AMENDED NOTICE OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE OLIVENHAIN MUNICIPAL WATER DISTRICT 1966 Olivenhain Road, Encinitas, CA 92024 Tel: (760) 753-6466 • Fax: (760) 753-5640 VIA TELECONFERENCE AND IN PERSON

Pursuant to AB3035, effective January 1, 2003, any person who requires a disability related modification or accommodation in order to participate in a public meeting shall make such a request in writing to Stephanie Kaufmann, Executive Secretary, for immediate consideration.

DATE: WEDNESDAY, DECEMBER 13, 2023

#### TIME: 4:00 P.M.

PLACE: HYBRID REGULAR MEETING VIA ZOOM AND IN-PERSON

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

For Zoom Participation:	For Zoom Call-in Only:
<u>www.zoom.us/join</u>	Call: (669) 900-9128
Meeting ID: 822 3192 9356	Meeting ID: 822 3192 9356
Passcode: 632540	Passcode: 632540

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

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

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

Olivenhain Municipal Water District Agenda – December 13, 2023 Page 2 of 4

7. PRESENTATION OF AWARDS AND HONORABLE MENTIONS

2023 Pure Excellence Award winner: Rich Riemer – Volunteer of the Year

- \* George Mileon Senior Systems Administrator 20 Years December
- \* Evan DeWindt Water Treatment Facilities Supervisor Promotion
- 8. CONSIDER APPROVAL OF THE MINUTES OF THE NOVEMBER 15, 2023, REGULAR BOARD OF DIRECTORS MEETING
- 9. CONSENT CALENDAR
  - NOTE: ANY ITEM MAY BE REMOVED FROM THE CONSENT CALENDAR FOR DISCUSSION

C-a	CONSIDER ADOPTION OF A MOTION APPROVING THE PAYMENT OF LISTED WARRANTS FROM
	THE DISTRICT'S REVOLVING AND REGULAR ACCOUNTS; LISTED TRANSFERS OF FUNDS;
	REIMBURSEMENT OF EXPENSES TO BOARD MEMBERS AND STAFF; AND MONTHLY
	INVESTMENT REPORTS
C-b	CONSIDER ADOPTION OF A MOTION APPROVING THE DISTRICT'S CONSOLIDATED STATEMENT
	OF NET POSITION, CONSOLIDATED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
	NET POSITION, CONSOLIDATED STATEMENT OF CASH FLOWS, CONSOLIDATED ACTUAL VS
	BUDGET SUMMARY, AND CONSTRUCTION IN PROGRESS REPORT
C-c	CONSIDER REVISIONS TO THE LEGISLATIVE GUIDELINES FOR 2024
C-d	CONSIDER ADOPTION OF A RESOLUTION SUPPORTING THE DISTRICT'S EMPLOYEE SAFETY AND
	WELLNESS PROGRAMS
C-e	CONSIDER APPROVAL OF ANNUAL REVISIONS TO THE DISTRICT'S RECORDS RETENTION
	SCHEDULE
C-f	CONSIDER ANNUAL REVIEW OF THE OLIVENHAIN MUNICIPAL WATER DISTRICT'S INVESTMENT
	POLICY AND APPROVE THE PROPOSED CHANGES FOR CALENDAR YEAR 2024
C-g	CONSIDER ADOPTION OF A RESOLUTION MAKING CALIFORNIA ENVIRONMENTAL QUALITY ACT
	EXEMPTION FINDINGS FOR THE VILLAGE PARK WEST AND GARDENDALE PRESSURE REDUCING
	STATION REPLACEMENT PROJECT AND AUTHORIZE A NOTICE OF EXEMPTION BE FILED WITH
	THE COUNTY CLERK, COUNTY OF SAN DIEGO
C-h	CONSIDER ADOPTION OF A RESOLUTION OF THE BOARD OF DIRECTORS OF
	THE OLIVENHAIN MUNICIPAL WATER DISTRICT HONORING TOM ARELLANO FOR OVER 20
	YEARS OF SERVICE UPON HIS RETIREMENT AS THE WATER TREATMENT FACILITIES SUPERVISOR

- 10. CONSIDER APPROVAL OF THE DISTRICT'S FISCAL YEAR 2022-2023 AUDITED FINANCIAL STATEMENTS, FISCAL YEAR 2022-2023 SINGLE AUDIT, AND ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEARS ENDED JUNE 30, 2023 AND 2022 (FINAL DRAFT)
- 11. RECEIVE ANNUAL REPORT ON THE DISTRICT'S PENSION FUNDING STATUS AND CONSIDER APPROVAL OF THE RECOMMENDED PENSION FUNDING PLAN FOR 2023
- 12. CONSIDER ANNUAL REVIEW OF RESERVES POLICY AND ADOPTION OF AN ORDINANCE AMENDING THE DISTRICT'S ADMINISTRATIVE AND ETHICS CODE (Article 16 – Non-Restricted Funds, Article 17 – Other Non-Restricted Funds and Article 18 – Restricted and Other Designated Funds)
- 13. CONSIDER ADOPTION OF AN ORDINANCE AMENDING THE OLIVENHAIN MUNICIPAL WATER DISTRICT'S ADMINISTRATIVE AND ETHICS CODE (Article 4 Classified Positions)
- 14. CONSIDER INFORMATIONAL REPORT ON WATER USE EFFICIENCY REGULATIONS
- 15. CONSIDER PRESENTATION ON ENTERPRISE ASSET MANAGEMENT WORK ORDER BACKLOG (INFORMATIONAL ITEM)
- 16. CONSIDER AWARD OF A CONTRACT WITH CCL CONTRACTING, INC. IN THE AMOUNT OF \$1,090,000 FOR THE CONSTRUCTION OF THE UNIT A RANCHO SANTA FE POTABLE WATER PIPELINE REPLACEMENT PROJECT AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF OMWD

ADJOURN TO FINANCING AUTHORITY ANNUAL MEETING

17. CONSIDER THE OMWD FINANCING AUTHORITY (JOINT POWERS AUTHORITY) BOARD MEETING (See Separate Agenda)

ADJOURN TO FINANCE CORPORATION ANNUAL MEETING

18. CONSIDER THE OMWD FINANCE CORPORATION ANNUAL MEETING (See Separate Agenda)

ADJOURN TO OMWD Board Meeting

- 19. INFORMATIONAL REPORTS
  - A. PRESIDENT
  - B. GENERAL MANAGER
  - C. CONSULTING ENGINEER
  - D. GENERAL COUNSEL
  - E. SAN DIEGO COUNTY WATER AUTHORITY REPRESENTATIVE
  - F. LEGISLATIVE
  - G. TWELVE MONTH CALENDAR / OTHER MEETINGS / REPORTS BY BOARD MEMBERS PER AB 1234
  - H. BOARD COMMENTS
- 20. CORRESPONDENCE

- 21. AUTHORIZATION TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS
- 22. FUTURE AGENDA ITEMS
- 23. CONSIDER PUBLIC COMMENTS
- 24. CLOSED SESSION
  - A) CONSIDER POTENTIAL LITIGATION ONE CASE [PURSUANT TO GOVERNMENT CODE SECTION 54956.9]
  - B) EXPOSURE TO LITIGATION ONE CASE [PURSUANT TO GOVERNMENT CODE SECTION 54956.9]
- 25. OPEN SESSION
- 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 OMWD's website.

Agenda Item C-a



# Memo

Date:	December 13, 2023
То:	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:

- November 2023 Summary of payment of listed warrants from the District's checking account and listed transfer of funds.
- November 2023 Monthly Summary of Reimbursement Expenses to Board Members and Staff.
- June, July, August, and September 2023 Monthly Investment Reports

#### Olivenhain Municipal Water District Proposed Motions for December 13, 2023 Board of Directors Meeting November 2023 Activities Consent Calendar Item # C-a

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#### Proposed Motions:

I. That the following warrants and transfers be approved:

Regular Account	Warrants - by check Warrants - by EFT	034503 EFT000000000783	to to	034691 EFT00000000853	\$	1,704,609.91 834,954.26
	ACH Payments - Payroll Wire - SDCWA - Monthly Purch ACH Payments - 2015A Bond Pa ACH Payments - 2016A Bond Pa ACH Payments - 2021A Bond Pa ACH Payments - 2021B Bond Pa	ayment ayment ayment		۲	-	2,539,564.17 215,213.14 2,714,850.20 240,000.00 200,000.00 50,000.00 20,000.00 241,885.98
Major Category of Disburseme	ents				\$ _	6,221,513.49
		ies:		\$ 1,127,368.65 733,635.14 191,071.05 262,169.71 69,845.55 7,103.45 147,364.62 1,006.00	\$	2,539,564.17
Since/ely, Rañ <del>y K. Selamat/Finan</del> c	te Manager	Total	4	\$ 2,539,564.17		

#### Olivenhain Municipal Water District Proposed Motions for December 13, 2023 Board of Directors Meeting November 2023 Activities

#### California Bank and Trust

**Regular Account** 

Warrants - by check Warrants - by EFT	034503 EFT000000000783	to to	034691 EFT00000000853	\$ 1,704,609.91 834,954.26
				2,539,564.17
11/9/2	2023 ACH Payments - Payroll			215,213.14
11/15/2	2023 Wire - SDCWA - Monthly F	ourchased W	ater Payment	2,714,850.20
11/17/2	2023 ACH Payments - 2015A Bo	nd Payment		240,000.00
11/17/2	2023 ACH Payments - 2016A Bo	nd Payment		200,000.00
11/17/2	2023 ACH Payments - 2021A Bo	nd Payment		50,000.00
11/17/2	2023 ACH Payments - 2021B Bo	nd Payment		20,000.00
11/22/2	2023 ACH Payments - Payroll			241,885.98
			Total	\$ 6,221,513.49

Approved:

For Board Consideration and Approval

Number	Date	Name	Amount	Inv Reference	Multiple Invoices?
034503	11/1/2023 Aaron Donley		34.31	Customer Refund: REF:1088947_155015	invoices?
034504	11/1/2023 Angelina Haratyk	:		Customer Refund: REF:1087896_204140	
034505	11/1/2023 AT & T		601.01	9391056158	
034506	11/1/2023 Bee Rescue LLC			LUSARDI CANYON	
034507	11/1/2023 BKM Officeworks			Purchase & Install the Desk/Worksurface for Office 113 & 114	Yes
034508 034509	11/1/2023 CA Municipal Sta 11/1/2023 DCL Enterprise Ir			DEBT SCHEDULE FOR FY23 ACFR KEYS - HQ	
034510	11/1/2023 Douglas Vander			Customer Refund: REF:1091607_159700	
034511	11/1/2023 Edco Waste & Re			25-4A 706676	
034512	11/1/2023 Eric Fetty		68.25	Customer Refund: REF:1092145_139385	
034513	11/1/2023 Justin Fichtelman	1		EDUCATION INCENTIVE	
034514	11/1/2023 Lomeli, George			EDUCATION INCENTIVE	
034515 034516	11/1/2023 Grangetto's Ag. S			PVC PARTS WWTP ODOR CNTL SCRUBBER SVC	
034517	11/1/2023 Integrity Municip 11/1/2023 Intergraph Corpo			HEXAGON EAM 23-24 SUPPORT SERVICES	Yes
034518	11/1/2023 Joel Bishop			Customer Refund: REF:1085131_186780	105
034519	11/1/2023 Mei Tian			Customer Refund: REF:1083300_178390	
034520	11/1/2023 George Mileon		200.00	20 YEAR SERVICE AWARD	
034521	11/1/2023 Pacific Pipeline S	upply	740.05	SUPPLIES	
034522	11/1/2023 Paul Martinez			REIMB FOR RECORDING FEE	Yes
034523	11/1/2023 RCP Block & Bric 11/1/2023 Rincon Consultar			AZ LARGE RIVER ROCK NSDWRC GRANT ADMIN SUPPORT	Yes
034524 034525	11/1/2023 Kincon Consultar 11/1/2023 San Diego Gas &			UTILITIES	Yes
034526	11/1/2023 Solar-Care	Liectric		OFFICE WINDOW TINTING	Yes
034527	11/1/2023 State Water Reso	ources		D2 CERT RENEWAL - J.CARNEGIE	
034528	11/1/2023 TASC			10/23 VEBA ADMIN FEES	
034529	11/1/2023 Transene Compa	ny, Inc.	309.22	WTP SUPPLIES	
034530	11/1/2023 TS Industrial Sup	ply	423.90	WTP SUPPLIES	
034531	11/1/2023 UniFirst Aid Corp			FIRST AID SUPPLIES	
034532	11/1/2023 US Bank		2,190.51		
034533 034534	11/1/2023 USA Blue Book 11/1/2023 Utility Cost Mana	agement Lic		WWTP SUPPLIES SDG&E ELECTRICITY CHARGES	
034535	11/1/2023 Utility Service Co	-		QUARTERLY TANK MAINTENANCE	Yes
034536	11/1/2023 Walters Wholesa			SUPPLIES	Yes
034537	11/1/2023 West Yost & Ass	ociates, Inc	3,828.85	Support for Manchester Recycled Water site connections	Yes
034538	11/8/2023 Alpha Mechanica	il, Inc	1,568.00	OMWD HQ SERVICES	
034539		vation & Billing Solutions, Inc.		11/23 AQUAHAWK	
034540	11/8/2023 American Messag	ging		L1-072035	
034541 034542	11/8/2023 AmeriGas 11/8/2023 Applied Hydro Sa			4S GENERATOR PROPANE TANK BILCO HINGE ASSEMBLEY	
034543	11/8/2023 AT & T	ales inc.		9391056562	
034544	11/8/2023 Bay City Electric	Works		WTP GENERATOR SERVICES	Yes
034545	11/8/2023 Bee Rescue LLC			JACKIE LANE	
034546	11/8/2023 California State D	Disbursement Unit	123.23	GARNISHMENT	
034547	11/8/2023 Carollo Engineer			DCMWTP Condition Assessment Project	Yes
034548	11/8/2023 Controlled Entry			OMWD HQ SLIDE GATE REPAIR	
034549	11/8/2023 Corning Ford Inc 11/8/2023 EcosConnect LLC			Base Vehicle Potable Water Budget	Yes
034550 034551	11/8/2023 Edos Waste & Re			9/23 BACKFLOW REPORTING 25-4A 861816	
034552	11/8/2023 Encinitas Ford	, c) cinig		PU118 SUPPLIES	Yes
034553	11/8/2023 Fallbrook Printing	g Corp		WELCOME LETTERS (QTY 240)	Yes
034554	11/8/2023 Ferguson Enterp	rises Inc. #1083	1,402.00	2" Flng X Flare Angle Stop	Yes
034555	11/8/2023 First Choice Tech	•••		13001474	Yes
034556 034557	11/8/2023 Santana, Giovanr 11/8/2023 Grangetto's Ag			ASPHALT BINDER EXPENSE REIMB SHOVELS	
034558	11/8/2023 Grangetto's Ag. 9 11/8/2023 HDR Engineering			Long Term Budgeting for Pipeline Replacements & CCTV Reviews	Yes
034559	11/8/2023 Hong Zhang			Customer Refund: REF:1037233_168330	
034560	11/8/2023 Industrial Solutio	n Services, Inc.		40% Liquid Ammonium Sulfate Annual Purchase	Yes
034561 034562	11/8/2023 Infosend 11/8/2023 J.M.D. Landscape	Inc		WATER BILL STATEMENTS SANTA FE VALLEY RSVR TREE RMVL	Yes Yes
034563	11/8/2023 Jauregui & Culve			FUEL TANK HOSE REPAIR	105
034564	11/8/2023 Line X Of Escond			FB05 SERVICES	Yes
034565 034566	11/8/2023 Pacific Star Chem 11/8/2023 Pacific Pipeline S			WTP CHEMICALS SUPPLIES	Yes
034567	11/8/2023 Parkhouse Tire Ir			D652 SERVICES	Yes
034568	11/8/2023 Patriot Environm	ental		WWTP ROLLOFF BIN DISPOSAL SVC	
034569	11/8/2023 RCP Block & Bric			DECOMPOSED GRANITE	Yes
034570 034571	11/8/2023 Republic Services 11/8/2023 Republic Services			4-4530-0333405 3-0661-1001776	
034572	11/8/2023 S D G & E	•		40000078	
034573	11/8/2023 Samba Holdings		217.19	DRIVER RECORD MONITORING	
034574	11/8/2023 San Diego Count	•		267-313-07-00	Yes
034575 034576	11/8/2023 San Diego Gas & 11/8/2023 Stilson Kent Scot			UTILITIES WIEGAND RSVR FENCE WORK	Yes Yes
034577	11/8/2023 Troy Anderson		104.85	Customer Refund: REF:1061483_207560	
034578	11/8/2023 TS Industrial Sup				Yes
034579 034580	11/8/2023 UniFirst Aid Corp 11/8/2023 USA Blue Book			FIRST AID SUPPLIES WWTP SUPPLIES	Yes
	, , ,		.,555.05		

Number	Date	Name	Amount	Inv Reference	Multiple Invoices?
034581	11/8/2023 Verizon	Connect Fleet USA, LLC	924.85	100000112726	Invoices?
034582		ost & Associates, Inc		AS NEEDED INSPECTION SERVICES	
034583		ap Construction Supply		SUPPLIES	Yes
034584 034585	11/8/2023 Hillside			SETTLEMENT AGREEMENT PAYMENT SUPPLIES	
034586	11/15/2023 America	in Backflow Specialities in Cancer Society		ERC FUNDRAISING DONATION	
034587	11/15/2023 Brax Co			Mechanical seal and misc materials	Yes
034588	11/15/2023 City Trea			620000109372	
034589	11/15/2023 City Trea			AED SERVICE AGREEMENT DYNAMICS GP 2024 SUPPORT	
034590 034591	11/15/2023 Cogsdal 11/15/2023 Corodat			OFFISTE RECORDS STORAGE	
034592	11/15/2023 Corodat			PAPER DESTRUCTION SERVICES	
034593	11/15/2023 County		1,006.00	14177 RANCHO SANTA FE FARMS	
034594	11/15/2023 CSDA Sa			11/6 DINNER - KT, MSA, NM	
034595 034596	11/15/2023 Cyber M 11/15/2023 DCL Ent	larketing Network Inc		Safety Boots KEYS - CONNEX BOX	Yes
034597		Nastewater Authority		WATER SAMPLES	Yes
034598	11/15/2023 Encinita:	s Chamber of Commerce	425.00	MEMBERSHIP DUES	
034599	11/15/2023 Encinita:			PU85 SUPPLIES	Yes
034600 034601	11/15/2023 Fallbroo			65TH ANNIVERSARY LOGO DESIGN 36x36x8 ' Pull Box	Yes
034602	11/15/2023 Granget	n Enterprises Inc. #1083 tto's Ag. Supply		WTP SUPPLIES	Tes
034603	11/15/2023 Home D			10/23 SUPPLIES	Yes
034604	11/15/2023 Industria	al Solution Services, Inc.		40% Liquid Ammonium Sulfate Annual Purchase	Yes
034605	11/15/2023 Intergra			HEXAGON EAM 23-24 HOSTED SERVICES	Yes
034606 034607	11/15/2023 Jason El 11/15/2023 Zeller, Jo	5		Customer Refund: REF:1093739_303610 SAFETY BOOT EXPENSE REIMB	
034608	11/15/2023 Line X C			PU118	Yes
034609	11/15/2023 Mark Sn			PARKS SERVICES	
034610	11/15/2023 Mission			SUPPLIES	
034611	11/15/2023 Napa Au			10/23 SUPPLIES	¥
034612 034613	11/15/2023 Pacific P 11/15/2023 Jaroth Ir			SUPPLIES 760-489-9971	Yes
034614	11/15/2023 Patriot E			WWTP ROLLOFF BIN DISPOSAL SVCS	Yes
034615	11/15/2023 Petersor		936.41	WATEREUSE CONF EXP REIMB	
034616	11/15/2023 PWLC I,			BOB T. COURTYARD PLNTNG/IRRIG	Yes
034617 034618	11/15/2023 Republic			3-0661-2000037 UTILITIES	Yes Yes
034619	11/15/2023 San Dieg 11/15/2023 SiteOne	Landscape Supply, LLC		SUPPLIES	Tes
034620	11/15/2023 Song M			Customer Refund: REF:1050495_139275	
034621	11/15/2023 Steven L			Conservation landscape services-evaluation	Yes
034622	11/15/2023 U.S. Ban			2021B TRUSTEE FEE	Yes
034623 034624	11/15/2023 Urban V 11/15/2023 Vortex I			2024 MEMBERSHIP DUES WWTP ROLL UP DOOR MAINT SVC	Yes
034625	11/15/2023 Waterta			WTP TEMP OPERATOR IV	
034626	11/15/2023 Xylem V	Vater Solutions USA, Inc.		Maintenance contract for the 4S WRF UV System	Yes
034627	11/29/2023 A & S FI			Install New Rubber Flooring on Interior Stairs at DCMWTP	Yes
034628 034629	11/29/2023 AG Tech 11/29/2023 Alicia Br			BIOSOLIDS WASTE DISPOSAL Customer Refund: REF:1092268 237515	
034630	11/29/2023 Alpha M			AC-2 (HVAC) Replacement Unit at DCMWTP	Yes
034631	11/29/2023 Ameres	co / Site#3000043818	45.83	Customer Refund: REF:1056337_199625	
034632		n Conservation & Billing Solutions, Inc.		12/23 AQUAHAWK SERVICES	
034633 034634	11/29/2023 AT & T 11/29/2023 AT&T			UTILITIES REPLACE PEDESTAL W/ TRAFFIC RATED HANDHOLE	Yes
034635	11/29/2023 Boyd Fa	steners		SUPPLIES	Yes
034636	11/29/2023 BreakAv			OMWD WORK HATS	
034637	11/29/2023 Bruce A			Customer Refund: REF:1011595_141660	
034638	11/29/2023 Californi			WTP DRAIN PUMP FEEDER BREAKER	
034639 034640	11/29/2023 Californi 11/29/2023 Christop	ia State Disbursement Unit		GARNISHMENT Customer Refund: REF:1091412_127045	
034641	11/29/2023 Claudet			Customer Refund: REF:1083546_229075	
034642	11/29/2023 Corey Si	ilvestri	138.42	Customer Refund: REF:1062665_115365	
034643	11/29/2023 Cynthia			Customer Refund: REF:1061504_145450	
034644 034645	11/29/2023 D&H Wa 11/29/2023 DCL Ent			SENSOR, FLOURIDE OMWD BLDG J DOOR SERVICE	
034646	11/29/2023 Douglas			Crane Body & Boxes for vehicle purchase (F550)	Yes
034647	11/29/2023 Duayne			Customer Refund: REF:1035497_229530	
034648	11/29/2023 Encinita:			FB106 SUPPLIES	Yes
034649 034650	11/29/2023 Fallbroo 11/29/2023 Granget			WELCOME LETTERS MAILING (114) SUPPLIES	Yes
034651	11/29/2023 Gabriel			WW GRADE 4 CERT RENEW REIMB	
034652		Electric Company, Inc.		SUPPLIES	
034653	11/29/2023 Ignacio	Tool Supply Inc.		MISC SHOP TOOLS	
034654	11/29/2023 Infosence			WATER BILL STATEMENTS	
034655 034656	11/29/2023 Infrastru 11/29/2023 Interface	acture Engineering Corporation		NBHD SPS Rpl Design Support CO#3 SCADA SERVICES	Yes Yes
034657	11/29/2023 Interface 11/29/2023 James P			Customer Refund: REF:1091030_160620	res
034658	11/29/2023 James P			Customer Refund: REF:1060043_119290	
034659	11/29/2023 Jason Bu			Customer Refund: REF:1087589_196380	
034660	11/29/2023 Jennifer			Customer Refund: REF:1089328_230930	
034661 034662	11/29/2023 Jonatha 11/29/2023 Zeller, Jo			Customer Refund: REF:1085367_225380 FUEL (PU100) EXPENSE REIMB.	
034663	11/29/2023 JVI Enter			YEAR END DINNER PHOTO BOOTH- PAID BY ERC	
034664	11/29/2023 Mark Sn	nith	130.72	Customer Refund: REF:1092059_221790	
034665	11/29/2023 Mastiff 9	Sausage Company, Inc.	1,084.59	BOB T. COURTYARD DEDICATION	

Number	Date Name	Amount	Inv Reference	Multiple Invoices?
034666	11/29/2023 Mike Wisz	85.30	Customer Refund: REF:1062723_221350	
034667	11/29/2023 Morton Salt Inc	12,275.15	WTP CHEMICALS	Yes
034668	11/29/2023 Naumann Hobbs - San Diego		FLYWHEEL RING REPLACEMENT, NEW LBR, BOLTS	Yes
034669	11/29/2023 Newco Inc.		SODIUM FLOURIDE	Yes
034670	11/29/2023 Ninyo & Moore		GEOTECHNICAL SERVICES	Yes
034671 034672	11/29/2023 North County Powder Coating		POWDER COATING - PIPES (9) OMWD 13 SITES UAV	Yes
034672	11/29/2023 NV5, Inc 11/29/2023 Orion Construction Corporation		Construction Services- 4S Ranch Neighborhood 1 SPS	Yes
034674	11/29/2023 Pacific Pipeline Supply		Flange, couplings, spools, bolts, nuts, gaskets	Yes
034675	11/29/2023 Rancho Santa Fe Community Svs		10/23 16.43 AC/FT RECYCLED WTR	
034676	11/29/2023 Republic Services	2,494.65	4-4530-0333405	
034677	11/29/2023 Richard Fineman		Customer Refund: REF:1092073_187935	
034678	11/29/2023 Richard Henderson		Customer Refund: REF:1061750_136710	
034679	11/29/2023 Robert Swisher		Customer Refund: REF:1052821_188825	
034680	11/29/2023 Roman Godz		Customer Refund: REF:1091284_241850	
034681 034682	11/29/2023 San Diego County Recorder 11/29/2023 San Diego Gas & Electric		GARDENDALE & VP PJT NOE FILING UTILITIES	Yes Yes
034683	11/29/2023 Sunbelt Rentals, Inc.		MINI EXCAVATOR RENTAL	Yes
034684	11/29/2023 The Dumbell Man Fitness Equipment		GYM EQUIPMENT MAINT SERVICES	
034685	11/29/2023 UniFirst Aid Corp		FIRST AID SUPPLIES	Yes
034686	11/29/2023 USA Blue Book		WWTP TRANSMITTER	
034687	11/29/2023 Vanessa Wertheim	61.36	Customer Refund: REF:1035668_138105	
034688	11/29/2023 Vinje & Middleton Engineering, Inc		Customer Refund: REF:1089536_303635	
034689	11/29/2023 Walters Wholesale Electric Co		ELECTRICAL SUPPLIES	Yes
034690	11/29/2023 Watertalent LLC dba		WTP TEMPORARY OPERATOR	
034691	11/29/2023 Lawrence A Watt		MILEAGE REIMBURSEMENT	
EFT00000000783	11/1/2023 Westamerica Communications, Inc.		9/23 WATCHING WATER	M
EFT00000000784 EFT00000000785	11/1/2023 Wageworks 11/1/2023 Evoqua Water Technologies		9/23 FSA ADMIN FEE WWTP SERVICES	Yes Yes
EFT000000000786	11/1/2023 Woodard & Curran		Environmental and Grant Admin Services for Title XVI	Yes
EFT000000000787	11/1/2023 Volt Management Corp DBA		WTP INTERN W/E 10/6/23	105
EFT00000000788	11/1/2023 Clayton Controls, Inc.		WTP SUPPLIES	
EFT00000000789	11/1/2023 Martin Marietta Materials Inc		YARD MATERIALS	Yes
EFT00000000790	11/8/2023 Standard Insurance Co.	6,068.89	11/23 LTD & LIFE INS PREM	
EFT00000000791	11/8/2023 Dudek	4,622.50	Design Services	Yes
EFT00000000792	11/8/2023 B. Weber Consulting LLC		CONSULTING SERVICES	Yes
EFT00000000793	11/8/2023 Hasa		WWTP CHEMICALS	
EFT00000000794	11/8/2023 Sloan Electric		WTP SERVICES	Yes
EFT00000000795	11/8/2023 Volt Management Corp DBA		WTP INTERN W/E 10/13/23	Mar
EFT000000000796 EFT000000000797	11/8/2023 Martin Marietta Materials Inc 11/8/2023 GEI Consultants, Inc		YARD MATERIALS AS NEEDED WATER QUALITY SVCS	Yes
EFT000000000798	11/8/2023 Rincon Consultants Inc.		NSDWRC GRANT ADMIN SUPPORT	Yes
EFT000000000799	11/8/2023 Aqua Metric		MXUs for AMI project	Yes
EFT00000000800	11/8/2023 West Coast Sand & Gravel		YARD MATERIALS	
EFT00000000801	11/8/2023 CDW Government Inc	47.09	COMPUTER KEYBOARD	
EFT00000000802	11/8/2023 Nossaman LLP	6,750.00	10/23 LOBBYING SERVICES	
EFT00000000803	11/8/2023 TK Elevator Corporation		ELEVATOR SERVICES WTP	
EFT00000000804	11/8/2023 Water for People		WTRPL 11/9/2023	
EFT00000000805	11/15/2023 ACWA - JPIA		12/23 GROUP INSURANCE PREM	M
EFT00000000806 EFT00000000807	11/15/2023 Escondido Metal Supply 11/15/2023 Vallecitos Water District		D654 SUPPLIES RECLAIMED WATER SALES	Yes
EFT00000000808	11/15/2023 DLM Engineering Inc		ENGINEER CONSULTING SERVICES	Yes
EFT000000000809	11/15/2023 CFM-San Diego Inc		ICOT 5330 Hart Positioner	Yes
EFT00000000810	11/15/2023 Westamerica Communications, Inc.		BUSINESS CARDS	
EFT00000000811	11/15/2023 Evoqua Water Technologies		DEL DIOS SPS - VAPORLINK	
EFT00000000812	11/15/2023 San Elijo Joint Powers Auth.	40,090.20	10/23 21.8 AC/FT RECYCLED WTR	
EFT00000000813	11/15/2023 McMaster-Carr Supply Co.		SUPPLIES	
EFT00000000814	11/15/2023 Volt Management Corp DBA		CONSTRUCTION INTERN W/E 10/27	Yes
EFT00000000815	11/15/2023 Traffic Safety Solutions		CAMINO SAN BERNARDO	Yes
EFT00000000816	11/15/2023 WREGIS		RENEW ENERGY FEE	¥
EFT00000000817 EFT00000000818	11/15/2023 Parsons 11/15/2023 Martin Marietta Materials Inc		Preliminary and Final Design Services YARD MATERIALS	Yes
EFT000000000819	11/15/2023 Rusty Wallis Inc.		WTP CHEMICALS	
EFT00000000820	11/15/2023 West Coast Sand & Gravel		YARD MATERIALS	
EFT00000000821	11/15/2023 Global Power Group Inc		WWTP SERVICES	
EFT00000000822	11/15/2023 CDW Government Inc		SUPPLIES	
EFT00000000823	11/15/2023 Nossaman LLP	21,607.62	9/23 LEGAL SERVICES	Yes
EFT00000000824	11/15/2023 Integrity Municipal Systems		ODOR SCRUBBER MAINT SERVICE	
EFT00000000825	11/15/2023 Harrington Industrial Plastics Inc		WTP SUPPLIES	
EFT00000000826	11/29/2023 Underground Service Alert		DIG ALERT TICKETS	
EFT00000000827	11/29/2023 Dudek		Engineering Services for Wastewater Master Plan Update	Yes
EFT00000000828 EFT00000000829	11/29/2023 Escondido Metal Supply 11/29/2023 Southern Counties Lubricants, LLC.		PULL TARP INSTALL SUPPLIES FUEL SUPPLIES- OCT AND NOV 23	Yes
EFT00000000829	11/29/2023 Traffic Supply Inc		BLUE MARKING PAINT	Yes
EFT00000000831	11/29/2023 CSDA		2024 MEMBERSHIP RENEWAL	
EFT00000000832	11/29/2023 Evoqua Water Technologies		WWTP PREVENT MAINT SERVICES	
EFT00000000833	11/29/2023 CyberlinkASP Technology		HOSTING SERVICES & DEDICATED SERVERS	
EFT00000000834	11/29/2023 Woodard & Curran		NSDWRC GRANT ADMIN SUPPORT	Yes
EFT00000000835	11/29/2023 Volt Management Corp DBA		CONSTRUCTION INTERN W/E 11/3	
EFT00000000836	11/29/2023 NexusTek Phoenix		CLOUD BACKUP STORAGE	
EFT00000000837	11/29/2023 Water Quality Specialists		WTP T3 TEMPORARY OPERATOR	
EFT00000000838	11/29/2023 California Association of Sanitation Agencies		2024 MEMBERSHIP RENEWAL	
EFT00000000839	11/29/2023 The Pun Group LLP		6/30/2023 AUDIT SERVICES	
EFT00000000840 EFT00000000841	11/29/2023 EcosConnect LLC 11/29/2023 Parkhouse Tire Inc		10/23 BACKFLOW REPORTING FB04 SERVICES	Yes
21.00000000041	, Ly Loco i dividude file file	211.04		103

Number	Date	Name	Amount	Inv Reference	Multiple Invoices?
EFT00000000842	11/29/2023 Martin	Marietta Materials Inc	468.72	YARD MATERIALS	
EFT00000000843	11/29/2023 Hartzel	Fan, Inc.	3,057.34	WWTP SUPPLIES	
EFT00000000844	11/29/2023 Mark Si	nyder Electric	345.00	PARKS DEPT SERVICES	
EFT00000000845	11/29/2023 Rusty V	Vallis Inc.	4,290.00	WTP CHEMICALS	
EFT00000000846	11/29/2023 Aqua N	letric	144,246.50	3/4" METERS, 1 1/2" METERS, MXUS FOR AMI PROJECT	Yes
EFT00000000847	11/29/2023 Jauregu	ii & Culver Inc	2,265.50	APCD TESTS	
EFT00000000848	11/29/2023 Global	Power Group Inc	4,701.28	WWTP SERVICES	Yes
EFT00000000849	11/29/2023 Whitsor	n CM	300.00	SITE INSPECTION SERVICES	
EFT00000000850	11/29/2023 CDW G	overnment Inc	49.31	SUPPLIES	
EFT00000000851	11/29/2023 Insight	Public Sector, Inc.	52,900.20	Microsoft Office 365 Advanced Threat Protection- 1 YEAR	Yes
EFT00000000852	11/29/2023 County	of San Diego, RCS	171.00	10/24 RADIO SERVICES	
EFT00000000853	11/29/2023 Water f	or People	66.00	WTRPL 11/22/2023	
				_	

Total 2,539,564.17

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

Name	Payment <u>Date</u>	Check#/ <u>Credit Card</u>	Meals & <u>Lodging</u>	Travel & <u>Transport</u>	<u>Other</u>	Total Reimbursed <u>Expenses</u>	Directors Fee*
Director Guerin		-	0.00	0.00	0.00	0.00	600.00
Director Hahn		-	0.00	0.00 0.00	0.00	0.00	150.00 150.00
Director Meyers		-	0.00	0.00	0.00	0.00	600.00 600.00
Director San Antonio		-	0.00	0.00	0.00	0.00	150.00 150.00
Director Watt		-	0.00	0.00	0.00	0.00	750.00 750.00
General Manager Thorner		-	0.00	0.00	0.00	0.00	
Human Resources Manager Joslin			0.00	0.00	0.00	0.00	-
Finance Manager Selamat		-	0.00	0.00	0.00	0.00	
Operations Manager Fulks		-	0.00	0.00	0.00	0.00	
Engineering Manager Stephenson		-	0.00	0.00	0.00	0.00	
Assistant General Manager Randall		-	0.00	0.00	0.00	0.00	
Customer Service Manager Carnegie		-	0.00	0.00	0.00 0.00	0.00	

\*October and November Per Diems.

Notes:

(1) Reviewed and discussed with the Finance Committee (02/05/18).

(2) Reimbursement of expenses are in compliance with Article 19 of the District's Administrative and Ethics Code.

(3) Travel and other expenses charged to District's credit cards and paid by the District are recorded and maintained separately.

## Olivenhain Municipal Water District MONTHLY CASH AND INVESTMENT SUMMARY As of June 30, 2023

Active Deposits				_ <u>E</u>	Book Value
Checking Accounts				\$	2,669,508
Cash Restricted for Specific Use					4,017,467
Petty Cash/Disaster Preparedness					1,496
Total Active Deposits				\$	6,688,470
Deposits Not Covered by Investme					
Cash with Fiscal Agents					2,195,445
	Face	Market	Current		
<u>Investments</u>	<u>Value</u>	Value	<u>Yield</u>		
LAIF	\$ 9,407,917	9,265,185	3.17%	\$	9,407,917
CAMP - US Bank	23,443,288	23,443,288	5.24%	Ψ	23,443,288
Money Market Funds	365,426	365,426	4.97%		365,426
Medium Term Notes	500,000	496,070	2.32%		497,940
Municipal Bonds	1,000,000	998,530	5.01%		1,216,760
U.S. Treasury Securities	13,530,000	13,316,350	4.49%		13,360,636
U.S. Agency Securities	35,426,111	32,865,835	1.19%		35,381,024
Total Investments	\$ 83,672,743	\$ 80,750,685	3.21%	\$	83,672,992
Total - All Deposits/Investments				\$	92,556,908
Maturity Analysis of Investments					
			Percent		<u>Balance</u>
Demand Deposits			39.7%	\$	33,216,632
Maturity within the next two months			11.4%		9,528,996
Maturity within three months and one	year		12.8%		10,716,441
Maturity beyond one year			36.1%		30,210,922
Total Investments			100.0%	\$	83,672,992
Weighted Average Days to					
Other Required Disclosures: Accrued interest receivable as of 06/ The above investments are in accord approved by the Board in December	<sup>&gt;</sup> olicy				

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

## Olivenhain Municipal Water District PORTFOLIO LIMITATIONS ANALYSIS PER INVESTMENT POLICY June 30, 2023

		Book <u>Value</u>	<u>Percent</u>	Permitted <u>Percent</u>		In <u>Compliance?</u>
LAIF		\$ 9,407,917	11.2%	50.0%	(1)	Yes
Investment	t Pools: CAMP - US Bank	23,443,288	28.0%	30.0%		Yes
Money Ma	rket Funds	365,426	0.4%	20.0%	(2)	Yes
Medium Te	erm Notes	497,940	0.6%	30.0%	(3)	Yes
Municipal B	Bonds	1,216,760	1.5%	30.0%		Yes
U.S. Treas	ury Securities	13,360,636	16.0%	100.0%	(4)	Yes
U.S. Ageno	cy Securities	35,381,024	42.3%	50.0%		Yes
FHLB	Federal Home Loan Bank	32,131,024	38.4%			
FNMA	Fannie Mae	2,250,000	2.7%			
FHLMC	Freddie Mac	1,000,000	1.2%			
				_		

100%

#### **Total Investments**

Note:

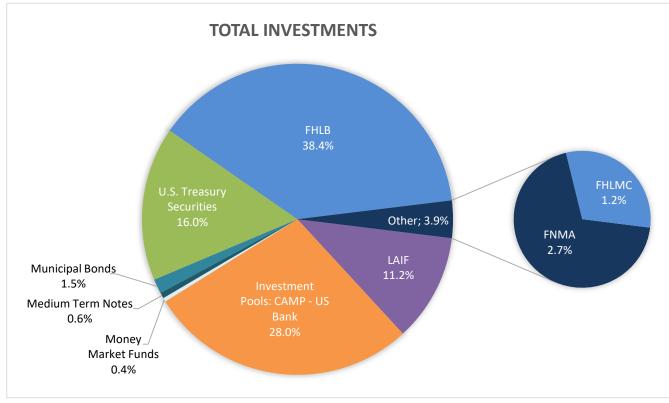
<sup>(1)</sup> No more than 50% of the total value of all District Investments or \$40 million.

\$ 83,672,992

 $^{\left( 2\right) }$  May not exceed 5% in any money market fund.

<sup>(3)</sup> May not exceed 5% per issuer.

<sup>(4)</sup> No limit.



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

## Olivenhain Municipal Water District MONTHLY INVESTMENTS DETAIL June 30, 2023

7			

CTIVE DEPOSIT	Book Value
Checking A/C: California Bank and Trust for General Purpose	2,669,508
California Bank and Trust for Specific Purpose	140,358
CAMP 2021A Bond	3,877,108
Petty Cash/Disaster Preparedness	1,496
Total - Active Deposits	6,688,470
EPOSITS NOT COVERED BY INVESTMENT POLICY	
Cash with Fiscal Agents:	
Cash with Fiscal Agents: Union Bank - RAD 96-1 Refunding Bond	1,214,753
	1,214,753 9,064
Union Bank - RAD 96-1 Refunding Bond	
Union Bank - RAD 96-1 Refunding Bond Union Bank - 2015A Refunding Bond	9,064
Union Bank - 2015A Refunding Bond SRF Loan	9,064 966,919

Total Deposits No	t Covered by	/ Investment Policy

Bite Local Agency Interfance Fried (AF)         Demand         1         3.17%         B.286.158         9.407/917<	I	otal Deposits Not Co	vered by	Invest	ment Policy	/									2,195,44
USESSESS         USESSESS         USESSESS         S         22.442.85         9         22.442.85         22.442.85         22.442.85         22.44			RATIN	NG		D	ATE		Average		Stated	Current	Current		
Intest_Data         Linest_Data         1         5.94         5.24,43.38         5.23,44.38         5.24,43.38         5.23,44.38		Ī	Moody's	S&P	Purchase	Maturity	Next Call	Next S-U	Maturity	Call	Coupon	Yield	Market Value	Face Value	Book Value
Bite Local Approv Investment Full LAP)         Demand         1         3.77%         B.25.15         9.470 FT         9.47	IVESTMENTS														
Fire America Government 3164/057         Denand         I         497%         396,266<				(AMP											- 1 - 1
U.S. Treasury Note Bill         Ass         0 4/10/20         07/06/20         7         4 / 2 / 5 / 5 / 7 / 5 / 5 / 5 / 5 / 5 / 5 / 5			-)												
DIP         Ass         -         Order         7         -         7.4         7.65         9999500         1000000         9983           DIP         Company         Dis         Company         Dis         Company         Dis         Company         Dis         Company         Dis         Dis<	First American Go	overnment 31846V567				Demand			1			4.97%	365,426	365,426	365,4
DIP         Ass         -         Order         7         -         7.4         7.65         9999500         1000000         9983           DIP         Company         Dis         Company         Dis         Company         Dis         Company         Dis         Company         Dis         Dis<	U.S. Treasury N	lotes/Bills													
D1729K02       U.S. Treasury Bin       Aaa       -       041/423       071323       14       4.292%       1,196332       1,206330       1,206330         D172PK2V       U.S. Treasury Bin       Aaa       -       021/023       041/023       <			Aaa	-	04/10/23	07/06/23			7		4.76%	4.76%	999,590	1,000,000	988,7
012702702         U.S. Treasury Bills         Am         0.1/0202         0772723         28         4.77%         4.79%         1.325.588         1.330.000         1266.9           012707202         U.S. Treasury Bills         Am         0.01/023         061/123         63         5.39%         5.24%         1.983.089         2.200.000         1.973.3           012702200         U.S. Treasury Bills         Am         0.01/023         061/023		J.S. Treasury Bills	Aaa	-	01/13/23	07/13/23			14		4.74%	4.74%	1,997,220	2,000,000	1,954,1
U.S. Treasury Billis         Aas         0 07/1623         049         4.48%         4.68%         983.580         1.000.000         1973.67           U.S. Treasury Billis         Aas         0 00/123         63         5.38%         6.42%         1.983.080         2.000.000         1.973.47           U.S. Treasury Billis         Aas         0 00/123         63         5.38%         5.23%         5.93%         5.23%         1.977.000         2.000.00         1.973.47           U.S. Treasury Billis         Aas         0 00/123         63         5.38%         5.23%         5.93%         <			Aaa	-											1,185,6
012/02/2011         U.S. Treasury Bills         Ass         0.001/23         0821/23         63         5.28%         5.42%         1.983.680         2.000.000         1.973.5           012/02/2011         U.S. Treasury Bills         Ass         0.001/23         0821/23         88         5.28%         0.98.40         1.000.000         1.974.4           012/02/2011         U.S. Treasury Bills         Ass         0.001/23         0.912/23         88         5.28%         0.98.40         1.000.000         1.974.4           012/02/2011         U.S. Treasury Bills         Ass         Ass         0.001/23         0.917.23         88         5.28%         1.98.40         1.000.000         1.974.4           012/02/2011         U.S. Treasury Bills         Ass         Ass         0.001/23         0.927.5         7.69%         7.13.45.00 <td></td> <td>1,299,7</td>															1,299,7
B1729ECOD         U.S. Treasury Bits         Am         00:1423         09:1732         B2         5:73         5:23%         1977.000         20:000         1977.           D1222CHT         U.S. Treasury Bits         Am         00:0022         09:17:23         64         5:23%         5:27%         69:77.00         2:00:000         1997.4           D1222CHT         U.S. Treasury More         Am         00:0022         09:17:23         64         5:23%         5:27%         69:14.01         1:00:000         1:994.4           D122DENT         U.S. Treasury More         Am         Am         00:0220         09:12:23         Anythine         7         1         0.22%         1:14:1360         1:151:111         1:151:113         1:151:113         1:151:113         1:151:113         1:151:113         1:151:113         1:151:113         1:151:113         1:151:113         1:00:000<															
1212/BORD         LS. Treasury Notes         Ann         -         0.02/212         0.00/212         0.02/212         0.02/212         0.02/212         0.02/212         0.02/212         0.02/212         0.02/212         0.02/212         0.02/212         0.02/212         0.02/212         0.02/212         0.02/212         0.02/212         0.02/212         0.02/212         0.02/212         0.02/212         0.02/212															1
01722/CBQ         U.S. Treasury Notes         Aa         -         0.00021         0.02/28/26           01722/CBQ         017202         0.02/26/20         0.02/26/20         0.02/26/20         0.02/26/20           01730A/21         F14B         Calabah         Aa         AA         0.00/220         0.00/220         0.00/220         0.02/26/20         146         56         2.05%         513,360,000         550,000         550,000         550,000         550,000         550,000         550,000         1.000,000         1.0															
912829117       U.S. Treasury Notes       A.a.       0.006921       0.0268/26       975       1.55%       1.57%       954.140       1.000.000       1.086/         U.S. Annex Securities       3133.421       FH8 Calable       A.a.       A.a.       0.00220       08/25/23       Arytime       97       1       0.32%															
US. Acency Securities         56         4.42%         4.49%         \$ 13,360,00         \$ 13,380,00         \$ 13,380,00           3130A2,11         FH.B Catable         Asia         Ait         6002/20         602/202         1/24         1/24         0.25%         2.25%         1/141/800         1/151,111         1/151,111           3130ACR         FH.B Catable         Asia         Ait         602/202         1/22         1/2         4.73%         54/45         996,600         1.000,000         1000,000         1000,000         1000,000         1000,000         1000,000         1000,000         1000,000         1000,000         1000,000         1.															
U.S. Agency Societties         3130.421         FHB Galable         Aaa         A+         09/02/20         82/52/3         Anytime         57         1         0.32%         0.42%         1.141.960         1.151.111         1.151.11           3130.4211         FHB Galable         Aaa         A+         01/12/3         08/24/2         11/24/3         08/24/2         12/2         47/5         4.48%         97/680         1.000.000         987.7           3130.4201         FMA Calable         Aaa         A+         01/12/32         02/04/20         22/22         22/2         1.151.111         1.100.000         1.000.000	3120201117 0	.o. neasury Notes	Add	-	03/03/21	02/20/20			515		1.5078	1.5778	334,140	1,000,000	1,000,0
3130A2L1         FHLB Calable         Aaa         AA         605/242         11/41         61/51         11         11/51           3130ASUS         FHLB Calable         Aaa         AA         005/242         11/42         067/242         11/42         067/242         11/42         067/242         11/42         067/242         11/42         067/242         11/42         067/242         11/42         067/242         11/42         067/242         11/42         067/242         11/42         067/242         11/42         067/242         11/42         067/242         11/42         067/242         11/42         067/24         067/242         07/14         067/24         067/24         07/14         067/24         07/14         067/24         07/14         067/24         07/14         067/24         07/14         067/24         07/14         067/24         07/14         07/14         067/24         07/14         067/24         07/14         067/24         07/14         067/24         07/14         07/14         07/174         09/172         07/174         09/172         07/174         09/172         07/174         09/172         07/174         09/172         07/174         09/172         07/174         09/172         07/174         09/17									56	-	4.42%	4.49%	\$ 13,316,350	\$ 13,530,000 \$	13,360,6
3130A330       FHLB Callable       Aaa       AA       06/24/23       146       96       2.69%       2.53%       954.384       956.00       956.00         3130ACR3       FHLB Callable       Aaa       AA       00/1923       12/18/23       12/2       4.77%       4.88%       976.580       1,000,000															
313340R2       FHLB Discourt Note       Aas       AA+       01/19/23       12/16/23       172       4.77%       4.68%       976.680       1,000.000       987.7         3130ARUP       FHLB Callable       Aas       AA+       02/13/23       225       41       5.73%       5.74%       1.000.000       1.000.01       1.000.01       1.000.01       1.000.01       1.000.01       1.000.01       1.000.01       1.000.01       1.000.01       1.000.01       1.000.01       1.000.01       1.000.01       1.000.01       1.000.01       1.000.01       1.000.01       1.000.01       1.000.01       <										-					
3135GACUJ       FMAC Callable       Aaa       AA       027323       027324       0827323       223       55       3.00%       3.05%       968.200       1,000,000       1,000,000         3136ARVUS       FMAC Callable       Aaa       AA<							08/24/23			56					
3130APCUP       FHLB Callable       Aaa       A+       06/22/2       02/23/2       02/23/2       225       55       3.05%       993.290       1.000.000       1.000.00         3130ALDQ2       FHLB Callable       Aaa       A+       02/28/2       02/28/2       40/28/23       242       56       3.05%       995.300.00       1.000.000       1.000.00         3130ALDQ2       FHLB Callable       Aaa       A+       02/28/2       40/28/2       47/23       347       73       0.30%       0.22%       995.40       1.000.000							00/00/00								
31364P65       FNMA Callable       Aaa       A+       02/20/2															
3130.LO2       FHLB Callable       Ana       A.A.+       02/28/21       02															
3130AMMY1       FHLB Catabble       Aaa       AA+       06/03/21       06/03/22       09/07/23       340       66       0.40%       0.42%       476.800       500.000       500.000         3130ALHM9       FHLB Catabble       Aaa       AA+       09/10/21       09/16/22       09/10/23       445       79       0.30%       0.32%       941.140       1.000.000       1.000.000       1.000.000         3130ANF6       FHLB Catabble       Aaa       AA+       09/10/21       10/11/24       09/11/23       445       79       0.50%       0.53%       941.140       1.000.000															
3130LHM9       FHLB Catabble       Aaa       AA+       031021       0911023       347       73       0.20%       0.23%       951.840       1.000.000       1999.9         3130ANTES       FHLB Catabble       Aaa       AA+       0911023       445       79       0.50%       0.53%       933.8150       1.000.000       1.000.000       1.000.000         3130ANTES       FHLB Catabble       Aaa       AA+       0911723       071724       0911723       0911723       0476       0.053%       0.33%       0.33%       0.200.000       2.000.000       2.000.000       2.000.000       2.000.000       2.000.000       0.000.01       0.000.01       0.000.01       0.000.01       0.000.01       0.000.01       0.000.00       1.000.000       1.000.000       1.000.000       1.000.000       1.000.000       1.000.000       1.000.000       1.000.000       1.000.000       1.000.000       2.000.000       2.000.000       2.000.000       2.000.000       2.000.000       2.000.000       2.000.000       2.000.000       2.000.000       2.000.000       2.000.000       2.000.000       2.000.000       2.000.000       2.000.000       3.000.000       1.000.000       1.000.000       1.000.000       1.000.000       1.000.000       1.000.000       1.000.000															
3130ANP55       FHLB Callable       Aaa       AA+       09/16/21       09/16/23       445       79       0.63%       933%       981,740       1.000.000       1.000.         3130ANP56       FHLB Callable       Aaa       AA+       09/17/23       445       79       0.63%       9.83%       983,150       1.000.000       1.000.         3130ANP56       FHLB Callable       Aaa       AA+       09/16/21       00/16/24       Anyume       446       1       0.43%       0.46%       1.870.780       2.000.000       2.000.000       2.000.000       1.000.0       1.000.01       1.000.001       1.000.001       1.000.001       1.000.001       1.000.001       1.000.001       1.000.001       1.000.000       1.000.001       1.000.01       1.000.001       1.000.01       1.000.01       1.000.01       1.000.01       1.000.01       1.000.01       1.000.01															
3130ARSP6       FHLB Callable       Aa       AA+       09/17/21       10/17/24       09/17/23       476       80       0.65%       0.53%       938,150       1.000.000       1000.00         3130ARCW2       FHLB Callable       Aaa       AA+       10/04/20       10/02/20       00/18/23       06/18/23       06/18/23       06/18/23       06/18/23       06/0       50       0.55%       0.55%       0.55%       0.55%       0.77%       915,600       1.000.000       1.000.00         3130ARCM4       FHLB Callable       Aaa       AA+       07/28/20       07/28/25       07/28/23       100       1.000.000       1.000.															1,000,0
3130ARKNA FHLB Slap-up Callable       Aaa       AA+       06/18/21       02/18/25       06/18/23       660       50       0.54%       933.870       1,000,000       1,000,000         3130ARKET FHLB Callable       Aaa       AA+       07/28/25       09/28/25 <td< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>1,000,000</td><td>1,000,0</td></td<>														1,000,000	1,000,0
3130AKKE1       FHLB Callable       Aaa       AA+       072721       0227125       082723       760       29       0.66%       0.71%       927.340       1.000.000       1.000.0         3130KK0X8       FHLB Callable       Aaa       AA+       072620       0728225       776       29       0.65%       0.71%       921.500       0.65%       0.71%       991.500       1.000.000       1.000.000       2.000.000       2.000.000       2.000.000       2.000.000       2.000.000       993.30KK05       FHLB Callable       Aaa       AA+       0172821       0172826       0728223       944       29       0.55%       0.66%       896.800       1.000.000       1.000.000       1.000.001			Aaa	AA+					494	1	0.43%				2,000,0
3134GWAQ9       FHLBC Callable       Aaa       AA+       07/28/25       07/28/23       760       29       0.65%       0.71%       915.600       1.000.000       1.000.000         3130AKGX8       FHLB Step-up Callable       Aaa       AA+       01/28/21       01/28/23       12/15/23       942       27       0.65%       0.65%       896.880       1.000.000       1.000.000       1900.01         3130AKGX8       FHLB Callable       Aaa       AA+       01/28/21       01/28/26       07/28/23       942       27       0.65%       0.65%       896.880       1.000.000	3130ANGN4 F	HLB Step-up Callable	Aaa	AA+	08/18/21	02/18/25	08/18/23	08/18/23	600	50	0.50%	0.54%	933,870	1,000,000	1,000,0
3130AKCSR       FHLB Step-up Callable       Aaa       A++       12/15/20       12/15/22       12/15/23       900       76       0.55%       0.60%       1.838,060       2.000,000       2.000,000       9099,91         3130AKDS       FHLB Callable       Aaa       A++       01/28/21       01/28/26       07/28/23       944       29       0.55%       0.56%       896,820       1,000,000       1,000,0			Aaa	AA+	05/27/21				609		0.66%	0.71%		1 1	1,000,0
3130AKMO5       FHLB Callable       Aaa       A+       01/28/21       01/28/26       07/26/23       942       27       0.50%       0.56%       896,880       1,000,000       9993.         3130AKU55       FHLB Callable       Aaa       A+       01/28/21       01/28/26       07/28/23       944       213       0.56%       896,880       1,000,000															1,000,0
3130AKU53       FHLB Caliable       Aaa       A+       01/28/21       01/28/26       01/28/26       01/28/21       01/28/26       01/28/21       01/28/26       01/28/21       01/28/26       01/28/21       02/21/21       02/12/21       02/12/21       02/12/21       02/12/21       02/12/21       02/12/21       02/21/21       02/2								12/15/23							
3130AKN69       FHLB Callable       Aaa       A+       01/28/24       944       213       0.50%       0.56%       996,720       1,000,000       1,000,         3130AKN03       FHLB Callable       Aaa       AA+       01/28/26       11/28/26       11/28/26       11/28/26       11/28/26       945       153       0.56%       896,720       1,000,000       1,000,       1,000,       1,000,000															
3130AKVN3       FHLB Callable       Aaa       AA+       01/29/21       02/12/26       01/29/23       945       153       0.52%       0.58%       897,120       1,000,000       1,000,         3130AKWK8       FHLB Callable       Aaa       AA+       02/12/21       02/12/26       08/24/23       None       959       44       0.51%       0.57%       895,170       1,000,000       1,000,         3130AKWA3       FHLB Callable       Aaa       AA+       02/24/21       02/24/26       08/24/23       P71       56       0.63%       0.70%       0.77%       897,010       1,000,000       1,000,         3130AKK4       FHLB Callable       Aaa       AA+       02/25/26       02/25/24       972       241       0.55%       0.65%       895,840       1,000,000<															
3130AKW068       FHLB Callable       Aaa       AA+       02/12/21       02/12/26       08/12/23       959       44       0.51%       0.57%       895,170       1.000,000       1.000,000         3130AKX43       FHLB Step-up Callable       Aaa       AA+       02/24/26       08/24/23       971       56       0.70%       0.78%       1.797,920       2.000,000       2.000,000       2.000,000       1.															
3130AKX43       FHLB Step-up Callable       Aaa       AA+       02/24/21       02/24/26       08/24/23       None       971       56       0.70%       0.78%       1,797,920       2.000,000       2.000,         3130AL7M0       FHLB Callable       Aaa       AA+       02/25/21       02/25/24       972       241       0.55%       0.65%       898,540       1,000,000<															
3130AL7M0       FHLB Callable       Aaa       AA+       02/24/26       08/24/23       971       56       0.63%       0.70%       897,010       1,000,000 <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>None</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<>								None							
3130AKYR1       FHLB Callable       Aaa       AA+       02/25/21       02/25/26       02/25/24       972       241       0.55%       0.62%       888,540       1,000,000       1,000,         3130ALGK5       FHLB Callable       Aaa       AA+       02/25/21       02/25/26       02/25/24       972       241       0.55%       0.65%       895,840       1,000,000       1,000,         3130ALCV2       FHLB Callable       Aaa       AA+       02/25/21       02/25/26       02/25/24       972       241       0.63%       0.76%       882,200       1,000,000       1,000,       1,000,       1,000,       1,000,       1,000,       1,000,000       <								None							
3130AL6K5       FHLB Callable       Aaa       AA+       02/25/21       02/25/26       02/25/24       972       241       0.58%       0.65%       895,840       1,000,000       1,000,000         3130AL076       FHLB Callable       Aaa       AA+       02/25/21       02/25/26       02/25/24       972       57       0.70%       0.78%       896,840       1,000,000 <td></td>															
3130ALD76       FHLB Callable       Aaa       AA+       02/25/21       02/25/26       08/25/23       972       57       0.70%       0.78%       892,200       1,000,000       1,000,000       1,000,000       1,000,000       1,000,000       998,24       1,00%       1,01%       881,615       975,000,000       975,000,000       975,000,000       975,000,000       975															1,000,0
3130ALGJ7       FHLB Callable       Aaa       AA+       03/23/21       03/23/26       07/23/23       998       24       1.00%       1.11%       881,615       975,000,000       975,000,000       975,000,00       975,000,000 </td <td></td> <td>1,000,0</td>															1,000,0
3130ALPQ1       FHLB Step-up Callable       Aaa       AA+       03/30/21       03/30/26       06/30/23       03/30/24       1,005       1       1.00%       1.09%       916,820       1,000,000       1,000,000         3130ALVC5       FHLB Step-up Callable       Aaa       AA+       04/14/21       04/14/26       07/14/23       04/14/24       1,210       15       1.00%       1.10%       916,820       1,000,000       1,216,1 <td< td=""><td>3130ALCW2 F</td><td>HLB Callable</td><td>Aaa</td><td>AA+</td><td>02/25/21</td><td>02/25/26</td><td>02/25/24</td><td></td><td>972</td><td>241</td><td>0.63%</td><td>0.70%</td><td>896,940</td><td>1,000,000</td><td>998,5</td></td<>	3130ALCW2 F	HLB Callable	Aaa	AA+	02/25/21	02/25/26	02/25/24		972	241	0.63%	0.70%	896,940	1,000,000	998,5
3130ALVC5       FHLB Step-up Callable       Aaa       AA+       04/14/21       04/14/26       07/14/23       04/14/24       1,020       15       1.00%       1.10%       913,050       1,000,000       1,000,000         3130APAY1       FHLB Callable       Aaa       AA+       10/21/21       10/21/26       07/14/23       04/14/24       1,210       22       1.10%       1.23%       895,400       1,000,000       1,000,000       1,000,000         3130APL78       FHLB Callable       Aaa       AA+       10/28/21       10/28/26       07/28/23       1,217       29       1.38%       1.52%       903,150       1,000,000	3130ALGJ7 F	HLB Callable	Aaa	AA+	03/23/21	03/23/26	07/23/23		998	24	1.00%	1.11%	881,615	975,000	975,0
3130APAY1       FHLB Callable       Aaa       AA+       10/21/21       10/21/26       07/21/23       1,210       22       1.0%       1.23%       895,400       1,000,000       1,000,01         3130APL78       FHLB Callable       Aaa       AA+       10/28/26       07/28/23       1,217       29       1.38%       1.52%       903,150       1,000,000       1,216,1       1,216,1       1,216,1       1,216,1       1,216,1       1,216,1       1,216,1       1,216,1       1,		HLB Step-up Callable	Aaa	AA+				03/30/24	1,005		1.00%	1.09%	916,820		1,000,0
3130APL78       FHLB Callable       Aaa       AA+       10/28/21       10/28/26       07/28/23       1,217       29       1.38%       1.52%       903,150       1,000,000       1,000,000         3130AVCS9       FHLB Callable       Aaa       AA+       03/29/28       12/29/23       12/29/23       1,735       183       6.00%       6.03%       995,440       1,000,000       1,000,000       1,000,000         741       71       1.10%       1.19%       \$ 32,865,835       \$ 35,426,111       \$ 35,381,000,000         Medium Term Notes       7       94       2.30%       2.32%       496,070       500,000       497,9         740816AJ2       Pres & Fellows of Harvard       Aaa       AAA       05/06/22       10/01/23       94       2.30%       2.32%       496,070       500,000       497,9         Municipal Bonds       882724RA7       TEXAS ST PUB FIN AUTH       Aaa       AAA       10/30/20       10/01/25       825       5.00%       5.01%       998,530       1,000,000       1,216,7         28       5.00%       5.01%       998,530       1,000,000       \$ 1,216,7								04/14/24						1 1	1,000,0
3130AVCS9       FHLB Callable       Aaa       AA+       03/29/23       03/29/28       12/29/23       1,735       183       6.00%       6.03%       995,440       1,000,000       497,5         Municipal Bonds       B82724RA7       TEXAS ST PUB FIN AUTH       Aaa       AAA       10/30/20       10/01/25       825       5.00%       5.01%       998,530       \$ 1,000,000       \$ 1,216,7         28       5.00%       5.01%       998,530       \$ 1,000,000       \$ 1,216,7															
Medium Term Notes         741         71         1.10%         \$ 32,865,835         \$ 35,426,111         \$ 35,381,0           Medium Term Notes         740816AJ2         Pres & Fellows of Harvard         Aaa         AAA         05/06/22         10/01/23         94         2.30%         2.32%         496,070         \$ 500,000         497,9           Municipal Bonds         82724RA7         TEXAS ST PUB FIN AUTH         Aaa         AAA         10/30/20         10/01/25         825         5.00%         5.01%         998,530         1,000,000         1,216,7           28         5.00%         5.01%         998,530         \$ 1,000,000         \$ 1,216,7															
Medium Term Notes           740816AJ2         Pres & Fellows of Harvard         Aaa         AAA         05/06/22         10/01/23         94         2.30%         2.32%         496,070         500,000         497,5           Municipal Bonds         1         -         2.30%         2.32%         \$ 496,070         \$ 500,000         \$ 497,5           Municipal Bonds         882724RA7         TEXAS ST PUB FIN AUTH         Aaa         AAA         10/30/20         10/01/25         825         5.00%         5.01%         998,530         1,000,000         1,216,7           28         5.00%         5.01%         \$ 998,530         \$ 1,000,000         \$ 1,216,7	3130AVCS9 F	HLB Callable	Aaa	AA+	03/29/23	03/29/28	12/29/23		1,735	183	6.00%	6.03%	995,440	1,000,000	1,000,0
Municipal Bonds       Aaa       AAA       05/06/22       10/01/23       94       2.30%       2.32%       496,070       500,000       497,5         Municipal Bonds       882724RA7       TEXAS ST PUB FIN AUTH       Aaa       AAA       10/30/20       10/01/25       825       5.00%       5.01%       998,530       1,000,000       1,216,7         28       5.00%       5.01%       998,530       \$ 1,000,000       \$ 1,216,7									741	71	1.10%	1.19%	\$ 32,865,835	\$ 35,426,111 \$	35,381,0
Municipal Bonds       Aaa       AAA       05/06/22       10/01/23       94       2.30%       2.32%       496,070       500,000       497,5         Municipal Bonds       882724RA7       TEXAS ST PUB FIN AUTH       Aaa       AAA       10/30/20       10/01/25       825       5.00%       5.01%       998,530       1,000,000       1,216,7         28       5.00%       5.01%       998,530       \$ 1,000,000       \$ 1,216,7	Medium Term N	lotes													
Municipal Bonds           882724RA7         TEXAS ST PUB FIN AUTH         Aaa         AAA         10/30/20         10/01/25         825         5.00%         5.01%         998,530         1,000,000         1,216,1           28         5.00%         5.01%         998,530         \$ 1,000,000         \$ 1,216,1			Aaa	AAA	05/06/22	10/01/23			94		2.30%	2.32%	496,070	500,000	497,9
882724RA7       TEXAS ST PUB FIN AUTH       Aaa       AAA       10/30/20       10/01/25       825       5.00%       5.01%       998,530       1,000,000       1,216,1         28       5.00%       5.01%       998,530       \$1,000,000       \$1,216,1	Municipal Bond	ls							1	-	2.30%	2.32%	\$ 496,070	\$ 500,000 \$	<b>497,9</b>
			H Aaa	AAA	10/30/20	10/01/25			825		5.00%	5.01%	998,530	1,000,000	1,216,7
Total Investments         350         3.10%         3.21%         \$ 83,672,743         \$ 83,672,743									28	-	5.00%	5.01%	\$ 998,530	\$ 1,000,000 \$	1,216,7
	т	otal Investments							350		3.10%	3.21%	\$ 80.750.685	\$ 83.672.743 \$	83,672,9

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2,195,445

#### Olivenhain Municipal Water District INVESTMENTS TRANSACTION June 30, 2023

## PURCHASED

	DATE				Stated	Current		
Purchase	Maturity	Call	Step-Up	Investment Description	Coupon	Yield	Face Value	Book Value
06/01/23	08/31/23			U.S. Treasury Bills	5.375%	5.421%	2,000,000	1,973,623
06/15/23	09/19/23			U.S. Treasury Bills	5.180%	5.235%	1,000,000	987,284
06/22/23	09/21/23			U.S. Treasury Bills	5.234%	5.295%	2,000,000	1,974,305

### MATURED / REDEEMED / CALLED

	DATE				Stated	Current		
Redemption	Maturity	Call	Step-Up	Investment Description	Coupon	Yield	Face Value	Book Value
06/01/23	06/01/23			U.S. Treasury Bills	4.680%	4.680%	2,000,000	1,954,392
06/15/23	06/15/23			U.S. Treasury Bills	4.660%	4.669%	1,000,000	977,290
06/22/23	06/22/23			U.S. Treasury Bills	4.650%	4.664%	2,000,000	1,954,680

## Olivenhain Municipal Water District UNAUDITED CASH POSITION BY FUNDING SOURCES As of June 30, 2023

Water Funds (Potable & Recycled)	Balance
10050-100 Cash - Petty Cash Fund	1,496
10010-100 Cash - Operating Fund	15,026,926
10030-100 Cash - Capital and Equipment Fund	36,390,239
10040-100 Cash - Rate Stabilization Fund	11,825,476
10080-100 Cash - Pension Stabilization Fund	441,262
10060-100 Cash - Deposit Work for Other	99,248
14000-500 Restricted Cash - Capacity Fee Fund	6,459,680
Total Water Funds (Potable & Recycled)	70,244,327
Wastewater Funds	
10010-110 Wastewater - Operating Fund	4,196,893
10030-110 Wastewater - Capital Replacement Fund	9,195,010
10040-110 Wastewater - Rate Stabilization Fund	2,667,190
10080-110 Cash - Pension Stabilization Fund	40,576
Total Wastewater Funds	16,099,668
Non Fiscal Agent Debt Service Cash	
14020-570 Cash non-agent - RAD 96-1	129,158
10070-561 Cash non-agent - Bond 2015A	621
10070-581 Cash non-agent - Bond 2016A	10,580
14020-521 Cash non-agent - Bond 2021A	3,877,108
14020-522 Cash non-agent - Bond 2021B	-
Total Non Fiscal Agent Debt Service Cash	4,017,467
Debt Service Funds	
14030-510 SRF Loan - Fiscal Agent	966,919
14105-570 Redemption fund - RAD 96-1	1,145,215
14110-570 Reserve fund - RAD 96-1	69,538
14100-561 Redemption fund - Bond 2015A	9,064
14100-581 Redemption fund - Bond 2016A	3,754
14100-521 Redemption fund - Bond 2021A	759
14100-522 Redemption fund - Bond 2021B	197
Total Debt Service Funds	2,195,445
TOTAL FUND BALANCES	92,556,908

## Olivenhain Municipal Water District MONTHLY CASH AND INVESTMENT SUMMARY As of July 31, 2023

Active Deposits					Book Value
Checking Accounts				\$	2,594,984
Cash Restricted for Specific Use					4,035,732
Petty Cash/Disaster Preparedness					1,496
Total Active Deposits				\$	6,632,212
Deposits Not Covered by Investme	ent Policy				
Cash with Fiscal Agents					2,196,938
	Face	Market	Current		
<u>Investments</u>	<u>Value</u>	<u>Value</u>	<u>Yield</u>		
LAIF	\$ 4,481,789	4,413,794	3.31%	\$	4,481,789
CAMP - US Bank	23,549,101	23,549,101	5.31%	Ŷ	23,549,101
Money Market Funds	4,521,526	4,521,526	4.74%		4,521,526
Medium Term Notes	500,000	497,190	2.31%		497,940
Municipal Bonds	1,000,000	1,000,810	5.00%		1,216,760
U.S. Treasury Securities	13,500,000	13,234,450	4.74%		13,330,880
U.S. Agency Securities	35,426,111	32,948,126	1.19%		35,381,024
Total Investments	\$ 82,978,526	\$ 80,164,996	3.36%	\$	82,979,019
Total - All Deposits/Investments				\$	91,808,169
Maturity Analysis of Investments					
			Percent		<b>Balance</b>
Demand Deposits			39.2%	\$	32,552,415
Maturity within the next two months			8.5%		7,062,323
Maturity within three months and one	e year		15.9%		13,153,359
Maturity beyond one year		_	36.4%		30,210,922
Total Investments		_	100.0%	\$	82,979,019
Weighted Average Days to	o Maturity		342		
Other Required Disclosures: Accrued interest receivable as of 07/ The above investments are in accord approved by the Board in December	lance with the po		\$ 252,321 in the Investment Polic	У	

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

## Olivenhain Municipal Water District PORTFOLIO LIMITATIONS ANALYSIS PER INVESTMENT POLICY July 31, 2023

		Book <u>Value</u>	<u>Percent</u>	Permitted <u>Percent</u>		In <u>Compliance?</u>
LAIF		\$ 4,481,789	5.4%	50.0%	(1)	Yes
Investment	Pools: CAMP - US Bank	23,549,101	28.4%	30.0%		Yes
Money Mar	ket Funds	4,521,526	5.4%	20.0%	(2)	Yes
Medium Te	rm Notes	497,940	0.6%	30.0%	(3)	Yes
Municipal E	Bonds	1,216,760	1.5%	30.0%		Yes
U.S. Treasu	ury Securities	13,330,880	16.1%	100.0%	(4)	Yes
U.S. Agend	y Securities	35,381,024	42.6%	50.0%		Yes
FHLB	Federal Home Loan Bank	32,131,024	38.7%			
FNMA	Fannie Mae	2,250,000	2.7%			
FHLMC	Freddie Mac	1,000,000	1.2%			
				_		

100%

#### **Total Investments**

Note:

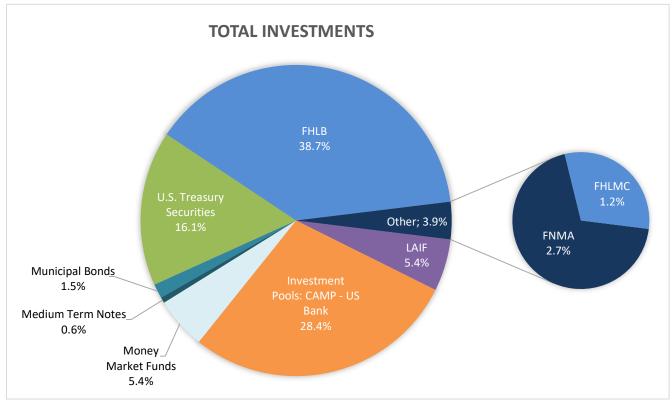
<sup>(1)</sup> No more than 50% of the total value of all District Investments or \$40 million.

\$ 82,979,019

 $^{\left( 2\right) }$  May not exceed 5% in any money market fund.

<sup>(3)</sup> May not exceed 5% per issuer.

<sup>(4)</sup> No limit.



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

#### Olivenhain Municipal Water District MONTHLY INVESTMENTS DETAIL July 31, 2023

E DEPOSIT	

ACTIVE DEPOSIT	Book Value
Checking A/C: California Bank and Trust for General Purpose	2,594,984
California Bank and Trust for Specific Purpose	141,124
CAMP 2021A Bond	3,894,607
Petty Cash/Disaster Preparedness	1,496
Total - Active Deposits	6,632,212
DEPOSITS NOT COVERED BY INVESTMENT POLICY	
Cash with Fiscal Agents:	
Union Bank - RAD 96-1 Refunding Bond	1,214,756
Union Bank - 2015A Refunding Bond	9,100
SRF Loan	968,357
Union Bank - 2016A Refunding Bond	3,769
Union Bank - 2021A WW Revenue Bond	759
	197

Total Deposits Not Covered by Investment Policy	

VESTMENTS			١G		D	ATE		Weighted Average Days to		Stated	ed Current				
	м	oody's	S&P	Purchase	Maturity	Next Call	Next S-U	Maturity	Call	Coupon	Yield	Market Value	Face Value		Book Value
muset Dealer															
nvest. Pools:	US Bank Calif. Asset Mgmt	Prgm (C	AMP)		Demand			1			5.31%	\$ 23,549,101	\$ 23,549,101	\$	23,549,10
	ency Investment Fund (LAIF)	0 (	,		Demand			1			3.31%	4,413,794	4,481,789		4,481,78
	Government 31846V567				Demand			1			5.20%	510,984	510,984		510,98
CB&T Money N	larket Account				Demand			1			4.68%	4,010,541	4,010,541		4,010,54
U.S. Treasury															
912796Z36	U.S. Treasury Bills	Aaa	-	02/16/23	08/17/23			18		4.93%	4.94%	997,670	1,000,000		976,00
912796Z51	U.S. Treasury Bills	Aaa	-	06/01/23	08/31/23			32		5.38%	5.40%	1,991,240	2,000,000		1,973,6
912796CQ0	U.S. Treasury Bills	Aaa	-	06/15/23	09/14/23			46		5.18%	5.21%	993,560	1,000,000		987,2
912796CR8	U.S. Treasury Bills	Aaa	-	06/22/23	09/21/23			53		5.23%	5.27%	1,985,100	2,000,000		1,974,3
912797FA0	U.S. Treasury Bills	Aaa	-	07/14/23	10/12/23			74		5.34%	5.39%	1,484,190	1,500,000		1,480,5
912797FC6	U.S.Treasury Bills	Aaa	-	07/27/23	10/26/23			88		5.39%	5.45%	987,430	1,000,000		986,7
912797FJ1	U.S. Treasury Bills	Aaa	-	07/12/23	11/09/23			102		5.36%	5.44%	985,340	1,000,000		982,7
912797GC5	U.S. Treasury Bills	Aaa	-	07/14/23	01/11/24			165		5.35%	5.48%	1,952,340	2,000,000		1,948,4
91282CBQ3	U.S. Treasury Notes	Aaa	-	03/09/21	09/30/24			428		0.50%	0.56%	900,390	1,000,000		984,4
912828YH7	U.S. Treasury Notes	Aaa	-	03/09/21	02/28/26			944		1.50%	1.57%	957,190	1,000,000		1,036,6
								64		4.65%	4.74%	\$ 13,234,450	\$ 13,500,000	\$	13,330,8
U.S. Agency S	Securities														
3130AJZJ1	FHLB Callable	Aaa	AA+	09/02/20	08/25/23	Anytime		26	1	0.32%	0.32%	1,147,197	1,151,111		1,151,1
3130AS3J6	FHLB Callable	Aaa	AA+	05/24/22	11/24/23	08/24/23		117	25	2.50%	2.52%	544,682	550,000		550,0
313384QR3	FHLB Discount Note	Aaa	AA+	01/19/23	12/18/23	00/24/20		141	20	4.77%	4.86%	980,470	1,000,000		957,9
3135GAEU1	FNMA Callable	Aaa	AA+	02/13/23	02/09/24	08/09/23		194	10	5.13%	5.15%	996,110	1,000,000		1,000,0
3130ARYU9	FHLB Callable	Aaa	AA+	05/23/22	02/03/24	08/23/23		208	24	3.00%	3.05%	984,480	1,000,000		1,000,0
3136G4P56	FNMA Callable	Aaa	AA+	08/26/20	02/26/24	08/26/23		211	27	0.40%	0.41%	1,212,375	1,250,000		1,250,0
3130AL6Q2	FHLB Callable	Aaa	AA+	02/26/21	02/26/24	Anytime		211	1	0.22%	0.23%	968,910	1,000,000		1,000,0
3130AMMV1	FHLB Callable	Aaa	AA+	06/03/21	06/03/24	09/03/23		309	35	0.22%	0.42%	478,395	500,000		500,0
3130ALHM9	FHLB Callable	Aaa	AA+	03/10/21	06/10/24	09/10/23		316	42	0.30%	0.31%	955,110	1.000.000		999,0
3130ANTP5	FHLB Callable	Aaa	AA+	09/16/21	09/16/24	09/16/23		414	48	0.50%	0.53%	944,400	1,000,000		1,000,0
3130ANSP6	FHLB Callable	Aaa	AA+	09/17/21	10/17/24	09/17/23		414	40	0.50%	0.53%	940,380	1,000,000		1,000,0
3130AKEW2	FHLB Callable	Aaa	AA+	11/04/20	11/04/24	Anytime		443	49	0.30%	0.33%	1,875,080	2,000,000		2,000,0
3130ANGN4	FHLB Step-up Callable	Aaa	AA+	08/18/21	02/18/25	08/18/23	08/18/23	569	19	0.43%	0.40%	934,950	1,000,000		1,000,0
3130AMKE1	FHLB Callable	Aaa	AA+	05/27/21	02/10/25	08/27/23	00/10/23	578	28	0.66%	0.53%	928,280	1,000,000		1,000,0
3134GWAQ9	FHLMC Callable	Aaa	AA+	07/28/20	07/28/25	07/28/24		729	364	0.65%	0.71%	918,610	1,000,000		1,000,0
3130AKGX8	FHLB Step-up Callable	Aaa	AA+	12/15/20	12/15/25	09/15/23	12/15/23	869	47	0.55%	0.60%	1,843,280	2,000,000		2,000,0
3130AKMD5	FHLB Callable	Aaa	AA+	01/26/21	01/26/26	10/26/23	12/13/23	911	88	0.50%	0.56%	899,030	1,000,000		2,000,0
3130AKU53	FHLB Callable	Aaa	AA+	01/28/21	01/28/26	10/28/23		913	90	0.52%	0.58%	899,310	1,000,000		1,000,0
3130AKN69	FHLB Callable	Aaa	AA+	01/28/21	01/28/26	01/28/24		913	182	0.52%	0.56%	898,850	1,000,000		1,000,0
3130AKVN3	FHLB Callable	Aaa	AA+	01/20/21	01/29/26	10/29/23		913	91	0.52%	0.58%	899,230	1,000,000		1,000,0
	FHLB Callable	Aaa	AA+	02/12/21	01/29/26	08/12/23		914	13			897,220	1,000,000		
3130AKWK8			AA+	02/12/21	02/12/26		None	928	25	0.51%	0.57%	1,801,700			1,000,0 2,000,0
3130AKX43	FHLB Step-up Callable	Aaa				08/24/23	None			0.70%	0.78%		2,000,000		
3130AL7M0	FHLB Callable	Aaa	AA+ AA+	02/24/21	02/24/26	08/24/23		940	25 210	0.63%	0.70%	898,970	1,000,000		1,000,0
3130AKYR1 3130AL6K5	FHLB Callable FHLB Callable	Aaa	AA+	02/25/21	02/25/26	02/25/24		941	210	0.55%	0.61%	897,110	1,000,000		1,000,0
		Aaa		02/25/21	02/25/26	02/25/24				0.58%		897,830	1,000,000		1,000,0
3130ALD76	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	08/25/23		941	26	0.70%	0.78%	900,670	1,000,000		1,000,0
3130ALCW2	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	02/25/24		941	210	0.63%	0.70%	898,890	1,000,000		998,5
3130ALGJ7	FHLB Callable	Aaa	AA+	03/23/21	03/23/26	08/23/23	02/20/04	967	24	1.00%	1.11%	881,507	975,000		975,0
3130ALPQ1	FHLB Step-up Callable	Aaa	AA+	03/30/21	03/30/26	09/30/23	03/30/24	974	62	1.00%	1.09%	918,420	1,000,000		1,000,0
3130ALVC5	FHLB Step-up Callable	Aaa	AA+	04/14/21	04/14/26	10/14/23	04/14/24	989	76	1.00%	1.09%	914,600	1,000,000		1,000,0
3130APAY1	FHLB Callable	Aaa	AA+	10/21/21	10/21/26	10/21/23		1,179	83	1.10%	1.23%	895,580	1,000,000		1,000,0
3130APL78	FHLB Callable	Aaa	AA+	10/28/21	10/28/26	10/28/23		1,186	90	1.38%	1.52%	903,170	1,000,000		1,000,0
3130AVCS9	FHLB Callable	Aaa	AA+	03/29/23	03/29/28	12/29/23		1,704	152	6.00%	6.04%	993,330	1,000,000		1,000,0
								710	71	1.10%	1.19%	\$ 32,948,126	\$ 35,426,111	\$	35,381,0
<u>Medium Term</u> 740816AJ2	Notes Pres & Fellows of Harvard	Aaa	AAA	05/06/22	10/01/23			63		2.30%	2.31%	497,190	500,000		497,9
								1	-	2.30%	2.31%	\$ 497,190	\$ 500,000	\$	497,9
Municipal Bo 882724RA7	<u>nds</u> TEXAS ST PUB FIN AUTH	Aaa	AAA	10/30/20	10/01/25			794		5.00%	5.00%	1,000,810	1,000,000		1,216,7
								27		5.00%	5.00%	\$ 1,000,810	\$ 1,000,000	\$	1,216,7
	Total Investments							342		3.25%	3.36%	\$ 80,164,996	\$ 82,978,526		82,979,0

#### Olivenhain Municipal Water District INVESTMENTS TRANSACTION July 31, 2023

### PURCHASED

DATE				Stated	Current			
Purchase	Maturity	Call	Step-Up	Investment Description	Coupon	Yield	Face Value	Book Value
07/14/23	10/12/23			U.S. Treasury Bills	5.338%	5.395%	1,500,000	1,480,568
07/27/23	10/26/23			U.S.Treasury Bills	5.386%	5.455%	1,000,000	986,786
07/12/23	11/09/23			U.S. Treasury Bills	5.356%	5.436%	1,000,000	982,743
07/14/23	01/11/24			U.S. Treasury Bills	5.354%	5.485%	2,000,000	1,948,409

#### MATURED / REDEEMED / CALLED

DATE				Stated	Current			
Redemption	Maturity	Call	Step-Up	Investment Description	Coupon	Yield	Face Value	Book Value
07/06/23	07/06/23			U.S. Treasury Bills	4.763%	4.765%	1,000,000	988,774
07/13/23	07/13/23			U.S. Treasury Bills	4.737%	4.744%	2,000,000	1,954,100
07/13/23	07/13/23			U.S. Treasury Bills	4.917%	4.924%	1,200,000	1,185,624
07/27/23	07/27/23			U.S. Treasury Bills	4.770%	4.786%	1,330,000	1,299,765

# Olivenhain Municipal Water District UNAUDITED CASH POSITION BY FUNDING SOURCES As of July 31, 2023

Water Funds (Potable & Recycled)	Balance
10050-100 Cash - Petty Cash Fund	1,496
10010-100 Cash - Operating Fund	14,131,411
10030-100 Cash - Capital and Equipment Fund	36,871,469
10040-100 Cash - Rate Stabilization Fund	11,809,649
10080-100 Cash - Pension Stabilization Fund	442,398
10060-100 Cash - Deposit Work for Other	192,819
14000-500 Restricted Cash - Capacity Fee Fund	6,529,100
Total Water Funds (Potable & Recycled)	69,978,343
Wastewater Funds	
10010-110 Wastewater - Operating Fund	3,610,862
10030-110 Wastewater - Capital Replacement Fund	9,271,558
10040-110 Wastewater - Rate Stabilization Fund	2,674,056
10080-110 Cash - Pension Stabilization Fund	40,680
Total Wastewater Funds	15,597,156
Non Fiscal Agent Debt Service Cash	
14020-570 Cash non-agent - RAD 96-1	129,924
10070-561 Cash non-agent - Bond 2015A	621
10070-581 Cash non-agent - Bond 2016A	10,580
14020-521 Cash non-agent - Bond 2021A	3,894,607
14020-522 Cash non-agent - Bond 2021B	-
Total Non Fiscal Agent Debt Service Cash	4,035,732
Debt Service Funds	
14030-510 SRF Loan - Fiscal Agent	968,357
14105-570 Redemption fund - RAD 96-1	1,145,218
14110-570 Reserve fund - RAD 96-1	69,538
14100-561 Redemption fund - Bond 2015A	9,100
14100-581 Redemption fund - Bond 2016A	3,769
14100-521 Redemption fund - Bond 2021A	759
14100-522 Redemption fund - Bond 2021B	197
Total Debt Service Funds	2,196,938
TOTAL FUND BALANCES	91,808,169

## Olivenhain Municipal Water District MONTHLY CASH AND INVESTMENT SUMMARY As of August 31, 2023

Active Deposits				_!	Book Value
Checking Accounts				\$	3,276,941
Cash Restricted for Specific Use					3,504,080
Petty Cash/Disaster Preparedness					1,496
Total Active Deposits				\$	6,782,517
Deposits Not Covered by Investme	ent Policy				
Cash with Fiscal Agents					2,198,439
	Face	Market	Current		
Investments	<u>Value</u>	<u>Value</u>	<u>Yield</u>		
LAIF	\$ 3,481,789	3,428,965	3.43%	\$	3,481,789
CAMP - US Bank	23,659,481	23,659,481	5.52%	Ψ	23,659,481
Money Market Funds	4,619,730	4,619,730	4.84%		4,619,730
Medium Term Notes	500,000	498,775	2.31%		497,940
Municipal Bonds	1,000,000	1,002,480	4.99%		1,216,760
U.S. Treasury Securities	14,600,000	14,337,900	4.83%		14,426,928
U.S. Agency Securities	34,275,000	31,874,889	1.22%		34,229,913
Total Investments	\$ 82,136,000	\$ 79,422,219	3.52%	\$	82,132,540
Total - All Deposits/Investments				\$	91,113,495
Maturity Analysis of Investments					
			Percent		<b>Balance</b>
Demand Deposits			38.7%	\$	31,761,000
Maturity within the next two months			7.2%		5,926,882
Maturity within three months and one	e year		17.3%		14,233,735
Maturity beyond one year		_	36.8%		30,210,922
Total Investments			100.0%	\$	82,132,540
Weighted Average Days to	o Maturity		331		
Other Required Disclosures:					
Accrued interest receivable as of 08/			\$ 226,759		
The above investments are in accord approved by the Board in December		ortfolio limitations i	in the Investment Pol	icy	

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

## **Olivenhain Municipal Water District** PORTFOLIO LIMITATIONS ANALYSIS PER INVESTMENT POLICY August 31, 2023

		Book <u>Value</u>	<u>Percent</u>	Permitted <u>Percent</u>		In <u>Compliance?</u>
LAIF		\$ 3,481,789	4.2%	50.0%	(1)	Yes
Investment	t Pools: CAMP - US Bank	23,659,481	28.8%	30.0%		Yes
Money Mai	rket Funds	4,619,730	5.6%	20.0%	(2)	Yes
Medium Te	erm Notes	497,940	0.6%	30.0%	(3)	Yes
Municipal E	Bonds	1,216,760	1.5%	30.0%		Yes
U.S. Treas	ury Securities	14,426,928	17.6%	100.0%	(4)	Yes
U.S. Agend	cy Securities	34,229,913	41.6%	50.0%		Yes
FHLB	Federal Home Loan Bank	30,979,913	37.7%	_		
FNMA	Fannie Mae	2,250,000	2.7%			
FHLMC	Freddie Mac	1,000,000	1.2%			
			1000/	_		
Total I	Investments	\$82,132,540	100%			

## Total Investments

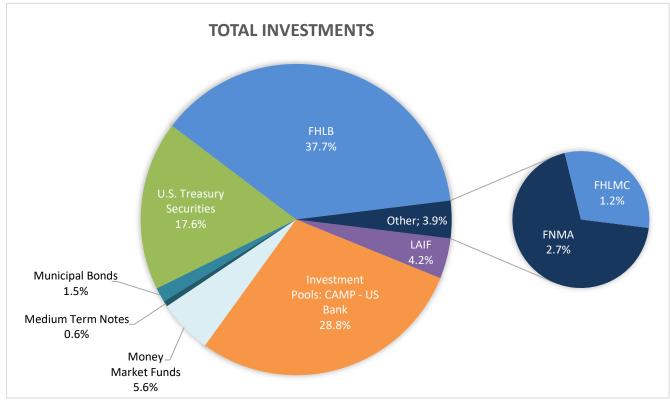
Note:

<sup>(1)</sup> No more than 50% of the total value of all District Investments or \$40 million.

