b>				
Current Assets:				
Unrestricted assets	\$ 95,833,829	\$ 89,298,112	\$ 6,535,717	7.32%
Restricted assets	16,666,572	14,570,261	2,096,311	14.39%
Total current assets	112,500,401	103,868,373	8,632,028	8.31%
Noncurrent assets:				
Capital assets	371,202,111	374,715,143	(3,513,032)	-0.94%
Others	10,570,698	9,372,997	1,197,701	12.78%
Total noncurrent assets	381,772,809	384,088,140	(2,315,331)	-0.60%
<b>Total assets</b>	494,273,210	487,956,513	6,316,697	1.29%
<b>Deferred Outflows of Resources</b>				
Pension-related deferred outflows	7,033,805	7,296,286	(262,481)	-3.60%
Deferred amount on refunding	716,964	857,886	(140,922)	-16.43%
<b>Total deferred outflows of resources</b>	7,750,769	8,154,172	(403,403)	-4.95%

# Olivenhain Municipal Water District

## Comparative Summary Statements of Net Position (Continued)

### June 30, 2024 and 2023

	2024	2023	\$ Diff	% Diff
<b>Liabilities</b>				
Current Liabilities:				
Accounts payable, accrued expenses, and deposits	9,861,327	8,963,207	898,120	10.02%
Compensated absences, current	1,150,778	961,314	189,464	19.71%
Long-term debt, current	5,225,378	4,674,149	551,229	11.79%
Liabilities payable from restricted assets	3,726,543	189,507	3,537,036	1866.44%
Total current liabilities	19,964,026	14,788,177	5,175,849	35.00%
Noncurrent liabilities:				
Compensated absences	987,859	1,189,983	(202,124)	-16.99%
Net pension liability	17,930,299	16,832,760	1,097,539	6.52%
Long-term debt	36,792,890	42,393,127	(5,600,237)	-13.21%
Total noncurrent liabilities	55,711,048	60,415,870	(4,704,822)	-7.79%
<b>Total liabilities</b>	75,675,074	75,204,047	471,027	0.63%
<b>Deferred Inflows of Resources</b>				
Pension-related deferred inflows	298,347	720,171	(421,824)	-58.57%
Lease-related deferred inflows	9,811,059	8,953,346	857,713	9.58%
<b>Total deferred outflows of resources</b>	10,109,406	9,673,517	435,889	4.51%
<b>Net Position</b>				
Net investment in capital assets	330,711,440	332,382,861	(1,671,421)	-0.50%
Restricted	12,129,396	10,503,646	1,625,750	15.48%
Unrestricted	73,398,663	68,346,614	5,052,049	7.39%
<b>Total Net Position</b>	\$ 416,239,499	\$ 411,233,121	\$ 5,006,378	1.22%

# Olivenhain Municipal Water District

## Comparative Statements of Revenues, Expenses and Change in Net Position

### For the Years Ended June 30, 2024 and 2023

	2024	2023	\$ Diff	% Diff
<b>Operating Revenues</b>				
Water sales	\$ 56,723,757	\$ 53,633,877	\$ 3,089,880	5.76%
Sewer charges	5,443,940	5,621,985	(178,045)	-3.17%
Other operating revenues	1,606,103	1,084,666	521,437	48.07%
Total operating revenues	63,773,800	60,340,528	3,433,272	5.69%
<b>Operating Expenses</b>				
Cost of purchased water sold	30,712,658	29,609,781	1,102,877	3.72%
Pumping and water treatment	5,246,548	4,353,775	892,773	20.51%
Transmission and distribution	4,992,405	4,434,815	557,590	12.57%
Sewer collection and treatment	2,026,890	2,026,695	195	0.01%
Elfin Forest recreation reserve operations	493,779	386,905	106,874	27.62%
Facilities maintenance	1,441,133	1,274,751	166,382	13.05%
Customer services	2,412,185	1,754,190	657,995	37.51%
General and administrative	8,700,174	6,865,224	1,834,950	26.73%
Other operating expenses	395,808	212,580	183,228	86.19%
Depreciation and amortization	16,207,532	15,910,790	296,742	1.87%
Total operating expenses	72,629,112	66,829,506	5,799,606	8.68%
<b>Operating (Loss)</b>	<b>(8,855,312)</b>	<b>(6,488,978)</b>	<b>(2,366,334)</b>	<b>36.47%</b>

**Olivenhain Municipal Water District**  
**Comparative Statements of Revenues, Expenses and Changes in Net Position**  
**(Continued)**  
**For the Years Ended June 30, 2024 and 2023**

	2024	2023	\$ Diff	% Diff
<b>Nonoperating Revenues (Expenses)</b>				
Fair market value adjustment	1,355,207	(207,285)	1,562,492	-753.79%
Investment income	3,195,143	2,105,348	1,089,795	51.76%
Property taxes	4,802,446	4,577,755	224,691	4.91%
Capacity charges	577,702	1,327,295	(749,593)	-56.48%
Benefit assessments	1,048,779	1,045,315	3,464	0.33%
Other nonoperating revenues	1,361,331	1,055,260	306,071	29.00%
Interest expenses	(1,171,516)	(1,220,156)	48,640	-3.99%
Other nonoperating expenses	(4,291,473)	(1,935,949)	(2,355,524)	121.67%
Total nonoperating revenues (expenses)	6,877,619	6,747,583	130,036	1.93%
<b>Income before capital contributions</b>	(1,977,693)	258,605	(2,236,298)	-864.75%
Capital contributions	6,984,071	3,640,582	3,343,489	91.84%
<b>Changes in net position</b>	<u>\$ 5,006,378</u>	<u>\$ 3,899,187</u>	<u>\$ 1,107,191</u>	<u>28.40%</u>



# **Olivenhain Municipal Water District** **Comparative Statements of Cash Flows** **For the Years Ended June 30, 2024 and 2023**

	2024	2023	\$ Diff	% Diff
<b>Cash Flows from Operating Activities</b>				
Receipts from customers	\$ 62,021,066	\$ 61,337,349	\$ 683,717	1.11%
Payments for water	(29,727,466)	(30,212,660)	485,194	-1.61%
Payments for services and supplies	(11,331,389)	(8,878,715)	(2,452,674)	27.62%
Payments for employee wages, benefits, and related costs	(14,036,821)	(12,953,543)	(1,083,278)	8.36%
<b>Net cash provided by operating activities</b>	<b>6,925,390</b>	<b>9,292,431</b>	<b>(2,367,041)</b>	<b>-25.47%</b>
<b>Cash Flows from Noncapital Financing Activities</b>				
Property tax assessment received	5,852,863	5,583,500	269,363	4.82%
SDCWA water rebate payment	-	18,930	(18,930)	-100.00%
<b>Net cash provided by noncapital financing activities</b>	<b>5,852,863</b>	<b>5,602,430</b>	<b>250,433</b>	<b>4.47%</b>

# Olivenhain Municipal Water District

## Statements of Cash Flows (Continued)

### For the Years Ended June 30, 2024 and 2023

	2024	2023	\$ Diff	% Diff
<b>Cash Flows from Capital and Related Financing Activities</b>				
Acquisition and construction of capital assets	(12,297,061)	(14,493,861)	2,196,800	-15.16%
Proceeds from grants and capital contributions	1,685,094	1,495,622	189,472	12.67%
Principal payments on long-term debt	(4,695,039)	(4,862,730)	167,691	-3.45%
Interest payments on long-term debt	(1,207,235)	(1,487,744)	280,509	-18.85%
Capacity charges received	587,076	1,364,791	(777,715)	-56.98%
Proceeds from sale of capital assets	132,030	-	132,030	100.00%
Other capital financing receipts	870,222	1,055,261	(185,039)	-17.53%
Other capital financing expenses paid	(720,143)	(1,655,542)	935,399	-56.50%
<b>Net cash provided by capital and related financing activities</b>	<b>(15,645,056)</b>	<b>(18,584,203)</b>	<b>2,939,147</b>	<b>-15.82%</b>
<b>Cash Flows from Investing Activities</b>				
Proceeds from sale and maturities of investments	9,951,111	3,000,000	6,951,111	231.70%
Purchase of investments	(6,000,000)	(2,957,913)	(3,042,087)	102.85%
Investment income received	3,249,553	1,121,975	2,127,578	189.63%
<b>Net cash provided by investing activities</b>	<b>7,200,664</b>	<b>1,164,062</b>	<b>6,036,602</b>	<b>518.58%</b>
<b>Changes in cash and cash equivalents</b>	<b>\$ 4,333,861</b>	<b>\$ (2,525,280)</b>	<b>\$ 6,859,141</b>	<b>-271.62%</b>

