

**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 14, 2022

TIME: 4:00 P.M.

PLACE: HYBRID REGULAR MEETING VIA TELECONFERENCE AND IN PERSON

Pursuant to the State of California Executive Order, and in the interest of public health, OMWD is temporarily taking actions to mitigate the COVID-19 pandemic by holding Board Meetings electronically or by teleconference. This meeting will be a hybrid, of in person and teleconference. Our Boardroom will be open to the public.

To join this meeting via phone, please dial:

(669) 900-9128 or (346) 248-7799

Meeting ID: 837 8540 5964 and Password: 343795

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. OATH OF OFFICE AND SWEARING IN OF DIRECTOR MEYERS
4. ROLL CALL
5. DETERMINATION OF A QUORUM

6. CONSIDER IMPLEMENTING ASSEMBLY BILL 361 THAT PROVIDES THE ABILITY TO MEET REMOTELY DUE TO THE GOVERNOR’S PROCLAIMED STATE OF EMERGENCY UNDER MODIFIED BROWN ACT REQUIREMENTS
7. ADOPTION OF AGENDA
8. PERSONAL APPEARANCES AND PUBLIC COMMENTS
9. PRESENTATION OF AWARDS AND HONORABLE MENTIONS

Current Service Awards, Promotions and Honorable Mentions

- *Michelle McMahon – IT Coordinator – 5 Years – August
- *Amy Hill – Customer Service Representative II – GYO Promotion – November
- *Phillip Reed – Water Treatment Plant Operator II – Transfer – November
- *George Lomeli – Water Treatment Plant Operator III – Promotion – November

10. CONSIDER APPROVAL OF THE MINUTES OF THE NOVEMBER 16, 2022, REGULAR BOARD OF DIRECTORS MEETING
11. 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 ANNUAL REVIEW OF THE OLIVENHAIN MUNICIPAL WATER DISTRICT’S INVESTMENT POLICY AND APPROVE THE PROPOSED CHANGES FOR CALENDAR YEAR 2023
C-d	CONSIDER ANNUAL REVIEW OF THE OLIVENHAIN MUNICIPAL WATER DISTRICT’S BOARD DESIGNATED FUND BALANCES (RESERVES) POLICY
C-e	CONSIDER ADOPTION OF A RESOLUTION SUPPORTING THE DISTRICT’S EMPLOYEE SAFETY AND WELLNESS PROGRAMS
C-f	CONSIDER APPROVAL OF ANNUAL REVISIONS TO THE DISTRICT’S RECORDS RETENTION SCHEDULE
C-g	CONSIDER REVISIONS TO THE LEGISLATIVE GUIDELINES FOR 2023

C-h	CONSIDER UPDATE ON THE COVID-19 EMERGENCY DECLARATION
C-i	CONSIDER ADOPTION OF A RESOLUTION APPROVING THE UPDATED FLEXIBLE BENEFITS PLAN DOCUMENTS FOR THE DISTRICT ACCORDING TO SECTION 125 OF THE INTERNAL REVENUE CODE
C-j	CONSIDER ACCEPTANCE OF THE RIO VISTA ROAD MAIN EXTENSION 244A (RICHARD D. BAGLEY) INTO OMWD'S SYSTEM AND ORDER A NOTICE OF COMPLETION FILED
C-k	CONSIDER ACCEPTANCE OF THE AVENIDA DE POMPEII MAIN EXTENSION 255 (THOMAS BACHE) INTO OMWD'S SYSTEM AND ORDER A NOTICE OF COMPLETION FILED
C-l	CONSIDER APPROVAL OF A LANDLORD CONSENT AND RELEASE AGREEMENT BETWEEN T-MOBILE USA, INC AND OLIVENHAIN MUNICIPAL WATER DISTRICT ALLOWING ASSIGNMENT OF THE EXISTING T-MOBILE CELLULAR COMMUNICATIONS LEASE AND FACILITIES AT THE GATY 2 RESERVOIR SITE TO DISH WIRELESS, LLC AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF OMWD
C-m	CONSIDER APPROVAL OF A SECOND AMENDMENT TO A LEASE BETWEEN THE OLIVENHAIN MUNICIPAL WATER DISTRICT AND NEXTEL COMMUNICATIONS TO ALLOW RELOCATED COMMUNICATIONS FACILITIES AT THE 4G RESERVOIR SITE AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF OMWD
C-n	CONSIDER ADOPTION OF A RESOLUTION FOR THE LUSARDI CREEK MAIN EXTENSION 153 RECYCLED WATER VALVE REPLACEMENT AND FLOW METER INSTALLATION PROJECT AND AUTHORIZE A NOTICE OF EXEMPTION BE FILED WITH THE COUNTY CLERK, COUNTY OF SAN DIEGO
C-o	CONSIDER APPROVAL OF PRIVATE ENCROACHMENT PERMIT NO. 419 FOR PLANTING OF WATER WISE AND NATIVE PLANTS ON OMWD EASEMENT 632 BETWEEN THE LA COSTA OAKS COMMUNITY ASSOCIATION AND THE ARTERRO COMMUNITIES AND ORDER THE PERMIT BE RECORDED

12. CONSIDER DISCUSSION OF BOARD OFFICERS AND COMMITTEE ASSIGNMENTS TO TAKE PLACE AT THE JANUARY 2023 BOARD MEETING
13. CONSIDER A RESOLUTION NOMINATING A CANDIDATE AS A MEMBER OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES REGION 10 BOARD OF DIRECTORS
14. CONSIDER APPROVAL OF THE DISTRICT'S FISCAL YEAR 2021-2022 AUDITED FINANCIAL STATEMENTS AND ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEARS ENDED JUNE 30, 2022 AND 2021 (FINAL DRAFT)
15. CONSIDER ANNUAL REPORT ON DISTRICT PENSION FUNDING STATUS AND APPROVAL OF THE RECOMMENDED PENSION FUNDING PLAN FOR 2022, INCLUDING A FUND TRANSFER FROM WATER OPERATING FUND TO WATER PENSION STABILIZATION FUND IN THE AMOUNT OF \$715,000 AND A FUND TRANSFER FROM WASTEWATER OPERATING FUND TO WASTEWATER PENSION STABILIZATION FUND IN THE AMOUNT OF \$71,000 PER THE BOARD APPROVED PENSION FUNDING POLICY

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

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)

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. PRESENTATION HONORING PRESIDENT WATT FOR HIS 2021-2022 TERM AS BOARD PRESIDENT

25. CLOSED SESSION

- A) CONSIDER LITIGATION – HILLSIDE PATIO HOMES HOA [PURSUANT TO GOVERNMENT CODE SECTION 54956.9] • Additional Facts: Claim received on August 17, 2020. Claim rejected on September 9, 2020.

26. OPEN SESSION

27. ADJOURNMENT

Memo

Date: December 14, 2022
To: Olivenhain Municipal Water District Board of Directors
From: Kimberly A. Thorner, General Manager
Subject: **CONSIDER IMPLEMENTING ASSEMBLY BILL 361 THAT PROVIDES THE ABILITY TO MEET REMOTELY DUE TO THE GOVERNOR'S PROCLAIMED STATE OF EMERGENCY UNDER MODIFIED BROWN ACT REQUIREMENTS**

Purpose

The purpose of this item is to consider implementing Assembly Bill (AB) 361 that would provide the ability for all Brown Act meetings (board and committee) to continue to meet remotely due to the Governor's proclaimed state of emergency under modified Brown Act requirements for the next 30 days.

Recommendation

With guidance from the General Counsel, staff recommends invoking AB 361 in order to continue with virtual and/or hybrid Brown Act meetings. This will allow participation via remote access for any public, staff, or board that may need to quarantine, but still want to participate. It is recommended that board reassess the circumstances of the state of emergency at each subsequent board meeting to see if continuing under AB 361 is necessary, as the findings need to be reviewed every 30 days.

Alternative(s)

The board could opt to not implement AB 361 and resume in person Brown Act compliant meetings for all board members, staff, and public. Not implementing AB 361 would result in the requirement to adhere to previous Brown Act provisions that include posting the

agenda at the publicly accessible teleconference site and would require publicly providing the location of those teleconferencing.

Background

Beginning in March of 2020, Governor Newsom issued a series of Executive Orders in an effort to contain the spread of COVID-19. These Executive Orders (N-25-20, N-29-20, N-35-20) modified certain requirements of the Brown Act in order to continue with public meetings, public participation, and transparency in the safest manner possible during the pandemic.

While adhering to the Executive Orders, the district conducted its first public meeting virtually via Zoom video and teleconference in April of 2020. The General Manager and staff have remained flexible and have successfully modified work flows to comply with the ever-changing emergency laws. OMWD has been dedicated to keeping staff and customers safe while keeping the water system safe and operational.

In June of 2021, the Governor rescinded the Brown Act modifications made in the previous Executive Orders that were in effect as of September 30, 2021. On September 16, 2021, Governor Newsom signed AB 361, which extends virtual meetings for all Brown Act meetings (board and committee meetings) with conditions. These significant conditions include the following:

- There must be a proclaimed state of emergency.
- There are measures to promote social distancing.
- Agendas do not need to be posted at all teleconference locations nor do locations need to be identified.
- The agenda must include the meeting link or dial-in, so that members of the public may access the meeting.
- Members of the public must be allowed to address the board in real-time during the meeting.
- Public comments are no longer required to be submitted in advance.

AB 361 also has special provisions for technical glitches. In the event the meeting is disrupted, or if a technical issue on the district's end disrupts public comment, the board cannot take any further action on the agenda until the technical issue is resolved.

Fiscal Impact

There is no cost associated with implementing AB 361.

Discussion

As previously mentioned, on June 11, 2021, the Governor issued Executive Order N-08-21, which rescinds the modifications made to the Brown Act, effective September 30, 2021. After that date, all meetings subject to the Brown Act must comply with standard teleconference requirements as they existed prior to the pandemic or must comply with the newly passed requirements of AB 361. To continue with the virtual meeting format that gives the ability to attend Brown Act meetings virtually, the board will need to implement AB 361 at this board meeting in order to continue to hold virtual meetings so long as long as there is a state of emergency.

The board must also implement every 30 days that 1) the board has reconsidered the circumstances of the state of emergency and 2) the state of emergency continues to directly impact the ability of the members to meet safely in person or state or local officials continue to impose or recommend measures to promote social distancing.

Although subject to change, AB 361 provides the flexibility to meet virtually during a proclaimed emergency and will sunset on January 1, 2024. The Governor's declared state of emergency is set to expire in February 2023, which staff anticipates will be the end of AB 361 declarations. The General Manager and General Counsel are available to answer any questions the board may have.



Memo

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

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

Memo

Date: December 14, 2022
To: Olivenhain Municipal Water District Board of Directors
From: Rainy Selamat, Finance Manager
Via: Kimberly Thorner, General Manager
Subject: **CONSIDER ADOPTION OF A MOTION APPROVING THE PAYMENT OF LISTED WARRANTS FROM THE DISTRICT'S REVOLVING AND REGULAR ACCOUNTS; LISTED TRANSFERS OF FUNDS; REIMBURSEMENT OF EXPENSES TO BOARD MEMBERS AND STAFF; AND MONTHLY INVESTMENT REPORTS**

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

- November 2022 Summary of payment of listed warrants from the District's checking account and listed transfer of funds.
- November 2022 Monthly Summary of Reimbursement Expenses to Board Members and Staff.
- June, July, August, and September 2022 Monthly Investment Reports

Olivenhain Municipal Water District
Proposed Motions for December 14, 2022 Board of Directors Meeting
November 2022 Activities
Consent Calendar Item # C-a

Proposed Motions:

I. That the following warrants and transfers be approved:

Regular Account	Warrants - by check	032322 ✓	to	032528 ✓	\$	2,079,743.27
	Warrants - by EFT	EFT000000000262 ✓	to	EFT000000000297 ✓		328,517.52
						<u>2,408,260.79</u> ✓
	ACH Payments - Payroll					213,617.36
	Wire - SDCWA - Monthly Purchased Water Payment					2,871,606.59
	ACH Payments - Payroll					215,706.43
	ACH Payments - 2015A Bond Payment					604,000.00
	ACH Payments - 2016A Bond Payment					245,000.00
	ACH Payments - 2021A Bond Payment					78,000.00
	ACH Payments - 2021B Bond Payment					153,000.00
					\$	<u>6,789,191.17</u> ✓

Major Category of Disbursements

Total warrants from the District's checking account:

\$ 2,408,260.79 ✓

Following is a breakdown of this total by major categories:

Category

Outside services	\$	1,606,308.46
Inventory and supplies		405,301.48
Utilities		187,649.15
Repairs and maintenance		24,610.36
Other		14,014.02
Refunds		7,568.78
Insurance		155,778.04
Permit Fees		7,030.50

Total

\$ 2,408,260.79 ✓

Sincerely,



Rainy K. Selamat/Finance Manager

Olivenhain Municipal Water District
Proposed Motions for December 14, 2022 Board of Directors Meeting
November 2022 Activities

California Bank and Trust

Regular Account

Warrants - by check	032322 ✓	to	032528	\$	2,079,743.27
Warrants - by EFT	EFT000000000262 ✓	to	EFT000000000297		328,517.52

2,408,260.79 ✓

11/10/2022 ACH Payments - Payroll	213,617.36
11/15/2022 Wire - SDCWA - Monthly Purchased Water Payment	2,871,606.59
11/23/2022 ACH Payments - Payroll	215,706.43
11/30/2022 ACH Payments - 2015A Bond Payment	604,000.00
11/30/2022 ACH Payments - 2016A Bond Payment	245,000.00
11/30/2022 ACH Payments - 2021A Bond Payment	78,000.00
11/30/2022 ACH Payments - 2021B Bond Payment	153,000.00

Total \$ 6,789,191.17 ✓

Approved:

For Board Consideration and Approval

Olivenhain Municipal Water District
November 2022 Warrant List - Check & EFT

Number	Date	Name	Amount	Inv Reference	Multiple Invoices?
032322	11/2/2022	4S Ranch Gasoline & Car Wash	1,108.89	GASOLINE	
032323	11/2/2022	Ababa Bolt Inc	435.45	WTP SUPPLIES	
032324	11/2/2022	Aflac	1,271.60	FS005	
032325	11/2/2022	Andrea Mannira	41.88	REF:1020955_193640	
032326	11/2/2022	AT & T	555.26	9391056158	
032327	11/2/2022	Bay City Electric Works	4,960.38	WTP GENERATOR SERVICES	Yes
032328	11/2/2022	Boot World Inc	393.93	Safety Boots	Yes
032329	11/2/2022	Core & Main LP	2,140.45	8" C900 Saddle W/2" Ip Tap	Yes
032330	11/2/2022	CSDA	8,810.00	2023 MEMBERSHIP	
032331	11/2/2022	Dudek	637.50	Construction Support Services	Yes
032332	11/2/2022	Edco Waste & Recycling	201.86	25-4A 706676	
032333	11/2/2022	Encinitas Ford	457.67	PU90 SUPPLIES	Yes
032334	11/2/2022	Escondido Metal Supply	25.62	PARKS SUPPLIES	
032335	11/2/2022	Glenn Ford	28.93	REF:1010674_162760	
032336	11/2/2022	Grangetto's Ag. Supply	27.45	SUPPLIES	
032337	11/2/2022	Gregg Hammork	45.35	REF:1089315_236450	
032338	11/2/2022	Stephen Lee Mowry DBA	3,293.75	WTP SERVICES	
032339	11/2/2022	Marcela Novy	400.00	EDUCATION INCENTIVE	
032340	11/2/2022	Mary Anne Donn	395.00	REF:1086967_241420	
032341	11/2/2022	Mike Lloyd Excavating, Inc.	1,696.59	REF:1090398_303020	
032342	11/2/2022	Pacific Star Chemical, LLC	16,223.71	50% Sodium Hydroxide annual purchase	Yes
032343	11/2/2022	Orion Construction Corporation	157,731.87	Construction Services	Yes
032344	11/2/2022	P.F. Automotive, LLC DBA	39,998.50	2022 Ford F-150 4x2 Truck V-6 Eng.	Yes
032345	11/2/2022	Pacific Pipeline Supply	5,495.26	1243 C.I. Mar/Blow-Off Body	Yes
032346	11/2/2022	Parada Painting Inc	4,999.00	WTP SERVICES	
032347	11/2/2022	Peterson Structural Engineers, Inc.	10,619.90	Amendment #1 21AGR069	Yes
032348	11/2/2022	Puzzullo, Inc.	4,080.00	RESIDUALS HANDLING BLDG CANOPY	Yes
032349	11/2/2022	PWLC I, INC	2,525.00	OMWD HQ PLANTS	Yes
032350	11/2/2022	RCP Block & Brick Inc	100.85	SUPPLIES	
032351	11/2/2022	Republic Services	1,901.55	4-4530-0333405	
032352	11/2/2022	San Diego County Treasurer	75.32	267-313-07-00	Yes
032353	11/2/2022	San Diego Gas & Electric	3,108.48	0097824248183	Yes
032354	11/2/2022	Rainy K Selamat	149.61	EXPENSE REIMBURSEMENT	Yes
032355	11/2/2022	SiteOne Landscape Supply, LLC	104.24	SUPPLIES	
032356	11/2/2022	True North Research, Inc.	27,975.00	Customer opinion survey	Yes
032357	11/2/2022	UniFirst Aid Corp	243.46	FIRST AID SUPPLIES	
032358	11/2/2022	USA Blue Book	186.68	WWTP SUPPLIES	
032359	11/9/2022	Advanced Air & Vacuum	2,563.57	WTP SUPPLIES	
032360	11/9/2022	AG Tech Llc	1,693.68	BIOSOLIDS DISPOSAL SERVICES	
032361	11/9/2022	American Messaging	59.59	L1-072035	
032362	11/9/2022	Aqua Metric	86,740.74	Mxu-520M Touch Coupler Single	Yes
032363	11/9/2022	AT & T	23.95	9391056562	
032364	11/9/2022	Bay City Electric Works	233.07	RANCHO LAKES PS #2 SERVICES	
032365	11/9/2022	Bee Rescue LLC	1,440.00	OMWD HQ BEE SERVICES	Yes
032366	11/9/2022	BKM Officeworks, LLC	12,356.78	Purchase & Installation Workstation/Office Furniture for Engineering	Yes
032367	11/9/2022	Boot World Inc	779.00	Safety Boots	Yes
032368	11/9/2022	Brax Company, Inc.	448.25	WTP SUPPLIES	
032369	11/9/2022	Brightview Landscape Services	4,950.00	HARMONY GROVE TREE RMVL	
032370	11/9/2022	California State Disbursement Unit	123.23	ED100514-11/10/2022	
032371	11/9/2022	Canyon Industries	846.71	WRT ERT-123 Amendment No.1	Yes
032372	11/9/2022	City Treasurer	345.00	AED PROGRAM MGMT SERVICES	
032373	11/9/2022	Controlled Entry Specialists	1,046.00	VIA AMBIENTE BRIDGE GATE SVCS	
032374	11/9/2022	Corodata	304.50	OFFSITE RECORDS STORAGE	
032375	11/9/2022	County Of San Diego	16,000.00	2022 ELECTION	
032376	11/9/2022	County Of San Diego	968.00	14177 RANCHO SANTA FE FARMS	
032377	11/9/2022	CSDA San Diego Chapter	120.00	11/17 QTRLY DINNER - JR & NM	
032378	11/9/2022	Edco Waste & Recycling	252.47	25-4A 861816	
032379	11/9/2022	Encinitas Ford	1,188.94	PU82 SUPPLIES	Yes
032380	11/9/2022	Fallbrook Printing Corp	398.20	AMI POSTCARD	Yes
032381	11/9/2022	Federal Express Corp	38.17	SHIPPING	
032382	11/9/2022	Ferguson Enterprises Inc. #1083	6,116.96	WTP SUPPLIES	Yes
032383	11/9/2022	First Choice Technology	162.46	13001474	Yes
032384	11/9/2022	Gabriela Saffiotte	400.00	EDUCATION INCENTIVE	
032385	11/9/2022	Gallade Chemical	6,089.73	WTP CHEMICALS	
032386	11/9/2022	Global Power Group Inc	1,561.99	DEL DIOS SPS SERVICES	
032387	11/9/2022	Grangetto's Ag. Supply	41.92	SUPPLIES	Yes
032388	11/9/2022	Gutermann Inc	225.00	AQUASCOPE LISTENING STICK RPR	
032389	11/9/2022	Hasa	8,713.69	WWTP CHEMICALS	
032390	11/9/2022	Hill Brothers Chemical Company	12,416.10	WTP CHEMICALS	
032391	11/9/2022	Ignacio Tool Supply Inc.	102.47	SHOP TOOLS	
032392	11/9/2022	Infrastructure Engineering Corporation	6,410.00	RECYCLED WATER HYDRAULIC SVC	Yes
032393	11/9/2022	Jennette Company Inc.	234,055.30	Construction for the DCMWTP pH Control System	Yes
032394	11/9/2022	Morgan Ferguson	125.00	EDUCATION INCENTIVE	
032395	11/9/2022	Morton Salt Inc	6,370.08	WTP CHEMICALS	
032396	11/9/2022	Raymond Motas	315.00	EDUCATION INCENTIVE	Yes
032397	11/9/2022	N Harris Computer Corporation	53,650.28	CIS SUPPORT 1/2023 - 12/2023	
032398	11/9/2022	Nat'L Safety Compliance	74.95	D.O.T. DRUG TEST	
032399	11/9/2022	Pacific Pipeline Supply	459.04	SUPPLIES	Yes
032400	11/9/2022	Parkhouse Tire Inc	4,384.90	TIRE DISPOSAL	Yes

Olivenhain Municipal Water District
November 2022 Warrant List - Check & EFT

Number	Date	Name	Amount	Inv Reference	Multiple Invoices?
032401	11/9/2022	PWLC I, INC	14,848.00	LANDSCAPE MAINTENANCE	Yes
032402	11/9/2022	Raftelis Financial Consultant	12,082.50	2022 WATER CAP FEE STUDY	Yes
032403	11/9/2022	Rancho Santa Fe Community Svs	13,141.32	10/22 15.92 AC/FT RECYCLED WTR	
032404	11/9/2022	Republic Services	432.75	4-4530-0333405	
032405	11/9/2022	Republic Services #661	2,268.25	3-0661-2000037	Yes
032406	11/9/2022	Ryan Holmes	112.09	REF:1086088_208685	
032407	11/9/2022	S D G & E	264.85	400000078	
032408	11/9/2022	San Diego Building Maintenance	5,396.00	10/22 JANITORIAL SERVICES	
032409	11/9/2022	San Elijo Joint Powers Auth.	42,657.00	10/22 24.1 AC/FT RECYCLED WTR	
032410	11/9/2022	SiteOne Landscape Supply, LLC	245.49	SUPPLIES	Yes
032411	11/9/2022	Solar-Care	1,500.00	PU114	Yes
032412	11/9/2022	Sunbelt Rentals, Inc.	688.16	DIESEL AIR COMPRESSOR RENTAL	
032413	11/9/2022	SWRCB Accounting Office	4,940.50	RECYCLED WATER FEES	
032414	11/9/2022	TASC	125.00	Q3 2022 VEBa TRUSTEE FEE	
032415	11/9/2022	Tovar, Jaime	105.00	D4 RENEWAL REIMBURSEMENT	
032416	11/9/2022	Transene Company, Inc.	306.98	WTP SUPPLIES	
032417	11/9/2022	TS Industrial Supply	16.87	SUPPLIES	
032418	11/9/2022	UniFirst Aid Corp	295.06	FIRST AID SUPPLIES	
032419	11/9/2022	United Parcel Service	22.45	SHIPPING	
032420	11/9/2022	US Bank	2,190.51	777321	
032421	11/9/2022	USA Blue Book	1,039.02	WTP SUPPLIES	
032422	11/9/2022	Verizon Connect Fleet USA, LLC	924.85	100000112726	
032423	11/9/2022	VWR International LLC	87.72	WTP SUPPLIES	
032424	11/9/2022	Water for People	60.00	WTRPL 11/10/2022	
032425	11/9/2022	West Coast Sand & Gravel	1,608.11	CLASS 2 BASE MATERIAL	Yes
032426	11/9/2022	Whitson CM	150.00	10/22 SITE INSPECTIONS	
032427	11/16/2022	American Battery Supply	82.17	PARKS SUPPLIES	
032428	11/16/2022	AmeriGas	140.40	TANK RENTAL	
032429	11/16/2022	AT & T	1,026.83	9391056789	Yes
032430	11/16/2022	AVI Systems, Inc.	160.00	OMWD HQ AV SYSTEM SERVICES	
032431	11/16/2022	Beth Carlino	119.02	REF:1084342_170245	
032432	11/16/2022	California Association of Sanitation Agencies	2,650.00	2023 MEMBERSHIP RENEWAL	
032433	11/16/2022	Cintas First Aid & Safety	117.84	WWTP FIRST AID SUPPLIES	
032434	11/16/2022	City Treasurer	29,356.88	10/22 29.04 AF RECYCLED WATER	
032435	11/16/2022	Corodata Shredding, Inc	63.87	PAPER SHREDDING SERVICES	
032436	11/16/2022	County Of San Diego	474.00	16092 SAN DIEGUITO RD	Yes
032437	11/16/2022	Dudek	21,070.60	Design Services	Yes
032438	11/16/2022	Federal Express Corp	269.45	SHIPPING	
032439	11/16/2022	Ferguson Enterprises Inc. #1083	5,920.07	8" Diaphragm	Yes
032440	11/16/2022	Hazen and Sawyer	19,132.00	Pre Lim and Final Design Services	Yes
032441	11/16/2022	Home Depot/Gecf	8,618.22	10/22 SUPPLIES	
032442	11/16/2022	Ignacio Tool Supply Inc.	126.77	SHOP TOOLS	Yes
032443	11/16/2022	Jauregui & Culver Inc	2,422.24	ANNUAL APCD TESTING SERVICES	
032444	11/16/2022	John Mardikian	300.00	REF:1082539_122770	
032445	11/16/2022	Raymond Motas	245.00	EDUCATION INCENTIVE	Yes
032446	11/16/2022	Napa Auto Parts	614.35	10/22 SUPPLIES	
032447	11/16/2022	Ninyo & Moore	11,811.50	LONE JACK PRS REPLACEMENT	Yes
032448	11/16/2022	Jaroth Inc., dba	78.00	760-489-9971	
032449	11/16/2022	Peterson Structural Engineers, Inc.	21,448.50	Amendment #1 21AGR069	Yes
032450	11/16/2022	Raftelis Financial Consultant	2,900.00	WATER CAP FEES	Yes
032451	11/16/2022	San Diego Gas & Electric	25,566.76	0092081023809	Yes
032452	11/16/2022	Santa Fe Irrigation Dist	304.05	008128-005	
032453	11/16/2022	Specialty Seals & Accessories	1,788.29	SUPPLIES	
032454	11/16/2022	Steven L. Sherman DBA	4,560.00	Conservation landscape services-evaluation	Yes
032455	11/16/2022	Sunbelt Rentals, Inc.	2,885.10	MINI EXCAVATOR	Yes
032456	11/16/2022	Tim Sheppard	100.00	EDUCATION INCENTIVE	
032457	11/16/2022	TS Industrial Supply	4,143.10	SUPPLIES	Yes
032458	11/16/2022	USA Blue Book	689.05	WTP SUPPLIES	
032459	11/16/2022	Vallecitos Water District	48,481.86	RECLAIMED WATER SALES	
032460	11/16/2022	West Yost & Associates, Inc	7,912.52	Inspections/as-needed services SE Quadrant	Yes
032461	11/16/2022	AT&T	6,297.54	RELOCATION OF ATT FACILITIES	Yes
032462	11/21/2022	County Of San Diego	50.00	LUSARDI PL RPR PJT NOE FILING	Yes
032463	11/30/2022	Advanced Air & Vacuum	925.00	Overhaul sludge feed pump	Yes
032464	11/30/2022	Aflac	1,271.60	F5005	
032465	11/30/2022	AG Tech Llc	1,715.04	BIO SOLIDS WASTE DISPOSAL	
032466	11/30/2022	American Conservation & Billing Solutions, I	3,251.00	AQUA HAWK 12/22	
032467	11/30/2022	Andrea Mannira	50.79	REF:1020955_193640	
032468	11/30/2022	Applied Best Practices	2,070.00	ANNUAL BOND REPORTS FILING	
032469	11/30/2022	AT & T	86.89	9391059578	
032470	11/30/2022	Balboa Engineering Inc.	3,216.00	EL CMNO REAL PL ASBUILTS	
032471	11/30/2022	Bob Turner's Crane Service Inc	1,804.00	WWTP SUPPLIES	Yes
032472	11/30/2022	Boot World Inc	67.88	Safety Boots	Yes
032473	11/30/2022	California Diesel Compliance	923.00	SMOKE OPACITY TEST	
032474	11/30/2022	California State Disbursement Unit	123.23	ED100514-11/23/2022	
032475	11/30/2022	CCL Contracting Inc.	580,786.64	Construction Services - Manchester Recycled Water Project	Yes
032476	11/30/2022	City Treasurer	50,927.15	620000109372	
032477	11/30/2022	Core & Main LP	11,845.16	Lone Jack PRS Valves	Yes
032478	11/30/2022	County Of San Diego	548.00	15839 VIA APICE	
032479	11/30/2022	County Of San Diego	50.00	EXT 153 RW VALVE & FM NOE	Yes

Olivenhain Municipal Water District
November 2022 Warrant List - Check & EFT

Number	Date	Name	Amount	Inv Reference	Multiple Invoices?
032480	11/30/2022	County of San Diego, RCS	171.00	10/22 RADIO SERVICES	
032481	11/30/2022	David Waldas	171.79	REF:1087010_193020	
032482	11/30/2022	DMV	77.00	AKOC12	
032483	11/30/2022	EcosConnect LLC	117.00	BACKFLOW REPORTS & NOTICES	
032484	11/30/2022	Encinitas Ford	569.65	PU98 SUPPLIES	Yes
032485	11/30/2022	Fallbrook Printing Corp	1,246.93	WELCOME LETTER	Yes
032486	11/30/2022	Federal Express Corp	61.55	SHIPPING CHARGES	
032487	11/30/2022	Ferguson Enterprises Inc. #1083	3,771.90	3/4" Brass Plug	Yes
032488	11/30/2022	Fred Burton	105.43	REF:1059847_103535	
032489	11/30/2022	Geoscience Support Svcs, Inc.	4,478.50	KT Approved PSA with Geoscience for San Dieguito Valley Groundwater Desal	Yes
032490	11/30/2022	Glennie's Office Products, Inc	344.75	OFFICE CHAIR	
032491	11/30/2022	Global Power Group Inc	3,436.08	WWTP SERVICES	Yes
032492	11/30/2022	Greg Murray	171.13	REF:1087452_219980	
032493	11/30/2022	Guardian	906.44	12/22 ADMIN FEES	
032494	11/30/2022	Stephen Lee Mowry DBA	695.00	WELDING SVCS - 9060 MARANTHA	
032495	11/30/2022	Infosend	23,463.97	9/22 WATER BILL STATEMENTS	Yes
032496	11/30/2022	Jennette Company Inc.	60,731.60	Construction for the DCMWTP pH Control System	Yes
032497	11/30/2022	Kelly Regan	19.00	REF:1061894_218070	
032498	11/30/2022	Kurt Hoffman	86.46	REF:1087872_186720	
032499	11/30/2022	Leonardo Fitness	400.00	YOGA WORKOUT CLASS	
032500	11/30/2022	Lyle Parks Jr Construction	744.60	REF:1084431_303000	
032501	11/30/2022	Marcela Novy	48.13	MILEAGE REIMBURSEMENT	
032502	11/30/2022	NBS	10,823.77	10/22-12/22 96-1 ADMIN SERVICE	
032503	11/30/2022	Newco Inc.	16,665.91	Sodium Fluoride Annual Purchase	Yes
032504	11/30/2022	NexusTek Phoenix	4,823.70	CLOUD SUPPORT SVCS SOFTWARE	
032505	11/30/2022	Ninyo & Moore	27,953.75	WTP CONCRETE TESTING	Yes
032506	11/30/2022	Pacific Pipeline Supply	2,259.58	SUPPLIES	Yes
032507	11/30/2022	Parkhouse Tire Inc	2,744.22	PU109 SUPPLIES	Yes
032508	11/30/2022	Quality Chevrolet	474.99	FB74 SERVICES	Yes
032509	11/30/2022	Rain For Rent	4,736.93	ANOXIC ZONE MIXER	
032510	11/30/2022	RECON Environmental, Inc.	1,415.25	ELFIN FOREST OVERFLOW PARKING	Yes
032511	11/30/2022	Republic Services	1,563.95	4-4530-0333405	
032512	11/30/2022	Ryan Herco	14,151.09	3" wafer valves	Yes
032513	11/30/2022	San Diego Gas & Electric	51,023.95	0098000669143	Yes
032514	11/30/2022	Sign A Rama - San Marcos	78.32	PAYMENT DROP BOX DECALS	Yes
032515	11/30/2022	SiteOne Landscape Supply, LLC	107.90	SUPPLIES	
032516	11/30/2022	Stilson Kent Scott DBa	6,585.00	CHAIN LINK ENCLOSURE	Yes
032517	11/30/2022	Sunbelt Rentals, Inc.	688.16	DIESEL COMPRESSOR RENTAL	
032518	11/30/2022	Tesco Controls Inc	375.00	SERVICE REPAIRS	
032519	11/30/2022	Tetra Tech Inc	31,343.50	PLC Replacement PW Design	Yes
032520	11/30/2022	Tri Signal Integration Inc	750.00	WTP ELEVATOR SERVICES	
032521	11/30/2022	Underground Service Alert	325.00	DIG ALERT TICKETS	
032522	11/30/2022	US Bank	2,190.51	777321	
032523	11/30/2022	USA Blue Book	809.25	WWTP SUPPLIES	Yes
032524	11/30/2022	Utility Cost Management Llc	18,330.86	SDGE ELECTRICITY SERVICES	
032525	11/30/2022	Water for People	60.00	WTRPL 11/23/2022	
032526	11/30/2022	Lawrence A Watt	27.50	APWA LUNCHEON MILEAGE REIMB	
032527	11/30/2022	William Abboud	64.97	REF:1089210_116860	
032528	11/30/2022	SUBEL CARY & GABRIELA	3,415.75	RM REFUND: DEBIT000000000569	
EFT000000000262	11/2/2022	Southern Counties Lubricants, LLC.	6,791.23	DIESEL & UNLEADED FUEL	
EFT000000000263	11/2/2022	Mesa Products	442.27	SUPPLIES	Yes
EFT000000000264	11/2/2022	McMaster-Carr Supply Co.	304.33	SUPPLIES	
EFT000000000265	11/2/2022	Radwell International, Inc.	1,131.46	WWTP SUPPLIES	
EFT000000000266	11/2/2022	Calif. Surveying & Drafting Supply	14.40	SUPPLIES	
EFT000000000267	11/2/2022	Volt Management Corp DBA	434.95	SDCWA INTERN W/E 10/7/22	
EFT000000000268	11/2/2022	Parsons	5,053.52	Preliminary and Final Design Services	Yes
EFT000000000269	11/2/2022	TK Elevator Corporation	768.04	WTP SERVICES	
EFT000000000270	11/9/2022	ACWA - JPIA	152,328.40	12/22 GROUP INSURANCE PREM	
EFT000000000271	11/9/2022	Brown & Bigelow	1,825.54	EMPLOYEE SHIRTS	Yes
EFT000000000272	11/9/2022	DLM Engineering Inc	11,598.75	Subtask 7 Potable Water & RW Master Plan Development (D120099)	Yes
EFT000000000273	11/9/2022	Mesa Products	1,405.91	SUPPLIES	Yes
EFT000000000274	11/9/2022	B. Weber Consulting LLC	5,540.07	CONSULTING SERVICES	
EFT000000000275	11/9/2022	McMaster-Carr Supply Co.	292.24	WTP SUPPLIES	Yes
EFT000000000276	11/9/2022	Volt Management Corp DBA	434.95	SDCWA INTERN W/E 10/14/22	
EFT000000000277	11/9/2022	The Pun Group LLP	12,500.00	6/30/22 AUDIT SERVICES	
EFT000000000278	11/9/2022	Martin Marietta Materials Inc	1,169.35	SUPPLIES	Yes
EFT000000000279	11/9/2022	Nossaman LLP	41,004.48	Sept & Oct 2022 lobbying services \$13,500, Sept 2022 legal services \$27,504.48	Yes
EFT000000000280	11/9/2022	Univar Solutions Usa Inc	2,336.00	WTP CHEMICALS	
EFT000000000281	11/9/2022	Harrington Industrial Plastics Inc	3,731.30	WTP SUPPLIES	Yes
EFT000000000282	11/16/2022	CyberlinkASP Technology	7,777.12	HOSTING SERVICES	
EFT000000000283	11/16/2022	Volt Management Corp DBA	954.42	SDCWA INTERN (WWTP) 10/28/22	Yes
EFT000000000284	11/16/2022	CDW Government Inc	4,520.00	MAINTENANCE SOFTWARE	Yes
EFT000000000285	11/16/2022	Polydyne Inc	8,464.71	WWTP CHEMICALS	
EFT000000000286	11/30/2022	Southern Counties Lubricants, LLC.	6,099.28	UNLEADED FUEL	Yes
EFT000000000287	11/30/2022	Brown & Bigelow	1,652.74	FLEX FIT CAPS	
EFT000000000288	11/30/2022	Westamerica Communications, Inc.	1,066.47	DOOR HANGERS	Yes

Olivenhain Municipal Water District
November 2022 Warrant List - Check & EFT

Number	Date	Name	Amount	Inv Reference	Multiple Invoices?
EFT000000000289	11/30/2022	Evoqua Water Technologies	1,221.91	WWTP SUPPLIES	Yes
EFT000000000290	11/30/2022	McMaster-Carr Supply Co.	1,808.99	1/4" Mip X Fip Ball Valve- Yellow	Yes
EFT000000000291	11/30/2022	Radwell International, Inc.	1,002.36	WWTP SUPPLIES	
EFT000000000292	11/30/2022	Calif. Surveying & Drafting Supply	237.56	SUPPLIES	
EFT000000000293	11/30/2022	Rutan & Tucker, LLP	5,390.00	KT approved Request for Additional Work	Yes
EFT000000000294	11/30/2022	Nossaman LLP	13,500.00	Dec & Nov 2022 lobbying services	Yes
EFT000000000295	11/30/2022	Univar Solutions Usa Inc	3,164.40	WWTP CHEMICALS	
EFT000000000296	11/30/2022	Valley Construction Management	22,082.00	Construction Management Services	Yes
EFT000000000297	11/30/2022	Harrington Industrial Plastics Inc	468.37	WTP SUPPLIES	
			<u>2,408,260.79</u>		

Olivenhain Municipal Water District
Monthly Directors Fee and Reimbursed Expenses for Directors and Staff
November 2022

<u>Name</u>	<u>Payment Date</u>	<u>Check#/ Credit Card</u>	<u>Meals & Lodging</u>	<u>Travel & Transport</u>	<u>Other</u>	<u>Total Reimbursed Expenses</u>	<u>Directors Fee</u> *
Director Bruce-Lance			0.00	0.00	0.00	0.00	150.00
			0.00	0.00	0.00	0.00	150.00
Director Guerin			0.00	0.00	0.00	0.00	300.00
			0.00	0.00	0.00	0.00	300.00
Director Meyers			0.00	0.00	0.00	0.00	750.00
			0.00	0.00	0.00	0.00	750.00
Director Topolovac			0.00	0.00	0.00	0.00	150.00
			0.00	0.00	0.00	0.00	150.00
Director Watt	11/30/2022	32526	0.00	27.50	0.00	27.50	750.00
			0.00	27.50	0.00	27.50	750.00
General Manager Thorner			0.00	0.00	0.00	0.00	
			0.00	0.00	0.00	0.00	
Human Resources Manager Joslin			0.00	0.00	0.00	0.00	
			0.00	0.00	0.00	0.00	
Finance Manager Selamat	11/2/2022	32354	149.61	0.00	0.00	0.00	
			149.61	0.00	0.00	0.00	
Operations Manager Fulks			0.00	0.00	0.00	0.00	
			0.00	0.00	0.00	0.00	
Engineering Manager Stephenson			0.00	0.00	0.00	0.00	
			0.00	0.00	0.00	0.00	
Assistant General Manager Randall			0.00	0.00	0.00	0.00	
			0.00	0.00	0.00	0.00	
Customer Service Manager Carnegie			0.00	0.00	0.00	0.00	
			0.00	0.00	0.00	0.00	

*Includes October and November Director fees.

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, 2022

Active Deposits

	<u>Book Value</u>
Checking Accounts	\$ 4,201,302
Cash Restricted for Specific Use	5,169,863
Petty Cash/Disaster Preparedness	1,491
Total Active Deposits	<u>\$ 9,372,656</u>

Deposits Not Covered by Investment Policy

Cash with Fiscal Agents	2,057,565
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<u>Investments</u>	<u>Face Value</u>	<u>Market Value</u>	<u>Current Yield</u>	
LAIF	\$ 23,220,882	22,959,730	0.86%	\$ 23,220,882
CAMP - US Bank	12,558,501	12,558,501	1.14%	12,558,501
Money Market Funds	79,351	79,351	1.26%	79,351
Medium Term Notes	500,000	496,785	2.31%	497,940
Commercial Paper	2,000,000	1,995,010	1.01%	1,991,848
Municipal Bonds	1,000,000	1,052,370	4.75%	1,216,760
U.S. Treasury Securities	11,000,000	10,837,480	1.32%	10,997,069
U.S. Agency Securities	33,426,111	31,328,841	0.71%	33,422,931
Total Investments	<u>\$ 83,784,845</u>	<u>\$ 81,308,068</u>	<u>0.97%</u>	<u>\$ 83,985,283</u>

Total - All Deposits/Investments

\$ 95,415,505

Maturity Analysis of Investments

	<u>Percent</u>	<u>Balance</u>
Demand Deposits	42.7%	\$ 35,858,734
Maturity within the next two months	1.2%	997,288
Maturity within three months and one year	13.1%	10,970,288
Maturity beyond one year	43.1%	36,158,973
Total Investments	<u>100.0%</u>	<u>\$ 83,985,283</u>

Weighted Average Days to Maturity

489

Other Required Disclosures:

Accrued interest receivable as of 06/30/2022 \$ 142,725

The above investments are in accordance with the portfolio limitations in the Investment Policy approved by the Board in December 2021.

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

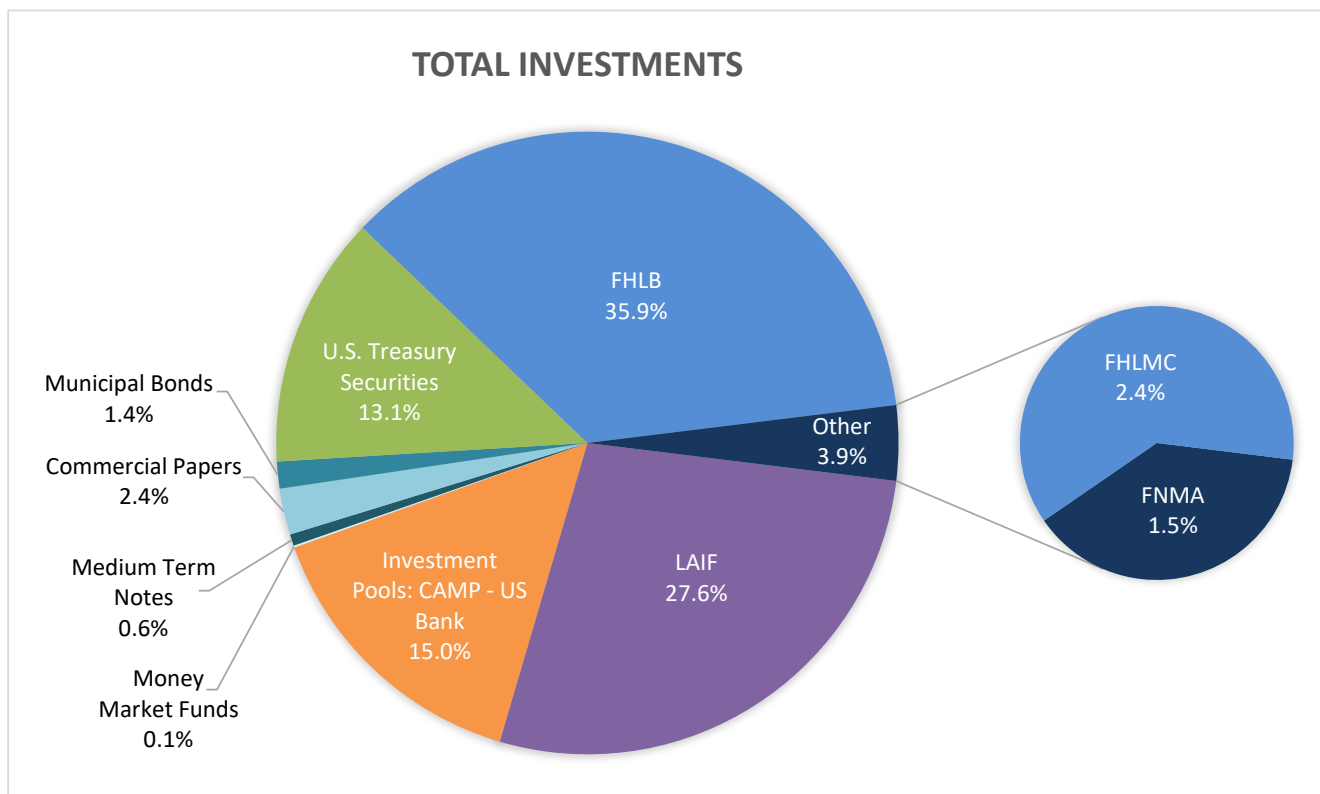
Olivenhain Municipal Water District
PORTFOLIO LIMITATIONS ANALYSIS PER INVESTMENT POLICY
June 30, 2022

	Book Value	Percent	Permitted Percent		In Compliance?
LAIF	\$ 23,220,882	27.6%	50.0%	(1)	Yes
Investment Pools: CAMP - US Bank	12,558,501	15.0%	30.0%		Yes
Money Market Funds	79,351	0.1%	20.0%	(2)	Yes
Medium Term Notes	497,940	0.6%	30.0%	(3)	Yes
Commercial Papers	1,991,848	2.4%	20.0%	(3)	Yes
Municipal Bonds	1,216,760	1.4%	30.0%		Yes
U.S. Treasury Securities	10,997,069	13.1%	100.0%	(4)	Yes
U.S. Agency Securities	33,422,931	39.8%	50.0%		Yes
<i>FHLB</i> <i>Federal Home Loan Bank</i>	30,173,111	35.9%			
<i>FNMA</i> <i>Fannie Mae</i>	1,250,000	1.5%			
<i>FHLMC</i> <i>Freddie Mac</i>	1,999,820	2.4%			

Total Investments	\$ 83,985,283	100%
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Note:

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



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

Olivenhain Municipal Water District
MONTHLY INVESTMENTS DETAIL
June 30, 2022

ACTIVE DEPOSIT

										Book Value
Checking A/C: California Bank and Trust for General Purpose										4,201,302
California Bank and Trust for Specific Purpose										157,661
CAMP 2021A Bond										5,012,202
Petty Cash/Disaster Preparedness										1,491
Total - Active Deposits										9,372,656

DEPOSITS NOT COVERED BY INVESTMENT POLICY

Cash with Fiscal Agents:

Union Bank - RAD 96-1 Refunding Bond	1,187,564
Union Bank - 2015A Refunding Bond	3,782
SRF Loan	856,334
Union Bank - 2016A Refunding Bond	3,160
Union Bank - 2021A WW Revenue Bond	2,638
Union Bank - 2021B Refunding Bond	4,086

Total Deposits Not Covered by Investment Policy

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

INVESTMENTS

Invest. Pools: US Bank Calif. Asset Mgmt Prgm (CAMP)	Demand	1	1.14%	\$ 12,558,501	\$ 12,558,501	\$ 12,558,501
State Local Agency Investment Fund (LAIF)	Demand	1	0.86%	22,959,730	23,220,882	23,220,882
First American Government 31846V567	Demand	1	1.26%	79,351	79,351	79,351

U.S. Treasury Notes/Bills

912828TJ9	U.S.Treasury Notes	Aaa	-	02/09/22	08/15/22	47	1.63%	1.62%	1,000,220	1,000,000	1,005,763
912796M71	U.S.Treasury Bills	Aaa	-	03/15/22	09/08/22	71	0.72%	0.72%	997,050	1,000,000	996,520
912796U56	U.S.Treasury Bills	Aaa	-	06/23/22	09/22/22	85	1.59%	1.59%	1,992,500	2,000,000	1,992,128
912796U64	U.S.Treasury Bills	Aaa	-	03/31/22	09/29/22	92	1.03%	1.03%	995,900	1,000,000	994,894
912796M89	U.S.Treasury Bills	Aaa	-	04/07/22	10/06/22	99	1.08%	1.09%	995,310	1,000,000	994,641
912796P94	U.S.Treasury Bills	Aaa	-	06/02/22	12/01/22	155	1.55%	1.57%	1,981,260	2,000,000	1,984,631
912828YW4	U.S.Treasury Notes	Aaa	-	02/09/22	12/15/22	169	1.63%	1.63%	996,450	1,000,000	1,007,330
91282CBQ3	U.S.Treasury Notes	Aaa	-	03/09/21	09/30/24	824	0.50%	0.55%	911,450	1,000,000	984,478
912828YH7	U.S.Treasury Notes	Aaa	-	03/09/21	02/28/26	1,340	1.50%	1.55%	967,340	1,000,000	1,036,684
						94	1.31%	1.32%	\$ 10,837,480	\$ 11,000,000	\$ 10,997,069

U.S. Agency Securities

3134GXXH6	FHLMC Callable	Aaa	AA+	01/27/21	01/27/23	07/27/22	212	28	0.13%	0.13%	985,080	1,000,000	999,820
3130AJZJ1	FHLB Callable	Aaa	AA+	09/02/20	08/25/23	Anytime	422	1	0.32%	0.33%	1,113,988	1,151,111	1,151,111
3130ASJ36	FHLB Callable	Aaa	AA+	05/24/22	11/24/23	05/24/23	513	329	2.50%	2.52%	545,776	550,000	550,000
3130ARYU9	FHLB Callable	Aaa	AA+	05/23/22	02/23/24	08/23/22	604	55	3.00%	3.02%	994,040	1,000,000	1,000,000
3136G4P56	FNMA Callable	Aaa	AA+	08/26/20	02/26/24	08/26/22	607	58	0.40%	0.42%	1,197,800	1,250,000	1,250,000
3130AL6Q2	FHLB Callable	Aaa	AA+	02/26/21	02/26/24	Anytime	607	1	0.22%	0.23%	954,970	1,000,000	1,000,000
3130AMMV1	FHLB Callable	Aaa	AA+	06/03/21	06/03/24	09/03/22	705	66	0.40%	0.42%	477,600	500,000	500,000
3130ALHM9	FHLB Callable	Aaa	AA+	03/10/21	06/10/24	09/10/22	712	73	0.30%	0.31%	952,880	1,000,000	999,000
3130ANTP5	FHLB Callable	Aaa	AA+	09/16/21	09/16/24	09/16/22	810	79	0.50%	0.53%	949,270	1,000,000	1,000,000
3130ANSP6	FHLB Callable	Aaa	AA+	09/17/21	10/17/24	09/17/22	841	80	0.50%	0.53%	945,070	1,000,000	1,000,000
3130AKEW2	FHLB Callable	Aaa	AA+	11/04/20	11/04/24	Anytime	859	1	0.43%	0.46%	1,883,900	2,000,000	2,000,000
3130ANGN4	FHLB Step-up Callable	Aaa	AA+	08/18/21	02/18/25	09/18/22	965	81	0.35%	0.37%	948,580	1,000,000	1,000,000
3130AMKE1	FHLB Callable	Aaa	AA+	05/27/21	02/27/25	09/27/22	974	90	0.66%	0.70%	939,170	1,000,000	1,000,000
3134GWAQ9	FHLMC Callable	Aaa	AA+	07/28/20	07/28/25	07/28/22	1,125	29	0.65%	0.70%	930,270	1,000,000	1,000,000
3130AKGX8	FHLB Step-up Callable	Aaa	AA+	12/15/20	12/15/25	09/15/22	1,265	78	0.35%	0.37%	1,869,960	2,000,000	2,000,000
3130AKMD5	FHLB Callable	Aaa	AA+	01/26/21	01/26/26	07/26/22	1,307	27	0.50%	0.55%	905,640	1,000,000	999,500
3130AKU53	FHLB Callable	Aaa	AA+	01/28/21	01/28/26	07/28/22	1,309	29	0.52%	0.57%	919,050	1,000,000	1,000,000
3130AKN69	FHLB Callable	Aaa	AA+	01/28/21	01/28/26	01/28/23	1,309	213	0.50%	0.54%	918,510	1,000,000	1,000,000
3130AKVN3	FHLB Callable	Aaa	AA+	01/29/21	01/29/26	07/29/22	1,310	30	0.52%	0.57%	918,990	1,000,000	1,000,000
3130AKWK8	FHLB Callable	Aaa	AA+	02/12/21	02/12/26	09/12/22	1,324	75	0.51%	0.56%	917,800	1,000,000	1,000,000
3130AKX43	FHLB Step-up Callable	Aaa	AA+	02/24/21	02/24/26	09/24/22	1,336	87	0.70%	0.76%	1,846,900	2,000,000	2,000,000
3130AL7M0	FHLB Callable	Aaa	AA+	02/24/21	02/24/26	09/24/22	1,336	87	0.63%	0.68%	920,870	1,000,000	1,000,000
3130AKYR1	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	02/25/23	1,337	241	0.55%	0.61%	907,480	1,000,000	1,000,000
3130AL6K5	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	02/25/23	1,337	241	0.58%	0.63%	919,440	1,000,000	1,000,000
3130ALD76	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	09/25/22	1,337	88	0.70%	0.76%	923,290	1,000,000	1,000,000
3130ALCW2	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	02/25/23	1,337	241	0.63%	0.68%	920,950	1,000,000	998,500
3130ALGJ7	FHLB Callable	Aaa	AA+	03/23/21	03/23/26	07/23/22	1,363	24	1.00%	1.11%	879,557	975,000	975,000
3130ALPQ1	FHLB Step-up Callable	Aaa	AA+	03/30/21	03/30/26	06/30/22	1,370	1	0.75%	0.80%	940,100	1,000,000	1,000,000
3130ALVC5	FHLB Step-up Callable	Aaa	AA+	04/14/21	04/14/26	07/14/22	1,385	15	0.75%	0.80%	937,950	1,000,000	1,000,000
3130APAY1	FHLB Callable	Aaa	AA+	10/21/21	10/21/26	07/21/22	1,575	22	1.10%	1.19%	927,840	1,000,000	1,000,000
3130APL78	FHLB Callable	Aaa	AA+	10/28/21	10/28/26	07/28/22	1,582	29	1.38%	1.47%	936,120	1,000,000	1,000,000
							1,081	2,498	0.67%	0.71%	\$ 31,328,841	\$ 33,426,111	\$ 33,422,931

Medium Term Notes

740816AJ2	Pres & Fellows of Harvard	Aaa	AAA	05/06/22	10/01/23	10/01/22	459	94	2.30%	2.31%	496,785	500,000	497,940
							459	47	2.30%	2.31%	\$ 496,785	\$ 500,000	\$ 497,940

Commercial Paper

48306BGE9	Kaiser Foundation	F1+	A-1+	03/31/22	07/14/22	15	0.94%	0.94%	999,380	1,000,000	997,288
46640QJ85	JP MORGAN SEC LLC	P-1	A-1	03/09/22	09/08/22	71	1.08%	1.08%	995,630	1,000,000	994,561
						43	1.01%	1.01%	\$ 1,995,010	\$ 2,000,000	\$ 1,991,848

Municipal Bonds

882724RA7	TEXAS ST PUB FIN AUTH	Aaa	AAA	10/30/20	10/01/25	1,190	5.00%	4.75%	1,052,370	1,000,000	1,216,760
						1,190	5.00%	4.75%	\$ 1,052,370	\$ 1,000,000	\$ 1,216,760
Total Investments						489	0.95%	0.97%	\$ 81,308,068	\$ 83,784,845	\$ 83,985,283

TOTAL - ALL DEPOSITS AND INVESTMENTS

\$ 95,415,505

Olivenhain Municipal Water District
INVESTMENTS TRANSACTION
June 30, 2022

PURCHASED

DATE				Investment Description	<i>Stated</i>	<i>Current</i>	Face Value	Book Value
Purchase	Maturity	Call	Step-Up		Coupon	Yield		
06/02/22	12/01/22			U.S.Treasury Bills	1.553%	1.568%	2,000,000	1,984,631
06/23/22	09/22/22			U.S.Treasury Bills	1.585%	1.591%	2,000,000	1,992,128

MATURED / REDEEMED / CALLED

DATE				Investment Description	<i>Stated</i>	<i>Current</i>	Face Value	Book Value
Redemption	Maturity	Call	Step-Up		Coupon	Yield		

Olivenhain Municipal Water District
UNAUDITED CASH POSITION BY FUNDING SOURCES
As of June 30, 2022

<u>Water Funds (Potable & Recycled)</u>		<u>Balance</u>
10050-100	Cash - Petty Cash Fund	1,491
10030-100	Cash - Capital and Equipment Fund	41,041,849
10010-100	Cash - Operating Fund	13,967,430
10060-100	Cash - Deposit Work for Other	60,963
10040-100	Cash - Rate Stabilization	12,159,682
14000-500	Restricted Cash - Capacity Fee Fund	4,967,529
Total Water Funds (Potable & Recycled)		<u>72,198,943</u>
 <u>Wastewater Funds</u>		
10010-110	Wastewater - Operating Fund	4,193,828
10030-110	Wastewater - Capital Replacement Fund	9,183,926
10040-110	Wastewater - Rate Stabilization Fund	2,611,380
Total Wastewater Funds		<u>15,989,134</u>
 <u>Non Fiscal Agent Debt Service Cash</u>		
14020-570	Cash non-agent - RAD 96-1	146,461
10070-561	Cash non-agent - Bond 2015A	621
10070-581	Cash non-agent - Bond 2016A	10,580
14020-521	Cash non-agent - Bond 2021A	5,012,202
Total Non Fiscal Agent Debt Service Cash		<u>5,169,863</u>
 <u>Debt Service Funds</u>		
14030-510	SRF Loan - Fiscal Agent	856,334
14105-570	Redemption fund - RAD 96-1	1,121,439
14110-570	Reserve fund - RAD 96-1	66,126
14100-561	Redemption fund - Bond 2015A	3,782
14100-581	Redemption fund - Bond 2016A	3,160
14100-521	Redemption fund - CB&T 2021A	2,638
14100-522	Redemption fund - CB&T 2021B	4,086
Total Debt Service Funds		<u>2,057,565</u>
TOTAL FUND BALANCES		<u>95,415,505</u>

Olivenhain Municipal Water District
MONTHLY CASH AND INVESTMENT SUMMARY
As of July 31, 2022

Active Deposits

	<u>Book Value</u>
Checking Accounts	\$ 7,729,594
Cash Restricted for Specific Use	5,172,372
Petty Cash/Disaster Preparedness	1,491
Total Active Deposits	<u>\$ 12,903,457</u>

Deposits Not Covered by Investment Policy

Cash with Fiscal Agents	2,057,624
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<u>Investments</u>	<u>Face Value</u>	<u>Market Value</u>	<u>Current Yield</u>	
LAIF	\$ 13,269,088	13,098,254	1.09%	\$ 13,269,088
CAMP - US Bank	18,580,229	18,580,229	1.64%	18,580,229
Money Market Funds	106,306	106,306	1.83%	106,306
Medium Term Notes	500,000	493,105	2.33%	497,940
Commercial Paper	1,000,000	997,320	1.08%	994,561
Municipal Bonds	1,000,000	1,057,470	4.73%	1,216,760
U.S. Treasury Securities	12,000,000	11,843,380	1.44%	11,983,969
U.S. Agency Securities	33,426,111	31,509,157	0.71%	33,422,931
Total Investments	<u>\$ 79,881,735</u>	<u>\$ 77,685,222</u>	1.18%	<u>\$ 80,071,785</u>

Total - All Deposits/Investments

\$ 95,032,867

Maturity Analysis of Investments

	<u>Percent</u>	<u>Balance</u>
Demand Deposits	39.9%	\$ 31,955,624
Maturity within the next two months	1.2%	994,561
Maturity within three months and one year	13.7%	10,962,627
Maturity beyond one year	45.2%	36,158,973
Total Investments	<u>100.0%</u>	<u>\$ 80,071,785</u>

Weighted Average Days to Maturity

497

Other Required Disclosures:

Accrued interest receivable as of 07/31/2022 \$ 130,765

The above investments are in accordance with the portfolio limitations in the Investment Policy approved by the Board in December 2021.

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

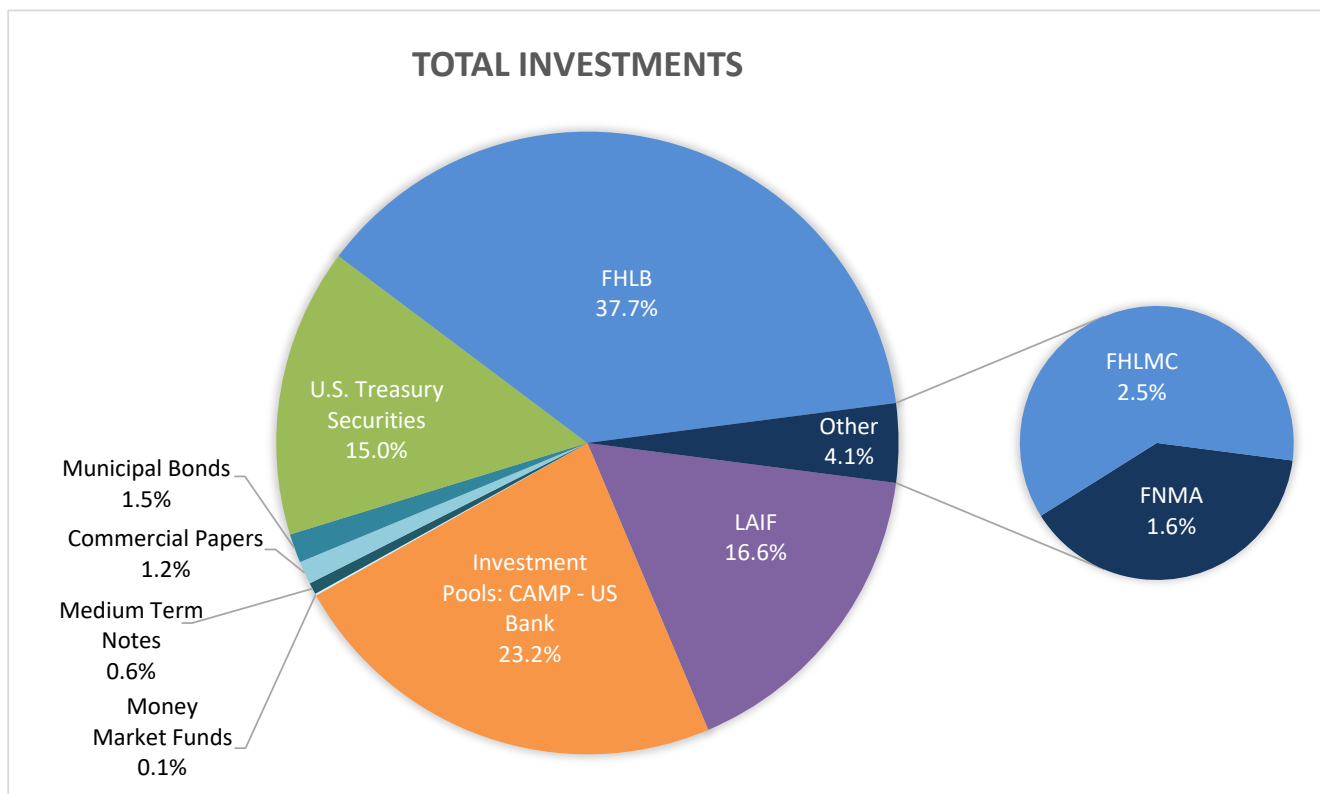
Olivenhain Municipal Water District
PORTFOLIO LIMITATIONS ANALYSIS PER INVESTMENT POLICY
July 31, 2022

	Book Value	Percent	Permitted Percent		In Compliance?
LAIF	\$ 13,269,088	16.6%	50.0%	(1)	Yes
Investment Pools: CAMP - US Bank	18,580,229	23.2%	30.0%		Yes
Money Market Funds	106,306	0.1%	20.0%	(2)	Yes
Medium Term Notes	497,940	0.6%	30.0%	(3)	Yes
Commercial Papers	994,561	1.2%	20.0%	(3)	Yes
Municipal Bonds	1,216,760	1.5%	30.0%		Yes
U.S. Treasury Securities	11,983,969	15.0%	100.0%	(4)	Yes
U.S. Agency Securities	33,422,931	41.8%	50.0%		Yes
<i>FHLB</i> <i>Federal Home Loan Bank</i>	30,173,111	37.7%			
<i>FNMA</i> <i>Fannie Mae</i>	1,250,000	1.6%			
<i>FHLMC</i> <i>Freddie Mac</i>	1,999,820	2.5%			

Total Investments	\$ 80,071,785	100%
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Note:

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



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

Olivenhain Municipal Water District
MONTHLY INVESTMENTS DETAIL
July 31, 2022

ACTIVE DEPOSIT

Checking A/C: California Bank and Trust for General Purpose
California Bank and Trust for Specific Purpose

CAMP 2021A Bond

Petty Cash/Disaster Preparedness

Total - Active Deposits

Book Value

7,729,594

153,189

5,019,183

1,491

12,903,457

DEPOSITS NOT COVERED BY INVESTMENT POLICY

Cash with Fiscal Agents:

Union Bank - RAD 96-1 Refunding Bond
Union Bank - 2015A Refunding Bond
SRF Loan
Union Bank - 2016A Refunding Bond
Union Bank - 2021A WW Revenue Bond
Union Bank - 2021B Refunding Bond

1,187,567

3,785

856,385

3,163

2,638

4,086

Total Deposits Not Covered by Investment Policy

2,057,624

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

INVESTMENTS

Invest. Pools: US Bank Calif. Asset Mgmt Prgm (CAMP) Demand 1 1.64% \$ 18,580,229 \$ 18,580,229 \$ 18,580,229
State Local Agency Investment Fund (LAIF) Demand 1 1.09% 13,098,254 13,269,088 13,269,088
First American Government 31846V567 Demand 1 1.83% 106,306 106,306 106,306

U.S. Treasury Notes/Bills

912828TJ9	U.S.Treasury Notes	Aaa	-	02/09/22	08/15/22		16	1.63%	1.63%	999,790	1,000,000	1,005,763
912796M71	U.S.Treasury Bills	Aaa	-	03/15/22	09/08/22		40	0.72%	0.72%	997,770	1,000,000	996,520
912796U56	U.S.Treasury Bills	Aaa	-	06/23/22	09/22/22		54	1.59%	1.59%	1,994,060	2,000,000	1,992,128
912796U64	U.S.Treasury Bills	Aaa	-	03/31/22	09/29/22		61	1.03%	1.03%	996,430	1,000,000	994,894
912796M89	U.S.Treasury Bills	Aaa	-	04/07/22	10/06/22		68	1.08%	1.08%	995,870	1,000,000	994,641
912796P94	U.S.Treasury Bills	Aaa	-	06/02/22	12/01/22		124	1.55%	1.57%	1,982,480	2,000,000	1,984,631
912828YW4	U.S.Treasury Notes	Aaa	-	02/09/22	12/15/22		138	1.63%	1.63%	996,330	1,000,000	1,007,330
912796XR5	U.S.Treasury Bills	Aaa	-	07/14/22	01/12/23		166	2.66%	2.70%	987,480	1,000,000	986,900
91282CBQ3	U.S.Treasury Notes	Aaa	-	03/09/21	09/30/24		793	0.50%	0.54%	922,310	1,000,000	984,478
912828YH7	U.S.Treasury Notes	Aaa	-	03/09/21	02/28/26		1,309	1.50%	1.55%	970,860	1,000,000	1,036,684
							89	1.42%	1.44%	\$ 11,843,380	\$ 12,000,000	\$ 11,983,969

U.S. Agency Securities

3134GXXH6	FHLMC Callable	Aaa	AA+	01/27/21	01/27/23	10/27/22	181	89	0.13%	0.13%	987,080	1,000,000	999,820
3130AJZJ1	FHLB Callable	Aaa	AA+	09/02/20	08/25/23	Anytime	391	1	0.32%	0.33%	1,115,841	1,151,111	1,151,111
3130AS3J6	FHLB Callable	Aaa	AA+	05/24/22	11/24/23	05/24/23	482	298	2.50%	2.52%	545,826	550,000	550,000
3130ARYU9	FHLB Callable	Aaa	AA+	05/23/22	02/23/24	08/23/22	573	24	3.00%	3.02%	993,800	1,000,000	1,000,000
3136G4P56	FNMA Callable	Aaa	AA+	08/26/20	02/26/24	08/26/22	576	27	0.40%	0.42%	1,200,738	1,250,000	1,250,000
3130AL6Q2	FHLB Callable	Aaa	AA+	02/26/21	02/26/24	Anytime	576	1	0.22%	0.23%	957,480	1,000,000	1,000,000
3130AMMV1	FHLB Callable	Aaa	AA+	06/03/21	06/03/24	09/03/22	674	35	0.40%	0.42%	479,070	500,000	500,000
3130ALHM9	FHLB Callable	Aaa	AA+	03/10/21	06/10/24	09/10/22	681	42	0.30%	0.31%	955,980	1,000,000	999,000
3130ANTP5	FHLB Callable	Aaa	AA+	09/16/21	09/16/24	09/16/22	779	48	0.50%	0.52%	953,170	1,000,000	1,000,000
3130ANSP6	FHLB Callable	Aaa	AA+	09/17/21	10/17/24	09/17/22	810	49	0.50%	0.53%	949,290	1,000,000	1,000,000
3130AKEW2	FHLB Callable	Aaa	AA+	11/04/20	11/04/24	Anytime	828	1	0.43%	0.46%	1,881,820	2,000,000	2,000,000
3130ANGN4	FHLB Step-up Callable	Aaa	AA+	08/18/21	02/18/25	09/18/22	934	50	0.35%	0.37%	942,120	1,000,000	1,000,000
3130AMKE1	FHLB Callable	Aaa	AA+	05/27/21	02/27/25	09/27/22	943	59	0.66%	0.70%	938,880	1,000,000	1,000,000
3134GWAQ9	FHLMC Callable	Aaa	AA+	07/28/20	07/28/25	07/28/23	1,094	363	0.65%	0.70%	929,300	1,000,000	1,000,000
3130AKGX8	FHLB Step-up Callable	Aaa	AA+	12/15/20	12/15/25	09/15/22	1,234	47	0.35%	0.37%	1,885,560	2,000,000	2,000,000
3130AKMD5	FHLB Callable	Aaa	AA+	01/26/21	01/26/26	10/26/22	1,276	88	0.50%	0.55%	915,430	1,000,000	999,500
3130AKU53	FHLB Callable	Aaa	AA+	01/28/21	01/28/26	10/28/22	1,278	90	0.52%	0.56%	928,520	1,000,000	1,000,000
3130AKN69	FHLB Callable	Aaa	AA+	01/28/21	01/28/26	01/28/23	1,278	182	0.50%	0.54%	928,070	1,000,000	1,000,000
3130AKVN3	FHLB Callable	Aaa	AA+	01/29/21	01/29/26	10/29/22	1,279	91	0.52%	0.56%	928,470	1,000,000	1,000,000
3130AKWK8	FHLB Callable	Aaa	AA+	02/12/21	02/12/26	09/12/22	1,293	44	0.51%	0.55%	927,420	1,000,000	1,000,000
3130AKX43	FHLB Step-up Callable	Aaa	AA+	02/24/21	02/24/26	09/24/22	1,305	56	0.70%	0.75%	1,865,920	2,000,000	2,000,000
3130AL7M0	FHLB Callable	Aaa	AA+	02/24/21	02/24/26	09/24/22	1,305	56	0.63%	0.68%	915,450	1,000,000	1,000,000
3130AKYR1	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	02/25/23	1,306	210	0.55%	0.60%	917,590	1,000,000	1,000,000
3130AL6K5	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	02/25/23	1,306	210	0.58%	0.62%	929,220	1,000,000	1,000,000
3130ALD76	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	09/25/22	1,306	57	0.70%	0.75%	932,830	1,000,000	1,000,000
3130ALCW2	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	02/25/23	1,306	210	0.63%	0.67%	930,670	1,000,000	998,500
3130ALGJ7	FHLB Callable	Aaa	AA+	03/23/21	03/23/26	08/23/22	1,332	24	1.00%	1.08%	905,453	975,000	975,000
3130ALPQ1	FHLB Step-up Callable	Aaa	AA+	03/30/21	03/30/26	09/30/22	1,339	62	0.75%	0.80%	935,120	1,000,000	1,000,000
3130ALVC5	FHLB Step-up Callable	Aaa	AA+	04/14/21	04/14/26	10/14/22	1,354	76	0.75%	0.79%	946,730	1,000,000	1,000,000
3130APAY1	FHLB Callable	Aaa	AA+	10/21/21	10/21/26	10/21/22	1,544	83	1.10%	1.17%	939,300	1,000,000	1,000,000
3130APL78	FHLB Callable	Aaa	AA+	10/28/21	10/28/26	10/28/22	1,551	90	1.38%	1.45%	947,010	1,000,000	1,000,000
							1,050	2,722	0.67%	0.71%	\$ 31,509,157	\$ 33,426,111	\$ 33,422,931

Medium Term Notes

740816AJ2	Pres & Fellows of Harvard	Aaa	AAA	05/06/22	10/01/23	10/01/22	428	63	2.30%	2.33%	493,105	500,000	497,940
							428	31	2.30%	2.33%	\$ 493,105	\$ 500,000	\$ 497,940

Commercial Paper

46640QJ85	JP MORGAN SEC LLC	P-1	A-1	03/09/22	09/08/22		40		1.08%	1.08%	997,320	1,000,000	994,561
							40		1.08%	1.08%	\$ 997,320	\$ 1,000,000	\$ 994,561

Municipal Bonds

882724RA7	TEXAS ST PUB FIN AUTH	Aaa	AAA	10/30/20	10/01/25		1,159		5.00%	4.73%	1,057,470	1,000,000	1,216,760
							1,159		5.00%	4.73%	\$ 1,057,470	\$ 1,000,000	\$ 1,216,760

Total Investments

TOTAL - ALL DEPOSITS AND INVESTMENTS

\$ 95,032,867

Olivenhain Municipal Water District
INVESTMENTS TRANSACTION
July 31, 2022

PURCHASED

DATE				Investment Description	<i>Stated</i>	<i>Current</i>	Face Value	Book Value
Purchase	Maturity	Call	Step-Up		<i>Coupon</i>	<i>Yield</i>		
07/14/22	01/12/23			U.S.Treasury Bills	2.662%	2.696%	1,000,000	986,900

MATURED / REDEEMED / CALLED

DATE				Investment Description	<i>Stated</i>	<i>Current</i>	Face Value	Book Value
Redemption	Maturity	Call	Step-Up		<i>Coupon</i>	<i>Yield</i>		

Olivenhain Municipal Water District
UNAUDITED CASH POSITION BY FUNDING SOURCES
As of July 31, 2022

<u>Water Funds (Potable & Recycled)</u>		<u>Balance</u>
10050-100	Cash - Petty Cash Fund	1,491
10030-100	Cash - Capital and Equipment Fund	38,926,783
10010-100	Cash - Operating Fund	15,611,107
10060-100	Cash - Deposit Work for Other	111,864
10040-100	Cash - Rate Stabilization	12,030,285
14000-500	Restricted Cash - Capacity Fee Fund	5,383,272
Total Water Funds (Potable & Recycled)		<u>72,064,802</u>
 <u>Wastewater Funds</u>		
10010-110	Wastewater - Operating Fund	3,948,166
10030-110	Wastewater - Capital Replacement Fund	9,176,111
10040-110	Wastewater - Rate Stabilization Fund	2,613,791
Total Wastewater Funds		<u>15,738,069</u>
 <u>Non Fiscal Agent Debt Service Cash</u>		
14020-570	Cash non-agent - RAD 96-1	141,988
10070-561	Cash non-agent - Bond 2015A	621
10070-581	Cash non-agent - Bond 2016A	10,580
14020-521	Cash non-agent - Bond 2021A	5,019,183
Total Non Fiscal Agent Debt Service Cash		<u>5,172,372</u>
 <u>Debt Service Funds</u>		
14030-510	SRF Loan - Fiscal Agent	856,385
14105-570	Redemption fund - RAD 96-1	1,121,441
14110-570	Reserve fund - RAD 96-1	66,126
14100-561	Redemption fund - Bond 2015A	3,785
14100-581	Redemption fund - Bond 2016A	3,163
14100-521	Redemption fund - CB&T 2021A	2,638
14100-522	Redemption fund - CB&T 2021B	4,086
Total Debt Service Funds		<u>2,057,624</u>
TOTAL FUND BALANCES		<u>95,032,867</u>

Olivenhain Municipal Water District
MONTHLY CASH AND INVESTMENT SUMMARY
As of August 31, 2022

Active Deposits

	<u>Book Value</u>
Checking Accounts	\$ 7,529,563
Cash Restricted for Specific Use	5,181,918
Petty Cash/Disaster Preparedness	1,491
Total Active Deposits	<u>\$ 12,712,972</u>

Deposits Not Covered by Investment Policy

Cash with Fiscal Agents	2,661,754
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<u>Investments</u>	<u>Face Value</u>	<u>Market Value</u>	<u>Current Yield</u>	
LAIF	\$ 10,269,088	10,136,878	1.28%	\$ 10,269,088
CAMP - US Bank	20,619,545	20,619,545	2.30%	20,619,545
Money Market Funds	185,239	185,239	2.01%	185,239
Medium Term Notes	500,000	491,675	2.34%	497,940
Commercial Paper	1,000,000	999,560	1.08%	994,561
Municipal Bonds	1,000,000	1,033,540	4.84%	1,216,760
U.S. Treasury Securities	13,000,000	12,798,540	1.67%	12,948,687
U.S. Agency Securities	33,426,111	30,807,933	0.72%	33,422,931
Total Investments	<u>\$ 79,999,983</u>	<u>\$ 77,072,909</u>	1.45%	<u>\$ 80,154,750</u>

Total - All Deposits/Investments

\$ 95,529,475

Maturity Analysis of Investments

	<u>Percent</u>	<u>Balance</u>
Demand Deposits	38.8%	\$ 31,073,872
Maturity within the next two months	1.2%	994,561
Maturity within three months and one year	16.3%	13,078,455
Maturity beyond one year	43.7%	35,007,862
Total Investments	<u>100.0%</u>	<u>\$ 80,154,750</u>

Weighted Average Days to Maturity

482

Other Required Disclosures:

Accrued interest receivable as of 08/31/2022 \$ 135,814

The above investments are in accordance with the portfolio limitations in the Investment Policy approved by the Board in December 2021.

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

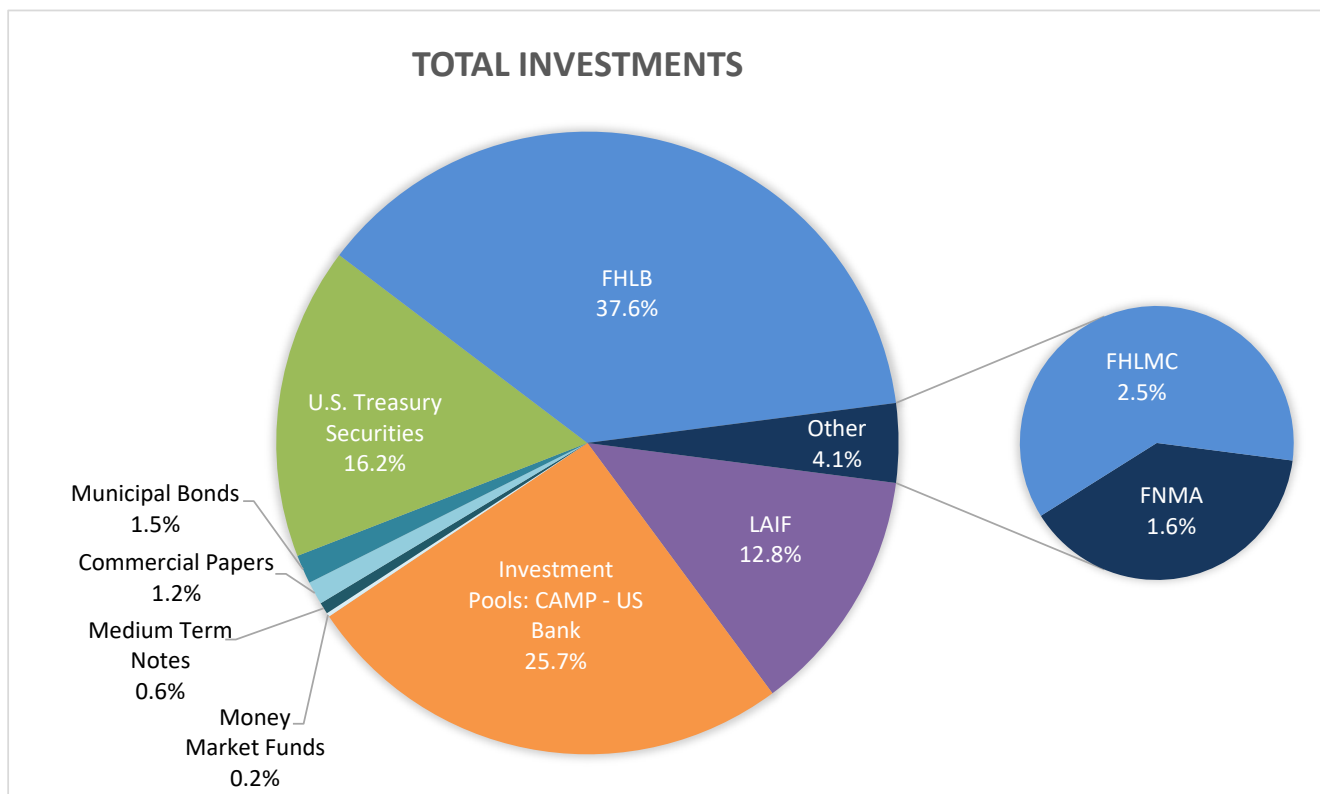
Olivenhain Municipal Water District
PORTFOLIO LIMITATIONS ANALYSIS PER INVESTMENT POLICY
August 31, 2022

	Book Value	Percent	Permitted Percent		In Compliance?
LAIF	\$ 10,269,088	12.8%	50.0%	(1)	Yes
Investment Pools: CAMP - US Bank	20,619,545	25.7%	30.0%		Yes
Money Market Funds	185,239	0.2%	20.0%	(2)	Yes
Medium Term Notes	497,940	0.6%	30.0%	(3)	Yes
Commercial Papers	994,561	1.2%	20.0%	(3)	Yes
Municipal Bonds	1,216,760	1.5%	30.0%		Yes
U.S. Treasury Securities	12,948,687	16.2%	100.0%	(4)	Yes
U.S. Agency Securities	33,422,931	41.7%	50.0%		Yes
<i>FHLB</i> <i>Federal Home Loan Bank</i>	30,173,111	37.6%			
<i>FNMA</i> <i>Fannie Mae</i>	1,250,000	1.6%			
<i>FHLMC</i> <i>Freddie Mac</i>	1,999,820	2.5%			

Total Investments	\$ 80,154,750	100%
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Note:

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



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

Olivenhain Municipal Water District
MONTHLY INVESTMENTS DETAIL
August 31, 2022

ACTIVE DEPOSIT

Checking A/C: California Bank and Trust for General Purpose
California Bank and Trust for Specific Purpose

CAMP 2021A Bond

Petty Cash/Disaster Preparedness

Total - Active Deposits

Book Value

7,529,563

152,942

5,028,976

1,491

12,712,972

DEPOSITS NOT COVERED BY INVESTMENT POLICY

Cash with Fiscal Agents:

Union Bank - RAD 96-1 Refunding Bond
Union Bank - 2015A Refunding Bond
SRF Loan
Union Bank - 2016A Refunding Bond
Union Bank - 2021A WW Revenue Bond
Union Bank - 2021B Refunding Bond

1,187,572

607,790

856,501

3,167

2,639

4,086

Total Deposits Not Covered by Investment Policy

2,661,754

INVESTMENTS

Invest. Pools: US Bank Calif. Asset Mgmt Prgm (CAMP)
State Local Agency Investment Fund (LAIF)
First American Government 31846V567

Demand
Demand
Demand

1
1
1

2.30%
1.28%
2.01%

\$ 20,619,545
10,136,878
185,239

\$ 20,619,545
10,269,088
185,239

\$ 20,619,545
10,269,088
185,239

U.S. Treasury Notes/Bills

912796M71	U.S.Treasury Bills	Aaa	-	03/15/22	09/08/22		9	0.72%	0.72%	999,600	1,000,000	996,520
912796U56	U.S.Treasury Bills	Aaa	-	06/23/22	09/22/22		23	1.59%	1.59%	1,997,600	2,000,000	1,992,128
912796U64	U.S.Treasury Bills	Aaa	-	03/31/22	09/29/22		30	1.03%	1.03%	998,340	1,000,000	994,894
912796M89	U.S.Treasury Bills	Aaa	-	04/07/22	10/06/22		37	1.08%	1.08%	997,860	1,000,000	994,641
912796P94	U.S.Treasury Bills	Aaa	-	06/02/22	12/01/22		93	1.55%	1.56%	1,985,480	2,000,000	1,984,631
912828YW4	U.S.Treasury Notes	Aaa	-	02/09/22	12/15/22		107	1.63%	1.63%	996,600	1,000,000	1,007,330
912796XR5	U.S.Treasury Bills	Aaa	-	07/14/22	01/12/23		135	2.66%	2.69%	988,860	1,000,000	986,900
912796XZ7	U.S.Treasury Bills	Aaa	-	08/12/22	02/09/23		163	2.98%	3.02%	985,980	1,000,000	985,445
912796YA1	U.S.Treasury Bills	Aaa	-	08/18/22	02/16/23		170	3.05%	3.09%	985,090	1,000,000	985,036
91282CBQ3	U.S.Treasury Notes	Aaa	-	03/09/21	09/30/24		762	0.50%	0.55%	902,270	1,000,000	984,478
912828YH7	U.S.Treasury Notes	Aaa	-	03/09/21	02/28/26		1,278	1.50%	1.56%	960,860	1,000,000	1,036,684

88

1.65%

1.67%

\$ 12,798,540

\$ 13,000,000

\$ 12,948,687

U.S. Agency Securities

3134GXXH6	FHLMC Callable	Aaa	AA+	01/27/21	01/27/23	10/27/22	150	58	0.13%	0.13%	986,560	1,000,000	999,820
3130AJZJ1	FHLB Callable	Aaa	AA+	09/02/20	08/25/23	Anytime	360	1	0.32%	0.33%	1,111,789	1,151,111	1,151,111
3130AS3J6	FHLB Callable	Aaa	AA+	05/24/22	11/24/23	05/24/23	451	267	2.50%	2.54%	540,859	550,000	550,000
3130ARYU9	FHLB Callable	Aaa	AA+	05/23/22	02/23/24	11/23/22	542	85	3.00%	3.04%	987,610	1,000,000	1,000,000
3136G4P56	FNMA Callable	Aaa	AA+	08/26/20	02/26/24	11/26/22	545	88	0.40%	0.42%	1,189,313	1,250,000	1,250,000
3130ALQ2	FHLB Callable	Aaa	AA+	02/26/21	02/26/24	Anytime	545	1	0.22%	0.23%	948,160	1,000,000	1,000,000
3130AMMV1	FHLB Callable	Aaa	AA+	06/03/21	06/03/24	09/03/22	643	4	0.40%	0.42%	471,395	500,000	500,000
3130ALHM9	FHLB Callable	Aaa	AA+	03/10/21	06/10/24	09/10/22	650	11	0.30%	0.32%	940,470	1,000,000	999,000
3130ANTP5	FHLB Callable	Aaa	AA+	09/16/21	09/16/24	09/16/22	748	17	0.50%	0.53%	936,180	1,000,000	1,000,000
3130ANSP6	FHLB Callable	Aaa	AA+	09/17/21	10/17/24	09/17/22	779	18	0.50%	0.54%	933,610	1,000,000	1,000,000
3130AKEV2	FHLB Callable	Aaa	AA+	11/04/20	11/04/24	Anytime	797	1	0.43%	0.46%	1,861,140	2,000,000	2,000,000
3130ANGN4	FHLB Step-up Callable	Aaa	AA+	08/18/21	02/18/25	09/18/22	903	19	0.35%	0.38%	929,410	1,000,000	1,000,000
3130AMKE1	FHLB Callable	Aaa	AA+	05/27/21	02/27/25	09/27/22	912	28	0.66%	0.71%	926,070	1,000,000	1,000,000
3134GWAQ9	FHLMC Callable	Aaa	AA+	07/28/20	07/28/25	07/28/23	1,063	332	0.65%	0.71%	918,490	1,000,000	1,000,000
3130AKGX8	FHLB Step-up Callable	Aaa	AA+	12/15/20	12/15/25	09/15/22	1,203	16	0.35%	0.38%	1,829,100	2,000,000	2,000,000
3130AKMD5	FHLB Callable	Aaa	AA+	01/26/21	01/26/26	10/26/22	1,245	57	0.50%	0.56%	895,900	1,000,000	999,500
3130AKU53	FHLB Callable	Aaa	AA+	01/28/21	01/28/26	10/28/22	1,247	59	0.52%	0.58%	896,380	1,000,000	1,000,000
3130AKN69	FHLB Callable	Aaa	AA+	01/28/21	01/28/26	01/28/23	1,247	151	0.50%	0.56%	895,780	1,000,000	1,000,000
3130AKVN3	FHLB Callable	Aaa	AA+	01/29/21	01/29/26	10/29/22	1,248	60	0.52%	0.58%	896,310	1,000,000	1,000,000
3130AKWK8	FHLB Callable	Aaa	AA+	02/12/21	02/12/26	09/12/22	1,262	13	0.51%	0.57%	894,990	1,000,000	1,000,000
3130AKX43	FHLB Step-up Callable	Aaa	AA+	02/24/21	02/24/26	09/24/22	1,274	25	0.70%	0.78%	1,800,680	2,000,000	2,000,000
3130AL7M0	FHLB Callable	Aaa	AA+	02/24/21	02/24/26	09/24/22	1,274	25	0.63%	0.70%	897,830	1,000,000	1,000,000
3130AKYR1	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	02/25/23	1,275	179	0.55%	0.61%	895,410	1,000,000	1,000,000
3130AL6K5	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	02/25/23	1,275	179	0.58%	0.65%	896,370	1,000,000	1,000,000
3130ALD76	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	09/25/22	1,275	26	0.70%	0.78%	900,160	1,000,000	1,000,000
3130ALCW2	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	02/25/23	1,275	179	0.63%	0.70%	897,820	1,000,000	998,500
3130ALGJ7	FHLB Callable	Aaa	AA+	03/23/21	03/23/26	09/23/22	1,301	24	1.00%	1.10%	888,137	975,000	975,000
3130ALPQ1	FHLB Step-up Callable	Aaa	AA+	03/30/21	03/30/26	09/30/22	1,308	31	0.75%	0.82%	918,090	1,000,000	1,000,000
3130ALVC5	FHLB Step-up Callable	Aaa	AA+	04/14/21	04/14/26	10/14/22	1,323	45	0.75%	0.82%	915,740	1,000,000	1,000,000
3130APAY1	FHLB Callable	Aaa	AA+	10/21/21	10/21/26	10/21/22	1,513	52	1.10%	1.22%	899,340	1,000,000	1,000,000
3130APL78	FHLB Callable	Aaa	AA+	10/28/21	10/28/26	10/28/22	1,520	59	1.38%	1.51%	908,840	1,000,000	1,000,000

1,019

2,051

0.67%

0.72%

\$ 30,807,933

\$ 33,426,111

\$ 33,422,931

Medium Term Notes

740816AJ2	Pres & Fellows of Harvard	Aaa	AAA	05/06/22	10/01/23	10/01/22	397	32	2.30%	2.34%	491,675	500,000	497,940
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397

16

2.30%

2.34%

\$ 491,675

\$ 500,000

\$ 497,940

Commercial Paper

46640QJ85	JP MORGAN SEC LLC	P-1	A-1	03/09/22	09/08/22		9		1.08%	1.08%	999,560	1,000,000	994,561
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9

1.08%

1.08%

\$ 999,560

\$ 1,000,000

\$ 994,561

Municipal Bonds

882724RA7	TEXAS ST PUB FIN AUTH	Aaa	AAA	10/30/20	10/01/25		1,128		5.00%	4.84%	1,033,540	1,000,000	1,216,760
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1,128

5.00%

4.84%

\$ 1,033,540

\$ 1,000,000

\$ 1,216,760

Total Investments

482

1.40%

1.45%

\$ 77,072,909

\$ 79,999,983

\$ 80,154,750

TOTAL - ALL DEPOSITS AND INVESTMENTS

\$

95,529,475

**Olivenhain Municipal Water District
INVESTMENTS TRANSACTION
August 31, 2022**

PURCHASED

DATE				Investment Description	<i>Stated</i>	<i>Current</i>	Face Value	Book Value
Purchase	Maturity	Call	Step-Up		Coupon	Yield		
08/12/22	02/09/23			U.S.Treasury Bills	2.978%	3.020%	1,000,000	985,445
08/18/22	02/16/23			U.S.Treasury Bills	3.046%	3.092%	1,000,000	985,036

MATURED / REDEEMED / CALLED

DATE				Investment Description	<i>Stated</i>	<i>Current</i>	Face Value	Book Value
Redemption	Maturity	Call	Step-Up		Coupon	Yield		
08/15/22	08/15/22			U.S.Treasury Notes	1.625%	1.625%	1,000,000	1,005,763

Olivenhain Municipal Water District
UNAUDITED CASH POSITION BY FUNDING SOURCES
As of August 31, 2022

<u>Water Funds (Potable & Recycled)</u>		<u>Balance</u>
10050-100	Cash - Petty Cash Fund	1,491
10030-100	Cash - Capital and Equipment Fund	38,626,052
10010-100	Cash - Operating Fund	16,174,369
10060-100	Cash - Deposit Work for Other	100,615
10040-100	Cash - Rate Stabilization	12,043,885
14000-500	Restricted Cash - Capacity Fee Fund	5,362,884
Total Water Funds (Potable & Recycled)		<u>72,309,297</u>
 <u>Wastewater Funds</u>		
10010-110	Wastewater - Operating Fund	3,443,811
10030-110	Wastewater - Capital Replacement Fund	9,315,949
10040-110	Wastewater - Rate Stabilization Fund	2,616,746
Total Wastewater Funds		<u>15,376,507</u>
 <u>Non Fiscal Agent Debt Service Cash</u>		
14020-570	Cash non-agent - RAD 96-1	141,741
10070-561	Cash non-agent - Bond 2015A	621
10070-581	Cash non-agent - Bond 2016A	10,580
14020-521	Cash non-agent - Bond 2021A	5,028,976
Total Non Fiscal Agent Debt Service Cash		<u>5,181,918</u>
 <u>Debt Service Funds</u>		
14030-510	SRF Loan - Fiscal Agent	856,501
14105-570	Redemption fund - RAD 96-1	1,121,445
14110-570	Reserve fund - RAD 96-1	66,126
14100-561	Redemption fund - Bond 2015A	607,790
14100-581	Redemption fund - Bond 2016A	3,167
14100-521	Redemption fund - CB&T 2021A	2,639
14100-522	Redemption fund - CB&T 2021B	4,086
Total Debt Service Funds		<u>2,661,754</u>
TOTAL FUND BALANCES		<u>95,529,475</u>

Olivenhain Municipal Water District
MONTHLY CASH AND INVESTMENT SUMMARY
As of September 30, 2022

Active Deposits

	<u>Book Value</u>
Checking Accounts	\$ 7,522,615
Cash Restricted for Specific Use	5,193,162
Petty Cash/Disaster Preparedness	1,491
Total Active Deposits	<u>\$ 12,717,268</u>

Deposits Not Covered by Investment Policy

Cash with Fiscal Agents	2,217,767
-------------------------	-----------

<u>Investments</u>	<u>Face Value</u>	<u>Market Value</u>	<u>Current Yield</u>	
LAIF	\$ 8,269,088	8,162,627	1.51%	\$ 8,269,088
CAMP - US Bank	22,664,169	22,664,169	2.61%	22,664,169
Money Market Funds	1,261,487	1,261,487	2.73%	1,261,487
Medium Term Notes	500,000	489,490	2.35%	497,940
Municipal Bonds	1,000,000	1,016,400	4.92%	1,216,760
U.S. Treasury Securities	13,000,000	12,730,560	2.41%	12,911,260
U.S. Agency Securities	33,426,111	30,281,966	0.74%	33,422,931
Total Investments	<u>\$ 80,120,855</u>	<u>\$ 76,606,698</u>	<u>1.75%</u>	<u>\$ 80,243,634</u>

Total - All Deposits/Investments

\$ 95,178,669

Maturity Analysis of Investments

	<u>Percent</u>	<u>Balance</u>
Demand Deposits	40.1%	\$ 32,194,743
Maturity within the next two months	0.0%	-
Maturity within three months and one year	16.3%	13,041,028
Maturity beyond one year	43.6%	35,007,862
Total Investments	<u>100.0%</u>	<u>\$ 80,243,634</u>

Weighted Average Days to Maturity

470

Other Required Disclosures:

Accrued interest receivable as of 09/30/2022 \$ 148,624

The above investments are in accordance with the portfolio limitations in the Investment Policy approved by the Board in December 2021.

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

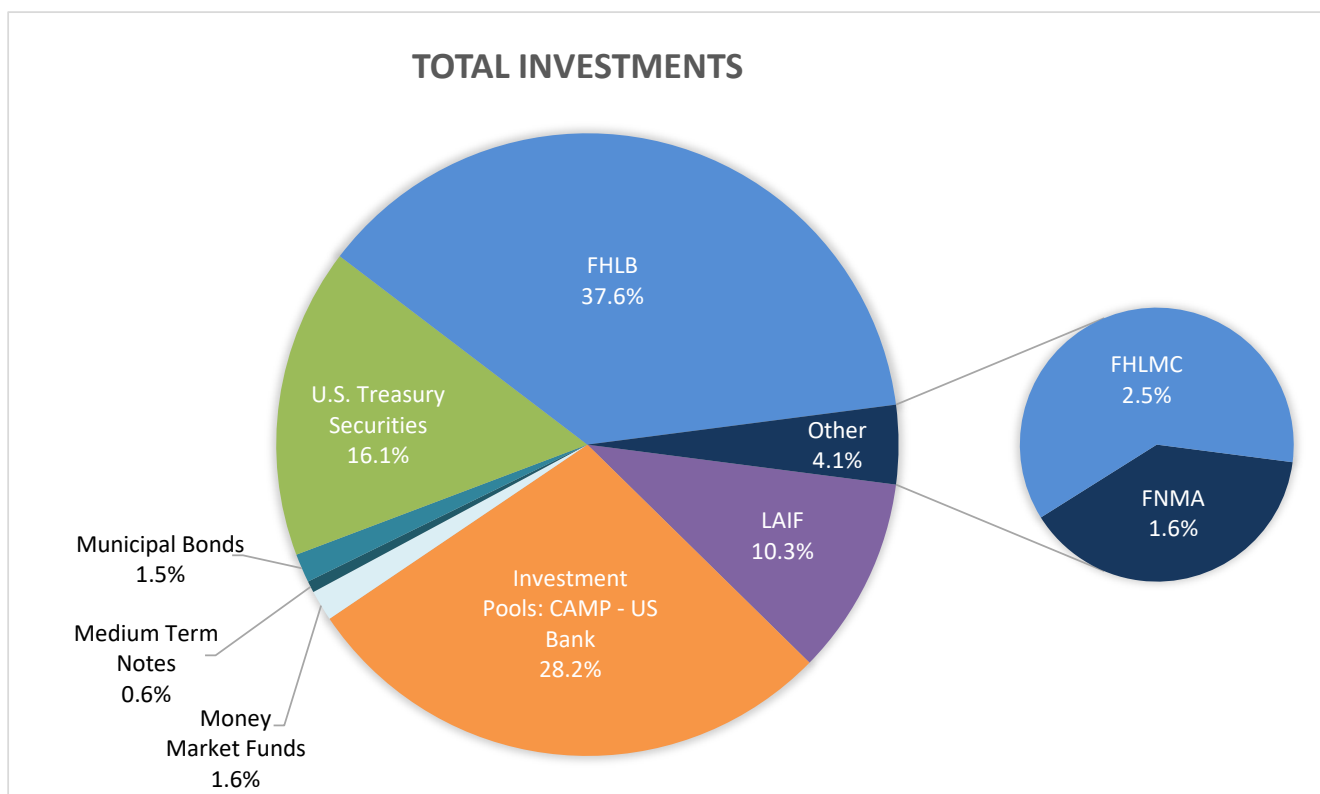
Olivenhain Municipal Water District
PORTFOLIO LIMITATIONS ANALYSIS PER INVESTMENT POLICY
September 30, 2022

	<u>Book Value</u>	<u>Percent</u>	<u>Permitted Percent</u>	<u>In Compliance?</u>
LAIF	\$ 8,269,088	10.3%	50.0% ⁽¹⁾	Yes
Investment Pools: CAMP - US Bank	22,664,169	28.2%	30.0%	Yes
Money Market Funds	1,261,487	1.6%	20.0% ⁽²⁾	Yes
Medium Term Notes	497,940	0.6%	30.0% ⁽³⁾	Yes
Municipal Bonds	1,216,760	1.5%	30.0%	Yes
U.S. Treasury Securities	12,911,260	16.1%	100.0% ⁽⁴⁾	Yes
U.S. Agency Securities	33,422,931	41.7%	50.0%	Yes
<i>FHLB</i> <i>Federal Home Loan Bank</i>	30,173,111	37.6%		
<i>FNMA</i> <i>Fannie Mae</i>	1,250,000	1.6%		
<i>FHLMC</i> <i>Freddie Mac</i>	1,999,820	2.5%		

Total Investments	\$ 80,243,634	100%
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Note:

- ⁽¹⁾ No more than 50% of the total value of all District Investments or \$40 million.
- ⁽²⁾ May not exceed 5% in any money market fund.
- ⁽³⁾ May not exceed 5% per issuer.
- ⁽⁴⁾ No limit.



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

Olivenhain Municipal Water District
MONTHLY INVESTMENTS DETAIL
September 30, 2022

ACTIVE DEPOSIT

										Book Value
Checking A/C: California Bank and Trust for General Purpose										7,522,615
California Bank and Trust for Specific Purpose										153,383
CAMP 2021A Bond										5,039,779
Petty Cash/Disaster Preparedness										1,491
Total - Active Deposits										12,717,268

DEPOSITS NOT COVERED BY INVESTMENT POLICY

Cash with Fiscal Agents:

Union Bank - RAD 96-1 Refunding Bond	267,479
Union Bank - 2015A Refunding Bond	607,829
SRF Loan	856,562
Union Bank - 2016A Refunding Bond	248,172
Union Bank - 2021A WW Revenue Bond	80,639
Union Bank - 2021B Refunding Bond	157,086

Total Deposits Not Covered by Investment Policy

2,217,767

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

INVESTMENTS

Invest. Pools: US Bank Calif. Asset Mgmt Prgm (CAMP)	Demand	1	2.61%	\$ 22,664,169	\$ 22,664,169	\$ 22,664,169
State Local Agency Investment Fund (LAIF)	Demand	1	1.51%	8,162,627	8,269,088	8,269,088
First American Government 31846V567	Demand	1	2.73%	1,261,487	1,261,487	1,261,487

U.S. Treasury Notes/Bills

912796M89	U.S. Treasury Bills	Aaa	-	04/07/22	10/07/22	8	1.08%	1.08%	999,800	1,000,000	994,641
912796P94	U.S. Treasury Bills	Aaa	-	06/02/22	12/01/22	63	1.55%	1.56%	1,990,480	2,000,000	1,984,631
912828YW4	U.S. Treasury Notes	Aaa	-	02/09/22	12/15/22	77	1.63%	1.63%	996,990	1,000,000	1,007,330
912796X87	U.S. Treasury Bills	Aaa	-	09/23/22	12/22/22	84	3.20%	3.22%	1,985,780	2,000,000	1,984,335
912796XR5	U.S. Treasury Bills	Aaa	-	07/14/22	01/12/23	105	2.66%	2.69%	990,960	1,000,000	986,900
912796XZ7	U.S. Treasury Bills	Aaa	-	08/12/22	02/09/23	133	2.98%	3.02%	987,270	1,000,000	985,445
912796YA1	U.S. Treasury Bills	Aaa	-	08/18/22	02/16/23	140	3.05%	3.09%	986,690	1,000,000	985,036
912796YM5	U.S. Treasury Bills	Aaa	-	09/29/22	03/30/23	182	3.91%	3.98%	1,962,200	2,000,000	1,961,780
91282CBQ3	U.S. Treasury Notes	Aaa	-	03/09/21	09/30/24	732	0.50%	0.57%	882,380	1,000,000	984,478
912828YH7	U.S. Treasury Notes	Aaa	-	03/09/21	02/28/26	1,248	1.50%	1.58%	948,010	1,000,000	1,036,684
93							2.36%	2.41%	\$ 12,730,560	\$ 13,000,000	\$ 12,911,260

U.S. Agency Securities

3134GXKH6	FHLMC Callable	Aaa	AA+	01/27/21	01/27/23	10/27/22	120	28	0.13%	0.13%	988,170	1,000,000	999,820
3130AJZJ1	FHLB Callable	Aaa	AA+	09/02/20	08/25/23	Anytime	330	1	0.32%	0.33%	1,107,944	1,151,111	1,151,111
3130AS3J6	FHLB Callable	Aaa	AA+	05/24/22	11/24/23	05/24/23	421	237	2.50%	2.56%	537,053	550,000	550,000
3130ARYU9	FHLB Callable	Aaa	AA+	05/23/22	02/23/24	11/23/22	512	55	3.00%	3.06%	979,170	1,000,000	1,000,000
3136G4P56	FNMA Callable	Aaa	AA+	08/26/20	02/26/24	11/26/22	515	58	0.40%	0.42%	1,179,813	1,250,000	1,250,000
3130AL6Q2	FHLB Callable	Aaa	AA+	02/26/21	02/26/24	Anytime	515	1	0.22%	0.23%	943,340	1,000,000	1,000,000
3130AMMV1	FHLB Callable	Aaa	AA+	06/03/21	06/03/24	12/03/22	613	65	0.40%	0.43%	466,460	500,000	500,000
3130ALHM9	FHLB Callable	Aaa	AA+	03/10/21	06/10/24	12/10/22	620	72	0.30%	0.32%	930,570	1,000,000	999,000
3130ANTP5	FHLB Callable	Aaa	AA+	09/16/21	09/16/24	12/16/22	718	78	0.50%	0.54%	923,900	1,000,000	1,000,000
3130ANSP6	FHLB Callable	Aaa	AA+	09/17/21	10/17/24	03/17/23	749	169	0.50%	0.54%	920,790	1,000,000	1,000,000
3130AKEW2	FHLB Callable	Aaa	AA+	11/04/20	11/04/24	Anytime	767	1	0.43%	0.47%	1,835,180	2,000,000	2,000,000
3130ANGN4	FHLB Step-up Callable	Aaa	AA+	08/18/21	02/18/25	11/18/22	873	50	0.35%	0.38%	915,010	1,000,000	1,000,000
3130AMKE1	FHLB Callable	Aaa	AA+	05/27/21	02/27/25	11/27/22	882	59	0.66%	0.72%	911,160	1,000,000	1,000,000
3134GWAQ9	FHLMC Callable	Aaa	AA+	07/28/20	07/28/25	07/28/23	1,033	302	0.65%	0.72%	901,440	1,000,000	1,000,000
3130AKGX8	FHLB Step-up Callable	Aaa	AA+	12/15/20	12/15/25	12/15/22	1,173	77	0.35%	0.39%	1,792,760	2,000,000	2,000,000
3130AKMD5	FHLB Callable	Aaa	AA+	01/26/21	01/26/26	10/26/22	1,215	27	0.50%	0.57%	876,320	1,000,000	999,500
3130AKU53	FHLB Callable	Aaa	AA+	01/28/21	01/28/26	10/28/22	1,217	29	0.52%	0.59%	876,750	1,000,000	1,000,000
3130AKN69	FHLB Callable	Aaa	AA+	01/28/21	01/28/26	01/28/23	1,217	121	0.50%	0.57%	876,150	1,000,000	1,000,000
3130AKVN3	FHLB Callable	Aaa	AA+	01/29/21	01/29/26	10/29/22	1,218	30	0.52%	0.59%	876,660	1,000,000	1,000,000
3130AKWK8	FHLB Callable	Aaa	AA+	02/12/21	02/12/26	11/12/22	1,232	44	0.51%	0.58%	875,190	1,000,000	1,000,000
3130AKX43	FHLB Step-up Callable	Aaa	AA+	02/24/21	02/24/26	11/24/22	1,244	56	0.70%	0.80%	1,760,300	2,000,000	2,000,000
3130AL7M0	FHLB Callable	Aaa	AA+	02/24/21	02/24/26	11/24/22	1,244	56	0.63%	0.71%	877,700	1,000,000	1,000,000
3130AKYR1	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	02/25/23	1,245	149	0.55%	0.63%	875,300	1,000,000	1,000,000
3130AL6K5	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	02/25/23	1,245	149	0.58%	0.66%	876,230	1,000,000	1,000,000
3130ALD76	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	11/25/22	1,245	57	0.70%	0.80%	879,940	1,000,000	1,000,000
3130ALCW2	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	02/25/23	1,245	149	0.63%	0.71%	877,630	1,000,000	998,500
3130ALGJ7	FHLB Callable	Aaa	AA+	03/23/21	03/23/26	10/23/22	1,271	24	1.00%	1.12%	867,136	975,000	975,000
3130ALPQ1	FHLB Step-up Callable	Aaa	AA+	03/30/21	03/30/26	09/30/22	1,278	1	0.75%	0.84%	897,910	1,000,000	1,000,000
3130ALVC5	FHLB Step-up Callable	Aaa	AA+	04/14/21	04/14/26	10/14/22	1,293	15	0.75%	0.84%	895,310	1,000,000	1,000,000
3130APAY1	FHLB Callable	Aaa	AA+	10/21/21	10/21/26	10/21/22	1,483	22	1.10%	1.26%	875,660	1,000,000	1,000,000
3130APL78	FHLB Callable	Aaa	AA+	10/28/21	10/28/26	10/28/22	1,490	29	1.38%	1.55%	885,020	1,000,000	1,000,000
989							2,220		0.67%	0.74%	\$ 30,281,966	\$ 33,426,111	\$ 33,422,931

Medium Term Notes

740816AJ2	Pres & Fellows of Harvard	Aaa	AAA	05/06/22	10/01/23	10/01/22	367	2	2.30%	2.35%	489,490	500,000	497,940
367							1		2.30%	2.35%	\$ 489,490	\$ 500,000	\$ 497,940

Municipal Bonds

882724RA7	TEXAS ST PUB FIN AUTH	Aaa	AAA	10/30/20	10/01/25		1,098		5.00%	4.92%	1,016,400	1,000,000	1,216,760
1,098									5.00%	4.92%	\$ 1,016,400	\$ 1,000,000	\$ 1,216,760
470									1.68%	1.75%	\$ 76,606,698	\$ 80,120,855	\$ 80,243,634

Total Investments

TOTAL - ALL DEPOSITS AND INVESTMENTS

\$ 95,178,669

Olivenhain Municipal Water District
INVESTMENTS TRANSACTION
September 30, 2022

PURCHASED

DATE				Investment Description	<i>Stated</i>	<i>Current</i>	Face Value	Book Value
Purchase	Maturity	Call	Step-Up		Coupon	Yield		
09/23/22	12/22/22			U.S.Treasury Bills	3.200%	3.223%	2,000,000	1,984,335
09/29/22	03/30/23			U.S.Treasury Bills	3.907%	3.982%	2,000,000	1,961,780

MATURED / REDEEMED / CALLED

DATE				Investment Description	<i>Stated</i>	<i>Current</i>	Face Value	Book Value
Redemption	Maturity	Call	Step-Up		Coupon	Yield		
09/08/22	09/08/22			U.S.Treasury Bills	0.720%	0.720%	1,000,000	996,520
09/29/22	09/29/22			U.S.Treasury Bills	1.029%	1.031%	1,000,000	994,894
09/22/22	09/22/22			U.S.Treasury Bills	1.585%	1.587%	2,000,000	1,992,128

Olivenhain Municipal Water District
UNAUDITED CASH POSITION BY FUNDING SOURCES
As of September 30, 2022

<u>Water Funds (Potable & Recycled)</u>		<u>Balance</u>
10050-100	Cash - Petty Cash Fund	1,491
10030-100	Cash - Capital and Equipment Fund	39,019,982
10010-100	Cash - Operating Fund	16,270,632
10060-100	Cash - Deposit Work for Other	108,703
10040-100	Cash - Rate Stabilization	12,054,594
14000-500	Restricted Cash - Capacity Fee Fund	5,348,734
Total Water Funds (Potable & Recycled)		<u>72,804,136</u>
 <u>Wastewater Funds</u>		
10010-110	Wastewater - Operating Fund	2,934,175
10030-110	Wastewater - Capital Replacement Fund	9,410,356
10040-110	Wastewater - Rate Stabilization Fund	2,619,073
Total Wastewater Funds		<u>14,963,604</u>
 <u>Non Fiscal Agent Debt Service Cash</u>		
14020-570	Cash non-agent - RAD 96-1	142,183
10070-561	Cash non-agent - Bond 2015A	621
10070-581	Cash non-agent - Bond 2016A	10,580
14020-521	Cash non-agent - Bond 2021A	5,039,779
Total Non Fiscal Agent Debt Service Cash		<u>5,193,162</u>
 <u>Debt Service Funds</u>		
14030-510	SRF Loan - Fiscal Agent	856,562
14105-570	Redemption fund - RAD 96-1	218,612
14110-570	Reserve fund - RAD 96-1	48,867
14100-561	Redemption fund - Bond 2015A	607,829
14100-581	Redemption fund - Bond 2016A	248,172
14100-521	Redemption fund - CB&T 2021A	80,639
14100-522	Redemption fund - CB&T 2021B	157,086
Total Debt Service Funds		<u>2,217,767</u>
TOTAL FUND BALANCES		<u>95,178,669</u>

Memo

Date: December 14, 2022
To: Olivenhain Municipal Water District Board of Directors
From: Rainy K. Selamat, Finance Manager
Via: Kimberly Thorner, General Manager
Subject: **CONSIDER ADOPTION OF A MOTION APPROVING THE DISTRICT'S
CONSOLIDATED STATEMENT OF NET POSITION, CONSOLIDATED
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION,
CONSOLIDATED STATEMENT OF CASH FLOWS, CONSOLIDATED ACTUAL VS
BUDGET SUMMARY, AND CONSTRUCTION IN PROGRESS REPORT**

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

- July, August, and September 2022 Monthly Statement of Net Position Reports.
- July, August, and September 2022 Statement of Revenues, Expenses, and Changes in Net Position Reports.
- July, August, and September 2022 Consolidated Statement of Cash Flows.
- July, August, and September 2022 Monthly Consolidated Actual VS Budget Summary and explanation of significant variance reports.
- July, August, and September 2022 Construction In Progress Reports.