 $^{\left( 2\right) }$  May not exceed 5% in any money market fund.

<sup>(3)</sup> May not exceed 5% per issuer.

<sup>(4)</sup> No limit.



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

## Olivenhain Municipal Water District MONTHLY INVESTMENTS DETAIL August 31, 2023

ACTIVE DEPOSIT	Book Value
Checking A/C: California Bank and Trust for General Purpose	3,276,941
California Bank and Trust for Specific Purpose	142,415
CAMP 2021A Bond	3,361,665
Petty Cash/Disaster Preparedness	1,496
Total - Active Deposits	6,782,517
DEPOSITS NOT COVERED BY INVESTMENT POLICY	
Cash with Fiscal Agents:	
Union Bank - RAD 96-1 Refunding Bond	1,214,761
Union Bank - 2015A Refunding Bond	9,139
SRF Loan	969,797
Union Bank - 2016A Refunding Bond	3,785
Union Bank - 2021A WW Revenue Bond	759
Union Bank - 2021B Refunding Bond	197

		RATING DATE Weighted Average Days to			04-4	0	rent								
	M	oody's	S&P	Purchase	Maturity	Next Call	Next S-U	Days to Maturity	Call	Stated Coupon	Current Yield	Market Value	Face Value	E	Book Value
ESTMENTS															
	US Bank Calif. Asset Mgmt I	Pram (C	(AMP)		Demand			1			5.52%	\$ 23,659,481	\$ 23,659,481	\$	23.659.4
	ency Investment Fund (LAIF)	.3(5	, ,		Demand			1			3.43%	3,428,965	3.481.789		3,481,7
	Government 31846V567				Demand			1			5.21%	693,416	693,416		693,4
	larket Account				Demand			1			4.77%	3,926,314	3,926,314		3,926,3
,															
.S. Treasury	/ Notes/Bills														
12796CQ0	U.S. Treasury Bills	Aaa	-	06/15/23	09/14/23			15		5.18%	5.19%	998,110	1,000,000		987,
12796CR8	U.S. Treasury Bills	Aaa	-	06/22/23	09/21/23			22		5.23%	5.25%	1,994,140	2,000,000		1,974,
12797FA0	U.S. Treasury Bills	Aaa	-	07/14/23	10/12/23			43		5.34%	5.37%	1,490,940	1,500,000		1,480,
12797FC6	U.S. Treasury Bills	Aaa	-	07/27/23	10/26/23			57		5.39%	5.43%	991,910	1,000,000		986,
12797FJ1	U.S. Treasury Bills	Aaa	-	07/12/23	11/09/23			71		5.36%	5.41%	989,870	1,000,000		982,
12797FK8	U.S. Treasury Bills	Aaa	-	08/17/23	11/16/23			78		5.38%	5.44%	988,860	1,000,000		986,
								86							
12797FL6	U.S. Treasury Bills	Aaa	-	08/25/23	11/24/23					5.40%	5.47%	1,086,360	1,100,000		1,085,
12796ZD4	U.S. Treasury Bills	Aaa	-	08/31/23	11/30/23			92		5.40%	5.47%	1,973,440	2,000,000		1,973,
12797GC5	U.S. Treasury Bills	Aaa	-	07/14/23	01/11/24			134		5.35%	5.46%	1,961,220	2,000,000		1,948,
1282CBQ3	U.S. Treasury Notes	Aaa	-	03/09/21	09/30/24			397		0.50%	0.55%	902,890	1,000,000		984,
12828YH7	U.S. Treasury Notes	Aaa	-	03/09/21	02/28/26			913		1.50%	1.56%	960,160	1,000,000		1,036,
								64		4.74%	4.83%	\$ 14,337,900	\$ 14,600,000	\$	14,426,
.S. Agency															
130AS3J6	FHLB Callable	Aaa	AA+	05/24/22	11/24/23	11/24/23		86	86	2.50%	2.52%	545,897	550,000		550
13384QR3	FHLB Discount Note	Aaa	AA+	01/19/23	12/18/23			110		4.77%	4.84%	984,650	1,000,000		957,
135GAEU1	FNMA Callable	Aaa	AA+	02/13/23	02/09/24	11/09/23		163	71	5.13%	5.14%	997,270	1,000,000		1,000,
130ARYU9	FHLB Callable	Aaa	AA+	05/23/22	02/23/24	11/23/23		177	85	3.00%	3.04%	987,880	1,000,000		1,000
136G4P56	FNMA Callable	Aaa	AA+	08/26/20	02/26/24	11/26/23		180	88	0.40%	0.41%	1,219,275	1,250,000		1,250
130AL6Q2	FHLB Callable	Aaa	AA+	02/26/21	02/26/24	Anytime		180	1	0.22%	0.23%	974,570	1,000,000		1,000
130AMMV1	FHLB Callable	Aaa	AA+	06/03/21	06/03/24	09/03/23		278	4	0.40%	0.42%	481,130	500,000		500
130ALHM9	FHLB Callable	Aaa	AA+	03/10/21	06/10/24	09/10/23		285	11	0.30%	0.31%	960,550	1,000,000		999,
130ALTINIS 130ANTP5	FHLB Callable	Aaa	AA+	09/16/21	09/16/24	09/16/23		383	17	0.50%	0.53%				
												950,210	1,000,000		1,000,
130ANSP6	FHLB Callable	Aaa	AA+	09/17/21	10/17/24	09/17/23		414	18	0.50%	0.53%	946,780	1,000,000		1,000,
130AKEW2	FHLB Callable	Aaa	AA+	11/04/20	11/04/24	Anytime		432	1	0.43%	0.46%	1,886,360	2,000,000		2,000
130ANGN4	FHLB Step-up Callable	Aaa	AA+	08/18/21	02/18/25	11/18/23	02/18/24	538	80	0.75%	0.80%	939,400	1,000,000		1,000,
130AMKE1	FHLB Callable	Aaa	AA+	05/27/21	02/27/25	11/27/23		547	89	0.66%	0.71%	932,600	1,000,000		1,000,
134GWAQ9	FHLMC Callable	Aaa	AA+	07/28/20	07/28/25	07/28/24		698	333	0.65%	0.71%	918,470	1,000,000		1,000,
130AKGX8	FHLB Step-up Callable	Aaa	AA+	12/15/20	12/15/25	09/15/23	12/15/23	838	16	0.55%	0.60%	1,842,500	2,000,000		2,000
130AKMD5	FHLB Callable	Aaa	AA+	01/26/21	01/26/26	10/26/23		880	57	0.50%	0.56%	899,060	1,000,000		999
130AKU53	FHLB Callable	Aaa	AA+	01/28/21	01/28/26	10/28/23		882	59	0.52%	0.58%	899,320	1,000,000		1,000
130AKN69	FHLB Callable	Aaa	AA+	01/28/21	01/28/26	01/28/24		882	151	0.50%	0.56%	898,870	1,000,000		1,000
130AKVN3	FHLB Callable	Aaa	AA+	01/29/21	01/29/26	10/29/23		883	60	0.52%	0.58%	899,230	1,000,000		1,000
									74						
130AKWK8	FHLB Callable	Aaa	AA+	02/12/21	02/12/26	11/12/23	Ne	897		0.51%	0.57%	898,130	1,000,000		1,000
130AKX43	FHLB Step-up Callable	Aaa	AA+	02/24/21	02/24/26	11/24/23	None	909	86	0.70%	0.78%	1,803,000	2,000,000		2,000
130AL7M0	FHLB Callable	Aaa	AA+	02/24/21	02/24/26	11/24/23		909	86	0.63%	0.69%	899,670	1,000,000		1,000
130AKYR1	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	02/25/24		910	179	0.55%	0.61%	897,860	1,000,000		1,000
130AL6K5	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	02/25/24		910	179	0.58%	0.65%	898,550	1,000,000		1,000
130ALD76	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	11/25/23		910	87	0.70%	0.78%	901,310	1,000,000		1,000
130ALCW2	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	02/25/24		910	179	0.63%	0.69%	899,590	1,000,000		998
130ALGJ7	FHLB Callable	Aaa	AA+	03/23/21	03/23/26	09/23/23		936	24	1.00%	1.10%	884,647	975,000		975
130ALPQ1	FHLB Step-up Callable	Aaa	AA+	03/30/21	03/30/26	09/30/23	03/30/24	943	31	1.00%	1.09%	919,180	1,000,000		1.000
130ALVC5	FHLB Step-up Callable	Aaa	AA+	04/14/21	04/14/26	10/14/23	04/14/24	958	45	1.00%	1.09%	916,590	1,000,000		1,000
130APAY1	FHLB Callable	Aaa	AA+	10/21/21	10/21/26	10/21/23	07/17/24	1,148	52	1.10%	1.23%	897,890	1,000,000		1,000
					10/28/26	10/28/23			59				1,000,000		
130APL78	FHLB Callable FHLB Callable	Aaa Aaa	AA+ AA+	10/28/21 03/29/23	03/29/28	12/29/23		1,155	121	1.38% 6.00%	1.53%	900,820 993,630	1,000,000		1,000
130AVCS9		Add	AAT	03/29/23	03/29/20	12/29/23		1,075	121	0.00%	6.04%	993,030	1,000,000		1,000
								702	76	1.14%	1.22%	\$ 31,874,889	\$ 34,275,000	\$	34,229
ledium Tern 40816AJ2		۸		05/00/00	10/04/00			32		0.00%	0.040/	400 775	F00.000		407
4UO IDAJZ	Pres & Fellows of Harvard	Aaa	AAA	05/06/22	10/01/23			32		2.30%	2.31%	498,775	500,000		497
lunicipal Bo	nds							0	-	2.30%	2.31%	\$ 498,775	\$ 500,000	\$	497
82724RA7	TEXAS ST PUB FIN AUTH	Aaa	AAA	10/30/20	10/01/25			763		5.00%	4.99%	1,002,480	1,000,000		1,216
								27		5.00%	4.99%	\$ 1,002,480	\$ 1,000,000	\$	1,216
	Total Investments							331		3.40%	3.52%	\$ 79,422,219		\$	82,132

#### Olivenhain Municipal Water District INVESTMENTS TRANSACTION August 31, 2023

## PURCHASED

	DATE				Stated	Current		
Purchase	Maturity	Call	Step-Up	Investment Description	Coupon	Yield	Face Value	Book Value
08/17/23	11/16/23			U.S. Treasury Bills	5.379%	5.440%	1,000,000	986,804
08/25/23	11/24/23			U.S. Treasury Bills	5.399%	5.467%	1,100,000	1,085,428
08/31/23	11/30/23			U.S. Treasury Bills	5.399%	5.472%	2,000,000	1,973,438

#### MATURED / REDEEMED / CALLED

DATE				Stated	Current			
Redemption	Maturity	Call	Step-Up	Investment Description	Coupon	Yield	Face Value	Book Value
08/17/23	08/17/23			U.S. Treasury Bills	4.931%	4.943%	1,000,000	976,000
08/25/23	08/25/23			FHLB Callable	0.320%	0.321%	1,151,111	1,151,111
08/31/23	08/31/23			U.S. Treasury Bills	5.375%	5.399%	2,000,000	1,973,623

# Olivenhain Municipal Water District UNAUDITED CASH POSITION BY FUNDING SOURCES As of August 31, 2023

Water Funds (Potable & Recycled)	Balance
10050-100 Cash - Petty Cash Fund	1,496
10010-100 Cash - Operating Fund	14,706,403
10030-100 Cash - Capital and Equipment Fund	36,347,520
10040-100 Cash - Rate Stabilization Fund	11,787,951
10080-100 Cash - Pension Stabilization Fund	443,581
10060-100 Cash - Deposit Work for Other	182,495
14000-500 Restricted Cash - Capacity Fee Fund	6,465,693
Total Water Funds (Potable & Recycled)	69,935,139
Wastewater Funds	
10010-110 Wastewater - Operating Fund	3,196,885
10030-110 Wastewater - Capital Replacement Fund	9,556,958
10040-110 Wastewater - Rate Stabilization Fund	2,681,206
10080-110 Cash - Pension Stabilization Fund	40,789
Total Wastewater Funds	15,475,838
Non Fiscal Agent Debt Service Cash	
14020-570 Cash non-agent - RAD 96-1	131,214
10070-561 Cash non-agent - Bond 2015A	621
10070-581 Cash non-agent - Bond 2016A	10,580
14020-521 Cash non-agent - Bond 2021A	3,361,665
14020-522 Cash non-agent - Bond 2021B	-
Total Non Fiscal Agent Debt Service Cash	3,504,080
Debt Service Funds	000 707
14030-510 SRF Loan - Fiscal Agent	969,797
14105-570 Redemption fund - RAD 96-1	1,145,223
14110-570 Reserve fund - RAD 96-1	69,538
14100-561 Redemption fund - Bond 2015A	9,139
14100-581 Redemption fund - Bond 2016A	3,785
14100-521 Redemption fund - Bond 2021A	759
14100-522 Redemption fund - Bond 2021B	197
Total Debt Service Funds	2,198,439
TOTAL FUND BALANCES	91,113,495

## Olivenhain Municipal Water District MONTHLY CASH AND INVESTMENT SUMMARY As of September 30, 2023

Active Deposits				_ <u>E</u>	Book Value	
Checking Accounts Cash Restricted for Specific Use Petty Cash/Disaster Preparedness				\$	4,730,951 3,223,896 1,496	
Total Active Deposits				\$	7,956,343	
Deposits Not Covered by Investme	ent Policy					
Cash with Fiscal Agents					1,247,882	
<u>Investments</u>	Face <u>Value</u>	Market <u>Value</u>	Current <u>Yield</u>			
LAIF CAMP - US Bank Money Market Funds Medium Term Notes Municipal Bonds U.S. Treasury Securities U.S. Agency Securities	\$ 3,481,789 23,767,369 4,027,220 500,000 1,000,000 15,300,000 34,275,000	3,428,965 23,767,369 4,027,220 500,000 995,600 15,044,518 31,849,558	3.53% 5.55% 4.78% 2.30% 5.02% 4.89% 1.22%	\$	3,481,789 23,767,369 4,027,220 497,940 1,216,760 15,115,460 34,229,913	
Total Investments	\$ 82,351,378	\$ 79,613,230	3.54%	\$	82,336,451	
Total - All Deposits/Investments				\$	91,540,676	
Maturity Analysis of Investments						
Demand Deposits Maturity within the next two months Maturity within three months and one Maturity beyond one year	e year		<u>Percent</u> 38.0% 10.4% 16.2% 35.5%	\$	Balance 31,276,378 8,543,707 13,305,444 29,210,922	
Total Investments			100.0%	\$	82,336,451	
Weighted Average Days to Maturity 316						
Other Required Disclosures: Accrued interest receivable as of 09 The above investments are in accord approved by the Board in Decemb	dance with the po	rtfolio limitations	\$ 252,697 in the Investment Polic	у,		

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

## **Olivenhain Municipal Water District** PORTFOLIO LIMITATIONS ANALYSIS PER INVESTMENT POLICY **September 30, 2023**

		Book <u>Value</u>	<u>Percent</u>	Permitted <u>Percent</u>		In <u>Compliance?</u>
LAIF		\$ 3,481,789	4.2%	50.0%	(1)	Yes
Investment	t Pools: CAMP - US Bank	23,767,369	28.9%	30.0%		Yes
Money Mai	rket Funds	4,027,220	4.9%	20.0%	(2)	Yes
Medium Te	erm Notes	497,940	0.6%	30.0%	(3)	Yes
Municipal E	Bonds	1,216,760	1.5%	30.0%		Yes
U.S. Treas	ury Securities	15,115,460	18.4%	100.0%	(4)	Yes
U.S. Agend	cy Securities	34,229,913	41.5%	50.0%		Yes
FHLB	Federal Home Loan Bank	30,979,913	37.6%	_		
FNMA	Fannie Mae	2,250,000	2.7%			
FHLMC	Freddie Mac	1,000,000	1.2%			
				_		
Total I	nvestments	\$ 82,336,451	100%			

## Total Investments

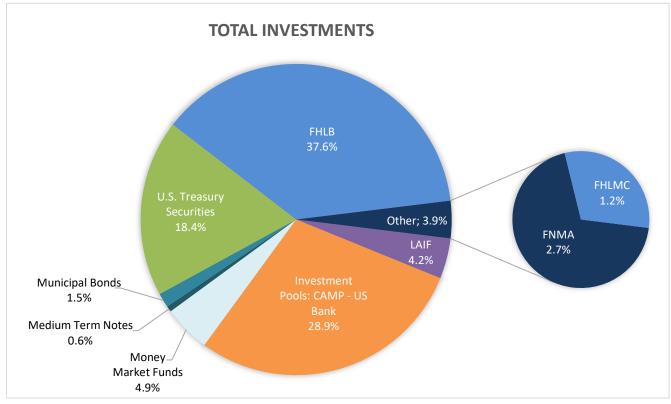
Note:

<sup>(1)</sup> No more than 50% of the total value of all District Investments or \$40 million.

 $^{\left( 2\right) }$  May not exceed 5% in any money market fund.

<sup>(3)</sup> May not exceed 5% per issuer.

<sup>(4)</sup> No limit.



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

#### Olivenhain Municipal Water District MONTHLY INVESTMENTS DETAIL September 30, 2023

ACTIVE DEPOSIT	Book Value
Checking A/C: California Bank and Trust for General Purpose	4,730,951
California Bank and Trust for Specific Purpose	146,999
CAMP 2021A Bond	3,076,897
Petty Cash/Disaster Preparedness	1,496
Total - Active Deposits	7,956,343
DEPOSITS NOT COVERED BY INVESTMENT POLICY	
Cash with Fiscal Agents:	
Union Bank - RAD 96-1 Refunding Bond	262,843
Union Bank - 2015A Refunding Bond	9,179
SRF Loan	971,101
Union Bank - 2016A Refunding Bond	3,802
Union Bank - 2021A WW Revenue Bond	759
Union Bank - 2021B Refunding Bond	197

	Total Deposits Not Cov	RATING DATE				Weighted					1,247,882				
	N	RATIN	NG S&P	Purchase	D Maturity	ATE Next Call	Next S-U	Average Days to Maturity	Call	Stated Coupon	Current Yield	Market Value	Face Value		Book Value
IVESTMENTS															
	US Bank Calif. Asset Mgmt	Pram (C	AMP)		Demand			1			5.55%	\$ 23,767,369	\$ 23,767,369	\$	23,767,36
	ency Investment Fund (LAIF)	g (o	, ,		Demand			1			3.53%	3,428,965	3,481,789	Ŷ	3,481,78
	Government 31846V567				Demand			1			5.23%	86,346	86,346		86,34
CB&T Money M					Demand			1			4.77%	3,940,874	3,940,874		3,940,87
U.S. Treasury				07/14/23	10/12/23			40		5.0.49/	5.05%	4 407 705	1.500.000		4 400 50
912797FA0 912797FC6	U.S. Treasury Bills U.S. Treasury Bills	Aaa Aaa	-	07/14/23	10/12/23			13 27		5.34% 5.39%	5.35% 5.41%	1,497,795 996,480	1,000,000		1,480,56
912797FJ1	U.S. Treasury Bills	Aaa		07/12/23	11/09/23			41		5.36%	5.39%	994,410	1,000,000		982,74
912797FK8	U.S. Treasury Bills	Aaa	-	08/17/23	11/16/23			48		5.38%	5.41%	993,380	1,000,000		986.80
912797FL6	U.S. Treasury Bills	Aaa	-	08/25/23	11/24/23			56		5.40%	5.44%	1,091,398	1,100,000		1,085,42
912796ZD4	U.S. Treasury Bills	Aaa	-	08/31/23	11/30/23			62		5.40%	5.45%	1,982,540	2,000,000		1,973,43
912797FU6	U.S. Treasury Bills	Aaa	-	09/14/23	12/14/23			76		5.40%	5.46%	989,250	1,000,000		986,74
912797FV4	U.S. Treasury Bills	Aaa	-	09/21/23	12/21/23			83		5.39%	5.46%	1,976,380	2,000,000		1,973,53
912797FW2	U.S. Treasury Bills	Aaa	-	09/26/23	01/04/24			97		5.39%	5.47%	690,305	700,000		689,83
912797GC5	U.S. Treasury Bills	Aaa	-	07/14/23	01/11/24			104		5.35%	5.43%	1,970,240	2,000,000		1,948,40
91282CBQ3	U.S. Treasury Notes	Aaa	-	03/09/21	09/30/24			367		0.50%	0.56%	900,310	1,000,000		984,47
912828YH7	U.S. Treasury Notes	Aaa	-	03/09/21	02/28/26			883		1.50%	1.56%	962,030	1,000,000		1,036,68
								61	-	4.81%	4.89%	\$ 15,044,518	\$ 15,300,000	\$	15,115,46
U.S. Agency	Securities														
3130AS3J6	FHLB Callable	Aaa	AA+	05/24/22	11/24/23	11/24/23		56	56	2.50%	2.51%	547,498	550,000		550,00
313384QR3	FHLB Discount Note	Aaa	AA+	01/19/23	12/18/23			80		4.77%	4.82%	989,060	1,000,000		957,91
3135GAEU1	FNMA Callable	Aaa	AA+	02/13/23	02/09/24	11/09/23		133	41	5.13%	5.14%	998,000	1,000,000		1,000,00
3130ARYU9	FHLB Callable	Aaa	AA+	05/23/22	02/23/24	11/23/23		147	55	3.00%	3.03%	990,000	1,000,000		1,000,00
3136G4P56	FNMA Callable	Aaa	AA+	08/26/20	02/26/24	11/26/23		150	58	0.40%	0.41%	1,224,325	1,250,000		1,250,00
3130AL6Q2	FHLB Callable	Aaa	AA+	02/26/21	02/26/24	Anytime		150	1	0.22%	0.22%	978,750	1,000,000		1,000,00
3130AMMV1	FHLB Callable	Aaa	AA+	06/03/21	06/03/24	12/03/23		248	65	0.40%	0.41%	482,845	500,000		500,00
3130ALHM9	FHLB Callable	Aaa	AA+	03/10/21	06/10/24	12/10/23		255	72	0.30%	0.31%	964,080	1,000,000		999,00
3130ANTP5	FHLB Callable	Aaa	AA+	09/16/21	09/16/24	12/16/23		353	78	0.50%	0.52%	952,560	1,000,000		1,000,00
3130ANSP6	FHLB Callable	Aaa	AA+	09/17/21	10/17/24	03/17/24		384	170	0.50%	0.53%	948,760	1,000,000		1,000,00
3130AKEW2	FHLB Callable	Aaa	AA+	11/04/20	11/04/24	Anytime		402	1	0.43%	0.45%	1,891,540	2,000,000		2,000,00
3130ANGN4	FHLB Step-up Callable	Aaa	AA+	08/18/21	02/18/25	11/18/23	02/18/24	508	50	0.75%	0.80%	941,210	1,000,000		1,000,00
3130AMKE1	FHLB Callable	Aaa	AA+	05/27/21	02/27/25	11/27/23		517	59	0.66%	0.71%	934,400	1,000,000		1,000,00
3134GWAQ9	FHLMC Callable	Aaa	AA+	07/28/20	07/28/25	07/28/24		668	303	0.65%	0.71%	919,320	1,000,000		1,000,00
3130AKGX8	FHLB Step-up Callable	Aaa	AA+	12/15/20	12/15/25	12/15/23	12/15/23	808	77	0.55%	0.60%	1,840,600	2,000,000		2,000,00
3130AKMD5	FHLB Callable	Aaa	AA+	01/26/21	01/26/26	10/26/23		850	27	0.50%	0.56%	897,120	1,000,000		999,50
3130AKU53	FHLB Callable	Aaa	AA+	01/28/21	01/28/26	10/28/23		852	29	0.52%	0.58%	897,340	1,000,000		1,000,00
3130AKN69	FHLB Callable	Aaa	AA+	01/28/21	01/28/26	01/28/24		852	121	0.50%	0.56%	896,910	1,000,000		1,000,00
3130AKVN3	FHLB Callable	Aaa	AA+	01/29/21	01/29/26	10/29/23		853	30	0.52%	0.58%	897,240	1,000,000		1,000,00
3130AKWK8	FHLB Callable	Aaa	AA+	02/12/21	02/12/26	11/12/23	News	867	44	0.51%	0.57%	895,590	1,000,000		1,000,00
3130AKX43	FHLB Step-up Callable	Aaa	AA+	02/24/21	02/24/26	11/24/23	None	879	56	0.70%	0.78%	1,797,340	2,000,000		2,000,00
3130AL7M0	FHLB Callable	Aaa	AA+	02/24/21	02/24/26	11/24/23		879	56	0.63%	0.70%	896,900	1,000,000		1,000,00
3130AKYR1	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	02/25/24		880	149	0.55%	0.61%	895,130	1,000,000		1,000,00
3130AL6K5	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	02/25/24		880	149	0.58%	0.65%	895,800	1,000,000		1,000,00
3130ALD76	FHLB Callable	Aaa	AA+	02/25/21	02/25/26 02/25/26	11/25/23 02/25/24		880	57 149	0.70%	0.78%	898,470	1,000,000		1,000,00
3130ALCW2	FHLB Callable FHLB Callable	Aaa Aaa	AA+ AA+	02/25/21	02/25/26	10/23/23		880	24	0.63%	0.70%	896,800 880,211	1,000,000		998,50
3130ALGJ7 3130ALPQ1			AA+	03/23/21	03/23/26	09/30/23	03/30/24	906	24	1.00%	1.11%	915,640	975,000 1,000,000		975,00
3130ALPQ1 3130ALVC5	FHLB Step-up Callable FHLB Step-up Callable	Aaa Aaa	AA+	03/30/21	03/30/26	10/14/23	03/30/24	913	15	1.00%	1.10%	915,640	1,000,000		1,000,00
3130ALVC5	FHLB Callable	Aaa Aaa	AA+	10/21/21	10/21/26	10/14/23	07/14/24	1,118	22	1.10%	1.10%	887,810	1,000,000		1,000,00
3130APAT1 3130APL78	FHLB Callable	Aaa	AA+	10/21/21	10/21/26	10/21/23		1,110	22	1.38%	1.54%	894,870	1,000,000		1,000,00
3130AVCS9	FHLB Callable	Aaa	AA+	03/29/23	03/29/28	12/29/23		1,643	91	6.00%	6.06%	990,220	1,000,000		1,000,00
								672	67	1.14%	1.22%		\$ 34,275,000	\$	34,229,91
Medium Tern	n Notes											, . ,,- 30	,,		,,
740816AJ2	Pres & Fellows of Harvard	Aaa	AAA	05/06/22	10/01/23			2		2.30%	2.30%	500,000	500,000		497,94
Municipal Bo	onds							0	-	2.30%	2.30%	\$ 500,000	\$ 500,000	\$	497,94
882724RA7	TEXAS ST PUB FIN AUTH	Aaa	AAA	10/30/20	10/01/25			733		5.00%	5.02%	995,600	1,000,000		1,216,76
								26	-	5.00%	5.02%	\$ 995,600	\$ 1,000,000	\$	1,216,76
	Total Investments							316	-	3.43%	3.54%	\$ 79,613,230	\$ 82,351,378	\$	82,336,45

#### Olivenhain Municipal Water District INVESTMENTS TRANSACTION September 30, 2023

## PURCHASED

	DATE				Stated	Current		
Purchase	Maturity	Call	Step-Up	Investment Description	Coupon	Yield	Face Value	Book Value
09/14/23	12/14/23			U.S. Treasury Bills	5.401%	5.460%	1,000,000	986,748
09/21/23	12/21/23			U.S. Treasury Bills	5.393%	5.457%	2,000,000	1,973,535
09/26/23	01/04/24			U.S. Treasury Bills	5.391%	5.467%	700,000	689,838

#### MATURED / REDEEMED / CALLED

	DATE	l .			Stated	Current		
Redemption	Maturity	Call	Step-Up	Investment Description	Coupon	Yield	Face Value	Book Value
09/14/23	09/14/23			U.S. Treasury Bills	5.180%	5.190%	1,000,000	987,284
09/21/23	09/21/23			U.S. Treasury Bills	5.234%	5.249%	2,000,000	1,974,305

## Olivenhain Municipal Water District UNAUDITED CASH POSITION BY FUNDING SOURCES As of September 30, 2023

Water Funds (Pota	able & Recycled)	Balance
10050-100	Cash - Petty Cash Fund	1,496
10010-100	Cash - Operating Fund	15,874,692
10030-100	Cash - Capital and Equipment Fund	36,825,849
10040-100	Cash - Rate Stabilization Fund	11,770,350
10080-100	Cash - Pension Stabilization Fund	444,766
10060-100	Cash - Deposit Work for Other	195,083
14000-500	Restricted Cash - Capacity Fee Fund	6,465,205
Total Wate	er Funds (Potable & Recycled)	71,577,441
Wastewater Funds	<u>s</u>	
10010-110	Wastewater - Operating Fund	2,879,811
10030-110	Wastewater - Capital Replacement Fund	9,882,379
10040-110	Wastewater - Rate Stabilization Fund	2,688,370
10080-110	Cash - Pension Stabilization Fund	40,898
Total Wast	tewater Funds	15,491,457
	Daké Damias Daak	
	Debt Service Cash	(05 700
	Cash non-agent - RAD 96-1	135,799
10070-561	5	621
10070-581	5	10,580
14020-521 14020-522	5	3,076,897
14020-322	Cash holl-agent - Donu 2021D	
Total Non	Fiscal Agent Debt Service Cash	3,223,896
Debt Service Fund	ds	
14030-510	SRF Loan - Fiscal Agent	971,101
14105-570	Redemption fund - RAD 96-1	214,194
14110-570	Reserve fund - RAD 96-1	48,649
14100-561	Redemption fund - Bond 2015A	9,179
14100-581	Redemption fund - Bond 2016A	3,802
14100-521	Redemption fund - Bond 2021A	759
14100-522	Redemption fund - Bond 2021B	197
Total Debt	Service Funds	1,247,882
TOTAL FUND BAL	ANCES	91,540,676

Agenda Item C-b



# Memo

Date:	December 13, 2023
То:	Olivenhain Municipal Water District Board of Directors
From:	Rainy K. Selamat, Finance Manager
Via:	Kimberly Thorner, General Manager
Subject:	CONSIDER ADOPTION OF A MOTION APPROVING THE DISTRICT'S CONSOLIDATED STATEMENT OF NET POSITION, CONSOLIDATED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION, CONSOLIDATED STATEMENT OF CASH FLOWS, CONSOLIDATED ACTUAL VS BUDGET SUMMARY, AND CONSTRUCTION IN PROGRESS REPORTS

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

- July, August, and September 2023 Monthly Statement of Net Position Reports.
- July, August, and September 2023 Statement of Revenues, Expenses, and Changes in Net Position Reports.
- July, August, and September 2023 Consolidated Statement of Cash Flows.
- July, August, and September 2023 Monthly Consolidated Actual VS Budget Summary and explanation of significant variance reports.
- July, August, and September 2023 Construction In Progress Reports.

#### OLIVENHAIN MUNICIPAL WATER DISTRICT Statement of Net Position (Unaudited) All Funds 7/31/2023

#### Assets

Current assets:	
Unrestricted assets:	*== === ===
Cash and cash equivalents	\$76,356,738
Accounts receivable - water and sewer, net Interest Receivable	9,859,237 252,321
Taxes receivable	210,021
Other receivables	197,764
Lease receivable	403,389
Inventories	1,651,951
Prepaid expenses and deposits	1,715,559
Total unrestricted assets	90,646,980
Restricted assets:	
Cash and cash equivalents	12,528,923
Assesments receivable Grants receivable	49,336
Total restricted assets	<u> </u>
Total current assets	104,898,824
Noncurrent assets:	104,090,024
Capital assets, nondepreciable	42,477,682
Capital assets, depreciable/amortizable, net	331,765,841
Capital assets, net	374,243,523
Prepaid bond insurance	16,927
Lease receivable	9,355,778
Total noncurrent assets	383,616,227
Total assets	488,515,051
Deferred Outflows of Decourses	
Deferred Outflows of Resources Deferred amount on refunding	(846,143)
Deferred amount from pension	(7,296,286)
Total deferred outflows of resources	(8,142,429)
Liabilitios	
Liabilities	
Current Liabilities	
Current Liabilities Liabilities payable from unrestricted assets:	7 000 204
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable	7,029,334
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable Accrued payroll	585,225
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable Accrued payroll Customer deposits	
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable Accrued payroll Customer deposits Payable related to work in progress Compensated absences, current portion	585,225 372,910
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable Accrued payroll Customer deposits Payable related to work in progress Compensated absences, current portion Current portion of long-term debt:	585,225 372,910 180,739 961,315
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable Accrued payroll Customer deposits Payable related to work in progress Compensated absences, current portion Current portion of long-term debt: Wastewater Revenue Bonds 2021A	585,225 372,910 180,739 961,315 211,680
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable Accrued payroll Customer deposits Payable related to work in progress Compensated absences, current portion Current portion of long-term debt: Wastewater Revenue Bonds 2021A Wastewater Refunding Revenue Bonds 2021B	585,225 372,910 180,739 961,315 211,680 575,630
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable Accrued payroll Customer deposits Payable related to work in progress Compensated absences, current portion Current portion of long-term debt: Wastewater Revenue Bonds 2021A Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A	585,225 372,910 180,739 961,315 211,680 575,630 585,000
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable Accrued payroll Customer deposits Payable related to work in progress Compensated absences, current portion Current portion of long-term debt: Wastewater Revenue Bonds 2021A Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A	585,225 372,910 180,739 961,315 211,680 575,630 585,000 1,935,000
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable Accrued payroll Customer deposits Payable related to work in progress Compensated absences, current portion Current portion of long-term debt: Wastewater Revenue Bonds 2021A Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi	585,225 372,910 180,739 961,315 211,680 575,630 585,000
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable Accrued payroll Customer deposits Payable related to work in progress Compensated absences, current portion Current portion of long-term debt: Wastewater Revenue Bonds 2021A Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A	585,225 372,910 180,739 961,315 211,680 575,630 585,000 1,935,000 883,019
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable Accrued payroll Customer deposits Payable related to work in progress Compensated absences, current portion Current portion of long-term debt: Wastewater Revenue Bonds 2021A Wastewater Revenue Bonds 2021A Water Revenue Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi Notes Payable	585,225 372,910 180,739 961,315 211,680 575,630 585,000 1,935,000 883,019 836,526
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable Accrued payroll Customer deposits Payable related to work in progress Compensated absences, current portion Current portion of long-term debt: Wastewater Revenue Bonds 2021A Wastewater Revenue Bonds 2021A Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi Notes Payable Subscription Liability Total liabilities payable from unrestricted assets	585,225 372,910 180,739 961,315 211,680 575,630 585,000 1,935,000 883,019 836,526 <u>67,952</u>
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable Accrued payroll Customer deposits Payable related to work in progress Compensated absences, current portion Current portion of long-term debt: Wastewater Revenue Bonds 2021A Wastewater Revenue Bonds 2021A Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi Notes Payable Subscription Liability Total liabilities payable from unrestricted assets	585,225 372,910 180,739 961,315 211,680 575,630 585,000 1,935,000 883,019 836,526 67,952 14,224,330
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable Accrued payroll Customer deposits Payable related to work in progress Compensated absences, current portion Current portion of long-term debt: Wastewater Revenue Bonds 2021A Wastewater Revenue Bonds 2021A Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi Notes Payable Subscription Liability Total liabilities payable from unrestricted assets	585,225 372,910 180,739 961,315 211,680 575,630 585,000 1,935,000 883,019 836,526 <u>67,952</u>
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable Accrued payroll Customer deposits Payable related to work in progress Compensated absences, current portion Current portion of long-term debt: Wastewater Revenue Bonds 2021A Wastewater Revenue Bonds 2021A Water Revenue Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi Notes Payable Subscription Liability Total liabilities payable from unrestricted assets Liabilities payable from restricted assets: Accounts payable Interest payable	585,225 372,910 180,739 961,315 211,680 575,630 585,000 1,935,000 883,019 836,526 67,952 14,224,330
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable Accrued payroll Customer deposits Payable related to work in progress Compensated absences, current portion Current portion of long-term debt: Wastewater Revenue Bonds 2021A Wastewater Revenue Bonds 2021A Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2016A Special Assessment Debt with Government Commi Notes Payable Subscription Liability Total liabilities payable from unrestricted assets Liabilities payable from restricted assets: Accounts payable	585,225 372,910 180,739 961,315 211,680 575,630 585,000 1,935,000 883,019 836,526 67,952 14,224,330 48,131 226,381
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable Accrued payroll Customer deposits Payable related to work in progress Compensated absences, current portion Current portion of long-term debt: Wastewater Revenue Bonds 2021A Wastewater Revenue Bonds 2021A Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi Notes Payable Subscription Liability Total liabilities payable from unrestricted assets Liabilities payable from restricted assets: Accounts payable Interest payable Total liabilities payable from restricted assets Total current liabilities	585,225 372,910 180,739 961,315 211,680 575,630 585,000 1,935,000 883,019 836,526 67,952 14,224,330 48,131 226,381 274,512
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable Accrued payroll Customer deposits Payable related to work in progress Compensated absences, current portion Current portion of long-term debt: Wastewater Revenue Bonds 2021A Wastewater Revenue Bonds 2021A Water Revenue Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi Notes Payable Subscription Liability Total liabilities payable from unrestricted assets Liabilities payable from restricted assets: Accounts payable Interest payable Total liabilities payable from restricted assets Total current liabilities	585,225 372,910 180,739 961,315 211,680 575,630 585,000 1,935,000 883,019 836,526 67,952 14,224,330 48,131 226,381 274,512 14,498,842
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable Accrued payroll Customer deposits Payable related to work in progress Compensated absences, current portion Current portion of long-term debt: Wastewater Revenue Bonds 2021A Wastewater Revenue Bonds 2021A Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2016A Special Assessment Debt with Government Commi Notes Payable Subscription Liability Total liabilities payable from unrestricted assets Liabilities payable from restricted assets: Accounts payable Interest payable Total liabilities payable from restricted assets Total current liabilities Noncurrent liabilities	585,225 372,910 180,739 961,315 211,680 575,630 585,000 1,935,000 883,019 836,526 67,952 14,224,330 48,131 226,381 274,512 14,498,842 1,180,938
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable Accrued payroll Customer deposits Payable related to work in progress Compensated absences, current portion Current portion of long-term debt: Wastewater Revenue Bonds 2021A Wastewater Revenue Bonds 2021A Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi Notes Payable Subscription Liability Total liabilities payable from unrestricted assets Liabilities payable from restricted assets: Accounts payable Interest payable Total liabilities payable from restricted assets Total current liabilities Noncurrent liabilities	585,225 372,910 180,739 961,315 211,680 575,630 585,000 1,935,000 883,019 836,526 67,952 14,224,330 48,131 226,381 274,512 14,498,842
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable Accrued payroll Customer deposits Payable related to work in progress Compensated absences, current portion Current portion of long-term debt: Wastewater Revenue Bonds 2021A Wastewater Revenue Bonds 2021A Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2016A Special Assessment Debt with Government Commi Notes Payable Subscription Liability Total liabilities payable from unrestricted assets Liabilities payable from restricted assets: Accounts payable Interest payable Total liabilities payable from restricted assets Total current liabilities Noncurrent liabilities	585,225 372,910 180,739 961,315 211,680 575,630 585,000 1,935,000 883,019 836,526 67,952 14,224,330 48,131 226,381 274,512 14,498,842 1,180,938
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable Accrued payroll Customer deposits Payable related to work in progress Compensated absences, current portion Current portion of long-term debt: Wastewater Revenue Bonds 2021A Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi Notes Payable Subscription Liability Total liabilities payable from unrestricted assets Liabilities payable from restricted assets Total liabilities payable from restricted assets Total current liabilities Noncurrent liabilities Noncurrent liability Long-term debt, excluding current portion: Wastewater Revenue Bonds 2021A Wastewater Revenue Bonds 2021A	585,225 372,910 180,739 961,315 211,680 575,630 585,000 1,935,000 883,019 836,526 67,952 14,224,330 48,131 226,381 274,512 14,498,842 1,180,938 16,832,760 4,377,480 2,368,430
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable Accrued payroll Customer deposits Payable related to work in progress Compensated absences, current portion Current portion of long-term debt: Wastewater Revenue Bonds 2021A Wastewater Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi Notes Payable Subscription Liability Total liabilities payable from unrestricted assets Liabilities payable from restricted assets Total liabilities payable from restricted assets Noncurrent liabilities Noncurrent liabilities Noncurrent liabilities Noncurrent liability Long-term debt, excluding current portion: Wastewater Revenue Bonds 2021A Wastewater Revenue Bonds 2021A Wastewater Revenue Bonds 2021A Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Revenue Bonds 2021B	585,225 372,910 180,739 961,315 211,680 575,630 585,000 1,935,000 883,019 836,526 67,952 14,224,330 48,131 226,381 274,512 14,498,842 1,180,938 16,832,760 4,377,480 2,368,430 12,446,158
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable Accrued payroll Customer deposits Payable related to work in progress Compensated absences, current portion Current portion of long-term debt: Wastewater Revenue Bonds 2021A Wastewater Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi Notes Payable Subscription Liability Total liabilities payable from unrestricted assets Liabilities payable Interest payable Interest payable Total liabilities Compensated absences Net pension liability Long-term debt, excluding current portion: Wastewater Revenue Bonds 2021A Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2016A	585,225 372,910 180,739 961,315 211,680 575,630 585,000 1,935,000 883,019 836,526 67,952 14,224,330 48,131 226,381 274,512 14,498,842 1,180,938 16,832,760 4,377,480 2,368,430 12,446,158 9,482,618
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable Accrued payroll Customer deposits Payable related to work in progress Compensated absences, current portion Current portion of long-term debt: Wastewater Revenue Bonds 2021A Wastewater Revenue Bonds 2021A Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi Notes Payable Subscription Liability Total liabilities payable from unrestricted assets Liabilities payable from restricted assets: Accounts payable Interest payable Interest payable Total liabilities Noncurrent liabilities Noncurrent liabilities Noncurrent liability Long-term debt, excluding current portion: Wastewater Revenue Bonds 2021A Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi	585,225 372,910 180,739 961,315 211,680 575,630 585,000 1,935,000 883,019 836,526 67,952 14,224,330 48,131 226,381 274,512 14,498,842 1,180,938 16,832,760 4,377,480 2,368,430 12,446,158 9,482,618 3,711,672
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable Accrued payroll Customer deposits Payable related to work in progress Compensated absences, current portion Current portion of long-term debt: Wastewater Revenue Bonds 2021A Wastewater Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi Notes Payable Subscription Liability Total liabilities payable from unrestricted assets Liabilities payable Interest payable Interest payable Total liabilities Compensated absences Net pension liability Long-term debt, excluding current portion: Wastewater Revenue Bonds 2021A Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2016A	585,225 372,910 180,739 961,315 211,680 575,630 585,000 1,935,000 883,019 836,526 67,952 14,224,330 48,131 226,381 274,512 14,498,842 1,180,938 16,832,760 4,377,480 2,368,430 12,446,158 9,482,618

Total noncurrent liabilities Total liabilities	OLIVENHAIN MUNICIPAL WATER DISTRICT Statement of Net Position (Unaudited) All Funds 7/31/2023 59,956,670 74,455,512
Deferred Inflows of Resources Deferred amounts on pension Deferred amounts on leases	720,171 8,953,346
Total deferred inflows of resources	9,673,517
Net Position	
Investment in Capital Assets, net of related de Restricted Net Position Unrestricted Net Position Total Net Position	abt 331,946,493 10,082,725 70,499,233 412,528,452

# OLIVENHAIN MUNICIPAL WATER DISTRICT Statement of Net Position (Unaudited) All Funds 8/31/2023

# Assets

Current assets:	
Unrestricted assets:	
Cash and cash equivalents	\$76,255,623
Accounts receivable - water and sewer, net	9,639,601
Interest Receivable Taxes receivable	226,759 210,021
Other receivables	155,582
Lease receivable	403,389
Inventories	1,696,390
Prepaid expenses and deposits	1,622,154
Total unrestricted assets	90,209,518
Restricted assets:	
Cash and cash equivalents	11,935,163
Assesments receivable	48,909
Grants receivable	1,673,585
Total restricted assets	13,657,657
Total current assets	103,867,176
Noncurrent assets:	
Capital assets, nondepreciable	44,166,894
Capital assets, depreciable/amortizable, net	331,100,758
Capital assets, net Prepaid bond insurance	375,267,652 16,635
Lease receivable	9,355,778
Total noncurrent assets	384,640,065
Total assets	488,507,241
Deferred Outflows of Resources	
Deferred amount on refunding	(834,399)
Deferred amount from pension	(7,296,286)
Total deferred outflows of resources	(8,130,685)
Liabilities Current Liabilities	
Liabilities payable from unrestricted assets:	6,847,335
Accounts payable Accrued payroll	396,032
Customer deposits	363,421
Payable related to work in progress	173,748
Compensated absences, current portion	961,315
Current portion of long-term debt:	
	211 690
Wastewater Revenue Bonds 2021A	211,680 575,630
Wastewater Refunding Revenue Bonds 2021B	575,630
Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A	· · · · · ·
Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi	575,630 585,000 1,935,000 883,019
Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi Notes Payable	575,630 585,000 1,935,000 883,019 836,526
Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi Notes Payable Subscription Liability	575,630 585,000 1,935,000 883,019 836,526 67,952
Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi Notes Payable	575,630 585,000 1,935,000 883,019 836,526
Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi Notes Payable Subscription Liability	575,630 585,000 1,935,000 883,019 836,526 67,952
Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi Notes Payable Subscription Liability Total liabilities payable from unrestricted assets	575,630 585,000 1,935,000 883,019 836,526 67,952 13,836,658
Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi Notes Payable Subscription Liability Total liabilities payable from unrestricted assets Liabilities payable from restricted assets: Accounts payable Interest payable	575,630 585,000 1,935,000 883,019 836,526 67,952 13,836,658 1,400 337,496
Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi Notes Payable Subscription Liability Total liabilities payable from unrestricted assets Liabilities payable from restricted assets: Accounts payable	575,630 585,000 1,935,000 883,019 836,526 67,952 13,836,658 1,400 337,496 338,897
Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi Notes Payable Subscription Liability Total liabilities payable from unrestricted assets Liabilities payable from restricted assets: Accounts payable Interest payable	575,630 585,000 1,935,000 883,019 836,526 67,952 13,836,658 1,400 337,496
Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi Notes Payable Subscription Liability Total liabilities payable from unrestricted assets Liabilities payable from restricted assets: Accounts payable Interest payable Total liabilities payable from restricted assets Total current liabilities	575,630 585,000 1,935,000 883,019 836,526 67,952 13,836,658 1,400 337,496 338,897
Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi Notes Payable Subscription Liability Total liabilities payable from unrestricted assets Liabilities payable from restricted assets: Accounts payable Interest payable Total liabilities payable from restricted assets	575,630 585,000 1,935,000 883,019 836,526 67,952 13,836,658 1,400 337,496 338,897
Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi Notes Payable Subscription Liability Total liabilities payable from unrestricted assets Liabilities payable from restricted assets: Accounts payable Interest payable Total liabilities payable from restricted assets Total current liabilities Noncurrent liabilities Compensated absences Net pension liability	575,630 585,000 1,935,000 883,019 836,526 67,952 13,836,658 1,400 337,496 338,897 14,175,555
Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi Notes Payable Subscription Liability Total liabilities payable from unrestricted assets Liabilities payable from restricted assets: Accounts payable Interest payable Total liabilities payable from restricted assets Total current liabilities Noncurrent liabilities Compensated absences Net pension liability Long-term debt, excluding current portion:	575,630 585,000 1,935,000 883,019 836,526 67,952 13,836,658 1,400 337,496 338,897 14,175,555 1,255,874 16,832,760
Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi Notes Payable Subscription Liability Total liabilities payable from unrestricted assets Liabilities payable from restricted assets: Accounts payable Interest payable Total liabilities payable from restricted assets Total current liabilities Noncurrent liabilities Compensated absences Net pension liability Long-term debt, excluding current portion: Wastewater Revenue Bonds 2021A	575,630 585,000 1,935,000 883,019 836,526 67,952 13,836,658 1,400 337,496 338,897 14,175,555 1,255,874 16,832,760 4,377,480
Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi Notes Payable Subscription Liability Total liabilities payable from unrestricted assets Liabilities payable from restricted assets: Accounts payable Interest payable Total liabilities payable from restricted assets Total current liabilities Noncurrent liabilities Noncurrent liabilities Noncurrent liabilities Noncurrent liability Long-term debt, excluding current portion: Wastewater Revenue Bonds 2021A Wastewater Refunding Revenue Bonds 2021B	575,630 585,000 1,935,000 883,019 836,526 67,952 13,836,658 1,400 337,496 338,897 14,175,555 1,255,874 16,832,760 4,377,480 2,368,430
Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi Notes Payable Subscription Liability Total liabilities payable from unrestricted assets Liabilities payable from restricted assets: Accounts payable Interest payable Total liabilities payable from restricted assets Total current liabilities Noncurrent liabilities Noncurrent liabilities Noncurrent liabilities Noncurrent liability Long-term debt, excluding current portion: Wastewater Revenue Bonds 2021A Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A	575,630 585,000 1,935,000 883,019 836,526 67,952 13,836,658 1,400 337,496 338,897 14,175,555 1,255,874 16,832,760 4,377,480 2,368,430 12,439,079
Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi Notes Payable Subscription Liability Total liabilities payable from unrestricted assets Liabilities payable from restricted assets: Accounts payable Interest payable Total liabilities payable from restricted assets Total current liabilities Noncurrent liabilities Noncurrent liabilities Noncurrent liabilities Noncurrent liability Long-term debt, excluding current portion: Wastewater Revenue Bonds 2021A Wastewater Refunding Revenue Bonds 2021B	575,630 585,000 1,935,000 883,019 836,526 67,952 13,836,658 1,400 337,496 338,897 14,175,555 1,255,874 16,832,760 4,377,480 2,368,430
Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi Notes Payable Subscription Liability Total liabilities payable from unrestricted assets Liabilities payable from restricted assets: Accounts payable Interest payable Total liabilities payable from restricted assets Total current liabilities Noncurrent liabilities Noncurrent liabilities Noncurrent liability Long-term debt, excluding current portion: Wastewater Revenue Bonds 2021A Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi Notes Payable	575,630 585,000 1,935,000 883,019 836,526 67,952 13,836,658 1,400 337,496 338,897 14,175,555 1,255,874 16,832,760 4,377,480 2,368,430 12,439,079 9,460,200 3,711,672 9,508,814
Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi Notes Payable Subscription Liability Total liabilities payable from unrestricted assets Liabilities payable from restricted assets: Accounts payable Interest payable Total liabilities payable from restricted assets Total current liabilities Noncurrent liabilities Noncurrent liabilities Noncurrent liabilities Noncurrent liability Long-term debt, excluding current portion: Wastewater Revenue Bonds 2021A Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi	575,630 585,000 1,935,000 883,019 836,526 67,952 13,836,658 1,400 337,496 338,897 14,175,555 1,255,874 16,832,760 4,377,480 2,368,430 12,439,079 9,460,200 3,711,672

Total noncurrent liabilities Total liabilities	OLIVENHAIN MUNICIPAL WATER DISTRICT Statement of Net Position (Unaudited) All Funds 8/31/2023 60,002,108 74,177,663
Deferred Inflows of Resources Deferred amounts on pension Deferred amounts on leases	720,171 8,953,346
Total deferred inflows of resources	9,673,517
Net Position	
Investment in Capital Assets, net of related de Restricted Net Position Unrestricted Net Position Total Net Position	ebt 332,455,435 9,957,096 70,374,216 412,786,746

## OLIVENHAIN MUNICIPAL WATER DISTRICT Statement of Net Position (Unaudited) All Funds 9/30/2023

# Assets

Current assets: Unrestricted assets:	
Cash and cash equivalents	\$77,914,032
Accounts receivable - water and sewer, net	9,151,245
Interest Receivable	252,697
Taxes receivable	210,021
Other receivables	136,838
Lease receivable	403,389
Inventories	1,813,913
Prepaid expenses and deposits	1,428,184
Total unrestricted assets	91,310,319
Restricted assets:	
Cash and cash equivalents	10,703,734
Assesments receivable	44,742
Grants receivable	1,583,279
Total restricted assets	12,331,756
Total current assets	103,642,075
Noncurrent assets:	
Capital assets, nondepreciable	44,531,570
Capital assets, depreciable/amortizable, net	330,314,799
Capital assets, net	374,846,369
Prepaid bond insurance	16,344
Lease receivable	9,355,778
Total noncurrent assets	384,218,490
Total assets	487,860,565
Deferred Outflows of Resources	
Deferred amount on refunding	(822,656)
Deferred amount from pension	(7,296,286)
Total deferred outflows of resources	(8,118,942)
Liabilities	
Current Liabilities	
Current Liabilities Liabilities payable from unrestricted assets:	0.400.440
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable	6,498,149
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable Accrued payroll	412,166
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable Accrued payroll Customer deposits	412,166 366,424
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable Accrued payroll Customer deposits Payable related to work in progress	412,166 366,424 186,326
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable Accrued payroll Customer deposits	412,166 366,424
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable Accrued payroll Customer deposits Payable related to work in progress Compensated absences, current portion Current portion of long-term debt: Wastewater Revenue Bonds 2021A	412,166 366,424 186,326
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable Accrued payroll Customer deposits Payable related to work in progress Compensated absences, current portion Current portion of long-term debt: Wastewater Revenue Bonds 2021A Wastewater Refunding Revenue Bonds 2021B	412,166 366,424 186,326 961,315 211,680 575,630
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable Accrued payroll Customer deposits Payable related to work in progress Compensated absences, current portion Current portion of long-term debt: Wastewater Revenue Bonds 2021A Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A	412,166 366,424 186,326 961,315 211,680 575,630 585,000
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable Accrued payroll Customer deposits Payable related to work in progress Compensated absences, current portion Current portion of long-term debt: Wastewater Revenue Bonds 2021A Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A	412,166 366,424 186,326 961,315 211,680 575,630 585,000 1,935,000
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable Accrued payroll Customer deposits Payable related to work in progress Compensated absences, current portion Current portion of long-term debt: Wastewater Revenue Bonds 2021A Wastewater Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi	412,166 366,424 186,326 961,315 211,680 575,630 585,000 1,935,000 892,931
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable Accrued payroll Customer deposits Payable related to work in progress Compensated absences, current portion Current portion of long-term debt: Wastewater Revenue Bonds 2021A Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi Notes Payable	412,166 366,424 186,326 961,315 211,680 575,630 585,000 1,935,000 892,931 836,526
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable Accrued payroll Customer deposits Payable related to work in progress Compensated absences, current portion Current portion of long-term debt: Wastewater Revenue Bonds 2021A Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi Notes Payable Subscription Liability	412,166 366,424 186,326 961,315 211,680 575,630 585,000 1,935,000 892,931 836,526 67,952
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable Accrued payroll Customer deposits Payable related to work in progress Compensated absences, current portion Current portion of long-term debt: Wastewater Revenue Bonds 2021A Wastewater Revenue Bonds 2021A Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi Notes Payable Subscription Liability Total liabilities payable from unrestricted assets	412,166 366,424 186,326 961,315 211,680 575,630 585,000 1,935,000 892,931 836,526
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable Accrued payroll Customer deposits Payable related to work in progress Compensated absences, current portion Current portion of long-term debt: Wastewater Revenue Bonds 2021A Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi Notes Payable Subscription Liability Total liabilities payable from unrestricted assets	412,166 366,424 186,326 961,315 211,680 575,630 585,000 1,935,000 892,931 836,526 67,952 13,529,098
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable Accrued payroll Customer deposits Payable related to work in progress Compensated absences, current portion Current portion of long-term debt: Wastewater Revenue Bonds 2021A Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi Notes Payable Subscription Liability Total liabilities payable from unrestricted assets Liabilities payable from restricted assets: Interest payable	412,166 366,424 186,326 961,315 211,680 575,630 585,000 1,935,000 892,931 836,526 67,952 13,529,098 399,024
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable Accrued payroll Customer deposits Payable related to work in progress Compensated absences, current portion Current portion of long-term debt: Wastewater Revenue Bonds 2021A Wastewater Revenue Bonds 2021A Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi Notes Payable Subscription Liability Total liabilities payable from unrestricted assets Liabilities payable from restricted assets: Interest payable Total liabilities payable from restricted assets	412,166 366,424 186,326 961,315 211,680 575,630 585,000 1,935,000 892,931 836,526 67,952 13,529,098 399,024 399,024
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable Accrued payroll Customer deposits Payable related to work in progress Compensated absences, current portion Current portion of long-term debt: Wastewater Revenue Bonds 2021A Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi Notes Payable Subscription Liability Total liabilities payable from unrestricted assets Liabilities payable from restricted assets: Interest payable	412,166 366,424 186,326 961,315 211,680 575,630 585,000 1,935,000 892,931 836,526 67,952 13,529,098 399,024
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable Accrued payroll Customer deposits Payable related to work in progress Compensated absences, current portion Current portion of long-term debt: Wastewater Revenue Bonds 2021A Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi Notes Payable Subscription Liability Total liabilities payable from unrestricted assets Liabilities payable from restricted assets: Interest payable Total liabilities payable from restricted assets Total current liabilities	412,166 366,424 186,326 961,315 211,680 575,630 585,000 1,935,000 892,931 836,526 67,952 13,529,098 399,024 399,024
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable Accrued payroll Customer deposits Payable related to work in progress Compensated absences, current portion Current portion of long-term debt: Wastewater Revenue Bonds 2021A Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi Notes Payable Subscription Liability Total liabilities payable from unrestricted assets Liabilities payable from restricted assets: Interest payable Total liabilities payable from restricted assets Total current liabilities	412,166 366,424 186,326 961,315 211,680 575,630 585,000 1,935,000 892,931 836,526 67,952 13,529,098 399,024 399,024 13,928,122
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable Accrued payroll Customer deposits Payable related to work in progress Compensated absences, current portion Current portion of long-term debt: Wastewater Revenue Bonds 2021A Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi Notes Payable Subscription Liability Total liabilities payable from unrestricted assets Liabilities payable from restricted assets: Interest payable Total liabilities payable from restricted assets Total current liabilities Noncurrent liabilities	412,166 366,424 186,326 961,315 211,680 575,630 585,000 1,935,000 892,931 836,526 67,952 13,529,098 399,024 399,024 13,928,122 1,175,284
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable Accrued payroll Customer deposits Payable related to work in progress Compensated absences, current portion Current portion of long-term debt: Wastewater Revenue Bonds 2021A Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi Notes Payable Subscription Liability Total liabilities payable from unrestricted assets Liabilities payable from restricted assets: Interest payable Total liabilities payable from restricted assets Total current liabilities	412,166 366,424 186,326 961,315 211,680 575,630 585,000 1,935,000 892,931 836,526 67,952 13,529,098 399,024 399,024 13,928,122
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable Accrued payroll Customer deposits Payable related to work in progress Compensated absences, current portion Current portion of long-term debt: Wastewater Revenue Bonds 2021A Wastewater Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi Notes Payable Subscription Liability Total liabilities payable from unrestricted assets Liabilities payable from restricted assets: Interest payable Total liabilities payable from restricted assets Total current liabilities Noncurrent liabilities Noncurrent liability Long-term debt, excluding current portion: Wastewater Revenue Bonds 2021A	412,166 366,424 186,326 961,315 211,680 575,630 585,000 1,935,000 892,931 836,526 67,952 13,529,098 399,024 399,024 13,928,122 1,175,284 16,832,760 4,377,480
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable Accrued payroll Customer deposits Payable related to work in progress Compensated absences, current portion Current portion of long-term debt: Wastewater Revenue Bonds 2021A Wastewater Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi Notes Payable Subscription Liability Total liabilities payable from unrestricted assets Liabilities payable from restricted assets Interest payable Total liabilities Noncurrent liabilities Compensated absences Net pension liability Long-term debt, excluding current portion: Wastewater Revenue Bonds 2021A Wastewater Refunding Revenue Bonds 2021B	412,166 366,424 186,326 961,315 211,680 575,630 585,000 1,935,000 892,931 836,526 67,952 13,529,098 399,024 399,024 13,928,122 1,175,284 16,832,760 4,377,480 2,368,430
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable Accrued payroll Customer deposits Payable related to work in progress Compensated absences, current portion Current portion of long-term debt: Wastewater Revenue Bonds 2021A Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi Notes Payable Subscription Liability Total liabilities payable from unrestricted assets Liabilities payable from restricted assets Interest payable Total liabilities Noncurrent liabilities Noncurrent liabilities Noncurrent liability Long-term debt, excluding current portion: Wastewater Revenue Bonds 2021A Wastewater Revenue Bonds 2021A	412,166 366,424 186,326 961,315 211,680 575,630 585,000 1,935,000 892,931 836,526 67,952 13,529,098 399,024 399,024 13,928,122 1,175,284 16,832,760 4,377,480 2,368,430 12,431,999
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable Accrued payroll Customer deposits Payable related to work in progress Compensated absences, current portion Current portion of long-term debt: Wastewater Revenue Bonds 2021A Wastewater Revenue Bonds 2021A Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi Notes Payable Subscription Liability Total liabilities payable from unrestricted assets Liabilities payable from restricted assets Liabilities payable from restricted assets Total current liabilities Noncurrent liabilities Noncurrent liability Long-term debt, excluding current portion: Wastewater Revenue Bonds 2021A Wastewater Revenue Bonds 2021A Wastewater Revenue Bonds 2021A Wastewater Revenue Bonds 2021A Wastewater Revenue Refunding Bonds 2021B Water Revenue Refunding Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2016A	412,166 366,424 186,326 961,315 211,680 575,630 585,000 1,935,000 892,931 836,526 67,952 13,529,098 399,024 399,024 399,024 13,928,122 1,175,284 16,832,760 4,377,480 2,368,430 12,431,999 9,437,781
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable Accrued payroll Customer deposits Payable related to work in progress Compensated absences, current portion Current portion of long-term debt: Wastewater Revenue Bonds 2021A Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi Notes Payable Subscription Liability Total liabilities payable from unrestricted assets Liabilities payable from restricted assets Total current liabilities Noncurrent liabilities Noncurrent liability Long-term debt, excluding current portion: Wastewater Revenue Bonds 2021A Wastewater Revenue Refunding Bonds 2021B Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi	412,166 366,424 186,326 961,315 211,680 575,630 585,000 1,935,000 892,931 836,526 67,952 13,529,098 399,024 399,024 399,024 13,928,122 1,175,284 16,832,760 4,377,480 2,368,430 12,431,999 9,437,781 2,797,851
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable Accrued payroll Customer deposits Payable related to work in progress Compensated absences, current portion Current portion of long-term debt: Wastewater Revenue Bonds 2021A Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi Notes Payable Subscription Liability Total liabilities payable from unrestricted assets Liabilities payable from restricted assets Interest payable Total liabilities payable from restricted assets Total current liabilities Noncurrent liabilities Noncurrent liability Long-term debt, excluding current portion: Wastewater Revenue Bonds 2021A Wastewater Revenue Bonds 2021A Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi Notes Payable	412,166 366,424 186,326 961,315 211,680 575,630 585,000 1,935,000 892,931 836,526 67,952 13,529,098 399,024 399,024 399,024 13,928,122 1,175,284 16,832,760 4,377,480 2,368,430 12,431,999 9,437,781 2,797,851 9,508,814
Current Liabilities Liabilities payable from unrestricted assets: Accounts payable Accrued payroll Customer deposits Payable related to work in progress Compensated absences, current portion Current portion of long-term debt: Wastewater Revenue Bonds 2021A Wastewater Refunding Revenue Bonds 2021B Water Revenue Refunding Bonds 2016A Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi Notes Payable Subscription Liability Total liabilities payable from unrestricted assets Liabilities payable from restricted assets Total current liabilities Noncurrent liabilities Noncurrent liability Long-term debt, excluding current portion: Wastewater Revenue Bonds 2021A Wastewater Revenue Refunding Bonds 2021B Water Revenue Refunding Bonds 2015A Special Assessment Debt with Government Commi	412,166 366,424 186,326 961,315 211,680 575,630 585,000 1,935,000 892,931 836,526 67,952 13,529,098 399,024 399,024 399,024 13,928,122 1,175,284 16,832,760 4,377,480 2,368,430 12,431,999 9,437,781 2,797,851

	OLIVENHAIN MUNICIPAL WATER DISTRICT Statement of Net Position (Unaudited) All Funds 9/30/2023
Total liabilities	72,906,322
Deferred Inflows of Resources Deferred amounts on pension	720,171
Deferred amounts on leases	8,953,346
Total deferred inflows of resources	9,673,517
Net Position	
Investment in Capital Assets, net of related de Restricted Net Position	bt 332,671,046 8.855,835
Unrestricted Net Position	71,872,786
Total Net Position	413,399,668

## OLIVENHAIN MUNICIPAL WATER DISTRICT Statement of Revenues, Expenses and Changes in Net Position (Unaudited) All Funds For the One Month Ending 7/31/2023

	2024
Operating Revenues:	
Water Sales	\$6,429,409
Sewer Charges	23,950
Other Water Operating revenues	81,572
Total Operating Revenues	6,534,931
Operating Expenses	
Cost of Purchased Water Sold	3,326,357
Pumping and Water Treatment	337,025
Transmission and Distribution	283,392
Sewer Collection and Treatment	55,624
Elfin Forest Recreation Operations	34,203
Facilities Maintenance	76,890
Customer Service	151,527
General and Administrative	479,696
Depreciation and Amortization	796,230
Total Operating Expenses	5,540,945
Operating Income (Loss)	993,986
Nonoperating Revenues (Expenses)	
Investment income	239,622
Property taxes	49,032
Capacity charges	83,358
Benefit assessments	8,328
Other nonoperating revenues	48,607
Interest expense, net	(93,362)
Other nonoperating expenses	(61,778)
Total nonoperating revenues (expenses)	273,806
Income before capital contributions	1,267,793
Capital contributions	27,536
Change in net position	1,295,329
Net Position, Beginning of year	411,233,123
Net Position, End of year	412,528,452
•	

## OLIVENHAIN MUNICIPAL WATER DISTRICT Statement of Revenues, Expenses and Changes in Net Position (Unaudited) All Funds For the Two Months Ending 8/31/2023

	2024
Operating Revenues:	
Operating Revenues: Water Sales	\$12,384,782
Sewer Charges	23,950
Other Water Operating revenues	119,802
Total Operating Revenues	12,528,534
Operating Expenses	
Cost of Purchased Water Sold	6,245,341
Pumping and Water Treatment	850,694
Transmission and Distribution	758,855
Sewer Collection and Treatment	242,814
Elfin Forest Recreation Operations	72,329
Facilities Maintenance	205,509
Customer Service	379,822
General and Administrative	1,192,183
Depreciation and Amortization	1,592,460
Total Operating Expenses	11,540,007
Operating Income (Loss)	988,527
Nonoperating Revenues (Expenses)	
Investment income	485,968
Property taxes	127,063
Capacity charges	107,587
Benefit assessments	9,814
Other nonoperating revenues	110,094
Interest expense, net	(186,724)
Other nonoperating expenses	(119,702)
Total nonoperating revenues (expenses)	534,101
Income before capital contributions	1,522,628
Capital contributions	30,996
Change in net position	1,553,623
Net Position, Beginning of year	411,233,123
Net Position, End of year	412,786,746
Hot i collion, End of your	112,700,740

## OLIVENHAIN MUNICIPAL WATER DISTRICT Statement of Revenues, Expenses and Changes in Net Position (Unaudited) All Funds For the Three Months Ending 9/30/2023

	2024
Operating Revenues:	
Operating Revenues: Water Sales	\$17,925,032
Sewer Charges	30,770
Other Water Operating revenues	237,122
Total Operating Revenues	18,192,924
One reting Evenence	
Operating Expenses Cost of Purchased Water Sold	9,125,258
Pumping and Water Treatment	1,218,305
Transmission and Distribution	1,065,198
Sewer Collection and Treatment	373,334
Elfin Forest Recreation Operations	104,196
Facilities Maintenance	285,029
Customer Service	536,178
General and Administrative	1,693,500
Depreciation and Amortization	2,388,690
Total Operating Expenses	16,789,689
Operating Income (Loss)	1,403,236
Nonoperating Revenues (Expenses)	
Investment income	732,175
Property taxes	163,166
Capacity charges	107,587
Benefit assessments	12,244
Other nonoperating revenues	169,443
Interest expense, net	(278,512)
Other nonoperating expenses	(174,726)
Total nonoperating revenues (expenses)	731,377
Income before capital contributions	2,134,613
Capital contributions	31,932
Change in net position	2,166,545
Net Position, Beginning of year	411,233,123
Net Position, End of year	413,399,668

# OLIVENHAIN MUNICIPAL WATER DISTRICT CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED) AS OF JULY 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from water and sewer customers	\$ 5,212,959
Payments for water	(2,711,517)
Payments for services and supplies	(2,506,040)
Payments for employee wages, benefits and related costs	 (1,309,008)
Net cash provided by operating activities	 (1,313,606)
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:	
Property taxes and benefit assessments received	61,230
Net cash provided by noncapital and related financing activities	 61,230
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition and construction of capital assets	(297,074)
Proceeds from Grants	405,203
Principal paid on long-term debt	(11,743)
Interest paid on long-term debt	-
Capacity charges received	83,358
Other capital financing receipts (expenses)	(1,135)
Net cash used by capital and related financing activities	 178,609
CASH FLOWS FROM INVESTING ACTIVITIES:	
Investment income received	 324,828
Net cash provided (used) by investing activities	 324,828
Net increase (decrease) in cash and cash equivalents	(748,939)
Cash and cash equivalents, beginning of year	 53,421,745
Cash and cash equivalents, end of period	\$ 52,672,806
FINANCIAL STATEMENT PRESENTATION:	
Cash and cash equivalents - current assets	42,905,284
Cash and cash equivalents - restricted assets	 9,767,522
Total cash and cash equivalents	\$ 52,672,806

CASH AND CASH EQUIVALENTS RECONCILIATION			
		Balance Includes	Without Mkt
		Mkt Securities	Securities
Unrestricted cash	7/31/2023	76,356,738	42,905,284
Restricted cash	7/31/2023	12,528,923	9,767,522
Total cash and cash equivalents			52,672,806

# OLIVENHAIN MUNICIPAL WATER DISTRICT CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED) AS OF AUGUST 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from water and sewer customers	\$ 11,458,891
Payments for water	(5,433,846)
Payments for services and supplies	(3,662,942)
Payments for employee wages, benefits and related costs	 (2,933,622)
Net cash provided by operating activities	 (571,519)
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:	
Property taxes and benefit assessments received	141,174
Net cash provided by noncapital and related financing activities	 141,174
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	(2 442 072)
Acquisition and construction of capital assets Proceeds from Grants	(2,113,973)
	405,203
Principal paid on long-term debt Interest paid on long-term debt	(23,487)
Capacity charges received	- 107,587
Other capital financing receipts (expenses)	14,465
Net cash used by capital and related financing activities	 (1,610,205)
Net cash used by capital and related mancing activities	 (1,010,203)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Investment income received	596,736
Net cash provided (used) by investing activities	 596,736
Net increase (decrease) in cash and cash equivalents	(1,443,814)
Cash and cash equivalents, beginning of year	 53,421,745
Cash and cash equivalents, end of period	\$ 51,977,931
FINANCIAL STATEMENT PRESENTATION:	
Cash and cash equivalents - current assets	42,804,169
Cash and cash equivalents - restricted assets	 9,173,762
Total cash and cash equivalents	\$ 51,977,931

ASH AND CASH EQUIVALENTS RECONCILIATION			
		Balance Includes	Without Mkt
		Mkt Securities	Securities
Unrestricted cash	8/31/2023	76,255,623	42,804,169
Restricted cash	8/31/2023	11,935,163	9,173,762
Total cash and cash equivalents		-	51,977,931

# OLIVENHAIN MUNICIPAL WATER DISTRICT CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED) AS OF SEPTEMBER 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from water and sewer customers	\$ 17,633,384
Payments for water	(8,766,058)
Payments for services and supplies	(3,994,561)
Payments for employee wages, benefits and related costs	 (4,049,259)
Net cash provided by operating activities	 823,506
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:	
Property taxes and benefit assessments received	183,874
Net cash provided by noncapital and related financing activities	 183,874
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition and construction of capital assets	(2,487,984)
Proceeds from Grants	495,509
Principal paid on long-term debt	(987,155)
Interest paid on long-term debt	-
Capacity charges received	107,587
Other capital financing receipts (expenses)	 30,824
Net cash used by capital and related financing activities	 (2,841,219)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Investment income received	817,005
Net cash provided (used) by investing activities	 817,005
Net increase (decrease) in cash and cash equivalents	(1,016,834)
Cash and cash equivalents, beginning of year	 53,421,745
Cash and cash equivalents, end of period	\$ 52,404,911
FINANCIAL STATEMENT PRESENTATION:	
Cash and cash equivalents - current assets	44,462,578
Cash and cash equivalents - restricted assets	7,942,333
Total cash and cash equivalents	\$ 52,404,911

ASH AND CASH EQUIVALENTS RECONCILIATION			
		Balance Includes	Without Mkt
		Mkt Securities	Securities
Unrestricted cash	9/30/2023	77,914,032	44,462,578
Restricted cash	9/30/2023	10,703,734	7,942,333
Total cash and cash equivalents		-	52,404,911

#### OLIVENHAIN MUNICIPAL WATER DISTRICT Consolidated Actual vs Budget Summary For the One Month Ending 7/31/2023

	Approved Budget	Actual YTD	Budget YTD	Variance Amt	Variance %	Notes
Operating Revenues	A 45 745 000 00	<b>*</b> 5 000 450 00	<b>*- 1- - - - - - - - - -</b>	(************		
Commodity Water Sales	\$45,715,000.00	\$5,023,156.60	\$5,430,600.00	(\$407,443.40)	(7.5%)	1
Water Fees and Services	18,651,000.00	1,487,824.14	1,554,850.00	(67,025.86)	(4.3%)	2
Sewer Revenue	5,390,000.00	23,950.33	15,100.00	8,850.33	58.6%	
Total Operating Revenues	69,756,000.00	6,534,931.07	7,000,550.00	(465,618.93)	(6.7%)	
Operating Expenses						
Purchased Water - Variable	24,514,000.00	2,613,522.03	2,786,580.00	173,057.97	6.2%	1
Purchased Water - Fixed	8,731,000.00	712,835.00	713,200.00	365.00	0.1%	
General Manager Dept	2,102,000.00	73,811.21	175,210.00	101,398.79	57.9%	3
Engineering Dept	2,497,000.00	183,534.57	208,030.00	24,495.43	11.8%	3
Finance Dept	1,713,000.00	106,253.48	142,700.00	36,446.52	25.5%	3
Customer Service Dept	3,104,000.00	191,863.44	258,826.00	66,962.56	25.9%	3
Human Resources Dept	860,300.00	60,728.01	71,758.00	11,029.99	15.4%	3
Water Operations and Maintenance Dept	12,339,000.00	790,834.84	1,029,489.00	238,654.16	23.2%	3
Parks Dept	451,000.00	37,758.76	37,736.00	(22.76)	(0.1%)	3
Other Operating Expenses	50,000.00	,- <b>-·</b>	4,200.00	4,200.00	100.0%	-
Sewer Operations and Maintenance Dept	3,269,000.00	129,705.93	272,383.00	142,677.07	52.4%	3
Recycled Water Operations Dept	1,293,000.00	47,553.51	107,760.00	60,206.49	55.9%	3
Paygo Transfers	.,200,000.00	,000.00	,	00,200.10		Ū
Water Operations	5,400,000.00	450,000.00	450,000.00		0.0%	
Sanitation Operations	1,100,000.00	92,000.00	92,000.00		0.0%	
Recycled Operations	2,200,000.00	183,000.00	183,000.00		0.0%	
Capitalized Operations Expenditures	(1,619,000.00)	(132,456.10)	(135,270.00)	(2,813.90)	2.1%	
Total Operating Expenses	68,004,300.00	5,540,944.68	6,397,602.00	856,657.32	13.4%	
Net Operating Income (Loss)	1,751,700.00	993,986.39	602,948.00	391,038.39		
Nonoperating Revenues						
Water Funds	6 571 200 00	240,852.48	139,070.00	101,782.48	73.2%	4
Debt Service Funds	6,571,200.00 1,044,000.00	27,319.87	11,480.00	15,839.87	138.0%	4
Sewer Funds	29,000.00	17,928.34	2,400.00	15,528.34	647.0%	
	,	17,686.30	18,780.00	(1,093.70)		
Recycled Water Funds	225,000.00 7,869,200.00	303,786.99	171,730.00	132,056.99	(5.8%) <b>76.9%</b>	
Total Nonoperating Revenue	7,009,200.00	303,788.99	171,730.00	132,056.99	70.9%	
Nonoperating Expense						
Capacity Fee Funds	30,000.00	3,784.97	2,480.00	(1,304.97)	(52.6%)	
Debt Service Funds	1,400,000.00	105,086.28	116,850.00	11,763.72	10.1%	
Potable Water Funds	493,000.00	46,269.03	41,050.00	(5,219.03)	(12.7%)	
Total Nonoperating Expense	1,923,000.00	155,140.28	160,380.00	5,239.72	3.3%	
Inc before Cap Fees and Capital Contributions	7,697,900.00	1,142,633.10	614,298.00	528,335.10		
Capacity Fee Funds	798,000.00	125,159.65				
Capital contributions	2,429,000.00	27,536.43				
Change in Net Position	-	1,295,329.18				

# OLIVENHAIN MUNICIPAL WATER DISTRICT Actual vs Budget Variance For the One Month Ending 7/31/2023

- Water Sales revenue was lower than Budget YTD by approximately \$407 thousand resulting in an unfavorable variance of 7.5%. The negative variance is primarily due to lower water consumption than budgeted. Consumption has remained lower than expected coming out of a particularly wet season this past winter. Consequently, purchased water variable expenses were also lower than the Budget YTD for a favorable variance of \$173 thousand or 6.2%.
- 2. Water Fees and Services revenue were lower than Budget YTD primarily due the amount of water treatment services provided to Vallecitos Water District (VWD) being lower than anticipated in the budget through July. Water supply from the District's treatment plant was limited due to water quality issues from San Diego County Water Authority which reduced the amount of water being supplied to VWD.
- 3. Actual departmental expenses varied from the Budget YTD amounts due to the timing of actual operating expenses. The Budget YTD amounts assume expenditures are incurred evenly throughout the year.
- 4. Actual Non-operating Revenues Water Funds were greater than Budget YTD for a positive variance due to higher interest income earned on investments from increased yields on short-term investments and the timing of property tax revenues received from the County.