# KEY FINANCIAL INDICATORS

## Olivenhain Municipal Water District Key Financial Indicators

	2024	2023	2022	2021
<b><u>Current Ratio</u></b>				
Current assets	\$ 112,500,401	\$ 103,868,373	\$ 106,207,861	\$ 98,915,490
Current liabilities	\$ 19,964,026	\$ 14,788,177	\$ 14,383,180	\$ 13,933,676
Olivenhain MWD	5.64	7.02	7.38	7.10
Average of 10 local districts	not available	4.67	5.00	5.48
<b><u>Capital Condition Ratio</u></b>				
Total depreciable capital assets	\$ 581,391,311	\$ 576,855,990	\$ 567,586,076	\$ 556,962,450
Total accumulated dep/amort	\$ 258,638,978	\$ 244,366,290	\$ 230,798,427	\$ 216,571,720
Olivenhain MWD	44.49%	42.36%	40.66%	38.88%
Average of 10 local districts	not available	46.90%	46.27%	45.12%
<b><u>Pension Liability to Net Position Ratio</u></b>				
Net pension liability	\$ 17,930,299	\$ 16,832,760	\$ 7,819,768	\$ 14,608,844
Net position	\$ 416,239,499	\$ 411,233,121	\$ 407,333,934	\$ 407,436,209
Olivenhain MWD	4.31%	4.09%	1.92%	3.59%
Average of 10 local districts	not available	10.66%	5.34%	10.65%
<b><u>Receivables year-to-year % Change</u></b>				
Receivables - current year	\$ 10,129,094	\$ 8,352,651	\$ 9,453,946	\$ 10,717,152
Receivables - prior year	\$ 8,352,651	\$ 9,453,946	\$ 10,717,152	\$ 10,062,269
Olivenhain MWD	21.27%	-11.65%	-11.79%	6.51%
Average of 10 local districts	not available	-17.51%	14.16%	8.69%
<b><u>Receivables to Sales Ratio</u></b>				
Receivables - current year	\$ 10,129,094	\$ 8,352,651	\$ 9,453,946	\$ 10,717,152
Sales - current year	\$ 63,773,800	\$ 60,340,528	\$ 64,531,592	\$ 63,296,949
Olivenhain MWD	15.88%	13.84%	14.65%	16.93%
Average of 10 local districts	not available	15.06%	17.23%	15.28%

## Olivenhain Municipal Water District Key Financial Indicators

### Operating Margin

	2024	2023	2022	2021
Operating revenues	\$ 63,773,800	\$ 60,340,528	\$ 64,531,592	\$ 64,758,178
Operating expenses (minus dep/amort)	\$ 56,421,580	\$ 50,918,716	\$ 54,145,463	\$ 52,683,656
Olivenhain MWD	1.13	1.19	1.19	1.23
Average of 10 local districts	not available	0.94	1.06	1.02

### Water / Sewer Sales % Change

Water / sewer sales - current year	\$ 63,773,800	\$ 60,340,528	\$ 64,531,592	\$ 63,296,949
Water / sewer sales - prior year	\$ 60,340,528	\$ 64,531,592	\$ 63,296,949	\$ 55,383,041
Olivenhain MWD	5.69%	-6.49%	1.95%	14.29%
Average of 10 local districts	not available	-5.59%	1.19%	13.89%

**Olivenhain Municipal Water District**  
**GASB 68 – Sensitivity of NPL to Changes in Discount Rate**  
**CalPERS Miscellaneous Plan**  
**Measurement Date June 30, 2023**

<b>Discount Rate</b>	<b>5.90%</b>	<b>6.90%</b>	<b>7.90%</b>
Proportionate share of net pension liability	\$ 27,471,747	\$ 17,930,299	\$ 10,076,868

	<b>2024</b>	<b>2023</b>	<b>Change</b>
Fiduciary net position as % of total pension liability	74.58%	74.59%	-0.01%
Average of 10 local districts	not available	75.81%	

# SINGLE AUDIT



**Olivenhain Municipal Water District  
Single Audit  
For the Year Ended June 30, 2024**

Federal Grantor/Pass-Through Grantor Program Title	Federal Assistance Listing Number	Federal Expenditures	Amount Provided to Subrecipients
<b><u>U.S. Department of the Interior</u></b>			
<i>Direct Programs:</i>			
Title XVI Water Reclamation and Reuse	15.504	\$ 5,980,756	\$ 3,324,102
WaterSMART	15.507	253,387	-
<b>Total U.S. Department of the Interior</b>		<u>6,234,143</u>	<u>3,324,102</u>
<b><u>U.S. Department of Homeland Security</u></b>			
Emergency Services - Public Assistance Grants	97.036	49,214	-
<b>Total U.S. Department of Homeland Security</b>		<u>49,214</u>	<u>-</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>		<u><u>\$ 6,283,357</u></u>	<u><u>\$ 3,324,102</u></u>

# AUDIT RESULTS

# AUDIT RESULTS

- **Unmodified Opinion**

- Financial statements are fairly presented in all material respects
- Significant accounting policies have been consistently applied
- Estimates are reasonable
- Disclosures are properly reflected in the financial statements

- **Other Results**

- No disagreements with management
- No material weaknesses or significant deficiencies in internal controls over financial reporting or compliance were noted
- No accounting issues were noted



**HQ - ORANGE COUNTY**

200 E. Sandpointe Avenue  
Suite 600  
Santa Ana, CA 92707

**SAN DIEGO**

4365 Executive Drive  
Suite 710  
San Diego, CA 92121

**BAY AREA**

2121 North California Blvd.  
Suite 290  
Walnut Creek, CA 94596

**LAS VEGAS**

1050 Indigo Drive  
Suite 110  
Las Vegas, NV 89145

**PHOENIX**

4742 North 24th Street  
Suite 300  
Phoenix, AZ 85016

**NOTICE OF REGULAR OMWD FINANCING AUTHORITY JPA MEETING  
OF THE BOARD OF DIRECTORS OF THE  
OLIVENHAIN MUNICIPAL WATER DISTRICT  
1966 Olivenhain Road  
Encinitas, CA 92024  
Tele: (760) 753-6466 Fax: (760) 753-5640  
VIA TELECONFERENCE AND IN PERSON**

**Pursuant to AB 3035, 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, DECEMBER 11, 2024

**TIME:** 4:30 P.M. OR LATER

**PLACE:** HYBRID REGULAR MEETING VIA ZOOM AND IN-PERSON

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

**For Zoom Participation:**

[www.zoom.us/join](https://www.zoom.us/join)  
Meeting ID: 895 8263 0861  
Passcode: 291033

**For Zoom Call-in Only:**

Call: (669) 900-9128  
Meeting ID: 895 8263 0861  
Passcode: 291033

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

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

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE
3. ROLL CALL
4. DETERMINATION OF A QUORUM
5. ADOPTION OF AGENDA
6. PERSONAL APPEARANCES AND PUBLIC COMMENTS
7. CONSIDER THE STATUS OF DEBT ISSUED BY THE OMWD FINANCING AUTHORITY (OMWD FINANCING AUTHORITY REVENUE BONDS SERIES 2021A, OMWD FINANCING AUTHORITY REVENUE BONDS SERIES 2021B, OLIVENHAIN MUNICIPAL WATER DISTRICT WATER SYSTEM REFUNDING REVENUE BONDS SERIES 2016A, AND OMWD FINANCING AUTHORITY WATER REVENUE SERIES 2009)
8. ADJOURNMENT

# Memo

Date: December 11, 2024

To: Olivenhain Municipal Water District Board of Directors

From: Jared Graffam, Financial Analyst II  
Rainy Selamat, Finance Manager

Via: Kimberly Thorner, General Manager

Subject: **CONSIDER THE STATUS OF DEBT ISSUED BY THE OMWD FINANCING AUTHORITY (OMWD FINANCING AUTHORITY REVENUE BONDS SERIES 2021A, OMWD FINANCING AUTHORITY REVENUE BONDS SERIES 2021B, OLIVENHAIN MUNICIPAL WATER DISTRICT WATER SYSTEM REFUNDING REVENUE BONDS SERIES 2016A, AND OMWD FINANCING AUTHORITY WATER REVENUE SERIES 2009)**  
*(OMWD Financing Authority JPA Meeting Agenda)*

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## Purpose

This is a housekeeping item. The Financing Authority is required by Joint Powers Authority law to conduct an annual meeting.



## **Recommendation**

Staff is requesting the Board to consider acceptance of the Staff report.