OLIVENHAIN MUNICIPAL WATER DISTRICT
Statement of Net Position (Unaudited)
All Funds
7/31/2022

Assets

Current assets:

Unrestricted assets:

Cash and cash equivalents	\$79,814,687
Accounts receivable - water and sewer, net	10,319,496
Interest Receivable	130,765
Taxes receivable	184,365
Other receivables	177,577
Lease receivable	394,170
Inventories	1,607,703
Prepaid expenses and deposits	2,099,612
Total unrestricted assets	<u>94,728,375</u>

Restricted assets:

Cash and cash equivalents	12,508,286
Assesments receivable	39,259
Grants receivable	342,520
Total restricted assets	<u>12,890,064</u>
Total current assets	<u>107,618,439</u>

Noncurrent assets:

Capital assets, nondepreciable	38,542,731
Capital assets, depreciable/amortizable, net	<u>335,678,952</u>
Capital assets, net	374,221,683
Prepaid bond insurance	20,429
Other long-term receivables	11,253
Lease receivable	9,955,712
Total noncurrent assets	<u>384,209,077</u>
Total assets	<u>491,827,517</u>

Deferred Outflows of Resources

Deferred amount on refunding	(1,003,033)
Deferred amount from pension	<u>(2,731,692)</u>
Total deferred outflows of resources	<u>(3,734,725)</u>

Liabilities

Current Liabilities

Liabilities payable from unrestricted assets:

Accounts payable	7,304,506
Accrued payroll	533,903
Customer deposits	356,657
Payable related to work in progress	102,718
Compensated absences, current portion	996,839
Current portion of long-term debt:	
Wastewater Revenue Bonds 2021A	207,240
Wastewater Refunding Revenue Bonds 2021B	569,840
Water Revenue Refunding Bonds 2016A	560,000
Water Revenue Refunding Bonds 2015A	1,845,000
Special Assessment Debt with Government Commi...	863,064
Notes Payable	817,585
Total liabilities payable from unrestricted assets	<u>14,157,352</u>

Liabilities payable from restricted assets:

Accounts payable	10,299
Interest payable	257,329
Total liabilities payable from restricted assets	<u>267,628</u>
Total current liabilities	<u>14,424,980</u>

Noncurrent liabilities

Compensated absences	888,387
Net pension liability	7,819,768
Long-term debt, excluding current portion:	
Wastewater Revenue Bonds 2021A	4,589,160
Wastewater Refunding Revenue Bonds 2021B	2,944,060
Water Revenue Refunding Bonds 2016A	13,121,729
Water Revenue Refunding Bonds 2015A	11,735,514
Special Assessment Debt with Government Commi...	4,594,691
Notes Payable	10,345,341
Total noncurrent liabilities	<u>56,038,650</u>

OLIVENHAIN MUNICIPAL WATER DISTRICT
Statement of Net Position (Unaudited)

All Funds

7/31/2022

Total liabilities	<u>70,463,629</u>
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Deferred Inflows of Resources

Deferred amounts on pension	6,995,887
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Deferred amounts on leases	9,796,852
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Total deferred inflows of resources	<u>16,792,739</u>
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Net Position

Investment in Capital Assets, net of related debt	328,050,675
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Restricted Net Position	7,603,253
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Unrestricted Net Position	<u>72,651,945</u>
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Total Net Position	<u><u>408,305,873</u></u>
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OLIVENHAIN MUNICIPAL WATER DISTRICT
Statement of Revenues, Expenses and Changes in Net Position (Unaudited)
All Funds
For the One Month Ending 7/31/2022

	<u>2023</u>
Operating Revenues:	
Water Sales	\$6,444,855
Sewer Charges	14,966
Other Water Operating revenues	<u>25,128</u>
Total Operating Revenues	6,484,949
Operating Expenses	
Cost of Purchased Water Sold	3,347,340
Pumping and Water Treatment	188,070
Transmission and Distribution	335,949
Sewer Collection and Treatment	43,734
Elfin Forest Recreation Operations	39,557
Facilities Maintenance	53,757
Customer Service	147,472
General and Administrative	461,385
Depreciation and Amortization	<u>918,450</u>
Total Operating Expenses	5,535,713
Operating Income (Loss)	949,236
Nonoperating Revenues (Expenses)	
Investment income	85,308
Property taxes	35,698
Capacity charges	
Benefit assessments	6,078
Other nonoperating revenues	55,852
Interest expense, net	(103,864)
Other nonoperating expenses	<u>(70,168)</u>
Total nonoperating revenues (expenses)	8,904
Income before capital contributions	<u>958,139</u>
Capital contributions	<u>22,349</u>
Change in net position	980,488
Net Position, Beginning of year	<u>407,325,385</u>
Net Position, End of year	<u><u>408,305,873</u></u>

OLIVENHAIN MUNICIPAL WATER DISTRICT
CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
AS OF JULY 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES:

Receipts from water and sewer customers	\$ 5,692,219
Payments for water	(3,092,387)
Payments for services and supplies	(1,734,030)
Payments for employee wages, benefits and related costs	(1,275,416)
Net cash provided by operating activities	<u>(409,614)</u>

CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:

Property taxes and benefit assessments received	41,809
Net cash provided by noncapital and related financing activities	<u>41,809</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Acquisition and construction of capital assets	(94,342)
Principal paid on long-term debt	(34,452)
Interest paid on long-term debt	21,256
Other capital financing receipts (expenses)	(835)
Net cash used by capital and related financing activities	<u>(108,373)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Investment income received	98,670
Net cash provided (used) by investing activities	<u>98,670</u>

Net increase (decrease) in cash and cash equivalents (377,508)

Cash and cash equivalents, beginning of year 55,947,025

Cash and cash equivalents, end of period \$ 55,569,517

FINANCIAL STATEMENT PRESENTATION:

Cash and cash equivalents - current assets	45,392,950
Cash and cash equivalents - restricted assets	10,176,567
Total cash and cash equivalents	<u><u>\$ 55,569,517</u></u>

CASH AND CASH EQUIVALENTS RECONCILIATION

		Balance Includes Mkt Securities	Without Mkt Securities
Unrestricted cash	7/31/2022	79,814,687	45,392,950
Restricted cash	7/31/2022	12,508,286	10,176,567
Total cash and cash equivalents			<u><u>55,569,517</u></u>

OLIVENHAIN MUNICIPAL WATER DISTRICT
Consolidated Actual vs Budget Summary
For the One Month Ending 7/31/2022

	Approved Budget	Actual YTD	Budget YTD	Variance Amt	Variance %	Notes
Operating Revenues						
Commodity Water Sales	\$43,373,000.00	\$5,134,927.04	\$4,303,900.00	\$831,027.04	19.3%	1
Water Fees and Services	17,376,000.00	1,335,055.54	1,393,950.00	(58,894.46)	(4.2%)	
Sewer Revenue	5,598,000.00	14,966.28	25,000.00	(10,033.72)	(40.1%)	
Total Operating Revenues	66,347,000.00	6,484,948.86	5,722,850.00	762,098.86	13.3%	
Operating Expenses						
Purchased Water - Variable	23,798,000.00	2,643,260.74	2,524,580.00	(118,680.74)	(4.7%)	1
Purchased Water - Fixed	8,443,000.00	704,078.99	704,100.00	21.01	0.0%	
General Manager Dept	2,044,000.00	133,717.71	170,250.00	36,532.29	21.5%	2
Engineering Dept	2,428,000.00	145,772.72	205,200.00	59,427.28	29.0%	2
Finance Dept	1,633,000.00	114,851.61	136,110.00	21,258.39	15.6%	2
Customer Service Dept	3,003,000.00	197,733.34	250,386.00	52,652.66	21.0%	2
Human Resources Dept	783,000.00	68,211.60	65,288.00	(2,923.60)	(4.5%)	2
Water Operations and Maintenance Dept	11,774,500.00	590,567.14	981,069.00	390,501.86	39.8%	2
Parks Dept	478,000.00	42,970.16	39,966.00	(3,004.16)	(7.5%)	2
Other Operating Expenses	50,000.00		4,200.00	4,200.00	100.0%	
Sewer Operations and Maintenance Dept	2,974,000.00	107,487.15	247,922.00	140,434.85	56.6%	2
Recycled Water Operations Dept	1,287,000.00	46,147.74	107,470.00	61,322.26	57.1%	2
Paygo Transfers						
Water Operations	6,400,000.00	533,000.00	533,000.00		0.0%	
Sanitation Operations	1,590,000.00	133,000.00	133,000.00		0.0%	
Recycled Operations	2,200,000.00	183,000.00	183,000.00		0.0%	
Capitalized Operations Expenditures	(1,843,000.00)	(108,084.93)	(154,070.00)	(45,985.07)	29.8%	3
Total Operating Expenses	67,042,500.00	5,535,713.97	6,131,471.00	595,757.03	9.7%	
Net Operating Income (Loss)	(695,500.00)	949,234.89	(408,621.00)	1,357,855.89		
Nonoperating Revenues						
Water Funds	6,033,000.00	140,156.38	107,570.00	32,586.38	30.3%	4
Debt Service Funds	1,044,000.00	13,117.81	13,680.00	(562.19)	(4.1%)	
Sewer Funds	32,000.00	5,315.02	2,700.00	2,615.02	96.9%	
Recycled Water Funds	52,000.00	6,588.24	4,380.00	2,208.24	50.4%	
Total Nonoperating Revenue	7,161,000.00	165,177.45	128,330.00	36,847.45	28.7%	
Nonoperating Expense						
Capacity Fee Funds	30,000.00	4,916.55	2,480.00	(2,436.55)	(98.2%)	
Debt Service Funds	1,569,000.00	114,502.25	130,750.00	16,247.75	12.4%	
Potable Water Funds	610,000.00	54,611.86	50,800.00	(3,811.86)	(7.5%)	
Total Nonoperating Expense	2,209,000.00	174,030.66	184,030.00	9,999.34	5.4%	
Inc before Cap Fees and Capital Contributions	4,256,500.00	940,381.68	(464,321.00)	1,404,702.68		
Capacity Fee Funds	356,000.00	17,757.68				
Capital contributions	1,897,000.00	22,348.50				
Change in Net Position		980,487.86				

OLIVENHAIN MUNICIPAL WATER DISTRICT
Actual vs Budget Variance
For the One Month Ending 7/31/2022

1. Water Sales revenue was higher than Budget YTD by approximately \$831 thousand resulting in a favorable variance of 19.3% due to the increased actual water sales over budgeted for July and timing of unbilled water estimates. Consequently, purchased water variable expenses was also greater than Budget YTD for an unfavorable variance of approximately \$119 thousand or 4.7%.
2. Actual departmental expenses varied from the Budget YTD amounts due to the timing of actual operating expenses. The Budget YTD amounts assume expenditures are incurred evenly throughout the year.
3. Actual Capitalized Operating Expenses were lower than the Budget YTD amount due to the timing of capitalized labor spent on District projects. The Budget YTD amount assumes expenditures are incurred evenly throughout the year.
4. Actual Non-operating Revenues – Water Funds were greater than Budget YTD for a positive variance due to higher interest income earned on investments from increased yields on short-term investments.

Construction Work In Progress Report as of 7/31/2022

Project Name	Budget	Appropriation to Date	Expenditures & Encumbrance	(Over) / Under
Replace Neighborhood 1 SPS	\$7,732,000	\$7,732,000	\$7,084,311	\$647,689
Manchester Recyc PL Exten.	\$5,225,000	\$5,225,000	\$4,474,979	\$750,021
San Dieguito Desalination	\$42,837,000	\$4,562,000	\$4,134,225	\$427,775
HOA Pipeline Ext - CB, VP, SH	\$2,645,000	\$2,145,000	\$204,519	\$1,940,481
RSFe Rd Unit A North PL	\$2,294,000	\$1,450,000	\$334,587	\$1,115,413
Replace Pipelines	\$8,983,000	\$1,305,000	-	\$1,305,000
Replace Valves	\$8,856,000	\$1,085,000	\$33,927	\$1,051,073
DCMWTP 4th Stage Centrifuge	\$1,040,000	\$1,040,000	\$253,176	\$786,824
Fixed Base AMI	\$2,416,000	\$853,000	\$33,824	\$819,176
Replace DCMWTP Membranes	\$8,970,000	\$800,000	\$1,170	\$798,830
Hydropower Turbine Refurb	\$800,000	\$800,000	\$446,396	\$353,604
DCMWTP PH Control System	\$737,000	\$737,000	\$618,069	\$118,931
Replace Headworks Manual Sys	\$3,160,000	\$619,000	\$358,726	\$260,274
DCMWTP Condition Assessment	\$585,000	\$585,000	\$3,422	\$581,578
Residuals Handling Bldg Canopy	\$448,000	\$448,000	\$71,887	\$376,113
Lone Jack PRS	\$385,000	\$385,000	\$341,423	\$43,577
Pot & Recycled Master Plan	\$583,000	\$363,000	\$22,413	\$340,587
Parking & Access Improvements	\$575,000	\$332,000	\$48,065	\$283,935
Replace Potable Meters	\$4,921,000	\$315,000	\$31,514	\$283,486
DCMWTP Analyzer Replace.	\$727,000	\$305,000	\$284,368	\$20,632
Steel Mains Protection	\$3,375,000	\$281,000	\$4,293	\$276,707
DCMWTP 2nd Stage Memb. Train	\$845,000	\$270,000	-	\$270,000
District-Wide Scada Upgrades	\$256,000	\$256,000	-	\$256,000
Backup Generator SFV RW Pump	\$250,000	\$250,000	-	\$250,000
Ext. 153 Flow Meter	\$385,000	\$230,000	\$1,126	\$228,874
Network User Enhancements	\$200,000	\$200,000	\$191,524	\$8,476
Village Park PRS	\$960,000	\$200,000	\$3,413	\$196,587
Gardendale PRS	\$960,000	\$200,000	\$787	\$199,213
Cielo SPS Flow Meters	\$443,000	\$193,000	-	\$193,000
District-Wide PLC replacements	\$1,066,000	\$180,000	\$16,119	\$163,881
District-Wide PLC Repl (WW)	\$901,000	\$180,000	-	\$180,000
Rancho Cielo Pipeline Replmnt	\$831,000	\$173,000	-	\$173,000
Collection System SPS Rehab	\$912,000	\$169,000	-	\$169,000
Replace WW Pumps/ Motors/Equip	\$2,024,000	\$169,000	\$13,721	\$155,279
Network Security	\$1,175,000	\$165,000	\$25,335	\$139,665
Rancho La Cima/Aliso Canyon PL	\$300,000	\$165,000	\$63,152	\$101,848
Golem 14" Pipeln Cond. Assess.	\$150,000	\$150,000	-	\$150,000
Replace Meter Anodes	\$1,754,000	\$146,000	-	\$146,000
Encinitas Blvd Insp. & Repair	\$682,000	\$145,000	-	\$145,000
4S Ranch Pipe Replacement	\$660,000	\$136,000	-	\$136,000
Chlorine Gen Rm Lining Rehab	\$125,000	\$125,000	-	\$125,000
District-Wide Facility Securit	\$240,000	\$120,000	\$26,960	\$93,040
SWPPP Facility Improvements	\$100,000	\$100,000	-	\$100,000
Replace Pot. Pumps and Motors	\$1,012,000	\$84,000	\$12,967	\$71,033
Wanket RW Reservoir Rehab	\$150,000	\$75,000	-	\$75,000
Palms I and II Reservoirs	\$1,307,000	\$73,000	\$72,785	\$215
Gaty II Safety Improvements	\$590,000	\$67,000	-	\$67,000
4S WRF Scada Upgrades	\$64,000	\$64,000	-	\$64,000
Recycled Conversions	\$719,000	\$60,000	\$40,889	\$19,111
EFRR Parking Lot Repair	\$55,250	\$55,250	\$28,608	\$26,642
Landscape HQ Courtyards	\$54,000	\$54,000	\$6,843	\$47,158
Replace PRS Valves	\$596,000	\$50,000	-	\$50,000
Rancho Cielo Manhole Lining	\$586,000	\$48,000	-	\$48,000
Pot. Office Furniture/Equip.	\$47,000	\$47,000	-	\$47,000
Rehab Concrete Tanks	\$904,000	\$45,000	\$64,318	(\$19,318) #
4S Physical Security Upgrades	\$210,000	\$40,000	-	\$40,000
DCMWTP Backpulse Pipeln Repair	\$34,000	\$34,000	-	\$34,000
Vault Upgrades	\$105,000	\$27,000	-	\$27,000
Physical Security Upgrades	\$250,000	\$25,000	-	\$25,000
Replace Overflow Pond Strainer	\$231,000	\$25,000	-	\$25,000
Meter Replacement, Recycled	\$241,000	\$21,000	\$1,482	\$19,518
4S System Manhole Lining	\$206,000	\$17,000	-	\$17,000
WW Master Plan	\$110,000	\$10,000	-	\$10,000
Total:	\$129,984,250	\$36,210,250	\$19,355,324	\$16,854,926

Project overage due to encumbrance from prior fiscal year. This is a recurring replacement project. More work carried over from the prior fiscal year than Staff anticipated. Overage within Manager approval limit.

OLIVENHAIN MUNICIPAL WATER DISTRICT
Statement of Net Position (Unaudited)
All Funds
8/31/2022

Assets

Current assets:

Unrestricted assets:

Cash and cash equivalents	\$79,706,078
Accounts receivable - water and sewer, net	10,079,305
Interest Receivable	135,814
Taxes receivable	184,365
Other receivables	168,632
Lease receivable	394,170
Inventories	1,770,413
Prepaid expenses and deposits	2,169,483
Total unrestricted assets	<u>94,608,259</u>

Restricted assets:

Cash and cash equivalents	13,125,473
Assessments receivable	39,084
Grants receivable	342,520
Total restricted assets	<u>13,507,077</u>
Total current assets	<u>108,115,336</u>

Noncurrent assets:

Capital assets, nondepreciable	39,618,802
Capital assets, depreciable/amortizable, net	<u>334,782,743</u>
Capital assets, net	374,401,545
Prepaid bond insurance	20,138
Other long-term receivables	5,124
Lease receivable	9,955,712
Total noncurrent assets	<u>384,382,518</u>
Total assets	<u>492,497,855</u>

Deferred Outflows of Resources

Deferred amount on refunding	(989,838)
Deferred amount from pension	<u>(2,731,692)</u>
Total deferred outflows of resources	<u>(3,721,530)</u>

Liabilities

Current Liabilities

Liabilities payable from unrestricted assets:

Accounts payable	7,241,206
Accrued payroll	628,531
Customer deposits	347,157
Payable related to work in progress	92,603
Compensated absences, current portion	996,839
Current portion of long-term debt:	
Wastewater Revenue Bonds 2021A	207,240
Wastewater Refunding Revenue Bonds 2021B	569,840
Water Revenue Refunding Bonds 2016A	560,000
Water Revenue Refunding Bonds 2015A	1,845,000
Special Assessment Debt with Government Commi...	863,064
Notes Payable	817,585
Total liabilities payable from unrestricted assets	<u>14,169,065</u>

Liabilities payable from restricted assets:

Interest payable	382,450
Total liabilities payable from restricted assets	<u>382,450</u>
Total current liabilities	<u>14,551,514</u>

Noncurrent liabilities

Compensated absences	924,778
Net pension liability	7,819,768
Long-term debt, excluding current portion:	
Wastewater Revenue Bonds 2021A	4,589,160
Wastewater Refunding Revenue Bonds 2021B	2,944,060
Water Revenue Refunding Bonds 2016A	13,114,139
Water Revenue Refunding Bonds 2015A	11,708,653
Special Assessment Debt with Government Commi...	4,594,691
Notes Payable	10,345,341
Total noncurrent liabilities	<u>56,040,589</u>
Total liabilities	<u>70,592,103</u>

OLIVENHAIN MUNICIPAL WATER DISTRICT
Statement of Net Position (Unaudited)
All Funds
8/31/2022

Deferred Inflows of Resources	
Deferred amounts on pension	6,995,887
Deferred amounts on leases	9,796,852
Total deferred inflows of resources	<u>16,792,739</u>
Net Position	
Investment in Capital Assets, net of related debt	328,261,586
Restricted Net Position	8,095,652
Unrestricted Net Position	<u>72,477,304</u>
Total Net Position	<u><u>408,834,542</u></u>

OLIVENHAIN MUNICIPAL WATER DISTRICT
Statement of Revenues, Expenses and Changes in Net Position (Unaudited)
All Funds
For the Two Months Ending 8/31/2022

	<u>2023</u>
Operating Revenues:	
Water Sales	\$12,968,996
Sewer Charges	20,924
Other Water Operating revenues	78,885
Total Operating Revenues	<u>13,068,805</u>
Operating Expenses	
Cost of Purchased Water Sold	6,505,969
Pumping and Water Treatment	644,235
Transmission and Distribution	767,090
Sewer Collection and Treatment	227,208
Elfin Forest Recreation Operations	72,320
Facilities Maintenance	208,118
Customer Service	316,582
General and Administrative	1,108,189
Depreciation and Amortization	1,836,900
Total Operating Expenses	<u>11,686,611</u>
Operating Income (Loss)	1,382,194
Nonoperating Revenues (Expenses)	
Investment income	195,214
Property taxes	101,719
Capacity charges	
Benefit assessments	6,078
Other nonoperating revenues	135,827
Interest expense, net	(207,727)
Other nonoperating expenses	(130,641)
Total nonoperating revenues (expenses)	<u>100,469</u>
Income before capital contributions	1,482,663
Capital contributions	26,494
Change in net position	1,509,157
Net Position, Beginning of year	<u>407,325,385</u>
Net Position, End of year	<u><u>408,834,542</u></u>

OLIVENHAIN MUNICIPAL WATER DISTRICT
CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
AS OF AUGUST 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES:

Receipts from water and sewer customers	\$ 12,521,840
Payments for water	(6,097,523)
Payments for services and supplies	(3,001,110)
Payments for employee wages, benefits and related costs	(2,420,924)
Net cash provided by operating activities	<u>1,002,283</u>

CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:

Property taxes and benefit assessments received	<u>108,005</u>
Net cash provided by noncapital and related financing activities	<u>108,005</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Acquisition and construction of capital assets	(1,188,509)
Principal paid on long-term debt	(68,903)
Interest paid on long-term debt	42,514
Other capital financing receipts (expenses)	32,153
Net cash used by capital and related financing activities	<u>(1,182,745)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Investment income received	<u>203,527</u>
Net cash provided (used) by investing activities	<u>203,527</u>

Net increase (decrease) in cash and cash equivalents 131,070

Cash and cash equivalents, beginning of year 55,947,025

Cash and cash equivalents, end of period \$ 56,078,095

FINANCIAL STATEMENT PRESENTATION:

Cash and cash equivalents - current assets	45,284,341
Cash and cash equivalents - restricted assets	10,793,754
Total cash and cash equivalents	<u>\$ 56,078,095</u>

CASH AND CASH EQUIVALENTS RECONCILIATION

		Balance Includes Mkt Securities	Without Mkt Securities
Unrestricted cash	8/31/2022	79,706,078	45,284,341
Restricted cash	8/31/2022	13,125,473	10,793,754
Total cash and cash equivalents			<u>56,078,095</u>

OLIVENHAIN MUNICIPAL WATER DISTRICT
Consolidated Actual vs Budget Summary
For the Two Months Ending 8/31/2022

	Approved Budget	Actual YTD	Budget YTD	Variance Amt	Variance %	Notes
Operating Revenues						
Commodity Water Sales	\$43,373,000.00	\$10,272,081.38	\$9,534,100.00	\$737,981.38	7.7%	1
Water Fees and Services	17,376,000.00	2,775,799.23	2,787,900.00	(12,100.77)	(0.4%)	
Sewer Revenue	5,598,000.00	20,924.41	28,000.00	(7,075.59)	(25.3%)	
Total Operating Revenues	66,347,000.00	13,068,805.02	12,350,000.00	718,805.02	5.8%	
Operating Expenses						
Purchased Water - Variable	23,798,000.00	5,097,811.11	5,146,160.00	48,348.89	0.9%	
Purchased Water - Fixed	8,443,000.00	1,408,157.98	1,408,200.00	42.02	0.0%	
General Manager Dept	2,044,000.00	259,001.57	340,500.00	81,498.43	23.9%	2
Engineering Dept	2,428,000.00	302,066.50	407,400.00	105,333.50	25.9%	2
Finance Dept	1,633,000.00	259,838.95	272,220.00	12,381.05	4.5%	2
Customer Service Dept	3,003,000.00	448,797.63	500,772.00	51,974.37	10.4%	2
Human Resources Dept	783,000.00	135,471.97	130,576.00	(4,895.97)	(3.7%)	2
Water Operations and Maintenance Dept	11,774,500.00	1,644,153.95	1,962,138.00	317,984.05	16.2%	2
Parks Dept	478,000.00	79,074.02	79,932.00	857.98	1.1%	2
Other Operating Expenses	50,000.00		8,400.00	8,400.00	100.0%	
Sewer Operations and Maintenance Dept	2,974,000.00	365,500.59	495,844.00	130,343.41	26.3%	2
Recycled Water Operations Dept	1,287,000.00	168,695.99	214,940.00	46,244.01	21.5%	2
Paygo Transfers						
Water Operations	6,400,000.00	1,066,000.00	1,066,000.00		0.0%	
Sanitation Operations	1,590,000.00	266,000.00	266,000.00		0.0%	
Recycled Operations	2,200,000.00	366,000.00	366,000.00		0.0%	
Capitalized Operations Expenditures	(1,843,000.00)	(179,957.53)	(308,140.00)	(128,182.47)	41.6%	3
Total Operating Expenses	67,042,500.00	11,686,612.73	12,356,942.00	670,329.27	5.4%	
Net Operating Income (Loss)	(695,500.00)	1,382,192.29	(6,942.00)	1,389,134.29		
Nonoperating Revenues						
Water Funds	6,033,000.00	348,899.79	235,140.00	113,759.79	48.4%	4
Debt Service Funds	1,044,000.00	23,039.91	20,360.00	2,679.91	13.2%	
Sewer Funds	32,000.00	12,446.14	5,400.00	7,046.14	130.5%	
Recycled Water Funds	52,000.00	14,885.73	8,760.00	6,125.73	69.9%	
Total Nonoperating Revenue	7,161,000.00	399,271.57	269,660.00	129,611.57	48.1%	
Nonoperating Expense						
Capacity Fee Funds	30,000.00	8,522.83	4,960.00	(3,562.83)	(71.8%)	
Debt Service Funds	1,569,000.00	219,078.85	261,500.00	42,421.15	16.2%	5
Potable Water Funds	610,000.00	110,764.38	101,600.00	(9,164.38)	(9.0%)	
Total Nonoperating Expense	2,209,000.00	338,366.06	368,060.00	29,693.94	8.1%	
Inc before Cap Fees and Capital Contributions	4,256,500.00	1,443,097.80	(105,342.00)	1,548,439.80		
Capacity Fee Funds	356,000.00	39,565.26				
Capital contributions	1,897,000.00	26,493.83				
Change in Net Position		1,509,156.89				

OLIVENHAIN MUNICIPAL WATER DISTRICT
Actual vs Budget Variance
For the Two Months Ending 8/31/2022

1. Water Sales revenue was higher than Budget YTD by approximately \$738 thousand resulting in a favorable variance of 7.7% due to the increased actual water sales over budgeted through August and timing of unbilled water estimates.
2. Actual departmental expenses varied from the Budget YTD amounts due to the timing of actual operating expenses. The Budget YTD amounts assume expenditures are incurred evenly throughout the year.
3. Actual Capitalized Operating Expenses were lower than the Budget YTD amount due to the timing of capitalized labor spent on District projects. The Budget YTD amount assumes expenditures are incurred evenly throughout the year.
4. Actual Non-operating Revenues – Water Funds were greater than Budget YTD for a positive variance due to a higher amount of interest income earned on investments from increased yields on short-term investments, and from the fourth rebate payment received from San Diego County Water Authority for the District's share of attorney fees in the lawsuit against Metropolitan Water District.
5. Actual Non-operating Expenses - Debt Service Funds were lower than Budget YTD for a positive variance because amortization of the issuance premium is not included in the 2015A Bonds interest expense.

Construction Work In Progress Report as of 8/31/2022

Project Name	Budget	Appropriation to Date	Expenditures & Encumbrance	(Over) / Under
Replace Neighborhood 1 SPS	\$7,732,000	\$7,732,000	\$7,086,872	\$645,128
Manchester Recyc PL Exten.	\$5,225,000	\$5,225,000	\$4,512,670	\$712,330
San Dieguito Desalination	\$42,837,000	\$4,562,000	\$4,136,157	\$425,843
HOA Pipeline Ext - CB, VP, SH	\$2,645,000	\$2,145,000	\$207,305	\$1,937,695
RSFe Rd Unit A North PL	\$2,294,000	\$1,450,000	\$335,683	\$1,114,317
Replace Pipelines	\$8,983,000	\$1,305,000	\$1,997	\$1,303,003
Replace Valves	\$8,856,000	\$1,085,000	\$38,238	\$1,046,762
DCMWTP 4th Stage Centrifuge	\$1,040,000	\$1,040,000	\$255,973	\$784,027
Fixed Base AMI	\$2,416,000	\$853,000	\$103,895	\$749,105
Replace DCMWTP Membranes	\$8,970,000	\$800,000	\$712,241	\$87,759
Hydropower Turbine Refurb	\$800,000	\$800,000	\$690,889	\$109,111
DCMWTP PH Control System	\$737,000	\$737,000	\$625,218	\$111,782
Replace Headworks Manual Sys	\$3,160,000	\$619,000	\$358,726	\$260,274
DCMWTP Condition Assessment	\$585,000	\$585,000	\$6,185	\$578,815
Residuals Handling Bldg Canopy	\$448,000	\$448,000	\$71,987	\$376,013
Lone Jack PRS	\$385,000	\$385,000	\$356,345	\$28,655
Pot & Recycled Master Plan	\$583,000	\$363,000	\$23,509	\$339,491
Parking & Access Improvements	\$575,000	\$332,000	\$48,613	\$283,387
Replace Potable Meters	\$4,921,000	\$315,000	\$65,646	\$249,354
DCMWTP Analyzer Replace.	\$727,000	\$305,000	\$290,551	\$14,449
Steel Mains Protection	\$3,375,000	\$281,000	\$10,928	\$270,072
DCMWTP 2nd Stage Memb. Train	\$845,000	\$270,000	-	\$270,000
District-Wide Scada Upgrades	\$256,000	\$256,000	-	\$256,000
Backup Generator SFV RW Pump	\$250,000	\$250,000	-	\$250,000
Ext. 153 Flow Meter	\$385,000	\$230,000	\$1,279	\$228,721
Network User Enhancements	\$200,000	\$200,000	\$193,251	\$6,749
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Gardendale PRS	\$960,000	\$200,000	\$787	\$199,213
Cielo SPS Flow Meters	\$443,000	\$193,000	-	\$193,000
District-Wide PLC replacements	\$1,066,000	\$180,000	\$16,520	\$163,480
District-Wide PLC Repl (WW)	\$901,000	\$180,000	-	\$180,000
Rancho Cielo Pipeline Replmnt	\$831,000	\$173,000	-	\$173,000
Collection System SPS Rehab	\$912,000	\$169,000	-	\$169,000
Replace WW Pumps/ Motors/Equip	\$2,024,000	\$169,000	\$13,721	\$155,279
Network Security	\$1,175,000	\$165,000	\$25,335	\$139,665
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Replace Meter Anodes	\$1,754,000	\$146,000	\$1,484	\$144,516
Encinitas Blvd Insp. & Repair	\$682,000	\$145,000	-	\$145,000
4S Ranch Pipe Replacement	\$660,000	\$136,000	-	\$136,000
Chlorine Gen Rm Lining Rehab	\$125,000	\$125,000	-	\$125,000
District-Wide Facility Securit	\$240,000	\$120,000	\$27,438	\$92,562
SWPPP Facility Improvements	\$100,000	\$100,000	-	\$100,000
Replace Pot. Pumps and Motors	\$1,012,000	\$84,000	\$12,967	\$71,033
Wanket RW Reservoir Rehab	\$150,000	\$75,000	-	\$75,000
Palms I and II Reservoirs	\$1,307,000	\$73,000	\$72,785	\$215
Gaty II Safety Improvements	\$590,000	\$67,000	-	\$67,000
4S WRF Scada Upgrades	\$64,000	\$64,000	-	\$64,000
Recycled Conversions	\$719,000	\$60,000	\$46,350	\$13,650
EFRR Parking Lot Repair	\$55,250	\$55,250	\$28,881	\$26,369
Landscape HQ Courtyards	\$54,000	\$54,000	\$8,174	\$45,826
Replace PRS Valves	\$596,000	\$50,000	-	\$50,000
Rancho Cielo Manhole Lining	\$586,000	\$48,000	-	\$48,000
Pot. Office Furniture/Equip.	\$47,000	\$47,000	\$12,357	\$34,643
Rehab Concrete Tanks	\$904,000	\$45,000	\$64,318	(\$19,318) #
4S Physical Security Upgrades	\$210,000	\$40,000	-	\$40,000
DCMWTP Backpulse Pipeln Repair	\$34,000	\$34,000	\$702	\$33,298
Vault Upgrades	\$105,000	\$27,000	-	\$27,000
Physical Security Upgrades	\$250,000	\$25,000	-	\$25,000
Replace Overflow Pond Strainer	\$231,000	\$25,000	\$548	\$24,452
Meter Replacement, Recycled	\$241,000	\$21,000	\$1,606	\$19,394
4S System Manhole Lining	\$206,000	\$17,000	-	\$17,000
WW Master Plan	\$110,000	\$10,000	-	\$10,000
Total:	\$129,984,250	\$36,210,250	\$20,534,696	\$15,675,554

Project overage due to encumbrance from prior fiscal year. This is a recurring replacement project. More work carried over from the prior fiscal year than Staff anticipated. Overage within Manager approval limit.

OLIVENHAIN MUNICIPAL WATER DISTRICT
Statement of Net Position (Unaudited)
All Funds
9/30/2022

Assets

Current assets:

Unrestricted assets:

Cash and cash equivalents	\$79,780,865
Accounts receivable - water and sewer, net	9,617,828
Interest Receivable	148,624
Taxes receivable	184,365
Other receivables	176,292
Lease receivable	394,170
Inventories	1,759,893
Prepaid expenses and deposits	1,898,621
Total unrestricted assets	<u>93,960,657</u>

Restricted assets:

Cash and cash equivalents	12,676,111
Assesments receivable	38,786
Grants receivable	342,520
Total restricted assets	<u>13,057,417</u>
Total current assets	<u>107,018,075</u>

Noncurrent assets:

Capital assets, nondepreciable	40,153,387
Capital assets, depreciable/amortizable, net	<u>333,925,186</u>
Capital assets, net	374,078,574
Prepaid bond insurance	19,846
Other long-term receivables	1,532
Lease receivable	9,955,712
Total noncurrent assets	<u>384,055,664</u>
Total assets	<u>491,073,738</u>

Deferred Outflows of Resources

Deferred amount on refunding	(976,643)
Deferred amount from pension	<u>(2,731,692)</u>
Total deferred outflows of resources	<u>(3,708,335)</u>

Liabilities

Current Liabilities

Liabilities payable from unrestricted assets:

Accounts payable	6,840,922
Accrued payroll	349,528
Customer deposits	351,723
Payable related to work in progress	102,058
Compensated absences, current portion	996,839
Current portion of long-term debt:	
Wastewater Revenue Bonds 2021A	207,240
Wastewater Refunding Revenue Bonds 2021B	569,840
Water Revenue Refunding Bonds 2016A	560,000
Water Revenue Refunding Bonds 2015A	1,845,000
Special Assessment Debt with Government Commi...	883,019
Notes Payable	817,585
Total liabilities payable from unrestricted assets	<u>13,523,753</u>

Liabilities payable from restricted assets:

Accounts payable	882
Interest payable	449,033
Total liabilities payable from restricted assets	<u>449,915</u>
Total current liabilities	<u>13,973,668</u>

Noncurrent liabilities

Compensated absences	950,253
Net pension liability	7,819,768
Long-term debt, excluding current portion:	
Wastewater Revenue Bonds 2021A	4,589,160
Wastewater Refunding Revenue Bonds 2021B	2,944,060
Water Revenue Refunding Bonds 2016A	13,106,549
Water Revenue Refunding Bonds 2015A	11,681,791
Special Assessment Debt with Government Commi...	3,711,672
Notes Payable	10,345,341
Total noncurrent liabilities	<u>55,148,593</u>

OLIVENHAIN MUNICIPAL WATER DISTRICT
Statement of Net Position (Unaudited)

All Funds

9/30/2022

Total liabilities	<u>69,122,261</u>
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Deferred Inflows of Resources

Deferred amounts on pension	6,995,887
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Deferred amounts on leases	9,796,852
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Total deferred inflows of resources	<u>16,792,739</u>
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Net Position

Investment in Capital Assets, net of related debt	328,833,739
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Restricted Net Position	7,567,723
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Unrestricted Net Position	<u>72,465,610</u>
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Total Net Position	<u><u>408,867,073</u></u>
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OLIVENHAIN MUNICIPAL WATER DISTRICT
Statement of Revenues, Expenses and Changes in Net Position (Unaudited)
All Funds
For the Three Months Ending 9/30/2022

	<u>2023</u>
Operating Revenues:	
Water Sales	\$18,726,802
Sewer Charges	24,190
Other Water Operating revenues	167,630
Total Operating Revenues	<u>18,918,622</u>
Operating Expenses	
Cost of Purchased Water Sold	9,584,830
Pumping and Water Treatment	1,025,675
Transmission and Distribution	1,156,068
Sewer Collection and Treatment	383,725
Elfin Forest Recreation Operations	98,359
Facilities Maintenance	308,109
Customer Service	487,729
General and Administrative	1,779,514
Depreciation and Amortization	2,755,350
Total Operating Expenses	<u>17,579,359</u>
Operating Income (Loss)	1,339,262
Nonoperating Revenues (Expenses)	
Investment income	284,098
Property taxes	139,914
Capacity charges	10,035
Benefit assessments	8,194
Other nonoperating revenues	234,632
Interest expense, net	(310,088)
Other nonoperating expenses	(190,854)
Total nonoperating revenues (expenses)	<u>175,931</u>
Income before capital contributions	1,515,194
Capital contributions	26,494
Change in net position	1,541,687
Net Position, Beginning of year	<u>407,325,385</u>
Net Position, End of year	<u><u>408,867,073</u></u>

OLIVENHAIN MUNICIPAL WATER DISTRICT
CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
AS OF SEPTEMBER 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES:

Receipts from water and sewer customers	\$ 18,833,632
Payments for water	(9,404,286)
Payments for services and supplies	(3,513,466)
Payments for employee wages, benefits and related costs	(3,938,197)
Net cash provided by operating activities	<u>1,977,684</u>

CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:

Property taxes and benefit assessments received	148,614
Net cash provided by noncapital and related financing activities	<u>148,614</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Acquisition and construction of capital assets	(1,783,992)
Principal paid on long-term debt	(966,419)
Interest paid on long-term debt	6,736
Capacity charges received	10,035
Other capital financing receipts (expenses)	84,234
Net cash used by capital and related financing activities	<u>(2,649,406)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Investment income received	279,601
Net cash provided (used) by investing activities	<u>279,601</u>

Net increase (decrease) in cash and cash equivalents (243,507)

Cash and cash equivalents, beginning of year 58,839,263

Cash and cash equivalents, end of period \$ 58,595,756

FINANCIAL STATEMENT PRESENTATION:

Cash and cash equivalents - current assets	48,182,594
Cash and cash equivalents - restricted assets	10,413,162
Total cash and cash equivalents	\$ <u><u>58,595,756</u></u>

CASH AND CASH EQUIVALENTS RECONCILIATION

		Balance Includes Mkt Securities	Without Mkt Securities
Unrestricted cash	9/30/2022	79,780,865	48,182,594
Restricted cash	9/30/2022	12,676,111	10,413,162
Total cash and cash equivalents			<u><u>58,595,756</u></u>

OLIVENHAIN MUNICIPAL WATER DISTRICT
Consolidated Actual vs Budget Summary
For the Three Months Ending 9/30/2022

	Approved Budget	Actual YTD	Budget YTD	Variance Amt	Variance %	Notes
Operating Revenues						
Commodity Water Sales	\$43,373,000.00	\$14,763,487.68	\$14,415,500.00	\$347,987.68	2.4%	
Water Fees and Services	17,376,000.00	4,130,944.05	4,181,850.00	(50,905.95)	(1.2%)	
Sewer Revenue	5,598,000.00	24,189.88	37,000.00	(12,810.12)	(34.6%)	
Total Operating Revenues	66,347,000.00	18,918,621.61	18,634,350.00	284,271.61	1.5%	
Operating Expenses						
Purchased Water - Variable	23,798,000.00	7,472,593.12	7,471,740.00	(853.12)	(0.0%)	
Purchased Water - Fixed	8,443,000.00	2,112,236.97	2,112,300.00	63.03	0.0%	
General Manager Dept	2,044,000.00	429,545.61	510,750.00	81,204.39	15.9%	1
Engineering Dept	2,428,000.00	489,051.79	609,600.00	120,548.21	19.8%	1
Finance Dept	1,633,000.00	363,034.48	408,330.00	45,295.52	11.1%	1
Customer Service Dept	3,003,000.00	673,130.73	751,158.00	78,027.27	10.4%	1
Human Resources Dept	783,000.00	202,278.62	195,864.00	(6,414.62)	(3.3%)	1
Water Operations and Maintenance Dept	11,774,500.00	2,574,438.09	2,943,207.00	368,768.91	12.5%	1
Parks Dept	478,000.00	108,362.90	119,898.00	11,535.10	9.6%	1
Other Operating Expenses	50,000.00		12,600.00	12,600.00	100.0%	
Sewer Operations and Maintenance Dept	2,974,000.00	584,509.37	743,766.00	159,256.63	21.4%	1
Recycled Water Operations Dept	1,287,000.00	266,277.35	322,410.00	56,132.65	17.4%	1
Paygo Transfers						
Water Operations	6,400,000.00	1,599,000.00	1,599,000.00		0.0%	
Sanitation Operations	1,590,000.00	399,000.00	399,000.00		0.0%	
Recycled Operations	2,200,000.00	549,000.00	549,000.00		0.0%	
Capitalized Operations Expenditures	(1,843,000.00)	(243,097.93)	(462,210.00)	(219,112.07)	47.4%	2
Total Operating Expenses	67,042,500.00	17,579,361.10	18,286,413.00	707,051.90	3.9%	
Net Operating Income (Loss)	(695,500.00)	1,339,260.51	347,937.00	991,323.51		
Nonoperating Revenues						
Water Funds	6,033,000.00	534,884.11	360,710.00	174,174.11	48.3%	3
Debt Service Funds	1,044,000.00	36,114.60	29,840.00	6,274.60	21.0%	
Sewer Funds	32,000.00	17,337.86	8,100.00	9,237.86	114.0%	
Recycled Water Funds	52,000.00	21,576.93	13,140.00	8,436.93	64.2%	
Total Nonoperating Revenue	7,161,000.00	609,913.50	411,790.00	198,123.50	48.1%	
Nonoperating Expense						
Capacity Fee Funds	30,000.00	10,799.91	7,440.00	(3,359.91)	(45.2%)	
Debt Service Funds	1,569,000.00	325,768.19	392,250.00	66,481.81	16.9%	4
Potable Water Funds	610,000.00	164,371.60	152,400.00	(11,971.60)	(7.9%)	
Total Nonoperating Expense	2,209,000.00	500,939.70	552,090.00	51,150.30	9.3%	
Inc before Cap Fees and Capital Contributions	4,256,500.00	1,448,234.31	207,637.00	1,240,597.31		
Capacity Fee Funds	356,000.00	66,959.31				
Capital contributions	1,897,000.00	26,493.83				
Change in Net Position		1,541,687.45				

OLIVENHAIN MUNICIPAL WATER DISTRICT
Actual vs Budget Variance
For the Three Months Ending 9/30/2022

1. Actual departmental expenses varied from the Budget YTD amounts due to the timing of actual operating expenses. The Budget YTD amounts assume expenditures are incurred evenly throughout the year.
2. Actual Capitalized Operating Expenses were lower than the Budget YTD amount due to the timing of capitalized labor spent on District projects. The Budget YTD amount assumes expenditures are incurred evenly throughout the year.
3. Actual Non-operating Revenues – Water Funds were greater than Budget YTD for a positive variance due to a higher amount of interest income earned on investments from increased yields on short-term investments. Additionally, the District received a fourth rebate payment from San Diego County Water Authority for the District's share of attorney fees in the lawsuit against Metropolitan Water District and received a \$40 thousand settlement payment from Geomat.
4. Actual Non-operating Expenses - Debt Service Funds were lower than the Budget YTD amount for a positive variance because amortization of the issuance premium is not included in the 2015A Bonds interest expense.

Construction Work In Progress Report as of 9/30/2022

Project Name	Budget	Appropriation to Date	Expenditures & Encumbrance	(Over) / Under
Replace Neighborhood 1 SPS	\$7,732,000	\$7,732,000	\$7,088,915	\$643,085
Manchester Recyc PL Exten.	\$5,225,000	\$5,225,000	\$4,533,969	\$691,031
San Dieguito Desalination	\$42,837,000	\$4,562,000	\$4,497,123	\$64,877
HOA Pipeline Ext - CB, VP, SH	\$2,645,000	\$2,145,000	\$210,187	\$1,934,813
RSFe Rd Unit A North PL	\$2,294,000	\$1,450,000	\$336,782	\$1,113,218
Replace Pipelines	\$8,983,000	\$1,305,000	\$2,315	\$1,302,685
Replace Valves	\$8,856,000	\$1,085,000	\$39,572	\$1,045,428
DCMWTP 4th Stage Centrifuge	\$1,040,000	\$1,040,000	\$259,940	\$780,060
Fixed Base AMI	\$2,416,000	\$853,000	\$140,070	\$712,930
Replace DCMWTP Membranes	\$8,970,000	\$800,000	\$748,933	\$51,067
Hydropower Turbine Refurb	\$800,000	\$800,000	\$698,815	\$101,185
DCMWTP PH Control System	\$737,000	\$737,000	\$635,165	\$101,835
Replace Headworks Manual Sys	\$3,160,000	\$619,000	\$359,322	\$259,678
DCMWTP Condition Assessment	\$585,000	\$585,000	\$13,251	\$571,749
Residuals Handling Bldg Canopy	\$448,000	\$448,000	\$72,535	\$375,465
Lone Jack PRS	\$385,000	\$385,000	\$373,962	\$11,038
Pot & Recycled Master Plan	\$583,000	\$363,000	\$35,338	\$327,662
Parking & Access Improvements	\$575,000	\$332,000	\$57,432	\$274,568
Replace Potable Meters	\$4,921,000	\$315,000	\$106,131	\$208,869
DCMWTP Analyzer Replace.	\$727,000	\$305,000	\$292,367	\$12,633
Steel Mains Protection	\$3,375,000	\$281,000	\$11,264	\$269,736
DCMWTP 2nd Stage Memb. Train	\$845,000	\$270,000	-	\$270,000
District-Wide Scada Upgrades	\$256,000	\$256,000	-	\$256,000
Backup Generator SFV RW Pump	\$250,000	\$250,000	-	\$250,000
Ext. 153 Flow Meter	\$385,000	\$230,000	\$13,647	\$216,353
Network User Enhancements	\$200,000	\$200,000	\$194,165	\$5,835
Village Park PRS	\$960,000	\$200,000	\$3,872	\$196,128
Gardendale PRS	\$960,000	\$200,000	\$1,060	\$198,940
Cielo SPS Flow Meters	\$443,000	\$193,000	-	\$193,000
District-Wide PLC replacements	\$1,066,000	\$180,000	\$17,221	\$162,779
District-Wide PLC Repl (WW)	\$901,000	\$180,000	-	\$180,000
Rancho Cielo Pipeline Replmnt	\$831,000	\$173,000	-	\$173,000
Collection System SPS Rehab	\$912,000	\$169,000	-	\$169,000
Replace WW Pumps/ Motors/Equip	\$2,024,000	\$169,000	\$57,632	\$111,368
Network Security	\$1,175,000	\$165,000	\$25,335	\$139,665
Rancho La Cima/Aliso Canyon PL	\$300,000	\$165,000	\$63,152	\$101,848
Golem 14" Pipeln Cond. Assess.	\$150,000	\$150,000	-	\$150,000
Replace Meter Anodes	\$1,754,000	\$146,000	\$1,908	\$144,092
Encinitas Blvd Insp. & Repair	\$682,000	\$145,000	-	\$145,000
4S Ranch Pipe Replacement	\$660,000	\$136,000	-	\$136,000
Chlorine Gen Rm Lining Rehab	\$125,000	\$125,000	-	\$125,000
District-Wide Facility Securit	\$240,000	\$120,000	\$27,438	\$92,562
SWPPP Facility Improvements	\$100,000	\$100,000	\$1,069	\$98,931
Replace Pot. Pumps and Motors	\$1,012,000	\$84,000	\$12,967	\$71,033
Wanket RW Reservoir Rehab	\$150,000	\$75,000	-	\$75,000
Palms I and II Reservoirs	\$1,307,000	\$73,000	\$72,785	\$215
Gaty II Safety Improvements	\$590,000	\$67,000	-	\$67,000
4S WRF Scada Upgrades	\$64,000	\$64,000	-	\$64,000
Recycled Conversions	\$719,000	\$60,000	\$46,927	\$13,073
EFRR Parking Lot Repair	\$55,250	\$55,250	\$29,065	\$26,185
Landscape HQ Courtyards	\$54,000	\$54,000	\$10,380	\$43,620
Replace PRS Valves	\$596,000	\$50,000	-	\$50,000
Rancho Cielo Manhole Lining	\$586,000	\$48,000	-	\$48,000
Pot. Office Furniture/Equip.	\$47,000	\$47,000	\$12,357	\$34,643
Rehab Concrete Tanks	\$904,000	\$45,000	\$64,708	(\$19,708) #
4S Physical Security Upgrades	\$210,000	\$40,000	-	\$40,000
DCMWTP Backpulse Pipeln Repair	\$34,000	\$34,000	\$729	\$33,271
Vault Upgrades	\$105,000	\$27,000	-	\$27,000
Physical Security Upgrades	\$250,000	\$25,000	-	\$25,000
Replace Overflow Pond Strainer	\$231,000	\$25,000	\$1,048	\$23,952
Meter Replacement, Recycled	\$241,000	\$21,000	\$2,303	\$18,697
4S System Manhole Lining	\$206,000	\$17,000	-	\$17,000
WW Master Plan	\$110,000	\$10,000	-	\$10,000
Total:	\$129,984,250	\$36,210,250	\$21,173,159	\$15,037,091

Project overage due to encumbrance from prior fiscal year. This is a recurring replacement project. More work carried over from the prior fiscal year than Staff anticipated. Overage within Manager approval limit.



Memo

Date: December 14, 2022
To: Olivenhain Municipal Water District Board of Directors
From: Rainy Selamat, Finance Manager
Via: Kimberly Thorner, General Manager
Subject: **CONSIDER ANNUAL REVIEW OF THE OLIVENHAIN MUNICIPAL WATER DISTRICT'S INVESTMENT POLICY AND APPROVE THE PROPOSED CHANGES FOR CALENDAR YEAR 2023**

Purpose

The District's Investment Policy is reviewed by Staff annually. The Investment Policy is renewed every year because this policy has a one-year term and expires in December of each year.

Proposed changes to the policy are outlined below and redlined in the attached policy for Board's consideration and approval. The proposed changes were reviewed with the Finance Committee (Director Watt) at the November 9th meeting.

Recommendation

The Committee is recommending that the Board consider and approve the proposed changes to the District's Investment Policy for 2023.

Alternatives

The Board may choose not to approve the proposed changes to the Investment Policy or direct staff to do otherwise. However, the Investment Policy has a one-year term expiring on December 31, 2022.

Background

The District's Investment Policy is reviewed and updated by Staff annually according to the policy. This policy has a one-year term expiring in December of each year.

The purpose of this exercise is to ensure that the policy is updated with applicable federal, state, and local laws regulating the investment of public funds and to meet the District's liquidity needs.

Fiscal Impact

None. There are no proposed changes to investment options or limits.

Discussion

Based on the 2022 review, the District's investment policy is in compliance with all federal, state, and local laws. The only proposed changes are to extend the investment policy term through calendar year 2023.

These proposed changes to the Investment Policy were discussed and reviewed by the District's Finance Committee.

Staff will be available during the meeting for discussion.

Attachment: Proposed 2023 Investment Policy

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, ~~2022~~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;
2. To recognize that the primary objective of all District investments is to safeguard the principal invested;
3. To recognize that the second objective of all District investments is to meet the liquidity needs of the District; and
4. To maximize the return on all District investments keeping in mind that safeguarding the principal and providing liquidity are more important objectives than the return obtained.

II. SCOPE

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

III. OBJECTIVES

- A. Safety. It is the primary duty and responsibility of the Treasurer to protect and preserve the principal of all District funds and investments. Prior to investing any District funds, the investment

shall be evaluated by the Treasurer to ensure that capital losses are avoided whether from institution default, broker-dealer default, or erosion of the market value of the securities. The Treasurer shall evaluate, or cause a qualified professional to evaluate, each potential investment of District funds to verify that the issuer is financially strong and there is adequate security as collateral for each investment sufficient to protect the principal being invested. The Treasurer shall diversify District investments so as to reduce the exposure to principal loss.

- B. Liquidity. An adequate percentage of all District investments shall be maintained at all times in liquid short-term securities which can be converted to cash if necessary to meet the District's financial obligations. The Treasurer should consider the District's liquidity needs over the next year in determining the amount that should be maintained in short term instruments. Since all future cash requirements of the District cannot be anticipated, the Treasurer shall, at all times, invest a portion of all District investments in liquid short-term securities that are readily tradable so as to meet the ongoing liquidity needs of the District. These short-term securities shall be selected in a manner that minimizes market risk and provides for the anticipated needs of the District over the next year.
- C. Return on Investments. The Treasurer should invest all District funds in investments that maximize the return for the District keeping in mind that safeguarding the principal and providing liquidity are more important objectives than the return obtained. All investment decisions made by the Treasurer shall be, first, to ensure protection of the principal of all District funds and investments, second, to provide adequate liquidity for the District's future needs, and third, to maximize return where possible without jeopardizing the principal or creating liquidity problems for the District.
- D. Market-Average Rate of Return. The investment portfolio shall be designed to attain a market-average rate of return throughout economic cycles, taking into account the District's risk and liquidity constraints, the cash flow characteristics of the portfolio, State laws limiting District investments, and ordinances or resolutions that restrict investments. To determine if the District is attaining its return objectives, the Treasurer will periodically review the portfolio's performance against an appropriate benchmark(s).
- E. Diversification. The investment portfolio shall be diversified to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions. The amount invested by the Treasurer in a particular security at any time shall not

exceed the limitations contained in Section VII of this Investment Policy.

- F. Prudence. The District adheres to the guidance provided by the “Prudent Investor Rule” California Government Code (Sec. 53600.3), which obligates a fiduciary to insure that investment decisions be made with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

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

- G. Public Trust: All participants in the investment process shall act as custodians of the public trust. Investment officials shall recognize that the investment portfolio is subject to review and evaluation by the Board. The overall program shall be designed and managed with a degree of professionalism that is worthy of the public trust. In a diversified portfolio it must be recognized that occasional measured losses are inevitable, and these losses must be considered within the context of the overall portfolio’s investment return, provided that adequate diversification has been obtained.

- H. Risk Tolerance. The District recognizes that investment risks can result from issuer defaults, market price changes or various technical complications leading to temporary illiquidity. Portfolio diversification is employed as a way to control risk. The Treasurer is expected to display prudence in diversifying the District’s investments as a way to minimize default risk. No individual investment transaction shall 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, ~~2022~~2023. The Treasurer may delegate the day-to-day operations of investing to his/her designee(s), but not the responsibility for the overall investment program. At least once each quarter, a sub-committee of the Board shall meet with the General Manager or his/her designee to review the District's portfolio and provide guidance for future investments. All transactions will be reviewed by the Treasurer on a regular basis to assure compliance with this Statement of Investment Policy and a monthly report shall be provided to the Board on all District investments.

V. REPORTING

Although it is no longer required for the Treasurer of ~~a~~ a local agency to annually render a statement of investment policy to the legislative body and submit a quarterly investment report to the legislative body (Government Code Section 53646 (b)), the District Treasurer and General Manager shall submit a monthly investment report to the Board of Directors. This report shall include: type of investment, issuer, date of maturity, the par and dollar amount invested on all securities, the total amount of all investments and monies held by the District, a description of any District funds being held or managed by other persons or entities, the coupon and current yield 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. All investments not complying with this investment policy shall be called to the attention of the Board during the first monthly meeting after an investment does not comply with this policy.

VI. AUTHORIZED INVESTMENT INSTRUMENTS

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

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

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

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

C. Depository Accounts and Certificates of Deposit: The District may invest in insured or collateralized certificates of deposits, saving accounts, market rate accounts, or other bank deposits insured by commercial banks, savings and loans, state or federal credit union in California (Government Code Section 53630 et seq). A written depository contract is required with all institutions that hold District deposits. Securities placed in a collateral pool must provide coverage for at least 110 percent of all deposits that are placed in the institution. Acceptable pooled collateral is governed by California Government Code Section 53651. Real

estate mortgages are not considered acceptable collateral by the District, even though they are permitted in Government Code Section 53651(m). All financial institutions are required to provide the District with a regular statement of pooled collateral. This report will state that they are meeting the 110 percent collateral rule (Government Code Section 53652(a)), a listing of all collateral with location and market value, plus an accountability of the total amount of deposits secured by the pool. Certificates of deposit, shall not exceed 5% per issuer of the value of all District investments at any time.

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

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

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

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

F. Commercial Paper: Investment is limited to the highest grade of stand alone or enhanced ("prime") commercial paper as rated by Moody's Investor

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

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

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

I. Money Market Funds: Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 and following) (Government Code 53601(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 nationally recognized rating services, or have an investment adviser registered with the Securities and Exchange Commission with not less than five years' experience managing money market funds with assets under management in excess of \$500,000,000. No more than 5% of the value of all District investments shall be invested in any fund and no more than 20% of the value of all District investments may be invested in all money market funds combined. Any fund shares purchased will not include any type of commission.

J. Banker's Acceptances: Bankers' acceptances are bills of exchange or time drafts drawn on and accepted by a commercial bank (Government Code 53601(g)). Purchases of banker's acceptances may not exceed 180 days maturity

as per Government Code Section 53601 (g). Maximum portfolio exposure will be limited to 20% of the total value of all District investments at any time and single issuer holdings to no more than 3% per issuer. Banker's acceptances shall not be purchased by the Treasurer without the prior approval of the Board.

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

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

L. Local Government Investment Pool: Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code Section 6509.7 that invests in the securities and obligations authorized in the Government Code (Government Code 53601(p)). Investments are limited to pools that seek to maintain a constant net asset value and which are rated "AA" or better. Local Government Investment Pools shall not exceed 30% of the value of all District investments at any time.

M. Municipal Bonds: The Treasurer is authorized to invest in registered treasury notes or bonds of any of the 50 United States payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency or authority of any of the 50 United States. Such securities must have ratings from at least two of three ratings as follows: "A1"

by Moody's Investors Service, or "A+" by Standard & Poor's, or "A+" by Fitch Ratings; or as otherwise approved by the Board; or

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

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

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

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

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

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

investments in the San Diego County Investment Pool shall only occur with prior approval of the Board. The Treasurer shall ensure that all investments made on behalf of the District meet all of the minimum requirements contained in this Investment Policy.

VII. PORTFOLIO LIMITATIONS

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

Investment Description	Percentage Limitation	<i>Dollar Limitation</i>
Local Agency Investment Fund	50%	\$40,000,000
Treasury Securities	None	-
Certificates of Deposit, Placement Service Deposits and Negotiable Certificates of Deposit	30%	Placement service deposits may be made up to FDIC limit per financial institution. No more than 5% per issuer
Local Government Investments Pools (such as CAMP)	30%	-
Commercial Paper	20%	No more than 5% per issuer
Medium Term Notes	30%	No more than 5% per issuer
Agencies	50%	-
Depository Accounts, Money Market Funds	20%	No more than 5% in any money market fund
Investments Pools	30%	-
Municipal Bonds	30%	No more than 5% per issuer
Bankers Acceptances	20%	No more than 3% per issuer with prior approval of the Board
Repurchase Agreements	20%	With the prior approval of the Board
Reverse Repurchase Agreements	10%	With the prior approval

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

In the event 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. BOND PROCEEDS, BOND RESERVE FUNDS AND BOND SERVICE FUNDS

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

IX. INTERNAL CONTROLS

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

Existing procedures require all wire transfers initiated by the Finance Department be reconfirmed by the appropriate financial institution. In addition, the

District's signatory resolution specifies authorized signers and number of required signatures for different disbursement transactions. Proper documentation obtained from confirmation and cash disbursement wire transfers is required for each investment transaction. Timely bank reconciliations are conducted to ensure proper handling of all transactions.

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

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

X. QUALIFIED BANKS AND SECURITIES DEALERS

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

XI. ETHICS AND CONFLICTS OF INTEREST

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

XII. BOARD DISCRETION

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

XIII. SAFEKEEPING AND CUSTODY

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

XIV. INTEREST EARNINGS

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

XV. PROHIBITED INVESTMENTS

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

XVI. INVESTMENT PURCHASES

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

XVII. QUARTERLY REPORTS

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

XVIII. TREASURER'S AUTHORITY AND REVIEW OF INVESTMENT POLICY

The Authority of the Treasurer to make investment decisions on behalf of the District shall automatically expire on December 31, 2022-2023 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, 2022-2023 and annually thereafter.

DRAFT

Memo

Date: December 14, 2022
To: Olivenhain Municipal Water District Board of Directors
From: Rainy Selamat, Finance Manager
Via: Kimberly Thorner, General Manager
Subject: **CONSIDER ANNUAL REVIEW OF THE OLIVENHAIN MUNICIPAL WATER DISTRICT'S BOARD DESIGNATED FUND BALANCES (RESERVES) POLICY**

Purpose

As part of the annual review process of District financial policies, staff is submitting proposed changes to the current Board Designated Fund Balances (Reserves) Policy for consideration and approval by the Board. Adding Pension Stabilization Funds for water and wastewater to the Reserves Policy is consistent with the Pension Funding Policy adopted by the Board at the June 2022 meeting (attached).

Proposed additions to the current Reserves Policy are shown in red in the attached draft.

Recommendation

Proposed additions to the District's Reserves Policy were reviewed with the District's Finance Committee (Director Watt) at its regular meeting on November 9, 2022. The

committee recommended that Water Pension Stabilization Fund and Wastewater Pension Stabilization Fund be added to the existing Reserves Policy to be consistent with the District's Pension Funding Policy.

Alternative

The Board may choose not to approve the changes to the District's Reserves Policy as presented.

Background

The Reserves Policy is the District's commitment to prudent financial management. The District's current Reserves Policy establishes parameters for each fund balance included in the policy, which are: Operating Funds for Water and Wastewater; Rate Stabilization Funds for Water and Wastewater; and Capital and Equipment Funds for Water and Wastewater. Cash available in these funds are designated by the Board to carry out specific purposes. These fund balances are reviewed annually after the District's financial audit is completed. Adequacy of each fund balance is also reviewed following completion of a comprehensive cost of service rate study.

At the June 22, 2022, meeting, the Board adopted the District's Pension Funding Policy (attached). Having Pension Stabilization Funds as a financing strategy to stabilize pension costs and to achieve the District's funding goal is included in the Pension Funding Policy. The Board has full discretion of funds available in the District's Pension Stabilization Fund. The Board also continues to delegate authority to the Treasurer to invest monies available in the District's reserve funds.

Fiscal Impact

None.

Discussion

Proposed changes to the Reserves Policy are summarized as follows:

- Add Water- Pension Stabilization Fund to the current Reserves Policy for clarity and consistency with the District's Pension Funding Policy.

- Add Wastewater- Pension Stabilization Fund to the current Reserves Policy for clarity and consistency with the District's Pension Funding Policy.

These proposed additions to the Reserves Policy were discussed and reviewed by the District's Finance Committee at its regular meeting on November 9, 2022.

Staff will be available during the meeting for discussion.

Attachments:

FINAL DRAFT 2022 Board Designated Funds (Reserve) Policy
Olivenhain Municipal Water District Pension Funding Policy

Board Designated Fund Balances (Reserves) Policy

This Policy represents public affirmation of the Board's commitment to financial prudence and careful stewardship of community assets. This Policy shall cover the District's Operating Fund, Capital and Equipment Fund, and Rate Stabilization Fund for water (potable and recycled) and wastewater (sewer) operations. These Funds are designated by the District's Board to carry out specific purposes, ensuring prudent management of the District's financial resources, and are used by District staff as parameters within which the Board expects staff to operate.

This Policy has three primary goals:

- To provide adequate funding to meet the District's short-term and long-term plans and commitments to its customers.
- To minimize adverse multi-year budgetary impacts from anticipated and unanticipated expenditures, thus avoiding future rate fluctuations.
- To preserve the financial stability of the District against present and future uncertainties in an ever-changing environment.

Operating Fund, Capital and Equipment Fund, and Rate Stabilization Fund balances will be reviewed annually when the District's financial audit is completed. At that time, staff will present to the Board a recommendation on the handling of these Funds.

Water - Operating Fund

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.
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 stated in this Policy. 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.
Methodology:	Due to the timing difference between the dates when cash is collected and spent, the District is required to maintain sufficient cash on hand to meet its day-to-day cash disbursements, such as payroll, water purchases, debt service payments, and to provide funding for emergency operating expenditures due to unforeseen situations, such as natural disasters or any other unanticipated expenses that will result in an unexpected increase in the District's expenditures.
Use of Funds:	To pay for day-to-day water operating and maintenance expenditures and any unexpected expenses or emergencies due to the timing difference between cash being collected and spent.
Contributions:	Additions to this fund come from any excess in water operations (revenues over expenses.) When water revenue is not sufficient to meet the District's debt service coverage requirements, funds will be transferred from the Rate Stabilization Fund into the Operating Fund. The adequacy of this fund will be reviewed annually after the financial audit is completed.

Water - Capital and Equipment Fund

Purpose:	To provide funding for the District's water capital infrastructure improvements and replacements approved by the Board and included in the 10 Year Capital Spending Plan. The District also has Debt Management Policy that provides guidelines on how Capital Improvement Programs should be funded.
Target Balance:	A minimum balance equals 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.
Methodology:	The District follows a 10 Year Capital Spending Plan which outlines water infrastructure improvements and replacements planned for the next ten years.
Use of Funds:	To construct, improve, and replace water capital infrastructures and to purchase capital items approved by the Board and included in the District's Budget.
Contribution:	Water Rates and Capacity Fees. The District will make annual contributions from water rates and capacity fees to this fund to provide funding for District water capital infrastructure improvements and replacements included in the 20 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.

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.
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.

Methodology:	The District relies on water commodity revenues to pay for costs to deliver water and provide service to its customers. This fund allows for financial flexibility to manage water sales fluctuations due to uncontrollable conditions such as prolonged wet or dry weather, enabling the District to stabilize rates from year to year.
Use of Funds:	To mitigate the immediate need to raise water rates in the event of cash flow reductions from operations so that the District has the ability to meet its debt service payments.
Contributions:	Any excess from the Water Operating Fund after annual contributions to the Capital and Equipment Fund is made for that year. Contributions to this fund can only be made with Board approval. Adequacy of this fund will be reviewed by District staff during budget process. By maintaining an adequate balance in this fund, the District can experience years when revenues fluctuate (e.g., due to drought or wet weather) without the need to raise rates. By decreasing this fund, the District becomes less stable and, therefore, more vulnerable to future rate increases. The Board must determine the level of risk it is willing to assume for the Rate Stabilization Fund as part of the budget process.

Water – Pension Stabilization Fund

Purpose:	To secure the District's ability to have a consistent annual Unfunded Accrued Liability (UAL) payment to California Public Employee's Retirement System (CalPERS), including Additional Discretionary Payment(s) while achieving its pension funding goal with no rate spikes. The funding goal of a defined benefit pension plan is 100%, which is to fund the 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 PEPRAs 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.

Methodology:	The funding goal of a defined benefit pension plan is 100%, which is to fund the long-term cost of benefits provided to plan members. The District relies on water revenues which are subject to external and uncontrollable factors such as weather conditions, federal and state mandates, and economic uncertainty to sustain operations. This fund allows the District to continue funding its pension liability during temporary budget shortfalls, such as prolonged wet or dry weather, thus avoiding rate spikes.
Use of Funds:	To mitigate the immediate need to use other available reserves to fund the District's pension obligations and to comply with the District's Pension Funding Policy. In the event that a District's pension plan achieves a "superfunded" status (funding level exceeds 100%), District staff will report to the Board and provide a recommendation to the Board on the handling of these excess funds after the most recent CalPERS actuarial report is released and the District's financial audit is completed.
Contributions:	Any excess from the Water Operating Fund after annual contributions to the Capital and Equipment Fund is made for that year. Contributions to this fund can only be made with Board approval. Maintaining adequate balance in this fund reflects the Board's commitment to achieve a fully funded pension plan in a timely manner when revenues fluctuate from year to year. Adequacy of this fund will be reviewed by District staff annually, after the most current CalPERS actuarial report is released and the District's financial audit is completed.

Wastewater - Operating (Revenue) Fund

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.
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 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.
Methodology:	Wastewater service charges are collected through the County Tax Collector's office at the same time that property tax bills are paid by sewer customers (the majority of which are collected on December 31 and April 30). Due to the timing of these receipts, the District needs to have sufficient cash on hand to pay for day-to-day Wastewater operating and maintenance expenses.
Use of Funds:	These funds will be used to pay for wastewater (sewer) operating and maintenance expenditures approved by the Board, wastewater debt service payments, and for any operating emergencies or unanticipated expenditures.
Contributions:	Additions to this fund are a result of net income from Wastewater operations (revenue over expenses) after annual cash transfers to the Wastewater Capital and Equipment Fund and Wastewater Rate Stabilization Fund.

Wastewater - Rate Stabilization Fund

Purpose:	To protect the District's financial resources against economic shortfalls or an unexpected increase in expenditures, including sewage spill clean-up costs, a penalty imposed by the Regional Water Quality Control Board when sewage spills occur, or an emergency repair to damaged sewer facilities following natural disasters or other unforeseen emergencies. These conditions can lead the District to operating deficits.
Target Balance:	A minimum of 25 percent of annual Wastewater operating and maintenance expenditures approved by the Board shall be maintained in this fund. A maximum equal to 100 percent of annual 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.
Methodology:	This fund will be available to minimize the need for sewer rate increases as well as for spending changes during the fiscal year. It can also be used to stabilize wastewater rates and charges from year to year.
Use of Funds:	These funds will be used to mitigate the immediate need to raise wastewater rates and charges in the event of cash flow reductions from wastewater service revenues so that the District has the ability to meet its sewer debt service coverage ratio.
Contributions:	Contributions to this fund can only be made with Board approval and are reviewed by District staff during the budget process. By maintaining an adequate balance in this fund, the District can avoid operating deficits due to major unexpected expenditures without the need to raise sewer rates and charges and to secure the District's ability to pay its sewer debt service obligations. When revenues are not sufficient to meet the District's annual debt service payment, funds will be transferred from the Wastewater- Rate Stabilization Fund into this fund.

Wastewater - Capital and Equipment Fund

Purpose:	To provide funding for the District's Wastewater (sewer) Capital Improvement Program as identified in the District's 10 Year Capital Spending Plan. The District follows its Debt Management Policy to fund its Wastewater (sewer) Capital Improvement Program.
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.
Methodology:	The District follows a 10 Year Wastewater Capital Spending Plan which has a list of wastewater infrastructure improvements and replacements for the next ten years
Use of Funds:	The funds will be used to improve, acquire, and replace Wastewater infrastructures in the 10 Year Wastewater Capital Spending Plan.
Contribution:	Wastewater (sewer) service charges, wastewater capacity fees, and wastewater annexation fees. Net operating income from wastewater operations collected from user charges will be transferred to Wastewater Capital and Equipment Fund annually to provide funds for Wastewater Capital Improvement Program.

Wastewater – Pension Stabilization Fund

Purpose:	To secure the District's ability to have a consistent annual Unfunded Accrued Liability (UAL) payment to California Public Employee's Retirement System (CalPERS), including Additional Discretionary Payment(s) while achieving its pension funding goal. The funding goal of a defined benefit pension plan is 100%, which is to fund the 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 PEPRAs 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.

Methodology:	The funding goal of a defined benefit pension plan is 100%, which is to fund the long-term cost of benefits provided to plan members. The District relies on water revenues which are subject to external and uncontrollable factors such as weather conditions, federal and state mandates, and economic uncertainty to sustain operations. This fund allows the District to continue funding its pension liability during revenue shortfalls.
Use of Funds:	To mitigate the immediate need to use other available reserves to fund the District's pension obligations and to comply with the District's Pension Funding Policy. In the event that a District's pension plan achieves a "superfunded" status (funding level exceeds 100%), District staff will report to the Board and provide a recommendation to the Board on the handling of these excess funds after the most recent CalPERS actuarial report is released and the District's financial audit is completed.
Contributions:	Any excess from the Wastewater Operating (Revenue) Fund after annual contributions to the Capital and Equipment Fund is made for that year. Contributions to this fund can only be made with Board approval. Maintaining adequate balance in this fund reflects the Board's commitment to achieve a fully funded pension plan in a timely manner when revenues fluctuate from year to year. Adequacy of this fund will be reviewed by District staff annually, after the most current CalPERS actuarial report is released and the District's financial audit is completed.

Olivenhain Municipal Water District

Pension Funding Policy

Approved by Board on June 22, 2022

Purpose

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 statutes 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.

Normal Cost – represents the cost of pension benefits earned by current employees for their current years of service. Normal Cost payments are made bi-weekly to CalPERS, and are based on a percentage of payroll.

UAL Payments – 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 CalPERS 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.
2. Make regular annual additional discretionary payments (ADPs) of approximately \$311,000 to CalPERS before December 31st 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.

1. 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 20-year 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.

Reporting

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

1. **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.
2. **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.
3. **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.
9. **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.

Memo

Date: December 14, 2022
To: Olivenhain Municipal Water District Board of Directors
From: Jennifer Joslin, Human Resources Manager
Via: Kimberly A. Thorner, General Manager
Subject: **CONSIDER ADOPTION OF A RESOLUTION SUPPORTING THE DISTRICT'S
EMPLOYEE SAFETY AND WELLNESS PROGRAMS**

Purpose

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

Recommendation

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

Alternatives

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

Background

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

program's "Safety Has No Quitting Time" (SHNQT) \$10,000 ceiling for any preventable vehicle and property incident damage was discussed at the October 26, 2022 Safety Committee Meeting. The Safety Committee (Director Meyers) concurred to keep the \$10,000 ceiling in place; this cap will be revisited in October of next year. 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 2023.

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:

- \$14,100 - for Safety Recognition (see Chart on Exhibit B) based on Board approved 2022-2023 Budget and Organizational Chart:
 - Jan 1 to Jun 30 – \$4,650 (\$ 50 x 93 employees) for less than 40 hours of lost time due to preventable injury/incident
 - Jan 1 to Dec 31 – \$4,650 (\$ 50 x 93 employees) for lost time and injury incident rate below 3-year national average
 - Jan 1 to Dec 31 – \$4,650 (\$ 50 x 93 employees) + 150 (\$ 50 x 3 non-payroll positions estimated) vehicle damage under \$10,000
- \$ 1,400 - for a Safety Luncheon to recognize safety accomplishments
- \$ 500 - per year for the "Caught Being Safe" (CBS) recognition (approx. 20 recognitions @ \$25 each)
- \$16,000 = **TOTAL amount requested for 2023 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 = actual losses/expected losses) number. Keeping a low ex-mod contributes immensely to lowering our overall workers' compensation insurance costs. 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 10/31/2022

EMOD Comparison				Number of Claims			Total Claims Amounts		
Coverage Period	Member	MemberType Avg	Pool Avg	Open	Closed	Total	Paid	Outstanding Reserve	Total
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
2013-14	0.78	1.07	1.16	0	4	4	\$11,790	\$0	\$11,790
	0.90	1.06	1.04	0	29	30	\$360,520	\$806	\$361,326

For 2022-2023, the District \$306,191.77 workers' compensation annual premium was reduced to \$118,467.65 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 2023 is to achieve the maximum 15% discount incentive of \$45,928. Staff notes this incentive is an offset to the 2023 Safety Recognition Program fiscal impact.

Discussion

Regarding the Resolution supporting the District's Employee Safety and Wellness Programs, the Safety Committee (Director Meyers) reviewed and approved the attached changes to the "Employee Safety and Wellness Program" (Exhibit A) and SHNQT employee safety recognition program (Exhibit "B") at the October 26, 2022 meeting. With the Board's continued commitment and approval of our safety programs, District employees get involved and take ownership of their safety performance. The District can also promote healthy lifestyles for employees through various means including wellness trainings, use of the onsite gym facility, onsite fitness/yoga instructor, and even employee wellness challenges. This support has created an exceptional safety culture and helped to provide a safe and healthy work environment.

Attachments:

Workers' Compensation Program Invoice

CIP Incentive Program Criteria

CIP Status Report

Proposed Resolution and Exhibits

Workers' Compensation Program Invoice



Program Year 2022-23

Olivenhain Municipal Water District

1966 Olivenhain Road
Encinitas, California 92024

Invoice Date: 05/16/2022
Invoice Number: 71758
Member Number: 5158

Class Code	Classification Description	Reported Payroll	Rate per \$100	Annual Contribution
7520	Waterworks Operations	\$4,011,391	\$5.19	\$208,191.19
7580	Sanitary or Sanitation Agency Operations	\$631,944	\$6.37	\$40,254.83
8742-D	Paid Governing Body Members	\$45,000	\$0.63	\$283.50
8810	Clerical/Office Employees	\$3,154,824	\$0.58	\$18,297.98
9410	Non-Manual Labor; including Agency Managers and Recreation Person	\$916,828	\$1.90	\$17,419.73
9420	Manual Labor; including Park and Landscape Maintenance Personnel	\$259,172	\$8.39	\$21,744.53

** Indicates per capita rate class code

Total Estimated Annual Contribution Based on Manual Rates	\$306,191.77
Contribution as Adjusted by the Experience Modification Factor of 74%	\$226,581.91
Less: *9% Credit Incentive Program Discount	-27,557.26
Estimated Annual Adjusted Contribution	\$199,024.65
Less: Longevity Distribution Credit	-80,482.00
Less: 5% Multi-Program Discount	0.00
Less: Member Plus Online RQ Bonus	-75.00
Net Estimated Annual Contribution	\$118,467.65

Total Contribution Amount Due by 30 Days

\$118,467.65

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

2022-23 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.

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

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

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

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

Management Staff Attendance at Legal Seminar

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

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

Vector Solutions Online Training Program

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

Description: For staff participation in SDRMA's online safety training program – Vector Solutions (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.

Workers' Compensation Program



ADMINISTRATION TRACK (2 POINTS MAXIMUM)

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

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

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

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

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

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

GOVERNANCE TRACK – GOVERNING BODY RELATED (2 POINTS MAXIMUM)

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

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

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

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

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

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

CLAIMS TRACK (3 POINTS MAXIMUM)

Utilization of Company Nurse

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

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

No Claims During the Year

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

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

No Claims for Prior 3 Years

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

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

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

CLAIMS BONUS TRACK (3 POINTS MAXIMUM)
--

5 Year No Claims Bonus

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

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

CONTACT INFORMATION

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

Workers' Compensation Credit Incentive Program



Olivenhain Municipal Water District

CIP Points Earned as of: 11/15/2022

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 2022-23. The following earned credits have been documented:

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

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

RESOLUTION NO. 2022-XX

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

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

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

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

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

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

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

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

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

Section 2. The District is committed to continuing to fund the SHNQT (***Safety Has No Quitting Time***) employee recognition program for calendar year 2023 (*Exhibit "B"*).

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

PASSED, ADOPTED AND APPROVED at a regular Board meeting of the Board of Directors of the Olivenhain Municipal Water District held on December 14, 2022.

ATTEST:

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

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

2023 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~~after work hours~~ at employees' expense and allow employees to use their sick time for payment.
 - Provide authorized reimbursements not to exceed \$24.00/month for offsite employees who work-out at a non-District gym at least four (4) times a month and submit proof of attendance. (An offsite employee is an employee whose primary assignment is working at the Water Reclamation Facility, the Water Treatment Plant, or the Elfin Forest Recreational Reserve.)
- 4) Maintain the SHNQT (*Safety Has No Quitting Time*) employee recognition program and to keep the goal of zero lost time injuries each year.
 - Work with employee committees HR/Employee Association Team (HEART), Bargaining Unit Members Association (BUMA), District Employees Association (DEA), Safety Sub-committee, etc. to keep the program effective and avoid entitlement;
 - Retain Employee Volunteer Safety Sub-committee to get accurate employee feedback about safety promotions;
 - Work with the Employee Volunteer Safety Sub-committee to determine methods to maintain a safe and rewarding work environment.
- 5) Continue the "*Caught Being Safe*" program to recognize District employees at Employee Forums and acknowledge their safety practices.
- 6) Continue awareness campaigns and make sure that CPR and First Aid trainings are offered at least once per year.
- 7) Continue to promote *Injury Prevention Program* (IPP) with monthly Special District Risk Management Authority (SDRMA) and OMWD in-house tailgate trainings.



SAFETY HAS NO QUITTING TIME (SHNQT)

Employee Longevity Safety Recognition Program

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

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

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

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

1. The OMWD *Injury Incidence Rate (IIR)* is below the previous three-year average "*National incident rate for Water Supply and Irrigation Systems (22131)*" ***The National Injury/Illness Rate can be found at www.BLS.gov (Bureau of Labor Statistics) AND***
2. Any preventable vehicle & property incident damage (District or public) is less than \$10,000. (Inclusive of materials, labor, tax, and parts costs when calculated.) Staff time is not included. Estimated damages also count towards this total even if it is decided not to completely repair the vehicle or property. Preventable vehicle & property damage involving Board Members, Non-Payroll Positions, and OMWD Employees will count towards the "Employee Longevity Safety Recognition Program."
 - o *This \$10,000 was determined by the number of miles and total number of vehicles driven by the District each year and was again approved by the Safety Committee in 10/2022⁴. The value of the Longevity Safety Recognition is based on the approved annual budget by the Board of Directors. A safety recognition luncheon will be held yearly to present the safety recognition.*

Safety Recognition Goals CY 20232

Recognition Period	Goal	Recognition
January 1 to June 30	Less than 40 hours of lost time due to preventable injury/accident	\$50
January 1 to December 31	1) Keep less than 40 hours of lost time due to preventable injury/accident AND; 2) Keep IIR (Injury Incident Rate) below 3-year national average	\$50
	3) Keep preventable vehicle incident and/or vehicle related property damage below \$10,000	\$50
	4) Achieve 1,000 days of no preventable lost time injuries from <u>3/8/21-9/13/22</u>	\$100

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

Caught Being Safe Program (CBS Program)

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

Memo

Date: December 14, 2022
To: Olivenhain Municipal Water District Board of Directors
From: Jennifer Joslin, Human Resources Manager
Via: Kimberly A. Thorner, General Manager
Subject: **CONSIDER APPROVAL OF ANNUAL REVISIONS TO THE DISTRICT'S RECORDS RETENTION SCHEDULE**

Purpose

The purpose of this item is to present new information and to delete outdated and/or irrelevant data from the proposed 2023 Records Retention Schedule (RRS); all updates are shown in red.

Recommendation

Staff recommends approval of the proposed 2023 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, 2023.

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 \$200 annually
- = **Total** destruction costs - approximately **\$1,150 annually**

Discussion

Revisions are minimal for the proposed 2023 RRS. A brief explanation of the departmental requested changes are listed below. Please refer to the attached proposed 2023 RRS for all requested changes:

Customer Services: CIS Infinity has been added as a media type for the ACH/DPP Application record series. District liability Insurance Files will only be stored electronically in the future.

Engineering: Numerous primary location updates. Proposals for Professional services – Unsuccessful – will now be retained only electronically. Specification Books (Current) added electronic as a media type.

Finance: The description in the Cash Receipts record series was edited to add additional information and electronic was added as a media option. The Water Cash Receipts record series was deleted due to redundancy after the additional information was added to the "cash receipts" description. Added electronic as a media option to the Tax Return Files records series.

General Manager: No changes.

Human Resources/Safety: Retention for Benefit Plan Files has been decreased to 5 years. Salary Administration Files will no longer be sent to offsite storage and will remain onsite for the full 6 years.

Operations: Underground Service Alert Files and the Duty Log Book will now be stored electronically. System Infrastructure Repair Records has been deleted since the records are contained as part of the Enterprise Asset Management (EAM) program.

Attachment:

Proposed 2023 Records Retention Schedule

OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2023~~2022

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
Email Retention Policy – The retention of all emails are reflected in the Board approved Email Retention Policy.	ALL DEPARTMENTS	ALL EMPLOYEES	OMWD Intranet	Electronic	See Email Retention Policy	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. (See EAM Policy)	ALL DEPARTMENTS	MANAGERS	EAM	Electronic	N/A	N/A	Permanent
Record Drawings (As-Built) – 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 RRS.	ALL DEPARTMENTS	ALL EMPLOYEES	Department	Electronic	See Department Section of RRS	N/A	See Department Section of RRS
ACH/DPP Application – Signed application for direct deposit service for payment of water bill. Includes a void check or deposit slip scanned into the EDMS; hard copy destroyed.	CUSTOMER SERVICES	Customer Service	Admin	EDMS/ CIS Infinity	Until closed + 2 fys	N/A	Closed + 2 fys
Application for Water Service – Completed and signed applications for water service for either a new or transfer of water service. Original is scanned to electronic document management system upon receipt and paper original is destroyed.	CUSTOMER SERVICES	Customer Service	Admin	Electronic in EDMS	0	N/A	Permanent
Cash Receipts Book – For any payment not recorded elsewhere. Most usual occurrence is payment of water bill at the front counter.	CUSTOMER SERVICES	Customer Service	Admin	Paper	Audit + 41 <u>fys</u>	N/A <u>2-fys</u>	Audit + 43 <u>fys</u>

*EDMS (Electronic Document Management System)

OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2023~~2022

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
Consumer Confidence Report (CCR) – This report is prepared for OMWD water customers and includes information related to water quality including testing data. The report is distributed to all customers annually. This report was formerly titled Annual Water Quality Report.	CUSTOMER SERVICES	Public Affairs	Admin	Electronic	Permanent	N/A	Permanent
Customer Accounts – 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
Insurance Files – All records related to the purchase of District liability insurance. Original policies are maintained in GM agreements files.	CUSTOMER SERVICES	Admin	Admin	Electronic Paper	Active phase or no longer needed	Active phase or no longer needed	Active phase or no longer needed
Legislation Files – 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
Parks Operations - 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 - Trail Maintenance Log, Incident Reports, Special Event Permits, and Docent Waivers.	CUSTOMER SERVICES	Park	Park	Electronic/ Paper	20 yrs	N/A	20 yrs
Press Releases – These files consist of articles created by OMWD staff to report significant District events. They are sent to various publications.	CUSTOMER SERVICES	Public Affairs	Admin	Electronic	2 yrs	N/A	2 yrs
Social Media Posts/Comments – OMWD posts to social media services and public comments not subject to deletion shall be hosted exclusively by the respective social media service.	CUSTOMER SERVICES	Public Affairs	Admin	Electronic	0	N/A	Current
Social Media Comments (Removed) – Local copies shall be maintained of public comments removed from OMWD social media accounts due to violation(s) of Social Media and Outreach Policy.	CUSTOMER SERVICES	Public Affairs	Admin	Electronic	3 yrs	N/A	3 yrs
Urban Water Management Plan – This report details the District's future plan of operation. It is published every five years and is submitted to the Department of Water Resources.	CUSTOMER SERVICES	Public Affairs	Admin	Electronic	0	N/A	Permanent

*EDMS (Electronic Document Management System)

OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2023~~2022

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

*EDMS (Electronic Document Management System)

OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2023~~2022

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

*EDMS (Electronic Document Management System)

OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2023~~2022

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

*EDMS (Electronic Document Management System)

OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2023~~2022

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
Agricultural Credit Certification Records – These records support claims for monthly agricultural credits.	FINANCE	Accounting	Admin – Finance Storage Room	Paper	Audit +2 fys	Permanent	Permanent
Apportionment Statement Files – These files consist of monthly statements from San Diego County related to monies collected by County Assessor on tax rolls and remitted to the District. PDF in Finance Directory starting with fiscal year 2019.	FINANCE	Accounting	Admin – Finance Storage Room	Paper	N/A	Permanent	Permanent
				PDF in Finance Directory	Permanent	N/A	Permanent
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
Audit Working Files – 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
Bank Statement Reconciliation – Monthly bank statement and reconciliation of cash accounts including General Accounts, Payroll Accounts (payroll checks). These files are stored in the Account Reconciliations – Year-End Audit Boxes (see above).	FINANCE	Accounting	Finance Storage Room – Bank Recons	Paper	3 yrs	2 fys	5 yrs

*EDMS (Electronic Document Management System)

OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2023~~2022

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
Bond Report Files – 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
Budget – Official Budget – As approved by the Board of Directors. Created and published each fiscal year. This report is available for viewing in the EDMS.	FINANCE	Finance	Finance Storage Room – OMWD Budget/AC FR Books	Paper	Audit + 2 fys	Permanent	Permanent
				Electronic in Finance Directory	Permanent	N/A	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	Audit + 9 fys	Permanent	Permanent
				PDF in Finance Directory	Permanent	N/A	Permanent
Capacity Fee Studies – These studies summarize the analyses for development of impact fees and may be used to make recommendations to the Board of Directors for establishing impact fees for capital projects.	FINANCE	Finance	Finance Storage Room – Finance Manager Files	Paper	Audit + 2 fys	7 fys	Audit +9 fys
				Electronic	Audit + 9 fys	N/A	Audit +9 fys
Capital Project Invoice Files – These files consist of invoices (and related backup) sent to outside parties for cost sharing on capital projects.	FINANCE	Accounting	Finance Storage Room – Capital Project Files	Paper	1 fy	Project completion + 6 fys	Project completion + 7 fys

*EDMS (Electronic Document Management System)

OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2023~~2022

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
Cash Receipts – This file consists of <u>reconciled cash deposits for payments received by the District. Covers customer payments and miscellaneous payments that are received daily bank deposits, daily transaction log that details all deposits for month and Daily Transaction Report for credit card transactions via Official Payments Corp. 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.</u>	FINANCE	Accounting	Admin	Paper <u>Electronic</u>	1 fy <u>Audit + 4 fys</u>	2 fys <u>N/A</u>	3 fys <u>Audit + 4 fys</u>
Verizon –Cell Phone bills (business & personal)	FINANCE	Accounting	Admin – AP shelf	Paper <u>Electronic</u>	Current fy Current fy	Audit + 4 fys N/A	Audit + 4 fys Audit + 4 fys
CIP Projects Asset Detail – When District projects are capitalized annually, the detail of costs is printed and kept by Fiscal Year along with relevant supporting documentation.	FINANCE	Accounting	Dynamics GP	Electronic	Audit +7 yrs	N/A	Audit +7
Cost Allocation Plan – A report prepared by Finance to calculate the District's indirect rate.	FINANCE	Finance	Finance Directory	PDF	10 fys	N/A	10 fys
CWA Capacity/Connection Fee Summary – Summary of capacity fee receipts for CWA fees collected by OMWD and forwarded to CWA quarterly; used for support for CWA audit.	FINANCE	Accounting	Dynamics GP	Electronic	Audit +4 fys	N/A	Audit + 4 fys
Cash Activity – 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
Debt Issuance Files – These documents are related to the issuance of debt by the District. Such documents may include official statements, bond indentures, installment purchase agreements, and legal opinions.	FINANCE	Accounting	Finance Storage – Debt Service Binders and Finance Directory	Paper and Electronic	Expiration of the bond	7 fys	Expiration of bond +7 fys

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OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2023~~2022

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
Delinquency Management Files – 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
Direct Payment Program Reports (ACH) – This report is generated by the bank twice per month in electronic format and is received by Finance staff. It details payments that are debited directly from customer bank accounts.	FINANCE	Accounting	Admin	Electronic in CIS Infinity and CB&T	4 fys	N/A	4 fys
Employees Recreation Club (ERC) – These files contain annual financial statements, records and receipts for employee planned events, movie tickets, charities, etc.	FINANCE	Accounting	Finance Directory	Paper	3 yrs	0	3 yrs
				Electronic	3 yrs	N/A	3 yrs
Fixed Assets Subsidiary Ledger – 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
General Ledger Journal Entries – A hard copy journal that is prepared manually, and not a print out from another media source. Any recurring journal entries and adjustments made to the General Ledger that are done manually.	FINANCE	Accounting	Finance Storage Room – FYE Journal Entries	Paper	Audit + 1 fy	3 fys	Audit + 4 fys
General Ledger Posting Journals – 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
General Ledger Trial Balance – A monthly report that shows beginning general ledger account balances, monthly activity and ending balances. The information for this report is maintained in electronic format.	FINANCE	Accounting/ Supervisor	Finance Directory Audit Folders and GP	Electronic	Permanent	N/A	Permanent
General Ledger Detailed Trial Balance Report – A separate printed detailed Trial Balance is created at the end of the fiscal year, after the year-end audit is completed.	FINANCE	Accounting/ Supervisor	Dynamics GP	Electronic	Permanent	N/A	Permanent

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OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2023~~2022

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
Hand Bills Files – This file contains lists of parcels direct-billed for AD 96-1 levies and sewer bills because the parcels don't receive property tax bills from the County Assessor.	FINANCE	Accounting	Admin – Finance Storage Room	Paper	Audit + 2 fys	4 fys	Audit + 6 fys
Investment Report – Report prepared monthly for Board of Directors that reflects investment balances, securities held and compliance with investment policy (included in the monthly Board Package).	FINANCE	Finance	Finance Directory	PDF in Finance Directory	Audit + 4 fys	N/A	Audit + 4 fys
Investment Files – 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
Inventory Issuance Data – 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
Notices of Public Hearing – Notices of Public Hearing for rate changes returned as undeliverable by the post office.	FINANCE	Finance	Finance	Paper	Until close of public hearing	4 yrs	Close + 4 yrs
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
Payment Stubs – Portion of customer water bill returned to District with payment.	FINANCE	Accounting	Admin	Paper	1 fy	0	1 fy

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OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2023~~2022

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
Payroll Register – This register is created and maintained in electronic format in GP and documents hours and amounts paid to employees each pay period. Information for this register is input from Employee time cards. Register is filed by calendar year.	FINANCE	Accounting	Admin	Electronic in GP	Audit + 7 yrs	N/A	Audit + 7 yrs
Payroll Deduction Reports – These reports are created and maintained in electronic format and printed out periodically. Each report lists the employee name and the deducted or contributed amount. They include Employee Computer Purchased Program, LTD and Colonial Insurance, day care/medical, gift certificates for safety awards, direct deposit, insurance, vehicle allowance, employee recreation club and United Way, union dues, credit union dues and 457 election forms.	FINANCE	Accounting	Admin	PDF on Server	Audit + 7 yrs	N/A	Audit + 7 yrs
Payroll Direct Deposits & Checks – A list of direct deposits and payroll checks to employees.	FINANCE	Accounting	Admin	PDF on Server	Audit + 7 yrs	N/A	Audit + 7 yrs
Payroll Employee Leave Balances – A list of accrued leave balances.	FINANCE	Accounting	Admin	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
Payroll Tax Returns (Quarterly/Yearly) – Sent to EDD via online and maintained on their website; hard copies are sent to the IRS as required by law. This file contains information on payments made to directors and employees and processed through payroll module. Copies are kept in confidential file.	FINANCE	Accounting	Admin	Paper	Audit + 2 yrs	5 yrs	Audit + 7 yrs
Payroll Time Card Audit List – A list of employee time sheet allocation amounts, by account number/name, sorted by account number or employee name, and filed by calendar year.	FINANCE	Accounting	Admin	Electronic in Dynamics GP	Audit + 7 yrs	N/A	Audit + 7 yrs
PERS Reporting Copies – A list of employer contributions to PERS.	FINANCE	Accounting	Admin – Finance Storage Room	Paper	1 fy	Permanent	Permanent
				Electronic	Permanent	N/A	Permanent
Project Agreement Working Files – 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

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OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2023~~2022

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
Project/Subdivision Meter Log and General Services Receipts Files [Subdivision Files] – A separate file is kept for each account and contains correspondence, receipts, and a log of meters already set in a sub-division. At project completion it is added to project file in Engineering.	FINANCE	Finance	Admin	Paper	Active phase or no longer needed	20 yrs	End of Project
		Eng Admin			End of Project Warranty Period		End of Project Warranty period + 20 yrs
Property Tax Assessment Valuation Reports – These reports are received annually from the San Diego County Tax Assessor's Office and provide a summary and detail information regarding the assessed values of land parcels located within the District.	FINANCE	Accounting	Admin	Paper	Audit + 2 fys	Permanent	Permanent
Purchase Orders – 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
State Controller's Report – This report is prepared annually for submission to the State Controller's office. File includes working papers developed to support preparation of the report. Report is submitted electronically to the State Controller's office.	FINANCE	Accounting	Finance Storage Room – State Controller's Report	Paper	Audit + 2 fys	Permanent	Permanent
Tax Return Files – Includes 1099s, W2s, use tax returns, A/P related tax return files, benefit payment information, and payments made to vendors and District's contractors.	FINANCE	Accounting	Finance Storage Room – Fire Cabinet	Paper	Audit + 2 yrs	5 yrs	Audit + 7 yrs
				<u>Electronic</u>	<u>Audit + 7 yrs</u>	<u>N/A</u>	<u>Audit + 7 yrs</u>
Time Cards – A form completed by employees and signed by supervisors for each pay period to track hours assigned to various general ledger/work order/job numbers. The completed form is filed by employee name alphabetically and calendar year there under. Business Portal began Jan 2014.	FINANCE	Accounting	Finance Storage Room – Fire Cabinet	Paper	Audit + 2 fys	4 fys	Audit + 6 fys
				Electronic	Audit +6 fys	N/A	Audit +6 fys
Trustee Statement Files – 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

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OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2023~~2022

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
Water Cash Receipts – Reflects payments received by the District or the lockbox. Information is input and maintained electronically in PDF. Report is printed daily and filed in folders.	FINANCE	-Accounting	Admin	PDF on Server	Audit + 4 fys	N/A	Audit + 4 yrs
Water Meter Application – This file contains completed application for water meter installation. Information on this application includes connection fees and other monies collected related to water meter services.	FINANCE	Accounting	Admin	Paper	4 yrs from date submitted, or removal – whichever is longer	Permanent	Permanent
Water/Sewer Rate Study – A report usually prepared by an outside consultant to document the District's methodology with respect to water and sewer rates charted. Completed every 5 years.	FINANCE	Finance	Finance Storage Room – Finance Manager Files	Electronic in Finance Directory	10 fys	N/A	10 fys
Wire Transfers and ACH Payments – Copies of wire and ACH requests sent to our bank.	FINANCE	Accounting	Admin – Finance Storage Room	Paper	2 fys	5 fys	7 fys
Work Order Log – Used to record the assignment of installation of a permanent or temporary construction meter or work for others. The assigned number follows the work order document through its processes.	FINANCE	Accounting	Admin	Paper	2 yrs	0	2 yrs
Workers Compensation Audit Report – May include actual gross wages, earnings for workers compensation, calculation for the previous year and workers compensation gross wages earnings based on estimated payroll expenses in the current year.	FINANCE	Accounting	Admin	Paper	Audit + 2 fys	5 fys	Audit + 7 fys
				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

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OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2023~~2022

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
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
Agreements (Project-Specific; Not Recorded) – Hard copies of agreements pertaining to a specific project will be added to the project file upon filing of a Notice of Completion.	GENERAL MANAGER	Admin	Admin	Paper	Until Notice of Completion is filed	See “Project Files” ENG Record Series	See “Project Files” ENG Record Series
Agreements - Recorded – This record series includes documents that have been recorded by the San Diego County Recorder's Office, and bears that information on the first page of the document.	GENERAL MANAGER	Admin	Admin	Paper Electronic in EDMS	Completion + 10 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 Recordings – Recordings of Board of Director meetings.	GENERAL MANAGER	Admin	Admin	Electronic	30 days	N/A	30 days
Board Member Meeting Attendance and Travel Arrangements – These files contain documentation that relates to meeting attendance and travel arrangements for all Board members.	GENERAL MANAGER	Admin	Admin	Paper	5 yrs	0	5 yrs

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OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2023~~2022

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
Board Packet (Electronic) – Files contain monthly financial reports, the full Board packet for Board workshops and meetings. Copies of these files are distributed to Directors. Agenda items with very large reports may be provided in paper, separately. 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
				Electronic	Permanent	N/A	Permanent
Correspondence – Customer Issues	GENERAL MANAGER	Admin	Admin	Paper	2 yrs	18 yrs	20 yrs
				Electronic	20 yrs	N/A	20 yrs
Correspondence – Project related	GENERAL MANAGER	Admin	Admin	Paper	Project Complete + 1 yr warranty	20 years	Warranty + 20 yrs
				Electronic	20 yrs	N/A	Warranty + 20 yrs
General Counsel Opinions – input on board items, agreements, and case studies.	GENERAL MANAGER	All Employees	Admin	Paper	10 yrs	10 yrs	20 yrs
				Electronic	20 yrs	N/A	20 yrs
Minutes – Approved and signed Minutes of Board of Directors meetings are scanned into the EDMS.	GENERAL MANAGER	GM	Admin	Paper	5 yrs	Permanent	Permanent
				Electronic	Permanent	N/A	Permanent
Ordinances & Resolutions – Approved by District Board of Directors.	GENERAL MANAGER	Admin	Admin	Paper	5 yrs	Permanent	Permanent
				Electronic	Permanent	N/A	Permanent
Risk Management – Subpoenas served on the District, litigation, claims exceeding \$5,000, releases and public records requests.	GENERAL MANAGER	Admin	Admin	Paper	Active phase or no longer needed	Permanent	Permanent
Benefit Plan Files – Includes plan summaries and renewal information (not including add/delete enrollments, change forms – these are kept in employee files), and workers' compensation general information documents. Contracts/agreements are held in GM Agreements Files.	HUMAN RESOURCES	Admin	Admin	Electronic	No longer in force + 540 yrs	N/A	No longer in force + 540 yrs

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OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2023~~2022

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
Benefit Plan Claims are to be permanently maintained by the District ONLY if the claim is filed against the District (not the carrier).	HUMAN RESOURCES	Admin	Records	Paper	Permanent ONLY if received by District	Permanent	Permanent
				Electronic	Permanent ONLY if received by District	N/A	Permanent
Employee Programs Files – These files contain records related to the District Wellness Program, Recognition and Awards Programs.	HUMAN RESOURCES	Admin	Admin	Paper	5 yrs	0	5 yrs
Ethics Training – 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	7 yrs	Termination of employment + 7 yrs
				Electronic	Termination of employment + 7 yrs	N/A	Termination of employment + 7 yrs
Grievance & Claim Files – 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
I-9 File – includes completed I-9 form and applicable backup documents.	HUMAN RESOURCES	Admin	Admin	Paper	Termination of employment + 3 yrs	0	Termination of employment + 3 yrs
				Electronic	Termination of employment + 3 yrs	N/A	Termination of employment + 3 yrs
Labor Relations Files –These files include documents related to employee associations, labor/management records, negotiation information, regulatory information, unit recognition and membership. (MOUs in GM files)	HUMAN RESOURCES	Admin	Admin	Paper	6 yrs	Permanent	Permanent
				Electronic	Permanent	N/A	Permanent
Medical Files – May include FMLA, medical clearance, DMV medicals, workers' compensation claims; results from hearing, respiratory fit, drug and alcohol testing performed as required.	HUMAN RESOURCES	Admin	Admin	Paper	Termination of employment	30 yrs	Termination of employment + 30 yrs

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OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2023~~2022

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

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OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2023~~2022

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

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OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2023~~2022

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
Plan Files – These files contain plans for regulated activities and include Risk Management Plans (RMP), Response Program plans, New Employee Orientation Program, Policies and Procedures for Health & Safety Program, Fire Extinguisher Maintenance Program, Hazardous Materials Business Plan, Storm Water Pollution Prevention Plan, Hazardous Communication Plan, and Lockout/Tagout Program.	HUMAN RESOURCES/ SAFETY	Health and Safety	Safety Office	Paper	Current + 3 yrs	0	Current + 3 yrs
				Electronic	Current + 3 yrs	N/A	Current + 3 yrs
Risk Management Files – Consists of claims under \$5,000, documents related to accidents, vehicle insurance, Workers' Comp Medical Clinic insurance certificates.	HUMAN RESOURCES/ SAFETY	Health and Safety	Safety Office	Paper	Until closed	10 yrs	Closed + 10 yrs
Safety Committee Meeting Files – These files contain 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 the EDMS.	HUMAN RESOURCES/ SAFETY	Health and Safety	Records	Paper	Permanent	0	Permanent
				Electronic	Permanent	N/A	Permanent
Safety Data Sheets (SDS) – These reports describe chemicals in the work place and are posted in District work area. A report listing chemicals and years of exposure may be substituted for sheets.	HUMAN RESOURCES/ SAFETY	Health and Safety	Safety Office	Paper	From date of use + 3 yrs	27 yrs	From date of use + 30 yrs
				Electronic in MSDSonline.com	From date of use + 30 yrs	N/A	From date of use + 30 yrs
Safety Manual – Includes procedures for employees.	HUMAN RESOURCES/ SAFETY	Health and Safety	OMWD Server	Electronic	Current + 2 yrs	N/A	Current + 2 yrs
Training Files – Tests may be given in paper format or via the internet in a program provided for this purpose (*TargetSolutions.com).	HUMAN RESOURCES/ SAFETY	Health and Safety	Safety Office	Paper	Current + 5 yrs	0	Current + 5 yrs
				Electronic	Current + 30 yrs	N/A	Current + 30 yrs
Training Records – Employee – Consists of records of attendance at mandated classes, tailgate and monthly training meetings, off-site and on-line classes completed, and asbestos cement (AC) pipe.	HUMAN RESOURCES/ SAFETY	Health and Safety	Safety Office	Paper	Employment	30 yrs	Termination + 30 yrs
Training Rosters – Includes General & Safety Training and Technical Required Safety Training Rosters.	HUMAN RESOURCES/ SAFETY	Health and Safety	Safety Office	Paper	5 yrs	0	5 yrs
Visitor Log – Daily sign-in logbook maintained at the District's front desk for guests visiting the District.	HUMAN RESOURCES/ SAFETY	Health and Safety	Front Desk/ Records	Paper	1 yr	0	1 yrs
				Electronic	3 yrs	N/A	3 yrs

*EDMS (Electronic Document Management System)

OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2023~~2022

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
4S Ranch Water Reclamation Facility Self-Monitoring Reports for Regional Water Quality Control Board – Self-monitoring reports for the 4S Ranch Water Reclamation Facility. Electronic version becomes official record after scanning.	OPERATIONS	Water Reclamation Facility	4S WRF	Paper	0	10 yrs	10 yrs
			Server	Electronic	10 yrs	N/A	10 yrs
4S Ranch Water Reclamation Facility Status Reports – include various water testing reports, including reports submitted to the Regional Water Quality Control Board.	OPERATIONS	Water Reclamation Facility	4S WRF	Paper	10 yrs	Permanent	Permanent
			Server	Electronic		N/A	Permanent
Backflow Records – Consist of installation, annual test, inspection, and enforcement records.	OPERATIONS	Backflow / Cross Connection	4SWRF Server	Paper	3 yrs	0	3 yrs
				Electronic	3 yrs	N/A	3 yrs
City of San Diego Industrial Self-Monitoring – This report is due the 15 th of each month for WTP waste discharge permit.	OPERATIONS	DCMWTP	Server	Electronic	10 yrs	N/A	10 yrs
Duty Log Book – Duty calls from customers and customer service for after-hour emergency issues. These calls are recorded in the duty call 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 Paper	3 yrs	0	3 yrs
System Infrastructure Repair Records – consist of pipelines and other underground infrastructure.	OPERATIONS	Construction	Server	Electronic	2 yrs	N/A	2 yrs
Industrial Pretreatment Program (IPP) – 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
IT: Software Licenses – Purchased for use with software purchased for District uses.	OPERATIONS	Information Technology	Server	Electronic	Current	N/A	Life of the product
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

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OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2023~~2022

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
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
IT: Systems Backup (SCADA operations systems) –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
IT: Email Backup – 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
Prequalification Documents - 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
Proposals for Professional Services and Construction Bids – Successful – 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
Proposals for Professional Services and Construction Bids – Unsuccessful – Proposals Only – No contracts executed.	OPERATIONS	All Work Groups	Admin	Paper	Bid opening +2 yrs	0	Bid opening +2 yrs
Recycled Water Certification Reports – Dept. of Environmental Health Certifications; Annual Site Inspections; Cross connection testing as required.	OPERATIONS	Cross Connection	4S WRF	Paper	10 yrs	Permanent	Permanent
			Server	Electronic	10 yrs	N/A	Permanent
Recycled Water Program – Files related to the development and administration of the District's recycled water distribution program. These files may include correspondence related to regulatory reporting, site use approval and permitting, and District infrastructure maintenance.	OPERATIONS	Water Reclamation Facility	4S WRF	Paper	Active or no longer needed	Permanent	Permanent
			Server	Electronic	5 yrs	N/A	Permanent

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OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2023~~2022

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
SCADA Historical Data Base – 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, stormwater, etc.) and contract operator correspondence.	OPERATIONS	Water Reclamation Facility	4S WRF	Paper	5 yrs	0	5 yrs
			Server	Electronic	5 yrs	N/A	5 yrs
Security System Logs – 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
Surveillance Cameras – 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
System Operations Records – Consists of PR station maintenance, telemetry, CP station maintenance and system performance records, hydro generation, fire flow, chlorine and water watch duty documents.	OPERATIONS	System Operations	Server	Electronic	2 yrs	N/A	2 yrs
Underground Service Alert Files – These files track activity related to repair of main leaks and new service installations. Staff places phone call to Dig Alert for request of service and keeps track of this activity in these files.	OPERATIONS	Construction	Construction	Electronic Paper	2 yrs	0	2 yrs
Vehicle Purchase Records – 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 vehicles and equipment.	OPERATIONS	Construction	Mechanics Bay	Paper	Until Sold	0	Until Sold
			Server	Electronic	Until Sold	N/A	Until Sold
Vehicle Maintenance – Files include vehicle inventory, fuel records, repair records and waste oil/emulsion disposal reports.	OPERATIONS	Vehicle Maintenance	Mechanics Bay	Paper	Until Sold	0	Until Sold
				Electronic	Until Sold	N/A	Until Sold
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 th of each month.	OPERATIONS	System Operations	Server	Electronic	10 yrs	N/A	10 yrs

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OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2023~~2022

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
Waterboards DDW (Division of Drinking Water) DBP and MRDL - Quarterly reports due the 10 th 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 th 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

*EDMS (Electronic Document Management System)

Memo

Date: December 14, 2022
To: Olivenhain Municipal Water District Board of Directors
From: Melody Colombo, Administrative Analyst
Via: Kimberly A. Thorner, General Manager
Subject: **CONSIDER REVISIONS TO THE LEGISLATIVE GUIDELINES FOR 2023**

Purpose

The purpose of this item is to consider proposed updates to OMWD's Legislative Guidelines for 2023. 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 2023.
- 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 2023 include a new guideline that would oppose legislation that imposes unfair financial and legal leverage to other parties for damages to water infrastructure. This new guideline addresses Director Meyers' concerns regarding AB 930 (2021), which amended Government Code 4216.7(g), and imposed undue liability on OMWD. Further proposed revisions relate to the support of legislation that includes funding for security and cybersecurity that benefit OMWD. In addition to staff's independent analysis, a review of SDCWA's proposed changes for 2023 was completed, and OMWD proposed updates are consistent. The proposed changes for 2023 have been reviewed by Nossaman LLP.

Attachment: 2023 Legislative Guidelines

 Municipal Water District Guidelines & Procedures Manual	Legislative Guidelines	
	OMWD Guidelines & Procedures	
	Page 1 of 23	Latest Revision Date December 1 4 ⁵ , 202 2 ¹

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.

 Municipal Water District Guidelines & Procedures Manual	Legislative Guidelines	
	OMWD Guidelines & Procedures	
	Page 2 of 23	Latest Revision Date December 1 4 ⁵ , 202 2 ¹

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

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

1. Provides for development of a comprehensive state water plan that balances California's competing water needs in an equitable "fair share" approach that balances costs amongst regions and results in a reliable and affordable supply of high-quality water for the San Diego region.
2. Provides conveyance and storage facilities that are cost-effective, 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.

 Municipal Water District Guidelines & Procedures Manual	Legislative Guidelines	
	OMWD Guidelines & Procedures	
	Page 3 of 23	Latest Revision Date December 1 4 ⁵ , 202 1 ²

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.
13. Provides an appropriate level of accountability and cost control over Metropolitan Water District of Southern California and San Diego County Water Authority spending. When time permits, legislation on this issue is to be brought to the board before any action is taken.
14. Requires Metropolitan Water District of Southern California and the San Diego County Water Authority to refund or credit to their member agencies revenues collected from them that result in reserve balances greater than the maximum reserve levels established pursuant to state legislation.
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.

