

**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 15, 2021

TIME: 4:00 P.M.

PLACE: Hybrid Regular Meeting VIA TELECONFERENCE AND IN PERSON

Pursuant to the Legislation AB 361, 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, however, masks must be worn if unvaccinated.

To join this meeting via phone, please dial:

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

Meeting ID: 863 0179 4539 and Password: 333798

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. In person participation can also be had by attending the meeting in the Boardroom at 1966 Olivenhain Rd. Encinitas, CA 92024.

*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. 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
6. ADOPTION OF AGENDA
7. PERSONAL APPEARANCES AND PUBLIC COMMENTS
8. PRESENTATION OF AWARDS AND HONORABLE MENTIONS

2021 OMWD Awards Program Winners

* Al Bates – Volunteer of the Year (Follow Up from November Meeting)

Current Service Awards, Promotions and Honorable Mentions

* John Carnegie – Customer Services Manager – 15 years – December

* Melody Colombo – Administrative Analyst – New Hire – November

* David Valenzuela – Systems Administrator – New Hire – November

* Kahlani Wicklund – Department Assistant I – New Hire – November

9. CONSIDER APPROVAL OF THE MINUTES OF THE NOVEMBER 17, 2021 REGULAR BOARD OF DIRECTORS MEETING
10. CONSENT CALENDAR

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

C-a	CONSIDER ADOPTION OF A MOTION APPROVING THE PAYMENT OF LISTED WARRANTS FROM THE DISTRICT’S REVOLVING AND REGULAR ACCOUNTS; LISTED TRANSFERS OF FUNDS; REIMBURSEMENT OF EXPENSES TO BOARD MEMBERS AND STAFF
C-b	CONSIDER ADOPTION OF A MOTION APPROVING THE DISTRICT’S CONSOLIDATED STATEMENT OF NET POSITION, CONSOLIDATED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION, CONSOLIDATED STATEMENT OF CASH FLOWS, CONSOLIDATED ACTUAL VS BUDGET SUMMARY, AND CONSTRUCTION IN PROGRESS REPORT
C-c	CONSIDER REVISIONS TO THE LEGISLATIVE GUIDELINES FOR 2022
C-d	CONSIDER ANNUAL REVIEW OF THE OLIVENHAIN MUNICIPAL WATER DISTRICT’S INVESTMENT POLICY AND APPROVE THE PROPOSED CHANGES FOR CALENDAR YEAR 2022
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 APPROVAL OF THE LOCAL PROJECT PARTICIPANT AGREEMENT BETWEEN SAN ELIJO JOINT POWERS AUTHORITY AND OLIVENHAIN MUNICIPAL WATER DISTRICT FOR THE INTEGRATED REGIONAL WATER MANAGEMENT PROGRAM RELATED TO THE PROPOSITION 1 ROUND 1 INTEGRATED REGIONAL WATER MANAGEMENT IMPLEMENTATION GRANT FOR THE SOUTH EL CAMINO REAL RECYCLED WATER PIPELINE PROJECT
C-h	CONSIDER ACCEPTANCE OF THE MAIN EXTENSION 246 – DESERT ROSE WAY PROJECT (WPG DESERT ROSE, LLC) INTO OMWD’S SYSTEM AND ORDER A NOTICE OF COMPLETION FILED
C-i	CONSIDER ACCEPTANCE OF THE MIRA COSTA COLLEGE BUILDING B100 FIRE DETECTOR CHECK INSTALL PROJECT (MIRA COSTA COMMUNITY COLLEGE DISTRICT) INTO OMWD’S SYSTEM AND ORDER A NOTICE OF COMPLETION FILED
C-j	CONSIDER APPROVAL OF A LEASE AGREEMENT BETWEEN APC TOWERS III, LLC AND OLIVENHAIN MUNICIPAL WATER DISTRICT TO ALLOW COMMUNICATIONS FACILITIES AT THE 4S-1 RESERVOIR SITE AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF OMWD
C-k	CONSIDER ADOPTION OF A RESOLUTION MAKING CALIFORNIA ENVIRONMENTAL QUALITY ACT FINDINGS FOR THE LONE JACK PRESSURE REDUCING STATION REPLACEMENT PROJECT AND ORDER A NOTICE OF EXEMPTION BE FILED WITH THE COUNTY CLERK, COUNTY OF SAN DIEGO

11. CONSIDER APPROVAL OF THE DISTRICT’S FISCAL YEAR 2020-2021 AUDITED FINANCIAL STATEMENTS AND ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEARS ENDED JUNE 30, 2021 AND 2020 (FINAL DRAFT)
12. CONSIDER ADOPTION OF AN ORDINANCE AMENDING THE OLIVENHAIN MUNICIPAL WATER DISTRICT’S ADMINISTRATIVE AND ETHICS CODE (ARTICLE 4 – CLASSIFIED POSITIONS)
13. CONSIDER APPROVAL OF THE MEMORANDUM OF UNDERSTANDING WITH THE BARGAINING UNIT MEMBERS ASSOCIATION AND THE OLIVENHAIN MUNICIPAL WATER DISTRICT EMPLOYEES ASSOCIATION
14. CONSIDER APPROVAL OF A PROFESSIONAL SERVICES AGREEMENT WITH PARSONS TRANSPORTATION GROUP, INC. IN THE AMOUNT OF \$192,465 FOR PRELIMINARY AND FINAL DESIGN SERVICES FOR THE UNIT A NORTH, RANCHO SANTA FE ROAD POTABLE WATER PIPELINE PROJECT, APPROPRIATE \$156,250 TO THE FY 21/22 PROJECT BUDGET, AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF OMWD
15. CONSIDER SETTING A TIME AND PLACE TO HOLD A SPECIAL MEETING OF THE BOARD OF DIRECTOR’S TO CONDUCT A WORKSHOP ON THE SAN DIEGUITO VALLEY BRACKISH GROUNDWATER DESALINATION PROJECT (WEEK OF MARCH 28, 2022 AT 4:00 PM) TO CONSIDER THE RESULTS OF RECENT INVESTIGATIONS, AND PROVIDE AN OPPORTUNITY FOR BOARD COMMENT AND INPUT
16. CONSIDER STATUS UPDATE ON THE PROPOSED FALLBROOK PUBLIC UTILITIES DISTRICT AND RAINBOW MUNICIPAL WATER DISTRICT DETACHMENT FROM THE SAN DIEGO COUNTY WATER AUTHORITY
17. CONSIDER UPDATE ON THE COVID-19 EMERGENCY DECLARATION

18. CONSIDER THE OMWD FINANCE CORPORATION ANNUAL MEETING (See Separate Agenda)
19. CONSIDER THE OMWD FINANCING AUTHORITY (JOINT POWERS AUTHORITY) BOARD MEETING (See Separate Agenda)
20. PUBLIC HEARING TO CONSIDER ADJUSTMENTS TO OLIVENHAIN MUNICIPAL WATER DISTRICT'S DIRECTOR DIVISION BOUNDARIES (5:30 P.M.)
21. 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
22. CORRESPONDENCE
23. AUTHORIZATION TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS
24. FUTURE AGENDA ITEMS
25. CONSIDER PUBLIC COMMENTS
26. CLOSED SESSION
 - A) CONSIDER CLAIM – 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.
 - B) CONSIDER LITIGATION – LYNXT ENTERPRISES, LLC VS. PARS SORRENTO VALLEY SCIENCE PARK 1, LP [PURSUANT TO GOVERNMENT CODE SECTION 54956.9] • Additional Facts: OMWD was served a complaint as a nominal defendant.
 - C) CONSIDER LITIGATION – OLIVENHAIN MUNICIPAL WATER DISTRICT VS. GEOMAT TESTING LABORATORIES, INC., ET AL. [PURSUANT TO GOVERNMENT CODE SECTION 54956.9]
27. OPEN SESSION
28. ADJOURNMENT



Memo

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

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

Memo

Date: December 15, 2021
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 the continuation of 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 a hybrid of virtual and in person Brown Act meetings. 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 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 safely 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. Since April of 2020, the district has conducted twenty virtual board meetings and over thirteen virtual standing committee meetings. 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 will be effective on 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 hybrid meeting format that gives the ability to attend Brown Act meetings virtually or in-person while maintaining social distancing, 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 General Manager and General Counsel are available to answer any questions the board may have.

Memo

Date: December 15, 2021
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; AND REIMBURSEMENT OF EXPENSES TO BOARD MEMBERS AND STAFF**

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

- November 2021 Summary of payment of listed warrants from the District's checking account and listed transfer of funds.
- November 2021 Monthly Summary of Reimbursement Expenses to Board Members and Staff.
- June, July, August, and September 2021 Monthly Investment Reports

Olivenhain Municipal Water District
Proposed Motions for December 15, 2021 Board of Directors Meeting
November 2021 Activities
Consent Calendar Item # C-a

Proposed Motions:

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

Regular Account	warrants	029780 ✓	to	029988 ✓	\$	1,685,222.23 ✓
	ACH Payments - Payroll					191,477.74
	Wire - SDCWA - Monthly Purchased Water Payment					2,692,129.20
	ACH Payments - ACWA JPIA					136,049.49
	ACH Payments - Cogsdale Corporation					46,579.99
	ACH Payments - The Pun Group					8,500.00
	ACH Payments - Payroll					207,060.44
					\$	<u>4,967,019.09</u> ✓

Major Category of Disbursements

Total disbursements from the District's checking account:

\$ 1,685,222.23 ✓

Following is a breakdown of this total by major categories:

Category

Outside services	\$	1,219,276.02
Inventory and supplies		271,585.25
Utilities		128,086.39
Repairs and maintenance		13,257.90
Other		7,495.34
Refunds		2,482.20
Insurance		19,767.13
Permit Fees		23,272.00

Total

\$ 1,685,222.23 ✓

Sincerely,


Rainy K. Selamat/Finance Manager

Olivenhain Municipal Water District
Proposed Motions for December 15, 2021 Board of Directors Meeting
November 2021 Activities

California Bank and Trust

Regular Account

warrants 029780 to 029988 \$ 1,685,222.23 ✓

11/10/2021 ACH Payments - Payroll 191,477.74

11/16/2021 Wire - SDCWA - Monthly Purchased Water Payment 2,692,129.20

11/23/2021 ACH Payments - ACWA JPIA 136,049.49

11/23/2021 ACH Payments - Cogsdale Corporation 46,579.99

11/5/2021 ACH Payments - The Pun Group 8,500.00

11/24/2021 ACH Payments - Payroll 207,060.44

\$ 4,967,019.09 ✓

Approved:

For Board Consideration and Approval

Olivenhain Olivenhain Municipal Water District
November 2021 Warrant List

Number	Date	Name	Amount	Inv Reference	Multiple Invoices?
029780	11/3/2021	Ababa Bolt Inc	214.90	SUPPLIES	Yes
029781	11/3/2021	American Messaging	98.68	L1-072035	
029782	11/3/2021	Barrett Engineered Pumps	980.83	WWTP SUPPLIES	
029783	11/3/2021	Bavco Backflow Apparatus	530.36	SUPPLIES	
029784	11/3/2021	Bob Turner's Crane Service Inc	842.63	WWTP CRANE SERVICES	
029785	11/3/2021	Carollo Engineers	2,850.00	Support for 4S WRF Permitting Requirements	Yes
029786	11/3/2021	CBIONE	108.25	WTP SUPPLIES	
029787	11/3/2021	CDW Government Inc	3,684.82	SUPPLIES	Yes
029788	11/3/2021	Core & Main LP	872.78	4" Pipe/Fitting Restraint	Yes
029789	11/3/2021	D&H Water Systems	5,955.16	WTP SUPPLIES	Yes
029790	11/3/2021	DCL Enterprise Inc Dba	394.52	WWTP SERVICES	Yes
029791	11/3/2021	Dudek	2,530.00	Construction Support Services	Yes
029792	11/3/2021	EcosConnect LLC	1,941.00	9/21 BACKFLOW REPORTING	Yes
029793	11/3/2021	Edco Waste & Recycling	427.79	25-4A 861816	Yes
029794	11/3/2021	Encina Wastewater Authority	9,071.00	WATER SAMPLES	
029795	11/3/2021	Fallbrook Printing Corp	413.35	AMI PROJECT POSTCARDS	Yes
029796	11/3/2021	G. Briest Consulting, Inc.	5,878.02	Construction Management/Consulting Engineer Services	Yes
029797	11/3/2021	Hanson Aggregates Inc	356.13	MATERIAL	Yes
029798	11/3/2021	Hawthorne Machinery Co.	125.42	SUPPLIES	
029799	11/3/2021	Hill Brothers Chemical Company	4,163.38	WWTP CHEMICALS	
029800	11/3/2021	IKG Environmental	2,257.50	KT approved Request for Additional Work	Yes
029801	11/3/2021	Ingersoll-Rand Company	5,764.67	4 year Ingersoll Rand Package Care Agreement	Yes
029802	11/3/2021	Jay Turman	60.00	T2 CERT RENEWAL REIMBURSEMENT	
029803	11/3/2021	Jeff Fuchs	145.00	D2 EXAM FEES REIMBURSEMENT	Yes
029804	11/3/2021	Leighton Frye	43.86	REF:1011067_138380	
029805	11/3/2021	MGM Plastics Inc	558.15	SUPPLIES	Yes
029806	11/3/2021	Miscowater	11,156.25	NETZSCH NEMO CAVITY PUMP	Yes
029807	11/3/2021	Morton Salt Inc	4,585.91	WTP CHEMICALS	
029808	11/3/2021	Newco Inc.	7,919.63	Sodium Fluoride Annual Purchase	Yes
029809	11/3/2021	Ninyo & Moore	12,993.00	Geotechnical Services	Yes
029810	11/3/2021	O'Reilly Auto Enterprises LLC	1,308.46	SHOP SUPPLIES	Yes
029811	11/3/2021	One Source Distributors	3,542.56	WTP SUPPLIES	
029812	11/3/2021	Ovivo USA LLC	1,690.47	WWTP SUPPLIES	
029813	11/3/2021	Pacific Pipeline Supply	11,656.18	10" Xr501 Repair Coupling	Yes
029814	11/3/2021	Parkhouse Tire Inc	639.25	SHOP SUPPLIES	Yes
029815	11/3/2021	Piperin Corporation	4,341.56	RETENTION	
029816	11/3/2021	PWLC I, INC	360.00	WWTP TREE SERVICES	Yes
029817	11/3/2021	Rush Truck Center, San Diego	95.00	D619 BIT INSPECTION	Yes
029818	11/3/2021	Safety io, LLC	182.00	GAS MONITORING SERVICES	
029819	11/3/2021	San Diego County Treasurer	74.72	267-313-07-00	Yes
029820	11/3/2021	SDRMA	1,570.16	WORKERS COMP RECONCILIATION	
029821	11/3/2021	SWRCB Accounting Office	19,721.00	RECYCLED WATER FEES	
029822	11/3/2021	Toh-Heng Wong	37.77	REF:1053795_230970	
029823	11/3/2021	Transene Company, Inc.	292.77	WTP SUPPLIES	
029824	11/3/2021	US Bank	2,190.51	777321	
029825	11/3/2021	USA Blue Book	995.24	WWTP SUPPLIES	
029826	11/3/2021	Valley Construction Management	36,414.00	CONSTRUCTION MGMT SERVICES	Yes
029827	11/3/2021	Volt Management Corp DBA	543.66	SDCWA INTERN W/E 10/8/21	
029828	11/3/2021	West Coast Sand & Gravel	1,283.51	3/4" CRUSHED ROCK	
029829	11/3/2021	Dennis Mathis	2,617.02	RM REFUND: DEBIT000000000552	
029830	11/10/2021	4S Ranch Gasoline & Car Wash	543.87	WWTP GASOLINE	
029831	11/10/2021	Aflac	1,301.12	F5005	
029832	11/10/2021	AT & T	22.60	9391056562	
029833	11/10/2021	Boot World Inc	393.91	Safety Boots	Yes
029834	11/10/2021	California State Disbursement Unit	123.23	ED100514-11/10/2021	
029835	11/10/2021	Carollo Engineers	8,506.50	Support for 4S WRF Permitting Requirements	Yes
029836	11/10/2021	CCL Contracting Inc.	573,068.50	Construction Services	Yes
029837	11/10/2021	CDW Government Inc	457.43	SUPPLIES	
029838	11/10/2021	Corodata Shredding, Inc	77.87	PAPER SHREDDING SERVICES	
029839	11/10/2021	DCL Enterprise Inc Dba	219.16	SUPPLIES	Yes
029840	11/10/2021	Debra Hunter	139.19	REF:1054436_194655	
029841	11/10/2021	Dudek	6,303.75	Design Services	Yes
029842	11/10/2021	Evoqua Water Technologies	220.70	WWTP PREVENT MAINT	

**Olivenhain Olivenhain Municipal Water District
November 2021 Warrant List**

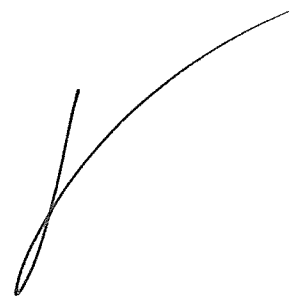
Number	Date	Name	Amount	Inv Reference	Multiple Invoices?
029843	11/10/2021	Fallbrook Printing Corp	246.20	AFTER HOURS REQUEST FORMS	
029844	11/10/2021	Farwest Corrosion	15.76	FREIGHT	Yes
029845	11/10/2021	Federal Express Corp	143.06	SHIPPING CHARGES	
029846	11/10/2021	Ferguson Enterprises Inc. #1083	4,999.87	6" Avk Break-Off Check Valve	Yes
029847	11/10/2021	First Choice Technology	162.80	13001474	Yes
029848	11/10/2021	Franchise Tax Board	536.12	For 4673174	
029849	11/10/2021	Free Builders Supply Inc	114.11	MISC TOOLS	
029850	11/10/2021	Gallade Chemical	2,178.45	WTP CHEMICALS	
029851	11/10/2021	Grangetto's Ag. Supply	32.79	SUPPLIES	Yes
029852	11/10/2021	Hanson Aggregates Inc	528.86	MATERIAL	Yes
029853	11/10/2021	Home Depot/Gecf	4,256.42	10/21 SUPPLIES	Yes
029854	11/10/2021	Infrastructure Engineering Corporation	367.50	NBHD #1 SPS REPLACEMENT PJT	Yes
029855	11/10/2021	James Houtman	114.08	REF:1055197_221560	
029856	11/10/2021	Jenn Wilson	93.29	REF:1087511_190380	
029857	11/10/2021	JWC Environmental Inc.	64.93	WWTP SUPPLIES	
029858	11/10/2021	Kaiser Foundation Health	2,473.68	ARP COBRA SUBSIDY	
029859	11/10/2021	Loren Sanders	27.30	REF:1058139_222360	
029860	11/10/2021	McMaster-Carr Supply Co.	569.34	SUPPLIES	Yes
029861	11/10/2021	Mesa Products	628.61	SUPPLIES	Yes
029862	11/10/2021	Michael Munden	191.74	REF:1023599_210710	
029863	11/10/2021	Mission Electric Supply, Inc.	481.97	SUPPLIES	Yes
029864	11/10/2021	Mt. Israel Property Owners	200.00	ANNUAL MAINTENANCE	
029865	11/10/2021	Munish Batra	10.48	REF:1045204_151725	
029866	11/10/2021	N Harris Computer Corporation	52,087.65	1/22 - 12/22 INFINITY SUPPORT	
029867	11/10/2021	Nada Geha	39.41	REF:1088453_241480	
029868	11/10/2021	Nossaman LLP	6,750.00	10/21 LOBBYING SERVICES	
029869	11/10/2021	O'Reilly Auto Enterprises LLC	436.01	VAC3 SUPPLIES	Yes
029870	11/10/2021	Pacific Pipeline Supply	5,380.04	SUPPLIES	Yes
029871	11/10/2021	Parkhouse Tire Inc	1,018.64	SKID STEER #7 SERVICE	
029872	11/10/2021	Peterson Structural Engineers, Inc.	3,970.70	Inspection and Analysis Servcies	Yes
029873	11/10/2021	S D G & E	264.85	400000078	
029874	11/10/2021	San Diego Gas & Electric	1,296.88	0092081023809	Yes
029875	11/10/2021	San Elijo Joint Powers Auth.	35,613.60	10/21 20.9 AC/FT RECYCLED WTR	
029876	11/10/2021	Southern Counties Lubricants, LLC.	8,923.49	UNLEADED & DIESEL FUEL	
029877	11/10/2021	Standard Insurance Co.	5,401.44	11/21 LTD & LIFE INS PREM	
029878	11/10/2021	Suzanne Mattson	61.10	REF:1082970_145600	
029879	11/10/2021	TASC	1,247.42	9/21 VEBA ADMIN FEES	Yes
029880	11/10/2021	The Vitamin Shoppe	107.01	REF:1061534_200570	
029881	11/10/2021	Transnet Investigative	637.35	PRE-EMPLOYMENT BACKGROUND	Yes
029882	11/10/2021	U.S. Bank	1,836.00	SERIES 2016A	
029883	11/10/2021	USA Blue Book	202.60	WTP SUPPLIES	
029884	11/10/2021	Verizon Connect NWF, Inc.	924.85	100000112726	
029885	11/10/2021	Volt Management Corp DBA	1,129.96	SDCWA INTERNS W/E 10/15/21	
029886	11/10/2021	Water for People	32.00	WTRPL 11/10/2021	
029887	11/10/2021	West Yost & Associates, Inc	10,345.68	THE LAKES UNIT #3	Yes
029888	11/10/2021	White Cap Construction Supply	174.13	SUPPLIES	
029889	11/10/2021	Wageworks	236.00	9/21 ADMIN FEES	
029890	11/17/2021	AG Tech Llc	1,061.52	SERVICES WWTP	
029891	11/17/2021	AmeriGas	122.08	EQUIPMENT RENTAL	
029892	11/17/2021	Aqua Metric	6,707.12	3/4" E-Reg TR/PL Sr-II .01CF	Yes
029893	11/17/2021	Arash Shoushtari	62.44	REF:1087770_169265	
029894	11/17/2021	Bavco Backflow Apparatus	1,039.18	SUPPLIES	
029895	11/17/2021	Boyd Fasteners	630.34	SUPPLIES WWTP	Yes
029896	11/17/2021	Brightview Landscape Services	1,275.00	CMNO DE MONTECILLO	
029897	11/17/2021	City Treasurer	46,385.17	9/21 58.81 AF RECYCLED WATER	
029898	11/17/2021	Core & Main LP	26,982.01	8" Pipe/Fitting Restraint	Yes
029899	11/17/2021	Corodata	336.67	OFFISTE RECORDS STORAGE	
029900	11/17/2021	County of San Diego, RCS	171.00	10/21 RADIO SERVICES	
029901	11/17/2021	CSDA San Diego Chapter	120.00	QUARTERLY DINNER REGISTRATION	
029902	11/17/2021	EcosConnect LLC	29.00	BACKFLOW REPORTING	
029903	11/17/2021	Fallbrook Printing Corp	1,034.00	WATER SHUTDOWN DOOR HANGERS	Yes
029904	11/17/2021	Ferguson Enterprises Inc. #1083	2,083.35	SUPPLIES	
029905	11/17/2021	Gabriela Saffiotte	35.81	HR SNACK/OFFICE SUPPLIES REMB	

**Olivenhain Olivenhain Municipal Water District
November 2021 Warrant List**

Number	Date	Name	Amount	Inv Reference	Multiple Invoices?
029906	11/17/2021	Gillingham Water Planning and Engineering,	5,865.00	economic analysis to ensure cost-effectiveness of project	Yes
029907	11/17/2021	Global Power Group Inc	400.50	MAINTENANCE WWTP	
029908	11/17/2021	Guardian	989.52	12/21 DENTAL ADMIN FEES	
029909	11/17/2021	Hanson Aggregates Inc	629.27	MATERIALS	Yes
029910	11/17/2021	Jauregui & Culver Inc	1,291.00	APCD TESTING	
029911	11/17/2021	John Ellison	1,468.14	REF:1061103_120025	
029912	11/17/2021	JWC Environmental Inc.	2,866.56	WWTP SUPPLIES	
029913	11/17/2021	Mesa Products	50.34	SUPPLIES	Yes
029914	11/17/2021	Mission Electric Supply, Inc.	32.71	SUPPLIES	
029915	11/17/2021	Morton Salt Inc	4,468.68	WTP CHEMICALS	
029916	11/17/2021	NexusTek Phoenix	3,853.98	Monthly service fee	Yes
029917	11/17/2021	Nobel Systems	1,850.00	GIS UPDATES	Yes
029918	11/17/2021	O'Reilly Auto Enterprises LLC	249.47	SHOP SUPPLIES	Yes
029919	11/17/2021	Pacific Pipeline Supply	17,662.59	Clow 2060 Residential Hydrant	Yes
029920	11/17/2021	Piperin Corporation	28,500.00	Construction Contract	Yes
029921	11/17/2021	PWLC I, INC	14,848.00	LANDSCAPE MAINTENANCE	Yes
029922	11/17/2021	Rancho Santa Fe Community Svs	11,765.56	10/21 14.80 AC/FT RECYCLED WTR	
029923	11/17/2021	Republic Services	1,426.45	SERVICES WTP	
029924	11/17/2021	Rutan & Tucker, LLP	1,280.00	Special counsel and strategic assistance in evaluating project	Yes
029925	11/17/2021	San Diego Building Maintenance	4,664.40	11/21 JANITORIAL SERVICES	
029926	11/17/2021	San Diego Gas & Electric	56,866.03	0099949341729	Yes
029927	11/17/2021	Sanford, Pam	1,447.79	PAVING COSTS REMBURSEMENT	
029928	11/17/2021	Santa Fe Irrigation Dist	93.14	008128-005, 11/01/2021	
029929	11/17/2021	Stilson Kent Scott DBa	2,486.00	FENCE REPAIR	
029930	11/17/2021	TS Industrial Supply	902.93	WTP SUPPLIES	
029931	11/17/2021	Underground Service Alert	462.26	DIG ALERT TICKETS	Yes
029932	11/17/2021	Univar Solutions Usa Inc	1,620.00	25% SBS annual purchase	Yes
029933	11/17/2021	Vallecitos Water District	58,862.85	RECLAIMED WATER SALES	
029934	11/17/2021	Verizon Connect NWF, Inc.	1,103.99	VEHICLE TRACKING	Yes
029935	11/17/2021	Volt Management Corp DBA	1,044.68	SDCWA INTERNS W/E 10/22/21	
029936	11/17/2021	Walters Wholesale Electric Co	696.22	WTP SUPPLIES	
029937	11/17/2021	West Coast Sand & Gravel	1,330.77	CLASS 2 BASE MATERIAL	Yes
029938	11/17/2021	Western Pump Inc	1,483.94	SUPPLIES	
029939	11/17/2021	Whitson CM	1,635.26	SITE INSPECTION SERVICES	
029940	11/17/2021	Xylem Water Solutions USA, Inc.	5,579.17	UV Lamp Ecoray	Yes
029942	11/23/2021	Teichert Energy & Utilities Group, Inc.	314,480.43	EL CAMINO P/L REPLACEMENT	Yes
029943	11/24/2021	4S Ranch Gasoline & Car Wash	432.75	WWTP GASOLINE/CAR WASH	
029944	11/24/2021	Aflac	1,301.12	FS005	
029945	11/24/2021	Allen Instruments & Supplies	6,492.26	Trimble R2 Sub Foot GNSS Receiver Kit	Yes
029946	11/24/2021	American Conservation & Billing Solutions, I	3,251.00	AQUAHAWK 12/1/21 - 1/1/22	
029947	11/24/2021	AT & T	927.24	9391056789	Yes
029948	11/24/2021	B. Weber Consulting LLC	4,830.00	CONSULTING SERVICES	
029949	11/24/2021	Bee Rescue LLC	240.00	CADENCIA ST EASEMENT	
029950	11/24/2021	Boot World Inc	574.53	Safety Boots	Yes
029951	11/24/2021	Jymy Brisenio	520.00	GRADE 3 EXAM/CERT FEE REIMB	
029952	11/24/2021	California State Disbursement Unit	123.23	ED100514-11/24/2021	
029953	11/24/2021	John Carnegie	150.00	15 YEAR SERVICE AWARD	
029954	11/24/2021	CDW Government Inc	350.78	SUPPLIES	
029955	11/24/2021	Cintas First Aid & Safety	168.71	WWTP FIRST AID SUPPLIES	
029956	11/24/2021	City Treasurer	7,618.36	10/21 9.13 AF RECYCLED WATER	
029957	11/24/2021	County Of San Diego	2,810.00	PARK DALE LANE ELEMENTARY	Yes
029958	11/24/2021	County Of San Diego	741.00	14177 RANCHO SANTA FE FARMS RD	
029959	11/24/2021	Craneworks Southwest, Inc	1,706.12	FB01 SERVICES	
029960	11/24/2021	DLM Engineering Inc	12,660.32	ENGINEER CONSULTING SERVICES	Yes
029961	11/24/2021	Franchise Tax Board	536.12	For-4673174	
029962	11/24/2021	Hanson Aggregates Inc	327.57	MATERIAL	Yes
029963	11/24/2021	Hasa	4,553.06	WWTP CHEMICALS	
029964	11/24/2021	Industrial Solution Services, Inc.	7,232.51	40% Liquid Ammonium Sulfate Annual Purchase	Yes
029965	11/24/2021	Infosend	9,711.21	10/21 WATER BILL STATEMENTS	Yes
029966	11/24/2021	Integrity Municipal Systems	1,303.00	WWTP SERVICES	
029967	11/24/2021	Lauren Noll	86.39	REF:1087162_193010	
029968	11/24/2021	McCall's Meter Sales & Service	366.54	METER FLOW TEST	
029969	11/24/2021	NBS	9,986.80	QTRLY ADMIN FEES	

**Olivenhain Olivenhain Municipal Water District
November 2021 Warrant List**

Number	Date	Name	Amount	Inv Reference	Multiple Invoices?
029970	11/24/2021	Otay Landfill	355.25	4-4531-0018538	
029971	11/24/2021	Pacific Pipeline Supply	1,619.13	WTP SUPPLIES	Yes
029972	11/24/2021	Pacific Safety Center	620.00	BAKHOE OPERATOR TRAINING	
029973	11/24/2021	Jaroth Inc., dba	78.00	760-489-9971	
029974	11/24/2021	Christopher C Petersen	200.95	MISC TOOLS	
029975	11/24/2021	Pitney Bowes Global Fin Svcs	415.30	0017015466	
029976	11/24/2021	Purchase Power	500.00	8000-9090-0674-5785	
029977	11/24/2021	PWLC I, INC	14,910.00	Easement Clearing	Yes
029978	11/24/2021	Radwell International, Inc.	723.88	SUPPLIES	
029979	11/24/2021	San Diego County Recorder	44.00	EP 415 RECORDING FEES	
029980	11/24/2021	San Diego County Recorder	47.00	EP 414 RECORDING FEES	Yes
029981	11/24/2021	San Diego Gas & Electric	12,367.01	0098000669143	Yes
029982	11/24/2021	Standard Insurance Co.	5,482.67	12/21 LIFE & LTD PREMIUM	
029983	11/24/2021	TS Industrial Supply	148.02	MISC TOOLS	
029984	11/24/2021	United Parcel Service	110.13	SHIPPING	
029985	11/24/2021	VWR International LLC	110.30	WTP SUPPLIES	
029986	11/24/2021	Walters Wholesale Electric Co	589.70	SUPPLIES WWTP	
029987	11/24/2021	Water for People	32.00	WTRPL 11/24/2021	
029988	11/24/2021	West Coast Sand & Gravel	1,125.12	CLASS 2 BASE & FILL SAND	
			<u>1,685,222.23</u>		



Olivenhain Municipal Water District
Monthly Directors Fee and Reimbursed Expenses for Directors and Staff
November 2021

<u>Name</u>	<u>Payment Date</u>	<u>Check#/ Credit Card</u>	<u>Meals & Lodging</u>	<u>Travel & Transport</u>	<u>Other</u>	<u>Reimbursed Expenses</u>	<u>Directors Fee</u> *
Director Bruce-Lance			0.00	0.00	0.00	0.00	450.00
			0.00	0.00	0.00	0.00	450.00
Director Guerin			0.00	0.00	0.00	0.00	750.00
			0.00	0.00	0.00	0.00	750.00
Director Meyers			0.00	0.00	0.00	0.00	600.00
			0.00	0.00	0.00	0.00	600.00
Director Topolovac			0.00	0.00	0.00	0.00	600.00
			0.00	0.00	0.00	0.00	600.00
Director Watt			0.00	0.00	0.00	0.00	1,050.00
			0.00	0.00	0.00	0.00	1,050.00
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	
Engineering Manager Hubbard			0.00	0.00	0.00	0.00	
			0.00	0.00	0.00	0.00	
Finance Manager Selamat			0.00	0.00	0.00	0.00	
			0.00	0.00	0.00	0.00	
Operations Manager Fulks			0.00	0.00	0.00	0.00	
			0.00	0.00	0.00	0.00	
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	

*Board per diems for October & November 2021

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, 2021

Active Deposits

	<u>Book Value</u>
Checking Accounts	\$ 13,382,854
Cash Restricted for Specific Use	606,696
Petty Cash/Disaster Preparedness	1,496
Total Active Deposits	<u>\$ 13,991,046</u>

Deposits Not Covered by Investment Policy

Cash with Fiscal Agents	1,450,715
-------------------------	-----------

<u>Investments</u>	<u>Face Value</u>	<u>Market Value</u>	<u>Current Yield</u>	
LAIF	\$ 27,146,357	27,279,721	0.32%	\$ 27,146,357
CAMP	7,032,934	7,032,934	0.05%	7,032,934
Money Market Funds	65,931	65,931	0.01%	65,931
Municipal Bonds	1,000,000	1,173,910	4.26%	1,216,760
U.S. Treasury Securities	2,000,000	2,016,520	0.99%	2,021,162
U.S. Agency Securities	30,876,111	30,670,791	0.48%	30,872,931
Total Investments	<u>\$ 68,121,333</u>	<u>\$ 68,239,807</u>	<u>0.45%</u>	<u>\$ 68,356,075</u>

Total - All Deposits/Investments

\$ 83,797,836 ✓

Maturity Analysis of Investments

	<u>Percent</u>	<u>Balance</u>
Demand Deposits	50.1%	\$ 34,245,222
Maturity within the next two months	0.0%	-
Maturity within three months and one year	1.5%	1,036,684
Maturity beyond one year	48.4%	33,074,169
Total Investments	<u>100.0%</u>	<u>\$ 68,356,075</u>

Weighted Average Days to Maturity

719

Other Required Disclosures:

Accrued interest receivable as of 06/30/2021

\$ 82,081

The above investments are in accordance with the portfolio limitations in the Investment Policy approved by the Board in December 2020.

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

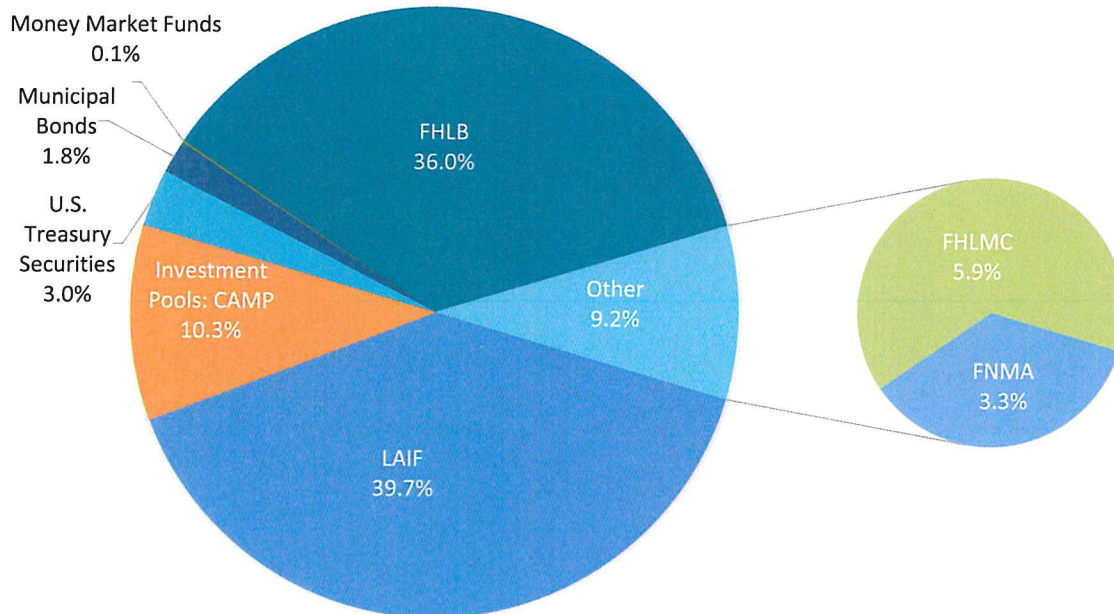
Olivenhain Municipal Water District
PORTFOLIO LIMITATIONS ANALYSIS PER INVESTMENT POLICY
June 30, 2021

	<u>Book Value</u>	<u>Percent</u>	<u>Permitted Percent</u>		<u>In Compliance?</u>
LAIF	\$ 27,146,357	39.7%	40.0%	(1)	Yes
Investment Pools: CAMP	7,032,934	10.3%	30.0%		Yes
U.S. Treasury Securities	2,021,162	3.0%	100.0%	(2)	Yes
Municipal Bonds	1,216,760	1.8%	30.0%		Yes
Money Market Funds	65,931	0.1%	20.0%	(3)	Yes
U.S. Agency Securities	30,872,931	45.2%	50.0%		Yes
<i>FHLB</i> <i>Federal Home Loan Bank</i>	24,623,111	36.0%			
<i>FNMA</i> <i>Fannie Mae</i>	2,250,000	3.3%			
<i>FHLMC</i> <i>Freddie Mac</i>	3,999,820	5.9%			
Total Investments	\$ 68,356,075	100%			

Note:

- (1) New limit of 40% approved by the board in May 2020.
(2) No limit.
(3) May not exceed 5% in any money market fund.

TOTAL INVESTMENTS



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

Olivenhain Municipal Water District
MONTHLY INVESTMENTS DETAIL
June 30, 2021

ACTIVE DEPOSIT

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

Book Value
13,382,854
606,696
1,496
13,991,046

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 - 2018 Revenue Bond

697,927
862
750,360
215
1,351

Total Deposits Not Covered by Investment Policy

1,450,715

	RATING		DATE				Weighted Average Days to Maturity		Stated Coupon	Current Yield	Market Value	Face Value	Book Value
	Moody's	S&P	Purchase	Maturity	Next Call	Next S-U							
INVESTMENTS													
Invest. Pools	Calif. Asset Mgmt Prgm (CAMP)			Demand			1			0.05%	\$ 7,032,934	\$ 7,032,934	\$ 7,032,934
	State Local Agency Investment Fund (LAIF)			Demand			1			0.32%	27,279,721	27,146,357	27,146,357
	JP Morgan US Gov't Money Market Fund Premier Class SHS			Demand			1			0.01%	65,931	65,931	65,931
U.S. Treasury Notes/Bills													
912828YH7	U.S. Treasury Notes	Aaa	-	03/09/21	02/28/26		1,705		1.50%	1.45%	1,031,680	1,000,000	1,036,684
91282CBQ3	U.S. Treasury Notes	Aaa	-	03/09/21	09/30/24		1,189		0.50%	0.51%	984,840	1,000,000	984,478
							95		1.00%	0.99%	\$ 2,016,520	\$ 2,000,000	\$ 2,021,162
U.S. Agency Securities													
3134GXKH6	FHLMC Callable	Aaa	AA+	01/27/21	01/27/23	10/27/21	577	120	0.13%	0.13%	997,590	1,000,000	999,820
3134GW2F2	FHLMC Callable	Aaa	AA+	08/25/20	05/25/23	08/25/21	695	57	0.30%	0.30%	1,996,280	2,000,000	2,000,000
3130AJZJ1	FHLB Callable	Aaa	AA+	09/02/20	08/25/23	Anytime	787	1	0.32%	0.32%	1,150,662	1,151,111	1,151,111
3136G4P56	FNMA Callable	Aaa	AA+	08/26/20	02/26/24	08/26/22	972	423	0.40%	0.40%	1,247,863	1,250,000	1,250,000
3130ALHM9	FHLB Callable	Aaa	AA+	03/10/21	06/10/24	03/10/22	1,077	254	0.30%	0.30%	995,090	1,000,000	999,000
3136G4A29	FNMA Callable	Aaa	AA+	07/30/20	07/30/24	07/30/21	1,127	31	0.55%	0.55%	1,000,120	1,000,000	1,000,000
3130AKEW2	FHLB Callable	Aaa	AA+	11/04/20	11/04/24	08/04/21	1,224	36	0.43%	0.43%	1,988,920	2,000,000	2,000,000
3134GWAQ9	FHLMC Callable	Aaa	AA+	07/28/20	07/28/25	07/28/21	1,490	29	0.65%	0.65%	995,980	1,000,000	1,000,000
3130AKGX8	FHLB Step-up Callable	Aaa	AA+	12/15/20	12/15/25	09/15/21	1,630	78	0.20%	0.20%	1,988,840	2,000,000	2,000,000
3130AKMD5	FHLB Callable	Aaa	AA+	01/26/21	01/26/26	07/26/21	1,672	27	0.50%	0.51%	984,670	1,000,000	999,500
3130AKU53	FHLB Callable	Aaa	AA+	01/28/21	01/28/26	07/28/21	1,674	29	0.52%	0.53%	983,670	1,000,000	1,000,000
3130AKN69	FHLB Callable	Aaa	AA+	01/28/21	01/28/26	01/28/22	1,674	213	0.50%	0.51%	984,690	1,000,000	1,000,000
3130AKVN3	FHLB Callable	Aaa	AA+	01/29/21	01/29/26	07/29/21	1,675	30	0.52%	0.53%	983,520	1,000,000	1,000,000
3130AKWK8	FHLB Callable	Aaa	AA+	02/12/21	02/12/26	11/12/21	1,689	136	0.51%	0.52%	982,820	1,000,000	1,000,000
3130AKX43	FHLB Step-up Callable	Aaa	AA+	02/24/21	02/24/26	11/24/21	1,701	148	0.30%	0.30%	1,986,300	2,000,000	2,000,000
3130AL7M0	FHLB Callable	Aaa	AA+	02/24/21	02/24/26	08/24/21	1,701	56	0.63%	0.63%	990,020	1,000,000	1,000,000
3130AKYR1	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	02/25/22	1,702	241	0.55%	0.56%	986,660	1,000,000	1,000,000
3130AL6K5	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	02/25/22	1,702	241	0.58%	0.59%	985,470	1,000,000	1,000,000
3130ALD76	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	08/25/21	1,702	57	0.70%	0.71%	988,700	1,000,000	1,000,000
3130ALCW2	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	02/25/22	1,702	241	0.63%	0.63%	988,910	1,000,000	998,500
3130AL6Q2	FHLB Callable	Aaa	AA+	02/26/21	02/26/26	08/26/21	1,703	58	0.22%	0.22%	994,330	1,000,000	1,000,000
3130ALGJ7	FHLB Callable	Aaa	AA+	03/23/21	03/23/26	10/23/21	1,728	116	1.00%	1.00%	974,756	975,000	975,000
3130ALNN0	FHLB Callable	Aaa	AA+	03/30/21	03/30/26	06/30/21	1,735	1	1.05%	1.05%	1,000,050	1,000,000	1,000,000
3130ALPQ1	FHLB Step-up Callable	Aaa	AA+	03/30/21	03/30/26	09/30/21	1,735	93	0.50%	0.50%	999,030	1,000,000	1,000,000
3130ALVC5	FHLB Step-up Callable	Aaa	AA+	04/14/21	04/14/26	10/14/21	1,750	107	0.60%	0.60%	999,750	1,000,000	1,000,000
3130AMMV1	FHLB Callable	Aaa	AA+	06/03/21	06/03/24	09/03/21	1,070	66	0.40%	0.40%	498,140	500,000	500,000
3130AMKE1	FHLB Callable	Aaa	AA+	05/27/21	02/27/25	08/27/21	1,339	59	0.66%	0.66%	997,960	1,000,000	1,000,000
							1,434	3,337	0.48%	0.48%	\$ 30,670,791	\$ 30,876,111	\$ 30,872,931
Municipal Bonds													
882724RA7	TEXAS ST PUB FIN AUTH	Aaa	AAA	10/30/20	10/01/25		1,555		5.00%	4.26%	1,173,910	1,000,000	1,216,760
							1,555		5.00%	4.26%	\$ 1,173,910	\$ 1,000,000	\$ 1,216,760
Total Investments							719		0.45%	0.45%	\$ 68,239,807	\$ 68,121,333	\$ 68,356,075
TOTAL - ALL DEPOSITS AND INVESTMENTS												\$	83,797,836

**Olivenhain Municipal Water District
INVESTMENTS TRANSACTION
June 30, 2021**

PURCHASED

DATE				Investment Description	Stated	Current	Face Value	Book Value
Purchase	Maturity	Call	Step-Up		Coupon	Yield		
06/03/21	06/03/24	09/03/21		FHLB Callable	0.400%	0.401%	500,000	500,000

MATURED / REDEEMED / CALLED

DATE				Investment Description	Stated	Current	Face Value	Book Value
Redemption	Maturity	Call	Step-Up		Coupon	Yield		
06/29/21	11/29/24	06/29/21		FHLB Callable	0.650%	0.650%	1,000,000	1,000,000
06/23/21	03/23/26	06/23/21		FHLB Callable - Partial Call	1.000%	1.000%	25,000	25,000

Olivenhain Municipal Water District
UNAUDITED CASH POSITION BY FUNDING SOURCES
As of June 30, 2021

<u>Water Funds (Potable & Recycled)</u>		<u>Balance</u>
10050-100	Cash - Petty Cash Fund	\$ 1,496
10030-100	Cash - Capital and Equipment Fund	36,268,753
10010-100	Cash - Operating Fund	15,250,698
10060-100	Cash - Deposit Work for Other	540,923
10040-100	Cash - Rate Stabilization	10,489,667
14000-500	Restricted Cash - Capacity Fee Fund	5,062,772
Total Water Funds (Potable & Recycled)		<u>\$ 67,614,309</u>
 <u>Wastewater Funds</u>		
10010-110	Wastewater - Operating Fund	1,924,155
10030-110	Wastewater - Capital Replacement Fund	9,601,189
10040-110	Wastewater - Rate Stabilization Fund	2,600,772
Total Wastewater Funds		<u>\$ 14,126,116</u>
 <u>Non Fiscal Agent Debt Service Cash</u>		
14020-570	Cash non-agent - RAD 96-1	593,885
10070-561	Cash non-agent - Bond 2015A	621
10070-581	Cash non-agent - Bond 2016A	10,580
14020-512	Cash non-agent - Bond 2018	1,610
Total Non Fiscal Agent Debt Service Cash		<u>\$ 606,696</u>
 <u>Debt Service Funds</u>		
14030-510	SRF Loan - Fiscal Agent	750,360
14105-570	Redemption fund - RAD 96-1	648,977
14110-570	Reserve fund - RAD 96-1	48,950
14100-561	Redemption fund - Bond 2015A	862
14100-581	Redemption fund - Bond 2016A	215
14100-512	Redemption fund - CB&T 2018	1,351
Total Debt Service Funds		<u>\$ 1,450,715</u>
TOTAL FUND BALANCES		<u>\$ 83,797,836</u> ✓

Olivenhain Municipal Water District
MONTHLY CASH AND INVESTMENT SUMMARY
As of July 31, 2021

Active Deposits

	<u>Book Value</u>
Checking Accounts	\$ 11,561,621
Cash Restricted for Specific Use	609,126
Petty Cash/Disaster Preparedness	1,476
Total Active Deposits	<u>\$ 12,172,223</u>

Deposits Not Covered by Investment Policy

Cash with Fiscal Agents	1,450,730
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<u>Investments</u>	<u>Face Value</u>	<u>Market Value</u>	<u>Current Yield</u>	
LAIF	\$ 27,166,924	27,167,149	0.22%	\$ 27,166,924
US Bank CAMP	7,033,236	7,033,236	0.05%	7,033,236
Money Market Funds	1,082,031	1,082,031	0.01%	1,082,031
Municipal Bonds	1,000,000	1,177,160	4.25%	1,216,760
U.S. Treasury Securities	2,000,000	2,026,720	0.99%	2,021,162
U.S. Agency Securities	29,876,111	29,794,373	0.48%	29,872,931
Total Investments	<u>\$ 68,158,302</u>	<u>\$ 68,280,669</u>	<u>0.40%</u>	<u>\$ 68,393,044</u>
Total - All Deposits/Investments				<u><u>\$ 82,015,997</u></u> ✓

Maturity Analysis of Investments

	<u>Percent</u>	<u>Balance</u>
Demand Deposits	51.6%	\$ 35,282,191
Maturity within the next two months	0.0%	-
Maturity within three months and one year	1.5%	1,036,684
Maturity beyond one year	46.9%	32,074,169
Total Investments	<u>100.0%</u>	<u>\$ 68,393,044</u>

Weighted Average Days to Maturity **687**

Other Required Disclosures:

Accrued interest receivable as of 07/31/2021 \$ 94,439

The above investments are in accordance with the portfolio limitations in the Investment Policy approved by the Board in December 2020.

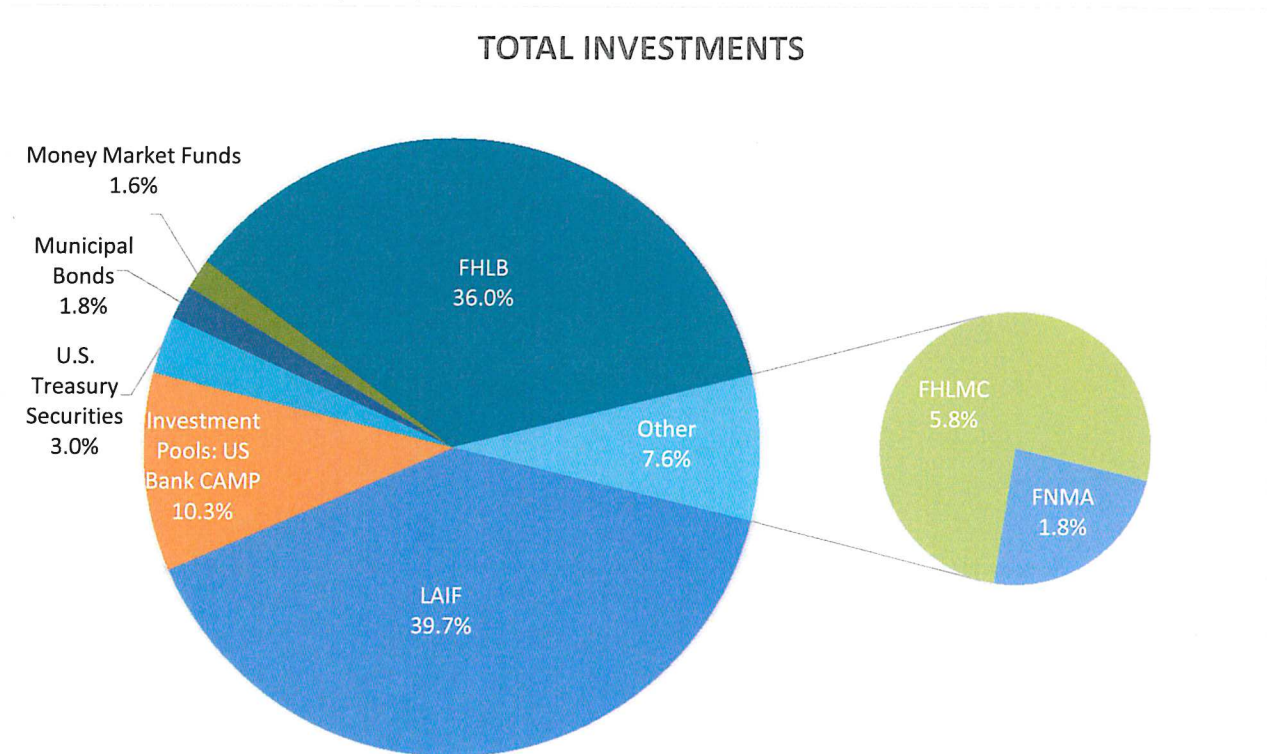
The District has sufficient funds on hand to meet the next 30 days' obligations.

Olivenhain Municipal Water District
PORTFOLIO LIMITATIONS ANALYSIS PER INVESTMENT POLICY
July 31, 2021

	<u>Book Value</u>	<u>Percent</u>	<u>Permitted Percent</u>		<u>In Compliance?</u>
LAIF	\$ 27,166,924	39.7%	40.0%	(1)	Yes
Investment Pools: US Bank CAMP	7,033,236	10.3%	30.0%		Yes
U.S. Treasury Securities	2,021,162	3.0%	100.0%	(2)	Yes
Municipal Bonds	1,216,760	1.8%	30.0%		Yes
Money Market Funds	1,082,031	1.6%	20.0%	(3)	Yes
U.S. Agency Securities	29,872,931	43.6%	50.0%		Yes
<i>FHLB</i> <i>Federal Home Loan Bank</i>	24,623,111	36.0%			
<i>FNMA</i> <i>Fannie Mae</i>	1,250,000	1.8%			
<i>FHLMC</i> <i>Freddie Mac</i>	3,999,820	5.8%			
Total Investments	\$ 68,393,044	100%			

Note:

- (1) New limit of 40% approved by the board in May 2020.
(2) No limit.
(3) May not exceed 5% in any money market fund.



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

**Olivenhain Municipal Water District
MONTHLY INVESTMENTS DETAIL
July 31, 2021**

ACTIVE DEPOSIT

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

Book Value
11,561,621
609,126
1,476
12,172,223

DEPOSITS NOT COVERED BY INVESTMENT POLICY

Cash with Fiscal Agents:

Union Bank - RAD 96-1 Refunding Bond	697,930
Union Bank - 2015A Refunding Bond	862
SRF Loan	750,373
Union Bank - 2016A Refunding Bond	215
Union Bank - 2018 Revenue Bond	1,351

Total Deposits Not Covered by Investment Policy

1,450,730

	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: Calif. Asset Mgmt Prgm (CAMP)				Demand			1			0.05%	\$ 7,033,236	\$ 7,033,236	\$ 7,033,236
State Local Agency Investment Fund (LAIF)				Demand			1			0.22%	27,167,149	27,166,924	27,166,924
JP Morgan US Gov't Money Market Fund Premier Class SHS				Demand			1			0.01%	1,082,031	1,082,031	1,082,031

U.S. Treasury Notes/Bills

912828YH7 U.S. Treasury Notes	Aaa	-	03/09/21	02/28/26			1,674		1.50%	1.45%	1,034,380	1,000,000	1,036,684
91282CBQ3 U.S. Treasury Notes	Aaa	-	03/09/21	09/30/24			1,158		0.50%	0.50%	992,340	1,000,000	984,478
							96		1.00%	0.99%	\$ 2,026,720	\$ 2,000,000	\$ 2,021,162

U.S. Agency Securities

3134GXXH6 FHLMC Callable	Aaa	AA+	01/27/21	01/27/23	10/27/21		546	89	0.13%	0.13%	999,710	1,000,000	999,820
3134GW2F2 FHLMC Callable	Aaa	AA+	08/25/20	05/25/23	08/25/21		664	26	0.30%	0.30%	2,000,160	2,000,000	2,000,000
3130AJZJ1 FHLB Callable	Aaa	AA+	09/02/20	08/25/23	Anytime		756	1	0.32%	0.32%	1,150,662	1,151,111	1,151,111
3136G4P56 FNMA Callable	Aaa	AA+	08/26/20	02/28/24	08/26/22		941	392	0.40%	0.40%	1,253,175	1,250,000	1,250,000
3130ALHM9 FHLB Callable	Aaa	AA+	03/10/21	06/10/24	03/10/22		1,046	223	0.30%	0.30%	998,760	1,000,000	999,000
3130AKEW2 FHLB Callable	Aaa	AA+	11/04/20	11/04/24	08/04/21		1,193	5	0.43%	0.43%	1,996,200	2,000,000	2,000,000
3134GWAQ9 FHLMC Callable	Aaa	AA+	07/28/20	07/28/25	07/28/22		1,459	363	0.65%	0.65%	1,001,110	1,000,000	1,000,000
3130AKGX8 FHLB Step-up Callable	Aaa	AA+	12/15/20	12/15/25	09/15/21	12/15/21	1,599	47	0.20%	0.20%	1,992,560	2,000,000	2,000,000
3130AKMD5 FHLB Callable	Aaa	AA+	01/26/21	01/26/26	10/26/21		1,641	88	0.50%	0.50%	992,540	1,000,000	999,500
3130AKU53 FHLB Callable	Aaa	AA+	01/28/21	01/28/26	10/28/21		1,643	90	0.52%	0.52%	993,030	1,000,000	1,000,000
3130AKN69 FHLB Callable	Aaa	AA+	01/28/21	01/28/26	01/28/22		1,643	182	0.50%	0.50%	993,210	1,000,000	1,000,000
3130AKVN3 FHLB Callable	Aaa	AA+	01/29/21	01/29/26	10/29/21		1,644	91	0.52%	0.52%	993,010	1,000,000	1,000,000
3130AKWK8 FHLB Callable	Aaa	AA+	02/12/21	02/12/26	11/12/21		1,658	105	0.51%	0.51%	992,290	1,000,000	1,000,000
3130AKX43 FHLB Step-up Callable	Aaa	AA+	02/24/21	02/24/26	11/24/21	11/24/21	1,670	117	0.30%	0.30%	1,990,460	2,000,000	2,000,000
3130AL7M0 FHLB Callable	Aaa	AA+	02/24/21	02/24/26	08/24/21		1,670	25	0.63%	0.63%	994,830	1,000,000	1,000,000
3130AKYR1 FHLB Callable	Aaa	AA+	02/25/21	02/25/26	02/25/22		1,671	210	0.55%	0.55%	993,950	1,000,000	1,000,000
3130AL6K5 FHLB Callable	Aaa	AA+	02/25/21	02/25/26	02/25/22		1,671	210	0.56%	0.56%	994,770	1,000,000	1,000,000
3130ALD76 FHLB Callable	Aaa	AA+	02/25/21	02/25/26	08/25/21		1,671	26	0.70%	0.70%	996,430	1,000,000	1,000,000
3130ALCW2 FHLB Callable	Aaa	AA+	02/25/21	02/25/26	02/25/22		1,671	210	0.63%	0.63%	995,960	1,000,000	998,500
3130AL6Q2 FHLB Callable	Aaa	AA+	02/26/21	02/26/26	08/26/21		1,672	27	0.22%	0.22%	997,930	1,000,000	1,000,000
3130ALGJ7 FHLB Callable	Aaa	AA+	03/23/21	03/23/26	10/23/21		1,697	85	1.00%	1.00%	974,591	975,000	975,000
3130ALNNO FHLB Callable	Aaa	AA+	03/30/21	03/30/26	09/30/21		1,704	62	1.05%	1.05%	1,000,660	1,000,000	1,000,000
3130ALPQ1 FHLB Step-up Callable	Aaa	AA+	03/30/21	03/30/26	09/30/21		1,704	62	0.50%	0.50%	999,470	1,000,000	1,000,000
3130ALVC5 FHLB Step-up Callable	Aaa	AA+	04/14/21	04/14/26	10/14/21		1,719	76	0.60%	0.60%	999,610	1,000,000	1,000,000
3130AMMV1 FHLB Callable	Aaa	AA+	06/03/21	06/03/24	09/03/21		1,039	35	0.40%	0.40%	499,655	500,000	500,000
3130AMKE1 FHLB Callable	Aaa	AA+	05/27/21	02/27/25	08/27/21		1,308	28	0.66%	0.66%	999,640	1,000,000	1,000,000
							1,413	3,148	0.48%	0.48%	\$ 29,794,373	\$ 29,876,111	\$ 29,872,931

Municipal Bonds

882724RA7 TEXAS ST PUB FIN AUTH	Aaa	AAA	10/30/20	10/01/25			1,524		5.00%	4.25%	1,177,160	1,000,000	1,216,760
							1,524		5.00%	4.25%	\$ 1,177,160	\$ 1,000,000	\$ 1,216,760

Total Investments

687							687		0.40%	0.40%	\$ 68,280,669	\$ 68,158,302	\$ 68,393,044
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TOTAL - ALL DEPOSITS AND INVESTMENTS

\$ 82,015,997

**Olivenhain Municipal Water District
INVESTMENTS TRANSACTION
July 31, 2021**

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>		

MATURED / REDEEMED / CALLED

DATE				Investment Description	<i>Stated</i>	<i>Current</i>	Face Value	Book Value
Redemption	Maturity	Call	Step-Up		<i>Coupon</i>	<i>Yield</i>		
07/30/21	07/30/24	07/30/21		FNMA Callable	0.550%	0.550%	1,000,000	1,000,000

Olivenhain Municipal Water District
UNAUDITED CASH POSITION BY FUNDING SOURCES
As of July 31, 2021

<u>Water Funds (Potable & Recycled)</u>		<u>Balance</u>
10050-100	Cash - Petty Cash Fund	\$ 1,476
10030-100	Cash - Capital and Equipment Fund	37,238,850
10010-100	Cash - Operating Fund	13,224,836
10060-100	Cash - Deposit Work for Other	111,903
10040-100	Cash - Rate Stabilization	10,495,914
14000-500	Restricted Cash - Capacity Fee Fund	5,063,668
Total Water Funds (Potable & Recycled)		<u>\$ 66,136,648</u>
 <u>Wastewater Funds</u>		
10010-110	Wastewater - Operating Fund	1,605,958
10030-110	Wastewater - Capital Replacement Fund	9,611,214
10040-110	Wastewater - Rate Stabilization Fund	2,602,321
Total Wastewater Funds		<u>\$ 13,819,493</u>
 <u>Non Fiscal Agent Debt Service Cash</u>		
14020-570	Cash non-agent - RAD 96-1	596,315
10070-561	Cash non-agent - Bond 2015A	621
10070-581	Cash non-agent - Bond 2016A	10,580
14020-512	Cash non-agent - Bond 2018	1,610
Total Non Fiscal Agent Debt Service Cash		<u>\$ 609,126</u>
 <u>Debt Service Funds</u>		
14030-510	SRF Loan - Fiscal Agent	750,373
14105-570	Redemption fund - RAD 96-1	648,979
14110-570	Reserve fund - RAD 96-1	48,951
14100-561	Redemption fund - Bond 2015A	862
14100-581	Redemption fund - Bond 2016A	215
14100-512	Redemption fund - CB&T 2018	1,351
Total Debt Service Funds		<u>\$ 1,450,730</u>
TOTAL FUND BALANCES		<u><u>\$ 82,015,997</u></u> ✓

Olivenhain Municipal Water District
MONTHLY CASH AND INVESTMENT SUMMARY
As of August 31, 2021

Active Deposits

	<u>Book Value</u>
Checking Accounts	\$ 12,759,444
Cash Restricted for Specific Use	152,259
Petty Cash/Disaster Preparedness	1,476
Total Active Deposits	<u>\$ 12,913,180</u>

Deposits Not Covered by Investment Policy

Cash with Fiscal Agents	1,902,051
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<u>Investments</u>	<u>Face Value</u>	<u>Market Value</u>	<u>Current Yield</u>	
LAIF	\$ 27,166,924	27,167,149	0.22%	\$ 27,166,924
US Bank CAMP	7,033,546	7,033,546	0.05%	7,033,546
Money Market Funds	2,113,369	2,113,369	0.02%	2,113,369
Municipal Bonds	1,000,000	1,170,990	4.27%	1,216,760
U.S. Treasury Securities	2,000,000	2,024,100	0.99%	2,021,162
U.S. Agency Securities	28,876,111	28,790,993	0.49%	28,872,931
Total Investments	<u>\$ 68,189,950</u>	<u>\$ 68,300,147</u>	<u>0.40%</u>	<u>\$ 68,424,692</u>

Total - All Deposits/Investments

\$ 83,239,923 ✓

Maturity Analysis of Investments

	<u>Percent</u>	<u>Balance</u>
Demand Deposits	53.1%	\$ 36,313,839
Maturity within the next two months	0.0%	-
Maturity within three months and one year	1.5%	1,036,684
Maturity beyond one year	45.4%	31,074,169
Total Investments	<u>100.0%</u>	<u>\$ 68,424,692</u>

Weighted Average Days to Maturity

672

Other Required Disclosures:

Accrued interest receivable as of 08/31/2021

\$ 57,726

The above investments are in accordance with the portfolio limitations in the Investment Policy approved by the Board in December 2020.

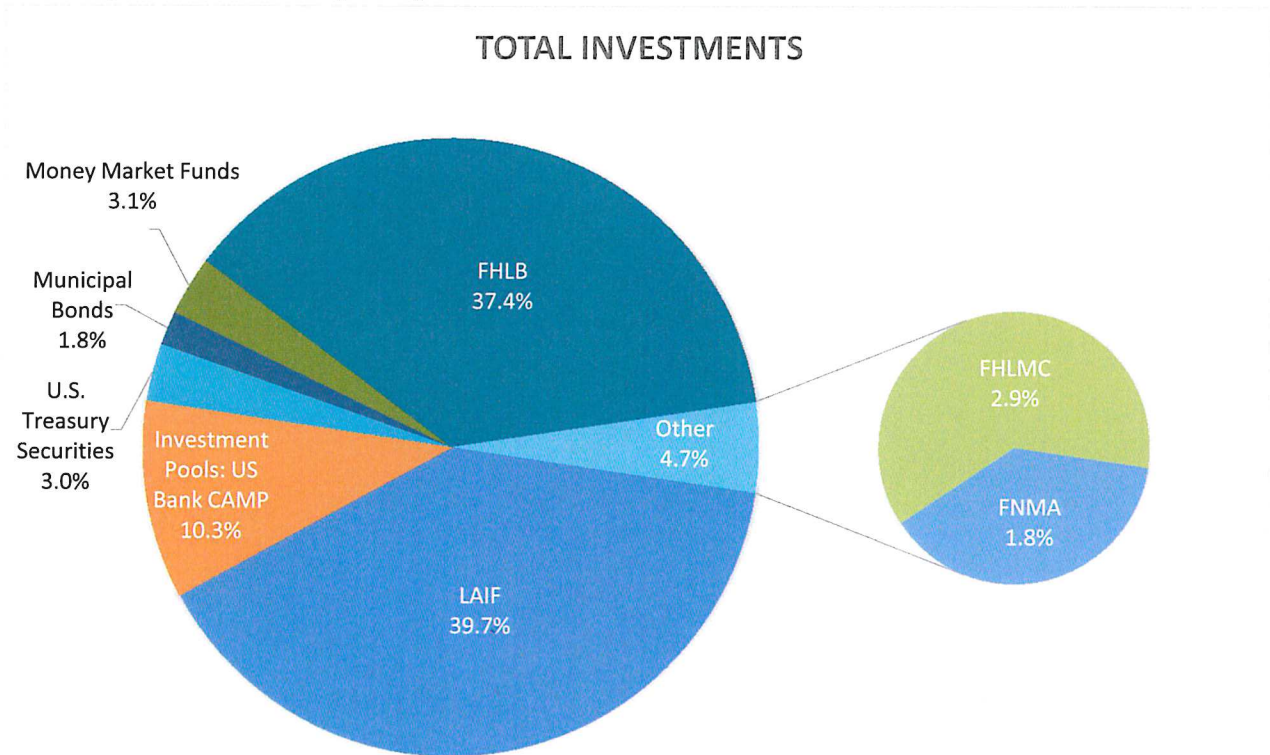
The District has sufficient funds on hand to meet the next 30 days' obligations.

Olivenhain Municipal Water District
PORTFOLIO LIMITATIONS ANALYSIS PER INVESTMENT POLICY
August 31, 2021

	<u>Book Value</u>	<u>Percent</u>	<u>Permitted Percent</u>	<u>In Compliance?</u>
LAIF	\$ 27,166,924	39.7%	40.0% ⁽¹⁾	Yes
Investment Pools: US Bank CAMP	7,033,546	10.3%	30.0%	Yes
U.S. Treasury Securities	2,021,162	3.0%	100.0% ⁽²⁾	Yes
Municipal Bonds	1,216,760	1.8%	30.0%	Yes
Money Market Funds	2,113,369	3.1%	20.0% ⁽³⁾	Yes
U.S. Agency Securities	28,872,931	42.1%	50.0%	Yes
<i>FHLB Federal Home Loan Bank</i>	<i>25,623,111</i>	<i>37.4%</i>		
<i>FNMA Fannie Mae</i>	<i>1,250,000</i>	<i>1.8%</i>		
<i>FHLMC Freddie Mac</i>	<i>1,999,820</i>	<i>2.9%</i>		
Total Investments	\$ 68,424,692	100%		

Note:

- ⁽¹⁾ New limit of 40% approved by the board in May 2020.
⁽²⁾ No limit.
⁽³⁾ May not exceed 5% in any money market fund.



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

Olivenhain Municipal Water District
MONTHLY INVESTMENTS DETAIL
August 31, 2021

ACTIVE DEPOSIT

Checking A/C California Bank and Trust for General Purpose
 California Bank and Trust for Specific Purpose
 Petty Cash/Disaster Preparedness

Book Value
 12,759,444
 152,259
 1,476
12,913,180

Total - Active Deposits

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 - 2018 Revenue Bond

1,149,238
 862
 750,386
 215
 1,351

Total Deposits Not Covered by Investment Policy

1,902,051

		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			0.05%	\$ 7,033,546	\$ 7,033,546	\$ 7,033,546
State Local Agency Investment Fund (LAIF)					Demand			1			0.22%	27,167,149	27,166,924	27,166,924
First American Government 31846V567					Demand			1			0.02%	2,113,369	2,113,369	2,113,369
U.S. Treasury Notes/Bills														
912828YH7	U.S. Treasury Notes	Aaa	-	03/09/21	02/28/26			1,643		1.50%	1.45%	1,033,160	1,000,000	1,036,684
91282CBQ3	U.S. Treasury Notes	Aaa	-	03/09/21	09/30/24			1,127		0.50%	0.50%	990,940	1,000,000	984,478
								97		1.00%	0.99%	\$ 2,024,100	\$ 2,000,000	\$ 2,021,162
U.S. Agency Securities														
3134GXKH6	FHLMC Callable	Aaa	AA+	01/27/21	01/27/23	10/27/21		515	58	0.13%	0.13%	999,820	1,000,000	999,820
3130AJZJ1	FHLB Callable	Aaa	AA+	09/02/20	08/25/23	Anytime		725	1	0.32%	0.32%	1,150,973	1,151,111	1,151,111
3136G4P56	FNMA Callable	Aaa	AA+	08/26/20	02/28/24	08/26/22		910	361	0.40%	0.40%	1,252,950	1,250,000	1,250,000
3130ALHM9	FHLB Callable	Aaa	AA+	03/10/21	06/10/24	03/10/22		1,015	192	0.30%	0.30%	998,610	1,000,000	999,000
3130AKEW2	FHLB Callable	Aaa	AA+	11/04/20	11/04/24	Anytime		1,162	1	0.43%	0.43%	1,996,300	2,000,000	2,000,000
3134GWAQ9	FHLMC Callable	Aaa	AA+	07/28/20	07/28/25	07/28/22		1,428	332	0.65%	0.65%	1,000,660	1,000,000	1,000,000
3130AKGX8	FHLB Step-up Callable	Aaa	AA+	12/15/20	12/15/25	09/15/21	12/15/21	1,568	16	0.20%	0.20%	1,993,080	2,000,000	2,000,000
3130AKMD5	FHLB Callable	Aaa	AA+	01/26/21	01/26/26	10/26/21		1,610	57	0.50%	0.50%	992,140	1,000,000	999,500
3130AKU53	FHLB Callable	Aaa	AA+	01/28/21	01/28/26	10/28/21		1,612	59	0.52%	0.52%	992,660	1,000,000	1,000,000
3130AKN69	FHLB Callable	Aaa	AA+	01/28/21	01/28/26	01/28/22		1,612	151	0.50%	0.50%	992,790	1,000,000	1,000,000
3130AKVN3	FHLB Callable	Aaa	AA+	01/29/21	01/29/26	10/29/21		1,613	60	0.52%	0.52%	992,620	1,000,000	1,000,000
3130AKWK8	FHLB Callable	Aaa	AA+	02/12/21	02/12/26	11/12/21		1,627	74	0.51%	0.51%	991,950	1,000,000	1,000,000
3130AKX43	FHLB Step-up Callable	Aaa	AA+	02/24/21	02/24/26	11/24/21	11/24/21	1,639	86	0.30%	0.30%	1,990,560	2,000,000	2,000,000
3130AL7M0	FHLB Callable	Aaa	AA+	02/24/21	02/24/26	11/24/21		1,639	86	0.63%	0.63%	994,520	1,000,000	1,000,000
3130AKYR1	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	02/25/22		1,640	179	0.55%	0.55%	993,420	1,000,000	1,000,000
3130AL6K5	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	02/25/22		1,640	179	0.58%	0.58%	994,240	1,000,000	1,000,000
3130ALD76	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	11/25/21		1,640	87	0.70%	0.70%	996,120	1,000,000	1,000,000
3130ALCW2	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	02/25/22		1,640	179	0.63%	0.63%	995,460	1,000,000	998,500
3130AL6Q2	FHLB Callable	Aaa	AA+	02/26/21	02/26/26	Anytime		1,641	1	0.22%	0.22%	998,090	1,000,000	1,000,000
3130ALGJ7	FHLB Callable	Aaa	AA+	03/23/21	03/23/26	10/23/21		1,666	54	1.00%	1.00%	975,185	975,000	975,000
3130ALNN0	FHLB Callable	Aaa	AA+	03/30/21	03/30/26	09/30/21		1,673	31	1.05%	1.05%	1,000,320	1,000,000	1,000,000
3130ALPQ1	FHLB Step-up Callable	Aaa	AA+	03/30/21	03/30/26	09/30/21		1,673	31	0.50%	0.50%	999,490	1,000,000	1,000,000
3130ALVC5	FHLB Step-up Callable	Aaa	AA+	04/14/21	04/14/26	10/14/21		1,688	45	0.60%	0.60%	999,670	1,000,000	1,000,000
3130AMMV1	FHLB Callable	Aaa	AA+	06/03/21	06/03/24	09/03/21		1,008	4	0.40%	0.40%	499,765	500,000	500,000
3130AMKE1	FHLB Callable	Aaa	AA+	05/27/21	02/27/25	11/27/21		1,277	89	0.66%	0.66%	1,000,020	1,000,000	1,000,000
3130ANGN4	FHLB Step-up Callable	Aaa	AA+	08/18/21	02/18/25	11/18/21		1,268	80	0.35%	0.35%	999,580	1,000,000	1,000,000
								1,430	2,683	0.48%	0.49%	\$ 28,790,993	\$ 28,876,111	\$ 28,872,931
Municipal Bonds														
882724RA7	TEXAS ST PUB FIN AUTH	Aaa	AAA	10/30/20	10/01/25			1,493		5.00%	4.27%	1,170,990	1,000,000	1,216,760
								1,493		5.00%	4.27%	\$ 1,170,990	\$ 1,000,000	\$ 1,216,760
Total Investments														
								672		0.40%	0.40%	\$ 68,300,147	\$ 68,189,950	\$ 68,424,692
TOTAL - ALL DEPOSITS AND INVESTMENTS												\$ 83,239,923		

**Olivenhain Municipal Water District
INVESTMENTS TRANSACTION
August 31, 2021**

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>		
08/18/21	02/18/25	11/18/21		FHLB Step-up Callable	0.350%	0.350%	1,000,000	1,000,000

MATURED / REDEEMED / CALLED

DATE				Investment Description	<i>Stated</i>	<i>Current</i>	Face Value	Book Value
Redemption	Maturity	Call	Step-Up		<i>Coupon</i>	<i>Yield</i>		
08/25/21	05/25/23	08/25/21		FHLMC Callable	0.300%	0.300%	2,000,000	2,000,000

Olivenhain Municipal Water District
UNAUDITED CASH POSITION BY FUNDING SOURCES
As of August 31, 2021

<u>Water Funds (Potable & Recycled)</u>		<u>Balance</u>
10050-100	Cash - Petty Cash Fund	\$ 1,476
10030-100	Cash - Capital and Equipment Fund	38,023,539
10010-100	Cash - Operating Fund	14,029,271
10060-100	Cash - Deposit Work for Other	88,705
10040-100	Cash - Rate Stabilization	10,494,695
14000-500	Restricted Cash - Capacity Fee Fund	5,031,306
Total Water Funds (Potable & Recycled)		<u>\$ 67,668,991</u>
 <u>Wastewater Funds</u>		
10010-110	Wastewater - Operating Fund	1,331,732
10030-110	Wastewater - Capital Replacement Fund	9,582,870
10040-110	Wastewater - Rate Stabilization Fund	2,602,019
Total Wastewater Funds		<u>\$ 13,516,621</u>
 <u>Non Fiscal Agent Debt Service Cash</u>		
14020-570	Cash non-agent - RAD 96-1	142,488
10070-561	Cash non-agent - Bond 2015A	621
10070-581	Cash non-agent - Bond 2016A	9,376
14020-512	Cash non-agent - Bond 2018	(226)
Total Non Fiscal Agent Debt Service Cash		<u>\$ 152,259</u>
 <u>Debt Service Funds</u>		
14030-510	SRF Loan - Fiscal Agent	750,386
14105-570	Redemption fund - RAD 96-1	1,096,326
14110-570	Reserve fund - RAD 96-1	52,912
14100-561	Redemption fund - Bond 2015A	862
14100-581	Redemption fund - Bond 2016A	215
14100-512	Redemption fund - CB&T 2018	1,351
Total Debt Service Funds		<u>\$ 1,902,051</u>
TOTAL FUND BALANCES		<u>\$ 83,239,923</u> ✓

Olivenhain Municipal Water District
MONTHLY CASH AND INVESTMENT SUMMARY
As of September 30, 2021

Active Deposits

	<u>Book Value</u>
Checking Accounts	\$ 13,256,316
Cash Restricted for Specific Use	157,218
Petty Cash/Disaster Preparedness	1,476
Total Active Deposits	<u>\$ 13,415,011</u>

Deposits Not Covered by Investment Policy

Cash with Fiscal Agents	2,000,070
-------------------------	-----------

<u>Investments</u>	<u>Face Value</u>	<u>Market Value</u>	<u>Current Yield</u>	
LAIF	\$ 27,166,924	27,167,149	0.22%	\$ 27,166,924
CAMP - US Bank	7,033,839	7,033,839	0.05%	7,033,839
Money Market Funds	1,134,263	1,134,263	0.02%	1,134,263
Municipal Bonds	1,000,000	1,161,130	4.31%	1,216,760
U.S. Treasury Securities	2,000,000	2,012,390	0.99%	2,021,162
U.S. Agency Securities	29,876,111	29,725,164	0.47%	29,872,931
Total Investments	<u>\$ 68,211,137</u>	<u>\$ 68,233,935</u>	<u>0.40%</u>	<u>\$ 68,445,879</u>

Total - All Deposits/Investments

\$ 83,860,960 ✓

Maturity Analysis of Investments

	<u>Percent</u>	<u>Balance</u>
Demand Deposits	51.6%	\$ 35,335,026
Maturity within the next two months	0.0%	-
Maturity within three months and one year	1.5%	1,036,684
Maturity beyond one year	46.9%	32,074,169
Total Investments	<u>100.0%</u>	<u>\$ 68,445,879</u>

Weighted Average Days to Maturity **655**

Other Required Disclosures:

Accrued interest receivable as of 09/30/2021 \$ 57,265

The above investments are in accordance with the portfolio limitations in the Investment Policy approved by the Board in December 2020.

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

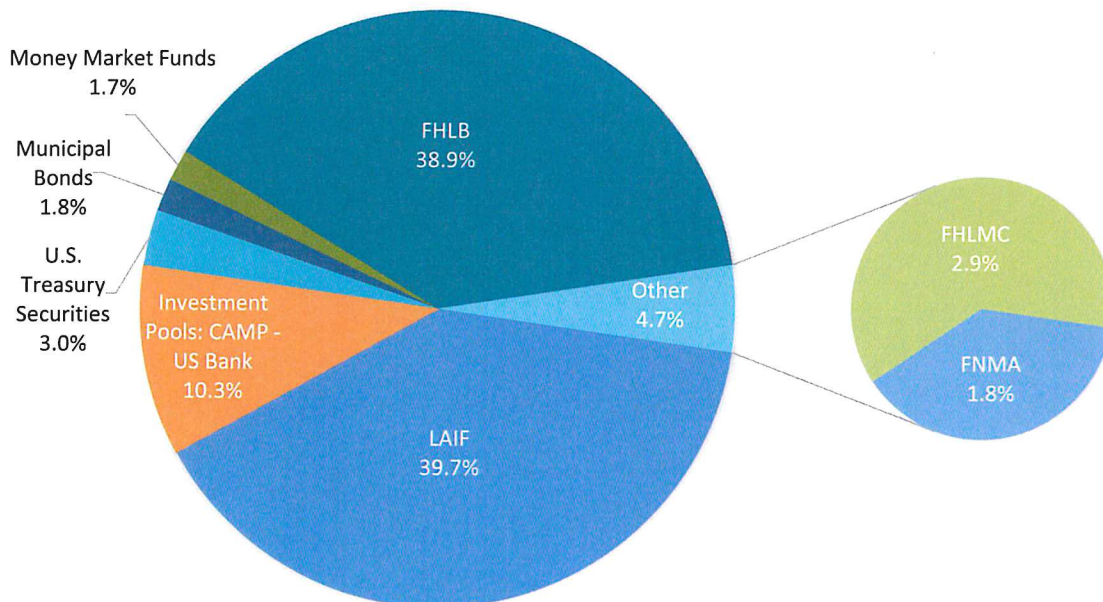
Olivenhain Municipal Water District
PORTFOLIO LIMITATIONS ANALYSIS PER INVESTMENT POLICY
September 30, 2021

	<u>Book Value</u>	<u>Percent</u>	<u>Permitted Percent</u>		<u>In Compliance?</u>
LAIF	\$ 27,166,924	39.7%	40.0%	(1)	Yes
Investment Pools: CAMP - US Bank	7,033,839	10.3%	30.0%		Yes
U.S. Treasury Securities	2,021,162	3.0%	100.0%	(2)	Yes
Municipal Bonds	1,216,760	1.8%	30.0%		Yes
Money Market Funds	1,134,263	1.7%	20.0%	(3)	Yes
U.S. Agency Securities	29,872,931	43.6%	50.0%		Yes
<i>FHLB</i> <i>Federal Home Loan Bank</i>	26,623,111	38.9%			
<i>FNMA</i> <i>Fannie Mae</i>	1,250,000	1.8%			
<i>FHLMC</i> <i>Freddie Mac</i>	1,999,820	2.9%			
Total Investments	\$ 68,445,879	100%			

Note:

- (1) New limit of 40% approved by the board in May 2020.
(2) No limit.
(3) May not exceed 5% in any money market fund.