#### OLIVENHAIN MUNICIPAL WATER DISTRICT Consolidated Actual vs Budget Summary For the Two Months Ending 8/31/2023

	Approved Budget	Actual YTD	Budget YTD	Variance Amt	Variance %	Notes
Operating Revenues		** *** ***	<b>*</b> / • <b>=</b> • • • • • • •		(10,10())	
Commodity Water Sales	\$45,715,000.00	\$9,623,393.53	\$10,738,500.00	(\$1,115,106.47)	(10.4%)	1
Water Fees and Services	18,651,000.00	2,881,189.90	3,109,700.00	(228,510.10)	· /	2
Sewer Revenue	5,390,000.00	23,950.33	18,100.00	5,850.33	32.3%	
Total Operating Revenues	69,756,000.00	12,528,533.76	13,866,300.00	(1,337,766.24)	(9.6%)	
Operating Expenses						
Purchased Water - Variable	24,514,000.00	4,819,671.01	5,731,160.00	911,488.99	15.9%	1
Purchased Water - Fixed	8,731,000.00	1,425,670.00	1,426,400.00	730.00	0.1%	
General Manager Dept	2,102,000.00	213,987.49	350,420.00	136,432.51	38.9%	3
Engineering Dept	2,497,000.00	401,316.68	416,060.00	14,743.32	3.5%	3
Finance Dept	1,713,000.00	272,034.60	285,400.00	13,365.40	4.7%	3
Customer Service Dept	3,104,000.00	463,801.83	517,652.00	53,850.17	10.4%	3
Human Resources Dept	860,300.00	138,363.60	143,516.00	5,152.40	3.6%	3
Water Operations and Maintenance Dept	12,339,000.00	1,999,023.26	2,058,978.00	59,954.74	2.9%	3
Parks Dept	451,000.00	79,431.01	75,472.00	(3,959.01)	(5.2%)	3
Other Operating Expenses	50,000.00		8,400.00	8,400.00	100.0%	
Sewer Operations and Maintenance Dept	3,269,000.00	404,647.86	544,766.00	140,118.14	25.7%	3
Recycled Water Operations Dept	1,293,000.00	147,984.55	215,520.00	67,535.45	31.3%	3
Paygo Transfers	,,	,	-,	. ,		-
Water Operations	5,400,000.00	900,000.00	900,000.00		0.0%	
Sanitation Operations	1,100,000.00	184,000.00	184,000.00		0.0%	
Recycled Operations	2,200,000.00	366,000.00	366,000.00		0.0%	
Capitalized Operations Expenditures	(1,619,000.00)	(275,924.93)		5,384.93	(2.0%)	
Total Operating Expenses	68,004,300.00	11,540,006.96	12,953,204.00	1,413,197.04	10.9%	
Net Operating Income (Loss)	1,751,700.00	988,526.80	913,096.00	75,430.80		
Nonoperating Revenues						
Water Funds	6,571,200.00	529,670.11	301,140.00	228,530.11	75.9%	4
Debt Service Funds	1,044,000.00	47,393.83	17,260.00	30,133.83	174.6%	4
Sewer Funds	29,000.00	34,346.64	4,800.00	29,546.64	615.6%	4
Recycled Water Funds	225,000.00	35,921.92	37,560.00	(1,638.08)		•
Total Nonoperating Revenue	7,869,200.00	647,332.50	360,760.00	286,572.50	79.4%	
Nonoperating Expense						
Capacity Fee Funds	30,000.00	7,588.35	4,960.00	(2,628.35)	· · · ·	
Debt Service Funds	1,400,000.00	199,363.47	233,700.00	34,336.53	14.7%	5
Potable Water Funds	493,000.00	99,474.04	82,100.00	(17,374.04)		
Total Nonoperating Expense	1,923,000.00	306,425.86	320,760.00	14,334.14	4.5%	
Inc before Cap Fees and Capital Contributions	7,697,900.00	1,329,433.44	953,096.00	376,337.44		
Capacity Fee Funds	798,000.00	193,194.17				
Capital contributions	2,429,000.00	30,995.69				
Change in Net Position	-	1,553,623.30	-			

# OLIVENHAIN MUNICIPAL WATER DISTRICT Actual vs Budget Variance For the Second Month Ending 8/31/2023

- 1. Water Sales revenue was lower than Budget YTD by approximately \$1.1 million resulting in an unfavorable variance of 10.4%. The negative variance is primarily due to lower water consumption than budgeted. Consumption has remained lower than expected coming out of a particularly wet season this past winter. Consequently, purchased water variable expenses were also lower than the Budget YTD for a favorable variance of \$911 thousand or 15.9%.
- 2. Water Fees and Services revenue were lower than Budget YTD primarily due the amount of water treatment services provided to Vallecitos Water District (VWD) being lower than anticipated in the budget. Water supply from the District's treatment plant was limited in July and August due to water quality issues from San Diego County Water Authority which reduced the amount of water being supplied to VWD.
- 3. Actual departmental expenses varied from the Budget YTD amounts due to the timing of actual operating expenses. The Budget YTD amounts assume expenditures are incurred evenly throughout the year.
- 4. Actual Non-operating Revenues Water Funds, Debt Service Funds, and Sewer Funds were greater than Budget YTD for a positive variance due to higher interest income earned on investments from increased yields on short-term investments and the timing of property tax revenues received from the County.
- 5. Actual Non-operating Expenses Debt Service Funds were lower than the Budget YTD amount for a positive variance because amortization of the issuance premium is not included in the 2015A Bonds interest expense.

#### OLIVENHAIN MUNICIPAL WATER DISTRICT Consolidated Actual vs Budget Summary For the Three Months Ending 9/30/2023

	Approved Budget	Actual YTD	Budget YTD	Variance Amt	Variance %	Notes
Operating Revenues						
Commodity Water Sales	\$45,715,000.00		\$15,713,600.00	(\$1,902,588.92)	(12.1%)	1
Water Fees and Services	18,651,000.00	4,351,142.98	4,664,550.00	(313,407.02)	(6.7%)	2
Sewer Revenue	5,390,000.00	30,770.37	22,100.00	8,670.37	39.2%	
Total Operating Revenues	69,756,000.00	18,192,924.43	20,400,250.00	(2,207,325.57)	(10.8%)	
Operating Expenses						
Purchased Water - Variable	24,514,000.00	6,986,752.57	8,502,740.00	1,515,987.43	17.8%	1
Purchased Water - Fixed	8,731,000.00	2,138,505.00	2,139,600.00	1,095.00	0.1%	
General Manager Dept	2,102,000.00	353,847.70	525,630.00	171,782.30	32.7%	3
Engineering Dept	2,497,000.00	555,719.19	624,090.00	68,370.81	11.0%	3
Finance Dept	1,713,000.00	380,905.03	428,100.00	47,194.97	11.0%	3
Customer Service Dept	3,104,000.00	657,495.61	776,478.00	118,982.39	15.3%	3
Human Resources Dept	860,300.00	197,964.72	215,274.00	17,309.28	8.0%	3
Water Operations and Maintenance Dept	12,339,000.00	2,777,920.15	3,088,467.00	310,546.85	10.1%	3
Parks Dept	451,000.00	114,779.57	113,208.00	(1,571.57)	(1.4%)	3
Other Operating Expenses	50,000.00	,, / 0.0/	12,600.00	12,600.00	100.0%	~
Sewer Operations and Maintenance Dept	3,269,000.00	610,666.97	817,149.00	206,482.03	25.3%	3
Recycled Water Operations Dept	1,293,000.00	240,096.28	323,280.00	83,183.72	25.7%	3
Paygo Transfers	1,200,000.00	240,000.20	020,200.00	00,100.72	20.170	0
Water Operations	5,400,000.00	1,350,000.00	1,350,000.00		0.0%	
Sanitation Operations	1,100,000.00	276,000.00	276,000.00		0.0%	
Recycled Operations	2,200,000.00	549,000.00	549,000.00		0.0%	
Capitalized Operations Expenditures	(1,619,000.00)	(399,964.17)	,	(5,845.83)	1.4%	
Total Operating Expenses	68,004,300.00	16,789,688.62	19,335,806.00	2,546,117.38	13.2%	
Net Operating Income (Loss)	1,751,700.00	1,403,235.81	1,064,444.00	338,791.81		
Nonoperating Revenues						
Water Funds	6,571,200.00	776,207.41	446,210.00	329,997.41	74.0%	4
Debt Service Funds	1,044,000.00	66,381.68	24,940.00	41,441.68	166.2%	4
Sewer Funds	29,000.00	49,726.61	7,200.00	42,526.61	590.6%	4
Recycled Water Funds	225,000.00	54,600.65	56,340.00	(1,739.35)	(3.1%)	
Total Nonoperating Revenue	7,869,200.00	946,916.35	534,690.00	412,226.35	77.1%	
Nonoperating Expense						
Capacity Fee Funds	30,000.00	9,213.35	7,440.00	(1,773.35)	(23.8%)	
Debt Service Funds	1,400,000.00	295,519.08	350,550.00	55,030.92	15.7%	5
Potable Water Funds	493,000.00	148,505.38	123,150.00	(25,355.38)	(20.6%)	6
Total Nonoperating Expense	1,923,000.00	453,237.81	481,140.00	27,902.19	5.8%	-
Inc before Cap Fees and Capital Contributions	7,697,900.00	1,896,914.35	1,117,994.00	778,920.35		
Capacity Fee Funds	798,000.00	237,698.52				
Capital contributions	2,429,000.00	31,932.40				
Change in Net Position		2,166,545.27	-			

# OLIVENHAIN MUNICIPAL WATER DISTRICT Actual vs Budget Variance For the Third Month Ending 9/30/2023

- Water Sales revenue was lower than Budget YTD by approximately \$1.9 million resulting in an unfavorable variance of 12.1%. The negative variance is primarily due to lower water consumption than budgeted. Consumption has remained lower than expected coming out of a particularly wet season this past winter. Consequently, purchased water variable expenses were also lower than the Budget YTD for a favorable variance of \$1.5 million or 17.8%.
- 2. Water Fees and Services revenue were lower than Budget YTD primarily due the amount of water treatment services provided to Vallecitos Water District (VWD) being lower than anticipated in the budget. Water supply from the District's treatment plant was limited in July and August due to water quality issues from San Diego County Water Authority which reduced the amount of water being supplied to VWD.
- 3. Actual departmental expenses varied from the Budget YTD amounts due to the timing of actual operating expenses. The Budget YTD amounts assume expenditures are incurred evenly throughout the year.
- 4. Actual Non-operating Revenues Water Funds, Debt Service Funds, and Sewer Funds were greater than Budget YTD for a positive variance due to higher interest income earned on investments from increased yields on short-term investments and the timing of property tax revenues received from the County.
- 5. Actual Non-operating Expenses Debt Service Funds were lower than the Budget YTD amount for a positive variance because amortization of the issuance premium is not included in the 2015A Bonds interest expense.
- Actual Non-operating Expenses Potable Water Funds were greater than the Budget YTD amount for a negative variance due to the cumulative amount of rate reimbursement credits issued to customers through September. The Budget YTD amounts assume credits are issued evenly throughout the year.

# Construction Work In Progress Report as of 7/31/2023

Project Name	Budget	Appropriation to Date	Expenditures & Encumbrance	(Over) / Under
Replace Neighborhood 1 SPS	\$8,132,000	\$8,132,000	\$7,693,664	\$438,336
San Dieguito Desalination	\$42,837,000	\$6,662,000	\$4,600,261	\$2,061,739
HOA Pipeline Ext - CB, VP, SH	\$4,145,000	\$4,145,000	\$266,046	\$3,878,954
DCMWTP 4th Stage Centrifuge	\$3,340,000	\$3,340,000	\$339,683	\$3,000,317
RSFe Rd Unit A North PL	\$2,094,000	\$2,094,000	\$371,229	\$1,722,771
District-Wide PLC replacements	\$1,280,000		\$177,122	\$1,102,879
District-Wide PLC Repl (WW)	\$1,280,000		\$190,793	\$1,089,207
Replace Valves	\$8,856,000		\$31,582	\$1,074,418
Replace Pipelines	\$8,983,000	\$1,070,000	\$65,418	\$1,004,582
Village Park PRS	\$960,000	\$960,000	\$119,520	\$840,480
Gardendale PRS	\$960,000		\$116,001	\$843,999
Replace DCMWTP Membranes	\$8,970,000		-	\$900,000
DCMWTP Condition Assessment	\$690,000		\$603,486	\$86,514
Fixed Base AMI	\$2,416,000		\$59,536	\$619,464
Replace Headworks Manual Sys	\$3,160,000		\$447,134	\$171,866
Gaty II Safety Improvements	\$590,000	\$590,000	\$101,742 \$440,221	\$488,258
Pot & Recycled Master Plan Units B & K Rehabilitation	\$583,000 \$2,095,000		\$449,331 \$235,080	\$133,669 \$326,920
Parking & Access Improvements	\$2,095,000 \$575,000	\$562,000 \$556,200	\$235,080 \$556,171	\$326,920
Hydropower Turbine Refurb	\$575,000 \$850,000		. ,	\$45,987
Replace Potable Meters	\$850,000 \$4,921,000		\$404,013 \$38,303	\$45,987 \$376,697
Residuals Handling Bldg Canopy	\$4,921,000 \$400,500		\$38,303	\$376,697 \$349,047
Steel Mains Protection	\$3,455,000		\$22,194	\$370,806
Ext. 153 Flow Meter	\$385,000		\$96,261	\$188,739
District-Wide Scada Upgrades	\$256,000	\$256,000	\$8,525	\$247,476
Raw Water Equalizer Tank Rehab	\$250,000		ψ0,020	\$250,000
DCMWTP 2nd Stage Memb. Train	\$807,500		\$47,483	\$185,017
Palms I and II Reservoirs	\$1,307,000		\$73,378	\$149,622
EFRR Parking Lot Repair	\$990,000		\$72,864	\$145,136
4SWRF Digester Blower Replmnt	\$200,000		¢: 2,00 :	\$200,000
Replace WW Pumps/ Motors/Equip	\$2,024,000		\$50,376	\$124,624
WW Master Plan	\$170,000		\$7,710	\$162,290
Collection System SPS Rehab	\$912,000	\$169,000	\$3,555	\$165,445
Rancho La Cima/Aliso Canyon PL	\$300,000	\$165,000	\$63,152	\$101,848
Cielo SPS Flow Meters	\$413,000	\$163,000	\$59,287	\$103,713
Replace Meter Anodes	\$1,754,000	\$152,000	\$5,225	\$146,775
Manchester Recyc PL Exten.	\$5,225,000	\$150,000	\$78,389	\$71,611
District-Wide Facility Securit	\$240,000	\$150,000	\$33,805	\$116,195
Golem 14" Pipeln Cond. Assess.	\$150,000	\$150,000	\$1,721	\$148,279
Fleet Electrification Plan	\$150,000	\$150,000	-	\$150,000
Wanket RW Reservoir Rehab	\$150,000	\$150,000	\$9,138	\$140,862
Encinitas Blvd Insp. & Repair	\$682,000	\$145,000	\$1,077	\$143,923
Chlorine Gen Rm Lining Rehab	\$145,000	\$145,000	\$19,038	\$125,962
Replace Pot. Pumps and Motors	\$1,022,000	\$123,000	\$134	\$122,866
Network Security	\$1,175,000	\$115,000	-	\$115,000
SWPPP Facility Improvements	\$107,100	\$107,100	\$98,650	\$8,450
Bob Topolovac Memorial Crtyrd	\$68,700		\$38,148	\$30,552
4S WRF Scada Upgrades	\$64,000		\$1,807	\$62,194
Recycled Conversions	\$719,000		\$1,820	\$60,180
Replace PRS Valves	\$602,600		-	\$52,000
Rancho Cielo Manhole Lining	\$586,000		-	\$50,000
CIS System Upgrade	\$305,000		-	\$38,500
Catalytic Converter Theft Prev	\$38,000		\$4,175	\$33,825
4S Physical Security Upgrades	\$210,000		\$525	\$29,475
Physical Security Upgrades	\$250,000		\$6,021	\$18,979
Replace Overflow Pond Strainer	\$231,000		\$7,504	\$17,496
4S System Manhole Lining	\$206,000		-	\$18,000
Meter Replacement, Recycled	\$241,000		\$967	\$17,033
Automotive Equipment Purchases (Small Cap)	\$581,000		\$283,333	\$297,667
Shop & Field Equipment Purchases (Small Cap)	\$46,000	\$46,000	-	\$46,000
	AAF	***	·	AA- /- /
Computer Hardware/Software Purchases (Small Cap) Office Furniture/Equipment Purchases (Small Cap)	\$87,500 \$35,000	\$87,500 \$35,000	\$26	\$87,474 \$35,000

# Construction Work In Progress Report as of 8/31/2023

Project Name	Budget	Appropriation to Date	Expenditures & Encumbrance	(Over) / Under
Replace Neighborhood 1 SPS	\$8,132,000	\$8,132,000	\$7,703,526	\$428,474
San Dieguito Desalination	\$42,837,000	\$6,662,000	\$4,612,498	\$2,049,502
HOA Pipeline Ext - CB, VP, SH	\$4,145,000	\$4,145,000	\$269,739	\$3,875,261
DCMWTP 4th Stage Centrifuge	\$3,340,000	\$3,340,000	\$342,979	\$2,997,021
RSFe Rd Unit A North PL	\$2,094,000	\$2,094,000	\$380,573	\$1,713,428
District-Wide PLC replacements	\$1,280,000	\$1,280,000	\$189,037	\$1,090,963
District-Wide PLC Repl (WW)	\$1,280,000	\$1,280,000	\$191,090	\$1,088,910
Replace Valves	\$8,856,000	\$1,106,000	\$102,383	\$1,003,617
Replace Pipelines	\$8,983,000	\$1,070,000	\$76,906	\$993,094
Village Park PRS	\$960,000	\$960,000	\$122,014	\$837,986
Gardendale PRS	\$960,000	\$960,000	\$117,187	\$842,813
Replace DCMWTP Membranes	\$8,970,000	\$900,000	\$771,099	\$128,901
DCMWTP Condition Assessment	\$690,000	\$690,000	\$650,307	\$39,693
Fixed Base AMI	\$2,416,000	\$679,000	\$108,396	\$570,604
Replace Headworks Manual Sys	\$3,160,000	\$619,000	\$448,369	\$170,631
Gaty II Safety Improvements	\$590,000	\$590,000	\$101,742	\$488,258
Pot & Recycled Master Plan	\$583,000	\$583,000	\$454,957	\$128,043
Units B & K Rehabilitation	\$2,095,000		\$235,080	\$326,920
Parking & Access Improvements	\$575,000		\$556,172	\$28
Hydropower Turbine Refurb	\$850,000		\$404,013	\$45,987
Replace Potable Meters	\$4,921,000	\$415,000	\$71,967	\$343,033
Residuals Handling Bldg Canopy	\$400,500		\$51,453	\$349,047
Steel Mains Protection	\$3,455,000		\$22,392	\$370,608
Ext. 153 Flow Meter	\$385,000		\$99,831	\$185,169
District-Wide Scada Upgrades	\$256,000		\$8,821	\$247,179
Raw Water Equalizer Tank Rehab	\$250,000			\$250,000
DCMWTP 2nd Stage Memb. Train	\$807,500		\$47,631	\$184,869
Palms I and II Reservoirs	\$1,307,000		\$73,917	\$149,083
EFRR Parking Lot Repair	\$990,000		\$73,584	\$144,416
4SWRF Digester Blower Replmnt	\$200,000		¢. 0,00 . -	\$200,000
Replace WW Pumps/ Motors/Equip	\$2,024,000		\$127,233	\$47,767
WW Master Plan	\$170,000		\$11,486	\$158,514
Collection System SPS Rehab	\$912,000		\$3,852	\$165,148
Rancho La Cima/Aliso Canyon PL	\$300,000		\$63,152	\$101,848
Cielo SPS Flow Meters	\$413,000		\$59,287	\$103,713
Replace Meter Anodes	\$1,754,000		\$18,341	\$133,659
Manchester Recyc PL Exten.	\$5,225,000		\$82,125	\$67,875
District-Wide Facility Securit	\$240,000		\$34,671	\$115,329
Golem 14" Pipeln Cond. Assess.	\$150,000		\$1,869	\$148,131
Fleet Electrification Plan	\$150,000		\$3,559	\$146,441
Wanket RW Reservoir Rehab	\$150,000		\$10,620	\$139,380
Encinitas Blvd Insp. & Repair	\$682,000		\$1,897	\$143,103
Chlorine Gen Rm Lining Rehab	\$145,000		\$20,446	\$124,554
Replace Pot. Pumps and Motors	\$1,022,000		\$3,718	\$119,282
Network Security	\$1,022,000		\$329	\$114,671
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SWPPP Facility Improvements	\$107,100 \$68,700		\$108,650	(\$1,550) \$26,725
Bob Topolovac Memorial Crtyrd	\$68,700 \$64,000		\$41,965	\$26,735 \$62,104
4S WRF Scada Upgrades Recycled Conversions	\$64,000 \$710,000		\$1,807 \$12,607	\$62,194 \$40,303
5	\$719,000		\$12,607	\$49,393
Replace PRS Valves	\$602,600		-	\$52,000 \$50,000
Rancho Cielo Manhole Lining	\$586,000		-	\$50,000
CIS System Upgrade	\$305,000		-	\$38,500
Catalytic Converter Theft Prev	\$38,000		\$8,469	\$29,531
4S Physical Security Upgrades	\$210,000		\$525	\$29,475
Physical Security Upgrades	\$250,000		\$6,021	\$18,979
Replace Overflow Pond Strainer	\$231,000		\$8,138	\$16,862
4S System Manhole Lining	\$206,000		-	\$18,000
Meter Replacement, Recycled	\$241,000		\$967	\$17,033
Automotive Equipment Purchases (Small Cap)	\$581,000		\$411,021	\$169,979
Shop & Field Equipment Purchases (Small Cap)	\$46,000		\$0	\$46,000
Computer Hardware/Software Purchases (Small Cap)	\$87,500		\$26	\$87,474
Office Furniture/Equipment Purchases (Small Cap)	\$35,000		-	\$35,000
	Total: \$134,657,900	\$43,149,000	\$19,330,442	\$23,818,558

\* Project overage includes \$9,325 in encumbered funds for FEMA analysis. Actual costs may come in less than budgeted. Overage is within Manager approval limit.

# Construction Work In Progress Report as of 9/30/2023

Project Name	Budget	Appropriation to Date	Expenditures & Encumbrance	(Over) / Under
Replace Neighborhood 1 SPS	\$8,132,000	\$8,132,000	\$7,713,420	\$418,580
San Dieguito Desalination	\$42,837,000	\$6,662,000	\$6,136,120	\$525,880
HOA Pipeline Ext - CB, VP, SH	\$4,145,000	\$4,145,000	\$273,706	\$3,871,294
DCMWTP 4th Stage Centrifuge	\$3,340,000	\$3,340,000	\$350,312	\$2,989,688
RSFe Rd Unit A North PL	\$2,094,000	\$2,094,000	\$383,715	\$1,710,285
District-Wide PLC replacements	\$1,280,000	\$1,280,000	\$195,816	\$1,084,184
District-Wide PLC Repl (WW)	\$1,280,000	\$1,280,000	\$192,549	\$1,087,451
Replace Valves	\$8,856,000	\$1,106,000	\$115,137	\$990,863
Replace Pipelines	\$8,983,000	\$1,070,000	\$104,089	\$965,911
Village Park PRS	\$960,000	\$960,000	\$122,775	\$837,225
Gardendale PRS	\$960,000	\$960,000	\$118,076	\$841,924
Replace DCMWTP Membranes	\$8,970,000	\$900,000	\$771,099	\$128,901
DCMWTP Condition Assessment	\$690,000	\$690,000	\$653,177	\$36,823
Fixed Base AMI	\$2,416,000	\$679,000	\$145,124	\$533,876
Replace Headworks Manual Sys	\$3,160,000		\$452,076	\$166,924
Gaty II Safety Improvements	\$590,000		\$105,608	\$484,392
Pot & Recycled Master Plan	\$583,000		\$461,398	\$121,602
Units B & K Rehabilitation	\$2,095,000		\$235,080	\$326,920
Parking & Access Improvements	\$575,000		\$556,172	\$28
Hydropower Turbine Refurb	\$850,000		\$404,854	\$45,146
Replace Potable Meters	\$4,921,000		\$100,554	\$314,446
Residuals Handling Bldg Canopy	\$400,500		\$51,453	\$349,047
Steel Mains Protection	\$3,455,000		\$27,237	\$365,763
Ext. 153 Flow Meter	\$3,433,000		\$102,969	\$182,031
District-Wide Scada Upgrades	\$383,000 \$256,000		\$10,218	\$182,031
Raw Water Equalizer Tank Rehab	\$250,000		φ10,210	\$240,782 \$250,000
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DCMWTP 2nd Stage Memb. Train	\$807,500 \$1,207,000		\$47,631 \$72,017	\$184,869
Palms I and II Reservoirs	\$1,307,000		\$73,917	\$149,083
EFRR Parking Lot Repair	\$990,000		\$73,832	\$144,168
4SWRF Digester Blower Replmnt	\$200,000		- ¢400 500	\$200,000
Replace WW Pumps/ Motors/Equip	\$2,024,000		\$130,500	\$44,500
WW Master Plan	\$170,000		\$153,003	\$16,997
Collection System SPS Rehab	\$912,000		\$149,459	\$19,541
Rancho La Cima/Aliso Canyon PL	\$300,000		\$63,152	\$101,848
Cielo SPS Flow Meters	\$413,000		\$59,287	\$103,713
Replace Meter Anodes	\$1,754,000		\$29,930	\$122,070
Manchester Recyc PL Exten.	\$5,225,000		\$83,447	\$66,553
District-Wide Facility Securit	\$240,000		\$62,272	\$87,728
Golem 14" Pipeln Cond. Assess.	\$150,000		\$2,017	\$147,983
Fleet Electrification Plan	\$150,000	\$150,000	\$8,470	\$141,530
Wanket RW Reservoir Rehab	\$150,000		\$10,916	\$139,084
Encinitas Blvd Insp. & Repair	\$682,000		\$2,843	\$142,157
Chlorine Gen Rm Lining Rehab	\$145,000	\$145,000	\$20,629	\$124,371
Replace Pot. Pumps and Motors	\$1,022,000		\$25,270	\$97,730
Network Security	\$1,175,000	\$115,000	\$329	\$114,671
SWPPP Facility Improvements	\$107,100	\$107,100	\$108,650	(\$1,550)
Bob Topolovac Memorial Crtyrd	\$68,700	\$68,700	\$44,884	\$23,816
4S WRF Scada Upgrades	\$64,000	\$64,000	\$5,392	\$58,608
Recycled Conversions	\$719,000	\$62,000	\$12,883	\$49,117
Replace PRS Valves	\$602,600	\$52,000	-	\$52,000
Rancho Cielo Manhole Lining	\$586,000	\$50,000	-	\$50,000
CIS System Upgrade	\$305,000	\$38,500	\$117	\$38,383
Catalytic Converter Theft Prev	\$38,000	\$38,000	\$8,469	\$29,531
4S Physical Security Upgrades	\$210,000	\$30,000	\$525	\$29,475
Physical Security Upgrades	\$250,000	\$25,000	\$6,021	\$18,979
Replace Overflow Pond Strainer	\$231,000	\$25,000	\$11,034	\$13,966
4S System Manhole Lining	\$206,000		-	\$18,000
Meter Replacement, Recycled	\$241,000		\$967	\$17,033
Automotive Equipment Purchases (Small Cap)	\$581,000		\$411,021	\$169,979
Shop & Field Equipment Purchases (Small Cap)	\$46,000		\$24,762	\$21,238
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Computer Hardware/Software Purchases (Small Cap)	\$87.500	201 200	<u>ຈ</u> /ກ	387.474
Computer Hardware/Software Purchases (Small Cap) Office Furniture/Equipment Purchases (Small Cap)	\$87,500 \$35,000		\$26	\$87,474 \$35,000

\* Project overage includes \$9,325 in enumbered funds for FEMA analysis. Actual costs may come in less than budgeted. Overage is within Manager approval limit.

Agenda Item C-c



# Memo

Date:	December 13, 2023
То:	Olivenhain Municipal Water District Board of Directors
From:	Melody Colombo, Administrative Analyst
Via:	Kimberly A. Thorner, General Manager
Subject:	CONSIDER REVISIONS TO THE LEGISLATIVE GUIDELINES FOR 2024

# Purpose

The purpose of this item is to consider proposed updates to OMWD's Legislative Guidelines for 2024. This item is an annual update.

# Recommendation

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

# Alternative(s)

- The board could choose against approval of changes to the Legislative Guidelines for 2024.
- The board could direct staff as otherwise deemed appropriate.

# Background

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

# **Fiscal Impact**

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

# Discussion

Revisions proposed for 2024 include a new guideline that would oppose redundant reporting of water conservation-related information. In addition to OMWD staff's independent analysis of OMWD's existing guidelines for potential improvements, the proposed updates also incorporate many of the changes made by SDCWA to its own Legislative Policy Guidelines for 2024. The proposed changes for 2024 have been reviewed by Nossaman LLP.

Attachment: 2024 Legislative Guidelines



#### Legislative Guidelines

OMWD Guidelines & Procedures

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



#### Legislative Guidelines

OMWD Guidelines & Procedures

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#### Legislative Advocate

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

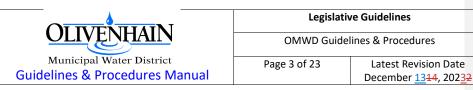
In the role of state legislative advocate, Nossaman LLP's scope also includes identifying grant opportunities for the priority projects of OMWD; drafting and coordinating the preparation of grant applications for state funding and/or Integrated Regional Water Management opportunities; meeting with relevant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

#### **Guidelines for Policy on Legislation**

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

## I. Imported Water Supply - It shall be OMWD's policy to <u>support</u> legislation that:

- 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.
- 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 the environment and public health.
- 7. Supports implementation and funding of the California Colorado River Water Use Plan, including the Lower Colorado River Multi-Species Conservation Program.
- 8. Provides funding for Colorado River salinity control projects and other water quality management efforts.
- 9. Encourages and facilitates voluntary water transfers 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.
- 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.
- 15. Promotes the sustainability of the Colorado River through the development of water supply storage in order to provide flexibility with annual transfer volumes and support drought contingency planning.

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

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

#### II. Imported Water Supply - It shall be OMWD's policy to <u>oppose</u> legislation that:

- 1. Establishes a broad-based user fee that does not support a specific Sacramento-San Joaquin Delta conveyance option; any fee must provide a clear nexus to the benefit the fee would provide.
- 2. Makes urban water supplies less reliable or substantially increases the cost of imported water without also improving the reliability and/or quality of the water.
- 3. Adversely affects 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.

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

- 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, costeffective, and reliable water resources.
- Provides funding to the San Diego County Water Authority and/or its member agencies for cost-effective seawater and brackish groundwater desalination studies and facilities.
- 3. Recognizes and supports the development of seawater desalination as a critical new water supply for the state, including San Diego County.
- 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.

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Municipal Water District
<b>Guidelines &amp; Procedures Manual</b>

#### Legislative Guidelines

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- 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.
- Facilitates and encourages the use of recycled water in commercial, industrial, institutional, and residential settings.
- 11. Encourages dual-plumbing in all new development to enable utilization of recycled water when available.
- 12. Provides financial incentives to assist in the disposal of concentrate, sludge, and other byproducts created in the water treatment process and supports the appropriate degree of regulation commensurate with the effect on the environment.
- 13. Ensures OMWD receives the dry-year water supply benefits of its investment in local water supply sources.
- 14. Provides for the interchangeability of funding for groundwater and surface water enhancements to best fit the hydrogeological attributes of a particular region.
- 15. Provides for watershed planning, watershed signage, and actions to protect source water (including reservoirs), such as land acquisition around reservoirs, limited land use, and increased buffer areas.
- 16. Promotes uniform regulatory interpretation of state recycled water system standards.
- 17. Supports beneficial revisions to the California Plumbing Code that address recycled water systems.

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- Authorizes, promotes, and/or provides incentives or credits for development of local drought-resilient water supply projects such as desalination, non-potable recycling, and potable reuse projects.
- 19. Streamlines regulatory processes and requirements to encourage and support the development of potable reuse as a municipal water supply.
- 20. Defines purified recycled water as a source of water supply and not as waste.
- 21. Ensures that decision-making with regard to stormwater management and recapture is kept at the local or regional level through local water agencies, stormwater districts, cities, counties, and regional water management groups.
- 22. Recognizes that stormwater management and recapture are important tools in a diversified water portfolio that can help to achieve improved water quality in local surface and groundwater supplies, augment surface and groundwater supplies for local water agencies, and promote landscape conservation from a water runoff perspective.
- 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:

- Limits the ability of local governmental agencies to regulate the discharge of contaminants to the sewer collection system that may adversely affect water recycling and reuse.
- 2. Establishes unreasonable regulatory requirements or fees relative to the safe use of recycled water, which may unreasonably impede or create a disincentive to its further development.
- 3. Contributes to the degradation of source water quality in and around reservoirs and groundwater basins.

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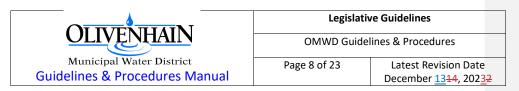
- 4. Promotes unreasonable and burdensome restrictions on reporting requirements on the effective operation of OMWD facilities, such as the classification of a water treatment plant as a chemical facility under Homeland Security reporting provisions.
- 5. Restricts OMWD's ability to manage, store, or 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.
- 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 Affordability – It shall be OMWD's policy to <u>support</u> legislation that:

- Is consistent with, and does not conflict in any way with, the standard of Proposition 218 regarding proportionality of water rates and cost-of-service provisions.
- Continues to foster the implementation of AB 2334 (2012) which rRequires data-driven analysis to be included in California's Water Plan, including water affordability analysis.
- Creates a low-income water rate assistance program that provides financial relief to ratepayers by utilizing existing resources within the State's General Fund, or by allocating cap-and-trade funding.
- 4. Does not include burdensome or prescriptive mandates, including collecting water taxes or water rate and water district boundary data.

#### VI. Water Affordability – It shall be OMWD's policy to <u>oppose</u> legislation that:

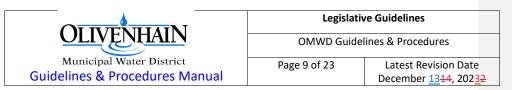
- 1. Is not targeted in scope to low-income households and individuals.
- 2. Does not have a sustainable funding source, or relies on a water tax or water surcharge.
- 3. Does not use an existing benefit distribution method, and requires water agencies to create a new method.



4. Imposes unfair financial and legal leverage to other parties for damages to water infrastructure.

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

- 1. Assists in achieving a year-round blend of imported water supplies that achieves boardadopted 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.
- 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.



- 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.
- 17. Implements source control for management and prevention of contamination by constituents of emerging concern.

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

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

#### IX. Integrated Regional Water Management Planning - It shall be OMWD's policy to <u>support</u> legislation that:

- 1. Defines the "San Diego sub-region" and "San Diego county watersheds" as those portions of the westward-flowing watersheds of the South Coast hydrologic region situated within the boundaries of San Diego County.
- 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.

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- 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.
- X. Integrated Regional Water Management Planning It shall be OMWD's policy to <u>oppose</u> legislation that:
  - 1. Dilutes public water agency participation in the Regional Water Management Group.
  - 2. Establishes funding criteria that limit local discretion in project selection.
- XI. Water Facilities/Facility Improvement It shall be OMWD's policy to <u>support</u> legislation that:
  - Funds or otherwise facilitates planning, design, construction, and/or maintenance of public water storage, watershed areas, and treatment and delivery facilities and facilitates maintenance and/or enhancement of groundwater recharge spreading areas and groundwater basin rehabilitation that benefit OMWD and/or San Diego County.
  - 2. Provides funding for water infrastructure development, security, rehabilitation, and/or replacement projects that benefit OMWD and/or San Diego County.
  - 3. Funds enhancements to water treatment, recycling, and potable reuse facilities to meet more stringent regulations.
  - 4. Funds improvements to water treatment facilities that allow greater use of State Project water.
  - 5. Provides funding for the preservation of cultural resources affected by construction or operation of water conveyance and storage facilities.
  - 6. Provides funding for habitat preservation programs that address impacts resulting from construction or operation of water system facilities.

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- 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.
- 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.
- Exempts owners and operators of water supply facilities from criminal and civil liabilities associated with dreissenid mussel infestations if due diligence requirements are being met.
- 11. Provides incentives that encourage the optimization, expansion, and cooperative use of existing surface reservoirs.
- 12. Provides funding for projects that improve the security of OMWD facilities and operations.
- 13. Provides funding to water agencies for the voluntary retrofit of facilities for on-site generation of chlorine.
- 14. Permits the use of grant funding for projects implemented under public-private partnerships where the grant provides funding for a public benefit.
- XII. Water Facilities/Facility Improvement It shall be OMWD's policy to <u>oppose</u> legislation that:
  - 1. Impairs OMWD's ability to provide and operate the necessary facilities for a safe, reliable, and operationally flexible water system.
  - 2. Limits OMWD's sole jurisdiction over the bidding, planning, design, routing, approval, procurement, construction, operation, or maintenance of its water facilities.
  - 3. Limits OMWD's discretion over protecting the security and privacy of comprehensive inventories of all assets, which includes infrastructure location, condition, performance, and useful life.
  - 4. Shifts the risks of indemnity for damages and defense of claims from contractors to OMWD.
  - 5. Impairs OMWD's ability to execute the planning, design, and construction of projects using its own employees.



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6. Authorizes state and federal wildlife agencies to control, prevent, or eradicate invasive

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

## XIII. Water Use Efficiency - It shall be OMWD's policy to <u>support</u> legislation that:

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

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

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

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

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

- 1. Repeals cost-effective efficiency standards for water-using devices.
- Prescribes mandatory urban water conservation management practices that override the authority of the board of directors of local water agencies to adopt management practices that are most appropriate for the specific needs of their water agencies.
- 3. Prescribes mandatory conservation-based rate structures that override the authority of the boards of directors of local water agencies to set rate structures and management practices according to the specific needs of the water agencies.
- 4. Creates a disincentive or impedes water agencies from making investments to maximize the potential for recycled water, potable reuse, desalination, and other drought-resilient water supplies.
- 5. Mandates regulation of the commercial sector in a manner that is discriminatory, sets unachievable compliance targets, or would otherwise impair economic activity or the viability of the commercial sector.

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5.6. Requires redundant reporting of water conservation-related information.

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

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

## XVI. Biological and Habitat Preservation - It shall be OMWD's policy to <u>oppose</u> 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.

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3. Imposes a "user utility fee" or "surcharge" on water for the purposes of financing open space/habitat preservation, restoration, or creation.

#### XVII. Fiscal Policy and Water Rates - It shall be OMWD's policy to <u>support</u> 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.
- 8. Provides OMWD and water ratepayers with financial relief during economic downturns and/or economic shocks such as pandemics through a variety of means, including but not limited to, direct financial assistance and flexibility in debt management.

#### XVIII. Fiscal Policy and Water Rates - It shall be OMWD's policy to <u>oppose</u> legislation that:

- 1. Imposes mandated costs or regulatory constraints on local governments without providing subventions to reimburse local governments for such costs.
- 2. Is inconsistent with OMWD's current investment policies and practices.
- 3. Makes any unilateral reallocation of OMWD's revenues by the state.
- Impairs OMWD's ability to provide reliable service at reasonable costs or to charge the same or similar rate for each class of service consistent with cost-of-service requirements of the law.
- 5. Pre-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.

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- 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.
- 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 of municipal financing.



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#### XIX. 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.

#### Right of Way and Property - It shall be OMWD's policy to oppose legislation that: XX.

- 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.

#### XXI. 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, solar, or other renewable energy generation or energy storage projects.
- 4. Provides protection from energy rate increases and provides rate relief.
- 5. Makes State Water Project power available for seawater and brackish groundwater desalination.
- 6. Promotes the classification of electricity generated by in-line hydroelectric and offstream pumped storage facilities as environmentally sound.
- 7. Provides state and federal grants for the construction of in-line hydroelectric, solar, wind, biogas cogeneration, and off-stream pumped storage facilities as a means of reducing greenhouse gas emissions and energy costs.

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- 8. Promotes funding for use of renewable energy in the operation of OMWD facilities.
- 9. Provides for restrictions on price gouging during public safety power shutoff events and for at least 72 hours following restoration of power.
- 10. Provides that de-energization or public safety power shutoff events may be included as a condition constituting a state emergency or local emergency.
- 11. Provides a tax exemption for the sale of, or the storage, use, or consumption of, a backup electrical resource, that is purchased for exclusive use by a city, county, special district, or other entity of local government, during a de-energization or public safety power shutoff event.
- 12. Establishes the use of alternative power sources, such as generators, by essential public services during de-energization or public safety power shutoff events shall not be limited by state or local regulations or rules.

#### XXII. Energy - It shall be OMWD's policy to <u>oppose</u> 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.
- 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.

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- 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.
- Results in a lengthy, more complicated, or more costly interconnection of <u>energy loads</u> <u>andnew energy</u> resources such as solar, in-line hydroelectricity, pumped storage, and other renewable energy generation or storage technologies to the electric distribution and transmission grid.
- Authorizes air quality management districts or other regulatory bodies to adopt or maintain rules that would limit or prohibit a local government entity's use of a state and/or federally compliant power generator during a de-energization or public safety power shutoff event.

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

# XXIV. Land Use and Water Management Planning - It shall be OMWD's policy to <u>support</u> legislation that:

- 1. Promotes enhanced coordination and linkage of general plans and water management plans.
- 2. Discourages piecemeal or uncoordinated land use and water management planning.
- 3. Requires that projected population and other demographic factors utilized in forecasting future water demands in accordance with the Urban Water Management Planning Act and state law be consistent with the regional growth management plans and general plans applicable to the territory within the service area of the supplier.
- 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.

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- 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.
- Provides funding for, or otherwise facilitates, development of groundwater management plans pursuant to the sustainability efforts under the Sustainable Groundwater Management Act.
- 7. Protects floodplains and lands over prime groundwater recharge zones for stormwater catchment and bioremediation.
- 8. Considers the multiple local variables and priorities that are associated with water supply planning and the selection of water resources for implementation.

#### XXV. Land Use and Water Management Planning - It shall be OMWD's policy to <u>oppose</u> 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 fail to take into account or conflict with existing local and regional planning policies and implementation priorities.
- 4. Imposes mandates requiring specific water resources to be developed by water agencies that fail to take into account local factors such as water reliability, hydrologic and geographic characteristics, and the economic, political, public acceptance, and social environment, which can influence selection of resources, and/or fails to take into account or conflicts with existing local and regional planning policies and implementation priorities.

#### XXVI. Safety & Security - It shall be OMWD's policy to <u>support</u> legislation that:

- 1. Provides funding for water infrastructure development, infrastructure security, cybersecurity, and replacement projects that benefit OMWD.
- 2. Provides funding for projects that provide security against terrorist acts or other criminal threats to water operations, facilities, or supplies.
- 3. Provides funding for security and cybersecurity vulnerability assessments.

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- 4. Recognizes water agencies as emergency responders in the event of a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent and mitigate the loss or impairment of life, health, property, or essential public services due to natural disasters (e.g., wildfires, earthquakes), power outages, and terrorist or other criminal activities.
- 5. Provides or expands protections of utility workers and vehicles by creating criminal penalty enhancements for violence or harassment against a worker and adding utility vehicles to the list of stationary vehicles drivers must treat with caution.

#### XXVII. Safety & Security - It shall be OMWD's policy to <u>oppose</u> 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.

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

#### XXIX. Climate Change - It shall be OMWD's policy to <u>support</u> legislation that:

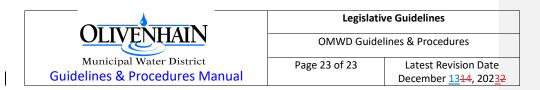
- Incorporates state-provided climate change information into statewide, regional, and local water management planning, and provides funding for projects that assist in adapting to the effects of climate change on the water supply portfolios across the state.
- 2. Provides financial support to local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

#### XXX. Climate Change - It shall be OMWD's policy to <u>oppose</u> legislation that:

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

#### XXXI. Employment Matters - It shall be OMWD's policy to <u>support</u> legislation that:

- 1. Continues to reform workers' compensation.
- 2. Results in predictable costs and benefits for employees.



 Provides a pathway for military veterans to apply their advanced skills and experience toward state and industry-supplied certifications in the water and wastewater treatment and distribution operator fields.

#### XXXII. Employment Matters - It shall be OMWD's policy to <u>oppose</u> 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.

#### XXXIII. Governance - It shall be OMWD's policy to <u>support</u> legislation that:

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

#### XXXIV. Governance - It shall be OMWD's policy to <u>oppose</u> legislation that:

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

Agenda Item C-d



# Memo

Date:December 13, 2023To:Olivenhain Municipal Water District Board of DirectorsFrom:Jennifer Joslin, Human Resources ManagerVia:Kimberly A. Thorner, General ManagerSubject:CONSIDER ADOPTION OF A RESOLUTION SUPPORTING THE DISTRICT'S<br/>EMPLOYEE SAFETY AND WELLNESS PROGRAMS

## Purpose

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

## Recommendation

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

## Alternatives

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

## Background

The Board of Directors has supported the District's Safety and Wellness programs since they were established in June of 1993. Staff asks the Board to support and consider any necessary revisions to the District's Safety and Wellness programs each year. These programs include "Safety Has No Quitting Time" (SHNQT) as well as "Caught Being Safe" (CBS). Refer to Exhibits A and B for further details.

The Safety Recognition Goal of achieving 1,000 days of no preventable lost time injuries was reset to zero effective September 13, 2022 due to a preventable lost time injury and thus, will not be achievable in 2024. However, the milestone of 1 year (365 days) without a preventable lost time injury was reached on September 13, 2023. The Safety program's \$10,000 ceiling for any preventable vehicle and property incident damage was last discussed at the October 26, 2022 Safety Committee Meeting. The Safety Committee (Director Meyers) concurred to keep the \$10,000 ceiling in place.

## **Fiscal Impact**

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

- \$14,450 for Safety Recognition (see Chart on Exhibit B) based on Board approved Organizational Chart if fully staffed:
  - Jan 1 to Jun 30 \$4,750 (\$ 50 x 95 employees) for less than 40 hours of lost time due to preventable injury/incident
  - Jan 1 to Dec 31 \$4,750 (\$ 50 x 95 employees) for lost time and injury incident rate below 3-year national average
  - Jan 1 to Dec 31 \$4,750 (\$ 50 x 95 employees) + 200 (\$ 50 x 4 non-payroll positions estimated) vehicle damage under \$10,000
- \$1,500 for a Safety Luncheon to recognize safety accomplishments
- \$500 per year for the "Caught Being Safe" (CBS) recognition (approx. 20 recognitions @ \$25 each)
- \$16,450 = **TOTAL** amount requested for CY 2024 Safety Employee Recognition

The SHNQT program and the CBS program both serve to assist the District with the Special District Risk Management Authority (SDRMA) workers' compensation Credit Incentive Program (CIP), making it possible to earn up to an additional 15% workers' compensation premium discount by adhering to educational, administrative, safety, and risk management practices. Both programs also relate to our "Experience Modification" (ex-mod) number. Keeping a low ex-mod (currently only .60 for 2023-2024) contributes immensely to lowering our overall workers' compensation insurance premium. The District's 10-year ex-mod and claims history have been included for reference.

## Olivenhain Municipal Water District Member Since - 07/01/1982 Member Type - Water As of 10/31/2023

	EN	IOD Comparis	on	Number of Claims		5	Total Claims Amounts		
Coverage Period	Member	MemberType Avg	Pool Avg	Open	Closed	Total	Paid	Outstanding Reserve	Total
2023-24	0.60	1.06	1.00	2	1	3	\$0	\$7,500	\$7,500
2022-23	0.74	1.00	0.99	0	0	0	\$0	\$0	\$0
2021-22	0.92	0.97	1.01	0	1	1	\$763	\$0	\$763
2020-21	1.09	1.03	1.03	0	1	2	\$3,822	\$0	\$3,822
2019-20	1.00	1.04	1.04	0	1	1	\$407	\$0	\$407
2018-19	1.05	1.07	1.01	0	8	8	\$68,036	\$0	\$68,036
2017-18	0.82	0.97	0.97	0	5	5	\$89,372	\$0	\$89,372
2016-17	0.70	1.13	1.02	0	4	4	\$42,660	\$0	\$42,660
2015-16	0.94	1.17	1.06	0	3	3	\$56,423	\$0	\$56,423
2014-15	0.91	1.10	1.14	0	1	1	\$87,020	\$0	\$87,020
	0.88	1.05	1.03	2	27	29	\$348,799	\$7,500	\$356,299

For 2023-2024, the District \$325,574 workers' compensation annual premium was reduced to \$106,137.66 including significant ex-mod, CIP, and longevity discounts. The District can earn up to 15 annual CIP points (1% discount per point) off of our workers' compensation premium. Information about the CIP points is attached and as can be seen, involves numerous safety related goals and directives which will enhance our safety culture. The goal of the Safety/Risk Compliance Administrator (SRCA) in 2024 is to achieve the total 15% discount incentive. Staff note this incentive is an offset to the 2024 Safety Recognition Program fiscal impact.

## Discussion

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

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



#### Program Year 2023-24

## **Olivenhain Municipal Water District**

1966 Olivenhain Road Encinitas, California 92024 Invoice Date: 05/25/2023 Invoice Number: 73542 Member Number: 5158

Class Code	Classification Description	Reported Payroll	Rate per \$100	Annual Contribution		
7520	Waterworks Operations	\$4,284,265	\$5.19	\$222,353.35		
7580	Sanitary or Sanitation Agency Operations	\$674,290	\$6.37	\$42,952.27		
8742-D	Paid Governing Body Members	\$45,000	\$0.63	\$283.50		
8810	Clerical/Office Employees	\$3,329,494	\$0.58	\$19,311.07		
9410	Non-Manual Labor; including Agency Managers and Recreation Person	\$933,054	\$1.90	\$17,728.03		
9420	Manual Labor; including Park and Landscape Maintenance Personnel	\$273,493	\$8.39	\$22,946.06		
** Indicates per capita rate class code						
Total Estimated Annual Contribution Based on Manual Rates \$325,574.20						
Contribu	tion as Adjusted by the Experience Modification Factor of 60%			\$195,344.57		
Less: *12% Credit Incentive Program Discount						
Estimated Annual Adjusted Contribution \$						
Less: Longevity Distribution Credit						
Less: 5% Multi-Program Discount						
Less:	-75.00					
Net Estir	nated Annual Contribution		_	\$106,137.66		

## **Total Contribution Amount Due by 30 Days**

\$106,137.66

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

#### **Remit Payment to:**

Special District Risk Management Authority P.O. Box 15677, Sacramento, California 95852

For invoice questions contact the SDRMA Finance Department at accounting@sdrma.org or 800.537.7790



## 2023-24 Credit Incentive Program Criteria

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

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

The maximum total points a member can receive is 15 points (not including bonus points) and points earned before March 31, 2023, will be applied to the 2023-24 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:

## LOSS PREVENTION TRACK (8 POINTS MAXIMUM)

**SDRMA General Safety Specialist or Supervisor Safety Specialist Certificate** (*Credit will be applied to both programs*) **2 points maximum |Documentation Required** - Submit certificates of completed Vector Solutions/OSHA courses to SDRMA. If course is taken at SDRMA Education Day, no documentation is required.

<u>Description:</u> 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

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

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

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

<u>Description</u>: For each <u>full-day</u> 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)

## Management Staff Attendance at Legal Seminar

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

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

## **Vector Solutions Online Training Program**

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

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



#### ADMINISTRATION TRACK (2 POINTS MAXIMUM)

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

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

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

#### Management Staff Attendance at CSDA Sponsored Training (Credit will be applied to both programs) 2 points maximum | No Documentation Required - Will be confirmed by CSDA.

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

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

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

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

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

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

2 points maximum | No Documentation Required - Will be confirmed by CSDA training attendance sheet. <u>Description</u>: For each <u>full-conference</u> attendance by a member of the Agency's governing body at the following California Special Districts Association (CSDA) sponsored training programs: CSDA annual conference workshops, GM Summit Conference, and the Special District Leadership Academy and/or Special District Leadership Foundation programs. (Each attendee earns 1 point).

#### CLAIMS TRACK (3 POINTS MAXIMUM)

#### Utilization of Company Nurse

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

<u>Description</u>: 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).

#### No Claims During the Year

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

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



#### No Claims for Prior 3 Years

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

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

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

## **CLAIMS BONUS TRACK (3 POINTS MAXIMUM)**

#### 5 Year No Claims Bonus

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

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

#### **CONTACT INFORMATION**

For questions regarding the Credit Incentive Program, please contact us at memberplus@sdrma.org or 800.537.7790.

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

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

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

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



## Olivenhain Municipal Water District

CIP Points Earned as of: 11/13/2023

The Credit Incentive Program (CIP) is designed to encourage our Members to take a proactive approach for loss prevention administration, training and safety/risk management. In an effort to assist our Members in achieving the lowest contributions possible, we performed a review of the documents submitted to date for the CIP program year 2023-24. The following earned credits have been documented:

CIP Criteria Description*	CIPs Earned	Unearned CIPs
SDRMA Safety Specialist Certificate	2	0
Staff Attendance at SDRMA Workshop	0	2
Additional Staff Attendance at SDRMA Workshop	0	1
Management Staff Attendance at CSDA Legal Seminar	0	1
Additional Management Staff Attendance at CSDA Legal Seminar	0	1
Vector Solutions Online Training Program	3	0
RISK CONTROL TRACK TOTALS - 8 POINTS MAXIMUM	5	3
Management Staff with CSDM accreditation by SDLF	0	2
Management Staff Attendance at CSDA Sponsored Training	0	1
Additional Management Staff Attendance at CSDA Sponsored Training	0	1
ADMINISTRATION TRACK TOTALS - 2 POINTS MAXIMUM	0	2
SDLF District of Distinction designation	0	2
Single Board Member Attendance at CSDA Training	0	1
Additional Board Member Attendance at CSDA Training	0	1
GOVERNANCE TRACK TOTALS - 2 POINTS MAXIMUM	0	2
No Claims during the year	0	1
No Claims for prior 3 years	0	2
Utilization of Company Nurse	0	2
CLAIMS TRACK TOTALS - 3 POINTS MAXIMUM	0	3
COMBINED TRACK TOTALS - 15 POINTS MAXIMUM	5	10
5 YEAR NO CLAIMS BONUS	0	3
TOTAL CREDIT INCENTIVE POINTS	5	13

## **RESOLUTION NO. 2023-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:

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

<u>Section 2</u>. The District is committed to continuing to fund the SHNQT (*Safety Has No Quitting Time*) employee recognition program for calendar year 2024 (*Exhibit "B"*).

<u>Section 3</u>. 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, 2023.

ATTEST:

Christy Guerin, President Board of Directors Olivenhain Municipal Water District

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

## 20243 SAFETY AND WELLNESS PROGRAM

## Goal:

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

## Elements:

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





## SAFETY HAS NO QUITTING TIME (SHNQT)

Employee Longevity Safety Recognition Program

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

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

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

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

- 1. The OMWD <u>Injury Incidence Rate (IIR)</u> is below the previous three-year average <u>"National incident rate for Water Supply</u> and Irrigation Systems (22131)" The National Injury/Illness Rate can be found at <u>www.BLS.gov</u> (Bureau of Labor <u>Statistics</u> AND
- 2. Any preventable vehicle & property incident damage (District or public) is less than \$10,000. (Inclusive of materials, labor, tax, and parts costs when calculated.) Staff time is not included. Estimated damages also count towards this total even if it is decided not to completely repair the vehicle or property. Preventable vehicle & property damage involving Board Members, Non-Payroll Positions, and OMWD Employees will count towards the "Employee Longevity Safety Recognition Program."
  - 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 10/2022. 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.

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

## Safety Recognition Goals CY 20243

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

Subject:	CONSIDER APPROVAL OF ANNUAL REVISIONS TO THE DISTRICT'S RECORDS RETENTION SCHEDULE
Via:	Kimberly A. Thorner, General Manager
From:	Jennifer Joslin, Human Resources Manager
To:	Olivenhain Municipal Water District Board of Directors
Date:	December 13, 2023

## Purpose

The purpose of this item is to present new information and to delete outdated and/or irrelevant data from the proposed 2024 Records Retention Schedule (RRS); all updates are shown in red.

## Recommendation

Staff recommends approval of the proposed 2024 RRS.

## Alternatives

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

## Background

The District's RRS is reviewed annually to ensure compliance with applicable law as well as District policy. The RRS is reviewed by key District employees, Department Managers, the General Manager, General Counsel, and then presented to the Board for approval in December. Approved updates will become effective on January 1, 2024.

## **Fiscal Impact**

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

On-site destruction costs - approximately \$950 annually

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

## Discussion

Revisions are minimal for the proposed 2024 RRS. A brief explanation of the departmental requested changes are listed below. Please refer to the attached proposed 2024 RRS for all requested changes:

**All Departments:** The <u>Enterprise Asset Management</u> (EAM) record series description has been updated to exhibit permanent retention. The applicable policy pertaining to the <u>Voicemails Converted to APP File</u> record series has been added.

**Customer Services**: Volunteer Docents now have their own line under <u>Parks Operations</u> to reflect the decreased retention period.

Engineering: No changes.

Finance: No changes.

**General Manager:** Video has been added to the <u>Audio Recordings</u> record series for Board meetings.

**Human Resources/Safety:** <u>Employee Programs Files</u> will only be stored electronically. Destruction notices and audits under the <u>Records Management Annual Updates</u> record series will also only be stored electronically. <u>Audio and/or Video Recordings</u> records series has been added for Safety Committee meeting recordings.

**Operations:** No changes.

Attachments: Proposed 2024 Records Retention Schedule Email Retention Policy

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
<b>Email Retention Policy –</b> The retention of all emails are reflected in the Board approved Email Retention Policy.	ALL DEPARTMENTS	ALL EMPLOYEES	OMWD Intranet	Electronic	See Email Retention Policy	N/A	See Email Retention Policy
ENTERPRISE ASSET MANAGEMENT (EAM) – Records maintained in the EAM system are considered to be a viable source of information related to preventive and corrective maintenance of District infrastructure. *When the retention is realized for records not related to District infrastructure 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. <u>(See EAM</u> Policy)	ALL DEPARTMENTS	MANAGERS	EAM	Electronic	N/A	N/A	Permanent
<b>Record Drawings (As-Builts)</b> – Revised set of drawings submitted by a contractor upon completion of a project or a particular job. Reflects all changes made in the specifications and working drawings during the construction process, and show the exact dimensions, geometry, and location of all elements of the work completed under the contract. Includes plans for potable, sewer, recycled, and raw (water), related facilities, and District buildings.	ALL DEPARTMENTS	All Work Groups	Department	Electronic/ Paper and/or Mylar	Permanent	0	Permanent
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 <u>Email</u> <u>Retention PolicyRRS</u> .	ALL DEPARTMENTS	ALL EMPLOYEES	Department	Electronic	See <u>Email</u> <u>Retention</u> <u>Policy</u> <del>Departme</del> nt Section of <del>RRS</del>	N/A	See <u>Email</u> <u>Retention</u> <u>PolicyDepartme</u> <del>nt Section of</del> <del>RRS</del>
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/CIS Infinity	Until closed + 2 fys	N/A	Closed + 2 fys
<b>Application for Water Service</b> – Completed and signed applications for water service for either a new or transfer of water service. Original is scanned to electronic document management system upon receipt and paper original is destroyed.	CUSTOMER SERVICES	Customer Service	Admin	Electronic in EDMS	0	N/A	Permanent
<b>Cash Receipts Book</b> – For any payment not recorded elsewhere. Most usual occurrence is payment of water bill at the front counter.	CUSTOMER SERVICES	Customer Service	Admin	Paper	Audit + 4 fys	N/A	Audit + 4 fys

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

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
<b>Urban Water Management Plan</b> – This report details the District's future plan of operation. It is published every five years and is submitted to the Department of Water Resources.	CUSTOMER SERVICES	Public Affairs	Admin	Electronic	0	N/A	Permanent
Website – District website – hosted off site.	CUSTOMER SERVICES	Public Affairs	Admin	Electronic	0	Current	Current
<b>Agreements</b> – Non-Professional Services -This record series includes documents which have a different retention period than other agreements (e.g. facilities maintenance agreement). Must comply with PREVAILING WAGE LAW	ENGINEERING	Eng Admin	Department	Paper	End of Agreement	N/A	Until Recording Notice of Completion
Dept. of Industrial Relations (DIR) effective August 1, 2016.				Electronic in EDMS		N/A	End of Agreement + 10 yrs
Agreements - Professional Service ( <u>Project Specific</u> ) – 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 N/A	End of Warranty + 20 yrs End of Warranty + 20 yrs
Agreements - Professional Service ( <u>Non-Project</u> <u>Specific</u> ) – Includes annual agreements and studies; no on- call service agreements. Must comply with PREVAILING WAGE LAW Dept. of Industrial Relations (DIR) effective August 1, 2016.	ENGINEERING	Eng Admin	GM Files	Paper	End of Agreement	0	End of Agreement End of Agreement + 12 yrs
<b>Annexations and Detachments</b> – These files contain LAFCO pending and final property modifications.	ENGINEERING	Eng Admin	Department	Electronic Paper Electronic	Permanent Permanent	N/A N/A	Permanent Permanent
<b>Architectural</b> – Renderings and other drawings of significant historical value. Transitioning to electronic beginning 2014.	ENGINEERING	Eng Admin	Department	Paper	Active or no longer needed	Permanent	Permanent
				Electronic	Permanent	N/A	Permanent
<b>Assessment Apportionment Report</b> – Reports showing reapportioned assessments required when parcels split or undergo lot line adjustments. Electronic only after June 2010.	ENGINEERING	Eng Admin	Department	Electronic	0	N/A	Permanent
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	Department	Electronic	Permanent	N/A	Permanent
<b>Construction Bids – Unsuccessful</b> – Proposals only – no contracts executed.	ENGINEERING	Eng Admin	Department	Paper	Bid closing + 2 yrs	N/A	Bid closing + 2 yrs

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
<b>Daily Inspection Reports</b> – Reports prepared by <b>both</b> <b>District inspectors AND outside consultants</b> from November 01, 2010 through December 31, 2011 are scanned into the EDMS. Beginning January 2012 both District Inspectors and Outside Consultants will be retained electronically in EDMS, or in EAM when feasible. The electronic report is the official record.	ENGINEERING	Inspector	Department	Electronic	End of Warranty + 20 yrs	N/A	End of Warranty + 20 yrs
<b>Environmental Documents Before 2012</b> – Includes EIRs, permits, and reports prepared for projects. Originals are scanned into the EDMS* and a hard copy is filed in RECORDS. Does not include Notices of Exemption – see Projects.	ENGINEERING	Eng Admin	Department	Paper	Duration of project including mitigation phase + 5 yrs	20 yrs	25 yrs
				Electronic		N/A	Permanent
<b>Environmental Documents 2012 and After</b> – Includes EIRs, permits, and reports prepared for projects. Originals are scanned into the EDMS* and a hard copy is filed in RECORDS. Does not include Notices of Exemption – see Projects.	ENGINEERING	Eng Admin	Department	Paper	Duration of project including mitigation phase + 5 yrs	N/A	Duration of project including mitigation phase + 5 yrs
				Electronic	Permanent		Permanent
<b>Escrow Bid Documents – Successful –</b> Documents submitted by bidders on construction projects. These documents are submitted in lieu of holding 5% on monthly	ENGINEERING	Eng Admin	Department	Paper	End of Warranty	N/A	End of Warranty
progress payments.				Electronic		N/A	End of Warranty + 20 yrs
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	ENGINEERING	Eng Admin	Department	Paper	End of Warranty	Permanent Prior to 2005	Permanent
through CY 2004; electronically in EDMS began 2005.				Electronic	Permanent	N/A	Permanent
Hydraulic Reports Non District Engineering Projects – Technical reports including feasibility studies, and related engineering subjects not directly related to a specific District engineering project. Electronically in EDMS began January	ENGINEERING	Eng Admin	Department	Paper	End of Warranty	Permanent Prior to 2013	Permanent
01, 2013.			-	Electronic	Permanent	N/A	Permanent
<b>Plans: Mylars-Original Mylars:</b> includes as-built/record plans, plans for potable water, sewer, recycled water, raw water, related facilities, and District buildings.	ENGINEERING	Eng Admin	Department	Mylar	Permanent	N/A	Permanent

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

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

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

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
Verizon –Cell Phone bills (business & personal)	FINANCE	Accounting	Admin – AP shelf	Paper	Current fy	Audit + 4 fys	Audit + 4 fys
				Electronic	Current fy	N/A	Audit + 4 fys
<b>CIP Projects Asset Detail</b> – When District projects are capitalized annually, the detail of costs is printed and kept by Fiscal Year along with relevant supporting documentation.	FINANCE	Accounting	Dynamics GP	Electronic	Audit +7 yrs	N/A	Audit +7
<b>Cost Allocation Plan</b> – A report prepared by Finance to calculate the District's indirect rate.	FINANCE	Finance	Finance Directory	PDF	10 fys	N/A	10 fys
<b>CWA Capacity/Connection Fee Summary</b> – Summary of capacity fee receipts for CWA fees collected by OMWD and forwarded to CWA quarterly; used for support for CWA audit.	FINANCE	Accounting	Dynamics GP	Electronic	Audit + 4 fys	N/A	Audit + 4 fys
<b>Cash Activity</b> – Sources and uses of cash, and beginning and ending cash balances, for various district bank and investment accounts.	FINANCE	Finance	Dynamics GP	Electronic	Permanent	N/A	Permanent
<b>Debt Issuance Files</b> – These documents are related to the issuance of debt by the District. Such documents may include official statements, bond indentures, installment purchase agreements, and legal opinions.	FINANCE	Accounting	Finance Storage – Debt Service Binders and Finance Directory	Paper and Electronic	Expiration of the bond	7 fys	Expiration of bond + 7 fys
<b>Delinquency Management Files</b> – These files consist of annual reports of delinquent installments of Assessment District levies prepared by NBS.	FINANCE	Accounting	Finance Storage Room – Debt Service Binders and Finance Directory	Paper and PDF	2 fys	0	2 fys
<b>Direct Payment Program Reports (ACH)</b> – This report is generated by the bank twice per month in electronic format and is received by Finance staff. It details payments that are debited directly from customer bank accounts.		Accounting	Admin	Electronic in CIS Infinity and CB&T	4 fys	N/A	4 fys
<b>Employees Recreation Club (ERC)</b> – These files contain annual financial statements, records and receipts for employee planned events, movie tickets, charities, etc.	FINANCE	Accounting	Finance Directory	Paper	3 yrs	0	3 yrs
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RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
<b>Fixed Assets Subsidiary Ledger</b> – A list of fixed assets, maintained in electronic format PDF. This list is printed periodically.	FINANCE	Accounting	Dynamics GP	Electronic	Audit + 4 fys	N/A	Audit + 4 fys
<b>General Ledger Journal Entries</b> – A hard copy journal that is prepared manually, and not a print out from another media source. Any recurring journal entries and adjustments made to the General Ledger that are done manually.	FINANCE	Accounting	Finance Storage Room – FYE Journal Entries	Paper	Audit + 1 fy	3 fys	Audit + 4 fys
<b>General Ledger Posting Journals –</b> Journal entries for Accounts Payable/Transactions, Capacity Fee postings, Checking Account Disbursements, Daily Deposits.	FINANCE	Accounting/ Supervisor	Dynamics GP	Electronic	Audit + 4 yrs	N/A	Audit + 4 yrs
<b>General Ledger Trial Balance</b> – A monthly report that shows beginning general ledger account balances, monthly activity and ending balances. The information for this report is maintained in electronic format.	FINANCE	Accounting/ Supervisor	Finance Directory Audit Folders and GP	Electronic	Permanent	N/A	Permanent
<b>General Ledger Detailed Trial Balance Report</b> – A separate printed detailed Trial Balance is created at the end of the fiscal year, after the year-end audit is completed.	FINANCE	Accounting/ Supervisor	Dynamics GP	Electronic	Permanent	N/A	Permanent
<b>Hand Bills Files</b> – This file contains lists of parcels direct- billed for AD 96-1 levies and sewer bills because the parcels don't receive property tax bills from the County Assessor.	FINANCE	Accounting	Admin – Finance Storage Room	Paper	Audit + 2 fys	4 fys	Audit + 6 fys
<b>Investment Report</b> – Report prepared monthly for Board of Directors that reflects investment balances, securities held and compliance with investment policy (included in the monthly Board Package).	FINANCE	Finance	Finance Directory	PDF in Finance Directory	Audit + 4 fys	N/A	Audit + 4 fys
<b>Investment Files</b> – These files consist of periodic statements from financial institutions or investment pools with which the District holds investments. Records also include investment approvals and confirmations.	FINANCE	Finance	Finance Directory and Finance Storage Room – Investment Files	Paper and Electronic	Audit + 2 fys	2 fys	Audit + 4 fys

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

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

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

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
<b>Workers Compensation Audit Report</b> – May include actual gross wages, earnings for workers compensation, calculation for the previous year and workers compensation gross wages earnings based on estimated payroll expenses	FINANCE	Accounting	Admin	Paper	Audit + 2 fys	5 fys	Audit + 7 fys
in the current year.				Electronic	Audit + 7 fys	N/A	Audit + 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	N/A	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 Electronic in EDMS	End of agreement	12 yrs N/A	End of agreement + 12 yrs
<b>Agreements (Project-Specific; Not Recorded)</b> – Hard copies of agreements pertaining to a specific project will be added to the project file upon filing of a Notice of Completion.	GENERAL MANAGER	Admin	Admin	Paper	Until Notice of Completion is filed	See "Project Files" ENG Record Series	See "Project Files" ENG Record Series
<b>Agreements - Recorded</b> – This record series includes documents that have been recorded by the San Diego County Recorder's Office, and bears that information on the first page of the document.	GENERAL MANAGER	Admin	Admin	Paper Electronic in EDMS	Completion + 10 yrs	Permanent N/A	Permanent
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	N/A	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 N/A	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 <u>and/or Video</u> Recordings – Recordings of Board of Director meetings.	GENERAL MANAGER	Admin	Admin	Electronic	30 days	N/A	30 days

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
<b>Board Member Meeting Attendance and Travel</b> <b>Arrangements</b> – These files contain documentation that relates to meeting attendance and travel arrangements for all Board members.	GENERAL MANAGER	Admin	Admin	Paper	5 yrs	0	5 yrs
<b>Board Packet (Electronic)</b> – Files contain monthly financial reports, the full Board packet for Board workshops and meetings. Copies of these files are distributed to Directors. Agenda items with very large reports may be provided in paper, separately. These files also contain the records of District Board Meetings and include Adjournment of Board meeting posted notices, agenda items, agenda, board meeting notes, board member correspondence.	GENERAL MANAGER	Admin	Admin	Electronic	20 yrs	N/A	20 yrs
Correspondence – Related to legal matters	GENERAL MANAGER	Admin	Admin	Paper	5 yrs or until resolved	Permanent	Permanent
Our terrer		A	Admin	Electronic	Permanent	N/A	Permanent
Correspondence – Customer Issues	GENERAL MANAGER	Admin	Admin	Paper Electronic	2 yrs 20 yrs	18 yrs N/A	20 yrs 20 yrs
Correspondence – Project related	GENERAL MANAGER	Admin	Admin	Paper	Project Complete + 1 yr warranty	20 years	Warranty + 20 yrs
				Els stassis	00		Warranty + 20
<b>General Counsel Opinions</b> – input on board items, agreements, and case studies.	GENERAL MANAGER	All Employees	Admin	Electronic Paper	20 yrs 10 yrs	N/A 10 yrs	yrs 20 yrs
				Electronic	20 yrs	N/A	20 yrs
<b>Minutes</b> – Approved and signed Minutes of Board of Directors meetings are scanned into the EDMS.	GENERAL MANAGER	GM	Admin	Paper	5 yrs	Permanent	Permanent
				Electronic	Permanent	N/A	Permanent
<b>Ordinances &amp; Resolutions</b> – Approved by District Board of Directors.	GENERAL MANAGER	Admin	Admin	Paper	5 yrs	Permanent	Permanent
				Electronic	Permanent	N/A	Permanent
<b>Risk Management</b> – Subpoenas served on the District, litigation, claims exceeding \$5,000, releases and public records requests.	GENERAL MANAGER	Admin	Admin	Paper	Active phase or no longer needed	Permanent	Permanent

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
<b>Benefit Plan Files</b> – Includes plan summaries and renewal information (not including add/delete enrollments, change forms – these are kept in employee files), and workers' compensation general information documents. Contracts/ agreements are held in GM Agreements Files.	HUMAN RESOURCES	Admin	Admin	Electronic	No longer in force + 5 yrs	N/A	No longer in force + 5 yrs
<b>Benefit Plan Claims</b> are to be permanently maintained by the District ONLY if the claim is filed against the District (not the carrier).	HUMAN RESOURCES	Admin	Records	Paper	Permanent ONLY if received by District Permanent ONLY if received by District	Permanent N/A	Permanent
<b>Employee Programs Files</b> – These files contain records related to the District Wellness Program, Recognition and Awards Programs.	HUMAN RESOURCES	Admin	Admin	<u>Electronic</u> Paper	5 yrs	0	5 yrs
<b>Ethics Training</b> – All documents verifying the completion of required ethics training.	HUMAN RESOURCES	Admin	Admin	Electronic	5 yrs	N/A	5 yrs
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 Termination of employment + 7 yrs	7 yrs	Termination of employment + 7 yrs Termination of employment + 7 yrs
<b>Grievance &amp; Claim Files</b> – These files include documents related to hearings and investigations conducted, based on employee claims.	HUMAN RESOURCES	Admin	Admin	Paper	Termination of employment	6 yrs	Termination of employment + 6 yrs
				Electronic	Termination of employment + 6 yrs	N/A	Termination of employment + 6 yrs
<b>I-9 File</b> – includes completed I-9 form and applicable backup documents.	HUMAN RESOURCES	Admin	Admin	Paper	Termination of employment + 3 yrs	0	Termination of employment + 3 yrs
				Electronic	Termination of employment + 3 yrs	N/A	Termination of employment + 3 yrs

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
<b>Labor Relations Files</b> –These files include documents related to employee associations, labor/management records, negotiation information, regulatory information, unit	HUMAN RESOURCES	Admin	Admin	Paper	6 yrs	Permanent	Permanent
recognition and membership. (MOUs in GM files)				Electronic	Permanent	N/A	Permanent
<b>Medical Files</b> – May include FMLA, medical clearance, DMV medicals, workers' compensation claims; results from hearing, respiratory fit, drug and alcohol testing performed as required.	HUMAN RESOURCES	Admin	Admin	Paper	Termination of employment	30 yrs	Termination of employment + 30 yrs
<b>Medical Records Files</b> – (self-insured) are held separately. They contain records of employees during a period when the District was self-insured.	HUMAN RESOURCES	Admin	Admin	Paper	0	Termination of employment + 30 yrs	Termination of employment + 30 yrs
CalPERS Files – These files contain reports, proceduresmanual, and other employer information files related toCalPERS activities.(Agreements in GM files)	HUMAN RESOURCES	Admin	Admin	Electronic	5 yrs	N/A	5 yrs
<b>Personnel Files Employee/Director</b> – These files include periodic evaluations, training certificates/seminar/class attendance records, disciplinary records and awards,	HUMAN RESOURCES	Admin	Admin	Paper	Termination of employment	7 yrs	Termination of employment + 7 yrs
completed action and benefit forms, performance appraisals, personnel and payroll recommendations, including pay increases and decreases, promotions and demotions (**medical records held separately).				Electronic **Paper Only	Termination of employment + 7 yrs	N/A	Termination of employment + 7 yrs
Records Management (RM) Annual Updates / Training Files – These files contain records management program	HUMAN RESOURCES	Records Mgt	Admin	Paper	Current + 5 yrs	0	Current <del>5 yrs</del>
documents, and retention schedules and RM training materials (**destruction notices and audits filed separately).				Electronic	20 yrs		20 yrs
				** <u>Electronic</u> <del>Paper</del> Only	20 yrs		20 yrs
<b>Recruitment Files</b> – These files include job announcements, applications, resumes, interview questions/rating sheets, notes, and skills assessment tests.	HUMAN RESOURCES	Admin	Admin	Paper	2 yrs	4 yrs	6 yrs
Files may include internal promotional documents.				Electronic	6 yrs	N/A	6 yrs
<b>Salary Administration Files</b> – Includes salary survey(s), reclassification studies, performance planning, job descriptions and salary administration reference documentation.	HUMAN RESOURCES	Admin	Admin	Electronic	6 yrs	N/A	6 yrs
<b>CAL-OSHA Forms</b> – Tracks on-the-job injury and illness incidents in electronic format for all CAL-OSHA forms that include, but are not limited to Form 300, 300A summary, and	HUMAN RESOURCES/ SAFETY	Health and Safety	Safety Office	Paper	5 yrs	5 yrs	10 yrs
the 301 Injury form.				Electronic	10 yrs	N/A	10 yrs

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
Confined Space Permits - Per CAL-OSHA Rule 5157 (e)(b)(6).	HUMAN RESOURCES/ SAFETY	Health and Safety	Safety Office	Paper	3 years after cancellation of permit	0	3 years after cancellation of permit
<b>Emergency Management</b> – Files consist of EM Disaster Manuals, disaster plans, table top exercises, equipment,	HUMAN RESOURCES/	Health and Safety	Safety Office	Paper	Current	2 yrs	Current + 2 yrs
facilities resources, and Member Agency communications. <b>Employee Exposure Records –</b> Includes hazard materials, chemicals, hearing audiometric tests, and other CAL-OSHA required information.	SAFETY HUMAN RESOURCES/ SAFETY	Health and Safety	Safety Office	Electronic Paper	Current Termination of employment + 1 year	N/A 29 years	Current + 2 yrs Termination of employment +30 years
Employee and Facility Exposure Measurements – This includes measurements completed at the worksite.	HUMAN RESOURCES SAFETY	Health and Safety	Safety Office	Paper	3 yrs	N/A	3 yrs
<b>Employee Pull Notices</b> – DMV program to alert employer of employee driving activity and license status. On-line monitoring via SambaSafety.	HUMAN RESOURCES/ SAFETY	Health and Safety	Safety Office	EDMS (Disciplined DMV Violations Only) SambaSafety Website (ALL Pull Reports)	Termination of employment + 7 yrs N/A	N/A Samba	Termination of employment + 7 yrs 7 yrs
<b>Environmental Files</b> – These files consist of hazardous materials control documents, including regulation of storage tanks, handling; hazardous waste regulations; programs related to Proposition 65, water quality control, safe drinking water and industrial waste pretreatment; air quality control including air pollution inspections, generator inspections.	HUMAN RESOURCES/ SAFETY	Health and Safety	Safety Office	Paper	Current program info and inspections +3 yrs	7 yrs	Current + 10 yrs
<b>Fit Test Records –</b> Certifications of test results from employee respirator fitment.	HUMAN RESOURCES/ SAFETY	Health and Safety	Safety Office	Paper	Permanent	0	Permanent
Hazardous Waste Manifest – Records of hazardous waste removal.	HUMAN RESOURCES/ SAFETY	Health and Safety	Safety Office	Paper Electronic	3 yrs Permanent	0 N/A	3 yrs Permanent
<b>Inspection Files (equipment)</b> – Consists of bi-annual inspection of terminals (BIT), cranes, periodic facility inspections, forklift, first aid supplies certification, safety equipment.	HUMAN RESOURCES/ SAFETY	Health and Safety	Safety Office	Paper	10 yrs	0	10 yrs

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
<b>Permits</b> – This file consists of permits issued to OMWD from the County of San Diego and State of California related to	HUMAN RESOURCES /	Health and Safety	Safety Office	Paper	Permanent	0	Permanent
plant operations and water quality.	SAFETY	,		Electronic	Permanent	N/A	Permanent
<b>Permits and Logs Files</b> – These files contain atmospheric logs, equipment calibration records, Storm Water Pollution Prevention Permit, Hazmat Business Plans, APCD, elevator	HUMAN RESOURCES/ SAFETY	Health and Safety	Safety Office	Paper	Current + 5 yrs	0	Current + 5 yrs
permit.				Electronic	Current + 5 yrs	N/A	Current + 5 yrs
<b>Plan Files</b> – These files contain plans for regulated activities and include Risk Management Plans (RMP), Response Program plans, New Employee Orientation Program, Policies and Procedures for Health & Safety Program, Fire Extinguisher Maintenance Program, Hazardous Materials Business Plan, Storm Water Pollution Prevention Plan, Hazardous Communication Plan, and Lockout/Tagout	HUMAN RESOURCES/ SAFETY	Health and Safety	Safety Office	Paper	Current + 3 yrs	0	Current + 3 yrs
Program.				Electronic	Current + 3 yrs	N/A	Current + 3 yrs
<b>Risk Management Files</b> – Consists of claims under \$5,000, documents related to accidents, vehicle insurance, Workers' Comp Medical Clinic insurance certificates.	HUMAN RESOURCES/ SAFETY	Health and Safety	Safety Office	Paper	Until closed	10 yrs	Closed + 10 yrs
<b>Safety Committee Meeting Files</b> – These files contain the agenda and full meeting packet for monthly meetings of the Safety Committee.	HUMAN RESOURCES/ SAFETY	Health and Safety	Safety Office	Electronic	3 yrs	N/A	3 yrs
Safety Committee Meeting Minutes - Approved and signed Minutes of the Safety Committee are scanned into	HUMAN RESOURCES/	Health and Safety	Records	Paper	Permanent	0	Permanent
the EDMS.	SAFETY			Electronic	Permanent	N/A	Permanent
Audio and/or Video Recordings – Recordings of Safety Committee meetings.	HUMAN RESOURCES/ SAFETY	<u>Health and</u> <u>Safety</u>	<u>OMWD</u> <u>Server</u>	<u>Electronic</u>	<u>60 Days</u>	<u>N/A</u>	<u>60 Days</u>
<b>Safety Data Sheets (SDS)</b> – These reports describe chemicals in the work place and are posted in District work area. A report listing chemicals and years of exposure may	HUMAN RESOURCES/ SAFETY	Health and Safety	Safety Office	Paper	From date of use + 3 yrs	27 yrs	From date of use + 30 yrs
be substituted for sheets.				Electronic in MSDSonline. com	From date of use + 30 yrs	N/A	From date of use + 30 yrs
Safety Manual – Includes procedures for employees.	HUMAN RESOURCES/ SAFETY	Health and Safety	OMWD Server	Electronic	Current + 2 yrs	N/A	Current + 2 yrs
<b>Training Files –</b> Tests may be given in paper format or via the internet in a program provided for this purpose	HUMAN RESOURCES/	Health and Safety	Safety Office	Paper	Current + 5 yrs	0	Current + 5 yrs
(* <u>Vector</u> TargetSolutions.com).	SAFETY			Electronic	Current + 30 yrs	N/A	Current + 30 yrs

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
<b>Training Records – Employee</b> – Consists of records of attendance at mandated classes, tailgate and monthly training meetings, off-site and on-line classes completed, and asbestos cement (AC) pipe.	HUMAN RESOURCES/ SAFETY	Health and Safety	Safety Office	Paper	Employment	30 yrs	Termination + 30 yrs
<b>Training Rosters</b> – Includes General & Safety Training and Technical Required Safety Training Rosters.	HUMAN RESOURCES/ SAFETY	Health and Safety	Safety Office	Paper	5 yrs	0	5 yrs
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	Paper Electronic	1 yr 3 yrs	0 N/A	1 yrs 3 yrs
<b>4S Ranch Water Reclamation Facility Self-Monitoring</b> <b>Reports for Regional Water Quality Control Board –</b> Self- monitoring reports for the 4S Ranch Water Reclamation Facility. Electronic version becomes official record after	OPERATIONS	Water Reclamation Facility	4S WRF	Paper	0	10 yrs	10 yrs
scanning.			Server	Electronic	10 yrs	N/A	10 yrs
<b>4S Ranch Water Reclamation Facility Status Reports</b> – include various water testing reports, including reports submitted to the Regional Water Quality Control Board.	OPERATIONS	Water Reclamation Facility	4S WRF Server	Paper Electronic	10 yrs	Permanent N/A	Permanent Permanent
<b>Backflow Records</b> – Consist of installation, annual test, inspection, and enforcement records.	OPERATIONS	Backflow / Cross Connection	4SWRF Server	Paper	3 yrs 3 yrs	0 N/A	3 yrs
<b>City of San Diego Industrial Self-Monitoring</b> – This report is due the 15 <sup>th</sup> of each month for WTP waste discharge permit.	OPERATIONS	DCMWTP	Server	Electronic	10 yrs	N/A	10 yrs
<b>Duty Log Book</b> – Duty calls from customers and customer service for after-hour emergency issues. These calls are recorded in the duty call log book and copies of the slips are attached to the employee's time card for the specific pay period.	OPERATIONS	All Work Groups	Operations	Electronic	3 yrs	0	3 yrs
<b>System Infrastructure Repair Records –</b> consist of pipelines and other underground infrastructure.	OPERATIONS	Construction	Server	Electronic	2 yrs	N/A	2 yrs
<b>Industrial Pretreatment Program (IPP)</b> – Files include inspection reports, industrial waste permits, self-monitoring reports and correspondence. Filed by business name.	OPERATIONS	Water Reclamation Facility	4S WRF	Paper	Active phase or no longer needed	10 yrs	End of active phase + 10 yrs
IT: Software Installation Disks /CDs – For software purchased for District uses.	OPERATIONS	Information Technology	Server	Electronic	Current	N/A	Life of the product
<b>IT: Software Licenses</b> – Purchased for use with software purchased for District uses.	OPERATIONS	Information Technology	Server	Electronic	Current	N/A	Life of the product

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
IT: System Backup (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 remote sites.	OPERATIONS	Information Technology	Server	Electronic	Remote Sites	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 remote sites.	OPERATIONS	Information Technology	Server	Electronic	Remote Sites	Previous 6 months	Previous 6 months
<b>IT: Systems Backup (SCADA operations systems)</b> –For systems used for managing water distribution, water treatment, wastewater treatment, and recycled water. Daily backups are stored locally and at remote sites.	OPERATIONS	Information Technology	Server	Electronic	Remote Sites	Previous 6 months	Previous 6 months
IT: Systems Backup (SCADA historical systems) –For systems that store historical records of SCADA operations. Daily backups are stored locally and at remote sites.	OPERATIONS	Information Technology	Server	Electronic	Remote Sites	Current + 2 previous years	Current +2 previous years
<b>IT: Email Backup –</b> The retention of all emails, including backup of email systems, is reflected in the Board approved Email Retention Policy.	OPERATIONS	Information Technology	Server	Electronic	Remote Sites	Previous 6 months	See Email Retention Policy
<b>Prequalification Documents</b> - Valve replacement excavation and paving support services prequalification submittal documents.	OPERATIONS	Construction	Admin	Paper	End of Prequalification period + 2 yrs	N/A	End of Prequalification period + 2 yrs
			Server	Electronic	End of Prequalification period + 2 yrs	N/A	End of Prequalification period + 2 yrs
<b>Proposals for Professional Services and Construction</b> <b>Bids – Successful –</b> Once signed this document becomes part of the contract documents.	OPERATIONS	All Work Groups	Admin Server	Paper Electronic	End of Warranty Period	End of Warranty +20 yrs	End of Warranty Period + 20 yrs
<b>Proposals for Professional Services and Construction</b> <b>Bids – Unsuccessful –</b> Proposals Only – No contracts executed.	OPERATIONS	All Work Groups	Admin	Paper	Bid opening +2 yrs	0	Bid opening +2 yrs
<b>Recycled Water Certification Reports –</b> Dept. of Environmental Health Certifications; Annual Site Inspections; Cross connection testing as required.	OPERATIONS	Cross Connection	4S WRF Server	Paper Electronic	10 yrs 10 yrs	Permanent N/A	Permanent Permanent

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
<b>Recycled Water Program</b> – Files related to the development and administration of the District's recycled water distribution program. These files may include correspondence related to regulatory reporting, site use approval and permitting, and District infrastructure	OPERATIONS	Water Reclamation Facility	4S WRF	Paper	Active or no longer needed	Permanent	Permanent
maintenance.			Server	Electronic	5 yrs	N/A	Permanent
<b>SCADA Historical Data Base</b> – Automated system that records pressures, levels, flows and other parameters for District water distribution, treatment and reclamation facilities. (Information is stored in historical data bases.)	OPERATIONS	System Operations, 4S WRF, DCMWTP	Server	Electronic	10 yrs	Remote Sites	10 yrs
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- 40 Waster Discharge Requirement, sewer overflow,	OPERATIONS	Water Reclamation Facility	4S WRF	Paper	5 yrs	0	5 yrs
stormwater, etc.) and contract operator correspondence.			Server	Electronic	<u>5 yrs</u>	N/A	5 yrs
<b>Security System Logs</b> – Created by application to identify entry and exit from secured areas in administration and operations buildings yard and remote sites.	OPERATIONS	Information Technology	Server	Electronic in security program	1 yr	N/A	1 yr
<b>Surveillance Cameras –</b> District facilities have cameras for the protection and observation of District property through a software agreement that mandates retention.	OPERATIONS	Information Technology	Server	Electronic	1 yr	N/A	1 yr
<b>System Operations Records</b> – Consists of PR station maintenance, telemetry, CP station maintenance and system performance records, hydro generation, fire flow, chlorine and water watch duty documents.	OPERATIONS	System Operations	Server	Electronic	2 yrs	N/A	2 yrs
<b>Underground Service Alert Files</b> – These files track activity related to repair of main leaks and new service installations. Staff places phone call to Dig Alert for request of service and keeps track of this activity in these files.	OPERATIONS	Construction	Construction	Electronic	2 yrs	0	2 yrs
<b>Vehicle Purchase Records</b> – These records contain pink slips only for District owned vehicles.	OPERATIONS	Construction	Construction	Paper	Until Sold	0	Until Sold
Vehicle and Equipment Repair Records – This file consists of Biennial Inspection Terminals (BIT), repair records, and other documents related to District owned	OPERATIONS	Construction	Mechanics Bay	Paper	Until Sold	0	Until Sold
vehicles and equipment.			Server	Electronic	Until Sold	N/A	Until Sold
Vehicle Maintenance – Files include vehicle inventory, fuel records, repair records and waste oil/emulsion disposal	OPERATIONS	Vehicle Maintenance	Mechanics Bay	Paper	Until Sold	0	Until Sold
reports.				Electronic	Until Sold	N/A	Until Sold

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
Waterboards DDW (Division of Drinking Water) Routine Monthly Monitoring –Includes all water quality monitoring data, lab reports and complaint/response information to support total coliform rule (TCR), nitrate (NIT) and general physical (GP) reports due the 10 <sup>th</sup> of each month.	OPERATIONS	System Operations	Server	Electronic	10 yrs	N/A	10 yrs
Waterboards DDW (Division of Drinking Water) DBP and MRDL - Quarterly reports due the 10 <sup>th</sup> of each completed quarter, dependent upon the date laboratory results are obtained.	OPERATIONS	System Operations	Server	Electronic	10 yrs	N/A	10 yrs
Waterboards DDW (Division of Drinking Water) SWTR and Fluoride Monitoring – Monthly report for DCMWTP raw and treated water quality (SWTR) and fluoride (FL) due the 10 <sup>th</sup> of each month.	OPERATIONS	DCMWTP	Server	Electronic	10 yrs	N/A	10 yrs
Waterboards DDW (Division of Drinking Water) eARDWP –Annual report submitted electronically via the DRINC web portal. It is a required report compiled from data provided by several work groups.	OPERATIONS	Operations	Server	Electronic	10 yrs	N/A	10 yrs



Municipal Water District

Computer and Device Use Policies

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# Sec. 2.1 Purpose

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

# Sec. 2.2 Purpose

This retention policy applies to:

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

# Sec. 2.3 Policy

# Sec. 2.3.a Transitory Messages

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

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

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

Example of transitory messages:

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

# Sec. 2.3.b Lasting Value Messages

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

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

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

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

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







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Has fiscal value (related to the financial transactions of the District)

• Required for financial reporting and audits

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

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

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

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

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

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

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

### Sec. 2.3.c Responsibility for Retention of Messages with Lasting Value

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

# Sec. 2.3.d Default Retention Period

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

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

All District email system users are expected to:

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





Municipal Water District

**Computer and Device Use Policies** 

**Email Retention Policy** 

OMWD Guidelines & Procedures

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## Sec. 2.3.e Backup Files

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

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

## Sec. 2.3.f Litigation Holds

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

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

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

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

## Sec. 2.4 Role and Responsibilities

The District's System Administrator will:

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

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



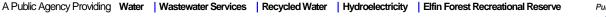


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Originators and custodians of electronic messages, records, and information that have lasting value are responsible for:

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

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







# Memo

Date:	December 13, 2023
То:	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 APPROVE THE PROPOSED CHANGES FOR CALENDAR YEAR 2024

# Purpose

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

Proposed changes to the Policy are outlined below and a redlined version of the Policy is attached for the Board's consideration and approval. The proposed changes were reviewed by the Finance Committee members (Director Meyers and Director Watt) at the November 2<sup>nd</sup> meeting.