 Municipal Water District Guidelines & Procedures Manual	Legislative Guidelines	
	OMWD Guidelines & Procedures	
	Page 4 of 23	Latest Revision Date December 1 4 ⁵ , 202 2 ¹

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 oppose legislation that:*


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

1. Provides funding to the San Diego County Water Authority and/or its member agencies for conservation, peak management programs, water recycling (including potable reuse), groundwater recovery and recharge, surface water and groundwater development and management projects, including reservoir management, source water protection and watershed planning studies, and facilities that sustain long-term, cost-effective, and reliable water resources.
2. Provides funding to the San Diego County Water Authority and/or its member agencies for cost-effective seawater and brackish groundwater desalination studies and facilities.
3. Recognizes and supports the development of seawater desalination as a critical new water supply for the state, including San Diego County.
4. Preserves and protects potential cost-effective seawater desalination sites and existing coastal facilities including intake and discharge infrastructure that could be used or reused by a seawater desalination facility.

 Municipal Water District Guidelines & Procedures Manual	Legislative Guidelines	
	OMWD Guidelines & Procedures	
	Page 5 of 23	Latest Revision Date December 14 5 , 202 1


5. Ensures that desalination intake and discharge regulations are science-based, considering site-specific conditions, and recognizing that all technologies or mitigation strategies are feasible or cost-effective at every site.
6. Recognizes and supports the development of potable water reuse as critical water sources for San Diego County and the State of California.
7. Authorizes and/or facilitates expanded use of cost-effective local water resources including water recycling, potable reuse, graywater, and rainwater harvesting, and brackish groundwater.
8. Facilitates and encourages the use of rainwater capture systems (e.g., barrels and cisterns) and alternative water sources (e.g., air conditioner condensate) for use in irrigation.
9. Authorizes local governmental agencies to regulate the discharge of contaminants to the sewer collection system that may adversely affect water recycling and reuse.
10. Facilitates and encourages the use of recycled water in commercial, industrial, institutional, and residential settings.
11. Encourages dual-plumbing in all new development to enable utilization of recycled water when available.
12. Provides financial incentives to assist in the disposal of concentrate, sludge, and other byproducts created in the water treatment process and supports the appropriate degree of regulation commensurate with the effect on the environment.
13. Ensures OMWD receives the dry-year water supply benefits of its investment in local water supply sources.
14. Provides for the interchangeability of funding for groundwater and surface water enhancements to best fit the 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.

 Municipal Water District Guidelines & Procedures Manual	Legislative Guidelines	
	OMWD Guidelines & Procedures	
	Page 6 of 23	Latest Revision Date December 1 4 ⁵ , 202 2 ¹

18. Authorizes, promotes, and/or provides incentives or credits for development of local drought-resilient water supply projects such as desalination, non-potable recycling, and potable reuse projects.
19. Streamlines regulatory processes and requirements to encourage and support the development of potable reuse as a municipal water supply.
20. Defines purified recycled water as a source of water supply and not as ~~a~~ waste.
21. Ensures that decision-making with regard to stormwater management and recapture is kept at the local or regional level through local water agencies, stormwater districts, cities, counties, and regional water management groups.
22. Recognizes that stormwater management and recapture are important tools in a diversified water portfolio that can help to achieve improved water quality in local surface and groundwater supplies, augment surface and groundwater supplies for local water agencies, and promote landscape conservation from a water runoff perspective.
23. Promotes and encourages the use of stormwater best management practices to reduce pollutant loading, increase local municipal water supplies, and improve water quality through low-impact development and watershed-based stormwater treatment systems.
24. Provides incentives for the local or regional use of stormwater management, nutrient management, and/or recapture.
25. Reduces or removes regulatory hurdles that hinder the use of stormwater management and recapture.
26. Preserves local water agencies' ability to establish local priorities for water resources planning decisions.

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

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

 Municipal Water District Guidelines & Procedures Manual	Legislative Guidelines	
	OMWD Guidelines & Procedures	
	Page 7 of 23	Latest Revision Date December 1 4 ⁵ , 202 2 ¹


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

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

1. Is consistent with, and does not conflict in any way with, the standard of Proposition 218 regarding proportionality of water rates and cost-of-service provisions.
2. Continues to foster the implementation of AB 2334 (2012) ~~that-which~~ requires data-driven analysis to be ~~in~~-included in California's Water Plan, including water affordability analysis.
3. Creates a low-income water rate assistance program that provides financial relief to ratepayers by utilizing existing resources with in 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 oppose legislation that:*


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

 Municipal Water District Guidelines & Procedures Manual	Legislative Guidelines	
	OMWD Guidelines & Procedures	
	Page 8 of 23	Latest Revision Date December 1 4 ⁵ , 202 2 ¹

~~3-4.~~ Imposes unfair financial and legal leverage to other parties for damages to water infrastructure.

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

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

 Municipal Water District Guidelines & Procedures Manual	Legislative Guidelines	
	OMWD Guidelines & Procedures	
	Page 9 of 23	Latest Revision Date December 1 4 ⁵ , 202 2 ¹


13. Provides funding and support for Colorado River salinity control projects and other water quality management efforts.
14. Alters the definition of “lead free” to reduce the permissible amount of lead in fixtures, plumbing, and pipe fittings to be installed for the delivery of drinking water.
15. Exempts purified wastewater from regulation as a discharge under the Clean Water Act.
16. Streamlines permitting of facilities constructed for the purpose of improving water quality.
17. Implements source control for management and prevention of contamination by constituents of emerging concern.

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

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

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

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

 Municipal Water District Guidelines & Procedures Manual	Legislative Guidelines	
	OMWD Guidelines & Procedures	
	Page 10 of 23	Latest Revision Date December 1 4 ⁵ , 202 1 ²


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 oppose legislation that:*

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

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


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

 Municipal Water District Guidelines & Procedures Manual	Legislative Guidelines	
	OMWD Guidelines & Procedures	
	Page 11 of 23	Latest Revision Date December 1 4 ⁵ , 202 2 ¹

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

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


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

 Municipal Water District Guidelines & Procedures Manual	Legislative Guidelines	
	OMWD Guidelines & Procedures	
	Page 12 of 23	Latest Revision Date December 1 4 ⁵ , 202 2 ¹


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

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

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

 Municipal Water District Guidelines & Procedures Manual	Legislative Guidelines	
	OMWD Guidelines & Procedures	
	Page 13 of 23	Latest Revision Date December 1 4 ⁵ , 202 2 ¹


5. Allows for individual water agencies to collaborate, if so desired, to establish integrated regional water conservation goals.
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.

 Municipal Water District Guidelines & Procedures Manual	Legislative Guidelines	
	OMWD Guidelines & Procedures	
	Page 14 of 23	Latest Revision Date December 1 4 ⁵ , 202 1 ²

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

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

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


 Municipal Water District Guidelines & Procedures Manual	Legislative Guidelines	
	OMWD Guidelines & Procedures	
	Page 15 of 23	Latest Revision Date December 1 4 ⁵ , 202 2 ¹

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

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

1. Provides for after-the-fact reduction in quantity or quality of a public water supply due to new restrictions on the operation or use of water supply facilities unless, funding for alternate sources of water is provided.
2. Imposes endangered species or habitat conservation requirements that restrict the operation, maintenance, or repair of public water supply, conveyance, treatment, or storage facilities.

 Municipal Water District Guidelines & Procedures Manual	Legislative Guidelines	
	OMWD Guidelines & Procedures	
	Page 16 of 23	Latest Revision Date December 1 4 ⁵ , 202 2 ¹


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

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


1. Requires the federal and state governments to provide a subvention to reimburse local governments for all mandated costs or regulatory actions.
2. Provides OMWD with additional forms of cost-effective financing for public facilities.
3. Provides OMWD with grant funding for public facilities.
4. Provides OMWD with additional investment opportunities.
5. Maintains the authority 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 oppose legislation that:

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

 Municipal Water District Guidelines & Procedures Manual	Legislative Guidelines	
	OMWD Guidelines & Procedures	
	Page 17 of 23	Latest Revision Date December 1 4 ⁵ , 202 2 ¹

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 ~~on~~of municipal financing.

 Municipal Water District Guidelines & Procedures Manual	Legislative Guidelines	
	OMWD Guidelines & Procedures	
	Page 18 of 23	Latest Revision Date December 1 4 ⁵ , 202 2 ¹

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.

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

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

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 off-stream pumped storage facilities as environmentally sound.
7. Provides state and federal grants for the construction of in-line hydroelectric, solar, wind, biogas cogeneration, and off-stream pumped storage facilities as a means of reducing greenhouse gas emissions and energy costs.

 Municipal Water District Guidelines & Procedures Manual	Legislative Guidelines	
	OMWD Guidelines & Procedures	
	Page 19 of 23	Latest Revision Date December 1 4 ⁵ , 202 2 ¹

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 oppose legislation that:

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

 Municipal Water District Guidelines & Procedures Manual	Legislative Guidelines	
	OMWD Guidelines & Procedures	
	Page 20 of 23	Latest Revision Date December 1 4 ⁵ , 202 2 ¹


9. Mandates that water agencies include an embedded energy calculation for their water supply sources in the Urban Water Management Plan or any other water resource planning or master planning document.
10. Results in a lengthy, more complicated, or more costly interconnection of new energy resources such as solar, in-line hydroelectricity, pumped storage, and other renewable energy generation or storage technologies to the electric distribution and transmission grid.
11. Authorizes air quality management districts or other regulatory bodies to adopt or maintain rules that would limit or prohibit a local government entity's use of a state and/or federally compliant power generator during a de-energization or public safety power shutoff event.

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 support legislation that:

1. Promotes enhanced coordination and linkage of general plans and water management plans.
2. Discourages piecemeal or uncoordinated land use and water management planning.
3. Requires that projected population and other demographic factors utilized in forecasting future water demands in accordance with the Urban Water Management Planning Act and state law be consistent with the regional growth management plans and general plans applicable to the territory within the service area of the supplier.
4. Allows and funds land exchanges between local public agencies and federal or state agencies when mutually beneficial to all agencies and enhances water resources for the region.

 Municipal Water District Guidelines & Procedures Manual	Legislative Guidelines	
	OMWD Guidelines & Procedures	
	Page 21 of 23	Latest Revision Date December 1 4 ⁵ , 202 2 ¹


5. Designates public lands that are tributary to drinking source water reservoirs as wilderness, habitat preserve, open space, or other protected status, provided such designation does not impede current or reasonable future use of those water resources.
6. Provides funding for, or otherwise facilitates, development of groundwater management plans pursuant to the sustainability efforts under the Sustainable Groundwater Management Act.
7. Protects floodplains and lands over prime groundwater recharge zones for stormwater catchment and bioremediation.
8. Considers the multiple local variables and priorities that are associated with water supply planning and the selection of water resources for implementation.

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

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

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

 Municipal Water District Guidelines & Procedures Manual	Legislative Guidelines	
	OMWD Guidelines & Procedures	
	Page 22 of 23	Latest Revision Date December 1 4 ⁵ , 202 2 ¹

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 oppose legislation that:

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

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 support legislation that:


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

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

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

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

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

 Municipal Water District Guidelines & Procedures Manual	Legislative Guidelines	
	OMWD Guidelines & Procedures	
	Page 23 of 23	Latest Revision Date December 1 4 ⁵ , 202 2 ¹

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

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

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

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

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

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

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

Memo

Date: December 14, 2022
To: Olivenhain Municipal Water District Board of Directors
From: Kimberly A. Thorner, General Manager
Subject: **CONSIDER UPDATE ON THE COVID-19 EMERGENCY DECLARATION**

Purpose

The purpose of this Board item is to provide an update on the COVID-19 Emergency Declaration. The General Manager declared an emergency on March 12, 2020, and the Board has received updates of this emergency declaration at all subsequent Board Meetings. The Board shall receive an update of the General Manager's emergency action at subsequent Board Meetings until we are no longer in the state of emergency. The anticipated end of the state emergency is February 2023.

Recommendation

This is an informational update pursuant to the Administrative and Ethics Code §3.2.1. No Board action is required. To date, sixty four employees have had COVID-19 and we have had one workplace exposure.

Background

Pursuant OMWD's Administrative and Ethics Code §3.2.1, it is under my authority as the General Manager to declare an emergency if there is an 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. COVID-19 poses an imminent danger to the health of OMWD employees and customers. After notifying the Board via email, I declared a state of emergency regarding COVID-19 on March 12, 2020 based on the threat of the spreading pandemic.

There have been a series of email communications with the Board, staff, teleconferences with other General Managers in the County, and multiple messages conveyed to customers ensuring that OMWD's water is safe. The chart below shows the ongoing efforts we are taking here at OMWD to help navigate and mitigate the COVID-19 emergency while remaining prepared and reliable to our customers and community.

CORONAVIRUS (COVID-19) ACTIONS

DATE	ACTION
February 2020	OMWD began actively monitoring situation.
March 5, 2020	Staff begins formulating outreach plan and design of OMWD's online COVID-19 Response Center.
March 9, 2020	Staff participated in regional meeting regarding COVID-19 at the San Diego County Water Authority.
March 11, 2020	OMWD's online COVID-19 Response Center published.
	Social Media outreach regarding water safety during COVID-19.
March 12, 2020	Emergency Declaration made by GM to ensure critical supplies, parts, and inventory are in stock or can be purchased more freely. OMWD implemented Pandemic Response Plan.
	Staff advised not to report to work if they exhibit any signs or symptoms.
	Travel to large conferences, group meetings, and trainings by OMWD employees suspended until further notice.
	Public Tours of OMWD delayed until further notice. Events and workshops postponed.
	Laptops and phones to be ordered in anticipation of telecommuting needs.
	Elfin Forest Recreational Reserve's Interpretive Center closed until further notice.
March 13, 2020	OMWD's lobby temporarily closed until further notice.
	Disconnection moratorium for customers facing financial difficulty.
March 16, 2020	Staff advised not to report to work if family/friends/people they have interacted with exhibited any symptoms.

	Employees can work remotely or on alternate schedules, so long as essential services are not interrupted.
	All non-vital construction, outside work, and outside meetings are cancelled.
	Social distancing policies implemented within the District. (E.g. no sharing vehicles, no congregating, etc.)
	OMWD Sick Time Bank established for employees to donate sick leave to those who do not have enough accrued sick time to meet their needs, thereby encouraging employees to call in sick if needed.
March 17, 2020	OMWD's Emergency Operations Center plans reviewed in order to prepare should it be activated.
	General Manager participates on region-wide water teleconference regarding status of all water agencies. All agencies commit to mutual aide, especially at the operator level. OMWD begins providing San Diego County Water Authority and San Diego County Office of Emergency Services with daily status updates via WEBEOC.
March 18, 2020	OMWD's regularly scheduled board meeting transitioned to teleconference format.
March 21, 2020	California Public Utilities Commission informed that OMWD has initiated a temporary disconnection moratorium.
March 22, 2020	OMWD's Elfin Forest Recreational Reserve closed until further notice.
March 23, 2020	OMWD participated in second teleconference meeting regarding wastewater mutual aid with SEJPA, LWWD, VWD, Oceanside, Carlsbad, and Encina.
	Finance Department creates account to track costs associated with COVID-19.
March 24, 2020	Schedules further modified to ensure as much social distancing as possible; operations divisions separated into alternating teams to allow for separation on a weekly basis. Teams not working are to stay home, safe and sober in the event of an emergency need. Remaining administrative employees authorized remote working capability with laptops.
March 25, 2020	Deployed additional laptops to enable additional employees to work from home.
	Filmed informational video about the safety of our water that will be released in the near future.
	Prepared a list of shovel ready projects to CWA.
March 26, 2020	Sent an informational mailer to all customers regarding the safety of their water supply.
	Secured adequate supply of N95 masks for employees.
March 27, 2020	Staff has contacted certified retired operators to determine their ability to provide support in the event our current staff was impacted.
March 30, 2020	Made and distributed hand sanitizer to be used as needed.

	OMWD participated in third teleconference meeting regarding wastewater mutual aid with SEJPA, LWWD, VWD, Oceanside, Carlsbad, and Encina.
March 31, 2020	Posted an informational video about the safety of our water on website and social media.
April 3, 2020	Secured Zoom meeting software license; Reviewed security protocols to ensure a safe and successful meeting.
April 6, 2020	Ordered cloth masks for each employee to take home and have while out in the community
	Provided one dust mask and gloves for employee significant others and family members who you are exposed to on a daily basis to wear while out in the community.
April 7, 2020	Participated in an EPA COVID-19 Webinar
	Provided employees with an Essential Worker letter in the event that they are stopped by law enforcement while on the clock.
April 15, 2020	Submitted a Request for Public Assistant (RPA) to FEMA within 30 days of our area being designated in the emergency declaration. OMWD anticipates submitting for costs that were incurred outside of normal business practices to respond to the emergency, including additional overtime paid due to the isolation of employees in shifts.
	Participated in an ACWA webinar: COVID-19 Response: Understanding the Financial Aspects.
	Distributed COVID care package supplies to Board Members with sanitizer, masks, and gloves.
April 16, 2020	Received 275 gallons of hand sanitizer to distribute to all OMWD facilities.
April 23, 2020	Participated in the ACWA Brown Act COVID Webinar.
April 28, 2020	Discussed transitioning efforts with Managers and Supervisors.
	Established guidelines for contractor work at the DCMWTP.
May 1, 2020	Presented on a Governments COVID 19 Town Hall Webinar hosted by The Pun Group.
May 4, 2020	OMWD participated in third teleconference meeting regarding wastewater mutual aid with SEJPA, LWWD, VWD, Oceanside, Carlsbad, and Encina.
May 5, 2020	Prepared list of OMWD shovel ready projects to MWD.
May 11, 2020	OMWD participated in fourth teleconference meeting regarding wastewater mutual aid with SEJPA, LWWD, VWD, Oceanside, Carlsbad, and Encina.
	Per the May 10 County Order for essential workers, all employees are to wear face coverings while in public. Thermometers for temperature checks have been ordered.

May 12, 2020	Secured software to enable front desk phone rollover capabilities.
May 14, 2020	Provided COVID-19 IgG Antibody Testing for employees and family members.
May 20, 2020	Executed a Resolution for California Office of Emergency Services (Cal OES) and Federal Emergency Management Agency (FEMA) Funding for expenditures incurred by the District as a result of the COVID-19 Pandemic.
May 26, 2020	Replaces the podium PC in the Boardroom that had Zoom issues.
June 1, 2020	Modified employee work schedules to stagger shifts and isolate, ended the shelving of employees.
	Created a Telecommuting Policy; currently under management review.
June 2, 2020	Hosted an Employee Forum via Zoom.
June 15, 2020	Reopened the Elfin Forest Recreational Reserve with the following restrictions: require that visitors have face coverings at all times and they must be worn when six feet of social distancing is not possible.
June 15, 2020	Slowly started to increase in office presence with fewer telecommuting shifts.
June 17, 2020	Revised the Annual Goals and Objectives to reflect the impacts of COVID-19.
June 19, 2020	Reminded employees that masks should be worn outside of offices in the halls and/or when in a meeting when unable to stay 6 feet apart.
June 22, 2020	Reopened the Lobby with the following restriction: visitors and receptionist to wear face masks.
June 26, 2020	Moved back to increased telecommuting and split shifts due to COVID surge.
June 30, 2020	Closed lobby due to non-compliance with the County Health Order requiring all visitors to wear facial coverings.
July 22, 2020	Implemented employee temperature and COVID-19 symptom certification portal, with mandatory/daily reporting.
July 29, 2020	Implemented emergency sick leave for employees through the end of the calendar year to cover the time off pursuant to the Families First Coronavirus Act (FFCRA). The emergency sick leave time will only be for COVID-19 quarantine related situations and separate from normal sick leave.
July 30, 2020	Review emergency telecommuting policy with managers for implementation in August.
August 1, 2020	Continued split schedules, remote site reporting, distancing, and telecommuting for all employees.
August 31, 2020	Started research on the August 8 Executive Order for payroll tax deferral and its applicability to OMWD.
September 1, 2020	Implemented Telecommuting Policy District wide.
	EOC books updated.

September 15, 2020	Switched to regional reporting to SDCWA to once per week versus daily.
September 22, 2020	Directed supervisors to continue split schedules, telecommuting, remote site reporting, and distancing through at least the end of November. Will revisit as needed.
September 22, 2020	Updated all supervisors on new legislation regarding COVID outbreaks in the workplace and employee notification.
October 28, 2020	Reminded all employees on the importance of resisting COVID fatigue.
November 4, 2020	Requested Supervisors prepare plans in case San Diego gets second Purple Tier rating on 11/10/20.
November 10, 2020	Implemented increased distancing/remote work, modifications to use of Wellness Center, switch to Zoom meetings if unable to distance, lobby remains closed, reinforced importance of mask wearing and daily self-reporting.
November 19, 2020	Reminded employees to have the essential worker letter if out on OMWD business, duty calls, or leaks, etc., past the curfew.
December 1, 2020	Began working with staff on plan for the reinstitution of late charges in 2021.
December 1, 2020	Implemented further distancing work from home schedules due to purple tier.
December 8, 2020	Prepared social media posts for OMWD's COVID preparedness and response.
December 17, 2020	Signed on to a Vaccine Coalition letter to the California Community Vaccine Advisory Committee regarding prioritization of water sector essential critical infrastructure workers for COVID vaccination.
December 21, 2020	Email to all employees about COVID reporting requirements.
January 19, 2021	Ordered hands free door openers for bathrooms.
January 25, 2021	Divided the District into 6 separate workplaces (pods) with physical barriers to separate pods, closed Wellness Center to those without a COVID vaccine, shut down the ice machine, modified warehouse access with new procedures, secured mass testing if needed, approved the purchase of new air filters for the HVAC system that are MERV 13 rated, and secured a contract for industrial cleaning services in case of an outbreak in a pod.
February 1, 2021	Created a COVID Task Force with employee representatives from each pod that will meet bi-weekly.
February 9, 2021	Held a COVID Task Force Meeting.
February 22, 2021	Held a COVID Task Force Meeting.
February 23, 2021	Addressed respirator N95 needs, porta potties deployed, and more sanitizer.

March 2, 2021	Contacted the County of San Diego and determined vaccine eligibility for emergency operations center (EOC) employees, duty operators, and those on call to respond.
March 4, 2021	Distributed individual approval letters to employees as emergency service workers to schedule vaccine appointment.
March 8, 2021	Coordinated with SDCWA on CALFire vaccinations for OMWD employees.
March 22, 2021	Held a COVID Task Force Meeting.
March 23, 2021	Employees eligible to sign up for CALFire vaccinations.
March 30, 2021	Joined CSDA Coalition on COVID relief for Special Districts.
April 15, 2021	Held a COVID Task Force Meeting.
April 19, 2021	HR coordinated a COVID Wellness Challenge
April 29, 2021	Email to all employees about the path moving forward – removing the pod walls, vaccinated employee exposure requirements, targeted lobby re-opening, self-certification form, and meeting requirements, and reminded employees that mask wearing and social distancing is still required at OMWD subject to OSHA requirements.
May 4, 2021	Held a COVID Task Force Meeting.
May 5, 2021	Removed the Pod walls.
May 10, 2021	Reopened the front lobby.
May 11, 2021	Email to all employees about continued mask wearing until OSHA guidelines are updated, self-certification on Target Safety, and schedules starting late May/early June.
June 9, 2021	CALOSHA voted unanimously to withdraw the revisions approved on June 3 that are currently at OAL for review but have not yet become effective. CALOSHA will review the new mask guidance and bring any recommended revisions to the board. All OMWD precautions will remain in effect until the CALOSHA meeting and decision.
June 9, 2021	Held a COVID Task Force Meeting.
June 15, 2021	Email to all employees on the updated CalOSHA ruling – fully vaccinated employees do not have to wear masks, provide proof or self-attest, social distancing rules no longer apply, and N-95 masks are available for any employee who wants one. These revised regulations will be in effect for 210 days, unless they revisit it earlier in the event of a surge in statewide cases.
June 22, 2021	Email to all employees that the wellness facility may now be used at 50% capacity. If not vaccinated, you can use the facility, but must be masked.

July 21, 2021	Held a COVID Task Force Meeting.
July 23, 2021	Email to all employees with a reminder of the COVID guidelines – self certification on Target Safety, mask wearing if unvaccinated.
July 27, 2021	Email to all employees regarding the CDC’s new guidance asking employees who are vaccinated to use their own discretion on mask wearing indoors at this time, and not mandating employee vaccinations (or weekly testing) at this time.
August 21, 2021	Re-instituted masks required indoors immediately unless you are in your office alone with door shut and asked that meetings be Zoom whenever possible.
August 31, 2021	Held a COVID Task Force Meeting.
September 15, 2021	Announced that the 2021 COVID-19 Supplemental Paid Sick Leave will end on September 30, 2021.
September 16, 2021	Governor Newsom signed AB 361, which extends virtual meetings for all Brown Act meetings (Board and Committee) with conditions.
September 10, 2021	Attended workshops on the SWRCB Arrearages Process and CSDA’s Special District Relief Fund Program.
September 30, 2021	Governor Newsom’s Executive Order N-15-21 comes to an end.
October 13, 2021	With the County showing a downward trend in a positive direction, mask wearing returned to optional indoors for vaccinated employees. The Board also implemented AB 361 in order to continue with virtual board and committee meetings for the next 30 days.
November 17, 2021	The Board continued to implement AB 361 in order to continue with virtual board and committee meetings for the next 30 days.
December 9, 2021	Held a COVID Task Force Meeting.
December 14, 2021	Email sent to all employees on the new California Department of Public Health and San Diego County mask mandates go into effect on December 15th requiring masks to be worn in all indoor public settings, irrespective of vaccine status, for the next four weeks (December 15, 2021 through January 15, 2022).
January 3, 2022	With positive cases increasing, sent all employee email to keep up your safe practices and reporting.
January 5, 2022	Sent email to employees that for at least the month of January, any employee that develops COVID symptoms, if you get a rapid test by a health professional and OMWD will reimburse you the out of pocket cost up to \$200. This will shorten the time waiting in isolation for results and will assist OMWD in maintaining critical staffing levels
January 6, 2022	Implemented separation work scheduling for the next two weeks based on the already declared emergency from 2020 and emergency telecommuting agreements on file with HR. Ordered a supply of home tests for employee use. Tests are locked in an outdoor safe where an OMWD Manager or telehealth provider can witness in real time.

January 10, 2022	Sent booster shot clarification email for the updated January 14 th CALOSHA regulations that you are now deemed in the unvaccinated bucket (for exposure purposes) if you are eligible for a booster shot and have not received one.
January 14, 2022	CALOSHA adopted new regulations that go into effect on January 14, 2022 – face covering must pass light test, Testing for all employees (regardless of vaccination status) due to “close contact” in the workplace will be on paid regular work time, not sick leave, home COVID-19 tests are now permissible, however the employer or an authorized telehealth provider must observe the testing in real time.
January 18, 2022	Held a COVID Task Force Meeting.
January 25, 2022	Met via Zoom with Managers and Supervisors to discuss signs COVID fatigue in employees.
February 1, 2022	Awarded certificates to the top 5 employees who completed the most COVID symptom certification checklists since it was implemented at the beginning of the pandemic.
February 14, 2022	Email sent to all employees on the Governor’s COVID-19 paid sick leave retroactive to January 1, 2022, which will remain in effect through September 30, 2022, masks are no longer required for vaccinated individuals, and the COVID-19 Isolation and Quarantine flowchart.
March 2, 2022	Investigated and participated in a webinar on how to request County transfer of federal COVID relief funds. Will submit to County for OMWD impacts.
March 3, 2022	State extended the CALOSHA ETS to May 5, 2022. Informed the Employees at the Employee Forum.
March 15, 2022	Commenced planning for “End of COVID” restrictions event with employees to honor their frontline work for the past two years.
May 5, 2022	Email sent to all employees on CALOSHA’s updated COVID ETS Rules that are in effect from May 6 through December 31, 2022. These rules included that masks no longer require a light test, OMWD does not have to disinfect after a case at work, “high risk period” is now “infectious period.” Also, per supplemental COVID leave requirement, employees need to provide results from a medical provider, health facility or in front of a manager at OMWD. Employees still must complete Vector Solutions symptom certification.
August 30, 2022	Reviewing and researching new CALOSHA regulations anticipated to be adopted in September 2022. CALOSHA hearing set for September 15, 2022.
September 28, 2022	Governor Newsom signed AB 152, extending the requirement for all California employers with more than 25 employees to provide COVID-19 Supplemental Paid Sick Leave through December 31, 2022. The total amount of COVID-19 leave available to employees between January 1 and December 31, 2022 remains the same.
November 15, 2022	Employees no longer have to log-in and complete the symptom certification. Employees will evaluate themselves daily for any COVID symptoms before reporting to work then simply report any symptoms or exposures directly to supervisors.

Fiscal Impact

Staff has reviewed all mission critical chemicals, supplies, parts, and inventory on hand and was instructed to order 120 days of mission critical supplies and chemicals to store here at OMWD. OMWD is using funds from Water and Wastewater Operating Reserves to pay for these expenditures, as water sales have been lower than projected through March 2020 due to weather conditions. Total expenditures in the categories of information technology, inventory, supplies, and customer service total \$331,920.64 as of the publishing of this memo. Of this amount, only \$134,033.45 represents special expenditures that would not have otherwise been incurred but for the COVID-19 pandemic. The remaining \$197,887.19 of expenditures represents parts, supplies, chemicals and materials that were ordered earlier than normal in order to have 5 to 6 months of supplies, materials, chemicals and parts on hand in case of lack of availability. The chart below reflects the COVID-19 expenditures incurred since March 12, 2020. OMWD submitted a Request for Public Assistant (RPA) to FEMA on September 18, 2020. OMWD has submitted for costs that were incurred outside of normal business practices to respond to the emergency, including additional overtime paid due to the isolation of employees in shifts. To date, OMWD's FEMA claim is still pending and we are awaiting direction as to what will be reimbursed. OMWD's FEMA representative indicated that the review is in the final stages.

On October 14th, 2021, OMWD submitted an application for the \$100 million Special District Relief Fund, available through the State of California, for the potential reimbursement of the district's unanticipated COVID-related costs incurred between March 2020 and June 2021. Costs totaling \$372,547 that are not anticipated to be reimbursed by FEMA were included in the application. These costs included: technology costs that allowed select staff to work remotely, customer outreach costs related to water safety and COVID, supplemental COVID sick leave provided to employees, and wages incurred for non-telecommuting employees that were required to stay home at the onset of the pandemic to ensure social distancing. The district was successful in its application and was awarded \$43,561.00 in COVID-19 relief funding to reimburse OMWD for our extraordinary incurred costs for staffing and supplies related to the pandemic.

COVID-19 Expenditures Incurred Since March 12, 2020

Item	Cost	Category	Note
Laptops	30,605.96	Information Technology	15 laptops

Laptop backpacks	486.33	Information Technology	15 laptops
Zoom meetings	2,398.80	Information Technology	
Duo 2 FA	980.00	Information Technology	
Mitel IP Phone Licenses	1,290.00	Information Technology	
Jabra headsets	645.24	Information Technology	
Sonim phones	611.55	Information Technology	
Samsung phones w/ Case and Hotspot	2,171.00	Information Technology	
Wireless mice & misc. supplies	528.47	Information Technology	
Bluetooth keyboards & mice, headsets, and phone chargers	440.47	Information Technology	
Spray bottles for sanitizer	940.00	Supplies	
Hand soap	817.00	Supplies	
Gloves, Glycerol, Hydrogen Peroxide, Distilled Water, batteries, safety glasses, and stock up of other warehouse supplies	7,957.06	Supplies	Warehouse supplies for the next 5-6 months.
Pinesol disinfectant	459.00	Supplies	
Janitorial supplies – hand wipes, paper towels, trash bags, cleaner, hand soap, facial tissue, bleach, toilet paper, hand sanitizer, etc.	9,352.33	Supplies	Janitorial supplies for the next 5-6 months.

Dust masks (not N95)	322.71	Supplies	
Hand sanitizer packets	397.33	Supplies	
Propanol	515.23	Supplies	
Pacific Pipeline Supply- hydrants, gate valves, copper pipe, repair couplings, and various other inventory items	100,714.07	Inventory	Inventory restock for the next 5-6 months.
AquaMetric - meters	68,954.48	Inventory	Inventory restock for the next 5-6 months.
Hach - Laboratory supplies - reagents and other supplies (WTP)	4,738.00	Supplies	6 month supply
IDEXX - Laboratory supplies - BAC-T bottles (WTP)	315.08	Supplies	120 day supply
Nalco - Water treatment chemicals - 7768 polymer barrels, four 55 gallon drums (WTP)	5,053.83	Supplies	
Sterling Water Technologies - Water treatment chemicals - ACH coagulant 2,000 gallons to top off tank (WTP)	8,759.40	Supplies	
Traffic cones to block off street parking (EFRR)	385.21	Supplies	
Custom COVID-19 park closure signs (EFRR)	221.10	Supplies	
COVID-19 Safety of Your Water Postcard - printing and mailing	9,559.69	Customer Service	Quantity sent: 25,584 postcards
Hair Trigger LLC - Hand Sanitizer	15,015.63	Supplies	Qty. 55 - 5 gallon buckets
Masks, disinfectants, hand soap, DIY hand sanitizer supplies	1,921.24	Supplies	

Barricades (EFRR)	56.01	Supplies	
Hydrogen peroxide, propanol for DIY cleaners	922.48	Supplies	
Disposable gloves	556.19	Supplies	
N95 Masks	242.44	Supplies	
Masks for employees	1,293.50	Supplies	
Containers for hand sanitizer	53.17	Supplies	
Propanol	412.19	Supplies	
Disposable gloves	1,559.72	Supplies	
Reusable masks	118.01	Supplies	
Hydrogen peroxide for DIY cleaners	161.85	Supplies	
Disinfectants, hand sanitizer packets, reusable masks, spray bottles, disposable gloves	2,019.92	Supplies	
Fork/Spoon/knife dispensers	47.97	Supplies	
Hydrogen peroxide for DIY cleaners	107.90	Supplies	
Cleaning wipes	2,248.56	Supplies	
Reusable masks	1,787.86	Supplies	
Thermometers, batteries for thermometers, bins to hold	2,940.38	Supplies	

thermometers, bottles for hand sanitizer.			
Disinfecting wipes, hand sanitizer, cleaning supplies	1,694.39	Supplies	
Custom COVID-19 park signs (EFRR)	738.24	Supplies	
Disinfecting wipes, alcohol wipes	467.61	Supplies	
Washable Masks (Qty. 400)	1,869.61	Supplies	
N95 masks (Qty. 1,000)	5,710.75	Supplies	
N95 masks (Qty. 130), spray bottles, utensil dispensers, thermometers, touchless soap dispensers, reusable masks (Qty. 250), hand soap	6,959.25	Supplies	
Customer COVID-19 courtesy letters for past due accounts	1,546.51	Customer Service	
Touchless items for Building D including: touchless soap dispensers, touchless paper towel dispensers, hands-free trash cans,	1,656.20	Supplies	
Wall-mounted forehead thermometer (touchless)	109.90	Supplies	
Disposable masks (Qty. 950)	292.82	Supplies	
Disposable masks (Qty. 1,000), alcohol wipes (24 packs)	672.32	Supplies	
Thermometers (5), Surface disinfectant spray (49), alcohol wipes (24 packs).	704.70		
Surface disinfectant, alcohol wipes, disposable face masks	628.42	Supplies	

Materials for temporary walls to divide Building D into pods.	658.29	Supplies	
N95 Masks (Qty 300), disinfectant	1,384.34	Supplies	
Heating, Ventilation, and Air Conditioning (HVAC) Filters	3,868.00	Supplies	
Disposable masks (Qty. 1,500)	398.35	Supplies	
N95 masks (Qty. 80) and thermometers (Qty. 3)	177.76	Supplies	
Disposable masks (500), N95 masks (240), alcohol wipes.	1002.20	Supplies	
Reusable masks (Qty. 100), Disposable masks (Qty. 1,060)	718.80	Supplies	
Disposable masks (Qty. 350)	188.44	Supplies	
Disposable masks (Qty. 1050)	329.28	Supplies	
COVID rapid tests (Qty. 540 total tests)	6369.77	Supplies	
Reusable "no light" masks for OSHA compliance (Qty. 300)	1008.60	Supplies	
Disposable masks (Qty. 800), alcohol wipes	464.41	Supplies	
COVID rapid tests (Qty. 50 total tests)	968.50	Supplies	

Category	Total
Information Technology	40,990.12
Inventory	169,668.55
Supplies	111,124.27
Customer Service	11,106.20
Grand Total	\$332,889.14

Discussion

OMWD will continue to take proactive measures to stay ahead of the curve while keeping customers supplied with safe and reliable drinking water. Monthly COVID-19 emergency updates will continue at each subsequent board meeting until the state declares the end of the emergency. The district will continue our objectives to protect the health and safety of employees and customers; and ensure the continuity of business operations.

Memo

Date: December 14, 2022
To: Olivenhain Municipal Water District Board of Directors
From: Jennifer Joslin, Human Resources Manager
Via: Kimberly A. Thorner, General Manager
Subject: **CONSIDER ADOPTION OF A RESOLUTION APPROVING THE UPDATED FLEXIBLE BENEFITS PLAN DOCUMENTS FOR THE DISTRICT ACCORDING TO SECTION 125 OF THE INTERNAL REVENUE CODE**

Purpose

The purpose of this item is to consider adoption of a Resolution that approves the updated Flexible Benefits plan documents for the District according to section 125 of the Internal Revenue Code.

Recommendation

Staff recommends that the Board adopt the Resolution as it is required to amend the 125 plan to allow pre-tax processing of employee medical insurance premium contributions.

Alternatives

The Board may elect not to adopt the Resolution and the plan would remain as is; however, this would cause post-tax processing of employee medical insurance premium contributions. The Memorandum of Understanding (MOU) negotiated with the employees and approved by the Board in 2021 contemplated an update to the 125 plan.

Background

According to the Internal Revenue Service (IRS), employers are permitted to establish 125 plans also referred to as “cafeteria” plans. The current District plan allows for pre-tax

flexible spending arrangements to be made by employees toward health care and dependent care expenses within annual contribution limits as set by the IRS. Other optional benefits are also covered; however, group medical insurance premiums were not included as District employees were previously not required to contribute. The District 125 plan administrator, HealthEquity Inc., provided new plan documents rather than an amendment to ensure compliance with the most recent IRS regulations.

Fiscal Impact

No fiscal impact.

Discussion

Adoption of this Resolution will allow for the pre-taxing of employee paid medical insurance payroll contributions. This change was previously negotiated in the Board approved Memorandum of Understanding (MOU) and was to be established on or before January 2023 for employees who are required to start paying toward their medical insurance premiums in calendar year 2023.

Attachments:
Proposed Resolution
Plan Documents

RESOLUTION NO. 2022-XX

RESOLUTION AUTHORIZING THE UPDATED FLEXIBLE BENEFITS
PLAN DOCUMENTS FOR THE DISTRICT ACCORDING TO SECTION 125
OF THE INTERNAL REVENUE CODE

WHEREAS the Board of Directors of the Olivenhain Municipal Water District provides a cafeteria plan or Section 125 Flexible Benefits plan for employee voluntary participation; and

WHEREAS the Board of Directors of the Olivenhain Municipal Water District has previously established a cafeteria plan within the meaning of Section 125 of the Internal Revenue Code including health and dependent care flexible spending arrangements; and as amended from time to time, to provide certain benefits to the employees of the Olivenhain Municipal Water District; and

WHEREAS the Board of Directors of the Olivenhain Municipal Water District has determined that it is desirable to update the 125 plan documents to allow for other voluntary benefit contributions on a pre-tax basis; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Olivenhain Municipal Water District that Olivenhain Municipal Water District is a public agency under the laws of the State of California; and

Section 1: The Board of Directors of the Olivenhain Municipal Water District in accordance with and pursuant to applicable law does hereby authorize that the Plan be and hereby is amended, effective as of January 1, 2023 as provided in the Flexible Benefit Plan documents and Summary Plan Description for the Olivenhain Municipal Water District attached hereto and incorporated herein as Exhibits "A" and "B".

Section 2: Effective Date. This Resolution shall take effect immediately upon its adoption.

Section 3: The Board of Directors of the Olivenhain Municipal Water District does hereby appoint the General Manager as representative authorized to execute the Flexible Benefit Plan documents on behalf of the District.

PASSED, APPROVED AND ADOPTED at a regular meeting of Olivenhain Municipal Water District's Board of Directors held this 14th day of December 2022.

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

ATTEST:

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

**OLIVENHAIN MUNICIPAL WATER DISTRICT
FLEXIBLE BENEFITS PLAN
AND ALL SUPPORTING FORMS HAVE BEEN PRODUCED FOR
HEALTHERQUITY INC**

**OLIVENHAIN MUNICIPAL WATER DISTRICT
FLEXIBLE BENEFITS PLAN**

NOTE: THIS DOCUMENT SHOULD BE REVIEWED AND APPROVED BY THE EMPLOYER'S LEGAL COUNSEL PRIOR TO BEING ADOPTED (SIGNED AND IMPLEMENTED). ANY CHANGES SUGGESTED DURING THAT REVIEW ARE THE RESPONSIBILITY OF THE EMPLOYER.

TABLE OF CONTENTS

ARTICLE I DEFINITIONS

ARTICLE II PARTICIPATION

2.1	ELIGIBILITY	2
2.2	EFFECTIVE DATE OF PARTICIPATION	2
2.3	APPLICATION TO PARTICIPATE	2
2.4	TERMINATION OF PARTICIPATION	3
2.5	TERMINATION OF EMPLOYMENT	3
2.6	DEATH	3

ARTICLE III CONTRIBUTIONS TO THE PLAN

3.1	SALARY REDIRECTION	3
3.2	APPLICATION OF CONTRIBUTIONS	4
3.3	PERIODIC CONTRIBUTIONS	4

ARTICLE IV BENEFITS

4.1	BENEFIT OPTIONS	4
4.2	HEALTH FLEXIBLE SPENDING ACCOUNT BENEFIT	4
4.3	DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT BENEFIT	4
4.4	HEALTH INSURANCE BENEFIT	4
4.5	CANCER INSURANCE BENEFIT	4
4.6	ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE BENEFIT	5
4.7	OTHER INSURANCE BENEFIT	5
4.8	NONDISCRIMINATION REQUIREMENTS	5

ARTICLE V PARTICIPANT ELECTIONS

5.1	INITIAL ELECTIONS	5
5.2	SUBSEQUENT ANNUAL ELECTIONS	5
5.3	FAILURE TO ELECT	6
5.4	CHANGE IN STATUS	6

ARTICLE VI HEALTH FLEXIBLE SPENDING ACCOUNT

6.1	ESTABLISHMENT OF PLAN	8
6.2	DEFINITIONS	8
6.3	FORFEITURES	9
6.4	LIMITATION ON ALLOCATIONS	9
6.5	NONDISCRIMINATION REQUIREMENTS	9
6.6	COORDINATION WITH CAFETERIA PLAN	10
6.7	HEALTH FLEXIBLE SPENDING ACCOUNT CLAIMS	10

6.8	DEBIT AND CREDIT CARDS.....	10
-----	-----------------------------	----

ARTICLE VII DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT

7.1	ESTABLISHMENT OF ACCOUNT	11
7.2	DEFINITIONS	11
7.3	DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS	12
7.4	INCREASES IN DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS	12
7.5	DECREASES IN DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS	12
7.6	ALLOWABLE DEPENDENT CARE REIMBURSEMENT	12
7.7	ANNUAL STATEMENT OF BENEFITS.....	12
7.8	FORFEITURES	12
7.9	LIMITATION ON PAYMENTS.....	12
7.10	NONDISCRIMINATION REQUIREMENTS	12
7.11	COORDINATION WITH CAFETERIA PLAN.....	13
7.12	DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT CLAIMS	13

ARTICLE VIII BENEFITS AND RIGHTS

8.1	CLAIM FOR BENEFITS	14
8.2	APPLICATION OF BENEFIT PLAN SURPLUS	14

ARTICLE IX ADMINISTRATION

9.1	PLAN ADMINISTRATION.....	15
9.2	EXAMINATION OF RECORDS.....	15
9.3	PAYMENT OF EXPENSES	16
9.4	INSURANCE CONTROL CLAUSE	16
9.5	INDEMNIFICATION OF ADMINISTRATOR.....	16

ARTICLE X AMENDMENT OR TERMINATION OF PLAN

10.1	AMENDMENT	16
10.2	TERMINATION.....	16

ARTICLE XI MISCELLANEOUS

11.1	PLAN INTERPRETATION	16
11.2	GENDER, NUMBER AND TENSE	16
11.3	WRITTEN DOCUMENT.....	16
11.4	EXCLUSIVE BENEFIT.....	16
11.5	PARTICIPANT'S RIGHTS	17
11.6	ACTION BY THE EMPLOYER.....	17
11.7	EMPLOYER'S PROTECTIVE CLAUSES	17
11.8	NO GUARANTEE OF TAX CONSEQUENCES.....	17
11.9	INDEMNIFICATION OF EMPLOYER BY PARTICIPANTS.....	17

11.10	FUNDING	17
11.11	GOVERNING LAW.....	17
11.12	SEVERABILITY.....	17
11.13	CAPTIONS.....	17
11.14	CONTINUATION OF COVERAGE (COBRA)	18
11.15	FAMILY AND MEDICAL LEAVE ACT (FMLA).....	18
11.16	HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA).....	18
11.17	UNIFORMED SERVICES EMPLOYMENT AND REEMPLOYMENT RIGHTS ACT (USERRA)	18
11.18	COMPLIANCE WITH HIPAA PRIVACY STANDARDS	18
11.19	COMPLIANCE WITH HIPAA ELECTRONIC SECURITY STANDARDS.....	19
11.20	MENTAL HEALTH PARITY AND ADDICTION EQUITY ACT.....	19
11.21	GENETIC INFORMATION NONDISCRIMINATION ACT (GINA).....	19
11.22	WOMEN'S HEALTH AND CANCER RIGHTS ACT	19
11.23	NEWBORNS' AND MOTHERS' HEALTH PROTECTION ACT.....	20

OLIVENHAIN MUNICIPAL WATER DISTRICT FLEXIBLE BENEFITS PLAN

INTRODUCTION

The Employer has amended this Plan effective January 1, 2023, to recognize the contribution made to the Employer by its Employees. Its purpose is to reward them by providing benefits for those Employees who shall qualify hereunder and their Dependents and beneficiaries. The concept of this Plan is to allow Employees to choose among different types of benefits based on their own particular goals, desires and needs. This Plan is a restatement of a Plan which was originally effective on August 1, 2003. The Plan shall be known as Olivenhain Municipal Water District Flexible Benefits Plan (the "Plan").

The intention of the Employer is that the Plan qualify as a "Cafeteria Plan" within the meaning of Section 125 of the Internal Revenue Code of 1986, as amended, and that the benefits which an Employee elects to receive under the Plan be excludable from the Employee's income under Section 125(a) and other applicable sections of the Internal Revenue Code of 1986, as amended.

ARTICLE I DEFINITIONS

1.1 **"Administrator"** means the Employer unless another person or entity has been designated by the Employer pursuant to Section 9.1 to administer the Plan on behalf of the Employer. If the Employer is the Administrator, the Employer may appoint any person, including, but not limited to, the Employees of the Employer, to perform the duties of the Administrator. Any person so appointed shall signify acceptance by filing written acceptance with the Employer. Upon the resignation or removal of any individual performing the duties of the Administrator, the Employer may designate a successor.

1.2 **"Affiliated Employer"** means the Employer and any corporation which is a member of a controlled group of corporations (as defined in Code Section 414(b)) which includes the Employer; any trade or business (whether or not incorporated) which is under common control (as defined in Code Section 414(c)) with the Employer; any organization (whether or not incorporated) which is a member of an affiliated service group (as defined in Code Section 414(m)) which includes the Employer; and any other entity required to be aggregated with the Employer pursuant to Treasury regulations under Code Section 414(o).

1.3 **"Benefit" or "Benefit Options"** means any of the optional benefit choices available to a Participant as outlined in Section 4.1.

1.4 **"Cafeteria Plan Benefit Dollars"** means the amount available to Participants to purchase Benefit Options as provided under Section 4.1. Each dollar contributed to this Plan shall be converted into one Cafeteria Plan Benefit Dollar.

1.5 **"Code"** means the Internal Revenue Code of 1986, as amended or replaced from time to time.

1.6 **"Compensation"** means the amounts received by the Participant from the Employer during a Plan Year.

1.7 **"Dependent"** means any individual who qualifies as a dependent under an Insurance Contract for purposes of coverage under that Contract only or under Code Section 152 (as modified by Code Section 105(b)).

"Dependent" shall include any Child of a Participant who is covered under an Insurance Contract, as defined in the Contract, or under the Health Flexible Spending Account or as allowed by reason of the Affordable Care Act.

For purposes of the Health Flexible Spending Account, a Participant's "Child" includes his/her natural child, stepchild, foster child, adopted child, or a child placed with the Participant for adoption. A Participant's Child will be an eligible Dependent until reaching the limiting age of 26, without regard to student status, marital status, financial dependency or residency status with the Employee or any other person. When the child reaches the applicable limiting age, coverage will end at the end of the calendar year.

The phrase "placed for adoption" refers to a child whom the Participant intends to adopt, whether or not the adoption has become final, who has not attained the age of 18 as of the date of such placement for adoption. The term "placed" means the assumption and retention by such Employee of a legal obligation for total or partial support of the child in anticipation of adoption of the child. The child must be available for adoption and the legal process must have commenced.

1.8 **"Effective Date"** means August 1, 2003.

1.9 **"Election Period"** means the period immediately preceding the beginning of each Plan Year established by the Administrator, such period to be applied on a uniform and nondiscriminatory basis for all Employees and Participants. However, an Employee's initial Election Period shall be determined pursuant to Section 5.1.

1.10 **"Eligible Employee"** means any Employee who has satisfied the provisions of Section 2.1.

An individual shall not be an "Eligible Employee" if such individual is not reported on the payroll records of the Employer as a common law employee. In particular, it is expressly intended that individuals not treated as common law employees by the

Employer on its payroll records are not "Eligible Employees" and are excluded from Plan participation even if a court or administrative agency determines that such individuals are common law employees and not independent contractors.

1.11 **"Employee"** means any person who is employed by the Employer. The term Employee shall include leased employees within the meaning of Code Section 414(n)(2).

1.12 **"Employer"** means Olivenhain Municipal Water District and any successor which shall maintain this Plan; and any predecessor which has maintained this Plan. In addition, where appropriate, the term Employer shall include any Participating, Affiliated or Adopting Employer.

1.13 **"Insurance Contract"** means any contract issued by an Insurer underwriting a Benefit.

1.14 **"Insurance Premium Payment Plan"** means the plan of benefits contained in Section 4.1 of this Plan, which provides for the payment of Premium Expenses.

1.15 **"Insurer"** means any insurance company that underwrites a Benefit under this Plan.

1.16 **"Key Employee"** means an Employee described in Code Section 416(i)(1) and the Treasury regulations thereunder.

1.17 **"Participant"** means any Eligible Employee who elects to become a Participant pursuant to Section 2.3 and has not for any reason become ineligible to participate further in the Plan.

1.18 **"Plan"** means this instrument, including all amendments thereto.

1.19 **"Plan Year"** means the 12-month period beginning January 1 and ending December 31. The Plan Year shall be the coverage period for the Benefits provided for under this Plan. In the event a Participant commences participation during a Plan Year, then the initial coverage period shall be that portion of the Plan Year commencing on such Participant's date of entry and ending on the last day of such Plan Year.

1.20 **"Premium Expenses" or "Premiums"** mean the Participant's cost for the Benefits described in Section 4.1.

1.21 **"Premium Expense Reimbursement Account"** means the account established for a Participant pursuant to this Plan to which part of his Cafeteria Plan Benefit Dollars may be allocated and from which Premiums of the Participant shall be paid or reimbursed. If more than one type of insured Benefit is elected, sub-accounts shall be established for each type of insured Benefit.

1.22 **"Salary Redirection"** means the contributions made by the Employer on behalf of Participants pursuant to Section 3.1. These contributions shall be converted to Cafeteria Plan Benefit Dollars and allocated to the funds or accounts established under the Plan pursuant to the Participants' elections made under Article V.

1.23 **"Salary Redirection Agreement"** means an agreement between the Participant and the Employer under which the Participant agrees to reduce his Compensation or to forego all or part of the increases in such Compensation and to have such amounts contributed by the Employer to the Plan on the Participant's behalf. The Salary Redirection Agreement shall apply only to Compensation that has not been actually or constructively received by the Participant as of the date of the agreement (after taking this Plan and Code Section 125 into account) and, subsequently does not become currently available to the Participant.

1.24 **"Spouse"** means spouse as determined under Federal law.

ARTICLE II PARTICIPATION

2.1 ELIGIBILITY

Any Eligible Employee shall be eligible to participate hereunder as of the date he satisfies the eligibility conditions for the Employer's group medical plan, the provisions of which are specifically incorporated herein by reference. However, any Eligible Employee who was a Participant in the Plan on the effective date of this amendment shall continue to be eligible to participate in the Plan.

2.2 EFFECTIVE DATE OF PARTICIPATION

An Eligible Employee shall become a Participant effective as of the entry date under the Employer's group medical plan, the provisions of which are specifically incorporated herein by reference.

2.3 APPLICATION TO PARTICIPATE

An Employee who is eligible to participate in this Plan shall, during the applicable Election Period, complete an application to participate in a manner set forth by the Administrator. The election shall be irrevocable until the end of the applicable Plan Year unless the Participant is entitled to change his Benefit elections pursuant to Section 5.4 hereof.

An Eligible Employee shall also be required to complete a Salary Redirection Agreement during the Election Period for the Plan Year during which he wishes to participate in this Plan. Any such Salary Redirection Agreement shall be effective for the first pay period beginning on or after the Employee's effective date of participation pursuant to Section 2.2.

Notwithstanding the foregoing, an Employee who is eligible to participate in this Plan and who is covered by the Employer's insured Benefits under this Plan shall automatically become a Participant to the extent of the Premiums for such insurance unless the Employee elects, during the Election Period, not to participate in the Plan.

2.4 TERMINATION OF PARTICIPATION

A Participant shall no longer participate in this Plan upon the occurrence of any of the following events:

- (a) **Termination of employment.** The Participant's termination of employment, subject to the provisions of Section 2.5;
- (b) **Death.** The Participant's death, subject to the provisions of Section 2.6; or
- (c) **Termination of the plan.** The termination of this Plan, subject to the provisions of Section 10.2.

2.5 TERMINATION OF EMPLOYMENT

If a Participant's employment with the Employer is terminated for any reason other than death, his participation in the Benefit Options provided under Section 4.1 shall be governed in accordance with the following:

- (a) **Insurance Benefit.** With regard to Benefits which are insured, the Participant's participation in the Plan shall cease, subject to the Participant's right to continue coverage under any Insurance Contract for which premiums have already been paid.
- (b) **Dependent Care FSA.** With regard to the Dependent Care Flexible Spending Account, the Participant's participation in the Plan shall cease and no further Salary Redirection contributions shall be made. However, such Participant may submit claims for employment related Dependent Care Expense reimbursements for claims incurred through the remainder of the Plan Year in which such termination occurs and submitted within 60 days after the end of the Plan Year, based on the level of the Participant's Dependent Care Flexible Spending Account as of the date of termination.
- (c) **COBRA applicability.** With regard to the Health Flexible Spending Account, the Participant may submit claims for expenses that were incurred during the portion of the Plan Year before the end of the period for which payments to the Health Flexible Spending Account have already been made. Thereafter, the health benefits under this Plan including the Health Flexible Spending Account shall be applied and administered consistent with such further rights a Participant and his Dependents may be entitled to pursuant to Code Section 4980B and Section 11.14 of the Plan.

2.6 DEATH

If a Participant dies, his participation in the Plan shall cease. However, such Participant's spouse or Dependents may submit claims for expenses or benefits for the remainder of the Plan Year or until the Cafeteria Plan Benefit Dollars allocated to each specific benefit are exhausted. In no event may reimbursements be paid to someone who is not a spouse or Dependent. If the Plan is subject to the provisions of Code Section 4980B, then those provisions and related regulations shall apply for purposes of the Health Flexible Spending Account.

ARTICLE III CONTRIBUTIONS TO THE PLAN

3.1 SALARY REDIRECTION

Benefits under the Plan shall be financed by Salary Redirections sufficient to support Benefits that a Participant has elected hereunder and to pay the Participant's Premium Expenses. The salary administration program of the Employer shall be revised to allow each Participant to agree to reduce his pay during a Plan Year by an amount determined necessary to purchase the elected Benefit Options. The amount of such Salary Redirection shall be specified in the Salary Redirection Agreement and shall be applicable for a Plan Year. Notwithstanding the above, for new Participants, the Salary Redirection Agreement shall only be applicable from the first day of the pay period following the Employee's entry date up to and including the last day of the Plan Year. These contributions shall be converted to Cafeteria Plan Benefit Dollars and allocated to the funds or accounts established under the Plan pursuant to the Participants' elections made under Article IV.

Any Salary Redirection shall be determined prior to the beginning of a Plan Year (subject to initial elections pursuant to Section 5.1) and prior to the end of the Election Period and shall be irrevocable for such Plan Year. However, a Participant may revoke a Benefit election or a Salary Redirection Agreement after the Plan Year has commenced and make a new election with respect to the remainder of the Plan Year, if both the revocation and the new election are on account of and consistent with a change in status and such other permitted

events as determined under Article V of the Plan and consistent with the rules and regulations of the Department of the Treasury. Salary Redirection amounts shall be contributed on a pro rata basis for each pay period during the Plan Year. All individual Salary Redirection Agreements are deemed to be part of this Plan and incorporated by reference hereunder.

3.2 APPLICATION OF CONTRIBUTIONS

As soon as reasonably practical after each payroll period, the Employer shall apply the Salary Redirection to provide the Benefits elected by the affected Participants. Any contribution made or withheld for the Health Flexible Spending Account or Dependent Care Flexible Spending Account shall be credited to such fund or account. Amounts designated for the Participant's Premium Expense Reimbursement Account shall likewise be credited to such account for the purpose of paying Premium Expenses.

3.3 PERIODIC CONTRIBUTIONS

Notwithstanding the requirement provided above and in other Articles of this Plan that Salary Redirections be contributed to the Plan by the Employer on behalf of an Employee on a level and pro rata basis for each payroll period, the Employer and Administrator may implement a procedure in which Salary Redirections are contributed throughout the Plan Year on a periodic basis that is not pro rata for each payroll period. However, with regard to the Health Flexible Spending Account, the payment schedule for the required contributions may not be based on the rate or amount of reimbursements during the Plan Year.

ARTICLE IV BENEFITS

4.1 BENEFIT OPTIONS

Each Participant may elect any one or more of the following optional Benefits:

- (1) Health Flexible Spending Account
- (2) Dependent Care Flexible Spending Account

In addition, each Participant shall have a sufficient portion of his Salary Redirections applied to the following Benefits unless the Participant elects not to receive such Benefits:

- (3) Health Insurance Benefit
- (4) Cancer Insurance Benefit
- (5) Accidental Death and Dismemberment Insurance Benefit
- (6) Other Insurance Benefit

4.2 HEALTH FLEXIBLE SPENDING ACCOUNT BENEFIT

Each Participant may elect to participate in the Health Flexible Spending Account option, in which case Article VI shall apply.

4.3 DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT BENEFIT

Each Participant may elect to participate in the Dependent Care Flexible Spending Account option, in which case Article VII shall apply.

4.4 HEALTH INSURANCE BENEFIT

(a) **Coverage for Participant and Dependents.** Each Participant may elect to be covered under a health Insurance Contract for the Participant, his or her Spouse, and his or her Dependents.

(b) **Employer selects contracts.** The Employer may select suitable health Insurance Contracts for use in providing this health insurance benefit, which policies will provide uniform benefits for all Participants electing this Benefit.

(c) **Contract incorporated by reference.** The rights and conditions with respect to the benefits payable from such health Insurance Contract shall be determined therefrom, and such Insurance Contract shall be incorporated herein by reference.

4.5 CANCER INSURANCE BENEFIT

(a) **Coverage for Participant and/or Dependents.** Each Participant may elect to be covered under the Employer's cancer Insurance Contract. In addition, the Participant may elect either individual or family coverage.

(b) **Employer selects contracts.** The Employer may select suitable cancer Insurance Contracts for use in providing this cancer insurance benefit, which policies will provide uniform benefits for all Participants electing this Benefit.

(c) **Contract incorporated by reference.** The rights and conditions with respect to the benefits payable from such cancer Insurance Contract shall be determined therefrom, and such cancer Insurance Contract shall be incorporated herein by reference.

4.6 ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE BENEFIT

(a) **Coverage for Participant and/or Dependents.** Each Participant may elect to be covered under the Employer's accidental death and dismemberment Insurance Contract.

(b) **Employer selects contracts.** The Employer may select suitable accidental death and dismemberment policies for use in providing this accidental death and dismemberment insurance benefit, which policies will provide uniform benefits for all Participants electing this Benefit.

(c) **Contract incorporated by reference.** The rights and conditions with respect to the benefits payable from such accidental death and dismemberment Insurance Contract shall be determined therefrom, and such accidental death and dismemberment Insurance Contract shall be incorporated herein by reference.

4.7 OTHER INSURANCE BENEFIT

(a) **Employer selects contracts.** The Employer may select additional health or other policies allowed under Code Section 125 or allow the purchase of additional health or other policies by and for Participants, which policies will provide uniform benefits for all Participants electing this Benefit.

(b) **Contract incorporated by reference.** The rights and conditions with respect to the benefits payable from any additional Insurance Contract shall be determined therefrom, and such Insurance Contract shall be incorporated herein by reference.

4.8 NONDISCRIMINATION REQUIREMENTS

(a) **Intent to be nondiscriminatory.** It is the intent of this Plan to provide benefits to a classification of employees which the Secretary of the Treasury finds not to be discriminatory in favor of the group in whose favor discrimination may not occur under Code Section 125.

(b) **25% concentration test.** It is the intent of this Plan not to provide qualified benefits as defined under Code Section 125 to Key Employees in amounts that exceed 25% of the aggregate of such Benefits provided for all Eligible Employees under the Plan. For purposes of the preceding sentence, qualified benefits shall not include benefits which (without regard to this paragraph) are includible in gross income.

(c) **Adjustment to avoid test failure.** If the Administrator deems it necessary to avoid discrimination or possible taxation to Key Employees or a group of employees in whose favor discrimination may not occur in violation of Code Section 125, it may, but shall not be required to, reduce contributions or non-taxable Benefits in order to assure compliance with this Section. Any act taken by the Administrator under this Section shall be carried out in a uniform and nondiscriminatory manner. Contributions which are not utilized to provide Benefits to any Participant by virtue of any administrative act under this paragraph shall be forfeited and deposited into the benefit plan surplus.

ARTICLE V PARTICIPANT ELECTIONS

5.1 INITIAL ELECTIONS

An Employee who meets the eligibility requirements of Section 2.1 on the first day of, or during, a Plan Year may elect to participate in this Plan for all or the remainder of such Plan Year, provided he elects to do so on or before his effective date of participation pursuant to Section 2.2.

Notwithstanding the foregoing, an Employee who is eligible to participate in this Plan and who is covered by the Employer's insured benefits under this Plan shall automatically become a Participant to the extent of the Premiums for such insurance unless the Employee elects, during the Election Period, not to participate in the Plan.

5.2 SUBSEQUENT ANNUAL ELECTIONS

During the Election Period prior to each subsequent Plan Year, each Participant shall be given the opportunity to elect, on an election of benefits form to be provided by the Administrator, which spending account Benefit options he wishes to select. Any such

election shall be effective for any Benefit expenses incurred during the Plan Year which follows the end of the Election Period. With regard to subsequent annual elections, the following options shall apply:

- (a) A Participant or Employee who failed to initially elect to participate may elect different or new Benefits under the Plan during the Election Period;
- (b) A Participant may terminate his participation in the Plan by notifying the Administrator in writing during the Election Period that he does not want to participate in the Plan for the next Plan Year;
- (c) An Employee who elects not to participate for the Plan Year following the Election Period will have to wait until the next Election Period before again electing to participate in the Plan, except as provided for in Section 5.4.

5.3 FAILURE TO ELECT

With regard to Benefits available under the Plan for which no Premium Expenses apply, any Participant who fails to complete a new benefit election form pursuant to Section 5.2 by the end of the applicable Election Period shall be deemed to have elected not to participate in the Plan for the upcoming Plan Year. No further Salary Redirections shall therefore be authorized or made for the subsequent Plan Year for such Benefits.

With regard to Benefits available under the Plan for which Premium Expenses apply, any Participant who fails to complete a new benefit election form pursuant to Section 5.2 by the end of the applicable Election Period shall be deemed to have made the same Benefit elections as are then in effect for the current Plan Year. The Participant shall also be deemed to have elected Salary Redirection in an amount necessary to purchase such Benefit options.

5.4 CHANGE IN STATUS

(a) **Change in status defined.** Any Participant may change a Benefit election after the Plan Year (to which such election relates) has commenced and make new elections with respect to the remainder of such Plan Year if, under the facts and circumstances, the changes are necessitated by and are consistent with a change in status which is acceptable under rules and regulations adopted by the Department of the Treasury, the provisions of which are incorporated by reference. Notwithstanding anything herein to the contrary, if the rules and regulations conflict, then such rules and regulations shall control.

In general, a change in election is not consistent if the change in status is the Participant's divorce, annulment or legal separation from a Spouse, the death of a Spouse or Dependent, or a Dependent ceasing to satisfy the eligibility requirements for coverage, and the Participant's election under the Plan is to cancel accident or health insurance coverage for any individual other than the one involved in such event. In addition, if the Participant, Spouse or Dependent gains or loses eligibility for coverage, then a Participant's election under the Plan to cease or decrease coverage for that individual under the Plan corresponds with that change in status only if coverage for that individual becomes applicable or is increased under the family member plan.

Regardless of the consistency requirement, if the individual, the individual's Spouse, or Dependent becomes eligible for continuation coverage under the Employer's group health plan as provided in Code Section 4980B or any similar state law, then the individual may elect to increase payments under this Plan in order to pay for the continuation coverage. However, this does not apply for COBRA eligibility due to divorce, annulment or legal separation.

Any new election shall be effective at such time as the Administrator shall prescribe, but not earlier than the first pay period beginning after the election form is completed and returned to the Administrator. For the purposes of this subsection, a change in status shall only include the following events or other events permitted by Treasury regulations:

- (1) **Legal Marital Status:** events that change a Participant's legal marital status, including marriage, divorce, death of a Spouse, legal separation or annulment;
- (2) **Number of Dependents:** Events that change a Participant's number of Dependents, including birth, adoption, placement for adoption, or death of a Dependent;
- (3) **Employment Status:** Any of the following events that change the employment status of the Participant, Spouse, or Dependent: termination or commencement of employment, a strike or lockout, commencement or return from an unpaid leave of absence, or a change in worksite. In addition, if the eligibility conditions of this Plan or other employee benefit plan of the Employer of the Participant, Spouse, or Dependent depend on the employment status of that individual and there is a change in that individual's employment status with the consequence that the individual becomes (or ceases to be) eligible under the plan, then that change constitutes a change in employment under this subsection;
- (4) **Dependent satisfies or ceases to satisfy the eligibility requirements:** An event that causes the Participant's Dependent to satisfy or cease to satisfy the requirements for coverage due to attainment of age, student status, or any similar circumstance; and
- (5) **Residency:** A change in the place of residence of the Participant, Spouse or Dependent, that would lead to a change in status (such as a loss of HMO coverage).

For the Dependent Care Flexible Spending Account, a Dependent becoming or ceasing to be a "Qualifying Dependent" as defined under Code Section 21(b) shall also qualify as a change in status.

Notwithstanding anything in this Section to the contrary, the gain of eligibility or change in eligibility of a child, as allowed under Code Sections 105(b) and 106, and guidance thereunder, shall qualify as a change in status.

(b) **Special enrollment rights.** Notwithstanding subsection (a), the Participants may change an election for group health coverage during a Plan Year and make a new election that corresponds with the special enrollment rights provided in Code Section 9801(f), including those authorized under the provisions of the Children's Health Insurance Program Reauthorization Act of 2009 (SCHIP); provided that such Participant meets the sixty (60) day notice requirement imposed by Code Section 9801(f) (or such longer period as may be permitted by the Plan and communicated to Participants). Such change shall take place on a prospective basis, unless otherwise required by Code Section 9801(f) to be retroactive.

(c) **Qualified Medical Support Order.** Notwithstanding subsection (a), in the event of a judgment, decree, or order (including approval of a property settlement) ("order") resulting from a divorce, legal separation, annulment, or change in legal custody which requires accident or health coverage for a Participant's child (including a foster child who is a Dependent of the Participant):

(1) The Plan may change an election to provide coverage for the child if the order requires coverage under the Participant's plan; or

(2) The Participant shall be permitted to change an election to cancel coverage for the child if the order requires the former Spouse to provide coverage for such child, under that individual's plan and such coverage is actually provided.

(d) **Medicare or Medicaid.** Notwithstanding subsection (a), a Participant may change elections to cancel or reduce accident or health coverage for the Participant or the Participant's Spouse or Dependent if the Participant or the Participant's Spouse or Dependent is enrolled in the accident or health coverage of the Employer and becomes entitled to coverage (i.e., enrolled) under Part A or Part B of the Title XVIII of the Social Security Act (Medicare) or Title XIX of the Social Security Act (Medicaid), other than coverage consisting solely of benefits under Section 1928 of the Social Security Act (the program for distribution of pediatric vaccines). If the Participant or the Participant's Spouse or Dependent who has been entitled to Medicaid or Medicare coverage loses eligibility, that individual may prospectively elect coverage under the Plan if a benefit package option under the Plan provides similar coverage.

(e) **Cost increase or decrease.** If the cost of a Benefit provided under the Plan increases or decreases during a Plan Year, then the Plan shall automatically increase or decrease, as the case may be, the Salary Redirections of all affected Participants for such Benefit. Alternatively, if the cost of a benefit package option increases significantly, the Administrator shall permit the affected Participants to either make corresponding changes in their payments or revoke their elections and, in lieu thereof, receive on a prospective basis coverage under another benefit package option with similar coverage, or drop coverage prospectively if there is no benefit package option with similar coverage.

A cost increase or decrease refers to an increase or decrease in the amount of elective contributions under the Plan, whether resulting from an action taken by the Participants or an action taken by the Employer.

(f) **Loss of coverage.** If the coverage under a Benefit is significantly curtailed or ceases during a Plan Year, affected Participants may revoke their elections of such Benefit and, in lieu thereof, elect to receive on a prospective basis coverage under another plan with similar coverage, or drop coverage prospectively if no similar coverage is offered.

(g) **Addition of a new benefit.** If, during the period of coverage, a new benefit package option or other coverage option is added, an existing benefit package option is significantly improved, or an existing benefit package option or other coverage option is eliminated, then the affected Participants may elect the newly-added option, or elect another option if an option has been eliminated prospectively and make corresponding election changes with respect to other benefit package options providing similar coverage. In addition, those Eligible Employees who are not participating in the Plan may opt to become Participants and elect the new or newly improved benefit package option.

(h) **Loss of coverage under certain other plans.** A Participant may make a prospective election change to add group health coverage for the Participant, the Participant's Spouse or Dependent if such individual loses group health coverage sponsored by a governmental or educational institution, including a state children's health insurance program under the Social Security Act, the Indian Health Service or a health program offered by an Indian tribal government, a state health benefits risk pool, or a foreign government group health plan.

(i) **Change of coverage due to change under certain other plans.** A Participant may make a prospective election change that is on account of and corresponds with a change made under the plan of a Spouse's, former Spouse's or Dependent's employer if (1) the cafeteria plan or other benefits plan of the Spouse's, former Spouse's or Dependent's employer permits its participants to make a change; or (2) the cafeteria plan permits participants to make an election for a period of coverage that is different from the period of coverage under the cafeteria plan of a Spouse's, former Spouse's or Dependent's employer.

(j) **Change in dependent care provider.** A Participant may make a prospective election change that is on account of and corresponds with a change by the Participant in the dependent care provider. The availability of dependent care services from a new childcare provider is similar to a new benefit package option becoming available. A cost change is allowable in the Dependent Care Flexible Spending Account only if the cost change is imposed by a dependent care provider who is not related to the Participant, as defined in Code Section 152(a)(1) through (8).

(k) **Health FSA cannot change due to insurance change.** A Participant shall not be permitted to change an election to the Health Flexible Spending Account as a result of a cost or coverage change under any health insurance benefits.

(l) **Changes due to reduction in hours or enrollment in an Exchange Plan.** A Participant may prospectively revoke coverage under the group health plan (that is not a health Flexible Spending Account) which provides minimum essential coverage (as defined in Code §5000A(f)(1)) provided the following conditions are met:

Conditions for revocation due to reduction in hours of service:

- (1) The Participant has been reasonably expected to average at least 30 hours of service per week and there is a change in that Participant's status so that the Participant will reasonably be expected to average less than 30 hours of service per week after the change, even if that reduction does not result in the Participant ceasing to be eligible under the group health plan; and
- (2) The revocation of coverage under the group health plan corresponds to the intended enrollment of the Participant, and any related individuals who cease coverage due to the revocation, in another plan that provides minimum essential coverage with the new coverage effective no later than the first day of the second month following the month that includes the date the original coverage is revoked.

The Administrator may rely on the reasonable representation of the Participant who is reasonably expected to have an average of less than 30 hours of service per week for future periods that the Participant and related individuals have enrolled or intend to enroll in another plan that provides minimum essential coverage for new coverage that is effective no later than the first day of the second month following the month that includes the date the original coverage is revoked.

Conditions for revocation due to enrollment in a Qualified Health Plan:

- (1) The Participant is eligible for a Special Enrollment Period to enroll in a Qualified Health Plan through a Marketplace (federal or state exchange) pursuant to guidance issued by the Department of Health and Human Services and any other applicable guidance, or the Participant seeks to enroll in a Qualified Health Plan through a Marketplace during the Marketplace's annual open enrollment period; and
- (2) The revocation of the election of coverage under the group health plan corresponds to the intended enrollment of the Participant and any related individuals who cease coverage due to the revocation in a Qualified Health Plan through a Marketplace for new coverage that is effective beginning no later than the day immediately following the last day of the original coverage that is revoked.

The Administrator may rely on the reasonable representation of a Participant who has an enrollment opportunity for a Qualified Health Plan through a Marketplace that the Participant and related individuals have enrolled or intend to enroll in a Qualified Health Plan for new coverage that is effective beginning no later than the day immediately following the last day of the original coverage that is revoked.

ARTICLE VI HEALTH FLEXIBLE SPENDING ACCOUNT

6.1 ESTABLISHMENT OF PLAN

This Health Flexible Spending Account is intended to qualify as a medical reimbursement plan under Code Section 105 and shall be interpreted in a manner consistent with such Code Section and the Treasury regulations thereunder. Participants who elect to participate in this Health Flexible Spending Account may submit claims for the reimbursement of Medical Expenses. All amounts reimbursed shall be periodically paid from amounts allocated to the Health Flexible Spending Account. Periodic payments reimbursing Participants from the Health Flexible Spending Account shall in no event occur less frequently than monthly.

6.2 DEFINITIONS

For the purposes of this Article and the Cafeteria Plan, the terms below have the following meaning:

(a) **"Health Flexible Spending Account"** means the account established for Participants pursuant to this Plan to which part of their Cafeteria Plan Benefit Dollars may be allocated and from which all allowable Medical Expenses incurred by a Participant, his or her Spouse and his or her Dependents may be reimbursed.

(b) **"Highly Compensated Participant"** means, for the purposes of this Article and determining discrimination under Code Section 105(h), a participant who is:

- (1) one of the 5 highest paid officers;
- (2) a shareholder who owns (or is considered to own applying the rules of Code Section 318) more than 10 percent in value of the stock of the Employer; or
- (3) among the highest paid 25 percent of all Employees (other than exclusions permitted by Code Section 105(h)(3)(B) for those individuals who are not Participants).

(c) **"Medical Expenses"** means any expense for medical care within the meaning of the term "medical care" as defined in Code Section 213(d) and the rulings and Treasury regulations thereunder, and not otherwise used by the Participant as a deduction in determining his tax liability under the Code. "Medical Expenses" can be incurred by the Participant, his or her Spouse and his or her Dependents. "Incurred" means, with regard to Medical Expenses, when the Participant is provided with the medical care that gives rise to the Medical Expense and not when the Participant is formally billed or charged for, or pays for, the medical care.

A Participant may not be reimbursed for the cost of other health coverage such as premiums paid under plans maintained by the employer of the Participant's Spouse or individual policies maintained by the Participant or his Spouse or Dependent.

A Participant may not be reimbursed for "qualified long-term care services" as defined in Code Section 7702B(c).

(d) The definitions of Article I are hereby incorporated by reference to the extent necessary to interpret and apply the provisions of this Health Flexible Spending Account.

6.3 FORFEITURES

The amount in the Health Flexible Spending Account as of the end of any Plan Year (and after the processing of all claims for such Plan Year pursuant to Section 6.7 hereof, excluding any carryover) shall be forfeited and credited to the benefit plan surplus. In such event, the Participant shall have no further claim to such amount for any reason, subject to Section 8.2.

6.4 LIMITATION ON ALLOCATIONS

(a) Notwithstanding any provision contained in this Health Flexible Spending Account to the contrary, the maximum amount of salary reductions that may be allocated to the Health Flexible Spending Account by a Participant in or on account of any Plan Year is the statutory amount under Code Section 125(i)(2), as adjusted for increases in the cost of living. The cost of living adjustment in effect for a calendar year applies to any Plan Year beginning with or within such calendar year. The dollar increase in effect on January 1 of any calendar year shall be effective for the Plan Year beginning with or within such calendar year. For any short Plan Year, the limit shall be an amount equal to the limit for the calendar year in which the Plan Year begins multiplied by the ratio obtained by dividing the number of full months in the short Plan Year by twelve (12).

(b) **Participation in Other Plans.** All employers that are treated as a single employer under Code Sections 414(b), (c), or (m), relating to controlled groups and affiliated service groups, are treated as a single employer for purposes of the statutory limit. If a Participant participates in multiple cafeteria plans offering health flexible spending accounts maintained by members of a controlled group or affiliated service group, the Participant's total Health Flexible Spending Account contributions under all of the cafeteria plans are limited to the statutory limit (as adjusted). However, a Participant employed by two or more employers that are not members of the same controlled group may elect up to the statutory limit (as adjusted) under each Employer's Health Flexible Spending Account.

(c) **Carryover.** A Participant in the Health Flexible Spending Account may roll over up to \$610 of unused amounts in the Health Flexible Spending Account remaining at the end of one Plan Year to the immediately following Plan Year. These amounts can be used during the following Plan Year for expenses incurred in that Plan Year. Amounts carried over do not affect the maximum amount of salary redirection contributions for the Plan Year to which they are carried over. Unused amounts are those remaining after expenses have been reimbursed during the runout period. These amounts may not be cashed out or converted to any other taxable or nontaxable benefit. Amounts in excess of \$610 will be forfeited. The Plan is allowed, but not required, to treat claims as being paid first from the current year amounts, then from the carryover amounts.

6.5 NONDISCRIMINATION REQUIREMENTS

(a) **Intent to be nondiscriminatory.** It is the intent of this Health Flexible Spending Account not to discriminate in violation of the Code and the Treasury regulations thereunder.

(b) **Adjustment to avoid test failure.** If the Administrator deems it necessary to avoid discrimination under this Health Flexible Spending Account, it may, but shall not be required to, reject any elections or reduce contributions or Benefits in order to assure compliance with this Section. Any act taken by the Administrator under this Section shall be carried out in a

uniform and nondiscriminatory manner. Contributions which are not utilized to provide Benefits to any Participant by virtue of any administrative act under this paragraph shall be forfeited and credited to the benefit plan surplus.

6.6 COORDINATION WITH CAFETERIA PLAN

All Participants under the Cafeteria Plan are eligible to receive Benefits under this Health Flexible Spending Account. The enrollment under the Cafeteria Plan shall constitute enrollment under this Health Flexible Spending Account. In addition, other matters concerning contributions, elections and the like shall be governed by the general provisions of the Cafeteria Plan.

6.7 HEALTH FLEXIBLE SPENDING ACCOUNT CLAIMS

(a) **Expenses must be incurred during Plan Year.** All Medical Expenses incurred by a Participant, his or her Spouse and his or her Dependents during the Plan Year shall be reimbursed during the Plan Year subject to Section 2.5, even though the submission of such a claim occurs after his participation hereunder ceases; but provided that the Medical Expenses were incurred during the applicable Plan Year. Medical Expenses are treated as having been incurred when the Participant is provided with the medical care that gives rise to the medical expenses, not when the Participant is formally billed or charged for, or pays for the medical care.

(b) **Reimbursement available throughout Plan Year.** The Administrator shall direct the reimbursement to each eligible Participant for all allowable Medical Expenses, up to a maximum of the amount designated by the Participant for the Health Flexible Spending Account for the Plan Year. Reimbursements shall be made available to the Participant throughout the year without regard to the level of Cafeteria Plan Benefit Dollars which have been allocated to the fund at any given point in time. Furthermore, a Participant shall be entitled to reimbursements only for amounts in excess of any payments or other reimbursements under any health care plan covering the Participant and/or his Spouse or Dependents.

(c) **Payments.** Reimbursement payments under this Plan shall be made directly to the Participant. However, in the Administrator's discretion, payments may be made directly to the service provider. The application for payment or reimbursement shall be made to the Administrator on an acceptable form within a reasonable time of incurring the debt or paying for the service. The application shall include a written statement from an independent third party stating that the Medical Expense has been incurred and the amount of such expense. Furthermore, the Participant shall provide a written statement that the Medical Expense has not been reimbursed or is not reimbursable under any other health plan coverage and, if reimbursed from the Health Flexible Spending Account, such amount will not be claimed as a tax deduction. The Administrator shall retain a file of all such applications.

(d) **Claims for reimbursement.** Claims for the reimbursement of Medical Expenses incurred in any Plan Year shall be paid as soon after a claim has been filed as is administratively practicable; provided however, that if a Participant fails to submit a claim within 60 days after the end of the Plan Year, those Medical Expense claims shall not be considered for reimbursement by the Administrator. However, if a Participant terminates employment during the Plan Year, claims for the reimbursement of Medical Expenses must be submitted within 0 days after termination of employment.

6.8 DEBIT AND CREDIT CARDS

Participants may, subject to a procedure established by the Administrator and applied in a uniform nondiscriminatory manner, use debit and/or credit (stored value) cards ("cards") provided by the Administrator and the Plan for payment of Medical Expenses, subject to the following terms:

(a) **Card only for medical expenses.** Each Participant issued a card shall certify that such card shall only be used for Medical Expenses. The Participant shall also certify that any Medical Expense paid with the card has not already been reimbursed by any other plan covering health benefits and that the Participant will not seek reimbursement from any other plan covering health benefits.

(b) **Card issuance.** Such card shall be issued upon the Participant's Effective Date of Participation and reissued for each Plan Year the Participant remains a Participant in the Health Flexible Spending Account. Such card shall be automatically cancelled upon the Participant's death or termination of employment, or if such Participant has a change in status that results in the Participant's withdrawal from the Health Flexible Spending Account.

(c) **Maximum dollar amount available.** The dollar amount of coverage available on the card shall be the amount elected by the Participant for the Plan Year. The maximum dollar amount of coverage available shall be the maximum amount for the Plan Year as set forth in Section 6.4.

(d) **Only available for use with certain service providers.** The cards shall only be accepted by such merchants and service providers as have been approved by the Administrator following IRS guidelines.

(e) **Card use.** The cards shall only be used for Medical Expense purchases at these providers, including, but not limited to, the following:

- (1) Co-payments for doctor and other medical care;

- (2) Purchase of drugs prescribed by a health care provider, including, if permitted by the Administrator, over-the-counter medications and menstrual care products as allowed under IRS regulations;
- (3) Purchase of medical items such as eyeglasses, syringes, crutches, etc.
- (f) **Substantiation.** Such purchases by the cards shall be subject to substantiation by the Administrator, usually by submission of a receipt from a service provider describing the service, the date and the amount. The Administrator shall also follow the requirements set forth in Revenue Ruling 2003-43 and Notice 2006-69. All charges shall be conditional pending confirmation and substantiation.
- (g) **Correction methods.** If such purchase is later determined by the Administrator to not qualify as a Medical Expense, the Administrator, in its discretion, shall use one of the following correction methods to make the Plan whole. Until the amount is repaid, the Administrator shall take further action to ensure that further violations of the terms of the card do not occur, up to and including denial of access to the card.
 - (1) Repayment of the improper amount by the Participant;
 - (2) Withholding the improper payment from the Participant's wages or other compensation to the extent consistent with applicable federal or state law;
 - (3) Claims substitution or offset of future claims until the amount is repaid; and
 - (4) if subsections (1) through (3) fail to recover the amount, consistent with the Employer's business practices, the Employer may treat the amount as any other business indebtedness.

ARTICLE VII DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT

7.1 ESTABLISHMENT OF ACCOUNT

This Dependent Care Flexible Spending Account is intended to qualify as a program under Code Section 129 and shall be interpreted in a manner consistent with such Code Section. Participants who elect to participate in this program may submit claims for the reimbursement of Employment-Related Dependent Care Expenses. All amounts reimbursed shall be paid from amounts allocated to the Participant's Dependent Care Flexible Spending Account.

7.2 DEFINITIONS

For the purposes of this Article and the Cafeteria Plan the terms below shall have the following meaning:

- (a) **"Dependent Care Flexible Spending Account"** means the account established for a Participant pursuant to this Article to which part of his Cafeteria Plan Benefit Dollars may be allocated and from which Employment-Related Dependent Care Expenses of the Participant may be reimbursed for the care of the Qualifying Dependents of Participants.
- (b) **"Earned Income"** means earned income as defined under Code Section 32(c)(2), but excluding such amounts paid or incurred by the Employer for dependent care assistance to the Participant.
- (c) **"Employment-Related Dependent Care Expenses"** means the amounts paid for expenses of a Participant for those services which if paid by the Participant would be considered employment related expenses under Code Section 21(b)(2). Generally, they shall include expenses for household services and for the care of a Qualifying Dependent, to the extent that such expenses are incurred to enable the Participant to be gainfully employed for any period for which there are one or more Qualifying Dependents with respect to such Participant. Employment-Related Dependent Care Expenses are treated as having been incurred when the Participant's Qualifying Dependents are provided with the dependent care that gives rise to the Employment-Related Dependent Care Expenses, not when the Participant is formally billed or charged for, or pays for the dependent care. The determination of whether an amount qualifies as an Employment-Related Dependent Care Expense shall be made subject to the following rules:
 - (1) If such amounts are paid for expenses incurred outside the Participant's household, they shall constitute Employment-Related Dependent Care Expenses only if incurred for a Qualifying Dependent as defined in Section 7.2(d)(1) (or deemed to be, as described in Section 7.2(d)(1) pursuant to Section 7.2(d)(3)), or for a Qualifying Dependent as defined in Section 7.2(d)(2) (or deemed to be, as described in Section 7.2(d)(2) pursuant to Section 7.2(d)(3)) who regularly spends at least 8 hours per day in the Participant's household;
 - (2) If the expense is incurred outside the Participant's home at a facility that provides care for a fee, payment, or grant for more than 6 individuals who do not regularly reside at the facility, the facility must comply with all applicable state and local laws and regulations, including licensing requirements, if any; and

(3) Employment-Related Dependent Care Expenses of a Participant shall not include amounts paid or incurred to a child of such Participant who is under the age of 19 or to an individual who is a Dependent of such Participant or such Participant's Spouse.

(d) **"Qualifying Dependent"** means, for Dependent Care Flexible Spending Account purposes,

(1) a Participant's Dependent (as defined in Code Section 152(a)(1)) who has not attained age 13;

(2) a Dependent or the Spouse of a Participant who is physically or mentally incapable of caring for himself or herself and has the same principal place of abode as the Participant for more than one-half of such taxable year; or

(3) a child that is deemed to be a Qualifying Dependent described in paragraph (1) or (2) above, whichever is appropriate, pursuant to Code Section 21(e)(5).

(e) The definitions of Article I are hereby incorporated by reference to the extent necessary to interpret and apply the provisions of this Dependent Care Flexible Spending Account.

7.3 DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS

The Administrator shall establish a Dependent Care Flexible Spending Account for each Participant who elects to apply Cafeteria Plan Benefit Dollars to Dependent Care Flexible Spending Account benefits.

7.4 INCREASES IN DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS

A Participant's Dependent Care Flexible Spending Account shall be increased each pay period by the portion of Cafeteria Plan Benefit Dollars that he has elected to apply toward his Dependent Care Flexible Spending Account pursuant to elections made under Article V hereof.

7.5 DECREASES IN DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS

A Participant's Dependent Care Flexible Spending Account shall be reduced by the amount of any Employment-Related Dependent Care Expense reimbursements paid or incurred on behalf of a Participant pursuant to Section 7.12 hereof.

7.6 ALLOWABLE DEPENDENT CARE REIMBURSEMENT

Subject to limitations contained in Section 7.9 of this Program, and to the extent of the amount contained in the Participant's Dependent Care Flexible Spending Account, a Participant who incurs Employment-Related Dependent Care Expenses shall be entitled to receive from the Employer full reimbursement for the entire amount of such expenses incurred during the Plan Year or portion thereof during which he is a Participant.

7.7 ANNUAL STATEMENT OF BENEFITS

On or before January 31st of each calendar year, the Employer shall furnish to each Employee who was a Participant and received benefits under Section 7.6 during the prior calendar year, a statement of all such benefits paid to or on behalf of such Participant during the prior calendar year. This statement is set forth on the Participant's Form W-2.

7.8 FORFEITURES

The amount in a Participant's Dependent Care Flexible Spending Account as of the end of any Plan Year (and after the processing of all claims for such Plan Year pursuant to Section 7.12 hereof) shall be forfeited and credited to the benefit plan surplus. In such event, the Participant shall have no further claim to such amount for any reason.

7.9 LIMITATION ON PAYMENTS

(a) **Code limits.** Notwithstanding any provision contained in this Article to the contrary, amounts paid from a Participant's Dependent Care Flexible Spending Account in or on account of any taxable year of the Participant shall not exceed the lesser of the Earned Income limitation described in Code Section 129(b) or \$5,000 (\$2,500 if a separate tax return is filed by a Participant who is married as determined under the rules of paragraphs (3) and (4) of Code Section 21(e)).

7.10 NONDISCRIMINATION REQUIREMENTS

(a) **Intent to be nondiscriminatory.** It is the intent of this Dependent Care Flexible Spending Account that contributions or benefits not discriminate in favor of the group of employees in whose favor discrimination may not occur under Code Section 129(d).

(b) **25% test for shareholders.** It is the intent of this Dependent Care Flexible Spending Account that not more than 25 percent of the amounts paid by the Employer for dependent care assistance during the Plan Year will be provided for the

class of individuals who are shareholders or owners (or their Spouses or Dependents), each of whom (on any day of the Plan Year) owns more than 5 percent of the stock or of the capital or profits interest in the Employer.

(c) **Adjustment to avoid test failure.** If the Administrator deems it necessary to avoid discrimination or possible taxation to a group of employees in whose favor discrimination may not occur in violation of Code Section 129 it may, but shall not be required to, reject any elections or reduce contributions or non-taxable benefits in order to assure compliance with this Section. Any act taken by the Administrator under this Section shall be carried out in a uniform and nondiscriminatory manner. Contributions which are not utilized to provide Benefits to any Participant by virtue of any administrative act under this paragraph shall be forfeited.

7.11 COORDINATION WITH CAFETERIA PLAN

All Participants under the Cafeteria Plan are eligible to receive Benefits under this Dependent Care Flexible Spending Account. The enrollment and termination of participation under the Cafeteria Plan shall constitute enrollment and termination of participation under this Dependent Care Flexible Spending Account. In addition, other matters concerning contributions, elections and the like shall be governed by the general provisions of the Cafeteria Plan.

7.12 DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT CLAIMS

The Administrator shall direct the payment of all such Dependent Care claims to the Participant upon the presentation to the Administrator of documentation of such expenses in a form satisfactory to the Administrator. However, in the Administrator's discretion, payments may be made directly to the service provider. In its discretion in administering the Plan, the Administrator may utilize forms and require documentation of costs as may be necessary to verify the claims submitted. At a minimum, the form shall include a statement from an independent third party as proof that the expense has been incurred during the Plan Year and the amount of such expense. In addition, the Administrator may require that each Participant who desires to receive reimbursement under this Program for Employment-Related Dependent Care Expenses submit a statement which may contain some or all of the following information:

- (a) The Dependent or Dependents for whom the services were performed;
- (b) The nature of the services performed for the Participant, the cost of which he wishes reimbursement;
- (c) The relationship, if any, of the person performing the services to the Participant;
- (d) If the services are being performed by a child of the Participant, the age of the child;
- (e) A statement as to where the services were performed;
- (f) If any of the services were performed outside the home, a statement as to whether the Dependent for whom such services were performed spends at least 8 hours a day in the Participant's household;
- (g) If the services were being performed in a day care center, a statement:
 - (1) that the day care center complies with all applicable laws and regulations of the state of residence,
 - (2) that the day care center provides care for more than 6 individuals (other than individuals residing at the center), and
 - (3) of the amount of fee paid to the provider.
- (h) If the Participant is married, a statement containing the following:
 - (1) the Spouse's salary or wages if he or she is employed, or
 - (2) if the Participant's Spouse is not employed, that
 - (i) he or she is incapacitated, or
 - (ii) he or she is a full-time student attending an educational institution and the months during the year which he or she attended such institution.
- (i) **Claims for reimbursement.** If a Participant fails to submit a claim within 60 days after the end of the Plan Year, those claims shall not be considered for reimbursement by the Administrator.

ARTICLE VIII BENEFITS AND RIGHTS

8.1 CLAIM FOR BENEFITS

(a) **Insurance claims.** Any claim for Benefits underwritten by Insurance Contract(s) shall be made to the Insurer. If the Insurer denies any claim, the Participant or beneficiary shall follow the Insurer's claims review procedure.

(b) **Dependent Care Flexible Spending Account or Health Flexible Spending Account claims.** Any claim for Dependent Care Flexible Spending Account or Health Flexible Spending Account Benefits shall be made to the Administrator. For the Health Flexible Spending Account, if a Participant fails to submit a claim within 60 days after the end of the Plan Year, those claims shall not be considered for reimbursement by the Administrator. However, if a Participant terminates employment during the Plan Year, claims for the reimbursement of Medical Expenses must be submitted within 0 days after termination of employment. For the Dependent Care Flexible Spending Account, if a Participant fails to submit a claim within 60 days after the end of the Plan Year, those claims shall not be considered for reimbursement by the Administrator. If the Administrator denies a claim, the Administrator may provide notice to the Participant or beneficiary, in writing, within 90 days after the claim is filed unless special circumstances require an extension of time for processing the claim. The notice of a denial of a claim shall be written in a manner calculated to be understood by the claimant and shall set forth:

- (1) specific references to the pertinent Plan provisions on which the denial is based;
- (2) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation as to why such information is necessary; and
- (3) an explanation of the Plan's claim procedure.

(c) **Appeal.** Within 60 days after receipt of the above material, the claimant shall have a reasonable opportunity to appeal the claim denial to the Administrator for a full and fair review. The claimant or his duly authorized representative may:

- (1) request a review upon written notice to the Administrator;
- (2) review pertinent documents; and
- (3) submit issues and comments in writing.

(d) **Review of appeal.** A decision on the review by the Administrator will be made not later than 60 days after receipt of a request for review, unless special circumstances require an extension of time for processing (such as the need to hold a hearing), in which event a decision should be rendered as soon as possible, but in no event later than 120 days after such receipt. The decision of the Administrator shall be written and shall include specific reasons for the decision, written in a manner calculated to be understood by the claimant, with specific references to the pertinent Plan provisions on which the decision is based.

(f) **Forfeitures.** Any balance remaining in the Participant's Health Flexible Spending Account or Dependent Care Flexible Spending Account as of the end of the time for claims reimbursement for each Plan Year and Grace Period (if applicable) shall be forfeited and deposited in the benefit plan surplus of the Employer pursuant to Section 6.3 or Section 7.8, whichever is applicable, unless the Participant had made a claim for such Plan Year, in writing, which has been denied or is pending; in which event the amount of the claim shall be held in his account until the claim appeal procedures set forth above have been satisfied or the claim is paid. If any such claim is denied on appeal, the amount held beyond the end of the Plan Year shall be forfeited and credited to the benefit plan surplus. If the Plan Administrator is unable to make payment to any Participant or other person to whom a payment is due under the Plan because it cannot ascertain the identity or whereabouts of such Participant or other person after reasonable efforts have been made to identify or locate such person, then such payment and all subsequent payments otherwise due to such Participant or other person shall be forfeited and returned to the Employer following a reasonable time after the date any such payment first became due.

8.2 APPLICATION OF BENEFIT PLAN SURPLUS

Any forfeited amounts credited to the benefit plan surplus by virtue of the failure of a Participant to incur a qualified expense or seek reimbursement in a timely manner may, but need not be, separately accounted for after the close of the Plan Year (or after such further time specified herein for the filing of claims) in which such forfeitures arose. In no event shall such amounts be carried over to reimburse a Participant for expenses incurred during a subsequent Plan Year for the same or any other Benefit available under the Plan (excepting any carryover); nor shall amounts forfeited by a particular Participant be made available to such Participant in any other form or manner, except as permitted by Treasury regulations. Amounts in the benefit plan surplus shall be used to defray any administrative costs and experience losses or used to provide additional benefits under the Plan.

ARTICLE IX ADMINISTRATION

9.1 PLAN ADMINISTRATION

The Employer shall be the Administrator, unless the Employer elects otherwise. The Employer may appoint any person, including, but not limited to, the Employees of the Employer, to perform the duties of the Administrator. Any person so appointed shall signify acceptance by filing acceptance in writing (or such other form as acceptable to both parties) with the Employer. Upon the resignation or removal of any individual performing the duties of the Administrator, the Employer may designate a successor.

If the Employer elects, the Employer shall appoint one or more Administrators. Any person, including, but not limited to, the Employees of the Employer, shall be eligible to serve as an Administrator. Any person so appointed shall signify acceptance by filing acceptance in writing (or such other form as acceptable to both parties) with the Employer. An Administrator may resign by delivering a resignation in writing (or such other form as acceptable to both parties) to the Employer or be removed by the Employer by delivery of notice of removal (in writing or such other form as acceptable to both parties), to take effect at a date specified therein, or upon delivery to the Administrator if no date is specified. The Employer shall be empowered to appoint and remove the Administrator from time to time as it deems necessary for the proper administration of the Plan to ensure that the Plan is being operated for the exclusive benefit of the Employees entitled to participate in the Plan in accordance with the terms of the Plan and the Code.

The operation of the Plan shall be under the supervision of the Administrator. It shall be a principal duty of the Administrator to see that the Plan is carried out in accordance with its terms, and for the exclusive benefit of Employees entitled to participate in the Plan. The Administrator shall have full power and discretion to administer the Plan in all of its details and determine all questions arising in connection with the administration, interpretation, and application of the Plan. The Administrator may establish procedures, correct any defect, supply any information, or reconcile any inconsistency in such manner and to such extent as shall be deemed necessary or advisable to carry out the purpose of the Plan. The Administrator shall have all powers necessary or appropriate to accomplish the Administrator's duties under the Plan. The Administrator shall be charged with the duties of the general administration of the Plan as set forth under the Plan, including, but not limited to, in addition to all other powers provided by this Plan:

- (a) To make and enforce such procedures, rules and regulations as the Administrator deems necessary or proper for the efficient administration of the Plan;
- (b) To interpret the provisions of the Plan, the Administrator's interpretations thereof in good faith to be final and conclusive on all persons claiming benefits by operation of the Plan;
- (c) To decide all questions concerning the Plan and the eligibility of any person to participate in the Plan and to receive benefits provided by operation of the Plan;
- (d) To reject elections or to limit contributions or Benefits for certain highly compensated participants if it deems such to be desirable in order to avoid discrimination under the Plan in violation of applicable provisions of the Code;
- (e) To provide Employees with a reasonable notification of their benefits available by operation of the Plan and to assist any Participant regarding the Participant's rights, benefits or elections under the Plan;
- (f) To keep and maintain the Plan documents and all other records pertaining to and necessary for the administration of the Plan;
- (g) To review and settle all claims against the Plan, to approve reimbursement requests, and to authorize the payment of benefits if the Administrator determines such shall be paid if the Administrator decides in its discretion that the applicant is entitled to them. This authority specifically permits the Administrator to settle disputed claims for benefits and any other disputed claims made against the Plan;
- (h) To appoint such agents, counsel, accountants, consultants, and other persons or entities as may be required to assist in administering the Plan.

Any procedure, discretionary act, interpretation or construction taken by the Administrator shall be done in a nondiscriminatory manner based upon uniform principles consistently applied and shall be consistent with the intent that the Plan shall continue to comply with the terms of Code Section 125 and the Treasury regulations thereunder.

9.2 EXAMINATION OF RECORDS

The Administrator shall make available to each Participant, Eligible Employee and any other Employee of the Employer such records as pertain to their interest under the Plan for examination at reasonable times during normal business hours.

9.3 PAYMENT OF EXPENSES

Any reasonable administrative expenses shall be paid by the Employer unless the Employer determines that administrative costs shall be borne by the Participants under the Plan or by any Trust Fund which may be established hereunder. The Administrator may impose reasonable conditions for payments, provided that such conditions shall not discriminate in favor of highly compensated employees.

9.4 INSURANCE CONTROL CLAUSE

In the event of a conflict between the terms of this Plan and the terms of an Insurance Contract of an independent third party Insurer whose product is then being used in conjunction with this Plan, the terms of the Insurance Contract shall control as to those Participants receiving coverage under such Insurance Contract. For this purpose, the Insurance Contract shall control in defining the persons eligible for insurance, the dates of their eligibility, the conditions which must be satisfied to become insured, if any, the benefits Participants are entitled to and the circumstances under which insurance terminates.

9.5 INDEMNIFICATION OF ADMINISTRATOR

The Employer agrees to indemnify and to defend to the fullest extent permitted by law any Employee serving as the Administrator or as a member of a committee designated as Administrator (including any Employee or former Employee who previously served as Administrator or as a member of such committee) against all liabilities, damages, costs and expenses (including attorney's fees and amounts paid in settlement of any claims approved by the Employer) occasioned by any act or omission to act in connection with the Plan, if such act or omission is in good faith.

ARTICLE X AMENDMENT OR TERMINATION OF PLAN

10.1 AMENDMENT

The Employer, at any time or from time to time, may amend any or all of the provisions of the Plan without the consent of any Employee or Participant. No amendment shall have the effect of modifying any benefit election of any Participant in effect at the time of such amendment, unless such amendment is made to comply with Federal, state or local laws, statutes or regulations.

10.2 TERMINATION

The Employer reserves the right to terminate this Plan, in whole or in part, at any time. In the event the Plan is terminated, no further contributions shall be made. Benefits under any Insurance Contract shall be paid in accordance with the terms of the Insurance Contract.

No further additions shall be made to the Health Flexible Spending Account or Dependent Care Flexible Spending Account, but all payments from such fund shall continue to be made according to the elections in effect until 90 days after the termination date of the Plan. Any amounts remaining in any such fund or account as of the end of such period shall be forfeited and deposited in the benefit plan surplus after the expiration of the filing period.

ARTICLE XI MISCELLANEOUS

11.1 PLAN INTERPRETATION

All provisions of this Plan shall be interpreted and applied in a uniform, nondiscriminatory manner. This Plan shall be read in its entirety and not severed except as provided in Section 11.12.

11.2 GENDER, NUMBER AND TENSE

Wherever any words are used herein in one gender, they shall be construed as though they were also used in all genders in all cases where they would so apply; whenever any words are used herein in the singular or plural form, they shall be construed as though they were also used in the other form in all cases where they would so apply; and whenever any words are used herein in the past or present tense, they shall be construed as though they were also used in the other form in all cases where they would so apply.

11.3 WRITTEN DOCUMENT

This Plan, in conjunction with any separate written document which may be required by law, is intended to satisfy the written Plan requirement of Code Section 125 and any Treasury regulations thereunder relating to cafeteria plans.

11.4 EXCLUSIVE BENEFIT

This Plan shall be maintained for the exclusive benefit of the Employees who participate in the Plan.

11.5 PARTICIPANT'S RIGHTS

This Plan shall not be deemed to constitute an employment contract between the Employer and any Participant or to be a consideration or an inducement for the employment of any Participant or Employee. Nothing contained in this Plan shall be deemed to give any Participant or Employee the right to be retained in the service of the Employer or to interfere with the right of the Employer to discharge any Participant or Employee at any time regardless of the effect which such discharge shall have upon him as a Participant of this Plan.

11.6 ACTION BY THE EMPLOYER

Whenever the Employer under the terms of the Plan is permitted or required to do or perform any act or matter or thing, it shall be done and performed by a person duly authorized by its legally constituted authority.

11.7 EMPLOYER'S PROTECTIVE CLAUSES

(a) **Insurance purchase.** Upon the failure of either the Participant or the Employer to obtain the insurance contemplated by this Plan (whether as a result of negligence, gross neglect or otherwise), the Participant's Benefits shall be limited to the insurance premium(s), if any, that remained unpaid for the period in question and the actual insurance proceeds, if any, received by the Employer or the Participant as a result of the Participant's claim.

(b) **Validity of insurance contract.** The Employer shall not be responsible for the validity of any Insurance Contract issued hereunder or for the failure on the part of the Insurer to make payments provided for under any Insurance Contract. Once insurance is applied for or obtained, the Employer shall not be liable for any loss which may result from the failure to pay Premiums to the extent Premium notices are not received by the Employer.

11.8 NO GUARANTEE OF TAX CONSEQUENCES

Neither the Administrator nor the Employer makes any commitment or guarantee that any amounts paid to or for the benefit of a Participant under the Plan will be excludable from the Participant's gross income for federal or state income tax purposes, or that any other federal or state tax treatment will apply to or be available to any Participant. It shall be the obligation of each Participant to determine whether each payment under the Plan is excludable from the Participant's gross income for federal and state income tax purposes, and to notify the Employer if the Participant has reason to believe that any such payment is not so excludable. Notwithstanding the foregoing, the rights of Participants under this Plan shall be legally enforceable.

11.9 INDEMNIFICATION OF EMPLOYER BY PARTICIPANTS

If any Participant receives one or more payments or reimbursements under the Plan that are not for a permitted Benefit, such Participant shall indemnify and reimburse the Employer for any liability it may incur for failure to withhold federal or state income tax or Social Security tax from such payments or reimbursements. However, such indemnification and reimbursement shall not exceed the amount of additional federal and state income tax (plus any penalties) that the Participant would have owed if the payments or reimbursements had been made to the Participant as regular cash compensation, plus the Participant's share of any Social Security tax that would have been paid on such compensation, less any such additional income and Social Security tax actually paid by the Participant.

11.10 FUNDING

Unless otherwise required by law, contributions to the Plan need not be placed in trust or dedicated to a specific Benefit, but may instead be considered general assets of the Employer. Furthermore, and unless otherwise required by law, nothing herein shall be construed to require the Employer or the Administrator to maintain any fund or segregate any amount for the benefit of any Participant, and no Participant or other person shall have any claim against, right to, or security or other interest in, any fund, account or asset of the Employer from which any payment under the Plan may be made.

11.11 GOVERNING LAW

This Plan is governed by the Code and the Treasury regulations issued thereunder (as they might be amended from time to time). In no event shall the Employer guarantee the favorable tax treatment sought by this Plan. To the extent not preempted by Federal law, the provisions of this Plan shall be construed, enforced and administered according to the laws of the State of California.

11.12 SEVERABILITY

If any provision of the Plan is held invalid or unenforceable, its invalidity or unenforceability shall not affect any other provisions of the Plan, and the Plan shall be construed and enforced as if such provision had not been included herein.

11.13 CAPTIONS

The captions contained herein are inserted only as a matter of convenience and for reference, and in no way define, limit, enlarge or describe the scope or intent of the Plan, nor in any way shall affect the Plan or the construction of any provision thereof.

11.14 CONTINUATION OF COVERAGE (COBRA)

Notwithstanding anything in the Plan to the contrary, in the event any benefit under this Plan subject to the continuation coverage requirement of Code Section 4980B becomes unavailable, each Participant will be entitled to continuation coverage as prescribed in Code Section 4980B, and related regulations. This Section shall only apply if the Employer employs at least twenty (20) employees on more than 50% of its typical business days in the previous calendar year.

11.15 FAMILY AND MEDICAL LEAVE ACT (FMLA)

Notwithstanding anything in the Plan to the contrary, in the event any benefit under this Plan becomes subject to the requirements of the Family and Medical Leave Act and regulations thereunder, this Plan shall be operated in accordance with Regulation 1.125-3.

11.16 HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA)

Notwithstanding anything in this Plan to the contrary, this Plan shall be operated in accordance with HIPAA and regulations thereunder.

11.17 UNIFORMED SERVICES EMPLOYMENT AND REEMPLOYMENT RIGHTS ACT (USERRA)

Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit with respect to qualified military service shall be provided in accordance with the Uniform Services Employment And Reemployment Rights Act (USERRA) and the regulations thereunder.

11.18 COMPLIANCE WITH HIPAA PRIVACY STANDARDS

(a) **Application.** If any benefits under this Cafeteria Plan are subject to the Standards for Privacy of Individually Identifiable Health Information (45 CFR Part 164, the "Privacy Standards"), then this Section shall apply.

(b) **Disclosure of PHI.** The Plan shall not disclose Protected Health Information to any member of the Employer's workforce unless each of the conditions set out in this Section are met. "Protected Health Information" shall have the same definition as set forth in the Privacy Standards but generally shall mean individually identifiable information about the past, present or future physical or mental health or condition of an individual, including genetic information and information about treatment or payment for treatment.

(c) **PHI disclosed for administrative purposes.** Protected Health Information disclosed to members of the Employer's workforce shall be used or disclosed by them only for purposes of Plan administrative functions. The Plan's administrative functions shall include all Plan payment functions and health care operations. The terms "payment" and "health care operations" shall have the same definitions as set out in the Privacy Standards, but the term "payment" generally shall mean activities taken to determine or fulfill Plan responsibilities with respect to eligibility, coverage, provision of benefits, or reimbursement for health care. Protected Health Information that consists of genetic information will not be used or disclosed for underwriting purposes.

(d) **PHI disclosed to certain workforce members.** The Plan shall disclose Protected Health Information only to members of the Employer's workforce who are designated and authorized to receive such Protected Health Information, and only to the extent and in the minimum amount necessary for that person to perform his or her duties with respect to the Plan. "Members of the Employer's workforce" shall refer to all employees and other persons under the control of the Employer. The Employer shall keep an updated list of those authorized to receive Protected Health Information.

(1) An authorized member of the Employer's workforce who receives Protected Health Information shall use or disclose the Protected Health Information only to the extent necessary to perform his or her duties with respect to the Plan.

(2) In the event that any member of the Employer's workforce uses or discloses Protected Health Information other than as permitted by this Section and the Privacy Standards, the incident shall be reported to the Plan's privacy official. The privacy official shall take appropriate action, including:

- (i) investigation of the incident to determine whether the breach occurred inadvertently, through negligence or deliberately; whether there is a pattern of breaches; and the degree of harm caused by the breach;
- (ii) appropriate sanctions against the persons causing the breach which, depending upon the nature of the breach, may include oral or written reprimand, additional training, or termination of employment;
- (iii) mitigation of any harm caused by the breach, to the extent practicable; and
- (iv) documentation of the incident and all actions taken to resolve the issue and mitigate any damages.

(e) **Certification.** The Employer must provide certification to the Plan that it agrees to:

- (1) Not use or further disclose the information other than as permitted or required by the Plan documents or as required by law;
- (2) Ensure that any agent or subcontractor, to whom it provides Protected Health Information received from the Plan, agrees to the same restrictions and conditions that apply to the Employer with respect to such information;
- (3) Not use or disclose Protected Health Information for employment-related actions and decisions or in connection with any other benefit or employee benefit plan of the Employer;
- (4) Report to the Plan any use or disclosure of the Protected Health Information of which it becomes aware that is inconsistent with the uses or disclosures permitted by this Section, or required by law;
- (5) Make available Protected Health Information to individual Plan members in accordance with Section 164.524 of the Privacy Standards;
- (6) Make available Protected Health Information for amendment by individual Plan members and incorporate any amendments to Protected Health Information in accordance with Section 164.526 of the Privacy Standards;
- (7) Make available the Protected Health Information required to provide an accounting of disclosures to individual Plan members in accordance with Section 164.528 of the Privacy Standards;
- (8) Make its internal practices, books and records relating to the use and disclosure of Protected Health Information received from the Plan available to the Department of Health and Human Services for purposes of determining compliance by the Plan with the Privacy Standards;
- (9) If feasible, return or destroy all Protected Health Information received from the Plan that the Employer still maintains in any form, and retain no copies of such information when no longer needed for the purpose for which disclosure was made, except that, if such return or destruction is not feasible, limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible; and
- (10) Ensure the adequate separation between the Plan and members of the Employer's workforce, as required by Section 164.504(f)(2)(iii) of the Privacy Standards and set out in (d) above.

11.19 COMPLIANCE WITH HIPAA ELECTRONIC SECURITY STANDARDS

Under the Security Standards for the Protection of Electronic Protected Health Information (45 CFR Part 164.300 et. seq., the "Security Standards"):

- (a) **Implementation.** The Employer agrees to implement reasonable and appropriate administrative, physical and technical safeguards to protect the confidentiality, integrity and availability of Electronic Protected Health Information that the Employer creates, maintains or transmits on behalf of the Plan. "Electronic Protected Health Information" shall have the same definition as set out in the Security Standards, but generally shall mean Protected Health Information that is transmitted by or maintained in electronic media.
- (b) **Agents or subcontractors shall meet security standards.** The Employer shall ensure that any agent or subcontractor to whom it provides Electronic Protected Health Information shall agree, in writing, to implement reasonable and appropriate security measures to protect the Electronic Protected Health Information.
- (c) **Employer shall ensure security standards.** The Employer shall ensure that reasonable and appropriate security measures are implemented to comply with the conditions and requirements set forth in Section 11.18.

11.20 MENTAL HEALTH PARITY AND ADDICTION EQUITY ACT

Notwithstanding anything in the Plan to the contrary, the Plan will comply with the Mental Health Parity and Addiction Equity Act.

