

**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**

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 13, 2017

TIME: 4:00 P.M.

PLACE: DISTRICT OFFICE AND TELECONFERENCE LOCATION FOR DIRECTOR VARTY OF 1075 SOUTH LOCUST DR. DENVER, CO 80224

*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
 - * Nate Naugles – Pump/Motor Tech I – Lateral Transfer
 - * Sandra Rodriguez – Customer Service Rep I – New Hire
 - * Phillip Reed - Utility II – 5 Years of Service
8. CONSIDER APPROVAL OF THE MINUTES OF THE NOVEMBER 8, 2017 REGULAR BOARD OF DIRECTORS MEETING

9. CONSENT CALENDAR

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

C-a	CONSIDER ADOPTION OF A MOTION APPROVING THE PAYMENT OF LISTED WARRANTS FROM THE DISTRICT’S REVOLVING AND REGULAR ACCOUNTS; LISTED TRANSFERS OF FUNDS; REIMBURSEMENT OF EXPENSES TO BOARD MEMBERS AND STAFF; AND MONTHLY INVESTMENT REPORTS
C-b	CONSIDER ADOPTION OF A MOTION APPROVING THE DISTRICT’S CONSOLIDATED STATEMENTS OF NET POSITION, CONSOLIDATED STATEMENTS 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 APPROVAL OF ANNUAL REVISIONS TO THE DISTRICT’S RECORDS RETENTION SCHEDULE AND THE REVISED EMAIL POLICY
C-e	CONSIDER APPROVAL OF A MULTI-YEAR AGREEMENT WITH WHITSON CONTRACTING AND MANAGEMENT, INC FOR STORM WATER POLLUTION PREVENTION PLAN (SWPPP) PREPARATION SERVICES FOR THE DISTRICT HEADQUARTERS AND 4S RANCH WATER RECLAMATION FACILITY SITES IN THE AMOUNT OF \$24,296.50 AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT
C-f	CONSIDER APPROVAL OF AN AGREEMENT WITH DUDEK FOR PREPARATION OF PLANS AND SPECIFICATIONS FOR THE CONSTRUCTION OF THE 4SWRF TERTIARY FILTER REHABILITATION PROJECT IN THE AMOUNT OF \$92,440 AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT
C-g	CONSIDER REVISIONS TO THE LEGISLATIVE GUIDELINES FOR 2018
C-h	CONSIDER APPROVAL OF A CONTRACT WITH RAMONA PAVING FOR THE REPAVING OF BROOKSIDE LANE IN THE AMOUNT OF \$62,027 AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT

10. CONSIDER APPROVAL OF THE DISTRICT’S FISCAL YEAR 2016-2017 AUDITED FINANCIAL STATEMENTS AND COMPREHENSIVE ANNUAL FINANCIAL REPORT (FINAL DRAFT)
11. CONSIDER ANNUAL REVIEW OF THE OLIVENHAIN MUNICIPAL WATER DISTRICT’S INVESTMENT POLICY AND REQUEST TO TRANSFER FUNDS FROM RECYCLED OPERATING (REVENUE) FUND TO RECYCLED CAPITAL AND EQUIPMENT FUND IN THE AMOUNT OF \$2 MILLION

12. CONSIDER ADOPTION OF AN ORDINANCE AMENDING THE OLIVENHAIN MUNICIPAL WATER DISTRICT'S ADMINISTRATIVE AND ETHICS CODE (ARTICLE 19)
13. CONSIDER ADOPTION OF AN ORDINANCE AMENDING THE OLIVENHAIN MUNICIPAL WATER DISTRICT'S ADMINISTRATIVE AND ETHICS CODE (ARTICLE 4 – CLASSIFIED POSITIONS)
14. CONSIDER A CONTRACT EXTENSION WITH 3 PHASES RENEWABLES AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT
15. CONSIDER APPROVAL OF AN AGREEMENT WITH NINYO & MOORE FOR ON-CALL AND AS-NEEDED GEOTECHNICAL SERVICES IN THE AMOUNT OF \$250,000 AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT
16. CONSIDER APPROVAL OF A CHANGE ORDER WITH WESTERN PUMP, INC. IN THE AMOUNT OF \$62,859 FOR THE WASH BAY AND FUEL PUMP RELOCATION PROJECT, APPROPRIATE \$112,141 FOR THE PROJECT, AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT
17. CONSIDER FINAL DESIGN OF THE DAVID C. MCCOLLOM WATER TREATMENT PLANT OFFICE RENOVATION PROJECT
18. CONSIDER AWARD OF A CONTRACT TO NATIONAL ELECTRIC WORKS, INC. FOR REPLACEMENT OF THE CIELO PUMP STATION MOTOR CONTROLS IN THE AMOUNT OF \$63,200 AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT
19. CONSIDER THE OMWD FINANCE CORPORATION ANNUAL MEETING (See Separate Agenda)
20. CONSIDER THE OMWD FINANCING AUTHORITY (JOINT POWERS AUTHORITY) BOARD MEETING (See Separate Agenda)
21. INFORMATIONAL REPORTS
 - A. PRESIDENT
 - B. GENERAL MANAGER
 - C. CONSULTING ENGINEER
 - D. GENERAL COUNSEL
 - E. SAN DIEGO COUNTY WATER AUTHORITY REPRESENTATIVE
 - F. LEGISLATIVE
 - G. LAFCO
 - H. TWELVE MONTH CALENDAR / OTHER MEETINGS / REPORTS BY BOARD MEMBERS PER AB 1234
22. CORRESPONDENCE
23. AUTHORIZATION TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS
24. FUTURE AGENDA ITEMS

25. CONSIDER PUBLIC COMMENTS

26. ADJOURNMENT



Memo

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

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

Memo

Date: December 13, 2017
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**

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

- October and November 2017 Summary of payment of listed warrants from the District's checking accounts (regular and revolving) and listed transfer of funds.
- October and November 2017 Summary of reimbursement of expenses to board members and staff.
- July through September 2017 Monthly Investment Reports.

Olivenhain Municipal Water District
Proposed Motions for December 13, 2017 Board of Directors Meeting
November 2017 Activities
Consent Calendar Item # C-a

Proposed Motions:

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

Regular Account	warrants	16222 ✓	to	16618 ✓	1,523,638.60
	Wire - SDCWA - Monthly Purchased Water Payment				2,427,396.84
	OLIVENHAIN WATER 2015A Bond Payment				200,300.00
	OLIVENHAIN WATER 2016A Bond Payment				81,300.00
					\$ 4,232,635.44

Major Category of Disbursements

Total disbursements from the District's checking account: \$ 1,523,638.60

Following is a breakdown of this total by major categories:

<u>Category</u>	
Outside services	696,012.92
Inventory and supplies	457,469.84
Insurance	120,392.62
Utilities	88,830.49
Repair and maintenance	87,227.45
Refunds	22,428.19
Other	51,277.09
Total	\$ 1,523,638.60

Sincerely,



Rainy K. Selamat/Finance Manager

Olivenhain Municipal Water District
Proposed Motions for December 13, 2017 Board of Directors Meeting
November 2017 Activities

California Bank and Trust

Regular Account

warrants	16222	to	16618	\$	1,523,638.60
11/16/2017 Wire - SDCWA - Monthly Purchased Water Payment					2,427,396.84
11/29/2017 OLIVENHAIN WATER 2015A Bond Payment					200,300.00
11/29/2017 OLIVENHAIN WATER 2016A Bond Payment					81,300.00
				\$	<u>4,232,635.44</u>

Approved:

For Board Consideration and Approval

Proposed Motions for December 13, 2017 Board of Directors Meeting
 Checks for November 2017- General Acct

Check Number	Date	Vendor Name	Check Amount	Inv Reference	Multiple invoice
16222 ✓	11/1/2017	4S Ranch Gasoline & Car Wash	169.73	WWTP GASOLINE & CAR WASH	
16223	11/1/2017	Ace Uniforms & Accessories Inc.	81.18	PARKS	
16224	11/1/2017	Aflac	1,257.44	FS005, 10/23/2017	
16225	11/1/2017	AG Tech Llc	731.64	WWTP-BIO SOLIDS WASTE DISPOSAL	
16226	11/1/2017	Amber Goodson	89.29	REFUND	
16227	11/1/2017	AT & T	531.22	9391059578	Yes
16228	11/1/2017	Barrett Engineered Pumps	1,799.43	WWTP SUPPLIES	
16229	11/1/2017	Boot World Inc	200.00	STEEL TOE BOOTS	Yes
16230	11/1/2017	Brightview Landscape Services	1,365.00	ZORRO RSVR TREE REMOVAL	
16231	11/1/2017	California Commercial Asphalt	457.77	FLAIR ENCINITAS	
16232	11/1/2017	Jesica Cleaver	18.34	TOUR & PLANT WORKSHOP SNACKS	
16233	11/1/2017	Cox Communications	1,985.26	001 3410 038189801	
16234	11/1/2017	Cyber Marketing Network Inc	147.60	STEEL TOE BOOTS	Yes
16235	11/1/2017	David Finkelstein	118.80	REFUND	
16236	11/1/2017	Diamond Environmental	3,960.34	015185, 10/20/2017	Yes
16237	11/1/2017	Encinitas Promenade Gas & Oli Change	266.28	GASOLINE	
16238	11/1/2017	F J Willert Contracting Co	468.16	REFUND	
16239	11/1/2017	Fallbrook Printing Corp	974.76	PRINTED MATERIALS EXCLUDING NE	Yes
16240	11/1/2017	Federal Express Corp	465.02	SHIPPING CHARGES	
16241	11/1/2017	Ferguson Enterprises Inc. #1083	15,318.67	PURCHASING INVOICE ENTRY	Yes
16242	11/1/2017	Franchise Tax Board	75.00	FTBGRN 11/2/2017	
16243	11/1/2017	Geoscience Support Svcs, Inc.	28,688.25	PROVIDE HYDROGEOLOGIC GW SUPPL	Yes
16244	11/1/2017	Grainger	904.14	WWTP SUPPLIES	Yes
16245	11/1/2017	Jane Caples	111.72	REFUND	
16246	11/1/2017	Bill Jech	1,310.00	FORTUNA DEL ESTE PAVING	
16247	11/1/2017	Jennifer Windle dba	225.00	PROVIDE OUTREACH SERVICES FOR	Yes
16248	11/1/2017	Kaufmann, Stephanie	70.83	CSDA CONF MILEAGE REIMB	
16249	11/1/2017	Kyocera	110.75	TONER	
16250	11/1/2017	Lawnmowers Plus Inc.	97.18	VAC4 SUPPLIES	Yes
16251	11/1/2017	Nossaman LLP	6,500.00	9/17 LOBBYING SERVICES	
16252	11/1/2017	One Source Distributors	461.66	SAFETY SUPPLIES	
16253	11/1/2017	Pacific Pipeline Supply	215.16	SUPPLIES	
16254	11/1/2017	Pacific Safety Center	65.00	CPR/FIRST AID - M.MCMAHON	
16255	11/1/2017	Parson Environmental Products, Inc.	496.46	SUPPLIES	
16256	11/1/2017	Christopher C Petersen	15.57	MISC. SHOP TOOLS	
16257	11/1/2017	Pilve, Ando	300.00	SCADA NETWORK CONSULTING	
16258	11/1/2017	Prashant Doma	2.95	REFUND	
16259	11/1/2017	R & R Industries Inc	1,209.36	SUPPLIES	
16260	11/1/2017	RCP Block & Brick Inc	434.24	SUPPLIES	
16261	11/1/2017	San Diego Gas & Electric	59.86	97824248183	Yes
16262	11/1/2017	San Elijo Joint Powers Auth.	26,373.34	9/17 17.99 AC/FT RECYCLED WTR	
16263	11/1/2017	Shaw Coates	90.38	REFUND	
16264	11/1/2017	Specialty Seals & Accessories	1,237.51	SUPPLIES	
16265	11/1/2017	Spice Of Life Inc	1,924.30	2017 HEALTH & LIFESTYLE EXPO	
16266	11/1/2017	Stoney-Miller Consultants Inc	4,153.75	PROVIDE CONSULTATION ON ACTIVI	Yes
16267	11/1/2017	The Dumbell Man Fitness	161.88	GYM EQUIP PREVENT MAINT SVCS	
16268	11/1/2017	The Lawton Group	394.79	SDCWA INTERNS W/E 10/15/17	
16269	11/1/2017	United Parcel Service	64.81	SHIPPING	
16270	11/1/2017	United Way-CHAD	23.00	UNITED 11/2/2017	
16271	11/1/2017	US Internet	175.80	EMAIL SCANNING SERVICES	
16272	11/1/2017	Water for People	57.55	WTRPL 11/2/2017	
16273	11/1/2017	Western Pump Inc	75,521.77	RELOCATE WASH BAY & FUEL PUMP	Yes
16274	11/1/2017	Mark Wilson	104.31	SENSUS CONF. EXP REIMB.	
16275	11/1/2017	Thomas Wood	355.00	SPVR & MGR TRNG MTG ROOM REIMB	
16276	11/8/2017	A & S Flooring	1,828.00	SYS OPS BLDG FLOOR TILE RPLC	
16277	11/8/2017	Acacia Gasoline & Car Wash	844.62	GASOLINE	
16278	11/8/2017	ACWA - JPIA	119,463.51	12/17 GROUP INSURANCE PREM.	

Proposed Motions for December 13, 2017 Board of Directors Meeting
Checks for November 2017- General Acct

Check Number	Date	Vendor Name	Check Amount	Inv Reference	Multiple invoice
16279	11/8/2017	AEGIS	17,688.51	VILLAGE PARK INSPECTIONS	Yes
16280	11/8/2017	Affordable Drain Service	1,140.00	BLUESTONE ST & ALVA RD	
16281	11/8/2017	Airgas	2,210.15	SUPPLIES	Yes
16282	11/8/2017	Albert A. Webb Associates	3,772.50	DUSTY TRAIL PIPELINE RPLCMNT	Yes
16283	11/8/2017	Amazon Capital Services, Inc.	23.36	A2YSN8Z5BAMT27	
16284	11/8/2017	American Messaging	117.33	L1-072035	
16285	11/8/2017	Aqua Metric	4,535.48	PURCHASING INVOICE ENTRY	Yes
16286	11/8/2017	Asbury Environmental Services	85.00	WASTE DISPOSAL	
16287	11/8/2017	Ayala Engineering	21,750.00	INSTALL COMPOSITE FRAMES & COV	Yes
16288	11/8/2017	VOID	-	SUPPLIES	Yes
16289	11/8/2017	Brigade Electronics Inc.	351.57	WHITE NOISE BACKUP ALARMS	Yes
16290	11/8/2017	Brightview Landscape Services	11,916.05	WWTP SERVICES	Yes
16291	11/8/2017	California Bank & Trust	10,798.43	7694, 10/26/2017	Yes
16292	11/8/2017	VOID	-	SITIO BAYA	Yes
16293	11/8/2017	CDW Government Inc	4,894.69	SUPPLIES	Yes
16294	11/8/2017	Coast Waste Mgmt Inc	1,156.29	3-4666-55001	Yes
16295	11/8/2017	County Of San Diego	1,497.00	1966 OLIVENHAIN RD	
16296	11/8/2017	CSMFO	110.00	2018 MEMBERSHIP DUES	
16297	11/8/2017	Darryl J. Tschirn Jr.	10,600.00	CIELO PS GENERATOR STACK TESTI	Yes
16298	11/8/2017	DCL Enterprise Inc Db	35.43	PU88 KEY CUT	Yes
16299	11/8/2017	Dish Network	88.88	8255 7070 8252 7974	Yes
16300	11/8/2017	El Camino Rental	183.18	CONCRETE	
16301	11/8/2017	Encinitas Ford	465.10	SHOP SUPPLIES	Yes
16302	11/8/2017	Encinitas Promenade Gas & Oli Change	652.81	GASOLINE	
16303	11/8/2017	Engineered Fluid Inc	31,202.25	TAX	Yes
16304	11/8/2017	Enviromatrix Analytical Inc	2,291.00	WATER SAMPLES	Yes
16305	11/8/2017	Fallbrook Printing Corp	78.08	PRINTED MATERIALS EXCLUDING NE	Yes
16306	11/8/2017	Fedex Kinko'S National A/R	255.92	PRESENTATION MATERIALS	Yes
16307	11/8/2017	Ferguson Enterprises Inc. #1083	4,447.27	PURCHASING INVOICE ENTRY	Yes
16308	11/8/2017	Genesis Employee Benefits	531.30	REPORTING & CLAIMS PROCESSING	
16309	11/8/2017	Grainger	2,493.32	WWTP SUPPLIES	Yes
16310	11/8/2017	Grangetto's Ag. Supply	35.05	WWTP SUPPLIES	
16311	11/8/2017	Hach Company	1,135.66	WTP SUPPLIES	
16312	11/8/2017	Harrington Industrial	1,766.63	WWTP SUPPLIES	Yes
16313	11/8/2017	Hasa	4,410.50	WWTP CHEMICALS	
16314	11/8/2017	HB&A Architects, Inc.	94,072.13	BLDG D	Yes
16315	11/8/2017	Hoch Consulting	42,929.40	LUSARDI CREEK PIPELINE	
16316	11/8/2017	Hub Construction Specialties Inc	964.36	TOOL REPAIRS	
16317	11/8/2017	Infrastructure Engineering Corporation	5,677.48	VILLAGE PARK RECYCLED WTR PJT	Yes
16318	11/8/2017	Integrity Municipal Services	538.75	WWTP SUPPLIES	
16319	11/8/2017	J.M.D. Landscape Inc	9,200.00	FORTUNA DEL ESTE VEGETATION CL	Yes
16320	11/8/2017	Johnstone Supply	85.95	MISC. TOOLS	
16321	11/8/2017	Jones Chemicals Inc	7,622.15	WTP CHEMICALS	Yes
16322	11/8/2017	Kyocera	9.00	TONER	
16323	11/8/2017	Leonardo Fitness	624.00	FITNESS DUES REIMB THRU PR DED	
16324	11/8/2017	Miramar Truck Center	984.80	FB74 SERVICES	Yes
16325	11/8/2017	Mission Janitorial Sply	521.87	SUPPLIES	
16326	11/8/2017	N Harris Computer Corporation	2,280.00	SEWER BILLING MODULE	Yes
16327	11/8/2017	NCB Reprographics	20.00	VALVE BOOK SERVICES	
16328	11/8/2017	Ninyo & Moore	602.00	PALMA DE LA REINA	Yes
16329	11/8/2017	Nobel Systems	1,450.00	GIS UPDATES	Yes
16330	11/8/2017	Office Depot	218.11	MISC OFFICE SUPPLIES	
16331	11/8/2017	One Source Distributors	1,319.81	WWTP SAFETY SUPPLIES	Yes
16332	11/8/2017	Pacific Pipeline Supply	3,146.74	SUPPLIES	Yes
16333	11/8/2017	PBM Supply & Mfg, Inc.	227.40	PRESSURE TEST PUMP REPAIRS	
16334	11/8/2017	Christopher C Petersen	188.51	BATTERY	
16335	11/8/2017	Power Systems Testing Co.	660.00	MILLER HYDRO PLANT SERVICES	

Proposed Motions for December 13, 2017 Board of Directors Meeting
 Checks for November 2017- General Acct

Check Number	Date	Vendor Name	Check Amount	Inv Reference	Multiple invoice
16336	11/8/2017	Prudential Overall Supply	581.82	FLOOR MAT SERVICE	
16337	11/8/2017	Richard F. Yeager Jr. Db	1,950.00	SANTA FE VALLEY PS	
16338	11/8/2017	Ryan Herco	35.43	WTP SUPPLIES	
16339	11/8/2017	San Diego Gas & Electric	633.27	92081023809	Yes
16340	11/8/2017	San Elijo Joint Powers Auth.	26,065.48	10/17 17.78 AC/FT RECYCLED WTR	
16341	11/8/2017	Southern Counties Lubricants, LLC.	8,325.34	GASOLINE & DIESEL	
16342	11/8/2017	Southwest Membrane Op Assn	75.00	MEMBERSHIP RENEWAL - P.DREHER	
16343	11/8/2017	Streakwave Wireless Inc	1,115.31	SUPPLIES	Yes
16344	11/8/2017	T-Mobile	133.87	957854587	
16345	11/8/2017	The Lawton Group	1,041.92	SDCWA INTERNS W/E 10/29/17	Yes
16346	11/8/2017	Transnet Investigative	260.95	PARK DOCENTS	
16347	11/8/2017	Trebor Shoring Rentals	2,114.00	SHORING EQUIPMENT	Yes
16348	11/8/2017	TS Industrial Supply	788.04	WTP SUPPLIES	Yes
16349	11/8/2017	Two Oaks Sweeping LLC	542.50	OMWD YARD SWEEPING SVCS	
16350	11/8/2017	Univar Usa Inc	36,872.20	WTP CHEMICALS	Yes
16351	11/8/2017	USA Blue Book	956.71	WWTP SUPPLIES	Yes
16352	11/8/2017	Western Hose & Gasket	781.80	SUPPLIES	
16353	11/8/2017	Whitson CM	750.00	9/17 MAINTENANCE	
16354	11/8/2017	American Express \$62,306.30			
		Cintas Corporation #055	1,877.13	UNIFORM SERVICE-WWTP	
	11/8/2017	Cintas Corporation #055	301.72	UNIFORM SERVICE-OPS	
	11/8/2017	Cintas Corporation #055	1,414.89	UNIFORM SERVICE-WTP	
	11/8/2017	Eversoft	3,423.04	WTP SUPPLIES	
	11/8/2017	Nalco Company	1,545.14	WTP SUPPLIES	
	11/8/2017	Nalco Company	25,116.53	WTP SUPPLIES	
	11/8/2017	Newark	425.77	SUPPLIES	
	11/8/2017	West Coast Sand & Gravel	464.53	CONSTRUCTION SUPPLIES	
	11/8/2017	West Coast Sand & Gravel	1,836.91	CONSTRUCTION SUPPLIES	
	11/8/2017	West Coast Sand & Gravel	434.89	CONSTRUCTION SUPPLIES	
	11/8/2017	West Coast Sand & Gravel	553.71	CONSTRUCTION SUPPLIES	
	11/8/2017	West Coast Sand & Gravel	552.76	CONSTRUCTION SUPPLIES	
	11/8/2017	West Coast Sand & Gravel	1,120.81	WEST COAST	
	11/8/2017	Express Services, Inc	1,689.50	TEMP LABOR PPE 08/27/2017	
	11/8/2017	Express Services, Inc	1,799.75	TEMP LABOR PPE 9/10/17	
	11/8/2017	Express Services, Inc	3,043.75	TEMP LABOR PPE 9/3/17	
	11/8/2017	Express Services, Inc	2,131.88	TEMP LABOR PPE 9/17/17	
	11/8/2017	Firehawk Fire & Safety	189.95	FIRE SPRINKLER INSPECTION	
	11/8/2017	Video Builders LLC	1,750.00	FILL STATION VIDEO	
	11/8/2017	Express Services, Inc	6,894.50	EXPRESS	
	11/8/2017	Verizon Wireless - Sd	5,360.56	DISTRICT CELL PHONES	
	11/8/2017	Verizon Wireless - Sd	288.58	DISTRICT CELL PHONE/L. WATT	
16355	11/8/2017	American Express	90.00	9-31001, 10/28/2017	
16356	11/9/2017	American Express	394.38	8-21009, 10/28/2017	Yes
16357	11/9/2017	California Bank & Trust	1,646.30	0469, 11/8/2017	
16358	11/15/2017	2211 Encinitas Blvd LP	132.55	REFUND	
16359	11/15/2017	2211 Encinitas Blvd LP	128.09	REFUND	
16360	11/15/2017	4S Ranch Gasoline & Car Wash	533.52	GASOLINE	Yes
16361	11/15/2017	A-OK Power Equipment	110.72	PARKS SUPPLIES	
16362	11/15/2017	Ababa Bolt Inc	12.81	WTP MATERIALS	Yes
16363	11/15/2017	Abacor, Inc.	3,743.56	PU 47 REPAIRS TO SERVICE UTILI	Yes
16364	11/15/2017	Acacia Gasoline & Car Wash	896.67	GASOLINE	
16365	11/15/2017	Ace Uniforms & Accessories Inc.	757.45	PARKS RANGER UNIFORMS	
16366	11/15/2017	Affordable Drain Service	2,310.00	VIA RANCH CIELO/AVENIDA APICE	Yes
16367	11/15/2017	Alexandra Lee	58.56	REFUND	
16368	11/15/2017	Allied Refrigeration	166.47	SUPPLIES	
16369	11/15/2017	Amy Conrad	35.14	REFUND	
16370	11/15/2017	Tom Arellano	109.77	WTP SUPPLIES REIMBURSEMENT	

Proposed Motions for December 13, 2017 Board of Directors Meeting
Checks for November 2017- General Acct

Check Number	Date	Vendor Name	Check Amount	Inv Reference	Multiple invoice
16371	11/15/2017	Arthur Sladack	89.43	REFUND	
16372	11/15/2017	AT & T	20.59	9391056562	
16373	11/15/2017	Bay City Electric Works	346.46	GENERATOR MAINTENANCE AT RANCH	Yes
16374	11/15/2017	Boot World Inc	194.81	STEEL TOE BOOTS	Yes
16375	11/15/2017	Boyd Fasteners	3,645.91	WTP MATERIALS	Yes
16376	11/15/2017	Budget Courier	858.00	11/17 POST OFFICE SERVICES	
16377	11/15/2017	California Commercial Asphalt	1,395.21	SITIO BAYA	Yes
16378	11/15/2017	Coast Waste Mgmt Inc	6,392.43	9-23710-23000	Yes
16379	11/15/2017	Controlled Entry Specialists	162.00	WWTP GATE REPAIR	
16380	11/15/2017	Corodata	197.36	RECORDS STORAGE	
16381	11/15/2017	Corodata Shredding, Inc	68.50	SHREDDING SERVICES	
16382	11/15/2017	County Of San Diego	510.00	19090 VIA AMBIENTE RD	
16383	11/15/2017	CSDA San Diego Chapter	120.00	11/16 DINNER MTG - JV,JR,KT,CG	
16384	11/15/2017	Development Solutions Enclave LLC	458.60	REFUND	
16385	11/15/2017	Diamond Environmental	14,366.29	015185, 10/31/2017	Yes
16386	11/15/2017	Downstream Services Inc	1,718.18	REFUND	
16387	11/15/2017	Ecorp Consulting, Inc.	4,940.00	HARMONY GROVE BIO SURVEY	Yes
16388	11/15/2017	Edco Waste & Recycling	335.21	25-4A 861816	Yes
16389	11/15/2017	El Camino Rental	1,158.90	BACKHOE RENTAL	
16390	11/15/2017	Encinitas Ford	387.59	SUPPLIES	Yes
16391	11/15/2017	Encinitas Promenade Gas & Oli Change	431.52	GASOLINE	
16392	11/15/2017	Enviromatrix Analytical Inc	2,478.00	WATER SAMPLES	Yes
16393	11/15/2017	Eurofins Eaton Analytical	1,275.00	WATER SAMPLES	
16394	11/15/2017	Evoqua Water Technologies	4,007.18	RANCHO CIELO CHEMICALS	
16395	11/15/2017	Ferguson Enterprises Inc. #1083	2,051.56	WAX TAPE	Yes
16396	11/15/2017	First Choice Technology	137.03	13001474, 11/1/2017	Yes
16397	11/15/2017	Flo Systems Inc	15,764.90	WAS PUMP FOR 4S WRF	Yes
16398	11/15/2017	Fortress Security Consultants	900.00	BCP CONSULTING SERVICES II	Yes
16399	11/15/2017	Global Power Group Inc	220.00	WWTP PREVENT MAINT SVCS	
16400	11/15/2017	Grainger	4,397.88	WWTP SUPPLIES	Yes
16401	11/15/2017	Grangetto's Ag. Supply	143.17	SVC LINE REPAIR PARTS	Yes
16402	11/15/2017	Hach Company	559.22	WWTP SUPPLIES	Yes
16403	11/15/2017	Hanson Aggregates Inc	1,216.00	DUMP BOBTAIL - CONCRETE	Yes
16404	11/15/2017	Harrington Industrial	441.82	WTP SUPPLIES	
16405	11/15/2017	Hasa	4,456.45	WWTP CHEMICALS	
16406	11/15/2017	Hill Brothers Chemical Company	3,037.80	WWTP CHEMICALS	
16407	11/15/2017	Home Depot/Gecf	4,991.14	10/17 SUPPLIES	Yes
16408	11/15/2017	Hydraulic Controls, Inc.	605.86	WTP SUPPLIES	
16409	11/15/2017	Interstate Battery Of San Diego Inc	314.72	SUPPLIES	Yes
16410	11/15/2017	Janel Walters	30.18	REFUND	
16411	11/15/2017	John Orange	131.53	REFUND	
16412	11/15/2017	Jones Chemicals Inc	7,789.82	WTP CHEMICALS	Yes
16413	11/15/2017	Kaman Industrial	701.10	WTP SUPPLIES	
16414	11/15/2017	Lawnmowers Plus Inc.	28.51	P119 SUPPLIES	Yes
16415	11/15/2017	Lawrence Grove	67.41	REFUND	
16416	11/15/2017	Lloyd Pest Control	632.00	10/17 UNIT Z PEST CONTROL SVCS	Yes
16417	11/15/2017	Mallory Safety and Supply, LLC	737.77	SAFETY SUPPLIES	
16418	11/15/2017	Marsha Novak	384.11	REFUND	
16419	11/15/2017	Maryam Giahi	80.71	REFUND	
16420	11/15/2017	McMaster-Carr Supply Co.	1,599.83	WTP SUPPLIES	Yes
16421	11/15/2017	Meredith Dale Huntington dba	3,339.77	TAX	Yes
16422	11/15/2017	Mission Janitorial Sply	357.78	SUPPLIES	
16423	11/15/2017	Napa Auto Parts	744.31	10/17 SUPPLIES	
16424	11/15/2017	Networkfleet Inc	1,413.45	VEHICLE TRACKING SERVICES	
16425	11/15/2017	Ninyo & Moore	468.00	WTP SERVICES	
16426	11/15/2017	Nossaman LLP	13,497.16	9/17 LEGAL SERVICES	Yes
16427	11/15/2017	Office Depot	63.67	WWTP OFFICE SUPPLIES	Yes

Proposed Motions for December 13, 2017 Board of Directors Meeting
Checks for November 2017- General Acct

Check Number	Date	Vendor Name	Check Amount	Inv Reference	Multiple invoice
16428	11/15/2017	John Onkka	64.86	WEFTEC SEMINAR EXPENSE REIMB	
16429	11/15/2017	Otay Landfill	2,261.56	4-4531-0018538	
16430	11/15/2017	Pacific Pipeline Supply	22,955.39	WWTP SUPPLIES	Yes
16431	11/15/2017	Parkhouse Tire Inc	170.14	TIRE DISPOSAL SERVICES	Yes
16432	11/15/2017	Patriot Environmental	340.00	WWTP ROLL OFF BIN DISPOSAL SVC	
16433	11/15/2017	Christopher C Petersen	123.91	BATTERY	
16434	11/15/2017	Polydyne Inc	5,699.98	WWTP CHEMICALS	
16435	11/15/2017	Productive Computing Inc	161.00	HR SERVICES	
16436	11/15/2017	Quentin Alexander dba	3,525.00	BEE RMVL SVCS - THELMA MILLER	Yes
16437	11/15/2017	Rancho Santa Fe Community Svs	9,273.33	10/17 11.86 AC/FT RECYCLED WTR	
16438	11/15/2017	Republic Services #529	515.41	3-052-0030333	
16439	11/15/2017	Rhonda Dehaan	30.57	REFUND	
16440	11/15/2017	Rong Chang	695.67	REFUND	
16441	11/15/2017	San Diego Gas & Electric	71,592.11	99949341729	Yes
16442	11/15/2017	San Diego North EDC	1,000.00	12/17 BUSINESS BREAKFAST	No
16443	11/15/2017	Santa Fe Irrigation Dist	124.63	008128-005, 11/1/2017	
16444	11/15/2017	Sarah Frese	8.51	REFUND	
16445	11/15/2017	Scott Waage	902.67	REFUND	
16446	11/15/2017	Steve Harvey	111.58	REFUND	
16447	11/15/2017	Taylor Morrison of CA	362.44	REFUND	
16448	11/15/2017	Taylor Morrison of CA	362.44	REFUND	
16449	11/15/2017	Test America	490.50	WATER SAMPLES	
16450	11/15/2017	Thyssenkrupp Elevator	820.23	WTP SERVICES	
16451	11/15/2017	Transnet Investigative	290.00	PRE-EMPLOYMENT BACKGROUND	
16452	11/15/2017	TS Industrial Supply	126.30	WTP SUPPLIES	Yes
16453	11/15/2017	Underground Service Alert	227.80	DIG ALERT TICKETS	
16454	11/15/2017	United Parcel Service	61.77	SHIPPING CHARGES	
16455	11/15/2017	Univar Usa Inc	10,161.25	WTP CHEMICALS	Yes
16456	11/15/2017	US Bank	5,311.37	777321, 11/3/2017	
16457	11/15/2017	USA Blue Book	97.62	WTP SUPPLIES	
16458	11/15/2017	Vallecitos Water District	32,960.49	RECLAIMED WATER SALES	
16459	11/15/2017	Gerald Varty	9.10	MILEAGE REIMBURSEMENT	
16460	11/15/2017	Lawrence A Watt	93.96	MILEAGE/PARKING REIMBURSEMENT	
16461	11/15/2017	Western Pump Inc	32,828.71	RELOCATE WASH BAY & FUEL PUMP	Yes
16462	11/15/2017	White Nelson Diehl Evans Llp	395.00	2017 TAX SEMINAR - L. MENDEZ	
16463	11/15/2017	Whitson CM	1,350.00	WWTP SWPPP SERVICES	Yes
16464	11/16/2017	Tyra Williams	3,600.61	REFUND	
16465	11/22/2017	4S Ranch Gasoline & Car Wash	687.24	GASOLINE	
16466	11/22/2017	A-OK Power Equipment	29.08	PARKS SUPPLIES	
16467	11/22/2017	AT & T	751.16	9391056789	Yes
16468	11/22/2017	Bill Howe Plumbing Inc	968.93	OMWD HQ SERVICES	Yes
16469	11/22/2017	Boot World Inc	200.00	STEEL TOE BOOTS	Yes
16470	11/22/2017	Brian Pariscari	244.98	REFUND	
16471	11/22/2017	C E Wilson Corporation	21,981.80	2017-01 VALVE RPLC RETENTION	
16472	11/22/2017	VOID	-	VOID	Yes
16473	11/22/2017	Cable, Pipe & Leak Detection, Inc.	280.00	7301 NOCHE TAPATIA	
16474	11/22/2017	Cintas First Aid & Safety	153.83	WWTP SAFETY SUPPLIES	
16475	11/22/2017	Jesica Cleaver	166.26	SEMINAR MILEAGE/EXP REIMB.	
16476	11/22/2017	County Of San Diego	775.00	VISTA SANTA FE/LA CRESTA	Yes
16477	11/22/2017	County Of San Diego	5,270.00	DEL DIOS SPS APPLICATION FEES	
16478	11/22/2017	County of San Diego, RCS	171.00	10/17 RADIO SERVICES	
16479	11/22/2017	Cox Communications	1,985.26	001 3410 038189801	
16480	11/22/2017	Florence Crick	2,360.00	TREE TRIMMING REIMBURSEMENT	
16481	11/22/2017	Cyber Marketing Network Inc	98.99	STEEL TOE BOOTS	Yes
16482	11/22/2017	D&H Water Systems	377.43	WTP SUPPLIES	
16483	11/22/2017	Ava Davis	90.00	PLUMBER SVC CALL REIMBURSEMENT	
16484	11/22/2017	DCL Enterprise Inc DbA	137.50	THORNTON PUMP STATION	

Proposed Motions for December 13, 2017 Board of Directors Meeting
 Checks for November 2017- General Acct

Check Number	Date	Vendor Name	Check Amount	Inv Reference	Multiple invoice
16485	11/22/2017	Dell Computers	212.78	SUPPLIES	Yes
16486	11/22/2017	DLM Engineering Inc	10,842.32	10/17 CONSULTING SERVICES	Yes
16487	11/22/2017	El Camino Rental	3,444.82	WATER TRUCK	Yes
16488	11/22/2017	Jason Emerick	12.87	SHIPPING CHG EXP REIMBURSEMENT	
16489	11/22/2017	Ennix Incorporated	4,600.00	ENNIX FACULTATIVE DIGESTION PR	Yes
16490	11/22/2017	Federal Express Corp	160.02	SHIPPING	
16491	11/22/2017	Franchise Tax Board	75.00	FTBGRN 11/16/2017	
16492	11/22/2017	Gary Pitchford	102.72	REFUND	
16493	11/22/2017	Geoscience Support Svcs, Inc.	13,666.34	PROVIDE HYDROGEOLOGIC GW SUPPL	Yes
16494	11/22/2017	Grainger	407.04	WTP SUPPLIES	Yes
16495	11/22/2017	Guardian	929.11	12/17 DENTAL ADMIN FEES	
16496	11/22/2017	Hach Company	6,201.92	WWTP SUPPLIES	Yes
16497	11/22/2017	Hanson Aggregates Inc	727.30	DUMP BOBTAIL	Yes
16498	11/22/2017	Gabriel Hernandez	815.75	TRISTATE SEMINAR EXP REIMB.	Yes
16499	11/22/2017	Hydrotex	1,106.23	WTP SUPPLIES	
16500	11/22/2017	James Stumpff	79.74	REFUND	
16501	11/22/2017	JWC Environmental	159.60	WWTP SUPPLIES	
16502	11/22/2017	Kristy Brackett	114.91	REFUND	
16503	11/22/2017	Lloyd Pest Control	240.00	10/17 WWTP PEST CONTROL	Yes
16504	11/22/2017	Mallory Safety and Supply, LLC	1,688.77	SAFETY SUPPLIES	Yes
16505	11/22/2017	Maureen Coomber	202.51	REFUND	
16506	11/22/2017	Mike Lewis	49.98	REFUND	
16507	11/22/2017	N Harris Computer Corporation	36,571.13	2018 SUPPORT SVCS (GP)	
16508	11/22/2017	Ninyo & Moore	20,445.00	FUEL PUMP/WASH BAY RELOCATION	Yes
16509	11/22/2017	Otay Landfill	2,069.65	4-4531-0018538	
16510	11/22/2017	Pacific Pipeline Supply	445.01	WWTP SUPPLIES	Yes
16511	11/22/2017	Pacific Telemanagement Service	78.00	760-489-9971	
16512	11/22/2017	Pascal Steel Corp	7,000.00	DCMWTP METAL ROOF REPLACEMENT	Yes
16513	11/22/2017	Peterson, Sean	707.55	TRISTATE SEMINAR EXP REIMB.	
16514	11/22/2017	Purchase Power	500.00	8000-9090-0674-5785	
16515	11/22/2017	R.S. Hughes	1,185.25	SAFETY SUPPLIES	
16516	11/22/2017	RMC Water & Environment	73,345.41	GRANT ADMINISTRATION FOR NSDWR	Yes
16517	11/22/2017	Greg Rubin	150.00	NATIVE PLANT WORKSHOP 10/19/17	
16518	11/22/2017	Samantha Murphy	117.03	REFUND	
16519	11/22/2017	Samba Holdings Inc	149.46	DRIVER MONITORING	
16520	11/22/2017	San Diego Building Maintenance	4,560.00	11/17 JANITORIAL SERVICES	
16521	11/22/2017	San Diego County Treasurer	66.98	267-313-07-00	Yes
16522	11/22/2017	San Diego Fence Company	1,518.00	WWTP SERVICES	
16523	11/22/2017	San Diego Gas & Electric	2,477.91	98253875124	Yes
16524	11/22/2017	Sandra Orta	34.91	REFUND	
16525	11/22/2017	SCS Engineers	2,060.00	AFIF CAL-ARP 5-YEAR COMPLIANCE	Yes
16526	11/22/2017	Shape Products	317.06	WTP SUPPLIES	
16527	11/22/2017	Specialty Seals & Accessories	308.87	SUPPLIES	
16528	11/22/2017	Staples	789.60	MISC OFFICE SUPPLIES	Yes
16529	11/22/2017	State Water Resources	230.00	WTP OPERATOR 2 - D.BRUNOZZI	
16530	11/22/2017	Steven L. Sherman DBA	4,942.50	CONSERVATION LANDSCAPE SERVICE	Yes
16531	11/22/2017	The Lawton Group	830.28	SDCWA INTERNS W/E 11/5/17	
16532	11/22/2017	Tim Carver	127.67	REFUND	
16533	11/22/2017	U.S. Bank	1,836.00	REFUNDING BONDS	Yes
16534	11/22/2017	United Way-CHAD	23.00	UNITED 11/16/2017	
16535	11/22/2017	Valley Construction Management	8,493.00	CONSTRUCTION MGMT SERVICES	Yes
16536	11/22/2017	Water for People	57.55	WTRPL 11/16/2017	
16537	11/22/2017	VOID	-	VOID	
16538	11/22/2017	Beverly Weber	6,795.12	10/17 CONSULTING SERVICES	Yes
16539	11/22/2017	White Nelson Diehl Evans Llp	3,500.00	6/30/17 AUDIT SERVICES	
16540	11/22/2017	Dr. Jeffrey Williams	535.00	LEAK REPAIR REIMBURSEMENT	
16541	11/22/2017	Ken Ayers	5,500.00	RM REFUND: DEBITO00000000431	

Proposed Motions for December 13, 2017 Board of Directors Meeting
Checks for November 2017- General Acct

Check Number	Date	Vendor Name	Check Amount	Inv Reference	Multiple invoice
16542	11/22/2017	Sebastian Luparia	5,000.00	RM REFUND: DEBIT000000000432	
16543	11/15/2017	County Of San Diego	5,270.00	MIDPOINT SPS APPLICATION FEE	
16544	11/29/2017	Acacia Gasoline & Car Wash	2,339.86	GASOLINE	Yes
16545	11/29/2017	Affordable Drain Service	1,995.00	16106 4S RANCH - JETT/VAC SVCS	
16546	11/29/2017	AG Tech Llc	1,814.76	WWTP BIO SOLIDS WASTE DISPOSAL	
16547	11/29/2017	Airgas	1,349.22	WTP SUPPLIES	Yes
16548	11/29/2017	Albert A. Webb Associates	2,070.00	DUSTY TRAIL PIPELINE RPLCMNT	Yes
16549	11/29/2017	Alison Puccinelli	201.06	REFUND	
16550	11/29/2017	Allied Refrigeration	367.48	SUPPLIES	Yes
16551	11/29/2017	Aqua Metric	1,328.56	PURCHASING INVOICE ENTRY	Yes
16552	11/29/2017	AT & T	85.40	9391059578	
16553	11/29/2017	Colette Barrow	39.88	MILEAGE & RECORDING FEES REIMB	
16554	11/29/2017	Brenntag Pacific Inc	3,909.03	WWTP CHEMICALS	Yes
16555	11/29/2017	Bridgestone Hosepower LLC	508.00	LANDSCAPE MAINTENANCE	Yes
16556	11/29/2017	Brightview Landscape Services	10,942.00	LANDSCAPE MAINTENANCE	Yes
16557	11/29/2017	Burtech Pipeline	30,192.83	EMERGENCY SEWER FORCE MAIN	
16558	11/29/2017	California Commercial Asphalt	1,989.66	VIA GALVAN	Yes
16559	11/29/2017	CDW Government Inc	1,360.10	SUPPLIES	Yes
16560	11/29/2017	Controlled Entry Specialists	1,766.00	WWTP GATE SERVICES	Yes
16561	11/29/2017	Core & Main LP	718.70	MTR REPLACEMENT SUPPLIES	Yes
16562	11/29/2017	County Of San Diego	5,270.00	NBHD #3 PERMIT APPLICATION FEE	
16563	11/29/2017	Craneworks Southwest, Inc	796.74	PU39 REPAIRS	Yes
16564	11/29/2017	Diamond Environmental	1,885.41	010448, 11/9/2017	
16565	11/29/2017	Dish Network	48.23	8255 7070 8441 5780	
16566	11/29/2017	Electrical Sales Inc	337.53	WWTP SUPPLIES	
16567	11/29/2017	Encinitas Ford	740.40	PU78 SUPPLIES	Yes
16568	11/29/2017	Encinitas Promenade Gas & Oli Change	915.91	GASOLINE	
16569	11/29/2017	Enviromatrix Analytical Inc	1,350.00	WATER SAMPLES	Yes
16570	11/29/2017	Evoqua Water Technologies	167.45	WWTP SERVICES	
16571	11/29/2017	Ferguson Enterprises Inc. #1083	2,262.75	PURCHASING INVOICE ENTRY	Yes
16572	11/29/2017	Franchise Tax Board	75.00	FTBGRN 11/30/2017	
16573	11/29/2017	Global Power Group Inc	2,490.35	NBHD #3 SERVICES	
16574	11/29/2017	Gov'T Fin. Officer Assoc	160.00	MEMBERSHIP RENEWAL	
16575	11/29/2017	Grainger	1,828.65	WWTP SUPPLIES	Yes
16576	11/29/2017	Hach Company	781.89	SUPPLIES	
16577	11/29/2017	Hanson Aggregates Inc	1,520.00	DUMP BOBTAIL - CONCRETE	Yes
16578	11/29/2017	Hasa	4,408.67	WWTP CHEMICALS	
16579	11/29/2017	Integrity Municipal Services	1,000.00	4S WRF YEARLY ODOR SCRUBBER MA	Yes
16580	11/29/2017	Interstate Battery Of San Diego Inc	94.85	SUPPLIES	
16581	11/29/2017	James Conlin	44.23	REFUND	
16582	11/29/2017	Jauregui & Culver Inc	1,050.00	APCD TESTING	
16583	11/29/2017	Greg Johnson dba	1,263.21	SUPPLIES	
16584	11/29/2017	Jones Chemicals Inc	3,916.61	WTP CHEMICALS	
16585	11/29/2017	Jennifer Windle dba	487.50	PROVIDE OUTREACH SERVICES FOR	Yes
16586	11/29/2017	Kevin Koch	20.68	REFUND	
16587	11/29/2017	McMaster-Carr Supply Co.	36.96	SUPPLIES	
16588	11/29/2017	Morton Salt Inc	4,406.51	WTP CHEMICALS	
16589	11/29/2017	Raymond Motas	180.00	CWEA MEMBERSHIP EXP REIMB.	
16590	11/29/2017	Msds Online	898.00	2018 MSDS ONLINE	
16591	11/29/2017	North County Powder Coating	783.64	SHOP SERVICES	Yes
16592	11/29/2017	Noylan Pulski	102.86	REFUND	
16593	11/29/2017	One Source Distributors	2,946.96	TAX	Yes
16594	11/29/2017	Pacific Pipeline Supply	3,576.05	1560 LEUCADIA BLVD	Yes
16595	11/29/2017	Patriot Environmental	1,140.00	WWTP ROLL OFF BIN DISPOSAL	
16596	11/29/2017	Pitney Bowes Global Fin Srvcs	386.46	0017015466	
16597	11/29/2017	Rancho Auto Body	465.18	PU61 REPAIRS	Yes
16598	11/29/2017	RCP Block & Brick Inc	273.69	WWTP SUPPLIES	

Proposed Motions for December 13, 2017 Board of Directors Meeting
 Checks for November 2017- General Acct

Check Number	Date	Vendor Name	Check Amount	Inv Reference	Multiple invoice
16599	11/29/2017	Safelite Fulfillment Inc	79.32	D653 SUPPLIES	Yes
16600	11/29/2017	San Diego Gas & Electric	1,550.70	10387381812	
16601	11/29/2017	Sonsray Machinery LLC	196.09	BA07 SUPPLIES	Yes
16602	11/29/2017	Sparkletts	23.02	WWTP SERVICES	
16603	11/29/2017	Staples	218.98	MISC OFFICE SUPPLIES	
16604	11/29/2017	Stephen Christiansen	81.50	REFUND	
16605	11/29/2017	Stilson Kent Scott Db	5,400.00	FENCE AND BARB WIRE REPAIR AT	Yes
16606	11/29/2017	Streakwave Wireless Inc	519.47	SUPPLIES	Yes
16607	11/29/2017	Tiffany Goldwire	133.13	REFUND	
16608	11/29/2017	Trebor Shoring Rentals	782.50	7211 SIETE LEGUAS	Yes
16609	11/29/2017	United Way-CHAD	23.00	UNITED 11/30/2017	
16610	11/29/2017	Univar Usa Inc	9,476.26	WTP CHEMICALS	Yes
16611	11/29/2017	US Internet	175.80	EMAIL SCANNING SERVICES	
16612	11/29/2017	USA Blue Book	142.95	SUPPLIES	
16613	11/29/2017	Vortex Industries	1,450.31	WTP SERVICES	
16614	11/29/2017	Water for People	57.55	WTRPL 11/30/2017	
16615	11/29/2017	Watereuse Association	2,407.50	2018 ASSOCIATION RENEWAL	
16616	11/29/2017	Western Pump Inc	277.23	GASBOY KEY FOBS	
16617	11/29/2017	Whitson CM	750.00	8/17 LA COSTA 49	Yes
16618	11/29/2017	County Of San Diego	5,270.00	FIREHOUSE SPS PERMIT FEES	
Total			<u>1,523,638.60</u>		

Olivenhain Municipal Water District
Proposed Motions for December 13, 2017 Board of Directors Meeting
October 2017 Activities
Consent Calendar Item # C-a

Proposed Motions:

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

Regular Account	warrants	15929 ✓	to	16221	1,496,840.87
	Wire - SDCWA - Monthly Purchased Water Payment				2,610,792.24
	OLIVENHAIN WATER 2015A Bond Payment				200,300.00
	OLIVENHAIN WATER 2016A Bond Payment				81,300.00
	Wire - SDCWA - Quarterly Capacity Fees				59,806.00
					\$ 4,449,039.11 ✓

Major Category of Disbursements

Total disbursements from the District's checking account: \$ 1,496,840.87

Following is a breakdown of this total by major categories:

Category

Outside services	646,884.36
Inventory and supplies	338,492.47
Repair and maintenance	222,211.40
Insurance	152,355.27
Utilities	108,835.72
Refunds	4,859.75
Other	23,201.90
Total	\$ 1,496,840.87

Sincerely,

Rainy K. Selamat

Rainy K. Selamat/Finance Manager

Olivenhain Municipal Water District
Proposed Motions for December 13, 2017 Board of Directors Meeting
October 2017 Activities

California Bank and Trust

Regular Account

warrants	15929	to	16221	\$	1,496,840.87
10/16/2017 Wire - SDCWA - Monthly Purchased Water Payment					2,610,792.24
10/30/2017 OLIVENHAIN WATER 2015A Bond Payment					200,300.00
10/30/2017 OLIVENHAIN WATER 2016A Bond Payment					81,300.00
10/31/2017 Wire - SDCWA - Quarterly Capacity Fees					59,806.00
				\$	<u>4,449,039.11</u> ✓

Approved:

For Board Consideration and Approval

Proposed Motions for December 13, 2017 Board of Directors Meeting
 Checks for October 2017- General Acct

Check Number	Date	Vendor Name	Check Amount	Inv Reference	Multiple invoice
15929 ✓	10/4/2017	4S Ranch Gasoline & Car Wash	89.83	WWTP GASOLINE & CAR WASH	
15930	10/4/2017	Aaron Howard	96.63	REFUND	
15931	10/4/2017	Ace Uniforms & Accessories Inc.	1,800.89	PARKS UNIFORMS	
15932	10/4/2017	AEGIS	6,002.00	THE LAKES	Yes
15933	10/4/2017	Aflac	1,257.44	FS005, 9/24/17	
15934	10/4/2017	Alpha Heavy Duty Towing &	120.00	PU29 TOWING SERVICES	Yes
15935	10/4/2017	American Messaging	171.21	L1-072035, 10/1/2017	
15936	10/4/2017	AT & T	441.41	9391056158	
15937	10/4/2017	Boot World Inc	580.06	STEEL TOE BOOTS	Yes
15938	10/4/2017	California Bank & Trust	4,216.73	7694, 9/26/2017	Yes
15939	10/4/2017	Carollo Engineers	999.95	UV EQUIPMENT DESIGN	Yes
15940	10/4/2017	CDW Government Inc	7,765.93	MICROSOFT WINDOWS 2016 DATACEN	Yes
15941	10/4/2017	Coast Waste Mgmt Inc	968.17	3-44075-35006	Yes
15942	10/4/2017	Marvin Cohen	155.69	MILEAGE REIMBURSEMENT	
15943	10/4/2017	Core-Rosion Products	24,568.85	DCMWTP REPLACEMENT HYPOCHLORI	Yes
15944	10/4/2017	Cyber Marketing Network Inc	139.49	STEEL TOE BOOTS	Yes
15945	10/4/2017	D&H Water Systems	7,987.76	ENCORE PUMPS FOR 4S WRF CAUSTI	Yes
15946	10/4/2017	Evan Dewindt	112.95	GE USER GROUP CONF EXP REIMB	
15947	10/4/2017	Diamond Environmental	1,466.34	010448, 9/14/17	
15948	10/4/2017	Dish Network	88.88	8255707084415780	Yes
15949	10/4/2017	El Camino Rental	710.50	BUCKET TRUCK RENTAL	
15950	10/4/2017	Encinitas Ford	107.34	FB71 SUPPLIES	Yes
15951	10/4/2017	Escondido Metal Supply	25.67	WWTP SUPPLIES	
15952	10/4/2017	Eurofins Eaton Analytical	320.00	WATER SAMPLES	
15953	10/4/2017	Franchise Tax Board	75.00	FTBGRN 10/5/2017	
15954	10/4/2017	Furgerson's Garage	96.25	PU39 SMOG INSPECTION	Yes
15955	10/4/2017	Grainger	58.57	WWTP SUPPLIES	
15956	10/4/2017	Hach Company	2,690.66	WTP SUPPLIES	Yes
15957	10/4/2017	Hasa	4,189.05	WWTP CHEMICALS	
15958	10/4/2017	Gabriel Hernandez	24.00	9/17 GYM DUES REIMBURSEMENT	
15959	10/4/2017	Jim Busby	73.24	REFUND	
15960	10/4/2017	Jones Chemicals Inc	3,682.95	WTP CHEMICALS	
15961	10/4/2017	Kyocera	9.00	TONER	
15962	10/4/2017	Leonardo Fitness	468.00	FITNESS DUES REIMB THRU PR DED	
15963	10/4/2017	Mallory Safety and Supply, LLC	153.01	SUPPLIES	
15964	10/4/2017	Michelle McMahon	36.38	MILEAGE REIMBURSEMENT	
15965	10/4/2017	NEWest Construction Co	22,600.00	WWTP DIGESTER PIPING	Yes
15966	10/4/2017	Nitin Nakrani	806.14	REFUND	
15967	10/4/2017	Nossaman LLP	6,571.46	8/17 LOBBYING SERVICES	
15968	10/4/2017	Office Depot	5.46	MISC OFFICE SUPPLIES	
15969	10/4/2017	Otay Landfill	2,942.71	4-4531-0018538	
15970	10/4/2017	Christopher C Petersen	404.45	MISC TOOLS	Yes
15971	10/4/2017	Rancho Auto Body	679.34	FB74 SERVICES	Yes
15972	10/4/2017	REM Mechanical	728.00	OMWD HQ SERVICES	
15973	10/4/2017	RS Instruments & Services	2,164.00	WWTP SERVICES	
15974	10/4/2017	Ryan Baker	139.25	REFUND	
15975	10/4/2017	San Diego Gas & Electric	99.77	97824248183	
15976	10/4/2017	Sonsray Machinery LLC	3,702.52	LEFT STABILIZER & HYDRAULIC CY	Yes
15977	10/4/2017	Southern Counties Lubricants, LLC.	3,355.28	GASOLINE & DIESEL	
15978	10/4/2017	Sparkletts	22.38	WWTP SUPPLIES	
15979	10/4/2017	State Water Resources	60.00	WTR DISTRIB. CERT RENEW-J.HOLT	
15980	10/4/2017	Streakwave Wireless Inc	950.03	SUPPLIES	
15981	10/4/2017	T-Mobile	133.78	957854587	
15982	10/4/2017	The Lawton Group	398.86	SDCWA INTERN W/E 9/17/17	
15983	10/4/2017	Transnet Investigative	85.00	PRE-EMPLOYMENT BACKGROUND	
15984	10/4/2017	United Way-CHAD	23.00	UNITED 10/5/2017	
15985	10/4/2017	Univar Usa Inc	1,373.44	WTP CHEMICALS	

Proposed Motions for December 13, 2017 Board of Directors Meeting
 Checks for October 2017- General Acct

Check Number	Date	Vendor Name	Check Amount	Inv Reference	Multiple invoice
15986	10/4/2017	US Internet	175.80	EMAIL SCANNING SERVICES	
15987	10/4/2017	Valve Automation & Controls	1,278.00	WWTP SUPPLIES	
15988	10/4/2017	Water for People	57.55	WTRPL 10/5/2017	
15989	10/6/2017	VOID	-	VOID	
15990	10/6/2017	American Express \$94,277.42			
	10/6/2017	Adcentive/Div Brown & Bigelow	2,059.08	DISTRICT SHIRTS	
	10/6/2017	Cintas Corporation #055	301.72	OPS UNIFORM SERVICE	
	10/6/2017	Cintas Corporation #055	2,316.66	WWTP UNIFORM SERVICE	
	10/6/2017	Cintas Corporation #055	1,025.87	UNIFORM SERVICE WTP	
	10/6/2017	Eversoft	3,423.04	WTP SUPPLIES	
	10/6/2017	Eversoft	3,423.04	WTP SUPPLIES	
	10/6/2017	Nalco Company	1,545.14	WTP SUPPLIES	
	10/6/2017	Nalco Company	4,396.07	WTP SUPPLIES	
	10/6/2017	Nalco Company	32,818.93	WTP SUPPLIES	
	10/6/2017	West Coast Sand & Gravel	545.93	CONSTRUCTION SUPPLIES	
	10/6/2017	West Coast Sand & Gravel	572.51	CONSTRUCTION SUPPLIES	
	10/6/2017	West Coast Sand & Gravel	1,436.64	CONSTRUCTION SUPPLIES	
	10/6/2017	West Coast Sand & Gravel	551.98	CONSTRUCTION SUPPLIES	
	10/6/2017	Union-Tribune Publishing	420.75	LEGAL NOTICE-CAPACITY FEES	
	10/6/2017	Atlas Pumping Service	16,335.00	ROLL OFF SERVICE	
	10/6/2017	Atlas Pumping Service	1,300.00	ATLAS	
	10/6/2017	Express Services, Inc	2,967.09	TEMP LABOR PPE 7/2/17	
	10/6/2017	Express Services, Inc	3,813.57	TEMP LABOR PPE 6/25/17	
	10/6/2017	Express Services, Inc	2,608.48	TEMP LABOR PPE 8/13/17	
	10/6/2017	Express Services, Inc	2,305.01	TEMP LABOR PPE 8/20	
	10/6/2017	Express Services, Inc	1,257.76	TEMP LABOR PPE 7/9	
	10/6/2017	Express Services, Inc	1,260.00	EXPRESS 7/9	
	10/6/2017	Express Services, Inc	970.50	EXPRESS	
	10/6/2017	Express Services, Inc	909.50	EXPRESS	
	10/6/2017	Verizon Wireless - Sd	5,359.42	DISTRICT CELL PHONES	
	10/6/2017	Verizon Wireless - Sd	353.73	DISTRICT ROUTER	
15991	10/11/2017	4S Ranch Gasoline & Car Wash	190.79	WWTP GASOLINE	Yes
15992	10/11/2017	ACWA - JPIA	119,411.88	11/2017 GROUP INSURANCE PREM	
15993	10/11/2017	Affordable Drain Service	2,840.00	WWTP SERVICES	Yes
15994	10/11/2017	Airgas	182.26	WTP SUPPLIES	
15995	10/11/2017	Allen Instruments & Supplies	60.34	SUPPLIES	
15996	10/11/2017	VOID	-	VOID	
15997	10/11/2017	Aqua Metric	2,500.00	7/17-6/18 BASE STATION SUPPORT	
15998	10/11/2017	AT & T	20.34	9391056562	
15999	10/11/2017	Barrett Engineered Pumps	1,702.45	SUPPLIES	
16000	10/11/2017	Bob Turner's Crane Service Inc	1,412.40	WTP SERVICES	
16001	10/11/2017	California Bank & Trust	5,804.78	9965, 9/26/2017	Yes
16002	10/11/2017	California Commercial Asphalt	914.24	MATERIALS	Yes
16003	10/11/2017	CBIONE	1,000.00	WWTP SERVICES	
16004	10/11/2017	CDW Government Inc	239.67	SUPPLIES	Yes
16005	10/11/2017	Cintas First Aid & Safety	103.58	SUPPLIES	
16006	10/11/2017	Coast Waste Mgmt Inc	176.84	3-46666-55001	
16007	10/11/2017	Core & Main LP	2,311.62	4" OCTAVE METER	Yes
16008	10/11/2017	Corodata Shredding, Inc	68.50	PAPER SHREDDING SERVICES	
16009	10/11/2017	DCL Enterprise Inc Db	6.03	KEYS	
16010	10/11/2017	Dell Computers	121.21	SUPPLIES	
16011	10/11/2017	Dennis L. Jobe Db	240.00	7904 OLD MAN RIVER BEE SVCS	
16012	10/11/2017	Diamond Environmental	3,150.00	015185, 9/22/2017	
16013	10/11/2017	Edco Waste & Recycling	189.20	25-4A 861816	
16014	10/11/2017	Electrical Sales Inc	5,814.19	LED LIGHTS FOR 4S WRF	Yes
16015	10/11/2017	Encinitas Ford	1,350.86	SHOP SUPPLIES	Yes
16016	10/11/2017	Ennix Incorporated	4,600.00	ENNIX FACULTATIVE DIGESTION PR	Yes

Proposed Motions for December 13, 2017 Board of Directors Meeting
Checks for October 2017- General Acct

Check Number	Date	Vendor Name	Check Amount	Inv Reference	Multiple invoice
16017	10/11/2017	Enviromatrix Analytical Inc	4,427.50	WATER SAMPLES	Yes
16018	10/11/2017	ESS	492.00	WWTP SECURITY MONITORING	Yes
16019	10/11/2017	Fallbrook Printing Corp	3,532.39	PRINTED MATERIALS EXCLUDING NE	Yes
16020	10/11/2017	Ferguson Enterprises Inc. #1083	3,345.92	SUPPLIES	Yes
16021	10/11/2017	Fieldman, Rolapp & Assoc	675.00	8/17 CONSULTING SERVICES	
16022	10/11/2017	Geoscience Support Svcs, Inc.	49,766.38	PROVIDE HYDROGEOLOGIC GW SUPPL	Yes
16023	10/11/2017	Global Power Group Inc	518.00	CIELO PUMP STATION	Yes
16024	10/11/2017	Grainger	1,308.73	WWTP SUPPLIES	Yes
16025	10/11/2017	Grangetto's Ag. Supply	12.38	SUPPLIES	Yes
16026	10/11/2017	Hanson Aggregates Inc	2,612.88	DUMP BOBTAIL	Yes
16027	10/11/2017	Hasa	4,352.61	WWTP CHEMICALS	
16028	10/11/2017	Infrastructure Engineering Corporation	6,656.60	VILLAGE PARK PJT DRAWINGS	Yes
16029	10/11/2017	VOID	-	VOID	
16030	10/11/2017	Jones Chemicals Inc	3,681.11	WTP CHEMICALS	
16031	10/11/2017	McMaster-Carr Supply Co.	255.08	SUPPLIES	Yes
16032	10/11/2017	Mission Janitorial Sply	534.06	SUPPLIES	
16033	10/11/2017	NBS	8,878.72	10/17-12/17 ADMIN FEES	
16034	10/11/2017	Pacific Pipeline Supply	2,955.00	WTP SUPPLIES	Yes
16035	10/11/2017	Parkhouse Tire Inc	409.23	PU91 SERVICES	Yes
16036	10/11/2017	Christopher C Petersen	577.49	TORQUE WRENCH - SHOP	Yes
16037	10/11/2017	Power Systems Testing Co.	2,592.00	WWTP SERVICES	
16038	10/11/2017	Quality Chevrolet	198.93	FB45 SUPPLIES	Yes
16039	10/11/2017	Rancho Auto Body	955.07	PU96 SERVICES	Yes
16040	10/11/2017	Rancho Santa Fe Community Svs	17,717.85	9/17 22.66 AC/FT RECYCLED WTR	
16041	10/11/2017	Republic Services #529	515.41	3-0529-0030333	
16042	10/11/2017	RMC Water & Environment	5,375.50	NSDCRRWP PROP 84	Yes
16043	10/11/2017	San Diego Gas & Electric	488.00	92081023809	Yes
16044	10/11/2017	San Diego Refrigeration	290.08	ICE MAKER SERVICES	
16045	10/11/2017	Santa Fe Irrigation Dist	3,319.71	008128-008, 10/2/2017	Yes
16046	10/11/2017	Sparling Instruments, LLC	963.76	WWTP POND SERVICES	
16047	10/11/2017	Staples	205.56	MISC OFFICE SUPPLIES	
16048	10/11/2017	The Lawton Group	113.96	SDCWA INTERNS W/E 9/24/17	
16049	10/11/2017	Trebor Shoring Rentals	1,386.00	SHORING EQUIPMENT	Yes
16050	10/11/2017	TS Industrial Supply	1,554.63	WTP SUPPLIES	
16051	10/11/2017	Univar Usa Inc	10,092.24	WTP CHEMICALS	Yes
16052	10/11/2017	USA Blue Book	201.36	WWTP SUPPLIES	
16053	10/11/2017	Western Pump Inc	76,282.43	RELOCATE WASH BAY & FUEL PUMP	Yes
16054	10/11/2017	Ampco Contracting, Inc.	235,030.00	AVENIDA LA POSTA REC WTR P/L	Yes
16055	10/18/2017	4S Ranch Gasoline & Car Wash	386.66	WWTP GASOLINE & CAR WASH	Yes
16056	10/18/2017	Airgas	117.94	SUPPLIES	
16057	10/18/2017	Allen Hall	120.94	REFUND	
16058	10/18/2017	Ampco	1,320.63	REFUND	
16059	10/18/2017	Aqua Metric	11,658.86	PURCHASING INVOICE ENTRY	Yes
16060	10/18/2017	Tom Arellano	75.00	EXPENSE REIMBURSEMENT	Yes
16061	10/18/2017	Bill Howe Plumbing Inc	193.59	OMWD HQ MAIN BLDG SERVICES	
16062	10/18/2017	Board Of Equalization	1,192.00	3RD QTR 2017 SALES TAX	
16063	10/18/2017	Boot World Inc	200.00	STEEL TOE BOOTS	Yes
16064	10/18/2017	Brandon Malcom	25.22	REFUND	
16065	10/18/2017	Bray Sales	565.69	WTP SUPPLIES	
16066	10/18/2017	Dominic Brunozzi	272.95	TRI-STATE SEMINAR EXP REIMB.	
16067	10/18/2017	Budget Courier	858.00	10/17 POST OFFICE SERVICES	
16068	10/18/2017	Cable, Pipe & Leak Detection, Inc.	280.00	AVENIDA DIESTRO	
16069	10/18/2017	California Commercial Asphalt	1,180.04	WWTP MATERIALS	Yes
16070	10/18/2017	California Diesel Compliance	495.00	SMOKE TESTING-DIESEL VEHICLES	
16071	10/18/2017	Coast Waste Mgmt Inc	19,143.00	9-23710-23000	Yes
16072	10/18/2017	Council Of Water Utilities	50.00	10/17 BKFST MTG - JV,KT	
16073	10/18/2017	CWEA	180.00	MEMBERSHIP RENEWAL - J.EMERICK	

Proposed Motions for December 13, 2017 Board of Directors Meeting
 Checks for October 2017- General Acct

Check Number	Date	Vendor Name	Check Amount	Inv Reference	Multiple invoice
16074	10/18/2017	D&H Water Systems	18,509.75	TAX	Yes
16075	10/18/2017	David Johnson	43.77	REFUND	
16076	10/18/2017	Diamond Environmental	15,497.04	015185, 9/30/2017	Yes
16077	10/18/2017	Dion International	144.85	SHOP SUPPLIES	Yes
16078	10/18/2017	Dish Network	48.23	822707082527974	
16079	10/18/2017	Edco Waste & Recycling	125.55	25-4A 706676	
16080	10/18/2017	Jason Emerick	65.51	WWTP LAB EXPENSE REIMB.	Yes
16081	10/18/2017	Encina Wastewater Authority	9,402.00	WATER SAMPLES	
16082	10/18/2017	Encinitas Ford	216.15	SHOP SUPPLIES	
16083	10/18/2017	Enviomatrix Analytical Inc	980.00	WATER SAMPLES	Yes
16084	10/18/2017	Eurofins Eaton Analytical	5,265.00	WATER SAMPLES	Yes
16085	10/18/2017	Evoqua Water Technologies	4,152.13	SERVICE AGREEMENT FOR HEADWORK	Yes
16086	10/18/2017	Fallbrook Printing Corp	874.93	PRINTED MATERIALS EXCLUDING NE	Yes
16087	10/18/2017	First Choice Technology	137.00	13001474	Yes
16088	10/18/2017	Franchise Tax Board	75.00	FTBGRN 10/19/2017	
16089	10/18/2017	Ge Analytical Instruments	429.58	WTP SUPPLIES	
16090	10/18/2017	Genesis Employee Benefits	539.00	9/17 CLAIMS & ADMIN FEES	
16091	10/18/2017	Grainger	1,252.31	WTP SUPPLIES	Yes
16092	10/18/2017	Grangetto's Ag. Supply	56.81	SUPPLIES	
16093	10/18/2017	Greg Chastain	44.76	REFUND	
16094	10/18/2017	Gregory Wagner	63.55	REFUND	
16095	10/18/2017	Hanson Aggregates Inc	421.80	9547 SITIO BAYA	Yes
16096	10/18/2017	Hasa	4,490.45	WWTP CHEMICALS	
16097	10/18/2017	Hawthorne Lift Systems	434.16	WTP SERVICES	Yes
16098	10/18/2017	Home Depot/Gecf	3,777.84	HIT HYDRANT SUPPLIES	Yes
16099	10/18/2017	Hub Construction Specialties Inc	81.62	WTP SUPPLIES	
16100	10/18/2017	James Whitmoyer	99.78	REFUND	
16101	10/18/2017	Jenna Armstrong	122.13	REFUND	
16102	10/18/2017	Jenna Mowatt	146.33	REFUND	
16103	10/18/2017	Jones Chemicals Inc	7,383.87	WTP CHEMICALS	Yes
16104	10/18/2017	Lawnmowers Plus Inc.	31.50	SHOP SUPPLIES	
16105	10/18/2017	Lloyd Pest Control	496.00	9/17 WWTP POND PEST CONTROL	Yes
16106	10/18/2017	Mallory Safety and Supply, LLC	75.43	SUPPLIES	
16107	10/18/2017	McMaster-Carr Supply Co.	111.88	SUPPLIES	
16108	10/18/2017	Napa Auto Parts	432.11	9/17 PARTS/SUPPLIES	
16109	10/18/2017	VOID	-	VOID	
16110	10/18/2017	NBS	3,055.00	REASSESSMENT DIST AA-147	Yes
16111	10/18/2017	North County Dispatch	3,556.00	Q2 FY17/18 DISPATCHING SVCS	Yes
16112	10/18/2017	Nossaman LLP	8,678.38	8/17 LEGAL SERVICES	Yes
16113	10/18/2017	Office Depot	395.24	MISC OFFICE SUPPLIES	
16114	10/18/2017	One Source Distributors	174.27	WWTP SUPPLIES	
16115	10/18/2017	Pacific Telemanagement Service	78.00	760-489-9971	
16116	10/18/2017	Parkhouse Tire Inc	177.30	TIRE DISPOSAL FEE	Yes
16117	10/18/2017	Patriot Environmental	340.00	WWTP ROLL OFF BIN DISPOSAL	
16118	10/18/2017	Prudential Overall Supply	729.59	9/17 FLOOR MAT SERVICE	
16119	10/18/2017	RMC Water & Environment	29,063.80	GRANT ADMINISTRATION FOR NSDWR	Yes
16120	10/18/2017	Roseasp	9,110.00	HOSTING SERVICES	
16121	10/18/2017	Ryan Herco	498.26	WTP SUPPLIES	Yes
16122	10/18/2017	San Diego Gas & Electric	76,437.01	99949341729	Yes
16123	10/18/2017	Rainy K Selamat	276.66	CSDA CONF. EXPENSE REIMB.	
16124	10/18/2017	Sonsray Machinery LLC	173.14	SHOP SUPPLIES	
16125	10/18/2017	Staples	105.70	MISC OFFICE SUPPLIES	
16126	10/18/2017	Tc Construction	1,485.76	REFUND	
16127	10/18/2017	Thalia Ormsby	113.48	REFUND	
16128	10/18/2017	The Lawton Group	113.96	SDCWA INTERN W/E 10/1/2017	
16129	10/18/2017	Traffic Supply Inc	657.57	SUPPLIES	Yes
16130	10/18/2017	Trebor Shoring Rentals	1,240.00	7211 SIETE LEGUAS	Yes

Proposed Motions for December 13, 2017 Board of Directors Meeting
 Checks for October 2017- General Acct

Check Number	Date	Vendor Name	Check Amount	Inv Reference	Multiple Invoice
16131	10/18/2017	Two Oaks Sweeping LLC	620.00	SITIO BAYA & CALLE GAVANZO	
16132	10/18/2017	United Parcel Service	89.43	SHIPPING CHARGES	
16133	10/18/2017	United Way-CHAD	23.00	UNITED 10/19/2017	
16134	10/18/2017	Univar Usa Inc	11,575.06	WTP CHEMICALS	Yes
16135	10/18/2017	US Bank	5,311.37	777321, 10/3/2017	
16136	10/18/2017	US Healthworks Medical Group	126.00	PRE-EMPLOYMENT PHYSICAL	
16137	10/18/2017	USA Blue Book	300.74	WWTP SUPPLIES	Yes
16138	10/18/2017	Utility Service Co. Inc	177,196.39	QUARTERLY TANK MAINTENANCE	Yes
16139	10/18/2017	Vallecitos Water District	32,960.49	RECLAIMED WATER SALES	
16140	10/18/2017	Water for People	57.55	WTRPL 10/19/2017	
16141	10/18/2017	Beverly Weber	9,039.66	9/17 CONSULTING SERVICES	Yes
16142	10/18/2017	Westamerica Communications, Inc.	2,549.99	WATCHING WATER	
16143	10/18/2017	Dominic Brunozzi	140.00	TUITION REIMBURSEMENT	
16144	10/25/2017	Ababa Bolt Inc	209.82	SUPPLIES	Yes
16145	10/25/2017	Airgas	683.93	SUPPLIES	Yes
16146	10/25/2017	All American First Aid & Safety	144.12	SUPPLIES	
16147	10/25/2017	Allied Electronics	21.56	SUPPLIES	
16148	10/25/2017	American Backflow Specialities	81.16	SUPPLIES	
16149	10/25/2017	Aqua Metric	4,035.54	PURCHASING INVOICE ENTRY	Yes
16150	10/25/2017	Arthur Sladack	7.61	REFUND	
16151	10/25/2017	AT & T	752.75	9391056789	Yes
16152	10/25/2017	William Broadhead	383.82	TRI STATE SEMINAR EXP REIMB.	
16153	10/25/2017	Corodata	284.03	OFFSITE RECORDS STORAGE	
16154	10/25/2017	County Of San Diego	597.00	14177 RANCHO SANTA FE FARMS	
16155	10/25/2017	County of San Diego, RCS	171.00	9/17 RADIO SERVICES	
16156	10/25/2017	Karen Crommett	470.00	CPL EXPENSE SETTLEMENT	
16157	10/25/2017	Dane Willis	41.48	REFUND	
16158	10/25/2017	Diamond Environmental	1,885.41	010448, 10/12/2017	
16159	10/25/2017	Dish Network	48.23	8255707084415780	
16160	10/25/2017	DLM Engineering Inc	13,828.24	9/17 ENGINEERING CONSULTING	Yes
16161	10/25/2017	Pierre Dreher	29.26	SEMINAR MILEAGE REIMBURSEMENT	
16162	10/25/2017	El Camino Rental	3,283.20	WATER TRUCK	Yes
16163	10/25/2017	Electrical Sales Inc	2,241.20	WWTP SUPPLIES	
16164	10/25/2017	Encinitas Ford	119.60	PU82 SUPPLIES	Yes
16165	10/25/2017	Ennix Incorporated	4,600.00	ENNIX FACULTATIVE DIGESTION PR	Yes
16166	10/25/2017	Enviromatrix Analytical Inc	803.00	WATER SAMPLES	Yes
16167	10/25/2017	Fallbrook Printing Corp	193.95	PRINTED MATERIALS EXCLUDING NE	Yes
16168	10/25/2017	VOID	-	VOID	
16169	10/25/2017	Fortress Security Consultants	500.00	BCP CONSULTING SERVICES I	Yes
16170	10/25/2017	Global Power Group Inc	1,107.32	NBHD #3 SERVICES	
16171	10/25/2017	Grainger	1,565.27	WTP SUPPLIES - RETURNED	Yes
16172	10/25/2017	Guardian	929.11	11/17 DENTAL INSURANCE	
16173	10/25/2017	Hanson Aggregates Inc	2,736.07	DUMP BOBTAIL	Yes
16174	10/25/2017	Harrington Industrial	5,228.81	TAX	Yes
16175	10/25/2017	Hike Bike Kayak Adventures, LLC	396.00	METER DEPT TEAM BUILDING EVENT	
16176	10/25/2017	Hydrotex	810.77	WTP SUPPLIES	
16177	10/25/2017	Infosend	15,535.08	9/17 WATER BILLING	Yes
16178	10/25/2017	Integrity Municipal Services	1,000.00	4S WRF YEARLY ODOR SCRUBBER MA	Yes
16179	10/25/2017	Jauregui & Culver Inc	571.40	FUEL LEVEL GAUGE REPLACEMENT	
16180	10/25/2017	Jones Chemicals Inc	3,878.42	WTP CHEMICALS	
16181	10/25/2017	Kaiser Foundation Health	26,086.54	11/17 GROUP INSURANCE PREM.	
16182	10/25/2017	Lianxiang Zheng	41.83	REFUND	
16183	10/25/2017	Lloyd Pest Control	376.00	9/17 UNIT Z P/S PEST CONTROL	Yes
16184	10/25/2017	Mallory Safety and Supply, LLC	141.30	WWTP SUPPLIES	
16185	10/25/2017	Maureen Coomber	10.92	REFUND	
16186	10/25/2017	Miramar Truck Center	41.87	D652 SUPPLIES	Yes
16187	10/25/2017	Mission Janitorial Sply	306.45	SUPPLIES	

Proposed Motions for December 13, 2017 Board of Directors Meeting
 Checks for October 2017- General Acct

Check Number	Date	Vendor Name	Check Amount	Inv Reference	Multiple invoice
16188	10/25/2017	Nat'l Safety Compliance	1,196.57	ONSITE TRAINING SERVICES	
16189	10/25/2017	Networkfleet Inc	1,413.45	VEHICLE TRACKING	
16190	10/25/2017	North County Powder Coating	259.82	WTP SERVICES	
16191	10/25/2017	Office Depot	28.32	MISC OFFICE SUPPLIES	
16192	10/25/2017	Otay Landfill	1,659.40	4-4531-0018538	
16193	10/25/2017	Pacific Pipeline Supply	3,052.60	SUPPLIES	Yes
16194	10/25/2017	Pacific Safety Center	425.00	OSHA CONSTRUCTION TRNG	
16195	10/25/2017	Pape Material Handling, Inc.	340.56	SUPPLIES	
16196	10/25/2017	Christopher C Petersen	107.70	MISC TOOLS	
16197	10/25/2017	RCP Block & Brick Inc	134.82	SUPPLIES	
16198	10/25/2017	Ryan Wood	56.30	REFUND	
16199	10/25/2017	Samba Holdings Inc	151.05	DRIVER RECORD MONITORING	
16200	10/25/2017	San Diego Gas & Electric	24,002.37	98253875124	Yes
16201	10/25/2017	SCS Engineers	4,110.00	AFIF CAL-ARP 5-YEAR COMPLIANCE	Yes
16202	10/25/2017	So Cal Truck Center	549.36	FB49 SUPPLIES	Yes
16203	10/25/2017	Socal Custom	75.86	PU80 SERVICE	Yes
16204	10/25/2017	Southern Counties Lubricants, LLC.	1,079.73	GASOLINE	
16205	10/25/2017	Sparkletts	22.38	WWTP BOTTLED WATER	
16206	10/25/2017	Ed Sprague	383.21	CSDA MTG EXPENSE REIMB.	
16207	10/25/2017	Sterling Water Technologies	13,757.80	WTP CHEMICALS	
16208	10/25/2017	Sun Life Financial	5,927.74	11/17 LTD & LIFE INSURANCE	
16209	10/25/2017	The Lawton Group	109.89	SDCWA INTERNS W/E 10/8/17	
16210	10/25/2017	The Von's Companies	900.00	SAFETY AWARDS	
16211	10/25/2017	Torres, Norma	50.00	5 YEAR SERVICE AWARD	
16212	10/25/2017	U.S. Bank	1,500.00	REASSESSMENT DIST 96-1	
16213	10/25/2017	Underground Service Alert	231.10	DIG ALERT TICKETS	
16214	10/25/2017	Univar Usa Inc	6,573.74	WTP CHEMICALS	
16215	10/25/2017	Valley Construction Management	8,046.00	CONSTRUCTION MGMT SERVICES	Yes
16216	10/25/2017	Gerald Varty	640.08	CSDA MTG & MILEAGE EXP REIMB.	
16217	10/25/2017	Lawrence A Watt	16.59	MILEAGE REIMBURSEMENT	
16218	10/25/2017	White Nelson Diehl Evans Llp	9,000.00	6/30/17 AUDIT SERVICES	
16219	10/25/2017	Whitson CM	600.00	SWPP @ WWTP	Yes
16220	10/25/2017	The Von's Companies	1,000.00	SAFETY AWARDS	
16221 ✓	10/25/2017	The Von's Companies	1,000.00	SAFETY AWARDS	
Total			1,496,840.87		

Olivenhain Municipal Water District
Monthly Directors Fee and Reimbursed Expenses for Directors and Staff
November 2017

<u>Name</u>	<u>Payment Date</u>	<u>Check#/ Credit Card</u>	<u>Meals & Lodging</u>	<u>Travel & Transport</u>	<u>Other</u>	<u>Reimbursed Expenses</u>	<u>Directors Fee</u>
Director Guerin				0.00		0.00	600.00
			0.00	0.00	0.00	0.00	600.00
Director Sprague				0.00		0.00	900.00
			0.00	0.00	0.00	0.00	900.00
Director Topolovac				0.00		0.00	600.00
			0.00	0.00	0.00	0.00	600.00
Director Varty	11/15/2017	970930	0.00	9.10		9.10	1,800.00
			0.00	9.10	0.00	9.10	1,800.00
Director Watt	11/8/2017	16460	0.00	93.96		93.96	1,800.00
		VISA-4075	15.00			15.00	
			15.00	93.96	0.00	108.96	1,800.00
General Manager Thorner	11/9/2017	AMEX		20.00		20.00	
		VISA-4075	20.00			20.00	
		VISA-5867	250.00	60.00		310.00	
		VISA-7263	122.66 *	45.00		167.66	
			392.66	125.00	0.00	517.66	
Human Resources Manager Wood	11/1/2017	16275			355.00	355.00	
		VISA	337.78 *			337.78	
			337.78	0.00	355.00	692.78	
Engineering Manager Briest		VISA	30.00		0.00	30.00	
			30.00	0.00	0.00	30.00	
Finance Manager Selamat		VISA	284.24 *	74.22		358.46	
			284.24	74.22	0.00	358.46	
Operations Manager Smith		VISA	104.46 *			104.46	
			104.46	0.00	0.00	104.46	
Assistant General Manager Randall		VISA	91.97 *			91.97	
			91.97	0.00	0.00	91.97	
Customer Service Manager Carnegie						0.00	
		VISA	51.22 *			51.22	
			51.22	0.00	0.00	51.22	

* denotes Reimbursed Expenses for more than one (1) employee.

Notes:

- (1) Include monthly expense reports submitted Directors, General Manager, and Department Managers.
- (2) Include credit card charges for travel, meals, transportation, event/conference expenses, and allowed travel related expenses paid by the District. These charges may include reimbursed expenses to other employees not listed above.
- (3) Reimbursed Expenses from the District's petty cash reimbursements are not shown on this report.
- (4) Reimbursed Expenses for District's supplies and other business expenses are not shown on this report.
- (5) Expenses are reimbursed based on OMWD's Administrative and Ethics Code.

Olivenhain Municipal Water District
Monthly Reimbursed Expenses for Directors and Staff and Monthly Directors' Fee Report
October 2017

<u>Name</u>	<u>Date</u>	<u>Check#</u>	<u>Meals & Lodging</u>	<u>Travel & Transport</u>	<u>Other</u>	<u>Reimbursed Expenses</u>	<u>Directors Fee</u>
Director Guerin				0.00		0.00	-
			0.00	0.00	0.00	0.00	0.00
Director Sprague	10/25/2017	16206		383.21		383.21	-
			0.00	383.21	0.00	383.21	0.00
Director Topolovac				0.00		0.00	-
			0.00	0.00	0.00	0.00	0.00
Director Varty	10/25/2017	16216	424.59	58.20		482.79	-
			424.59	58.20	0.00	482.79	0.00
Director Watt	10/25/2017	16217	0.00	16.59		16.59	-
			0.00	16.59	0.00	16.59	0.00
General Manager Thorner			0.00	0.00		0.00	
			0.00	0.00	0.00	0.00	
H.R. Manager Wood						0.00	
			0.00	0.00	0.00	0.00	
Engineering Manager Briest			0.00		0.00	0.00	
			0.00	0.00	0.00	0.00	
Finance Manager Selamat	10/18/2017	16123	209.66	67.00	0.00	276.66	
			209.66	67.00	0.00	276.66	
Operations Manager Smith						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	

Notes:

The above expenses were taken from monthly expense reports submitted by Board of Directors, General Manager, and Staff. Travel expenses event/conference expenses, other business reimbursements charged on the District's credit cards and paid by District's petty cash are not currently shown on this report. The Finance Committee is establishing a procedure to include credit card travel expenses, event/conference expenses, and other business reimbursements on this report by the end of calendar year.