TOTAL INVESTMENTS



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

Olivenhain Municipal Water District
MONTHLY INVESTMENTS DETAIL
September 30, 2021

ACTIVE DEPOSIT

Checking A/C California Bank and Trust for General Purpose
 California Bank and Trust for Specific Purpose
 Petty Cash/Disaster Preparedness

Total - Active Deposits

Book Value
13,256,316
157,218
1,476
13,415,011

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 - 2018 Revenue Bond

240,289
601,862
750,353
244,215
163,351

Total Deposits Not Covered by Investment Policy

2,000,070

		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		0.05%	\$ 7,033,839	\$ 7,033,839	\$ 7,033,839	
		State Local Agency Investment Fund (LAIF)					Demand	1		0.22%	27,167,149	27,166,924	27,166,924	
		First American Government 31846V567					Demand	1		0.02%	1,134,263	1,134,263	1,134,263	
U.S. Treasury Notes/Bills														
912828YH7	U.S. Treasury Notes	Aaa	-	03/09/21	02/28/26			1,613	1.50%	1.46%	1,029,260	1,000,000	1,036,684	
91282CBQ3	U.S. Treasury Notes	Aaa	-	03/09/21	09/30/24			1,097	0.50%	0.51%	983,130	1,000,000	984,478	
							92		1.00%	0.99%	\$ 2,012,390	\$ 2,000,000	\$ 2,021,162	
U.S. Agency Securities														
3134GXKH6	FHLMC Callable	Aaa	AA+	01/27/21	01/27/23	10/27/21		485	28	0.13%	0.13%	999,730	1,000,000	999,820
3130AJZJ1	FHLB Callable	Aaa	AA+	09/02/20	08/25/23	Anytime		695	1	0.32%	0.32%	1,151,088	1,151,111	1,151,111
3136G4P56	FNMA Callable	Aaa	AA+	08/26/20	02/26/24	08/26/22		880	331	0.40%	0.40%	1,251,713	1,250,000	1,250,000
3130ALHM9	FHLB Callable	Aaa	AA+	03/10/21	06/10/24	03/10/22		985	162	0.30%	0.30%	997,510	1,000,000	999,000
3130AKEW2	FHLB Callable	Aaa	AA+	11/04/20	11/04/24	Anytime		1,132	1	0.43%	0.43%	1,993,720	2,000,000	2,000,000
3134GWAQ9	FHLMC Callable	Aaa	AA+	07/28/20	07/28/25	07/28/22		1,398	302	0.65%	0.65%	997,810	1,000,000	1,000,000
3130AKGX8	FHLB Step-up Callable	Aaa	AA+	12/15/20	12/15/25	12/15/21	12/15/21	1,538	77	0.20%	0.20%	1,989,160	2,000,000	2,000,000
3130AKMD5	FHLB Callable	Aaa	AA+	01/26/21	01/26/26	10/26/21		1,580	27	0.50%	0.51%	988,190	1,000,000	999,500
3130AKU53	FHLB Callable	Aaa	AA+	01/28/21	01/28/26	10/28/21		1,582	29	0.52%	0.53%	988,750	1,000,000	1,000,000
3130AKN69	FHLB Callable	Aaa	AA+	01/28/21	01/28/26	01/28/22		1,582	121	0.50%	0.51%	988,810	1,000,000	1,000,000
3130AKVN3	FHLB Callable	Aaa	AA+	01/29/21	01/29/26	10/29/21		1,583	30	0.52%	0.53%	988,720	1,000,000	1,000,000
3130AKWK8	FHLB Callable	Aaa	AA+	02/12/21	02/12/26	11/12/21		1,597	44	0.51%	0.52%	987,930	1,000,000	1,000,000
3130AKX43	FHLB Step-up Callable	Aaa	AA+	02/24/21	02/24/26	11/24/21	11/24/21	1,609	56	0.30%	0.30%	1,985,160	2,000,000	2,000,000
3130AL7M0	FHLB Callable	Aaa	AA+	02/24/21	02/24/26	11/24/21		1,609	56	0.63%	0.63%	991,050	1,000,000	1,000,000
3130AKYR1	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	02/25/22		1,610	149	0.55%	0.56%	989,500	1,000,000	1,000,000
3130AL6K5	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	02/25/22		1,610	149	0.58%	0.59%	990,480	1,000,000	1,000,000
3130ALD76	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	11/25/21		1,610	57	0.70%	0.70%	993,120	1,000,000	1,000,000
3130ALCW2	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	02/25/22		1,610	149	0.63%	0.63%	991,740	1,000,000	998,500
3130AL6Q2	FHLB Callable	Aaa	AA+	02/26/21	02/26/24	Anytime		880	1	0.22%	0.22%	996,150	1,000,000	1,000,000
3130ALGJ7	FHLB Callable	Aaa	AA+	03/23/21	03/23/26	10/23/21		1,636	24	1.00%	1.00%	973,889	975,000	975,000
3130ALPQ1	FHLB Step-up Callable	Aaa	AA+	03/30/21	03/30/26	09/30/21		1,643	1	0.50%	0.50%	998,630	1,000,000	1,000,000
3130ALVC5	FHLB Step-up Callable	Aaa	AA+	04/14/21	04/14/26	10/14/21		1,658	15	0.60%	0.60%	998,560	1,000,000	1,000,000
3130AMMV1	FHLB Callable	Aaa	AA+	06/03/21	06/03/24	12/03/21		978	65	0.40%	0.40%	499,355	500,000	500,000
3130AMKE1	FHLB Callable	Aaa	AA+	05/27/21	02/27/25	11/27/21		1,247	59	0.66%	0.66%	998,850	1,000,000	1,000,000
3130ANGN4	FHLB Step-up Callable	Aaa	AA+	08/18/21	02/18/25	11/18/21		1,238	50	0.35%	0.35%	998,720	1,000,000	1,000,000
3130ANSP6	FHLB Callable	Aaa	AA+	09/17/21	10/17/24	03/17/22		1,114	169	0.50%	0.50%	998,390	1,000,000	1,000,000
3130ANTP5	FHLB Callable	Aaa	AA+	09/16/21	09/16/24	03/16/22		1,083	168	0.50%	0.50%	998,440	1,000,000	1,000,000
							1,347	2,505	0.47%	0.47%	\$ 29,725,164	\$ 29,876,111	\$ 29,872,931	
Municipal Bonds														
882724RA7	TEXAS ST PUB FIN AUTH	Aaa	AAA	10/30/20	10/01/25			1,463		5.00%	4.31%	1,161,130	1,000,000	1,216,760
							1,463		5.00%	4.31%	\$ 1,161,130	\$ 1,000,000	\$ 1,216,760	
Total Investments							655		0.40%	0.40%	\$ 68,233,935	\$ 68,211,137	\$ 68,445,879	

TOTAL - ALL DEPOSITS AND INVESTMENTS

\$ 83,860,960

**Olivenhain Municipal Water District
INVESTMENTS TRANSACTION
September 30, 2021**

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>		
09/17/21	10/17/24	03/17/22		FHLB Callable	0.500%	0.501%	1,000,000	1,000,000
09/16/21	09/16/24	03/16/22		FHLB Callable	0.500%	0.501%	1,000,000	1,000,000

MATURED / REDEEMED / CALLED

DATE				Investment Description	<i>Stated</i>	<i>Current</i>	Face Value	Book Value
Redemption	Maturity	Call	Step-Up		<i>Coupon</i>	<i>Yield</i>		
09/30/21	03/30/26	09/30/21		FHLB Callable	1.050%	1.050%	1,000,000	1,000,000

Olivenhain Municipal Water District
UNAUDITED CASH POSITION BY FUNDING SOURCES
As of September 30, 2021

<u>Water Funds (Potable & Recycled)</u>		<u>Balance</u>
10050-100	Cash - Petty Cash Fund	\$ 1,476
10030-100	Cash - Capital and Equipment Fund	38,202,728
10010-100	Cash - Operating Fund	13,610,144
10060-100	Cash - Deposit Work for Other	72,990
10040-100	Cash - Rate Stabilization	10,496,866
14000-500	Restricted Cash - Capacity Fee Fund	5,130,201
Total Water Funds (Potable & Recycled)		<u>\$ 67,514,405</u>
 <u>Wastewater Funds</u>		
10010-110	Wastewater - Operating Fund	2,023,484
10030-110	Wastewater - Capital Replacement Fund	9,563,226
10040-110	Wastewater - Rate Stabilization Fund	2,602,557
Total Wastewater Funds		<u>\$ 14,189,267</u>
 <u>Non Fiscal Agent Debt Service Cash</u>		
14020-570	Cash non-agent - RAD 96-1	146,018
10070-561	Cash non-agent - Bond 2015A	621
10070-581	Cash non-agent - Bond 2016A	10,580
Total Non Fiscal Agent Debt Service Cash		<u>\$ 157,218</u>
 <u>Debt Service Funds</u>		
14030-510	SRF Loan - Fiscal Agent	750,353
14105-570	Redemption fund - RAD 96-1	187,377
14110-570	Reserve fund - RAD 96-1	52,912
14100-561	Redemption fund - Bond 2015A	601,862
14100-581	Redemption fund - Bond 2016A	244,215
14100-512	Redemption fund - CB&T 2018	163,351
Total Debt Service Funds		<u>\$ 2,000,070</u>
TOTAL FUND BALANCES		<u>\$ 83,860,960</u> ✓

Memo

Date: December 15, 2021
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 2021 Monthly Statement of Net Position Reports.
- July, August, and September 2021 Statement of Revenues, Expenses, and Changes in Net Position Reports.
- July, August, and September 2021 Consolidated Statement of Cash Flows.
- July, August, and September 2021 Monthly Consolidated Actual VS Budget Summary and explanation of significant variance reports.
- July, August, and September 2021 Construction in Progress Reports.

OLIVENHAIN MUNICIPAL WATER DISTRICT
Statement of Net Position (Unaudited)
All Funds
7/31/2021

Assets

Current assets:

Unrestricted assets:

Cash and cash equivalents	\$74,860,534 ✓
Accounts receivable - water and sewer, net	11,886,858
Interest Receivable	94,439
Taxes receivable	154,318
Other receivables	1,852,045
Inventories	1,054,171
Prepaid expenses and deposits	2,018,663
Total unrestricted assets	<u>91,921,028</u>

Restricted assets:

Cash and cash equivalents	6,904,286 ✓
Assessments receivable	39,388
Grants receivable	389,320
Total restricted assets	<u>7,332,993</u>
Total current assets	<u>99,254,021</u>

Noncurrent assets:

Capital assets, nondepreciable	41,641,118
Capital assets, depreciable/amortizable, net	339,483,174
Capital assets, net	381,124,293
Prepaid bond insurance	23,931
Other long-term receivables	53,975
Total noncurrent assets	<u>381,202,199</u>
Total assets	<u>480,456,220</u>

Deferred Outflows of Resources

Deferred amount on refunding	(1,176,517)
Deferred amount from pension	(3,585,712)
Total deferred outflows of resources	<u>(4,762,229)</u>

Liabilities

Current Liabilities

Liabilities payable from unrestricted assets:

Accounts payable	6,792,488
Accrued payroll	477,357
Customer deposits	351,046
Payable related to work in progress	98,378
Compensated absences, current portion	771,000
Current portion of long-term debt:	
Wastewater Revenue Bonds 2018A	522,000
Water Revenue Refunding Bonds 2016A	530,000
Water Revenue Refunding Bonds 2015A	1,750,000
Special Assessment Debt with Government Commi...	843,108
Notes Payable	799,072
Total liabilities payable from unrestricted assets	<u>12,934,449</u>

Liabilities payable from restricted assets:

Accounts payable	32,847
Interest payable	282,155
Total liabilities payable from restricted assets	<u>315,003</u>
Total current liabilities	<u>13,249,452</u>

Noncurrent liabilities

Compensated absences	929,531
Net pension liability	14,608,845
Long-term debt, excluding current portion:	
Wastewater Revenue Bonds 2018A	3,491,000
Water Revenue Refunding Bonds 2016A	13,778,134
Water Revenue Refunding Bonds 2015A	13,949,237
Special Assessment Debt with Government Commi...	5,457,755
Notes Payable	11,162,925
Total noncurrent liabilities	<u>63,377,427</u>
Total liabilities	<u>76,626,879</u>

Deferred Inflows of Resources

OLIVENHAIN MUNICIPAL WATER DISTRICT
Statement of Net Position (Unaudited)

All Funds

7/31/2021

Deferred amounts on pension	425,243
Total deferred inflows of resources	<u>425,243</u>

Net Position

Investment in Capital Assets, net of related debt	330,017,578
Restricted Net Position	7,017,990
Unrestricted Net Position	<u>71,130,760</u>
Total Net Position	<u><u>408,166,327</u></u>

OLIVENHAIN MUNICIPAL WATER DISTRICT
Statement of Revenues, Expenses and Changes in Net Position (Unaudited)
All Funds
For the One Month Ending 7/31/2021

	<u>2022</u>
Operating Revenues:	
Water Sales	\$6,183,540
Sewer Charges	24,764
Other Water Operating revenues	<u>155,872</u>
Total Operating Revenues	6,364,177
Operating Expenses	
Cost of Purchased Water Sold	3,159,395
Pumping and Water Treatment	174,304
Transmission and Distribution	384,226
Sewer Collection and Treatment	78,801
Elfin Forest Recreation Operations	52,934
Facilities Maintenance	66,810
Customer Service	166,313
General and Administrative	471,680
Depreciation and Amortization	<u>907,570</u>
Total Operating Expenses	5,462,033
Operating Income (Loss)	902,143
Nonoperating Revenues (Expenses)	
Investment income	45,546
Property taxes	28,077
Capacity charges	50,556
Benefit assessments	12,018
Other nonoperating revenues	109
Interest expense, net	(111,517)
Other nonoperating expenses	<u>(6,759)</u>
Total nonoperating revenues (expenses)	18,030
Income before capital contributions	920,174
Capital contributions	
Change in net position	<u>920,174</u>
Net Position, Beginning of year	<u>407,246,154</u>
Net Position, End of year	<u><u>408,166,327</u></u>

OLIVENHAIN MUNICIPAL WATER DISTRICT
CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
AS OF July 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES:

Receipts from water and sewer customers	\$ 5,220,668
Payments for water	(2,879,077)
Payments for services and supplies	(3,012,109)
Payments for employee wages, benefits and related costs	(1,188,595)
Net cash provided by operating activities	<u>(1,859,113)</u>

CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:

Property taxes and benefit assessments received	40,688
Net cash provided by noncapital and related financing activities	<u>40,688</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Acquisition and construction of capital assets	(44,606)
Proceeds from Grants	-
Principal paid on bonds and certificates of participation	(39,152)
Interest paid on bonds and certificates of participation	24,580
Capacity charges received	50,557
Other capital financing receipts (expenses)	8,222
Net cash used by capital and related financing activities	<u>(399)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Investment income received	33,188
Net cash provided (used) by investing activities	<u>33,188</u>

Net increase (decrease) in cash and cash equivalents (1,785,636)

Cash and cash equivalents, beginning of year 49,689,236

Cash and cash equivalents, end of period \$ 47,903,600

FINANCIAL STATEMENT PRESENTATION:

Cash and cash equivalents - current assets	43,262,263
Cash and cash equivalents - restricted assets	4,641,337
Total cash and cash equivalents	<u><u>\$ 47,903,600</u></u>

CASH AND CASH EQUIVALENTS RECONCILIATION

		Balance Includes		Without Mkt
		Mkt Securities		Securities
Unrestricted cash	7/31/2021	74,860,534	✓	43,262,263
Restricted cash	7/31/2021	6,904,286	✓	4,641,337
Total cash and cash equivalents				<u><u>47,903,600</u></u>

OLIVENHAIN MUNICIPAL WATER DISTRICT
Consolidated Actual vs Budget Summary
For the One Month Ending 7/31/2021

	Approved Budget	Actual YTD	Budget YTD	Variance Amt	Variance %	Notes
Operating Revenues						
Commodity Water Sales	\$41,465,000.00	\$4,921,361.98	\$4,714,800.00	\$206,561.98	4.4%	1
Water Fees and Services	17,917,000.00	1,418,050.29	1,493,420.00	(75,369.71)	(5.0%)	2
Sewer Revenue	5,435,000.00	24,764.30	30,000.00	(5,235.70)	(17.5%)	
Total Operating Revenues	64,817,000.00	6,364,176.57	6,238,220.00	125,956.57	2.0%	
Operating Expenses						
Purchased Water - Variable	22,350,000.00	2,477,872.87	2,326,830.00	(151,042.87)	(6.5%)	1
Purchased Water - Fixed	8,316,000.00	681,522.50	681,539.00	16.50	0.0%	
General Manager Dept	1,922,000.00	107,067.05	160,230.00	53,162.95	33.2%	3
Engineering Dept	2,196,000.00	168,561.23	183,070.00	14,508.77	7.9%	3
Finance Dept	1,556,000.00	132,109.08	129,650.00	(2,459.08)	(1.9%)	3
Customer Service Dept	2,628,800.00	163,762.85	219,286.00	55,523.15	25.3%	3
Human Resources Dept	713,600.00	59,977.32	59,500.00	(477.32)	(0.8%)	3
Water Operations and Maintenance Dept	10,995,000.00	660,782.49	916,739.00	255,956.51	27.9%	3
Parks Dept	442,300.00	55,873.97	36,936.00	(18,937.97)	(51.3%)	3
Sewer Operations and Maintenance Dept	2,774,000.00	165,370.13	231,253.00	65,882.87	28.5%	3
Recycled Water Operations Dept	1,222,500.00	48,503.56	101,980.00	53,476.44	52.4%	3
Paygo Transfers						
Water Operations	7,900,000.00	658,000.00	658,000.00		0.0%	
Recycled Operations	2,200,000.00	183,000.00	183,000.00		0.0%	
Capitalized Operations Expenditures	(1,530,470.00)	(100,369.90)	(127,690.00)	(27,320.10)	21.4%	4
Total Operating Expenses	63,685,730.00	5,462,033.15	5,760,323.00	298,289.85	5.2%	
Net Operating Income (Loss)	1,131,270.00	902,143.42	477,897.00	424,246.42		
Nonoperating Revenues						
Water Funds	5,875,000.00	57,066.31	58,100.00	(1,033.69)	(1.8%)	
Debt Service Funds	1,049,000.00	12,032.77	24,020.00	(11,987.23)	(49.9%)	5
Sewer Funds	39,000.00	2,577.09	3,300.00	(722.91)	(21.9%)	
Recycled Water Funds	60,000.00	4,778.89	4,980.00	(201.11)	(4.0%)	
Total Nonoperating Revenue	7,023,000.00	76,455.06	90,400.00	(13,944.94)	(15.4%)	
Nonoperating Expense						
Capacity Fee Funds	30,000.00	5,511.39	2,480.00	(3,031.39)	(122.2%)	
Debt Service Funds	1,393,620.00	111,618.45	116,780.00	5,161.55	4.4%	
Potable Water Funds	10,000.00	1,145.78	800.00	(345.78)	(43.2%)	
Total Nonoperating Expense	1,433,620.00	118,275.62	120,060.00	1,784.38	1.5%	
Inc before Cap Fees and Capital Contributions	6,720,650.00	860,322.86	448,237.00	412,085.86		
Capacity Fee Funds	745,000.00	59,850.76				
Capital contributions	1,655,000.00					
Change in Net Position		920,173.62				

OLIVENHAIN MUNICIPAL WATER DISTRICT
Actual vs Budget Variance
For the One Month Ending 07/31/2021

1. Water Sales revenue was higher than Budget YTD by approximately \$207 thousand resulting in a favorable variance of 4.4%. The positive variance is primarily due increased water consumption 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 \$151 thousand or 6.5%.
2. Water Fees and Services revenue was lower than Budget YTD by approximately \$75 thousand resulting in an unfavorable variance of 5%. The variance is primarily due to unbilled water estimates on monthly system access charges and lower water treatment services for other agencies than budgeted.
3. Actual departmental expenses varied from the Budget YTD amounts due to the timing of actual operating expenses. The Budget YTD amounts assume expenditures are incurred evenly throughout the year.
4. Actual Capitalized Operating Expenses were lower than the Budget YTD due to timing of staff time spent on large Capital Improvement Projects (CIP), such as the Manchester Potable and Recycled Pipeline Replacement projects. The Budget YTD amount assume expenditures are incurred evenly throughout the year.
5. Actual Non-operating Revenues – Debt Service Funds were less than Budget YTD for an unfavorable variance due to the timing of benefit assessment funds received from the County. Actual revenues are expected to align with Budget YTD as the year progresses.

Construction Work In Progress Report as of 7/31/2021

Project Name	Budget	Appropriation to Date	Expenditures & Encumbrance	(Over) / Under
New and Remodeled Facilities	\$35,387	\$35,387	\$9,725	\$25,662
Replace El Camino Real PL	\$4,960,000	\$4,960,000	\$4,619,202	\$340,798
Manchester Recyc PL Exten.	\$4,634,000	\$4,634,000	\$503,706	\$4,130,294
San Dieguito Desalination	\$42,837,000	\$4,262,000	\$3,715,347	\$546,653
Manchester Potable Pipeline	\$4,198,000	\$4,198,000	\$370,785	\$3,827,215
Replace Neighborhood 1 SPS	\$4,832,000	\$2,534,000	\$505,654	\$2,028,346
Replace Valves	\$9,121,000	\$1,044,000	\$18,902	\$1,025,098
DCMWTP PH Control System	\$737,000	\$737,000	\$80,195	\$656,805
Replace DCMWTP Membranes	\$8,336,000	\$725,000	\$840	\$724,160
Fixed Base AMI	\$3,278,000	\$627,000	(\$3,116)	\$630,116
Pipeline Replace. Assessment	\$590,000	\$590,000	\$587,707	\$2,293
Replace Pipelines	\$8,019,950	\$541,000	\$1,914	\$539,086
Replace Headworks Manual Sys	\$3,160,000	\$503,000	\$343,056	\$159,944
Residuals Handling Bldg Canopy	\$482,000	\$482,000	\$40,633	\$441,367
PRS Replacements	\$3,451,000	\$453,000	-	\$453,000
Lone Jack PRS	\$340,000	\$340,000	\$110,071	\$229,929
DCMWTP Analyzer Replace.	\$727,000	\$305,000	\$222,548	\$82,452
Hydropower Turbine Refurb	\$600,000	\$300,000	-	\$300,000
Steel Mains Protection	\$3,120,000	\$270,000	\$4,483	\$265,517
Replace Potable Meters	\$4,042,000	\$270,000	\$16,298	\$253,702
Rehab Concrete Tanks	\$727,000	\$253,000	\$1,777	\$251,223
Pot & Recycled Master Plan	\$524,000	\$228,000	\$1,094	\$226,906
Stratford HOA Pipeline Repair	\$213,050	\$213,050	\$8,230	\$204,820
Network User Enhancements	\$200,000	\$200,000	\$2,462	\$197,538
Parking & Access Improvements	\$265,000	\$191,000	\$27,832	\$163,168
District-Wide PLC replacements	\$1,618,000	\$166,000	-	\$166,000
Rancho La Cima/Aliso Canyon PL	\$165,000	\$165,000	\$63,152	\$101,848
Replace WW Pumps/ Motors/Equip	\$1,799,000	\$156,000	\$14,354	\$141,646
DCMWTP 4th Stage Centrifuge	\$1,040,000	\$104,000	-	\$104,000
Replace Meter Anodes	\$1,496,000	\$100,000	\$4,063	\$95,937
RSFe Rd Unit A North PL	\$1,748,000	\$97,000	-	\$97,000
Retrofit Pot. Service to Recyc	\$1,267,000	\$97,000	\$3,641	\$93,359
Network Security	\$1,126,000	\$84,000	-	\$84,000
Replace Pot. Pumps and Motors	\$1,026,000	\$81,000	\$7,638	\$73,362
Village Park PRS	\$80,000	\$80,000	\$408	\$79,592
Gardendale PRS	\$80,000	\$80,000	\$408	\$79,592
Palms I and II Reservoirs	\$1,307,000	\$73,000	\$72,785	\$215
District-Wide Facility Securit	\$70,000	\$70,000	\$18,789	\$51,211
Rancho Cielo Manhole Lining	\$539,000	\$47,000	\$33,370	\$13,630
Vault Upgrades	\$105,000	\$46,825	-	\$46,825
Landscape HQ Courtyards	\$45,000	\$45,000	-	\$45,000
4S Physical Security Upgrades	\$35,000	\$35,000	-	\$35,000
4S System Manhole Lining	\$189,000	\$16,000	-	\$16,000
WRF Phone System Upgrade	\$16,000	\$16,000	-	\$16,000
Meter Replacement, Recycled	\$164,000	\$14,000	\$1,939	\$12,061
WW Master Plan	\$76,000	\$2,000	-	\$2,000
Total:	\$123,420,387	\$30,470,262	\$11,409,890	\$19,060,372

OLIVENHAIN MUNICIPAL WATER DISTRICT
Statement of Net Position (Unaudited)
All Funds
8/31/2021

Assets

Current assets:

Unrestricted assets:

Cash and cash equivalents	\$76,115,275	✓
Accounts receivable - water and sewer, net	12,308,107	
Interest Receivable	57,726	
Taxes receivable	154,318	
Other receivables	1,888,405	
Inventories	1,452,705	
Prepaid expenses and deposits	1,834,706	
Total unrestricted assets	<u>93,811,242</u>	

Restricted assets:

Cash and cash equivalents	6,869,573	✓
Assessments receivable	39,332	
Grants receivable	389,320	
Total restricted assets	<u>7,298,225</u>	
Total current assets	<u>101,109,467</u>	

Noncurrent assets:

Capital assets, nondepreciable	41,859,388	
Capital assets, depreciable/amortizable, net	<u>338,583,020</u>	
Capital assets, net	380,442,408	
Prepaid bond insurance	23,640	
Other long-term receivables	48,181	
Total noncurrent assets	<u>380,514,228</u>	
Total assets	<u>481,623,695</u>	

Deferred Outflows of Resources

Deferred amount on refunding	(1,161,945)	
Deferred amount from pension	<u>(3,585,712)</u>	
Total deferred outflows of resources	<u>(4,747,657)</u>	

Liabilities

Current Liabilities

Liabilities payable from unrestricted assets:

Accounts payable	7,381,496	
Accrued payroll	556,267	
Customer deposits	343,951	
Payable related to work in progress	79,757	
Compensated absences, current portion	771,000	
Current portion of long-term debt:		
Wastewater Revenue Bonds 2018A	522,000	
Water Revenue Refunding Bonds 2016A	530,000	
Water Revenue Refunding Bonds 2015A	1,750,000	
Special Assessment Debt with Government Commi...	843,108	
Notes Payable	799,072	
Total liabilities payable from unrestricted assets	<u>13,576,651</u>	

Liabilities payable from restricted assets:

Accounts payable	417	
Interest payable	418,253	
Total liabilities payable from restricted assets	<u>418,670</u>	
Total current liabilities	<u>13,995,321</u>	

Noncurrent liabilities

Compensated absences	856,513	
Net pension liability	14,608,845	
Long-term debt, excluding current portion:		
Wastewater Revenue Bonds 2018A	3,491,000	
Water Revenue Refunding Bonds 2016A	13,770,060	
Water Revenue Refunding Bonds 2015A	13,918,159	
Special Assessment Debt with Government Commi...	5,457,755	
Notes Payable	11,162,925	
Total noncurrent liabilities	<u>63,265,257</u>	
Total liabilities	<u>77,260,578</u>	

Deferred Inflows of Resources

OLIVENHAIN MUNICIPAL WATER DISTRICT
Statement of Net Position (Unaudited)

All Funds
8/31/2021
425,243

Deferred amounts on pension

Total deferred inflows of resources

425,243

Net Position

Investment in Capital Assets, net of related debt

329,360,273

Restricted Net Position

6,879,555

Unrestricted Net Position

72,445,702

Total Net Position

408,685,530

OLIVENHAIN MUNICIPAL WATER DISTRICT
Statement of Revenues, Expenses and Changes in Net Position (Unaudited)
All Funds
For the Two Months Ending 8/31/2021

	<u>2022</u>
Operating Revenues:	
Water Sales	\$12,354,504
Sewer Charges	25,995
Other Water Operating revenues	<u>338,551</u>
Total Operating Revenues	12,719,049
Operating Expenses	
Cost of Purchased Water Sold	6,366,962
Pumping and Water Treatment	476,014
Transmission and Distribution	697,966
Sewer Collection and Treatment	228,917
Elfin Forest Recreation Operations	81,475
Facilities Maintenance	160,411
Customer Service	333,617
General and Administrative	1,075,595
Depreciation and Amortization	<u>1,815,140</u>
Total Operating Expenses	11,236,097
Operating Income (Loss)	1,482,952
Nonoperating Revenues (Expenses)	
Investment income	36,598
Property taxes	73,853
Capacity charges	65,394
Benefit assessments	12,450
Other nonoperating revenues	208
Interest expense, net	(223,034)
Other nonoperating expenses	<u>(16,408)</u>
Total nonoperating revenues (expenses)	(50,939)
Income before capital contributions	1,432,013
Capital contributions	<u>7,363</u>
Change in net position	1,439,377
Net Position, Beginning of year	<u>407,246,154</u>
Net Position, End of year	<u><u>408,685,530</u></u>

OLIVENHAIN MUNICIPAL WATER DISTRICT
CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
AS OF August 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES:

Receipts from water and sewer customers	\$ 11,116,632
Payments for water	(5,896,219)
Payments for services and supplies	(3,438,356)
Payments for employee wages, benefits and related costs	(2,282,428)
Net cash provided by operating activities	<u>(500,371)</u>

CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:

Property taxes and benefit assessments received	86,952
Net cash provided by noncapital and related financing activities	<u>86,952</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Acquisition and construction of capital assets	(262,929)
Proceeds from Grants	-
Principal paid on bonds and certificates of participation	(78,304)
Interest paid on bonds and certificates of participation	49,161
Capacity charges received	65,395
Other capital financing receipts (expenses)	13,535
Net cash used by capital and related financing activities	<u>(213,142)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Investment income received	60,953
Net cash provided (used) by investing activities	<u>60,953</u>

Net increase (decrease) in cash and cash equivalents (565,608)

Cash and cash equivalents, beginning of year 49,689,236

Cash and cash equivalents, end of period \$ 49,123,628

FINANCIAL STATEMENT PRESENTATION:

Cash and cash equivalents - current assets	44,517,004
Cash and cash equivalents - restricted assets	4,606,624
Total cash and cash equivalents	<u><u>\$ 49,123,628</u></u>

CASH AND CASH EQUIVALENTS RECONCILIATION

		Balance Includes Mkt Securities	Without Mkt Securities
Unrestricted cash	8/31/2021	76,115,275 ✓	44,517,004
Restricted cash	8/31/2021	6,869,573 ✓	4,606,624
Total cash and cash equivalents			<u><u>49,123,628</u></u>

OLIVENHAIN MUNICIPAL WATER DISTRICT
Consolidated Actual vs Budget Summary
For the Two Months Ending 8/31/2021

	Approved Budget	Actual YTD	Budget YTD	Variance Amt	Variance %	Notes
Operating Revenues						
Commodity Water Sales	\$41,465,000.00	\$9,766,082.71	\$9,662,600.00	\$103,482.71	1.1%	1
Water Fees and Services	17,917,000.00	2,926,971.96	2,986,840.00	(59,868.04)	(2.0%)	
Sewer Revenue	5,435,000.00	25,994.81	36,000.00	(10,005.19)	(27.8%)	
Total Operating Revenues	64,817,000.00	12,719,049.48	12,685,440.00	33,609.48	0.3%	
Operating Expenses						
Purchased Water - Variable	22,350,000.00	5,003,916.83	4,790,660.00	(213,256.83)	(4.5%)	1
Purchased Water - Fixed	8,316,000.00	1,363,045.00	1,363,078.00	33.00	0.0%	
General Manager Dept	1,922,000.00	241,805.19	320,460.00	78,654.81	24.5%	2
Engineering Dept	2,196,000.00	312,157.84	366,140.00	53,982.16	14.7%	2
Finance Dept	1,556,000.00	249,609.99	259,300.00	9,690.01	3.7%	2
Customer Service Dept	2,628,800.00	361,479.84	438,572.00	77,092.16	17.6%	2
Human Resources Dept	713,600.00	119,257.64	119,000.00	(257.64)	(0.2%)	2
Water Operations and Maintenance Dept	10,995,000.00	1,423,649.75	1,833,478.00	409,828.25	22.4%	2
Parks Dept	442,300.00	87,355.06	73,872.00	(13,483.06)	(18.3%)	2
Sewer Operations and Maintenance Dept	2,774,000.00	368,676.26	462,506.00	93,829.74	20.3%	2
Recycled Water Operations Dept	1,222,500.00	129,050.96	203,960.00	74,909.04	36.7%	2
Paygo Transfers						
Water Operations	7,900,000.00	1,316,000.00	1,316,000.00		0.0%	
Recycled Operations	2,200,000.00	366,000.00	366,000.00		0.0%	
Capitalized Operations Expenditures	(1,530,470.00)	(105,907.35)	(255,380.00)	(149,472.65)	58.5%	3
Total Operating Expenses	63,685,730.00	11,236,097.01	11,657,646.00	421,548.99	3.6%	
Net Operating Income (Loss)	1,131,270.00	1,482,952.47	1,027,794.00	455,158.47		
Nonoperating Revenues						
Water Funds	5,875,000.00	97,214.98	136,200.00	(38,985.02)	(28.6%)	4
Debt Service Funds	1,049,000.00	12,481.05	37,040.00	(24,558.95)	(66.3%)	5
Sewer Funds	39,000.00	2,105.10	6,600.00	(4,494.90)	(68.1%)	
Recycled Water Funds	60,000.00	3,915.37	9,960.00	(6,044.63)	(60.7%)	
Total Nonoperating Revenue	7,023,000.00	115,716.50	189,800.00	(74,083.50)	(39.0%)	
Nonoperating Expense						
Capacity Fee Funds	30,000.00	8,063.10	4,960.00	(3,103.10)	(62.6%)	
Debt Service Funds	1,393,620.00	229,476.63	233,560.00	4,083.37	1.7%	
Potable Water Funds	10,000.00	1,902.29	1,600.00	(302.29)	(18.9%)	
Total Nonoperating Expense	1,433,620.00	239,442.02	240,120.00	677.98	0.3%	
Inc before Cap Fees and Capital Contributions	6,720,650.00	1,359,226.95	977,474.00	381,752.95		
Capacity Fee Funds	745,000.00	72,786.45				
Capital contributions	1,655,000.00	7,363.49				
Change in Net Position		1,439,376.89				

OLIVENHAIN MUNICIPAL WATER DISTRICT
Actual vs Budget Variance
For the Two Months Ending 08/31/2021

1. Water Sales revenue was slightly higher than Budget YTD by approximately \$103 thousand resulting in a favorable variance of 1.1% due to the increased actual water sales over budgeted for August and timing of unbilled water estimates. Consequently, purchased water variable expenses was also greater than Budget YTD for an unfavorable variance of approximately \$213 thousand or 4.5%.
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 due to timing of capitalized labor spent on District projects, such as the Manchester Potable and Recycled Pipeline Replacement projects. The Budget YTD amount assume expenditures are incurred evenly throughout the year.
4. Actual Non-operating Revenues – Water Funds were less than Budget YTD for an unfavorable variance due to the timing of property tax revenues received from the County. Actual revenues are expected to align with Budget YTD as the year progresses.
5. Actual Non-operating Revenues – Debt Service Funds were less than Budget YTD for an unfavorable variance due to the timing of benefit assessment funds received from the County. Actual revenues are expected to align with Budget YTD as the year progresses.

Construction Work In Progress Report as of 8/31/2021

Project Name	Budget	Appropriation to Date	Expenditures & Encumbrance	(Over) / Under
New and Remodeled Facilities	\$35,387	\$35,387	\$12,056	\$23,331
Replace El Camino Real PL	\$4,960,000	\$4,960,000	\$4,620,239	\$339,761
Manchester Recyc PL Exten.	\$4,634,000	\$4,634,000	\$510,552	\$4,123,448
San Dieguito Desalination	\$42,837,000	\$4,262,000	\$3,720,274	\$541,726
Manchester Potable Pipeline	\$4,198,000	\$4,198,000	\$2,913,126	\$1,284,874
Replace Neighborhood 1 SPS	\$4,832,000	\$2,534,000	\$506,350	\$2,027,650
Replace Valves	\$9,121,000	\$1,044,000	\$30,386	\$1,013,614
DCMWTP PH Control System	\$737,000	\$737,000	\$125,215	\$611,785
Replace DCMWTP Membranes	\$8,336,000	\$725,000	\$840	\$724,160
Fixed Base AMI	\$3,278,000	\$627,000	(\$2,558)	\$629,558
Pipeline Replace. Assessment	\$590,000	\$590,000	\$587,707	\$2,293
Replace Pipelines	\$8,019,950	\$541,000	\$2,239	\$538,761
Replace Headworks Manual Sys	\$3,160,000	\$503,000	\$345,050	\$157,950
Residuals Handling Bldg Canopy	\$482,000	\$482,000	\$60,573	\$421,427
PRS Replacements	\$3,451,000	\$453,000	-	\$453,000
Lone Jack PRS	\$340,000	\$340,000	\$110,071	\$229,929
DCMWTP Analyzer Replace.	\$727,000	\$305,000	\$222,583	\$82,417
Hydropower Turbine Refurb	\$600,000	\$300,000	-	\$300,000
Steel Mains Protection	\$3,120,000	\$270,000	\$6,280	\$263,720
Replace Potable Meters	\$4,042,000	\$270,000	\$29,801	\$240,199
Rehab Concrete Tanks	\$727,000	\$253,000	\$7,466	\$245,534
Pot & Recycled Master Plan	\$524,000	\$228,000	\$3,849	\$224,151
Stratford HOA Pipeline Repair	\$213,050	\$213,050	\$95,340	\$117,710
Network User Enhancements	\$200,000	\$200,000	\$2,462	\$197,538
Parking & Access Improvements	\$265,000	\$191,000	\$27,832	\$163,168
District-Wide PLC replacements	\$1,618,000	\$166,000	-	\$166,000
Rancho La Cima/Aliso Canyon PL	\$165,000	\$165,000	\$63,152	\$101,848
Replace WW Pumps/ Motors/Equip	\$1,799,000	\$156,000	\$23,926	\$132,074
DCMWTP 4th Stage Centrifuge	\$1,040,000	\$104,000	-	\$104,000
Replace Meter Anodes	\$1,496,000	\$100,000	\$5,140	\$94,860
RSFe Rd Unit A North PL	\$1,748,000	\$97,000	-	\$97,000
Retrofit Pot. Service to Recyc	\$1,267,000	\$97,000	\$9,842	\$87,158
Network Security	\$1,126,000	\$84,000	-	\$84,000
Replace Pot. Pumps and Motors	\$1,026,000	\$81,000	\$11,971	\$69,029
Village Park PRS	\$80,000	\$80,000	\$408	\$79,592
Gardendale PRS	\$80,000	\$80,000	\$408	\$79,592
Palms I and II Reservoirs	\$1,307,000	\$73,000	\$72,785	\$215
District-Wide Facility Securit	\$70,000	\$70,000	\$18,789	\$51,211
Rancho Cielo Manhole Lining	\$539,000	\$47,000	\$33,370	\$13,630
Vault Upgrades	\$105,000	\$46,825	-	\$46,825
Landscape HQ Courtyards	\$45,000	\$45,000	-	\$45,000
4S Physical Security Upgrades	\$35,000	\$35,000	-	\$35,000
4S System Manhole Lining	\$189,000	\$16,000	\$14,500	\$1,500
WRF Phone System Upgrade	\$16,000	\$16,000	-	\$16,000
Meter Replacement, Recycled	\$164,000	\$14,000	\$1,939	\$12,061
WW Master Plan	\$76,000	\$2,000	-	\$2,000
Chlorine Generation Cell		\$0	\$22,804	(\$22,804) #
Total:	\$123,420,387	\$30,470,262	\$14,216,764	\$16,253,498

Emergency project within GM approval limit

OLIVENHAIN MUNICIPAL WATER DISTRICT
Statement of Net Position (Unaudited)
All Funds
9/30/2021

Assets

Current assets:

Unrestricted assets:

Cash and cash equivalents	\$76,530,925
Accounts receivable - water and sewer, net	11,607,571
Interest Receivable	57,265
Taxes receivable	154,318
Other receivables	1,885,895
Inventories	1,460,637
Prepaid expenses and deposits	1,582,701
Total unrestricted assets	<u>93,279,312</u>

Restricted assets:

Cash and cash equivalents	7,071,060
Assessments receivable	37,824
Grants receivable	234,885
Total restricted assets	<u>7,343,769</u>
Total current assets	<u>100,623,081</u>

Noncurrent assets:

Capital assets, nondepreciable	42,696,832
Capital assets, depreciable/amortizable, net	337,678,976
Capital assets, net	<u>380,375,808</u>
Prepaid bond insurance	23,348
Other long-term receivables	42,461
Total noncurrent assets	<u>380,441,617</u>
Total assets	<u>481,064,699</u>

Deferred Outflows of Resources

Deferred amount on refunding	(1,147,373)
Deferred amount from pension	(3,585,712)
Total deferred outflows of resources	<u>(4,733,085)</u>

Liabilities

Current Liabilities

Liabilities payable from unrestricted assets:

Accounts payable	6,617,625
Accrued payroll	449,112
Customer deposits	349,337
Payable related to work in progress	63,175
Compensated absences, current portion	771,000
Current portion of long-term debt:	
Wastewater Revenue Bonds 2018A	522,000
Water Revenue Refunding Bonds 2016A	530,000
Water Revenue Refunding Bonds 2015A	1,750,000
Special Assessment Debt with Government Commi...	863,064
Notes Payable	799,072
Total liabilities payable from unrestricted assets	<u>12,714,385</u>

Liabilities payable from restricted assets:

Interest payable	487,039
Total liabilities payable from restricted assets	<u>487,039</u>
Total current liabilities	<u>13,201,423</u>

Noncurrent liabilities

Compensated absences	946,275
Net pension liability	14,608,845
Long-term debt, excluding current portion:	
Wastewater Revenue Bonds 2018A	3,491,000
Water Revenue Refunding Bonds 2016A	13,761,986
Water Revenue Refunding Bonds 2015A	13,887,080
Special Assessment Debt with Government Commi...	4,594,691
Notes Payable	11,162,925
Total noncurrent liabilities	<u>62,452,802</u>
Total liabilities	<u>75,654,226</u>

Deferred Inflows of Resources

Deferred amounts on pension	425,243
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OLIVENHAIN MUNICIPAL WATER DISTRICT
Statement of Net Position (Unaudited)
All Funds
9/30/2021

Total deferred inflows of resources	<u>425,243</u>
Net Position	
Investment in Capital Assets, net of related debt	330,161,363
Restricted Net Position	6,856,730
Unrestricted Net Position	<u>72,700,222</u>
Total Net Position	<u><u>409,718,315</u></u>

OLIVENHAIN MUNICIPAL WATER DISTRICT
Statement of Revenues, Expenses and Changes in Net Position (Unaudited)
All Funds
For the Three Months Ending 9/30/2021

	<u>2022</u>
Operating Revenues:	
Water Sales	\$17,918,660
Sewer Charges	32,932
Other Water Operating revenues	<u>520,171</u>
Total Operating Revenues	18,471,763
Operating Expenses	
Cost of Purchased Water Sold	9,231,289
Pumping and Water Treatment	930,673
Transmission and Distribution	1,045,018
Sewer Collection and Treatment	390,640
Elfin Forest Recreation Operations	115,526
Facilities Maintenance	257,897
Customer Service	531,992
General and Administrative	1,698,550
Depreciation and Amortization	<u>2,722,710</u>
Total Operating Expenses	16,924,295
Operating Income (Loss)	1,547,468
Nonoperating Revenues (Expenses)	
Investment income	53,440
Property taxes	111,634
Capacity charges	1,089,386
Benefit assessments	14,846
Other nonoperating revenues	297
Interest expense, net	(333,083)
Other nonoperating expenses	<u>(19,874)</u>
Total nonoperating revenues (expenses)	916,646
Income before capital contributions	2,464,114
Capital contributions	8,047
Change in net position	2,472,162
Net Position, Beginning of year	407,246,154
Net Position, End of year	<u>409,718,315</u>

OLIVENHAIN MUNICIPAL WATER DISTRICT
CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
AS OF September 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES:

Receipts from water and sewer customers	\$ 18,498,257
Payments for water	(8,986,511)
Payments for services and supplies	(4,394,521)
Payments for employee wages, benefits and related costs	(3,570,788)
Net cash provided by operating activities	<u>1,546,436</u>

CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:

Property taxes and benefit assessments received	128,637
Net cash provided by noncapital and related financing activities	<u>128,637</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Acquisition and construction of capital assets	(1,103,215)
Proceeds from Grants	154,435
Principal paid on bonds and certificates of participation	(960,565)
Interest paid on bonds and certificates of participation	7,895
Capacity charges received	174,627
Other capital financing receipts (expenses)	25,023
Net cash used by capital and related financing activities	<u>(1,701,800)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Investment income received	78,256
Net cash provided (used) by investing activities	<u>78,256</u>

Net increase (decrease) in cash and cash equivalents 51,529

Cash and cash equivalents, beginning of year 49,689,236

Cash and cash equivalents, end of period \$ 49,740,765

FINANCIAL STATEMENT PRESENTATION:

Cash and cash equivalents - current assets	44,932,654
Cash and cash equivalents - restricted assets	4,808,111
Total cash and cash equivalents	<u><u>\$ 49,740,765</u></u>

CASH AND CASH EQUIVALENTS RECONCILIATION

		Balance Includes	Without Mkt
		Mkt Securities	Securities
Unrestricted cash	9/31/2021	76,530,925	44,932,654
Restricted cash	9/31/2021	7,071,060	4,808,111
Total cash and cash equivalents			<u><u>49,740,765</u></u>

OLIVENHAIN MUNICIPAL WATER DISTRICT
Consolidated Actual vs Budget Summary
For the Three Months Ending 9/30/2021

	Approved Budget	Actual YTD	Budget YTD	Variance Amt	Variance %	Notes
Operating Revenues						
Commodity Water Sales	\$41,465,000.00	\$14,140,867.07	\$14,150,400.00	(\$9,532.93)	(0.1%)	
Water Fees and Services	17,917,000.00	4,297,963.65	4,480,260.00	(182,296.35)	(4.1%)	1
Sewer Revenue	5,435,000.00	32,931.73	49,000.00	(16,068.27)	(32.8%)	2
Total Operating Revenues	64,817,000.00	18,471,762.45	18,679,660.00	(207,897.55)	(1.1%)	
Operating Expenses						
Purchased Water - Variable	22,350,000.00	7,186,721.63	7,021,490.00	(165,231.63)	(2.4%)	
Purchased Water - Fixed	8,316,000.00	2,044,567.50	2,044,617.00	49.50	0.0%	
General Manager Dept	1,922,000.00	363,068.06	480,690.00	117,621.94	24.5%	3
Engineering Dept	2,196,000.00	481,466.73	549,210.00	67,743.27	12.3%	3
Finance Dept	1,556,000.00	364,234.84	388,950.00	24,715.16	6.4%	3
Customer Service Dept	2,628,800.00	578,614.46	657,858.00	79,243.54	12.0%	3
Human Resources Dept	713,600.00	182,168.86	178,500.00	(3,668.86)	(2.1%)	3
Water Operations and Maintenance Dept	10,995,000.00	2,388,334.87	2,750,217.00	361,882.13	13.2%	3
Parks Dept	442,300.00	124,345.53	110,808.00	(13,537.53)	(12.2%)	3
Sewer Operations and Maintenance Dept	2,774,000.00	595,975.59	693,759.00	97,783.41	14.1%	3
Recycled Water Operations Dept	1,222,500.00	227,778.41	305,940.00	78,161.59	25.5%	3
Paygo Transfers						
Water Operations	7,900,000.00	1,974,000.00	1,974,000.00		0.0%	
Recycled Operations	2,200,000.00	549,000.00	549,000.00		0.0%	
Capitalized Operations Expenditures	(1,530,470.00)	(135,982.33)	(383,070.00)	(247,087.67)	64.5%	4
Total Operating Expenses	63,685,730.00	16,924,294.15	17,321,969.00	397,674.85	2.3%	
Net Operating Income (Loss)	1,131,270.00	1,547,468.30	1,357,691.00	189,777.30		
Nonoperating Revenues						
Water Funds	5,875,000.00	145,472.36	219,300.00	(73,827.64)	(33.7%)	5
Debt Service Funds	1,049,000.00	14,892.81	55,060.00	(40,167.19)	(73.0%)	6
Sewer Funds	39,000.00	2,999.57	9,900.00	(6,900.43)	(69.7%)	
Recycled Water Funds	60,000.00	5,486.07	14,940.00	(9,453.93)	(63.3%)	
Total Nonoperating Revenue	7,023,000.00	168,850.81	299,200.00	(130,349.19)	(43.6%)	
Nonoperating Expense						
Capacity Fee Funds	30,000.00	9,507.54	7,440.00	(2,067.54)	(27.8%)	
Debt Service Funds	1,393,620.00	340,869.79	350,340.00	9,470.21	2.7%	
Potable Water Funds	10,000.00	2,580.04	2,400.00	(180.04)	(7.5%)	
Total Nonoperating Expense	1,433,620.00	352,957.37	360,180.00	7,222.63	2.0%	
Inc before Cap Fees and Capital Contributions	6,720,650.00	1,363,361.74	1,296,711.00	66,650.74		
Capacity Fee Funds	745,000.00	1,100,752.36				7
Capital contributions	1,655,000.00	8,047.42				
Change in Net Position		2,472,161.52				

OLIVENHAIN MUNICIPAL WATER DISTRICT
Actual vs Budget Variance
For the Three Months Ending 09/30/2021

1. Water Fees and Services revenue was lower than Budget YTD by approximately \$182 thousand resulting in an unfavorable variance of 4.1% due to a higher than actual unbilled water fixed revenue estimate and selling of treated water included in the budget.
2. Sewer Revenue was lower than Budget YTD for an unfavorable variance due to timing of receipts from the County. 4S Ranch and Rancho Cielo Sanitation Districts' sewer service fees are collected on the County's tax roll when customers pay their property tax to the County. Actual YTD sewer service revenue will be closer to the Budget YTD amount as the year progresses.
3. Actual departmental expenses varied from the Budget YTD amounts due to the timing of actual operating expenses. The Budget YTD amounts assume expenditures are incurred evenly throughout the year.
4. Actual Capitalized Operating Expenses were lower than the Budget YTD due to timing of capitalized labor spent on District projects, such as the Manchester Potable and Recycled Pipeline Replacement projects. The Budget YTD amount assume expenditures are incurred evenly throughout the year.
5. Actual Non-operating Revenues – Water Funds were less than Budget YTD for an unfavorable variance due to the timing of property tax revenues received from the County. Actual revenues are expected to align with Budget YTD as the year progresses.
6. Actual Non-operating Revenues – Debt Service Funds were less than Budget YTD for an unfavorable variance due to the timing of benefit assessment funds received from the County. Actual revenues are expected to align with Budget YTD as the year progresses.
7. Actual YTD Capacity Fee Funds were greater than Approved Budget due to timing of wastewater (sewer) capacity and annexation fees collected on the Avion development.

Construction Work In Progress Report as of 9/30/2021

Project Name	Budget	Appropriation to Date	Expenditures & Encumbrance	(Over) / Under
New and Remodeled Facilities	\$35,387	\$35,387	\$17,992	\$17,395
Replace El Camino Real PL	\$4,960,000	\$4,960,000	\$4,626,139	\$333,861
Manchester Recyc PL Exten.	\$4,634,000	\$4,634,000	\$514,328	\$4,119,672
San Dieguito Desalination	\$42,837,000	\$4,262,000	\$3,818,254	\$443,746
Manchester Potable Pipeline	\$4,198,000	\$4,198,000	\$2,939,350	\$1,258,650
Replace Neighborhood 1 SPS	\$4,832,000	\$2,534,000	\$511,686	\$2,022,314
Replace Valves	\$9,121,000	\$1,044,000	\$424,593	\$619,407
DCMWTP PH Control System	\$737,000	\$737,000	\$126,005	\$610,995
Replace DCMWTP Membranes	\$8,336,000	\$725,000	\$670,529	\$54,471
Fixed Base AMI	\$3,278,000	\$627,000	\$64,386	\$562,614
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Replace Pipelines	\$8,019,950	\$541,000	\$2,239	\$538,761
Replace Headworks Manual Sys	\$3,160,000	\$503,000	\$347,564	\$155,436
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Hydropower Turbine Refurb	\$600,000	\$300,000	\$185	\$299,815
Steel Mains Protection	\$3,120,000	\$270,000	\$9,192	\$260,808
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4S Physical Security Upgrades	\$35,000	\$35,000	-	\$35,000
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Chlorine Generation Cell		\$0	\$22,804	(\$22,804) #
Total:	\$123,420,387	\$30,470,262	\$15,702,337	\$14,767,925

Emergency project within GM approval limit

Memo

Date: December 15, 2021
To: Olivenhain Municipal Water District Board of Directors
From: Brian Sodeman, Customer Service and Public Affairs Supervisor
John Carnegie, Customer Services Manager
Via: Kimberly A. Thorner, General Manager
Subject: **CONSIDER REVISIONS TO THE LEGISLATIVE GUIDELINES FOR 2022**

Purpose

The purpose of this item is to consider proposed updates to OMWD's Legislative Guidelines for 2022. 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 2022.
- 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 2022 include new guidelines that would facilitate funding for Salton Sea restoration and management, and additional guidelines to prevent state-imposed prescriptive measures to supersede already-effective operating practices. In addition to staff's independent analysis, the proposed updates also incorporate many of the changes made by SDCWA to its own Legislative Policy Guidelines for 2022. The proposed changes for 2022 have been reviewed by Nossaman LLP.

Attachment: 2022 Legislative Guidelines

 Municipal Water District Guidelines & Procedures Manual	Legislative Guidelines	
	OMWD Guidelines & Procedures	
	Page 1 of 23	Latest Revision Date December 9 <u>15</u> , 2020 <u>1</u>

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	
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Legislative Advocate

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


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

Guidelines for Policy on Legislation


OMWD's Legislative Guidelines for the current legislative session shall be applied at the direction of the General Manager as relevant legislation arises. Actions taken by staff shall be reported 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	
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4. Authorizes and appropriates the federal share of funding for the long-term Sacramento-San Joaquin Delta solution.
5. Provides the ongoing state share of funding for the long-term Sacramento-San Joaquin Delta solution.
6. Provides state funding for aquatic toxicity monitoring in the Sacramento-San Joaquin Delta. Such legislation should not place a surcharge on water supply exports nor should it substantively reduce funding for other measures that protect environment and public health.
7. Supports implementation and funding of the California Colorado River Water Use Plan, including the Lower Colorado River Multi-Species Conservation Program.
8. Provides funding for Colorado River salinity control projects and other water quality management efforts.
9. Encourages and facilitates voluntary water transfers consistent with other OMWD policies and agreements.
10. Provides appropriate protection or mitigation for the environment, groundwater basins, water-rights holders, and third-party impacts within the district transferring water.
11. Streamlines the permitting and approval process for implementing transfers that will improve water management.
12. Encourages efficient use of existing facilities to advance voluntary transfers of water.
13. Provides an appropriate level of accountability and cost control over Metropolitan Water District of Southern California and San Diego County Water Authority spending. When time permits, legislation on this issue is to be brought to the board before any action is taken.
14. Requires Metropolitan Water District of Southern California and the San Diego County Water Authority to refund or credit to their member agencies revenues collected from them that result in reserve balances greater than the maximum reserve levels established pursuant to state legislation.
15. Promotes the sustainability of the Colorado River through the development of water supply storage in order to provide flexibility with annual transfer volumes and support drought contingency planning.

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~~15.~~ 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.


~~17.~~16.

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.

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4. Preserves and protects potential cost-effective seawater desalination sites and existing coastal facilities including intake and discharge infrastructure that could be used or reused by a seawater desalination facility.
5. Ensures that desalination intake and discharge regulations are science-based, considering site-specific conditions, and recognizing that all technologies or mitigation strategies are feasible or cost-effective at every site.
6. Recognizes and supports the development of potable water reuse as critical water sources for San Diego County and the State of California.
7. Authorizes and/or facilitates expanded use of cost-effective local water resources including water recycling, potable reuse, graywater and rainwater harvesting, and brackish groundwater.
8. Facilitates and encourages the 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.

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17. Supports beneficial revisions to the California Plumbing Code that address recycled water systems.
18. Authorizes, promotes, and/or provides incentives or credits for development of local drought-resilient water supply projects such as desalination, non-potable recycling, and potable reuse projects.
19. Streamlines regulatory processes and requirements to encourage and support the development of potable reuse as a municipal water supply.
20. Defines purified recycled water as a source of water supply and not as 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. ~~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.

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

V. Water 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 requires data-driven analysis be included in California's Water Plan, including water affordability analysis.
3. Creates a low-income water rate assistance program that provides financial relief to ratepayers by utilizing existing resources with 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.

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3. Does not use an existing benefit distribution method, and requires water agencies to create a new method.

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

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

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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.

~~VII.VIII.~~ ~~VII.~~ ***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

~~VII.IX.~~ ~~VII.~~ ***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.

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5. Establishes a task force to provide recommendations to the state on improving the integrated regional water management planning process in California.
6. Provides for the use of state funds for binational projects where projects benefit water supply or water quality in the San Diego region.
7. Improves and streamlines the state's reimbursement process to ensure timely remittance of IRWM funds.
8. Promotes the ability of the Regional Water Management Group to more directly administer state grant funds specifically identified for IRWM programs.
9. Promotes cost sharing amongst regions for regional conveyance.

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

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

~~IX.XI.~~ ***IX. 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.

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7. Provides OMWD with greater flexibility in the management of environmental mitigation parcels.
8. Provides funding for the control, prevention, or eradication of non-indigenous aquatic species, including dreissenid mussels.
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.

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


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

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

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

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

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


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20. Restricts Property Owner Associations from forbidding the use of California native plants, other low-water-use plants, or artificial turf in well-maintained landscapes.
21. Restricts Property Owner Associations from forbidding retrofits of multiple unit facilities for the purpose of sub-metering, if feasible.
22. Ensures plumbing codes and standards facilitate the installation and/or retrofit of water-efficient devices.
23. Encourages and/or supports programs that promote a sustainable approach to landscape design, construction, and maintenance.
24. Provides for federal tax-exempt status for water use efficiency rebates, consistent with income tax treatment at the state level.
25. Recognizes local control in determining how to meet an overall efficient water use goal, based on the combined efficient indoor use, outdoor use, and leak loss, as established under the criteria provided for in statute.

~~XII~~XIV. ~~XII~~ **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.

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

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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.

7-8. Provides federal and/or state funding for restoration of the Salton Sea.

8-9. Consolidates wetland regulations to alleviate multi-agency jurisdiction over the same environmental resource.

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

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


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

1. Requires the federal and state governments to provide a subvention to reimburse local governments for all mandated costs or regulatory actions.
2. Provides OMWD with additional forms of cost-effective financing for public facilities.
3. Provides OMWD with grant funding for public facilities.
4. Provides OMWD with additional investment opportunities.
5. Maintains the authority of water agencies to establish water rates locally.
6. Maximizes the ability of water agencies to design rate structures to meet local water supply goals.
7. Protects or enhances OMWD's ability to receive/collect funds it is owed.
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.

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


1. Imposes mandated costs or regulatory constraints on local governments without providing subventions to reimburse local governments for such costs.
2. Is inconsistent with OMWD's current investment policies and practices.
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.
7. Imposes additional administrative requirements and/or restricts OMWD or its ability to finance public facilities through the issuance of long-term debt.

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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 municipal financing.

~~XVII~~.XIX. ~~XVII~~ **Right of Way and Property - It shall be OMWD's policy to support legislation that:**

1. Improves OMWD's efforts to maintain and protect its property, rights of way, easements, pipelines, and related facilities and minimizes liability to OMWD.

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2. Protects OMWD's properties from restriction when surrounding properties are incorporated into preservation areas.

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

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

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


1. Provides opportunities for reduced energy rates under tariff schedules for OMWD.
2. Provides greater flexibility in the utilization of OMWD facilities for generation and acquisition of electrical power.
3. Provides OMWD with greater flexibility in the licensing, permitting, interconnection, construction, and operation of its existing and potential in-line hydroelectric, solar or other renewable energy generation or energy storage projects.
4. Provides protection from energy rate increases and provides rate relief.
5. Makes State Water Project power available for seawater and brackish groundwater desalination.
6. Promotes the classification of electricity generated by in-line hydroelectric and off-stream pumped storage facilities as environmentally sound.
7. Provides state and federal grants for the construction of in-line hydroelectric, solar, wind, biogas cogeneration, and off-stream pumped storage facilities as a means of reducing greenhouse gas emissions and energy costs.
8. Promotes funding for use of renewable energy in the operation of OMWD facilities.
9. Provides for restrictions on price gouging during public safety power shutoff events and for at least 72 hours following restoration of power.

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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.

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

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

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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.

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

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

~~XXII.XXIV.~~ ~~XXII.~~ ***Land Use and Water Management Planning - It shall be OMWD's policy to support legislation that:***

1. Promotes enhanced coordination and linkage of general plans and water management plans.
2. Discourages piecemeal or uncoordinated land use and water management planning.
3. Requires that projected population and other demographic factors utilized in forecasting future water demands in accordance with the Urban Water Management Planning Act and state law be consistent with the regional growth management plans and general plans applicable to the territory within the service area of the supplier.
4. Allows and funds land exchanges between local public agencies and federal or state agencies when mutually beneficial to all agencies and enhances water resources for the region.
5. Designates public lands that are tributary to drinking source water reservoirs as wilderness, habitat preserve, open space, or other protected status, provided such designation does not impede current or reasonable future use of those water resources.

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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 selection of water resources for implementation.

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

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

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

1. Provides funding for water infrastructure development, infrastructure security, and replacement projects that benefit OMWD.
2. Provides funding for projects that provide security against terrorist acts or other criminal threats to water operations, facilities, or supplies.
3. Provides funding for vulnerability assessments.
4. Recognizes water agencies as emergency responders in the event of a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent and mitigate the loss or impairment of life, health, property, or

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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.

~~XXV-XXVII.~~

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

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

~~XXV-XXVIII.~~

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

~~XXV-XXIX.~~

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

1. Incorporates state-provided climate change information into statewide, regional, and local water management planning, and provides funding for projects that assist in adapting to the effects of climate change on the 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.

~~XXV-XXX.~~


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

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

~~XXIX-XXXI.~~

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

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

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- 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.

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

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

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

- Promotes transparent government processes when burdens upon OMWD are reasonable and cost-neutral.
- 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:

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



Memo

Date: December 15, 2021
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 2022**

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 members (Director Guerin and Director Watt) at the November 8th meeting.

Recommendation

The Committee is recommending that the Board consider and approve the proposed changes to the District's Investment Policy for 2022.

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, 2021.

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

Raising the current limit for Local Agency Investment Fund (LAIF) from 40% to 50% of total value of all District investments would increase the District's short-term investment income.

Discussion

Based on the 2021 review of the investment policy, the proposed changes to the policy are summarized as follows:

- Add California Asset Management Program (CAMP) in the list of permitted investments without Board approval to be consistent with the District's actual practice.
- Increase the current Policy limit for Local Agency Investment Fund (LAIF) from 40% of the total value of all District investments or \$20,000,000 to 50% of the total value of all District investments or \$40,000,000 (whichever is lesser) to increase the District's return on investments in liquid short-term securities which can be converted to cash if necessary to meet the District's financial needs.

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 2022 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, 202~~2~~⁴. 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, 202~~2~~⁴. The Treasurer may delegate the day-to-day operations of investing to his/her designee(s), but not the responsibility for the overall investment program. At least once each quarter, a sub-committee of the Board shall meet with the General Manager or his/her designee to review the District's portfolio and provide guidance for future investments. All transactions will be reviewed by the Treasurer on a regular basis to assure compliance with this Statement of Investment Policy and a monthly report shall be provided to the Board on all District investments.

V. REPORTING

Although it is no longer required for the Treasurer of a local agency to annually render a statement of investment policy to the legislative body and submit a quarterly investment report to the legislative body (Government Code Section 53646 (b)), the District Treasurer and General Manager shall submit a monthly investment report to the Board of Directors. This report shall include: type of investment, issuer, date of maturity, the par and dollar amount invested on all securities, the total amount of all investments and monies held by the District, a description of any District funds being held or managed by other persons or entities, the coupon and current yield ~~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 ~~and discussed as a separate agenda item~~ 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 ~~5040~~% of the total value of all District investments or ~~\$420,000,000~~ (whichever is lesser) may be invested in the 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(l)(2)). Investments are limited to those money market funds that invest in U.S. Treasuries, Federal Agency obligations, and repurchase agreements relating to such obligations. Funds must have the highest ranking or the highest letter and numerical rating by not less than two nationally recognized rating services, or have an investment adviser registered with the Securities and Exchange Commission with not less than five years' experience managing money market funds with assets under management in excess of \$500,000,000. No more than 5% of the value of all District investments shall be invested in any fund and no more than 20% of the value of all District investments may be invested in all money market funds combined. Any fund shares purchased will not include any type of commission.

J. Banker's Acceptances: Bankers' acceptances are bills of exchange or time drafts drawn on and accepted by a commercial bank (Government Code

53601(g)). Purchases of banker's acceptances may not exceed 180 days maturity as per Government Code Section 53601 (g). Maximum portfolio exposure will be limited to 20% of the total value of all District investments at any time and single issuer holdings to no more than 3% per issuer. Banker's acceptances shall not be purchased by the Treasurer without the prior approval of the Board.

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

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

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

M. Municipal Bonds: The Treasurer is authorized to invest in registered treasury notes or bonds of any of the 50 United States payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency or authority of any of the 50 United States.

Such securities must have ratings from at least two of three ratings as follows: "A1" by Moody's Investors Service, or "A+" by Standard & Poor's, or "A+" by Fitch Ratings; or as otherwise approved by the Board; or

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

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

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

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

The amount invested in municipal securities shall not exceed 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	540%	\$40,000,000-
Treasury Securities	None 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 <u>(such as CAMP)</u>	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, 202~~2~~⁴ 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, 202~~2~~⁴ and annually thereafter.

Memo

Date: December 15, 2021
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 27, 2021 Safety Committee Meeting. The Safety Committee Directors (Topolovac and Meyers) concurred to keep the \$10,000.00 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 on March 8, 2021 due to a preventable lost time injury and thus, will not be achievable in 2022.

Fiscal Impact

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

- \$14,050 - for Safety Recognition (see Chart on Exhibit B) based on Board approval of the 2021-2022 Budget and Organizational Chart:
 - Jan 1 to Jun 30 – \$4,600 (\$ 50 x 92 employees) injury incident rate goal
 - Jan 1 to Dec 31 – \$4,600 (\$ 50 x 92 employees) lost time & injury incident rate goals
 - Jan 1 to Dec 31 – \$4,600 (\$ 50 x 92 employees) vehicle damage goal
\$ 250 (\$ 50 x 5 non-payroll positions estimate)
- \$ 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)
- \$15,950 = **TOTAL amount requested for 2022 Safety Employee Recognition**

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

Olivenhain Municipal Water District Member Since - 07/01/1982
Member Type - Water
As of 10/31/2021

EMOD Comparison				Number of Claims			Total Claims Amounts		
Coverage Period	Member	MemberType Avg	Pool Avg	Open	Closed	Total	Paid	Outstanding Reserve	Total
2021-22	0.92	0.97	1.01	0	0	0	\$0	\$0	\$0
2020-21	1.09	1.03	1.03	1	1	2	\$3,822	\$806	\$4,628
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
2012-13	0.77	1.04	1.08	0	2	2	\$989	\$0	\$989
	0.90	1.06	1.05	1	29	30	\$360,520	\$806	\$361,326

The District's 2021-22 invoice from SDRMA was \$294,898.26. The District can earn up to 15 annual CIP points and be awarded up to an additional \$44,235 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 2022 is to achieve this total incentive of \$44,235. Staff notes this incentive is an offset to the 2022 Safety Recognition Program fiscal impact. For 2021-22, the \$294,898.26 annual premium was reduced to \$169,652.63 including ex-mod, CIP, and longevity discounts.

Discussion

Regarding the Resolution supporting the District's Employee Safety and Wellness Programs, the Safety Committee (Directors Topolovac and 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 their October 27, 2021 meeting.

With the Board's continued commitment and approval of our safety programs, District employees get involved and take ownership of their safety performance. This support has created an exceptional safety culture and helped to provide a safe and healthy work environment. Per the recommendation of Director Bruce-Lane at the Personnel Committee to get employees engaged in health and wellness, the District plans to provide quarterly wellness related trainings and an employee wellness challenge in 2022. This will be added as an Annual Objective in January of 2022.

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

Workers' Compensation Program Invoice



Program Year 2021-22

Olivenhain Municipal Water District

1966 Olivenhain Road
Encinitas, California 92024

Invoice Date: 05/18/2021
Invoice Number: 69996
Member Number: 5158

Class Code	Classification Description	Reported Payroll	Rate per \$100	Annual Contribution
7520	Waterworks Operations	\$3,776,593	\$5.19	\$196,005.18
7580	Sanitary or Sanitation Agency Operations	\$632,708	\$6.70	\$42,391.44
8742-D	Paid Governing Body Members	\$45,000	\$0.63	\$283.50
8810	Clerical/Office Employees	\$2,965,647	\$0.58	\$17,200.75
9410	Non-Manual Labor; including Agency Managers and Recreation Person	\$854,526	\$1.90	\$16,235.99
9420	Manual Labor; including Park and Landscape Maintenance Personnel	\$258,000	\$8.83	\$22,781.40

** Indicates per capita rate class code

Total Estimated Annual Contribution Based on Manual Rates	\$294,898.26
Contribution as Adjusted by the Experience Modification Factor of 92%	\$271,306.40
Less: *13% Credit Incentive Program Discount	-38,336.77
Estimated Annual Adjusted Contribution	\$232,969.63
Less: Longevity Distribution Credit	-63,242.00
Less: 5% Multi-Program Discount	0.00
Less: Member Plus Online RQ Bonus	-75.00
Net Estimated Annual Contribution	\$169,652.63

Total Contribution Amount Due by 30 Days

\$169,652.63

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. For invoice questions call the SDRMA Finance Department.



2021 - 22 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, 2022 will be applied to the 2022-23 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)

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 only)

2 points maximum

No Documentation Required - Will be confirmed by SDRMA.

(Credit will be applied to both programs)

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

3 Points maximum

No Documentation Required - Will be confirmed by SDRMA.

(Credit will be applied to both programs)

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).

2 Points maximum

Documentation Required – Course syllabus and certificate of completion.

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.

3 points maximum

No Documentation Required - Will be confirmed by SDRMA.

Workers' Compensation Program

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

2 points maximum

No Documentation Required - Will be confirmed by SDRMA.

ADMINISTRATION TRACK (2 POINTS MAXIMUM)

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 only)

2 points maximum

No Documentation Required - Will be confirmed by SDLF.

(Credit will be applied to both programs)

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

2 points maximum

No Documentation Required - Will be confirmed by CSDA.

(Credit will be applied to both programs)

GOVERNANCE TRACK – GOVERNING BODY RELATED (2 POINTS MAXIMUM)

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 only)

2 points maximum

No Documentation Required - Will be confirmed by SDLF.

(Credit will be applied to both programs)

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

2 points maximum

No Documentation Required - Will be confirmed by CSDA.

(Credit will be applied to both programs)

Workers' Compensation Program

CLAIMS TRACK (3 POINTS MAXIMUM)

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.

1 point

No Documentation Required - Will be confirmed by SDRMA.

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.

2 points

No Documentation Required - Will be confirmed by SDRMA.

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

CLAIMS BONUS TRACK (3 POINTS MAXIMUM)

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.

3 points

No Documentation Required - Will be confirmed by SDRMA.

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: 11/15/2021

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 2021-22. **The following earned credits have been documented and will be applied toward the annual renewal invoice for the 2022-23 program year:**

CIP Criteria Description*	CIPs Earned	CIP \$ Earned	Unearned CIPs	Unearned CIP \$
SDRMA Safety Specialist Certificate	0	\$0	2	\$5,898
Staff Attendance at SDRMA Workshop	0	\$0	2	\$5,898
Additional Staff Attendance at SDRMA Workshop	0	\$0	1	\$2,949
Management Staff Attendance at CSDA Legal Seminar	0	\$0	1	\$2,949
Additional Management Staff Attendance at CSDA Legal Seminar	0	\$0	1	\$2,949
Vector Solutions Online Training Program	3	\$8,847	0	\$0
Utilization of Company Nurse	0	\$0	2	\$5,898
LOSS PREVENTION TRACK TOTALS - 8 POINTS MAXIMUM	3	\$8,847	5	\$14,745
Management Staff with CSDM accreditation by SDLF	0	\$0	2	\$5,898
Management Staff Attendance at CSDA Sponsored Training	0	\$0	1	\$2,949
Additional Management Staff Attendance at CSDA Sponsored Training	0	\$0	1	\$2,949
ADMINISTRATION TRACK TOTALS - 2 POINTS MAXIMUM	0	\$0	2	\$5,898
SDLF District of Distinction designation	0	\$0	2	\$5,898
Single Board Member Attendance at CSDA Training	1	\$2,949	0	\$0
Additional Board Member Attendance at CSDA Training	1	\$2,949	0	\$0
GOVERNANCE TRACK TOTALS - 2 POINTS MAXIMUM	2	\$5,898	0	\$0
No Claims during the year	0	\$0	1	\$2,949
No Claims for prior 3 years	0	\$0	2	\$5,898
CLAIMS TRACK TOTALS - 3 POINTS MAXIMUM	0	\$0	3	\$8,847
COMBINED TRACK TOTALS - 15 POINTS MAXIMUM	5	\$14,745	10	\$29,490
5 YEAR NO CLAIMS BONUS	0	\$0	3	\$8,847
TOTAL CREDIT INCENTIVE POINTS	5	\$14,745	13	\$38,337

*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. 2021~~0~~

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

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

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

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

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

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

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

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

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

Section 2. The District is committed to continuing to fund the SHNQT (***Safety Has No Quitting Time***) employee recognition program for calendar year 202~~2~~¹ (*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 ~~15~~⁹, 202~~1~~⁰.

ATTEST:

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

Robert F. Topolovac, Secretary
Board of Directors
Olivenhain Municipal Water District

202~~21~~ 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 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. (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 10/2020. 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 2022

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 1000 days of no preventable lost time injuries from 3/8/21 8/15/2020	\$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 15, 2021
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 2022 Records Retention Schedule (RRS); all updates are shown in red.

Recommendation

Staff recommends approval of the proposed 2022 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, 2022.

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 \$1,100 annually
+ Off-site destruction costs - approximately \$ 200 annually
= **Total** destruction costs - approximately **\$1,300 annually**

Discussion

Updates/revisions are minimal for the proposed 2022 RRS. A brief explanation of the departmental requested changes are listed below. Please refer to the attached proposed 2022 RRS for all requested changes:

Customer Services: The Service Orders record series has been deleted since service orders are already included in the customer accounts series.

Engineering: No changes.

Finance: Apportionment Statement Files added a PDF in the Finance Directory starting in fiscal year 2019 as well as the corresponding retention times. There was a slight name change – Comprehensive Annual Financial Report (CAFR) was updated to the Annual Comprehensive Financial Report (ACFR). Direct Payment Program – Authorization Agreement has been deleted since Customer Services keeps these forms (same as ACH/DPP Application). The Daily Deposits record series has been deleted since it is covered under cash receipts and payments (checks) received items. The Inventory Master List, Lock Box Reports, and Payroll Check Register are all already included as part of other record series and have also been deleted.

General Manager: No changes.

Human Resources/Safety: Labor Relations Files that are stored electronically will now be retained permanently. Salary Administration Files will only be stored electronically.

Operations: No changes.