11.21 GENETIC INFORMATION NONDISCRIMINATION ACT (GINA)

Notwithstanding anything in the Plan to the contrary, the Plan will comply with the Genetic Information Nondiscrimination Act.

11.22 WOMEN'S HEALTH AND CANCER RIGHTS ACT

Notwithstanding anything in the Plan to the contrary, the Plan will comply with the Women's Health and Cancer Rights Act of 1998.

11.23 NEWBORNS' AND MOTHERS' HEALTH PROTECTION ACT

Notwithstanding anything in the Plan to the contrary, the Plan will comply with the Newborns' and Mothers' Health Protection Act.

IN WITNESS WHEREOF, this Plan document is hereby executed this _____ day of _____.

Olivenhain Municipal Water District

By _____
EMPLOYER

**OLIVENHAIN MUNICIPAL WATER DISTRICT
FLEXIBLE BENEFITS PLAN**

SUMMARY PLAN DESCRIPTION

TABLE OF CONTENTS

I ELIGIBILITY

1.	When can I become a participant in the Plan?	1
2.	What are the eligibility requirements for our Plan?	1
3.	When is my entry date?.....	1
4.	What must I do to enroll in the Plan?	1

II OPERATION

1.	How does this Plan operate?	2
----	-----------------------------------	---

III CONTRIBUTIONS

1.	How much of my pay may the Employer redirect?.....	2
2.	What happens to contributions made to the Plan?.....	2
3.	When must I decide which accounts I want to use?	2
4.	When is the election period for our Plan?	2
5.	May I change my elections during the Plan Year?.....	2
6.	May I make new elections in future Plan Years?	3

IV BENEFITS

1.	Health Flexible Spending Account	3
2.	Dependent Care Flexible Spending Account	4
3.	Premium Expense Account.....	4

V BENEFIT PAYMENTS

1.	When will I receive payments from my accounts?	5
2.	What happens if I don't spend all Plan contributions during the Plan Year?.....	5
3.	Family and Medical Leave Act (FMLA)	5
4.	Uniformed Services Employment and Reemployment Rights Act (USERRA)	5
5.	What happens if I terminate employment?.....	5
6.	Will my Social Security benefits be affected?	6

VI HIGHLY COMPENSATED AND KEY EMPLOYEES

1.	Do limitations apply to highly compensated employees?	6
----	---	---

VII PLAN ACCOUNTING

1.	Periodic Statements.....	6
----	--------------------------	---

VIII GENERAL INFORMATION ABOUT OUR PLAN

1.	General Plan Information.....	6
----	-------------------------------	---

2.	Employer Information.....	6
3.	Plan Administrator Information.....	6
4.	Service of Legal Process.....	7
5.	Type of Administration.....	7
6.	Claims Submission	7

IX ADDITIONAL PLAN INFORMATION

1.	Claims Process.....	7
----	---------------------	---

X CONTINUATION COVERAGE RIGHTS UNDER COBRA

1.	What is COBRA continuation coverage?.....	8
2.	Who can become a Qualified Beneficiary?.....	8
3.	What is a Qualifying Event?	8
4.	What factors should be considered when determining to elect COBRA continuation coverage?	9
5.	What is the procedure for obtaining COBRA continuation coverage?.....	9
6.	What is the election period and how long must it last?	9
7.	Is a covered Employee or Qualified Beneficiary responsible for informing the Plan Administrator of the occurrence of a Qualifying Event?.....	10
8.	Is a waiver before the end of the election period effective to end a Qualified Beneficiary's election rights?.....	10
9.	Is COBRA coverage available if a Qualified Beneficiary has other group health plan coverage or Medicare?.....	11
10.	When may a Qualified Beneficiary's COBRA continuation coverage be terminated?.....	11
11.	What are the maximum coverage periods for COBRA continuation coverage?	11
12.	Under what circumstances can the maximum coverage period be expanded?	12
13.	How does a Qualified Beneficiary become entitled to a disability extension?.....	12
14.	Does the Plan require payment for COBRA continuation coverage?	12
15.	Must the Plan allow payment for COBRA continuation coverage to be made in monthly installments?	12
16.	What is Timely Payment for COBRA continuation coverage?.....	12
17.	Must a Qualified Beneficiary be given the right to enroll in a conversion health plan at the end of the maximum coverage period for COBRA continuation coverage?.....	12
18.	How is my participation in the Health Flexible Spending Account affected?.....	12

XI SUMMARY

**OLIVENHAIN MUNICIPAL WATER DISTRICT
FLEXIBLE BENEFITS PLAN**

INTRODUCTION

We have amended the "Flexible Benefits Plan" that we previously established for you and other eligible employees. Under this Plan, you will be able to choose among certain benefits that we make available. The benefits that you may choose are outlined in this Summary Plan Description. We will also tell you about other important information concerning the amended Plan, such as the rules you must satisfy before you can join and the laws that protect your rights.

One of the most important features of our Plan is that the benefits being offered are generally ones that you are already paying for, but normally with money that has first been subject to income and Social Security taxes. Under our Plan, these same expenses will be paid for with a portion of your pay before Federal income or Social Security taxes are withheld. This means that you will pay less tax and have more money to spend and save.

Read this Summary Plan Description carefully so that you understand the provisions of our amended Plan and the benefits you will receive. This SPD describes the Plan's benefits and obligations as contained in the legal Plan document, which governs the operation of the Plan. The Plan document is written in much more technical and precise language. If the non-technical language in this SPD and the technical, legal language of the Plan document conflict, the Plan document always governs. Also, if there is a conflict between an insurance contract and either the Plan document or this Summary Plan Description, the insurance contract will control. If you wish to receive a copy of the legal Plan document, please contact the Administrator.

This SPD describes the current provisions of the Plan which are designed to comply with applicable legal requirements. The Plan is subject to federal laws, such as the Internal Revenue Code and other federal and state laws which may affect your rights. The provisions of the Plan are subject to revision due to a change in laws or due to pronouncements by the Internal Revenue Service (IRS) or other federal agencies. We may also amend or terminate this Plan. If the provisions of the Plan that are described in this SPD change, we will notify you.

We have attempted to answer most of the questions you may have regarding your benefits in the Plan. If this SPD does not answer all of your questions, please contact the Administrator (or other plan representative). The name and address of the Administrator can be found in the Article of this SPD entitled "General Information About the Plan."

**I
ELIGIBILITY**

1. When can I become a participant in the Plan?

Before you become a Plan member (referred to in this Summary Plan Description as a "Participant"), there are certain rules which you must satisfy. First, you must meet the eligibility requirements and be an active employee. After that, the next step is to actually join the Plan on the "entry date" that we have established for all employees. The "entry date" is defined in Question 3 below. You will also be required to complete certain application forms before you can enroll in the Health Flexible Spending Account or Dependent Care Flexible Spending Account.

2. What are the eligibility requirements for our Plan?

You will be eligible to join the Plan once you have satisfied the conditions for coverage under our group medical plan. Of course, if you were already a participant before this amendment, you will remain a participant.

3. When is my entry date?

You can join the Plan on the same day you can enter our group medical plan.

4. What must I do to enroll in the Plan?

Before you can join the Plan, you must complete an application to participate in the Plan. The application includes your personal choices for each of the benefits which are being offered under the Plan. You must also authorize us to set some of your earnings aside in order to pay for the benefits you have elected.

However, if you are already covered under any of the insured benefits, you will automatically participate in this Plan to the extent of your premiums unless you elect not to participate in this Plan.

II OPERATION

1. How does this Plan operate?

Before the start of each Plan Year, you will be able to elect to have some of your upcoming pay contributed to the Plan. These amounts will be used to pay for the benefits you have chosen. The portion of your pay that is paid to the Plan is not subject to Federal income or Social Security taxes. In other words, this allows you to use tax-free dollars to pay for certain kinds of benefits and expenses which you normally pay for with out-of-pocket, taxable dollars. However, if you receive a reimbursement for an expense under the Plan, you cannot claim a Federal income tax credit or deduction on your return. (See the Article entitled "General Information About Our Plan" for the definition of "Plan Year.")

III CONTRIBUTIONS

1. How much of my pay may the Employer redirect?

Each year, we will automatically contribute on your behalf enough of your compensation to pay for the insurance coverage provided unless you elect not to receive any or all of such coverage. You may also elect to have us contribute on your behalf enough of your compensation to pay for any other benefits that you elect under the Plan. These amounts will be deducted from your pay over the course of the year.

2. What happens to contributions made to the Plan?

Before each Plan Year begins, you will select the benefits you want and how much of the contributions should go toward each benefit. It is very important that you make these choices carefully based on what you expect to spend on each covered benefit or expense during the Plan Year. Later, they will be used to pay for the expenses as they arise during the Plan Year. In addition, you should also note that any previous benefit payments made from any Account under the Plan that are unclaimed (e.g., uncashed benefit checks) by the end of the Plan Year following the period of coverage in which the qualifying expense was incurred will be forfeited to the Employer.

3. When must I decide which accounts I want to use?

You are required by Federal law to decide before the Plan Year begins, during the election period (defined below). You must decide two things. First, which benefits you want and, second, how much should go toward each benefit.

If you are already covered by any of the insured benefits offered by this Plan, you will automatically become a Participant to the extent of the premiums for such insurance unless you elect, during the election period (defined below), not to participate in the Plan.

4. When is the election period for our Plan?

You will make your initial election on or before your entry date. (You should review Section I on Eligibility to better understand the eligibility requirements and entry date.) Then, for each following Plan Year, the election period is established by the Administrator and applied uniformly to all Participants. It will normally be a period of time prior to the beginning of each Plan Year. The Administrator will inform you each year about the election period. (See the Article entitled "General Information About Our Plan" for the definition of Plan Year.)

5. May I change my elections during the Plan Year?

Generally, you cannot change the elections you have made after the beginning of the Plan Year. However, there are certain limited situations when you can change your elections. You are permitted to change elections if you have a "change in status" and you make an election change that is consistent with the change in status. Currently, Federal law considers the following events to be a change in status:

- Marriage, divorce, death of a spouse, legal separation or annulment;
- Change in the number of dependents, including birth, adoption, placement for adoption, or death of a dependent;
- Any of the following events for you, your spouse or dependent: termination or commencement of employment, a strike or lockout, commencement or return from an unpaid leave of absence, a change in worksite, or any other change in employment status that affects eligibility for benefits;
- One of your dependents satisfies or ceases to satisfy the requirements for coverage due to change in age, student status, or any similar circumstance; and
- A change in the place of residence of you, your spouse or dependent that would lead to a change in status, such as moving out of a coverage area for insurance.

In addition, if you are participating in the Dependent Care Flexible Spending Account, then there is a change in status if your dependent no longer meets the qualifications to be eligible for dependent care.

There are detailed rules on when a change in election is deemed to be consistent with a change in status. In addition, there are laws that give you rights to change health coverage for you, your spouse, or your dependents. If you change coverage due to rights you have under the law, then you can make a corresponding change in your elections under the Plan. If any of these conditions apply to you, you should contact the Administrator.

If the cost of a benefit provided under the Plan increases or decreases during a Plan Year, then we will automatically increase or decrease, as the case may be, your salary redirection election. If the cost increases significantly, you will be permitted to either make corresponding changes in your payments or revoke your election and obtain coverage under another benefit package option with similar coverage, or revoke your election entirely.

If the coverage under a Benefit is significantly curtailed or ceases during a Plan Year, then you may revoke your elections and elect to receive on a prospective basis coverage under another plan with similar coverage. In addition, if we add a new coverage option or eliminate an existing option, you may elect the newly-added option (or elect another option if an option has been eliminated) and make corresponding election changes to other options providing similar coverage. If you are not a Participant, you may elect to join the Plan. There are also certain situations when you may be able to change your elections on account of a change under the plan of your spouse's, former spouse's or dependent's employer.

These rules on change due to cost or coverage do not apply to the Health Flexible Spending Account, and you may not change your election to the Health Flexible Spending Account if you make a change due to cost or coverage for insurance.

You may not change your election under the Dependent Care Flexible Spending Account if the cost change is imposed by a dependent care provider who is your relative.

You may revoke your coverage under the employer's group health plan outside of our open enrollment period, if your employment status changes from working at least 30 hours per week to less than 30 hours. This is regardless of whether the reduction in hours has resulted in loss of eligibility. You must show intent to enroll in another health plan.

You may also revoke your coverage under our Employer sponsored group health plan if you are eligible to obtain coverage through the health exchanges.

6. May I make new elections in future Plan Years?

Yes, you may. For each new Plan Year, you may change the elections that you previously made. You may also choose not to participate in the Plan for the upcoming Plan Year. If you do not make new elections during the election period before a new Plan Year begins, we will assume you want your elections for insured benefits only to remain the same and you will not be considered a Participant for the non-insured benefit options under the Plan for the upcoming Plan Year.

IV BENEFITS

1. Health Flexible Spending Account

The Health Flexible Spending Account enables you to pay for expenses allowed under Sections 105 and 213(d) of the Internal Revenue Code which are not covered by our insured medical plan and save taxes at the same time. The Health Flexible Spending Account allows you to be reimbursed by the Employer for expenses incurred by you and your dependents.

Drug costs, including insulin, may be reimbursed.

You may not be reimbursed for the cost of other health care coverage maintained outside of the Plan, or for long-term care expenses. A list of covered expenses is available from the Administrator.

For 2023, the most you can contribute is \$3,050. After 2023, the dollar limit may increase for cost of living adjustments. In addition, you will be eligible to carryover amounts left in your Health Flexible Spending Account, up to \$610. This means that amounts you do not use during a Plan Year can be carried over to the next Plan Year and used for expenses incurred in the next Plan Year.

In order to be reimbursed for a health care expense, you must submit to the Administrator an itemized bill from the service provider. We will also provide you with a debit or credit card to use to pay for medical expenses. The Administrator will provide you with further details. Amounts reimbursed from the Plan may not be claimed as a deduction on your personal income tax return. Reimbursement from the fund shall be paid at least once a month. Expenses under this Plan are treated as being "incurred" when you are provided with the care that gives rise to the expenses, not when you are formally billed or charged, or you pay for the medical care.

You may be reimbursed for expenses for any child until the end of the calendar year in which the child reaches age 26. A child is a natural child, stepchild, foster child, adopted child, or a child placed with you for adoption. If a child gains or regains eligibility due to these new rules, that qualifies as a change in status to change coverage.

Newborns' and Mothers' Health Protection Act: Group health plans generally may not, under Federal law, restrict benefits for any hospital length of stay in connection with childbirth for the mother or newborn child to less than 48 hours following a vaginal delivery, or less than 96 hours following a cesarean section. However, Federal law generally does not prohibit the mother's or newborn's attending provider, after consulting with the mother, from discharging the mother or her newborn earlier than 48 hours (or 96 hours as applicable). In any case, plans and issuers may not, under Federal law, require that a provider obtain authorization from the plan or the issuer for prescribing a length of stay not in excess of 48 hours (or 96 hours).

Women's Health and Cancer Rights Act: This plan, as required by the Women's Health and Cancer Rights Act of 1998, will reimburse up to plan limits for benefits for mastectomy-related services including reconstruction and surgery to achieve symmetry between the breasts, prostheses, and complications resulting from a mastectomy (including lymphedema). Contact your Plan Administrator for more information.

2. Dependent Care Flexible Spending Account

The Dependent Care Flexible Spending Account enables you to pay for out-of-pocket, work-related dependent day-care cost with pre-tax dollars. If you are married, you can use the account if you and your spouse both work or, in some situations, if your spouse goes to school full-time. Single employees can also use the account.

An eligible dependent is someone for whom you can claim expenses on Federal Income Tax Form 2441 "Credit for Child and Dependent Care Expenses." Children must be under age 13. Other dependents must be physically or mentally unable to care for themselves. Dependent Care arrangements which qualify include:

- (a) A Dependent (Day) Care Center, provided that if care is provided by the facility for more than six individuals, the facility complies with applicable state and local laws;
- (b) An Educational Institution for pre-school children. For older children, only expenses for non-school care are eligible; and
- (c) An "Individual" who provides care inside or outside your home: The "Individual" may not be a child of yours under age 19 or anyone you claim as a dependent for Federal tax purposes.

You should make sure that the dependent care expenses you are currently paying for qualify under our Plan.

The law places limits on the amount of money that can be paid to you in a calendar year from your Dependent Care Flexible Spending Account. Generally, your reimbursements may not exceed the lesser of: (a) \$5,000 (if you are married filing a joint return or you are head of a household) or \$2,500 (if you are married filing separate returns); (b) your taxable compensation; (c) your spouse's actual or deemed earned income (a spouse who is a full time student or incapable of caring for himself/herself has a monthly earned income of \$250 for one dependent or \$500 for two or more dependents).

Also, in order to have the reimbursements made to you from this account be excludable from your income, you must provide a statement from the service provider including the name, address, and in most cases, the taxpayer identification number of the service provider on your tax form for the year, as well as the amount of such expense as proof that the expense has been incurred. In addition, Federal tax laws permit a tax credit for certain dependent care expenses you may be paying for even if you are not a Participant in this Plan. You may save more money if you take advantage of this tax credit rather than using the Dependent Care Flexible Spending Account under our Plan. Ask your tax adviser which is better for you.

3. Premium Expense Account

A Premium Expense Account allows you to use tax-free dollars to pay for certain premium expenses under various insurance programs that we offer you. These premium expenses include:

- Health care premiums under our insured group medical plan.
- Cancer insurance premiums.
- Accidental death and dismemberment insurance premiums.
- Other insurance coverage that we may provide.

Under our Plan, we will establish sub-accounts for you for each different type of insurance coverage that is available. Also, certain limits on the amount of coverage may apply.

The Administrator may terminate or modify Plan benefits at any time, subject to the provisions of any insurance contracts providing benefits described above. We will not be liable to you if an insurance company fails to provide any of the benefits described above. Also, your insurance will end when you leave employment, are no longer eligible under the terms of any insurance policies, or when insurance terminates.

Any benefits to be provided by insurance will be provided only after (1) you have provided the Administrator the necessary information to apply for insurance, and (2) the insurance is in effect for you.

If you cover your children up to age 26 under your insurance, you can pay for that coverage through the Plan.

V BENEFIT PAYMENTS

1. When will I receive payments from my accounts?

During the course of the Plan Year, you may submit requests for reimbursement of expenses you have incurred. Expenses are considered "incurred" when the service is performed, not necessarily when it is paid for. The Administrator will provide you with acceptable forms for submitting these requests for reimbursement. If the request qualifies as a benefit or expense that the Plan has agreed to pay, you will receive a reimbursement payment soon thereafter. Remember, these reimbursements which are made from the Plan are generally not subject to federal income tax or withholding. Nor are they subject to Social Security taxes. Requests for payment of insured benefits should be made directly to the insurer. You will only be reimbursed from the Dependent Care Flexible Spending Account to the extent that there are sufficient funds in the Account to cover your request.

2. What happens if I don't spend all Plan contributions during the Plan Year?

Any monies left at the end of the Plan Year will be forfeited, except for \$610 that can be carried over into the next Plan Year for the Health Flexible Spending Account. Obviously, qualifying expenses that you incur late in the Plan Year for which you seek reimbursement after the end of such Plan Year will be paid first before any amount is forfeited. For the Health Flexible Spending Account, you must submit claims no later than 60 days after the end of the Plan Year. For the Dependent Care Flexible Spending Account, you must submit claims no later than 60 days after the end of the Plan Year. Because it is possible that you might forfeit amounts in the Plan if you do not fully use the contributions that have been made, it is important that you decide how much to place in each account carefully and conservatively. Remember, you must decide which benefits you want to contribute to and how much to place in each account before the Plan Year begins. You want to be as certain as you can that the amount you decide to place in each account will be used up entirely.

3. Family and Medical Leave Act (FMLA)

If you take leave under the Family and Medical Leave Act, you may revoke or change your existing elections for health insurance and the Health Flexible Spending Account. If your coverage in these benefits terminates, due to your revocation of the benefit while on leave or due to your non-payment of contributions, you will be permitted to reinstate coverage for the remaining part of the Plan Year upon your return. For the Health Flexible Spending Account, you may continue your coverage or you may revoke your coverage and resume it when you return. You can resume your coverage at its original level and make payments for the time that you are on leave. For example, if you elect \$1,200 for the year and are out on leave for 3 months, then return and elect to resume your coverage at that level, your remaining payments will be increased to cover the difference - from \$100 per month to \$150 per month. Alternatively your maximum amount will be reduced proportionately for the time that you were gone. For example, if you elect \$1,200 for the year and are out on leave for 3 months, your amount will be reduced to \$900. The expenses you incur during the time you are not in the Health Flexible Spending Account are not reimbursable.

If you continue your coverage during your unpaid leave, you may pre-pay for the coverage, you may pay for your coverage on an after-tax basis while you are on leave, or you and your Employer may arrange a schedule for you to "catch up" your payments when you return.

4. Uniformed Services Employment and Reemployment Rights Act (USERRA)

If you are going into or returning from military service, you may have special rights to health care coverage under your Health Flexible Spending Account under the Uniformed Services Employment and Reemployment Rights Act of 1994. These rights can include extended health care coverage. If you may be affected by this law, ask your Administrator for further details.

5. What happens if I terminate employment?

If you terminate employment during the Plan Year, your right to benefits will be determined in the following manner:

- (a) You will remain covered by insurance, but only for the period for which premiums have been paid prior to your termination of employment.
- (b) You will still be able to request reimbursement for qualifying dependent care expenses incurred during the remainder of the Plan Year from the balance remaining in your dependent care account at the time of termination of employment. However, no further salary redirection contributions will be made on your behalf after you terminate. You must submit claims within 60 days after the end of the Plan Year in which termination occurs.
- (c) For health benefit coverage and Health Flexible Spending Account coverage on termination of employment, please see the Article entitled "Continuation Coverage Rights Under COBRA." Upon your termination of employment, your participation in the Health Flexible Spending Account will cease, and no further salary redirection contributions will be contributed on your behalf. However, you will be able to submit claims for health care expenses that were incurred before the end of the period for which

payments to the Health Flexible Spending Account have already been made. Your further participation will be governed by "Continuation Coverage Rights Under COBRA."

6. Will my Social Security benefits be affected?

Your Social Security benefits may be slightly reduced because when you receive tax-free benefits under our Plan, it reduces the amount of contributions that you make to the Federal Social Security system as well as our contribution to Social Security on your behalf.

VI HIGHLY COMPENSATED AND KEY EMPLOYEES

1. Do limitations apply to highly compensated employees?

Under the Internal Revenue Code, highly compensated employees and key employees generally are Participants who are officers, shareholders or highly paid. You will be notified by the Administrator each Plan Year whether you are a highly compensated employee or a key employee.

If you are within these categories, the amount of contributions and benefits for you may be limited so that the Plan as a whole does not unfairly favor those who are highly paid, their spouses or their dependents. Federal tax laws state that a plan will be considered to unfairly favor the key employees if they as a group receive more than 25% of all of the nontaxable benefits provided for under our Plan.

Plan experience will dictate whether contribution limitations on highly compensated employees or key employees will apply. You will be notified of these limitations if you are affected.

VII PLAN ACCOUNTING

1. Periodic Statements

The Administrator will provide you with a statement of your account periodically during the Plan Year that shows your account balance. It is important to read these statements carefully so you understand the balance remaining to pay for a benefit. Remember, you want to spend all the money you have designated for a particular benefit by the end of the Plan Year.

VIII GENERAL INFORMATION ABOUT OUR PLAN

This Section contains certain general information which you may need to know about the Plan.

1. General Plan Information

Olivenhain Municipal Water District Flexible Benefits Plan is the name of the Plan.

Your Employer has assigned Plan Number 501 to your Plan.

The provisions of your amended Plan become effective on January 1, 2023. Your Plan was originally effective on August 1, 2003.

Your Plan's records are maintained on a twelve-month period of time. This is known as the Plan Year. The Plan Year begins on January 1 and ends on December 31.

2. Employer Information

Your Employer's name, address, and identification number are:

Olivenhain Municipal Water District
1966 Olivenhain Rd.
Encinitas, California 92024
95.6006689

3. Plan Administrator Information

The name, address and business telephone number of your Plan's Administrator are:

Olivenhain Municipal Water District
1966 Olivenhain Rd.
Encinitas, California 92024
760-753-6466

The Administrator keeps the records for the Plan and is responsible for the administration of the Plan. The Administrator will also answer any questions you may have about our Plan. You may contact the Administrator for any further information about the Plan.

4. Service of Legal Process

The name and address of the Plan's agent for service of legal process are:

Olivenhain Municipal Water District
1966 Olivenhain Rd.
Encinitas, California 92024

5. Type of Administration

The type of Administration is Employer Administration.

6. Claims Submission

Claims for expenses should be submitted to:

HealthEquity Inc.
P.O. Box 14053
Lexington, KY 40512

IX ADDITIONAL PLAN INFORMATION

1. Claims Process

You should submit all reimbursement claims during the Plan Year. For the Health Flexible Spending Account, you must submit claims no later than 60 days after the end of the Plan Year. However, if you terminate employment during the Plan Year, you must submit your Health Flexible Spending Account claims within 0 days after your termination of employment. For the Dependent Care Flexible Spending Account, you must submit claims no later than 60 days after the end of the Plan Year. Any claims submitted after that time will not be considered.

Claims that are insured will be handled in accordance with procedures contained in the insurance policies. All other general requests should be directed to the Administrator of our Plan. If a dependent care or medical expense claim under the Plan is denied in whole or in part, you or your beneficiary will receive written notification. The notification will include the reasons for the denial, with reference to the specific provisions of the Plan on which the denial was based, a description of any additional information needed to process the claim and an explanation of the claims review procedure. Within 60 days after denial, you or your beneficiary may submit a written request for reconsideration of the denial to the Administrator.

Any such request should be accompanied by documents or records in support of your appeal. You or your beneficiary may review pertinent documents and submit issues and comments in writing. The Administrator will review the claim and provide, within 60 days, a written response to the appeal. (This period may be extended an additional 60 days under certain circumstances.) In this response, the Administrator will explain the reason for the decision, with specific reference to the provisions of the Plan on which the decision is based. The Administrator has the exclusive right to interpret the appropriate plan provisions. Decisions of the Administrator are conclusive and binding.

X CONTINUATION COVERAGE RIGHTS UNDER COBRA

Under federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), certain employees and their families covered under health benefits under this Plan will be entitled to the opportunity to elect a temporary extension of health coverage (called "COBRA continuation coverage") where coverage under the Plan would otherwise end. This notice is intended to inform Plan Participants and beneficiaries, in summary fashion, of their rights and obligations under the continuation coverage provisions of COBRA, as amended and reflected in final and proposed regulations published by the Department of the Treasury. This notice is intended to reflect the law and does not grant or take away any rights under the law.

The Plan Administrator or its designee is responsible for administering COBRA continuation coverage. Complete instructions on COBRA, as well as election forms and other information, will be provided by the Plan Administrator or its designee to Plan Participants who become Qualified Beneficiaries under COBRA. While the Plan itself is not a group health plan, it does provide health benefits. Whenever "Plan" is used in this section, it means any of the health benefits under this Plan including the Health Flexible Spending Account.

1. What is COBRA continuation coverage?

COBRA continuation coverage is the temporary extension of group health plan coverage that must be offered to certain Plan Participants and their eligible family members (called "Qualified Beneficiaries") at group rates. The right to COBRA continuation coverage is triggered by the occurrence of a life event that results in the loss of coverage under the terms of the Plan (the "Qualifying Event"). The coverage must be identical to the coverage that the Qualified Beneficiary had immediately before the Qualifying Event, or if the coverage has been changed, the coverage must be identical to the coverage provided to similarly situated active employees who have not experienced a Qualifying Event (in other words, similarly situated non-COBRA beneficiaries).

There may be other options available when you lose group health coverage. For example, you may be eligible to buy an individual plan through the Health Insurance Marketplace. By enrolling in coverage through the Marketplace, you may qualify for lower costs on your monthly premiums and lower out-of-pocket costs. Additionally, you may qualify for a 30-day special enrollment period for another group health plan for which you are eligible (such as a spouse's plan), even if that plan generally doesn't accept late enrollees.

2. Who can become a Qualified Beneficiary?

In general, a Qualified Beneficiary can be:

- (a) Any individual who, on the day before a Qualifying Event, is covered under a Plan by virtue of being on that day either a covered Employee, the Spouse of a covered Employee, or a Dependent child of a covered Employee. If, however, an individual who otherwise qualifies as a Qualified Beneficiary is denied or not offered coverage under the Plan under circumstances in which the denial or failure to offer constitutes a violation of applicable law, then the individual will be considered to have had the coverage and will be considered a Qualified Beneficiary if that individual experiences a Qualifying Event.
- (b) Any child who is born to or placed for adoption with a covered Employee during a period of COBRA continuation coverage, and any individual who is covered by the Plan as an alternate recipient under a qualified medical support order. If, however, an individual who otherwise qualifies as a Qualified Beneficiary is denied or not offered coverage under the Plan under circumstances in which the denial or failure to offer constitutes a violation of applicable law, then the individual will be considered to have had the coverage and will be considered a Qualified Beneficiary if that individual experiences a Qualifying Event.

The term "covered Employee" includes any individual who is provided coverage under the Plan due to his or her performance of services for the employer sponsoring the Plan. However, this provision does not establish eligibility of these individuals. Eligibility for Plan coverage shall be determined in accordance with Plan Eligibility provisions.

An individual is not a Qualified Beneficiary if the individual's status as a covered Employee is attributable to a period in which the individual was a nonresident alien who received from the individual's Employer no earned income that constituted income from sources within the United States. If, on account of the preceding reason, an individual is not a Qualified Beneficiary, then a Spouse or Dependent child of the individual will also not be considered a Qualified Beneficiary by virtue of the relationship to the individual. A domestic partner is not a Qualified Beneficiary.

Each Qualified Beneficiary (including a child who is born to or placed for adoption with a covered Employee during a period of COBRA continuation coverage) must be offered the opportunity to make an independent election to receive COBRA continuation coverage.

3. What is a Qualifying Event?

A Qualifying Event is any of the following if the Plan provided that the Plan participant would lose coverage (i.e., cease to be covered under the same terms and conditions as in effect immediately before the Qualifying Event) in the absence of COBRA continuation coverage:

- (a) The death of a covered Employee.
- (b) The termination (other than by reason of the Employee's gross misconduct), or reduction of hours, of a covered Employee's employment.
- (c) The divorce or legal separation of a covered Employee from the Employee's Spouse. If the Employee reduces or eliminates the Employee's Spouse's Plan coverage in anticipation of a divorce or legal separation, and a divorce or legal separation later occurs, then the divorce or legal separation may be considered a Qualifying Event even though the Spouse's coverage was reduced or eliminated before the divorce or legal separation.
- (d) A covered Employee's enrollment in any part of the Medicare program.
- (e) A Dependent child's ceasing to satisfy the Plan's requirements for a Dependent child (for example, attainment of the maximum age for dependency under the Plan).

If the Qualifying Event causes the covered Employee, or the covered Spouse or a Dependent child of the covered Employee, to cease to be covered under the Plan under the same terms and conditions as in effect immediately before the Qualifying Event, the persons losing

such coverage become Qualified Beneficiaries under COBRA if all the other conditions of COBRA are also met. For example, any increase in contribution that must be paid by a covered Employee, or the Spouse, or a Dependent child of the covered Employee, for coverage under the Plan that results from the occurrence of one of the events listed above is a loss of coverage.

The taking of leave under the Family and Medical Leave Act of 1993, as amended ("FMLA") does not constitute a Qualifying Event. A Qualifying Event will occur, however, if an Employee does not return to employment at the end of the FMLA leave and all other COBRA continuation coverage conditions are present. If a Qualifying Event occurs, it occurs on the last day of FMLA leave and the applicable maximum coverage period is measured from this date (unless coverage is lost at a later date and the Plan provides for the extension of the required periods, in which case the maximum coverage date is measured from the date when the coverage is lost.) Note that the covered Employee and family members will be entitled to COBRA continuation coverage even if they failed to pay the employee portion of premiums for coverage under the Plan during the FMLA leave.

4. What factors should be considered when determining to elect COBRA continuation coverage?

When considering options for health coverage, Qualified Beneficiaries should consider:

- **Premiums:** This plan can charge up to 102% of total plan premiums for COBRA coverage. Other options, like coverage on a spouse's plan or through the Marketplace, may be less expensive. Qualified Beneficiaries have special enrollment rights under federal law (HIPAA). They have the right to request special enrollment in another group health plan for which they are otherwise eligible (such as a plan sponsored by a spouse's employer) within 30 days after Plan coverage ends due to one of the Qualifying Events listed above.
- **Provider Networks:** If a Qualified Beneficiary is currently getting care or treatment for a condition, a change in health coverage may affect access to a particular health care provider. You may want to check to see if your current health care providers participate in a network in considering options for health coverage.
- **Drug Formularies:** For Qualified Beneficiaries taking medication, a change in health coverage may affect costs for medication – and in some cases, the medication may not be covered by another plan. Qualified beneficiaries should check to see if current medications are listed in drug formularies for other health coverage.
- **Severance payments:** If COBRA rights arise because the Employee has lost his job and there is a severance package available from the employer, the former employer may have offered to pay some or all of the Employee's COBRA payments for a period of time. This can affect the timing of coverage available in the Marketplace. In this scenario, the Employee may want to contact the Department of Labor at 1-866-444-3272 to discuss options.
- **Medicare Eligibility:** You should be aware of how COBRA coverage coordinates with Medicare eligibility. If you are eligible for Medicare at the time of the Qualifying Event, or if you will become eligible soon after the Qualifying Event, you should know that you have 8 months to enroll in Medicare after your employment –related health coverage ends. Electing COBRA coverage does not extend this 8-month period. For more information, see [medicare.gov/sign-up-change-plan](https://www.medicare.gov/sign-up-change-plan).
- **Service Areas:** If benefits under the Plan are limited to specific service or coverage areas, benefits may not be available to a Qualified Beneficiary who moves out of the area.
- **Other Cost-Sharing:** In addition to premiums or contributions for health coverage, the Plan requires participants to pay copayments, deductibles, coinsurance, or other amounts as benefits are used. Qualified beneficiaries should check to see what the cost-sharing requirements are for other health coverage options. For example, one option may have much lower monthly premiums, but a much higher deductible and higher copayments.

Are there other coverage options besides COBRA Continuation Coverage? Yes. Instead of enrolling in COBRA continuation coverage, there may be other coverage options for Qualified Beneficiaries through the Health Insurance Marketplace, Medicaid, or other group health plan coverage options (such as a spouse's plan) through what is called a "special enrollment period." Some of these options may cost less than COBRA continuation coverage. You can learn more about many of these options at www.healthcare.gov.

5. What is the procedure for obtaining COBRA continuation coverage?

The Plan has conditioned the availability of COBRA continuation coverage upon the timely election of such coverage. An election is timely if it is made during the election period.

6. What is the election period and how long must it last?

The election period is the time period within which the Qualified Beneficiary must elect COBRA continuation coverage under the Plan. The election period must begin no later than the date the Qualified Beneficiary would lose coverage on account of the Qualifying Event and ends 60 days after the later of the date the Qualified Beneficiary would lose coverage on account of the Qualifying Event or the date notice is provided to the Qualified Beneficiary of her or his right to elect COBRA continuation coverage. If coverage is not elected within the 60 day period, all rights to elect COBRA continuation coverage are forfeited.

Note: If a covered Employee who has been terminated or experienced a reduction of hours qualifies for a trade readjustment allowance or alternative trade adjustment assistance under a federal law called the Trade Act of 2002, as extended by the Trade Preferences Extension Act of 2015, and the employee and his or her covered dependents have not elected COBRA coverage within the normal election period, a second opportunity to elect COBRA coverage will be made available for themselves and certain family members, but only within a limited period of 60 days or less and only during the six months immediately after their group health plan coverage ended. Any person who qualifies or thinks that he or she and/or his or her family members may qualify for assistance under this special provision should contact the Plan Administrator or its designee for further information about the special second election period. If continuation coverage is elected under this extension, it will not become effective prior to the beginning of this special second election period.

7. Is a covered Employee or Qualified Beneficiary responsible for informing the Plan Administrator of the occurrence of a Qualifying Event?

The Plan will offer COBRA continuation coverage to Qualified Beneficiaries only after the Plan Administrator or its designee has been timely notified that a Qualifying Event has occurred. The Employer (if the Employer is not the Plan Administrator) will notify the Plan Administrator or its designee of the Qualifying Event within 30 days following the date coverage ends when the Qualifying Event is:

- (a) the end of employment or reduction of hours of employment,
- (b) death of the employee,
- (c) commencement of a proceeding in bankruptcy with respect to the Employer, or
- (d) entitlement of the employee to any part of Medicare.

IMPORTANT:

For the other Qualifying Events (divorce or legal separation of the employee and spouse or a dependent child's losing eligibility for coverage as a dependent child), you or someone on your behalf must notify the Plan Administrator or its designee in writing within 60 days after the Qualifying Event occurs, using the procedures specified below. If these procedures are not followed or if the notice is not provided in writing to the Plan Administrator or its designee during the 60-day notice period, any spouse or dependent child who loses coverage will not be offered the option to elect continuation coverage. You must send this notice to the Plan Administrator or its designee.

NOTICE PROCEDURES:

Any notice that you provide must be ***in writing***. Oral notice, including notice by telephone, is not acceptable. You must mail, fax or hand-deliver your notice to the person, department or firm listed below, at the following address:

Olivenhain Municipal Water District
1966 Olivenhain Rd.
Encinitas, California 92024

If mailed, your notice must be postmarked no later than the last day of the required notice period. Any notice you provide must state:

- the **name of the plan or plans** under which you lost or are losing coverage,
- the **name and address of the employee** covered under the plan,
- the **name(s) and address(es) of the Qualified Beneficiary(ies)**, and
- the **Qualifying Event** and the **date** it happened.

If the Qualifying Event is a **divorce or legal separation**, your notice must include **a copy of the divorce decree or the legal separation agreement**.

Be aware that there are other notice requirements in other contexts, for example, in order to qualify for a disability extension.

Once the Plan Administrator or its designee receives ***timely notice*** that a Qualifying Event has occurred, COBRA continuation coverage will be offered to each of the qualified beneficiaries. Each Qualified Beneficiary will have an independent right to elect COBRA continuation coverage. Covered employees may elect COBRA continuation coverage for their spouses, and parents may elect COBRA continuation coverage on behalf of their children. For each Qualified Beneficiary who elects COBRA continuation coverage, COBRA continuation coverage will begin on the date that plan coverage would otherwise have been lost. If you or your spouse or dependent children do not elect continuation coverage within the 60-day election period described above, the right to elect continuation coverage will be lost.

8. Is a waiver before the end of the election period effective to end a Qualified Beneficiary's election rights?

If, during the election period, a Qualified Beneficiary waives COBRA continuation coverage, the waiver can be revoked at any time before the end of the election period. Revocation of the waiver is an election of COBRA continuation coverage. However, if a waiver is

later revoked, coverage need not be provided retroactively (that is, from the date of the loss of coverage until the waiver is revoked). Waivers and revocations of waivers are considered made on the date they are sent to the Plan Administrator or its designee, as applicable.

9. Is COBRA coverage available if a Qualified Beneficiary has other group health plan coverage or Medicare?

Qualified Beneficiaries who are entitled to elect COBRA continuation coverage may do so even if they are covered under another group health plan or are entitled to Medicare benefits on or before the date on which COBRA is elected. However, a Qualified Beneficiary's COBRA coverage will terminate automatically if, after electing COBRA, he or she becomes entitled to Medicare or becomes covered under other group health plan coverage.

10. When may a Qualified Beneficiary's COBRA continuation coverage be terminated?

During the election period, a Qualified Beneficiary may waive COBRA continuation coverage. Except for an interruption of coverage in connection with a waiver, COBRA continuation coverage that has been elected for a Qualified Beneficiary must extend for at least the period beginning on the date of the Qualifying Event and ending not before the earliest of the following dates:

- (a) The last day of the applicable maximum coverage period.
- (b) The first day for which Timely Payment is not made to the Plan with respect to the Qualified Beneficiary.
- (c) The date upon which the Employer ceases to provide any group health plan (including a successor plan) to any employee.
- (d) The date, after the date of the election, that the Qualified Beneficiary first becomes entitled to Medicare (either part A or part B, whichever occurs earlier).
- (e) In the case of a Qualified Beneficiary entitled to a disability extension, the later of:
 - (1) (i) 29 months after the date of the Qualifying Event, or (ii) the first day of the month that is more than 30 days after the date of a final determination under Title II or XVI of the Social Security Act that the disabled Qualified Beneficiary whose disability resulted in the Qualified Beneficiary's entitlement to the disability extension is no longer disabled, whichever is earlier; or
 - (2) the end of the maximum coverage period that applies to the Qualified Beneficiary without regard to the disability extension.

The Plan can terminate for cause the coverage of a Qualified Beneficiary on the same basis that the Plan terminates for cause the coverage of similarly situated non-COBRA beneficiaries, for example, for the submission of a fraudulent claim.

In the case of an individual who is not a Qualified Beneficiary and who is receiving coverage under the Plan solely because of the individual's relationship to a Qualified Beneficiary, if the Plan's obligation to make COBRA continuation coverage available to the Qualified Beneficiary ceases, the Plan is not obligated to make coverage available to the individual who is not a Qualified Beneficiary.

11. What are the maximum coverage periods for COBRA continuation coverage?

The maximum coverage periods are based on the type of the Qualifying Event and the status of the Qualified Beneficiary, as shown below.

- (a) In the case of a Qualifying Event that is a termination of employment or reduction of hours of employment, the maximum coverage period ends 18 months after the Qualifying Event if there is not a disability extension and 29 months after the Qualifying Event if there is a disability extension.
- (b) In the case of a covered Employee's enrollment in the Medicare program before experiencing a Qualifying Event that is a termination of employment or reduction of hours of employment, the maximum coverage period for Qualified Beneficiaries ends on the later of:
 - (1) 36 months after the date the covered Employee becomes enrolled in the Medicare program. This extension does not apply to the covered Employee; or
 - (2) 18 months (or 29 months, if there is a disability extension) after the date of the covered Employee's termination of employment or reduction of hours of employment.
- (c) In the case of a Qualified Beneficiary who is a child born to or placed for adoption with a covered Employee during a period of COBRA continuation coverage, the maximum coverage period is the maximum coverage period applicable to the Qualifying Event giving rise to the period of COBRA continuation coverage during which the child was born or placed for adoption.
- (d) In the case of any other Qualifying Event than that described above, the maximum coverage period ends 36 months after the Qualifying Event.

12. Under what circumstances can the maximum coverage period be expanded?

If a Qualifying Event that gives rise to an 18-month or 29-month maximum coverage period is followed, within that 18- or 29-month period, by a second Qualifying Event that gives rise to a 36-months maximum coverage period, the original period is expanded to 36 months, but only for individuals who are Qualified Beneficiaries at the time of and with respect to both Qualifying Events. In no circumstance can the COBRA maximum coverage period be expanded to more than 36 months after the date of the first Qualifying Event. The Plan Administrator must be notified of the second qualifying event within 60 days of the second qualifying event. This notice must be sent to the Plan Administrator or its designee in accordance with the procedures above.

13. How does a Qualified Beneficiary become entitled to a disability extension?

A disability extension will be granted if an individual (whether or not the covered Employee) who is a Qualified Beneficiary in connection with the Qualifying Event that is a termination or reduction of hours of a covered Employee's employment, is determined under Title II or XVI of the Social Security Act to have been disabled at any time during the first 60 days of COBRA continuation coverage. To qualify for the disability extension, the Qualified Beneficiary must also provide the Plan Administrator with notice of the disability determination on a date that is both within 60 days after the date of the determination and before the end of the original 18-month maximum coverage. This notice must be sent to the Plan Administrator or its designee in accordance with the procedures above.

14. Does the Plan require payment for COBRA continuation coverage?

For any period of COBRA continuation coverage under the Plan, Qualified Beneficiaries who elect COBRA continuation coverage may be required to pay up to 102% of the applicable premium and up to 150% of the applicable premium for any expanded period of COBRA continuation coverage covering a disabled Qualified Beneficiary due to a disability extension. Your Plan Administrator will inform you of the cost. The Plan will terminate a Qualified Beneficiary's COBRA continuation coverage as of the first day of any period for which timely payment is not made.

15. Must the Plan allow payment for COBRA continuation coverage to be made in monthly installments?

Yes. The Plan is also permitted to allow for payment at other intervals.

16. What is Timely Payment for COBRA continuation coverage?

Timely Payment means a payment made no later than 30 days after the first day of the coverage period. Payment that is made to the Plan by a later date is also considered Timely Payment if either under the terms of the Plan, covered Employees or Qualified Beneficiaries are allowed until that later date to pay for their coverage for the period or under the terms of an arrangement between the Employer and the entity that provides Plan benefits on the Employer's behalf, the Employer is allowed until that later date to pay for coverage of similarly situated non-COBRA beneficiaries for the period.

Notwithstanding the above paragraph, the Plan does not require payment for any period of COBRA continuation coverage for a Qualified Beneficiary earlier than 45 days after the date on which the election of COBRA continuation coverage is made for that Qualified Beneficiary. Payment is considered made on the date on which it is postmarked to the Plan.

If Timely Payment is made to the Plan in an amount that is not significantly less than the amount the Plan requires to be paid for a period of coverage, then the amount paid will be deemed to satisfy the Plan's requirement for the amount to be paid, unless the Plan notifies the Qualified Beneficiary of the amount of the deficiency and grants a reasonable period of time for payment of the deficiency to be made. A "reasonable period of time" is 30 days after the notice is provided. A shortfall in a Timely Payment is not significant if it is no greater than the lesser of \$50 or 10% of the required amount.

17. Must a Qualified Beneficiary be given the right to enroll in a conversion health plan at the end of the maximum coverage period for COBRA continuation coverage?

If a Qualified Beneficiary's COBRA continuation coverage under a group health plan ends as a result of the expiration of the applicable maximum coverage period, the Plan will, during the 180-day period that ends on that expiration date, provide the Qualified Beneficiary with the option of enrolling under a conversion health plan if such an option is otherwise generally available to similarly situated non-COBRA beneficiaries under the Plan. If such a conversion option is not otherwise generally available, it need not be made available to Qualified Beneficiaries.

18. How is my participation in the Health Flexible Spending Account affected?

You can elect to continue your participation in the Health Flexible Spending Account for the remainder of the Plan Year, subject to the following conditions. You may only continue to participate in the Health Flexible Spending Account if you have elected to contribute more money including any carryover amounts than you have taken out in claims. For example, if you elected to contribute an annual amount of \$500 and, at the time you terminate employment, you have contributed \$300 but only claimed \$150, you may elect to continue coverage under the Health Flexible Spending Account. If you elect to continue coverage, then you would be able to continue to receive your health reimbursements up to the \$500. However, you must continue to pay for the coverage, just as the money has been taken out of your paycheck, but on an after-tax basis. The Plan can also charge you an extra amount (as explained above for other health benefits) to provide this benefit.

IF YOU HAVE QUESTIONS

If you have questions about your COBRA continuation coverage, you should contact the Plan Administrator or its designee. For more information about your rights under ERISA, including COBRA, the Health Insurance Portability and Accountability Act (HIPAA), and other laws affecting group health plans, contact the nearest Regional or District Office of the U.S. Department of Labor's Employee Benefits Security Administration (EBSA). Addresses and phone numbers of Regional and District EBSA Offices are available through EBSA's website at www.dol.gov/ebsa.

KEEP YOUR PLAN ADMINISTRATOR INFORMED OF ADDRESS CHANGES

In order to protect your family's rights, you should keep the Plan Administrator informed of any changes in the addresses of family members. You should also keep a copy, for your records, of any notices you send to the Plan Administrator or its designee.

**XI
SUMMARY**

The money you earn is important to you and your family. You need it to pay your bills, enjoy recreational activities and save for the future. Our flexible benefits plan will help you keep more of the money you earn by lowering the amount of taxes you pay. The Plan is the result of our continuing efforts to find ways to help you get the most for your earnings.

If you have any questions, please contact the Administrator.

Memo

Date: December 14, 2022
To: Olivenhain Municipal Water District Board of Directors
From: Steven Weddle, Engineering Services Supervisor
Via: Kimberly A. Thorner, General Manager
Subject: **CONSIDER ACCEPTANCE OF THE RIO VISTA ROAD MAIN EXTENSION 244A (RICHARD D. BAGLEY) INTO OMWD'S SYSTEM AND ORDER A NOTICE OF COMPLETION FILED**

Purpose

The purpose of this agenda item is to consider acceptance of the transfer of the potable water facilities constructed by Richard D. Bagley (Developer) into OMWD's system and authorize the filing of a Notice of Completion with the San Diego County Recorder.

Recommendation

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

Alternative(s)

None; the project is complete, and facilities were constructed to OMWD's standards and specifications per the Development Construction Agreement.

Background

The Rio Vista Road Main Extension Installation Project is located on Rio Vista Road, south of Artesian Road in Director Division 1 (San Antonio). The project consisted of the installation of an 8-inch water main extension (244A), one fire hydrant, and one 1-inch water service install.

OMWD entered into an agreement with the Developer in January of 2021 to construct the facilities and dedicate said facilities to OMWD. The facilities are now complete and have been built in accordance with the plans and specifications of OMWD. The warranty period will terminate one (1) year following the acceptance of the facilities by OMWD's Board.

Fiscal Impact

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

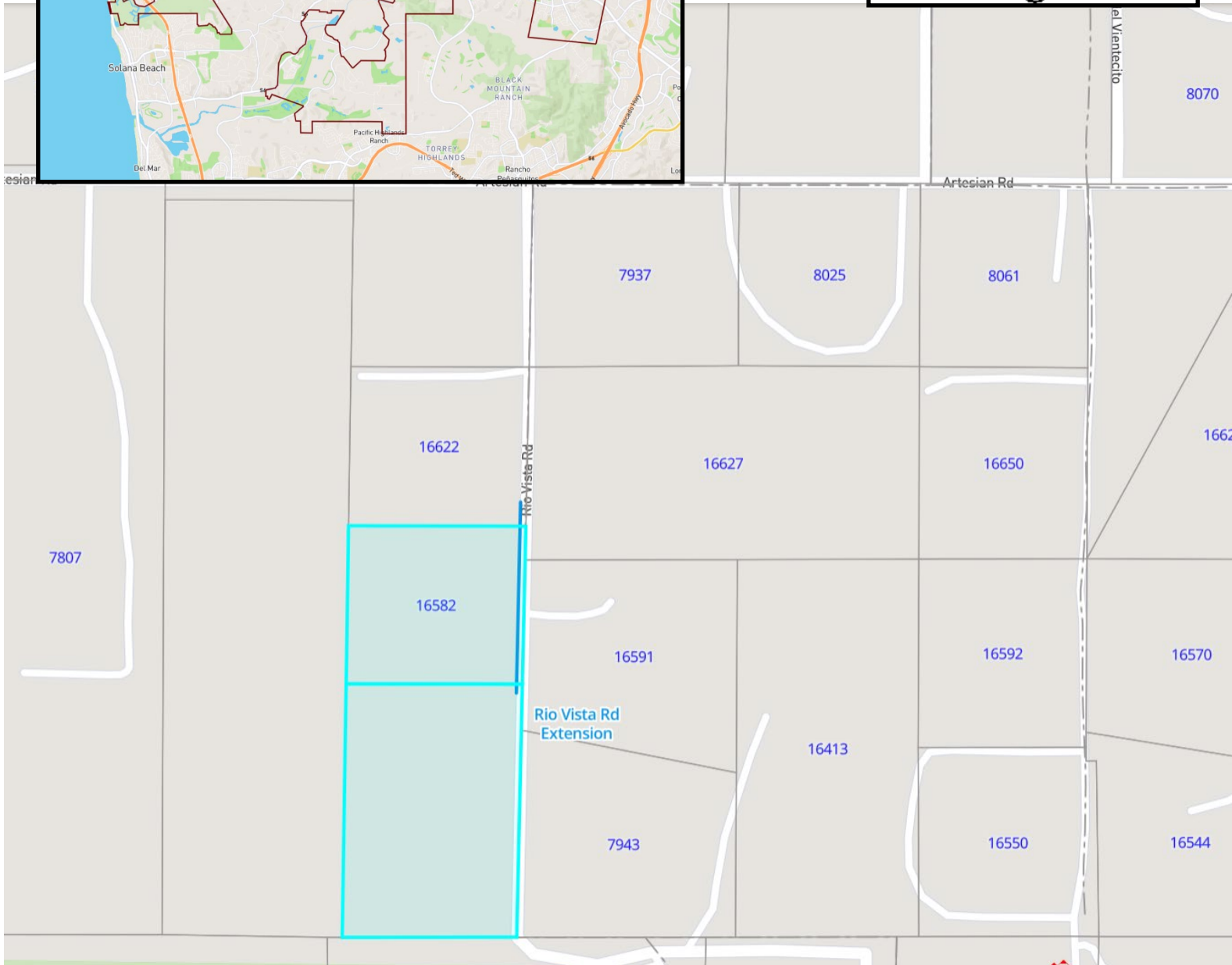
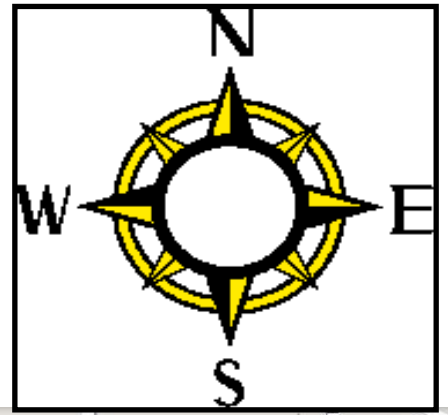
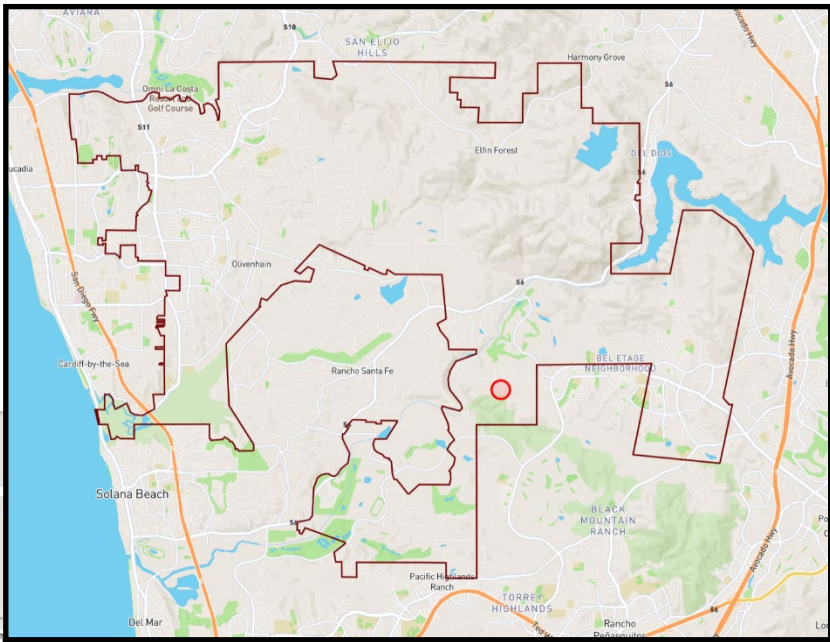
Discussion

Staff is available to answer questions.

Attachments:

Location map

Notice of Completion



LOCATION MAP

RIO VISTA ROAD, MAIN EXTENSION 244A

DISTRICT PROJECT NO. W560008

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

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

(This space for recorder's use)

NOTICE OF COMPLETION

NOTICE IS HEREBY GIVEN that the facilities shown on improvement plans for Parcel 267-146-08-00 of Map No. 17478, recorded on January 26th, 1995 located in the County of San Diego, State of California for which Richard D. Bagley, ("Developer") contracted with the OLIVENHAIN MUNICIPAL WATER DISTRICT ("Owner," in fee, of the facilities), headquartered at 1966 Olivenhain Road, Encinitas, CA 92024, have been completed in accordance with the plans and specifications as of November 3rd, 2022. The facilities have been accepted by the Board of Directors of the OLIVENHAIN MUNICIPAL WATER DISTRICT on this 14th day of December 2022.

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

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

OLIVENHAIN MUNICIPAL WATER DISTRICT

Date: _____, 20__

By: _____
Kimberly A. Thorner
General Manager

District Project No. W560008 – Main Ext. 244A Rio Vista Road

Memo

Date: December 14, 2022
To: Olivenhain Municipal Water District Board of Directors
From: Steven Weddle, Engineering Services Supervisor
Via: Kimberly A. Thorner, General Manager
Subject: **CONSIDER ACCEPTANCE OF THE AVENIDA DE POMPEII MAIN EXTENSION 255 (THOMAS BACHE) INTO OMWD'S SYSTEM AND ORDER A NOTICE OF COMPLETION FILED**

Purpose

The purpose of this agenda item is to consider acceptance of the transfer of the potable water facilities constructed by the Thomas Bache (Developer) into OMWD's system and authorize the filing of a Notice of Completion with the San Diego County Recorder.

Recommendation

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

Alternative(s)

None; the project is complete, and facilities were constructed to OMWD's standards and specifications per the Development Construction Agreement.

Background

The Avenida de Pompeii Main Extension and Water Service Installation Project is located off of Artesian Road, south of Liberty Ridge in Director Division 1 (San Antonio). The project consisted of the installation of 544 linear feet of a new 8-inch water main (extension 255A) and two 1-inch water service laterals.

OMWD entered into an agreement with the Developer, in July of 2018 to construct the facilities and dedicate the constructed facilities to OMWD. The facilities are now complete and have been built in accordance with the plans and specifications of OMWD. The warranty period will terminate one (1) year following the acceptance of the facilities by OMWD's Board.

Fiscal Impact

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

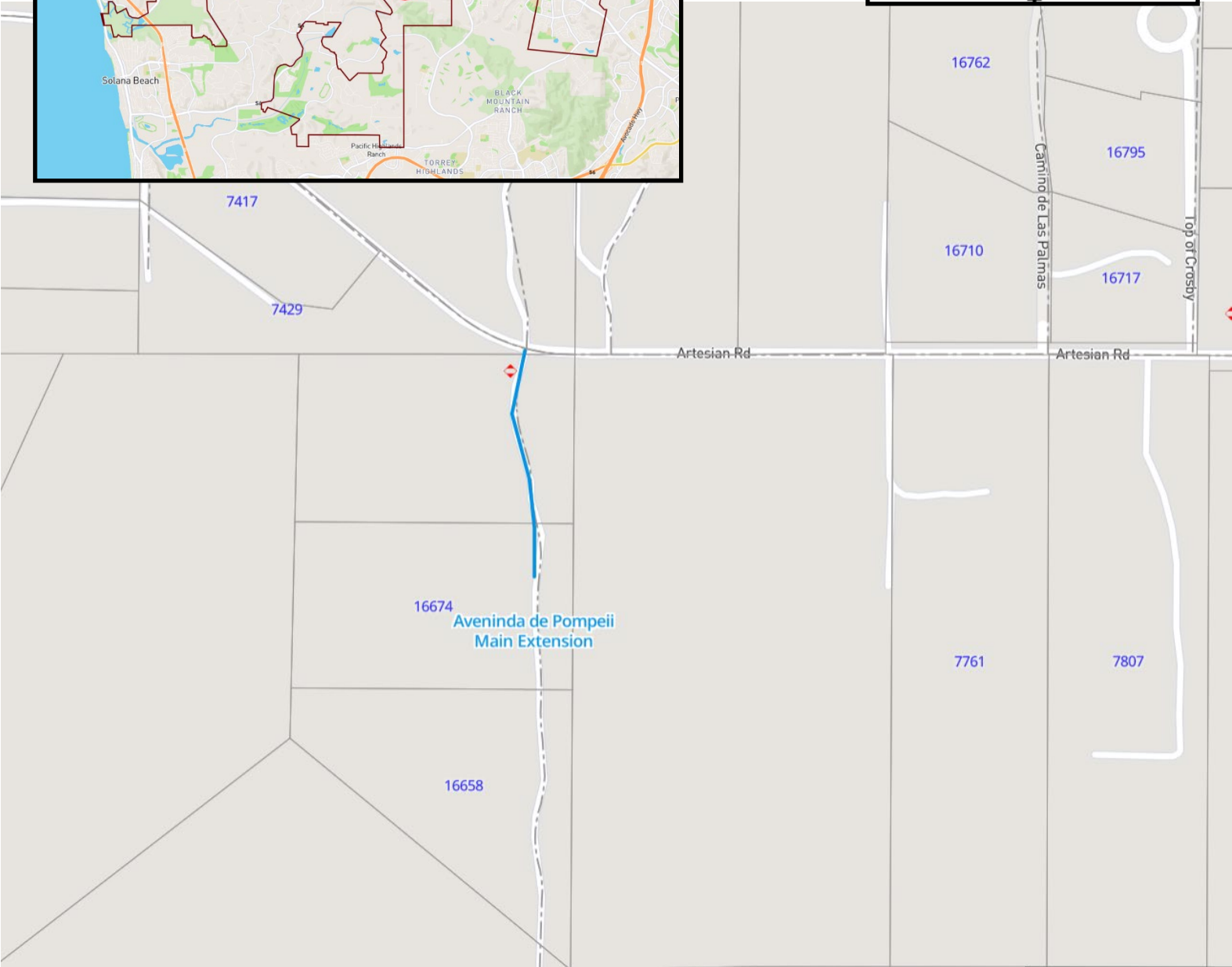
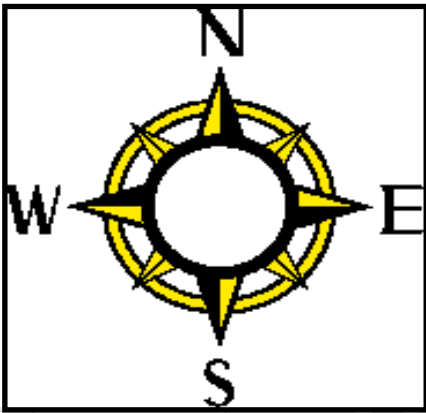
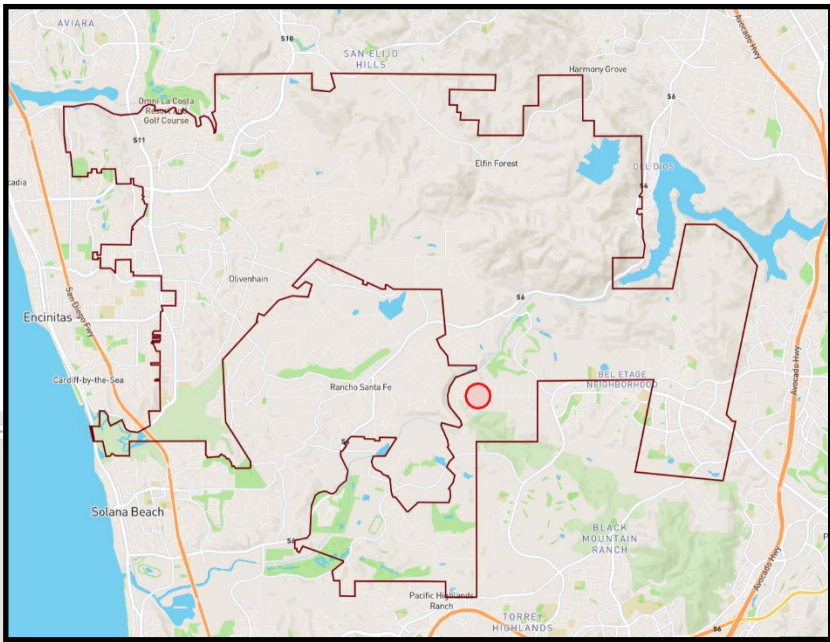
Discussion

Staff is available to answer any questions.

Attachments:

Location map

Notice of Completion



LOCATION MAP

AVENIDA DE POMPEII, MAIN EXTENSION 255
DISTRICT PROJECT NO. W560002

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

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

(This space for recorder's use)

NOTICE OF COMPLETION

NOTICE IS HEREBY GIVEN that the facilities shown on improvement plans for Parcel 291-100-46, 47, & 48 of Map No. 19276, recorded on July 25, 2003 located in the County of San Diego, State of California for which Thomas Bache, ("Developer") contracted with the OLIVENHAIN MUNICIPAL WATER DISTRICT ("Owner," in fee, of the facilities), headquartered at 1966 Olivenhain Road, Encinitas, CA 92024, have been completed in accordance with the plans and specifications as of September 26th, 2022. The facilities have been accepted by the Board of Directors of the OLIVENHAIN MUNICIPAL WATER DISTRICT on this 14th day of December 2022.

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

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

OLIVENHAIN MUNICIPAL WATER DISTRICT

Date: _____, 20__

By: _____
Kimberly A. Thorner
General Manager

District Project No. W560002 – Main Ext. 255 Avenida De Pompeii

Memo

Date: December 14, 2022
To: Olivenhain Municipal Water District Board of Directors
From: Lindsey Stephenson, Engineering Manager
Via: Kimberly A. Thorner, General Manager
Subject: **CONSIDER APPROVAL OF A LANDLORD CONSENT AND RELEASE AGREEMENT BETWEEN T-MOBILE USA, INC AND OLIVENHAIN MUNICIPAL WATER DISTRICT ALLOWING ASSIGNMENT OF THE EXISTING T-MOBILE CELLULAR COMMUNICATIONS LEASE AND FACILITIES AT THE GATY 2 RESERVOIR SITE TO DISH WIRELESS, LLC AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF OMWD**

Purpose

The purpose of this agenda item is to consider approval of a Landlord Consent and Release Agreement between T-Mobile USA, Inc, LLC (T-Mobile) and OMWD to assign the existing cellular communications lease and facilities at the Gaty 2 Reservoir site to Dish Wireless, LLC (Dish) and authorize the General Manager to sign on behalf of OMWD. OMWD General Counsel has reviewed the Landlord Consent and Release Agreement.

Recommendation

Staff recommends approval of the proposed Landlord Consent and Release Agreement.

Alternative

The Board could elect not to approve the proposed Landlord Consent and Release Agreement or recommend changes to the current version of the document. Also, the Board could decide not to allow the assignment of the current T-Mobile facilities to Dish.

Background

T-Mobile and OMWD entered into a lease agreement in 1998 for cellular communications facilities at the Gaty 2 Reservoir located in Director Division 1 (San Antonio) In addition, OMWD and T-Mobile entered into a First Amendment to the original lease in 2004 and a Second Amendment to the original lease in 2013, with an expiration of November 30, 2023.

After the merger of T-Mobile and Sprint in April 2020, the Department of Justice and the FCC required the entities to divest a portion of their existing portfolios to another cellular carrier. This ruling allowed Dish to enter the cellular communications market, and T-Mobile and Sprint have since been optioning several existing cell sites to Dish.

In September of this year, OMWD received notice from T-Mobile stating they had entered into an option agreement with Dish for assignment of T-Mobile's existing facilities at the Gaty 2 Reservoir site. Per Section 28 of the lease agreement between T-Mobile and OMWD, T-Mobile is not permitted to assign the lease without OMWD written approval and the Assignee must demonstrate the ability to meet the financial obligations of the lease. The Second Amendment, Schedule I, Item 3 also states T-Mobile may assign the lease to a transferee of the FCC license which operates the site.

OMWD and T-Mobile negotiated the attached Landlord Consent and Release Agreement, and OMWD requested Dish provide financial details to demonstrate an ability to meet the financial obligations of the lease. OMWD legal counsel has reviewed the proposed Landlord Consent and Release Agreement, the Dish financial information, and the FCC approval of the assignment and found the information acceptable. Therefore, T-Mobile has met the obligation of the existing lease and Second Amendment and staff recommends approval of the proposed Landlord Consent and Release Agreement.

Fiscal Impact

There is no fiscal impact to OMWD by approving the Landlord Consent and Release Agreement. On execution of the document, Dish will become responsible for the current monthly rental payment of \$4,254.21, or the current monthly rent at the time of the Assignment Date, along with all other terms and conditions of the original lease agreement. The Second Amendment to the lease extended the term to November 30, 2023. As part of the Landlord Consent and Release Agreement, Dish will be required to negotiate and fully execute a new lease agreement with OMWD prior to the term expiration date or be in breach of the agreement and terms of the original lease and subsequent amendments.

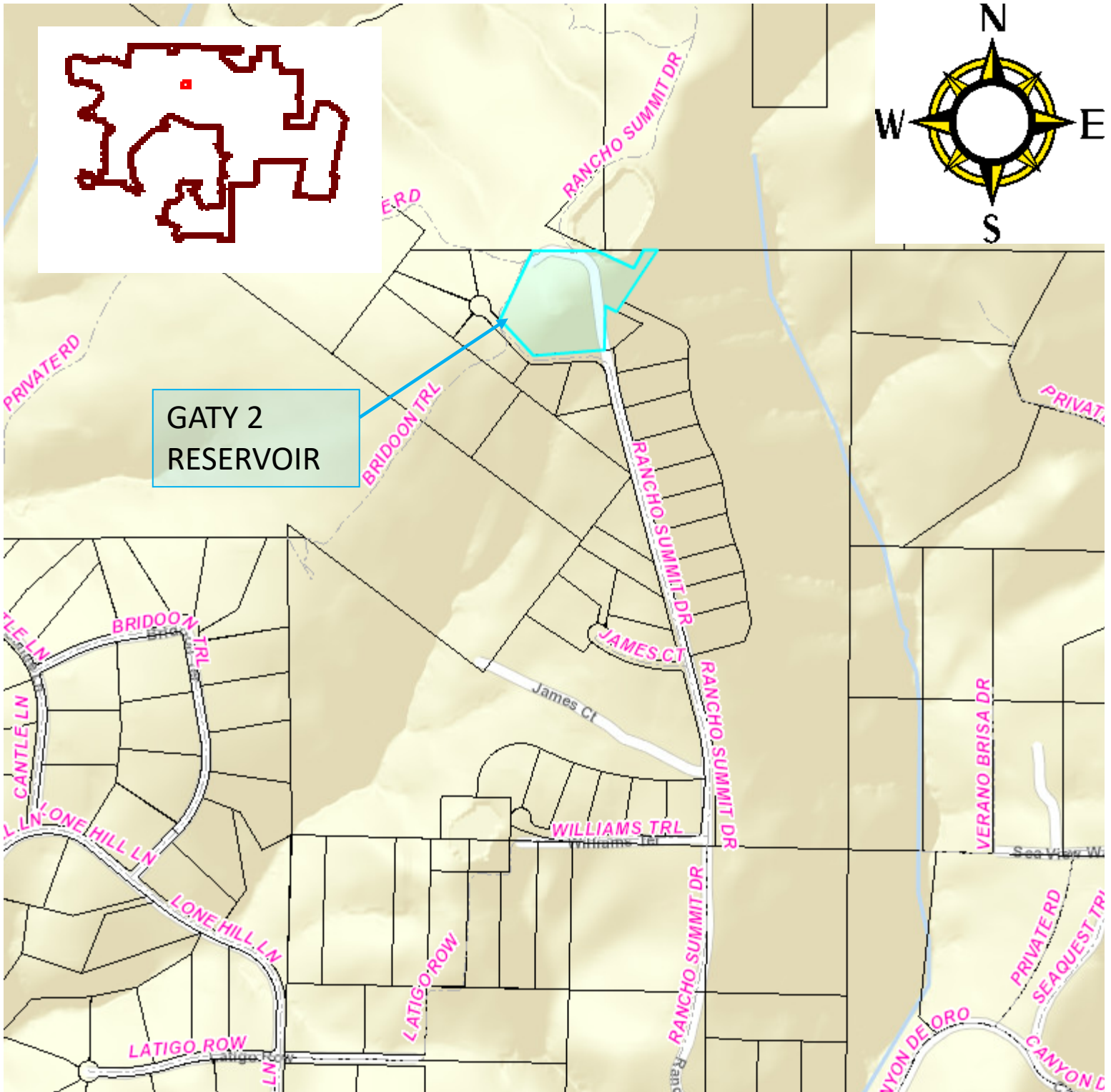
Discussion

The terms of the proposed Landlord Consent and Release Agreement have been agreed to by T-Mobile and Dish, and a copy is attached for review. Also included is a location map of the site. Staff is available to answer questions.

Attachment(s):

Location map

Landlord Consent and Release Agreement



LOCATION MAP

GATY 2 RESERVOIR SITE

LANDLORD CONSENT AND RELEASE AGREEMENT

This **LANDLORD CONSENT AND RELEASE AGREEMENT** (this "**Agreement**") is entered into as of _____, 20__, by and between Olivenhain Municipal Water District, a Municipal Water District organized and existing under the Municipal Water District Act of 1911, as amended, a public agency organized and operating pursuant to California Water Code Sections 7100 et seq. ("**Landlord**") and T-Mobile USA, Inc, a Delaware Limited Liability Company f/k/a T-Mobile West, LLC, T-Mobile West Corporation, successor-in-interest to TMO CA/NV LLC f/k/a Pacific Bell Wireless, LLC, successor-in-interest to Pacific Bell Mobile Services ("**Tenant**").

RECITALS

A. Landlord is the owner of certain real property located at 1790 Rancho Summit Drive, Encinitas, California, 92024, which is more particularly described in the Lease (as defined below).

B. Tenant is the tenant under that Lease Between the Olivenhain Municipal Water District and T-Mobile West, LLC to Allow Communications Facilities at the Gaty 2 Reservoir Site dated September 1, 1998 (the "**Original Lease Agreement**"), and as amended by that First Amendment dated April 27, 2004, and further amended by that Second Amendment dated December 24, 2013 (collectively the "**Lease Commencement Dates**") by and between T-Mobile West, LLC, a Delaware Limited Liability Company, as tenant, and Landlord for the location defined as the "**Site**" in the Lease (the "**Site**").

C. Tenant, per the terms of Section 28 of the original lease Agreement, shall be entitled to assign the Lease upon written consent from Landlord after Assignee has demonstrated the ability, to the satisfaction of Landlord, to pay all amounts required by the Lease.

D. Tenant, per the terms of the Second Amendment, Schedule I, Item 3, shall have the right to assign or transfer the Lease to the holder or transferee of the Federal Communications Commission ("**FCC**") license under which Tenant operates the site, upon FCC approval of such transfer. Assignment shall not be effective until Assignee signs and delivers to Landlord a document stating Assignee assumes responsibility for all Tenant's obligations under the Lease arising from and after the effective date of assignment.

E. Tenant and Assignee are aware the termination date of the current Second Amendment to the Original Lease Agreement will expire on November 30, 2023. On execution of this agreement, Assignee will deliver written notification to Landlord stating they will negotiate and fully execute a new lease agreement with Landlord prior to the lease termination date of November 30, 2023.

F. Tenant desires to assign the Lease to Dish Wireless L.L.C. ("**Dish**"), and Landlord desires to consent to such assignment upon the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties agree as follows:

1. Landlord's Consent. Tenant has requested that the Landlord consent to the assignment of all of Tenant's rights and obligations under the Lease to Dish, effective as of the effective

date of that certain Assignment and Assumption Agreement between Tenant and Assignee (such date, the “**Assignment Date**”). Subject to the terms of this Agreement, Landlord does hereby consent to such assignment and assumption of the Lease to Dish as of the Assignment Date.

2. Notification of Effective Date. Promptly following the Assignment Date, Assignee shall notify Landlord of the occurrence of the Assignment and deliver such document to Landlord stating Assignee assumes responsibility for all Tenant’s obligations under the Lease Agreement. Such document shall also include language stating Dish is required to enter into and fully execute a new lease agreement with OMWD prior to the existing 2nd Amendment lease termination date of November 30, 2023. If Dish does not execute such lease, Dish will be in breach of this agreement and the terms of the original lease agreement and all amendments thereof.

3. Release. Effective as of the Assignment Date, Landlord, for itself and its affiliates, successors and assigns, does hereby forever release and discharge Tenant and its affiliates, partners, employees, agents, successors and assigns of any and all liabilities and obligations arising from or relating to the Lease from and after the Assignment Date.

4. Rental Payments. As of the Assignment Date of this Agreement, Assignee agrees to pay Landlord the current monthly rental amount of \$4,254.21 (“Four Thousand Two Hundred Fifty-Four Dollars and Twenty-One Cents”) or the current monthly rent at the time of the Assignment Date. This monthly rent shall be increased by four (4) percent on each anniversary of the original Lease Commencement Date.

5. Modification. Except as specifically modified by this Agreement, the terms and conditions of the Lease shall maintain in full force and effect and nothing in this Agreement shall modify or alter the rights and obligations of the parties under the Lease.

6. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which constitute one and the same instrument.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK;
SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

LANDLORD:

Olivenhain Municipal Water District,
a Municipal Water District organized an existing
under the Municipal Water District Act of 1911, as
amended, a public agency organized and operating
pursuant to California Water Code Sections 7100 *et*
seq.

By: _____

Name: _____

Title: _____

TENANT:

T-Mobile USA, Inc.,
a Delaware Limited Liability Company

By: _____

Name: _____

Title: _____

ASSIGNEE:

Dish Wireless, LLC,
a Colorado Limited Liability Company

By: _____

Name: _____

Title: _____

Memo

Date: December 14, 2022
To: Olivenhain Municipal Water District Board of Directors
From: Lindsey Stephenson, Engineering Manager
Via: Kimberly A. Thorner, General Manager
Subject: **CONSIDER APPROVAL OF A SECOND AMENDMENT TO A LEASE BETWEEN THE OLIVENHAIN MUNICIPAL WATER DISTRICT AND NEXTEL COMMUNICATIONS TO ALLOW RELOCATED COMMUNICATIONS FACILITIES AT THE 4G RESERVOIR SITE AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF OMWD**

Purpose

The purpose of this agenda item is to consider approval of a Second Amendment to a lease between Olivenhain Municipal Water District and Nextel Communications to allow relocated communications facilities at the 4G reservoir site and authorize the General Manager to sign on behalf of OMWD. OMWD General Counsel has reviewed the Second Amendment.

Recommendation

Staff recommends approval of the proposed Second Amendment.

Alternative

The Board could elect not to approve the proposed Second Amendment or recommend changes to the current version of the document.

Background

Nextel Communications and OMWD first entered into a lease to allow equipment at the 4G reservoir site in November 1996 in Director Division 4 (Hahn). That lease had a term of five (5) years, expiring in 2001. Prior to the expiration of that lease, OMWD and Nextel of California, Inc. entered into a separate lease to allow communications facilities at the 4G reservoir site in June 2001. The term of that lease was for a period of ten (10) years with one (1) 5-year extension. Further, OMWD and Sprint PCS Assets, LLC (previously Nextel) entered into a First Amendment to the original lease in July 2016 to extend the term for ten (10) years with the option for one 5-year extension. This option would extend the lease to May 2031. The amendment also reduced the yearly escalation rate of five (5%) down to three (3%) percent. In April 2020, T-Mobile acquired the site through its merger with Sprint.

In early 2021, OMWD was approached by T-Mobile regarding relocation and replacement of the existing cellular tower at the site. The existing tower is a wood pole that no longer meets current County of San Diego zoning requirements for a camouflaged metal structure. During this time frame, T-Mobile informed OMWD the site was to be assigned to and ultimately purchased by Vertical Bridge Towers III, LLC through a Transfer and Recission Agreement between T-Mobile and Vertical Bridge. Per Section 28 of the original lease agreement, Sprint, now T-Mobile, was not permitted to assign the lease without OMWD written approval and the Assignee must demonstrate the ability to meet the financial obligations of the lease. The required financial documentation from Vertical Bridge was received and reviewed and approved by OMWD legal counsel. OMWD then signed the consent to assignment letter for T-Mobile to Vertical Bridge in July 2021. The Transfer and Recission Agreement between T-Mobile and Vertical Bridge was then executed in September 2021.

Vertical Bridge, now as owner of the leased premises, is now moving forward with the relocation and replacement of the existing wooden tower. OMWD and Vertical Bridge have negotiated the attached Second Amendment and OMWD staff has reviewed the plans for the proposed construction. Staff recommends approval of the proposed Second Amendment to the original lease agreement.

Fiscal Impact

There is no fiscal impact to OMWD approving the Second Amendment. On execution of the document, Vertical Bridge will continue to pay the current monthly rent of \$3,101.59 with a yearly escalation rate of 3%. OMWD is also requiring a non-refundable,

one-time fee of \$3,500 be paid within 45 days of execution of Second Amendment. This fee will be used for Staff time required to observe the proposed relocation and replacement of the existing tower to ensure the construction does not conflict with OMWD's existing facilities at the site.

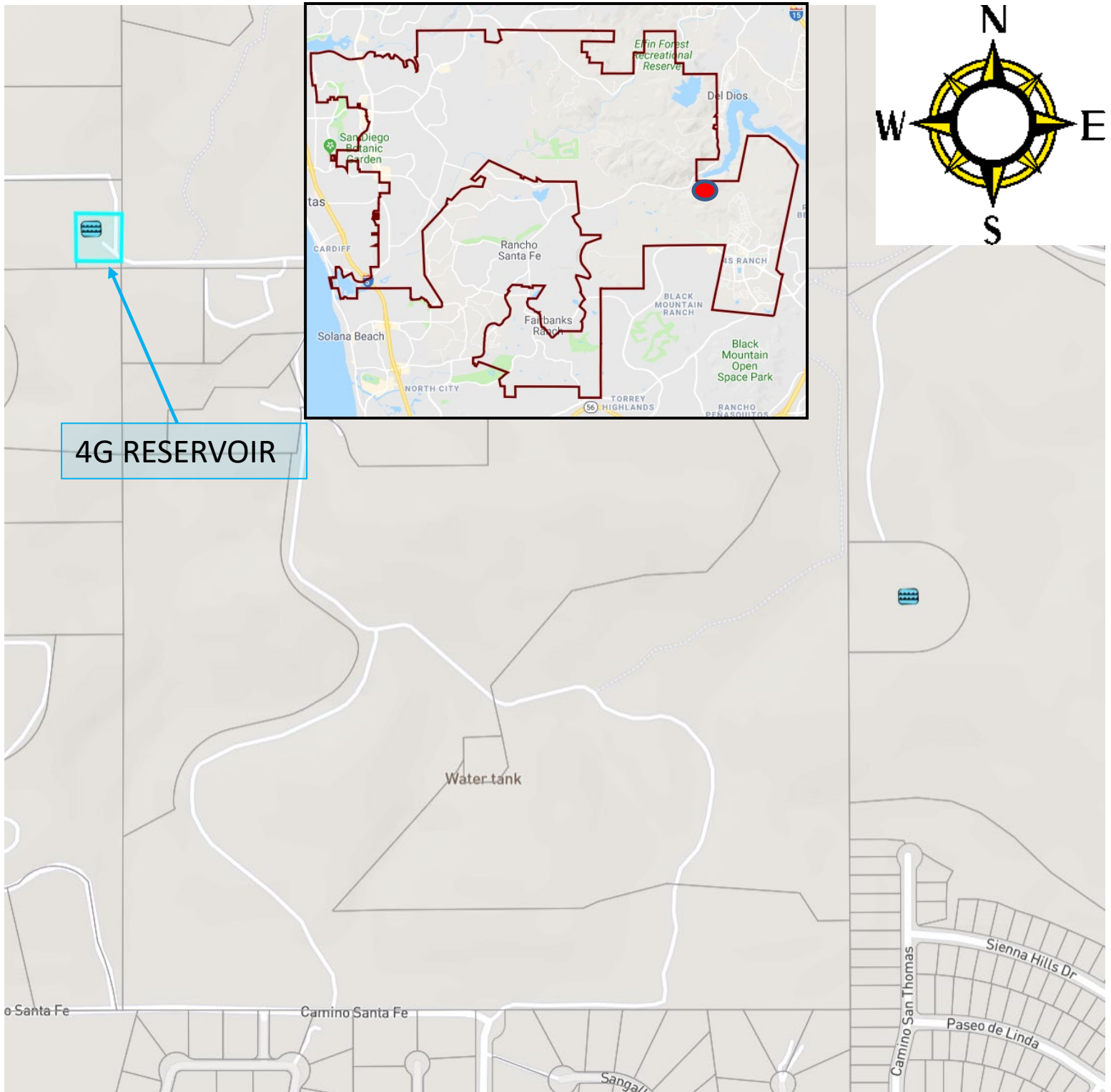
Discussion

The terms of the proposed Second Amendment have been agreed to by Vertical Bridge, and a copy is attached for review. Also included are a copy of the original lease and the First Amendment, the proposed construction plans, and a location map. Staff is available to answer questions.

Attachment(s):

Location Map

Second Amendment



LOCATION MAP

4G RESERVOIR

SECOND AMENDMENT TO A LEASE BETWEEN THE OLIVENHAIN MUNICIPAL WATER DISTRICT AND NEXTEL COMMUNICATIONS TO ALLOW COMMUNICATIONS FACILITIES AT THE 4G RESERVOIR SITE

THIS SECOND AMENDMENT TO A LEASE BETWEEN THE OLIVENHAIN MUNICIPAL WATER DISTRICT AND NEXTEL COMMUNICATIONS TO ALLOW COMMUNICATIONS FACILITIES AT THE 4G RESERVOIR SITE (this "Second Amendment") is made and entered into on _____, 20__ ("Effective Date"), by and between Olivenhain Municipal Water District ("Lessor") and Vertical Bridge Towers III, LLC, a Delaware limited liability company, ("Lessee").

RECITALS

WHEREAS, OMWD and Smart SMR of California, a Delaware corporation dba Nextel Communications, entered into A Lease Between The Olivenhain Municipal Water District and Nextel Communications to Allow Equipment at the 4G Reservoir site effective November 18, 1996.

WHEREAS, OMWD and Nextel of California, Inc., a Delaware corporation dba Nextel Communications, entered into A Lease Between the Olivenhain Municipal Water District and Nextel Communications to allow Communications Facilities at the 4G Reservoir Site effective June 1, 2001.

WHEREAS, OMWD entered into a Consent to Assignment between Sprint PCS Assets, LLC, a Delaware limited liability company formerly known as Nextel of California, Inc. dated August 28, 2013 (collectively the "Assignment/Agreement"), for the contractual right to lease a certain portion of the real property located at 17289 Four Gee Road, San Diego, CA 92127.

WHEREAS, OMWD and Sprint PCS Assets, LLC entered into a First Amendment to a Lease Agreement Between Olivenhain Municipal Water District and Nextel Communications to Allow Communications Facilities at the 4G Reservoir Site dated July 27, 2016, for leased premises (the "Premises") located at 17289 Four Gee Road, San Diego, CA 92127 (the "Property").

WHEREAS T-Mobile USA, Inc. (hereinafter, "T-Mobile"), acquired the Premises from its merger with Sprint PCS Assets, LLC in April 2020.

Whereas T-Mobile and Vertical Bridge NTCF, LLC, a Delaware limited liability company and its affiliate, Vertical Bridge Towers III, LLC a Delaware limited liability company collectively, "Vertical Bridge"), are parties to a Purchase and Sale Agreement dated April 29, 2021.

WHEREAS OMWD approved a consent to assignment of the site to Vertical Bridge per letter executed July 2021. In addition to management and operation of the site on behalf of T-Mobile, said consent allowed for the purchase of the site portfolio by Vertical Bridge on completion of a Transfer and Recission Agreement.

WHEREAS T-Mobile and Vertical Bridge, as a Sale Site Subsidiary, entered into a Transfer and Recission Agreement dated September 16, 2021, for purchase of the existing Lease and all related telecommunications facilities currently located at the Premises by Vertical Bridge.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee covenant and agree as follows:

1. LESSOR Consent. Lessor hereby grants Lessee the right and consents to Lessee's relocation and replacement of the existing wood pole as described and depicted in Exhibit "A", which is attached hereto and by this reference and incorporated herein, which equipment shall be considered part of the Communications Facilities under the Lease.

2. Rent and Costs. Notwithstanding anything set forth in Section 10 of the Lease, the Parties agree that, as of the date of this Second Amendment, Lessee shall continue to pay the current monthly rental amount of Three Thousand One Hundred One Dollars and 59/100ths (\$3,101.59). This rent shall be increased by three percent (3%) on June 1st of each year thereafter during the term of the Lease.

Lessee further agrees to pay Lessor a one-time fee in the amount of Three Thousand Five Hundred Dollars (\$3,500) to reimburse Lessor for its administrative and staff time to ensure the relocation and reconstruction of a new cellular communications tower does not conflict with Lessor's existing facilities at the site. This fee shall be due and payable within forty-five (45) days following the Effective Date of this Second Amendment and shall be non-refundable. The failure of Lessee to do so shall constitute a material breach of this Lease.

3. Lessee's Notice Address. Lessee's notice addresses in the Lease are deleted in their entirety and replaced with the following:

If to Lessor:

Olivenhain Municipal Water District
1966 Olivenhain Road
Attn: Kimberly A. Thorner, General Manager
Encinitas, CA 92024

With a copy to:

Nossaman, LLP
777 South Figueroa Street, 34th Floor
Attn: Alfred E. Smith
Los Angeles, CA 90017

If to Lessee:

Vertical Bridge Towers III, LLC
c/o Vertical Bridge REIT, LLC
750 Park of Commerce Drive, Suite 200
Boca Raton, Florida 33487
VB Site Name: SD25XC402
VB Site ID: US-CA-5269

4. Terms; Conflicts. The terms and conditions of the Lease are incorporated herein by this reference, and capitalized terms used in this Second Amendment shall have the same meanings such terms are given in the Lease. Except as specifically set forth herein, this Second Amendment shall in no way modify, alter or amend the remaining terms of the Lease, all of which are ratified by the parties and shall remain in full force and effect. To the extent there is any conflict between the terms and conditions of the Lease and this Second Amendment, the terms and conditions of this Second Amendment will govern and control.

5. Approvals. Lessor represents and warrants to Lessee that the consent or approval of no third party, including, without limitation, a lender, is required with respect to the execution of this Second Amendment, or if any such third-party consent or approval is required, Lessor has obtained any and all such consents or approvals.

6. Authorization. The persons who have executed this Second Amendment represent and warrant that they are duly authorized to execute this Second Amendment in their individual or representative capacity as indicated.

IN WITNESS WHEREOF, the Parties have executed this Second Amendment on the day and year first written above.

Lessor:
Olivenhain Municipal Water District,

Lessee:
Vertical Bridge Towers III, LLC
a Delaware limited liability company

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

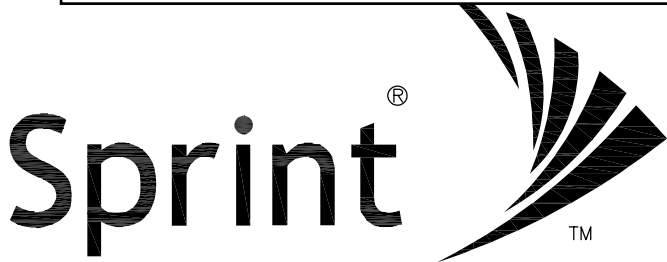
Date: _____

EXHIBIT A

(See attached)

THE INFORMATION CONTAINED IN THIS SET OF CONSTRUCTION DOCUMENTS IS PROPRIETARY BY NATURE. ANY USE OR DISCLOSURE OTHER THAN THAT WHICH RELATES TO CARRIER SERVICES IS STRICTLY PROHIBITED.

EXHIBIT A



SITE ID: SD25XC402
SITE NAME: SYNERGY
SITE ADDRESS: 17289 FOUR GEE ROAD
SAN DIEGO, CA 92127
PROJECT: SPRINT RETAIN
SITE TYPE: MONO-EUCALYPTUS
JURISDICTION: COUNTY OF SAN DIEGO
T-MOBILE SITE NUMBER: SD08329A

1

THIS PERMIT DOES NOT ALLOW THE PERMITEE TO VIOLATE ANY LOCAL, STATE, AND FEDERAL ORDINANCES. IT IS THE PERMITEE'S RESPONSIBILITY TO OBTAIN ANY LOCAL, STATE, AND FEDERAL PERMITS.



MD7

10590 WEST OCEAN AIR DRIVE
SUITE 300
SAN DIEGO, CA 92130

PLANS PREPARED BY:

MORRISON HERSHFIELD
600 STEWART STREET, SUITE 200
SEATTLE, WA 98101
Tel: 206.268.7370
www.morrisonhershfield.com
MH PROJECT NUMBER: 210028900

REV.	DATE	ISSUED FOR	BY
A	04/26/21	90% REVIEW	BS
B	05/06/21	100% REVIEW	BS
C	06/03/21	100% REVIEW	BS
0	09/16/21	100% FINAL	BS
1	11/16/21	JDX COMMENTS	BS

SET NOT TO BE USED FOR CONSTRUCTION UNLESS SIGNED BY DESIGN PROFESSIONAL AND STAMPED APPROVED BY MUNICIPALITY

LICENSURE:



SITE NAME:
SYNERGY

SPRINT SITE I.D.
SD25XC402

SITE ADDRESS:
**17289 FOUR GEE ROAD
SAN DIEGO, CA 92127**

SHEET NAME:

TITLE SHEET

SHEET NUMBER:

1 **T-1**

ZONING INFORMATION

USE REGULATION:	RR
ANIMAL REGULATION:	L
DENSITY:	—
MIN. LOT SIZE:	2 ACRES
BUILDING TYPE:	B
FAR:	—
HEIGHT:	G
LOT COVERAGE:	—
SETBACK:	C
OPEN SPACE:	—
SPECIAL ARE REGULATIONS:	—

PROJECT INFORMATION

SITE ADDRESS: 17289 FOUR GEE ROAD
SAN DIEGO, CA 92127
COUNTY: SAN DIEGO COUNTY
LATITUDE: 33° 02' 13.32" N (33.037033°)
LONGITUDE: 117° 07' 37.54" W (-117.127093°)
GROUND ELEVATION: 1107.1' AMSL
STRUCTURE HEIGHT: 35'-0" (TOP OF STEEL)
JURISDICTION: SAN DIEGO COUNTY
PARCEL: 678-020-07-00
ZONING: RR-2
OCCUPANCY: U

CONSTRUCTION INFORMATION:
AREA OF CONSTRUCTION: EXISTING/NO CHANGE
CONSTRUCTION TYPE: V
PROPOSED USE: UNMANNED TELECOMMUNICATIONS FACILITY
HANDICAP REQUIREMENTS: FACILITY IS UNMANNED AND NOT FOR HUMAN HABITATION. HANDICAPPED ACCESS NOT REQUIRED

TOWER OWNER: —

PROPERTY OWNER: OLIVENHAIN MUNICIPAL WATER DISTRICT
1966 OLIVENHAIN ROAD
ENCINITAS, CA 92024

APPLICANT: SPRINT PCS c/o T-MOBILE
10509 VISTA SORRENTO PKWY, SUITE 206
SAN DIEGO, CA 92121

PROJECT TEAM

CONSTRUCTION MANAGER:
SPRINT PCS c/o T-MOBILE
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10509 VISTA SORRENTO PKWY, SUITE 206
SAN DIEGO, CA 92121
PHONE: (858) 334-6139

SITE ACQUISITION AGENT:
MD7
JOHN STURGES
10590 WEST OCEAN AIR DRIVE, SUITE 300
SAN DIEGO, CA 92130
PHONE: (619) 947-0762

ZONING/PERMITTING AGENT:
MD7
DELILAH BRUZZE
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ARCHITECT & ENGINEERING
MORRISON HERSHFIELD
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RF ENGINEER:
SPRINT c/o T-MOBILE
PEDRO ABE
10509 VISTA SORRENTO PKWY, SUITE 206
SAN DIEGO, CA 92121

VICINITY MAP



DIRECTIONS

FROM SAN DIEGO INTERNATIONAL AIRPORT, SAN DIEGO, CA:

- HEAD EAST ON N HARBOR DR TOWARD MCCAIN RD
- USE THE LEFT 3 LANES TO TURN LEFT ONTO W GRAPE ST
- USE THE RIGHT LANE TO TAKE THE RAMP ONTO I-5 S
- USE THE RIGHT LANE TO MERGE WITH I-5 S
- USE THE RIGHT 2 LANES TO TAKE EXIT 16 TO MERGE WITH CA-163 N TOWARD ESCONDIDO
- MERGE WITH I-15 N
- KEEP LEFT TO STAY ON I-15 N
- TAKE EXIT 22 FOR CAMINO DEL NORTE
- USE THE LEFT 2 LANES TO TURN LEFT ONTO CAMINO DEL NORTE
- CONTINUE ONTO CAMINO DEL SUR
- TURN RIGHT ONTO FOUR GEE RD
- FOUR GEE RD TURNS LEFT AND BECOMES CAMINO SANTA FE
- TURN RIGHT ONTO CAM SANTA FE
- RESTRICTED USAGE ROAD
- TURN LEFT

ACCESSIBILITY REQUIREMENTS

FACILITY IS UNMANNED AND NOT FOR HUMAN HABITATION. HANDICAP ACCESS IS NOT REQUIRED PER CBC 2019
SECTION 11B-203.4 (LIMITED ACCESS SPACES)
SECTION 11B-203.5 (MACHINERY SPACES)

APPROVALS

APPROVAL	SIGNATURE	DATE
PROJECT MANAGER		
T-MOBILE RF ENGINEER		
SITE ACQUISITION		
CONSTRUCTION MANAGER		
SITE OWNER		
SPRINT DEVELOPMENT MANAGER		
SPRINT CONSTRUCTION MANAGER		
SPRINT OPS MANAGER		
SPRINT REGULATORY REVIEW		
SPRINT PROJECT MANAGER		

SCOPE OF WORK

SPRINT PROPOSES TO MODIFY AN EXISTING UNMANNED TELECOMMUNICATIONS FACILITY WITH THE FOLLOWING:
REPLACE EXISTING 35' WOOD POLE WITH NEW 35' MONO-EUCALYPTUS

AT ANTENNA LEVEL	EXISTING CONFIGURATION:
• REMOVE (6) PANEL ANTENNAS	ANTENNAS: 6
• REMOVE (1) MW DISH ANTENNA	RADIOS: 3 (SHELTER)
• INSTALL (3) ERICSSON AIR6449 B41 ANTENNAS	
• INSTALL (3) RFS APXVAALL18_43-U-NA20 ANTENNAS	
• INSTALL (3) HBXX-6516DS-A2M	FINAL CONFIGURATION:
• INSTALL (3) RADIO 4480 B71 + B85	ANTENNAS: 9
• INSTALL (3) RADIO 4460 B25 + B66A	RADIOS: 6

AT EQUIPMENT LEVEL

• REMOVE (2) EQUIPMENT CABINETS
• REMOVE (3) LEGACY RADIOS
• INSTALL (1) EQUIPMENT RACK
• INSTALL (1) BATTERY RACK W/6230 & (3) BATTERY STRINGS
• INSTALL (3) BB6648, AND (1) RBS6601 W/ DUG20 INSIDE EQUIPMENT RACK
• INSTALL (1) PSU 4813
• INSTALL (1) IXRE ROUTER
• INSTALL (3) 6x24 HCS 4AWG (80FT)
• INSTALL ICE BRIDGE

NO PROPOSED LANDSCAPING

• PROJECT VALUATION: \$40,000

DESIGN BASED ON T-MOBILE RFDS:
SPRINT RETAIN_VERSION 1, DATED 03/23/2021 04:33:36 PM

INDEX OF DRAWINGS

SHEET	DESCRIPTION
T-1	TITLE SHEET 1
T-2	GENERAL NOTES
A-1	SITE PLAN 1
A-1.1	ENLARGED PLAN
A-1.2	EQUIPMENT PLAN
RF-1	ANTENNA CONFIGURATION
RF-2	PLUMBING DIAGRAM
A-2	NORTH SITE PROFILE
A-2.1	EAST SITE PROFILE
A-2.2	SOUTH SITE PROFILE
A-2.3	WEST SITE PROFILE
A-3	CONSTRUCTION DETAILS
A-4	CONSTRUCTION DETAILS 1
A-5	CONSTRUCTION DETAILS
A-6	CONSTRUCTION DETAILS
E-1	ELECTRICAL DETAILS
E-2	GROUNDING DETAILS

TOWER DRAWINGS (BY LARSON)

T-1	PROJECT INFORMATION
GN-1	NOTES & SPECIFICATIONS
S-1	ELEVATION
S-2.0	BASEPLATE & MOUNT DETAILS
S-2.1	BRANCH & PORT DETAILS
S-3	BRANCH LAYOUT
S-4	FOUNDATION

CODE COMPLIANCE

ALL WORK AND MATERIALS SHALL BE PERFORMED AND INSTALLED IN ACCORDANCE WITH THE CURRENT CONDITIONS OF THE FOLLOWING CODES AS ADOPTED BY THE LOCAL GOVERNING AUTHORITIES. NOTHING IN THESE PLANS IS TO BE CONSTRUED TO PERMIT WORK NOT CONFORMING TO THESE CODES:

CALIFORNIA STATE AND LOCAL BUILDING CODES WITH THE FOLLOWING REFERENCE CODE:

2019 CALIFORNIA BUILDING CODE (CBC)
2019 CALIFORNIA MECHANICAL CODE (CMC)
2019 CALIFORNIA PLUMBING CODE (CPC)
2019 CALIFORNIA ENERGY CODE (CEC)
2019 CALIFORNIA FIRE CODE (CFC)
2019 CALIFORNIA ELECTRICAL CODE (CEC)

CONTRACTOR TO CALL TO VERIFY UTILITIES AT LEAST TWO WORKING DAYS PRIOR TO DIGGING



Know what's below.
Call before you dig.

DO NOT SCALE DRAWINGS

CONTRACTOR SHALL VERIFY ALL PLANS & EXISTING DIMENSIONS & CONDITIONS ON THE JOB SITE & SHALL IMMEDIATELY NOTIFY THE ARCHITECT OR ENGINEER IN WRITING OF ANY DISCREPANCIES BEFORE PROCEEDING WITH THE WORK OR BE RESPONSIBLE FOR SAME.

THE INFORMATION CONTAINED IN THIS SET OF CONSTRUCTION DOCUMENTS IS PROPRIETARY BY NATURE. ANY USE OR DISCLOSURE OTHER THAN THAT WHICH RELATES TO CARRIER SERVICES IS STRICTLY PROHIBITED.

ARCHITECTURAL GENERAL NOTES	ELECTRICAL GENERAL NOTES	ABBREVIATIONS																																											
<div>1. WORK SHALL COMPLY WITH ALL APPLICABLE CODES, ORDINANCES, AND REGULATIONS. ALL NECESSARY LICENSES, CERTIFICATES, ETC., REQUIRED BY AUTHORITY HAVING JURISDICTION SHALL BE PROCURED AND PAID FOR BY THE CONTRACTOR.</div> <div>2. THE GENERAL CONTRACTOR AND EACH SUBCONTRACTOR SHALL BE RESPONSIBLE FOR VERIFYING DIMENSIONS AND CONDITIONS AT THE JOB SITE WHICH COULD AFFECT THE WORK UNDER THIS CONTRACT. ALL MANUFACTURERS RECOMMENDED SPECIFICATIONS, EXCEPT THOSE SPECIFICATIONS HEREIN, WHERE MOST STRINGENT SHALL BE COMPLIED WITH.</div> <div>3. THE CONTRACTOR SHALL VERIFY THAT NO CONFLICTS EXIST BETWEEN THE LOCATIONS OF ANY AND ALL MECHANICAL, ELECTRICAL, PLUMBING, OR STRUCTURAL ELEMENTS, AND THAT ALL REQUIRED CLEARANCES FOR INSTALLATION AND MAINTENANCE ARE MET. NOTIFY THE CONSULTANT OF ANY CONFLICTS. THE CONSULTANT HAS THE RIGHT TO MAKE MINOR MODIFICATIONS IN THE DESIGN OF THE CONTRACT WITHOUT THE CONTRACTOR GETTING ADDITIONAL COMPENSATION.</div> <div>4. THE CONTRACTOR SHALL BE RESPONSIBLE FOR DAILY CLEAN UP OF ALL TRADES AND REMOVE ALL DEBRIS FROM THE CONSTRUCTION SITE. AT THE COMPLETION OF THE PROJECT, THE CONTRACTOR SHALL THOROUGHLY CLEAN THE BUILDING, SITE, AND ANY OTHER SURROUNDING AREAS TO A BETTER THAN NEW CONDITION.</div> <div>5. THE CONTRACTOR IS RESPONSIBLE FOR ADEQUATELY BRACING AND PROTECTING ALL WORK DURING CONSTRUCTION AGAINST DAMAGE, BREAKAGE, COLLAPSE, ETC. ACCORDING TO APPLICABLE CODES, STANDARDS, AND GOOD CONSTRUCTION PRACTICES.</div> <div>6. WHERE ONE DETAIL IS SHOWN FOR ONE CONDITION, IT SHALL APPLY FOR ALL LIKE OR SIMILAR CONDITIONS, EVEN THOUGH NOT SPECIFICALLY MARKED ON THE DRAWINGS OR REFERRED TO IN THE SPECIFICATIONS, UNLESS NOTED OTHERWISE.</div> <div>7. WHERE NEW PAVING, CONCRETE SIDEWALKS OR PATHS MEET EXISTING CONSTRUCTION, THE CONTRACTOR SHALL MATCH THE EXISTING PITCH, GRADE, AND ELEVATION SO THE ENTIRE STRUCTURE SHALL HAVE A SMOOTH TRANSITION.</div> <div>8. THE GENERAL CONTRACTOR SHALL OBTAIN WRITTEN CONFIRMATION OF THE EXPECTED DATE OF COMPLETION OF THE POWER CONNECTION FROM THE POWER COMPANY.</div> <div>9. IF THE POWER COMPANY IS UNABLE TO PROVIDE THE POWER CONNECTION BY OWNER'S REQUIRED DATE, THE GENERAL CONTRACTOR SHALL PROVIDE AND MAINTAIN A TEMPORARY GENERATOR UNTIL THE POWER COMPANY CONNECTION IS COMPLETED. COSTS ASSOCIATED WITH THE TEMPORARY GENERATOR TO BE APPROVED BY THE OWNER.</div> <div>10. PLANS PART OF THIS SET ARE COMPLEMENTARY. INFORMATION IS NOT LIMITED TO ONE PLAN. DRAWINGS AND SPECIFICATIONS ARE INSTRUMENTS OF SERVICE AND SHALL REMAIN THE PROPERTY OF THE ARCHITECT, WHETHER THE PROJECT FOR WHICH THEY ARE MADE IS EXECUTED OR NOT. THEY ARE NOT TO BE USED BY THE OWNER ON OTHER PROJECTS OR EXTENSION TO THIS PROJECT EXCEPT BY AGREEMENT IN WRITING AND WITH APPROPRIATE COMPENSATION TO MORRISON HERSHFIELD. THESE PLANS WERE PREPARED TO BE SUBMITTED TO GOVERNMENTAL BUILDING AUTHORITIES FOR REVIEW FOR COMPLIANCE WITH APPLICABLE CODES AND IT IS THE SOLE RESPONSIBILITY OF THE OWNER AND/OR CONTRACTOR TO BUILD ACCORDING TO APPLICABLE BUILDING CODES.</div> <div>11. IF CONTRACTOR OR SUB-CONTRACTOR FIND IT NECESSARY TO DEVIATE FROM ORIGINAL APPROVED PLANS, THEN IT IS THE CONTRACTOR'S AND THE SUB-CONTRACTOR'S RESPONSIBILITY TO PROVIDE THE ARCHITECT WITH (4) COPIES OF THE PROPOSED CHANGES FOR HIS APPROVAL BEFORE PROCEEDING WITH THE WORK. IN ADDITION THE CONTRACTOR AND SUB-CONTRACTORS SHALL BE RESPONSIBLE FOR PROCURING ALL NECESSARY APPROVALS FROM THE BUILDING AUTHORITIES FOR THE PROPOSED CHANGES BEFORE PROCEEDING WITH THE WORK. THE CONTRACTOR AND SUB-CONTRACTORS SHALL BE RESPONSIBLE FOR PROCURING ALL NECESSARY INSPECTIONS AND APPROVALS FROM BUILDING AUTHORITIES DURING THE EXECUTION OF THE WORK.</div> <div>12. IN EVERY EVENT, THESE CONSTRUCTION DOCUMENTS AND SPECIFICATIONS SHALL BE INTERPRETED TO BE A MINIMUM ACCEPTABLE MEANS OF CONSTRUCTION BUT THIS SHALL NOT RELIEVE THE CONTRACTOR, SUB-CONTRACTOR, AND/OR SUPPLIER/MANUFACTURER FROM PROVIDING A COMPLETE AND CORRECT JOB WHEN ADDITIONAL ITEMS ARE REQUIRED TO THE MINIMUM SPECIFICATION. IF ANY ITEMS NEED TO EXCEED THESE MINIMUM SPECIFICATIONS TO PROVIDE A COMPLETE, ADEQUATE AND SAFE WORKING CONDITION, THEN IT SHALL BE THE DEEMED AND UNDERSTOOD TO BE INCLUDED IN THE DRAWINGS. FOR EXAMPLE, IF AN ITEM AND/OR PIECE OF EQUIPMENT REQUIRES A LARGER WIRE SIZE (I.E. ELECTRICAL WIRE), STRONGER OR LARGER PIPING, INCREASED QUANTITY (I.E. STRUCTURAL ELEMENTS), REDUCED SPACING, AND/OR INCREASED LENGTH (I.E. BOLT LENGTHS, BAR LENGTHS) THEN IT SHALL BE DEEMED AND UNDERSTOOD TO BE INCLUDED IN THE BID/PROPOSAL. THESE DOCUMENTS ARE MEANT AS A GUIDE AND ALL ITEMS REASONABLY INFERRED SHALL BE DEEMED TO BE INCLUDED.</div> <div>13. THESE CONTRACT DOCUMENTS AND SPECIFICATIONS SHALL NOT BE CONSTRUED TO CREATE A CONTRACTUAL RELATIONSHIP OF ANY KIND BETWEEN THE ARCHITECT AND THE CONTRACTOR.</div>	<div>A. GENERAL</div> <div>1. EXAMINE THE SITE CONDITIONS VERY CAREFULLY AND THE SCOPE OF PROPOSED WORK TOGETHER WITH THE WORK OF ALL OTHER TRADES AND INCLUDE IN THE BID PRICE ALL COSTS FOR WORK SUCH AS EQUIPMENT AND WIRING MADE NECESSARY TO ACCOMMODATE THE ELECTRICAL SYSTEMS SHOWN AND SYSTEMS OF OTHER TRADES.</div> <div>2. OBTAIN ALL PERMITS, PAY ASSOCIATED FEES AND SCHEDULE INSPECTION.</div> <div>3. PROVIDE ALL LABOR, MATERIAL, EQUIPMENT, INSURANCE, AND SERVICES TO COMPLETE THIS PROJECT IN ACCORDANCE WITH THE CONTRACT DOCUMENTS AND PRESENT IT AS FULLY OPERATIONAL TO THE SATISFACTION OF SPRINT & LAND/TOWER OWNER</div> <div>4. PRIOR TO BEGINNING WORK COORDINATE ALL POWER AND TELCO WORK WITH THE LOCAL UTILITY COMPANY AS IT MAY APPLY TO THIS SITE. ALL WORK TO COMPLY WITH THE RULES AND REGULATIONS OF THE UTILITIES INVOLVED. GENERAL CONTRACTOR IS RESPONSIBLE FOR VED. REQUESTING CONNECTION OF COMMERCIAL POWER FROM THE POWER COMPANY. ELECTRICAL CONTRACTOR SHALL COORDINATE THIS WORK WITH THE GENERAL CONTRACTOR.</div> <div>5. FABRICATION AND INSTALLATION OF THE COMPLETE ELECTRICAL SYSTEM SHALL BE DONE IN A FIRST CLASS WORKMANSHIP PER NECA STANDARD 1-2000 BY QUALIFIED PERSONNEL EXPERIENCED IN SUCH WORK AND SHALL SCHEDULE THE WORK IN AN ORDERLY MANNER SO AS NOT TO IMPEDE PROGRESS OF THE PROJECT.</div> <div>B. BASIC MATERIALS AND METHODS</div> <div>1. ALL ELECTRICAL WORK SHALL CONFORM TO THE EDITION OF THE NEC ACCEPTED BY THE LOCAL JURISDICTION AND TO THE APPLICABLE LOCAL CODES AND REGULATIONS.</div> <div>2. ARRANGE CONDUIT, WIRING, EQUIPMENT, AND OTHER WORK GENERALLY AS SHOWN, PROVIDING PROPER CLEARANCES AND ACCESS. CAREFULLY EXAMINE ALL CONTRACT DRAWINGS AND FIT THE WORK IN EACH LOCATION WITHOUT SUBSTANTIAL ALTERATION. WHERE DEPARTURES ARE PROPOSED BECAUSE OF FIELD CONDITIONS OR OTHER CAUSES, PREPARE AND SUBMIT DETAILED DRAWINGS FOR ACCEPTANCE.</div> <div>3. THE CONTRACT DRAWINGS ARE GENERALLY DIAGRAMMATIC AND ALL OFFSETS, BENDS, FITTINGS AND ACCESSORIES ARE NOT NECESSARILY SHOWN. PROVIDE ALL SUCH ITEMS AS MAY BE REQUIRED TO FIT THE WORK TO THE CONDITIONS.</div> <div>4. SEAL AROUND CONDUITS AND AROUND CONDUCTORS WITHIN CONDUITS ENTERING THE MODULAR CABINETS WHERE PENETRATION OCCURS WITH A SILICONE SEALANT TO PREVENT MOISTURE PENETRATION INTO BUILDING.</div> <div>C. CONDUCTORS AND CONNECTORS</div> <div>1. UNLESS NOTED OTHERWISE, ALL CONDUCTORS SHALL BE COPPER, MINIMUM SIZE #12 AWG, WITH THERMOPLASTIC INSULATION CONFORMING TO NEMA WC5 OR CROSS-LINKED POLYETHYLENE INSULATION CONFORMING TO NEMA WC7. (TYPES THHN). INSULATION SHALL BE RATED FOR 90 DEG. CONDUCTORS SHALL BE COLOR CODED IN ACCORDANCE WITH NEC.</div> <div>2. CONDUCTOR LENGTHS SHALL BE CONTINUOUS FROM TERMINATION TO TERMINATION WITHOUT SPLICES. SPLICES ARE NOT ACCEPTABLE. IF SPLICES ARE UNAVOIDABLE PRIOR APPROVAL FROM THE ENGINEER MUST BE OBTAINED.</div> <div>D. GROUNDING</div> <div>1. ALL LIGHTNING PROTECTION GROUNDING OF THE ELECTRICAL EQUIPMENT SHALL BE CARRIED OUT IN ACCORDANCE WITH THE CURRENT NFPA STANDARDS.</div> <div>2. ALL GROUND LUG AND COMPRESSION CONNECTIONS SHALL BE COATED WITH ANTI-OXIDANT AGENT, SUCH AS NO-OX, NOALOX, PENETROX OR KOPRSHIELD.</div> <div>3. ALL EXTERIOR GROUNDING CONDUCTORS INCLUDING EXTERIOR GROUND RING SHALL BE #2 AWG SOLID BARE TINNED COPPER. MAKE ALL GROUND CONNECTIONS AS SHORT AND DIRECT AS POSSIBLE. AVOID SHARP BENDS. THE RADIUS OF ANY BEND SHALL NOT BE LESS THAN 8" AND THE ANGLE OF ANY BEND SHALL NOT EXCEED 90'. GROUNDING CONDUCTORS SHALL BE ROUTED DOWNWARD TOWARD THE BURIED GROUND RING.</div> <div>4. REPAIR ALL GALVANIZED SURFACES THAT HAVE BEEN DAMAGED BY THERMO-WELDING WITH ERICO T-319 GALVANIZING BAR.</div> <div>5. ALL EXTERNAL GROUND CONNECTIONS SHALL BE EXOTHERMICALLY WELDED. ALL EXOTHERMIC WELDS TO EXTERIOR GROUND RING SHALL BE THE PARALLEL TYPE, EXCEPT FOR THE GROUND RODS WHICH ARE TEE EXOTHERMIC WELDS. REPAIR ALL GALVANIZED SURFACES THAT HAVE BEEN DAMAGED BY EXOTHERMIC WELDING. USE SPRAY GALVANIZER SUCH AS HOLUB LECTROSOL #15-501.</div>	<table><tr><td>AGL A/C APPROX AZ</td><td>ABOVE GROUND LEVEL AIR CONDITIONING APPROXIMATELY AZIMUTH</td><td>GA GALV GC GRND GYP BD</td><td>GAUGE GALVANIZED GENERAL CONTRACTOR GROUND GYPSUM WALL BOARD</td><td>PLYWD PT PROJ PROP (P)</td><td>PLYWOOD PRESSURE TREATED PROJECT PROPERTY PROPOSED</td></tr><tr><td>BLDG BLK</td><td>BUILDING BLOCKING</td><td>HT HVAC</td><td>HEIGHT HEATING VENTILATION AIR CONDITIONING HORIZONTAL HOUR</td><td>QTY</td><td>QUANTITY</td></tr><tr><td>CLG CL CLR CONC CONST CONT</td><td>CEILING CENTERLINE CLEAR CONCRETE CONSTRUCTION CONTINUOUS</td><td>HORZ HR</td><td></td><td>REQ RM ROW</td><td>REQUIRED ROOM ROUGH OPENING RIGHT OF WAY</td></tr><tr><td>DET DIA DIAG DIM DNL DN DWG</td><td>DETAIL DIAMETER DIAGONAL DIMENSION DOUBLE DOWN DRAWING</td><td>IN INFO ID INSUL INT IBC</td><td>INCH INFORMATION INSIDE DIAMETER INSULATION INTERIOR INTERNATIONAL BUILDING CODE</td><td>SHT SIM SPEC SF SS STL STRUCT STD SUSP</td><td>SHEET SIMILAR SPECIFICATION SQUARE FOOT STAINLESS STEEL STEEL STRUCTURAL STUD SUSPENDED</td></tr><tr><td>EA ELEC ELEV EQ EQUIP (E) EXT</td><td>EACH ELECTRICAL ELEVATION EQUAL EQUIPMENT EXISTING EXTERIOR</td><td>MGR MFR MAX MECH MTL MIN MISC</td><td>MANAGER MANUFACTURER MAXIMUM MECHANICAL METAL MINIMUM MISCELLANEOUS</td><td>THRU TNNG TYP</td><td>THROUGH TINNED TYPICAL</td></tr><tr><td>FIN FLR FLUOR FT</td><td>FINISH FLOOR FLUORESCENT FOOT</td><td>N/A NIC NTS</td><td>NOT APPLICABLE NOT IN CONTRACT NOT TO SCALE</td><td>VIF VERT</td><td>VERIFY IN FIELD VERTICAL</td></tr><tr><td></td><td></td><td>OC OD</td><td>ON CENTER OUTSIDE DIAMETER</td><td>WP W/ W/O</td><td>WATER PROOF WITH WITHOUT</td></tr></table> <div>—— UGP —— UG POWER CONDUIT —— UGT —— UG TELCO CONDUIT</div>	AGL A/C APPROX AZ	ABOVE GROUND LEVEL AIR CONDITIONING APPROXIMATELY AZIMUTH	GA GALV GC GRND GYP BD	GAUGE GALVANIZED GENERAL CONTRACTOR GROUND GYPSUM WALL BOARD	PLYWD PT PROJ PROP (P)	PLYWOOD PRESSURE TREATED PROJECT PROPERTY PROPOSED	BLDG BLK	BUILDING BLOCKING	HT HVAC	HEIGHT HEATING VENTILATION AIR CONDITIONING HORIZONTAL HOUR	QTY	QUANTITY	CLG CL CLR CONC CONST CONT	CEILING CENTERLINE CLEAR CONCRETE CONSTRUCTION CONTINUOUS	HORZ HR		REQ RM ROW	REQUIRED ROOM ROUGH OPENING RIGHT OF WAY	DET DIA DIAG DIM DNL DN DWG	DETAIL DIAMETER DIAGONAL DIMENSION DOUBLE DOWN DRAWING	IN INFO ID INSUL INT IBC	INCH INFORMATION INSIDE DIAMETER INSULATION INTERIOR INTERNATIONAL BUILDING CODE	SHT SIM SPEC SF SS STL STRUCT STD SUSP	SHEET SIMILAR SPECIFICATION SQUARE FOOT STAINLESS STEEL STEEL STRUCTURAL STUD SUSPENDED	EA ELEC ELEV EQ EQUIP (E) EXT	EACH ELECTRICAL ELEVATION EQUAL EQUIPMENT EXISTING EXTERIOR	MGR MFR MAX MECH MTL MIN MISC	MANAGER MANUFACTURER MAXIMUM MECHANICAL METAL MINIMUM MISCELLANEOUS	THRU TNNG TYP	THROUGH TINNED TYPICAL	FIN FLR FLUOR FT	FINISH FLOOR FLUORESCENT FOOT	N/A NIC NTS	NOT APPLICABLE NOT IN CONTRACT NOT TO SCALE	VIF VERT	VERIFY IN FIELD VERTICAL			OC OD	ON CENTER OUTSIDE DIAMETER	WP W/ W/O	WATER PROOF WITH WITHOUT	
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<div>1. CONTRACTOR AND SUBCONTRACTORS SHALL VERIFY ALL UTILITY SERVICE CONNECTION LOCATIONS PRIOR TO SUBMITTING BID AND PROCEEDING WITH WORK. IT IS RECOMMENDED THAT THE CONTRACTOR VISIT THE SITE AND VERIFY ALL DIMENSIONS AND NOTES BEFORE SUBMITTING BID AND PROCEEDING WITH WORK.</div> <div>2. SOIL AT THIS SITE IS UNDISTURBED ROCK AND SAND ADEQUATE OF SUPPORTING THE DESIGN LOAD OF 2000 P.S.F. IF OTHER CONDITIONS ARE ENCOUNTERED, NOTIFY MORRISON HERSHFIELD BEFORE PROCEEDING WITH WORK. THIS VALUE IS CONSIDERED SAFE WITH RESPECT TO ACTUAL FAILURE OF THE SUPPORTING GROUND, BUT DOES NOT NECESSARILY ENSURE THE PREVENTION OF EXCESSIVE FOUNDATION MOVEMENTS.</div> <div>3. IN ORDER TO AVOID ANY CONFLICTS, CONTRACTOR SHALL COORDINATE ALL HIS PRACTICAL TRADES.</div> <div>4. THE POWER CABINET MUST BE CLEAR OF FLAMMABLE MATERIAL WITHIN 12 INCHES OF THE CABINET, INCLUDING ABOVE THE CABINET.</div> <div>5. THE POWER CABINET MUST BE MOUNTED ON THE FOUNDATION TO ALLOW WATER TO DRAIN FROM THE DRAIN OUTLET AND AWAY FROM THE CABINET.</div> <div>6. TO ENSURE SERVICEABLE ABILITY, THE DOORS OF CABINETS WILL REQUIRE AN OPENING RADIUS OF 36 INCHES OF CLEARANCE FROM THE CLOSED POSITION TO THE OPEN POSITION.</div>	<div>1. THIS IS AN UNMANNED AND RESTRICTED ACCESS EQUIPMENT AND WILL BE USED FOR THE TRANSMISSION OF RADIO SIGNALS FOR THE PURPOSE OF PROVIDING PUBLIC CELLULAR SERVICE.</div> <div>2. THIS FACILITY WILL CONSUME NO UNRECOVERABLE ENERGY.</div> <div>3. NO POTABLE WATER SUPPLY IS TO BE PROVIDED AT THIS LOCATION.</div> <div>4. NO WASTE WATER WILL BE GENERATED AT THIS LOCATION.</div> <div>5. NO SOLID WASTE WILL BE GENERATED AT THIS LOCATION.</div> <div>6. SPRINT MAINTENANCE CREW (TYPICALLY ONE PERSON) WILL MAKE AN AVERAGE OF ONE TRIP PER MONTH AT ONE HOUR PER VISIT.</div>	<div>THE EXISTING CONDITIONS REPRESENTED HEREIN ARE BASED ON VISUAL OBSERVATIONS AND INFORMATION PROVIDED BY OTHERS. MORRISON HERSHFIELD CORPORATION CANNOT GUARANTEE THE CORRECTNESS NOR COMPLETENESS OF THE EXISTING CONDITIONS SHOWN AND ASSUMES NO RESPONSIBILITY THEREOF. CONTRACTOR AND HIS SUB-CONTRACTORS SHALL VISIT THE SITE AND VERIFY ALL EXISTING CONDITIONS AS REQUIRED FOR PROPER EXECUTION OF PROJECT. REPORT ANY CONFLICTS OR DISCREPANCIES TO THE CONSULTANT PRIOR TO CONSTRUCTION.</div>																																											
SITE GENERAL NOTES		LEGEND																																											
<div>1. RESTORE EXISTING ASPHALT AND/OR CONCRETE COMPOUND TO IT'S ORIGINAL CONDITION.</div> <div>2. CONTRACTOR SHALL DETECT AND MARK ANY UNDERGROUND LINES, PIPING, PRIOR TO START OF EXCAVATION.</div>		<div><div><div>BUILDING/WALL/DETAIL SECTION</div><div></div></div><div><div>REFERENCE</div><div></div></div><div><div>LARGE SCALE DETAIL</div><div></div></div><div><div>ELEVATION DETAIL BUG</div><div></div></div></div>																																											

10590 WEST OCEAN AIR DRIVE
SUITE 300
SAN DIEGO, CA 92130

PLANS PREPARED BY:

MORRISON HERSHFIELD
600 STEWART STREET, SUITE 200
SEATTLE, WA 98101
Tel: 206.268.7370
www.morrisonhershfield.com
MH PROJECT NUMBER: 210028900

REV.	DATE	ISSUED FOR	BY
A	04/26/21	90% REVIEW	BS
B	05/06/21	100% REVIEW	BS
C	06/03/21	100% REVIEW	BS
0	09/16/21	100% FINAL	BS
1	11/16/21	JDX COMMENTS	BS

SET NOT TO BE USED FOR CONSTRUCTION
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LICENSURE:

11/30/2021 11:13 AM

SITE NAME:

SYNERGY

SPRINT SITE I.D.