## **Alternative(s)**

N/A

## **Background**

At the December 15, 2010, board meeting, the Board adopted a resolution to amend the existing Joint Exercise of Powers (JPA) between the Olivenhain Municipal Water District and the Olivenhain Municipal Water District Community Facilities District No. 2007-01 to include the Rancho Santa Fe Community Services District (RSFCSD). The JPA was amended to include the RSFCSD because Rancho Cielo Community Facilities District (RCCFD) was being dissolved. The RSFCSD was added in order to ensure that the water revenue bonds issued by the District in 2009 were represented by a JPA which requires a minimum of two agencies.

## **Fiscal Impact**

N/A

## **Discussion**

The OMWD Financing Authority has issued five bonds since formation: the \$19,175,000 2009 Water Revenue Bonds, the \$15,990,000 2016A Water System Refunding Revenue Bonds, the \$5,500,000 2018A Revenue Bonds, the \$5,042,140 2021A Revenue Bonds, and the 4,096,321.15 Refunding of Series 2018A (2021B Refunding Revenue Bonds).

The 2009 Water Revenue bonds were issued to acquire and construct improvements to OMWD's water system, to satisfy the Reserve Requirement for the Bonds, and to pay for costs of issuing the Bonds.

The 2016A Water System Refunding Bonds were issued to refund all outstanding obligations with respect to the 2009 bonds and to pay for Bond issuance costs.

The 2018A Revenue Bonds were issued to assist the District in the financing of OMWD's headquarters expansion and improvement project (Building D).

The 2021A Revenue Bonds were issued to assist the District in the financing of certain improvements to OMWD's wastewater system and to pay for Bond issuance costs.

The 2021B Refunding Revenue Bonds were issued to refund all outstanding obligations with respect to the 2018A Revenue Bonds and to pay for Bond issuance costs.

The OMWD Financing Authority is in compliance with its obligations set forth in the Bond indenture. All debt service payments were made in a timely manner as prescribed in the bond covenants. The District's Annual Comprehensive Financial Report and financial data are distributed to interested parties to comply with annual continuing disclosure requirements. The OMWD Financing Authority also filed the Marks-Roos Yearly Fiscal Status Report with California Debt and Investment Advisory Commission (CDIAC) required for the 2021A Revenue Bonds and 2021B Refunding Revenue Bonds.

**NOTICE OF REGULAR OMWD FINANCING CORPORATION  
MEETING OF THE BOARD OF DIRECTORS OF THE  
OLIVENHAIN MUNICIPAL WATER DISTRICT  
1966 Olivenhain Road  
Encinitas, CA 92024  
Tele: (760) 753-6466 Fax: (760) 753-5640  
VIA TELECONFERENCE AND IN PERSON**

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1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE

3. ROLL CALL
4. DETERMINATION OF A QUORUM
5. ADOPTION OF AGENDA
6. PERSONAL APPEARANCES AND PUBLIC COMMENTS
7. CONSIDER THE STATUS OF DEBT ISSUED BY THE NON-PROFIT CORPORATION  
(OLIVENHAIN MUNICIPAL WATER DISTRICT SYSTEM REFUNDING REVENUE BONDS SERIES  
2015A)
8. ADJOURNMENT

# Memo

Date: December 11, 2024  
To: Olivenhain Municipal Water District Board of Directors  
From: Jared Graffam, Financial Analyst II  
Rainy Selamat, Finance Manager  
Via: Kimberly Thorner, General Manager  
Subject: **CONSIDER THE STATUS OF DEBT ISSUED BY THE NON-PROFIT CORPORATION  
(OLIVENHAIN MUNICIPAL WATER DISTRICT SYSTEM REFUNDING REVENUE  
BONDS SERIES 2015A)**  
*(Finance Corporation Regular Meeting Agenda)*

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## Purpose

The purpose of this item is to comply with California laws for not-for-profit organizations. California non-profit laws require all non-profit corporations to hold annual meetings.

OMWD Financing Corporation is a non-profit organization and is conducting its annual meeting on December 11, 2024.

## Recommendation

Staff is requesting the Board to consider acceptance of Staff report.

## Alternative(s)

N/A

## **Background**

The OMWD Financing Corporation (Corporation) was organized by the District in 1997 to facilitate the financing of facilities for the use and benefit of the District. The Board of Directors of the District serves as the Board of Directors of the Corporation.

## **Fiscal Impact**

N/A

## **Discussion**

The Financing Corporation has issued four bonds since formation: the \$50,000,000 1997 Water Revenue Certificates of Participation (COP), the \$13,950,000 2002 Variable Rate Taxable Subordinate Water Revenue Certificates of Participation Bonds (Regional Recycled Water System), the \$38,940,000 2006A Water Revenue Refunding Bonds, and the \$23,455,000 2015A Water System Refunding Revenue Bonds.

The 2015 Bonds were issued to refund all of the outstanding 2006A Water Revenue Refunding Bonds, to purchase a debt service reserve surety policy for deposit in the Reserve Fund, and to pay for cost of issuance. The 2015A Bonds are payable solely from Net System Revenues and certain funds and accounts created under the bond indenture. The District is committed to maintaining the debt service requirement as prescribed in the bond covenant while these certificates are outstanding.

As of June 30, 2007, the 1997 Certificates of Participation were paid off.

As of June 1, 2011, the 2002 Variable Rate Subordinate Water Revenue Certificates of Participation Bonds were paid off.

As of August 2015, the 2006A Water Revenue Refunding Bonds were paid off.

The OMWD Financing Corporation is in compliance with the existing installment purchase agreement. All debt service payments were made in a timely manner as prescribed in the bond covenants. The District's Annual Comprehensive Financial Report and financial data are distributed to interested parties to comply with annual continuing disclosure requirements.

# Memo

Date: December 11, 2024  
To: Olivenhain Municipal Water District Board of Directors  
From: Kimberly A. Thorner, General Manager  
Subject: **PRESENTATION TO PRESIDENT GUERIN FOR SERVING AS BOARD PRESIDENT FOR THE 2023-2024 TERM**

---

## Purpose

The purpose of this item is to recognize President Guerin for her leadership and service as Board President for the 2023-2024 term.

## Recommendation

Staff recommends that the Board approve this item.

## Background

President Guerin served as Board President for the 2023-2024 term. As Board President she presided over the Board Meetings, attending monthly briefings, and signed documents. With the December 11 Board Meeting being her last meeting as Board President, we would like to thank and honor her for her service.



# 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.

December 11, 2024

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

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

<b>Operations &amp; Maintenance</b>	<b>October 2024</b>	<b>September 2024</b>
<b>David C. McCollom Water Treatment Plant (DCMWTP) Total Production</b>	644.7 million gallons	653.8 million gallons
<b>DCMWTP Average Daily Production</b>	20.8 million gallons	21.8 million gallons
<b>DCMWTP Peak Day Production</b>	25.3 million gallons	30.3 million gallons
<b>Source Water Blend (% State Project Water)</b>	23%	23%
<b>Total Deliveries to Vallecitos Water District</b>	331.58 acre feet 108.05 million gallons	312.21 acre feet 101.73 million gallons
<b>4S and Rancho Cielo Sewer Systems Total Inflow</b>	40.83 million gallons	38.92 million gallons
<b>4S and Rancho Cielo Sewer Systems Average Daily Inflow</b>	1,316,955 gallons	1,297,257 gallons
<b>4S and Rancho Cielo Sewer Systems Peak Day Inflow</b>	1,441,419 gallons	1,349,301 gallons
<b>4S and Rancho Cielo Sewer Systems Low Day Inflow</b>	1,244,890 gallons	1,225,638 gallons
<b>4S Water Reclamation Facility (4SWRF) Average Daily Production</b>	839,899 gallons	963,216 gallons
<b>4SWRF Peak Day Production</b>	1,076,772 gallons	1,299,214 gallons
<b>4SWRF Total to Recycled Water Distribution System</b>	26.04 million gallons	28.9 million gallons
<b>4S Recycled Water Storage Pond Volume</b>	27 acre feet	5 acre feet
<b>Repaired Potable Water Main Leak(s)</b>	0	0
<b>Repaired Potable Water Service Lateral Assembly Leak(s)</b>	3	2
<b>Repaired Recycled Water Main Leak(s)</b>	0	0
<b>Repaired Recycled Water Service Lateral Leak(s)</b>	0	0
<b>Repaired Hit Fire Hydrant Lateral Assembly Leak(s)</b>	1	1
<b>Replaced Valve(s) Monthly Total</b>	2	1
<b>Replaced Valve(s) Calendar Year to Date</b>	21	19
<b>Recycled Water Use Site Inspections &amp; Visits</b>	27	29
<b>Recycled Water Use Site Cross Connection Tests</b>	15	8
<b>Cross Connection Site Surveys</b>	4	3
<b>Backflow Inspections &amp; Testing (New)</b>	10	2
<b>IT Help Requests</b>	32	22
<b>Customer Services</b>	<b>October 2024</b>	<b>September 2024</b>
<b>Customer Calls and Inquiries</b>	2,157	1,881
<b>Total Monthly Bills Issued</b>	23,023	23,004
<b>Service Orders</b>	1,187	773
<b>New Potable Meters</b>	3	1
<b>New Fire Meters</b>	1	0
<b>New Recycled Water Meters</b>	0	0