Attachment:

Proposed 2022 Records Retention Schedule

OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2022~~ 2024

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	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	1 fy	2 fys	3 fys

*EDMS (Electronic Document Management System)

OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2022~~ 2024

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	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 – TECC <u>Escondido Creek Conservancy/IC Interpretive Center</u> 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

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OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2022~~ 2024

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
Service Orders – Initiates action at the request of a District property owner or developer. May require application process.	CUSTOMER SERVICES	Customer Service	Admin	Electronic CIS Infinity	Until acct closed	N/A	Close acct + 7 yrs
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	Admin	Paper	End of Agreement	N/A	End of Agreement
				Electronic in EDMS		N/A	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	End of Project	20 yrs	End of Warranty +20 yrs
				Electronic	End of Warranty +20 yrs	N/A	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	End of Agreement	0	End of Agreement
				Electronic		N/A	End of Agreement + 12 yrs
Annexations and Detachments – These files contain LAFCO pending and final property modifications.	ENGINEERING	Eng Admin	Admin	Paper	Permanent	N/AN/A	Permanent
				Electronic	Permanent		Permanent
Architectural – Renderings and other drawings of significant historical value. Transitioning to electronic beginning 2014.	ENGINEERING	Eng Admin	Admin	Paper	Active or no longer needed	Permanent	Permanent
				Electronic	Permanent	N/A	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	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	Admin	Electronic	Permanent	N/A	Permanent
Construction Bids – Unsuccessful – Proposals only – no contracts executed.	ENGINEERING	Eng Admin	Admin	Paper	Bid opening + 2 yrs	N/A	Bid opening + 2 yrs

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OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2022~~ 2024

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	Admin	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	Admin	Paper	Duration of project including mitigation phase + 5 yrs	20 yrs	25 yrs
				Electronic		N/A	Permanent
Environmental Documents 2012 and After – Includes EIRs, permits, and reports prepared for projects. Originals are scanned into the EDMS* and a hard copy is filed in RECORDS. Does not include Notices of Exemption – see Projects.	ENGINEERING	Eng Admin	Admin	Paper	Duration of project including mitigation phase + 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	Admin	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	Admin	Paper	End of Warranty	Permanent Prior to 2005	Permanent
				Electronic	Permanent	N/A	Permanent
Hydraulic Reports Non District Engineering Projects – Technical reports including feasibility studies, and related engineering subjects not directly related to a specific District engineering project. Electronically in EDMS began January 01, 2013.	ENGINEERING	Eng Admin	Admin	Paper	End of Warranty	Permanent Prior to 2013	Permanent
				Electronic	Permanent	N/A	Permanent
Plans: 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	Admin	Mylar	Permanent	N/A	Permanent

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OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2022~~ 2024

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	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	Admin	Paper	Proposal Date + 1 yr	N/A	Proposal Date + 1 yr
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	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	Admin	Paper	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	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	Admin	Electronic at USA	14 days	Remote Site	14 days
				Electronic GIS	2 yrs GIS	N/A	2 yrs

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OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2022~~ 2024

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	24 fys	56 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 <u>staff prepared general ledger account reconciliation and</u> documents prepared for use by auditor and working papers used to produce audit documents. <u>Includes the Inventory Master List and year-end inventory count files.</u>	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. <u>PDF in Finance Directory starting with fiscal year 2019.</u>	FINANCE	Accounting	Admin – Finance Storage Room	Paper <u>PDF in Finance Directory</u>	<u>N/A Audit +2 fys</u> <u>Permanent</u>	Permanent <u>N/A</u>	Permanent <u>Permanent</u>
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 to develop budget assumptions for preparation of CAFR or for audit preparation 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

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OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2022~~ 2024

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 Expiration of bond + 7 fys	Permanent Expiration of bond + 7 fys
Budget – Official Budget – As approved by the Board of Directors. Created and published each fiscal year. This report is available for viewing in the EDMS.	FINANCE	Finance	Finance Storage Room – OMWD Budget/ AC FRCAFR Books	Paper	Audit + 2 fys	Permanent	Permanent
				Electronic in Finance Directory	Permanent	N/A	Permanent
CAFR ACFR (Comprehensive 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 FRCAFR Books	Paper	Audit + 9 fys	Permanent	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 + 9 fys	Permanent	Permanent
				Electronic	Audit + 2 fys	7 fys	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	Audit + 9 fys	N/A	Audit +9 fys
				Electronic	1 fy	Project completion + 6 fys	Project completion + 7 fys
Cash Receipts – This file consists of bank deposits, daily transaction log that details all deposits for month and Daily Transaction Report for credit card transactions via Official Payments Corp. A folder is created for each month of the fiscal year.	FINANCE	Accounting	Admin	Paper	1 fy	2 fys	3 fys

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RECORDS RETENTION SCHEDULE ~~2022~~ 2024

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
Verizon –Cell Phone bills (business & personal)	FINANCE	Accounting	Admin – AP shelf	Paper	Current fy	Audit + 4 fys	Audit + 4 fys
				Electronic	Current fy	N/A	Audit + 4 fys
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 Finance Directory	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
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 – Authorization Agreement – This form is scanned into the electronic document management system and then the hard copy is destroyed. Official copy is the scanned image.	FINANCE	Accounting	Admin	Electronic	Account Closure + 1-yr	N/A	Account Closure + 1-yr

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RECORDS RETENTION SCHEDULE ~~2022~~ 2024

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
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 + 12 fys	3 fys Permanent	Audit + 4 fys Permanent
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
Daily Deposits			Admin	Paper	Audit +1 fy	0	Audit +1 fy
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
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

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RECORDS RETENTION SCHEDULE ~~2022~~ 2024

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
Inventory Master List – This list contains information regarding quantity and the cost of the items used in District operations. The list is created and maintained in electronic format in Microsoft Dynamics GP. A year end list is produced annually after the physical inventory is completed to document year end balances. The list is printed periodically.	FINANCE	Accounting	Admin – Finance Storage Room	Paper	Audit + 2 fys	2 fys	Audit + 4 fys
			Electronic in Dynamics GP	Electronic	5 fys	N/A	5 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
Lock Box Reports – Issued by the bank to show customer water bill payments received and processed by them.	FINANCE	Accounting	Electronic	Electronic in Finance Directory	2 fys	N/A	2 fys
Inventory Issuance Data Materials Requisition Forms File (Inventory Issues) – This <u>information file</u> contains the <u>completed forms for</u> items taken from <u>District the</u> inventory for use <u>on the job</u> . <u>Information from these documents</u> <u>This information</u> is entered electronically to reflect charges to a <u>project/job</u> /work order account and is used to update the Inventory Master List.	FINANCE	Inventory Control	Admin	<u>Electronic in Dynamics GP</u>	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

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RECORDS RETENTION SCHEDULE ~~2022~~ 2024

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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
Payroll Check Register – A list of employee payroll checks.	FINANCE	Accounting	Admin	Electronic in GP	Audit +7 fys	N/A	Audit +7 fys
Payroll Current Register – This register is created and maintained in electronic format in GP and documents hours and amounts paid to employees each pay period. Information for this register is input from Employee time cards. Register is filed by calendar year.	FINANCE	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 (noncredit union) for employees and employers pay 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

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OLIVENHAIN MUNICIPAL WATER DISTRICT
RECORDS RETENTION SCHEDULE ~~2022~~ 2024

RECORD SERIES TITLE	ORIGINATING DEPARTMENT	WORK GROUP	PRIMARY LOCATION	MEDIA	DEPARTMENT	OFFSITE STORAGE	TOTAL RETENTION
Payroll Time Card Audit List – A list of employee time sheet allocation amounts, by account number/name, sorted by account number or employee name, and filed by calendar year.	FINANCE	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 Electronic	1 fy Permanent	Permanent N/A	Permanent 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
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 Eng Admin	Admin	Paper	Active phase or no longer needed End of Project Warranty Period	 20 yrs	End of Project 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 4500. 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

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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
Water Cash Receipts Journal – Reflects payments received by the District or the lockbox. Information is input and maintained electronically in PDF. Report is printed daily and filed in folders.	FINANCE	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

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Administrative Code – This document constitutes the Board-approved policies for operating the District. The master document changes each time new policies are adopted by the Board.	GENERAL MANAGER	Admin	Admin	Electronic in PDF	Current	N/A	Current
Agreements - MOU's, Leases, Fully Executed Agreements - This record series includes agreements between the District and others. Grant agreements are included unless longer term specified in grant documentation. Must comply with PREVAILING WAGE LAW Dept. of Industrial Relations (DIR) effective August 1, 2016. It does not include construction or pipeline agreements, which have a longer retention period, and are listed separately. (Also see Consultant & Service Agreements listing under Engineering Dept.)	GENERAL MANAGER	Admin	Admin	Paper Electronic in EDMS	End of agreement	12 yrs N/A	End of agreement + 12 yrs
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 yr	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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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 + 10 yrs	N/A	No longer in force + 10 yrs

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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 <u>and</u> investigations conducted, based on employee <u>claims</u> .	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, <u>and</u> 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 6 yrs	N/A	Permanent
Medical Files – May include FMLA, medical clearance, DMV medicals, workers' <u>compensation</u> 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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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, and job descriptions and salary administration reference documentation.	HUMAN RESOURCES	Admin	Admin	Electronic Paper	2 yrs	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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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	Termination + 7 yrs
					N/A	Samba	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	3 yrs	0	3 yrs
				Electronic	Permanent	N/A	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	Permanent	0	Permanent
				Electronic	Permanent	N/A	Permanent
Permits and Logs Files – These files contain atmospheric logs, equipment calibration records, Storm Water Pollution Prevention Permit, Hazmat Business Plans, APCD, elevator permit.	HUMAN RESOURCES/ SAFETY	Health and Safety	Safety Office	Paper	Current + 5 yrs	0	Current + 5 yrs
				Electronic	Current +5 yrs	N/A	Current +5 yrs

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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

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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	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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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	Paper	End of Warranty Period	End of Warranty +20 yrs	End of Warranty Period + 20 yrs
			Server	Electronic			
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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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	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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RECORDS RETENTION SCHEDULE ~~2022~~ 2024

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 15, 2021
To: Olivenhain Municipal Water District Board of Directors
From: Teresa L. Chase, Administrative Analyst
Via: Kimberly A. Thorner, General Manager
Subject: **CONSIDER APPROVAL OF THE LOCAL PROJECT PARTICIPANT AGREEMENT BETWEEN SAN ELIJO JOINT POWERS AUTHORITY AND OLIVENHAIN MUNICIPAL WATER DISTRICT FOR THE INTEGRATED REGIONAL WATER MANAGEMENT PROGRAM RELATED TO THE PROPOSITION 1 ROUND 1 INTEGRATED REGIONAL WATER MANAGEMENT IMPLEMENTATION GRANT FOR THE SOUTH EL CAMINO REAL RECYCLED WATER PIPELINE PROJECT**

Purpose

This agreement establishes terms and responsibilities for OMWD as a local project participant in the cooperative North County Recycled Water Project, which includes OMWD's El Camino Real Recycled Water Pipeline project. This agreement is the vehicle whereby OMWD will receive a \$750,000 grant for its recycled water project.

Recommendation

Staff recommends approval of the agreement.

Alternative(s)

- The board could choose to reject this agreement; however, failure to reach an agreement with San Elijo Joint Powers Authority could result in OMWD's loss of these grant funds.
- The board could direct staff as otherwise deemed appropriate.

Background

In January 2019, SEJPA submitted the North County Recycled Water Project to the Regional Water Management Group for inclusion in the San Diego region's Proposition 1 Round 1 IRWM grant application to the California Department of Water Resources. Project partners include SEJPA, OMWD, and City of Oceanside.

The project was selected by the San Diego Regional Water Management Group to be included in the regional application, and DWR announced in July 2020 that the grant application was successful, providing OMWD and its partners \$2.8 million to expand recycled water service. The award will be divided as follows:

- OMWD's award value is \$750,000, which will be applied to costs associated with the South El Camino Real Recycled Water Pipeline project
- SEJPA's award value is \$595,000
- City of Oceanside's award value is \$1,450,000

The Proposition 1 Round 1 IRWM grant agreement between San Diego County Water Authority and DWR was executed on April 9, 2021. Though SDCWA is the grantee, it does not directly administer individual projects contained within the IRWM plan. Thus, before grant funding may be distributed for each individual project, SDCWA must enter into an agreement with each project's lead agency, or local project sponsor.

SEJPA is the LPS for the Proposition 1 Round 1 IRWM funding for the North County Recycled Water Project. An LPS agreement with SDCWA was approved by SEJPA's board on August 17, 2021. This agreement will ensure SEJPA maintains the ability to perform in accordance with the terms of its LPS agreement.

Fiscal Impact

Via approval of this LPP agreement, OMWD stands to receive \$750,000 in grant funding for the South El Camino Real Recycled Water Pipeline project. OMWD's cost share total

of \$625,763 consists of a project funding match of \$578,021, with additional cost share funding of \$47,742 for grant administrative services. Cost share is the amount needed to fund the project above the grant amount.

Discussion

In the capacity of LPS for the North County Recycled Water Project, SEJPA is required to act on SDCWA's behalf for the purposes of project management, oversight, compliance, operations, and maintenance. SEJPA is also required to act on SDCWA's behalf in the fulfillment of SDCWA's responsibilities, as specifically identified in the grant agreement with DWR.

To ensure the performance of each project partner, SEJPA has provided them with local project participant agreements. The LPP agreement specific to OMWD is attached.

The South El Camino Real Recycled Water Pipeline project will continue the Manchester Avenue Recycled Water Pipeline, previously funded through a Proposition 84 Round 4 IRWM Implementation Grant, north from the Manchester Avenue/El Camino Real intersection to the Tennis Club Drive/El Camino Real intersection. Approximately 3,700 linear feet of 6-inch pipe along South El Camino Real within the City of Encinitas will be constructed. The extension is expected to serve 45 acre-feet per year of recycled water to 9 customers for the primary purpose of irrigation.

This agreement has been reviewed by the board's general counsel, Alfred Smith.

Attachments: Local Project Participant Agreement with San Elijo Joint Powers Authority

**LOCAL PROJECT PARTICIPANT AGREEMENT BETWEEN THE SAN ELIJO JOINT POWERS
AUTHORITY AND OLIVENHAIN MUNICIPAL WATER DISTRICT FOR THE INTEGRATED REGIONAL
WATER MANAGEMENT PROGRAM RELATED TO THE PROPOSITION 1 ROUND 1 INTEGRATED
REGIONAL WATER MANAGEMENT (IRWM) IMPLEMENTATION GRANT**

PROJECT 1-1-6-80074

(AGREEMENT NO. 1-1-6-80074–OMWD)

This Agreement between the San Elijo Joint Powers Authority (SEJPA), a Local Project Sponsor (LPS), and Olivenhain Municipal Water District (OMWD), a Local Project Participant (LPP), sets forth the understanding of the LPS and the LPP (collectively Parties) for distribution of a grant award from the State of California Department of Water Resources (DWR, State) via the San Diego County Water Authority (Water Authority).

RECITALS:

- 1) WHEREAS, in November 2014, California voters approved Proposition 1, the Water Quality, Supply, and Infrastructure Improvement Act of 2014, providing \$510 million in Integrated Regional Water Management to support projects included in State-approved and adopted Integrated Regional Water Management (IRWM) Plans, and
- 2) WHEREAS, to qualify for IRWM funding from Proposition 1, an IRWM planning region must have an IRWM Plan that is consistent with Water Code section 10530 et. seq. and been approved by the State, and the 2019 San Diego IRWM Plan has met those requirements, and
- 3) WHEREAS, since June of 2005, the City of San Diego, County of San Diego, and Water Authority have jointly operated as a Regional Water Management Group (RWMG) under successive Memoranda of Understanding (MOU) for purposes that include division of responsibilities regarding the IRWM Plan and for administration of IRWM grant monies awarded to the San Diego IRWM Region by the State, and
- 4) WHEREAS, on December 15, 2020, the RWMG executed a new MOU for the San Diego IRWM Plan and Grant Program for calendar years 2021 through 2025, replacing prior MOUs and any amendments, reaffirming the respective roles of each party, including the Water Authority as the responsible party for administration of IRWM grant monies.

The Recitals are incorporated herein, and the Parties agree as follows:

- 1) **DEFINITIONS.** The following words and terms, unless otherwise defined, shall mean:
 - A. LPP means Local Project Participant. An LPP is a proponent of individual projects that will be funded as part of the IRWM Program grant from the State. The role of an LPP could be performed by entities such as the Water Authority, County of San Diego, City of San Diego, Water Authority member agency, a municipality, a joint powers authority, a local public agency, a non-profit 501(c)(3) or a Native American tribe. The LPP for this Agreement is OMWD. The LPP is responsible for implementing Component 6.3: Recycled Water Pipeline: South El Camino Real per the scope of work as specified in Exhibit A (Work Plan).
 - B. LPS means Local Project Sponsor. A LPS is a proponent of an individual project that will be funded as part of the IRWM Program from the State. The role of the LPS could be performed

by entities such as the Water Authority, County of San Diego, City of San Diego, a Water Authority member agency, a municipality, a joint powers authority, a local public agency, a non-profit 501(c)(3) or a Native American tribe. The LPS for this Agreement is SEJPA.

- C. Grantee and Water Authority mean the San Diego County Water Authority.
- D. Grant Agreement means Grant Agreement No. 4600013830 between the San Diego County Water Authority and the State of California, Department of Water Resources dated April 9, 2021, for the disbursement of \$15,336,336 in grant funds, and is available upon request.
- E. Project (1-1-6-80074): **North County Recycled Water Project**
- F. LPS Agreement: The agreement between the Water Authority and the Local Project Sponsor for the performance of the project and receipt of the grant funds allocated for that project.
- G. LPP Agreement (Agreement): This agreement between the SEJPA and the Local Project Participant for the performance of the project and receipt of the grant funds allocated for that project.
- H. Grant/Grant funds/Grant funding/Grant amount means the funding awarded to the Project from the State under the Grant Agreement.

- 2) TERM OF AGREEMENT. The term of this Agreement begins on June 27, 2020 and terminates upon final payment plus three (3) years unless otherwise terminated or amended as provided in this Agreement. However, all work described in Exhibit A (Work Plan) must be completed by the date reflected in Exhibit C (Schedule) or by **September 30, 2025, whichever is sooner.**
- 3) GRANT AMOUNT. The LPP will contribute matching funds and additional cost share to this project. The Amount of reimbursable grant funding the LPP will receive under this Agreement is \$750,000.
- 4) LPP COST SHARE.

- A. Cost Share is the amount needed to fund the project above the Grant amount. The LPP is to provide a total match of \$625,763, unless eligible to be waived, reflected as "Required Cost Share: Non-state Fund Source", as set forth in Exhibit B (Budget). Required Cost Share may include Eligible Project Costs directly related to Exhibit A incurred after January 1, 2015. Documentation of cost must be submitted to the LPS for inclusion in the invoicing packet submitted to the Water Authority and DWR. A change in the Project's total costs may change the required Cost Share.

Other Cost Share is the amount necessary to fund the Project above the Grant amount and Required Cost Share. Other Cost Share will not be reviewed by the Water Authority or the State for invoicing purposes; however, the LPP is required to maintain all financial records associated with the Project in accordance with Exhibit H (State and Water Authority Audit Document Requirements for the LPS).

LPP agrees to fund the total cost share amount. Cost Share consists of Funding Match (\$578,021) and Additional Cost Share (\$47,742), as documented in Exhibit B. LPP total cost share for the project funded through this Agreement is estimated to be \$625,763.

- B. Cost sharing for grant administration support services provided by Hoch Consulting (Hoch) shall be based on the grant value received by each party which has been designated as 51% Oceanside, 27% Olivenhain Municipal Water District (OMWD), 22% SEJPA. The three-year value of the grant administration support is \$132,060.00, or \$44,020.00 annually. The annual cost share will be as follows:

- Oceanside \$22,450.00 per year
- OMWD \$11,885.00 per year
- SEJPA \$9,685.00 per year

Each party shall make annual payments per the cost share shown above to SEJPA. SEJPA shall add its annual payment to the rest of the payments, making one (1) full payment to Hoch each year as described below:

PAYMENT	DUE TO SEJPA
First Payment	January 3, 2022
Second Payment	January 3, 2023
Third Payment	January 3, 2024

SEJPA shall act as the administrator for the grant administration support agreement with Hoch at no charge to the parties, provided that SEJPA shall have no obligation to advance funds to Hoch on behalf of the other parties if funds are not deposited in a timely manner with SEJPA. SEJPA will administer the Hoch grant administration support agreement as a convenience only and assumes no other responsibility under said contract on behalf of the other parties. SEJPA shall receive monthly reports from Hoch and share them with the other parties. All parties may agree to meet with HOCH for consultation and reports as needed or requested

SEJPA shall provide copies of all Hoch invoices, payments to Hoch, and fund requests upon request to the SEJPA Director of Finance and Administration. All parties shall have the right to comment on these records and request corrections thereto if necessary.

In the event that any party to this Agreement notifies all other parties in writing of its intent to terminate participation in this joint Agreement, no refunds of any monies already paid will be reimbursed and the party will have no further interest or right in this Agreement or the federal or state funding being pursued. The remaining parties agree to adjust their future cost sharing on an equal basis among the remaining parties.

5) LPP RESPONSIBILITIES. LPP and its representatives shall:

- A. Faithfully and expeditiously perform or cause to be performed all work as described in Exhibit A and in accordance with Exhibits B and C. LPP shall be responsible for oversight, compliance, and operations and maintenance of Project(s) identified in this Agreement.
- B. LPP or its representatives shall perform regular inspections of any construction work in progress.
- C. Accept and agree to comply with all terms, provisions, conditions, and written commitments of this Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and statements made by LPP in the application, documents, amendments, and communications filed in support of its request for funding.

- D. Comply with all applicable California, federal, and local laws and regulations to execute this Agreement and implement the Project.
- E. Fulfill its obligations under the Agreement and be responsible for the performance of the Project.
- F. Obtain any and all permits, licenses, and approvals required for performing any work under this Agreement, including those necessary to perform design, construction, or operation and maintenance of the Project. LPP shall provide copies of permits and approvals to the LPS.
- G. Be solely responsible for design, construction, and operation and maintenance of projects within Exhibit A (Work Plan). Review or approval of plans, specifications, bid documents or other construction documents by the State is solely for the purpose of proper administration of funds by the State, or the Water Authority, or the LPS and shall not be deemed to relieve or restrict responsibilities of LPP under this Agreement.
- H. Be solely responsible for all work and for persons or entities engaged in work performed pursuant to this Agreement, including, but not limited to, contractors, subcontractors, suppliers, and providers of services. The LPP shall be responsible for any and all disputes arising out of its contracts for work on the Project, including but not limited to payment disputes with contractors and subcontractors. The Water Authority or LPS will not mediate disputes between the LPP and any other entity concerning responsibility for performance of work.
- I. LPP shall fulfill its obligations in a manner that is consistent with this Agreement, the Grant Agreement (4600013830), and the IRWM Program.
- J. LPP shall reimburse the LPS for its share of grant administration services costs as provided in Exhibit J through the term of this Agreement, three years after final payment, as prescribed in Paragraph 2, "Term of Agreement."
- K. The LPP has reviewed and shall demonstrate compliance with all eligibility criteria as set forth on pages 9-11, inclusive, of the 2019 IRWM Implementation Grant Program (Program) Guidelines (2019 Guidelines). The 2019 IRWM Grant Program Guidelines are available here: [Guidelines https://water.ca.gov/Work-With-Us/Grants-And-Loans/IRWM-Grant-Programs/Proposition-1/Implementation-Grants](https://water.ca.gov/Work-With-Us/Grants-And-Loans/IRWM-Grant-Programs/Proposition-1/Implementation-Grants)

6) GENERAL CONDITIONS.

- A. Unless exempt as per the 2019 IRWM Implementation Grant Proposal Solicitation Package, project(s) that are subject to the California Environmental Quality Act (CEQA) including final land purchases, shall not be included in this Agreement until the CEQA process is completed and all permits necessary to begin construction are acquired. Projects providing at least 75% of benefits to a disadvantaged community (DAC), economically distressed area (EDA), and/or Tribe (based on population or geography), or projects implemented by Tribes will be exempt from this requirement.
 - i. Such projects are included in the Agreement as a placeholder. Placeholder projects are not eligible for grant reimbursement and may not submit invoices to DWR until such time as they are fully included in the Agreement.
 - ii. Placeholder projects that complete CEQA and/or acquire permits (necessary to begin construction) within eighteen (18) months of the agreement execution date will be amended into the agreement. At the end of the eighteen (18)-month term, any placeholder projects that fail to complete CEQA and/or acquire permits will be deleted from the Agreement. The total grant award will be reduced by the amount of the deleted project(s). Replacement projects will not be allowed. Reduced amount will be made available to the respective Funding Area in future funding rounds on a competitive basis. Deleted placeholder projects

will not be eligible to receive any grant reimbursement under this Agreement; however, such project could be eligible under the next round of grant solicitation.

B. The LPS shall have no obligation to disburse money for the Project under this Agreement until the LPP has satisfied the following conditions (if applicable):

- i. For the term of this Agreement, the LPP shall submit quarterly Progress Reports which may accompany an invoice and all invoice backup documentation (\$0 invoices are acceptable). The quarterly Progress Report and all other deliverables as required by Paragraph 15, "Submission of Reports" and Exhibit A (Work Plan) shall be submitted to the LPS by the 7th day of the month following the end of the Calendar Quarter. The final reporting schedule will be dictated by the Water Authority and DWR.
- ii. Prior to the commencement of construction or implementation activities, if applicable, the LPP shall provide to or assist the LPS with the following so that the LPS may provide to the State:

1. Final plans and specifications certified, signed and stamped by a California Registered Civil Engineer (or equivalent registered professional, as appropriate) to certify compliance for the approved Project, as listed in Exhibit A of this Agreement.
2. Work that is subject to the California Environmental Quality Act (CEQA) (including final land purchases) shall not proceed under this Agreement until the following actions are performed:
 - a) The LPP submits to the LPS all applicable environmental permits, as indicated on the Environmental Information Form to the State,
 - b) Documents that satisfy the CEQA process are received by the State, via the Water Authority,
 - c) The State has completed its CEQA process as a Responsible Agency, and
 - d) The LPP receives written notification from the State via the Water Authority and LPS of concurrence with the Lead Agency's CEQA documents (s) and State's notice of verification of environmental permit submittal.

The State's concurrence of Lead Agency's CEQA documents is fully discretionary and shall constitute a condition precedent to any work (i.e., construction or implementation activities) for which it is required. Once CEQA documentation has been completed, the State will consider the environmental documents and decide whether to continue to fund the project, or to require changes, alterations, or other mitigation. Proceeding with work subject to CEQA prior to the State's concurrence shall constitute a material breach of this Agreement. LPP shall also demonstrate that it has complied with all applicable requirements of the National Environmental Policy Act (NEPA) by submitting copies of any environmental documents, including Environmental Impact Statements, Finding of No Significant Impact, mitigation monitoring programs, and environmental permits as may be required prior to beginning construction/implementation.

- iii. A monitoring plan as required by Paragraph 17, "Monitoring Plan Requirements," if applicable.

7) DISBURSEMENT OF GRANT FUNDS FROM THE STATE VIA THE WATER AUTHORITY AND SEJPA. Pursuant to Paragraph 9 "Method of Payment for Reimbursement" and subject to the availability of funds disbursed to the Water Authority by the State, the Water Authority will release to

the LPS, through normal Water Authority processes, the grant reimbursement amount approved by and received from the State for reimbursement to the LPS. Notwithstanding any other provision of this Agreement, no disbursement shall be required at any time or in any manner which is in violation of, or in conflict with, federal or state laws, rules, or regulations, or which may require any rebates to the federal government, or any loss of tax-free status on state bonds, pursuant to any federal statute or regulation. The LPS in turn will disburse payment to the LPP. Any and all money disbursed to the LPP under this Agreement and all interest earned by the LPP shall be used solely to pay Eligible Project Costs.

- 8) ELIGIBLE PROJECT COST. The LPP shall apply State grant funds received only to Eligible Project Costs in accordance with applicable provisions of the law and Exhibit B (Budget). Eligible Project Costs include the reasonable costs of studies, engineering, design, land and easement acquisition and associated legal fees, preparation of environmental documentation, environmental mitigations, monitoring, and project construction. Reimbursable administrative expenses are the necessary costs incidental but directly related to the Project included in this Agreement. Costs incurred after June 26, 2020, may be eligible for reimbursement.

Costs **not eligible** for reimbursement include, but are not limited to, the following:

- A. Costs, other than those noted above, incurred prior to the award date of this Grant.
- B. Costs for preparing and filing a grant application.
- C. Operation and maintenance costs, including post construction performance and monitoring costs.
- D. Purchase of equipment that is not an integral part of a project.
- E. Establishing a reserve fund.
- F. Purchase of water supply.
- G. Replacement of existing funding sources for ongoing programs.
- H. Meals, food items, or refreshments.
- I. Payment of any punitive regulatory agency requirement, federal or state taxes.
- J. Purchase of land in excess of the minimum required acreage necessary to operate as an integral part of a project, as set forth and detailed by engineering and feasibility studies, or acquisition of land by eminent domain.
- K. Overhead and Indirect Costs. "Indirect Costs" means those costs that are incurred for a common or joint purpose benefiting more than one cost objective and are not readily assignable to the funded project (i.e., costs that are not directly related to the funded project). Examples of Indirect Costs include but are not limited to: central service costs; general administration of the LPP; non-project-specific accounting and personnel services performed within the LPP's organization; depreciation or use allowances on buildings and equipment; the costs of operating and maintaining non-project-specific facilities; tuition and conference fees; forums, trainings, and seminars; and, generic overhead or markup. This prohibition applies to the LPP and any subcontract or sub-agreement for work on the Project that will be reimbursed pursuant to this Agreement.
- L. Mitigation for environmental impacts not resulting from implementation of the Project funded by this program.

- 9) METHOD OF PAYMENT FOR REIMBURSEMENT. After the disbursement requirements in Paragraph 6, "General Conditions" are met, the Water Authority will disburse the whole or portions

of State grant funding received from the State to the LPS, following receipt from the LPS of an electronic invoice transmitted via the Water Authority's IRWM grants webtool (or other methods as directed by the Water Authority) for costs incurred, including Cost Share, and timely Quarterly Progress Reports as required by Paragraph 15, "Submission of Reports." Payment will be made no more frequently than quarterly in arrears, upon receipt of an invoice bearing the LPS Agreement number. Quarterly Progress Reports must accompany an invoice (\$0 invoices are acceptable) and shall be submitted within 15 days following the end of the quarter (i.e., invoices are due April 15, July 15, October 15, and January 15). The LPS will notify the LPP, in a timely manner, whenever, upon review of an invoice, the LPS, Water Authority or the State determines that any portion or portions of the costs claimed are not eligible costs or are not supported by documentation or receipts acceptable to the State. The LPP may, within fifteen (15) calendar days of the date of receipt of such notice, submit additional documentation to the Water Authority via the LPS to cure such deficiency(ies). If the LPP fails to submit adequate documentation curing the deficiency(ies), the LPS, Water Authority or State will adjust the pending invoice by the amount of ineligible or unapproved costs.

Invoices submitted by the LPP shall include the following information:

- A. Costs incurred for work performed in implementing the Project during the period identified in the particular invoice.
- B. Costs incurred for any interests in real property (land or easements) that have been necessarily acquired for a project during the period identified in the particular invoice for the implementation of a project.
- C. Invoices shall be submitted on forms and by methods as provided by the LPS via the Water Authority and shall meet the following format requirements:
 - i. Invoices shall contain the date of the invoice, either the time period covered by the invoice or the invoice date received within the time period covered, and the total amount due.
 - ii. Invoices shall be itemized based on the categories (i.e., tasks) specified in Exhibit B (Budget). The amount claimed for salaries/wages/consultant fees shall include a calculation formula (i.e., hours or days worked times the hourly or daily rate = the total amount claimed). The amount claimed for LPP salaries/wages shall be in accordance with the Personnel Billing Rates letter provided to the Water Authority via the LPS.
 - iii. One set of sufficient evidence (i.e., receipts, copies of checks, personnel hours summary table, time sheets) shall be provided for all costs included in the invoice.
 - iv. Each invoice shall clearly delineate those costs claimed for reimbursement from the Grant funding amount, as depicted in Paragraph 3, "Grant Amount" and those costs that represent the LPP's costs, as applicable, in Paragraph 4, "Cost Share."
 - v. Submit invoices to the LPS so that the LPS may prepare, certify and transmit to the Water Authority's IRWM grants webtool (or other methods as directed by the Water Authority) from the authorized representative reflected in Paragraph 25 of this Agreement.

All invoices submitted shall be accurate and signed under penalty of law. Any and all costs submitted pursuant to this Agreement shall only be for the tasks set forth herein. The LPP shall not submit any invoice containing costs that are ineligible or have been reimbursed from other funding sources unless required and specifically noted as such (i.e., cost share). Any eligible costs for which the LPP is seeking reimbursement shall not be reimbursed from any other source. Double or multiple billing for time, services, or any other eligible cost is illegal and constitutes fraud. Any suspected occurrences of fraud, forgery, embezzlement, theft, or any other misuse of public funds

may result in suspension of disbursements of grant funds and/or termination of this Agreement requiring the repayment of all funds disbursed hereunder plus interest. Additionally, the State and the Water Authority may request an audit pursuant to Exhibit D, Standard Conditions, Paragraph D.5, "Audits", and refer the matter to the Attorney General's Office or the appropriate district attorney's office for criminal prosecution or the imposition of civil liability. (Civ. Code, §§ 1572-1573; Pen. Code, §§ 470, 487-489.)

10) ADVANCED PAYMENT. Water Code section 10551 authorizes advanced payment by the State for projects included and implemented in an applicable Integrated Regional Water Management Plan, and when the project proponent is a nonprofit organization; a disadvantaged community (DAC); or the project benefits a DAC. If a project is awarded less than \$1,000,000 in grant funds, the project proponent may receive an advanced payment of fifty (50) percent of the grant award; the remaining fifty (50) percent of the grant award will be reimbursed in arrears after the advanced funds of a budget category have been fully expended. Within thirty (30) calendar days of execution of the Agreement, the LPP may provide the Water Authority an Advanced Payment Request via the LPS. Advanced Payment Requests received thirty-one (31) calendar days after the execution of this Agreement will not be eligible to receive an advanced payment.

A. LPP requesting the advanced payment shall include:

- i. Descriptive information of the Project with an update on Project status.
- ii. Identification as to whether the LPP, is a nonprofit organization or a DAC, or whether the Project benefits a DAC.
- iii. A detailed Funding Plan which includes how the advanced payment will be expended (in terms of workplan, budget, and schedule) within a timeframe agreed upon by the Water Authority and the LPP. The Funding Plan must clearly identify the total budget (at Budget Category Level) for the Project clearly showing the portion of advanced payment and reimbursement funds.
- iv. Any other information that the Water Authority and LPS may deem necessary.

B. Upon review and approval of the Advanced Payment Request submitted to the State by the Water Authority on behalf of the LPP, the State will authorize release of grant funds in the fully requested amount for the qualified Project to the Water Authority, and the Water Authority will release the funds to the LPP via the LPS. Based on the Project's Funding Plan and other considerations, the State may determine it is not prudent to advance the full request in a single disbursement. In such a case, the State and the Water Authority will develop a "Disbursement Schedule" to disburse funds in installments. This Disbursement Schedule may change based on the Project's ongoing compliance with the Advanced Payment requirements and the Project's cash flow needs.

C. Once the Advanced Payment Request is authorized by the State, the LPP shall submit to the Water Authority via the LPS an Advanced Payment Invoice(s) for the initial amount based on the "Disbursement Schedule" to the Water Authority's IRWM grants webtool (or other methods as directed by the Water Authority) with signature and date of the LPP's Project Manager, as indicated in Paragraph 25, "Project Managers." The Water Authority shall be responsible for the timely distribution of the advanced funds to the LPP. The Advanced Payment Invoice(s) shall be submitted on forms provided by the Water Authority and shall meet the following format requirements:

- i. Invoice shall contain the date of the invoice, the time period covered by the invoice, and the total amount due.

- ii. Invoice shall be itemized based on the budget categories specified in Exhibit B (Budget).
- iii. The Water Authority will notify the LPP via the LPS, in a timely manner, when, upon review of an Advance Payment Invoice, the State determines that any portion or portions of the costs claimed are not eligible costs. The LPP may, within fifteen (15) calendar days of the date of receipt of such notice, submit additional documentation to cure such deficiency(ies).
- iv. On a quarterly basis, the LPP will submit an Accountability Report to the Water Authority via the LPS that demonstrates how actual expenditures compare with the scheduled budget. The Accountability Report shall include the following information:
 - 1. An itemization of how advanced funds have been spent to date (Expenditure Report), including documentation that supports the disbursements (e.g., contractor invoices, receipts, personnel hours, etc.). Accountability Reports shall be itemized based on the budget categories (i.e., tasks) specified in Exhibit B.
 - 2. An updated Accountability Report including an updated Funding Plan that depicts how the remaining advanced funds will be expended and the activities and deliverables associated with the advanced funds within the timeframe agreed upon by DWR and the LPP when the advanced payment request was approved.
 - 3. Documentation that the funds were placed in a non-interest bearing account, including the dates of deposits and withdrawals from that account.
 - 4. Proof of distribution of advanced funds to LPP(s), if applicable.
- v. The Water Authority will notify the LPP via the LPS, in a timely manner, when, upon review of the Accountability Report, the State determines that any portion of the expenditures claimed are not eligible costs. The LPP may, within fifteen (15) calendar days of the date of receipt of such notice, submit additional documentation to cure such deficiency(ies). If costs are not consistent with the tasks in Exhibit A, the claim will be rejected and the costs removed from the Accountability Report.
- D. Once the LPP has spent all advanced funds in a budget category, then the method of payment will revert to the reimbursement process for that budget category specified in Paragraph 9, "Method of Payment for Reimbursement."

11) REPAYMENT OF ADVANCES. The Water Authority may demand repayment from the LPP of all or any portion of the advanced funding along with interest at the California general obligation bond interest rate at the time the Water Authority notifies the LPP, as directed by the State, and take any other action that it deems necessary to protect its interests for the following conditions:

- A. The Project is not being implemented in accordance with the provisions of the Agreement.
- B. The LPP has failed in any other respect to comply with the provisions of this Agreement, and if the LPP does not remedy any such failure to the Water Authority's satisfaction.
- C. Failure by the LPP to submit complete and accurate quarterly Accountability Reports by the required due dates, unless otherwise approved by the Water Authority.
- D. Failure to deposit funds in a non-interest-bearing account.
- E. Use of Advance Payment funds for ineligible expenses and/or activities not consistent with this Agreement.
- F. Inappropriate use of funds, as deemed by the Water Authority and/or the State.

G. Repayment amounts may also include:

- i. Actual costs incurred which are not consistent with the activities presented in Exhibit A, not supported, or are ineligible.
- ii. Advanced funds which are not fully expended by Project completion, notwithstanding Water Code section 10551(c)(4). Unused grant funds shall be returned to the Water Authority within thirty (30) calendar days.

Any repayment of advanced funds may consist of reducing the amount from future reimbursement invoices. The Water Authority may consider the LPP's refusal to repay the requested advanced amount a material breach of this Agreement subject to the default provisions in Paragraph 13, "Default Provisions." If the Water Authority notifies the LPP of its decision to demand repayment or withhold the entire funding amount from the LPP pursuant to this Paragraph, this Agreement shall terminate upon receipt of such notice by the LPP and the Water Authority shall no longer be required to provide funds under this Agreement.

12) WITHHOLDING OF DISBURSEMENTS BY THE WATER AUTHORITY.

- A. If the LPS determines that the Project is not being implemented in accordance with the provisions of this Agreement, or that the LPS has failed in any other respect to comply with the provisions of this Agreement, and if the LPP does not remedy any such failure to the LPS's satisfaction, the LPS may withhold from the LPP all or any portion of the grant funding and take any other action that it deems necessary to protect its interests. Where a portion of the grant funding has been disbursed to the LPS and the Water Authority notifies the LPS of its decision not to release funds that have been withheld pursuant to Paragraph 13, "Default Provisions," the portion that has been disbursed shall thereafter be repaid immediately with interest at the California general obligation bond interest rate at the time the Water Authority via the LPS notifies the LPP, as directed by the State. The LPS may consider the LPP's refusal to repay the requested disbursed amount a material breach subject to the default provisions in Paragraph 13, "Default Provisions." If the LPS notifies the LPP of its decision to withhold the entire funding amount from the LPP pursuant to this Paragraph, this Agreement shall terminate upon receipt of such notice by the LPP and the LPS shall no longer be required to provide funds under this Agreement and the Agreement shall no longer be binding on either party.
- B. The LPS shall withhold future LPP disbursements for non-payment of grant administration services costs.

13) DEFAULT PROVISIONS. The LPP shall be in default under this Agreement if any of the following occur:

- A. Substantial breaches of this Agreement, or any supplement or amendment to it, or any other agreement between the LPP and the LPS evidencing or securing the LPP's obligations.
- B. Making any false warranty, representation, or statement with respect to this Agreement or the application filed to obtain the Grant for the Project.
- C. Failure to operate or maintain the Project in accordance with this Agreement.
- D. Failure to make any remittance required by this Agreement, including any remittance recommended as the result of an audit conducted pursuant to Exhibit D, Standard Conditions, Paragraph D.5, "Audits."
- E. Failure to submit timely quarterly progress reports pursuant to Paragraph 6, "General Conditions."
- F. Failure to routinely invoice pursuant to Paragraph 9, "Method of Payment for Reimbursement."

G. Failure to meet any of the requirements set forth in Paragraph 14, "Continuing Eligibility."

H. Failure to pay grant administration costs.

The Water Authority may charge the LPS grant administration costs in accordance with Exhibit J of this Agreement. In the event the Water Authority finds it necessary to enforce this provision of this Agreement in the manner provided by law, the LPS will pass through to the LPP the relevant share of those costs including, but not limited to, costs incurred by and reimbursed to the State and LPS, reasonable attorneys' fees, legal expenses, and costs. The assumption is the hours needed will not be substantial (i.e. estimated as several hours in total annually).

Should an event of default occur, the LPS shall provide a notice of default to the LPP and shall give the LPP at least ten (10) calendar days to cure the default with notice established pursuant to Paragraph 22, "Notices." If the LPP fails to cure the default within the time prescribed by the LPS, the LPS may do any of the following:

- i. Declare the funding be immediately repaid, with interest, which shall be equal to the State of California general obligation bond interest rate in effect at the time of the default.
- ii. Terminate any obligation to make future payments to the LPP.
- iii. Terminate this Agreement.
- iv. Take any other action that it deems necessary to protect its interests.

14) CONTINUING ELIGIBILITY. The LPP shall meet the following ongoing requirement(s) and all eligibility criteria outlined in the 2019 Guidelines to remain eligible to receive Grant funds:

- A. An urban water supplier that receives Grant funds pursuant to this Agreement shall maintain compliance with the Urban Water Management Planning Act (UWMP; Wat. Code, § 10610 et seq.) and Sustainable Water Use and Demand Reduction (Wat. Code, § 10608 et seq.) as set forth on page 11 of the 2019 Guidelines and as stated on page 22 of the Proposal Solicitation Package, available online at: <https://water.ca.gov/Work-With-Us/Grants-And-Loans/IRWM-Grant-Programs/Proposition-1/Implementation-Grants>.
- B. An agricultural water supplier receiving Grant funds shall comply with Sustainable Water Use and Demand Reduction requirements outlined in Water Code section 10608, et seq. and have their Agricultural Water Management Plan (AWMP) deemed consistent by the State. To maintain eligibility and continue funding disbursements, an agricultural water supply shall have their 2015 AWMP identified on the State's website. For more information, visit the website listed in Appendix A in the 2019 Guidelines.
- C. A surface water diverter receiving Grant funds shall maintain compliance with diversion reporting requirements as outlined in Water Code section 5100 et. seq.
- D. If applicable, the LPP shall demonstrate compliance with the Sustainable Groundwater Management Act (SGMA) set forth on page 10 of the 2019 Guidelines.
- E. If the LPP has been designated as a monitoring entity under the California Statewide Groundwater Elevation Monitoring (CASGEM) Program, the LPP shall maintain reporting compliance, as required by Water Code section 10932 and the CASGEM Program.
- F. The LPS shall adhere to the protocols developed pursuant to The Open and Transparent Water Data Act (Wat. Code, § 12406, et seq.) for data sharing, transparency, documentation, and quality control.

15) SUBMISSION OF REPORTS. The submittal and approval of all reports is a requirement for the successful completion of this Agreement. Reports shall meet generally accepted professional

standards for technical reporting and shall be proofread for content, numerical accuracy, spelling, and grammar prior to submittal to the LPS so that the LPS may submit to the Water Authority. All reports shall be submitted to the LPS so that the LPS may meet submittal requirements to the Water Authority. If requested, the LPP shall provide within 5 business days any additional requested information deemed necessary by the LPS for the approval of reports. Reports shall be presented in the formats described in the applicable portion of Exhibit F (Report Formats and Requirements). The timely submittal of reports is a requirement for initial and continued disbursement of Grant funds. Submittal and subsequent approval by the State of a Project Completion Report is a requirement for the release of any funds retained for the Project.

- A. Quarterly Progress Reports: The LPP shall submit quarterly Progress Reports to meet the Water Authority's requirement for disbursement of Grant funds. Progress Reports shall, in part, provide a brief description of the work performed, the LPP's activities, milestones achieved, meetings held and/or attended, any accomplishments and any problems encountered in the performance of the work under this Agreement during the reporting period. The first Progress Report must accompany an invoice (\$0 invoices are acceptable) and shall be submitted within fifteen (7) days following the end of the Calendar Quarter.
- B. Accountability Report: The LPP shall prepare and submit to the LPS an Accountability Report with the quarterly Progress Report if the LPP received an advanced payment, consistent with the provisions in Paragraph 10, "Advanced Payment."
- C. Project Completion Report: The LPP shall assist the LPS for submittal to the Water Authority in a Project Completion Report for the Project (or a Component Completion Report, if a Project has multiple Components) within sixty (60) calendar days of Project completion in the format outlined in Exhibit F.
- D. Post-Performance Reports: The LPP shall prepare and submit to the LPS Post-Performance Reports within thirty (30) calendar days after the first operational year of the Project has elapsed. This record keeping and reporting process shall be repeated annually for a total of three (3) years, unless otherwise specified as shorter than 3 years, after the Project begins operation.

16) OPERATION AND MAINTENANCE OF PROJECT. For the useful life of construction and implementation projects and in consideration of the Grant funding made available by the State via the Water Authority, the LPP agrees to ensure or cause to be performed the commencement and continued operation of the Project, and shall ensure or cause the Project to be operated in an efficient and economical manner; shall ensure all repairs, renewals, and replacements necessary to the efficient operation of the same are provided; and shall ensure or cause the same to be maintained in as good and efficient condition as upon its construction, ordinary and reasonable wear and depreciation excepted. The LPS, State and Water Authority shall not be liable for any cost of such maintenance, management, or operation. The LPP or their successors may, with the written approval of the Water Authority, transfer this responsibility to use, manage, and maintain the property. For purposes of this Agreement, "useful life" means period during which an asset, property, or activity is expected to be usable for the purpose it was acquired or implemented; "operation costs" include direct costs incurred for material and labor needed for operations, utilities, insurance, and similar expenses, and "maintenance costs" include ordinary repairs and replacements of a recurring nature necessary for capital assets and basic structures and the expenditure of funds necessary to replace or reconstruct capital assets or basic structures. Refusal by the LPP to ensure operation and maintenance of the Projects in accordance with this provision may, at the option of the Water Authority, be considered a breach of this Agreement and may be treated as default under Paragraph 13, "Default Provisions."

- 17) MONITORING PLAN REQUIREMENTS. The LPP will assist the LPS in developing a Monitoring Plan, which shall be submitted to the Water Authority by the LPS prior to disbursement of Grant funds for construction or monitoring activities. The Monitoring Plan should incorporate Post-Performance Monitoring Report requirements as defined and listed in Exhibit F, and follow the guidance provided in Exhibit I (Project Monitoring Plan Guidance).
- 18) STATEWIDE MONITORING REQUIREMENTS. The LPP shall ensure that all groundwater Project(s) and Project(s) that include groundwater monitoring requirements are consistent with the Groundwater Quality Monitoring Act of 2001 (Water Code § 10780 et seq.) and, where applicable, that Project(s) that affect water quality shall include a monitoring component that allows the integration of data into statewide monitoring efforts, including where applicable, the Surface Water Ambient Monitoring Program carried out by the State Water Resources Control Board. See Exhibit G for web links and information regarding other State monitoring and data reporting requirements.
- 19) INDEMNIFICATION.
- A. To the fullest extent permitted by law, the LPP shall:
 - i. immediately defend, and
 - ii. indemnify the LPS, Water Authority, the State, and their directors, officers, and employees from and against all liabilities including, regardless of nature or type arising out of or resulting from LPP's performance of services under this agreement including but not limited to any claims or damages arising from planning, design, construction, maintenance and/or, or any negligent or wrongful act or omission of the LPP or LPP's officers, employees, agents, or subcontractors and in any breach of this Agreement. Liabilities subject to the duties to defend and indemnify include, without limitation all claims, losses, damages, penalties, fines, and judgments; associated investigation and administrative expenses; defense costs, including but not limited to reasonable attorneys' fees; court costs; and costs of alternative dispute resolution. The LPP's obligation to indemnify applies unless it is adjudicated that its liability was caused by the sole negligence or willful misconduct of an indemnified party. If it is finally adjudicated that liability is caused by the comparative active negligence or willful misconduct of an indemnified party, the LPP indemnification obligation shall be reduced in proportion to the established comparative liability of the indemnified party.
 - B. The duty to defend is a separate and distinct obligation from the LPP's duty to indemnify. The LPP shall be obligated to defend, in all legal, equitable, administrative, or special proceedings, with counsel approved by the LPS, Water Authority and State, the LPS, Water Authority and State, their directors, officers, and employees, immediately upon tender to the LPP of the claim in any form or at any stage of an action or proceeding, whether or not liability is established. An allegation or determination of comparative active negligence or willful misconduct by an indemnified party does not relieve the LPP from its separate and distinct obligation to defend the LPS, Water Authority and State. The obligation to defend extends through final judgment, including exhaustion of any appeals.
 - C. The review, acceptance or approval of the LPP's work or work product by any indemnified party shall not affect, relieve or reduce the LPP's indemnification or defense obligations. This Paragraph survives completion of the services or the termination of this contract. The provisions of this Paragraph are not limited by and do not affect the provisions of this contract relating to insurance.

20) INSURANCE:

- A. The LPP shall procure and maintain Insurance and Bonds as required in the Grant Agreement with the State until Project completion.
- B. The LPP shall procure and maintain during the period of performance of this Agreement insurance from insurance companies admitted doing business in the State of California, as set forth in this Paragraph or as additionally required by supplemental condition. An approved combination of pooled and self-insurance coverage is an acceptable alternative for General Liability coverage. This policy shall be primary insurance as to the LPS and Water Authority so that any other coverage held by the LPS and Water Authority shall not contribute to any loss under the LPP's insurance. Coverage may be provided by a combination of primary and excess insurance policies, provided all insurers meet the requirements of this Paragraph.
- C. All insurance shall cover occurrences during the coverage period.
- D. The coverage amount of each policy of insurance shall be as required by the Water Authority.
 - i. The following insurance and limits are required for the agreement:

Commercial General Liability: Coverage at least as broad as ISO form GC 00 01 10 01. Limit per occurrence and aggregate: \$2,000,000.

- E. The insurance policies shall be endorsed as follows:
 - i. For the general commercial liability as well as excess or umbrella insurance covering risks within the scope of that type of insurance, the San Diego County Water Authority, its directors, officers, employees and agents and the State of California, its directors, officers, employees and agents are included as additional insureds with regards to liability and defense of suits or claims arising from the operations, products and activities performed by or on behalf of the Named Insured. The LPP's insurance applies separately to each insured, including insureds added pursuant to this Paragraph, against whom claim is made or suit is brought except with respect to the policy limits of liability. The inclusion of any person or entity as an insured shall not affect any right which the person or entity would have as a claimant if not so included. Any failure of the named insureds to comply with reporting provisions of the policy or breaches or violations of warranties shall not affect coverage provided to the insureds added pursuant to this Paragraph. The additional insured endorsement shall provide coverage at least as broad as ISO form CG 20 10 11 85.
 - ii. The LPP insurance shall be primary. Any other insurance or self-insurance available to the LPS and Water Authority or persons stated in Paragraph 20.E.i. shall be in excess of and shall not contribute to the Contractor's insurance.
 - iii. The insurance shall not be canceled or materially reduced in coverage except after 30 days prior written notice receipted delivery has been given to the LPS, except 10 days' notice shall be allowed for non-payment of premium.
- F. Unless otherwise specified, the insurance shall be provided by an acceptable insurance provider, as determined by the LPS and Water Authority, which satisfies the following minimum requirements: An insurance carrier admitted doing business in California and maintaining an agent for process within the state. Such insurance carrier shall maintain a current A.M. Best rating classification of "A- (A minus)" or better and a financial size of \$10 million to \$24 million (Class V) or better, or a Lloyds of London program provided by syndicates of Lloyds of London and other London insurance carriers, providing all participants are qualified to do business in

California and the policy provides for an agent for process in the state and the program assures a financial capability at least equal to the required classification and size for admitted insurers.

- G. Certificates of insurance and endorsements shall be provided by the LPP and approved by the LPS before execution of the Agreement. Endorsements may be provided on forms provided by the Water Authority, or substantially equivalent forms provided by the insurer.
- H. Additional Insured: All Consultants/Contractors performing the scope of work on behalf of the LPP shall name the LPS, Water Authority and State (including their directors, officers, employees, and agents) as an additional insured on their Commercial General Liability policy and the policy shall be endorsed with use of an ISO form CG 20 10 10 93 or equivalent.

21) NOTIFICATION OF SEJPA. The LPP shall promptly notify the LPS, in writing, of the following items:

- A. Events or proposed changes that could affect the scope, budget, or work performed under this Agreement. The LPP agrees that no substantial change in the scope of the Project will be undertaken until written notice of the proposed change has been provided to the Water Authority via the LPS and the Water Authority has given written approval for such change. Substantial changes generally include changes to the scope of work, schedule or term, and budget.
- B. Any public or media event publicizing the accomplishments and/or results of this Agreement and provide the opportunity for attendance and participation by the LPS, Water Authority and State's representatives. The LPP shall make such notification at least 45 days (45) calendar days prior to the event.
- C. Discovery of any potential archaeological or historical resource. Should a potential archaeological or historical resource be discovered during construction, the LPP agrees that all work in the area of the find shall cease until a qualified archaeologist has evaluated the situation and made recommendations regarding preservation of the resource, and the Water Authority in consultation with the State has determined what actions should be taken to protect and preserve the resource. The LPP agrees to implement appropriate actions as directed by the LPS.
- D. The initiation of any litigation or the threat of litigation against the LPP regarding the Project or which may affect the Project in any way.
- E. Applicable to construction projects only: Final inspection of the completed work on the Project by a Registered Professional (Civil Engineer, Engineering Geologist, or other State approved certified/licensed Professional), in accordance with Exhibit D. The LPP shall notify the LPS and the LPS will notify the Water Authority's Project Manager of the inspection date at least thirty (30) calendar days prior to the inspection in order to provide the LPS, Water Authority, and State the opportunity to participate in the inspection.

22) NOTICES. Any notice, demand, request, consent, or approval that either party desires or is required to give to the other party under this Agreement shall be in writing. Notices may be transmitted by any of the following means:

- A. By delivery in person.
- B. By certified U.S. mail, return receipt requested, postage prepaid.
- C. By "overnight" delivery service; provided that next-business-day delivery is requested by the sender.
- D. By electronic means.

E. Notices delivered in person will be deemed effective immediately on receipt (or refusal of delivery or receipt). Notices sent by certified mail will be deemed effective given ten (10) calendar days after the date deposited with the U.S. Postal Service. Notices sent by overnight delivery service will be deemed effective one business day after the date deposited with the delivery service. Notices sent electronically will be effective on the date of transmission, which is documented in writing. Notices shall be sent to the addresses listed below. Either party may, by written notice to the other, designate a different address that shall be substituted for the one below.

23) PERFORMANCE EVALUATION. Upon completion of this Agreement, the LPS' performance may be evaluated by the Water Authority and a copy of the evaluation placed in the Water Authority's file and a copy sent to the LPP. The evaluation will be shared with the LPP upon request.

24) GRANT FUNDING REALLOCATION. Grant funding awarded to the Project may be reallocated to one or more projects if one of the conditions stated in the *IRWM Administrative Policy and Procedures for Reallocation of Grant Funding* has been met. The LPP confirms it has reviewed the policy and will abide by its terms, such policy available at: <http://www.sdirwmp.org/agreements-policies>.

25) PROJECT MANAGERS. Either Party may change its Project Manager upon written notice to the other Party. The LPS' Project Manager shall be its representative for the administration of this Agreement and shall have full authority to act on behalf of the LPS, including the authority to execute all payment requests. The LPP Project Manager shall be its representative for the administration of this Agreement and shall have full authority to act on behalf of the LPP, including the authority to execute all payment requests, demand, request, consent, or approval that either Party desires or is required to give to the other Party under this Agreement in writing. The Project Managers during the term of this Agreement are as follows:

San Elijo Joint Powers Authority

Olivenhain Municipal Water District

Christopher A. Trees, PE
Director of Operations
2695 Manchester Avenue
Cardiff by the Sea, CA 92007-7077
Phone: (760) 753-6203 x70
Email: treesc@sejpa.org

Kimberly A. Thorner
General Manager
1966 Olivenhain Road
Encinitas, CA 92024
Phone: (760) 753-6466
Email: kthorner@olivenhain.com

26) STANDARD PROVISIONS. This Agreement is complete and is the final Agreement between the Parties. The following Exhibits are attached and made a part of this Agreement by this reference:

- Exhibit A Work Plan
- Exhibit B Budget
- Exhibit C Schedule
- Exhibit D Standard Conditions
- Exhibit E Local Project Sponsor Agency Designation and Project Location
- Exhibit F Report Formats and Requirements
- Exhibit G Requirements for Data Submittal
- Exhibit H State and Water Authority Audit Document Requirements for the LPS
- Exhibit I Project Monitoring Plan Guidance
- Exhibit J Reimbursement to the Water Authority for Grant Administration Services Costs

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

SAN ELIJO JOINT POWERS AUTHORITY

Approved as to form and legality:

By: _____

Michael T. Thornton
General Manager

By: _____

Greg Moser
General Counsel

Date: _____

Date: _____

OLIVENHAIN MUNICIPAL WATER DISTRICT

Approved as to form and legality:

By: _____

Kimberly A. Thorner
General Manager

By: _____

Alfred E. Smith
General Counsel

Date: _____

Date: _____

EXHIBIT A**WORK PLAN****PROPOSITION 1 ROUND 1 SAN DIEGO IRWM IMPLEMENTATION GRANT****PROJECT 6: North County Recycled Water Project****IMPLEMENTING AGENCY: San Elijo Joint Powers Authority (SEJPA)****PROJECT DESCRIPTION:**

Component 6.3: Recycled Water Pipeline: South El Camino Real – Construct approximately 3,700 linear feet of 6-inch pipe along South El Camino Real, from Calle Ryan to Manchester Avenue, within the City of Encinitas. The extension will serve 45 AFY of recycled water to nine customers for irrigation.

Budget Category (a): Project AdministrationTask 1: Project Management

Assist LPS to comply with grant requirements and preparation and submission of supporting grant documents. Submit documentation required to allow LPS to prepare invoices to the State.

Deliverables:

- Backup documentation as needed to allow LPS to prepare all grant invoices and comply with grant requirements.

Task 2: Reporting

Submit relevant documentation to the LPS as needed to prepare progress reports detailing work completed during reporting period as outlined in Exhibit F of this Agreement.

Provide relevant documentation to the LPS as needed p a Project Completion Report, no later than 60 days after project completion for Water Authority and DWR Project Manager's comment and review. The report shall be prepared and presented in accordance with guidance as outlined in Exhibit F.

Deliverables:

- Quarterly Project Progress Reports
- Supporting documentation as needed for the Project Completion Report
- Documentation (e.g., photo) of "Acknowledgment of Credit" per Standard Condition D.2

Budget Category (b): Land Purchase/EasementTask 3: Land Purchase – Not Applicable**Budget Category (c): Planning/Design/Engineering/Environmental Documentation**Task 4: Feasibility Studies – Not ApplicableTask 5: CEQA Documentation

The Olivenhain MWD filed a Notice of Determination for an MND for Component 6.3, Recycled Water Pipeline: South El Camino Real with San Diego County in March 2020.

Prepare letters stating no legal challenges (or addressing legal challenges).

Deliverables:

- All completed CEQA documents as required
- Legal Challenge Letter

Task 6: Permitting

Submit any additionally required permits related to Component 6.3.

Deliverables:

- Permits as required

Task 7: Design

Complete design plans and specifications, including geotechnical investigations, topographic survey, preliminary cost estimates, preliminary design reports, final design plans and specifications.

Deliverables:

- Basis of Design Report
- 100% Design Plans and Specifications

Task 8: Project Monitoring Plan

Prior to disbursement of State funds for construction or monitoring activities, assist the LPS as needed in the development of a Project Monitoring Plan per Paragraph 16 for DWR's review and approval.

Deliverables:

NA

Budget Category (d): Construction/Implementation

Task 9: Contract Services – Not Applicable. Work will be completed in-house.

Task 10: Construction Administration

This task includes managing contractor submittal review, answering requests for information, and issuing work directives. A full-time engineering construction observer will be on site for the duration of the project. Construction observer duties include documenting of pre-construction conditions, daily construction diary, preparing change orders, addressing questions of contractors on site, reviewing/ updating project schedule, reviewing contractor log submittals and pay requests, forecasting cash flow, notifying contractor if work is not acceptable. Upon completing the project, the DWR Certificate of Project Completion and record drawings will be provided to DWR.

Deliverables:

- DWR Certificate of Project Completion
- Record Drawings

Task 11: Construction

Construction activities are outlined below.

11(c): Component 6.3: Recycled Water Pipeline: South El Camino Real – Construction will involve the installation of approximately 3,700 linear feet of 6" PVC pipeline in addition to traffic control. Pipeline installation will include mobilization of equipment, trenching and shoring, installation of the pipelines, backfill and compaction, and restoration to pre-construction conditions.

Deliverables:

- Photographic Documentation of Progress

EXHIBIT B**BUDGET****PROPOSITION 1 ROUND 1 SAN DIEGO IRWM IMPLEMENTATION GRANT****PROJECT 6: North County Recycled Water Project****Implementing Agency: San Elijo Joint Powers Authority (SEJPA)**

Project directly serves a need of a Disadvantaged Community: No

BUDGET CATEGORY		Grant Amount	Required Cost Share: Non-State Fund Source*	Other Cost Share*	Total Cost
a	Project Administration	\$0	\$0	\$0	\$0
b	Land Purchase / Easement	\$0	\$0	\$0	\$0
c	Planning / Design / Engineering / Environmental Documentation	\$0	\$143,043	\$47,742	\$190,785
d	Construction / Implementation	\$750,000	\$434,978	\$0	\$1,184,978
TOTAL COSTS		\$750,000	\$578,021	\$47,742	\$1,375,763

NOTES:

Eligible costs for each Budget Category will only be approved for reimbursement and Cost Share for the work completed within the date ranges listed in Exhibit C.

*Sources of Other Cost Share: SEJPA, City of Oceanside, and Olivenhain MWD CIP funds.

EXHIBIT C

SCHEDULE

PROPOSITION 1 ROUND 1 SAN DIEGO IRWM IMPLEMENTATION GRANT

PROJECT 6: North County Recycled Water Project

BUDGET CATEGORY		Start Date	End Date
a	Project Administration	5/1/2020	2/29/2024
b	Land Purchase / Easement	N/A	N/A
c	Planning / Design / Engineering / Environmental Documentation	8/1/2015	12/31/2021
d	Construction / Implementation*	12/21/2021*	6/30/2022

*Construction tasks will not be initiated until design tasks are complete; the overlap between Category c and d activities is due to ongoing design for subtask 1, which will not begin construction until 9/1/2022.

EXHIBIT D**STANDARD CONDITIONS****D.1. ACCOUNTING AND DEPOSIT OF FUNDING DISBURSEMENT:**

- A. **Separate Accounting of Funding Disbursements and Interest Records:** Local Project Participant shall account for the money disbursed pursuant to this Local Project Participant Agreement separately from all other LPP funds. LPP shall maintain audit and accounting procedures that are in accordance with generally accepted accounting principles and practices, consistently applied. LPP shall keep complete and accurate records of all receipts and disbursements on expenditures of such funds. LPP shall require its contractors or subcontractors to maintain books, records, and other documents pertinent to their work in accordance with generally accepted accounting principles and practices. Records are subject to inspection by the Water Authority and the State at any and all reasonable times.
- B. **Fiscal Management Systems and Accounting Standards:** The LPP agrees that, at a minimum, its fiscal control and accounting procedures will be sufficient to permit tracing of grant funds to a level of expenditure adequate to establish that such funds have not been used in violation of state law, this Agreement or the Proposition 1, Integrated Regional Water Management (IRWM) Implementation Grant Agreement 4600013830.
- C. **Disposition of Money Disbursed:** All money disbursed pursuant to this Agreement shall be deposited, administered, and accounted for pursuant to the provisions of applicable law, and be placed in a non-interest-bearing account.
- D. **Remittance of Unexpended Funds:** LPP shall remit to the Water Authority any unexpended funds that were disbursed to the LPP under this Agreement and were not used to pay Eligible Project Costs within a period of thirty (30) calendar days from the final disbursement from the Water Authority to the LPP of funds or, within fifteen (15) calendar days of the expiration of the Agreement, whichever comes first.

D.2. ACKNOWLEDGMENT OF CREDIT AND SIGNAGE: LPP shall include appropriate acknowledgment of credit to the State for its support when promoting the Project or using any data and/or information developed under this Agreement. Signage shall be posted in a prominent location at Project site(s) (if applicable) or at the LPP's headquarters and shall include the Department of Water Resources color logo and the following disclosure statement: "Funding for this project has been provided in full or in part from the Water Quality, Supply, and Infrastructure Improvement Act of 2014 and through an agreement with the State Department of Water Resources." The LPP shall also include in each of its contracts for work under this Agreement a provision that incorporates the requirements stated within this Paragraph.

D.3. AMENDMENT: This Agreement may be amended at any time by mutual agreement of the Parties, except insofar as any proposed amendments are in any way contrary to applicable law. Requests by the LPP for amendments must be in writing stating the amendment request and the reason for the request. Requests solely for a time extension must be submitted at least 120 days prior to the work completion date set forth in Paragraph 2, "Term of Agreement." Any other request for an amendment must be submitted at least 180 days prior to the work completion date set forth in Paragraph 2, "Term of Agreement." Water Authority shall have no obligation to agree to an amendment.

- D.4. AMERICANS WITH DISABILITIES ACT: By signing this Agreement, LPP assures the LPS, Water Authority and the State that it complies with the Americans with Disabilities Act (ADA) of 1990, (42 U.S.C. § 12101 et seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA.
- D.5. AUDITS: The State or the Water Authority reserve the right to conduct an audit at any time between the execution of this Agreement and the completion of the Project, with the costs of such audit borne by the Water Authority or the State. After completion of the Project, the State or the Water Authority may require Grantee to conduct a final audit to the State's specifications, at the LPP's expense, such audit is to be conducted by and a report prepared by an independent Certified Public Accountant. Failure or refusal by LPP to comply with this provision shall be considered a breach of this Agreement, and the Water Authority or the State may elect to pursue any remedies provided in Paragraph 13, "Default Provisions", or take any other action it deems necessary to protect its interests. The LPP agrees it shall return any audit disallowances to the Water Authority for transmittal to the State.
- Pursuant to Government Code section 8546.7, the LPP shall be subject to the examination and audit by the State and the Water Authority for a period of three (3) years after final payment under Grant Agreement 4600013830 with respect of all matters connected with this Agreement, including but not limited to, the cost of administering this Agreement. All records of LPP or its contractor or subcontractors shall be preserved for this purpose for at least three (3) years after Grant Agreement 4600013830 is completed by the State and the Water Authority. If an audit reveals any impropriety, the Bureau of State Audits or the State Controller's Office may conduct a full audit of any or all of the Grantee's activities. (Water Code, § 79708(b).) Please see Exhibit H of this Agreement (State and Water Authority Audit Document Requirements) and Cost Share guidelines for a listing of documents/records that the State Auditors and the Water Authority may need to review in case of an audit.
- D.6. BUDGET CONTINGENCY: If the State Budget Act of the current year covered under this Agreement does not appropriate sufficient funds for this program, this Agreement shall be of no force and effect. This provision shall be construed as a condition precedent to the obligation of State and the Water Authority to make any payments under this Agreement. In this event, the Water Authority shall have no liability to pay any funds whatsoever to the LPP or to furnish any other considerations under this Agreement and the LPS or LPP shall not be obligated to perform any provisions of this Agreement. Nothing in this Agreement shall be construed to provide LPP with a right of priority for payment over any other LPS or LPP. If funding for any fiscal year after the current year covered by this Agreement is reduced or deleted by the State's Budget Act, by Executive Order, or by order of the Department of Finance, the Water Authority shall have the option to either cancel this Agreement with no liability occurring to the Water Authority, State, or offer a LPS Agreement amendment to LPS to reflect the reduced amount.
- D.7. CALIFORNIA CONSERVATION CORPS: LPP may use the services of the California Conservation Corps or other community conservation corps as defined in Public Resources Code section 14507.5.
- D.8. CEQA: Activities funded under this Grant agreement, regardless of funding source, must be in compliance with the California Environmental Quality Act (CEQA). (Pub.

Resources Code, § 21000 et seq.) Any work that is subject to CEQA and funded under this Agreement shall not proceed until documents that satisfy the CEQA process are received by the Water Authority's Project Manager and the State has completed its CEQA compliance. Work funded under this Agreement that is subject to a CEQA document shall not proceed until and unless approved by the State (Department of Water Resources). Such approval is fully discretionary and shall constitute a condition precedent to any work for which it is required. If CEQA compliance by the LPP is not complete at the time the LPS signs this Agreement, once the State has considered the environmental documents, it may decide to require changes, alterations, or other mitigation to the Project; or to not fund the Project. Should the State decide to not fund the Project, this Agreement shall be terminated in accordance with Paragraph 13, "Default Provisions."

- D.9. CHILD SUPPORT COMPLIANCE ACT: The LPP acknowledges in accordance with Public Contract Code section 7110, that:
- A. The LPP recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Family Code section 5200 et seq.; and
 - B. The LPP, to the best of its knowledge, is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.
- D.10. CLAIMS DISPUTE: Any claim that the LPP may have regarding performance of this Agreement including, but not limited to, claims for additional compensation or extension of time, shall be submitted to the IRWM San Diego Program Manager within fifteen (15) days of the LPP's knowledge of the claim. The Water Authority and the LPP shall then attempt to negotiate a resolution of such claim and process an amendment to this Agreement to implement the terms of any such resolution.
- D.11. COMPETITIVE BIDDING AND PROCUREMENTS: LPP contracts with other entities for the acquisition of goods and services and construction of public works with funds provided by State, via the Water Authority, under this Agreement must be in writing and shall comply with all applicable laws and regulations regarding the securing of competitive bids and undertaking competitive negotiations. If the LPP does not have a written policy to award contracts through a competitive bidding or sole source process, the Department of General Services' *State Contracting Manual* rules must be followed and are available at: <https://www.dgs.ca.gov/OLS/Resources/Page-Content/Office-of-Legal-Services-Resources-List-Folder/State-Contracting>.
- D.12. COMPUTER SOFTWARE: LPP certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Agreement for the acquisition, operation, or maintenance of computer software in violation of copyright laws.
- D.13. CONFLICT OF INTEREST: All participants are subject to State and Federal conflict of interest laws. Failure to comply with these laws, including business and financial disclosure provisions, will result in the application being rejected and any subsequent contract being declared void. Other legal action may also be taken. Applicable

statutes include, but are not limited to, Government Code section 1090 and Public Contract Code sections 10410 and 10411, for State conflict of interest requirements.

- A. **Current State Employees:** No State officer or employee shall engage in any employment, activity, or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any State agency, unless the employment, activity, or enterprise is required as a condition of regular State employment. No State officer or employee shall contract on his or her own behalf as an independent contractor with any State agency to provide goods or services.
 - B. **Former State Employees:** For the two-year period from the date he or she left State employment, no former State officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decision-making process relevant to the contract while employed in any capacity by any State agency. For the twelve-month period from the date he or she left State employment, no former State officer or employee may enter into a contract with any State agency if he or she was employed by that State agency in a policy-making position in the same general subject area as the proposed contract within the twelve-month period prior to his or her leaving State service.
 - C. **Employees of the LPP:** Employees of the LPP shall comply with all applicable provisions of law pertaining to conflicts of interest, including but not limited to any applicable conflict of interest provisions of the California Political Reform Act. (Gov. Code, § 87100 et seq.)
 - D. **Employees and Consultants to the LPP:** Individuals working on behalf of a LPP may be required to file a Statement of Economic Interests (Fair Political Practices Commission Form 700) if it is determined that an individual is a consultant for Political Reform Act purposes.
- D.14. **DELIVERY OF INFORMATION, REPORTS, AND DATA:** LPP agrees to expeditiously provide throughout the term of this Agreement, such reports, data, information, and certifications as may be reasonably required by the LPS, Water Authority and the State.
- D.15. **DISPOSITION OF EQUIPMENT:** LPP shall provide the Water Authority, not less than forty-five (45) calendar days prior to submission of the final invoice, an itemized inventory of equipment purchased with funds provided by State, via the Water Authority. The inventory shall include all items with a current estimated fair market value of more than \$5,000.00 per item. Within seventy-five (75) calendar days of receipt of such inventory, the Water Authority via the LPS shall provide LPP with a list of the items on the inventory that State will take title to. All other items shall become the property of LPPS. The Water Authority via the LPS shall arrange for delivery, from the LPP to the State, of items the State takes title to. Cost of transportation, if any, shall be borne by the State.
- D.16. **DRUG-FREE WORKPLACE CERTIFICATION:** Certification of Compliance: By signing this Agreement, the LPP, its contractors or subcontractors hereby certify, under penalty of perjury under the laws of State of California, are in compliance with the requirements of the Drug-Free Workplace Act of 1990 (Gov. Code, § 8350 et seq.) and have or will provide a drug-free workplace by taking the following actions:
- A. Publish a statement notifying employees, contractors, and subcontractors that unlawful manufacture, distribution, dispensation, possession, or use of a

- controlled substance is prohibited and specifying actions to be taken against employees, contractors, or subcontractors for violations, as required by Government Code section 8355.
- B. Establish a Drug-Free Awareness Program, as required by Government Code section 8355 to inform employees, contractors, or subcontractors about all of the following:
- i. The dangers of drug abuse in the workplace,
 - ii. The LPP's policy of maintaining a drug-free workplace,
 - iii. Any available counseling, rehabilitation, and employee assistance programs, and
 - iv. Penalties that may be imposed upon employees, contractors, and subcontractors for drug abuse violations.
- C. Provide, as required by Government Code section 8355, that every employee, contractor, and/or subcontractor who works under this Agreement:
- i. Will receive a copy of the LPP's drug-free policy statement, and
 - ii. Will agree to abide by terms of the LPP's condition of employment, contract or subcontract.
- D.17. EASEMENTS: Where the LPP acquires property in fee title or funds improvements to real property already owned in fee by the LPP using State funds provided via the Water Authority through this Agreement, an appropriate easement or other title restriction providing for floodplain preservation and agricultural and/or wildlife habitat conservation for the subject property in perpetuity, approved by the State and the Water Authority, shall be conveyed to a regulatory or trustee agency or conservation group acceptable to the State and the Water Authority. The easement or other title restriction must be in first position ahead of any recorded mortgage or lien on the property unless this requirement is waived by the State and the Water Authority.
- Where the LPP acquires an easement under this Agreement, the LPP agrees to monitor and enforce the terms of the easement, unless the easement is subsequently transferred to another land management or conservation organization or entity with State and Water Authority permission, at which time monitoring and enforcement responsibilities will transfer to the new easement owner.
- Failure to provide an easement acceptable to the State and Water Authority may result in termination of this Agreement.
- D.18. FINAL INSPECTIONS AND CERTIFICATION OF REGISTERED PROFESSIONAL: Upon completion of the Project, LPS shall provide for a final inspection and certification by a California Registered Professional (i.e., Professional Civil Engineer, Engineering Geologist), that the Project has been completed in accordance with submitted final plans and specifications and any modifications thereto and in accordance with this Grant agreement.
- D.19. GOVERNING LAW: This agreement is governed by and shall be interpreted in accordance with the laws of the State of California.
- D.20. INCOME RESTRICTIONS: The LPP agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the LPP under this Agreement shall be paid by the LPP to the Water Authority for remitting to the State, to the extent that they are properly allocable to costs for which the LPP has been reimbursed under this Agreement. The LPP shall also include in each of its

contracts for work under this Agreement a provision that incorporates the requirements stated within this Paragraph.

- D.21. INDEPENDENT CAPACITY: LPP, and the agents and employees of the LPP, in the performance of this Agreement, shall act in an independent capacity and not as officers, employees, or agents of the State or the Water Authority.
- D.22. INSPECTION OF BOOKS, RECORDS, AND REPORTS: During regular office hours, each of the parties hereto and their duly authorized representatives shall have the right to inspect and to make copies of any books, records, or reports of either party pertaining to this Agreement or matters related hereto. Each of the parties hereto shall maintain and shall make available at all times for such inspection accurate records of all its costs, disbursements, and receipts with respect to its activities under this Agreement. Failure or refusal by the LPP to comply with this provision shall be considered a breach of this Agreement, and the State, Water Authority and LPS may withhold disbursements to the LPP or take any other action it deems necessary to protect its interests.
- D.23. INSPECTIONS OF PROJECT BY STATE AND THE WATER AUTHORITY: The State and the Water Authority shall have the right to inspect the work being performed at any and all reasonable times during the term of this Agreement. This right shall extend to any subcontracts, and the LPP shall include provisions ensuring such access in all its contracts or subcontracts entered into pursuant to its Agreement with the Water Authority.
- D.24. LABOR CODE COMPLIANCE: The LPP agrees to be bound by all the provisions of the Labor Code regarding prevailing wages and shall monitor all contracts subject to reimbursement from this Agreement to assure that the prevailing wage provisions of the Labor Code are being met. Current Department of Industrial Relations (DIR) requirements may be found at: <http://www.dir.ca.gov/lcp.asp>. For more information, please refer to DIR's Public Works Manual at: <https://www.dir.ca.gov/dlse/PWManualCombined.pdf>. The LPP affirms that it is aware of the provisions of section 3700 of the Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance, and the LPP affirms that it will comply with such provisions before commencing the performance of the work under this Agreement and will make its contractors and subcontractors aware of this provision.
- D.25. MODIFICATION OF OVERALL WORK PLAN: At the request of the LPP, or when found to be necessary by the Water Authority and the LPP agrees, the Water Authority will forward any requests for non-material changes to Exhibits A, B, and C which concern the budget and schedule to the State. The State may, at its sole discretion, approve those non-material changes, and upon such approval, such changes will be made herein without formal amendment to this Agreement. Non-material changes with respect to the budget are changes that only result in reallocation of the budget and will not result in an increase in the amount of the Grant. Non-material changes with respect to the Project schedule are changes that will not extend the term of this Agreement. Requests for non-material changes to the budget and schedule must be submitted by the LPP to the Water Authority in writing and are not effective unless and until specifically approved by the State, via the Water Authority, in writing.

- D.26. **NONDISCRIMINATION:** During the performance of this Agreement, the LPP and its contractors or subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex (gender), sexual orientation, gender identity, race, color, ancestry, religion, creed, national origin (including language use restriction), pregnancy, physical disability (including HIV and AIDS), mental disability, medical condition (cancer/genetic characteristics), age (over 40), marital/domestic partner status, and denial of medical and family care leave or pregnancy disability leave. The LPP and its contractors or subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. The LPP and its contractors or subcontractors shall comply with the provisions of the California Fair Employment and Housing Act (Gov. Code, § 12990.) and the applicable regulations promulgated thereunder (Cal. Code Regs., tit. 2, § 11000 et seq.). The applicable regulations of the Fair Employment and Housing are incorporated into this Agreement by reference. The LPP and its contractors or subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. The LPP shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.
- D.27. **OPINIONS AND DETERMINATIONS:** Where the terms of this Agreement provide for action to be based upon, judgment, approval, review, or determination of either party hereto, such terms are not intended to be and shall never be construed as permitting such opinion, judgment, approval, review, or determination to be arbitrary, capricious, or unreasonable.
- D.28. **PERFORMANCE BOND/SURETY:** Where contractors are used, the LPP shall not authorize construction to begin until each contractor has furnished a performance bond in favor of the LPP in the following amounts: faithful performance (100%) of contract value, and labor and materials (100%) of contract value. This requirement shall not apply to any contract for less than \$25,000.00. Any bond issued pursuant to this Paragraph must be issued by a California-admitted surety. (Pub. Contract Code, § 7103; Code Civ. Proc., § 995.311.)
- D.29. **PRIORITY HIRING CONSIDERATIONS:** If this Agreement includes services in excess of \$200,000, the LPP shall give priority consideration in filling vacancies in positions funded by the Grant to qualified recipients of aid under Welfare and Institutions Code section 11200 in accordance with Public Contract Code section 10353.
- D.30. **PROHIBITION AGAINST DISPOSAL OF PROJECT WITHOUT STATE PERMISSION:** The LPP shall not sell, abandon, lease, transfer, exchange, mortgage, hypothecate, or encumber in any manner whatsoever all or any portion of any real or other property necessarily connected or used in conjunction with the Project, or with LPP's service of water, without prior written notification to the Water Authority and written permission of the State. LPP shall not take any action, including but not limited to actions relating to user fees, charges, and assessments that could adversely affect the ability of Grantee meet its obligations under this Agreement, without prior written to the Water Authority and prior written permission of the State. The Water Authority may require that the proceeds from the disposition of any real or personal property be remitted to the Water Authority for prompt disbursement to the State.

- D.31. PROJECT ACCESS: The LPP shall ensure that the LPS, Water Authority, State, the Governor of the State, or any authorized representative of the foregoing, will have safe and suitable access to the Project site at all reasonable times during Project construction and thereafter for the term of this Agreement.
- D.32. REMAINING BALANCE: In the event the LPP does not submit invoices requesting all of the funds encumbered under this Grant Agreement for its Project, any remaining funds revert to the State. The Water Authority will notify the LPP stating that the Project file is closed and any remaining balance will be disencumbered and unavailable for further use under the Agreement.
- D.33. REMEDIES NOT EXCLUSIVE: The use by either Party of any remedy specified herein for the enforcement of this Agreement is not exclusive and shall not deprive the Party using such remedy of, or limit the application of, any other remedy provided by law.
- D.34. RETENTION: The State shall withhold ten percent (10%) of the funds, for each project, until the project is complete, and a Final Project Report is approved and accepted by DWR. If a project has multiple Components (within a project), at the State's discretion and upon a written request by the LPP via the LPS, any retained amount attributable to a single component may be released when that component is complete and the Final Component Completion Report is approved. Upon approval of the Final Project Report and/or Final Component Completion Report, any retained amounts due to the LPP will be promptly disbursed to the Grantee, without interest, for prompt payment to the LPP.
- D.35. RIGHTS IN DATA: LPP agrees that all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes and other written or graphic work produced in the performance of this Grant agreement shall be made available to the Water Authority and the State, and shall be in the public domain to the extent to which release of such materials is required under the California Public Records Act. (Gov. Code, § 6250 et seq.) LPP may disclose, disseminate and use in whole or in part, any final form data and information received, collected and developed under this Agreement, subject to appropriate acknowledgment of credit to the State for financial support. The LPP shall not utilize the materials for any profit-making venture or sell or grant rights to a third party who intends to do so. The State, Water Authority and LPS shall have the right to use any data described in this Paragraph for any public purpose.
- D.36. SEVERABILITY: Should any portion of this Agreement be determined to be void or unenforceable, such shall be severed from the whole and the Agreement shall continue as modified.
- D.37. SUSPENSION OF PAYMENTS: This Agreement may be subject to suspension of payments or termination, or both if the State or Water Authority determines that:
- A. The LPP, its contractors, or subcontractors have made a false certification, or
 - B. The LPP, its contractors, or subcontractors violates the certification by failing to carry out the requirements noted in this Agreement.