SD25XC402

SITE ADDRESS:

17289 FOUR GEE ROAD
SAN DIEGO, CA 92127

SHEET NAME:

GENERAL NOTES

SHEET NUMBER:

T-2

NOTE:
THIS IS NOT A SURVEY. ALL INFORMATION AND TRUE NORTH HAVE BEEN OBTAINED FROM EXISTING DRAWINGS AND JURISDICTIONAL GIS INFORMATION AND ARE APPROXIMATE.



10590 WEST OCEAN AIR DRIVE
SUITE 300
SAN DIEGO, CA 92130

PLANS PREPARED BY:



MORRISON HERSHFIELD

600 STEWART STREET, SUITE 200
SEATTLE, WA 98101
Tel: 206.268.7370
www.morrisonhershfield.com

MH PROJECT NUMBER: 210028900

REV.	DATE	ISSUED FOR	BY
A	04/26/21	90% REVIEW	BS
B	05/06/21	100% REVIEW	BS
C	06/03/21	100% REVIEW	BS
0	09/16/21	100% FINAL	BS
1	11/16/21	JDX COMMENTS	BS

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SYNERGY

SPRINT SITE I.D.

SD25XC402

SITE ADDRESS:

**17289 FOUR GEE ROAD
SAN DIEGO, CA 92127**

SHEET NAME:

SITE PLAN

SHEET NUMBER:

1 A-1

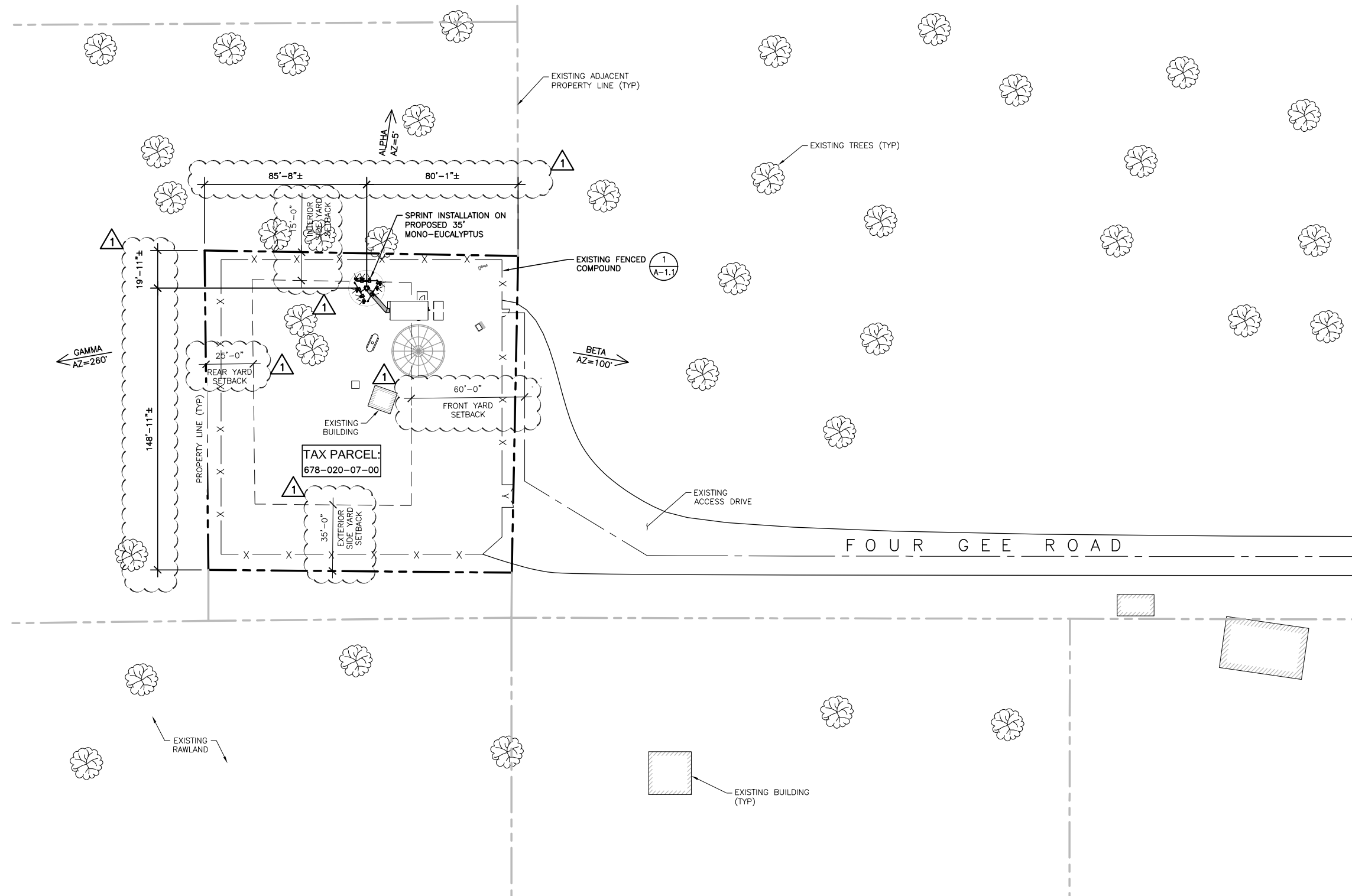


Know what's below.
Call before you dig.

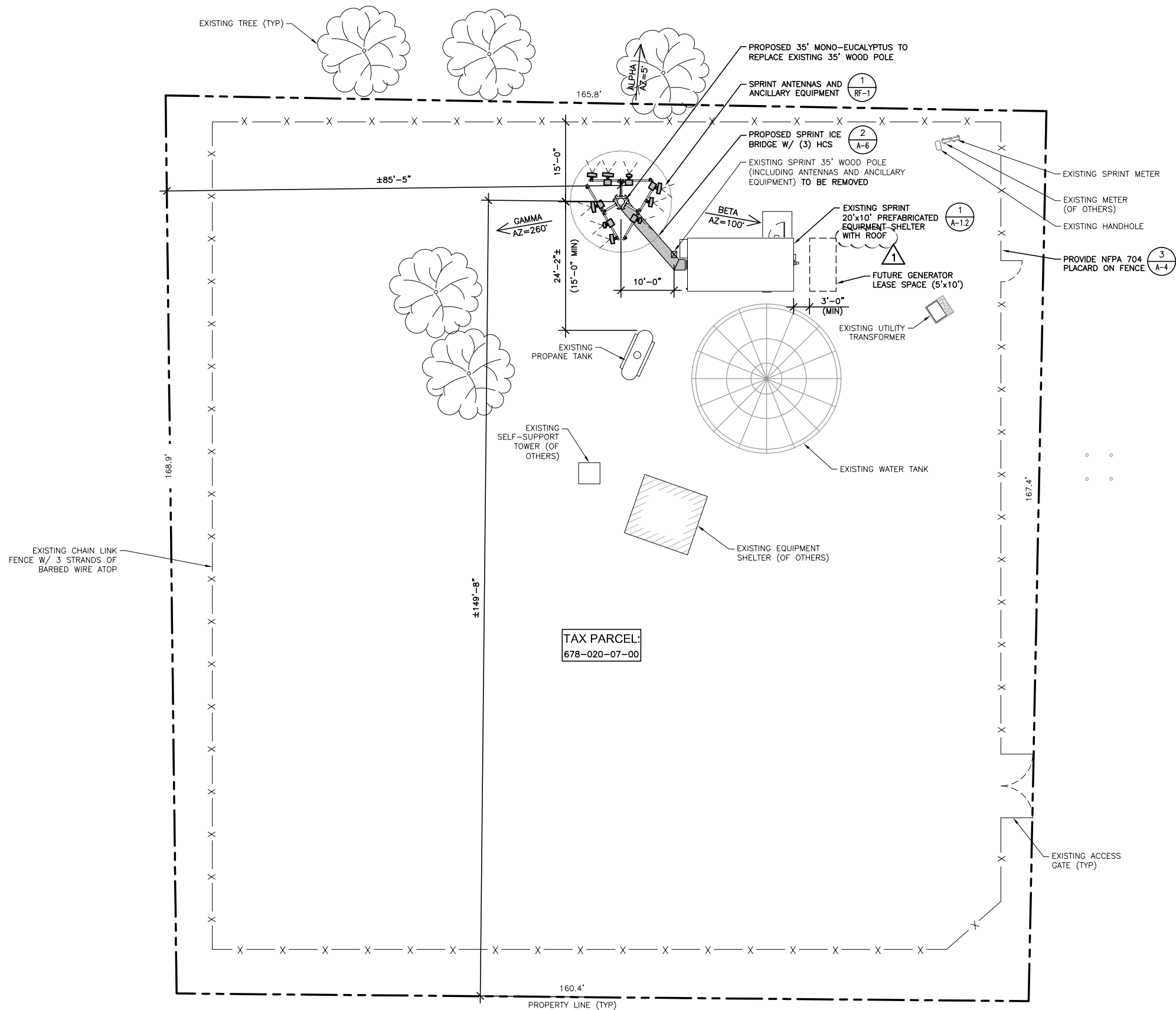
SITE PLAN 1

THE INFORMATION CONTAINED IN THIS SET OF CONSTRUCTION DOCUMENTS IS PROPRIETARY BY NATURE. ANY USE OR DISCLOSURE OTHER THAN THAT WHICH RELATES TO CARRIER SERVICES IS STRICTLY PROHIBITED.

24"x36" SCALE: 1" = 30'-0"
11"x17" SCALE: 1" = 60'-0"
30' 15' 0' 30'



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- NOTES:
1. CONTRACTOR IS RESPONSIBLE FOR COMPLYING WITH ALL FEDERAL, STATE AND LOCAL CODES
 2. CONTRACTOR IS RESPONSIBLE FOR PULLING ALL REQUIRED PERMITS AND ARRANGING FOR ALL INSPECTIONS AND OBTAINING ALL APPROVALS
 3. CONTRACTOR SHALL LOCATE AND MARK ANY UNDERGROUND UTILITIES PRIOR TO EXCAVATION



MD7

10590 WEST OCEAN AIR DRIVE
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SPRINT SITE I.D.

SD25XC402

SITE ADDRESS:

17289 FOUR GEE ROAD
SAN DIEGO, CA 92127

SHEET NAME:

ENLARGED PLAN

SHEET NUMBER:

1 A-1.1

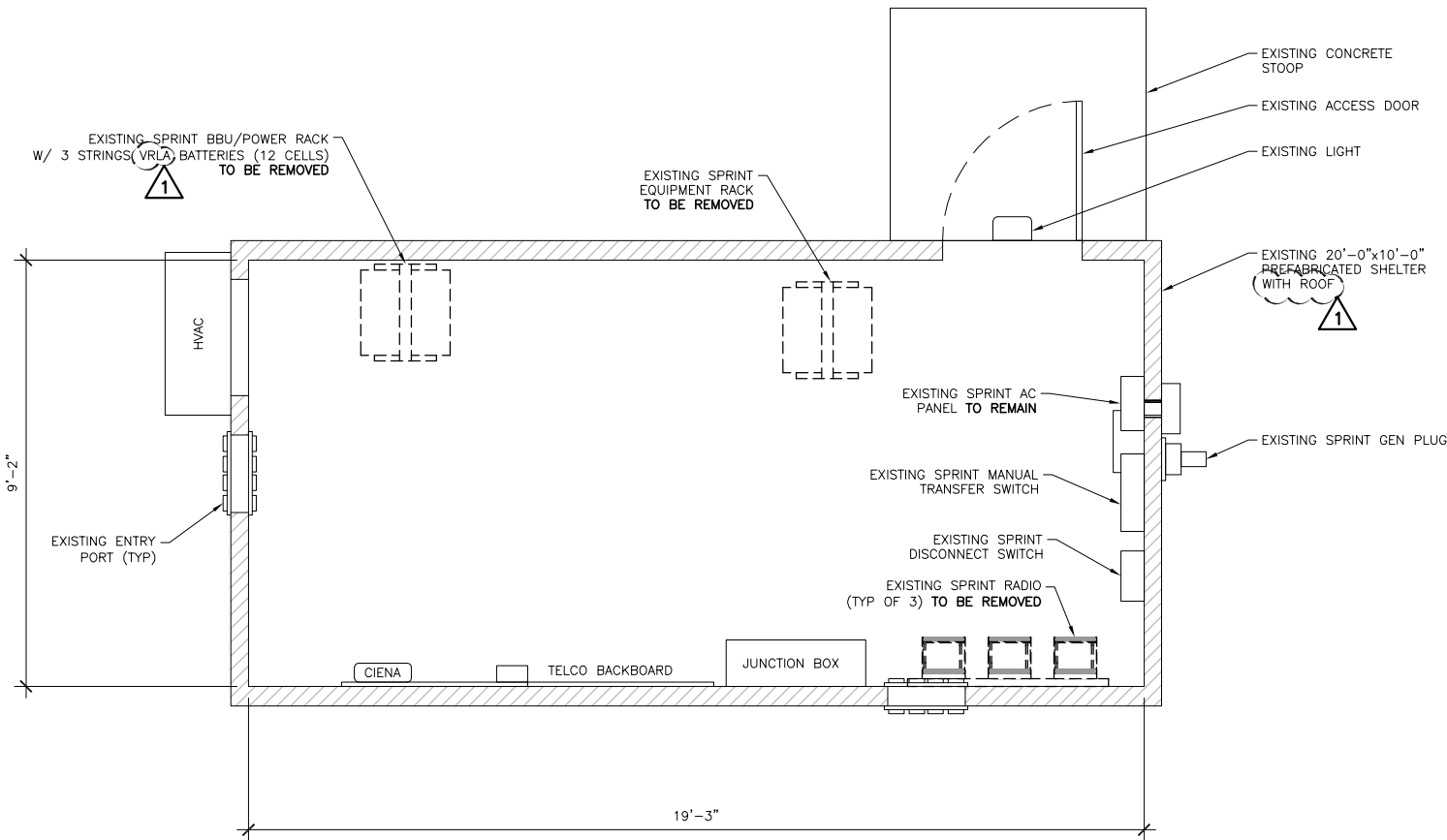
NOTES:

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ENLARGED PLAN 1

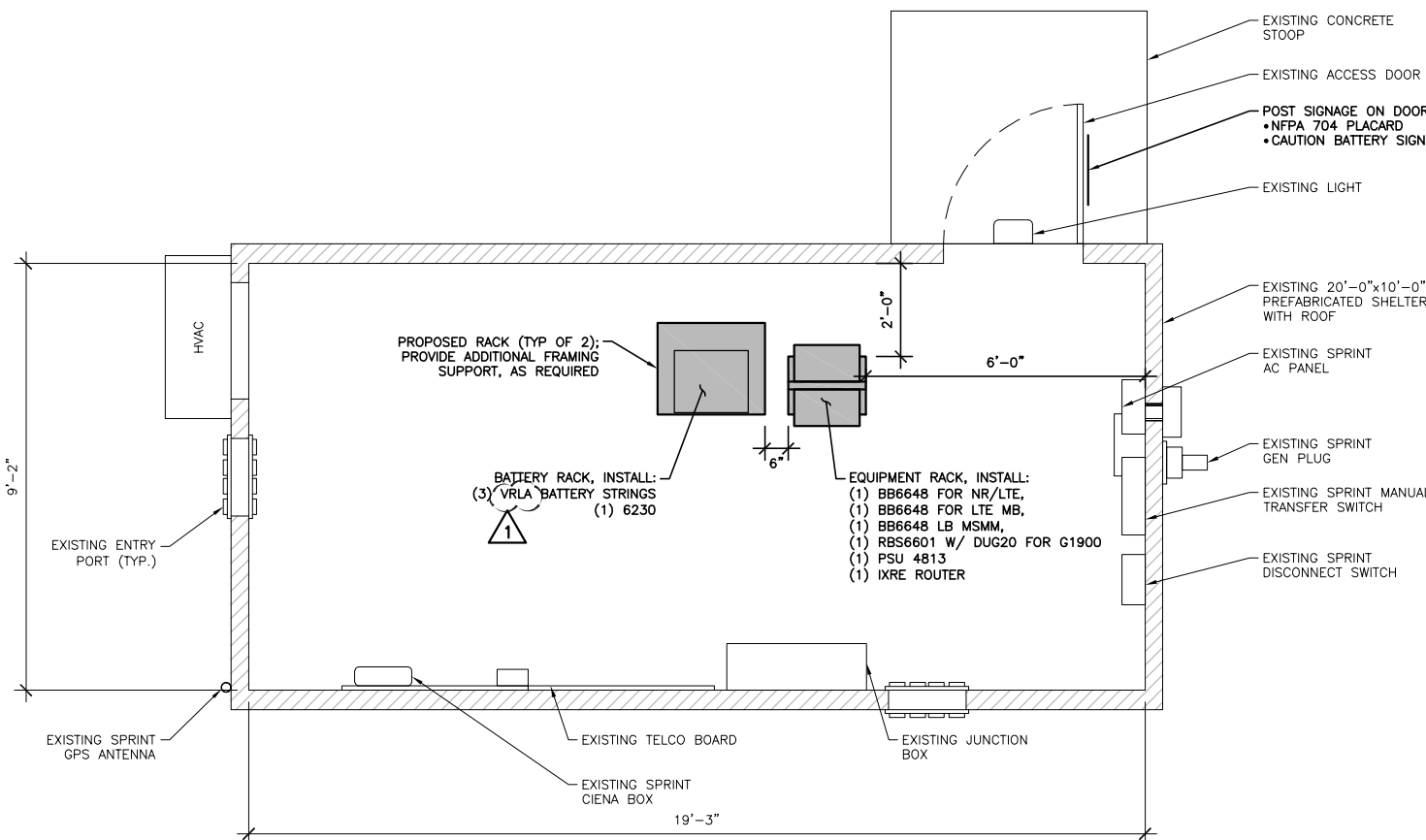
24"x36" SCALE: 3/32" = 1'-0"
11"x17" SCALE: 3/64" = 1'-0"
8' 4' 0' 8'

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24"x36" SCALE: 1/2" = 1'-0"
11"x17" SCALE: 1/4" = 1'-0"

EXISTING EQUIPMENT PLAN 2



24"x36" SCALE: 1/2" = 1'-0"
11"x17" SCALE: 1/4" = 1'-0"

PROPOSED EQUIPMENT PLAN 1

NOTES:
GC NEEDS TO UPDATE PANEL SCHEDULE CARD &
RE-LABEL ALL BREAKERS. ANY SPARE BREAKERS TO
BE LABELED SPARE & SWITCHED TO OFF POSITION

BATTERY NOTE:
BATTERY CABINET WILL CONTAIN (3) STRINGS (12 CELLS
TOTAL) OF VALVE REGULATED LEAD ACID (VRLA) BATTERIES
WITH IMMOBILIZED ELECTROLYTE TECHNOLOGY. THESE
PROPOSED BATTERIES WILL CONTAIN A MAXIMUM
ELECTROLYTE VOLUME OF 2.10 GALLONS PER CELL FOR A
MAXIMUM TOTAL ELECTROLYTE VOLUME OF 25.20 GALLONS.
AS THE TOTAL ELECTROLYTE VOLUME PROPOSED IS LESS
THAN 50 GALLONS, COMPLIANCE WITH CALIFORNIA FIRE
CODE CHAPTER 12 ENERGY STORAGE SYSTEM
REQUIREMENTS IS NOT REQUIRED.

TOTAL KILOWATT HOURS (kWh): 25.92

CABINET SCOPE OF WORK - SEE REDS

- REMOVE (2) EQUIPMENT CABINETS
- INSTALL EQUIPMENT RACK
- INSTALL BATTERY RACK W/ 6230 & (3) BATTERY STRINGS
- INSTALL (1) IXRE ROUTER
- INSTALL (1) PSU 4813 VOLTAGE BOOSTER

Sprint

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SITE ADDRESS:

17289 FOUR GEE ROAD
SAN DIEGO, CA 92127

SHEET NAME:

EQUIPMENT
PLAN

SHEET NUMBER:

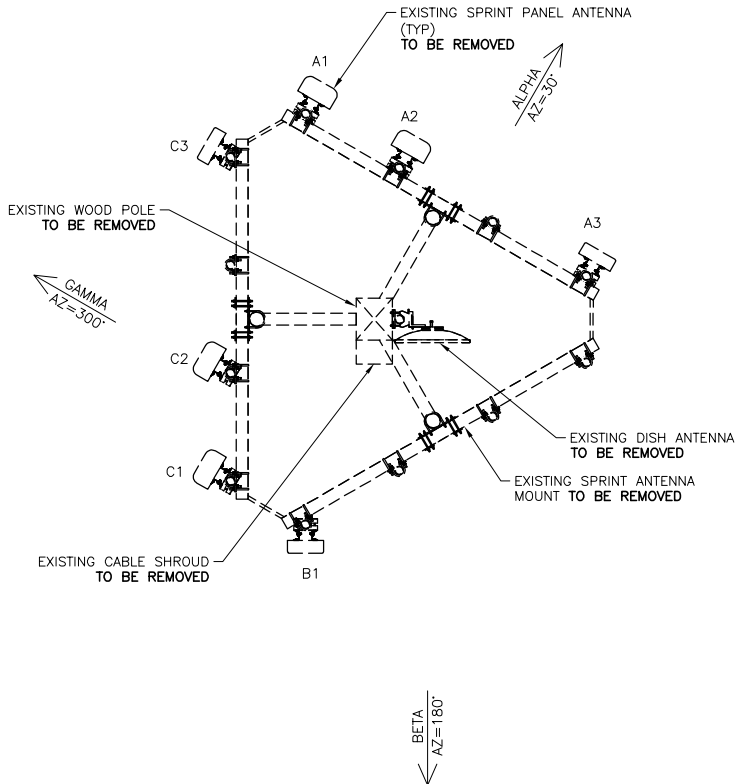
A-1.2

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EXISTING ANTENNA AND COAX SCHEDULE									
SECTOR ALPHA	AZIMUTH	RAD CENTER	TECHNOLOGY	NUMBER OF ANTENNAS	VENDOR	MODEL	FEEDER NUMBER & TYPE	FEEDER LENGTH	ADDITIONAL EQUIPMENT
A1	30°	32'-6"	-	1	-	SPRINT ANTENNA	TBD	±80'	*(1) RADIO
A2	30°	32'-6"	-	1	-	SPRINT ANTENNA			
A3	30°	32'-6"	-	1	-	SPRINT ANTENNA			
SECTOR BETA	AZIMUTH	RAD CENTER	TECHNOLOGY	NUMBER OF ANTENNAS	VENDOR	MODEL	FEEDER NUMBER & TYPE	FEEDER LENGTH	ADDITIONAL EQUIPMENT
B1	180°	32'-6"	-	1	-	SPRINT ANTENNA	TBD	±80'	*(1) RADIO
SECTOR GAMMA	AZIMUTH	RAD CENTER	TECHNOLOGY	NUMBER OF ANTENNAS	VENDOR	MODEL	FEEDER NUMBER & TYPE	FEEDER LENGTH	ADDITIONAL EQUIPMENT
C1	300°	32'-6"	-	1	-	SPRINT ANTENNA	TBD	±80'	*(1) RADIO
C2	300°	32'-6"	-	1	-	SPRINT ANTENNA			
C3	300°	32'-6"	-	1	-	SPRINT ANTENNA			

* RADIO LOCATED WITHIN EQUIPMENT SHELTER

ALL EXISTING SPRINT ANTENNAS AND ANCILLARY EQUIPMENT TO BE REMOVED

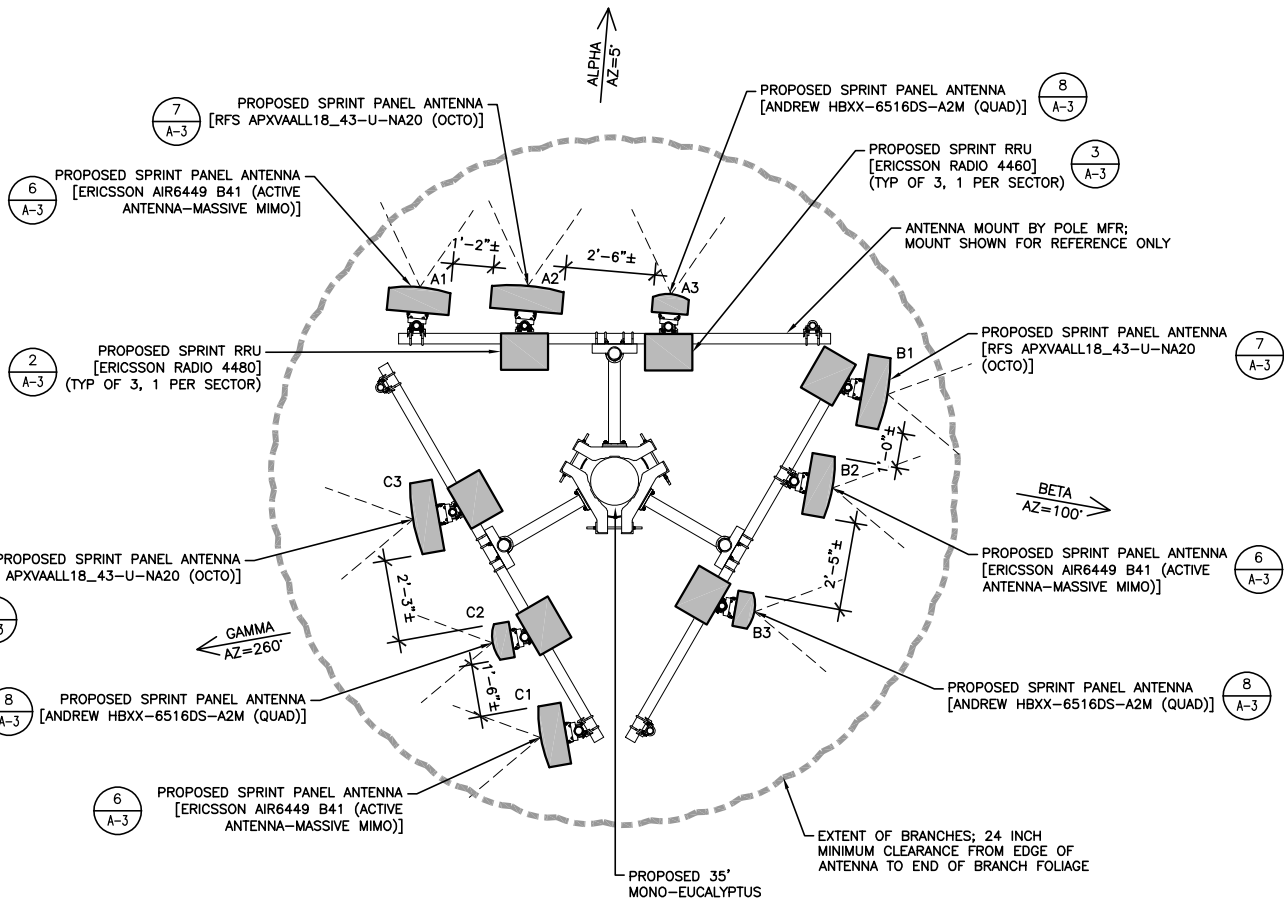


24"x36" SCALE: 3/8" = 1'-0"
11"x17" SCALE: 3/16" = 1'-0"

EXISTING ANTENNA LAYOUT 2

PROPOSED ANTENNA AND COAX SCHEDULE											
SECTOR ALPHA	TECHNOLOGY	AZIMUTH	RAD CENTER	NUMBER OF ANTENNAS	VENDOR	MODEL	ELEC TILT	MECH DOWNTILT	FEEDER NUMBER & TYPE	FEEDER LENGTH	ADDITIONAL EQUIPMENT
A1	L2500/N2500	5°	32'-0"	1	ERICSSON	AIR6449 B41 (ACTIVE ANTENNA MASSIVE MIMO)	2°	0°	(4) FIBER JUMPER (1) 6x24 HCS 4AWG	17' ±80'	-
A2	L700/L600	5°	32'-0"	1	RFS	APXVAALL18_43-U-NA20 (OCTO)	2°	0°	(4) JUMPER SUREFLEX 4.3-10 TO 4.3 TO 10 (2) FIBER JUMPER	8' 17'	(1) RADIO 4480
A3	L2100/L1900/GSM	5°	32'-0"	1	ANDREW	HBXX-6516DS-A2M (QUAD)	2°	0°	(4) JUMPER SUREFLEX 4.3-10 TO DM (4) FIBER JUMPER	8' 17'	(1) RADIO 4460
SECTOR BETA	TECHNOLOGY	AZIMUTH	RAD CENTER	NUMBER OF ANTENNAS	VENDOR	MODEL	ELEC TILT	MECH DOWNTILT	FEEDER NUMBER & TYPE	FEEDER LENGTH	ADDITIONAL EQUIPMENT
B1	L700/L600	100°	32'-0"	1	RFS	APXVAALL18_43-U-NA20 (OCTO)	2°	0°	(4) JUMPER SUREFLEX 4.3-10 TO 4.3 TO 10 (2) FIBER JUMPER	8' 17'	(1) RADIO 4480
B2	L2500/N2500	100°	32'-0"	1	ERICSSON	AIR6449 B41 (ACTIVE ANTENNA MASSIVE MIMO)	2°	0°	(4) FIBER JUMPER (1) 6x24 HCS 4AWG	17' ±80'	-
B3	L2100/L1900/GSM	100°	32'-0"	1	ANDREW	HBXX-6516DS-A2M (QUAD)	2°	0°	(4) JUMPER SUREFLEX 4.3-10 TO DM (4) FIBER JUMPER	8' 17'	(1) RADIO 4460
SECTOR GAMMA	TECHNOLOGY	AZIMUTH	RAD CENTER	NUMBER OF ANTENNAS	VENDOR	MODEL	ELEC TILT	MECH DOWNTILT	FEEDER NUMBER & TYPE	FEEDER LENGTH	ADDITIONAL EQUIPMENT
C1	L2500/N2500	260°	32'-0"	1	ERICSSON	AIR6449 B41 (ACTIVE ANTENNA MASSIVE MIMO)	2°	0°	(4) FIBER JUMPER (1) 6x24 HCS 4AWG	17' ±80'	-
C2	L2100/L1900/GSM	260°	32'-0"	1	ANDREW	HBXX-6516DS-A2M (QUAD)	2°	0°	(4) JUMPER SUREFLEX 4.3-10 TO DM (4) FIBER JUMPER	8' 17'	(1) RADIO 4460
C3	L700/L600	260°	32'-0"	1	RFS	APXVAALL18_43-U-NA20 (OCTO)	2°	0°	(4) JUMPER SUREFLEX 4.3-10 TO 4.3 TO 10 (2) FIBER JUMPER	8' 17'	(1) RADIO 4480

- NOTES:
- ALL PROPOSED EQUIPMENT IS LOW VOLTAGE, DC POWER
 - COORDINATE WITH CONSTRUCTION MANAGER FOR CURRENT RFDS PRIOR TO CONSTRUCTION
 - CABLE LENGTH IS APPROXIMATE. CONTRACTOR TO FIELD VERIFY CABLE LENGTHS PRIOR TO ORDERING, FABRICATION, OR INSTALLATION OF CABLES.
 - NO WORK SHALL COMMENCE WITHOUT THE APPROVED TOWER/ANTENNA MOUNT STRUCTURAL ANALYSIS REPORT (SIGNED AND SEALED) UNDER SEPARATE COVER. CONTRACTOR PRIOR TO INSTALLATION OF ANTENNAS, EQUIPMENT AND COAX CABLES SHALL REVIEW THE APPROVED TOWER STRUCTURAL ANALYSIS PROVIDED BY SPRINT AND MODIFY, IF REQUIRED, ALL APPLICABLE MEMBERS AS INDICATED IN THE CERTIFIED STRUCTURAL.



24"x36" SCALE: 3/8" = 1'-0"
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PROPOSED ANTENNA LAYOUT 1



10590 WEST OCEAN AIR DRIVE
SUITE 300
SAN DIEGO, CA 92130

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www.morrisonhershfield.com
MH PROJECT NUMBER: 210028900

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C	06/03/21	100% REVIEW	BS
0	09/16/21	100% FINAL	BS
1	11/16/21	JDX COMMENTS	BS

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LICENSURE:



SITE NAME:

SYNERGY

SPRINT SITE I.D.

SD25XC402

SITE ADDRESS:

17289 FOUR GEE ROAD
SAN DIEGO, CA 92127

SHEET NAME:

**ANTENNA
CONFIGURATION**

SHEET NUMBER:

RF-1

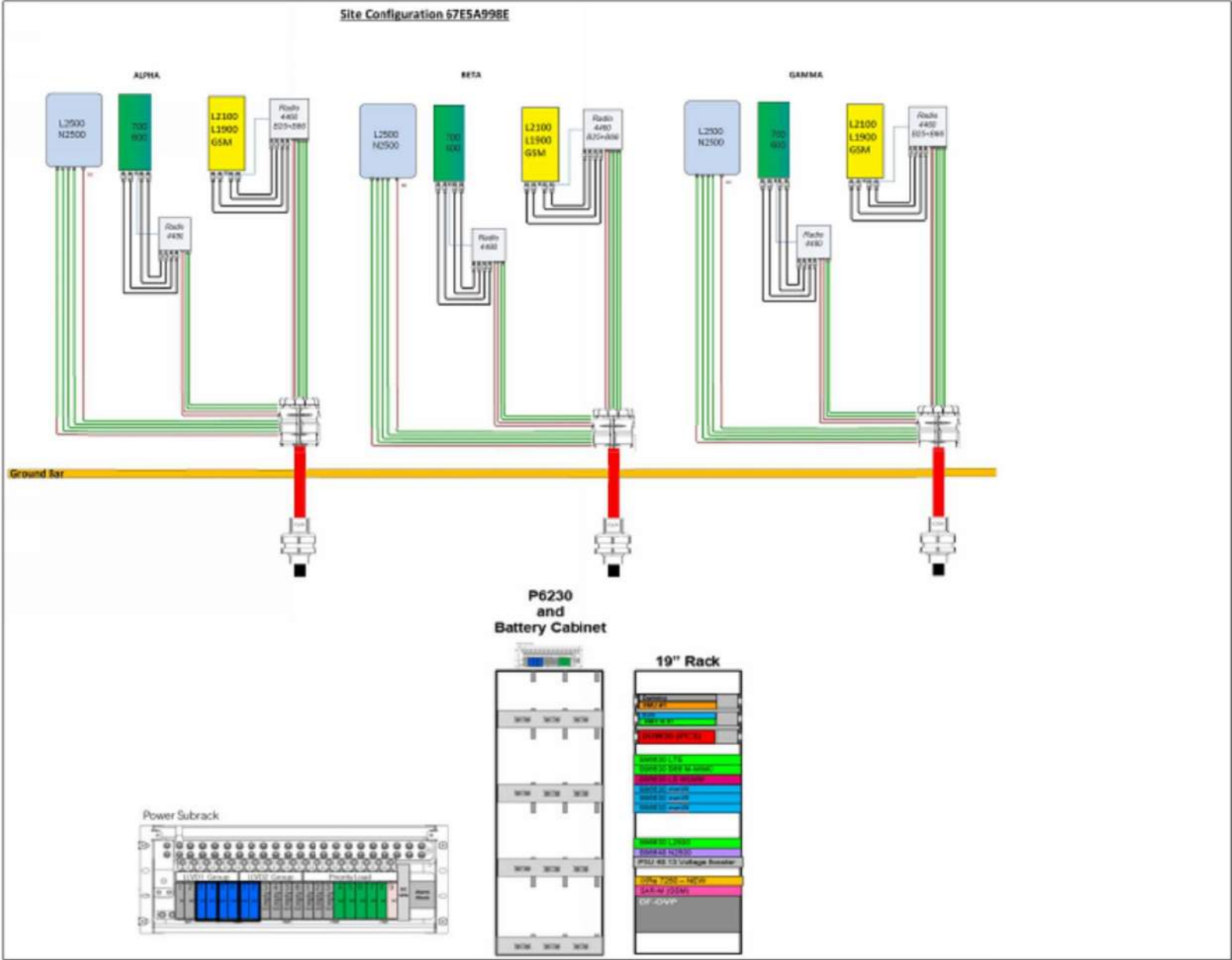
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3/24/2021

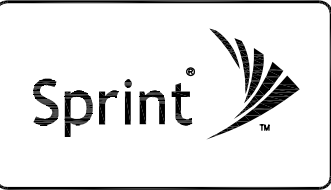
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Section 3 - Proposed Template Images

67E5A998E_3Ant_Indoor_6x24.jpg



Notes:



MD7

10590 WEST OCEAN AIR DRIVE
SUITE 300
SAN DIEGO, CA 92130

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11/30/2021 11:13 AM

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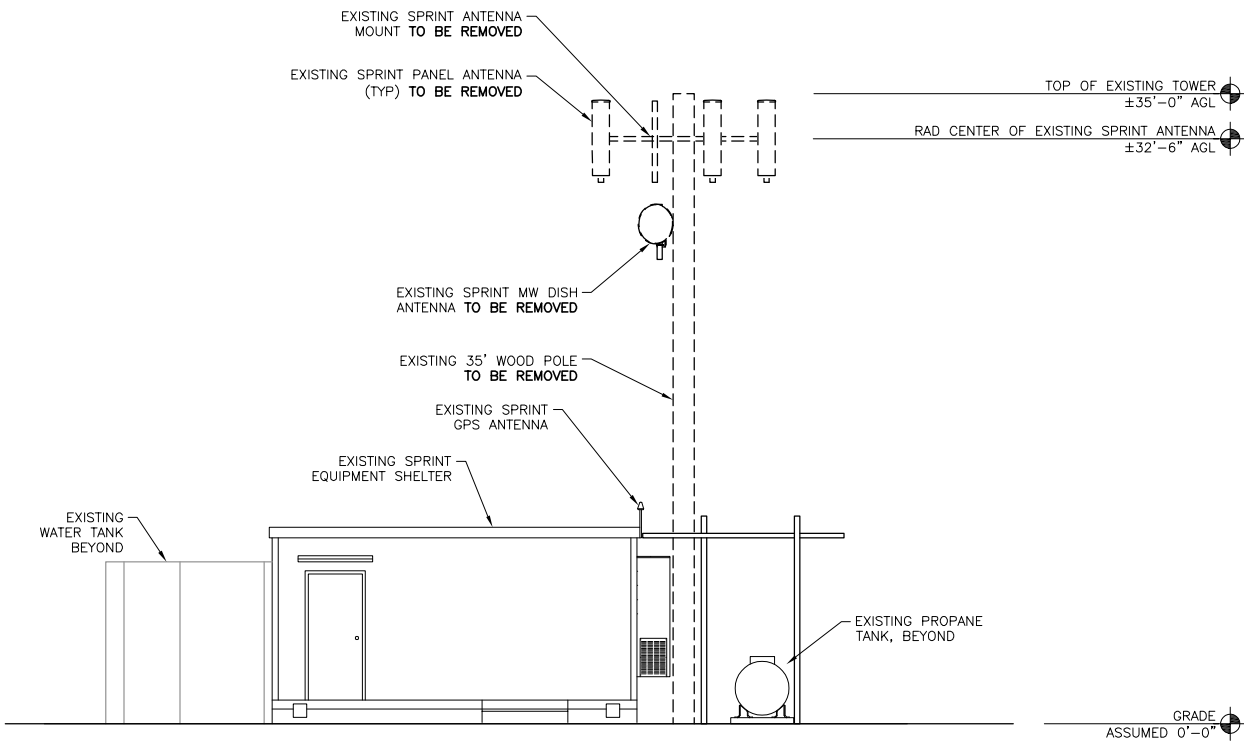
SHEET NAME:

**PLUMBING
DIAGRAM**

SHEET NUMBER:

RF-2

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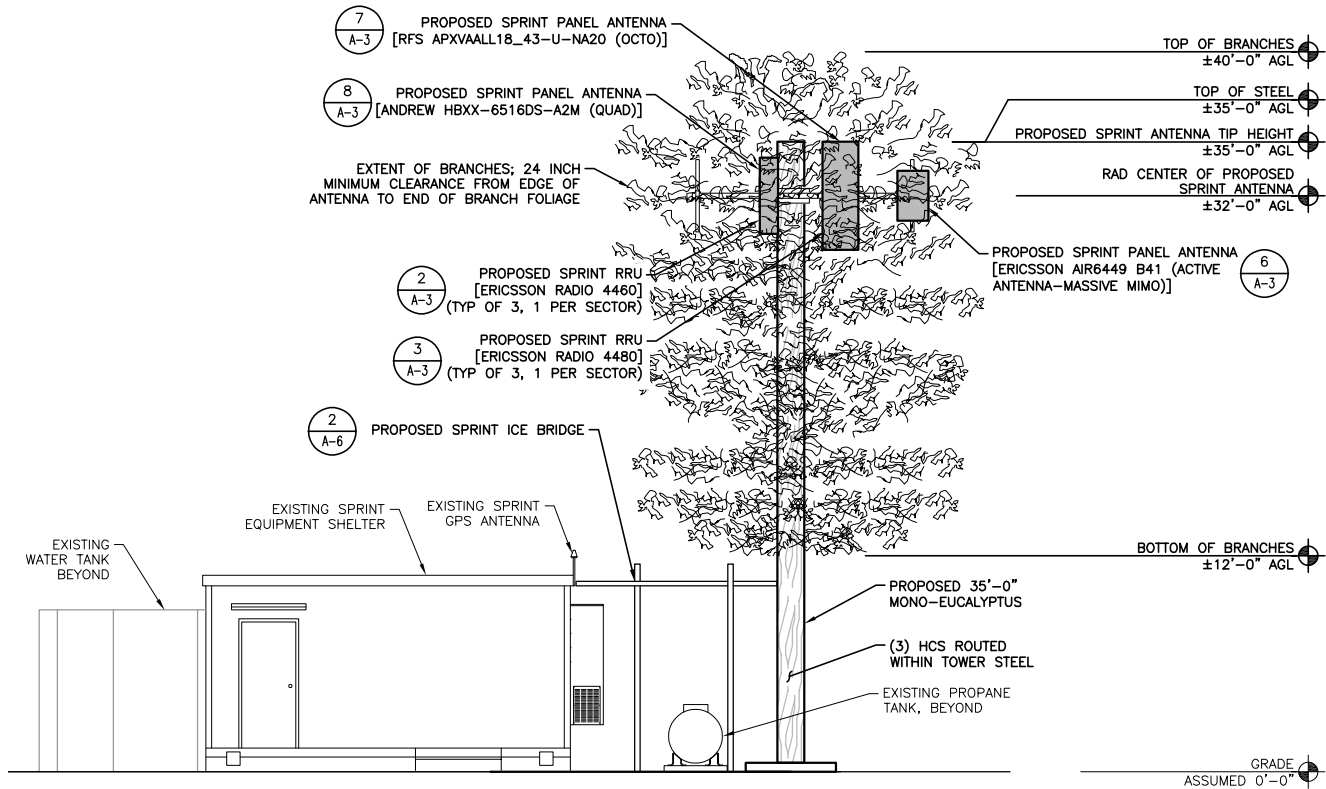
NOTE:
EXISTING TOWER AND SHELTER (OF OTHERS) NOT SHOWN FOR CLARITY

24"x36" SCALE: 3/16" = 1'-0"
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EXISTING NORTH SITE PROFILE 2

- MONO-EUCALYPTUS NOTES:**
1. REFER TO ENGINEERED DRAWINGS FOR DESIGN/ENGINEERING OF MONO-EUCALYPTUS AND ITS FOUNDATION BY TOWER MANUFACTURER.
 2. ANTENNA MOUNT BY POLE MANUFACTURER.
 3. PAINT ANTENNAS AND MOUNTS TO MATCH BRANCH COLOR PRIOR TO INSTALLATION.
 4. MONO-EUCALYPTUS TO HAVE A BRANCH DENSITY OF A MINIMUM OF THREE (3) BRANCHES PER LINEAL FOOT AND BRANCHES THAT PROTRUDE BEYOND THE ANTENNA ARRAY PANELS. PLACE "CAMOUFLAGE SOCKS" FOR THE PURPOSE OF OBSCURING VIEWS OF THE PROPOSED ANTENNA ARRAY.

NOTE:
24 INCH MINIMUM CLEARANCE FROM EDGE OF ANTENNA TO END OF BRANCH FOLIAGE



24"x36" SCALE: 3/16" = 1'-0"
11"x17" SCALE: 3/32" = 1'-0"

PROPOSED NORTH SITE PROFILE 1

- NOTES:**
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 2. NO WORK SHALL COMMENCE WITHOUT THE APPROVED TOWER/ANTENNA MOUNT STRUCTURAL ANALYSIS REPORT SIGNED AND SEALED BY A LICENSED PROFESSIONAL ENGINEER UNDER SEPARATE COVER. IF REQUIRED, THE CONTRACTOR SHALL MODIFY TOWER AND/OR ANTENNA MOUNTS AS INDICATED IN THE ABOVE MENTIONED STRUCTURAL REPORT OR ASSOCIATED MODIFICATION DESIGN DRAWINGS.
 3. REFER TO STRUCTURAL ANALYSIS FOR CABLE ROUTING INFORMATION

SEE SHEET RF-1 FOR ANTENNA LAYOUT



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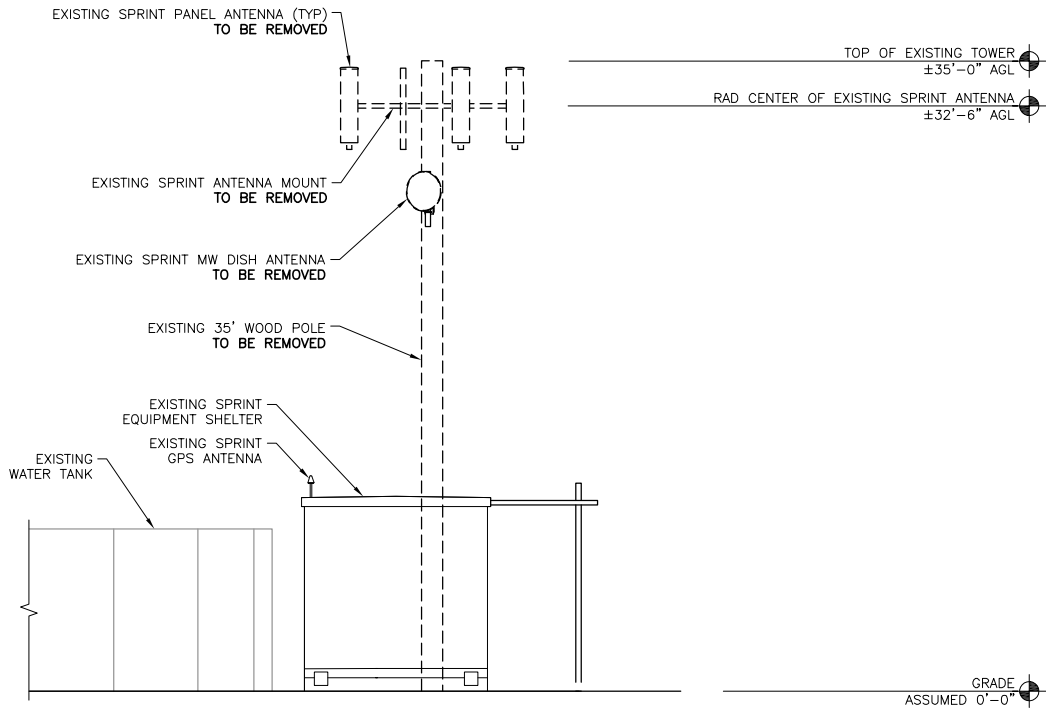
SHEET NAME:

**NORTH
SITE PROFILE**

SHEET NUMBER:

A-2

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11"x17" SCALE: 3/32" = 1'-0"
4' 2' 0' 4'

EXISTING EAST SITE PROFILE 2

MONO-EUCALYPTUS NOTES:

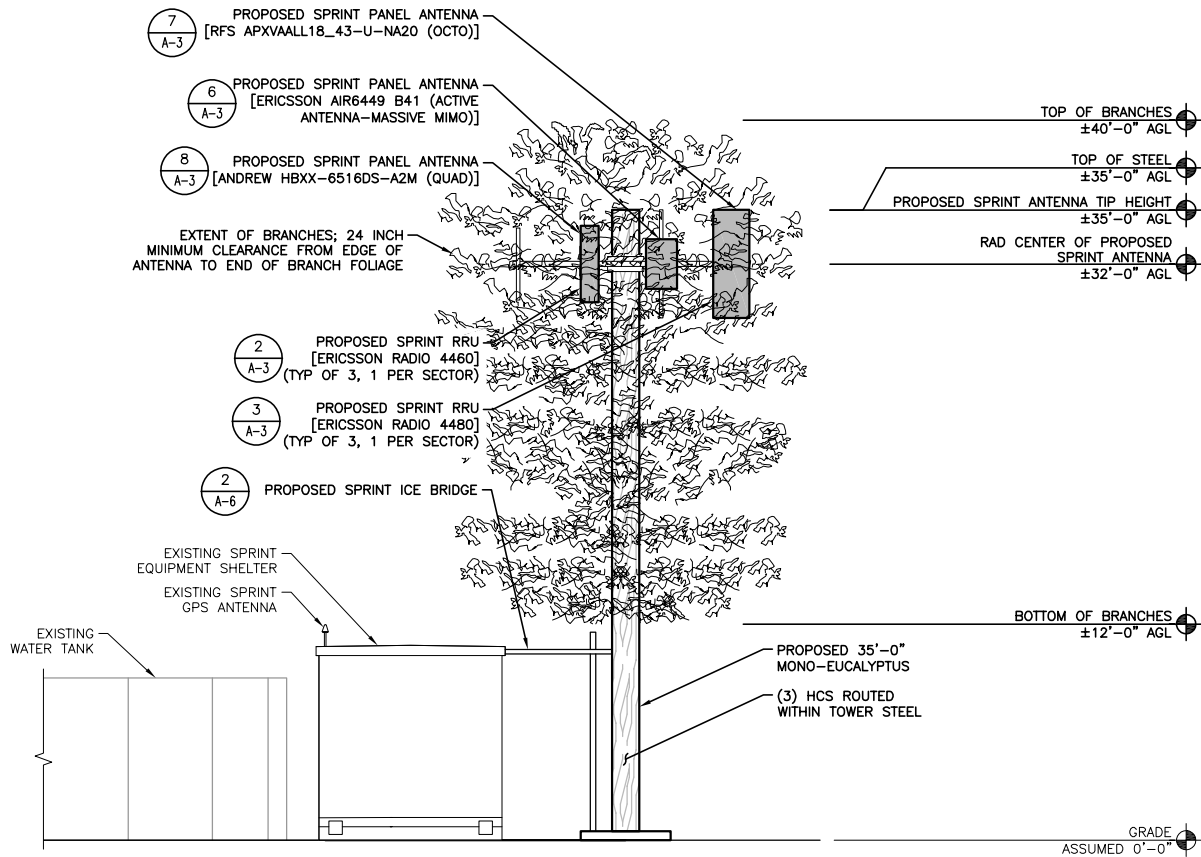
1. REFER TO ENGINEERED DRAWINGS FOR DESIGN/ENGINEERING OF MONO-EUCALYPTUS AND ITS FOUNDATION BY TOWER MANUFACTURER.
2. ANTENNA MOUNT BY POLE MANUFACTURER.
3. PAINT ANTENNAS AND MOUNTS TO MATCH BRANCH COLOR PRIOR TO INSTALLATION.
4. MONO-EUCALYPTUS TO HAVE A BRANCH DENSITY OF A MINIMUM OF THREE (3) BRANCHES PER LINEAL FOOT AND BRANCHES THAT PROTRUDE BEYOND THE ANTENNA ARRAY PANELS. PLACE "CAMOUFLAGE SOCKS" FOR THE PURPOSE OF OBSCURING VIEWS OF THE PROPOSED ANTENNA ARRAY.

NOTE:
24 INCH MINIMUM CLEARANCE FROM EDGE OF ANTENNA TO END OF BRANCH FOLIAGE

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3. REFER TO STRUCTURAL ANALYSIS FOR CABLE ROUTING INFORMATION

SEE SHEET RF-1 FOR ANTENNA LAYOUT



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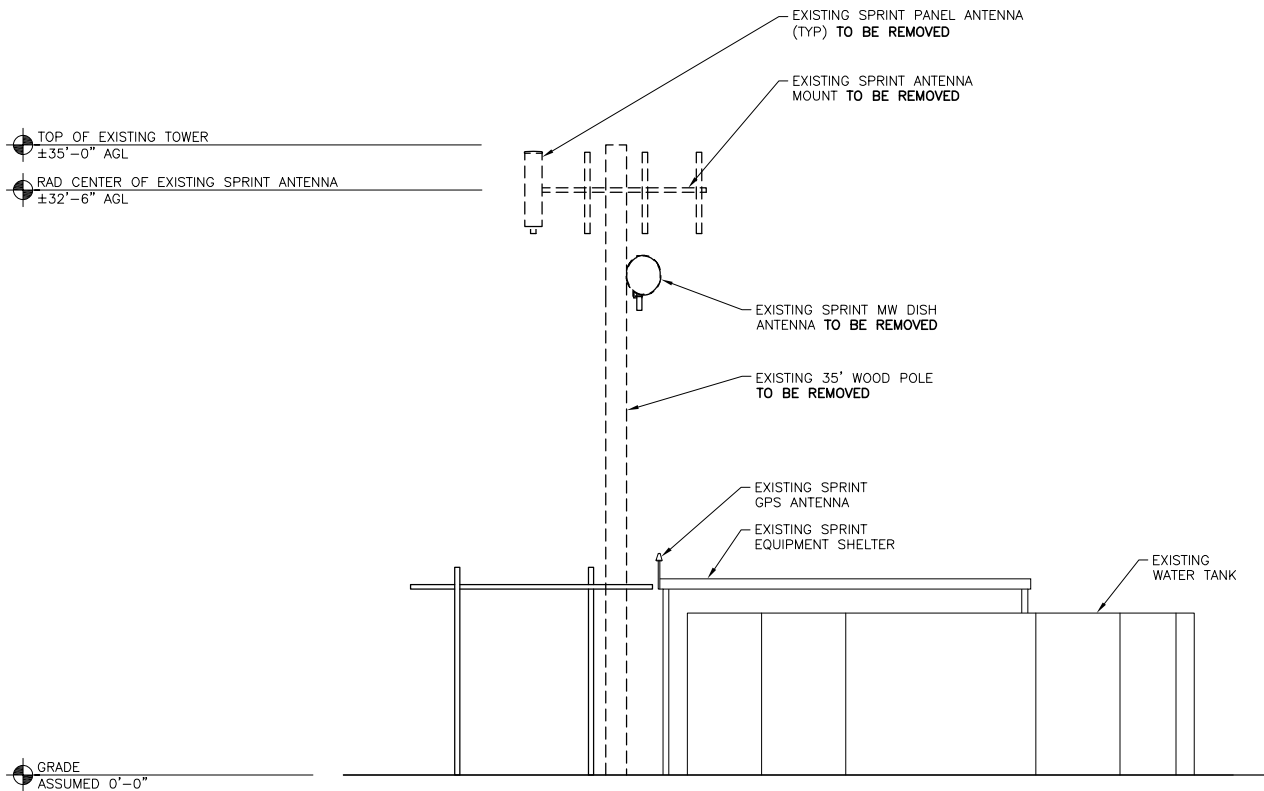
SHEET NAME:

**EAST
SITE PROFILE**

SHEET NUMBER:

A-2.1

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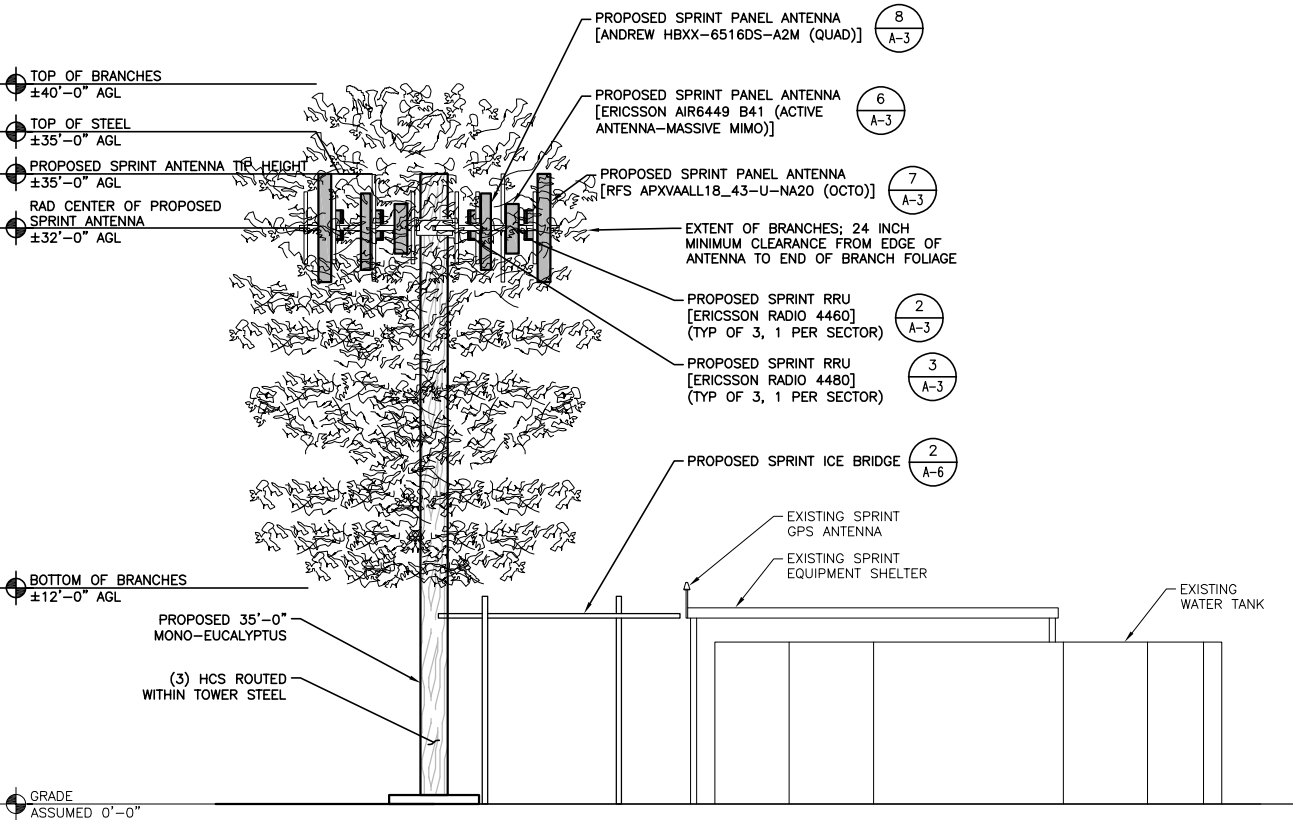
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11"x17" SCALE: 3/32" = 1'-0"



EXISTING SOUTH SITE PROFILE 2

- MONO-EUCALYPTUS NOTES:**
- REFER TO ENGINEERED DRAWINGS FOR DESIGN/ENGINEERING OF MONO-EUCALYPTUS AND ITS FOUNDATION BY TOWER MANUFACTURER.
 - ANTENNA MOUNT BY POLE MANUFACTURER.
 - PAINT ANTENNAS AND MOUNTS TO MATCH BRANCH COLOR PRIOR TO INSTALLATION.
 - MONO-EUCALYPTUS TO HAVE A BRANCH DENSITY OF A MINIMUM OF THREE (3) BRANCHES PER LINEAL FOOT AND BRANCHES THAT PROTRUDE BEYOND THE ANTENNA ARRAY PANELS. PLACE "CAMOUFLAGE SOCKS" FOR THE PURPOSE OF OBSCURING VIEWS OF THE PROPOSED ANTENNA ARRAY.

NOTE:
24 INCH MINIMUM CLEARANCE FROM EDGE OF ANTENNA TO END OF BRANCH FOLIAGE



GRADE ASSUMED 0'-0"

24"x36" SCALE: 3/16" = 1'-0"
11"x17" SCALE: 3/32" = 1'-0"



PROPOSED SOUTH SITE PROFILE 1

- NOTES:**
- INFORMATION CONTAINED HEREIN IS TAKEN FROM THE DOCUMENTS PROVIDED BY CLIENT. NEITHER WARRANTY NOR GUARANTEE IS GIVEN BY THE ARCHITECT NOR MORRISON HERSHFIELD CORPORATION TO THE ACCURACY NOR THE COMPLETENESS OF THE COPIED ELEVATION INFORMATION.
 - NO WORK SHALL COMMENCE WITHOUT THE APPROVED TOWER/ANTENNA MOUNT STRUCTURAL ANALYSIS REPORT SIGNED AND SEALED BY A LICENSED PROFESSIONAL ENGINEER UNDER SEPARATE COVER. IF REQUIRED, THE CONTRACTOR SHALL MODIFY TOWER AND/OR ANTENNA MOUNTS AS INDICATED IN THE ABOVE MENTIONED STRUCTURAL REPORT OR ASSOCIATED MODIFICATION DESIGN DRAWINGS.
 - REFER TO STRUCTURAL ANALYSIS FOR CABLE ROUTING INFORMATION

SEE SHEET RF-1 FOR ANTENNA LAYOUT



10590 WEST OCEAN AIR DRIVE
SUITE 300
SAN DIEGO, CA 92130

PLANS PREPARED BY:



MORRISON HERSHFIELD

600 STEWART STREET, SUITE 200
SEATTLE, WA 98101
Tel: 206.268.7370
www.morrisonhershfield.com
MH PROJECT NUMBER: 210028900

REV.	DATE	ISSUED FOR	BY
A	04/26/21	90% REVIEW	BS
B	05/06/21	100% REVIEW	BS
C	06/03/21	100% REVIEW	BS
0	09/16/21	100% FINAL	BS
1	11/16/21	JDX COMMENTS	BS

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LICENSURE:



SITE NAME:

SYNERGY

SPRINT SITE I.D.

SD25XC402

SITE ADDRESS:

17289 FOUR GEE ROAD
SAN DIEGO, CA 92127

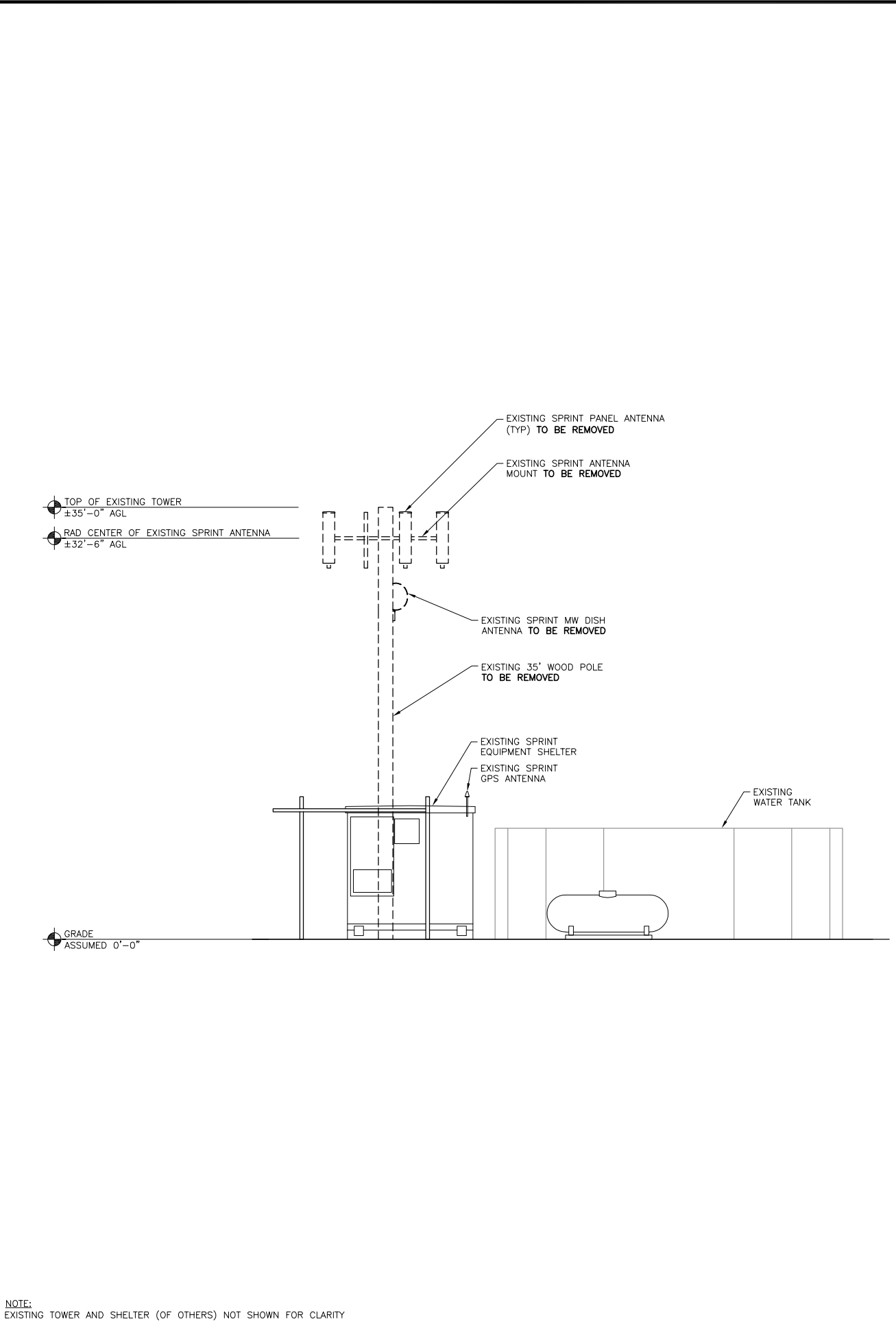
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**SOUTH
SITE PROFILE**

SHEET NUMBER:

A-2.2

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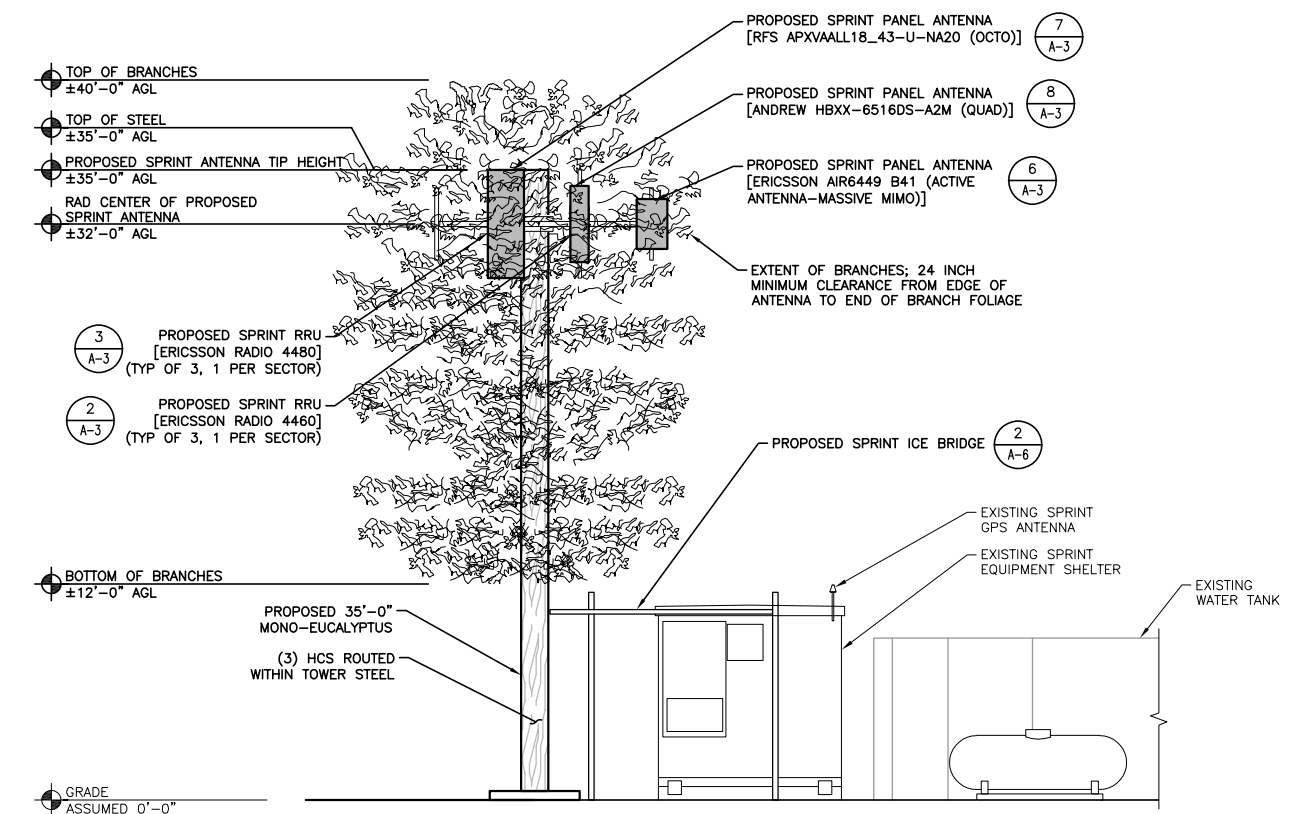
NOTE:
EXISTING TOWER AND SHELTER (OF OTHERS) NOT SHOWN FOR CLARITY

24"x36" SCALE: 3/16" = 1'-0"
11"x17" SCALE: 3/32" = 1'-0"

EXISTING WEST SITE PROFILE 2

- MONO-EUCALYPTUS NOTES:**
1. REFER TO ENGINEERED DRAWINGS FOR DESIGN/ENGINEERING OF MONO-EUCALYPTUS AND ITS FOUNDATION BY TOWER MANUFACTURER.
 2. ANTENNA MOUNT BY POLE MANUFACTURER.
 3. PAINT ANTENNAS AND MOUNTS TO MATCH BRANCH COLOR PRIOR TO INSTALLATION.
 4. MONO-EUCALYPTUS TO HAVE A BRANCH DENSITY OF A MINIMUM OF THREE (3) BRANCHES PER LINEAL FOOT AND BRANCHES THAT PROTRUDE BEYOND THE ANTENNA ARRAY PANELS. PLACE "CAMOUFLAGE SOCKS" FOR THE PURPOSE OF OBSCURING VIEWS OF THE PROPOSED ANTENNA ARRAY.

NOTE:
24 INCH MINIMUM CLEARANCE FROM EDGE OF ANTENNA TO END OF BRANCH FOLIAGE



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11"x17" SCALE: 3/32" = 1'-0"

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 3. REFER TO STRUCTURAL ANALYSIS FOR CABLE ROUTING INFORMATION

SEE SHEET RF-1 FOR ANTENNA LAYOUT



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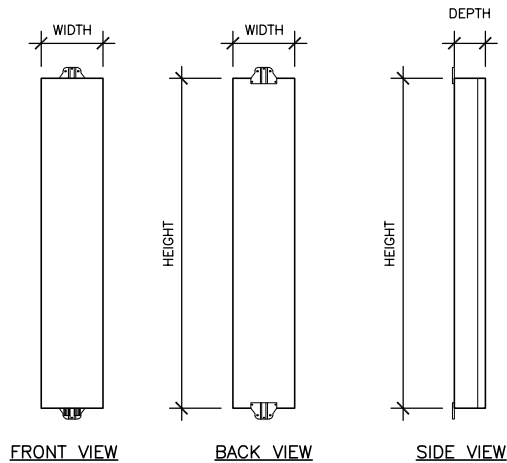
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SITE ADDRESS:
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SHEET NAME:
**WEST
SITE PROFILE**

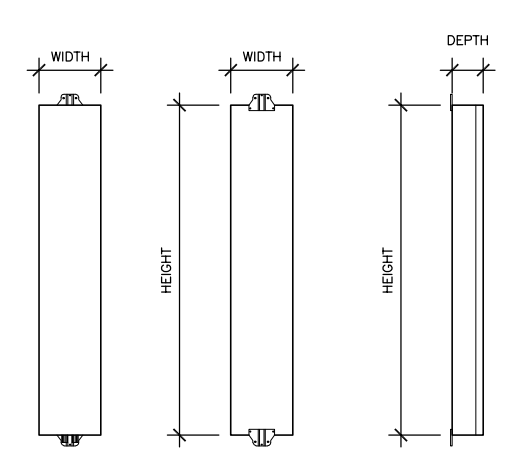
SHEET NUMBER:
A-2.3

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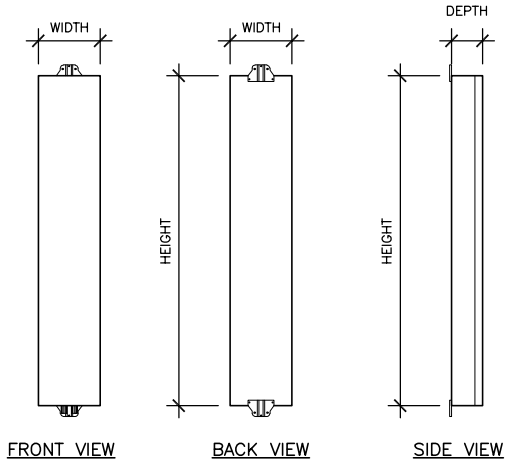
ANDREW HBXX-6516DS-A2M

SIZE AND WEIGHT TABLE			
HEIGHT	WIDTH	DEPTH	WEIGHT
51.1"	12.0"	6.5"	30.60 LBS



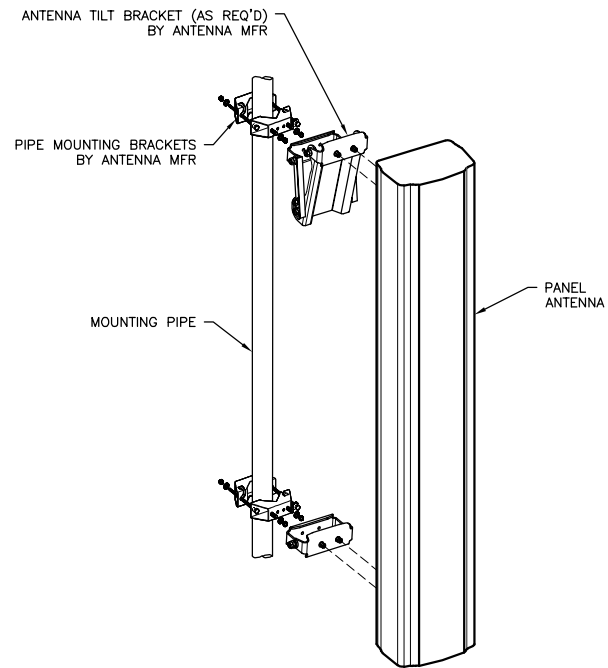
RFS APXVAALL18_43-U-NA20 (OCTO)

SIZE AND WEIGHT TABLE			
HEIGHT	WIDTH	DEPTH	WEIGHT
72.0"	24.0"	8.5"	117.9 LBS



ERICSSON AIR6449 B41

SIZE AND WEIGHT TABLE			
HEIGHT	WIDTH	DEPTH	WEIGHT
33.10"	20.60"	8.6"	104.0 LBS



24"x36" SCALE: NTS
11"x17" SCALE: NTS

ANTENNA SPECIFICATIONS 8

24"x36" SCALE: NTS
11"x17" SCALE: NTS

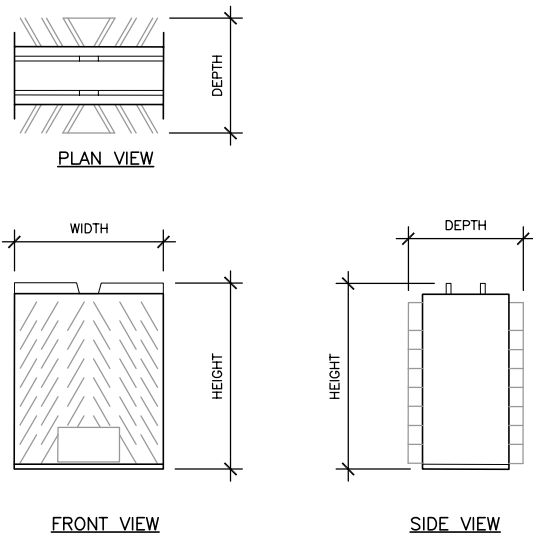
ANTENNA SPECIFICATIONS 7

24"x36" SCALE: NTS
11"x17" SCALE: NTS

ANTENNA SPECIFICATIONS 6

24"x36" SCALE: NTS
11"x17" SCALE: NTS

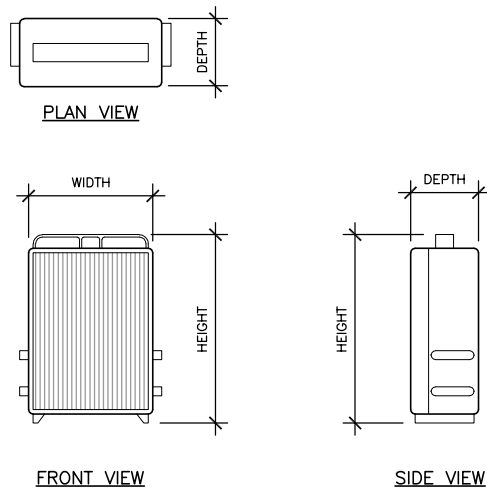
TYP ANTENNA MOUNTING 5



ERICSSON 4460

DIMENSIONS (INCLUDING PROTUSIONS)			WEIGHT
WIDTH	DEPTH	HEIGHT	
15.7"	12.1"	19.6"	109 LBS

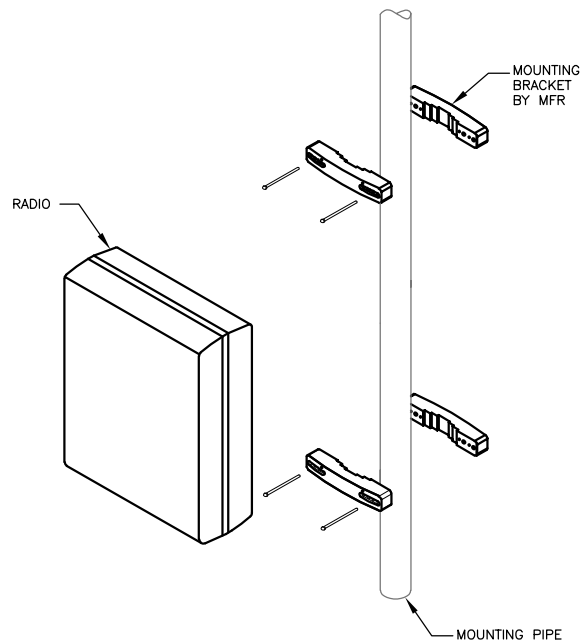
NOTE:
INSTALL PER MFR RECOMMENDATIONS



ERICSSON 4480

DIMENSIONS (INCLUDING PROTUSIONS)			WEIGHT
WIDTH	DEPTH	HEIGHT	
15.7"	7.5"	21.8"	84 LBS

NOTE:
INSTALL PER MFR RECOMMENDATIONS



NOTE:
UNIT SHALL BE MOUNTED AS PER
MANUFACTURER'S RECOMMENDATIONS.

24"x36" SCALE: NTS
11"x17" SCALE: NTS

NOT USED 4

24"x36" SCALE: NTS
11"x17" SCALE: NTS

RADIO SPECIFICATIONS 3

24"x36" SCALE: NTS
11"x17" SCALE: NTS

RADIO SPECIFICATIONS 2

24"x36" SCALE: NTS
11"x17" SCALE: NTS

TYPICAL RADIO MOUNTING 1

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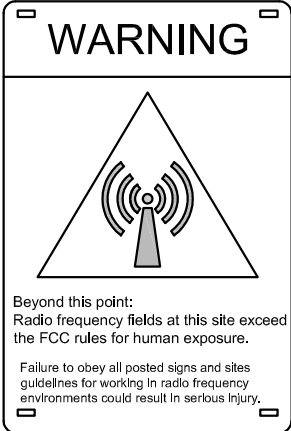
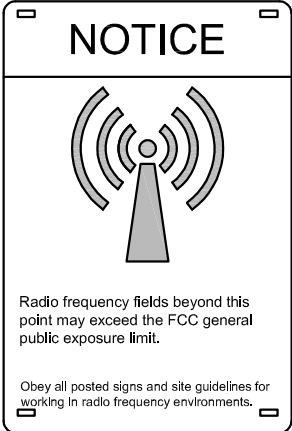
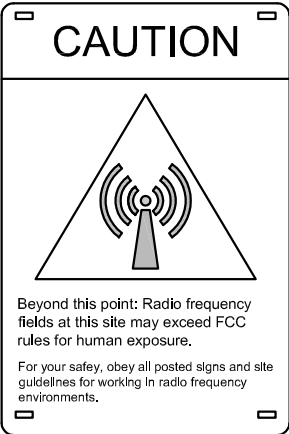
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**CONSTRUCTION
DETAILS**

SHEET NUMBER:

A-3

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CAUTION BATTERY SIGN
POST NEAR/ON EXTERIOR FACE OF SHELTER DOOR



NFPA 704 PLACARD
POST ON FENCE, PUBLIC FACING
POST NEAR/ON EXTERIOR FACE OF SHELTER DOOR
NOTE:
CONFIRM SITE CONDITIONS FOR APPLICABLE RATINGS

Operating Temperature Range with temperature compensation	Discharge: -40°F (-40°C) to +163°F (+71°C) Charge: -10°F (-23°C) to +140°F (+60°C)		
Nominal Operating Temperature Range	+68 (+20°C) to +80°F (+27°C)		
Recommended Maximum Charging Current Limit	C ₂₀ /5 Amperes (40.1A for TEL12-180F; 34.5A for TEL12-60F; 35.3A for TEL12-160FW)		
Float Charging Voltage	13.5 to 13.8 VDC average per 12V unit		
Maximum AC Ripple (Charger)	0.5% RMS to 1.5% P-P of float charge voltage recommended for best results		
Self Discharge	Battery can be stored up to 6 months at +77°F (+25°C) before a fresh- ending charge is required. Batteries stored at temperature greater than +77°F (+25°C) will require recharge sooner than batteries stored at lower temperatures. See C&D bulletin 41-7272, Self-Discharge and Inventory Control for details.		
Equalize charge and cycle service voltage	14.40 to 14.80 VDC average per 12V unit @ +77°F (+25°C)		
Terminal: Inserted - Inter-unit connector provided	Threaded copper alloy insert terminal to accept 1/4-20 UNC bolt		
Terminal Hardware Initial Torque	110 in-lbs (12.4N-m)		
Telcordia Part Numbers	Battery Part Number	CLEI Code	CPR
	TEL12-160FW	PBMB10FRA	212312
	TEL12-160F	PBMB10FRA	212304
	TEL12-180F	PBMB10FRA	212314

Battery	Nominal Voltage	Ampere Hour Capacity 8 Hour Rate @ 77°F (25°C) to 1.75 Vpc	Ampere Hour Capacity 16 Hour Rate @ 68°F (20°C) to 1.80 Vpc	Maximum Discharge Current	Short Circuit Current	Ohms Impedance 60 Hz (Ω)	Battery Weight
TEL12-160FW	12 V	160 Ah	153 Ah	800 Amperes	6800 Amperes	0.0027 Ohms	121 lbs / 65 kg
TEL12-160F	12 V	157 Ah	151 Ah	800 Amperes	4700 Amperes	0.0031 Ohms	115 lbs / 53 kg
TEL12-180F	12 V	181 Ah	174 Ah	800 Amperes	4500 Amperes	0.0037 Ohms	131 lbs / 60 kg

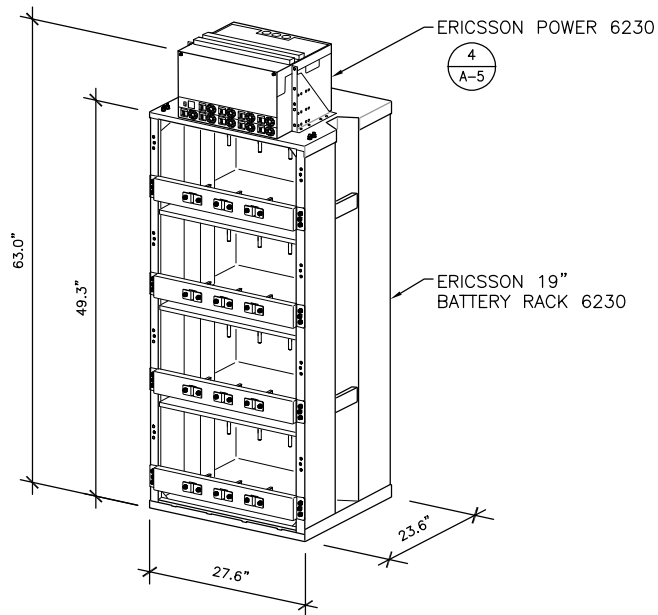
Additional ratings and application information is available in the Battery Selection Program at www.cdatel.com/batteryprogram

24"x36" SCALE: NTS
11"x17" SCALE: NTS

SIZE AND WEIGHT TABLE

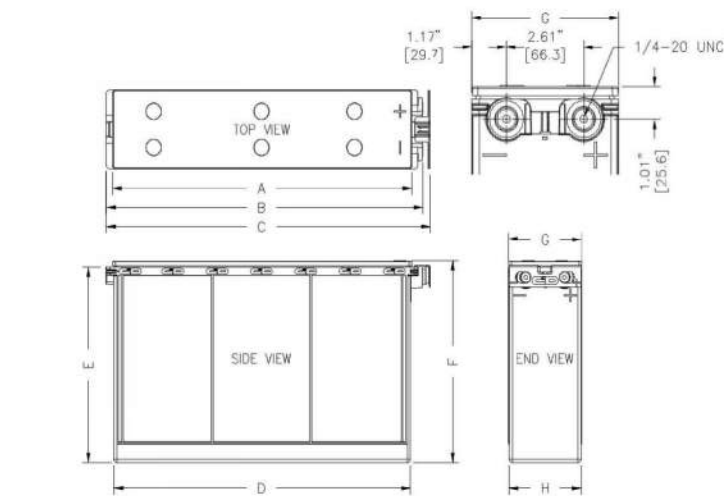
WIDTH	DEPTH	HEIGHT	WEIGHT (FULLY LOADED)
23.6"	27.6"	49.3"	1883± LBS

NOTE:
INSTALL PER MFR RECOMMENDATIONS



24"x36" SCALE: NTS
11"x17" SCALE: NTS

SIGNAGE 3

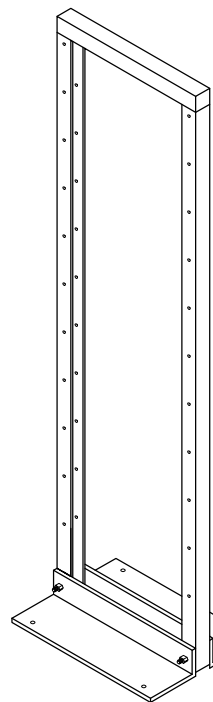


MODEL	A		B		C		D		E		F		G		H	
	in	mm	in	mm	in	mm	in	mm	in	mm	in	mm	in	mm	in	mm
TEL12-180F	20.35	516.9	21.51	546.2	22.61	559.1	20.2	512.2	12.19	309.5	12.90	320.0	4.95	125.73	4.86	123.4

PROJECT SYSTEM DATA	
BATTERY TYPE:	VALVE REGULATED LEAD ACID (VRLA)
BATTERY MANUFACTURER/MODEL	C&D TECHNOLOGIES / TEL12-180F
TOTAL WEIGHT OF (1) BATTERY/CELL (kg):	60
ELECTROLYTE PER BATTERY (24% OF BATTERY WEIGHT) (kg):	14.4
ELECTROLYTE PER BATTERY IN GALLONS (1 GALLON=6.91 kg):	2.1
TOTAL BATTERIES IN BATTERY & POWER RACK:	12
TOTAL AMOUNT OF -48V STRINGS:	3
TOTAL AMOUNT OF ELECTROLYTE IN GALLONS:	25.2
TOTAL AMOUNT OF AMP HOURS (Ah):	540
TOTAL MOUNT OF KILO-WATT HOURS (kWh):	25.92

C&D TECHNOLOGIES / TEL12-180F BATTERY 4

1



STANDARD 19" RACK
APPROX. DIMENSIONS: 20"x15"

NOTE:
MOUNTING HOLE AND INSTALLATION
RECOMMENDATIONS PER MFR

NOTE:
VERIFY WITH CABINET MANUFACTURER
FOR MOUNTING HOLE AND
INSTALLATION RECOMMENDATIONS.

(4) 1/2" CARBON STEEL HILTI KB-TZ
(MIN 3-1/2" EMBED)

24"x36" SCALE: NTS
11"x17" SCALE: NTS

BATTERY RACK 2

EQUIPMENT RACK 1

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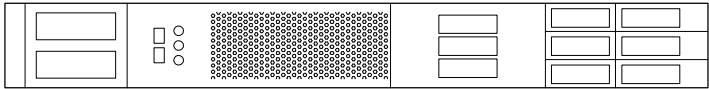
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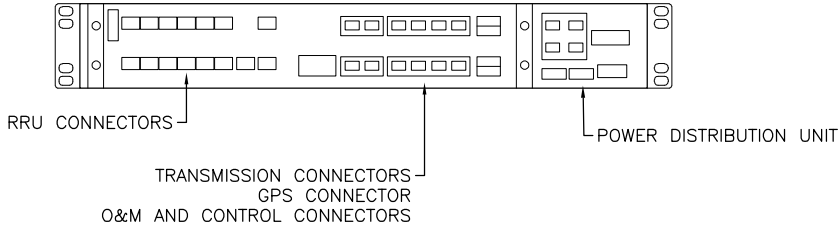
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A-4

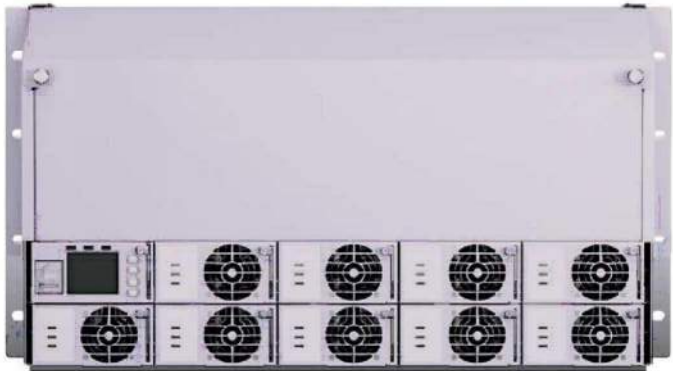
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MANUFACTURER: ERICSSON
MODEL: PSU 4813
DIMENSIONS: 19"x14.3"x1.7"
WEIGHT: 17.2 LBS



MANUFACTURER: ERICSSON
MODEL: RBS 6601
DIMENSIONS: 19"x14.3"x1.7"
WEIGHT: 17.2 LBS



MANUFACTURER: ERICSSON
MODEL: POWER 6230
DIMENSIONS: 6U HEIGHT/ 19" RACK MOUNT/ 394mm DEPTH

- NOTES:
1. INSTALL PER MFR RECOMMENDATIONS
 2. MOUNTING: 19" RACK/BATTERY RACK/WALL MOUNT

MOUNTING POSITION: 19" RACK/BATTERY RACK/WALL MOUNT

24"x36" SCALE: NTS
11"x17" SCALE: NTS

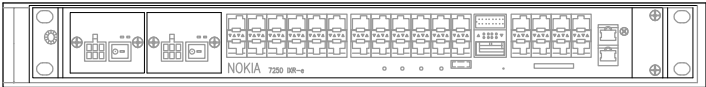
PSU 4813 6

24"x36" SCALE: NTS
11"x17" SCALE: NTS

RBS 6601 5

24"x36" SCALE: NTS
11"x17" SCALE: NTS

6230 4

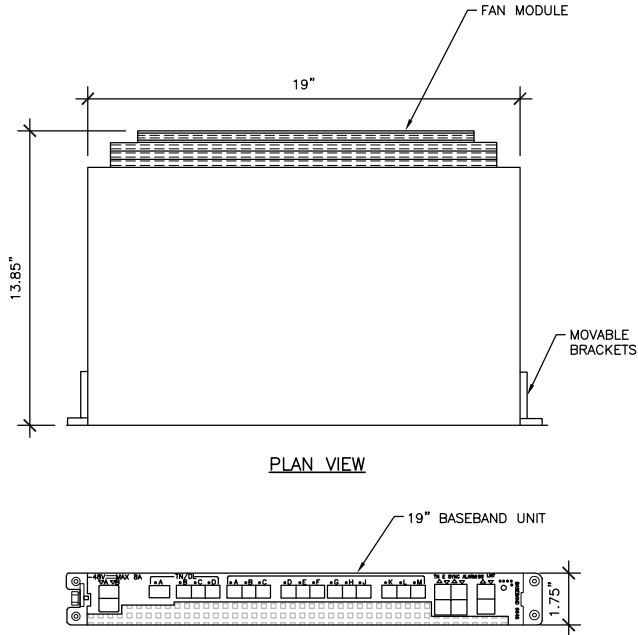


MANUFACTURER: NOKIA
MODEL: IXR-E MODULE
DIMENSIONS: 17.25"x10.0"x1.75"
WEIGHT: TBD



MANUFACTURER: ERICSSON
MODEL: DUG20
DIMENSIONS: 13.78"x1.18"x11.02"
WEIGHT: <4.4 LBS

MANUFACTURE: ERICSSON
MODEL: BASEBAND 6648
DIMENSIONS: 19.0"x13.85"x1.75" (UNIT ONLY)
WEIGHT: ±16.5 LBS (UNIT ONLY)



24"x36" SCALE: NTS
11"x17" SCALE: NTS

IXR-E ROUTER 3

24"x36" SCALE: NTS
11"x17" SCALE: NTS

DUG20 2

24"x36" SCALE: NTS
11"x17" SCALE: NTS

BB6648 1



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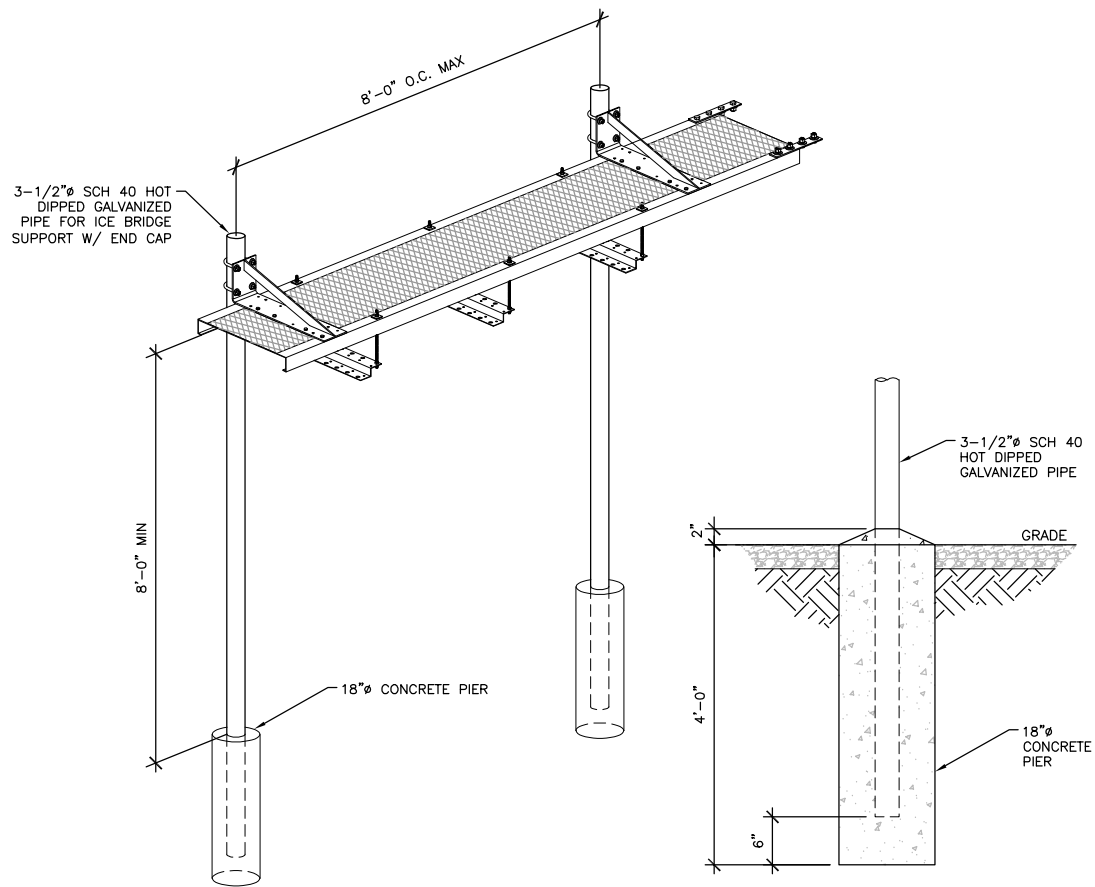
SHEET NAME:

CONSTRUCTION
DETAILS

SHEET NUMBER:

A-5

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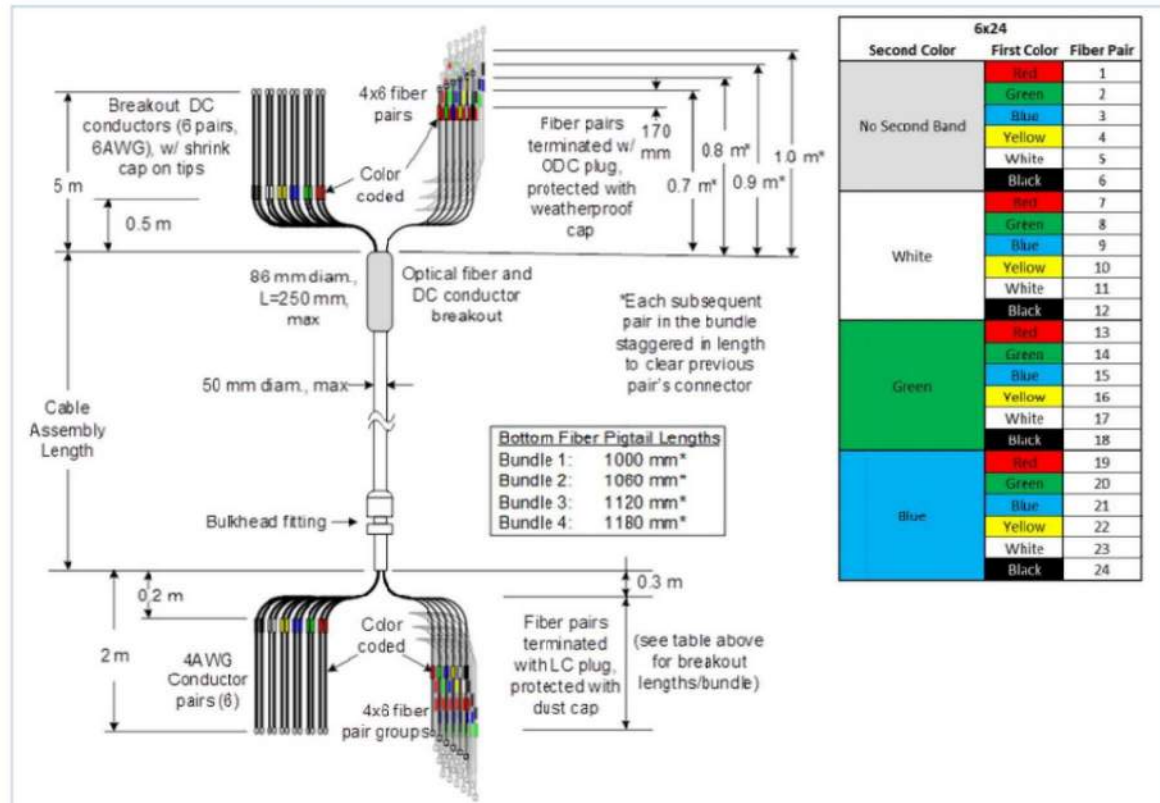


24"x36" SCALE: NTS
11"x17" SCALE: NTS

ICE BRIDGE 2

RFS PRODUCT DATASHEET
HB158-21U6S24-xxM Series

HYBRIFLEX® Hybrid Feeder Cabling Solution 6x24, 4AWG, 1-5/8", Single-Mode Fiber, DLC to ODC, with 6AWG DC breakout top



EXTERNAL DOCUMENT LINKS

Installation Guidelines: [Download](#)
On-line Factory Test Results: [View](#)

NOTES

Nominal length equals length of trunk not including top and bottom breakouts; breakout lengths add additionally to the total assembly length tip to tip

Top Breakout - DC Power Cable Specifications:

- No of DC pairs 6; Specifications per 1 pair;
- Maximum DC-Resistance Power Cable Ω/km (Ω/ft) 1.4 (0.42),
- Cross Section of Power Cable mm^2 (AWG) 13.3 (6),
- Overall Cable Diameter mm (in) 17.8 (0.708),
- DC Cable Jacket Material PVC,
- EMI Shield Tinned Copper Braid

ADDITIONAL ASSEMBLY LENGTHS

Length (m)	Model Number
10	HB158-21U6S24-10M
20	HB158-21U6S24-20M
30	HB158-21U6S24-30M
40	HB158-21U6S24-40M
50	HB158-21U6S24-50M
60	HB158-21U6S24-60M
70	HB158-21U6S24-70M
80	HB158-21U6S24-80M
90	HB158-21U6S24-90M
100	HB158-21U6S24-100M
110	HB158-21U6S24-110M
120	HB158-21U6S24-120M
130	HB158-21U6S24-130M

HB158-21U6S24-xxM Series

REV : G

REV DATE : 16 Feb 2021

www.rfsworld.com

All values nominal unless tolerances provided; information contained in the present datasheet is subject to confirmation at time of ordering

Page 3 of 3



MD7

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www.morrisonhershfield.com
MH PROJECT NUMBER: 210028900

REV.	DATE	ISSUED FOR	BY
A	04/26/21	90% REVIEW	BS
B	05/06/21	100% REVIEW	BS
C	06/03/21	100% REVIEW	BS
0	09/16/21	100% FINAL	BS
1	11/16/21	JDX COMMENTS	BS

SET NOT TO BE USED FOR CONSTRUCTION
UNLESS SIGNED BY DESIGN PROFESSIONAL
AND STAMPED APPROVED BY MUNICIPALITY

LICENSURE:



SITE NAME:

SYNERGY

SPRINT SITE I.D.