Advanced Metering Infrastructure (AMI) Troubleshooting Investigations	98	71
<b>Customer Services - Continued</b>	<b>October 2024</b>	<b>September 2024</b>
Automated Meter Reading (AMR) Troubleshooting	25	32
Stopped/Underperforming Meters Replaced	199	136
Meter Transceiver Units (MXU) Upgraded to AMI	498	223
Meter Accuracy Tests Performed	18	0
Water Use Evaluations	20	18
Water Use Violation Reports	1	2
Workshops, Events, and Tours	3	0
High-Efficiency Clothes Washer Rebate Applications	3	9
Weather-Based Irrigation Controller Rebate Applications	6	6
Hose Irrigation Controller Rebate Applications	0	0
High-Efficiency Rotating Nozzle Rebate Applications	0	0
High-Efficiency Toilet Rebate Applications	11	0
Rain Barrel Rebate Applications	0	0
Flow Monitor Device Rebate Applications	1	2
Turf Removal Project Rebate Applications	2	2
Social Media Posts	23	24
News Releases/Media Advisories	0	3
<b>EFRR</b>	<b>October 2024</b>	<b>September 2024</b>
Special Use/Event Permits	10	3
Parking Notices	105	41
Incident Reports	17	7
Vehicle Count	3,856	3,349
Trail Use Count	8,470	7,783
Days Closed Due to Rain/Red Flag	0	0
Days Interpretive Center (IC) Open	14	14
Number of IC Visitors	289	202
Volunteer Trail Patrol Shifts	5	4
Volunteer Docent Hours	63	69
Total Number of Docents	66	66
<b>Finance</b>	<b>October 2024</b>	<b>September 2024</b>
Infosend Payments (ACH and Credit Card)	15,414	12,987
California Bank & Trust Lockbox Payments	2,464	2,199
Over the Counter Payments	401	433
Check-free, Metavante and Chase	4,506	3,944
Finance Calls and Walk-ins	45	65
Service Orders/New Meters Processed	14	13
Service Orders Closed Out	6	0
Purchase Orders	24	11
Inventory Items Received	853	586
Invoices Processed	492	352
Payroll Direct Deposits Processed	244	244
Payments to Vendors	321	255

## **ENGINEERING DEPARTMENT**

### **Engineering Manager Lindsey Stephenson Highlights for October 2024:**

4S Ranch Neighborhood 1 Sewer Pump Station Replacement Project continued to progress through construction and is working towards completion. The Recycled Water Pipeline Extensions Project continues to progress with pipeline installations underway in Carlsbad and Encinitas. Unit A Potable Water Pipeline Replacement Project continues pipeline replacement on RSF Road. Activities related to the construction of the DCMWTP 4<sup>th</sup> Stage Plant Improvement Project continue to progress. Work for the DCMWTP Chlorine Generation Room Floor Repair Project continues. Construction of the Gardendale and Village Park West Pressure Reducing Stations Replacement Project continues through contracting phase. Staff continued planning and design efforts on multiple CIP projects, including the Potable and Recycled Water Master Plan Update. Staff provided updates on key CIP, right of way, and facilities updates to the Facilities Committee on October 9. Staff also continued to handle developer requests, continued to assist other departments with engineering-related work, and continued to manage OMWD's facilities, cell sites, and right of ways.

## **HUMAN RESOURCES DEPARTMENT**

### **Human Resources Manager Jennifer Joslin Highlights for October 2024:**

Human Resources staff conducted new hire orientations and safety training for the new Utility II and two San Diego County Water Authority interns. Conducted interviews for the vacant Instrument Control Technician I position. Hosted the annual Health and Wellness Expo event with multiple benefits representatives on-site. Assisted with the Water Career Day workforce development event for students held at San Elijo Joint Powers Authority. Hosted a Human Resources/Employee Association (HEART) Committee meeting to discuss the voluntary employee benefit savings account (VEBA) and the construction staff 4/10 summer schedule. Dedicated time to personnel issues. Attended the Water for People luncheon event. Safety staff attended the 4<sup>th</sup> quarter Water Utility Safety Management Association (WUSMA) meeting. Completed the Air Pollution Control District (APCD) emissions inventory for the Mid Point pumpstation.

### **Requests Received Pursuant to the Public Records Act (October 1-31):**

<u>Requestor</u>	<u>Documents Requested</u>
Kurt Bevacqua	List of Residential Properties that have their water shutoff
Anonymous	List of uncashed checks and unclaimed funds over \$999
Center for Contract Compliance	Contract Documents for the DCMWTP Stage 4 Upgrades

## **OPERATIONS & MAINTENANCE**

### **Operations Manager Jesse Bartlett-May Highlights for October 2024:**

WTP staff procured materials for the membrane refurbishment capital improvement projects and the scheduled untreated water shutdown. WTP hosted portions of the VIP and public tours in early October and WTP and Instrument Control Technicians (ICT) staff removed chemical piping and feed systems from the fluoride feed room in preparation for the final repair work to the

sodium hypochlorite generation room floor. Staff are installed a new brine pump skid to replace the original obsolete system for the sodium hypochlorite generation system. Wastewater, Pump & Motor Technicians (PMT) and ICT staff continued to support the start-up and commissioning of the Neighborhood #1 Sewer Pump Station. The 4S WRF Digester repairs were completed, and the operations were switched between Digester #1 and Digester #2. System Operators took Cielo Reservoir offline to re-epoxy the interior ceiling and brought it back online, performed rebuild and re-pipe of 2½" cla-valves at the Crosby #4 Pressure Reducing Station (PRS), and performed a rebuild on a 14" plug valve located between the Gaty PRS and Bumman PRS. Valve technicians completed all high traffic valve turning with the assistance of TTS Traffic Control and the Lead Service Line Inventory (LSLI) plan was finalized and accepted by DDW. Construction repaired a leaking 2" service lateral to Jerome's Corporate Head Quarters Distribution Center and assisted Parks Department, with ICT staff support, with the removal of the old parks trailer and re-routed the plumbing and sewer.

### **CUSTOMER SERVICES DEPARTMENT**

#### **Customer Services Manager John Carnegie Highlights for October 2024:**

Published October issue of Watching Water newsletter; held a public tour of OMWD facilities and a VIP tour for board guests; concluded 2024 Pure Excellence Awards program; participated in SDCWA workshop on Water Use Efficiency Legislation implementation, ACWA workshop on Water Use Efficiency Legislation resources and implementation data needs, California Water Efficiency Partnership webinar on Commercial, Industrial, Institutional Dedicated Irrigation Meter (CII DIM) Guidebook, and DWR webinar on CII Landscape Area Measurements and Land Use Classification Dataset; and engaged CMUA, ACWA, and SWRCB with the intent of influencing possible 2025 legislation regarding a Low-Income Rate Assistance program.

At EFRR, hosted free herpetology talk at the interpretive center, held volunteer appreciation BBQ, and facilitated 10 "Habitat" field trips for Escondido Unified School District students.

### **FINANCE DEPARTMENT**

#### **Finance Manager Rainy Selamat Highlights for October 2024:**

Staff finalized year-end financial and single audits for FY 2024; reviewed and finalized draft FY 24 Annual Comprehensive Financial Report; completed proposition 218 process; prepared and drafted written responses to rate protest letters on the proposed water rate increases; presented the proposed water rates for 2025 and pass-through increases during the water rate hearing; completed the November regular finance committee meeting packet to discuss investment and reserves; auditors presented FY 2024 financial and single audit results to Finance Committee; staff completed SDCWA's PSAWR annual assessment; completed annual review of the District Pension Funding Policy and received directions from the Board; discussed status update on Pinnacle Housing Project and CFD with GM Thorner; attended staff leadership meeting and provided an update on the District's 401 (a) retirement plan; staff assisted Customer Service department in completing 2023 water audit; completed all Finance annual goals for 2024; attended health and wellness expo; and attended Water for People annual luncheon.