Olivenhain Municipal Water District
MONTHLY CASH AND INVESTMENT SUMMARY
As of September 30, 2017

Active Deposits

	Book Value
Checking Accounts	\$ 7,124,396
Cash Restricted for Specific Use	363,172
Petty Cash/Disaster Preparedness	1,466
Total Active Deposits	\$ 7,489,034

Deposits Not Covered by Investment Policy

Cash with Fiscal Agents	4,380,883
-------------------------	-----------

Investments	Face Value	Current Yield	
LAIF	\$ 10,153,216	1.111%	\$ 10,153,216
CAMP	16,507,968	1.150%	16,507,968
Money Market Funds	372,506	0.010%	372,506
Commercial Paper	2,000,000	1.294%	1,983,223
Municipal Bonds	2,797,227	2.193%	2,838,965
U.S. Treasury Securities	2,000,000	0.879%	1,991,250
U.S. Agency Securities	25,864,286	1.239%	25,863,486
Total Investments	\$ 59,695,202	1.220%	\$ 59,710,613

Total - All Deposits/Investments

\$ 71,580,531 ✓

Maturity Analysis of Investments

	Percent	Balance
Demand Deposits	45%	\$ 27,033,690
Maturity within the next two months	2%	992,544
Maturity within three months and one year	7%	4,345,817
Maturity in one year and beyond	46%	27,338,562
Total Investments	100%	\$ 59,710,613

Weighted Average Days to Maturity **385**

Other Required Disclosures:

Accrued interest receivable as of 09/30/2017 \$ 140,441

The above investments are in accordance with the portfolio limitations in the Investment Policy approved by the Board in December 2016.

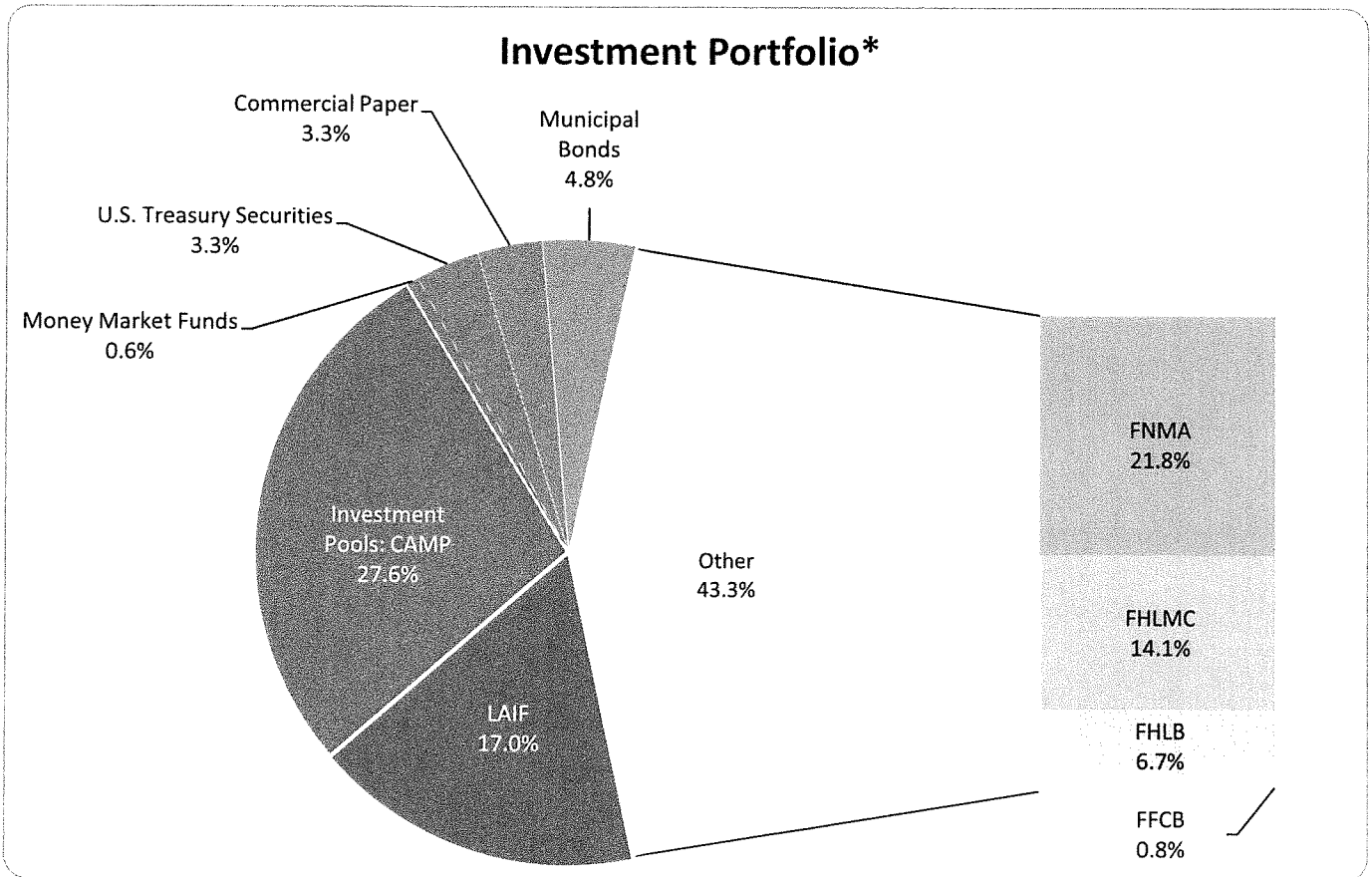
The District has sufficient funds on hand to meet the next 30 days' obligations.

**Olivenhain Municipal Water District
PORTFOLIO LIMITATIONS ANALYSIS PER INVESTMENT POLICY
September 30, 2017**

	<u>Book Value</u>	<u>Percent</u>	<u>Permitted Percent</u>	<u>In Compliance?</u>
LAIF	\$ 10,153,216	17.0%	30% (1)	Yes
Investment Pools: CAMP	16,507,968	27.6%	30%	Yes
Money Market Funds	372,506	0.6%	20% (2)	Yes
U.S. Treasury Securities	1,991,250	3.3%	100% (3)	Yes
U.S. Agency Securities	25,863,486	43.3%	50%	Yes
Commercial Paper	1,983,223	3.3%	20% (4)	Yes
Municipal Bonds	2,838,965	4.8%	30%	Yes
Total Investments	\$ 59,710,613	100%		

Note:

- (1) No more than 30% of the total value of all District Investments or \$20 million.
- (2) May not exceed 5% in any money market fund.
- (3) No limit
- (4) No more than \$1 million per issuer



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

**Olivenhain Municipal Water District
MONTHLY INVESTMENTS DETAIL
September 30, 2017**

ACTIVE DEPOSIT

Checking A/C: California Bank and Trust for General Purpose
California Bank and Trust for Specific Purpose
Petty Cash/Disaster Preparedness
Total - Active Deposits

Book Value
\$ 7,124,396
363,172
1,466
\$ 7,489,034

DEPOSITS NOT COVERED BY INVESTMENT POLICY

Cash with Fiscal Agents:

Union Bank - AD 96-1 Refi Bonds Funds
Union Bank - 2015A Refunding Funds
SRF Loan
Union Bank - 2016A Refunding Funds

\$ 2,913,169
805,725
334,860
327,129

Total Deposits Not Covered by Investment Policy

\$ 4,380,883

	RATING		DATE				Weighted Average Days to Maturity	Call	Stated Coupon	Current Yield	Face Value	Book Value	
	Moody's	S&P	Purchase	Maturity	Next Call	Next S-U							
INVESTMENTS													
Invest. Pools: Calif. Asset Mgmt Prgm (CAMP) Demand 1 1.150% \$ 16,507,968 \$ 16,507,968													
State Local Agency Investment Fund (LAIF) Demand 1 1.111% 10,153,216 10,153,216													
JP Morgan US Government Money Market Fund Premier Class SHS Demand 1 0.010% 372,506 372,506													
U.S. Treasury Notes/Bills													
912828L81	U.S. Treasury Notes	Aaa	AA+	11/03/15	10/15/18								
						381		0.875%	0.879%	\$ 2,000,000	\$ 1,991,250		
						381		0.875%	0.879%	\$ 2,000,000	\$ 1,991,250		
U.S. Agency Securities													
313383HB0	FHLB	Aaa	AA+	06/26/13	06/26/18			270	1.250%	1.250%	1,000,000	1,000,000	
3130A52Q1	FFCB Callable	Aaa	AA+	04/28/15	04/28/20	anytime		942	1.700%	1.700%	464,286	464,286	
3135G0J46	FNMA Callable	Aaa	AA+	02/26/16	02/26/19	11/26/17		515	1.250%	1.250%	2,000,000	2,000,000	
3135G0J95	FNMA Callable	Aaa	AA+	04/28/16	10/28/19	10/28/17		759	1.350%	1.350%	1,000,000	1,000,000	
3134G9UN5	FHLMC Step-Up Callable	Aaa	AA+	06/30/16	06/30/21	09/30/17	12/30/18	1,370	1.300%	1.297%	1,000,000	1,002,000	
3134G9ZNO	FHLMC Step-Up Callable	Aaa	AA+	06/30/16	06/30/20	09/30/17	06/30/18	1,005	1.250%	1.249%	1,000,000	1,001,000	
3135G0L76	FNMA Callable	Aaa	AA+	07/11/16	07/11/19	10/11/17		650	1.075%	1.075%	2,000,000	2,000,000	
3136G3A96	FNMA Callable	Aaa	AA+	07/27/16	01/27/20			850	1.125%	1.125%	2,000,000	2,000,000	
3136G3XC4	FNMA Callable	Aaa	AA+	07/27/16	07/27/18			301	0.800%	0.801%	1,000,000	999,000	
3134G92L0	FHLMC Step-Up Callable	Aaa	AA+	08/17/16	08/17/21	11/17/17	08/17/19	1,418	1.400%	1.400%	1,000,000	1,000,000	
3136G3V85	FNMA Callable	--	AA+	08/24/16	02/24/20			878	1.250%	1.250%	1,000,000	1,000,000	
3134GAJX3	FHLMC Step-Up Callable	Aaa	AA+	09/27/16	09/27/19	12/27/17	03/27/18	728	1.250%	1.250%	1,000,000	1,000,000	
3134GAJS4	FHLMC Step-Up Callable	Aaa	AA+	09/28/16	09/28/18	12/28/17	03/28/18	364	1.250%	1.250%	1,000,000	1,000,000	
3130A9NH0	FHLB Callable	Aaa	AA+	10/11/16	10/11/18			377	1.000%	1.000%	2,000,000	2,000,000	
3136G4DR1	FNMA Callable	Aaa	AA+	10/17/16	10/17/19	10/17/17		748	1.100%	1.101%	1,000,000	999,000	
3136G4GE7	FNMA Callable	Aaa	AA+	11/15/16	11/15/19	11/15/17		777	1.125%	1.126%	2,000,000	1,998,200	
3136G4KB8	FNMA Callable	Aaa	AA+	12/30/16	03/30/20	09/30/17		913	1.650%	1.650%	1,000,000	1,000,000	
3134GAH64	FHLMC NTS	Aaa	AA+	01/26/17	07/26/19	10/26/17		665	2.700%	2.700%	400,000	400,000	
3134GBKM3	FHLMC MTN Step-Up	Aaa	AA+	05/11/17	05/11/20	11/11/17		955	1.250%	1.250%	1,000,000	1,000,000	
3134GBQV7	FHLMC Callable	Aaa	AA+	05/30/17	11/22/19	11/22/17		784	1.500%	1.500%	1,000,000	1,000,000	
3134GBT00	FHLMC Step-Up Callable	Aaa	AA+	06/22/17	12/22/20	12/22/17	12/22/17	1,180	1.400%	1.400%	1,000,000	1,000,000	
3130ABSP2	FHLB Callable	Aaa	AA+	07/26/17	07/26/19	07/26/18		665	300	1.500%	1.500%	1,000,000	1,000,000
								749	53	1.239%	1.239%	\$ 25,864,286	\$ 25,863,486
Commercial Paper													
46640QD57	JP MORGAN SECS DC/P	P-1	A-1	08/10/17	04/05/18			188	1.443%	1.439%	1,000,000	990,678	
36164JXQ2	GE CAPITAL TREAS DC/P	P-1	A-1+	02/22/17	10/24/17			25	1.124%	1.124%	1,000,000	992,544	
								106		1.283%	1.294%	\$ 2,000,000	\$ 1,983,223
Municipal Bonds													
052476N79	AUSTIN TEX WTR REV	AA2	AA	11/15/16	05/15/21			1,324	2.544%	2.455%	\$ 1,000,000	\$ 1,036,460	
834666GG8	SOMERSET CNTY NJ REV	AAA	AAA	06/23/17	05/15/18			228	3.320%	3.263%	350,000	356,139	
882806EL2	TEXAS TECH UNIV REVS	AA1	AA+	01/12/17	02/15/19			504	1.804%	1.789%	500,000	504,115	
13066YTY5	CALIF ST DEPT REV	AA1	AA	12/02/16	05/01/21			1,310	1.713%	1.733%	492,227	486,660	
95648XB3	WEST VA ECON REV	A1	AAA	09/18/17	07/01/19			640	1.700%	1.698%	455,000	455,592	
								929		2.225%	2.193%	\$ 2,797,227	\$ 2,838,965
Total Investments													
								385		1.220%	1.220%	\$ 59,695,202	\$ 59,710,613

TOTAL - ALL DEPOSITS AND INVESTMENTS

\$ 71,580,634 ✓

**Olivenhain Municipal Water District
INVESTMENTS TRANSACTION
September 30, 2017**

PURCHASED

DATE				Investment Description	<i>Stated</i>	<i>Current</i>	Face Value	Book Value
Purchase	Maturity	Call	Step-Up		Coupon	Yield		
09/18/17	07/01/19			WEST VA ECON REV	1.700%	1.698%	455,000	455,592

MATURED / REDEEMED / CALLED

DATE				Investment Description	<i>Stated</i>	<i>Current</i>	Face Value	Book Value
Redemption	Maturity	Call	Step-Up		Coupon	Yield		
09/23/17	06/23/21	09/23/17	09/23/17	FHLB Step-Up Callable	1.250%	1.250%	1,000,000	1,000,000
09/08/17	09/08/17			Wells Fargo & Co Mtn	1.400%	1.394%	450,000	452,095
09/15/17	09/15/17			Private Export Funding Corp.	5.450%	4.501%	225,000	272,462

Olivenhain Municipal Water District
UNAUDITED CASH POSITION BY FUNDING SOURCES
As of September 30, 2017

<u>Water Funds (Potable & Recycled)</u>	<u>Balance</u>
10050-100 Cash - Petty Cash Fund	\$ 1,466
10030-100 Cash - Capital and Equipment Fund	18,571,957
10010-100 Cash - Operating Fund	8,164,822
10060-100 Cash - Deposit Work for Other	239,612
10040-100 Cash - Rate Stabilization	7,626,138
10010-120 Cash - Recycled Fund	7,738,114
10030-120 Cash - Capital Replacement Fund	1,361,992
14005-100 Cash - IRWMP - Grant	129,164
Total Water Funds (Potable & Recycled)	<u>\$ 43,833,265</u>
<u>Wastewater Funds</u>	
10010-110 4S Ranch Sanitation District - Operating Fund	168,864
10030-110 4S Ranch Sanitation District - Capital Replacement Fund	10,725,178
10040-110 Wastewater - Rate Stabilization Fund	2,467,803
10010-111 Rancho Cielo Sanitation District - Operating Fund	235,046
Total Wastewater Funds	<u>\$ 13,596,890</u>
<u>Capacity Fee Funds</u>	
10030-400 Expansion Fund - Recycled Water	1,211,251
14000-500 Capacity Fee Fund - Treated Water	8,195,070
Total Capacity Fee Funds	<u>\$ 9,406,321</u>
<u>Non Fiscal Agent Debt Service Cash</u>	
14020-570 Cash non-agent - RAD 96-1	343,747
14020-561 Cash non-agent - Bond 2015A	5,558
14020-581 Cash non-agent - Bond 2016A	13,866
Total Non Fiscal Agent Debt Service Cash	<u>\$ 363,172</u>
<u>Debt Service Funds</u>	
14030-510 SRF Loan - Fiscal Agent	334,860
14100-570 Redemption fund - RAD 96-1	1,466,638
14110-570 Reserve fund - RAD 96-1	1,397,243
14120-570 Prepayment fund - RAD 96-1	49,287
14100-561 Redemption fund - Bond 2015A	805,725
14100-581 Redemption fund - Bond 2016A	327,129
Total Debt Service Funds	<u>\$ 4,380,883</u>
TOTAL FUND BALANCES	<u>\$ 71,580,531</u> ✓

Olivenhain Municipal Water District
MONTHLY CASH AND INVESTMENT SUMMARY
As of August 31, 2017

Active Deposits

	<u>Book Value</u>
Checking Accounts	\$ 5,685,678
Cash Restricted for Specific Use	361,184
Petty Cash/Disaster Preparedness	1,466
Total Active Deposits	\$ 6,048,329

Deposits Not Covered by Investment Policy

Cash with Fiscal Agents	4,097,772
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<u>Investments</u>	<u>Face Value</u>	<u>Current Yield</u>	
LAIF	\$ 10,153,216	1.084%	\$ 10,153,216
CAMP	16,492,412	1.140%	16,492,412
Money Market Funds	131,294	0.010%	131,294
Medium Term Notes	675,000	2.562%	724,557
Commercial Paper	2,000,000	1.294%	1,983,223
Municipal Bonds	2,342,227	2.287%	2,383,374
U.S. Treasury Securities	2,000,000	0.879%	1,991,250
U.S. Agency Securities	26,864,286	1.212%	26,863,486
Total Investments	\$ 60,658,434	1.219%	\$ 60,722,810

Total - All Deposits/Investments

\$ 70,868,911 ✓

Maturity Analysis of Investments

	<u>Percent</u>	<u>Balance</u>
Demand Deposits	44%	\$ 26,776,922
Maturity within the next two months	3%	1,717,101
Maturity within three months and one year	6%	3,345,817
Maturity later one year or more	48%	28,882,970
Total Investments	100%	\$ 60,722,810 ✓

Weighted Average Days to Maturity **413**

Other Required Disclosures:

Accrued interest receivable as of 08/31/2017 \$ 116,876

The above investments are in accordance with the portfolio limitations in the Investment Policy approved by the Board in December 2016.

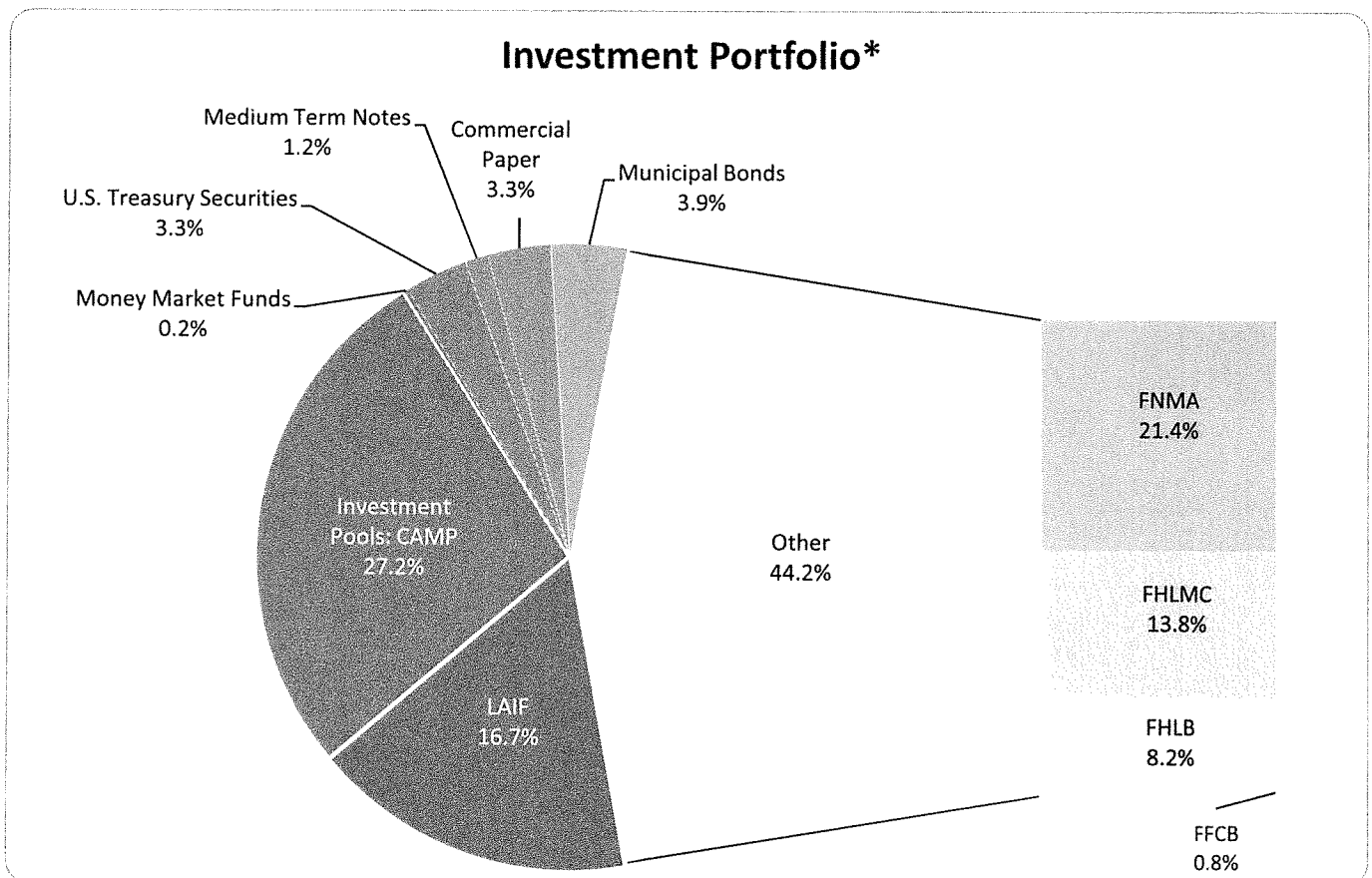
The District has sufficient funds on hand to meet the next 30 days' obligations.

Olivenhain Municipal Water District
PORTFOLIO LIMITATIONS ANALYSIS PER INVESTMENT POLICY
August 31, 2017

	<u>Book</u> <u>Value</u>	<u>Percent</u>	<u>Permitted</u> <u>Percent</u>		<u>In</u> <u>Compliance?</u>
LAIF	\$ 10,153,216	16.7%	30%	(1)	Yes
Investment Pools: CAMP	16,492,412	27.2%	30%		Yes
Money Market Funds	131,294	0.2%	20%	(2)	Yes
U.S. Treasury Securities	1,991,250	3.3%	100%	(3)	Yes
U.S. Agency Securities	26,863,486	44.2%	50%		Yes
Medium Term Notes	724,557	1.2%	15%		Yes
Commercial Paper	1,983,223	3.3%	20%	(4)	Yes
Municipal Bonds	2,383,374	3.9%	30%		Yes
Total Investments	\$ 60,722,810 ✓	100%			

Note:

- (1) No more than 30% of the total value of all District Investments or \$20 million.
- (2) May not exceed 5% in any money market fund.
- (3) No limit
- (4) No more than \$1 million per issuer



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

**Olivenhain Municipal Water District
MONTHLY INVESTMENTS DETAIL
August 31, 2017**

ACTIVE DEPOSIT

Checking A/C: California Bank and Trust for General Purpose	\$ 5,685,678
California Bank and Trust for Specific Purpose	361,184
Petty Cash/Disaster Preparedness	1,466
Total - Active Deposits	\$ 6,048,329

Book Value	
\$	5,685,678
	361,184
	1,466
\$ 6,048,329	

DEPOSITS NOT COVERED BY INVESTMENT POLICY

Cash with Fiscal Agents:

Union Bank - AD 96-1 Ref Bonds Funds	\$ 2,912,058
Union Bank - 2015A Refunding Funds	605,114
SRF Loan	334,897
Union Bank - 2016A Refunding Funds	245,703

\$	2,912,058
	605,114
	334,897
	245,703

Total Deposits Not Covered by Investment Policy

\$ 4,097,772	
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	RATING		DATE				Weighted Average Days to Maturity	Call	Stated Coupon	Current Yield	Face Value	Book Value
	Moody's	S&P	Purchase	Maturity	Next Call	Next S-U						

INVESTMENTS

Invest. Pools: Calif. Asset Mgmt Prgm (CAMP)												
State Local Agency Investment Fund (LAIF)												
JP Morgan US Government Money Market Fund Premier Class SHS												

U.S. Treasury Notes/Bills

912828L81	U.S. Treasury Notes	Aaa	AA+	11/03/15	10/15/18							
						411		0.875%	0.879%	\$ 2,000,000	\$ 1,991,250	
						411		0.875%	0.879%	\$ 2,000,000	\$ 1,991,250	

U.S. Agency Securities

313383HB0	FHLB	Aaa	AA+	06/26/13	06/26/18							
3130A52Q1	FFCB Callable	Aaa	AA+	04/28/15	04/28/20	anytime	972	1	1.700%	1.700%	464,286	464,286
3135G0J46	FNMA Callable	Aaa	AA+	02/26/16	02/26/19	11/26/17	545	88	1.250%	1.250%	2,000,000	2,000,000
3135G0J95	FNMA Callable	Aaa	AA+	04/28/16	10/28/19	10/28/17	789	59	1.350%	1.350%	1,000,000	1,000,000
3130A8BA0	FHLB Step-Up Callable	Aaa	AA+	06/23/16	06/23/21	09/23/17	1,393	24	1.250%	1.250%	1,000,000	1,000,000
3134G9UN5	FHLMC Step-Up Callable	Aaa	AA+	06/30/16	06/30/21	09/30/17	1,400	31	1.300%	1.297%	1,000,000	1,002,000
3134G9ZNO	FHLMC Step-Up Callable	Aaa	AA+	06/30/16	06/30/20	09/30/17	1,035	31	1.250%	1.249%	1,000,000	1,001,000
3135G0L76	FNMA Callable	Aaa	AA+	07/11/16	07/11/19	10/11/17	680	42	1.075%	1.075%	2,000,000	2,000,000
3136G3A96	FNMA Callable	Aaa	AA+	07/27/16	01/27/20		880		1.125%	1.125%	2,000,000	2,000,000
3136G3XC4	FNMA Callable	Aaa	AA+	07/27/16	07/27/18		331		0.800%	0.801%	1,000,000	999,000
3134G92L0	FHLMC Step-Up Callable	Aaa	AA+	08/17/16	08/17/21	11/17/17	1,448	79	1.400%	1.400%	1,000,000	1,000,000
3136G3V85	FNMA Callable	--	AA+	08/24/16	02/24/20		908		1.250%	1.250%	1,000,000	1,000,000
3134GAJX3	FHLMC Step-Up Callable	Aaa	AA+	09/27/16	09/27/19	09/27/17	758	28	1.000%	1.000%	1,000,000	1,000,000
3134GAJS4	FHLMC Step-Up Callable	Aaa	AA+	09/28/16	09/28/18	09/28/17	394	29	0.875%	0.875%	1,000,000	1,000,000
3130A9NH0	FHLB Callable	Aaa	AA+	10/11/16	10/11/18		407		1.000%	1.000%	2,000,000	2,000,000
3136G4DR1	FNMA Callable	Aaa	AA+	10/17/16	10/17/19	10/17/17	778	48	1.100%	1.101%	1,000,000	999,000
3136G4GE7	FNMA Callable	Aaa	AA+	11/15/16	11/15/19	11/15/17	807	77	1.125%	1.126%	2,000,000	1,998,200
3136G4KB8	FNMA Callable	Aaa	AA+	12/30/16	03/30/20	09/30/17	943	31	1.650%	1.650%	1,000,000	1,000,000
3134GAH64	FHLMC NTS	Aaa	AA+	01/26/17	07/26/19	10/26/17	695	57	1.500%	1.500%	400,000	400,000
3134GBKM3	FHLMC MTN Step-Up	Aaa	AA+	05/11/17	05/11/20	11/11/17	985	73	1.250%	1.250%	1,000,000	1,000,000
3134GBQV7	FHLMC Callable	Aaa	AA+	05/30/17	11/22/19	11/22/17	814	84	1.500%	1.500%	1,000,000	1,000,000
3134GBT A0	FHLMC Step-Up Callable	Aaa	AA+	06/22/17	12/22/20	09/22/17	1,210	23	1.300%	1.300%	1,000,000	1,000,000
3130ABSP2	FHLB Callable	Aaa	AA+	07/26/17	07/26/19	07/26/18	695	330	1.500%	1.500%	1,000,000	1,000,000
						802	66	1.212%	1.212%	\$ 26,864,286	\$ 26,863,486	

Medium Term Notes

94974BGB0	Wells Fargo & Co Mtn	A2	A	06/23/16	09/08/17		9		1.400%	1.394%	450,000	452,095
742651DE9	Private Export Funding Corp.	Aaa	AA+	10/26/12	09/15/17		16		5.450%	4.501%	\$ 225,000	\$ 272,462
							12		2.750%	2.562%	\$ 675,000	\$ 724,557

Commercial Paper

46640QD57	JP MORGAN SECS DC/P	P-1	A-1	08/10/17	04/05/18		218		1.443%	1.439%	1,000,000	990,678
36164JXQ2	GE CAPITAL TREAS DC/P	P-1	A-1+	02/22/17	10/24/17		55		1.124%	1.124%	1,000,000	992,544
							136		1.283%	1.294%	\$ 2,000,000	\$ 1,983,223

Municipal Bonds

052476N79	AUSTIN TEX WTR REV	AA2	AA	11/15/16	05/15/21		1,354		2.544%	2.455%	\$ 1,000,000	\$ 1,036,460
834666GG8	SOMERSET CNTY NJ REV	AAA	AAA	06/23/17	05/15/18		258		3.320%	3.263%	\$ 350,000	\$ 356,139
882806EL2	TEXAS TECH UNIV REVS	AA1	AA+	01/12/17	02/15/19		534		1.804%	1.789%	500,000	504,115
13066YTY5	CALIF ST DEPT REV	AA1	AA	12/02/16	05/01/21		1,340		1.713%	1.733%	492,227	486,660
							1,014		2.327%	2.287%	\$ 2,342,227	\$ 2,383,374
Total Investments							413		1.220%	1.219%	\$ 60,658,434	\$ 60,722,810

TOTAL - ALL DEPOSITS AND INVESTMENTS

\$ 70,966,911	
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**Olivenhain Municipal Water District
INVESTMENTS TRANSACTION
August 31, 2017**

PURCHASED

<u>Purchase</u>	<u>DATE</u>			<u>Investment Description</u>	<u>Stated</u>	<u>Current</u>	<u>Face Value</u>	<u>Book Value</u>
	<u>Maturity</u>	<u>Call</u>	<u>Step-Up</u>		<u>Coupon</u>	<u>Yield</u>		
08/10/17	04/05/18			JP MORGAN SECS DC/P	1.443%	1.439%	1,000,000	990,678

MATURED / REDEEMED / CALLED

<u>Redemption</u>	<u>DATE</u>			<u>Investment Description</u>	<u>Stated</u>	<u>Current</u>	<u>Face Value</u>	<u>Book Value</u>
	<u>Maturity</u>	<u>Call</u>	<u>Step-Up</u>		<u>Coupon</u>	<u>Yield</u>		
08/28/17	08/28/19	08/28/17		FHLMC MTN	1.550%	1.550%	1,000,000	1,000,000
08/03/17	08/03/17			JP MORGAN SECS DC/P	1.192%	1.182%	1,000,000	995,190

Olivenhain Municipal Water District
UNAUDITED CASH POSITION BY FUNDING SOURCES
As of August 31, 2017

<u>Water Funds (Potable & Recycled)</u>	<u>Balance</u>
10050-100 Cash - Petty Cash Fund	\$ 1,466
10030-100 Cash - Capital and Equipment Fund	18,506,505
10010-100 Cash - Operating Fund	7,628,878
10060-100 Cash - Deposit Work for Other	229,554
10040-100 Cash - Rate Stabilization	7,624,735
10010-120 Cash - Recycled Fund	7,659,436
10030-120 Cash - Capital Replacement Fund	1,310,991
14005-100 Cash - IRWMP - Grant	129,164
Total Water Funds (Potable & Recycled)	<u>\$ 43,090,729</u>
<u>Wastewater Funds</u>	
10010-110 4S Ranch Sanitation District - Operating Fund	466,576
10030-110 4S Ranch Sanitation District - Capital Replacement Fund	10,685,040
10040-110 Wastewater - Rate Stabilization Fund	2,467,349
10010-111 Rancho Cielo Sanitation District - Operating Fund	261,292
Total Wastewater Funds	<u>\$ 13,880,256</u>
<u>Capacity Fee Funds</u>	
10030-400 Expansion Fund - Recycled Water	1,266,452
14000-500 Capacity Fee Fund - Treated Water	8,172,518
Total Capacity Fee Funds	<u>\$ 9,438,970</u>
<u>Non Fiscal Agent Debt Service Cash</u>	
14020-570 AD RE-FI Non Trustee	339,925
14020-561 2015A Bonds - Non Trustee	7,393
14020-581 Cash non-agent-Bond 2016	13,866
Total Non Fiscal Agent Debt Service Cash	<u>\$ 361,184</u>
<u>Debt Service Funds</u>	
14030-510 SRF Loan - Fiscal Agent	334,897
14100-570 Redemption fund - RAD 96-1	1,419,270
14110-570 Reserve fund - RAD 96-1	1,443,537
14120-570 Prepayment fund - RAD 96-1	49,251
14100-561 2015A Redemption Fund	605,114
14100-581 Redemption fund-Bond 2016	245,703
Total Debt Service Funds	<u>\$ 4,097,772</u>
TOTAL FUND BALANCES	<u>\$ 70,868,911</u> ✓

Olivenhain Municipal Water District
MONTHLY CASH AND INVESTMENT SUMMARY
As of July 31, 2017

Active Deposits

Book Value

Checking Accounts	\$ 5,672,385
Cash Restricted for Specific Use	360,082
Petty Cash/Disaster Preparedness	1,466
Total Active Deposits	\$ 6,033,933

Deposits Not Covered by Investment Policy

Cash with Fiscal Agents	3,806,955
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<u>Investments</u>	<u>Face Value</u>	<u>Current Yield</u>	<u>Book Value</u>
LAIF	\$ 8,153,216	1.051%	\$ 8,153,216
CAMP	16,476,519	1.120%	16,476,519
Money Market Funds	1,084,610	0.010%	1,084,610
Medium Term Notes	675,000	2.562%	724,557
Commercial Paper	2,000,000	1.165%	1,987,734
Municipal Bonds	2,342,227	2.287%	2,383,374
U.S. Treasury Securities	2,000,000	0.879%	1,991,250
U.S. Agency Securities	27,864,286	1.224%	27,863,486
Total Investments	\$ 60,595,857	1.195%	\$ 60,664,745

Total - All Deposits/Investments

\$ 70,505,633 ✓

Maturity Analysis of Investments

	<u>Percent</u>	<u>Balance</u>
Demand Deposits	42%	\$ 25,714,345
Maturity within the next two months	3%	1,719,747
Maturity within three months and one year	6%	3,347,683
Maturity later one year or more	49%	29,882,970
Total Investments	100%	\$ 60,664,745 ✓

Weighted Average Days to Maturity **439**

Other Required Disclosures:

Accrued interest receivable as of 07/31/2017 \$ 113,082

The above investments are in accordance with the portfolio limitations in the Investment Policy approved by the Board in December 2016.

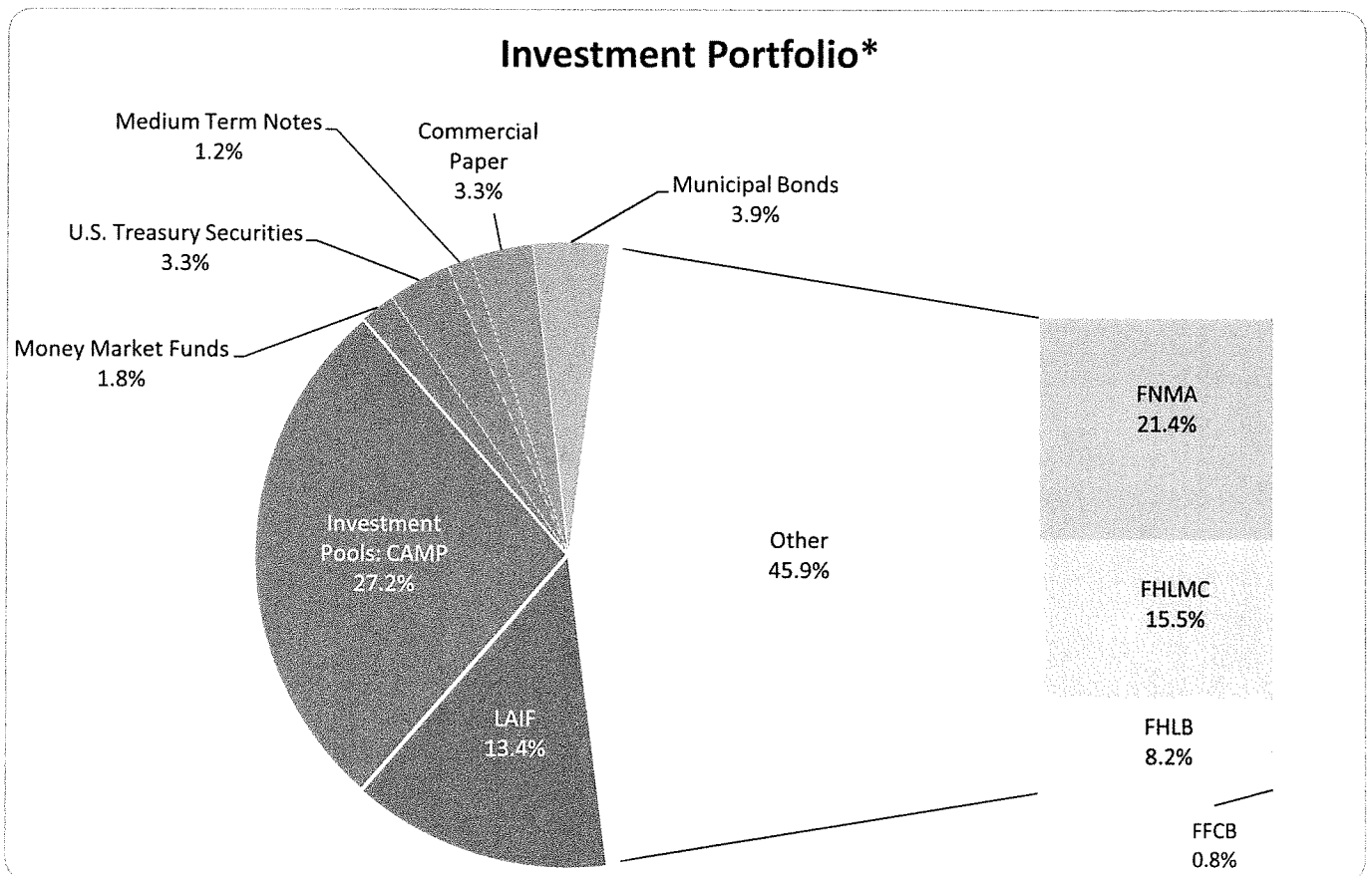
The District has sufficient funds on hand to meet the next 30 days' obligations.

Olivenhain Municipal Water District
PORTFOLIO LIMITATIONS ANALYSIS PER INVESTMENT POLICY
July 31, 2017

	<u>Book Value</u>	<u>Percent</u>	<u>Permitted Percent</u>		<u>In Compliance?</u>
LAIF	\$ 8,153,216	13.4%	30%	(1)	Yes
Investment Pools: CAMP	16,476,519	27.2%	30%		Yes
Money Market Funds	1,084,610	1.8%	20%	(2)	Yes
U.S. Treasury Securities	1,991,250	3.3%	100%	(3)	Yes
U.S. Agency Securities	27,863,486	45.9%	50%		Yes
Medium Term Notes	724,557	1.2%	15%		Yes
Commercial Paper	1,987,734	3.3%	20%	(4)	Yes
Municipal Bonds	2,383,374	3.9%	30%		Yes
Total Investments	\$ 60,664,745 ✓	100%			

Note:

- (1) No more than 30% of the total value of all District Investments or \$20 million.
- (2) May not exceed 5% in any money market fund.
- (3) No limit
- (4) No more than \$1 million per issuer



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

**Olivenhain Municipal Water District
MONTHLY INVESTMENTS DETAIL
July 31, 2017**

ACTIVE DEPOSIT

Checking A/C: California Bank and Trust for General Purpose	\$ 5,672,385
California Bank and Trust for Specific Purpose	360,082
Petty Cash/Disaster Preparedness	1,466
Total - Active Deposits	\$ 6,033,933

Book Value	
\$ 5,672,385	
360,082	
1,466	
\$ 6,033,933	

DEPOSITS NOT COVERED BY INVESTMENT POLICY

Cash with Fiscal Agents:

Union Bank - AD 96-1 Refi Bonds Funds	\$ 2,903,066
Union Bank - 2015A Refunding Funds	404,661
SRF Loan	334,889
Union Bank - 2016A Refunding Funds	164,340

\$ 2,903,066	
404,661	
334,889	
164,340	

Total Deposits Not Covered by Investment Policy

\$ 3,806,955

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

INVESTMENTS

Invest. Pools: Calif. Asset Mgmt Prgm (CAMP)				Demand			1		1.120%	\$ 16,476,519	\$ 16,476,519
State Local Agency Investment Fund (LAIF)				Demand			1		1.051%	8,153,216	8,153,216
JP Morgan US Government Money Market Fund Premier Class SHS				Demand			1		0.010%	1,084,610	1,084,610

U.S. Treasury Notes/Bills

912828L81	U.S. Treasury Notes	Aaa	AA+	11/03/15	10/15/18		442		0.875%	0.879%	\$ 2,000,000	\$ 1,991,250
							442		0.875%	0.879%	\$ 2,000,000	\$ 1,991,250

U.S. Agency Securities

313383HB0	FHLB	Aaa	AA+	06/26/13	06/26/18		331		1.250%	1.250%	1,000,000	1,000,000	
3130A52Q1	FFCB Callable	Aaa	AA+	04/28/15	04/28/20	anytime	1,003	1	1.700%	1.700%	464,286	464,286	
3135G0J46	FNMA Callable	Aaa	AA+	02/26/16	02/26/19	08/26/17	576	27	1.250%	1.250%	2,000,000	2,000,000	
3135G0J95	FNMA Callable	Aaa	AA+	04/28/16	10/28/19	10/28/17	820	90	1.350%	1.350%	1,000,000	1,000,000	
3130A8BA0	FHLB Step-Up Callable	Aaa	AA+	06/23/16	06/23/21	09/23/17	09/23/17	1,424	55	1.250%	1.250%	1,000,000	1,000,000
3134G9UN5	FHLMC Step-Up Callable	Aaa	AA+	06/30/16	06/30/21	09/30/17	12/30/18	1,431	62	1.300%	1.297%	1,000,000	1,002,000
3134G9ZNO	FHLMC Step-Up Callable	Aaa	AA+	06/30/16	06/30/20	09/30/17	06/30/18	1,066	62	1.250%	1.249%	1,000,000	1,001,000
3135G0L76	FNMA Callable	Aaa	AA+	07/11/16	07/11/19	10/11/17	711	73	1.075%	1.075%	2,000,000	2,000,000	
3136G3A96	FNMA Callable	Aaa	AA+	07/27/16	01/27/20		911		1.125%	1.125%	2,000,000	2,000,000	
3136G3XC4	FNMA Callable	Aaa	AA+	07/27/16	07/27/18		362		0.800%	0.801%	1,000,000	999,000	
3134G92L0	FHLMC Step-Up Callable	Aaa	AA+	08/17/16	08/17/21	08/17/17	08/17/19	1,479	18	1.400%	1.400%	1,000,000	1,000,000
3136G3V85	FNMA Callable	--	AA+	08/24/16	02/24/20		939		1.250%	1.250%	1,000,000	1,000,000	
3134GAJX3	FHLMC Step-Up Callable	Aaa	AA+	09/27/16	09/27/19	09/27/17	09/27/17	789	59	1.000%	1.000%	1,000,000	1,000,000
3134GAJS4	FHLMC Step-Up Callable	Aaa	AA+	09/28/16	09/28/18	09/28/17	09/28/17	425	60	0.875%	0.875%	1,000,000	1,000,000
3130A9NH0	FHLB Callable	Aaa	AA+	10/11/16	10/11/18		438		1.000%	1.000%	2,000,000	2,000,000	
3136G4DR1	FNMA Callable	Aaa	AA+	10/17/16	10/17/19	10/17/17	809	79	1.100%	1.101%	1,000,000	999,000	
3136G4GE7	FNMA Callable	Aaa	AA+	11/15/16	11/15/19	11/15/17	838	108	1.125%	1.126%	2,000,000	1,998,200	
3136G4KB8	FNMA Callable	Aaa	AA+	12/30/16	03/30/20	09/30/17	974	62	1.650%	1.650%	1,000,000	1,000,000	
3134GAH64	FHLMC NTS	Aaa	AA+	01/26/17	07/26/19	10/26/17	726	88	1.500%	1.500%	400,000	400,000	
3134GA5Q3	FHLMC MTN	Aaa	AA+	02/28/17	08/28/19	08/28/17	759	29	1.550%	1.550%	1,000,000	1,000,000	
3134GBKM3	FHLMC MTN Step-Up	Aaa	AA+	05/11/17	05/11/20	08/11/17	1,016	12	1.250%	1.250%	1,000,000	1,000,000	
3134GBQV7	FHLMC Callable	Aaa	AA+	05/30/17	11/22/19	11/22/17	845	115	1.500%	1.500%	1,000,000	1,000,000	
3134GBTA0	FHLMC Step-Up Callable	Aaa	AA+	06/22/17	12/22/20	09/22/17	09/22/17	1,241	54	1.300%	1.300%	1,000,000	1,000,000
3130ABSP2	FHLB Callable	Aaa	AA+	07/26/17	07/26/18		726	361	1.500%	1.500%	1,000,000	1,000,000	
							831	75	1.224%	1.224%	\$ 27,864,286	\$ 27,863,486	

Medium Term Notes

94974BGB0	Wells Fargo & Co Mtn	A2	A	06/23/16	09/08/17		40		1.400%	1.394%	450,000	452,095
742651DE9	Private Export Funding Corp.	Aaa	AA+	10/26/12	09/15/17		47		5.450%	4.501%	\$ 225,000	\$ 272,462
							43		2.750%	2.562%	\$ 675,000	\$ 724,557

Commercial Paper

46640PV34	JP MORGAN SECS DC/P	P-1	A-1	03/08/17	08/03/17		4		1.192%	1.182%	1,000,000	995,190
36164JXQ2	GE CAPITAL TREAS DC/P	P-1	A-1+	02/22/17	10/24/17		86		1.124%	1.124%	1,000,000	992,544
							45		1.158%	1.165%	\$ 2,000,000	\$ 1,987,734

Municipal Bonds

052476N79	AUSTIN TEX WTR REV	AA2	AA	11/15/16	05/15/21		1,385		2.544%	2.455%	\$ 1,000,000	\$ 1,036,460
834666GG8	SOMERSET CNTY NJ REV	AAA	AAA	06/23/17	05/15/18		289		3.320%	3.263%	\$ 350,000	\$ 356,139
882806EL2	TEXAS TECH UNIV REVS	AA1	AA+	01/12/17	02/15/19		565		1.804%	1.789%	500,000	504,115
13066YTY5	CALIF ST DEPT REV	AA1	AA	12/02/16	05/01/21		1,371		1.713%	1.733%	492,227	486,660
							1,045		2.327%	2.287%	\$ 2,342,227	\$ 2,383,374

Total Investments

439									1.197%	1.195%	\$ 60,595,857	\$ 60,664,745
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TOTAL - ALL DEPOSITS AND INVESTMENTS

\$ 70,605,833

**Olivenhain Municipal Water District
INVESTMENTS TRANSACTION
July 31, 2017**

PURCHASED

DATE				Investment Description	<i>Stated</i>	<i>Current</i>	Face Value	Book Value
Purchase	Maturity	Call	Step-Up		<i>Coupon</i>	<i>Yield</i>		
07/26/17	07/26/19	07/26/18		FHLB Callable	1.500%	1.500%	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		<i>Coupon</i>	<i>Yield</i>		
07/31/17	07/31/17			U.S. Treasury Notes	0.500%	0.513%	1,000,000	974,150

Olivenhain Municipal Water District
UNAUDITED CASH POSITION BY FUNDING SOURCES
As of July 31, 2017

<u>Water Funds (Potable & Recycled)</u>	<u>Balance</u>
10050-100 Cash - Petty Cash Fund	\$ 1,466
10030-100 Cash - Capital and Equipment Fund	18,455,777
10010-100 Cash - Operating Fund	7,014,518
10060-100 Cash - Deposit Work for Other	239,577
10040-100 Cash - Rate Stabilization	7,617,855
10010-120 Cash - Recycled Fund	7,410,422
10030-120 Cash - Capital Replacement Fund	1,263,660
14005-100 Cash - IRWMP - Grant	129,164
Total Water Funds (Potable & Recycled)	<u>\$ 42,132,437</u>
<u>Wastewater Funds</u>	
10010-110 4S Ranch Sanitation District - Operating Fund	801,117
10030-110 4S Ranch Sanitation District - Capital Replacement Fund	10,713,667
10040-110 Wastewater - Rate Stabilization Fund	2,465,122
10010-111 Rancho Cielo Sanitation District - Operating Fund	280,838
Total Wastewater Funds	<u>\$ 14,260,745</u>
<u>Capacity Fee Funds</u>	
10030-400 Expansion Fund - Recycled Water	1,262,810
14000-500 Capacity Fee Fund - Treated Water	8,682,604
Total Capacity Fee Funds	<u>\$ 9,945,415</u>
<u>Non Fiscal Agent Debt Service Cash</u>	
14020-570 AD RE-FI Non Trustee	338,829
14020-561 2015A Bonds - Non Trustee	7,387
14020-581 Cash non-agent-Bond 2016	13,866
Total Non Fiscal Agent Debt Service Cash	<u>\$ 360,082</u>
<u>Debt Service Funds</u>	
14030-510 SRF Loan - Fiscal Agent	334,889
14100-570 Redemption fund - RAD 96-1	1,418,234
14110-570 Reserve fund - RAD 96-1	1,435,617
14120-570 Prepayment fund - RAD 96-1	49,215
14100-561 2015A Redemption Fund	404,661
14100-581 Redemption fund-Bond 2016	164,340
Total Debt Service Funds	<u>\$ 3,806,955</u>
TOTAL FUND BALANCES	<u>\$ 70,505,633</u> ✓

Memo

Date: December 13, 2017
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 STATEMENTS OF NET POSITION, CONSOLIDATED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION, CONSOLIDATED STATEMENT OF CASH FLOWS, CONSOLIDATED ACTUAL VS BUDGET SUMMARY, AND CONSTRUCTION IN PROGRESS REPORTS**

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

- July - September 2017 Monthly Statement of Net Position
- July - September 2017 Monthly Statement of Revenues, Expenses, and Changes in Net Position
- July - September 2017 Monthly Consolidated Actual VS Budget Summary and explanation of significant variance reports
- July - September 2017 Consolidated Statement of Cash Flows
- July - September 2017 Construction In Progress Report

OLIVENHAIN MUNICIPAL WATER DISTRICT
Statement of Net Position (Unaudited)
All Funds
9/30/2017

Assets

Current assets:

Unrestricted assets:

Cash and cash equivalents	\$58,288,544
Accounts receivable - water and sewer, net	10,669,458
Interest Receivable	140,441
Taxes and assesments receivable	73
Other receivables	158,676
Inventories	1,626,996
Prepaid expenses and deposits	1,041,254
Total unrestricted assets	<u>71,925,442</u>

Restricted assets:

Cash and cash equivalents	13,012,268
Interest Receivable	1,973
Taxes and assesments receivable	182,064
Grants receivable	957,309
Total restricted assets	<u>14,153,614</u>
Total current assets	<u>86,079,056</u>

Noncurrent assets:

Capital assets, nondepreciable	36,698,548
Capital assets, depreciable/amortizable, net	<u>350,615,831</u>
Capital assets, net	387,314,379
Prepaid pension contributions	22,063
Prepaid bond insurance	114,838
Other long-term receivables	108,930
Total noncurrent assets	<u>387,560,210</u>
Total assets	<u>473,639,267</u>

Deferred Outflows of Resources

Deferred amount on refunding	(1,906,060)
Deferred amount from pension	(3,501,400)
Total deferred outflows of resources	<u>(5,407,461)</u>

Liabilities

Current Liabilities

Liabilities payable from unrestricted assets:

Accounts payable	5,799,966
Accrued payroll	459,336
Customer deposits	545,319
Payable related to work in progress	115,259
Compensated absences, current portion	643,000
Current portion of long-term debt:	
Water Revenue Refunding Bonds 2016A	435,000
Water Revenue Refunding Bonds 2015A	1,440,000
Special Assessment Debt with Government Commi...	845,000
Notes Payable	729,120
Total liabilities payable from unrestricted assets	<u>11,012,000</u>

Liabilities payable from restricted assets:

Accounts payable	1,000,268
Interest payable	708,463
Unearned Revenue	129,164
Total liabilities payable from restricted assets	<u>1,837,894</u>
Total current liabilities	<u>12,849,894</u>

Noncurrent liabilities

Compensated absences	690,584
Net pension liability	11,018,852
Long-term debt, excluding current portion:	
Water Revenue Refunding Bonds 2016A	16,132,583
Water Revenue Refunding Bonds 2015A	22,139,045
Special Assessment Debt with Government Commi...	10,853,005
Notes Payable	14,252,283
Total noncurrent liabilities	<u>75,086,351</u>
Total liabilities	<u>87,936,245</u>

OLIVENHAIN MUNICIPAL WATER DISTRICT
Statement of Net Position (Unaudited)
All Funds
9/30/2017

Deferred Inflows of Resources	
Deferred amounts on pension	631,720
Total deferred inflows of resources	<u>631,720</u>

Net Position

Investment in Capital Assets, net of related debt	322,394,405
Restricted Net Position	12,315,720
Unrestricted Net Position	55,768,637
Total Net Position	<u>390,478,762</u> ✓

OLIVENHAIN MUNICIPAL WATER DISTRICT
Statement of Revenues, Expenses and Changes in Net Position (Unaudited)
All Funds
For the Three Months Ending 9/30/2017

	2018
Operating Revenues:	
Water sales	\$16,846,947
Sewer charges	9,018
Other operating revenues	573,919
Total Operating Revenues	17,429,884
Operating Expenses	
Cost of purchased water sold	8,048,551
Pumping and water treatment	956,910
Transmission and distribution	841,575
Sewer collection and treatment	373,029
Elfin Forest recreation operations	152,215
Facilities maintenance	198,838
Customer services	327,709
General and administrative	1,523,141
Depreciation and amortization	1,780,299
Total Operating Expenses	14,202,268
Operating Income (Loss)	3,227,616
Nonoperating Revenues (Expenses)	
Investment income	159,373
Property taxes	111,500
Capacity charges	149,299
Benefit assessments	11,913
Other nonoperating revenues	458
Interest expense, net	(361,644)
Other nonoperating expenses	(18,737)
Total nonoperating revenues (expenses)	52,161
Income (Loss) before capital contributions	3,279,777
Capital contributions	5,277
Change in net position	3,285,055
Net Position, Beginning of year	387,193,707
Net Position, End of year	390,478,762 ✓

OLIVENHAIN MUNICIPAL WATER DISTRICT
Consolidated Actual vs Budget Summary
For the Three Months Ending 9/30/2017

	Approved Budget	Actual YTD	Budget YTD	Variance Amt	Variance %	Notes
Operating Revenues						
Commodity Water Sales	\$34,205,000.00	\$13,400,348.66	\$12,558,000.00	\$842,348.66	6.7%	1
Water Fees and Services	15,015,000.00	4,020,517.29	3,697,648.00	322,869.29	8.7%	2
Sewer Revenue	4,477,000.00	9,017.97	9,000.00	17.97	0.2%	
Total Operating Revenues	53,697,000.00	17,429,883.92	16,264,648.00	1,165,235.92	7.2%	
Operating Expenses						
Purchased Water - Variable	18,126,000.00	6,192,534.36	5,680,148.05	(512,386.31)	(9.0%)	1
Purchased Water - Fixed	7,482,000.00	1,856,016.72	1,870,500.00	14,483.28	0.8%	
General Manager Dept	1,647,000.00	337,919.86	411,747.00	73,827.14	17.9%	3
Engineering Dept	1,754,000.00	355,608.85	438,495.00	82,886.15	18.9%	3
Finance Dept	1,448,000.00	367,876.60	362,001.00	(5,875.60)	(1.6%)	3
Customer Service Dept	2,329,000.00	477,892.85	582,249.00	104,356.15	17.9%	3
Human Resources Dept	793,000.00	219,199.49	198,246.00	(20,953.49)	(10.6%)	3
Water Operations and Maintenance Dept	9,702,000.00	2,205,435.81	2,425,491.00	220,055.19	9.1%	3
Parks Dept	318,000.00	157,854.61	79,497.00	(78,357.61)	(98.6%)	3
Sewer Operations and Maintenance Dept	2,438,000.00	554,834.44	609,489.00	54,654.56	9.0%	3
Recycled Water Operations Dept	1,143,000.00	180,218.76	285,750.00	105,531.24	36.9%	3
Paygo Transfers						
Water Operations	4,500,000.00	1,125,000.00	1,125,000.00		0.0%	
Sanitation Operations	1,200,000.00	300,000.00	300,000.00		0.0%	
Recycled Operations	700,000.00	174,999.00	174,999.00		0.0%	
Capitalized Operations Expenditures	(724,000.00)	(303,123.08)	(181,002.00)	122,121.08	(67.5%)	4
Total Operating Expenses	52,856,000.00	14,202,268.27	14,362,610.05	160,341.78	1.1%	
Net Operating Income (Loss)	841,000.00	3,227,615.65	1,902,037.95	1,325,577.70		
Nonoperating Revenues						
Water Funds	3,658,000.00	188,295.78	205,504.00	(17,208.22)	(8.4%)	
Debt Service Funds	1,443,000.00	20,059.63	26,473.00	(6,413.37)	(24.2%)	
Sewer Funds	88,000.00	32,529.09	21,990.00	10,539.09	47.9%	
Recycled Water Funds	54,000.00	20,252.81	13,500.00	6,752.81	50.0%	
Total Nonoperating Revenue	5,243,000.00	261,137.31	267,467.00	(6,329.69)	(2.4%)	
Nonoperating Expense						
Capacity Fee Funds	15,000.00	4,332.00	3,750.00	(582.00)	(15.5%)	
Debt Service Funds	2,446,000.00	376,049.39	611,499.00	235,449.61	38.5%	5
Potable Water Funds	60,000.00		15,000.00	15,000.00	100.0%	
Total Nonoperating Expense	2,521,000.00	380,381.39	630,249.00	249,867.61	39.6%	
Inc before Cap Fees and Capital Contributions	3,563,000.00	3,108,371.57	1,539,255.95	1,569,115.62		
Capacity Fee Funds	1,209,000.00	171,405.55				
Capital contributions		5,277.48				
Change in Net Position		3,285,054.60				

OLIVENHAIN MUNICIPAL WATER DISTRICT
Actual vs Budget Variance
For the Three Months Ending 9/30/2017

1. Water sales revenue is higher than the year-to-date (YTD) budgeted amount due to dry weather conditions. Consequently, purchased water variable expenses also exceed the YTD budgeted amount.
2. Water Fees and Services revenue is higher than the YTD budgeted amount due to actual selling of excess water treatment services to Vallecitos Water District being more than staff projections.
3. Total departmental expenses are 10% below the YTD budget due to the timing of actual labor and operating expenses incurred. The budget YTD amount is distributed evenly throughout the year.
4. Actual YTD capitalized operating expenditures are higher than expected due to more labor and expenses being charged to projects and work for others during the first quarter of FY 2017 than previously anticipated.
5. Actual YTD Debt Service Funds were lower than Budget YTD amount because September interest expense was not recorded until the following month (October). Unrecorded monthly interest expense was offset by 2015A bonds premium not being included in Budget YTD amount.

OLIVENHAIN MUNICIPAL WATER DISTRICT
CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
AS OF SEPTEMBER 30, 2017

CASH FLOWS FROM OPERATING ACTIVITIES:

Receipts from water and sewer customers	\$ 15,151,991
Payments for water	(7,645,394)
Payments for services and supplies	(1,645,519)
Payments for employee wages, benefits and related costs	(3,704,575)
Net cash provided by operating activities	2,156,503

CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:

Property taxes and benefit assessments received	123,844
Net cash provided by noncapital and related financing activities	123,844

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Acquisition and construction of capital assets	(1,383,939)
Proceeds from Grants	5,000
Principal paid on bonds and certificates of participation	(416,494)
Interest paid on bonds and certificates of participation	(138,318)
Capacity charges received	149,299
Other capital financing receipts (expenses)	4,354
Net cash used by capital and related financing activities	(1,780,098)

CASH FLOWS FROM INVESTING ACTIVITIES:

Net change in investments	-
Investment income received	158,222
Net cash provided (used) by investing activities	158,222

Net increase (decrease) in cash and cash equivalents 658,471

Cash and cash equivalents, beginning of year 34,609,598

Cash and cash equivalents, end of period \$ 35,268,069 ✓

FINANCIAL STATEMENT PRESENTATION:

Cash and cash equivalents - current assets	28,052,907
Cash and cash equivalents - restricted assets	7,215,162
Total cash and cash equivalents	\$ 35,268,069 ✓

CASH AND CASH EQUIVALENTS RECONCILIATION			
		Balance Includes Mkt Securities	Without Mkt Securities
Unrestricted cash	9/30/2017	58,288,544	28,052,907
Restricted cash	9/30/2017	13,012,268	7,215,162
Total cash and cash equivalents			35,268,069 ✓

Olivenhain Municipal Water District
Construction Work in Progress
As of September 30, 2017

Description	Budget	Appropriation to Date	Expenditures and Encumbr.	(Over) Under Appropriation
Complete Campus - Building D - All Funds	7,200,000	3,200,000	851,126	2,348,874
San Elijo Valley Groundwater	19,000,000	2,800,000	1,908,422	891,578
Rehab UV Disinfection System	1,800,000	1,800,000	123,993	1,676,007
Valve Replacement Program	4,480,000	1,300,000	321,269	978,731
Manchester Recycled Pipeline	1,420,000	820,000	76,322	743,678
WW Portion - Complete Campus - Building D	1,800,000	800,000	-	800,000
DCM WTP Office Construction	700,000	700,000	83,366	616,634
Fixes Base AMI	2,700,000	600,000	110,476	489,524
WTP 34 MGD Membrane Replacement	6,160,000	595,000	27,675	567,325
Replace El Camino Real Pipeline	4,000,000	500,000	150,114	349,886
Vales #1 PRS	500,000	500,000	158,823	341,177
Replace Neighborhood I SPS	3,000,000	500,000	73,849	426,151
Headquarters Site Improvements	450,000	450,000	458,834	(8,834) ^
Encinitas Blvd. at RSFe Road	425,000	425,000	25,629	399,371
Mid-Point Pump Sta. Odor Control Improvements	415,000	415,000	422,944	(7,944) X
Pipeline Replacement, Dusty Trail/Lone Jack PRL	400,000	400,000	91,380	308,620
Recycled Water Quality Improvements	900,000	332,000	76,740	255,260
DCM WTP Chemical System Upgrade	305,000	305,000	60,992	244,008
Rehab Pressure Reducing Stations	1,546,000	300,000	-	300,000
Meter Anode Replacement Program	2,500,000	250,000	-	250,000
City of San Diego Purchase Recycled Capacity	250,000	250,000	-	250,000
Wandering Rd. Recycled Extension	250,000	250,000	10,701	239,299
Network Security	200,000	200,000	-	200,000
Meter Replacement	2,000,000	200,000	72,369	127,631
Replace 4S WW Clarifier Drives (2)	200,000	200,000	58,846	141,154
WTP Primary HVAC System	190,000	190,000	53,225	136,775
Replace Cielo Pump Station Controls	180,000	180,000	81,184	98,816
WW Rehab Tertiary Filters	160,000	160,000	12,964	147,036
Steel Mains Protection	1,500,000	150,000	-	150,000
Condition Assessment Program	2,000,000	150,000	1,920	148,080
Avenida La Posta RW PL Extension	133,000	133,000	29,821	103,179
Digester Enhancement Project	130,000	130,000	106,119	23,881
CIS Infinity Sewer Utility Billing	125,000	125,000	131,291	(6,291)
DCM WTP Settler Unit 1	120,000	120,000	1,155	118,845
Palma de la Reina	114,000	114,000	113,712	288 X
Pipeline Replacement Program	14,000,000	106,000	-	106,000
Lower Yard Improvements	100,000	100,000	26,199	73,801
DCM WTP Sewer System Upgrade	100,000	100,000	-	100,000
WW Covered Storage Area	100,000	100,000	15,297	84,703
4S Pump Station Flow Meters	100,000	100,000	453	99,547
WW Pump, Motor & Equipment Replacement	1,000,000	100,000	40,364	59,636
Residuals Handling Building Canopy	86,000	86,000	6,000	80,000
Security Upgrades	85,000	85,000	-	85,000
Replace Ammonia System Equipment	80,000	80,000	86,684	(6,684) X
Headworks Screening Replacement	600,000	80,000	-	80,000
La Costa Vales #2 PRS and Ext. 250	320,000	77,000	76,410	590
Vault Upgrades	75,000	75,000	-	75,000
Irrigation Upgrades at Reservoirs	75,000	75,000	-	75,000
Cathodic Test Station Replacement	750,000	75,000	-	75,000
Palms I Reservoir Demolition	735,000	75,000	71,610	3,390
DCM WTP VFD Pump and Motor Replacement	70,000	70,000	28,821	41,179
WAN Upgrades	60,000	60,000	6,265	53,735
Replace DCM WTP Hypochlorite Tank	55,000	55,000	49,780	5,220
SDCWA Transformer Replacement	55,000	55,000	-	55,000
Potable Pump and Motor Replacement	500,000	50,000	-	50,000
WW Solids Process Improvements	50,000	50,000	-	50,000
WW Caustic Tank Piping	50,000	50,000	29,843	20,157
Firehouse Sewer Pump Station Upgrades	50,000	50,000	20,608	29,392
Finance Dynamics GP Upgrade	45,000	45,000	-	45,000
FH/WS Relocation RSFe Rd/Grangettos	40,000	40,000	51,824	(11,824) ^
Storage Pond Improvements	40,000	40,000	577	39,423
DCM WTP - Paint Equipment	35,000	35,000	-	35,000
Replace Rancho La Cima/Aliso Pipeline	75,000	33,000	32,970	30
EAM Upgrades	26,000	26,000	-	26,000
System Book Update 2017	24,000	24,000	22,406	1,594
Gaty I Decommissioning	300,000	5,000	4,940	60
Total	\$ 86,934,000	\$ 21,546,000	\$ 6,266,312	\$ 15,279,688

X Project is complete
^ Project appropriation to be adjusted at midyear

OLIVENHAIN MUNICIPAL WATER DISTRICT
Statement of Net Position (Unaudited)
All Funds
8/31/2017

Assets

Current assets:

Unrestricted assets:

Cash and cash equivalents	\$57,884,576
Accounts receivable - water and sewer, net	10,391,590
Interest Receivable	116,876
Taxes and assessments receivable	73
Other receivables	46,207
Inventories	1,671,713
Prepaid expenses and deposits	1,202,157
Total unrestricted assets	<u>71,313,191</u>

Restricted assets:

Cash and cash equivalents	12,699,271
Interest Receivable	658
Taxes and assessments receivable	182,322
Grants receivable	957,309
Total restricted assets	<u>13,839,560</u>
Total current assets	<u>85,152,751</u>

Noncurrent assets:

Capital assets, nondepreciable	36,121,897
Capital assets, depreciable/amortizable, net	351,208,315
Capital assets, net	<u>387,330,212</u>
Prepaid pension contributions	22,063
Prepaid bond insurance	115,787
Other long-term receivables	110,756
Total noncurrent assets	<u>387,578,817</u>
Total assets	<u>472,731,568</u>

Deferred Outflows of Resources

Deferred amount on refunding	(1,906,060)
Deferred amount from pension	(3,501,400)
Total deferred outflows of resources	<u>(5,407,461)</u>

Liabilities

Current Liabilities

Liabilities payable from unrestricted assets:

Accounts payable	5,873,136
Accrued payroll	403,628
Customer deposits	512,161
Payable related to work in progress	107,801
Compensated absences, current portion	643,000
Current portion of long-term debt:	
Water Revenue Refunding Bonds 2016A	435,000
Water Revenue Refunding Bonds 2015A	1,440,000
Special Assessment Debt with Government Commi...	845,000
Notes Payable	729,120
Total liabilities payable from unrestricted assets	<u>10,988,845</u>

Liabilities payable from restricted assets:

Accounts payable	951,127
Interest payable	708,463
Unearned Revenue	129,164
Total liabilities payable from restricted assets	<u>1,788,753</u>
Total current liabilities	<u>12,777,599</u>

Noncurrent liabilities

Compensated absences	646,379
Net pension liability	11,018,852
Long-term debt, excluding current portion:	
Water Revenue Refunding Bonds 2016A	16,132,583
Water Revenue Refunding Bonds 2015A	22,139,045
Special Assessment Debt with Government Commi...	10,853,005
Notes Payable	14,252,283
Total noncurrent liabilities	<u>75,042,146</u>
Total liabilities	<u>87,819,745</u>

OLIVENHAIN MUNICIPAL WATER DISTRICT
Statement of Net Position (Unaudited)
All Funds
8/31/2017

Deferred Inflows of Resources	
Deferred amounts on pension	631,720
Total deferred inflows of resources	<u>631,720</u>

Net Position

Investment in Capital Assets, net of related debt	322,410,238
Restricted Net Position	12,050,807
Unrestricted Net Position	55,226,519
Total Net Position	<u>389,687,564</u> ✓

OLIVENHAIN MUNICIPAL WATER DISTRICT
Statement of Revenues, Expenses and Changes in Net Position (Unaudited)
All Funds
For the Two Months Ending 8/31/2017

2018

Operating Revenues:	
Water sales	\$11,487,607
Sewer charges	8,335
Other operating revenues	<u>363,467</u>
Total Operating Revenues	11,859,409
Operating Expenses	
Cost of purchased water sold	5,302,675
Pumping and water treatment	587,748
Transmission and distribution	488,422
Sewer collection and treatment	208,849
Elfin Forest recreation operations	100,010
Facilities maintenance	113,364
Customer services	199,609
General and administrative	1,113,341
Depreciation and amortization	<u>1,186,866</u>
Total Operating Expenses	9,300,884
Operating Income (Loss)	2,558,525
Nonoperating Revenues (Expenses)	
Investment income	144,059
Property taxes	83,863
Capacity charges	70,470
Benefit assessments	8,293
Other nonoperating revenues	307
Interest expense, net	(361,644)
Other nonoperating expenses	<u>(14,346)</u>
Total nonoperating revenues (expenses)	(68,997)
Income (Loss) before capital contributions	2,489,528
Capital contributions	<u>4,329</u>
Change in net position	2,493,857
Net Position, Beginning of year	<u>387,193,707</u>
Net Position, End of year	<u>389,687,564</u> ✓

OLIVENHAIN MUNICIPAL WATER DISTRICT
Consolidated Actual vs Budget Summary
For the Two Months Ending 8/31/2017

	Approved Budget	Actual YTD	Budget YTD	Variance Amt	Variance %	Notes
Operating Revenues						
Commodity Water Sales	\$34,205,000.00	\$9,191,085.43	\$7,734,000.00	\$1,457,085.43	18.8%	1
Water Fees and Services	15,015,000.00	2,659,989.07	2,476,932.00	183,057.07	7.4%	2
Sewer Revenue	4,477,000.00	8,334.62	8,000.00	334.62	4.2%	
Total Operating Revenues	53,697,000.00	11,859,409.12	10,218,932.00	1,640,477.12	16.1%	
Operating Expenses						
Purchased Water - Variable	18,126,000.00	4,065,330.51	3,860,390.01	(204,940.50)	(5.3%)	1
Purchased Water - Fixed	7,482,000.00	1,237,344.48	1,247,000.00	9,655.52	0.8%	
General Manager Dept	1,647,000.00	212,104.06	274,498.00	62,393.94	22.7%	3
Engineering Dept	1,754,000.00	245,006.26	292,330.00	47,323.74	16.2%	3
Finance Dept	1,448,000.00	254,752.38	241,334.00	(13,418.38)	(5.6%)	3
Customer Service Dept	2,329,000.00	312,294.71	388,166.00	75,871.29	19.5%	3
Human Resources Dept	793,000.00	153,011.36	132,164.00	(20,847.36)	(15.8%)	3
Water Operations and Maintenance Dept	9,702,000.00	1,407,990.17	1,616,994.00	209,003.83	12.9%	3
Parks Dept	318,000.00	103,770.27	52,998.00	(50,772.27)	(95.8%)	3
Sewer Operations and Maintenance Dept	2,438,000.00	321,414.89	406,326.00	84,911.11	20.9%	3
Recycled Water Operations Dept	1,143,000.00	94,557.97	190,500.00	95,942.03	50.4%	3
Paygo Transfers						
Water Operations	4,500,000.00	750,000.00	750,000.00		0.0%	
Sanitation Operations	1,200,000.00	200,000.00	200,000.00		0.0%	
Recycled Operations	700,000.00	116,666.00	116,666.00		0.0%	
Capitalized Operations Expenditures	(724,000.00)	(160,199.46)	(120,668.00)	39,531.46	(32.8%)	4
Total Operating Expenses	52,856,000.00	9,314,043.60	9,648,698.01	334,654.41	3.5%	
Net Operating Income (Loss)	841,000.00	2,545,365.52	570,233.99	1,975,131.53		
Nonoperating Revenues						
Water Funds	3,658,000.00	154,394.10	150,336.00	4,058.10	2.7%	
Debt Service Funds	1,443,000.00	13,312.75	18,608.00	(5,295.25)	(28.5%)	
Sewer Funds	88,000.00	30,002.50	14,660.00	15,342.50	104.7%	
Recycled Water Funds	54,000.00	18,440.55	9,000.00	9,440.55	104.9%	
Total Nonoperating Revenue	5,243,000.00	216,149.90	192,604.00	23,545.90	12.2%	
Nonoperating Expense						
Capacity Fee Funds	15,000.00	2,888.00	2,500.00	(388.00)	(15.5%)	
Debt Service Funds	2,446,000.00	373,102.21	407,666.00	34,563.79	8.5%	5
Potable Water Funds	60,000.00		10,000.00	10,000.00	100.0%	
Total Nonoperating Expense	2,521,000.00	375,990.21	420,166.00	44,175.79	10.5%	
Inc before Cap Fees and Capital Contributions	3,563,000.00	2,385,525.21	342,671.99	2,042,853.22		
Capacity Fee Funds	1,209,000.00	90,843.12				
Capital contributions		4,328.77				
Change in Net Position		2,480,697.10				

OLIVENHAIN MUNICIPAL WATER DISTRICT
Actual vs Budget Variance
For the Two Months Ending 8/31/2017

1. Water sales revenue is higher than the year-to-date (YTD) budgeted amount due to dry weather conditions. Consequently, purchased water variable expenses also exceed the YTD budgeted amount.
2. Water Fees and Services revenue is higher than the YTD budgeted amount due to actual selling of excess water treatment services to Vallecitos Water District being more than staff projections.
3. Actual YTD departmental expenses are 14% below the YTD budgeted amount due to the timing of labor and operating expenses. The YTD budget amount assumes these expenses occur evenly throughout the year.
4. Actual YTD capitalized operating expenditures were higher than the budgeted YTD amount due to more staff time spent on District's projects and work for others than anticipated.
5. Debt service expenses were lower than the YTD budgeted amount because the budgeted interest expense does not include the amortization of the 2015A bonds issuance premium.

OLIVENHAIN MUNICIPAL WATER DISTRICT
CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
AS OF AUGUST 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES:

Receipts from water and sewer customers	\$	9,936,869
Payments for water		(4,735,787)
Payments for services and supplies		(2,274,624)
Payments for employee wages, benefits and related costs		(1,966,088)
Net cash provided by operating activities		960,369

CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:

Property taxes and benefit assessments received		92,329
Net cash provided by noncapital and related financing activities		92,329

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Acquisition and construction of capital assets		(807,287)
Proceeds from Grants		5,000
Principal paid on bonds and certificates of participation		(416,494)
Interest paid on bonds and certificates of participation		(138,318)
Capacity charges received		70,470
Other capital financing receipts (expenses)		7,649
Net cash used by capital and related financing activities		(1,278,980)

CASH FLOWS FROM INVESTING ACTIVITIES:

Net change in investments		-
Investment income received		167,788
Net cash provided (used) by investing activities		167,788

Net increase (decrease) in cash and cash equivalents (58,494)

Cash and cash equivalents, beginning of year 34,609,598

Cash and cash equivalents, end of period \$ 34,551,104

FINANCIAL STATEMENT PRESENTATION:

Cash and cash equivalents - current assets	27,648,939
Cash and cash equivalents - restricted assets	6,902,165
Total cash and cash equivalents	\$ 34,551,104

CASH AND CASH EQUIVALENTS RECONCILIATION			
		Balance Includes Mkt Securities	Without Mkt Securities
Unrestricted cash	8/31/2017	57,884,576	27,648,939
Restricted cash	8/31/2017	12,699,271	6,902,165
Total cash and cash equivalents			34,551,104

**Olivenhain Municipal Water District
Construction Work in Progress
As of August 31, 2017**

Description	Budget	Appropriation to Date	Expenditures and Encumbr.	(Over) Under Appropriation
Complete Campus - Building D - Water	7,200,000	3,200,000	825,649	2,374,351
San Elijo Valley Groundwater	19,000,000	2,800,000	1,896,067	903,933
Rehab UV Disinfection System	1,800,000	1,800,000	120,221	1,679,779
Valve Replacement Program	4,480,000	1,300,000	199,331	1,100,669
Manchester Recycled Pipeline	1,420,000	820,000	75,093	744,907
WW Portion - Complete Campus - Building D	1,800,000	800,000	-	800,000
DCM WTP Office Construction	700,000	700,000	83,366	616,634
Fixes Base AMI	2,700,000	600,000	104,999	495,001
WTP 34 MGD Membrane Replacement	6,160,000	595,000	18,125	576,875
Replace El Camino Real Pipeline	4,000,000	500,000	144,228	355,772
Vales #1 PRS	500,000	500,000	156,786	343,214
Replace Neighborhood I SPS	3,000,000	500,000	69,725	430,275
Headquarters Site Improvements	450,000	450,000	444,340	5,660
Encinitas Blvd. at RSFe Road	425,000	425,000	17,801	407,199
Mid-Point Pump Sta. Odor Control Improvements	415,000	415,000	422,712	(7,712) X
Pipeline Replacement, Dusty Trail/Lone Jack PRL	400,000	400,000	88,939	311,061
Recycled Water Quality Improvements	900,000	332,000	76,740	255,260
DCM WTP Chemical System Upgrade	305,000	305,000	57,114	247,886
Rehab Pressure Reducing Stations	1,546,000	300,000	-	300,000
Meter Anode Replacement Program	2,500,000	250,000	-	250,000
City of San Diego Purchase Recycled Capacity	250,000	250,000	-	250,000
Wandering Rd. Recycled Extension	250,000	250,000	7,585	242,415
Network Security	200,000	200,000	-	200,000
Meter Replacement	2,000,000	200,000	42,748	157,252
Replace 4S WW Clarifier Drives (2)	200,000	200,000	58,846	141,154
WTP Primary HVAC System	190,000	190,000	51,949	138,051
Replace Cielo Pump Station Controls	180,000	180,000	69,461	110,539
WW Rehab Tertiary Filters	160,000	160,000	12,409	147,591
Steel Mains Protection	1,500,000	150,000	-	150,000
Condition Assessment Program	2,000,000	150,000	1,180	148,820
Avenida La Posta RW PL Extension	133,000	133,000	27,113	105,887
Digester Enhancement Project	130,000	130,000	54,766	75,234
CIS Infinity Sewer Utility Billing	125,000	125,000	115,462	9,538
DCM WTP Settler Unit 1	120,000	120,000	1,155	118,845
Palma de la Reina	114,000	114,000	113,705	295 X
Pipeline Replacement Program	14,000,000	106,000	-	106,000
Lower Yard Improvements	100,000	100,000	24,936	75,064
DCM WTP Sewer System Upgrade	100,000	100,000	-	100,000
WW Covered Storage Area	100,000	100,000	15,297	84,703
4S Pump Station Flow Meters	100,000	100,000	453	99,547
WW Pump, Motor & Equipment Replacement	1,000,000	100,000	15,801	84,199
Residuals Handling Building Canopy	86,000	86,000	6,000	80,000
Security Upgrades	85,000	85,000	-	85,000
Replace Ammonia System Equipment	80,000	80,000	86,684	(6,684) X
Headworks Screening Replacement	600,000	80,000	-	80,000
La Costa Vales #2 PRS and Ext. 250	320,000	77,000	76,410	590
Vault Upgrades	75,000	75,000	-	75,000
Irrigation Upgrades at Reservoirs	75,000	75,000	-	75,000
Cathodic Test Station Replacement	75,000	75,000	-	75,000
Palms I Reservoir Demolition	735,000	75,000	71,610	3,390
DCM WTP VFD Pump and Motor Replacement	70,000	70,000	28,821	41,179
WAN Upgrades	60,000	60,000	6,265	53,735
Replace DCM WTP Hypochlorite Tank	55,000	55,000	33,225	21,775
SDCWA Transformer Replacement	55,000	55,000	-	55,000
Potable Pump and Motor Replacement	500,000	50,000	-	50,000
WW Solids Process Improvements	50,000	50,000	-	50,000
WW Caustic Tank Piping	50,000	50,000	29,843	20,157
Firehouse Sewer Pump Station Upgrades	50,000	50,000	20,608	29,392
Finance Dynamics GP Upgrade	45,000	45,000	-	45,000
FH/WS Relocation RSFe Rd/Grangettos	40,000	40,000	51,824	(11,824) ^
Storage Pond Improvements	40,000	40,000	577	39,423
DCM WTP - Paint Equipment	35,000	35,000	-	35,000
Replace Rancho La Cima/Aliso Pipeline	75,000	33,000	32,970	30
EAM Upgrades	26,000	26,000	-	26,000
System Book Update 2017	24,000	24,000	22,406	1,594
Gaty I Decommissioning	300,000	5,000	4,940	60
Total	\$ 86,934,000	\$ 21,546,000	\$ 5,886,285	\$ 15,659,715

X Project is complete

^ Project appropriation to be adjusted at midyear

OLIVENHAIN MUNICIPAL WATER DISTRICT
Statement of Net Position (Unaudited)
All Funds
7/31/2017

Assets

Current assets:

Unrestricted assets:

Cash and cash equivalents	\$57,303,131
Accounts receivable - water and sewer, net	9,577,432
Interest Receivable	113,082
Taxes and assessments receivable	73
Other receivables	121,172
Inventories	1,645,613
Prepaid expenses and deposits	1,365,904
Total unrestricted assets	<u>70,126,406</u>

Restricted assets:

Cash and cash equivalents	12,919,361
Interest Receivable	7,234
Taxes and assessments receivable	182,322
Grants receivable	957,309
Total restricted assets	<u>14,066,225</u>
Total current assets	<u>84,192,631</u>

Noncurrent assets:

Capital assets, nondepreciable	35,495,708
Capital assets, depreciable/amortizable, net	<u>351,801,392</u>
Capital assets, net	387,297,100
Prepaid pension contributions	22,063
Prepaid bond insurance	116,735
Other long-term receivables	112,503
Total noncurrent assets	<u>387,548,401</u>
Total assets	<u>471,741,032</u>

Deferred Outflows of Resources

Deferred amount on refunding	(1,915,957)
Deferred amount from pension	<u>(3,501,400)</u>
Total deferred outflows of resources	<u>(5,417,357)</u>

Liabilities

Current Liabilities

Liabilities payable from unrestricted assets:

Accounts payable	5,948,024
Accrued payroll	304,801
Customer deposits	521,743
Payable related to work in progress	111,015
Compensated absences, current portion	643,000
Current portion of long-term debt:	
Water Revenue Refunding Bonds 2016A	435,000
Water Revenue Refunding Bonds 2015A	1,440,000
Special Assessment Debt with Government Commi...	845,000
Notes Payable	729,120
Total liabilities payable from unrestricted assets	<u>10,977,702</u>

Liabilities payable from restricted assets:

Accounts payable	1,388,337
Interest payable	508,462
Unearned Revenue	129,164
Total liabilities payable from restricted assets	<u>2,025,963</u>
Total current liabilities	<u>13,003,665</u>

Noncurrent liabilities

Compensated absences	642,903
Net pension liability	11,018,852
Long-term debt, excluding current portion:	
Water Revenue Refunding Bonds 2016A	16,137,440
Water Revenue Refunding Bonds 2015A	22,163,029
Special Assessment Debt with Government Commi...	10,853,238
Notes Payable	14,252,283
Total noncurrent liabilities	<u>75,067,745</u>
Total liabilities	<u>88,071,410</u>

OLIVENHAIN MUNICIPAL WATER DISTRICT
Statement of Net Position (Unaudited)
All Funds
7/31/2017

Deferred Inflows of Resources	
Deferred amounts on pension	631,720
Total deferred inflows of resources	<u>631,720</u>

Net Position

Investment in Capital Assets, net of related debt	322,357,947
Restricted Net Position	12,040,263
Unrestricted Net Position	<u>54,057,049</u>
Total Net Position	<u>388,455,259</u> ✓

OLIVENHAIN MUNICIPAL WATER DISTRICT
Statement of Revenues, Expenses and Changes in Net Position (Unaudited)
All Funds
For the One Month Ending 7/31/2017

2018

Operating Revenues:	
Water sales	\$5,623,767
Sewer charges	8,164
Other operating revenues	169,721
Total Operating Revenues	<u>5,801,652</u>
Operating Expenses	
Cost of purchased water sold	2,716,849
Pumping and water treatment	167,145
Transmission and distribution	217,732
Sewer collection and treatment	65,112
Elfin Forest recreation operations	49,201
Facilities maintenance	43,121
Customer services	104,222
General and administrative	552,968
Depreciation and amortization	593,433
Total Operating Expenses	<u>4,509,782</u>
Operating Income (Loss)	1,291,870
Nonoperating Revenues (Expenses)	
Investment income	81,289
Property taxes	27,099
Capacity charges	42,438
Benefit assessments	6,756
Other nonoperating revenues	155
Interest expense, net	(180,822)
Other nonoperating expenses	(11,206)
Total nonoperating revenues (expenses)	<u>(34,291)</u>
Income (Loss) before capital contributions	1,257,578
Capital contributions	3,973
Change in net position	<u>1,261,551</u>
Net Position, Beginning of year	<u>387,193,707</u>
Net Position, End of year	<u>388,455,259</u> ✓

OLIVENHAIN MUNICIPAL WATER DISTRICT
Consolidated Actual vs Budget Summary
For the One Month Ending 7/31/2017

	Approved Budget	Actual YTD	Budget YTD	Variance Amt	Variance %	Notes
Operating Revenues						
Commodity Water Sales	\$34,205,000.00	\$4,475,972.35	\$3,768,000.00	\$707,972.35	18.8%	1
Water Fees and Services	15,015,000.00	1,317,515.98	1,256,216.00	61,299.98	4.9%	2
Sewer Revenue	4,477,000.00	8,163.94	4,000.00	4,163.94	104.1%	
Total Operating Revenues	53,697,000.00	5,801,652.27	5,028,216.00	773,436.27	15.4%	
Operating Expenses						
Purchased Water - Variable	18,126,000.00	2,098,176.46	1,883,924.64	(214,251.82)	(11.4%)	1
Purchased Water - Fixed	7,482,000.00	618,672.24	623,500.00	4,827.76	0.8%	
General Manager Dept	1,647,000.00	102,282.50	137,249.00	34,966.50	25.5%	3
Engineering Dept	1,754,000.00	135,369.25	146,165.00	10,795.75	7.4%	3
Finance Dept	1,448,000.00	133,621.08	120,667.00	(12,954.08)	(10.7%)	3
Customer Service Dept	2,329,000.00	154,824.11	194,083.00	39,258.89	20.2%	3
Human Resources Dept	793,000.00	85,150.31	66,082.00	(19,068.31)	(28.9%)	3
Water Operations and Maintenance Dept	9,702,000.00	550,085.06	808,497.00	258,411.94	32.0%	3
Parks Dept	318,000.00	51,081.09	26,499.00	(24,582.09)	(92.8%)	3
Sewer Operations and Maintenance Dept	2,438,000.00	118,120.18	203,163.00	85,042.82	41.9%	3
Recycled Water Operations Dept	1,143,000.00	20,924.30	95,250.00	74,325.70	78.0%	3
Paygo Transfers						
Water Operations	4,500,000.00	375,000.00	375,000.00		0.0%	
Sanitation Operations	1,200,000.00	100,000.00	100,000.00		0.0%	
Recycled Operations	700,000.00	58,333.00	58,333.00		0.0%	
Capitalized Operations Expenditures	(724,000.00)	(78,697.67)	(60,334.00)	18,363.67	(30.4%)	
Total Operating Expenses	52,856,000.00	4,522,941.91	4,778,078.64	255,136.73	5.3%	
Net Operating Income (Loss)	841,000.00	1,278,710.36	246,137.36	1,032,573.00		
Nonoperating Revenues						
Water Funds	3,658,000.00	67,423.91	61,168.00	6,255.91	10.2%	
Debt Service Funds	1,443,000.00	8,629.86	11,574.00	(2,944.14)	(25.4%)	
Sewer Funds	88,000.00	17,299.17	7,330.00	9,969.17	136.0%	
Recycled Water Funds	54,000.00	10,322.80	4,500.00	5,822.80	129.4%	
Total Nonoperating Revenue	5,243,000.00	103,675.74	84,572.00	19,103.74	22.6%	
Nonoperating Expense						
Capacity Fee Funds	15,000.00	1,444.00	1,250.00	(194.00)	(15.5%)	
Debt Service Funds	2,446,000.00	190,583.97	203,833.00	13,249.03	6.5%	
Potable Water Funds	60,000.00		5,000.00	5,000.00	100.0%	
Total Nonoperating Expense	2,521,000.00	192,027.97	210,083.00	18,055.03	8.6%	
Inc before Cap Fees and Capital Contributions	3,563,000.00	1,190,358.13	124,626.36	1,065,731.77		
Capacity Fee Funds	1,209,000.00	54,060.86				
Capital contributions		3,972.76				
Change in Net Position		1,248,391.75				

OLIVENHAIN MUNICIPAL WATER DISTRICT
Actual vs Budget Variance
For the One Month Ending 7/31/2017

1. Water sales revenue is higher than the year-to-date (YTD) budgeted amount due to dry weather conditions. Consequently, purchased water variable expenses are also higher than the YTD budgeted amount.
2. Water Fees and Services revenue is higher than the YTD budgeted amount due to actual selling of excess water treatment services to Vallecitos Water District being more than staff projections.
3. Total departmental expenses are below the YTD budget due to the timing of expenses incurred. The budget YTD amount assumes these expenses occur evenly throughout the year.