SD25XC402

SITE ADDRESS:

17289 FOUR GEE ROAD
SAN DIEGO, CA 92127

SHEET NAME:

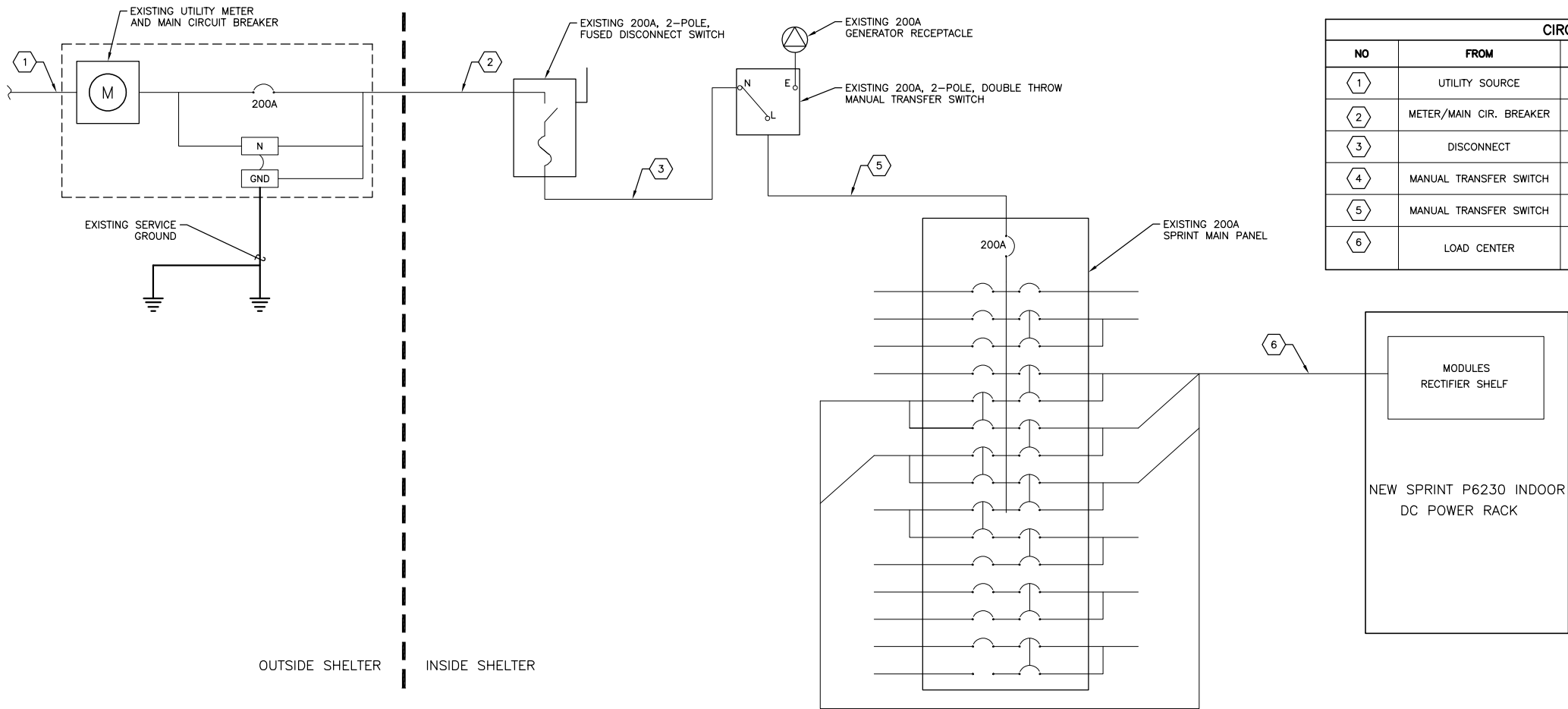
**CONSTRUCTION
DETAILS**

SHEET NUMBER:

A-6

6x24 HCS SPECIFICATION 1

THE INFORMATION CONTAINED IN THIS SET OF CONSTRUCTION DOCUMENTS IS PROPRIETARY BY NATURE. ANY USE OR DISCLOSURE OTHER THAN THAT WHICH RELATES TO CARRIER SERVICES IS STRICTLY PROHIBITED.



CIRCUIT SCHEDULE			
NO	FROM	TO	CONFIGURATION
1	UTILITY SOURCE	METER/MAIN CIR. BREAKER	EXISTING
2	METER/MAIN CIR. BREAKER	DISCONNECT	EXISTING
3	DISCONNECT	MANUAL TRANSFER SWITCH	EXISTING
4	MANUAL TRANSFER SWITCH	GENERATOR RECEPTACLE	EXISTING
5	MANUAL TRANSFER SWITCH	LOAD CENTER	EXISTING
6	LOAD CENTER	NEW SPRINT DC POWER RACK	FOR EACH RECT. CIRCUIT - (2)#10 + #10 GND IN 3/4" C

24"x36" SCALE: NTS
11"x17" SCALE: NTS

ONE-LINE DIAGRAM 2

SITE ID: SD08329		MODEL: EXISTING																	
VOLTAGE: 120/240V		PHASE: 1Ø		WIRE: 3															
MAIN BREAKER: 200A		BUSS RATING: 200A		AIC: 65K AIC															
MOUNT: SURFACE		NEUTRAL BAR: YES		GROUND BAR: YES															
ENCLOSURE TYPE: NEMA-3R		N TO GND: NO		PANEL SIZE: 30															
PANEL STATUS: EXISTING		INTERNAL TVSS: YES		PANEL NAME: PPC 'A'															
CKT	LOAD DESCRIPTION	BREAKER AMPS	BREAKER POLES	BREAKER STATUS	CONN LOAD	DEMAND FACTOR	DEMAND LOAD	PHASE A (VA)	PHASE B (VA)	DEMAND LOAD	DEMAND FACTOR	CONN LOAD	BREAKER STATUS	BREAKER POLES	BREAKER AMPS	LOAD DESCRIPTION	CKT		
1	INT RECEPTACLES	20	1	ON	720	1.00	720	1440		720	1.00	720	ON	1	20	INT/EXT RECEPT	2		
3	INT/EXT LIGHTS	20	1	ON	420	1.25	525		4365	3840	1.00	3840	ON	2	30	AIR CONDITIONER #1	4		
5	SMOKE DETECTOR	20	1	ON	180	1.00	180	4020		3840	1.00	3840					6		
7	SPARE	20	1	ON	0	1.00	0		1823	1823	1.00	1823	ON	2	30	NEW P6230 RECTIFIER #3	8		
9	NEW P6230 RECTIFIER #1	30	2	ON	1823	1.00	1823	3646		1823	1.00	1823					10		
11					1823	1.00	1823		3646	1823	1.00	1823	ON	2	30	NEW P6230 RECTIFIER #4	12		
13	NEW P6230 RECTIFIER #2	30	2	ON	1823	1.00	1823	3646		1823	1.00	1823					14		
15					1823	1.00	1823		1823	0	1.00	0	ON	2	30	FUTURE REC #6	16		
17	FUTURE REC #5	60	2	ON	0	1.00	0	0		0	1.00	0					18		
19					0	1.00	0		0	0	1.00	0	OFF	2	30	FUTURE A/C	20		
21	SPARE	30	1	OFF	0	1.00	0	0		0	1.00	0					22		
23	SPARE	30	1	OFF	0	1.00	0		0	0	1.00	0	OFF	2	60	SPARE	24		
25	SPARE	30	1	OFF	0	1.00	0	0		0	1.00	0					26		
27	SPARE	30	1	OFF	0	1.00	0		0	0	1.00	0	OFF	2	60	SURGE ARREST LAPB	28		
29								0		0	1.00	0					30		
PHASE DEMAND LOAD TOTAL								12752	11657										
TOTAL DEMAND LOAD (VA)								24409											
TOTAL DEMAND AMPS								102											

24"x36" SCALE: NTS
11"x17" SCALE: NTS

PANEL SCHEDULE 1



10590 WEST OCEAN AIR DRIVE
SUITE 300
SAN DIEGO, CA 92130

PLANS PREPARED BY:



MORRISON HERSHFIELD

600 STEWART STREET, SUITE 200
SEATTLE, WA 98101
Tel: 206.268.7370
www.morrisonhershfield.com
MH PROJECT NUMBER: 210028900

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LICENSURE:



11/30/2021

SITE NAME:

SYNERGY

SPRINT SITE I.D.

SD25XC402

SITE ADDRESS:

17289 FOUR GEE ROAD
SAN DIEGO, CA 92127

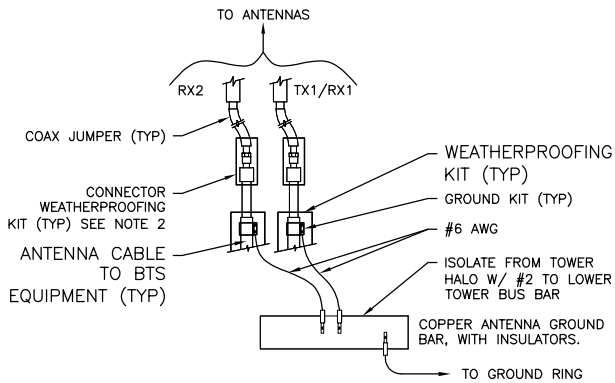
SHEET NAME:

ELECTRICAL
DETAILS

SHEET NUMBER:

E-1

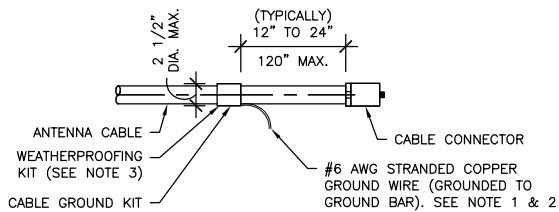
THE INFORMATION CONTAINED IN THIS SET OF CONSTRUCTION DOCUMENTS IS PROPRIETARY BY NATURE. ANY USE OR DISCLOSURE OTHER THAN THAT WHICH RELATES TO CARRIER SERVICES IS STRICTLY PROHIBITED.



NOTES:
DO NOT INSTALL CABLE GROUND KIT AT A BEND AND ALWAYS DIRECT GROUND WIRE DOWN TO ANTENNA GROUND BAR.
WEATHER PROOFING SHALL BE TWO-PART TAPE KIT. COLD SHRINK SHALL NOT BE USED.

24"x36" SCALE: NTS
11"x17" SCALE: NTS

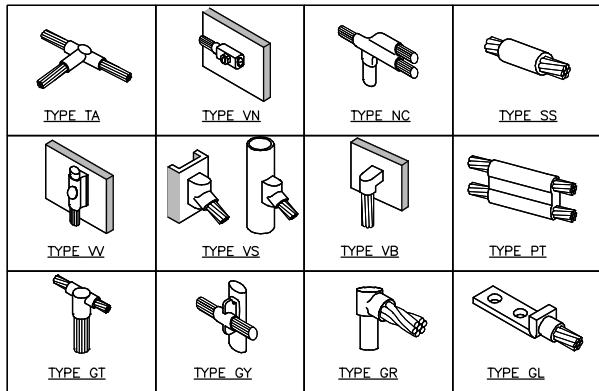
GRND CABLE CONNECTION 7



NOTES:
1. DO NOT INSTALL CABLE GROUND KIT AT A BEND AND ALWAYS DIRECT GROUND WIRE DOWN TO GROUND BAR.
2. GROUNDING KIT SHALL BE TYPE AND PART NUMBER AS SUPPLIED OR RECOMMENDED BY CABLE MANUFACTURER.
3. WEATHER PROOFING SHALL BE TWO-PART TAPE KIT, COLD SHRINK SHALL NOT BE USED.

24"x36" SCALE: NTS
11"x17" SCALE: NTS

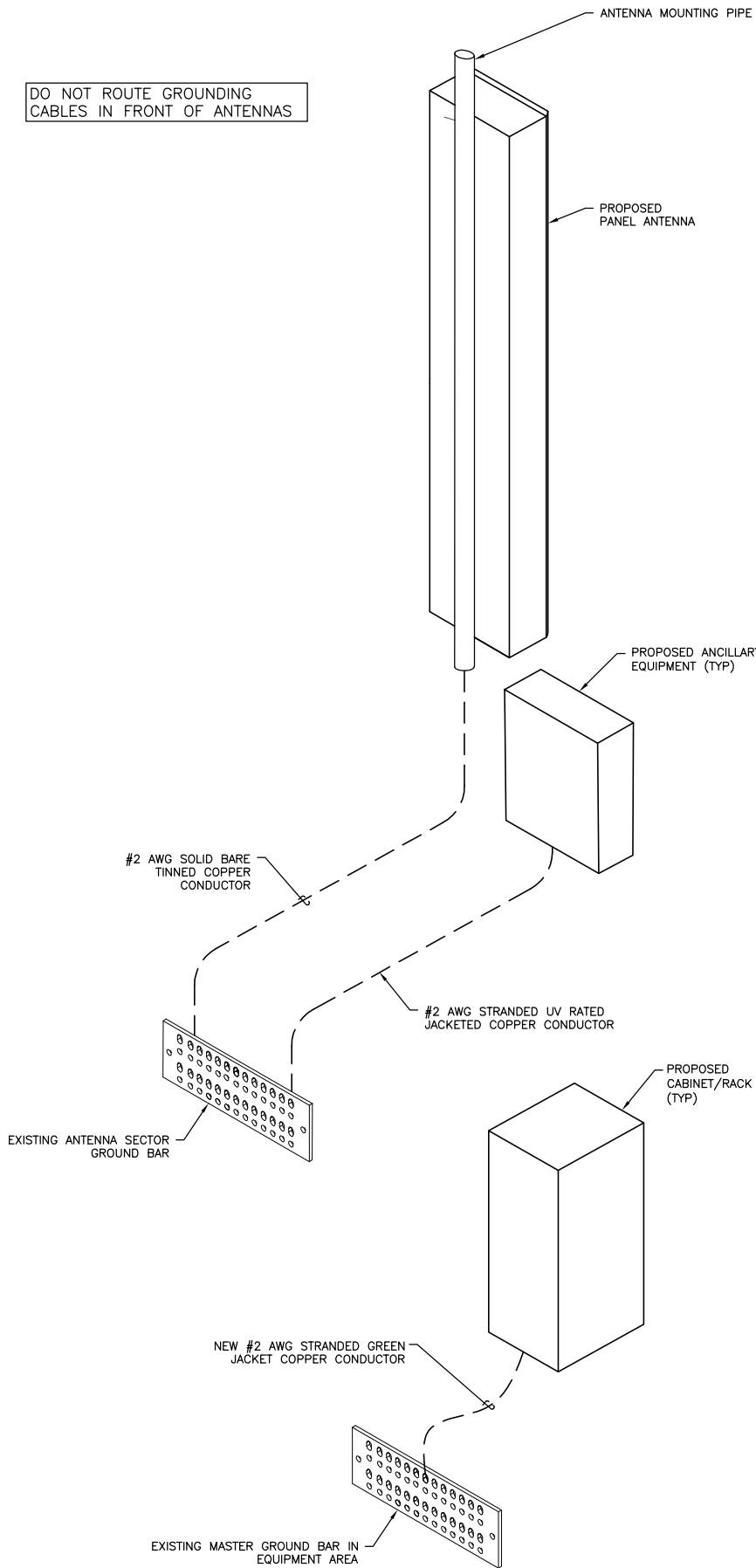
COAX CABLE GROUNDING 5



24"x36" SCALE: NTS
11"x17" SCALE: NTS

CADWELD 3

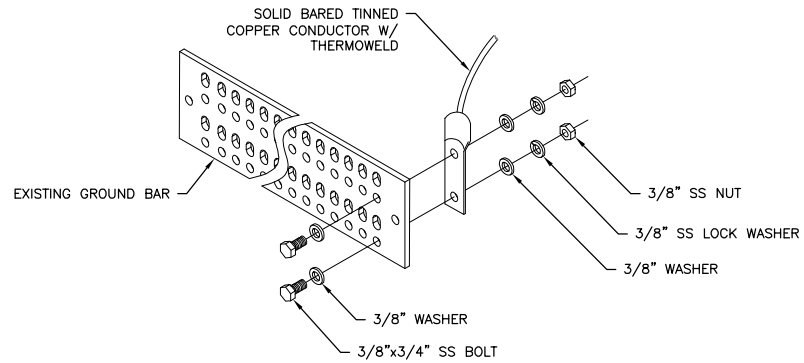
DO NOT ROUTE GROUNDING CABLES IN FRONT OF ANTENNAS



NOTE:
EXISTING SPRINT OVERALL GROUND SYSTEM RESISTANCE SHALL NOT EXCEED 5 OHMS PER SPRINT STANDARDS AND NOT EXCEED 25 OHMS PER CEC. CONTRACTOR TO VERIFY BY PERFORMING A FALL OF POTENTIAL TEST. CONTRACTOR TO PROVIDE ADDITIONAL GROUND ROD(S) AS REQUIRED PER CEC 250.53(2) TO ADHERE TO STANDARDS.

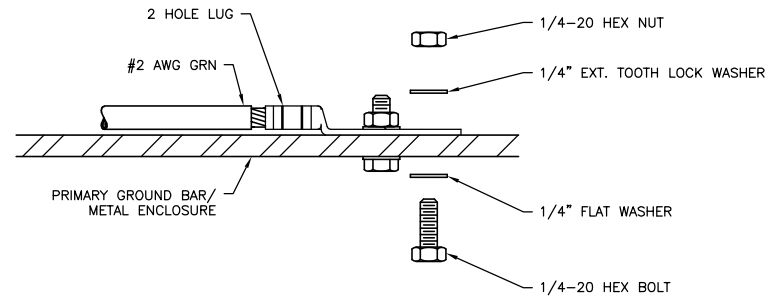
24"x36" SCALE: NTS
11"x17" SCALE: NTS

TYPICAL GROUNDING DIAGRAM 2



24"x36" SCALE: NTS
11"x17" SCALE: NTS

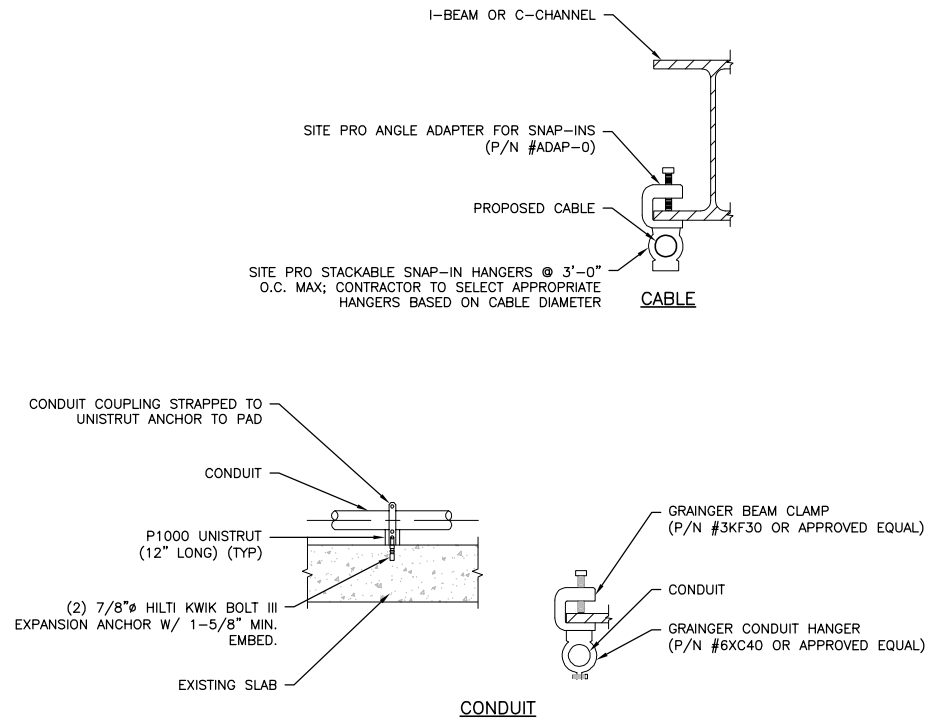
TYPICAL GROUND BAR CONNECTION 6



INSTALLATION NOTES:
1. SELECT BOLT LENGTH TO PROVIDE A MINIMUM OF TWO EXPOSED THREADS.
2. BURNISH MOUNTING SURFACE TO REMOVE PAINT IN THE AREA OF LUG CONTACT.
3. APPLY ANTI-OXIDANT COMPOUND TO MATING SURFACE OF LUG AND WIPE CLEAN EXCESS COMPOUND.
4. USE SOLID COPPER WIRE AND MECHANICAL 2-HOLE LUG FOR ALL EXTERIOR GROUNDING.

24"x36" SCALE: NTS
11"x17" SCALE: NTS

GROUND CONNECTION 4



24"x36" SCALE: NTS
11"x17" SCALE: NTS

TYPICAL CONDUIT SUPPORT 1



10590 WEST OCEAN AIR DRIVE
SUITE 300
SAN DIEGO, CA 92130

PLANS PREPARED BY:



MORRISON HERSHFIELD
600 STEWART STREET, SUITE 200
SEATTLE, WA 98101
Tel: 206.268.7370
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MH PROJECT NUMBER: 210028900

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LICENSURE:



SITE NAME:

SYNERGY

SPRINT SITE I.D.

SD25XC402

SITE ADDRESS:

17289 FOUR GEE ROAD
SAN DIEGO, CA 92127

SHEET NAME:

GROUNDING
DETAILS

SHEET NUMBER:

E-2

Memo

Date: December 14, 2022

To: Olivenhain Municipal Water District Board of Directors

From: Steven Weddle, Engineering Services Supervisor

Via: Kimberly A. Thorner, General Manager

Subject: **CONSIDER ADOPTION OF A RESOLUTION FOR THE LUSARDI CREEK MAIN EXTENSION 153 RECYCLED WATER VALVE REPLACEMENT AND FLOW METER INSTALLATION 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 for the Lusardi Creek Main Extension 153 Recycled Water Valve Replacement and Flow Meter Installation Project (Project) and authorize a Notice of Exemption (NOE) to be filed with the County Clerk of San Diego.

Recommendation

Staff recommends adoption of the proposed Resolution which makes CEQA findings for declaration of the Project as an exempt project under CEQA Guidelines Section 15061(b)(3), 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 work is located along a 14" steel pipeline located in Director Division 1 (San Antonio). Staff proposes to conduct systems maintenance for the existing Lusardi Creek Main Extension 153 Pipeline to install a resilient wedge gate valve (RWGV) and insertion flow meter for systems maintenance, monitoring, and reliability.

Fiscal Impact

The proposed work was included in the FY 23 budget under the Extension 153 Flow Meter Project (D800010).

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

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

Total Project Budget: **\$385,000**

Current Fiscal Year Appropriation: **\$205,000**

To Date Approved Appropriations: **\$205,000**

Target Project Completion Date: **February 2023**

Expenditures and Encumbrances as of November 15, 2022: **\$13,647**

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

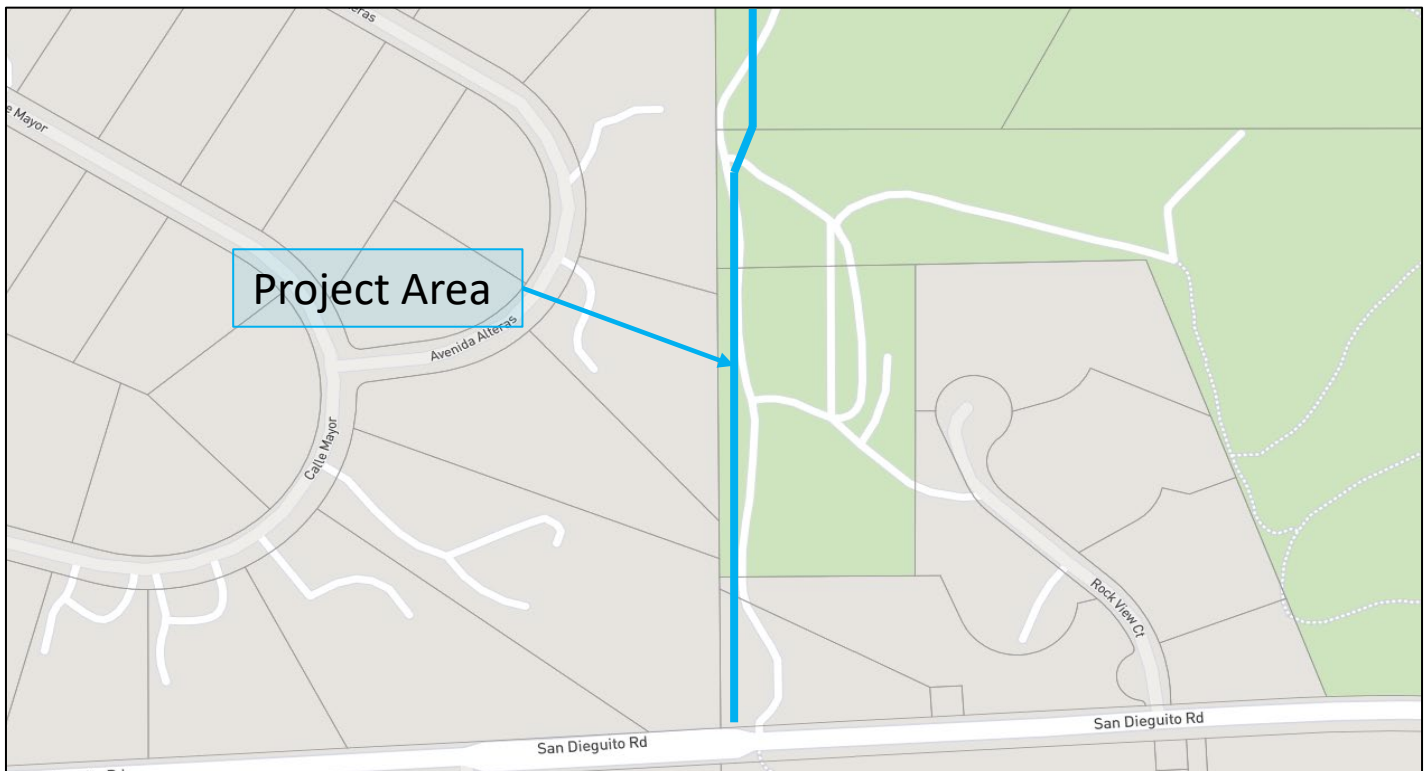
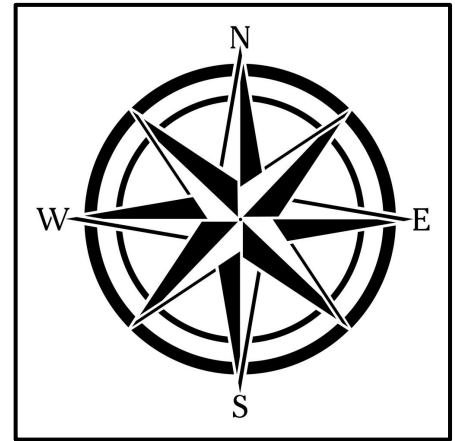
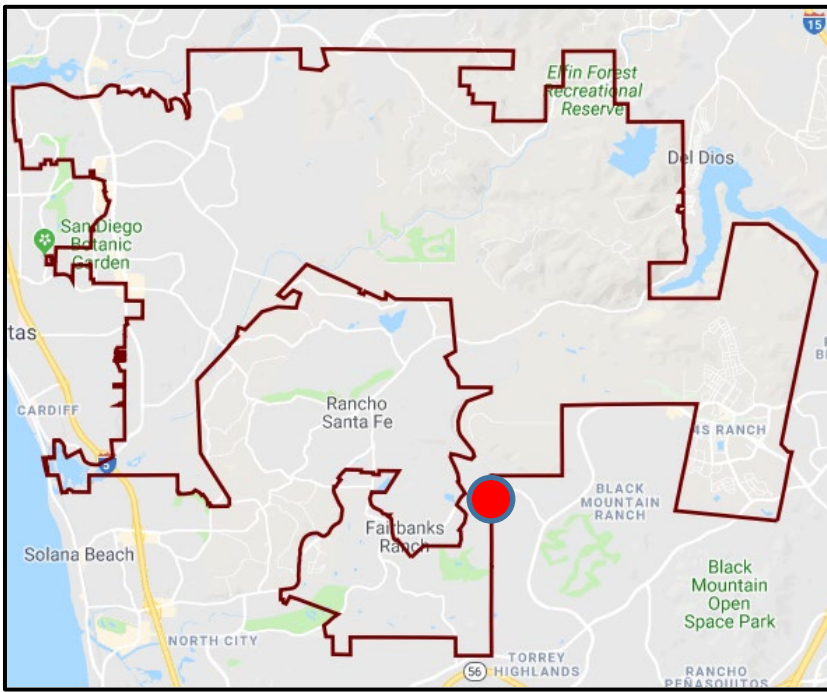
If this change order is outside of the appropriation, Source of Fund: **N/A**

Discussion

The District contracted with Recon Environmental, Inc. (RECON), the District's current as-needed environmental consultant, to conduct an environmental review of the Project and determine if the project is a Categorically Exempt project under CEQA guidelines. CEQA Guidelines Section 15301(b) and 15302 allows for categorical exemptions for maintenance of existing facilities involving negligible or no expansion of existing use or capacity. RECON's determination is the Project is Categorically Exempt under CEQA guidelines. Additionally, the Project is anticipated to be completed in a short duration and the contractor will be required to complete the Project outside of bird nesting season. Staff recommends adoption of the proposed Resolution and authorize staff to file a NOE with the County Clerk of San Diego.

Staff is available to answer any questions.

Attachment(s):
Project Site Map
Resolution
NOE



**LUSARDI CREEK MAIN EXT. 153 RECYCLED WATER VALVE
REPLACEMENT AND FLOW METER INSTALLATION PROJECT**

DISTRICT PROJECT NO. D800010

RESOLUTION NO. 2022-XX

RESOLUTION OF THE BOARD OF DIRECTORS OF THE OLIVENHAIN
MUNICIPAL WATER DISTRICT MAKING CALIFORNIA
ENVIRONMENTAL QUALITY ACT FINDINGS FOR THE LUSARDI CREEK
MAIN EXT. 153 RECYCLED WATER VALVE REPLACEMENT AND FLOW
METER INSTALLATION 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 an 14-inch diameter, cement-mortar lined steel recycled water pipeline within an existing easement and maintains an associated access road, all in the County of San Diego Lusardi Creek Open Space Preserve, State of California; 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 Section 15061(b)(3), 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 Lusardi Creek Main Ext. 153 Recycled Water Valve Replacement and Flow Meter Installation Project is exempt from CEQA for the following reasons:

- 1) State CEQA Guideline §15061(b)(3) (Common Sense Exemption) allows for activities to be covered by the common sense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.
- 2) 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.
- 3) 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 1, Class 2, and Class 4, 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 Lusardi Creek Main Ext. 153 Recycled Water Valve Replacement Project is exempt from CEQA in accordance CEQA Guidelines Section 15061(b)(3), 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 14, 2022.

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

ATTEST:

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

Notice of Exemption

Appendix E

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

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

(Address)

County Clerk

County of: San Diego

1600 Pacific Highway

San Diego, CA 92101

Project Title: Lusardi Creek Main Ext. 153 Recycled Water Valve Replacement & Flow Meter Installation

Project Applicant: Olivenhain Municipal Water District

Project Location - Specific:

Valve 153, Lusardi Pipeline easement off San Dieguito Road in unincorporated community of Fairbanks Ranch. The project coordinates are 33°00'21.6"N 117°10'11.5"W.

Project Location - City: Unincorporated Fairbanks Ranch Project Location - County: San Diego

Description of Nature, Purpose and Beneficiaries of Project:

OMWD proposes to conduct systems maintenance for the Ext. 153 pipeline to install insertion flow meter and a resilient wedge gate valve (RWGV) for systems maintenance, monitoring, and reliability, and integrate supervisory control and data acquisition (SCADA) connectivity via solar based transmitter.

Name of Public Agency Approving Project: Olivenhain Municipal Water District

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

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

☐ Ministerial (Sec. 21080(b)(1); 15268)

☐ Declared Emergency (Sec. 21080(b)(3); 15269(a))

☐ Emergency Project (Sec. 21080(b)(4); 15269 (b)(c))

☒ Categorical Exemption. State Type and section number: 15061(b)(3), 15301(b), and 15302

☐ Statutory Exemptions. State code number: _____

Reasons why project is exempt:

State CEQA Guideline §15061(b)(3) (Common Sense Exemption) allows for activities to be covered by the common sense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

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 1, Class 2, and Class 4, as specified within Article 19 Categorical Exemptions of the CEQA Guidelines.

Lead Agency

Contact Person: Steven Weddle

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

If filed by applicant:

1. Attach certified document of exemption finding.

2. Has a notice of exemption been filed by the public agency approving the project? ☐ Yes ☐ No

Signature: _____ Date: _____ Title: General Manager

☒ Signed by Lead Agency ☒ Signed by Applicant

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

Date Received for filing at OPR: Reference:

Memo

Date: December 14, 2022
To: Olivenhain Municipal Water District Board of Directors
From: Steven Weddle, Engineering Services Supervisor
Via: Kimberly A. Thorner, General Manager
Subject: **CONSIDER APPROVAL OF PRIVATE ENCROACHMENT PERMIT NO. 419 FOR PLANTING OF WATER WISE AND NATIVE PLANTS ON OMWD EASEMENT 632 BETWEEN THE LA COSTA OAKS COMMUNITY ASSOCIATION AND THE ARTERRO COMMUNITIES AND ORDER THE PERMIT BE RECORDED**

Purpose

The purpose of this agenda item is to consider approval to enter into an Encroachment Permit Agreement with The La Costa Oaks Community Association and Arterro HOA. The proposed planting encroachments fall within the property at APN 223-052-67-00 & 223-670-28-00, and encroach upon OMWD's 42-foot Easement No. 632. Approval would additionally authorize the General Manager to sign the Encroachment Permit on behalf of OMWD for recording by the County of San Diego Recorder's Office.

Recommendation

Staff recommends approval of Encroachment Permit No. 419 and authorization for the General Manager to sign the permit on behalf of OMWD.

Alternative(s)

The Board could direct Staff to not allow the proposed encroachment.

Background

The proposed encroachment consists of placing a native and low water use plants within OMWD's pipeline Easement No. 632 located on Assessor Parcel 223-670-28-00 and 223-052-67-00 and owned by Arterro and the La Costa Oaks Community Association, Director Division 5 (Meyers). Authorization has been granted in writing by both HOAs for Preserve Calavera to plant native, water-wise landscape for community beautification.

Fiscal Impact

There is no fiscal impact to OMWD in approving Encroachment Permit No. 419, and the applicant has already paid the encroachment permit application fee. All costs to install the proposed planting encroachment have been or will be paid by the applicant, or by the La Costa Oak Community Association and Arterro HOA. The Encroachment Permit Agreement stipulates that the permittee is responsible for all costs incurred to remove and rebuild the encroaching facilities should OMWD need access to its facilities within the easement for any reason whatsoever. The permit also defines OMWD's limitations of liability for any damage to the proposed planting encroachment's which may be caused by OMWD's use of the easement.

Discussion

The proposed planting encroachment will be constructed in a manner that will not unduly affect OMWD's daily operations or maintenance of facilities located in the easement. A copy of the Encroachment Permit is attached for review, and staff recommends approval given the proposed encroachments do not interfere with OMWD business and are of a benefit to the surrounding community.

Staff is available to answer any questions.

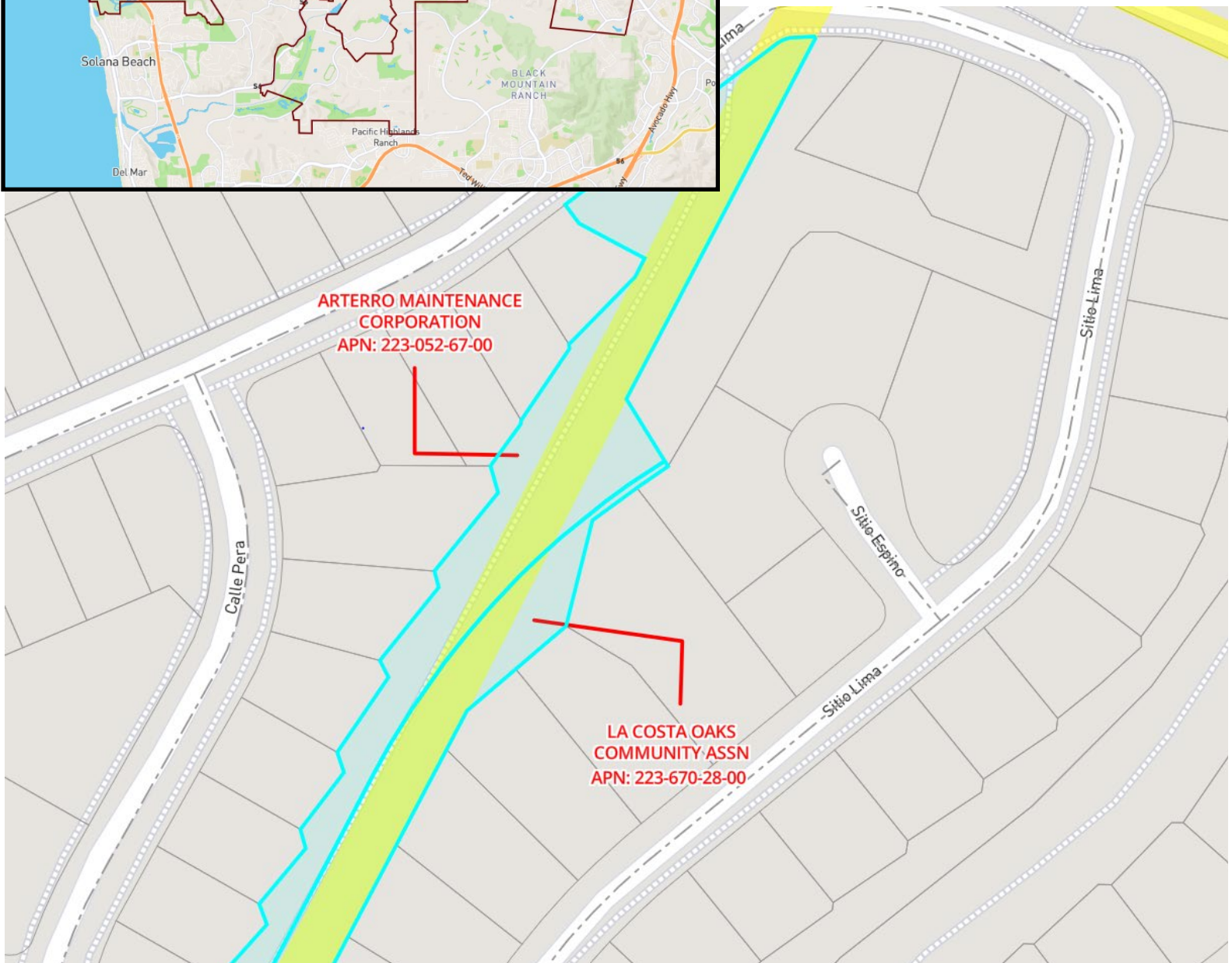
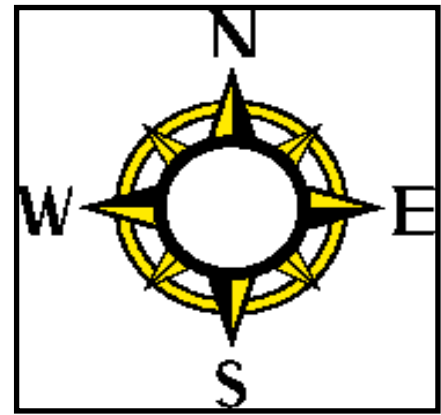
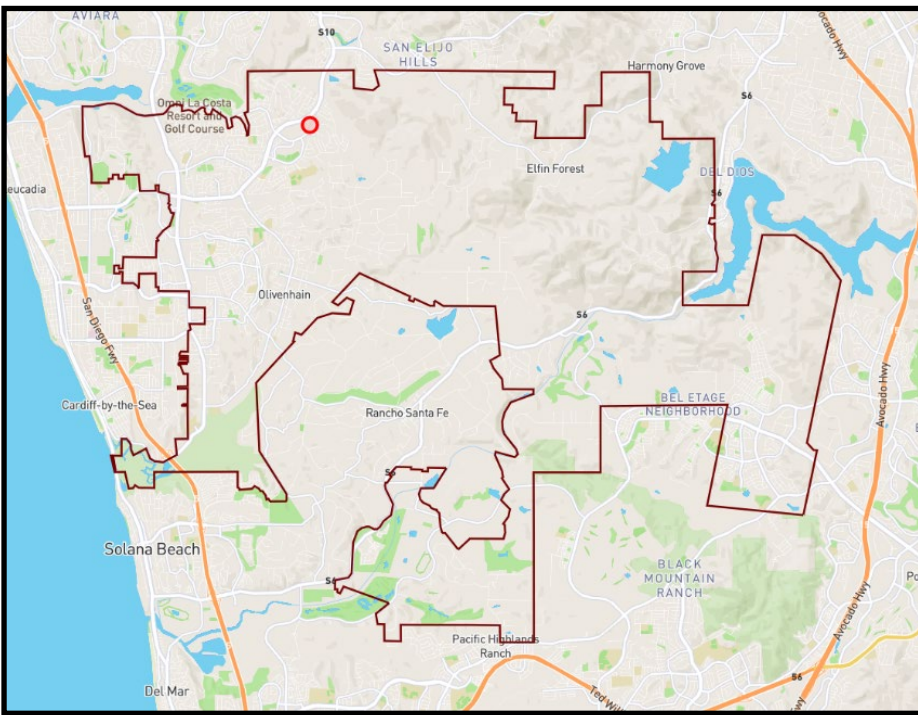
Attachments:

Location map

Arterro HOA Consent Letter

La Costa Oaks HOA Consent Letter

Encroachment Permit No.419



LOCATION MAP

ENCROACHMENT PERMIT 419

DISTRICT PROJECT NO. W430056




November 17, 2022

Paul Martinez
Olivenhain Water District
1966 Olivenhain Road
Encinitas, CA 92024

Dear Mr. Martinez,

This letter is to confirm that the Arterro HOA Board has approved the native planting of the greenbelt on APN 223-052-67-00 as put forth with PreserveCalavera.org. Likewise, we have signed off on the Encroachment Permit Application that was submitted and support the granting of the permit so this project can move forward.

Thank you for the consideration,

DocuSigned by:

Andre Koren

Arterro HOA President
11/18/2022 | 8:09 AM PST

DS




LA COSTA OAKS COMMUNITY ASSOCIATION

November 8, 2022

Paul Martinez
Olivenhain Water District
1966 Olivenhain Road
Encinitas, CA 92024

Dear Mr. Martinez,

This letter is to confirm that the La Costa Oaks HOA Board has approved the native planting of the greenbelt on APN 223-670-28-00 as put forth by Diane Nygaard and David Newman with PreserveCalavera.org. Likewise, we have signed off on the Encroachment Permit Application that was submitted and support the granting of the permit so this project can move forward.

Thank you for the consideration,

Sincerely,
On Behalf of the La Costa Oaks Board of Directors

Marty Ignacio, CMCA®, AMS®, PCAM®,
General Manager La Costa Oaks Community Association

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

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

(This space for recorder's use)
A.P.N. No. 223-670-28-00 & 223-052-67-00

**OLIVENHAIN MUNICIPAL WATER DISTRICT
PRIVATE ENCROACHMENT PERMIT AGREEMENT NO. 419**

THIS ENCROACHMENT PERMIT No. 419 (hereinafter "Agreement") entered into by and between the OLIVENHAIN MUNICIPAL WATER DISTRICT organized and existing pursuant to the Municipal Water District Act of 1911, California Water Code §71000, et seq. (hereinafter "DISTRICT"), and ARTERRO AND THE LA COSTA OAKS COMMUNITY ASSOCIATION (hereinafter "PERMITTEE").

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

1. The DISTRICT presently holds title to an easement as more particularly described in the DISTRICT's document no. 632, recorded March 14th, 1984, as File/Page 84-091367, Official Records, San Diego County, not attached hereto, but incorporated herein by reference.
2. PERMITTEE desires to encroach upon this easement.
3. PERMITTEE is the owner of property described in Exhibit "A" attached hereto.
4. The parties agree that PERMITTEE shall be entitled to encroach upon this easement only to the extent and in the manner specified in this Agreement. No other encroachments shall be allowed without the express prior written consent of the DISTRICT.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

11.2. The horizontal clearance to be maintained between the DISTRICT's facilities and the above ground encroachment plantings shall be determined at the sole discretion of the DISTRICT, no less than ten (10) feet unless specifically authorized in writing.

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

11.4. California dig alert procedures shall be followed at all times as referenced in the approved encroachment permit.

11.5. No work shall be permitted within the DISTRICT easement without prior consent in writing by the DISTRICT.

11.6. The DISTRICT has not received any irrigation plans for the proposed plantings, no irrigation is to be installed without expressed written consent of the DISTRICT and approval from all other regulatory agencies.

11.7. No work shall commence without a pre-construction meeting with a DISTRICT Representative at the project site and receiving approval to proceed.

11.8. The DISTRICT reserves the right to access any portion of the DISTRICT Easement at anytime without prior notification. The DISTRICT will not be responsible for replacement or maintenance of any of the proposed planting under any circumstances. The PERMITEE hereby recognizes the DISTRICT's right to perform any work deemed

necessary by the DISTRICT within the Easement, at any time, without regard to damage or potential damage, or replacement, or maintenance, of any of the proposed encroachment plantings. The DISTRICT will not be held responsible for any damages to the proposed encroachment plantings occurring from any DISTRICT business.

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

13. **Agreement as Covenant Running with Land and Binding on Successors**: The parties expressly agree that this Agreement shall be construed as a valid and binding equitable servitude and covenant running with the land which shall be binding upon the heirs, personal representatives, successors, assigns, or transferees of the parties hereto. The parties expressly waive the right to challenge the enforceability of this Agreement as a legal and binding equitable servitude and covenant running with the land in any subsequent arbitration or litigation between the parties or their successors.

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

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

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

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

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

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

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

21. **Effective Date**: The effective date of this permit is _____, 20 ____.

22. **Board of Director's Approval**: This Agreement is executed by the DISTRICT pursuant to Board action of _____, 20 ____.

"DISTRICT"

OLIVENHAIN MUNICIPAL WATER DISTRICT

Dated: _____, 20 ____

By: _____

Kimberly A. Thorner
General Manager

"PERMITTEE"

LA COSTA OAKS COMMUNITY ASSOCIATION

Dated: _____, 20 ____

By: _____

Marty Ignacio, CMCA, AMS, PCAM
General Manager
La Costa Oaks Community Association

ARTERRO

Dated: _____, 20____

By: _____
Andre Koren
Arterro HOA President

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

EXHIBIT "A"
Sheet 1 of 1

Legal Description

LA COSTA OAKS COMMUNITY ASSOCIATION

BEING A SUBDIVISION OF LOTS 173 AND 174 OF CARLSBAD TRACT NO. 99-04-01, VILLAGES OF LA COSTA - LA COSTA OAKS SOUTH, IN THE CITY OF CARLSBAD, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 14379, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, APRIL 29, 2002, AS FILE NO. 2002-0358064 OF OFFICIAL RECORDS

ARTERRO

BEING A SUBDIVISION OF PARCEL 4 OF CARLSBAD MINOR SUBDIVISION No. 04-08, IN THE CITY OF CARLSBAD, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO PARCEL MAP No. 20982, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY ON JULY 11, 2012 AS FILE NO. 2012-0402964

EXHIBIT “B”
Sheet 1 of 2

1. **Encroachment Facilities:**

- A. Please see Exhibit ‘C’ for details regarding type of proposed plantings to be planted in easement.
- B. The DISTRICT will not be responsible for any maintenance or establishment or replacement of any proposed encroachment plantings for the life of the plantings.

2. **Encroachment Area:**

The encroachment facilities encroach upon District Easement No. 632 as shown on Exhibit ‘B’ sheet 2 of 2.

3. **Special Conditions of Encroachment:**

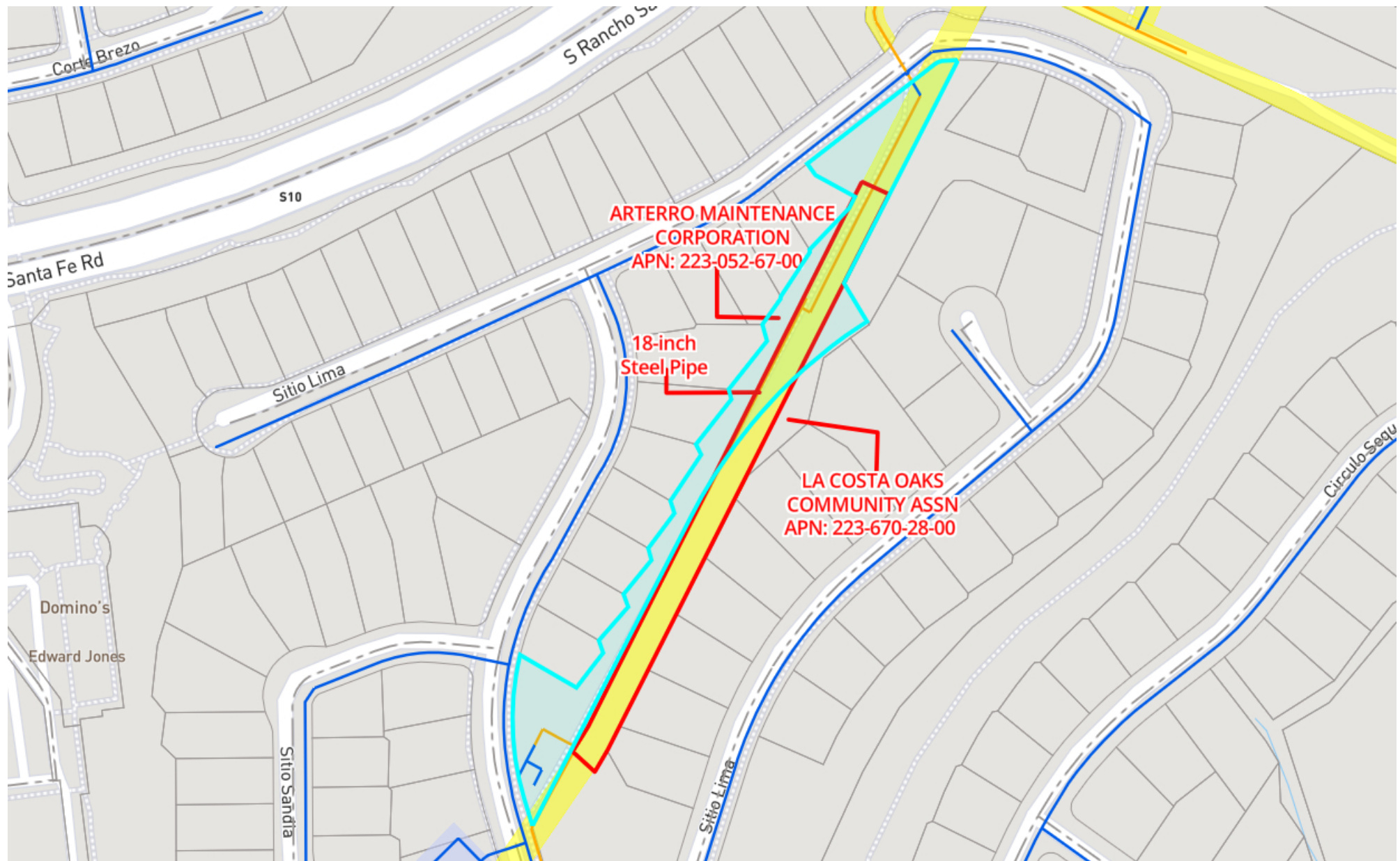
A. No facilities other than those identified in this encroachment permit shall be placed within the DISTRICT’s easement without the DISTRICT’s prior written approval.

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

C. Any landscape material placed within the limits of the DISTRICT’s easement must be 10-feet clear of the water main.

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

Exhibit "B"



1" = 228 ft

Sub Title

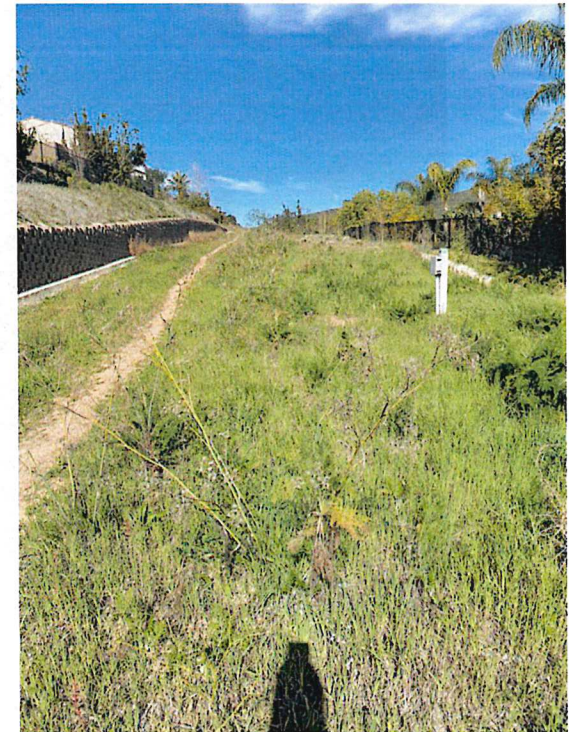
11/30/2022

OLIVENHAIN
Municipal Water District

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

Plan to restore a more native habitat to Arterro/La Costa Oaks Greenbelt

- Greenbelt is currently a mass of invasive/non-native fennel, tumble weeds and grasses
- In cooperation with The Nature Collective and Preserve Calavera, transform the greenbelt to a more native habitat
- Plant all San Diego native species that are drought tolerant once established
- Costs to be covered by me and with grant from Calavera Preserve
- No long-term irrigation needed (short-term would be helpful)



Existing Greenbelt



1,005 Feet Long x 36 Feet (narrowest point) 99 Feet (widest point)

Existing Upper Hill Plants (non-fennel, tumbleweed, grass)

- California Sagebrush
- Coastal Sage Scrub = A mix of CA Sagebrush, Laurel Sumac, CA Buckwheat, Black Sage



Proposed Native Upper Hill Plants (when fully grown)

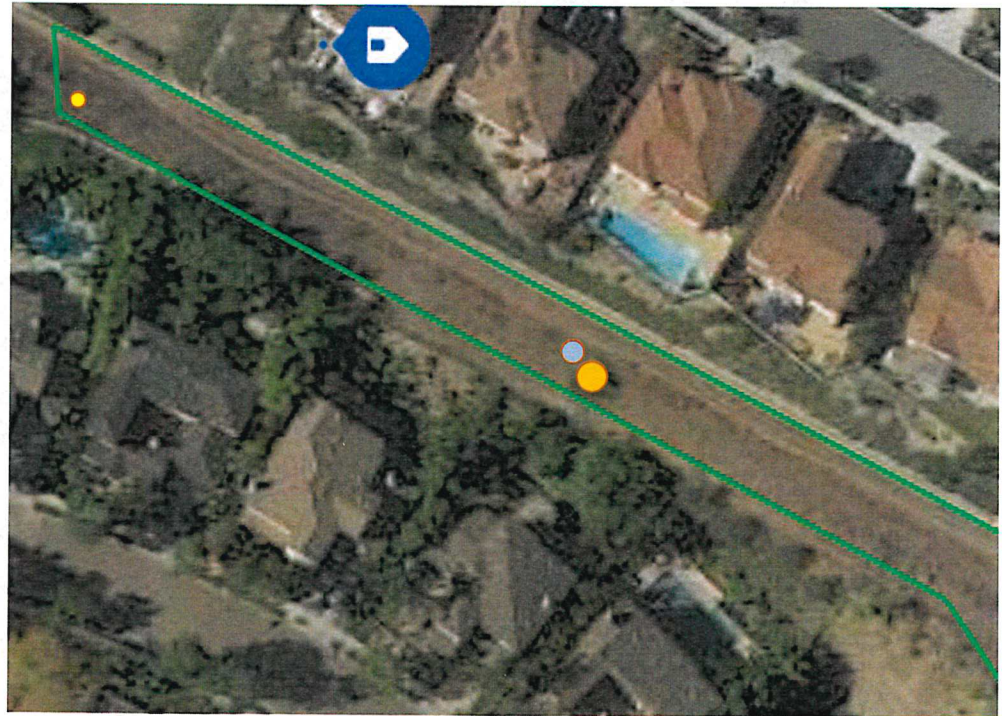
- California Sagebrush (existing)
- Blue Elderberry
- Laurel Sumac
- Mulefat —
- Coast Cholla Cactus
- Mission Manzanita
- Coyote Bush
- Chamise
- Lemonade Berry
- Ramona Lilac —
- Toyon
- Chaparral Mallow —
- Coast Prickly Pear



AREA OF
PIPELINE JOG

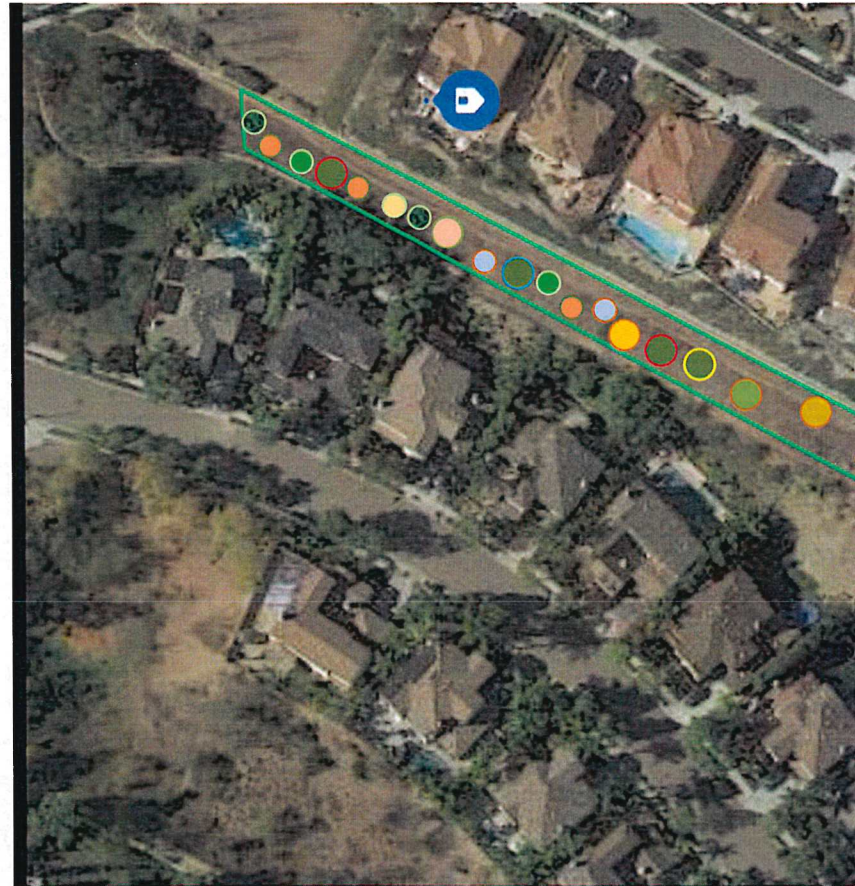
Existing Lower Hill Plants (non-fennel, tumbleweed, grass)

- Golden Wreath Wattle - Invasive
- Blue Elderberry – Native
- Laurel Sumac - Native



Proposed Native Lower Hill Plants (when fully grown)

- Golden Wreath Wattle – Existing Invasive
- Blue Elderberry
- Laurel Sumac
- Mulefat
- Coast Cholla Cactus
- Mission Manzanita
- Coyote Bush
- Chamise
- Lemonade Berry
- Ramona Lilac
- Toyon
- Chaparral Mallow
- Coast Prickly Pear



TO AREA
BURNED
JUNE 2008

Plant identification and Education

- Small plant identification markers would be placed by each new plant species for trail user education
- Each will have a QR code for quick lookup on Calscape.org to learn more



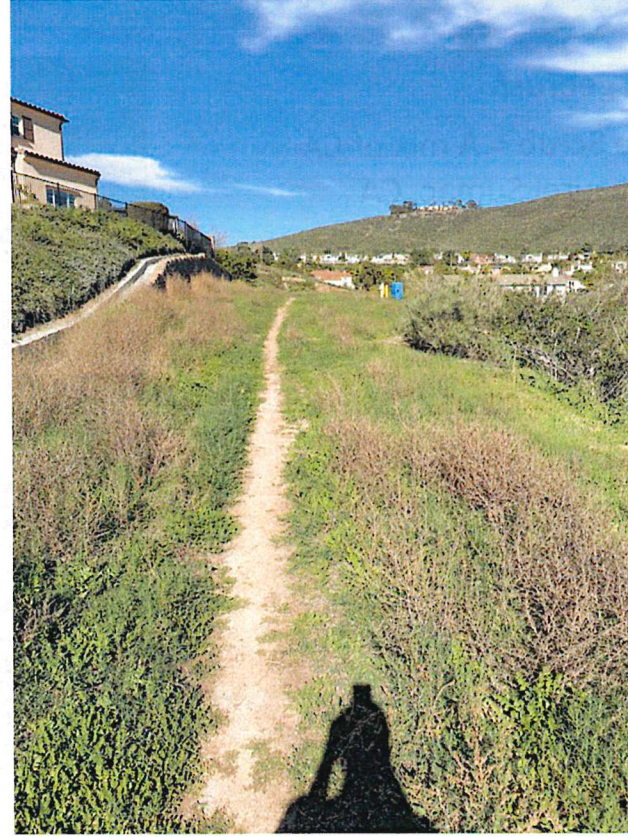
Blueblossom Ceanothus

(*Ceanothus thyrsiflorus*)

Also known as "California Lilac", ceanothus is a family of native evergreen shrubs that grow in our coastal chaparral mountains. It develops beautiful cobalt blue flowers in early spring and is a food plant for our local Swallowtail, Admiral and Tortoiseshell butterfly larvae.



Upper Hill



Lower Hill



Memo

Date: December 14, 2022
To: Olivenhain Municipal Water District Board of Directors
From: Kimberly Thorner, General Manager
Subject: **CONSIDER DISCUSSION OF BOARD OFFICERS AND COMMITTEE ASSIGNMENTS TO TAKE PLACE AT THE JANUARY 2023 BOARD MEETING**

Purpose

The purpose of this agenda item is to discuss the 2023 board positions and consider their subsequent impact on committee assignments. All Officer positions will transition at the January 2023 Board Meeting and the new Board President will then make Committee Assignments at that time for the next two-year period. Division 3 is the next sequential rotation of the office of President.

Recommendation

Staff recommends appointing the Treasurer to the Finance Committee as required by the Administrative and Ethics Code.

Background

At the Board's first meeting in January of each odd-numbered year, in accordance with Section 71273 of the Municipal Water Code as amended, election of officers shall be rotated sequentially by Director Divisions, commencing with the Office of President. Any Board Director not wishing to hold a particular office may pass on filling that position.

If a Board Member passes on filling a particular position, consensus shall be reached on the remaining Board Officer positions to be filled by the Board. If consensus cannot be reached, all remaining Board Officer positions with the exception of President, shall be voted on individually by a majority vote of the board. The office of President shall always rotate sequentially by division. A board member may pass on filling the office of President.

Division 3 is the next sequential rotation of the office of President.

It should also be noted that, while committee assignments are made by the board President, the Treasurer is expected to serve on the Finance Committee by virtue of his/her responsibilities.

Fiscal Impact

N/A.

Discussion

In keeping with the sequential rotation as outlined in the Administrative and Ethics Code, the upcoming rotation (2023) would result in Division 3 assuming the office of President and would result in Director Guerin assuming the position of President. The resulting OMWD officers would then sequentially fall as follows:

<u>Division</u>	<u>Director</u>	<u>New Office</u>
3	Guerin	President
4	Hahn	Vice President
5	Meyers	Treasurer
1	San Antonio	Secretary
2	Watt	Director

The board may choose to vote individually on positions, with the exception of the office of President, if consensus cannot be reached.

The requirements of each position is as follows:

President. It shall be the duty of the President to preside over the meetings of the Board of Directors, and the President shall authenticate all official records of the District where

required by law or as directed by a majority of the Board, and such other duties and responsibilities as required or imposed by law or a majority of the Board of Directors.

Vice-President. The Vice-President shall exercise the powers and duties of the President, if the President is absent or unable to act.

Secretary. The Secretary shall authenticate all official records of the District, and shall maintain in a safe location the official records of the District, certify all records wherever required and where necessary, and perform such other duties and responsibilities as imposed upon the Secretary by law or by a majority of the Board of Directors. In the absence of the Secretary, the duties of the Secretary shall be performed by the Assistant Secretary.

Treasurer. The Treasurer shall be appointed by the Board of Directors and a Deputy Treasurer may also be appointed by the Board of Directors. The Treasurer shall be custodian of all monies deposited in the treasury. The Treasurer shall report to the Board at least monthly the condition of the District's finances. In the absence of the Treasurer, the duties of the Treasurer shall be performed by the Deputy Treasurer. The Treasurer and the Deputy Treasurer shall be bonded in an amount to be determined by the Board of Directors.

Per the Administrative and Ethics Code, the General Manager shall serve as the Assistant Secretary and the Finance Manager shall serve as the Deputy Treasurer.

Staff requests that the board discuss and determine the Board Officer positions at this time. Letterhead with the new positions can then be ordered for the new year, as well as online material and the customer newsletter. Additionally, a resolution changing OMWD's list of authorized signatories and their positions will be presented for board approval at the January 18, 2023 board meeting.

2023-2024 Committee Assignments

The Board should also discuss committee assignments so that the new Board President can make official assignments at the January 18, 2023 board meeting.

Per the Administrative and Ethics Code, each committee will have two board members appointed by the President of the Board. Each committee shall meet at stated times to be agreed upon by the committee and shall consider matters referred to it by the Board, or matters within the scope of its duties, which are presented to it by its members or by

the General Manager. Each committee, having authority only to recommend to the Board, shall carry on its work if two or more of its members are present at the meeting. (The Safety Committee and the Finance Committee have additional members beyond just the two board members per the Administrative and Ethics Code.) A meeting of any committee may be called by the President of the Board at any time for consideration of matters requiring immediate attention.

Each committee shall report to the Board of Directors at the next regularly scheduled Board of Directors' Meeting regarding matters considered at committee meetings, generally under the Assembly Bill 1234 section of the Board Meeting.

The Safety, Personnel, and Finance Committees shall conduct business in Public Session in conformance with the provisions of the Brown Act as amended, Government Code 54950 et. seq. Ad Hoc Committees may be appointed from time to time and shall only meet as necessary. Not more than two Board Directors shall serve on any one committee.

Below is a list of all Standing Committees and PROPOSED Ad Hoc Committee assignments from Director Guerin. A description of the responsibilities of each Committee is included below.

While all of the Standing Committees will have meetings in 2023, the General Manager also expects that those Ad Hoc Committees denoted with ** will have one or more meetings in 2023 based on the anticipated issues and topics facing the District in 2023.

1. Standing Finance Committee – Directors Meyers and Watt

“Admin Code Sec 27.6 provides: All funds of the District and all investments shall be handled in accordance with the adopted financial policies of the District. All signatures for investments and fund transfers established by District Resolutions shall be adhered to by all Board members and employees of the District. The Board shall appoint a Finance committee, comprised of the District’s Treasurer, one Board Member, and Staff members appointed by the General Manager to review and evaluate District investments. The Finance Committee shall evaluate the safety of District investments and review the District finances. The Finance Committee shall make recommendations to the full Board regarding District financial policies and shall make recommendations to the full Board regarding the hiring of external independent auditors. The Finance Department shall provide a financial report to the Board monthly. Any District financial matters of concern

to the Finance Committee shall be reported to the Board at the next scheduled Board meeting.”

2. Standing Personnel Committee – Directors Guerin and Hahn

“Admin Code Sec. 20.4 provides: Board of Directors Personnel Committee. The Board of Directors shall create and maintain a Personnel Committee in accordance with Sec. 2.2. of this Administrative Code. The Personnel Committee shall consider matters referred to it by the Board of Directors, or matters within the scope of its duties, which are presented by its members or by the District’s Employee Relations Officer or his/her designee. The Committee shall have authority only to submit recommendations to the Board of Directors. A meeting may be called at any time for consideration of matters requiring immediate attention.

A. Duties and Functions of the Personnel Committee.

- (1) The form of the District's organization, including the flow of authority and responsibility; salaries, special benefits, hours of work; personnel working conditions, disagreements and problems; the employment of consultants, advisors and specialists and the conditions of their employment.
- (2) The organization and classification of positions, job duties, salaries, employees' organizations, and pension plans.
- (3) The District's Equal Employment Opportunity Policies, Affirmative Action Program and District employee employer relations policies.
- (4) Interviewing and recommending individuals to serve as General Manager, General Counsel, Treasurer, and any other employee who may not be subject directly to the supervision of the General Manager.
- (5) The acknowledgement and honoring of Board Directors, employees, and others for services rendered.
- (6) Changes in the Administrative Code based upon experience and the best administrative practices.”

3. Standing Safety Committee – Directors Hahn and Meyers

“Admin Code Sec. 5.21 provides: Safety Committee. The District shall have a Safety Committee which shall meet bimonthly on the fourth Wednesday of the month. Additional meetings of the Safety Committee may be scheduled as necessary, provided all such additional meetings are properly noticed pursuant to Government Code §54954. The Human Resources Department shall maintain an agenda of safety items to be discussed, shall keep minutes of the action of the Committee, and shall comply with all other requirements for standing committees per Government Code §§54950-54963. The Committee shall be composed of the General Manager or their designee as Chairperson, HR Manager and the Safety/Risk Compliance Administrator as Co-Chairpersons, two Board Directors, one appointed representative by each Employee Association, and one Manager or Supervisor representative (to serve a minimum of a 2 year term) from each of the following departments: Finance, Engineering, Operations, Customer Services, and Supervisors from the satellite facilities of Water Reclamation, Water Treatment Plant, and the Park Operations. Any District employee may have items placed on the Committee agenda and may attend the meeting with the approval of the employee’s supervisor.”

4. Ad Hoc Facilities Subcommittee – Directors Guerin and Watt **

This committee is called on an as needed basis to review major issues and developments on OMWD facilities and construction projects.

5. Ad Hoc Customer Outreach and Conservation Subcommittee – Directors Guerin and San Antonio **

This Committee is called on an as needed basis to review outreach programs to customers and conservation measures. The General Manager anticipates that this committee will meet several times in 2023 due to the current drought and implementation of water use efficiency measures.

6. Ad Hoc Cybersecurity Subcommittee – Directors Hahn and San Antonio **

This Committee meets as needed to review the implementation and needs of the ever-evolving OMWD Cybersecurity Program.

7. Ad Hoc Public Policy Subcommittee – Directors Guerin and Watt

This Committee meets as needed on state and federal legislative issues that affect OMWD as well as major regional issues.

8. Elfin Forest Recreational Reserve (EFRR) Executive Committee – Directors San Antonio and Watt **

The EFRR Executive Committee was created as a result of the 2013 EFRR Strategic Planning process. The Committee provides guidance to staff for EFRR's operations, policy updates, and annual objectives. The committee also provides our partners at the Escondido Creek Conservancy with a forum to contribute to establishing EFRR's strategic priorities. The Committee meets annually (or as needed) and is supported by the EFRR Advisory Committee which meets six times per year. Items brought to the EFRR Executive Committee are typically vetted through the EFRR Advisory Committee prior to being presented to the EFRR Executive Committee. The Committee is traditionally comprised of the OMWD director representing the division in which EFRR is located, one additional OMWD director, OMWD staff (Park Supervisor, Customer Service Manager, Assistant General Manager, and General Manager), two members of the Conservancy's Board of Directors, and the Conservancy's Executive Director.

9. Ad Hoc Insurance Committee – Directors Guerin and Meyers **

This Committee was appointed by President Watt to review insurance programs of OMWD and Director Guerin desires to keep this Committee in place with the upcoming insurance quote and renewal process.

10. San Diego County Water Authority Representative – General Manager Thorner - Current appointment expires August 1, 2026 and was made via Resolution of the OMWD Board in November of 2020. SDCWA is the water wholesaler for the region and OMWD has a seat on their Board as a member agency. General Manager Thorner was recently appointed by the Chair of SDCWA Board to serve as the Chair of the Imported Water Committee, which oversees issues related to importing water into San Diego County from both the Bay Delta and the Colorado River.
11. Association of California Water Agencies (ACWA) Joint Power Insurance Authority (JPIA) Representative – Director Watt with General Manager Thorner as Alternate. Each member of ACWA JPIA is to appoint a representative to the ACWA JPIA Board, which is OMWD's current medical insurance provider. The

ACWA JPIA meets the first day of the ACWA Conference twice per year and generally requires travel to the conferences which are held in various location across the state.

Staff suggests that Director San Antonio would be a wise selection for the EFRR Executive Committee as noted above as the reserve falls within his division.

Other opportunities for Board Member external assignments in the coming year include:

CAL Desal Board of Directors: OMWD recently renewed its dues with this organization and there is an opportunity for a board member or staff to take a seat as a board member on this organization, which meets quarterly. In light of OMWD's brackish groundwater desalination project, participation in this organization will be useful for OMWD. President Guerin could appoint any Board Member desiring to take this position. If no Board Member is interested, the General Manager will send a staff member.

SDLAFCO Special District's Advisory Committee and SDLAFCO Commission: Both of these are elected positions, with elections conducted by LAFCO amongst all the special districts within San Diego County. A nomination from the OMWD board is required in order to run for the election for either the Commission or the Committee. Only a General Manager or Board Member can serve on the Committee and only a Board Member can serve on the Commission itself. Previously, Board Member Sprague served on the Commission for one term until he lost an election. That Commission seat will be open for election in April of 2023, so if any Board Member desires to run for the Commission, staff would commence the necessary nomination forms and bring an item back to the board for approval in early 2023. Currently, General Manager Thorner is completing her fourth term on the Special District's Advisory Committee as Chair of the Committee and her term expires at the end of September 2023. Several positions on the Committee will be open in October of 2023 if any board member desires to run for the Committee, staff will prepare the necessary nomination forms and bring an item back to the board for approval in early 2023.

ACWA Region 10 Board of Directors: As noted in the subsequent Board agenda item, ACWA Region 10 has a vacancy on their Board of Directors. The Region 10 Board is looking for ACWA members who are interested in leading the direction of ACWA Region 10 for the remainder of the 2022-2023 term. The Board is seeking candidates from Region 10 to fill one board vacancy. Per Region 10 Rules and Regulations, the current vacancy must be filled by an ACWA member agency from San Diego County. The leadership of ACWA's ten geographical regions is integral to the leadership of the

Association as a whole. Submissions must be sent in by 5:00 p.m. on December 16, 2022, so the next agenda item is dedicated to this vacancy in case a board member has interest. As it is an appointment process due to a vacancy, and not an election, the candidates will be invited to speak to the ACWA Region 10 Board and will be notified soon thereafter of an appointment.

The Board should discuss their desires for Committee service and appointments with the incoming Board President for CY 2023 and 2024.



Memo

Date: December 14, 2022
To: Olivenhain Municipal Water District Board of Directors
From: Kimberly Thorner, General Manager
Subject: **CONSIDER A RESOLUTION NOMINATING A CANDIDATE AS A MEMBER OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES REGION 10 BOARD OF DIRECTORS**

Purpose

This item is to nominate a candidate by which to fill a vacancy on the Association of California Water Agencies (ACWA) Region 10 Board of Directors for the remainder of the 2022-2023 term.

Recommendation

Though staff would support any board member seeking nomination as a candidate to the ACWA Region 10 Board of Directors, staff does not recommend a specific candidate at this time. Board Members and General Managers are eligible to serve on the ACWA Region 10 Board.

Alternative(s)

The board may choose against nominating a candidate to fill the vacant position on the ACWA Region 10 Board of Directors.

Background

Each of ACWA's ten regional divisions features a board of directors comprised of a chair and vice chair—both of whom also serve on ACWA's statewide board of directors—and up to five board members. Members of the board hold staggered two-year terms. Any ACWA public member agency is eligible to designate a representative for candidacy for their respective region's board.

Fiscal Impact

There are no costs associated with adopting a nomination resolution. Should an OMWD candidate be selected to serve on the Region 10 Board of Directors, the successful candidate is expected to attend board meetings that are held at least quarterly, including at the ACWA spring and fall conferences, for which OMWD is responsible for the cost of travel.

Discussion

ACWA member districts that wish to nominate a candidate for the ACWA Region 10 Board of Directors must submit by December 15 a resolution of support with nomination documentation. Candidates will be invited to a Region 10 special board meeting to offer brief remarks and will be notified of the results shortly thereafter.

Attachments:

- *Draft resolution*
- *Memorandum from ACWA Region 10 Nominating Committee to San Diego County agencies, dated November 16, 2022*

RESOLUTION NO. 2022-XX

RESOLUTION OF THE OLIVENHAIN MUNICIPAL WATER DISTRICT
BOARD OF DIRECTORS PLACING IN NOMINATION (*NOMINEE*) AS A
MEMBER OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES
REGION 10 BOARD OF DIRECTORS

WHEREAS, Olivenhain Municipal Water District is a member district of the Association of California Water Agencies; and

WHEREAS, the Board of Directors of Olivenhain Municipal Water District encourages and supports the participation of its members in the affairs of the Association of California Water Agencies; and

WHEREAS, (*Nominee*) has indicated a desire to serve on the Association of California Water Agencies Region 10 Board of Directors.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Olivenhain Municipal Water District that this district places its full and unreserved support in the nomination of (*Nominee*) to the Association of California Water Agencies Region 10 Board of Directors; and

BE IT FURTHER RESOLVED that the Board of Directors hereby determines that the expenses attendant with the service of (*Nominee*) in Association of California Water Agencies Region 10 shall be borne by Olivenhain Municipal Water District.

PASSED, ADOPTED AND APPROVED at a regular meeting of the Board of Directors of Olivenhain Municipal Water District held on December 14, 2022.

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

ATTEST:

Kimberly A. Thorner, Assistant Secretary
Board of Directors
Olivenhain Municipal Water District

MEMORANDUM

Date: November 16, 2022

To: Region 10 San Diego County Member Agency Presidents and General Managers
(sent via e-mail)

From: ACWA Region 10 Board

The Region 10 Board is looking for ACWA members who are interested in leading the direction of ACWA Region 10 for the remainder of the 2022-2023 term. The Board is seeking candidates from Region 10 to fill one board vacancy. Per Region 10 Rules and Regulations, the current vacancy must be filled by an ACWA member agency from San Diego County.

The leadership of ACWA's ten geographical regions is integral to the leadership of the Association as a whole. The Chair and Vice Chair of Region 10 serve on ACWA's Statewide Board of Directors and recommend all committee appointments for Region 10. The members of the Region 10 Board determine the direction and focus of region issues and activities. Additionally, they support the fulfillment of ACWA's goals on behalf of members.

If you, or someone within your agency, are interested in serving in a leadership role within ACWA by becoming a Region 10 Board Member, please familiarize yourself with the [role of the Regions](#) and the [Region 10 Rules and Regulations](#).

Submit your nomination by completing the following steps:

- **Complete the Nomination Form ([here](#))**
- **Obtain a Resolution of support from your agency's Board of Directors (sample resolution [here](#))**

Submissions must be sent to Sarah Hodge at sarahh@acwa.com by 5:00 p.m. on December 16, 2022

Candidates will be invited to a Region 10 special board meeting to offer brief remarks and will be notified of the results shortly thereafter.

If you have any questions, please contact ACWA Regional Affairs Representative Sarah Hodge at sarahh@acwa.com, or call (916) 669-2384.



REGION BOARD CANDIDATE NOMINATION FORM

Name of Candidate: _____

Agency: _____ Title: _____

Agency Phone: _____ Direct Phone: _____

E-mail: _____ ACWA Region: _____ County: _____

Address: _____

Agency Function(s): (check all that apply)

Wholesale

Sewage Treatment

Flood Control

Urban Water Supply

Retailer

Groundwater Management / Replenishment

Ag Water Supply

Wastewater Reclamation

Other: _____

Describe your ACWA-related activities that help qualify you for this office:

In the space provided, please write or attach a brief, half-page bio summarizing the experience and qualifications that make you a viable candidate for ACWA Region leadership. Please include the number of years you have served in your current agency position, the number of years you have been involved in water issues and in what capacity you have been involved in the water community.

I acknowledge that the role of a region board member is to actively participate on the Region Board during my term, including attending region board and membership meetings, participating on region conference calls, participating in ACWA's Outreach Program, as well as other ACWA functions to set an example of commitment to the region and the association.

I hereby submit my name for consideration by the Nominating Committee.

(Please attach a copy of your agency's resolution of support/sponsorship for your candidacy.)

Signature

Title

Date

Submit completed form to Sarah Hodge at sarahh@acwa.com.

ACWA Region 10 Board 2022-2023 Term

Chair:

**Charles T. Gibson, Santa Margarita Water District
(Orange County)**

26111 Antonio Parkway
Rancho Santa Margarita, CA 92688
Phone: (949) 459-6642
Cell: (949) 485-0658
Email: charlesg@smwd.com
CC Email: kellyr@smwd.com
CC Email : jiml@smwd.com
Position: Board Member

Vice Chair:

**Dana Frieauf, Santa Fe Irrigation District
(San Diego County)**

PO Box 409
Rancho Santa Fe, CA 92067
Phone: (858) 756-2424
Cell: (858) 967-2820
Email: dfrieauf@sfidwater.org
Position: Board Member

Board Members:

**Marice H. DePasquale, Mesa Water District
(Orange County)**

1965 Placentia Avenue
Costa Mesa, CA 92627
Phone: (949) 631-1205
Cell: (949) 433*4261
Email: mariced@mesawater.org
Position: President of Board of Directors

**Jose Martinez, Otay Water District
(San Diego County)**

2554 Sweetwater Springs Blvd
Spring Valley, CA 91978
Phone: (619) 670-2222
Email: jose.martinez@otaywater.gov
Position : General Manager

**George Murdoch, East Orange County Water
District (Orange County)**

1751 Rainbow Drive
Santa Ana, CA 92706
Phone: (714) 538-5815
Cell: (714) 292-1570
Email: gmurdoch@eocwd.com
Position: Board Member

**Richard L. Vasquez, Vista Irrigation District
(San Diego County)**

1391 Engineer Street
Vista, CA 92081
Phone: (760) 597-3128
Cell: (760) 822-3829
Email: richard.vasquez@vidwater.org
Position: Board Vice President

Vacant (San Diego County)

ACWA Region 10 Rules & Regulations

Each region shall organize and adopt rules and regulations for the conduct of its meetings and affairs not inconsistent with the Articles of Incorporation or bylaws of the Association (ACWA Bylaw V, 6.).

Officers

The chair and vice chair shall be from different counties.

At least one of the chair or vice chair positions must be an elected/appointed director from a member agency.

The region board members shall alternate every two years with three from one county and two from the other. The county from which the chair comes from shall have two region board members and the county from which the vice chair comes from shall have three region board members.

The chair will provide the region secretary.

Meetings

The region will hold at least quarterly meetings, including the ACWA spring and fall conferences.

The region chair will determine when and if nonmembers are invited to regional activities or events.

Attendance

If a region chair or vice chair is no longer allowed to serve on the Board of Directors due to his / her attendance, the region board shall appoint from the existing region board a new region officer. (ACWA Policy & Guideline Q, 1.)

If a region chair or vice chair misses three consecutive region board / membership meetings, the same process shall be used to backfill the region officer position. (ACWA Policy & Guideline Q, 1.)

If a region board member has three consecutive unexcused absences from a region board meeting or general membership business meeting, the region board will convene to discuss options for removal of the inactive board member. If the vacancy causes the board to fail to meet the minimum requirement of five board members, the region must fill the vacancy according to its rules and regulations. (ACWA Policy & Guideline Q, 3.)

Elections

All nominations received for the region chair, vice chair and board positions must be accompanied by a resolution of support from each sponsoring member agency, signed by an authorized representative of the Board of Directors. Only one individual may be nominated from a given agency to run for election to

a region board. Agencies with representatives serving on the nominating committees should strive not to submit nominations for the region board from their agency. (ACWA Policy & Guideline P, 2.)

Election ballots will be e-mailed to ACWA member agency general managers and presidents.

The nominating committee shall consist of four persons, two from each county.

The nominating committee shall pursue qualified members within the region to run for the region board and consider geographic diversity, agency size and focus in selecting a slate.

A member of the nominating committee cannot be nominated by the committee for an elected position.

See current region election timeline for specific dates.

Endorsements

ACWA, as a statewide organization, may endorse potential nominees and nominees for appointment to local, regional, and statewide commissions and boards. ACWA's regions may submit a recommendation for consideration and action to the ACWA Board of Directors to endorse a potential nominee or nominee for appointment to a local, regional or statewide commission or board. (ACWA Policy & Guideline P, 3.)

Committee Recommendations & Representation

All regions are given equal opportunity to recommend representatives of the region for appointment to a standing or regular committee of the Association. If a region fails to provide full representation on all ACWA committees, those committee slots will be left open for the remainder of the term or until such time as the region designates a representative to complete the remainder of the term. (ACWA Policy & Guideline P, 4. A.)

At the first region board / membership meeting of the term, regions shall designate a representative serving on each of the standing and regular committees to serve as the official reporter to and from the committee on behalf of the region to facilitate input and communication. (ACWA Policy & Guideline P, 4. B.)

The chair and vice chair will recommend an official alternate for excused committee members.

Tours

ACWA may develop and conduct various tours for the regions. All tour attendees must sign a "release and waiver" to attend any and all region tours. Attendees agree to follow environmental guidelines and regulations in accordance with direction from ACWA staff; and will respect the rights and privacy of other attendees. (ACWA Policy & Guideline P, 6.)

Finances

See “Financial Guidelines for ACWA Region Events” document.

Amending the Region Rules & Regulations

ACWA policies and guidelines can be amended by approval of the ACWA Board of Directors.

The region 10 rules and regulations can be changed at any time with advanced written notice to member agencies.

ACWA Regions provide the grassroots support to advance ACWA's legislative and regulatory agenda.

Background

As a result of ACWA's 1993 strategic planning process, known as Vision 2000, ACWA modified its governance structure from one that was based on sections to a regional-based configuration. Ten regions were established to provide geographic balance and to group agencies with similar interests.

Primary Charge of Regions

- To provide a structure where agencies can come together and discuss / resolve issues of mutual concern and interest and based on that interaction, provide representative input to the ACWA board.
- To assist the Outreach Task Force in building local grassroots support for the ACWA Outreach Program in order to advance ACWA's legislative and regulatory priorities as determined by the ACWA Board and the State Legislative, Federal Affairs or other policy committees.
- To provide a forum to educate region members on ACWA's priorities and issues of local and statewide concern.
- To assist staff with association membership recruitment at the regional level.
- To recommend specific actions to the ACWA Board on local, regional, state and federal issues as well as to recommend endorsement for various government offices and positions.

Region chairs and vice chairs, with support from their region boards, provide the regional leadership to fulfill this charge.

Note: Individual region boards CANNOT take positions, action or disseminate communication on issues and endorsements without going through the ACWA Board structure.

GENERAL DUTIES / RESPONSIBILITIES FOR REGION OFFICERS

Region Chair

- Serves as a member of the ACWA Board of Directors at bimonthly meetings at such times and places as the Board may determine. The Chair will also call at least two Region membership meetings to be held at each of the ACWA Conferences and periodic Region Board meetings.
- Serves as a member of ACWA's Outreach Program, and encourages region involvement. Appoints Outreach Captain to help lead outreach effort within the region.
- Presides over all region activities and ensures that such activities promote and support accomplishment of ACWA's Goals.
- Makes joint recommendations to the ACWA President regarding regional appointments to all ACWA committees.
- Appoints representatives in concurrence of the region board, to serve on the region's nominating committee with the approval of the region board.
- Facilitates communication from the region board and the region membership to the ACWA board and staff.

Region Vice Chair

- Serves as a member of the ACWA Board of Directors at bimonthly meetings at such times and places as the Board may determine. The Vice Chair will also participate in at least two Region membership meetings to be held at each of the ACWA Conferences and periodic Region Board meetings.
- Performs duties of the Region Chair in the absence of the chair.
- Serves as a member of ACWA's Outreach Program, and encourages region involvement.
- Makes joint recommendations to the ACWA president regarding regional appointments to all ACWA committees.

Region Board Member

- Participate in at least two Region membership meetings to be held at each of the ACWA Conferences and periodic Region Board meetings.
- Supports program planning and activities for the region.
- Actively participates and encourages region involvement in ACWA's Outreach Program.
- May serve as alternate for the chair and/or vice chair in their absence (if appointed) to represent the region to the ACWA Board.

REGION MAP



Memo

Date: December 14, 2022
To: Olivenhain Municipal Water District Board of Directors
From: Leo Mendez, Accounting Supervisor
Rainy Selamat, Finance Manager
Via: Kimberly Thorner, General Manager
Subject: **CONSIDER APPROVAL OF THE DISTRICT'S FISCAL YEAR 2021-2022 AUDITED FINANCIAL STATEMENTS AND ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEARS ENDED JUNE 30, 2022 AND 2021 (FINAL DRAFT)**

Purpose

Staff is requesting the Board to consider approval of the fiscal year 2021-2022 audited Financial Statements and the District's fiscal year 2021-2022 Annual Comprehensive Financial Report (ACFR) final draft.

The auditors completed their audit and have provided the District with an unmodified (clean) opinion on the basic Financial Statements. The auditor's opinion letter, audited Financial Statements, and footnote disclosures are included in the attached Fiscal Year 2021-2022 Annual Comprehensive Financial Report (ACFR). The auditors' 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 Watt) at the November 9, 2022 meeting.

Recommendation

Staff recommends the Board consider approval of the fiscal year 2021-2022 audited Financial Statements and Annual Comprehensive Financial Report.

Alternative

The Board may decide not to approve the fiscal year 2021-2022 audited Financial Statements 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 2021-2022 marks the fourth year that the District's Financial Statements have been audited by The Pun Group, LLP.

The District's agreement with The Pun Group, LLP, was extended at the July 2021 Board meeting through Fiscal Year 2022-2023, in-line with the District's Administrative and Ethics Code Section 3.4, which states that the "Board shall give consideration to the employment of a different auditor every 4 to 5 years".

Fiscal Impact

There were no significant audit adjustments during the fiscal year 2021-2022 financial audit. There were also no material weaknesses or significant deficiencies in internal controls noted by the auditors.

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

Discussion

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

As part of their audit, the auditors performed certain audit procedures, observed processes, and noted certain matters for the purpose of expressing their opinion on the financial statements. The auditors' findings are intended to improve the District's

internal controls as well as the integrity of the District's financial reporting. Copies of the auditors' report on internal control and new pronouncements are attached for review.

The District's auditor and staff will be available for discussion. The auditor will present the attached presentation to the Board.

Attachments: **Attachment 1** – Auditors' Letter to the Board
 Attachment 2 – Auditors' Report on Internal Control
 Attachment 3 – Final Draft of FY 2021-2022 Audited Financial Statements and Annual Comprehensive Financial Report for fiscal years ended June 30, 2022 and 2021
 Attachment 4 – Auditors' Presentation to the Board

November 9, 2022

4660 La Jolla 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, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 1, 2022. 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 June 2017, GASB issued Statement No. 87, *Leases* (GASB Statement No. 87), to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It also establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Implementation of this Statement had a significant effect on the District’s financial reporting for 2022.
- In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* (GASB Statement No. 89), to (1) enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) simplify accounting for interest cost incurred before the end of a construction period. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. GASB Statement No. 89 is effective for the District’s fiscal year ending June 30, 2022. Implementation of this Statement did not have a significant effect on the District’s financial reporting for 2022.
- In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Implementation of this Statement did not have a significant effect on the District’s financial reporting for 2022.

- In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. Implementation of this Statement did not have a significant effect on the District's financial reporting for 2022.
- In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Implementation of this Statement did not have a significant effect on the District's financial reporting for 2022.
- In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Implementation of this Statement did not have a significant effect on the District's financial reporting for 2022.

We noted no other new accounting policies were adopted and the application of existing policies was not changed during 2022. 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.

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 9, 2022.

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 auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

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

Other Matters

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

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

Restriction on Use

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

Very truly yours,

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

San Diego, California



4660 La Jolla 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, 2022, 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 9, 2022.

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 may exist that have not been identified.

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.

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

San Diego, California
November 9, 2022



Annual Comprehensive Financial Report

FISCAL YEARS ENDED
JUNE 30, 2022 AND 2021



In Memoriam: Director Robert F. Topolovac



Director Robert (Bob) Topolovac, currently the longest tenured board member, serving on the District's board since August 19, 1999, passed away on October 7, 2022.

During his time on the board, Mr. Topolovac served as Board Secretary and was a past President and past Vice President. He served on the District's Safety, Personnel, Ad Hoc Facilities, Ad Hoc Cybersecurity, and Ad Hoc Public Policy committees. Mr. Topolovac served for over two years as the District's representative to the San Diego County Water Authority (SDCWA), the District's potable water wholesaler. Mr. Topolovac was Past Chair of SDCWA's Legislative, Conservation, and Outreach Committee, a member of its Administrative and Finance Committee, and a past representative of its Recycled Water Committee. From November 2011 through July 2014, Mr. Topolovac tirelessly represented the District's interests at the regional level. Additionally, Mr. Topolovac impacted regional conservation and outreach efforts, most recently initiating the inclusion of water supply infrastructure lessons in SDCWA's school program.

Mr. Topolovac was a tireless proponent of local government's need to protect the environment while tenaciously pursuing alternative, local water supplies. In Mr. Topolovac's own recent words, "I am honored to have served for the past twenty-three years as a member of Olivenhain Municipal Water District's Board of Directors. During my tenure, we have demonstrated our commitment to improving local water supplies by building a 34 million gallons per day membrane water treatment plant and extensively expanding our recycled water supplies, including bringing a 2 MGD recycled water facility online in the 4S Ranch area of San Diego. We partnered with US Bureau of Land Management and SDCWA on the Emergency Storage Project, which included SDCWA's completion of the Olivenhain Dam and Reservoir, which can hold 24,000 acre-feet of water—enough water for a year for 60,000 typical families of four. We also operate SDCWA's Elfin Forest Recreational Reserve, which surrounds the Emergency Storage Project and was enjoyed by 127,489 visitors in 2021."



Annual Comprehensive Financial Report
Fiscal years ended June 30, 2022 and 2021
Prepared by the Finance Department

COVER



The David C. McCollom
Water Treatment Plant

Our Mission

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

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

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



L–R: Alfred Smith, Robert F. Topolovac, Kristie Bruce-Lane, Lawrence A. Watt, Christy Guerin, Kimberly A. Thorner, Neal Meyers

Board of Directors

Lawrence A. Watt, President
Kristie Bruce-Lane, Vice President
Christy Guerin, Treasurer
Robert F. Topolovac, Secretary
Neal Meyers, Director

General Manager

Kimberly A. Thorner, Esq.

General Counsel

Alfred Smith, Esq., Nossaman LLP



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

Table of Contents

Introductory Section	9
Letter of Transmittal	11
Reporting Entity	11
General District Operations	12
California Drought and Recycled Water Expansion	13
Internal Controls	14
Budget Process	14
Designated Fund Balances	15
Contacting the District's Finance Department	15
Certificate of Achievement	15
Organizational Chart	16
District Service Area	17
Acknowledgments	18
Financial Section	19
Independent Auditors' Report	21
Management's Discussion and Analysis	24
Basic Financial Statements	39
Statements of Net Position	39
Statements of Revenues, Expenses, and Changes in Net Position	41
Statements of Cash Flows	42
Notes to the Basic Financial Statements	44
Required Supplementary Information	85
Modified Approach for Steel Water Storage Tanks Infrastructure Capital Assets	85
Schedule of Contributions – Defined Benefit Pension Plans	87
Schedule of Proportionate Share of the Net Pension Liability	88
Statistical Section	91
Contents	93
Table I – Net Position by Component	94
Table II – Changes in Net Position	94
Table III – Revenues by Source	95
Table IV – Expenses by Function	95
Table V – Water Sales by Source	96
Table VI – Rate by Activity	96
Table VII – Principal Water Consumers	97
Table VIII – Principal Wastewater (Sewer) Customers	97
Table IX – Property Tax and Special Assessment	98
Table X – Assessed Value of Taxable Property	98
Table XI – Ratios of Net Bonded Debt to Assessed Value and Net Bonded Debt Per Capita	99
Table XII – Direct and Overlapping Debt	100
Table XIII – Water System Revenue to Debt Service Ratio	101
Table XIV – Reassessment District 96-1 Billing and Collections	101
Table XV – Net Outstanding Long-Term Debt by Type	102
Table XVI – Demographic Statistics	102
Table XVII – San Diego County Principal Employers	103
Table XVIII – Full-time Equivalent Employees by Activity	103
Table XIX – Capital and Operating Indicators by Activity	104



Introductory Section

ANNUAL COMPREHENSIVE
FINANCIAL REPORT



Various photographs taken at the David C. McCollom Water Treatment Plant throughout its 20-year history

November 9, 2022

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, 2022. 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, 2022, 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, 2022, 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, 2018A Wastewater (Sewer) Revenue 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.

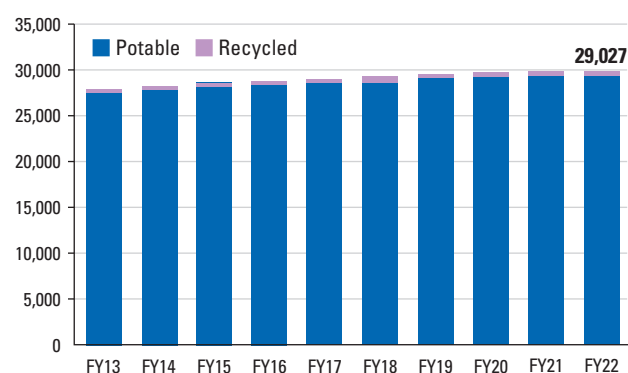
The District is at approximately 95% of its ultimate build-out of approximately 34,400 equivalent dwelling units. For the fiscal year ended June 30, 2022, 69.6% of water delivered was for domestic use, 29.2% for commercial and irrigation use (including construction and recycled water), and 1.2% for agricultural 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 Rancho Santa Fe Community Services District and City of San Diego.

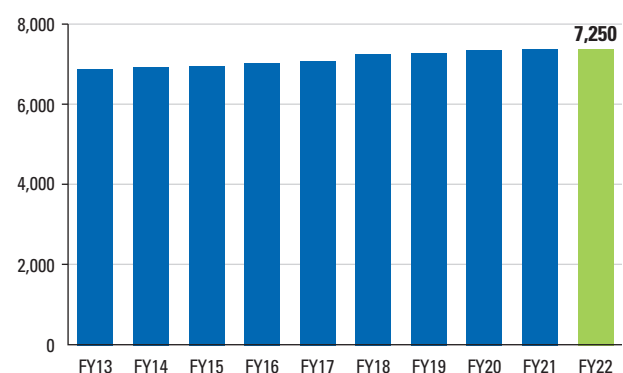
The District also sells recycled water in the northwest of its service area. To meet recycled water demand in the northwest, the District has entered into recycled water purchase agreements with Vallecitos Water District and San Elijo Joint Powers Authority. Recycled water in the northwest is delivered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

During the fiscal year ended June 30, 2022, the District billed 17,417 acre-feet (AF) of potable water through 28,713 active potable water meters and 2,774 AF of recycled water through 314 active recycled meters. The District provided wastewater collection services to 7,250 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



California Drought and Recycled Water Expansion

Drought conditions continue to grip California. The National Weather Service is predicting the continuation of above-average temperatures and below-average precipitation throughout much of the Western United States. A third consecutive La Niña climate pattern predicted by the National Oceanic and Atmospheric Administration (NOAA) could mean critical rain and snowstorms will miss California over the winter. Water supplies from the Colorado River are similarly threatened, with reservoir levels at historic lows. For example, Lake Mead's water level is at its lowest since the lake was first filled in the 1930s. US officials have already cut supplies to Arizona, Nevada, and Mexico in 2022, and have warned that reductions may become necessary in 2023 with even less water available. Metropolitan Water District of Southern California is considering regionwide allocations in 2023.

As a result, Sacramento policymakers are bracing for a fourth consecutive year of drought. In May 2022, California's State Water Resources Control Board adopted an emergency water conservation regulation requiring that all urban water suppliers in California implement Level 2 water use reduction actions outlined in their Water Shortage Contingency Plan. In August, Governor Newsom announced a new water supply strategy focused on accelerating infrastructure projects that would better prepare California for perpetual years of drought. The new plan focuses resources on the development of new water supplies, expanding water storage capacity, increasing water use efficiency, and improving methods to manage water through technology. In September, Governor Newsom signed Senate Bill 1157, which lowers the standard for indoor residential water to 42 gallons per capita daily. If water supply conditions do not improve in the coming months, Governor Newsom has indicated the possibility that mandatory statewide water use prohibitions will be implemented in 2023. San Diego County Water Authority, the county's wholesale water supplier, confirmed that San Diego county has adequate potable water supplies to meet current and future potable water demand. Supplies are available to meet anticipated demands in 2023 and beyond.

To continue to offset its imported water demands, the District has worked aggressively to expand the use 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 the District provides leadership. To date, the Coalition has received approximately \$5.0 million in Proposition 84 funding, and individual Coalition members have secured additional funds via Proposition 1. These funding sources have contributed \$1.4 million to the District's Manchester Avenue Recycled Water Project, which is currently under construction. Further, the Coalition has achieved \$23.9 million in funding from the US Bureau of Reclamation via the Title XVI Water Reclamation and Reuse Program, which has been used to finance qualified Coalition projects.

The District is also exploring groundwater as a potable water source, having completed a brackish groundwater desalination feasibility study in the San Dieguito Valley basin. The goal of this facility would be to produce at least one million gallons per day of potable water. The District was awarded \$650,000 in grant funding from California's Department of Water Resources and \$175,000 in funding from MWD's Future Supply Funding Program to facilitate the design and construction of a test well in San Dieguito Valley. The results of the one-year pump test were favorable and further confirmed that this project is feasible and will have minimal impact on the greater basin. The District also completed an economic analysis with favorable results. The District is now conducting project studies intended to inform the decision to potentially move forward with an additional hydrogeologic investigation, siting analysis, and confirmation of water rights.

Meanwhile, the District will continue with its conservation outreach and education programs to help its customers conserve water during an on-going drought in order to meet State Water Resource Control Board requirements and water use objectives for retail water agencies.

More information on how the drought could potentially impact the District's finances and future rates can be found in the Management's Discussion and Analysis section of this report.



Construction of the Manchester Avenue recycled water pipeline

Internal Controls

District Management is responsible for establishing and maintaining a system of internal controls designed to safeguard District assets from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in accordance with generally accepted accounting principles. The internal control structure is designed to provide reasonable assurance that these objectives are met. When establishing or reviewing controls, management must recognize that the cost to implement a control should not exceed the benefits likely to be derived, and that in order to assess cost versus benefit, estimates and judgment on the part of management will be required. All internal control evaluations occur within the above framework. Management believes the current system of internal controls adequately safeguards District assets and provides reasonable assurance that accounting transactions are properly recorded.

Budget Process

The District has a multi-year operating and capital budget that is approved by the board in June of every other year (biennial budget). The District's Budget is used as a management tool for estimating and planning District revenues and expenditures based on historic and current financial information. Having a two-year budget allows the District to redeploy resources to other activities other than budget preparation, such as putting more emphasis into the budget monitoring process, and promotes a longer-term view to see and measure results greater than a 12-month period. The Finance Department prepares estimates for departmental review. Department managers review and revise the estimates. All managers meet several times to discuss the budgets, after which there is a final review by the General Manager prior to submittal to the Board of Directors for their consideration.

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

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

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

Designated Fund Balances

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

To ensure adequate funding to meet the District's short-term and long-term planned capital expenditures and its commitment to the community, the maximum target balance of the District's designated fund balance for capital and equipment for water operations has been adjusted so as not to exceed five fiscal years of approved planned capital expenditures.

Contacting the District's Finance Department

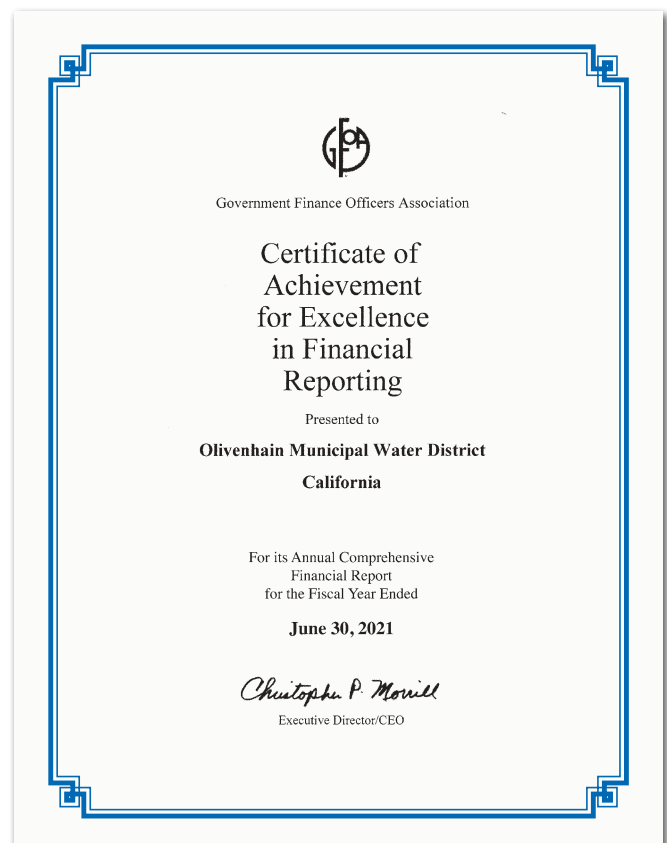
This financial report is designed to provide the board, customers, creditors and investors with a general overview of the District's financial condition. Should you have any questions regarding the content of this report, please contact Rainy Selamat, OMWD Finance Manager, at (760) 753-6466.

Certificate of Achievement

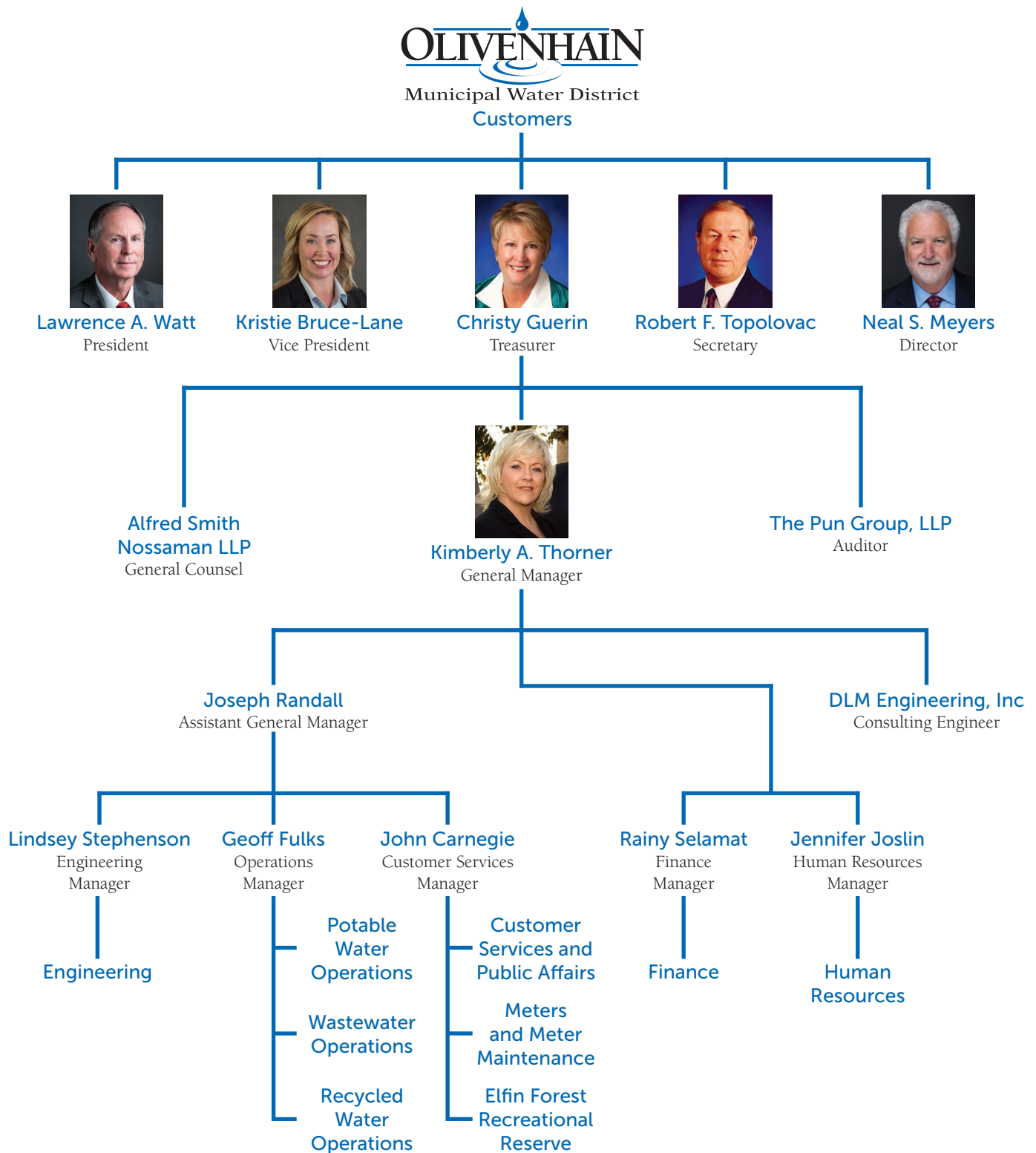
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Olivenhain Municipal Water District for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021. This was the 27th consecutive year that the District has received this prestigious award.

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

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

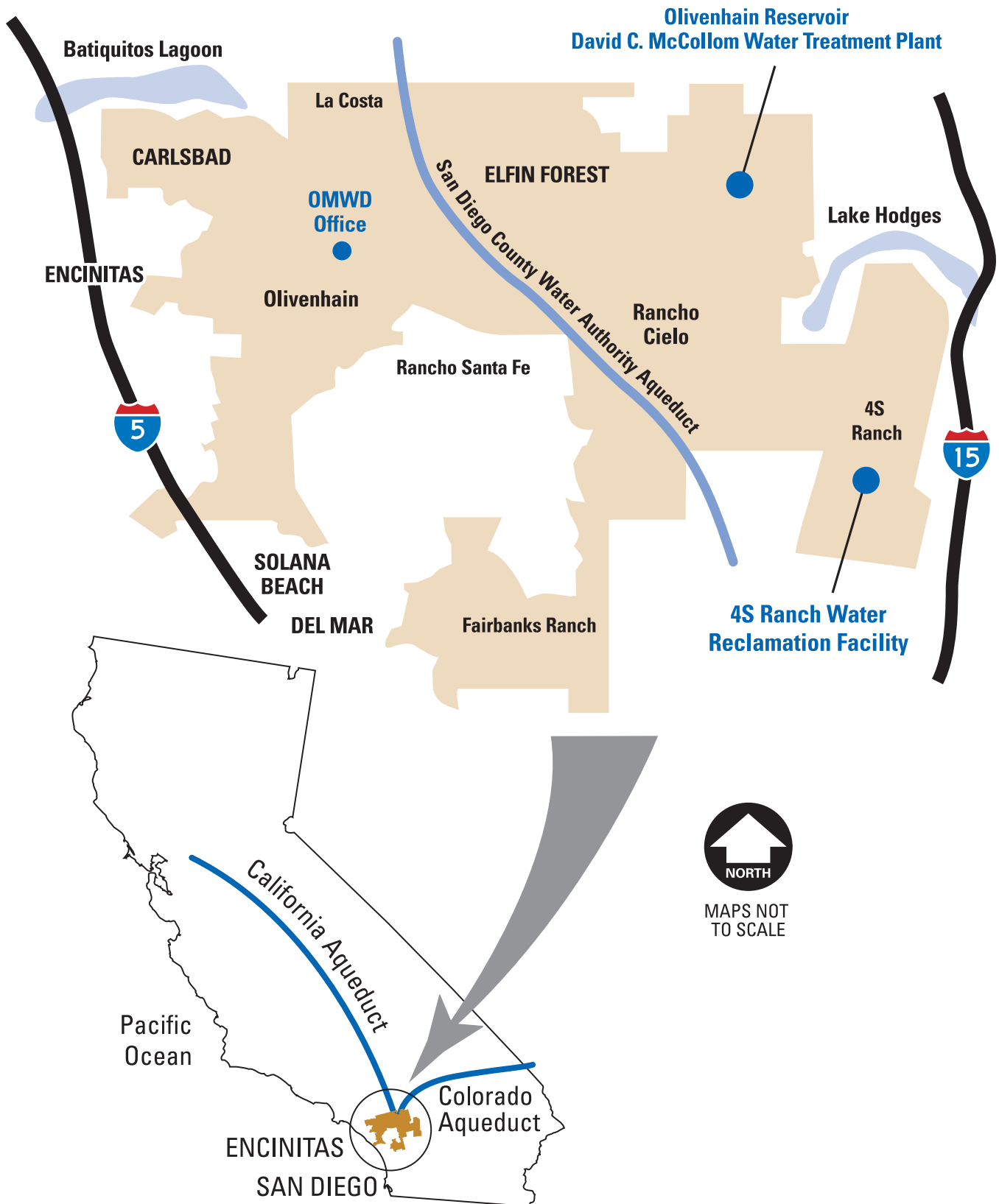


Organizational Chart



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

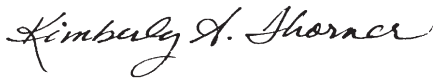
District Service Area



Acknowledgments

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

Respectfully Submitted:

Handwritten signature of Kimberly A. Thorner in black ink.

Kimberly A. Thorner, Esq.
General Manager

Handwritten signature of Rainy K. Selamat in black ink.

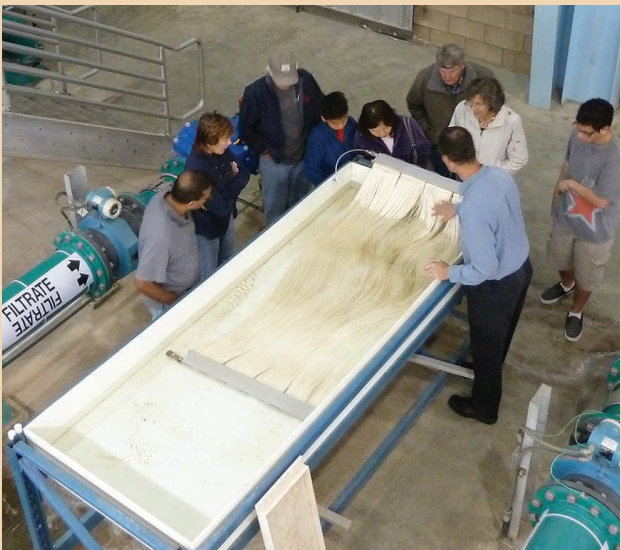
Rainy K. Selamat
Finance Manager



Financial Section

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

Interior view of the David C. McCollom Water Treatment Plant



Various photographs taken at the David C. McCollom Water Treatment Plant throughout its 20-year history



INDEPENDENT AUDITORS' REPORT

Board of Directors
Olivenhain Municipal Water District
Encinitas, California

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, 2022 and 2021, 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 basic 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, 2022 and 2021, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's 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

Required Supplementary Information

As described in Note 1H and 1V to the financial statements, the District implemented GASB Statement No. 87, *Leases*. The implementation of GASB Statement No. 87 requires the District to record leases receivable and corresponding lease-related deferred inflows of resources for all leases 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.