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

**The Assistant General Manager reports the following for October 2024:**

Attended OMWD Health & Wellness Expo, Facilities Committee Meeting, Site Visit to Twin Oaks Plant with the SDCWA, Director Watt's Farewell Employee Potluck, North San Diego Water Reuse Coalition Meeting, and Water for People Fall Luncheon. Dedicated significant time in planning and executing Water Career Day. Engaged in meetings with consultants and continued project management efforts on San Dieguito Valley Brackish Groundwater Project, records request production, personnel matters including participation in Instrument Control Technician interviews, review and preparation of upcoming projects including EV Fleet Migration and NSDWRC coordination.

#### **GENERAL MANAGER:**

**The General Manager reports the following for October 2024:**

General Manager Thorner met with Rancho Santa Fe Fire Chief McQuead to discuss mutual issues, held a Health & Wellness Expo for employees, hosted a VIP Facilities Tour, held a Facilities Committee Meeting, attended the Career Day event at San Elijo Joint Powers Authority, met San Diego Public Utilities Director Guerreiro regarding interagency issues, met with SDCWA General Manager Denham and staff at the Twin Oaks Plant, held a Human Resources/Employee Association Team meeting, attended the Member Agency Managers Meeting, attended the Council of Water Utilities Luncheon, co-chaired and co-emceed the Water for People San Diego Chapter Luncheon, attended the Elfin Forest Recreational Reserve volunteer appreciation BBQ, met with ACWA's Deputy Director Cindy Tuck on the upcoming legislative session, held a Staff Leadership Meeting, met with Vallecitos General Manager Gumpel and Assistant General Manager Hubbard on a recycled water agreement, and dedicated significant time to personnel matters and legal matters including Neighborhood 1, Jones et al., CalPERS.



# Memo

C

To: Olivenhain Municipal Water District Board of Directors

Subject: INFORMATIONAL REPORTS

CONSULTING ENGINEER

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

# Memo

D

To: Olivenhain Municipal Water District Board of Directors

Subject: INFORMATIONAL REPORTS

GENERAL COUNSEL

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



**TO:** Olivenhain Municipal Water District

**FROM:** Alfred Smith

**DATE:** December 11, 2024

**RE:** Attorney Report: Brown Act Update  
150152-0005

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## **I. INTRODUCTION.**

This attorney report provides an update regarding recent developments involving the Ralph M. Brown Act ("Brown Act"). The Legislature passed two new bills which become effective on January 1, 2024. Assembly Bill 2302 changes the requirements for directors who remotely attend board meetings. Assembly Bill 2715 expands the ability of public agencies to meet in closed session to discuss cybersecurity threats. In addition, the State Attorney General recently issued two opinions that (1) address the intersection of the Brown Act and the Americans with Disabilities Act; and (2) interpret the Brown Act's application to community events such as "state of the city" addresses.

## **II. BACKGROUND.**

The Brown Act, California's open meeting law, was enacted by the Legislature in 1953. Beginning at Government Code section 54950, the Brown Act contains many technical requirements governing the conduct of local agency board meetings, and the conduct of the governing officials of those agencies. The Brown Act prohibits a majority of a board members from discussing, deliberating, or taking action on business outside of a publicly noticed meeting. This includes using any type of communication, directly or through intermediaries, to reach a collective decision.

Although there have been numerous revisions throughout the years, two key provisions of the Brown Act have remained unchanged since its passage. The first is the intent section, which provides as follows:

"In enacting this chapter, the Legislature finds and declares that public commissions, boards and councils and the other public agencies in this State exist to aid in the conduct of the people's business. It is the intent of the law that their actions be taken openly and that their deliberations be conducted openly."

The second key provision is contained in section 54953: "All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency, except as

otherwise provided in this chapter." The main focus of the Brown Act is the public's right to attend and participate in the decision-making processes of local agencies.

### **III. NEW BROWN ACT LAWS.**

#### **A. Remote Participation**

The Brown Act contains a number of requirements for remote/teleconference meetings. Among other things, the Brown Act requires that (1) local agencies post on the agenda the physical location of each director's teleconference location; (2) each teleconference location be accessible to the public; (3) members of the public be allowed to address the agency at each teleconference location; (4) the legislative body post an agenda at each teleconference location; and (5) at least a quorum of the directors participate from locations within the boundaries of the agency's jurisdiction.

During the COVID-19 pandemic, new laws were passed to facilitate the ability of board members to remotely participate in board meetings. One such law includes Assembly Bill 2449. Among other things, Assembly Bill 2449 allows board members to remotely participate in board meetings in two situations:

- For "just cause," defined as the need to provide care to a child or close relation, having a contagious illness, needs related to a physical or mental disability, or being on official travel for the agency; or
- "Emergency circumstances," which include physical or family emergencies that prevent a member from attending.

The right to appear remotely in these circumstances is limited. Currently, AB 2449 provides that board members may not appear remotely for a period of more than three consecutive months or for 20% of the year's regular meetings. (If an agency meets fewer than ten times a year, a member may only appear remotely twice during the year.)

Assembly Bill 2302 revises the current limitation on remote attendance by directors. AB 2302 limits the allowed number of remote appearances for board members to:

- Two times per year if the agency regularly meets once per month or less;
- Five times per year if the agency regularly meets twice per month; or
- Seven times per year if the agency regularly meets three or more times per month.

## **B. Closed Session for Cybersecurity Threats**

In 2023, the Federal Bureau of Investigation reported that government entities were the third-most targeted sector by ransomware. The average ransom demanded for government organizations that year was over \$1 million. Assembly Bill 2715 expands the justification for local agencies to meet in closed session to discuss cybersecurity.

AB 2715 authorizes local agencies to meet in closed session concerning cyberattacks by expanding on an existing ground for closed session. Under current law, agencies may meet in closed session to discuss threats to the security of public buildings, essential public services, or the public right of access to public facilities. The current focus of this exception is on physical threats to security.

AB 2715 expands this ground to include non-physical threats to “critical infrastructure controls” and “critical infrastructure information” relating to cybersecurity. AB 2715 defines these circumstances as follows:

- “Critical infrastructure controls,” which include “networks and systems controlling assets so vital to the local agency that the incapacity or destruction of those networks, systems, or assets would have a debilitating impact on public health, safety, economic security, or any combination thereof”; or
- “Critical infrastructure information,” which is “information not customarily in the public domain,” and which pertains to:
  - “Actual, potential, or threatened interference with, or an attack on, compromise of, or incapacitation of critical infrastructure controls by either physical or computer-based attack or other similar conduct, including, but not limited to, the misuse of, or unauthorized access to, all types of communications and data transmission systems, that violates federal, state, or local law or harms public health, safety, or economic security, or any combination thereof”;
  - “The ability of critical infrastructure controls to resist any interference, compromise, or incapacitation, including, but not limited to, any planned or past assessment or estimate of the vulnerability of critical infrastructure”; or
  - “Any planned or past operational problem or solution regarding critical infrastructure controls, including, but not limited to, repair, recovery, reconstruction, insurance, or continuity, to the extent it is related to interference, compromise, or incapacitation of critical infrastructure controls.”

### **C. Americans with Disabilities Act**

The Attorney General recently issued an opinion providing guidance on the intersection of the Brown Act and the Americans with Disabilities Act (“ADA”). The Attorney General’s opinion concludes that the ADA generally allows remote participation by a director as a reasonable accommodation for a director with a physical disability. However, the board members who participate remotely must (1) use two-way video and audio streaming in real time and (2) disclose the identity of any adults who are present

Specifically, in Opinion No. 23-1002, the Attorney General considered the question:

“Under the Ralph M. Brown Act, a local agency’s legislative body must generally conduct its meetings in person at locations open to the public. Does the Americans with Disabilities Act (ADA) nonetheless require that a local agency’s legislative body allow remote participation for a member with a qualifying disability that precludes their in-person attendance at meetings of the body?”

The Attorney General responded:

“Yes. The ADA generally requires a local agency’s legislative body to allow remote participation as a reasonable accommodation for a member with a qualifying disability that precludes their in-person attendance at meetings of the body. This duty to reasonably accommodate is subject, however, to the Brown Act’s requirement that the remote participation must be conducted in a manner that simulates in-person attendance at meetings held in person at a location open to the public. To accomplish this, the Act requires that individual members who participate remotely (1) use two-way video and audio streaming in real time and (2) disclose the identity of any adults who are present.”

Years ago the Attorney General concluded the contrary. However, because of post-Covid changes to the Brown Act expanding the right of board members to participate remotely, the Attorney General concluded the prior reasoning no longer applied.