OLIVENHAIN MUNICIPAL WATER DISTRICT
CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
AS OF JULY 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES:

Receipts from water and sewer customers	\$	4,626,140
Payments for water		(2,359,473)
Payments for services and supplies		(1,094,389)
Payments for employee wages, benefits and related costs		(1,049,608)
Net cash provided by operating activities		122,670

CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:

Property taxes and benefit assessments received		34,028
Net cash provided by noncapital and related financing activities		34,028

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Acquisition and construction of capital assets		(181,098)
Proceeds from Grants		5,000
Principal paid on bonds and certificates of participation		(387,420)
Interest paid on bonds and certificates of participation		(157,497)
Capacity charges received		42,438
Other capital financing receipts (expenses)		(206)
Net cash used by capital and related financing activities		(678,783)

CASH FLOWS FROM INVESTING ACTIVITIES:

Net change in investments		-
Investment income received		102,236
Net cash provided (used) by investing activities		102,236

Net increase (decrease) in cash and cash equivalents (419,849)

Cash and cash equivalents, beginning of year 34,609,598

Cash and cash equivalents, end of period \$ 34,189,749

FINANCIAL STATEMENT PRESENTATION:

Cash and cash equivalents - current assets	27,067,494
Cash and cash equivalents - restricted assets	7,122,255
Total cash and cash equivalents	\$ 34,189,749

CASH AND CASH EQUIVALENTS RECONCILIATION			
		Balance Includes Mkt Securities	Without Mkt Securities
Unrestricted cash	7/31/2017	57,303,131	27,067,494
Restricted cash	7/31/2017	12,919,361	7,122,255
Total cash and cash equivalents			34,189,749

Olivenhain Municipal Water District
Construction Work in Progress
As of July 31, 2017

Description	Budget	Appropriation to Date	Expenditures and Encumbr.	(Over) Under Appropriation
Complete Campus - Building D - Water	7,200,000	3,200,000	785,231	2,414,769
San Elijo Valley Groundwater	19,000,000	2,800,000	1,886,854	913,146
Rehab UV Disinfection System	1,800,000	1,800,000	113,558	1,686,442
Valve Replacement Program	4,480,000	1,300,000	63,493	1,236,507
Manchester Recycled Pipeline	1,420,000	820,000	71,863	748,137
WW Portion - Complete Campus - Building D	1,800,000	800,000	-	800,000
DCM WTP Office Construction	700,000	700,000	79,438	620,562
Fixes Base AMI	2,700,000	600,000	98,327	501,673
WTP 34 MGD Membrane Replacement	6,160,000	595,000	6,108	588,892
Replace El Camino Real Pipeline	4,000,000	500,000	142,917	357,083
Vales #1 PRS	500,000	500,000	155,556	344,444
Replace Neighborhood I SPS	3,000,000	500,000	67,025	432,975
Headquarters Site Improvements	450,000	450,000	433,298	16,702
Encinitas Blvd. at RSFe Road	425,000	425,000	15,180	409,820
Mid-Point Pump Sta. Odor Control Improvements	415,000	415,000	413,985	1,015
Pipeline Replacement, Dusty Trail/Lone Jack PRL	400,000	400,000	57,004	342,996
Recycled Water Quality Improvements	900,000	332,000	76,740	255,260
DCM WTP Chemical System Upgrade	305,000	305,000	432	304,568
Rehab Pressure Reducing Stations	1,546,000	300,000	-	300,000
Meter Anode Replacement Program	2,500,000	250,000	-	250,000
City of San Diego Purchase Recycled Capacity	250,000	250,000	-	250,000
Wandering Rd. Recycled Extension	250,000	250,000	551	249,449
Network Security	200,000	200,000	-	200,000
Meter Replacement	2,000,000	200,000	17,876	182,124
Replace 4S WW Clarifier Drives (2)	200,000	200,000	54,613	145,387
WTP Primary HVAC System	190,000	190,000	47,402	142,598
Replace Cielo Pump Station Controls	180,000	180,000	69,173	110,827
WW Rehab Tertiary Filters	160,000	160,000	12,409	147,591
Steel Mains Protection	1,500,000	150,000	-	150,000
Condition Assessment Program	2,000,000	150,000	555	149,445
Avenida La Posta RW PL Extension	133,000	133,000	23,736	109,264
Digester Enhancement Project	130,000	130,000	54,477	75,523
CIS Infinity Sewer Utility Billing	125,000	125,000	110,883	14,117
DCM WTP Settler Unit 1	120,000	120,000	-	120,000
Palma de la Reina	114,000	114,000	113,705	295
Pipeline Replacement Program	14,000,000	106,000	-	106,000
Lower Yard Improvements	100,000	100,000	24,936	75,064
DCM WTP Sewer System Upgrade	100,000	100,000	-	100,000
WW Covered Storage Area	100,000	100,000	15,297	84,703
4S Pump Station Flow Meters	100,000	100,000	453	99,547
WW Pump, Motor & Equipment Replacement	1,000,000	100,000	15,801	84,199
Residuals Handling Building Canopy	86,000	86,000	6,000	80,000
Security Upgrades	85,000	85,000	-	85,000
Replace Ammonia System Equipment	80,000	80,000	85,240	(5,240)
Headworks Screening Replacement	600,000	80,000	-	80,000
La Costa Vales #2 PRS and Ext. 250	320,000	77,000	76,410	590
Vault Upgrades	75,000	75,000	-	75,000
Irrigation Upgrades at Reservoirs	75,000	75,000	-	75,000
Cathodic Test Station Replacement	750,000	75,000	-	75,000
Palms I Reservoir Demolition	735,000	75,000	71,610	3,390
DCM WTP VFD Pump and Motor Replacement	70,000	70,000	27,405	42,595
WAN Upgrades	60,000	60,000	6,265	53,735
Replace DCM WTP Hypochlorite Tank	55,000	55,000	33,225	21,775
SDCWA Transformer Replacement	55,000	55,000	-	55,000
Potable Pump and Motor Replacement	500,000	50,000	-	50,000
WW Solids Process Improvements	50,000	50,000	-	50,000
WW Caustic Tank Piping	50,000	50,000	251	49,749
Firehouse Sewer Pump Station Upgrades	50,000	50,000	20,608	29,392
Finance Dynamics GP Upgrade	45,000	45,000	-	45,000
FH/WS Relocation RSFe Rd/Grangettos	40,000	40,000	44,192	(4,192)
Storage Pond Improvements	40,000	40,000	577	39,423
DCM WTP - Paint Equipment	35,000	35,000	-	35,000
Replace Rancho La Cima/Aliso Pipeline	75,000	33,000	32,970	30
EAM Upgrades	26,000	26,000	-	26,000
Gaty I Decommissioning	300,000	5,000	4,940	60
Total	\$ 86,910,000	\$ 21,522,000	\$ 5,438,569	\$ 16,083,431

X Project is complete

Memo

Date: December 13, 2017
To: Olivenhain Municipal Water District Board of Directors
From: Thomas Wood, Human Resources Manager
Via: Kimberly Thorner, General Manager
Subject: **CONSIDER ADOPTION OF A RESOLUTION SUPPORTING THE DISTRICT'S EMPLOYEE SAFETY AND WELLNESS PROGRAMS**

Purpose

Adoption of this Resolution will formalize the Board's annual support of the District's Employee Safety and Wellness programs.

Recommendation

Staff agrees and recommends approval of this Resolution.

Alternative(s)

The Board may choose to:

- not adopt the Resolution at this time.
- request that Staff make 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 established in June 1993. Staff asks the Board to consider additions or 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 discussed at the October 26, 2017 Safety Committee Meeting. The

committee concurred to keep the \$10,000.00 ceiling in place; this cap will be revisited in October next year.

Also discussed at the October Safety Committee meeting was the District's record of 4189 consecutive number of days with no preventable lost time injuries. At their October **2016** meeting, the Safety Committee had set a new milestone for the employees to reach a new record of 4,000 days with no preventable lost time injuries. This milestone was met, and an additional \$50.00 (total \$100) will be provided to the employees for this accomplishment. This Longevity Safety Recognition will continue each year, if there are no preventable lost time injuries.

Additional language was also added to the SHNQT program with clarification of the dollar amounts for achievements reached. Also, the term "Grand Prize Award" was revised to read "Longevity Safety Recognition." Both Directors Watt and Topolovac attended the October 26, 2017 meeting.

Fiscal Impact

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

- \$13,500 for 6 month (\$4,500) and 12 month (\$9,000) Safety Recognition.
- \$9,000 for additional \$100 per employee recognition for continuing to break the record for preventable lost work days.
- \$1,000 for a Safety Luncheon to recognize safety accomplishments.
- \$500 a year for the "Caught Being Safe" recognition.
- Total = \$24,000 (based on possible 90 eligible employees).

The "*Safety Has No Quitting Time*" (SHNQT) program and the "Caught Being Safe" (CBS) program both serve to assist the District with the Special District Risk Management Authority (SDRMA) 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 our overall workers' compensation insurance costs. The District's ex-mod is currently 0.82; this basically means we pay only 82% of what our typical premium would be.

Olivenhain Municipal Water District
Member Since - 07/01/1982
Member Type - Water
As of 10/31/2017

Rectangular Snip

Coverage Period	EMOD Comparison			Number of Claims			Total Claims Amount		
	Member	Member Type Avg	Pool Avg	Open	Closed	Total	Paid	Outstanding Reserve	Total Incurred
2017-18	0.82	0.97	0.97	3	1	4	\$2,436	\$1,493	\$3,929
2016-17	0.70	1.13	1.02	0	5	5	\$42,679	\$0	\$42,679
2015-16	0.94	1.17	1.06	0	3	3	\$56,107	\$0	\$56,107
2014-15	0.91	1.10	1.14	1	0	1	\$41,347	\$10,612	\$51,958
2013-14	0.78	1.07	1.16	0	4	4	\$11,790	\$0	\$11,790
2012-13	0.77	1.04	1.08	0	2	2	\$989	\$0	\$989
2011-12	0.69	1.04	1.06	1	4	5	\$156,504	\$79,010	\$235,515
2010-11	0.66	0.98	1.00	1	1	2	\$10,495	\$27,108	\$37,603
2009-10	0.61	0.98	1.01	0	2	2	\$879	\$0	\$879
2008-09	0.64	0.97	1.01	1	4	5	\$28,708	\$28,637	\$57,345
	0.75	1.05	1.05	7	26	33	\$351,935	\$146,860	\$498,795

Staff believes that our safety and incentive programs directly reduce our ex-mod in comparison to other agencies. As can be seen in the chart above, our 3-year ex-mod average is 0.82 and the member water agency average is 0.97.

The total “claims amount” dollar figures for the last 10-years (listed above) resulted from injury claims reviewed by the Safety Committee. These numbers are very low compared to other agencies.

The District’s ex-mod of 0.82 will result in a projected savings of **\$50,848.52** from the District’s workers’ compensation premium for fiscal year 2017-18 (and should continue in 2018-19). This is calculated in the following manner:

- 2017-18 premium of **\$282,491.74** at ex-mod of 0.82 (82%) = **\$231,643.22**.

The District can also earn annual “CIP” points and be awarded up to an additional **\$34,746.45** (\$2,316.43 per CIP point, 15 points max) off of our workers’ comp premium. Information about CIP points is attached.

Discussion

These recommended safety programs serve to reduce workers’ compensation claims and expenses through coordination of the Safety Committee, other sub-committees, and all OMWD employees.

The proposed changes to the “Safety Has No Quitting Time” (SHNQT) employee safety recognition program (Exhibit “B”) were developed by the Safety Committee at their October 26, 2017 meeting. Significant improvements have been made to Exhibit “B” for

CY 2018; attached are last year's CY 2017 SHNQT and the proposed CY 2018 SHNQT for comparison.

With the Board's continued commitment and approval of our safety programs, OMWD employees get involved and take ownership of their safety performance. This support has created an exceptional safety culture that has earned the employees incentives as well as saved the District money.

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



Workers' Compensation Program Invoice

Program Year 2017-18

Olivenhain Municipal Water District
1966 Olivenhain Road
Encinitas, California 92024

Invoice Date: 05/12/2017
Invoice Number: 60241
Member Number: 5158

Class Code	Classification Description	Reported Payroll	Manual Rate per \$100	Annual Contribution
7520	Waterworks Operations	\$3,565,828	\$5.65	\$201,469.28
7580	Sanitary or Sanitation Agency Operations	\$527,331	\$6.94	\$36,596.77
8742-M	Salespersons- Outside; Paid Governing Body Members	\$45,000	\$0.65	\$292.50
8810	Clerical; Librarians and Clerks	\$2,648,609	\$0.57	\$15,097.07
9410	Non-Manual; including Recreation Personnel	\$464,413	\$1.97	\$9,148.94
9420	Manual; including Park and Landscape Maintenance Personnel	\$217,584	\$9.14	\$19,887.18

** Indicates per capita rate class code

Total Estimated Annual Contribution Based on Manual Rates	\$282,491.74
Contribution as Adjusted by the Experience Modification Factor of 82%	\$231,643.23
Less: *15% Credit Incentive Program Discount	-34,746.48
Estimated Annual Adjusted Contribution	\$196,896.75
Less: Longevity Distribution Credit	-14,118.00
Less: 5% Multi-Program Discount	0.00
Less: Member Plus Online RQ Bonus	-75.00
Net Estimated Annual Contribution	\$182,703.75
Total Contribution Amount Due by July 15	\$182,703.75

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. Please return BLUE COPY with your payment. For invoice questions call the SDRMA Finance Department.

* 15% CIP is advanced for purposes of calculating estimated annual invoices, actual CIP earned has been applied to year end audit.

Special District Risk Management Authority
1112 I Street Suite 300, Sacramento, California 95814-2865
Tel 916.231.4141 or 800.537.7790 | Fax 916.231.4111
www.sdrma.org



Workers' Compensation 2016-17 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 (July 1 – June 30) 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 June 30, 2017 will be applied to the 2016-17 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:

ADMINISTRATION TRACK (9 POINTS MAXIMUM)

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.

2 points

No Documentation Required - Will be confirmed by SDRMA.

(Credit will be applied to Both Programs)

For management staff accredited with the Special District Administrator 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.

2 points

No Documentation Required - Will be confirmed by SDLF.

(Credit will be applied to Both Programs)

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

3 Points maximum

No Documentation Required - Will be confirmed by SDRMA workshop attendance sheet.

(Credit will be applied to Both Programs)

For each full-session attendance by the Agency's management staff in a California Special Districts Association (CSDA) sponsored training program, such as CSDA annual conference workshops and/or Special District Leadership Academy (Each attendee earns 1 point).

2 points maximum

No Documentation Required - Will be confirmed by CSDA training attendance sheet.

(Credit will be applied to Both Programs)

For attending an approved Seminar relating to OSHA/Safety Management issues. Member must receive approval from the SDRMA Claims/Loss Prevention Manager to receive credit (Attendee earns 1 point).

1 Point maximum

Documentation Required – Course syllabus and certificate of completion must be submitted to SDRMA for credit



Credit Incentive Program

For first time submission of an Injury, Illness & Prevention Program (IIPP). May also be awarded points for submitting revised IIPP during the program year.

2 points

Documentation Required – A copy of the IIPP must be submitted to SDRMA for review.

For staff participation in SDRMA's online safety training program – TargetSolutions/FleetSmart Motor Vehicle Safety Programs. Twenty-five percent (25%) of member employees (FT, PT and volunteer firefighters) must each successfully complete a minimum of four individual e-training modules.

3 points

No Documentation Required - Will be confirmed by SDRMA.

For utilizing SDRMA's Safety DVD/Video Library. Participating members must review a minimum of 4 Safety DVD/Videos.

2 points

No Documentation Required - Will be confirmed by SDRMA.

GOVERNANCE TRACK – GOVERNING BODY RELATED (4 POINTS MAXIMUM)

For Agency accredited with District of Distinction designation by 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.

4 points

No Documentation Required - Will be confirmed by SDLF.

(Credit will be applied to Both Programs)

For each full-day attendance by a member of the Agency's governing body at an SDRMA Safety/Claims Education Day (Each attendee earns 1 point).

2 Points maximum

No Documentation Required - Will be confirmed by SDRMA workshop attendance sheet.

(Credit will be applied to Both Programs)

For full-session attendance by a member of the Agency's governing body in a California Special Districts Association (CSDA) sponsored training program, such as CSDA annual conference workshops (SDRMA approved), Board Leadership Training, Special District Leadership Academy and/or Special District Leadership Foundation (Each attendee earns 1 point).

2 points maximum

No Documentation Required - Will be confirmed by CSDA training attendance sheet.

(Credit will be applied to Both Programs)

For completion by a member of the Agency's governing body of a minimum of two (2) CSDA Education / Webinar training session(s).

2 points

No Documentation Required - Will be confirmed by CSDA training attendance sheet.

For members of a governing body accredited with the SDRMA General Safety Specialist Certificate. This certificate program is a way for the Agency's governing body to demonstrate their dedication to safety and loss prevention. The General Safety Specialist certificate requires an Agency's governing body member complete and pass four OSHA certified general training courses.

1 point

No Documentation Required - Will be confirmed by SDRMA.

(Credit will be applied to Both Programs)



Credit Incentive Program

CLAIMS TRACK (2 POINTS MAXIMUM)

Minimum contribution members (Total Estimated Annual Contribution Based on Manual Rates \leq \$1,100) with no claims during the year will automatically earn the 15 CIP point maximum.

For a member agency not having any "paid" claims (except for claims in which SDRMA has initiated subrogated recoveries against at fault 3rd party).

2 points

No Documentation Required - Will be confirmed by SDRMA.

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).

2 points

No Documentation Required - Will be confirmed by SDRMA.

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

CLAIMS BONUS (3 POINTS)

For a member agency not having any "paid" claims as outlined under the Claims Track for the prior 5 consecutive years.

3 points

No Documentation Required - Will be confirmed by SDRMA.

CONTACT INFORMATION

For questions regarding point credits or the Credit Incentive Program, please contact SDRMA Chief Risk Officer Dennis Timoney at dtimoney@sdrma.org or Debbie Yokota at dyokota@sdrma.org or call the SDRMA office at 800.537.7790.

Also, visit our website at www.sdrma.org, click on MemberPlus Services and then click on TargetSolutions Program to view information about the program or take an online demonstration course of several of our Online Certified Safety Training Program Courses available to all members including:

- Over 360 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)

Member CIP

SDRMA Credit Incentive Program (CIP) Tracker

Credit incentives of up to 15 points (excluding bonus points) can be earned based on an Agency's participation in meeting certain CIP program guidelines. One CIP point is equal to a 1% discount on the Agency's applicable net premium. Within each track, members may choose among various options to reach the maximum points allowable within that track and each program has its own specific deadline date. This tool allows you to:

- View current CIP points/discounts earned to date and verified by SDRMA staff.
- Calculate the total discount that will be applied in a 'what if' scenario by "checking off" individual CIP criteria as complete (for estimating purposes only).

All required documentation will be verified and corresponding CIP points/discounts will be awarded by SDRMA staff. For questions contact SDRMA Chief Risk Officer Dennis Timoney at 800.537.7790 or email dtimoney@sdрма.org.

[Print Current WCP CIP Status](#)

Workers' Comp ⓘ

Period closes June 30, 2018

[CIP Criteria](#)

Estimated Net Premium (For PLP, applies to AL & GL only)	\$	231,643.23	
CIP Available	\$	34,746.48	15 pts
CIP Unearned	\$	30,113.61	13 pts
CIP Earned	\$	4,632.86	2 pts
Bonus CIP Earned	\$	0	0 pts
Total CIP Earned	\$	4,632.86	2 pts

ADMINISTRATION TRACK (9 Points Maximum)

SDRMA Safety Specialist Certificate	<input type="checkbox"/>	\$		2 pts
Special District Administrator designation from SOLF	<input type="checkbox"/>	\$		2 pts
Staff Attendance at SDRMA Workshop	<input type="checkbox"/>	\$		2 pts
Additional Staff Attendance at SDRMA Workshop	<input type="checkbox"/>	\$		1 pts
Management Staff Attendance at CSDA Sponsored Training	<input type="checkbox"/>	\$		1 pts
Additional Management Staff Attendance at CSDA Sponsored Training	<input type="checkbox"/>	\$		1 pts
Attendance at OSHA/Safety Management Seminar	<input type="checkbox"/>	\$		1 pts
Injury, Illness and Prevention Program	<input type="checkbox"/>	\$		2 pts
TargetSolutions Online Training Program	<input type="checkbox"/>	\$		3 pts
Use of SDRMA Safety Video Library	<input type="checkbox"/>	\$		2 pts
Discount Earned for ADMINISTRATION TRACK		\$	0	0 pts

GOVERNANCE TRACK (4 Points Maximum)

SDLF District of Distinction designation	<input type="checkbox"/>	\$		4 pts
Single Board Member Attendance at SDRMA Workshop	<input type="checkbox"/>	\$		1 pts
Additional Board Member Attendance at SDRMA Workshop	<input type="checkbox"/>	\$		1 pts
Single Board Member Attendance at CSDA Training	<input type="checkbox"/>	\$		1 pts
Additional Board Member Attendance at CSDA Training	<input type="checkbox"/>	\$		1 pts
Completion of two CSDA Education / Webinar sessions	<input type="checkbox"/>	\$		2 pts
General Safety Specialist Certificate	<input type="checkbox"/>	\$		1 pts
Discount Earned for GOVERNANCE TRACK		\$	0	0 pts

CLAIMS TRACK (2 Points Maximum)

No Claims during the year	<input type="checkbox"/>	\$		2 pts
Utilization of Company Nurse	<input checked="" type="checkbox"/>	\$	4,632.86	2 pts
Discount Earned for CLAIMS TRACK		\$	4,632.86	2 pts

BONUS CLAIMS TRACK (3 Points Maximum)

No Claims for prior 5 years	<input type="checkbox"/>	\$		3 pts
Discount Earned for BONUS CLAIMS TRACK		\$	0	0 pts

RESOLUTION NO. 2017-xx

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 2018 (*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 13, 2017.

ATTEST:

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

Gerald E. Varty, Secretary
Board of Directors
Olivenhain Municipal Water District

20178

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 Gym (onsite), retain a personal trainer to instruct a fitness class after work hours at employees' expense (allow employees to use their sick time for payment), and 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. (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 training.



"SAFETY HAS NO QUITTING TIME" (SHNQT) EMPLOYEE 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 Safety Award Program:

1. **Definitions:** See the District's Safety Manual for definitions of Preventable, Responsible Party, Lost Time and Reasonable.
2. **Eligibility:** All District Employees are eligible for this program. Full time employees must have worked one (1) day during the eligibility period (shown below) to receive the award. Excluded are Board Members, interns, any non-payroll positions, and employees separating from District employment prior to the end of the current 6-month eligibility period.
3. **Specifics:** OSHA work-related injury and illness recordkeeping requirements are separate and distinct from the District's safety award program. The fact that a given accident is recordable to OSHA Form 300 may or may not have bearing on the determination of its impact on the employee safety award 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 preventable accidents will count towards lost time under the "Employee Safety Recognition Award Program."
4. **Structure:** The annual employee 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 Award. Every six months, the number of lost time hours will be determined and if the goal as identified below is achieved, employees will receive a safety recognition award. If portions of the end-of-year goals are not achieved, there will be a pro-rated award. Should a preventable lost time injury occur, the next eligibility timeframe will begin the day after the incident.

Eligibility period:	January 1 to June 30*	July 1 to December 31*	
The goal is:	Less than 40 hours or Less than 5 days of lost time	Continue January 1 st to June 30 th goal and keep OMWD Injury Incident Rate (IIR) below the 3-yr national average injury/incident rate	The amount of **preventable vehicle incident damage must be less than \$10,000.00 (Not including staff time)
Employees receive:	\$50.00 award	Grand Prize Award! Must achieve both elements above to qualify \$150 award* and safety luncheon	

**Timeframe will change if/when a lost time injury occurs.*

***Preventable damage to any vehicle and/or property (District or public) in excess of \$10,000 will result in loss of \$50 towards grand prize. The regular \$50 injury rate and \$50 record bonus will still be in effect.*

In 2011, the grand prize award was increased from \$100 to \$150 by Board approval as a "\$50 bonus". This \$150 amount is contingent on the continuance of breaking the OMWD record (since 5/8/2006) of no preventable lost-time injuries. To recognize a possible 4,000 days (in 4/2017) without a preventable lost-time injury, on 10/27/16 the Safety Committee approved this \$50 bonus to be raised to \$100 (\$200 total). A preventable lost-time injury will result in return to the \$100 level of the award.

The **Grand Prize Award** will be given to all eligible program employees after the end of the calendar year if:

- The OMWD Injury Incidence Rate (IIR) is below the previous three-year average "National incident rate for Water Supply and Irrigation Systems (22131)" **AND**
- Any preventable vehicle & property incident damage (District or public) is less than \$10,000.00. (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.

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 10/2016. The value of the grand prize award is based on the approved annual budget by the Board of Directors. A safety recognition luncheon will be held yearly to present the awards. **The National Injury/Illness Rate can be found at www.BLS.gov (Bureau of Labor Statistics).**

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 Office to receive a not more than \$25 award at the monthly Employee Forum.

All employees with a satisfactory or above performance rating and not currently on disciplinary probation are eligible for a CBS award. A CBS award shall be approved by the General Manager.



SAFETY HAS NO QUITTING TIME (SHNQT)

Employee 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 Safety Recognition Program:

1. **Definitions:** See the District's Safety Manual for definitions of Preventable, Reasonable, Responsible Party, and Lost Time.
2. **Eligibility:** All District employees are eligible for this program. Full time employees must have worked one (1) day during the eligibility period (shown below) to receive the achieved safety recognition. Excluded are Board Members, interns, any non-payroll positions, and employees separating from District employment prior to the end of the current 6-month eligibility period.
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 preventable accidents will count towards lost time under the "Employee Longevity Safety Recognition Program."
4. **Structure:** The annual employee 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 **Longevity Safety Recognition** will be given to all eligible employees after the end of the calendar year if:

- 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 (Bureau of Labor Statistics) AND**
- 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.
 - *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 10/2017. 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 2018

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 AND; 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) CONTINUE record of no preventable lost time injuries since the date of 5/08/2006	\$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 13, 2017
To: Board of Directors
From: Tom Wood, Human Resources Manager
Via: Kimberly Thorner, General Manager
Subject: **CONSIDER APPROVAL OF ANNUAL REVISIONS TO THE DISTRICT'S RECORDS RETENTION SCHEDULE AND THE REVISED EMAIL POLICY**

Purpose

The purpose of this item is to present **new** information in **red** and to ~~delete~~ outdated and/or irrelevant data from the proposed 2018 Records Retention Schedule (RRS) for annual review by the Board. Also, we would like to provide amendments to the District's Email Policy that now prohibits the use of personal devices as the California Supreme Court ruled that the California Public Records Act (CPRA) encompasses any business conducted on a personal device and is subject to disclosure.

Recommendation

Approval of the Records Retention Schedule and the amended Email Policy is recommended.

Alternatives

- The Board could choose not to approve the RRS Policy and/or the Email Policy as presented.
- The Board could direct Staff as otherwise deemed appropriate.

Background

The Records Retention Schedule (RRS) is reviewed annually to ensure that the District is in compliance with the law and District policy. The Email Policy is updated as necessary.

Fiscal Impact

Costs to destroy District records reaching retention limits that apply to all areas affiliated with the District's destruction process are:

- 1) onsite destruction costs are approximately \$900 annually;
 - 2) offsite destruction costs are approximately \$200 annually,
- for a total of approximately \$1100.

Discussion

The RRS now has an introductory page with additional language that prohibits the use of personal devices; the amended Email Policy also prohibits the use of personal devices. Under certain circumstances or in an emergency, if an employee uses their personal device for District business and should the District receive a Subpoena or Public Records Request, the employee will be asked to disclose those records. The burden is placed upon the employee to divulge all requested records and if none, they will be required to sign an affidavit.

Some departmental duties have changed and that line item was moved to the appropriate department; also, several revisions were made to provide continuity throughout the RRS. Noteworthy departmental revisions are listed below:

Customer Services: The RRS now indicates further clarification of records maintained in the Customer Services Department since separation from the Finance Department.

Engineering: The District Specification Books from previous years are no longer retained; only the current version is maintained by the District.

Finance: Some noted deletions are due to system and departmental changes; the General Ledger Posting Journal line items have been combined and are now listed as one.

Human Resources: Under Employee Pull Notices, the additional language and deletion of the word "voluntary" will alleviate any confusion as the DMV program is voluntary to the District; however, District policy is that all employees must be enrolled as a condition of employment.

Operations: Information Technology has updated and enhanced the District's systems backup retention information.

The updated RRS reflects departmental changes and legal recordkeeping requirements and has been reviewed by the General Manager and General Counsel. The Email Policy has been reviewed by an appointed sub-committee and the General Manager.

Attachment: Proposed 2018 Records Retention Schedule
Amended Email Policy

OLIVENHAIN MUNICIPAL WATER DISTRICT'S
INTRODUCTION TO THE RECORDS RETENTION SCHEDULE (RRS)
APPLIES TO ALL DISTRICT BUSINESS AND
EFFECTS ALL EMPLOYEES / BOARD / CONSULTANTS / CONTRACTORS

Effective March 2, 2017, the Supreme Court of California concluded that the California Public Records Act (CPRA) encompasses any business conducted on a personal device and is subject to disclosure (Case No. S218066).

WHAT IS A RECORD? A record includes but is not limited to the following:

- Evidence of what our business does:
 - Correspondence;
 - Contracts;
 - Photos
- Records come in many formats:
 - Paper;
 - Email/text messages;
 - Voicemails/recordings;
 - Data bases;
 - Web content
- Resides in:
 - Mobile devices/cell phones;
 - Flash drives;
 - PC/tablets/laptops;
 - Servers

AFFIDAVIT – DECLARATION OF DISCLOSING ALL REQUESTED RECORDS:

Per CPRA, anyone using their own personal device to conduct District business, will be required to sign an Affidavit that all records were disclosed; the burden will be placed upon the user to divulge all records requested.



[NEW District Policy / Guidelines - NO personal devices are used to conduct District business.](#)

Listed under the Guidelines & Procedures Manual on the District's Intranet:

1) Computer Policies and; 2) Mobile Communication Device Guidelines

SEE ATTACHED RRS FOR RETENTION OF DISTRICT RECORDS

OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2017~~ 2018

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
Email Retention Policy – 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	0	See Email Retention Policy
ENTERPRISE ASSET MANAGEMENT (EAM) – Records maintained in the EAM system are considered to be a viable source of information <u>related to preventive and corrective maintenance of District infrastructure.</u> *When the retention is realized <u>for records not related to District infrastructure</u> and the District directs an outside consultant pursuant to its EAM Policy, the EAM records can then be deleted by the outside consultant. All records in EAM are interlinked and without proper destruction will corrupt the system. (See EAM Policy)	ALL DEPARTMENTS	MANAGERS	EAM	Electronic	N/A	0	Active or no longer needed <u>Permanent</u>
Service Order – Created in CIS Infinity to request action. Work performed may be strictly customer service in nature or may be billed to work orders/jobs.	ALL DEPARTMENTS	All Work Groups	Admin	Electronic in CIS Infinity	3 yrs	0	3 yrs from date of service order
Voicemails Converted to an APP File - 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 RRS.	ALL DEPARTMENTS	ALL EMPLOYEES	Department	Electronic	See Department Section of RRS	0	See Department Section of RRS
ACH/DPP Application – 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	Until closed + 2 fys	0	Closed + 2 fys
Account Detail History Report – This report is created in CIS Infinity and details billing history of water customers. Information is retained in an ASCII file in electronic format.	CUSTOMER SERVICES	Customer Service	Admin	Electronic	Active account	0	Close of account + 2 fys
Adjustment Journal Reports – These reports are created in electronic format in PDF and details adjustments to customer accounts. This series includes write off for refund. It is printed each time a transaction occurs. Once adjustment transaction is posted it becomes part of the detailed account history. PDF began Oct 2010.	CUSTOMER SERVICES	Customer Service	Admin	Paper PDF on Server	2-fys 2-fys	0	2-fys 2-fys
Adjustment Sheets – This form details adjustments posted to customer accounts and is prepared manually. Support for adjustments is attached to the adjustment sheet.	CUSTOMER SERVICES	Customer Service	Admin	Paper	Close + 2 fys	0	Close + 2 fys

*EDMS (Electronic Document Management System)

OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2017~~ 2018

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
Application for Water Service – 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	0	Permanent
Best Management Practices Report (CUWCC) – For the California Urban Water Conservation Council. This report contains the District's conservation efforts that are required for compliance with standards set in the MOU signed in 1991. The report is published every two years beginning in 2000.	CUSTOMER SERVICES	Public Affairs	Admin	Paper	2 yrs	Permanent	Permanent
Billing Finals Report – This report is a printout of a report created in CIS Infinity. The information details the closing final bills for water customers stored as an ASCII file.	CUSTOMER SERVICES	Customer Service	Admin	Electronic CIS Infinity	0	0	2 fys
Billing Register Report – This report is created in electronic format in CIS Infinity and details monthly billing information.	CUSTOMER SERVICES	Customer Service	Admin	Electronic CIS Infinity	3 fy	0	3 fys
Cash Receipts Book – For any payment not recorded elsewhere. Most usual occurrence is payment of water bill at the front counter.	CUSTOMER SERVICES	Customer Service	Admin	Paper	1 fy	2 fys	3 fys
Collection Accounts Reports – These reports are printouts of reports created in CIS Infinity. The information details past due closed water accounts. There are both pre-collection (P) and collection (C) reports and Past Due Closed Accounts reports in this series. Reports are printed at least monthly.	CUSTOMER SERVICES	Customer Service	Admin	Paper Electronic CIS Infinity	Active or no longer needed	Close of account + 2 fys	Close of account + 2 fys
Consumer Confidence Report (CCR) – 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	0	Permanent
Final Closed Accounts Report – A billing register for closed accounts.	CUSTOMER SERVICES	Customer Service	Admin	Electronic CIS Infinity	Close + 2 fys	0	Close + 2 fys
Insurance Files – All records related to the purchase of District liability insurance. Original policies are maintained in GM agreements files.	CUSTOMER SERVICES	Admin	Admin	Paper	Active phase or no longer needed	Active phase or no longer needed	Active phase or no longer needed

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OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2017~~ 2018

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
Legislation Files – These files contain correspondence, and legislative bulletins related to District activities.	CUSTOMER SERVICES	Public Affairs	Admin	Electronic	2 yrs	0 N/A	2 yrs
Meter Read Journal – Report generated when the data is uploaded from the hand held meter reading device (CMTs) or from the Automatic Meter Reading (AMR) <u>or Advanced Metering Infrastructure (AMI)</u> program. Information includes actual meter readings, as well as comments regarding high/low readings or observed maintenance problems.	CUSTOMER SERVICES	Field Service Technicians	Admin	Paper	2 months	0	2 months
				Electronic	3 yrs	0 N/A	3 yrs
Parks Operations –CCC records, trail closure information.	CUSTOMER SERVICES	Park	Park	Electronic	1 yr	0 N/A	1 yr
Parks Operations - CDF contracts, Volunteer Release Waivers.	CUSTOMER SERVICES	Park	Park	Electronic	3 yrs	0 N/A	3 yrs
Parks Operations - TECC/IC Agreements.	CUSTOMER SERVICES	Park	Park	Electronic	Life of Agreement + 1 yr	0 N/A	Life of Agreement + 1 yr
Parks Operations - CADF&W Permits.	CUSTOMER SERVICES	Park	Park	Electronic	5 yrs	0 N/A	5 yrs
Parks Operations - Incident Reports, Special Use Permits, and Docent Waivers.	CUSTOMER SERVICES	Park	Park	Electronic	20 yrs	0 N/A	20 yrs
Past Due Notices - Lists delinquent accounts - produced monthly.	CUSTOMER SERVICES	Customer Service	Admin	Electronic	1 fy	0 N/A	1 fy
Press Releases – 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	0 N/A	2 yrs
Social Media Posts/Comments – 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	0 N/A	Current
Social Media Comments (Removed) – 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	0 N/A	3 yrs
Urban Water Management Plan – 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	Paper Electronic	0	Permanent N/A	Permanent

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OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2017~~ 2018

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
Website – District website – hosted off site.	CUSTOMER SERVICES	Public Affairs	Admin	Electronic	0	Current	Current
<u>Work Orders</u> – Initiated for chargeable service. Initiates action at the request of a District property owner or developer. May require application process. Information is entered into CIS Infinity and results in creation of a service order.	<u>CUSTOMER SERVICES</u> <u>MOVED FROM FINANCE</u>	<u>Customer Service</u>	<u>Admin</u>	<u>Electronic</u> <u>CIS Infinity</u>	<u>Until acct closed</u>	<u>N/A</u>	<u>Close acct + 7 yrs</u>
Agreements – 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	Admin	Paper Electronic in EDMS	End of Agreement	0 <u>N/A</u>	End of Agreement End of Agreement +10 yrs
Agreements - Professional Service (Project Specific) – 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 Electronic	End of Project End of Warranty +20 yrs	20 yrs <u>0 N/A</u>	End of Warranty +20 yrs End of Warranty +20 yrs
Agreements - Professional Service (Non-Project Specific) – 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 Electronic	0	0 <u>N/A</u>	End of agreement + 12 yrs <u>End of agreement + 12 yrs</u>
Annexations and Detachments – These files contain LAFCO pending and final property modifications.	ENGINEERING	Eng Admin	Admin	Paper Electronic	10 yrs after final Permanent	0 <u>N/A</u>	10 yrs Permanent
Architectural – Renderings and other drawings of significant historical value. Transitioning to electronic beginning 2014.	ENGINEERING	Eng Admin	Admin	Paper Electronic	Active or no longer needed Permanent	Permanent <u>0 N/A</u>	Permanent <u>Permanent</u>
Assessment Apportionment Report – Reports showing reapportioned assessments required when parcels split or undergo lot line adjustments. Electronic only after June 2010.	ENGINEERING	Eng Admin	Admin	Electronic	0	<u>0 N/A</u>	Permanent

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OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2017~~ 2018

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
Assessment Apportionment Maps – 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	Admin	Electronic or Paper	Permanent	0	Permanent
Backflow Records— Consists of installation, annual test, inspection, and enforcement records.	ENGINEERING <u>ENGINEERING MOVED TO OPERATIONS</u>	Eng Admin <u>Backflow / Cross Connection</u>	Admin	Paper	3 yrs	0	3 yrs
Capacity Fee Studies— 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.	ENGINEERING <u>ENGINEERING MOVED TO FINANCE</u>	Eng Admin	Admin	Paper <u>Electronic</u>	0 <u>Permanent</u>	0	Permanent
Proposals for Professional Services and Construction Bids – Unsuccessful – Proposals only – no contracts executed.	ENGINEERING	Eng Admin	Admin	Paper	Active or no longer needed	2 yrs	Bid opening + 2 yrs
Daily Inspection Reports – Reports prepared by both District inspectors AND outside consultants 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	Admin	Electronic	End of Warranty +20 yrs	0	End of Warranty +20 yrs
Environmental Documents Before 2012 – 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	Admin	Paper	Duration of project including mitigation phase + 5 yrs	20 yrs	25 yrs
				Electronic		<u>N/A</u>	Permanent
Environmental Documents 2012 and After – 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	Admin	Paper	Duration of project including mitigation phase	0	Permanent
				Electronic	Permanent	<u>N/A</u>	<u>Permanent</u>

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OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2017~~ 2018

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
Escrow Bid Documents – Successful – Documents submitted by bidders on construction projects. These documents are submitted in lieu of holding 5% on monthly progress payments.	ENGINEERING	Eng Admin	Admin	Paper	End of Warranty	0	End of Warranty +20 yrs
				Electronic		N/A	
Hydraulic Reports/Water System Analysis (Minor/Master/Major Subdivisions) – 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	Admin	Paper	End of Warranty	Permanent Prior to 2005	Permanent
				Electronic	Permanent	N/A	Permanent
Hydraulic Reports Non District Engineering Projects – Technical reports including feasibility studies, related engineering subjects, and fire flow tests not directly related to a specific District engineering project. Electronically in EDMS began January 01, 2013.	ENGINEERING	Eng Admin	Admin	Paper	End of Warranty	Permanent Prior to 2013	Permanent
				Electronic	Permanent	N/A	Permanent
Plans: As Built/Record Plans – of District projects. Includes plans for potable water, sewer, recycled water, raw water, related facilities, and District buildings.	ENGINEERING	Eng Admin	Admin	Paper	Permanent	0	Permanent
				Electronic in GIS	Permanent	N/A	Permanent
Plans: Mylars – All original mylars as-built/record plans. Includes plans for potable water, sewer, recycled water, raw water, related facilities, and District buildings.	ENGINEERING	Eng Admin	Admin	Mylar	Permanent	0	Permanent
Project Files – A separate file is kept for each project and may contain correspondence, receipts, bond information, insurance, contract information, estimate and payment forms, submittals 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*. See Agreements (Project Specific) General Manager Record Series.	ENGINEERING	Eng Admin	Admin	Paper	End of Warranty Period	20 yrs	End of Warranty Period + 20 yrs
				Electronic	End of Warranty period + 20 yrs	N/A	End of Warranty Period + 20 yrs
Proposals for Professional Services and Construction Bids – Successful – Once signed this document becomes part of the contract documents filed in the contract folder.	ENGINEERING	Eng Admin	Admin	Paper	End of Warranty Period	20 yrs	End of Warranty Period + 20 yrs
Proposals for professional Services and Construction Bids – Unsuccessful – Proposals only – no contracts executed.	ENGINEERING	Eng Admin	Admin	Paper	Active or no longer needed Proposal Date +2 yrs	2 yrs 0	Bid opening + 2 yrs Proposal Date + 2 yrs

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OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2017~~ 2018

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
Recycled Water Certification Reports – Dept. of Environmental Health Certifications; Annual Site Inspections; Cross connection testing as required.	ENGINEERING	Cross Connection	Admin	Paper	10 yrs	Permanent	Permanent
Resident Negotiations Files – 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
Right of Way (ROW) Files – Includes Easements, Grant Deeds, Encroachment Permits and Joint Use Agreements – 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	Admin	Paper	Permanent	0	Permanent
Specification Books (Current) – OMWD Standard Specification and Drawings for the construction of water, recycled water, and sewer facilities.	ENGINEERING	Eng Admin	Admin	Paper	Current	0	Current
Specification Books (Previous Versions) – OMWD Standard Specification and Drawings for the construction of water, recycled water, and sewer facilities.	ENGINEERING	Eng Admin	Admin	Electronic	Permanent	0	Permanent
Submittals/Shop Drawings/Approved Materials List (AML) – As-Built drawings, illustrations, schedules, performance charts, brochures, and other data which are prepared by the contractor, subcontractor, manufacturer, supplier, or distributor and which illustrates some portion of the work. Retained in project file upon approval. Beginning January 1, 2013, electronic files will be stored with respective project file in EDMS.	ENGINEERING	Inspector	Admin	Paper	End of Project	0	End of Project
Technical Reports – 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	Admin	Paper	Active or no longer needed	0	Active or no longer needed
Underground Service Alert Files – 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	Admin	Electronic at USA	14 days	Remote Site	14 days
				Electronic	4-yr 2 yrs	0	4-yr 2 yrs

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OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2017~~ 2018

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
Work Order Log – Used to record the assignment of a unique number for installation of a permanent or temporary construction meter or work for others. The assigned number follows the work order document through its processes.	ENGINEERING <u>MOVED TO FINANCE</u>	Accounting	Admin	Paper	5 yrs	0	5 yrs
Accounts Payable – Expense Reimbursement - Vendor Files – 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	A/P <u>Accounting</u>	Admin	Paper	1 fy	6 fys	7 fys
Accounts Receivable Reports (Misc) – Includes invoice journals and account aging for activities related to amounts owed to the District for other than water related District activities.	FINANCE	A/R <u>Accounting</u>	Admin	Electronic in GP	0	0	5 fys
Account Reconciliations – Year-End Audit Boxes – These files consist of documents prepared for use by auditor and working papers used to produce audit documents.	FINANCE	Accounting	Admin	Paper	Audit +2 fys	2 yrs	Audit +4 yrs
Agricultural Credit Certification Records – These records support claims for monthly agricultural credits.	FINANCE	Accounting	Admin	Paper	2 fys	Permanent	Permanent
Apportionment Statement Files – 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.	FINANCE	Project <u>Accounting</u>	Admin	Paper	1 fy	Permanent	Permanent
Assessment or Improvement District Records – These records are related to the administration of an assessment or improvement district and may include annual levy records and informational reports from external administration. Documents related to Prop. 218 ballots; original property assessment documentation and collections information.	FINANCE	Finance Manager <u>Accounting</u>	Admin	Paper	2 fys-10 yrs	Expiration + 8 fys <u>Permanent</u>	Expiration + 10 fys <u>Permanent</u>
Audit List Of Items Paid Report – A list of items paid from the regular checking accounts.	FINANCE	A/P <u>Accounting</u>	Admin	Electronic in GP	Audit + 2 yrs	0 fys	Audit + 2 yrs

*EDMS (Electronic Document Management System)

OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2017~~ 2018

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
Financial Audit Working Files – Includes accounting schedules, correspondence, and reports. These documents are used to develop budget assumptions for preparation of CAFR or for audit preparation.	FINANCE	Finance Manager Accounting	Admin	Paper	Audit + 2 fys	2 fys	Audit + 4 fys
Bank Statement Reconciliation – 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	Admin	Paper	1 yr	4 yrs	5 yrs
Bond Report Files – These files consist of annual reports and Continuing Disclosure reports.	FINANCE	Project Accounting	Admin	Paper	Expiration of Bond	Expiration of bond + 7 fys	Expiration of bond + 7 fys
Budget – Official Budget – As approved by the Board of Directors. Created and published each fiscal year. This report is available for viewing in the EDMS.	FINANCE	Financial Analyst Finance	Admin	Paper PDF	Until approved	Permanent	Permanent
Budget Requirements and Means of Financing Report – This report is prepared annually for submission to San Diego County. File includes working papers developed to support preparation of the report.	FINANCE	Financial Analyst	Admin	Paper	Until report completed	Completion + 4 fys	Completion + 4 fys
CAFR (Comprehensive Annual Financial Report) – This report is prepared for and submitted to the Government Finance Officers Association as required by this organization for certification. Copies in EDMS began FY 2014-15.	FINANCE	Financial Analyst Finance	Admin	Paper	10 <u>5</u> fys	Permanent	Permanent
				Electronic		Permanent <u>N/A</u>	Permanent
Capacity Fee Report – These files include annual reports prepared after audit is completed and describes how monies are used in current year.	FINANCE	Project Accounting	Admin	Paper	2 fys	5 yrs	7 yrs
Capacity Fee Studies – 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	Admin	Paper	0	0	Permanent
	MOVED FROM ENGINEERING			Electronic	Permanent	N/A	Permanent
Capital Project Invoice Files – These files consist of invoices (and related backup) sent to outside parties for cost sharing on capital projects.	FINANCE	Project Accounting	Admin	Paper	1 fy	Project completion + 10 <u>6</u> fys	Project completion + 10 <u>7</u> fys

*EDMS (Electronic Document Management System)

OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2017~~ 2018

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
Cash Receipts – This file consists of bank deposits, daily transaction log that details all deposits for month and Daily Transaction Report for credit card transactions via Official Payments Corp. A folder is created for each month of the fiscal year.	FINANCE	Accounting	Admin	Paper	1 fy	4 fys	5 fys
Cell Phone Bills Verizon – OMWD Cell Phone bills (business & personal)	FINANCE	Accounting	Admin	Paper	Current fy	Audit + 4 fys	Audit + 4 fys
Charity Files – Working paper files for various charities that the OMWD is associated with and may include United Way & Hands On San Diego.	FINANCE	Admin	Admin	Paper	2 yrs	0	2 yrs
Checks – Cancelled checks written from the District's general and payroll accounts. Beginning in 2000 the checks are sent by bank monthly on CD.	FINANCE	Accounting	Admin	Electronic CD provided by bank	5 fys	5 fys	10 fys
CIP Projects Asset Detail – When District projects are capitalized annually, the detail of costs is printed and kept by Fiscal Year along with relevant supporting documentation.	FINANCE	Project Accounting	Admin	Paper	4-7 fys	Permanent	Permanent
Cost Allocation Plan – An annual report prepared by an outside consultant to calculate the District's indirect rate. This Record Series includes work papers and backup used by the consultant to prepare the report.	FINANCE	Financial Analyst Finance	Admin	Paper	6-7 fys	0	6-7 fys
CWA Capacity/Connection Fee Summary – Summary of capacity fee receipts for CWA fees collected by OMWD and forwarded to CWA quarterly; used for support for CWA audit.	FINANCE	Accounting	Admin	Paper	4 fys	0	Year-end + 4 fys
Daily Cash Activity Report – This report summarizes sources and uses of cash, and beginning and ending cash balances, for various district bank and investment accounts.	FINANCE	Finance Manager	Admin	Paper Electronic CIS Infinity	2 fys 2 fys	0 N/A	2 fys 2 fys
Debt Issuance Files – 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	Finance Manager	Admin	Paper	Until Expiration	7 fys	Expiration of bond + 7 fys
Delinquency Management Files – These files consist of annual reports of delinquent installments of Assessment District levies.	FINANCE	Project Accounting	Admin	Paper	1 fy	0	1 fy

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OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2017~~ 2018

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
Direct Payment Program – Authorization Agreement – This form is scanned into the electronic document management system and then the hard copy is destroyed. Official copy is the scanned image.	FINANCE	Accounting	Admin	Electronic – Paper is destroyed after scanning	Account Closure + 1 yr; then delete	0	Account Closure + 1 yr
Direct Payment Program Reports (ACH) – 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	Accounts Receivable <u>Accounting</u>	Admin	Paper PDF on Server	0 4 fys	0 <u>0</u>	0 4 fys
District Annual Audit – Bound report prepared by District’s independent CPA firm. This report exists independently of the CAFR even though it is also included in the CAFR.	FINANCE	Finance Manager <u>Accounting</u>	Admin	Paper	10 fys	Permanent	Permanent
End-Of-Month (EOM) Report – The information details the cycle and customer information for each billing cycle. PDF began Oct 2010.	FINANCE	Accounting	Admin	PDF on Server	10 fys	0	10 fys
Employees Recreation Club (ERC) – These files contain annual financial statements, records and receipts for employee planned events, movie tickets, charities, etc.	FINANCE	Elected Employees <u>Accounting</u>	Admin	Paper Electronic	3 yrs 3 yrs	0 <u>N/A</u>	3 yrs <u>3 yrs</u>
Fixed Assets Subsidiary Ledger – A list of fixed assets, maintained in electronic format PDF. This list is printed periodically.	FINANCE	A/P <u>Accounting</u>	Admin	PDF on Server	5 fys	0	5 fys
Fringe Allocation – This allocation is done with the month end closing. The program allocates fringe costs between departments/program codes.	FINANCE	Accounting Supervisor	Admin	PDF on Server	2 fys	0	2 fys
General Ledger Journal Entries – 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/ Supervisor <u>Accounting</u>	Admin	Paper	2 fys	8 fys	10 fys
General Ledger Posting Journal – Accounts Payable/Inventory Transactions.	FINANCE	Accounting	Admin	PDF on Server	2 fys	0	2 fys
General Ledger Posting Journal – Journal Entries – Report of transactions posted to the General Ledger.	FINANCE	Accounting/ Supervisor	Admin	PDF on Server	2 fys	0	2 fys

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OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2017~~ 2018

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
General Ledger Posting Journal – Capacity Fee Postings Report This report is generated when capacity fee payments are entered into the HP9000 financial system. It is automatically created by the system at the time of posting and a hard copy print-out is automatically produced. PDF began Oct 2010.	FINANCE	Accounting	Admin	Paper	5 fys	0	5 fys
General Ledger Posting Journal – Cash Disbursements Accounts Payable Posting of general checking account disbursements.	FINANCE	Accounting	Admin	PDF on Server	2 fys	0	2 fys
General Ledger Posting Journal – Cash Receipts Record of all daily deposits.	FINANCE	Accounting/ Supervisor	Admin	PDF on Server	2 fys	0	2 fys
General Ledger Posting Journals – Journal entries for Accounts Payable/Transactions, Capacity Fee postings, Checking Account Disbursements, Daily Deposits.	FINANCE	Accounting/ Supervisor	Admin	Electronic	Audit + 4 yrs	0	Audit + 4 yrs
Daily Deposits				Paper	2 yrs	0	2 yrs
General Ledger Trial Balance – 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 in PDF. PDF began Oct 2010. A separate report is created at the end of the fiscal year after the yearend audit is completed (see below).	FINANCE	Accounting/ Supervisor	Admin	PDF on server Electronic	Audit + 2 fys 4 yrs	0	Audit + 2 fys 4 yrs
General Ledger Detailed Trial Balance Report – 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	Admin	PDF on Server Electronic	Audit + 4 fys	0	Audit + 4 fys
Hand Bills Files – 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	Project Accounting	Admin	Paper	2-7 fys	5-yr 0	7 fys

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OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2017~~ 2018

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
Inventory Master List – This list contains information regarding quantity and the cost of the items used in District operations. The list is created and maintained in electronic format in CIS Infinity <u>Microsoft Dynamics GP</u> . A year-end list is produced annually after the physical inventory is completed to document year-end balances. The list is printed periodically.	FINANCE	Inventory Control <u>Accounting</u>	Admin	Paper Electronic <u>CIS Infinity</u>	1 fy <u>7 fys</u>	6 fys <u>N/A</u>	7 fys <u>7 fys</u>
Investment Files – Generally comprised of reports received from trustee or custodian detailing investments owned by the District. In the case where the District has directed the investment of funds, or the purchase of investments, files will also contain documentation of authorization and external confirmations of investments received.	FINANCE	Finance Manager	Admin	Paper	2 fys	5 fys	7 fys
Investment Report – 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	Financial Analyst <u>Finance</u>	Admin	Paper <u>Electronic</u>	2 fys <u>7 fys</u>	5 fys <u>N/A</u>	7 fys <u>7 fys</u>
Investments – 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	Accounting / Supervisor	Admin	Paper	2 fys	5 yrs	7 yrs
Lock Box Reports – Issued by the bank to show customer water bill payments received and processed by them.	FINANCE	A/R <u>Accounting</u>	Admin	Paper	2 fys	0	2 fys
Materials Requisition Forms File (Inventory Issues) – This file contains the completed forms for items taken from the inventory for use on the job. Information from these documents is entered into CIS Infinity <u>electronically</u> to reflect charges to a job/work order account and is used to update the Inventory Master List.	FINANCE	Inventory Control	Admin	Paper <u>Electronic</u>	1 fy <u>Audit + 4 yrs</u>	2 fys <u>0</u>	3 fys <u>Audit + 4 yrs</u>
Metropolitan Water District Local Resource Program Records – These records support claims for recycled water rebates. Agreement is filed in GM Agreements files.	FINANCE	Accounting	Admin	Paper	2 fys	Termination + 1 fys	Termination + 3 fys
Notices of Public Hearing – 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

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OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2017~~ 2018

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
Overhead Update Report – This report shows the posting of overhead charges to work orders. The report is initiated by the Payroll Accountant every two weeks after payroll is posted.	FINANCE	Payroll	Admin	PDF on Server	2 fys	0	2 fys
Payments (Checks) Received – Electronically Deposited	FINANCE	A/R Accounting	Admin	Paper	2 months	0	2 months
Payment Stubs – Portion of customer water bill returned to District with payment.	FINANCE	A/R Accounting	Admin	Electronic	1 yr	N/A	1 yr
Payroll Check Register – A list of employee payroll checks.	FINANCE	Payroll Accounting	Admin	Paper	1 fy	0	1 fy
Payroll Check Register – A list of employee payroll checks.	FINANCE	Payroll Accounting	Admin	Electronic in GP	7 yrs + audit	0	7 yrs + audit
Payroll Current Register – 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	Payroll Accounting	Admin	Electronic in GP	7 yrs + audit	0	7 yrs + audit
Payroll Deduction Reports – 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	Payroll Accounting	Admin	PDF on Server	7 yrs	0	7 yrs
Payroll Direct Deposits – A list of direct deposits (noncredit union) for employees and employers pay.	FINANCE	Payroll Accounting	Admin	PDF on Server	7 yrs	0	7 yrs
Payroll Employee Leave Balances – A list of accrued leave balances.	FINANCE	Payroll Accounting	Admin	PDF on Server	7 yrs	0	7 yrs
Payroll Month, Quarter, Year To Date Register – A summary of MQY payroll information.	FINANCE	Payroll Accounting	Admin	PDF on Server	7 yrs	0	7 yrs
Payroll Tax Returns (Quarterly/Yearly) – Sent to EDD via online and maintained on their website; hard copies are sent to the IRS 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	Payroll Accounting	Admin	Paper	1 yr	6 yrs	Payment +7 yrs

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RECORDS RETENTION SCHEDULE ~~2017~~ 2018

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
Payroll Time Card Audit List – 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	Payroll <u>Accounting</u>	Admin	PDF on Server	7 yrs	0	7 yrs
PERS Reporting Copies – A list of employer contributions to PERS.	FINANCE	Accounting / Supervisor	Admin	Paper Electronic	1 fy <u>Permanent</u>	Permanent <u>N/A</u>	Permanent <u>Permanent</u>
Project Agreement Working Files – These contain copies of contracts, agreements, and related change orders authorizing payment, along with schedules tracking invoices received.	FINANCE	Project Accounting	Admin	Paper	Project Completion +1 yr	0 <u>6 yrs</u>	Project Completion +1 yr <u>7 yrs</u>
Project/Subdivision Meter Log and General Services Receipts Files [Subdivision Files] – 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	Fin-Admin <u>Finance</u> Eng Admin	Admin	Paper	Active phase or no longer needed End of Project Warranty Period	 20 yrs	<u>End of Project</u> End of Project Warranty period + 20 yrs
Property Tax Assessment Valuation Reports – 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	Finance <u>Manager</u> <u>Accounting</u>	Admin	Paper	1 fy	9 fys	10 fys
Purchase Orders – A completed District form used to purchase items more than \$1500. 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	5 yrs	0	5 yrs
Return to Stock Form File – This file contains the completed forms for items taken from and returned to inventory. Information from these documents is used to update the Inventory Master List.	FINANCE	Inventory Control	Admin	Paper	1 fy	2 fys	3 fys
State Controller's Report – 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 / Supervisor	Admin	Paper	2 fys	8 fys	Completion + 10 fys

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OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2017~~ 2018

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
Surveys – Various surveys completed and submitted to other local agencies.	FINANCE	Accounting/ Supervisor	Admin	Paper	2 fys	8 fys	10 fys
Tax Return Files – 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 / Supervisor	Admin	Paper	1 cy + audit	9 cys	10 cys + audit
Time Cards – 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	Payroll Accounting	Admin	Paper	1 fy + audit	6 fys	7 fys + audit
				Electronic	7 fy + audit	0 N/A	7 fy + audit
Trustee Statement Files – These consist of monthly fund statements from trustee and requests for disbursement of funds.	FINANCE	Project Accounting	Admin	Paper	Expiration of Bond	7 fys	Expiration of bond issue + 7 fys
Usage Detail History Report – Describes the water usage of each customer class. Data is stored in CIS Infinity and may be exported to other programs for report writing. Reports moved/printed to CD annually.	FINANCE	Accounting Mgr	Admin	Electronic in CIS Infinity CD	1-fy 2 yrs	Permanent 0	Permanent 2 yrs
Water Cash Receipts Journal – Reflects payments received by the District or the lockbox. Information is input and maintained electronically in PDF. Report is printed daily and filed in folders.	FINANCE	A/R Accounting	Admin	PDF on Server	Audit + 4 fys	0	Audit + 4 yrs
Water Maintenance Reports – This report is created in electronic format in CIS Infinity and is printed monthly. It details maintenance performed on customers' accounts.	FINANCE	Customer Service	Admin	Paper Electronic CIS Infinity	1-fy 2 yrs	Permanent 0	Permanent 2 yrs
Application for Water Meter Application – 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
Water/Sewer Rate Study – A report usually prepared by an outside consultant to document the District's methodology with respect to water and sewer rates charted.	FINANCE	Financial Analyst Finance	Admin	Electronic in Excel	1 fy	6 fys	7 fys
Wire Transfers – Copies of wire requests sent to our bank.	FINANCE	Accounting / Supervisor	Admin	Paper	2 fys	5 fys	7 fys

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OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2017~~ 2018

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
Work Order Log – 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 <u>MOVED FROM ENGINEERING</u>	Accounting	Admin	Paper	2 yrs	0	2 yrs
Work Orders – These work orders precede HP9000 and were copied to microfilm. They represent work performed on permanent meter service from years 1990 to 1994.	FINANCE	Customer Service	Admin	Microform	0	Permanent	Permanent
Work Orders – Initiated for a chargeable service. Initiates action at the request of a District property owner or developer. May require application process. Information is entered into CIS Infinity and results in creation of a service order.	FINANCE <u>MOVED TO CUSTOMER SERVICES</u>	Customer Service	Admin	Electronic CIS Infinity	Until acct closed	7 yrs	Close acct + 7 yrs
Workers Compensation Audit Report – 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 / Supervisor	Admin	Paper	2 fys	5 fys	7 fys
Administrative Code – 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	0	Current
Agreements - MOU's, Leases, Fully Executed Agreements - 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	End of agreement	12 yrs	End of agreement + 12 yrs
Agreements (Project-Specific; Not Recorded) – 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

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OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2017~~ 2018

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
Agreements - Recorded – 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 yr	Permanent <u>N/A</u>	Permanent
Appraisals / Appraisal Reports (Owned Land) - 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	0	Full term of ownership
Appraisals / Appraisal Reports (Non-Owned Land; e.g. Schoen wells) - Record of land appraisals including all elements used to determine property value.	GENERAL MANAGER	Admin	Admin	Paper Electronic	5 yrs	0 <u>N/A</u>	5 yrs
Association Files – 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
Audio Recordings – Recordings of Board of Director meetings.	GENERAL MANAGER	Admin	Admin	Electronic	30 days	0	30 days
Board Package - District Administration Files – These files 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	Paper	Close of yr	2 fys	Close of yr + 2 fys
Board Packet (Electronic) – 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.	GENERAL MANAGER	Admin	Admin	Electronic	20 yrs	0	20 yrs
Correspondence – Related to legal matters	GENERAL MANAGER	Admin	Admin	Paper Electronic	5 yrs or until resolved Permanent	Permanent <u>N/A</u>	Permanent <u>Permanent</u>
Correspondence – Customer Issues	GENERAL MANAGER	Admin	Admin	Paper Electronic	2 yrs 20 yrs	18 yrs <u>N/A</u>	20 yrs <u>20 yrs</u>

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Correspondence – 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
General Counsel Opinions – 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
Minutes – Approved and signed Minutes of Board of Directors meetings are scanned into the EDMS.	GENERAL MANAGER	GM	Admin	Paper	Permanent	0	Permanent
				Electronic	Permanent	N/A	Permanent
Ordinances & Resolutions – Approved by District Board of Directors.	GENERAL MANAGER	Admin	Admin	Paper	1 yr	Permanent	Permanent
				Electronic	Permanent	N/A	Permanent
Risk Management – 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
Benefit Plan Files – 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	Paper	Active or No longer needed in force +5 yrs	5 yrs	No longer in force + 10-yrs
				Electronic	No longer in force + 10 yrs	N/A	No longer in force + 10 yrs
Benefit Plan Claims 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
Board Member Meeting Attendance and Travel Arrangements – These files contain documentation that relates to meeting attendance and travel arrangements for all Board members.	HUMAN RESOURCES	Admin	RECORDS	Paper	5 yrs	0	5 yrs
Employee Programs Files – These files contain records related to the District Wellness Program, Recognition and Awards Programs.	HUMAN RESOURCES	Admin	Admin	Paper	5 yrs	0	5 yrs

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Ethics Training – All documents verifying the completion of ethics training.	HUMAN RESOURCES	Admin	Admin	Paper	2 yrs	3 yrs	5 yrs
				Electronic	<u>5 yrs</u>	N/A	<u>5 yrs</u>
Fair Political Practices Commission / Conflict of Interest Files – 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	6 yrs <u>7 yrs</u>	Termination of employment + 6 yrs <u>7 yrs</u>
				Electronic	<u>Termination of employment + 7 yrs</u>	N/A	<u>Termination of employment + 7 yrs</u>
Grievance & Claim Files – These files include documents related to hearings & investigations conducted, based on employee.	HUMAN RESOURCES	Admin	Admin	Paper	Termination of employment	6 yrs	Termination of employment + 6 yrs
				Electronic	<u>Termination of employment + 6 yrs</u>	N/A	<u>Termination of employment + 6 yrs</u>
I-9 File – 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	<u>Termination of employment + 3 yrs</u>	N/A	<u>Termination of employment + 3 yrs</u>
Labor Relations Files –These files include documents related to employee association, and 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	<u>6 yrs</u>	N/A	<u>Permanent</u>
Medical Files – May include FMLA, medical clearance, DMV medicals, workers' comp 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
Medical Records Files – (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

*EDMS (Electronic Document Management System)

OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2017~~ 2018

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
PERS Files – These files contain reports, procedures manual, and other employer information files related to PERS activities. (Agreements in GM files)	HUMAN RESOURCES	Admin	Admin	Paper	2 yrs	5 yrs	7 yrs
				Electronic	7yrs	<u>N/A</u>	7 yrs
Personnel Files Employee/Director – 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	6 yrs	Termination of employment + 6 yrs
				Electronic	<u>Termination of employment + 6 yrs</u>	<u>N/A</u>	<u>Termination of employment + 6 yrs</u>
				**Paper Only			
Records Management (RM) Files – These files contain records management program documents, including destruction notices, audits, retention schedules and RM training materials.	HUMAN RESOURCES	Records Mgt	Admin	Paper	Current	Permanent	Permanent
Recruitment Files – 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	<u>N/A</u>	6 yrs
Salary Administration Files – Includes salary survey(s), reclassification studies, performance planning and job descriptions and salary administration reference documentation.	HUMAN RESOURCES	Admin	Admin	Paper	2 yrs	4 yrs	6 yrs
Confined Space Permits	HUMAN RESOURCES/ SAFETY	Health and Safety	Safety Office	Paper	5 years after <u>cancellation of permit</u>	0	5 years after <u>cancellation of permit</u>
Emergency Management – 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	<u>N/A</u>	Current + 2 yrs
Employee Exposure Records	HUMAN RESOURCES/ SAFETY	Health and Safety	Safety Office	Paper	Termination of employment + 1 year	29 years	Termination of employment +30 years

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OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2017~~ 2018

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
Employee Pull Notices – Voluntary DMV program to alert employer about uninsurable drivers of employee driving activity and license status . On-line monitoring via Samba Holdings, Inc.	HUMAN RESOURCES/ SAFETY	Health and Safety	Safety Office	Paper <u>(Violations Only)</u> EDMS <u>(Violations Only)</u> Samba Electronic <u>(ALL Pull Reports)</u>	Termination of employment <u>Termination of employment + 6 yrs</u> <u>7 yrs</u>	6 yrs N/A Samba	Termination + 6 yrs <u>Termination + 6 yrs</u> <u>7 yrs</u>
Environmental Files – 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 <u>+3 yrs</u>	10 <u>7</u> yrs	Current + 10 yrs
Fit Test Records – Certifications of test results from employee respirator fitment.	HUMAN RESOURCES/ SAFETY	Health and Safety	Safety Office	Paper	Permanent	0	Permanent
Hazardous Waste Manifest – Records of hazardous waste removal.	HUMAN RESOURCES/ SAFETY	Health and Safety	Safety Office	Paper Electronic	Permanent <u>3 yrs</u> Permanent	0 N/A	Permanent <u>3 yrs</u> Permanent
Inspection Files (equipment) – 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
Material Safety Data Sheets (MSDS) and Safety Data Sheets (SDS) – 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 Electronic in MSDS.com	From date of use + 3 yrs From date of use + 30 yrs	27 yrs N/A	From date of use + 30 yrs <u>From date of use + 30 yrs</u>

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OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2017~~ 2018

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
OSHA Logs – Tracks on-the-job injury and illness incidents in electronic format for all OSHA logs that include, but are not limited to Log 300, 300A summary, and the 301 Injury log.	HUMAN RESOURCES/ SAFETY	Health and Safety	Safety Office	Paper	5 yrs	5 yrs	10 yrs
				Electronic	10 yrs	N/A	10 yrs
Permits – 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	Permanent	0	Permanent
				Electronic	Permanent	N/A	Permanent
Permits and Logs Files – 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	Current + 5 yrs	0	Current + 5 yrs
				Electronic	Current +5 yrs	N/A	Current +5 yrs
Plan Files – 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
Risk Management Files – 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
Safety Committee Meeting Files – These files contain agenda, meeting minutes for monthly meetings of the Safety Committee.	HUMAN RESOURCES/ SAFETY	Health and Safety	Safety Office	Paper	3 yrs	0	3 yrs
				Electronic	3 yrs	N/A	3 yrs
Safety Committee Meeting Minutes - 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
Safety Manual – Includes procedures for employees.	HUMAN RESOURCES/ SAFETY	Health and Safety	OMWD Server	Electronic	Current + 2 yrs	0	Current +2 yrs
Training Files – Tests may be given in paper format or via the internet in a program provided for this purpose (*TargetSolutions.com).	HUMAN RESOURCES/ SAFETY	Health and Safety	Safety Office	Paper	Current File	30 yrs	Current + 30 yrs
				Electronic	Current + 30 yrs	N/A	Current + 30 yrs

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OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2017~~ 2018

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
Training Records – Employee – 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
Training Rosters – Includes General & Safety Training and Technical Required Safety Training Rosters.	HUMAN RESOURCES/ SAFETY	Health and Safety	Safety Office	Paper	5 yrs	0	5 yrs
Visitor Log – Daily sign-in logbook maintained at the District's front desk for guests visiting the District.	HUMAN RESOURCES/ SAFETY	Health and Safety	Front Desk/ Records	Paper	1 yr	0	1 yrs
				Electronic	3 yrs	N/A	3 yrs
4S Ranch Water Reclamation Facility Self-Monitoring Reports for Regional Water Quality Control Board – Self-monitoring reports for the 4S Ranch Water Reclamation Facility. Electronic version becomes official record after scanning.	OPERATIONS	4S-WRF <u>Reclaimed Water Supr</u>	Operations <u>4S WRF</u>	Paper	0	10 yrs	10 yrs
				Electronic	10 yrs	0 N/A	10 yrs
4S Ranch Water Reclamation Facility Status Reports – include various water testing reports, including reports submitted to the Regional Board.	OPERATIONS	Reclaimed Water Supr.	4S WRF	Paper	10 yrs	Permanent	Permanent
				Electronic		N/A	Permanent
<u>Backflow Records</u> – <u>Consists of installation, annual test, inspection, and enforcement records.</u>	OPERATIONS <u>MOVED FROM ENGINEERING</u>	<u>Backflow / Cross Connection</u>	<u>Admin</u>	<u>Paper</u>	<u>3 yrs</u>	<u>0</u>	<u>3 yrs</u>
City of San Diego Industrial Self-Monitoring – This report is due the 15 th of each month for WTP waste discharge permit.	OPERATIONS	Treatment Plant	Operations	Paper	1 yr	0	1 yr
				Electronic	10 yrs	N/A	10 yrs
Duty Log Book – Duty calls from customers and customer service for after-hour emergency issues. These calls are recorded in the duty call book and the slips are attached to the employee's time card for the specific pay period.	OPERATIONS	All Work Groups	Operations	Paper	3 yrs	0	3 yrs
				Electronic			
System Infrastructure Repair Records – consists of pipelines and other underground infrastructure.	OPERATIONS	Construction	Operations	Electronic	Permanent 2 yrs	0	Permanent 2 yrs
Industrial Pretreatment Program (IPP) – Files include inspection reports, industrial waste permits, self-monitoring reports and correspondence. Filed by business name.	OPERATIONS	Reclaimed Water Supr.	4S WRF	Paper	Active phase or no longer needed	10 yrs	End of active phase + 10 yrs
				Electronic		N/A	

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OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2017~~ 2018

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
IT: Software Installation Disks /CDs – For software purchased for District uses.	OPERATIONS	Information Technology	Admin	Electronic	Current	0	Life of the product
IT: Software Licenses – Purchased for use with software purchased for District uses.	OPERATIONS	Information Technology	Admin	Paper	Current	0	Life of the product
				Electronic		<u>N/A</u>	
IT: System Backup Windows—(servers hosting important files, databases, and records) – One previous calendar year for system and one previous fiscal year backup for fiscal records. Daily backups are stored locally and at a remote site.	OPERATIONS	Information Technology	Admin	Electronic	Remote site	Previous year	Current + 2 previous yrs
IT: System Backup (systems and servers for device management, network infrastructure, and network security) – 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 a remote site.	<u>OPERATIONS</u>	<u>Information Technology</u>	<u>Admin</u>	<u>Electronic</u>	<u>Remote Site</u>	<u>Previous 6 months</u>	<u>Previous 6 months</u>
IT: Systems Backup (SCADA operations systems) – Previous six months for systems used for managing water distribution, water treatment, wastewater treatment, and recycled water. Daily backups are stored locally and at a remote site.	<u>OPERATIONS</u>	<u>Information Technology</u>	<u>Admin</u>	<u>Electronic</u>	<u>Remote Site</u>	<u>Previous 6 months</u>	<u>Previous 6 months</u>
IT: Systems Backup (SCADA historical systems) – One previous year for systems that store historical records of SCADA operations. Daily backups are stored locally and at a remote site.	<u>OPERATIONS</u>	<u>Information Technology</u>	<u>Admin</u>	<u>Electronic</u>	<u>Remote Site</u>	<u>Previous year</u>	<u>Current +2 previous years</u>
IT: Email Backup – The retention of all emails, including backup of email systems, is reflected in the Board approved Email Retention Policy.	<u>OPERATIONS</u>	<u>Information Technology</u>	<u>Admin</u>	<u>Electronic</u>	<u>Remote Site</u>	<u>Previous 4 months</u>	<u>See Email Retention Policy</u>
Prequalification - Valve replacement excavation and paving support services contracts and submittal documents. Must comply with PREVAILING WAGES Dept. of Industrial Relations (DIR) effective August 1, 2016.	OPERATIONS	Construction	Operations	Paper	End of Warranty	5 yrs	End of Warranty + 5 yrs
				Electronic	End of Warranty + 5 yrs	<u>N/A</u>	End of Warranty + 5 yrs

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OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2017~~ 2018

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
Proposals for Professional Services and Construction Bids – Successful – Once signed this document becomes part of the contract documents.	OPERATIONS	All Work Groups	Admin	Paper	End of Warranty Period	20 yrs	End of Warranty Period + 20 yrs
Proposals for Professional Services and Construction Bids – Unsuccessful – Proposals Only – No contracts executed.	OPERATIONS	All Work Groups	Admin	Paper	2 yrs	0	2 yrs
<u>Recycled Water Certification Reports – Dept. of Environmental Health Certifications; Annual Site Inspections; Cross connection testing as required.</u>	<u>OPERATIONS</u> <u>MOVED FROM</u> <u>ENGINEERING</u>	<u>Cross Connection</u>	<u>Admin</u>	<u>Paper</u>	<u>10 yrs</u>	<u>Permanent</u>	<u>Permanent</u>
Recycled Water Program – 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	Reclaimed Water Supr.	4S WRF	Paper	Active or no longer needed	Permanent	Permanent
				Electronic		<u>N/A</u>	
SCADA Historical Data Base – Automated system that monitors and reports pressures, levels and flows for District water distribution, treatment and reclamation facilities. Information is stored in historical data bases.	OPERATIONS	Systems Operations	Operations <u>4S WRF</u> <u>DCMWTP</u>	Electronic	10 yrs	Remote site	10 yrs
Sanitation District Files (4S Ranch & Rancho Cielo) – 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 (85-40WDR, sewer overflow, stormwater, etc.) and contract operator correspondence.	OPERATIONS	Reclaimed Water Supr.	4S WRF	Paper	5 yrs	0	5 yrs
				Electronic		<u>N/A</u>	
Security System Logs – Created by application to identify entry and exit from secured areas in Administration and Operations Buildings and Yard.	OPERATIONS	Information Technology	Operations	Electronic in security program	1 year	0	1 year
Surveillance Cameras – District facilities have cameras for the protection and observation of District property through a software agreement that mandates retention.	OPERATIONS	Information Technology	District Facilities	Electronic	IT	0	30 days
System Operations Records – 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	Operations	Electronic	20 yrs <u>2 yrs</u>	0	20 yrs <u>2 yrs</u>

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OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2017~~ 2018

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
Underground Service Alert Files – 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 and Maintenance	Operations	Paper	2 yrs	0	2 yrs
Vehicle Purchase Records – These records contain pink slips only for District owned vehicles.	OPERATIONS	Construction and Maintenance	Operations	Paper	Until Sold	0	Until Sold
Vehicle and Equipment Repair Records – This file consists of BIT inspections records, repair records, and other documents related to District owned vehicles and equipment.	OPERATIONS	Construction and Maintenance	Mechanics Bay	Paper	Until Sold	0	Until Sold
Vehicle Maintenance – 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		N/A	
Waterboards DDW (Division of Drinking Water) TCR Routine Monthly Monitoring – North, south, plus specials testing and consist of Bac-Ts, Gen. Phys., HPC, Nitrite, chlorine residual and water quality complaints/response. includes all water quality monitoring data, lab reports and complaint/response information to support TCR, NIT and GP reports Monthly report due the 10 th of each month.	OPERATIONS	System Operations, Treatment Plant, & Admin	Operations	Electronic Excel	10 yrs	0	10 yrs
Waterboards DDW (Division of Drinking Water) TTHM/HAA5-DBP and MRDL Quarterly Reports due the 10 th of each completed quarter, dependent upon the date laboratory results are obtained.	OPERATIONS	Systems Operations	Operations	Electronic Excel	10 yrs	0	10 yrs
Waterboards DDW (Division of Drinking Water) SWTR Monitoring – Monthly Report for DCMWTP raw and treated water quality due the 10 th of each month.	OPERATIONS	Treatment Plant	Operations	Paper	1-yr	0	1-yr
				Electronic	10 yrs	N/A	10 yrs
Waterboards DDW (Division of Drinking Water) eARDWP – This report is submitted electronically via the DRINC web portal. It is a required report compiled from data provided by several work groups.	OPERATIONS	Operations Manager	Admin	Electronic	10 yr		10 yrs

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EMAIL RETENTION POLICY

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.

SCOPE

This retention policy applies to:

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

Effective March 2, 2017, Case Law S218066 concluded that the California Public Records Act (CPRA) encompasses any business conducted on a personal device and is subject to disclosure. Any records retrieved from a personal device or any records no longer available on a personal device will require an Affidavit/Declaration be signed by the user under the CPRA.

POLICY

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.

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)

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.

Responsibility for Retention of Messages with Lasting Value

The burden of determining whether a specific message has lasting value should fall to the department or user of a personal device 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.

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.

Backup Files

Backup copies of District email system files will be kept for no more than four months.

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.

These backups are for system restoration and disaster recovery purposes, and are not intended to facilitate retrieval of deleted messages.

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.

ROLE & 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.

Originators and custodians (includes user of personal devices) 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 13, 2017

To: Olivenhain Municipal Water District Board of Directors

From: George Briest, Engineering Manager

Via: Kimberly Thorner, General Manager

Subject: **CONSIDER APPROVAL OF A MULTI-YEAR AGREEMENT WITH WHITSON CONTRACTING AND MANAGEMENT, INC FOR STORM WATER POLLUTION PREVENTION PLAN (SWPPP) PREPARATION SERVICES FOR THE DISTRICT HEADQUARTERS AND 4S RANCH WATER RECLAMATION FACILITY SITES IN THE AMOUNT OF \$24,296.50 AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT**

Purpose

Approval of this Board item would approve an agreement with Whitson Contracting and Management, Inc. for the provision of Storm Water Pollution Prevention Plan (SWPPP) services for the District Headquarters and 4S Ranch Water Reclamation Facility sites in the amount of \$24,296.50 and authorize the General Manager to sign on behalf of the District.

Recommendation

Staff recommends the award of the Agreement to Whitson Contracting and Management, Inc. in the amount of \$24,296.50 and authorization for the General Manager to sign on behalf of the District.

Alternative(s)

The Board could choose to pursue an agreement with another firm. However, seven (7) proposals were received and reviewed in response to a detailed request for proposals (RFP) issued by the District. Whitson was determined to be the most responsive to the District's RFP.

Background

The District is required to maintain a SWPPP and conduct storm water sampling and monitoring per the requirements of the Environmental Protection Agency along with state and local city municipal codes. The SWPPP is required to comply with the State of California General Permit for Stormwater Discharges Associated with Industrial Activities Order No. 2014-0057-DWQ (NPDES No. CAS000001) issued by the State Water Resources Control Board (SDRWQCB). In order to remain in compliance, the District must perform monthly and yearly site monitoring and reporting to the SDRWQCB for both the District Headquarters and 4S Ranch Water Reclamation Facility. The District currently contracts with Whitson for SWPPP services and the agreement will expire on December 31st, 2017.

Fiscal Impact

Funds for this work have been budgeted for FY 18 from the potable water general fund for the District Headquarters site and from the wastewater fund for the 4S Ranch Water Reclamation Facility site.

Discussion

The request for proposals was advertised in the plan rooms and on the District website. Seven (7) proposals were received and evaluated by District staff in accordance with the District's Administrative and Ethics Code.

Selection of Whitson for the proposed three (3) year agreement was based on the strength of their proposal, staff qualifications, previous experience on similar projects, and proposed cost. If approved by the Board, the District's standard agreement will be executed with Whitson. Staff will be available to answer questions.