- D.38. SUCCESSORS AND ASSIGNS: This Agreement and all of its provisions shall apply to and bind the successors and assigns of the parties. No assignment or transfer of this Agreement or any part thereof, rights hereunder, or interest herein by the LPP shall be valid unless and until it is approved by Water Authority made subject to such reasonable terms and conditions as the Water Authority may impose.
- D.39. TERMINATION BY LPP: Subject to State and Water Authority approval which may be reasonably withheld, the LPP may terminate this Agreement and be relieved of contractual obligations. In doing so, the LPP must provide a reason(s) for termination. The LPP must submit all progress reports summarizing accomplishments up until termination date.
- D.40. TERMINATION FOR CAUSE: Subject to the right to cure under Paragraph 13, "Default Provisions," the Water Authority may terminate this Agreement and be relieved of any payments should the LPP fail to perform the requirements of this Agreement at the time and in the manner herein, provided including but not limited to reasons of default under Paragraph 13, "Default Provisions."
- D.41. TERMINATION WITHOUT CAUSE: The Water Authority may terminate this Agreement without cause on 30 days' advance written notice. The LPP shall be reimbursed for all reasonable expenses incurred up to the date of termination.
- D.42. THIRD PARTY BENEFICIARIES: The parties to this Agreement do not intend to create rights in, or grant remedies to, any third party as a beneficiary of this Agreement, or any duty, covenant, obligation or understanding established herein.
- D.43. TIMELINESS: Time is of the essence in this Agreement.
- D.44. TRAVEL – DAC, EDA, TRIBES PROJECT: Travel is only an eligible reimbursable expense for projects providing at least 75% of benefits to DACs, EDAs, and/or Tribes (based on population or geographic area). Only ground transportation and lodging are eligible for grant reimbursement. Per diem costs will not be eligible for grant reimbursement. Any reimbursement for necessary travel shall be at rates not to exceed those set by the California Department of Human Resources. These rates may be found at: <http://www.calhr.ca.gov/employees/Pages/travel-reimbursements.aspx>. Reimbursement will be at the State travel amounts that are current as of the date costs are incurred. No travel outside of the IRWM region shall be reimbursed unless prior written authorization is obtained from the State, via the Water Authority.
- D.45. UNION ORGANIZING: The LPP, by signing this Agreement, hereby acknowledges the applicability of Government Code sections 16645 through 16649 to this Agreement. Furthermore, the LPP, by signing this Agreement, hereby certifies that:
- A. No State funds disbursed by this Agreement will be used to assist, promote, or deter union organizing.
 - B. The LPP shall account for State funds disbursed for a specific expenditure by this Agreement to show those funds were allocated to that expenditure.
 - C. The LPP shall, where State funds are not designated as described in (B) above, allocate, on a pro-rata basis, all disbursements that support the program.

- D. If the LPP makes expenditures to assist, promote, or deter union organizing, the LPP will maintain records sufficient to show that no State funds were used for those expenditures and that the LPP shall provide those records to the State Attorney General, via the Water Authority, upon request.
- D.46. VENUE: The Water Authority and the LPP hereby agree that any action arising out of this Agreement shall be filed and maintained in the Superior Court in and for the County of Sacramento, California, or in the United States District Court in and for the Eastern District of California. The LPP hereby waives any existing sovereign immunity for the purposes of this Agreement.
- D.47. WAIVER OF RIGHTS: None of the provisions of this Agreement shall be deemed waived unless expressly waived in writing. It is the intention of the parties hereto that from time to time either party may waive any of its rights under this Agreement unless contrary to law. Any waiver by either party of rights arising in connection with this Agreement shall not be deemed to be a waiver with respect to any other rights or matters, and such provisions shall continue in full force and effect.
- D.48. WORKERS' COMPENSATION: LPP affirms that it is aware of the provisions of §3700 of the Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and LPP affirms that it will comply with such provisions before commencing the performance of the work under this LPP Agreement and will make its contractors and subcontractors aware of this provision.

EXHIBIT E**LOCAL PROJECT SPONSOR AGENCY DESIGNATION AND PROJECT LOCATION**

The Water Authority has designated San Elijo Joint Powers Authority (SEJPA) as the Local Project Sponsor (LPS) for its Project, the North County Recycled Water Project, according to the roles of the participating agencies identified in the IRWM Plan. As the assigned LPS, SEJPA may act on behalf of the Water Authority for the purposes of management, oversight, compliance, and operations and maintenance of its Project. The LPS and Project are identified below with a map and coordinates of Project location.

Figure 4-14: Recycled Water Pipeline: South El Camino Real



EXHIBIT F

REPORT FORMATS AND REQUIREMENTS

The following reporting formats should be utilized. Please obtain Water Authority approval prior to submitting a report in an alternative format.

PROGRESS REPORTS

Progress reports shall generally use the following format. This format and report contents may be modified by the Water Authority as necessary to effectively communicate information. For each project, discuss the following, as organized in Exhibit A:

- Percent complete
- Discussion of work accomplished during the reporting period
- Milestones or deliverables completed/submitted during the reporting period
- Meetings held or attended
- Scheduling concerns and issues encountered that may delay completion of the task
- Budget projections for grant share for the next two quarters
- Work anticipated for the next reporting period
- Photo documentation, as appropriate
- Any schedule or budget modifications approved by DWR during the reporting period

PROJECT COMPLETION REPORT

The Project Completion Report (or a Component Completion Report, if a Project has multiple Components) shall generally use the following format provided below for each project after completion.

Executive Summary

The Executive Summary should include a brief summary of project information and include the following items:

- Brief description of work proposed to be done in the original Grant application
- List any official amendments to this Agreement, with a short description of the amendment

Reports and/or Products

The following items should be provided, unless already submitted as a deliverable:

- A copy of any final technical report or study, produced for or utilized in this Project as described in the Exhibit A
- Electronic copies of any data collected, not previously submitted
- Discussion of problems that occurred during the work and how those problems were resolved
- Final project schedule showing actual progress versus planned progress as shown in Exhibit C

Additional information that may be applicable for implementation projects includes the following:

- Record drawings
- Final geodetic survey information

- Project photos

Cost & Disposition of Funds

A list showing:

- Summary of Project costs including the following items:
 - Accounting of the cost of project expenditure;
 - Include all internal and external costs not previously disclosed (i.e., additional cost share); and
 - A discussion of factors that positively or negatively affected the project cost and any deviation from the original Project cost estimate.

Additional Information

- Benefits derived from the Project, with quantification of such benefits provided
- If applicable, Certification from a California Registered Professional (Civil Engineer or Geologist, as appropriate), consistent with Exhibit D, that the project was conducted in accordance with the approved Work Plan in Exhibit A and any approved amendments thereto
- Submittal schedule for the Post-Performance Report

POST-PERFORMANCE REPORT

The Post-Performance Report (PPR) should be concise and focus on how each project is performing compared to its expected performance; whether the project is being operated and maintained and providing intended benefits as proposed. A PPR template may be provided by the Water Authority's Grant Administration Program. The PPR should follow the general format of the template and provide requested information as applicable. The following information, at a minimum, shall be provided:

Reports and/or products

- Header including the following:
 - LPP Name
 - Implementing Agency (if different from LPS)
 - Grant Agreement Number and LPP Agreement Nos.
 - Project Name
 - Funding grant source (i.e., 2019 Proposition 1 IRWM Implementation Grant)
 - Report number
- Post-Performance Report schedule
- Time period of the annual report (e.g., January 2018 through December 2018)
- Project Description Summary
- Discussion of the project benefits
- An assessment of any differences between the expected versus actual project benefits as stated in the original application. Where applicable, the reporting should include quantitative metrics (e.g., new acre-feet of water produced that year, etc.).
- Summary of any additional costs and/or benefits deriving from the project since its completion, if applicable
- Any additional information relevant to or generated by the continued operation of the project

EXHIBIT G

REQUIREMENTS FOR DATA SUBMITTAL

Surface and Groundwater Quality Data:

Groundwater quality and ambient surface water quality monitoring data that include chemical, physical, or biological data shall be submitted to the State as described below, with a narrative description of data submittal activities included in project reports.

Surface water quality monitoring data shall be prepared for submission to the California Environmental Data Exchange Network (CEDEN). The CEDEN data templates are available on the CEDEN website. Inclusion of additional data elements described on the data templates is desirable. Data ready for submission should be uploaded to your CEDEN Regional Data Center via the CEDEN website. CEDEN website: <http://www.ceden.org>.

If a project's Work Plan contains a groundwater ambient monitoring element, groundwater quality monitoring data shall be submitted to the State for inclusion in the State Water Resources Control Board's Groundwater Ambient Monitoring and Assessment (GAMA) Program. Information on the GAMA Program can be obtained at: https://www.waterboards.ca.gov/water_issues/programs/gama/. If further information is required, the LPS can contact the State Water Resources Control Board (SWRCB) GAMA Program. A listing of SWRCB staff involved in the GAMA program can be found at: https://www.waterboards.ca.gov/water_issues/programs/gama/contact.shtml.

Groundwater Level Data

For each project that collects groundwater level data, the LPS will need to submit this data to DWR's Water Data Library (WDL), and report on the Progress Reports with a narrative description of data submittal activities included in project reports, as described in Exhibit F (Report Formats and Requirements). Information regarding the WDL and in what format to submit data can be found at: <http://www.water.ca.gov/waterdatalibrary/>.

EXHIBIT H

STATE AND WATER AUTHORITY AUDIT DOCUMENT REQUIREMENTS FOR THE LPP

The following provides a list of documents typically required by State Auditors or the Water Authority and general guidelines for the Local Project Participant (Agency). List of documents pertains to both State funding and the Local Project Participant's Cost Share and details the documents/records that State Auditors and the Water Authority would need to review in the event this Agreement is audited. The Local Project Participant should ensure that such records are maintained for the Project.

State and Water Authority Audit Document Requirements

Internal Controls

1. Organization chart (e.g., Agency's overall organization chart and organization chart for the State funded Project).
2. Written internal procedures and flowcharts for the following:
 - a) Receipts and deposits
 - b) Disbursements
 - c) State reimbursement requests
 - d) Expenditure tracking of State funds
 - e) Guidelines, policy, and procedures on State funded Program/Project
3. Audit reports of the Agency internal control structure and/or financial statements within the last two years.
4. Prior audit reports on the State funded Program/Project.

State Funding:

1. Original Local Project Participant Agreement, any amendment(s) and budget modification documents.
2. A listing of all bond-funded grants, loans, or subventions received from the State.
3. A listing of all other funding sources for the Project.

Contracts:

1. All subcontractor and consultant contracts and related or partners' documents, if applicable.
2. Contracts between the Agency, member agencies and local project partners as related to the State funded Project.

Invoices:

1. Invoices from vendors and subcontractors for expenditures submitted to the State via the Water Authority for payments under this Agreement.
2. Documentation linking subcontractor invoices to State reimbursement, requests and related Local Project Participant Agreement budget line items.
3. Reimbursement requests submitted to the State, via Water Authority, under this Agreement.

Cash Documents:

1. Receipts (copies of warrants) showing payments received from the State via the Water Authority.
2. Deposit slips (or bank statements) showing deposit of the payments received from the State via the Water Authority.
3. Canceled checks or disbursement documents showing payments made to vendors, subcontractors, consultants, and/or agents under the grants or loans.
4. Bank statements showing the deposit of the receipts.

Accounting Records:

1. Ledgers showing entries for funding receipts and cash disbursements.
2. Ledgers showing receipts and cash disbursement entries of other funding sources.
3. Bridging documents that tie the general ledger to requests for LPP Agreement reimbursement.

Administration Costs:

1. Supporting documents showing the calculation of administration costs.

Personnel:

1. List of all contractors and Agency staff that worked on the State-funded Project.
2. Payroll records including timesheets for contractor staff and the Agency and local project partner personnel who provided services charged to the Project.

Project Files:

1. All supporting documentation maintained in Project files.
2. All LPP Agreement related correspondence.

EXHIBIT I

PROJECT MONITORING PLAN GUIDANCE

Introduction

For each project contained in Exhibit A, please include a brief description of the project (maximum ~150 words) including project location, implementation elements, need for the project (what problem will the project address) and responds to the requirements listed below.

Project Monitoring Plan Requirements

The Project Monitoring Plan shall contain responses to the following questions:

- What are the anticipated project physical benefits?
- What are the corresponding numeric targets for each project benefit?
- How will proposed numeric targets be measured?
- What are baseline conditions?
- When will the targets be met (e.g., upon project completion, five years after completion)?
- How often will monitoring be undertaken (e.g., monthly, yearly)?
- Where are monitoring point locations (e.g., meter located at..., at stream mile...)? Include relevant maps.
- How will the project be maintained (e.g., irrigation, pest management, weed abatement)?
- What will be the frequency and duration of maintenance proposed activities?
- Are there any special environmental considerations (e.g., resource agency requirements, permit requirements, CEQA/NEPA mitigation measures)?
- Who is responsible for collecting the samples (i.e., who is conducting monitoring and/or maintenance)?
- How, and to whom, will monitoring results be reported (e.g., paper reports, online databases, public meetings)?
- What adaptive management strategies will be employed if problems are encountered during routine monitoring or maintenance?
- What is the anticipated life of the project?

EXHIBIT J

REIMBURSEMENT TO THE WATER AUTHORITY FOR GRANT ADMINISTRATION SERVICES COSTS

As the responsible party for IRWM grant contract administration, the Water Authority manages the Proposition 1 Implementation Grant through its Grant Agreement with the State and its individual Agreements with LPS, ensuring each Project is implemented accordingly. As such, the Water Authority's Grant Administration Program (GAP) performs necessary grants administration services that include: compiling, finalizing and submitting quarterly reports, invoices, deliverables, completion reports, and retention release requests; processing agreement amendment requests and resulting agreement amendments; responding to questions and requests for information and resolving issues; and performing other grants administration tasks deemed necessary to lawfully fulfill and responsibly execute its agreements with the State and LPS.

The following scope of work, estimated billing rates, and billing and payment method for reimbursement by the LPS to the Water Authority for incurred GAP costs are in force beyond September 30, 2025, or when otherwise deemed necessary and agreed upon by both Parties, through the termination of this Agreement (i.e. three years after final payment, as stated in Paragraph 2, "Term of Agreement").

1. Grant Administration Costs: Scope of Work

- a) **Agreement Administration:** This task includes grants administration work involved in administering the Grant Agreement, LPS Agreements, and any subsequent agreement amendments. This task also includes work related to disseminating Grant Program compliance information to the Project Manager responsible for implementing the Project; tracking and monitoring of all agreement requirements; and obtaining and retaining evidence of compliance, such as CEQA/NEPA documents, equipment inventory, reports, deliverables, and etc.
- b) **Invoice and Report Processing:** This task includes GAP serving as the lead in the quarterly review of and submitting to the State as one package: invoices and supporting documentation that ensure costs eligibility, agreement compliance, and budget adherence; progress reports that ensure work is performed according to agreement; and a Grant Administration progress report that summarizes grant administration efforts and activities of the previous quarter. Work includes responding to questions and requests for information and managing issues; preparing and submitting a Grant Program completion report; and receiving, reviewing and submitting to the State annual post-performance reports received from LPS.
- c) **Budget Updating and Monitoring:** This task includes updating and monitoring the Grant program budget through the life of the Grant Program, Project budgets, and the monitoring and tracking of reported Project expenditures and cost reimbursements received from the State and disbursed to LPS.
- d) **Grant Web Tool/Grants Management System Site Monitoring and Maintenance:** This task includes GAP monitoring and maintenance of the Water Authority's IRWM Web Tool/Grants Management System to provide LPS an internet-based method of submitting Project invoices, progress reports, deliverables and other requested information, as needed, for GAP processing and uploading to the State's GRanTS website, the official records repository for the State's grant-funded projects.
- e) **Coordination:** This task involves progress reporting on Grant program financial status and Project progress, agreements and amendments to the State, the RWMG, and the

Regional Advisory Group, as necessary. Work under this task also includes facilitating LPS meetings and providing any other coordination as needed.

- f) **Post-performance reporting support:** This task involves monitoring, review, and submittal to the State of the required annual Project post-performance reports prepared and provided to the Water Authority by the LPS. Review may include discussion, clarifying questions, and/or necessary edits pertaining to report contents. Monitoring ensures reports are filed according to schedule and include required information.
- g) **Audit support:** This task includes assisting the LPS in responding to the State in case of an audit. This work includes coordination between the State and the LPS and submittal of documentation supporting reimbursement requests, deliverables and other required reports as previously submitted by the LPS.

2. Grant Administration Costs: Billing Rate

Costs for Grant Administration Program services are based on the following estimated loaded hourly rate-ranges:

Senior Management Analyst	\$80 - \$100 per hour
Management Analyst	\$70 - \$90 per hour
Assistant Management Analyst	\$65 - \$85 per hour

These rates are estimates and subject to change.

3. Grant Administration Costs: Billing and Payment Method

- a) The Water Authority shall provide an invoice(s) to the LPS, which includes the number of labor hours charged by classification, a brief description of work performed, and the total costs incurred.
- b) All invoices will be sent to the attention of the Project Manager.
- c) Invoices must be paid to the Water Authority within 30 calendar days of invoice date. Invoice payment shall be sent to the address indicated on the invoice and must include the Project number.
- d) If a LPS fails to make timely payment, a delinquent charge of two percent (2%) of the delinquent invoice amount for each month, or portion thereof that the payment remains delinquent, shall apply. If the delinquency does not exceed five (5) business days, the charge shall be equal to one percent (1) of the delinquent invoice amount.
- e) If a LPS fails to make a payment, the LPS shall be in default of the Agreement in accordance with Paragraph 13, "Default Provisions".

Memo

Date: December 15, 2021
To: Olivenhain Municipal Water District Board of Directors
From: Cindy Pecile, Engineering & Right of Way Coordinator
Via: Kimberly A. Thorner, General Manager
Subject: **CONSIDER ACCEPTANCE OF THE MAIN EXTENSION 246 – DESERT ROSE WAY PROJECT (WPG DESERT ROSE, LLC) 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 WPG Desert Rose, LLC 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 potable water facilities are required to serve the Main Ext. 246 – Desert Rose Way development.

Background

The Main Extension 246 – Desert Rose Way Project is located off Desert Rose Way in Director Division 3 (Guerin). The project consists of the installation of an 8-inch PVC potable water pipeline extension and all related facilities to serve 16 single family dwelling units.

OMWD entered into an agreement with WPG Desert Rose, LLC in August 2018 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

OMWD staff is available to answer questions.

*Attachment(s):
Notice of Completion;
Location map*

**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 Ext. 246 – Desert Rose Way, located on Portola Road, in the City of Encinitas, County of San Diego, State of California for which WPG DESERT ROSE, LLC (“Developer”) contracted with the OLIVENHAIN MUNICIPAL WATER DISTRICT (“Owner”, in fee, of the facilities), headquartered at 1966 Olivenhain Road, Encinitas, CA 92024, and constructed by Douglas Pipeline, Inc., 502 Chaney Street, Lake Elsinore, CA 92530, have been completed in accordance with the plans and specifications as of October 19, 2021. The facilities have been accepted by the Board of Directors of the OLIVENHAIN MUNICIPAL WATER DISTRICT on this 15th day of December, 2021.

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.

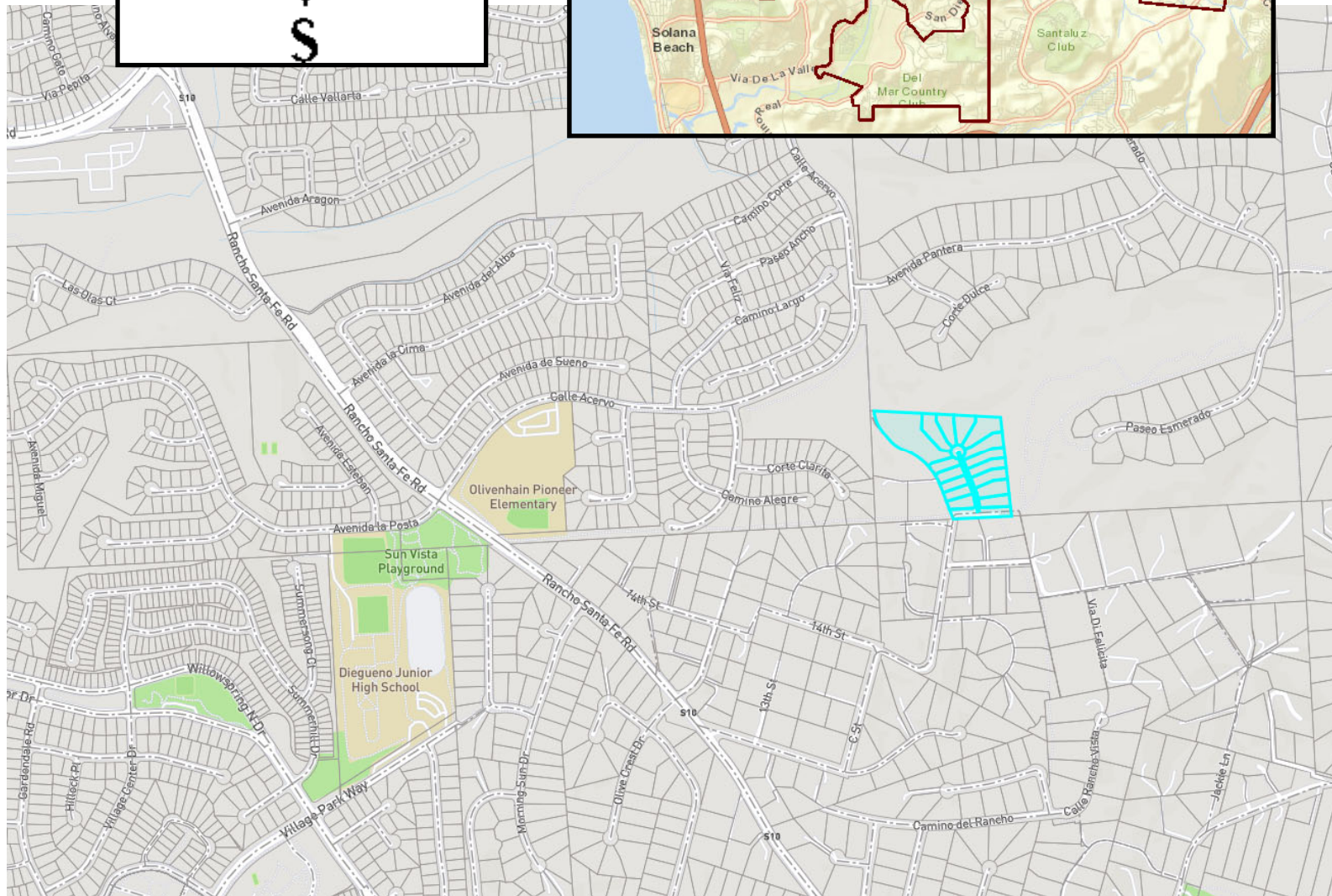
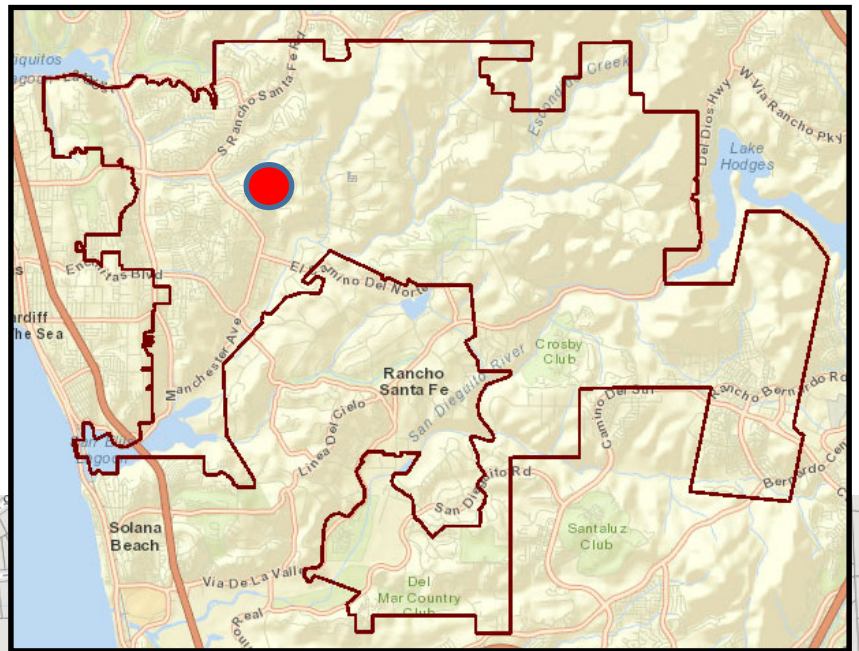
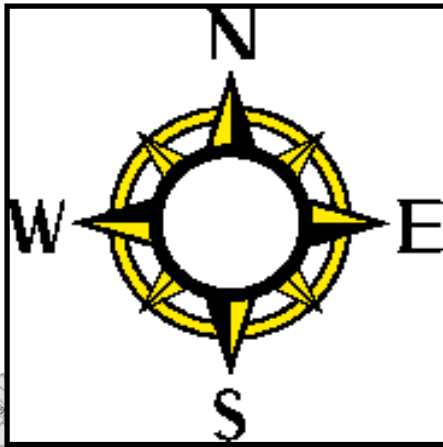
KIMBERLY A. THORNER, being first duly sworn, deposes and says that she is General Manager of the OLIVENHAIN MUNICIPAL WATER DISTRICT and is familiar with the facts stated in the foregoing Notice of Completion executed for and on behalf of said Agency, that she has read the foregoing Notice of Completion 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. W567920 – Ext. 246 – Desert Rose Way



EXT. 246 – DESERT ROSE WAY
DISTRICT PROJECT NO. W567920

Memo

Date: December 15, 2021
To: Olivenhain Municipal Water District Board of Directors
From: Cindy Pecile, Engineering & Right of Way Coordinator
Via: Kimberly A. Thorner, General Manager
Subject: **CONSIDER ACCEPTANCE OF THE MIRA COSTA COLLEGE BUILDING B100 FIRE DETECTOR CHECK INSTALL PROJECT (MIRA COSTA COMMUNITY COLLEGE DISTRICT) 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 Mira Costa Community College District 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 fire detector check was required by the fire department for proposed upgrades Mira Costa College was making to Building B100.

Background

The Mira Costa College Building B100 Fire Detector Check Install Project is located at 3333 Manchester Avenue in Director Division 1 (Topolovac). The project consists of the installation of a 4-inch fire detector check assembly and all related appurtenances.

OMWD entered into an agreement with Mira Costa Community College District in February 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

OMWD staff is available to answer questions.

*Attachment(s):
Notice of Completion;
Location map*

**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 for the Mira Costa College Building B100 Fire Detector Check Install Project located at 3333 Manchester Avenue, Cardiff, CA 92007, in the City of Cardiff, County of San Diego, State of California for which MIRA COSTA COMMUNITY COLLEGE DISTRICT ("Developer") contracted with the OLIVENHAIN MUNICIPAL WATER DISTRICT ("Owner," in fee, of the facilities), headquartered at 1966 Olivenhain Road, Encinitas, CA 92024 and constructed by Kyne Construction, Inc., 971 Industrial Place, El Cajon, CA 92020, have been completed in accordance with the plans and specifications as of November 15, 2021. The facilities have been accepted by the Board of Directors of the OLIVENHAIN MUNICIPAL WATER DISTRICT on this 15th day of December, 2021.

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.

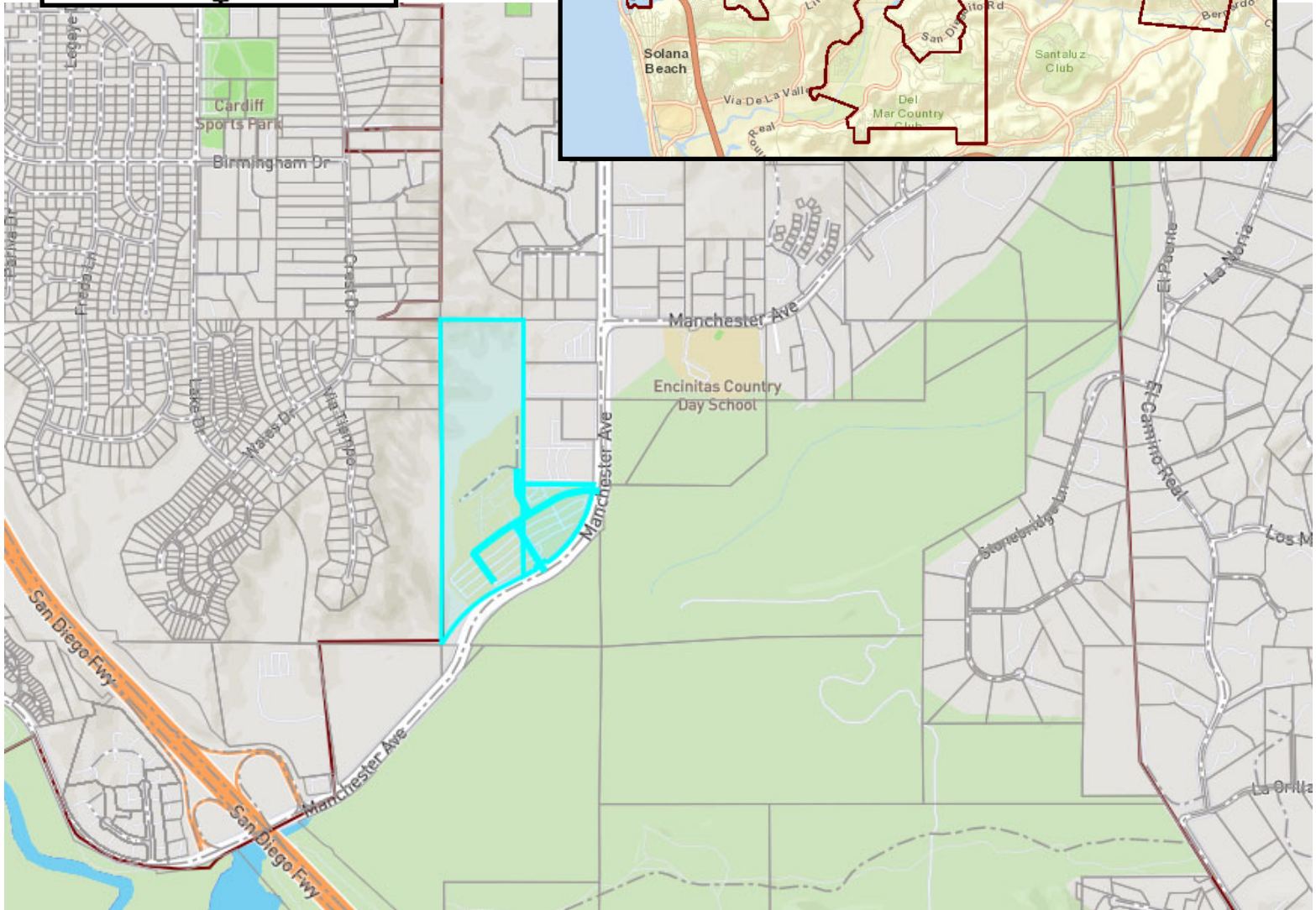
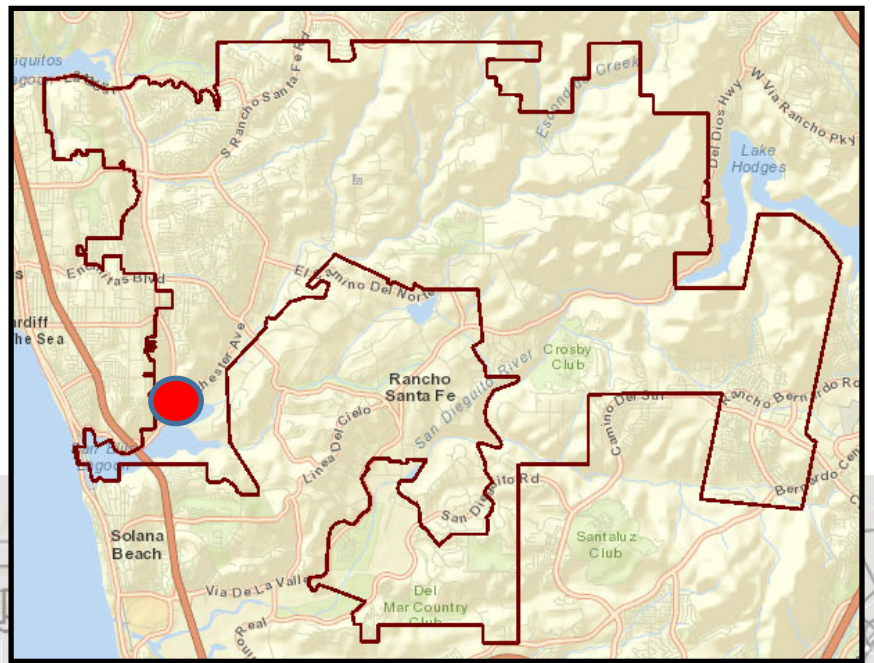
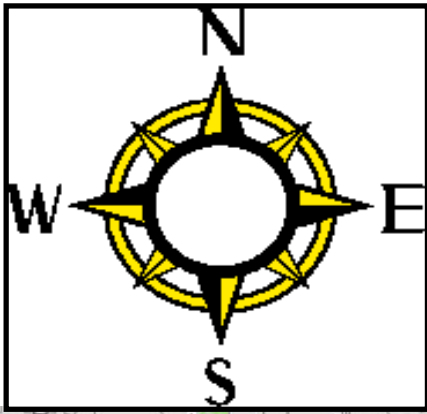
KIMBERLY A. THORNER, being first duly sworn, deposes and says that she is General Manager of the OLIVENHAIN MUNICIPAL WATER DISTRICT and is familiar with the facts stated in the foregoing Notice of Completion executed for and on behalf of said Agency, that she has read the foregoing Notice of Completion 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. W590286 – Mira Costa College Building B100 FDC Install



MIRA COSTA COLLEGE BUILDING B100 FDC INSTALL PROJECT

DISTRICT PROJECT NO. W590286

Memo

Date: December 15, 2021
To: Olivenhain Municipal Water District Board of Directors
From: Cindy Pecile, Engineering & Right of Way Coordinator
Via: Kimberly A. Thorner, General Manager
Subject: **CONSIDER APPROVAL OF A LEASE AGREEMENT BETWEEN APC TOWERS III, LLC AND OLIVENHAIN MUNICIPAL WATER DISTRICT TO ALLOW COMMUNICATIONS FACILITIES AT THE 4S-1 RESERVOIR SITE AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF OMWD**

Purpose

The purpose of this agenda items is to consider approval of a lease agreement between APC Towers III, LLC (APC) and OMWD to construct wireless communication facilities at the 4S-1 Reservoir site and authorize the General Manager to sign the lease agreement on behalf of OMWD. OMWD's General Counsel has reviewed the lease agreement.

Recommendation

Staff recommends approval of the proposed lease agreement.

Alternative

The Board of Directors could elect not to approve the proposed lease agreement or to recommend changes to the lease agreement. Also, the Board could decide not to allow APC to construct facilities at the site.

Background

In September 2013, OMWD informed all cell carriers at the 4S-1 Reservoir site their communications facilities currently mounted on the tank would need to be removed by December 2022. This request was made to facilitate future rehabilitation and maintenance of the tank. In the past, all carriers had to temporarily remove their facilities off the tank before OMWD could begin any work which added to the length of the project. OMWD also stated they would work with the carriers to find an alternate location at the site on which to relocate their facilities if they chose to stay at this location. T-Mobile expressed interest in staying at the site, and in April 2019 OMWD entered into a 1st Amendment to the original lease agreement with T-Mobile in order to give T-Mobile additional time beyond the original lease to design and build a free standing structure at the site. However due to the merger of T-Mobile and Sprint all new construction by T-Mobile was put on hold.

After the merger, T-Mobile sold off many of its sites to a third party management company. Late last year, OMWD learned T-Mobile had entered into a Build To Suit Master Services Agreement with APC for the 4S-1 Reservoir Site. APC will now undertake construction of a new communications tower at the site, and T-Mobile will rent space on the tower from APC. The 1st Amendment with T-Mobile expired on August 31, 2021, and the lease is now on a month to month basis. Per the terms of the new agreement, APC will begin paying rent for the site on the issuance of a valid building permit from the County of San Diego. APC's rent will start at the rate currently being paid by T-Mobile for the site and escalate annually at a rate of three percent (3%). Also, T-Mobile will continue to pay rent to OMWD for the site since their current antennas mounted on the tank will stay operational until APC completes construction of the tower. Once T-Mobile's facilities are transferred over to the new tower, payments will cease from T-Mobile. As stated above, the initial lease term will commence on the issuance of a valid building permit from the County of San Diego and expire on November 1, 2030. APC will have the option to extend the lease for two (2) additional 10-year terms.

OMWD initially worked with T-Mobile to find a suitable location at the current site to construct a new free-standing tower for relocation of their facilities off the tank. A location in the northeast corner of the property was agreed upon. APC will construct their new tower the previously agreed upon location. A new equipment enclosure will not be required at the site, since T-Mobile will continue to house their equipment in the existing structure on site.

Fiscal Impact

In 2019, OMWD commissioned a lease valuation study by Steel In The Air determining OMWD rental payments were typically above the average for the southern California area. Typically, new leases start at \$2,200 with a two percent (2%) yearly escalation. During negotiation of this lease, APC agreed to start lease payments at the current rate of \$3,371.17 per month with a three percent (3%) yearly escalation. Additionally, OMWD will also receive a \$5,000 signing bonus within 45 days of lease commencement to cover administrative costs related to the lease and construction of the new tower. The starting rental payment, yearly escalation rate, and signing bonus are at or above current industry rates for the area.

The proposed lease agreement is for an initial term to commence on issuance of a valid building permit from the County of San Diego and will expire on November 1, 2030. After the initial term, the lease allows for two (2) additional 10-year extensions. At execution of this new lease agreement, APC will begin paying rent at the current T-Mobile rate as stated above. This new lease agreement will give OMWD just under 30 additional years of rental payments.

Discussion

The terms of the proposed lease agreement have been agreed to by APC, and a copy of the proposed lease agreement is attached for review. Also included are site plans for the new relocation. Staff is available to answer questions.

Attachment(s):

Proposed Site Plans;

Proposed Lease Agreement;

Location map

OWNER'S NAME: OLIVENHAIN MUNICIPAL WATER DISTRICT

ASSESSOR'S PARCEL NUMBER(S) 678-242-05-00

BASIS OF BEARINGS: (NAD83; EPOCH 2010)

THE BEARINGS SHOWN HEREON ARE BASED CALIFORNIA STATE PLANE
COORDINATE SYSTEM - ZONE 6. AS DETERMINED BY G.P.S.
OBSERVATIONS, USING TRIMBLE 5700/5800 RECEIVERS AND TRIMBLE
GEODETIC OFFICE 1.60 SOFTWARE.

BASIS OF ELEVATIONS: NAVD 1988

ELEVATIONS ARE BASED ON GPS OBSERVATIONS FROM TWO NATIONAL GEODETIC SURVEY C.O.R.S. REFERENCE STATIONS: 1) MONP, ELEVATION = 6152.68' AND 2) P472, ELEVATION = 567.11' WITH GEOID 2012 CORRECTIONS APPLIED.

SITE DATA

FEMA FLOOD ZONE DESIGNATION: National Flood Insurance Program:
County: SAN DIEGO Effective Date: May 16, 2012
Panel: 06073C1088G
The Flood Zone Designation for this site is: ZONE: X

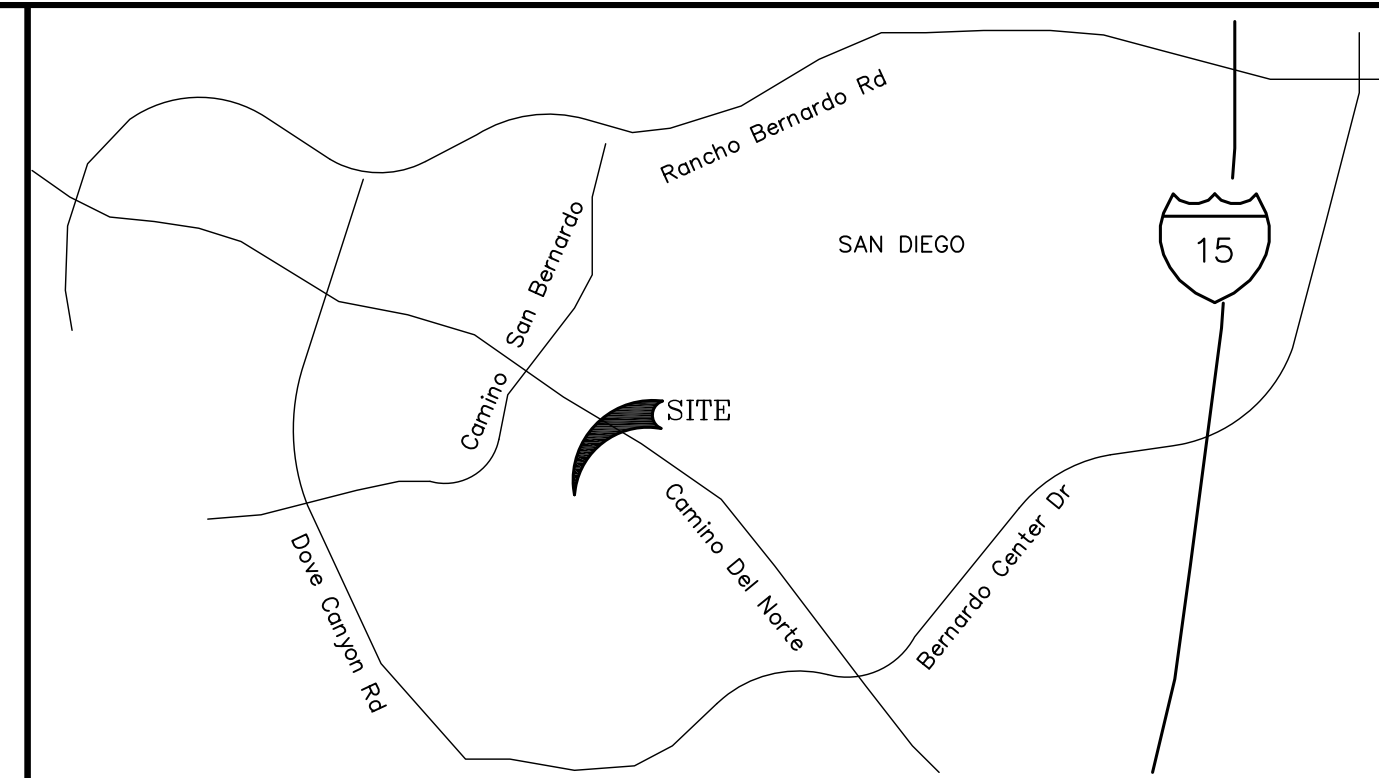
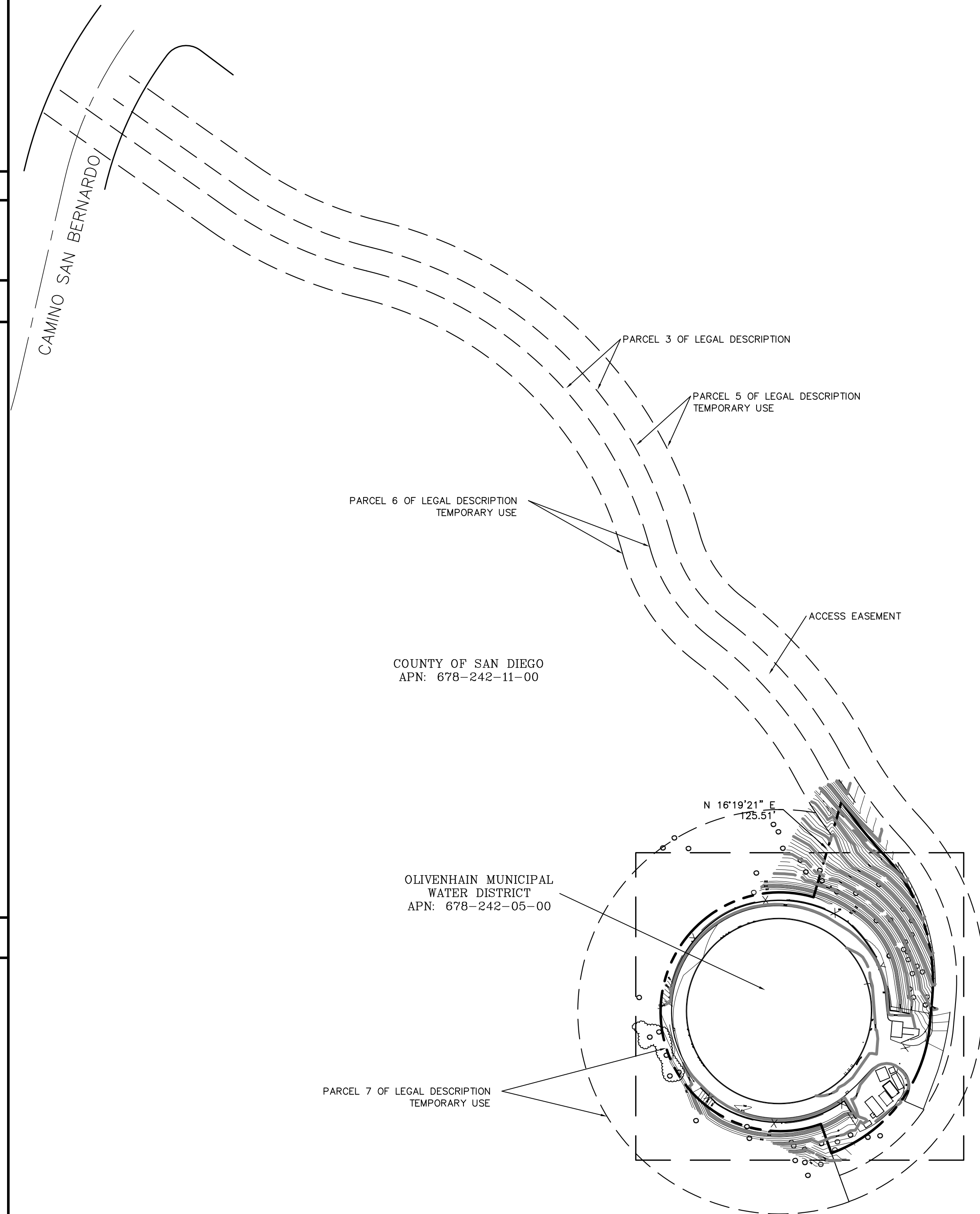
FEMA FLOOD ZONE INFORMATION

(SEE PAGE LS3)

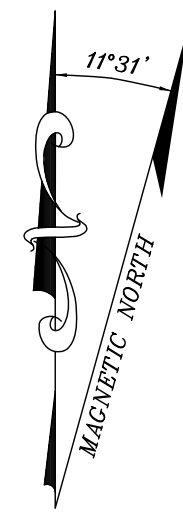
PROPERTY LEGAL DESCRIPTION

(SEE PAGE LS4)

TITLE REPORT NOTES












VICINITY MAP



LEGEND

These standard symbols will be found in the drawing.

- | | |
|---|-------------------|
|  | DOOR |
|  | ELECTRIC BOX |
|  | IRRIGATION VALVE |
|  | MONUMENT FOUND |
|  | STORM DRAIN INLET |
|  | TELEPHONE BOX |
|  | TELEPHONE PED |
|  | TREE DECIDUOUS |
|  | TOP OF ANTENNA |

- | | |
|-------|-----------------------|
| ANT | ANTENNA WIP/TV |
| BC | BOTTOM OF CURB |
| EC | CONCRETE SURFACE |
| EP | EDGE OF PAVEMENT |
| FNCP | FENCE TOP |
| NG | GROUND SPOT ELEVATION |
| RAIL | RAILING HAND |
| RTOP | ROOF TOP |
| RW | RETAINING WALL TOP |
| SDINL | STORMDRAIN INLET |
| TC | TOP OF CURB |
| TLRN | TELCO CABLE TRAY |
| TRTP | TREE TOP |
| TW | TOP OF WALL |
| WT | WATER TANK RIM |

- | | |
|--|---------------------|
| | BOUNDARY LINE |
| | CENTER LINE |
| | MISC. PROPERTY LINE |
| | MISC. TIE LINE |
| | RIGHT-OF-WAY LINE |
| | EASEMENT LINE |
| | FENCE LINE |
| | BUILDING EDGE |
| | OVERHEAD WIRES |

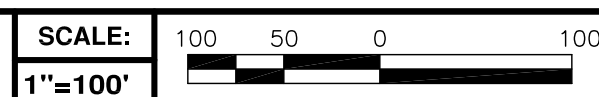
LEGEND

1) This is not a boundary survey. This is a specialized topographic map. The property lines and easements shown hereon are from record information as noted hereon. Floyd Surveying translated the topographic survey to record information using the two found monuments shown hereon. No title research was performed by Floyd Surveying.

2) Any changes made to the information on this plan, without the written consent of Floyd Surveying relieves Floyd Surveying of any and all liability.

3) These drawings & specifications are the property & copyright of Floyd Surveying & shall not be used on any other work except by agreement with the Surveyor. Written dimensions shall take preference over scaled & shall be verified on the job site. Any discrepancy shall be brought to the notice of the Surveyor prior to commencement of any work.

4) Field survey completed on May 31, 2018



GENERAL NOTES

ISSUE STATUS

E	6/05/20	ADD. PARCELS DESC.	DF
D	1/20/20	POLE LOCATIONS	DF
C	7/27/19	TITLE REVIEW	DF
B	5/17/19	ADD. TREE SURVEY	DF
A	6/10/18	SITE SURVEY	DF
REV	DATE	DESCRIPTION	BY



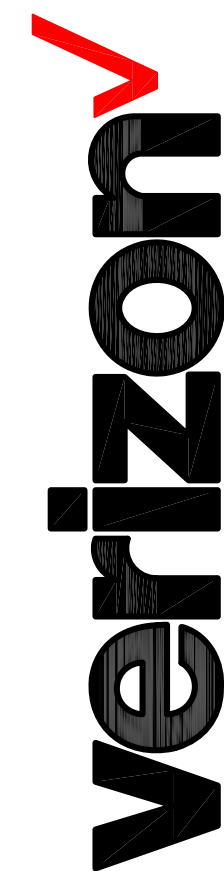
FLOYD
SURVEYING

34006 GALLERON STREET
TEMECULA, CA 92592
OFFICE: (949) 200-0626
EMAIL: fsi@floydsurveying.com

PROPRIETARY INFORMATION

THE INFORMATION CONTAINED IN THIS SET OF
DRAWINGS IS PROPRIETARY & CONFIDENTIAL TO
VERIZON WIRELESS

ANY USE OR DISCLOSURE OTHER THAN AS IT RELATES
TO VERIZON WIRELESS IS STRICTLY PROHIBITED



15505 SAND CANYON AVENUE, D1
IRVINE, CA 92618

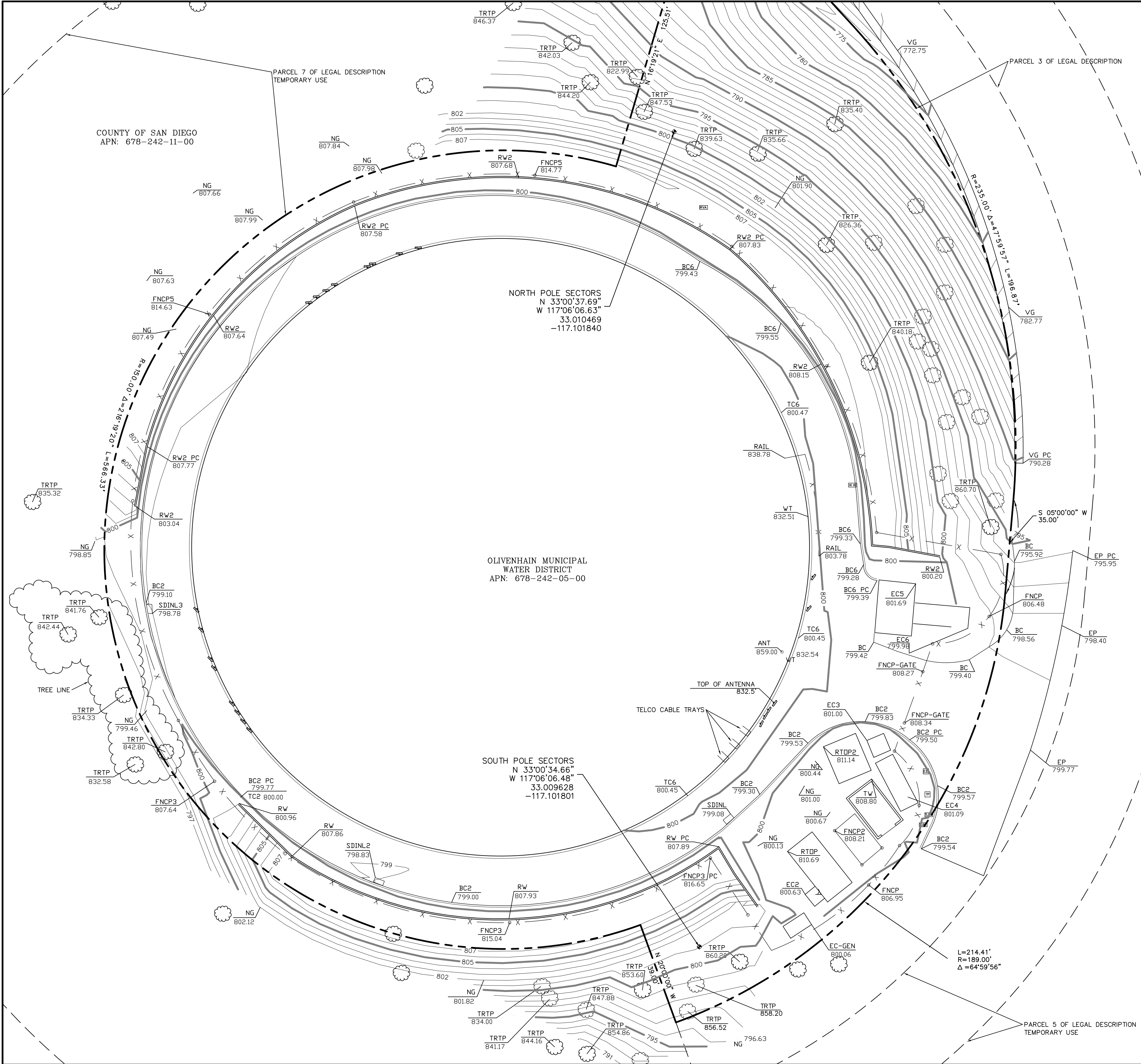


SONY HP

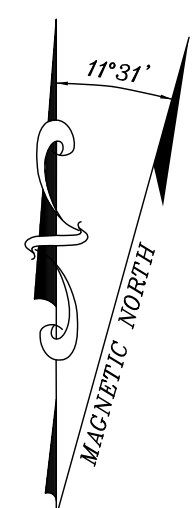
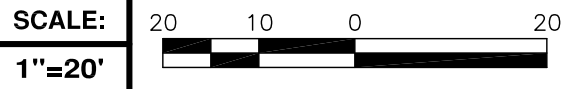
16900 CAMINO SAN BERNARDO
SAN DIEGO, CA 92127

SHEET TITLE:
SITE SURVEY
GENERAL INFORMATION

LS1



DETAIL SITE PLAN



LEGEND

These standard symbols will be found in the drawing.

- DOOR
- ELECTRIC BOX
- IRRIGATION VALVE
- MONUMENT FOUND
- STORM DRAIN INLET
- TELEPHONE BOX
- TELEPHONE PED
- TREE DECIDUOUS
- TOP OF ANTENNA
- ANTENNA WIP/TV
- BOTTOM OF CURB
- CONCRETE SURFACE
- EDGE OF PAVEMENT
- FENCE TOP
- GROUND SPOT ELEVATION
- RAILING HAND
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- EASEMENT LINE
- FENCE LINE
- BUILDING EDGE
- OVERHEAD WIRES

LEGEND

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- Field survey completed on May 31, 2018

GENERAL NOTES

ISSUE STATUS

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D	1/20/20	POLE LOCATIONS	DF
C	7/27/19	TITLE REVIEW	DF
B	5/17/19	ADD. TREE SURVEY	DF
A	6/10/18	SITE SURVEY	DF
REV	DATE	DESCRIPTION	BY



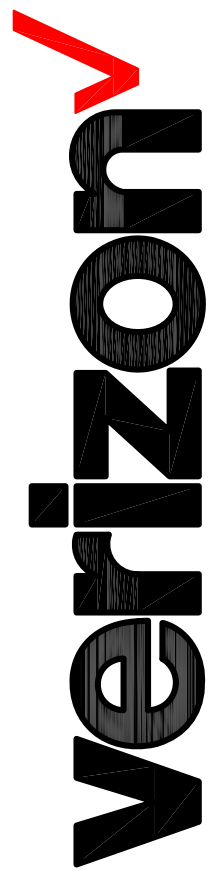
FLOYD
SURVEYING

34006 GALLERON STREET
TEMECULA, CA 92592
OFFICE: (949) 200-0626
EMAIL: fsi@floydsurveying.com

PROPRIETARY INFORMATION

THE INFORMATION CONTAINED IN THIS SET OF DRAWINGS IS PROPRIETARY & CONFIDENTIAL TO VERIZON WIRELESS

ANY USE OR DISCLOSURE OTHER THAN AS IT RELATES TO VERIZON WIRELESS IS STRICTLY PROHIBITED



15505 SAND CANYON AVENUE, D1
IRVINE, CA 92618



SONY HP

16900 CAMINO SAN BERNARDO
SAN DIEGO, CA 92127

SHEET TITLE:
SITE SURVEY
GENERAL INFORMATION

LS2

<p>LEGAL PARCEL 1: (APN: 678-242-05-00)</p> <p>ALL THAT PORTION OF RANCHO SAN BERNARDO, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF RECORDED IN BOOK 2, PAGE 462 OF PATENTS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID SAN DIEGO COUNTY DESCRIBED AS FOLLOWS:</p> <p>COMMENCING AT THE INTERSECTION OF THE SOUTHWESTERLY BOUNDARY OF COUNTY OF SAN DIEGO TRACT NO. 4478, ACCORDING TO THE MAP THEREOF NO. 11984, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID SAN DIEGO COUNTY, JANUARY 7, 1988, AND THE CENTER LINE OF CAMINO SAN BERNARDO, AS SAID INTERSECTION IS SHOWN ON SAID MAP NO. 11984; THENCE ALONG THE SOUTHWESTERLY PROLONGATION OF SAID CENTER LINE, SOUTH 36° 51'23" WEST 100.01 FEET TO A POINT HEREINAFTER REFERRED TO AS POINT "A"; THENCE SOUTH 54°44'52" EAST 223.64 FEET TO THE BEGINNING OF A TANGENT 500.00 FOOT RADIUS CURVE, CONCAVE NORTHEASTERLY; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 21°47'47" A DISTANCE OF 190.21 FEET TO THE BEGINNING OF A REVERSE CURVE, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 500.00 FEET; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 61°32'39" A DISTANCE OF 537.07 FEET TO THE BEGINNING OF A REVERSE 200.00 FOOT RADIUS CURVE, CONCAVE NORTHEASTERLY; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 38°00'00" A DISTANCE OF 132.65 FEET TO THE BEGINNING OF A REVERSE 500.00 FOOT RADIUS CURVE, CONCAVE SOUTHWESTERLY; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 25°00'00" A DISTANCE OF 218.17 FEET TO THE BEGINNING OF A REVERSE 500.00 FOOT RADIUS CURVE, CONCAVE NORTHEASTERLY; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 5°43'46" A DISTANCE OF 50.00 FEET TO A POINT HEREINAFTER REFERRED TO AS POINT "B"; THENCE ALONG THE SOUTHWESTERLY PROLONGATION OF A RADIAL LINE OF SAID CURVE, SOUTH 56°16'14" WEST 15.00 FEET TO THE TRUE POINT OF BEGINNING, BEING A POINT ON THE ARC OF A NON-TANGENT 515.00 FOOT RADIUS CURVE, CONCAVE NORTHEASTERLY, A RADIAL LINE TO SAID POINT BEARS SOUTH 56°16'14" WEST; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 9°16'14" A DISTANCE OF 83.33 FEET TO THE BEGINNING OF A REVERSE CURVE, CONCAVE WESTERLY, HAVING A RADIUS OF 235.00 FEET; THENCE SOUTHERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 48°00'00" A DISTANCE OF 196.87 FEET; THENCE TANGENT TO SAID CURVE, SOUTH 5°00'00" WEST 35.00 FEET TO THE BEGINNING OF A TANGENT 189.00 FOOT RADIUS CURVE, CONCAVE NORTHWESTERLY; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 65°00'00" A DISTANCE OF 214.41 FEET; THENCE ALONG A RADIAL LINE OF SAID CURVE, NORTH 20°00'00" WEST 39.00 FEET TO A POINT ON THE ARC OF A NON-TANGENT 150.00 FOOT RADIUS CURVE, CONCAVE EASTERLY; THENCE WESTERLY, NORTHERLY, AND EASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 216°19'21" A DISTANCE OF 566.33 FEET; THENCE ALONG THE NORTHERLY PROLONGATION OF A RADIAL LINE OF SAID CURVE, NORTH 16°19'21" EAST 125.51 FEET TO THE TRUE POINT OF BEGINNING.</p> <p>TOGETHER WITH THE RIGHT AND PRIVILEGE TO SPILL WATER FROM THE PROPERTY DESCRIBED IN PARCEL 1 ABOVE TO AND INTO THE EXISTING NATURAL DRAINAGE SWALES LOCATED WITHIN THE LANDS OF THE GRANTOR HEREIN, AND ALSO THE RIGHT TO CONSTRUCT, RECONSTRUCT, REPAIR, AND MAINTAIN A DRAINAGE PIPE OR PIPES, AND/OR A DRAINAGE DITCH OR DITCHES, TOGETHER WITH ANY APPURTENANCES INCIDENTAL THERETO, BEYOND THE BOUNDARIES OF THE PROPERTY DESCRIBED IN PARCEL 1 ABOVE AS MAY BE NECESSARY FOR SAID SPILLAGE AND/OR FOR THE CONVEYANCE AND DISPOSAL OF STORM AND/OR OTHER DRAINAGE WATERS.</p> <p>ALSO TOGETHER WITH AN EASEMENT AND RIGHT TO CONSTRUCT, RECONSTRUCT, REPAIR AND MAINTAIN EXCAVATION AND EMBANKMENT SLOPES BEYOND THE LIMITS OF THE PROPERTY DESCRIBED IN PARCEL 1 ABOVE, AS MAY BE REQUIRED AND/OR DEEMED NECESSARY OR CONVENIENT BY THE GRANTEE HEREIN, FOR THE CONSTRUCTION, OPERATION, AND MAINTENANCE OF A WATER RESERVOIR, AND ANY AND ALL APPURTENANCES INCIDENTAL THERETO, WITHIN SAID PROPERTY DESCRIBED IN PARCEL 1 ABOVE.</p> <p>AND ALSO TOGETHER WITH EASEMENTS TO ERECT, CONSTRUCT, RECONSTRUCT, REPLACE, REPAIR, MAINTAIN, AND USE A PIPELINE OR PIPELINES FOR ANY AND ALL PURPOSES, TOGETHER WITH SUCH FIXTURES AND APPURTENANCES, INCLUDING, BUT NOT LIMITED TO, FACILITIES FOR POWER TRANSMISSION AND COMMUNICATION PURPOSES, AT SUCH LOCATIONS AND ELEVATIONS, UPON, ALONG, OVER, AND UNDER SAID EASEMENTS AS GRANTEE MAY NOW OR HEREAFTER DETERMINE IN ITS SOLE DISCRETION WITHOUT ANY ADDITIONAL COMPENSATION THEREFOR, TOGETHER WITH THE RIGHT TO GRADE, CONSTRUCT, MAINTAIN, REPAIR, AND USE ACCESS ROADS WITHIN SAID EASEMENTS, AND ALSO TOGETHER WITH THE RIGHT TO GRADE, CONSTRUCT, MAINTAIN, REPAIR, AND USE ACCESS ROADS WITHIN THE LANDS OF THE GRANTOR HEREIN FOR THE PURPOSE OF INGRESS TO AND EGRESS FROM SAID EASEMENTS, AND INGRESS TO AND EGRESS FROM THE LAND DESCRIBED IN PARCEL 1 ABOVE, BY A PRACTICAL AND REASONABLE ROUTE OR ROUTES WHERE DEEMED CONVENIENT AND/OR NECESSARY BY THE GRANTEE HEREIN FOR THE CONSTRUCTION, OPERATION, AND MAINTENANCE OF SAID PIPELINE OR PIPELINES.</p> <p>PARCEL 2:</p> <p>ALL THAT PORTION OF SAID RANCHO SAN BERNARDO INCLUDED WITHIN A STRIP OF LAND 60.00 FEET OF EVEN WIDTH, THE CENTER LINE OF SAID 60.00 FOOT WIDE STRIP OF LAND BEING DESCRIBED AS FOLLOWS:</p> <p>BEGINNING AT THE INTERSECTION OF SAID SOUTHWESTERLY BOUNDARY OF COUNTY OF SAN DIEGO TRACT NO. 4478, AND SAID CENTER LINE OF CAMINO SAN BERNARDO, AS SAID INTERSECTION IS SHOWN ON SAID MAP NO. 11984; THENCE ALONG THE SOUTHWESTERLY PROLONGATION OF SAID CENTER LINE, SOUTH 36°51'23" WEST 100.01 FEET TO THE POINT DESIGNATED IN PARCEL 1 ABOVE AS POINT "A"; THENCE CONTINUING SOUTH 36°51'23" WEST 15.00 FEET.</p> <p>PARCEL 3:</p> <p>ALL THAT PORTION OF SAID RANCHO SAN BERNARDO INCLUDED WITHIN A STRIP OF LAND 30.00 FEET OF EVEN WIDTH, THE CENTER LINE OF SAID 30.00 FOOT WIDE STRIP OF LAND BEING DESCRIBED AS FOLLOWS:</p> <p>BEGINNING AT THE POINT DESIGNATED IN PARCEL 1 ABOVE AS POINT "A"; THENCE TRAVERSING IN A SOUTHEASTERLY DIRECTION ALONG THE COURSES DESCRIBED IN PARCEL 1 ABOVE BETWEEN SAID POINT "A" AND THE POINT</p>	<p>DESIGNATED IN PARCEL 1 ABOVE AS POINT "B", TO SAID POINT "B", BEING A POINT ON THE ARC OF A 500.00 FOOT RADIUS CURVE, CONCAVE NORTHEASTERLY, A RADIAL LINE TO SAID POINT BEARS SOUTH 56°16'14" WEST; THENCE CONTINUING SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 9°16'14" A DISTANCE OF 80.90 FEET TO THE BEGINNING OF A REVERSE CURVE, CONCAVE WESTERLY, HAVING A RADIUS OF 250.00 FEET; THENCE SOUTHERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 48°00'00" A DISTANCE OF 209.44 FEET; THENCE TANGENT TO SAID CURVE, SOUTH 5°00'00" WEST 35.00 FEET TO THE BEGINNING OF A TANGENT 204.00 FOOT RADIUS CURVE, CONCAVE NORTHWESTERLY; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 65°00'00" A DISTANCE OF 231.43 FEET.</p> <p>PARCEL 4:</p> <p>ALL THAT PORTION OF SAID RANCHO SAN BERNARDO LYING SOUTHEASTERLY OF THE SOUTHEASTERLY LINE OF THE 60.00 FOOT WIDE STRIP OF LAND DESCRIBED IN PARCEL 2 ABOVE, AND LYING NORTHEASTERLY OF THE NORTHEASTERLY LINE OF THE 30.00 FOOT WIDE STRIP OF LAND DESCRIBED IN PARCEL 3 ABOVE, AND LYING WESTERLY OF THE ARC OF A 30.00 FOOT RADIUS CURVE, CONCAVE EASTERLY, BEING TANGENT TO SAID SOUTHEASTERLY LINE OF PARCEL 2 AND TO SAID NORTHEASTERLY LINE OF PARCEL 3.</p> <p>TOGETHER WITH AN EASEMENT AND RIGHT TO CONSTRUCT, RECONSTRUCT, REPAIR, AND MAINTAIN EXCAVATION AND EMBANKMENT SLOPES BEYOND THE LIMITS OF THE EASEMENTS DESCRIBED IN PARCELS 2, 3, AND 4 ABOVE WHERE REQUIRED FOR THE CONSTRUCTION AND MAINTENANCE OF SAID PIPELINE OR PIPELINES AND ACCESS ROADS; RESERVING TO THE GRANTORS HEREIN, THEIR SUCCESSORS AND ASSIGNS, THE RIGHT TO REMOVE SAID SLOPES OR PORTIONS THEREOF, PROVIDED THAT SAID GRANTOR HEREIN HAS REMOVED THE NECESSITY FOR MAINTAINING SUCH SLOPES OR PORTIONS THEREOF, OR UPON PROVIDING IN PLACE THEREOF, WHERE NECESSARY, OTHER ADEQUATE LATERAL SUPPORT, THE DESIGN AND CONSTRUCTION OF WHICH SHALL BE FIRST APPROVED BY THE GRANTEE HEREIN, AND ALSO PROVIDED THAT THE SAID GRANTEE HEREIN HAS GIVEN ITS PREVIOUS WRITTEN CONSENT TO SUCH REMOVAL.</p> <p>ALSO TOGETHER WITH THE RIGHT AND PRIVILEGE TO SPILL WATER FROM VARIOUS LOCATIONS ALONG THE EASEMENTS DESCRIBED IN PARCELS 2, 3, AND 4 ABOVE AS MAY BE NECESSARY FOR THE PROPER OPERATION OF SAID PIPELINE OR PIPELINES.</p> <p>ALSO TOGETHER WITH THE RIGHT TO CONSTRUCT, RECONSTRUCT, REPAIR, AND MAINTAIN A DRAINAGE PIPE OR PIPES, AND/OR A DRAINAGE DITCH OR DITCHES, TOGETHER WITH ANY APPURTENANCES INCIDENTAL THERETO, WITHIN AND BEYOND THE LIMITS OF THE EASEMENTS DESCRIBED IN PARCELS 2, 3, AND 4 ABOVE, AS MAY BE NECESSARY FOR THE CONVEYANCE AND DISPOSAL OF STORM AND/OR OTHER DRAINAGE WATERS.</p> <p>GRANTOR, ITS HEIRS, SUCCESSORS, AND ASSIGNS, SHALL NOT ERECT OR CONSTRUCT OR PERMIT TO BE ERECTED OR CONSTRUCTED, ANY BUILDING, STRUCTURE OR IMPROVEMENT ON, OVER OR UNDER ANY PORTION OF THE EASEMENTS DESCRIBED IN PARCELS 2, 3, AND 4 ABOVE, NOR SHALL GRANTOR, ITS HEIRS, SUCCESSORS, OR ASSIGNS, PLANT ANY TREE OR TREES OR PLANT ANY OTHER VEGETATION OR FLORA, NOR DIG OR DRILL AN HOLE OR WELLS ON ANY PORTION OF SAID EASEMENTS.</p> <p>GRANTEE MAY, IN ITS SOLE DISCRETION, ERECT, MAINTAIN, OR USE GATES IN ALL FENCES WHICH NOW CROSS OR LATER CROSS ANY PORTION OF THE EASEMENTS. GRANTEE SHALL ALSO BE ENTITLED TO TRIM, CUT, OR CLEAR AWAY ANY TREES, BRUSH, OR OTHER VEGETATION OR FLORA FROM TIME TO TIME AS GRANTEE DETERMINES IN ITS SOLE DISCRETION WITHOUT ANY ADDITIONAL COMPENSATION.</p> <p>GRANTEE SHALL BE ENTITLED TO PARTITION, ASSIGN, JOINT VENTURE, OR SHARE ALL OR ANY PORTION OF THESE EASEMENTS WITH ANY OTHER PUBLIC AGENCY OR UTILITY INCLUDING, BUT NOT LIMITED TO, ANY AGENCY SUPPLYING WATER OR SEWER SERVICES OR FACILITIES TO THE PUBLIC AS GRANTEE MAY DETERMINE IN ITS SOLE DISCRETION WITHOUT PAYING ANY ADDITIONAL COMPENSATION TO GRANTOR OR GRANTOR'S HEIRS, SUCCESSORS, OR ASSIGNS, THEREFOR.</p> <p>GRANTOR AGREES THAT NO OTHER EASEMENT OR EASEMENTS SHALL BE GRANTED ON, UNDER, OR OVER THESE EASEMENTS WITHOUT OBTAINING THE PRIOR WRITTEN CONSENT OF GRANTEE.</p> <p>GRANTEE MAY AT ANY TIME INCREASE ITS USE OF THESE EASEMENTS, CHANGE THE LOCATION OF PIPELINES OR OTHER FACILITIES WITHIN THE BOUNDARIES OF SAID EASEMENTS, OR MODIFY THE SIZE OF EXISTING PIPELINES OR OTHER IMPROVEMENTS AS IT MAY DETERMINE IN ITS SOLE DISCRETION FROM TIME TO TIME WITHOUT PAYING ANY ADDITIONAL COMPENSATION TO GRANTOR OR GRANTOR'S HEIRS, SUCCESSORS OR ASSIGNS, PROVIDED GRANTEE DOES NOT EXPAND ITS USE OF THESE EASEMENTS BEYOND THE EASEMENT BOUNDARIES DESCRIBED ABOVE. EXCEPT AS SPECIFICALLY PROVIDED FOR HEREIN.</p> <p>IT IS ALSO UNDERSTOOD AND AGREED BY THE PARTIES THAT THE GRANTOR AND THE GRANTOR'S HEIRS, SUCCESSORS, OR ASSIGNS, SHALL NOT INCREASE OR DECREASE OR PERMIT TO BE INCREASED OR DECREASED THE EXISTING GROUND ELEVATIONS OF THE ABOVE DESCRIBED EASEMENTS WHICH EXIST AT THE TIME THIS DOCUMENT IS EXECUTED WITHOUT OBTAINING THE PRIOR WRITTEN CONSENT OF THE GRANTEE.</p> <p>ALSO TOGETHER WITH AN EASEMENT FOR TEMPORARY WORKING STRIPS OF LAND, SAID EASEMENT SHALL INCLUDE, BUT NOT BE LIMITED TO, THE RIGHT AND PRIVILEGE OF WORKMEN, CONTRACTORS, AND ANY AND ALL AGENTS EMPLOYED BY THE GRANTEE HEREIN, TO USE AND OCCUPY SAID TEMPORARY WORKING STRIPS FOR THE PURPOSE OF CONSTRUCTING A RESERVOIR AND ANY AND ALL APPURTENANCES INCIDENTAL THERETO, WITHIN THE PROPERTY DESCRIBED IN PARCEL 1 ABOVE, AND FOR THE PURPOSE OF CONSTRUCTING A WATER PIPELINE OR PIPELINES, AND ANY AND ALL APPURTENANCES INCIDENTAL THERETO, WITHIN THE EASEMENTS DESCRIBED IN PARCELS 2, 3 AND 4 ABOVE, SAID TEMPORARY WORKING STRIPS SHALL INCLUDE THE RIGHT AND PRIVILEGE TO PLACE AND OPERATE ANY AND ALL MACHINERY ON SAID STRIPS WHICH THE GRANTEE HEREIN, OR ANY AGENT OR CONTRACTOR EMPLOYED BY SAID GRANTEE, DEEMS NECESSARY FOR THE CONSTRUCTION OF SAID RESERVOIR AND PIPELINE OR PIPELINES.</p> <p>AND BEING A PORTION OF THE PROPERTY CONVEYED TO OLIVENHAIN MUNICIPAL WATER DISTRICT FROM 4-S PARTNERS, A CALIFORNIA LIMITED PARTNERSHIP BY PARTNERSHIP GRANT DEED DATED MAY 23, 1988 AND RECORDED JULY 21, 1988 IN INSTRUMENT NO. 88-353128.</p>	<p>SAID TEMPORARY WORKING STRIPS BEING DESCRIBED IN PARCELS 5, 6 AND 7 AS FOLLOWS:</p> <p>PARCEL 5:</p> <p>ALL THAT PORTION OF SAID RANCHO SAN BERNARDO INCLUDED WITHIN A STRIP OF LAND 35.00 FEET OF EVEN WIDTH, SAID 35.00 FEET WIDE STRIP OF LAND LYING NORTHEASTERLY, EASTERLY, AND SOUTHEASTERLY OF, AND IMMEDIATELY ADJOINING THE NORTHEASTERLY, EASTERLY, AND SOUTHEASTERLY LINE OF THE 30.00 FEET WIDE STRIP OF LAND DESCRIBED IN PARCEL 3 ABOVE.</p> <p>PARCEL 6:</p> <p>ALL THAT PORTION OF SAID RANCHO SAN BERNARDO INCLUDED WITHIN A STRIP OF LAND 35.00 FEET OF EVEN WIDTH, SAID 35.00 FEET WIDE STRIP OF LAND LYING SOUTHWESTERLY OF, AND IMMEDIATELY ADJOINING THE SOUTHWESTERLY LINES OF THE 60.00 FEET WIDE STRIP OF LAND DESCRIBED IN PARCEL 2 ABOVE, AND THE 30.00 FEET WIDE STRIP OF LAND DESCRIBED IN PARCEL 3 ABOVE.</p> <p>EXCEPTING THEREFROM, THAT PORTION THEREOF INCLUDED WITHIN THE PROPERTY DESCRIBED PARCEL 1 ABOVE.</p> <p>PARCEL 7:</p> <p>ALL THAT PORTION OF SAID RANCHO SAN BERNARDO INCLUDED WITHIN THE CIRCUMFERENCE OF A 254.00 FEET RADIUS CIRCLE, THE CENTER OF WHICH IS EXACTLY THE SAME AS THE CENTER OF THE 150.00 FEET RADIUS CURVE FORMING A PORTION OF THE BOUNDARY OF THE LAND DESCRIBED IN PARCEL 1 ABOVE.</p> <p>EXCEPTING THEREFROM, THOSE PORTIONS THEREOF LYING WITHIN THE PROPERTY DESCRIBED IN PARCELS 1, 3, 5 AND 6 ABOVE.</p>	
LEGAL DESCRIPTION	LEGAL DESCRIPTION		

ISSUE STATUS

E	6/05/20	ADD. PARCELS DESC.	DF
D	1/20/20	POLE LOCATIONS	DF
C	7/27/19	TITLE REVIEW	DF
B	5/17/19	ADD. TREE SURVEY	DF
A	6/10/18	SITE SURVEY	DF
REV	DATE	DESCRIPTION	BY



FLOYD SURVEYING

34006 GALLERON STREET
TEMECULA, CA 92592
OFFICE: (949) 200-0626
EMAIL: fsi@floydsurveying.com

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IRVINE, CA 92618



SONY HP

16900 CAMINO SAN BERNARDO
SAN DIEGO, CA 92127

SHEET TITLE:

SITE SURVEY
GENERAL INFORMATION

LS3

TITLE REPORT NOTES:

THE FOLLOWING EASEMENTS EFFECT SAID PARCEL AND ARE SHOWN HEREON. SEE PRELIMINARY TITLE REPORT NO. 92009440-920-CMM-CM8 PREPARED BY COMMONWEALTH LAND TITLE COMPANY AND DATED MARCH 23, 2020 FOR OTHER DOCUMENTS (NON-EASEMENTS) EFFECTING SAID PROPERTY.

ITEM #2 - Easement in favor of Mary E. Woodhams set forth in instrument recorded on November 12, 1909 in Deed Book 473, Page 249.
(EXACT LOCATION IS NOT DISCLOSED OF RECORD)

ITEM #5 - Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other matters shown on

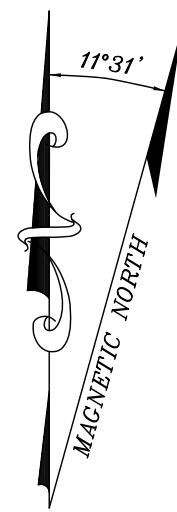
Map: 10491, Record of Survey Map
(AS SHOWN AS BOUNDARY)

ITEM #6 - Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other matters shown on

Map: 15493, Record of Survey Map
(AS SHOWN AS BOUNDARY)










ITEM #8 - Memorandum of Agreement dated August 14, 2003 by and between Olivenhain Municipal Water District, a Public Agency and Sprint PCS Assets, L.L.C., a Delaware limited liability company recorded on August 20, 2003 in Instrument No. 2003-1013077.
(EXACT LOCATION IS NOT DISCLOSED OF RECORD)

END OF EASEMENTS



LEGEND

These standard symbols will be found in the drawing.

- | | |
|---|-----------------------|
|  | DOOR |
|  | ELECTRIC BOX |
|  | IRRIGATION VALVE |
|  | MONUMENT FOUND |
|  | STORM DRAIN INLET |
|  | TELEPHONE BOX |
|  | TELEPHONE PED |
|  | TREE DECIDUOUS |
|  | TOP OF ANTENNA |
| | |
| T | ANTENNA WIP/TV |
| | BOTTOM OF CURB |
| | CONCRETE SURFACE |
| | EDGE OF PAVEMENT |
| CP | FENCE TOP |
| | GROUND SPOT ELEVATION |
| IL | RAILING HAND |
| OP | ROOF TOP |
| INIL | RETAINING WALL TOP |
| | STORMDRAIN INLET |
| | TOP OF CURB |
| RN | TELCO CABLE TRAY |
| | TREE TOP |
| | TOP OF WALL |
| | WATER TANK RIM |

BOUNDARY LINE
CENTER LINE
MISC. PROPERTY LINE
MISC. TIE LINE
RIGHT-OF-WAY LINE
EASEMENT LINE
FENCE LINE
BUILDING EDGE
OVERHEAD WIRES

LEGEND

1) This is not a boundary survey. This is a specialized topographic map. The property lines and easements shown hereon are from record information as noted hereon. Floyd Surveying translated the topographic survey to record information using the two found monuments shown hereon. No title research was performed by Floyd Surveying.

2) Any changes made to the information on this plan, without the written consent of Floyd Surveying relieves Floyd Surveying of any and all liability.