# Recommendation

The Committee is recommending that the Board consider and approve the proposed changes to the District's Policy for 2024.

# Alternative

The Board may choose not to approve the proposed changes to the Policy or direct staff to do otherwise. However, the Policy has a one-year term expiring on December 31, 2023.

# Background

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

The purpose of this exercise is to help ensure the Policy remains in compliance with applicable federal, state, and local laws regulating the investment of public funds and to meet the District's liquidity needs.

The District also submitted its Policy to the California Municipal Treasurer Association for review and certification.

# **Fiscal Impact**

None

# Discussion

The District's Policy has been reviewed by Richard Babbe, Senior Managing Consultant at PFM Assets Management. The proposed changes are as follows:

- Deleting the constant net asset value requirement in the policy to provide flexibility for other investment options in the future, such as California Asset Management Program (CAMP) Term. CAMP Term is an investment option for agencies with known cash flows to have an opportunity to optimize interest earnings. This fixed-rate, fixed-term investment option, rated "AAA" by Fitch, offers securities with maturities ranging from 60 days to one year. CAMP Term investments pay par value at maturity. CAMP Term market value, however, can fluctuate before maturity.
- Delete duplicative language for authorized investment instruments in the Policy.
- Modify the specific rating requirements in the current Policy to reflect the current phrases used in the Code for rating requirements. For example, for medium-term notes, the Code references "in a rating category of "AA-" or its equivalent or better by a Nationally Recognized Statistical Rating Organization

(NRSRO)," rather than "in a rating category of "AA-" or higher by Moody's, S&P, or Fitch" as stated in the Policy.

The District also submitted its Policy to California Municipal Treasurer Association (CMTA) for review through their certification program. As part of the program, CMTA reviewed and made recommendations to the District's Policy to ensure compliance with the current State statutes governing the investment practices of local government entities located within the State of California.

The District received the certificate from CMTA for its Policy. CMTA's recommended updates to the District's Policy for 2024 have been included in the redlined version (attached) and are summarized as follows:

- Addition of a Cover Page and Table of Contents.
- Addition of Maximum Maturity and Minimum Rating requirements as new columns in the allowable investments' summary table.
- Addition of "Review of Investment Portfolio" section to the policy. Although the requirements were already included in the District's Policy, CMTA recommended incorporating the information into its own section for better clarity.
- Addition of a local government investment pool questionnaire to better illustrate the required due diligence prior to investing.
- Addition of a Glossary section.

Staff will be available during the meeting for discussion. Note: Staff intentionally left in the comments for each edit in the redlined version so that the Board will see the reasoning provided for each edit.

Attachment: Proposed 2024 Investment Policy

Style Definition: TOC 3



Annual Statement of Investment Policy Calendar Year 2024

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#### 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, 2023. This authority may be renewed annually at the discretion of the Board of Directors of the District.

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

- 1. To ensure that all District investments comply with federal, state, and local laws governing the investment of all District funds;
- 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
- To maximize the return on all District investments keeping in mind that safeguarding the principal and providing liquidity are more important objectives than the return obtained.

#### II. SCOPE

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

#### III. OBJECTIVES

**Commented [JG1]:** Duplicative content - delegation included in Section IV - Delegation of Authority and reporting in Section XIII -Review of Investment Portfolio

**Commented [JG2]:** Relocated to Section IV - Delegation of Authority

- A. <u>Safety.</u> 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. <u>Return on Investments.</u> 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. <u>Market-Average Rate of Return.</u> 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).

- E. <u>Diversification</u>. The investment portfolio shall be diversified to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions. The amount invested by the Treasurer in a particular security at any time shall not exceed the limitations contained in Section VII of this Investment Policy.
- F. <u>Prudence.</u> 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. <u>Public Trust</u>: 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. <u>Risk Tolerance.</u> 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 equal to an appropriate benchmark(s) based on the weighted average of the District's portfolio depending on investments and maturities. In addition to these general policy considerations, the following specific policies will be strictly observed:

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

#### IV. DELEGATION OF AUTHORITY

The investment of District money is delegated to the Treasurer by the Board of Directors for one year ending December 31, 20232024. 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. This authority may be renewed annually at the discretion of the Board of Directors of the District. 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 Commented [JG3]: Added from Introduction Section

**Commented [JG4]:** Moved to Section VIII - Review of Investment Portfolio

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

#### VI. AUTHORIZED INVESTMENT INSTRUMENTS

The District is governed by the California Government Code, Sections <u>16429.1, 27133, and</u> 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. <u>Local Agency Investment Fund</u>: The District may invest in the Local Agency Investment Fund established by the State Treasurer for the benefit of local agencies (Government Code Section 16429.1). The fund must have twenty-four hour liquidity. No more than 50% of the total value of all District investments or \$40,000,000 (whichever is lesser) may be invested in Local Agency Investment Fund.

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

B. <u>Treasury Securities:</u> 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

Commented [JG5]: Recommend change from Richard Babbe of PFM

**Commented [BRD6]:** This duplicates section XV. I would list in one or the other section, but not both.

investment available. There is no maximum portfolio limit. Maximum investment maturities in Treasury Securities shall be restricted to five years.

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

Deposits, up to the federal deposit limit, are allowable in any institution that insures its deposits with the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration (NCUA), regardless of Moody's Investors Service or Standard & Poor's Corporation ratings. The Treasurer, for deposits of up to federal insurance limit may waive collateral requirements. A maximum deposit of up to federal insurance limit may be deposited in any one institution without collateral. No bank shall receive District funds offunds greater than federal insurance limit if it rated lower than a rating category of "A" by a Nationally Recognized Statistical Rating Organization (NRSRO)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. <u>Placement Service Deposit</u>: The District may invest in insured deposit placed with <u>a selected depository that uses</u> 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

**Commented [JG7]:** Recommended change from Richard Babbe of PFM

**Commented [BRD8]:** The funds have to be deposited with a selected depository: 53601.8 (a): (a) The local agency shall choose a nationally or state-chartered commercial bank, savings bank, savings and loan association, or credit union in this state to invest the funds, which shall be known as the "selected" depository institution.

Service Deposit, shall not exceed 5% per issuer of the value of the District's investments at any time. The maximum investment maturity will be restricted to three years.

E. <u>Negotiable Certificates of Deposit</u>: 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 in a rating category of "AA-" or its equivalent or better by a NRSRO"AA-"or higher and five years for "AAA" rated notes. Negotiable Certificates of Deposit, shall not exceed 5% per issuer of the value of all District investments at any time.

F. <u>Commercial Paper</u>: Investment is limited to <u>commercial paper of</u> "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a NRSRO 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 in a rating category of "A" or its equivalent or higher by a NRSRO"-A" or higher by Moody's, S&P, or Fitch- (Government Code Section 53601(h)). The maximum investment maturity for commercial paper shall be restricted to 270 days. Purchases of commercial paper shall not exceed 20% the total value of all District investments at any time and shall not exceed 5% per issuer of all District investments at any time.

G. <u>Medium Term Notes</u>: Medium term notes are corporate or bank notes with a maximum remaining maturity of 5 years or less. Investment <u>are limited</u> <u>securities rated in a rating category of "AA-" or its equivalent or better by a</u> <u>NRSRO</u> 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 <u>in a rating category of</u> <u>"AA-", or its equivalent or better by a NRSRO</u><u>"AA-", or higher</u> and five years for "AAA" rated notes. Medium term notes shall not exceed 5% per issuer of all District investments at any time.

H. <u>Agencies</u>: 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 **Commented [JG9]:** Sections E-G: Recommended changes from Richard Babbe of PFM

invested in agencies shall not exceed 50% of all District investments at any time.

I. <u>Money Market Funds</u>: 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(I)(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 <u>NRSROsnationally recognized rating</u> 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. <u>Banker's Acceptances</u>: 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 <u>not</u> be purchased by the Treasurer without the prior approval of the Board.

Repurchase Agreements and Reverse Repurchase Agreements: A Κ. 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 thirdparty 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

**Commented [BRD10]:** The phrasing used in the Government Code, NRSRO is a term used by the SEC

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. <u>Local Government Investment Pool</u>: 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 <u>are rated in a rating category of "AA" or its equivalentseek to maintain a constant net asset value and which are rated "AA" or better. Local Government Investment Pools shall not exceed 30% of the value of all District investments at any time. The District shall conduct a thorough investigation of any pool prior to making an investment, and on a continual basis thereafter. Best efforts will be made to acquire the following information:</u>

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

M. <u>Municipal Bonds:</u> 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 <u>be rated in a rating category of "A" or its equivalent or better</u> by at least two NRSROshave 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

**Commented [BRD11]:** If the District would like to have the option to use CAMP-Term, I would suggest deleting the constant NAV requirement.

Commented [JG12]: Recommended addition from CMTA

**Commented [JG13]:** Section M: Recommended changes from Richard Babbe of PFM

Registered general obligation treasury notes or bonds of any of the 50 United States. Such securities must <u>be rated in a rating category of "A" or its</u> <u>equivalent or better by at least two NRSROshave ratings from two of three rating</u> agencies as follows: at least "A3" by Moody's Investors Service, or "A" by <u>Standard & Poor's, or "A" by Fitch Ratings</u>; 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 revenueproducing 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 <u>be rated in a rating category of "A-1" or its equivalent or better by at least two</u> <u>NRSROshave ratings from at least two of three rating agencies as follows: "P-1"</u> 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 <u>must be rated in a rating category of "A-1" or its equivalent or better by any NRSRO that rates the security 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.</u>

Taxable or tax-exempt bonds, notes, warrants, or other evidences of indebtedness of any local agency within the State of California <u>must be rated in a rating category of "A" or its equivalent or better by any NRSRO that rates the security 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.</u>

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

N. <u>Permitted Investments Without Board Approval</u>: The Treasurer is authorized to invest District funds in federally insured or collateralized depository accounts, the Local Agency Investment Fund, the California Asset Management Pool (CAMP), treasury securities, negotiable certificates of deposit, commercial paper, medium term notes, agencies and money market funds meeting all

requirements of this investment policy for the particular investment being purchased without prior Board approval. All other investments such as banker's acceptances, Repurchase Agreements, Reverse Repurchase Agreements, and investments in the San Diego County Investment Pool shall only occur with prior approval of the Board. The Treasurer shall ensure that all investments made on behalf of the District meet all of the minimum requirements contained in this Investment Policy.

#### VII. PORTFOLIO LIMITATIONS

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

Investment Description	Percentage Limitation	Dollar Limitation
Local Agency Investment Fund	<del></del>	<del>\$40,000,000</del>
Treasury Securities		+
Certificates of Deposit,	<del>30%</del>	Placement service
Placement Service Deposits		deposits may be made
and Negotiable Certificates of		up to FDIC limit per
<del>Deposit</del>		financial institution. No
		more than 5% per issuer
Local Government Investments Pools (such as CAMP)	<del>30%</del>	-
Commercial Paper	<del>20%</del>	No more than 5% per
		issuer
Medium Term Notes	<del>30%</del>	No more than 5% per
		issuer
Agencies	<del>50%</del>	-
Depository Accounts, Money	<del>20%</del>	No more than 5% in
Market Funds		<del>any money market</del>
		fund
Investments Pools	<del>30%</del>	-
Municipal Bonds	<del>30%</del>	No more than 5% per
		issuer
Bankers Acceptances	<del>20%</del>	No more than 3% per
		issuer with prior approval
		of the Board
Repurchase Agreements	<del>20%</del>	With the prior

Reverse Agreements	Repurchase	<del>10%</del>	With approva		_
<u>Investment</u> <u>Type</u>	<u>Maximum</u> <u>Maturity</u> <u>Remaining</u>	<u>Maximum</u> <u>% of</u> Portfolio	<u>% or \$</u> Limit per Issuer	<u>Minimum</u> <u>Rating</u> <u>Category</u>	Commented [JG14]: More detailed summary table added based on review comments from CMTA
<u>Local</u> <u>Agency</u> <u>Investment</u> <u>Fund</u>	<u>N/A</u>	<u>50%</u>	<u>\$40,000,000</u>	<u>None</u>	
<u>Treasury</u> <u>Securities</u>	<u>5 years</u>	None	None	None	
<u>Certificates</u> <u>of Deposit</u>	<u>3 years</u>	<u>30% all</u> <u>CDs and</u> <u>Placement</u> <u>Deposits</u>	5% or FDIC Limit for any institution that insures its deposits with FDIC	<u>Minimum</u> <u>rating of A if</u> <u>investment is</u> <u>greater than</u> <u>FDIC limit</u>	<u>}</u>
<u>Placement</u> <u>Service</u> <u>Deposits</u>	<u>3 years</u>	<u>30% all</u> <u>CDs and</u> <u>Placement</u> <u>Deposits</u>	<u>5% and/or</u> FDIC Limit	<u>None</u>	
<u>Negotiable</u> <u>Certificates</u> <u>of Deposit</u>	<u>2 years</u> (AA- or greater) <u>5 years</u> (AAA)	<u>30% all</u> <u>CDs and</u> <u>Placement</u> <u>Deposits</u>	<u>5%</u>	<u>AA- if 2 years</u> <u>AAA if 5</u> <u>years</u>	2
<u>Commercial</u> <u>Paper</u>	<u>270 days</u>	<u>20%</u>	<u>5%</u>	<u>A1/P1/F1</u>	
<u>Medium</u> <u>Term Notes</u>	<u>2 years</u> ( <u>AA- or</u> <u>greater)</u> <u>5 years</u> ( <u>AAA)</u>	<u>30%</u>	<u>5%</u>	<u>AA- if 2 years</u> <u>AAA if 5</u> <u>years</u>	2

<u>Agencies</u>	<u>5 years</u>	<u>50%</u>	<u>None</u>	None
<u>Depository</u> <u>Accounts,</u> <u>Money</u> <u>Market</u> <u>Funds</u>	<u>None</u>	<u>20%</u>	<u>5% in any</u> <u>money</u> <u>market fund</u>	<u>None</u>
<u>Bankers</u> <u>Acceptances</u>	<u>180 days</u>	<u>20%</u>	<u>3% per</u> <u>issuer with</u> <u>prior</u> <u>approval of</u> <u>the Board</u>	<u>None</u>
Repurchase Agreements	<u>90 days</u>	<u>20%</u>	<u>With the</u> prior approval of the Board	<u>None</u>
<u>Reverse</u> <u>Repurchase</u> <u>Agreements</u>	<u>90 days</u>	<u>10%</u>	<u>With the</u> prior approval of the Board	<u>None</u>
Local Government Investments Pools (such as CAMP)	<u>None</u>	<u>30%</u>	<u>None</u>	<u>AA</u>
<u>Municipal</u> <u>Bonds</u>	<u>N/A</u>	<u>30%</u>	<u>5%</u>	<u>A1/A+</u>

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 ongoing staff analyses.

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

the reason for the rate drop, prognosis for recovery or further rate drops, and the market price of the security.

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

#### VIII. REVIEW OF INVESTMENT PORTFOLIO

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

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

In the event that the percentage limits attributable to each security type are violated due to a temporary imbalance in the portfolio, the Treasurer will make a determination as to the appropriate course of action. The appropriate course of action may be to liquidate securities to rebalance the portfolio or to hold the securities to maturity in order to avoid a market loss. Portfolio percentages are in place to ensure diversification of the investment portfolio and as such a small temporary imbalance would not violate this basic tenet. When a portfolio percentage is exceeded the Treasurer will report the violation in the Treasurers Report at the next regularly scheduled Board meeting, with detail of the strategy determined to address the imbalance, for Board ratification. However, the Commented [JG15]: Moved to section below

**Commented [JG16]:** New section based on review comments from CMTA

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

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

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

#### X. INTERNAL CONTROLS

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

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

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

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

#### XI. QUALIFIED BANKS AND SECURITIES DEALERS

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

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 <u>be rated in a rating category of "A" or its equivalent or better by any NRSRO that rates the bankhave a minimum rating of "A" by Moody's or Standard and Poor.</u> A list will be maintained by the Finance Manager of approved institutions and security broker/dealers. A bank rating service will be used by staff to verify financial information provided by a financial institution or dealer. Annually, the Treasurer shall transmit a copy of the current Statement of Investment Policy to all approved dealers. The dealer is required to return a signed statement indicating receipt and understanding of the District's Investment Policies. Primary dealers of the Federal Reserve may provide substitute certification language at the discretion of the Treasurer.

#### XII. ETHICS AND CONFLICTS OF INTEREST

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

#### XIII. 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.

#### XIV. 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.

#### XV. 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.

#### **XVI. PROHIBITED INVESTMENTS**

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

#### XVII. 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)

#### **XVIII. QUARTERLY REPORTS**

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

#### XIX. 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, <u>2023-2024</u> 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, <u>2023-2024</u> and annually thereafter.

#### XX. GLOSSARY OF INVESTMENT TERMS

AGENCIES: Federal agency securities and/or Government Sponsored Enterprises (GSE) which include Federal Home Loan Bank (FHLB), Federal **Commented [JG17]:** Added specific investments that were referenced in section VI Authorized Investments as being prohibited.

**Commented [JG18]:** Recommended addition from Richard Babbe of PFM...SB 1489 increases the reporting deadline to 45 days.

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

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

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

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

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

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

**CAMP POOL:** A fully liquid, stable net asset value (NAV) investment option that stresses daily liquidity and safety of principal as the two primary objectives, with earning a competitive yield as a third goal after safety and liquidity. CAMP Pool is offered through the California Asset Management Program ("CAMP" or the "Program"), which is a California Joint Powers Authority ("JPA") established in 1989 to provide California public agencies with professional investment services.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### OLIVENHAIN MUNICIPAL WATER DISTRICT Annual Investment Policy Calendar Year 2024

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

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

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

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

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

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

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

NAV: Net asset value.

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

NRSRO: Nationally recognized statistical-rating organization.

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

PORTFOLIO: Collection of securities held by an investor.

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

#### OLIVENHAIN MUNICIPAL WATER DISTRICT Annual Investment Policy Calendar Year 2024

PRUDENT PERSON (PRUDENT INVESTOR) RULE: A standard of

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

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

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

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

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

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

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

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

#### OLIVENHAIN MUNICIPAL WATER DISTRICT Annual Investment Policy Calendar Year 2024

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

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

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

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

Agenda Item C-g



# Memo

Date: December 13, 2023

To: Olivenhain Municipal Water District Board of Directors

From: Andrea Scott, Engineering Technician III

Via: Kimberly A. Thorner, General Manager

Subject: CONSIDER ADOPTION OF A RESOLUTION MAKING CALIFORNIA ENVIRONMENTAL QUALITY ACT EXEMPTION FINDINGS FOR THE VILLAGE PARK WEST AND GARDENDALE PRESSURE REDUCING STATION REPLACEMENT PROJECT AND AUTHORIZE A NOTICE OF EXEMPTION BE FILED WITH THE COUNTY CLERK, COUNTY OF SAN DIEGO

#### Purpose

The purpose of this agenda item is to consider adoption of a resolution making California Environmental Quality Act (CEQA) exemption findings for the Village Park West and Gardendale Pressure Reducing Station (PRS) Replacement Project (Project) and authorize a Notice of Exemption (NOE) to be filed with the County Clerk of San Diego. This item supports calendar year 2023 Annual Goal 1, Objective 7 to complete the design of two pressure reducing stations.

#### Recommendation

Staff recommends adoption of the proposed Resolution which makes CEQA findings for declaration of the Project as an exempt project under CEQA Guidelines Section 15301 (b) and 15302. Staff also recommends authorizing a NOE to be filed for the Project with the County Clerk of San Diego per CEQA Guidelines Section 15062.

#### Alternative(s)

The Board could elect to:

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

#### Background

The proposed Village Park PRS and Gardendale PRS replacements are located in Director Division 2 (Watt) and Director Division 3 (Guerin), respectively. To continue providing reliable water service, staff proposes to replace the existing pressure reducing stations which were originally constructed in the 1970's and are at the end of their service life.

#### Fiscal Impact

The proposed work is included in the Board approved FY 24 budget under the Village Park PRS Replacement Project (D120104) and Gardendale PRS Replacement Project (D120105). There is a \$50 fee for filing the NOE with the San Diego County Clerk.

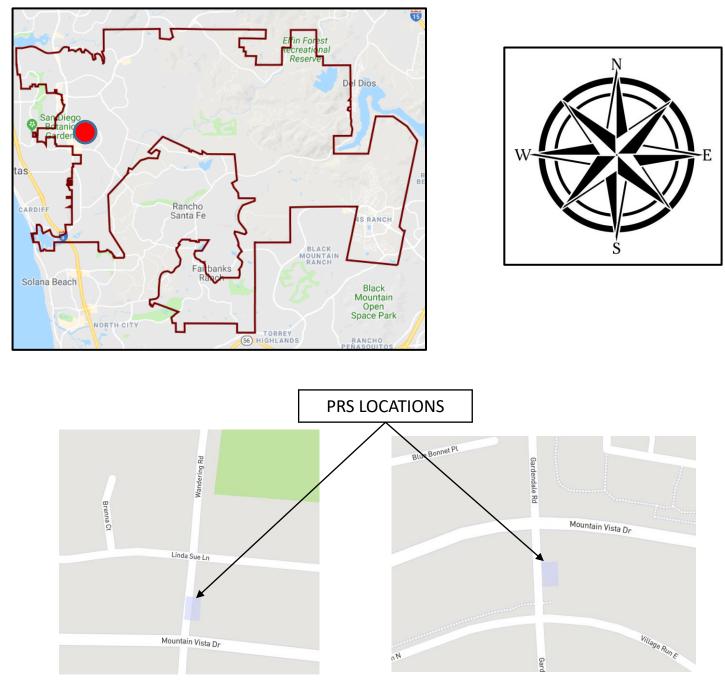
#### Discussion

Staff reviewed the Project and determined the project is a Categorically Exempt project under CEQA guidelines. CEQA Guidelines Section 15301(b) and 15302 allows for categorical exemptions for repair and replacement, respectively, of existing facilities involving negligible or no expansion of existing use or capacity. Staff recommends adoption of the proposed Resolution and to authorize staff to file a NOE with the County Clerk of San Diego.

Following final design and successful public bid, the Project will be returned to the Board for its consideration to award a construction agreement for the Project to move forward.

Staff is available to answer any questions.

Attachment(s): Project Site Map Resolution NOE



SITE 1 VILLAGE PARK PRS

SITE 2 GARDENDALE PRS

LOCATION MAP

### VILLAGE PARK AND GARDENDALE PRESSURE REDUCING STATION (PRS) REPLACEMENT PROJECT

DISTRICT PROJECT NOs. D120104 & D120105

#### **RESOLUTION NO. 2023-XX**

RESOLUTION OF THE BOARD OF DIRECTORS OF THE OLIVENHAIN MUNICIPAL WATER DISTRICT MAKING CALIFORNIA ENVIRONMENTAL QUALITY ACT FINDINGS FOR THE VILLAGE PARK AND GARDENDALE PRESSURE REDUCING STATIONS REPLACEMENT PROJECT AND AUTHORIZING A NOTICE OF EXEMPTION FILED WITH THE COUNTY CLERK, COUNTY OF SAN DIEGO

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

WHEREAS the Olivenhain Municipal Water District owns and operates the Village Park and Gardendale pressure reducing stations (PRS) within the public right-of-way in the City of Encinitas, State of California; and

WHEREAS, the existing pressure reducing stations were constructed in the 1970's and at the end their service life. In addition, the pressure reducing stations are located in an underground vault within public right-of-way; and

WHEREAS, the Village Park and Gardendale Pressure Reducing Station Replacement Project (Project) specifically consists of the demolition and removal of the existing PRS and replacement with an underground premanufactured PRS, reconnection to the distribution system, all occurring within the public right-ow-way; and

WHEREAS, the Project does not expand capacity and the requirement for the replacement is not the result of an environmental hazard such as earthquake, landslide or flood; and

WHEREAS, pursuant to the CEQA Guidelines, the Olivenhain Municipal Water District Board of Directors has caused to be prepared a Notice of Exemption according to CEQA Guidelines Section 15062, stating that the project is exempt according to CEQA Guidelines 15301 (b) and 15302; and

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

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

SECTION 2: In accordance with the California Environmental Quality Act Guidelines Section 15061, the Board of Directors hereby finds and determines that the Project is exempt from CEQA for the following reasons:

- State CEQA Guidelines §15301(b) (Existing Facilities) allows for the repair and maintenance of existing public structures and facilities involving negligible or no expansion of use.
- State CEQA Guidelines §15302 (Replacement or Reconstruction) allows for projects consisting of replacement or reconstruction of existing structures and

facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced. The proposed project was reviewed for potential exemptions and was found to satisfy the standards of Class 2, as specified within Article 19 Categorical Exemptions of the CEQA Guidelines.

SECTION 3: The Board of Directors of the Olivenhain Municipal Water District hereby authorize District Staff to file a Notice of Exemption with the County Clerk of the County of San Diego stating that the Project is exempt from CEQA in accordance CEQA Guidelines Section 15301 (b) and 15302.

PASSED, ADOPTED AND APPROVED at a regular meeting of the Board of Directors of Olivenhain Municipal Water District held on Wednesday, December 13, 2023.

Christy Guerin, President Board of Directors Olivenhain Municipal Water District

ATTEST:

Larry Watt, Secretary Board of Directors Olivenhain Municipal Water District

#### Notice of Exemption

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

> County Clerk County of: <u>San Diego</u> <u>1600 Pacific Highway</u> San Diego, CA 92101

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

(Address)

Project Title: Village Park and Gardendale Pressure Reducing Station Replacement Project

Project Applicant: Olivenhain Municipal Water District

Project Location - Specific:

The Village Park pressure reducing station is located within the public right-of-way North of the Mountain Vista Dr and Wandering Rd intersection (33° 3'7.30"N 117°15'20.65"W).

The Gardendale pressure reducing station is located within the public right-of-way West of the Mountain Vista Dr and Gardendale intersection (33° 3'10.66" 117°14'53.16"W).

Project Location - City: Encinitas Project Location - County: San Diego

Description of Nature, Purpose and Beneficiaries of Project:

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

Name of Public Agency Approving Project: Olivenhain Municipal Water District

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

Exempt Status: (check one):

- □ Ministerial (Sec. 21080(b)(1); 15268)
- $\Box$  Declared Emergency (Sec. 21080(b)(3); 15269(a))
- □ Emergency Project (Sec. 21080(b)(4); 15269 (b)(c))
- ☑ Categorical Exemption. State Type and section number: <u>15301(b) and 15302</u>
- □ Statutory Exemptions. State code number:

Reasons why project is exempt:

State CEQA Guidelines §15301(b) (Existing Facilities) allows for the repair and maintenance of existing public structures and facilities involving negligible or no expansion of use.

State CEQA Guidelines §15302 (Replacement or Reconstruction) allows for projects consisting of replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced. The proposed project was reviewed for potential exemptions and was found to satisfy the standards of Class 2, as specified within Article 19 Categorical Exemptions of the CEQA Guidelines.

 Lead Agency
 Area Code/Telephone/Extension: (760) 632-4221

#### If filed by applicant:

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

Signature:		Date:	Title: General Manager
	$oxed{intermattices}$ Signed by Lead Agency	⊠ Signed by Applicant	
			Data Databased for filling at ODD - D (

Authority cited: Sections 21083 and 21110, Public Resources Code. Sections 21108, 21152, and 21152.1, Public Resources Code. Date Received for filing at OPR:\_\_Reference:

Agenda Item C-h



## Memo

Date: December 13, 2023

To: Olivenhain Municipal Water District Board of Directors

From: Kimberly Thorner, General Manager

Subject: CONSIDER ADOPTION OF A RESOLUTION OF THE BOARD OF DIRECTORS OF THE OLIVENHAIN MUNICIPAL WATER DISTRICT HONORING TOM ARELLANO FOR OVER 20 YEARS OF SERVICE UPON HIS RETIREMENT AS THE WATER TREATMENT PLANT FACILITIES SUPERVISOR

#### Purpose

The purpose of this item is to consider the attached retirement resolution for Tom Arellano.

#### Recommendation

Staff recommends that the Board approve the attached resolution.

#### Alternative(s)

- The Board may elect against adoption of the resolution.
- The Board may direct Staff as otherwise deemed appropriate.

#### Background

Traditionally and as part of the "Employee Service Recognition and Retirement Guidelines," District employees receive resolutions upon attaining 25 years of service and upon retiring with more than 20 years of service. Mr. Arellano retired in December with over 20 years of dedicated service. Notice of his retirement was short, or staff would have brought this resolution prior to Tom's retirement.

### **Fiscal Impact**

Approximately \$150.00 to mat and frame this resolution is the only cost associated with this action.

Attachment: Resolution 2023-XX

#### **RESOLUTION NO. 2023-XX**

#### A RESOLUTION OF THE BOARD OF DIRECTORS OF THE OLIVENHAIN MUNICIPAL WATER DISTRICT HONORING **TOM ARELLANO** FOR OVER 20 YEARS OF SERVICE UPON HIS RETIREMENT AS THE WATER TREATMENT FACILITIES SUPERVISOR

WHEREAS, the Olivenhain Municipal Water District has acknowledged the retirement of TOM ARELLANO, effective December 4, 2023, who has served the District since May 2003; and

WHEREAS, TOM ARELLANO has served the District for more than 20 years and during his tenure with the Olivenhain Municipal Water District, demonstrated notable leadership, dedication, and dependability; and

WHEREAS, TOM ARELLANO began his tenure with OMWD as a Utility I and advanced to a Utility II, Water Treatment Plant Operator I, II, III, IV, and was promoted to the Water Treatment Facilities Supervisor in November 2016; and

WHEREAS, TOM ARELLANO ensured that the safety of plant staff was a top priority and promoted a safe operating environment; and

WHEREAS, TOM ARELLANO has been instrumental in the David C. McCollom Water Treatment Plant Long Term 2 Improvements and the Membrane Replacement Project; and

WHEREAS, TOM ARELLANO is a respected expert in the field of water quality, managing source water changes, and making sure the plant maintained reliable operations; and

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

Section 1: The Board of Directors on behalf of the citizens of the District, do hereby express their appreciation and honor TOM ARELLANO for his more than 20 years of dedicated service with the Olivenhain Municipal Water District.

Section 2: The dedication of TOM ARELLANO as a Water Treatment Facilities Supervisor of the Olivenhain Municipal Water District has contributed to the progress of the District and is hereby memorialized as a permanent part of the records of the Olivenhain Municipal Water District.

PASSED, ADOPTED, APPROVED, AND ALOHA at a regular meeting of the Board of Directors held on December 13, 2023.

Christy Guerin, President Board of Directors Olivenhain Municipal Water District

ATTEST:

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

Agenda Item 10



# Memo

Subject:	CONSIDER APPROVAL OF THE DISTRICT'S FISCAL YEAR 2022-2023 AUDITED FINANCIAL STATEMENTS, FISCAL YEAR 2022-2023 SINGLE AUDIT, AND ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEARS ENDED JUNE 30, 2023 AND 2022 (FINAL DRAFT)	
Subjects		
Via:	Kimberly Thorner, General Manager	
	Rainy Selamat, Finance Manager	
From:	Leo Mendez, Accounting Supervisor	
То:	Olivenhain Municipal Water District Board of Directors	
Date:	December 13, 2023	

#### Purpose

Staff is requesting the Board to consider approval of the fiscal year 2022-2023 audited Financial Statements, fiscal year 2022-2023 Single Audit, and the District's fiscal year 2022-2023 Annual Comprehensive Financial Report (ACFR) final draft.

The auditors completed their audit and have provided the District with <u>an unmodified</u> (clean) opinion on the basic Financial Statements and its compliance with federal grant requirements as highlighted in the Single Audit report. The auditor's opinion letter, audited Financial Statements, and footnote disclosures are included in the attached Fiscal Year 2022-2023 Annual Comprehensive Financial Report (ACFR). The auditors' Single Audit report, letter to the Board of Directors, report on internal controls, and presentation to the board are also attached for the Board's review.

The audit results were discussed with the Finance Committee (Director Meyers and Director Watt) at the November 2, 2023 meeting.

#### Recommendation

Staff recommends the Board consider approval of the fiscal year 2022-2023 audited Financial Statements, Single Audit, and Annual Comprehensive Financial Report.

#### Alternative

The Board may decide not to approve the fiscal year 2022-2023 audited Financial Statements, Single Audit, and Annual Comprehensive Financial Report as presented.

#### Background

The District's Financial Statements were audited by The Pun Group, LLP, a full-service Certified Public Accounting Firm with expertise in providing auditing services for special Districts and Cities. Fiscal Year 2022-2023 marks the fifth year that the District's Financial Statements have been audited by The Pun Group, LLP.

At the September 2023 meeting, the District's Board of Directors approved a three-year agreement with The Pun Group, LLP for professional auditing services for fiscal years ending June 30, 2024, 2025, and 2026 following a Request for Proposals for auditing services.

Section 3.4 of the District's Administrative and Ethics Code indicates that the Board shall consider the employment of a different auditor every 4 to 5 years. California Government Code section 12410.6. (b) requires that a local agency not have the same lead audit partner, or the coordinating audit partner having primary responsibility for the audit, or the audit partner responsible for reviewing the audit for the local agency for six consecutive years. In order to comply with these requirements, and to ensure auditor independence, The Pun Group, LLP will rotate the lead partner and the audit team responsible for the District's audit through the new agreement's period (fiscal year end 2024, 2025, 2026 audits).

#### **Fiscal Impact**

There were no audit adjustments or findings noted by the auditors as part of the fiscal year 2022-2023 Financial Statements Audit and Single Audit. There were also no material weaknesses or significant deficiencies in internal controls noted by the auditors.

Audit results and financial highlights will be presented for the Board's review and approval by the District's auditors, Mr. Ken Pun and Mr. Coley Delaney, independent Certified Public Accountants with The Pun Group, LLP.

#### Discussion

The goal of the independent financial audit is to provide reasonable assurance that the District's basic financial statements are free of material misstatements.

As part of their audit, the auditors performed certain audit procedures, observed processes, and noted certain matters for the purpose of expressing their opinion on the financial statements and the District's compliance with federal grant requirements. The auditors' findings are intended to improve the District's internal controls as well as the integrity of the District's financial reporting.

The District's auditors and staff will be available to answer any questions that the Board may have.

Attachment 1 – Auditors' Letter to the BoardAttachment 2 – Auditors' Report on Internal ControlAttachment 3 – Final Draft of FY 2022-2023 Audited Financial Statements and AnnualComprehensive Financial Report for fiscal years ended June 30, 2023 and 2022Attachment 4 – FY 2022-2023 Single Audit and Independent Auditors' ReportsAttachment 5 – Auditors' Presentation to the Board



November 2, 2023

4660 La Jolla Village Drive, Suite 100 San Diego, California 92122



Board of Directors of Directors and Finance Committee Olivenhain Municipal Water District Encinitas, California

www.pungroup.cpa

We have audited the financial statements of the business-type activities of the Olivenhain Municipal Water District (the "District") for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 1, 2023. Professional standards also require that we communicate to you the following information related to our audit.

#### **Significant Audit Matters**

#### Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 2 to the financial statements.

#### New Accounting Standards

- In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations* (GASB Statement No. 91), to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Application of this statement did not have an effect on the District's financial reporting for the fiscal year ending June 30, 2023.
- In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Application of this statement did not have an effect on the District's financial reporting for the fiscal year ending June 30, 2023.
- In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. Application of this statement had a minor effect on the District's financial reporting for the fiscal year ending June 30, 2023.



Board of Directors of Directors and Finance Committee Olivenhain Municipal Water District Page 2

We noted no other new accounting policies were adopted and the application of existing policies was not changed during 2023. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

#### Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the District's financial statements were:

- Management's estimate of the investment fair market value is based on information provided by the State of California for its investment in the Local Agency Investment Fund and by the Union Bank, the trustee for the District's investments in municipal bonds and U.S. Government Sponsored Enterprise Securities. We evaluated the key factors and assumptions used to develop the investment fair market value in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the depreciation on capital assets is based on the industry standard and past experience on actual useful life of the asset groups. We evaluated the key factors and assumptions used to develop the depreciation on capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the net pension liability is based on the actuarial valuation on total pension liability and based on audited financial statements on fiduciary net position for CalPERS plans. We evaluated the key factors and assumptions used to develop the net pension liability in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure(s) affecting the financial statements were:

- Note 2 Summary of Significant Accounting Policies
- Note 4 Leases Receivable
- Note 10 Employee Retirement Systems
- Note 15 Economic Dependency
- Note 16 Commitments and Contingencies
- Note 17 Segment Information
- Note 18 Restatement of Net Position

The financial statement disclosures are neutral, consistent, and clear.

#### Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Board of Directors of Directors and Finance Committee Olivenhain Municipal Water District Page 3

#### Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's 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 2, 2023.

#### Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

#### **Other Matters**

We applied certain limited procedures to the Management's Discussion and Analysis, Modified Approach for Steel Water Storage Tanks Infrastructure Capital Assets, Schedule of Contributions – Defined Benefit Pension Plans, and Schedule of Proportionate Share of the Net Pension Liability, as listed in the table of contents, which are Required Supplementary Information ("RSI") that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were not engaged to report on the Introductory and Statistical Sections, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

#### **Restriction on Use**

This information is intended solely for the information and use of the Finance Committee, Board of Directors, and management of the Olivenhain Municipal Water District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

The Pur Group, LIP

San Diego, California

Attachment 2



4660 La Jolla Village Drive, Suite 100 San Diego, California 92122



www.pungroup.cpa

#### REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditors' Report

Board of Directors Olivenhain Municipal Water District Encinitas, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Olivenhain Municipal Water District, California (the "District"), which comprise the statement of net position as of June 30, 2023, and the related statement of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the basic financial statements and have issued our report thereon dated November 2, 2023.

#### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



Board of Directors Olivenhain Municipal Water District Encinitas, California Page 2

#### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The Pur Group, UP

San Diego, California November 2, 2023



## Annual Comprehensive Financial Report FISCAL YEARS ENDED

JUNE 30, 2023 AND 2022

OLIVENHAIN MUNICIPAL WATER DISTRICT, ENCINITAS, CALIFORNIA



Annual Comprehensive Financial Report Fiscal years ended June 30, 2023 and 2022 Prepared by the Finance Department

COVER



**"Color Bloom"** Submitted by Jaena Reyes 2023 Elfin Forest Recreational Reserve Photo Contest Plants Winner

### **Our Mission**

Olivenhain Municipal Water District is committed to serving present and future customers with safe, reliable, high quality water while exceeding all regulatory requirements in a cost effective and environmentally responsive manner.

The District is dedicated to providing recycled water, wastewater treatment, and hydroelectricity in the most cost effective, environmentally responsive, and service-oriented manner.

The District is devoted to the safe operation of the Elfin Forest Recreational Reserve and providing all users with a unique recreational, educational, and environmental experience.

#### **Board of Directors**

Christy Guerin, President Matthew R. Hahn, Vice President Neal Meyers, Treasurer Lawrence A. Watt, Secretary Marco San Antonio, Director General Manager Kimberly A. Thorner, Esq.

General Counsel Alfred Smith, Esq., Nossaman LLP



Christy Guerin President



Matthew R. Hahn Vice President



Neal Meyers Treasurer



Lawrence A. Watt Secretary



Marco San Antonio Director



Kimberly A. Thorner General Manager



Alfred Smith General Counsel



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

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### Introductory Section ANNUAL COMPREHENSIVE FINANCIAL REPORT

"Escondido Creek" Submitted by Scott Henry 2023 Elfin Forest Recreational Reserve Photo Contest Water Runner-up

"Itsy Bitsy Momma" Submitted by Francis Bova 2023 Elfin Forest Recreational Reserve Photo Contest People's Choice Winner

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November 2, 2023

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



We are pleased to submit the Annual Comprehensive Financial Report of the Olivenhain Municipal Water District (District) for the fiscal year ended June 30, 2023. The purpose of the report is to provide citizens, investors, and other interested parties with reliable financial information about the District.

This Annual Comprehensive Financial Report was prepared by the District's Finance Department in accordance with 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 The Pun Group, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2023, 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, 2023, 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, Water Capacity Fee Fund, Reassessment District 96-1 Fund, 4S Ranch Sanitation District Fund, 4S Regional Recycled Water Fund, 2015 Water Revenue Refunding Bond Fund, 2013 Note Payable Fund, 2016 Water Revenue Refunding Bond Fund, 2021A Wastewater (Sewer) Revenue Bond Fund and 2021B Wastewater (Sewer) 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 rates and user charges to pay for on-going operating expenses and maintaining infrastructure in order to sustain operations.

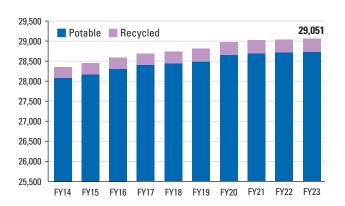
The District's service area is approximately 48.6 square miles. This service area lies within the northern region of San Diego County and includes portions of incorporated areas such as Encinitas, Carlsbad, San Diego, Solana Beach, San Marcos and large portions of unincorporated areas such as 4S Ranch, Rancho Cielo, Rancho Santa Fe, Elfin Forest, and Santa Fe Valley. All these communities are fairly affluent.

According to recent EDU (Equivalent Dwelling Units) projections, the District has about 1,180 EDUs remaining until it is completely built-out at an estimated 32,929 EDUs. For the fiscal year ended June 30, 2023, 70.7% of water delivered was for domestic use, 28.2% for commercial and irrigation use (including construction and recycled water), and 1.1% for agricultural use. The District relies on the San Diego County Water Authority (SDCWA) as a sole source of untreated water. The District's primary treated water source is the David C. McCollom Water Treatment Plant.

The District provides sewer collection and treatment services to a portion of the District's service area and sells recycled water to golf courses and other customers for irrigation. The District's 4S Ranch Water Reclamation Facility (WRF) collects and treats sewage from two specific areas of the District, Rancho Cielo and 4S Ranch. Sewage is processed in the 4S WRF through various treatment stages to produce California Title 22 tertiary treated recycled water that can be used for unrestricted irrigation purposes. The 4S WRF currently produces approximately 1 million gallons per day (mgd) of its maximum production of 2.0 mgd to meet recycled water demand in the southeast quadrant of the District's service area. In order to meet demand in the southeast, the District also purchases recycled water from Santa Fe Valley Community Services District and City of San Diego.

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

During the fiscal year ended June 30, 2023, the District billed 14,841 acre-feet (AF) of potable water through 28,731 active potable water meters and 2,270 AF of recycled water through 320 active recycled meters. The District provided wastewater collection services to 7,334 sewer equivalent dwelling units (EDUs) in 4S Ranch, Rancho Cielo, Santa Luz, and Black Mountain Ranch. Historical information of the District's number of water meters and sewer EDUs is shown in the graphs below.



#### Active Potable & Recycled Water Meters

#### **Active Sewer EDUs**



## San Diego Region Water Supply and Diversification Strategy

California's water supply outlook is considerably more positive entering 2024 than just one year prior. After over three consecutive years of extreme drought, 2023 was a remarkably wet year throughout the southwestern United States. Rainstorms not only replenished water levels in California's reservoirs, but also improved water storage conditions in the Colorado River basin. Locally, rainfall in San Diego during the 2022–2023 water year was an astounding 161 percent of normal, according to the National Weather Service. Long-range forecasts from the Climate Prediction Center suggest a high likelihood of continued above-average rainfall well into 2024.

Also beneficial from a water supply standpoint, the states of California, Nevada and Arizona reached an agreement in 2023 to voluntarily use less water from the over-drafted Colorado River through 2026. Conservation-based approaches to shortages on the Colorado River assure that the San Diego County Water Authority's Quantification Settlement Agreement supplies are not subject to mandatory reductions. Given this Colorado River deal as well as dramatic improvements in regional drought conditions, the San Diego County Water Authority has assured its member agencies that no mandatory cutbacks will be necessary to meet water demands through 2026.

Though news has been positive with regard to water supplies, water affordability remains an immense challenge as wholesale water costs continue to skyrocket. The San Diego County Water Authority adopted an 11.8% per acre foot increase in all-inclusive untreated water wholesale purchases effective January 1, 2024. These higher wholesale costs, coupled with lower demand resulting from wet weather, inevitably impact OMWD's water sales revenue.

In response to wholesale costs increases, OMWD continues to pursue alternative water supplies in order to reduce its imported water demands. One such pursuit is the San Dieguito Valley Brackish Groundwater Desalination Project, which would produce at least 1.3 million gallons per day of potable water from a previously untapped source. OMWD completed a feasibility study for the project, and having found the project feasible, is currently performing environmental investigations and developing a hydrogeological groundwater model. Not only has the project garnered support from the community, U.S. Congress may approve nearly \$960,000 in Community Project Funding for the project in 2024.

OMWD has also continued the aggressive expansion of recycled water in its service area. This has been achieved largely through interagency coordination with the North San Diego Water Reuse Coalition, a group of water and wastewater agencies for which OMWD provides leadership. To date, the Coalition has achieved \$23.9 million in funding from the US Bureau of Reclamation via the Title XVI Water Reclamation and Reuse Program, as well as \$5.0 million in Proposition 84 funding. Individual Coalition members have secured additional funds via Proposition 1 as well. These funding sources have contributed approximately \$900,000 to OMWD's Recycled Water Pipeline Extensions for Calle Barcelona, Village Park, and Summerhill Projects. Altogether, OMWD now meets up to 15 percent of its demands with recycled water each year.

With these proactive measures firmly in place, OMWD remains confidently positioned to provide essential water services to the communities we serve.

### **Internal Controls**

District Management is responsible for establishing and maintaining a system of internal controls designed to safeguard District assets from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in accordance with 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 has a multi-year operating and capital budget that is approved by the board in June of every other year (biennial budget). The District's biennial budget is used as a management tool for estimating and planning District revenues and expenditures based on historic and current financial information. Having a two-year budget allows the District to redeploy resources to other activities other than budget preparation, such as putting more emphasis into the budget monitoring process, and promotes a longer-term view to see and measure results greater than a 12-month period. The Finance Department prepares estimates for departmental review. Department managers review and revise the estimates. All managers meet several times to discuss the budgets, after which there is a final review by the General Manager prior to submittal to the Board of Directors for their consideration.

The proposed Budget is submitted to the Board within 45 days prior to July 1st of each budget-approval year. The budget does not go into effect until approved by the Board. Once adopted, the budget becomes the parameter for operating and capital expenditures for each fiscal year.

The District has been the proud recipient of the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award and the California Society of Municipal Finance Officers (CSMFO) Excellence in Budgeting Award for its budget in previous fiscal years. These awards reflect the commitment of the District's Board of Directors and staff to apply the highest principles of governmental budgeting to satisfy nationally recognized guidelines for effective budget presentation.

The District conducts a mid-term review of its multi-year budget in March of non-budget approval years to analyze actual operating and capital expenditures and compares the numbers to the original budget amounts. The purpose of this review is to present the Board with amended budget amounts when required, due to changes in circumstances that were not anticipated at the time the original budget was developed. Project managers may find after the first half of the budget that some projects need to be accelerated or delayed due to changes in housing development conditions in the District. Progress on status of capital projects is reported to the board during the mid-term budget review.

## **Designated Fund Balances**

The District's Designated Fund Balances Policy is adopted by the District's Board of Directors. This policy represents affirmation of the Board's commitment to financial prudence and careful stewardship of community assets. These funds are designated to carry out specific purposes to ensure prudent management of the District's financial resources. The policy specifies minimum and maximum target balances to be established in each Board-designated fund. All fund balances will be subject to review by the Board when the District's annual financial audit is completed to ensure fund balances meet the goals established in the policy.

### **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**

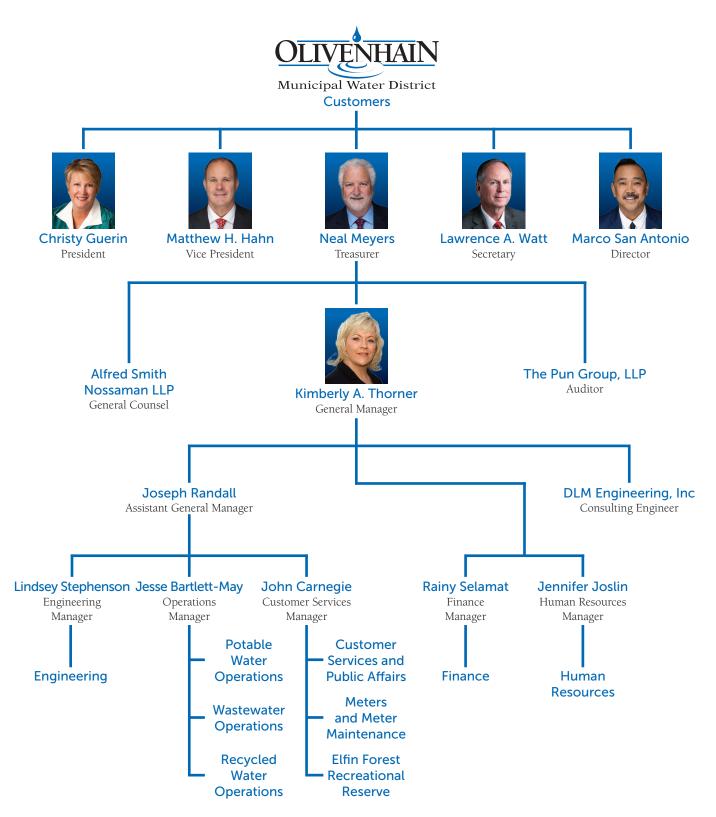
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Olivenhain Municipal Water District for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022. This was the 28th consecutive year that the District has received this prestigious award.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year only. We believe that our Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

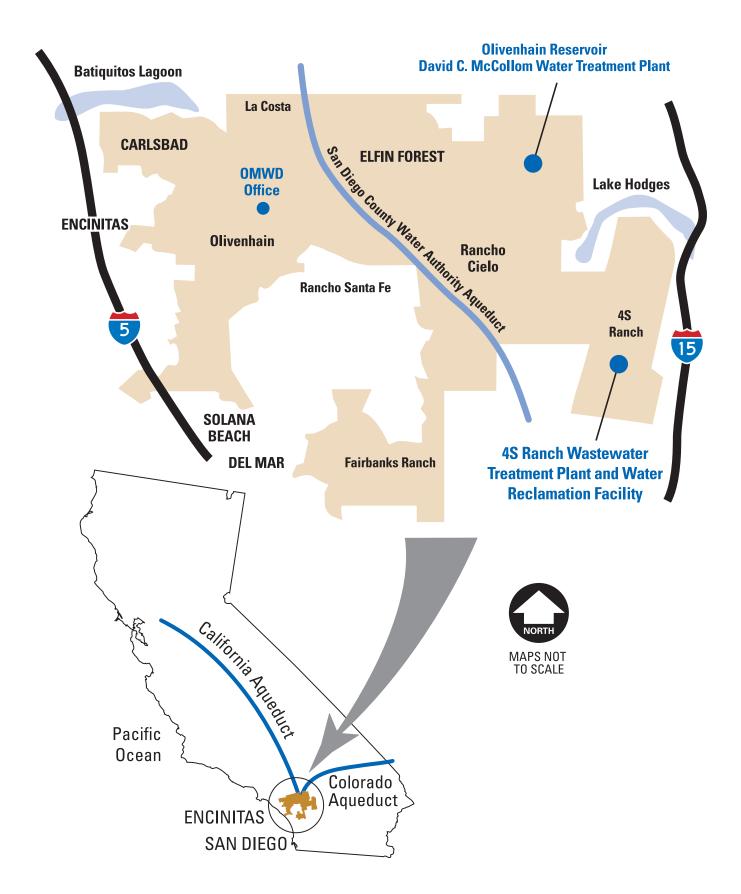


### **Organizational Chart**



The elected five board members delegate management responsibility of the day-to-day operations of the District to an appointed General Manager. The District is an "at will employer." All of the District's employees serve at the pleasure of the General Manager.

### **District Service Area**



# Acknowledgments

The preparation of this report could not have been accomplished without support and input from all departments and our independent auditor, The Pun Group, LLP. We would also like to particularly thank the Board of Directors for their continued dedication supporting the highest level of prudent fiscal management.

Respectfully Submitted:

Limbuly A. Shorace

**Kimberly A. Thorner, Esq.** General Manager

ainy Kselamat

Rainy K. Selamat Finance Manager

# Financial Section ANNUAL COMPREHENSIVE FINANCIAL REPORT

"Mosaic Trail" Submitted by Joe Jasnsen ational Reserve Photo Contest

**"Fun Guy"** *Submitted by Jose Enciso* 2023 Elfin Forest Recreational Reserve Photo Contest Plants Runner-up



4660 La Jolla Village Drive, Suite 100 San Diego, California 92122



#### www.pungroup.cp

### INDEPENDENT AUDITORS' REPORT

Board of Directors Olivenhain Municipal Water District Encinitas, California

#### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of the Olivenhain Municipal Water District, California (the "District"), which comprise the statements of net position as of June 30, 2023 and 2022, and the related statements of revenues, expenses, and changes in net position, and cash flows, for the years then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District, as of June 30, 2023 and 2022, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis** for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Emphasis of a Matter

#### Implementation of GASB Statement No. 96

As described in Note 2L, Note 2W, and Note 18 to the financial statements, the District implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The implementation of GASB Statement No. 96 requires the District to record "right-to-use" subscription assets and a corresponding subscription liability for all information technology subscription agreements in excess of one year. Our opinion is not modified with respect to this matter.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



Board of Directors Olivenhain Municipal Water District Encinitas, California Page 2

#### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and the *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Modified Approach for Steel Water Storage Tanks Infrastructure Capital Assets, the Schedule of Contributions – Defined Benefit Pension Plans, and the Schedule of Proportionate Share of the Net Pension Liability as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Board of Directors Olivenhain Municipal Water District Encinitas, California Page 3

#### Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory and Statistical Sections but does not include the basic financial statements and our auditors' report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

The Run Group, UP

San Diego, California November 2, 2023

# Management's Discussion and Analysis

### Fiscal Year Ended June 30, 2023

Our discussion and analysis of the Olivenhain Municipal Water District's (District) basic financial statements provides general readers with an overview of the District's financial position and results of operations for the fiscal year ended June 30, 2023. Included in this section are:

- Financial highlights;
- Overview of the accompanying basic financial statements;
- Financial analysis of the District as a whole;
- A discussion of financial restrictions, commitments and limitations.

The Management's Discussion and Analysis (MD&A) should be read in conjunction with the audited financial statements. These statements are in the section following the MD&A.

### **Financial Highlights**

During the fiscal year ended June 30, 2023 the following events impacted, or create the potential to impact, the finances of the District:

- On February 15, 2023, the District's Board of Directors approved a 5.9% revenue adjustment to water rates and charges to pass through increases in the District's purchased water wholesale costs from the San Diego County Water Authority (SDCWA) and an inflation adjustment based on a year-over-year percent change in the San Diego County Consumer Price Index for All Urban Consumers (CPI-U). The proposed revenue adjustment resulted in rate increases to the District's rates and fixed charges that became effective with water consumption beginning on March 1, 2023.
- In April of 2023, Fitch reviewed the District's AAA bond rating on the 2015A and 2016A Water System Refunding Revenue Bonds and concluded that there should be no change to its existing rating.
- The District's Board of Directors approved a 3% increase to the District's wastewater (sewer) rates and charges effective July 1, 2023, consistent with the sewer rate ordinance adopted by the board in May 2021.
- The District completed a Single Audit for fiscal year 2023 as a result of grant funds expended for its recycled water and Advanced Metering Infrastructure (AMI) expansion projects. The District reported \$2,030,385 in federal award expenditures and received no findings from its external auditors.
- As of June 2023, the District has refunded \$584,483 to its customers via the Rate Reimbursement Credit (RRC) program, which was established by the Board of Directors in March of 2022. The program stemmed from refund payments received totaling \$3,661,916.91 as a result of settlement proceeds from the SDCWA. The Board voted to pass-on the refunds to District customers via the RRC. More information about the District's RRC is included under the Water Operations section of the Management Discussion and Analysis (MD&A).
- Total Revenues decreased in comparison to the prior year due to fluctuations in the District's water demand from changes in weather conditions, but the decrease was partially offset by increases in investment income, decreases in unrealized losses, and increases in grant revenues earned for the District's recycled water and Advanced Metering Infrastructure (AMI) projects. Other Non-Operating Revenues decreased compared to the prior year due to the following non-recurring revenue items that were recognized in 2022: 1) a refund payment received from the SDCWA and 2) a gain from the selling of a district parcel of land (Peay parcel).
- Total Expenses decreased primarily due to decreased water demand from wet weather conditions during the year which led to decreased costs to purchase water from the District's potable and recycled water suppliers. A reduction in pension expense resulting from the District's GASB Statement No. 68 adjustments also contributed to the decrease in total expenses.
- Total Assets decreased primarily due to reductions in cash from lower water sales and a decrease in Net Capital Assets due to depreciation, which decreased the carrying value of the District's Capital Assets.

## Financial Highlights (continued)

- Deferred Outflows of Resources increased from the prior year due to amounts from the District's pension that vary from year-to-year based on California Public Employees Retirement System (CalPERS) actuarial assumptions and Governmental Accounting Standards Board (GASB) Statement No. 68 reporting requirements. More information on the District's pension plan can be found in Note 10 of the financial statements.
- Total Liabilities increased due to an increase in Net Pension Liability, which fluctuates from year-to-year based on California Public Employees Retirement System (CalPERS) actuarial assumptions and Governmental Accounting Standards Board (GASB) Statement No. 68 reporting requirements. This increase was partially offset by the District's paydown of its long-term debt.
- Deferred Inflows of Resources decreased from the prior year due to CalPERS actuarial assumptions and GASB Statement No. 68 reporting requirements. The District's lease receivables for leases of land to comply with GASB Statement No. 87 Leases are also attributed to the decrease. The District is a lessor for leases of land, primarily cell tower sites, and recognizes leases receivable and deferred inflows of resources related to these leases. Decreases to the District's lease receivable and deferred as lease payments are received.
- The District's Net Position as of June 30, 2023 increased by \$3.9 million compared to fiscal year 2022. The increase was primarily due to an increase in grant revenues and investment income. The average return on investments increased from 0.97% at the end of fiscal year 2022, to 3.21% at the end of fiscal year 2023, which increased the District's investment income. Throughout the fiscal year, the District managed its cash flow to stay in compliance with its investment policy while maximizing investment income.
- The District adopted GASB Statement No. 91 "Conduit Debt Obligations", GASB Statement No. 94 "Public-Private and Public-Public Partnerships and Availability Payment Arrangements", GASB Statement No. 96 "Subscription-Based Information Technology Arrangements", and GASB Statement No. 99, "Omnibus 2022".

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, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. This statement provides financial information about the nature of investments and ownership (assets), consumption of net position that applies to future periods (deferred outflows), obligations of the District to its bond investors and creditors for all purchases made (liabilities), and acquisition of net position that applies to future periods (deferred inflows). The Statement of Net Position also assesses the liquidity and financial position of the District.

The Statement of Revenue, Expenses, and Changes in Net Position accounts for all activities during the fiscal year. This statement measures the success of the District's operations during the reporting period and can be used to assess whether or not the District has successfully recovered all of its costs through its user fees and other charges. This statement also measures the District's profitability and ability to meet its financial commitments.

### **Overview of the Financial Statements (continued)**

### Required Basic Financial Statements (continued)

The Statement of Cash Flows accounts for the District's cash activities during the reporting period. The primary purpose of this report is to provide information to the general reader about cash inflows and outflows which occurred during the reporting fiscal year. This statement shows cash receipts, cash disbursements, and changes in cash balances based on operating, capital and related financing, noncapital and related financing, and investing activities. The Statement of Cash Flows helps the reader answer the following questions: Where did cash come from? What was cash used for? And, what was the change in cash during the fiscal year?

### Financial Analysis of the District as a Whole

The following statements contain a summary of financial information that was extracted from the basic financial statements to assist general readers in evaluating the District's overall financial position and results of operations as described in this MD&A. Increases or decreases in these statements can be used as performance indicators to assess whether the District's overall financial position has improved or deteriorated. At the same time, other external factors such as changes in economic conditions, growth, and legislative mandates should also be considered as part of this assessment.

### Net Position

Net Position is the difference between assets acquired, owned, and operated by the District plus its deferred outflows of resources, and its amounts owed (liabilities) plus its deferred inflows of resources. In accordance with Generally Accepted Accounting Principles (GAAP), capital assets acquired through purchase or construction by the District are recorded at historical cost. Capital assets contributed by developers are recorded at developers' bonded cost. Net Position represents the District's net worth including, but not limited to, capital contributions received to date and all investments in capital assets since formation. Net Position helps answer the following question: "Is the District, as a whole, better or worse off as a result of the year's activities?"

### Financial Analysis of the District as a Whole (continued)

### Highlights of Statement of Net Position

	Fi:	scal Year ended June 30	2021
Current Assets – unrestricted	\$ 89,298,112	\$ 93,308,859	\$ 91,582,199
Current Assets – restricted	14,570,261	12,899,002	7,333,291
Capital Assets, net	374,715,143	375,213,684	381,987,256
Noncurrent Assets – unrestricted	9,355,778	9,955,712	7,188,378
Other Noncurrent Assets	17,219	35,463	82,997
Total Assets	487,956,513	491,412,720	488,174,121
Deferred Amounts on Refunding	857,886	1,016,228	1,191,088
Deferred Amount from Pension	7,296,286	2,731,692	3,585,712
Total Deferred Outflows of Resources	8,154,172	3,747,920	4,776,800
Current Liabilities – unrestricted	14,598,670	14,224,239	13,721,685
Current Liabilities – restricted	189,507	158,941	211,991
Compensated Absences, long-term	1,189,983	939,187	916,576
Unearned Revenue	_		
Net Pension Liability	16,832,760	7,819,768	14,608,845
Long-term Debt	42,393,127	47,891,832	48,280,027
Total Liabilities	75,204,047	71,033,967	77,739,124
Deferred Amount on Pension	720,171	6,995,887	425,243
Deferred Amount on Leases	8,953,346	9,796,852	7,350,346
Total Deferred Inflows of Resources	9,673,517	16,792,739	7,775,589
Net Investment in Capital Assets	332,382,861	328,832,740	330,855,961
Restricted Net Position	10,503,646	7,727,858	7,121,300
Unrestricted Net Position	68,346,614	70,773,336	69,458,948
Total Net Position	\$ 411,233,121	\$ 407,333,934	\$ 407,436,209

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

**Current Assets – unrestricted:** a decrease in fiscal year 2023 compared to 2022, and an increase in 2022 compared to 2021. This was due to a combination of fluctuations in water sales from changes in water demand due to weather conditions, changes in sewer revenue collected, unrealized losses on the District's investments and settlement proceeds received in 2022 and 2021 from the SDCWA (MWD settlement).

**Current Assets – restricted:** an increase in fiscal year 2023 compared to 2022, and an increase in fiscal year 2022 compared to 2021. The increase in fiscal year 2023 compared to 2022 was due to an increase in Grant Receivables recognized for the District's Manchester Recycled Pipeline Extension project. The large increase in fiscal year 2022 compared to 2021 was primarily due to an increase in restricted cash from the issuance of the 2021A Wastewater Revenue Refunding bonds to help finance the District's wastewater (sewer) improvement projects.

**Capital Assets, net:** a decrease between fiscal years 2023 and 2022, and a decrease between fiscal years 2022 and 2021. These decreases are primarily due to increases in accumulated depreciation, which decreased the carrying value of the District's Capital Assets. The decreases were partially offset by increases in capital assets from Construction in Progress (CIP) projects that were capitalized during the fiscal year. See note 6 of the District's financial statements for more details on the District's capital assets.

### Financial Analysis of the District as a Whole (continued)

**Noncurrent Assets – unrestricted:** a decrease between fiscal years 2023 and 2022, and an increase between fiscal years 2022 and 2021. The decrease between fiscal years 2023 and 2022 is due to a decrease in the District's leases receivable for its cell tower sites, as a result of regular lease payments received throughout the year. The increase between fiscal years 2022 and 2021 was due to an increase in the District's lease receivable resulting from extensions of cell tower site agreements. Governmental Accounting Standards Board Statement (GASB) No. 87 – Leases requires the District to recognize a noncurrent asset for the lease payments that are expected to be received during the lease term of the District's leases, which are primarily composed of cell tower sites. The District has 16 existing lease agreements, which generate other non-operating revenue for the District.

**Other Noncurrent Assets:** a decrease between fiscal years 2023 and 2022 and a decrease between fiscal years 2022 and 2021. These decreases were due to payments made on loan receivables issued by the District to qualified Home Owners' Associations (HOA) under the Recycled Water Loan Program. The program, which was implemented in fiscal year 2017, offers financial assistance in the form of low-interest loans to qualified HOAs that retrofit their potable water irrigation system to recycled water. All loans were paid off before the end of fiscal year 2023, leaving only the District's prepaid bond insurance amount remaining under Other Non-Current Assets.

**Deferred Outflows of Resources:** In 2023, the District had Deferred Outflows of Resources of \$8.2 million, an increase of \$4.5 million compared to fiscal year 2022. In 2022, the District had Deferred Outflows of Resources of \$3.7 million, a decrease of \$1.0 million compared to fiscal year 2021. A portion of the change in the District's Deferred Outflows was due to fluctuations in recorded pension amounts as a result of changes in pension contributions subsequent to the measurement date, differences in actual and expected expenses, assumption changes, proportion changes, and net differences between projected and actual earnings on plan investments, as required by GASB Statement No. 68. The remaining change in the District's Deferred Outflows is due to decreases in the deferred loss on refunding recognized for the District's Water System Revenue Bonds. More information on the District's Long-term debt can be found in Note 8 of the basic financial statements.

**Current Liabilities – unrestricted:** an increase between fiscal years 2023 and 2022, and an increase between fiscal years 2022 and 2021. The increases were due to an increase in the current portion of long-term debt with a larger increase between fiscal years 2022 and 2021 that resulted from the issuance of new Wastewater Revenue Bonds during fiscal year 2022.

**Current Liabilities – restricted:** an increase in fiscal year 2023 compared to 2022, and a decrease in fiscal year 2022 compared to 2021. The changes were due to fluctuations in restricted payables related to the District's various construction projects.

**Compensated Absences, long-term:** an increase in fiscal year 2023 compared to fiscal year 2022 and an increase in fiscal year 2022 compared to fiscal year 2021. The increase is primarily due to increases in accrued benefits included in the Memorandum of Understanding between the District and its two bargaining units that was executed in 2021. In fiscal year 2022, the District implemented GASB 101 – Compensated Absences and accrued the Social Security and Medicare portion of the District's compensated absences liability, which contributed to the increase in 2022 and 2023 compared to previous years.

**Net Pension Liability:** an increase of \$9.0 million in fiscal year 2023 compared to 2022, and a decrease of \$6.8 million in 2022 compared to fiscal year 2021. Net Pension Liability is reported at \$16.8 million for fiscal year 2023 and is based on the District's proportionate share of the net pension liability for the Miscellaneous Classic and Public Employees' Pension Reform Act (PEPRA) plans under the CalPERS retirement program. The District's Net Pension Liability for each fiscal year was recorded based on CalPERS actuarial report as of June 30th of the prior year. The District's Net Pension Liability was \$7.8 million and \$14.6 million for fiscal years 2022 and 2021, respectively.

### Financial Analysis of the District as a Whole (continued)

**Long-term Debt:** a decrease in fiscal year 2023 compared to 2022 and a decrease in fiscal year 2022 compared to 2021. The decreases were due to the District's regular payments on outstanding debt. The long-term debt decreased every year for the current portion of these debts paid down in each fiscal year. Long-term Debt decreased only slightly between 2022 and 2021 due to the issuance the new 2021A and 2021B bonds during fiscal year 2022, which offset the decrease from payments on the District's outstanding debt. For more information on the District's outstanding bond debts and payment schedules see Note 8 to the financial statements.

**Deferred Inflows of Resources:** The District had Deferred Inflows of Resources of \$9.7 million in fiscal year 2023, a decrease of \$7.1 million compared to 2022. The District had Deferred Inflows of Resources of \$16.8 million in fiscal year 2022, an increase of \$9.0 million compared to fiscal year 2021. The decrease in fiscal year 2023 compared to 2022 and increase in fiscal year 2022 compared to 2021 were due to changes in deferred inflows for the District's pension plan, which vary from year-to-year due to CalPERS actuarial assumptions and GASB 68, as described in the above Net Pension Liability Section.

**Total Net Position:** Total Net Position increased in fiscal year 2023 compared to 2022 by \$3.9 million and decreased slightly between fiscal years 2022 and 2021 by \$111 thousand. The increase in fiscal year 2023 was primarily due to an increase in grant revenues and investment income. The average return on investments increased from 0.97% at the end of fiscal year 2022, to 3.21% at the end of fiscal year 2023, which increased the District's investment income. The decrease between 2022 and 2021 was primarily due to the large unrealized loss recognized in 2022 from investments as a result of fair market value adjustments on the District's investment portfolio. Fluctuations in the District's Net Pension Liability, Deferred Outflows of Resources, Deferred Inflows of Resources, and pension expense based on California Public Employees Retirement System (CalPERS) actuarial assumptions and Governmental Accounting Standards Board (GASB) Statement No. 68 reporting requirements have also contributed to the year-to-year changes in the District's Total Net Position.

### Statement of Revenues, Expenses and Changes in Net Position

While the Statement of Net Position focuses on the District's financial position at June 30 of each year, the Statement of Revenues, Expenses, and Changes in Net Position summarizes the District's operations during the year. Revenues are recognized (recorded) when water or services are provided, and expenses are recorded when incurred. Operating revenues and expenses are primarily related to the District's core activities (potable water, recycled water, and wastewater service). Non-operating revenues and expenses are not directly related to the core activities of the District (investment income, property taxes, and capacity charges).

# Water Operations

During fiscal year 2023, the District provided potable water and recycled water services to 29,051 active meters. Water services include reading and billing water meters on a monthly basis, a back-flow prevention program, meter maintenance, water quality services, and other on-site services as requested by District customers, including testing meters for accuracy and checking for water leaks.

The District's five board members have independent rate-setting authority. The District's rate structure for monthly water service fees is comprised of three components: commodity charge, monthly system access charge, and SDCWA Infrastructure Access Charge. The District's rates and charges are set to cover the cost of providing water services, such as system administration costs, operations and maintenance expenses, and capital improvement and replacement needs.

On December 11, 2019, the District's Board of Directors adopted an ordinance that allowed the District to pass through to its water customers, for the following five years: (1) increased costs in Purchased Wholesale Water from the San Diego County Water Authority (SDCWA), (2) increases to the District's Cost of Operations and Maintenance and Capital Facilities based on over-the-year percent change in the San Diego Consumer Price Index for All Urban Customers (CPI-U); and (3) any increases in water rates or any other charges mandated and imposed by the State of California. A 2019 Water Cost of Service Study was the basis for allocating costs and calculating the proposed adjustments and increases to the District's water services charges, and a Proposition 218 hearing was held on November 13, 2019 to consider public comment. Per the ordinance, the District's total of annual pass-through increases shall not exceed 9% per year through December 31, 2024.

### Water Operations (continued)

About 75% of the District's water revenues are collected from commodity charges. The District's commodity charge for domestic customers consists of a tiered rate structure with higher rates per unit of water as the level of consumption increases, a water conservation-based pricing. Commodity revenues vary from month to month depending on water consumption. Commodity rates for domestic customers range from \$3.92 to \$7.55 per unit (one unit equals 748 gallons of water).

About 25% of the District's water revenues are collected from fixed monthly system access charges. The District's fixed monthly system access charge is established on the basis of meter size of the property receiving water service. Average customers with a ¾ inch meter pay a typical bill of \$41.94 per month for their monthly system access charge. SDCWA Infrastructure Access Charge is imposed by SDCWA on District water meters for the purpose of recovering certain SDCWA infrastructure costs. Average customers pay a typical bill of \$4.24 per month for their monthly SDCWA Infrastructure Access Charge.

In March of 2022, the District's Board of Directors established the District's Rate Reimbursement Credit (RRC) Program, which helps reduce the impact of current and future OMWD water rate increases on customers' monthly water bills. The program stemmed from a refund payment received totaling \$3,661,916.91 from the SDCWA for the District's share of settlement proceeds resulting from lawsuits between 2010 and 2018, where SDCWA challenged the Metropolitan Water District's (MWD) Water Stewardship Rate. The District's Board of Directors voted to return the \$3,661,916.91 to all District potable water customers (excluding construction users) as a credit on their monthly water bills equaling 6.9 cents per unit of water billed over the next six (6) years, in line with the period that overpayments were made (from 2011 to 2017). As of June 2023, the District has refunded \$584,483 to District customers via the RRC program.

The District's water pricing remains competitive compared to other water districts in the County.

### Wastewater (Sewer) Operations

The District's 4S Ranch Water Reclamation Facility (4S WRF) collects and treats sewage effluent from two areas within its boundaries, 4S Ranch and Rancho Cielo. These service areas, comprised of a wide variety of commercial, industrial, and residential uses, encompass a total of approximately 4,000 acres.

In May of 2021, the District's Board of Directors adopted an ordinance that authorized the District to pass through to its sewer customers, for the next five fiscal years (fiscal year 2022 – fiscal year 2026), 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. These increases were also necessary for the planned construction of wastewater capital improvements needed to replace and refurbish the District's aging wastewater facilities. The Board of Directors adopted a 2% revenue increase adjustment effective July 1, 2021 and 3% increases thereafter on July 1st of each fiscal year for fiscal years 2023–2026.

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 March) for each single family residential customer is capped at 10 hundred cubic feet (HCF). The cap of 10 HCF was based on the 90th percentile of minimum wintertime water usage. Other 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.

Sewer 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 7,334 equivalent dwelling units (EDUs) for wastewater discharged from residential and commercial customers.

### **Recycled Water Operations**

The 4S Ranch Water Reclamation Facility (4S WRF) is capable of treating wastewater effluent to California Administrative Code Title 22 levels so that treated water from this plant can be used for irrigation purposes in the southeast portion of the District's service area. The District also buys recycled water from other agencies to supply its recycled water demand in the southeast as well as the northwest portion of the District's service area. Recycled water sold by the District to its retail customers is either produced at the 4S Ranch Water Reclamation Facility or purchased from Rancho Santa Fe Community Services District, the City of San Diego, San Elijo Joint Powers Authority, and Vallecitos Water District.

Recycled water revenues are collected from commodity rates and a monthly system access charge. The District adopted a uniform rate structure for collecting recycled water user fees based on monthly water consumption, and adjusts this fee annually to ensure it covers the costs of operation. On February 15th the District Board of Directors approved a 6.6% increase to the recycled commodity rate. The recycled commodity rate is currently billed at \$4.04 per unit (one unit equals 748 gallons of water).

The District continues to expand its recycled water system in the southeast and northwest recycled water service areas. The board approved the Recycled Water Retrofit Loan Program in 2017. This program offers financial assistance in the form of low-interest loans to qualified Homeowners' Associations' (HOA) that retrofit their potable water irrigation system to recycled water.

# Statements of Revenues, Expenses and Changes in Net Position

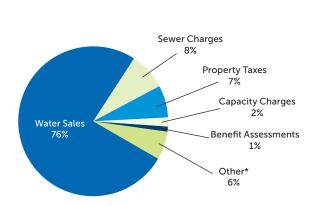
## Highlights of Statement of Revenues, Expenses, and Changes in Net Position

	2023	Fiscal Year ended June 30 2022	2021
REVENUES			
Operating Revenues:			
Water Sales	\$ 53,633,877	\$ 57,747,541	\$ 58,169,813
Sewer Charges	5,621,985	5,480,925	5,127,136
Other Operating Revenues	1,084,666	1,303,126	1,461,229
Total Operating Revenues	60,340,528	64,531,592	64,758,178
Non-Operating Revenues:			
Property Tax Revenues	4,577,755	4,242,794	4,027,357
Capacity Charges	1,327,295	1,530,925	2,754,730
Benefit Assessment Revenues	1,045,315	1,058,241	1,177,302
Investment Income	2,105,348	402,702	454,962
Fair Market Value Adjustment	(207,285)	) (2,467,642)	(562,019)
Other Non-Operating Revenues	1,055,260	2,237,334	6,592,672
Total Non-Operating Revenues	9,903,688	7,004,354	14,445,004
Total Revenues	70,244,216	71,535,946	79,203,182
EXPENSES Operating Expenses:			
Cost of Water Sold	29,609,781		30,601,983
Depreciation	15,910,790		15,559,523
General and Administrative	6,865,224		7,041,160
Pumping and Water Treatment	4,353,775		4,378,418
Transmission and Distribution	4,434,815		4,220,269
Sewer Collection and Treatment	2,026,695		2,085,237
Customer Services	1,754,190		2,348,700
Facilities Maintenance	1,274,751		1,363,564
Elfin Forest Recreational Reserve	386,905		415,386
Other Operating Expenses	212,580		228,939
Total Operating Expenses	66,829,506	70,278,416	68,243,179
Non-Operating Expenses:	1,220,156	1 222 049	1 410 000
Interest Expense, net	1,935,949		1,419,009
Other Non-Operating, net	3,156,105		1,076,547
Total Non-Operating Expenses			
Total Expenses	69,985,611	· · · · · · · · · · · · · · · · · · ·	70,738,735
Income (Loss) Before Capital Contributions	258,605		8,464,447
Capital Contributions	3,640,582	569,745	899,998
Changes in Net Position	3,899,187		9,364,445
Beginning Net Position	407,333,934	407,436,209	398,071,764
Ending Net Position	\$ 411,233,121	\$ 407,333,934	\$ 407,436,209

### Statements of Revenues, Expenses and Changes in Net Position (continued)

#### Revenues

Sources of Revenues Fiscal Year Ended June 30, 2023



\*Includes Other Operating Revenues, Other Non-operating Revenues, Investment Income, and the fair market value adjustment on the District's investments.