Memo

Date: December 13, 2017
To: Olivenhain Municipal Water District Board of Directors
From: George Briest, Engineering Manager
Via: Kimberly Thorner, General Manager
Subject: **CONSIDER AN AGREEMENT WITH DUDEK FOR PREPARATION OF PLANS AND SPECIFICATIONS FOR THE CONSTRUCTION OF THE 4SWRF TERTIARY FILTER REHABILITATION PROJECT IN THE AMOUNT OF \$92,440 AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT**

Purpose

The 4S Water Reclamation Facility tertiary filters provide advanced treatment of the recycled water produced at the 4S Water Reclamation Facility as required by the District's wastewater permit. Approval of this agenda item would authorize the General Manager to sign a professional services agreement with Dudek in the amount of \$92,440 for preparation of plans and specifications necessary for the rehabilitation of the tertiary filters.

Recommendation

Staff recommends approval of an agreement with Dudek in the amount of \$92,440 and authorization for the General Manager to sign on behalf of the District.

Alternative(s)

In lieu of approving an agreement with Dudek, the Board of Directors could direct staff to consider other consultants for the project. Staff does not recommend this alternative

as Dudek was selected from an evaluation of proposals and interviews conducted in accordance with the District's Administrative and Ethics Code.

Background

The rapid sand filters which provide tertiary filtration were constructed in 2000 as part of the expansion of the 4S Water Reclamation Facility by the developer of the 4S Ranch project. The filters are skid mounted and constructed of coated steel. Over time, the steel components have experienced corrosion and failure of certain sections of the filters. A recent inspection by District staff and a representative from the filter company discovered that while portions of the filter basins were in good shape, other parts required recoating or replacement.

Fiscal Impact

Funds for this design project were included in the FY18 budget. No new appropriations are required at this time. In the recently completed Wastewater Master Plan (2016), funds in the amount of \$2,000,000 were anticipated to be required for replacement of the tertiary filters. By rehabilitating (in lieu of replacing) the filters and only replacing key components, an estimated cost of less than \$500,000 (design and construction) is anticipated to be required which will extend the useful life of the equipment by 15 to 20 years, thereby resulting in a cost effective solution for the District.

Is this a Multi Fiscal Year Project? No

In which FY did this capital project first appear in the CIP budget? 2018

Total Current Project Budget: \$160,000

Current Fiscal Year Appropriation: \$160,000

To Date Approved Appropriations: \$160,000

Target Project Completion Date: 6/30/2018

Expenditures and Encumbrances as of (Oct 13, 2017): \$13,000

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

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

Discussion

In October/November 2017, District staff reviewed proposals (5) and interviewed a selected number of firms (2) for the provision of design services for various wastewater projects. Dudek was selected for the preparation of plans and specifications for the tertiary filter rehabilitation project on the basis of their interview, proposed team, and scope of services. Staff recommends the Board authorize the General Manager to sign an agreement with Dudek in the amount of \$92,440. A proposed professional services agreement is attached for your review. Staff is available to answer questions.

Attachment: Professional Services Agreement

**PROFESSIONAL SERVICES AGREEMENT
FOR ENGINEERING SERVICES FOR THE 4S RANCH WRF TERTIARY FILTER
REHABILITATION PROJECT**

DISTRICT PROJECT NO. D700012

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

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

1. The District is a public agency organized and operating pursuant to Water Code Sections 71000 *et seq.*, which provides water and sewer service within certain areas of Northern San Diego County.
2. The District desires to retain DUDEK to prepare construction plans, specifications, and estimates suitable for bidding and construction of the rehabilitation of the 4S Water Reclamation Facility Tertiary Rapid Sand Filter.
3. DUDEK is a licensed civil engineering firm in the State of California with expertise in the design of wastewater treatment, collection and pumping systems, and related facilities. The services provided by DUDEK are more particularly described in the Cost Proposal attached hereto as Exhibit “A” and incorporated herein by reference.

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

1. Services to Be Performed. DUDEK agrees to perform all work and services in strict accordance with the work described in the cost proposal attached hereto as Exhibit “A” and incorporated herein by reference. All work performed by DUDEK shall be subject to review and

approval by the District. The District shall have no obligation to approve any work found defective by the District, in its sole discretion.

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

3. Price for Work. DUDEK agrees to perform all work described in Exhibit “A” for a total price not to exceed \$92,440. No increase in this price shall be allowed without the express written consent of the District. The District shall have no obligation to grant this consent and may deny consent to any price increase, in its sole discretion.

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

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

the District determines that it desires extra work to be performed and a written change order has been executed by the parties. Attached as Exhibit “B” is the Request for Additional Work Form required by the District for all requests for additional work or task transfers.

6. Standard of Care. In performing all work and services required by this Agreement, DUDEK agrees to use the highest degree of skill and expertise ordinarily exercised, under similar circumstances, by licensed civil engineers having special expertise and competence in the design, and construction of wastewater treatment equipment, pump stations, collection systems, and other services described in its Cost Proposal attached as Exhibit “A”. As a material term of this Agreement, DUDEK warrants and represents that it has secured all licenses required by federal or California law to perform all work and services required by this Agreement. DUDEK agrees to perform all work required by this Agreement at all times in strict accordance with all applicable federal, state, and local laws and regulations which apply to the labor or materials being provided.

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

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

9. Time for Completion of Services. As a material term of this Agreement, DUDEK agrees to complete all work and services required by this agreement by no later than July 31, 2018. The breach of this paragraph shall constitute a material breach of this Agreement.

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

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

toxic waste used, handled, stored or spilled by the District or its directors, officers, employees or contractors.

In the event any third party, including any regulatory agency, brings any claim or cause of action against the District to clean-up or remediate any hazardous or toxic waste for which DUDEK is liable under this section, DUDEK shall also indemnify and hold harmless the District and its directors, officers, agents, and employees from all claims, actions, losses, costs, fees, expenses, fines, and penalties, of whatever type or nature, including all costs of defense and attorneys fees, upon written demand for indemnity from the District.

12. Independent Contractor. As a material term of this Agreement, it is expressly agreed between the parties that DUDEK is performing all work and services for the District pursuant to this Agreement as an independent contractor and not as an agent or employee of the District. The parties further agree and acknowledge that the District expects DUDEK to make its own independent determination of the means and methods to perform all work required by this Agreement, and will not be directed as to any of these means or methods by the District. As a material term of this Agreement, DUDEK agrees it is not an agent or employee of the District and the District shall not be liable in any way for any of its acts or omissions or those of its directors, officers, agents, employees or subcontractors, whether negligent or intentional.

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

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

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

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

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

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

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

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

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

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

A. General Liability:

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

B. Auto Liability

1. Comprehensive Form
2. Owned
3. Hired

The policy shall include contractual coverage sufficiently broad to insure the matters set forth in the section entitled “Indemnity” in this Agreement. The deductible amount shall not exceed \$25,000.00. Also included in such insurance shall be a “cross-liability” or “severability of interest” clause.

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

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

16.4 Additional Insured Endorsements. The District shall be named as an additional insured on the General Liability Insurance and Auto Liability Insurance policies as required by Paragraph 16.1 of this agreement. The additional insured shall be named as follows: **The Olivenhain Municipal Water District (hereinafter the “District”), the District’s representatives, consultants, and each of the District’s directors, officers, agents, and employees.** The insurance afforded the additional insured shall be primary insurance. If the additional insured has other insurance which might be applicable to any loss, the amount of the insurance provided under this section shall not be reduced or prorated by the existence of such other insurance. The insurance certificate and endorsement shall be non-cancelable without thirty (30) days prior written notice to the District.

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

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

such other indemnified parties shall be entitled to appoint their own independent counsel to represent them, and DUDEK agrees to pay all reasonable attorneys fees, expert fees and costs, and litigation costs associated with this defense within thirty (30) days of any billing.

19. Miscellaneous Provisions.

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

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

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

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

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

or agent in executing this Agreement. The parties mutually declare that this Agreement and its exhibits constitute a final, complete and integrated agreement between the parties.

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

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

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

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

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

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

having the authority to expressly waive the benefit or provision, in writing. No oral waivers shall be effective against either party.

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

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

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

To: "DUDEK"

Dudek
Attn:
605 Third Street
Encinitas, CA 92024
Facsimile: (760) 632-0164

To: "District"

Olivenhain Municipal Water District
Attn: Kimberly A. Thorner, General Manager
1966 Olivenhain Road
Encinitas, California 92024
Facsimile No. (760) 753-5640

19.15 Effective Date. The effective date of this Agreement executed in counterparts in Olivenhain, California, within the North County Judicial District, County of San Diego, State of California, is December 14, 2017.

Dated: _____, 2017

Olivenhain Municipal Water District,
a public agency

By: _____
Kimberly A. Thorner
General Manager

Dated: _____, 2017

Dudek

By: _____

November 17, 2017

David Smith, Operations Manager
Olivenhain Municipal Water District
1966 Olivenhain Road
Encinitas, California 92024

Subject: Design Services for the 4S Ranch Water Reclamation Facility Tertiary Filter System Rehabilitation Project – Engineering Services Proposal

Dear Mr. Smith:

Thank you for inviting Dudek to propose on the above referenced project. We are pleased to provide the following scope and fee proposal for engineering design services for the 4S Ranch Water Reclamation Facility (WRF) Tertiary Filter System Rehabilitation Project.

Project Understanding

The District has completed several assessments and evaluations of its WRF Tertiary Filter System. After careful review of available information, the District decided to rehabilitate the existing WRF equipment, including replacing and upgrading other ancillary components. To facilitate rehabilitation of the filter system, it is necessary to implement a temporary tertiary filter system. The temporary filtration system requires temporary power and controls, as well as approval of jurisdictional permitting agencies (specifically the State Water Resources Control Board, Division of Drinking Water). The provided scope of services details various engineering services required to rehabilitate the existing filter system, while maintaining ongoing recycled water production and gaining required regulatory approvals.

Scope of Work

The Scope of Work (below) for rehabilitation of the 4S Ranch WRF filter system include the following tasks:

Task 1: Technical Memorandum. Dudek is proposing the development of a Technical Memorandum (TM) to document the project requirements necessary for filter system rehabilitation. Services supporting preparation of this TM include the following:

- Collect existing record drawings (in AutoCAD format, if available), as well as available shop drawings or submittals from the original filter system construction, if available.
- Conduct site visit(s) to collect field measurements and document field conditions, aiding in determination of:

- Filter influent and effluent piping alignment and access
- Backwash piping connections, alignment and access
- Temporary filter system siting, piping and location
- Electrical and control connections and routing
- Coordinate with jurisdictional permitting agencies on approval and operational documentation requirements for the temporary filter system, as well as reestablishing the rehabilitated filter system operation. Dudek will coordinate with the SWRCB Division of Drinking Water, Regional Water Quality Control Board, and Department of Health and Human Services and others, as required or necessary.
- Coordinate with the manufacturers of the existing and temporary filter / pump systems to define a detailed filter system rehabilitation plan, including flow capacity, control and power requirements, dimensional information, cost, availability, and California Title 22 compliance.
- Prepare Technical Memorandum to document the following:
 - Permitting approval and operational requirements
 - System connection plan
 - Power availability and connection plan
 - Design criteria, description, layout, and proposed manufacturers of
 - Temporary filter equipment
 - Temporary filter effluent pumping equipment
 - Hydraulic analysis of the existing and temporary filter influent pumps
 - Recommended connection and routing of temporary piping and electrical facilities
 - Temporary controls connectivity and required SCADA modifications to accommodate temporary equipment
 - Construction sequencing recommendations
 - Cost opinion
 - Construction schedule projection

Task 2: Bid Documents. Following review and approval of the Technical Memorandum by District staff, Dudek will proceed with development of the bidding documents necessary to implement the rehabilitation plan, as defined under Task 1. Required services include:

- Prepare technical drawings and specifications, consistent with the detailed rehabilitation plan, as developed under Task 1. It is projected that 15 plan sheets will be necessary for bidding purposes. Table 1 defines the projected list of drawings for the project.

Table 1. Projected Drawing Summary

Sht No.	Dwg No.	Drawing Title
1	G-1	Title Sheet, Vicinity and Location Map
2	G-2	Drawing Index and General Notes
3	G-3	Symbols and Abbreviations
4	G-4	Site Plan and Contractor Staging Area
5	G-5	Construction Sequencing Plan
6	G-6	Temporary piping connection details
7	D-1	Rehabilitation site key plan
8	D-2	Rehabilitation plan - filters
9	D-3	Rehabilitation details
10	M-1	Mechanical site key plan
11	M-2	Mechanical plan - filters
12	M-3	Mechanical sections
13	M-4	Mechanical details
14	E-1	Electrical demoltion sheet
15	E-2	Electrical filter plan
16	E-3	Electrical diagrams
17	E-4	Electrical diagrams

- Define performance requirements and design criteria of the temporary filtration facilities in the technical specifications, including requirement for submission of a detailed bypass and operational maintenance plan. Design and materials selection for the temporary facilities (equipment, piping, electrical, controls, etc.) will be defined in cooperation with the temporary system manufacturer, and reflected in the technical specifications. Submission of "or equal" temporary systems will be discussed with District staff, as limited space is available at the plant site.
- Projected construction sequencing will be included in the technical specifications, including phasing requirements and equipment connection locations. However, the Contractor will be required to develop, submit, and implement his/her own construction sequence plan for the project.

- Review District front-end documents and revise accordingly.
- Prepare AACE Class 2 cost opinion, with consideration of pre-negotiating the temporary filter equipment
- Submit 75%, 100% and final technical drawings and specifications. Deliverables will include:
 - PDF copy of full size drawings and specifications
 - 2 hard copy prints of full size drawings
 - 4 hard copy prints of half-size drawings
 - 4 hard copy prints of specifications

Task 3: Project Management & Meetings. In support of the planning and design effort under Tasks 1 and 2, Dudek will provide the following administrative services:

- Conduct project kickoff meeting in a “workshop” format, with the intent of finalizing project objectives, discussing available record drawing information, identifying potential risk factors, confirming required project schedule, and defining short-term fieldwork requirements.
- Prepare monthly status reports to accompany invoicing, documenting work completed, work to be completed, budget status, schedule status and planned project deliverables.
- Conduct up to three review meetings with District staff to review comments received regarding the TM, as well as the 75-percent and 100-percent deliverables.
- Perform quality control review of each deliverable, including interdisciplinary reviews, checking of actual field conditions, project calculation reviews, cost opinions, deliverable review, unique project requirements, and successfully resolving and providing responses to District comments.

Clarifications

Based on our discussions with District staff, we provide the following clarifications to our proposed scope of work:

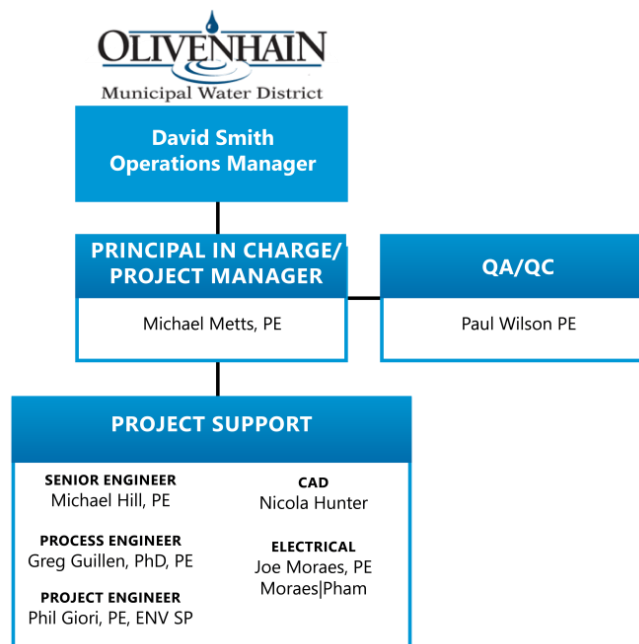
- Specifications provided in CSI 1995 format.
- District will provide record drawings (in AutoCAD format, if available) to be used for design of the filter system.
- Scope of work does not include engineering services during bidding or construction, which can be provided if District desires.

Project Team

The proposed team has worked together on multiple rehabilitation design projects. The key members of the project team include (Organization Chart provided below):

- Mike Metts, Project Manager and Principal in Charge
- Michael Hill, Lead Engineer
- Greg Guillen, Process Engineer
- Phil Giori, Project Engineer
- Moraes-Pham & Associates, Electrical Engineer

Project Organization Chart



Schedule and Fee

Dudek proposes a Time and Materials Not-To-Exceed budget consistent with the Table shown in Exhibit A. We propose to finalize the project schedule in discussion with District staff during the Project Kickoff Meeting. The District has the goal of beginning construction by May 2018.

Closing

The Dudek team is committed to continuous responsiveness to District needs, and providing a project that minimizes disruption to ongoing plant operations in a cost effective manner. We have the resources to begin working on the project upon authorization from the District. If you have any questions, please contact me at 760.479.4111 or by email at mmetts@dudek.com.

Respectfully Submitted,

DUDEK



D. Michael Metts, PE
Principal

EXHIBIT A
FEE PROPOSAL

Olivenhain Municipal Water District
4S Ranch Water Reclamation Facility Tertiary Filter System Rehabilitation Project
DUDEK FEE ESTIMATE
11/17/2017

	Project Team Role:	Dudek Labor Hours and Rates							TOTAL DUDEK HOURS	DUDEK LABOR COSTS	Electrical Engineering		OTHER DIRECT COSTS	TOTAL FEE	
		PIC/PM	Quality Control	Lead Engineer	Process Engineer	Project Engineer	CAD Designer	Admin			Moraes/Pham & Associates				
		Team Member:	M. Metts	P. Wilson	M. Hill	G. Guillen	P. Giori	N. Hunter			M. Kinney	Hours			Fee
		Billable Rate :	\$235	\$205	\$195	\$195	\$150	\$145			\$85				
Task 1 - Technical Memorandum															
1.1	Data collection and review			2		8			10	\$ 1,590		\$500		\$ 2,090	
1.2	Site visit	2		2		2	2		8	\$ 1,450		\$750		\$ 2,200	
1.3	Permitting agency coordination	2		4	8				14	\$ 2,810				\$ 2,810	
1.4	Coordination with manufacturers			4		12			16	\$ 2,580				\$ 2,580	
1.5	Technical memorandum	2	2	16	8	24	16	4	72	\$ 11,820		\$500		\$ 12,320	
1.6										\$ -				\$ -	
	Subtotal Task 1	6	2	28	16	46	18	4	120	\$ 20,250		\$ 1,750		\$ 22,000	
Task 2 - Bid Documents															
2.1	Drawings	8	4	20	8	40	154		234	\$ 36,490		\$3,000		\$ 39,490	
2.1	Specifications	4	4	12	16	30		4	70	\$ 12,060		\$750		\$ 12,810	
2.2	Cost opinion	2		2		16			20	\$ 3,260		\$500		\$ 3,760	
2.3	Submit deliverables (75%, 100%, and Final)	4	4	8		8	8	4	36	\$ 6,020				\$ 6,020	
	Subtotal Task 2	18	12	42	24	94	162	8	360	\$ 57,830		\$ 4,250		\$ 62,080	
Task 3 - Project Management and Meetings															
3.1	Kickoff meeting	2		2		2			6	\$ 1,160		\$500		\$ 1,660	
3.2	Project administration and invoicing	8						4	12	\$ 2,220				\$ 2,220	
3.3	Review meetings (x3)	6		6		6			18	\$ 3,480		\$1,000		\$ 4,480	
3.4										\$ -				\$ -	
	Subtotal Task 3	16		8		8		4	36	\$ 6,860		\$ 1,500		\$ 8,360	
	Total Non-Optional Hours and Fee	40	14	78	40	148	180	16	516	\$ 84,940		\$7,500		\$ 92,440	
	<i>Percent of Hours:</i>	8%	3%	15%	8%	29%	35%	3%	100%						

Note: Dudek is applying no markup to subconsultant or ODC costs

Memo

Date: December 13, 2017
To: Olivenhain Municipal Water District Board of Directors
From: Teresa Chase, Staff Analyst
Via: Kimberly Thorner, General Manager
Subject: **CONSIDER REVISIONS TO THE LEGISLATIVE GUIDELINES FOR 2018**

Purpose

The purpose of this item is to review and approve proposed updates to OMWD's Legislative Guidelines for 2018. This is an annual update item.

Recommendation

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

Alternative(s)

- The board could choose against approval of this item.
- 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 were extended into 2017.


Fiscal Impact

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

Discussion

Revisions proposed for 2018 include minor edits and additions to reflect OMWD's continued focus on the development of alternative water and energy resources, as well as to prepare for anticipated regulatory actions. The proposed updates also incorporate many of the changes made by SDCWA to its own Legislative Policy Guidelines for 2018. Jennifer Capitolo and Richard Harris of Nossaman LLP reviewed the proposed 2018 Legislative Guidelines and their comments were incorporated.

Attachment: Legislative Guidelines

 <p>OLIVENHAIN Municipal Water District Guidelines & Procedures Manual</p>	Legislative Guidelines	
	OMWD Guidelines & Procedures	
	Page 1 of 21	Latest Revision Date January 18, <u>December 13,</u> 2017

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.

 <p>OLIVENHAIN Municipal Water District Guidelines & Procedures Manual</p>	Legislative Guidelines	
	OMWD Guidelines & Procedures	
	Page 2 of 21	Latest Revision Date January 18, <u>December 13,</u> 2017

- 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 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 upon to the board, citing the guideline(s) with which the action complies.

1. 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, improve the reliability and quality of the San Diego region's water supplies, and protect the Sacramento-San Joaquin Delta’s ecosystem.

3. Investigates and provides financial support to projects designed to mitigate potential negative impacts of climate change on water supply reliability.
4. Authorizes and appropriates the federal share of funding for the long-term Sacramento-San Joaquin Delta solution.
5. Provides the ongoing state share of funding for the long-term Sacramento-San Joaquin Delta solution.
6. Provides state funding for aquatic toxicity monitoring in the Sacramento-San Joaquin Delta. Such legislation should not place a surcharge on water supply exports nor should it substantively reduce funding for other measures that protect 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 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 that will improve water management.
12. Encourages efficient use of existing facilities to advance voluntary transfers 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.


 <p>OLIVENHAIN Municipal Water District Guidelines & Procedures Manual</p>	Legislative Guidelines	
	OMWD Guidelines & Procedures	
	Page 4 of 21	Latest Revision Date January 18, December 13, 2017

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~~CALFED program activity~~; 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 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. Creates a water transfer clearinghouse that is anything other than a neutral information resource.
5. Increases regulatory or procedural impediments to water transfers at the local or state level.
- ~~6. Requires additional reviews or approvals of Sacramento-San Joaquin Delta conveyance options beyond those provided by SB X7-7 (2009).~~

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 and especially 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.

 <p>OLIVENHAIN Municipal Water District Guidelines & Procedures Manual</p>	Legislative Guidelines	
	OMWD Guidelines & Procedures	
	Page 5 of 21	Latest Revision Date January 18, <u>December 13,</u> 2017


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 use of rainwater capture systems (e.g., barrels and cisterns) and alternative water sources (e.g., air conditioner condensate) for use in irrigation.
9. Authorizes local governmental agencies to regulate the discharge of contaminants to the sewer collection system that may adversely affect water recycling and reuse.
10. Facilitates and encourages the use of recycled water in commercial, industrial, institutional, and residential settings.
11. Encourages dual-plumbing in all new development to enable utilization of recycled water when available.
12. Provides financial incentives to assist in the disposal of concentrate, sludge, and other byproducts created in the water treatment process and supports the appropriate degree of regulation commensurate with the effect on the environment.
13. Ensures OMWD receives the dry-year water supply benefits of its investment in local water supply sources.
14. Provides for the interchangeability of funding for groundwater and surface water enhancements to best fit the ~~hydrogeologic~~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 ~~Appendix J of~~ the California Plumbing Code that address recycled water systems.

 <p>OLIVENHAIN Municipal Water District Guidelines & Procedures Manual</p>	Legislative Guidelines	
	OMWD Guidelines & Procedures	
	Page 6 of 21	Latest Revision Date January 18, <u>December 13,</u> 2017

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 a waste.
21. Ensures that decision-making with regard to stormwater management and recapture is kept at the local or regional level through local water agencies, stormwater districts, cities, counties, and regional water management groups.
22. Recognizes that stormwater management and recapture are important tools in a diversified water portfolio that can help to achieve improved water quality in local surface and groundwater supplies, augment surface and groundwater supplies for local water agencies, and promote landscape conservation from a water runoff perspective.
23. Promotes and encourages the use of stormwater best management practices to reduce pollutant loading, increase local municipal water supplies, and improve water quality through low-impact development and watershed-based stormwater treatment systems.
24. Provides incentives for the local or regional use of stormwater management, nutrient management, and/or recapture.
25. Reduces or removes regulatory hurdles that hinder the use of stormwater management and recapture.
26. Preserves local water agencies' ability to establish local priorities for water resources planning decisions.

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


1. Limits the ability of local governmental agencies to regulate the discharge of contaminants to the sewer collection system that may adversely affect water recycling and reuse.
2. Establishes unreasonable regulatory requirements or fees relative to the safe use of recycled water, which may unreasonably impede or create a disincentive to its further development.

 <p>OLIVENHAIN Municipal Water District Guidelines & Procedures Manual</p>	Legislative Guidelines	
	OMWD Guidelines & Procedures	
	Page 7 of 21	Latest Revision Date January 18, <u>December 13,</u> 2017

3. Contributes to the degradation of source water quality in and around reservoirs and groundwater basins.
4. Promotes unreasonable and burdensome restrictions on reporting requirements on the effective operation of OMWD facilities, such as the classification of a water treatment plant as a chemical facility under Homeland Security reporting provisions.
5. Restricts OMWD's ability to manage, store, or distribute water supplied through actions to manage or recapture stormwater.
6. Diminishes the water rights of downstream water users through actions to manage or recapture stormwater.
7. Imposes unnecessary regulations or costs upon local retail agencies developing alternative water supplies such as recycled water, desalination, brackish groundwater desalination, etc.
8. Limits local water agencies' ability to establish local priorities for water resources planning decisions.
9. Mandates the reduction of wastewater discharges to the ocean absent the inclusion of funding to offset the significant costs of implementation.

V. Water Quality Issues - It shall be OMWD's policy to support legislation that:

1. Assists in achieving a year-round blend of imported water supplies that achieves board-adopted water quality objectives, which allow OMWD and the region to maximize the development of recycled water and reduce financial costs to the customer due to high levels of total dissolved solids in imported water supplies.
2. Assures cost-effective remediation and cleanup of contaminants of concern that have impacted groundwater and surface water.
3. Provides the necessary funding for research on the occurrence, treatment, health effects, and environmental clean-up related to contamination of drinking water sources.
4. Incorporates sound scientific principles in adopting drinking water standards for drinking water contaminants.
5. Provides for the protection of source water such as reservoirs and groundwater basins so that the waters can be beneficially used for consumptive purposes.


 <p>OLIVENHAIN Municipal Water District Guidelines & Procedures Manual</p>	Legislative Guidelines	
	OMWD Guidelines & Procedures	
	Page 8 of 21	Latest Revision Date January 18, <u>December 13,</u> 2017

6. Implements and funds the San Diego Regional Water Quality Control Board's triennial review of water quality standards.
7. Supports enhancements to treatment technology beneficial to the water industry.
8. Provides funds for water treatment facility upgrades in order to comply with future regulations.
9. Exempts the conveyance, storage, or release of water supplies from regulation as a discharge under the Clean Water Act and other water quality control laws.
10. Appropriately protects drinking source water reservoirs as special-purpose, man-made water bodies different in nature than natural waterways, rivers, lakes, and coastal waters, while allowing maximum flexibility for operations as part of a managed water supply system.
11. Establishes appropriate quality standards, testing procedures, and treatment processes for emerging contaminants.
12. Directs the state's participation or assistance in water quality issues related to or threatening the Colorado River water source.
13. Provides funding and support for Colorado River salinity control projects and other water quality management efforts.
14. Alters the definition of "lead free" to reduce the permissible amount of lead in fixtures, plumbing, and pipe fittings to be installed for the delivery of drinking water.
15. Exempts purified wastewater from regulation as a discharge under the Clean Water Act.
16. Streamlines permitting of facilities constructed for the purpose of improving water quality.

VI. 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.

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

 <p>OLIVENHAIN Municipal Water District Guidelines & Procedures Manual</p>	Legislative Guidelines	
	OMWD Guidelines & Procedures	
	Page 9 of 21	Latest Revision Date January 18, <u>December 13,</u> 2017


1. Defines the "San Diego sub-region" and "San Diego county watersheds" as those portions of the westward-flowing watersheds of the South Coast hydrologic region situated within the boundaries of San Diego County.
2. Requires the state agencies responsible for preparing the integrated regional water management grant program guidelines to conduct a comprehensive public outreach process that ensures stakeholders have an opportunity to provide adequate input on preparation of the guidelines and that the state agencies consider and respond to comments received through the outreach process.
3. Provides for population-based distribution of funds to ensure adequate distribution of grant funding throughout the state.
4. Allows for creation of sub-area plans that enhance, but do not duplicate, or replace, a larger recognized integrated regional water management plan.
5. Establishes a task force to provide recommendations to the state on improving the integrated regional water management planning process in California.
6. Provides for the use of state funds for binational projects where projects benefit water supply or water quality in the San Diego region.
7. Improves and streamlines the state's reimbursement process to ensure timely remittance of IRWM funds.
8. Promotes the ability of the Regional Water Management Group to more directly administer state grant funds specifically identified for IRWM programs.
9. Promotes cost sharing amongst regions for regional conveyance.

VIII. Integrated Regional Water Management Planning - It shall be OMWD's policy to oppose legislation that:

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


IX. Water Facilities/Facility Improvement - It shall be OMWD's policy to support legislation that:

1. Funds or otherwise facilitates 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

 <p>OLIVENHAIN Municipal Water District Guidelines & Procedures Manual</p>	Legislative Guidelines	
	OMWD Guidelines & Procedures	
	Page 10 of 21	Latest Revision Date January 18, <u>December 13,</u> 2017

rehabilitation that benefit OMWD and/or San Diego County.

2. Provides funding for water infrastructure development, security, rehabilitation, and/or replacement projects that benefit OMWD and/or San Diego County.
3. Funds enhancements to water treatment, recycling, and potable reuse facilities to meet more stringent regulations.
4. Funds improvements to water treatment facilities that allow greater use of State Project water.
5. Provides funding for the preservation of cultural resources affected by construction or operation of water conveyance and storage facilities.
6. Provides funding for habitat preservation programs that address impacts resulting from construction or operation of water system facilities.
7. Provides OMWD with greater flexibility in the management of environmental mitigation parcels.
8. Provides funding for the control, prevention, or eradication of non-indigenous aquatic species, including dreissenid mussels.
9. Authorizes state and federal wildlife agencies to provide assistance to local water agencies in the control, prevention, and eradication of non-indigenous aquatic species, including dreissenid mussels.
10. Exempts owners and operators of water supply facilities from criminal and civil liabilities associated with dreissenid mussel infestations if due diligence requirements are being met.
11. Provides incentives that encourage the optimization, expansion, and cooperative use of existing surface reservoirs.
12. Provides funding for projects that improve the security of OMWD facilities and operations.
13. Provides funding to water agencies for the voluntary retrofit of facilities for on-site generation of chlorine.
14. Permits the use of grant funding for projects implemented under public-private partnerships where the grant provides funding for a public benefit.

 <p>OLIVENHAIN Municipal Water District Guidelines & Procedures Manual</p>	Legislative Guidelines	
	OMWD Guidelines & Procedures	
	Page 11 of 21	Latest Revision Date January 18, <u>December 13,</u> 2017

X. 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. Shifts the risks of indemnity for damages and defense of claims from contractors to OMWD.
4. Impairs OMWD's ability to execute construction projects using its own employees.
5. 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.
6. 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.
7. 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.

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

~~1. Achieves a 20 percent reduction, statewide, in per capita water use by 2020 as set forth in SB X7-7 through the following elements:~~

1. Preservation of individual water agency discretion and options for achieving this water use efficiency objectives, or any ~~subsequent~~ state-mandated water use efficiency goals, targets, or standards.

~~Requirement to reduce potable water use and improve water use efficiency for urban and agricultural water uses, including implementation of best management practices by retail and wholesale water suppliers.~~

2. Establishment of 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.
~~with targets based upon a 20 percent reduction in urban per capita water use.~~

~~2.3.~~ Establishes ~~es ment of an~~ appropriate existing (“baseline”) ~~uses~~ and recogn~~ization~~ of 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.

~~3.4.~~ Provides fFull 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.

~~4.5.~~ Allows ~~s anee~~ for individual water agencies to collaborate, if so desired, to establish integrated regional water conservation goals.

~~5.6.~~ Allows for local agencies to account for all water supplies available during droughts or other events when calculating a water supply shortage level.

~~6.7.~~ Recogn~~ization~~ of 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.

~~7.8.~~ Assists OMWD’s ability to provide and operate the necessary facilities for a safe, reliable, and operationally flexible water storage, treatment, and delivery system.


~~8.9.~~ Requires installation and use of retail water meters.

~~10.~~ Promotes statewide implementation of foundational Best Management Practices as defined by the California Urban Water Conservation Council and Demand Management Measures as defined by the Urban Water Management Planning Act.

~~9.10.~~ Sets cost-effective efficiency standards for water-using devices.

~~10.11.~~ Provides loans and grants to fund incentives for water-efficient devices or practices, and demonstration projects and studies.

~~11.12.~~ Ensures accurate and meaningful reporting of implementation of water conservation measures.

 <p>OLIVENHAIN Municipal Water District Guidelines & Procedures Manual</p>	Legislative Guidelines	
	OMWD Guidelines & Procedures	
	Page 13 of 21	Latest Revision Date January 18, <u>December 13,</u> 2017

13. Encourages implementation of effective water management practices for urban landscape and agricultural irrigation.

~~12-14.~~ 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

~~13-15.~~ Encourages the use of decentralized non-potable water systems and graywater where it complies with local guidelines and regulations and is cost-effective.

~~14-16.~~ Establishes standards for the utilization of high-efficiency commercial coin operated and residential clothes washers.

~~15-17.~~ Requires sub-metering connections to be built in new construction of multiple commercial or residential buildings.

~~16-18.~~ Encourages plumbing fixture retrofit upon real property resale.

~~17-19.~~ Encourages stakeholders to investigate and develop statewide landscape water conservation standards and regulations.

~~18-20.~~ Restricts Property Owner Associations from forbidding the use of California native plants, other low-water-use plants, or artificial turf in well-maintained landscapes.

~~19-21.~~ Restricts Property Owner Associations from forbidding retrofits of multiple unit facilities for the purpose of sub-metering, if feasible.


~~20-22.~~ Ensures plumbing codes and standards facilitate the installation and/or retrofit of water-efficient devices.

~~21-23.~~ Encourages and/or supports programs that promote a sustainable approach to landscape design, construction, and maintenance.

~~22-24.~~ Provides for federal tax-exempt status for water use efficiency rebates, consistent with income tax treatment at the state level.

XII. Water Use Efficiency - It shall be OMWD's policy to oppose legislation that:


1. Repeals cost-effective efficiency standards for water-using devices.

 <p>OLIVENHAIN Municipal Water District Guidelines & Procedures Manual</p>	Legislative Guidelines	
	OMWD Guidelines & Procedures	
	Page 14 of 21	Latest Revision Date January 18, <u>December 13,</u> 2017

2. Prescribes ~~statewide~~ 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.
4. Disincentivizes ~~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.~~
- ~~3.5.~~ 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.

XIII. 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 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.

 <p>OLIVENHAIN Municipal Water District Guidelines & Procedures Manual</p>	Legislative Guidelines	
	OMWD Guidelines & Procedures	
	Page 15 of 21	Latest Revision Date January 18, <u>December 13,</u> 2017

7. Provides federal and/or state funding to implement actions that address the ecological and water supply management issues of the Sacramento-San Joaquin Bay-Delta.
8. Consolidates wetland regulations to alleviate multi-agency jurisdiction over the same environmental resource.

XIV. 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.

XV. 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 of water agencies to establish water rates locally.
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.

XVI. 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.

 <p>OLIVENHAIN Municipal Water District Guidelines & Procedures Manual</p>	Legislative Guidelines	
	OMWD Guidelines & Procedures	
	Page 16 of 21	Latest Revision Date January 18, <u>December 13,</u> 2017

3. Makes any unilateral reallocation of OMWD’s revenues by the state.
4. Impairs OMWD’s ability to provide reasonable service at reasonable costs or to charge all the same rate for each class of service consistent with cost-of-service requirements of the law.
5. Pre-empts OMWD’s ability to impose or change rate charges, fees, or assessments.
6. Impairs OMWD’s ability to maintain reasonable reserve funds and obtain and retain reasonable rates of return on its reserve accounts.
7. Imposes additional administrative requirements and/or restricts OMWD or its ability to finance public facilities through the issuance of long-term debt.
8. Reduces OMWD’s revenues without giving OMWD a commensurate public benefit that is clearly identifiable and separate from a general statewide benefit.
9. Restructures OMWD’s responsibilities without also providing the commensurate restructuring of revenues.
10. Requires the expenditure of OMWD or member agency funds to accomplish federal water supply commitments such as may be required in national treaties.
11. Weakens the protections afforded OMWD under California's Proposition 1A (2004).
12. Mandates a specific rate structure for retail water agencies.
13. Imposes a water user fee on water agencies or water users that do not provide a commensurate and directly linked local benefit in the local area or region from which the water user fee is collected.
14. Imposes a water user fee for statewide projects or programs for which the projects or programs are not clearly defined, the beneficiaries identified, and the reasonable cost identified.
15. Imposes a water user fee in order to create a state fund that can be used to finance undefined future projects and programs.
16. Imposes a “public goods charge” on public water agencies or their ratepayers.
17. Imposes a fee on water users to repay the principal and interest on a statewide general obligation bond.

 <p>OLIVENHAIN Municipal Water District Guidelines & Procedures Manual</p>	Legislative Guidelines	
	OMWD Guidelines & Procedures	
	Page 17 of 21	Latest Revision Date January 18, <u>December 13,</u> 2017

18. 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.
19. 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.
20. Reduces or eliminates the tax-exempt status on municipal financing.

XVII. 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.

XVIII. 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.

XIX. Energy - It shall be OMWD's policy to support legislation that:


1. Provides opportunities for reduced energy rates under tariff schedules 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, ~~or~~ solar or other renewable energy generation or storage projects.
4. Provides protection from energy rate increases and provides rate relief.

 <p>OLIVENHAIN Municipal Water District Guidelines & Procedures Manual</p>	Legislative Guidelines	
	OMWD Guidelines & Procedures	
	Page 18 of 21	Latest Revision Date January 18, <u>December 13,</u> 2017

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 a clean, environmentally sound, and renewable energy resource.
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.
8. Promotes funding for use of renewable energy in the operation of OMWD facilities.

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

1. Adversely affects the cost of energy needed to move, treat, or deliver water.
2. Adversely affects OMWD's ability to own, operate, and/or contract work for supplying its own facilities with natural gas and electricity.
3. Impedes OMWD's ability to contract for the purchase of gas and electricity from the United States, the State of California, and any other public agency or private entity and sell the gas and electricity to any public agency or private entity engaged in retail sales of electricity and gas.
4. Restricts or caps future energy demands needed for possible expansion of recycled water, potable reuse, and desalination projects.
5. Adversely affects OMWD's ability to expand cogeneration at planned or existing facilities.
6. Prevents OMWD from enhancing energy reliability and independence for its facilities.
7. Imposes greenhouse gas reduction obligations on public water agencies for energy purchased or produced for the sole purpose of operating its system.
8. Does not count or credit qualified renewable energy projects toward accomplishment and satisfaction of the California Renewables Portfolio Standard objectives.
9. Mandates that water agencies include an embedded energy calculation for their water supply sources in the Urban Water Management Plan or any other water resource planning or master planning document.

 <p>OLIVENHAIN Municipal Water District Guidelines & Procedures Manual</p>	Legislative Guidelines	
	OMWD Guidelines & Procedures	
	Page 19 of 21	Latest Revision Date January 18, <u>December 13,</u> 2017


10. Results in a lengthy, more complicated, or more costly interconnection of new energy resources such as solar, in-line hydroelectricity, pumped storage, and other renewable energy generation or storage technologies to the electric distribution and transmission grid.

XXI. 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.

XXII. 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, ~~SB-220, SB-221, and SB-610~~ 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 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 selection of water resources for implementation.

 <p>OLIVENHAIN Municipal Water District Guidelines & Procedures Manual</p>	Legislative Guidelines	
	OMWD Guidelines & Procedures	
	Page 20 of 21	Latest Revision Date January 18, <u>December 13,</u> 2017

XXIII. Land Use and Water Management Planning - It shall be OMWD's policy to oppose legislation that:


1. Restricts OMWD's ability to utilize a demand forecasting methodology that is best suited for the region.
2. Imposes land use designations that preclude the use of such lands for public water infrastructure determined necessary to ensure a cost-effective, safe, and reliable water supply.
3. Requires the use of specific evaluation criteria in water supply planning and selection of potential water supply projects that fails to take into account or conflicts 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.

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

1. Provides funding for water infrastructure development, infrastructure security, 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 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.

XXV. 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.

 <p>OLIVENHAIN Municipal Water District Guidelines & Procedures Manual</p>	Legislative Guidelines	
	OMWD Guidelines & Procedures	
	Page 21 of 21	Latest Revision Date January 18, <u>December 13,</u> 2017

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

XXVII. 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 state's water supply.
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.

XXVIII. 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.

XXIX. 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.

XXX. 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.

XXXI. 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.

Memo

Date: December 13, 2017
To: Olivenhain Municipal Water District Board of Directors
From: George Briest, Engineering Manager
Via: Kimberly Thorner, General Manager
Subject: **CONSIDER APPROVAL OF A CONTRACT WITH RAMONA PAVING FOR THE REPAVING OF BROOKSIDE LANE IN THE AMOUNT OF \$62,027 AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT**

Purpose

On July 24, 2017, the District experienced a leak from a pipeline in Brookside Lane which lifted and damaged approximately 250 linear feet of road surface. Approval of this item would authorize the General Manager to enter into an agreement with Ramona Paving in the amount of \$62,027 for the repair and replacement of the road surface.

Recommendation

Staff recommends approval of an agreement with Ramona Paving in the amount of \$62,027 and authorization for the General Manager to sign on behalf of the District.

Alternative(s)

The project was publicly bid and Ramona Paving submitted the lowest responsive and responsible bid. Subsequent to the bid, additional changed conditions were discovered which increased the bid price to \$62,027. Staff recommends proceeding with Ramona Paving as time is of the essence for completion of the work and other bidders would still be higher than Ramona Paving.

Background

On July 24, 2017, a water main in Brookside Lane (a private street) ruptured, causing failure of the pipe as well as significant damage to the private road surface. Due to the unknown cost of repairing the road surface and anticipating that the cost would exceed \$35,000, the project was placed out for public bid and bids were received on September 21, 2017. Ramona Paving was determined to be the lowest responsive and responsible bidder with a bid of \$28,436.50. Subsequent to the bid, additional damage was discovered which required replacement including pavement underlayment and additional damage to the road curbs which required their replacement.

Fiscal Impact

Funds for this design project are being taken from the Capital Replacement Fund – Potable. The additional work required for the project increased the base cost of the bid from the original bid of \$28,436.50 to \$62,027. Funds are available in the fund to cover these costs.

Discussion

Authorization to proceed was given to Ramona Paving as the base bid was originally under the General Manager's authorization limit. The additional required work exceeded the authorization limit and requires Board approval. Staff met on numerous occasions with representatives from the HOA and determined that the work should be conducted by the District under a self-insured condition so that the repairs could be completed in a customer service oriented manner. The work to finish the road proceeded and has been completed as the road was in full construction and needed to be finished. A tabulation of the bids received and the change order work to Ramona Paving is attached for your information. Staff is available to answer questions.

Brookside Lane Pavement Restoration Project
 Bid Results 09/21/2017

	Bidder:	1	2	3	4	5	6	7
Bid Item Number	Bid Item	Ramona Paving & Construction	PAL General Engineering	Kirk Paving Inc.	Joe's Paving	Koch General Eng.	All American Asphalt	RAP Engineering, Inc.
A-1	Mob/Demob, Bonds, Permits, Insurance & Cleanup	\$5,500.00	\$1,000.00	\$21,420.00	\$3,000.00	\$20,250.00	\$6,830.84	\$3,130.00
A-2	"Virgin" Class II Road Base, 180 tons	\$7,200.00	\$8,100.00	\$8,450.00	\$13,095.00	\$9,981.00	\$18,838.80	\$12,370.00
	3/4" Hot Mix A.C. Base Course 3 1/2" thick, 105 tons	\$10,500.00	\$17,325.00	\$10,800.00	\$22,050.00	\$13,335.00	\$14,578.20	\$39,250.00
	1/2" Hot Mix A.C. Cap 1 1/2" thick, 45 tons	\$4,500.00	\$8,550.00	\$6,300.00	\$9,594.90	\$6,525.00	\$6,247.80	\$6,600.00
A-3	Deleted	-	-	-	-	-	-	-
A-4	GuardTop Seal Coat	\$736.50	\$2,455.00	\$1,100.00	\$1,964.00	\$1,227.50	\$5,941.10	\$1,250.00
Total Bid Schedule		\$28,436.50	\$37,430.00	\$48,070.00	\$49,703.90	\$51,318.50	\$52,436.74	\$62,600.00
Bid Form Checklist		✓	✓	✓	✓	✓	✓	✓
Bid Bond		✓	✓	✓	✓	✓	✓	✓
Addendum #1		✓	✓	✓	✓	✓	✓	✓
Class II Base		CCA	Escondido Materials	Superior Ready Mix	Superior Ready Mix	Superior Ready Mix	All American Asphalt	Vulcan Materials

CONTRACT CHANGE ORDER

Owner: **OLIVENHAIN MUNICIPAL WATER DISTRICT** OMWD File No. 17AGR062
Project: Brookside Lane Pavement Restoration Project
Contractor: Ramona Paving

CONTRACT CHANGE ORDER NO. 01 **Date** 11/20/17

The Contractor is hereby authorized and directed to make the herein described changes from the Plans and Specifications or do the following work not included in the Plans and Specifications for the construction of this project. Payment to the contractor for these change order items shall provide full compensation for all equipment, materials, labor, field and home office overhead, indirect and consequential costs, mark-ups and profit necessary to complete the work. By executing this contract change order, the contractor agrees to proceed with this work as a change order per the contract documents and waives any rights to additional compensation arising out of work listed in this change order, including without limitation, any claims relating to any cumulative effect of change orders, delays, productivity impact or interruption.

DESCRIPTION OF CHANGE

1. Replace the three (3) existing speed bumps with three (3) speed humps and striping per the Standard Drawing included in PCO #1. The cost of this work is \$5,400. Three (3) calendar days to be added to the contract for this work. See PCO #1 for details.
2. 225 LF of the asphalt berm (San Diego Regional Standard Drawing G-05 Type E) on the South side of the repair area required replacement due to excessive damage from the water main leak. The cost of this work is \$13,329.00. Four (4) calendar days to be added to the contract for this work. See PCO #2 for details.
3. The existing street section contains pavement fabric, which was unknown at the time of bid and requires replacement along the entire length of the repair area and full width. The cost of this work is \$12,000.00. The asphalt street sections is modified to two-inches of 1/2" mix over two-inches of 3/4" mix. Fifteen (15) calendar days to be added to the contract for this work. See PCO #3 for details.
4. The limits of the asphalt removal were modified to facility drainage and long-term maintenance of the repair. The entire North side of the repair area will be cold milled 18" wide x 2" deep. The limits of AC removal on the North side of the repair area will be reduced to 18" from curb (edge of header cut even with concrete driveway aprons). The cost of this work is \$3,598.00. Three (3) calendar days to be added to the contract for this work. See PCO #5 for details.
5. Bid Item A-4 was removed from not required to be installed per the direction of the HOA. The cost of this work is a CREDIT of \$736.50. Zero (0) calendar days to be added to the contract for this work.

Original Contract Amount: \$28,436.50
Total Previous Change Orders (Through CCO #0): \$0.00
Total This Change Order: \$33,590.50
Revised Contract Amount: \$62,027.00
Original Contract Duration: 28 Calendar Days
Original Contract Completion Date: November 26, 2017
Total Calendar Days Added from Previous Change Orders (Through CCO #0): 0
Total Calendar Days Added This Change Order: 25
Revised Contract Duration: 53 Calendar Days
Revised Contract Completion Date: December 21, 2017
TOTAL COST for this CHANGE ORDER is Thirty-Three Thousand Five Hundred Ninety Dollars and Fifty Cents INCREASE.

It is agreed that 25 consecutive calendar day(s) extension of time will be allowed by reason of this change. The original completion date was November 26, 2017 and the revised completion date is December 21, 2017 (including weather delays).

Prepared by Construction Manager



Paul Mochel, Valley Construction Management

Accepted by CONTRACTOR

Approved by OWNER

By: J. Hilsack 

By: _____

Date: 11/20/17

Date: _____

NOTE: Attention is called to the sections in the General Provisions on Scope of Work and Estimates and Payments.

THIS CHANGE ORDER IS NOT EFFECTIVE UNTIL APPROVED BY OWNER.

IF ACCEPTABLE TO THE CONTRACTOR, THIS CHANGE ORDER IS EFFECTIVE IMMEDIATELY.

Distribution: Owner Contractor Engineer Finance

Memo

Date: December 13, 2017
To: Olivenhain Municipal Water District Board of Directors
From: Rainy Selamat, Finance Manager
Via: Kimberly Thorner, General Manager
Subject: **CONSIDER APPROVAL OF THE DISTRICT'S FISCAL YEAR 2016-2017 AUDITED FINANCIAL STATEMENTS AND COMPREHENSIVE ANNUAL FINANCIAL REPORT (FINAL DRAFT)**

Purpose

Staff is requesting the Board to consider approval of the fiscal year 2016-2017 Audited Financial Statements and to consider approval of the final draft of the District's fiscal year 2016-2017 Comprehensive Annual Financial Report (CAFR). A hard copy of the District's fiscal year 2016-2017 CAFR will be available at the meeting.

The auditors completed their audit and have provided the District with an unmodified (clean) opinion on the basic Financial Statements. The auditor's opinion letter, audited Financial Statements, and footnote disclosures are included in the attachments. The audit results and significant findings were discussed with the Finance Committee members at its November 15, 2017 meeting.

Recommendation

Staff recommends the Board consider approval of the Comprehensive Annual Financial Report.

Alternative(s)

N/A

Background

The District extended the auditing contract with White Nelson Diehl Evans, LLP for an additional 2 fiscal years starting with fiscal year 2016-2017. The attached audited Financial Statements represent the firm's fourth independent audit of the District under the current contract.

Fiscal Impact

There are no significant audit adjustments during the fiscal year 2016-2017 financial audit.

Audit results, significant changes to the District's financial position, and the auditors' recommendation for process improvements were reviewed and discussed with the Finance Committee at the November 15 meeting. The auditors' letter to the Board of Directors is attached for Board review.

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. The auditors' findings are intended to improve the District's internal controls as well as the integrity of the District's financial reporting.

The auditors and staff will report audit results for discussion with the Board at the meeting.

Attachments: Auditor's Letter to the Board
Final Draft of FY 16-17 Comprehensive Annual Financial Report (CAFR)

Board of Directors
Audit Committee
Olivenhain Municipal Water District
Encinitas, California

We have audited the basic financial statements of the Olivenhain Municipal Water District for the year ended June 30, 2017, and have issued our report thereon dated November 16, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, 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 February 1, 2017. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings:

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Olivenhain Municipal Water District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2017. 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 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.

Significant Audit Findings (Continued)

Qualitative Aspects of Accounting Practices (Continued)

The most sensitive estimates affecting the financial statements were:

- a. Management's estimate of the fair market value of investments which is based on market values by outside sources.
- b. Management's estimate of useful lives of depreciable capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future.
- c. Management's estimate of the allowance for doubtful accounts is based on historical water revenues, historical loss levels, and an analysis of the collectability of individual accounts.
- d. The annual required contributions, pension expense, net pension liability and corresponding deferred outflows of resources and deferred inflows of resources for the District's public defined benefit plans with CalPERS are based on actuarial valuations provided by CalPERS.

We evaluated the key factors and assumptions used to develop these estimates in determining that they were 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 disclosures affecting the financial statements were:

- a. The disclosure regarding depreciation expense reported in Note 4.
- b. The disclosure of the net pension liability in Note 10 to the financial statements.

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 Adjustments

Professional standards require us to accumulate all known and likely adjustments identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management.

The attached schedule summarizes uncorrected adjustments of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

In addition, none of the adjustments detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Significant Audit Findings (Continued):

Disagreements with Management

For the purposes of this letter, professional standards define 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 of 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 16, 2017.

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 Olivenhain Municipal Water District's financial statements or a determination of the type of auditor's 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 Olivenhain Municipal Water 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 Management's Discussion and Analysis, Modified Approach for Steel Water Storage Tanks Infrastructure Capital Assets, Schedule of Proportionate Share of the Net Pension Liability, and Schedule of Contributions - Defined Benefit Plans, which are required supplementary information (RSI) that supplements 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 section or the statistical section, 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 of it.

Restrictions on Use

This information is intended solely for the use of the Board of Directors, Audit Committee 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.

White Nelson Dick Evans LLP

Carlsbad, California
November 16, 2017

**Schedule of Uncorrected Adjustments
June 30, 2017**

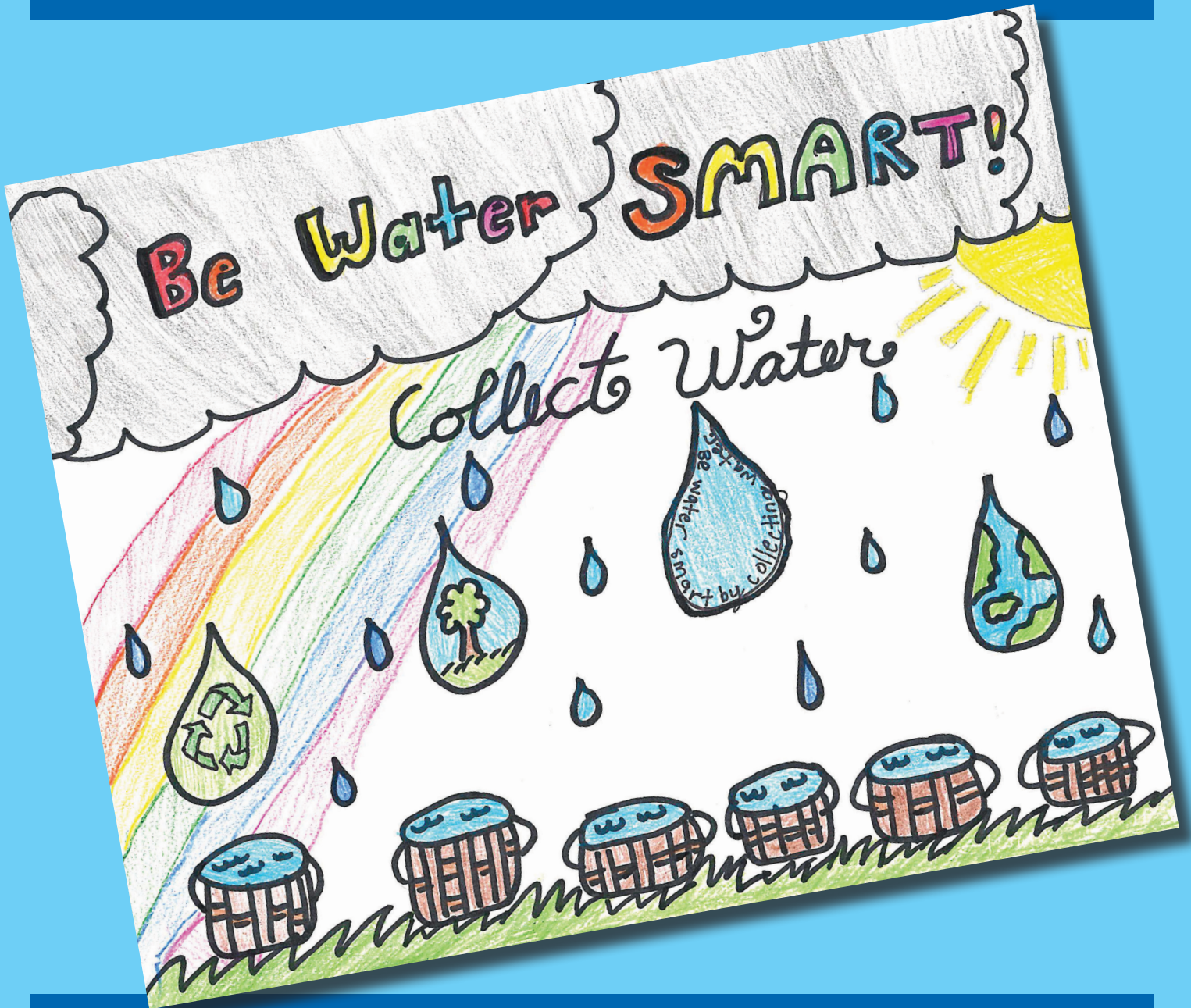
AJE	Account Name	Account #	Debit	Credit
1	Accum Deprec Reservoirs General	18520-100-000-000		23,393.45
	Accum Deprec Contrib Reservoirs General	18820-100-000-000	367,948.00	
	Net Position	30330-500-000-000		344,554.55

To account for reduction in accumulated depreciation for change to which steel tanks are reported under the modified approach for reporting infrastructure assets.

2	Other Operating Income - Rental - Gen	43123-100-000-000	45,941.67	
	Net Position	30330-100-000-000		45,941.67

Prior Period Adjustment: To account for cell tower lease revenue earned in prior fiscal years recognized in the current year.

Comprehensive Annual Financial Report
FISCAL YEARS ENDED JUNE 30, 2017 AND 2016

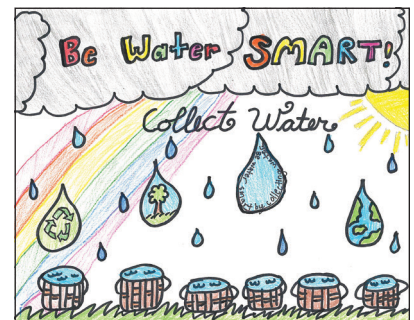


OLIVENHAIN

Municipal Water District

Comprehensive Annual Financial Report
Fiscal years ended June 30, 2017 and 2016
Prepared by the Finance Department

COVER



First Place
2017 Fourth Grade Water Awareness Poster Contest
Submitted by a student of Santa Fe Christian School

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.



L–R: Alfred Smith, Edmund K. Sprague, Gerald E. Varty, Christy Guerin, Lawrence A. Watt, Robert F. Topolovac, Kimberly A. Thorner

Board of Directors

Lawrence A. Watt, President
Christy Guerin, Vice President
Edmund K. Sprague, Treasurer
Gerald E. Varty, Secretary
Robert F. Topolovac, Director

General Manager

Kimberly A. Thorner, Esq.

General Counsel

Alfred Smith, Esq., Nossaman LLP



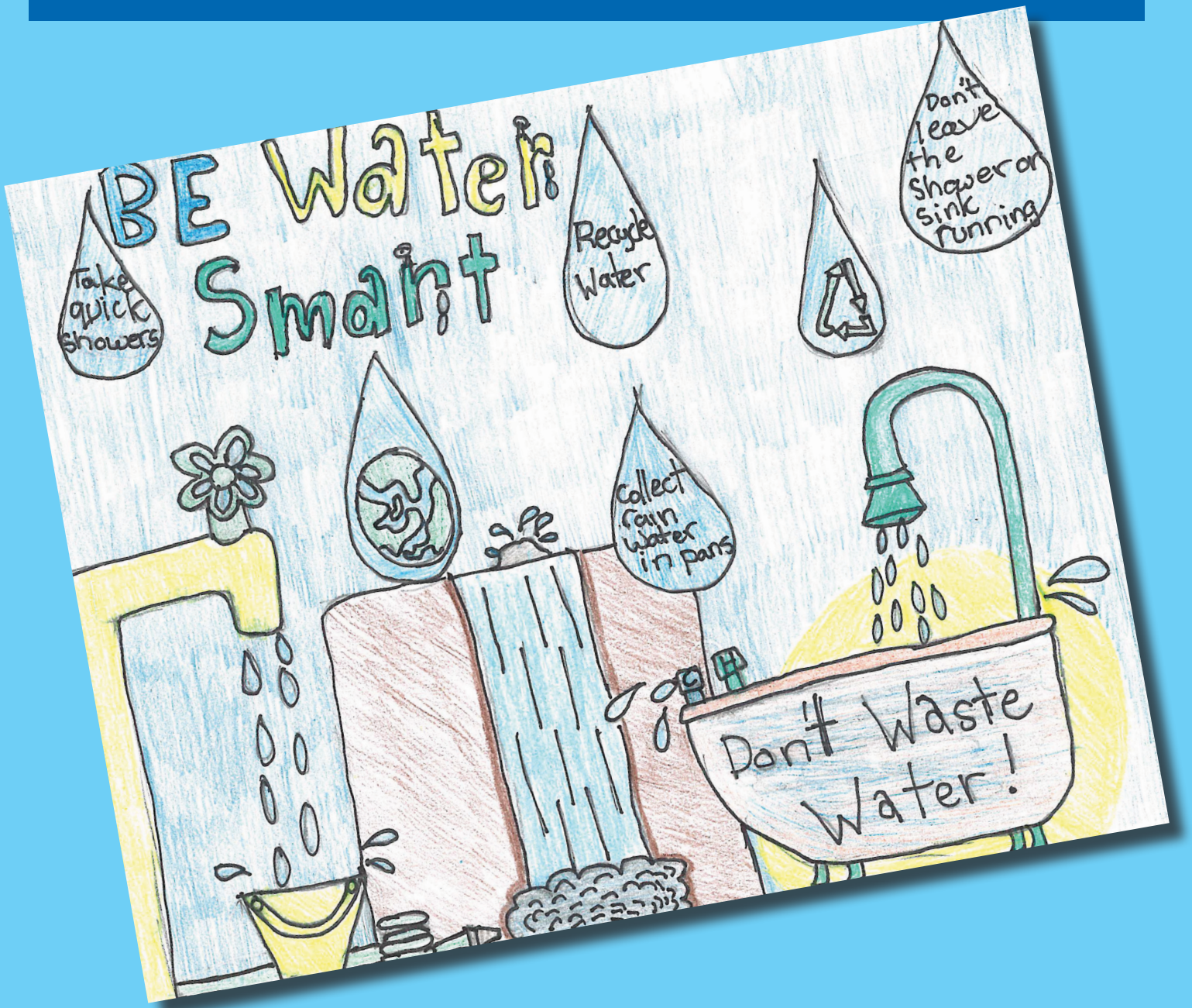
Olivenhain Municipal Water District is a public agency proudly serving portions of Encinitas, Carlsbad, Solana Beach, Rancho Santa Fe, San Marcos, Elfin Forest, 4S Ranch, San Diego and the Olivenhain Valley.

Table of Contents

Introductory Section	7
Letter of Transmittal	9
Reporting Entity	9
General District Operations	10
Accomplishments	11
Internal Controls	11
Budget Process	12
Designated Fund Balances	12
Contacting the District’s Finance Department	12
Certificate of Achievement	13
Organizational Chart	13
District Service Area	14
Acknowledgments	15
Financial Section	17
Independent Auditors’ Report	19
Management’s Discussion and Analysis	21
Basic Financial Statements	33
Statements of Net Position	33
Statement of Revenues, Expenses, and Changes in Net Position	35
Statement of Cash Flows	36
Notes to the Basic Financial Statements	38
Required Supplementary Information	73
Modified Approach for Steel Water Storage Tanks Infrastructure Capital Assets	73
Schedule of Contributions – Defined Benefit Pension Plans	75
Schedule of Proportionate Share of the Net Pension Liability	76
Statistical Section	79
Contents	81
Table I – Net Position by Component	82
Table II – Changes in Net Position	82
Table III – Revenues by Source	83
Table IV – Expenses by Function	83
Table V – Water Sales by Source	84
Table VI – Rate by Activity	85
Table VII – Principal Water Consumers	86
Table VIII – Property Tax and Special Assessment	86
Table IX – Assessed Value of Taxable Property	87
Table X – Ratios of Net Bonded Debt to Assessed Value and Net Bonded Debt Per Capita	87
Table XI – Direct and Overlapping Debt	88
Table XII – Water System Revenue to Debt Service Ratio	89
Table XIII – Reassessment District 96-1 Billing and Collections	89
Table XIV – Net Outstanding Long-Term Debt by Type	90
Table XV – Demographic Statistics	90
Table XVI – San Diego County Principal Employers	91
Table XVII – Full-time Equivalent Employees by Activity	91
Table XVIII – Capital and Operating Indicators by Activity	92

Introductory Section

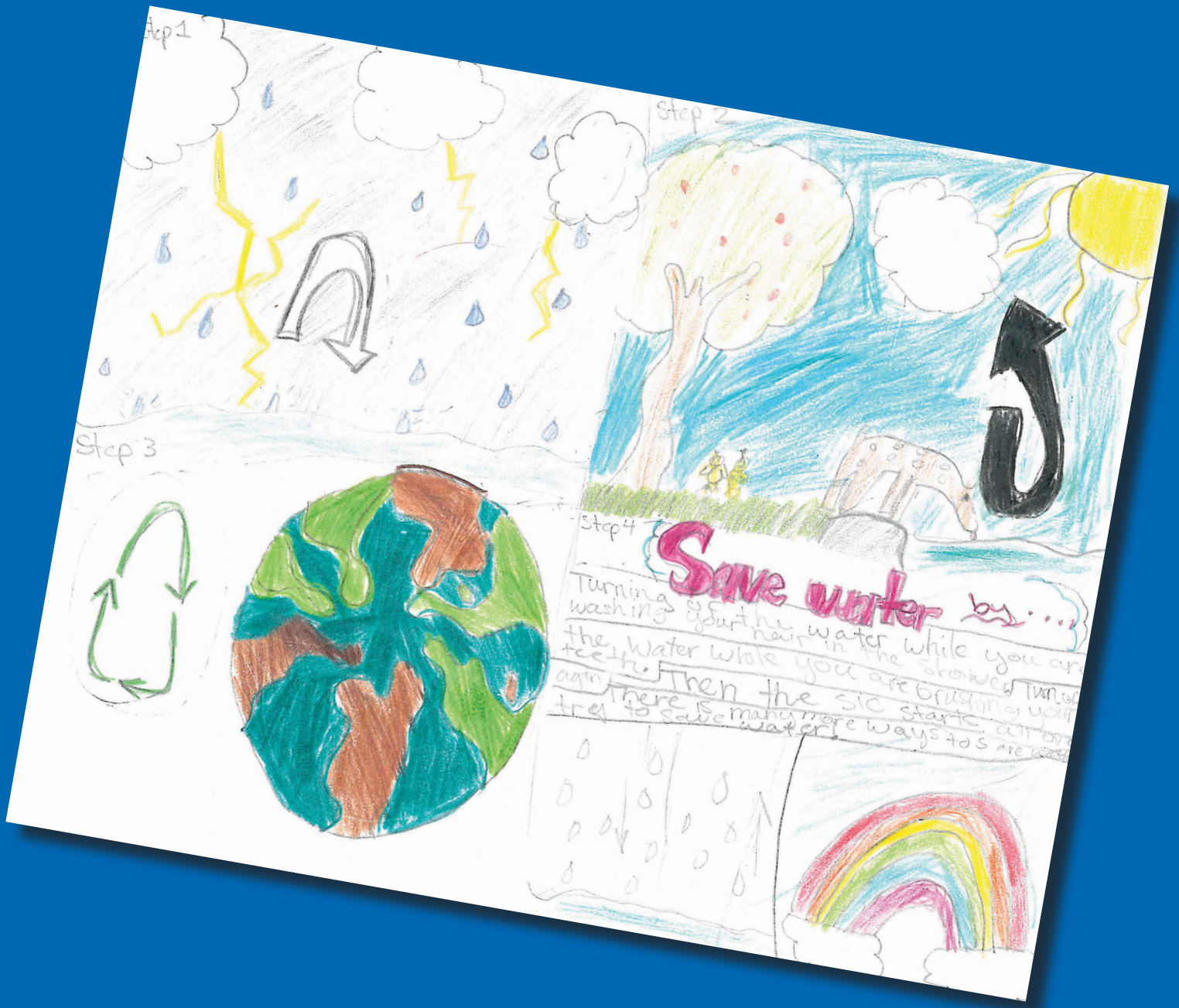
COMPREHENSIVE ANNUAL FINANCIAL REPORT



Second Place

2017 Fourth Grade Water Awareness Poster Contest

Submitted by a student of Stone Ranch Elementary School



Honorable Mention
2017 Fourth Grade Water Awareness Poster Contest
Submitted by a student of Santa Fe Christian School

December 13, 2017

Members of the Board of Directors
Olivenhain Municipal Water District
1966 Olivenhain Road
Encinitas, CA 92024-5699



We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the Olivenhain Municipal Water District (District) for the fiscal year ended June 30, 2017. The purpose of the report is to provide citizens, investors, and other interested parties with reliable financial information about the District.

This CAFR was prepared by the District's Finance Department in accordance with Generally Accepted Accounting Principles (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 White Nelson Diehl Evans 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, 2017, 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, 2017, 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 Ranch Sanitation District Fund, Rancho Cielo Sanitation District Fund, 4S Regional Recycled Water Fund, 2015 Water Revenue Refunding Bond Fund, 2013 Note Payable Fund, and 2016 Water Revenue Refunding Bond Fund. 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 1 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 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 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.

The District utilizes a Comprehensive Master Plan (CMP) as a long-term capital planning tool to address existing and future facility needs within the District's three enterprise areas: potable water, wastewater (sewer), and recycled water. The District's CMP is updated every five (5) years.

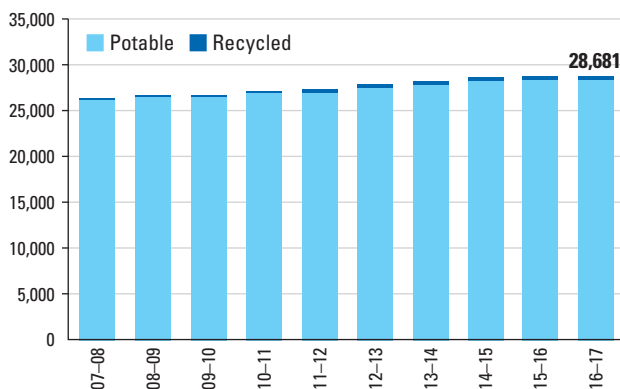
Based on the 2015 CMP Update, the District is at approximately 90% of its ultimate build-out of approximately 34,400 equivalent dwelling units. For the fiscal year ended June 30, 2017, 68.7% of water delivered was for domestic use, 28.3% for commercial and irrigation use (including construction and recycled water), and 3.0% 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 one 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.

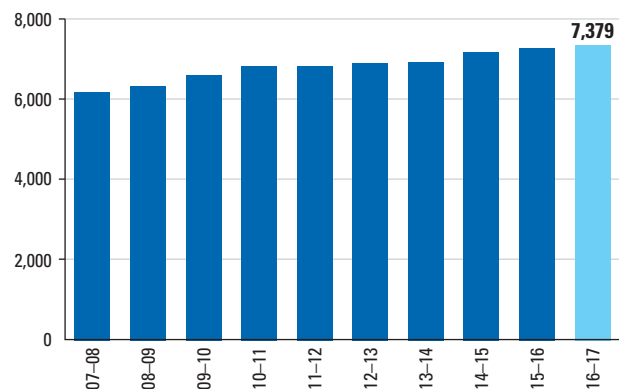
The District also sells recycled water in the northwest of its service area. To meet recycled water demand in the northwest, the District has entered into recycled water purchase agreements with Vallecitos Water District and San Elijo Joint Powers Authority. Recycled water in the northwest is delivered through the utilization of interagency service connections.

During the fiscal year ended June 30, 2017, the District billed 15,976 acre-feet (AF) of potable water through 28,393 active potable water meters and 2,252 AF of recycled water through 288 active recycled meters. The District provided wastewater collection services to 7,379 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



Accomplishments

The District actively engaged the State Water Resources Control Board and legislators during fiscal year 2016–17 to demonstrate the significant investments that the District’s ratepayers have made in developing local, drought-resilient water supplies in order to be less reliant on imported water.

One of the District’s biggest capital accomplishments was the successful completion of the Village Park Recycled Water Project in 2016. The Village Park Recycled Water Project will ultimately serve up to 114 million gallons of drought-resilient water supply each year.

The District’s goal is to obtain 20 percent of its total supply from recycled water and other local water sources by 2020. The District currently serves approximately 14 percent of its overall demand from recycled water and continues to find ways to increase the local water supply through a feasibility study and pursuing outside funding, including state and federal grants.



**NORTH SAN DIEGO
WATER REUSE
COALITION**

The North San Diego Water Reuse Coalition (NSDWRC) is a program being implemented by a coalition of northern San Diego County water and wastewater agencies to regionalize recycled water systems by identifying new agency interconnections to increase the capacity and connectivity of the agencies’ combined recycled water storage and distribution system. NSDWRC identifies non-potable and indirect potable water uses that will maximize use of local water supplies and reduce wastewater discharges to the ocean. The goal of NSDWRC is to allow recycled water to play an even more significant role in meeting future water needs.

To date, NSDWRC has received approximately \$5.0 million in Proposition 84 funding, which was used to finance qualified Coalition partner projects. The Coalition is also actively seeking funding at the federal level. It recently submitted a Title XVI-compliant feasibility study to the US Bureau of Reclamation, and Coalition partners are currently working with legislators in support of funding such Title XVI projects via a 2017 Water Infrastructure for Improvements to the Nation (WIIN) Act. The District used its share of the Proposition 84 grants to fund the Village Park Recycled Water Project and to pay for the San Dieguito (Elijo) Valley Groundwater Basin project.

The District is also in a feasibility stage on a brackish groundwater desalination plant to further diversify supplies and provide ratepayers with a local source of drinking water in the San Dieguito (Elijo) Valley Groundwater Basin. Since the project was conceived, it has garnered nearly \$400,000 in grant funds from the US Bureau of Reclamation and the California Department of Water Resources, and OMWD continues to seek additional grant funds.

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 are compiled to allow for the preparation of financial statements in accordance with generally accepted accounting principles. 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 utilizes a Board-approved annual operating and capital budget as a management tool for estimating and planning District revenues and expenditures and it is used only for comparative purposes to identify unusual or unexpected trends. 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 operating and capital budget is submitted to the Board within 45 days prior to July 1st of each year. The budget does not go into effect until approved by the Board. Once approved, the budget becomes the basis for operating and capital expenditures for that 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.

In January of each fiscal year, the District conducts a review 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. Threat analysis is also conducted at least once per year to identify and quantify any potential threats to the District's financial picture. Project managers may find after the first half of the year that some projects need to be accelerated or delayed due to changes in housing development conditions in the District. This mid-year review is also used to update the Board on completed capital projects.

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, OMWD Finance Manager, at (760) 753-6466.

Certificate of Achievement

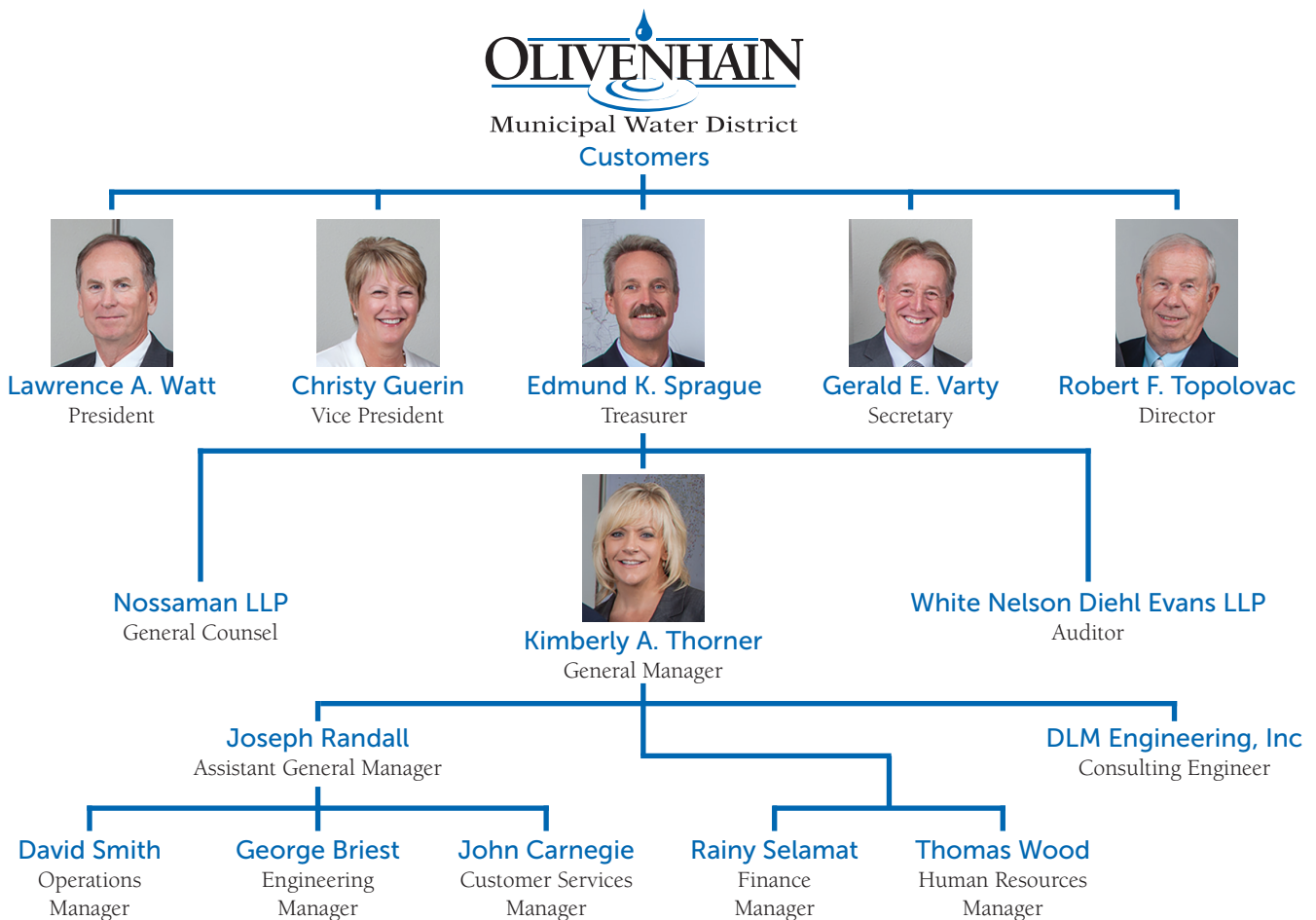
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Olivenhain Municipal Water District for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2016. This was the 22nd 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 comprehensive annual 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 current comprehensive annual 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.

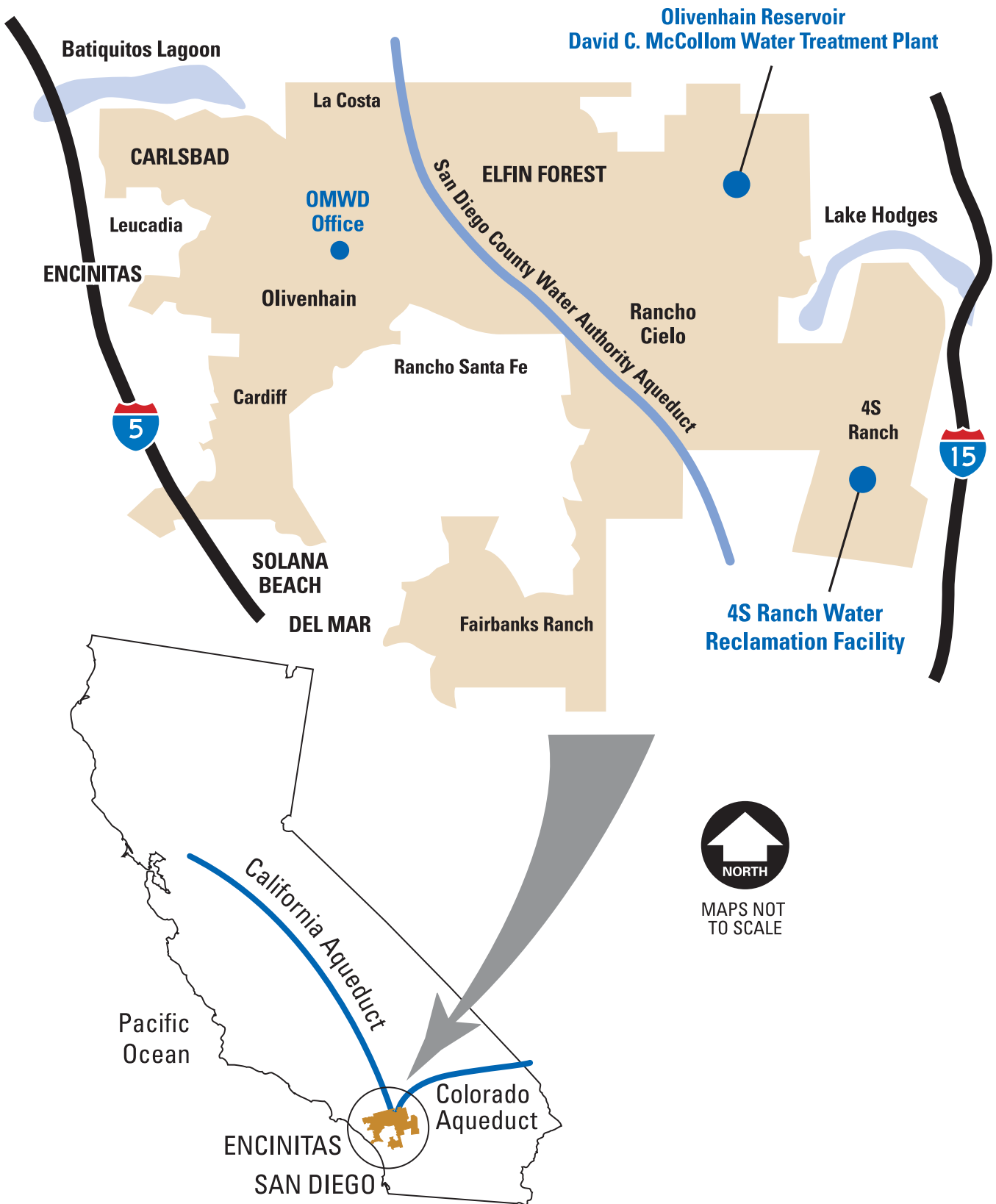


Organizational Chart



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.

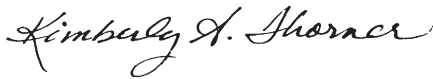
District Service Area



Acknowledgments

The preparation of this report could not have been accomplished without support and input from all departments and our independent auditor, White Nelson Diehl Evans, 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:



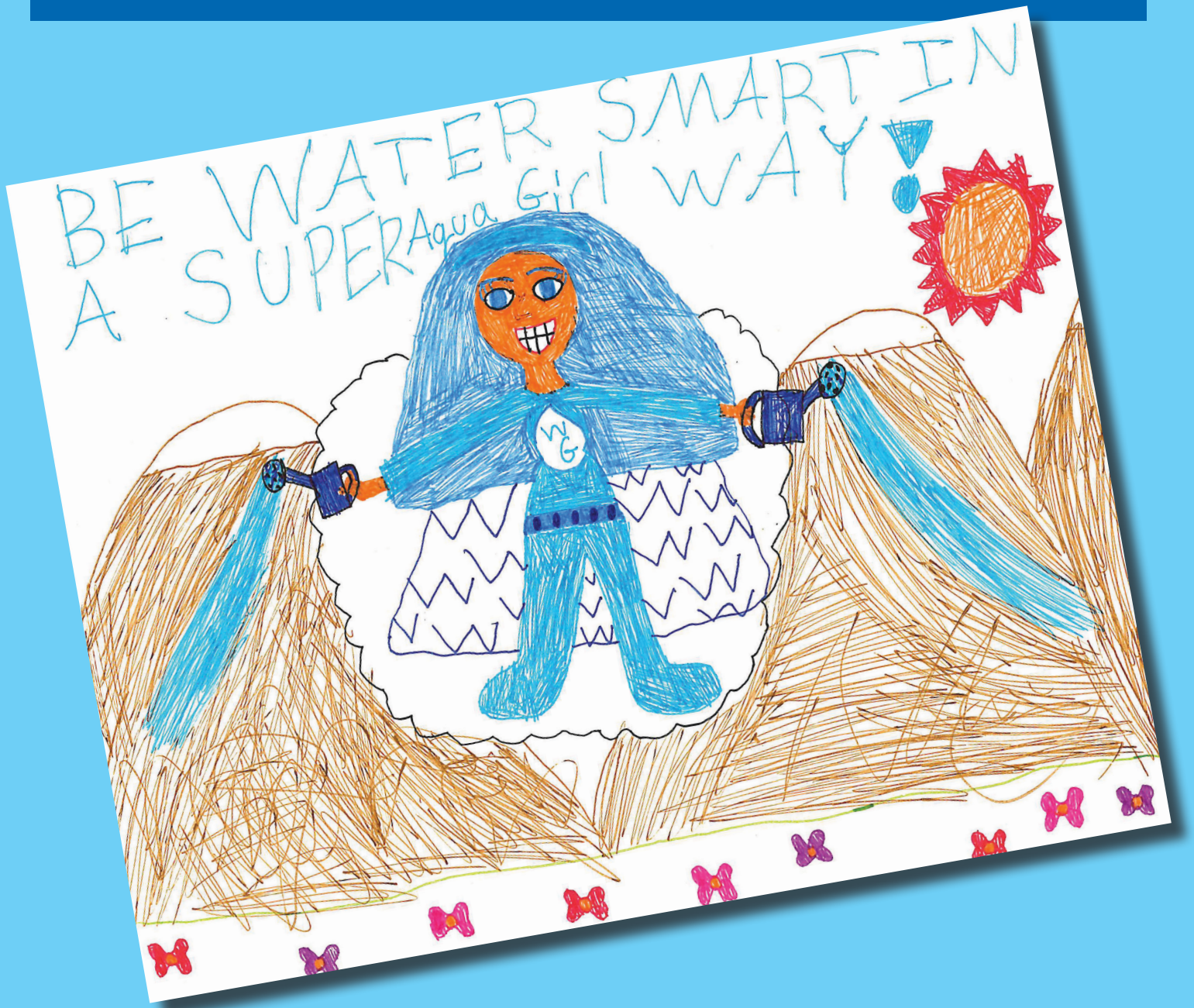
Kimberly A. Thorner, Esq.
General Manager



Rainy K. Selamat
Finance Manager

Financial Section

COMPREHENSIVE ANNUAL FINANCIAL REPORT



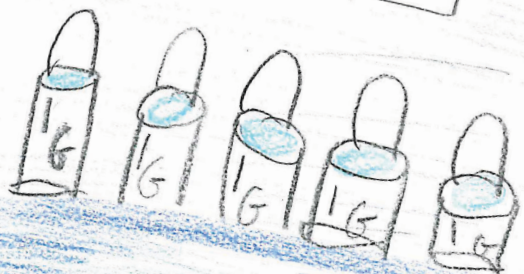
Honorable Mention

2017 Fourth Grade Water Awareness Poster Contest

Submitted by a student of Capri Elementary School

Don't Keep Water Running

If you keep the water running while brushing your teeth you can waste 5 gallons of water.