### **D. The Brown Act and Public Events**

The Attorney General also recently opined that certain public events such as “state of the city” and similar addresses are “meetings” of “legislative bodies” subject to the Brown Act’s noticing and agenda requirements. (Cal. Att. Gen. Op. 23-102, Apr. 18, 2024.) The event at issue involved the annual breakfast of a local chamber of commerce at which the mayor, who is a member of the city council, delivered a “State of the City” address. Members of the public could attend the event in person, but only if

they purchased a ticket from the chamber of commerce. There was no other way for the public to watch the address in real time.

Given this context, the Attorney General considered the following questions:

“1. If a majority of the members of the city council were to attend the event described above, would that event constitute a ‘meeting’ of the city council within the scope of the Brown Act under Government Code section 54952.2(a)?

Yes. If a majority of the members of the city council were to attend the event described above, that event would constitute a congregation of a majority of the councilmembers at the same time and location to hear—and potentially discuss—an item within their subject matter jurisdiction. As such, the event would constitute a ‘meeting’ of the city council within the meaning of Government Code section 54952.2(a), and the meeting would have to comply with the open-meeting requirements of the Brown Act, unless a statutory exception applies.

2. Would the Brown Act exception for conferences or similar gatherings set forth in Government Code section 54952.2(c)(2) apply to such an event?

No. The event as described consisted of a single speech by a single official regarding the state of a single city. As such, it would not satisfy the Brown Act exception for conferences and similar gatherings set forth in Government Code section 54952.2(c)(2) because that exception involves a discussion of issues of general interest to the public or to public agencies of the type represented by the city council.

3. Would the Brown Act’s exception for ‘community meetings’ set forth in Government Code section 54952.2(c)(3) apply to such an event?

No. The Brown Act exception for community meetings set forth in Government Code section 54952.2(c)(3) requires, among other things, that the event must be open to the public. The event in question would not satisfy that element because members of the public could only attend by purchasing a ticket from the chamber of commerce.”

AES



# Memo

E

To: Olivenhain Municipal Water District Board of Directors

Subject: INFORMATIONAL REPORTS

SAN DIEGO COUNTY WATER AUTHORITY REPRESENTATIVE

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



## **SUMMARY OF FORMAL BOARD OF DIRECTORS' MEETING NOVEMBER 21, 2024**

1. Consideration of Proposed 2025 Legislative Policy Guidelines.  
The Board approved the proposed 2025 Legislative Policy Guidelines.
2. Monthly Treasurer's Report on Investments and Cash Flow.  
The Board noted and filed the Treasurer's report.
3. Vote Entitlement Resolution for Calendar Year 2025.  
The Board adopted Resolution No. 2024-21, a Resolution of the Board of Directors of the San Diego County Water Authority, establishing the vote and representative entitlements of each member agency effective January 1, 2025.
4. Resolution approving the distribution of tax apportionment funds related to Fallbrook Public Utility District to Eastern Municipal Water District.  
The Board adopted Resolution No. 2024-22, a Resolution of the Board of Directors of the San Diego County Water Authority, authorizing the General Manager, or designee, to distribute tax apportionment funds received after December 31, 2023, from the County of San Diego for Fallbrook Public Utility District to the Eastern Municipal Water District.
5. Adopt the Annual Statement of Investment Policy, as amended, and continue to delegate authority to the Treasurer to invest Water Authority funds for Calendar Year 2025.  
The Board adopted the Annual Statement of Investment Policy, as amended, and continued to delegate authority to the Treasurer to invest Water Authority funds for Calendar Year 2025.
6. Adopt Water Use Efficiency Policy Principles.  
The Board adopted the updated Water-Use Efficiency (WUE) Policy Principles.
7. Resolution for WaterSMART Water and Energy Efficiency Grant Application to the Bureau of Reclamation for Water Use Efficiency Projects.  
The Board adopted Resolution 2024-23, a Resolution of the Board of Directors of the San Diego County Water Authority, supporting the Water Authority's grant application, authorizing the General Manager to accept any grant funds awarded, and committing the Water Authority to the financial and legal obligations associated with the receipt of grant funds.
8. Resolution for the WaterSMART Desalination Construction Projects Grant Awarded by the Bureau of Reclamation for the Lewis Carlsbad Desalination Intake Permanent Upgrade Project.  
The Board adopted Resolution 2024-24, a Resolution of the Board of Directors of the San Diego County Water Authority, supporting the Water Authority's grant application for the Lewis Carlsbad Desalination Intake Permanent Upgrade Project (Project), authorizing the General Manager to accept any grant funds awarded and committing the Water Authority to the financial and legal obligations associated with the receipt of grant funds.



9. Diving services contract with J.F. Brennan Company, Inc. for cathodic protection system replacement on Olivenhain Dam Inlet/Outlet (I/O) Tower gate structures.  
The Board awarded professional services contract, with non-material modifications as approved by the General Manager or General Counsel, to J.F. Brennan Company Inc. for a not-to-exceed amount of \$183,416 for diving services for a period of three months, and authorize the General Manager, or designee, to execute the contract.
10. Approval of Minutes  
The Board approved the minutes of the Formal Board of Directors' meeting of October 24, 2024.
11. Retirement of Director Tom Kennedy, The City of Escondido.  
The Board adopted Resolution No. 2024-25, a Resolution of the Board of Directors of the San Diego County Water Authority, honoring Tom Kennedy upon his retirement from the Board of Directors.
12. Retirement of Director Mike Hogan, Santa Fe Irrigation District.  
The Board adopted Resolution No. 2024-26, a Resolution of the Board of Directors of the San Diego County Water Authority, honoring Mike Hogan upon his retirement from the Board of Directors.
13. Audit Committee Annual Report.  
The Board accepted and filed the Audit Committee Annual Report pursuant to the Administrative Code, Section 2.00.066, and accepted and filed the Annual Comprehensive Financial Report (ACFR) for fiscal year ended June 30, 2024, prepared in accordance with Generally Accepted Accounting Principles (GAAP).

# Memo

F

To: Olivenhain Municipal Water District Board of Directors

Subject: INFORMATIONAL REPORTS  
LEGISLATIVE REPORT

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



# NOSSAMAN<sup>LLP</sup> | Memorandum

**TO:** Olivenhain Municipal Water District

**FROM:** Ashley Walker, Senior Policy Advisor, Nossaman LLP  
Jennifer Capitolo, Jennifer M. Capitolo and Associates LLC

**DATE:** November 26, 2024

**RE:** December 2024 Public Policy Report

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## **State Legislative Updates:**

**Status of the Legislature:** The legislature is reconvening on December 2 to swear in new members resulting from the November election. There will be many changes to committee leadership and membership due to new incoming members. We will monitor committee appointments and provide OMWD with relevant updates. The deadline for bill introductions is February 21, followed by the first policy committee deadline on May 2.

The governor called a second special session to safeguard California values and fundamental rights in the face of an incoming Trump administration. The session has been announced as an opportunity to focus on bolstering California's legal resources to protect civil rights, reproductive freedom, climate action, and immigrant families. The special session will run concurrently with the regular legislative session.

The governor will submit a budget proposal to the legislature by January 10. The Legislative Analyst's Office recently forecasted a state budget deficit of \$68 billion in fiscal year 2025-2026, and the report notes that the budget is "roughly balanced" but there is no capacity for new funding commitments. We will keep OMWD informed of the governor's January budget proposal.

**Legislation:** There are no active bills before the legislature currently. Nossaman has been working on other legislative items while the legislature is on recess. These items include:

- **SDCWA and OMWD Public Contract Code Joint Proposal:** Nossaman engaged statewide organizations to gather feedback and gauge interest in the Public Contract Code legislation proposed by OMWD to SDCWA in 2024. The organizations consulted include Association of California Water Agencies, League of California Cities, Rural County Representatives of California, California State Association of Counties, and California Special Districts Association. This legislation seeks to amend Section 20642 of the State of California Public Contract Code, by increasing the monetary threshold from \$35,000 to \$70,000, where it states: "When work is not to be done by the district itself by force account, and the amount

involved is thirty-five thousand dollars (\$35,000), or more, any contract for the doing of the work shall be let to the lowest responsible bidder...". This proposal would also amend the State of California Public Contract Code by increasing the dollar amount from "\$35,000" to "\$70,000" in Section 10108 where it states: "In no event shall the amount of work performed by day labor under this section exceed the sum of fifty thousand dollars (\$50,000) in the case of district agricultural association fair projects, or thirty-five thousand dollars (\$35,000) in other cases." Nossaman will continue to assist OMWD by refining the potential strategy for introducing this legislative bill in 2025.