**Total Revenues:** as reported on the Statement of Revenues, Expenses and Changes in Net Position for fiscal year ended June 30, 2023, total revenues were \$70.2 million, a 1.8% decrease compared to fiscal year 2022. Total revenues in fiscal year 2022 were \$71.5 million, a 9.7% decrease compared to fiscal year 2021. The change in fiscal year 2023 compared to 2022 was due to a decrease in operating revenue from lower-than-average water demand caused by wet weather conditions during the year. Water demand varies year-to-year based on weather conditions and other factors. This was partially offset by an increase in investment income compared to the prior year as a result of an increase in investment yields. The change in 2022 compared to 2021 was due to a decrease in capacity fees collected due to a slowdown in housing activities, large unrealized losses on the District's investments from the fair market value adjustment, and a decrease in other non-operating revenue. This decrease is due to significant revenues recognized in 2021 as a result of the sale of a district parcel to pay for a portion of the administrative and building improvement project costs (Building D) and settlement proceeds received from the Metropolitan Water District of Southern California (MWD), which the District is passing through to its customers through the Rate Reimbursement Credit (RRC).

**Operating Revenues:** a decrease in fiscal year 2023 compared to 2022, and a slight decrease between fiscal years 2022 and 2021 due to lower water consumption. This decrease in water consumption was offset by the 5.9% revenue adjustment in fiscal year 2023 and 4.3% revenue adjustment in 2022 water rates and charges. Fluctuations in water sales are due to year-to-year changes in customers' water consumption behaviors which vary depending on weather conditions. Revenues from sewer charges increased in fiscal years 2023 and 2022 due to increases in sewer rates and charges by 3% each year.

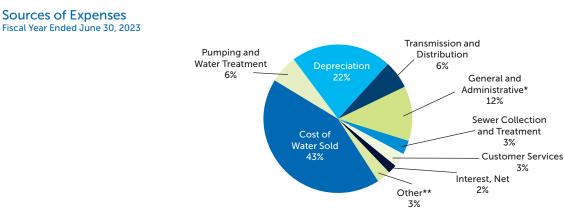
**Other Operating Revenues:** a decrease in fiscal year 2023 compared to 2022, and a slight decrease in fiscal year 2022 compared to 2021. The decreases are due to lower sales from selling excess treatment services to Vallecitos Water District from the David C. McCollom Water Treatment Plant (DCMWTP). The lower sales are a result of Vallecitos' temporary shutdown of its pipeline for planned repairs during the last three months of fiscal year 2022 and first six months of fiscal year 2023.

## Statements of Revenues, Expenses and Changes in Net Position (continued)

### Revenues (continued)

**Non-operating Revenues:** an increase in fiscal year 2023 compared to 2022, and a decrease in fiscal year 2022 compared to 2021. The increase in fiscal year 2023 is due to higher investment income during the year and a lower fair market value adjustment for unrealized losses compared to the prior year. The average return on investments increased from 0.97% at the end of fiscal year 2022, to 3.21% at the end of fiscal year 2023. The decrease in fiscal year 2022 compared to 2021 is due to an increase in unrealized losses on investments. During fiscal year 2022, as short-term U.S. treasury yields increased, the fair market value of existing investments held by the District, with lower yields than currently available, decreased resulting in an unrealized loss for the District. The District did not realize the losses because its holdings are held to maturity and are highly rated securities. The decrease in 2022 compared to 2021 is also due to a decrease in capacity fee receipts from a slow down in the housing market, and a decrease in other non-operating revenues from the sale of one of the District's parcels of land (Gaty) and Metropolitan Water District settlement proceeds recognized in 2021. Fluctuations in the amounts collected from the District's property tax revenues, and benefit assessment revenues from the 96-1 Reassessment District Limited Obligation Improvement Bonds also contributed to the changes in Non-operating Revenues over the years.

### Expenses



\*Includes Facilities Maintenance and Elfin Forest Recreational Reserve Expenses.

\*\*Includes Other Operating Expenses and Other Non-operating Expenses.

**Total Expenses:** fiscal year ended June 30, 2023 reported expenses were \$70 million. Included in Total Expenses were \$66.8 million in Operating Expenses and \$3.2 million in Non-operating Expenses. Total Expenses reported in fiscal years 2022 and 2021 were \$72.2 and \$70.7 million, respectively.

**Operating Expenses:** decreased in fiscal year 2023 compared to fiscal year 2022 and increased in fiscal year 2022 compared to fiscal year 2021. This decrease was primarily due to the decreased cost to purchase water from the District's potable and recycled water suppliers due to reduced water consumption in 2023. The District also recorded a reduction in pension expense as a result of adjustments required by GASB Statement No. 68. These reductions were partially offset by higher costs of power, fuel, and chemicals to operate the treatment plants due to rising costs. The increase in costs in fiscal year 2022 is due to an increased cost to purchase water and an increase in salary and wages based on the 2021 Memorandum of Understanding between the District, its District Employee Association, and the Bargaining Unit Members Associations, and the impact of higher inflation on District water and sewer operating expenses.

## Statements of Revenues, Expenses and Changes in Net Position (continued)

### Expenses (continued)

**Other Non-operating Expenses, net:** increased in fiscal year 2023 compared to fiscal year 2022 and decreased in fiscal year 2022 compared to fiscal year 2021. The increase in 2023 is due to about \$1 million of pass-through grant funds that were disbursed to sub-recipient members of the North San Diego Water Reuse Coalition (NSDWRC) as part of its Title XVI grant. A corresponding revenue amount was recorded as income under the Capital Contributions section of the District's Statement of Revenues, Expenses, and Changes in Net Position. Pursuant to the District's Board of Directors' established Rate Reimbursement Credit (RRC) program, the District passed on \$444,688 and \$139,795 to the District's customers in 2023 and 2022, respectively, and recognized these amounts as Other Non-operating Expenses. More information on the District's RRC program is included under the Water Operations section earlier in the Management Discussion and Analysis (MD&A).

### Income (Loss) Before Capital Contributions & Capital Contributions

**Income (loss) before Capital Contributions:** increased in fiscal year 2023 compared to 2022 and decreased in fiscal year 2022 compared to fiscal year 2021. These fluctuations were primarily due to changes in water sales, investment income, unrealized gains and losses on the District's investments, and capacity fees received from developers. Revenue recognized in 2021 due to the sale of the District's parcel of land (Gaty), and the District's portion of the Metropolitan Water District (MWD) legal settlement received in 2021 contributed to the decrease in Income (loss) before Capital Contributions in fiscal year 2022.

**Capital Contributions:** increased in fiscal year 2023 compared to fiscal year 2022 and decreased in fiscal year 2022 compared to fiscal year 2021 from year-over-year fluctuations in grants received and capital contributions from developers. In fiscal year 2023, the District recognized \$1 million in revenue as part of the NSDWRC Title XVI grant. These funds were recorded as capital contributions, then paid out to grant sub-recipients and recorded in Other Non-operating Expenses, in accordance with Generally Accepted Accounting Principles. The District also recognized \$2.2 million in grant revenue for it's share of funds earned as part of its Title XVI, Proposition 1, Proposition 84, and AMI grants. The funds are being used to help finance the District's recycled water projects and its Advanced Metering Infrastructure (AMI). The District also recognized Contributed revenue for assets received from major developers which contributed to the fluctuations over the years. Being mostly built out, the District is receiving fewer contributed assets from developers.

### Changes in Net Position

Changes in Net Position for the fiscal year ended June 30, 2023, amounted to an increase of \$3.9 million. The Changes in Net Position for the fiscal years ended June 30, 2022, and June 30, 2021, amounted to a decrease of \$102 thousand and an increase of \$9.4 million, respectively. The fluctuations over the last three fiscal years were primarily attributed to the changes in Total Revenues from water sales, capacity charges collected, the parcel of land sale (Gaty), and the Metropolitan Water District (MWD) legal settlement recognized in 2021. Fair market value adjustments to the District's investments and depreciation expense on the District's capital assets. Fluctuations in the District's Net Pension Liability, Deferred Outflows of Resources, Deferred Inflows of Resources, and pension expense based on California Public Employees Retirement System (CalPERS) actuarial assumptions and Governmental Accounting Standards Board (GASB) Statement No. 68 reporting requirements have also contributed to the year-to-year changes in the District's Net Position.

### Restrictions, Commitments, and Limitations

### Capital Assets and Improvement Program

Condensed Schedule of Capital Assets

	As of June 30, <b>2023</b>	As of June 30, <b>2022</b>	As of June 30, <b>2021</b>
Description			
Capital Assets, net of depreciation	\$ 332,489,700	\$ 336,787,649	\$ 340,390,744
Land and Steel Tanks	30,866,760	30,866,760	30,866,760
Construction in Progress	11,358,683	7,559,275	10,729,766
Net Capital Assets	\$ 374,715,143	\$ 375,213,684	\$ 381,987,270

The District's capital assets were financed through a combination of cash and debt financing. Construction in Progress (CIP) is currently being funded using cash accumulated in unrestricted funds and restricted cash for construction. The District's CIP fluctuated from year-to-year depending on the construction cost of infrastructure projects that are currently under construction or are in the planning stages. The District has a Ten (10) Year Capital Spending Plan for its Water and Sewer Capital Improvement Program to address its water and sewer infrastructure needs. The District is currently estimated at 95% build out. The District's ten-year financial projections for water and sewer are included in the Long-Term Financial section of the General Manager's Recommended Biennial Budget document which is available on the District's website, www.olivenhain.com.

The District's Net Capital Assets in service as of June 30, 2023, were \$374.7 million, net of \$244.4 million in accumulated depreciation and amortization. Included in the total Net Capital Assets is \$11.4 million in Construction in Progress (CIP), which includes: the San Elijo Valley Groundwater Project, Neighborhood 1 Sewer Pump Station Replacement, and other capital improvement projects that are in various stages of construction. More information on the District's Capital Assets can be found in Note 6 of this report.

The District elected to use the Modified Approach as defined by GASB Statement No. 34 for infrastructure reporting for its Steel Water Storage Tanks System starting in September 2007. Under GASB Statement No. 34, eligible infrastructure capital is not required to be depreciated if all requirements are met.

The Tank Assessment Index (TAI) minimum established by the District is 5.0. The average TAI for fiscal year 2023 is 9.2, well above the established index. The average TAI for both fiscal years 2022 and 2021 was 9.0. The current lowest TAI is 8.2, and the highest is 9.9. It cost about \$40 thousand less than expected to maintain and preserve infrastructure assets at target conditions during the current period.

More detailed information regarding the modified approach can be found in Note 1 of the Required Supplementary Information.

## Restrictions, Commitments, and Limitations (continued)

### **Debt Administration**

The District has one (1) note payable and five (5) bond issues outstanding: the 2013 State Revolving Fund, the 2019 Reassessment 96-1 Limited Obligation Improvement Bonds, the 2015 Water System Refunding Revenue Bonds Payable, the 2016 Water System Refunding Revenue Bonds Payable, and the 2021A and 2021B Wastewater Revenue Bonds Payable. The District's outstanding bonded indebtedness as of June 30, 2023 is as follows:

### Schedule of Bond Indebtedness for Fiscal Year Ended 2023

	Year	Total	Final Maturity	Interes Rai			onds Outstand s of June 30, 20	0
Description	Issued	Sold	Date	From	То	Current	Long Term	Total
2019 Reassessment 96-1 Limited Obligation								
Improvement Bonds	2019	\$ 7,130,000	9/2/2027	2.09%	2.09% \$	883,019	\$ 3,711,672	\$ 4,594,691
2013 State Revolving Fund	2013	17,069,309	7/1/2035	2.30%	2.30%	415,868	9,929,472	10,345,340
2015 Water System Refundin Revenue Bonds Payable	g 2015	23,455,000	6/1/2028	2.00%	5.00%	1,935,000	8,745,000	10,680,000
2016 Water System Refundin Revenue Bonds Payable	g 2016	15,990,000	6/1/2039	2.13%	5.00%	585,000	11,745,000	12,330,000
2021A Wastewater Revenue Bonds Payable	2021	5,042,140	6/1/2041	2.14%	2.14%	211,680	4,377,480	4,589,160
2021B Wastewater Revenue Refunding Bonds Payable	2021	3,932,970	6/1/2028	1.14%	1.14%	575,630	2,368,430	2,944,060

For the fiscal year ended June 30, 2023 the ratio of 2019 Reassessment 96-1 Limited Obligation Improvement Bonds to assessed value was 0.02% and the net bonded debt per capita was \$52.

In April of 2023, Fitch Ratings reviewed the District's 2015A Water System Refunding Revenue Bonds and 2016 Water Revenue Refunding Bonds "AAA" rating and concluded that there should be no change to its existing rating. These revenue bonds are secured by the District's net water system revenues after payment of water operations and maintenance (O&M) expenses.

For more details regarding the District's existing long-term debt, please see Note 7 of the Basic Financial Statements.

### Economic Factors and Next Year's Budgets and Rates

California has experienced significant rain and snowfall over the past 12 months which helped to mitigate drought conditions throughout the state. Despite the recent wet weather conditions, longer-term weather forecasts indicate a hotter and drier southwest climate in future years as the El Niño weather conditions continue to strengthen. In October 2023, San Diego County Water Authority, the potable water wholesaler for the San Diego region, announced that the County has reliable supplies to meet demands in 2024.

Meanwhile, higher than expected inflation continues to keep the Federal Reserve in a defensive position even as core Consumer Price Index (CPI) showed signs of slowing down compared to the pace of price inflation. According to the Bureau of Labor Statistics, food prices increased 0.2%, pretty much unchanged from August 2023, while energy prices increased by 1.5% after surging 5.6% in August. Most of the increase in energy prices stemmed from a 2.1% increase in gasoline prices, an 8.5% increase in fuel oil prices, and a 1.3% increase in electric prices.

# Economic Factors and Next Year's Budgets and Rates (continued)

The impact of high inflation has put pressure on the District's operating and capital budget over the last two years. High energy, fuel, and chemical prices have been the drivers for increased operating costs to operate the District's water treatment plants; the David McCollom Water Treatment Plant and the 4S Wastewater Treatment Plant and Reclamation Facility. Additionally, purchased water costs from the District's water suppliers have increased. The District buys all untreated water from San Diego County Water Authority (SDCWA). The cost of purchased water from SDCWA is the District's largest operating expense. At their June 2023 meeting, the SDCWA Board of Directors adopted an 11.8% all-inclusive untreated water wholesale price per acre foot increase effective January 1, 2024.

Due to the impact of higher purchased water costs and inflation on the District's budget, the District's Board of Directors is considering a 7.4% revenue adjustment for 2024 water rates and charges to pass through increases in purchased water wholesale costs and annual inflation adjustments, based on San Diego Consumer Price Index (SDCPI), effective March 1, 2024. The unusual wet and cool weather conditions in San Diego continue to persist in 2023. Water sales for fiscal year 2024 are projected to be the same as fiscal year 2023 actual sales due to the anticipated reduction in water consumption during the last quarters in calendar 2023. To help offset the proposed 7.4% revenue adjustment on water rates and charges for 2024, the Board is also considering an acceleration to the existing Rate Reimbursement Credit (RRC) program by increasing the existing credit of 6.9 cents for each unit of water billed up to 11 cents per unit of water billed to customers.

The District has also experienced higher employee turnover after due to high inflation and a tight labor market. Based on the 2020 Memorandum of Understanding (MOU) between the District and its Employee Association and Bargaining Unit Member Association, annual increases in District salaries and wages are projected between 3.5% and 6% depending on the year-over-year change in inflationary adjustments based on SDCPI. Increases in SDCPI have been as high as 8% over the last two years. To minimize employee turnover costs and as an employee retention strategy, the District's Board revised its compensation policy to be more competitive with other public agencies in the County.

The District continues to take steps to diversify its water supply through expansion of its recycled water system to reduce reliance on San Diego County Water Authority for water supplies. The District also has been proactive in pursuing grants to help reduce capital expenditures. The District is currently finalizing an agreement for a grant award from the US Bureau of Reclamation's Title XVI Water Reclamation and Reuse Program, which will amount to roughly 25% of total project cost.

On the capital budget side, several bids received on public work contracts for water and wastewater infrastructure projects were higher than estimates due to labor and material cost increases stemming from the tight labor market and supply chain issues. The water and wastewater capital spending plans for fiscal year 2024 have been revised upward to reflect current cost estimates as part of the District's midterm budget review process, which were approved by the Board of Directors in June 2023. With the District being mostly built out, its Capital Improvement Program is primarily focused on infrastructure replacement projects.

The next water rate study update will commence in Spring 2024. The 2024 rate study results will be brought to the District's Board of Directors for consideration and approval in late summer/early fall of 2024. The 2024 water rate study will include the planned rate increases for the next five years, 2025 to 2029.

The District collects and treats wastewater from 4S Ranch Sanitation District and Rancho Cielo Sanitation District. Annual sewer service fees are collected by the District on each property owner's property tax bill. Sewer service fees are due and payable at the same time when a property owner's tax bill is due to the San Diego County Tax Assessor's Office in April and in December of each year.

# Economic Factors and Next Year's Budgets and Rates (continued)

In 2022, the Board adopted a five-year sewer rate ordinance that allows the District to automatically increase sewer rates and charges by 3% on July 1st of each year (fiscal year 2022–fiscal year 2026). A 2020 Wastewater Rate Study was completed and used as the basis for allocating costs and calculating the sewer rate increases for five years. Due to actual higher inflation adjustments than projected in the 2020 Wastewater Rate Study, the District is updating its long-range financial plan to evaluate the impact of higher inflation and increased capital expenditures on its wastewater rates and charges. Pending results of this year's rate study update, the District's Board of Directors may consider rescinding its existing sewer rate ordinance and conducting a sewer rate hearing process in 2024 to set wastewater rates and charges for the next five years.

### 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.

# **Statements of Net Position**

June 30, 2023 and 2022

	2023	2022 (As Restated)
ASSETS		
Current assets:		
Unrestricted assets:		
Cash and cash equivalents	\$ 43,744,879	\$ 45,761,554
Investments	33,451,454	34,421,737
Accounts receivable – water and sewer, net	8,352,651	9,453,946
Interest receivable	337,527	144,127
Taxes receivable	210,021	184,365
Leases receivable, due within one year	403,389	394,170
Other receivables	384,301	245,308
Inventories Promid comences	1,659,616	1,514,905
Prepaid expenses	754,274	1,188,747
Total unrestricted assets	89,298,112	93,308,859
Restricted assets: Cash and cash equivalents	9,676,866	10,185,471
Investments	2,761,401	2,331,719
Taxes receivable	53,206	39,292
Grants receivable	2,078,788	342,520
Total restricted assets	14,570,261	12,899,002
Total current assets	103,868,373	106,207,861
Noncurrent assets:		
Capital assets, nondepreciable	42,225,443	38,426,035
Capital assets, depreciable/amortizable, net	332,489,700	336,787,649
Capital assets, net	374,715,143	375,213,684
Leases receivables, due in more than one year	9,355,778	9,955,712
Other receivables		14,742
Prepaid bond insurance	17,219	20,721
Total noncurrent assets	384,088,140	385,204,859
Total assets	487,956,513	491,412,720
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount on refunding	857,886	1,016,228
Pension-related deferred outflows of resources	7,296,286	2,731,692
Total deferred outflows of resources	8,154,172	3,747,920

(continued)

# Statements of Net Position (continued)

June 30, 2023 and 2022

		2023	2022 (As Restated)
LIABILITIES			
Current liabilities:			
Liabilities payable from unrestricted assets:	¢	7 000 544	¢ 7725500
Accounts payable	\$	7,808,544	\$ 7,725,598
Accrued payroll Customer deposits		580,760 374,833	442,835 355,058
Payable related to work in progress		199,070	186,367
Compensated absences, current portion		961,314	996,839
Current portion of long-term debt:		901,911	,000
Wastewater revenue bonds		787,310	777,080
Water revenue refunding bonds		2,520,000	2,405,000
Special assessment debt with government commitment		883,019	863,064
Notes payable		415,868	406,452
Subscription liability		67,952	65,946
Total liabilities payable from unrestricted assets		14,598,670	14,224,239
Liabilities payable from restricted assets:		74 2 42	26 722
Accounts payable		74,242	26,732
Interest payable Total liabilities payable from restricted assets		115,265 189,507	<u>132,209</u> 158,941
Total current liabilities		14,788,177	14,383,180
Noncurrent liabilities:		11,700,177	
Compensated absences		1,189,983	939,187
Net pension liability		16,832,760	7,819,768
Long-term debt, excluding current portion:		10,002,100	1,019,100
Wastewater revenue bonds		6,745,910	7,533,220
Water revenue refunding bonds		21,958,273	24,891,695
Special assessment debt with government commitment		3,711,672	4,594,691
Notes payable		9,929,472	10,756,474
Subscription liability		47,800	115,752
Total noncurrent liabilities		60,415,870	56,650,787
Total liabilities	_	75,204,047	71,033,967
DEFERRED INFLOWS OF RESOURCES			
Pension-related deferred inflows of resources		720,171	6,995,887
Lease-related deferred inflows of resources		8,953,346	9,796,852
Total deferred inflows of resources		9,673,517	16,792,739
NET POSITION			
Net investment in capital assets		332,382,861	328,832,740
Restricted for:			
Debt service		2,258,202	2,106,867
Construction		8,245,444	5,620,991
Total restricted		10,503,646	7,727,858
Unrestricted		68,346,614	70,773,336
Total net position	\$	411,233,121	\$ 407,333,934

See accompanying Notes to the Basic Financial Statements.

# Statements of Revenues, Expenses and Changes in Net Position

For the years ended June 30, 2023 and 2022

	 2023	_	2022 (As Restated)
OPERATING REVENUES			
Water sales	\$ 53,633,877	\$	57,747,541
Sewer charges	5,621,985		5,480,925
Other water operating revenues	 1,084,666	_	1,303,126
Total operating revenues	 60,340,528		64,531,592
OPERATING EXPENSES			
Cost of purchased water sold	29,609,781		31,265,804
Pumping and water treatment	4,353,775		4,322,820
Transmission and distribution	4,434,815		4,485,962
Sewer collection and treatment	2,026,695		2,170,341
Elfin Forest recreation reserve operations	386,905		428,174
Facilities maintenance	1,274,751		1,387,010
Customer services	1,754,190		2,036,267
General and administrative	6,865,224		7,745,048
Other operating expenses	212,580		304,037
Depreciation and amortization	 15,910,790	-	16,132,953
Total operating expenses	 66,829,506	_	70,278,416
Operating (loss)	 (6,488,978)	_	(5,746,824)
NONOPERATING REVENUES (EXPENSES)			
Fair market value adjustment	(207,285)		(2,467,642)
Investment income (loss)	2,105,348		402,702
Property taxes	4,577,755		4,242,794
Capacity charges	1,327,295		1,530,925
Benefit assessments	1,045,315		1,058,241
Other nonoperating revenues	1,055,260		2,237,334
Interest expense, net	(1,220,156)		(1,322,948)
Other nonoperating expenses	 (1,935,949)	_	(606,602)
Total nonoperating revenues (expenses)	 6,747,583	_	5,074,804
Income (loss) before capital contributions	258,605		(672,020)
Capital contributions	 3,640,582	_	569,745
Changes in net position	3,899,187		(102,275)
Net position, beginning of year, as restated (Note 18)	 407,333,934	_	407,436,209
Net position, end of year	\$ 411,233,121	\$	407,333,934

# **Statements of Cash Flows**

For the years ended June 30, 2023 and 2022

	2023	2022 (As Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from water and sewer customers	\$ 61,337,349	\$ 65,848,393
Payments for water	(30,212,660)	(30,910,730)
Payments for services and supplies	(8,878,715)	(10,952,261)
Payments for employee wages, benefits, and related costs	(12,953,543)	(12,569,780)
Net cash provided by operating activities	9,292,431	11,415,622
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property taxes and benefit assessments received	5,583,500	5,271,677
SDCWA water rebate payment	18,930	2,102,804
Net cash provided by noncapital financing activities	5,602,430	7,374,481
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(14,493,861)	(8,765,436)
Proceeds from grants and capital contributions	1,495,622	—
Principal paid on long-term debt	(4,862,730)	(8,665,506)
Proceeds from debt issuance	(1 407 744)	8,975,110
Interest paid on long-term debt Capacity charges received	(1,487,744) 1,364,791	(1,631,765) 1,552,833
Proceeds from sale of capital assets	1,507,791	595,875
Other capital financing receipts	1,055,261	1,125,345
Other capital financing expenses paid	(1,655,542)	(699,549)
Net cash (used in) capital and related financing activities	(18,584,203)	(7,513,093)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale and maturities of investments	3,000,000	4,000,000
Purchases of investments	(2,957,913)	(9,061,033)
Investment income received	1,121,975	41,812
Net cash (used in) investing activities	1,164,062	(5,019,221)
Net increase (decrease) in cash and cash equivalents	(2,525,280)	6,257,789
Cash and each equivalents hasiming of a set	55 047 005	40 600 226
Cash and cash equivalents, beginning of year	55,947,025	49,689,236
Cash and cash equivalents, end of year	\$ 53,421,745	\$ 55,947,025
FINANCIAL STATEMENT PRESENTATION		
Cash and cash equivalents	\$ 43,744,879	\$ 45,761,554
Cash and cash equivalents – restricted assets	9,676,866	10,185,471
Total cash and cash equivalents	\$ 53,421,745	\$ 55,947,025

(continued)

# Statements of Cash Flows (continued)

For the years ended June 30, 2023 and 2022

	 2023	(/	2022 As Restated)
RECONCILIATION OF OPERATING INCOME (LOSS) TO			
NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating (loss)	\$ (6,488,978)	\$	(5,746,824)
Adjustments to reconcile operating (loss) to net cash provided by operating activities:			
Depreciation and amortization	15,910,790		16,132,953
GASB 68 adjustment to pension expense	(1,827,310)		635,588
Changes in operating assets and liabilities:			
(Increase) decrease in assets:			
Receivables	977,045		1,320,055
Inventories	(144,711)		(449,525)
Prepaid expenses and deposits	434,473		(504,688)
Increase (decrease) in liabilities:			
Accounts payable	58,151		(290,575)
Accrued payroll and compensated absences	353,196		321,893
Customer deposits	19,775		(3,255)
Net cash provided by operating activities	\$ 9,292,431	\$	11,415,622
NONCASH INVESTING AND FINANCING ACTIVITIES:			
Contributions of capital assets	\$ 386,344	\$	569,745
Amortization of premiums	\$ (413,422)	\$	(469,828)
Unrealized gains (losses) on investments	\$ (207,285)	\$	(2,467,642)

# Notes to the Basic Financial Statements

For the years ended June 30, 2023 and June 30, 2022

### Note 1 – Reporting Entity

The Olivenhain Municipal Water District (the "District") is a governmental corporation governed by an elected five-member board of directors. The District was incorporated in 1959 under the provisions of the California Municipal Water District Act of 1911. The District's 48 square mile service area lies in northern San Diego County and the majority of its sales are to domestic and business users. The District's offices are located in Encinitas, California.

The basic financial statements of the District include the blended financial activities of the District and the Olivenhain Municipal Water District Financing Corporation (the "Corporation").

The Corporation was formed in 1997 under the California Nonprofit Public Benefit Corporation Law. Its sole purpose is to assist the District in acquiring and financing various public facilities.

The criteria used in determining the inclusion of a component unit in the reporting entity for financial reporting purposes are: (1) appointment of voting majority of the component unit board, (2) ability to impose its will, (3) financial benefit or burden, and (4) fiscal dependency.

In keeping its books and records, the District has established various self-balancing groups of accounts in order to enhance internal control and to further the attainment of other management objectives. These groups of accounts, which are sub funds of the reporting entity, are identified in the District's books and records as the General Fund, Recycled Water Capacity Fee Fund, Treated Water Capacity Fee Fund, Reassessment District 96-1 Fund, 4S Sanitation District Fund, Rancho Cielo Sanitation District Fund, 2015 Water System Revenue Refunding Bond Fund, 2016 Water System Revenue Refunding Bond Fund, 2018 Wastewater Revenue Bond Fund, 2021A Revenue Bond Fund, 2021B Revenue Bond Fund, and 2013 State Revolving Fund Note Payable. All significant inter sub-fund transactions and accounts are eliminated in the combination of the accounts of the sub-funds for the basic financial statements of the District.

### Note 2 – Summary of Significant Accounting Policies

The basic financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for governmental accounting financial reporting purposes. The more significant of the District's accounting policies are described below:

### A. Financial Statements

The financial statements (i.e., the statement of net position, the statement of revenues, expenses and changes in net position, and statement of cash flows) report information on all of the activities of the District. The statement of revenues, expenses, and changes in net position demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

### B. Measurement Focus, Basis of Accounting, and Financial Statements Presentation

The financial statements are reported using the *"economic resources"* measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as all eligibility requirements have been met. Interest associated with the current fiscal period is considered to be susceptible to accrual and so has been recognized as revenue of the current fiscal period.

For the years ended June 30, 2023 and June 30, 2022

### Note 2 - Summary of Significant Accounting Policies (continued)

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

In accordance with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, the Statement of Net Position reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

<u>Deferred Outflows of Resources</u> represent a consumption of net assets that applies to future periods and that, therefore, will not be recognized as an expense until that time.

<u>Deferred Inflows of Resources</u> represent an acquisition of net assets that applies to future periods and that, therefore, will not be recognized as revenue until that time.

The District distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering water in connection with the District's principal ongoing operations. The principal operating revenues of the District are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Capital contributions are reported as a separate line item in the Statement of Revenues, Expenses and Changes in Net Position.

### C. Use of Restricted/Unrestricted Assets

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

### D. Cash, Cash Equivalents, and Investments

<u>Cash and Cash Equivalents</u> – 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.

<u>Risk Disclosures</u> – Certain disclosure requirements, if applicable for deposit and investment risk, are specified for the following areas:

- Interest Rate Risk
- Credit Risk
  - Overall
  - Custodial Credit Risk
  - Concentration of Credit Risk

<u>Investment Valuation</u> – GASB Statement No. 72, *Fair Value Measurement and Application*, defines fair value, establishes a framework for measuring fair value and establishes disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the Statements of Net Position, are categorized based upon the level of judgement associated with the inputs used to measure their fair value. Levels of inputs are as follows:

Level 1 – Inputs are unadjusted, quoted prices for identical assets and liabilities in active markets at the measurement date.

Level 2 – Inputs, other than quoted prices included in Level 1, that are observable for the asset or liability through corroboration with market data at the measurement date.

Level 3 – Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

For the years ended June 30, 2023 and June 30, 2022

### Note 2 - Summary of Significant Accounting Policies (continued)

#### E. Restricted Assets

Amounts shown as restricted assets have been restricted by debt agreements, by law or regulations, or by contractual obligations to be used for specified purposes, such as service of debt and construction of capital assets.

### F. Water and Wastewater (Sewer) Sales

Water sales revenue is recorded when water is delivered and service is rendered, including an estimated amount for unbilled service. Wastewater (sewer) service fees are collected on each property owner's property tax bill on an annual basis. Sewer bills are due and payable at the same time when a property owner's tax bill is due to the San Diego County Tax Assessor's Office, April and December of each year.

### G. Allowance for Doubtful Accounts

The District recognizes bad debt expense relating to water and sewer receivables when it is probable that the accounts will be uncollectible. Water and sewer accounts receivable at June 30, 2023 and 2022 have been reduced by an allowance for doubtful accounts of \$110,000 and \$210,000, respectively.

#### H. Leases Receivable

#### Lessor

The District is a lessor for leases of land, primarily cell tower sites, and recognizes leases receivable and deferred inflows of resources related to leases in the financial statements as required by GASB Statement No. 87 Leases. At the commencement of a lease, the lease receivable is measured at the present value of payments expected to be received during the lease term. As lease revenue is earned, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources are initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflows of resources are reduced in a straight-line method over the life of the lease term as revenue is recognized.

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The District used U.S. Treasury rates at the time of GASB Statement No. 87 implementation for its existing leases. The District will use the current rate at the time a new lease is executed.
- The lease term includes the noncancelable period of the lease plus any option periods that are likely to be exercised.
- Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

### I. Inventories

Materials inventory is stated at current average cost and was reduced by an allowance for obsolete inventory of \$206,600 and \$71,600 at June 30, 2023 and 2022, respectively. Water inventory is stated at its purchase cost using the first-in, first-out method.

For the years ended June 30, 2023 and June 30, 2022

# Note 2 – Summary of Significant Accounting Policies (continued)

### J. Prepaid Expenses

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

### K. Capital Assets, Depreciation and Amortization

Capital assets are valued at cost when constructed or purchased. Contributed capital assets are recorded at developer bonded cost. The District capitalizes all assets with a historical cost of at least \$10,000 and a useful life of more than one year. The cost of normal maintenance and repairs that do not add to the value of assets or materially extend asset lives are not capitalized. Depreciation or amortization on capital assets in service, excluding land, is computed using the straight-line method over the estimated useful lives of such assets and is reported as an operating expense. Capital projects are subject to depreciation or amortization when completed and placed in service. The ranges of estimated useful lives of capital assets are as follows:

Treatment and distribution system	10–75 years
Non-steel tanks	10-60 years
General plant	3–40 years
Capacity rights	17 years

The District is amortizing Capacity Rights and is reviewing it annually for impairment, and any impairment losses are recognized in the period in which the impairment is determined.

In September 2007, the District elected to use the Modified Approach as defined by GASB Statement No. 34 for reporting the steel water storage tanks subsystem of infrastructure capital assets.

The detail of the subsystems is not presented in these basic financial statements. However, the operating departments maintain information regarding the subsystems.

Per GASB Statement No. 34, a condition assessment will be performed every three years on the steel tanks. The condition of the District's steel water storage tanks is determined using the USCI AMRS via their maintenance program. The tank condition rating, which is a weighted average of an assessment of the ability of individual steel water storage tanks to function structurally, such that water is stored safely and securely, uses a numerical condition scale ranging from 1.0 (unacceptable) to 10.0 (very good).

It is the District's policy to keep all the steel water storage tanks at a condition level of not less than 5.0 (satisfactory). All steel water storage tanks are inspected every two years and washed out every other year. Repairs are done on an as needed basis.

### L. Subscription-Based Information Technology Arrangements ("SBITA"s)

The District has a policy to recognize a subscription liability and a right-to-use subscription asset (subscription asset) in the financial statements. The District recognizes subscription liabilities with an initial, individual value of \$10,000 or more with a subscription term greater than one year. Variable payments based on future performance of the District's usage of the underlying IT asset, or number of user seats are not included in the measurement of the subscription liability, rather, those variable payments are recognized as outflows of resources (expenses) in the period the obligation for those payments is incurred.

At the commencement of a SBITA, the District initially measures the subscription liability at the net present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made.

For the years ended June 30, 2023 and June 30, 2022

### Note 2 – Summary of Significant Accounting Policies (continued)

### L. Subscription-Based Information Technology Arrangements ("SBITA"s) (continued)

Subscription assets are recorded at the amount of the initial measurement of the subscription liabilities, less any payments made to the SBITA vendor before the commencement of the subscription term, and capitalizable initial implementation cost, less any incentives received from the SBITA vendor at or before the commencement of the subscription term.

Costs associated with a SBITA, other than the subscription payments, are accounted for as follows:

- Preliminary Project Stage: Outlays are expensed as incurred.
- Initial Implementation Stage: Outlays are capitalized as an addition to the subscription asset.
- **Operation and Additional Implementation Stage:** Outlays are expensed as incurred unless they meet specific capitalization criteria.

Upon adoption, the District elected to exclude the capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage that were incurred prior to the implementation of this Statement in the measurement of subscription assets as of July 1, 2021.

Subscription assets are reported in capital assets and subscription liabilities are reported with long-term liabilities on the statement of net position.

Subscription assets are amortized using the straight-line method over the shorter of the subscription term or the useful life of the underlying IT asset, unless the subscription contains a purchase option that the District has determined is reasonably certain of being exercised. In this case, the subscription asset is amortized over the useful life of the underlying IT asset.

Key estimates and judgments related to SBITA include how the District determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The District used the U.S. Treasury rates at the time of GASB Statement No. 96 implementation for its existing SBITAs. The District will use the current rate at the time of a new SBITA agreement is executed. If available, the District uses the interest rate charged by the SBITA vendor as the discount rate.
- The subscription term includes the noncancellable period of the SBITA. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its subscription liability and will remeasure it accordingly if certain changes occur that are expected to significantly affect the liability.

### M. Capital Contributions

Capital contributions are recorded when the District receives cash contributions or accepts contributions of capital assets in kind or when governmental construction grants are earned. Capital contributions are reported as a separate line item in the Statement of Revenues, Expenses, and Changes in Net Position.

For the years ended June 30, 2023 and June 30, 2022

### Note 2 - Summary of Significant Accounting Policies (continued)

#### N. Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused personal leave time up to a maximum of 992 hours, which includes both vacation and sick pay benefits. Sick time may be accumulated up to a maximum of 640 hours. The vacation accumulation maximum is based on number of years of continuous service and ranges from 192 hours to 352 hours. All personal leave time is accrued when incurred. In fiscal year 2022, the District implemented GASB Statement No. 101, *Compensated Absences*, and accrued the Social Security and Medicare portions of the District's compensated absences liability on the financial statements.

#### O. Long-Term Obligation

Debt premiums and discounts, if any, are deferred and amortized over the life of the debt. Long-term debt is reported net of the applicable bond premium or discount. Debt issuance costs are expensed when incurred.

#### P. Refunding of Debt

Gains or losses occurring from current or advance refunding of debt are reported as deferred inflows or outflows of resources and are being amortized over the original remaining life of the old debt or the life of the new debt, whichever is less.

#### Q. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System ("CalPERS") plans ("Plans") and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The District is participating in a cost-sharing multiple-employer defined benefit plan.

### R. Property Taxes

The County of San Diego (the "County") bills and collects property taxes on behalf of the District. The County's tax calendar year is July 1 to June 30. Property taxes attach as a lien on property on January 1. Taxes are levied on July 1 and are payable in two equal installments on November 1 and February 1, and become delinquent after December 10 and April 10, respectively.

#### S. Capacity Charges

Capacity charges are water and wastewater (sewer) capacity fees paid by new property owners prior to connecting to the District's system. Such charges are periodically adjusted based upon changes in construction cost index and/or other factors. Owner capacity charges are nonrefundable and are recorded as nonoperating revenues when collected.

#### T. Net Position

Net position of the District is classified into three components: (1) net investment in capital assets, (2) restricted net position, and (3) unrestricted net position. These classifications are defined as follows:

<u>Net Investment in Capital Assets</u> – 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.

For the years ended June 30, 2023 and June 30, 2022

### Note 2 – Summary of Significant Accounting Policies (continued)

#### T. Net Position (continued)

<u>Restricted Net Position</u> – 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.

<u>Unrestricted Net Position</u> – This component of net position consists of net position that does not meet the definition of "net investment in capital assets," or "restricted net position."

#### U. Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### V. Reclassification

For the year ended June 30, 2023, certain classifications may have been changed to improve financial statement presentation. For comparative purposes, prior year balances may have been reclassified to conform with the current fiscal year 2023 presentation.

#### W. Implementation of New GASB Pronouncements For the Year Ended June 30, 2023

During fiscal year ended June 30, 2023, the District has implemented the following new GASB Pronouncements:

- In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations* (GASB Statement No. 91), to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Application of this statement did not have an effect on the District's financial reporting for the fiscal year ending June 30, 2023.
- In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements.* The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Application of this statement did not have an effect on the District's financial reporting for the fiscal year ending June 30, 2023.
- In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. Application of this statement did have an effect on the District's financial reporting for the fiscal year ending June 30, 2023. See Note 18.

For the years ended June 30, 2023 and June 30, 2022

### Note 2 - Summary of Significant Accounting Policies (continued)

### W. Implementation of New GASB Pronouncements For the Year Ended June 30, 2023 (continued)

• In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Application of this statement did not have an effect on the District's financial reporting for the fiscal year ending June 30, 2023.

#### X. Upcoming Governmental Accounting Standards Implementation

The District is currently evaluating its accounting practices to determine the potential impact on the financial statements for the following GASB Statements:

• In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No.* 62. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Application of this statement is effective for the District's fiscal year ending June 30, 2024.

### Note 3 - Cash, Cash Equivalents, and Investments

Cash and investments at June 30, 2023 and 2022 are classified in the accompanying financial statements as follows:

	2023	2022
Statement of Net Position:		
Current Assets:		
Cash and cash equivalents	\$ 43,744,879	\$ 45,761,554
Restricted cash and cash equivalents	9,676,866	10,185,471
Investments	33,451,454	34,421,737
Restricted investments	2,761,401	2,331,719
Total cash and investments	\$ 89,634,600	\$ 92,700,481
Cash and investments consist of the following:		
Cash on hand	\$ 1,496	\$ 1,491
Deposits with financial institutions	2,809,866	4,358,962
Investments	86,823,238	88,340,028
Total cash and investments	\$ 89,634,600	\$ 92,700,481

#### A. Demand Deposits

As of June 30, 2023, the carrying amount of demand deposits was \$2,809,866 and the bank balance was \$3,729,278 compared to \$4,358,962 and \$4,981,417 at June 30, 2022, of which the total amount was collateralized or insured with securities held by the pledging financial institutions in the District's name as discussed below under *Disclosures Relating Custodial Credit Risk*.

For the years ended June 30, 2023 and June 30, 2022

### Note 3 - Cash, Cash Equivalents, and Investments (continued)

### B. Investments Authorized by the California Government Code and the District's Investment Policy

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	None	None
U.S. Government Sponsored Entities	5 years	50%	None
Banker's Acceptances	180 days	20%	3%
Commercial Paper	270 days	20%	5%
Certificates of Deposit	3 years	30%	\$250,000
Repurchase Agreements	90 days	20%	None
Reverse Repurchase Agreements	90 days	10%	None
Medium-Term Notes	5 years	30%	5%
Money Market Mutual Funds, Depository Account	N/A	20%	5%
Municipal Obligations	N/A	30%	5%
Local Government Investment Pool	N/A	30%	None
Local Agency Investment Fund	N/A	50%	\$40,000,000

### C. Investments Authorized by Debt Agreements

Investment of debt proceeds held by the bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District's investment policy.

For the years ended June 30, 2023 and June 30, 2022

## Note 3 - Cash, Cash Equivalents, and Investments (continued)

### D. Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity at June 30, 2023.

		Remaining Maturity (in Months)				
Investment Type	Total	12 Months or Less	13 to 24 Months	25 to 60 Months		
Local Agency Investment Fund (LAIF)	\$ 9,265,185	\$ 9,265,185	\$	\$		
California Asset Management Program (CAMP)	27,320,397	27,320,397	—			
Commercial Paper	496,070	496,070	—			
Money Market Mutual Funds	2,560,872	2,560,872	—			
U.S. Government Sponsored Entities	32,865,835	8,243,281	6,527,480	18,095,074		
Municipal Obligations	998,530	—	—	998,530		
U.S. Treasury Obligations	13,316,349	11,463,930	954,140	898,279		
Total	\$ 86,823,238	\$ 59,349,735	\$ 7,481,620	\$ 19,991,883		

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, 2022.

		Remaining Maturity (in Months				
Investment Type	Total	12 Months or Less	13 to 24 Months	25 to 60 Months		
Local Agency Investment Fund (LAIF)	\$ 22,921,923	\$ 22,921,923	\$	\$		
California Asset Management Program (CAMP)	17,570,703	17,570,703	_			
Commercial Paper	2,491,795	1,995,010	496,785			
Money Market Mutual Funds	2,136,917	2,136,917	—			
U.S. Government Sponsored Entities	31,328,841	985,080	6,237,054	24,106,707		
Municipal Obligations	1,052,370	—	—	1,052,370		
U.S. Treasury Obligations	10,837,479	8,958,690		1,878,789		
Total	\$ 88,340,028	\$ 54,568,323	\$ 6,733,839	\$ 27,037,866		

For the years ended June 30, 2023 and June 30, 2022

## Note 3 - Cash, Cash Equivalents, and Investments (continued)

### E. Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a Nationally Recognized Statistical Rating Organization ("NRSRO"). Presented below is the minimum rating required by (where applicable) the California Government Code, the District's Investment Policy, or debt agreements, and the Moody's rating for each investment type at June 30, 2023. (CAMP is rated by Standard and Poor's and has a rating of AAA).

					Rating as of Year End					
Investment Type	Tota	]	inimur Legal Rating			AA		A/1+	Not Rated	
Local Agency Investment										
Fund (LAIF)	\$ 9,26	5,185	N/A	\$ -	- \$	_	- \$		- \$ 9,265,185	
California Asset Management										
Program (CAMP)	27,32	0,397	AAA	27,320,39	7	_	_	_		
Commercial Paper	49	5,070	A-1	496,07	0	_	-			
Money Market Mutual Funds	2,56	0,872	N/A	_		_	_		- 2,560,872	
U.S. Government Sponsored Entities	32,86	5,835	AAA	32,865,83	5	_	-			
Municipal Obligations	99	3,530 A	A1/A+	998,53	0	_	_			
U.S. Treasury Obligations	13,31	5,349	N/A	13,316,34	9		=		:	
Total	\$ 86,82	3,238		\$ 74,997,18	1 \$		\$		\$ 11,826,057	

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, 2022.

				Rating as of Year End				
	Ν	/linimu Legal	m					
Investment Type	Total	Rating	AAA	AA			A/1+	Not Rated
Local Agency Investment								
Fund (LAIF)	\$ 22,921,923	N/A	\$	\$		\$		\$ 22,921,923
California Asset Management								
Program (CAMP)	17,570,703	AAA	17,570,703					—
Commercial Paper	2,491,795	A-1	496,785				1,995,010	—
Money Market Mutual Funds	2,136,917	N/A						2,136,917
U.S. Government Sponsored Entities	31,328,841	AAA	31,328,841					—
Municipal Obligations	1,052,370	A1/A+	1,052,370					—
U.S. Treasury Obligations	10,837,479	N/A	10,837,479					
Total	\$ 88,340,028		\$ 61,286,178	\$		\$	1,995,010	\$ 25,058,840

For the years ended June 30, 2023 and June 30, 2022

## Note 3 – Cash, Cash Equivalents, and Investments (continued)

### E. Disclosures Relating to Credit Risk (continued)

### Concentration of Credit Risk

The investment policy of the District is in accordance with limitations on the amount that can be invested in any one issuer as stipulated by the California Government Code. Investments in any one issuer (other than for U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total District investments is as follows:

Issuer	Investment Types	2023	2022
Federal Home Loan Bank	U.S. Govt. Sponsored Entities	\$ 30,661,988	\$ 28,215,691

### F. Disclosures Relating to Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2023 and 2022, \$3,479,278 and \$4,731,417 of the District's deposits with financial institutions in excess of the Federal insurance limits were held in collateralized accounts.

### G. Local Agency Investment Fund (LAIF)

The District is a voluntary participant in the Local Agency Investment Fund ("LAIF") that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. The District's investments with Local Agency Investment Fund (LAIF) include a portion of the pool funds invested in structured notes and asset-backed securities. These investments include the following:

**Structured Notes** – debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options. They are issued by corporations and by government-sponsored enterprises.

Asset-Backed Securities – entitle their purchaser to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as CMO's), small business loans or credit card receivables.

LAIF is overseen by the Local Investment Advisory Board, which consists of five members, in accordance with State statute. The fair value of our position in the pool is the same as the value of the pool shares.

For the years ended June 30, 2023 and June 30, 2022

## Notes 3 - Cash, Cash Equivalents, and Investments (continued)

### G. Local Agency Investment Fund (LAIF) (continued)

As of June 30, 2023, the District had \$9,265,185 invested in LAIF, which had invested 0.20% of the pool investment funds in structured notes and asset-backed securities compared to \$22,921,923 and 1.88% at June 30, 2022. LAIF is part of the State's Pooled Money Investment Account (PMIA). The District valued its investments in LAIF as of June 30 by multiplying its account balance with LAIF times a fair value factor determined by LAIF. This fair value factor was determined by dividing all LAIF participants' total aggregate fair value by total aggregate amortized cost resulting in a factor of 0.984828499 and 0.987125414 as of June 30, 2023 and 2022, respectively.

### H. California Asset Management Program (CAMP)

The District is a voluntary participant in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (the Trust) and has a rating of AAA. The Trust is a joint powers authority and public agency created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act for the purpose of exercising the common power of its Participants to invest funds. The investments are limited to investments permitted by California Government Code. The total amount invested by all public agencies in CAMP at June 30, 2023 and 2022 was \$16.0 billion and \$7.3 billion, respectively. A board of seven trustees who are officials or employees of public agencies has oversight responsibility for CAMP. The value of the pool shares in CAMP, which may be withdrawn at any time, is determined on an amortized cost basis, which is different from the fair value of the District's position in the pool. At June 30, 2023 and 2022 the amortized cost approximated is the District's cost.

### I. Fair Value Measurements

The following is a summary of the fair value hierarchy of investments held by the District as of June 30, 2023:

	Fair Value Measurement Using Significant Other Observable Inputs (Level 2)	June 30, 2023
Investments by Fair Value Level		
U.S. Government Sponsored Entity Securities		
FHLB	\$ 30,661,988	\$ 30,661,988
FHLMC	—	—
FNMA	2,203,847	2,203,847
U.S. Treasury Securities	13,316,349	13,316,349
Commercial Paper	496,070	496,070
Municipal Bonds	998,530	998,530
Total Investments by Fair Value Level	\$ 47,676,784	47,676,784
Investments not subject to fair value hierarchy:		
Local Agency Investment Fund (LAIF)		9,265,185
California Asset Management Program (CAMP)		27,320,397
Money Market Mutual Funds		365,426
Held by Fiscal Agent		
Money Market Mutual Funds		2,195,446
Total investments not subject to fair value hierarchy		39,146,454
Total investments		\$ 86,823,238

For the years ended June 30, 2023 and June 30, 2022

## Notes 3 - Cash, Cash Equivalents, and Investments (continued)

### I. Fair Value Measurements (continued)

The following is a summary of the fair value hierarchy of investments held by the District as of June 30, 2022:

	Fair Value Measurement Using Significant Other Observable Inputs (Level 2)	June 30, 2022
Investments by Fair Value Level		
U.S. Government Sponsored Entity Securities		
FHLB	\$ 28,215,691	\$ 28,215,691
FHLMC	1,915,350	1,915,350
FNMA	1,197,800	1,197,800
U.S. Treasury Securities	10,837,479	10,837,479
Commercial Paper	2,491,795	2,491,795
Municipal Bonds	1,052,370	1,052,370
Total Investments by Fair Value Level	\$ 45,710,485	45,710,485
Investments not subject to fair value hierarchy:		
Local Agency Investment Fund (LAIF)		22,921,923
California Asset Management Program (CAMP)		17,570,703
Money Market Mutual Funds		79,351
Held by Fiscal Agent		
Money Market Mutual Funds		2,057,566
Total investments not subject to fair value hierarchy		42,629,543
Total investments		\$ 88,340,028

Investments securities classified in Level 2 of the fair value hierarchy are valued using prices determined by the use of matrix pricing techniques maintained by the pricing vendors for these securities. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

## Note 4 – Leases Receivable

The District leases land, primarily cell tower sites, and recognizes leases receivable. Leases receivable consist of agreements with others for the "right-to-use" the underlying land asset at various locations owned by the District. The remaining terms of the agreements that were used in calculating the leases receivable range from 6 to 33 years, and include options to extend the leases, since the District is reasonably certain that these options will be exercised. The calculated interest rates used to calculate the net present value of the leases receivable vary depending on the length of the lease.

For the fiscal year ended June 30, 2023, the District recognized \$639,127 in lease revenue and \$307,466 in interest revenue, and the outstanding receivable amount was \$9,759,167. For the fiscal year ended June 30, 2022, the District recognized \$638,090 in lease revenue and \$324,276 in interest revenue, and the outstanding receivable amount was \$10,349,882.

For the years ended June 30, 2023 and June 30, 2022

## Note 4 – Leases Receivable (continued)

A summary of changes in leases receivable for the fiscal year ended June 30, 2023 was as follows:

					Amounts	Amounts
Balance				Due Within	Due in More	
July 1, 2022	Remeasurement	Additions	Reductions	June 30, 2023	One Year	Than One Year
\$ 10,349,882	\$ (195,799) \$	;	\$ (394,916)	\$ 9,759,167	\$ 403,389	\$ 9,355,778

A summary of changes in leases receivable for the fiscal year ended June 30, 2022 was as follows:

Amounts					1	Amounts					
	BalanceDue Within				Due Within	Dı	ue in More				
	July 1, 2021	Remeasure	ement	Additions	Reductions	Ju	ne 30, 2022		One Year	Tha	an One Year
\$	7,540,410	\$	\$	3,173,746	\$ (364,274)	\$	10,349,882	\$	394,170	\$	9,955,712

At June 30, 2023, the required payments for these leases, including interest, are:

Year Ending June 30	Lease Receivable	Lease Receivable Interest	
2024	\$ 403,389	\$ 295,544	\$ 698,933
2025	435,537	282,948	718,485
2026	472,936	269,326	742,262
2027	511,088	254,514	765,602
2028	548,395	238,580	786,975
2029–2033	2,464,679	951,764	3,416,443
2034–2038	1,347,179	655,922	2,003,101
2039–2043	1,050,623	480,835	1,531,458
2044–2048	1,362,739	296,738	1,659,477
2049–2053	1,054,788	77,498	1,132,286
2054–2057	107,814	3,706	111,520
	\$ 9,759,167	\$ 3,807,375	\$ 13,566,542

As of June 30, 2023, the amounts reported as lease-related deferred inflows of resources will be recognized as lease revenue in the upcoming years as follows:

Year Ending June 30		Total
2024	\$	613,500
2025		613,500
2026		613,500
2027		613,500
2028		613,500
2029–2033		2,444,504
2034–2038		1,231,959
2039–2043		830,895
2044–2048		798,608
2049–2053		512,875
2054–2057		67,005
	\$	8,953,346

For the years ended June 30, 2023 and June 30, 2022

### Note 5 – Inventories

Inventories at June 30, 2023 and 2022 were as follows:

	 2023	 2022
Water inventory	\$ 191,787	\$ 166,676
Materials inventory	1,467,829	1,348,229
Total	\$ 1,659,616	\$ 1,514,905

Materials inventory was reduced by an allowance for obsolete inventory of \$206,600 and \$71,600 at June 30, 2023 and 2022, respectively.

## Note 6 – Capital Assets

A summary of changes in capital assets for the year ended June 30, 2023, is as follows:

	Balance July 1, 2022 As Restated	Additions	Deletions	Transfers/ Adjustments	Balance June 30, 2023
Capital assets, not being depreciated:					
Land	\$ 11,005,363	\$	\$	\$	\$ 11,005,363
Steel water storage tanks	19,861,397				19,861,397
Construction in progress	7,559,275	15,402,007	(11,518,688)	(83,911)	11,358,683
Total capital assets, not					
being depreciated	38,426,035	15,402,007	(11,518,688)	(83,911)	42,225,443
Capital assets, being depreciated/amortized:					
Treatment and distribution system	308,378,862	7,248,947	(540,285)		315,087,524
Capacity rights	27,739,008				27,739,008
Non-steel tanks	39,102,610	71,659	(183,913)		38,990,356
General plant	192,118,381	4,489,677	(1,900,082)	83,911	194,791,887
Subscription assets	247,215	—	—	—	247,215
Total capital assets, being					
depreciated/amortized	567,586,076	11,810,283	(2,624,280)	83,911	576,855,990
Accumulated depreciation/amortization:					
Treatment and distribution system	(115,962,904)	(7,477,867)	424,549		(123,016,222)
Capacity rights	(19,644,628)	(1,143,163)			(20,787,791)
Non-steel tanks	(14,512,671)	(947,465)	86,627	_	(15,373,509)
General plant	(80,621,251)	(6,275,168)	1,831,751		(85,064,668)
Subscription assets	(56,973)	(67,127)			(124,100)
Total accumulated					
depreciation/amortization	(230,798,427)	(15,910,790)	2,342,927		(244,366,290)
Total capital assets, being depreciated/amortized, net	336,787,649	(4,100,507)	(281,353)	83,911	332,489,700
Total capital assets, net	\$375,213,684	\$ 11,301,500	\$(11,800,041)		\$374,715,143
iotai capitai assets, net	<i>4919,219,00</i> 7	Ψ 11,J01,J00	ψ(11,000,071)	Ψ	Ψ <i>J</i> (1,(1 <i>J</i> ,1 <sup>†</sup> <i>J</i> )

For the years ended June 30, 2023 and June 30, 2022

## Note 6 - Capital Assets (continued)

A summary of changes in capital assets for the year ended June 30, 2022, is as follows:

	Balance July 1, 2021	Prior Period Adjustment	Additions	Deletions	Transfers/ Adjustments	Balance June 30, 2022
Capital assets, not being						
depreciated:						
Land	\$ 11,005,363	\$	\$	\$	\$	\$ 11,005,363
Steel water storage tanks	19,861,397		—			19,861,397
Construction in progress	10,729,766		9,201,825	(216,507)	(12,155,809)	7,559,275
Total capital assets, not						
being depreciated	41,596,526		9,201,825	(216,507)	(12,155,809)	38,426,035
Capital assets, being depreciated/amortized: Treatment and						
distribution system	299,032,731		377,412	(1,109,478)	10,078,197	308,378,862
Capacity rights	27,739,008		—			27,739,008
Non-steel tanks	38,948,261		—	(44,230)	198,579	39,102,610
General plant	191,242,450		15,949	(1,019,051)	1,879,033	192,118,381
Subscription assets		155,841	91,374			247,215
Total capital assets, being depreciated/				<i>(</i> , , , , , , , , , , , , , , , , , , ,		
amortized	556,962,450	155,841	484,735	(2,172,759)	12,155,809	567,586,076
Accumulated depreciation/amortization: Treatment and						
distribution system	(109,575,980)		(7,292,922)	905,998		(115,962,904)
Capacity rights	(18,375,426)	—	(1,269,202)	—	—	(19,644,628)
Non-steel tanks	(13,588,441)		(945,558)	21,328		(14,512,671)
General plant	(75,031,873)	—	(6,568,298)	978,920	—	(80,621,251)
Subscription assets			(56,973)			(56,973)
Total accumulated depreciation/	(		(			
amortization	(216,571,720)		(16,132,953)	1,906,246		(230,798,427)
Total capital assets, being depreciated/ amortized, net	340,390,730	155,841	(15,648,218)	(266,513)	12,155,809	336,787,649
	5-10,390,730	155,041	(13,070,210)	(200,313)	12,100,009	550,707,079
Total capital assets, net	\$381,987,256	\$ 155,841	\$ (6,446,393)	\$ (483,020)	<u>\$                                    </u>	\$375,213,684

Depreciation expense for depreciable capital assets was \$14,700,500 and \$14,806,778 for the years ended June 30, 2023 and 2022, respectively. Amortization expense for amortizable capital assets was \$1,210,290 and \$1,326,175 for the years ending 2023 and 2022, respectively.

For the years ended June 30, 2023 and June 30, 2022

## Note 6 - Capital Assets (continued)

Construction in progress consisted of the following at June 30:

	2023	2022	
San Elijo Valley Groundwater	\$ 4,444,633	\$ 3,976,006	
Replace Neighborhood 1 SPS	2,957,396	725,533	
DCMWTP Condition Assessment	606,974	400	
Hydropower Turbine Refurbishment	402,635	234,153	
Replace Headworks Manual System	353,447	121,850	
Manchester Recycled Extension		821,290	
Other capital projects	2,593,598	1,680,043	
Total construction in progress	\$ 11,358,683	\$ 7,559,275	

## Note 7 – Accounts Payable

Accounts payable to be paid from unrestricted current assets are as follows at June 30:

	 2023	 2022
Water purchases	\$ 5,177,992	\$ 5,780,870
Construction in progress	1,256,888	450,332
Other	1,373,664	1,494,396
Total	\$ 7,808,544	\$ 7,725,598

Accounts payable, to be paid from restricted current assets was as follows at June 30:

	2	2023		2022	
Construction in progress	\$	74,242	\$	26,732	
	\$	74,242	\$	26,732	

For the years ended June 30, 2023 and June 30, 2022

## Note 8 – Long-Term Debt

A summary of changes in long-term debt for the year ended June 30, 2023 is as follows:

	Balance July 1, 2022			Balance	Due Within	Due More Than
	As Restated	Additions	Deletions	June 30, 2023	One Year	One Year
Notes Payable:						
2013 Note Payable –	¢ 11 162 026	¢	¢ (017 50()	¢ 10 245 240	¢ 415.000	¢ 0.020.472
direct borrowing	\$ 11,162,926	<u>\$                                    </u>	\$ (817,586)	\$ 10,345,340	\$ 415,868	\$ 9,929,472
Notes Payable	11,162,926		(817,586)	10,345,340	415,868	9,929,472
SBITA Liability:						
SBITA Liability –	101 (00		((5,04())	115 752	(7.052	47.000
direct borrowing	181,698		(65,946)	115,752	67,952	47,800
SBITA Liability	181,698		(65,946)	115,752	67,952	47,800
Revenue Bonds:						
Publicly Offered: 2015 Water System						
Refunding Revenue Bonds	12,525,000		(1,845,000)	10,680,000	1,935,000	8,745,000
Plus unamortized	12,929,000		(1,075,000)	10,000,000	1,955,000	0,749,000
bond premiums	1,082,376		(322,340)	760,036		760,036
2016 Water System	1,002,970		(322,310)	100,000		100,050
Refunding Revenue Bonds	12,890,000		(560,000)	12,330,000	585,000	11,745,000
Plus unamortized	,0,0,0,000		(000,000)	,,	,	,. ,. ,. ,
bond premiums	799,319		(91,082)	708,237		708,237
Direct Placement Borrowing:						
2021A Wastewater						
Revenue Bonds	4,796,400	_	(207,240)	4,589,160	211,680	4,377,480
2021B Wastewater						
Revenue Bonds	3,513,900		(569,840)	2,944,060	575,630	2,368,430
Revenue Bonds, net	35,606,995		(3,595,502)	32,011,493	3,307,310	28,704,183
2019 Special Assessment Debt						
with Government Commitment	5,457,755	_	(863,064)	4,594,691	883,019	3,711,672
Total	\$ 52,409,374	\$	\$ (5,342,098)		\$ 4,674,149	\$ 42.393.127
10141	<i>\(\nu\)</i>	Ψ	<i>(</i> ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	¢ 11,001,210	φ 1,071,±17	Ψ 12,373,±21

For the years ended June 30, 2023 and June 30, 2022

## Note 8 – Long-Term Debt (continued)

A summary of changes in long-term debt for the year ended June 30, 2022 is as follows:

	Balance July 1, 2021 As Restated	Additions	Deletions	Balance June 30, 2022	Due Within One Year	Due More Than One Year
Notes Payable:				<u> </u>		
2013 Note Payable –						
direct borrowing	\$ 11,961,997	<u>\$                                    </u>	<u>\$ (799,071)</u>	\$ 11,162,926	\$ 406,452	\$ 10,756,474
Notes Payable	11,961,997		(799,071)	11,162,926	406,452	10,756,474
SBITA Liability: SBITA Liability –	155 041	01 274	(65 517)	101 600	65 046	115 750
direct borrowing	155,841	91,374	(65,517)	181,698	65,946	115,752
SBITA Liability	155,841	91,374	(65,517)	181,698	65,946	115,752
Revenue Bonds: Publicly Offered: 2015 Water System						
Refunding Revenue Bonds Plus unamortized	14,275,000	_	(1,750,000)	12,525,000	1,845,000	10,680,000
bond premiums 2016 Water System	1,455,315	—	(372,939)	1,082,376	—	1,082,376
Refunding Revenue Bonds Plus unamortized	13,420,000	—	(530,000)	12,890,000	560,000	12,330,000
bond premiums Direct Placement Borrowing: 2018 Wastewater	896,208		(96,889)	799,319	—	799,319
Revenue Bonds 2021A Wastewater	4,013,000	—	(4,013,000)	—	—	
Revenue Bonds 2021B Wastewater	—	5,042,140	(245,740)	4,796,400	207,240	4,589,160
Revenue Bonds		3,932,970	(419,070)	3,513,900	569,840	2,944,060
Revenue Bonds, net	34,059,523	8,975,110	(7,427,638)	35,606,995	3,182,080	32,424,915
2019 Special Assessment Debt						
with Government Commitment	6,300,863		(843,108)	5,457,755	863,064	4,594,691
Total	\$ 52,478,224	\$ 9,066,484	\$ (9,135,334)	\$ 52,409,374	\$ 4,517,542	\$ 47,891,832

For the years ended June 30, 2023 and June 30, 2022

## Note 8 – Long-Term Debt (continued)

### 2013 Note Payable

On February 24, 2012, the District entered into an agreement with the State of California Department of Public Health for a loan not to exceed \$17,812,998 (2013 Note Payable), under and pursuant to Part 12, Chapter 4 of Division 104 of the Health and Safety Code and California Code of Regulations Title 22 to assist in financing construction of a project which will enable the District to meet safe drinking water standards. The loan repayment term commenced on the due date of the first principal and interest invoice, which was on January 19, 2015, and expires twenty years after the due date of the first principal and interest invoice. The rate of interest to be paid on the principal amount of the loan is 2.3035% annually. At June 30, 2023, the outstanding loan balance was \$10,345,340. The due dates for the debt service payments are July 1 and January 1. Because of the July 1 debt service due date, the District makes this payment by June 30.

Future debt service requirements for the above note payable based on the initial loan rate is as follows:

Year Ending June 30,	Pri	Principal Interest		Total		
2024	\$	415,868	\$	119,152	\$	535,020
2025		846,161		223,880		1,070,041
2026		865,765		204,277		1,070,042
2027		885,822		184,220		1,070,042
2028		906,345		163,697		1,070,042
2029–2033	2	1,856,592		493,616		5,350,208
2034–2035	]	,568,787		36,275		1,605,062
Total	\$ 10	),345,340	\$	1,425,117	\$	11,770,457

### 2015 Water System Refunding Revenue Bonds Payable

On August 27, 2015, the District issued Water System Refunding Revenue Bonds, Series 2015A in the amount of \$23,455,000 for the purpose of refunding \$26,290,000 of the outstanding balance of the Water Revenue Refunding Bonds, Series 2006A. The 2015A bonds are limited obligation bonds maturing annually from December 1, 2015 to June 1, 2028 bearing various interest rates between 2.0% and 5.0%.

The District has pledged all of the Net Water System Revenues for the debt service payments of the bond. The total principal and interest remaining to be paid on the bonds is \$12,039,875. For the current year, principal and interest paid on the bonds was \$2,412,625. 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 original deferred loss on refunding of \$610,166 is being amortized over the remaining life of the refunded debt. Amortization expense totaled \$68,909 for the year ended June 30, 2023. The remaining unamortized balance was \$162,479 at June 30, 2023.

A summary of the refunding bonds is as follows:

	Interest Rates	Fiscal Year Maturities (varying amounts)	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
_	2%-5%	2024–2027	\$ 10,180,000	\$	\$ (1,845,000)	\$ 8,335,000
	3%	2028	2,345,000			2,345,000
			\$ 12,525,000	\$	\$ (1,845,000)	\$ 10,680,000

For the years ended June 30, 2023 and June 30, 2022

## Note 8 – Long-Term Debt (continued)

### 2015 Water System Refunding Revenue Bonds Payable (continued)

Total bonds outstanding as of June 30, 2023, including unamortized bond premiums were as follows:

Principal outstanding at June 30, 2023	\$ 10,680,000
Plus unamortized bond premium	 760,036
Total bonds outstanding at June 30, 2023	\$ 11,440,036

Future debt service requirements for the above bonds are as follows:

Year Ending June 30,	Principal	Principal Interest		Total	
2024	\$ 1,935,	000 \$ 4	475,375 \$	5 2,410,375	
2025	2,035,	000	378,625	2,413,625	
2026	2,130,	000	276,875	2,406,875	
2027	2,235,	000	170,375	2,405,375	
2028	2,345,	000	58,625	2,403,625	
Total	\$ 10,680,	000 \$ 1,3	359,875 \$	5 12,039,875	

### 2016 Water System Refunding Revenue Bonds Payable

On October 19, 2016, the District issued Water System Refunding Revenue Bonds, Series 2016A in the amount of \$15,990,000 for the purpose of refunding \$16,610,000 of the outstanding balance of the Water Revenue Refunding Bonds, Series 2009. The 2016A bonds are limited obligation bonds maturing annually from December 1, 2016 to June 1, 2039 bearing various interest rates between 2.125% and 5.0%.

The District has pledged all of the Net Water System Revenues for the debt service payment of the bond. The total principal and interest remaining to be paid on the bonds is \$15,609,690. For the current year, principal and interest paid on the bonds was \$979,913. The bonds contain various covenants and restrictions, principally that the District fix, prescribe, collect rates and charges for the Water Service, which are reasonably expected to be at least sufficient to yield, during each fiscal year net service revenues equal to one hundred and twenty-five percent (125%) of the debt service on senior obligations for such fiscal year, and one hundred percent (100%) of debt service on all obligations for such fiscal year.

The District refunded the Water Revenue Refunding Bonds, Series 2009 to reduce its total debt service payments over 22 years by \$3,683,827 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$2,753,343.

The original deferred loss on refunding of \$1,196,934 is being amortized over the remaining life of the refunded debt. Amortization expense totaled \$89,432 for the year ended June 30, 2023. The remaining unamortized balance was \$695,407 at June 30, 2023.

A summary of the refunding bonds is as follows:

Interest Rates	Fiscal Year Maturities (varying amounts)	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
2%-5%	2024–2036	\$ 10,135,000	\$	\$ (560,000)	\$ 9,575,000
2.5%	2037-2039	2,755,000			2,755,000
		\$ 12,890,000	\$	\$ (560,000)	\$ 12,330,000

For the years ended June 30, 2023 and June 30, 2022

## Note 8 – Long-Term Debt (continued)

### 2016 Water System Refunding Revenue Bonds Payable (continued)

Total bonds outstanding as of June 30, 2023, including unamortized bond premiums were as follows:

Principal outstanding at June 30, 2023	\$ 12,330,000
Plus unamortized bond premium	 708,237
Total bonds outstanding at June 30, 2023	\$ 13,038,237

Future debt service requirements for the above bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 585,000	\$ 391,913	\$ 976,913
2025	615,000	362,663	977,663
2026	645,000	331,913	976,913
2027	675,000	299,663	974,663
2028	705,000	272,663	977,663
2029–2033	3,820,000	1,056,050	4,876,050
2034–2038	4,340,000	536,475	4,876,475
2039	945,000	28,350	973,350
Total	\$ 12,330,000	\$ 3,279,690	\$ 15,609,690

### 2018 Wastewater Revenue Bonds Payable

On June 26, 2018, the District issued Wastewater (Sewer) Revenue Bonds, Series 2018A in the amount of \$5,500,000 to finance improvements to the administrative and operations building at 1966 Olivenhain Road, Encinitas, CA. The administration and operations buildings provide support for all of the District's activities related to potable water, recycled water, and wastewater throughout the District's service area.

The District has pledged Net Wastewater (Sewer) System Revenues for debt service payments of the 2018 bonds. The bonds contain various covenants and restrictions, principally that the District collect sewer charges for the Wastewater Service, which are reasonably expected to be at least sufficient to yield, during each fiscal year net service revenues equal to one hundred and twenty-five percent (125%) of the debt service on senior obligations for such fiscal year, and one hundred percent (100%) of debt service on all obligations for such fiscal year.

The 2018 bonds are limited obligation bonds maturing annually from June 1, 2019 to June 1, 2028 bearing an interest rate of 3.1%. The remaining balance of the bonds was paid off in fiscal year 2022 with proceeds from the 2021B Wastewater Revenue Bonds.

### 2019 Reassessment District 96-1 Limited Obligation Improvement Bonds

In July 2019 the District issued Limited Obligation Improvement Bonds Reassessment District No. 2019-96-1 (OMWD Water Storage Project) in the amount of \$7,130,000. The Reassessment District 2019-96-1 bonds are limited obligations of the District payable solely from Special Assessments that were previously assessed pursuant to the terms and provisions of the Municipal Improvement Act of 1913 (Division 12 of the Streets and Highways Code of the State of California) to form Assessment District No. 96-1 (OMWD Storage Project). The Reassessment District 2019-96-1 bonds were issued to provide funds to refund and refinance the outstanding principal amount of the District's 2007 Reassessment District No. 96-1 (OMWD Water Storage Project), and to pay for the costs of issuance incurred. The bonds were refinanced at an interest rate of 2.09% and mature in September 2027. The aggregate debt service payments of the new debt are \$2.84 million less than the old debt. The issuance of the new debt and the refunding of the old debt resulted in an economic gain (the difference between the net present value of the old debt and new debt service payments) of approximately \$2.59 million.

For the years ended June 30, 2023 and June 30, 2022

## Note 8 – Long-Term Debt (continued)

### 2019 Reassessment District 96-1 Limited Obligation Improvement Bonds (continued)

Purchasers of the Bonds will not receive certificates representing their beneficial ownership in the Bonds but will receive credit balances on the books of their respective nominees. Principal of and interest on the Bonds are payable by the trustee, and such principal and interest payments, and premium, if any, are to be disbursed to the beneficial owners of the Bonds through their nominees. Installments of principal and interest sufficient to meet annual Bond debt service are included on the regular county tax bills sent to owners of property against which there are unpaid reassessments.

Future debt service requirements for the above bonds are as follows:

Year Ending June 30,	P	rincipal	Ι	nterest	Total
2024	\$	883,019	\$	86,801	\$ 969,820
2025		897,985		68,190	966,175
2026		917,940		49,214	967,154
2027		937,896		29,820	967,716
2028		957,851		10,010	967,861
Total	\$	4,594,691	\$	244,035	\$ 4,838,726

### 2021A Wastewater Revenue Bonds

On October 27, 2021 the District issued Wastewater Revenue Bonds, Series 2021A in the amount of \$5,042,140 to finance wastewater (sewer) improvements at the 4S Wastewater Treatment Plant, including rehabilitations, replacements, and modifications to the existing Neighborhood One Sewer Pump Station and the Headworks Screening System at the 4S Wastewater Treatment Plant. The Series 2021A bonds mature on June 1, 2041 and carry an interest rate of 2.14%. The District's annual debt service cost for the 2021A bonds is approximately \$310,000. The 2021A Bonds were tax-exempt bonds issued by the OMWD Financing Authority. The District and the OMWD Financing Authority entered into installment purchase agreements to repay the 2021A Bonds from net wastewater revenues. The 2021A Bonds were directly purchased by Sterling National Bank through a private placement financing process.

The District has pledged all of the Net Sewer System Revenues for the debt service payment of the bond. The total principal and interest remaining to be paid on the bonds is \$5,277,971. For the current year, principal and interest paid on the bonds was \$309,883. The bonds contain various covenants and restrictions, principally that the District fix, prescribe, collect rates and charges for wastewater service, which are reasonably expected to be at least sufficient to yield, during each fiscal year net service revenues equal to one hundred and twenty-five percent (125%) of the debt service on senior obligations for such fiscal year, and one hundred percent (100%) of debt service on all obligations for such fiscal year.

Future debt service requirements for the above bonds are as follows:

Year Ending June 30,	Рг	rincipal	Ι	nterest	Total
2024	\$	211,680	\$	98,208	\$ 309,888
2025		216,210		93,678	309,888
2026		220,840		89,051	309,891
2027		225,560		84,325	309,885
2028		230,390		79,498	309,888
2029–2033		1,228,040		321,392	1,549,432
2034–2038		1,365,200		184,245	1,549,445
2039–2041		891,240		38,414	929,654
Total	\$	4,589,160	\$	988,811	\$ 5,577,971

For the years ended June 30, 2023 and June 30, 2022

## Note 8 – Long-Term Debt (continued)

### 2021B Wastewater Revenue Bonds

On October 27, 2021, the District also issued 2021B Refunding Revenue Bonds in the amount of \$3,932,970 to refund and refinance the existing 2018A Sewer Revenue Bonds, which were issued in fiscal year 2018 to finance improvements to the District's administrative and operations building at 1966 Olivenhain Road, Encinitas, CA. The District received an interest rate of 1.14% for the 2021B Refunding Revenue Bonds, which resulted in an estimated net present value savings of \$243,942 after the cost of issuance. The 2021B bonds mature on June 1, 2028. The 2021B Bonds were tax-exempt bonds issued by the OMWD Financing Authority. The District and the OMWD Financing Authority entered into installment purchase agreements to repay the 2021B Bonds from net wastewater revenues. The 2021B Bonds were directly purchased by Sterling National Bank through a private placement financing process.

The District has pledged all of the Net Wastewater System Revenues for the debt service payment of the bond. The total principal and interest remaining to be paid on the bonds is \$3,045,506. For the current year, principal and interest paid on the bonds was \$609,898. The bonds contain various covenants and restrictions, principally that the District fix, prescribe, collect rates and charges for wastewater service, which are reasonably expected to be at least sufficient to yield, during each fiscal year net wastewater service revenues equal to one hundred and twenty-five percent (125%) of the debt service on senior obligations for such fiscal year, and one hundred percent (100%) of debt service on all obligations for such fiscal year.

The District refunded the 2018 Wastewater Revenue Refunding Bonds to reduce its total debt service payments by \$259,233 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$243,942.

Year Ending June 30,	Pı	rincipal	I	nterest	Total
2024	\$	575,630	\$	33,562	\$ 609,192
2025		581,980		27,000	608,980
2026		588,890		20,366	609,256
2027		595,310		13,652	608,962
2028		602,250		6,866	609,116
Total	\$	2,944,060	\$	101,446	\$ 3,045,506

Future debt service requirements for the above bonds are as follows:

### Subscription-Based Information Technology Arrangements (SBITA) Liability

The District entered into various subscription-based IT arrangements and has recorded a liability to offset the right-to-use assets. These are calculated using the U.S. Treasury rates at the time of GASB Statement No. 96 implementation.

Future minimum payments on SBITA liabilities are as follows:

Year Ending June 30,	Р	rincipal	In	terest	Total
2024	\$	67,952	\$	2,432	\$ 70,384
2025		38,096		916	39,012
2026		9,704		49	 9,753
Total	\$	115,752	\$	3,397	\$ 119,149

For the years ended June 30, 2023 and June 30, 2022

## Note 9 – Compensated Absences

Vested or accumulated vacation and sick leave is recorded as an expense and liability as benefits accrue to employees. Summary of changes in compensated absences for the year ended June 30, 2023 and 2022, were as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year	More Than One Year
June 30, 2023	\$ 1,936,026	\$ 1,110,651	\$ (895,380)	\$ 2,151,297	\$ 961,314	\$ 1,189,983
June 30, 2022	1,687,576	1,240,740	(992,290)	1,936,026	996,839	939,187

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## Note 10 - Employee Retirement Systems

### A. General Information about the Pension Plan

**Plan Description** – All qualified full-time District employees are required to participate in the District's Miscellaneous Plan with California Public Employee's Retirement System (CalPERS). Employees hired prior to January 1, 2013 participate in the Miscellaneous Classic plan while employees hired January 1, 2013 and after participate in the Miscellaneous PEPRA (Public Employees' Reform Act) plan. Both plans, Classic and PEPRA, are considered a single pension plan. CalPERS provides retirement, disability benefits, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. A menu of benefit provisions as well as other requirements is established by State statutes within the Public Employee's Retirement Law. The District selects certain benefit provisions from the CalPERS' menu by contract with CalPERS and adopts those benefits through the Board's approval. Benefits provisions and all other requirements are established by State statute, the District's resolutions, and the memorandum of understanding between the Olivenhain Municipal Water District and the Olivenhain Municipal Water District Employees Association and the Bargaining Unit Members Association. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions and membership information that can be found on the CalPERS website.

**Benefits Provided** – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 or 52 with statutorily reduced benefits. All members are eligible for non-industrial disability benefits after five (5) years of service. The death benefit is one of the following: Basic Death Benefit, 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2023, 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	11.600%	7.600%			

For the years ended June 30, 2023 and June 30, 2022

## Note 10 - Employee Retirement Systems (continued)

### A. General Information about the Pension Plan (continued)

**Contributions** – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. District contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions requirements are classified as plan member contributions.

**Pension Funding Policy** – In June 2022, The District's Board of Directors established a Pension Funding Policy to address the District's pension liability and to achieve a minimum target funded ratio goal of 85% by making additional discretionary payments to CalPERS and funding the District's Pension Stabilization Fund.

### B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

Deferred outflow from pensions resulting from changes in assumptions. This amount is amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plans determined as of June 30, 2022. As of June 30, 2023 and 2022 respectively, the District reported net pension liabilities for its proportionate shares of the net pension liability as follows:

	2023	2022
Classic and PEPRA plans	\$ 16,832,760	\$ 7,819,768
Total net pension liability	\$ 16,832,760	\$ 7,819,768

The District Plans' net pension liability is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The following is the approach established by the plan actuary to allocate the net pension liability and pension expense to the individual employers within the risk pool:

- (1) In determining a cost-sharing plan's proportionate share, total amounts of liabilities and assets are first calculated for the risk pool as a whole on the valuation date (June 30, 2021). The risk pool's fiduciary net position ("FNP") subtracted from its total pension liability ("TPL") determines the net pension liability ("NPL") at the valuation date.
- (2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement date (June 30, 2022). Risk pool FNP at the measurement date is then subtracted from this number to compute the NPL for the risk pool at the measurement date. For purposes of FNP in this step and any later reference thereto, the risk pool's FNP at the measurement date denotes the aggregate risk pool's FNP at June 30, 2022 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (fiscal year 2022).
- (3) The individual plan's TPL, FNP, and NPL are also calculated at the valuation date.

For the years ended June 30, 2023 and June 30, 2022

## Note 10 - Employee Retirement Systems (continued)

- B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (continued)
  - (4) Two ratios are created by dividing the plan's individual TPL and FNP as of the valuation date from step (3) by the amounts in step (1), the risk pool's total TPL and FNP, respectively.
  - (5) The plan's TPL as of the measurement date is equal to the risk pool TPL generated in step (2) multiplied by the TPL ratio generated in step (4). The plan's FNP as of the measurement date is equal to the FNP generated in step (2) multiplied by the FNP ratio generated in step (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.
  - (6) The plan's NPL at the measurement date is the difference between the TPL and FNP calculated in step (5).

The District's proportionate share of the net pension liability for each Plan as of the measurement date ended June 30, 2021 and 2022 was as follows:

C	Classic and PEPRA Plans
Proportion – June 30, 2020 (MD)	0.34634%
Proportion – June 30, 2021 (MD)	0.41183%
Change – Increase (Decrease)	0.06549%
Proportion – June 30, 2021 (MD)	0.41183%
Proportion – June 30, 2022 (MD)	0.30884%
Change – Increase (Decrease)	-0.10299%

For the years ended June 30, 2023 and 2022, the District recognized pension expense of \$3,014,862 and \$2,490,376, respectively. At June 30, 2023 and 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	20	)23	2022			
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources		
Pension contributions subsequent to measurement date	\$ 2,376,470	\$	\$ 1,854,789	\$		
Differences between actual and expected experience	111,634	Ф —	876,903	÷		
Change in assumptions	1,724,868	_	, 			
Changes in proportions	_	(224,189)	_	(112,478)		
Differences between the employer's contributions and the employer's proportionate share						
of contributions		(495,982)	—	(57,165)		
Net differences between projected and actual						
earnings on plan investments	3,083,314	—	—	(6,826,244)		
Total	\$ 7,296,286	\$ (720,171)	\$ 2,731,692	\$ (6,995,887)		

For the years ended June 30, 2023 and June 30, 2022

## Note 10 - Employee Retirement Systems (continued)

# B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

The District reported \$2,376,470 as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,		Amount		
2024		\$	993,591	
2025			854,647	
2026			465,546	
2027	_		1,885,861	
Total		\$	4,199,645	

Deferred outflows of resources related to the contribution made subsequent to the measurement date in the amount of \$1,854,789 were recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Amount
2023	\$ (1,300,816
2024	(1,384,906
2025	(1,546,843
2026	(1,886,419
Total	\$ (6,118,984

Actuarial Assumptions – For the measurement period ended June 30, 2022 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2021 total pension liability determined in the June 30, 2021 actuarial accounting valuation. The June 30, 2022 total pension liability was based on the following actuarial methods and assumptions:

	Classic and PEPRA Plans
Valuation date	June 30, 2021
Measurement date	June 30, 2022
Actuarial cost method	Entry-Age Normal Cost Method
Actual assumptions:	
Discount rate	6.90%
Inflation	2.75%
Salary increases	(1)
Mortality rate table	(2)
Post retirement benefit increase	(3)

(1) Varies by entry age and service.