Honorable Mention

2017 Fourth Grade Water Awareness Poster Contest

Submitted by a student of Santa Fe Christian School

INDEPENDENT AUDITORS' REPORT

Board of Directors
Olivenhain Municipal Water District
Encinitas, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Olivenhain Municipal Water District as of and for the years ended June 30, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Olivenhain Municipal Water District as of June 30, 2017 and 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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 Proportionate Share of the Net Pension Liability, and the Schedule of Contributions-Defined Benefit Pension Plans 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

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The introductory section and the statistical section as identified in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory and statistical sections have 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 them.

White Nelson Dick Evans LLP

Carlsbad, California
November 16, 2017

Management's Discussion and Analysis

Fiscal Year Ended June 30, 2017

Our discussion and analysis of the Olivenhain Municipal Water District's (the 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, 2017. 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 located in the section following the MD&A.

Financial Highlights

During the fiscal year ended June 30, 2017 the following events impacted, or create the potential to impact, the finances of the District:

- In July 2016, the Board of Directors adopted a resolution rescinding the District's Level 2 Drought Rates and returning to Level 1 Voluntary Rates.
- In September 2016, Fitch Ratings and Standard & Poor's re-rated the District's outstanding revenue bonds. Fitch upgraded the District's 2015A Water Revenue Refunding Bonds and 2009 Water Revenue Bonds to "AAA" rating from "AA+". Standard & Poor's reaffirmed its "AA+" rating for the same revenue bonds.
- In October 2016, the District refinanced its 2009 Water Revenue Refunding Bonds for a net present value of savings of \$2.753 million over the next 22 years.
- In January 2017, San Diego County Water Authority, the District's water wholesaler, declared that the drought is over in San Diego County. The resolution by the San Diego County Water Authority's Board of Directors called on Governor Brown and California's State Water Resources Control Board to rescind the statewide emergency water use regulations for areas that are no longer in drought conditions.
- In February 2017, the District paid off its 2012 California Bank and Trust Note Payable.
- In March 2017, the Board of Directors approved a 6.5% increase to the District's potable and recycled water rates, and monthly fixed charges, to pass through increased purchased water wholesale costs and an annual inflation adjustment on the District's costs.
- In June 2017, the Board of Directors approved a 3% increase to the District's sewer rates and charges to pass through an annual inflation adjustment on the District's sewer operations and capital maintenance costs.
- The District celebrated its tenth consecutive year of a clean safety record without preventable lost-time accidents.
- Total Operating Revenues increased in fiscal year 2017 compared to previous years due to increased Water Sales and Other Operating Revenue from selling excess treatment services to the Vallecitos Water District.
- Total Operating Expenses increased in fiscal year 2017 primarily due to an increase in the cost of purchased water sold as a result of a higher volume of water sold and an increase to water wholesale costs. The District also had an increase in depreciation expense from significant assets that were placed in service. The increase in depreciation expense, along with higher general and administrative, operations, and capital facilities maintenance costs, contributed to the increase in Operating Expenses.
- Total Non-Operating Revenues increased from the last two fiscal years due to increased capacity charges revenue from sewer annexation fees collected in fiscal year 2017.
- Other Non-Operating Expenses fluctuated from year to year due to recorded losses on the disposal of fixed assets.
- Total Assets were lower due to a decrease in non-depreciable capital assets. An increase in unrestricted assets as a result of higher water sales was offset by a reduction in restricted cash to pay for construction of the Village Park Recycled Water System.

Management's Discussion and Analysis (continued)

- Total Liabilities decreased mainly due to a reduction in payables for the Village Park Recycled Water System that was completed during fiscal year 2017. The scheduled repayment of the District's Long-term Debt also contributed to the decrease in Total Liabilities. Decreases in Total Liabilities were partially offset by an increase in Net Pension Liability to reflect the District's proportionate share of the Net Pension Liability for the CalPERS Miscellaneous Plan. The Net Pension Liability was based on CalPERS actuarial assumptions and recorded in compliance with GASB Statement No. 68.
- The District's Net Position as of June 30, 2017 increased by \$679.5 thousand compared to fiscal year 2016 and \$519.1 thousand compared to fiscal year 2015.
- The District adopted Governmental Accounting Standards Board (GASB) Statement No.74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans," GASB Statement No. 77, "Tax Abatement Disclosure," GASB Statement No. 78, "Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans," GASB Statement No. 79, "Certain External Investment Pools and Pool Participants," and GASB Statement No. 80, "Blending Requirements for Certain Component Units."

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.

The Statement of Net Position includes the District's assets, liabilities, and net position. This statement provides financial information about the nature of investments and ownership (assets) and the obligations of the District to its bond investors and creditors for all purchases made (liabilities). It 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?

Management's Discussion and Analysis (continued)

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 and amounts owed (liabilities). 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?"

Highlights of Statements of Net Position

	Fiscal Year ended June 30		
	2017	2016	2015
Current Assets – unrestricted	\$ 69,722,115	\$ 64,715,112	\$ 66,362,359
Current Assets – restricted	13,301,489	18,746,728	22,332,256
Capital Assets, net	387,705,462	392,704,187	390,044,311
Other Noncurrent Assets	253,664	160,436	291,268
Total Assets	<u>470,982,730</u>	<u>476,326,463</u>	<u>479,030,194</u>
Deferred Amounts on Refunding	1,925,853	733,225	—
Deferred Amount from Pension	3,501,400	2,159,137	1,194,692
Total Deferred Outflows of Resources	<u>5,427,253</u>	<u>2,892,362</u>	<u>1,194,692</u>
Current Liabilities – unrestricted	11,510,069	11,651,878	11,964,415
Current Liabilities – restricted	1,610,599	3,391,308	1,280,740
Compensated Absences, long-term	643,323	393,970	461,062
Unearned Revenue	—	162,724	264,242
Net Pension Liability	11,018,852	8,653,737	6,517,867
Long-term Debt	63,801,712	67,456,067	70,860,115
Total Liabilities	<u>88,584,555</u>	<u>91,709,684</u>	<u>91,348,441</u>
Deferred Amount on Pensions	631,720	994,999	2,201,867
Total Deferred Inflows of Resources	<u>631,720</u>	<u>994,999</u>	<u>2,201,867</u>
Net Investment in Capital Assets	322,388,785	322,493,799	315,240,098
Restricted Net Position	11,690,890	15,355,420	20,852,200
Unrestricted Net Position	53,114,033	48,664,923	50,582,280
Total Net Position	<u>\$ 387,193,708</u>	<u>\$ 386,514,142</u>	<u>\$ 386,674,578</u>

For a detailed discussion regarding the increase in total net position, please see the section for the Statement of Revenues, Expenses and Changes in Net Position in the following pages.

Management's Discussion and Analysis (continued)

Current Assets – unrestricted: an increase compared to fiscal year 2016 and an increase compared to fiscal year 2015. The changes from fiscal year to fiscal year were due to the fluctuation in water sales and the timing of cash receipts from Contributed Capital sources based on when the projects will be completed and paid for.

Current Assets – restricted: a decrease from fiscal year 2016 and 2015 primarily due to the reduction in restricted cash to pay for the construction of the Village Park Recycled Water System.

Capital Assets, net: a decrease compared to fiscal year 2016 and a slight decrease compared to fiscal year 2015. The change was mainly due to increases in accumulated depreciation, which decreased the carrying value of the District's Capital Assets. The decrease in Net Capital Assets was offset by a slight increase in the District's Construction in progress. Please see note 4 of the Notes to Basic Financial Statements section of this document for additional details.

Other Noncurrent Assets: an increase compared to fiscal year 2016 and a slight decrease compared to fiscal year 2015. The increase in fiscal year 2017 was due to two loans that were issued by the District as part of its board approved Recycled Water Retrofit Loan Program. The program, which was implemented in fiscal year 2017, offers financial assistance in the form of low-interest loans to qualified Home Owners' Associations (HOA) that retrofit their potable water irrigation system to recycled water. The slight decrease in Other Noncurrent Assets from fiscal year 2015 was due to prepaid pension contributions recorded in fiscal year 2015 to a trust fund for early retirees under the District's Public Agency Retirement Services (PARS) program.

Current Liabilities – unrestricted: a slight decrease compared to fiscal years 2016 and 2015. The net decrease from 2016 was due to the District's pay off of the 2012 Note Payable, which was partially offset by increases in the Current Liability portion of some of the District's debt. The decrease from fiscal year 2015 is due to the reduction of the Current Liability portion of the 2012 Note Payable.

Current Liabilities – restricted: a decrease compared to fiscal year 2016 and an increase compared to fiscal year 2015. The decrease in 2017 is due to the decrease in payables for the Village Park Recycled Water System. Current Liabilities – restricted significantly increased in 2016 when compared to 2015 due to increases in payables for the Village Park Recycled Water System during construction. The Village Park Recycled Water System was constructed in fiscal year of 2016 and completed in fiscal year 2017. The total cost of the project was \$11.6 million.

Net Pension Liability: an increase of \$2.4 million compared to fiscal year 2016 and an increase of \$4.5 million compared to fiscal year 2015. Net Pension Liability is reported at \$11,018,852 million for Fiscal Year 2017 and it is based on the District's proportionate share of the net pension liability for the Miscellaneous Classic and PEPRA plans under the CalPERS retirement program. The District's Net Pension Liability was calculated by CalPERS based on CalPERS actuarial assumptions. The District's Net Pension Liability was \$8,653,737 and \$6,517,867 for fiscal years 2016 and 2015, respectively.

Long-term Debt: a decrease compared to fiscal years 2016 and 2015 due to payments made on outstanding loans. The long-term debt section doesn't contain the "current" amounts; thus, it will always decrease by the following years' payments on outstanding loans.

The increase in **Total Net Position** in fiscal year 2017 was primarily due to a decrease in Current Liabilities – restricted from the completion of the Village Park Recycled Water System and a decrease in Long-term Debt from the District's continued payments on outstanding loans. An increase in water sales also contributed to the increase in Total Net Position during fiscal year 2017. The decrease in fiscal year 2016 compared to fiscal year 2015 was due to a reduction in water sales during the drought, when the State mandated a 24 percent cut-back in water use from water customers.

Management's Discussion and Analysis (continued)

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 (investment income, property taxes, and capacity charges) are not directly related to the core activities of the District.

Water Operations

During fiscal year 2017, the District provided potable water and recycled water services to 28,681 accounts. 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.

In March 2015 the District's Board of Directors adopted an ordinance that authorized the District to pass through to its water service customers, for the next five years: (1) increased purchased water wholesale costs from the SDCWA; (2) an inflation-indexed rate increase for the next five years for increases to the District's cost of operations and maintenance and capital facilities; and (3) any revenue lost by the District in the event the State exercises its rights under Proposition 1A to take property tax revenues. The District's total of annual pass-through increases shall not exceed 15% per year through December 31, 2019. The Board of Directors also adopted four levels of Water Supply Shortage (Drought) Rates ranging from "watch" level to "emergency" level depending on the severity of water supply shortage conditions. The District's drought rates were designed to promote conservation and to sustain operations when water consumption is expected to decline due to water use restrictions.

In April 2016, the Board of Directors approved an increase of 6% on the District's potable and recycled water (base) rates and monthly system access charge. In March 2017, the Board of Directors approved an additional increase of 6.5%.

About 75% of the District's water revenues are collected from commodity charges. The District's commodity charge for domestic customers is 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 \$2.53 to \$6.13 per unit (748 gallons of water).

A fixed monthly system access charge is established on the basis of meter size of the property receiving water service. Average customers with a $\frac{3}{4}$ inch meter pay a typical bill of \$36.08 per month for their monthly system access charge. The SDCWA Infrastructure Access Charge (IAC) is imposed by SDCWA on the District for the purpose of recovering certain SDCWA infrastructure costs. Average customers pay a typical bill of \$2.87 per month for their monthly SDCWA IAC charge.

Management's Discussion and Analysis (continued)

Wastewater (Sewer) Operations

The District's 4S Ranch Water Reclamation Facility (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 June 2016, the District's Board of Directors adopted an ordinance that authorized the District to pass through to its sewer customers, for the next five years, cost increases to collect, treat, and dispose of sewage and cost to maintain the 4S Ranch Wastewater and Reclamation Facilities within the 4S Ranch Sanitation District, not to exceed 3% each year. The rates for all components of the District's wastewater service fees are structured in such a way to proportionately allocate cost of collecting, treating, and disposing of sewage generated by each customer group in 4S Ranch and Rancho Cielo Sanitation Districts.

The District's sewer fees and charges are in compliance with the California Water Efficiency Partnership's Best Management Practice No. 11 (BMP-11). BMP-11 provides conservation-based pricing guidelines for water agencies that provide retail sewer service. The District's sewer rate consists of two components: a system 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 May) 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 sewer 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 sewer operations, as well as capital improvement expenditures.

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 7,379 equivalent dwelling units (EDUs) for wastewater discharged from residential and commercial customers. The District had not raised its sewer rates and charges since 2009.

In July 2016, the District increased the annual system access charge (per EDU) from \$147 to \$165.70. In June 2017, the Board of Directors approved a 3% increase to the District's sewer fees to keep pace with inflation and other cost increases, including, among others, the cost of complying with regulations governing the treatment and disposal of wastewater and repairing and replacing of aging infrastructure.

Recycled Water Operations

The 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 through the 4S on-site recycled water facilities.

Recycled water revenues are collected from commodity rates. The District adopted a uniform rate structure for collecting recycled water user fees based on monthly water consumption. The recycled commodity rate is set at \$3.59 per unit (748 gallons of water) based on the 2014 comprehensive cost of service study on potable and recycled water rates.

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		
	2017	2016	2015
REVENUES			
Operating revenues:			
Water sales	\$ 45,433,161	\$ 40,936,218	\$ 45,145,400
Sewer charges	4,447,426	4,474,853	4,656,781
Other operating revenues	2,217,932	1,560,779	1,077,003
Total operating revenues	52,098,519	46,971,850	50,879,184
Non-operating revenues:			
Property tax revenues	3,414,858	3,268,438	3,066,946
Capacity charges	3,624,426	1,482,945	1,792,125
Benefit assessment revenues	1,460,881	1,451,751	1,375,093
Investment income	519,321	463,805	433,250
Fair market value adjustment	(289,050)	51,106	23,932
Other non-operating revenues	278,589	53,458	137,836
Total non-operating revenues	9,009,025	6,771,503	6,829,182
Total revenues	61,107,544	53,743,353	57,708,366
EXPENSES			
Operating expenses:			
Cost of water sold	24,568,729	21,979,036	23,634,844
Depreciation	15,069,090	13,053,286	13,757,848
General and administrative	6,265,690	5,388,804	5,141,239
Pumping and water treatment	3,988,991	3,390,124	3,629,349
Transmission and distribution	3,874,766	3,482,086	3,348,083
Sewer collection and treatment	1,672,289	1,758,907	1,703,761
Customer services	1,789,423	1,757,388	1,205,838
Facilities maintenance	1,154,241	843,456	888,677
Elfin Forest recreational reserve	316,387	287,923	187,525
Other operating expenses	388,995	—	—
Total operating expenses	59,088,601	51,941,010	53,497,164
Non-operating expenses:			
Interest expense, net	2,342,667	2,629,591	2,879,588
Other non-operating, net	1,012,913	1,211,973	358,178
Total non-operating expenses	3,355,580	3,841,564	3,237,766
Total expenses	62,444,181	55,782,574	56,734,930
Income (loss) before capital contributions	(1,336,637)	(2,039,221)	973,436
Capital contributions	2,016,203	1,878,785	4,524,509
Changes in net position	679,566	(160,436)	5,497,945
Beginning net position, as originally stated	386,514,142	386,674,578	389,896,221
Prior period adjustment	—	—	(8,719,588)
Beginning net position, as restated	386,514,142	386,674,578	381,176,633
Ending net position	<u>\$ 387,193,708</u>	<u>\$ 386,514,142</u>	<u>\$ 386,674,578</u>

Management's Discussion and Analysis (continued)

Revenues

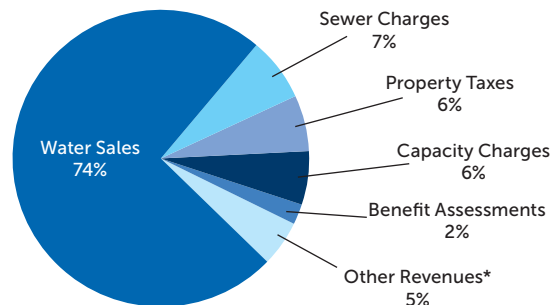
Total Revenues as reported on the Statement of Revenues, Expenses and Changes in Net Position for fiscal year ended June 30, 2017 was \$61.1 million, a 13.7% increase compared to fiscal year 2016 and a 5.9% increase compared to fiscal year 2015. The changes in Total Revenues were primarily due to a significant reduction in Water Sales in 2016 due to the 24% water use cut-back mandated by the State in 2016, Capacity Charges collected from real estate developers during the year, and Other Non-operating Revenues. The District received approximately \$3 million in Property Tax Revenues each fiscal year.

Operating Revenues were higher in fiscal year 2017 compared to fiscal years 2016 and 2015 due to Governor Brown rescinding the statewide drought-related state of emergency in April 2017. As a result, the District's Board of Directors moved from Level 2 Drought Rates to Level 1 Voluntary Rates. Variations in weather conditions have also contributed to the increase and decrease in water consumption. The District also raised its water rates and charges in 2017 and 2016 by 6.5% and 6%, respectively, to pass through purchased water wholesale cost increases and annual inflation adjustments.

Other Operating Revenues fluctuated from year to year depending on the volume of excess treated water services sold from the David C. McCollom Water Treatment Plant (DCMWTP) to other agencies. The District had an agreement to sell treatment services from the plant to San Diego County Water Authority in fiscal year 2014. The Agreement with SDCWA to sell excess treatment capacity from DCMWTP expired in March 2014. The District executed a new treated water services agreement with Vallecitos Water District in September 2014. In fiscal year 2016, the District began selling surplus treated water services to Vallecitos Water District under the agreement, which then increased Other Operating Revenues in fiscal year 2016 and 2017. The District recognized deposits collected for billable work for others as revenue earned during the year and reported this in Other Operating Revenues. Expenses incurred by the District worked on the billable work for others were then reported as Other Operating Expenses during fiscal year 2017.

Non-operating Revenues increased in fiscal year 2017 compared to fiscal years 2016 and 2015 mainly due to an increase in capacity fee revenues collected from developers.

Sources of Revenues Fiscal Year Ended June 30, 2017



*Include investment and fair market value adjustment.

Expenses

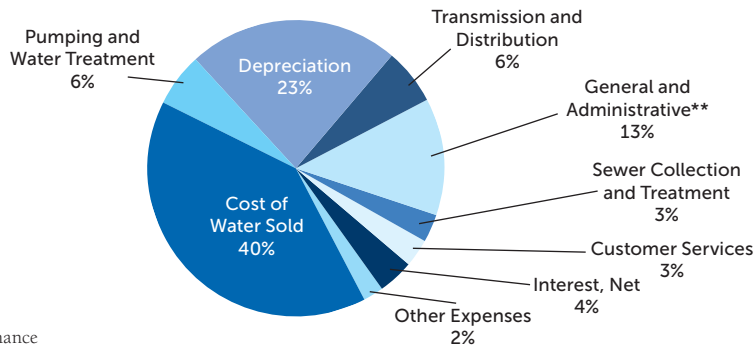
Total Expenses reported for fiscal year ended June 30, 2017 were \$62.4 million. Included in Total Expenses were \$59.1 million in Operating Expenses and \$3.3 million in Non-operating Expenses. Total Expenses reported in fiscal years 2016 and 2015 were \$55.8 and \$56.7 million, respectively.

Operating Expenses increased from fiscal years 2016 and 2015 primarily due to an increase in the cost of water sold and purchased water wholesale cost increases for the last two fiscal years of 6.4 % and 6.6%, respectively. The District relies solely on SDCWA for potable water supply. Thus, cost of water sold moves up and down commensurately with water sales during the year. Other increases in Operating Expenses were due to an increase in depreciation expense and capital facilities maintenance costs. The District also had an increase in general and administrative costs due to increased salaries, wages, and benefit expenses to comply with the 2013 Memorandum of Understanding between the District, its District Employee Association, and the Bargaining Unit Members Associations.

Management's Discussion and Analysis (continued)

Other Non-operating Expenses, net decreased compared to fiscal year 2016 and increased compared to fiscal year 2015. The differences were mainly due to fluctuations in the recorded losses on the disposal of fixed assets for each fiscal year.

Sources of Expenses Fiscal Year Ended June 30, 2017



**Includes facilities and park maintenance

Income (Loss) Before Capital Contributions & Capital Contributions

Income (loss) before Capital Contributions was higher in fiscal year 2017 compared to fiscal years 2016 and lower compared to fiscal year 2015. The change was primarily due to fluctuations in Net Operating Revenues from water operations and Non-operating Revenues from Capacity Charges collected.

Capital Contributions were higher in fiscal year 2017 in comparison to fiscal years 2016 and lower compared to fiscal year 2015 due to fluctuations in cash and facility contributions received for capital projects from grants and developers.

Changes in Net Position

Changes in Net Position for the fiscal year ended June 30, 2017 totaled an increase of \$679.5 thousand. The Changes in Net Position for the fiscal years ended June 30, 2016 and June 30, 2015 totaled a decrease of \$160 thousand and an increase of \$5.5 million, respectively. The fluctuations over the last three fiscal years were primarily attributed to changes in water sales, capacity fee charges collected, capital contributions, and operating expenses.

Restrictions, Commitments, and Limitations

Capital Assets and Improvement Program

Condensed Schedule of Capital Assets

Description	As of June 30, 2017	As of June 30, 2016	As of June 30, 2015
Capital Assets, net of depreciation	\$ 352,390,853	\$ 352,655,171	\$ 356,074,389
Land and Steel Tanks	31,000,570	27,832,144	27,832,144
Construction In Progress	4,314,039	12,216,872	6,137,778
Net Capital Assets	<u>\$ 387,705,462</u>	<u>\$ 392,704,187</u>	<u>\$ 390,044,311</u>

The District's capital assets were financed through a combination of current revenues, available reserves from the capital fund and capacity fee fund, and debt issuances. The Construction in Progress (CIP) is being funded mainly using the Pay-As-You-Go method from cash collected from unrestricted funds such as service revenues, reserves and restricted funds such as grants and developers' fees. The District's CIP is expected to fluctuate 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's Comprehensive Master Plan (CMP) was updated and approved by the Board in December 2015, and the District's CMP is reviewed every five years. The District's CMP combines all facilities planning efforts within the District's enterprise areas: potable water, wastewater, and recycled water, into one document which addresses replacement and betterment of existing facilities as well as future facility needs.

Management's Discussion and Analysis (continued)

The District's net capital assets in service as of June 30, 2017 were \$387.7 million, net of \$167.3 million in accumulated depreciation and amortization. Included in the total net capital assets is \$4.3 million in construction in progress representing the District's Administration Building Improvement Project (Building D), San Elijo Valley Groundwater Project, Del Dios/Mid-Point Sewer Pump Station Odor Control Project, El Camino Real Pipeline Realignment, and other capital improvement projects that are in various stages of construction. The decrease in net capital assets from fiscal year 2016 to fiscal year 2017 was primarily due to the decrease in construction in progress projects and increases in accumulated depreciation for the District's capital assets.

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 2017 is 8.53, well above the established index. The TAI was 8.8 in 2016 and 8.67 in 2015. The current lowest TAI is 7.3, and the highest is 9.6. There is no significant difference between the estimated and actual amounts to maintain and preserve infrastructure assets at target conditions during the current period.

Additional details regarding capital assets and the modified approach can be found in note 4 to the basic Financial Statements and in note 1 of the Required Supplementary Information.

Debt Administration

The District has one (1) note payable and three (3) bond issues outstanding: the 2013 State Revolving Fund, the 2007 Reassessment 96-1 Limited Obligation Improvement Bonds, the 2015 Water System Refunding Revenue Bonds Payable, and the 2016 Water System Refunding Revenue Bonds Payable. The District's outstanding bonded indebtedness as of June 30, 2017 is as follows:

Schedule of Bond Indebtedness for Fiscal Year Ended 2017

Description	Year Issued	Total Sold	Final Maturity Date	Interest Rate Range		Bonds Outstanding As of June 30, 2017		
				From	To	Current	Long Term	Total
2007 Reassessment 96-1 Limited Obligation Improvement Bonds	2007	\$ 16,150,000	9/2/2027	4.00%	5.00%	\$ 845,000	\$ 10,825,000	\$ 11,670,000
2013 State Revolving Fund	2013	17,069,309	7/1/2035	2.30%	2.30%	720,818	14,618,930	15,339,748
2015 Water System Refunding Revenue Bonds Payable	2015	23,455,000	6/1/2028	2.00%	5.00%	1,440,000	19,045,000	20,485,000
2016 Water System Refunding Revenue Bonds Payable	2016	15,990,000	6/1/2039	2.125%	5.00%	435,000	14,865,000	15,300,000

For the fiscal year ended June 30, 2017 the ratio of 2007 Reassessment 96-1 Limited Obligation Improvement Bonds to assessed value was 0.05% and the net bonded debt per capita was \$119.63.

In September 2016, Fitch Ratings and Standard & Poor's rerated the District's outstanding revenue bonds. Fitch Ratings upgraded the District's 2015A Water System Refunding Bonds Revenue and 2009 Water Revenue bonds to "AAA" rating from "AA+". Standard & Poor's reaffirmed its "AA+" rating for the same revenue bonds.

In October 2016, the District issued 2016A Water System Refunding Bonds in the amount of \$15,990,000 to refund the District's series 2009 Water Revenue Refunding Bonds for a net present value of savings of \$2.753 million over the next 22 years.

In February 2017, the District paid off its 2012 California Bank and Trust Note Payable.

Additional details regarding the District's long-term debt can be found in note 7 of the Basic Financial Statements.

Management's Discussion and Analysis (continued)

Economic Factors and Next Year's Budgets and Rates

On April 7, 2017, Governor Brown rescinded California's drought-related state of emergency for most counties in light of improved hydrological conditions. Though putting an end to the declared emergency in our region, Governor Brown still calls for all Californians to "make conservation a way of life." The State Water Resources Control Board (SWRCB) is expected to make permanent certain practices that are deemed wasteful, such as irrigation following measureable rainfall and irrigating turf on public medians with either potable or recycled water. Senate Bill 606 and Assembly Bill 1668 became two-year bills that, if they pass, would create long-term water use efficiency regulations that would restrict urban water use, irrespective of available supplies. Senate Bill 623, also a two-year bill, if passed would impose a tax based on meter size that would be used to fund a rate-assistance program for disadvantaged communities.

The San Diego County Water Authority (SDCWA) and its member agencies have worked aggressively in diversifying San Diego's long-term water supply portfolio in order to reduce reliance on imported water supplies from the Metropolitan Water District of Southern California (MWD). One of SDCWA's accomplishments was distributing desalinated water from the ongoing operations of the Claude "Bud" Lewis Carlsbad Desalination Plant and Imperial Irrigation District transfers. At the end of August 2017, member agency local storage was increased by 95,000 acre-feet, or 18 percent, compared to the same time in 2016. Meanwhile SDCWA, the County's water wholesaler, had an approximate 152,000 acre-feet available in emergency and carryover capacity storage. SDCWA is confident that the region is in a strong position to meet water demands in fiscal year 2018 while maintaining efficient water-use practices.

These alternative water sources are more expensive than imported water from MWD. Increased alternative water supply costs have resulted in an increase in purchased wholesale water costs charged by SDCWA to its member agencies, including the District. The District relies 100% on SDCWA for potable water supply. The proposed water use target considered by SWRCB combined with the anticipated higher costs in wholesale water purchased water from SDCWA could pose a threat on the District's future operating margin and would be the cost driver for more expensive water in the future.

The District buys potable water from SDCWA, who in turn buys potable water from MWD to meet San Diego County's potable water demand. The California Supreme Court denied a petition by SDCWA to review an appellate court ruling in a case of statewide significance over rates set by SDCWA's water wholesaler, MWD. SDCWA sued MWD for adding State Water Project charges to the price set for transporting, or "wheeling," the Water Authority's independent water supplies to San Diego. The SDCWA vs. MWD rate litigation has roots in the 2003 Colorado River Quantification Settlement Agreement (QSA) and SDCWA's historic water conservation-and-transfer agreement with the Imperial Irrigation District. The 2003 Colorado River QSA provided the Water Authority with independent supplies from the Colorado River. However the transfer, per the Agreement, required the use of MWD's aqueduct and pipelines to move the water to San Diego.

By denying the Water Authority's petition, MWD can continue with its rate setting practice to include its State Water Project supply costs in its transportation charge to SDCWA. The Court of Appeals decision on MWD's transportation, or "wheeling" cost could have an impact on the District's purchased water wholesale costs in the future.

Potential impacts of the long-term water use efficiency regulations to urban water agencies in California and purchased water wholesale costs as a result of SDCWA and MWD rate litigation are difficult to estimate at this time. The District's planned rate increase for the next ten years based on the 2014 potable and recycled cost of service, including a pass through of purchased water wholesale costs, is estimated at 5% each year.

The District updated its 4S Ranch and Rancho Cielo Sanitation Districts cost of service for sewer service fees and charges in 2016. As a result of the sewer service fee study, the District's Board of Directors adopted an ordinance that authorized the District to increase its sewer fees and charges not to exceed 3% increase each year for the next five years to pay for operation and maintenance of the 4S Ranch Wastewater and Reclamation Facilities starting in June 2016.

Management's Discussion and Analysis (continued)

The District has been proactive in the maintenance of potable water, recycled water, and wastewater capital facilities in order to protect the capital investments made to date by ratepayers. The District is estimated at 90% build-out. The District's drought (water supply shortage) rate structure was developed and implemented to stabilize revenues during drought or a mandatory water cut-back by the State. The District's Long-Term Financial Plan assumes a slight reduction in water demands due to permanent conservation efforts by the District's customers in response to the last drought.

Staff reviews and discusses the District's financial risks and assessments with the Board of Directors each year during the budget process. The District is addressing some of its budget challenges through continuous improvements in technology and the streamlining of its business processes to manage costs.

The District's Board of Directors have been supportive in maintaining the District's strong financial position and to provide Pay-As-You-Go funding to pay for betterment and replacement of the District's water and sewer facilities.

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.

Statement of Net Position

June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Current assets:		
Unrestricted assets:		
Cash and cash equivalents	\$ 28,256,884	\$ 29,270,700
Investments	30,235,637	25,339,789
Accounts receivable – water and sewer, net	8,372,323	7,539,847
Interest receivable	134,398	98,514
Taxes and assessments receivable	73	555
Other receivables	145,872	148,121
Inventories	1,664,131	1,527,547
Prepaid expenses and deposits	912,797	790,039
Total unrestricted assets	<u>69,722,115</u>	<u>64,715,112</u>
Restricted assets:		
Cash and cash equivalents	6,352,714	11,382,633
Investments	5,797,106	5,709,036
Interest receivable	6,865	712
Taxes and assessments receivable	182,495	185,181
Grants receivable	962,309	1,469,166
Total restricted assets	<u>13,301,489</u>	<u>18,746,728</u>
Total current assets	<u>83,023,604</u>	<u>83,461,840</u>
Noncurrent assets:		
Capital assets, nondepreciable	35,314,609	40,049,016
Capital assets, depreciable/amortizable, net	352,390,853	352,655,171
Capital assets, net	<u>387,705,462</u>	<u>392,704,187</u>
Other receivables	113,918	—
Prepaid pension contributions	22,063	31,372
Prepaid bond insurance	117,683	129,064
Total noncurrent assets	<u>387,959,126</u>	<u>392,864,623</u>
Total assets	<u>470,982,730</u>	<u>476,326,463</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount on refunding	1,925,853	733,225
Deferred amount from pension	3,501,400	2,159,137
Total deferred outflows of resources	<u>5,427,253</u>	<u>2,892,362</u>

(continued)

Statement of Net Position (continued)

June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
LIABILITIES		
Current liabilities:		
Liabilities payable from unrestricted assets:		
Accounts payable	\$ 6,412,560	\$ 6,582,634
Accrued payroll	244,882	212,880
Customer deposits	518,261	379,174
Payable related to work in progress	250,548	236,644
Compensated absences, current portion	643,000	753,000
Current portion of long-term debt:		
Water Revenue Bonds	—	430,000
Water Revenue Refunding Bonds	1,875,000	1,375,000
Special Assessment Debt with Government Commitment	845,000	810,000
Notes Payable	720,818	872,546
Total liabilities payable from unrestricted assets	<u>11,510,069</u>	<u>11,651,878</u>
Liabilities payable from restricted assets:		
Accounts payable	996,298	2,880,760
Interest payable	485,137	347,555
Unearned revenue	129,164	—
Construction deposits	—	162,993
Total liabilities payable from restricted assets	<u>1,610,599</u>	<u>3,391,308</u>
Total current liabilities	<u>13,120,668</u>	<u>15,043,186</u>
Noncurrent liabilities:		
Compensated absences	643,323	393,970
Unearned revenue	—	162,724
Net pension liability	11,018,852	8,653,737
Long-term debt, excluding current portion:		
Water Revenue Bonds	—	16,495,215
Water Revenue Refunding Bonds	38,329,311	23,914,832
Special Assessment Debt with Government Commitment	10,853,471	11,706,272
Notes Payable	14,618,930	15,339,748
Total noncurrent liabilities	<u>75,463,887</u>	<u>76,666,498</u>
Total liabilities	<u>88,584,555</u>	<u>91,709,684</u>
 DEFERRED INFLOWS OF RESOURCES		
Deferred amounts on pension	631,720	994,999
Total deferred inflows of resources	<u>631,720</u>	<u>994,999</u>
 NET POSITION		
Net investment in capital assets	<u>322,388,785</u>	<u>322,493,799</u>
Restricted for:		
Debt service	3,424,970	4,752,990
Construction	8,265,920	10,602,430
Total restricted	<u>11,690,890</u>	<u>15,355,420</u>
Unrestricted	<u>53,114,033</u>	<u>48,664,923</u>
Total net position	<u>\$ 387,193,708</u>	<u>\$ 386,514,142</u>

See accompanying Independent Auditors' Report and Notes to Basic Financial Statements.

Statement of Revenues, Expenses and Changes in Net Position

For the years ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
OPERATING REVENUES		
Water sales	\$ 45,433,161	\$ 40,936,218
Sewer charges	4,447,426	4,474,853
Other water operating revenues	<u>2,217,932</u>	<u>1,560,779</u>
Total operating revenues	<u>52,098,519</u>	<u>46,971,850</u>
OPERATING EXPENSES		
Cost of purchased water sold	24,568,729	21,979,036
Pumping and water treatment	3,988,991	3,390,124
Transmission and distribution	3,874,766	3,482,086
Sewer collection and treatment	1,672,289	1,758,907
Elfin Forest recreation operations	316,387	287,923
Facilities maintenance	1,154,241	843,456
Customer services	1,789,423	1,757,388
General and administrative	6,265,690	5,388,804
Other operating expenses	388,995	—
Depreciation and amortization	<u>15,069,090</u>	<u>13,053,286</u>
Total operating expenses	<u>59,088,601</u>	<u>51,941,010</u>
Operating income (loss)	<u>(6,990,082)</u>	<u>(4,969,160)</u>
NONOPERATING REVENUES (EXPENSES)		
Fair market value adjustment	(289,050)	51,106
Investment income	519,321	463,805
Property taxes	3,414,858	3,268,438
Capacity charges	3,624,426	1,482,945
Benefit assessments	1,460,881	1,451,751
Other nonoperating revenues	278,589	53,458
Interest expense, net	(2,342,667)	(2,629,591)
Other nonoperating expenses	<u>(1,012,913)</u>	<u>(1,211,973)</u>
Total nonoperating revenues (expenses)	<u>5,653,445</u>	<u>2,929,939</u>
Income (Loss) before capital contributions	<u>(1,336,637)</u>	<u>(2,039,221)</u>
Capital Contributions	<u>2,016,203</u>	<u>1,878,785</u>
Changes in net position	679,566	(160,436)
Net Position, Beginning of year	<u>386,514,142</u>	<u>386,674,578</u>
Net Position, End of year	<u>\$ 387,193,708</u>	<u>\$ 386,514,142</u>

See accompanying Independent Auditors' Report and Notes to Basic Financial Statements.

Statement of Cash Flows

For the years ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from water and sewer customers	\$ 51,293,461	\$ 45,961,503
Payments for water	(24,068,220)	(21,425,291)
Payments for services and supplies	(11,798,521)	(6,578,992)
Payments for employee wages, benefits, and related costs	(9,629,697)	(9,686,442)
Net cash provided by operating activities	<u>5,797,023</u>	<u>8,270,778</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES		
Property taxes and benefit assessments received	<u>4,878,907</u>	<u>4,713,248</u>
Net cash provided by noncapital and related financing activities	<u>4,878,907</u>	<u>4,713,248</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(8,323,030)	(14,800,924)
Proceeds from grants and capital contributions	18,693	378,727
Principal paid on long-term debt	(20,677,761)	(30,928,439)
Proceeds from debt refunding	16,102,257	26,391,456
Interest paid on long-term debt	(2,536,986)	(2,910,441)
Capacity charges received	3,592,523	1,407,797
Proceeds from sale of capital assets	6,000	18,040
Other capital financing receipts	272,589	35,418
Other capital financing expenses paid	(378,266)	(328,312)
Net cash provided (used) by capital and related financing activities	<u>(11,923,981)</u>	<u>(20,736,678)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale and maturities of investments	19,559,500	23,175,000
Purchases of investments	(24,832,468)	(21,580,706)
Investment income received	477,284	482,637
Net cash provided (used) by investing activities	<u>(4,795,684)</u>	<u>2,076,931</u>
Net increase (decrease) in cash and cash equivalents	<u>(6,043,735)</u>	<u>(5,675,721)</u>
Cash and cash equivalents, beginning of year	<u>40,653,333</u>	<u>46,329,054</u>
Cash and cash equivalents, end of year	<u>\$ 34,609,598</u>	<u>\$ 40,653,333</u>
FINANCIAL STATEMENT PRESENTATION		
Cash and cash equivalents	\$ 28,256,884	\$ 29,270,700
Cash and cash equivalents – restricted assets	6,352,714	11,382,633
Total cash and cash equivalents	<u>\$ 34,609,598</u>	<u>\$ 40,653,333</u>

(continued)

See accompanying Independent Auditors' Report and Notes to Basic Financial Statements.

Statement of Cash Flows (continued)

For the years ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ (6,990,082)	\$ (4,969,160)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation and amortization	15,069,090	13,053,286
GASB 68 Adjustment to Pension Expense	659,573	(35,443)
Changes in operating assets and liabilities:		
(Increase) Decrease in assets:		
Receivables	(944,145)	(947,618)
Inventories	(136,584)	65,533
Prepaid expenses and deposits	(102,068)	97,535
Increase (Decrease) in liabilities:		
Accounts payable	(1,872,650)	1,424,931
Accrued payroll and compensated absences	171,355	(343,174)
Unearned revenue	(162,724)	(101,518)
Customer deposits	105,258	26,406
Net cash provided by operating activities	<u><u>\$ 5,797,023</u></u>	<u><u>\$ 8,270,778</u></u>
NONCASH INVESTING AND FINANCING ACTIVITIES:		
Customer contributions of capital assets	\$ 2,016,203	\$ 1,508,273
Amortization of premiums	\$ (25,955)	\$ (25,955)
Unrealized gains (losses) on investments	<u><u>\$ 332,082</u></u>	<u><u>\$ (11,391)</u></u>

See accompanying Independent Auditors' Report and Notes to Basic Financial Statements.

Notes to the Basic Financial Statements

For the years ended June 30, 2017 and June 30, 2016

1. Summary of Significant Accounting Policies

a. Organization

The Olivenhain Municipal Water District (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 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 (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, 2006 Water Revenue Refunding Bond Fund, 2009 Water Revenue Bond Fund, 2015 Water System Revenue Refunding Bond Fund, 2016 Water System Revenue Refunding Bond Fund, 2012 California Bank & Trust Note Payable, 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.

b. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied. The accompanying financial statements are reported using the economic resources measurement focus, and the accrual basis of accounting. Under the economic measurement focus all assets and liabilities (whether current or noncurrent) associated with these activities are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position present increases (revenues) and decreases (expenses) in total net position. Under 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.

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The basic financial statements of the Olivenhain Municipal Water District have been prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for governmental accounting financial reporting purposes.

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2017 and June 30, 2016

1. Summary of Significant Accounting Policies (continued)

b. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

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 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.”

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.

When both restricted and unrestricted resources are available for use, it is the District’s practice to use restricted resources first, then unrestricted resources as they are needed.

c. New Accounting Pronouncements

Current Year Standards:

GASB Statement No. 74 – “*Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*,” effective for periods beginning after June 15, 2016 and did not impact the District.

GASB Statement No. 77 – “*Tax Abatement Disclosure*,” effective for periods beginning after December 15, 2015 and did not impact the District.

GASB Statement No. 78 – “*Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*,” effective for periods beginning after December 15, 2015 and did not impact the District.

GASB Statement No. 79 – “*Certain External Investment Pools and Pool Participants*,” was required to be implemented in the current fiscal year, except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing, which are effective for periods beginning after December 15, 2015, and did not impact the District.

GASB Statement No. 80 – “*Blending Requirements for Certain Component Units*,” effective for periods beginning after June 15, 2016 and did not impact the District.

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2017 and June 30, 2016

1. Summary of Significant Accounting Policies (continued)

c. New Accounting Pronouncements (continued)

Current Year Standards (continued):

Pending Accounting Standards

GASB has issued the following statements which may impact the District's financial reporting requirements in the future:

- GASB 75 – “*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*,” effective for periods beginning after June 15, 2017.
- GASB 81 – “*Irrevocable Split-Interest Agreements*,” effective for periods beginning after December 15, 2016.
- GASB 82 – “*Pension Issues*,” effective for periods beginning after June 15, 2016, except for certain provisions on selection of assumptions, which are effective in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017.
- GASB 84 – “*Omnibus 2017*,” effective for periods beginning after June 15, 2017.
- GASB 85 – “*Certain Debt Extinguishment Issues*,” effective for periods beginning after June 15, 2017.
- GASB 87 – “*Leases*,” effective for periods beginning after December 15, 2019.

d. Deferred Outflows/Inflows of Resources:

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until that time. The District has the following items that qualify for reporting in this category:

- Deferred loss on refunding of \$1,925,853 related to the 2015 and 2016 Water System Refunding Revenue Bonds, net of accumulated amortization of \$44,036, at June 30, 2017. It is amortized on a straight line basis over 156 and 261 months, respectively, which represents the shortest period between the remaining outstanding debt and the new debt.
- Deferred outflow related to pensions for employer contributions made after the measurement date of the net pension liability.
- Deferred outflow related to pensions for differences between expected and actual experiences. This amount is amortized over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions through the Plans determined as of June 30, 2016.
- Deferred outflow related to pensions for changes in proportion. This amount is amortized over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions through the Plans determined as of June 30, 2016.
- Deferred outflow related to pensions resulting from the difference in projected and actual earnings on plan investments of the pension plan fiduciary net position. This amount is amortized over five years.

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2017 and June 30, 2016

1. Summary of Significant Accounting Policies (continued)

d. Deferred Outflows/Inflows of Resources (continued):

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The District has the following that will qualify for reporting in this category:

- Deferred inflows from pensions for differences between expected and actual experiences. 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, 2016.
- Deferred inflows 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.
- Deferred inflows related to pensions for the differences between employer contributions and proportionate share of contributions. 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.
- Deferred inflow related to pensions resulting from the difference in projected and actual earnings on plan investments of the pension plan fiduciary net position. This amount is amortized over five years.

e. 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. Investment pool deposits are carried at the District's proportionate share of the fair value of each pool's underlying portfolio.

State Investment Pool

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.

Investment Valuation

Investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

f. Water Sales

Water sales revenue is recorded when water is delivered and service is rendered, including an estimated amount for unbilled service.

g. Allowance for Doubtful Accounts

The District recognizes bad debt expense relating to receivables when it is probable that the accounts will be uncollectible. Water and sewer accounts receivable at June 30, 2017 and 2016 have been reduced by an allowance for doubtful accounts of \$110,000 and \$110,000, respectively.

See accompanying Independent Auditors' Report.

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2017 and June 30, 2016

1. Summary of Significant Accounting Policies (continued)

h. Inventories

Materials inventory is stated at current average cost. Water inventory is stated at its purchase cost using the first-in, first-out method.

i. Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses.

j. 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.

k. Capital Assets, Depreciation and Amortization

Capital assets are valued at cost when constructed or purchased. Donated capital assets, donated works of art and similar assets, and capital assets received in a service concession arrangement are reported at acquisition value. The District capitalizes all assets with a historical cost of at least \$5,000 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.

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2017 and June 30, 2016

1. Summary of Significant Accounting Policies (continued)

l. Capitalized Interest

Interest costs, less interest earned, on related borrowings are capitalized during the construction period of major capital asset additions. The capitalized interest is recorded as part of the asset to which it is related and is depreciated over the estimated useful life of the related asset. Capitalized interest amounted to \$0 and \$4,705 for the years ended June 30, 2017 and 2016, respectively.

m. Compensated Absences

Vested or accumulated vacation and sick leave is recorded as an expense and liability as benefits accrue to employees. Changes in compensated absences for the year ended June 30, 2017, were as follows:

Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
\$ 1,146,970	\$ 791,282	\$ (651,929)	\$ 1,286,323

The current portion of compensated absences payable is \$643,000 and \$753,000 at June 30, 2017 and 2016, respectively.

n. 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.

o. 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.

p. 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 Plan's 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.

q. Capacity Charges

Capacity charges are paid by new customers prior to connecting to the District's system. Such charges are periodically adjusted based upon changes in construction costs and other factors, and are intended to compensate the District for a new customer's equitable share of current and future system capacity. Capacity charges are, except in rare circumstances, nonrefundable and are recorded as nonoperating revenues when collected.

r. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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, 2017 and June 30, 2016

2. Cash, Cash Equivalents, and Investments

Cash and investments at June 30, 2017 and 2016 are classified in the accompanying financial statements as follows:

	<u>2017</u>	<u>2016</u>
Statement of Net Position:		
Current assets:		
Cash and cash equivalents	\$ 28,256,884	\$ 29,270,700
Restricted cash and cash equivalents	6,352,714	11,382,633
Investments	30,235,637	25,339,789
Restricted investments	5,797,106	5,709,036
Total cash and investments	<u>\$ 70,642,341</u>	<u>\$ 71,702,158</u>
Cash and investments consist of the following:		
Cash on hand	\$ 1,466	\$ 1,546
Deposits with financial institutions	7,464,461	8,882,299
Investments	63,176,414	62,818,313
Total cash and investments	<u>\$ 70,642,341</u>	<u>\$ 71,702,158</u>

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.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
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%	\$1,000,000
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	15%	None
Money Market Mutual Funds	N/A	20%	5%
Municipal Obligations	N/A	30%	None
Local Government Investment Pool	N/A	30%	None
Local Agency Investment Fund	N/A	30%	\$20,000,000

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2017 and June 30, 2016

2. Cash, Cash Equivalents, and Investments (continued)

Investments Authorized by Debt Agreements:

Investment of debt proceeds held by 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.

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.

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, 2017.

Investment Type	Total	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More than 60 Months
Local Agency Investment					
Fund (LAIF)	\$ 15,102,385	\$ 15,102,385	\$ —	\$ —	\$ —
California Asset Management					
Program (CAMP)	10,465,495	10,465,495	—	—	—
Commercial Paper	1,994,950	1,994,950	—	—	—
Money Market Mutual Funds	1,558,377	1,558,377	—	—	—
U.S. Government					
Sponsored Entities	28,030,353	4,981,770	1,992,040	21,056,543	—
Medium-Term Notes	676,892	676,892	—	—	—
Municipal Obligations	2,359,812	354,025	500,665	1,505,122	—
U.S. Treasury Obligations	2,988,150	999,710	1,988,440	—	—
Total	\$ 63,176,414	\$ 36,133,604	\$ 4,481,145	\$ 22,561,665	\$ —

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, 2016.

Investment Type	Total	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More than 60 Months
Local Agency Investment					
Fund (LAIF)	\$ 17,082,396	\$ 17,082,396	\$ —	\$ —	\$ —
California Asset Management					
Program (CAMP)	7,712,698	7,712,698	—	—	—
Commercial Paper	2,997,940	2,997,940	—	—	—
Money Market Mutual Funds	6,985,066	6,985,066	—	—	—
U.S. Government					
Sponsored Entities	20,629,285	1,000,600	5,010,610	14,618,075	—
Medium-Term Notes	689,074	—	689,074	—	—
Municipal Obligations	704,114	704,114	—	—	—
U.S. Treasury Obligations	6,017,740	3,007,350	999,690	2,010,700	—
Total	\$ 62,818,313	\$ 39,490,164	\$ 6,699,374	\$ 16,628,775	\$ —

See accompanying Independent Auditors' Report.

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2017 and June 30, 2016

2. Cash, Cash Equivalents, and Investments (continued)

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. 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, 2017. (CAMP is rated by Standard and Poor's and has a rating of AAAM).

Investment Type	Total	Rating as of Year End					
		Minimum Legal Rating	Exempt from Disclosure	AAA	AA	A	Not Rated
Local Agency							
Investment Fund (LAIF)	\$ 15,102,385	N/A	\$ —	\$ —	\$ —	\$ —	\$ 15,102,385
California Asset Management							
Program (CAMP)	10,465,495	AAA	—	10,465,495	—	—	—
Commercial Paper	1,994,950	N/A	—	—	—	—	1,994,950
Money Market							
Mutual Funds	1,558,377	N/A	—	—	—	—	1,558,377
U.S. Government							
Sponsored Entities	28,030,353	AAA	—	28,030,353	—	—	—
Medium-Term Notes	676,892	A	—	—	—	676,892	—
Municipal Obligations	2,359,812	AA	—	354,025	2,005,787	—	—
U.S. Treasury							
Obligations	2,988,150	N/A	2,988,150	—	—	—	—
Total	\$ 63,176,414		\$ 2,988,150	\$ 38,849,873	\$ 2,005,787	\$ 676,892	\$ 18,655,712

See accompanying Independent Auditors' Report.

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2017 and June 30, 2016

2. Cash, Cash Equivalents, and Investments (continued)

Disclosures Relating to Credit Risk (continued):

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, 2016.

Investment Type	Total	Rating as of Year End					
		Minimum Legal Rating	Exempt from Disclosure	AAA	AA	A	Not Rated
Local Agency							
Investment Fund (LAIF)	\$ 17,082,396	N/A	\$ —	\$ —	\$ —	\$ —	\$ 17,082,396
California Asset Management							
Program (CAMP)	7,712,698	AAA	—	7,712,698	—	—	—
Commercial Paper	2,997,940	N/A	—	—	—	—	2,997,940
Money Market							
Mutual Funds	6,985,066	N/A	—	4,027,221	—	—	2,957,845
U.S. Government							
Sponsored Entities	20,629,285	AAA	—	20,629,285	—	—	—
Medium-Term Notes	689,074	A2	—	237,688	451,386	—	—
Municipal Obligations	704,114	A1	—	500,060	204,054	—	—
U.S. Treasury							
Obligations	6,017,740	N/A	6,017,740	—	—	—	—
Total	\$ 62,818,313		\$ 6,017,740	\$ 33,106,952	\$ 655,440	\$ —	\$ 23,038,181

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	2017	2016
Federal Home Loan Banks	U.S. Govt. Sponsored Entities	\$ 4,453,255	\$ 4,475,342
Federal National Mortgage Association	U.S. Govt. Sponsored Entities	\$ 11,878,230	\$ 4,001,540
Federal Home Loan Mortgage Corporation	U.S. Govt. Sponsored Entities	\$ 9,707,468	\$ 10,153,183

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2017 and June 30, 2016

2. Cash, Cash Equivalents, and Investments (continued)

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, 2017 and 2016, \$7,043,209 and \$9,291,933 of the District's deposits with financial institutions in excess of the Federal insurance limits were held in collateralized accounts.

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.

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). 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 District reports its investment in CAMP at the fair value amounts provided by CAMP, which is the same value of the pool share. At June 30, 2017 and 2016 the fair value approximated is the District's cost.

Fair Value Measurements:

The District categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the relative inputs used to measure the fair value of the investments. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the District has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2017 and June 30, 2016

2. Cash, Cash Equivalents, and Investments (continued)

Fair Value Measurements (continued):

The three levels of the fair value hierarchy are described as follows (continued):

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect the District's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the District's own data.

The asset's or liability's level within the hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The determination of what constitutes observable requires judgment by the District's management. District management considers observable data to be that market data which is readily available, regularly distributed or updated, reliable, and verifiable, not proprietary, and provided by multiple independent sources that are actively involved in the relevant market.

The categorization of an investment or liability within the hierarchy is based upon the relative observability of the inputs to its fair value measurement and does not necessarily correspond to District management's perceived risk of that investment or liability.

The following is a description of the recurring valuation methods and assumptions used by the District to estimate the fair value of its investments. The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

When available, quoted prices are used to determine fair value. When quoted prices in active markets are available, investments are classified within Level 1 of the fair value hierarchy. When quoted prices in active markets are not available, fair values are based on evaluated prices received by District management.

The District has no investments categorized in Level 3. When valuing Level 3 securities, the inputs or methodology are not necessarily an indication of the risks associated with investing in those securities. Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy.

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2017 and June 30, 2016

2. Cash, Cash Equivalents, and Investments (continued)

Fair Value Measurements (continued):

Fair value measurements at June 30, 2017 consisted of the following:

	<u>Quoted Prices Level 1</u>	<u>Observable Inputs Level 2</u>	<u>Unobservable Inputs Level 3</u>	<u>June 30, 2017</u>
Investments by Fair Value Level				
U.S. Government Sponsored Entity Securities				
FNMA	\$ —	\$ 12,872,600	\$ —	\$ 12,872,600
FMM	—	997,030	—	997,030
FHLB	—	4,453,255	—	4,453,255
FHLMC	—	9,707,468	—	9,707,468
U.S. Treasury Securities	—	2,988,150	—	2,988,150
Commercial Paper	—	1,994,950	—	1,994,950
Medium Term Notes	—	676,892	—	676,892
Municipal Bonds	—	2,359,812	—	2,359,812
Total Investments by Fair Value Level	<u>\$ —</u>	<u>\$ 36,050,157</u>	<u>\$ —</u>	<u>36,050,157</u>
Investments measured at Cost or Net Asset Value (NAV)				
Local Agency Investment Fund (LAIF)				15,102,385
California Asset Management Program (CAMP)				10,465,495
Money Market Mutual Funds				53,501
Held by Fiscal Agent				
Money Market Mutual Funds				<u>1,504,876</u>
Total Investments at Cost or Net Assets Value (NAV)				<u>27,126,257</u>
Total Investments				<u>\$ 63,176,414</u>

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2017 and June 30, 2016

2. Cash, Cash Equivalents, and Investments (continued)

Fair Value Measurements (continued):

Fair value measurements at June 30, 2016 consisted of the following:

	<u>Quoted Prices Level 1</u>	<u>Observable Inputs Level 2</u>	<u>Unobservable Inputs Level 3</u>	<u>June 30, 2016</u>
Investments by Fair Value Level				
U.S. Government Sponsored Entity Securities				
FNMA	\$ —	\$ 4,001,540	\$ —	\$ 4,001,540
FFCB	—	1,999,220	—	1,999,220
FHLB	—	4,475,342	—	4,475,342
FHLMC	—	10,153,183	—	10,153,183
U.S. Treasury Securities	—	6,017,740	—	6,017,740
Commercial Paper	—	2,997,940	—	2,997,940
Medium Term Notes	—	689,074	—	689,074
Municipal Bonds	—	704,114	—	704,114
Total Investments by Fair Value Level	<u>\$ —</u>	<u>\$ 31,038,153</u>	<u>\$ —</u>	<u>31,038,153</u>
Investments measured at Cost or Net Asset Value (NAV)				
Local Agency Investment Fund (LAIF)				17,082,396
California Asset Management Program (CAMP)				7,712,698
Money Market Mutual Funds				4,027,221
Held by Fiscal Agent				
Money Market Mutual Funds				<u>2,957,845</u>
Total Investments at Cost or Net Assets Value (NAV)				<u>31,780,160</u>
Total Investments				<u>\$ 62,818,313</u>

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2017 and June 30, 2016

3. Net Position

a. Restricted Net Position

Restricted Net Position at June 30 consisted of the following:

	<u>2017</u>	<u>2016</u>
Net position restricted for debt service		
<u>Restricted Assets</u>		
Cash	\$ 2,301,462	\$ 4,885,216
Investments	1,550,610	158,136
Interest receivable	6,865	712
Taxes/assessments receivable	53,270	59,586
Total restricted assets for debt service	<u>3,912,207</u>	<u>5,103,650</u>
Less liabilities payable from restricted assets	<u>(487,237)</u>	<u>(350,660)</u>
Net position restricted for debt service	<u>3,424,970</u>	<u>4,752,990</u>
Net position restricted for construction		
<u>Restricted Assets</u>		
Cash	4,051,252	6,497,417
Investments	4,246,496	5,550,900
Grants receivable	962,309	1,469,166
Taxes/assessments receivable	129,225	125,595
Total restricted assets for construction	<u>9,389,282</u>	<u>13,643,078</u>
Less liabilities from restricted assets	<u>(1,123,362)</u>	<u>(3,040,648)</u>
Less: long-term debt attributable to unspent proceeds of debt	<u>—</u>	<u>—</u>
Net position restricted for construction	<u>8,265,920</u>	<u>10,602,430</u>
Total restricted net position	<u>\$ 11,690,890</u>	<u>\$ 15,355,420</u>

b. Unrestricted Net Position

In addition to the restricted net position, a portion of the unrestricted net position has been reserved by management for the following purposes as of June 30:

	<u>2017</u>	<u>2016</u>
Capital replacement reserve	\$ 31,236,022	\$ 27,022,204
Rate stabilization reserve	10,032,650	9,997,677
Unreserved	<u>11,845,361</u>	<u>11,645,042</u>
	<u>\$ 53,114,033</u>	<u>\$ 48,664,923</u>

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2017 and June 30, 2016

4. Capital Assets

Changes in capital assets for the year ended June 30, 2017, were as follows:

	Balance June 30, 2016	Additions	Deletions	Transfers/ Adjustments	Balance June 30, 2017
Capital assets, not being depreciated:					
Land	\$ 11,139,165	\$ —	\$ —	\$ —	\$ 11,139,165
Steel water storage tanks	16,692,979	—	—	3,168,426	19,861,405
Construction in progress	12,216,872	8,214,014	—	(16,116,847)	4,314,039
Total capital assets, not being depreciated	<u>40,049,016</u>	<u>8,214,014</u>	<u>—</u>	<u>(12,948,421)</u>	<u>35,314,609</u>
Capital assets, being depreciated/amortized:					
Treatment and distribution system	265,457,988	14,761,847	(736,620)	—	279,483,215
Capacity Rights	27,739,008	—	—	—	27,739,008
Non-steel tanks	40,140,136	271,560	(134,877)	(3,328,578)	36,948,241
General plant	173,426,949	3,689,180	(1,571,706)	—	175,544,423
Total capital assets, being depreciated/ amortized	<u>506,764,081</u>	<u>18,722,587</u>	<u>(2,443,203)</u>	<u>(3,328,578)</u>	<u>519,714,887</u>
Accumulated depreciation/amortization:					
Treatment and distribution system	(78,119,390)	(6,550,894)	472,336	11,114	(84,186,834)
Capacity Rights	(10,192,796)	(1,607,482)	—	—	(11,800,278)
Non-steel tanks	(9,118,218)	(673,997)	8,336	160,150	(9,623,729)
General plant	(56,678,506)	(6,236,717)	1,213,144	(11,114)	(61,713,193)
Total accumulated depreciation/ amortization	<u>(154,108,910)</u>	<u>(15,069,090)</u>	<u>1,693,816</u>	<u>160,150</u>	<u>(167,324,034)</u>
Total capital assets, being depreciated/ amortized, net	<u>352,655,171</u>	<u>3,653,497</u>	<u>(749,387)</u>	<u>(3,168,428)</u>	<u>352,390,853</u>
Total capital assets, net	<u>\$ 392,704,187</u>	<u>\$ 11,867,511</u>	<u>\$ (749,387)</u>	<u>\$ (16,116,849)</u>	<u>\$ 387,705,462</u>

See accompanying Independent Auditors' Report.

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2017 and June 30, 2016

4. Capital Assets (continued)

Changes in capital assets for the year ended June 30, 2016, were as follows:

	Balance June 30, 2015	Additions	Deletions	Transfers/ Adjustments	Balance June 30, 2016
Capital assets, not being depreciated:					
Land	\$ 11,139,165	\$ —	\$ —	\$ —	\$ 11,139,165
Steel water storage tanks	16,692,979	—	—	—	16,692,979
Construction in progress	6,137,778	16,021,601	(840,176)	(9,102,231)	12,216,872
Total capital assets, not being depreciated	<u>33,969,922</u>	<u>16,021,601</u>	<u>(840,176)</u>	<u>(9,102,331)</u>	<u>40,049,016</u>
Capital assets, being depreciated/amortized:					
Treatment and distribution system	263,017,341	2,967,747	(527,100)	—	265,457,988
Capacity Rights	27,739,008	—	—	—	27,739,008
Non-steel tanks	37,055,333	3,549,675	(464,872)	—	40,140,136
General plant	170,682,012	4,000,308	(1,255,371)	—	173,426,949
Total capital assets, being depreciated/ amortized	<u>498,493,694</u>	<u>10,517,730</u>	<u>(2,247,343)</u>	<u>—</u>	<u>506,764,081</u>
Accumulated depreciation/amortization:					
Treatment and distribution system	(72,793,095)	(5,665,529)	339,234	—	(78,119,390)
Capacity Rights	(8,585,314)	(1,607,482)	—	—	(10,192,796)
Non-steel tanks	(8,492,874)	(772,554)	147,210	—	(9,118,218)
General plant	(52,548,022)	(5,007,721)	877,237	—	(56,678,506)
Total accumulated depreciation/ amortization	<u>(142,419,305)</u>	<u>(13,053,286)</u>	<u>1,363,681</u>	<u>—</u>	<u>(154,108,910)</u>
Total capital assets, being depreciated/ amortized, net	<u>356,074,389</u>	<u>(2,535,556)</u>	<u>(883,662)</u>	<u>—</u>	<u>352,655,171</u>
Total capital assets, net	<u>\$ 390,044,311</u>	<u>\$ 13,486,045</u>	<u>\$ (1,723,838)</u>	<u>\$ (9,102,331)</u>	<u>\$ 392,704,187</u>

Depreciation expense for depreciable capital assets was \$13,461,608 and \$11,445,804 for the years ended June 30, 2017 and 2016, respectively. Amortization expense for amortizable capital assets was \$1,607,482 and \$1,607,482 for the years ending 2017 and 2016, respectively.

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2017 and June 30, 2016

4. Capital Assets (continued)

Construction in progress consisted of the following at June 30:

	<u>2017</u>	<u>2016</u>
Village Park Pump Station	\$ —	\$ 1,997,574
Village Park Recycled Water System	—	7,162,324
San Elijo Valley Groundwater	1,546,560	1,122,784
Building D	769,312	—
Other capital projects	1,998,167	1,934,190
Total construction in progress	<u>\$ 4,314,039</u>	<u>\$ 12,216,872</u>

5. Prepaid Supplementary Retirement Plan

During fiscal year 2011/2012 the District offered a Board of Directors' approved early retirement plan to all employees. Five District employees accepted a supplementary retirement plan which was purchased through an annuity arranged by Public Agency Retirement Services (PARS). The \$319,340 prepayment is amortizable over five (5) to eight (8) years based on the retirees' selection. The amount amortizable during fiscal year 2016/2017 is \$13,934 and will be reported as a current prepaid asset on the Statement of Net Position. The balance of \$22,063 which will be amortizable in years after fiscal year 2017/2018, is included in the non-current asset Prepaid Pension Contributions.

6. Accounts Payable

Accounts payable to be paid from unrestricted current assets was as follows at June 30:

	<u>2017</u>	<u>2016</u>
Water purchases	\$ 4,653,330	\$ 4,152,821
Capital asset additions	341,786	911,003
Other	1,417,444	1,518,810
Total	<u>\$ 6,412,560</u>	<u>\$ 6,582,634</u>

Accounts payable, to be paid from restricted current assets was as follows at June 30:

	<u>2017</u>	<u>2016</u>
Capital asset additions	\$ 8,083	\$ —
Other	988,215	2,880,760
	<u>\$ 996,298</u>	<u>\$ 2,880,760</u>

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2017 and June 30, 2016

7. Long-Term Debt

Changes in long-term debt for the year ended June 30, 2017 were as follows:

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017	Due Within One Year
Notes Payable:					
2013 Note Payable	\$ 15,693,955	\$ —	\$ (354,207)	\$ 15,339,748	\$ 720,818
2012 Note Payable	518,339	—	(518,339)	—	—
Notes Payable	<u>16,212,294</u>	<u>—</u>	<u>(872,546)</u>	<u>15,339,748</u>	<u>720,818</u>
Revenue Bonds:					
2009 Water Revenue Bonds Payable	16,610,000	—	(16,610,000)	—	—
Plus unamortized bond premiums	315,215	—	(315,215)	—	—
2015 Water System Refunding Bonds	21,860,000	—	(1,375,000)	20,485,000	1,440,000
Plus unamortized bond premiums	3,429,832	—	(287,818)	3,142,014	—
2016 Water System Refunding Revenue Bonds	—	15,990,000	(690,000)	15,300,000	435,000
Plus unamortized bond premiums	—	1,318,579	(41,282)	1,277,297	—
Revenue Bonds, net	<u>42,215,047</u>	<u>17,308,579</u>	<u>(19,319,315)</u>	<u>40,204,311</u>	<u>1,875,000</u>
2007 Reassessment 96-1 Limited Obligation Improvement Bonds	12,485,000	—	(815,000)	11,670,000	845,000
Plus original issue premium	31,272	—	(2,801)	28,471	—
2007 Reassessment 96-1 Limited Obligation Improvement Bonds, net	<u>12,516,272</u>	<u>—</u>	<u>(817,801)</u>	<u>11,698,471</u>	<u>845,000</u>
Total	<u>\$ 70,943,613</u>	<u>\$ 17,308,579</u>	<u>\$ (21,009,662)</u>	<u>\$ 67,242,530</u>	<u>\$ 3,440,818</u>

See accompanying Independent Auditors' Report.

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2017 and June 30, 2016

7. Long-Term Debt (continued)

Changes in long-term debt for the year ended June 30, 2016 were as follows:

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016	Due Within One Year
Notes Payable:					
2013 Note Payable	\$ 16,390,314	\$ —	\$ (696,359)	\$ 15,693,955	\$ 354,207
2012 Note Payable	1,540,842	—	(1,022,503)	518,339	518,339
Notes Payable	<u>17,931,156</u>	<u>—</u>	<u>(1,718,862)</u>	<u>16,212,294</u>	<u>872,546</u>
Revenue Bonds:					
2009 Water Revenue Bonds Payable	17,025,000	—	(415,000)	16,610,000	430,000
Plus unamortized bond premiums	328,724	—	(13,509)	315,215	—
2006 Water Revenue Refunding Bonds Payable	26,290,000	—	(26,290,000)	—	—
Plus unamortized bond premiums	124,577	—	(124,577)	—	—
2015 Water System Refunding Revenue Bonds	—	23,455,000	(1,595,000)	21,860,000	1,375,000
Plus unamortized bond premiums	—	3,669,681	(239,849)	3,429,832	—
Revenue Bonds, net	<u>43,768,301</u>	<u>27,124,681</u>	<u>(28,677,935)</u>	<u>42,215,047</u>	<u>1,805,000</u>
2007 Reassessment 96-1 Limited Obligation Improvement Bonds	13,270,000	—	(785,000)	12,485,000	810,000
Plus original issue premium	34,072	—	(2,800)	31,272	—
2007 Reassessment 96-1 Limited Obligation Improvement Bonds, net	<u>13,304,072</u>	<u>—</u>	<u>(787,800)</u>	<u>12,516,272</u>	<u>810,000</u>
Total	<u>\$ 75,003,529</u>	<u>\$ —</u>	<u>\$ (31,184,597)</u>	<u>\$ 70,943,613</u>	<u>\$ 3,487,546</u>

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2017 and June 30, 2016

7. Long-Term Debt (continued)

a. 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 is to commence on the due date of the first principal and interest invoice and expire 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 shall be 2.3035% annually. At June 30, 2017, the amount borrowed was \$15,339,748.

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
2018	\$ 720,818	\$ 349,224	\$ 1,070,042
2019	737,517	332,525	1,070,042
2020	754,604	315,438	1,070,042
2021	772,087	297,955	1,070,042
2022	789,973	280,069	1,070,042
2023–2027	4,233,025	1,117,183	5,350,208
2028–2032	4,746,624	603,584	5,350,208
2033–2035	2,585,100	90,004	2,675,104
Total	<u>\$ 15,339,748</u>	<u>\$ 3,385,982</u>	<u>\$ 18,725,730</u>

b. 2012 Note Payable

On February 8, 2012, the District issued a negotiable promissory note for a term of not more than 60 months in the amount of \$5,000,000 (2012 Note Payable), under and pursuant to Section 71811 of the Water Code, for the purpose of providing funds for certain capital expenditures. The initial loan rate is either 156 basis points above the 30-day LIBOR Rate or (at the District's election) 66.67% of the California Bank and Trust (CB&T) Prime Rate. For either funding rate basis, the rate is to be adjusted every month thereafter to the same margin above the applicable index as of the start of the month, but in no event greater than 12% per year. During the current fiscal year 2016/2017, the District paid off the remaining loan balance.

c. 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 System Revenues for the debt service payment of the bond. The total principal and interest remaining to be paid on the bonds is \$21,472,416. For the current year, principal and interest paid on the bonds were \$1,003,995. 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.

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2017 and June 30, 2016

7. Long-Term Debt (continued)

c. 2016 Water System Refunding Revenue Bonds Payable (continued)

The District placed the proceeds of the refunding issue plus additional District contributions in an irrevocable trust to provide for all future debt service payments on the old obligation. Accordingly, the trust account assets and the liability for the defeased obligation are not included in the District's financial statements. At June 30, 2017, \$16,180,000 of the defeased obligation remains outstanding.

A summary of the refunding bonds is as follows:

Interest Rates	Fiscal Year Maturities (varying amounts)	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
2%–5%	2017–2036	\$ —	\$ 13,235,000	\$ 690,000	\$ 12,545,000
2.5%	2037–2039	—	2,755,000	—	2,755,000
		<u>\$ —</u>	<u>\$ 15,990,000</u>	<u>\$ 690,000</u>	<u>\$ 15,300,000</u>

Total certificates outstanding as of June 30, 2017, including unamortized bond premiums were as follows:

Principal outstanding at June 30, 2017	\$ 15,300,000
Plus unamortized bond premium	1,277,297
Net bonds outstanding at June 30, 2017	<u>\$ 16,577,297</u>

Future debt service requirements for the above bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 435,000	\$ 540,413	\$ 975,413
2019	460,000	518,663	978,663
2020	480,000	495,663	975,663
2021	505,000	471,663	976,663
2022	530,000	446,413	976,413
2023–2027	3,080,000	1,806,063	4,886,063
2028–2032	3,725,000	1,153,238	4,878,238
2033–2037	4,225,000	656,150	4,881,150
2038–2039	1,860,000	84,150	1,944,150
Total	<u>\$ 15,300,000</u>	<u>\$ 6,172,416</u>	<u>\$ 21,472,416</u>

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2017 and June 30, 2016

7. Long-Term Debt (continued)

d. 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 System Revenues for the debt service payment of the bond. The total principal and interest remaining to be paid on the bonds is \$26,483,125. For the current year, principal and interest paid on the bonds were \$2,409,375. 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.

A summary of the refunding bonds is as follows:

Interest Rates	Fiscal Year Maturities (varying amounts)	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
2%–5%	2017–2027	\$ 19,515,000	\$ —	\$ 1,375,000	\$ 18,140,000
3%	2028	2,345,000	—	—	2,345,000
		<u>\$ 21,860,000</u>	<u>\$ —</u>	<u>\$ 1,375,000</u>	<u>\$ 20,485,000</u>

Total certificates outstanding as of June 30, 2017, net of unamortized bond premiums were as follows:

Principal outstanding at June 30, 2017	\$ 20,485,000
Plus unamortized bond premium	3,142,014
Net bonds outstanding at June 30, 2017	<u>\$ 23,627,014</u>

Future debt service requirements for the above bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 1,440,000	\$ 965,625	\$ 2,405,625
2019	1,515,000	893,625	2,408,625
2020	1,590,000	817,875	2,407,875
2021	1,665,000	738,375	2,403,375
2022	1,750,000	655,125	2,405,125
2023–2027	10,180,000	1,868,875	12,048,875
2028–2031	2,345,000	58,625	2,403,625
Total	<u>\$ 20,485,000</u>	<u>\$ 5,998,125</u>	<u>\$ 26,483,125</u>

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2017 and June 30, 2016

7. Long-Term Debt (continued)

e. 2007 Reassessment District 96-1 Limited Obligation Improvement Bonds

In September 2007, the District issued Reassessment District 96-1 Limited Obligation Improvement Bonds, Series 2007 in the principal amount of \$17,965,000 pursuant to the provisions of the Refunding Act of 1984 for 1915 Improvement Act Bonds. The Bonds were issued upon and secured by unpaid reassessments levied against certain property within the District's Reassessment District 96-1. The proceeds were used to refund the outstanding principal amount of the District's Assessment District 96-1, Limited Obligation Improvement Bonds, to fund a reserve fund for the Bonds, and to pay the costs of issuance incurred in connection therewith.

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.

A summary of the Limited Obligation bonds is as follows:

Interest Rates	Fiscal Year Maturities (varying amounts)	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
4-4.5%	2017-2023	\$ 6,420,000	\$ —	\$ 815,000	\$ 5,605,000
5%	2024-2028	6,065,000	—	—	6,065,000
		<u>\$ 12,485,000</u>	<u>\$ —</u>	<u>\$ 815,000</u>	<u>\$ 11,670,000</u>

The Limited Obligation Improvement Bonds outstanding at June 30, 2017, consist of serial certificates which mature annually from September 2, 2008, to September 2, 2022, and term certificates which mature on September 2, 2027.

Total certificates outstanding as of June 30, 2017, plus original issuance premium were as follows:

Principal outstanding at June 30, 2017	\$ 11,670,000
Plus unamortized bond premium	<u>28,471</u>
Net bonds outstanding at June 30, 2017	<u>\$ 11,698,471</u>

Future debt service requirements for the above bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 845,000	\$ 531,131	\$ 1,376,131
2019	880,000	494,465	1,374,465
2020	920,000	455,420	1,375,420
2021	955,000	414,285	1,369,285
2022	1,000,000	370,775	1,370,775
2023-2027	5,745,000	1,073,513	6,818,513
2028	1,325,000	33,125	1,358,125
Total	<u>\$ 11,670,000</u>	<u>\$ 3,372,714</u>	<u>\$ 15,042,714</u>

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2017 and June 30, 2016

8. Capital Contributions

Capital contributions for the years ended June 30 were as follows:

	<u>2017</u>	<u>2016</u>
Contributions of capital assets	\$ 1,999,263	\$ 1,508,273
Federal grants	—	—
Other grants	16,940	370,512
Total	<u>\$ 2,016,203</u>	<u>\$ 1,878,785</u>

9. Inventories

Inventories at June 30 consisted of the following:

	<u>2017</u>	<u>2016</u>
Water inventory	\$ 186,912	\$ 148,595
Materials inventory	1,477,219	1,378,952
	<u>\$ 1,664,131</u>	<u>\$ 1,527,547</u>

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2017 and June 30, 2016

10. Pension Plans

Summary of Significant Accounting Policies

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.

A. General Information about the Pension Plans:

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). 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-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 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, 2017, 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 rates	8%	6.25%
Required employer contribution rates	9.498%	6.555%

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2017 and June 30, 2016

10. Pension Plans (continued)

A. General Information about the Pension Plans (continued):

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. 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.

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions:

As of June 30, 2017 and 2016 respectively, the District reported net pension liabilities for its proportionate shares of the net pension liability as follows:

	<u>2017</u>	<u>2016</u>
Classic and PEPRA Plans	\$ 11,018,852	\$ 8,653,737
Total Net Pension Liability	<u>\$ 11,018,852</u>	<u>\$ 8,653,737</u>

The District's net pension liability for the Plans is measured as the proportionate share of the net pension liability. The net pension liability of the Plans is measured as of June 30, 2016, and the total pension liability for the Plans used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 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 District's proportionate share of the net pension liability for the Plans as of June 30, 2015 and 2016 was as follows:

	<u>Classic and PEPRA Plans</u>
Proportion – June 30, 2015	0.3155%
Proportion – June 30, 2016	0.3172%
Change – Increase (Decrease)	0.0017%

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2017 and June 30, 2016

10. Pension Plans (continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (continued):

For the years ended June 30, 2017 and 2016 respectively, the District recognized pension expense of \$1,685,894 and \$903,386. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 1,026,323	\$ —
Differences between actual and expected experience	33,513	(7,679)
Change in assumptions	—	(317,066)
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	791,343	(306,975)
Net differences between projected and actual earnings on plain investments	<u>1,650,221</u>	<u>—</u>
Total	<u>\$ 3,501,400</u>	<u>\$ (631,720)</u>

At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 937,828	\$ —
Differences between actual and expected experience	56,960	—
Change in assumptions	—	(538,899)
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	1,164,349	(185,943)
Net differences between projected and actual earnings on plain investments	<u>—</u>	<u>(270,157)</u>
Total	<u>\$ 2,159,137</u>	<u>\$ (994,999)</u>

\$1,026,323 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2018	\$ 404,596
2019	297,923
2020	713,412
2021	427,426
2022	—
Thereafter	—

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2017 and June 30, 2016

10. Pension Plans (continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (continued):

Actuarial Assumptions:

The total pension liabilities in the June 30, 2016 actuarial valuations were determined using the following actuarial assumptions:

	<u>Classic and PEPRAs Plans</u>
Valuation Date	June 30, 2015
Measurement Date	June 30, 2016
Actuarial Cost Method	Entry-Age Normal Cost Method
Actual Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Payroll Growth	3.00%
Projected Salary Increase	(1)
Investment Rate of Return	7.5% ⁽²⁾
Mortality	(3)

(1) Depending on age, service and type of employment

(2) Net of pension plan investment expenses, including inflation.

(3) The probabilities of mortality are derived using CalPERS' membership data for all funds. 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 2014 experience study report.

Change of Assumptions:

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 7.65% used for the June 30, 2016 measurement date is without reduction of pension plan administrative expense.

Discount Rate:

The discount rate used to measure the total pension liability was 7.65% for each Plan. 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 7.65% discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long term expected discount rate of 7.65% is applied to all plans in the Public Employees Retirement Fund (PERF). 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 best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2017 and June 30, 2016

10. Pension Plans (continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (continued):

Discount Rate (continued):

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 cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, 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 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, 2015.

Asset Class	New Strategic Allocation	Real Return Years 1–10 ^(a)	Real Return Years 11+ ^(b)
Global Equity	51.00%	5.25%	5.71%
Global Fixed Income	20.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	10.00%	6.83%	6.95%
Real Estate	10.00%	4.50%	5.13%
Infrastructure and Forestland	2.00%	4.50%	5.09%
Liquidity	2.00%	–0.55%	–1.05%
Total	<u>100.00%</u>		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

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
1% Decrease	6.65%
Net Pension Liability	\$ 16,828,810
Current Discount Rate	7.65%
Net Pension Liability	\$ 11,018,852
1% Increase	8.65%
Net Pension Liability	\$ 6,217,211

C. Payable to the Pension Plan:

The District had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2017.

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2017 and June 30, 2016

11. Health Savings Plan

VEBA 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.

12. 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. Commercial insurance expense amounted to \$230,858 and \$220,242 for the years ended June 30, 2017 and 2016, respectively.

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 \$172,461 and \$200,350 for the years ended June 30, 2017 and 2016, 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.

Real and Personal Property and Mobile Equipment: For Real and Personal Property, maximum replacement is no more than 100% of value shown in Statement of Value. For Mobile Equipment, maximum replacement of 100% of value shown in Statement of Value, and \$10,000 per item for unscheduled mobile equipment. Limits of insurance vary from \$2,500 per occurrence to the Blanket Limit of Insurance, with deductibles ranging from \$1,000 to \$2,500 per occurrence. Limit of insurance for equipment breakdown is 100% of value shown in Statement of Value.

Employee Dishonesty Coverage: \$250,000 limit with \$1,000 deductible per occurrence.

Forgery or Alteration Coverage: \$250,000 limit with \$1,000 deductible per occurrence.

Theft, Disappearance and Destruction Coverage: \$250,000 limit with \$1,000 deductible per occurrence for both inside and outside.

Computer Fraud Coverage: \$100,000 limit with \$1,000 deductible per occurrence.

Bodily Injury and Property Damage, Personal Injury and Advertising Injury, Professional Liability, Wrongful Acts, Employee Benefits Liability, and Employee Practices Liability Coverage: \$1,000,000 limit per occurrence with a \$3,000,000 aggregate limit. Professional Liability and Wrongful Acts Liability are subject to a \$10,000 deductible per claim. Additionally, the District carries a \$10,000,000 Excess Liability Policy that is in full effect.

Damage to Premises Rented to the District: \$1,000,000 limit for any one premise.

Auto Coverage: \$1,000,000 liability limit, \$5,000 auto medical payment limit and \$1,000,000 uninsured motorist limit per accident with deductibles. Comprehensive and Collision limits are the actual cash value or cost of repair with deductibles of \$500 for comprehensive and collision.

Workers' Compensation Coverage and Employer's Liability: Statutory limits 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, 2016.

See accompanying Independent Auditors' Report.

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2017 and June 30, 2016

13. Economic Dependency

All potable water sold by the District is purchased from the San Diego County Water Authority (SDCWA). 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 as well as the Rancho Santa Fe Community Services District and the City of San Diego.

14. 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:

	<u>2017</u>	<u>2016</u>
Total open contracts	\$ 3,767,033	\$ 10,711,266
Less costs incurred as of June 30,	<u>(2,126,359)</u>	<u>(7,674,671)</u>
Remaining contractual commitments	<u>\$ 1,640,674</u>	<u>\$ 3,036,595</u>

b. Litigation

Management is of the opinion that there are no 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, 2017 and June 30, 2016

15. Segment Information

During the June 30, 2017 fiscal year, the District issued Water System Refunding Bonds, Series 2016A to refund the outstanding balance of the Water Revenue Refunding Bonds, Series 2009. During the June 30, 2016 fiscal year, the District issued Water System Refunding Bonds, Series 2015A to refund the outstanding balance of the Water Revenue Refunding Bonds, Series 2006A. While water and sewer services are accounted for jointly in these financial statements, the investors in both of the bonds rely solely on the revenues of the water services for repayment.

Summary financial information for the water services is presented for June 30, 2017.

Condensed Statement of Net Position June 30, 2017

	<u>Water Services</u>
ASSETS	
Current Assets	\$ 68,090,825
Capital Assets	330,125,182
Other Assets	253,664
Total Assets	<u>398,469,671</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amount on refunding	1,925,853
Deferred amounts from pension	3,066,650
Total Deferred Outflows of Resources	<u>4,992,503</u>
LIABILITIES	
Current Liabilities	12,795,699
Long-Term Liabilities	72,929,551
Total Liabilities	<u>85,725,250</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred amount on pension	486,424
Total Deferred Inflows of Resources	<u>486,424</u>
Total Net Position	<u><u>\$ 317,250,500</u></u>

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2017 and June 30, 2016

15. Segment Information (continued)

Condensed Statement of Revenues, Expenses and Changes in Net Position For the Year Ended June 30, 2017

	<u>Water Services</u>
OPERATING REVENUES	
Water sales	\$ 45,433,161
Other water operating revenues	2,217,932
Total Operating Revenues	<u>47,651,093</u>
OPERATING EXPENSES	
Cost of purchased water sold	24,568,729
Pumping and water treatment	3,988,991
Transmission and distribution	3,874,766
Elfin Forest recreation operations	316,387
Facilities maintenance	1,071,332
Customer services	1,789,423
General and administrative	5,181,549
Other operating expenses	388,995
Depreciation and amortization	12,978,014
Total Operating Expenses	<u>54,158,186</u>
Operating Income (Loss)	(6,507,093)
NONOPERATING REVENUES (EXPENSES)	
Fair market value adjustment	(242,535)
Investment income	438,031
Property taxes	3,414,858
Capacity charges	1,761,723
Benefit assessments	1,461,288
Other nonoperating revenues	278,589
Interest expense, net	(2,342,667)
Other nonoperating expenses	(678,664)
Total Nonoperating Revenues (Expenses)	<u>4,090,623</u>
Income (Loss) Before Capital Contributions	(2,416,470)
Capital Contributions	<u>2,014,156</u>
Change in Net Position	(402,314)
Net Position, Beginning of Year	<u>317,652,814</u>
Net Position, End of Year	<u>\$ 317,250,500</u>

See accompanying Independent Auditors' Report.