- **SB 1255 (Durazo) Follow-Up:** Although this bill did not advance to the governor's desk this year, in anticipation of a possible reintroduction by Senator Durazo next year, we have been meeting with many state organizations and opposition coalition members to discuss alternatives and strategies for implementing a workable Low Income Rate Assistance (LIRA) program. There is interest in revisiting the AB 401 (Dodd, 2015) report that was completed by the State Water Resources Control Board in 2020, which outlines a framework where SWRCB administers LIRA. However, given that the state budget is likely to be in a deficit again in 2025, the state may not be in a position to support such a program. There is no dispute that a LIRA program would be valuable to all, however finding a funding source for such a program continues to be the main challenge. Nossaman has met with SWRCB, ACWA, and CMUA to discuss next steps and to prepare for a possible bill next year. It has been shared that CMUA is planning to introduce a LIRA bill of its own.
  - Nossaman is working to coordinate a meeting with the sponsors of SB 1255.
  - OMWD has drafted a detailed letter of concerns and proposed solutions to share with the sponsors. Nossaman will report all updates and proposed language once it is available.
- **SB 659 (Ashby) - California Water Supply Solutions Act of 2023:** This bill was passed by the legislature and signed by the governor in October 2023. It requires Department of Water Resources to develop recommendations for increasing groundwater recharge to improve the availability of water in California. Additionally, the department is charged with including an advisory committee of representatives from agricultural and urban water suppliers, local government, business, production agriculture, environmental interests, and other interested parties to assist in the update of the California Water Plan. Nossaman is inquiring as to the status of the implementation of the bill, as OMWD is interested in being included in the advisory committee of representatives and in having its feasibility study of brackish groundwater included in the 2028 update of the California Water Plan. Nossaman will report updates once we have additional information.
- **Updating Legislative Guidelines for 2025:** Nossaman has been working with OMWD staff to update the OMWD 2025 Legislative Guidelines document, which summarizes the policies that OMWD will support or oppose in the coming legislative cycle. These include issue areas such as: Imported Water Supply, Local Water Resources, Water Affordability, Water Quality Issues, Integrated Regional Water Management Planning, Water Facilities/ Facility Improvement, Water Use Efficiency, Biological and habitat Preservation, Fiscal Policy and

Water Rates, Implementation of Water Bond, Right of Way and Property, Energy, Impacts on Local Autonomy, Land Use and Water Management Planning, Safety, Security and Cybersecurity, Climate Change, Employment Matters, and Governance. Nossaman will monitor legislation proposed in the new cycle and update OWMD on bills that impact the identified objectives.

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

- November 8 - Governor Newsom signed an executive order to support ongoing response and recovery efforts for the Mountain Fire in Ventura County.
- November 7 - Governor Newsom proclaimed a state of emergency in Ventura County due to the Mountain Fire.
- November 6 - Governor Newsom secured a Fire Management Assistance Grant due to the Mountain Fire.
- November 1 - Governor Newsom proclaimed states of emergency to support ongoing recovery efforts in the city of Oceanside due to the Pier Fire, in Siskiyou County due to the Shelly Fire, and in Sierra County due to the Bear Fire.

### **Regulatory Updates:**

**State Water Resources Control Board:** On October 22, State Water Resources Control Board announced that Office of Administrative Law had approved the Long-term Water Conservation Standards "Framework" Regulation. This regulation, along with the new Urban Water Use Objective Reporting Form, has been posted on SWRCB's website.

On October 28, SWRCB posted the updated reporting form, with a certification statement and a guidance document. Urban water suppliers must complete and file the report by January 1, 2025.

The report will require suppliers to document the following:

- Their calculated water use objective and supporting data;
- The volume of water associated with the residential indoor budget;
- The residential service area population;
- Actual urban water use for the previous fiscal year;
- The validated water loss audit report;
- Documentation of performance measures implemented for Commercial, Industrial, and Institutional (CII) water users;
- Progress towards meeting the urban water use objective; and
- The basis for any requested variances.



SWRCB staff hosted webinars on November 7 and 13 to present the reporting template and answer questions from urban water suppliers.

Additionally, on October 31, Department of Water Resources hosted an informational webinar on the scope of their CII Landscape Area Measurement Use Classification Dataset. This project will provide GIS data to urban water suppliers to help them calculate water use for CII landscapes, which is a key input for the Urban Water Use Objective Reporting Form mentioned above.

# Memo

G, H

To: Olivenhain Municipal Water District Board of Directors

Subject: INFORMATIONAL REPORTS

TWELVE MONTH CALENDAR / OTHER MEETINGS /

REPORTS / BOARD COMMENTS

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Any report will be oral at the time of the Board meeting. Please refer to the TWELVE MONTH Calendar (attached) for meetings attended.

**TWELVE MONTH CALENDAR OF EVENTS (AS OF 12/2/24)**

Date(s)	Event	Time	Location	Attending Board Member(s)	Additional Information (Speakers' Topic, Cohosts, etc.)
<b><u>NOVEMBER 2024</u></b>					
7-Nov	Meeting with the General Manger and Mt. Laguna		OMWD	Guerin	
20-Nov	Meeting with Mr. Maloni		OMWD	Hahn	
21-Nov	Document Signing		OMWD	Watt	
21-Nov	CSDA Quarterly Dinner	6:00 - 9:00 PM	The Butcher Shop		
27-Nov	Conference Call with the General Manager RE: Leak			Guerin	
27-Nov	Conference Call with the General Manager RE: SDCWA			Meyers	
27-Nov	Conference Call with the General Manager RE: Leak			Watt	
<b><u>DECEMBER 2024</u></b>					
Dec 2-3	ACWA JPIA Membership Summit		Palm Desert, CA	San Antonio	
5-Dec	Swearing-in of new Board Members	3:00 PM	Boardroom	Guerin, Meyers, San Antonio	
6-Dec	End of Year Dinner	7:00pm	Twin Oaks Golf Course	Guerin, Hahn, Maloni, San Antonio, Meyers	
Dec 3-5	ACWA Fall Conference		Palm Desert, CA		

# Memo

To: Olivenhain Municipal Water District Board of Directors

Subject: INFORMATIONAL REPORTS

CORRESPONDENCE

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Any correspondence is attached.

**Board of Directors**

Christy Guerin, President  
Matthew R. Hahn, Vice President  
Neal Meyers, Treasurer  
Lawrence A. Watt, Secretary  
Marco San Antonio, Director



**General Manager**  
Kimberly A. Thorner, Esq.  
**General Counsel**  
Alfred Smith, Esq.

November 8, 2024

Josh German  
US Bureau of Reclamation  
Water Resources and Planning Office  
PO Box 25007  
Denver, CO 80225-0007

Via email: [jgerman@usbr.gov](mailto:jgerman@usbr.gov)

**Subject: Letter of Support for the San Diego Integrated Regional Water Management Program's Landscape Efficiency and Direct Installation Project to USBR's WaterSMART Grants: Water and Energy Efficiency Grants for Fiscal Year 2024 and Fiscal Year 2025**

Dear Mr. German,

On behalf of Olivenhain Municipal Water District, I am pleased to support the San Diego Integrated Regional Water Management (IRWM) Program's Landscape Efficiency and Direct Installation Project (Project) for funding. OMWD provides 87,000 customers in northern San Diego County with water, wastewater, recycled water, hydroelectric, and recreational services.

OMWD is a member of the Regional Advisory Committee (RAC). The RAC is comprised of representatives from various functional areas related to water management such as retail water agencies, disadvantaged or environmental justice organizations, tribal groups, and natural resources and watersheds organizations. The RAC serves as the primary advisory board to the Regional Water Management Group (RWMG) and provides recommendations to the RWMG on topics related to the San Diego IRWM Program.

The San Diego IRWM Program is a collaborative effort to identify and implement water management solutions on regional scale. The San Diego IRWM region is home to approximately 3 million people who rely on a mix of local and mostly imported water sources to meet their water needs. The region is expected to see more frequent periods of drought due to climate change. These droughts result in below-average rainfall and impact water supplies being imported into the region from the Colorado River. Continued implementation of water efficiency programs and projects is necessary to alleviate these impacts.



The RAC has worked with the RWMG to develop the Project to address regional water efficiency needs via a mechanism with proven success. The Project includes multiple indoor and outdoor conservation incentives, including but not limited to, irrigation controllers, turf replacement, and a direct install toilet replacement program. These conservation incentives will support drought response, water conservation, and the enhancement of local water supplies within the San Diego IRWM region, including disadvantaged communities and tribes. By implementing these conservation incentives, the San Diego IRWM region will experience improved water supply reliability and mitigate drought impacts. OMWD urges you to fund the Project.