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www.pungroup.com

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 auditor's 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 GAAS 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 generally accepted 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.

Other Matters

Required Supplementary Information

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

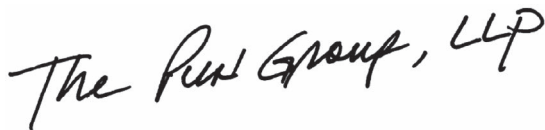
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory and Statistical Sections but does not include the basic financial statements and our auditor's 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 9, 2022 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 PwC Group, LLP

San Diego, California
November 9, 2022

Management's Discussion and Analysis

Fiscal Year Ended June 30, 2022

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, 2022. Included in this section are:

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

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

Financial Highlights

During the fiscal year ended June 30, 2022 the following events impacted, or create the potential to impact, the finances of the District:

- On October 27, 2021, the District issued Wastewater (Sewer) Revenue Bonds, Series 2021A in the amount of \$5,042,140 to pay for new wastewater capital improvements. On the same date, 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 at a lower interest rate. 2021A and 2021B bonds were issued through a private placement financing process.
- The District and its employee association groups negotiated and executed a new Memorandum of Understanding (MOU) for five (5) years. The new MOU went into effect January 2022.
- On February 16, 2022, the District's Board of Directors approved a 4.3% 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, 2022.
- In May of 2022, Fitch reviewed and reconfirmed the District's AAA bond rating on the 2015A and 2016A Water System Refunding Revenue Bonds.
- In June of 2022, the District's Board of Directors adopted a Pension Funding Policy to address the District's pension costs and Unfunded Accrued Liability (UAL).
- The District's Board of Directors approved a 3% increase to the District's wastewater (sewer) rates and charges effective July 1, 2022, consistent with the sewer rate ordinance adopted by the board in May 2021.
- Total Revenues decreased in comparison to the prior year due to fluctuations in the District's water demand from changes in weather conditions and as a result of large unrealized losses on investments compared to prior years. Decreases to Other Non-Operating Revenues compared to the prior year are due to large refund payments received from the Metropolitan Water District that were recognized in fiscal year 2021, and the selling of a District parcel of land in the same year (Gaty).
- Total Expenses increased primarily due to the increased cost to purchase water from the District's potable and recycled water suppliers and increased operational costs related to labor, benefits, and supplies.
- Total Assets increased primarily due to unspent bond proceeds from the issuance of the 2021A Wastewater (Sewer) Revenue Bonds that were issued in fiscal year 2022. The bond proceeds will be used for the District's wastewater (sewer) rehabilitation and betterment projects. See Note 8 to the financial statements for more information on the new debt issuances. The increase in Total Assets was partially offset by a decrease in Net Capital Assets due to depreciation, which decreased the carrying value of the District's Capital Assets.

Management's Discussion and Analysis (continued)

Financial Highlights (continued)

- Deferred Outflows of Resources decreased from 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 decreased due to a decrease 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.
- Deferred Inflows of Resources increased from the prior year also due to CalPERS actuarial assumptions and GASB Statement No. 68 reporting requirements. The District's recognition of additional lease receivables for leases of land to comply with GASB Statement No. 87 – Leases also attributed to the increase over 2021. 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.
- The District's Net Position as of June 30, 2022 decreased slightly by \$111 thousand compared to fiscal year 2021. The slight decrease was primarily due to a large unrealized loss recognized in 2022 for the District's investments. During fiscal year 2022, short term U.S. treasury yields increased, and the fair market value of existing investments held by the District decreased, resulting in unrealized losses. Since the existing holdings are held to maturity and are highly rated securities, the District does not expect to realize the losses. A decrease in the carrying value of the District's capital assets from year-to-year depreciation also contributed to this slight decrease in net position.
- The District adopted GASB Statement No. 87, "Leases," GASB Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period," GASB Statement No. 92 "Omnibus," GASB Statement No. 93, "Replacement of Interbank Offered Rates," GASB Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 87, and a Suppression of GASB Statement No. 32," and GASB Statement No. 101, "Compensated Absences."

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.

Management's Discussion and Analysis (continued)

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?"

Management's Discussion and Analysis (continued)

Financial Analysis of the District as a Whole (continued)

Highlights of Statement of Net Position

	Fiscal Year ended June 30		
	2022	2021	2020
Current Assets – unrestricted	\$ 93,308,859	\$ 91,582,199	\$ 83,453,494
Current Assets – restricted	12,899,002	7,333,291	8,395,922
Capital Assets, net	375,023,442	381,987,256	386,472,114
Noncurrent Assets – unrestricted	9,955,712	7,188,378	—
Other Noncurrent Assets	35,463	82,997	134,183
Total Assets	491,222,478	488,174,121	478,455,713
Deferred Amounts on Refunding	1,016,228	1,191,088	1,381,668
Deferred Amount from Pension	2,731,692	3,585,712	3,368,573
Total Deferred Outflows of Resources	3,747,920	4,776,800	4,750,241
Current Liabilities – unrestricted	14,158,293	13,721,685	14,875,300
Current Liabilities – restricted	158,941	211,991	1,803,176
Compensated Absences, long-term	939,187	916,576	719,612
Net Pension Liability	7,819,768	14,608,845	13,760,679
Long-term Debt	47,776,080	48,280,027	53,252,734
Total Liabilities	70,852,269	77,739,124	84,411,501
Deferred Amount on Pension	6,995,887	425,243	722,696
Deferred Amount on Leases	9,796,852	7,350,346	—
Total Deferred Inflows of Resources	16,792,739	7,775,589	722,696
Net Investment in Capital Assets	328,824,196	330,855,961	330,720,795
Restricted Net Position	7,727,859	7,121,300	6,592,746
Unrestricted Net Position	70,773,335	69,458,948	60,758,217
Total Net Position	\$ 407,325,390	\$ 407,436,209	\$ 398,071,758

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

Current Assets – unrestricted: an increase in fiscal year 2022 compared to 2021, and an increase in 2021 compared to 2020. The increases were 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, settlement proceeds received from the Metropolitan Water District (MWD), and proceeds from the sale of a District parcel of land (Gaty).

Current Assets – restricted: an increase in fiscal years 2022 compared to 2021 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. The decrease in 2021 compared to 2020 was due to a 2021 increase in cash spent on the District's significant Construction in Progress (CIP) projects, including the Administration Building Improvement (Building D), the San Elijo Valley Groundwater, and the El Camino Real Pipeline replacement projects.

Capital Assets, net: a decrease between fiscal years 2022 and 2021, and a decrease between fiscal years 2021 and 2020. 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 put in service. See Note 6 of the District's financial statements for more details on the District's capital assets.

Management's Discussion and Analysis (continued)

Financial Analysis of the District as a Whole (continued)

Noncurrent Assets – unrestricted: an increase between fiscal years 2022 and 2021, and an increase between fiscal years 2021 and 2020. These increases were due to the District's implementation of Governmental Accounting Standards Board Statement (GASB) No. 87 – Leases, which required 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 agreements for cell tower sites, which generate other non-operating revenue for the District. The District implemented GASB 87 starting in fiscal year 2021, and the receivable increased in 2022 due to the extension of lease agreements, which increased the recorded noncurrent asset.

Other Noncurrent Assets: a decrease between fiscal years 2022 and 2021, and decrease between fiscal years 2021 and 2020. 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.

Deferred Outflows of Resources: In 2022, the District had Deferred Outflows of Resources of \$3.7 million, a decrease of \$1.0 million compared to fiscal year 2021. In 2021, the District had Deferred Outflows of Resources of \$4.7 million, a decrease of \$1.0 million compared to fiscal year 2020. A portion of the change in the District's Deferred Outflows was from pension amounts that vary from year-to-year due to changes in pension contributions subsequent to the measurement date, differences in actual and expected experience, 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 a deferred loss on refunding for the Water System Revenue Bonds (\$1.0 million and \$1.2 million in 2022 and 2021, respectively). 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 2022 and 2021, and a decrease between fiscal years 2021 and 2020. The increase in fiscal year 2022 compared to 2021 was due to an increase in the current portion of long-term debt from the issuance of new Wastewater Revenue Bonds during fiscal year 2022. The decrease between fiscal years 2021 and 2020 is due to a decrease in the District's payables related to large Construction in Progress (CIP) projects and payables related to purchases for District operations.

Current Liabilities – restricted: decreased in fiscal year 2022 compared to 2021, and significantly decreased in fiscal year 2021 compared to 2020. The decreases were due to the payment of restricted payables related to the District's large construction projects. The significant decrease in 2021 compared to 2020 included payments for payables related to the District's Administration Building Improvement Project (Building D). Construction of the Building D project commenced in fiscal year 2019 and was completed in fiscal year 2021.

Compensated Absences, long-term: increased in fiscal year 2022 compared to fiscal year 2021, and increased in fiscal year 2021 compared to fiscal year 2020. The increase is primarily due to increases in accrued benefits from new labor MOU. 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.

Net Pension Liability: a decrease of \$6.8 million in 2022 compared to fiscal year 2021 and an increase of \$848 thousand in fiscal year 2021 compared to 2020. Net Pension Liability is reported at \$7.8 million for fiscal year 2022 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 was calculated by CalPERS based on CalPERS actuarial assumptions. CalPERS reported a significant return from investments in their fiscal year 2022 actuarial report. The District's Net Pension Liability was \$14.6 million and \$13.7 million for fiscal years 2021 and 2020, respectively.

Management's Discussion and Analysis (continued)

Financial Analysis of the District as a Whole (continued)

Long-term Debt: a slight decrease in fiscal year 2022 compared to 2021 and a decrease in fiscal year 2021 compared to 2020. The decreases were due to the District's regular payments on outstanding debt. The Long-Term Debt section doesn't contain the "current" amounts; thus, it will always decrease by the following years' payments on outstanding loans. Long-term Debt decreased only slightly between 2022 and 2021 due to the issuance the new 2021A and 2021B bonds during fiscal year 2022. 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 \$16.8 million in fiscal year 2022, an increase of \$9 million compared to 2021. The District had Deferred Inflow of Resources of \$7.8 million in fiscal year 2021, an increase of \$7.0 million compared to fiscal year 2020. The increase in fiscal year 2022 compared to 2021 was due to an increase the deferred inflows on 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. The increase in 2021 compared to 2020 was primarily due to the District's 2021 implementation of GASB 87 – Leases. GASB 87 requires that the District recognize a deferred inflow of resources for the District's leases, which are primarily composed of cell tower sites.

Total Net Position: decreased slightly between fiscal years 2022 and 2021 by \$111 thousand. Total Net Position increased in fiscal year 2021 compared to fiscal year 2020. The slight decrease between 2022 and 2021 was primarily due to the large unrealized loss recognized in 2022 for the District's investments as a result of rising treasury yields, which decreased the fair market value of existing investments. A decrease in the carrying value of the District's capital assets from year-to-year depreciation also contributed to this slight decrease in net position. The Net Position increase between 2021 and 2020 was primarily due to an increase in water sales, capacity fee charges, and other non-operating revenues received from the sale of the District's Gaty parcel and the Metropolitan Water District (MWD) legal settlement.

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 services). Non-operating revenues and expenses (investment income, property taxes, and capacity charges) are not directly related to the core activities of the District.

Water Operations

During fiscal year 2022, the District provided potable water and recycled water services to 29,027 active meters. Water services include reading and billing water meters on a monthly basis, a back-flow prevention program, meter maintenance, water quality services, and other on-site services as requested by District customers, including testing meters for accuracy and checking for water leaks.

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

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

Management's Discussion and Analysis (continued)

Water Operations (continued)

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 \$3.68 to \$7.09 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 \$40.41 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.

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) per month. 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 7,250 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. The recycled commodity rate is currently billed at \$3.79 per unit (one unit equals 748 gallons of water).

Management's Discussion and Analysis (continued)

Recycled Water Operations (continued)

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 Home Owners' Associations' (HOA) that retrofit their potable water irrigation system to recycled water.

Management's Discussion and Analysis (continued)

Statements of Revenues, Expenses and Changes in Net Position

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

	Fiscal Year ended June 30		
	2022	2021	2020
REVENUES			
Operating Revenues:			
Water Sales	\$ 57,747,541	\$ 58,169,813	\$ 50,430,847
Sewer Charges	5,480,925	5,127,136	4,952,194
Other Operating Revenues	1,303,126	1,461,229	2,200,252
Total Operating Revenues	<u>64,531,592</u>	<u>64,758,178</u>	<u>57,583,293</u>
Non-operating Revenues:			
Property Tax Revenues	4,242,794	4,027,357	3,863,252
Capacity Charges	1,530,925	2,754,730	3,200,022
Benefit Assessment Revenues	1,058,241	1,177,302	1,115,704
Investment Income	402,702	454,962	1,227,969
Fair Market Value Adjustment	(2,467,642)	(562,019)	314,639
Other Non-operating Revenues	2,237,334	6,592,672	91,836
Total Non-operating Revenues	<u>7,004,354</u>	<u>14,445,004</u>	<u>9,813,422</u>
Total Revenues	<u>71,535,946</u>	<u>79,203,182</u>	<u>67,396,715</u>
EXPENSES			
Operating Expenses:			
Cost of Water Sold	31,265,804	30,601,983	27,188,350
Depreciation	16,075,980	15,559,523	15,029,936
General and Administrative	7,774,311	7,041,160	7,326,820
Pumping and Water Treatment	4,322,820	4,378,418	4,139,526
Transmission and Distribution	4,485,962	4,220,269	4,090,468
Sewer Collection and Treatment	2,170,341	2,085,237	1,980,603
Customer Services	2,067,655	2,348,700	2,404,916
Facilities Maintenance	1,387,010	1,363,564	1,456,702
Elfin Forest Recreational Reserve	428,174	415,386	381,540
Other Operating Expenses	304,037	228,939	329,185
Total Operating Expenses	<u>70,282,094</u>	<u>68,243,179</u>	<u>64,328,046</u>
Non-operating Expenses:			
Interest Expense, net	1,327,814	1,419,009	1,457,739
Other Non-operating, net	606,602	1,076,547	1,458,033
Total Non-operating Expenses	<u>1,934,416</u>	<u>2,495,556</u>	<u>2,915,772</u>
Total Expenses	<u>72,216,510</u>	<u>70,738,735</u>	<u>67,243,909</u>
Income (loss) Before Capital Contributions	(680,564)	8,464,447	152,897
Capital Contributions	569,745	899,998	3,236,226
Changes in Net Position	(110,819)	9,364,445	3,389,123
Beginning Net Position	407,436,209	398,071,764	394,682,641
Ending Net Position	<u>\$ 407,325,390</u>	<u>\$ 407,436,209</u>	<u>\$ 398,071,764</u>

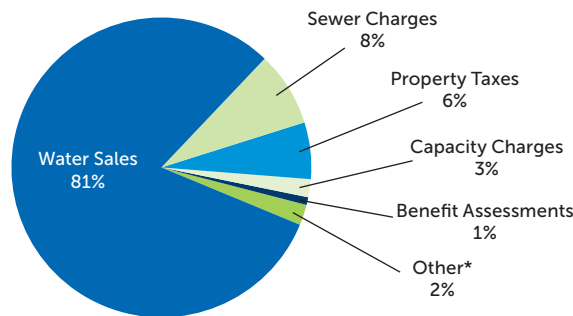
Management's Discussion and Analysis (continued)

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

Revenues

Sources of Revenues

Fiscal Year Ended June 30, 2022



*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, 2022, Total Revenues were \$71.5 million, a 9.7% decrease compared to fiscal year 2021. Total Revenues in fiscal year 2021 compared to 2020 were \$79.2 million, a 6% increase compared to fiscal year 2020. 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 in Other Non-operating Revenue was due to gain on sale from selling of District's parcels to pay a portion of the administrative and building improvement project costs (Building D) and the settlement proceeds from the Metropolitan Water District of Southern California (MWD). These items were recognized as revenue in fiscal year 2021. The increase in 2021 compared to 2020 was due to the sold parcel and settlement, and an increase in customers' water consumption.

Operating Revenues: Slightly decreased between fiscal years 2022 and 2021 due to lower water consumption. This decrease in water consumption was offset by the 4.3% revenue adjustment to 2022 water rates and charge. Operating Revenues increased in fiscal year 2021 compared to fiscal year 2020 due to higher water consumption in fiscal year 2021 compared to 2020. 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 from 2021 and 2020 due to increases in sewer rates and charges by 2% and 3% respectively.

Other Operating Revenues: decreased in fiscal year 2022 compared to 2021 and decreased in fiscal year 2021 compared to 2020. The decrease is due to lower sales in treated water services sold from the David C. McCollom Water Treatment Plant (DCMWTP) to other agencies and fluctuations in the revenue recognized during the fiscal year for deposits collected for billable work for others.

Non-operating Revenues: decreased in fiscal year 2022 due to an increase in unrealized losses on investments. 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 does not expect to realize the losses because the existing holdings are held to maturity and they are highly rated securities. The decrease is also due to a decrease in capacity fee receipts from a slowing down 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. The recognition of revenue for these two items are also the primary reason for the increase in Non-operating Revenues in 2021 compared to 2020. Fluctuations in the amounts collected from the District's property tax revenues, capacity charges from developers, and benefit assessment revenues from the 96-1 Reassessment District Limited Obligation Improvement Bonds also contributed to the changes in Non-operating Revenues over the years.

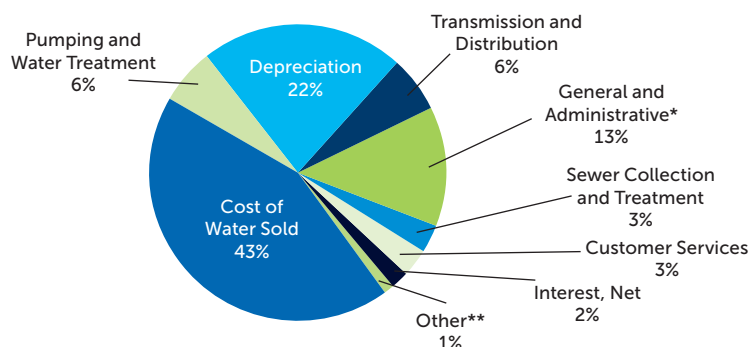
Management's Discussion and Analysis (continued)

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

Expenses

Sources of Expenses

Fiscal Year Ended June 30, 2022



*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, 2022 reported expenses were \$72.2 million. Included in Total Expenses were \$70.3 million in Operating Expenses and \$1.9 million in Non-operating Expenses. Total Expenses reported in fiscal years 2021 and 2020 were \$70.7 and \$64.3 million, respectively.

Operating Expenses: increased in fiscal year 2022 compared to fiscal year 2021 and increased in fiscal year 2021 compared to fiscal year 2020. This increase was primarily due to the increased cost to purchase water from the District's potable and recycled water suppliers. The District also experienced increased costs for chemicals and materials related to its operations as a result of rising inflation. The increase in costs across fiscal years 2022, 2021, and 2020 are also due to 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 increases in the San Diego CPI.

Other Non-operating Expenses, net: decreased in fiscal years 2022 compared to fiscal year 2021 and decreased in fiscal year 2021 compared to fiscal year 2020. These differences primarily resulted from the fluctuations in the recorded losses on the disposal of capital assets that were retired earlier than their placed in service date.

Income (Loss) Before Capital Contributions & Capital Contributions

Income (loss) before Capital Contributions: decreased in fiscal year 2022 compared to fiscal year 2021 and increased in fiscal year 2021 compared to fiscal year 2020. These fluctuations were primarily due to changes in water sales, and 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. Fiscal year 2022 income also decreased due to an increase in unrealized losses on investments and a decrease in capacity fees collected.

Capital Contributions: decreased in fiscal year 2022 compared to fiscal year 2021, and decreased in fiscal year 2021 compared to fiscal year 2020 due to fluctuations in contributed assets received from major developers. At 95% build out, the District had fewer contributed assets in fiscal year 2022 compared to 2021 and 2020.

Changes in Net Position

Changes in Net Position for the fiscal year ended June 30, 2022, amounted to a decrease of \$110 thousand. The Changes in Net Position for the fiscal years ended June 30, 2021, and June 30, 2020, amounted to an increase of \$9.4 million and an increase of \$3.4 million, respectively. The fluctuations over the last three fiscal years were primarily attributed to the aforementioned 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 also contributed to the change in Net Position.

Management's Discussion and Analysis (continued)

Restrictions, Commitments, and Limitations

Capital Assets and Improvement Program

Condensed Schedule of Capital Assets

Description	As of June 30, 2022	As of June 30, 2021	As of June 30, 2020
Capital Assets, net of depreciation	\$ 336,597,401	\$ 340,390,744	\$ 329,339,416
Land and Steel Tanks	30,866,760	30,866,760	31,000,564
Construction in Progress	7,559,275	10,729,766	26,132,135
Net Capital Assets	<u>\$ 375,023,436</u>	<u>\$ 381,987,270</u>	<u>\$ 386,472,115</u>

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

The District's Net Capital Assets in service as of June 30, 2022, were \$375.0 million, net of \$230.7 million in accumulated depreciation and amortization. Included in the total Net Capital Assets is \$7.6 million in Construction in Progress (CIP), which includes: the San Elijo Valley Groundwater Project, the El Camino Real Pipeline 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 2022 is 9.0, well above the established index. The average TAI for fiscal years 2021 and 2020 was 9.0 and 8.5 respectively. The current lowest TAI is 8.2, and the highest is 9.6. There is no significant difference between the estimated and actual amounts to maintain and preserve infrastructure assets at target conditions during the current period.

More detailed information regarding the modified approach can be found in the Required Supplementary Information section of this report.

Management's Discussion and Analysis (continued)

Restrictions, Commitments, and Limitations (continued)

Debt Administration

The District has one (1) note payable and four (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, 2022 is as follows:

Schedule of Bond Indebtedness for Fiscal Year Ended 2022

Description	Year Issued	Total Sold	Final Maturity Date	Interest Rate Range		Bonds Outstanding As of June 30, 2022		
				From	To	Current	Long Term	Total
2019 Reassessment 96-1 Limited Obligation Improvement Bonds	2019	\$ 7,130,000	9/2/2027	2.09%	2.09%	\$ 863,064	\$ 4,594,691	\$ 5,457,755
2013 State Revolving Fund	2013	17,069,309	7/1/2035	2.30%	2.30%	406,452	10,756,474	11,162,926
2015 Water System Refunding Revenue Bonds Payable	2015	23,455,000	6/1/2028	2.00%	5.00%	1,845,000	10,680,000	12,525,000
2016 Water System Refunding Revenue Bonds Payable	2016	15,990,000	6/1/2039	2.13%	5.00%	560,000	12,330,000	12,890,000
2021A Wastewater Revenue Bonds Payable	2021	5,042,140	6/1/2041	2.14%	2.14%	207,240	4,589,106	4,796,400
2021B Wastewater Revenue Refunding Bonds Payable	2021	3,932,970	6/1/2028	1.14%	1.14%	569,840	2,944,060	3,513,900

For the fiscal year ended June 30, 2022 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 \$62.

In May of 2022, Fitch Ratings reviewed and reconfirmed the District's 2015A Water System Refunding Revenue Bonds and 2016 Water Revenue Refunding Bonds "AAA" rating. These revenue bonds are secured by the District's net water system revenues after payment of water operations and maintenance (O&M) expenses.

For more details regarding the District's existing long-term debt, please see Note 8 of the Basic Financial Statements.

Economic Factors and Next Year's Budgets and Rates

The U.S. economy has proven itself resilient throughout the coronavirus pandemic. Economic stimulus packages issued by the Federal government aimed to mitigate the impact of COVID-19 on the U.S. economy helped state and local governments, including the District, offset increased COVID-19 related costs. To date, the District received reimbursement in the amount of \$43,561 for its COVID-19 related expenses. The District experienced more than a one (1) year delay (from April 2, 2020 to December 31, 2021) in collecting certain water service revenues during COVID-19 due to the Governor's Executive Order in protecting home owners and small businesses from water shut-offs for non-payment of water services. The District's financial condition was not significantly impacted by COVID-19 despite collection delays due to its sufficient allowance for doubtful accounts in water and sewer operations.

Management's Discussion and Analysis (continued)

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

As COVID restrictions eased in fiscal year 2022, supply chain issues, tight labor market conditions, and high oil prices had led to a prolonged high inflation environment, at around 8%. The impact of high oil prices on cost of goods that rely on transportation have put pressure on the District's budget. The District has seen significant increases in its operating expenses from supplies and services as well as its capital expenditures. Several bids received for public work contracts for water and wastewater projects have been higher than original estimates. To help mitigate the impact of rising costs on its fiscal year 2023 budget, the District pushed out non-critical water and wastewater capital improvement projects to future years. The District anticipates operating and capital expenditures will continue to rise in the next few months until inflation and fluctuations in oil prices are tamed.

The District's service area is mature at 95% built-out. 70% of the District's customer base is domestic or residential and the remainder is a mix of commercial and irrigation (29%) and agricultural (1%). The District collects approximately 73% of its water service revenues from commodity rates (based on consumption) and 27% from fixed monthly service fees collected from each customer's water meter. The District bills each customer monthly for water services.

The District's Board of Directors have adopted a pass-through ordinance on potable and recycled water rate increases. The Pass-Through ordinance authorized the District to pass through any increases in water supply costs, any increases in the District's water operations and maintenance costs based on annual percentage change in the San Diego County Consumer Price Index for All Urban Consumers (SDCPI-U), and any increases in water rates and or any other charges mandated by the State of California and imposed on the District, not to exceed 9% each year for the next five years until December 31, 2024. A 5% planned revenue adjustment each year for the next five years (until December 31, 2024) was included in the 2019 rate projections using a historic annual inflation adjustment of 2–3% each year. Due to the higher year-to-year change in SDCPI in 2022 and 2023, the District is anticipating more than a 5% revenue adjustment starting in 2023.

The State Water Resources Control Board (SWRCB) adopted an emergency water conservation regulation following Governor Newsom's Executive Order N-7-22 requiring all urban water suppliers in California implement Level 2 water use reduction actions by June 10, 2022. Current SWRCB emergency regulations do not mandate retail water suppliers, such as the District, to comply with SWRCB's water use efficiency standards. Consequently, the District is still in Level 1 of its water shortage contingency plan and has been aggressively encouraging its water customers, thorough water conservation programs, to reduce their water consumption. Current emergency water conservation regulations adopted by SWRCB are valid for one year through May, 2023. If the California drought continues, SWRCB will require retail water suppliers to report compliance with these regulations starting January 1, 2024. Fines could be issued to retail water agencies that do not meet water-use objectives stated in SWRCB's emergency water conservation regulations.

The District addressed a potential financial downside to comply with state mandates on water use efficiency through its Demand Reduction Rate Adjustments. The District's Demand Reduction Rate Adjustments will increase potable water rates, when implemented, so that the District would continue to collect the cost of providing water service in order to sustain operations during locally declared water shortages, mandatory potable water use cutbacks, or other natural disasters. Demand Reduction Rates would only be implemented by General Manager or board action under the terms of the District's Water Supply Shortage Condition Ordinance. Such action by the District is generally triggered by the San Diego County Water Authority and/or Metropolitan Water District of Southern California declaration of a specific level of water shortage.

The District's wastewater (sewer) rate structure consists of a commodity charge and fixed monthly service fees. About 31% of the District's wastewater (sewer) revenues are collected from fixed monthly sewer service fees and 69% are collected based on the estimated quality and amount of sewage generated by each user in hundred cubic feet (commodity charge).

Management's Discussion and Analysis (continued)

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

The District's Board of Directors have 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 the cost to maintain the 4S Ranch Wastewater and Reclamation Facilities within the 4S Ranch Sanitation District. The Board of Directors adopted a 3% revenue increase adjustment effective July 1, 2022 (fiscal year 2023) and 3% increases thereafter on July 1st of each fiscal year for fiscal years 2024–2026. 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 December of each year. The District continues to overcome operating challenges by maintaining a strong financial position and by planning ahead for future needs. Financial risks are assessed and reviewed with the Board of Directors annually as part of the District's budget process.

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, 2022 and 2021

	<u>2022</u>	<u>2021</u> (As Restated)
ASSETS		
Current assets:		
Unrestricted assets:		
Cash and cash equivalents	\$ 45,761,554	\$ 45,048,195
Investments	34,421,737	31,598,271
Accounts receivable – water and sewer, net	9,453,946	10,717,152
Interest receivable	144,127	82,081
Taxes receivable	184,365	154,318
Leases receivable, due within one year	394,170	352,032
Other receivables	245,308	1,880,711
Inventories	1,514,905	1,065,380
Prepaid expenses	1,188,747	684,059
Total unrestricted assets	<u>93,308,859</u>	<u>91,582,199</u>
Restricted assets:		
Cash and cash equivalents	10,185,471	4,641,041
Investments	2,331,719	2,262,949
Taxes receivable	39,292	39,981
Grants receivable	342,520	389,320
Total restricted assets	<u>12,899,002</u>	<u>7,333,291</u>
Total current assets	<u>106,207,861</u>	<u>98,915,490</u>
Noncurrent assets:		
Capital assets, nondepreciable	38,426,035	41,596,526
Capital assets, depreciable/amortizable, net	336,597,407	340,390,730
Capital assets, net	<u>375,023,442</u>	<u>381,987,256</u>
Leases receivables, due in more than one year	9,955,712	7,188,378
Other receivables	14,742	58,774
Prepaid bond insurance	20,721	24,223
Total noncurrent assets	<u>385,014,617</u>	<u>389,258,631</u>
Total assets	<u>491,222,478</u>	<u>488,174,121</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount on refunding	1,016,228	1,191,088
Pension-related deferred outflows of resources	<u>2,731,692</u>	<u>3,585,712</u>
Total deferred outflows of resources	<u>3,747,920</u>	<u>4,776,800</u>

(continued)

See accompanying Notes to the Basic Financial Statements.

Statements of Net Position (continued)

June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u> (As Restated)
LIABILITIES		
Current liabilities:		
Liabilities payable from unrestricted assets:		
Accounts payable	\$ 7,725,598	\$ 7,518,055
Accrued payroll	442,835	369,392
Customer deposits	355,058	358,313
Payable related to work in progress	186,367	662,569
Compensated absences, current portion	996,839	771,000
Current portion of long-term debt:		
Wastewater revenue bonds	777,080	522,000
Water revenue refunding bonds	2,405,000	2,280,000
Special assessment debt with government commitment	863,064	843,108
Notes payable	406,452	397,248
Total liabilities payable from unrestricted assets	<u>14,158,293</u>	<u>13,721,685</u>
Liabilities payable from restricted assets:		
Accounts payable	26,732	65,933
Interest payable	132,209	146,058
Total liabilities payable from restricted assets	<u>158,941</u>	<u>211,991</u>
Total current liabilities	<u>14,317,234</u>	<u>13,933,676</u>
Noncurrent liabilities:		
Compensated absences	939,187	916,576
Net pension liability	7,819,768	14,608,844
Long-term debt, excluding current portion:		
Wastewater revenue bonds	7,533,220	3,491,000
Water revenue refunding bonds	24,891,695	27,766,523
Special assessment debt with government commitment	4,594,691	5,457,755
Notes payable	10,756,474	11,564,749
Total noncurrent liabilities	<u>56,535,035</u>	<u>63,805,447</u>
Total liabilities	<u>70,852,269</u>	<u>77,739,123</u>
DEFERRED INFLOWS OF RESOURCES		
Pension-related deferred inflows of resources	6,995,887	425,243
Lease-related deferred inflows of resources	9,796,852	7,350,346
Total deferred inflows of resources	<u>16,792,739</u>	<u>7,775,589</u>
NET POSITION		
Net investment in capital assets	<u>328,824,196</u>	<u>330,855,961</u>
Restricted for:		
Debt service	2,106,867	1,938,321
Construction	5,620,992	5,182,979
Total restricted	<u>7,727,859</u>	<u>7,121,300</u>
Unrestricted	<u>70,773,335</u>	<u>69,458,948</u>
Total net position	<u>\$ 407,325,390</u>	<u>\$ 407,436,209</u>

See accompanying Notes to the Basic Financial Statements.

Statements of Revenues, Expenses and Changes in Net Position

For the years ended June 30, 2022 and 2021

	2022	2021 (As Restated)
OPERATING REVENUES		
Water sales	\$ 57,747,541	\$ 58,169,813
Sewer charges	5,480,925	5,127,136
Other water operating revenues	1,303,126	1,461,229
Total operating revenues	64,531,592	64,758,178
OPERATING EXPENSES		
Cost of purchased water sold	31,265,804	30,601,983
Pumping and water treatment	4,322,820	4,378,418
Transmission and distribution	4,485,962	4,220,269
Sewer collection and treatment	2,170,341	2,085,237
Elfin Forest recreation reserve operations	428,174	415,386
Facilities maintenance	1,387,010	1,363,564
Customer services	2,067,655	2,348,700
General and administrative	7,774,311	7,041,160
Other operating expenses	304,037	228,939
Depreciation and amortization	16,075,980	15,559,523
Total operating expenses	70,282,094	68,243,179
Operating (loss)	(5,750,502)	(3,485,001)
NONOPERATING REVENUES (EXPENSES)		
Fair market value adjustment	(2,467,642)	(562,019)
Investment income (loss)	402,702	454,962
Property taxes	4,242,794	4,027,357
Capacity charges	1,530,925	2,754,730
Benefit assessments	1,058,241	1,177,302
Other nonoperating revenues	2,237,334	6,592,672
Interest expense, net	(1,327,814)	(1,419,009)
Other nonoperating expenses	(606,602)	(1,076,547)
Total nonoperating revenues (expenses)	5,069,938	11,949,448
Income (loss) before capital contributions	(680,564)	8,464,447
Capital contributions	569,745	899,998
Changes in net position	(110,819)	9,364,445
Net position, beginning of year	407,436,209	398,071,764
Net position, end of year	\$ 407,325,390	\$ 407,436,209

See accompanying Notes to the Basic Financial Statements.

Statements of Cash Flows

For the years ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u> (As Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from water and sewer customers	\$ 65,848,393	\$ 64,151,113
Payments for water	(30,910,730)	(30,375,537)
Payments for services and supplies	(11,012,912)	(10,544,997)
Payments for employee wages, benefits, and related costs	(12,569,780)	(12,477,619)
Net cash provided by operating activities	<u>11,354,971</u>	<u>10,752,960</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES		
Property taxes and benefit assessments received	5,271,677	5,219,865
SDCWA water rebate payment	2,102,804	2,039,332
Net cash provided by noncapital financing activities	<u>7,374,481</u>	<u>7,259,197</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(8,765,436)	(11,475,281)
Principal paid on long-term debt	(8,599,989)	(4,287,117)
Proceeds from debt issuance	8,975,110	—
Interest paid on long-term debt	(1,636,631)	(1,768,054)
Capacity charges received	1,552,833	2,777,662
Proceeds from sale of capital assets	595,875	2,033,750
Other capital financing receipts	1,125,345	881,819
Other capital financing expenses paid	(699,549)	(133,443)
Net cash (used in) capital and related financing activities	<u>(7,452,442)</u>	<u>(11,970,664)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale and maturities of investments	4,000,000	24,740,950
Purchases of investments	(9,061,033)	(37,279,742)
Investment income received	41,812	488,020
Net cash (used in) investing activities	<u>(5,019,221)</u>	<u>(12,050,772)</u>
Net increase (decrease) in cash and cash equivalents	<u>6,257,789</u>	<u>(6,009,279)</u>
Cash and cash equivalents, beginning of year	<u>49,689,236</u>	<u>55,698,515</u>
Cash and cash equivalents, end of year	<u>\$ 55,947,025</u>	<u>\$ 49,689,236</u>
FINANCIAL STATEMENT PRESENTATION		
Cash and cash equivalents	\$ 45,761,554	\$ 45,048,195
Cash and cash equivalents – restricted assets	10,185,471	4,641,041
Total cash and cash equivalents	<u>\$ 55,947,025</u>	<u>\$ 49,689,236</u>

(continued)

See accompanying Notes to the Basic Financial Statements.

Statements of Cash Flows (continued)

For the years ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u> (As Restated)
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating (loss)	\$ (5,750,502)	\$ (3,485,001)
Adjustments to reconcile operating (loss) to net cash provided by operating activities:		
Depreciation and amortization	16,075,980	15,559,523
GASB 68 adjustment to pension expense	635,588	333,583
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Receivables	1,320,055	(552,071)
Inventories	(449,525)	53,281
Prepaid expenses and deposits	(504,688)	(14,671)
Increase (decrease) in liabilities:		
Accounts payable	(290,575)	(1,261,351)
Accrued payroll and compensated absences	321,893	174,661
Customer deposits	(3,255)	(54,994)
Net cash provided by operating activities	<u><u>\$ 11,354,971</u></u>	<u><u>\$ 10,752,960</u></u>
NONCASH INVESTING AND FINANCING ACTIVITIES:		
Contributions of capital assets	<u><u>\$ 569,745</u></u>	<u><u>\$ 899,998</u></u>
Amortization of premiums	<u><u>\$ (469,828)</u></u>	<u><u>\$ (523,488)</u></u>
Unrealized gains (losses) on investments	<u><u>\$ (2,467,642)</u></u>	<u><u>\$ (562,019)</u></u>

See accompanying Notes to the Basic Financial Statements.

Notes to the Basic Financial Statements

For the years ended June 30, 2022 and June 30, 2021

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 (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. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for governmental accounting financial reporting purposes. The more significant of the District’s accounting policies are described below:

A. Financial Statements

The financial statements (i.e., the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows) report information on all of the activities of the District. The Statement of Revenues, Expenses, and Changes in Net Position demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

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

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

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2022 and June 30, 2021

Note 2 – Summary of Significant Accounting Policies (continued)

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

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

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

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

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

C. Use of Restricted/Unrestricted Assets

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

D. Cash, Cash Equivalents, and Investments

Cash and Cash Equivalents – For purposes of the statement of cash flows, cash and cash equivalents include petty cash, demand deposits with financial institutions, deposits in money market mutual funds (SEC registered), and deposits in external investment pools, and marketable securities that mature within 90 days of purchase. Such marketable securities and deposits in money market funds are carried at fair value.

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

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

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

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

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

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

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2022 and June 30, 2021

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. Collections from water and sewer customers for services rendered have been closely monitored since the coronavirus pandemic. Management is of the opinion that the District's financial position has not been significantly impacted by the coronavirus pandemic. During fiscal year 2021, the District increased its allowance for doubtful accounts as a response to the pandemic. Water and sewer accounts receivable at June 30, 2022 and 2021 have been reduced by an allowance for doubtful accounts of \$210,000 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. Subsequently, 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 recognized as revenue over the life of the lease term in a straight-line method.

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

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2022 and June 30, 2021

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. 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.

M. 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.

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2022 and June 30, 2021

Note 2 – Summary of Significant Accounting Policies (continued)

N. 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.

O. 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.

P. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System ("CalPERS") plans ("Plans") and additions to/deductions from the 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.

Q. 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.

R. 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, except in rare circumstances, nonrefundable and are recorded as nonoperating revenues when collected.

S. Net Position

Net position of the District is classified into three components: (1) net investment in capital assets, (2) restricted net position, and (3) unrestricted net position. These classifications are defined as follows:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of notes or borrowing that are attributable to the acquisition of the asset, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets.

Restricted Net Position – This component of net position consists of net position with constrained use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This component of net position consists of net position that does not meet the definition of "net investment in capital assets," or "restricted net position."

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2022 and June 30, 2021

Note 2 – Summary of Significant Accounting Policies (continued)

T. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

U. Reclassification

For the year ended June 30, 2022, 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 2022 presentation.

V. Implementation of New GASB Pronouncements For the Year Ended June 30, 2022

During fiscal year ended June 30, 2022, the District has implemented the following new GASB Pronouncements:

- In June 2017, GASB issued Statement No. 87, *Leases* (GASB Statement No. 87), to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It also establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Implementation of this Statement had a significant effect on the District's financial reporting for 2022. See Note 4.
- In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* (GASB Statement No. 89), to (1) enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) simplify accounting for interest cost incurred before the end of a construction period. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. GASB Statement No. 89 is effective for the District's fiscal year ending June 30, 2022. Implementation of this Statement did not have a significant effect on the District's financial reporting for 2022.
- In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Implementation of this Statement did not have a significant effect on the District's financial reporting for 2022.
- In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. Implementation of this Statement did not have a significant effect on the District's financial reporting for 2022.

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2022 and June 30, 2021

Note 2 – Summary of Significant Accounting Policies (continued)

V. Implementation of New GASB Pronouncements For the Year Ended June 30, 2022 (continued)

- In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Implementation of this Statement did not have a significant effect on the District's financial reporting for 2022.
- In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Implementation of this Statement did not have a significant effect on the District's financial reporting for 2022.

W. 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 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. GASB Statement No. 91 is effective for the District's 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 is effective for the District's 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. Application of this statement is effective for the District's fiscal year ending June 30, 2023.

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2022 and June 30, 2021

Note 2 – Summary of Significant Accounting Policies (continued)

W. Upcoming Governmental Accounting Standards Implementation (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 is effective for the District's fiscal year ending June 30, 2023.
- 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, 2022 and 2021 are classified in the accompanying financial statements as follows

	<u>2022</u>	<u>2021</u>
Statement of Net Position:		
Current Assets:		
Cash and cash equivalents	\$ 45,761,554	\$ 45,048,195
Restricted cash and cash equivalents	10,185,471	4,641,041
Investments	34,421,737	31,598,271
Restricted investments	2,331,719	2,262,949
Total cash and investments	<u>\$ 92,700,481</u>	<u>\$ 83,550,456</u>
Cash and investments consist of the following:		
Cash on hand	\$ 1,491	\$ 1,496
Deposits with financial institutions	4,358,962	13,989,550
Investments	88,340,028	69,559,410
Total cash and investments	<u>\$ 92,700,481</u>	<u>\$ 83,550,456</u>

A. Demand Deposits

As of June 30, 2022, the carrying amount of demand deposits was \$4,358,962 and the bank balance was \$4,981,417 compared to \$13,989,550 and \$14,373,813 at June 30, 2021, 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*.

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2022 and June 30, 2021

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.

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2022 and June 30, 2021

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, 2022.

Investment Type	Total	Remaining Maturity (in Months)		
		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	<u>\$ 88,340,028</u>	<u>\$ 54,568,323</u>	<u>\$ 6,733,839</u>	<u>\$ 27,037,866</u>

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity at June 30, 2021.

Investment Type	Total	Remaining Maturity (in Months)		
		12 Months or Less	13 to 24 Months	25 to 60 Months
Local Agency Investment Fund (LAIF)	\$ 27,148,609	\$ 27,148,609	\$ —	\$ —
California Asset Management Program (CAMP)	7,032,934	7,032,934	—	—
Money Market Mutual Funds	1,516,646	1,516,646	—	—
U.S. Government Sponsored Entities	30,670,791	—	2,993,870	27,676,921
Municipal Obligations	1,173,910	—	—	1,173,910
U.S. Treasury Obligations	2,016,520	—	—	2,016,520
Total	<u>\$ 69,559,410</u>	<u>\$ 35,698,189</u>	<u>\$ 2,993,870</u>	<u>\$ 30,867,351</u>

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2022 and June 30, 2021

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

Investment Type	Total	Minimum Legal Rating	Rating as of Year End			
			AAA	AA	A/I+	Not Rated
Local Agency Investment Fund (LAIF)	\$ 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	<u>\$ 88,340,028</u>		<u>\$ 61,286,178</u>	<u>\$ —</u>	<u>\$ 1,995,010</u>	<u>\$ 25,058,840</u>

Presented below is the minimum rating required by (where applicable) the California Government Code, the District's Investment Policy, or debt agreements, and the Moody's rating for each investment type at June 30, 2021.

Investment Type	Total	Minimum Legal Rating	Rating as of Year End			
			AAA	AA	A/I+	Not Rated
Local Agency Investment Fund (LAIF)	\$ 27,148,609	N/A	\$ —	\$ —	\$ —	\$ 27,148,609
California Asset Management Program (CAMP)	7,032,934	AAA	7,032,934	—	—	—
Money Market Mutual Funds	1,516,646	N/A	—	—	—	1,516,646
U.S. Government Sponsored Entities	30,670,791	AAA	30,670,791	—	—	—
Municipal Obligations	1,173,910	A1/A+	1,173,910	—	—	—
U.S. Treasury Obligations	2,016,520	N/A	2,016,520	—	—	—
Total	<u>\$ 69,559,410</u>		<u>\$ 40,894,155</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 28,665,255</u>

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2022 and June 30, 2021

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	2022	2021
Federal Home Loan Banks	U.S. Govt. Sponsored Entities	\$ 28,215,691	\$ 24,432,958
Federal Home Loan Mortgage Corporation	U.S. Govt. Sponsored Entities	N/A	\$ 3,989,850

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, 2022 and 2021, \$4,731,417 and \$14,123,813 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.

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2022 and June 30, 2021

Notes 3 – Cash, Cash Equivalents, and Investments (continued)

G. Local Agency Investment Fund (LAIF) (continued)

As of June 30, 2022, the District had \$22,921,923 invested in LAIF, which had invested 1.88% of the pool investment funds in structured notes and asset-backed securities compared to \$27,148,609 and 1.10% at June 30, 2021. 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 0.987125414 and 1.00008297 as of June 30, 2022 and 2021, 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, 2022 and 2021 was \$7.3 billion and \$6.5 billion, respectively. A board of five 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, 2022 and 2021 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, 2022:

	Fair Value Measurement Using	
	Significant 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	<u>\$ 45,710,485</u>	<u>45,710,485</u>
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		<u>2,057,566</u>
Total investments not subject to fair value hierarchy		<u>42,629,543</u>
Total investments		<u>\$ 88,340,028</u>

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2022 and June 30, 2021

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, 2021:

	Fair Value Measurement Using Significant Other Observable Inputs (Level 2)	June 30, 2021
Investments by Fair Value Level		
U.S. Government Sponsored Entity Securities		
FHLB	\$ 24,432,958	\$ 24,432,958
FHLMC	3,989,850	3,989,850
FNMA	2,247,983	2,247,983
U.S. Treasury Securities	2,016,520	2,016,520
Municipal Bonds	1,173,910	1,173,910
Total Investments by Fair Value Level	<u>\$ 33,861,221</u>	<u>33,861,221</u>
Investments not subject to fair value hierarchy:		
Local Agency Investment Fund (LAIF)		27,148,609
California Asset Management Program (CAMP)		7,032,934
Money Market Mutual Funds		65,931
Held by Fiscal Agent		
Money Market Mutual Funds		<u>1,450,715</u>
Total investments not subject to fair value hierarchy		<u>35,698,189</u>
Total investments		<u>\$ 69,559,410</u>

Investments securities classified in Level 2 of the fair value hierarchy are valued using prices determined by the use of matrix pricing techniques maintained by the pricing vendors for these securities. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Note 4 – Leases Receivable

The District leases land, primarily cell tower sites, and recognizes leases receivable. Leases receivable consist of agreements with others for the "right-to-use" the underlying land asset at various locations owned by the District. The remaining terms of the agreements that were used in calculating the leases receivable range from 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, 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 fiscal year ended June 30, 2021, the District recognized \$637,546 in lease revenue and \$218,107 in interest revenue, and the outstanding receivable amount was \$7,540,410.

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2022 and June 30, 2021

Note 4 – Leases Receivable (continued)

A summary of changes in leases receivable for the fiscal year ended June 30, 2022 was as follows:

Balance July 1, 2021	Additions	Reductions	June 30, 2022	Amounts Due Within One Year	Amounts Due in More Than One Year
\$ 7,540,410	\$ 3,173,746	\$ (364,274)	\$ 10,349,882	\$ 394,170	\$ 9,955,712

A summary of changes in leases receivable for the fiscal year ended June 30, 2021 was as follows:

Balance July 1, 2020	Additions	Reductions	June 30, 2021	Amounts Due Within One Year	Amounts Due in More Than One Year
\$ 7,987,892	\$ —	\$ (447,482)	\$ 7,540,410	\$ 352,032	\$ 7,188,378

At June 30, 2022, the required payments for these leases, including interest, are:

Year Ending June 30	Lease Receivable	Interest	Total
2023	\$ 394,170	\$ 313,265	\$ 707,435
2024	425,428	300,974	726,402
2025	458,242	287,716	745,958
2026	496,326	273,409	769,735
2027	535,186	257,893	793,079
2028–2032	2,723,983	1,034,191	3,758,174
2033–2037	1,578,179	692,605	2,270,784
2038–2042	1,031,060	506,177	1,537,237
2043–2047	1,266,448	332,465	1,598,913
2048–2052	1,295,499	111,815	1,407,314
2053–2055	145,361	7,340	152,701
	<u>\$ 10,349,882</u>	<u>\$ 4,117,850</u>	<u>\$ 14,467,732</u>

As of June 30, 2022, 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
2023	\$ 638,086
2024	638,086
2025	638,086
2026	638,086
2027	638,086
2028–2032	2,792,812
2033–2037	1,451,029
2038–2042	852,420
2043–2047	787,850
2048–2052	629,780
2053–2055	92,531
	<u>\$ 9,796,852</u>

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2022 and June 30, 2021

Note 5 – Inventories

Inventories at June 30, 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Water inventory	\$ 166,676	\$ 190,570
Materials inventory	1,348,229	874,810
Total	<u>\$ 1,514,905</u>	<u>\$ 1,065,380</u>

Note 6 – Capital Assets

A summary of changes in capital assets for the year ended June 30, 2022, is as follows:

	<u>Balance July 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers/ Adjustments</u>	<u>Balance June 30, 2022</u>
Capital assets, not being depreciated:					
Land	\$ 11,005,363	\$ —	\$ —	\$ —	\$ 11,005,363
Steel water storage tanks	19,861,397	—	—	—	19,861,397
Construction in progress	10,729,766	9,201,825	(216,507)	(12,155,809)	7,559,275
Total capital assets, not being depreciated	<u>41,596,526</u>	<u>9,201,825</u>	<u>(216,507)</u>	<u>(12,155,809)</u>	<u>38,426,035</u>
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
Total capital assets, being depreciated/amortized	<u>556,962,450</u>	<u>393,361</u>	<u>(2,172,759)</u>	<u>12,155,809</u>	<u>567,338,861</u>
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)
Total accumulated depreciation/amortization	<u>(216,571,720)</u>	<u>(16,075,980)</u>	<u>1,906,246</u>	<u>—</u>	<u>(230,741,454)</u>
Total capital assets, being depreciated/amortized, net	<u>340,390,730</u>	<u>(15,682,619)</u>	<u>(266,513)</u>	<u>12,155,809</u>	<u>336,597,407</u>
Total capital assets, net	<u>\$381,987,256</u>	<u>\$ (6,480,794)</u>	<u>\$ (483,020)</u>	<u>\$ —</u>	<u>\$375,023,442</u>

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2022 and June 30, 2021

Note 6 – Capital Assets (continued)

A summary of changes in capital assets for the year ended June 30, 2021, is as follows:

	Balance July 1, 2020	Additions	Deletions	Transfers/ Adjustments	Balance June 30, 2021
Capital assets, not being depreciated:					
Land	\$ 11,139,167	\$ —	\$ (133,804)	\$ —	\$ 11,005,363
Steel water storage tanks	19,861,397	—	—	—	19,861,397
Construction in progress	26,132,135	11,335,602	(37,010)	(26,700,961)	10,729,766
Total capital assets, not being depreciated	57,132,699	11,335,602	(170,814)	(26,700,961)	41,596,526
Capital assets, being depreciated/amortized:					
Treatment and distribution system	292,493,846	751,592	(757,593)	6,544,886	299,032,731
Capacity rights	27,739,008	—	—	—	27,739,008
Non-steel tanks	38,576,965	—	(51,980)	423,276	38,948,261
General plant	174,718,997	101,948	(3,311,294)	19,732,799	191,242,450
Total capital assets, being depreciated/amortized	533,528,816	853,540	(4,120,867)	26,700,961	556,962,450
Accumulated depreciation/amortization:					
Treatment and distribution system	(103,243,898)	(7,055,016)	722,934	—	(109,575,980)
Capacity rights	(16,743,719)	(1,631,707)	—	—	(18,375,426)
Non-steel tanks	(12,697,337)	(915,253)	24,149	—	(13,588,441)
General plant	(71,504,446)	(5,957,547)	2,430,120	—	(75,031,873)
Total accumulated depreciation/amortization	(204,189,400)	(15,559,523)	3,177,203	—	(216,571,720)
Total capital assets, being depreciated/amortized, net	329,339,416	(14,705,983)	(943,664)	26,700,961	340,390,730
Total capital assets, net	\$386,472,115	\$ (3,370,381)	\$ (1,114,478)	\$ —	\$381,987,256

Depreciation expense for depreciable capital assets was \$14,806,778 and \$13,927,817 for the years ended June 30, 2022 and 2021, respectively. Amortization expense for amortizable capital assets was \$1,269,202 and \$1,631,706 for the years ending 2022 and 2021, respectively.

Construction in progress consisted of the following at June 30:

	2022	2021
San Elijo Valley Groundwater	\$ 3,976,006	\$ 3,619,151
Manchester Recycled Extension	821,290	—
Replace Neighborhood 1 Sewer Pump Station	725,533	—
Replace El Camino Real Pipeline	—	4,475,818
Other capital projects	2,036,446	2,634,797
Total construction in progress	\$ 7,559,275	\$ 10,729,766

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2022 and June 30, 2021

Note 7 – Accounts Payable

Accounts payable to be paid from unrestricted current assets are as follows at June 30:

	2022	2021
Water purchases	\$ 5,780,870	\$ 5,425,795
Construction in progress	450,332	718,245
Other	1,494,396	1,374,015
Total	<u>\$ 7,725,598</u>	<u>\$ 7,518,055</u>

Accounts payable, to be paid from restricted current assets was as follows at June 30:

	2022	2021
Construction in progress	\$ 26,732	\$ 55,563
Other	—	10,370
	<u>\$ 26,732</u>	<u>\$ 65,933</u>

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2022 and June 30, 2021

Note 8 – Long-Term Debt

A summary of changes in long-term debt for the year ended June 30, 2022 is as follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year	Due More Than One Year
Notes Payable:						
2013 Note Payable – direct borrowing	\$ 11,961,997	\$ —	\$ (799,071)	\$ 11,162,926	\$ 406,452	\$ 10,756,474
Notes Payable	<u>11,961,997</u>	<u>—</u>	<u>(799,071)</u>	<u>11,162,926</u>	<u>406,452</u>	<u>10,756,474</u>
Revenue Bonds:						
Publicly Offered:						
2015 Water System Refunding Revenue Bonds	14,275,000	—	(1,750,000)	12,525,000	1,845,000	10,680,000
Plus unamortized bond premiums	1,455,315	—	(372,939)	1,082,376	—	1,082,376
2016 Water System Refunding Revenue Bonds	13,420,000	—	(530,000)	12,890,000	560,000	12,330,000
Plus unamortized bond premiums	896,208	—	(96,889)	799,319	—	799,319
Direct Placement Borrowing:						
2018 Wastewater Revenue Bonds	4,013,000	—	(4,013,000)	—	—	—
2021A Wastewater Revenue Bonds	—	5,042,140	(245,740)	4,796,400	207,240	4,589,160
2021B Wastewater Revenue Bonds	<u>—</u>	<u>3,932,970</u>	<u>(419,070)</u>	<u>3,513,900</u>	<u>569,840</u>	<u>2,944,060</u>
Revenue Bonds, net	<u>34,059,523</u>	<u>8,975,110</u>	<u>(7,427,638)</u>	<u>35,606,995</u>	<u>3,182,080</u>	<u>32,424,915</u>
2019 Special Assessment Debt with Government Commitment	6,300,863	—	(843,108)	5,457,755	863,064	4,594,691
Total	<u>\$ 52,322,383</u>	<u>\$ 8,975,110</u>	<u>\$ (9,069,817)</u>	<u>\$ 52,227,676</u>	<u>\$ 4,451,596</u>	<u>\$ 47,776,080</u>

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2022 and June 30, 2021

Note 8 – Long-Term Debt (continued)

A summary of changes in long-term debt for the year ended June 30, 2021 is as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year	Due More Than One Year
Notes Payable:						
2013 Note Payable – direct borrowing	\$ 12,742,977	\$ —	\$ (780,980)	\$ 11,961,997	\$ 397,248	\$ 11,564,749
Notes Payable	<u>12,742,977</u>	<u>—</u>	<u>(780,980)</u>	<u>11,961,997</u>	<u>397,248</u>	<u>11,564,749</u>
Revenue Bonds:						
Publicly Offered:						
2015 Water System Refunding Revenue Bonds	15,940,000	—	(1,665,000)	14,275,000	1,750,000	12,525,000
Plus unamortized bond premiums	1,876,383	—	(421,068)	1,455,315	—	1,455,315
2016 Water System Refunding Revenue Bonds	13,925,000	—	(505,000)	13,420,000	530,000	12,890,000
Plus unamortized bond premiums	998,628	—	(102,420)	896,208	—	896,208
Direct Placement Borrowing:						
2018 Wastewater Revenue Bonds	4,520,000	—	(507,000)	4,013,000	522,000	3,491,000
Revenue Bonds, net	<u>37,260,011</u>	<u>—</u>	<u>(3,200,488)</u>	<u>34,059,523</u>	<u>2,802,000</u>	<u>31,257,523</u>
2019 Special Assessment Debt with Government Commitment	7,130,000	—	(829,137)	6,300,863	843,108	5,457,755
Total	<u>\$ 57,132,988</u>	<u>\$ —</u>	<u>\$ (4,810,605)</u>	<u>\$ 52,322,383</u>	<u>\$ 4,042,356</u>	<u>\$ 48,280,027</u>

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2022 and June 30, 2021

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, 2022, the outstanding loan balance was \$11,162,926.

Future debt service requirements for the above note payable based on the initial loan rate is as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 406,452	\$ 128,569	\$ 535,021
2024	827,001	243,040	1,070,041
2025	846,161	223,880	1,070,041
2026	865,765	204,277	1,070,042
2027	885,822	184,220	1,070,042
2028–2032	4,746,625	603,584	5,350,209
2033–2035	2,585,100	90,004	2,675,104
Total	<u>\$ 11,162,926</u>	<u>\$ 1,677,574</u>	<u>\$ 12,840,500</u>

2015 Water System Refunding Revenue Bonds Payable

On August 27, 2015, the District issued Water System Refunding Revenue Bonds, Series 2015A in the amount of \$23,455,000 for the purpose of refunding \$26,290,000 of the outstanding balance of the Water Revenue Refunding Bonds, Series 2006A. The 2015A bonds are limited obligation bonds maturing annually from December 1, 2015 to June 1, 2028 bearing various interest rates between 2.0% and 5.0%.

The District has pledged all of the Net Water System Revenues for the debt service payments of the bond. The total principal and interest remaining to be paid on the bonds is \$14,452,500. For the current year, principal and interest paid on the bonds was \$2,405,125. 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 \$79,726 for the year ended June 30, 2022. The remaining unamortized balance was \$231,389 at June 30, 2022.

A summary of the refunding bonds is as follows:

Interest Rates	Fiscal Year Maturities (varying amounts)	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022
2%–5%	2023–2027	\$ 11,930,000	\$ —	\$ (1,750,000)	\$ 10,180,000
3%	2028	2,345,000	—	—	2,345,000
		<u>\$ 14,275,000</u>	<u>\$ —</u>	<u>\$ (1,750,000)</u>	<u>\$ 12,525,000</u>

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2022 and June 30, 2021

Note 8 – Long-Term Debt (continued)

2015 Water System Refunding Revenue Bonds Payable (continued)

Total bonds outstanding as of June 30, 2022, including unamortized bond premiums were as follows:

Principal outstanding at June 30, 2022	\$ 12,525,000
Plus unamortized bond premium	1,082,376
Total bonds outstanding at June 30, 2022	<u>\$ 13,607,376</u>

Future debt service requirements for the above bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 1,845,000	\$ 567,625	\$ 2,412,625
2024	1,935,000	475,375	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	<u>\$ 12,525,000</u>	<u>\$ 1,927,500</u>	<u>\$ 14,452,500</u>

2016 Water System Refunding Revenue Bonds Payable

On October 19, 2016, the District issued Water System Refunding Revenue Bonds, Series 2016A in the amount of \$15,990,000 for the purpose of refunding \$16,610,000 of the outstanding balance of the Water Revenue Refunding Bonds, Series 2009. The 2016A bonds are limited obligation bonds maturing annually from December 1, 2016 to June 1, 2039 bearing various interest rates between 2.125% and 5.0%.

The District has pledged all of the Net Water System Revenues for the debt service payment of the bond. The total principal and interest remaining to be paid on the bonds is \$16,589,603. For the current year, principal and interest paid on the bonds was \$976,413. 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 \$95,134 for the year ended June 30, 2022. The remaining unamortized balance was \$784,839 at June 30, 2022.

A summary of the refunding bonds is as follows:

Interest Rates	Fiscal Year Maturities (varying amounts)	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022
2%–5%	2023–2036	\$ 10,665,000	\$ —	\$ (530,000)	\$ 10,135,000
2.5%	2037–2039	2,755,000	—	—	2,755,000
		<u>\$ 13,420,000</u>	<u>\$ —</u>	<u>\$ (530,000)</u>	<u>\$ 12,890,000</u>

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2022 and June 30, 2021

Note 8 – Long-Term Debt (continued)

2016 Water System Refunding Revenue Bonds Payable (continued)

Total bonds outstanding as of June 30, 2022, including unamortized bond premiums were as follows:

Principal outstanding at June 30, 2022	\$ 12,890,000
Plus unamortized bond premium	<u>799,319</u>
Total bonds outstanding at June 30, 2022	<u><u>\$ 13,689,319</u></u>

Future debt service requirements for the above bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 560,000	\$ 419,413	\$ 979,913
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
2028–2032	3,725,000	1,153,238	4,878,238
2033–2037	4,225,000	656,150	4,881,150
2038–2039	<u>1,860,000</u>	<u>84,150</u>	<u>1,944,150</u>
Total	<u><u>\$ 12,890,000</u></u>	<u><u>\$ 3,699,603</u></u>	<u><u>\$ 16,589,603</u></u>

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.

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2022 and June 30, 2021

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,	Principal	Interest	Total
2023	\$ 863,064	\$ 105,048	\$ 968,112
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	<u>\$ 5,457,755</u>	<u>\$ 349,083</u>	<u>\$ 5,806,838</u>

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 \$5,887,856. For the current year, principal and interest paid on the bonds was \$309,882. The bonds contain various covenants and restrictions, principally that the District fix, prescribe, collect rates and charges for wastewater service, which are reasonably expected to be at least sufficient to yield, during each fiscal year net service revenues equal to one hundred and twenty-five percent (125%) of the debt service on senior obligations for such fiscal year, and one hundred percent (100%) of debt service on all obligations for such fiscal year.

Future debt service requirements for the above bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 207,240	\$ 102,643	\$ 309,883
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
2028–2032	1,202,310	347,122	1,549,432
2033–2037	1,336,600	212,849	1,549,449
2038–2041	1,175,960	63,580	1,239,540
Total	<u>\$ 4,796,400</u>	<u>\$ 1,091,456</u>	<u>\$ 5,887,856</u>

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2022 and June 30, 2021

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 \$3,655,404. For the current year, principal and interest paid on the bonds was \$445,722. 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.

Future debt service requirements for the above bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 569,840	\$ 40,058	\$ 609,898
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	<u>\$ 3,513,900</u>	<u>\$ 141,504</u>	<u>\$ 3,655,404</u>

Note 9 – Compensated Absences

Vested or accumulated vacation and sick leave is recorded as an expense and liability as benefits accrue to employees.

Summary of changes in compensated absences for the year ended June 30, 2022 and 2021, were as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year	Due in More Than One Year
June 30, 2022	\$ 1,687,576	\$ 1,240,740	\$ (992,290)	\$ 1,936,026	\$ 996,839	\$ 939,187
June 30, 2021	1,518,611	937,398	(768,433)	1,687,576	771,000	916,576

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2022 and June 30, 2021

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 Employees' 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 Employees' Retirement Law. The District selects certain benefit provisions from the CalPERS' menu by contract with CalPERS and adopts those benefits through the board's approval. Benefits provisions and all other requirements are established by State statute, the District's resolutions, and the memorandum of understanding between the Olivenhain Municipal Water District and the Olivenhain Municipal Water District Employees Association and the Bargaining Unit Members Association. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 or 52 with statutorily reduced benefits. All members are eligible for non-industrial disability benefits after five (5) years of service. The death benefit is one of the following: Basic Death Benefit, 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2022, 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	11.590%	7.590%

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. District contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions requirements are classified as plan member contributions.

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2022 and June 30, 2021

Note 10 – Employee Retirement Systems (continued)

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, 2021. As of June 30, 2022 and 2021 respectively, the District reported net pension liabilities for its proportionate shares of the net pension liability as follows:

	<u>2022</u>	<u>2021</u>
Classic and PEPRA plans	\$ 7,819,768	\$ 14,608,844
Total net pension liability	<u>\$ 7,819,768</u>	<u>\$ 14,608,844</u>

The District Plans' net pension liability is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 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, 2020). 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, 2021). 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, 2021 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (fiscal year 2021).
- (3) The individual plan's TPL, FNP, and NPL are also calculated at the valuation date.
- (4) Two ratios are created by dividing the plan's individual TPL and FNP as of the valuation date from step (3) by the amounts in step (1), the risk pool's total TPL and FNP, respectively.
- (5) The plan's TPL as of the measurement date is equal to the risk pool TPL generated in step (2) multiplied by the TPL ratio generated in step (4). The plan's FNP as of the measurement date is equal to the FNP generated in step (2) multiplied by the FNP ratio generated in step (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.
- (6) The plan's NPL at the measurement date is the difference between the TPL and FNP calculated in step (5).

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2022 and June 30, 2021

Note 10 – Employee Retirement Systems (continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

The District's proportionate share of the net pension liability for each Plan as of the measurement date ended June 30, 2020 and 2021 was as follows:

	<u>Classic and PEPRA Plans</u>
Proportion – June 30, 2019	0.34363%
Proportion – June 30, 2020	0.34634%
Change – Increase (Decrease)	0.00271%
Proportion – June 30, 2020	0.34634%
Proportion – June 30, 2021	0.41183%
Change – Increase (Decrease)	<u>0.06549%</u>

For the years ended June 30, 2022 and 2021, the District recognized pension expense of \$2,490,376 and \$2,516,601, respectively. At June 30, 2022 and 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>2022</u>		<u>2021</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 1,854,789	\$ —	\$ 2,183,027	\$ —
Differences between actual and expected experience	876,903	—	752,837	—
Change in assumptions	—	—	—	(104,196)
Changes in proportions	—	(112,478)	215,869	—
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	—	(57,165)	—	(321,047)
Net differences between projected and actual earnings on plan investments	—	(6,826,244)	433,979	—
Total	<u>\$ 2,731,692</u>	<u>\$ (6,995,887)</u>	<u>\$ 3,585,712</u>	<u>\$ (425,243)</u>

\$1,854,789 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 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:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ (1,300,816)
2024	(1,384,906)
2025	(1,546,843)
2026	(1,886,419)
Total	<u>\$ (6,118,984)</u>

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2022 and June 30, 2021

Note 10 – Employee Retirement Systems (continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

\$2,183,027 reported as deferred outflows of resources related to contributions subsequent to the measurement date was recognized as a reduction of the net pension liability in the year ended June 30, 2022. 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
2022	\$ 78,927
2023	379,671
2024	310,695
2025	208,149
Total	<u>\$ 977,442</u>

Actuarial Assumptions – For the measurement period ended June 30, 2021 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2020 total pension liability determined in the June 30, 2020 actuarial accounting valuation. The June 30, 2021 total pension liability was based on the following actuarial methods and assumptions:

	Classic and PEPPRA Plans
Valuation date	June 30, 2020
Measurement date	June 30, 2021
Actuarial cost method	Entry-Age Normal Cost Method
Actual assumptions:	
Discount rate	7.15%
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.

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 2022, the actuarial report did not have a change of assumption. In fiscal year 2018, the discount rate was reduced from 7.65 percent to 7.15 percent. All other actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period 1997 to 2011, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found on the CalPERS website.

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2022 and June 30, 2021

Note 10 – Employee Retirement Systems (continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Discount Rate – The discount rate used to measure the total pension liability was 7.15% 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 7.15% discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long term expected discount rate of 7.15% is applied to all plans in the Public Employees Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained from the CalPERS website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long term expected rate of return, CalPERS took into account both short term and long term market return expectations as well as the expected pension fund (PERF) cash flows. Taking into account historical returns of all the Public Employees Retirement Funds’ asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C funds), expected compound (geometric) returns were calculated over the short term (first 10 years) and the long-term (11–60 years) using a building block approach. Using the expected nominal returns for both short term and long term, the present value of benefits was calculated for each PERF fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short term and long term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the CalPERS board effective on July 1, 2014.

Asset Class	New Strategic Allocation	Years 1–10 ^(a)	Years 11+ ^(b)
Global equity	50.00%	4.80%	5.98%
Fixed income	28.00%	1.00%	2.62%
Inflation assets	0.00%	0.77%	1.81%
Private equity	8.00%	6.30%	7.23%
Real assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	–0.92%
Total	<u>100.00%</u>		

(a) An expected inflation of 2.00% used for this period.

(b) An expected inflation of 2.92% used for this period.

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2022 and June 30, 2021

Note 10 – Employee Retirement Systems (continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the District's proportionate share of the net pension liability for the Plans, calculated using the discount rate for the Plans, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Classic and PEPRA Plans	
	2022	2021
1% decrease	6.15%	6.15%
Net pension liability	\$ 15,848,851	\$ 22,290,045
Current discount rate	7.15%	7.15%
Net pension liability	\$ 7,819,768	\$ 14,608,844
1% increase	8.15%	8.15%
Net pension liability	\$ 1,182,239	\$ 8,262,110

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, 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, 2022 and 2021, the District contributed \$21,550 and \$21,450 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 \$310,772 and \$270,752 for the years ended June 30, 2022 and 2021, 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 \$171,223 and \$263,534 for the years ended June 30, 2022 and 2021, respectively.

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2022 and June 30, 2021

Note 12 – Risk Management (continued)

There were no instances in the past three years where a settlement exceeded the District's coverage provided through SDRMA or through the District's commercial carriers.

Real and Personal Property and Mobile Equipment: For Real and Personal Property, maximum replacement is no more than 100% of value shown in Statement of Value. For Mobile Equipment, maximum replacement of 100% of value shown in Statement of Value, and \$10,000 per item for unscheduled mobile equipment. Limits of insurance vary from \$2,500 per occurrence to the Blanket Limit of Insurance, with deductibles ranging from \$1,000 to \$2,500 per occurrence. Limit of insurance for equipment breakdown is 100% of value shown in Statement of Value.

Employee Dishonesty Coverage: \$250,000 limit with \$1,000 deductible per occurrence.

Forgery or Alteration Coverage: \$250,000 limit with \$1,000 deductible per occurrence.

Theft, Disappearance and Destruction Coverage: \$250,000 limit with \$1,000 deductible per occurrence for both inside and outside.

Computer Fraud Coverage: \$100,000 limit with \$1,000 deductible per occurrence.

Bodily Injury and Property Damage, Personal Injury and Advertising Injury, Professional Liability, Wrongful Acts, Employee Benefits Liability, and Employee Practices Liability Coverage: \$1,000,000 limit per occurrence with a \$3,000,000 aggregate limit. Professional Liability and Wrongful Acts Liability are subject to a \$10,000 deductible per claim. Additionally, the District carries a \$10,000,000 Excess Liability Policy that is in full effect.

Damage to Premises Rented to the District: \$1,000,000 limit for any one premise.

Auto Coverage: \$1,000,000 liability limit, \$5,000 auto medical payment limit and \$1,000,000 uninsured motorist limit per accident with deductibles. Comprehensive and Collision limits are the actual cash value or cost of repair with deductibles of \$500 for comprehensive and collision.

Workers' Compensation Coverage and Employer's Liability: Statutory limits per occurrence for Workers' Compensation and \$5.0 Million for Employer's Liability Coverage, subject to the terms, conditions and exclusions as provided in the Certificate of Coverage, effective July 1, 2021.

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2022 and June 30, 2021

Note 13 – Net Position

A. Net Investment in Capital Assets

Net Investment in Capital Assets at June 30 consisted of the following:

	<u>2022</u>	<u>2021</u>
Net investment in capital assets		
Capital assets, nondepreciable	\$ 38,426,035	\$ 41,596,526
Capital assets, depreciable/amortizable, net	336,597,407	340,390,730
Deferred amount on refunding	1,016,228	1,191,088
Unspent debt proceeds	5,012,202	—
Current portion of long-term debt:		
Waste water revenue bonds	(777,080)	(522,000)
Water revenue refunding bonds	(2,405,000)	(2,280,000)
Special assessment debt with government commitment	(863,064)	(843,108)
Note payable	(406,452)	(397,248)
Long-term debt, excluding current portion:		
Waste water revenue bonds	(7,533,220)	(3,491,000)
Water revenue refunding bonds	(24,891,695)	(27,766,523)
Special assessment debt with government commitment	(4,594,691)	(5,457,755)
Note payable	(10,756,474)	(11,564,749)
Total net investment in capital assets	<u>\$ 328,824,196</u>	<u>\$ 330,855,961</u>

B. Restricted Net Position

Restricted Net Position at June 30 consisted of the following:

	<u>2022</u>	<u>2021</u>
Net position restricted for debt service:		
<u>Restricted assets</u>		
Cash	\$ 2,138,897	\$ 1,798,632
Investments	60,887	245,766
Taxes/assessments receivable	39,292	39,981
Total restricted assets for debt service	2,239,076	2,084,379
Less liabilities payable from restricted assets	(132,209)	(146,058)
Net position restricted for debt service	<u>2,106,867</u>	<u>1,938,321</u>
Net position restricted for construction:		
<u>Restricted assets</u>		
Cash	3,034,372	2,842,409
Investments	2,270,832	2,017,183
Grants receivable	342,520	389,320
Total restricted assets for construction	5,647,724	5,248,912
Less liabilities from restricted assets	(26,732)	(65,933)
Net position restricted for construction	<u>5,620,992</u>	<u>5,182,979</u>
Total restricted net position	<u>\$ 7,727,859</u>	<u>\$ 7,121,300</u>

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2022 and June 30, 2021

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:

	2022	2021
Capital replacement reserve	\$ 47,486,991	\$ 46,058,252
Rate stabilization reserve	14,631,267	13,090,439
Operating reserve	8,655,077	10,310,257
	<u>\$ 70,773,335</u>	<u>\$ 69,458,948</u>

Note 14 – Capital Contributions

Capital contributions for the years ended June 30, 2022 and 2021 were as follows:

	2022	2021
Contribution of capital assets	\$ 393,361	\$ 853,539
Other	176,384	46,459
Total	<u>\$ 569,745</u>	<u>\$ 899,998</u>

Note 15 – Economic Dependency

All potable water sold by the District is purchased from the San Diego County Water Authority (SDCWA). The District purchased 18,446.8 acre-feet (AF) of potable water during fiscal year 2022, and 19,547.6 AF during fiscal year 2021. 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.

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2022 and June 30, 2021

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:

	<u>2022</u>	<u>2021</u>
Total open contracts	\$ 15,780,920	\$ 27,658,039
Less costs incurred as of June 30,	<u>(3,370,297)</u>	<u>(25,141,812)</u>
Remaining contractual commitments	<u>\$ 12,410,623</u>	<u>\$ 2,516,227</u>

B. Litigation

Management is of the opinion that there are no outstanding legal litigations that would have a material effect on the basic financial statements.

C. Grant Awards

Grant funds received by the District are subject to audit by the grantor agencies. Such audit could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under terms of the grant. Management of the District believes that such disallowances, if any, would not be significant.

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2022 and June 30, 2021

Note 17 – Segment Information

Although the District's financial statements jointly account for water and wastewater (sewer) services, investors in the 2015A and 2016A Water System Refunding Revenues Bonds rely solely on the revenues of the District's water services for repayment. Similarly, investors in the District's 2018A, 2021A, and 2021B Wastewater Revenue Bonds rely solely on the revenues of the District's wastewater services for repayment. The following condensed financial statements provide a summary of the District's financial information for water and wastewater services for the fiscal year ended June 30, 2022.

Condensed Statement of Net Position June 30, 2022

	Water Services	Wastewater Services	Total
ASSETS			
Current assets	\$ 85,222,038	\$ 20,985,823	\$ 106,207,861
Capital assets	316,459,783	58,563,659	375,023,442
Long-term assets	9,955,712	—	9,955,712
Other assets	35,463	—	35,463
Total assets	411,672,996	79,549,482	491,222,478
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	13,288,307	1,028,927	14,317,234
Long-term liabilities	47,203,268	9,331,767	56,535,035
Total liabilities	60,491,575	10,360,694	70,852,269
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	273,558,634	55,265,562	328,824,196
Restricted for debt service	2,106,867	—	2,106,867
Restricted for construction	5,620,992	—	5,620,992
Unrestricted	58,201,430	12,571,905	70,773,335
Total net position	\$ 339,487,923	\$ 67,837,467	\$ 407,325,390

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2022 and June 30, 2021

Note 17 – Segment Information (continued)

Changes in Net Position For the Year Ended June 30, 2022

	Water Services	Wastewater Services	Total
OPERATING REVENUES			
Water sales	\$ 57,747,541	\$ —	\$ 57,747,541
Sewer charges	—	5,480,925	5,480,925
Other water operating revenues	1,303,126	—	1,303,126
Total operating revenues	59,050,667	5,480,925	64,531,592
OPERATING EXPENSES			
Cost of purchased water sold	31,265,804	—	31,265,804
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	—	428,174
Facilities maintenance	1,304,985	82,025	1,387,010
Customer services	2,066,667	988	2,067,655
General and administrative	6,325,141	1,449,170	7,774,311
Other operating expenses	304,037	—	304,037
Depreciation and amortization	13,730,990	2,344,990	16,075,980
Total operating expenses	64,234,580	6,047,514	70,282,094
Operating income (loss)	(5,183,913)	(566,589)	(5,750,502)
NONOPERATING REVENUES (EXPENSES)			
Fair market value adjustment	(2,081,617)	(386,025)	(2,467,642)
Investment income	339,703	62,999	402,702
Property taxes	4,242,794	—	4,242,794
Capacity charges	616,165	914,760	1,530,925
Benefit assessments	1,058,241	—	1,058,241
Other nonoperating revenues	2,237,334	—	2,237,334
Interest expense, net	(1,185,043)	(142,771)	(1,327,814)
Other nonoperating expenses	(490,206)	(116,396)	(606,602)
Total nonoperating revenues (expenses)	4,737,371	332,567	5,069,938
Income (loss) before capital contributions	(446,542)	(234,022)	(680,564)
Capital contributions	80,949	488,796	569,745
Change in net position	(365,593)	254,774	(110,819)
Net position, beginning of year	339,853,516	67,582,693	407,436,209
Net position, end of year	\$ 339,487,923	\$ 67,837,467	\$ 407,325,390

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2022 and June 30, 2021

Note 17 – Segment Information (continued)

Condensed Statement of Cash Flows For the Year Ended June 30, 2022

	Water Services	Wastewater Services	Total
Net cash provided by operating activities	\$ 9,286,862	\$ 2,068,109	\$ 11,354,971
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	(10,225,482)	2,773,040	(7,452,442)
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	<u>\$ 41,996,391</u>	<u>\$ 13,950,634</u>	<u>\$ 55,947,025</u>

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2022 and June 30, 2021

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, 2021.

Condensed Statement of Net Position June 30, 2021

	Water Services	Wastewater Services	Total
ASSETS			
Current assets	\$ 84,518,291	\$ 14,397,199	\$ 98,915,490
Capital assets	321,624,368	60,362,888	381,987,256
Long-term assets	7,188,378	—	7,188,378
Other assets	82,997	—	82,997
Total assets	413,414,034	74,760,087	488,174,121
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	1,191,088	—	1,191,088
Pension-related deferred outflows of resources	3,131,554	454,158	3,585,712
Total deferred outflows of resources	4,322,642	454,158	4,776,800
LIABILITIES			
Current liabilities	13,250,963	682,713	13,933,676
Long-term liabilities	56,954,414	6,851,033	63,805,447
Total liabilities	70,205,377	7,533,746	77,739,123
DEFERRED INFLOWS OF RESOURCES			
Pension-related deferred inflows of resources	327,437	97,806	425,243
Lease-related deferred inflows of resources	7,350,346	—	7,350,346
Total deferred inflows of resources	7,677,783	97,806	7,775,589
NET POSITION			
Net investment in capital assets	274,506,060	56,349,901	330,855,961
Restricted for debt service	1,938,321	—	1,938,321
Restricted for construction	5,182,979	—	5,182,979
Unrestricted	58,226,156	11,232,792	69,458,948
Total net position	\$ 339,853,516	\$ 67,582,693	\$ 407,436,209

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2022 and June 30, 2021

Note 17 – Segment Information (continued)

Changes in Net Position For the Year Ended June 30, 2021

	Water Services	Wastewater Services	Total
OPERATING REVENUES			
Water sales	\$ 58,169,813	\$ —	\$ 58,169,813
Sewer charges	—	5,127,136	5,127,136
Other water operating revenues	1,461,229	—	1,461,229
Total operating revenues	59,631,042	5,127,136	64,758,178
OPERATING EXPENSES			
Cost of purchased water sold	30,601,983	—	30,601,983
Pumping and water treatment	4,378,418	—	4,378,418
Transmission and distribution	4,220,269	—	4,220,269
Sewer collection and treatment	—	2,085,237	2,085,237
Elfin Forest recreation operations	415,386	—	415,386
Facilities maintenance	1,279,544	84,020	1,363,564
Customer services	2,348,700	—	2,348,700
General and administrative	5,656,155	1,385,005	7,041,160
Other operating expenses	228,939	—	228,939
Depreciation and amortization	13,328,578	2,230,945	15,559,523
Total operating expenses	62,457,972	5,785,207	68,243,179
Operating income (loss)	(2,826,930)	(658,071)	(3,485,001)
NONOPERATING REVENUES (EXPENSES)			
Fair market value adjustment	(482,337)	(79,682)	(562,019)
Investment income	379,893	75,069	454,962
Property taxes	4,027,357	—	4,027,357
Capacity charges	2,754,730	—	2,754,730
Benefit assessments	1,177,302	—	1,177,302
Other nonoperating revenues	6,592,672	—	6,592,672
Interest expense, net	(1,291,875)	(127,134)	(1,419,009)
Other nonoperating expenses	(293,946)	(782,601)	(1,076,547)
Total nonoperating revenues (expenses)	12,863,796	(914,348)	11,949,448
Income (loss) before capital contributions	10,036,866	(1,572,419)	8,464,447
Capital contributions	611,840	288,158	899,998
Change in net position	10,648,706	(1,284,261)	9,364,445
Net position, beginning of year	329,204,810	68,866,954	398,071,764
Net position, end of year	\$ 339,853,516	\$ 67,582,693	\$ 407,436,209

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2022 and June 30, 2021

Note 17 – Segment Information (continued)

Condensed Statement of Cash Flows For the Year Ended June 30, 2021

	Water Services	Wastewater Services	Total
Net cash provided by operating activities	\$ 7,822,188	\$ 2,930,772	\$ 10,752,960
Net cash provided by noncapital and related financing activities	7,259,197	—	7,259,197
Net cash (used in) capital and related financing activities	(8,381,160)	(3,589,504)	(11,970,664)
Net cash (used in) investing activities	(10,627,142)	(1,423,630)	(12,050,772)
Net increase (decrease) in cash and cash equivalents	(3,926,917)	(2,082,362)	(6,009,279)
Cash and cash equivalents, beginning	45,375,939	10,322,576	55,698,515
Cash and cash equivalents, ending	<u>\$ 41,449,022</u>	<u>\$ 8,240,214</u>	<u>\$ 49,689,236</u>

Note 18 – Restatement of Net Position

As a result of implementation of GASB Statement No. 87, Leases, net position as of July 1, 2021 has been restated as follows:

Net position at July 1, 2021 as previously reported	\$ 407,246,145
Restatement to implement GASB Statement No. 87	190,064
Total restatement	<u>190,064</u>
Net position at July 1, 2021 as restated	<u>\$ 407,436,209</u>

	Originally Reported	Adjustments	As Restated
Leases receivable, due within one year	\$ —	\$ 352,032	\$ 352,032
Leases receivable, due in more than one year	—	7,188,378	7,188,378
Lease-related deferred inflows of resources	—	(7,350,346)	(7,350,346)
Total adjustments		<u>190,064</u>	
Net position	<u>\$ 407,246,145</u>	<u>\$ 190,064</u>	<u>\$ 407,436,209</u>

	Originally Reported	Adjustments	As Restated
Other water operating revenues	\$ 2,178,034	\$ (716,805)	\$ 1,461,229
Other nonoperating revenues	5,685,803	906,869	6,592,672
Total adjustments		<u>190,064</u>	
Net position	<u>\$ 407,246,145</u>	<u>\$ 190,064</u>	<u>\$ 407,436,209</u>

Required Supplementary Information (unaudited)

For the years ended June 30, 2022 and June 30, 2021

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 2022, inspections on the various tanks ended in July 2022.

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, 2022, 2021, 2020, 2019, and 2018 the District's steel water storage tanks were rated as follows:

Tank #	Name	Size (Gallons)	Type	TAI				
				FY 21/22	FY 20/21	FY 19/20	FY 18/19	FY 17/18
1	4 S-2 Tank	4,000,000	Ground Storage	9.4	9.4	8.8	8.1	8.6
2	Zorro Tank	1,200,000	Ground Storage	9.5	9.6	7.8	8.4	8.4
3	Wiegand Tank	1,000,000	Ground Storage	9.0	9.0	9.2	9.0	9.4
4	Peay Tank	10,000,000	Ground Storage	9.0	9.1	8.5	8.6	8.8
5	Denk Tank	10,000,000	Ground Storage	8.2	8.2	8.0	8.0	8.2
6	4S Tank	10,000,000	Ground Storage	9.6	8.7	7.3	7.0	7.6
7	Cielo Tank	1,000,000	Ground Storage	8.3	8.5	8.6	8.5	8.1
8	Roger Miller Tank	8,000,000	Ground Storage	9.4	9.5	9.7	9.6	9.7
9	Thelma Miller Tank	1,000,000	Ground Storage	8.9	8.9	8.9	9.1	8.9

Required Supplementary Information (unaudited) (continued)

For the years ended June 30, 2022 and June 30, 2021

Modified Approach for Steel Water Storage Tanks Infrastructure Capital Assets (continued)

The District expensed \$837,891 and \$786,752 on the steel water storage tanks maintenance for the fiscal years ended June 30, 2022 and 2021, 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 2022 is a minimum of \$830,023.

A schedule of actual expenses to maintain and preserve the steel water storage tanks at the current level is presented below:

Tank #	Name	Maintenance Expenses 2022		Maintenance Expenses 2021		Maintenance Expenses 2020		Maintenance Expenses 2019		Maintenance Expenses 2018	
		Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
1	4 S-2 Tank	\$ 58,290	\$ 58,842	\$ 55,251	\$ 55,251	\$ 55,251	\$ 55,251	\$ 52,513	\$ 52,513	\$ 49,776	\$ 49,776
2	Zorro Tank	34,006	34,328	32,233	32,233	32,233	32,233	30,636	30,636	29,039	29,039
3	Wiegand Tank	25,545	25,787	24,213	24,213	24,213	24,213	23,013	23,013	21,814	21,814
4	Peay Tank	165,989	167,563	157,336	157,336	157,336	157,336	149,540	149,540	141,744	141,744
5	Denk Tank	175,985	177,654	166,811	166,811	166,811	166,811	158,545	158,545	150,280	150,280
6	4S Tank	166,762	168,343	158,068	158,068	158,068	158,068	150,236	150,236	142,404	142,404
7	Cielo Tank	29,174	29,450	27,653	27,653	27,653	27,653	26,282	26,282	24,912	24,912
8	Roger Miller Tank	147,322	148,718	139,642	139,642	139,642	139,642	132,723	132,723	125,803	125,803
9	Thelma Miller Tank	26,950	27,206	25,545	25,545	25,545	25,545	24,279	24,279	23,014	23,014
Total		<u>\$ 830,023</u>	<u>\$ 837,891</u>	<u>\$ 786,752</u>	<u>\$ 786,752</u>	<u>\$ 786,752</u>	<u>\$ 786,752</u>	<u>\$ 747,767</u>	<u>\$ 747,767</u>	<u>\$ 708,786</u>	<u>\$ 708,786</u>

Required Supplementary Information (unaudited) (continued)

For the years ended June 30, 2022 and June 30, 2021

Schedule of Contributions – Defined Benefit Pension Plans

Last Ten Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution (actuarially determined)	\$1,854,789	\$1,733,027	\$1,509,929	\$1,321,485	\$1,144,038	\$1,026,323	\$898,330	\$825,748
Contributions in relation to the actuarially determined contributions	<u>1,854,789</u>	<u>2,183,027</u>	<u>1,809,929</u>	<u>1,321,485</u>	<u>1,144,038</u>	<u>1,026,323</u>	<u>898,330</u>	<u>825,748</u>
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ (450,000)</u>	<u>\$ (300,000)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
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
Contributions as a percentage of covered payroll	24.13%	29.10%	25.25%	19.09%	16.92%	16.06%	14.77%	13.98%

Notes to Schedule:

Valuation Date	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
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Methods and Assumptions Used to Determine Contribution Rates:

Single and agent employers	Entry age**
Amortization method	Level percentage of payroll, closed**
Asset valuation method	Market value***
Inflation	2.75%**
Salary increases	Depending on age, service, and type of employment**
Investment rate of return	7.50%, net of pension plan investment expense, including inflation**
Retirement age	50 (2.5%@55), 52 years (2%@62)
Mortality	Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS board.**

*Historical information is only available for periods where GASB 68 is applicable.

**The valuation 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 valuation 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, and 2019 valuations (applicable to fiscal years ended June 30, 2016, 2017, 2018, 2019, 2020, 2021, and 2022, respectively).

Required Supplementary Information (unaudited) (continued)

For the years ended June 30, 2022 and June 30, 2021

Schedule of Proportionate Share of the Net Pension Liability

Last Ten Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Miscellaneous and PEPRA Plan								
Plan's Proportion of the Net Pension Liability	0.41183%	0.34634%	0.34363%	0.33439%	0.32551%	0.12734%	0.12610%	0.10475%
Plan's Proportionate Share of the Net Pension Liability	\$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	\$7,502,733	\$ 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	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	87.14%	74.69%	74.59%	75.38%	73.57%	74.06%	79.86%	83.03%
Plan's Proportionate Share of Aggregate Employer Contributions	\$2,084,274	\$ 1,926,217	\$ 1,673,663	\$ 1,469,602	\$ 1,351,241	\$ 1,196,711	\$ 1,116,013	\$ 862,289

Required Supplementary Information (unaudited) (continued)

For the years ended June 30, 2022 and June 30, 2021

Schedule of Proportionate Share of the Net Pension Liability (continued)

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

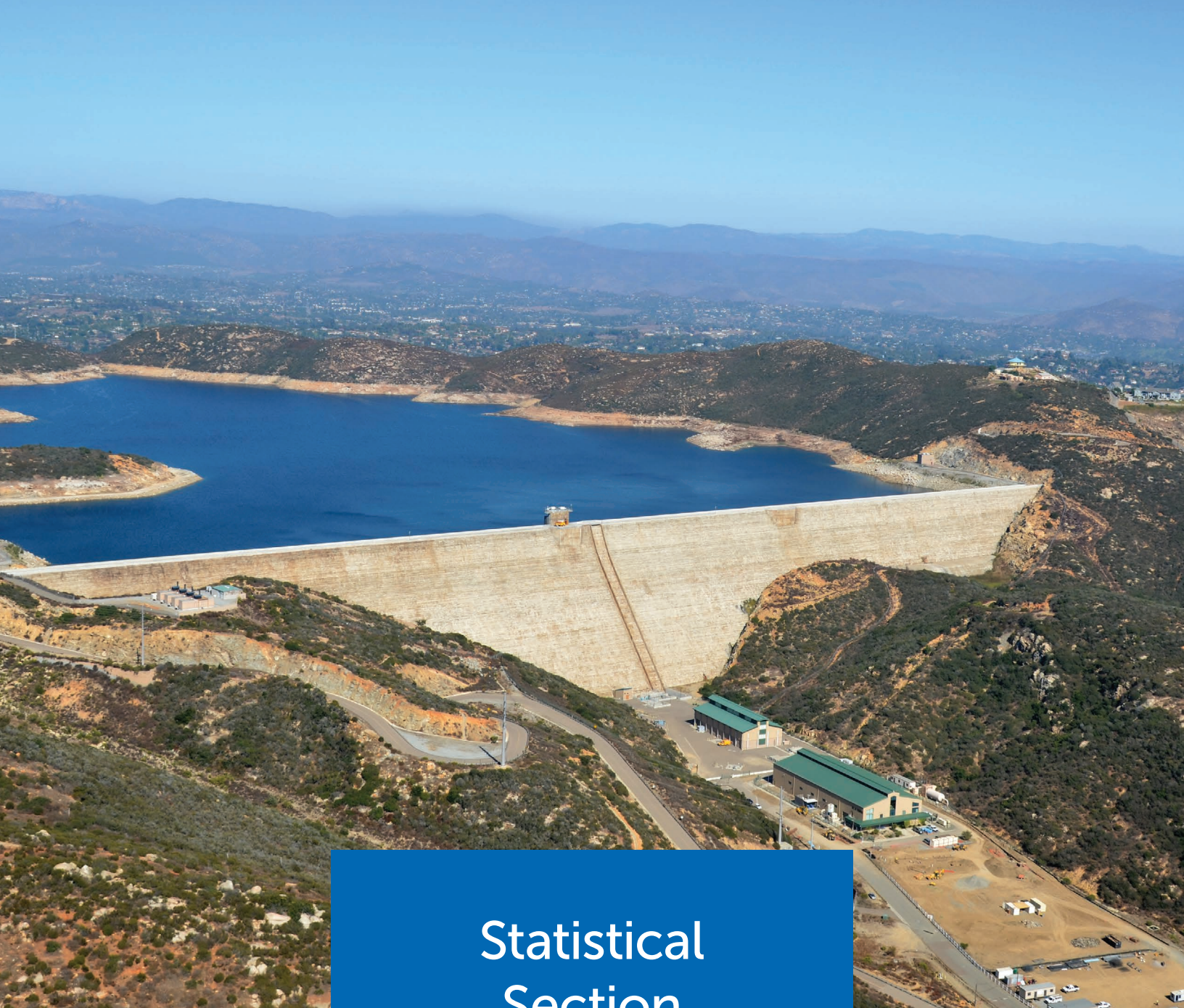
From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2022:

There were no changes in assumptions.

*Historical information is only available for periods where GASB 68 is applicable.



Statistical Section

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Aerial view of the David C. McCollom Water Treatment Plant and
the San Diego County Water Authority's Olivenhain Dam and Reservoir



Various photographs taken at the David C. McCollom Water Treatment Plant throughout its 20-year history

Statistical Section

Government Accounting Standards Board (GASB) Statement No. 44 “Economic Condition Reporting: The Statistical Section (an amendment of NCGA Statement 1)” requires that statistical information be presented as part of the Annual Comprehensive Financial Report.

Contents

Table No.

Financial Trends

I – II

These tables show the current and historical financial trends regarding the nature of investments and ownership during the reporting period to assess the liquidity and financial strength of the District.

Net Position is the accumulated value of the District’s assets minus its liabilities. Changes in Net Position (total revenue less total expenses) measures the success of the District’s operations during the reporting period and its ability to meet its financial commitments.

Revenue Capacity

III – IX

These tables provide more detailed information about the District’s revenues and expenses. Tables presented in this section show the District’s activities during the reporting year broken down by sources to provide the reader with more information in assessing the District’s financial health over the reporting period. These tables can also be used to assess whether or not the District has successfully recovered all of its costs through its users fees and other charges.

The District’s user rates and charges are established by the Board of Directors and are not subject to regulation by the California Public Utilities Commission or by any other local, state, or federal agency. The District is in compliance with Article XIID of the California State Constitution and Proposition 218 Omnibus Implementation Act.

While the District does not assess a special tax rate, it receives a proportionate amount of ad-valorem tax as established by Proposition 13. The District levies and collects, through the San Diego County Tax Assessor office, for the Reassessment District 96-1 bonds. This assessment revenue is collected to repay for bonds issued to finance the construction of the Olivenhain Dam and Reservoir project.

Debt Capacity

X – XV

These tables provide information on the District’s ability to issue additional debt in the future.

Demographic and Economic Information

XVI – XVII

Tables presented in this section will help the reader assess the District’s community profile. Since the District’s service area overlaps between several major cities and includes an unincorporated area, statistical information included in these tables represent the San Diego County economic data as a whole. Demographic and economic data presented have been collected from reasonably accurate sources, however, they should not be relied on in connection with any issuance of bonds.

Operating Information

XVIII – XIX

Tables presented contain internal information about the District’s water and sewer operations to measure operational efficiency.

Table I – Net Position by Component (Water and Wastewater)

Last Ten Fiscal Years

	Fiscal Year ended June 30									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Primary government										
Net investment in capital assets	\$ 328,824,196	\$ 330,855,961	\$ 330,720,794	\$ 321,290,220	\$ 322,232,147	\$ 322,388,785	\$ 322,493,799	\$ 315,240,098	\$ 314,218,584	\$ 318,296,589
Restricted	7,727,859	7,121,300	6,593,159	10,947,134	10,912,202	11,690,890	15,355,420	20,852,200	22,359,148	18,114,492
Unrestricted	70,773,335	69,458,948	60,757,811	62,445,287	57,908,178	53,114,033	48,664,923	50,582,280	53,318,489	45,055,363
Total net position	\$ 407,325,390	\$ 407,436,209	\$ 398,071,764	\$ 394,682,641	\$ 391,052,527	\$ 387,193,708	\$ 386,514,142	\$ 386,674,578	\$ 389,896,221	\$ 381,466,444

Source: Olivenhain Municipal Water District

Table II – Changes in Net Position

Last Ten Fiscal Years

	Fiscal Year ended June 30									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Operating Revenues										
Water sales	\$ 57,747,541	\$ 58,169,813	\$ 50,430,847	\$ 48,238,490	\$ 53,444,449	\$ 45,433,161	\$ 40,936,218	\$ 45,145,400	\$ 47,875,747	\$ 43,098,120
Sewer charges	5,480,925	5,127,136	4,952,194	5,245,015	4,464,710	4,447,426	4,474,853	4,656,781	4,246,033	4,178,503
Other water operating revenues	1,303,126	1,461,229	2,200,252	2,269,665	2,271,495	2,217,932	1,560,779	1,077,003	2,098,535	1,215,714
Total operating revenues	\$ 64,531,592	\$ 64,758,178	\$ 57,583,293	\$ 55,753,170	\$ 60,180,654	\$ 52,098,519	\$ 46,971,850	\$ 50,879,184	\$ 54,220,315	\$ 48,492,337
Operating Expenses										
Cost of purchased water sold	\$ 31,265,804	\$ 30,601,983	\$ 27,188,350	\$ 25,532,687	\$ 27,578,413	\$ 24,568,729	\$ 21,979,036	\$ 23,634,844	\$ 25,074,331	\$ 24,157,374
Pumping and water treatment	4,322,820	4,378,418	4,139,526	4,028,711	4,129,127	3,988,991	3,390,124	3,629,349	3,915,661	2,761,823
Transmission and distribution	4,485,962	4,220,269	4,090,468	3,480,238	3,557,507	3,874,766	3,482,086	3,348,083	3,666,030	3,041,766
Sewer collection and treatment	2,170,341	2,085,237	1,980,603	1,631,657	1,845,906	1,672,289	1,758,907	1,703,761	1,767,162	1,555,363
Elfin Forest recreation operations	428,174	415,386	381,540	376,635	337,557	316,387	287,923	187,525	198,143	161,710
Facilities maintenance	1,387,010	1,363,564	1,456,702	1,224,506	1,083,246	1,154,241	843,456	888,677	821,966	738,018
Customer services	2,067,655	2,348,700	2,404,916	1,817,086	1,734,656	1,789,423	1,757,388	1,205,838	1,057,472	1,003,099
General and administrative	7,774,311	7,041,160	7,326,820	6,926,933	7,252,941	6,265,690	5,388,804	5,141,239	4,513,964	3,957,431
Other operating expenses	304,037	228,939	329,185	407,811	244,817	388,995	—	—	—	—
Depreciation and amortization	16,075,980	15,559,523	15,029,936	14,892,827	14,584,093	15,069,090	13,053,286	13,757,848	13,661,241	12,837,065
Total operating expenses	\$ 70,282,094	\$ 68,243,179	\$ 64,328,046	\$ 60,319,091	\$ 62,348,263	\$ 59,088,601	\$ 51,941,010	\$ 53,497,164	\$ 54,675,970	\$ 50,213,649
Operating income (loss)	(5,750,502)	(3,485,001)	(6,744,753)	(4,565,921)	(2,167,609)	(6,990,082)	(4,969,160)	(2,617,980)	(455,655)	(1,721,312)
Non-operating Revenues (Expenses)										
Investment income, net										
of market value adjustment ⁽¹⁾	\$ (2,064,940)	\$ (107,057)	\$ 1,542,608	\$ 2,135,687	\$ 658,473	\$ 230,271	\$ 514,911	\$ 457,182	\$ 474,651	\$ (22,367)
Property taxes	4,242,794	4,027,357	3,863,252	3,714,060	3,557,919	3,414,858	3,268,438	3,066,946	2,896,741	2,806,377
Capacity charges	1,530,925	2,754,730	3,200,022	2,337,015	645,964	3,624,426	1,482,945	1,792,125	4,944,025	1,960,514
Benefit assessments	1,058,241	1,177,302	1,115,704	1,474,830	1,414,791	1,460,881	1,451,751	1,375,093	1,516,201	1,507,511
Other non-operating revenues ⁽²⁾	2,237,334	6,592,672	91,836	67,097	2,669	278,589	53,458	137,836	347,610	16,508
Interest expense, net	(1,327,814)	(1,419,009)	(1,457,739)	(1,794,797)	(2,120,456)	(2,342,667)	(2,629,591)	(2,879,588)	(3,037,510)	(2,056,136)
Other non-operating expenses	(606,602)	(1,076,547)	(1,458,033)	(1,036,442)	(561,079)	(1,012,913)	(1,211,973)	(358,178)	(2,448,061)	(950,689)
Total non-operating revenues (expenses)	\$ 5,069,938	\$ 11,949,448	\$ 6,897,650	\$ 6,897,450	\$ 3,598,281	\$ 5,653,445	\$ 2,929,939	\$ 3,591,416	\$ 4,693,657	\$ 3,261,718
Income before capital contributions	(680,564)	8,464,447	152,897	2,331,529	1,430,672	(1,336,637)	(2,039,221)	973,436	4,238,002	1,540,406
Capital contributions	569,745	899,998	3,236,226	1,298,585	2,428,147	2,016,203	1,878,785	4,524,509	4,191,775	9,949,608
Change in net position	(110,819)	9,364,445	3,389,123	3,630,114	3,858,819	679,566	(160,436)	5,497,945	8,429,777	11,490,014
Net position										
Beginning of year	\$ 407,436,209	\$ 398,071,764	\$ 394,682,641	\$ 391,052,527	\$ 387,193,708	\$ 386,514,142	\$ 386,674,578	\$ 389,896,221	\$ 381,466,444	\$ 369,976,430
Prior year adjustment/ equity adjustment	—	—	—	—	—	—	—	(8,719,588)	—	—
End of year	\$ 407,325,390	\$ 407,436,209	\$ 398,071,764	\$ 394,682,641	\$ 391,052,527	\$ 387,193,708	\$ 386,514,142	\$ 386,674,578	\$ 389,896,221	\$ 381,466,444

Source: Olivenhain Municipal Water District

Note: (1) Fair market value adjustment of \$(2,467,642) for FY 2022 and \$(562,019) for FY 2021.

(2) FY 2022 and FY 2021 include MET lawsuit settlements, sale of District parcels, and rental income (previously categorized under Other water operating revenues).

Table III – Revenues by Source

Last Ten Fiscal Years

Fiscal Year Ended	OPERATING REVENUES						NONOPERATING REVENUES						
	Water Sales ⁽¹⁾	Service Charges ⁽¹⁾	Meter Installs	Sewer Charges	Other ⁽²⁾	Total Operating Revenues	Investment Income ⁽³⁾	Prop. Taxes and Benefit Assessment	Capacity Charges ⁽⁴⁾	Capital Contributions ⁽⁵⁾	Other ⁽²⁾	Total Non-operating Revenues	TOTAL REVENUES
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
2013	32,430,072	10,668,048	166,262	4,178,503	1,049,452	48,492,337	(22,367)	4,313,888	1,960,514	9,949,608	16,508	16,218,151	64,710,488

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 \$(2,467,642) for FY 2022 and \$(562,019) for FY 2021).
(4) Fees paid by developers and new customers for water services.
(5) Cash contributions or contributions of capital assets in kind or when governmental constructions are earned.

Table IV – Expenses by Function

Last Ten Fiscal Years

Fiscal Year Ended	OPERATING EXPENSES							NONOPERATING EXPENSES			
	Cost of Water Sold	Pumping and Water Treatment	Transmission and Distribution	Sewer Collection and Treatment	Customer Services	Depreciation and Amortization	Other ⁽¹⁾	Total Operating Expenses	Interest Expense	Other ⁽²⁾	Total Non-operating Expenses
2022	\$31,265,804	\$ 4,322,820	\$ 4,485,962	\$ 2,170,341	\$ 2,067,655	\$16,075,980	\$ 9,893,532	\$70,282,094	\$ 1,327,814	\$ 606,602	\$ 1,934,416
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
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
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
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
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
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
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
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
2013	24,157,374	2,761,823	3,041,766	1,555,363	1,003,099	12,837,065	4,857,159	50,213,649	2,056,136	950,689	3,006,825

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⁽¹⁾

Last Ten Fiscal Years

Fiscal Year Ended	Domestic/Commercial			Agriculture			Recycled Water			Total		Combined Direct Rate ⁽²⁾	
	Value	Acre Feet	% of Total	Value	Acre Feet	% of Total	Value	Acre Feet	% of Total	Value	Acre Feet	\$/Acre Feet	\$/HCF
2022	\$ 38,105,626	17,179.4	88.7%	\$ 373,711	237.5 ⁽³⁾	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
2013	27,830,418	18,552.9	87.1%	1,119,726	757.3	3.5%	3,016,610	2,467.2	9.4%	31,966,754	21,777.4	1,468	3.37

Source: Olivenhain Municipal Water District

Notes: (1) Exclude unbilled water sales.

(2) Calculated based on total water sales divided by total volume. 1 acre-foot = 43,600 cubic feet = 325,900 gallons.

(3) Decrease in FY 2022 due to reclassing certain Agricultural customers to Domestic/Commercial that did not meet requirements for the PSAWR (Ag) program set forth by SDCWA.

Table VI – Rate by Activity

Last Ten Fiscal Years

	Fiscal Year ended June 30									
	2022 ⁽⁶⁾	2021 ⁽⁶⁾	2020 ⁽⁶⁾	2019 ⁽⁶⁾	2018 ⁽⁶⁾	2017 ⁽⁶⁾	2016 ⁽⁷⁾	2015 ⁽⁶⁾	2014 ⁽⁶⁾	2013 ⁽⁶⁾
Potable Water⁽¹⁾										
Monthly system access charge	\$ 40.41	\$ 39.44	\$ 38.46	\$ 37.70	\$ 37.70	\$ 36.08	\$ 33.88	\$ 31.97	\$ 30.76	\$ 29.87
Monthly commodity charge										
Domestic rate										
1st tier	3.68	3.39	3.30	2.71	2.64	2.53	2.50	2.25	2.32	2.26
2nd tier	5.34	5.02	4.90	4.75	4.62	4.43	4.35	3.93	3.71	3.61
3rd tier	5.96	5.63	5.49	5.61	5.46	5.23	5.60	4.65	4.75	4.62
4th tier	7.09	6.74	6.58	6.58	6.40	6.13	6.26	5.44	—	—
Commercial rate										
1st tier	5.02	4.71	4.59	4.07	3.96	3.79	3.64	3.36	3.90	3.79
2nd tier ⁽²⁾	—	—	—	—	—	—	—	—	4.97	4.83
Irrigation ⁽³⁾										
1st tier	5.65	5.33	5.20	4.35	4.23	4.05	3.99	3.60	—	—
2nd tier	6.04	5.71	5.57	5.90	5.74	5.50	5.61	4.88	—	—
Agricultural rate	5.88	5.55	5.42	4.75	4.62	4.43	4.26	3.93	3.70	3.60
PSAWR/TSARW credit ⁽⁴⁾	(1.11)	(0.97)	(0.99)	(0.94)	(0.95)	(0.89)	(0.90)	(0.77)	(0.47)	(0.40)
Recycled⁽¹⁾										
Monthly system access charge	\$ 40.41	\$ 39.44	\$ 38.46	\$ 37.70	\$ 37.70	\$ 36.08	\$ 33.88	\$ 31.97	\$ 30.76	\$ 29.87
Monthly commodity charge										
uniform rate	3.79	3.65	3.61	3.85	3.75	3.59	3.37	3.18	3.03	2.95
Sewer⁽¹⁾										
Annual system access charge per EDU ⁽⁵⁾										
4S Ranch	\$ 186.17	\$ 181.09	\$ 181.09	\$ 175.81	\$ 170.68	\$ 165.70	\$ 147.00	\$ 147.00	\$ 147.00	\$ 147.00
Rancho Cielo	186.17	181.09	181.09	175.81	170.68	165.70	147.00	147.00	147.00	147.00
Multi-family and commercial	147.33	181.09	181.09	175.81	170.68	165.70	147.00	147.00	147.00	147.00
Commodity charge per unit										
Domestic rate	6.81	6.59	6.59	6.39	6.20	6.01	6.00	6.00	6.00	6.00
Multi-family rate	6.81	6.59	6.59	6.39	6.20	6.01	6.00	6.00	6.00	6.00
Commercial rate										
Group I	6.81	6.59	6.59	6.39	6.20	6.01	6.00	6.00	6.00	6.00
Group II	9.43	10.16	10.16	9.86	9.57	9.29	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	15.86

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 1 Rate.

(7) Water Supply Shortage Level 2 Rate.

Table VII – Principal Water Consumers

Current and Nine Years Ago

FISCAL YEAR ENDED 2022

Customer Name	Usage (AF)	% of Water Sold
The Bridges Club at RSF Inc ⁽¹⁾	593.4	2.94%
4S Ranch Master HOA ⁽²⁾	492.8	2.44%
Bando National Corporation ⁽²⁾⁽³⁾	332.7	1.65%
Rancho Santa Fe Farms Golf Inc. ⁽²⁾	264.3	1.31%
Del Mar Country Club ⁽²⁾	245.4	1.22%
Crosby Estates HOA ⁽²⁾	233.2	1.16%
La Costa Oaks Association ⁽²⁾	194.7	0.96%
La Costa Glen Carlsbad CCRC LLC ⁽¹⁾⁽⁴⁾	175.6	0.87%
Surf Cup Soccer Field ⁽²⁾	138.4	0.69%
Cielo Homeowners Association ⁽¹⁾	126.3	0.63%
Total top ten consumers	2,796.9	13.85%
Other consumers	17,393.7	86.15%
Total water billed	20,190.6	100.00%

FISCAL YEAR ENDED 2013

Customer Name	Usage (AF)	% of Water Sold
4S Ranch Master HOA	450.2	2.07%
Fairbanks Ranch Country Club	389.3	1.79%
Del Mar Country Club	304.7	1.40%
Crosby National Golf Club	286.3	1.31%
HCC Investors	285.8	1.31%
Rancho Santa Fe Farms Golf	231.3	1.06%
La Costa Oaks Association	196.8	0.90%
Crosby Estates HOA	162.2	0.74%
Continuing Life Communities	149.6	0.69%
La Costa Valley Master Association	149.5	0.69%
Total top ten consumers	2,605.7	11.97%
Other consumers	19,171.7	88.03%
Total water billed	21,777.4	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.

Table VIII – Principal Wastewater (Sewer) Customers

Current and Two Years Ago

FISCAL YEAR ENDED 2022

Customer Name	Amount Billed	% of Total Sewer Billed
Cymer Inc.	\$ 293,395	5.38%
4S Ranch Holdco LLC	277,203	5.08%
Amante and Ravenna at 4S Ranch	198,204	3.63%
Summit of Rancho Bernardo HOA	165,048	3.02%
Bridgeport At 4S Ranch	124,962	2.29%
Gianni at 4S Ranch	113,385	2.08%
Santaluz Family Apartments LP	105,933	1.94%
San Moritz at 4S Ranch HOA	75,509	1.38%
Dove Canyon Apartments	74,542	1.37%
Grifols Diagnostic Solutions	36,801	0.67%
Total top ten consumers	1,464,983	26.84%
Other consumers	3,993,179	73.16%
Total sewer billed	\$ 5,458,162	100.00%

FISCAL YEAR ENDED 2020

Customer Name	Amount Billed	% of Total Sewer Billed
Cymer Inc.	\$ 313,822	6.35%
4S Ranch Holdco LLC	264,327	5.35%
Amante and Ravenna at 4S Ranch	189,320	3.83%
Summit of Rancho Bernardo HOA	174,256	3.53%
Bridgeport At 4S Ranch	119,255	2.41%
Gianni at 4S Ranch	111,443	2.26%
Santaluz Family Apartments LP	89,493	1.81%
Poway Unified School District	83,738	1.70%
4S Regency Partners LLC 00760	78,087	1.58%
Dove Canyon Apartments	61,606	1.25%
Total top ten consumers	1,485,346	30.07%
Other consumers	3,454,664	69.93%
Total sewer billed	\$ 4,940,010	100.00%

Source: Olivenhain Municipal Water District

Table IX – Property Tax and Special Assessment

Last Ten Fiscal Years

Fiscal Year Ended	Current Year Levy ⁽¹⁾			Total Collection Through June 30 ⁽⁴⁾	Net Uncollected at June 30	Percent Uncollected at June 30
	Property Taxes ⁽²⁾	Special Assessment ⁽³⁾	Total Levy			
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%
2013	2,885,797	1,443,461	4,329,258	4,270,208	59,050	1.36%

Source: County of San Diego Office of the Auditor Controller

- Notes:** (1) Excludes Wastewater Service and Stand-by Charges collected on the County's tax roll.
 (2) Includes only current secured and unsecured charges. Excludes delinquent charges, which were reported in previous year.
 (3) Special Assessment includes special assessment debt with government commitment (RAD 96-1).
 (4) Includes monies collected for all outstanding years, and includes late charges and interest on delinquent payments collected.