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2017 and June 30, 2016

15. Segment Information (continued)

Condensed Statement of Cash Flows For the Year Ended June 30, 2017

	<u>Water Services</u>
Net cash provided by operating activities	\$ 3,872,359
Net cash provided by noncapital and related financing activities	6,640,555
Net cash provided (used) by capital and related financing activities	(14,338,027)
Net cash used by investing activities	<u>(2,749,693)</u>
Net increase (decrease) in cash and cash equivalents	(6,574,806)
Cash and cash equivalents, beginning	<u>34,194,160</u>
Cash and cash equivalents, ending	<u><u>\$ 27,619,354</u></u>

See accompanying Independent Auditors' Report.

Required Supplementary Information

For the years ended June 30, 2017 and June 30, 2016

1. 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 2016–2017 inspections on the various tanks started in September 2016 and ended in April 2017.

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

The District policy is to achieve a minimum average rating of 5.0 for all tanks which is a satisfactory rating. As of June 30, 2017, 2016, 2015, 2014, and 2013 the District's steel water storage tanks were rated as follows:

Tank #	Name	Size (Gallons)	Type	TAI				
				FY 16/17	FY 15/16	FY 14/15	FY 13/14	FY 12/13
1	4 S-2 Tank	4,000,000	Ground Storage	8.7	9.0	9.1	9.2	9.3
2	Zorro Tank	1,200,000	Ground Storage	7.3	7.7	7.8	8	8.1
3	Wiegand Tank	1,000,000	Ground Storage	9.6	10.0	10.0	6.9	7.2
4	Peay Tank	10,000,000	Ground Storage	8.7	9.4	9.6	9.7	9.8
5	Denk Tank	10,000,000	Ground Storage	8.2	8.6	9.0	9.2	9.5
6	4S Tank	10,000,000	Ground Storage	7.8	8.0	8.3	8.4	8.7
7	Cielo Tank	1,000,000	Ground Storage	9.0	9.2	9.3	9.4	9.5
8	Roger Miller Tank	8,000,000	Ground Storage	8.6	9.3	6.8	6.9	7.7
9	Thelma Miller Tank	1,000,000	Ground Storage	8.9	8.0	8.1	8.5	8.7

Required Supplementary Information (continued)

For the years ended June 30, 2017 and June 30, 2016

1. Modified Approach for Steel Water Storage Tanks Infrastructure Capital Assets (continued)

The District expensed \$708,786 and \$673,666 on the steel water storage tanks maintenance for the fiscal years ended June 30, 2017 and 2016, 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 2017 is a minimum of \$708,786. 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 2017		Maintenance Expenses 2016		Maintenance Expenses 2015		Maintenance Expenses 2014		Maintenance Expenses 2013	
		Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
1	4 S-2 Tank	\$ 49,776	\$ 49,776	\$ 47,309	\$ 47,309	\$ 44,843	\$ 44,843	\$ 44,843	\$ 44,843	\$ 44,483	\$ 22,422
2	Zorro Tank	29,039	29,039	27,600	27,600	26,161	26,161	26,161	26,161	24,865	24,865
3	Wiegand Tank	21,814	21,814	20,733	20,733	19,652	19,652	19,652	19,652	19,129	19,129
4	Peay Tank	141,744	141,744	134,721	134,721	127,697	127,697	208,146	208,146	224,746	144,298
5	Denk Tank	150,280	150,280	142,834	142,834	135,387	135,387	135,387	135,287	233,698	233,698
6	4S Tank	142,404	142,404	135,348	135,348	128,292	128,292	128,292	128,292	220,664	220,664
7	Cielo Tank	24,912	24,912	23,678	23,678	22,443	22,443	22,443	22,443	34,682	34,682
8	Roger Miller Tank	125,803	125,803	119,570	119,570	113,336	113,336	113,336	113,336	197,965	197,965
9	Thelma Miller Tank	23,014	23,014	21,873	21,873	20,733	20,733	20,733	20,733	20,005	20,005
	Total	<u>\$ 708,786</u>	<u>\$ 708,786</u>	<u>\$ 673,666</u>	<u>\$ 673,666</u>	<u>\$ 638,544</u>	<u>\$ 638,544</u>	<u>\$ 718,993</u>	<u>\$ 718,993</u>	<u>\$1,020,237</u>	<u>\$ 917,728</u>

See accompanying Independent Auditors' Report.

Required Supplementary Information (continued)

For the years ended June 30, 2017 and June 30, 2016

2. Schedule of Contributions – Defined Benefit Pension Plans

Last Ten Fiscal Years*

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution (actuarially determined)	\$ 1,026,323	\$ 898,330	\$ 825,748
Contributions in relation to the actuarially determined contributions	<u>1,026,323</u>	<u>898,330</u>	<u>825,748</u>
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Covered – employee payroll	\$ 6,392,406	\$ 6,083,865	\$ 5,906,665
Contributions as a percentage of covered – employee payroll	16.06%	14.77%	13.98%

Notes to Schedule:

Valuation Date 6/30/2015

Methods and Assumptions Used to Determine Contribution Rates:

Cost-sharing employers	Entry age normal cost method
Amortization method	Level percentage of payroll, closed
Remaining amortization period	21 years (2.5%@55), 30 years (2%@62)
Asset valuation method	15-year smoothed market
Inflation	2.75%
Salary increases	3.30% to 14.20% depending on age, service, and type of employment; including inflation of 2.75%
Investment rate of return	7.50%, net of pension plan investment expense, including inflation
Retirement age	50 years (2.5%@55), 52 years (2%@62)
Mortality	Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those rates include 20 years of mortality improvements using Scale BB published by the Society of Actuaries. For more details on this table, refer to the 2014 experience study report.

*Fiscal year 2015 was the 1st year of implementation, therefore only three years are shown.

Required Supplementary Information (continued)

For the years ended June 30, 2017 and June 30, 2016

3. Schedule of Proportionate Share of the Net Pension Liability

Last Ten Fiscal Years*

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Miscellaneous and PEPRA Plan			
Plan's Proportion of the Net Pension Liability	0.3172%	0.3155%	0.10475%
Plan's Proportionate Share of the Net Pension Liability	\$ 11,018,852	\$ 8,653,737	\$ 6,517,867
Plan's Covered-Employee Payroll	\$ 6,392,406	\$ 6,083,865	\$ 5,906,665
Plan's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	172.37%	142.24%	110.35%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	74.06%	79.86%	83.03%
Plan's Proportionate Share of Aggregate Employer Contributions	\$ 1,196,711	\$ 1,116,013	\$ 862,289

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

There were no changes in discount rates.

*Fiscal year 2015 was the 1st year of implementation, therefore only three years are shown.



Honorable Mention
2017 Fourth Grade Water Awareness Poster Contest
Submitted by a student of Santa Fe Christian School

Statistical Section

COMPREHENSIVE ANNUAL FINANCIAL REPORT



Honorable Mention

2017 Fourth Grade Water Awareness Poster Contest

Submitted by a student of Santa Fe Christian School



Honorable Mention

2017 Fourth Grade Water Awareness Poster Contest

Submitted by a student of Santa Fe Christian School

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 Comprehensive Annual 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 XIIIID 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 – XIV

These tables provide information on the District’s ability to issue additional debts in the future.

Demographic and Economic Information

XV – XVI

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

XVII – XVIII

Tables presented contain internal information about the District’s water and sewer operations to measure operational efficiency.

Table I – Net Position by Component

Last Ten Fiscal Years

	Fiscal Year ended June 30									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Primary government										
Net investment in capital assets	\$ 322,388,785	\$ 321,760,574	\$ 315,240,098	\$ 314,218,584	\$ 318,296,589	\$ 311,580,338	\$ 293,872,403	\$ 286,610,326	\$ 279,366,040	\$ 254,257,148
Restricted	11,690,890	15,355,420	20,852,200	22,359,148	18,114,492	19,467,012	18,866,541	17,810,524	19,240,762	20,789,011
Unrestricted	53,114,033	49,398,148	50,582,280	53,318,489	45,055,363	38,929,080	49,384,856	50,763,595	33,896,982	29,178,060
Total Net Position	\$ 387,193,708	\$ 386,514,142	\$ 386,674,578	\$ 389,896,221	\$ 381,466,444	\$ 369,976,430	\$ 362,123,800	\$ 355,184,445	\$ 332,503,784	\$ 304,224,219

Source: Olivenhain Municipal Water District

Table II – Changes in Net Position

Last Ten Fiscal Years

	Fiscal Year ended June 30									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Operating Revenues										
Water sales	\$ 45,433,161	\$ 40,936,218	\$ 45,145,400	\$ 47,875,747	\$ 43,098,120	\$ 37,384,046	\$ 33,184,036	\$ 32,982,238	\$ 31,225,792	\$ 29,998,376
Sewer charges	4,447,426	4,474,853	4,656,781	4,246,033	4,178,503	4,084,962	3,835,655	4,053,951	3,429,002	2,889,643
Other water operating revenues	2,217,932	1,560,779	1,077,003	2,098,535	1,215,714	2,173,176	1,698,694	1,402,552	1,084,088	711,067
Total operating revenues	52,098,519	46,971,850	50,879,184	54,220,315	48,492,337	43,642,184	38,718,385	38,438,741	35,738,882	33,599,086
Operating Expenses										
Cost of purchased water sold	\$ 24,568,729	\$ 21,979,036	\$ 23,634,844	\$ 25,074,331	\$ 24,157,374	\$ 19,512,651	\$ 16,628,256	\$ 16,174,616	\$ 15,323,095	\$ 15,867,843
Pumping and water treatment	3,988,991	3,390,124	3,629,349	3,915,661	2,761,823	3,390,052	3,075,157	3,168,594	3,009,607	2,469,936
Transmission and distribution	3,874,766	3,482,086	3,348,083	3,666,030	3,041,766	3,272,760	3,005,713	3,297,681	2,917,128	3,335,832
Sewer collection and treatment	1,672,289	1,758,907	1,703,761	1,767,162	1,555,363	1,606,913	1,561,798	1,652,561	1,504,800	1,481,740
Elfin Forest recreation operations	316,387	287,923	187,525	198,143	161,710	186,058	142,843	44,260	52,196	57,233
Facilities maintenance	1,154,241	843,456	888,677	821,966	738,018	756,320	835,008	660,740	761,114	796,041
Customer services	1,789,423	1,757,388	1,205,838	1,057,472	1,003,099	1,048,818	1,061,198	1,207,371	1,098,765	1,021,502
General and administrative	6,265,690	5,388,804	5,141,239	4,513,964	3,957,431	4,479,842	4,130,195	3,764,172	3,676,817	3,682,529
Other operating expenses	388,995	—	—	—	—	—	—	—	—	—
Depreciation and amortization	15,069,090	13,053,286	13,757,848	13,661,241	12,837,065	12,134,222	11,737,739	10,520,489	9,529,179	9,235,015
Total operating expenses	59,088,601	51,941,010	53,497,164	54,675,970	50,213,649	46,387,636	42,177,907	40,490,484	37,872,701	37,947,671
Operating income (loss)	(6,990,082)	(4,969,160)	(2,617,980)	(455,655)	(1,721,312)	(2,745,452)	(3,459,522)	(2,051,743)	(2,133,819)	(4,348,585)
Non-operating Revenues (expenses)										
Investment income, net										
of market value adjustment	\$ 230,271	\$ 514,911	\$ 457,182	\$ 474,651	\$ (22,367)	\$ 418,405	\$ 490,879	\$ 433,991	\$ 1,021,182	\$ 2,093,089
Property taxes	3,414,858	3,268,438	3,066,946	2,896,741	2,806,377	2,744,003	2,747,001	2,866,424	2,913,362	2,847,329
Capacity charges	3,624,426	1,482,945	1,792,125	4,944,025	1,960,514	1,813,326	1,536,719	811,782	1,978,289	4,520,998
Benefit assessments	1,460,881	1,451,751	1,375,093	1,516,201	1,507,511	1,516,694	1,598,284	1,593,028	1,608,792	1,650,563
Other non-operating revenues	278,589	53,458	137,836	347,610	16,508	24,412	38,401	428,793	284,972	3,902
Interest expense, net	(2,342,667)	(2,629,591)	(2,879,588)	(3,037,510)	(2,056,136)	(2,045,993)	(2,154,079)	(2,234,478)	(2,510,433)	(2,917,352)
Other non-operating expenses	(1,012,913)	(1,211,973)	(358,178)	(2,448,061)	(950,689)	(235,462)	(794,860)	(961,275)	(506,139)	(869,673)
Total non-operating revenues (expenses)	5,653,445	2,929,939	3,591,416	4,693,657	3,261,718	4,235,385	3,462,345	2,938,265	4,790,025	7,328,856
Income before capital contributions	(1,336,637)	(2,039,221)	973,436	4,238,002	1,540,406	1,489,933	2,823	886,522	2,656,206	2,980,271
Capital contributions	2,016,203	1,878,785	4,524,509	4,191,775	9,949,608	8,303,606	6,936,532	21,794,139	25,623,359	17,375,599
Change in net position	679,566	(160,436)	5,497,945	8,429,777	11,490,014	9,793,539	6,939,355	22,680,661	28,279,565	20,355,870
Net Position										
Beginning of year	\$ 386,514,142	\$ 386,674,578	\$ 389,896,221	\$ 381,466,444	\$ 369,976,430	\$ 362,123,800	\$ 355,184,445	\$ 332,503,784	\$ 304,224,219	\$ 283,868,349
Prior year adjustment	—	—	(8,719,588)	—	—	(1,940,909)	—	—	—	—
End of year	\$ 387,193,708	\$ 386,514,142	\$ 386,674,578	\$ 389,896,221	\$ 381,466,444	\$ 369,976,430	\$ 362,123,800	\$ 355,184,445	\$ 332,503,784	\$ 304,224,219

Source: Olivenhain Municipal Water District

Table III – Revenues by Source

Last Ten Fiscal Years

Fiscal Year Ended	OPERATING REVENUES					NONOPERATING REVENUES							TOTAL REVENUES
	Water Sales ⁽¹⁾	Service Charges ⁽¹⁾	Meter Installs	Sewer Charges	Other ⁽⁴⁾	Total Operating Revenues	Investment Income Net of Market Value Adjustments	Prop. Taxes and Benefit Assessment	Capacity Charges ⁽²⁾	Capital Contributions ⁽³⁾	Other ⁽⁴⁾	Total Non-operating Revenues	
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
2014	36,602,714	11,273,033	20,946	4,246,033	2,077,589	54,220,315	474,651	4,412,942	4,944,025	4,191,775	347,610	14,371,003	68,591,318
2013	32,430,072	10,668,048	166,262	4,178,503	1,049,452	48,492,337	(22,367)	4,313,888	1,960,514	9,949,608	16,508	16,218,151	64,710,488
2012	27,485,339	9,898,707	143,902	4,084,962	2,029,274	43,642,184	418,405	4,260,697	1,813,326	8,303,606	24,412	14,820,446	58,462,630
2011	24,205,582	8,978,454	152,010	3,835,655	1,546,684	38,718,385	490,879	4,345,285	1,536,719	6,936,532	38,401	13,347,816	52,066,201
2010	24,703,143	8,279,095	139,750	4,053,951	1,262,802	38,438,741	433,991	4,459,452	811,782	21,794,139	428,793	27,928,157	66,366,898
2009	23,925,551	7,300,241	33,925	3,429,002	1,050,163	35,738,882	1,021,182	4,522,154	1,978,289	25,623,359	284,972	33,429,956	69,168,838
2008	23,258,813	6,739,563	249,545	2,889,643	461,522	33,599,086	2,093,089	4,497,892	4,520,998	17,375,599	3,902	28,491,480	62,090,566

Source: Olivenhain Municipal Water District

- Notes:** (1) Includes estimated unbilled water revenue, miscellaneous water sales, recycled commodity sales, and fixed monthly fees.
 (2) Fees paid by developers and new customers for water services.
 (3) Cash contributions or contributions of capital assets in kind or when governmental constructions are earned.
 (4) Other revenues includes excess treated water capacity revenues, rental income, settlement, and demand offset fees.

Table IV – Expenses by Function

Last Ten Fiscal Years

Fiscal Year Ended	OPERATING EXPENSES							NONOPERATING EXPENSES			TOTAL EXPENSES	
	Cost of Water Sold	Pumping and Water Treatment	Transmission and Distribution	Sewer Collection and Treatment	Customer Services	Depreciation and Amortization	Other ⁽¹⁾	Total Operating Expenses	Interest Expense	Other		Total Non-operating Expenses
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
2014	25,074,331	3,915,661	3,666,030	1,767,162	1,057,472	13,661,241	5,534,073	54,675,970	3,037,510	2,448,061	5,485,571	60,161,541
2013	24,157,374	2,761,823	3,041,766	1,555,363	1,003,099	12,837,065	4,857,159	50,213,649	2,056,136	950,689	3,006,825	53,220,474
2012	19,512,651	3,390,052	3,272,760	1,606,913	1,048,818	12,134,222	5,422,220	46,387,636	2,045,993	2 35,462	2,281,455	48,669,091
2011	16,628,256	3,075,157	3,005,713	1,561,798	1,061,198	11,737,739	5,108,046	42,177,907	2,154,079	794,860	2,948,939	45,126,846
2010	16,174,616	3,168,594	3,297,681	1,652,561	1,207,371	10,520,489	4,469,172	40,490,484	2,234,478	961,275	3,195,753	43,686,237
2009	15,323,095	3,009,607	2,917,128	1,504,800	1,098,765	9,529,179	4,490,127	37,872,701	2,510,433	506,139	3,016,572	40,889,273
2008	15,867,843	2,469,936	3,335,832	1,481,740	1,021,502	9,235,015	4,535,803	37,947,671	2,917,352	869,673	3,787,025	41,734,696

Source: Olivenhain Municipal Water District

Note: (1) Expenses are related to General and Administrative, Facilities Maintenance, and Elfin Forest Recreational Reserve operations, and other operating expenses.

Table V – Water Sales by Source⁽¹⁾

Last Ten Fiscal Years

Fiscal Year Ended	Domestic/Commercial		Agriculture		Recycled Water		Total		Combined Direct Rate ⁽²⁾	
	Value	Acre Feet	Value	Acre Feet	Value	Acre Feet	Value	Acre Feet	\$/Acre Feet	\$ HCF
2017	\$ 27,946,765	15,500.9	\$ 630,479	475.3	\$ 3,262,852	2,252.3	\$ 31,840,096	18,228.5	\$ 1,747	\$ 4.01
2016	25,085,001	14,310.2	787,221	497.0	2,533,961	1,856.2	28,406,182	16,663.4	1,705	3.91
2015	29,914,133	17,992.9	1,092,527	706.8	3,112,981	2,323.3	34,119,641	21,023.0	1,623	3.73
2014	31,733,764	19,840.5	1,269,068	824.2	3,317,826	2,561.5	36,320,659	23,226.2	1,564	3.59
2013	27,830,418	18,552.9	1,119,726	757.3	3,016,610	2,467.2	31,966,754	21,777.4	1,468	3.37
2012	23,917,000	17,348.2	910,404	664.2	2,420,870	2,139.0	27,248,274	20,151.4	1,352	3.10
2011	21,068,730	16,592.8	836,623	657.3	2,101,128	2,006.1	24,006,481	19,256.2	1,247	2.86
2010	20,801,219	17,532.8	1,081,946	921.7	2,380,764	2,498.3	24,263,929	20,952.8	1,158	2.66
2009	21,088,732	20,685.6	1,346,013	1,278.2	1,736,962	2,122.9	24,171,707	24,086.7	1,004	2.30
2008	20,314,572	21,786.0	1,390,749	1,487.1	1,478,086	1,919.5	23,183,407	25,192.6	920	2.11

Source: Olivenhain Municipal Water District

Notes: (1) Exclude unbilled water sales, miscellaneous water sales, billing adjustments, and sales to other agencies and district projects.
 (2) Calculated based on total water sales divided by total volume. 1 acre-foot = 43,600 cubic feet = 325,900 gallons.

Table VI – Rate by Activity

Last Ten Fiscal Years

	Fiscal Year ended June 30									
	2017 ⁽⁵⁾	2016 ⁽⁶⁾	2015 ⁽⁵⁾	2014 ⁽³⁾	2013 ⁽³⁾	2012 ⁽⁵⁾	2011 ⁽⁵⁾	2010 ⁽⁵⁾	2009 ⁽⁵⁾	2008
Potable Water⁽¹⁾										
Monthly System Access Charge	\$ 36.08	\$ 33.88	\$ 31.97	\$ 30.76	\$ 29.87	\$ 27.79	\$ 25.85	\$ 23.75	\$ 21.06	\$ 19.32
Monthly Commodity Charge										
Domestic Rate										
1st Tier	2.53	2.50	2.25	2.32	2.26	2.10	1.95	1.79	1.58	1.45
2nd Tier	4.43	4.35	3.93	3.71	3.61	3.36	3.13	2.88	2.55	2.23
3rd Tier	5.23	5.60	4.65	4.75	4.62	4.30	4.00	3.68	3.25	2.60
4th Tier	6.13	6.26	5.44	—	—	—	—	—	—	—
Commercial Rate										
1st Tier	3.79	3.64	3.36	3.90	3.79	3.53	3.28	3.03	2.67	2.33
2nd Tier	—	—	—	4.97	4.83	4.49	4.18	3.84	3.39	2.71
Irrigation ⁽²⁾										
1st Tier	4.05	3.99	3.60	—	—	—	—	—	—	—
2nd Tier	5.50	5.61	4.88	—	—	—	—	—	—	—
Agricultural Rate	4.43	4.26	3.93	3.70	3.60	3.35	3.12	2.87	2.54	2.22
TSAWR Credit ⁽³⁾	(0.89)	(0.90)	(0.77)	(0.47)	(0.40)	(0.23)	(0.26)	(0.27)	(0.33)	(0.30)
Recycled⁽¹⁾										
Monthly System Access Charge	\$ 36.08	\$ 33.88	\$ 31.97	\$ 30.76	\$ 29.87	\$ 27.79	\$ 25.85	\$ 23.75	\$ 21.06	\$ 19.32
Monthly Commodity Charge										
Uniform Rate	3.59	3.37	3.18	3.03	2.95	2.74	2.55	2.34	1.97	1.84
Sewer⁽⁵⁾										
Annual System Access Charge per EDU ⁽⁴⁾										
4S Ranch	\$ 165.70	\$ 147.00	\$ 147.00	\$ 147.00	\$ 147.00	\$ 147.00	\$ 147.00	\$ 147.00	\$ 146.00	\$ 147.00
Rancho Cielo	165.70	147.00	147.00	147.00	147.00	147.00	147.00	147.00	146.00	183.00
Multi-Family and Commercial	165.70	147.00	147.00	147.00	147.00	147.00	147.00	147.00	146.00	146.00
Commodity Charge per unit										
Domestic Rate	6.01	6.00	6.00	6.00	6.00	6.00	6.00	6.00	—	—
Multi-Family Rate	6.01	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Commercial Rate										
Group I	6.01	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Group II	9.29	9.29	9.29	9.29	9.29	9.29	9.29	9.29	7.00	7.00
Group III	10.37	15.86	15.86	15.86	15.86	15.86	15.86	15.86	14.00	14.00
Annual Commodity Flat Charge per EDU										
Domestic Rate										
4S Ranch	—	—	—	—	—	—	—	—	389.00	364.00
Rancho Cielo	—	—	—	—	—	—	—	—	538.00	457.00

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) 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 1 Rate.

(6) Water Supply Shortage Level 2 Rate.

Table VII – Principal Water Consumers⁽¹⁾

Current and Nine Years Ago

FISCAL YEAR ENDED 2017			FISCAL YEAR ENDED 2008		
Customer Name	Usage (AF)	% of Water Sold	Customer Name	Usage (AF)	% of Water Sold
4S Ranch Master HOA	422.4	2.32%	4S Ranch Master HOA	460.5	1.83%
The Bridges Club at RSF	367.7	2.02%	Fairbanks Ranch Country Club	420.2	1.67%
Rancho Santa Fe Farms Golf Inc.	267.8	1.47%	HCC Investors	373.2	1.48%
Del Mar Country Club	225.6	1.24%	Del Mar Country Club	361.0	1.43%
Fairbanks Ranch Country Club	202.9	1.11%	Crosby National Golf Club	313.1	1.24%
Crosby Estates HOA	164.3	0.90%	Crosby Estates HOA	259.2	1.03%
La Costa Oaks Association	157.8	0.87%	La Costa Oaks Association	226.5	0.90%
Crosby National Golf Club	151.0	0.83%	Rancho Santa Fe Farms Golf	224.5	0.89%
Cielo Homeowners Association	134.0	0.73%	La Costa Valley Master Association	199.2	0.79%
La Costa Glen Carlsbad CCR LLC	131.9	0.72%	Continuing Life Communities	122.7	0.49%
Total top ten consumers	2,1225.4	12.21%	Total top ten consumers	2,960.1	11.75%
Other consumers	16,003.1	87.79%	Other consumers	22,232.5	88.25%
Total water billed	18,228.5	100.00%	Total water billed	25,192.6	100.00%

Source: Olivenhain Municipal Water District

Note: (1) Includes potable and recycled water; excludes district interconnects and meters.

Table VIII – Property Tax and Special Assessment

Last Ten Fiscal Years

Fiscal Year Ended	Current Year Levy ⁽¹⁾			Total Collection Through June 30 ⁽⁴⁾	Net Uncollected at June 30	Percent Uncollected at June 30
	Property Taxes ⁽²⁾	Special Assessment ⁽³⁾	Total Levy			
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	1,336,411	4,402,115	4,457,893	(55,778)	- 1.27%
2014	2,979,746	1,441,062	4,420,808	4,362,648	58,160	1.32%
2013	2,885,797	1,443,461	4,329,258	4,270,208	59,050	1.36%
2012	2,850,062	1,442,319	4,292,381	4,203,687	88,694	2.07%
2011	2,872,014	1,460,434	4,332,448	4,277,198	55,251	1.28%
2010	2,945,076	1,460,946	4,406,022	4,280,645	125,377	2.85%
2009	2,983,573	1,457,804	4,441,378	4,266,085	175,293	3.95%
2008	2,906,895	1,454,458	4,361,353	4,228,100	133,253	3.06%

Source: County of San Diego Office of the Auditor Controller and NBS

Notes: (1) Excludes Sewer Service and Stand-by Charges.

(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 IX – Assessed Value of Taxable Property

Last Ten Fiscal Years

SECURED							
Fiscal Year Ended	Real Property	Personal Property	Exemptions	Net Assessed Secured Value	Assessed Unsecured Value	Total Assessed Value	Tax Rate ⁽¹⁾
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	—
2014	18,192,814,739	126,126,709	(209,610,305)	18,109,331,143	227,878,909	18,337,210,052	—
2013	17,692,363,954	81,030,718	(203,823,254)	17,569,571,418	247,720,500	17,817,291,918	—
2012	17,797,369,049	67,436,434	(182,825,199)	17,681,980,284	240,761,457	17,922,741,741	—
2011	17,714,129,158	68,362,083	(151,920,800)	17,630,570,441	229,971,246	17,860,541,687	—
2010	18,054,329,367	76,019,011	(165,626,556)	17,964,721,822	238,432,869	18,203,154,691	—
2009	18,217,797,984	50,690,988	(141,552,505)	18,126,936,467	226,579,931	18,353,516,398	—
2008	17,269,455,060	46,139,854	(118,398,187)	17,197,196,727	198,808,714	17,396,005,441	—

Source: Office of the Auditor Controller, County of San Diego

Notes: (1) The District neither sets its own tax rate nor assesses a tax rate. The District receives its proportionate share of property taxes levied by the County of San Diego in accordance with Proposition 13. The County of San Diego bills and collects the District's sewer service charges on behalf of the District.

Table X – Ratios of Net Bonded Debt to Assessed Value and Net Bonded Debt Per Capita

Last Ten Fiscal Years

Fiscal Year Ended	Gross Bonded Debt ⁽¹⁾	Add: Premium	Less: Reserve Funds	Net Bonded Debt	Total Secured Real Property ⁽²⁾	Debt to Total Secured Real Property	Population Estimate ⁽³⁾⁽⁴⁾	Net Bonded Debt Per Capita	Personal Income	As a Share of Personal Income
2017	\$ 11,670,000	\$28,471	\$ 1,435,593	\$ 10,262,878	\$ 21,383,894,218	0.05%	85,792	\$ 120	\$ 4,965,469,376	0.21%
2016	12,485,000	31,272	1,397,568	11,118,704	20,566,012,446	0.05%	85,010	131	4,743,302,970	0.23%
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%
2014	14,020,000	36,873	1,398,954	12,657,919	18,192,814,739	0.07%	83,368	152	4,194,623,309	0.30%
2013	14,765,000	39,674	1,428,025	13,376,649	17,692,363,954	0.08%	82,355	162	4,048,736,510	0.33%
2012	15,460,000	42,474	1,297,771	14,204,703	17,797,369,049	0.08%	81,701	174	3,930,635,110	0.36%
2011	16,150,000	45,274	815,793	15,379,481	17,714,129,158	0.09%	80,964	190	3,762,316,116	0.41%
2010	16,795,000	48,074	1,260,508	15,582,566	18,054,329,367	0.09%	80,385	194	3,538,226,160	0.44%
2009	17,450,000	50,875	1,202,382	16,298,493	18,217,797,984	0.09%	56,512	288	2,432,163,456	0.67%
2008	17,965,000	53,676	2,482,064	15,536,612	17,269,455,060	0.09%	55,809	278	2,508,610,400	0.62%

Source: Olivenhain Municipal Water District, the Office of the Auditor Controller, County of San Diego, SANDAG, California DOF, Bureau of Economic Analysis

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) 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.

(3) Values for FY 2010 and beyond based on California Department of Finance's Special District Population Benchmark based on 2010 census data and population growth estimates for San Diego County.

(4) Values for FY 2009 and prior based on SANDAG population estimates.

Table XI – Direct and Overlapping Debt

June 30, 2017

2016–17 Assessed Valuation: \$21,440,375,330

	Total Debt as of 6/30/2017	% Applicable ⁽¹⁾	District's Share of Debt as of 6/30/2017
DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:			
Metropolitan Water District	\$ 74,905,000	0.830%	\$ 621,712
Palomar Community College District	639,550,855	4.57%	29,240,265
Poway Unified School District School Facilities Improvement District No. 2002-1	145,100,766	4.73%	6,856,011
Poway Unified School District School Facilities Improvement District No. 2007-1	178,999,086	3.35%	5,998,259
San Marcos Unified School District	275,461,541	0.068%	187,314
San Marcos Unified School District School Facilities I.D. No. 1	2,819,069	0.074%	2,086
Escondido Union High School District	90,263,772	1.29%	1,161,695
San Dieguito Union High School District	316,250,000	28.06%	88,730,263
Cardiff School District	17,889,035	4.40%	787,654
Encinitas Union School District	49,961,066	60.14%	30,047,584
Escondido Union School District	88,894,622	1.33%	1,184,076
Rancho Santa Fe School District	35,126,040	28.64%	10,060,098
Solana Beach School District Community Facilities District No. 2016-1	50,000,000	26.12%	13,058,500
Palomar Health District	443,465,867	6.61%	29,299,790
Poway Unified School District Community Facilities Districts	173,683,000	10.467–100%	163,543,248
San Dieguito Union High School District Community Facilities Districts	66,704,688	16.148–100%	32,948,484
Solana Beach School District Community Facilities District No. 2000-1	3,005,000	100%	3,005,000
City of Encinitas Community Facilities District No. 1	26,925,000	25.98%	6,995,115
Rancho Santa Fe Community Services District Community Facilities District No. 1	35,835,000	100%	35,835,000
Olivenhain Municipal Water District	—	100%	—
Olivenhain Municipal Water District Assessment District No. 96-1	11,675,000	100%	11,675,000
Total Direct and Overlapping Tax and Assessment Debt			\$ 471,237,154
OVERLAPPING GENERAL FUND DEBT:			
San Diego County General Fund Obligations	\$ 291,180,000	4.59%	\$ 13,362,250
San Diego County Pension Obligation Bonds	605,520,000	4.59%	27,787,313
San Diego County Superintendent of Schools General Fund Obligations	11,800,000	4.59%	525,899
Mira Costa Community College District Certificates of Participation	12,265,000	17.14%	2,102,221
Palomar Community College District General Fund Obligations	3,280,000	4.57%	149,962
Poway Unified School District Certificates of Participation	62,018,869	11.60%	7,193,569
Other School District General Fund Obligations	152,981,115	Various	4,682,756
City of Encinitas Certificates of Participation	46,930,000	38.48%	18,057,725
City of San Diego General Fund Obligations	570,460,000	0.156%	889,918
Other Cities' General Fund Obligations	4,982,200	Various	26,553
Total Overlapping General Fund Debt			\$ 74,778,166
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):	\$ 261,465,000	0.080%	\$ 209,172
Total Direct Debt			—
Total Overlapping Debt			\$ 546,224,492
Combined Total Debt			\$ 546,224,492⁽²⁾

Source: California Municipal Statistics, Inc.

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 capital lease obligations.

Ratios to 2016–17 Assessed Valuation:

Direct Debt	0.00%
Total Direct and Overlapping Tax and Assessment Debt	2.20%
Combined Total Debt	2.55%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$6,296,941):

Total Overlapping Tax Increment Debt	3.32%
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Table XII – Water System Revenue to Debt Service Ratio

Last Eight Fiscal Years

Fiscal Year Ended	Water Sales ⁽¹⁾	Property Taxes	Capacity Charges	Other Nonoperating Revenues ⁽²⁾	Water System Revenues	Less: Cost of Water Sold ⁽³⁾	Less: Operations and Maintenance Costs ⁽⁴⁾	Net Water System Revenues ⁽⁵⁾	Debt Service Payment ⁽⁶⁾	Revenue to Debt Service Ratio	Pledged Revenue Debt Limit
2017	\$ 47,651,093	\$ 3,414,858	\$ 1,761,723	\$ 716,620	\$ 53,544,294	\$24,568,729	\$ 16,611,441	\$ 12,364,124	\$ 4,716,802	2.62	125%
2016	42,496,997	3,268,438	1,482,945	452,463	47,700,843	21,979,036	14,031,757	11,690,050	4,681,052	2.50	125%
2015	46,222,403	3,066,946	1,792,125	509,070	51,590,544	23,634,844	13,143,432	14,812,268	4,945,400 ⁽⁷⁾	3.00	115%
2014	49,974,282	2,896,741	4,944,025	600,298	58,415,346	25,074,331	13,189,545	20,151,470	4,207,351	4.79	115%
2013	44,313,834	2,806,377	1,960,514	355,319	49,436,044	24,157,374	10,750,950	14,527,720	3,874,676	3.75	115%
2012	39,557,222	2,744,003	1,813,326	456,835	44,571,386	19,512,651	12,206,136	12,852,599	3,879,276	3.31	115%
2011	34,882,730	2,747,001	1,536,719	479,142	39,645,592	16,783,529	11,447,717	11,414,346	3,874,676	2.95	115%
2010	34,384,790	2,866,424	811,782	783,332	38,846,328	16,319,018	12,098,558	10,428,752	3,461,859	3.01	115%

Source: Olivenhain Municipal Water District

Notes: (1) Includes potable and recycled water sales and other water operating revenues.

(2) Excludes Wastewater (Sewer) revenues. Includes Other Nonoperating Revenues, Investment Income relating to water and recycled water. Excludes unrealized gain and losses on investments.

(3) FY 2011 and after include all recycled activities. Prior to FY 2011, recycled revenues were pledged to 4S Regional Recycled Water System per the 4S Recycled Water agreement.

(4) Includes Elfin Forest Recreational Reserve operations in Operations and Maintenance Costs.

(5) Net Water System Revenues exclude transfers from (to) Rate Stabilization Fund.

(6) Debt Service Payments include Water Revenue Refunding Bonds Series 2015A, 2016A, Water Revenue Bonds Series 2009, and 2013 State Revolving Fund Loan.

(7) Includes 2013 principal and interest paid for the 2013 State Revolving Fund Loan during fiscal year 2015 not due until July 1, 2015.

Table XIII – Reassessment District 96-1 Billings and Collections

Last Ten Fiscal Years

Fiscal Year Ended	AMOUNT LEVIED				Total	Amount Collected ⁽²⁾	Percent Collected
	Principal	Interest	Other ⁽¹⁾				
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	(56,700)		1,336,411	1,379,474	103.2%
2014	746,576	647,046	47,440		1,441,062	1,454,689	100.9%
2013	722,203	676,413	44,845		1,443,461	1,453,620	100.7%
2012	692,449	704,210	45,660		1,442,319	1,434,886	99.5%
2011	673,615	732,367	54,452		1,460,434	1,502,744	102.9%
2010	643,837	758,340	58,769		1,460,946	1,467,452	100.4%
2009	619,971	784,377	53,456		1,457,804	1,441,409	98.9%
2008	514,985	887,738	51,735		1,454,458	1,454,189	100.0%

Source: Olivenhain Municipal Water District

Notes: (1) Includes administration and delinquency management fees as well as fund credits.

(2) As of June 30 of the fiscal year listed.

Table XIV – Net Outstanding Long-Term Debt by Type⁽¹⁾

Last Ten Fiscal Years

Fiscal Year Ended	Water Revenue Bonds				Certificate of Participation	Special Assessment Bonds	Note Payable		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	2002 Variable Rate Subordinate Certificate of Participation	2007 Limited Obligation Reassessment District 96-1	2013 State Revolving Fund	2012 California Bank & Trust ⁽²⁾			
2017	\$ 16,577,296	\$ 23,627,014	\$ —	\$ —	\$ —	\$ 11,698,471	\$ 15,339,748	\$ —	\$ 67,242,530	1.35%	784
2016	—	25,289,832	16,925,215	—	—	12,516,272	15,693,954	518,339	70,943,613	1.50%	835
2015	—	—	17,353,724	26,414,577	—	13,304,072	16,390,314	1,540,841	75,003,529	1.66%	889
2014	—	—	17,767,233	27,934,221	—	14,056,873	17,069,309	2,546,030	79,373,666	1.89%	952
2013	—	—	18,165,742	29,398,866	—	14,804,674	15,343,566	3,533,098	81,245,946	2.01%	987
2012	—	—	18,549,251	30,803,510	—	15,502,473	—	4,501,865	69,357,099	1.76%	849
2011	—	—	18,922,760	31,765,496	—	16,195,274	—	—	66,883,530	1.78%	826
2010	—	—	19,281,269	33,041,930	8,400,000	16,843,074	—	—	77,566,273	2.19%	965
2009	—	—	—	34,273,363	8,900,000	17,500,875	—	—	60,674,238	2.49%	1,074
2008	—	—	—	36,144,796	11,200,000	18,018,676	—	—	65,363,472	2.61%	1,171

Source: Olivenhain Municipal Water District

Notes: (1) FY 2012 and prior years include amortized bond issuance costs.
(2) 2012 California Bank and Trust note was paid off in February 2017.

Table XV – Demographic Statistics⁽¹⁾

Last Ten Fiscal Years

Year	Population Estimate	Personal Income	Per Capita Personal Income ⁽²⁾	Unemployment Rate
2017	85,792	\$ 4,965,469,376	\$ 57,878	4.3% ⁽³⁾
2016	85,010	4,743,302,970	55,797	4.7%
2015	84,352	4,529,364,992	53,696	5.2%
2014	83,368	4,194,623,309	51,444	6.4%
2013	82,355	4,048,736,510	49,162	7.8%
2012	81,701	3,930,635,110	48,110	9.1%
2011	80,964	3,762,316,116	46,469	10.3%
2010	80,385	3,538,226,160	44,016	10.8%
2009	56,512	2,432,163,456	43,038	9.4%
2008	55,809	2,508,610,400	44,950	6.0%

Source: California Department of Finance, California Department of Transportation, and Employment Development Department.

Notes: (1) 2009 and prior years are estimates based on population and per capita personal income factors supplied by the San Diego Association of Governments and the County of San Diego.
(2) Per capita personal income is for the San Diego County Region. Source: California Department of Transportation.
(3) Estimate for the San Diego County Region as of 6/2017. Source: California Employment Development Department.

Table XVI – San Diego County Principal Employers

FISCAL YEAR 2017

Employer Name	Number of Employees	Percentage of Total County Employment
University of California San Diego	32,524	2.017%
Sharp HealthCare	17,962	1.20%
Scripps Health	15,238	1.02%
Qualcomm Inc.	12,600	0.84%
City of San Diego	11,544	0.77%
Kaiser Permanente	8,965	0.60%
UC San Diego Health	8,923	0.60%
San Diego Community College District	6,817	0.46%
San Diego State University	5,921	0.40%
General Atomics	5,781	0.39%
Total Top Ten County Employers	126,275	8.44%
All Other County Employers	1,369,260	91.56%
Total County Employment ⁽¹⁾	1,495,535	100.00%

FISCAL YEAR 2008

Employer Name	Number of Employees	Percentage of Total County Employment
State of California	41,400	2.85%
Federal Government	40,800	2.81%
University of California San Diego	30,078	2.07%
County of San Diego	16,303	1.12%
San Diego Unified School District	15,800	1.09%
Sharp HealthCare	14,390	0.99%
Scripps Health	11,690	0.80%
City of San Diego	11,054	0.76%
Qualcomm Inc.	9,444	0.65%
Kaiser Permanente	7,608	0.52%
Total Top Ten County Employers	198,567	13.65%
All Other County Employers	1,255,844	86.35%
Total County Employment ⁽¹⁾	1,454,411	100.00%

Source: *San Diego Business Journal*, County of San Diego, Bureau of Labor Statistics

Note: (1) Bureau of Labor Statistics (not seasonally adjusted).

Table XVII – Full-time Equivalent Employees by Activity

Last Ten Fiscal Years

	Full-time Equivalent Employees as of June 30									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Potable Water	34.00	31.00	36.00	38.00	39.00	37.00	38.00	38.00	37.00	40.45
Wastewater and Recycled Water ⁽¹⁾	6.00	6.00	6.00	8.00	8.00	8.00	8.00	8.00	7.00	8.55
Elfin Forest Recreation Operations	3.00	3.00	3.00	3.00	2.00	3.00	3.00	3.00	4.00	4.00
General and Administration										
General Manager	4.00	2.00	2.00	5.00	5.00	5.00	5.50	5.50	4.50	6.50
Engineering	8.00	11.00	9.00	7.00	6.00	7.00	6.50	6.50	7.50	7.50
Finance	8.00	8.00	8.00	13.00	14.00	14.00	14.00	14.00	15.00	15.00
Human Resources	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.00
Customer Services ⁽²⁾	14.00	14.00	14.00	—	—	—	—	—	—	—
Total	81.00	79.00	82.00	78.00	78.00	78.00	79.00	79.00	79.00	85.00

Source: Olivenhain Municipal Water District

Notes: (1) District personnel working for the Wastewater system also works for the Recycled system.

(2) New Department added during FY 2015. Some employees formerly in Potable Water, General Manager, and Finance moved to Customer Services.

Table XVIII – Capital and Operating Indicators by Activity

Last Ten Fiscal Years

	Full-time Equivalent Employees as of June 30									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Potable										
Service area (acres)	31,123	31,123	31,123	31,123	31,123	31,123	31,123	31,123	31,123	31,123
Miles of water main ⁽¹⁾	466	419	419	419	419	406	406	406	413	412
Number of treated reservoirs in service	12	12	12	13	16	16	16	17	17	17
Total treated reservoirs capacity (million gallons)	66.9	65.9	65.9	68.1	81.5	84.8	83.8	80.0	80.0	80.0
Number of service connections	28,563	28,827	28,604	28,514	27,892	27,514	27,226	26,885	26,836	26,419
Number of meters in service	28,393	28,472	28,328	28,082	27,714	27,331	27,058	26,706	26,646	26,228
Potable water peak demand (million gallons) ⁽²⁾	29.8	23.9	29.9	32.7	29.7	27.8	28.1	27.6	33.6	36.1
Average treated water demand (MGD) ⁽²⁾	18.9	14.4	17.5	19.7	18.6	16.5	15.9	17.2	20.5	21.9
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) ⁽²⁾	18.7	13.9	17.1	22.3	12.8	20.7	19.8	19.2	15.9	8.8
Sewer										
Service area (acres)	5,508	5,338	5,338	5,338	5,338	5,338	5,338	5,338	5,338	5,338
Maximum system capacity (MGD)	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Number of in-service equivalent dwelling units ⁽³⁾	7,379	7,207	7,115	6,883	6,861	6,823	6,778	6,602	6,279	6,145
Recycled										
Service area (acres)	10,638	10,567	10,567	10,567	10,567	10,567	10,567	10,567	10,567	3,547
Miles of recycled water main	55	48	48	48	48	47	47	47	46	11
Total recycled storage capacity (million gallons) ⁽⁴⁾	136	136	4	4	4	4	4	4	4	4
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)	1.0	1.0	1.0	1.0	1.0	1.1	1.0	1.1	1.1	1.1
Number of meters in service	288	280	276	260	252	251	249	250	236	86
General Information										
Average years of service of employees ⁽⁵⁾	9.1	9.5	10.1	10.2	10.5	9.5	9.5	8.9	8.6	8.0

Source: Olivenhain Municipal Water District

Notes: (1) Total miles for FY 2017 include hydrant laterals.

(2) FY 2017 includes 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 after includes Wet Weather Storage Pond storage capacity.

(5) Based on the numbers of full-time equivalent employees as of June 30.

OLIVENHAIN

Municipal Water District

1966 Olivenhain Road • Encinitas, CA 92024-5699

Phone (760) 753-6466 • Fax (760) 753-5640

www.omwd.com



Third Place
2017 Fourth Grade Water Awareness Poster Contest
Submitted by a student of El Camino Creek Elementary School

Memo

Date: December 13, 2017
To: Olivenhain Municipal Water District Board of Directors
From: Rainy Selamat, Finance Manager
Via: Kimberly Thorner, General Manager
Subject: **CONSIDER ANNUAL REVIEW OF THE OLIVENHAIN MUNICIPAL WATER DISTRICT'S INVESTMENT POLICY AND REQUEST TO TRANSFER FUNDS FROM RECYCLED OPERATING (REVENUE) FUND TO RECYCLED CAPITAL AND EQUIPMENT FUND IN THE AMOUNT OF \$2 MILLION**

Purpose

The District's Investment Policy and Board-Designated funds (reserves) policy are reviewed by Staff annually. The Investment Policy is renewed every year because this policy has a one year term and expires in December of each year. The Board-Designated fund (reserves) balances are reviewed after the annual financial audit is completed.

Based on the 2017 review of the investment policy and reserve fund balances, Staff is submitting the proposed changes for Board's consideration and approval:

- Revisions to Market- Average Rate of Return and Reporting sections of the Investment Policy. Proposed changes are highlighted in the attachment.
- Proposal to transfer funds in the amount of \$2 million from Recycled Operating (Revenue) to Recycled Capital and Equipment (PAYGO) based on Board's approved recycled capital expenditures in the District's Long Range Financial Plan.

The above items were reviewed and discussed with the Finance Committee members at its meeting on November 15, 2017.

Recommendation

Staff is recommending that the Board consider and approve Staff-proposed changes to the District's Investment Policy and Board-Designated Fund Balances for 2017.

Alternatives

The Board may choose not to approve the proposed changes to the Investment Policy. However, the Investment Policy has a one year term expiring on December 31, 2017 and one of the goals of the Board-Designated Fund Balances is to provide adequate funding to meet the District's short-term and long-term plans, including planned capital spending.

The Board may choose not to approve the Staff-proposed \$2 million transfer of Recycled funds and instruct Staff to do otherwise.

Background

The District's Investment Policy is reviewed and updated by Staff annually according to the policy. This policy has a one year term expiring in December of each year.

The Board Designated Fund Balances (Reserves) are also reviewed annually after the annual financial audit is completed to make sure all fund balances are within the minimum and maximum target balances approved by the Board. The policy's target balances were last updated in 2014 as part of the comprehensive potable and recycled cost of service rate study to effect prudent management of District's financial resources

Fiscal Impact

A \$2 million transfer from the Water (recycled) - Operating Fund to Water (recycled) – Capital and Equipment Fund. The transfer would reduce the Recycled Water Operating Fund available balance by \$2,000,000 from \$ 7,149,508 (audited) at 6/30/2017.

Discussion

The Investment Policy is reviewed and renewed in December of each calendar year. The purpose of this exercise is to ensure that the policy is updated with applicable federal, state, and local laws regulating the investment of public funds and to meet the District's liquidity needs.

These proposed changes to the Investment Policy were discussed and reviewed by the District's Finance Committee. The District's current Policy is comprehensive and in compliance with all applicable California Government Codes regulating the investment of public funds.

The District's fiscal year 2016-17 financial audit has been completed. The Board Designated Fund Balances (Reserves) policy requires staff to review the adequacy of each fund balance once the annual audit is completed, and make a recommendation to the Board for consideration and approval on the handling of these funds based on the District's cash flow projections.

Based on Staff review of the District's fund balances and long-term planned capital expenditures, Staff is proposing a transfer of \$2 million from the Recycled Operating (Revenue) Fund to Recycled Capital and Equipment (PAYGO) fund.

Staff will be available during the meeting for discussion.

Attachments: Proposed 2018 Investment Policy
Power Point Presentation

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, 2018**. This authority may be renewed annually at the discretion of the Board of Directors of the District.

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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, bank checking accounts, and Bond Project and Reserve Funds.

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 objectives, the Treasurer will periodically review the portfolio's performance against an appropriate benchmark(s) based on the District's investment portfolio held on hand. ~~The market-average rate of return is defined as the rolling average of the 2-year Constant Maturity Treasury yields.~~
- E. Diversification. The investment portfolio shall be diversified to avoid

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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 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 consistent the rolling average of the 2 year Constant Maturity Treasury yields. 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, 2017**~~8~~. 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. 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.

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 description of any District funds being held or managed by other persons or entities, **the coupon and current yield,** ~~the current market value of all securities,~~

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~~the annual rate of return on each investment~~, a statement that there are or are not sufficient funds to meet the District's obligations for the next six (6) months, and all accrued interest ~~receivable earned~~. 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 yield, 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. All investments not complying with this investment policy shall be called to the attention of the Board and discussed as a separate agenda item during the first monthly meeting after an investment does not comply with this policy.

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VI. AUTHORIZED INVESTMENT INSTRUMENTS

The District is governed by the California Government Code, Sections 53600 et seq. 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 30% of the total value of all District investments or \$20,000,000 (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.

C. Depository Accounts: 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, in combination with Placement Service Certificates of Deposit and Negotiable Certificates of Deposit shall not exceed 30% 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, in combination with Certificates of Deposit and Negotiable Certificates of Deposit shall not exceed 30% 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 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, in combination with Certificates of Deposit and Placement Service Certificates of Deposit shall not exceed 30% 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)). Purchases of commercial paper shall not exceed 10% of the outstanding paper of the issuing corporation. 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 single-issuer holdings to no more than \$1,000,000 per issuer.

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 15% 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 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 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.

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.

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 30% 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, 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:

Investment Description	Percentage Limitation	Dollar Limitation
Local Agency Investment Fund	30%	\$20 million
Treasury Securities	None	-
Certificates of Deposit, Placement Service Deposits and Negotiable Certificates of Deposit	30%	Placement service deposits may be made up to FDIC limit per financial institution
Local Government Investments Pools	30%	-
Commercial Paper	20%	no more than \$1 million per issuer
Medium Terms Notes	15%	-
Agencies	50%	-
Money Market Funds	20%*	-
Investments Pools	30%	-
Municipal Bonds	30%	-
Bankers Acceptances	20%	No more than 3% per issuer
Repurchase Agreements	20%	-
Reverse Repurchase Agreements	10%	-

* May not exceed 5% in any money market fund.

Banker's acceptances, Repurchase Agreements, Reverse Repurchase Agreements, and other investments other than those expressly permitted by subsection (L) above are permitted only with the prior approval of the Board.

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.

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

VIII. 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.

IX. 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.

X. 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 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.

XI. 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.

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. (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, 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, 2017~~8~~** 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, 2017~~8~~** and annually thereafter.

REVIEW OF INVESTMENT POLICY AND BOARD DESIGNATED FUND BALANCES

December 13, 2017



Annual Review of Investment Policy

- Market-Average Rate of Return
 - Removal of a specific performance benchmark in the current policy
 - Emphasis on portfolio's performance should be compared to an appropriate benchmark(s) based on investment on hand
- Reporting
 - Removal monthly reporting of the current market value of all securities. Current market value of securities will be reviewed quarterly with the Finance Committee
 - Update for additional items listed in the monthly investment report to the Board such as maturity date and purchase date of District's securities
- Update the term

Review of Board Designated Fund Balances (Reserves) Policy

- Funds are designated by the Board to carry out specific purposes to ensure prudent management of the District's financial resources
- Board designates target balances (minimum and maximum) that are used by Staff as parameters within which the Board expects Staff to operate
- Board Designated Funds (Unrestricted):
 - Water (Potable and Recycled): Operating (Revenue) Fund, Capital and Equipment Fund, and Rate Stabilization Fund
 - Wastewater (Sewer): Operating (Revenue), Capital and Equipment Fund, and Rate Stabilization Fund
- Restricted Funds
 - Capacity Fee Funds: Water (Potable and Recycled)
 - Debt Service Funds: 2009 Bonds, 2015 Bonds, and 2016 Bonds
 - Ordinance 280 Fund
 - Reassessment District 96-1 Fund

Board Designated Fund Balances - Water

Olivenhain Municipal Water District		
WATER (Potable & Recycled) Minimum and Maximum Balances		
<i>Fund Description</i>	<i>Min/Max</i>	<i>Audited</i>
	FY 2018	6/30/2017
Water - Operating (Revenue) Fund		15,662,343
Min 60 days Operating Expenditures	7,149,000	
Max 120 days Operating Expenditures	14,298,000	
Water - Capital and Equipment Fund		28,916,300
Min 1 Fiscal Year CIP and Capital Items	12,950,000	
Max 5 Fiscal Year CIP and Capital Items	60,579,000	
Water - Rate Stabilization Fund		7,608,763
Min 25% Net Water Sales	5,145,000	
Max 50% Ave Next 2 FY Net Water Sales	10,662,101	
* Capacity fee, ordinance 280, and PAYGO		

Recycled Water Funds

- Staff proposed transfer of \$2 million from Recycled Operating (Revenue) Fund to Recycled Capital (PAYGO) Fund.
- Recycled Operating (Revenue) Fund
 - Audited cash balance at 6/30/17: \$7,149,508.10
- Recycled Capital (PAYGO) Fund:

Recycled Water - Capital and Equipment Fund (PAYGO)	
Audited Cash Balance @ 6/30/2017	1,205,816.46
Min: 1 Fiscal Year CIP and Capital Items	1,447,000
Max: 5 Fiscal Year CIP and Capital Items	2,673,000

Board Designated Fund Balances – Sewer (Wastewater)

Olivenhain Municipal Water District		
WASTEWATER Minimum and Maximum Balances		
<i>Fund Description</i>	<i>Min/Max</i>	<i>Audited</i>
	FY 2018	6/30/2017
Wastewater (Sewer) - Operating (Revenue) Fund		1,514,604
Min 180 days of next year	1,491,781	
Max next year budget	3,025,000	
Wastewater (Sewer) - Capital and Equipment Fund		10,613,103
Min 2 yr. NPV of approved 10 Yr. CIP	3,762,400	
Max 5 yr. NPV of approved 10 Yr. CIP	9,406,000	
Wastewater (Sewer) - Rate Stabilization Fund		2,462,180
Min 25% of current year budget	734,250	
Max average of the next 4 years	3,163,750	

Board's Action Items

- Consider and approve Staff's proposed changes to the District's Investment Policy
 - Market-Average Rate of Return Section
 - Reporting Section
- Consider and approve Staff's proposed \$2 million fund transfer in Recycled Funds based on 2017 review of fund balances following completion of the fiscal year 2016-17 financial audit

Memo

Date: December 13, 2017
To: Olivenhain Municipal Water District Board of Directors
From: Rainy Selamat, Finance Manager
Via: Kimberly Thorner, General Manager
Subject: **CONSIDER ADOPTION OF AN ORDINANCE AMENDING OLIVENHAIN MUNICIPAL WATER DISTRICT'S ADMINISTRATIVE AND ETHICS CODE (*Article 19*)**

Purpose

This is a housekeeping item. The purpose of this item is to consider approval and adoption of staff-proposed changes to Article 19 of the District's Administrative and Ethics Code. These changes were reviewed and discussed with the Finance Committee at its November 15, 2017 meeting.

Recommendation

The District's travel and expense reimbursement policy is due for an update. Article 19 of the District's Administrative and Ethics Code includes travel, reimbursement of expenses, and credit card policy. Staff is recommending the Board to consider and approve staff-proposed changes to the District's Administrative and Ethics Code.

Alternatives

- The board may choose not to approve the proposed ordinance.
- The board may provide staff with direction as to specific sections of the proposed ordinance.

Background

The last update to the District's travel and reimbursement of expenses policy was done in 2004. Based on review of other agencies' travel policy and comments made by the District's auditors during the interim audit, Staff is proposing changes to Article 19 of the District's Administrative and Ethics Code. Staff-proposed changes are redlined in the attachment.

Fiscal Impact

This is an update to the existing travel policy on how the District will report and monitor reimbursed expenses related to travel and entertainment. There is no fiscal impact as a result of the proposed changes to the Administrative and Ethics Code.

Discussion

The following is an outline of staff-proposed changes to the existing Administrative and Ethics Code:

- Remove California Urban Water Conservation Council from the District's memberships since it no longer exists.
- Provide clarification for qualified expenses for reimbursements when travelling on District's business
- Provide clarification for unreimbursed expenses when traveling on District's business
- Add clarification on compensation for non-exempt employees when traveling on District's business
- Add supervisor's responsibility for approval of District's travel expenses

All proposed changes are attached for consideration and approval by the Board. Staff will be available during the meeting for discussion.

Since credit card charges paid by the District are considered reimbursed expenses, starting in December 2017, Monthly Directors Fee and Reimbursed Expenses for Directors and Staff includes reimbursed expenses charged to the District's credit cards. A copy of the revised monthly report is attached for Board's review.

These changes were reviewed with both the Board Finance Committee and both the BUMA and DEA bargaining units.

*Attachments: Ordinance XXX
A copy of Article 19 (redlined)
A DRAFT copy of revised Monthly Directors Fee and Reimbursed Expenses for Directors and Staff*

ORDINANCE NO. XXX

ORDINANCE OF OLIVENHAIN MUNICIPAL WATER DISTRICT'S
BOARD OF DIRECTORS AMENDING THE ADMINISTRATIVE AND
ETHICS CODE (*Article 19 – Association Membership*)

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

SECTION 1: Article 19, Section 1 of the Administrative and Ethics Code is hereby amended and incorporated herein:

District Membership. The District is a member of the following associations. Attendance by the Board of Directors and staff at meetings of the associations is hereby authorized.

The Board of Directors shall receive director's fees for each day or portion of a day in attendance. Board Directors shall provide at the next regular meeting of the Board of Directors brief oral or written reports on meetings attended at District expense, pursuant to §53232 et seq. of the Government Code.

Alliance for Water Efficiency
American Membrane Technology Association
American Public Works Association
American Society for Training and Development
American Society of Civil Engineers
American Water Works Association
Association of California Water Agencies
Association of Women in Water, Energy, and Environment
CalDesal
California Municipal Treasurers Association
California Public Employees Retirement System
California Society of Municipal Financial Officers
California Special Districts Association
California Special Districts Association San Diego Chapter
California Water Environment Association
California Women Lead
Conservation Action Committee
Construction Management Association of America
CLE International (Continuing Legal Education)
Council of Water Utilities, San Diego County
Escondido Creek Watershed Alliance
Foundation for Cross-Connection Control & Hydraulic Research

Government Finance Officers Association
International Desalination Association
International Public Management Association for Human Resources
Local Agency Investment Fund
Metropolitan Water District of Southern California
Municipal Information Systems Association of California
National Association of Corrosion Engineers
National Fire Protection Association
National Water Resources Association
National Water Research Institute
North County Water Group
North San Diego County Employment Relations Consortium
Pacific Safety Council
Rural Community Assistance Corporation
San Diego Botanic Garden
San Diego County Water Authority
San Diego Metal Theft Taskforce
San Diego North Economic Development Council
San Diego Water Works Group
Southern California Water Committee
South West Membrane Operators Association
Special District Risk Management Authority
Submersible Wastewater Pump Association
Urban Water Institute
Water Education Foundation
Water for People
Water Reliability Coalition
Water Utilities Human Resources Committee
Water Utility Safety Managers Association
WaterReuse Association of California

Sec. 19.4. Travel. Travel is defined as all mode of transportation necessary for authorized attendees including board members and employees at meetings, conferences, seminars, training, and professional functions outside the District offices that involve the interests of the District and is authorized in the Administrative and Ethics Code or by Board action. The District will reimburse expenses incurred by board members or employees in connection with authorized attendance at meetings, conferences, seminars, and professional functions that take place away from District offices as follows:

A. Reimbursement of Expenses. Reimbursement of travel expenses will not be considered taxable income to the employee or the board member for income

tax purposes so long the District's reimbursement policy and procedures meets the rules of being an Accountable Plan in accordance with the Internal Revenue Code (IRC). As an Accountable Plan all expenses must have a business connection that is included in the supporting documentation accompanying the reimbursement request. The reimbursement request must be submitted within reasonable period of time and should any excess reimbursement occur, it must be returned to the District within a reasonable period of time.

Travel Expenses shall be budgeted by District staff as part of the annual budget process. Any travel expenses approved with the budget shall be considered authorized for that fiscal year only. An "Employee Expense Claim Form" or a "Director's Fee/Per Diem/Expense Claim Form" must be completed for reimbursement of expenses (referred to as a claim form).

B. Travel Arrangements. All travel arrangements that can practically be made in advance (such as reservation for airfare, lodging, and transportation) will be made by the District, unless otherwise approved by the General Manager.

Travel must be pre-authorized and verified to be eligible for reimbursements prior to making travel arrangements. The District reserves the right to deny reimbursement of unplanned travel expenses and for failure to comply with District's Administrative and Ethics Code.

C. Transportation. Travel must be by the most direct route, considering the mode of transportation used. The mode of transportation used shall be selected on the basis of the lowest overall cost to the District after all costs are considered, including the travel time and the salary of the employee; provided, however, that travel by common carrier bus shall not be required.

Additional expense resulting from travel by an indirect route for the personal interest of board members or employees is not chargeable to the District. These expenses need to be included and reported on claim forms for reimbursement and identified as chargeable to the board member or employee.

Trips, which require travel in excess of 200 miles one way, shall be made by commercial airline, unless circumstances dictate otherwise. Reimbursements for transportation costs for trips over 200 miles one way by any form of transportation other than commercial airline shall generally not exceed the standard round-trip airline coach airfare in effect at the time, plus the lesser of any auto mileage, or shuttle costs, and/or airport parking that would have been incurred and reimbursable if air transportation had been used.

D. Modes of Transportation.

Air Transportation – The District will reimburse board members or employees or pre-pay costs for economy (coach) class airfares. The District will endeavor to purchase airline tickets in advance, taking advantage of available discounts and low fares. Whenever possible, airline reservations shall be made to permit travel during normal business hours.

Automobile – District Owned: Whenever practicable, and when auto travel is the preferred mode, District will provide a vehicle to accommodate the trip. When this occurs, the District will reimburse the employee for tolls, parking, gasoline and other maintenance that may be required during the course of use. Employees who use District vehicle for District travel are not eligible to receive reimbursement for mileage.

Automobile – Personal Auto: board members or employees may use their own personal vehicle. District will reimburse employee or board member at the current rate/mile as established by IRS, plus tolls, parking, etc.

Employees who receive monthly auto allowance from the District and use their personal vehicle for District business and travel are not eligible to receive reimbursement for gasoline, mileage, and other maintenance that may be required during the course of use.

Adequate Accounting of miles reimbursed is required in accordance with Internal Revenue Code in order to substantiate the mileage reimbursement. Adequate Accounting for purposes of mileage reimbursement includes either a statement of beginning and ending odometer reading for each business purpose or an online mapping source (such as MapQuest or Google) showing beginning travel point and destination. The employee's normal daily commute to the District shall be subtracted from the total miles requested for reimbursement. Gasoline, collision and liability insurance, and maintenance will be provided by the employee and board member and is deemed covered in the rate/mileage reimbursement. Employees or board members using personal vehicles on District business must maintain the automobile insurance coverage required by the State of California and provide a copy of valid insurance card to Human Resources.

Rental Cars – District will provide a rental car when practicable; often in conjunction with another mode, i.e. air transportation or rail transportation. The maximum reimbursement for rental cars shall be a standard mid-sized car, unless there is a clear business or safety need and it is approved by the General Manager. Upgrades or additional cost features are the employee's responsibility.

Sec 19.5. Lodging. The District will reimburse board members or employees for prearranged accommodations in single rooms at conference facilities or in close proximity when applicable. In the absence of conference accommodations, normal single room business, government or commercial class accommodation may be obtained.

Any lodging costs in excess of these standards, whether based on location, type of accommodations, number of occupants, etc., will be the sole responsibility of the board member or employee. Under normal circumstances, lodging will not be reimbursed for the night before a conference starts or the night after it ends. However, in a situation when available travel schedules would require an overnight stay that would otherwise require the employee to leave home before 6 a.m. and return home after 12:00 a.m., lodging will be reimbursable with prior approval.

Sec. 19.6. Meals and Beverages. The District will reimburse board member or employee for prearranged meal functions and tips for reasonably priced meals during the course of travel. The maximum daily amount reimbursable for meals, including beverages, is \$100, plus service charges, service fees and maximum 20% gratuities. The District will not approve alcohol beverages and expenses incurred by spouses, family members, or guests.

Sec. 19.7. Entertainment. The District will not cover expenses incurred for recreation or entertainment, except when such entertainment is part of a function of the event, i.e. meal functions that include entertainment with the meal.

Sec. 19.8. Incidental Expenses. Unavoidable, necessary and reasonable authorized expenses will be fully reimbursed by the District. Some examples of allowable expenses are:

A. Telephone Calls (Business) – All calls placed by the employee, to the District office, or for the purpose of conducting District business.

B. Telephone Calls (Personal) – Brief personal calls each day away from home.

C. Telephone Calls (Local) – Charges for local calls for meal and transportation reservations, or for area information related to travel.

D. Reasonable transportation to local restaurants and to optional functions which are a part of the conference.

E. Reasonable gratuities.

F. Parking fees.

G. Room Service is not generally reimbursable except: Upon late night arrival at a hotel or early meetings; During illness of the employee requiring in-room convalescence; Other bona fide reasons. If room service is used for convenience, the District will reimburse for food costs only; all service charges will be the employee's or board of director's responsibility.

H. Shared Expenses. When appropriate and available, modifications and exceptions are allowed if sharing expenses is reasonable and economical. Such sharing may be among District employees or board of directors, or involve personnel from other agencies such as a two-for-one fare, larger auto rentals to accommodate a number of people, or taxicab or van usage in lieu of multiple bus or shuttle fares.

I. Tolls

J. The following expenses are also not reimbursable – Parking or traffic violations; In-room movies; Laundry service.

Sec. 19.9. Compensation for Non-Exempt Employees. Non-exempt employees travelling and staying overnight are normally authorized to work only for the total number of hours they were regularly scheduled to work, exclusive of applicable travel time. All employees travelling and staying overnight are considered by the District to be on flexible schedules. During flexible schedules, employee's starting time, meal period, rest periods, and etc. are adjusted to accomplish work with minimal overtime.

Should business require a non-exempt employee to travel, the District will compensate eligible employees for reasonable hours spent in travel and function attendance pursuant to state law. These hours are considered regular work hours for purposes of calculating overtime. During all compensable hours, an employee is subject to any and all provisions of District's Administrative and Ethics code.

The following hours are compensable – Actual hours spent at meetings, conferences, or functions, except for meals and special events of an entertainment nature held in conjunction with a function. Actual hours spent in transit, except for hours spent in travel between the employee's residence and the District. Any time spent in layover at a public transportation facility is also compensable travel time, unless the employee chooses to participate in recreational activities during the layover.

The following hours are not compensable – Time spent taking a break from travel in order to eat a meal, sleep or engage in other personal activities not connected with travelling or making necessary travel connections, such as sightseeing, visiting friends and family, or other activities of a recreational or entertainment nature.

Sec. 19.10. Travel Advance. Known expense amounts may be authorized and paid by the District in advance of the employee’s travel. Hotel accommodations, transportation, conference registrations and meal functions, are example of these travel advances.

Sec. 19.11. Responsibility. On completion of a trip, board members or employees shall submit a claim form for reimbursement of travel expenses. Claim forms shall be supported by itemized receipts of all expenditures greater than \$10 for which reimbursement is being requested. Claim forms must be submitted within a reasonable time in the same calendar year when the expense incurred. If a receipt is not provided or is lost, an explanation of the expenditure shall be included with the claim form.

When two or more employees combine an expense on one receipt, the employee requesting reimbursement shall indicate on the claim form or attached to claim form, the identity of the other persons sharing expenses. This will facilitate approval of reimbursable expenses.

It is not necessary to separate the “actual” combined expenses incurred by multiple persons that appear on one receipt.

Expenses incurred by spouses or guests will not be reimbursed by the District and these expenses are the responsibility of the board member or employee and director.

Sec. 19.12. Supervisor Responsibility Supervisors are responsible for approving travel expenses submitted for reimbursements of their subordinate staff. It is their responsibility of the supervisor that all employees have correctly applied all provision of the District’s Administrative and Ethics code. General Manager’s expenses submitted for reimbursements will be reviewed by the District’s Finance Officer. All reimbursed amounts will be submitted by Finance to be included in the monthly disbursement report to the Board including travel and other business expenses paid by the District’s credit cards.

Sec. 19.13. Credit card. District Issued credit cards can also be used to charge for preauthorized and planned travel expenses. District credit cards are the sole property of the District and issued in the names of authorized District’s

individuals. District issued credit cards can only be used for District business expenses and approved in the budget. The District has established credit card terms and conditions for general terms and procedures on using District's credit cards as approved by the General Manager. The District reserves the right to deny payment of expenses for failure to comply with the District's credit card policy and procedures.

The District's credit card can be used to pay for authorized travel and prepaid expenses such as conference or event registration fees, airline and train tickets, car rentals, and other travel expenses for authorized attendance at meetings, conferences, seminars, training and professional functions that take place away from the District offices. The District's credit card can also be used to pay for expenses for District's events, functions, supplies, or business.

Travel expenses charged to District credit card must be completed in accordance with Section 19 of the District's Administrative and Ethics code.

Itemized receipts are required for expenses paid by the District's credit card. The following information shall be included on all receipts using by the District's credit card:

- a. The amount of the expenditure.
- b. The time, date and place of travel or entertainment.
- c. The business purpose of the expenditure.

If this is shared charges while conducting District business, the identity of individuals sharing expenses must be submitted by the employee whose name on the credit card.

Sec. 19.14. Supervisor Responsibility for District credit card. Supervisors are responsible for approving expenses and purchases incurred that are charged to District credit card by their subordinate staff. It is a supervisor's responsibility to assure that all employees using District credit card have complied with the District's credit card terms and procedures.

SECTION 2: Effective Date. This ordinance shall take effect on December 13, 2017.

PASSED, APPROVED AND ADOPTED at a regular meeting of Olivenhain Municipal Water District's Board of Directors held this 13th day of December 2017.

AYES:
NOES:
ABSTAIN:
ABSENT:

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

ATTEST:

Gerald E. Varty, Secretary
Board of Directors
Olivenhain Municipal Water District

OLIVENHAIN MUNICIPAL WATER DISTRICT ADMINISTRATIVE AND ETHICS CODE	Article No. 19	Page 1 of 15
	Title ASSOCIATION MEMBERSHIP	
	Latest Revision Date May 17, 2017	Ordinance No. 449

Article 19. ASSOCIATION MEMBERSHIP

- Sec. 19.1. revised by Ordinance No. 419 / August 14, 2014*
- Sec. 19.1. revised by Ordinance No. 416 / June 18, 2014*
- Sec. 19.1. revised by Ordinance No. 396 / July 25, 2012*
- Sec. 19.1. revised by Ordinance No. 392 / December 14, 2011*
- Sec. 19.1. revised by Ordinance No. 382 / August 25, 2010*
- Sec. 19.1. revised by Ordinance No. 371-A / June 24, 2009*
- Sec. 19.1. revised by Ordinance No. 370 / February 11, 2009*
- Sec. 19.1. revised by Ordinance No. 363 / July 23, 2008*
- Sec. 19.1. revised by Ordinance No. 352 / September 14, 2007*
- Sec. 19.1. revised by Ordinance No. 327 / February 17, 2006*
- Sec. 19.1. revised by Ordinance No. 320 / July 27, 2005*
- Sec. 19.1. revised by Ordinance No. 305 / October 22, 2003*

Sec. 19.1. District Membership. The District is a member of the following associations. Attendance by the Board of Directors and staff at meetings of the associations is hereby authorized.

The Board of Directors shall receive director's fees for each day or portion of a day in attendance. Board Directors shall provide at the next regular meeting of the Board of Directors brief oral or written reports on meetings attended at District expense, pursuant to §53232 et seq. of the Government Code.

- Alliance for Water Efficiency
- American Membrane Technology Association
- American Public Works Association
- American Society for Training and Development
- American Society of Civil Engineers
- American Water Works Association
- Association of California Water Agencies
- Association of Women in Water, Energy, and Environment
- CalDesal
- California Municipal Treasurers Association
- California Public Employees Retirement System
- California Society of Municipal Financial Officers
- California Special Districts Association
- California Special Districts Association San Diego Chapter
- ~~California Urban Water Conservation Council~~
- California Water Environment Association
- California Women Lead
- Conservation Action Committee
- Construction Management Association of America
- CLE International (Continuing Legal Education)

OLIVENHAIN MUNICIPAL WATER DISTRICT ADMINISTRATIVE AND ETHICS CODE	Article No. 19	Page 2 of 15
	Title ASSOCIATION MEMBERSHIP	
	Latest Revision Date May 17, 2017	Ordinance No. 449

Article 19. ASSOCIATION MEMBERSHIP

Council of Water Utilities, San Diego County
 Escondido Creek Watershed Alliance
 Foundation for Cross-Connection Control & Hydraulic Research
 Government Finance Officers Association
 International Desalination Association
 International Public Management Association for Human Resources
 Local Agency Investment Fund
 Metropolitan Water District of Southern California
 Municipal Information Systems Association of California
 National Association of Corrosion Engineers
 National Fire Protection Association
 National Water Resources Association
 National Water Research Institute
 North County Water Group
 North San Diego County Employment Relations Consortium
 Pacific Safety Council
 Rural Community Assistance Corporation
 San Diego Botanic Garden
 San Diego County Water Authority
 San Diego Metal Theft Taskforce
 San Diego North Economic Development Council
 San Diego Water Works Group
 Southern California Water Committee
 South West Membrane Operators Association
 Special District Risk Management Authority
 Submersible Wastewater Pump Association
 Urban Water Institute
 Water Education Foundation
 Water for People
 Water Reliability Coalition
 Water Utilities Human Resources Committee
 Water Utility Safety Managers Association
 WateReuse Association of California

Sec. 19.2. revised by Ordinance No. 382 / August 25, 2010

Sec. 19.2. revised by Ordinance No. 352 / September 14, 2007

Sec. 19.2. revised via Ordinance No. 325 / December 7, 2005

Sec. 19.2. Meeting Compensation. The Board of Directors shall be compensated for meeting attendance for any of the meetings, conferences, dedications of a public facility or seminars of the agencies listed in §19.1 above, any meetings, subcommittee meetings or other advisory body meetings of the Board of Directors of Olivenhain Municipal Water District and any meetings with District

OLIVENHAIN MUNICIPAL WATER DISTRICT ADMINISTRATIVE AND ETHICS CODE	Article No. 19	Page 3 of 15
	Title ASSOCIATION MEMBERSHIP	
	Latest Revision Date May 17, 2017	Ordinance No. 449

Article 19. ASSOCIATION MEMBERSHIP

staff to fulfill the requirements of the duties of the Board Director's position on the Board.

Sec. 19.3. Staff Membership. The District expects Staff Members to affiliate, at District expense, with professional associations or societies concerned with the work in which they are engaged. In general, attendance at meetings of other associations of which a Staff Member is a member is authorized. Time spent at such meetings shall be considered time spent on District work and shall not be chargeable to annual leave.

In order to encourage attendance at local meetings, the General Manager may authorize District Staff to attend at District expense if there is a benefit to the District. Local meetings requiring overnight travel expenses must be approved by the General Manager.

Sec. 19.4. revised by Ordinance No. 382 / August 25, 2010

Sec. 19.4. revised by Ordinance No. 352 / September 14, 2007

Sec. 19.4. revised via Ordinance No. 325 / December 7, 2005

Sec. 19.4. revised via Ordinance No. 320 / July 27, 2005

Sec. 19.4. was amended via Ordinance No. 311 / September 22, 2004

Sec. 19.4. ~~Travel Expenses.~~ Travel is defined as all mode of transportation necessary for authorized attendees including ~~The Board members~~ ~~board of Directors~~ and ~~or~~ employees at attending any meetings, conferences, seminars, training, and professional functions outside the District offices that involve involving the interests of the District or attending a convention of an organization and is as authorized in the Administrative and Ethics Code or by Board action. The District will reimburse expenses, shall be entitled to reimbursement for business-related expenses incurred by such bBoard members Director or employees in connection with authorized attendance at such meetings, conferences, seminars, and professional functions that take place away from District offices as follows:

~~-or convention as follows:~~

A. Reimbursement of Authorized Expenses:

Reimbursement of travel expenses will not be considered taxable income to the employee or the board member for income tax purposes so long the District's reimbursement policy and procedures meets the rules of being an Accountable Plan in accordance with the Internal Revenue Code (IRC). As an Accountable Plan all expenses must have a business connection that is included in the supporting documentation accompanying the reimbursement request. The reimbursement request must be submitted within reasonable

OLIVENHAIN MUNICIPAL WATER DISTRICT ADMINISTRATIVE AND ETHICS CODE	Article No. 19	Page 4 of 15
	Title ASSOCIATION MEMBERSHIP	
	Latest Revision Date May 17, 2017	Ordinance No. 449

Article 19. ASSOCIATION MEMBERSHIP

period of time and should any excess reimbursement occur, it must be returned to the District within a reasonable period of time.

Travel Expenses shall be budgeted by District staff as part of the annual budget process. Any travel expenses approved with the budget shall be considered authorized for that fiscal year only. An "Employee Expense Claim Form" or a "Director's Fee/Per Diem/Expense Claim Form" must be completed for reimbursement of expenses (referred to as a claim form).

may include business telephone calls, business meals, common carrier fares, rental of automobiles, parking fees, and use of personal automobiles. The rates for reimbursement of travel, meals, lodging, mileage and other actual and necessary expenses by Board Directors shall be at the Internal Revenue Service rates as established in Publication 463. Board Directors must use government rates and group rates for transportation and lodging when available. Any Board Director expenses that do not fall within the IRS rates as established in Publication 463 have to be approved by the Board of Directors in a public meeting before the expense is incurred.

B. Travel Arrangements

All travel arrangements that can practically be made in advance (such as reservation for airfare, lodging, and transportation) will be made by the District, unless otherwise approved by the General Manager.

Travel must be pre-authorized and verified to be eligible for reimbursements prior to making travel arrangements. The District reserves the right to deny reimbursement of unplanned travel expenses and for failure to comply with District's Administrative and Ethics Code.

B. In addition to those expenses described in Section 19.4 (A), authorized expenses while traveling overnight on District business also may include reasonable telephone calls to the Board Director's or employee's family, meals, lodging, baggage handling, tips, and any other reasonable incidental expenses of the trip which are business related, rather than personal in nature. Non-reasonable expenses include expenses for alcohol and recreation, which shall not be reimbursed by the District.

B. Transportation

Travel must be by the most direct route, considering the mode of transportation used. The mode of transportation used shall be selected on the basis of the lowest overall cost to the District after all costs are considered.

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OLIVENHAIN MUNICIPAL WATER DISTRICT ADMINISTRATIVE AND ETHICS CODE	Article No. 19	Page 5 of 15
	Title ASSOCIATION MEMBERSHIP	
	Latest Revision Date May 17, 2017	Ordinance No. 449

Article 19. ASSOCIATION MEMBERSHIP

including the travel time and the salary of the employee; provided, however, that travel by common carrier bus shall not be required.

Additional expense resulting from travel by an indirect route for the personal interest of board members or employees is not chargeable to the District. These expenses need to be included and reported on claim forms for reimbursement and identified as chargeable to the board member or employee.

Trips, which require travel in excess of 200 miles one way, shall be made by commercial airline, unless circumstances dictate otherwise. Reimbursements for transportation costs for trips over 200 miles one way by any form of transportation other than commercial airline shall generally not exceed the standard round-trip airline coach airfare in effect at the time, plus the lesser of any auto mileage, or shuttle costs, and/or airport parking that would have been incurred and reimbursable if air transportation had been used.

Modes of transportation:

- Air Transportation: The District will reimburse board members or employees or pre-pay costs for economy (coach) class airfares. The District will endeavor to purchase airline tickets in advance, taking advantage of available discounts and low fares. Whenever possible, airline reservations shall be made to permit travel during normal business hours.
- Automobile – District Owned: Whenever practicable, and when auto travel is the preferred mode, District will provide a vehicle to accommodate the trip. When this occurs, the District will reimburse the employee for tolls, parking, gasoline and other maintenance that may be required during the course of use. Employees who use District vehicle for District travel are not eligible to receive reimbursement for mileage.
- Automobile – Personal Auto: board members or employees may use their own personal vehicle. District will reimburse employee or board member at the current rate/mile as established by IRS, plus tolls, parking, etc.

Employees who receive monthly auto allowance from the District and use their personal vehicle for District business and travel are not eligible to receive reimbursement for gasoline, mileage, and other maintenance that may be required during the course of use.

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OLIVENHAIN MUNICIPAL WATER DISTRICT ADMINISTRATIVE AND ETHICS CODE	Article No. 19	Page 6 of 15
	Title ASSOCIATION MEMBERSHIP	
	Latest Revision Date May 17, 2017	Ordinance No. 449

Article 19. ASSOCIATION MEMBERSHIP

Adequate Accounting of miles reimbursed is required in accordance with Internal Revenue Code in order to substantiate the mileage reimbursement. Adequate Accounting for purposes of mileage reimbursement includes either a statement of beginning and ending odometer reading for each business purpose or an online mapping source (such as MapQuest or Google) showing beginning travel point and destination. The employee's normal daily commute to the District shall be subtracted from the total miles requested for reimbursement. Gasoline, collision and liability insurance, and maintenance will be provided by the employee and board member and is deemed covered in the rate/mileage reimbursement. Employees or board members using personal vehicles on District business must maintain the automobile insurance coverage required by the State of California and provide a copy of valid insurance card to Human Resources.

- Rental Cars: District will provide a rental car when practicable; often in conjunction with another mode, i.e. air transportation or rail transportation. The maximum reimbursement for rental cars shall be a standard mid-sized car, unless there is a clear business or safety need and it is approved by the General Manager. Upgrades or additional cost features are the employee's responsibility.

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~~Additional expense resulting from travel by an indirect route for the personal interest of the Board Director or employee is not chargeable to the District, but is to be reported on claims for reimbursement and identified as chargeable to the Board Director or employee. The type of~~

~~transportation employed shall be selected on the basis of the lowest overall cost to the District after all costs are considered, including the travel time and the salary of the employee; provided, however, that travel by common carrier bus shall not be required. Trips, which require travel in excess of 200 miles one way, shall be made by commercial airline, unless circumstances dictate otherwise. Reimbursements for transportation costs for trips over 200 miles one way by any form of transportation other than commercial airline shall generally not exceed the standard round-trip airline coach airfare in effect at the time, plus the lesser of any auto mileage, or shuttle costs, and/or airport parking that would have been incurred and reimbursable if airline transportation had been used.~~

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~~D. The expenses of a Board Director's or employee's spouse or registered domestic partner as defined in California Family Code Section 297, who accompanies the Board Director or employee on District business shall not be borne by the District or reimbursable to the Board Director or employee.~~

OLIVENHAIN MUNICIPAL WATER DISTRICT ADMINISTRATIVE AND ETHICS CODE	Article No. 19	Page 7 of 15
	Title ASSOCIATION MEMBERSHIP	
	Latest Revision Date May 17, 2017	Ordinance No. 449

Article 19. ASSOCIATION MEMBERSHIP

Sec. 19.5. revised by Ordinance No. 352 / September 14, 2007

Sec. 19.5. revised via Ordinance No. 325 / December 7, 2005

Sec 19.5. LodgingHotels. The District will reimburse board members or employees for prearranged accommodations in single rooms at conference facilities or in close proximity when applicable. In the absence of conference accommodations, normal single room business, government or commercial class accommodation may be obtained.

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Any lodging costs in excess of these standards, whether based on location, type of accommodations, number of occupants, etc., will be the sole responsibility of the board member or employee. Under normal circumstances, lodging will not be reimbursed for the night before a conference starts or the night after it ends. However, in a situation when available travel schedules would require an overnight stay that would otherwise require the employee to leave home before 6 a.m. and return home after 12:00 a.m., lodging will be reimbursable with prior approval.

~~Whenever required to spend the night away from San Diego County, Board Directors and personnel shall engage rooms at a good commercial hotel or motel. If the lodging is in connection with a conference or organized educational activity, the lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor provided that the lodging at the group rate is available at the time of booking. If the group rate is not available at the time of booking, the Board Director is to use comparable lodging consistent with the IRS rates for travel set forth in Publication 463. If accompanied on the trip by another person not a Board Director or Staff Member and the room is shared, the District shall be charged only for that portion of the room charge which would be made by the hotel for single occupancy. A receipted bill stating occupants and length of stay shall be submitted with the claim for expense reimbursement. If the room is occupied by more than one person, the rate for single occupancy shall be noted on the receipted statement.~~

Sec. 19.6. revised by Ordinance No. 352 / September 14, 2007

Sec. 19.6. revised via Ordinance No. 325 / December 7, 2005

Sec. 19.6. Meals and Beverages and Incidental Expenses. The District will reimburse board member or employee for prearranged meal functions and tips for reasonably priced meals during the course of travel. The maximum daily amount reimbursable for meals, including beverages, is \$100, plus service charges, service fees and maximum 20% gratuities. The District will not approve alcohol beverages and expenses incurred by spouses, family members, or guests. Expense allowance while attending authorized meetings shall include, in addition to transportation and hotel, all meals, tips, telephone

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OLIVENHAIN MUNICIPAL WATER DISTRICT ADMINISTRATIVE AND ETHICS CODE	Article No. 19	Page 8 of 15
	Title ASSOCIATION MEMBERSHIP	
	Latest Revision Date May 17, 2017	Ordinance No. 449

Article 19. ASSOCIATION MEMBERSHIP

~~expense, stenographic expense, auto parking, taxi, and disbursements on behalf of the District such as filing fees in connection with legal documents. No reimbursement shall be made of expenditures for personal services or needs. The rates for reimbursement of travel, meals, lodging and other actual and necessary expenses by Board Directors shall be at the Internal Revenue Service rates as established in Publication 463. Board Directors must use government rates and group rates for transportation and lodging when available.~~

Sec. 19.7 Entertainment. The District will not cover expenses incurred for recreation or entertainment, except when such entertainment is part of a function of the event, i.e. meal functions that include entertainment with the meal.