If you have any questions, please feel free to email me at [kthorner@olivenhain.com](mailto:kthorner@olivenhain.com) or call me at 760-753-6466.

Sincerely,



Kimberly A. Thorner on behalf of the Regional Advisory Committee  
General Manager  
Olivenhain Municipal Water District

## Stephanie Kaufmann

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**From:** Carl DeMaio <customerservice@olivenhain.com>  
**Sent:** Friday, November 15, 2024 1:31 PM  
**To:** Stephanie Kaufmann  
**Subject:** Contact Form: Looking Forward to Working With You!

**Follow Up Flag:** FollowUp  
**Flag Status:** Flagged

CAUTION: EXTERNAL EMAIL. Do not click any links or open attachments unless you recognize the sender, verified their email address, and know the content is safe.

Name: Carl DeMaio  
Email: Carl@ReformCalifornia.org

Message:

Dear Olivenhain MWD Board ,

First, I want you to know that my office is ready to help you where we can make a positive impact for San Diegans. The voters of San Diego have put trust in both of us and expect us to work together whenever we can for their benefit.

Second, I invite you to engage with me outside of our official government roles in making political change happen in our region and in California. My Reform California political movement is committed to supporting leaders who seek to reduce the crushing cost-of-living , improve the quality and effectiveness of all government programs, and make government officials and agencies more accountable and transparent to the people they are supposed to serve.

We believe that with bold action, we can make government work for the people again — not against them. If you are interested in joining us in these political efforts, we welcome your help and involvement with open arms.

I am looking forward to working with you – please reach out if you believe we can collaborate or help on issues you are facing.

PS: Please join me and my supporters December 15 at one of our 2024 Campaign Victory Parties. Details at [JoinCarl.org](http://JoinCarl.org)

Best,

Carl DeMaio

Chairman, Reform California

California State Representative-Elect (Assembly District 75)



# Memo

To: Olivenhain Municipal Water District Board of Directors

Subject: AUTHORIZATION TO ATTEND UPCOMING MEETINGS /  
CONFERENCES / SEMINARS

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The Board may desire to attend a meeting that requires Board approval.

# Memo

To: Olivenhain Municipal Water District Board of Directors

Subject: FUTURE AGENDA ITEMS

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The Board may have items to be considered at a Future Board meeting.

# Memo

To: Olivenhain Municipal Water District Board of Directors

Subject: CONSIDER PUBLIC COMMENTS

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There may be public comments before the Board meeting is adjourned.

# Memo

To: Olivenhain Municipal Water District Board of Directors

Subject: CLOSED SESSION

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It may be necessary to go into Closed Session.

# Memo

To: Olivenhain Municipal Water District Board of Directors

Subject: OPEN SESSION

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# Memo

To: Olivenhain Municipal Water District Board of Directors

Subject: ADJOURNMENT

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We are adjourned.

# Who's News: 11/15/24

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[thecoastnews.com/whos-news-11-15-24](https://thecoastnews.com/whos-news-11-15-24)

staff

November 11, 2024



## PURE EXCELLENCE

The Olivenhain Municipal Water District recently recognized six community members and organizations with Pure Excellence awards: HASA Inc. Begone Graffiti, Ariel Reed, Walter Haslop, The Grauer School and Board Secretary Larry Watt, who was also recognized for 12 years of service with the water district.

## BEST OF SHOW

Artist Alice Malloy-Chang won Best of Show in the Escondido Art Association's November show, "NOSTALGIA: The Way We Were," for her piece, "Ramen Cart Cat."

## HOPE GALA

The Crohn's & Colitis Foundation Greater San Diego and Desert Area Chapter raised over \$450,000 at its Champions of Hope Gala at the Alila Marea Beach Resort in Encinitas on Oct. 19. The funds will be used to support inflammatory bowel disease (IBD) research, medical advancements, educational resources, patient advocacy and support programs.

## SERVICE ANIMAL GRADS

Canine Companions recently graduated its latest class of trained service dogs, making 11 new matches with dogs to adults and children with disabilities, and recognizing 44 future service dogs as they enter professional training at the Oceanside facility.



## WARRIOR WALL

The Shoppes at Carlsbad recently concluded its Warrior Wall, which aimed to honor loved ones who have battled breast cancer. Guests could scan a QR code on the wall to donate to the Helen Knoll Foundation, which raised nearly \$700 from the wall over the month of October.

# OMWD honors 2024 ‘Pure Excellence’ award winners

 [sandiegouniontribune.com/2024/11/10/omwd-honors-2024-pure-excellence-award-winners/](https://sandiegouniontribune.com/2024/11/10/omwd-honors-2024-pure-excellence-award-winners/)

News Release

November 10, 2024



By News Release

PUBLISHED: November 10, 2024 at 2:11 PM PST

At its Nov. 6 board meeting, Olivenhain Municipal Water District recognized six community members with “Pure Excellence” awards. The winners—HASA, Inc., Begone Graffiti, Ariel Reed, Walter Haslop, The Grauer School, and Larry Watt—were acknowledged for their significant contributions to OMWD and the local community, according to a news release.

“Tonight, we celebrate our 2024 honorees who are making a difference in our community,” said OMWD Board President Christy Guerin in the news release. “We are grateful for their efforts in delivering exceptional service, promoting water use efficiency and the preservation of natural habitat, and providing good leadership.”

OMWD honored Larry Watt with its Presidential Award for 12 years of devoted public service as the representative of Division 2 on OMWD’s Board of Directors. Ratepayers benefited from Watt’s knowledge from over four decades of public works experience.



The board recognized HASA, Inc. and Begone Graffiti as Businesses of the Year. Each company demonstrated exceptional customer service and responsiveness during urgent situations.

The Grauer School is OMWD's Customer of the Year for making investments to incorporate recycled water for irrigation into its Encinitas campus. The change will save more than 600,000 gallons of imported drinking water every year. Dr. Stuart Grauer, the school's founder, also worked to increase awareness of recycled water benefits and water use efficiency at the school and his homeowner association.

Ariel Reed of Escondido Creek Conservancy is OMWD's Educator of the Year. This past year, Reed ran the Elfin Forest Interpretive Center Honoring Susan J. Varty program to educate local youth on the need to protect natural habitat. Additionally, she secured a California Coastal Commission grant for an Escondido Creek watershed display in the interpretive center.

Walter Haslop is OMWD's Volunteer of the Year. Haslop participates in Elfin Forest Recreational Reserve trail patrols, welcomes guests to its interpretive center, and leads education events and school field trips. He volunteered for 36 shifts over 12 months, including trail maintenance and cleanup projects.

# 18th Annual Elfin Forest Recreational Reserve Amateur Photography Contest launches Nov. 23

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 [sandiegouniontribune.com/2024/11/17/18th-annual-elfin-forest-recreational-reserve-amateur-photography-contest-launches-nov-23/](https://www.sandiegouniontribune.com/2024/11/17/18th-annual-elfin-forest-recreational-reserve-amateur-photography-contest-launches-nov-23/)

News Release

November 17, 2024

By News Release

PUBLISHED: November 17, 2024 at 10:45 AM PST

Olivenhain Municipal Water District invites amateur photographers of all ages to Elfin Forest Recreational Reserve for the 18th annual amateur photography contest that will run Nov. 23, 2024 through April 27, 2025.

The reserve's 11 miles of hiking, mountain biking, and equestrian trails provide opportunities to photograph Escondido Creek; native plant communities; the Pacific Ocean; Channel and Coronado Islands; and Laguna and San Bernardino mountain ranges. Contest entries must feature the reserve as their subject or be taken within the reserve from any designated trail.

Winning photos will be selected from five categories—Scenic View, Water Scenery, Plants, Animals, and Youth (photographers age 15 and under). Winners are eligible for prizes donated by local businesses, such as passes to the San Diego Zoo, EcoVivarium Reptile Sanctuary, and California Wolf Center; a canvas print from PC Photo and Imaging; outdoor equipment from REI; and a \$100 cash prize from the Escondido Creek Conservancy, according to a news release.

Winning images will be displayed at the Elfin Forest Interpretive Center Honoring Susan J. Varty in late 2025.

The 784-acre reserve was developed by OMWD in partnership with the San Diego County Water Authority and the US Bureau of Land Management as an element of the Olivenhain Water Storage Project and the Authority's Emergency Storage Project.

Visit [www.olivenhain.com/photo](http://www.olivenhain.com/photo) for official contest rules and to upload a maximum of four contest entries. There is no entry fee.