Table X – Assessed Value of Taxable Property

Last Ten Fiscal Years

Fiscal Year Ended	SECURED			Net Assessed Secured Value	Assessed Unsecured Value	Total Assessed Value
	Real Property	Personal Property	Exemptions			
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
2013	17,692,363,954	81,030,718	(203,823,254)	17,569,571,418	247,720,500	17,817,291,918

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 ⁽¹⁾	Add: Premium ⁽²⁾	Less: Reserve Funds ⁽³⁾	Net Bonded Debt	Total Secured Real Property ⁽⁴⁾	Debt to Total Secured Real Property	Population Estimate ⁽⁵⁾	Net Bonded Debt Per Capita	Personal Income	As a Share of Personal Income
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%
2013	14,765,000	39,674	1,428,025	13,376,649	17,692,363,954	0.08%	82,355	162	4,048,736,510	0.33%

Source: Olivenhain Municipal Water District, the Office of the Auditor Controller, County of San Diego, California Department of Finance, and California Department of Transportation

Notes: (1) Gross Bonded Debt is a special assessment debt with government commitment. It is the outstanding balance of Reassessment District 96-1 Bond at the end of the fiscal year.

(2) Premium was eliminated in fiscal year 2020 due to refinancing of the Reassessment District 96-1 Bond.

(3) Reserve funds decreased significantly in fiscal year 2020 due to refinancing of the Reassessment District 96-1 Bond.

(4) Total Secured Real Property is the total secured value of land and Improvements as stated on County of San Diego Assessed Valuation report for each fiscal year, exclusive of personal property, exemptions and unsecured property.

(5) Population estimate is based on California Department of Finance's Special District Population Benchmark based on 2010 census data and population growth estimates for San Diego County.

Table XII – Direct and Overlapping Debt

June 30, 2022

2021–22 Assessed Valuation: \$26,471,590,193

	Total Debt as of 6/30/2022	% Applicable ⁽¹⁾	District's Share of Debt as of 6/30/2022
DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:			
Metropolitan Water District	\$ 20,175,000	0.780%	\$ 157,365
Mira Costa Community College District	291,380,000	16.031%	46,711,128
Palomar Community College District	655,840,155	4.644%	30,457,217
Poway Unified School District School Facilities Improvement District No. 2002-1	114,320,766	5.165%	5,904,668
Poway Unified School District School Facilities Improvement District No. 2007-1	164,542,310	3.144%	5,173,210
San Marcos Unified School District	273,680,421	0.082%	224,418
Escondido Union High School District	79,639,809	1.522%	1,212,118
San Dieguito Union High School District	424,285,000	26.567%	112,719,796
Cardiff School District	23,045,019	4.426%	1,019,973
Encinitas Union School District	44,196,583	58.276%	25,756,001
Escondido Union School District	170,289,622	1.572%	2,676,953
Rancho Santa Fe School District	29,371,595	27.858%	8,182,339
Solana Beach School District Community Facilities District No. 2016-1	90,570,000	27.188%	24,624,172
Palomar Health District	408,228,082	6.720%	27,432,927
Poway Unified School District Community Facilities Districts	162,227,200	10.467–100%	151,597,618
San Dieguito Union High School District Community Facilities Districts	62,375,000	17.369–100%	29,381,626
Solana Beach School District Community Facilities District No. 2000-1	2,240,000	100%	2,240,000
City of Encinitas Community Facilities District No. 1	19,105,000	26.035%	4,973,987
Rancho Santa Fe Community Services District Community Facilities District No. 1	26,295,000	100%	26,295,000
Olivenhain Municipal Water District Assessment District No. 2019-96-1	5,470,000	100%	5,470,000
Total direct and overlapping tax and assessment debt			\$ 512,210,516
OVERLAPPING GENERAL FUND DEBT:			
San Diego County General Fund Obligations	\$ 245,340,000	4.367%	\$ 10,713,998
San Diego County Pension Obligation Bonds	340,825,000	4.367%	14,883,828
San Diego County Superintendent of Schools General Fund Obligations	7,780,000	4.367%	339,753
Palomar Community College District General Fund Obligations	1,440,000	4.644%	66,874
Poway Unified School District Certificates of Participation	54,460,000	11.997%	6,533,566
Other School District General Fund Obligations	145,248,687	Various	4,390,364
City of Encinitas Certificates of Participation	35,460,000	36.91%	13,087,931
City of San Diego General Fund Obligations	561,794,528	0.256%	1,438,194
Other Cities' General Fund Obligations	2,395,000	Various	6,092
Total overlapping general fund debt			\$ 51,460,600
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):	\$ 204,695,000	0.107%	\$ 219,024
Total direct debt			—
Total overlapping debt			\$ 563,890,140
Combined total debt			\$ 563,890,140⁽²⁾

Notes: (1) The percentage of overlapping debt applicable to the district is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the overlapping district divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2021–21 Assessed Valuation:

Direct debt	0.00%
Total direct and overlapping tax and assessment debt	1.93%
Combined total debt	2.13%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$11,309,941):

Total overlapping tax increment debt	1.94%
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Source: California Municipal Statistics, Inc.

Table XIII – Water System Revenue to Debt Service Ratio

Last Ten Fiscal Years

Fiscal Year Ended	Water Sales ⁽¹⁾	Property Taxes	Capacity Charges	Other Nonoperating Revenues ⁽²⁾	Total Water System Revenues	Less: Cost of Water Sold	Less: Operations and Maintenance Costs ⁽³⁾	Net Water System Revenues ⁽⁴⁾	Debt Service Payment ⁽⁵⁾	Revenue to Debt Service Ratio	Pledged Revenue Debt Limit
2022	\$ 58,746,630	\$ 4,242,794	\$ 1,530,925	\$ 2,640,036	\$ 67,160,385	\$ 31,265,804	\$ 18,505,581	\$ 17,389,000	\$ 4,451,579	3.91	125%
2021	59,402,103	4,027,357	2,754,730	7,047,634	73,231,824	30,601,983	17,883,079	24,746,762	4,450,079	5.56	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	2,337,015	1,779,546	57,930,964	25,532,687	16,223,249	16,175,028	4,457,329	3.63	125%
2018	55,471,127	3,557,919	620,224	533,766	60,183,036	27,578,413	16,487,251	16,117,372	4,513,537	3.57	125%
2017	47,262,098	3,414,858	1,761,723	474,085	52,912,764	24,568,729	15,906,059	12,437,976	4,716,802	2.64	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 ⁽⁶⁾	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%
2013	44,313,834	2,806,377	1,960,514	355,319	49,436,044	24,157,374	10,589,240	14,689,430	3,874,676	3.79	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 losses on investments.

(3) Excludes Elfin Forest Recreational Reserve operations and other operating expenses related to the District's Work for Other projects.

(4) Net Water System Revenues exclude Transfers from (to) Rate Stabilization Fund.

(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⁽¹⁾

Last Ten Fiscal Years

Fiscal Year Ended	AMOUNT LEVIED				Amount Collected ⁽³⁾	Percent Collected
	Principal	Interest	Other ⁽²⁾	Total		
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%
2013	722,203	676,413	44,845	1,443,461	1,453,620	100.7%

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⁽¹⁾

Last Ten Fiscal Years

Fiscal Year Ended	Water Revenue Bonds				Sewer Revenue Bond			Special Assessment Bonds	Note Payable		Total Net Outstanding Debt	Percentage of Personal Income	Per Capita
	2016 Water Revenue Refunding Bonds	2015 Water Revenue Refunding Bonds	2009 Water Revenue Bonds	2006 Water Revenue Refunding Bonds	2018 Sewer Revenue Refunding Bonds	2021A Sewer Revenue Bonds	2021B Sewer Revenue Refunding Bonds	Limited Obligation Reassessment District 96-1 ⁽³⁾	2013 State Revolving Fund	2012 California Bank & Trust ⁽²⁾			
2022	\$ 13,689,319	\$ 13,607,376	\$ —	\$ —	\$ —	\$ 4,796,400	\$ 3,513,900	\$ 5,457,755	\$ 11,162,925	\$ —	\$ 52,227,675	0.86%	603
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
2013	—	—	18,165,742	29,398,866	—	—	—	14,804,674	15,343,566	3,533,098	81,245,946	2.01%	987

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.

Table XVI – Demographic Statistics

San Diego County Current and Prior Nine Years

Year	Population Estimate	Personal Income	Per Capita Personal Income ⁽¹⁾	Unemployment Rate ⁽²⁾
2022	86,614	\$6,055,791,038	\$ 69,917	3.2%
2021	86,649	6,034,582,956	69,644	7.7% ⁽³⁾
2020	87,084	5,780,723,004	66,381	13.8% ⁽³⁾
2019	86,997	5,505,170,160	63,280	3.7%
2018	86,478	5,232,783,780	60,510	4.0%
2017	85,792	4,965,469,376	57,878	4.3%
2016	85,010	4,743,302,970	55,797	4.7%
2015	84,352	4,529,364,992	53,696	5.2%
2014	83,368	4,194,623,309	51,444	6.4%
2013	82,355	4,048,736,510	49,162	7.8%

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 Ten Years Ago

FISCAL YEAR 2022			FISCAL YEAR 2012 ⁽⁵⁾		
Employer Name	Number of Employees ⁽¹⁾	Percentage of Total County Employment	Employer Name	Number of Employees ⁽¹⁾	Percentage of Total County Employment
University of California San Diego ⁽²⁾	47,327	3.12%	Federal Government	45,500	3.14%
Naval Base San Diego	35,000	2.31%	State of California	42,900	2.96%
County of San Diego	24,845	1.64%	University of California San Diego	27,391	1.89%
Sharp HealthCare	19,000	1.25%	County of San Diego	15,687	1.08%
San Diego Unified School District	17,006	1.12%	Sharp HealthCare	15,231	1.05%
Scripps Health	15,000	0.99%	San Diego Unified School District	14,603	1.01%
City of San Diego	12,305	0.81%	Scripps Health	14,097	0.97%
Qualcomm Inc. ⁽³⁾	11,800	0.78%	Qualcomm Inc.	11,400	0.79%
Kaiser Permanente San Diego	9,500	0.63%	City of San Diego	10,057	0.69%
San Diego State University	5,577	0.37%	Kaiser Permanente	7,731	0.53%
Total Top Ten County Employers	197,360	13.02%	Total Top Ten County Employers	204,597	14.11%
All Other County Employers	1,318,424	86.98%	All Other County Employers	1,195,393	85.89%
Total County Employment ⁽⁴⁾	1,515,784	100.00%	Total County Employment ⁽⁴⁾	1,399,990	100.00%

Source: *San Diego Business Journal*, Bureau of Labor Statistics, 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.

(3) 2018 *San Diego Business Journal* was the most recent data available for this company.

(4) Bureau of Labor Statistics employment in June.

(5) 2013 data was not available from the County of San Diego for 10-year comparison.

Table XVIII – Full-time Equivalent Employees by Activity

Last Ten Fiscal Years

	Full-time Equivalent Employees ⁽¹⁾									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Water operations ⁽²⁾	36	35	37	34	36	34	31	36	38	39
Wastewater and recycled water ⁽³⁾	8	8	8	7	7	6	6	6	8	8
Elfin Forest recreation operations	3	3	3	3	3	3	3	3	3	2
General and administration										
General manager	4	4	4	4	4	4	2	2	5	5
Engineering	8	9	8	8	8	8	11	9	7	6
Finance	8	7	8	8	8	8	8	8	13	14
Human resources	4	4	4	4	4	4	4	4	4	4
Customer service and public relations	16	14	16	15	16	14	14	14	—	—
Total	87	84	88	83	86	81	79	82	78	78

Source: Olivenhain Municipal Water District

Notes: (1) Based on active full-time employees included in the District's payroll as of June 30, 2022, 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 Employees as of June 30									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
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 ⁽¹⁾	466.2	466.2	466.2	466.2	466.2	466.2	419.0	419.0	419.0	419.0
Number of treated reservoirs in service	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	13.0	16.0
Total treated reservoirs capacity (million gallons)	66.9	66.9	66.9	66.9	66.9	66.9	65.9	65.9	68.1	81.5
Number of service connections	28,871.0	28,848.0	28,803.0	28,664.0	28,585.0	28,563.0	28,477.0	28,343.0	28,251.0	27,892.0
Number of meters in service	28,713.0	28,696.0	28,657.0	28,504.0	28,431.0	28,393.0	28,295.0	28,161.0	28,082.0	27,714.0
Potable water peak demand (million gallons) ⁽²⁾	27.0	25.8	25.5	26.7	25.4	29.8	23.9	29.9	32.7	29.7
Average treated water demand (MGD) ⁽²⁾	17.4	17.4	15.3	15.0	17.3	18.9	14.4	17.5	19.7	18.6
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⁾	17.6	20.8	18.1	17.7	21.4	18.7	13.9	17.1	22.3	12.8
Sewer										
Service area (acres)	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	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⁾	7,250.0	7,247.0	7,244.0	7,239.0	7,236.0	7,063.0	7,043.0	6,939.0	6,883.0	6,861.0
Recycled										
Service area (acres)	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	10,567.0
Miles of recycled water main ⁽⁶⁾	67.1	67.1	67.1	67.1	67.0	54.5	48.0	48.0	48.0	47.5
Total recycled storage capacity (million gallons) ⁽⁴⁾	136.0	136.0	136.0	136.0	136.0	135.6	135.6	4.0	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	314.0	314.0	308.0	295.0	293.0	288.0	278.0	273.0	260.0	252.0
General Information										
Average years of service of employees ⁽⁵⁾	8.5	9.1	8.6	10.0	9.3	9.1	9.5	10.1	10.2	10.5

Source: Olivenhain Municipal Water District

Notes: (1) Total miles for FY 2017 and beyond include hydrant laterals in GIS.

(2) FY 2017 and beyond include selling of treatment capacity to Vallecitos Water District.

(3) An equivalent dwelling unit means the standard measurement of water discharged into the sewer collection and treatment system equal to the average discharge from a detached single-family unit.

(4) Recycled storage for FY 2016 and beyond includes Wet Weather Storage Pond storage capacity.

(5) Based on the numbers of full-time equivalent employees as of June 30.

(6) Total miles for FY 2017 and beyond include laterals in GIS.



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OLIVENHAIN MUNICIPAL WATER DISTRICT, ENCINITAS, CALIFORNIA



OLIVENHAIN MUNICIPAL WATER DISTRICT

Presentation to the Board of Directors
For the Fiscal Year Ended June 30, 2022

December 14, 2022



CONTENTS

- Scope of Work
- Audit Responsibilities
- Approach to the Audit
- Accounting Changes
- Overview of Financial Statements
- Key Financial Indicators
- Audit Results

SCOPE OF WORK

SCOPE OF WORK

- **Audit of the Annual Comprehensive Financial Report**
 - Financial Section
 - Statement of Net Position
 - Statement of Revenues, Expenses and Changes In Net Position
 - Statement of Cash Flows
 - Notes to the Basic Financial Statements

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. 87, *Leases*

- In June 2017, GASB issued Statement No. 87, *Leases* (GASB Statement No. 87), to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It also establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.
- Implementation of this Statement had a significant effect on the District's financial statements for the year ended June 30, 2022.

OVERVIEW OF THE FINANCIAL STATEMENTS

Olivenhain Municipal Water District Comparative Summary Statements of Net Position June 30, 2022 and 2021

	2022	2021	\$ Diff	% Diff
Assets				
Current Assets:				
Unrestricted assets	\$ 93,308,859	\$ 91,582,199	\$ 1,726,660	1.89%
Restricted assets	12,899,002	7,333,291	5,565,711	75.90%
Total current assets	106,207,861	98,915,490	7,292,371	7.37%
Noncurrent assets:				
Capital assets	375,023,442	381,987,256	(6,963,814)	-1.82%
Others	9,991,175	7,271,375	2,719,800	37.40%
Total noncurrent assets	385,014,617	389,258,631	(4,244,014)	-1.09%
Total assets	491,222,478	488,174,121	3,048,357	0.62%
Deferred Outflows of Resources				
Pension-related deferred outflows	2,731,692	3,585,712	(854,020)	-23.82%
Deferred amount on refunding	1,016,228	1,191,088	(174,860)	-14.68%
Total deferred outflows of resources	3,747,920	4,776,800	(1,028,880)	-21.54%

Olivenhain Municipal Water District

Comparative Summary Statements of Net Position (Continued)

June 30, 2022 and 2021

	2022	2021	\$ Diff	% Diff
Liabilities				
Current Liabilities:				
Accounts payable, accrued expenses, and deposits	8,709,858	8,908,329	(198,471)	-2.23%
Compensated absences, current	996,839	771,000	225,839	29.29%
Long-term debt, current	4,451,596	4,042,356	409,240	10.12%
Liabilities payable from restricted assets	158,941	211,991	(53,050)	-25.02%
Total current liabilities	14,317,234	13,933,676	383,558	2.75%
Noncurrent liabilities:				
Compensated absences	939,187	916,576	22,611	2.47%
Net pension liability	7,819,768	14,608,844	(6,789,076)	-46.47%
Long-term debt	47,776,080	48,280,027	(503,947)	-1.04%
Total noncurrent liabilities	56,535,035	63,805,447	(7,270,412)	-11.39%
Total liabilities	70,852,269	77,739,123	(6,886,854)	-8.86%
Deferred Inflows of Resources				
Pension-related deferred inflows	6,995,887	425,243	6,570,644	1545.15%
Lease-related deferred inflows	9,796,852	7,350,346	2,446,506	33.28%
Total deferred outflows of resources	16,792,739	7,775,589	9,017,150	115.97%
Net Position				
Net investment in capital assets	328,824,196	330,855,961	(2,031,765)	-0.61%
Restricted	7,727,859	7,121,300	606,559	8.52%
Unrestricted	70,773,335	69,458,948	1,314,387	1.89%
Total Net Position	\$ 407,325,390	\$ 407,436,209	\$ (110,819)	-0.03%

Olivenhain Municipal Water District

Comparative Statements of Revenues, Expenses and Change in Net Position

For the Years Ended June 30, 2022 and 2021

	2022	2021	\$ Diff	% Diff
Operating Revenues				
Water sales	\$ 57,747,541	\$ 58,169,813	\$ (422,272)	-0.73%
Sewer charges	5,480,925	5,127,136	353,789	6.90%
Other operating revenues	1,303,126	1,461,229	(158,103)	-10.82%
Total operating revenues	64,531,592	64,758,178	(226,586)	-0.35%
Operating Expenses				
Cost of purchased water sold	31,265,804	30,601,983	663,821	2.17%
Pumping and water treatment	4,322,820	4,378,418	(55,598)	-1.27%
Transmission and distribution	4,485,962	4,220,269	265,693	6.30%
Sewer collection and treatment	2,170,341	2,085,237	85,104	4.08%
Elfin Forest recreation reserve operations	428,174	415,386	12,788	3.08%
Facilities maintenance	1,387,010	1,363,564	23,446	1.72%
Customer services	2,067,655	2,348,700	(281,045)	-11.97%
General and administrative	7,774,311	7,041,160	733,151	10.41%
Other operating expenses	304,037	228,939	75,098	32.80%
Depreciation and amortization	16,075,980	15,559,523	516,457	3.32%
Total operating expenses	70,282,094	68,243,179	2,038,915	2.99%
Operating (Loss)	(5,750,502)	(3,485,001)	(2,265,501)	65.01%

Olivenhain Municipal Water District
Comparative Statements of Revenues, Expenses and Changes in Net Position
(Continued)
For the Years Ended June 30, 2022 and 2021

	2022	2021	\$ Diff	% Diff
Nonoperating Revenues (Expenses)				
Fair market value adjustment	(2,467,642)	(562,019)	(1,905,623)	339.07%
Investment income	402,702	454,962	(52,260)	-11.49%
Property taxes	4,242,794	4,027,357	215,437	5.35%
Capacity charges	1,530,925	2,754,730	(1,223,805)	-44.43%
Benefit assessments	1,058,241	1,177,302	(119,061)	-10.11%
Other nonoperating revenues	2,237,334	6,592,672	(4,355,338)	-66.06%
Interest expenses	(1,327,814)	(1,419,009)	91,195	-6.43%
Other nonoperating expenses	(606,602)	(1,076,547)	469,945	-43.65%
Total nonoperating revenues (expenses)	5,069,938	11,949,448	(6,879,510)	-57.57%
Income before capital contributions	(680,564)	8,464,447	(9,145,011)	-108.04%
Capital contributions	569,745	899,998	(330,253)	-36.69%
Changes in net position	<u>\$ (110,819)</u>	<u>\$ 9,364,445</u>	<u>\$ (9,475,264)</u>	<u>-101.18%</u>

Olivenhain Municipal Water District **Comparative Statements of Cash Flows** **For the Years Ended June 30, 2022 and 2021**

	2022	2021	\$ Diff	% Diff
Cash Flows from Operating Activities				
Receipts from customers	\$ 65,848,393	\$ 64,151,113	\$ 1,697,280	2.65%
Payments for water	(30,910,730)	(30,375,537)	(535,193)	1.76%
Payments for services and supplies	(11,012,912)	(10,544,997)	(467,915)	4.44%
Payments for employee wages, benefits, and related costs	(12,569,780)	(12,477,619)	(92,161)	0.74%
Net cash provided by operating activities	11,354,971	10,752,960	602,011	5.60%
Cash Flows from Noncapital Financing Activities				
Property tax assessment received	5,271,677	5,219,865	51,812	0.99%
SDCWA water rebate payment	2,102,804	2,039,332	63,472	3.11%
Net cash provided by noncapital financing activities	7,374,481	7,259,197	115,284	1.59%

Olivenhain Municipal Water District

Statements of Cash Flows (Continued)

For the Years Ended June 30, 2022 and 2021

	2022	2021	\$ Diff	% Diff
Cash Flows from Capital and Related Financing Activities				
Acquisition and construction of capital assets	(8,765,436)	(11,475,281)	2,709,845	-23.61%
Principal payments on long-term debt	(8,599,989)	(4,287,117)	(4,312,872)	100.60%
Proceeds from debt issuance	8,975,110	-	8,975,110	100.00%
Interest payments on long-term debt	(1,636,631)	(1,768,054)	131,423	-7.43%
Capacity charges received	1,552,833	2,777,662	(1,224,829)	-44.10%
Proceeds from sale of capital assets	595,875	2,033,750	(1,437,875)	-70.70%
Other capital financing receipts	1,125,345	881,819	243,526	27.62%
Other capital financing expenses paid	(699,549)	(133,443)	(566,106)	424.23%
Net cash provided by capital and related financing activities	(7,452,442)	(11,970,664)	4,518,222	-37.74%
Cash Flows from Investing Activities				
Proceeds from sale and maturities of investments	4,000,000	24,740,950	(20,740,950)	-83.83%
Purchase of investments	(9,061,033)	(37,279,742)	28,218,709	-75.69%
Investment income received	41,812	488,020	(446,208)	-91.43%
Net cash provided by investing activities	(5,019,221)	(12,050,772)	7,031,551	-58.35%
Changes in cash and cash equivalents	\$ 6,257,789	\$ (6,009,279)	\$ 12,267,068	-204.14%

KEY FINANCIAL INDICATORS

Olivenhain Municipal Water District Key Financial Indicators

	2022	2021	2020	2019
<u>Current Ratio</u>				
Current Assets	\$ 106,207,861	\$ 98,915,490	\$ 91,849,421	\$ 98,740,406
Current Liabilities	\$ 14,317,234	\$ 13,933,676	\$ 16,678,476	\$ 15,277,287
Olivenhain MWD	7.42	7.10	5.51	6.46
Average of 10 Local Districts	not available	5.42	6.39	6.33
<u>Capital Condition Ratio</u>				
Total Depreciable Capital Assets	\$ 567,338,861	\$ 556,962,450	\$ 533,528,816	\$ 527,687,018
Total Accumulated Depreciation	\$ 230,741,454	\$ 216,571,720	\$ 204,189,400	\$ 191,043,044
Olivenhain MWD	40.67%	38.88%	38.27%	36.20%
Average of 10 Local Districts	not available	45.12%	44.58%	43.78%
<u>Pension Liability to Net Position Ratio</u>				
Net Pension Liability	\$ 7,819,768	\$ 14,608,844	\$ 13,760,678	\$ 12,602,286
Net Position	\$ 407,325,390	\$ 407,436,209	\$ 398,071,764	\$ 394,682,641
Olivenhain MWD	1.92%	3.59%	3.46%	3.19%
Average of 10 Local Districts	not available	10.65%	11.03%	10.62%
<u>Water / Sewer Receivable % Change</u>				
Water / Sewer Receivable - Current Year	\$ 9,453,946	\$ 10,717,152	\$ 10,062,269	\$ 8,079,684
Water / Sewer Receivable - Prior Year	\$ 10,717,152	\$ 10,062,269	\$ 8,079,684	\$ 9,801,577
Olivenhain MWD	-11.79%	6.51%	24.54%	-17.57%
Average of 10 Local Districts	not available	8.69%	9.73%	-14.19%

Olivenhain Municipal Water District Key Financial Indicators

	2022	2021	2020	2019
<u>Operating Margin</u>				
Operating Revenues	\$ 64,531,592	\$ 64,758,178	\$ 57,583,293	\$ 55,753,170
Operating Expenses (minus depreciation)	\$ 54,206,114	\$ 52,683,656	\$ 49,298,110	\$ 45,426,264
Olivenhain MWD	1.19	1.23	1.17	1.23
Average of 10 Local Districts	not available	1.02	1.07	1.12
<u>Water / Sewer Sales % Change</u>				
Water / Sewer Sales - Current Year	\$ 63,228,466	\$ 63,296,949	\$ 55,383,041	\$ 53,483,505
Water / Sewer Sales - Prior Year	\$ 63,296,949	\$ 55,383,041	\$ 53,483,505	\$ 57,909,159
Olivenhain MWD	-0.11%	14.29%	3.55%	-7.64%
Average of 10 Local Districts	not available	11.20%	2.20%	-5.74%

Olivenhain Municipal Water District
GASB 68 – Sensitivity of NPL to Changes in Discount Rate
CalPERS Miscellaneous Plan
Measurement Date June 30, 2021

Discount Rate	<u>6.15%</u>	<u>7.15%</u>	<u>8.15%</u>
Proportionate share of net pension liability	\$ 15,848,851	\$ 7,819,768	\$ 1,182,239

	<u>2022</u>	<u>2021</u>	<u>Change</u>
Fiduciary net position as % of total pension liability	87.14%	74.69%	12.45%
Average of 10 local districts	not available	71.85%	

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 were noted
- No accounting issues



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San Diego, CA 92121

BAY AREA

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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



Memo

Date: December 14, 2022

To: Olivenhain Municipal Water District Board of Directors

From: Rainy Selamat, Finance Manager

Via: Kimberly A. Thorner, General Manager

Subject: **CONSIDER ANNUAL REPORT ON DISTRICT PENSION FUNDING STATUS AND APPROVAL OF THE RECOMMENDED PENSION FUNDING PLAN FOR 2022, INCLUDING A FUND TRANSFER FROM WATER OPERATING FUND TO WATER PENSION STABILIZATION FUND IN THE AMOUNT OF \$ 715,000 AND A FUND TRANSFER FROM WASTEWATER OPERATING FUND TO WASTEWATER PENSION STABILIZATION FUND IN THE AMOUNT OF \$71,000 PER THE BOARD APPROVED (JUNE 2022) PENSION FUNDING POLICY**

Purpose

Staff would like to report the District's pension funding status based on California Public Employees' Retirement Plan (CalPERS) Actuarial Valuation as of June 30, 2021, to the Board. Staff is also seeking approval from the Board on the recommended pension funding plans for 2022 included in the District's Pension Funding Policy (Policy) approved by the Board at the June 2022 meeting (attached).

Recommendation

The recommended pension funding plans are consistent with the District's Policy and are based on the CalPERS Actuarial Valuation as of June 30, 2021. The recommended plans, as stated in the Policy, are: 1) make a \$311,000 Additional Discretionary Payment (ADP) to CalPERS before December 31, 2022, and (2) modify the amortization schedule

of the District's Unfunded Liability (UAL) over a period of 13 years, or a 13-year "Fresh Start." The ADP and the "Fresh Start" will both result in long-term savings to the District as described in the Fiscal Impact section below.

To accomplish the District's pension funding objectives and to make ADP to CalPERS stated in the Policy, staff is also recommending that the Board authorize a fund transfer of \$715,000 from the District's Water Operating (Revenue) Fund to the District's Water Pension Stabilization Fund **and** a fund transfer of \$71,000 from the District's Wastewater Operating (Revenue) Fund to the District's Wastewater Pension Stabilization Fund. \$311,000 of these amounts will be used to make the ADP in 2022.

The recommended pension funding plans, including transfer of funds, were reviewed by the District's Finance Committee (Director Watt) at its regular meeting on November 9, 2022. The committee approved to take these recommendations for consideration and approval by the Board.

Alternative

The Board can instruct staff to do otherwise. The recommended plans are in-compliance with the District's Policy approved by the Board.

Background

It is the requirement of the District's Pension Funding Policy that staff review and report the District's pension plans (Classic Miscellaneous and PEPRa Miscellaneous) to the Board in December each year after the most current CalPERS actuarial report is released and the District's financial audit is completed.

Information on the District's pension funding status and progress are included in the presentation attached and staff's report was based on the most recent CalPERS' Actuarial Valuation as of June 30, 2021, which was released in August 2022.

Fiscal Impact

Making a \$311,000 Additional Discretionary Payment to CalPERS in 2022 and modifying the District's Unfunded Accrued Liability (UAL) amortization schedule to a 13-year Fresh Start would reduce the District's fiscal year 2022 UAL from \$9,364,978 to \$9,043,731, or \$321,247 and for an interest savings of \$13,247.

The total interest savings over a 13-year period is estimated at \$146,976, and would increase the District's projected pension funded ratio from 83.4% to 84.6% at the end of fiscal year 2022.

Discussion

CalPERS reported in its Actuarial Valuation as of June 30, 2021, that the District's unfunded pension liability for the Classic Miscellaneous Plan was \$10,304,207 and for PEPRM Miscellaneous Plan was a *surplus, (negative unfunded pension liability)*, of \$92,786. Based on CalPERS report, staff recommended funding plans for the District to meet the District's pension funding goals and objectives stated in the Policy. Staff's recommendations were discussed with the District's Finance Committee (President Watt) at its November 9th regular meeting. The recommended pension funding plans are consistent with the Policy's goals and objectives set forth by the Board in the District's Policy. After review, the committee approved to bring staff's recommendation to the Board for consideration and approval.

Attachments:

Olivenhain Municipal Water District Pension Funding Policy

Staff's presentation and report on the District's pension funding status and progress CalPERS letter regarding proposal to Fresh Start

Olivenhain Municipal Water District

Pension Funding Policy

Approved by Board on June 22, 2022

Purpose

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 statutes 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.

Normal Cost – represents the cost of pension benefits earned by current employees for their current years of service. Normal Cost payments are made bi-weekly to CalPERS, and are based on a percentage of payroll.

UAL Payments – 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 CalPERS 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.
2. Make regular annual additional discretionary payments (ADPs) of approximately \$311,000 to CalPERS before December 31st 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.

1. 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 20-year 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.

Reporting

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

1. **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.
2. **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.
3. **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.
9. **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

2022



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
- Staff's report is based on CalPERS' Actuarial Valuation as of June 30, 2021
 - Required contributions for fiscal year July 1, 2023 to June 30, 2024.

Timing of CalPERS Reports vs. Contributions to CalPERS

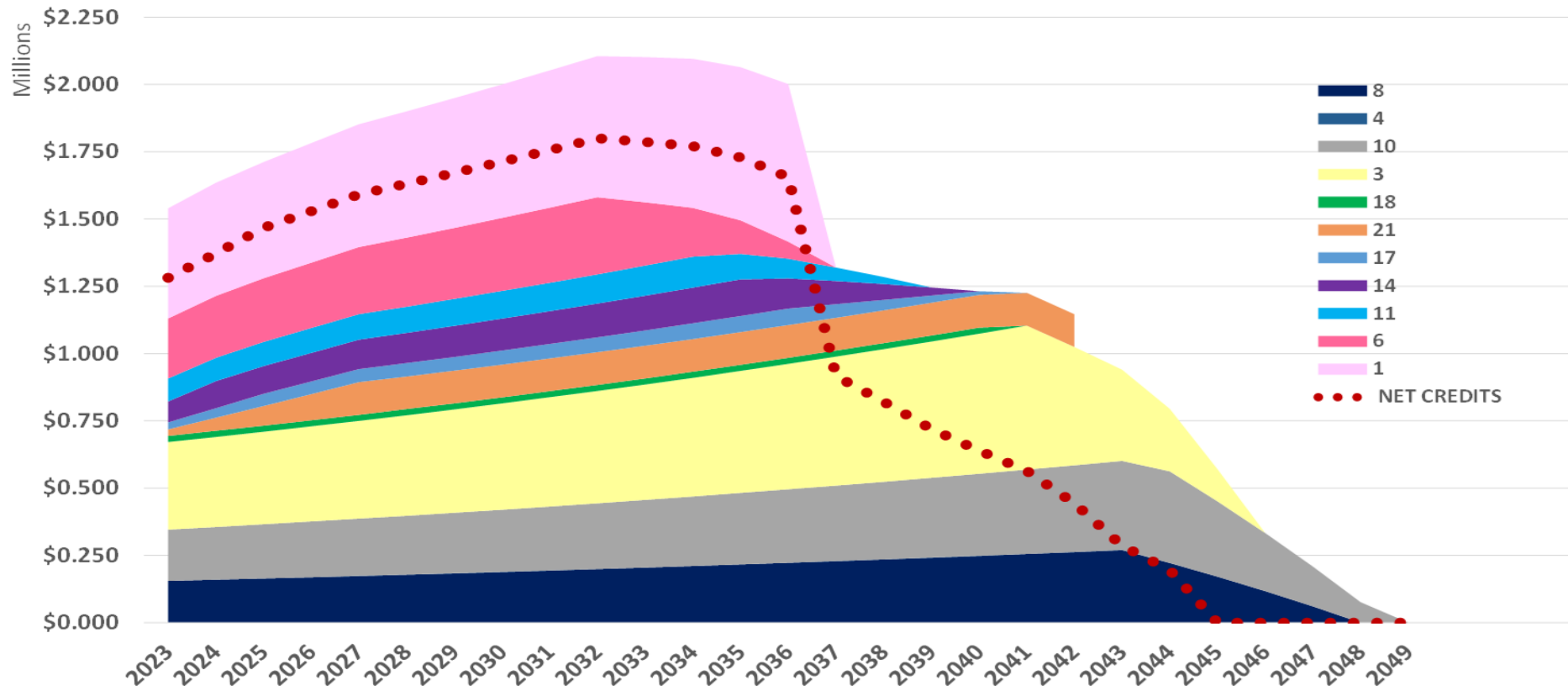
- Every August, CalPERS releases a new actuarial report, based on values as of June 30th of the previous fiscal year.
- The required contributions are due to be paid two years after the new released report
- For examples:
 - The Required Contributions for fiscal year 2022 (July 1, 2021 to June 30, 22) were paid to CalPERS in July 2021 was based on CalPERS' Actuarial Valuation as of June 30, 2019
 - The Required Contributions for fiscal year 2023 (July 1, 2022 to June 30, 2023) paid to CalPERS in July 2022 was based on CalPERS's Actuarial Valuation as of June 30, 2020
- Additional Unfunded Accrued Liability (UAL) payment, ie. Additional Discretionary Payment (ADP) made after the cut-off date (in April of each year) will be adjusted separately
 - ADP of \$485,000 made on June 28, 2021.

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 pay the remaining (~ 13%)
- Amortization of Unfunded Accrued Liability (UAL)
 - A **minimum** dollar amount billed by CalPERS each year based on a 20 year or less amortization schedule
 - The District prepays this amount in July of each year

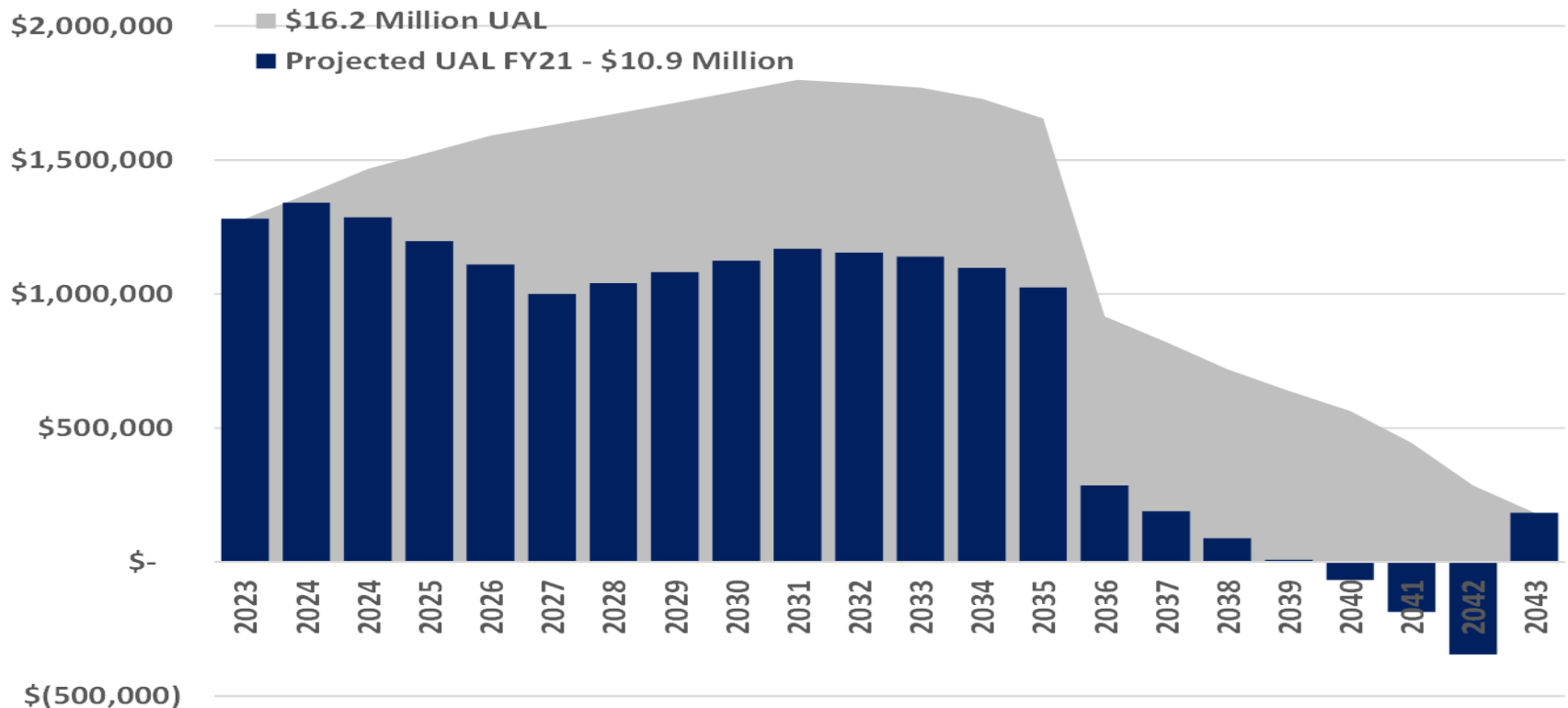
UAL Layer Cake – presented to the Board in April 2022

UAL PAYMENT SCHEDULE "LAYER CAKE"



Projected UAL @06/30/21 (presented to the Board in April 2022)

Projected UAL Net of FY21 Credit



Changes in Actuarial Methods and Assumptions since the PY's Valuation (FY 20)

- On November 17, 2021, CalPERS Board adopted new actuarial assumptions on termination rates, mortality rates, rates of salary increases, and inflation assumption for public agencies
 - Impact: an increase to the required contribution for FY 2023-24 from 11.6% to 13.34%
- CalPERS Board adopted a new asset portfolio as part of its Asset Liability Management Process
 - Impacts: a reduction in CalPERS discount rate from 7% to 6.8% and a change in the price inflation assumption to 2.3%

Updated UAL @ 06/30/21- Classic

CALPERS ACTUARIAL VALUATION - June 30, 2021
Miscellaneous Plan of the Olivenhain Municipal Water District
CalPERS ID: 7505210944

Plan's Funded Status

	June 30, 2020	June 30, 2021
1. Present Value of Projected Benefits (PVB)	\$64,311,632	\$68,959,317
2. Entry Age Accrued Liability (AL)	57,897,331	62,213,836
3. Plan's Market Value of Assets (MVA)	41,912,549	51,909,629
4. Unfunded Accrued Liability (UAL) [(2) - (3)]	15,984,782	10,304,207
5. Funded Ratio [(3) / (2)]	72.4%	83.4%

Actuarial Valuation as of 06/30/21

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
06/30/2012	\$31,441,149	\$22,625,378	\$8,815,771	72.0%	\$5,283,146
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

Updated UAL @ 06/30/21 -PEPRA

CALPERS ACTUARIAL VALUATION - June 30, 2021
PEPRA Miscellaneous Plan of the Olivenhain Municipal Water District
CalPERS ID: 7505210944

Plan's Funded Status

	June 30, 2020	June 30, 2021
1. Present Value of Projected Benefits (PVB)	\$5,214,618	\$6,991,579
2. Entry Age Accrued Liability (AL)	1,310,963	2,007,986
3. Plan's Market Value of Assets (MVA)	1,184,160	2,100,772
4. Unfunded Accrued Liability (UAL) [(2) - (3)]	126,803	(92,786)
5. Funded Ratio [(3) / (2)]	90.3%	104.6%

Volatility of employer contributions

Maturity Measures History

Valuation Date	Ratio of Retiree Accrued Liability to Total Accrued Liability	Support Ratio	Asset Volatility Ratio	Liability Volatility Ratio
06/30/2017	0.51	0.80	7.1	9.6
06/30/2018	0.50	0.78	7.2	9.9
06/30/2019	0.51	0.66	8.1	11.1
06/30/2020	0.52	0.56	9.1	12.5
06/30/2021	0.52	0.46	12.1	14.5

Maturity Measures History

Valuation Date	Ratio of Retiree Accrued Liability to Total Accrued Liability	Support Ratio	Asset Volatility Ratio	Liability Volatility Ratio
06/30/2017	0.00	N/A	0.2	0.2
06/30/2018	0.00	N/A	0.3	0.4
06/30/2019	0.00	N/A	0.4	0.5
06/30/2020	0.00	N/A	0.4	0.5
06/30/2021	0.00	N/A	0.7	0.7

Actuarial Valuations

Preview of 06/30/22

CalPERS Investment Returns and How They Impact Your Rates

Two Key Stats

PERF return for
FY 2021-22 is **-6.1%**
(Expected return: 6.8%)

Estimated PERF
funded status as of
6/30/22 is **72%**



PERF=Public Employees Retirement Fund

CalPERS Investment Returns and How They Impact Your Rates

Total Net Investment Returns Over Time

30 year	7.7%
20 year	6.9%
10 year	7.7%
5 year	6.7%
1 year	-6.1%

(As of fiscal year ending 6/30/22)



CalPERS Investment Returns and How They Impact Your Rates

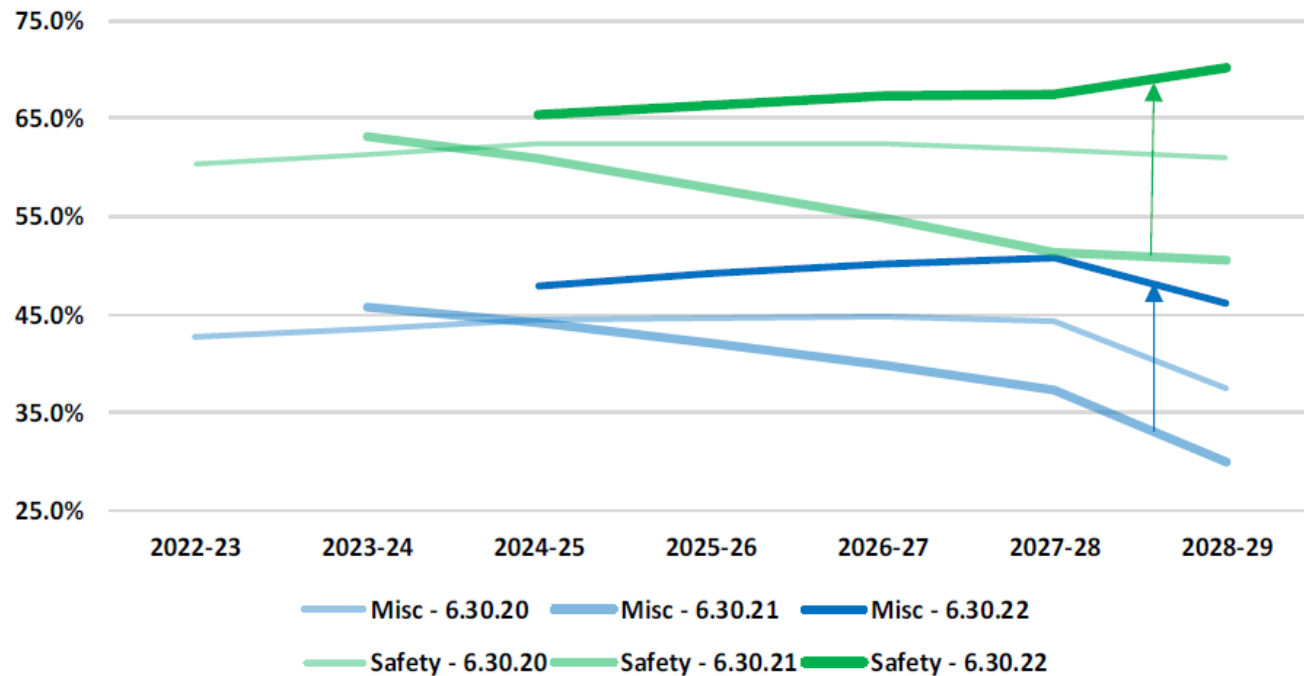
Contributing Macroeconomic Themes

- Labor market is tight, putting pressure on wages
- Supply chain constraints and higher commodity prices pushing inflation higher
- Federal Reserve is raising rates to cool the economy
- Economic activity is slowing

CalPERS Investment Returns and How They Impact Your Rates

Projected Contribution Rates — Sample Plan

Projected Employer Rates from 6/30/2022 Estimates



CalPERS Investment Returns and How They Impact Your Rates

2021-22 PERF Investment Returns

\$440 Billion Assets Under Management, as of June 30, 2022

Fiscal Year 2021-22 By Asset Class

Asset Class	Return
Public Equity	-13.1%
Private Equity¹	21.3%
Income	-14.5%
Real Assets¹	24.1%
Liquidity	0.3%

¹ Private asset valuations are lagged one quarter and reported as of March 31, 2022

Discussion

OMWD Pension Funding Policy

- Make regular annual Additional Discretionary Payment (ADP) of \$311,000 before December 31st
 - To reduce UAL and long-term savings
- Implement a 13-year Fresh Start
 - To re-amortize UAL over a shorter time
 - To level the District's annual UAL payments
- Fund the District's Pension Stabilization Fund
 - To be used as emergency source of funds to pay for additional amortization bases (future new layer in UAL Layer Cake) during difficult budgetary or economic times
 - To be used to pay for future ADP, if needed
 - The Board has full discretion

Recommended Pension Funding Plans

- Make a \$311,000 Additional Discretionary Payment (ADP) before December 31, 2022 in accordance with adopted Pension Funding Policy
- Modify the amortization schedule of the District's Unfunded Accrued Liability (UAL) over a period of 13 years or a 13-year "Fresh Start"
- Result:
 - A reduction (saving) in the District's UAL Payment of \$148,840 from \$1,184,077 to \$1,035,237
- Funding:
 - A \$715,000 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 2022
 - 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 \$71,000 transfer from Sewer Operating Fund to Pension Stabilization Fund - Sewer

Questions



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 11, 2022

CalPERS ID: 7505210944
Employer Name: OLIVENHAIN MUNICIPAL WATER DISTRICT
Rate Plan: MISCELLANEOUS PLAN [799]

Re: Proposal to Fresh Start Amortization Schedule

Dear Requestor:

This letter is in response to your request to modify the amortization schedule of the unfunded accrued liability (UAL) in conjunction with an additional discretionary payment of **\$311,000** for the rate plan indicated above. This request will result in a "Fresh Start" in which all amortization bases from your June 30, 2021 valuation will be combined into a single Fresh Start base and amortized over a period of 13 year(s). Payments will be determined using the level dollar amortization.

If you are aware of others interested in this information (e.g., payroll staff, county court employees, port districts), please inform them.

The change to your UAL payment resulting from this action is shown on the next page. The information displayed in this letter is based on the UAL shown in the Schedule of Amortization Bases section of your June 30, 2021 valuation report.

The information contained in the June 30, 2021 annual valuation report reflects the benefit provisions and member data as of June 30, 2021. The valuation report is appropriate for reporting and disclosure purposes.

The request to Fresh Start is irrevocable. Once implemented, the Fresh Start cannot be undone. However, there are no restrictions against requesting future modifications to the amortization schedule, including another Fresh Start, so long as the request does not result in a deferral of funding.

If your agency wishes to proceed with the Fresh Start, we require that this document be signed by a qualified individual and a copy returned to us.

Request to Implement a 13-year Fresh Start

By signing this document and returning it to CalPERS, I authorize CalPERS to implement a 13-year Fresh Start of the unfunded accrued liability for the OLIVENHAIN MUNICIPAL WATER DISTRICT MISCELLANEOUS PLAN, Rate Plan [799]. I attest that I have informed and/or consulted with all relevant parties. I understand that this action is irrevocable.

Name:

Position/Title:

Signature:

Shown below is the change to your plan's 2023-24 UAL payment assuming implementation of a 13-year fresh start. This change accounts for the additional discretionary payment of **\$311,000** and assumes payment by *January 1, 2023*. This action will not affect your current or future Normal Cost contributions.

Please note that there will be no changes to your required 2022-23 UAL payment.

Valuation as of June 30, 2021	Before Fresh Start and Additional Payment	After Fresh Start and Additional Payment
Projected 6/30/2023 Total Unfunded Liability	\$9,364,978	
Payment by January 1, 2023	\$311,000	
Revised 6/30/2023 Total Unfunded Liability		\$9,043,731
FY 2023-24 Employer Contributions		
Base Total Normal Cost for Formula	21.30%	21.30%
Surcharges for Class 1 Benefit		
None	0.00%	0.00%
Phase out of Normal Cost Difference	<u>0.00%</u>	<u>0.00%</u>
Plan's Total Normal Cost	21.30%	21.30%
Formula's Expected Employee Contribution Rate	<u>7.96%</u>	<u>7.96%</u>
Employer Normal Cost Rate	13.34%	13.34%
Employer Unfunded Liability Payment	\$1,184,077	\$1,035,237

	Fiscal Year
Required Employer Contribution	2023-24
Employer Normal Cost Rate	13.34%
<i>Plus</i>	
Required Payment on Amortization Bases	
<i>Paid either as</i>	
1) Monthly Payment	\$86,269.75
<i>Or</i>	
2) Annual Prepayment Option*	\$1,001,738
<p><i>The total minimum required employer contribution is the sum of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll) plus the Employer Unfunded Accrued Liability (UAL) Contribution Amount (billed monthly (1) or prepaid annually (2) in dollars).</i></p> <p><i>* Only the UAL portion of the employer contribution can be prepaid (which must be received in full no later than July 31).</i></p>	

To initiate this payment, the enclosed Lump Sum Payment Request must be completed and returned to the CalPERS Fiscal Services Division with payment by Electronic Funds Transfer (EFT) or wire transfer by January 1, 2023. A copy should be sent to us.

If you have questions, please call 888 CalPERS (or 888-225-7377).



BILL KARCH, ASA, MAAA
Supervising Pension Actuary, CalPERS

Additional UAL Payment Request

Please complete and return this form by either mail or e-mail.

Mail	CalPERS – 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.

Visit [Managing the Unfunded Accrued Liability](#) for payment instructions which are located on our website www.calpers.ca.gov under the **Employers** tab and **Actuarial Resources** section.

Employer Name: OLIVENHAIN MUNICIPAL WATER DISTRICT

CalPERS 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:	Fresh Start 06/30/2021

In recognition of our payment please revise our required employer contribution effective July 1, 2023:

Name and Title (Please Print): _____

Signature: _____ Date: _____

Mailing Address: _____

City/State/Zip: _____

Telephone Number: _____ Fax Number: _____

E-mail Address: _____

Memo

Date: December 14, 2022
To: Olivenhain Municipal Water District Board of Directors
From: Jennifer Joslin, Human Resources Manager
Via: Kimberly A. Thorner, General Manager
Subject: **CONSIDER ADOPTION OF AN ORDINANCE AMENDING THE OLIVENHAIN MUNICIPAL WATER DISTRICT'S ADMINISTRATIVE AND ETHICS CODE (ARTICLE 4 – CLASSIFIED POSITIONS AND ARTICLE 5 – WORKING HOURS, EMPLOYEE BENEFITS)**

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 2023 as well as updating the working hours section for field and Operations staff.

Recommendation

Staff recommends adoption of this Ordinance, as posting of 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 16, 2022 Board meeting to be effective January 1, 2023 and posting of the salary is required by statute.

Background

The Board of Directors discussed the General Manager's performance review in closed session at the November 16, 2022 Board meeting. The General Manager's compensation

was discussed and unanimously approved in open session. The working hours clarification will give the General Manager flexibility to adjust field staff working hours while on a 4/10 schedule in the summer, if necessary.

Fiscal Impact

The fiscal impact is a 3% increase in salary for the General Manager previously approved in November 2022. No fiscal impact shall result from the update for field staff working hours.

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. Adoption of this Ordinance will also update the approved working hours of field staff based on operational needs as determined by the General Manager.

*Attachment:
Proposed Ordinance*

ORDINANCE NO. 4XX

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

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

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

Sec. 4.4. Salary Schedule and Job Classification

OLIVENHAIN MUNICIPAL WATER DISTRICT
RANGES FROM ~~6/18/2022~~1/1/2023 THROUGH 6/16/2023
(revised ~~5/18/2022~~12/14/2022)

NO.	JOB CLASSIFICATION	GRADE	RANGE	
			<u>BI-WEEKLY</u>	
	<u>EXEMPT CLASSIFICATION</u>		<u>SALARY</u>	
			Actual Effective	
			4/1/22 1/1/2023	
1	GENERAL MANAGER	N/A		10,584.94
1	ASSISTANT GENERAL MANAGER	19	6,988.65	9,784.12
1	ENGINEERING MANAGER	18	5,378.98	8,579.41
1	FINANCE MANAGER	18	5,378.98	8,579.41
1	OPERATIONS MANAGER	18	5,378.98	8,579.41
1	HUMAN RESOURCES MANAGER	17	4,991.75	7,979.96
1	CUSTOMER SERVICES MANAGER	17	4,991.75	7,979.96
0	NO INCUMBENT	16	4,645.00	7,420.16
0	NO INCUMBENT	15	4,197.53	6,290.80
1	WATER TREATMENT FACILITIES SUPERVISOR	14	3,906.32	5,853.70
1	INFORMATION TECHNOLOGY SUPERVISOR	14	3,906.32	5,853.70
1	CUSTOMER SERVICE AND PUBLIC AFFAIRS SUPERVISOR	13	3,631.62	5,444.71
1	SAFETY/RISK COMPLIANCE ADMINISTRATOR	13	3,631.62	5,444.71
1	ACCOUNTING SUPERVISOR	12	3,374.63	5,064.37
1	ENGINEERING SERVICES SUPERVISOR	12	3,374.63	5,064.37
2	OPERATIONS SUPERVISOR	12	3,374.63	5,064.37
1	FIELD SERVICES SUPERVISOR	12	3,374.63	5,064.37
0	ENGINEERING PROJECT ADMINISTRATOR	12	3,374.63	5,064.37
1	WATER RECLAMATION FACILITIES SUPERVISOR	12	3,374.63	5,064.37
1	SENIOR SYSTEMS ADMINISTRATOR	12	3,374.63	5,064.37
2	SYSTEMS ADMINISTRATOR	11	3,139.60	4,706.67
<u>1</u>	<u>PARK SUPERVISOR</u>	11	3,139.60	4,706.67
21	EXEMPT (current approved headcount)			

SECTION 2: Article 5, Working Hours and Employee Benefits, Section 5.2 of the District's Administrative and Ethics Code is hereby amended to read as follows:

Sec. 5.2. Hours of Work – Operations/Field staff. The regular work hours for field staff and the Operations Department personnel shall be from 6:30 A.M. to 4:00 P.M. per the 9/80 hybrid schedule. The work hours for plant positions on a 4/10 schedule shall be from 6:00 A.M. to 4:30 P.M. The work hours for non-plant positions on a 4/10 schedule ~~shall be from 6:30 A.M. to 5 P.M.~~ as outlined in the current MOU, shall be set by the General Manager. Individual employees may have their work schedule, lunch period schedule, and rest periods begin or end at different times upon approval of the General Manager or his/her designee. The work week shall end 4 hours into an employee's shift on the last day for those employees on a 9/80 schedule. The work week shall end at midnight on Tuesday for plant employees on a 4/10 schedule. The work week shall end on midnight on Friday for non-plant employees on a 4/10 schedule. Operations/Field staff shall be split on Fridays off for coverage purposes.

PASSED, APPROVED AND ADOPTED at a regular meeting of Olivenhain Municipal Water District's Board of Directors held this 14th day of December 2022.

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

ATTEST:

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

**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 14, 2022

TIME: 4:30 P.M. OR LATER

PLACE: HYBRID REGULAR MEETING VIA TELECONFERENCE AND IN PERSON

Pursuant to the State of California Executive Order, and in the interest of public health, OMWD is temporarily taking actions to mitigate the COVID-19 pandemic by holding Board Meetings electronically or by teleconference. This meeting will be a hybrid, of in person and teleconference. Our Boardroom will be open to the public.

To join this meeting via phone, please dial:

(669) 900-9128 or (346) 248-7799

Meeting ID: 837 8540 5964 and Password: 343795

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, OMWD FINANCING AUTHORITY REVENUE BONDS SERIES 2016A, AND OMWD FINANCING AUTHORITY REVENUE BONDS SERIES 2009)
8. ADJOURNMENT

Memo

Date: December 14, 2022

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**

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 14, 2022

TIME: 4:30 P.M. OR LATER

PLACE: HYBRID REGULAR MEETING VIA TELECONFERENCE AND IN PERSON

Pursuant to the State of California Executive Order, and in the interest of public health, OMWD is temporarily taking actions to mitigate the COVID-19 pandemic by holding Board Meetings electronically or by teleconference. This meeting will be a hybrid, of in person and teleconference. Our Boardroom will be open to the public.

To join this meeting via phone, please dial:

(669) 900-9128 or (346) 248-7799

Meeting ID: 837 8540 5964 and Password: 343795

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 NON-PROFIT CORPORATION
(OLIVENHAIN MUNICIPAL WATER DISTRICT SYSTEM REFUNDING REVENUE BONDS
SERIES 2015A)
8. ADJOURNMENT

Memo

Date: December 14, 2022
To: Olivenhain Municipal Water District Board of Directors
From: Rainy Selamat, Finance Manager
Via: Kimberly Thorner, General Manager
Subject: **CONSIDER THE STATUS OF DEBT ISSUED BY THE NON-PROFIT CORPORATION
(OLIVENHAIN MUNICIPAL WATER DISTRICT SYSTEM REFUNDING REVENUE
BONDS SERIES 2015A)**

(Finance Corporation 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 14, 2022.

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

A

To: Olivenhain Municipal Water District Board of Directors

Subject: INFORMATIONAL REPORTS
PRESIDENT

Any report will be oral at the time of the Board meeting.

Memo

B

To: Olivenhain Municipal Water District Board of Directors

Subject: INFORMATIONAL REPORTS
GENERAL MANAGER

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

December 14, 2022

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 2022:

Operations & Maintenance	November 2022	October 2022
David C. McCollom Water Treatment Plant (DCMWTP)		
Total Production	395.8 million gallons	368.1 million gallons
DCMWTP Average Daily Production	13.2 million gallons	11.9 million gallons
DCMWTP Peak Day Production	17.2 million gallons	20.9 million gallons
Source Water Blend (% State Project Water)	0	0%
Total Deliveries to Vallecitos Water District	No Deliveries	No Deliveries
4S and Rancho Cielo Sewer Systems Total Inflow	38.24 million gallons	39.04 million gallons
4S and Rancho Cielo Sewer Systems Average Daily Inflow	1,274,741 gallons	1,259,476 gallons
4S and Rancho Cielo Sewer Systems Peak Day Inflow	1,439,576 gallons	1,331,856 gallons
4S and Rancho Cielo Sewer Systems Low Day Inflow	1,169,096 gallons	1,116,844 gallons
4S Water Reclamation Facility (4SWRF) Average Daily Production	643,336 gallons	769,496 gallons
4SWRF Peak Day Production	1,079,664 gallons	1,110,686 gallons
4SWRF Total to Recycled Water Distribution System	19.30 million gallons	23.85 million gallons
4S Recycled Water Storage Pond Volume	34 acre feet	17 acre feet
Repaired Potable Water Main Leak(s)	1	0
Repaired Potable Water Service Lateral Assembly Leak(s)	3	4
Repaired Recycled Water Main Leak(s)	1	0
Repaired Recycled Water Service Lateral Leak(s)	0	0
Repaired Hit Fire Hydrant Lateral Assembly Leak(s)	0	0
Replaced Valve(s) Monthly Total	4	3
Replaced Valve(s) Calendar Year To Date	27	23
Recycled Water Use Site Inspections & Visits	20	26
Recycled Water Use Site Cross Connection Tests	2	7
Cross Connection Site Surveys	13	16
Backflow Inspections & Testing (New)	3	2
IT Help Requests	29	24
Customer Services	November 2022	October 2022
Customer Calls and Inquiries	1,337	1,273
Total Monthly Bills Issued	22,996	22,976
Service Orders	554	427
New Potable Meters	1	1
New Fire Meters	1	0
New Recycled Water Meters	0	0
Advanced Metering Infrastructure (AMI)	12	18
Troubleshooting Investigations		

Customer Services - Continued	November 2022	October 2022
AMR Troubleshooting Investigations	31	35
Stopped/Underperforming Meters Replaced	83	63
MXUs Upgraded to AMI	338	232
Meter Accuracy Tests Performed	0	0
Water Use Evaluations	19	12
Water Use Violation Reports	0	4
Workshops, Events, and Tours	1	2
High-Efficiency Clothes Washer Rebate Applications	5	5
Weather-Based Irrigation Controller Rebate Applications	7	2
Hose Irrigation Controller Rebate Applications	0	0
High-Efficiency Rotating Nozzle Rebate Applications	1	1
High-Efficiency Toilet Rebate Applications	1	0
Rain Barrel Rebate Applications	4	1
Flow Monitor Device Rebate Applications	2	2
Turf Removal Project Rebate Applications	7	4
Social Media Posts	31	27
News Releases/Media Advisories	3	1
EFRR	November 2022	October 2022
Special Use/Event Permits	5	7
Parking Notices	89	55
Incident Reports	4	4
Vehicle Count	3,993	4,638
Trail Use Count	10,109	8,450
Days Closed Due to Rain/Red Flag/COVID-19	2	0
Days IC Open	14	16
Number of IC Visitors	262	312
Volunteer Trail Patrol Shifts	4	6
Volunteer Docent Hours	73	96
Total Number of Docents	61	61
Finance	November 2022	October 2022
Infosend Payments	10,921	10,807
OMWD Auto Debit Payments	2,138	2,163
CB&T Lockbox Payments	3,181	3,061
Over the Counter Payments	627	292
Check-free, Metavante and Chase	4,757	4,455
Paymentus (Credit Card) Payments	804	778
Finance Calls and walk-ins	48	47
Service Orders Processed	15	9
Service Orders Closed Out	0	3
Purchase Orders	8	17
Inventory Items Received	232	717
Invoices Processed	550	536
Payroll Direct Deposits Processed	239	240
Accounts Payable Checks and Electronic Fund Transfers	382	344

ENGINEERING DEPARTMENT

Engineering Manager Lindsey Stephenson Highlights for November 2022:

4S Ranch Neighborhood 1 Sewer Pump Station Replacement Project continues to progress through construction of the bypass piping connections in preparation of bypass installation. The Manchester Avenue and South El Camino Real Recycled Water Pipelines Project continues pipe installation, with mainline install complete and service connections moving forward. Coordination with Caltrans and their contractor for work occurring at I-5 and Manchester Avenue continued during the month of November. Harris Cathodic Protection improvements made significant progress and is nearing completion. Staff continued progressing planning and design efforts on multiple CIP projects. Staff continues to handle developer requests, continues to assist other departments with engineering-related work, and continues to manage OMWD's right of ways.

HUMAN RESOURCES DEPARTMENT

Human Resources Manager Jennifer Joslin Highlights for November 2022:

Human Resources staff conducted interviews for Department Assistant (Engineering), Water Treatment Plant Operator Level II, Operations Coordinator, Grow Your Own (GYO) Customer Service Representative II, and temporary help for capital improvement project support. Coordinated the recruitment for the vacant Utility 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 "Prevention and Control of Absenteeism and Abuse of Leave" and "Family and Medical Leave" presented by Liebert Cassidy Whitmore for members of their North San Diego County Employment Relations Consortium. Hosted training for all interested employees on "Effective Presentation and Public Speaking Skills". Conducted a COVID Task Force meeting. Safety staff attended a Local Hazard Mitigation Planning Committee meeting with local agencies. Completed the five-year review and update of the District's Spill Prevention and Countermeasures Control Plan. Facilitated Confined Space Entry training, Respiratory Protection Training, and Fall Protection Training for DCMWTP staff. Provided safety orientation for two temporary staff members.

OPERATIONS & MAINTENANCE

Operations Manager Geoff Fulks Highlights for November 2022:

David C. McCollom Water Treatment Plant (DCMWTP) staff reviewed the 50% drawings and submittals for the 4th Stage Centrifuge Addition project. Staff is working on adding a new certified water quality laboratory to provide sampling for both plants and the distribution system. The new pH control system at the DCMWTP is operational. IT staff continue to support network security upgrades as well as deploy patches to end user devices. Pump and Motor Technicians removed Cielo Pump Station Pump #2 for repair. Instrument and Controls staff continue to install physical security upgrades to reservoir sites. IT staff continues to support the PLC Replacement project and keep the design work on schedule. Wastewater staff performed quarterly wet well cleanings and load bank testing on pump station generators. Fat, Oil and Grease inspections were completed at 4S area restaurants. Sys Ops installed a new 6" meter at the San Diego Recycled Water Connection #2 and installed a new pressure reducing valve in the Lone Jack Pressure Reducing Station to mitigate noise impacts and protect valves from cavitation. Construction staff outfitted 4 new vehicles for service.

CUSTOMER SERVICES DEPARTMENT

Customer Services Manager John Carnegie Highlights for November 2022:

Sent e-newsletter subscribers information on water supply conditions, rebates on water-efficient devices, and the rain barrel distribution program being offered until November 30; presented to approximately 75 Mission Estancia Elementary School first and second graders on using water efficiently; coordinated a visit for seven students participating in a First Lego League competition to learn about hydroelectricity, water distribution systems, and pressure regulators; held facilities tour for board members and their guests; mailed 338 postcards notifying customers affected by the next AMI Expansion Project phase of upcoming work and the My Water Use dashboard; concluded 2022 Pure Excellence awards program; and began eligibility assessment process with three risk-sharing pools in order to seek quotations for insurance coverage for Fiscal Year 2024.

At EFRR, coordinated rattlesnake safety class for all OMWD employees; held trail maintenance days for San Diego Mountain Bike Association and San Marcos Rotary volunteers; held EFRR volunteer appreciation BBQ; launched sixteenth annual photo contest; hosted two “Habitat” field trips for Escondido Unified School District students and one field trip for Village Gate Children’s Academy students; and completed lower Cielo Trail fence replacement project.

FINANCE DEPARTMENT

Finance Manager Rainy Selamat Highlights for November 2022:

The District received clean audit report from the Pun Group auditors based on their fiscal year 2022 financial audit of District finances; reviewed the District’s annual records retention schedule; completed annual review of the District’s investment and reserves policies; completed annual review of the District’s pension funding progress; held regular Finance Committee meeting; completed draft of Fiscal Year 2022 Annual Comprehensive Financial Report; completed draft of watching water on 2023 water rates and charges; continued discussion with GM Thorner on Vallecitos recycled water cost and northwest recycled water distribution system; attended San Diego County Water Authority (SDCWA) rate workgroup meetings no. 10 and no. 11; and reviewed and discussed SDCWA’s 5 year revenue and expenditures projections with GM Thorner.

ASSISTANT GENERAL MANAGER:

The Assistant General Manager reports the following:

Hosted BlueWater Strategies North San Diego Water Reuse Coalition (NSDWRC) facility tour; attended San Diego North Economic Development Council (SDNEDC) Board Meeting; attended San Diego Chapter California Special Districts Association (CSDA) Quarterly Dinner; met with property developers to discuss fee structures and conservation; participated in multiple interview panels, continued efforts in San Dieguito Valley Brackish Groundwater Project with consulting engineer; attended Association of California Water Agencies Fall Conference in Indian Wells; dedicated significant time to personnel matters, employee recruitment, and claims management.

GENERAL MANAGER:

The General Manager reports the following:

General Manager Thorner participated in the SDCWA Board Meeting, hosted a VIP Tour, held a Finance committee Meeting, held a COVID Task Force Meeting, hosted a BlueWater Strategies NSDWRC facility tour, attended a SDCWA Engineering & Operations Facility Tour, hosted a joint Vallecitos Water District & Carlsbad Municipal Water District on recycled water issues, participated in an SDNEDC county stewards joint interview with General Manager Kerl, attended the North County work group meeting, participated in the WaterReuse California Board of Trustees Meeting, met with the SDCWA General Counsel, and dedicated significant time to personnel issues, General Manager Focus Groups, San Diego LAFCO issues, including detachment, interviews, and Hillside Patio litigation and other legal issues.

Memo

C

To: Olivenhain Municipal Water District Board of Directors

Subject: INFORMATIONAL REPORTS

CONSULTING ENGINEER

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

Memo

D

To: Olivenhain Municipal Water District Board of Directors

Subject: INFORMATIONAL REPORTS

GENERAL COUNSEL

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



TO: Olivenhain Municipal Water District

FROM: Alfred Smith

DATE: December 14, 2022

RE: Attorney Report: CEQA and Brown Act Update
150152-0005

I. INTRODUCTION.

This attorney report provides an update on a recent appellate court decision involving CEQA and the Brown Act. The California Second District Court of Appeal recently ruled that CEQA exemption determinations must be included on the posted agenda for water district board meetings. (*G.I. Industries v. City of Thousand Oaks*, 2d Civ. No. B317201, October 26, 2022).

The *G.I. Industries* case expands existing law under the Brown Act and CEQA by holding, on an issue of first impression, that water districts and other public agencies must formally agendize staff recommendations that a project is exempt from CEQA for board approval under the Brown Act.

II. BACKGROUND.

In March of 2021, the City of Thousand Oaks posted an agenda for its regular City Council meeting in which it was stated that the City would consider awarding a new exclusive solid waste management franchise agreement. During the meeting, the City Council adopted an amended motion that not only approved the franchise agreement, but also included a finding that entering into the franchise agreement was exempt from CEQA. The meeting minutes indicated that these were two separate actions. Based on their vote to adopt the exemption findings, the City then filed a Notice of Exemption.

However, the posted agenda for the meeting did not indicate that the City would consider whether the agreement was exempt from CEQA. The City only updated the agenda on the day of the meeting to include a staff report recommending exemption from CEQA (under the “existing facilities” and “actions by regulatory agencies for the protection of the environment” exemptions).

Plaintiff, the City’s previous waste management franchisee, alleged that the City Council’s vote regarding the CEQA exemption violated the Brown Act. After the City failed to respond to Plaintiff’s “cure and correct” letter, Plaintiff petitioned for a writ of

mandate. The trial court ruled in favor of the City, reasoning that the Brown Act was inapplicable to determinations that do not require a public hearing, such as CEQA exemption determinations. Plaintiff appealed. The Second District Court of Appeal reversed the trial court's decision.

III. COURT'S ANALYSIS.

Under the Brown Act, the agenda for local public agency board meetings must include a description of *each item of business* to be considered at a meeting at least 72 hours prior to that meeting. In *G.I. Industries*, the Court held that (1) the City's determination that the project was exempt from CEQA was a separate item of business discussed during the meeting; and (2) the Brown Act applied to that item because it was a separate action or determination by the City concerning CEQA compliance.

The Court of Appeal found irrelevant the fact that CEQA exemption determinations need not be made at a public meeting. The Court reasoned that if the matter is discussed at all during such meetings, the Brown Act's agenda requirements nonetheless apply.

In addition, the Court of Appeal dismissed the City's argument that adopting a CEQA exemption was distinct from adopting a Mitigated Negative Declaration – an action which courts have previously determined to be subject to Brown Act agenda requirements. (*San Joaquin Raptor Rescue Center v. County of Merced* (2013) 216 Cal.App.4th 1167.) The appellate court labeled this “a distinction without a difference,” reasoning that members of the public have just as much of a right to participate in either type of decision under the Brown Act.

Extending *San Joaquin Raptor*'s holding and reasoning to the case before it, the Second District held: “The CEQA exemption involved a separate action or determination by the City and concerned discrete significant issues of CEQA compliance.” The Court rejected the City's attempt to distinguish *San Joaquin Raptor* as involving a mitigated negative declaration (“MND”), rather than a notice of exemption (“NOE”). The court stated:

“It is true an MND involves an assessment of the environmental impacts of a project, whereas an exemption is a determination that CEQA does not apply. But for the purposes of the Brown Act, it is a distinction without a difference.

Members of the public are just as entitled to have notice of and an opportunity to participate in a local agency's determination that a CEQA exemption applies as they are to the agency's determination that an MND should be issued.

We are required by the California Constitution to broadly construe the Brown Act to further the People's right to access the conduct of the People's business. We would be remiss in that duty if we narrowly interpreted the Brown Act to apply to a determination that an MND is appropriate but not a determination that a project is exempt from CEQA, as both are aspects of the People's business."

More broadly, the Court found nothing in CEQA that precluded application of the Brown Act, holding that the Brown Act should be applied "charitably" to the CEQA process given the "privileged position" that members of the public are granted in the CEQA process.

The Court of Appeal distinguished prior case law cited by the City holding that CEQA does not require a public hearing for a determination that a project is exempt, reasoning that "the cases discuss only CEQA and do not discuss whether the Brown Act applies, and that a case is not authority for issues it does not consider." The appellate court then went on to explain:

"The Brown Act as applied to a CEQA exemption does not require a formal public hearing where the findings must be supported by substantial evidence. All the Brown Act requires is that the exemption be placed on the meeting agenda and an opportunity for the public to comment."

The appellate court's reasoning suggests that a CEQA action – i.e., a lead agency's determination that a project is CEQA-exempt – for which neither the Brown Act nor CEQA requires a public hearing must nonetheless be placed on the agency's meeting agenda for public comment.

The Court of Appeal bolstered its position by reasoning that CEQA has no language precluding the Brown Act's application, and by referencing the public's privileged position under CEQA, which it concluded was entirely consistent with applying the Brown Act to the CEQA process. Attempting to draw support from *San Joaquin Raptor*, the Court stated that an exemption finding is not a minor matter since it forecloses any environmental impact analysis and is at least as important to environmental protection as an MND.

The appellate court also rejected the City's undue burden arguments by noting:

(1) the Brown Act section at issue "applies only to an item of business transacted or discussed at a regular meeting of a local agency's legislative body" (citing Government Code section 54954.2(a)(1));

(2) most day-to-day business is not transacted at such meetings; and

(3) “if a local legislative body intends to vote on or discuss a CEQA exemption at a regular meeting, it will require minimal effort to include it as an agenda item.”

The appellate court also went beyond the specific facts of the case by broadly pronouncing that “while the City can delegate its duty to its staff to determine whether a CEQA exemption applies (citing Guidelines, §§ 15025(a)(1), 15356), the delegation only goes so far.” The Court concluded:

“The legislative body of the local agency retains the inherent power to overrule its staff’s determination. Thus, the local agency makes the ultimate decision whether a CEQA exemption applies. The City cannot avoid the Brown Act simply by delegating its duty to its staff. Where a local agency at a regular meeting approves a project that is subject to a staff’s determination of a CEQA exemption, it must give notice of the CEQA exemption on its agenda.”

IV. **CONCLUSION.**

The Court of Appeal’s decision in *G.I. Industries* extends the *San Joaquin Raptor* case to also include CEQA exemption determinations. The *San Joaquin Raptor* case held that a public agency’s decision to adopt a CEQA document, such as an EIR or negative declaration, must be described as a distinct item of business under the Brown Act when it is to be considered at a public board meeting. However, the *San Joaquin Raptor* case did not go so far as to extend this procedural obligation to CEQA exemption findings. Accordingly, water districts must now post each distinct CEQA-related decision discussed at public board meetings on the meeting agenda so as to give adequate opportunity for public participation under the Brown Act.

This expansion of existing law has generated significant concern in the local agency community. Almost immediately after the Court of Appeal’s modification and rehearing denial order, the California State Association of Counties (“CSAC”) and the County of Solano filed a request with the California Supreme Court to depublish the Court of Appeal’s opinion (before the decision even become final). (Case No. S277439.) Any petition for review in this case is due to be filed by December 5, although (if it is not depublished) the Supreme Court could still act to order review on its own motion until December 27, 2022.

AES

Memo

E

To: Olivenhain Municipal Water District Board of Directors

Subject: INFORMATIONAL REPORTS

SAN DIEGO COUNTY WATER AUTHORITY REPRESENTATIVE

Any report will be oral at the time of the Board meeting.

**SUMMARY OF FORMAL BOARD OF DIRECTORS' MEETING
NOVEMBER 17, 2022**

1. Monthly Treasurer's Report on Investments and Cash Flow.
The Board noted and filed the Treasurer's report.
2. Vote Entitlement Resolution for Calendar Year 2023.
The Board adopted Resolution No. 2022-19 establishing the vote and representative entitlements of each member agency effective January 1, 2023.
3. Adopt Annual Statement of Investment Policy, as amended, and continue to delegate authority to the Treasurer to invest Water Authority funds for Calendar Year 2023.
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 2023.
4. Resources for PLA Implementation.
The Board authorized the General Manager to enter into a contract with The Solís Group to provide professional services related to the implementation, coordination and monitoring of the Water Authority's Project Labor Agreement (PLA) through December 31, 2027, for an amount not to exceed \$1.5 million, and directed the General Manager to add a limited duration employment, full-time senior management analyst position in the Engineering Department and needed software and legal support costs as part of the General Manager's Recommended Budget for Fiscal Years 2024-2025 for oversight of PLA implementation and related activities.
5. Construction Contract with SWCS, Inc., dba Southwest Construction Services for Kearny Mesa Building Heating, Ventilation and Air Conditioning Equipment Replacement.
The Board authorized the General Manager, or designee, to award a construction contract to SWCS, Inc., dba Southwest Construction Services (Southwest) in the amount of \$834,900 to replace Kearny Mesa building heating, ventilation, and air conditioning equipment.
6. Valve Procurements for the Helix 9 Flow Control Facility Project.
The Board authorized the General Manager, or designee, to award a contract to Henry Pratt Company to purchase one 30-inch rotary cone valve with electric motor actuator in the amount of \$403,907.59 for the Helix 9 Flow Control Facility Project; and reject Cascade Consultants LLC bid and solicit new bids for two 30-inch ball valves for the Helix 9 Flow Control Facility project.
7. Contract Amendment for Van Ness Feldman related to the proposed San Vicente Energy Storage Facility Project.
The Board authorized the General Counsel to execute an amendment to the legal services agreement with Van Ness Feldman related to the proposed San Vicente Energy Storage Facility Project in the amount of \$110,000, increasing the not to exceed amount from \$110,000 to \$220,000.



8. Authorization of the Urban and Community Drought Relief Grant Application to the California Department of Water Resources for Water Conservation Projects.
The Board adopted Resolution 2022-20 authorizing and directing the General Manager to apply to the California Department of Water Resources and to commit the Water Authority to the financial and legal obligations associated with the receipt of grant funds.
9. Adopt the 2023 Legislative Policy Guidelines.
The Board adopted the 2023 Legislative Policy Guidelines as presented.
10. Adopt the 2023 Legislative Priorities.
The Board adopted the 2023 Legislative Priorities as presented.
11. Sponsor legislation on Atmospheric Rivers.
The Board approved to sponsor legislation with Assemblymember Ward as the author on atmospheric rivers.
12. Audit Committee Annual Report.
The Board accepted and filed the Audit Committee Annual Report pursuant to the Administrative Code, Section 2.00.066; and the Annual Comprehensive Financial Report (ACFR) for fiscal year ended June 30, 2022, prepared in accordance with Generally Accepted Accounting Principles (GAAP).
13. Assembly Bill 361 Continued Determination Acknowledging the Governor of the State of California's Proclamation of a State of Emergency and of Remote Teleconference Meetings of the Legislative Bodies of San Diego County Water Authority due to the Emergency Pursuant to Brown Act Provisions.
The Board acknowledged the Governor's proclaimed State of Emergency, and approve continued remote teleconference meetings of the legislative bodies of San Diego County Water Authority due to the emergency pursuant to Brown Act after reconsidering the circumstances and finding that state or local officials continue to impose or recommend measures to promote social distancing.
14. Approval of Minutes.
The Board approved the minutes of the Special Board of Directors' meeting of October 13, 2022 and the Formal Board of Directors' meeting of October 27, 2022.

Memo

F

To: Olivenhain Municipal Water District Board of Directors

Subject: INFORMATIONAL REPORTS
LEGISLATIVE REPORT

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



TO: Olivenhain Municipal Water District (OMWD)
FROM: Ashley Walker, Senior Policy Advisor, Nossaman LLP
Jennifer Capitolo, Jennifer M. Capitolo and Associates LLC
DATE: December 7, 2022
RE: December 2022 Public Policy Report

State Legislative Update:

Status of the Legislature: Members were sworn in on December 5, 2022 and the Governor called a Special Session to address gas price inflation. Legislation was introduced that would fine oil companies for making too large of a profit. How the Legislature will define how much is too much, is left to be determined. Members also began introducing bills on the 5th and Nossaman is reviewing them for relevance to OMWD. The new 2023-24 Legislative session will begin on January 4, 2023. The legislative calendar has been released and can be found [here](#).

Governor's Actions and Executive Orders: The following actions have been taken by the Governor since the last legislative report. This list is compiled from CalOES, California Health and Human Services, California Department of Public Health, and FEMA. We are happy to provide the details of any item listed below, should OMWD desire.

- November 30 - Governor Gavin Newsom announced the final Homekey awards for 2022 totaling \$36 million to four communities. Homekey has awarded \$2.753 billion to create 12,676 units across California.
- November 28 - Governor Gavin Newsom issued a proclamation declaring November 2022, as Native American Heritage Month.
- November 19 - Governor Gavin Newsom signed an executive order to assist communities impacted by the Mosquito Fire and proclaimed a state of emergency in Los Angeles County to address Route Fire impacts. The Governor also proclaimed a state of emergency in Alpine and Inyo counties due to damage from widespread flash flooding in August.
- November 2 - California ISO posts analysis of September heat wave.

Meeting with the Governor's Office: The Governor released "*California's Water Supply Strategy, Adapting to a Hotter, Drier Future*" on August 11. Nossaman set up a tour and meeting with the Governor's regional San Diego staff to discuss the Water Strategy, legislative and budget priorities, and our capital projects that are in need of funding. We continue to work with OMWD on ways to best leverage these new policy and funding proposals. The meeting will take place on January 11.

Legislation: No legislation in November.

Legislative Guidelines 2023: Nossaman is worked with staff to update the Legislative Guidelines document for 2023. The document will include legislative actions and a review of 2022, as well as anticipated policy issues for the upcoming year.

Drought Update:

California experienced its first strong winter cold front in the first week of November, providing most of the state with welcome rain and mountain snow. Yet the November 3 U.S. Drought Monitor report was unchanged from last month with 99.77 percent of the state in Moderate (D1) to Exceptional (D4) Drought, 24.34 percent of the state in Extreme Drought and 16.57 percent in Exceptional Drought.

The California Department of Water Resources (DWR) reported on November 7 that total estimated statewide reservoir storage is currently 13.55 million-acre feet, which is 68 percent of the historical average for this time of year.

State Water Board:

The State Water Board provided informational updates at its November 15 and December 6 meetings which included 1) an update on the drought and current hydrologic conditions, 2) an update on monthly water production and conservation data reported by urban retail water suppliers, and 3) a staff presentation on the long-term water conservation recommendations submitted by DWR in late October. This staff presentation summarized the recommended standards associated with outdoor residential water use, Commercial, Industrial, and Institutional (CII) outdoor irrigation with dedicated irrigation meters (DIMs), CII best practices reporting procedures, residential outdoor landscape standards, and variance recommendations. It is also expected to provide an overview and timeframe for the State Water Board rulemaking process and will likely describe how the Board will also conduct the short-term emergency conservation standards and water supplier target-setting process this winter, in response the Governor's latest drought executive order. Urban statewide water use is October 2022 dropped by 12.5% relative to October 2020. For the first time since this drought began, all hydrologic regions saw water use drop compared to 2020.

At the December 7 meeting, the State Water Board will be readopting the Prohibited Wasteful Water Uses Emergency Regulation for Water Conservation. More information will be provided in the next report.

Department Of Water Resources:

Water Use Standards Recommendations Technical Reports Submitted: On October 28 DWR submitted technical reports to the State Water Board. These technical reports support the water use standards recommendations submitted in September. Over 20 separate outdoor technical reports document DWR's work to support its recommendations regarding residential water use, Commercial, Industrial, and Institutional (CII) outdoor irrigation with dedicated irrigation meters (DIMs), CII best practices reporting procedures, residential outdoor landscape standards, and variances. These reports document the studies and analytical assumptions that support the recommendations and provide information the State Water Board staff and stakeholders can use to rationalize proposed standards or propose alternative standards as part of the rulemaking process.

Water Quality:

Cross-Connection Control Policy Handbook: On November 2 the State Water Resources Control Board (State Water Board) released a second draft of its Cross-Connection Control Policy Handbook (CCCPH) for public review and comments. The purpose of the CCCPH is to establish standards to ensure that Public Water Systems (PWS) are not compromised by backflow of liquids, gases, or other substances into their distribution systems. The CCCPH standards will augment and supersede existing cross-connection and backflow requirements in Title 17 of the California Code of Regulations. The first draft of the CCCPH was released for review and comment in February 2021 and a water association coalition (ACWA, CMUA, AWWA CA NV, and CWA) prepared and submitted comments.

Now the State Water Board has released its second draft, with comments due on December 9, 2022. The CCCPH includes PWS requirements and provisions to:

- Adopt operating rules or ordinances
- Conduct comprehensive surveys of water customers (hazard assessments)
- Enforce backflow protection standards
- Provide for a person trained in cross-connection to carry out the program
- Establish testing procedures
- Maintain records
- Use of certified backflow prevention assembly testers and cross-connection control specialists
- Conduct backflow incident response, reporting, and notification
- Conduct public outreach and education, and
- Conduct local entity coordination

The water association coalition has been meeting to discuss how State Water Board staff responded to the water association coalition's previous comments and input and how the current draft CCCPH incorporated (or failed) to incorporate suggested changes. The workgroup members are concerned that most of the previous comments have not been addressed, and that if the CCCPH is adopted as currently proposed it will result in unclear mandates or burdensome and costly industry-wide regulatory compliance efforts. The water association coalition is preparing joint comments on the current draft document.

Memo

G, H

To: Olivenhain Municipal Water District Board of Directors

Subject: INFORMATIONAL REPORTS

TWELVE MONTH CALENDAR / OTHER MEETINGS /

REPORTS / BOARD COMMENTS

Any report will be oral at the time of the Board meeting. Please refer to the TWELVE MONTH Calendar (attached) for meetings attended.

TWELVE MONTH CALENDAR OF EVENTS (AS OF 12/6/22)

Date(s)	Event	Time	Location	Attending Board Member(s)	Additional Information (Speakers' Topic, Cohosts, etc.)
NOVEMBER 2022					
17-Nov	CSDA Quarterly Dinner	6:00 PM	The Butcher Shop	Meyers	
22-Nov	Meeting the General Manager RE: Committees			Guerin	
22-Nov	Conference Call with the General Manager RE: Detachment			Meyers	
29-Nov	Nossaman ACWA Reception	6:30-8:30 PM	The Vue at Indian Wells Resort	Watt	
Nov 28-30	ACWA JPIA Meeting and ACWA Fall Conference		Indian Wells, CA	Watt	
DECEMBER 2022					
1-Dec	Swearing in of New Board Members		Boardroom	Guerin, Hahn, Meyers, San Antonio, Watt	
2-Dec	Conference Call with the General Manager RE: LAFCO Issues			Watt	
2-Dec	End of the Year Dinner		Lake House San Marcos	Guerin, Watt	
12-Dec	Meeting with the General Manager - Board Meeting Overview			Meyers	

Memo

To: Olivenhain Municipal Water District Board of Directors

Subject: INFORMATIONAL REPORTS

CORRESPONDENCE

Any correspondence is attached.

Board of Directors

Lawrence A. Watt, President
Kristie Bruce-Lane, Vice President
Christy Guerin, Treasurer
Robert F. Topolovac, Secretary
Neal Meyers, Director



General Manager
Kimberly A. Thorner, Esq.
General Counsel
Alfred Smith, Esq.

November 30, 2022

Adam Wilson, Moderator
San Diego LAFCO
2550 Fifth Avenue, Suite 725
San Diego, CA 92103

Via email: priscilla.mumpower@sdcounty.ca.gov

**Subject: Comments on the SDLAFCO Prospectus for the Fallbrook PUD and Rainbow MWD
Proposed Reorganizations**

Dear Mr. Wilson,

Thank you for the opportunity to comment on the San Diego Local Agency Formation Commission (SDLAFCO) Prospectus for the Fallbrook Public Utility District (Fallbrook) and Rainbow Municipal Water District (Rainbow) Proposed Reorganizations. Below are Olivenhain Municipal Water District's (OMWD) formal comments on the key findings in bold from the draft Prospectus:

Finding by SDLAFCO: LAFCO Statute Governs.

LAFCO statute – and not the County Water Authority Act – governs consideration of the proposals. Among other pertinent outcomes this means LAFCO has broad authority to condition any proposal approvals using the Commission's quasi-legislative powers.

OMWD Comments: This is a legal issue for SDLAFCO Counsel to determine, however OMWD does not take exception to this finding, as the ability for SDLAFCO to condition an exit fee ultimately protects the ratepayers of OMWD.

Finding by SDLAFCO: Eastern MWD's Supplies are Reliable.

Although the County Water Authority's potable supply portfolio is superior given its diversification, Eastern MWD's own supply via Metropolitan Water District of Southern California (MET) is adequate and can reasonably accommodate demands now and going forward for both Fallbrook PUD and Rainbow MWD.

Comments: OMWD believes that San Diego County Water Authority's (SDCWA) supply reliability is superior due to its diversified supply portfolio.



Finding by SDLAFCO: Eastern MWD's Finances are Healthy.

Standard measurements used to assess the Eastern MWD's financial standing shows it trended positively over the last five fiscal years with respect to liquidity, capital, and margin levels. The latter is highlighted by Eastern MWD finishing with positive total margins in four of the five years with an overall average of 4.5%.

Comments: OMWD does not take issue with this conclusion.

Finding by SDLAFCO: Fallbrook PUD and Rainbow MWD's Ratepayers Will See Cost-Savings. LAFCO estimates the average monthly household impact for Fallbrook and Rainbow ratepayers is \$20.21 and \$26.79, respectively assuming full pass-through to ratepayers.

Comments: OMWD does not take issue with this conclusion. Both Fallbrook and Rainbow have expressed that their pursuit of detachment has been driven by cost savings for their ratepayers.

Finding by SDLAFCO: County Water Authority Member Agencies' Ratepayers Will See Cost-Increases.

LAFCO estimates through the help of an Ad Hoc Working Group the average monthly household impact for the remaining members agencies of the County Water Authority is \$2.20 assuming full pass-through to ratepayers. The City of San Diego impact (largest CWA customer) is estimated at \$1.05 per month/per household.

Comments: OMWD does not agree with this simplistic breakdown of the cost impacts to the ratepayers. Each SDCWA member agency will need to determine how it will pass along any cost increases to their own ratepayers. Estimations can be calculated for each member agency as a whole, but to take the agency level impacts and divide them by number of households within that agency is not an accurate impact calculation as it does not take into account commercial, industrial, irrigation and agricultural accounts nor does it take into account the unique rate structures at each of the member agencies. Reliance on the Ad Hoc Workgroup's calculations by member agency and a true up of the numbers since 2020 which were used in the Hanemann report would be a more accurate reflection of the impacts if there were no detachment fee.

Finding by SDLAFCO: Approval of the Proposals is Reasonable if Conditioned on an Exit Fee. It would be appropriate to condition approval to require an annual true-up – or exit fee – equal to the estimated revenue loss (water sales, property taxes, available fees) for the County Water Authority should both Fallbrook PUD and Rainbow MWD detach. The purpose of the exit fee is to provide the County Water Authority a period of adjustment. This annual amount has been estimated by Dr. Hanemann in the short run at \$12.6 million.

Comments: OMWD concurs with the exit fee concept and feels that the \$12.6 million figure needs to be trued up to 2023 numbers based on high inflation and rate increases since the data relied on in the Hanemann report was from 2020.

Finding by SDLAFCO: Five Years is an Appropriate Length for an Exit Fee.

As referenced, the purpose of an exit fee is to provide the County Water Authority and its remaining member agencies a level of financial protection in the short run while they adjust to the changed financial situation associated with Fallbrook PUD and Rainbow MWD detaching. Five years appears to be an appropriate standard to apply an annual exit fee.

Comments: OMWD believes that there needs to be a nexus between the length of the exit fee and the impact on member agencies. A nexus of water sales rebounding (for 3 years) to a level higher than the lost water sales from Fallbrook and Rainbow would be a reasonable and protective nexus for the length of an exit fee to be imposed.

Finding by SDLAFCO: Offsetting the Exit Fee to Reflect Ancillary County Water Authority Savings is Reasonable.

The County Water Authority would save money should Fallbrook PUD and Rainbow MWD detach that would otherwise be expended on proceeding with the previously planned construction of the ESP North County Pump Station. The value of the associated savings – however –remains a topic of ongoing analysis.

Comments: OMWD believes more analysis needs to be done on this. An offset would not be a 1:1 offset as Fallbrook and Rainbow ratepayers would also need to pay for a portion of the cost of the ESP North County Pump Station if they stayed.

Finding by SDLAFCO: Loss of Voting Rights at MET is a Valid Concern with a Possible Solution. Should Fallbrook PUD and Rainbow MWD detach from the County Water Authority and annex into Eastern MWD a proportional change in voting rights at MET would follow. The estimated value of voting rights – though relatively small – is substantive given it falls within the margin of a recent key vote at MET involving the selection of their new general manager. One possible and otherwise merited solution would involve applying a separate condition to require a MOU between Eastern MWD and County Water Authority to retain the voting apportionment associated with Fallbrook and Rainbow for at least the first five years.

Comments: OMWD agrees that this is a valid concern, however it does not agree that this is a legal nor feasible resolution. MWD voting rights are set by statute and cannot be legally contracted away by member agencies.

Finding by SDLAFCO: Other Terms and/or Measures May Also Be Appropriate Based on Commission.

Preferences Possible examples:

- **A LAFCO prescribed “roll-out” requiring Fallbrook PUD and Rainbow MWD to remain member agencies with County Water Authority for a specified period of time before allowing the detachments to formally proceed.**

Comments: OMWD questions the legality of this proposal as it interferes with the independent autonomy and decision making of each of the government

bodies involved, unless SDLAFCO itself decides to delay the processing of the detachments.

Finding by SDLAFCO: Other Terms and/or Measures Raised by Others Appear Problematic Example:

- **The County Water Authority is on record requesting San Diego LAFCO condition any proposal approvals on expanding the “affected territory” for purposes of calling an election to include all registered voters within its member agencies’ boundaries. Commission Counsel does not believe this option is available to the Commission.**

Comments: This is legal issue within the purview of SDLAFCO General Counsel and no other information that this statement was made available yet to determine the reasoning behind this statement by SDLAFCO as to why this is not an option. Further information and reasoning by SDLAFCO counsel is necessary to fully understand this position.

Finally, of great importance to OMWD is the ability to participate in this public process. We are the voice of our ratepayers on this issue. We are requesting that SDLAFCO allow more time for public review and comment than is required under statute once the final report is released. A time period of 45 days would allow for us to analyze the final report and present it to the OMWD Board of Directors in order for our agency to provide meaningful input on our position to the LAFCO Commission. Your consideration of this request is appreciated.

Please let me know if you have any questions on this letter or the request for additional time to review the final report once it is available. Thank you to both you and the SDLAFCO staff for your herculean effort throughout this process and your transparency throughout the same.

Sincerely,

A handwritten signature in black ink, reading "Kimberly A. Thorner". The signature is written in a cursive, flowing style.

Kimberly A. Thorner, Esq.
General Manager

cc. OMWD Board of Directors

From: [REDACTED]
Sent: Friday, November 18, 2022 5:45 PM
Subject: Re: school presentation by water district

Joe, Melody, and Teresa,

Thank you for visiting our school twice this week. Our first and second graders really enjoyed the presentations, and they loved the pencils, too!

Hope you all have a nice Thanksgiving!

Sincerely,
Jennifer Harlan Becher
Enrichment Teacher
Mission Estancia Elementary School

From: Teresa Chase <TChase@olivenhain.com>
Date: Thursday, November 10, 2022 at 2:18 PM
To: [REDACTED]
Cc: Joe Jansen <jjansen@olivenhain.com>, Melody Colombo <mcolombo@olivenhain.com>
Subject: RE: school presentation by water district

Hi Jennifer,

I wanted to introduce your speakers, Joe and Melody, via email. 😊 Joe will present on Wednesday 11/16, and Melody will present on Thursday 11/17. They will sign in with their driver's licenses and have the front office contact you to meet them.

- They will have a PowerPoint presentation loaded on their laptops, interact with the students with an activity, and allow 10 minutes for questions.
- We'd like to bring mood pencils to leave for the children if that would be ok?

Thank you,
Teresa
Cell 760-415-3458

Joe and Henry



for

coming to our school to
teach us about water!

Mission Estancia Elementary School

shon 1st Grade

Jung Ian

Gwenie

Emma

atx Conrad
Alexis

Grant V
Jasper

Hailey

Lucy

Jack

River

Griffin
Albert

Bennett

Daniel Kidan

ENZO
Kenneth

mpa Roy
ALLY

Graden

Dev

Ryan

Selena

Adam

hloe

Kalvin
ma 2 dox

2nd Grade

++++M

Beckett

Elana

Braydon

Charlie

Oliver

Alva

Logan W.

Hannah

Behroo

Buke

Alana

Alexander

Xander

Ashton

VIOLET

Madeira

Alex

Charlotte

Brooks

Dear Friends at OMWD,

Thanksgiving is a good time to extend thanks.

Thank you for ALL you do to ensure that our water is clean + available.

I'm especially grateful

to AMY HILL who helped me this year.

I was headed to the hospital for surgery

but first wanted to make things easier for my family by setting up auto pay on my account.

Amy patiently + kindly assisted me with step-by-step help.

About a few weeks

later, she even phoned to see how I was doing. This made me

feel valued as a customer + as if we lived in a small town.

Thank you for employing AMY HILL!

Nicolette [REDACTED]

Acct # [REDACTED]

Memo

To: Olivenhain Municipal Water District Board of Directors

Subject: AUTHORIZATION TO ATTEND UPCOMING MEETINGS /
CONFERENCES / SEMINARS

The Board may desire to attend a meeting that requires Board approval.

Memo

To: Olivenhain Municipal Water District Board of Directors

Subject: FUTURE AGENDA ITEMS

The Board may have items to be considered at a Future Board meeting.

Memo

To: Olivenhain Municipal Water District Board of Directors

Subject: CONSIDER PUBLIC COMMENTS

There may be public comments before the Board meeting is adjourned.

Memo

To: Olivenhain Municipal Water District Board of Directors

Subject: CLOSED SESSION

It may be necessary to go into Closed Session.

Memo

To: Olivenhain Municipal Water District Board of Directors

Subject: ADJOURNMENT

We are adjourned.

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"Serenity" by Peter Montgomery

Elfin Forest photo contest time

by staff ⓘ November 16, 2022 ⓘ 135

ENCINITAS — [Olivenhain Municipal Water District](#) invites amateur photographers of all ages to [Elfin Forest Recreational Reserve](#) for its annual amateur photo contest that will run Nov. 21 through April 23, 2023.

inspire visitors to view and photograph the reserve a new way,” said OMWD Board President Larry Watt. 

Entries must feature the reserve as their subject or be taken within the reserve from any designated trail.

The deadline to submit photos is 11:00 p.m. on April 23, 2023. Visit olivenhain.com/photo for official contest rules and to upload a maximum of four contest entries. There is no entry fee.

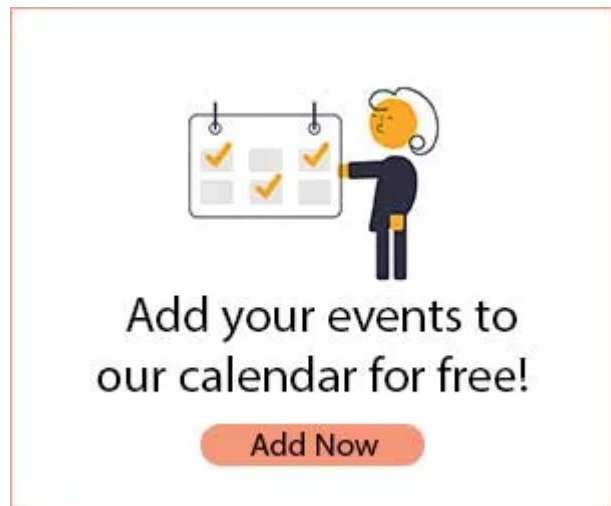


Winning photos will be selected from five categories — scenic view, water scenery, plants, animals and youth (photographers age 15 and under). An online vote will decide a People’s Choice Award winner. Winners are eligible for prizes donated by local businesses such as passes to the San Diego Zoo, a 24-inch-by36-inch canvas print from PC Photo and Imaging, outdoor



In addition, winning images will be displayed at the [Elfin Forest Interpretive Center](#) Honoring Susan J. Varty from June through December in 2023. OMWD's Board of Directors will honor contest winners at its June 21, 2023 board meeting.

The 784-acre reserve is celebrating 30 years of operation in 2022, and the contest prompts participants to capture its natural beauty in creative and unique ways. The 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.



Opinion

San Diego Is Not Protected from California's Severe Water Supply Crisis

Despite tremendous local conservation efforts and investments in San Diego's regional water resources and infrastructure, climate change and radical changes water supplies have put our region at risk and potentially subject to mandatory water supply cutbacks.

by [Gary Arant](#) and [Kimberly Thorner](#)

6 mins ago



A woman waters plants at a nursery in 2020. / Photo by Adriana Heldiz

California's water supply crisis has hit a tipping point, with impacts spreading far and wide, reaching local communities and critical industries, putting us once again in jeopardy.

This is a pivotal moment in the state's future – one in which bold political leadership will emerge, or future generations will suffer. Gov. Gavin Newsom's recent announcement on his new water supply plan, is encouraging that leadership is materializing, but the proof is in the pudding.

The new plan, [California's Water Supply Strategy: Adapting to a Hotter, Drier Future](#), underscores the significant challenges we face as a result of a changing climate, the need to transform the current water system, and the importance of significantly investing in California water systems to secure the future of California's water supply and reliability. The plan outlines water supply strategies and includes a pledge to fast track the advancement of policies and new projects to begin addressing California's water supply crisis. While this new plan is promising, there is still significant work that needs to be done to adequately address California's perpetual droughts and water supply crisis.

As a result of California's systemic and repetitive water supply crisis, California is experiencing a [decline in economic activity](#), [restricting recreation and tourism](#), and seeing [large-scale job losses](#) annually – all of this despite being the fifth largest economy in the world.

We need to reverse the trend of water cutbacks and rationing and rectify the decades-long, statewide water supply crisis that is impacting 40 million Californians.

[Water agencies across the State](#) are sounding the alarm that the state can no longer take the expedient path and simply remain at the mercy of the current inadequate and inefficient system. The state has a responsibility to build a system that will provide enough water for present needs and a new system to serve the needs of the next generation. In June, as instructed by Gov. Newsom, the State Water Resources Control Board adopted an emergency water conservation regulation directing local agencies to step up their efforts. San Diego water agencies have instituted conservation programs and improved local infrastructure and operations, reducing our water use by 30 percent from 1990 to 2020. But despite the tremendous local conservation efforts and investments in our regional water resources and infrastructure, climate change and radical changes in critical State Water Project and Colorado River water supplies have put our region at risk and potentially subject to mandatory water supply cutbacks.

The state needs to act on two fronts.

First, water agencies need to continue to work with residents and businesses to navigate through the current crisis. We support the Governor's call for conservation in our current crisis.

More broadly, the state needs to follow-through on the three generational solutions – more storage, better conveyance, and improved operations – that have been discussed and debated for decades.

Storage is essential to adapt to the changing weather patterns and the uncertainty of climate change. We can no longer rely on the winter snowpack to provide a reliable source of water throughout the year. We need to store water when we have precipitation and release that water for environmental, residential, business, and agricultural use when the snowpack cannot provide sufficient water supply.

The federal and state water projects need improved infrastructure that is not constrained by a host of operational impediments. California has invested in improvements for highways, bridges, airports and other critical parts of the state's infrastructure, the state needs to rebuild the water delivery system to improve the infrastructure that moves water throughout the state.

The operations of the state's water system also needs to be improved to provide more flexibility and certainty. The operational inefficiencies have resulted in curtailed water deliveries and resulting in rate increases for residential and business users. Flexibility and more certainty in the operations will allow water agencies to better manage the costs of upgrading local water systems, expanded conservation programs, and additional water supply needs.

Big changes, like Hoover Dam, the state highway system, and the world-renowned state university systems were not easy to approve or inexpensive to complete, but previous generations mustered the will and resources to get the job done.

We look forward to collaborating with the Administration and the Legislature to get this critically important work done and implement the Governor's new water supply plan.

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Two new directors join OMWD's board

staff :: 12/5/2022



ENCINITAS — Matthew Hahn and Marco San Antonio were sworn in Dec. 5 as the newest members of [Olivenhain Municipal Water District's Board of Directors](#). Hahn and San Antonio were chosen by voters in the Nov. 8 election to represent [OMWD's Division 4](#) and Division 1, respectively.

Additionally, Neal Meyers will complete the remaining two-year term representing OMWD's Division 5. Meyers was originally appointed as a director in 2021 to fill the term of the previous Division 5 director that resigned from the board. He ran unopposed in the Nov. 8 election.

"We are happy to welcome these new voices to the Board of Directors," stated OMWD Board President Larry Watt. "Each individual brings unique knowledge and experience to support OMWD's commitment to serving present and future customers with reliable, cost-effective, and high-quality water."

Hahn has resided in San Diego since 1993. He is a US Navy veteran with over 30 years of service and received his executive master of business administration from Naval Postgraduate School. He also holds a bachelor's degree from the University of St. Thomas. Mr. Hahn has worked for a Fortune 500 company for over 18 years in environmental compliance. He takes over the Division 4 seat from Kristie Bruce-Lane.

San Antonio is a lifelong Encinitas resident, former firefighter, and business owner. He takes over the Division 1 seat from Robert Topolovac, who passed away in October and was the then-longest-tenured board member at OMWD.

Meyers has resided in OMWD's service area Division 5 since 1993. He began practicing law in 1984 in North County, and represented many private clients and public agencies during his career. He received his juris doctor from the University of San Diego, and also holds a bachelor's degree in Political Science from California Polytechnic State University, San Luis Obispo where he concentrated on local government.

The newly elected directors Hahn and San Antonio will serve four-year terms ending in December 2026. Director Meyers will finish the remaining term of office ending December 2024.

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Nature

Escondido

Sunday, January 15, 2023, 9 a.m. to 10:30 a.m.

Free Interpretive Nature Walks

Elfin Forest Recreational Reserve

8833 Harmony Grove Road, Escondido, 92029

[Get Directions](#)

Cost: Free

Have the opportunity to hear two different perspectives of the amazing plants and wildlife at Elfin Forest Recreational Reserve. Walks are moderately paced on the lower creek trail and begin in front of the Elfin Forest Interpretive Center Honoring Susan J. Varty.

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Additional Date(s)

Sunday, January 8, 2023, 9 a.m. to 10:30 a.m.



ADVERTISEMENT

COLUMNS

Column: Don't waste a good drought crisis



A sign marks Lake Mead's 2002 water line on July 9, 2022, near Boulder City, Nev. Fed by the Colorado River, the largest U.S. reservoir has shrunk to a record low amid a punishing drought and the demands of 40 million people in seven states. (John Locher / Associated Press)

Governor set the tone with sweeping water plan in August. State must follow up aggressively, while also looking at new technologies to conserve and expand supplies.

BY MICHAEL SMOLENS | COLUMNIST

DEC. 7, 2022 5 AM PT

FOR SUBSCRIBERS



Last week, California announced initial allocations of just 5 percent of requested supplies from the State Water Project in the coming year.

That was actually an improvement from last December, when the state called for zero allocations for 2022. The eventual allotment for this year eventually rose to 5 percent.

Those announcements were among the constant reminders in recent years that drought conditions exacerbated by climate change are ongoing and likely to get worse.

ADVERTISING

An advertisement for Discount Tire. The background is a light gray with a subtle geometric pattern of overlapping triangles. In the center, the words "DISCOUNT" and "TIRE" are stacked in a bold, black, sans-serif font. "DISCOUNT" is larger and has a registered trademark symbol. "TIRE" is enclosed in a black rectangular border. Below this, the text "LET'S GET YOU TAKEN CARE OF" is written in a smaller, black, sans-serif font. At the bottom left, there is a small icon of a smartphone with a checkmark on the screen. To its right, the text "save time. buy & book online." is written in a black, sans-serif font. At the bottom right, there is a black rectangular button with the text "SHOP NOW" in white, sans-serif font.

For decades, California has done an admirable job of conserving, despite its outdated water system.

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But an even more aggressive approach is needed to gain savings through reducing urban and suburban outdoor watering, increasing efficiency in agricultural fields and shifting away from certain water-intensive crops, such as alfalfa. Greater focus on technological advances is a must — from sensors that detect the smallest water leaks to solar- and wave-generated power for desalination and wastewater recycling plants.

The governor and state water officials have been warning that we're approaching desperate times. Perhaps it's time to start taking a desperate approach to ideas that are on the table, including capturing more stormwater runoff, increasing storage and expanding wastewater recycling.

All of this is expensive and none of it is politically easy. Aside from agricultural agencies with priority water rights and inexpensive supplies — which also ideally should be addressed — the days of cheap water are gone.

One area that long has had promise — though with potential environmental peril and high costs — is desalination. But the process of making ocean water drinkable seemed to arrive at a crossroads in California recently.

In May, the California Coastal Commission rejected a \$1.4 billion desalination plant for Huntington Beach that was decades in the planning. After sporadic development of such plants along the coast — including the one operated by Poseidon in Carlsbad — the decision raised the question of whether California was closing the door on desalination.

Yet in October, the commission approved a \$140 million desalination plant for Dana Point, also in Orange County. Last month, the panel approved another modest-size desalination plant on Monterey Bay.

There were many differences in the projects and the circumstances surrounding them, not the least of which was scope. But commissioners noted that the Dana Point plant would pull seawater from wells beneath the ocean's floor, putting a natural barrier between the intakes and marine creatures, according to CalMatters.

Operators of other plants say they have made efforts to mitigate the damage on sea life and other environmental impacts.

Many environmentalists' concerns have not been assuaged by such efforts. They also have maintained that the energy-intensive operations can contribute to climate change.

But advocates for some of the plants point out that considerable energy is required to import water. Further, they note in states like California, increasing percentages of electricity come from non-polluting renewable sources, such as solar and wind.

While there's been some discussion that on-site solar generation could help run certain plants, Boston-based Resolute Marine Energy developed a wave-energy system that is powering desalination. The technology is targeted for a plant that would provide water to nearly 50,000 people on Cape Verde off Africa's west coast.

Wave-energy projects were launched years ago off Oregon and Scotland. Last year, the San Diego County Board of Supervisors directed staff to explore various versions of alternative energy, including wave power, though not specifically for desalination plants.

Gov. Gavin Newsom has been an advocate of desalination, insisting that California must use "every tool in its toolbox" in order to live with drought. He let his disappointment be

known when the Coastal Commission voted against the Huntington Beach plant.

In August, the governor unveiled an \$8 billion plan to boost the state's water supply primarily by creating more storage for stormwater, wastewater recycling, more efficient statewide plumbing, increased conservation and desalination.

Local water managers applauded the proposal, but some remained wary about the execution.

In addition to conservation efforts, “the state needs to follow-through on the three generational solutions — more storage, better conveyance, and improved operations — that have been discussed and debated for decades,” according to a column in the Voice of San Diego authored by Gary Arant, general manager of the Valley Center Municipal Water District, and Kimberly Thorner, general manager of the Olivenhain Municipal Water District.

Both districts are member agencies of the San Diego County Water Authority, which has invested heavily in expanded water sources, storage and conservation. Unlike other water agencies facing severe shortages, the SDCWA has enviable supplies and does not rely on the State Water Project. But the drought is such that water officials here are openly contemplating potential shortages should the situation become even more dire.

The authority continues to appeal on a retail level for more savings from water users. Historically, San Diegans have heeded the call. Per capita water use in the region has declined more than 40 percent over the past three decades, according to the agency. Still, bans on watering nonfunctional turf in commercial and industrial areas are too often ignored, and some residents still water their yards too much.

Throughout the county, residents and businesses can receive between \$2 and \$4 per square foot from water agencies to replace grass with drought-resistant landscape. A new state law exempts local rebates for turf replacement from state income taxes.

Using encouragement and low-tech conservation are tried-and-true approaches — and seemingly will never go out of fashion.

But increasingly, California will have to look toward advanced technology to weather droughts.

Here's one futuristic example: In the Central California community of Allensworth, water issues led to the use of solar-powered “hydropanels” — which pull water out the not-so-thin air.

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