3) These drawings & specifications are the property & copyright of Floyd Surveying & shall not be used on any other work except by agreement with the Surveyor. Written dimensions shall take preference over scaled & shall be verified on the job site. Any discrepancy shall be brought to the notice of the Surveyor prior to commencement of any work.

4) Field survey completed on May 31, 2018

TITLE REPORT NOTES

GENERAL NOTES

ISSUE STATUS

E	6/05/20	ADD. PARCELS DESC.	DF
D	1/20/20	POLE LOCATIONS	DF
C	7/27/19	TITLE REVIEW	DF
B	5/17/19	ADD. TREE SURVEY	DF
A	6/10/18	SITE SURVEY	DF
REV	DATE	DESCRIPTION	BY



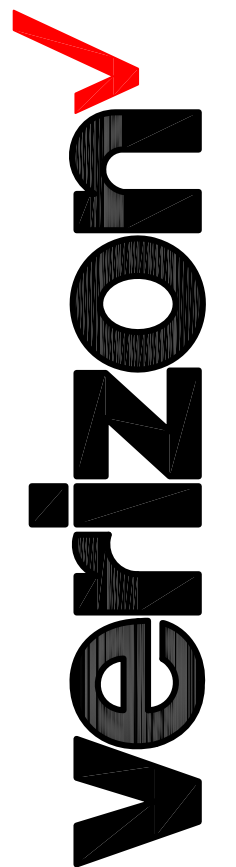
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34006 GALLERON STREET
TEMECULA, CA 92592
OFFICE: (949) 200-0626
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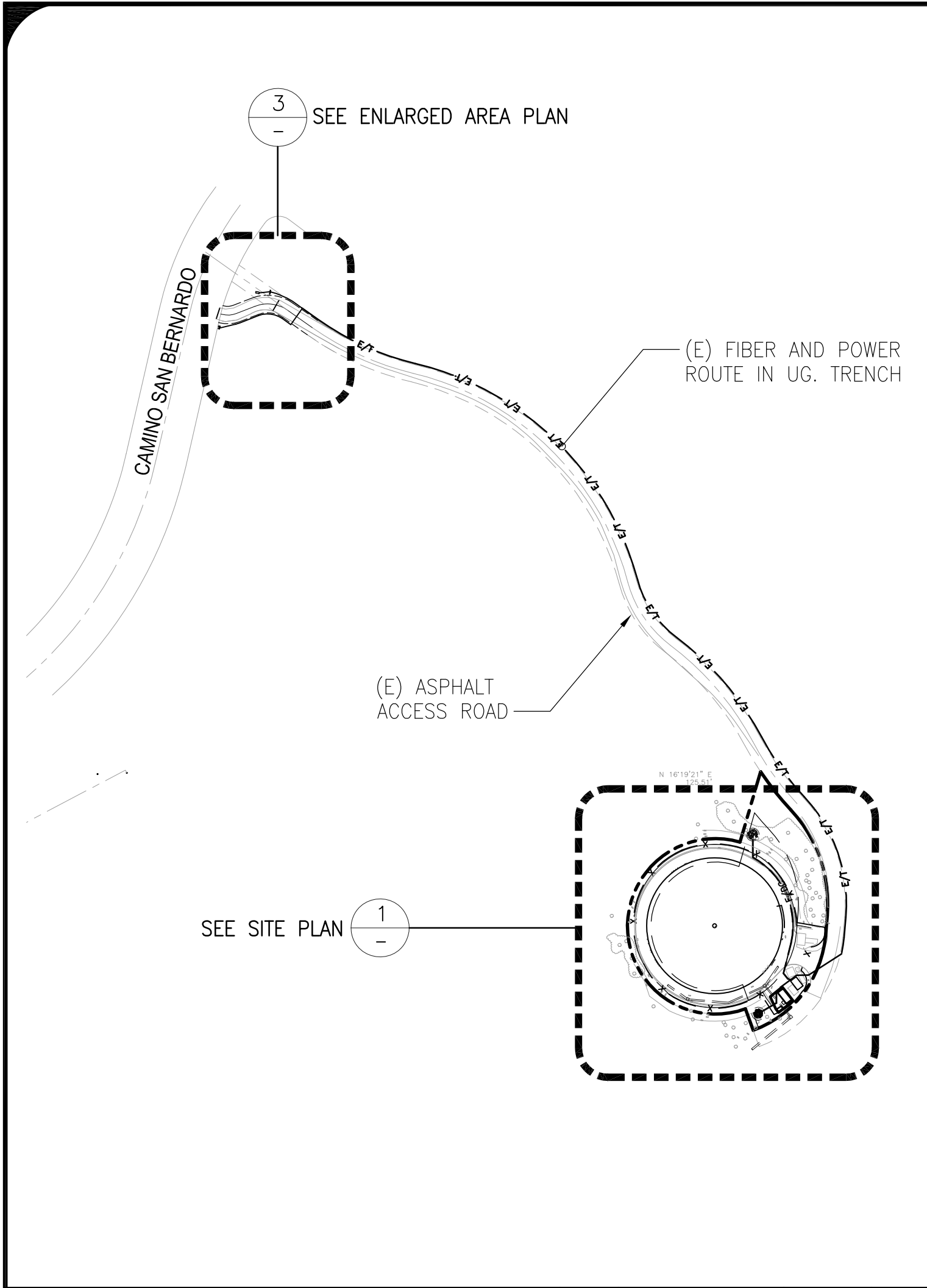


SONY HP

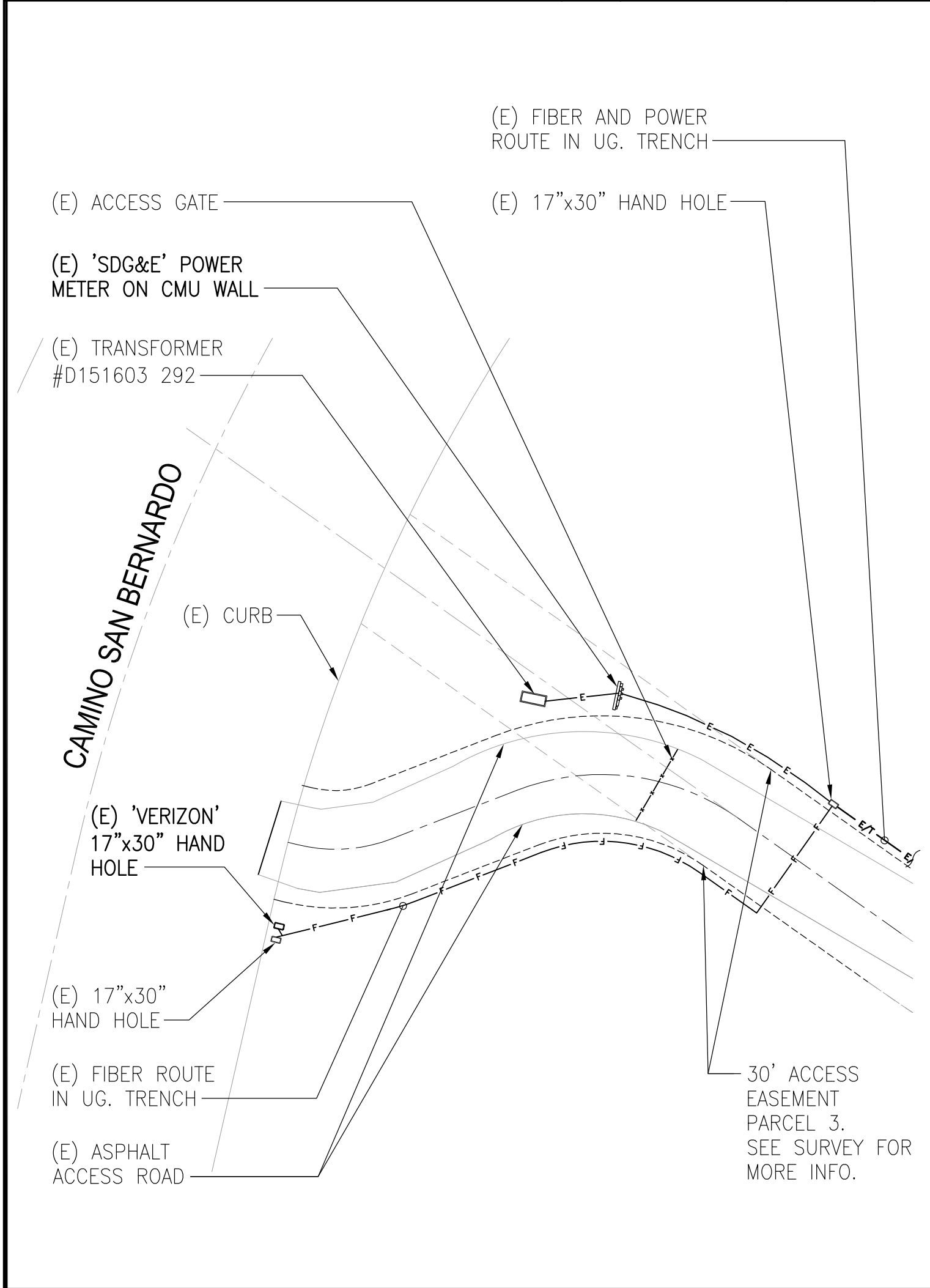
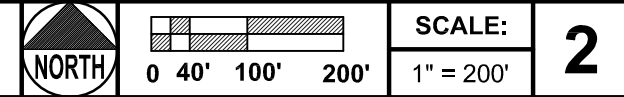
16900 CAMINO SAN BERNARDO
SAN DIEGO, CA 92127

SHEET TITLE:
SITE SURVEY
GENERAL INFORMATION

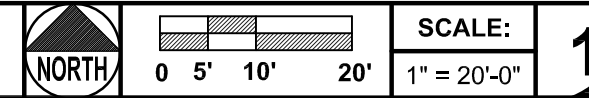
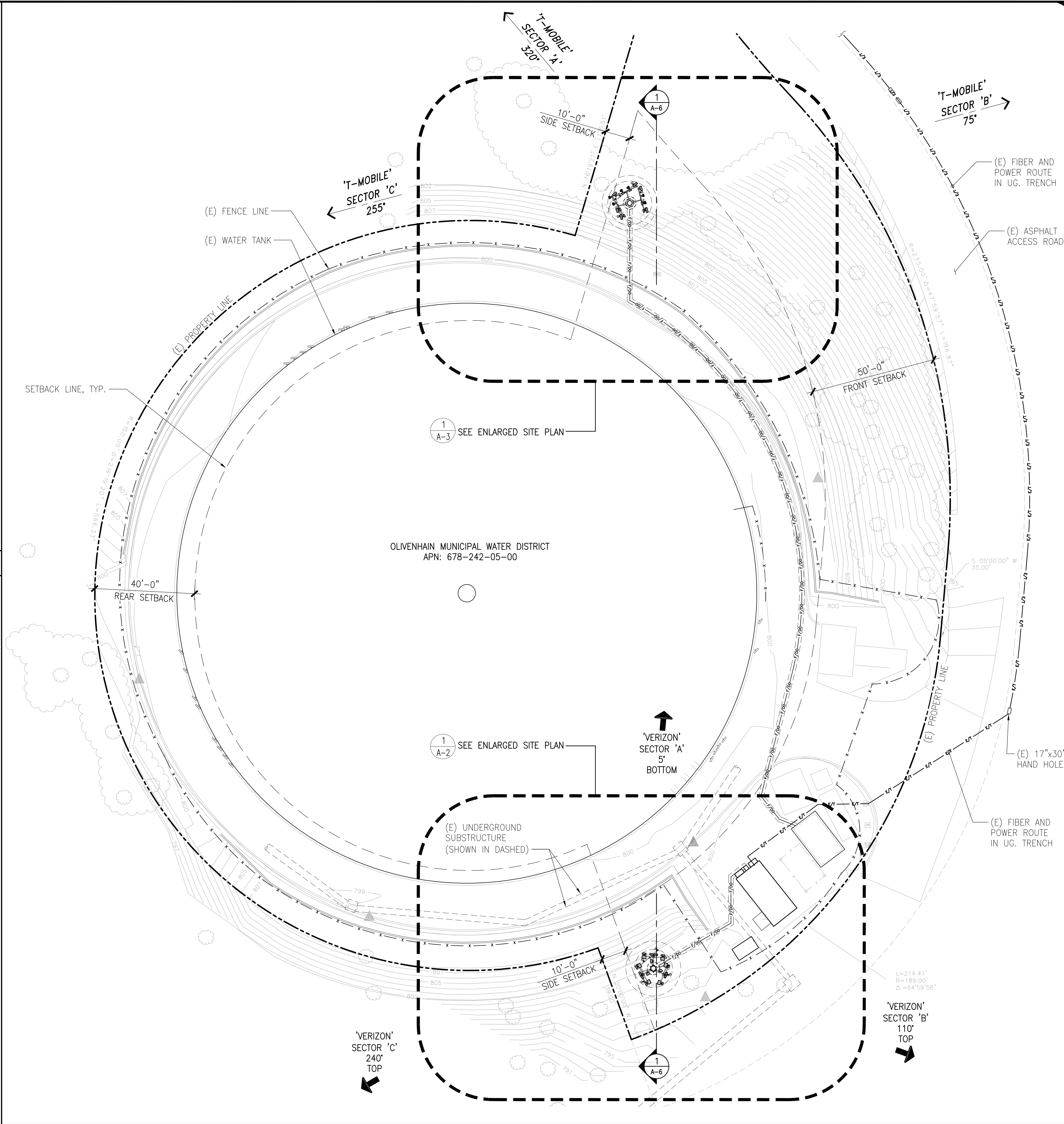
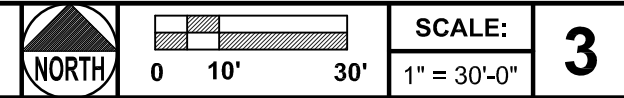
LS4



AREA PLAN



ENLARGED AREA PLAN



ISSUE STATUS

REV.	DATE	DESCRIPTIONS	BY
0	11-27-19	REVISED 90% ZD	TN
1	01-22-20	REVISED 90% ZD	TN
2	05-04-20	DRM COMMENTS	TN
3	06-24-20	POWER ROUTE INCORPORATED	TN
4	07-30-20	TMO ANT. INCORPORATED	TN
5	08-11-20	TMO UG. TRENCH INCORPORATED	TN
6	10-05-20	UPDATED ANTENNA LAYOUT PLAN	TN
7	02-19-21	COUNTY PLANNING COMMENTS	TN
8	05-13-21	UPDATED TMO FIBER/DC ROUTE	TN

DCI PACIFIC
A|E|C WORKS

ARCHITECTURE | ENGINEERING | CONSULTING
26 EXECUTIVE PARK | SUITE 170
IRVINE | CA 92614

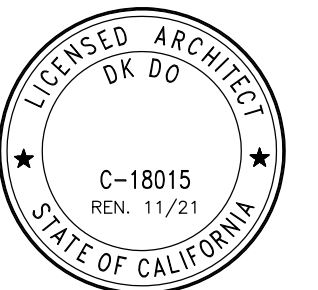
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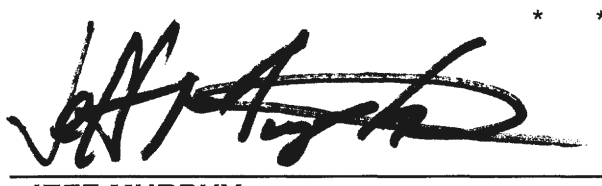
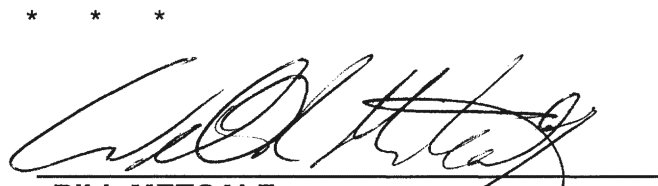
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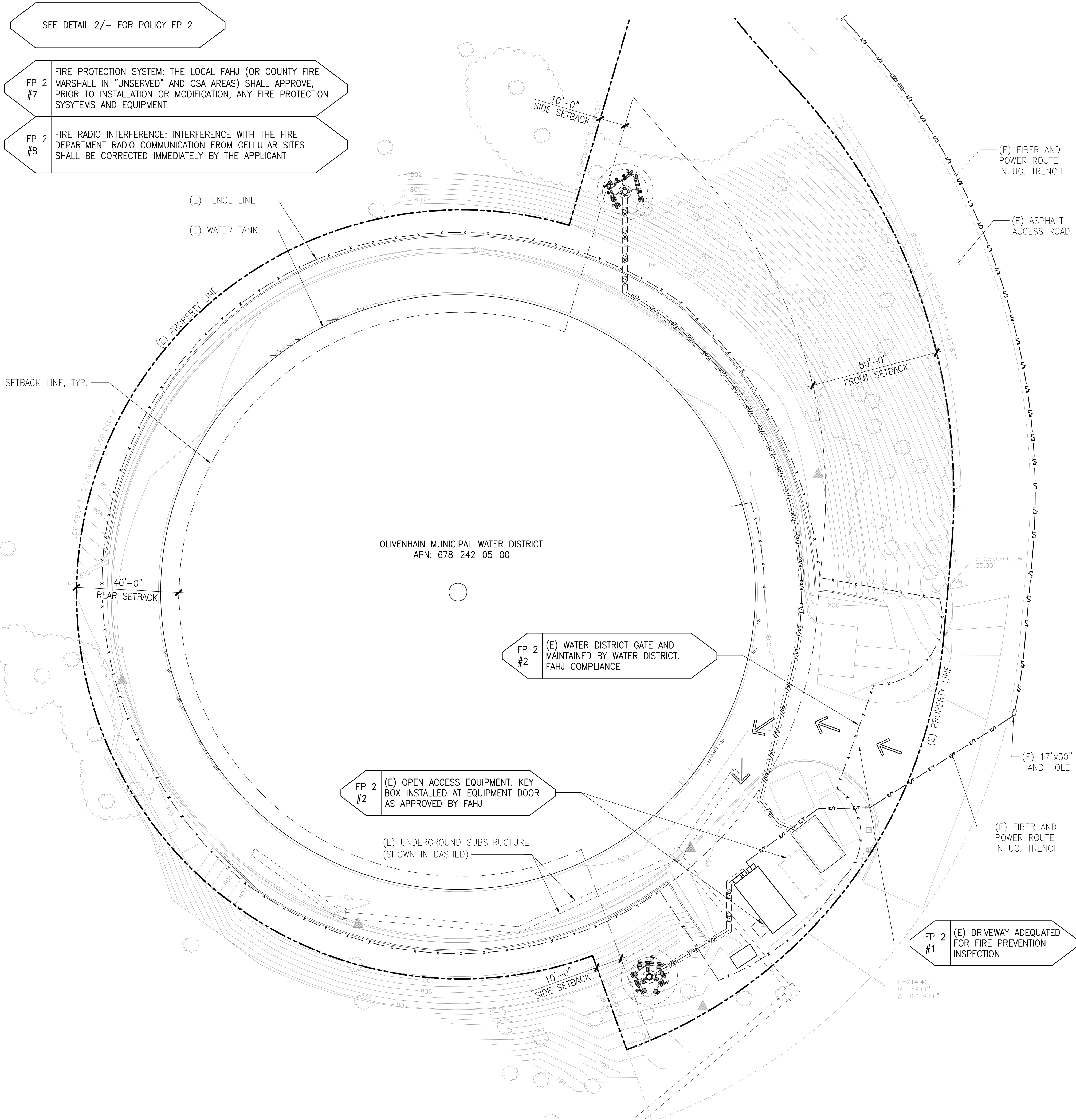
AREA PLAN,
ENLARGED AREA PLAN,
AND SITE PLAN

A-1

NOTE: THE ORIGINAL SIZE OF THIS DRAWING IS 36" X 48". SCALE SHOWN IS NOT VALID FOR REDUCED OR ENLARGED SHEET SIZES.

COUNTY OF SAN DIEGO Department of Planning and Land Use			
Subject:	Policy #	Effective Date	Page
FIRE CODE COMPLIANCE FOR CELLULAR FACILITIES	FP 2	Revised: 4/10/2006 Effective: 3/21/2000	2 of 3
<p>1. ACCESS: Roadways installed and maintained by the cellular company solely for maintenance of their equipment shall be deemed adequate for fire prevention inspection.</p> <p>2. GATES & BARRIERS: Gates or other barriers across cell site access roads which also serve as fire access roadways shall provide a rapid reliable access by means of a key box so as to provide immediate access for life safety or firefighting purposes. The key box shall be located in an accessible location. The location must be approved by the FAHJ, and the key box must be ordered through the local FAHJ. (Note: keys are different for different fire agencies throughout the County.) Gates or other barriers across cell site access roads that do not also serve as fire access roads are unregulated by this policy.</p> <p>3. CONSTRUCTION – STRUCTURE PROPOSED: Cellular facilities that propose structures to enclose cellular cabinets and equipment must meet the following requirements.</p> <p class="list-item-l1">a. Exterior walls must be non-combustible. (Examples: masonry, 2-hour rated steel, etc.).</p> <p class="list-item-l1">b. Eaves must be enclosed with fire-resistive material (examples: stucco, cement-fiber board).</p> <p class="list-item-l1">c. Roofs must be class "A" assemblies with edge protection.</p> <p class="list-item-l1">d. Openings must be protected with fire-rated assemblies.</p> <p>4. CONSTRUCTION – STRUCTURE NOT PROPOSED: Cellular facilities that do not propose to enclose the cellular cabinets and equipment with a structure must meet the following requirements:</p> <p class="list-item-l1">a. A 12" masonry block wall must be installed around all sides of the facility facing combustible vegetation to prevent ignition of said vegetation.</p> <p>5. FUEL MODIFICATION: Cellular facilities that cannot be self-protected as outlined in #3 or #4 above must maintain a minimum 30 foot of fuel modification on all sides of the cellular facility or as required under the County's Combustible Vegetation and Other Flammable Materials Ordinance.</p> <p>6. FACILITY STANDBY POWER: Emergency power or uninterrupted power supplies shall be accordance with Article 64, Stationary Lead-Acid Battery Systems of the California Fire Code. Sign(s) must be posted as required in California Fire Code section 6404.7</p>			

COUNTY OF SAN DIEGO Department of Planning and Land Use			
Subject:	Policy #	Effective Date	Page
FIRE CODE COMPLIANCE FOR CELLULAR FACILITIES	FP 2	Revised: 4/10/2006 Effective: 3/21/2000	3 of 3
<p>7. FIRE PROTECTION SYSTEM: The local FAHJ (or County Fire Marshal in "Unserved" and CSA areas) shall approve, prior to installation or modification, any Fire Protection Systems and Equipment.</p> <p>8. FIRE RADIO INTERFERENCE: Interference with fire department radio communication from cellular sites shall be corrected immediately by the applicant.</p> <p><i>NOTE: The following Fire Protection Districts have elected not to participate in this policy:</i></p> <ul style="list-style-type: none">North County Fire Protection DistrictRincon Del Diablo (Escondido) MWDSan Marcos Fire Protection DistrictVista Fire Protection District <div><div> JEFF MURPHY Chief, DPLU Building Division</div><div> BILL METCALF President San Diego County Fire District's</div></div>			



ISSUE STATUS

REV.	DATE	DESCRIPTIONS	BY
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8	05-13-21	UPDATED TMO FIBER/DC ROUTE	TN

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26 EXECUTIVE PARK | SUITE 170
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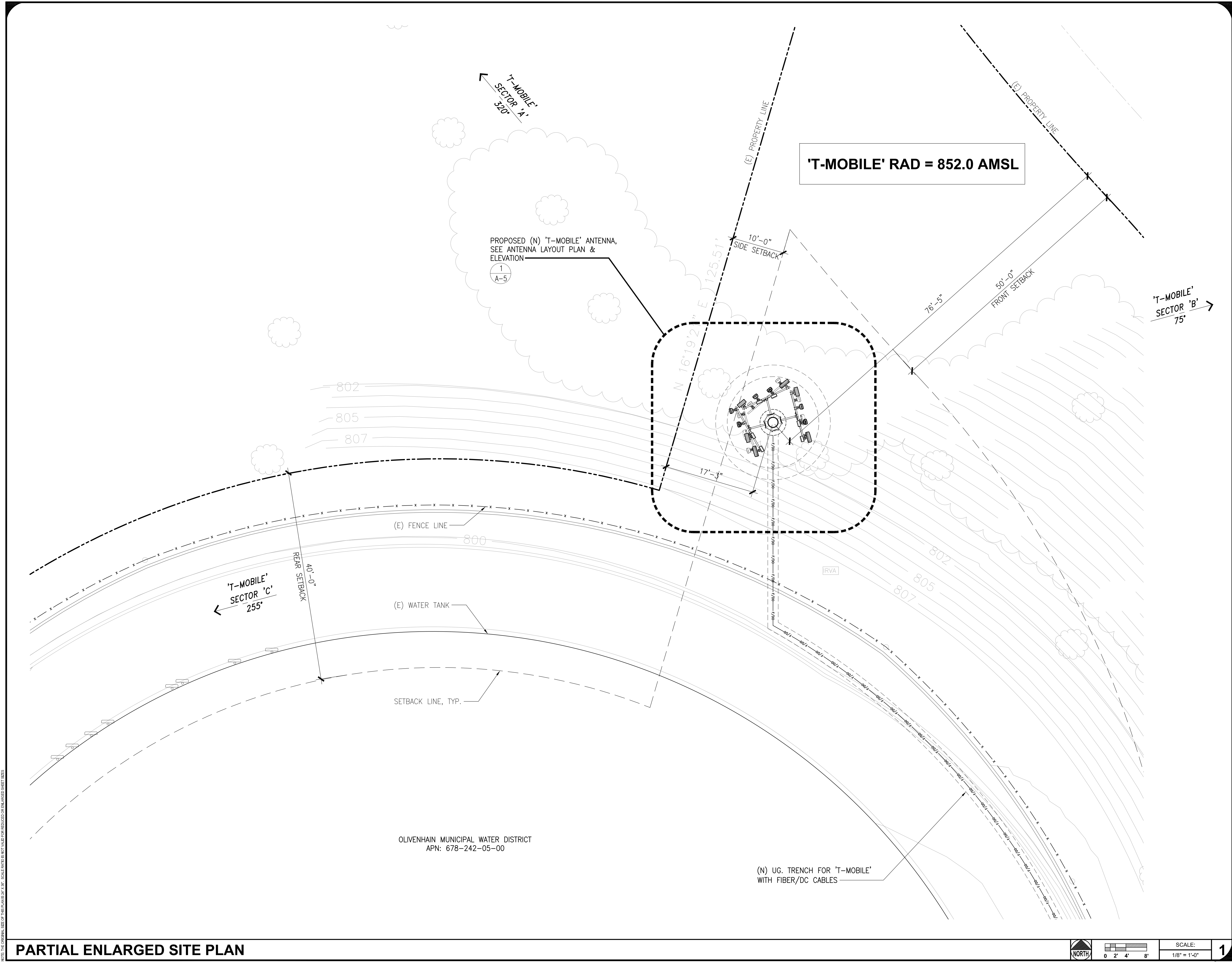
16900 CAMINO SAN BERNARDO
SAN DIEGO, CA 92127

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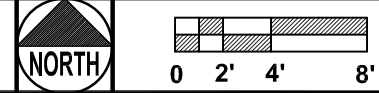
PLOT PLAN AND
FIRE CODE POLICY FP 2

A-1.1

NOTE: THE ORIGINAL SIZE OF THIS DRAWING IS 36" X 48". SCALE RATIO IS NOT VALID FOR REDUCED OR ENLARGED SHEET SIZES.



PARTIAL ENLARGED SITE PLAN



SCALE:
1/8" = 1'-0"

1

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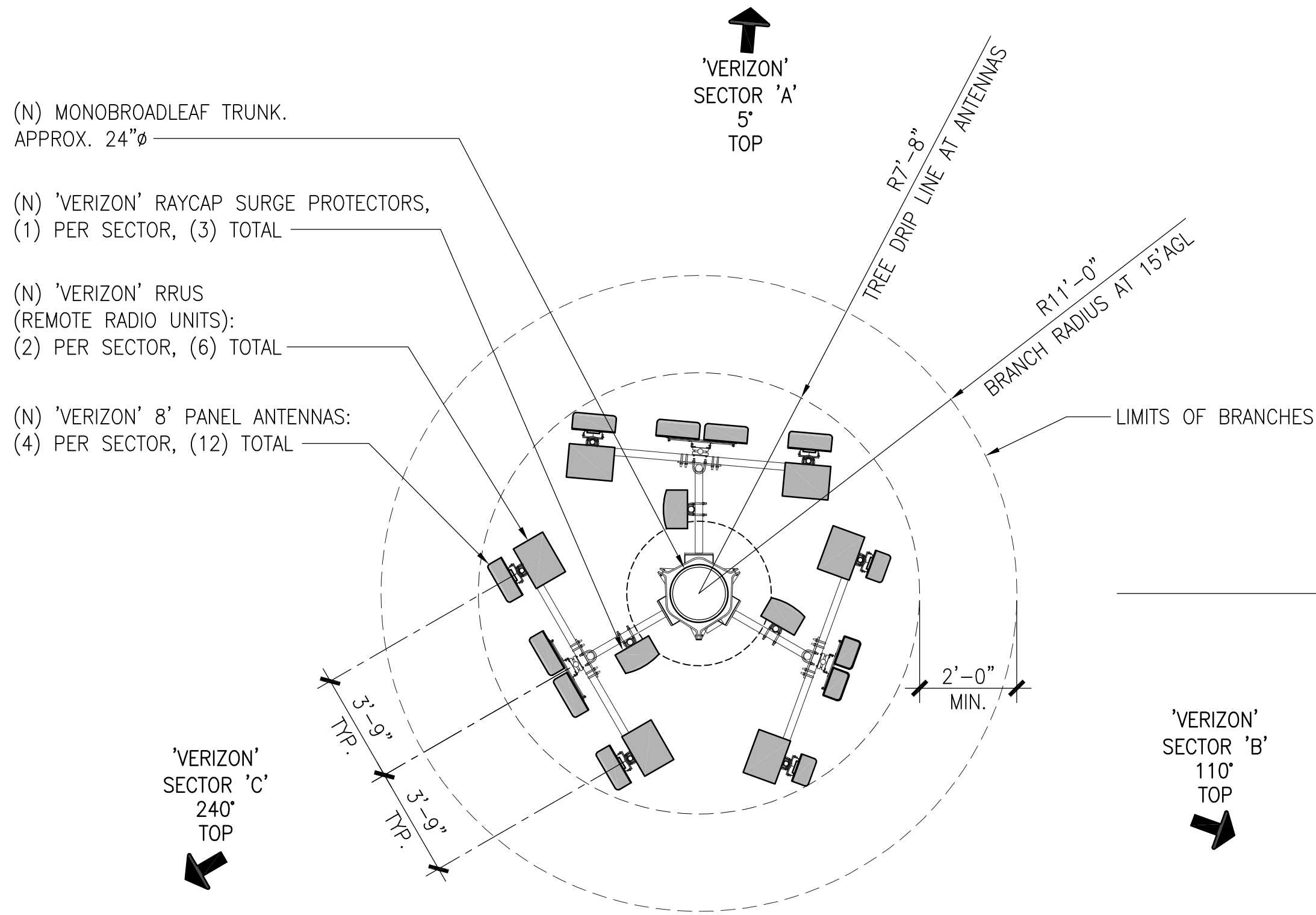
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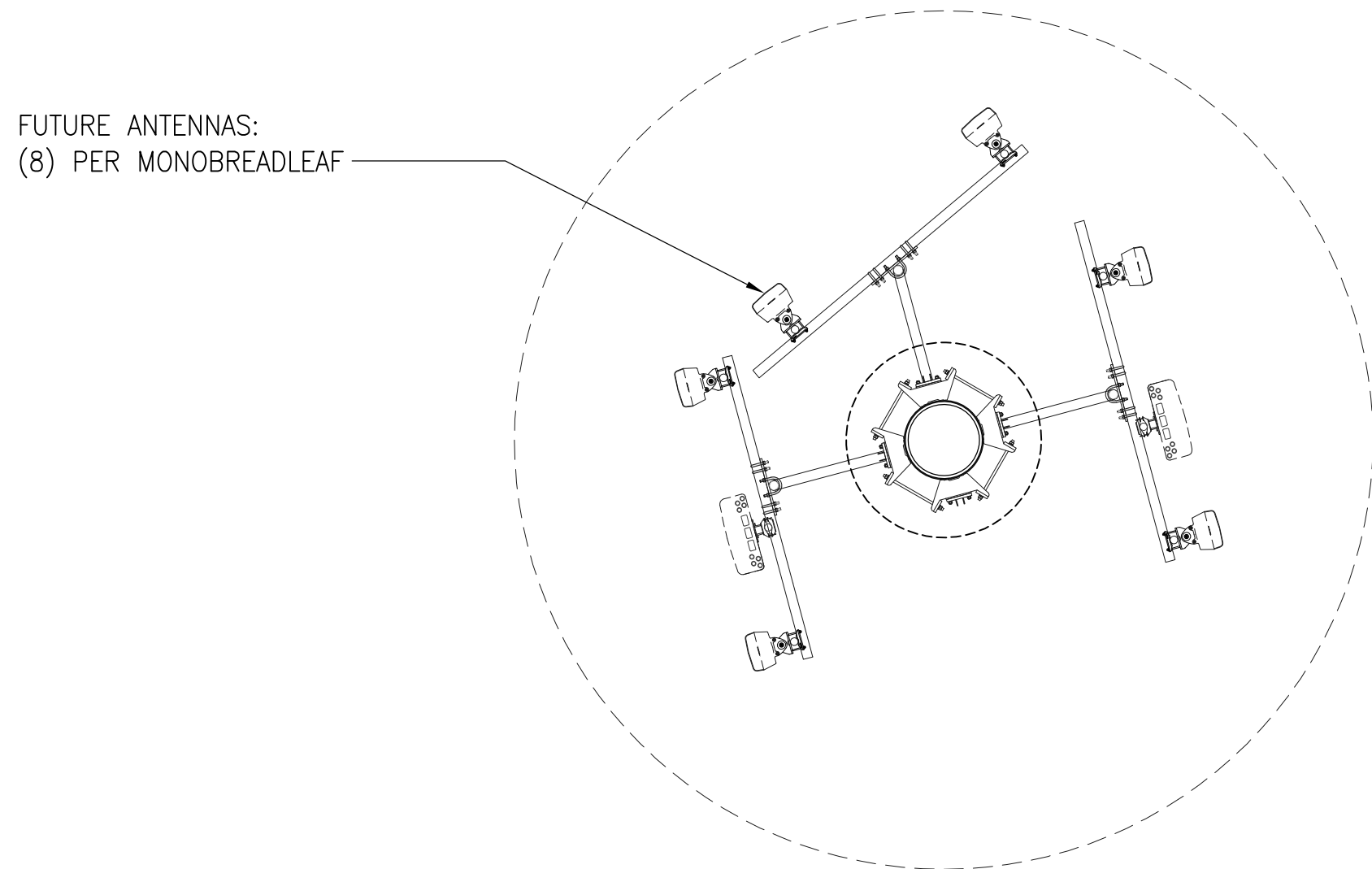
PARTIAL ENLARGED
SITE PLAN

A-3

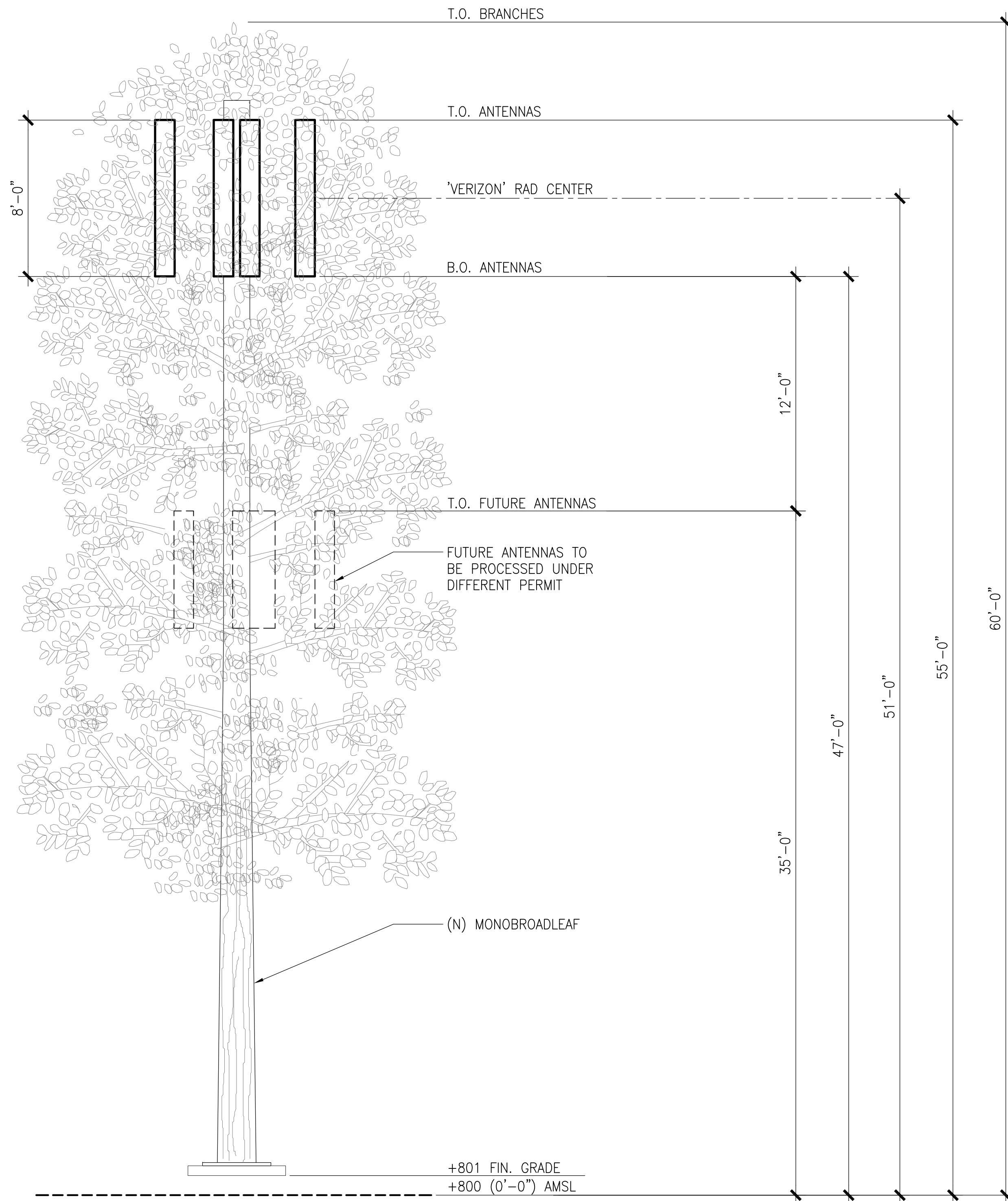
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VERIZON ANTENNA LAYOUT PLAN



FUTURE ANTENNA LAYOUT PLAN (TBD)



ELEVATION

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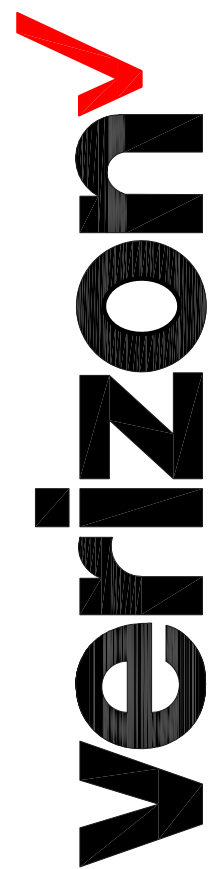
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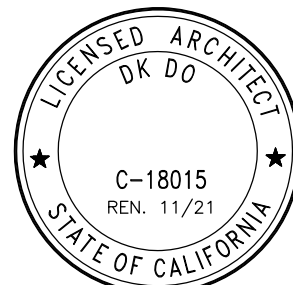
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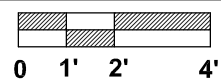
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SHEET TITLE:

ANTENNA LAYOUT PLANS
AND ELEVATION
(SOUTH MONOBROADLEAF)

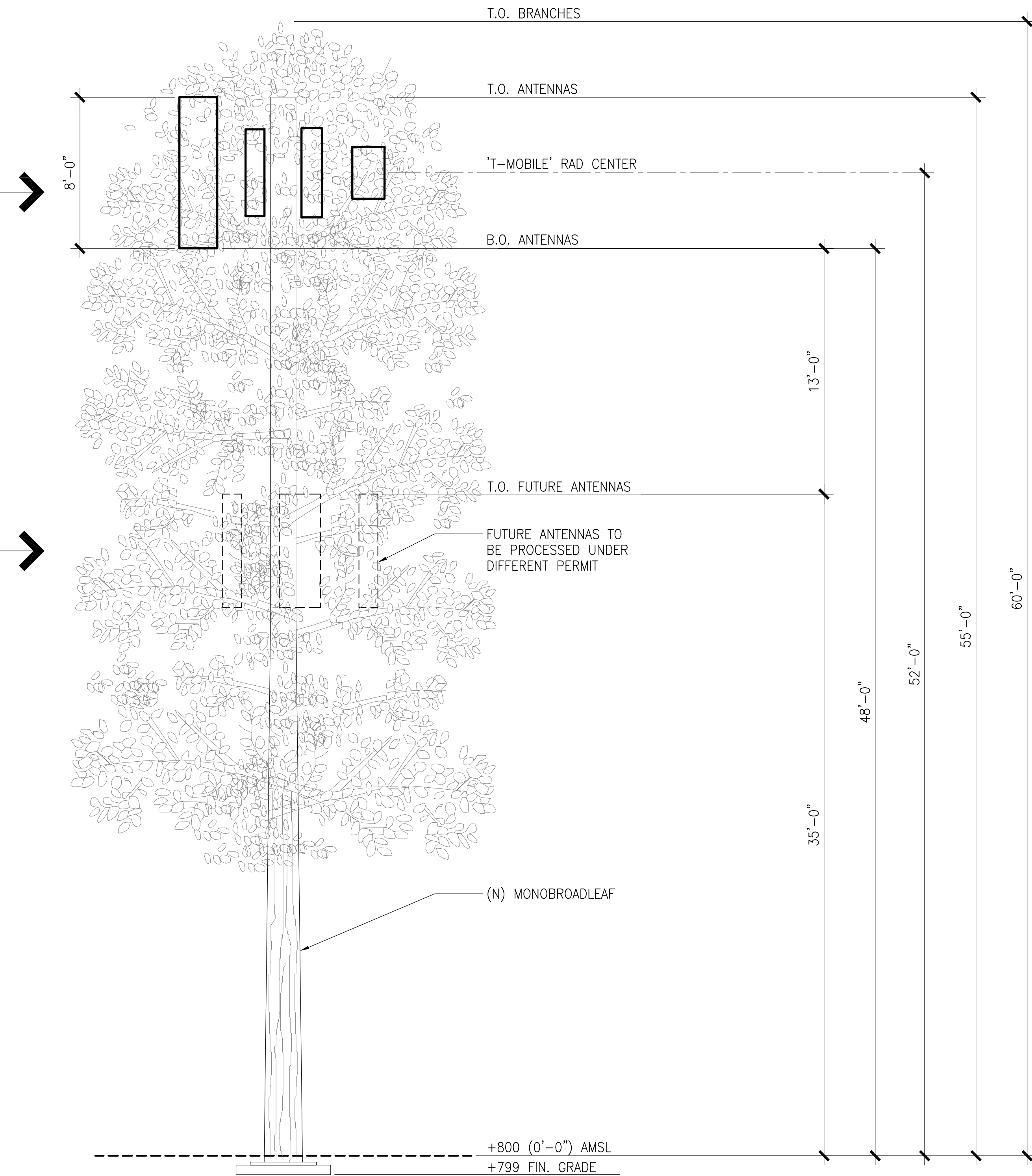
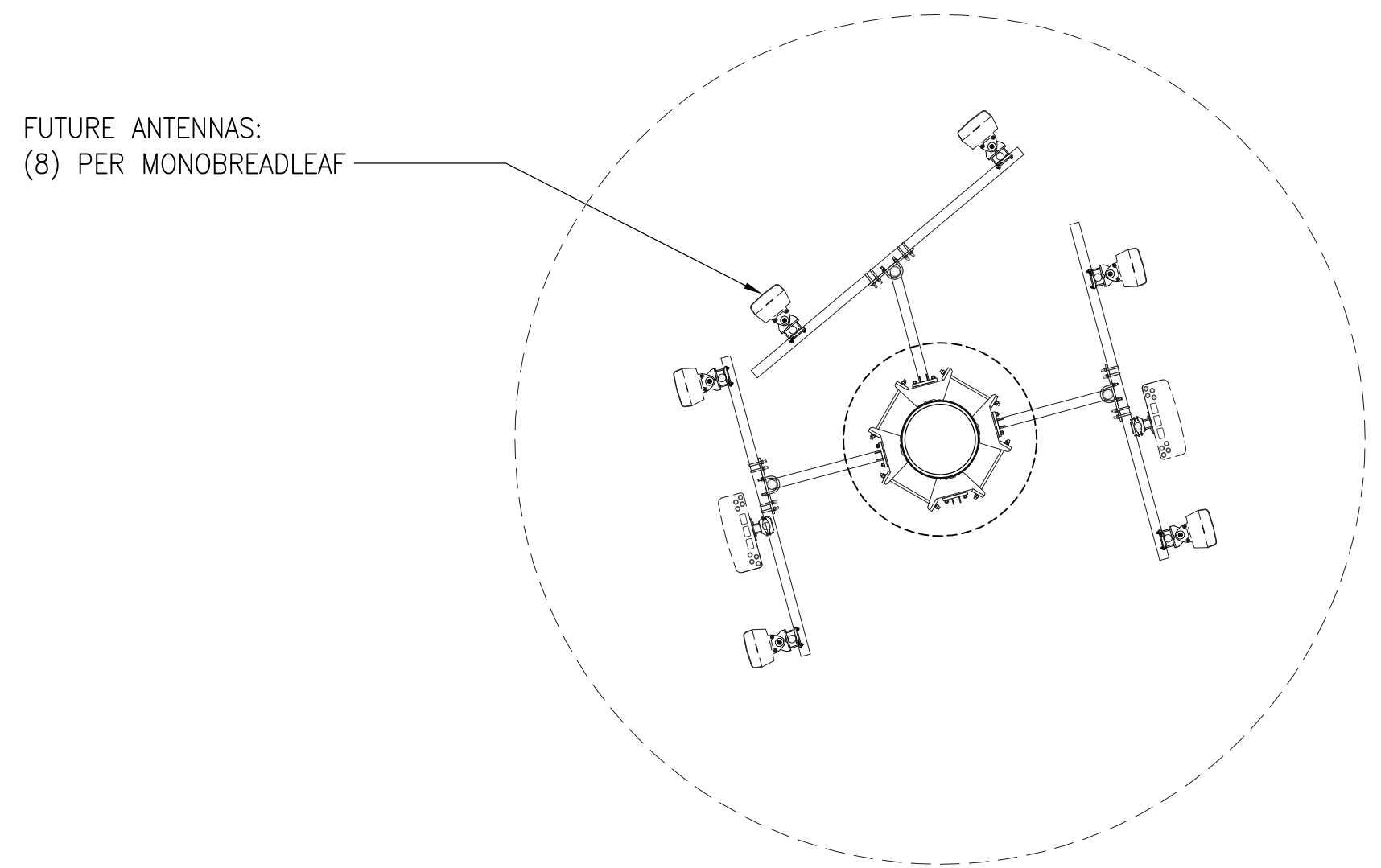
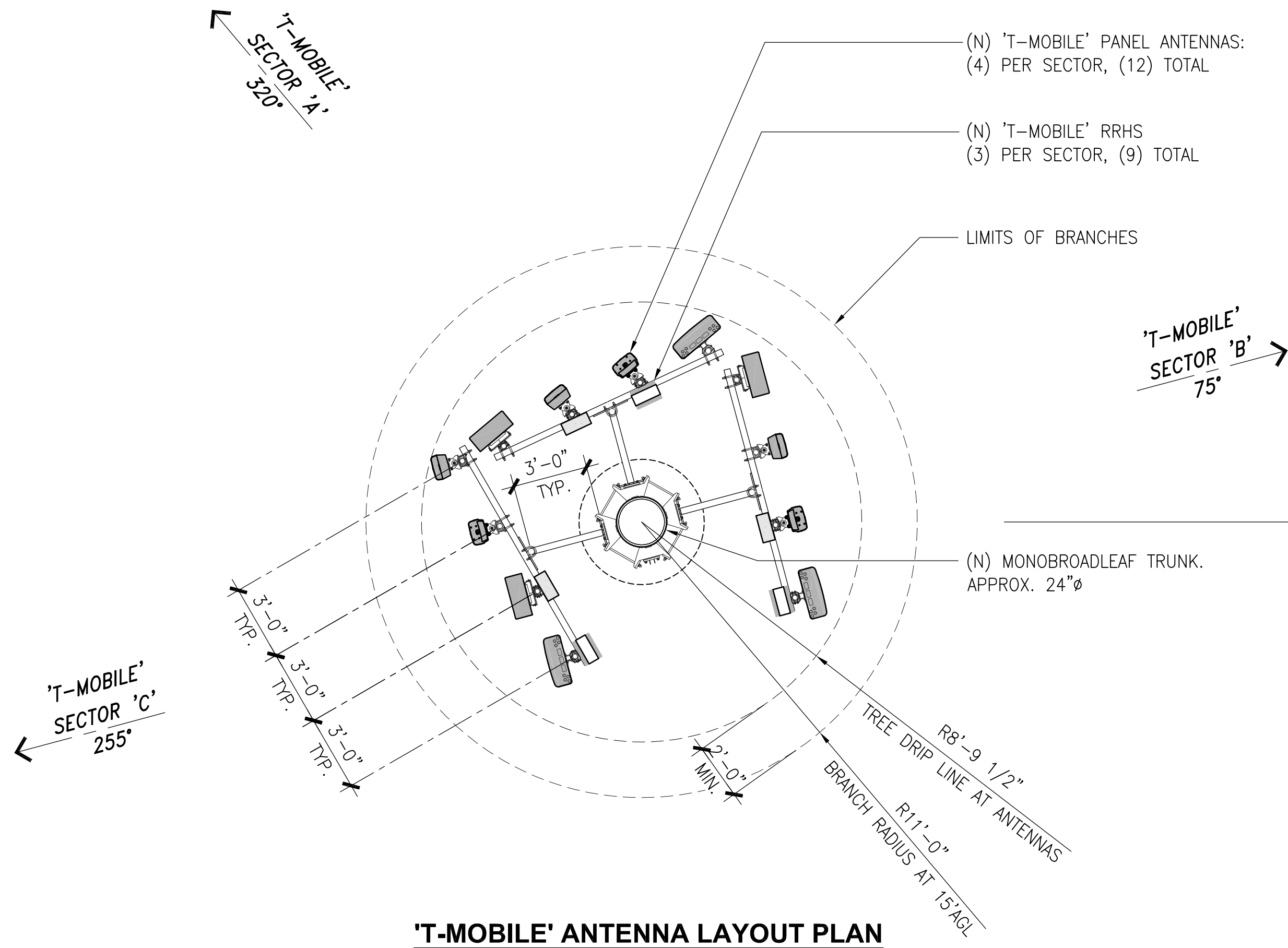
A-4



SCALE:
1/4" = 1'-0"

NOTE: THE ORIGINAL SIZE OF THIS DRAWING IS 36" X 36". SCALE RATIO IS NOT VALID FOR REDUCED OR ENLARGED SHEET SIZES.

ANTENNA LAYOUT PLANS AND ELEVATION (NORTH MONOBROADLEAF)



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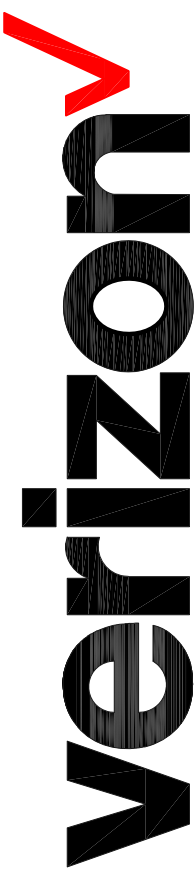
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IRVINE | CA 92614

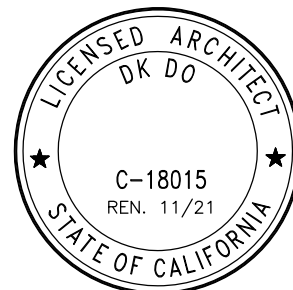
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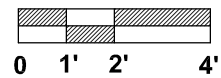
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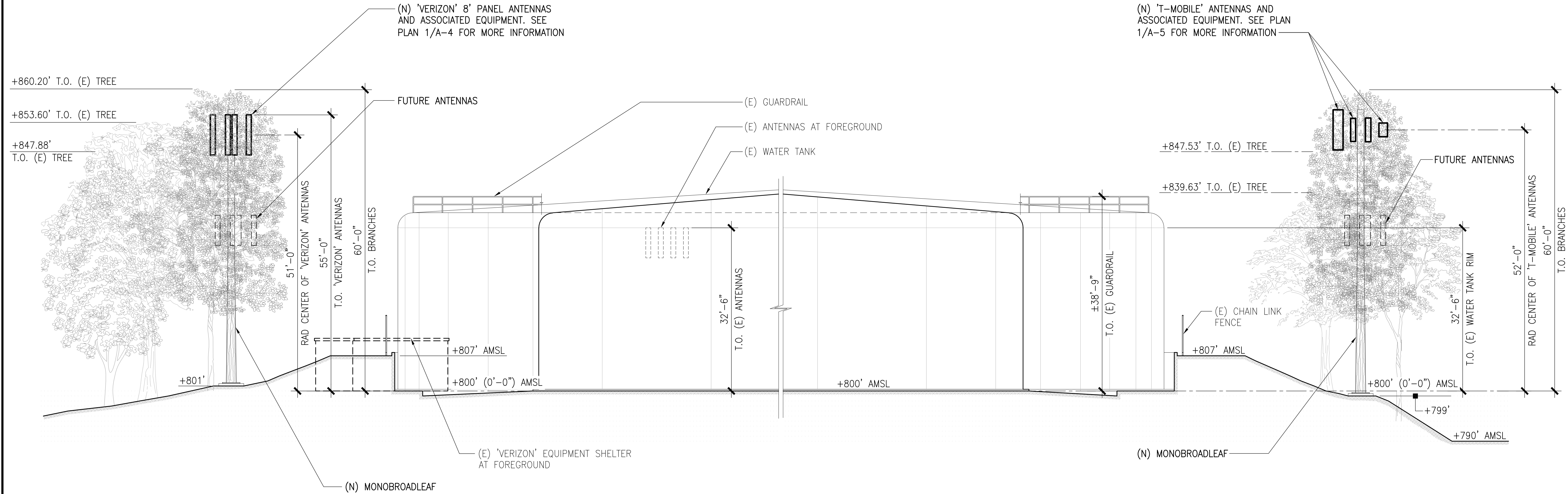
ANTENNA LAYOUT PLANS
AND ELEVATION
(NORTH MONOBROADLEAF)

A-5

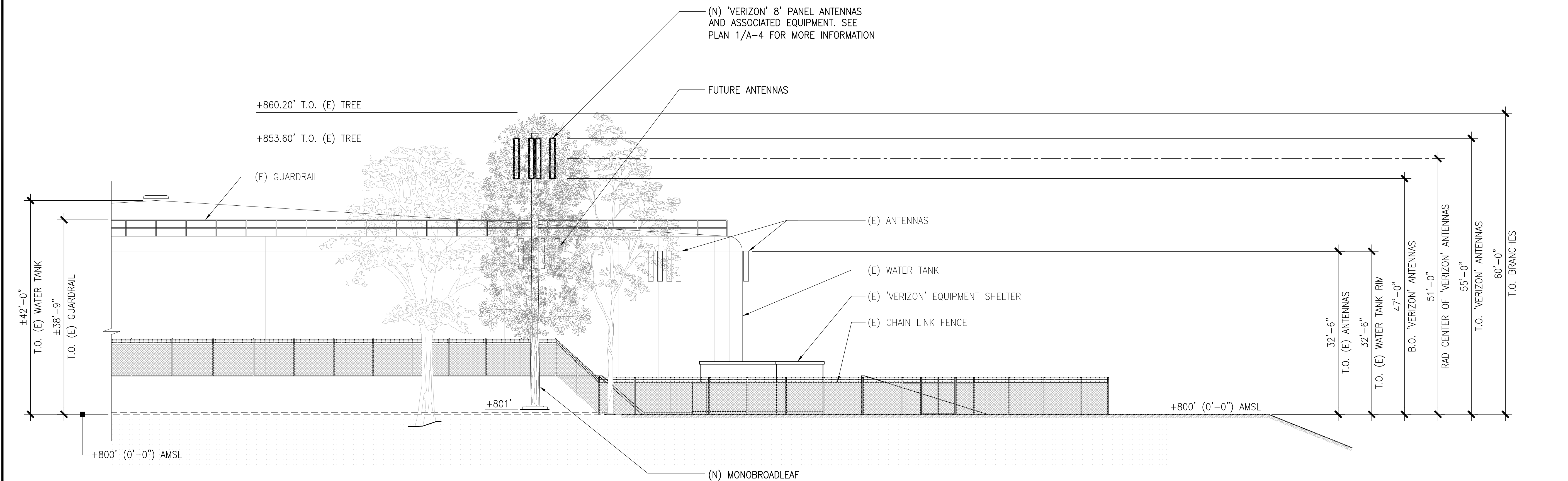
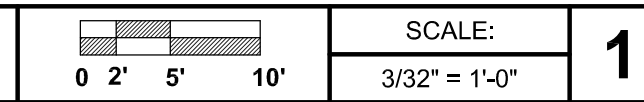


SCALE:
1/4" = 1'-0"

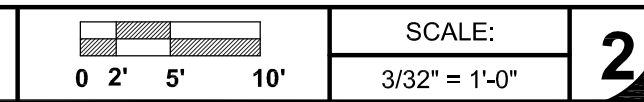
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EAST SECTION / ELEVATION



SOUTH ELEVATION



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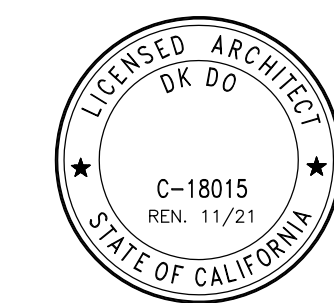
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SHEET TITLE:

SECTION AND ELEVATIONS

A-6

LEASE AGREEMENT BETWEEN
THE OLIVENHAIN MUNICIPAL WATER DISTRICT AND APC TOWERS III,
LLC TO ALLOW COMMUNICATIONS FACILITIES
AT THE 4S-I RESERVOIR

This Lease Agreement (the “**Lease**”) is made effective as of the latter signature date hereof (the “**Effective Date**”) and entered into by and between the Olivenhain Municipal Water District, a Municipal Water District organized and existing under the Municipal Water District Act of 1911, as amended (“**District**”), a public agency organized and operating pursuant to California Water Code Sections 71000 *et seq.* and APC TOWERS III, LLC, a Delaware limited liability company (hereinafter “**APC**”).

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

1. The District owns a parcel of land located at 16900 Camino San Bernardo in the City of San Diego, in the County of San Diego. The parcel is more particularly described in Exhibit “A”, attached hereto and incorporated herein by reference (hereinafter “**Site**”).

2. T-Mobile USA, Inc., currently has wireless communication facilities located at the Site pursuant to that certain Lease Between the Olivenhain Municipal Water District and Cingular Wireless to Allow Communications Facilities at the 4S-I Reservoir Site effective April 1, 2004 (the “**Original Lease**”), and as amended by that certain First Amendment to a Lease between Olivenhain Municipal Water District and T-Mobile West, LLC effective April 2, 2019 (the “**First Amendment**”).

3. The District informed T-Mobile of its intent to no longer allow cellular communication facilities mounted to the 4S-I Reservoir tank at the Site.

4. Per a Build to Suit Site Agreement between T-Mobile West, LLC and APC, effective November 3, 2020, APC has taken responsibility for the construction and management of the new mono-pole to be constructed at the Site.

5. The District will allow APC to construct a new camouflaged mono-pole at an alternate location at the Site in accordance with the terms of this Lease. APC shall be solely responsible for securing all permits and approvals necessary to construct and operate any communications facilities at the Site.

6. As of the Effective Date, the Original Lease Agreement and all amendments thereto entered into by the District, Cingular Wireless, and T-Mobile West, LLC are hereby terminated and of no further force or effect, and this Lease supersedes and replaces the Original Lease Agreement entered into by the parties.

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

1. Permission to Install Transmitter/Receiver/Antenna. District hereby grants APC, permission to construct a new monopole and to lease space on said monopole for the operation and maintenance of a wireless communications facilities (the “**Communications Facilities**”) within certain portions of the Site (the “**New Leased Area**”) and shall grant such easements for access and utility service to the New Leased Area after review of the plans by District (the “**Easements**”), all as such New Leased Area and Easements are more particularly described herein and shown on Exhibit “B”, attached hereto and incorporated herein by reference (hereinafter, with such New Leased Area and Easements being collectively referred to as the “**New Leased Premises**”) APC, hereinafter, shall collectively include T-Mobile and any current and future tenants of APC leasing space on the proposed monopole or within an equipment shelter or on the ground located at the site.

2. Responsibility for Non-Interference.

(A) APC understands that District may transmit and receive radio signals from the Site at 450 MHz, 900 MHz, 2.4 GHz, 3.65 GHz, and 5.8 GHz, and 24 GHz for telemetry links to other locations within the District and a short-wave repeater station at 47.90 and 48.38 MHz (“**Signals**”). It shall be the sole responsibility of APC not to create any interference of any kind with District’s Signals, and APC shall immediately correct any interference that may result from the Communications Facilities at its sole cost and expense or immediately cease all operations of the Communications Facilities except for intermittent testing for the purpose of isolating any interference. Operations may not resume until District has approved all corrections determined necessary or appropriate by District in its reasonable discretion to avoid any interference with District’s Signals. In no event will the District be entitled to terminate this Lease so long as APC is making a good faith effort to

remedy the interference issue. In the event APC fails to make a good faith effort to remedy any such interference by the date that is thirty (30) consecutive days after written notice from District, District shall be entitled to unilaterally terminate this Lease by written notice to APC, in addition to all other remedies provided by this Lease or California law.

(B) So long as this Lease has not been terminated due to default of APC or the expiration of its term without extension by renewal as permitted under Section 9 below, District shall not allow any other use of the Site, other than the uses existing as of the full execution of the Original Lease Agreement, which interferes with signal transmission or reception by APC or the current lessee of APC from the Site. District shall be entitled to lease other portions of the Site to other wireless businesses, whether or not such businesses compete with APC, as long as such lessees do not interfere with the transmission and reception of wireless signals by APC from the Site. This shall not apply to transmissions of Signals by the District.

(C) If District receives any request to locate any communications transmitting equipment at the Site from any party (“**Carrier**”) other than APC or the current lessees of APC, District shall include in the lease, license or other agreement with the Carrier a provision prohibiting the Carrier from interfering with the communications operations of APC’s Communications Facilities in designing, locating, and operating its transmitting equipment and in reconfiguring or changing the frequency or operation of such equipment.

3. Permits and Approvals. APC shall be solely liable and responsible for securing all permits, approvals and consents necessary to design, construct, operate, maintain, repair, and replace the Communications Facilities at its sole cost and expense. District shall have no obligation to secure any permits, approvals, or consents necessary to design, construct, operate, repair, or replace the Communications Facilities. District agrees, at no expense to District, to cooperate with APC, in making application for and obtaining all licenses, permits and any and all other necessary approvals that may be required for APC’s intended use of the New Leased Area (as defined below in Section 6).

4. Fees and Costs. APC shall be solely responsible for all fees, costs, and expenses, incurred solely by APC, which includes all APC-incurred costs of whatever type or nature associated with APC’s planning, design, construction, operation, maintenance, repair, or

replacement of the Communications Facilities at the Site.

5. Improvements; Access.

(a) APC shall have the right to enter the Site for the purpose of making inspections and engineering surveys and other tests to determine the suitability of the New Leased Area for APC's Communications Facilities and to prepare for the construction of APC's Communications Facilities. Such access shall be coordinated with the District to ensure that APC's activities do not impact other ongoing District projects at the Site. District agrees and acknowledges that the Communications Facilities, tower, and all of the equipment, conduits, fixtures and personal property of APC are and shall remain the personal property of APC, as shown on Exhibit "B" and may be removed at any time during the Term and at the expiration of such Term or the earlier termination of this Lease.

(b) Prior to commencing construction of APC's Communications Facilities, APC shall obtain District's written approval of APC's conceptual work plans ("**Plans**"), which approval shall not be unreasonably withheld, conditioned or delayed; provided however, that it shall be unreasonable for District to condition its consent on an increase in Rent (as defined in Section 10 below). Such Plans shall include color visual simulations. District shall give such approval or provide APC with its requests for changes within thirty (30) working days of District's receipt of APC's Plans. If District fails to respond within such thirty (30) working days, District's approval will be deemed given. Notwithstanding the foregoing, District shall have no obligation to approve any improvements that District determines, in its sole but reasonable discretion, will interfere with the use, operation, maintenance or repair of the Site by District. Upon District's written approval (or deemed approval) of the Plans, and APC's receipt of all required permits, APC shall be entitled to commence and complete construction of APC's Communications Facilities on the New Leased Area, as contemplated by APC, in accordance with the approved Plans. Minor improvements (those inside APC's equipment enclosure) may be installed, removed, modified and maintained at APC's discretion without District's approval so long as they do not impact any District facilities, any District transmissions, or any transmissions from the existing repeater site(s) already leased at the Site. Notwithstanding the foregoing, but subject to this Paragraph 5(b), District's consent shall be required for repairs to existing equipment located outside of APC's equipment enclosure.

(c) Once the Plans are approved subject to Paragraph 5(b) above, APC has the right to do all work necessary to prepare, add, maintain and alter the Site for APC's Communications Facilities and to install utility lines and transmission lines connecting antennas, transmitters, receivers and other equipment. All of APC's construction and installation work shall be performed at APC's sole cost and expense by licensed and bondable contractors in a good and workmanlike manner.

(d) District hereby grants to APC such rights of ingress and egress over the District's Site via the Easements, as may be necessary and consistent with the authorized use of the New Leased Area. As a material term of this Lease, APC agrees not to use the access rights at any time in a manner which impedes or interferes with any District use, operation, maintenance or repair of the Site.

(e) District shall permit APC's employees, agents, contractors, subcontractors and invitees to park vehicles on the Site as necessary and consistent with the authorized use of the New Leased Area. District shall, at its expense, maintain all access roadways or driveways from the nearest public roadway to the New Leased Area in a manner sufficient to provide access to APC. Nothing contained in this Lease shall obligate District to repair or improve access to the Site beyond its condition existing as of the date this Lease is fully executed.

(f) APC shall have the right to install utilities, at APC's expense, and to improve the present utilities on or near the New Leased Area. Subject to District's written approval of the location, which shall not be unreasonably withheld or delayed, APC shall have the right to place utilities on (or to bring utilities across) the Site in order to service APC's Communications Facilities.

(g) APC's rights of access and to install utilities under this Section 5 include, but are not limited to, the right to install, maintain and service telephone lines connecting the base station of APC's Communications Facilities and the main point of entry ("MPOE") or other point of presence of the telephone service provider at District's Site. APC shall not install any utilities or any other major improvements without first submitting plans of improvements to District for review and written approval, which approval shall be obtained as provided in Section 5(b) above. Minor improvements (those inside APC's equipment enclosure or inside the New Leased Premises) may be installed, removed, modified and maintained at APC's discretion without

District's approval, and repairs to existing equipment located outside of APC's equipment enclosure shall also not require District's consent; provided however, that APC shall notify the District in writing when such minor improvements and replacements are scheduled to be made. District shall have no obligation to approve any improvements that District determines, in its sole but good faith discretion, will interfere with the use, operation, maintenance or repair of the Site by District.

(h) If required by APC's Land Use Permit, APC shall install certain trees, shrubs and related landscaping (the "**Landscaping**") on the Site as depicted in Exhibit "B" attached hereto. APC shall also install and connect an irrigation system (the "**Irrigation System**") to the District's existing irrigation system in order to service the Landscaping as depicted on Exhibit "B" attached hereto. APC shall maintain the Landscaping for the duration of the term of this Lease as provided in Section 9 below, as may be extended, in accordance with all applicable laws. Upon expiration or earlier termination of this Lease, the District shall thereafter maintain the Landscaping and Irrigation System.

6. Lease Rights. APC shall be permitted the continued use of the current leased area, approximately (960) square feet situated on APN 678-242-05-00 and as shown on Exhibit "B", for the previously constructed equipment enclosure used by APC and the New Leased Area which New Leased Area shall be sufficient for the installation of a faux tree antenna structure, together with the non-exclusive right for ingress and egress, seven (7) days a week, twenty-four (24) hours a day, on foot or motor vehicle, including trucks over, under, above and across the Easements, as more particularly described in Section 5 above, on the Site, all as described and depicted on Exhibit "B" attached to the Lease (collectively, the New Leased Area and the Easement are described herein as the "**New Leased Premises**"), and, subject to Section 9(B), APC shall have the additional right to license or sublease portions of the New Leased Premises to APC's customers. The District shall permit APC to effect any relocation of the current leased area to the New Leased Area and the Easement, using a procedure that will ensure that APC's and its customers' equipment at the new locations are fully operational and optimized for service prior to discontinuing service from the previous location.

7. Compliance with Applicable Laws.

(A) APC shall ensure that all work performed on the Site is performed in a manner which

complies with all applicable federal, state, county, and local governmental rules and regulations, including all environmental laws of the State of California and the federal government. APC shall be solely responsible for obtaining and paying for all permits, licenses, and approvals necessary to construct the Communications Facilities and APC shall provide verification that such permits, licenses, and approvals have been obtained promptly upon demand from District. This Section shall include all land use permits or approvals necessary to construct and/or operate the Communications Facilities and any utilities or other improvements requested by APC. APC's ability to use the New Leased Area is contingent upon its obtaining, after the execution date of this Lease, all certificates, permits, approvals, and easements necessary to construct and operate the Communications Facilities. In the event any of these permits or approvals should be finally rejected or any certificate, permit, license, or approval issued to APC is canceled, expires, lapses, or is otherwise withdrawn or terminated by governmental action, or in the event APC determines that the site is no longer appropriate or suitable for its use or operations for economic, environmental or technological reasons, APC shall have the right to terminate this Lease by giving District one hundred eighty (180) days advance written notice. This Lease shall remain valid and effective for the 180-day period and APC shall be obligated to pay District rent due during the one hundred eighty (180) day period. The termination notice shall not be effective if APC is in default of any provision of this Lease during the 180-day period. All amounts paid by APC to the termination date shall be retained by District in full without proration or offsets of any kind.

(B) Notwithstanding the foregoing, if any permit or approval required by APC of any governmental or quasi-governmental agency is denied, rejected or otherwise withdrawn, or if APC fails to obtain and continue to use, through assignment, legal proceeding or separate negotiation, an easement providing APC with access to the Site, APC shall have the right to terminate this Lease without any obligation to pay additional consideration to District, which termination shall be effective upon delivery of written notice by APC to District. However, all amounts previously paid by APC to District shall be retained by the District as rent without proration or offset of any kind.

(C) In addition to the foregoing termination rights in 7(A) and 7(B), APC shall be permitted to terminate this Lease for any reason upon one (1) year's prior written notice to the

District, provided that APC shall be obligated to pay District rent due during such one (1) year period (or pay the equivalent sum due to District for such one (1) year period, prior to the termination being effective.

8. Term. This Lease shall commence on the issuance of a valid building permit (the “**Commencement Date**”) and shall extend for an initial term to expire on November 1, 2030 (the “**Initial Term**”). In addition to the Initial Term, APC shall have the option to extend the Lease for each of two (2) additional ten (10) year renewal terms (each a “**New Renewal Term**” and collectively, the “**New Renewal Terms**”). Notwithstanding anything to the contrary contained in the Lease, all New Renewal Terms shall renew upon APC’s written notification to the District at least ninety (90) days prior to the commencement of a New Renewal Term (as defined herein). References in this Lease to “**Renewal Term**” shall refer, collectively, to the Initial Term and the New Renewal Term(s).

9. Rental Payments. (A) APC agrees to pay the District rent at the current amount of **Three Thousand Three Hundred Seventy One Dollars and thirty seven cents (\$3,371.37)** per month (the “**Rent**”), beginning on the first day of the month after Effective Date of the Lease between the District and APC and continuing on or before the first day of each month thereafter, in advance, for the duration of the term of this Lease. Rent due under the Lease will be increased by three (3) percent on each anniversary of the Effective Date. APC shall be required to pay an additional late fee of ten percent (10%) of the then-current rental rate for each month’s payment not received by the fifteenth (15th) day of any month. The parties acknowledge and agree that this additional sum shall be treated as Rent and not as a penalty or liquidated damages in any subsequent proceeding between the parties. The failure of APC to deliver any rental payment to District within fifteen (15) business days after written notice of the amount due shall be deemed a material breach of this Lease, entitling District to unilaterally terminate this Lease and to order APC to remove the Communications Facilities and restore the New Leased Area as required by Section 20 below in addition to other remedies afforded District by applicable law and this Lease.

(B) In the event APC enters into a co-location agreement with an additional tenant(s) other than T-Mobile (each a “**Co-locator**”) to lease space on the proposed monopole, District and APC shall enter into an amendment to the original lease agreement for a revision of the current monthly rental payment, and to modify any other terms of the original agreement affected by this co-location.

(C) APC further agrees to pay District a one-time fee in the amount of Five Thousand Dollars (\$5,000.00) to reimburse the District for its administrative costs incurred with this Lease, which shall be due and payable within forty-five (45) days following full execution of this Lease, and shall be non-refundable. The failure of APC to do so shall constitute a material breach of this Lease.

10. Utilities and Taxes. APC shall be solely responsible for furnishing all utilities necessary for its use and operation of the New Leased Area and shall contract for all utilities in its own name or that of its lessees. District agrees to reasonably cooperate, at no cost to District, with APC and APC's lessees and the applicable utility provider in connection with obtaining utility service to the New Leased Area. The failure of APC to timely pay all electric service bills shall constitute a material breach of this Lease.

APC has been advised and understands that the New Leased Area may be subject to a possessory interest tax. APC shall be solely responsible for the payment of all taxes, assessments, and fees directly attributable to APC's use of the New Leased Area and any buildings, structures, improvements, or facilities installed or used by APC on the Site. As a material term of this Lease, APC agrees not to allow any taxes, assessments, or fees associated with APC's use to become a lien or judgment against the Site or any other property of District.

11. Tenant Improvements. All improvements, other than minor modifications within APC's equipment enclosure or inside the New Leased Area and other like-for-like (substantially similar in size and weight) replacements or modifications, desired by APC shall be submitted with detailed plans to District for District's review and written consent prior to the commencement of any work. District's written consent will not be unreasonably withheld, conditioned or delayed as provided in Section 5(b) above. However, District shall have no obligation to consent to any improvements which District finds will damage or interfere with any present or future District facilities or uses at the Site. All construction work shall be performed solely by contractors licensed in the State of California. APC shall be solely liable and responsible for securing and complying with all permits, approvals, laws, regulations and ordinances, which apply to the tenant improvements at its sole cost and expense, subject to the provisions of Section 7 above. Prior to commencing any work, APC shall provide District with written verification that the plans and specifications for the improvements have been approved by all applicable regulatory agencies and with a copy of the approved plans. APC shall also provide District with verification that APC has posted all bonds as

required by the applicable regulatory agencies to complete the work and has met all other terms and conditions imposed by applicable regulatory agencies for the improvements desired by APC at its sole cost and expense. Any request for approval submitted by APC that is not approved or disapproved in writing with reasons for such disapproval, within sixty (60) days of such request, shall be deemed approved by District.

12. No Lien Claims or Judgment. It is understood by the parties that District shall have no responsibility whatsoever for the payment of any materials, labor, or work performed on the New Leased Area by APC or at its request. APC shall promptly pay all amounts necessary to remove any mechanic's lien claim, lis pendens, judgment, or any other debt or obligation which becomes a lien against the New Leased Area as a result of any work, labor, or materials furnished to the New Leased Area by or at the request of APC.

13. Use. APC shall have the right to use the "New Leased Area" solely for the use, operation, maintenance and repair of a mobile and wireless communications facility and for no other purposes without the prior written consent of District (the "**Permitted Use**"). District shall have no obligation to give its consent to any other uses. APC shall be solely responsible for ensuring that all uses comply with all land use laws pertaining to the New Leased Area. APC agrees not to use the New Leased Area for any immoral or unlawful purpose. APC shall not commit any acts on the New Leased Area in violation of any federal, state, or local law, rule, regulation, permit, approval, or consent, nor use the New Leased Area in any manner which will cause the non-renewal or cancellation of any fire, liability, or other insurance policy insuring APC under the New Leased Area or any improvements on the New Leased Area. APC shall not commit any waste or any public or private nuisance on all or any part of the Site. APC shall not take any steps or actions which cause damage or injury to any person or damage or injury to any real or personal property owned by District or any other person or entity.

APC shall comply with all permits, approvals, laws, rules, and orders of all federal, state, and local governments and agencies that may be applicable to APC's use of the Site and/or the New Leased Area, at APC's sole cost and expense. APC shall be solely responsible for any loss or claim arising out of APC's failure to obtain or comply with any permit, approval, law, rule, or order of and federal, state, or local government applicable to the use of the New Leased Area, except to the extent any such failure is caused by District's gross negligence or willful misconduct.

14. As Is Lease. APC has been advised and understands, except as provided in Sections 31 and 32 hereof, that District has not made any warranties, representations, or promises of any kind or character concerning the quality or condition of the New Leased Area, the easement, the quality or condition of any improvements, equipment, furniture, or fixtures on the New Leased Area, or the quality or condition of the real property itself or any surface or subsurface conditions on the New Leased Area. Prior to entering into this Lease, APC has made its own independent investigation of the condition, quality, and character of the New Leased Area, the easement, all improvements on the New Leased Area, all equipment, furniture, and fixtures, and the condition of the real property itself, and has utilized such experts as have been desired by APC in evaluating the quality and condition of the real property, and all improvements, equipment, furniture, and fixtures on the New Leased Area. As a material part of this Lease, the parties expressly agree that APC is acquiring the property “as is” without any warranties, representations, or promises by District or any of its directors, officers, agents, or employees concerning the quality, condition, or character of the New Leased Area, the easement, any improvements on the New Leased Area, any equipment, furniture, or fixtures included as part of the New Leased Area, or any surface or subsurface conditions.

BY INITIALING BELOW, THE PARTIES ACKNOWLEDGE THAT THERE HAVE BEEN NO WARRANTIES, REPRESENTATIONS OR PROMISES MADE BY DISTRICT, OR ITS DIRECTORS, OFFICERS, AGENTS, OR EMPLOYEES CONCERNING THE QUALITY, CONDITION, OR CHARACTER OF THE LEASED AREA OR ANY IMPROVEMENTS ON THE LEASED AREA, ANY EQUIPMENT, FURNITURE, OR FIXTURES INCLUDED AS PART OF THE LEASED AREA, OR ANY SURFACE OR SUBSURFACE CONDITIONS AND THAT APC IS LEASING THE LEASED AREA “AS IS” BASED UPON ITS OWN INVESTIGATION AND INSPECTION AND WITH THE ASSISTANCE OF SUCH EXPERTS AS HAVE BEEN DESIRED BY APC.

District: _____

APC: _____

15. Repair and Maintenance. APC agrees that all improvements, equipment, furniture, fixtures, real and personal property included as part of the New Leased Area is in working order and in good condition upon the commencement of this Lease. APC shall be solely liable and responsible for the maintenance, repair, and replacement of all portions of the New Leased Area

during the term of this Lease.

At all times during this Lease, and any extensions under this Lease, APC agrees, at its sole cost and expense, to keep the New Leased Area and all improvements, equipment, fixtures, real and personal property, included as part of the New Leased Area in good condition and repair, reasonable wear and tear excepted. District shall have no obligation whatsoever to maintain or repair any equipment, furniture, fixtures, improvements, personal property, or real property included as part of the New Leased Area at any time during the term of this Lease. The proper repair and maintenance of all personal and real property included as part of the New Leased Area shall be the sole liability and obligation of APC during the entire Lease term and any extensions. The failure of APC at any time to properly maintain and repair any personal or real property included as part of the New Leased Area at any time during this Lease or any extensions shall constitute a material breach of this Lease.

APC further agrees to deliver physical possession of the New Leased Area to District within ninety (90) days after the end of this Lease term in good condition and repair, casualty loss, acts of third parties and reasonable wear and tear excepted. The failure of APC to deliver physical possession of the New Leased Area within ninety (90) days after the end of the Lease term in good condition and repair, reasonable wear and tear excepted, shall constitute a breach of this Lease. All improvements of any kind or nature installed on the New Leased Area by APC during the Lease term shall belong solely to APC at the end of the Lease term and shall be removed by APC at its sole cost and expense to 3 feet below grade, without damage to any real or personal property owned by District or any other person or entity.