(2) The mortality table used was developed based on CalPERS specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the April 2014 experience study report (based on CalPERS demographic data from 1997 to 2011) available on the CalPERS website.

(3) Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter.

For the years ended June 30, 2023 and June 30, 2022

## Note 10 - Employee Retirement Systems (continued)

# B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

**Change in Assumptions** – GASB 68, paragraph 30 states that the long-term expected rate of return should be determined net of pension plan investment expense, but without reduction for pension plan administrative expense. In fiscal year 2023, the actuarial report did not have a change of assumption. In fiscal year 2018, the discount rate was reduced from 7.65% to 7.15%. In fiscal year 2023, the discount rate was changed from 7.15% to 6.90%. All other actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period 1997 to 2015, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found on the CalPERS website.

**Discount Rate** – The discount rate used to measure the total pension liability was 6.90% for each Plan and reflects the long-term expected rate of return for each Plan net of investment expenses and without reduction for administrative expenses. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the Plans, the tests revealed the assets would not run out. Therefore, the current 6.90% discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long term expected discount rate of 6.90% is applied to all plans in the Public Employees Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long term expected rate of return, CalPERS took into account both short term and long term market return expectations as well as the expected pension fund (PERF) cash flows. Taking into account historical returns of all the Public Employees Retirement Funds' asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C funds), expected compound (geometric) returns were calculated over the short term (first 10 years) and the long-term (11-60 years) using a building block approach. Using the expected nominal returns for both short term and long term, the present value of benefits was calculated for each PERF fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short term and long term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

For the years ended June 30, 2023 and June 30, 2022

## Note 10 - Employee Retirement Systems (continued)

# B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

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, 2014.

Asset Class	New Strategic Allocation	Real Return	
Global equity – cap-weighted	30.00%	4.45%	
Global equity – non-cap-weighted	12.00%	3.84%	
Private equity	13.00%	7.28%	
Treasury	5.00%	0.27%	
Mortgage-backed securities	5.00%	0.50%	
Investment-grade corporates	10.00%	1.56%	
High yield	5.00%	2.27%	
Emerging market debt	5.00%	2.48%	
Private debt	5.00%	3.57%	
Real assets	15.00%	3.21%	
Leverage	-5.00%	-0.59%	
Total	100.00%		

**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			A Plans
2023				2022
1% decrease Net pension liability	\$	5.90% 25,863,266	\$	6.15% 15,848,851
Current discount rate Net pension liability	\$	6.90% 16,832,760	\$	7.15% 7,819,768
1% increase Net pension liability	\$	7.90% 9,402,895	\$	8.15% 1,182,239

**Pension Plan Fiduciary Net Position** – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

**Payable to the Pension Plan** – The District had no outstanding contributions to the pension plan required for the year ended June 30, 2023.

For the years ended June 30, 2023 and June 30, 2022

## Note 11 – Health Savings Plan

The Voluntary Employee Benefits Association ("VEBA") plan is a medical savings plan establishing a funded health reimbursement plan for eligible employees, former employees, and their dependents and beneficiaries as defined in the Plan pursuant to Internal Revenue Code Section 501 (c) (9). The District's VEBA plan was implemented on July 1, 2014 following the District's Board of Directors adoption of a resolution approving the VEBA program at the June 18, 2014 board meeting. During the years ended June 30, 2023 and 2022, the District contributed \$32,000 and \$21,550 to the VEBA plan, respectively.

### Note 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 \$482,802 and \$310,772 for the years ended June 30, 2023 and 2022, 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 \$123,103 and \$171,223 for the years ended June 30, 2023 and 2022, 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.

<u>Real and Personal Property and Mobile Equipment:</u> 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.

<u>Theft</u>, <u>Disappearance and Destruction Coverage</u>: \$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.

<u>Auto Coverage:</u> \$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.

<u>Workers' Compensation Coverage and Employer's Liability:</u> 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, 2022.

For the years ended June 30, 2023 and June 30, 2022

### Note 13 – Net Position

B.

### A. Net Investment in Capital Assets

Net Investment in Capital Assets at June 30 consisted of the following:

	2023	2022 As Restated
Net investment in capital assets		
Capital assets, nondepreciable	\$ 42,225,443	\$ 38,426,035
Capital assets, depreciable/amortizable, net	332,489,700	336,787,649
Deferred amount on refunding	857,886	1,016,228
Unspent debt proceeds	3,877,108	5,012,202
Current portion of long-term debt:		
Waste water revenue bonds	(787,310)	(777,080)
Water revenue refunding bonds	(2,520,000)	(2,405,000)
Special assessment debt with government commitment	(883,019)	(863,064)
Note payable	(415,868)	(406,452)
Subscription liability	(67,952)	(65,946)
Long-term debt, excluding current portion:	((745010))	(7 (22 220)
Waste water revenue bonds	(6,745,910)	(7,533,220)
Water revenue refunding bonds	(21,958,273)	(24,891,695)
Special assessment debt with government commitment	(3,711,672) (9,929,472)	(4,594,691) (10,756,474)
Note payable Subscription liability	(9,929,472) (47,800)	(10,750,474) (115,752)
Total net investment in capital assets	\$ 332,382,861	\$ 328,832,740
Restricted Net Position at June 30 consisted of the following:	2023	2022
Net position restricted for debt service: <u>Restricted assets</u>		
Cash	\$ 2,266,117	\$ 2,138,897
Investments	54,144	60,887
Taxes/assessments receivable	53,206	39,292
Total restricted assets for debt service	2,373,467	2,239,076
Less liabilities payable from restricted assets	(115,265)	(132,209)
Net position restricted for debt service	2,258,202	2,106,867
Net position restricted for construction: <u>Restricted assets</u>		
Cash	3,533,641	3,034,372
Investments	2,707,257	2,270,831
Grants receivable	2,078,788	342,520
Total restricted assets for construction	8,319,686	5,647,723
Less liabilities from restricted assets	(74,242)	(26,732)
Net position restricted for construction	8,245,444	5,620,991
Total restricted net position	\$ 10,503,646	\$ 7,727,858

For the years ended June 30, 2023 and June 30, 2022

## Note 13 - Net Position (continued)

### C. Unrestricted Net Position

Unrestricted funds are the District's Designated Fund Balances. These funds are designated by the District's Board of Directors to carry out specific purposes as stated in the Board Designated Fund Balances Policy ("Policy"). Unrestricted funds are reviewed annually with the Board to ensure compliance with the Policy. Changes to the Policy will require Board's approval. Unrestricted funds at June 30 consisted of the following:

	2023	2022 As Restated
Capital replacement reserve	\$ 45,586,928	\$ 47,486,992
Rate stabilization reserve	14,492,666	14,631,267
Pension stabilization reserve	481,838	_
Operating reserve	7,785,182	8,655,077
	\$ 68,346,614	\$ 70,773,336

The District received refund payments from the San Diego County Water Authority (SDCWA) in 2021 in the amount of \$3,661,917 for overpayments on water wholesale costs to the Metropolitan Water District of Southern California (MWD). The District's Board of Directors voted to return these refund payments to the District's potable water customers on their monthly water bills as a Rate Reimbursement Credit (RRC) of 6.9 cents per unit of water billed. These funds are held and paid from the District's rate stabilization reserves. As of June 30, 2023, the District has refunded \$584,483 to its customers via the RRC, leaving \$3,077,434 in the District's rate stabilization reserves for future refunds.

## Note 14 – Capital Contributions

Capital contributions for the years ended June 30, 2023 and 2022 were as follows:

	 2023		2022	
Contribution of capital assets	\$ 386,344	\$	393,361	
Other	 3,254,238		176,384	
Total	\$ 3,640,582	\$	569,745	

## Note 15 – Economic Dependency

All potable water sold by the District is purchased from the San Diego County Water Authority (SDCWA). The District purchased 15,921.4 acre-feet (AF) of potable water during fiscal year 2023, and 18,446.8 AF during fiscal year 2022. An acre foot (AF) is a unit of measure equivalent to 325,900 gallons of water, which meets the needs of two average families for one year. The District continues to offset potable water consumption used for irrigation with recycled water through the expansion of its recycled water system. The prospect of future droughts as well as water supply shortages drives the need to diversify water supplies by developing alternative water sources locally to reduce reliance on potable water purchased from SDCWA. Recycled water sold by the District to its retail customers is either produced at the 4S Ranch Water Reclamation Facility or purchased from Rancho Santa Fe Community Services District, the City of San Diego, San Elijo Joint Powers Authority, and Vallecitos Water District.

The District's recycled water system is comprised of two non-contiguous recycled water service areas, the Northwest and Southeast Quadrant. Recycled water sold by the District in the Northwest Quadrant is purchased from Vallecitos Water District and San Elijo Joint Powers Authority. Recycled water sold by the District in the Southeast Quadrant comes from the District's 4S Water Reclamation Facility and purchases from the District's recycled water supplier, the Rancho Santa Fe Community Services District and the City of San Diego.

For the years ended June 30, 2023 and June 30, 2022

## Note 16 – 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:

	2023	2022
Total open contracts	\$ 11,529	,585 \$ 12,135,465
Less costs incurred as of June 30,	(5,959	,591) (9,787,184)
Remaining contractual commitments	<u>\$ 5,569</u>	,994 \$ 2,348,281

### B. Litigation

Management is of the opinion that there are no outstanding legal litigations that would have a material effect on the basic financial statements.

### C. Grant Awards

Grant funds received by the District are subject to audit by the grantor agencies. Such audit could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under terms of the grant. Management of the District believes that such disallowances, if any, would not be significant.

For the years ended June 30, 2023 and June 30, 2022

## Note 17 – Segment Information

Although the District's financial statements jointly account for water and wastewater (sewer) services, investors in the 2015 and 2016 Water System Refunding Revenue Bonds rely solely on the revenues of the District's water services for repayment. Similarly, investors in the 2021A and 2021B Wastewater Revenue Bonds rely solely on the revenues of the District's water services for repayment. The following condensed financial statements provide a summary of the District's financial information for water and wastewater services for the fiscal year ended June 30, 2023.

### Condensed Statement of Net Position June 30, 2023

	Water Services	Wastewater Services	Total
ASSETS			
Current assets	\$ 84,070,451	\$ 19,797,922	\$ 103,868,373
Capital assets	315,590,122	59,125,021	374,715,143
Long-term assets	9,372,997		9,372,997
Total assets	409,033,570	78,922,943	487,956,513
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	857,886	—	857,886
Pension-related deferred outflows of resources	5,988,696	1,307,590	7,296,286
Total deferred outflows of resources	6,846,582	1,307,590	8,154,172
LIABILITIES			
Current liabilities	13,609,505	1,178,672	14,788,177
Long-term liabilities	49,798,425	10,617,445	60,415,870
Total liabilities	63,407,930	11,796,117	75,204,047
DEFERRED INFLOWS OF RESOURCES			
Pension-related deferred inflows of resources	554,532	165,639	720,171
Lease-related deferred inflows of resources	8,953,346		8,953,346
Total deferred inflows of resources	9,507,878	165,639	9,673,517
NET POSITION			
Net investment in capital assets	276,913,948	55,468,913	332,382,861
Restricted for debt service	2,258,202	—	2,258,202
Restricted for construction	8,245,444	—	8,245,444
Unrestricted	55,546,750	12,799,864	68,346,614
Total net position	\$ 342,964,344	\$ 68,268,777	\$ 411,233,121

For the years ended June 30, 2023 and June 30, 2022

## Note 17 – Segment Information (continued)

## Changes in Net Position For the Year Ended June 30, 2023

	Water Services	Wastewater Services	Total
OPERATING REVENUES			
Water sales	\$ 53,633,877	\$	\$ 53,633,877
Sewer charges	—	5,621,985	5,621,985
Other water operating revenues	1,084,666		1,084,666
Total operating revenues	54,718,543	5,621,985	60,340,528
OPERATING EXPENSES			
Cost of purchased water sold	29,609,781	—	29,609,781
Pumping and water treatment	4,353,775	—	4,353,775
Transmission and distribution	4,434,815	—	4,434,815
Sewer collection and treatment		2,026,695	2,026,695
Elfin Forest recreation operations	386,905	—	386,905
Facilities maintenance	1,203,294	71,457	1,274,751
Customer services	1,753,430	760	1,754,190
General and administrative	5,509,052	1,356,172	6,865,224
Other operating expenses	212,580		212,580
Depreciation and amortization	13,582,136	2,328,654	15,910,790
Total operating expenses	61,045,768	5,783,738	66,829,506
Operating income (loss)	(6,327,225)	(161,753)	(6,488,978)
NONOPERATING REVENUES (EXPENSES)			
Fair market value adjustment	(106,538)	(100,747)	(207,285)
Investment income	1,586,693	518,655	2,105,348
Property taxes	4,577,755	—	4,577,755
Capacity charges	1,327,295	—	1,327,295
Benefit assessments	1,045,315	—	1,045,315
Other nonoperating revenues	1,055,260	—	1,055,260
Interest expense, net	(1,073,928)	(146,228)	(1,220,156)
Other nonoperating expenses	(1,799,800)	(136,149)	(1,935,949)
Total nonoperating revenues (expenses)	6,612,052	135,531	6,747,583
Income (loss) before capital contributions	284,827	(26,222)	258,605
Capital contributions	3,183,050	457,532	3,640,582
Change in net position	3,467,877	431,310	3,899,187
Net position, beginning of year, as restated	339,496,467	67,837,467	407,333,934
Net position, end of year	\$ 342,964,344	\$ 68,268,777	\$ 411,233,121

For the years ended June 30, 2023 and June 30, 2022

## Note 17 – Segment Information (continued)

Condensed Statement of Cash Flows	
For the Year Ended June 30, 2023	

	 Water Services	1	Wastewater Services	 Total
Net cash provided by operating activities	\$ 7,471,972	\$	1,820,459	\$ 9,292,431
Net cash provided by noncapital and related financing activities	5,602,430		_	5,602,430
Net cash (used in) capital and related financing activities	(15,518,398)		(3,065,805)	(18,584,203)
Net cash provided by (used in) investing activities	 1,204,195		(40,133)	 1,164,062
Net increase (decrease) in cash and cash equivalents	(1,239,801)		(1,285,479)	(2,525,280)
Cash and cash equivalents, beginning	 41,996,391		13,950,634	 55,947,025
Cash and cash equivalents, ending	\$ 40,756,590	\$	12,665,155	\$ 53,421,745

For the years ended June 30, 2023 and June 30, 2022

## Note 17 – Segment Information (continued)

The following condensed financial statements provide a summary of the District's financial information for water and wastewater services for the fiscal year ended June 30, 2022.

#### Condensed Statement of Net Position 30 2022 Ju

une	30,	2022
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	Water Services	Wastewater Services	Total
ASSETS			
Current assets	\$ 85,222,038	\$ 20,985,823	\$ 106,207,861
Capital assets	316,650,025	58,563,659	375,213,684
Long-term assets	9,955,712	—	9,955,712
Other assets	35,463		35,463
Total assets	411,863,238	79,549,482	491,412,720
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	1,016,228	_	1,016,228
Pension-related deferred outflows of resources	2,473,959	257,733	2,731,692
Total deferred outflows of resources	3,490,187	257,733	3,747,920
LIABILITIES			
Current liabilities	13,354,253	1,028,927	14,383,180
Long-term liabilities	47,319,020	9,331,767	56,650,787
Total liabilities	60,673,273	10,360,694	71,033,967
DEFERRED INFLOWS OF RESOURCES			
Pension-related deferred inflows of resources	5,386,833	1,609,054	6,995,887
Lease-related deferred inflows of resources	9,796,852		9,796,852
Total deferred inflows of resources	15,183,685	1,609,054	16,792,739
NET POSITION			
Net investment in capital assets	273,567,178	55,265,562	328,832,740
Restricted for debt service	2,106,867	_	2,106,867
Restricted for construction	5,620,991	_	5,620,991
Unrestricted	58,201,431	12,571,905	70,773,336
Total net position	\$ 339,496,467	\$ 67,837,467	\$ 407,333,934

For the years ended June 30, 2023 and June 30, 2022

## Note 17 – Segment Information (continued)

## Changes in Net Position For the Year Ended June 30, 2022

Other water operating revenues $1,303,126$ $ 1,302,126$ Total operating revenues $59,050,667$ $5,480,925$ $64,53$ <b>OPERATING EXPENSES</b> $31,265,804$ $ 31,265,804$ Cost of purchased water sold $31,265,804$ $ 4,322,820$ Pumping and water treatment $4,322,820$ $ 4,322,820$ Transmission and distribution $4,485,962$ $ 4,485,962$ Sewer collection and treatment $ 2,170,341$ $2,170,341$ Elfin Forest recreation operations $428,174$ $ 422,174,170,170,1742,176,174,170,174,174,170,174,174,170,174,174,170,174,174,170,174,174,174,170,174,174,170,174,174,174,170,174,174,174,174,170,174,174,174,174,174,174,174,174,174,174$	Total	
Sewer charges $ 5,480,925$ $5,480$ Other water operating revenues $1,303,126$ $ 1,302$ Total operating revenues $59,050,667$ $5,480,925$ $64,53$ <b>OPERATING EXPENSES</b> $ 31,265,804$ $ 31,265,804$ Cost of purchased water sold $31,265,804$ $ 4,322,820$ Pumping and water treatment $4,322,820$ $ 4,322,820$ Transmission and distribution $4,485,962$ $ 4,485,962$ Sewer collection and treatment $ 2,170,341$ $2,170,341$ Elfin Forest recreation operations $428,174$ $ 422,174$ Facilities maintenance $1,304,985$ $82,025$ $1,388$ Customer services $2,035,279$ $988$ $2,036$ General and administrative $6,295,878$ $1,449,170$ $7,744$		
Other water operating revenues $1,303,126$ — $1,303$ Total operating revenues $59,050,667$ $5,480,925$ $64,53$ <b>OPERATING EXPENSES</b> $31,265,804$ — $31,265$ Cost of purchased water sold $31,265,804$ — $4,322$ Pumping and water treatment $4,322,820$ — $4,322$ Transmission and distribution $4,485,962$ — $4,485$ Sewer collection and treatment— $2,170,341$ $2,170$ Elfin Forest recreation operations $428,174$ — $422$ Facilities maintenance $1,304,985$ $82,025$ $1,386$ Customer services $2,035,279$ $988$ $2,036$ General and administrative $6,295,878$ $1,449,170$ $7,744$	7,541	
Total operating revenues $59,050,667$ $5,480,925$ $64,53$ OPERATING EXPENSES $31,265,804$ — $31,265$ Cost of purchased water sold $31,265,804$ — $4,322,820$ Pumping and water treatment $4,322,820$ — $4,322$ Transmission and distribution $4,485,962$ — $4,485$ Sewer collection and treatment— $2,170,341$ $2,170$ Elfin Forest recreation operations $428,174$ — $422$ Facilities maintenance $1,304,985$ $82,025$ $1,386$ Customer services $2,035,279$ $988$ $2,036$ General and administrative $6,295,878$ $1,449,170$ $7,742$	0,925	
OPERATING EXPENSESCost of purchased water sold $31,265,804$ — $31,266,804$ Pumping and water treatment $4,322,820$ — $4,322$ Transmission and distribution $4,485,962$ — $4,485$ Sewer collection and treatment— $2,170,341$ $2,170$ Elfin Forest recreation operations $428,174$ — $422$ Facilities maintenance $1,304,985$ $82,025$ $1,386$ Customer services $2,035,279$ $988$ $2,030$ General and administrative $6,295,878$ $1,449,170$ $7,742$	3,126	
Cost of purchased water sold $31,265,804$ — $31,265$ Pumping and water treatment $4,322,820$ — $4,322$ Transmission and distribution $4,485,962$ — $4,485$ Sewer collection and treatment— $2,170,341$ $2,170$ Elfin Forest recreation operations $428,174$ — $422$ Facilities maintenance $1,304,985$ $82,025$ $1,385$ Customer services $2,035,279$ $988$ $2,030$ General and administrative $6,295,878$ $1,449,170$ $7,745$	1,592	
Pumping and water treatment $4,322,820$ $$ $4,322$ Transmission and distribution $4,485,962$ $$ $4,485$ Sewer collection and treatment $$ $2,170,341$ $2,170$ Elfin Forest recreation operations $428,174$ $$ $422$ Facilities maintenance $1,304,985$ $82,025$ $1,385$ Customer services $2,035,279$ $988$ $2,030$ General and administrative $6,295,878$ $1,449,170$ $7,745$		
Transmission and distribution4,485,962—4,485Sewer collection and treatment—2,170,3412,170Elfin Forest recreation operations428,174—422Facilities maintenance1,304,98582,0251,38Customer services2,035,2799882,030General and administrative6,295,8781,449,1707,74	5,804	
Sewer collection and treatment          2,170,341         2,170           Elfin Forest recreation operations         428,174          428           Facilities maintenance         1,304,985         82,025         1,38           Customer services         2,035,279         988         2,036           General and administrative         6,295,878         1,449,170         7,744	2,820	
Elfin Forest recreation operations       428,174       —       422         Facilities maintenance       1,304,985       82,025       1,38         Customer services       2,035,279       988       2,036         General and administrative       6,295,878       1,449,170       7,74	5,962	
Facilities maintenance1,304,98582,0251,38Customer services2,035,2799882,035General and administrative6,295,8781,449,1707,745	0,341	
Customer services         2,035,279         988         2,036           General and administrative         6,295,878         1,449,170         7,743	3,174	
General and administrative         6,295,878         1,449,170         7,74	7,010	
	5,267	
Other experting expenses $204.027$ $20$	5,048	
	4,037	
Depreciation and amortization         13,787,963         2,344,990         16,132	2,953	
Total operating expenses         64,230,902         6,047,514         70,275	3,416	
Operating income (loss) (5,180,235) (566,589) (5,746	5,824)	
NONOPERATING REVENUES (EXPENSES)		
Fair market value adjustment         (2,081,617)         (386,025)         (2,465)	7,642)	
Investment income 339,703 62,999 402	2,702	
Property taxes 4,242,794 — 4,242	2,794	
	0,925	
Benefit assessments 1,058,241 — 1,058	3,241	
Other nonoperating revenues 2,237,334 — 2,237	7,334	
Interest expense, net (1,180,177) (142,771) (1,322	<u>2,</u> 948)	
Other nonoperating expenses (490,206) (116,396) (606	5,602)	
Total nonoperating revenues (expenses)         4,742,237         332,567         5,074	4,804	
Income (loss) before capital contributions (437,998) (234,022) (672	2,020)	
Capital contributions 80,949 488,796 569	9,745	
Change in net position         (357,049)         254,774         (102)	2,275)	
Net position, beginning of year         339,853,516         67,582,693         407,430	5,209	
Net position, end of year       \$ 339,496,467       \$ 67,837,467       \$ 407,333	3,934	

For the years ended June 30, 2023 and June 30, 2022

## Note 17 – Segment Information (continued)

Condensed Statement of Cash Flows For the Year Ended June 30, 2022									
		Water Services	7	Vastewater Services		Total			
Net cash provided by operating activities	\$	9,347,513	\$	2,068,109	\$	11,415,622			
Net cash provided by noncapital and related financing activities		5,271,677		2,102,804		7,374,481			
Net cash (used in) capital and related financing activities		(10,286,133)		2,773,040		(7,513,093)			
Net cash (used in) investing activities		(3,785,688)		(1,233,533)		(5,019,221)			
Net increase (decrease) in cash and cash equivalents		547,369		5,710,420		6,257,789			
Cash and cash equivalents, beginning		41,449,022		8,240,214		49,689,236			
Cash and cash equivalents, ending	\$	41,996,391	\$	13,950,634	\$	55,947,025			

## Note 18 - Restatement of Net Position

As a result of implementation of GASB Statement No. 96, *Subscription-Based Information Technology Agreements (SBITAs)*, net position as of July 1, 2022 has been restated as follows:

Net position at July 1, 2022 as previously reported Restatement to implement GASB Statement No. 96 Total restatement Net position at July 1, 2022 as restated	\$ 407,325,390 8,544 8,544 \$ 407,333,934		
	Originally Reported	Adjustments	As Restated
Capital assets, depreciable/amortizable, net Subscription liability, current portion Subscription liability, non-current portion Total adjustments	\$ 336,597,407 	\$ 190,242 (65,946) (115,752) 8,544	\$ 336,787,649 (65,946) (115,752)
Net position	\$ 407,325,390	\$ 8,544	\$ 407,333,934
	Originally Reported	Adjustments	As Restated
Customer services expense General and administrative expense Depreciation and amortization expense Interest expense, net Total adjustments	\$ 2,067,655 7,774,311 16,075,980 1,327,814	\$ (31,388) (29,263) 56,973 (4,866) 8,544	\$ 2,036,267 7,745,048 16,132,953 1,322,948
Net position	\$ 407,325,390	\$ 8,544	\$ 407,333,934

# Required Supplementary Information (unaudited)

For the years ended June 30, 2023 and June 30, 2022

## 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 2023, inspections on the various tanks ended in July 2023.

The following conditions were defined:

Condition	TAI Range
Very Good	9.0 - 10.0
Good	7.0 - 8.9
Satisfactory	5.0 - 6.9
Sub Standard	3.0 - 4.9
Unacceptable	1.0 - 2.9

According to the District's policy, a minimum average rating of 5.0 for all steel tanks is considered a satisfactory rating. As of June 30, 2023, 2022, 2021, 2020, and 2019 the District's steel water storage tanks were rated as follows:

						TAI		
Tank #	Name	Size (Gallons)	Туре	FY 22/23	FY 21/22	FY 20/21	FY 19/20	FY 18/19
1	4 S-2 Tank	4,000,000	Ground Storage	9.4	9.4	9.4	8.8	8.1
2	Zorro Tank	1,200,000	Ground Storage	9.5	9.5	9.6	7.8	8.4
3	Wiegand Tank	1,000,000	Ground Storage	8.8	9.0	9.0	9.2	9.0
4	Peay Tank	10,000,000	Ground Storage	8.7	9.0	9.1	8.5	8.6
5	Denk Tank	10,000,000	Ground Storage	9.7	8.2	8.2	8.0	8.0
6	4S Tank	10,000,000	Ground Storage	9.1	9.6	8.7	7.3	7.0
7	Cielo Tank	1,000,000	Ground Storage	8.2	8.3	8.5	8.6	8.5
8	Roger Miller Tank	8,000,000	Ground Storage	9.4	9.4	9.5	9.7	9.6
9	Thelma Miller Tank	1,000,000	Ground Storage	9.9	8.9	8.9	8.9	9.1

# Required Supplementary Information (unaudited) (continued)

For the years ended June 30, 2023 and June 30, 2022

## Modified Approach for Steel Water Storage Tanks Infrastructure Capital Assets (continued)

The District expensed \$865,427 and \$837,891 on the steel water storage tanks maintenance for the fiscal years ended June 30, 2023 and 2022, 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 2023 is a minimum of \$904,764.

A schedule of actual expenses to maintain and preserve the steel water storage tanks at the current level is presented below:

		Maintenance 2023	1	Maintenance 202	1	Maintenance Expenses 2021		penses Maintenance Expenses 2020		Maintenance Expenses 2019	
Tank #	Name	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
1	4 S-2 Tank	\$ 63,539 \$	\$ 60,776	\$ 58,290	\$ 58,842	\$ 55,251	\$ 55,251	\$ 55,251	\$ 55,251	\$ 52,513 \$	52,513
2	Zorro Tank	37,068	35,456	34,006	34,328	32,233	32,233	32,233	32,233	30,636	30,636
3	Wiegand Tank	27,845	26,635	25,545	25,787	24,213	24,213	24,213	24,213	23,013	23,013
4	Peay Tank	180,936	173,070	165,989	167,563	157,336	157,336	157,336	157,336	149,540	149,540
5	Denk Tank	191,832	183,492	175,985	177,654	166,811	166,811	166,811	166,811	158,545	158,545
6	4S Tank	181,779	173,875	166,762	168,343	158,068	158,068	158,068	158,068	150,236	150,236
7	Cielo Tank	31,800	30,418	29,174	29,450	27,653	27,653	27,653	27,653	26,282	26,282
8	Roger Miller Tank	160,588	153,606	147,322	148,718	139,642	139,642	139,642	139,642	132,723	132,723
9	Thelma Miller Tank	29,377	28,100	26,950	27,206	25,545	25,545	25,545	25,545	24,279	24,279
	Total	\$ 904,764 \$	865,428	\$ 830,023	\$ 837,891	\$ 786,752	\$ 786,752	\$ 786,752	5 786,752	\$ 747,767 \$	747,767

# Required Supplementary Information (unaudited) (continued)

For the years ended June 30, 2023 and June 30, 2022

## Schedule of Contributions - Defined Benefit Pension Plans

Last Ten Fiscal Years\*

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution (acturaially determined)	\$2,065,470	\$1,854,789	\$1,733,027	\$1,509,929	\$1,321,485	\$1,144,038	\$1,026,323	\$ 898,330	\$ 825,748
Contributions in relation to the actuarially determined									
contributions	2,376,470	1,854,789	2,183,027	1,809,929	1,321,485	1,144,038	1,026,323	898,330	825,748
Contribution deficiency (excess)	\$ (311,000)	\$	<u>\$ (450,000)</u>	\$ (300,000)	\$	<u>\$                                    </u>	<u>\$                                    </u>	<u>\$                                    </u>	<u>\$                                    </u>
Covered payroll	\$8,748,704	\$7,687,861	\$7,502,733	\$7,168,522	\$6,921,133	\$6,760,547	\$6,392,406	\$6,083,865	\$5,906,665
Contributions as a percentage of covered payroll	27.16%	24.13%	29.10%	25.25%	19.09%	16.92%	16.06%	14.77%	13.98%
Notes to Schedule:									
Valuation Date	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
Methods and Assumptions	s Used to D	etermine Co	ontribution	Rates:					
Single and agent employer	S	Entry ag	ge**						
Amortization method		Level pe	ercentage of	payroll, clo	sed**				
Asset valuation method		Market	value***						
Inflation		2.75%**	:						
Salary increases		Depend	ing on age,	service, and	l type of en	ployment*	*		
Investment rate of return		6.90%, 1	net of pensi	on plan inv	estment exp	pense, inclu	ding inflati	.on**	
Retirement age		50 (2.5%	6@55), 52 y	ears (2%@6	52)				
Mortality				ions are bas ce Study ac				from the m	ost recent

\*Historical information is only available for periods where GASB 68 is applicable.

\*\*The valuations for June 30, 2013, 2014, and 2015 (applicable to fiscal years ended June 30, 2015, 2016, and 2017 respectively) included the same actuarial assumptions.

\*\*\*The valuations for June 30, 2013 (applicable to fiscal year ended June 30, 2015) valued assets using a 15 Year Smoothed Market method. The market value of asset valuation method was utilized for the June 30, 2014, 2015, 2016, 2017, 2018, 2019, 2020, and 2021 valuations (applicable to fiscal years ended June 30, 2016, 2017, 2018, 2019, 2020, 2021, 2022, and 2023, respectively).

# Required Supplementary Information (unaudited) (continued)

For the years ended June 30, 2023 and June 30, 2022

## Schedule of Proportionate Share of the Net Pension Liability

Last Ten Fiscal Years\*

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Miscellaneous and PEPRA Plan									
Plan's Proportion of the Net Pension Liability	0.30884%	0.41183%	0.34634%	0.34363%	0.33439%	0.32551%	0.12734%	0.12610%	0.10475%
Plan's Proportionate Share Share of the Net									
Pension Liability	\$16,832,760	\$ 7,819,768	\$14,608,844	\$13,760,678	\$12,602,286	\$12,831,806	\$11,018,852	\$ 8,653,737	\$ 6,517,867
Plan's Covered Payroll	\$ 7,687,861	\$ 7,502,733	\$ 7,168,522	\$ 6,921,133	\$ 6,760,547	\$ 6,392,406	\$ 6,083,865	\$ 5,906,665	\$ 5,808,158
Plan's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	218.95%	104.23%	203.79%	198.82%	186.41%	200.74%	181.12%	146.51%	112.22%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	74.59%	87.14%	74.69%	74.59%	75.38%	73.57%	74.06%	79.86%	83.03%
Plan's Proportionate Share of Aggregate Employer									
Contributions	\$ 2,376,470	\$ 2,084,274	\$ 1,926,217	\$ 1,673,663	\$ 1,469,602	\$ 1,351,241	\$ 1,196,711	\$ 1,116,013	\$ 862,289

### Notes to Schedule:

### **Benefit Changes:**

There were no changes in benefits.

### Changes in Assumptions:

### From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

### From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

### From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

### From fiscal year June 30, 2018 to June 30, 2022:

There were no changes in assumptions.

### Fiscal year June 30, 2023:

The discount rate was reduced from 7.15% to 6.90%.

\*Historical information is only available for periods where GASB 68 is applicable.

### Statistical Section ANNUAL COMPREHENSIVE FINANCIAL REPORT

"Showers and Flowers" Submitted by Tim Schuette 2023 Elfin Forest Recreational Reserve Photo Contest Scenery Runner-up

"Night Heron" Submitted by Kay Wood 2023 Elfin Forest Recreational Reserve Photo Contest Animals Winner

### **Statistical Section**

Government Accounting Standards Board (GASB) Statement No. 44 "Economic Condition Reporting: The Statistical Section (an amendment of NCGA Statement 1)" requires that statistical information be presented as part of the Annual Comprehensive Financial Report.

#### Contents

#### **Financial Trends**

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**

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 XIIID 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**

These tables provide information on the District's ability to issue additional debt in the future.

#### Demographic and Economic Information

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**

Tables presented contain internal information about the District's water and sewer operations to measure operational efficiency.

#### Table No.

I - II

III - IX

X – XV

XVI - XVII

XVIII – XIX

### Table I – Net Position by Component (Water and Wastewater)

Last Ten Fiscal Years

					Fiscal Year e	nded June 30				
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Net investment in capital assets	\$ 332,382,861	\$ 328,832,740	\$ 330,855,961	\$ 330,720,794	\$ 321,290,220	\$ 322,232,147	\$ 322,388,785	\$ 322,493,799	\$ 315,240,098	\$ 314,218,584
Restricted	10,503,646	7,727,858	7,121,300	6,593,159	10,947,134	10,912,202	11,690,890	15,355,420	20,852,200	22,359,148
Unrestricted	68,346,614	70,773,336	69,458,948	60,757,811	62,445,287	57,908,178	53,114,033	48,664,923	50,582,280	53,318,489
Total net position	<u>\$ 411,233,121</u>	\$ 407,333,934	\$ 407,436,209	\$ 398,071,764	\$ 394,682,641	\$ 391,052,527	\$ 387,193,708	\$ 386,514,142	\$ 386,674,578	\$ 389,896,221

Source: Olivenhain Municipal Water District

### Table II – Changes in Net Position

#### Last Ten Fiscal Years

					Fiscal Year e	nded June 30				
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Operating Revenues</b> Water sales	\$ 53.633.8	77 \$ 57,747,54	1 \$ 58.169.813	\$ 50,430,847	\$ 48,238,490	\$ 53,444,449	\$ 45.433.161	\$ 40,936,218	\$ 45,145,400	\$ 47,875,747
Sewer charges	5,621,9			4,952,194	5,245,015	4,464,710	4,447,426	4,474,853	4,656,781	4,246,033
Other water operating revenues	1,084,6	56 1,303,120	5 1,461,229	2,200,252	2,269,665	2,271,495	2,217,932	1,560,779	1,077,003	2,098,535
Total operating revenues	\$ 60,340,5	28 \$ 64,531,592	2 \$ 64,758,178	\$ 57,583,293	\$ 55,753,170	\$ 60,180,654	\$ 52,098,519	\$ 46,971,850	\$ 50,879,184	\$ 54,220,315
Operating Expenses										
Cost of purchased water sold		31 \$ 31,265,804		\$ 27,188,350	\$ 25,532,687	\$ 27,578,413	\$ 24,568,729		\$ 23,634,844	. , ,
Pumping and water treatment	4,353,7			4,139,526	4,028,711	4,129,127	3,988,991	3,390,124	3,629,349	3,915,661
Transmission and distribution	4,434,8	, ,	, ,	4,090,468	3,480,238	3,557,507	3,874,766	3,482,086	3,348,083	3,666,030
Sewer collection and treatment	2,026,6			1,980,603	1,631,657	1,845,906	1,672,289	1,758,907	1,703,761	1,767,162
Elfin Forest recreation operations	386,9			381,540	376,635	337,557	316,387	287,923	187,525	198,143
Facilities maintenance	1,274,7			1,456,702	1,224,506	1,083,246	1,154,241	843,456	888,677	821,966
Customer services	1,754,1	· · ·		2,404,916	1,817,086	1,734,656	1,789,423	1,757,388	1,205,838	1,057,472
General and administrative	6,865,2	24 7,745,048	3 7,041,160	7,326,820	6,926,933	7,252,941	6,265,690	5,388,804	5,141,239	4,513,964
Other operating expenses	212,5	30 304,03	7 228,939	329,185	407,811	244,817	388,995	_	—	—
Depreciation and amortization	15,910,7	16,132,953	3 15,559,523	15,029,936	14,892,827	14,584,093	15,069,090	13,053,286	13,757,848	13,661,241
Total operating expenses	\$ 66,829,5	06 \$ 70,278,416	5 \$ 68,243,179	\$ 64,328,046	\$ 60,319,091	\$ 62,348,263	\$ 59,088,601	\$ 51,941,010	\$ 53,497,164	\$ 54,675,970
Operating income (loss)	(6,488,97	8) (5,746,824	) (3,485,001)	(6,744,753)	(4,565,921)	(2,167,609)	(6,990,082)	(4,969,160)	(2,617,980)	(455,655)
Non-operating Revenues (Exper Investment income, net	nses)									
,	¢ 1,000 0	(2.0C4.040	) (107.057)	¢ 1,542,600	¢ 0.125.607	¢ (50.472	¢ 220.271	¢ 514.011	¢ 457.100	¢ 474.651
of market value adjustment <sup>(1)</sup>	. , ,			. , ,						
Property taxes	4,577,7	, ,		3,863,252	3,714,060	3,557,919	3,414,858	3,268,438	3,066,946	2,896,741
Capacity charges	1,327,2			3,200,022	2,337,015	645,964	3,624,426	1,482,945	1,792,125	4,944,025
Benefit assessments	1,045,3	· · ·		1,115,704	1,474,830	1,414,791	1,460,881	1,451,751	1,375,093	1,516,201
Other non-operating revenues	1,055,2				67,097	2,669	278,589	53,458	137,836	347,610
Interest expense, net	(1,220,15	, , ,		(1,457,739)	(1,794,797)	(2,120,456)	(2,342,667)	(2,629,591)	(2,879,588)	(3,037,510)
Other non-operating expenses <sup>(3)</sup>	(1,935,94	9)(4) (606,602	) (1,076,547)	(1,458,033)	(1,036,442)	(561,079)	(1,012,913)	(1,211,973)	(358,178)	(2,448,061)
Total non-operating revenues (expenses)	\$ 6,747,5	33 \$ 5,074,804	4 \$ 11,949,448	\$ 6,897,650	\$ 6,897,450	\$ 3,598,281	\$ 5,653,445	\$ 2,929,939	\$ 3,591,416	\$ 4,693,657
Income before capital contributions	258,6	05 (672,020	) 8,464,447	152,897	2,331,529	1,430,672	(1,336,637)	(2,039,221)	973,436	4,238,002
1	,									
Capital contributions	3,640,5	32 569,745	5 899,998	3,236,226	1,298,585	2,428,147	2,016,203	1,878,785	4,524,509	4,191,775
Change in net position	3,899,1	37 (102,275	) 9,364,445	3,389,123	3,630,114	3,858,819	679,566	(160,436)	5,497,945	8,429,777
Net position Beginning of year Prior year adjustment/	\$ 407,333,9	\$ 407,436,209	9 \$ 398,071,764	\$ 394,682,641	\$ 391,052,527	\$ 387,193,708	\$ 386,514,142	\$ 386,674,578	\$ 389,896,221	\$ 381,466,444
equity adjustment									(8,719,588)	
End of year	\$ 411,233,12	21 \$ 407,333,934	4 \$ 407,436,209	\$ 398,071,764	\$ 394,682,641	\$ 391,052,527	\$ 387,193,708	\$ 386,514,142	\$ 386,674,578	\$ 389,896,221

Source: Olivenhain Municipal Water District

Note: (1) Fair market value adjustment of \$(207,285) for FY 2023, \$(2,467,642) for FY 2022 and \$(562,019) for FY 2021.

(2) Includes rate refunds from SDCWA in the amount of \$2,039,332 in FY 2021 and \$1,622,585 in FY 2022.

(3) Includes mainly MET Rate Reimbusment Credit, Loss on sale of fixed assets, and grant pass-through amounts.

(4) Includes \$1,020,928 of grant pass through expenses for the Tittle 16 Grant.

### Table III – Revenues by Source

Last Ten Fiscal Years

		OPE	RAT	ING REV	ENUES				Ν	ONOPERATI	NG REVENUE	S		
Fiscal Year Ended	Water Sales <sup>(1)</sup>	Service Charges <sup>(1)</sup>		Meter Istalls	Sewer Charges	Other <sup>(2)</sup>	Total Operating Revenues	Investment Income <sup>(3)</sup>	Prop. Taxes and Benefit Assessment	Capacity Charges <sup>(4)</sup>	Capital Contributions <sup>(5)</sup>	Other <sup>(2)</sup>	Total Non- operating Revenues	TOTAL REVENUES
2023	\$37,503,235	\$16,130,642	\$	2,017	\$ 5,621,985	\$ 1,082,649	\$60,340,528	\$ 1,898,063	\$ 5,623,070	\$ 1,327,295	\$ 3,640,582	\$ 1,055,260	\$13,544,270	\$73,884,798
2022	42,215,756	15,531,785		1,116	5,480,925	1,302,010	64,531,592	(2,064,940)	5,301,035	1,530,925	569,745	2,237,334	7,574,099	72,105,691
2021	42,879,845	15,289,968		11,940	5,127,136	1,449,289	64,758,178	(107,057)	5,204,659	2,754,730	899,998	6,592,672	15,345,002	80,103,180
2020	35,794,646	14,636,202		5,279	4,952,194	2,194,972	57,583,293	1,542,608	4,978,956	3,200,022	3,236,226	91,836	13,049,648	70,632,941
2019	33,747,315	14,491,175		5,891	5,245,015	2,263,774	55,753,170	2,135,687	5,188,890	2,337,015	1,298,585	67,097	11,027,274	66,780,444
2018	39,411,902	14,032,547		5,405	4,464,710	2,266,090	60,180,654	658,473	4,972,710	645,964	2,428,147	2,669	8,707,963	68,888,617
2017	32,160,956	13,272,205		8,590	4,447,426	2,209,342	52,098,519	230,271	4,875,739	3,624,426	2,016,203	278,589	11,025,228	63,123,747
2016	28,335,031	12,601,187		(23,890)	4,474,853	1,584,669	46,971,850	514,911	4,720,189	1,482,945	1,878,785	53,458	8,650,288	55,622,138
2015	33,309,929	11,835,471		49,247	4,656,781	1,027,756	50,879,184	457,182	4,442,039	1,792,125	4,524,509	137,836	11,353,691	62,232,875
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

Source: Olivenhain Municipal Water District

Notes: (1) Includes estimated unbilled water revenue, miscellaneous water sales, recycled commodity sales, and fixed monthly fees.

(2) Other revenues includes excess treated water capacity revenues, rental income, MWD lawsuit settlements, sale of District parcels, and demand offset fees.

(3) Net of fair market value adjustment (fair market value adjustment of \$(207,285) for FY 2023, \$(2,467,642) for FY 2022 and \$(562,019) for FY 2021).

(4) Fees paid by developers and new customers for water services.

(5) Cash contributions or contributions of capital assets in kind or when governmental constructions are earned.

### Table IV – Expenses by Function

#### Last Ten Fiscal Years

			OI	PERATING EXP	ENSES				NONOI	PERATING EXI	PENSES	
Fiscal Year Ended	Cost of Water Sold	Pumping and Water Treatment	Transmission and Distribution	Sewer Collection and Treatment	Customer Services	Depreciation and Amortization	Other <sup>(1)</sup>	Total Operating Expenses	Interest Expense	Other <sup>(2)</sup>	Total Non- operating Expenses	TOTAL EXPENSES
2023	\$29,609,781	\$ 4,353,775	\$ 4,434,815	\$ 2,026,695	\$ 1,754,190	\$15,910,790	\$ 8,739,460	\$66,829,506	\$ 1,220,156	\$ 1,935,949	\$ 3,156,105	\$69,985,611
2022	31,265,804	4,322,820	4,485,962	2,170,341	2,036,267	16,132,953	9,864,269	70,278,416	1,322,948	606,602	1,929,550	72,207,966
2021	30,601,983	4,378,418	4,220,269	2,085,237	2,348,700	15,559,523	9,049,049	68,243,179	1,419,009	1,076,547	2,495,556	70,738,735
2020	27,188,350	4,139,526	4,090,468	1,980,603	2,404,916	15,029,936	9,494,247	64,328,046	1,457,739	1,458,033	2,915,772	67,243,818
2019	25,532,687	4,028,711	3,480,238	1,631,657	1,817,086	14,892,827	8,935,885	60,319,091	1,794,797	1,036,442	2,831,239	63,150,330
2018	27,578,413	4,129,127	3,557,507	1,845,906	1,734,656	14,584,093	8,918,561	62,348,263	2,120,456	561,079	2,681,535	65,029,798
2017	24,568,729	3,988,991	3,874,766	1,672,289	1,789,423	15,069,090	8,125,313	59,088,601	2,342,667	1,012,913	3,355,580	62,444,181
2016	21,979,036	3,390,124	3,482,086	1,758,907	1,757,388	13,053,286	6,520,185	51,941,010	2,629,591	1,211,973	3,841,564	55,782,574
2015	23,634,844	3,629,349	3,348,083	1,703,761	1,205,838	13,757,848	6,217,441	53,497,164	2,879,588	358,178	3,237,766	56,734,930
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

Source: Olivenhain Municipal Water District

Notes: (1) Includes General and Administrative, Facilities Maintenance, and Elfin Forest Recreational Reserve operations, and miscellaneous operating expenses such as expenses related to Work for Others projects.

(2) Includes loss on disposal of capital assets, Rate Reimbursement Credit, and miscellaneous other non-operating expenses such as bank fees and bond consultants.

### Table V – Water Sales by Source<sup>(1)</sup>

Last Ten Fiscal Years

	Domes	tic/Commercial			Agriculture		Re	cycled Water		Tota	1	Combined D	irect Rate <sup>(2)</sup>
Fiscal Year Ended	Value	Acre Feet	% of Total	Value	Acre Feet	% of Total	Value	Acre Feet	% of Total	Value	Acre Feet	\$/Acre Feet	\$/HCF
2023	\$ 33,831,813	14,657.2	88.7%	\$ 475,857	183.9	1.2%	\$ 3,821,445	2,270.1	10.0%	\$ 38,129,114	17,111.2	\$ 2,228	\$ 5.12
2022	38,105,626	17,179.4	88.7%	373,711	237.5 <sup>(3)</sup>	0.9%	4,481,597	2,773.8	10.4%	42,960,934	20,190.6	2,128	4.88
2021	37,551,897	17,477.5	88.2%	820,954	479.3	1.9%	4,204,817	2,719.3	9.9%	42,577,668	20,676.1	2,059	4.73
2020	30,779,447	15,174.0	87.9%	631,705	420.7	1.8%	3,619,602	2,182.8	10.3%	35,030,754	17,777.5	1,971	4.52
2019	30,025,491	15,221.1	87.5%	629,535	457.6	1.8%	3,655,658	2,227.7	10.7%	34,310,684	17,906.3	1,916	4.40
2018	33,672,603	17,455.7	87.2%	805,794	583.1	2.1%	4,137,994	2,615.3	10.7%	38,616,391	20,654.0	1,870	4.29
2017	27,946,765	15,500.9	87.8%	630,479	475.3	2.0%	3,262,852	2,252.3	10.2%	31,840,096	18,228.5	1,747	4.01
2016	25,085,001	14,310.2	88.3%	787,221	497.0	2.8%	2,533,961	1,856.2	8.9%	28,406,182	16,663.4	1,705	3.91
2015	29,914,133	17,992.9	87.7%	1,092,527	706.8	3.2%	3,112,981	2,323.3	9.1%	34,119,641	21,023.0	1,623	3.73
2014	31,733,764	19,840.5	87.4%	1,269,068	824.2	3.5%	3,317,826	2,561.5	9.1%	36,320,659	23,226.2	1,564	3.59

Source: Olivenhain Municipal Water District

Notes: (1) Exclude unbilled water sales.

(2) Calculated based on total water sales divided by total volume. 1 acre-foot = 43,600 cubic feet = 325,900 gallons.

(3) Decrease in FY 2022 due to reclassing certain Ágricultural customers to Domestic/Commercial that did not meet requirements for the PSAWR (Ag) program set forth by SDCWA.

### Table VI – Rate by Activity

#### Last Ten Fiscal Years

				I	Fiscal Year end	led June 30				
	2023	2022	2021	2020	2019	2018	2017	2016(6)	2015	2014
Potable Water <sup>(1)</sup>										
Monthly system access charge	\$ 41.94	\$ 40.41	\$ 39.44	\$ 38.46	\$ 37.70	\$ 37.70	\$ 36.08	\$ 33.88	\$ 31.97	\$ 30.76
Monthly commodity charge										
Domestic rate										
1st tier	3.92	3.68	3.39	3.30	2.71	2.64	2.53	2.50	2.25	2.32
2nd tier	5.69	5.34	5.02	4.90	4.75	4.62	4.43	4.35	3.93	3.71
3rd tier	6.35	5.96	5.63	5.49	5.61	5.46	5.23	5.60	4.65	4.75
4th tier	7.55	7.09	6.74	6.58	6.58	6.40	6.13	6.26	5.44	_
Rate Reimbursement Credit <sup>(7)</sup>	(0.069)	(0.069)	_	_	_	_	_	_	_	_
Commercial rate										
1st tier	5.35	5.02	4.71	4.59	4.07	3.96	3.79	3.64	3.36	3.90
2nd tier <sup>(2)</sup>	_	_	_	_	_	_	_	_	_	4.97
Irrigation <sup>(3)</sup>										
1st tier	6.02	5.65	5.33	5.20	4.35	4.23	4.05	3.99	3.60	_
2nd tier	6.43	6.04	5.71	5.57	5.90	5.74	5.50	5.61	4.88	_
Agricultural rate	6.26	5.88	5.55	5.42	4.75	4.62	4.43	4.26	3.93	3.70
PSAWR/TSAWR credit <sup>(4)</sup>	(1.17)	(1.11)	(0.97)	(0.99)	(0.94)	(0.95)	(0.89)	(0.90)	(0.77)	(0.47)
Recycled <sup>(1)</sup>										
Monthly system access charge	\$ 41.94	\$ 40.41	\$ 39.44	\$ 38.46	\$ 37.70	\$ 37.70	\$ 36.08	\$ 33.88	\$ 31.97	\$ 30.76
Monthly commodity charge										
uniform rate	4.04	3.79	3.65	3.61	3.85	3.75	3.59	3.37	3.18	3.03
Sewer <sup>(1)</sup>										
Annual system access charge per EDU <sup>(5)</sup>										
4S Ranch	\$ 191.76	\$ 186.17	\$ 181.09	\$ 181.09	\$ 175.81	\$ 170.68	\$ 165.70	\$ 147.00	\$ 147.00	\$ 147.00
Rancho Cielo	191.76	186.17	181.09	181.09	175.81	170.68	165.70	147.00	147.00	147.00
Multi-family and commercial	151.75	147.33	181.09	181.09	175.81	170.68	165.70	147.00	147.00	147.00
Commodity charge per unit										
Domestic rate	7.02	6.81	6.59	6.59	6.39	6.20	6.01	6.00	6.00	6.00
Multi-family rate	7.02	6.81	6.59	6.59	6.39	6.20	6.01	6.00	6.00	6.00
Commercial rate										
Group I	7.02	6.81	6.59	6.59	6.39	6.20	6.01	6.00	6.00	6.00
Group II	9.72	9.43	10.16	10.16	9.86	9.57	9.29	9.29	9.29	9.29
Group III			11.36	11.36	11.02	10.69	10.37	15.86	15.86	15.86
r						/				

Source: Olivenhain Municipal Water District

Notes: (1) Commodity charges are for one unit of water (1 unit = 748 gallons).

(2) Tier 2 commercial rate was eliminated as part of the 2014 Water Rate Study.

(3) Irrigation tiers are based on seasonal allotments by meter size.

(4) Permanent/Transitional Special Agricultural Water Rate is calendar year based (January 1 to December 31).

(5) 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. (6) Water Supply Shortage Level 2 Rate.

(7) Rate refunds recived in FY 2021 and 2022 from SDCWA/MWD given back to customers as a per unit bill credit each month.

### Table VII – Principal Water Consumers

#### **Current and Nine Years Ago**

#### FISCAL YEAR ENDED 2023

Customer Name	Usage (AF)	% of Water Sold
The Bridges Club at RSF Inc. <sup>(1)</sup>	705.6	4.12%
4S Ranch Master HOA <sup>(2)</sup>	467.4	2.73%
Bando National Corporation <sup>(2)(3)</sup>	265.8	1.55%
Cymer Inc. <sup>(1)</sup>	248.8	1.45%
La Costa Glen Carlsbad CCRC LLC <sup>(1)(4)</sup>	228.4	1.34%
Rancho Santa Fe Farms Golf Inc. <sup>(2)</sup>	222.3	1.30%
Crosby Estates HOA <sup>(2)</sup>	214.6	1.25%
4S Ranch Holdco LLC <sup>(1)</sup>	211.0	1.23%
La Costa Oaks Association <sup>(2)</sup>	202.2	1.18%
Del Mar Country Club <sup>(2)</sup>	190.0	1.11%
Total top ten consumers	2,956.2	17.28%
Other consumers	14,155.0	82.72%
Total water billed	17,111.2	100.00%

Source: Olivenhain Municipal Water District

Note: (1) Mainly potable water customer.

(2) Mainly recycled water customer.

(3) Previously named Crosby National Golf Club.(4) Previously named Continuing Life Communities.

#### FISCAL YEAR ENDED 2014

Customer Name	Usage (AF)	% of Water Sold
4S Ranch Master HOA	479.1	2.06%
The Bridges at Rancho Santa Fe	363.5	1.57%
Fairbanks Ranch Country Club	330.3	1.42%
Del Mar Country Club	326.6	1.41%
Crosby National Golf Club	277.2	1.19%
La Costa Oaks Association	240.4	1.04%
Rancho Santa Fe Farms Golf Inc.	237.7	1.02%
Crosby Estates HOA	187.5	0.81%
Continuing Life Communities	147.7	0.64%
Cielo Homeowners Association	143.9	0.62%
Total top ten consumers	2,733.9	11.77%
Other consumers	20,492.3	88.23%
Total water billed	23,226.2	100.00%

### Table VIII – Principal Wastewater (Sewer) Customers

#### **Current and Three Years Ago**

#### FISCAL YEAR ENDED 2023

Customer Name	Amount Billed	% of Total Sewer Billed
Cymer Inc.	\$ 564,826	10.05%
4S Ranch Holdco LLC	537,888	9.57%
Amante and Ravenna at 4S Ranch	384,718	6.84%
Summit of Rancho Bernardo HOA	282,836	5.03%
Poway Unified School District	244,404	4.35%
Gianni at 4S Ranch	225,005	4.00%
Bridgeport 4S	202,883	3.61%
San Moritz at 4S Ranch HOA	160,692	2.86%
Dove Canyon Apartments	139,270	2.48%
4S Regency Partners LLC	134,123	2.39%
Total top ten consumers	2,876,646	51.17%
Other consumers	2,745,339	48.83%
Total sewer billed	\$ 5,621,985	100.00%

Source: Olivenhain Municipal Water District

#### FISCAL YEAR ENDED 2020

Customer Name	Amount Billed	% of Total Sewer Billed
4S Ranch Holdco LLC	\$ 470,755	9.53%
Cymer Inc.	465,287	9.42%
Amante and Ravenna at 4S Ranch	355,164	7.19%
Summit of Rancho Bernardo HOA	304,500	6.16%
Poway Unified School District	261,516	5.29%
Gianni at 4S Ranch	213,207	4.32%
Bridgeport 4S	188,358	3.81%
San Moritz at 4S Ranch HOA	150,443	3.05%
4S Regency Partners LLC 00760	139,674	2.83%
Dove Canyon Apartments	135,630	2.75%
Total top ten consumers	2,684,534	54.34%
Other consumers	2,255,477	45.66%
Total sewer billed	\$ 4,940,010	100.00%

# Table IX – Property Tax and Special Assessment

Last Ten Fiscal Years

		Current Year Levy <sup>(1)</sup>				
Fiscal Year Ended	Property Taxes <sup>(2)</sup>	Special Assessment <sup>(3)</sup>	Total Levy	Total Collection Through June 30 <sup>(4)</sup>	Net Uncollected at June 30	Percent Uncollected at June 30
2023	\$ 4,466,104	\$ 1,032,342	\$ 5,498,447	\$ 5,584,041	\$ (85,594)	-1.56%
2022	4,157,765	1,029,837	5,187,602	5,247,821	(60,219)	-1.16%
2021	3,998,833	1,054,717	5,053,550	5,103,286	(49,737)	-0.98%
2020	3,878,790	1,027,879	4,906,669	4,890,204	16,465	0.34%
2019	3,670,386	1,417,674	5,088,059	5,103,906	(15,847)	-0.31%
2018	3,578,486	1,417,716	4,996,202	4,973,806	22,396	0.45%
2017	3,371,836	1,438,673	4,810,509	4,856,043	(45,534)	- 0.95%
2016	3,237,786	1,432,319	4,670,105	4,698,456	(28,351)	- 0.61%
2015	3,065,704	1,436,411	4,502,115	4,457,893	44,222	0.98%
2014	2,979,746	1,441,062	4,420,808	4,362,648	58,160	1.32%

Source: County of San Diego Office of the Auditor Controller

Notes: (1) Excludes Wastewater Service and Stand-by Charges collected on the County's tax roll.

(2) Includes only current secured and unsecured charges. Excludes delinquent charges, which were reported in previous year.

(3) Special Assessment includes special assessment debt with government commitment (RAD 96-1).

(4) Includes monies collected for all outstanding years, and includes late charges and interest on delinquent payments collected.

### Table X – Assessed Value of Taxable Property

#### Last Ten Fiscal Years

		SECURED				
Fiscal Year Ended	Real Property	Personal Property	Exemptions	Net Assessed Secured Value	Assessed Unsecured Value	Total Assessed Value
2023	\$28,259,090,456	\$ 29,421,612	\$ (326,716,447)	\$27,961,795,621	\$ 428,194,797	\$28,389,990,418
2022	26,419,545,022	19,958,978	(303,262,519)	26,136,241,481	335,348,712	26,471,590,193
2021	25,473,591,937	40,376,998	(303,002,411)	25,210,966,524	438,607,395	25,649,573,919
2020	24,494,325,764	37,689,822	(283,228,046)	24,248,787,540	370,522,672	24,619,310,212
2019	23,391,490,448	39,283,241	(271,258,202)	23,159,515,487	372,459,609	23,531,975,095
2018	22,371,096,064	48,645,131	(270,514,800)	22,149,226,395	281,799,829	22,431,026,224
2017	21,383,894,218	67,716,928	(259,092,644)	21,192,518,502	247,856,828	21,440,375,330
2016	20,566,012,446	83,195,335	(226,276,546)	20,422,931,235	211,765,389	20,634,696,624
2015	19,505,795,291	94,184,239	(219,022,211)	19,380,957,319	241,734,960	19,622,692,279
2014	18,192,814,739	126,126,709	(209,610,305)	18,109,331,143	227,878,909	18,337,210,052

Source: Office of the Auditor Controller, County of San Diego

Note: The District receives its proportionate share of property taxes levied by the County of San Diego in accordance with Proposition 13. The District neither sets its own tax rate nor assesses a tax rate. The County of San Diego bills and collects the District's sewer service charges on behalf of the District.

# Table XI – Ratios of Net Bonded Debt to Assessed Value and Net Bonded Debt Per Capita

Last Ten Fiscal Years

Fiscal Year Ended	Gross Bonded Debt <sup>(1)</sup>	Add: Premium <sup>(2)</sup>	Less: Reserve Funds <sup>(3)</sup>	Net Bonded Debt	Total Secured Real Property <sup>(4)</sup>	Debt to Total Secured Real Property	Population Estimate <sup>(5)</sup>	Net Bonded Debt Per Capita	Personal Income	As a Share of Personal Income
2023	\$ 4,594,691	\$	\$ 79,155	\$ 4,515,536	\$ 28,259,090,456	0.02%	86,441	\$ 52	\$ 6,355,401,643	0.07%
2022	5,457,755	_	82,152	5,375,603	26,419,545,022	0.02%	86,614	62	6,055,791,038	0.09%
2021	6,300,863	_	247,578	6,053,286	25,473,591,937	0.02%	86,649	70	5,717,794,212	0.11%
2020	7,130,000	—	71,899	7,058,101	24,494,325,764	0.03%	87,084	81	5,379,178,680	0.13%
2019	9,765,000	22,870	1,438,918	8,348,952	23,391,490,448	0.04%	86,997	96	5,167,708,797	0.16%
2018	10,625,000	25,671	1,431,668	9,219,003	22,371,096,064	0.04%	86,478	107	4,987,791,606	0.18%
2017	11,670,000	28,471	1,435,593	10,262,878	21,383,894,218	0.05%	85,792	120	4,842,786,816	0.21%
2016	12,485,000	31,272	1,397,568	11,118,704	20,566,012,446	0.05%	85,010	131	4,690,851,800	0.24%
2015	13,270,000	34,072	1,398,953	11,905,119	19,505,795,291	0.06%	84,352	141	4,529,364,992	0.26%
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%

Source: Olivenhain Municipal Water District, the Office of the Auditor Controller, County of San Diego, California Department of Finance, and California Department of Transportation

Notes: (1) Gross Bonded Debt is a special assessment debt with government commitment. It is the outstanding balance of Reassessment District 96-1 Bond at the end of the fiscal year.

(2) Premium was eliminated in fiscal year 2020 due to refinancing of the Reassesment District 96-1 Bond.

(3) Reserve funds decreased significantly in fiscal year 2020 due to refinancing of the Reassesment District 96-1 Bond.

(4) Total Secured Real Property is the total secured value of land and Improvements as stated on County of San Diego Assessed Valuation report for each fiscal year, exclusive of personal property, exemptions and unsecured property.

(5) Population estimate is based on California Department of Finance's Special District Population Benchmark based on 2010 and 2020 census data and population growth estimates for San Diego County.

### Table XII – Direct and Overlapping Debt

June 30, 2023

#### 2022-23 Assessed Valuation: \$28,389,990,418

	Total Debt as of 6/30/2023	% Applicable <sup>(1)</sup>	Share of Debt as of 6/30/2023
DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:			
Metropolitan Water District	\$ 19,215,000	0.781%	\$ 150,069
Mira Costa Community College District	376,155,000	15.957%	60,023,053
Palomar Community College District	641,965,146	4.615%	29,626,691
Poway Unified School District School Facilities Improvement District No. 2002-1	105,410,766	5.301%	5,587,825
Poway Unified School District School Facilities Improvement District No. 2007-1	160,781,672	3.263%	5,246,306
San Marcos Unified School District	268,478,476	0.078%	209,413
Escondido Union High School District	76,648,138	1.534%	1,175,782
San Dieguito Union High School District	416,410,000	26.494%	110,323,665
Cardiff School District	22,688,273	4.613%	1,046,610
Encinitas Union School District	42,125,407	57.684%	24,299,620
Escondido Union School District	165,824,622	1.585%	2,628,320
Rancho Santa Fe School District	27,714,322	27.849%	7,718,162
Solana Beach School District Community Facilities District No. 2016-1	89,095,000	27.422%	24,431,631
Palomar Health District	400,167,282	6.683%	26,743,179
Poway Unified School District Community Facilities Districts	154,818,048	19.641-100%	145,647,447
San Dieguito Union High School District Community Facilities Districts	59,535,000	16.822–100%	27,820,736
City of Encinitas Community Facilities District No. 1	17,040,000	26.022%	4,434,149
Rancho Santa Fe Community Services District Community Facilities District No. 1	24,040,000	100%	24,040,000
Olivenhain Municipal Water District		100%	4.605.000
Olivenhain Municipal Water District Assessment District No. 2019-96-1	4,605,000	100%	4,605,000
Total direct and overlapping tax and assessment debt			\$ 505,757,658
OVERLAPPING GENERAL FUND DEBT:			
San Diego County General Fund Obligations	\$ 229,680,000	4.322%	\$ 9,926,770
San Diego County Pension Obligation Bonds	227,990,000	4.322%	12,014,728
San Diego County Superintendent of Schools General Fund Obligations	6,935,000	4.322%	299,731
Palomar Community College District General Fund Obligations	1,310,000	4.615%	60,457
Poway Unified School District Certificates of Participation	53,720,000	11.980%	6,435,656
Other School District General Fund Obligations	166,553,112	Various	6,143,045
City of Encinitas Certificates of Participation	35,865,000	36.63%	13,135,915
City of San Diego General Fund Obligations	642,372,180	0.253%	1,625,202
Other Cities' General Fund Obligations	1,910,000	Various	1,872
Total overlapping general fund debt			\$ 49,643,376
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):	\$ 191,485,000	0.105%	\$ 201,059
Total direct debt			_
Total overlapping debt			\$ 555,602,093
Combined total debt			\$ 555,602,093 <sup>(2)</sup>

District's

Notes: (1) The percentage of overlapping debt applicable to the district is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the overlapping district divided by the district's total taxable assessed value.
 (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded lease obligations.

<u>Ratios to 2022–23 Assessed Valuation:</u> Direct debt Total direct and overlapping tax and assessment debt Combined total debt	0.00% 1.78% 1.96%
<u>Ratios to Redevelopment Successor Agency Incremental Valuation (\$11,943,221)</u> : Total overlapping tax increment debt	1.68%

Source: California Municipal Statistics, Inc.

### Table XIII – Water System Revenue to Debt Service Ratio

Last Ten Fiscal Years

Fiscal Year Ended	Water Sales <sup>(1)</sup>	Property Taxes	Capacity Charges	Other Nonoperating Revenues <sup>(2)</sup>	Total Water System Revenues	Less: Cost of Water Sold	Less: Operations and Maintenance Costs <sup>(3)</sup>	Net Water System Revenues <sup>(4)</sup>	Debt Service Payment <sup>(5)</sup>	Revenue to Debt Service Ratio	Pledged Revenue Debt Limit
2023	\$ 54,505,963	\$ 4,577,755	\$ 1,327,295	\$ 2,641,953	\$ 63,052,966	\$ 29,609,781	\$ 17,254,362	\$ 16,188,823	\$ 4,462,579	3.63	125%
2022	58,746,630	4,242,794	1,530,925	2,963,069	67,483,418	31,265,804	18,435,197	17,782,417	4,451,579	3.99	125%
2021	59,402,103	4,027,357	2,754,730	4,522,808	70,706,998	30,601,983	17,883,079	22,221,936	4,450,079	4.99	125%
2020	52,307,718	3,863,252	3,200,022	1,345,972	60,716,964	27,188,350	18,112,974	15,415,640	4,453,579	3.46	125%
2019	50,100,343	3,714,060	620,224	1,779,546	56,214,173	25,532,687	16,223,249	14,458,237	4,457,329	3.24	125%
2018	55,471,127	3,557,919	1,761,723	533,766	61,324,535	27,578,413	16,487,251	17,258,871	4,513,537	3.82	125%
2017	47,262,098	3,414,858	3,624,426	474,085	54,775,467	24,568,729	15,906,059	14,300,679	4,716,802	3.03	125%
2016	42,496,997	3,268,438	1,482,945	452,463	47,700,843	21,979,036	13,743,834	11,977,973	4,681,052	2.56	125%
2015	46,222,403	3,066,946	1,792,125	509,070	51,590,544	23,634,844	12,955,907	14,999,793	4,945,400	3.03	115%
2014	49,974,282	2,896,741	4,944,025	600,298	58,415,346	25,074,331	12,991,402	20,349,613	4,207,351	4.84	115%

Source: Olivenhain Municipal Water District

Notes: (1) Includes potable and recycled water sales and other water operating revenues. Excludes other operating revenues related to the District's Work for Other projects.

(2) Includes investment income, gain on sale of capital assets, settlement payments from MWD lawsuit (2022 and 2021 only), and sale of District parcels (2022 and 2021 only). Excludes Wastewater (Sewer) revenues and unrealized gain and loses on investments.

(3) Excludes Elfin Forest Recreational Reserve operations and other operating expenses related to the District's Work for Other projects.

(4) Includes Total Water System Revenues less Cost of water sold and Operations and Maintenance Costs.

(5) Debt Service Payments include Water Revenue Refunding Bonds Series 2015A, 2016A, Water Revenue Bonds Series 2009, and 2013 State Revolving Fund Loan. Excludes 2018 Bond since it is specific to Wastewater.

(6) Includes 2013 principal and interest paid for the 2013 State Revolving Fund Loan during fiscal year 2015 not due until July 1, 2015.

### Table XIV – Reassessment District 96-1 Billings and Collections

#### Last Ten Fiscal Years

Fiscal Year		AMOUN			Percent		
Ended	Principal	Interest	Other <sup>(2)</sup>	Total	Amount Collected <sup>(3)</sup>	Collected	
2023	\$ 879,601	\$ 95,670	\$ 57,071	\$ 1,032,342	\$ 1,034,916	100.2%	
2022	862,309	113,983	53,546	1,029,837	1,037,863	100.8%	
2021	844,142	131,835	78,740	1,054,717	1,067,741	101.2%	
2020	815,000	162,677	50,202	1,027,879	1,047,644	101.9%	
2019	915,294	473,591	28,789	1,417,674	1,410,387	99.5%	
2018	876,008	511,464	30,244	1,417,716	1,414,221	99.8%	
2017	844,112	548,651	45,911	1,438,673	1,446,310	100.5%	
2016	804,478	581,889	45,952	1,432,319	1,434,925	100.2%	
2015	779,900	613,211	43,300	1,436,411	1,379,474	96.0%	
2014	746,576	647,046	47,440	1,441,062	1,454,689	100.9%	

Source: Olivenhain Municipal Water District

Notes: (1) The Reassessment District (RAD) 96-1 Bond was refinanced in fiscal year 2020 resulting in a decrease to principal and interest. The District issued RAD 2019 96-1 bonds to refund and refinance the outstanding principal on the 2007 RAD 96-1 bonds.

(2) Includes administration and delinquency management fees as well as fund credits.

(3) As of June 30 of the fiscal year listed. Includes penalties and interest for delinquent payments.

### Table XV – Net Outstanding Long-Term Debt by Type

Last Ten Fiscal Years

	Special										CDIT (			
	Water Revenue Bonds				Sewer Revenue Bond			Assessment Bonds	Note	Payable	SBITA Liability			
Fiscal Year Ended	2016 Water Revenue Refunding Bonds	2015 Water Revenue Refunding Bonds	2009 Water Revenue Bonds	2006 Water Revenue Refunding Bonds	2018 Sewer Revenue Bonds	2021A Sewer Revenue Bonds	2021B Sewer Revenue Refunding Bonds <sup>(4)</sup>	Limited Obligation Reassessment District 96-1 <sup>(3)</sup>	2013 State Revolving Fund	2012 California Bank & Trust <sup>(2)</sup>	SBITA Liability <sup>(5)</sup>	Total Net Outstanding Debt	Percentage of Personal Income	Per Capita
2023	\$ 13,038,237	\$ 11,440,036	\$ _	\$ _	\$ _	\$ 4,589,160	\$ 2,944,060	\$ 4,594,691	\$ 10,345,340	\$	\$ 115,752	\$ 47,067,278	0.74%	543
2022	13,689,319	13,607,376	—	_	_	4,796,400	3,513,900	5,457,755	11,162,925	—	181,698	52,409,374	0.87%	605
2021	14,316,208	15,730,315	—	—	4,013,000	_	—	6,300,863	11,961,998	_	_	52,322,384	0.92%	604
2020	14,923,628	17,816,383	_	_	4,520,000	_	_	7,130,000	12,742,976	_	_	57,132,987	1.06%	656
2019	15,511,305	19,873,396	_	_	5,011,000	_	_	9,787,870	13,506,271	_	_	63,689,842	1.23%	732
2018	16,084,017	21,899,196	_	_	5,500,000	_	_	10,650,671	14,252,283	_	_	68,386,167	1.37%	791
2017	16,577,296	23,627,014	_	_	_	_	_	11,698,471	15,339,748	_	_	67,242,530	1.39%	784
2016	_	25,289,832	16,925,215	_	_	_	_	12,516,272	15,693,954	518,339	_	70,943,613	1.51%	835
2015	_	_	17,353,724	26,414,577	_	_	_	13,304,072	16,390,314	1,540,841	_	75,003,529	1.66%	889
2014	—	_	17,767,233	27,934,221	_	_	—	14,056,873	17,069,309	2,546,030	—	79,373,666	1.89%	952

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.

(3) The Limited Obligation Reassessment District (RAD) 96-1 bonds were refinanced in September 2019. The District issued the 2019 RAD 96-1 bonds to refund and refinance the outstanding principal on the 2007 RAD 96-1 bonds.

(4) The District issued 2021B Sewer Revenue Refunding Bonds to refund and refinance the 2018 Sewer Revenue Bonds.

(5) The District implemented GASB 96 Accounting for Subscription-Based Information Technology Arrangements starting with fiscal year 2022.

### Table XVI – Demographic Statistics

#### San Diego County Current and Prior Ten Years

Year	Population Estimate	Personal Income	Per Capita Personal Income <sup>(1)</sup>	Unemployment Rate <sup>(2)</sup>
2023	86,441	\$6,355,401,643	\$ 73,523	4.0%
2022	86,614	6,055,791,038	69,917	3.4%
2021	86,649	5,717,794,212	65,988	7.3% <sup>(3)</sup>
2020	87,084	5,379,178,680	61,770	13.3% <sup>(3)</sup>
2019	86,997	5,167,708,797	59,401	3.4%
2018	86,478	4,987,791,606	57,677	3.6%
2017	85,792	4,842,786,816	56,448	4.3%
2016	85,010	4,690,851,800	55,180	4.7%
2015	84,352	4,529,364,992	53,696	5.2%
2014	83,368	4,194,623,309	51,444	6.4%
2013	82,355	4,048,736,510	49,162	7.8%

Source: California Department of Finance, California Department of Transportation, and Employment Development Department.

Notes: (1) Per capita personal income is for the San Diego County Region. Source: California Department of Transportation.
 (2) Estimate for the San Diego County Region as of June in respective FY. Source: California Employment Development Department.
 (3) COVID-19 crisis.

### Table XVII – San Diego County Principal Employers

#### **Current and Nine Years Ago**

#### FISCAL YEAR 2023

Employer Name	Number of Employees <sup>(1)</sup>	Percentage of Total County Employment
Naval Base San Diego	48,000	3.14%
University of California San Diego <sup>(2)</sup>	40,285	2.64%
County of San Diego	25,940	1.70%
Scripps Health	20,000	1.31%
Sharp HealthCare	19,000	1.24%
San Diego Unified School District	16,774	1.10%
City of San Diego	12,829	0.84%
Qualcomm Inc. <sup>(3)</sup>	12,000	0.79%
San Diego State University	10,566	0.69%
Kaiser Permanente San Diego	9,500	0.62%
Total Top Ten County Employers	214,894	14.06%
All Other County Employers	1,313,306	85.94%
Total County Employment <sup>(4)</sup>	1,528,200	100.00%

#### FISCAL YEAR 2014<sup>(5)</sup>

Employer Name	Number of Employees <sup>(5)</sup>	Percentage of Total County Employment
U.S. Navy, Marines and Civic Serives	30,588	4.31%
University of California San Diego	28,672	4.04%
Sharp HealthCare	16,446	2.32%
County of San Diego	16,215	2.28%
Qualcomm Inc.	13,725	1.93%
San Diego Unified School District	13,071	1.84%
City of San Diego	10,411	1.47%
Kaiser Permanente	8,172	1.15%
UC San Diego Medical Center	6,302	0.89%
San Diego Gas & Electric Co.	4,457	0.63%
Total Top Ten County Employers	148,059	20.86%
All Other County Employers	561,741	79.14%
Total County Employment <sup>(5)</sup>	709,800	100.00%

Sources: California Employment Develeopment Department, PublicPay.ca.gov, company websites

Note: (1) Numbers are based on most recent data available from Bureau of Labor Statistics, company websites, or PublicPay.ca.gov. (2) UC San Diego and UC San Diego Health numbers are combined starting in 2022.

(2) OC san Diego and OC san Diego ricath numers are combined starting in 2(3) Approximate based on secondary sources, no primary sources available.

(4) California Employment Development Department in June.

(5) 2014 numbers pulled from City of San Diego FY 2014 CAFR (ACFR).

### Table XVIII – Full-time Equivalent Employees by Activity

#### Last Ten Fiscal Years

	Full-time Equivalent Employees <sup>(1)</sup>										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	
Water operations <sup>(2)</sup>	37	36	35	37	34	36	34	31	36	38	
Wastewater and recycled water <sup>(3)</sup>	8	8	8	8	7	7	6	6	6	8	
Elfin Forest recreation operations	3	3	3	3	3	3	3	3	3	3	
General and administration											
General manager	4	4	4	4	4	4	4	2	2	5	
Engineering	10	8	9	8	8	8	8	11	9	7	
Finance	8	8	7	8	8	8	8	8	8	13	
Human resources	4	4	4	4	4	4	4	4	4	4	
Customer service and											
public relations	16	16	14	16	15	16	14	14	14	—	
Total	90	87	84	88	83	86	81	79	82	78	

Source: Olivenhain Municipal Water District

Notes: (1) Based on active full-time employees included in the District's payroll as of June 30, 2023, excludes temporary labor and interns. (2) Includes treatment plant operations at the David C. McCollom Water Treatment Plant.

(3) Includes treatment plant operations at the 4S wastewater treatment plant and water reclamation facility.

### Table XIX – Capital and Operating Indicators by Activity

Last Ten Fiscal Years

				Full-time	Equivalent l	Employees a	s of June 30			
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Potable										
Service area (acres)	31,123.0	31,123.0	31,123.0	31,123.0	31,123.0	31,123.0	31,123.0	31,123.0	31,123.0	31,123.0
Miles of water main <sup>(1)</sup>	466.5	466.2	466.2	466.2	466.2	466.2	466.2	419.0	419.0	419.0
Number of treated reservoirs in service	12	12	12	12	12	12	12	12	12	13
Total treated reservoirs capacity (million gallons)	66.9	66.9	66.9	66.9	66.9	66.9	66.9	65.9	65.9	68.1
Number of service connections	28,888	28,871	28,848	28,803	28,664	28,585	28,563	28,477	28,343	28,251
Number of meters in service	28,731	28,713	28,696	28,657	28,504	28,431	28,393	28,295	28,161	28,082
Potable water peak demand (million gallons) <sup>(2)</sup>	24.0	27.0	25.8	25.5	26.7	25.4	29.8	23.9	29.9	32.7
Average treated water demand (MGD) <sup>(2)</sup>	14.2	17.4	17.4	15.3	15.0	17.3	18.9	14.4	17.5	19.7
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)	14.3	17.6	20.8	18.1	17.7	21.4	18.7	13.9	17.1	22.3
Sewer										
Service area (acres)	5,549.5	5,508.0	5,508.0	5,508.0	5,508.0	5,508.0	5,508.0	5,338.0	5,338.0	5,338.0
Maximum system capacity (MGD)	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Number of in-service equivalent dwelling units(3)	7,334	7,250	7,247	7,244	7,239	7,236	7,063	7,043	6,939	6,883
Recycled										
Service area (acres)	10,638.0	10,638.0	10,638.0	10,638.0	10,638.0	10,638.0	10,637.8	10,567.0	10,567.0	10,567.0
Miles of recycled water main <sup>(4)</sup>	67.3	67.1	67.1	67.1	67.1	67.0	54.5	48.0	48.0	48.0
Total recycled storage capacity (million gallons) <sup>(5)</sup>	136.0	136.0	136.0	136.0	136.0	136.0	135.6	135.6	4.0	4.0
4S WRF maximum capacity (MGD)	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Average treatment daily plant flow (MGD)	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Number of meters in service	320	314	314	308	295	293	288	278	273	260
General Information										
Average years of service of employees <sup>(6)</sup>	9.1	8.5	9.1	8.6	10.0	9.3	9.1	9.5	10.1	10.2

Source: Olivenhain Municipal Water District

Notes: (1) Total miles for FY 2017 and beyond include hydrant laterals in the Geographic Information System (GIS).

(2) FY 2017 and beyond include selling of treatment capacity to Vallecitos Water District.

(3) An equivalent dwelling unit means the standard measurement of water discharged into the sewer collection and treatment system equal to the average discharge from a detached singlefamily unit.

(4) Total miles for FY 2017 and beyond include laterals in the Geographic Information System (GIS).

(5) Recycled storage for FY 2016 and beyond includes Wet Weather Storage Pond storage capacity.

(6) Based on the numbers of full-time equivalent employees as of June 30.



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are (1)

"Water Reflection" Submitted by Sabine Kurz-Sherman 2023 Elfin Forest Recreational Reserve Photo Contest Water Winner

OLIVENHAIN MUNICIPAL WATER DISTRICT, ENCINITAS, CALIFORNIA

# Olivenhain Municipal Water District

Encinitas, California

### Single Audit and Independent Auditors' Reports

For the Year Ended June 30, 2023



#### Page

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>								
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#### REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

#### Independent Auditors' Report

To the Board of Directors of the Olivenhain Municipal Water District Encinitas, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Olivenhain Municipal Water District (the "District"), as of June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 2, 2023.

#### **Report on Internal Control Over Financial Reporting**

In planning and performing our audits of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

#### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



To the Board of Directors of the Olivenhain Municipal Water District San Diego, California Page 2

#### **Purpose of this report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The Pur Group, UP

San Diego, California November 2, 2023



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#### REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE, AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

#### Independent Auditors' Report

To the Board of Directors of the Olivenhain Municipal Water District San Diego, California

#### **Report on Compliance for Each Major Federal Program**

#### **Opinion on Each Major Federal Program**

We have audited the Olivenhain Municipal Water District's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of the auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

#### Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

#### Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.



To the Board of Directors of the Olivenhain Municipal Water District San Diego, California Page 2

#### Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

#### **Report on Internal Control Over Compliance**

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance possibility that material noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance requirement of a federal program will not be prevented, or a combination of deficiencies, in internal control over compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

To the Board of Directors of the Olivenhain Municipal Water District San Diego, California Page 3

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

#### Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the District as of June 30, 2023 and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 2, 2023, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming our opinion on the District's financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The Pur Group, UP

San Diego, California November 2, 2023

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#### Olivenhain Municipal Water District Single Audit Report Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor Program Title	Federal Assistance Listing Number	Agency or Pass-Through Number	Federal Expenditures		Amount Provided to Subrecipients	
<u>U.S. Department of the Interior</u> Direct Programs: Title XVI Water Reclamation and Reuse	15.504	R22AP00518	\$	1,744,994	\$	1,020,928
WaterSMART		R21AP10434 I U.S. Department of the Interior FURES OF FEDERAL AWARDS	\$ \$	285,391 2,030,385 2,030,385	\$ \$	- 1,020,928 1,020,928

#### Note 1 – Reporting Entity

The Olivenhain Municipal Water District (the "District") is a governmental corporation governed by an elected fivemember board of directors. The District was incorporated in 1959 under the provisions of the California Municipal Water District Act of 1911.

The District is operated as an enterprise fund. The finances of the District are kept on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. As an enterprise fund, the District maintains a self-balancing set of accounts established to record the financial position and results that pertain to each activity. The activities of enterprise funds are similar to regular businesses whereby a governmental agency collects sufficient revenues through rates and user charges to pay for on-going operating expenses and maintaining infrastructure in order to sustain operations.