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Sec. 19.8 Incidental Expenses. Unavoidable, necessary and reasonable authorized expenses will be fully reimbursed by the District. Some examples of allowable expenses are:

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- a. Telephone Calls (Business): All calls placed by the employee, to the District office, or for the purpose of conducting District business.
- b. Telephone Calls (Personal): Brief personal calls each day away from home.
- c. Telephone Calls (Local): Charges for local calls for meal and transportation reservations, or for area information related to travel.
- d. Reasonable transportation to local restaurants and to optional functions which are a part of the conference.
- e. Reasonable gratuities.
- f. Parking fees.
- g. Room Service is not generally reimbursable except:
 - Upon late night arrival at a hotel or early meetings;
 - During illness of the employee requiring in-room convalescence;
 - Other bona fide reasons. If room service is used for convenience, the District will reimburse for food costs only; all service charges will be the employee's or board of director's responsibility.
- h. Shared Expenses: When appropriate and available, modifications and exceptions are allowed if sharing expenses is reasonable and economical. Such sharing may be among District employees or board of directors, or involve personnel from other agencies such as a two-for-one fare, larger auto rentals to accommodate a number of people, or taxicab or van usage in lieu of multiple bus or shuttle fares.
- i. Tolls
- j. The following expenses are also not reimbursable:

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OLIVENHAIN MUNICIPAL WATER DISTRICT ADMINISTRATIVE AND ETHICS CODE	Article No. 19	Page 9 of 15
	Title ASSOCIATION MEMBERSHIP	
	Latest Revision Date May 17, 2017	Ordinance No. 449

Article 19. ASSOCIATION MEMBERSHIP

- Parking or traffic violations
- In-room movies
- Laundry service

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Sec. 19.7. revised by Ordinance No. 352 / September 14, 2007

Sec. 19.7. revised via Ordinance No. 325 / December 7, 2005

Sec. 19.79. Compensation for Non-Exempt Employees. Non-exempt employees travelling and staying overnight are normally authorized to work only for the total number of hours they were regularly scheduled to work, exclusive of applicable travel time. All employees travelling and staying overnight are considered by the District to be on flexible schedules. During flexible schedules, employee's starting time, meal period, rest periods, and etc. are adjusted to accomplish work with minimal overtime.

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Should business require a non-exempt employee to travel, the District will compensate eligible employees for reasonable hours spent in travel and function attendance pursuant to state law. These hours are considered regular work hours for purposes of calculating overtime. During all compensable hours, an employee is subject to any and all provisions of District's Administrative and Ethics code.

The following hours are compensable:

- Actual hours spent at meetings, conferences, or functions, except for meals and special events of an entertainment nature held in conjunction with a function.
- Actual hours spent in transit, except for hours spent in travel between the employee's residence and the District. Any time spent in layover at a public transportation facility is also compensable travel time, unless the employee chooses to participate in recreational activities during the layover.

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The following hours are not compensable:

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- Time spent taking a break from travel in order to eat a meal, sleep or engage in other personal activities not connected with travelling or making necessary travel connections, such as sightseeing, visiting friends and family, or other activities of a recreational or entertainment nature.

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OLIVENHAIN MUNICIPAL WATER DISTRICT ADMINISTRATIVE AND ETHICS CODE	Article No. 19	Page 10 of 15
	Title ASSOCIATION MEMBERSHIP	
	Latest Revision Date May 17, 2017	Ordinance No. 449

Article 19. ASSOCIATION MEMBERSHIP

Sec. 19.10F. Travel Advance. Known expense amounts may be authorized and paid by the District in advance of the employee's travel. Hotel accommodations, transportation, conference registrations and meal functions, are example of these travel advances. Travel advance for expenses for Board Directors or employees that fall within the guidelines for meeting compensation in the Administrative and Ethics Code equal to the estimated expenditures chargeable to the District on the trip may be made, if requested by any Board Director or Staff Member making the trip. A detailed estimate of the amount needed shall be submitted and approved by the General Manager prior to such advances being made.

Sec. 19.8. revised via Ordinance No. 331 / June 9, 2006

Sec. 19.8. revised via Ordinance No. 325 / December 7, 2005

Sec. 19.8.(A) revised by Ordinance No. 311 / September 22, 2004

Sec. 19.8. revised by Ordinance No. 305 / October 22, 2003

Sec. 19.811. Responsibility Report of Expense Expenditure. On completion of a trip, board members Board Directors or employees shall submit a claim form detailed statement for reimbursement of travel expenses. Claim forms shall be supported by itemized receipts of all expenditures greater than \$10 for which reimbursement is being requested. Claim forms must be submitted within a reasonable time in the same calendar year when the expense incurred. If a receipt is not provided or is lost, an explanation of the expenditure shall be included with the claim form.

When two or more employees combine an expense on one receipt, the employee requesting reimbursement shall indicate on the claim form or attached to claim form, the identity of the other persons sharing expenses. This will facilitate approval of reimbursable expenses.

It is not necessary to separate the "actual" combined expenses incurred by multiple persons that appear on one receipt.

Expenses incurred by spouses or guests will not be reimbursed by the District and these expenses are the responsibility of the board member or employee and director.

of all expenditures on the approved Expense Form chargeable to the District, to which shall be attached the required vouchers. The Expense Reports must document that the expenses are in accordance with the District's Administrative and Ethics Code, must be filed within a reasonable time after incurring the expense and within the same calendar year that the costs were incurred and must be accompanied by receipts that document each expense. Board Directors must provide brief reports on meetings that they have

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OLIVENHAIN MUNICIPAL WATER DISTRICT ADMINISTRATIVE AND ETHICS CODE	Article No. 19	Page 11 of 15
	Title ASSOCIATION MEMBERSHIP	
	Latest Revision Date May 17, 2017	Ordinance No. 449

Article 19. ASSOCIATION MEMBERSHIP

~~attended at the District's expense at the next regular Board meeting. All of the documents related to reimbursements are public records and are subject to the California Public Records Act. The Expense Reports shall indicate the travel advance, if any, and the net amount due or the amount to be refunded to the District. This statement shall be approved by the General Manager or his/her designee prior to settlement.~~

Sec. 19.12. Supervisor Responsibility Supervisors are responsible for approving travel expenses submitted for reimbursements of their subordinate staff. It is their responsibility of the supervisor that all employees have correctly applied all provision of the District's Administrative and Ethics code. General Manager's expenses submitted for reimbursements will be reviewed by the District's Finance Officer. All reimbursed amounts will be submitted by Finance to be included in the monthly disbursement report to the Board including travel and other business expenses paid by the District's credit cards.

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Sec. 19.9 revised by Ordinance No. 449/ May 17, 2017
Sec. 19.9. revised by Ordinance No. 352 / September 14, 2007
Sec. 19.9. revised via Ordinance No. 325 / December 7, 2005
Sec. 19.9. revised via Ordinance No. 320 / July 27, 2005
Sec. 19.9. was Added to Admin and Ethics Code per Ordinance No. 307 / Nov. 19, 2003

Sec. 19.139. ~~CCredit cCard Policy.~~ District Issued credit cards can also be used to charge for preauthorized and planned travel expenses. District credit cards ~~are will~~ remain the sole property of the District and ~~will be~~ issued in the names of ~~both the~~ authorized District's individuals, employee and the District. District issued credit cards can only may be used only for District business expenses and approved in the budget. The District has established credit card terms and conditions for general terms and procedures on using District's credit cards as approved by the General Manager. The District reserves the right to deny payment of expenses for failure to comply with the District's credit card policy and procedures.

~~approved or budgeted District business expenditures. Except where expressly authorized by the District's travel and compensation policy, Article 19 of the Administrative and Ethics Code, personal charges must not be made to any District issued credit card.~~

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The District's credit card can be used to pay for authorized travel and prepaid expenses such as conference or event registration fees, airline and train tickets, car rentals, and other travel expenses for authorized attendance at meetings, conferences, seminars, training and professional functions that take place away from the District offices. The District's credit

OLIVENHAIN MUNICIPAL WATER DISTRICT ADMINISTRATIVE AND ETHICS CODE	Article No. 19	Page 12 of 15
	Title ASSOCIATION MEMBERSHIP	
	Latest Revision Date May 17, 2017	Ordinance No. 449

Article 19. ASSOCIATION MEMBERSHIP

card can also be used to pay for expenses for District's events, functions, supplies, or business.

Travel expenses charged to District credit card must be completed in accordance with Section 19 of the District's Administrative and Ethics code.

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~~Board Credit Card: The District has one credit card for use by the Board of Directors. This card is loaned to the Board Directors as needed. The card can only be used for the Board of Directors expenses and is maintained by the General Manager's department. Receipts for travel by Board Directors, which are incurred using the Board credit card, shall be attached to the Expense Report of the Board Director pursuant to §19.8 of the Administrative and Ethics Code.~~

~~Itemized Receipts are required for expenses all business travel and meals paid by the with a District's credit card. The, with the following information shall be included on written on the back of all the receipts using by the District's credit card: if it is not already on the front of the receipt.~~

- a. The amount of the expenditure.
- b. The time, date and place of travel or entertainment.
- c. The business purpose of the expenditure.

If this is shared charges while conducting District business, the identity of individuals sharing expenses must be submitted by the employee whose name on the credit card.

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d. Sec. 19.14. Supervisor he names of individuals who received meals.

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~~General Staff Credit Cards: Two credit cards are maintained for general staff use. Use of these cards requires that a Request to Use District Credit Card form is filled out and signed by the approving Manager or Supervisor and the General Manager or Finance Manager. The card shall be returned after each use to the Finance department, with receipts, within 2 business days of final use.~~

~~After each purchase the receipt and a brief written description of the item purchased must be submitted to the Finance department.~~

~~Credit cards are not to be used to circumvent other established purchasing procedures. They are not to be used to purchase materials, supplies and services that can be purchased through other established purchasing processes.~~

Responsibility for District credit card. Supervisors are

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OLIVENHAIN MUNICIPAL WATER DISTRICT ADMINISTRATIVE AND ETHICS CODE	Article No. 19	Page 13 of 15
	Title ASSOCIATION MEMBERSHIP	
	Latest Revision Date May 17, 2017	Ordinance No. 449

Article 19. ASSOCIATION MEMBERSHIP

~~responsible for approving expenses and purchases incurred that are charged to District credit card by their subordinate staff. It is a supervisor's responsibility to assure that all employees using District credit card have complied with the District's credit card terms and procedures. Staff should submit a request for a credit card to the Finance Manager with Department Manager and General Manager approval.~~

~~Specific Staff Credit Cards: Credit cards may also be issued for specific Staff Members. The maximum credit limit for any single card shall not exceed \$25,000 for the Board of Directors, \$10,000 for the General Manager, \$10,000 for the Assistant General Manager, and \$5,000 for the Department Managers / Supervisors and general staff cards.~~

~~Upon leaving the District's employ, card holders must return their card to the HR department during their exit interview.~~

~~Credit Card Procedures: If Staff Members have been issued a credit card other than the two cards for general staff use, at the close of each billing period the Finance Department will provide the Staff Member with a copy of the Statement of Account for their card. The statement will itemize each transaction charged to their credit card account for the previous billing period. Upon receiving the statement from the Finance Department each of the following steps must be completed by the Staff Member:~~

- ~~• Review the statement for accuracy.~~
- ~~• Indicate the appropriate District account number and program code for each charge.~~
- ~~• Check to see if the item is taxable.~~
- ~~• If sales tax has not been charged on a taxable item, bring this to the attention of Accounts Payable so that sales/use tax can be recorded and paid also.~~
- ~~• Write any other comments regarding the item purchased.~~
- ~~• Attach all receipts from purchases.~~
- ~~• Sign the statement and return to the Finance Department for payment processing within five working days of receipt.~~

~~All purchases must be substantiated. Purchases made with a District credit card without receipts may result in loss of credit card privileges. Misuse of the District's credit card for any personal expenses is prohibited and grounds for disciplinary action, including termination of employment, as well as loss of all credit card privileges. In addition, the person placing personal expenses on any District credit card will be required to immediately~~

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OLIVENHAIN MUNICIPAL WATER DISTRICT ADMINISTRATIVE AND ETHICS CODE	Article No. 19	Page 14 of 15
	Title ASSOCIATION MEMBERSHIP	
	Latest Revision Date May 17, 2017	Ordinance No. 449

Article 19. ASSOCIATION MEMBERSHIP

~~reimburse the District for all personal expenses. If a purchase is made to a Staff Member's credit card that staff member must be able to substantiate that the purchase was necessary and for District use.~~

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~~Credit card statements and supporting receipts would be reviewed by the District's Treasurer or his/her designee. Any late charges incurred by the District, due to the late return of credit card statements by card holders, will be paid by the cardholders.~~

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~~**Business Travel, Meals and Entertainment**~~

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~~Cardholders may use their credit cards to pay for business travel and meals. Receipts are required for all business travel and meals paid with a District credit card, with the following information written on the back of the receipt if it is not already on the front of the receipt:~~

- ~~a) The amount of the expenditure.~~
- ~~b) The time, date and place of travel or entertainment.~~
- ~~c) The business purpose of the expenditure.~~
- ~~d) The names of individuals who received meals.~~

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~~**Lost or Stolen Credit Cards**~~

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~~If a Staff Member's credit card is lost or stolen, they must immediately notify the Finance Department and the credit card issuer.~~

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~~Sec. 19.10. was Added to Admin and Ethics Code per Ordinance No. 325 / December 7, 2005~~

Sec. 19.10. Penalties. Penalties for misuse of public resources or falsifying expense reports in violation of the policies contained in the Administrative and Ethics Code may include, but are not limited to:

- a. The loss of reimbursement privileges;
- b. Restitution to the District;
- c. Civil penalties for misuse of public resources pursuant to §8314 of the Civil Code;
- d. Prosecution for misuse of public resources pursuant to §424 of the Penal Code.

Sec. 19.11. revised by Ordinance No. 352 / September 14, 2007

Sec. 19.11. was Added to Admin and Ethics Code per Ordinance No. 325 / December 7, 2005

Sec. 19.11. Ethics Training. All Board Directors must receive at least two hours of general training in ethics principles and ethics laws relevant to his or her public service every two years pursuant to §53234 et seq. of the

OLIVENHAIN MUNICIPAL WATER DISTRICT ADMINISTRATIVE AND ETHICS CODE	Article No. 19	Page 15 of 15
	Title ASSOCIATION MEMBERSHIP	
	Latest Revision Date May 17, 2017	Ordinance No. 449

Article 19. ASSOCIATION MEMBERSHIP

Government Code. The General Manager shall provide information on training available to meet the requirements of this article at least once annually in the Board package. The District shall maintain records that indicate the dates that the Board Director satisfied the requirements of this article and the entity that provided the training. These records shall be maintained by the District for at least 5 years after the receipt of the training by the Board Director. The first deadline for completion of ethics training is January 1, 2007.



Memo

Date: December 13, 2017
To: Board of Directors
From: Tom Wood, Human Resources Manager
Via: Kimberly Thorner, General Manager
Subject: **CONSIDER ADOPTION OF AN ORDINANCE AMENDING THE OLIVENHAIN MUNICIPAL WATER DISTRICT'S ADMINISTRATIVE AND ETHICS CODE (ARTICLE 4 – CLASSIFIED POSITIONS)**

Purpose

The purpose of this item is to update the Board approved salary of the General Manager for 2018 in the Administrative and Ethics Code. The Board took this action at the November 2017 Board meeting to be effective in January 2018.

Recommendation

Staff recommends adoption of this Ordinance.

Alternatives

The Board could direct Staff as otherwise deemed appropriate.

Background

The Board of Directors discussed and approved the General Manager's salary in Open Session at the November 8, 2017 Board meeting.

Fiscal Impact

The fiscal impact is an approximate 4% increase in salary for the General Manager (approximately \$9,500.00).

Discussion

Adoption of this Ordinance will update the approved salary of the General Manager and comply with CalPERS rules and regulations requiring all employee's salaries to be published.

Attachment: Proposed Ordinance

ORDINANCE NO. XXX

ORDINANCE OF THE BOARD OF DIRECTORS
OF THE OLIVENHAIN MUNICIPAL WATER DISTRICT
AMENDING THE ADMINISTRATIVE AND ETHICS CODE
(ARTICLE 4, CLASSIFIED POSITIONS)

It is HEREBY ORDAINED by the Board of Directors of the Olivenhain Municipal Water District as follows:

SECTION 1: Article 4, Section 4.4. Salary Schedule and Job Classification of the Administrative Code is hereby amended to read as shown on Exhibit A (attached).

PASSED, ADOPTED AND APPROVED this 13th day of December, 2017 by the following roll call vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

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

ATTEST:

Gerald E. Varty, Secretary
Board of Directors
Olivenhain Municipal Water District

Olivenhain Municipal Water District ADMINISTRATIVE AND ETHICS CODE	Article No. 4	Page x of xx
	Title : CLASSIFIED POSITIONS	
	Latest Revision Date June 21, 2017 <u>December 13, 2017</u>	ORDINANCE NO. 450

Sec. 4.4 revised via Ordinance No XXX / December 13, 2017

Sec. 4.4. Salary Schedule and Job Classification

OLIVENHAIN MUNICIPAL WATER DISTRICT
 RANGES FROM ~~6/24/2017~~ 01/01/2018 THROUGH 6/22/2018
 (revised ~~6/21/2017~~ 12/13/2017)

NO.	JOB CLASSIFICATION	GRADE	RANGE	
	<u>EXEMPT CLASSIFICATION</u>		<u>BI-WEEKLY SALARY</u>	
1	GENERAL MANAGER	N/A	actual	-9,083.19 <u>9,451.35</u>
1	ASSISTANT GENERAL MANAGER	19	5,884.61	8,238.46
1	ENGINEERING MANAGER	18	4,529.23	7,224.08
1	FINANCE MANAGER	18	4,529.23	7,224.08
1	OPERATIONS MANAGER	18	4,529.23	7,224.08
1	HUMAN RESOURCES MANAGER	17	4,203.18	6,719.31
1	CUSTOMER SERVICES MANAGER	17	4,203.18	6,719.31
0	NO INCUMBENT	16	3,911.20	6,247.95
0	NO INCUMBENT	15	3,534.42	5,297.00
1	WATER TREATMENT FACILITIES SUPERVISOR	14	3,289.21	4,928.96
1	INFORMATION TECHNOLOGY SUPERVISOR	14	3,289.21	4,928.96
1	CUSTOMER SERVICE AND PUBLIC AFFAIRS SUPERVISOR	13	3,057.91	4,584.57
1	SAFETY/RISK COMPLIANCE ADMINISTRATOR	13	3,057.91	4,584.57
1	ACCOUNTING SUPERVISOR	12	2,841.53	4,264.32
1	ENGINEERING SERVICES SUPERVISOR	12	2,841.53	4,264.32
2	OPERATIONS SUPERVISOR	12	2,841.53	4,264.32
1	FIELD SERVICES SUPERVISOR	12	2,841.53	4,264.32
1	ENGINEERING PROJECT ADMINISTRATOR	12	2,841.53	4,264.32
1	WATER RECLAMATION FACILITIES SUPERVISOR	12	2,841.53	4,264.32
1	SENIOR SYSTEMS ADMINISTRATOR	12	2,841.53	4,264.32
1	SYSTEMS ADMINISTRATOR	11	2,643.62	3,963.13
1	PARK SUPERVISOR	11	2,643.62	3,963.13
21	EXEMPT (current approved headcount)			
	<u>NON-EXEMPT CLASSIFICATION</u>		<u>HOURLY WAGE</u>	
1	WATER TREATMENT PLANT OPERATOR LEVEL IV	6	33.53	46.95
2	INSTRUMENT CONTROL TECHNICIAN II	6	33.53	46.95
1	WATER RECLAMATION OPERATOR LEVEL IV	6	33.53	46.95
2	PUMP/MOTOR TECHNICIAN II	6	33.53	46.95
1	HUMAN RESOURCES ANALYST	6	33.53	46.95
1	EXECUTIVE SECRETARY	6	33.53	46.95
1	FACILITIES COORDINATOR	6	33.53	46.95
1 or 0	FINANCIAL ANALYST**	5	28.91	40.48
2	INSPECTOR	5	28.91	40.48

Olivenhain Municipal Water District ADMINISTRATIVE AND ETHICS CODE	Article No. 4	Page x of xx
	Title : CLASSIFIED POSITIONS	
	Latest Revision Date June 21, 2017 <u>December 13, 2017</u>	ORDINANCE NO. 450

1 or 0	PROJECT ACCOUNTANT II**	5	28.91	40.48
1	STAFF ANALYST	5	28.91	40.48
3	SYSTEMS OPERATOR II	5	28.91	40.48
4	WATER TREATMENT PLANT OPERATOR LEVEL III	5	28.91	40.48
3	WATER RECLAMATION OPERATOR LEVEL III	5	28.91	40.48
0	BACKFLOW AND CROSS CONNECTION COORDINATOR II	5	28.91	40.48
1	EDUCATION AND CONSERVATION COORDINATOR	5	28.91	40.48
1	INFORMATION TECHNOLOGY COORDINATOR	5	28.91	40.48
1 or 0	GENERAL LEDGER ACCOUNTANT II**	5	28.91	40.48
0	PUMP/MOTOR TECHNICIAN I	4	25.14	35.18
1	CATHODIC PROTECTION TECHNICIAN	4	25.14	35.18
1	ENGINEERING AND RIGHT OF WAY COORDINATOR	4	25.14	35.18
2	FIELD SERVICES TECHNICIAN III	4	25.14	35.18
2	INSTRUMENT CONTROL TECHNICIAN I	4	25.14	35.18
1	LINE LOCATOR/INSPECTOR	4	25.14	35.18
1	OPERATIONS COORDINATOR	4	25.14	35.18
1	RECORDS AND CONTRACTS COORDINATOR	4	25.14	35.18
1	SYSTEMS OPERATOR I	4	25.14	35.18
3	UTILITY III	4	25.14	35.18
1	EQUIPMENT TECHNICIAN	4	25.14	35.18
0	WATER TREATMENT PLANT OPERATOR LEVEL II	4	25.14	35.18
1	WATER RECLAMATION OPERATOR LEVEL II	4	25.14	35.18
0	VALVE MAINTENANCE TECHNICIAN LEVEL II	4	25.14	35.18
2	BACKFLOW AND CROSS CONNECTION COORDINATOR I	4	25.14	35.18
3	ACCOUNTANT I**	4	25.14	35.18
0	DEPARTMENT ASSISTANT II	3	22.06	30.88
1	CUSTOMER SERVICE REPRESENTATIVE II	3	22.06	30.88
1	FIELD SERVICES TECHNICIAN II	3	22.06	30.88
1	PARK RANGER II	3	22.06	30.88
1	PURCHASING/WAREHOUSE CLERK	3	22.06	30.88
2	VALVE MAINTENANCE TECHNICIAN LEVEL I	3	22.06	30.88
4	UTILITY II	3	22.06	30.88
0	WATER TREATMENT PLANT OPERATOR LEVEL I	3	22.06	30.88
0	WATER RECLAMATION OPERATOR LEVEL I	3	22.06	30.88
2	DEPARTMENT ASSISTANT I	2	19.53	27.32
2	CUSTOMER SERVICE REPRESENTATIVE I	2	19.53	27.32
4	FIELD SERVICES TECHNICIAN I	2	19.53	27.32
1	PARK RANGER I	2	19.53	27.32
4	UTILITY I	2	19.53	27.32
0	UTILITY I - Limited term	2	19.53	27.32
0	NO INCUMBENT	1	17.42	24.38
69	NON-EXEMPT (current approved headcount)			
90	TOTAL EXEMPT AND NON-EXEMPT (current approved headcount)			
90	TOTAL APPROVED POSITIONS			

**Elimination of one of the following positions will result once the Accounting Supervisor position is filled; Financial Analyst, Project Accountant, General Ledger Accountant II. With approval of the General Manager, classifications may be flexibly staffed according to the "Grow Your Own" (GYO) program and department need. GYO does not add to the employee total headcount; it is an in-house promotional opportunity.

Memo

Date: December 13, 2017
To: Olivenhain Municipal Water District Board of Directors
From: Dave Smith, Operations Manager
Via: Kimberly Thorner, General Manager
Subject: **CONSIDER A CONTRACT EXTENSION WITH 3 PHASES RENEWABLES AND
AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT**

Purpose

The purpose of the proposed Board action is to approve a contract extension with 3 Phases Renewables (3 PHASES) for renewable energy supplies and to authorize the General Manager to sign on behalf of the District.

Recommendation

Staff recommends approval of the contract extension with 3 PHASES. They have been our economical and environmentally friendly provider of electricity for almost a decade.

Alternative(s)

The Board could choose not to approve the contract. Should the Board not approve this contract extension, the electrical supply for the majority of the District would revert to Traditional Bundled Services from San Diego Gas & Electric (SDG&E), which is significantly more expensive.

Background

In 1998, as part of the deregulation of California's electric utilities, the Direct Access (DA) program was implemented with SDG&E. The program allowed utility customers to purchase electric commodity services from a Third Party Provider, rather than from SDG&E. The program has been offered and suspended several times since its inception. Senate Bill 395, signed by Governor Schwarzenegger in 2009, allowed for the program to again be phased in, over a period of four years. It was during this time period in October 2010, in which the District first negotiated a contract to purchase electricity from 3 PHASES, a Third Party Provider. The initial one-year contract with 3 PHASES became effective in January, 2011 and was renewed for three additional two year terms in 2011, 2013 and in 2015. The current contract (attached as Exhibit C) is due to expire on January 16, 2018.

The majority of the District electrical accounts, 95.5%, have the electric generation supplied by 3 PHASES. Those accounts not included in the contract are accounts that were either added when new facilities were constructed after the original eligible period or they include cogeneration facilities which are ineligible for the Direct Access program.

Attached as Exhibit B is the Power Content Label for calendar year 2016. 3 PHASES offers a portfolio of predominantly wind and solar power (75%) but also includes biogas, biomass, small hydro, and geothermal power to make up the remaining power mix to achieve 100% renewable electricity for the District.

As with past agreements, the District will purchase only the electrical generation portion of the total power bill from 3 PHASES. SDG&E will continue to charge the District for transmission and distribution.

Fiscal Impact

Attached as Exhibit A is the proposal and agreement with 3 PHASES for the period January 16, 2018 through January 16, 2020. 3 PHASES has reduced the cost the District is charged per kWh from \$0.0716/kWh to \$0.0699/kWh, which will result in additional savings over Traditional Bundled Services from SDG&E.

Exhibit D shows the electricity rate analysis comparison of 3 PHASES' fixed energy rate versus the current SDG&E electricity generation rates for the District's four highest energy-intensive accounts. The estimated cost savings for the two year period is over \$281,000.

Discussion

This action supports the District's Mission in the Strategic Plan which calls for sustainable operations by pursuing alternative and/or renewable resources with the most sustainable, efficient, and cost-effective approach. The District has thus far been very pleased with the services provided by 3 PHASES and is happy to present a two year agreement with reduced rates.

Attachments:

Exhibit A: Proposal and Agreement

Exhibit B: Power Content Label for CY 2016

Exhibit C: Electricity Rate Analysis



3 Phases
Renewables™

November 21, 2017

3 Phases Renewables
1228 E. Grand Ave.
El Segundo, CA 90245

Olivenhain Municipal Water District
Attn: Dave Smith
1966 Olivenhain Rd.
Encinitas, CA 92024

Dear Mr. Dave Smith,

3 Phases Renewables (“3 Phases”) has been servicing Olivenhain MWD’s Direct Access eligible electric accounts with renewable energy since January 2011 (currently 86 accounts). The existing Agreement is valid until January 2018 and the current rate for electricity is \$0.0716/kWh. Due to current market conditions, 3 Phases is able to offer Olivenhain MWD a new two year fixed rate (with no escalation) beginning when the current Agreement expires. The new proposed rate is shown below and is lower than all previous rates provided to Olivenhain MWD.

January 16, 2018 – January 16, 2020: \$0.0669/kWh

All other terms of service will remain the same, including a product mix of 100% renewable energy.

If you have any questions or concerns, please give me a call or send me an email.

Thank you,

Eric Hulin
Director, Sales & Marketing
3 Phases Renewables
310-956-4835
ehulin@3phasesrenewables.com

The rate shown above is valid for 10 business days from the date of this letter and subject to refreshment thereafter.

**SECOND AMENDMENT TO
THE RENEWABLE SOURCE ELECTRICITY SUPPLY PURCHASE AGREEMENT**

THIS SECOND AMENDMENT TO THE **RENEWABLE SOURCE ELECTRICITY SUPPLY PURCHASE AGREEMENT** (the “**Amendment**”) is made by and between Olivenhain Municipal Water District (“**Customer**”) and 3 Phases Renewables Inc. (formerly known as 3 Phases Renewables, LLC) (“**3 Phases**”), as of December __, 2017 (the “**Amendment Effective Date**”), with respect to that certain Renewable Source Electricity Supply Purchase Agreement, dated October 16, 2013 by and between Customer and 3 Phases, as subsequently amended (the “**Agreement**”), as follows:

1. Recitals.

A. Customer and 3 Phases have, prior to the date of this Amendment, executed and entered the Agreement, as set forth above.

B. Customer and 3 Phases now desire to amend the Agreement as set forth herein.

2. Amendment of Agreement. As of the date set forth above, the Agreement is amended as follows:

A. Amendment to Section 1: Term. As of the Amendment Effective Date, Section 1 of the Original Agreement is amended as follows:

The Termination Date shall be defined as “the first meter read date on or after January 16, 2020.”

B. Amendment to Section 3.1. As of the Amendment Effective Date, Section 3.1 of the Original Agreement is amended to add the following language:

Beginning on the first billing period after January 16, 2018, 3 Phases’ price to Customer shall be fixed at: \$0.0669/kWh for energy all year around the clock (the “Second Amendment Price”). The Second Amendment Price shall be effective until the first billing period ending on or after January 16, 2020, including any extensions.

3. Effect of Amendment. Except as expressly set forth in this Amendment, the Agreement remains in full force and effect, according to its terms.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Customer and 3 Phases have executed this Amendment on the dates set forth below, to be effective as of the date first set forth above.

Olivenhain Municipal Water District
(the "CUSTOMER")

3 Phases Renewables Inc.
("3 PHASES")

Signed: _____

Signed: _____

By: _____

By: ERIC HULIN

Title: _____

Title: DIRECTOR, SALES & MARKETING

Date: _____

Date: _____



3 Phases
RenewablesSM

The Power of ChoiceTM

Dave Smith
Olivenhain Municipal Water District
dsmith@olivenhain.com

August 1, 2017

RE: Your Power Content Label for 100% Renewable Energy

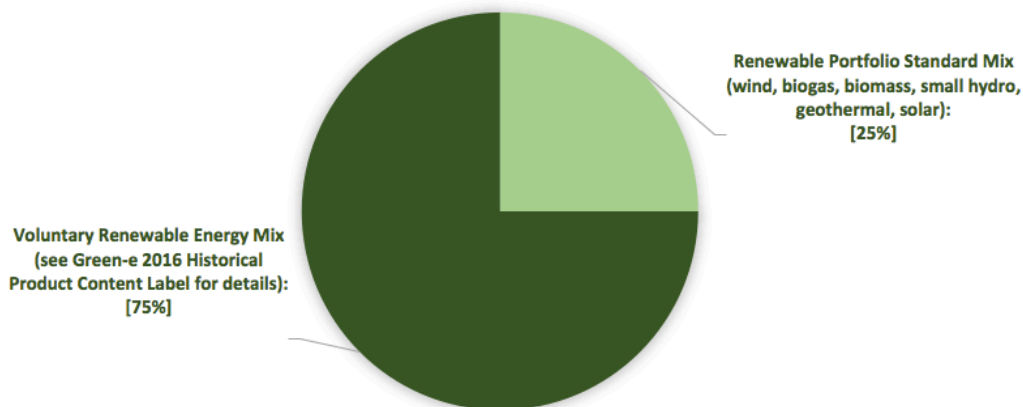
Dear Mr. Smith:

We are proud to inform you that Olivenhain Municipal Water District received **100% renewable power** for its Direct Access accounts in the 2016 calendar year. Thank you for supporting renewable energy and allowing us to be your electricity provider.

Your Power Content Label summarizes the percentage of renewable energy, as well as the type of renewable energy delivered to you. In 2016, the California Renewable Portfolio Standard (“RPS”) required that all retail sellers of electricity in the State of California, including 3 Phases Renewables, provide a mix of electricity that contains a minimum of 25% renewable energy. In order to deliver you 100% renewable power, we provided you with power that meets the 25% RPS minimum, plus an additional 75% percent of electricity from renewable resources to fulfill your voluntary commitment to purchase 100% renewable energy. The renewable energy that we procure to meet customers’ voluntary purchases are audited by a third party, in this case by Green-e Energy.

The graphic below illustrates the total 100% renewable power mix you received, and the following page includes the power content for the voluntary renewable energy that was audited by Green-e. To view the average power mix that 3 Phases provided to all of its customers, as reported to the California Energy Commission, see <http://3phasesrenewables.com/direct-access/> (bottom of page).

YOUR MIX OF 100% RENEWABLE ELECTRICITY IN 2016



Thank you,

The 3 Phases Renewables Team

2016 HISTORICAL PRODUCT CONTENT LABEL¹

3 Phases Certified Renewable Product is a Green-e Energy certified Renewable Energy Certificate (REC) product. A REC represents the environmental benefits of 1 megawatt hour (MWh) of renewable energy that can be paired with electricity. For more information, see www.green-e.org/rec

The product is sold in blocks of 1,000 kilowatt-hours (kWh). In 2016, the product was made up of the following renewable resources.

Green-e Energy Certified New ² Renewables in 3 Phases Certified Renewable Product		Generation Location
-Biomass	0%	N/A
-Biogas	0 %	N/A
-Geothermal	0 %	N/A
-Hydroelectric ³	0 %	N/A
-Solar	36 %	UT
-Wind	39 %	WY
TOTAL	75 %	

1. These figures reflect the resource mix of the RECs delivered to Olivenhain Municipal Water District in 2016.

2. New Renewables come from generation facilities that first began commercial operation within the past 15 years.

For comparison, the 2015 average mix of resources supplying the US includes: Coal (33%), Nuclear (20%), Oil (1 %), Natural Gas (33 %), Large Hydroelectric (6 %), Other Fossil (1 %), and Renewables (7%). This resource mix was prepared from U.S. Department of Energy/Information Administration]

The average home in United States uses 901 kWh per month. Source: U.S. EIA, 2015



3 Phases Certified Renewable Product is Green-e Energy certified, and meets the environmental and consumer-protection standards set forth by the nonprofit Center for Resource Solutions. Learn more at www.green-e.org.

For specific information about this product, please contact 3 Phases Renewables by phone at 310.939.1283, or at <http://www.3phasesrenewables.com>



Electricity Rate Analysis for Olivenhain Municipal Water District

3 Phases Renewables ("3 Phases") has prepared an estimated electricity analysis for Olivenhain Municipal Water District ("OMWD"); specifically, for the following electric accounts located at: 19090 Via Ambiente, Escondido ("WTP"), 16595 Dove Canyon Rd, San Diego ("WRF"), 7813 Camino Sin Puente, Rancho Santa Fe ("Cielo PS"), 8988 Artesian Rd, San Diego ("SFV PS").

3 Phases is an Electric Service Provider (ESP) focused on serving customers with renewable electricity in the Western US, including business and municipal customers in San Diego Gas & Electric's service distribution territory. We have supplied 100% renewable electricity to OMWD since January 2011.

Rate Comparison:

The below tables provide comparisons of 3 Phases' fixed energy rate versus the current SDG&E electricity generation rates for each account. 3 Phases is currently proposing a fixed rate of \$0.0699/kWh for a term from January 2018 – January 2020.

WTP	3 Phases Jan18 - Dec19	SDG&E Generation
Annual Consumption (kWh)	2,824,866	2,824,866
Electricity Rate (\$/kWh)	\$0.0669	\$0.0948
PCIA Rate (\$/kWh)	\$0.0058	N/A
Total Effective Rate (\$/kWh)	\$0.0727	\$0.0948

WRF	3 Phases Jan18 - Dec19	SDG&E Generation
Annual Consumption (kWh)	2,894,921	2,894,921
Electricity Rate (\$/kWh)	\$0.0669	\$0.0929
PCIA Rate (\$/kWh)	\$0.0058	N/A
Total Effective Rate (\$/kWh)	\$0.0727	\$0.0929

Cielo PS	3 Phases Jan18 - Dec19	SDG&E Generation
Annual Consumption (kWh)	425,044	425,044
Electricity Rate (\$/kWh)	\$0.0669	\$0.0972
PCIA Rate (\$/kWh)	\$0.0058	N/A
Total Effective Rate (\$/kWh)	\$0.0727	\$0.0972

SFV PS	3 Phases Jan18 - Dec19	SDG&E Generation
Annual Consumption (kWh)	348,975	348,975
Electricity Rate (\$/kWh)	\$0.0669	\$0.1001
PCIA Rate (\$/kWh)	\$0.0058	N/A
Total Effective Rate (\$/kWh)	\$0.0727	\$0.1001

By continuing with Direct Access service from 3 Phases, OMWD will receive a 100% renewable energy product at a price that is forecast to be 23% less than the amount currently charged by SDG&E. The savings over 2 years is estimated to be over \$281,000.

Assumptions & Notes

- The SDG&E Generation rates are a weighted average of the applicable current tariff, published 12/1/17, and are inclusive of demand charges; the SDG&E rates are subject to change by SDG&E.
- The annual consumption quantities shown and the electric load profiles used to calculate the SDG&E Generation rates were based on historical data for the applicable accounts from November 2016 – October 2017.
- The SDG&E PCIA Rate shown is the current, vintage 2010, agricultural rate (that is applicable to these 4 accounts); the PCIA charge is subject to change by SDG&E.
- Transmission and distribution rates were not included in the analysis because they remain unchanged regardless of Direct Access status.

Memo

Date: December 13, 2017
To: Olivenhain Municipal Water District Board of Directors
From: George Briest, Engineering Manager
Via: Kimberly Thorner, General Manager
Subject: **CONSIDER APPROVAL OF AN AGREEMENT WITH NINYO & MOORE FOR ON-CALL AS-NEEDED GEOTECHNICAL SERVICES NOT TO EXCEED THE AMOUNT OF \$250,000 AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT**

Purpose

Approval of this action would authorize the General Manager to enter into an agreement with Ninyo & Moore for on-call as-needed geotechnical and testing services on various District Capital Improvement Projects not to exceed the amount of \$250,000.

Recommendation

Staff recommends award of a contract to Ninyo and Moore in the amount of \$250,000 and authorization for the General Manager to sign on behalf of the District.

Alternative(s)

As an alternative to approval of the Agreement with Ninyo and Moore, the Board of Directors has the option to direct Staff to pursue an agreement with another firm or direct staff to evaluate different options in the provisions of these geotechnical services.

Background

The District has an existing on call professional services agreement in place with Ninyo & Moore for as-needed geotechnical services which was executed in July 2017. The current agreement has a not to exceed limit of \$50,000 and expires on January 31, 2018. Due to a heavy project schedule, the original allocated funds will be exhausted by the end of January.

Fiscal Impact

Funding for the services to be provided as part of this agreement will be included in ongoing and proposed Capital Improvement Projects. No separate allocation is required.

Discussion

Due to ongoing and scheduled Capital Improvement Projects, there is a continued need for on call geotechnical services. The District's ability to utilize "on-call" services provides timely responsiveness from the selected consultant, familiarity with the District's standards, and greater efficiency throughout the contract period. In accordance with the District's Administrative and Ethics code, the District issued a request for proposals (RFP) and three (3) Geotechnical firms submitted proposals in response. Based on a review of the proposals received, Ninyo & Moore was selected as the most responsive to the District's request for proposals. Ninyo & Moore is currently providing as-needed geotechnical services, is familiar with the District's Standards and Specifications, and has provided exceptional service to the District. Staff recommends approval of an agreement with Ninyo & Moore.

Staff will be available to respond to questions at the Board meeting.

Attachments: Professional Services Agreement

PROFESSIONAL SERVICES AGREEMENT
FOR AS-NEEDED GEOTECHNICAL SERVICES
FOR THE OLIVENHAIN MUNICIPAL WATER DISTRICT

17AGRXXX

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

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

1. The District is a public agency organized and operating pursuant to Water Code Sections 71000 *et seq.*, which provides water and sewer service within certain areas of Northern San Diego County.
2. The District requires the services of a licensed geotechnical firm to provide As-Needed Geotechnical Services on various projects within the District’s service area.
3. NINYO & MOORE is a geotechnical firm licensed to do business in the State of California with expertise in geotechnical engineering, environmental engineering, and materials testing.
4. The District desires to retain NINYO & MOORE to provide As-Need geotechnical support services.

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

1. Services to Be Performed. NINYO & MOORE agrees to perform As-Needed geotechnical services when required by the District. The services to be provided by NINYO & MOORE are more particularly described in the Scope and Cost Proposal attached hereto as Exhibit “B” and incorporated herein by reference. All work performed by NINYO & MOORE

shall be subject to review and approval by the District. The District shall have no obligation to approve any work found defective by the District, in its sole discretion.

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

3. Price for Work. NINYO & MOORE agrees to perform all work described in Exhibit "B" for a total price not to exceed \$250,000. No increase in this price shall be allowed without the express written consent of the District. The District shall have no obligation to grant this consent and may deny consent to any price increase, in its sole discretion.

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

5. Extra Work. The District may request additional work or services from NINYO & MOORE from time to time, as the District shall determine, in its sole discretion. NINYO & MOORE shall not commence any extra work without a written change order expressly approved by the District, in writing. Work performed by NINYO & MOORE without an approved change order signed by the District will not be paid for by the District. In the event the District determines that additional work is justified, the parties shall agree on the additional work to be performed and the price to be paid for this additional work prior to commencement of any

additional work by NINYO & MOORE. It is understood by the parties that NINYO & MOORE shall not be entitled to any payment for extra work unless the District determines that it desires extra work to be performed and a written change order has been executed by the parties. Attached as Exhibit "A" is the Request for Additional Work Form required by the District for all requests for additional work or task transfers.

6. Standard of Care. In performing all work and services required by this Agreement, NINYO & MOORE agrees to use the highest degree of skill and expertise ordinarily exercised, under similar circumstances, by a licensed geotechnical firm with expertise in geotechnical engineering, environmental engineering, and materials testing and the other services described in the Scope and Cost Proposal attached as Exhibit "B". As a material term of this Agreement, NINYO & MOORE warrants and represents that it has secured all licenses required by federal or California law to perform all work and services required by this Agreement. NINYO & MOORE agrees to perform all work required by this Agreement at all times in strict accordance with all applicable federal, state, and local laws and regulations which apply to the labor or materials being provided.

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

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

9. Time for Completion of Services. As a material term of this Agreement, NINYO & MOORE agrees to complete all work and services required by this agreement by no later than June 30, 2019. The breach of this paragraph shall constitute a material breach of this Agreement.

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

11. Hazardous and Toxic Waste. For purposes of this section, the term “hazardous or toxic waste” means any solid, liquid, or gaseous product classified as a hazardous or toxic waste under any federal, state, or local laws, rules, regulations, or ordinances, and all gas and oil products and by-products of every kind or nature. NINYO & MOORE shall be solely liable and responsible for the proper clean-up and removal of all hazardous or toxic waste used, handled, stored, or spilled by NINYO & MOORE or any director, officer, agent, employee, subcontractor, independent contractor or representative of NINYO & MOORE. NINYO & MOORE shall pay all fees, costs, expenses and fines necessary to clean-up or remediate any hazardous or toxic waste for which NINYO & MOORE is liable under this paragraph in strict accordance with all federal, state and local laws, rules and regulations at NINYO & MOORE’s sole cost and expense.

NINYO & MOORE shall not be liable for any hazardous or toxic waste used, handled, stored or spilled by the District or its directors, officers, employees or contractors.

In the event any third party, including any regulatory agency, brings any claim or cause of action against the District to clean-up or remediate any hazardous or toxic waste for which NINYO & MOORE is liable under this section, NINYO & MOORE shall also indemnify and hold harmless the District and its directors, officers, agents, and employees from all claims, actions, losses, costs, fees, expenses, fines, and penalties, of whatever type or nature, including all costs of defense and attorneys fees, upon written demand for indemnity from the District.

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

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

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

15. District Remedies for Breach. In the event NINYO & MOORE breaches any term, covenant, or condition of this Agreement or fails to perform any work or services required

by this Agreement, the District shall be entitled to elect all or any of the following remedies at the District's sole option:

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

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

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

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

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

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

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

A. General Liability:

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

B. Auto Liability

1. Comprehensive Form
2. Owned
3. Hired

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

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

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

16.4 ACORD Certificate of Liability Insurance and Additional Insured Endorsements. All insurance required by Paragraph 16.1, 16.2, and 16.3 of this agreement shall be submitted on an ACORD Certificate of Liability Insurance. Insurers must be authorized to do business and have an agent for service of process in the State of California and have an ‘A’ financial strength rating and a financial size rating of at least Class VI in accordance with the most current A.M. Best’s Rating Guide. Additional Insured Endorsements must also be provided with the ACORD Certificate naming the **Olivenhain Municipal Water District (District), the District’s Engineer/Architect, the District’s Representatives, Consultants, and each of the District’s Directors, Officers, Agents, and Employees** as additional insureds. The insurance must include a Waiver of Subrogation and must be Primary and non-Contributory. The additional insured endorsements must be provided on Form CG 20 10 11 85 (Ongoing & Completed Operations), or Forms CG 20 10 07 04 (Ongoing Operations) and CG 20 37 07 04 (Completed Operations). Instructions for Completing the ACORD Certificate of Liability Insurance and Endorsements are attached hereto as Exhibit ‘C’. The insurance certificate and endorsement shall be non-cancelable without thirty (30) days prior written notice to the District.

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

18. Indemnity. As a material term of this Agreement, NINYO & MOORE agrees to hold harmless, indemnify, and defend the District and its directors, officers, employees, agents, and representatives from and against any and all demands, liability, claims, suits, actions, damages, costs, fees, expenses, fines, and penalties, of whatever type or nature, including, but not limited to, reasonable attorney fees, to the extent caused in whole or in part, or claimed to be caused in whole or in part by the willful misconduct, recklessness, or negligence of NINYO & MOORE or its directors, officers, employees, agents, subcontractors, sub-consultants, suppliers,

or independent contractors, including claims and causes of action asserting the concurrent negligence of NINYO & MOORE or other persons and entities employed or utilized by NINYO & MOORE in the performance of this Agreement. In the event that any administrative proceeding, litigation or arbitration is instituted naming the District or any other indemnified parties as a defendant, the District and such other indemnified parties shall be entitled to appoint their own independent counsel to represent them, and NINYO & MOORE agrees to pay all reasonable attorneys fees, expert fees and costs, and litigation costs associated with this defense within thirty (30) days of any billing.

19. Miscellaneous Provisions.

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

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

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

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

19.5 Entire Agreement. This Agreement, together with all exhibits attached hereto, contains all representations and the entire understanding between the parties with respect to the subject matter of this Agreement. Any prior correspondence, memoranda, or agreements, whether or not such correspondence, memoranda or agreements are in conflict with this

Agreement, are intended to be replaced in total by this Agreement and its exhibits. NINYO & MOORE warrants and represents that no District representative has made any oral representations or oral agreements not contained in this Agreement. NINYO & MOORE further warrants and represents that NINYO & MOORE has not relied upon any oral statements or promises made by any District representative or agent in executing this Agreement. The parties mutually declare that this Agreement and its exhibits constitute a final, complete and integrated agreement between the parties.

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

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

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

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

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

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

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

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

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

To: "NINYO & MOORE"
Ninyo & Moore
Attn: Mark Cuthbert, Principal Engineer
5710 Ruffin Road
San Diego, CA 92123
Fax No.: 858-576-9600

To: "District"

Olivenhain Municipal Water District
Attn: Kimberly A. Thorner, General Manager
1966 Olivenhain Road
Encinitas, California 92024
Fax No. (760) 753-5640

19.15 Effective Date. The effective date of this Agreement executed in counterparts in Olivenhain, California, within the North County Judicial District, County of San Diego, State of California, is _____, 2017.

Dated: _____, 2015

Olivenhain Municipal Water District,
a public agency

By: _____
Kimberly A. Thorner
General Manager

Dated: _____, 2015

NINYO & MOORE

By: _____

Title: _____

Memo

Date: December 13, 2017
To: Olivenhain Municipal Water District Board of Directors
From: George Briest, Engineering Manager
Via: Kimberly Thorner, General Manager
Subject: **CONSIDER APPROVAL OF A CHANGE ORDER WITH WESTERN PUMP, INC. IN THE AMOUNT OF \$62,859 FOR THE WASH BAY AND FUEL PUMP RELOCATION PROJECT, APPROPRIATE \$112,141 FOR THE PROJECT, AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT**

Purpose

Approval of this Board item would authorize the approval of Change Order #2 in the amount of \$62,859 and allocation of \$112,141 for anticipated project expenses (future change orders, staff time and contingencies) required to complete the project and authorize the General Manager to sign the change order on behalf of the District.

Recommendation

Staff recommends approval of Change Order #2 in the amount of \$62,859, an allocation of \$112,141, and authorization for the General Manager to sign on behalf of the District.

Alternative(s)

The Board of Directors has the ability to deny this request. However, completion of the additional work caused by changed site conditions and changes requested by the District are required to complete the project as designed and ensure full functionality for District operations.

Background

The fueling station and wash bay were originally located adjacent to the main administration buildings. The majority of the District's vehicles and equipment have been relocated to areas surrounding the Jacob J. Krauss Maintenance Building (Jack's Shack). Relocation of the station and wash bay over to the area where the equipment is stored will improve operational efficiencies as will the equipment upgrades proposed for both the fueling station and wash bay. In addition, relocation of the fueling station and wash bay will provide room for the future expansion of the District facilities if approved by the Board in 2018.

Fiscal Impact

Funds for the construction of the project in the amount of \$407,000 were included in the FY17-18 budget. An additional allocation of \$112,141 is requested for the completion of construction from the Capital Equipment Replacement Fund.

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

In which FY did this capital project first appear in the CIP budget? **2015**

Total Project Budget: **\$450,000**

Current Fiscal Year Appropriation: **\$407,000**

To Date Approved Appropriations: **\$450,000**

Target Project Completion Date: 2/1/18

Expenditures and Encumbrances as of (October 29, 2017): **\$473,264**

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

If this change order is outside of the appropriation, Source of Fund: **Capital Equipment Replacement Fund.**

Discussion

Additional work arose during construction that was required to be addressed and completed to ensure the final design of the project met the design requirements for operational efficiency. These changes included various electrical reconfigurations to enhance safety and conformance with national electrical codes. Other changes included relocation of existing and proposed facilities due to subsurface conflicts. Each of the changes is described on the attached Proposed Contract Change Order #2. Staff recommends approval of Change Order #2 in the amount of \$62,859, an allocation of \$112,141 for completion of the project, and authorization for the General Manager to sign on behalf of the District.

11/1/17
8

CONTRACT CHANGE ORDER

Owner: **OLIVENHAIN MUNICIPAL WATER DISTRICT** OMWD File No. D-120011
Project: **Wash bay and Fuel Pump Relocation Project**
Contractor: **Western Pump**

CONTRACT CHANGE ORDER NO. 02 Date 11/1/17

The Contractor is hereby authorized and directed to make the herein described changes from the Plans and Specifications or do the following work not included in the Plans and Specifications for the construction of this project. Payment to the contractor for these change order items shall provide full compensation for all equipment, materials, labor, field and home office overhead, indirect and consequential costs, mark-ups and profit necessary to complete the work. By executing this contract change order, the contractor agrees to proceed with this work as a change order per the contract documents and waives any rights to additional compensation arising out of work listed in this change order, including without limitation, any claims relating to any cumulative effect of change orders, delays, productivity impact or interruption.

DESCRIPTION OF CHANGE

1. Four (4) additional bollards were required to be installed around the fuel tank to meet Fire Code. The cost of this work is \$3,980.00. Three (3) calendar days will be added for this work. See PCO #4 for details.
2. Additional demolition of the concrete swale adjacent to the material storage area was required to meet drainage requirements of the existing topography. The cost of this work is \$9,714.00. Eight (8) calendar days will be added for this work. See PCO #5 for details.
3. The housekeeping pad for the electrical equipment was increased from 7-feet x 5-feet to 12-feet x 5-feet to accommodate the size of the electrical equipment and to meet NEC code. The cost of this work is \$2,609.00. Four (4) calendar days will be added for this work See PCO #6 for details.
4. The slab thickness in front of the fuel tank and in the wash bay area was increased from 4-inch of concrete over 4-inches of compacted sub-base to 8-inches of concrete over 6-inch of compacted base (95%) over 4-feet of compacted subgrade (95%) due to the heavy traffic load expected in these locations. A single mat of rebar mat of #5 bars 18-inch O.C.E.W was also added. The cost of this work is \$9,069.00. Five (5) calendar days will be added for this work See PCO #7 for details.
5. Install sub-drain behind the curb wall to prevent hydrostatic pressure from building up behind the wall. The cost of this work is \$3,167.00. Three (3) calendar days will be added for this work See PCO #8 for details.
6. Increase the size of the wash area drain to more easily accommodate maintenance and operation. The cost of this work is \$2,187.00. One (1) calendar days will be added for this work See PCO #9 for details.
7. Relocate the point of connection for the sewer due to utility conflict with the existing electrical conduit. The cost of this work is \$4,859.00. Six (6) calendar days will be added for this work See PCO #11 for details.
8. Incorporate the work required in the District's response to RFI #1 that was not included in the original contract. The cost of this work is \$1,977.00. Zero (0) calendar days will be added for this work. See PCO #12 for details.
9. Submit and process building permit revisions with the City of Carlsbad included additional signs required due to review by the Fire Department. The cost of this work is \$8,322.00. Twenty (20) calendar days will be added for this work. See PCO #13 for details.
10. Modify the fuel tank support slab to include an additional rebar mat, thicker concrete section and deletion of the curb and sump around the fuel tank concrete support pad. The cost of this work is \$918.00. Two (2) calendar days will be added for this work. See PCO #14 for details.
11. Install new shade structure columns to allow a clear height of 12' at the edges of the shade structure. The cost of this work is \$7,864.00. Zero (0) calendar days will be added for this work. See PCO #16 for details.
12. Re-route conduits for lights were in the explosion area of tank to comply with building code. The cost

of this work is \$8,166.00. Zero (0) calendar days will be added for this work. See PCO #19 for details.

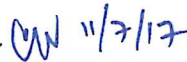
Original Contract Amount: \$358,501.00
Total Previous Change Orders (Through CCO #1): \$19,895.00
Total This Change Order: \$62,859.00
Revised Contract Amount: \$441,255.00
Original Contract Duration: 140 Calendar Days
Original Contract Completion Date: September 15, 2017
Total Calendar Days Added from Previous Change Orders (Through CCO #1): 11
Total Calendar Days Added This Change Order: 52
Revised Contract Duration: 203 Calendar Days
Revised Contract Completion Date: November 17, 2017
TOTAL COST for this CHANGE ORDER is Sixty-Two Thousand Eight Hundred Fifty-Nine Dollars and Zero Cents INCREASE.

It is agreed that 52 consecutive calendar day(s) extension of time will be allowed by reason of this change. The original completion date was September 15, 2017 and the revised completion date is November 17, 2017 (including weather delays).

Prepared by Construction Manager



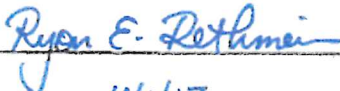
Paul Mochel, Valley Construction Management



Accepted by CONTRACTOR

Approved by OWNER

By:



By:

Date:



Date:

NOTE: Attention is called to the sections in the General Provisions on Scope of Work and Estimates and Payments.

THIS CHANGE ORDER IS NOT EFFECTIVE UNTIL APPROVED BY OWNER.

IF ACCEPTABLE TO THE CONTRACTOR, THIS CHANGE ORDER IS EFFECTIVE IMMEDIATELY.

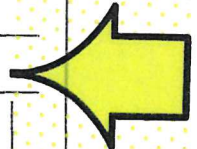
Distribution:

Owner

Contractor

Engineer

Finance



Memo

Date: December 13, 2017
To: Olivenhain Municipal Water District Board of Directors
From: Dave Smith, Operations Manager
Via: Kimberly Thorner, General Manager
Subject: **CONSIDER FINAL DESIGN OF THE DAVID C. MCCOLLOM WATER TREATMENT PLANT OFFICE RENOVATION PROJECT**

Purpose

The purpose of this agenda item is to consider approval of the final design of the David C. McCollom Water Treatment Plant (DCMWTP) Office Renovation Project, and to advance the project for bidding and construction.

Recommendation

Staff recommends acceptance of the final design.

Alternative(s)

Alternatively, the board could direct staff to defer execution of the DCMWTP Office Renovation Project.

Background

The DCMWTP Operations building was originally constructed in 2002 and houses the membrane treatment trains, associated electrical equipment and instrumentation, process laboratory, operations and maintenance workspaces as well as restrooms, a single locker room, and a break/meeting room.

The DCMWTP office renovation project was developed based on a detailed evaluation of historic, current and future work flow and document management needs of the facility, as compared to existing building systems and construction. The evaluation revealed shortcomings in the first floor restroom and lobby areas and second floor operator control room and conference room areas. These include:

- The existing first floor restroom area is equipped with a single public bathroom, a mop closet, and a unisex locker room and shower which is shared by both female and male employees.
- The existing first floor lobby area is undersized and does not provide a proper welcoming space for tour guests, or staging of tour materials.
- The second floor operator control room functions as a workspace for all operators and maintenance technicians. This space is over-crowded and creates delays in work flow while staff wait for access. The operator control room also houses the network communications rack which takes up valuable space and adds to the heat load.
- The second floor conference room closet has historically served as the library, and is undersized to properly store plant documents, operation & maintenance manuals, safety & training manuals, laboratory records, compliance reports, plans, specifications, and associated materials.

Improvements to the office and administrative areas are captured in the final design by HB&A Architects. Specific areas include:

- First floor female/male locker rooms and restroom, new unisex restroom and expanded lobby: This project element provides for an additional public restroom and dedicated female and male locker room areas and showers. The lobby area grows by nature of the 1st and 2nd floor expansion, which now allows for tour groups to meet inside the lobby. The larger lobby also provides a more effective means to stage materials and signage that welcomes visitors and tour guests.
- Second floor operator control room & library, new work station area, and SCADA relocation: This project element relocates the supervisor's office, allowing for

expansion of the operator control room, which will now accommodate 5 or more operators. The library is relocated to the operator control room as well, and provides for convenient access to plant documents. The 2nd floor expansion creates a new area that provides dedicated work space for all operations and maintenance staff, plus a plan area. Finally, the SCADA network communications rack is relocated to the third floor inside a dedicated climate-controlled enclosure.

- **Second Floor Conference Room:** This project element eliminates the closet in the conference room to expand usable space for tour groups, workshops, and training events. The audio-visual equipment in the conference room will also be relocated to the north wall, allowing better viewing for presentations, training sessions, employee forums, etc.

At the suggestion of the Board, it was recommended that the project be investigated to be separated into individual tasks for construction, in order of priority. Details from the investigation performed by HB&A Architects are attached as Exhibit A, and are summarized in the table below.

Earlier Project w/Deck	Single Project	4 Completely Separate Projects
Design	\$ 103,908	\$ 196,091
Construction	\$ 520,635	\$ 573,135
15% contingency	N/A	\$ 85,970
Total project cost	\$ 624,543	\$ 855,197
% Savings as single project	27%	\$ 230,654
Elimination of Deck	\$ (92,413)	\$ (140,703)
Proposed Project w/no Deck	Single Project	4 Completely Separate Projects
Design	\$ 103,908	\$ 196,091
Construction	\$ 428,222	\$ 573,135
15% contingency	N/A	\$ 85,970
Total project cost	\$ 532,130	\$ 855,197
% Savings as single project	38%	\$ 323,067

The investigation revealed there are significant economies of scale in the area of 27% (approximately \$231K) by performing the original renovation concept as a single construction project. As an additional cost savings measure, the 2nd story outdoor deck area from an early design concept was eliminated, saving approximately \$141K.

The proposed project cost for design and construction is estimated at \$532,130, which is a savings of 38% or approximately \$323K as compared to the original renovation concept. The following factors influence the increase in design and construction cost if separated into individual tasks:

- Increase in drawing compilation time;
- Increase in plan processing and bid coordination time;
- Increase in construction administration time;
- Increased supervision and mobilization;
- Potential for separate contractors for each phase;
- Inflation due to extended timeline for construction.

The project was presented to the Facilities Committee on November 28, 2016, at which point staff worked with HB&A Architects to facilitate completion of the project design.

Fiscal Impact

Funds for this project were approved with the FY 17-18 Capital and Operating Budget at the June 21, 2017 Board Meeting.

Is this a Multi Fiscal Year Project? Yes

In which Fiscal Year did this project begin? FY 2016

Total Project Budget: \$700,000

Current Fiscal Year Appropriation: \$700,000

To Date Approved Appropriations: \$700,000

Target Project Completion Date: June 30, 2018

Expenditures as of 11/27/17: \$83,636.42

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

Staff recommends approval of the Final Design of the DCMWTP Office Renovation Project, and to advance the project for bidding and construction.

Attachments

Exhibit A: DCMWTP Operations Remodel/Expansion Separation of Scope into Individual Tasks

**OLIVENHAIN MUNICIPAL WATER DISTRICT – DCMWTP, OPERATIONS REMODEL/EXPANSION
SEPARATION OF SCOPE INTO INDIVIDUAL TASKS**

Priority #1 – 2ND FLOOR OFFICE SPACE EXPANSION / CONFERENCE ROOM CLOSET DEMO

Key points of this scope item are:

- 1) Expanded floor area for new supervisor’s, auxiliary and open work station offices
- 2) Removal of closet in conference room
- 3) Addition of drop ceiling in conference room

Estimated construction cost:	\$179,000
Estimated architectural and engineering fee:	<u>\$57,840</u>
Subtotal:	\$236,840

Priority #2 – EXPANDED CONTROL ROOM / LIBRARY / SCADA RELOCATION

Key points of this scope item are:

- 1) Expanded Control room
- 2) Conversion of work area to library
- 3) Relocation of SCADA from control room to 3rd floor open mechanical area
- 4) Dedicated storage closet

Estimated construction cost:	\$64,000
Estimated architectural and engineering fee:	<u>\$33,360</u>
Subtotal:	\$103,360

PRIORITY #3 – M&F SHOWERS, LOCKERS & RR / NEW UNISEX RR / EXPANDED LOBBY

Key points of this scope item are:

- 1) Expansion of showers, lockers & restroom facilities under the existing roof
- 2) New unisex restroom to replace existing single shower room
- 3) Large expanded lobby that can serve as display area for exhibits
- 4) The lobby does not have locked doors as a control device
- 5) New entry roof element per attached elevation
- 6) New concrete walkways to accommodate the expanded restrooms and lobby

Estimated construction cost:	\$188,000
Estimated architectural and engineering fee:	<u>\$52,440</u>
Subtotal:	\$240,440

PRIORITY #4 – 2ND STORY OUTDOOR DECK

Key points of this scope items are:

- 1) Large outdoor deck with roof covering

Estimated construction cost:	\$93,000
Estimated architectural and engineering fee:	<u>\$35,640</u>
Subtotal:	\$128,640

Exhibit A

Subtotal construction cost for all four scope items:	\$524,000
15% Design contingency:	<u>\$78,600</u>
Total estimated construction cost:	\$602,600*
(Total estimated construction cost if all items built concurrently):	\$476,000

*Estimated construction cost increases if built separately primarily due to:

- a) increased supervision and mobilization,
- b) potential for separate contractors for each phase,
- c) inflation due to extended timeline for construction

Total estimated architectural and engineering fee for all four scope items: **\$179,280****
(Total estimated architectural and engineering fee if all items designed concurrently): \$95,000

**Estimated architectural and engineering fee increase if designed separately primarily due to:

- a) Increase in drawing compilation time
- b) Increase in plan processing and bid coordination time
- c) Increase in construction administration time

Memo

Date: December 13, 2017
To: Olivenhain Municipal Water District Board of Directors
From: Dave Smith, Operations Manager
Via: Kimberly Thorner, General Manager
Subject: **CONSIDER AWARD OF A CONTRACT TO NATIONAL ELECTRIC WORKS, INC. FOR REPLACEMENT OF THE CIELO PUMP STATION MOTOR CONTROLS IN THE AMOUNT OF \$63,200 AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT**

Purpose

Approval of this agenda item would award a contract to National Electric Works, Inc. (NEW) for replacement of the Cielo Pump Station Motor Controls in the amount of \$63,200 and authorize the General Manager to sign on behalf of the District.

Recommendation

Staff recommends award of this contract.

Alternative

As an alternative to approval of the contract with NEW, the Board of Directors may direct Staff to defer replacement of the Cielo Pump Station motor controls equipment.

However, if a failure to one or both of the two existing variable frequency drives (VFDs) occurs, replacement parts are not available and the new VFD(s) will need to be installed under an emergency contract in order maintain reliable use of the pump station.

Background

The Cielo Pump Station is located in the Rancho Cielo Development and plays a critical role in meeting demands in the District's water distribution system by delivering water from the Cielo Reservoir to the Berk Reservoir, which feeds the Connemara Pump Station pressure zone. Originally constructed and commissioned in 2002, the Cielo Pump Station is comprised of 5 pumps and associated piping, equipment, and motor controls.

The motor controls, which include electrical panels, circuit breakers, soft-start controllers and VFDs have reached end-of-life and have become increasingly problematic over the past few years. Additionally, replacement parts are no longer available for the VFDs.

In preparation for the FY 2017-2018 Budget, staff performed considerable research to identify the most suitable solution to ensure stable, reliable operation of the Cielo Pump Station facility into the future.

In FY 2016-2017 staff identified and purchased appropriate VFDs in order to cost effectively complete the project.

Fiscal Impact

Funds for this project were approved with the FY 17-18 Capital and Operating Budget at the June 21, 2017 Board Meeting.

Is this a Multi Fiscal Year Project? Yes

In which Fiscal Year did this project begin? FY 2016

Total Project Budget: \$180,000

Current Fiscal Year Appropriation: \$180,000

To Date Approved Appropriations: \$180,000

Target Project Completion Date: June 30, 2018

Expenditures as of 12/5/17: \$82,354.47

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

Through a partnership with Moraes-Pham, a firm specializing in pump station controls design, staff prepared the Cielo Pump Station Motor Controls Replacement project document package for competitive bid as a Public Works Contract in November, 2017. The District has purchased and will provide three owner furnished VFDs to facilitate this project.

A total of three (3) bids were received from contractors proposing on the project. The lowest responsive and responsible bid was received from NEW in the amount of \$63,200.

Addendum #1 was added on Thursday, November 30th and referenced a change to contact information and a correction regarding the Bid Opening day. NEW did not address Addendum #1 in their bid packet; however, NEW has formally acknowledged that there is no cost difference to their proposed bid based on Addendum #1.

A bid breakdown of the bids received is attached for information.

Attachments:

Exhibit A: Bid Results

Cielo Pump Station Motor Controls Replacement Project
 Bid Results December 5, 2017
 District Project D120041

		Bidder:	1	2	3
Bid Item No.	Bid Item	National Electric Works, Inc.	Southern Contracting Company	Sloan Electric, Inc.	
1	Mobilization, Demobilization, Bonds, Insurance, & Cleanup for all work	\$4,077.00	\$5,000.00	\$4,050.00	
2	Replacement of two (2) existing VFD's and one (1) existing Soft Start. Replace all three (3) new Owner Furnished VFD's.	\$52,039.00	\$52,800.00	\$70,199.00	
3	Design, build, and install new relay control panels for each VFD to match existing relay controls.	\$7,084.00	\$19,500.00	\$12,336.00	
Total Amount of Bid Schedule A 1-3:		\$63,200.00	\$77,300.00	\$86,585.00	
Bid Form Checklist		Y	Y	Y	
Bid Bond		Y	Y	Y	
Addendum No. 1		N	Y	Y	

**NOTICE OF 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**

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 13, 2017

TIME: 5:00 P.M.

PLACE: DISTRICT OFFICE AND TELECONFERENCE LOCATION FOR DIRECTOR VARTY OF 1075 SOUTH LOCUST DR. DENVER, CO

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 NON-PROFIT CORPORATION (OLIVENHAIN MUNICIPAL WATER DISTRICT WATER SYSTEM REFUNDING REVENUE BONDS SERIES 2015A)
8. ADJOURNMENT

Memo

Date: December 13, 2017
To: Olivenhain Municipal Water District Board of Directors
From: 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 Annual Meeting Agenda)

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 13, 2017.

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 August 2015, the 2006A Water Revenue Refunding Bonds were paid off.

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.

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.

**NOTICE OF 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**

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 13, 2017

TIME: 5:00 P.M.

PLACE: DISTRICT OFFICE AND TELECONFERENCE LOCATION FOR DIRECTOR VARTY OF 1075 SOUTH LOCUST DR. DENVER, CO

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 (OLIVENHAIN MUNICIPAL WATER DISTRICT WATER SYSTEM REFUNDING REVENUE BONDS SERIES 2016A AND OMWD FINANCING AUTHORITY WATER REVENUE BONDS SERIES 2009)
8. ADJOURNMENT

Memo

Date: December 13, 2017
To: Olivenhain Municipal Water District Board of Directors
From: Rainy Selamat, Finance Manager
Via: Kimberly Thorner, General Manager
Subject: **CONSIDER THE STATUS OF DEBT ISSUED BY THE OMWD FINANCING AUTHORITY (OLIVENHAIN MUNICIPAL WATER DISTRICT WATER SYSTEM REFUNDING REVENUE BONDS SERIES 2016A AND OMWD FINANCING AUTHORITY WATER REVENUE SERIES 2009)**
(OMWD Financing Authority Annual Meeting Agenda)

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 two bonds since formation: the \$19,175,000 2009 Water Revenue Bonds and the \$15,990,000 2016A Water System 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 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 Comprehensive Annual Report and financial data are distributed to interested parties to comply with annual continuing disclosure requirements.

Memo

A

To: Olivenhain Municipal Water District Board of Directors

Subject: INFORMATIONAL REPORTS

A - 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

B – GENERAL MANAGER

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

December 13, 2017

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 2017**.

OPERATIONS & MAINTENANCE

Operations Manager Dave Smith Reports for October 2017:

OPERATIONS & MAINTENANCE:

- Participated in consultant interviews for the Neighborhood 1 SPS project.

CONSTRUCTION & MAINTENANCE:

- Repaired 1 emergency sewer force main assembly leak
- Repaired 2 emergency hit fire hydrant lateral assembly leaks at different locations
- Repaired 1 emergency water service lateral assembly leak
- Repaired 6 water service lateral assembly leaks at different locations
- Replaced 4 broken valves at different locations

DISTRIBUTION SYSTEM:

- Conducted training at the Rancho Lakes Estates Pump Station with all Fire Department Personnel for the operation of the Fire Make-up pump system.
- Startup and testing of new Altair Grid system to pair all gas monitors to a conjoined system for real time monitoring.
- Started the Maranatha Christian School Special Lead Sampling plan.

IT/TELEMETRY:

- Responded to WPA2 network vulnerability. Patched and updated devices as needed.
- Continued collaboration with representatives from UCR and Lincus, Inc. to implement energy saving ideas for OMWD.
- Attended the Nossaman Cyber Security training.
- Continued support of the wash bay and fuel station project.
- Troubleshoot and repaired the Miller Hydro Plant.

DCM WATER TREATMENT PLANT:

- During the month of October, 2017 the WTP total production was approximately 752 million gallons; Average daily production was 24.2 MGD (71%); Peak day production was 28.1 MG (83%). Total flow to VWD was 425.33 AF, and total deliveries are +714 AF for FY 17-18.
- Lake Skinner receiving between 60-66% SPW and 34-40% CRW daily through the month of October. DCMWTP was receiving an average of 100% Skinner and 0% canal bypass for the month.

- MWD began a routine quarterly two week chlorination of the Lake Skinner Outlet Tower on October 9th through the 23rd. WTP Staff and Systems Staff ran independent distribution TTHM sampling during this event to ensure OMWD would remain in compliance.

4S WRF AND COLLECTION SYSTEM:

- 4S WRF and Engineering Staff participated in the 4S WRF UV System Replacement Design Kick Off Meeting.
- The annual cleaning of the 4S Recycled Water Storage Pond drainage was completed.
- 4S WRF staff continues to facilitate the facultative Digester Process conversion.
- 4S WRF and OMWD staff responded to and made repairs to a line failure on the NBHD #1 force main.

BACKFLOW AND CROSS-CONNECTION:

- Conducted 1 new recycled water use site inspection.
- Conducted 2 new recycled water use site cross-connection tests.
- Conducted 10 annual recycled water use site inspections.
- Conducted 1 cross-connection survey for the Agricultural Water Program.
- Conducted 6 new backflow preventer inspections and testing.

HUMAN RESOURCES DEPARTMENT

HR/Labor Relations - Human Resources Manager, Thomas Wood reports:

- Conducted a new hire orientation for the new Field Services Technician I.
- Held the annual employee Health and Wellness Expo event with various District benefits representatives on-site.
- Safety staff coordinated Department of Homeland Security (DHS) Active Shooter training for all employees.
- HR staff attended the Liebert Cassidy training sessions on the topics of "Retaliation and Terminating the Employment Relationship".
- HR staff attended the SDIPMA-HR luncheon training session on leadership skills.
- Participated in Form 700 filer training at the County of San Diego.
- Conducted a Safety Committee meeting on October 26, 2017.

ENGINEERING DEPARTMENT

Engineering Manager George Briest Reports for October 2017:

OMWD Administration Building Improvement Project (Building D)

60% construction drawings for Schedules A and B were submitted to the District in October 2017. Staff expects final drawings for review in January 2018 with an anticipated presentation to the Board in March 2018 based on anticipated review time planned for the City of Carlsbad. Staff began

meeting on a bi-weekly basis with the move management consultant who is coordinating the logistics to move all affected employees from the main buildings to temporary buildings should the project proceed to construction.

Wash Bay and Fuel Pump Relocation Project

This project is ongoing and work is anticipated to be complete in November 2017.

Avenida La Posta/Wandering Road Recycled Water Main Extension

A notice of completion was placed before the Board for approval in October 2017 and the NOC was filed.

El Camino Real Pipeline Realignment

Final design is underway and anticipated to be complete in Q3 2018. This project will require coordination with the City of Encinitas for a Coastal Development Permit and development of a CEQA document.

Dusty Trail Pipeline Replacement

100% drawings are anticipated to be received in November for review. Portions of the project required a re-design and as such, the anticipated bid date has moved into early 2018. A change to add Cured-In-Place Pipe (CIPP) as an addition/alternate has been designed into the project as a potential cost savings measure. Replacement of the existing Lone Jack Pressure Reducing Station was added due to the deteriorating nature of the station. Cost savings will be realized by replacing the existing below grade station with a rehabilitated above ground unit that the District already owns and upon completion will eliminate a potential confined space hazard.

La Costa Vales Pressure Reducing Station No. 1 Replacement

The project was re-bid in October with three (3) bids received. Staff is reviewing the bids and anticipates bringing this project back to the Board for their consideration to award in November 2017.

Lusardi Creek Main Ext. 153 Recycled Water Pipeline Restoration

This project is to restore the fill and access road over the Recycled Water Main Ext. 153 pipeline at Lusardi Creek. The pipeline was exposed and the access road washed away during the heavy rains which occurred in February 2017. Staff has completed design and the project is out for bid with an anticipated award in November 2017. Permits from the Regional Board are required prior to the start of construction.

Ordinance 429 - Single Check Backflow Replacement

District staff continues to work with customers whose backflow prevention devices do not meet current regulations and upgrade these devices as required by Ordinance 429. 36 customers have yet to upgrade their existing backflow prevention device. The due date for this ordinance expired on August 8, 2017. Staff is reviewing options for compliance.

General Inspection Activities

Work on developer projects throughout the District continues. The following major projects are under construction: Rancho Summit and sewer construction in Black Mountain Ranch south of the 4S Ranch Community. Staff is also working to certify a number of recycled water sites throughout the Village Park project so that recycled water meters may be set.

General Engineering Activities

Several developer projects are transitioning to the completion phase and a number of small new developer projects are in the design and plan review process. Staff is working on clearing various encumbered District easements and addressing other encroachment issues.

FINANCE DEPARTMENT

List of Significant Activities for the month of October 2017:

Finance Monthly Statistics for the month of October:

- Processed 6,685 e-water payments from Infosend
- Processed 3,392 e-water payments from OMWD auto debit program
- Processed 3,907 payments from California Bank and Trust Lockbox
- Processed 526 over the counter water payments and other cash receipts
- Processed 4,382 e-water payments from bill payers (Checkfree and Metavante)
- Processed 751 credit card payments from Paymentus
- Issued 292 vendor checks
- Answered 76 calls and inquiries from customers/contractors about water payments, meter installs, billing, and water related fees.
- Processed 21 service orders and closed out 5 service orders for new meter installations.

CUSTOMER SERVICES DEPARTMENT

Customer Services Manager John Carnegie Reports for October 2017:

Customer Service:

- Continued work on CIS Infinity punch list items and third-party integrations.
- Handled approximately 978 customer calls and inquiries.

Field Services:

- Processed 569 service orders.
- Installed 7 new meters.
- Replaced 40 stopped meters.
- Completed 192 AMI troubleshooting service orders.
- Completed 104 AMR troubleshooting service orders.
- Completed 66 check-for-leak service orders.
- Completed 102 MXU replacements.

- Installed 1" highline on Las Olas Court in Carlsbad.

Outreach/Education/Conservation:

- Submitted monthly production and gallons per capita per day figures to State Water Resources Control Board.
- Continued customer notification and enforcement activities pertaining to Level 1 Water Supply Shortage, including responding to water use violation reports at 7 residences.
- Completed 16 residential water use evaluations for customers to assist them in reducing their water use.
- Facilitated OMWD customer reservations for MWD water conservation program rebate funding for the following:
 - 8 High-Efficiency Clothes Washers
 - 4 Rain Barrels
 - 3 Weather-Based Irrigation Controllers
 - 1 High-Efficiency Toilet
- Met with three First Lego League robotics teams on October 5 and October 20 to provide feedback on their water conservation projects as part of a local competition.
- Held a rainwater harvesting workshop and rain barrel sale in partnership with San Dieguito Water District at Encinitas Community Center on October 11.
- Participated in Garden-Friendly Plant Fair at Encinitas Home Depot on October 14 in partnership with Carlsbad Municipal Water District, San Diego County Water Authority, and SDWD.
- Hosted a public facilities tour on October 12 and a VIP tour on October 19.
- Hosted a native plant workshop at EFRR's Interpretive Center Honoring Susan J. Varty on October 19.

Legislation/Regulations

- Met with Senator Joel Anderson's representative on October 25 regarding OMWD's concerns with upcoming legislation in 2018.
- Sent a letter to Municipal Water District of Orange County board of directors on October 9, supporting collaborative efforts between all Southern California water agencies.

Grants/Awards:

- Submitted Prop 84/IRWM Round 1 Project Completion Report to San Diego County Water Authority.
- Submitted Local Project Sponsor Agreement Amendment No. 2 to SDCWA, which extends the termination date for the North San Diego County Regional Recycled Water Project under Proposition 84, Round 2 to October 31, 2018.
- Continued work with DWR on a funding agreement for the San Dieguito Valley Brackish Groundwater Desalination Study.
- Continued work with state advocate to identify funding opportunities for the expansion of EFRR's overflow parking lot.

Elfin Forest Recreational Reserve:

- Continued work to decommission illegal trails between EFRR and Del Dios Highlands County Preserve.
- Hosted EFRR Advisory Committee meeting on October 10.
- Attended planning meeting with Rancho Santa Fe Fire Protection District for upcoming 5K/10K race at EFRR on December 3.
- Completed construction of a new shade structure roof at Escondido Overlook on October 30.
- Met with City of San Marcos personnel to discuss their park host program on October 30.
- Led 45 ranger-guided hikes.
- Issued 5 special use permits and 2 special event permits.
- Issued approximately 150 parking notices and 13 incident reports.
- Made approximately 150 verbal contacts with EFRR users regarding rules and regulations.
- Closed 6 days due to US National Weather Service Red Flag Warning.
- Vehicle count: 2,834.

Elfin Forest Interpretive Center Honoring Susan J. Varty:

- Hosted new docent training on October 4.
- Held docent-led naturalist walk on October 8.
- Hosted watershed fieldtrips on October 10 and October 30.
- Held Su the Bug Gal presentation on October 14.
- Hosted San Diego Zoo Citizen Science on October 20.
- Held docent BBQ on October 21.
- Installed solar-powered, motion lights at IC.
- Days IC open: 16.
- Number of IC visitors: 212.
- Total 2017 IC visitor count: 3,809.
- Number of volunteer trail patrol (VTP) shifts: 6.
- Number of volunteer docent hours: 75 (57 IC, 18 VTP).
- Total number of docents: 66.

GENERAL MANAGER:

The General Manager reports the following:

- Hosted the NSDWRC Meeting at Leucadia Wastewater Authority.
- Participated in an SDCWA Member Agency Legislative Liaisons' Meeting.
- Attended the North County Manager's Breakfast Meeting.
- Attended the APWA October Luncheon.
- Attended the Council of Water Utilities Breakfast.
- Participated in CWA's Member Agency Managers Meeting.
- Participated in the SDNEDC Board Meeting.
- Participated in the San Dieguito Groundwater Study Community Meeting.
- MC'd and presented at the Water for People Luncheon.

- Hosted an OMWD VIP Facilities Tour.
- Met with Senator Anderson to discuss upcoming legislation.
- Attended the Southern California Water Committee Annual Dinner in Anaheim.
- Attended the CSDA Quarterly Dinner.
- Dedicated significant time to:
 - Reviewing the SDCWA Board Packet.
 - Preparing GM Review Board memo.
 - Preparing presentation for the Water for People Luncheon.
 - Current litigation/claims.

The following are brief highlights of the District's departmental operations for the month of **November 2017**.

OPERATIONS & MAINTENANCE

Operations Manager Dave Smith Reports for November 2017:

OPERATIONS & MAINTENANCE:

- Conducted site walk regarding the 4S Ranch WRF Tertiary Filters Rehabilitation Project.
- Conducted a tour at the DCMWTP for the SWPPP Internship Program.

CONSTRUCTION & MAINTENANCE:

- Repaired 2 emergency hit fire hydrant lateral assembly leaks at different locations.
- Repaired 2 emergency water service lateral assembly leaks at different locations.
- Repaired 6 water service lateral assembly leaks at different locations.
- Via Ambiente Road Rain Improvement Project is 100% complete.

DISTRIBUTION SYSTEM:

- 3 Pressure Reducing Stations were rebuilt.
- Completed full write-ups on all Reservoirs and Pump Stations for renewal of the District's Drinking Water Permit.

IT/TELEMETRY:

- Continued collaboration with representatives from UCR and Lincus, Inc. to implement energy saving ideas for OMWD.
- Prepared, packaged and posted bid documents for the Cielo Pump Station Controls Project.
- Configured and deployed four new radio pairs for the WAN Upgrade Project.

DCM WATER TREATMENT PLANT:

- During the month of November, 2017 the WTP total production was approximately 637 million gallons; Average daily production was 21.2 MGD (62%); Peak day production was 26.3 MG (77%). Total flow to VWD was 412 AF, and total deliveries are +876 AF for FY 17-18.
- Lake Skinner received an average of 66% SPW and 34% CRW daily through the month of November. DCMWTP was receiving 100% Skinner and 0% canal bypass during the month of November.
- The regulatory distribution system samples collected and analyzed for the final quarter in November were at the residuals expected and OMWD remained in compliance for the year, as expected.

4S WRF AND COLLECTION SYSTEM:

- The 4S WRF hosted several tours with local students participating in a Lego Robotics project.
- 4S WRF staff participated in the 24 Hour Hazwoper training.

BACKFLOW AND CROSS-CONNECTION:

- Certified 1 new recycled water use site.
- Conducted 2 new recycled water use site inspections.
- Conducted 15 annual recycled water use site inspections.
- Conducted 3 existing recycled water site cross-connection tests.
- Conducted 6 new backflow preventer inspections & testing.

HUMAN RESOURCES DEPARTMENT

HR/Labor Relations - Human Resources Manager, Thomas Wood reports:

- HR staff attended the International Public Management Association for Human Resources (IPMA-HR) training session on employment law.
- Safety staff provided a presentation to the Board of Directors on the Department of Homeland Security (DHS) assessment of the District facilities.
- Hosted two meetings with the HEART Committee members.
- Safety staff conducted an Emergency Operations Center (EOC) meeting and table top drill.
- Conducted a Grow-Your-Own (GYO) interview panel for the position of Pump/Motor Technician I.
- HR staff met with the District Kaiser Permanente insurance representatives.

ENGINEERING DEPARTMENT

Engineering Manager George Briest Reports for November 2017:

OMWD Administration Building Improvement Project (Building D)

60% construction drawings for Schedules A and B were reviewed and returned to the architect for revisions. Staff expects final drawings ready for review in January 2018 with an anticipated presentation to the Board in March 2018. Staff continues to meet on a bi-weekly basis with the

move management consultant who is coordinating the logistics to move all affected employees from the main buildings to temporary buildings should the project proceed to construction. Selection of a construction manager is anticipated to be presented to the Board for award in January 2018.

Wash Bay and Fuel Pump Relocation Project

This project is nearly complete and the contractor has been issued a Punch List. There have been three (3) change orders for this project and the project completion date has been extended to December 2017.

El Camino Real Pipeline Realignment

Final design is underway and anticipated to be complete in Q3 2018. This project will require coordination with the City of Encinitas for a Coastal Development Permit and development of a CEQA document.

Dusty Trail Pipeline Replacement

Staff is reviewing the 100% construction drawings that were received in October. The anticipated advertisement date for the project is January 2018. Replacement of the Lone Jack Pressure Reducing Station was added into the project to achieve an economy of scale for both the pipeline and the station. Cost savings will be realized by replacing the existing below grade station with an above ground unit that the District has reclaimed from another site.