16. District's Right to Make Repairs. If at any time during the term of this Lease, or any extension, APC fails to maintain any of the New Leased Area or any improvements on the New Leased Area in the condition required hereunder, District shall give written notice of these defects to APC at the address shown in Paragraph 33 herein. APC shall have thirty (30) consecutive business days from the receipt of such notice to commence repairs and shall diligently prosecute the work to completion. In the event APC fails to commence the repairs within this thirty (30) consecutive business day period, or fails to diligently complete the repair work, District shall have the express right, but not the obligation, to enter the Leased Area and to make the repairs for the account of APC. Any sums expended by District in so doing, together with interest at the rate of one and one-half percent (1½%) per month, shall be deemed additional rent (for enforcement purposes only) and shall

be due from APC within thirty (30) days after APC's receipt of demand from District, including reasonable supporting documentation.

17. Waiver of Civil Code Sections 1941 and 1942. As a material part of this Lease, APC hereby expressly waives the provisions of Civil Code Sections 1941 and 1942 and any other law that would require District to maintain the Leased Area in a tenantable condition or which would provide APC with the right to make repairs and deduct the cost of those repairs from the rent. APC acknowledges that Civil Code Section 1941 obligates District to make a dwelling house fit for its purpose and that Civil Code Section 1942 allows APC, under certain circumstances, to repair premises that have been rendered un-tenantable and to deduct the expense of the repair from the rent due. APC acknowledges that APC fully understands these rights and expressly waives them with full knowledge of the consequences of this waiver.

18. Entry by District. APC shall permit District and its agents, representatives, or employees to enter the New Leased Area at all reasonable times and upon twenty four (24) hours advance written notice to inspect the New Leased Area and all improvements, equipment, fixtures, personal or real property included as part of the New Leased Area to determine whether APC has complied with the terms of this Lease and to do other lawful acts that may be necessary to protect District's interest in the New Leased Area or to perform maintenance or repair of the Site, as determined by District in its sole discretion; provided, however: (i) District shall not be permitted to touch, alter, or tamper with any of APC's equipment or that of its tenants within the New Leased Area; (ii) District shall be liable for any damage caused to APC's equipment caused by District or its agents, employees or assigns during any inspection; and (iii) APC shall have the right to have an escort accompany any District representative during any inspection. In the event of an emergency, as determined by the District in its sole discretion, the District and its agents, representatives, or employees shall have the right to access the New Leased Area to perform maintenance or repair in the New Leased Area, without prior notification to APC. APC will be notified of any emergency entry by the District to the New Leased Area within 24 hours of initial entry.

19. Surrender of Premises and Holding Over. Within ninety (90) days after the termination of this Lease for any reason, APC shall promptly surrender and deliver the New Leased Area and all equipment, furniture, fixtures, grounds, improvements, and all personal and real property owned by the District and included as part of the New Leased Area, to District in a good and working condition, reasonable wear and tear excepted. APC shall promptly repair any damage to the New

Leased Area, or any improvements, real or personal property owned by District, caused by removal of any APC improvements at the sole cost and expense of APC. At the end of the ninety (90) day removal period, or any extension, if APC holds over for any reason it is agreed that in the absence of a written agreement to the contrary, the tenancy shall be from month-to-month only and not a renewal of this Lease nor a further extension of the term. During the hold over period, APC shall pay monthly rent at the amount in effect at the end of the Lease term or any extension and the month-to-month tenancy shall be subject to all other terms, covenants, and conditions of this Lease.

20. Indemnity. APC agrees to hold harmless, indemnify, and defend District and its directors, officers, agents, employees, successors, and assigns from any and all claims, demands, causes of action, damages, losses, fees, costs, expenses, fines and penalties of whatever type or nature, including all reasonable attorney's fees and court costs, arising out of or connected with: (i) any improvements or design or construction of APC's improvements; (ii) any labor, materials, or supplies requested or ordered by APC in connection with the New Leased Area; and (iii) APC's use or occupation of the New Leased Area, including without limitation, any sublease use of the New Leased Area or the use of any hazardous or toxic substances or materials by APC at the Site; and (iv) APC's failure to obtain or comply with any permit, approval, law, rule, or order of any federal, state, or local government applicable to the use of the New Leased Area; provided, however, none of APC's indemnity obligations in this Section 21 shall apply to any claim or damage to the extent caused by or arising out of the active negligence or willful misconduct of District or its directors, officers, agents, employees, successors, or assigns. However, APC shall not be responsible for environmental liabilities that existed prior to the full execution of this Lease or that otherwise do not result from APC's operations at the Site.

District agrees to hold harmless, indemnify and defend APC and its officers, employees, and agents from any and all claims or liability for loss of personal injury and/or property damage to the extent such claims are caused by or arise out of the use of occupancy of the Site by District. Notwithstanding the preceding, District shall not indemnify APC against any claim to the extent that it arises in whole or in part from, or in connection with, any negligent or intentional conduct of APC or any officer, agent, servant, employee, or contractor of APC.

In the event any of the indemnified parties are named as a party in any arbitration or litigation covered by this indemnity, they shall be entitled to appoint their own attorneys and the indemnifying party agrees to pay all reasonable attorney's fees, costs, expert fees and costs, and all

other fees and costs incurred by the indemnified parties in the proceeding within thirty (30) days of receipt of the bill. The failure of the indemnifying party to pay any of these fees or costs within thirty (30) days of receipt of the bill shall constitute a material breach of this Lease.

21. Liability Insurance. At all times during this Lease, APC agrees to procure and maintain commercial general liability insurance, including products and completed operations, from an insurance company authorized to do business in the State of California. The insurance company shall have an A.M. Best Financial Strength rating of at least “A-,” an A.M. Best Financial Size rating of not less than “VI”, and have a combined single limit of \$5,000,000 per occurrence, and \$5,000,000 general aggregate. Also, the District and each of the District’s directors, officers, and employees must be included as additional insured as their interest may appear under this Lease. The failure of APC to maintain this liability insurance in full force and effect during the entire term of this Lease, and any extension, shall constitute a material breach of this Lease.

22. Workers’ Compensation Insurance. At all times during this Lease, APC shall maintain workers’ compensation insurance coverage at least equal to the statutory limits required by California law for all workers employed by APC or in any business conducted by APC for access to and on the New Leased Area. The failure of APC to keep this workers’ compensation insurance in full force and effect during the entire term of this lease shall constitute a material breach of this Lease.

23. Insurance Policy Provisions. A certificate of insurance for all insurance required by this Lease shall be provided to District within thirty (30) days of the Effective Date of this Lease and shall be maintained in full force and effect during the entire Lease term and any extensions. The policy of insurance shall be primary and non-contributory with any policies carried by District. Upon receipt of notice from its insurer, APC shall use its best efforts to provide thirty (30) days prior written notice of cancellation to the District. Any insurance coverage required under this Section may be carried by APC under a blanket policy insuring other locations of APC, provided that the New Leased Area and all improvements on the New Leased Area are identified as included under that policy.

24. Condemnation. If at any time during the term of this Lease, or any extensions, all of the New Leased Area is taken in any eminent domain proceeding, this Lease shall terminate as of 12:01 a.m. of the date actual physical possession of the New Leased Area is taken. If during the term of this Lease or any extensions, only a part of the New Leased Area is taken as a result of an eminent

domain action all terms of this Lease shall remain in full force and effect unless the partial taking has resulted in a material impairment of the business of APC. For these purposes, the term “material impairment” means the partial taking will prevent APC from using the New Leased Area for the transmission of mobile and wireless communications. If a partial taking occurs which causes a material impairment of the business of APC, APC shall have the right to terminate this Lease by giving ten (10) days written notice to District and the rent shall be paid to the time when APC actually surrenders possession of the New Leased Area as used prior to the taking. If the whole or any part of the New Leased Area is taken pursuant to any eminent domain proceeding, District shall be entitled to all amounts paid or payable as part of any condemnation settlement or award except that portion expressly allocable to unsalvageable trade fixtures of APC.

25. Assignment and Subletting. APC shall not be entitled to assign or transfer all or any part of the New Leased Area without District’s prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. However, District shall have no obligation to consent to any assignment or transfer unless the assignee or transferee has demonstrated the ability to pay all amounts required by this Lease to the reasonable satisfaction of District. Prior to consenting to any transfer or assignment, APC shall provide District with financial information demonstrating the assets and liabilities and income and expenses of the assignee or transferee for the prior two years for District’s review and written approval. Following an assignment permitted or allowed pursuant to the terms of this Lease, APC shall be released from any further liability under this Lease from and after the date of such assignment.

Notwithstanding the foregoing terms of this Section 25 without obtaining District’s prior approval in advance of such assignment, APC in its sole discretion may from time to time do any of the following:

- (a) grant to any person or entity a security interest in some or all of APC’s Communications Facilities and/or other property of APC used or to be used in connection with the Site;
- (b) assign or pledge APC’s interest in this Lease and the New Leased Area to any person or entity to finance APC’s equipment or operate APC’s business; and
- (c) assign this Lease or sublet the entire New Leased Area; (i) to any entity

which has, directly or indirectly, a 30% or greater interest in APC (a **“Parent”**) or in which APC or a Parent has a 30% or greater interest (an **“Affiliate”**); (ii) to any entity with which APC or any Affiliate or both may merge or consolidate; (iii) to a buyer of substantially all of the outstanding ownership units or assets of APC or any Affiliate; (iv) to APC; and (v) to the holder or transferee of the Federal Communications Commission (**“FCC”**) license under which APC’s Communications Facilities are operated, upon FCC approval of any such transfer. Any such assignment shall not be effective until the assignee signs and delivers to District a document acceptable to District in its reasonable discretion in which the assignee assumes responsibility for all of APC’s obligations under this Lease arising from and after the effective date of assignment (such document may be redacted to omit proprietary information).

26. Default. Any of the following events or occurrences shall constitute a material breach of this Lease by APC and shall constitute an event of default:

(a) The failure of APC to pay any amount due under this Lease in full within fifteen (15) business days following written notice from District;

(b) The failure of APC to perform any other term, covenant, or condition of this Lease on the date it is due;

(c) The failure of APC to maintain any insurance required by this Lease;

(d) The failure of APC to pay any increased real or personal property taxes directly resulting from APC’s use of the New Leased Area;

(e) The failure of APC to maintain or repair the New Leased Area as required by Section 16 of this Lease;

(f) The failure of APC to pay for any utility services when due;

(g) The failure of APC to remove any lien, judgment, or debt filed against the New Leased Area or any District property which was created, or caused by, APC;

(h) The failure of APC to comply with Section 11 above governing APC improvements;

(i) The violation by APC of any of the provisions in Section 13 above governing uses;

(j) The violation by APC of any federal, state, or local laws, regulations, or ordinances or any permits, consents, or approvals granted for the Communications Facilities;

(k) The failure of APC to indemnify District as required by this Lease;

(l) The assignment or subletting of this Lease by APC in violation of Section 25 above;

(m) Any of the following: (1) a general assignment by APC for the benefit of its creditors; (2) any voluntary filing, petition, or application by APC under any law or relating to insolvency or bankruptcy, whether for a declaration of bankruptcy, a reorganization, an arrangement, or otherwise; (3) the abandonment, vacation, or surrender of the New Leased Area by APC without District's prior written consent; or (4) the dispossession of APC from the New Leased Area (other than by District) by process of law or otherwise;

(n) The appointment of a trustee or receiver to take possession of all or substantially all of assets of APC; or the attachment, execution or other judicial seizure of all or substantially all of assets of APC located at the Leased Area or of the interest in this Lease, unless the appointment or attachment, execution or seizure is discharged within ninety (90) days thereafter; or the involuntary filing of any bankruptcy action against APC;

(o) Abandonment of the New Leased Area by APC and any time during the Lease term or any extension;

(p) The holding over by APC without the prior consent of District.

27. Remedies. In the event that APC is in default of any provision in Section 26 of this Lease, and fails to cure such default (i) within fifteen (15) business days following written notice from District in the event that the default consists of failure to pay an amount due under this Lease, or (ii) within thirty (30) business days following written notice from District in the event of any other default, provided that APC shall have such additional reasonable time as is necessary to cure the default if the default is not reasonably susceptible of cure within the thirty (30) business days, as long as APC

commences the cure within the thirty (30) business day period and diligently prosecutes such cure to completion thereafter without limiting District in the exercise of any right or remedy which District may have by reason of such default or breach. Upon an uncured default of APC, the District shall have the right to pursue each of the following remedies:

(a) Terminate the right of APC to possession of the New Leased Area, in which case this Lease shall terminate and APC shall immediately surrender possession of the New Leased Area to District. Thereafter, District shall be entitled to recover from APC the following damages:

(1) The worth at the time of award of the unpaid rent which has been earned at the time of termination;

(2) The worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that APC proves could have been reasonably avoided;

(3) The worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of the award exceeds the amount of such rental loss that APC proves could be reasonably avoided; and

(4) All fees and costs incurred by District to get the New Leased Area ready for re-renting, all fees and costs to restore any damage done to the New Leased Area by APC. All commissions paid or payable to any broker or sales person to re-rent the New Leased Area and all fees and costs paid by District to improve the New Leased Area to secure any new tenant.

(5) Any other amount necessary to compensate District for all the detriment proximately caused by the failure of APC to perform its obligations under the Lease or which, in the ordinary course of things, would be likely to result therefrom.

The worth at the time of award of the amounts referred to in subsections 27 (a)(1) and 27 (a)(2) shall be computed by allowing interest at the rate of 1½% per month. The worth at the time of award of the amount referred to in subsection 27 (a)(3) shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%); or

(b) Maintain the right of APC to possession, in which case this Lease shall continue

in effect whether or not APC shall have abandoned the New Leased Area. In such event, District shall be entitled to enforce all of District's rights and remedies under this Lease, including the right to recover the rent as it becomes due; or

(c) Pursue any other remedy now or hereafter available to District under the laws of the State of California or pursuant to this Lease

28. Termination by District. In addition to the remedies set forth above, the District shall be entitled to unilaterally terminate this Lease for any reason after the expiration of the Initial Term, upon one (1) year prior written notice to APC.

29. Interest on All Amounts Due. Rent and any other amounts due under this Lease shall earn interest from the date due until paid in full at the rate of 1½% per month, with exception of the grace period of fifteen (15) business days.

30. No Representations. Except as provided in this Section 301 and except for the warranty that District has no actual knowledge of hazardous waste as set forth in Section 32 below, APC warrants and represents that no representations or promises have been made by anyone connected with District concerning the condition or quality of the New Leased Area or the ability of APC to use any part of the New Leased Area or the easement for its intended purpose or any other purpose.

District warrants that (i) it owns good and sufficient title to and interest in the Site to enable it to enter into this Lease and perform its obligations hereunder; (ii) there are no liens, encumbrances, covenants, restrictions or judgments affecting the Site which will impede or adversely affect APC's intended use of the New Leased Area; (iii) District has full right, power and authority to execute, deliver and perform this Lease; and (iv) so long as APC is not in default under this Lease (after notice and the expiration of applicable care periods), APC shall have undisturbed, quiet and peaceful use and enjoyment of the Premises throughout the term and any extension thereof.

31. Hazardous and Toxic Waste. Without any duty to inquire or investigate, District warrants that it has no actual knowledge that there is contamination, hazardous waste, or toxic substances in existence on or below the surface of the New Leased Area which constitute a violation of any law, rule, or regulation of any governmental entity having jurisdiction. APC shall

not deliver, store, or use any hazardous, toxic, or contaminated waste of any kind within the New Leased Area or at the Site without the prior written consent of District. If the New Leased Area contains toxic, hazardous, or contaminated waste material delivered, brought to or used on the Site by APC or any of its agents, servants, employees or contractors, APC shall be solely responsible for, and pay all fees and costs, of whatever type or nature, for the removal and disposal of, all such materials as required by law and for cleanup and remediation of all real and personal property contaminated by the hazardous waste. Notwithstanding the foregoing, APC may bring onto the Site equipment and supplies commonly used by APC in the provision of its telecommunications services such as back-up batteries, generator fuel, HVAC system, electronics, and basic cleaning supplies, provided that all such hazardous materials shall be handled, stored and disposed of in accordance with all federal, state and local laws and regulations applicable thereto.

32. Miscellaneous Provisions.

(a) California Law. This Lease shall be construed and interpreted in accordance with California law.

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

(c) Modification. This Lease may not be altered in whole or in part except by a modification, in writing, executed by all the parties to this Lease.

(d) Attorney's Fees. In the event of any legal or equitable proceeding to enforce or interpret the terms of this Lease, the prevailing party shall be entitled to all attorney's fees and court costs in addition to any other relief granted by law. This provision shall apply to the entire Lease.

(e) Entire Agreement. This Lease, together with all the exhibits attached to this Lease, contains all representations and the entire understanding between the parties with respect to the subject matter of this Lease. Any prior correspondence, memoranda, or agreements, whether or not such correspondence, memoranda, or agreements are in conflict with this Lease, are intended to be replaced in total by this Lease and its exhibits which represents the final and complete

agreement of the parties.

(f) Binding Effect. This Lease shall inure to the benefit of and be binding upon the parties and their respective purchasers, successors, heirs, and assigns.

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

(h) Representation of Capacity to Contract. Each party to this Lease represents and warrants that he or she has the authority to execute this Lease on behalf of the entity represented by that individual.

(i) No Waiver. The failure of either party to enforce any term, covenant, or condition of this Lease on the date it is to be performed shall not be construed as a waiver of that party's right to enforce this, or any other, term, covenant, or condition of this Lease at any later date or as a waiver of any term, covenant, or condition of this Lease. No waiver shall occur against District unless the right or breach being waived is expressly stated in writing and signed by the general manager of District.

33. Notices. All letters, statements, or notices required pursuant to this Lease shall be deemed effective upon receipt, when personally served or two (2) days after mailing when sent by regular mail to the following addresses:

TO: "APC"

APC Towers III, LLC,
8601 Six Forks Rd, Ste 250
Raleigh, NC 27615
Attn: Daniel C. Agresta, III,
President & CEO
Site Name: CA-1078

TO: "District"

Olivenhain Municipal Water District
Attn: Kimberly A. Thorner, General Manager
1966 Olivenhain Road
Encinitas, California 92024-9761
Tel No. (760) 753-6466
Fax No: (760) 753-5640

WITH A COPY TO:

Alfred E. Smith
Nossaman LLP
777 South Figueroa Street, 34th Floor
Los Angeles, CA 90017
Tel No. (213) 612-7831
ASmith@Nossaman.com

34. No Joint Venture. Nothing in this Lease is intended to create a joint venture, partnership, or common enterprise relationship of any kind between District and APC.

35. Time of Essence. The parties agree that time is of the essence as to all matters specified in this Lease.

36. Quitclaim Deed. Upon termination of this Lease for any reason, APC shall execute the Quitclaim Deed attached hereto as Exhibit "C" and District shall be entitled to record the Quitclaim Deed reflecting that APC has no further interest in the Site and/or the New Leased Area.

37. Effective Date. The Effective Date of this Lease is the date of the latter signature below executed in counterparts.

[Signatures appear on Following Page]

IN WITNESS WHEREOF, the Parties hereto have set their hands and affixed their respective seals the day and year set forth below.

“District”:

OLIVENHAIN MUNICIPAL WATER DISTRICT, a Municipal Water District organized and existing under the Municipal Water District Act of 1911, as amended

By _____
Kimberly A Thorner, Esq.,
General Manager

Date: _____

“APC”

APC Towers III, LLC, a Delaware limited liability company

By _____

Name: _____

Title: _____

Date: _____

EXHIBIT "A"
LEGAL DESCRIPTION

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

PARCEL 1:

ALL THAT PORTION OF RANCHO SAN BERNARDO, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF RECORDED IN BOOK 2, PAGE 462 OF PATENTS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID SAN DIEGO COUNTY, DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE SOUTHWESTERLY BOUNDARY OF COUNTY OF SAN DIEGO TRACT NO. 4478, ACCORDING TO MAP THEREOF NO. 11984, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID SAN DIEGO COUNTY, JANUARY 7, 1988, AND THE CENTERLINE OF CAMINO SAN BERNARDO, AS SAID INTERSECTION IS SHOWN ON SAID MAP NO. 11984; THENCE ALONG THE SOUTHWESTERLY PROLONGATION OF SAID CENTERLINE, SOUTH $36^{\circ} 51' 23''$ WEST 100.01 FEET TO A POINT HEREINAFTER REFERRED TO AS POINT "A"; THENCE SOUTH $54^{\circ} 44' 52''$ EAST 223.64 FEET TO THE BEGINNING OF A TANGENT 500.00 FEET RADIUS CURVE, CONCAVE NORTHEASTERLY; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF $21^{\circ} 47' 47''$ A DISTANCE OF 190.21 FEET TO THE BEGINNING OF A REVERSE CURVE, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 500.00 FEET; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF $61^{\circ} 32' 39''$ A DISTANCE OF 537.07 FEET TO THE BEGINNING OF A REVERSE 200.00 FEET RADIUS CURVE, CONCAVE NORTHEASTERLY; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF $38^{\circ} 00' 00''$ A DISTANCE OF 132.65 FEET TO THE BEGINNING OF A REVERSE 500.00 FEET RADIUS CURVE, CONCAVE SOUTHWESTERLY; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF $25^{\circ} 00' 00''$ A DISTANCE OF 218.17 FEET TO THE BEGINNING OF A REVERSE 500.00 FEET RADIUS CURVE, CONCAVE NORTHEASTERLY; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF $5^{\circ} 43' 46''$ A DISTANCE OF 50.00 FEET TO A POINT HEREINAFTER REFERRED TO AS POINT "B"; THENCE ALONG THE SOUTHWESTERLY PROLONGATION OF A RADIAL LINE OF SAID CURVE, SOUTH $56^{\circ} 16' 14''$ WEST 15.00 FEET TO THE TRUE POINT OF BEGINNING, BEING A POINT ON THE ARC OF A NON-TANGENT 515.00 FEET RADIUS CURVE, CONCAVE NORTHEASTERLY, A RADIAL LINE TO SAID POINT BEARS SOUTH $56^{\circ} 16' 14''$ WEST; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF $9^{\circ} 16' 14''$ A DISTANCE OF 83.33 FEET TO THE BEGINNING OF A REVERSE CURVE, CONCAVE WESTERLY, HAVING A RADIUS OF 235.00 FEET; THENCE SOUTHERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF $48^{\circ} 00' 00''$ A DISTANCE OF 196.87 FEET; THENCE TANGENT TO SAID

CURVE, SOUTH 5° 00' 00" WEST 35.00 FEET TO THE BEGINNING OF A TANGENT 189.00 FEET RADIUS CURVE, CONCAVE NORTHWESTERLY; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 65° 00' 00" A DISTANCE OF 214.41 FEET; THENCE ALONG A RADIAL LINE OF SAID CURVE, NORTH 20° 00' 00" WEST 39.00 FEET TO A POINT ON THE ARC OF A NON-TANGENT 150.00 FEET RADIUS CURVE, CONCAVE EASTERLY; THENCE WESTERLY, NORTHERLY, AND EASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 216° 19' 21" A DISTANCE OF 566.33 FEET; THENCE ALONG THE NORTHERLY PROLONGATION OF A RADIAL LINE OF SAID CURVE, NORTH 16° 19' 21" EAST 125.51 FEET TO THE TRUE POINT OF BEGINNING.

TOGETHER WITH THE RIGHT AND PRIVILEGE TO SPILL WATER FROM THE PROPERTY DESCRIBED IN PARCEL 1 ABOVE TO AND INTO THE EXISTING NATURAL DRAINAGE SWALES LOCATED WITHIN THE LANDS OF THE GRANTOR HEREIN, AND ALSO THE RIGHT TO CONSTRUCT, RECONSTRUCT, REPAIR, AND MAINTAIN A DRAINAGE PIPE OR PIPES, AND/OR A DRAINAGE DITCH OR DITCHES, TOGETHER WITH ANY APPURTENANCES INCIDENTAL THERETO, BEYOND THE BOUNDARIES OF THE PROPERTY DESCRIBED IN PARCEL 1 ABOVE AS MAY BE NECESSARY FOR SAID SPILLAGE AND/OR FOR THE CONVEYANCE AND DISPOSAL OF STORM AND/OR OTHER DRAINAGE WATERS.

ALSO TOGETHER WITH AN EASEMENT AND RIGHT TO CONSTRUCT, RECONSTRUCT, REPAIR AND MAINTAIN EXCAVATION AND EMBANKMENT SLOPES BEYOND THE LIMITS OF THE PROPERTY DESCRIBED IN PARCEL 1 ABOVE, AS MAY BE REQUIRED AND/OR DEEMED NECESSARY OR CONVENIENT BY THE GRANTEE HEREIN, FOR THE CONSTRUCTION, OPERATION, AND MAINTENANCE OF A WATER RESERVOIR, AND ANY AND ALL APPURTENANCES INCIDENTAL THERETO, WITHIN SAID PROPERTY DESCRIBED IN PARCEL 1 ABOVE.

AND ALSO TOGETHER WITH EASEMENTS TO ERECT, CONSTRUCT, RECONSTRUCT, REPLACE, REPAIR, MAINTAIN, AND USE A PIPELINE OR PIPELINES FOR ANY AND ALL PURPOSES, TOGETHER WITH SUCH FIXTURES AND APPURTENANCES, INCLUDING, BUT NOT LIMITED TO, FACILITIES FOR POWER TRANSMISSION AND COMMUNICATION PURPOSES, AT SUCH LOCATIONS AND ELEVATIONS, UPON, ALONG, OVER AND UNDER SAID EASEMENTS AS GRANTEE MAY NOW OR HEREAFTER DETERMINE IN ITS SOLE DISCRETION WITHOUT ANY ADDITIONAL COMPENSATION THEREFORE, TOGETHER WITH THE RIGHT TO GRADE, CONSTRUCT, MAINTAIN, REPAIR, AND USE ACCESS ROADS WITHIN SAID EASEMENTS, AND ALSO TOGETHER WITH THE RIGHT TO GRADE, CONSTRUCT, MAINTAIN, REPAIR, AND USE ACCESS ROADS WITHIN THE LANDS OF THE GRANTOR HEREIN FOR THE PURPOSE OF INGRESS TO AND EGRESS FROM SAID EASEMENTS, AND INGRESS TO AND EGRESS FROM THE LAND DESCRIBED IN PARCEL 1 ABOVE, BY PRACTICAL AND REASONABLE ROUTE OR ROUTES WHERE DEEMED CONVENIENT AND/OR NECESSARY BY THE GRANTEE HEREIN FOR THE CONSTRUCTION, OPERATION, AND MAINTENANCE OF SAID PIPELINE OR PIPELINES.

SAID EASEMENTS BEING MORE PARTICULARLY DESCRIBED IN PARCELS 2, 3 AND 4 AS FOLLOWS:

PARCEL 2:

ALL THAT PORTION OF SAID RANCHO SAN BERNARDO INCLUDED WITHIN A STRIP OF LAND 60.00 FEET OF EVEN WIDTH, THE CENTERLINE OF SAID 60.00 FEET WIDE STRIP OF LAND BEING DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF SAID SOUTHWESTERLY BOUNDARY OF COUNTY OF SAN DIEGO TRACT NO. 4478, AND SAID CENTERLINE OF CAMINO SAN BERNARDO, AS SAID INTERSECTION IS SHOWN ON SAID MAP NO. 11984; THENCE ALONG THE SOUTHWESTERLY PROLONGATION OF SAID CENTERLINE, SOUTH 36° 51' 23" WEST 100.01 FEET TO THE POINT DESIGNATED IN PARCEL 1 ABOVE AS POINT "A"; THENCE CONTINUING SOUTH 38° 51' 23" WEST 15.00 FEET.

PARCEL 3:

ALL THAT PORTION OF SAID RANCHO SAN BERNARDO INCLUDED WITHIN A STRIP OF LAND 30.00 FEET OF EVEN WIDTH, THE CENTERLINE OF SAID 30.00 FEET WIDE STRIP OF LAND BEING DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT DESIGNATED IN PARCEL 1 ABOVE AS POINT "A"; THENCE TRAVERSING IN A SOUTHEASTERLY DIRECTION ALONG THE COURSES DESCRIBED IN PARCEL 1 ABOVE BETWEEN SAID POINT "A" AND THE POINT DESIGNATED IN PARCEL 1 ABOVE AS POINT "B", TO SAID POINT "B", BEING A POINT ON THE ARC OF A 500.00 FEET RADIUS CURVE, CONCAVE NORTHEASTERLY, A RADIAL LINE TO SAID POINT BEARS SOUTH 56° 16' 14" WEST; THENCE CONTINUING SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 9° 16' 14" A DISTANCE OF 80.90 FEET TO THE BEGINNING OF A REVERSE CURVE, CONCAVE WESTERLY, HAVING A RADIUS OF 250.00 FEET; THENCE SOUTHERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 48° 00' 00" A DISTANCE OF 209.44 FEET; THENCE TANGENT TO SAID CURVE, SOUTH 5° 00' 00" WEST 35.00 FEET TO THE BEGINNING OF A TANGENT 204.00 FEET RADIUS CURVE, CONCAVE NORTHWESTERLY; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 65° 00' 00" A DISTANCE OF 231.43 FEET.

PARCEL 4:

ALL THAT PORTION OF SAID RANCHO SAN BERNARDO LYING SOUTHEASTERLY OF THE SOUTHEASTERLY LINE OF THE 60.00 FEET WIDE STRIP OF LAND DESCRIBED IN PARCEL 2 ABOVE, AND LYING NORTHEASTERLY OF THE NORTHEASTERLY LINE OF THE 30.00 FEET WIDE STRIP OF LAND DESCRIBED IN PARCEL 3 ABOVE, AND LYING WESTERLY OF THE ARC OF A 30.00 FEET RADIUS CURVE, CONCAVE EASTERLY, BEING TANGENT TO SAID SOUTHEASTERLY LINE OF PARCEL 2 AND TO SAID NORTHEASTERLY LINE OF PARCEL 3.

TOGETHER WITH AN EASEMENT AND RIGHT TO CONSTRUCT, RECONSTRUCT, REPAIR, AND MAINTAIN EXCAVATION AND EMBANKMENT SLOPES BEYOND THE LIMITS OF THE EASEMENTS DESCRIBED IN PARCELS 2, 3 AND 4 ABOVE WHERE REQUIRED FOR THE CONSTRUCTION AND MAINTENANCE OF SAID PIPELINE OR

PIPELINES AND ACCESS ROADS; RESERVING TO THE GRANTORS HEREIN, THEIR SUCCESSORS AND ASSIGNS, THE RIGHT TO REMOVE SAID SLOPES OR PORTIONS THEREOF, PROVIDED THAT SAID GRANTOR HEREIN HAS REMOVED THE NECESSITY FOR MAINTAINING SUCH SLOPES OR PORTIONS THEREOF, OR UPON PROVIDING IN PLACE THEREOF, WHERE NECESSARY, OTHER ADEQUATE LATERAL SUPPORT, THE DESIGN AND CONSTRUCTION OF WHICH SHALL BE FIRST APPROVED BY THE GRANTEE HEREIN, AND ALSO PROVIDED THAT THE SAID GRANTEE HEREIN HAS GIVEN ITS PREVIOUS WRITTEN CONSENT TO SUCH REMOVAL.

ALSO TOGETHER WITH THE RIGHT AND PRIVILEGE TO SPILL WATER FROM VARIOUS LOCATIONS ALONG THE EASEMENTS DESCRIBED IN PARCELS 2, 3, AND 4 ABOVE AS MAY BE NECESSARY FOR THE PROPER OPERATION OF SAID PIPELINE OR PIPELINES.

ALSO TOGETHER WITH THE RIGHT TO CONSTRUCT, RECONSTRUCT, REPAIR, AND MAINTAIN A DRAINAGE PIPE OR PIPES, AND/OR A DRAINAGE DITCH OR DITCHES, TOGETHER WITH ANY APPURTENANCES INCIDENTAL THERETO, WITHIN AND BEYOND THE LIMITS OF THE EASEMENTS DESCRIBED IN PARCELS 2, 3 AND 4 ABOVE, AS MAY BE NECESSARY FOR THE CONVEYANCE AND DISPOSAL OF STORM AND/OR OTHER DRAINAGE WATERS.

GRANTOR, ITS HEIRS, SUCCESSORS, AND ASSIGNS, SHALL NOT ERECT OR CONSTRUCT OR PERMIT TO BE ERECTED OR CONSTRUCTED, ANY BUILDING, STRUCTURE OR IMPROVEMENT ON, OVER OR UNDER ANY PORTION OF THE EASEMENTS DESCRIBED IN PARCELS 2, 3 AND 4 ABOVE, NOR SHALL GRANTOR, ITS HEIRS, SUCCESSORS, OR ASSIGNS, PLANT ANY TREE OR TREES OR PLANT ANY OTHER VEGETATION OR FLORA, NOR DIG OR DRILL ANY HOLE OR WELLS ON ANY PORTION OF SAID EASEMENTS.

GRANTEE MAY, IN ITS SOLE DISCRETION, ERECT, MAINTAIN, OR USE GATES IN ALL FENCES WHICH NOW CROSS OR LATER CROSS ANY PORTION OF THE EASEMENTS. GRANTEE SHALL ALSO BE ENTITLED TO TRIM, CUT, OR CLEAR AWAY ANY TREES, BRUSH, OR OTHER VEGETATION OR FLORA FROM TIME TO TIME AS GRANTEE DETERMINES IN ITS SOLE DISCRETION WITHOUT ANY ADDITIONAL COMPENSATION.

GRANTEE SHALL BE ENTITLED TO PARTITION, ASSIGN, JOINT VENTURE, OR SHARE ALL OR ANY PORTION OF THESE EASEMENTS WITH ANY OTHER PUBLIC AGENCY OR UTILITY INCLUDING, BUT NOT LIMITED TO, ANY AGENCY SUPPLYING WATER OR SEWER SERVICES OR FACILITIES TO THE PUBLIC AS GRANTEE MAY DETERMINE IN ITS SOLE DISCRETION WITHOUT PAYING ANY ADDITIONAL COMPENSATION TO GRANTOR OR GRANTOR'S HEIRS, SUCCESSORS, OR ASSIGNS, THEREFORE.

GRANTOR AGREES THAT NO OTHER EASEMENT OR EASEMENTS SHALL BE GRANTED ON, UNDER, OR OVER THESE EASEMENTS WITHOUT OBTAINING THE PRIOR WRITTEN CONSENT OF GRANTEE.

ALSO TOGETHER WITH AN EASEMENT FOR TEMPORARY WORKING STRIPS OF LAND, SAID EASEMENT SHALL INCLUDE, BUT NOT BE LIMITED TO, THE RIGHT AND PRIVILEGE OF WORKMEN, CONTRACTORS, AND ANY AND ALL AGENTS EMPLOYED BY THE GRANTEE HEREIN, TO USE AND OCCUPY SAID TEMPORARY WORKING STRIPS FOR THE PURPOSE OF CONSTRUCTING A RESERVOIR AND ANY AND ALL APPURTENANCES INCIDENTAL THERETO, WITHIN THE PROPERTY DESCRIBED IN PARCEL 1 ABOVE, AND FOR THE PURPOSE OF CONSTRUCTING A WATER PIPELINE OR PIPELINES, AND ANY AND ALL APPURTENANCES INCIDENTAL THERETO, WITHIN THE EASEMENTS DESCRIBED IN PARCELS 2, 3 AND 4 ABOVE, SAID TEMPORARY WORKING STRIPS SHALL INCLUDE THE RIGHT AND PRIVILEGE TO PLACE AND OPERATE ANY AND ALL MACHINERY ON SAID STRIPS WHICH THE GRANTEE HEREIN, OR ANY AGENT OR CONTRACTOR EMPLOYED BY SAID GRANTEE, DEEMS NECESSARY FOR THE CONSTRUCTION OF SAID RESERVOIR AND PIPELINE OR PIPELINES.

SAID TEMPORARY WORKING STRIPS BEING DESCRIBED IN PARCELS 5, 6 AND 7 AS FOLLOWS:

PARCEL 5:

ALL THAT PORTION OF SAID RANCHO SAN BERNARDO INCLUDED WITHIN A STRIP OF LAND 35.00 FEET OF EVEN WIDTH, SAID 35.00 FEET WIDE STRIP OF LAND LYING NORTHEASTERLY, EASTERLY, AND SOUTHEASTERLY OF, AND IMMEDIATELY ADJOINING THE NORTHEASTERLY, EASTERLY, AND SOUTHEASTERLY LINE OF THE 30.00 FEET WIDE STRIP OF LAND DESCRIBED IN PARCEL 3 ABOVE.

PARCEL 6:

ALL THAT PORTION OF SAID RANCHO SAN BERNARDO INCLUDED WITHIN A STRIP OF LAND 35.00 FEET OF EVEN WIDTH, SAID 35.00 FEET WIDE STRIP OF LAND LYING SOUTHWESTERLY OF, AND IMMEDIATELY ADJOINING THE SOUTHWESTERLY LINES OF THE 60.00 FEET WIDE STRIP OF LAND DESCRIBED IN PARCEL 2 ABOVE, AND THE 30.00 FEET WIDE STRIP OF LAND DESCRIBED IN PARCEL 3 ABOVE.

EXCEPTING THEREFROM, THAT PORTION THEREOF INCLUDED WITHIN THE PROPERTY DESCRIBED PARCEL 1 ABOVE.

PARCEL 7:

ALL THAT PORTION OF SAID RANCHO SAN BERNARDO INCLUDED WITHIN THE CIRCUMFERENCE OF A 254.00 FEET RADIUS CIRCLE, THE CENTER OF WHICH IS EXACTLY THE SAME AS THE CENTER OF THE 150.00 FEET RADIUS CURVE FORMING A PORTION OF THE BOUNDARY OF THE LAND DESCRIBED IN PARCEL 1 ABOVE.

EXCEPTING THEREFROM, THOSE PORTIONS THEREOF LYING WITHIN THE PROPERTY DESCRIBED IN PARCELS 1, 3, 5 AND 6 ABOVE.

APN: 678-242-05

EXHIBIT “B”

Proposed Communications Facilities

(to be attached after approval by the District)

[Exhibit B to depict or describe previous location of lease area, location of New Lease Area, location of equipment compound (if not in New Lease Area) and location of Easements]

- Exhibit B is to be replaced by an updated description of the New Lease Area – and such replacement shall be accomplished by both parties initialing a revised Exhibit B, and thereupon the same shall replace this Exhibit B.

EXHIBIT "C"

RECORDING REQUESTED BY:

OLIVENHAIN MUNICIPAL WATER DISTRICT
1966 OLIVENHAIN ROAD
ENCINITAS, CALIFORNIA 92024

AND WHEN RECORDED MAIL DEED TO:

OLIVENHAIN MUNICIPAL WATER DISTRICT
1966 OLIVENHAIN ROAD
ENCINITAS, CALIFORNIA 92024

SPACE ABOVE THIS LINE FOR RECORDER'S
USE

A.P.N	678	242	05	ALL
				PTN XXXX

Title Order No. N/A

QUITCLAIM DEED

THE UNDERSIGNED GRANTOR DECLARES:

DOCUMENTARY TRANSFER TAX IS \$ _____ - 0 _____ - _____ CITY TAX \$ _____ - 0 - _____

(--) computed on full value of property conveyed, or

(--) computed on full value less value of liens and encumbrances remaining at time of sale.

(X) Unincorporated area: () City of --- , and

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, APC TOWERS III, LLC, hereby remises, releases and quitclaims to the OLIVENHAIN MUNICIPAL WATER DISTRICT, as its sole and separate property all of its right, title and interest of whatever type or nature in the following described real property in the County of San Diego, State of California:

All of the real property described in Exhibit "A", attached hereto and incorporated herein by reference.

DATE _____, 20____ APC Towers III, LLC

State of California) By: _____

) sss Name: _____

County of Orange) Title: _____

On _____ before me, _____, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

Signature: _____ (Seal)

EXHIBIT "A"
LEGAL DESCRIPTION

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

PARCEL 1:

ALL THAT PORTION OF RANCHO SAN BERNARDO, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF RECORDED IN BOOK 2, PAGE 462 OF PATENTS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID SAN DIEGO COUNTY, DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE SOUTHWESTERLY BOUNDARY OF COUNTY OF SAN DIEGO TRACT NO. 4478, ACCORDING TO MAP THEREOF NO. 11984, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID SAN DIEGO COUNTY, JANUARY 7, 1988, AND THE CENTERLINE OF CAMINO SAN BERNARDO, AS SAID INTERSECTION IS SHOWN ON SAID MAP NO. 11984; THENCE ALONG THE SOUTHWESTERLY PROLONGATION OF SAID CENTERLINE, SOUTH $36^{\circ} 51' 23''$ WEST 100.01 FEET TO A POINT HEREINAFTER REFERRED TO AS POINT "A"; THENCE SOUTH $54^{\circ} 44' 52''$ EAST 223.64 FEET TO THE BEGINNING OF A TANGENT 500.00 FEET RADIUS CURVE, CONCAVE NORTHEASTERLY; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF $21^{\circ} 47' 47''$ A DISTANCE OF 190.21 FEET TO THE BEGINNING OF A REVERSE CURVE, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 500.00 FEET; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF $61^{\circ} 32' 39''$ A DISTANCE OF 537.07 FEET TO THE BEGINNING OF A REVERSE 200.00 FEET RADIUS CURVE, CONCAVE NORTHEASTERLY; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF $38^{\circ} 00' 00''$ A DISTANCE OF 132.65 FEET TO THE BEGINNING OF A REVERSE 500.00 FEET RADIUS CURVE, CONCAVE SOUTHWESTERLY; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF $25^{\circ} 00' 00''$ A DISTANCE OF 218.17 FEET TO THE BEGINNING OF A REVERSE 500.00 FEET RADIUS CURVE, CONCAVE NORTHEASTERLY; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF $5^{\circ} 43' 46''$ A DISTANCE OF 50.00 FEET TO A POINT HEREINAFTER REFERRED TO AS POINT "B"; THENCE ALONG THE SOUTHWESTERLY PROLONGATION OF A RADIAL LINE OF SAID CURVE, SOUTH $56^{\circ} 16' 14''$ WEST 15.00 FEET TO THE TRUE POINT OF BEGINNING, BEING A POINT ON THE ARC OF A NON-TANGENT 515.00 FEET RADIUS CURVE, CONCAVE NORTHEASTERLY, A RADIAL LINE TO SAID POINT BEARS SOUTH $56^{\circ} 16' 14''$ WEST; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF $9^{\circ} 16' 14''$ A DISTANCE OF 83.33 FEET TO THE BEGINNING OF A REVERSE CURVE, CONCAVE WESTERLY, HAVING A RADIUS OF 235.00 FEET; THENCE SOUTHERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF $48^{\circ} 00' 00''$ A DISTANCE OF 196.87 FEET; THENCE TANGENT TO SAID CURVE, SOUTH $5^{\circ} 00' 00''$ WEST 35.00 FEET TO THE BEGINNING OF A TANGENT 189.00 FEET RADIUS CURVE, CONCAVE NORTHWESTERLY; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF $65^{\circ} 00' 00''$ A DISTANCE OF 214.41 FEET; THENCE ALONG A RADIAL LINE

OF SAID CURVE, NORTH 20° 00' 00" WEST 39.00 FEET TO A POINT ON THE ARC OF A NON-TANGENT 150.00 FEET RADIUS CURVE, CONCAVE EASTERLY; THENCE WESTERLY, NORTHERLY, AND EASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 216° 19' 21" A DISTANCE OF 566.33 FEET; THENCE ALONG THE NORTHERLY PROLONGATION OF A RADIAL LINE OF SAID CURVE, NORTH 16° 19' 21" EAST 125.51 FEET TO THE TRUE POINT OF BEGINNING.

TOGETHER WITH THE RIGHT AND PRIVILEGE TO SPILL WATER FROM THE PROPERTY DESCRIBED IN PARCEL 1 ABOVE TO AND INTO THE EXISTING NATURAL DRAINAGE SWALES LOCATED WITHIN THE LANDS OF THE GRANTOR HEREIN, AND ALSO THE RIGHT TO CONSTRUCT, RECONSTRUCT, REPAIR, AND MAINTAIN A DRAINAGE PIPE OR PIPES, AND/OR A DRAINAGE DITCH OR DITCHES, TOGETHER WITH ANY APPURTENANCES INCIDENTAL THERETO, BEYOND THE BOUNDARIES OF THE PROPERTY DESCRIBED IN PARCEL 1 ABOVE AS MAY BE NECESSARY FOR SAID SPILLAGE AND/OR FOR THE CONVEYANCE AND DISPOSAL OF STORM AND/OR OTHER DRAINAGE WATERS.

ALSO TOGETHER WITH AN EASEMENT AND RIGHT TO CONSTRUCT, RECONSTRUCT, REPAIR AND MAINTAIN EXCAVATION AND EMBANKMENT SLOPES BEYOND THE LIMITS OF THE PROPERTY DESCRIBED IN PARCEL 1 ABOVE, AS MAY BE REQUIRED AND/OR DEEMED NECESSARY OR CONVENIENT BY THE GRANTEE HEREIN, FOR THE CONSTRUCTION, OPERATION, AND MAINTENANCE OF A WATER RESERVOIR, AND ANY AND ALL APPURTENANCES INCIDENTAL THERETO, WITHIN SAID PROPERTY DESCRIBED IN PARCEL 1 ABOVE.

AND ALSO TOGETHER WITH EASEMENTS TO ERECT, CONSTRUCT, RECONSTRUCT, REPLACE, REPAIR, MAINTAIN, AND USE A PIPELINE OR PIPELINES FOR ANY AND ALL PURPOSES, TOGETHER WITH SUCH FIXTURES AND APPURTENANCES, INCLUDING, BUT NOT LIMITED TO, FACILITIES FOR POWER TRANSMISSION AND COMMUNICATION PURPOSES, AT SUCH LOCATIONS AND ELEVATIONS, UPON, ALONG, OVER AND UNDER SAID EASEMENTS AS GRANTEE MAY NOW OR HEREAFTER DETERMINE IN ITS SOLE DISCRETION WITHOUT ANY ADDITIONAL COMPENSATION THEREFORE, TOGETHER WITH THE RIGHT TO GRADE, CONSTRUCT, MAINTAIN, REPAIR, AND USE ACCESS ROADS WITHIN SAID EASEMENTS, AND ALSO TOGETHER WITH THE RIGHT TO GRADE, CONSTRUCT, MAINTAIN, REPAIR, AND USE ACCESS ROADS WITHIN THE LANDS OF THE GRANTOR HEREIN FOR THE PURPOSE OF INGRESS TO AND EGRESS FROM SAID EASEMENTS, AND INGRESS TO AND EGRESS FROM THE LAND DESCRIBED IN PARCEL 1 ABOVE, BY PRACTICAL AND REASONABLE ROUTE OR ROUTES WHERE DEEMED CONVENIENT AND/OR NECESSARY BY THE GRANTEE HEREIN FOR THE CONSTRUCTION, OPERATION, AND MAINTENANCE OF SAID PIPELINE OR PIPELINES.

SAID EASEMENTS BEING MORE PARTICULARLY DESCRIBED IN PARCELS 2, 3 AND 4 AS FOLLOWS:

PARCEL 2:

ALL THAT PORTION OF SAID RANCHO SAN BERNARDO INCLUDED WITHIN A STRIP OF LAND 60.00 FEET OF EVEN WIDTH, THE CENTERLINE OF SAID 60.00 FEET WIDE STRIP OF LAND BEING DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF SAID SOUTHWESTERLY BOUNDARY OF COUNTY OF SAN DIEGO TRACT NO. 4478, AND SAID CENTERLINE OF CAMINO SAN BERNARDO, AS SAID INTERSECTION IS SHOWN ON SAID MAP NO. 11984; THENCE ALONG THE SOUTHWESTERLY PROLONGATION OF SAID CENTERLINE, SOUTH 36° 51' 23" WEST 100.01 FEET TO THE POINT DESIGNATED IN PARCEL 1 ABOVE AS POINT "A"; THENCE CONTINUING SOUTH 38° 51' 23" WEST 15.00 FEET.

PARCEL 3:

ALL THAT PORTION OF SAID RANCHO SAN BERNARDO INCLUDED WITHIN A STRIP OF LAND 30.00 FEET OF EVEN WIDTH, THE CENTERLINE OF SAID 30.00 FEET WIDE STRIP OF LAND BEING DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT DESIGNATED IN PARCEL 1 ABOVE AS POINT "A"; THENCE TRAVERSING IN A SOUTHEASTERLY DIRECTION ALONG THE COURSES DESCRIBED IN PARCEL 1 ABOVE BETWEEN SAID POINT "A" AND THE POINT DESIGNATED IN PARCEL 1 ABOVE AS POINT "B", TO SAID POINT "B", BEING A POINT ON THE ARC OF A 500.00 FEET RADIUS CURVE, CONCAVE NORTHEASTERLY, A RADIAL LINE TO SAID POINT BEARS SOUTH 56° 16' 14" WEST; THENCE CONTINUING SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 9° 16' 14" A DISTANCE OF 80.90 FEET TO THE BEGINNING OF A REVERSE CURVE, CONCAVE WESTERLY, HAVING A RADIUS OF 250.00 FEET; THENCE SOUTHERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 48° 00' 00" A DISTANCE OF 209.44 FEET; THENCE TANGENT TO SAID CURVE, SOUTH 5° 00' 00" WEST 35.00 FEET TO THE BEGINNING OF A TANGENT 204.00 FEET RADIUS CURVE, CONCAVE NORTHWESTERLY; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 65° 00' 00" A DISTANCE OF 231.43 FEET.

PARCEL 4:

ALL THAT PORTION OF SAID RANCHO SAN BERNARDO LYING SOUTHEASTERLY OF THE SOUTHEASTERLY LINE OF THE 60.00 FEET WIDE STRIP OF LAND DESCRIBED IN PARCEL 2 ABOVE, AND LYING NORTHEASTERLY OF THE NORTHEASTERLY LINE OF THE 30.00 FEET WIDE STRIP OF LAND DESCRIBED IN PARCEL 3 ABOVE, AND LYING WESTERLY OF THE ARC OF A 30.00 FEET RADIUS CURVE, CONCAVE EASTERLY, BEING TANGENT TO SAID SOUTHEASTERLY LINE OF PARCEL 2 AND TO SAID NORTHEASTERLY LINE OF PARCEL 3.

TOGETHER WITH AN EASEMENT AND RIGHT TO CONSTRUCT, RECONSTRUCT, REPAIR, AND MAINTAIN EXCAVATION AND EMBANKMENT SLOPES BEYOND THE LIMITS OF THE EASEMENTS DESCRIBED IN PARCELS 2, 3 AND 4 ABOVE WHERE REQUIRED FOR THE CONSTRUCTION AND MAINTENANCE OF SAID PIPELINE OR PIPELINES AND ACCESS ROADS; RESERVING TO THE GRANTORS HEREIN, THEIR SUCCESSORS AND ASSIGNS, THE RIGHT TO REMOVE SAID SLOPES OR PORTIONS THEREOF, PROVIDED THAT SAID GRANTOR HEREIN HAS REMOVED THE NECESSITY FOR MAINTAINING SUCH SLOPES OR PORTIONS THEREOF, OR UPON PROVIDING IN PLACE THEREOF, WHERE NECESSARY, OTHER ADEQUATE LATERAL SUPPORT, THE DESIGN AND CONSTRUCTION OF WHICH SHALL BE FIRST APPROVED BY THE GRANTEE HEREIN, AND ALSO PROVIDED THAT THE SAID GRANTEE HEREIN HAS GIVEN ITS PREVIOUS WRITTEN CONSENT TO SUCH

REMOVAL.

ALSO TOGETHER WITH THE RIGHT AND PRIVILEGE TO SPILL WATER FROM VARIOUS LOCATIONS ALONG THE EASEMENTS DESCRIBED IN PARCELS 2, 3, AND 4 ABOVE AS MAY BE NECESSARY FOR THE PROPER OPERATION OF SAID PIPELINE OR PIPELINES.

ALSO TOGETHER WITH THE RIGHT TO CONSTRUCT, RECONSTRUCT, REPAIR, AND MAINTAIN A DRAINAGE PIPE OR PIPES, AND/OR A DRAINAGE DITCH OR DITCHES, TOGETHER WITH ANY APPURTENANCES INCIDENTAL THERETO, WITHIN AND BEYOND THE LIMITS OF THE EASEMENTS DESCRIBED IN PARCELS 2, 3 AND 4 ABOVE, AS MAY BE NECESSARY FOR THE CONVEYANCE AND DISPOSAL OF STORM AND/OR OTHER DRAINAGE WATERS.

GRANTOR, ITS HEIRS, SUCCESSORS, AND ASSIGNS, SHALL NOT ERECT OR CONSTRUCT OR PERMIT TO BE ERECTED OR CONSTRUCTED, ANY BUILDING, STRUCTURE OR IMPROVEMENT ON, OVER OR UNDER ANY PORTION OF THE EASEMENTS DESCRIBED IN PARCELS 2, 3 AND 4 ABOVE, NOR SHALL GRANTOR, ITS HEIRS, SUCCESSORS, OR ASSIGNS, PLANT ANY TREE OR TREES OR PLANT ANY OTHER VEGETATION OR FLORA, NOR DIG OR DRILL ANY HOLE OR WELLS ON ANY PORTION OF SAID EASEMENTS.

GRANTEE MAY, IN ITS SOLE DISCRETION, ERECT, MAINTAIN, OR USE GATES IN ALL FENCES WHICH NOW CROSS OR LATER CROSS ANY PORTION OF THE EASEMENTS. GRANTEE SHALL ALSO BE ENTITLED TO TRIM, CUT, OR CLEAR AWAY ANY TREES, BRUSH, OR OTHER VEGETATION OR FLORA FROM TIME TO TIME AS GRANTEE DETERMINES IN ITS SOLE DISCRETION WITHOUT ANY ADDITIONAL COMPENSATION.

GRANTEE SHALL BE ENTITLED TO PARTITION, ASSIGN, JOINT VENTURE, OR SHARE ALL OR ANY PORTION OF THESE EASEMENTS WITH ANY OTHER PUBLIC AGENCY OR UTILITY INCLUDING, BUT NOT LIMITED TO, ANY AGENCY SUPPLYING WATER OR SEWER SERVICES OR FACILITIES TO THE PUBLIC AS GRANTEE MAY DETERMINE IN ITS SOLE DISCRETION WITHOUT PAYING ANY ADDITIONAL COMPENSATION TO GRANTOR OR GRANTOR'S HEIRS, SUCCESSORS, OR ASSIGNS, THEREFORE.

GRANTOR AGREES THAT NO OTHER EASEMENT OR EASEMENTS SHALL BE GRANTED ON, UNDER, OR OVER THESE EASEMENTS WITHOUT OBTAINING THE PRIOR WRITTEN CONSENT OF GRANTEE.

ALSO TOGETHER WITH AN EASEMENT FOR TEMPORARY WORKING STRIPS OF LAND, SAID EASEMENT SHALL INCLUDE, BUT NOT BE LIMITED TO, THE RIGHT AND PRIVILEGE OF WORKMEN, CONTRACTORS, AND ANY AND ALL AGENTS EMPLOYED BY THE GRANTEE HEREIN, TO USE AND OCCUPY SAID TEMPORARY WORKING STRIPS FOR THE PURPOSE OF CONSTRUCTING A RESERVOIR AND ANY AND ALL APPURTENANCES INCIDENTAL THERETO, WITHIN THE PROPERTY DESCRIBED IN PARCEL 1 ABOVE, AND FOR THE PURPOSE OF CONSTRUCTING A WATER PIPELINE OR PIPELINES, AND ANY AND ALL APPURTENANCES INCIDENTAL THERETO, WITHIN THE EASEMENTS DESCRIBED IN PARCELS 2, 3 AND 4 ABOVE, SAID TEMPORARY WORKING STRIPS SHALL INCLUDE THE RIGHT AND

PRIVILEGE TO PLACE AND OPERATE ANY AND ALL MACHINERY ON SAID STRIPS WHICH THE GRANTEE HEREIN, OR ANY AGENT OR CONTRACTOR EMPLOYED BY SAID GRANTEE, DEEMS NECESSARY FOR THE CONSTRUCTION OF SAID RESERVOIR AND PIPELINE OR PIPELINES.

SAID TEMPORARY WORKING STRIPS BEING DESCRIBED IN PARCELS 5, 6 AND 7 AS FOLLOWS:

PARCEL 5:

ALL THAT PORTION OF SAID RANCHO SAN BERNARDO INCLUDED WITHIN A STRIP OF LAND 35.00 FEET OF EVEN WIDTH, SAID 35.00 FEET WIDE STRIP OF LAND LYING NORTHEASTERLY, EASTERLY, AND SOUTHEASTERLY OF, AND IMMEDIATELY ADJOINING THE NORTHEASTERLY, EASTERLY, AND SOUTHEASTERLY LINE OF THE 30.00 FEET WIDE STRIP OF LAND DESCRIBED IN PARCEL 3 ABOVE.

PARCEL 6:

ALL THAT PORTION OF SAID RANCHO SAN BERNARDO INCLUDED WITHIN A STRIP OF LAND 35.00 FEET OF EVEN WIDTH, SAID 35.00 FEET WIDE STRIP OF LAND LYING SOUTHWESTERLY OF, AND IMMEDIATELY ADJOINING THE SOUTHWESTERLY LINES OF THE 60.00 FEET WIDE STRIP OF LAND DESCRIBED IN PARCEL 2 ABOVE, AND THE 30.00 FEET WIDE STRIP OF LAND DESCRIBED IN PARCEL 3 ABOVE.

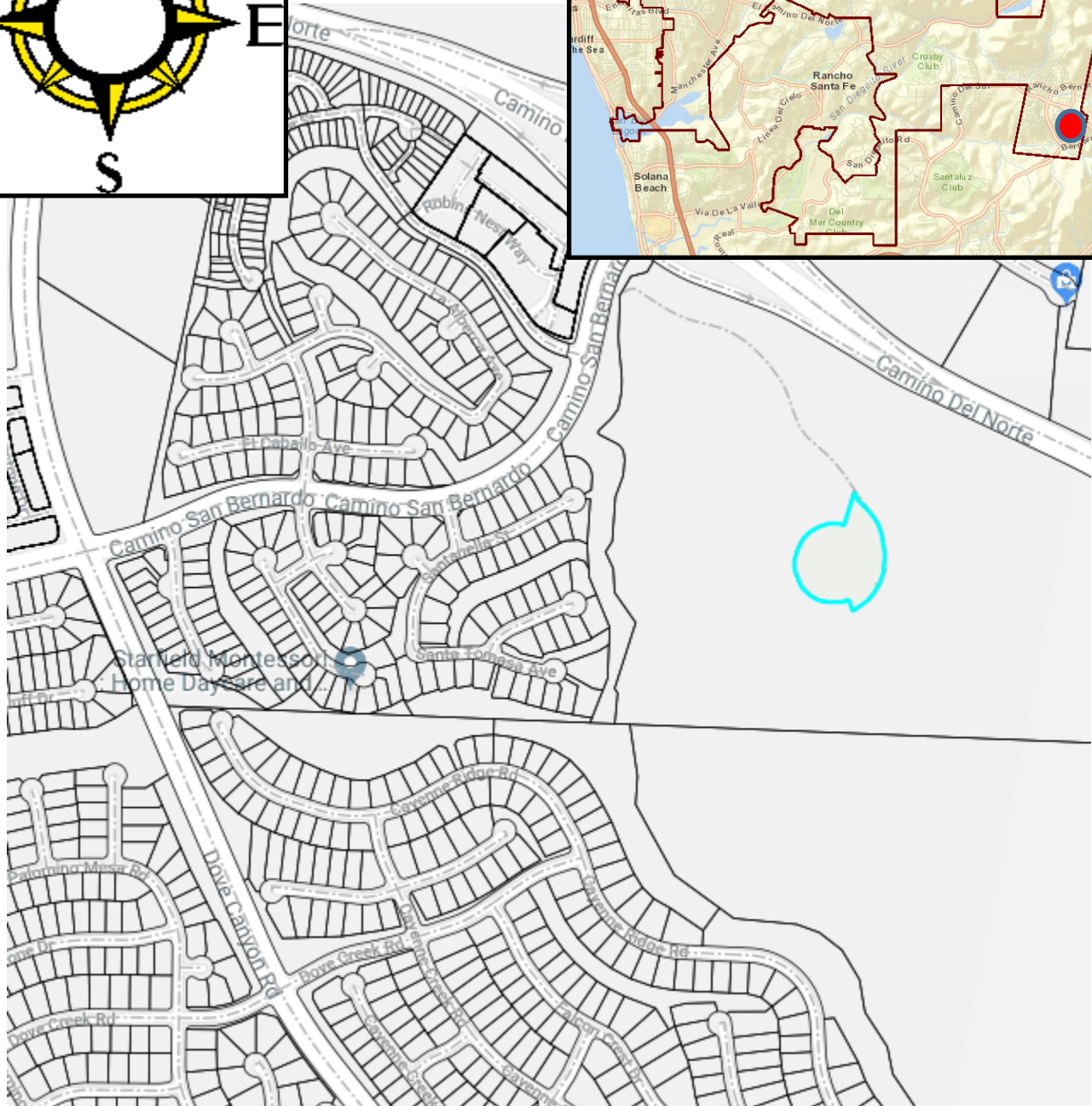
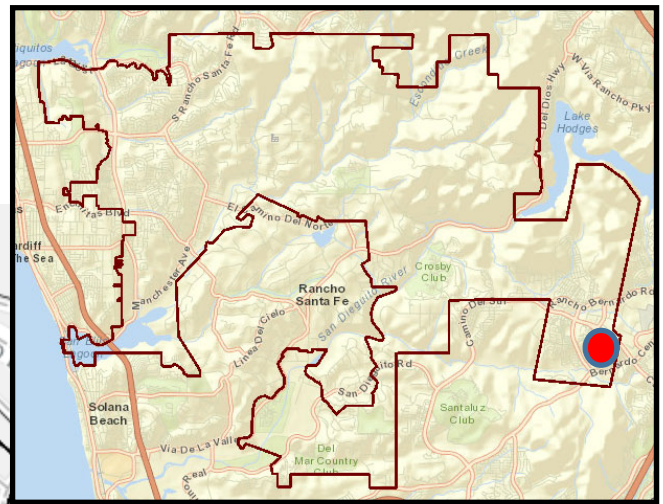
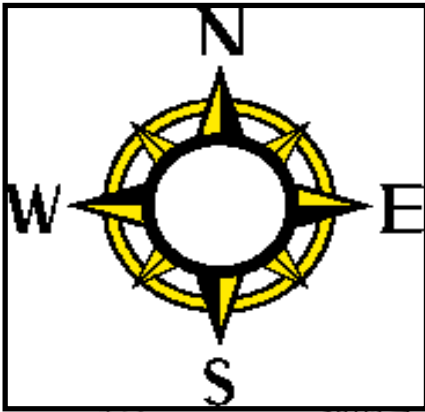
EXCEPTING THEREFROM, THAT PORTION THEREOF INCLUDED WITHIN THE PROPERTY DESCRIBED PARCEL 1 ABOVE.

PARCEL 7:

ALL THAT PORTION OF SAID RANCHO SAN BERNARDO INCLUDED WITHIN THE CIRCUMFERENCE OF A 254.00 FEET RADIUS CIRCLE, THE CENTER OF WHICH IS EXACTLY THE SAME AS THE CENTER OF THE 150.00 FEET RADIUS CURVE FORMING A PORTION OF THE BOUNDARY OF THE LAND DESCRIBED IN PARCEL 1 ABOVE.

EXCEPTING THEREFROM, THOSE PORTIONS THEREOF LYING WITHIN THE PROPERTY DESCRIBED IN PARCELS 1, 3, 5 AND 6 ABOVE.

APN: 678-242-05



**CONSIDER APPROVAL OF A LEASE AGREEMENT BETWEEN
APC TOWERS III, LLC AND THE OLIVENHAIN MUNICIPAL
WATER DISTRICT FOR COMMUNICATIONS FACILITIES AT THE
4S-1 RESERVOIR SITE**

Memo

Date: December 15, 2021
To: Olivenhain Municipal Water District Board of Directors
From: Jason P. Hubbard, Engineering Manager
Via: Kimberly A. Thorner, General Manager
Subject: **CONSIDER ADOPTION OF A RESOLUTION MAKING CALIFORNIA ENVIRONMENTAL QUALITY ACT FINDINGS FOR THE LONE JACK PRESSURE REDUCING STATION REPLACEMENT PROJECT AND ORDER 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 the proposed Resolution, making California Environmental Quality Act (CEQA) findings, and authorizing staff to file a Notice of Exemption (NOE) for the Lone Jack Pressure Reducing Station Replacement Project (Lone Jack PRS Replacement) with the San Diego County Clerk's Office.

Recommendation

Staff recommends adoption of the proposed Resolution which makes CEQA findings for the declaration of the demolition and removal of the existing pressure reducing station (PRS) and replacement with an above-ground pre-manufactured PRS as an exempt project under California Public Resources Code 21084 and CEQA Guidelines Article 19, Sections 15301(b) and 15301(d), Class 1 existing facilities.

Alternative(s)

Although the project qualifies as a project exempt from CEQA under Public Resources Code 21084 and CEQA Guidelines Sections 15301(b) and (d), the Board could:

- Adopt the NOE and direct staff not to file the NOE, which would increase the Statue of Limitations for filing protests against the project from 35 days to 180 days;
- Determine CEQA is not required for the project and not adopt the resolution; or
- Decide an NOE is not adequate to meet CEQA requirements for this project and direct staff to initiate an Initial Study to develop an alternative CEQA document, such as a Mitigated Negative Declaration.

Background

The Lone Jack PRS, installed in 1971 and located within an OMWD unpaved easement in Director Division 5 (Meyers), is part of the potable water distribution system for the Lone Jack Road corridor. The PRS is nearing the end of its useful life and is in need of replacement. Originally conceptualized and packaged in 2013 as a pipeline replacement along Dusty Trail (within the private Copper Crest community) and a PRS replacement project, the two distinct items of work were separated into a pipeline replacement project scheduled for FY 2025 and the current PRS replacement project. Separating the two (2) projects allowed for better financial planning to replace the more critical PRS station first and spreading the construction costs of the pipeline replacement out to future year's budget cycles. The Lone Jack PRS Replacement is currently out to bid with an expected award date of January 2022. The project makes economical use of a salvaged PRS from the temporary connection to the Santa Luz North Affordable Housing project; used for a short timeframe while the City of San Diego was constructing the potable water system to serve that particular project.

California Public Resources Code Section 21084 allows for exemption from CEQA certain classes of projects having been determined not to have significant impact on the environment. CEQA Guidelines Section 15300.2 exclude certain projects from utilizing these exemptions; however, this section does not apply to this project as the project will not impact an environmental resource of hazardous or critical concern and the cumulative impact of successive projects in the same location is not significant. CEQA Guidelines Article 19, Sections 15301(b) and 15301(d) allow categorical exemption for existing Class 1 facilities of publicly owned utilities used to provide electric power, natural gas, sewerage, or other public utility services and the restoration or rehabilitation of deteriorated Class 1 existing facilities to meet current standards of public health and safety when the project involves negligible or no expansion of use.

Fiscal Impact

This project is funded in the FY 2022 budget. There is a \$50 fee for filing the NOE with the San Diego County Clerk.

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

In which FY did this capital project first appear in the CIP budget? **2013**

Total Project Budget: **\$340,000**

Current Fiscal Year Appropriation: **\$340,000**

To Date Approved Appropriations: **\$340,000**

Target Project Completion Date: **April 2022**

Expenditures and Encumbrances as of November 2021: **\$118,316**

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 project will replace an existing PRS at the end of its useful life. In addition, the existing PRS is a buried concrete vault requiring confined space monitoring. The project specifically consists of the demolition and removal of the existing PRS and replacement with an above-ground premanufactured PRS, reconnection to the distribution system, and installation of a gate valve and manual air release, all occurring within an unpaved, previously disturbed easement.

CEQA Guidelines Article 19 Class 1 consists of the operation, repair, maintenance, or minor alteration of existing public facilities and mechanical equipment involving negligible or no expansion of existing use. The Lone Jack PRS Replacement Project is the replacement of a PRS that has reached the end of its useful life. The replacement PRS will serve existing customers and will not expand capacity. The requirement for the

replacement is not the result of an environmental hazard such as an earthquake, landslide or flood.

Staff is available to answer questions.

Attachment(s):

Resolution;

Notice of Exemption;

Location map

RESOLUTION NO. 2021 -

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
OLIVENHAIN MUNICIPAL WATER DISTRICT MAKING
CALIFORNIA ENVIRONMENTAL QUALITY ACT FINDINGS
FOR THE LONE JACK PRESSURE REDUCING STATION
REPLACEMENT PROJECT AND ORDERING A NOTICE OF
EXEMPTION FILED WITH THE COUNTY CLERK, COUNTY
OF SAN DIEGO

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

WHEREAS, the Olivenhain Municipal Water District owns and operates the Lone Jack Pressure Reducing Station (PRS) within an easement per File No. 273620 recorded 11/24/71 O.R. northeast of Dusty Trail in the City of Encinitas, State of California; and

WHEREAS, the existing PRS was constructed in 1971 and is nearing the end of its useful life. In addition, the PRS is located in an underground vault which requires confined space monitoring; and

WHEREAS, the PRS Replacement project specifically consists of the demolition and removal of the existing PRS and replacement with an above-ground premanufactured PRS, reconnection to the distribution system, and installation of a gate valve and manual air release, all occurring within the easement; and

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

WHEREAS, this project involves the removal and replacement of existing facilities within an existing easement and is therefore exempt under California Public Resources Code Section 21084 and categorically exempt per California Environmental Quality Act (CEQA) Guidelines Sections 15301(b) and 15301(d) for Class I existing facilities for the operation, repair, and maintenance of existing public facilities or public utility services and the restoration or rehabilitation of deteriorated Class 1 facilities to meet current standards of public health and safety when the project involves negligible or no expansion of existing or former use; and

WHEREAS, pursuant to the CEQA Guidelines, the Olivenhain Municipal Water District Board of Directors has caused to be prepared a Notice of Exemption according to CEQA Guidelines Section 15062, stating that the project is exempt according to California Public Resources Code 21084 and CEQA Guidelines Sections 15301(b) and 15301(d); and

WHEREAS, having heard, considered and reviewed information from interested persons who expressed their views to the Board of Directors, it is in the interest of the Olivenhain Municipal Water District and the people it serves to order a Notice of Exemption filed with the County Clerk, County of San Diego.

NOW, THEREFORE, the Board of Directors of the Olivenhain Municipal Water District as the lead agency does hereby find, determine, resolve and order 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 Lone Jack Pressure Reducing Station Replacement project is exempt from CEQA for the following reasons:

- 1) California Public Resources Code Section 21084 directs the Office of Planning and Research to develop guidelines including a list of classes of projects that have been determined not to have a significant impact on the environment and shall be exempt from CEQA.
- 2) CEQA Guidelines Article 19, Section 15301(b) allows for categorical exemption of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public structures, facilities, mechanical equipment, or topological features used to provide electric power, natural gas, sewerage, or other public utility services involving negligible or no expansion of existing or former use.
- 3) CEQA Guidelines Article 19, Section 15301(d) allows for categorical exemption of the restoration or rehabilitation of deteriorated or damaged structures, facilities, or mechanical equipment to meet current standards of public health and safety, unless it is determined that the damage was substantial and resulted from an environmental hazard such as earthquake, landslide, or flood.
- 4) The exceptions enumerated in CEQA Guidelines Article 19, Section 15300.2 do not apply to this project as the project will not impact an environmental resource of hazardous or critical concern, will not have an environmental impact, does not contain unusual circumstances that would result in a significant environmental impact, does not impact scenic highways, hazardous waste sites, of historical resources.

SECTION 3: The Board of Directors of the Olivenhain Municipal Water District hereby directs District Staff to promptly file a Notice of Exemption with the County Clerk of the County of San Diego stating that the Lone Jack Pressure Reducing Station Replacement project is exempt from CEQA in accordance CEQA Guidelines Sections 15301(b) and 15301(d) per California Public Resources Code Sections 21084.

PASSED, ADOPTED AND APPROVED at a regular meeting of the Board of Directors of the Olivenhain Municipal Water District held on Wednesday, December 15, 2021.

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

ATTEST:

Robert F. Topolovac, Secretary
Board of Directors
Olivenhain Municipal Water District

Notice of Exemption

To: ☐ Office of Planning and Research
1400 Tenth Street, Room 121
Sacramento, CA 95814

From: **Olivenhain Municipal Water District**
1966 Olivenhain Road
Encinitas CA, 92024

☒ County Clerk
County of: San Diego
1600 Pacific Highway, Room 260
San Diego, CA 92112

Project Title: Lone Jack Pressure Reducing Station Replacement

Project Location - Specific: in the easement north-east of 3122 Dusty Trail, Encinitas,, California 92024

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

Description of Nature, Purpose, and Beneficiaries of Project:

Name of Public Agency Approving Project: Olivenhain Municipal Water District

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

Exempt Status: *(check one)*

- ☐ Ministerial (Sec. 21080(b)(1); 15268);
☐ Declared Emergency (Sec. 21080(b)(3); 15269(a));
☐ Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
☒ Categorical Exemption. State type and section number: 15301(b) & 15301(d)
☐ Statutory Exemptions. State code number:

Reasons why project is exempt: The pressure reducing station is a Class 1 existing facility at the end of its useful life. The project does not result in an expansion of existing use. The failure to replace this facility creates the potential for loss of potable water for domestic and fire safety service to portions of the City of Encinitas.

Lead Agency

Contact Person: Jason Hubbard **Area Code/Telephone/Extension:** (760) 753-6466 ext 105

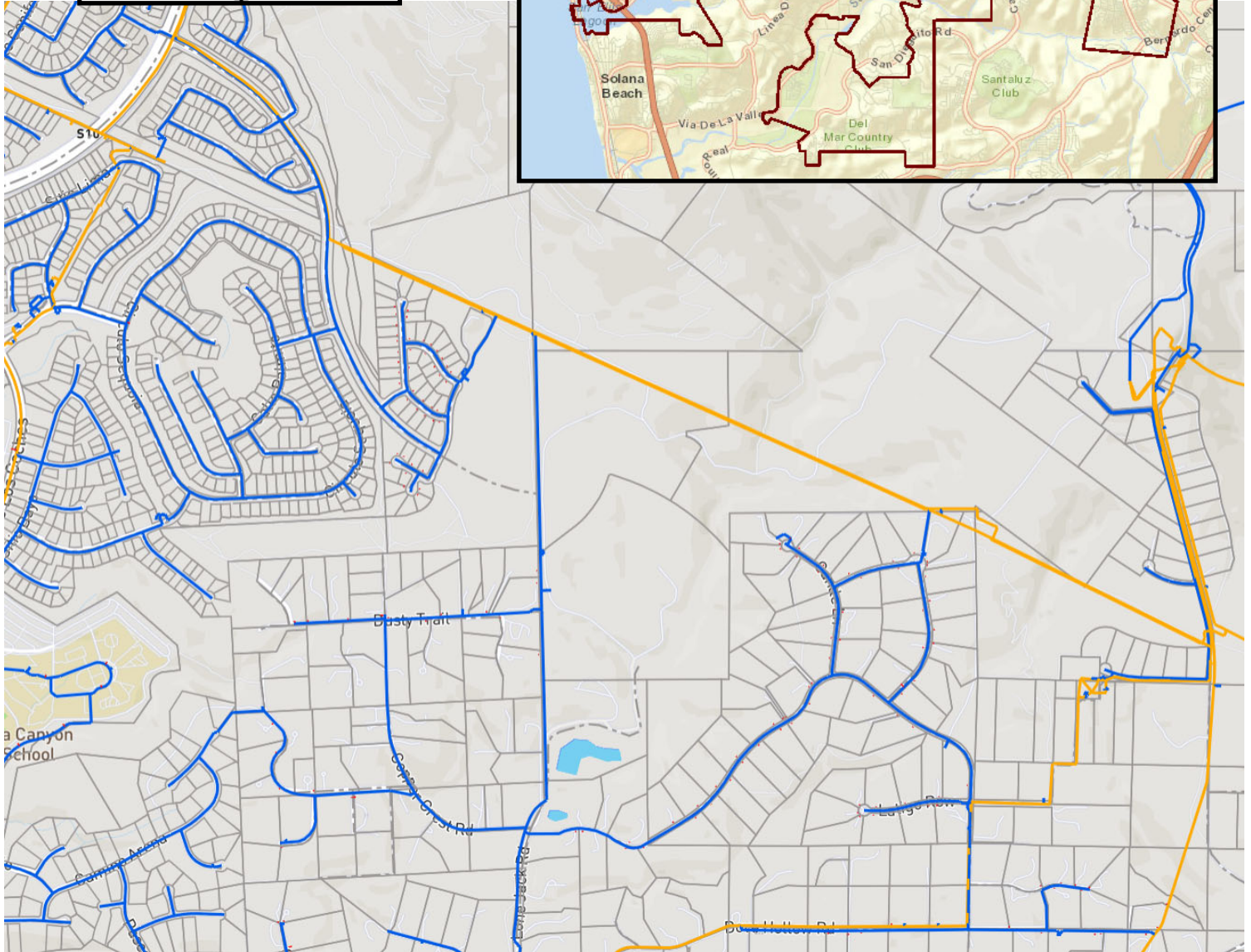
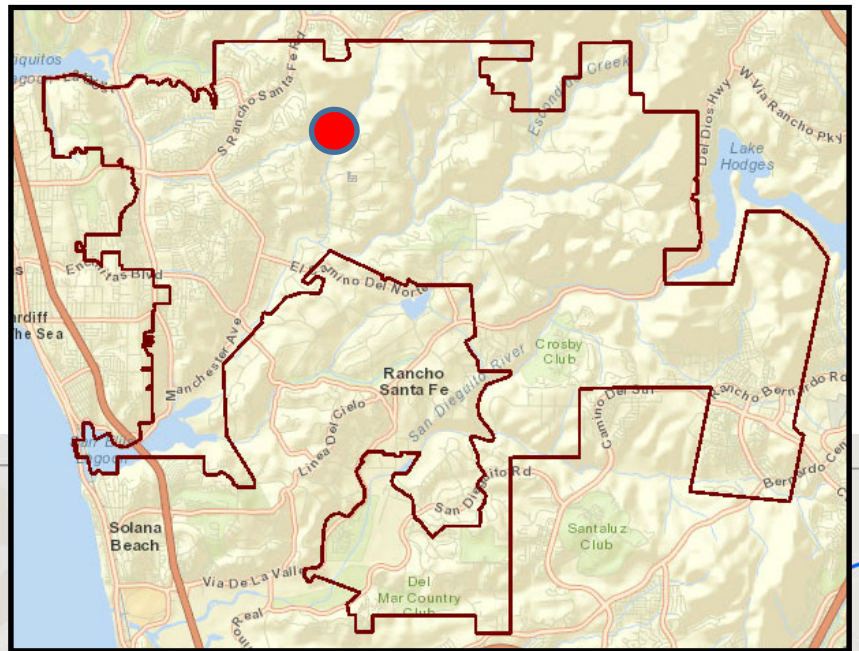
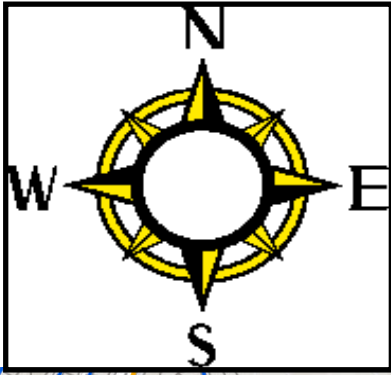
If filed by applicant:

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

Date received for filing at OPR:



**LONE JACK PRESSURE REDUCING STATION
REPLACEMENT PROJECT
DISTRICT PROJECT NO. D120178**

Memo

Date: December 15, 2021
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 2020-2021 AUDITED FINANCIAL STATEMENTS AND ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEARS ENDED JUNE 30, 2021 AND 2020 (FINAL DRAFT)**

Purpose

Staff is requesting the Board to consider approval of the fiscal year 2020-2021 audited Financial Statements and the District's fiscal year 2020-2021 Annual Comprehensive Financial Report (ACFR) final draft. A hard copy of the District's fiscal year 2020-2021 ACFR will be delivered prior to the meeting for review.

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 2020-2021 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 members (Director Guerin and Director Watt) at the November 8, 2021 meeting.

Recommendation

Staff recommends the Board consider approval of the fiscal year 2020-2021 audited Financial Statements and Annual Comprehensive Financial Report.

Alternative

The Board may decide not to approve the fiscal year 2020-2021 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 2020-2021 marks the third 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 2020-2021 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 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 implemented GASB 98 early in fiscal year 2021. The term of "Comprehensive Annual Financial Report" and its acronym (CAFR) were replaced with the term "Annual Comprehensive Financial Report" (ACFR) in the attached report.

The District's auditor and staff will be available for discussion.

Attachments: **Attachment 1** – Auditors' Letter to the Board
 Attachment 2 – Auditors' Report on Internal Control
 Attachment 3 – Final Draft of FY 2020-2021 Audited Financial Statements and Annual Comprehensive Financial Report for fiscal years ended June 30, 2021 and 2020
 Attachment 4 – Auditors' Presentation to the Board

November 8, 2021

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

We have audited the financial statements of the Olivenhain Municipal Water District (the “District”) for the year ended June 30, 2021, and have issued our report thereon dated November 8, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the scope and timing of our audit. We have communicated such information in our engagement letter with the District dated May 1, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Qualitative Aspects of Accounting Practices

Accounting Policies

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 basic financial statements.