The District's service area is approximately 48.6 square miles. This service area lies within the northern region of San Diego County and includes portions of incorporated areas such as Encinitas, Carlsbad, San Diego, Solana Beach, San Marcos and large portions of unincorporated areas such as 4S Ranch, Rancho Cielo, Rancho Santa Fe, Elfin Forest, and Santa Fe Valley.

The District is at approximately 95% of its ultimate build-out of approximately 34,400 equivalent dwelling units. For the fiscal year ended June 30, 2023, 70.7% of water delivered was for domestic use, 28.2% for commercial and irrigation use (including construction and recycled water), and 1.1% for agricultural use. The District relies on the San Diego County Water Authority (SDCWA) as a sole source of untreated water, which is treated at the District's David C. McCollom Water Treatment Plant.

The District provides sewer collection and treatment services to a portion of the District's service area and sells recycled water to golf courses and other customers for irrigation. The District's 4S Ranch Water Reclamation Facility ("WRF") collects and treats sewage from two specific areas of the District, Rancho Cielo and 4S Ranch. The 4S WRF currently produces approximately 1 million gallons per day ("mgd") of recycled water to help meet demand in the southeast quadrant of the District's service area. The District also purchases recycled water from Santa Fe Valley Community Services District, City of San Diego, Vallecitos Water District, and the San Elijo Joint Powers Authority to help meet recycled water demand throughout its service area.

During the fiscal year ended June 30, 2023, the District billed 15,921.4 acre-feet ("AF") of potable water through 28,731 active potable water meters and 2,270 AF of recycled water through 320 active recycled meters. The District provided wastewater collection services to 7,334 sewer equivalent dwelling units ("EDU"s) in 4S Ranch, Rancho Cielo, Santa Luz, and Black Mountain Ranch.

#### Note 2 – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial statements of the District.

#### Note 3 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the full accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

#### Note 4 – Indirect Cost Rate

The District has not elected to use the 10-percent de minimis indirect rate as allowed under the Uniform Guidance.

#### Note 5 – Subrecipients

The District passed \$1,020,928 through to sub-recipient members of the North San Diego Water Reuse Coalition ("Coalition") during the fiscal year ended June 30, 2023. The Coalition is a group of nine water and wastewater agencies in San Diego County working together to maximize recycled water use and reduce demand for imported water. The Title XVI Water Reclamation and Reuse grant was awarded to the coalition to fund its Regional Recycled Water Program, which is a joint effort between Coalition members to expand recycled water infrastructure to increase and maximize water reuse in the region. Upon completion of all long-term project elements, the Coalition anticipates increasing water reuse by 11 billion gallons per year.

#### Note 6 – Contingencies

Under the terms of federal and state grants, additional audits may be requested by the grantor agencies and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to a request for reimbursement to the grantor agencies.

#### Section I – Summary of Auditors' Results

#### **Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified	
Internal control over financial reporting:		
• Material weakness(es) identified?	No	
• Significant deficiency(ies) identified?	None Reported	
Noncompliance material to financial statements noted?	No	
Federal Awards		
Internal control over major programs:		
• Material weakness(es) identified?	No	
• Significant deficiency(ies) identified?	None Reported	
Type of auditors' report issued on compliance for major programs	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No	

Identification of major programs:

	Federal Assistance				
Name of Federal Program or Cluster	Name of Federal Program or Cluster Listing Number		Expenditures		
Title XVI Water Reclamation and Reuse	15.504	\$	1,744,994		
Total Expenditures of All Major Federal Programs			1,744,994		
Total Expenditures of Federal Awards			2,030,385		
Percentage of Total Expenditures of Federal Awards			85.94%		
Dollar threshold used to distinguish between type A and type B programs		\$750,000			
Auditee qualified as low-risk auditee in accordance with 2 CFR 200.520?			No		

#### Section II – Financial Statement Findings

#### A. Current Year Financial Statement Findings

No financial statement findings were noted for the year ended June 30, 2023.

#### **B.** Prior Year Financial Statement Findings

No financial statement findings were noted for the year ended June 30, 2022.

#### Section III – Federal Awards Findings and Questioned Costs

#### A. Current Year Findings and Questioned Costs – Major Federal Award Program Audit

No federal award findings were noted for the year ended June 30, 2023.

#### B. Prior Year Findings and Questioned Costs - Major Federal Award Program Audit

Not applicable. The District was not subject to Single Audit requirements for the year ended June 30, 2022.

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**Attachment 5** 



# OLIVENHAIN MUNICIPAL WATER DISTRICT

**Presentation to the Board of Directors For the Fiscal Year Ended June 30, 2023** 

**December 13, 2023** 

# CONTENTS

- Scope of Work
- Audit Responsibilities
- Approach to the Audit
- Accounting Changes
- Overview of Financial Statements
- Key Financial Indicators
- Single Audit
- Audit Results



# **SCOPE OF WORK**



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# **SCOPE OF WORK**

- Audit of the Annual Comprehensive Financial Report
  - Financial Section
    - Statement of Net Position
    - Statement of Revenues, Expenses and Changes In Net Position
    - Statement of Cash Flows
    - Notes to the Basic Financial Statements



# AUDIT RESPONSIBILITIES



# **MANAGEMENT'S RESPONSIBILITIES**

- Responsible for the financial statements
- Present the financial statements in accordance with accounting principles generally accepted in the United States of America (US GAAP)
- Adopt sound accounting policies
- Establish and maintain internal controls over financial reporting and compliance
- Provide evidence supporting the amounts and disclosures in the financial statements
- Fair presentation of financial statements that are free from material misstatements, whether due to fraud or error
- Prevent and detect fraud



# **AUDITORS' RESPONSIBILITIES**

- Perform the audit in conformity with Auditing Standards Generally Accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States
- Communicate with "Those Charged with Governance"
- Assess audit risk of internal control over financial reporting
- Determine the fairness of the presentation of the financial statements
- Render an opinion on the financial statements
- Issue recommendations to management, if any



# **APPROACH TO THE AUDIT**



# THE PUN GROUP'S AUDIT APPROACH FOR OLIVENHAIN MUNICIPAL WATER DISTRICT

- Phase I Detailed planning
- Phase II Risk-based review of internal controls over systems and compliance
  - Financial reporting
  - Revenues billings, revenue recognition, and cash receipts
  - Expenses purchasing, accounts payable, and cash disbursements
  - Payroll and related liabilities
  - General IT controls
- Phase III Validation of account balances
- Phase IV Preparation of financial statements and issuance of audit opinions



# **ACCOUNTING CHANGES**



# IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

### GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs)

- In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-touse subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding SBITAs.
- Implementation of this Statement had a minor effect on the District's financial statements for the year ended June 30, 2023 and the financial statements for the year ended June 30, 2022 were restated for consistency.



# OVERVIEW OF THE FINANCIAL STATEMENTS



## Olivenhain Municipal Water District Comparative Summary Statements of Net Position June 30, 2023 and 2022

	2023	2022	\$ Diff	% Diff
Assets				
Current Assets:				
Unrestricted assets	\$ 89,298,112	\$ 93,308,859	\$ (4,010,747)	-4.30%
Restricted assets	14,570,261	12,899,002	 1,671,259	12.96%
Total current assets	103,868,373	 106,207,861	 (2,339,488)	-2.20%
Noncurrent assets:				
Capital assets	374,715,143	375,213,684	(498,541)	-0.13%
Others	9,372,997	 9,991,175	 (618,178)	-6.19%
Total noncurrent assets	384,088,140	 385,204,859	 (1,116,719)	-0.29%
Total assets	487,956,513	 491,412,720	(3,456,207)	-0.70%
Deferred Outflows of Resources				
Pension-related deferred outflows	7,296,286	2,731,692	4,564,594	167.10%
Deferred amount on refunding	857,886	1,016,228	(158,342)	-15.58%
Total deferred outflows of resources	 8,154,172	 3,747,920	 4,406,252	117.57%



Olivenhain Municipal Water District
<b>Comparative Summary Statements of Net Position (Continued)</b>
June 30, 2023 and 2022

	2023	2022	\$ Diff	% Diff
Liabilities				
Current Liabilities:				
Accounts payable, accrued expenses, and deposits	8,963,207	8,709,858	253,349	2.91%
Compensated absences, current	961,314	996,839	(35,525)	-3.56%
Long-term debt, current	4,674,149	4,517,542	156,607	3.47%
Liabilities payable from restricted assets	189,507	158,941	30,566	19.23%
Total current liabilities	14,788,177	14,383,180	404,997	2.82%
Noncurrent liabilities:				
Compensated absences	1,189,983	939,187	250,796	26.70%
Net pension liability	16,832,760	7,819,768	9,012,992	115.26%
Long-term debt	42,393,127	47,891,832	(5,498,705)	-11.48%
Total noncurrent liabilities	60,415,870	56,650,787	3,765,083	6.65%
Total liabilities	75,204,047	71,033,967	4,170,080	5.87%
Deferred Inflows of Resources				
Pension-related deferred inflows	720,171	6,995,887	(6,275,716)	-89.71%
Lease-related deferred inflows	8,953,346	9,796,852	(843,506)	-8.61%
Total deferred outflows of resources	9,673,517	16,792,739	(7,119,222)	-42.39%
-				
Net Position				
Net investment in capital assets	332,382,861	328,832,740	3,550,121	1.08%
Restricted	10,503,646	7,727,858	2,775,788	35.92%
Unrestricted	68,346,614	70,773,336	(2,426,722)	-3.43%
THE Total Net Position	\$ 411,233,121	\$ 407,333,934	\$ 3,899,187	0.96%
PUNGROUP				

## Olivenhain Municipal Water District Comparative Statements of Revenues, Expenses and Change in Net Position

# For the Years Ended June 30, 2023 and 2022

	2023	2022	\$ Diff	% Diff
Operating Revenues				
Water sales	\$ 53,633,877	\$ 57,747,541	\$ (4,113,664)	-7.12%
Sewer charges	5,621,985	5,480,925	141,060	2.57%
Other operating revenues	1,084,666	 1,303,126	 (218,460)	-16.76%
Total operating revenues	60,340,528	64,531,592	(4,191,064)	-6.49%
Operating Expenses				
Cost of purchased water sold	29,609,781	31,265,804	(1,656,023)	-5.30%
Pumping and water treatment	4,353,775	4,322,820	30,955	0.72%
Transmission and distribution	4,434,815	4,485,962	(51,147)	-1.14%
Sewer collection and treatment	2,026,695	2,170,341	(143,646)	-6.62%
Elfin Forest recreation reserve operations	386,905	428,174	(41,269)	-9.64%
Facilities maintenance	1,274,751	1,387,010	(112,259)	-8.09%
Customer services	1,754,190	2,036,267	(282,077)	-13.85%
General and administrative	6,865,224	7,745,048	(879,824)	-11.36%
Other operating expenses	212,580	304,037	(91,457)	-30.08%
Depreciation and amortization	15,910,790	16,132,953	 (222,163)	-1.38%
Total operating expenses	 66,829,506	70,278,416	(3,448,910)	-4.91%
Operating (Loss)	 (6,488,978)	 (5,746,824)	(742,154)	12.91%



### Olivenhain Municipal Water District Comparative Statements of Revenues, Expenses and Changes in Net Position (Continued) For the Years Ended June 30, 2023 and 2022

	2023	2022	\$ Diff	% Diff
Nonoperating Revenues (Expenses)				
Fair market value adjustment	(207,285)	(2,467,642)	2,260,357	-91.60%
Investment income	2,105,348	402,702	1,702,646	422.81%
Property taxes	4,577,755	4,242,794	334,961	7.89%
Capacity charges	1,327,295	1,530,925	(203,630)	-13.30%
Benefit assessments	1,045,315	1,058,241	(12,926)	-1.22%
Other nonoperating revenues	1,055,260	2,237,334	(1,182,074)	-52.83%
Interest expenses	(1,220,156)	(1,322,948)	102,792	-7.77%
Other nonoperating expenses	 (1,935,949)	 (606,602)	(1,329,347)	219.15%
Total nonoperating revenues (expenses)	 6,747,583	 5,074,804	1,672,779	32.96%
Income before capital contributions	258,605	(672,020)	930,625	-138.48%
Capital contributions	3,640,582	569,745	3,070,837	538.98%
Changes in net position	\$ 3,899,187	\$ (102,275)	\$ 4,001,462	-3912.45%



## Olivenhain Municipal Water District Comparative Statements of Cash Flows For the Years Ended June 30, 2023 and 2022

	2023	2022	\$ Diff	% Diff
Cash Flows from Operating Activities				
Receipts from customers	\$ 61,337,349	\$ 65,848,393	\$ (4,511,044)	-6.85%
Payments for water	(30,212,660)	(30,910,730)	698,070	-2.26%
Payments for services and supplies	(8,878,715)	(10,952,261)	2,073,546	-18.93%
Payments for employee wages, benefits, and related costs	 (12,953,543)	 (12,569,780)	(383,763)	3.05%
Net cash provided by operating activities	 9,292,431	 11,415,622	(2,123,191)	-18.60%
Cash Flows from Noncapital Financing Activities				
Property tax assessment received	5,583,500	5,271,677	311,823	5.92%
SDCWA water rebate payment	 18,930	2,102,804	 (2,083,874)	-99.10%
Net cash provided by noncapital financing activities	 5,602,430	 7,374,481	 (1,772,051)	-24.03%



## Olivenhain Municipal Water District Statements of Cash Flows (Continued) For the Years Ended June 30, 2023 and 2022

	2023	2022	\$ Diff	% Diff
Cash Flows from Capital and Related Financing Activities				
Acquisition and construction of capital assets	(14,493,861)	(8,765,436)	(5,728,425)	65.35%
Proceeds from grants and capital contributions	1,495,622	-	1,495,622	100.00%
Principal payments on long-term debt	(4,862,730)	(8,665,506)	3,802,776	-43.88%
Proceeds from debt issuance	-	8,975,110	(8,975,110)	-100.00%
Interest payments on long-term debt	(1,487,744)	(1,631,765)	144,021	-8.83%
Capacity charges received	1,364,791	1,552,833	(188,042)	-12.11%
Proceeds from sale of capital assets	-	595,875	(595,875)	-100.00%
Other capital financing receipts	1,055,261	1,125,345	(70,084)	-6.23%
Other capital financing expenses paid	(1,655,542)	(699,549)	(955,993)	136.66%
Net cash provided by capital and related financing activities	(18,584,203)	(7,513,093)	(11,071,110)	147.36%
Cash Flows from Investing Activities				
Proceeds from sale and maturities of investments	3,000,000	4,000,000	(1,000,000)	-25.00%
Purchase of investments	(2,957,913)	(9,061,033)	6,103,120	-67.36%
Investment income received	1,121,975	41,812	1,080,163	2583.38%
Net cash provided by investing activities	1,164,062	(5,019,221)	6,183,283	-123.19%
Changes in cash and cash equivalents	\$ (2,525,280) \$	6,257,789	\$ (8,783,069)	-140.35%



# **KEY FINANCIAL INDICATORS**



# Olivenhain Municipal Water District Key Financial Indicators

		2023	2022	2021	2020
<u>Current Ratio</u>					
Current Assets	\$	103,868,373	\$ 106,207,861	\$ 98,915,490	\$ 91,849,421
Current Liabilities	\$	14,788,177	\$ 14,383,180	\$ 13,933,676	\$ 16,678,476
Olivenhain MWD		7.02	7.38	7.10	5.51
Average of 10 Local Districts	1	not available	5.00	5.48	6.39
Capital Condition Ratio					
Total Depreciable Capital Assets	\$	576,855,990	\$ 567,586,076	\$ 556,962,450	\$ 533,528,816
Total Accumulated Depreciation	\$	244,366,290	\$ 230,798,427	\$ 216,571,720	\$ 204,189,400
Olivenhain MWD		42.36%	40.66%	38.88%	38.27%
Average of 10 Local Districts	1	not available	46.54%	45.12%	44.58%
Pension Liability to Net Position Ratio					
Net Pension Liability	\$	16,832,760	\$ 7,819,768	\$ 14,608,844	\$ 13,760,678
Net Position	\$	411,233,121	\$ 407,333,934	\$ 407,436,209	\$ 398,071,764
Olivenhain MWD		4.09%	1.92%	 3.59%	3.46%
Average of 10 Local Districts	1	not available	5.34%	10.65%	11.03%
Water / Sewer Receivable % Change					
Water / Sewer Receivable - Current Year	\$	8,352,651	\$ 9,453,946	\$ 10,717,152	\$ 10,062,269
Water / Sewer Receivable - Prior Year	\$	9,453,946	\$ 10,717,152	\$ 10,062,269	\$ 8,079,684
Olivenhain MWD		-11.65%	 -11.79%	6.51%	24.54%
Average of 10 Local Districts	1	not available	14.16%	8.69%	9.73%



# Olivenhain Municipal Water District Key Financial Indicators

		2023 2022		2022	2021			2020		
Operating Margin										
Operating Revenues	\$	60,340,528	\$	64,531,592	\$	64,758,178	\$	57,583,293		
Operating Expenses	\$	50,918,716	\$	54,145,463	\$	52,683,656	\$	49,298,110		
Olivenhain MWD		1.19		1.19		1.23		1.17		
Average of 10 Local Districts	r	not available		1.06		1.02		1.07		
Water / Sewer Sales % Change										
Water / Sewer Sales - Current Year	\$	59,255,862	\$	63,228,466	\$	63,296,949	\$	55,383,041		
Water / Sewer Sales - Prior Year	\$	63,228,466	\$	63,296,949	\$	55,383,041	\$	53,483,505		
Olivenhain MWD		-6.28%		-0.11%		14.29%		3.55%		
Average of 10 Local Districts	n	not available		1.19%		13.89%		2.20%		



### Olivenhain Municipal Water District GASB 68 – Sensitivity of NPL to Changes in Discount Rate CalPERS Miscellaneous Plan Measurement Date June 30, 2022

Discount Rate	_	5.90%	 6.90%	 7.90%	
Proportionate share of net pension liability	\$	25,863,266	\$ 16,832,760	\$ 9,402,895	
		2023	2022	Change	
Fiduciary net position as % of total pension liability		74.59%	87.14%	-12.55%	
Average of 10 local districts		not available	81.18%		



# SINGLE AUDIT



## Olivenhain Municipal Water District Single Audit For the Year Ended June 30, 2023

	Federal					
	Assistance				Amount	
Federal Grantor/Pass-Through Grantor	Listing		Federal	Pi	rovided to	
Program Title	Number	Ex	penditures	Su	brecipients	_
U.S. Department of the Interior						
Direct Programs:						
Title XVI Water Reclamation and Reuse	15.504	\$	1,744,994	\$	1,020,928	
WaterSMART	15.507		285,391		-	
Total U.S. Department	of the Interior	\$	2,030,385	\$	1,020,928	
TOTAL EXPENDITURES OF FEDER	AL AWARDS	\$	2,030,385	\$	1,020,928	



# AUDIT RESULTS



# **AUDIT RESULTS**

- Unmodified Opinion
  - Financial statements are fairly presented in all material respects
  - Significant accounting policies have been consistently applied
  - Estimates are reasonable
  - Disclosures are properly reflected in the financial statements

### Other Results

- No disagreements with management
- No material weaknesses or significant deficiencies in internal controls over financial reporting or compliance were noted

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• No accounting issues were noted





#### **HQ - ORANGE COUNTY**

200 E. Sandpointe Avenue Suite 600 Santa Ana, CA 92707

#### SAN DIEGO

4365 Executive Drive Suite 710 San Diego, CA 92121 **BAY AREA** 2121 North California Blvd. Suite 290 Walnut Creek, CA 94596 LAS VEGAS 1050 Indigo Drive Suite 110 Las Vegas, NV 89145 PHOENIX 4742 North 24th Street Suite 300 Phoenix, AZ 85016

Agenda Item 11



# Memo

Date: December 13, 2023

To: Olivenhain Municipal Water District Board of Directors

From: Rainy Selamat, Finance Manager

Via: Kimberly A. Thorner, General Manager

Subject: RECEIVE ANNUAL REPORT ON THE DISTRICT'S PENSION FUNDING STATUS AND CONSIDER APPROVAL OF THE RECOMMENDED PENSION FUNDING PLAN FOR 2023

#### Purpose

The purpose of this item is to provide a report on the District's pension funding status based on California Public Employees' Retirement Plan (CalPERS) Actuarial Valuation as of June 30, 2022, and to seek approval from the Board on the recommended pension funding plan for 2023.

#### Recommendation

The recommended pension funding plan is based on the CalPERS Actuarial Valuation as of June 30, 2022 and is consistent with the Pension Funding Policy adopted by the Board in June 2022.

The recommended pension funding plan is to:

 Make an annual Additional Discretionary Payment (ADP) to CalPERS in the amount of \$311,000 from the District's Pension Stabilization Fund by December 31, 2023 to reduce the District's Unfunded Accrued Liability (UAL), and  To make a contribution of \$550,000 from the Water Operating Fund (\$500,000) and Sewer Operating Fund (\$50,000) to the Water Pension Stabilization Fund and Wastewater Pension Stabilization Fund, respectively.

The recommended pension funding plan was discussed with the Finance Committee (Director Meyers and Director Watt) at its regular meeting on November 2, 2023. The committee recommended bringing this item before the full board for consideration and approval. The amounts being recommended are consistent with anticipated contributions when the Pension Funding Policy was approved in 2022.

#### Alternative

The Board can instruct staff to do otherwise. The recommended pension plans are consistent with the Pension Funding Policy (Policy) adopted by the Board in June 2022.

#### Background

The Board approved the Policy in June 2022. The Policy requires staff to review and report the District's pension plans funding status to the Board in December each year after the most current CalPERS actuarial report is released and the District's financial audit is completed. The District has two (2) pension plans through CalPERS that employees currently have vested pension benefits in: Classic Plan (2.5% @ 55) and Public Employment Pension Reform Act (PEPRA) Plan (2% @ 62)- enacted by California Legislation for employees hired after January 1, 2013.

The goal of a defined benefit pension plan is to fund the long-term cost of benefits provided to the plan members. CalPERS is a defined benefit pension plan that pays retirees a benefit based on a formula (for example 2% @ 62). Per the District's Policy, the minimum targeted funded ratio for the District's defined pension benefit plans shall not be below 85% (based on the most current CalPERS annual actuarial report).

Pursuant to the Policy, the Board received a report on the District's pension funding status and approved a pension funding plan on December 14, 2022. As part of the pension funding plan, and in-line with the District's Policy, the Board approved the following:

1. A 13-year Fresh Start that would re-amortize the District's UAL over a shorter time, allowing for a quicker pay-off and long-term savings for the District.

- 2. A \$311,000 Additional Discretionary Payment to CalPERS to reduce the District's Unfunded Accrued Pension Liability to help achieve the District's minimum target pension funding rate of 85%, and also to provide long-term savings.
- 3. Establishment of a Pension Stabilization Fund, including a contribution from the Water Operating Fund (\$715,000) and Wastewater Operating Fund (\$71,000) to the Water Pension Stabilization Fund and Wastewater Pension Stabilization Fund, respectively. The 2022 Additional Discretionary Payment (ADP) of \$311,000 was paid from this Pension Stabilization Fund.

The District's goal is to reach a fully funded status (100%) over the next 10 to 20 years. Staff's report on the District's pension plans funding status is based on the most recent CalPERS' Actuarial Valuation as of June 30, 2022, which was released by CalPERS in August 2023.

#### **Fiscal Impact**

The District's funded status for its Classic Plan and PEPRA Plan, based on CalPERS' Annual Valuation Report as of June 30, 2022, was 72.2% and 87.2%, respectively. CalPERS reported a decrease in the District's pension funding ratio compared to the prior year (83.4% and 104.6%, respectively) due to CalPERS' reported investment loss of 6.1% and a higher actual Cost of Living Adjustment (COLA) than their actuarial assumptions due to high inflation. As a result, the District is currently below the minimum targeted funded ratio of 85%. More information on the District's pension funding status and progress is included in the attached presentation.

The recommended additional discretionary payment (ADP) to CalPERS of \$311,000 will help the District achieve its target funded ratio of 85%. By making a \$311,000 ADP payment this year, the District would reduce its UAL by \$322,059. Coupled with the 13year Fresh Start that was implemented last year, it would result in savings of \$17,700 to the District for the fiscal year 2025 CalPERS employer contributions.

Consistent with current practice, the District is planning to prepay its annual required UAL to CalPERS in 2025 for additional savings of \$42,300.

The District's Water Operating and Wastewater Operating Funds will continue to be in compliance with the District's reserve policy following the recommended contribution of \$550,000 from the Water Operating Fund (\$500,000) and Wastewater Operating Fund (\$50,000) to the Water Pension Stabilization Fund and Wastewater Pension

Stabilization Funds, respectively. The recommended ADP will be paid out of the Pension Stabilization Funds.

#### Discussion

Based on CalPERS' Actuarial Valuation as of June 30, 2022, the District's unfunded pension liability was \$18,299,709 for the Classic Miscellaneous Plan and \$339,064 for the PEPRA Miscellaneous Plan. The goal of this year's recommended pension funding plan is to continue with the District's funding plan and goal as stated in the Policy in order to achieve the minimum targeted funded ratio of 85%.

The recommended pension funding plan was discussed with the District's Finance Committee (Director Meyer and Director Watt) at its November 2<sup>nd</sup> regular meeting.

Staff will be available for discussion at the meeting.

 Attachment 1 – Olivenhain Municipal Water District Pension Funding Policy

 Attachment 2 – Staff's presentation and report on the District's pension funding status and progress

 Attachment 3 – CalPERS letter regarding the Additional Discretionary Payment (ADP) to reduce its Unfunded Accrued Liability (UAL)

### Attachment 1

# Olivenhain Municipal Water District Pension Funding Policy

Approved by Board on June 22, 2022

#### <u>Purpose</u>

Olivenhain Municipal Water District (District) recognizes that a fully funded defined benefit pension plan requires fiscal discipline and financial commitment. The District also recognizes that an unfunded pension liability could potentially cause financial stress, impacts on operations, and pressure on customer rates and charges.

This policy reflects the Board of Directors' commitment to achieve a fully funded pension plan in a timely manner, including when and how the District's pension liability will be fully funded in the most cost-efficient manner possible.

The District has a history of being fiscally conservative and follows prudent financial management practices. Therefore, this policy was developed to:

- ensure that the District has the flexibility to respond to changes in future service priorities, revenue levels, and operating expenditures;
- provide fiscal protocols to address the District's Unfunded Accrued Liability (UAL) and guidance in developing long-range projections during the budget process;
- maintain the District's financial position;
- preserve the District's creditworthiness; and
- ensure that all pension funding decisions are made to protect ratepayers, retirees, and employees.

#### **Background**

The District provides a defined benefit pension plan through the California Public Employees' Retirement System (CalPERS). All qualified full-time District employees are required to participate in CalPERS. CalPERS provides retirement, disability benefits, death benefits, and annual cost of living adjustments 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 and other requirements is established by State statues within the Public Employee's Retirement Law.

The District has two (2) pension plans through CalPERS that employees currently have vested pension benefits in:

• Classic Plan (2.5% @ 55) - accounts for about 99% of the District's pension liability for employees hired prior to January 1, 2013.

# Olivenhain Municipal Water District Pension Funding Policy

Approved by Board on June 22, 2022

• Public Employment Pension Reform Act (PEPRA) Plan (2.0% @ 62) – enacted by California Legislation for employees hired after January 1, 2013.

The District is statutorily required to make payments to CalPERS on an annual basis. The District's annual payments to CalPERS are comprised of two components: Normal Costs and UAL Payments.

<u>Normal Cost</u> – represents the cost of pension benefits earned by current employees for their current years of service. Normal Cost payments are made biweekly to CalPERS, and are based on a percentage of payroll.

<u>UAL Payments</u> – represents the shortfall in assets needed to fully fund prior benefits earned by employees and retirees. UAL payments are annual fixed dollar payments required to fund this shortfall.

The District's funded status and UAL for its Classic Plan and PEPRA Plan, based on CalPERS' most recent Annual Valuation Report as of June 30, 2020, was 72.4% (or \$15,984,782) and 90.3% (or \$126,803), respectively.

#### **CalPERS Annual Adjustments to UAL/Amortization Bases**

Every August, CalPERS releases a new actuarial valuation report, based on values as of June 30th of the previous year. CalPERS calculates the District's UAL as of this new valuation date, which increases or decreases from year-to-year, due to changes in the following factors/assumptions:

- Investment Performance adjustment for investment gains/losses relative to the stated CaIPERS Discount Rate (currently 6.80%)
- Demographic Performance adjustments made based on actual performance compared to actuarial assumptions, which includes early/late retirement, disability, mortality, promotions, terminations, etc.
- Actuarial Assumptions changes in the discount rate, life expectancy, rate of inflation, rate of return, etc.)
- Payroll Changes increase/decrease in number of employees or salary increases or adjustments

CalPERS accounts for these changes by adding new Amortization Bases each year; adjustments that lower the District's UAL take the form of a "credit". CalPERS amortizes these adjustments over 20 years or less. The District is establishing this policy to address

### Olivenhain Municipal Water District Pension Funding Policy Approved by Board on June 22, 2022

the existing UAL and any new pension liabilities, or amortization bases, that may arise on an annual basis.

#### Funding Plan and Goal

The goal of a defined benefit pension plan is to fund the long-term cost of benefits provided to the plan members. CalPERS is a defined benefit pension plan that pays retirees a benefit based on a formula (for example 2% @ 62). Given the fixed formula-based pay out associated with a defined benefit pension plan, the funding goal of a defined benefit plan is 100%. The minimum targeted funded ratio for the District's defined pension benefit plans shall not be below 85% (based on the most current CalPERS annual actuarial report.)

The District's funded status for its Classic Plan and PEPRA plan, based on CalPERS' Annual Valuation Report as of June 30, 2020, was 72.4% and 90.3%, respectively. The District's goal is to reach a fully funded status (100%) over the next 10 to 20 years.

The District is currently below the minimum targeted funded ratio set in this Policy but plans to continue to stay above the minimum targeted funded ratio once achieved.

The District will utilize the following funding plan to meet its funding goal:

- 1. Implement a 13-year Fresh Start that would re-amortize the District's UAL over a shorter time, allowing for a quicker pay-off and long-term savings.
- Make regular annual additional discretionary payments (ADPs) of approximately \$311,000 to CalPERS before December 31<sup>st</sup> of each year. These are optional payments that reduce the District's UAL and result in long-term savings.

The District may also implement additional funding strategies to accelerate the payoff of its Unfunded Accrued Liability (UAL). UAL pension funding decisions shall be made on a case-by-case basis by the General Manager and are subject to review and approval by the Board each year.

#### **Funding Strategies**

### Olivenhain Municipal Water District Pension Funding Policy Approved by Board on June 22, 2022

The District has a number of different financing strategies available to address its UAL and will utilize one or more of the strategies outlined below. All pre-funding decisions will require detailed financial analysis to be performed; and shall include proper documentation of the analysis, methodology, and decision-making process and are subject to the Board's approval.

 Pension Stabilization Fund - The District will create a Pension Stabilization Fund to stabilize pension costs and achieve its funding goal. The District will make annual contributions from excess funds available in the Water Operating Fund and Sewer Operating Fund in a manner consistent with the Board Designated Fund Balances Policy (aka Reserve Policy) to the Pension Stabilization Fund, in addition to its annual regular UAL and regular annual additional discretionary payment (ADP) described above.

The Pension Stabilization Fund will be used to address additional amortization bases created by CalPERS due to changes in any of CalPERS' actuarial assumptions (included in Annual Adjustment to UAL/Amortization Bases section below), to make additional discretionary payments, or to be used as emergency source of funds to pay for the District's required UAL and regular ADP payments to CalPERS when the District's revenues are strained in difficult budgetary or economic times.

Funds deposited into the District's Pension Stabilization Fund shall be invested in accordance with applicable laws and regulations. Monies in the District's Pension Stabilization Fund will be reported to the Board annually, with staff's recommendation on the handling of funds, to achieve a pension funding goal of 100%.

The District will create a consistent annual UAL contribution (Level UAL payments) going forward utilizing funds available in the Pension Stabilization Fund. Level UAL payments will provide stability to the District's required future UAL contributions to CalPERS, and thereby, will help reduce undue burden on user charges by not having to generate more revenues to pay for a higher UAL contribution.

# Olivenhain Municipal Water District Pension Funding Policy

- Approved by Board on June 22, 2022
- 2. Accelerated Pay-off of New Bases When new Amortization Bases are added by CalPERS due to change to the District's UAL, the District may endeavor to accelerate the repayment of new bases and choose a shorter timeline (e.g, a 20year base be repaid in 10 years) by implementing a Fresh Start. Analysis and discussion to accelerate payoff of new bases shall be reviewed with the Board.

3. Tax-Exempt Exchange – The District will continue to review the benefits of utilizing debt to achieve its pension funding plan and objective. Issuance of pension obligation bonds are not permitted. When it is fiscally prudent, responsible, diligent under the prevailing economic conditions, and in compliance with the District's debt management policy, the District may seek a tax-exempt exchange by utilizing debt proceeds from typical pay-go capital improvement projects to apply to the UAL. Analysis and discussion on any tax-exempt exchange contemplated by the District shall be reviewed with the Board.

#### **Superfunded Status**

In the event that either of the District plans achieve "superfunded" status, where asset values exceed the accrued liability (i.e., funding level exceeds 100%), any excess amount shall be reported to the Board and staff will provide a recommendation on the handling of these excess funds.

#### **Delegation of Authority**

The investment of District funds in the Pension Stabilization Fund is delegated to the Treasurer by the Board of Directors. The Treasurer may delegate day-to-day operations of investing to the Assistant Treasurer and/or General Manager. At least once each quarter, a sub-committee of the Board shall meet with the General Manager and the Assistant Treasurer to review District portfolio and investments.

#### **Board Discretion**

The District recognizes that this policy consists of guidelines designed to achieve the District's pension funding goals. The Board of Directors may timely approve, on an

### Olivenhain Municipal Water District Pension Funding Policy Approved by Board on June 22, 2022

individual basis, actions which would otherwise not be in accordance with this policy, in the event of unforeseen circumstances.

#### <u>Reporting</u>

This policy will be reviewed by the Board at least every two years to determine if changes are needed to be made to achieve the funding goal of 100%.

District Staff shall review and report pension plans funding status to the Board in December each year after the most current CalPERS actuarial report is released and the District's financial audit is completed. This report shall include: a summary of funding status, funding progress compared to prior years, and recommendations.

#### **Glossary of Terms**

- Additional Discretionary Payment (ADP) An Additional Discretionary Payment (ADP) is an optional payment made to CalPERS to help pay down the pension liability. This payment is in addition to the Normal Cost and UAL Payments that are described in this policy. ADPs serve to reduce the UAL and future required contributions and can result in significant long-term savings.
- Amortization Bases Separate payment schedules for different portions of the Unfunded Accrued Liability. The separate bases consist of changes in the various factors/assumptions described in the "CalPERS Annual Adjustments to UAL/Amortization Bases" section of this policy. Year-to-year changes to the pension liability are added as new amortization bases by CalPERS.
- Classic Plan (2.5% at 55) Benefit formula for employees hired prior to January 1, 2013. Employees on the Classic Plan are eligible for retirement benefits starting at age 50 and can receive full retirement benefits at age 55. Final retirement benefits are calculated based on the employee's final compensation, years of service, and benefit factor.
- 4. **Discount Rate** The long-term interest rate used by CalPERS in determining funding for future pension benefits. Also known as the assumed rate of return because it is what CalPERS expects its investments to earn during the fiscal year. CalPERS Board

### Olivenhain Municipal Water District Pension Funding Policy Approved by Board on June 22, 2022

of Administration meets annually to vote on discount rate changes. Lowering the rate generally results in increased employer contributions.

- 5. **Fresh Start** A Fresh Start is the re-amortization of one or more of the Unfunded Accrued Liability amortization bases over a shorter period. The goal of a Fresh Start is to reduce the UAL more quickly and provide significant long-term savings.
- 6. **Funded Status (Funding Ratio)** Assessment of the need for future employer contributions. This is measured by dividing the District's Market Value of Assets by its Accrued Liability.
- 7. Public Employment Pension Reform Act (PEPRA) Plan (2.0% @ 62) Benefit formula for employees hired after January 1, 2013. Employees on the PEPRA plan are eligible for retirement benefits starting at age 52 and can receive full benefits at age 62. Final retirement benefits are calculated based on the employee's final compensation, years of service, and benefit factor.
- 8. **Unfunded Accrued Liability (UAL)** Difference between the pension plan liabilities (i.e., money the pension plan owes to current and future retirees) and the pension plan assets (i.e., money coming into the plan via contributions). In other words, it is how much money the pension plan would be short if all benefits for members past and present had to be paid today.
- Unfunded Accrued Liability (UAL) Payments The minimum amount due to CalPERS to fund the District's Unfunded Accrued Liability (UAL). This is an annual lump-sum payment made by the District and in addition to the normal contributions (Normal Cost) that are based made by the District and based on a percentage of payroll.



# ANNUAL REVIEW OF PENSION FUNDING STATUS





**Municipal Water District** 

## Purpose

- Review and report the District's pension funding status to the Board after OMWD financial audit is completed with the most current CalPERS actuarial report
  - CalPERS' Actuarial Valuation as of June 30, 2022
- Achieve the minimum target funded ratio of 85% set by the Board in District Pension Funding Policy

# Timing of CalPERS Reports vs.

## Contributions to CalPERS

- Every August, CalPERS releases a new actuarial report, based on values as of June 30<sup>th</sup> of the previous fiscal year.
- The required contributions are due to be paid two years after the new released report
- For example:
  - The required early UAL payment for fiscal year 2024-25 contributions, based on actuarial report as of June 30, 2022 (released in August 2023), is due to CalPERS before July 2024 for a 6.8% interest saving
- The minimum required employer contributions for FY 2024-25:
  - Classic: Normal Cost 13.41%, Amortization of UAL \$1,313,228
  - PEPRA: Normal Cost 7.87%, Amortization of UAL \$12,074

# Component - Pension

### Contributions

- Normal Cost
  - As a percentage of total active payroll. The calculations are based on CalPERS actuarial assumptions on demographic (mortality, retirement, termination, disability) and economic (future investment earnings, inflation, and salary growth rates)
  - Employees pay 8% of Normal Cost (Fixed Max %)
  - Employer pays the remaining (~ 13%)
- Amortization of Unfunded Accrued Liability (UAL)
  - The District prepays this amount in July of each year

## Pension Contributions - Classic

### **Employer Contribution History**

The table below provides a recent history of the required and discretionary employer contributions for the plan. The required amounts are based on the actuarial valuation from two years prior without subsequent adjustments, if any. Additional discretionary payments before July 1, 2019 or after April 28, 2023 are not included.

Fiscal Year	Employer Normal Cost	Unfunded Liability Payment (\$)	Additional Discretionary Payments
2016 - 17	9.498%	\$470,139	N/A
2017 - 18	9.539%	564,474	N/A
2018 - 19	10.022%	703,663	N/A
2019-20	10.823%	853,612	300,000
2020 - 21	11.742%	971,414	485,000
2021 - 22	11.59%	1,139,402	0
2022 - 23	11.59%	1,291,742	311,000
2023 - 24	13.34%	1,184,077	
2024 - 25	13.41%	1,313,228	

## **Pension Contributions - PEPRA**

### **Employer Contribution History**

The table below provides a recent history of the required and discretionary employer contributions for the plan. The required amounts are based on the actuarial valuation from two years prior without subsequent adjustments, if any. Additional discretionary payments before July 1, 2019 or after April 28, 2023 are not included.

Fiscal Year	Employer Normal Cost	Unfunded Liability Payment (\$)	Additional Discretionary Payments
2016 - 17	6.555%	\$59	N/A
2017 - 18	6.533%	184	N/A
2018 - 19	6.842%	645	N/A
2019 - 20	6.985%	1,476	0
2020 - 21	7.732%	3,134	0
2021 - 22	7.59%	5,024	0
2022 - 23	7.47%	8,208	0
2023 - 24	7.68%	0	
2024 - 25	7.87%	12,074	

### **CalPERS Returns Have Been Volatile**



## History of Funded Ratios- Classic

### **Funding History**

The table below shows the recent history of the actuarial accrued liability, share of the pool's market value of assets, unfunded accrued liability, funded ratio, and annual covered payroll.

Valuation Date	Accrued Liability (AL)	Share of Pool's Market Value of Assets (MVA)	Unfunded Accrued Liability (UAL)	Funded Ratio	Annual Covered Payroll
06/30/2013	\$34,526,611	\$26,306,710	\$8,219,901	76.2%	\$5,638,988
06/30/2014	39,388,054	31,865,061	7,522,993	80.9%	5,691,711
06/30/2015	41,569,707	32,254,101	9,315,606	77.6%	5,664,840
06/30/2016	44,640,192	32,334,569	12,305,623	72.4%	5,076,491
06/30/2017	48,015,640	35,772,067	12,243,573	74.5%	5,018,358
06/30/2018	52,009,563	37,853,859	14,155,704	72.8%	5,230,406
06/30/2019	55,279,567	40,368,634	14,910,933	73.0%	4,968,187
06/30/2020	57,897,331	41,912,549	15,984,782	72.4%	4,631,209
06/30/2021	62,213,836	51,909,629	10,304,207	83.4%	4,281,996
06/30/2022	65,815,113	47,515,404	18,299,709	72.2%	4,527,310

### **History of Funded Ratios - PEPRA**

### **Funding History**

The table below shows the recent history of the actuarial accrued liability, share of the pool's market value of assets, unfunded accrued liability, funded ratio, and annual covered payroll.

Valuation Date	Accrued Liability (AL)	Share of Pool's Market Value of Assets (MVA)	Unfunded Accrued Liability (UAL)	Funded Ratio	Annual Covered Payroll
06/30/2013	\$531	\$712	(\$181)	134.1%	\$95,638
06/30/2014	21,558	22,729	(1,171)	105.4%	405,168
06/30/2015	63,572	59,725	3,847	93.9%	584,640
06/30/2016	141,928	125,546	16,382	88.5%	855,960
06/30/2017	297,783	281,440	16,343	94.5%	1,299,590
06/30/2018	569,708	522,394	47,314	91.7%	1,493,388
06/30/2019	834,380	755,563	78,817	90.6%	1,778,011
06/30/2020	1,310,963	1,184,160	126,803	90.3%	2,649,947
06/30/2021	2,007,986	2,100,772	(92,786)	104.6%	2,820,701
06/30/2022	2,646,659	2,307,595	339,064	87.2%	3,201,839

## **OMWD** Pension Funding Policy

- Policy Goal: to achieve a minimum target funded ratio of 85%
- Make regular annual Additional Discretionary Payment (ADP) of \$311,000 to CalPERS before December 31<sup>st</sup>
  - To reduce UAL and long-term savings
- Make supplemental payments from the District's Operating Reserves to the District's Pension Stabilization Fund
  - Use to pay ADP, if needed
  - The Board has full discretion
- Implemented a 13-year fresh start in 2022

## Staff's Recommendations

- Continue making Additional Discretionary Payment (ADP) of \$311,000 in 2023 per the Policy from the District's Pension Stabilization Fund
- Proposed Pension Funding for 2023:
  - A \$ 500,000 transfer from Water (Potable and Recycled) Operating Fund to Pension Stabilization Fund – Water
    - \$311,000 of this amount will be used to make \$311,000 ADP in 2023
    - Additional \$500,000 in ADP has been planned and included in the District's LRFP in each fiscal year since Fiscal year 2020-21.
  - A \$50,000 transfer from Sewer Operating Fund to Pension Stabilization Fund - Sewer

# Questions



#### Attachment 3



#### California Public Employees' Retirement System Actuarial Office 400 Q Street, Sacramento, CA 95811 | Phone: (916) 795-3000 | Fax: (916) 795-2744 888 CalPERS (or 888-225-7377) | TTY: (877) 249-7442 | www.calpers.ca.gov

#### October 30, 2023

CalPERSID:	7505210944
EmployerName:	OLIVENHAIN MUNICIPAL WATER DISTRICT
Rate Plan:	MISCELLANEOUS PLAN [799]

Re: Lump Sum Payment to reduce the Unfunded Accrued Liability

#### Dear Requestor:

As requested, information on the fiscal year 2024-25 employer contribution requirement following your lump sum payment is shown below.

### If you are aware of others interested in this information (e.g., payroll staff, county court employees, port districts), please inform them.

The information is based on the most recent annual valuation and assumes payment by *December 19, 2023* and no further contractual or financing changes taking effect before June 30, 2024. The Unfunded Accrued Liability (UAL) will be reduced or eliminated by a lump sum payment in the amount of **\$311,000**. The payment will be applied to the Investment (Gain)/Loss 06/30/2022 base(s).

#### There will be no change to your FY 2023-24 contributions.

Valuation as of June 30, 2022	Pre-Payment	Post-Payment
Projected 6/30/2024 Total Unfunded Liability Payment on December 19, 2023 Revised 6/30/2024 Total Unfunded Liability	\$18,163,151 \$311,000	\$17,841,092
FY 2024-25 Employer Contributions		
Base Total Normal Cost for Formula Surcharges for Class 1 Benefit	21.37%	21.37%
None	0.00%	0.00%
Phase out of Normal Cost Difference	<u>0.00%</u>	<u>0.00%</u>
Plan's Total Normal Cost	21.37%	21.37%
Formula's Expected Employee Contribution Rate	<u>7.96%</u>	<u>7.96%</u>
Employer Normal Cost Rate	13.41%	13.41%
Payment on Investment (Gain)/Loss 06/30/2022	\$183,119	\$176,197
Payment on all other bases	\$1,130,109	\$1,130,109
Employer Unfunded Liability Payment	\$1,313,228	\$1,306,306

The attached schedule of the plan's amortization bases includes the additional discretionary payment(s) listed above.

	Fiscal Year
Required Employer Contribution	2024-25
Employer Normal Cost Rate <i>Plus</i> Required Payment on Amortization Bases	13.41%
Paid either as 1) Monthly Payment Or	\$108,858.83
2) Annual Prepayment Option*	\$1,264,036
The total minimum required employer contribution is the <b>sum</b> of the Plan's Employer Normal percentage of payroll) <b>plus</b> the Employer Unfunded Accrued Liability (UAL) Contribution Amo prepaid annually (2) in dollars).	
* Only the UAL portion of the employer contribution can be prepaid (which must be received 31).	din full no later than July

To initiate this payment, the enclosed Lump Sum Payment Request must be completed and returned to the CaIPERS Fiscal Services Division with payment by Electronic Funds Transfer (EFT) or wire transfer by December 19, 2023. A copy should be sent to us.

If you have questions, please call 888 CalPERS (or 888-225-7377).

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Nina Ramsey, ASA, MAAA Senior Actuary, CalPERS

### **Schedule of Amortization Bases**

Reason for Base	Date Est.	Ramp Level Ramp 2024-25 Shape		Amort. Period	Balance 6/30/22	Expected Payment 2022-23	Balance 6/30/23	Expected Payment 2023-24	Balance 6/30/24	Minimum Required Payment 2024-25
SHARE OF PRE-2013 POOL UAL	06/30/13	No Ramp	2.80%	1	3.854.089	3.982.973	030723	0	0/30/24	0
NON-INVESTMENT (GAIN)/LOSS	06/30/13	100% Up/Dowr			(42.704)	(44.132)	0	0	0	
INVESTMENT (GAIN)/LOSS	06/30/13	100% Up/Dowr			4,629,953	4.784.783	0	0	0	0
NON-INVESTMENT (GAIN)/LOSS	06/30/14	100% Up/Dowr		1	4.098	4.235	0	0	0	0
INVESTMENT (GAIN)/LOSS	06/30/14	100% Up/Dowr		1	(3,644,100)	(3,765,962)	0	0	0	0
ASSUMPTION CHANGE	06/30/14	100% Up/Dowr		1	2.117.100	2.187.898	0	0	0	0
NON-INVESTMENT (GAIN)/LOSS	06/30/15	100% Up/Dowr		1	(195,080)	(201,604)	0	0	0	0
INVESTMENT (GAIN)/LOSS	06/30/15	100% Up/Dowr		1	2,341,801	2,420,113	0	0	0	0
NON-INVESTMENT (GAIN)/LOSS	06/30/16	100% Up/Dowr	····· <b>··</b> ······	1	(380,674)	(393,404)	0	0	0	0
INVESTMENT (GAIN)/LOSS	06/30/16	100% Up/Dowr	2.80%	1	2,951,497	3,050,198	0	0	0	0
ASSUMPTION CHANGE	06/30/16	100% Up/Dowr	2.80%	1	906,404	936,715	0	0	0	0
NON-INVESTMENT (GAIN)/LOSS	06/30/17	100% Up/Dowr	2.80%	1	(83,404)	(86,193)	0	0	0	0
INVESTMENT (GAIN)/LOSS	06/30/17	100% Up/Dowr	2.80%	1	(1,592,999)	(1,646,270)	0	0	0	0
ASSUMPTION CHANGE	06/30/17	100% Up/Dowr	ı 2.80%	1	1,078,900	1,114,979	0	0	0	0
INVESTMENT (GAIN)/LOSS	06/30/18	100% Up/Dowr	2.80%	1	(492,551)	(509,022)	0	0	0	0
ASSUMPTION CHANGE	06/30/18	100% Up/Dowr	2.80%	1	1,765,983	1,825,039	0	0	0	0
METHOD CHANGE	06/30/18	100% Up/Dowr	ı 2.80%	1	482,966	499,117	0	0	0	0
NON-INVESTMENT (GAIN)/LOSS	06/30/19	No Ramp	0.00%	1	237,816	245,769	0	0	0	0
INVESTMENT (GAIN)/LOSS	06/30/19	80% Up Only		1	237,420	245,360	0	0	0	0
NON-INVESTMENT (GAIN)/LOSS	06/30/20	No Ramp	0.00%	1	207,002	213,924	0	0	0	0
INVESTMENT (GAIN)/LOSS	06/30/20	60% Up Only		1	1,131,698	1,169,543	0	0	0	0
RISK MITIGATION OFFSET	06/30/21	No Ramp	0.00%	0	(1,649,203)	(1,704,354)	0	0	0	0
RISK MITIGATION	06/30/21	No Ramp	0.00%	0	1,616,349	1,670,401	0	0	0	0
NON-INVESTMENT (GAIN)/LOSS	06/30/21	No Ramp	0.00%	1	(268,652)	(277,636)	0	0	0	0
NET INVESTMENT (GAIN)	06/30/21	40% Up Only		1	(5,534,535)	(5,719,615)	0	0	0	0
ASSUMPTION CHANGE	06/30/21	No Ramp	0.00%	1	226,618	234,196	0	0	0	0
FRESH START	06/30/21	No Ramp	0.00%	12	0	(8,751,087)	9,043,731	1,035,237	8,588,848	1,035,237
NON-INVESTMENT (GAIN)/LOSS	06/30/22	No Ramp	0.00%	20	924,958	0	987,855	0	1,055,029	94,872
INVESTMENT (GAIN)/LOSS	06/30/22	20% Up Only	0.00%	20	7,468,959	0	7,976,848	311,638	8,197,215	176,197
TOTAL					18,299,709	1,485,964	18,008,434	1,346,875	17,841,092	1,306,306

This schedule assumes an additional discretionary payment is made in the amount and by the date stated on page 1 of this letter.

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#### **Additional UAL Payment Request**

Please complete and return this form by either mail or e-mail.

Mail	CaIPERS – FRAS Cash and Payments Processing Unit P.O. Box 942703 Sacramento, CA 94229-2703
E-mail	FCSD_public_agency_wires@calpers.ca.gov

#### Payment may be made by EFT or wire transfer.

Payments may be made by Electronic Funds Transfer (EFT) through myCalPERS or by wire transfer through the State Treasurer's Office. Contact a CalPERS actuary before making a payment.

**<u>EFT through myCalPERS</u>**: Email FCSD\_public\_agency\_wires@calpers.ca.govatleast two business days prior to the payment date. A receivable in the amount of the payment will be established. Once notified that the receivable has been established, sign in to myCalPERS and submit payment via EFT.

<u>Wire transfer:</u> Email FCSD\_public\_agency\_wires@calpers.ca.govon the day of the payment to ensure timely crediting to the correct rate plan. Any individual wire over \$5,000,000 requires 72 -hour notice.

Visit <u>Managing the Unfunded Accrued Liability</u> for payment instructions which are located on our website **www.calpers.ca.gov** under the **Employers** tab and **Actuarial Resources** section. CalPERS will never request agencies wire funds for additional payments. An election for additional payments must come from the agency before a receivable is created.

Employer Name: OLIVENHAIN MUNICIPAL WATER DISTRICT CaIPERS ID: 7505210944 Member Group or Plan: MISCELLANEOUS PLAN

Rate Plan ID: 799

Amount:

\$311.000

Purpose:	Pay Down Unfunded Liability
Base(s) to which payment is applied:	Investment (Gain)/Loss 06/30/2022

In recognition of our payment please revise our required employer contribution effective July 1, 2024:

Name and Title (Please Print):	
Signature:	Date:
Mailing Address:	
City/State/Zip:	
Telephone Number:	FaxNumber:
E-mail Address:	

Agenda Item 12



## Memo

Subject.	ORDINANCE AMENDING THE DISTRICT'S ADMINISTRATIVE AND ETHICS CODE (Article 16 – Non-Restricted Funds, Article 17-Other Non-Restricted Funds and Article 18 – Restricted and Other Designated Funds)
Subject:	CONSIDER ANNUAL REVIEW OF RESERVES POLICY AND ADOPTION OF AN
Via:	Kimberly A. Thorner, General Manager
From:	Rainy Selamat, Finance Manager
То:	Olivenhain Municipal Water District Board of Directors
Date:	December 13, 2023

#### Purpose

The purpose of this item is to consider adoption of the attached Ordinance amending the District's Administrative and Ethics Code to revise Article 16 – Non-Restricted Funds, Article 17- Other Non-Restricted Funds, and Article 18 – Restricted and Other Designated Funds.

#### Recommendation

Staff recommends that the Board adopt the Ordinance updating the District's Administrative and Ethics Code to be consistent with the Board Designated Fund Balance Policy and the District's current restricted and non-restricted funds.

Staff is not recommending any changes to the existing Board Designated Fund Balance Policy as part of this year's annual review of reserves policy. Adoption of this Ordinance is a housekeeping item to update the District's Administrative and Ethics Code.

#### Alternative(s)

The Board could choose to not adopt the Ordinance and direct staff to make further revisions, however the Board Designated Fund Balance Policy was previously approved and adopted by the Board. The purpose of bringing this item to the Board is to update the District's Administrative and Ethics Code.

#### Background

The Article 16 Non-Restricted Funds, Article 17 Other Non-Restricted Funds, and Article 18 Restricted and Other Designated Funds updates reflect the Board Designated Fund Balance Policy and current restricted and non-restricted funds included in the District's Annual Comprehensive Financial Report. The updates also include the addition of the Pension Stabilization Funds added to the Board Designated Fund Balance Policy in 2022, and the addition of several restricted funds from the District's bond issuance and refinancing activities since 2012, including the 2013 Note Payable, 2015A, 2016A, 2021A and 2021B Bond funds.

#### **Fiscal Impact**

None. This is a housekeeping item.

#### Discussion

Staff will be available to answer any questions.

Attachments: Attachment 1 – Ordinance Exhibit A – Article 16 - Non-Restricted Funds Exhibit B – Article 17 - Other Non-Restricted Funds Exhibit C – Article 18 - Restricted and Other Designated Funds

#### **ATTACHMENT 1**

#### ORDINANCE NO. 5xx

#### AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE OLIVENHAIN MUNICIPAL WATER DISTRICT AMENDING THE DISTRICT'S ADMINISTRATIVE AND ETHICS CODE (Article 16 – Non-Restricted Funds, Article 17 – Other Non-Restricted Funds, and Article 18 – Restricted and Other Designated Funds)

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

SECTION 1: Article 16, 17, and 18 of the Administrative Code are hereby amended to read as shown on Exhibit A, B, and C (attached).

PASSED, APPROVED AND ADOPTED at a regular meeting of Olivenhain Municipal Water District's Board of Directors held this 13<sup>th</sup> day of December 2023.

Christy Guerin, President Board of Directors Olivenhain Municipal Water District

ATTEST:

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

#### Exhibit A

OLIVENHAIN MUNICIPAL WATER DISTRICT	Article No. 16	Page 1 of 6
	Title CASH AND NON-RESTRICTED FUNDS	
ADMINISTRATIVE AND ETHICS CODE	Latest Revision Date	Ordinance No.
	August 15, 2018	459

#### <u>ARTICLE 16.</u> <u>NON-RESTRICTED FUNDS</u> (Also see Board Designated Fund Balance Policy for further information)

Sec. 16.1. revised via Ordinance No. 459 / August 15, 2018 Sec. 16.1. revised via Ordinance No. 303 / February 26, 2003

#### Sec. 16.1. Operating (Revenue) Fund and Capital and Equipment Replacement Fund

#### Sec. 16.1.1. Operating (Revenue) Fund – Water

Purpose: To ensure cash resources are available to pay for day-to-day water operations, including payments for purchased water and debt service payments and to provide funding in case of operating emergencies and unforeseen circumstances. To ensure cash resources are available to pay for day to day operations, to pay annual debt service, and to provide funding in case of operating emergencies and unforeseen circumstances.

Target

Balance: A minimum balance equal to 60 days of approved annual water operating and maintenance expenditures in the budget shall be maintained in this fund. The maximum amount in this fund shall not exceed 120 days of approved annual water operating and maintenance expenditures in the budget. Operating Fund balance in excess of the 120-day maximum balance will be transferred into other Fund(s), with Board approval, as long as fund balances are below their maximum amount. Any excess over the maximum amount shall be reported to the Board at the first monthly regular Board meeting after the excess occurs with a staff recommendation as to the handling of the excess funds. A cash balance below the minimum target balance shall also be reported with specific notes to the Board on a regular basis. A minimum balance of 60 days of the current fiscal year's budgeted operating expenditures less budgeted depreciation expenses shall be maintained in this fund. The maximum amount in this fund shall not exceed 120days of the current fiscal year's projected potable water operating expenditures.

#### Sec. 16.1.2. Capital and Equipment Replacement Fund - Water

Purpose: <u>To provide funding for the District's water capital infrastructure</u> improvements and replacements approved by the Board and included in the 10 Year Capital Spending Plan. To fund capital projects and needed replacements as listed in the District's Comprehensive Master Plan.

Target

OLIVENHAIN MUNICIPAL WATER DISTRICT	Article No. 16	Page 2 of 6
	Title CASH AND NON-RESTRICTED FUNDS	
ADMINISTRATIVE AND ETHICS CODE	Latest Revision Date	Ordinance No.
	August 15, 2018	459

#### <u>ARTICLE 16.</u> <u>NON-RESTRICTED FUNDS</u> (Also see Board Designated Fund Balance Policy for further information)

- Balance: A minimum balance equal to one (1) year of the average approved capital expenditures over the next ten years in the District's 10 Year Capital Spending Plan shall be maintained in this fund. A maximum balance equals to five (5) years of the average approved capital expenditures over the next ten years in the District's 10 Year Capital Spending Plan. Any excess over the maximum amount in this fund shall be reported to the Board at the first regular monthly Board meeting after the excess occurs. Staff will provide a recommendation on the handling of these excess funds. Any cash balance below the minimum target balance shall also be reported with specific notes to the Board on a regular basis. A minimum balance of one fiscal year approved capital expenditure based on the District's long-term capital spending plan. The maximum in this fund shall not exceed five fiscal years of approved capital expenditures based on the District's longterm capital spending. Excesses over the maximum amount in this fund shall be reported to the Board at the first regular monthly meeting when occurs with a staff recommendation on handling of the excess funds.
- Sec. 16.1.3. Operating (Revenue) Fund Sewer Wastewater
  - Purpose: The District receives the majority of its wastewater service revenues in December and April at the same time when customers pay their property tax bills. Because of the timing difference between revenues and expenditures, the District must have cash resources available to pay for day-to-day wastewater operations and maintenance, debt service, and operating emergencies. The District receives the majority of sewer revenues in December and April when customers pay their property tax bills. Because of the timing difference between sewer fees collections and expenditures, the District must have cash resources available to fund the day-to-day expenses of non-capital related expenditures, and operations and maintenance expenditures.

Target

Balance: A minimum of 180 days of annual wastewater operations and maintenance expenditures approved by the Board in the District's budget shall be maintained in this fund. The maximum in this fund shall not exceed 365 days of annual wastewater operations and maintenance expenditures approved by the Board in the District's

OLIVENHAIN MUNICIPAL WATER DISTRICT	Article No. 16	Page 3 of 6
	Title CASH AND NON-RESTRICTED FUNDS	
ADMINISTRATIVE AND ETHICS CODE	Latest Revision Date	Ordinance No.
	August 15, 2018	459

#### <u>ARTICLE 16.</u> <u>NON-RESTRICTED FUNDS</u> (Also see Board Designated Fund Balance Policy for further information)

budget. After the annual financial audit is completed, any excess over the maximum amount, with Board approval, will be transferred to the Wastewater Capital and Equipment Fund and/or Rate Stabilization Fund as long as the fund balance is below their maximum amount. Any excess over the maximum amount shall be reported to the Board at the first regular Board Meeting with staff's recommendation on the handling of these excess funds. Any cash balance below the minimum target balance shall also be reported with specific notes to the Board on a regular basis. A minimum of 180 days of the next fiscal year's operating budget before depreciation expenses. The maximum in this account shall not exceed 365 days of the next fiscal year's operating budget before depreciation expenses. Excesses over the maximum amount in this Fund shall be reported to the Board at the first regular meeting with Staff recommendation on handling of the excess fund.

#### Sec. 16.1.4. Capital and Equipment Fund - Sewer Wastewater

Purpose: <u>To provide funding for the District's Wastewater (sewer) Capital</u> <u>Improvement Program as identified in the District's 10 Year Capital</u> <u>Spending Plan. The District follows its Debt Management Policy to</u> <u>fund its Wastewater (sewer) Capital Improvement Program. To fund</u> <del>capital projects and needed replacements as listed in the approved</del> <del>20 year Wastewater Master Plan.</del>

Target

Balance: A minimum balance of two years' average of planned capital expenditures of the approved 10-year Wastewater Capital Spending Plan spending shall be maintained in this fund. The maximum in this fund shall not exceed five years' average of planned capital expenditures of the approved 10-Year Wastewater Capital Spending Plan. Any excess over the maximum amount in this fund shall be reported to the Board at its next regular Board meeting with staff's recommendation on the handling of these excess funds. Any cash balance below the minimum target balance shall also be reported with specific notes to the Board on a regular basis. A minimum balance of two-year average net present value of approved 10-year Wastewater capital improvement spending shall be maintained in the Capital and Equipment Fund. The maximum in this fund shall not exceed five years' average present value of the approved 10-year Wastewater Capital improvement spending plan. Excesses over the maximum amount in this fund shall be reported to the Board at its next regular meeting with a Staff recommendation on handling of the excess funds.

OLIVENHAIN MUNICIPAL WATER DISTRICT	Article No. 16	Page 4 of 6
	Title CASH AND NON-RESTRICTED FUNDS	
ADMINISTRATIVE AND ETHICS CODE	Latest Revision Date	Ordinance No.
	August 15, 2018	459

#### ARTICLE 16. NON-RESTRICTED FUNDS (Also see Board Designated Fund Balance Policy for further information)

#### Sec. 16.2. Depositories.

- A. Depositories for the money of the District and signatures for management of the deposits are established by Resolutions of the Board of Directors. The Treasurer and his/her delegates are authorized and directed to manage the District's funds in accordance with the most recent respective Resolutions(s).
- B. All money in said depositories, whenever available for investment, shall be invested by the Treasurer or his/her delegates under rules established for investment of District funds. At the time of making investments, the Treasurer or his/her delegates will ascertain that any new investments are made in accordance with the District's statement of investment policy which shall be reviewed and approved annually by the District's Board of Directors.

Sec. 16.3. revised via Ordinance No. 459 / August 15, 2018 Sec. 16.3. revised via Ordinance No. 296 / July 24, 2002

- Sec. 16.3. Cash Disbursements.
  - A. Payroll checks <u>and direct deposits</u> will be drawn against a payroll account and will be issued to District employees as necessary to properly administer the payroll requirements of the District. Also, payments to payroll depositories, credit unions, etc. for payroll taxes and amounts withheld from employees may be drawn against this account.
  - B. <u>Checks Payments made by the District other than payroll will be</u> drawn against a regular checking account. <u>These checks are</u> <u>submitted for approval by the Board of Directors.</u><u>All payments</u> <u>made by the District are reported to the Board of Directors</u> <u>Monthly.</u>

Sec. 16.4.(A) revised via Ordinance No. 459 / August 15, 2018 Sec. 16.4.(A) revised via Ordinance No. 296 / July 24, 2002

#### Sec. 16.4. Petty Cash Fund.

A. This Fund is established in the amount of \$1,500. The District's General Manager or designee is authorized to pay or delegate

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	Title CASH AND NON-RESTRICTED FUNDS	
ADMINISTRATIVE AND ETHICS CODE	Latest Revision Date	Ordinance No.
	August 15, 2018	459

#### <u>ARTICLE 16.</u> <u>NON-RESTRICTED FUNDS</u> (Also see Board Designated Fund Balance Policy for further information)

payment out of this Fund any small or emergency claims against the District, which in his/her opinion, are necessary or desirable for the prompt and orderly transaction of the business of the District.

- B. Records shall be kept of all payments made from this Fund, itemizing the amount of cash paid out and for what purpose each payment was made, after which the Fund shall be reimbursed from the Operating (Revenue) Fund for the total of such payments.
- C. An additional fund is established in the amount of \$750.00 to be maintained in case of emergencies in the event of a disaster. This cash will be locked in the District's safe and will not be utilized for any purpose other than an emergency. In the event of utilization of money from this fund, records will be maintained as specified above for the regular Petty Cash Fund.

### Sec. 16.5. Payment under Protest of Disputed Fees, Charges, Assessment and Taxes.

In situations in which a customer disputes the legality of a fee, charge, assessment, or tax imposed by the Olivenhain Municipal Water District as a prerequisite to providing service, the customer must comply with the following payment and protest procedure in addition to any other procedures or limitations imposed by law.

- A. Payment must be made and concurrently with payment the specific basis for disputing the validity must be stated in writing and this protest must be filed with the District.
- B. Upon receipt by the District of the basis for the dispute of validity, the matter shall be set for hearing before the Board of Directors at the next regularly scheduled Board Meeting, at which time the claimant must appear and present all evidence relating to the claim of invalidity.
- C The Board of Directors shall take the matter under advisement and notify the claimant in writing of the decision of the Board.
- D. If the claim is allowed, appropriate refund shall be made. If the claim is denied and the claimant desires to pursue the matter further, appropriate legal action must be initiated within one

OLIVENHAIN MUNICIPAL WATER DISTRICT	Article No. 16	Page 6 of 6
	Title CASH AND NON-RESTRICTED FUNDS	
ADMINISTRATIVE AND ETHICS CODE	Latest Revision Date	Ordinance No.
	August 15, 2018	459

#### ARTICLE 16. NON-RESTRICTED FUNDS (Also see Board Designated Fund Balance Policy for further information)

hundred twenty (120) days following the date of the filing of the protest letter at the District or the claim shall be deemed waived and barred.

#### Sec. 16.6. <u>Stale Dated Checks and Unclaimed Checks</u>.

- A. Outstanding checks that are more than 120 days old should be investigated and followed up on by contacting the vendor or customer (customer refund check) to determine if the check has or has not been lost in the mail or just un-deposited for some reason. If the District does not receive a response to its follow-up from its vendor or customer or if checks are not cashed after 180 days, Stale Dated Checks (outstanding after 180 days) will be recorded in the District's Unclaimed Checks account.
- B. Unclaimed Checks, recorded in the District's Unclaimed Checks account, that are less than fifteen dollars (\$15) and more than one-year old, or any amount if the depositor's name is unknown, will be voided and written off to the District's Operating (Revenue) Fund to become the property of the District according to California State Law.
- C. Unclaimed Checks, recorded in the District's Unclaimed Checks account, that are greater than \$15.00 and more than three years old, or any amount if the depositor's name is unknown known, will be published on a local newspaper for two consecutive weeks and will become the property of the District's Operating (Revenue) Fund on the date stated in the notice according to California State Law.

#### Exhibit B

OLIVENHAIN MUNICIPAL WATER DISTRICT	Article No. 17	Page 1 of 3
ADMINISTRATIVE AND ETHICS CODE	Title SPECIAL ACCOUNTS IN THE GENERAL FUND	
ADMINISTRATIVE AND ETHICS CODE	Latest Revision Date	Ordinance No.
	January 23, 2008	357

### Article 17. revised by Ordinance No. 303 / February 26, 2003 ARTICLE 17. OTHER NON-RESTRICTED FUNDS

- Sec. 17.1. Water Rate Stabilization Fund-
  - Purpose: To protect the District's financial stability and to secure the District's ability to pay for its financial obligations, including debt service installment payments when revenue shortfalls occur due to weather conditions, economic shortfalls, changes in state and federal legislation, or other future uncertainties, enabling the District to avoid the need for rate spikes. To protect the District's financial condition and its ability to pay debt service installment payments when revenue shortfalls, changes in state and federal legislation, or other future uncertainties, economic shortfalls, changes in state and federal shortfalls occur due to weather conditions, economic shortfalls, changes in state and federal legislation, or other future uncertainties so that the District can avoid the need for rate spikes.

#### Target

Balance: A minimum of 25% of the average estimated Net Water Sales over two (2) fiscal years approved in the District's budget shall be maintained in the Rate Stabilization Fund. The maximum amount in the Rate Stabilization Fund shall not exceed 50% of the average estimated Net Water Sales over two fiscal years approved in the District's budget. Net Water Sales are defined as total revenues from water operations less water purchase expenses. Any excess over the maximum amount in this fund shall be reported at the next regular Board Meeting with staff's recommendation on the handling of these excess funds. A minimum of 25% of net estimated water sales for one fiscal year shall be maintained in the Rate Stabilization Fund. The maximum amount in the Rate Stabilization Fund shall not exceed 50% of the average net estimated water sales for the next two fiscal years. Excesses over the maximum amount in this fund shall be reported at the next regular Board meeting with a staff recommendation on the handling of the excess funds.

#### Sec. 17.2. Sewer Wastewater Rate Stabilization Fund

Purpose: To protect the District's financial resources against economic shortfalls <u>,or an</u> –unexpected increase in expenditures, including sewage spill clean-up costs, a penalty imposed by the <u>regional</u> <u>Regional Water Quality eControl board Board</u> when sewage spills occur, or an emergency repair to the sewer facilities <u>damaged</u> <u>byfollowing</u> –natural disasters or other unforeseen emergencies. These conditions can lead the District to operating deficits.

Target

Balance: <u>A minimum of 25 percent of annual Wastewater operating and</u> <u>maintenance expenditures approved by the Board shall be</u> <u>maintained in this fund. A maximum equal to 100 percent of annual</u>

OLIVENHAIN MUNICIPAL WATER DISTRICT	Article No. 17	Page 2 of 3
ADMINISTRATIVE AND ETHICS CODE	Title SPECIAL ACCOUNTS IN THE GENERAL FUND	
ADMINISTRATIVE AND ETTICS CODE	Latest Revision Date	Ordinance No.
	January 23, 2008	357

### Article 17. revised by Ordinance No. 303 / February 26, 2003 ARTICLE 17. OTHER NON-RESTRICTED FUNDS — RATE STABILIZATION

Wastewater operating and maintenance expenditures approved by the Board. Any excess over the maximum amount in this fund shall be reported at the next regular Board meeting with staff's recommendation on the handling of these excess funds. A minimum of 25 percent of the current year's approved wastewater operating budget with a maximum of 100% of the average four (4) succeeding fiscal years of operating budget, excluding depreciation, based on the Board approved long range financial plan shall be maintained in this fund. Excesses over the maximum amount in this fund shall be reported at the next regular Board meeting with a staff recommendation on the handling of the excess funds.

#### Sec. 17.3. Water – Pension Stabilization Fund

Purpose:To secure the District's ability to have a consistent annual Unfunded<br/>Accrued Liability (UAL) payment to California Public Employee's<br/>Retirement System (CalPERS), including Additional Discretionary<br/>Payment(s) while achieving its pension funding goal with no rate<br/>spikes. The funding goal of a defined benefit pension plan is 100%,<br/>which is to fund the long-term cost of benefits provided to the plan<br/>members.

Target

- Balance:A minimum of one (1) year average of Projected Future Employer<br/>Contributions for UAL Payment over the next 5 fiscal years based on<br/>the most current CalPERS annual actuarial report for Classic and<br/>PEPRA plans shall be maintained in this fund. A maximum of two (2)<br/>years average of Projected Future Employer Contributions for UAL<br/>Payment over the next 5 fiscal years included in the most current<br/>CalPERS annual actuarial report for Classic and PEPRA<br/>Miscellaneous Plans.
- Sec. 17.4. Wastewater Pension Stabilization Fund
  - Purpose:To secure the District's ability to have a consistent annual Unfunded<br/>Accrued Liability (UAL) payment to California Public Employee's<br/>Retirement System (CalPERS), including Additional Discretionary<br/>Payment(s) while achieving its pension funding goal. The funding<br/>goal of a defined benefit pension plan is 100%, which is to fund the<br/>long-term cost of benefits provided to the plan members.Target

 Balance:
 A minimum of one (1) year average of Projected Future Employer

 Contributions for UAL Payment over the next 5 fiscal years based on the most current CalPERS annual actuarial report for Classic and

OLIVENHAIN MUNICIPAL WATER DISTRICT	Article No. 17	Page 3 of 3
	Title SPECIAL ACCOUNTS IN THE GENERAL FUND	
ADMINISTRATIVE AND ETHICS CODE		
	Latest Revision Date	Ordinance No.
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### Article 17. revised by Ordinance No. 303 / February 26, 2003 ARTICLE 17. OTHER NON-RESTRICTED FUNDS

PEPRA plans shall be maintained in this fund. A maximum of two (2) years average of Projected Future Employer Contributions for UAL Payment over the next 5 fiscal years included in the most current CalPERS annual actuarial report for Classic and PEPRA Miscellaneous Plans.

Exhibit C		
OLIVENHAIN MUNICIPAL WATER DISTRICT	Article No. 18	Page 1 of 4
	Title: RESTRICTED AND	OTHER
ADMINISTRATIVE AND ETHICS CODE	DESIGNATED FUNDS	
	Latest Revision Date	Ordinance No.
	January 23, 2008	357

Sec. 18. revised by Ordinance No. 303 / February 26, 2003

- Assessment District No. 96-1. This fund shall be maintained to Sec.18.1. include monies collected from assessment prepayments, early payoffs, assessments levied on the property tax rolls, proceeds from the issuance of Assessment District No. 96-1 Limited Obligation Improvement Bonds and the funding of the Developing Property Security Fund, and such other monies as may be transferred thereto from time to time by order of the Board of Directors. Monies collected from property tax roll assessments and early payoffs shall be used to meet the debt service requirements for the retirement of Monies may further be drawn from the the A.D. 96-1 Bonds. Developing Property Security Fund as required by the bond indenture to meet debt service requirements. All other monies held in this fund shall be used to construct improvements in accordance with the restricted purpose of the A.D. 96-1 bonds or to pay costs and expenses of the Assessment District No. 96-1. Monies in the Fund in excess of current requirements may be invested as part of the District's investment program and the earnings on such investments shall be credited to this Fund. Monies deposited in this Fund shall be used for no other purpose than outlined above. All monies, with the exception of those received from assessment prepayments are entrusted to the Fiscal Agent.
- <del>Sec. 18.2</del> 2006A Water Revenue Certificates of Participation Fund. This Fund was established pursuant to the Water Revenue Refunding Bonds series 2006A. All monies within the Fund are entrusted into the Fiscal Agent. The 2006A Bonds were issued to provide funds: 1) to currently refund a portion of the 1997 Certificates of Participation: 2) to provide for a Reserve Fund Surety; and 3) to pay cost of issuance incurred in connection with refinancing and refunding the 1997 Certification of Participation. The monies maintained in this Fund shall include monies transferred from the Revenue Fund to meet the debt service requirements for the retirement of the 2006A Water Revenue Refunding Bonds. Monies in the Fund in excess of current requirements may be invested as part of the District's investment program and the earnings on such investments shall be credited to this Fund. Monies deposited in this Fund shall be used for no other purpose than outlined above.

Sec. 18.4. revised via Ordinance No. 309 / March 24, 2004

<u>Sec. 18.32.</u> <u>Capacity Fee Fund-Potable Water</u>. This account shall receive all proceeds collected from treated water capacity fees. All such proceeds not needed to satisfy requirements under the Covenant of Resolution

OLIVENHAIN MUNICIPAL WATER DISTRICT	Article No. 18	Page 2 of 4
ADMINISTRATIVE AND ETHICS CODE	Title: RESTRICTED AND OTHER DESIGNATED FUNDS	
	Latest Revision Date January 23, 2008	Ordinance No. 357

No. 97-26 pertaining to the 1997 Water Revenue Certificates of Participation shall be utilized to pay for construction of new planned capital facilities required to accommodate future customers' treated water service needs within the District as described in the District's Water Master Plan, and to pay for associated expenses, including but not limited to, general administration, and related expenses and costs for obtaining grants for those facilities approved by the Board of Directors.

- <u>Sec. 18.43.</u> <u>Capacity Fee Fund-Recycled Water</u>. This account shall receive all proceeds collected from treated reclaimed water capacity fees. All such proceeds shall be utilized to construct new planned capital facilities required to accommodate future customers' recycled water service needs within the District.
- <u>Sec. 18.54</u>. <u>Capacity Fee Fund Sewer</u> This account shall receive all proceeds collected from sewer capacity fees. All such proceeds shall be utilized to construct new planned capital facilities required to accommodate future sewer customers' within the District.
- <u>Sec. 18.65.</u> <u>4S Ranch Sanitation Fund</u>. This Fund was established to account for the operation of and capital improvements in the 4S Ranch Sanitation District. This Fund shall be maintained in accordance with generally accepted accounting principles and shall receive all funds related to the operation of this District. Receipt of sewer connection fees shall further be held in this Fund, but shall be segregated to be used for the construction of new planned capital sanitation facilities within this District.
- <u>Sec. 18.76.</u> <u>Rancho Cielo Sanitation Fund</u>. This Fund was established to account for the operation of and capital improvements in the Rancho Cielo Sanitation District. This Fund shall be maintained in accordance with generally accepted accounting principles and shall receive all funds related to the operation of this District. Receipt of sewer connection fees shall further be held in this Fund, but shall be segregated to be used for the construction of new planned capital sanitation facilities within this District.
- <u>Sec.18.87.</u> <u>4S Regional Recycled Water Fund</u>. This Fund is to establish an account for the operation of and capital improvements in the 4S Recycled Water District. This Fund shall be maintained in accordance with generally accepted accounting principles and shall receive all funds related to the operation of the 4S Recycled Water System. Receipt of recycled water sales shall further be held in this Fund, but shall be segregated to be used for the construction of new

OLIVENHAIN MUNICIPAL WATER DISTRICT	Article No. 18	Page 3 of 4
	Title: RESTRICTED AND OTHER	
ADMINISTRATIVE AND ETHICS CODE	DESIGNATED FUNDS	
	Latest Revision Date	Ordinance No.
	January 23, 2008	357

planned recycled water capital facilities within the District's service area.

- Sec. 18.8. 2013 Note Payable Fund. This Fund was established pursuant to the agreement with the State of California Department of Public Health for the 2013 Note Payable. All monies within the Fund are entrusted into the Fiscal Agent. The 2013 Note Payable was issued to help finance the construction of LT2-related improvements at the David C. McCollom Water Treatment Plant. The monies maintained in this Fund shall include monies transferred from the Revenue Fund to meet the debt service requirements for the retirement of the 2013 Note Payable. Monies in the Fund in excess of current requirements may be invested as part of the District's investment program and the earnings on such investments shall be credited to this Fund. Monies deposited in this Fund shall be used for no other purpose than outlined above.
- Sec. 18.9. 2015 Water Revenue Refunding Bond Fund. This Fund was established pursuant to the Water Revenue Refunding Bonds, Series 2015A. All monies within the Fund are entrusted into the Fiscal Agent. The District issued Water System Refunding Revenue Bonds, Series 2015A for the purpose of refunding the outstanding balance of the Water Revenue Refunding Bonds, Series 2006A. The monies maintained in this Fund shall include monies transferred from the Revenue Fund to meet the debt service requirements for the retirement of the 2015A Water Revenue Refunding Bonds. Monies in the Fund in excess of current requirements may be invested as part of the District's investment program and the earnings on such investments shall be credited to this Fund. Monies deposited in this Fund shall be used for no other purpose than outlined above.
- Sec. 18.10.2016 Water Revenue Refunding Bond Fund. This Fund was<br/>established pursuant to the Water Revenue Refunding Bonds, Series<br/>2016A. All monies within the Fund are entrusted into the Fiscal<br/>Agent. The District issued Water System Refunding Revenue Bonds,<br/>Series 2016A for the purpose of refunding the outstanding balance of<br/>the Water Revenue Refunding Bonds, Series 2009. The monies<br/>maintained in this Fund shall include monies transferred from the<br/>Revenue Fund to meet the debt service requirements for the<br/>retirement of the 2016A Water Revenue Refunding Bonds. Monies in<br/>the Fund in excess of current requirements may be invested as part<br/>of the District's investment program and the earnings on such<br/>investments shall be credited to this Fund. Monies deposited in this<br/>Fund shall be used for no other purpose than outlined above.

OLIVENHAIN MUNICIPAL WATER DISTRICT	Article No. 18	Page 4 of 4	
ADMINISTRATIVE AND ETHICS CODE	Title: RESTRICTED AND OTHER DESIGNATED FUNDS		
	Latest Revision Date January 23, 2008	Ordinance No. 357	

- Sec. 18.11. 2021A Wastewater (Sewer) Revenue Bond Fund. This Fund was established pursuant to the Wastewater Revenue Bonds, Series 2021A. All monies within the Fund are entrusted into the Fiscal Agent. The District issued Wastewater Revenue Bonds, Series 2021A to finance wastewater (sewer) improvements at the 4S Wastewater Treatment Plant. The monies maintained in this Fund shall include monies transferred from the Wastewater Revenue Fund to meet the debt service requirements for the retirement of the 2021A Wastewater Revenue Bonds. Monies in the Fund in excess of current requirements may be invested as part of the District's investment program and the earnings on such investments shall be credited to this Fund. Monies deposited in this Fund shall be used for no other purpose than outlined above.
- Sec. 18.12. 2021B Wastewater (Sewer) Revenue Refunding Bond Fund. This Fund was established pursuant to the Wastewater Revenue Refunding Bonds, Series 2021B. All monies within the Fund are entrusted into the Fiscal Agent. The District issued 2021B Refunding Revenue Bonds to refund and refinance the existing 2018A Sewer Revenue Bonds, which were issued in fiscal year 2018 to finance improvements to the District's administrative and operations building at 1966 Olivenhain Road, Encinitas, CA.. The monies maintained in this Fund shall include monies transferred from the Revenue Fund to meet the debt service requirements for the retirement of the 2021B Wastewater Revenue Refunding Bonds. Monies in the Fund in excess of current requirements may be invested as part of the District's investment program and the earnings on such investments shall be credited to this Fund. Monies deposited in this Fund shall be used for no other purpose than outlined above.

Agenda Item 13



## Memo

Date: December 13, 2023

To: Olivenhain Municipal Water District Board of Directors

From: Jennifer Joslin, Human Resources Manager

Via: Kimberly A. Thorner, General Manager

Subject: CONSIDER ADOPTION OF AN ORDINANCE AMENDING THE OLIVENHAIN MUNICIPAL WATER DISTRICT'S ADMINISTRATIVE AND ETHICS CODE (ARTICLE 4 – CLASSIFIED POSITIONS)

#### Purpose

The purpose of this item is to consider adoption of an Ordinance updating the Administrative and Ethics Code with the Board approved salary of the General Manager for calendar year 2024.

#### Recommendation

Staff recommends adoption of this Ordinance, as posting the General Manager's approved salary is required by statute.

#### Alternatives

The Board could direct Staff as otherwise deemed appropriate; however, the Board previously approved the General Manager's salary at the November 15, 2023 Board meeting to be effective on January 1, 2024. Posting the General Manager's salary is required by statute.

#### Background

The Board of Directors discussed the General Manager's performance review in closed session at the November 15, 2023 Board meeting. The General Manager's compensation was then approved in open session.

#### **Fiscal Impact**

The fiscal impact is a 5% increase in salary with the new bi-weekly salary set at \$11,447.61 for the General Manager.

#### Discussion

Adoption of this Ordinance will update the approved salary of the General Manager and comply with CalPERS rules and regulations requiring all employees' salaries to be published.