La Costa Vales Pressure Reducing Station No. 1 Replacement

The Board awarded this project to Piperin Corporation at the November Board meeting. Construction is anticipated to begin in January 2018.

Lusardi Creek Main Ext. 153 Recycled Water Pipeline Restoration

This project is to restore the fill and access road over the Recycled Water Main Ext. 153 pipeline at Lusardi Creek. The pipeline was exposed and the access road washed away during the heavy rains which occurred in February 2017.

The Regional Board rejected the District's request for coverage under a general permit and as such, Staff removed the project from public bidding. All contractors who were interested in this project were notified that the project has been placed on hold. Staff is re-evaluating the District's options on how best to proceed with this project.

Ordinance 429 - Single Check Backflow Replacement

District staff continues to work with customers whose backflow prevention devices do not meet current regulations and upgrade these devices as required by Ordinance 429. Staff continues to work with customers who have yet to upgrade their existing backflow prevention device.

General Inspection Activities

Work on developer projects throughout the District continues. The following major projects are under construction: Rancho Summit and sewer construction in Black Mountain Ranch south of the

4S Ranch Community. Staff is also working to certify a number of recycled water sites throughout the Village Park project so that recycled water meters may be set.

General Engineering Activities

Several developer projects are transitioning to the completion phase and a number of small new developer projects are in the design and plan review process. Staff is working on clearing various encumbered District easements and addressing other encroachment issues.

FINANCE DEPARTMENT

List of Significant Activities for the month of November 2017:

- Completed CIS Infinity Sewer Billing Conversion.
- Completed Fiscal Year 2016-17 Financial Audit field work open items.
- Completed Draft of Fiscal Year 2016-17 Comprehensive Annual Financial Report for GM review.
- Held and discuss Fiscal Year 2016-17 audit results and findings with the Finance Committee.
- Completed draft of District's travel and expense reimbursements policy for GM review.
- Worked with American Express Corporate Card Business Development representative to enroll the District in American Express cash incentive program to get cash back for purchases and charges charged on Amex corporate cards.
- Worked with City of San Diego Billing department to resolve billing issues on recycled water purchases between the District and the City of SD.
- Attended SDCWA's COS workshop with GM Thorner at SDCWA.
- Staff participated in various in-house safety training and District's events.
- Staff completed recycled water annual consumption report to Bureau of Reclamation.
- Staff is working on arbitrage compliance reports for RAD 96-1, 2006 Revenue Bonds and 2009 Refunding Bonds.
- Worked with General Manager Thorner to revise the District's Monthly Expense Reimbursements Report and Director's Per Diem Report for Board's review in order to include credit card charges.

Finance Monthly Statistics for the month of November:

- Processed 6,616 e-water payments from Infosend
- Processed 3,373 e-water payments from OMWD auto debit program
- Processed 3,409 payments from California Bank and Trust Lockbox
- Processed 622 over the counter water payments and other cash receipts
- Processed 3,719 e-water payments from bill payers (Checkfree and Metavante)
- Processed 436 credit card payments from Paymentus
- Answered 68 calls and inquiries from customers/contractors about water payments, meter installs, billing, and water related fees.
- Processed 7 service orders and closed out 2 service orders for new meter installations.

CUSTOMER SERVICES DEPARTMENT

Customer Services Manager John Carnegie Reports for November 2017:

Customer Service:

- Continued work on CIS Infinity punch list items and third-party integrations.
- Handled approximately 821 customer calls and inquiries.

Field Services:

- Processed 389 service orders.
- Installed 2 new meters.
- Replaced 59 stopped meters.
- Replaced 3 underperforming meters
- Completed 144 AMI troubleshooting service orders.
- Completed 113 AMR troubleshooting service orders.
- Completed 31 check-for-leak service orders.
- Completed 2 MXU replacements.
- Installed 1" highline on Willow Court in 4S Ranch.

Outreach/Education/Conservation:

- Submitted monthly production and gallons per capita per day figures to State Water Resources Control Board.
- Continued customer notification and enforcement activities pertaining to Level 1 Water Supply Shortage, including responding to water use violation reports at 6 residences.
- Completed 15 residential water use evaluations for customers to assist them in reducing their water use.
- Facilitated OMWD customer reservations for MWD water conservation program rebate funding for the following:
 - 5 High-Efficiency Clothes Washers
 - 15 Weather-Based Irrigation Controllers
 - 1 High-Efficiency Toilet
 - 3 Rain Barrels
 - 1 Rotating Nozzle Retrofit
- Hosted facilities tours for OMWD customers on November 1, November 16, November 29, and November 30.
- Participated in Rancho Santa Fe Fire Protection District's Open House community event in 4S Ranch on November 5.

Legislation/Regulations

- Provided comments to the State Water Resources Control Board on Proposition 1 Groundwater Funding Guidelines.

- Signed on to two national letters supporting S 1464 (Feinstein) and HR 448 (Huffman) regarding the exemption of water conservation rebates from federal tax.

Grants/Awards:

- Submitted to SDCWA an updated Performance Monitoring Plan for the North San Diego County Regional Recycled Water Project, as required by the Prop 84/IRWM Round 2 Local Project Sponsor Agreement Amendment No. 2.
- Attended a Prop 84/IRWM Round 3 kick-off meeting for a North San Diego County Regional Recycled Water Project and recycled water outreach effort with Carlsbad Municipal Water District.
- Continued work with DWR on a funding agreement for the San Dieguito Valley Brackish Groundwater Desalination Study.
- Continued work with state advocate to identify funding opportunities for the expansion of EFRR's overflow parking lot.

Elfin Forest Recreational Reserve:

- Continued work to decommission illegal trails between EFRR and Del Dios Highlands County Preserve.
- Hosted a trail maintenance day with two docent volunteers on November 8.
- Hosted EFRR Advisory Committee meeting on November 14.
- Met with City of Encinitas Parks Department on November 16 regarding their park host program.
- Hosted a trail maintenance day with two docent volunteers on November 18.
- Installed new closure signage to discourage after-hours park usage on front entrance gates.
- Attended planning meeting on November 22 with Rancho Santa Fe Fire Protection District for upcoming 5K/10K race at EFRR on December 3.
- Hosted Escondido Creek Land Managers meeting on November 29.
- Led 55 ranger-guided hikes.
- Issued 10 special use permits and 1 special event permit.
- Issued approximately 200 parking notices and 21 incident reports.
- Made approximately 150 verbal contacts with EFRR users regarding rules and regulations.
- Responded to a medical aid call regarding a fall on the Way Up Trail on November 27.
- Vehicle count: 3,710.

Elfin Forest Interpretive Center Honoring Susan J. Varty:

- Hosted wildlife adaptation fieldtrips on November 1, November 3, November 28, November 29, and November 30.
- Hosted watershed fieldtrips on November 7, November 8, November 28, and November 30.
- Held Bill the Bug Guy presentation on November 11.
- Held docent-led naturalist walk on November 12.
- Hosted docent in-service training and TECC Talk on marine mammals on November 16.
- Days IC open: 18.

- Number of IC visitors: 863.
- Total 2017 IC visitor count: 4,672.
- Number of volunteer trail patrol (VTP) shifts: 5.
- Number of volunteer docent hours: 81 (66 IC, 15 VTP).
- Total number of docents: 68.

GENERAL MANAGER:

The General Manager reports the following:

- Hosted NSDWRC Meeting
- Attended the ACWA Fall Conference and ACWA Federal Affairs Committee Meeting in Anaheim.
- Hosted a Finance Committee Meeting.
- Attended the CSDA Quarterly Dinner.
- Attended the Council of Water Utilities Breakfast.
- Participated in CWA's Member Agency Managers Meeting.
- Attended a 4S Ranch Lego League Research Project Presentation.
- Attended the SDCWA Tour - Lake Murray to Sweetwater Reservoir Pipeline 3 Relining Project.
- Member Agency Legislative Liaisons' Conference Call.
- Chaired the LAFCO Special Districts Advisory Committee.
- Dedicated significant time to:
 - Reviewing board items.
 - Handling HR issues.
 - Reviewing claims.
- Met with Supervisors on negotiations.
- Conference call with WaterReuse Leadership on legislative recycled water issues.
- Met with Heart Committee.
- Participated on CWA Cost of Service Workgroup.
- Chaired Special Member Agency Only meeting at the City of San Diego.

Respectfully submitted,

Kimberly A. Thorner
General Manager

Memo

C

To: Olivenhain Municipal Water District Board of Directors

Subject: INFORMATIONAL REPORTS

CONSULTING ENGINEER

Any report will be given orally at the meeting.

Memo

D

To: Olivenhain Municipal Water District Board of Directors

Subject: INFORMATIONAL REPORTS

GENERAL COUNSEL

Any report will be provided at the meeting.



TO: Olivenhain Municipal Water District
FROM: Alfred Smith
DATE: December 13, 2017
RE: Attorney Report: Employment Law Update
150152-0005

I. INTRODUCTION.

This attorney report provides an update on the following three recently enacted employment laws and regulations: (1) New legislation limiting an employer's ability to seek or rely on job applicants' salary histories; (2) California's new "Ban the Box" law regarding criminal conviction history; and (3) Regulations from the California Fair Employment and Housing Council which limit an employer's ability to use criminal history in making employment decisions.

II. New Limits On Seeking Or Relying On Salary History.

Effective January 1, 2018, new legislation enacted in California will prohibit employers from:

1. Seeking past salary information, including compensation and benefits, about a job applicant; or,
2. Relying on information regarding an applicant's salary history as a factor in determining whether to offer an applicant employment or what salary to offer an applicant.

In addition, if a job applicant makes a reasonable request, employers will be required to provide the pay scale for the related position to the applicant.

The legislation, which proponents contend seeks to target the gender pay gap, builds on a provision of the California Equal Pay Act which provides that an employee's prior salary may not, by itself, be used to justify any wage differential between employees of the opposite sex performing substantially similar work, except under limited circumstances. Current law also bars employers from requiring employees to refrain from disclosing their rates of pay, and from discriminating against employees who do so.

This law will apply to all employers in California, including state and local government employers.

III. “Ban the Box” Law -- Prohibition On Asking Applicants About Criminal Conviction History Until *After* a Conditional Offer Has Been Made.

A. Background and Trends.

On October 14, 2017, Governor Jerry Brown signed Assembly Bill 1008, which prohibits most California public and private employers from asking applicants about criminal conviction history until after a conditional offer of employment has been made. This means that employers will have to remove “check boxes” or questions from employment applications regarding the disclosure of an applicant’s criminal conviction history (hence the phrase, “ban-the-box”). This also means criminal background checks cannot be conducted prior to an employer making a conditional offer of employment. The new law, which goes into effect on January 1, 2018, amends the Fair Employment and Housing Act, which covers all California employers (with very few exceptions) with five or more employees.

AB 1008 follows a state-wide trend that has been building for some time. In 2013, California enacted Labor Code section 432.9, which prohibited public employers from inquiring about criminal conviction history until the employer has determined that the applicant met the minimum qualifications for the job.

Subsequently, the cities of Los Angeles and San Francisco enacted their own “ban-the-box” local ordinances that apply to private employers doing business in those cities.

In June 2017, the California Fair Employment and Housing Council passed new regulations that limit an employer’s ability to consider the criminal history of a job applicant or employee when making employment decisions. The sponsor of AB 1008 stated that the intent of the bill is “to give applicants with a criminal record the opportunity to be judged on their qualifications and not their criminal histories.”

B. Scope of AB 1008

AB 1008 makes it unlawful for a California employer to include any questions about conviction history on any application before a conditional offer of employment is made. Employers are also prohibited from inquiring into or considering an applicant’s conviction history before extending a conditional offer of employment – this includes questions during the interview process and criminal background checks.

Once a conditional offer of employment has been made, employers are permitted to inquire into conviction history. However, in the event the employer decides to make an adverse decision (i.e., withdraw the conditional offer of employment), based on the applicant’s conviction history (in whole or in part), AB 1008 sets out specific steps that the employer must follow:

1. Employers must make an “individualized assessment” of whether the conviction history has a “direct and adverse relationship” with the specific duties of the job justifying denial of the applicant for the position. In doing so, the employer must consider (a) the nature and gravity of the offense; (b) the time that has passed since the offense or completion of the sentence; and (c) the nature of the job sought.
2. Once the individualized assessment has been made, the employer must notify the applicant in writing that a preliminary decision has been made disqualifying the applicant from employment. The notification must (a) identify the disqualifying conviction(s); (b) provide a copy of the conviction history report, if any; (c) explain the applicant’s right to respond before the preliminary decision becomes final (including the applicant’s right to provide evidence challenging the accuracy of the conviction history and/or evidence of mitigating circumstances or rehabilitation); and (d) provide a deadline by which the applicant must respond (no less than *five business days* after providing the notice). In the notice, the employer *may* justify or explain its reason for making the preliminary decision, but it is *not required* to do so.
3. After providing the notice, the applicant must have a minimum of five business days to respond before the employer may make a final decision. The applicant’s response may include submission of evidence challenging the accuracy of the conviction history and/or evidence or mitigating circumstances or rehabilitation. In the event the applicant notifies the employer that he or she disputes the accuracy of the conviction history and is obtaining evidence to support that dispute, the applicant must be provided five *additional* business days to respond to the notice.
4. If the employer’s final decision is to deny employment, the employer must notify the applicant in writing. The notice must notify the applicant of (a) the final decision; (b) the employer’s procedure (if any) for the applicant to challenge the decision or request reconsideration; and (c) the right to file a complaint with the Department of Fair Employment and Housing. Again, the employer *may* justify or explain its reason for making the final decision, but it is *not required* to do so.

In the event an applicant files a lawsuit based on a perceived violation of AB 1008, the applicant may sue for the full range of damages available under the Fair Employment and Housing Act, including compensatory damages and attorney’s fees and costs.

AB 1008 covers all California employers with five or more employees. Only the following positions are exempted: (1) positions for which a government agency is required by law to conduct a conviction history background check; (2) positions with criminal justice agencies; (3) Farm Labor Contractors (as defined by the Labor Code); and (4) positions for which a state, federal, or local law mandates that an employer conduct a criminal history background check for employment purposes, or restricts employment based on criminal history.

IV. Regulations Limiting the Use of Criminal History.

Similarly, regulations from the California Fair Employment and Housing Council, effective July 1, 2017, also limit an employer's ability to consider the criminal history of a job applicant or employee when making employment decisions.

The new regulations make the following key changes:

1. **Adverse Impact on Protected Classes:** Prohibits employers from using criminal history information in making employment decisions if using such information results in an adverse impact on individuals within a protected class (e.g., race, sex, or national origin). An applicant or employee bears the initial burden of proving an adverse impact. If this burden is met, the employer then needs to establish that the policy is justifiable because it is job-related and consistent with business necessity.

To meet this standard, the employer must demonstrate that the policy or practice:

- Has a demonstrable relationship to the successful performance of the job;
- Measures the person's fitness for the specific job;
- Is appropriately tailored by considering, at a minimum, the nature and gravity of the offense or conduct, the time that has passed since the offense or conduct occurred, and the nature of the job held or sought; and,
- Requires that, if the employer uses a "bright-line" conviction disqualification, the disqualifying conviction has a direct and specific negative bearing on the person's ability to perform the duties and responsibilities of the position; or, requires the employer to conduct an individualized assessment with proper notice to the employee and opportunity for the employee to respond.

2. **Notice Prior to Adverse Employment Action:** Prior to taking any adverse employment action (e.g., declining to hire an applicant or firing an employee) based on criminal history information *obtained from a source other than the employee or job applicant*, employers are required to give the applicant or employee notice and a reasonable opportunity to present evidence that the information is factually inaccurate.

If the affected applicant or employee is successful in showing the information is inaccurate, the employer cannot consider the criminal history record.

3. **Marijuana Possession Convictions:** Expands the list of types of criminal history employers are prohibited from considering to include any non-felony conviction for possession of marijuana that is two or more years old. (See Cal. Code Regs., tit. 2, § 11017.1, subd. (b) for a list of types of criminal history prohibited from consideration.)

V. **CONCLUSION.**

The laws discussed above illustrate recent trends limiting employers from seeking or relying on salary history or criminal history. Like California, numerous jurisdictions have implemented statutes and ordinances: (1) prohibiting employers from seeking past salary information, (2) requiring employers to provide the pay scale for the position upon request by the applicant; (3) requiring employers to remove the criminal history question from job applications, and (4) requiring employers to wait until after an interview or a conditional offer to ask criminal history questions.

As a result, agencies should review their employment applications to determine whether they need to be revised or replaced before January 1, 2018. Agencies should also carefully review their hiring and interview practices, and make sure that employees interviewing applicants are familiar with the new laws. Agencies who intend to utilize criminal background checks after a conditional offer of employment has been made should also revise or create written preliminary decision and final decision notices to comply with AB 1008.

AES/AES

Memo

E

To: Olivenhain Municipal Water District Board of Directors

Subject: INFORMATIONAL REPORTS

SAN DIEGO COUNTY WATER AUTHORITY REPRESENTATIVE

Any report will be oral at the time of the Board meeting.

Memo

F

To: Olivenhain Municipal Water District Board of Directors

Subject: INFORMATIONAL REPORTS
LEGISLATIVE REPORT

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



TO: Olivenhain Municipal Water District
FROM: Richard Harris, Senior Policy Advisor
Jennifer Capitolo, Senior Policy Advisor
DATE: December 5, 2017
RE: December Public Policy Report

STATE LEGISLATURE

The Legislature is on recess and is scheduled to convene the second year of its 2017-2018 two-year legislative session on January 3, 2018. All bills that were introduced in 2017, but that did not get passed by the Legislature, remain eligible to be considered during 2018, pursuant to a number of specific legislative deadlines.

STATE LEGISLATURE

Long-Term Water Conservation/AB 1668 (Friedman) and SB 606 (Skinner/Hertzberg):

The two legislative proposals on long-term water conservation were not brought up for final votes and remain as two-year bills. Dennis O’Conner, Senior Consultant for the Senate Natural Resources and Water Committee and author of the bill language in both proposals, is hosting listening sessions the week of December 2 to discuss the the policy areas that remain contentious and unresolved including:

- Variances
- Model Water Efficient Landscape Ordinance (MWELO) Principals
- Cost Effectiveness of Commercial, Industrial, and Institutional (CII) Programs
- Reporting Burden/Timing

The authors of the bills plan to move the bills when the Legislature reconvenes in 2018.

SB 623 (Monning) Safe and Affordable Drinking Water Fund – OPPOSE: SB 623

(Monning) is a two-year bill. It is clear that the proponents will once again make a major push to advance SB 623 during the 2018 session. Their efforts have already begun, as evidenced by the very active social media campaign that they have launched in support of the bill.

STATE WATER RESOURCES CONTROL BOARD

AB 401 Implementation Report: The Office of Research, Planning & Performance has been silent on the draft report due in January for implementation of AB 401 and the plan for a statewide low-income assistance program. No meetings have been announced. There is a rumor that the Governor’s Office and the State Water Resources Control Board may not be on the same page on funding a low income rate assistance program and the release of the report may continue to be delayed.

Regulation Rulemaking on Waste and Unreasonable Water Uses: The Office of Research, Planning & Performance has begun the formal regulatory process for its permanent prohibition of wasteful water uses. Specifically, the proposed regulation would prohibit all Californians from engaging in certain wasteful water use practices, would penalize particular entities that violate existing laws, and would require specific actions of hotels and motels. The notice of proposed rulemaking on wasteful water uses was released in early November and a public hearing was held in Sacramento on Tuesday, November 21. Public comments were received at the hearing and written comments are due by December 26.

Prohibitions:

- Apply water to outdoor landscapes in a manner that causes runoff such that water flows onto adjacent property, non-irrigated areas, private and public walkways, roadways, parking lots, or structures.
- Use a hose that dispenses water to wash a motor vehicle, except where the hose is fitted with a shut-off nozzle or device attached to it that causes it to cease dispensing water immediately when not in use.
- Apply potable water directly to driveways and sidewalks.
- Use potable water in an ornamental fountain or other decorative water feature, except where the water is part of a recirculating system.
- Apply water to irrigate turf and ornamental landscapes during and within 48 hours after measurable rainfall of at least one-tenth of one inch of rain.
- Serve drinking water other than upon request in eating or drinking establishments, including but not limited to restaurants, hotels, cafes, cafeterias, bars, or other public places where food or drink are served and/or purchased.
- Irrigate turf on public street medians or publicly owned or maintained landscaped areas between the street and sidewalk, except where the turf serves a community or neighborhood function.

Penalties for Particular Entities:

- Any homeowners' association, community service organization, or any similar entity violating section 4735 of the Civil Code is an infraction punishable by a fine up to \$500/day for each day the violation occurs.
- Any city, county, or city and county violating section 8627.7 of the Government Code is an infraction punishable by a fine up to \$500/day for each day the violation occurs.

The Requirement for Hotels and Motels:

- Operators of hotels and motels shall provide guests with the option of choosing not to have towels and linens laundered daily. The hotel or motel shall prominently display notice of this option in each guestroom using clear and easily understood language.

Recycled Water Policy – Proposed Amendment re: CEQA Scoping: On December 1, the State Water Resources Control Board held a meeting to seek early public consultation on the amendment to the Water Quality Control Policy for Recycled Water. Staff presented on the project and requested feedback on the scope and potential environmental impacts. Written comments are due December 22, 2017. The CEC Science Advisory Panel continues to meet and their draft report will be released in early January 2018 with public meetings to be held in Sacramento on January 4 and Orange County on January 11.

DEPARTMENT OF WATER RESOURCES

No update.

UPCOMING LEGISLATIVE DEADLINES

- January 3, 2018 – Legislature reconvenes

Olivenhain Legislative Report 2017**Report as of 12/6/2017**

[AB 77](#)**(Fong R) Regulations: effective dates and legislative review.****Current Text:** Amended: 2/7/2017 [html](#) [pdf](#)**Status:** 5/26/2017-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. on 5/26/2017)(May be acted upon Jan 2018)**Location:** 5/26/2017-A. 2 YEAR

Summary: Would require the Office of Administrative Law to submit to each house of the Legislature for review a copy of each major regulation that it submits to the Secretary of State. The bill would add another exception to those currently provided that specifies that a regulation does not become effective if the Legislature enacts a statute to override the regulation.

Position	Priority	Assigned
Watch		Capitolo

Notes 1: 3/2/17 - This bill would create a pathway for the Legislature to block the implementation of state agency regulations expected to exceed fifty million dollars. To facilitate this process, the bill would require the OAL to submit a copy of each major regulation to both houses of the Legislature after submitting it to the Secretary of State. The bill would authorize the Legislature to pass a statute overriding the proposed regulation. The bill would also implement some administrative changes to the adoption of regulations, including changing the date a new regulation is effective from the existing quarterly schedule to the 90th day after the date of filing, subject to certain exceptions.

[AB 196](#)**(Bigelow R) Greenhouse Gas Reduction Fund: water supply and wastewater systems.****Current Text:** Amended: 3/6/2017 [html](#) [pdf](#)**Status:** 9/1/2017-Failed Deadline pursuant to Rule 61(a)(12). (Last location was APPR. SUSPENSE FILE on 7/17/2017)(May be acted upon Jan 2018)**Location:** 9/1/2017-S. 2 YEAR

Summary: Current law requires moneys from the Greenhouse Gas Reduction Fund to be allocated for the purpose of reducing greenhouse gas emissions in this state and satisfying other purposes. Current law authorizes specified investments, including water use and supply, if the investment furthers the regulatory purposes of the California

Global Warming Solutions Act of 2006 and is consistent with law. This bill would authorize the use of the moneys in the fund for electric pump efficiency, water and wastewater systems, pump and pump motor efficiency improvements, and drinking water transmission and distribution systems' water loss if the investment furthers the regulatory purposes of the act and is consistent with law.

Position	Priority	Assigned
Recommend Favor		Capitolo

Notes 1: 3/2/17 - This bill would expand the authorized uses of moneys in the GGRF to include water supply repairs. ACWA is developing a list of concrete examples of water supply repairs that could be eligible for funding under this legislation. ACWA member agencies that have ideas for types of eligible projects that further the regulatory purposes of AB 32 and should be specified within the bill could communicate them to ACWA staff to submit as amendment language to the Author's office.

[AB 241](#)

(Dababneh D) Personal information: privacy: state and local agency breach.

Current Text: Introduced: 1/30/2017 [html](#) [pdf](#)

Status: 5/26/2017-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. on 5/26/2017)(May be acted upon Jan 2018)

Location: 5/26/2017-A. 2 YEAR

Summary: Current law requires a person or business, if it was the source of a data security breach, to offer to provide appropriate identity theft prevention and mitigation services at no cost to the person whose information was or may have been breached if the breach exposed or may have exposed the person's social security number, driver's license number, or California identification card number. This bill also would require a state or local agency, if it was the source of the breach, to offer to provide appropriate identity theft prevention and mitigation services at no cost to a person whose information was or may have been breached if the breach exposed or may have exposed the person's social security number, driver's license number, or California identification card number.

Position	Priority	Assigned
Watch		Capitolo

Notes 1:

[AB 267](#)

(Waldron R) Community services districts.

Current Text: Introduced: 2/1/2017 [html](#) [pdf](#)

Status: 5/12/2017-Failed Deadline pursuant to Rule 61(a)(3). (Last location was PRINT on 2/1/2017)(May be acted upon Jan 2018)

Location: 5/12/2017-A. 2 YEAR

Summary: Current law provides for the organization and powers of community services districts, including the continuation of any community services district, improvement district of a community services district, or zone of a community services district, that was in existence on January 1, 2006. This bill would make nonsubstantive changes to these provisions.

Position	Priority	Assigned
Watch		RHarris, Capitolo

Notes 1:

[AB 272](#)

(Gipson D) Southeast Los Angeles County Drinking Water Relief Act.

Current Text: Amended: 3/21/2017 [html](#) [pdf](#)

Status: 4/28/2017-Failed Deadline pursuant to Rule 61(a)(2). (Last location was W.,P. & W. on 4/5/2017)(May be acted upon Jan 2018)

Location: 4/28/2017-A. 2 YEAR

Summary: The California Safe Drinking Water Act provides for the operation of public water systems and imposes on the State Water Resources Control Board various responsibilities and duties. This bill, the Southeast Los Angeles County Drinking Water Relief Act, would authorize the department and the state board to condition the awardance of financial assistance to an urban water supplier in southeast Los Angeles County that does not have adequate technical, managerial, and financial capacity for a water infrastructure project on the participation of a public water agency that has sufficient technical, managerial, and financial capacity to complete and operate the project.

Position	Priority	Assigned
Watch		Capitolo

Notes 1:

[AB 366](#)

(Oberholte R) Civil actions: fee recovery.

Current Text: Amended: 6/29/2017 [html](#) [pdf](#)

Status: 7/21/2017-Failed Deadline pursuant to Rule 61(a)(11). (Last location was RLS. on 7/3/2017)(May be acted upon Jan 2018)

Location: 7/21/2017-S. 2 YEAR

Summary: Current law enumerates the costs that a prevailing party may recover in a civil action. Current law provides that costs for models and enlargements of exhibits and photocopies of exhibits may be recovered if the items were reasonably helpful to aid the trier of fact. This bill would authorize a prevailing party to recover fees for the costs associated with the electronic presentation of exhibits, including costs of rental equipment and electronic formatting.

Position	Priority	Assigned
Watch		RHarris, Capitolo

Notes 1:

[AB 429](#)

(Grayson D) State water policy: water rights: use and transferability.

Current Text: Introduced: 2/13/2017 [html](#) [pdf](#)

Status: 5/12/2017-Failed Deadline pursuant to Rule 61(a)(3). (Last location was PRINT on 2/13/2017)(May be acted upon Jan 2018)

Location: 5/12/2017-A. 2 YEAR

Summary: Current law declares that the growing water needs of the state require the use of water in an efficient manner and that the efficient use of water requires certainty in the definition of property rights to the use of water and transferability of those rights. This bill would make nonsubstantive changes to those declarations.

Recommend
Favor

RHarris,
Capitolo

Notes 1:

[AB 567](#)

(Quirk-Silva D) School facilities: drinking water fountains: spigot for filling water bottles.

Current Text: Amended: 3/14/2017 [html](#) [pdf](#)

Status: 4/28/2017-Failed Deadline pursuant to Rule 61(a)(2). (Last location was ED. on 2/27/2017)(May be acted upon Jan 2018)

Location: 4/28/2017-A. 2 YEAR

Summary: Would require a school district, on or after July 1, 2018, to ensure that every drinking water fountain at each school under its jurisdiction is equipped with both a water fountain and a spigot, or a combination water fountain and spigot, for filling water bottles. Because the bill would impose new duties on local educational agencies, the bill would impose a state-mandated local program.

Position	Priority	Assigned
Watch		RHarris, Capitolo

Notes 1:

[AB 588](#)

(Dababneh D) Contractual assessments: financing public improvements: right to cancel documentation.

Current Text: Amended: 3/23/2017 [html](#) [pdf](#)

Status: 5/12/2017-Failed Deadline pursuant to Rule 61(a)(3). (Last location was B. & F. on 3/23/2017)(May be acted upon Jan 2018)

Location: 5/12/2017-A. 2 YEAR

Summary: Current law prohibits a public agency from permitting a property owner to participate in programs relating to voluntary contractual assessments to finance certain improvements, unless the property owner is given the right to cancel the contractual assessment in a document, as provided. Current law requires the document to contain specified information, including that if the property owner sends or delivers the written notice to cancel in some way other than mail, fax, or email, it must be delivered to a specified address no later than an unspecified date. This bill would instead require the document to provide that if the property owner sends or delivers the written notice to cancel in some way other than mail, fax, or email, it must be delivered to a specified address no later than midnight on the 3rd business day after whichever of specified events occurs last.

Position	Priority	Assigned
Watch		RHarris, Capitolo

Notes 1:

[AB 594](#)

(Irwin D) Water supply planning: California Environmental Quality Act: photovoltaic or wind energy generation facility.

Current Text: Introduced: 2/14/2017 [html](#) [pdf](#)

Status: 4/28/2017-Failed Deadline pursuant to Rule 61(a)(2). (Last location was W.,P. & W. on 2/27/2017)(May be acted upon Jan 2018)

Location: 4/28/2017-A. 2 YEAR

Summary: Current law requires a city or county that determines that a project, as defined, is subject to the California Environmental Quality Act to identify any public water system that may supply water for the project and to request those public water systems to prepare a specified water supply assessment. If no public water system is identified, the city or county is required to prepare the water supply assessment. Current law, until January 1, 2018, exempts from the definition of "project" a proposed photovoltaic or wind energy generation facility that would demand no more than 75 acre-feet of water annually. This bill would indefinitely exempt from the definition of "project" a proposed photovoltaic or wind energy generation facility that would demand no more than 50 acre-feet of water annually.

Position	Priority	Assigned
Watch		RHarris, Capitolo

Notes 1:

[AB 640](#)

(Harper R) Recycled water: recycling criteria.

Current Text: Introduced: 2/14/2017 [html](#) [pdf](#)

Status: 5/12/2017-Failed Deadline pursuant to Rule 61(a)(3). (Last location was PRINT on 2/14/2017)(May be acted upon Jan 2018)

Location: 5/12/2017-A. 2 YEAR

Summary: Current law, the Porter-Cologne Water Quality Control Act, requires the State Water Resources Control Board to establish uniform statewide recycling criteria for each varying type of use of recycled water if the use involves the protection of public health. The act defines recycling criteria to mean the levels of constituents of recycled water, and the means for assurance of reliability under the design concept that will result in recycled water that is safe for the uses to be made. This bill would make technical, nonsubstantive changes to that definition.

Position	Priority	Assigned
Spot		RHarris, Capitolo

Notes 1:

[AB 641](#)

(Harper R) Water conservation and reclamation projects.

Current Text: Introduced: 2/14/2017 [html](#) [pdf](#)

Status: 5/12/2017-Failed Deadline pursuant to Rule 61(a)(3). (Last location was PRINT on 2/14/2017)(May be acted upon Jan 2018)

Location: 5/12/2017-A. 2 YEAR

Summary: Current law, the Water Conservation Projects Act of 1985, declares that the intent of the act is to encourage local agencies and private enterprise to implement potential water conservation and reclamation projects by establishing a state program to finance or assist in financing projects that meet state criteria and will result in an additional supply of water for use in areas of need. This bill would make nonsubstantive changes in that provision.

Position	Priority	Assigned
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Spot

RHarris,
Capitolo

Notes 1:

[AB 642](#)

(Harper R) Desalinated water.

Current Text: Introduced: 2/14/2017 [html](#) [pdf](#)

Status: 5/12/2017-Failed Deadline pursuant to Rule 61(a)(3). (Last location was PRINT on 2/14/2017)(May be acted upon Jan 2018)

Location: 5/12/2017-A. 2 YEAR

Summary: The Cobey-Porter Saline Water Conversion Law declares that the growing water needs of the state require the development of cost-effective and efficient water supply technologies and that desalination technology is now feasible to help provide significant new water supplies from seawater, brackish water, and reclaimed water. This bill would declare the intent of the Legislature to enact subsequent legislation relating to desalination.

Position	Priority	Assigned
Spot		RHarris, Capitolo

Notes 1:

[AB 685](#)

(Fong R) Water: dams and reservoirs.

Current Text: Introduced: 2/15/2017 [html](#) [pdf](#)

Status: 5/12/2017-Failed Deadline pursuant to Rule 61(a)(3). (Last location was PRINT on 2/15/2017)(May be acted upon Jan 2018)

Location: 5/12/2017-A. 2 YEAR

Summary: Current law provides that all dams and reservoirs in the state are under the jurisdiction of the Department of Water Resources. Current law authorizes the department to require owners of dams and reservoirs to keep records of, and to report on, maintenance, operation, staffing, and engineering and geologic investigations. This bill would make nonsubstantive changes to that provision.

Position	Priority	Assigned
Watch		RHarris, Capitolo

Notes 1:

[AB 723](#)

(Arambula D) Agricultural water suppliers: efficient water management practices.

Current Text: Introduced: 2/15/2017 [html](#) [pdf](#)

Status: 5/12/2017-Failed Deadline pursuant to Rule 61(a)(3). (Last location was PRINT on 2/15/2017)(May be acted upon Jan 2018)

Location: 5/12/2017-A. 2 YEAR

Summary: Current law requires an agricultural water supplier to include in an agricultural water management plan a report on which efficient water management practices have been implemented and are planned to be implemented, an estimate of the water use efficiency improvements that have occurred since the last report, an estimate of the water use efficiency improvements estimated to occur 5 and 10 years in

the future, and if an agricultural water supplier determines that an efficient water management practice is not locally cost effective or technically feasible, information documenting that determination. This bill would make nonsubstantive changes to these provisions.

Position	Priority	Assigned
Watch		RHarris, Capitolo

Notes 1:

[AB 791](#)

(Frazier D) Sacramento-San Joaquin Delta: State Water Project and federal Central Valley Project: new conveyance facility.

Current Text: Amended: 3/21/2017 [html](#) [pdf](#)

Status: 5/26/2017-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/10/2017)(May be acted upon Jan 2018)

Location: 5/26/2017-A. 2 YEAR

Summary: The Sacramento-San Joaquin Delta Reform Act of 2009 prohibits construction of a new Delta conveyance facility from being initiated until the persons or entities that contract to receive water from the State Water Project and the federal Central Valley Project or a joint powers authority representing those entities have made arrangements or entered into contracts to pay for certain costs required for the construction, operation, and maintenance of the facility and full mitigation of property tax or assessments levied for land used in the construction, location, mitigation, or operation of the facility. This bill would require, before a water contractor enters into a contract to pay for these costs, that the lead agency provide the breakdown of costs for each water contractor entering into a contract and what benefits each contractor will receive based on the proportion it has financed of the proposed conveyance project.

Position	Priority	Assigned
Watch		RHarris, Capitolo

Notes 1:

[AB 792](#)

(Frazier D) Sacramento-San Joaquin Delta: Delta Plan: certification of consistency.

Current Text: Amended: 3/28/2017 [html](#) [pdf](#)

Status: 4/28/2017-Failed Deadline pursuant to Rule 61(a)(2). (Last location was W.,P. & W. on 3/20/2017)(May be acted upon Jan 2018)

Location: 4/28/2017-A. 2 YEAR

Summary: The Sacramento-San Joaquin Delta Reform Act of 2009 establishes the Delta Stewardship Council and requires the council to develop, adopt, and commence implementation of a comprehensive management plan for the Delta, known as the Delta Plan. The act requires a state or local public agency that proposes to undertake a covered action to prepare and submit to the council a written certification of consistency with the Delta Plan before undertaking that action. This bill would prohibit the council from granting a certification of consistency with the Delta Plan until the board has completed its update of a specified water quality control plan.

Position	Priority	Assigned
Watch		RHarris, Capitolo

Notes 1:

[AB 793](#)

(Frazier D) Sacramento-San Joaquin Delta: financing.

Current Text: Amended: 3/27/2017 [html](#) [pdf](#)

Status: 5/12/2017-Failed Deadline pursuant to Rule 61(a)(3). (Last location was W.,P. & W. on 3/2/2017)(May be acted upon Jan 2018)

Location: 5/12/2017-A. 2 YEAR

Summary: Would declare it to be state policy that the existing state of the Sacramento-San Joaquin Delta is recognized and defined as an integral component of California's water infrastructure. The bill would state that the maintenance and repair of the Delta are eligible for the same forms of financing as other water collection and treatment infrastructure and would specify the maintenance and repair activities that are eligible are limited to certain cleanup and abatement-related restoration and conservation activities.

Position	Priority	Assigned
Watch		RHarris, Capitolo

Notes 1:

[AB 869](#)

(Rubio D) Sustainable water use and demand reduction: recycled water.

Current Text: Amended: 8/24/2017 [html](#) [pdf](#)

Status: 9/1/2017-Failed Deadline pursuant to Rule 61(a)(12). (Last location was N.R. & W. on 8/24/2017)(May be acted upon Jan 2018)

Location: 9/1/2017-S. 2 YEAR

Summary: Current law imposes various water use reduction requirements that apply to urban retail water suppliers, including a requirement that the state achieve a 20% reduction in urban per capita water use by December 31, 2020. This bill would require long-term standards for urban water conservation and water use to include a credit for recycled water, as specified.

Position	Priority	Assigned
Sponsored		RHarris, Capitolo

Notes 1:

[AB 884](#)

(Levine D) Dams and reservoirs: inspections.

Current Text: Amended: 3/21/2017 [html](#) [pdf](#)

Status: 5/26/2017-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/3/2017)(May be acted upon Jan 2018)

Location: 5/26/2017-A. 2 YEAR

Summary: Current law requires the Department of Water Resources, from time to time, to make inspections of dams and reservoirs at state expense for the purpose of determining their safety. This bill would require the department instead to make annual physical inspections.

Position	Priority	Assigned
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Notes 1:

[AB 885](#)

(Rubio D) Pupil health: drinking water: lead.

Current Text: Amended: 4/27/2017 [html](#) [pdf](#)

Status: 5/26/2017-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/17/2017)(May be acted upon Jan 2018)

Location: 5/26/2017-A. 2 YEAR

Summary: Would require a community water system, as defined, to test, on or before July 1, 2019, and every year thereafter, for the presence of lead at a sample of water outlets used for drinking or cooking at each school, defined to include a public elementary school, a public secondary school, a public preschool located on public school property, and a public day care facility located on public school property, constructed before January 1, 1993, within the boundaries of the community water system.

Position	Priority	Assigned
Watch		RHarris, Capitolo

Notes 1: 3/2/17 - This bill would require a public or private school to ensure that drinking water provided at the school meets the United States Environmental Protection Agency (U.S. EPA) drinking water standards for lead. The bill would require a public or private school, on or before February 1, 2018, to request water quality testing, including testing for lead, from the State Water Resources Control Board (State Water Board). The bill would require the State Water Board to perform or provide for the performance of the requested testing on or before November 1, 2019. If this testing reveals that a school has drinking water that does not meet the U.S. EPA's drinking water standards for lead, the bill would require the school, contingent upon the school receiving a grant or other external source of funding, to replace any water pipes that are contributing to exposure to lead.

[AB 892](#)

(Waldron R) Municipal water districts: water service: Indian tribes.

Current Text: Amended: 3/23/2017 [html](#) [pdf](#)

Status: 5/12/2017-Failed Deadline pursuant to Rule 61(a)(3). (Last location was L. GOV. on 3/23/2017)(May be acted upon Jan 2018)

Location: 5/12/2017-A. 2 YEAR

Summary: Current law, upon the request of certain Indian tribes and the satisfaction of certain conditions, requires a district to provide service of water at substantially the same terms applicable to the customers of the district to the Indian tribe's lands that are not within a district, as prescribed. This bill would authorize, rather than require, a district to provide this service of water. The bill would apply this authorization to all Indian tribes whose lands are owned by the tribe.

Position	Priority	Assigned
Watch		RHarris, Capitolo

Notes 1:

[AB 968](#)

(Rubio D) Urban water use: water efficiency.

Current Text: Amended: 4/17/2017 [html](#) [pdf](#)

Status: 5/26/2017-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/10/2017)(May be acted upon Jan 2018)

Location: 5/26/2017-A. 2 YEAR

Summary: Would require each urban retail water supplier to develop a water efficiency target, as defined, for 2025 in its 2020 urban water management plan required to be submitted by July 1, 2021, and to achieve that target. The bill would authorize an urban retail water supplier to adjust and update the water efficiency target, as appropriate, when the supplier reports its compliance in achieving the water efficiency targets and its implementation of the identified performance measures in its 2025 urban water management plan required to be submitted by July 1, 2026. The bill would require each urban retail water supplier to meet its adjusted 2025 water efficiency target by December 31, 2025, unless the supplier makes a certain report to the department.

Position	Priority	Assigned
Support		RHarris, Capitolo

Notes 1:

[AB 1000](#)

(Friedman D) Water conveyance: use of facility with unused capacity.

Current Text: Amended: 7/3/2017 [html](#) [pdf](#)

Status: 9/1/2017-Failed Deadline pursuant to Rule 61(a)(12). (Last location was APPR. SUSPENSE FILE on 8/28/2017)(May be acted upon Jan 2018)

Location: 9/1/2017-S. 2 YEAR

Summary: Current law prohibits the state or a regional or local public agency from denying a bona fide transferor of water from using a water conveyance facility that has unused capacity for the period of time for which that capacity is available, if fair compensation is paid for that use and other requirements are met. This bill would, notwithstanding that provision, prohibit a transferor of water from using a water conveyance facility that has unused capacity to transfer water from a groundwater basin underlying desert lands, as defined, that is in the vicinity of specified federal lands or state lands to outside of the groundwater basin unless the State Lands Commission, in consultation with the Department of Fish and Wildlife, finds that the transfer of the water will not adversely affect the natural or cultural resources of those federal and state lands.

Position	Priority	Assigned
Watch		RHarris, Capitolo

Notes 1:

[AB 1030](#)

(Ting D) Energy storage systems.

Current Text: Amended: 3/30/2017 [html](#) [pdf](#)

Status: 4/28/2017-Failed Deadline pursuant to Rule 61(a)(2). (Last location was L. & E. on 3/9/2017)(May be acted upon Jan 2018)

Location: 4/28/2017-A. 2 YEAR

Summary: Would establish 4 energy policy goals of the state with respect to energy storage and would require the PUC, on behalf of electrical corporations, and require the governing board, on behalf of a local publicly owned electric utility, to undertake

specified actions with respect to customer- and load-sited energy storage systems in order to achieve those energy policy goals, including a rebate program dedicated to energy storage that carves out a portion of funding for low-income customers and disadvantaged communities.

Position	Priority	Assigned
Watch		RHarris, Capitolo

Notes 1:

[AB 1075](#)

(Reyes D) Water rights: temporary permits: expiration.

Current Text: Amended: 3/21/2017 [html](#) [pdf](#)

Status: 4/28/2017-Failed Deadline pursuant to Rule 61(a)(2). (Last location was W.,P. & W. on 3/20/2017)(May be acted upon Jan 2018)

Location: 4/28/2017-A. 2 YEAR

Summary: Current law allows a person to apply for, and the State Water Resources Control Board to issue, a temporary permit for diversion and use of water, subject to certain restrictions. Existing law allows a permittee or licensee who has an urgent need to change a point of diversion, place of use, or purpose of use to petition for, and the board to issue, a temporary permit, subject to certain restrictions. Current law provides that the authorization for a temporary permit automatically expires 180 days after the authorization takes effect, unless an earlier date is specified or the temporary permit is revoked. This bill would extend the time period for the automatic expiration of a temporary permit to 240 days.

Position	Priority	Assigned
Watch		RHarris, Capitolo

Notes 1:

[AB 1211](#)

(Dahle R) State policy for water quality control.

Current Text: Introduced: 2/17/2017 [html](#) [pdf](#)

Status: 5/12/2017-Failed Deadline pursuant to Rule 61(a)(3). (Last location was PRINT on 2/17/2017)(May be acted upon Jan 2018)

Location: 5/12/2017-A. 2 YEAR

Summary: Under current law, the Porter-Cologne Water Quality Control Act, the state policy for water quality control is required to consist of water quality principles and guidelines for long-range resource planning, water quality objectives, and other principles and guidelines deemed essential by the State Water Resources Control Board for water quality control. This bill would make technical, nonsubstantive changes to that provision.

Position	Priority	Assigned
Watch		RHarris, Capitolo

Notes 1:

[AB 1273](#)

(Gallagher R) California Environmental Quality Act: exemption: levee repairs.

Current Text: Amended: 5/2/2017 [html](#) [pdf](#)

Status: 7/14/2017-Failed Deadline pursuant to Rule 61(a)(10). (Last location was N.R. & W. on 7/6/2017)(May be acted upon Jan 2018)

Location: 7/14/2017-S. 2 YEAR

Summary: Would, until July 1, 2023, exempt from the requirements of CEQA repairs of critical levees of the State Plan of Flood Control within an existing levee footprint to meet standards of public health and safety, except as otherwise provided in a specified regulation. The bill would require the lead agency to take certain actions regarding the repairs. This bill contains other existing laws.

Position	Priority	Assigned
Watch		RHarris, Capitolo

Notes 1:

[AB 1323](#)

(Weber D) Sustainable water use and demand reduction: stakeholder workgroup.

Current Text: Amended: 5/30/2017 [html](#) [pdf](#)

Status: 9/1/2017-Failed Deadline pursuant to Rule 61(a)(12). (Last location was APPR. SUSPENSE FILE on 8/21/2017)(May be acted upon Jan 2018)

Location: 9/1/2017-S. 2 YEAR

Summary: Would, with a specified exception, require the Department of Water Resources to convene a stakeholder workgroup with prescribed representatives invited to participate, including, among others, representatives of the department and the State Water Resources Control Board, no later than February 1, 2019. The bill would require the stakeholder workgroup to develop, evaluate, and recommend proposals for establishing new water use targets for urban water suppliers and to examine and report to the Governor and the Legislature by December 31, 2019, as specified.

Position	Priority	Assigned
Support		RHarris, Capitolo

Notes 1:

[AB 1369](#)

(Gray D) Water quality and storage.

Current Text: Introduced: 2/17/2017 [html](#) [pdf](#)

Status: 4/28/2017-Failed Deadline pursuant to Rule 61(a)(2). (Last location was W.,P. & W. on 3/27/2017)(May be acted upon Jan 2018)

Location: 4/28/2017-A. 2 YEAR

Summary: Current law requires all moneys, except for fines and penalties, collected by the State Air Resources Board from the auction or sale of allowances as part of a market-based compliance mechanism relative to reduction of greenhouse gas emissions to be deposited in the Greenhouse Gas Reduction Fund. This bill would require the Department of Water Resources to increase statewide water storage capacity by 25% by January 1, 2025, and 50% by January 1, 2050, as specified.

Position	Priority	Assigned
Watch		RHarris, Capitolo

Notes 1:

[AB 1427](#)

(Eggman D) Water: underground storage.

Current Text: Amended: 3/21/2017 [html](#) [pdf](#)

Status: 5/26/2017-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/3/2017)(May be acted upon Jan 2018)

Location: 5/26/2017-A. 2 YEAR

Summary: Current law provides for the reversion of water rights to which a person is entitled when the person fails to beneficially use the water for a period of 5 years. Current law declares that the storing of water underground, and related diversions for that purpose, constitute a beneficial use of water if the stored water is thereafter applied to the beneficial purposes for which the appropriation for storage was made. This bill would revise the above declaration to additionally provide that certain uses of stored water while underground constitute beneficial use.

Position	Priority	Assigned
		RHarris, Capitolo

Notes 1:

[AB 1481](#)

(Nazarian D) Water: public use.

Current Text: Introduced: 2/17/2017 [html](#) [pdf](#)

Status: 5/12/2017-Failed Deadline pursuant to Rule 61(a)(3). (Last location was PRINT on 2/17/2017)(May be acted upon Jan 2018)

Location: 5/12/2017-A. 2 YEAR

Summary: Current law declares that all water within the state is the property of the people of the state, but the right to the use of the water may be acquired by appropriation in the manner provided by law. This bill would make nonsubstantive changes to that provision.

Position	Priority	Assigned
Watch		RHarris, Capitolo

Notes 1:

[AB 1490](#)

(Gray D) State Water Resources Control Board: school drinking water.

Current Text: Amended: 4/17/2017 [html](#) [pdf](#)

Status: 5/26/2017-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/24/2017)(May be acted upon Jan 2018)

Location: 5/26/2017-A. 2 YEAR

Summary: Would require the State Water Resources Control Board, no later than July 1, 2018, to prepare and submit to the Legislature a report evaluating potential adverse impacts resulting from the implementation of the Bay-Delta Water Quality Control Plan on the quality and supply of drinking water provided to schools in disadvantaged communities, as defined, in the state, including a summary describing any measures that may be implemented to address any adverse impacts identified in the report.

Position	Priority	Assigned
Watch		RHarris, Capitolo

Notes 1:

[AB 1543](#)

(Gloria D) Municipal water districts: bonds.

Current Text: Introduced: 2/17/2017 [html](#) [pdf](#)

Status: 5/12/2017-Failed Deadline pursuant to Rule 61(a)(3). (Last location was PRINT on 2/17/2017)(May be acted upon Jan 2018)

Location: 5/12/2017-A. 2 YEAR

Summary: Current law authorizes a municipal water district to issue bonds for the purpose of providing money required to be paid to any district or authority organized under the Metropolitan Water District Act or the County Water Authority Act for a certain purpose, and specifies that the amount of those bonds may include the expenses of all proceedings for the authorization, issuance, and sale of the bonds. This bill would make nonsubstantive changes in that provision.

Position	Priority	Assigned
Watch		RHarris, Capitolo

Notes 1:

[AB 1562](#)

(Garcia, Eduardo D) Sustainable Groundwater Management Act: Desert Water Agency: Coachella Valley Groundwater Basin.

Current Text: Amended: 3/28/2017 [html](#) [pdf](#)

Status: 4/28/2017-Failed Deadline pursuant to Rule 61(a)(2). (Last location was L. GOV. on 3/27/2017)(May be acted upon Jan 2018)

Location: 4/28/2017-A. 2 YEAR

Summary: Would, on or before January 1, 2020, require the Desert Water Agency to determine the feasibility of forming a joint powers agreement with specified entities for the purpose of managing the Coachella Valley Groundwater Basin and to report its findings to certain entities. By imposing additional duties on local officials, this bill would create a state-mandated local program.

Position	Priority	Assigned
Watch		RHarris, Capitolo

Notes 1:

[AB 1605](#)

(Caballero D) Maximum contaminant level: nitrate: replacement water.

Current Text: Amended: 4/27/2017 [html](#) [pdf](#)

Status: 5/26/2017-Failed Deadline pursuant to Rule 61(a)(5). (Last location was JUD. on 5/1/2017)(May be acted upon Jan 2018)

Location: 5/26/2017-A. 2 YEAR

Summary: The California Safe Drinking Water Act, requires the state board to administer provisions relating to the regulation of drinking water to protect public health and vests with the state board specified responsibilities. This bill would prohibit a person or entity providing replacement water, as defined, to address drinking water that exceeds the maximum contaminant level for nitrate in groundwater from being deemed to have caused pollution or a nuisance, or from being liable for negligence or trespass, if certain conditions are met.

Position	Priority	Assigned
Watch		RHarris, Capitolo

Notes 1:

[AB 1628](#)

(Grayson D) Public works: independent contractors.

Current Text: Introduced: 2/17/2017 [html](#) [pdf](#)

Status: 5/12/2017-Failed Deadline pursuant to Rule 61(a)(3). (Last location was PRINT on 2/17/2017)(May be acted upon Jan 2018)

Location: 5/12/2017-A. 2 YEAR

Summary: Would declare the intent of the Legislature to enact legislation that would prohibit the use of independent contractors on public works projects.

Position	Priority	Assigned
Watch		RHarris, Capitolo

Notes 1:

[AB 1654](#)

(Rubio D) Water conservation.

Current Text: Amended: 7/12/2017 [html](#) [pdf](#)

Status: 7/21/2017-Failed Deadline pursuant to Rule 61(a)(11). (Last location was RLS. on 7/17/2017)(May be acted upon Jan 2018)

Location: 7/21/2017-S. 2 YEAR

Summary: Would state the intent of the Legislature to enact legislation necessary to help make water conservation a California way of life.

Position	Priority	Assigned
Recommend Support		RHarris, Capitolo

Notes 1:

[AB 1667](#)

(Friedman D) Water management planning.

Current Text: Amended: 7/3/2017 [html](#) [pdf](#)

Status: 7/14/2017-Failed Deadline pursuant to Rule 61(a)(10). (Last location was N.R. & W. on 7/11/2017)(May be acted upon Jan 2018)

Location: 7/14/2017-S. 2 YEAR

Summary: Would require the State Water Resources Control Board, in consultation with the Department of Water Resources, to adopt long-term standards for urban water conservation and water use on or before May 20, 2021. The bill would also require the board, in consultation with the department, to adopt performance measures for commercial, industrial, and institutional water use on or before that date.

Position	Priority	Assigned
Watch		RHarris, Capitolo

Notes 1:

[AB 1669](#)

(Friedman D) Urban water conservation standards and use reporting.

Current Text: Amended: 4/18/2017 [html](#) [pdf](#)

Status: 5/26/2017-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/10/2017)(May be acted upon Jan 2018)

Location: 5/26/2017-A. 2 YEAR

Summary: Would require the State Water Resources Control Board, in consultation with the Department of Water Resources, to adopt long-term standards for urban water conservation and water use by May 20, 2021. The bill would authorize the board, in consultation with the department, to adopt interim standards for urban water conservation and water use by emergency regulation. The bill would require the board, before adopting an emergency regulation, to provide at least 60 days for the public to review and comment on the proposed regulation and would require the board to hold a public hearing.

Position	Priority	Assigned
Recommend		RHarris,
Oppose		Capitolo

Notes 1:

[AB 1673](#)

(Aguiar-Curry D) The California Water Plan.

Current Text: Introduced: 2/17/2017 [html](#) [pdf](#)

Status: 5/12/2017-Failed Deadline pursuant to Rule 61(a)(3). (Last location was PRINT on 2/17/2017)(May be acted upon Jan 2018)

Location: 5/12/2017-A. 2 YEAR

Summary: Current law requires the Department of Water Resources to update every 5 years the plan for the orderly and coordinated control, protection, conservation, development, and use of the water resources of the state, which is known as The California Water Plan. This bill would make technical, nonsubstantive changes to that requirement.

Position	Priority	Assigned
Watch		RHarris,
		Capitolo

Notes 1:

[SB 146](#)

(Wilk R) Water resources: permit to appropriate: protected species.

Current Text: Amended: 3/20/2017 [html](#) [pdf](#)

Status: 4/28/2017-Failed Deadline pursuant to Rule 61(a)(2). (Last location was N.R. & W. on 1/26/2017)(May be acted upon Jan 2018)

Location: 4/28/2017-S. 2 YEAR

Summary: Under current law, the State Water Resources Control Board administers a water rights program pursuant to which the board grants permits and licenses to appropriate water. Current law prohibits the taking or possession of a fully protected fish, except as provided, and designates the unarmored threespine stickleback as a fully protected fish. This bill would prohibit the board from issuing on or after January 1, 2018, a new permit to appropriate water from any river or stream that has, or is reasonably expected to have, a population of unarmored threespine stickleback.

Position	Priority	Assigned

Watch

RHarris,
Capitolo

Notes 1: 3/2/17 - This bill would require that, if the State Water Board has not rendered a final determination on an application for a permit to appropriate water within 25 years from the date the application was filed, then the State Water Board would issue a notice and provide an opportunity for protests before rendering a final determination, with specified exceptions. These exceptions would include if the applicant is a public entity, when the application is canceled or denied, or when a notice and protest opportunity has been provided within five years prior to the State Water Board rendering a final approval. This bill would provide that it is not a limitation on the authority of the board to issue a notice or direct the applicant to issue a notice if, because of changes in the project or other circumstances, the issuance of a notice is necessary to provide a fair opportunity for interested persons to file protests or is in the public interest.

[SB 417](#)

(Berryhill R) State Water Resources Control Board.

Current Text: Introduced: 2/15/2017 [html](#) [pdf](#)

Status: 5/12/2017-Failed Deadline pursuant to Rule 61(a)(3). (Last location was RLS. on 2/15/2017)(May be acted upon Jan 2018)

Location: 5/12/2017-S. 2 YEAR

Summary: Current law declares that to provide for the orderly and efficient administration of the water resources in the state, it is necessary to establish the State Water Resources Control Board to exercise the adjudicatory and regulatory functions of the state in the field of water resources. Existing law declares the intent of the Legislature to combine the water rights, water quality, and drinking water functions of the state government to provide for coordinated consideration of water rights, water quality, and safe and reliable drinking water. This bill would make nonsubstantive changes to these declarations.

Position	Priority	Assigned
Watch		RHarris, Capitolo

Notes 1:

[SB 589](#)

(Hernandez D) Municipal separate storm sewer systems: financial capability analysis: pilot project.

Current Text: Amended: 4/26/2017 [html](#) [pdf](#)

Status: 5/26/2017-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/25/2017)(May be acted upon Jan 2018)

Location: 5/26/2017-S. 2 YEAR

Summary: Current law requires the State Water Resources Control Board or the regional boards to issue waste discharge requirements that apply and ensure compliance with the federal Clean Water Act and any more stringent effluent standards or limitations necessary to implement water quality control plans, or for the protection of beneficial uses, or to prevent nuisance. This bill would require the state board, in conjunction with an educational institution, to establish financial capability assessment guidelines for municipal separate storm sewer system permittees by an unspecified date.

Position	Priority	Assigned
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Watch

RHarris,
Capitolo

Notes 1:

[SB 633](#)

(Portantino D) Water quality objectives: stormwater.

Current Text: Amended: 4/26/2017 [html](#) [pdf](#)

Status: 5/26/2017-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/25/2017)(May be acted upon Jan 2018)

Location: 5/26/2017-S. 2 YEAR

Summary: Would require a regional board preparing a water quality control plan for a region having a population in excess of 10 million residents to additionally consider opportunities to convey stormwater to a regional site within the watershed in which the stormwater originated for capture and infiltration and to consider the opportunity for stormwater capture when determining past and probable future beneficial uses of water, as specified. This bill contains other related provisions.

Position	Priority	Assigned
Watch		RHarris, Capitolo

Notes 1:

[SB 657](#)

(Bates R) California Public Records Act: reverse public records actions.

Current Text: Introduced: 2/17/2017 [html](#) [pdf](#)

Status: 4/28/2017-Failed Deadline pursuant to Rule 61(a)(2). (Last location was JUD. on 3/9/2017)(May be acted upon Jan 2018)

Location: 4/28/2017-S. 2 YEAR

Summary: Would require a court in a reverse public records action to apply the provisions of the California Public Records Act as if the action had been initiated by a person requesting disclosure of a public record. This bill would require the requestor, as defined, to be named as a real party of interest in a reverse public records action, and would require a court to allow the requestor, at his or her request, to be heard on the merits of the reverse public records action.

Position	Priority	Assigned
Watch		RHarris, Capitolo

Notes 1:

[SB 740](#)

(Wiener D) Onsite treated water.

Current Text: Amended: 4/26/2017 [html](#) [pdf](#)

Status: 5/26/2017-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/25/2017)(May be acted upon Jan 2018)

Location: 5/26/2017-S. 2 YEAR

Summary: Would, on or before December 1, 2018, require the State Water Resources Control Board, in consultation with other state agencies, to adopt regulations, consistent with federal and state law in effect on January 1, 2018, to provide comprehensive risk-based standards for local jurisdictions permitting programs for onsite recycling of water

in multifamily residential, commercial, and mixed-use buildings for nonpotable use. The bill would require the regulations to address specified issues and practices relating to the management, monitoring, and treatment of recycled water for nonpotable use.

Position	Priority	Assigned
Watch		RHarris, Capitolo

Notes 1:

[SB 778](#)

(Hertzberg D) Water systems: consolidations: administrative and managerial services.

Current Text: Amended: 7/13/2017 [html](#) [pdf](#)

Status: 9/1/2017-Failed Deadline pursuant to Rule 61(a)(12). (Last location was APPR. on 8/23/2017)(May be acted upon Jan 2018)

Location: 9/1/2017-A. 2 YEAR

Summary: Would require, on or before March 1, 2018, and regularly thereafter, as specified, the State Water Resources Control Board to track and publish on its Internet Web site an analysis of all voluntary and ordered consolidations of water systems that have occurred on or after July 1, 2014. The bill would require the published information to include the resulting outcomes of the consolidations and whether the consolidations have succeeded or failed in providing an adequate supply of safe drinking water to the communities served by the consolidated water systems.

Position	Priority	Assigned
Watch		RHarris, Capitolo

Notes 1: 3/2/17 - This bill would declare the intent of the Legislature to enact subsequent legislation that would impose a charge, moneys from which would assist the state in providing safe drinking water to the residents of California. The current language in SB 778 is a placeholder for a major proposal on drinking water funding that the environmental justice community and others are developing. There are two major topics currently being discussed: 1) the operation and maintenance (O&M) costs for drinking water treatment in certain disadvantaged communities (DACs); and 2) drinking water affordability. This bill will likely address the funding source(s) for one or both of these topics.

[SB 780](#)

(Wiener D) Water Conservation in Landscaping Act.

Current Text: Amended: 4/4/2017 [html](#) [pdf](#)

Status: 5/26/2017-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/25/2017)(May be acted upon Jan 2018)

Location: 5/26/2017-S. 2 YEAR

Summary: Would authorize the Department of Resources Recycling and Recovery to promote the application of compost in urban areas of the state to assist with projects that follow the watershed approach to landscaping and, in coordination with the Department of Water Resources, to develop and implement pilot projects that support the understanding and deployment of compost to meet specified goals. The bill would also require the State Energy Resources Conservation and Development Commission, in coordination with the State Air Resources Board, to develop a greenhouse gas emissions reduction factor for new climate appropriate landscapes, as provided.

Position	Priority	Assigned
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Watch

RHarris,
Capitolo

Notes 1:

[SB 804](#)

([Morrell](#) R) Public records.

Current Text: Introduced: 2/17/2017 [html](#) [pdf](#)

Status: 5/12/2017-Failed Deadline pursuant to Rule 61(a)(3). (Last location was RLS. on 2/17/2017)(May be acted upon Jan 2018)

Location: 5/12/2017-S. 2 YEAR

Summary: The California Public Records Act requires a local agency, as defined, to make public records available for inspection, subject to certain exceptions. This bill would state the intent of the Legislature to subsequently amend this bill to include provisions that would require the exploration and promotion of efficiencies and modernization in the storage of, and public access to, local government documents and recordings.

Position	Priority	Assigned
Watch		RHarris, Capitolo

Notes 1:

Memo

G

To: Olivenhain Municipal Water District Board of Directors

Subject: INFORMATIONAL REPORTS

LAFCO REPORT

Any report will be provided at the time of the Board meeting.

Memo

H

To: Olivenhain Municipal Water District Board of Directors

Subject: INFORMATIONAL REPORTS

TWELVE MONTH CALENDAR/OTHER MEETINGS / REPORTS

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 11/28/17)

Date(s)	Event	Time	Location	Attending Board Member(s)	Additional Information (Speakers' Topic, Cohosts, etc.)
<u>NOVEMBER 2017</u>					
9-Nov	SDCWA Board of Directors' Engineering & Operations Tour	10:30 AM	4677 Overland Drive, SD	Guerin, Varty	
9-Nov	APWA Monthly Luncheon	11:30 AM	Handlery Hotel, 950 Camino Del Rio North, SD	Watt	
15-Nov	Finance Committee Meeting	3:30 PM	Pacific Conference Room	Sprague, Varty	
15-Nov	GM Meeting	12:30 PM	Bentley's - 162 S Rancho Santa Fe Rd Ste C10, Encinitas	Guerin	
16-Nov	CDSA Quarterly Dinner	6:00 PM	5255 Kearny Villa Road, SD	Guerin, Varty	
27-Nov	GM Meeting	12:00 PM	Encinitas, CA	Topolovac	
27-30 Nov	ACWA Fall Conference		Anaheim Marriott Hotel	Varty, Watt	
<u>DECEMBER 2017</u>					
3-Dec	Keepin' it Rural 5K 10K run at EFRR	6:45 AM	Elfin Forest Recreational Reserve		
6-Dec	SDNEDC Business Breakfast	7:30 - 9:30 AM	CSUSM - University Student Union	Sprague, Varty, Watt	
8-Dec	Annual Employee/Board Rec. Club Dinner		Green Dragon Tavern, Carlsbad, CA	Guerin, Sprague, Topolovac, Varty, Watt	
12-Dec	CWA Legislative Roundtable	9:00-11:00 AM	4677 Overland Drive, SD	Guerin, Varty, Watt	
12-Dec	Holiday Legislative Open House	6:00 - 8:00 PM	Toyota of El Cajon, 965 Arnele Ave. El Cajon	Guerin	

Memo

To: Olivenhain Municipal Water District Board of Directors

Subject: INFORMATIONAL REPORTS

CORRESPONDENCE

Any correspondence is attached.

Board of Directors
Lawrence A. Watt, President
Christy Guerin, Vice President
Edmund K. Sprague, Treasurer
Gerald E. Varty, Secretary
Robert F. Topolovac, Director



General Manager
Kimberly A. Thorner, Esq.
General Counsel
Alfred Smith, Esq.

November 9, 2017

State Water Resources Control Board
Attn: Jeanine Townsend, Clerk of the Board
1001 I Street, 24th Floor
Sacramento, CA 95814

VIA EMAIL: commentletters@waterboards.ca.gov

RE: Comment Letter – Proposition 1 Groundwater Grant Program Funding Guidelines

Dear Ms. Townsend,

On behalf of Olivenhain Municipal Water District, I thank you for the opportunity to provide comments on the Draft Amended Proposition 1 Groundwater Grant Program Funding Guidelines. OMWD provides 84,000 customers in northern San Diego County with water, wastewater, recycled water, hydroelectric, and recreational services.

OMWD is studying the possibility of developing a local water supply through groundwater desalination in the San Dieguito Valley; this feasibility study is being conducted utilizing grant funding from the Department of Water Resources. Based on preliminary study results, OMWD anticipates moving forward with an environmental impact analysis and construction of a groundwater desalination project. The project would extract groundwater from wells located in the San Dieguito Valley Groundwater Basin and deliver it to a nearby desalination facility; the facility would use reverse osmosis technology to remove contaminants such as iron, manganese, and nitrogen, and ultimately produce at least one million gallons of water per day for uses like drinking, sanitation, and fire protection.

The macro-level benefits of such a project are increasing local supply reliability, reducing demands upon imported water sources like the Sacramento-San Joaquin Bay-Delta, and improving water quality in the groundwater basin. To accomplish these important objectives, OMWD intends to submit an application for funding through the Proposition 1 Groundwater Grant Program.

For the SWRCB to best facilitate the achievement of these objectives, please consider these additions to the funding guidelines:

- 1. Consider adding language to clarify the eligibility of funding for projects that do not currently but can serve as a source of drinking water:**
"The Water Quality, Supply, and Infrastructure Improvement Act of 2014 (commonly referred to as Proposition 1), Chapter 10 Groundwater Sustainability (Chapter 10), includes \$900 million for grants, and loans, for projects that prevent or cleanup the contamination of groundwater that serves, has served, or can serve as a source of drinking water."



1966 Olivenhain Road • Encinitas, CA 92024 • Phone 760-753-6466 • www.olivenhain.com

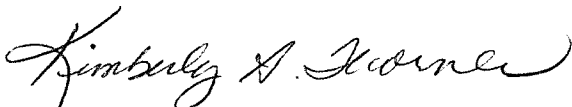


2. **Consider the ever-increasing need to develop local, sustainable water supplies while preventing and cleaning up groundwater contamination:**

“Projects that are primarily drinking water treatment projects (i.e., treatment of natural contaminants or contaminants that are not amenable to source area cleanup) will be administered through the DWSRF. Proposition 1 Groundwater Sustainability funds can be used to support the drinking water treatment project if, 1) there is a need for grant funds and there are insufficient funds through the DWSRF Drinking Water SRF to support the project or, 2) if the project demonstrates a critical funding priority by improving water quality, increasing supply reliability, reducing imported water demand, and/or managing a previously unmanaged basin.”

OMWD would like to thank SWRCB staff for its hard work in amending the funding guidelines. We look forward to submitting a competitive application. Please do not hesitate to contact me at 760-753-6466 if you have any questions or need additional information.

Sincerely,

A handwritten signature in cursive script that reads "Kimberly A. Thorner".

Kimberly A. Thorner
General Manager

November 14, 2017

Jesica Cleaver
Education and Conservation Coordinator
Olivenhain Municipal Water District
1966 Olivenhain Rd
Encinita, CA 92024

Dear Ms. Cleaver,

We are writing to thank you and the staff at the 4S Ranch Water Reclamation Facility for hosting the Mechanical Munsters FIRST Lego League team on November 2nd. The team thoroughly enjoyed sharing our research project and Lego Mindstorms robot with you. We also appreciated hearing feedback and suggestion on our project.

The Mechanical Munsters is comprised of 5th and 6th graders in the 4S Ranch area attending Monterey Ridge Elementary, Design 39 Campus, and Oak Valley Middle schools. On November 4 the team competed in a Qualifying Tournament hosted by the Poway High School robotics team. The Mechanical Munsters performed very well in all 3 judged areas of the competition including Robot Design, the Research Project, and Core Values. The team received an award for 1st Place in Core Values, and qualified to advance to the Southern California FLL Championship to be held at Legoland on December 3.

Again, we wanted to thank you for your time and hospitality. Your input to our project helped us and we are going to continue to refine our ideas as we prepare for our next tournament at Legoland.

Sincerely,

The Mechanical Munsters

Akhil Meda
Alex Zhang
Anna Zhang
Evan Yang
Kaiden Do
Luna Iwazaki
Ryan McWeeny
Stefani Ng
Coach Dave McWeeny

- Alex Zhang
- Kaiden Do

- Stefani Ng
- Luna Iwazaki

- Ryan

- Dave McWeeny

- Anna Zhang
- Evan Yang

- Akhil Meda



November 14, 2017

The Honorable Jared Huffman
 1406 Longworth House Office Building
 Washington, DC 20515

Dear Congressman Huffman:

The Alliance for Water Efficiency and the 96 undersigned signatories strongly support H.R. 448, the *Water Conservation Rebate Tax Parity Act*, and your continuing efforts to advance widespread water conservation and storm water management practices by homeowners throughout the country.

Public utilities in every state offer rebate programs to promote water conservation and storm water management, but the rebates they pay to homeowners who help are currently seen as taxable income to the recipient. This is in stark contrast to the treatment of similar energy efficiency rebates, which Congress declared non-taxable in 1992 under Section 136 of the Internal Revenue Code.

Taxing water conservation rebates acts as significant disincentive for millions of Americans willing to do their part in promoting clean waterways and conservation of our vital water resources.

Faced with growing water shortages in all parts of the country, it makes no sense to penalize citizens who spend their own money to help solve these problems.

The modest but effective change you propose in HR 448 would provide the much needed clarification that water conservation and stormwater management rebates are indeed non-taxable, just as comparable energy conservation rebates are non-taxable.

The Alliance for Water Efficiency is a stakeholder-based, non-profit organization dedicated to the efficient and sustainable use of water. Our members and supporters include regional, state and local water utilities, plumbing, appliance and irrigation manufacturers, governmental planning agencies, environmental and energy advocacy organizations, water-use experts, corporations and individuals, all of whom are working every day to promote the efficient and sustainable use of water in the United States and Canada.

We greatly appreciate your leadership in sponsoring this bipartisan legislation and stand ready to assist you in advancing this critical issue.

Sincerely,

Alliance for Water Efficiency

Chicago, IL

American Water

Sacramento, CA

Amy Vickers & Associates, Inc.

Amherst, MA

Arizona Municipal Water Users Association

Phoenix, AZ

ASSE International

Mokena, IL

Association of California Water Agencies

Sacramento, CA

Association of Professional Landscape Designers

Harrisburg, PA

Austin Water

Austin, TX

Big Bear Area Regional Wastewater Agency

Big Bear City, CA

Big Bear City Community Services District

Big Bear, CA

Big Bear Lake Department of Water

Big Bear Lake, CA

Big Bear Municipal Water District

Big Bear Lake, CA

Cahaba River Society

Birmingham, AL

California Water Service

San Jose, CA

Carpinteria Valley Water District

Carpinteria, CA

City of Durham

Durham, NC

City of Mesa

Mesa, AZ

City of Napa

Napa, CA

City of Round Rock

Round Rock, TX

City of Santa Barbara

Santa Barbara, CA

City of Santa Cruz

Santa Cruz, CA

City of Surprise

Surprise, AZ

City of Thousand Oaks

Thousand Oaks, CA

Coachella Valley Water District

Coachella, CA

Colorado WaterWise

Denver, CO

Connecticut Water

Hartford, CT

East Orange County Water District

Orange, CA

Foothill Municipal Water District

La Cañada Flintridge, CA

Global Water Works

Libertyville, IL

Greywater Action

Berkley, CA

High Performance Building Coalition

Washington, D.C.

Jurupa Community Services District

Mira Loma, CA

The IAPMO Group

Washington, D.C.

Innovative Water Solutions, LLC

Austin, TX

Las Virgenes Municipal Water District

Calabasas, CA

Long Beach Water Department

Long Beach, CA

Los Angeles Department of Water and Power

Los Angeles, CA

LOTT Clean Water Alliance

Olympia, WA

Madison Water Utility

Madison, WI

ManageWater, Inc.

Redwood City, CA

Marin Municipal Water District

Corte Madera, CA

Mesa Water District

Costa Mesa, CA

Metropolitan Water District of Southern California

Los Angeles, CA

Milwaukee Metropolitan Sewerage District

Milwaukee, WI

Monterey Peninsula Water Management District

Monterey, CA

Moulton Niguel Water District

Laguna Niguel, CA

National Water Resources Association

Washington, D.C.

Natural Resources Defense Council

New York, NY

Olivenhain Municipal Water District

Encinitas, CA

Pasadena Water and Power

Pasadena, CA

Purlin, LLC

Sarasota, FL

Rancho California Water District

Temecula, CA

Regional Water Authority

Citrus Heights, CA

Regional Water Providers Consortium

Portland, OR

ReScape California

Berkeley, CA

Sacramento Suburban Water District

Sacramento, CA

San Antonio Water System

San Antonio, TX

San Diego County Water Authority

San Diego, CA

San Francisco Public Utilities Commission

San Francisco, CA

San Juan Water

Granite Bay, CA

Seattle Public Utilities

Seattle, WA

Sonoma County Water Agency

Santa Rosa, CA

Texas Water Foundation

Austin, TX

Tucson Water

Tucson, AZ

Valencia Water Company

Valencia, CA

WaterNow Alliance

San Francisco, CA

Water Supply Citizens Advisory Committee

Belchertown, MA

Western Municipal Water District

Riverside, CA

Kyla N. Allen

Council Member, City of Cottonwood
Cottonwood, AZ

Matthew Appelbaum

Councilmember, City of Boulder
Boulder, CO

John Ballew

Chair, Utilities Commission, City of Durango
Durango, CO

Frank L. Blanco

Water District Director, Apache Junction
Water District
Apache Junction, AZ

Jerry Brown

General Mgr., Contra Costa Water Dist.
Concord, CA

Marshall P. Brown

Director, Aurora Water
Aurora, CO

Larry Dick

Director, Municipal Water District of Orange
Orange, CA

Ron Doba

Executive Director, Northern Arizona
Municipal Water Users Association
Phoenix, AZ

David Edwards

Mayor Pro Tem, Town of Palisade
Palisade, CO

Bette Erickson

Councilmember, City and County of
Broomfield
Broomfield, CO

Cindi Fowler

City Council, Louisville
Louisville, KY

Bill Green

Director, South Coast Water District
Laguna Beach, CA

Kathleen S. Holian

Former County Commissioner, Santa Fe
County
Santa Fe, NM

Gerry Horak

Mayor Pro Tem, City of Fort Collins
Fort Collins, CO

Philip F. Johnson

Director of Public Works, City of Cortez
Cortez, CO

Stephen Jordan

Board Member & Vice President, Purissima
Hills Water District
Los Altos Hills, CA

R. Michael Kasperzak, Jr.

Former Mayor, City of Mountain View
Mountain View, CA

Martin Koller

Former Board Member, Alameda County
Water District
Fremont, CA

Lauren Kuby

Councilmember, City of Tempe
Tempe, AZ

Travis J. Lingenfeller

City Councilman, City of Kingman
Kingman, AZ

Joseph M. Maestas

City Councilor, City of Santa Fe
Santa Fe, NM

Cynthia Pratt

Deputy Mayor, City of Lacey
Lacey, WA

Kevin Rapp

City Councilman
Salt Lake City, UT

Jill Ryan

Chairman, Eagle County Commissioners
Eagle, CO

Esequiel Salas

Councilman, Village of Columbus
Columbus, NM

Leslie Schuler

City Council, City of Greenwood Village
Greenwood Village, CO

Shakti

City Councilor, City of Lakewood
Lakewood, CO

John Weed

President, board of Directors, Alameda
County Water District
Fremont, CA

Matthew Zucca

Board Member, Mid-Peninsula Water
District
Belmont, CA



November 14, 2017

The Honorable Diane Feinstein
 331 Hart Senate Office Building
 Washington, D.C. 20510

Dear Senator Feinstein:

The Alliance for Water Efficiency and the 96 undersigned signatories strongly support S. 1464, the *Water Conservation Tax Parity Act*, and your continuing efforts to advance widespread water conservation and storm water management practices by homeowners throughout the country.

Public utilities in every state offer rebate programs to promote water conservation and storm water management, but the rebates they pay to homeowners who help are currently seen as taxable income to the recipient. This is in stark contrast to the treatment of similar energy efficiency rebates, which Congress declared non-taxable in 1992 under Section 136 of the Internal Revenue Code.

Taxing water conservation rebates acts as significant disincentive for millions of Americans willing to do their part in promoting clean waterways and conservation of our vital water resources.

Faced with growing water shortages in all parts of the country, it makes no sense to penalize citizens who spend their own money to help solve these problems.

The modest but effective change you propose in S 1464 would provide the much needed clarification that water conservation and stormwater management rebates are indeed non-taxable, just as comparable energy conservation rebates are non-taxable.

The Alliance for Water Efficiency is a stakeholder-based, non-profit organization dedicated to the efficient and sustainable use of water. Our members and supporters include regional, state and local water utilities, plumbing, appliance and irrigation manufacturers, governmental planning agencies, environmental and energy advocacy organizations, water-use experts, corporations and individuals, all of whom are working every day to promote the efficient and sustainable use of water in the United States and Canada.

We greatly appreciate your leadership in sponsoring this bipartisan legislation and stand ready to assist you in advancing this critical issue.

Sincerely,

Alliance for Water Efficiency

Chicago, IL

American Water

Sacramento, CA

Amy Vickers & Associates, Inc.

Amherst, MA

Arizona Municipal Water Users Association

Phoenix, AZ

ASSE International

Mokena, IL

Association of California Water Agencies

Sacramento, CA

Association of Professional Landscape Designers

Harrisburg, PA

Austin Water

Austin, TX

Big Bear Area Regional Wastewater Agency

Big Bear City, CA

Big Bear City Community Services District

Big Bear, CA

Big Bear Lake, Department of Water

Big Bear Lake, CA

Big Bear Municipal Water District

Big Bear Lake, CA

Cahaba River Society

Birmingham, AL

California Water Service

San Jose, CA

Carpinteria Valley Water District

Carpinteria, CA

City of Durham

Durham, NC

City of Mesa

Mesa, AZ

City of Napa

Napa, CA

City of Round Rock

Round Rock, TX

City of Santa Barbara

Santa Barbara, CA

City of Santa Cruz

Santa Cruz, CA

City of Surprise

Surprise, AZ

City of Thousand Oaks

Thousand Oaks, CA

Coachella Valley Water District

Coachella, CA

Colorado WaterWise

Denver, CO

Connecticut Water

Hartford, CT

East Orange County Water District

Orange, CA

Foothill Municipal Water District

La Cañada Flintridge, CA

Global Water Works

Libertyville, IL

Greywater Action

Berkley, CA

High Performance Building Coalition

Washington, D.C.

Jurupa Community Services District

Mira Loma, CA

The IAPMO Group

Washington, D.C.

Innovative Water Solutions, LLC

Austin, TX

Las Virgenes Municipal Water District

Calabasas, CA

Long Beach Water Department

Long Beach, CA

Los Angeles Department of Water and Power

Los Angeles, CA

LOTT Clean Water Alliance

Olympia, WA

Madison Water Utility

Madison, WI

ManageWater, Inc.

Redwood City, CA

Marin Municipal Water District

Corte Madera, CA

Mesa Water District

Costa Mesa, CA

Metropolitan Water District of Southern California

Los Angeles, CA

Milwaukee Metropolitan Sewerage District

Milwaukee, WI

Monterey Peninsula Water Management District

Monterey, CA

Moulton Niguel Water District

Laguna Niguel, CA

National Water Resources Association

Washington, D.C.

Natural Resources Defense Council

New York, NY

Olivenhain Municipal Water District

Encinitas, CA

Pasadena Water and Power

Pasadena, CA

Purlin, LLC

Sarasota, FL

Rancho California Water District

Temecula, CA

Regional Water Authority

Citrus Heights, CA

Regional Water Providers Consortium

Portland, OR

ReScape California

Berkeley, CA

Sacramento Suburban Water District

Sacramento, CA

San Antonio Water System

San Antonio, TX

San Diego County Water Authority

San Diego, CA

San Francisco Public Utilities Commission

San Francisco, CA

San Juan Water

Granite Bay, CA

Seattle Public Utilities

Seattle, WA

Sonoma County Water Agency

Santa Rosa, CA

Texas Water Foundation

Austin, TX

Tucson Water

Tucson, AZ

Valencia Water Company

Valencia, CA

WaterNow Alliance

San Francisco, CA

Water Supply Citizens Advisory Committee

Belchertown, MA

Western Municipal Water District

Riverside, CA

Kyla N. Allen

Council Member, City of Cottonwood

Cottonwood, AZ

Matthew Appelbaum

Councilmember, City of Boulder

Boulder, CO

John Ballew

Chair, Utilities Commission, City of Durango

Durango, CO

Frank L. Blanco

Water District Director, Apache Junction

Water District

Apache Junction, AZ

Jerry Brown

General Mgr., Contra Costa Water Dist.

Concord, CA

Marshall P. Brown

Director, Aurora Water

Aurora, CO

Larry Dick

Director, Municipal Water District of Orange

Orange, CA

Ron Doba

Executive Director, Northern Arizona

Municipal Water Users Association

Phoenix, AZ

David Edwards

Mayor Pro Tem, Town of Palisade

Palisade, CO

Bette Erickson

Councilmember, City and County of

Broomfield

Broomfield, CO

Cindi Fowler

City Council, Louisville

Louisville, KY

Bill Green

Director, South Coast Water District

Laguna Beach, CA

Kathleen S. Holian

Former County Commissioner, Santa Fe

County

Santa Fe, NM

Gerry Horak

Mayor Pro Tem, City of Fort Collins

Fort Collins, CO

Philip F. Johnson

Director of Public Works, City of Cortez
Cortez, CO

Stephen Jordan

Board Member & Vice President, Purissima
Hills Water District
Los Altos Hills, CA

R. Michael Kasperzak, Jr.

Former Mayor, City of Mountain View
Mountain View, CA

Martin Koller

Former Board Member, Alameda County
Water District
Fremont, CA

Lauren Kuby

Councilmember, City of Tempe
Tempe, AZ

Travis J. Lingenfeller

City Councilman, City of Kingman
Kingman, AZ

Joseph M. Maestas

City Councilor, City of Santa Fe
Santa Fe, NM

Cynthia Pratt

Deputy Mayor, City of Lacey
Lacey, WA

Kevin Rapp

City Councilman
Salt Lake City, UT

Jill Ryan

Chairman, Eagle County Commissioners
Eagle, CO

Esequiel Salas

Councilman, Village of Columbus
Columbus, NM

Leslie Schuler

City Council, City of Greenwood Village
Greenwood Village, CO

Shakti

City Councilor, City of Lakewood
Lakewood, CO

John Weed

President, board of Directors, Alameda
County Water District
Fremont, CA

Matthew Zucca

Board Member, Mid-Peninsula Water District
Belmont, CA

Dear Jessica and the staff at the 45 Ranch Water
Reclamation Facility,

Thank you so much for the informational
behind-the-scenes tour of your facility. It helped
our Junior First Lego League team of 2nd grade girls
from Design 39 Camps to really visualize and understand
the details of what they've been studying regarding
the sources of water for this year's theme "Aqua Adventure". A
big thank you to our tour guides Gabriel and Jimmy, who were so
helpful in answering questions and so patient with the young kids in our group.
Thank you so much! Sincerely, Cheli & Bill Hanley, May Linx Team Girl Power



Memo

To: Olivenhain Municipal Water District Board of Directors

Subject: AUTHORIZATION TO ATTEND UPCOMING MEETINGS /
CONFERENCES / SEMINARS

The Board may desire to attend a meeting that requires Board approval.

Memo

To: Olivenhain Municipal Water District Board of Directors

Subject: FUTURE AGENDA ITEMS

The Board may have items to be considered at a Future Board meeting.

Memo

To: Olivenhain Municipal Water District Board of Directors

Subject: CONSIDER PUBLIC COMMENTS

There may be public comments before the Board meeting is adjourned.

Memo

To: Olivenhain Municipal Water District Board of Directors

Subject: ADJOURNMENT

We are adjourned.