New Accounting Standards

GASB Statement No. 84

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities* (GASB Statement No. 84), to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement establishes criteria for identifying fiduciary activities of all state and local governments. It also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Application of this statement did not have a material effect on the District’s financial statements for the fiscal year ending June 30, 2021.

GASB Statement No. 90

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61* (GASB Statement No. 90), to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This statement requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Application of this statement did not have a material effect on the District’s financial statements for the fiscal year ending June 30, 2021.

GASB Statement No. 98

In October 2021, GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*, to establish the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments. Application of this statement did not have a material effect on the District’s financial statements for the fiscal year ending June 30, 2021.

No other new accounting policies were adopted and the application of existing policies was not changed during 2021. 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. As part of our audit, we evaluated the key factors and assumptions used to develop the accounting estimates described above and in determining that it is reasonable in relation to the financial statements taken as a whole.

The most sensitive estimates 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 disclosures affecting the financial statements were:

- Note 2 – Summary of Significant Accounting Policies
- Note 9 – Employee Retirement Systems
- Note 14 – Economic Dependency
- Note 15 – Commitments and Contingencies

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 the 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 8, 2021.

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 Information in Documents Containing Audited Financial Statements

Our responsibility for the supplementary information accompanying the basic financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the basic financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole. 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 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

**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, 2021, 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 8, 2021.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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.

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 Pw Group, LLP". The signature is written in a cursive, flowing style.

San Diego, California
November 8, 2021



Annual Comprehensive Financial Report

FISCAL YEARS ENDED JUNE 30, 2021 AND 2020



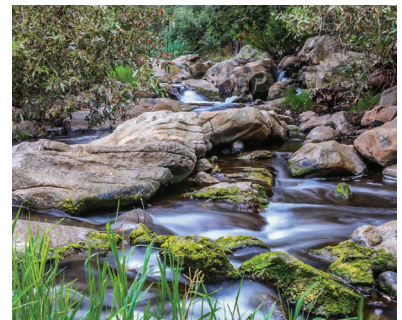
OLIVENHAIN MUNICIPAL WATER DISTRICT, ENCINITAS, CALIFORNIA

[Attachment 2](#)



Annual Comprehensive Financial Report
Fiscal years ended June 30, 2021 and 2020
Prepared by the Finance Department

C O V E R



"Water Behind the Grass"
Submitted by Daniel Humphrey
2019 Elfin Forest Recreational Reserve Photo Contest
Water Scenery Winner

Our Mission

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

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

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



Lawrence A. Watt
President



Kristie Bruce-Lane
Vice President



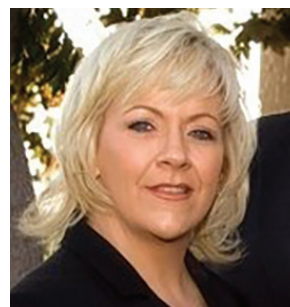
Christy Guerin
Treasurer



Robert F. Topolovac
Secretary



Neal Meyers
Director



Kimberly A. Thorner, Esq.
General Manager

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.

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Introductory Section

ANNUAL COMPREHENSIVE FINANCIAL REPORT

"Spring Color"
Submitted by Judi Westlake
2019 Elfin Forest Recreational Reserve Photo Contest
Plants Runner-up



"Paint Brushes"

Submitted by Francesca Hummler

2019 Elfin Forest Recreational Reserve Photo Contest

Best in Show Winner

November 8, 2021

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, 2021. 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, 2021, 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, 2021, 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, Rancho Cielo Sanitation District Fund, 4S Regional Recycled Water Fund, 2015 Water Revenue Refunding Bond Fund, 2013 Note Payable Fund, 2016 Water Revenue Refunding Bond Fund, and 2018 Wastewater (Sewer) Revenue 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 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.

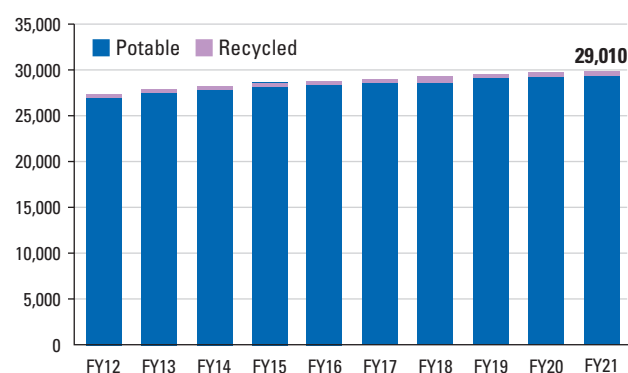
The District is at approximately 95% of its ultimate build-out of approximately 34,400 equivalent dwelling units. For the fiscal year ended June 30, 2021, 69.9% of water delivered was for domestic use, 27.8% for commercial and irrigation use (including construction and recycled water), and 2.3% for agricultural use. The District relies on the San Diego County Water Authority (SDCWA) as a sole source of untreated water. The District's primary treated water source is the David C. McCollom Water Treatment Plant.

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

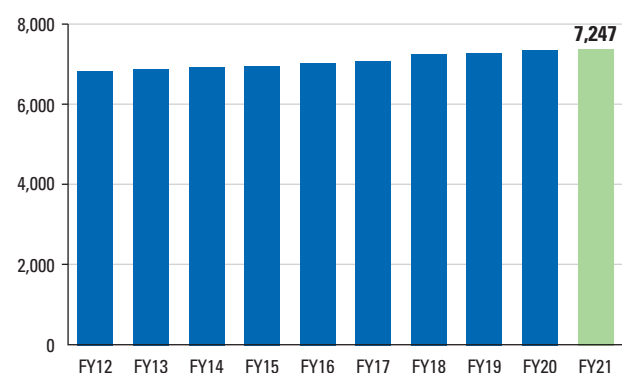
The District also sells recycled water in the northwest of its service area. To meet recycled water demand in the northwest, the District has entered into recycled water purchase agreements with Vallecitos Water District and San Elijo Joint Powers Authority. Recycled water in the northwest is delivered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

During the fiscal year ended June 30, 2021, the District billed 17,957 acre-feet (AF) of potable water through 28,696 active potable water meters and 2,719 AF of recycled water through 314 active recycled meters. The District provided wastewater collection services to 7,247 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



Financial Impacts of the COVID-19 Crisis

COVID-19 and related government mitigation measures have impacted the operating and financial condition of many local agencies throughout San Diego County.

On March 12, 2020, the District declared a COVID-19 emergency in response to the State of Emergency declared by California Governor Gavin Newsom. On April 2, 2020 and in response to the pandemic, Governor Newsom issued an Executive Order protecting homes and small businesses from water shut-offs through September 30, 2021. On September 23, 2021, the Governor signed Senate Bill No. 155, which extended this moratorium on shut-offs until December 31, 2021. The Governor's orders were issued to ensure water service will continue to be provided under any circumstance as water is critical and essential for everyone.

To date, the District's operations and financial position have not been significantly impacted by the COVID-19 pandemic. The District has experienced a delay in collection of its water service revenues. Available reserves in water and sewer unrestricted funds were utilized to cover temporary delays in collection of revenues, to fund essential services, and to make timely debt service payments. The District also has kept the duration of its investments relatively short for liquidity access. The District is also assessing more liens on properties for non-payment of water services as well as offering payment arrangements and/or deferred payment to help rate payers who have been financially impacted by COVID-19. In anticipation of collection delays, the District conservatively increased its allowance for doubtful accounts by \$100,000 to \$210,000 during fiscal year 2020. At June 30, 2021 Accounts receivable—water and sewer have been reduced by an allowance of \$210,000.

The District has also experienced an increase in personnel and non-personnel expenses such as materials, safety supplies, and equipment during the COVID-19 pandemic. As of the end of fiscal year 2021, the District has spent approximately \$322,000 in COVID-19 related expenses, such as safety supplies, spare parts, and computer expenses in response to the emergency. A request for reimbursement of eligible COVID-19 related costs was submitted to FEMA in October 2020, which is pending as of this writing. The District continues to pursue other potential funding opportunities to cover its unanticipated costs related to the pandemic.

More information on the District's financial position can be found in the Financial Section and Statistical Section of this report. Due to the uncertainty on the duration of the public health crisis and the State and Federal response, the full financial impact of the COVID-19 crisis cannot be reasonably estimated. Information about the District's financial position included in this report is based on the known impacts and measures that the District has taken to mitigate COVID-19 impacts.



Internal Controls

District Management is responsible for establishing and maintaining a system of internal controls designed to safeguard District assets from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in accordance with generally accepted accounting principles. The internal control structure is designed to provide reasonable assurance that these objectives are met. When establishing or reviewing controls, management must recognize that the cost to implement a control should not exceed the benefits likely to be derived, and that in order to assess cost versus benefit, estimates and judgment on the part of management will be required. All internal control evaluations occur within the above framework. Management believes the current system of internal controls adequately safeguards District assets and provides reasonable assurance that accounting transactions are properly recorded.

Budget Process

The District utilizes a Board-approved biennial operating and capital budget as a management tool for estimating and planning District revenues and expenditures and it is used only for comparative purposes to identify unusual or unexpected trends. In prior years the District utilized an annual budget format. A biennial 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 biennial operating and capital 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 approved, the budget becomes the basis 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. Threat analysis is also conducted at least once per year to identify and quantify any potential threats to the District's financial picture. Project managers may find after the first half of the budget that some projects need to be accelerated or delayed due to changes in housing development conditions in the District. This midterm review is also used to update the Board on completed capital projects.

Designated Fund Balances

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

To ensure adequate funding to meet the District's short-term and long-term planned capital expenditures and its commitment to the community, the maximum target balance of the District's designated fund balance for capital and equipment for water operations has been adjusted so as not to exceed five fiscal years of approved planned capital expenditures.

Contacting the District's Finance Department

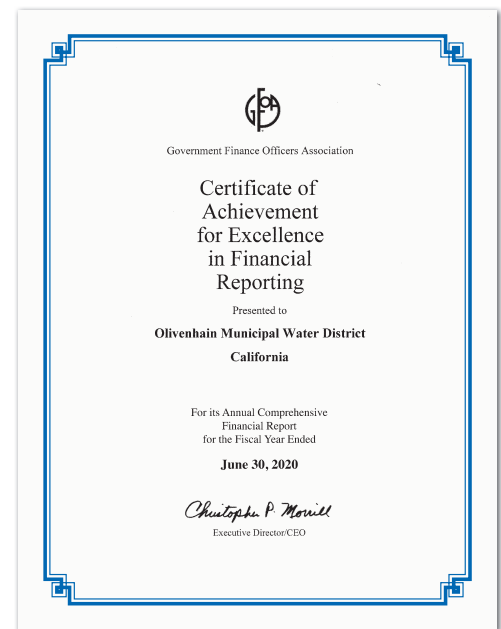
This financial report is designed to provide the Board, customers, creditors and investors with a general overview of the District's financial condition. Should you have any questions regarding the content of this report, please contact Rainy Selamat, OMWD Finance Manager, at (760) 753-6466.

Certificate of Achievement

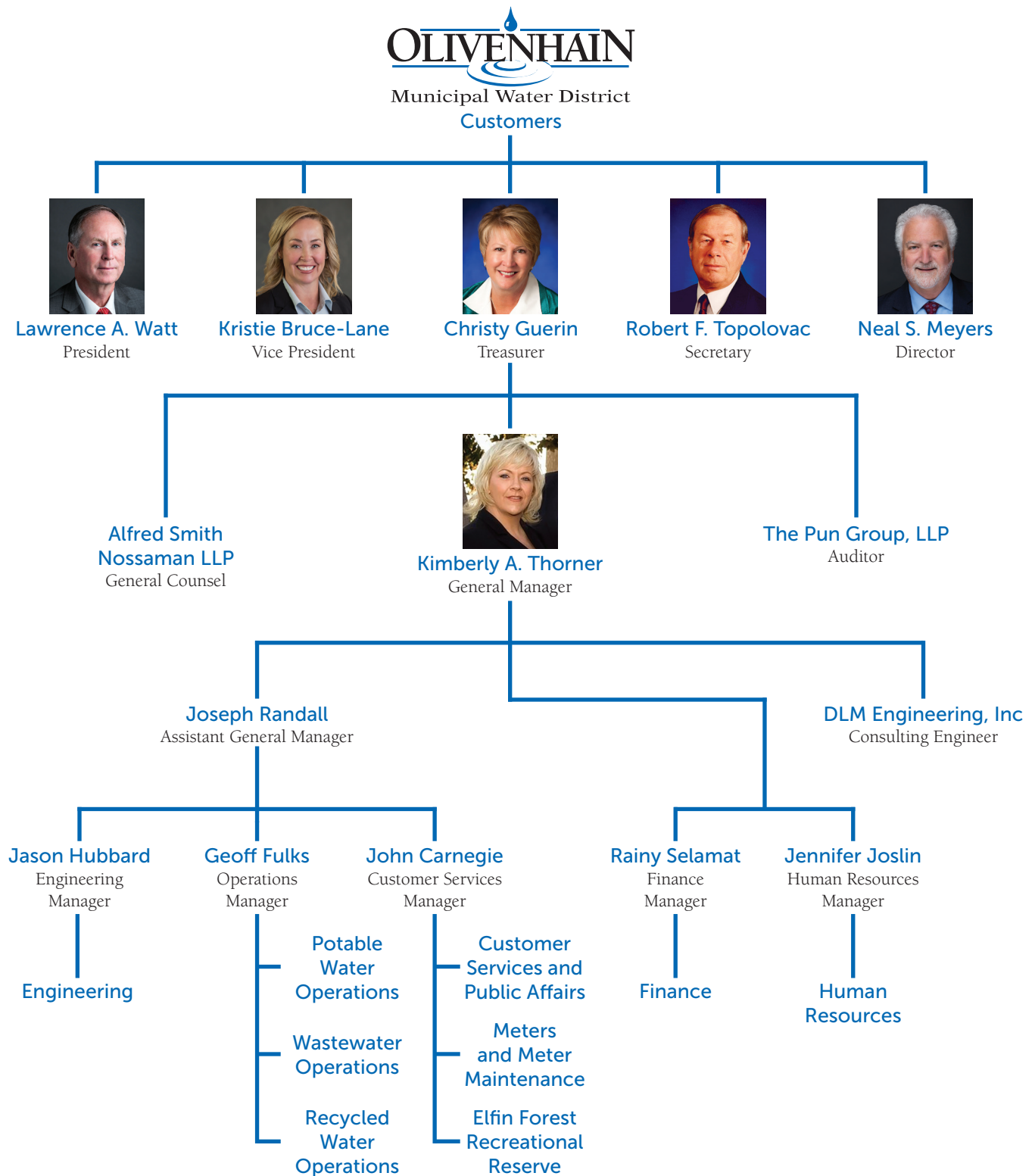
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Olivenhain Municipal Water District for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2020. This was the 26th 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.

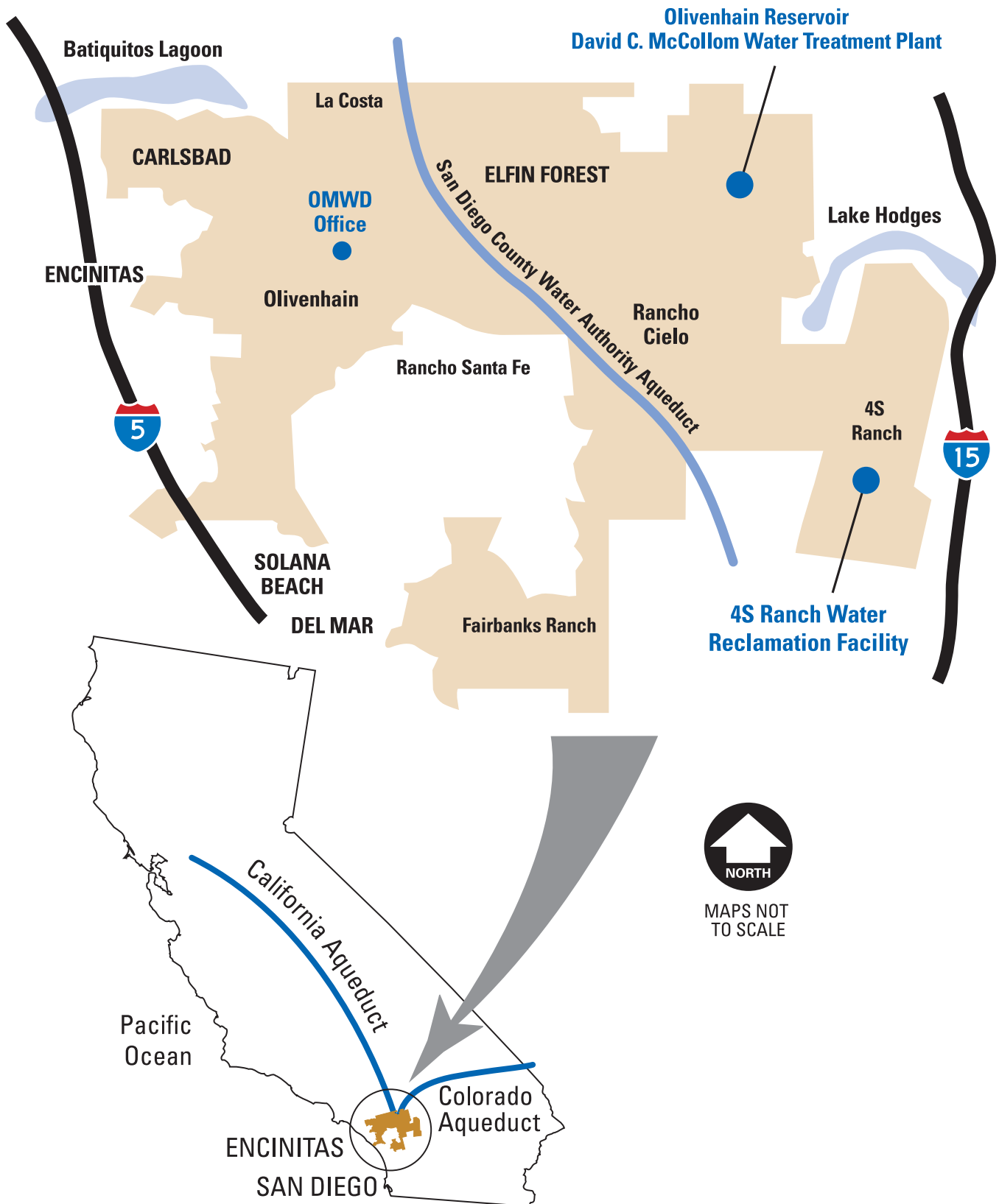


Organizational Chart



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.

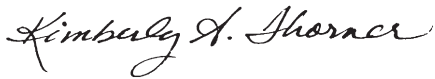
District Service Area



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:



Kimberly A. Thorner, Esq.
General Manager



Rainy K. Selamat
Finance Manager



Financial Section

ANNUAL COMPREHENSIVE FINANCIAL REPORT

“Western Fence Lizard”

Submitted by Karen Wood

2019 Elfin Forest Recreational Reserve Photo Contest
Animals Winner



"Misty Morning Over Lake Hodges"
Submitted by Jeff Brock
2019 Elfin Forest Recreational Reserve Photo Contest
Scenic View Winner



INDEPENDENT AUDITORS' REPORT

Board of Directors
Olivenhain Municipal Water District
Encinitas, California

Report on Financial Statements

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, 2021 and 2020, 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.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District, as of June 30, 2021 and 2020, 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.

4365 Executive Drive, Suite 710, San Diego, California 92121
Tel: 858-242-5100 • Fax: 858-242-5150
www.pungroup.com

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 on pages 21 through 32 and 74 through 77, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The Introductory and Statistical Sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 8, 2021 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 8, 2021

Management's Discussion and Analysis

Fiscal Year Ended June 30, 2021

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, 2021. 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, 2021 the following events impacted, or create the potential to impact, the finances of the District:

- On March 17, 2021, The District's Board of Directors approved a 2.6% revenue adjustment based on a pass-through increase in the District's purchased water wholesale costs from the San Diego County Water Authority (SDCWA) and 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 April 1, 2021.
- On May 19, 2021, the District's Board of Directors held a Proposition 218 hearing to consider adopting increases in the District's rates for its wastewater (sewer) service fees effective July 1, 2021 and on July 1st of each year over the next four fiscal years, 2023–2026. Following the hearing, the board adopted an ordinance that allowed the District to increase Wastewater System Access Charges and Wastewater Commodity Rates each year for the next five fiscal years, starting with fiscal year 2022. These included a 2% revenue increase adjustment for fiscal year 2022 and 3% increases thereafter for fiscal years 2023–2026.
- In June of 2021, Fitch reaffirmed the District's AAA bond rating on the 2015A and 2016A Water System Refunding Revenue Bonds. The Fitch rating reflects the District's ability to maintain a strong financial performance and affordable rates relative to incomes as the water supplies to an affluent service area.
- Total Revenues increased in comparison to prior years due to fluctuations in the District's water demand from warmer weather conditions. Increases to Other Non-Operating Revenues from the sale of the District's Gaty parcel and from Metropolitan Water District of Southern California (MWD) legal settlements also contributed to the Total Revenue increase. The MWD settlements are discussed in more detail as part of Note 17 of the basic financial statements.
- Total Expenses increased primarily due to an increase in wholesale potable water purchased from the San Diego County Water Authority (SDCWA) and recycled water purchased from other agencies, and increased depreciation expense from new assets placed in service in FY 2021.
- Total Assets were higher primarily due to an increase in unrestricted cash from the District's increased water sales and an increase in other receivables as a result of a MWD legal settlement that the District is anticipated to receive.
- Deferred Outflows of Resources increased slightly from fiscal year 2020 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. During fiscal year 2021, the District made an additional discretionary payment to CalPERS in the amount of \$450 thousand to reduce the District's unfunded pension liability.
- Total Liabilities decreased due to the payment of District payables related to large Construction in Progress (CIP) projects that were completed in fiscal year 2021, including the District's Administrative Building Improvement Project (Building D). The District's scheduled repayment of its Long-term Debt also contributed to this decrease in total liabilities.

Management's Discussion and Analysis (continued)

Financial Highlights (continued)

- Deferred Inflows of Resources decreased from fiscal year 2020 due to pension amounts that vary from year to year based on CalPERS actuarial assumptions and Governmental Accounting Standards Board (GASB) Statement No. 68 reporting requirements.
- The District's Net Position as of June 30, 2021 increased by \$9.2 million compared to fiscal year 2020 and \$12.6 million compared to fiscal year 2019. The increases were primarily due to fluctuations in water sales, capacity charges collected, capital contributions, and other non-operating revenues.
- On October 27, 2021, the District issued Wastewater Revenue Bonds, Series 2021A in the amount of \$5,042,140 to pay for new wastewater capital improvement projects. 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. More details can be found on Note 18 of the basic financial statements.
- The District adopted GASB Statement No. 84, "Fiduciary Activities" and GASB Statement No. 90, "Majority Equity Interests – An Amendment of GASB Statement No. 14 and No. 61."

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.

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

Management's Discussion and Analysis (continued)

Financial Analysis of the District as a Whole

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

Net Position

Net Position is the difference between assets acquired, owned, and operated by the District 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?"

Highlights of Statement of Net Position

	Fiscal Year ended June 30		
	2021	2020	2019
Current Assets – unrestricted	\$ 91,230,167	\$ 83,453,087	\$ 81,904,600
Current Assets – restricted	7,333,291	8,396,334	16,835,806
Capital Assets, net	381,987,256	386,472,115	379,920,307
Other Noncurrent Assets	82,997	134,183	234,176
Total Assets	480,633,711	478,455,719	478,894,889
Deferred Amounts on Refunding	1,191,088	1,381,667	1,587,232
Deferred Amount from Pension	3,585,712	3,368,573	2,880,750
Total Deferred Outflows of Resources	4,776,800	4,750,240	4,467,982
Current Liabilities – unrestricted	13,721,685	14,875,301	12,861,139
Current Liabilities – restricted	211,991	1,803,175	2,416,148
Compensated Absences, long-term	916,576	719,611	508,502
Net Pension Liability	14,608,844	13,760,678	12,602,286
Long-term Debt	48,280,027	53,252,734	59,849,380
Total Liabilities	77,739,123	84,411,499	88,237,455
Deferred Amount on Pension	425,243	722,696	442,775
Total Deferred Inflows of Resources	425,243	722,696	442,775
Net Investment in Capital Assets	330,855,961	330,720,794	321,290,220
Restricted Net Position	7,121,300	6,593,159	10,947,134
Unrestricted Net Position	69,268,884	60,757,811	62,445,287
Total Net Position	\$ 407,246,145	\$ 398,071,764	\$ 394,682,641

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

Management's Discussion and Analysis (continued)

Financial Analysis of the District as a Whole (continued)

Current Assets – unrestricted: an increase compared to fiscal years 2020 and 2019. These increases were due to increases in the District's water rates and charges combined with fluctuations in water sales from changes in water demand due to weather conditions, changes in investment earnings, changes in sewer revenue collected, and an increase in other receivables from MWD settlement proceeds that the District anticipates to receive.

Current Assets – restricted: a decrease from fiscal years 2020 and 2019. This decrease was primarily due to cash spent on the District's significant Construction in Progress (CIP) projects, such as the Administration Building Improvement (Building D), the San Elijo Valley Groundwater, and the El Camino Real Pipeline replacement projects.

Capital Assets, net: a decrease compared to fiscal year 2020 and an increase compared to fiscal year 2019. The decrease from fiscal year 2020 was due to increases in accumulated depreciation, which decreased the carrying value of the District's Capital Assets. The increase compared to fiscal year 2019 was due to an increase in the District's large Construction in Progress (CIP) projects. See note 5 of the Notes to Basic Financial Statements section of this report for additional details related to the District's Capital Assets.

Other Noncurrent Assets: a decrease compared to fiscal years 2020 and 2019 primarily 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: The District had Deferred Outflows of Resources of \$4,776,800, an increase of \$26,560 compared to fiscal year 2020. \$1,191,088 of the fiscal year 2021 total was from a deferred loss on refunding for the Water System Revenue Bonds. More information on the District's Long-term debt can be found in Note 7 of the basic financial statements. The remaining amount 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 68.

Current Liabilities – unrestricted: a decrease from fiscal year 2020 and an increase from fiscal year 2019. The decrease from fiscal year 2020 was 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. The increase from fiscal year 2019 was due to increases in payables related to the District's CIP projects, water purchases, and purchases for the District's operations. Slight increases in the current portion of the District's long-term debt also contributed to these variances.

Current Liabilities – restricted: significantly decreased in fiscal year 2021 compared to fiscal years 2020 and 2019. This decrease was due to the payment of restricted payables related to the District's large construction projects, including 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.

Net Pension Liability: an increase of \$848,166 compared to fiscal year 2020 and an increase of \$2,006,558 compared to fiscal year 2019. Net Pension Liability is reported at \$14,608,844 for fiscal year 2021 and it 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. The District's Net Pension Liability was \$13,760,678 and \$12,602,286 for fiscal years 2020 and 2019, respectively.

Long-term Debt: a decrease compared to fiscal year 2020 and fiscal year 2019. 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 significantly compared to fiscal year 2019 due to the District's refinancing of the Reassessment District 96-1 Limited Obligation Improvement Bonds in fiscal year 2020, which resulted in a decrease of the District's debt service payments of \$2.84 million in comparison to the prior debt.

Management's Discussion and Analysis (continued)

Financial Analysis of the District as a Whole (continued)

Deferred Inflows of Resources: The District had pension-related Deferred Inflows of Resources of \$425,243, a decrease of \$297,453 from fiscal year 2020. These amounts 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 68.

Total Net Position: The increase in Total Net Position in fiscal year 2021 was primarily due to an increase in Current Assets – unrestricted, a decrease in Current Liabilities – Unrestricted, a decrease in Current Liabilities – Restricted, and a decrease in the District's Long-term Debt as discussed in the previous sections.

Statement of Revenues, Expenses and Changes in Net Position

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

Water Operations

During fiscal year of 2021, the District provided potable water and recycled water services to 29,010 accounts. Water services include reading and billing water meters on a monthly basis, a back-flow prevention program, meter maintenance, water quality services, and other on-site services as requested by District customers, including testing meters for accuracy and checking for water leaks.

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

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.

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 \$3.39 to \$6.74 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 $\frac{3}{4}$ inch meter pay a typical bill of \$39.44 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 \$3.98 per month for their monthly SDCWA Infrastructure Access Charge.

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

Management's Discussion and Analysis (continued)

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 did not raise its sewer rates and charges for fiscal year 2021 due to potential financial impacts to sewer customers as a result of the COVID-19 pandemic.

The District's sewer rate consists of two components: a system access charge, which is a fixed charge; and a commodity charge, which reflects each customer's wintertime water use. The wintertime water use (December through March) for each single family residential customer is capped at 10 hundred cubic feet (HCF). The cap of 10 HCF was based on the 90th percentile of minimum wintertime water usage. Other sewer customer types (multi-family and commercial) are billed commodity charges based on their monthly water usage, as these customers have separate irrigation meters. Revenue derived from the rates and charges is used for the recovery of operations and maintenance costs of the District's sewer operations, as well as capital improvement expenditures.

Sewer service fees are billed via the property tax roll and collected by the County of San Diego Property Tax Services Division. Currently, the District bills approximately 7,247 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 \$3.65 per unit (one unit equals 748 gallons of water).

The District continues to expand its recycled water system in the southeast and northwest recycled water service areas. The board approved the Recycled Water Retrofit Loan Program in 2017. This program offers financial assistance in the form of low-interest loans to qualified 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		
	2021	2020	2019
REVENUES			
Operating Revenues:			
Water Sales	\$ 58,169,813	\$ 50,430,847	\$ 48,238,490
Sewer Charges	5,127,136	4,952,194	5,245,015
Other Operating Revenues	2,178,034	2,200,252	2,269,665
Total Operating Revenues	<u>65,474,983</u>	<u>57,583,293</u>	<u>55,753,170</u>
Non-operating Revenues:			
Property Tax Revenues	4,027,357	3,863,252	3,714,060
Capacity Charges	2,754,730	3,200,022	2,337,015
Benefit Assessment Revenues	1,177,302	1,115,704	1,474,830
Other Non-operating Revenues	5,578,746	1,634,444	2,202,714
Total Non-operating Revenues	<u>13,538,135</u>	<u>9,813,422</u>	<u>9,728,619</u>
Total Revenues	<u>79,013,118</u>	<u>67,396,715</u>	<u>65,481,789</u>
EXPENSES			
Operating Expenses:			
Cost of Water Sold	30,601,983	27,188,350	25,532,687
Depreciation	15,559,523	15,029,936	14,892,827
General and Administrative	7,041,160	7,326,820	6,926,933
Pumping and Water Treatment	4,378,418	4,139,526	4,028,711
Transmission and Distribution	4,220,269	4,090,468	3,480,238
Sewer Collection and Treatment	2,085,237	1,980,603	1,631,657
Customer Services	2,348,700	2,404,916	1,817,086
Facilities Maintenance	1,363,564	1,456,702	1,224,506
Elfin Forest Recreational Reserve	415,386	381,540	376,635
Other Operating Expenses	228,939	329,185	407,811
Total Operating Expenses	<u>68,243,179</u>	<u>64,328,046</u>	<u>60,319,091</u>
Non-operating Expenses:			
Interest Expense, net	1,419,009	1,457,739	1,794,797
Other Non-operating, net	1,076,547	1,458,033	1,036,442
Total Non-operating Expenses	<u>2,495,556</u>	<u>2,915,772</u>	<u>2,831,239</u>
Total Expenses	<u>70,738,735</u>	<u>67,243,909</u>	<u>63,150,259</u>
Income (loss) Before Capital Contributions	8,274,383	152,897	2,331,529
Capital Contributions	899,998	3,236,226	1,298,585
Changes in Net Position	9,174,381	3,389,123	3,630,114
Beginning Net Position	398,071,764	394,682,641	391,052,527
Ending Net Position	<u>\$ 407,246,145</u>	<u>\$ 398,071,764</u>	<u>\$ 394,682,641</u>

Management's Discussion and Analysis (continued)

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

Revenues

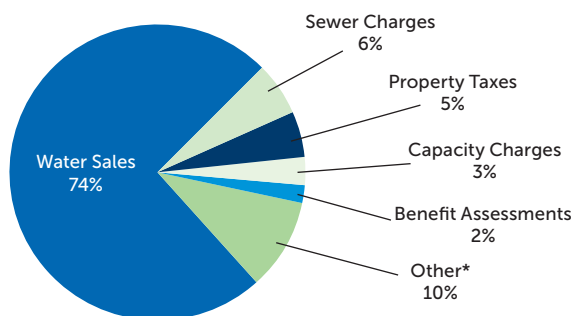
Total Revenues: as reported on the Statement of Revenues, Expenses and Changes in Net Position for fiscal year ended June 30, 2021, total revenues were \$79.0 million, a 17.2% increase compared to fiscal year 2020 and a 20.7% increase compared to fiscal year 2019. This increase was primarily due to an increase in customers' water consumption over the years and an increase in non-operating revenues from the sale of one of the District's parcels (Gaty) to offset to District's administrative building improvement project costs (Building D) and from settlement proceeds from the Metropolitan Water District of Southern California (MWD). Please see Note 17 to the basic financial statements for more information regarding this settlement.

Operating Revenues: an increase in fiscal year 2021 compared to fiscal years 2020 and 2019 from changes to water sales. Fluctuations in water sales were due to year-to-year changes in customers' water consumption behaviors which varied depending on weather conditions.

Other Operating Revenues: remained steady from year to year at \$2.2 million, \$2.2 million, and \$2.3 million in fiscal years 2021, 2020, and 2019, respectively. Other Operating Revenues are comprised of excess treated water services sold from the David C. McCollom Water Treatment Plant (DCMWTP) to other agencies, revenue received from cell phone tower leases on District property, and the recognition of deposits collected for billable work for others as revenue during the fiscal year.

Non-operating Revenues: increased in fiscal year 2021 compared to fiscal years 2020 and 2019. This increase was primarily due to the District's sale of its Gaty parcel and the settlement received from MWD. This increase was partially offset by decreases in income on the District's investments due to market conditions. 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.

Sources of Revenues Fiscal Year Ended June 30, 2021



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

Management's Discussion and Analysis (continued)

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

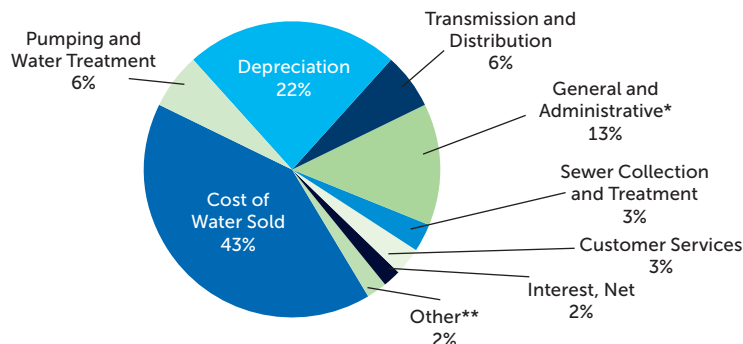
Expenses

Total Expenses: fiscal year ended June 30, 2021 reported expenses were \$70.7 million. Included in Total Expenses were \$68.2 million in Operating Expenses and \$2.5 million in Non-operating Expenses. Total Expenses reported in fiscal years 2020 and 2019 were \$67.2 and \$63.2 million, respectively.

Operating Expenses: increased from fiscal year 2020 and fiscal year 2019. This increase was primarily due to the increased cost to purchase water from the District's potable and recycled water suppliers and an increase in water consumption compared to prior years. Depreciation expense also increased due to Construction in Progress (CIP) projects that were placed in service during the fiscal year, including the District's Administrative Building Improvement Project (Building D). Water and wastewater (sewer) operating expenses remained steady in 2021 compared to 2020 as a result of positions that remained vacant throughout the year. The increase in water and sewer operating expenses in comparison to fiscal year 2019 was due to an increase in salary and wages based on the 2013 Memorandum of Understanding between the District, its District Employee Association, and the Bargaining Unit Members Associations which will expire in December 2021. The District is currently in negotiations with its employee association groups for a new Memorandum of Understanding.

Other Non-operating Expenses, net: decreased in 2021 compared to fiscal year 2020 and slightly increased compared to fiscal year 2019. 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. In fiscal year 2020, the District recognized expenses related to the refinancing of its Reassessment District 96-1 Bonds, which contributed to the increase in Other Non-operating Expenses in 2020.

Sources of Expenses Fiscal Year Ended June 30, 2021



*Includes Facilities Maintenance and Elfin Forest Recreational Reserve Expenses.

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

Income (Loss) Before Capital Contributions & Capital Contributions

Income (loss) before Capital Contributions: increased in fiscal year 2021 compared to fiscal year 2020 and fiscal year 2019. These increase were primarily due to the increase in water sales and revenue recognized from the sale of the District's Gaty parcel and the District's portion of the Metropolitan Water District (MWD) legal settlement discussed in Note 17 of the basic financial statements.

Capital Contributions: decreased compared to fiscal year 2020 and fiscal year 2019 due to fluctuations in contributed assets received from major developers. The district had fewer contributed assets in fiscal year 2021 compared to 2020 and 2019.

Changes in Net Position

Changes in Net Position for the fiscal year ended June 30, 2021 amounted to an increase of \$9.17 million. The Changes in Net Position for the fiscal years ended June 30, 2020 and June 30, 2019 amounted to an increase of \$3.39 million and an increase of \$3.63 million, respectively. The fluctuations over the last three fiscal years were primarily attributed to the aforementioned changes in Total Revenues from water and sewer operations, capacity charges collected, capital contributions, and other-non operating revenues.

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, 2021	As of June 30, 2020	As of June 30, 2019
Capital Assets, net of depreciation	\$ 340,390,730	\$ 329,339,416	\$ 336,643,974
Land and Steel Tanks	30,866,760	31,000,564	31,000,570
Construction in Progress	10,729,766	26,132,135	12,275,763
Net Capital Assets	<u>\$ 381,987,256</u>	<u>\$ 386,472,115</u>	<u>\$ 379,920,307</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, 2021 were \$382.0 million, net of \$216.6 million in accumulated depreciation and amortization. Included in the total Net Capital Assets is \$10.7 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 5 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 2021 is 9.0, well above the established index. The average TAI for fiscal years 2020 and 2019 was 8.5. The current lowest TAI is 7.3, and the highest is 9.7. 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 note 1 of the Required Supplementary Information.

Management's Discussion and Analysis (continued)

Restrictions, Commitments, and Limitations (continued)

Debt Administration

The District has one (1) note payable and four (4) 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 2018 Wastewater Revenue Bonds Payable. The District's outstanding bonded indebtedness as of June 30, 2021 is as follows:

Schedule of Bond Indebtedness for Fiscal Year Ended 2021

Description	Year Issued	Total Sold	Final Maturity Date	Interest Rate Range		Bonds Outstanding As of June 30, 2021		
				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%	\$ 843,108	\$ 5,457,755	\$ 6,300,863
2013 State Revolving Fund	2013	17,069,309	7/1/2035	2.30%	2.30%	397,248	11,564,749	11,961,997
2015 Water System Refunding Revenue Bonds Payable	2015	23,455,000	6/1/2028	2.00%	5.00%	1,750,000	12,525,000	14,275,000
2016 Water System Refunding Revenue Bonds Payable	2016	15,990,000	6/1/2039	2.13%	5.00%	530,000	12,890,000	13,420,000
2018 Wastewater Revenue Bonds Payable	2018	5,500,000	6/1/2028	3.10%	3.10%	522,000	3,491,000	4,013,000

For the fiscal year ended June 30, 2021 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 \$70.

In June of 2021, Fitch Ratings reaffirmed the District's 2015A Water System Refunding Revenue Bonds and 2016 Water Revenue Refunding Bonds "AAA" rating with positive outlook primarily due to strong financial performance in water operations. These revenue bonds are secured by the District's net water system revenues after payment of water operations and maintenance (O&M) expenses.

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

Economic Factors and Next Year's Budgets and Rates

About 95% of the District's service area is fully developed. The District's customer base is predominantly residential/domestic customers (70%), the remainder is a mix of commercial, irrigation, and agricultural (30%). The District is expected to be 100% built-out by 2030.

The District's water rate structure consists of a commodity charge and fixed monthly service fees. About 25% of the District's water revenues are collected from fixed monthly charges and 75% are collected on commodity rates based on consumption. The District's Board of Director 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 is forecasted through December 31, 2024. The District bills monthly for its water services.

Management's Discussion and Analysis (continued)

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

The District addressed the downside financial implications of a prolonged drought through the implementation of a revenue policy whereby the District can collect up to 30% of its revenue from fixed component of its water rate structure and Demand Reduction Rate Adjustments. The District's Demand Reduction Rate Adjustments will increase potable water rates, when implemented, so that the District could 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 disaster. 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.

On July 8, 2021, Governor Gavin Newsom issued Executive Order N-10-21, which called for a voluntary cut back of 15% in water use in comparison to 2020 levels. On the same day, the Governor issued a proclamation of a state of emergency, which brought the total number of counties in the State of California in a drought-related state of emergency to 50, and excluded San Diego and eight other counties throughout Southern California. On October 19, 2021, the Governor declared a state of emergency, adding the eight counties that were previously excluded from the declaration, including San Diego County. The emergency declaration requires local water suppliers to implement water shortage contingency plans to respond to local conditions and prepare for the possibility of another dry year. The District is currently at Level 1 of its Water Shortage Contingency Plan, which matches the request from the Governor for voluntary conservation and prohibits wasteful practices.

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).

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 cost to maintain the 4S Ranch Wastewater and Reclamation Facilities within the 4S Ranch Sanitation District. The Board of Directors adopted a 2% revenue increase adjustment effective July 1, 2021 (fiscal year 2022) and 3% increases thereafter on July 1st of each fiscal year for fiscal years 2023–2026. 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, April and December of each year.

The District has experienced a delay in collection of its water and sewer service revenues since the pandemic began. In anticipation of collection delays, the District conservatively increased its allowance for doubtful accounts by \$100,000 to \$210,000 in fiscal year 2020. At June 30, 2021, Accounts receivable-water and sewer have been reduced by an allowance of \$210,000. To avoid further collection delays, the District has been assessing more liens on properties for non-payment of water services in addition to offering payment arrangements to help rate payers who have been financially impacted by COVID-19.

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 inquiries to our website at www.olivenhain.com.

Statements of Net Position

June 30, 2021 and 2020

	2021	2020
ASSETS		
Current assets:		
Unrestricted assets:		
Cash and cash equivalents	\$ 45,048,195	\$ 50,447,737
Investments	31,598,271	20,417,946
Accounts receivable – water and sewer, net	10,717,152	10,062,269
Interest receivable	82,081	259,626
Taxes receivable	154,318	164,205
Other receivables	1,880,711	313,254
Inventories	1,065,380	1,118,661
Prepaid expenses	684,059	669,389
Total unrestricted assets	91,230,167	83,453,087
Restricted assets:		
Cash and cash equivalents	4,641,041	5,250,778
Investments	2,262,949	1,322,016
Taxes receivable	39,981	45,300
Grants receivable	389,320	1,778,240
Total restricted assets	7,333,291	8,396,334
Total current assets	98,563,458	91,849,421
Noncurrent assets:		
Capital assets, nondepreciable	41,596,526	57,132,699
Capital assets, depreciable/amortizable, net	340,390,730	329,339,416
Capital assets, net	381,987,256	386,472,115
Other receivables	58,774	106,458
Prepaid bond insurance	24,223	27,725
Total noncurrent assets	382,070,253	386,606,298
Total assets	480,633,711	478,455,719
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount on refunding	1,191,088	1,381,667
Pension-related deferred outflows of resources	3,585,712	3,368,573
Total deferred outflows of resources	4,776,800	4,750,240

(continued)

Statements of Net Position (continued)

June 30, 2021 and 2020

	2021	2020
LIABILITIES		
Current liabilities:		
Liabilities payable from unrestricted assets:		
Accounts payable	\$ 7,518,055	\$ 8,719,530
Accrued payroll	369,392	363,695
Customer deposits	358,313	413,307
Payable related to work in progress	662,569	699,515
Compensated absences, current portion	771,000	799,000
Current portion of long-term debt:		
Wastewater revenue bonds	522,000	507,000
Water revenue refunding bonds	2,280,000	2,170,000
Special assessment debt with government commitment	843,108	815,000
Notes payable	397,248	388,254
Total liabilities payable from unrestricted assets	13,721,685	14,875,301
Liabilities payable from restricted assets:		
Accounts payable	65,933	1,640,990
Interest payable	146,058	162,185
Total liabilities payable from restricted assets	211,991	1,803,175
Total current liabilities	13,933,676	16,678,476
Noncurrent liabilities:		
Compensated absences	916,576	719,611
Net pension liability	14,608,844	13,760,678
Long-term debt, excluding current portion:		
Wastewater revenue bonds	3,491,000	4,013,000
Water revenue refunding bonds	27,766,523	30,570,011
Special assessment debt with government commitment	5,457,755	6,315,000
Notes payable	11,564,749	12,354,723
Total noncurrent liabilities	63,805,447	67,733,023
Total liabilities	77,739,123	84,411,499
DEFERRED INFLOWS OF RESOURCES		
Pension-related deferred inflows of resources	425,243	722,696
Total deferred inflows of resources	425,243	722,696
NET POSITION		
Net investment in capital assets	330,855,961	330,720,794
Restricted for:		
Debt service	1,938,321	2,039,742
Construction	5,182,979	4,553,417
Total restricted	7,121,300	6,593,159
Unrestricted	69,268,884	60,757,811
Total net position	\$ 407,246,145	\$ 398,071,764

See accompanying Notes to the Basic Financial Statements.

Statements of Revenues, Expenses and Changes in Net Position

For the years ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
OPERATING REVENUES		
Water sales	\$ 58,169,813	\$ 50,430,847
Sewer charges	5,127,136	4,952,194
Other water operating revenues	2,178,034	2,200,252
Total operating revenues	<u>65,474,983</u>	<u>57,583,293</u>
OPERATING EXPENSES		
Cost of purchased water sold	30,601,983	27,188,350
Pumping and water treatment	4,378,418	4,139,526
Transmission and distribution	4,220,269	4,090,468
Sewer collection and treatment	2,085,237	1,980,603
Elfin Forest recreation reserve operations	415,386	381,540
Facilities maintenance	1,363,564	1,456,702
Customer services	2,348,700	2,404,916
General and administrative	7,041,160	7,326,820
Other operating expenses	228,939	329,185
Depreciation and amortization	15,559,523	15,029,936
Total operating expenses	<u>68,243,179</u>	<u>64,328,046</u>
Operating income (loss)	<u>(2,768,196)</u>	<u>(6,744,753)</u>
NONOPERATING REVENUES (EXPENSES)		
Fair market value adjustment	(562,019)	314,639
Investment income	454,962	1,227,969
Property taxes	4,027,357	3,863,252
Capacity charges	2,754,730	3,200,022
Benefit assessments	1,177,302	1,115,704
Other nonoperating revenues	5,685,803	91,836
Interest expense, net	(1,419,009)	(1,457,739)
Other nonoperating expenses	(1,076,547)	(1,458,033)
Total nonoperating revenues (expenses)	<u>11,042,579</u>	<u>6,897,650</u>
Income before capital contributions	8,274,383	152,897
Capital contributions	<u>899,998</u>	<u>3,236,226</u>
Changes in net position	9,174,381	3,389,123
Net position, beginning of year	<u>398,071,764</u>	<u>394,682,641</u>
Net position, end of year	<u><u>\$ 407,246,145</u></u>	<u><u>\$ 398,071,764</u></u>

See accompanying Notes to the Basic Financial Statements.

Statements of Cash Flows

For the years ended June 30, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from water and sewer customers	\$ 64,867,918	\$ 55,683,953
Payments for water	(30,375,537)	(26,271,339)
Payments for services and supplies	(10,544,997)	(8,188,142)
Payments for employee wages, benefits, and related costs	(12,477,619)	(11,624,702)
Net cash provided by operating activities	<u>11,469,765</u>	<u>9,599,770</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES		
Property taxes and benefit assessments received	5,219,865	4,970,195
SDCWA water rebate payment	2,039,332	—
Net cash provided by noncapital financing activities	<u>7,259,197</u>	<u>4,970,195</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(11,289,144)	(19,414,338)
Proceeds from grants and capital contributions	(186,137)	(755,014)
Principal paid on long-term debt	(4,287,117)	(13,089,295)
Proceeds from debt issuance	—	7,130,000
Interest paid on long-term debt	(1,768,054)	(1,965,618)
Capacity charges received	2,777,662	3,704,751
Proceeds from sale of capital assets	2,033,750	57,227
Other capital financing receipts	165,014	34,609
Other capital financing expenses paid	(133,443)	(328,312)
Net cash provided by (used in) capital and related financing activities	<u>(12,687,469)</u>	<u>(24,625,990)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale and maturities of investments	24,740,950	33,178,869
Purchases of investments	(37,279,742)	(13,000,109)
Investment income received	488,020	1,465,181
Net cash provided by (used in) investing activities	<u>(12,050,772)</u>	<u>21,643,941</u>
Net increase (decrease) in cash and cash equivalents	<u>(6,009,279)</u>	<u>11,587,916</u>
Cash and cash equivalents, beginning of year	<u>55,698,515</u>	<u>44,110,599</u>
Cash and cash equivalents, end of year	<u>\$ 49,689,236</u>	<u>\$ 55,698,515</u>
FINANCIAL STATEMENT PRESENTATION		
Cash and cash equivalents	\$ 45,048,195	\$ 50,447,737
Cash and cash equivalents – restricted assets	4,641,041	5,250,778
Total cash and cash equivalents	<u>\$ 49,689,236</u>	<u>\$ 55,698,515</u>

(continued)

See accompanying Notes to the Basic Financial Statements.

Statements of Cash Flows (continued)

For the years ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ (2,768,196)	\$ (6,744,753)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation and amortization	15,559,523	15,029,936
GASB 68 adjustment to pension expense	333,583	956,776
Changes in operating assets and liabilities:		
(Increase) Decrease in assets:		
Receivables	(552,071)	(1,914,199)
Inventories	53,281	202,978
Prepaid expenses and deposits	(14,671)	60,069
Increase (Decrease) in liabilities:		
Accounts payable	(1,261,351)	1,784,668
Accrued payroll and compensated absences	174,661	209,434
Customer deposits	(54,994)	14,861
Net cash provided by operating activities	<u><u>\$ 11,469,765</u></u>	<u><u>\$ 9,599,770</u></u>
NONCASH INVESTING AND FINANCING ACTIVITIES:		
Contributions of capital assets	<u><u>\$ 899,998</u></u>	<u><u>\$ 3,236,226</u></u>
Amortization of premiums	<u><u>\$ (523,488)</u></u>	<u><u>\$ (597,560)</u></u>
Unrealized gains (losses) on investments	<u><u>\$ (562,019)</u></u>	<u><u>\$ 314,639</u></u>

See accompanying Notes to the Basic Financial Statements.

Notes to the Basic Financial Statements

For the years ended June 30, 2021 and June 30, 2020

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, 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 Statement 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, 2021 and June 30, 2020

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 outflows of resources (consumption of net position) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

Deferred Inflows of Resources (acquisition of net position) that apply to future periods and that, therefore, are not 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, 2021 and June 30, 2020

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 2020, the District increased its allowance for doubtful accounts as a response to the pandemic. Water and sewer accounts receivable at June 30, 2021 and 2020 have been reduced by an allowance for doubtful accounts of \$210,000 and \$210,000, respectively.

H. Inventories

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

I. Prepaid Expenses

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

J. 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 \$5,000 and a useful life of more than one year. The cost of normal maintenance and repairs that do not add to the value of assets or materially extend asset lives are not capitalized. Depreciation or amortization on capital assets in service, excluding land, is computed using the straight-line method over the estimated useful lives of such assets and is reported as an operating expense. Capital projects are subject to depreciation or amortization when completed and placed in service. The ranges of estimated useful lives of capital assets are as follows:

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

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

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

The detail of the subsystems is not presented in these basic financial statements. However, the operating departments maintain information regarding the subsystems.

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2021 and June 30, 2020

Note 2 – Summary of Significant Accounting Policies (continued)

J. Capital Assets, Depreciation and Amortization (continued)

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.

K. Capitalized Interest

Interest costs, less interest earned, on related borrowings are capitalized during the construction period of major capital asset additions. The capitalized interest is recorded as part of the asset to which it is related and is depreciated over the estimated useful life of the related asset. Capitalized interest amounted to \$11,677 and \$123,103 for the years ended June 30, 2021 and 2020, respectively.

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.

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.

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2021 and June 30, 2020

Note 2 – Summary of Significant Accounting Policies (continued)

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

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.”

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, 2021, 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 2021 presentation.

V. Implementation of New GASB Pronouncements For the Year Ended June 30, 2021

During fiscal year ended June 30, 2021, the District has implemented the following new GASB Pronouncements:

GASB Statement No. 84

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities* (GASB Statement No. 84), to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement establishes criteria for identifying fiduciary activities of all state and local governments. It also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Application of this statement did not have a material effect on the District’s financial statements for the fiscal year ending June 30, 2021.

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2021 and June 30, 2020

Note 2 – Summary of Significant Accounting Policies (continued)

V. Implementation of New GASB Pronouncements For the Year Ended June 30, 2021 (continued)

GASB Statement No. 90

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61* (GASB Statement No. 90), to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This statement requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Application of this statement did not have a material effect on the District's financial statements for the fiscal year ending June 30, 2021.

GASB Statement No. 98

In October 2021, GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*, to establish the term *annual comprehensive financial report* and its acronym ACFR. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments. Application of this statement did not have a material effect on the District's financial statements for the fiscal year ending June 30, 2021.

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 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. GASB Statement No. 87 is effective for the District's fiscal year ending June 30, 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.
- 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.

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2021 and June 30, 2020

Note 2 – Summary of Significant Accounting Policies (continued)

W. Upcoming Governmental Accounting Standards Implementation (continued)

- 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. Application of this statement is effective for the District's fiscal year ending June 30, 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. Application of this statement is effective for the District's fiscal year ending June 30, 2022.
- 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.
- 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. Application of this statement is effective for the District's fiscal year ending June 30, 2022.

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2021 and June 30, 2020

Note 3 – Cash, Cash Equivalents, and Investments

Cash and investments at June 30, 2021 and 2020 are classified in the accompanying financial statements as follows:

	2021	2020
Statement of Net Position:		
Current Assets:		
Cash and cash equivalents	\$ 45,048,195	\$ 50,447,737
Restricted cash and cash equivalents	4,641,041	5,250,778
Investments	31,598,271	20,417,946
Restricted investments	2,262,949	1,322,016
Total cash and investments	<u>\$ 83,550,456</u>	<u>\$ 77,438,477</u>
Cash and investments consist of the following:		
Cash on hand	\$ 1,496	\$ 1,468
Deposits with financial institutions	13,989,550	5,362,605
Investments	69,559,410	72,074,404
Total cash and investments	<u>\$ 83,550,456</u>	<u>\$ 77,438,477</u>

A. Demand Deposits

As of June 30, 2021, the carrying amount of demand deposits was \$13,989,550 and the bank balance was \$14,373,813 compared to \$5,362,605 and \$7,497,949 at June 30, 2020, of which the total amount was collateralized or insured with securities held by the pledging financial institutions in the District's name as discussed below under *Disclosures Relating Custodial Credit Risk*.

B. Investments Authorized by the California Government Code and the District's Investment Policy

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	None	None
U.S. Government Sponsored Entities	5 years	50%	None
Banker's Acceptances	180 days	20%	3%
Commercial Paper	270 days	20%	\$1,000,000
Certificates of Deposit	5 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	40%	None

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2021 and June 30, 2020

Note 3 – Cash, Cash Equivalents, and Investments (continued)

C. Investments Authorized by Debt Agreements

Investment of debt proceeds held by the bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District's investment policy.

D. Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time to provide the cash flow and liquidity needed for operations.

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>

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, 2020.

Investment Type	Total	Remaining Maturity (in Months)		
		12 Months or Less	13 to 24 Months	25 to 60 Months
Local Agency Investment Fund (LAIF)	\$ 26,071,525	\$ 26,071,525	\$ —	\$ —
California Asset Management Program (CAMP)	18,980,267	18,980,267	—	—
Money Market Mutual Funds	5,282,653	5,282,653	—	—
U.S. Government Sponsored Entities	14,067,480	—	—	14,067,480
Municipal Obligations	2,652,409	2,652,409	—	—
U.S. Treasury Obligations	5,020,070	5,020,070	—	—
Total	<u>\$ 72,074,404</u>	<u>\$ 58,006,924</u>	<u>\$ —</u>	<u>\$ 14,067,480</u>

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2021 and June 30, 2020

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, 2021. (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)	\$ 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>

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, 2020.

Investment Type	Total	Minimum Legal Rating	Rating as of Year End			
			AAA	AA	A/I+	Not Rated
Local Agency Investment Fund (LAIF)	\$ 26,071,525	N/A	\$ —	\$ —	\$ —	\$ 26,071,525
California Asset Management Program (CAMP)	18,980,267	AAA	18,980,267	—	—	—
Money Market Mutual Funds	5,282,653	N/A	—	—	—	5,282,653
U.S. Government Sponsored Entities	14,067,480	AAA	14,067,480	—	—	—
Municipal Obligations	2,652,409	A1/A+	—	2,652,409	—	—
U.S. Treasury Obligations	5,020,070	N/A	5,020,070	—	—	—
Total	<u>\$ 72,074,404</u>		<u>\$ 38,067,817</u>	<u>\$ 2,652,409</u>	<u>\$ —</u>	<u>\$ 31,354,178</u>

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2021 and June 30, 2020

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	2021	2020
Federal Home Loan Banks	U.S. Govt. Sponsored Entities	\$ 24,432,958	\$ 9,054,500
Federal Home Loan Mortgage Corporation	U.S. Govt. Sponsored Entities	\$ 3,989,850	\$ 5,012,980

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 risk 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, 2021 and 2020, \$14,123,813 and \$7,247,949 of the District's deposits with financial institutions in excess of the Federal insurance limits were held in collateralized accounts.

G. Local Agency Investment Fund (LAIF)

The District is a voluntary participant in the Local Agency Investment Fund ("LAIF") that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. The District's investments with Local Agency Investment Fund (LAIF) include a portion of the pool funds invested in structured notes and asset-backed securities. These investments include the following:

Structured Notes – debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options. They are issued by corporations and by government-sponsored enterprises.

Asset-Backed Securities – entitle their purchaser to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as CMOs), small business loans or credit card receivables.

LAIF is overseen by the Local Investment Advisory Board, which consists of five members, in accordance with State statute. The fair value of our position in the pool is the same as the value of the pool shares.

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2021 and June 30, 2020

Notes 3 – Cash, Cash Equivalents, and Investments (continued)

G. Local Agency Investment Fund (LAIF) (continued)

As of June 30, 2021, the District had \$27,148,609 invested in LAIF, which had invested 1.10% of the pool investment funds in structured notes and asset-backed securities compared to \$26,071,525 and 3.37% at June 30, 2020. 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 1.00008297 and 1.004912795 as of June 30, 2021 and 2020, 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). 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, 2021 and 2020 was \$6.5 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, 2021 and 2020 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, 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>

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2021 and June 30, 2020

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, 2020:

	Fair Value Measurement Using Significant Other Observable Inputs (Level 2)	June 30, 2020
Investments by Fair Value Level		
U.S. Government Sponsored Entity Securities		
Entity Securities		
FHLB	\$ 9,054,500	\$ 9,054,500
FHLMC	5,012,980	5,012,980
U.S. Treasury Securities	5,020,070	5,020,070
Municipal Bonds	2,652,409	2,652,409
Total Investments by Fair Value Level	<u>\$ 21,739,959</u>	<u>21,739,959</u>
Investments not subject to fair value hierarchy:		
Local Agency Investment Fund (LAIF)		26,071,525
California Asset Management Program (CAMP)		18,980,267
Money Market Mutual Funds		3,247,075
Held by Fiscal Agent		
Money Market Mutual Funds		<u>2,035,578</u>
Total investments not subject to fair value hierarchy		<u>50,334,445</u>
Total investments		<u>\$ 72,074,404</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 – Inventories

Inventories at June 30, 2021 and 2020 were as follows:

	2021	2020
Water inventory	\$ 190,570	\$ 182,159
Materials inventory	874,810	936,502
Total	<u>\$ 1,065,380</u>	<u>\$ 1,118,661</u>

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2021 and June 30, 2020

Note 5 – Capital Assets

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

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2021 and June 30, 2020

Note 5 – Capital Assets (continued)

A summary of changes in capital assets for the year ended June 30, 2020, is as follows:

	Balance July 1, 2019	Additions	Deletions	Transfers/ Adjustments	Balance June 30, 2020
Capital assets, not being depreciated:					
Land	\$ 11,139,165	\$ —	\$ —	\$ 2	\$ 11,139,167
Steel water storage tanks	19,861,405	—	—	(8)	19,861,397
Construction in progress	12,275,763	20,280,513	—	(6,424,141)	26,132,135
Total capital assets, not being depreciated	43,276,333	20,280,513	—	(6,424,147)	57,132,699
Capital assets, being depreciated/amortized:					
Treatment and distribution system	288,249,344	2,336,437	(570,979)	2,479,044	292,493,846
Capacity rights	27,739,008	—	—	—	27,739,008
Non-steel tanks	38,576,965	—	—	—	38,576,965
General plant	173,121,701	33,615	(2,381,416)	3,945,097	174,718,997
Total capital assets, being depreciated/amortized	527,687,018	2,370,052	(2,952,395)	6,424,141	533,528,816
Accumulated depreciation/amortization:					
Treatment and distribution system	(96,796,986)	(6,835,765)	388,853	—	(103,243,898)
Capacity rights	(15,112,013)	(1,631,706)	—	—	(16,743,719)
Non-steel tanks	(11,802,794)	(894,543)	—	—	(12,697,337)
General plant	(67,331,251)	(5,667,922)	1,494,727	—	(71,504,446)
Total accumulated depreciation/amortization	(191,043,044)	(15,029,936)	1,883,580	—	(204,189,400)
Total capital assets, being depreciated/amortized, net	336,643,974	(12,659,884)	(1,068,815)	6,424,141	329,339,416
Total capital assets, net	\$379,920,307	\$ 7,620,629	\$ (1,068,815)	\$ (6)	\$386,472,115

Depreciation expense for depreciable capital assets was \$13,927,817 and \$13,398,230 for the years ended June 30, 2021 and 2020, respectively. Amortization expense for amortizable capital assets was \$1,631,706 and \$1,631,706 for the years ending 2021 and 2020, respectively.

Construction in progress consisted of the following at June 30:

	2021	2020
Replace El Camino Real Pipeline	\$ 4,475,818	\$ 1,732,748
San Elijo Valley Groundwater	3,619,151	3,246,208
Headquarters Expansion (Building D)	—	14,921,902
Other capital projects	2,634,797	6,231,277
Total construction in progress	\$ 10,729,766	\$ 26,132,135

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2021 and June 30, 2020

Note 6 – Accounts Payable

Accounts payable to be paid from unrestricted current assets are as follows at June 30:

	2021	2020
Water purchases	\$ 5,425,795	\$ 5,199,351
Construction in progress	718,245	1,758,041
Other	1,374,015	1,762,138
Total	<u>\$ 7,518,055</u>	<u>\$ 8,719,530</u>

Accounts payable, to be paid from restricted current assets was as follows at June 30:

	2021	2020
Construction in progress	\$ 55,563	\$ 1,331,385
Other	10,370	309,605
	<u>\$ 65,933</u>	<u>\$ 1,640,990</u>

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2021 and June 30, 2020

Note 7 – Long-Term Debt

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	<u>4,520,000</u>	<u>—</u>	<u>(507,000)</u>	<u>4,013,000</u>	<u>522,000</u>	<u>3,491,000</u>
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	<u>7,130,000</u>	<u>—</u>	<u>(829,137)</u>	<u>6,300,863</u>	<u>843,108</u>	<u>5,457,755</u>
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, 2021 and June 30, 2020

Note 7 – Long-Term Debt (continued)

A summary of changes in long-term debt for the year ended June 30, 2020 is as follows:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year	Due More Than One Year
Notes Payable:						
2013 Note Payable	\$ 13,506,272	\$ —	\$ (763,295)	\$ 12,742,977	\$ 388,254	\$ 12,354,723
Notes Payable	<u>13,506,272</u>	<u>—</u>	<u>(763,295)</u>	<u>12,742,977</u>	<u>388,254</u>	<u>12,354,723</u>
Revenue Bonds:						
Publicly Offered:						
2015 Water System						
Refunding Revenue Bonds	17,530,000	—	(1,590,000)	15,940,000	1,665,000	14,275,000
Plus unamortized						
bond premiums	2,343,396	—	(467,013)	1,876,383	—	1,876,383
2016 Water System						
Refunding Revenue Bonds	14,405,000	—	(480,000)	13,925,000	505,000	13,420,000
Plus unamortized						
bond premiums	1,106,305	—	(107,677)	998,628	—	998,628
Direct Placement Borrowing:						
2018 Wastewater						
Revenue Bonds	5,011,000	—	(491,000)	4,520,000	507,000	4,013,000
Revenue Bonds, net	<u>40,395,701</u>	<u>—</u>	<u>(3,135,690)</u>	<u>37,260,011</u>	<u>2,677,000</u>	<u>34,583,011</u>
2007 Special Assessment Debt						
with Government Commitment	9,765,000	—	(9,765,000)	—	—	—
Plus original issue premium	22,870	—	(22,870)	—	—	—
2019 Special Assessment Debt						
with Government Commitment	<u>—</u>	<u>7,130,000</u>	<u>—</u>	<u>7,130,000</u>	<u>815,000</u>	<u>6,315,000</u>
Special Assessment Debt						
with Government						
Commitment, net	<u>9,787,870</u>	<u>7,130,000</u>	<u>(9,787,870)</u>	<u>7,130,000</u>	<u>815,000</u>	<u>6,315,000</u>
Total	<u>\$ 63,689,843</u>	<u>\$ 7,130,000</u>	<u>\$(13,686,855)</u>	<u>\$ 57,132,988</u>	<u>\$ 3,880,254</u>	<u>\$ 53,252,734</u>

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2021 and June 30, 2020

Note 7 – 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, 2021, the outstanding loan balance was \$11,961,997.

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
2022	\$ 397,248	\$ 137,772	\$ 535,020
2023	808,276	261,766	1,070,042
2024	827,001	243,040	1,070,041
2025	846,161	223,880	1,070,041
2026	865,765	204,277	1,070,042
2027–2031	4,639,146	711,062	5,350,208
2032–2035	3,578,400	166,745	3,745,145
Total	<u>\$ 11,961,997</u>	<u>\$ 1,948,542</u>	<u>\$ 13,910,539</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 \$16,857,625. For the current year, principal and interest paid on the bonds was \$2,403,375. The bonds contain various covenants and restrictions, principally that the District fix, prescribe, collect rates and charges for the Water Service, which are reasonably expected to be at least sufficient to yield, during each fiscal year net service revenues equal to one hundred and twenty-five percent (125%) of the debt service on senior obligations for such fiscal year, and one hundred percent (100%) of debt service on all obligations for such fiscal year.

The original deferred loss on refunding of \$610,166 is being amortized over the remaining life of the refunded debt. Amortization expense totaled \$90,015 for the year ended June 30, 2021. The remaining unamortized balance was \$311,115 at June 30, 2021.

A summary of the refunding bonds is as follows:

Interest Rates	Fiscal Year Maturities (varying amounts)	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
2%–5%	2021–2027	\$ 13,595,000	\$ —	\$ (1,665,000)	\$ 11,930,000
3%	2028	2,345,000	—	—	2,345,000
		<u>\$ 15,940,000</u>	<u>\$ —</u>	<u>\$ (1,665,000)</u>	<u>\$ 14,275,000</u>

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2021 and June 30, 2020

Note 7 – Long-Term Debt (continued)

2015 Water System Refunding Revenue Bonds Payable (continued)

Total bonds outstanding as of June 30, 2021, including unamortized bond premiums were as follows:

Principal outstanding at June 30, 2021	\$ 14,275,000
Plus unamortized bond premium	1,455,315
Total bonds outstanding at June 30, 2021	<u>\$ 15,730,315</u>

Future debt service requirements for the above bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 1,750,000	\$ 655,125	\$ 2,405,125
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
2027–2028	4,580,000	229,000	4,809,000
Total	<u>\$ 14,275,000</u>	<u>\$ 2,582,625</u>	<u>\$ 16,857,625</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 \$17,566,015. For the current year, principal and interest paid on the bonds was \$976,663. 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 \$100,564 for the year ended June 30, 2021. The remaining unamortized balance was \$879,973 at June 30, 2021.

A summary of the refunding bonds is as follows:

Interest Rates	Fiscal Year Maturities (varying amounts)	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
2%–5%	2021–2036	\$ 11,170,000	\$ —	\$ (505,000)	\$ 10,665,000
2.5%	2037–2039	2,755,000	—	—	2,755,000
		<u>\$ 13,925,000</u>	<u>\$ —</u>	<u>\$ (505,000)</u>	<u>\$ 13,420,000</u>

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2021 and June 30, 2020

Note 7 – Long-Term Debt (continued)

2016 Water System Refunding Revenue Bonds Payable (continued)

Total bonds outstanding as of June 30, 2021, including unamortized bond premiums were as follows:

Principal outstanding at June 30, 2021	\$ 13,420,000
Plus unamortized bond premium	<u>896,208</u>
Total bonds outstanding at June 30, 2021	<u><u>\$ 14,316,208</u></u>

Future debt service requirements for the above bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 530,000	\$ 446,413	\$ 976,413
2023	560,000	419,913	979,913
2024	585,000	391,913	976,913
2025	615,000	362,663	977,663
2026	645,000	331,913	976,913
2027–2031	3,620,000	1,257,925	4,877,925
2032–2036	4,110,000	768,475	4,878,475
2037–2039	<u>2,755,000</u>	<u>166,800</u>	<u>2,921,800</u>
Total	<u><u>\$ 13,420,000</u></u>	<u><u>\$ 4,146,015</u></u>	<u><u>\$ 17,566,015</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%.

A summary of the refunding bonds is as follows:

Interest Rates	Fiscal Year Maturities (varying amounts)	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
4%–4.5%	2021–2028	\$ 4,520,000	\$ —	\$ (507,000)	\$ 4,013,000
		<u><u>\$ 4,520,000</u></u>	<u><u>\$ —</u></u>	<u><u>\$ (507,000)</u></u>	<u><u>\$ 4,013,000</u></u>

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2021 and June 30, 2020

Note 7 – Long-Term Debt (continued)

2018 Wastewater Revenue Bonds Payable (continued)

Future debt service requirements for the above bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 522,000	\$ 124,403	\$ 646,403
2023	539,000	108,221	647,221
2024	555,000	91,512	646,512
2025	572,000	74,307	646,307
2026	590,000	56,575	646,575
2027–2028	1,235,000	57,722	1,292,722
Total	<u>\$ 4,013,000</u>	<u>\$ 512,740</u>	<u>\$ 4,525,740</u>

2007 Reassessment District 96-1 Limited Obligation Improvement Bonds

In September 2007, the District issued Reassessment District 96-1 Limited Obligation Improvement Bonds, Series 2007 in the principal amount of \$17,965,000 pursuant to the provisions of the Refunding Act of 1984 for 1915 Improvement Act Bonds. The Bonds were issued upon and secured by unpaid reassessments levied against certain property within the District's Reassessment District 96-1. The proceeds were used to refund the outstanding principal amount of the District's Assessment District 96-1, Limited Obligation Improvement Bonds, to fund a reserve fund for the Bonds, and to pay the costs of issuance incurred in connection therewith. The outstanding bonds were called for redemption during the prior fiscal year and were paid via proceeds from the issuance of the 2019 Reassessment District 96-1 Limited Obligation Improvement 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.

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
2022	\$ 843,108	\$ 122,878	\$ 965,986
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
2027–2028	1,895,747	39,830	1,935,577
Total	<u>\$ 6,300,863</u>	<u>\$ 471,961</u>	<u>\$ 6,772,824</u>

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2021 and June 30, 2020

Note 8 – 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, 2021 and 2020, were as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year	Due in More Than One Year
June 30, 2021	\$ 1,518,611	\$ 937,398	\$ (768,433)	\$ 1,687,576	\$ 771,000	\$ 916,576
June 30, 2020	1,416,502	896,115	(794,006)	1,518,611	799,000	719,611

Note 9 – Employee Retirement Systems

A. General Information about the Pension Plan

Plan Description – All qualified full-time District employees are required to participate in the District's Miscellaneous Plan with California Public Employee's Retirement System (CalPERS). Employees hired prior to January 1, 2013 participate in the Miscellaneous Classic plan while employees hired January 1, 2013 and after participate in the Miscellaneous PEPRA (Public Employees' Reform Act) plan. Both plans, Classic and PEPRA, are considered a single pension plan. CalPERS provides retirement, disability benefits, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. A menu of benefit provisions as well as other requirements is established by State statutes within the Public Employee's Retirement Law. The District selects certain benefit provisions from the CalPERS' menu by contract with CalPERS and adopts those benefits through the Board's approval. Benefits provisions and all other requirements are established by State statute, the District's resolutions, and the memorandum of understanding between the Olivenhain Municipal Water District and the Olivenhain Municipal Water District Employees Association and the Bargaining Unit Members Association. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 or 52 with statutorily reduced benefits. All members are eligible for non-industrial disability benefits after five (5) years of service. The death benefit is one of the following: Basic Death Benefit, 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2021, 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	11.742%	7.732%

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2021 and June 30, 2020

Note 9 – Employee Retirement Systems (continued)

A. General Information about the Pension Plan (continued)

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. District contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions requirements are classified as plan member contributions.

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, 2020. As of June 30, 2021 and 2020 respectively, the District reported net pension liabilities for its proportionate shares of the net pension liability as follows:

	2021	2020
Classic and PEPRA plans	\$ 14,608,844	\$ 13,760,678
Total net pension liability	\$ 14,608,844	\$ 13,760,678

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, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 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, 2019). 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, 2020). 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, 2020 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (fiscal year 2020).
- (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.

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2021 and June 30, 2020

Note 9 – Employee Retirement Systems (continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

(5) The plan's TPL as of the measurement date is equal to the risk pool TPL generated in step (2) multiplied by the TPL ratio generated in step (4). The plan's FNP as of the measurement date is equal to the FNP generated in step (2) multiplied by the FNP ratio generated in step (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.

(6) The plan's NPL at the measurement date is the difference between the TPL and FNP calculated in step (5).

The District's proportionate share of the net pension liability for each Plan as of the measurement date ended June 30, 2019 and 2020 was as follows:

	<u>Classic and PEPRA Plans</u>
Proportion – June 30, 2018	0.33439%
Proportion – June 30, 2019	0.34363%
Change – Increase (Decrease)	0.00924%
Proportion – June 30, 2019	0.34363%
Proportion – June 30, 2020	0.34634%
Change – Increase (Decrease)	0.00271%

For the years ended June 30, 2021 and 2020, the District recognized pension expense of \$2,516,601 and \$2,760,420, respectively. At June 30, 2021 and 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>2021</u>		<u>2020</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 2,183,027	\$ —	\$ 1,809,929	\$ —
Differences between actual and expected experience	752,837	—	881,687	—
Change in assumptions	—	(104,196)	423,565	—
Changes in proportions	215,869	—	—	—
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	—	(321,047)	253,392	(482,117)
Net differences between projected and actual earnings on plan investments	433,979	—	—	(240,579)
Total	<u>\$ 3,585,712</u>	<u>\$ (425,243)</u>	<u>\$ 3,368,573</u>	<u>\$ (722,696)</u>

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2021 and June 30, 2020

Note 9 – 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 will be recognized as a reduction of the net pension liability in the year ending 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
2026	—
Thereafter	—
Total	<u>\$ 977,442</u>

\$1,809,929 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, 2021. 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
2021	\$ 878,933
2022	(195,285)
2023	103,688
2024	48,612
2025	—
Thereafter	—
Total	<u>\$ 835,948</u>

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2021 and June 30, 2020

Note 9 – Employee Retirement Systems (continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Actuarial Assumptions – For the measurement period ended June 30, 2020 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2019 total pension liability determined in the June 30, 2019 actuarial accounting valuation. The June 30, 2020 total pension liability was based on the following actuarial methods and assumptions:

	<u>Classic and PEPRAs Plans</u>
Valuation date	June 30, 2019
Measurement date	June 30, 2020
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 2021, 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, 2019 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.

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.

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2021 and June 30, 2020

Note 9 – Employee Retirement Systems (continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

In determining the long term expected rate of return, CalPERS took into account both short term and long term market return expectations as well as the expected pension fund (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	Real Return Years 1–10 ^(a)	Real Return 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.

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	
	2021	2020
1% decrease	6.15%	6.15%
Net pension liability	\$ 22,290,045	\$ 21,044,314
Current discount rate	7.15%	7.15%
Net pension liability	\$ 14,608,844	\$ 13,760,678
1% increase	8.15%	8.15%
Net pension liability	\$ 8,262,110	\$ 7,748,553

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, 2021.

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2021 and June 30, 2020

Note 10 – 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, 2021 and 2020, the District contributed \$21,450 and \$21,500 to the VEBA plan, respectively.

Note 11 – 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 \$270,752 and \$268,002 for the years ended June 30, 2021 and 2020, 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 \$263,534 and \$226,398 for the years ended June 30, 2021 and 2020, respectively.

There were no instances in the past three years where a settlement exceeded the District’s coverage provided through SDRMA or through the District’s commercial carriers.

Real and Personal Property and Mobile Equipment: For Real and Personal Property, maximum replacement is no more than 100% of value shown in Statement of Value. For Mobile Equipment, maximum replacement of 100% of value shown in Statement of Value, and \$10,000 per item for unscheduled mobile equipment. Limits of insurance vary from \$2,500 per occurrence to the Blanket Limit of Insurance, with deductibles ranging from \$1,000 to \$2,500 per occurrence. Limit of insurance for equipment breakdown is 100% of value shown in Statement of Value.

Employee Dishonesty Coverage: \$250,000 limit with \$1,000 deductible per occurrence.

Forgery or Alteration Coverage: \$250,000 limit with \$1,000 deductible per occurrence.

Theft, Disappearance and Destruction Coverage: \$250,000 limit with \$1,000 deductible per occurrence for both inside and outside.

Computer Fraud Coverage: \$100,000 limit with \$1,000 deductible per occurrence.

Bodily Injury and Property Damage, Personal Injury and Advertising Injury, Professional Liability, Wrongful Acts, Employee Benefits Liability, and Employee Practices Liability Coverage: \$1,000,000 limit per occurrence with a \$3,000,000 aggregate limit. Professional Liability and Wrongful Acts Liability are subject to a \$10,000 deductible per claim. Additionally, the District carries a \$10,000,000 Excess Liability Policy that is in full effect.

Damage to Premises Rented to the District: \$1,000,000 limit for any one premise.

Auto Coverage: \$1,000,000 liability limit, \$5,000 auto medical payment limit and \$1,000,000 uninsured motorist limit per accident with deductibles. Comprehensive and Collision limits are the actual cash value or cost of repair with deductibles of \$500 for comprehensive and collision.

Workers’ Compensation Coverage and Employer’s Liability: Statutory limits per occurrence for Workers’ Compensation and \$5.0 Million for Employer’s Liability Coverage, subject to the terms, conditions and exclusions as provided in the Certificate of Coverage, effective July 1, 2020.

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2021 and June 30, 2020

Note 12 – Net Position

A. Net Investment in Capital Assets

Net Investment in Capital Assets at June 30 consisted of the following:

	<u>2021</u>	<u>2020</u>
Net investment in capital assets		
Capital assets, nondepreciable	\$ 41,596,526	\$ 57,132,699
Capital assets, depreciable/amortizable, net	340,390,730	329,339,416
Deferred amount on refunding	1,191,088	1,381,667
Current portion of long-term debt:		
Waste water revenue bonds	(522,000)	(507,000)
Water revenue refunding bonds	(2,280,000)	(2,170,000)
Special assessment debt with government commitment	(843,108)	(185,000)
Note payable	(397,248)	(388,254)
Long-term debt, excluding current portion:		
Waste water revenue bonds	(3,491,000)	(4,013,000)
Water revenue refunding bonds	(27,766,523)	(30,570,011)
Special assessment debt with government commitment	(5,457,755)	(6,315,000)
Note payable	(11,564,749)	(12,354,723)
Total net investment in capital assets	<u>\$ 330,855,961</u>	<u>\$ 330,720,794</u>

B. Restricted Net Position

Restricted Net Position at June 30 consisted of the following:

	<u>2021</u>	<u>2020</u>
Net position restricted for debt service:		
<u>Restricted assets</u>		
Cash	\$ 1,798,632	\$ 2,121,246
Investments	245,766	35,381
Taxes/assessments receivable	39,981	45,300
Total restricted assets for debt service	2,084,379	2,201,927
Less liabilities payable from restricted assets	(146,058)	(162,185)
Net position restricted for debt service	<u>1,938,321</u>	<u>2,039,742</u>
Net position restricted for construction:		
<u>Restricted assets</u>		
Cash	2,842,409	3,129,532
Investments	2,017,183	1,286,635
Grants receivable	389,320	1,778,240
Total restricted assets for construction	5,248,912	6,194,407
Less liabilities from restricted assets	(65,933)	(1,640,990)
Net position restricted for construction	<u>5,182,979</u>	<u>4,553,417</u>
Total restricted net position	<u>\$ 7,121,300</u>	<u>\$ 6,593,159</u>

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2021 and June 30, 2020

Note 12 – Net Position (continued)

C. Unrestricted Net Position

In addition to the restricted net position, a portion of the unrestricted net position has been reserved by management for the following purposes as of June 30:

	2021	2020
Capital replacement reserve	\$ 46,058,252	\$ 44,940,243
Rate stabilization reserve	13,090,439	10,988,028
Unreserved	10,120,193	4,829,540
	<u>\$ 69,268,884</u>	<u>\$ 60,757,811</u>

Note 13 – Capital Contributions

Capital contributions for the years ended June 30, 2021 and 2020 were as follows:

	2021	2020
Contribution of capital assets	\$ 853,539	\$ 2,336,435
Other	46,459	899,791
Total	<u>\$ 899,998</u>	<u>\$ 3,236,226</u>

Note 14 – Economic Dependency

All potable water sold by the District is purchased from the San Diego County Water Authority (SDCWA). The District purchased 19,547.6 acre-feet (AF) of potable water during fiscal year 2021, and 17,189.3 AF during fiscal year 2020. 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, 2021 and June 30, 2020

Note 15 – 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>2021</u>	<u>2020</u>
Total open contracts	\$ 27,658,039	\$ 25,182,607
Less costs incurred as of June 30,	<u>(25,141,812)</u>	<u>(17,860,393)</u>
Remaining contractual commitments	<u>\$ 2,516,227</u>	<u>\$ 7,322,214</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, 2021 and June 30, 2020

Note 16 – Segment Information

Although the District's financial statements jointly account for water and wastewater (sewer) services, investors in the 2015 and 2016 Water System Refunding Revenues Bonds rely solely on the revenues of the District's water services for repayment. Similarly, investors in the District's 2018 Wastewater Revenue Bonds rely solely on the revenues of the District's wastewater collection and treatment 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, 2021.