Attachment: Proposed Ordinance

#### ORDINANCE NO. 5XX

#### AN ORDINANCE OF THE BOARD OF DIRECTORS OF OLIVENHAIN MUNICIPAL WATER DISTRICT AMENDING THE DISTRICT'S ADMINISTRATIVE AND ETHICS CODE (Article 4 – Classified Positions)

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

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

#### Sec. 4.4. Salary Schedule and Job Classification

#### OLIVENHAIN MUNICIPAL WATER DISTRICT RANGES FROM <u>6/17/20231/1/2024</u> THROUGH 6/28/2024 (revised <u>5/17/202312/13/2023</u>)

NO.	JOB CLASSIFICATION	GRADE	RANGE	
	EXEMPT CLASSIFICATION		<u>BI-WEEKLY</u> <u>SALARY</u>	
1	GENERAL MANAGER	N/A	Actual Effective <u>1/1/231/1/2024</u>	<del>10,902.49</del> <u>11,447.61</u>
1	ASSISTANT GENERAL MANAGER	19	7,512.80	10,517.93
1	ENGINEERING MANAGER	18	5,782.40	9,222.87
1	FINANCE MANAGER	18	5,782.40	9,222.87
1	OPERATIONS MANAGER	18	5,782.40	9,222.87
1	HUMAN RESOURCES MANAGER	17	5,366.13	8,578.46
1	CUSTOMER SERVICES MANAGER	17	5,366.13	8,578.46
0	NO INCUMBENT	16	4,993.38	7,976.68
0	NO INCUMBENT	15	4,512.34	6,762.61
1	WATER TREATMENT FACILITIES SUPERVISOR	14	4,199.29	6,292.73
1	INFORMATION TECHNOLOGY SUPERVISOR	14	4,199.29	6,292.73
1	CUSTOMER SERVICE AND PUBLIC AFFAIRS SUPERVISOR	13	3,903.99	5,853.06
1	SAFETY/RISK COMPLIANCE ADMINISTRATOR	13	3,903.99	5,853.06
1	ACCOUNTING SUPERVISOR	12	3,627.73	5,444.20
1	ENGINEERING SERVICES SUPERVISOR	12	3,627.73	5,444.20
2	OPERATIONS SUPERVISOR	12	3,627.73	5,444.20
1	FIELD SERVICES SUPERVISOR	12	3,627.73	5,444.20
0	ENGINEERING PROJECT ADMINISTRATOR	12	3,627.73	5,444.20
1	WATER RECLAMATION FACILITIES SUPERVISOR	12	3,627.73	5,444.20
1	SENIOR SYSTEMS ADMINISTRATOR	12	3,627.73	5,444.20
2	SYSTEMS ADMINISTRATOR	11	3,375.07	5,059.67
1	PARK SUPERVISOR	11	3,375.07	5,059.67

21 EXEMPT (current approved headcount)

PASSED, APPROVED AND ADOPTED at a regular meeting of Olivenhain Municipal Water District's Board of Directors held this 13th day of December 2023.

Christy Guerin, President Board of Directors Olivenhain Municipal Water District

ATTEST:

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

Agenda Item 14



# Memo

Date:December 13, 2023To:Olivenhain Municipal Water District Board of DirectorsFrom:Brian Sodeman, Customer Service and Public Affairs SupervisorVia:Kimberly A. Thorner, General ManagerSubject:CONSIDER INFORMATIONAL REPORT ON WATER USE EFFICIENCY<br/>REGULATIONS

#### Purpose

The purpose of this agenda item is to provide the board with an update on water use efficiency regulations.

### Recommendation

This is an informational item; no action is required.

### Alternative(s)

Not applicable; informational item only.

### Background

In 2016, then Governor Brown issued Executive Order B-37-16 entitled "Making Conservation a California Way of Life," setting forth actions to use water more wisely, eliminate water waste, strengthen local drought resilience, and improve agricultural water use efficiency and drought planning.

In 2017, the California Department of Water Resources, State Water Resources Control Board, California Public Utilities Commission, California Department of Food and Agriculture, and California Energy Commission completed a framework on implementation of Executive Order B-37-16.

In 2018, OMWD sent opposition letters on Senate Bill 606 and Assembly Bill 1668; however, both became law and will require retail water agencies, including OMWD, to meet an annual water use objective based on residential indoor and outdoor consumption, commercial water use, and water loss.

On September 14, 2023, an informational report on the legislative and regulatory status specific to water use efficiency was presented to the Ad Hoc Customer Outreach and Conservation Committee, consisting of President Guerin and Director San Antonio.

On October 4, 2023, SWRCB held a workshop on proposed regulation to make conservation a California way of life. OMWD submitted comments via an individual comment letter and a multi-agency comment letter, both of which were included in the October 18 and November 15 board packets, respectively.

The board has received informational reports via the monthly General Manager report and the quarterly water supply conditions and long-term water use efficiency legislation report.

### **Fiscal Impact**

There are no costs directly associated with this informational report.

#### Discussion

Staff will review the attached presentation with the board at the December 13, 2023 meeting and further discuss legislative developments.

Attachment: PowerPoint presentation

# WATER USE EFFICIENCY REGULATIONS

December 13, 2023



**Municipal Water District** 

## History

2009 – SB x7-7 (20% by 2020) OMWD's baseline GPCD was 352. 2020 target was 282. Actual GPCD in 2020 was 206 (41.5% reduction).

2016 – EO B-37-16 (Making Conservation A California Way of Life) Develop water use targets for indoor residential, outdoor irrigation, CII, and water loss.

2018 – SB 606 & AB 1668 (Water Use Efficiency legislation)
 Required DWR to make recommendations by October 1, 2021 and
 SWRCB to adopt standards by June 30, 2022.

## History

2021 – Water Shortage Contingency Plan adopted

- **2022** DWR made recommendations on October 28, just over a year late. OMWD contributed to recommendations by being part of a pilot study on outdoor landscape area, a panel member of the Standards, Methodologies and Performance Measures workgroup, submitting comment letters, and providing testimony.
- **2023** SWRCB released draft standards on August 18 with intent to adopt in 2024, past the deadline of June 30, 2022.

## Water Use Efficiency Formula

• An <u>aggregate</u> use target in AF/Year will be calculated for each retail agency

### Target Amount = Indoor + Outdoor + CII + Loss + Variances + Provisions + Bonus

### **Indoor Residential Portion of Target**

Indoor Target = (# of Residents) x (Indoor GPCD standard) x days of

year

Table 1: Residential indoor standard as defined in Water Code Section 10609.4

	Residential Indoor Standard (GPCD)
Through December 31, 2024	55
From January 1, 2025, through December 31, 2029	47
January 1, 2030, onwards	42

## Outdoor Irrigation Portion of Target Residential and CII with irrigation meters

### Outdoor Target = (Efficiency standard) x (Landscape Area) x (Net Evapotranspiration)

### Table 2: Outdoor standards under the proposed regulation

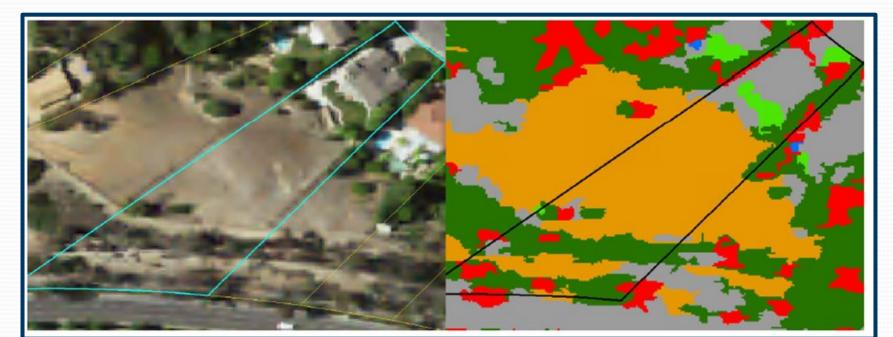
	Landscape Efficiency Factor
Through September 30, 2030	
Residential outdoor	80%
CII DIM landscapes	80%
From October 1, 2030, to September 30, 2035	
Residential outdoor	63%
CII DIM landscapes	63%
October 1, 2035, onwards	
Residential outdoor	55%
CII DIM landscapes	45%

## Landscape Area Measurements

Irrigable, irrigated – able to be irrigated and currently is (live landscapes). 100% area included.

Irrigable, non-irrigated – was irrigated but no longer is (dead landscapes). 20% area included through 2027.

Not irrigable – not able to be irrigated (hardscapes). 0% area included



### **CII Performance Measures**

- Supplier shall quantify the measured landscape area by July 1, 2028
- Classify annually CII customers by categories
  - 20% by 2026, 60% by 2028, 100% by 2030
  - Banking, education, entertainment, food, healthcare, lodging, manufacturing, mixed use, office, parking, public service, religious, retail, technology, services, utility, warehouse, & other.
- Supplier shall identify all buildings 50,000 ft<sup>2</sup> or more by January 1, 2025
  - Report usage and implement best management practices for customers

at 80th percentile of water use

### **CII Performance Measures**

- Mixed-use meters install dedicated irrigation meters or employ in-lieu water technologies
  - Required for landscapes that use over 500,000 gallons/year, which is ~56 units/month
  - Average charge for new 1.5" meter is ~\$65,000, up to over \$75,000
  - In-lieu water management technologies employ at least 2
    - Water budget rate structure
    - Water budget-based management system
    - Hardware improvements including metering technologies to identify outdoor use, smart irrigation controllers, pressure regulated sprinkler heads
    - Remote sensing
    - Landscape transformation, including swales and rain gardens
    - Other efficient water use technologies
    - In-lieu water management practices employ all
      - Communications, irrigation systems maintenance, & irrigation scheduling

## Water Loss Standard Portion of Target

Loss Target = (Loss Standard per Connection) x (Number of Connections) x days of year

- Baseline leakage is 34.5 gpcd.
- OMWD has no reduction mandate. Approximately 60% of water agencies were given a standard that requires the supplier to reduce their leakage.

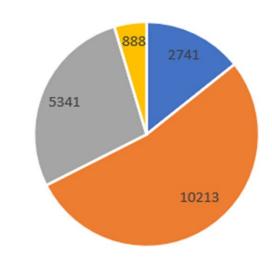


## Variances, Provisions, and Bonus

- Recycled water with high TDS irrigation (OMWD driven\*)
- Evaporative coolers
- Horses and other livestock
- Seasonal population fluctuation
- Dust control
- Pond and lakes for wildlife
- Fire protection
- Agricultural use
- Impacts to wastewater operations
- Potable reuse

# Example of OMWD's Target

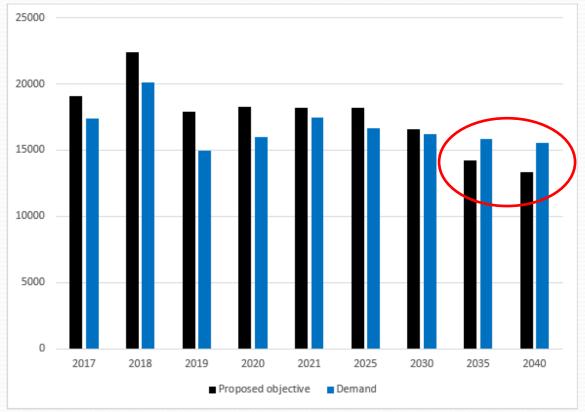
Water Use Objective- Category Breakdown Total 19,182 AF



Landscape DIM

- Residential Outdoor
- Residential Indoor
- Water Loss Standard
- Excluded Demands (CII Indoor, Apparent Water Loss, Authorized Unbilled, Agricultural)

### Proposed Water Use Objectives vs. Demand



- Demand projections are from OMWD's Urban Water Management Plan.
- Population used for objective is based on Department of Finance estimate (~87k).
- Population used for demand is based on Sandag estimate (~73k)
- 20 percent allowance for irrigable non-irrigated landscape is about 600 AF. SWRCB has proposed to end this allowance in 2027.
- Provision to indoor standard is allowed if able to demonstrate negative impact to wastewater collection, treatment, or reuse. (Every additional 1 GPCD granted equates to about 100 AF.)
- Variance for landscapes irrigated with recycled water with high TDS allowed. As proposed, OMWD should qualify for an increase landscape efficiency factor of about 10 percent or about 250 AF.
- Other variances proposed for livestock, evaporative coolers, dust control, emergencies, ponds, etc., are expected to be of little impact.

# **OMWD** comments

- Don't disregard DWR recommendations
- Don't decrease landscape efficiency standard to 0.55
- Use the highest evapotranspiration rate within a district
- Include all irrigable landscape area
- Expand types of special landscape areas to include bioswales, fire defense zones, retention areas, etc.
- Variances should not reference lower uses, nor should they need to account for 5% of the sum of the budget
- Excluded demands and fiscal year reporting are inconsistent with electronic annual report
- Timeline for compliance is unacceptable

# Multi-agency comments

- Standard regulatory impact analysis underestimates costs on residents and overestimates benefits.
- Include all irrigable landscape area
- Assign only one landscape efficiency standard
  - 0.63 starting 2035
- Don't require suppliers to report CII best management practices and estimated water savings

# What's ahead

- Suppliers must report their water use objective January 1, 2024 (based on the standards that haven't been adopted yet.)
- SWRCB considering to adopt standards in 2024
- DWR model reflects OMWD is already complying; SWRCB model reflects OMWD is already complying
- CII standard draft regulations have been proposed but objective reporting starts January 1, 2025

## **Enforcement Path**

### <u>2024</u>

Informational Orders

### 2025

• Written notices

### <u>2026</u>

- Conservation Orders
- Violating order may be subject to \$1,000/day fine
- \$10,000/day during State of Emergency or third year of drought



Agenda Item 15



# Memo

Subject:	CONSIDER PRESENTATION ON ENTERPRISE ASSET MANAGEMENT WORK ORDER BACKLOG (INFORMATIONAL ITEM)
Via:	Kimberly A. Thorner, General Manager
From:	Jesse Bartlett-May, Operations Manager
То:	Olivenhain Municipal Water District Board of Directors
Date:	December 13, 2023

#### Purpose

The purpose of this agenda item is to provide the Board with an update on Work Order backlog as tracked in the Enterprise Asset Management (EAM) system.

### Recommendation

This is an informational item; no action is required. This is an annual report to the Board which has been presented since 2013.

### Alternative(s)

Not applicable; informational item only.

### Background

This item is part of the ongoing effort to inform the Board on the status of Work Order backlog in the Operations Department (Construction, System Operations, Water Treatment Plant, Water Reclamation Facility, and Technical Services).

#### **Fiscal Impact**

There are no costs directly associated with this informational report.

#### Discussion

Staff will review the attached presentation at the December 13, 2023 meeting and respond to any questions.

Attachment(s): EAM Work Order Backlog Update PowerPoint Presentation

# EAM WORK ORDER BACKLOG UPDATE

### December 13, 2023



**Municipal Water District** 

# **Enterprise Asset Management**

- Enterprise asset management (EAM) manages the lifecycle of physical assets
- Purpose of EAM software:
  - Increases system knowledge
  - Prioritizes rehabilitation and replacement needs
  - Reduces downtime and emergency repairs
  - Demonstrates to the community that we are being good stewards of our rate payers' investments



# Work Defined in EAM

- OMWD utilizes Hexagon's EAM software to track activities (work) performed on infrastructure, systems, and equipment
- Activities categorized as:
  - Preventative Maintenance (PM): routine scheduled maintenance and inspections
  - Corrective Maintenance (CM): unplanned repair or replacement



# **Factors Contributing to Backlog**

- Aging infrastructure
  - Breaks and leaks on service lines, distribution and transmission mains, gravity and force-main sewer pipelines
  - Valve and appurtenance failures
  - Plant and systems equipment reaching end-of-life
- Competing priorities
  - CM activities take priority over PM activities
  - Capital Improvement Project (CIP) execution; annual objective support
- Staffing levels and experience
  - Newer employees due to retirements or vacancies



## **Construction Department Workload**



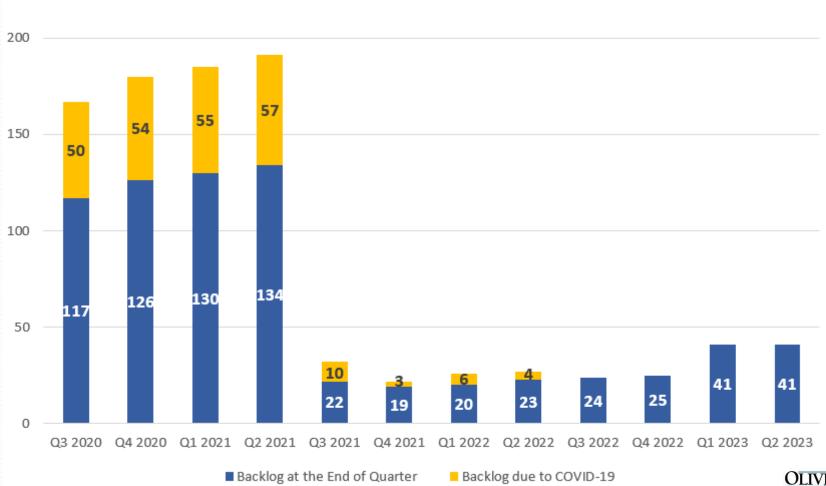
 Primary focus on CM repair or replacement work

- Emergency Leak Response
- Valve Replacements
- Main and service laterals
- Hydrants
- Construction support
- Fleet
- Supports CIPs and PM activities at District facilities
  - Annual Valve Replacement Project
  - Extension 153 Flow Meter Install
  - Rancho Paseana RW Meter Install
  - Rancho Cielo Flow Meter Install



## **Construction Backlog**

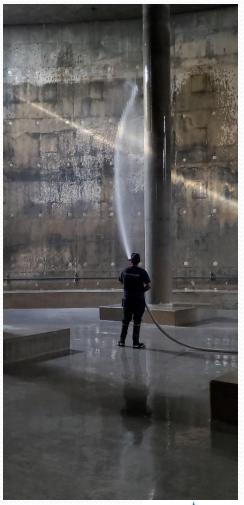
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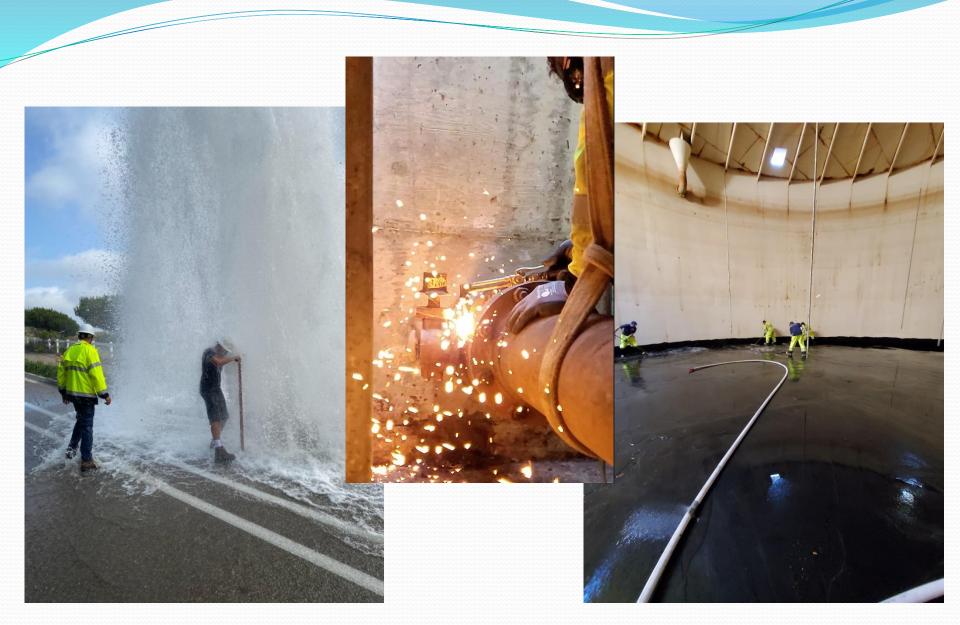


### System Operations Department Workload

- Potable and recycled pump stations, pressure reducing stations and flow control facilities
- Valves, hydrants and appurtenances
  - Blow-offs, manual air releases, and air vacs
- Reservoirs
- Water quality monitoring, sampling and reporting
  - Bac-Ts, TTHM/HAA, General Physicals, Lead Testing
- Supports CIPs and PM activities throughout the District

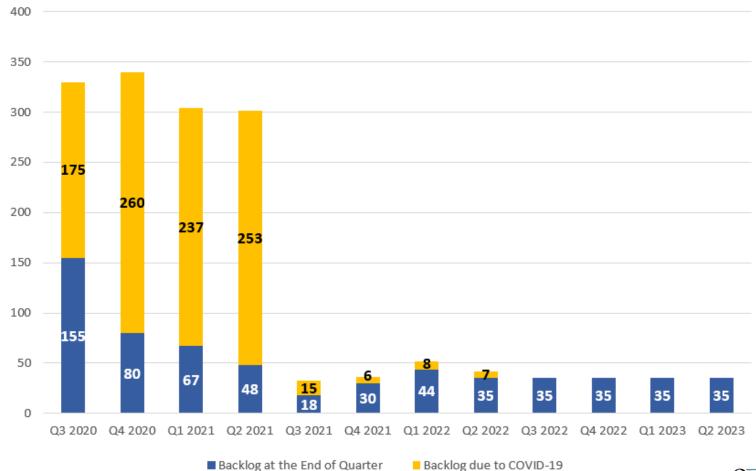








# **System Operations Backlog**





## Tech Services Department Workload

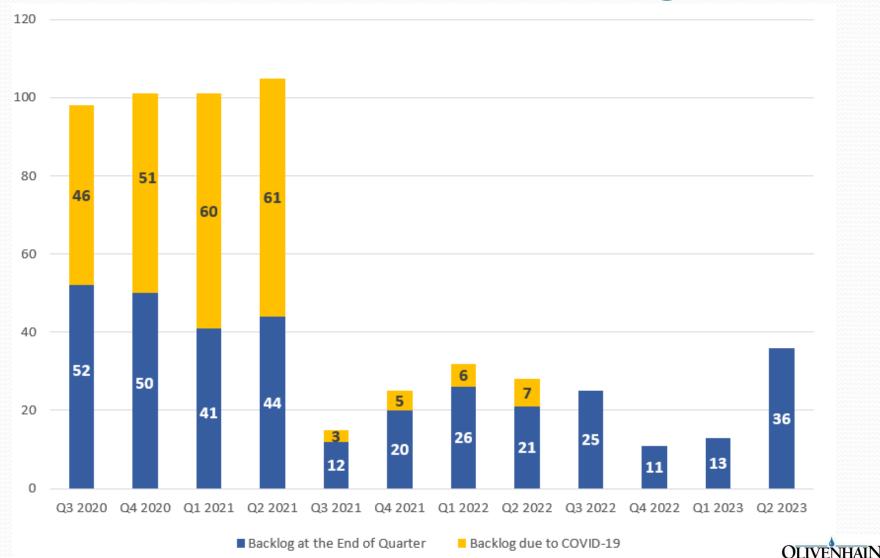
- Generators, electrical panels, switchgear
- Pumps, motors, variable frequency drives
- Instrumentation devices, programmable logic controllers, radios
- SCADA and enterprise network communication hardware and software
- Computer, mobile device, phone system user, and cybersecurity training/support
- Software support: CIS, GP, Paramount, RoseASP, GIS, EAM







## **Tech Services Backlog**



Municipal Water District

## Water Treatment Plant Workload

- Plant equipment maintenance and data collection
- Water quality monitoring (Regulatory and Process Control sampling and analysis)
- Instrumentation maintenance and calibration
- Membrane replacements and primary mover equipment upgrades
- Unit process performance monitoring and optimization
- Changing source water, increase in SPW



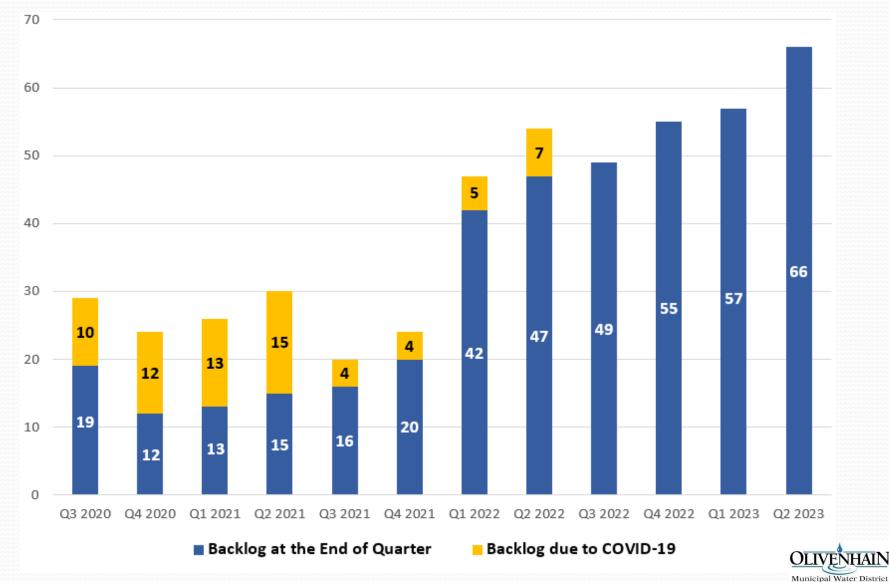








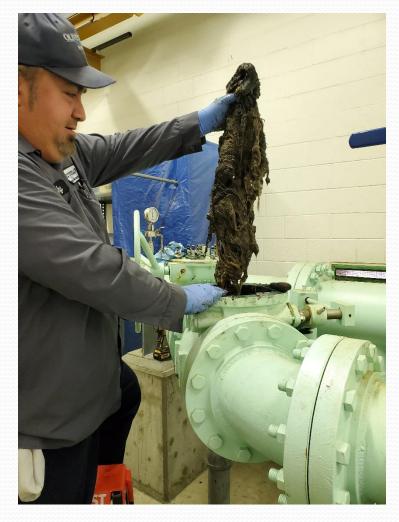
## Water Treatment Plant Backlog



### Water Reclamation Facility Workload

- Sewer collection system inspections: pump stations, manholes, gravity and force main systems
- Plant equipment data collection
- Water quality monitoring (Regulatory and Process Control sampling and analysis)
- Instrumentation maintenance and calibration
- Primary mover equipment upgrades
- Cross Connection and Backflow

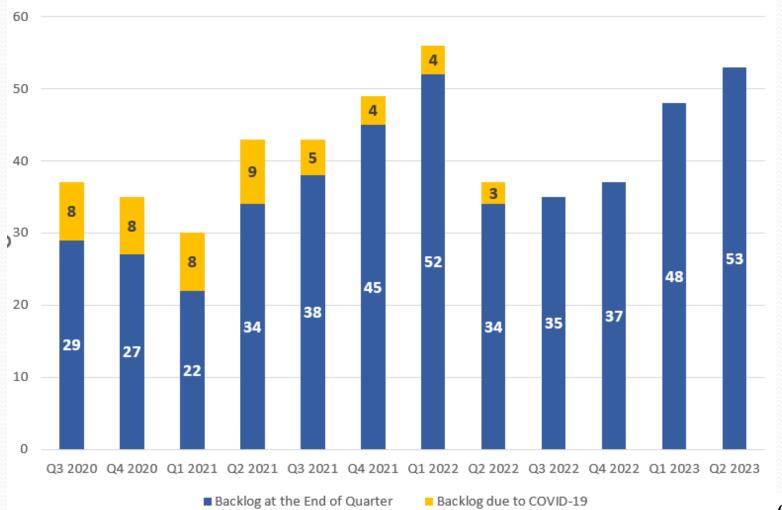








### Water Reclamation Facility Backlog





### Summary

- Maintain focus on CM and PM activities
- Planning and execution for capital infrastructure and equipment replacement
- Staffing vacancies filled and more temp support available
- GYO Program increasing experience and skill levels, which translates to higher productivity
- Identification of areas that offer opportunities for more efficient support

### **Questions?**



Agenda Item 16



### Memo

Date:December 13, 2023To:Olivenhain Municipal Water District Board of Directors

From: Lindsey Stephenson, Engineering Manager

Via: Kimberly A. Thorner, General Manager

Subject: CONSIDER AWARD OF A CONTRACT WITH CCL CONTRACTING, INC. IN THE AMOUNT OF \$1,090,000 FOR THE CONSTRUCTION OF THE UNIT A RANCHO SANTA FE POTABLE WATER PIPELINE REPLACEMENT PROJECT AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF OMWD

#### Purpose

The purpose of this agenda item is to consider award of a contract with CCL Contracting Inc (CCL) in the amount of \$1,090,000 to construct the Unit A Rancho Santa Fe Potable Water Pipeline Replacement Project (Project) and authorize the General Manager to sign on behalf of Olivenhain Municipal Water District (OMWD). The completion of design for the Project achieves calendar year 2023 Annual Goal 1, Objective 6.

#### Recommendation

Staff recommends awarding a contract to CCL in the amount of \$1,090,000 for construction of the Project and to authorize the General Manager to sign on behalf of OMWD.

#### Alternative(s)

The Board could elect to:

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

#### Background

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

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

On December 15, 2021, following a request for proposals in accordance with Administrative and Ethics Code Section 6.9B, the Board awarded the preliminary and final design of the Project to Parsons Transportation Group Inc. (Parsons). As part of preliminary design, Parson prepared a Preliminary Design Report (PDR) to evaluate rehabilitation and replacement options and ultimately recommended pipeline replacement for this stretch of Unit A based on cost-benefit. Once the design was completed, the contract documents for the Project were prepared to advertise for bid.

The Project qualifies for categorical exemption under CEQA Guidelines Section 15282(k) and 15302 for projects less than 1 mile in length and for the maintenance of existing facilities involving negligible or no expansion of existing use or capacity. At the September 15, 2023 Board meeting, the Board adopted a resolution making CEQA exemption findings and authorized staff to file a Notice of Exemption with the County Clerk of San Diego.

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

#### **Fiscal Impact**

The Project was included in the FY 24 budget (CIP Project Number D120093).

Is this a Multi Fiscal Year Project? <u>Yes</u> In which FY did this capital project first appear in the CIP budget? <u>2021</u> Total Project Budget: <u>\$2,094,000</u> Current Fiscal Year Appropriation: <u>\$1,739,000</u> To Date Approved Appropriations: <u>\$2,094,000</u> Target Project Completion Date: <u>Late 2024/Early 2025</u> Expenditures and Encumbrances as of November 10, 2023: <u>\$393,741</u> Is this change order within the appropriation of this fiscal year? <u>N/A</u> If this change order is outside of the appropriation, Source of Fund: <u>N/A</u>

#### Discussion

In accordance with Administrative and Ethics Code Section 6.2E, staff publicly issued a Request for Bids for the Project on October 10, 2023 and advertised the Project. Following the bid posting, a non-mandatory pre-bid meeting was held. One addendum was issued during the bidding process to respond to questions received by contractors. Three (3) bids were publicly received on November 9, 2023, and ranged from \$1.09M to \$1.14M, with an engineer's cost estimate of \$1.1M. A summary of the bids are presented in the following table.

Contractor	Total Bid Schedule
CCL Contracting, Inc.	\$1,090,000
Teichert Energy & Utilities Group, Inc.	\$1,127,770
Cass Arrietta	\$1,143,086

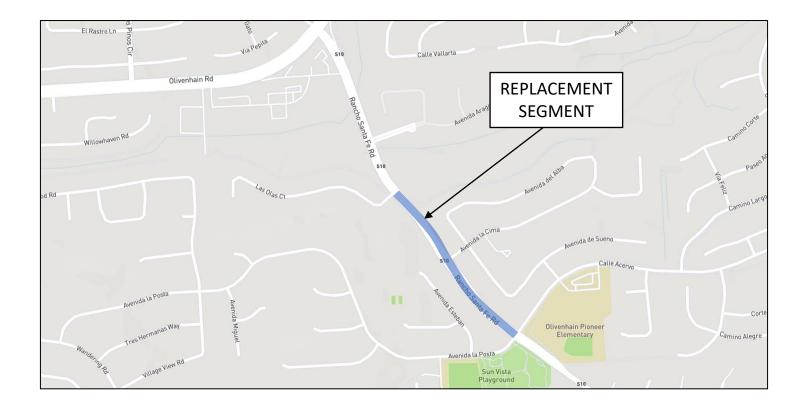
The apparent lowest responsive and responsible bid was received from CCL in the amount of \$1,090,000. Staff has reviewed the apparent low bid and their qualifications and recommends CCL as the lowest responsive and responsible bidder and therefore recommends awarding a contract to CCL in the amount of \$1,090,000.

Staff is available to answer questions.

Attachment(s): Project Site Map Bid Results

#### Santiego Bedianic Farden CARDIFF Solana Beach NORTH CITY NORTH CITY Solana beach NORTH CITY Solana beach NORTH CITY Solana beach Solana





15

LOCATION MAP

### **RANCHO SANTA FE UNIT A PIPELINE REPLACEMENT PROJECT**

### **DISTRICT PROJECT NO. D120093**



Unit A Rancho Santa Fe Potable Water Pipeline Replacement Project Bid Opening 11.09.2023 at 2pm				
Contractor	Bid Schedule Total	Bid Form Checklist (Y/N)	Addendum No. 1 (Y/N)	Bid Bond (Y/N)
CCL Contracting, Inc.	\$1,090,000	Y	Y	Y
Teichert Energy & Utilities Group, Inc.	\$1,127,770	Y	Y	Y
Cass Arrietta	\$1,143,086	Y	Y	Y

#### NOTICE OF REGULAR OMWD FINANCING AUTHORITY JPA MEETING OF THE BOARD OF DIRECTORS OF THE OLIVENHAIN MUNICIPAL WATER DISTRICT 1966 Olivenhain Road Encinitas, CA 92024 Tele: (760) 753-6466 Fax: (760) 753-5640 VIA TELECONFERENCE AND IN PERSON

#### Pursuant to AB 3035, effective January 1, 2003, any person who requires a disability related modification or accommodation in order to participate in a public meeting shall make such a request in writing to Stephanie Kaufmann, Executive Secretary, for immediate consideration.

DATE: WEDNESDAY, DECEMBER 13, 2023

#### TIME: 4:30 P.M. OR LATER

PLACE: HYBRID REGULAR MEETING VIA ZOOM AND IN-PERSON

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

For Zoom Participation:	For Zoom Call-in Only:
www.zoom.us/join	Call: (669) 900-9128
Meeting ID: 822 3192 9356	Meeting ID: 822 3192 9356
Passcode: 632540	Passcode: 632540

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

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

1. CALL TO ORDER

- 2. PLEDGE OF ALLEGIANCE
- 3. ROLL CALL
- 4. DETERMINATION OF A QUORUM
- 5. ADOPTION OF AGENDA
- 6. PERSONAL APPEARANCES AND PUBLIC COMMENTS
- 7. CONSIDER THE STATUS OF DEBT ISSUED BY THE OMWD FINANCING AUTHORITY (OMWD FINANCING AUTHORITY REVENUE BONDS SERIES 2021A, OMWD FINANCING AUTHORITY REVENUE BONDS SERIES 2021B, OLIVENHAIN MUNICIPAL WATER DISTRICT WATER SYSTEM REFUNDING REVENUE BONDS SERIES 2016A, AND OMWD FINANCING AUTHORITY WATER REVENUE SERIES 2009)
- 8. ADJOURNMENT

Agenda Item 17



## Memo

Date: December 13, 2023 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 (OMWD FINANCING AUTHORITY REVENUE BONDS SERIES** 2021A, OMWD FINANCING AUTHORITY REVENUE BONDS SERIES 2021B, **OLIVENHAIN MUNICIPAL WATER DISTRICT WATER SYSTEM REFUNDING REVENUE BONDS SERIES 2016A, AND OMWD FINANCING AUTHORITY** WATER REVENUE SERIES 2009) (OMWD Financing Authority JPA Meeting Agenda)

#### Purpose

This is a housekeeping item. The Financing Authority is required by Joint Powers Authority law to conduct an annual meeting.

#### Recommendation

Staff is requesting the Board to consider acceptance of the Staff report.

#### Alternative(s)

N/A

#### Background

At the December 15, 2010, board meeting, the Board adopted a resolution to amend the existing Joint Exercise of Powers (JPA) between the Olivenhain Municipal Water District and the Olivenhain Municipal Water District Community Facilities District No. 2007-01 to include the Rancho Santa Fe Community Services District (RSFCSD). The JPA was amended to include the RSFCSD because Rancho Cielo Community Facilities District (RCCFD) was being dissolved. The RSFCSD was added in order to ensure that the water revenue bonds issued by the District in 2009 were represented by a JPA which requires a minimum of two agencies.

#### **Fiscal Impact**

N/A

#### Discussion

The OMWD Financing Authority has issued five bonds since formation: the \$19,175,000 2009 Water Revenue Bonds, the \$15,990,000 2016A Water System Refunding Revenue Bonds, the \$5,500,000 2018A Revenue Bonds, the \$5,042,140 2021A Revenue Bonds, and the 4,096,321.15 Refunding of Series 2018A (2021B Revenue Bonds).

The 2009 Water Revenue bonds were issued to acquire and construct improvements to OMWD's water system, to satisfy the Reserve Requirement for the Bonds, and to pay for costs of issuing the Bonds.

The 2016A Water System Refunding Bonds were issued to refund all outstanding obligations with respect to the 2009 bonds and to pay for Bond issuance costs.

The 2018A Revenue Bonds were issued to assist the District in the financing of OMWD's headquarters expansion and improvement project (Building D).

The 2021A Revenue Bonds were issued to assist the District in the financing of certain improvements to OMWD's wastewater system and to pay for Bond issuance costs.

The 2021B Revenue Bonds were issued to refund all outstanding obligations with respect to the 2018A Revenue Bonds and to pay for Bond issuance costs.

The OMWD Financing Authority is in compliance with its obligations set forth in the Bond indenture. All debt service payments were made in a timely manner as prescribed in the bond covenants. The District's Annual Comprehensive Financial Report and financial data are distributed to interested parties to comply with annual continuing disclosure requirements.

#### NOTICE OF REGULAR OMWD FINANCING CORPORATION MEETING OF THE BOARD OF DIRECTORS OF THE OLIVENHAIN MUNICIPAL WATER DISTRICT 1966 Olivenhain Road Encinitas, CA 92024 Tele: (760) 753-6466 Fax: (760) 753-5640 VIA TELECONFERENCE AND IN PERSON

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- 1. CALL TO ORDER
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- 3. ROLL CALL
- 4. DETERMINATION OF A QUORUM
- 5. ADOPTION OF AGENDA
- 6. PERSONAL APPEARANCES AND PUBLIC COMMENTS
- 7. CONSIDER THE STATUS OF DEBT ISSUED BY THE NON-PROFIT CORPORATION (OLIVENHAIN MUNICIPAL WATER DISTRICT SYSTEM REFUNDING REVENUE BONDS SERIES 2015A)
- 8. ADJOURNMENT

Agenda Item 18



## Memo

Date:December 13, 2023To:Olivenhain Municipal Water District Board of DirectorsFrom:Rainy Selamat, Finance ManagerVia:Kimberly Thorner, General ManagerSubject:CONSIDER THE STATUS OF DEBT ISSUED BY THE NON-PROFIT CORPORATION<br/>(OLIVENHAIN MUNICIPAL WATER DISTRICT SYSTEM REFUNDING REVENUE<br/>BONDS SERIES 2015A)<br/>(Finance Corporation Regular 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, 2023.

#### Recommendation

Staff is requesting the Board to consider acceptance of Staff report.

#### Alternative(s)

N/A

#### Background

The OMWD Financing Corporation (Corporation) was organized by the District in 1997 to facilitate the financing of facilities for the use and benefit of the District. The Board of Directors of the District serves as the Board of Directors of the Corporation.

#### **Fiscal Impact**

N/A

#### Discussion

The Financing Corporation has issued four bonds since formation: the \$50,000,000 1997 Water Revenue Certificates of Participation (COP), the \$13,950,000 2002 Variable Rate Taxable Subordinate Water Revenue Certificates of Participation Bonds (Regional Recycled Water System), the \$38,940,000 2006A Water Revenue Refunding Bonds, and the \$23,455,000 2015A Water System Refunding Revenue Bonds.

The 2015 Bonds were issued to refund all of the outstanding 2006A Water Revenue Refunding Bonds, to purchase a debt service reserve surety policy for deposit in the Reserve Fund, and to pay for cost of issuance. The 2015A Bonds are payable solely from Net System Revenues and certain funds and accounts created under the bond indenture. The District is committed to maintaining the debt service requirement as prescribed in the bond covenant while these certificates are outstanding.

As of June 30, 2007, the 1997 Certificates of Participation were paid off.

As of June 1, 2011, the 2002 Variable Rate Subordinate Water Revenue Certificates of Participation Bonds were paid off.

As of August 2015, the 2006A Water Revenue Refunding Bonds were paid off.

The OMWD Financing Corporation is in compliance with the existing installment purchase agreement. All debt service payments were made in a timely manner as prescribed in the bond covenants.

# Memo

To: Olivenhain Municipal Water District Board of Directors

Subject: INFORMATIONAL REPORTS

PRESIDENT

Any report will be oral at the time of the Board meeting.

Α

# Memo

To: Olivenhain Municipal Water District Board of Directors

Subject: INFORMATIONAL REPORTS

GENERAL MANAGER

Any written report will be attached; any oral report will be provided at the time of the Board Meeting. 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 **November 2023:** 

Operations & Maintenance	November 2023	October 2023
David C. McCollom Water Treatment Plant (DCMWTP)	583.6 million gallons	527.2 million gallons
Total Production	-	
DCMWTP Average Daily Production	17.7 million gallons	17.0 million gallons
DCMWTP Peak Day Production	21 million gallons	23 million gallons
Source Water Blend (% State Project Water)	54.2 %	58.7 %
	262.08 acre feet	265.24 acre feet
Total Deliveries to Vallecitos Water District	85.40 million gallons	86.42 million gallons
4S and Rancho Cielo Sewer Systems Total Inflow	36.71 million gallons	37.75 million gallons
4S and Rancho Cielo Sewer Systems Average Daily Inflow	1,223,512 gallons	1,217,940 gallons
4S and Rancho Cielo Sewer Systems Peak Day Inflow	1,300,024 gallons	1,272,644 gallons
4S and Rancho Cielo Sewer Systems Low Day Inflow	1,155,027 gallons	1,165,650 gallons
4S Water Reclamation Facility (4SWRF) Average Daily	718,707 gallons	801,519 gallons
Production		
4SWRF Peak Day Production	1,273,197 gallons	1,217,356 gallons
4SWRF Total to Recycled Water Distribution System	21.56 million gallons	24.85 million gallons
4S Recycled Water Storage Pond Volume	56 acre feet	56 acre feet
Repaired Potable Water Main Leak(s)	1	0
Repaired Potable Water Service Lateral Assembly Leak(s)	3	3
Repaired Recycled Water Main Leak(s)	0	0
Repaired Recycled Water Service Lateral Leak(s)	0	0
Repaired Hit Fire Hydrant Lateral Assembly Leak(s)	1	2
Replaced Valve(s) Monthly Total	1	2
Replaced Valve(s) Calendar Year to Date	62	61
Recycled Water Use Site Inspections & Visits	21	29
Recycled Water Use Site Cross Connection Tests	5	0
Cross Connection Site Surveys	1	0
Backflow Inspections & Testing (New)	8	1
IT Help Requests	26	27
Customer Services	November 2023	October 2023
Customer Calls and Inquiries	1,802	2,347
Total Monthly Bills Issued	22,994	22,991
Service Orders	621	801
New Potable Meters	0	0
New Fire Meters	0	0
New Recycled Water Meters	7	0

Advanced Metering Infrastructure (AMI)	94	114
Troubleshooting Investigations	54	114
Customer Services - Continued	November 2023	October 2023
Automated Meter Reading (AMR) Troubleshooting	17	19
Stopped/Underperforming Meters Replaced	122	95
Meter Transceiver Units (MXU) Upgraded to AMI	161	291
Meter Accuracy Tests Performed	2	0
Water Use Evaluations	8	7
Water Use Violation Reports	2	5
Workshops, Events, and Tours	0	2
High-Efficiency Clothes Washer Rebate Applications	11	8
Weather-Based Irrigation Controller Rebate Applications	4	6
Hose Irrigation Controller Rebate Applications	3	0
High-Efficiency Rotating Nozzle Rebate Applications	0	0
High-Efficiency Toilet Rebate Applications	0	0
Rain Barrel Rebate Applications	0	0
Flow Monitor Device Rebate Applications	4	3
Turf Removal Project Rebate Applications	0	3
Social Media Posts	28	15
News Releases/Media Advisories	2	1
EFRR	November 2023	October 2023
Special Use/Event Permits	5	3
Parking Notices	32	25
Incident Reports	6	6
Vehicle Count	9,451	3,768
Trail Use Count	3,965	8,179
Days Closed Due to Rain/Red Flag	0/0	0
Days Interpretive Center (IC) Open	14	15
Number of IC Visitors	326	325
Volunteer Trail Patrol Shifts	4	4
Volunteer Docent Hours	72	82
Total Number of Docents	65	65
Finance	November 2023	October 2023
Infosend Payments (ACH and Credit Card)	13,872	12,333
OMWD Auto Debit Payments	258	314
California Bank & Trust Lockbox Payments	2,869	3,034
Over the Counter Payments	501	471
Check-free, Metavante and Chase	4,345	4,438
Finance Calls and Walk-ins	41	65
Service Orders Processed	19	12
Service Orders Closed Out	0	0
Purchase Orders	7	13
Inventory Items Received	585	356
Invoices Processed	358	554
Payroll Direct Deposits Processed	247	243
Accounts Payable Checks and Electronic Fund Transfers	354	304

#### **ENGINEERING DEPARTMENT**

#### Engineering Manager Lindsey Stephenson Highlights for November 2023:

4S Ranch Neighborhood 1 Sewer Pump Station Replacement Project continued to progress through construction. Work for the Asphalt and Concrete Maintenance Project construction is nearly complete. Work is nearly complete for the Bob Topolovac Memorial Courtyard Project. Lusardi Phase III Cathodic Protection Replacement Project construction is nearing completion. The Recycled Water Pipeline Extensions Project has begun with pre-construction activities, and construction is anticipated to start in December. Staff continued planning and design efforts on multiple CIP projects. Staff continued to handle developer requests, continued to assist other departments with engineering-related work, and continued to manage OMWD's right of ways and cell sites.

#### **HUMAN RESOURCES DEPARTMENT**

#### Human Resources Manager Jennifer Joslin Highlights for November 2023:

Human Resources staff held internal Grow Your Own (GYO) interviews to fill the vacant Systems Operator I and Collection System Operator positions. Held benefits open enrollment for employee annual health insurance plan changes, supplemental insurance additions, and flexible spending account enrollments. Generated the mid-year performance reviews for all employees for completion by the Supervisors and Managers. Hosted training sessions on the "Power of Interdependence" presented by a local motivational speaker. Held a Human Resources/Employee Association (HEART) Committee meeting to discuss the voluntary employee benefit savings account (VEBA) employee contributions. Co-hosted with the Employee Recreation Club (ERC) a breakfast event for all employees. Records staff processed multiple public records act requests. Safety staff facilitated forklift training for necessary employees and conducted a safety inspection of the water treatment plant.

#### **OPERATIONS & MAINTENANCE**

#### **Operations Highlights for November 2023:**

Source water blend is experiencing an increase of State Water Project water, expecting to reach nearly 75% by mid-December which may present challenges for various treatment processes. Energy Recovery Turbine 124 has been online since November 9 and is showing acceptable vibration readings. Plant is back to full staff with the addition of an out of class, Operator II, assignment and two temporary operators. Wastewater, Instrument Control Technician, and Pump & Motor Technician staff are working together to install the new digester blower and electrical equipment at 4S Water Reclamation Facility. Seven (7) potable irrigation meters were converted to six (6) recycled water meters at Village Park Manor Homeowners Association. IT staff are actively involved with the message archive migration and successfully mitigated an increase in cyber threats over the Thanksgiving break. System Operations continues to provide extensive support to Ardurra on the Potable Water/Recycled Water Updated Master Plan. Installation of a 6" grade ring was performed at Highlands I Pressure Reducing Station. System Operations also tested max flows through a System Turnaround using Cielo Pump Station to supply the lower half of Cielo due to shutdown separating Berk from the lower half of the pressure

zone. Construction replaced a tee and valve on Calle Timiteo in Carlsbad, installed a new 1" service lateral in Rancho Cielo Estates and also installed retractable pull tarps on three roll-off bins and four material bins. Construction also assisted with the procurement of stainless-steel materials needed for the 4S WRF digester blower.

#### **CUSTOMER SERVICES DEPARTMENT**

#### Customer Services Manager John Carnegie Highlights for November 2023:

Sent e-newsletter on November 1; mailed 978 postcards notifying customers affected by the next AMI Expansion Project phase of upcoming work and the My Water Use dashboard; mailed letter to all customers still enrolled in OMWD's Direct Payment Program to encourage them to transition to online autopay; mailed 2,355 postcards to customers with AMI meter functionality to promote rebates and the benefits of the My Water Use dashboard; provided input at DWR's virtual meeting on interim reporting expectations for water use efficiency regulations legislation; met with Leucadia Wastewater District to discuss joint outreach opportunities; completed 2023 Pure Excellence award program; and published two tutorial videos on online bill pay enrollment.

At EFRR, held six "Habitat" field trips for Escondido Unified School District students; held off-road rescue training with Rancho Santa Fe Fire Protection District; completed Cape Ivy removal project utilizing volunteers; and launched seventeenth annual amateur photo contest.

#### **FINANCE DEPARTMENT**

#### Finance Manager Rainy Selamat Highlights for November 2023:

Finalized Draft of Fiscal Year 2022/23 Annual Comprehensive Financial Report for presentation to Finance Committee and the Board; sent out Request For Quotes to three (3) rate consulting firms for 2024 Water Cost of Service Study; kicked off 2024 Wastewater Cost of Service Study; held quarterly finance committee meeting to discuss audit results and pension funding plans for 2023; Trained new Operations Manager in Paramount and Dynamics GP; Financial Analysts attended AWWA Rate Setting Training; completed 2021A Bonds arbitrage calculations; attended SDCWA's Rate Workgroup Meeting with GM Thorner and provided input for the meeting; attended motivational speaker training; discussed OMWD's population study with GM Thorner; attended meetings to discuss 2024 goals and objectives for presentation to the Board; and attended Wastewater Master Plan Update and capital spending plan.

#### ASSISTANT GENERAL MANAGER:

#### The Assistant General Manager reports the following for November 2023:

Attended a hands-on learning program discussion, a San Dieguito Valley Groundwater Project Meeting with SFID and North San Diego Water Reuse Coalition at Leucadia Wastewater District as well as the Leage of California Cities Advanced Clean Fleets Roundtable and attended the San Diego North Economic Development Council Board meeting, participated in Grow Your Own interview for open Collection System Operator position, continued onboarding support for new Operations Manager, dedicated significant time to personnel matters, employee recruitment, and records requests.

#### **GENERAL MANAGER**:

#### The General Manager reports the following for November 2023:

General Manager Thorner met with SFID on the San Dieguito Brackish Groundwater Project, held a Finance Committee Meeting, attended the WaterReuse Annual Conference and the WateReuse California Board Meeting in Indian Wells, hosted an employee motivational speaker event, attended the SDCWA Quantification Settlement Agreement Celebration, held Systems Operator I Grown Your Own (GYO) interviews, met with the City of Encinitas at Sun Vista Park about recycled water, participated in a One Water North San Diego meeting with SDCWA at Encina Wastewater Authority, participated in the North County Work Group meeting, attended the San Diego Chapter California Special District Association Quarterly Dinner, held a Human Resources/Employee Association Team (HEART) Committee meeting, attended the North County Manager's meeting, attended the ACWA fall Conference, attended several SDCWA rate setting meetings with both SDCWA and member agencies, attended the Executive Director of WateReuse event, dedicated significant time to public records requests, legal issues, and reviewing SDCWA rate proposals.

## Memo

To: Olivenhain Municipal Water District Board of Directors

Subject: INFORMATIONAL REPORTS

CONSULTING ENGINEER

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

## Memo

To: Olivenhain Municipal Water District Board of Directors

Subject: INFORMATIONAL REPORTS

**GENERAL COUNSEL** 

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

D



TO:	Olivenhain Municipal Water District
FROM:	Alfred Smith
DATE:	December 13, 2023
RE:	Attorney Report: Brown Act Update 150152-0005

#### I. INTRODUCTION.

This attorney report provides an update on recent legislation amending the Ralph M. Brown Act, codified at Government Code sections 54950 *et seq*. ("the Brown Act"). Assembly Bill 557 ("AB 557") provides updated procedures for remote local agency meetings under the Brown Act. AB 557 was introduced by Assembly Member Gregg Hart (D-Santa Barbara). AB 557 was sponsored by the California Special Districts Association ("CSDA"). In summary, AB 557:

- Eliminates the sunset date for Assembly Bill 361 ("AB 361") virtual meeting procedures;
- Amends the existing virtual meeting emergency finding requirements period from every 30 days to every 45 days;
- Eliminates references to "social distancing" requirements in Government Code section 54953; and
- Effective January 1, 2026, eliminates previously enacted virtual meeting alternatives per Assembly Bill 2449 ("AB 2449").

Accordingly, the abbreviated virtual meeting procedures established by AB 361 during the COVID-19 pandemic continue to apply without a sunset date. However, these abbreviated virtual meeting procedures only apply when there is a declared state of emergency.

#### II. BACKGROUND.

Under the traditional Brown Act rules, when a director of a local agency remotely participates in a Board meeting, the Brown Act required the following:

- Posting agendas at all teleconference locations;
- Identifying each remote location in the notice and agenda of the meeting;
- Making each teleconference location accessible to the public; and
- In-person participation by at least a quorum of the Directors.

Memorandum December 13, 2023 Page 2

In response to the COVID-19 pandemic, the Legislature enacted more relaxed and abbreviated virtual meeting opportunities through Assembly Bill 361 and Assembly Bill 2449.

Pursuant to AB 361, directors are authorized to meet remotely during a proclaimed state of emergency if any of the following circumstances exist: (1) state or local officials have imposed or recommended measures to promote social distancing; (2) the agency is meeting for the purpose of determining whether, as a result of an emergency, meeting in person would present imminent risks to the health or safety of attendees; or (3) the agency has previously made such a determination.

AB 361 also required local agencies to verify every 30 days that virtual meeting procedures are still necessary due to a declared state of emergency. In this verification process, the local agency was required to make findings every 30 days that: (1) the local agency reconsidered the circumstances of the state of emergency, and (2) the state of emergency continues to directly impact the ability of the board members to meet safely in person. Based on these findings, the local agency could either continue or cease meeting under the abbreviated virtual meeting procedures.

In addition to the Brown Act's traditional teleconferencing rules and the abbreviated AB 361 virtual meeting procedures, AB 2449 was signed into law on September 13, 2022. AB 2449 authorizes board members to remotely participate in board meetings if "emergency circumstances" or "just cause" exists. "Emergency circumstances" means a physical or family medical emergency that prevents a board member from attending in person. "Just cause" is defined as any one of the following circumstances:

- Childcare or caregiving of a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires them to participate remotely;
- A contagious illness that prevents a member from attending in person;
- A need related to a physical or mental disability; or
- Travel while on business of the legislative body or another state or local agency.

#### III. AB 557 Brown Act Changes for Virtual Meetings.

The Brown Act's traditional teleconferencing rules remain unaffected by the enactment of AB 557. However, effective January 1, 2024, AB 557 eliminates the sunset date of AB 361. AB 557 further removes any references to social distancing requirements contained in Government Code section 54953. Accordingly, abbreviated virtual meetings under AB 361 may continue without a sunset date. However, these relaxed virtual meeting procedures only apply when there is a declared state of emergency in the agency's local jurisdictional boundaries or statewide when specified circumstances exist.

Memorandum December 13, 2023 Page 3

AB 557 also extends the time period for local agencies to verify that a continuing state of emergency exists. Pursuant to AB 557, in order to continue abbreviated virtual meetings, the agency must make findings every 45 days (as opposed to 30 days) that: (1) the legislative body has reconsidered the circumstances of the state of emergency, and (2) the state of emergency continues to directly impact the ability of board members to meet safely in person.

Effective January 1, 2026, AB 557 also eliminates the use of AB 2449's abbreviated virtual meeting procedures due to "emergency circumstances" or "just cause."

#### IV. CONCLUSION.

The stated purpose of AB 557 is to retain some of the flexible virtual meeting options first made available under AB 361, while ensuring that principles of transparency and accountability continue to be safeguarded by public agencies. In enacting AB 557, the Legislature found these factors to be "especially important" as agencies continue to face threats from emergencies ranging from wildfires to contagious illnesses.

Water agencies and public agency groups, including CSDA and ACWA, generally recommended a "support" position on AB 557. A number of agencies went on record suggesting that the relaxed virtual meeting requirements of AB 361 should continue indefinitely, even when there is not a declared state of emergency. These agencies suggested that virtual meetings provide greater flexibility for public participation. A number of groups also advocated for eliminating the need for agencies to adopt continuing state of emergency resolutions every 30 or 45 days. However, the Legislature did not adopt these changes. The Legislature seemed persuaded by a very large showing of public interest groups during the public hearing on AB 557. These public interest groups advocated for the right to address, provide comment, and ask questions to their locally elected and appointed officials in-person.

AES

## Memo

To: Olivenhain Municipal Water District Board of Directors

Subject: INFORMATIONAL REPORTS

SAN DIEGO COUNTY WATER AUTHORITY REPRESENTATIVE

Any report will be oral at the time of the Board meeting.



#### SUMMARY OF FORMAL BOARD OF DIRECTORS' MEETING NOVEMBER 16, 2023

- 1. <u>2023 Energy Management Policy</u>. The Board adopted the 2023 Energy Management Policy.
- 2. <u>Wholesale Market Access Tariff Agreement with Clean Energy Alliance</u>. The Board authorized the General Manager, or designee, to execute a Wholesale Market Access Tariff Agreement with Clean Energy Alliance for providing energy to Claude "Bud" Lewis Carlsbad Desalination plant.
- 3. <u>Amend Agreement for Consulting Services with M Strategic Communications</u>. The Board approved an agreement amendment with M Strategic Communications for continued consulting services for the Water Authority through February 29, 2026, by \$370,000 for a period of 24 additional months with total contract funding not to exceed \$2,370,000.
- 4. <u>Sponsor legislation amending the California Public Contract Code Section 20642</u>. The Board approved to sponsor legislation amending the California Public Contract Code Section 20642.
- 5. <u>Monthly Treasurer's Report on Investments and Cash Flow</u>. The Board noted and filed the Treasurer's report.
- <u>Vote Entitlement Resolution for Calendar Year 2024</u>. The Board adopted Resolution No. 2023-32 establishing vote and representative entitlements of each member agency to be effective January 1, 2024.
- 7. <u>Contract Amendment for Montague DeRose and Associates, LLC, for as-needed financial advisor</u> services.

The Board authorized the General Manager to amend the Montague DeRose and Associates, LLC, professional services contract to extend the agreement term for an additional two years, in the amount of \$100,000, for continued as-needed financial advisor services, increasing the authorized contract amount from \$149,000 to \$249,000.

- Adopt resolution designating authorized officers to act on behalf of the San Diego County Water Authority with respect to banking and investment accounts. The Board adopted Resolution 2023-33 designating authorized officers to act on behalf of the Water Authority with respect to certain banking and investment accounts.
- 9. Adopt the Annual Statement of Investment Policy, as amended, and continue to delegate authority to the Treasurer to invest Water Authority funds for calendar year 2024. The Board adopted the Annual Statement of Investment Policy, as amended, and continue to delegate authority to the Treasurer to invest Water Authority funds for calendar year 2024.



10. <u>Audit Committee Annual Report</u>.

The Board accepted and filed the Audit Committee Annual Report pursuant to the Administrative Code, Section 2.00.066; and accepted and filed the Annual Comprehensive Financial Report (ACFR) for fiscal year ended June 30, 2023, prepared in accordance with Generally Accepted Accounting Principles (GAAP).

- 11. <u>Approval of Minutes</u>. The Board approved the minutes of the Special Board of Directors' meeting of October 12, 2023 and the Formal Board of Directors' meeting of October 26, 2023.
- 12. CLOSED SESSION.

The Board directed the General Counsel and General Manager to finalize and execute a settlement agreement with Fallbrook and Rainbow in material conformity with documents reviewed during the Closed Session.

## Memo

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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.



то:	Olivenhain Municipal Water District (OMWD)				
FROM:	Ashley Walker, Senior Policy Advisor, Nossaman LLP				
	Jennifer Capitolo, Jennifer M. Capitolo and Associates LLC				
DATE:	December 6, 2023				
RE:	December 2023 Public Policy Report				

#### State Legislative Update:

**Status of the Legislature:** The Legislature remains on recess until the second year of the 2-year session begins on January 3, 2024. Speaker Rivas announced committee chair and membership changes. Leadership in the Senate will be changing in February, with Senator Mike McGuire taking over as Senate Pro Tem. The FY 2024-24 State Budget proposal will be released by the Governor by January 10, 2024. The Legislative Analyst's Office (LAO) is predicting a startling \$58 billion state budget deficit.

**Legislative Delegation Tours:** Nossaman is continuing to work with OMWD to set up tours with the Legislative Delegation. These tours are focused on building relationships, and education on OMWD's projects that are in need of funding.

**Legislation:** Nossaman coordinated a meeting with Assemblymember Boener's staff to discuss the SDCWA voting structure amendment that was proposed during the discussions on AB 399. The bill was not amended to include the voting structure proposal change, and therefore we are meeting with staff to discuss the potential of a separate piece of legislation to address this issue. The meeting will take place on December 14.

**Water Bond Negotiations:** We anticipate the Legislature will be negotiating a water bond to be placed on the November 2024 ballot for the voters of California. There were many bond proposals deliberated in the Legislature this year, including ones focused on funding water and climate change related infrastructure; those being SB 867 (Allen), AB 1567 (Garcia) and SB 638 (Eggman). The water bond discussion was held over this year, as there was general agreement to make these bills two-year bills and continue the discussion when the Legislature returns in 2024. The Governor has indicated support for a future water bond, and his May Revision of the 2023-24 State Budget even included proposals to shift some General Fund investments for water and climate change mitigation infrastructure to a future water bond. In order for a water bond to qualify for the November ballot, the Legislature would need to swiftly pass an agreed upon bond bill, and it would need to be signed by the Governor no later than June 27, 2024.

**Preparation for 2024:** Nossaman is meeting with OMWD to discuss priority issues for 2024. Nossaman reviewed OMWD's Legislative Guidelines to ensure they are still relevant and reflect potential policy discussions in the upcoming year.

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

- November 27: President Joe Biden and Department of Homeland Security (DHS) Secretary Alejandro Mayorkas unveiled the Supply Chain Resilience Center (SCRC), a new office tasked with private sector collaboration to better secure supply chains. The SCRC will reside within the Office of Strategy, Policy, and Plans and be comprised of staff from DHS Headquarters, FEMA, U.S. Coast Guard, Customs and Border Protection, Immigration and Customs Enforcement, and the Cyber and Infrastructure Security Agency.
- November 22: Governor Gavin Newsom announced that CHP is increasing its law enforcement presence in key retail districts across California and its Organized Retail Crime Task Force (ORCTF) in advance of the holiday shopping season.
- November 21: FEMA approved and declared Tuesday, November 21, 2023, that Disaster Assistance for Tropical Storm Hilary. Public Assistance will be available for the counties of Imperial, Inyo, Kern, Riverside, and Siskiyou. All areas in the State of California are eligible to apply for assistance under the Hazard Mitigation Grant Program.
- November 21: Governor Gavin Newsom highlighted progress on the Pajaro River Flood Risk Management Project, which will provide 100-year flood risk reduction to the City of Watsonville, the Town of Pajaro and surrounding agricultural areas.
- November 21: Governor Newsom's Administration released a report outlining the state's opportunities to use Generative Artificial Intelligence (GenAI) while highlighting potential harms. This is the first of several expected reports and deliverables required by the Executive Order the Governor issued two months ago.
- November 19: Governor Newsom announced the reopening of I-10, and the California Department of Transportation (Caltrans) reopened Interstate 10 at 6:30 p.m. tonight, weeks earlier than the original estimate for repairs.
- November 16: Governor Gavin Newsom announced that the I-10 Freeway in downtown Los Angeles will re-open Tuesday, November 21. The Governor also announced that Caltrans and CAL FIRE will launch a comprehensive review of leased sites under freeways across California. The I-10 Freeway has been closed since a massive arson fire on November 11. The Governor declared a state of emergency for Los Angeles County later that day.
- November 7: FEMA and CISA Release First-Ever Cyber Incidents Planning Guidance For Emergency Managers Today, Department of Homeland Security (DHS) Secretary Alejandro N. Mayorkas, FEMA Administrator Deanne Criswell and Cybersecurity and Infrastructure Security Agency (CISA) Director Jen Easterly announced the release of an important new resource guide for emergency managers. The new "Planning Considerations for Cyber Incidents: Guidance for Emergency Managers" is a foundational product that provides a

roadmap for emergency managers across the nation to plan for swift and effective solutions to address the consequences of a cyber incident.

### Water Quality:

**PFAS National Class Action Settlement:** Water utilities must decide by early December to join twomultibillion-dollar class action settlements against the largest producers of PFAS chemicals that have impacted drinking water suppliers.

### Water Use Efficiency:

**Hydrologic Conditions Update:** Seasonal cold fronts have continued to bring rainfall to some parts of the state, but abnormally dry conditions are still being experienced in two small areas in the northeast and southeast parts of the state. The El Nino condition has not yet developed in such a way as to firm up any longer-term forecast regarding winter precipitation.

### State Water Board:

Long Term Water Conversation Standards Rulemaking: Nossaman has been meeting with the coalition of water associations to discuss the comment letters submitted to the State Water Resources Control Board's (State Water Board) proposed regulation for "Making Water Conservation a California Way of Life", and discuss next steps on advocacy. The State Water Board staff is now reviewing the more than 400 comment letters received by the October 17th deadline. The staff has informally reached out to a small number of leaders of the key water associations and suppliers (including Jennifer Capitolo) to propose the formation of small stakeholder-staff work groups to address various elements of the regulation. Nossaman will be directly represented in most of these groups. This assessment and work group process is expected to continue through the end of the year, and result in a revised draft in early 2024.

### Other:

**California Water and Wastewater Extended Arrearage Payment Program:** On November 1, the State Water Board opened the 60-day application period for the <u>California Water and Wastewater</u> <u>Extended Arrearage Payment Program (Arrearage Payment Program) Guidelines</u>. The expanded Arrearage Payment Program will provide payments to water and wastewater customer arrearages for the period of March 4, 2020, through December 31, 2022.

To: Olivenhain Municipal Water District Board of Directors

Subject: INFORMATIONAL REPORTS

TWELVE MONTH CALENDAR / OTHER MEETINGS /

**REPORTS / BOARD COMMENTS** 

Any report will be oral at the time of the Board meeting. Please refer to the TWELVE MONTH Calendar (attached) for meetings attended.

#### TWELVE MONTH CALENDAR OF EVENTS (AS OF 12/7/23)

Date(s)	Event	Time	Location	Attending Board Member(s)	Additional Information (Speakers' Topic, Cohosts, etc.)
NOVEMBER 2023					
16-Nov	CSDA Quarterly Dinner		The Butcher Shop	San Antonio	
16-Nov	Debrief with President Guerin RE: Nov. Board Meeting		Conference Call	Guerin	
Nov 26-28	ACWA JPIA Meeting		Indian Wells	San Antonio	
28-Nov	Conference Call with Director Watt RE: Customer Questions on Recycled Water Retrofits		Conference Call	Watt	
Nov 28-30	ACWA Fall Conference		Indian Wells	Meyers	
29-Nov	Document Signing			Guerin	
29-Nov	Document Signing			Watt	
DECEMBER 2023					
1-Dec	End of Year Dinner		Lake House San Marcos	Guerin, Hahn, Meyers, San Antonio	
4-Dec	Facilities Committee Meeting	10:30 AM	Boardroom	Guerin, Watt	
5-Dec	Reynolds Groundwater Desalination Facility Tour	Depart at 9:00 AM	3066 N Second Avenue, Chula Vista, CA	Meyers	
6-Dec	Bob Topolovac Courtyard Dedication Event	11:30 AM		Guerin, Watt, San	
12-Dec	Board Meeting Prep.			Guerin	
12-Dec	Doheny Ocean Desalination Project Tour	Depart at 8:00 AM	24911 Calle De Tenis, Dana Point, CA	Meyers, Watt	
	1	•		•	

To: Olivenhain Municipal Water District Board of Directors

Subject: INFORMATIONAL REPORTS

CORRESPONDENCE

Any correspondence is attached.

November 13, 2023

Keene Simonds San Diego LAFCO 2550 Fifth Avenue, Suite 725 San Diego, CA 92103

Delivered via email communication

Re: Proposed Out-of-Agency Services Policy

Dear Keene,

The San Diego Local Agency Formation Commission (LAFCO) is working to develop an out-of-agency services policy to formalize and expand existing practices to provide clear direction to all local agencies on how out-of-agency services are regulated. Several local agencies, including ours, have expressed concerns regarding these proposed changes, noting that they create unnecessary oversight, inefficiency in service delivery, a lack of applicable exemptions, and concern with language as written in section 3(a) of the draft policy.

Local agencies would like to work collaboratively with LAFCO to address these concerns and develop a policy that meets both LAFCO and local agency needs. In this effort, we have provided additional comments to the proposed policy on the attached redline version of the Out-of-Agency Services policy. Our recommended changes to the policy provide needed clarification and additional exemptions that help ensure efficient service delivery by local agencies. The additions to the policy also reduce existing concerns with the language used in section 3(a).

Local agencies look forward to working with LAFCO staff on finalizing an out-of-agency services policy and are available to discuss the additional comments provided in the attached redline version of the draft policy.

Sincerely,

11

Michael T. Thornton, P.E. General Manager San Elijo Joint Powers Authority

Paul J. Bushee General Manager Leucadia Wastewater District

Kyle Swanson CEO/General Manager Padre Dam Municipal Water District

Gary T. Arant General Manager Valley Center Municipal Water District

A Landons

Brett Sanders General Manager Lakeside Water District

Kimbulg J. Shorner

Kimberly A. Thorner General Manager Olivenhain Municipal Water District

Jose Martinez General Manager Otay Water District

1/bli

Erica Wolski General Manager Ramona Municipal Water District

Joel A. Scalzitti 🗸

Board of Directors, Helix Water District San Diego LAFCO Special Districts Advisory Committee

Al<sup>\*</sup>Lau General Manager Santa Fe Irrigation District

### Draft as of September 20, 2023

### Subject:

OUT-OF-AGENCY SERVICES (Exclusive of Fire Protection Services)

### Purpose:

Serve as a guide to the Commission in receiving, evaluating, and acting on requests by cities and special districts to provide new or extended services other than fire protection outside their jurisdictional boundaries.

### Background:

State law requires cities and special districts to request and receive Commission approval before providing new or extended outside services by contracts or agreements with limited exemptions (Government Code Section 56133).<sup>1</sup>

### Policy:

It is the policy of the Commission:

- 1. Goals and Priorities:
  - a) The Commission will review out-of-agency service agreements not previously considered by the Commission in conjunction with future applications for related changes to organization and not unilaterally seek out and review out-of-agency service agreements for compliance with Government Code Section 56133.
  - a)b) The Commission will consider out-of-agency service requests whenever otherwise merited new or extended services cannot be reasonably accommodated through annexations or other jurisdictional changes.
  - b)c) The Commission shall only approve out-of-agency service requests for cities and special districts involving territory within their spheres of influence in anticipation of future jurisdictional changes.
    - i. The Commission will exercise independent discretion in potentially prescribing the timing of future jurisdictional changes through its authority to condition out-of-agency service approvals.
  - c)d) The Commission shall only approve out-of-agency service requests for cities and special districts involving territory outside their spheres of influence in response to <u>efficient utilization of regional government resources and</u> existing or impending public health and safety threats.
    - i. The Commission will exercise its independent discretion in determining

efficient utilization of government resources and when existing or impending public health and safety threats exist after consideration of State Water Resources Control Board Division of Drinking Water, Regional Water Quality Control Board, California Department of Public Health and San Diego County Department of Public Health regulatory guidance and based on available documentation and analysis provided by LAFCO staff.

<sup>&</sup>lt;sup>1</sup> Contracts involving fire protection services are separately addressed under Government Code Section 56134 and are not covered under this policy.

- 2. Definitions:
  - a) "Agreement" and/or "contract" shall mean a formal written arrangement contemplated under Section 56133.
  - b) "Service" shall mean any authorized municipal service functions and/or classes provided by cities and special districts other than fire protection as well as those exempted by the Commission within Section 4 of this policy.
  - c) "New service" shall mean the actual provision of municipal service functions or classes to previously unserved non-jurisdictional lands.
    - i. New service shall also mean the re-commencement of actual services after a discontinuous period of six or more months.
  - d) "Extended service" shall mean the intensification of municipal service functions and/or classes to served (actual) non-jurisdictional lands that require a zoning change by the land use authority.
- 3. Applicability:
  - a) The Commission shall emphasize the "point of delivery" in assessing the applicability of Section 56133.
  - b) Cities and special districts may request a no-cost determination from the Commission as to whether any proposed out-of-agency services are eligible for exemption under 56133 (e) and/or Section 4 of this policy.
    - i. The Commission delegates all inquiries for exemption eligibility under 56133(e) and/or Section 3 of this policy to the Executive Officer. The Executive Officer shall provide written notice of their determination to the city or special district to either accept, deny, or deny pending additional information all exemption inquiries within five business days.
    - ii. Should the Executive Officer determine an inquiry does not qualify for exemption, the city or special district may appeal directly to the full Commission. The appeal request must be made in writing and signed by the city manager or special district manager.

### 4. Exemptions

- a) In addition to those provided by the Legislature under Section 56133(e), which includes agreements established prior to 2001, the Commission establishes the following local exemptions in which approvals are not required:
  - i. Advisory or automatic aid services provided by a city and/or special district where no monetary compensation other than reimbursements are exchanged.
  - ii. Agreements solely involving two or more public agencies where the public service to be provided (by agency A) is an alternative to, or substitute for, public services already being provided by an existing public service provider (Agency B) and where the level of service to be provided (by Agency A) is consistent with the level of service contemplated by the existing service provider (Agency B).
    - 1. For the purposes of this section, "already being provided" means the services are within the agency's (Agency B's) service area.
    - 2. For the purposes of this section "contemplated" means.
      - a. The service level is anticipated in a master plan or some long-range planning document of Agency B;
      - b. Sufficient infrastructure and capacity exists (by Agency A) to provide the service.
  - iii. Service agreements between cities and/or special districts equal to or less than \$100,000 annually or agreements that provide equal or increased service levels at agreement costs less than estimated infrastructure costs to provide equivalent service levels by each agency.
  - iv. Recycled water service agreements between cities and/or special districts that provide for best use of the resource considering infrastructure availability.
  - v. Service agreements between cities and/or special districts for the use, installation, and maintenance of meter and operational technology (OT) communications infrastructure similar to wireless ethernet, cellular towers, fiber optic, etc.
  - i.vi. Cathodic Pprotection of pipelines.

- ii.<u>vii.</u> Temporary access to cities and/or special districts' potable water supplies due to an interruption planned or otherwise.
- viii. Temporary access to cities and/or special districts' wastewater collection, treatment, or discharge facilities
- iii.ix. Temporary access to cities and/or special districts' potable, raw, or recycled water when deemed the best and most efficient use of resources.
- iv.<u>x.</u> Shared services between cities and/or special districts where monetary compensation is exchanged beyond reimbursements for any of the following activities:
  - Abandon<u>ed</u> Vehicle Abatement
  - Accounting, Billing, and Payroll
  - Animal Care and Control
  - -\_\_\_Building and Code Enforcement
  - <u>Customer Service</u>
  - Dispatch
  - Grant Writing
  - Heavy Equipment Exchange and/or Operation
  - Human Resources
  - Information Technology
  - Laboratory Services
  - Legal
  - Pooled Equipment Purchasing and Use
  - Pooled Materials Purchasing and Use
  - Pooled Services Purchasing and Use
  - Public Affairs/Outreach
  - -\_\_\_Training
  - Water, Wastewater, Recycled Water and Advanced Purification Plant Operations
- 4. Request Procedures:
  - a) All approval requests for out-of-agency services shall be made in writing by cities and special districts and filed with the Executive Officer. Requests shall be made in letter form by the city or special district manager and include all of the following information:
    - i. Identification of the affected territory by parcel number or another appropriate geographic marker.

- ii. Description of the ability of the agency to provide the contract service and relationship including impacts on existing and/or planned infrastructure and resources.
- iii. Application fee.
- iv. Any other information required by the Executive Officer.
- 5. Consideration Procedures:
  - a) The Commission shall consider all requests for out-of-agency service approvals at a public meeting unless otherwise provided in this policy.
  - b) The Executive Officer shall ensure all procedures under Section 56133 are completed and responsible for placing the request on the first available meeting agenda thereafter. The Executive Officer shall include his or her written recommendation on the request to the Commission.
  - c) Should requests involve purported public health or safety threats, the Commission delegates approval authority to the Executive Officer under the following circumstances.
    - i. The request involves water and/or wastewater services only. If approved, the Executive Officer shall provide notice to the Commission at the next public meeting for information only.
  - d) All other requests involving purported public health or safety threats shall be considered by the Commission at the earliest time possible – including the scheduling of a special meeting with no less than 24-hour notice.
- 7. Reconsideration:
  - a) Should an out-of-agency service request be approved with conditions or denied, the applicant may request reconsideration.
- 8. CEQA
  - a) All out-of-agency service request approvals shall be subject to concurrent review under the California Environmental Quality Act (CEQA).
  - b) The Commission assigns all functions and related responsibilities provided under CEQA Guidelines Section 15025 to the Executive Officer – including, but limited to, making exemption findings and related fillings.

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.

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.

To: Olivenhain Municipal Water District Board of Directors

Subject: CONSIDER PUBLIC COMMENTS

There may be public comments before the Board meeting is adjourned.

To: Olivenhain Municipal Water District Board of Directors

Subject: CLOSED SESSION

It may be necessary to go into Closed Session.

To: Olivenhain Municipal Water District Board of Directors

Subject: OPEN SESSION

To: Olivenhain Municipal Water District Board of Directors

Subject: ADJOURNMENT

We are adjourned.

### Elfin Forest Reserve photography contest returns

thecoastnews.com/elfin-forest-reserve-photography-contest-returns

#### staff

November 15, 2023

ELFIN FOREST — The Olivenhain Municipal Water District is once again inviting amateur photographers of all ages to its Elfin Forest Recreational Reserve for the 17th annual amateur photography contest that will run from Nov. 18 to April 21, 2024.

"For 17 years, our contest has prompted visitors to capture Elfin Forest Recreational Reserve's stunning beauty from their unique perspective," said OMWD Board Director Marco San Antonio. "The contest promotes the importance of protecting wildlife habitat at the reserve so that future generations may also enjoy the many wonders it offers."

Contest judges will be select winners in five categories: scenic view, water scenery, plants, animals and youth (photographers age 15 and under). There are also Best in Show and People's Choice awards.

Winners are eligible for prizes donated by local businesses, including passes to the San Diego Zoo, EcoVivarium Reptile Sanctuary and the California Wolf Center, a canvas print from PC Photo and Imaging, outdoor equipment from REI and a \$100 cash prize from the Escondido Creek Conservancy.

Winning images will be displayed at the Elfin Forest Interpretive Center Honoring Susan J. Varty from July through December in 2024. The OMWD Board will honor contest winners at its June 19, 2024 board meeting.

Elfin Forest is a 784-acre reserve developed by OMWD in partnership with the San Diego County Water Authority and the US Bureau of Land Management as an element of the Olivenhain Water Storage Project and the Authority's Emergency Storage Project. The reserve's 11 miles of hiking, mountain biking and equestrian trails provide opportunities to photograph Escondido Creek, native plant communities, the Pacific Ocean, Channel and Coronado Islands and Laguna and San Bernardino mountain ranges.

Contest entries must feature the reserve as their subject or be taken within the reserve from any designated trail.

Visit <u>www.olivenhain.com/photo</u> for official contest rules and to upload a maximum of four contest entries. There is no entry fee.

patch.com /california/escondido/calendar/event/20231203/1fb56f4a-be7b-48fd-80ef-f6aa13b7b6c3/dryad-a-musical-conversation...

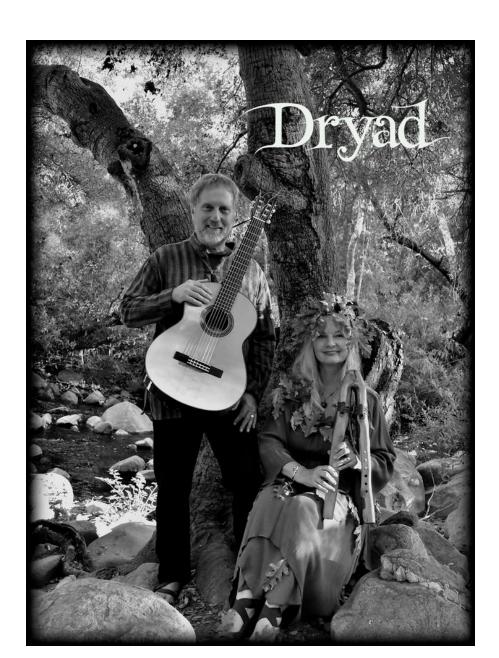
### Dryad ~ A Musical Conversation With The Spirit Of A Tree!

This post was contributed by a community member. The views expressed here are the author's own.

Escondido|Local Event

Jon Sherman, Neighbor

Dec 3



### **Event Details**

### Sun, Dec 3, 2023 at 12:00 PM

### *Elfin Forest Recreational Reserve, 8833 Harmony Grove Rd, Escondido, CA, 92029* More info here

Under the arboreal name of their two person band *Dryad*, Dr. Sabina Kurz-Sherman and her husband Jon Sherman sing their original Earth songs in celebration of our California natural community. Through an empathic, ecocentric musical styling expressed as gentle vocal harmonies accompanied by classical guitar and flutes Jon makes from tree branches, *Dryad* weaves into their lyrics the natural wonders and environmental concerns of the biodiversity hotspot in which they live.

Pioneers in eco-folk music, *Dryad* sonically blends with the natural atmosphere of their unique neck of the woods drawing inspiration for their songs from the under-represented other-than-human beings of nature living there. As songwriters, theirs is an ecocentric vision aimed at inspiring their audience out of the cultural trance of anthropocentrism back into good relations with our natural world. Toward that aim, *Dryad* harmonizes the science background of Dr. Sabina Kurz-Sherman, a teacher of Biology and Environmental Science at the college level for 18 years now, with Jon Sherman's 36 years as an eco-musician. *Dryad's* unique and enchanting show inspires their audience toward a deeper appreciation and love for their California ecoregion.

A free, family friendly concert! 12 Noon, the first Sunday of each month at the Elfin Forest Interpretive Center.

### THE COAST NEWS | THE INLAND EDITION

NEWS ~ COLUMNS ~ EVENT CALENDAR LEGAL NOTICES ~ SPECIAL SECTIONS ~ PODCASTS ~

### Who's News: 12/1/23

by staff ② November 27, 2023 ④ 32

### NEW CEO

Lifeline Community Services, a community-based human services organization that serves low-income and underserved populations in San Diego County, has announced Lisette Islas as its new chief executive officer.

### STUDENT ENTREPRENEUR

Noah Singer of Rancho Santa Fe was one of over 140 student entrepreneurs who received over \$1.5 million in scholarship or tuition waivers from the Lassonde Entrepreneur Institute, a top-10 ranked program at the University of Utah, and the David Eccles School of Business for the 2023-2024 academic year.

### SUSTAINABILITY AWARD

MiraCosta College recently received two awards recognizing its sustainability efforts. The California Community Colleges Board of Governors awarded MiraCosta the 2023 Energy and Sustainability Award of a middle-sized college, and the Olivenhain Municipal Water District named the college its customer of the year for its contributions to sustainable water management.

#### NEW BOOK

Encinitas-based author Kellie Davidson recently released her new book, "Strong as the Sea," the first of a three-art series featuring recreational athletes of various backgrounds in an effort to encourage young girls to participate in sports. San Diego resident Jasmine Alvarado illustrated the book's images.

### BAR ASSOCIATION

The San Diego County Bar Association announced Stacey A. Kartchner will take over as board president in 2024. Kartchner has been practicing criminal law in both state and federal courts for over 20 years.

#### CANCER RESEARCH

Dani Dawson is the new chief development officer of Curebound, a San Diego-based philanthropic nonprofit that invests funding into translational cancer research projects.

### HOMES FOR PETS

Compass Real Estate donated \$30,000 to Rancho Coastal Humane Society in Encinitas to help fund the shelter's programs for people and pets. The money was raised during the 3rd annual Compass Cares Classic Charity Golf, Tennis and Pickleball Tournament.