Summary financial information for the water services is presented for June 30, 2021.

Condensed Statement of Net Position June 30, 2021

	Water Services	Wastewater Services	Total
ASSETS			
Current assets	\$ 84,166,259	\$ 14,397,199	\$ 98,563,458
Capital assets	321,624,368	60,362,888	381,987,256
Other assets	82,997	—	82,997
Total assets	405,873,624	74,760,087	480,633,711
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
Total deferred inflows of resources	327,437	97,806	425,243
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	58,036,092	11,232,792	69,268,884
Total net position	\$ 339,663,452	\$ 67,582,693	\$ 407,246,145

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2021 and June 30, 2020

Note 16 – 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	2,178,034	—	2,178,034
Total operating revenues	60,347,847	5,127,136	65,474,983
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)	(2,110,125)	(658,071)	(2,768,196)
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	5,685,803	—	5,685,803
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)	11,956,927	(914,348)	11,042,579
Income (loss) before capital contributions	9,846,802	(1,572,419)	8,274,383
Capital contributions	611,840	288,158	899,998
Change in net position	10,458,642	(1,284,261)	9,174,381
Net position, beginning of year	329,204,810	68,866,954	398,071,764
Net position, end of year	\$ 339,663,452	\$ 67,582,693	\$ 407,246,145

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2021 and June 30, 2020

Note 16 – 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	\$ 8,538,993	\$ 2,930,772	\$ 11,469,765
Net cash provided by noncapital and related financing activities	7,259,197	—	7,259,197
Net cash (used in) capital and related financing activities	(9,097,965)	(3,589,504)	(12,687,469)
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 17 – Metropolitan Water District of Southern California Legal Settlements

The District received a refund in the amount of \$2,039,332 from the San Diego County Water Authority (SDCWA), the District's potable water wholesaler. The refund was for damages and interest received by SDCWA from the Metropolitan Water District of Southern California (MWD) as a result of overcharges on MWD's Water Stewardship Rate to SDCWA from 2011–2014, which were then passed on to all SDCWA member agencies, including the District.

On October 28, 2021, SDCWA's Board of Directors announced a plan to distribute additional damages and interest amounts received from MWD to its member agencies. These amounts are for overcharges related to fiscal years 2015–2017. The District is expected to receive \$1,622,584 for its share of the refund.

Both of the above settlement amounts have been included in the other-non operating revenues line item on the Statement of Revenues, Expenses, and Changes in Net Position. The additional \$1,622,584 amount that the District is anticipated to receive has been included in the other receivables line item of the Statement of Net Position.

Notes to the Basic Financial Statements (continued)

For the years ended June 30, 2021 and June 30, 2020

Note 18 – Subsequent Events

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.

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 \$243,900 after the cost of issuance. The 2021B bonds mature on June 1, 2028.

The 2021A Bonds and 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 2021A and 2021B Bonds from net wastewater revenues. 2021A and 2021B Bonds were directly purchased by Sterling National Bank through a private placement financing process.

Required Supplementary Information (unaudited)

For the years ended June 30, 2021 and June 30, 2020

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 2020-21 inspections on the various tanks ended in July 2021.

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, 2021, 2020, 2019, 2018, and 2017 the District's steel water storage tanks were rated as follows:

Tank #	Name	Size (Gallons)	Type	TAI				
				FY 20/21	FY 19/20	FY 18/19	FY 17/18	FY 16/17
1	4 S-2 Tank	4,000,000	Ground Storage	9.4	8.8	8.1	8.6	8.7
2	Zorro Tank	1,200,000	Ground Storage	9.6	7.8	8.4	8.4	7.3
3	Wiegand Tank	1,000,000	Ground Storage	9.0	9.2	9.0	9.4	9.6
4	Peay Tank	10,000,000	Ground Storage	9.1	8.5	8.6	8.8	8.7
5	Denk Tank	10,000,000	Ground Storage	8.2	8.0	8.0	8.2	8.2
6	4S Tank	10,000,000	Ground Storage	8.7	7.3	7.0	7.6	7.8
7	Cielo Tank	1,000,000	Ground Storage	8.5	8.6	8.5	8.1	9.0
8	Roger Miller Tank	8,000,000	Ground Storage	9.5	9.7	9.6	9.7	8.6
9	Thelma Miller Tank	1,000,000	Ground Storage	8.9	8.9	9.1	8.9	8.9

Required Supplementary Information (unaudited) (continued)

For the years ended June 30, 2021 and June 30, 2020

Modified Approach for Steel Water Storage Tanks Infrastructure Capital Assets (continued)

The District expensed \$786,752 and \$786,752 on the steel water storage tanks maintenance for the fiscal years ended June 30, 2021 and 2020, 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 2021 is a minimum of \$786,752.

A schedule of actual expenses to maintain and preserve the steel water storage tanks at the current level is presented below:

Name	Maintenance Expenses 2021		Maintenance Expenses 2020		Maintenance Expenses 2019		Maintenance Expenses 2018		Maintenance Expenses 2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
4 S-2 Tank	\$ 55,251	\$ 55,251	\$ 55,251	\$ 55,251	\$ 52,513	\$ 52,513	\$ 49,776	\$ 49,776	\$ 49,776	\$ 49,776
Zorro Tank	32,233	32,233	32,233	32,233	30,636	30,636	29,039	29,039	29,039	29,039
Wiegand Tank	24,213	24,213	24,213	24,213	23,013	23,013	21,814	21,814	21,814	21,814
Peay Tank	157,336	157,336	157,336	157,336	149,540	149,540	141,744	141,744	141,744	141,744
Denk Tank	166,811	166,811	166,811	166,811	158,545	158,545	150,280	150,280	150,280	150,280
4S Tank	158,068	158,068	158,068	158,068	150,236	150,236	142,404	142,404	142,404	142,404
Cielo Tank	27,653	27,653	27,653	27,653	26,282	26,282	24,912	24,912	24,912	24,912
Roger Miller Tank	139,642	139,642	139,642	139,642	132,723	132,723	125,803	125,803	125,803	125,803
Thelma Miller Tank	25,545	25,545	25,545	25,545	24,279	24,279	23,014	23,014	23,014	23,014
Total	<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>	<u>\$ 708,786</u>	<u>\$ 708,786</u>

Required Supplementary Information (unaudited) (continued)

For the years ended June 30, 2021 and June 30, 2020

Schedule of Contributions – Defined Benefit Pension Plans

Last Ten Fiscal Years*

	<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)	\$1,733,027	\$1,509,929	\$1,321,485	\$1,144,038	\$1,026,323	\$ 898,330	\$ 825,748
Contributions in relation to the actuarially determined contributions	<u>2,183,027</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>\$ (450,000)</u>	<u>\$ (300,000)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Covered payroll	\$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	29.10%	25.25%	19.09%	16.92%	16.06%	14.77%	13.98%

Notes to Schedule:

Valuation Date	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, and 2021, respectively).

Required Supplementary Information (unaudited) (continued)

For the years ended June 30, 2021 and June 30, 2020

Schedule of Proportionate Share of the Net Pension Liability

Last Ten Fiscal Years*

	<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	0.34634%	0.34363%	0.33439%	0.32551%	0.12734%	0.12610%	0.10475%
Plan's Proportionate Share of the Net Pension Liability	\$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	\$7,168,522	\$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	203.79%	198.82%	186.41%	200.74%	181.12%	146.51%	112.22%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	74.69%	74.59%	75.38%	73.57%	74.06%	79.86%	83.03%
Plan's Proportionate Share of Aggregate Employer Contributions	\$1,926,271	\$1,673,663	\$1,469,602	\$1,351,241	\$1,196,711	\$1,116,013	\$ 862,289

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2021:

There were no changes in assumptions.

*Historical information is only available for periods where GASB 68 is applicable.



Statistical Section

ANNUAL COMPREHENSIVE FINANCIAL REPORT

“Red Jumping Spiderman”
Submitted by Sabine Kurz-Sherman
2019 Elfin Forest Recreational Reserve Photo Contest
People’s Choice Winner



"Shine Bright"

Submitted by Maria Ana Karina Lara

2019 Elfin Forest Recreational Reserve Photo Contest

Plants Winner

Statistical Section

Government Accounting Standards Board (GASB) Statement No. 44 “Economic Condition Reporting: The Statistical Section (an amendment of NCGA Statement 1)” requires that statistical information be presented as part of the Annual Comprehensive Financial Report.

Contents

Table No.

Financial Trends

I – II

These tables show the current and historical financial trends regarding the nature of investments and ownership during the reporting period to assess the liquidity and financial strength of the District.

Net Position is the accumulated value of the District’s assets minus its liabilities. Changes in Net Position (total revenue less total expenses) measures the success of the District’s operations during the reporting period and its ability to meet its financial commitments.

Revenue Capacity

III – IX

These tables provide more detailed information about the District’s revenues and expenses. Tables presented in this section show the District’s activities during the reporting year broken down by sources to provide the reader with more information in assessing the District’s financial health over the reporting period. These tables can also be used to assess whether or not the District has successfully recovered all of its costs through its users fees and other charges.

The District’s user rates and charges are established by the Board of Directors and are not subject to regulation by the California Public Utilities Commission or by any other local, state, or federal agency. The District is in compliance with Article XIID of the California State Constitution and Proposition 218 Omnibus Implementation Act.

While the District does not assess a special tax rate, it receives a proportionate amount of ad-valorem tax as established by Proposition 13. The District levies and collects, through the San Diego County Tax Assessor office, for the Reassessment District 96-1 bonds. This assessment revenue is collected to repay for bonds issued to finance the construction of the Olivenhain Dam and Reservoir project.

Debt Capacity

X – XV

These tables provide information on the District’s ability to issue additional debt in the future.

Demographic and Economic Information

XVI – XVII

Tables presented in this section will help the reader assess the District’s community profile. Since the District’s service area overlaps between several major cities and includes an unincorporated area, statistical information included in these tables represent the San Diego County economic data as a whole. Demographic and economic data presented have been collected from reasonably accurate sources, however, they should not be relied on in connection with any issuance of bonds.

Operating Information

XVIII – XIX

Tables presented contain internal information about the District’s water and sewer operations to measure operational efficiency.

Table I – Net Position by Component⁽¹⁾

Last Ten Fiscal Years

	Fiscal Year ended June 30									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Primary government										
Net investment in capital assets	\$ 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	\$ 311,580,338
Restricted	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	19,467,012
Unrestricted	69,268,884	60,757,811	62,445,287	57,908,178	53,114,033	48,664,923	50,582,280	53,318,489	45,055,363	38,929,080
Total net position	\$ 407,246,145	\$ 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

Source: Olivenhain Municipal Water District

Note: (1) Water and wastewater (sewer).

Table II – Changes in Net Position

Last Ten Fiscal Years

	Fiscal Year ended June 30									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Operating Revenues										
Water sales	\$ 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	\$ 37,384,046
Sewer charges	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	4,084,962
Other water operating revenues	2,178,034	2,200,252	2,269,665	2,271,495	2,217,932	1,560,779	1,077,003	2,098,535	1,215,714	2,173,176
Total operating revenues	\$ 65,474,983	\$ 57,583,293	\$ 55,753,170	\$ 60,180,654	\$ 52,098,519	\$ 46,971,850	\$ 50,879,184	\$ 54,220,315	\$ 48,492,337	\$ 43,642,184
Operating Expenses										
Cost of purchased water sold	\$ 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	\$ 19,512,651
Pumping and water treatment	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	3,390,052
Transmission and distribution	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	3,272,760
Sewer collection and treatment	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	1,606,913
Elfin Forest recreation operations	415,386	381,540	376,635	337,557	316,387	287,923	187,525	198,143	161,710	186,058
Facilities maintenance	1,363,564	1,456,702	1,224,506	1,083,246	1,154,241	843,456	888,677	821,966	738,018	756,320
Customer services	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	1,048,818
General and administrative	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	4,479,842
Other operating expenses	228,939	329,185	407,811	244,817	388,995	—	—	—	—	—
Depreciation and amortization	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	12,134,222
Total operating expenses	\$ 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	\$ 46,387,636
Operating income (loss)	(2,768,196)	(6,744,753)	(4,565,921)	(2,167,609)	(6,990,082)	(4,969,160)	(2,617,980)	(455,655)	(1,721,312)	(2,745,452)
Non-operating Revenues (Expenses)										
Investment income, net										
of market value adjustment ⁽¹⁾	\$ (107,057)	\$ 1,542,608	\$ 2,135,687	\$ 658,473	\$ 230,271	\$ 514,911	\$ 457,182	\$ 474,651	\$ (22,367)	\$ 418,405
Property taxes	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	2,744,003
Capacity charges	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	1,813,326
Benefit assessments	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	1,516,694
Other non-operating revenues	5,685,803	91,836	67,097	2,669	278,589	53,458	137,836	347,610	16,508	24,412
Interest expense, net	(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)	(2,045,993)
Other non-operating expenses	(1,076,547)	(1,458,033)	(1,036,442)	(561,079)	(1,012,913)	(1,211,973)	(358,178)	(2,448,061)	(950,689)	(235,462)
Total non-operating revenues (expenses)	\$ 11,042,579	\$ 6,897,650	\$ 6,897,450	\$ 3,598,281	\$ 5,653,445	\$ 2,929,939	\$ 3,591,416	\$ 4,693,657	\$ 3,261,718	\$ 4,235,385
Income before capital contributions	8,274,383	152,897	2,331,529	1,430,672	(1,336,637)	(2,039,221)	973,436	4,238,002	1,540,406	1,489,933
Capital contributions	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	8,303,606
Change in net position	9,174,381	3,389,123	3,630,114	3,858,819	679,566	(160,436)	5,497,945	8,429,777	11,490,014	9,793,539
Net position										
Beginning of year	\$ 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	\$ 362,123,800
Prior year adjustment/ equity adjustment	—	—	—	—	—	—	(8,719,588)	—	—	(1,940,909)
End of year	\$ 407,246,145	\$ 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

Source: Olivenhain Municipal Water District

Note: (1) For FY2021, fair market value adjustment is \$(562,019).

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
2021	\$42,879,845	\$15,289,968	\$ 11,940	\$ 5,127,136	\$ 2,166,094	\$65,474,983	\$ (107,057)	\$ 5,204,659	\$ 2,754,730	\$ 899,998	\$ 5,685,803	\$14,438,133	\$79,913,116
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
2012	27,485,339	9,898,707	143,902	4,084,962	2,029,274	43,642,184	418,405	4,260,697	1,813,326	8,303,606	24,412	14,820,446	58,462,630

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, settlement, and demand offset fees.

(3) Net of fair market value adjustment.

(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	TOTAL EXPENSES
2021	\$30,601,983	\$ 4,378,418	\$ 4,220,269	\$ 2,085,237	\$ 2,348,700	\$15,559,523	\$ 9,049,049	\$68,243,179	\$ 1,419,009	\$ 1,076,547	\$ 2,495,556	\$70,738,735
2020	27,188,350	4,139,526	4,090,468	1,980,603	2,404,916	15,029,936	9,494,247	64,328,046	1,457,739	1,458,033	2,915,772	67,243,818
2019	25,532,687	4,028,711	3,480,238	1,631,657	1,817,086	14,892,827	8,935,885	60,319,091	1,794,797	1,036,442	2,831,239	63,150,330
2018	27,578,413	4,129,127	3,557,507	1,845,906	1,734,656	14,584,093	8,918,561	62,348,263	2,120,456	561,079	2,681,535	65,029,798
2017	24,568,729	3,988,991	3,874,766	1,672,289	1,789,423	15,069,090	8,125,313	59,088,601	2,342,667	1,012,913	3,355,580	62,444,181
2016	21,979,036	3,390,124	3,482,086	1,758,907	1,757,388	13,053,286	6,520,185	51,941,010	2,629,591	1,211,973	3,841,564	55,782,574
2015	23,634,844	3,629,349	3,348,083	1,703,761	1,205,838	13,757,848	6,217,441	53,497,164	2,879,588	358,178	3,237,766	56,734,930
2014	25,074,331	3,915,661	3,666,030	1,767,162	1,057,472	13,661,241	5,534,073	54,675,970	3,037,510	2,448,061	5,485,571	60,161,541
2013	24,157,374	2,761,823	3,041,766	1,555,363	1,003,099	12,837,065	4,857,159	50,213,649	2,056,136	950,689	3,006,825	53,220,474
2012	19,512,651	3,390,052	3,272,760	1,606,913	1,048,818	12,134,222	5,422,220	46,387,636	2,045,993	2 35,462	2,281,455	48,669,091

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, 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
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
2012	23,917,000	17,348.2	87.8%	910,404	664.2	3.3%	2,420,870	2,139.0	8.9%	27,248,274	20,151.4	1,352	3.10

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.

Table VI – Rate by Activity

Last Ten Fiscal Years

	Fiscal Year ended June 30									
	2021 ⁽⁶⁾	2020 ⁽⁶⁾	2019 ⁽⁶⁾	2018 ⁽⁶⁾	2017 ⁽⁶⁾	2016 ⁽⁷⁾	2015 ⁽⁶⁾	2014 ⁽⁶⁾	2013 ⁽⁶⁾	2012 ⁽⁶⁾
Potable Water⁽¹⁾										
Monthly system access charge	\$ 39.44	\$ 38.46	\$ 37.70	\$ 37.70	\$ 36.08	\$ 33.88	\$ 31.97	\$ 30.76	\$ 29.87	\$ 27.79
Monthly commodity charge										
Domestic rate										
1st tier	3.39	3.30	2.71	2.64	2.53	2.50	2.25	2.32	2.26	2.10
2nd tier	5.02	4.90	4.75	4.62	4.43	4.35	3.93	3.71	3.61	3.36
3rd tier	5.63	5.49	5.61	5.46	5.23	5.60	4.65	4.75	4.62	4.30
4th tier	6.74	6.58	6.58	6.40	6.13	6.26	5.44	—	—	—
Commercial rate										
1st tier	4.71	4.59	4.07	3.96	3.79	3.64	3.36	3.90	3.79	3.53
2nd tier ⁽²⁾	—	—	—	—	—	—	—	4.97	4.83	4.49
Irrigation ⁽³⁾										
1st tier	5.33	5.20	4.35	4.23	4.05	3.99	3.60	—	—	—
2nd tier	5.71	5.57	5.90	5.74	5.50	5.61	4.88	—	—	—
Agricultural rate	5.55	5.42	4.75	4.62	4.43	4.26	3.93	3.70	3.60	3.35
TSAWR credit ⁽⁴⁾	(0.97)	(0.99)	(0.94)	(0.95)	(0.89)	(0.90)	(0.77)	(0.47)	(0.40)	(0.23)
Recycled⁽¹⁾										
Monthly system access charge	\$ 39.44	\$ 38.46	\$ 37.70	\$ 37.70	\$ 36.08	\$ 33.88	\$ 31.97	\$ 30.76	\$ 29.87	\$ 27.79
Monthly commodity charge										
uniform rate	3.65	3.61	3.85	3.75	3.59	3.37	3.18	3.03	2.95	2.74
Sewer⁽¹⁾										
Annual system access charge per EDU ⁽⁵⁾										
4S Ranch	\$ 181.09	\$ 181.09	\$ 175.81	\$ 170.68	\$ 165.70	\$ 147.00	\$ 147.00	\$ 147.00	\$ 147.00	\$ 147.00
Rancho Cielo	181.09	181.09	175.81	170.68	165.70	147.00	147.00	147.00	147.00	147.00
Multi-family and commercial	181.09	181.09	175.81	170.68	165.70	147.00	147.00	147.00	147.00	147.00
Commodity charge per unit										
Domestic rate	6.59	6.59	6.39	6.20	6.01	6.00	6.00	6.00	6.00	6.00
Multi-family rate	6.59	6.59	6.39	6.20	6.01	6.00	6.00	6.00	6.00	6.00
Commercial rate										
Group I	6.59	6.59	6.39	6.20	6.01	6.00	6.00	6.00	6.00	6.00
Group II	10.16	10.16	9.86	9.57	9.29	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	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) Transitional Special Agricultural Water Rate (TSAWR) 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 2021

Customer Name	Usage (AF)	% of Water Sold
4S Ranch Master HOA ⁽²⁾	472.4	2.28%
The Bridges Club at RSF Inc. ⁽¹⁾	416.2	2.01%
Bando National Corporation ⁽²⁾⁽³⁾	292.4	1.41%
Rancho Santa Fe Farms Golf Inc. ⁽²⁾	245.9	1.19%
Del Mar Country Club ⁽²⁾	227.7	1.10%
Crosby Estates HOA ⁽²⁾	216.3	1.05%
La Costa Oaks Association ⁽²⁾	191.6	0.93%
La Costa Glen Carlsbad CCRC LLC ⁽¹⁾⁽⁴⁾	132.4	0.64%
Surf Cup Soccer Field ⁽²⁾	127.2	0.62%
La Costa Valley Master Association ⁽²⁾	126.2	0.61%
Total top ten consumers	2,448.4	11.84%
Other consumers	18,227.8	88.16%
Total water billed	20,676.1	100.00%

FISCAL YEAR ENDED 2012

Customer Name	Usage (AF)	% of Water Sold
4S Ranch Master HOA	403.2	2.00%
Fairbanks Ranch Country Club	316.3	1.57%
Crosby National Golf Club	275.0	1.36%
Del Mar Country Club	241.3	1.20%
HCC Investors	241.3	1.20%
Rancho Santa Fe Farms Golf	213.3	1.06%
La Costa Oaks Association	201.2	1.00%
Cielo Homeowners Association	178.9	0.89%
Continuing Life Communities	141.7	0.70%
La Costa Valley Master Association	119.4	0.59%
Total top ten consumers	2,331.6	11.57%
Other consumers	17,819.8	88.43%
Total water billed	20,151.4	100.00%

Source: Olivenhain Municipal Water District

Note: (1) Primarily potable water customer.

(2) Primarily recycled water customer.

(3) Previously named Crosby National Golf Club.

(4) Previously named Continuing Life Communities.

Table VIII – Principal Wastewater (Sewer) Customers

Last Two Years

FISCAL YEAR ENDED 2021

Customer Name	Amount Billed	% of Total Sewer Billed
Cymer Inc.	\$ 302,717	5.91%
4S Ranch Holdco LLC	263,622	5.15%
Santaluz Family Apartments LP	98,607	1.93%
Dove Canyon Apartments	80,869	1.58%
Poway Unified School District	62,821	1.23%
General Atomics	60,941	1.19%
4S Regency Partners LLS	58,064	1.13%
Grifols Diagnostic Solutions	45,681	0.89%
Scripps Health	38,042	0.74%
Northrop Grumman Systems Corp.	31,659	0.62%
Total top ten consumers	1,043,023	20.37%
Other consumers	4,076,581	79.63%
Total sewer billed	\$ 5,119,604	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%
Santaluz Family Apartments LP	89,493	1.81%
4S Regency Partners LLS	85,162	1.72%
Poway Unified School District	83,738	1.70%
Dove Canyon Apartments	80,295	1.63%
General Atomics	51,350	1.04%
Grifols Diagnostic Solutions	46,432	0.94%
Scripps Health	39,931	0.81%
Ralphs Grocery Co.	35,969	0.73%
Total top ten consumers	1,090,519	20.08%
Other consumers	3,849,491	77.92%
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			
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%
2012	2,850,062	1,442,319	4,292,381	4,203,687	88,694	2.07%

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			
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
2012	17,797,369,049	67,436,434	(182,825,199)	17,681,980,284	240,761,457	17,922,741,741

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
2021	\$ 6,300,863	\$ —	\$ 247,578	\$ 6,053,286	\$ 25,473,591,937	0.02%	86,649	\$ 70	\$ 6,034,582,956	0.10%
2020	7,130,000	—	71,899	7,058,101	24,494,325,764	0.03%	87,084	81	5,780,723,004	0.12%
2019	9,765,000	22,870	1,438,918	8,348,952	23,391,490,448	0.04%	86,997	96	5,505,170,160	0.15%
2018	10,625,000	25,671	1,431,668	9,219,003	22,371,096,064	0.04%	86,478	107	5,232,783,780	0.18%
2017	11,670,000	28,471	1,435,593	10,262,878	21,383,894,218	0.05%	85,792	120	4,965,469,376	0.21%
2016	12,485,000	31,272	1,397,568	11,118,704	20,566,012,446	0.05%	85,010	131	4,743,302,970	0.23%
2015	13,270,000	34,072	1,398,953	11,905,119	19,505,795,291	0.06%	84,352	141	4,529,364,992	0.26%
2014	14,020,000	36,873	1,398,954	12,657,919	18,192,814,739	0.07%	83,368	152	4,194,623,309	0.30%
2013	14,765,000	39,674	1,428,025	13,376,649	17,692,363,954	0.08%	82,355	162	4,048,736,510	0.33%
2012	15,460,000	42,474	1,297,771	14,204,703	17,797,369,049	0.08%	81,701	174	3,930,635,110	0.36%

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, 2021

2020–21 Assessed Valuation: \$25,649,573,919

	Total Debt as of 6/30/2021	% Applicable ⁽¹⁾	District's Share of Debt as of 6/30/2021
DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:			
Metropolitan Water District	\$ 26,830,000	0.786%	\$ 210,884
Mira Costa Community College District	306,265,000	16.117%	49,360,730
Palomar Community College District	650,751,375	4.689%	30,513,732
Poway Unified School District School Facilities Improvement District No. 2002-1	122,440,766	5.209%	6,377,940
Poway Unified School District School Facilities Improvement District No. 2007-1	168,038,722	3.579%	6,014,106
San Marcos Unified School District	279,770,706	0.065%	181,851
Escondido Union High School District	81,213,748	1.519%	1,233,637
San Dieguito Union High School District	431,325,000	26.693%	115,133,582
Cardiff School District	23,406,075	4.377%	1,024,484
Encinitas Union School District	45,278,945	58.581%	26,524,859
Escondido Union School District	154,024,622	1.570%	2,418,187
Rancho Santa Fe School District	30,842,074	28.023%	8,642,874
Solana Beach School District Community Facilities District No. 2016-1	93,095,000	27.436%	25,541,544
Palomar Health District	415,526,602	6.780%	28,172,704
Poway Unified School District Community Facilities Districts	167,978,236	10.5–100%	156,836,880
San Dieguito Union High School District Community Facilities Districts	64,885,000	16.3–100%	29,946,054
Solana Beach School District Community Facilities District No. 2000-1	2,400,000	100%	2,400,000
City of Encinitas Community Facilities District No. 1	20,635,000	26.035%	5,372,322
Rancho Santa Fe Community Services District Community Facilities District No. 1	28,415,000	100%	28,415,000
Olivenhain Municipal Water District Assessment District No. 2019-96-1	6,315,000	100%	6,315,000
Total direct and overlapping tax and assessment debt			\$ 530,636,370
OVERLAPPING GENERAL FUND DEBT:			
San Diego County General Fund Obligations	\$ 211,585,000	4.380%	\$ 9,267,423
San Diego County Pension Obligation Bonds	400,125,000	4.380%	17,525,475
San Diego County Superintendent of Schools General Fund Obligations	8,585,000	4.380%	376,023
Palomar Community College District General Fund Obligations	1,560,000	4.689%	73,148
Poway Unified School District Certificates of Participation	55,100,000	12.081%	6,656,631
Other School District General Fund Obligations	150,349,158	Various	4,435,329
City of Encinitas Certificates of Participation	39,350,000	37.14%	14,613,410
City of San Diego General Fund Obligations	593,804,429	0.258%	1,532,015
Other Cities' General Fund Obligations	2,872,700	Various	9,428
Total overlapping general fund debt			\$ 54,488,882
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):	\$ 217,495,000	0.065%	\$ 141,372
Total direct debt			—
Total overlapping debt			\$ 585,266,624
Combined total debt			\$ 585,266,624⁽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 2020–21 Assessed Valuation:			
Direct debt	0.00%		
Total direct and overlapping tax and assessment debt	2.07%		
Combined total debt	2.28%		
Ratios to Redevelopment Successor Agency Incremental Valuation (\$6,659,941):			
Total overlapping tax increment debt	2.12%		

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
2021	\$ 60,118,908	\$ 4,027,357	\$ 2,754,730	\$ 5,583,359	\$ 72,484,354	\$ 30,601,983	\$ 17,883,079	\$ 23,999,292	\$ 4,851,903	4.95	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%
2012	39,557,222	2,744,003	1,813,326	456,835	44,571,386	19,512,651	12,020,078	13,038,657	3,879,276	3.36	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) Excludes Wastewater (Sewer) revenues. Includes Other Nonoperating Revenues, Investment Income relating to water and recycled water. Excludes 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		
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%
2012	692,449	704,210	45,660	1,442,319	1,434,886	99.5%

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	Limited Obligation Reassessment District 96-1 ⁽³⁾	2013 State Revolving Fund	2012 California Bank & Trust ⁽²⁾			
2021	\$ 14,316,208	\$ 15,730,315	\$ —	\$ —	\$ 4,013,000	\$ 6,300,863	\$ 11,961,998	\$ —	\$ 52,322,384	0.87%	604
2020	14,923,628	17,816,383	—	—	4,520,000	7,130,000	12,742,976	—	57,132,987	0.99%	656
2019	15,511,305	19,873,396	—	—	5,011,000	9,787,870	13,506,271	—	63,689,842	1.16%	732
2018	16,084,017	21,899,196	—	—	5,500,000	10,650,671	14,252,283	—	68,386,167	1.31%	791
2017	16,577,296	23,627,014	—	—	—	11,698,471	15,339,748	—	67,242,530	1.35%	784
2016	—	25,289,832	16,925,215	—	—	12,516,272	15,693,954	518,339	70,943,613	1.50%	835
2015	—	—	17,353,724	26,414,577	—	13,304,072	16,390,314	1,540,841	75,003,529	1.66%	889
2014	—	—	17,767,233	27,934,221	—	14,056,873	17,069,309	2,546,030	79,373,666	1.89%	952
2013	—	—	18,165,742	29,398,866	—	14,804,674	15,343,566	3,533,098	81,245,946	2.01%	987
2012	—	—	18,549,251	30,803,510	—	15,502,473	—	4,501,865	69,357,099	1.76%	849

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

SD County Last Ten Calendar Years

Year	Population Estimate	Personal Income	Per Capita Personal Income ⁽¹⁾	Unemployment Rate ⁽²⁾
2021	86,649	\$6,034,582,956	\$ 69,644	7.7%
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%
2012	81,701	3,930,635,110	48,110	9.1%

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

FISCAL YEAR 2021

Employer Name	Number of Employees ⁽¹⁾	Percentage of Total County Employment
Navy Base San Diego	39,000	2.75%
University of California San Diego	35,847	2.52%
Sharp HealthCare	19,000	1.34%
County of San Diego ⁽²⁾	17,413	1.23%
Scripps Health	15,000	1.06%
San Diego Unified School District	13,559	0.95%
Qualcomm Inc. ⁽²⁾	11,800	0.83%
City of San Diego	11,000	0.77%
Kaiser Permanente San Diego	9,606	0.68%
UC San Diego Health	9,100	0.64%
Total Top Ten County Employers	181,325	12.77%
All Other County Employers	1,239,071	87.23%
Total County Employment ⁽¹⁾	1,420,396	100.00%

FISCAL YEAR 2012

Employer Name	Number of Employees ⁽¹⁾	Percentage of Total County Employment
Federal Government	45,500	3.14%
State of California	42,900	2.96%
University of California San Diego	27,391	1.89%
County of San Diego	15,687	1.08%
Sharp HealthCare	15,231	1.05%
San Diego Unified School District	14,603	1.01%
Scripps Health	14,097	0.97%
Qualcomm Inc.	11,400	0.79%
City of San Diego	10,057	0.69%
Kaiser Permanente	7,731	0.53%
Total Top Ten County Employers	204,597	14.11%
All Other County Employers	1,195,393	85.89%
Total County Employment ⁽¹⁾	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 or company websites.

(2) 2018 San Diego Business Journal was the most recent data available for these companies.

Table XVIII – Full-time Equivalent Employees by Activity

Last Ten Fiscal Years

	Full-time Equivalent Employees ⁽¹⁾									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Water operations ⁽²⁾	35	37	34	36	34	31	36	38	39	37
Wastewater and recycled water ⁽³⁾	8	8	7	7	6	6	6	8	8	8
Elfin Forest recreation operations	3	3	3	3	3	3	3	3	2	3
General and administration										
General manager	4	4	4	4	4	2	2	5	5	5
Engineering	9	8	8	8	8	11	9	7	6	7
Finance	7	8	8	8	8	8	8	13	14	14
Human resources	4	4	4	4	4	4	4	4	4	4
Customer services	14	16	15	16	14	14	14	—	—	—
Total	84	88	83	86	81	79	82	78	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, 2021, excludes temporary labor and interns.

(2) Includes treatment plant operations at the David C. McCollom Water Treatment Plant.

(3) Includes treatment plant operations at the 45 wastewater treatment plant and water reclamation facility.

Table XIX – Capital and Operating Indicators by Activity

Last Ten Fiscal Years

	Full-time Equivalent Employees as of June 30									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
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	419.0	419.0	419.0	419.0	406.0
Number of treated reservoirs in service	12.0	12.0	12.0	12.0	12.0	12.0	12.0	13.0	16.0	16.0
Total treated reservoirs capacity (million gallons)	66.9	66.9	66.9	66.9	66.9	65.9	65.9	68.1	81.5	84.8
Number of service connections	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	27,514.0
Number of meters in service	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	27,331.0
Potable water peak demand (million gallons) ⁽²⁾	25.8	25.5	26.7	25.4	29.8	23.9	29.9	32.7	29.7	27.8
Average treated water demand (MGD) ⁽²⁾	17.4	15.3	15.0	17.3	18.9	14.4	17.5	19.7	18.6	16.5
David McCollom treatment plant maximum capacity (MGD)	34.0	34.0	34.0	34.0	34.0	34.0	34.0	34.0	34.0	34.0
Average treatment plant production (MGD) ⁽²⁾	20.8	18.1	17.7	21.4	18.7	13.9	17.1	22.3	12.8	20.7
Sewer										
Service area (acres)	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	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⁾	7,247.0	7,244.0	7,239.0	7,236.0	7,063.0	7,043.0	6,939.0	6,883.0	6,861.0	6,823.0
Recycled										
Service area (acres)	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	10,567.0
Miles of recycled water main ⁽⁶⁾	67.1	67.1	67.1	67.0	54.5	48.0	48.0	48.0	47.5	47.0
Total recycled storage capacity (million gallons) ⁽⁴⁾	136.0	136.0	136.0	136.0	135.6	135.6	4.0	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	1.1
Number of meters in service	314.0	308.0	295.0	293.0	288.0	278.0	273.0	260.0	252.0	251.0
General Information										
Average years of service of employees ⁽⁵⁾	9.1	8.6	10.0	9.3	9.1	9.5	10.1	10.2	10.5	9.5

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.



1966 OLIVENHAIN ROAD • ENCINITAS, CA 92024-5699
PHONE: (760) 753-6466 • FAX: (760) 753-5640

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Municipal Water District

"New World"

Submitted by Stella Klins

2019 Elfin Forest Recreational Reserve Photo Contest

Youth Winner

OLIVENHAIN MUNICIPAL WATER DISTRICT

Presentation to the Board of Directors
For the Fiscal Year Ended June 30, 2021

December 15, 2021



CONTENTS

- Scope of Work
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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. 84, *Fiduciary Activities*
- In January 2017, GASB issued Statement No. 84, *Fiduciary Activities* (GASB Statement No. 84), to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement establishes criteria for identifying fiduciary activities of all state and local governments. It also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Application of this statement did not have a material effect on the District's financial statements for the fiscal year ending June 30, 2021.

IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

- GASB Statement No. 90, *Majority Equity Interests*
- In August 2018, GASB issued Statement No. 90, *Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61* (GASB Statement No. 90), to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This statement requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Application of this statement did not have a material effect on the District's financial statements for the fiscal year ending June 30, 2021.

OVERVIEW OF THE FINANCIAL STATEMENTS

Olivenhain Municipal Water District

Comparative Summary Statements of Net Position

June 30, 2021 and 2020

	2021	2020	\$ Diff	% Diff
Assets				
Current Assets:				
Unrestricted assets	\$ 91,230,167	\$ 83,453,087	\$ 7,777,080	9.32%
Restricted assets	7,333,291	8,396,334	(1,063,043)	-12.66%
Total current assets	98,563,458	91,849,421	6,714,037	7.31%
Noncurrent assets:				
Capital assets	381,987,256	386,472,115	(4,484,859)	-1.16%
Others	82,997	134,183	(51,186)	-38.15%
Total noncurrent assets	382,070,253	386,606,298	(4,536,045)	-1.17%
Total assets	480,633,711	478,455,719	2,177,992	0.46%
Deferred Outflows of Resources				
Pension-related deferred outflows	3,585,712	3,368,573	217,139	6.45%
Deferred amount on refunding	1,191,088	1,381,667	(190,579)	-13.79%
Total deferred outflows of resources	4,776,800	4,750,240	26,560	0.56%

Olivenhain Municipal Water District

Comparative Summary Statements of Net Position (Continued)

June 30, 2021 and 2020

	2021	2020	\$ Diff	% Diff
Liabilities				
Current Liabilities:				
Accounts payable, accrued expenses, and deposits	8,908,329	10,196,047	(1,287,718)	-12.63%
Compensated absences, current	771,000	799,000	(28,000)	-3.50%
Long-term debt, current	4,042,356	3,880,254	162,102	4.18%
Liabilities payable from restricted assets	211,991	1,803,175	(1,591,184)	-88.24%
Total current liabilities	13,933,676	16,678,476	(2,744,800)	-16.46%
Noncurrent liabilities:				
Compensated absences	916,576	719,611	196,965	27.37%
Net pension liability	14,608,844	13,760,678	848,166	6.16%
Long-term debt	48,280,027	53,252,734	(4,972,707)	-9.34%
Total noncurrent liabilities	63,805,447	67,733,023	(3,927,576)	-5.80%
Total liabilities	77,739,123	84,411,499	(6,672,376)	-7.90%
Deferred Inflows of Resources				
Pension-related deferred inflows	425,243	722,696	(297,453)	-41.16%
Total deferred outflows of resources	425,243	722,696	(297,453)	-41.16%
Net Position				
Net investment in capital assets	330,855,961	330,720,794	135,167	0.04%
Restricted	7,121,300	6,593,159	528,141	8.01%
Unrestricted	69,268,884	60,757,811	8,511,073	14.01%
Total Net Position	\$ 407,246,145	\$ 398,071,764	\$ 9,174,381	2.30%

Olivenhain Municipal Water District

Comparative Statements of Revenues, Expenses and Change in Net Position

For the Years Ended June 30, 2021 and 2020

	2021	2020	\$ Diff	% Diff
Operating Revenues				
Water sales	\$ 58,169,813	\$ 50,430,847	\$ 7,738,966	15.35%
Sewer charges	5,127,136	4,952,194	174,942	3.53%
Other operating revenues	2,178,034	2,200,252	(22,218)	-1.01%
Total operating revenues	65,474,983	57,583,293	7,891,690	13.70%
Operating Expenses				
Cost of purchased water sold	30,601,983	27,188,350	3,413,633	12.56%
Pumping and water treatment	4,378,418	4,139,526	238,892	5.77%
Transmission and distribution	4,220,269	4,090,468	129,801	3.17%
Sewer collection and treatment	2,085,237	1,980,603	104,634	5.28%
Elfin Forest recreation reserve operations	415,386	381,540	33,846	8.87%
Facilities maintenance	1,363,564	1,456,702	(93,138)	-6.39%
Customer services	2,348,700	2,404,916	(56,216)	-2.34%
General and administrative	7,041,160	7,326,820	(285,660)	-3.90%
Other operating expenses	228,939	329,185	(100,246)	-30.45%
Depreciation and amortization	15,559,523	15,029,936	529,587	3.52%
Total operating expenses	68,243,179	64,328,046	3,915,133	6.09%
Operating (Loss)	(2,768,196)	(6,744,753)	3,976,557	-58.96%

Olivenhain Municipal Water District
Comparative Statements of Revenues, Expenses and Changes in Net Position
(Continued)
For the Years Ended June 30, 2021 and 2020

	2021	2020	\$ Diff	% Diff
Nonoperating Revenues (Expenses)				
Fair market value adjustment	(562,019)	314,639	(876,658)	-278.62%
Investment income	454,962	1,227,969	(773,007)	-62.95%
Property taxes	4,027,357	3,863,252	164,105	4.25%
Capacity charges	2,754,730	3,200,022	(445,292)	-13.92%
Benefit assessments	1,177,302	1,115,704	61,598	5.52%
Other nonoperating revenues	5,685,803	91,836	5,593,967	6091.26%
Interest expenses	(1,419,009)	(1,457,739)	38,730	-2.66%
Other nonoperating expenses	(1,076,547)	(1,458,033)	381,486	-26.16%
Total nonoperating revenues (expenses)	11,042,579	6,897,650	4,144,929	60.09%
Income before capital contributions	8,274,383	152,897	8,121,486	5311.74%
Capital contributions	899,998	3,236,226	-	0.00%
Changes in net position	<u>\$ 9,174,381</u>	<u>\$ 3,389,123</u>	<u>\$ 8,121,486</u>	<u>239.63%</u>

Olivenhain Municipal Water District

Comparative Statements of Cash Flows

For the Years Ended June 30, 2021 and 2020

	2021	2020	\$ Diff	% Diff
Cash Flows from Operating Activities				
Receipts from customers	\$ 64,867,918	\$ 55,683,953	\$ 9,183,965	16.49%
Payments for water	(30,375,537)	(26,271,339)	(4,104,198)	15.62%
Payments for services and supplies	(10,544,997)	(8,188,142)	(2,356,855)	28.78%
Payments for employee wages, benefits, and related costs	(12,477,619)	(11,624,702)	(852,917)	7.34%
Net cash provided by operating activities	11,469,765	9,599,770	1,869,995	19.48%
Cash Flows from Noncapital Financing Activities				
Property tax assessment received	5,219,865	4,970,195	249,670	5.02%
Metropolitan Water District settlement	2,039,332	-	2,039,332	n/a
Net cash provided by noncapital financing activities	7,259,197	4,970,195	2,289,002	46.05%

Olivenhain Municipal Water District

Statements of Cash Flows (Continued)

For the Years Ended June 30, 2021 and 2020

	2021	2020	\$ Diff	% Diff
Cash Flows from Capital and Related Financing Activities				
Acquisition and construction of capital assets	(11,289,144)	(19,414,338)	8,125,194	-41.85%
Proceeds from grants and capital contributions	(186,137)	(755,014)	568,877	-75.35%
Principal payments on long-term debt	(4,287,117)	(13,089,295)	8,802,178	-67.25%
Proceeds from debt issuance	-	7,130,000	(7,130,000)	-100.00%
Interest payments on long-term debt	(1,768,054)	(1,965,618)	197,564	-10.05%
Capacity charges received	2,777,662	3,704,751	(927,089)	-25.02%
Proceeds from sale of capital assets	2,033,750	57,227	1,976,523	3453.83%
Other capital financing receipts	165,014	34,609	130,405	376.80%
Other capital financing expenses paid	(133,443)	(328,312)	194,869	-59.35%
Net cash provided by capital and related financing activities	(12,687,469)	(24,625,990)	11,938,521	-48.48%
Cash Flows from Investing Activities				
Proceeds from sale and maturities of investments	24,740,950	33,178,869	(8,437,919)	-25.43%
Purchase of investments	(37,279,742)	(13,000,109)	(24,279,633)	186.76%
Investment income received	488,020	1,465,181	(977,161)	-66.69%
Net cash provided by investing activities	(12,050,772)	21,643,941	(33,694,713)	-155.68%
Changes in cash and cash equivalents	\$ (6,009,279)	\$ 11,587,916	\$ (17,597,195)	-151.86%

KEY FINANCIAL INDICATORS

Olivenhain Municipal Water District

Key Financial Indicators

	2021	2020	2019	2018
<u>Current Ratio</u>				
Current Assets	\$ 98,563,458	\$ 91,849,421	\$ 98,740,406	\$ 93,750,840
Current Liabilities	\$ 13,933,676	\$ 16,678,476	\$ 15,277,287	\$ 13,188,772
Olivenhain MWD	7.07	5.51	6.46	7.11
Average of 10 Local Districts	n/a	6.39	6.33	5.64
<u>Capital Condition Ratio</u>				
Total Depreciable Capital Assets	\$ 556,962,450	\$ 533,528,816	\$ 527,687,018	\$ 526,930,559
Total Accumulated Depreciation	\$ 216,571,720	\$ 204,189,400	\$ 191,043,044	\$ 180,800,406
Olivenhain MWD	38.88%	38.27%	36.20%	34.31%
Average of 10 Local Districts	n/a	44.58%	43.78%	42.54%
<u>Pension Liability to Net Position Ratio</u>				
Net Pension Liability	\$ 14,608,844	\$ 13,760,678	\$ 12,602,286	\$ 12,831,806
Net Position	\$ 407,246,145	\$ 398,071,764	\$ 394,682,641	\$ 391,052,527
Olivenhain MWD	3.59%	3.46%	3.19%	3.28%
Average of 10 Local Districts	n/a	11.03%	10.62%	11.22%
<u>Water / Sewer Receivable % Change</u>				
Water / Sewer Receivable - Current Year	\$ 10,717,152	\$ 10,062,269	\$ 8,079,684	\$ 9,801,577
Water / Sewer Receivable - Prior Year	\$ 10,062,269	\$ 8,079,684	\$ 9,801,577	\$ 8,372,323
Olivenhain MWD	6.51%	24.54%	-17.57%	17.07%
Average of 10 Local Districts	n/a	9.73%	-14.19%	13.27%

Olivenhain Municipal Water District Key Financial Indicators

	2021	2020	2019	2018
<u>Operating Margin</u>				
Operating Revenues	\$ 65,474,983	\$ 57,583,293	\$ 55,753,170	\$ 60,180,654
Operating Expenses (minus depreciation)	\$ 52,683,656	\$ 49,298,110	\$ 45,426,264	\$ 47,764,170
Olivenhain MWD	1.24	1.17	1.23	1.26
Average of 10 Local Districts	n/a	1.10	1.12	1.16
<u>Water / Sewer Sales % Change</u>				
Water / Sewer Sales - Current Year	\$ 63,296,949	\$ 55,383,041	\$ 53,483,505	\$ 57,909,159
Water / Sewer Sales - Prior Year	\$ 55,383,041	\$ 53,483,505	\$ 57,909,159	\$ 49,880,587
Olivenhain MWD	14.29%	3.55%	-7.64%	16.10%
Average of 10 Local Districts	n/a	2.62%	-6.47%	12.87%

Olivenhain Municipal Water District
GASB 68 – Sensitivity of NPL to Changes in Discount Rate
CalPERS Miscellaneous Plan
Measurement Date June 30, 2020

Discount Rate	<u>6.15%</u>	<u>7.15%</u>	<u>8.15%</u>
Proportionate share of net pension liability	\$ 22,290,045	\$ 14,608,844	\$ 8,262,110

	<u>2021</u>	<u>2020</u>	<u>Change</u>
Fiduciary net position as % of total pension liability	74.69%	74.59%	0.10%
Average of 10 local districts	n/a	72.38%	

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



HQ - ORANGE COUNTY

200 E. Sandpointe Avenue
Suite 600
Santa Ana, CA 92707

SAN DIEGO

4365 Executive Drive
Suite 710
San Diego, CA 92121

BAY AREA

2121 North California Blvd.
Suite 290
Walnut Creek, CA 94596

LAS VEGAS

1050 Indigo Drive
Suite 110
Las Vegas, NV 89145

PHOENIX

4742 North 24th Street
Suite 300
Phoenix, AZ 85016

Memo

Date: December 15, 2021
To: Olivenhain Municipal Water District Board of Directors
From: Jennifer Joslin, Human Resources Manager
Via: Kimberly A. Thorner, General Manager
Subject: **CONSIDER ADOPTION OF AN ORDINANCE AMENDING THE OLIVENHAIN MUNICIPAL WATER DISTRICT'S ADMINISTRATIVE AND ETHICS CODE (ARTICLE 4 – CLASSIFIED POSITIONS)**

Purpose

The purpose of this item is to update the Administrative and Ethics Code with the Board approved salary of the General Manager for 2022.

Recommendation

Staff recommends adoption of this Ordinance.

Alternatives

The Board could direct Staff as otherwise deemed appropriate; however, the Board previously approved the General Manager's salary at the November 17, 2021 Board meeting to be effective January 1, 2022.

Background

The Board of Directors discussed the General Manager's performance review in closed session at the November 17, 2021 Board meeting. The General Manager's compensation was discussed and approved in open session.

Fiscal Impact

The fiscal impact is a 3% increase in salary for the General Manager.

Discussion

Adoption of this Ordinance will update the approved salary of the General Manager and comply with CalPERS rules and regulations requiring all employees' salaries to be published.

Attachment:

Proposed Ordinance

ORDINANCE NO. 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)

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 ~~6/19/2021~~ 1/1/2022 THROUGH 6/18/2022
(revised ~~6/16/2021~~ 12/15/2021)

NO.	JOB CLASSIFICATION	GRADE	RANGE	
	<u>EXEMPT CLASSIFICATION</u>		<u>BI-WEEKLY SALARY</u>	
			Actual Effective	
			1/1/2022	
1	GENERAL MANAGER	N/A		10,276.64 <u>10,584.94</u>
1	ASSISTANT GENERAL MANAGER	19	6,501.07	9,101.51
1	ENGINEERING MANAGER	18	5,003.70	7,980.85
1	FINANCE MANAGER	18	5,003.70	7,980.85
1	OPERATIONS MANAGER	18	5,003.70	7,980.85
1	HUMAN RESOURCES MANAGER	17	4,643.49	7,423.22
1	CUSTOMER SERVICES MANAGER	17	4,643.49	7,423.22
0	NO INCUMBENT	16	4,320.93	6,902.47
0	NO INCUMBENT	15	3,904.68	5,851.91
1	WATER TREATMENT FACILITIES SUPERVISOR	14	3,633.78	5,445.30
1	INFORMATION TECHNOLOGY SUPERVISOR	14	3,633.78	5,445.30
1	CUSTOMER SERVICE AND PUBLIC AFFAIRS SUPERVISOR	13	3,378.25	5,064.84
1	SAFETY/RISK COMPLIANCE ADMINISTRATOR	13	3,378.25	5,064.84
1	ACCOUNTING SUPERVISOR	12	3,139.19	4,711.04
1	ENGINEERING SERVICES SUPERVISOR	12	3,139.19	4,711.04
2	OPERATIONS SUPERVISOR	12	3,139.19	4,711.04
1	FIELD SERVICES SUPERVISOR	12	3,139.19	4,711.04
1	ENGINEERING PROJECT ADMINISTRATOR	12	3,139.19	4,711.04
1	WATER RECLAMATION FACILITIES SUPERVISOR	12	3,139.19	4,711.04
1	SENIOR SYSTEMS ADMINISTRATOR	12	3,139.19	4,711.04
2	SYSTEMS ADMINISTRATOR	11	2,920.56	4,378.30
1	PARK SUPERVISOR	11	2,920.56	4,378.30

EXEMPT (current approved headcount)

PASSED, APPROVED AND ADOPTED at a regular meeting of Olivenhain Municipal Water District's Board of Directors held this 15th day of December 2021 by the following roll call vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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

ATTEST:

Robert F. Topolovac, Secretary
Board of Directors
Olivenhain Municipal Water District

Memo

Date: December 15, 2021
To: Olivenhain Municipal Water District Board of Directors
From: Jennifer Joslin, Human Resources Manager
Via: Kimberly A. Thorner, General Manager
Subject: **CONSIDER APPROVAL OF THE MEMORANDUM OF UNDERSTANDING WITH THE BARGAINING UNIT MEMBERS ASSOCIATION AND THE OLIVENHAIN MUNICIPAL WATER DISTRICT EMPLOYEES ASSOCIATION**

Purpose

The purpose of this item is to consider approval of a joint Memorandum of Understanding (MOU) with the Bargaining Unit Members Association (BUMA) and the Olivenhain Municipal Water District Employees Association (OMWDEA). This MOU was written based on the Tentative Agreement previously reviewed with and approved by the Board in closed session at the November 17, 2021 Board meeting.

Recommendation

Staff recommends approval of the new five year MOU. The MOU has been reviewed by General Counsel.

Alternatives

The Board could choose not to adopt the recommendation and direct staff to continue to negotiate some or all of the terms of the MOU.

Background

The District has two employee associations, BUMA, representing the field employees, and OMWDEA, representing the administrative employees. The current MOU with the employee bargaining units will expire on December 31, 2021. Management commenced negotiations with both units this summer and all parties have tentatively agreed to the terms contained in the attached MOU.

Fiscal Impact

The terms of the MOU can be met within the current biennial budget and the District's long-term financial plan as there will be anticipated cost savings.

Discussion

The tentatively agreed upon MOU contains costs for the District while allowing flexibility to recruit, motivate, and retain employees. If approved, the negotiated MOU will go into effect on January 1, 2022 and expire on December 31, 2026.

Representatives from both bargaining units will be attending the Board meeting for this agenda item. Staff would like to thank the employee representatives for their time and effort dedicated to this year's negotiations as well as the Personnel Committee (Directors Watt and Bruce-Lane) and full Board for their support of the employee relations process.

Attachment:

2022 Memorandum of Understanding

2022 MEMORANDUM OF UNDERSTANDING
BETWEEN THE OLIVENHAIN MUNICIPAL WATER DISTRICT
AND
OLIVENHAIN MUNICIPAL WATER DISTRICT EMPLOYEES ASSOCIATION
AND
THE BARGAINING UNIT MEMBERS ASSOCIATION

THIS MEMORANDUM OF UNDERSTANDING, effective this 1st day of January 2022 by and between authorized management representatives of Olivenhain Municipal Water District (hereinafter the "District") and the Olivenhain Municipal Water District Employees Association and the Bargaining Unit Members Association (hereinafter the "ASSOCIATIONS").

PREAMBLE

It is the purpose of this Memorandum of Understanding (hereinafter "MOU") to promote and provide for harmonious relations, cooperation, and understanding between the District and the employees covered by this memorandum; to clarify District Ordinances, Rules and Regulations, and the Administrative and Ethics Code (hereinafter "Administrative Code"), thereby providing an orderly and equitable means of resolving any misunderstanding of the parties reached as a result of good faith negotiations regarding wages, hours, benefits, and other terms and conditions of employment of the employees who are members of the ASSOCIATIONS and covered by this MOU. All employee/employer matters and rights are governed by the District's Administrative Code, which is incorporated into this agreement by reference, as set forth in full.

1. IMPLEMENTATION: The provisions of this MOU represent a mutual agreement of both parties in accordance with the provisions of the Meyers-Millias-Brown Act (MMBA), State of California. The parties agree that all items contained herein have been negotiated in good faith and that they are mutually agreeable to both parties. Management shall have the right to implement the terms agreed to by both parties in this MOU for the term of the MOU. Both parties agree that the meet and confer process for those items contained in this MOU is complete for the duration of the MOU unless specifically designated otherwise within this MOU. Any issues not negotiated specifically in this MOU that fall within the scope of bargaining will be met and conferred on per the MMBA. All parties agree that the HR/Employee Association Team (HEART) established pursuant to §5.47 of the Administrative and Ethics Code will remain intact and meet and confer on the following items during the term of this MOU:
 - a) Salary survey process and turnover review in year three of the MOU set forth in §11 of this MOU.

- b) Any re-opener triggered on health insurance per §6 of this MOU.
 - c) Any implementation issues or extraordinary events, hardships, etc., in a desire to maintain communication and reasonableness throughout the contract.
 - d) Any annual review established in §9 to review and vote on the annual employee contributions to the Voluntary Employee Benefits Association.
 - e) Review of the trial periods for remote work and 4/10 summer schedule as set forth in §14 and §15 below.
2. TERM: The term of this MOU shall commence on January 1, 2022 and shall expire and otherwise fully terminate at 12:00 midnight on December 31, 2026. The parties may extend the term by mutual written agreement on or before December 31, 2026.
3. FUTURE MOU'S: In the event the ASSOCIATIONS desire to meet and confer in good faith on the provisions of a successor MOU, they shall serve upon the District General Manager, not later than June 30, 2026, their written request to commence meeting and conferring in good faith. Upon receipt of such written notice, meet and confer shall begin not later than September 1, 2026 unless agreed upon by both parties to extend the time for a written proposal to be presented.
4. NON-DISCRIMINATION: The parties mutually recognize and agree fully to protect the rights of all employees covered to join and participate in the activities of the ASSOCIATIONS and all other rights guaranteed by law. No employee shall be interfered with, intimidated, restrained, coerced, or discriminated against because of the exercise of these rights or any other rights prescribed by law. The parties mutually recognize and agree to fully protect the rights of Management by law. The provisions of the MOU shall be applied equally to all employees covered hereby without favor or discrimination because of race, creed, gender, age, national origin, political opinions, religious affiliations, or any other legally protected class. The rights described herein do not in any way abridge the rights of any District employee who desires to represent himself/herself in employee relations with the District or through an authorized representative of his/her choice. Nothing contained in this section shall be construed to create any new rights or broaden any existing rights of District employees as provided by law.
5. PAY FOR PERFORMANCE SYSTEM: The existing pay for performance system (aka merit system) shall remain in its current form, except as explicitly set forth below in §5a and §5b. For the duration of this MOU, the annual merit pool will continue to be one single pool, with no separation of the San Diego Consumer Price Index (SD CPI-U) from the merit pool. The annual merit pool will be calculated as follows:

5a. The SD CPI-U for the previous calendar year shall continue to be calculated as defined in the 2013 MOU with a lower limit of 1% and an upper limit of 3.5%, which shall be added to 2.5% into one merit pool. Based on the upper and lower limits placed on SD CPI-U, the lowest merit pool during the term of the MOU shall be 3.5% and the highest merit pool shall be 6%, depending on the actual SD CPI-U each year. The SDCPI-U shall continue to be calculated as set forth in the 2013 MOU between the parties.

5b. A new “roll forward” provision will be added to the pay for performance system for the term of this MOU that provides that any annual SD CPI-U percentage amount that is over the cap of 3.5% shall roll to the next year(s) and be added to the SD CPI as long as the total does not exceed the annual cap. The rollover may aggregate over the term of the MOU, but not extend beyond it.

6. **HEALTH INSURANCE:** The District will continue to provide health insurance for qualified employees and Board Members pursuant to the Administrative and Ethics Code §5.37. The District will add two less expensive ACWA/JPIA HMO and PPO plans commencing in January of 2023. Current employees and Board members, employed before January 1, 2023 can switch to the new less expensive plans or Kaiser with the District covering all premium costs. If employees stay with the more expensive current CalCare HMO or Classic PPO plans, they will need to contribute approximately 2% of the premiums as set forth in the chart below. New hire employees, hired on or after January 1, 2023 shall be required to pay approximately 10% towards more expensive plans as set forth in the chart below. Bi-weekly contribution amounts fixed over the term of the MOU are as follows:

If elect Anthem CalCare HMO or Classic PPO:	Current Employee Contribution (per pay period)	Hired or Rehired After 1/1/2023 Contribution (per pay period)
Employee Only	\$8	\$40
Employee + 1	\$16	\$80
Family	\$24	\$120

As the new insurance plans cannot be added until Open Enrollment in October of 2022, employee and Board contributions will not commence until the first pay period of 2023.

The parties also agree to a re-opener to this MOU, on health insurance only, if the average increase of the of the five health insurance plans offered by the District increases by more than 15% in one year. If the re-opener is triggered, the HEART committee will meet, evaluate, and consider options to address the increase, including, but not limited to, lessening the health insurance benefits offered or considering increased employee contributions to health insurance premiums.

7. NEW 125 PREMIUM ONLY PLAN: The District shall establish, on or before January 2023, a 125 Premium Only Plan allowing for pre-tax payroll deductions for employee health insurance premium contributions for any employee who contributes towards health insurance premiums. Participation in the 125 Premium Only Plan by employees is voluntary.
8. FLOATING HOLIDAY - JUNETEENTH: If the State of California adopts Juneteenth as a state holiday during the term of this MOU, 8 hours of floating holiday pay shall be added to the employee floating holiday pay provided in the Administrative and Ethics Code §5.30 in the year that Juneteenth becomes a state holiday and each year thereafter. The District shall remain open on Juneteenth.
9. INCREASED CONTRIBUTIONS TO VOLUNTARY EMPLOYEE BENEFITS ASSOCIATION (VEBA): The District shall continue to pay the administration fees, which are currently \$7.70 per month. The HEART Committee retains jurisdiction over meeting on the annual employee contributions to VEBA. The HEART Committee may annually negotiate employee contribution limits in December of each year, which will include input from the ASSOCIATIONS. The limits are not required to be changed each year, but may be as a result of this annual process. Representatives from managers and supervisors will be included in these negotiations as members of VEBA. The District contributions shall be adjusted starting in calendar year 2022 as follows:
 - i) 0 to 1 year - no funding
 - ii) 1 to 5 years - \$200 per employee per year
 - iii) 5 to 10 years - \$400 per employee per year
 - iv) 10 to 15 years - \$600 per employee per year
 - v) 15 to 20 years - \$800 per employee per year
 - vi) 20 plus years - \$1,000 per employee per year
10. INCREASED 457 LONGEVITY MATCHING: Contributions shall be made by the District in November of each year based on longevity years of service from the prior January of the same calendar year as follows, starting in calendar year 2022:
 - i) 0 to 5 years - no funding
 - ii) 5 to 10 years - \$1,250 per employee per year
 - iii) 10 to 15 years - \$1,750 per employee per year

- iv) 15 to 20 years - \$2,250 per employee per year
- v) 20 plus years - \$2,750 per employee per year

11. GRADE RANGE CHANGES: The District will move the salary range midpoints to the 65th percentile of market (based on the current salary survey process and current identified comparison agencies in the salary survey process) over 3 years with adjustments of the grade ranges by 7.5% in June of 2022, 7.5% in June of 2023, and then a true up of all grade ranges in June of 2024 by way of an external salary survey and adjustments if necessary to achieve the 65th percentile in June of 2024. In June of 2025, the District will return to the practice of annual SD CPI-U range adjustments to end of MOU. In September of 2024, the District shall review with the HEART Committee to evaluate if moving to the 65th percentile has reduced turnover. A review will be conducted of the first three years of the MOU to the last three years prior to the start of the MOU and shall compare turnover. Retirements and involuntary departures shall not be included in the analysis. After review by the HEART Committee in September of 2024, a presentation will be made to the Board Personnel Committee and then to the full Board before the end of calendar year 2024. The salary surveys in year three and five of the MOU will continue to be conducted by an outside party to ensure adherence to the compensation policy of the District. Any grade range changes suggested by the outside consultant shall be reviewed with the HEART committee prior to presentation to the Board Personnel Committee. Any position that is more than 10% over or under market (defined as 65th percentile to midpoint of grade) after any grade range changes made that year will be considered for a freeze and/or grade bump at the time of the survey. Recommendations for grade bumps/freezes shall come from the General Manager and continue to be within the sole discretion of the Board for approval in the annual budget.
12. EDUCATION INCENTIVE PAY: As part of the Grow Your Own Program, the District shall allow one time Education Incentive Pay for certifications and degrees that are above current job requirements but are related to future growth and development at the District. Details of the Education Incentive Pay Program are attached as Exhibit A and must be requested by an employee on the form attached as Exhibit B. An employee must not be on a disciplinary period to be considered for Education Incentive Pay. Additionally, certifications which save the District money, such as Storm Water certification or Distribution Certificates that allow the employee to take duty, will also be considered for approval. No retroactive stacking of certifications is allowed. The District shall only consider payment for the highest certification or degree in the same class. (For example, if an employee is required to have a D2 for their position, but also possesses a D4, only the D4 would be compensated, not the D3 as well.) An employee may only receive payment one time per certification or degree achieved and each employee is capped at receiving

no more than \$500 per fiscal year. The first certification payments will be considered on July 1, 2022 and then thereafter as certifications are achieved and approved under the program. Approval of Education Incentive Pay is in the sole discretion of the General Manager on an individual basis. The Education Incentive Pay may be PERSable and the District shall seek review by CalPERS once the program is established.

13. TUITION REIMBURSEMENT: The Administrative and Ethics Code §5.48, shall be updated to reflect that tuition reimbursement, under the current program, will be increased to \$4,500 per fiscal year commencing in July of 2022 for fiscal year 2022-2023.
14. REMOTE WORK: A trial Remote Work policy shall be implemented effective January 1, 2022 and applies only to DEA members. The approved program is attached as Exhibit C and limits DEA employees to 20 pre-scheduled remote work days per year maximum. The District will allow for a trial one year period to evaluate the effectiveness of the program. In order to participate in the remote work trial, both the supervisor and employee must mutually agree to participate in remote work and the employee must fill out the Remote Work Agreement attached as Exhibit D. Unscheduled emergency remote work may be considered on a case by case basis when it benefits both the employee and the District and is requested by the Department Manager. Unscheduled remote work shall count against the 20 total days per calendar year. Remote work days may be changed based on the needs of the District by the Department Manager when the need arises, such as an unexpected illness or a coverage issue in the department. All employees shall remain on call 24 hours per day during the course of their employment pursuant to Article §5.3 of the Administrative Code. A master calendar of all employees' remote work schedules shall be created and maintained in Outlook. An October 2022 review of the remote work will be conducted by the HEART Committee to determine the success of the program. The following shall be considered success criteria to be evaluated:
 - i) All annual objectives achieved
 - ii) No decline in productivity (e.g., customer calls answered, billings, checks issued, timely press releases, etc.)
 - iii) No impact to external customer service, as determined by the supervisors
 - iv) No impact to internal customer service, as determined by the Department Managers
 - v) Fair, equitable and balanced days of remote work amongst staff
 - vi) Employee morale, as determined by an October employee survey
 - vii) If the October 2022 review does not find that the trial was a success, the remote work may be discontinued by the General Manager in her sole

discretion. Each department shall be considered separately for continuation of the remote work moving forward.

15. 4/10 Work Schedule: A trial 4/10 (four 10 hour days) work schedule will be allowed in the summer of 2022 for the following BUMA employees: Systems Operations, Construction, Purchasing/Warehouse Clerk and the Facilities Coordinator. If the summer 2022 4/10 trial period is deemed successful at its conclusion by the General Manager as per the terms and conditions noted below, other BUMA employees may be considered in successive summer 4/10 sessions during the course of this MOU where mutually agreed upon by the BUMA employee and their supervisor, and approved by the GM. The trial period will only be allowed during summer months, which shall be defined as the first full pay period in June to the last full pay period in September. For those in departments on the 4/10 summer schedule, crews will be split alternating on Monday to Thursday/ Tuesday to Friday, to allow for coverage every day for crews. All employees shall remain on call 24 hours per day during the course of their employment pursuant to Article §5.3 of the Administrative Code. The workday while on 4/10's shall be 6:30 AM to 5 PM. Overtime shall be calculated for work beyond an employee's regularly scheduled workday while on a 4/10 schedule. Article §5.2 of the Administrative and Ethics Code shall be updated to reflect the work hours while on a 4/10 schedule. A master calendar of all employee's 4/10 and 9/80 schedules shall be created and maintained in Outlook. A review of the trial period will be conducted by the HEART Committee in October of 2022, with success criteria being considered as follows:
 - i) No increase in disproportionate overtime (outside of CIP)
 - ii) No abuse of the schedule (e.g., employee consistently requesting the day at the beginning or end of their 4/10)
 - iii) No lack of coverage for duty calls
 - iv) No decline in productivity (e.g., leak response time, number of valves exercised/replaced, no dramatic increase in EAM backlog)
 - v) No impact to external customer service, as determined by the supervisors
 - vi) No impact to internal customer service, as determined by the Department Managers
 - vii) Employee morale, as determined by an October 2022 employee survey
 - viii) If the October 2022 review does not find that the trial was a success, the 4/10's may be discontinued by the General Manager in her sole discretion. Each department shall be considered separately for continuation of the 4/10's for the summer moving forward.
16. NO MORE FULL OPERATIONS DARK ON FRIDAYS: Effective January 1, 2022, Operations will also split coverage and crews throughout the entire department

while on the current 9/80 schedule in order to have staff coverage all Fridays. There will be no more fully dark Operations Fridays.

17. DUTY PAY: The Administrative Code §5.3.1 shall be updated to reflect, for the duration of this MOU and commencing in the first pay period of 2022, Primary, Secondary, and Instrumentation Control Technician standby duty pay shall be 1.5 hours per day at the employee's rate of pay, but no less than \$25. Secondary Duty will also be considered for rotation into Primary duty if they request to be included. Secondary Duty shall receive 2.0 hours for standby pay (instead of the 1.5) on the 7th consecutive duty day. Wastewater and Water Treatment shall remain unchanged. Water Watch shall receive a flat rate of 3.25 hours a day at the employee's rate of pay, per day of duty. A revised Duty Chart is attached as Exhibit E.
18. NEW MEAL REIMBURSEMENT RATE: The Administrative Code §5.3.4 shall be updated to reflect the new maximum meal reimbursement rate of \$18 effective January 1, 2022.
19. COMMERCIAL DRIVER LICENSE: The Administrative Code § 5.25 will be updated to reflect that employees who are approved by the General Manager to be holders of a Class A license or a Class B license with a special endorsement for use by the District shall have their annual allowance increased to \$1,550 commencing in calendar year 2022, payable in equal payments each pay period.
20. OPTION FOR JACKET IN LIEU OF 2 SHIRTS: The Administrative Code §5.18 will be updated to reflect that (1) employees may elect to choose one jacket in lieu of 2 shirts annually and (2) the shirt styles and colors will be approved by the HEART Committee every 2 years instead of the current practice of annually.
21. SPECIAL PAYMENTS VIA DIRECT DEPOSIT: Effective with this MOU, the District shall change the process of special payments from paper checks to direct deposit, such as boots and accrued time off payments.
22. ERC CONTRIBUTION: The Administrative Code §5.50 shall be updated to reflect that the District annual contribution to the Employee Recreation Club (ERC) in July of each year shall increase annually by the SD CPI-U commencing in 2022.
23. WORK WEEK: The Administrative and Ethics Code shall be updated to reflect that the parties agree that the work week shall end 4 hours into an employee's shift on the last day for those employees while on a 9/80 schedule and at midnight on Friday for non-plant employees on a 4/10 schedule. 4/10 work weeks at the plants shall remain unchanged ending midnight on Tuesday.

24. Effective dates of future pay raises shall be as follows for the duration of the MOU:
- a) 6/18/2022
 - b) 6/17/2023
 - c) 6/29/2024
 - d) 6/28/2025
 - e) 6/27/2026
25. TEXT OF PREVIOUS MOU AND OTHER EMPLOYEE RIGHTS: All employee/employment matters and rights are governed by the District's Administrative and Ethics Code which is incorporated into this agreement by reference, as if set forth in full. All items not addressed in this MOU shall continue as is from the previous MOU. As amended, all terms of the District's Administrative Code shall govern all employment matters at the District during this MOU.
26. PROVISIONS OF LAW: This MOU is subject to all current and future applicable federal, California, and local laws and regulations. All ordinances, rules, and regulations enacted by the Board shall be subject to the appropriate revisions, amendments, and deletions necessary to conform with the purpose, intent and applications of the provisions of this MOU. All provisions of the District's Administrative and Ethics Code shall remain valid as written except as expressly modified by this MOU. If any part of this MOU is in conflict with or inconsistent with such applicable provisions of federal, California, or local laws or regulations, or is otherwise held to be invalid or unenforceable by any tribunal of competent jurisdiction, such part or provisions shall be suspended and superseded by such applicable law or regulations, and the remainder of this MOU shall remain in effect as stated.

Signed this _____ day of _____ by:

ASSOCIATIONS

District

Lisa Maxwell, OMWDEA

Lawrence Watt, Board President

Board Personnel Committee

Jason Emerick, BUMA

Kristie Bruce Lane, Vice President

Board Personnel Committee

Teresa Chase, OMWDEA

Kimberly Thorner, Lead District Negotiator

General Manager

Adam Calm, BUMA

Jennifer Joslin, Lead District Negotiator

Human Resources Manager

Brandon Burrow, BUMA

Education Incentive Pay Schedule*

Certification/Degree Name	Issuing Agency	Amount
Water Distribution Operator Grade I	SWRCB	\$ 100
Water Distribution Operator Grade II	SWRCB	\$ 125
Water Distribution Operator Grade III	SWRCB	\$ 150
Water Distribution Operator Grade IV	SWRCB	\$ 275
Water Distribution Operator Grade V	SWRCB	\$ 375
Water Treatment Operator Grade I	SWRCB	\$ 100
Water Treatment Operator Grade II	SWRCB	\$ 125
Water Treatment Operator Grade III	SWRCB	\$ 150
Water Treatment Operator IV	SWRCB	\$ 275
Water Treatment Operator V	SWRCB	\$ 375
Wastewater Treatment Plant Operator Grade I	SWRCB	\$ 100
Wastewater Treatment Plant Operator Grade II	SWRCB	\$ 125
Wastewater Treatment Plant Operator Grade III	SWRCB	\$ 150
Wastewater Treatment Plant Operator Grade IV	SWRCB	\$ 275
Wastewater Treatment Plant Operator Grade V	SWRCB	\$ 375
Collection Systems Maintenance Grade I	CWEA	\$ 100
Collection Systems Maintenance Grade II	CWEA	\$ 125
Collection Systems Maintenance Grade III	CWEA	\$ 150
Collection Systems Maintenance Grade IV	CWEA	\$ 275
Laboratory Analyst Grade I	CWEA	\$ 100
Laboratory Analyst Grade II	CWEA	\$ 125
Laboratory Analyst Grade III	CWEA	\$ 150
Laboratory Analyst Grade IV	CWEA	\$ 175
Electrical & Instrumentation Technologist Grade I	CWEA	\$ 100
Electrical & Instrumentation Technologist Grade II	CWEA	\$ 125
Electrical & Instrumentation Technologist Grade III	CWEA	\$ 150
Electrical & Instrumentation Technologist Grade IV	CWEA	\$ 175

Education Incentive Pay Schedule Continued*

Certification/Degree Name	Issuing Agency	Amount
Electrician Certification	DIR DLSE	\$ 275
Backflow Prevention Assembly Tester Certificate	AWWA/ABPA	\$ 100
Cross-Connection Control Specialist	AWWA/ABPA	\$ 100
Cathodic Protection Tester	NACE	\$ 100
Cathodic Protection Technician	NACE	\$ 150
Certified Construction Inspector	ACI	\$ 100
Right of Way Certification	IRWA	\$ 150
Qualified SWPPP Developer (QSD)	SWRCB	\$ 250
Qualified SWPPP Practitioner (QSP)	SWRCB	\$ 175
Accounting Certificate	SDSU/UCSD/CSUSM	\$ 250
Certified Public Accountant (CPA)		\$ 500
Human Resources Certificate	SDSU/UCSD/CSUSM	\$ 250
Human Resources Professional Certificate (PHR, SPHR)	IPMA/SHRM	\$ 150
Notary Public	CA SOS	\$ 100
OSHA Authorized Trainer	OSHA	\$ 250
Occupational Hygiene and Safety Technician (OHST)	BCSP	\$ 200
CA and SD County EMT-B	CA EMSA	\$ 300
Accredited College Certificate Program		\$ 200
Associate of Arts/Science (AA, AS)		\$ 300
Bachelor of Arts/Science (BA, BS)		\$ 400
Master of Arts/Science (MA, MS, MBA, MPA)		\$ 500

*The Human Resources Manager and General Manager retain discretion in approving any certification/degree not included on this Education Incentive Pay Schedule. Employees are only eligible for payment if the Education Incentive Request form is approved.

Education Incentive Pay Request

Exhibit B

Select One: ☐ Certification ☐ Degree
(See guidelines on Page 2.)

Employee Name: _____ Date of Request: _____

Department: _____ Position: _____

Name of Certification/Degree (e.g. Operator, Associate, Bachelor) and Field (e.g. Water, Accounting):

Must attach a copy of certification/degree to this form.

Name of Provider/School: _____

Required in job description? ☐ Yes (*If Yes, does not qualify for pay) ☐ No ☐ Preferred/Desirable

If certification: _____ Issue Date: _____ Expiration Date (if any): _____

Justification (address how the certification/degree prepares you for future Grow Your Own positions and growth at OMWD, how you display an “above and beyond attitude”, how you have obtained a proficiency in a valuable skill and/or how the certification/degree will result in District cost savings.):

\$ _____	Education Incentive Pay Requested (not to exceed \$500 per fiscal year; see guidelines and pay schedule of certifications/degrees).
----------	--

Your signature below signifies you have read and agree to the guidelines on page 2 of this form. A copy of this approved form must be attached to any Warrant Request for payment.

Employee's Signature: _____ Date: _____

HR/GM use only

1. HR Manager Approval (signature): _____ Date: _____

2. General Manager Approval (signature): _____ Date: _____

Education Incentive Pay Request Guidelines

1. As part of the Grow Your Own program, one time Education Incentive Pay is available for valid certifications and degrees above current job description requirements, but related to future growth at OMWD. Certificates/degrees noted as desirable or preferred in the job description will be considered. Certifications/degrees which result in cost savings to OMWD will also be considered for approval. The program is available to all employees with satisfactory performance. An employee must not be on a disciplinary period.
2. The Education Incentive Pay Schedule lists certifications/degrees which will be considered for approval and the corresponding pay amount.
3. The Education Incentive Pay Request form is to be used for all requests and submitted to Human Resources. The Human Resources Manager and General Manager retain sole discretion in approval of all requests.
4. The employee must provide justification for the Education Incentive Pay which states how the certification/degree prepares the employee for future positions and growth at OMWD, how the employee displays an “above and beyond attitude”, and how the employee has obtained a proficiency in a valuable skill.
5. This form must be accompanied by a copy of the certification/degree or comparable evidence of completion. This information must include certification/degree name, completion date, and any other pertinent details.
6. If obtaining multiple certificates/degrees, the employee must complete a form for each.
7. No retroactive stacking of certifications/degrees is allowed. OMWD shall only consider payment for the highest certification in the same class (e.g., if an employee is required to have a D2 for their position, but also possesses a D4, only the D4 would be compensated, not the D3 as well.)
8. An employee may only receive a single one time payment per certification/degree achieved. Each employee’s eligibility for Education Incentive Pay is capped at no more than \$500 per fiscal year.
9. Once the form is approved, to obtain the Education Incentive payment, the employee must submit the following to the Finance Department:
 - Completed Warrant Request form signed by the employee and Supervisor.
 - Copy of the approved Education Incentive Pay form.
10. The Education Incentive Pay may be reportable to CalPERS (PERSable), pending review of the program by CalPERS.

REMOTE WORK POLICY

Eligible employees are from the DEA bargaining unit and may work from a location outside the office, as a cooperative arrangement between the employee and the District, as a means to respond to public health concerns, increase productivity, offer flexibility to employees, and attract and retain highly qualified and engaged employees. This practice will be referred to as “Remote Work,” and is subject to the approvals, responsibilities, and limitations outlined in this policy. The remote work policy will be effective starting January 2022 or when the end of the COVID emergency is declared. A trial period will be used in order to determine what work arrangements are most effective.

ELIGIBILITY FOR REMOTE WORK

Eligibility for Remote Work is based on both the position and the employee. Not every job or every employee is well suited for Remote Work. Remote Work is a privilege granted to eligible employees. Approval is not guaranteed or promised and may be revoked by the District at anytime.

Eligible Positions

- Positions eligible for Remote Work arrangements are job classifications that are primarily performed at a computer workstation and do not require hands-on work on infrastructure or in the field.
- For calendar year 2022, DEA bargaining unit members will be allowed to work remotely up to 20 days for the calendar year.
- Determination of eligible positions will be made jointly by the Supervisor, Department Manager, Human Resources Manager, and subject to final approval by the General Manager.

Eligible Employees

- Employees must have completed all pertinent job training and be performing their work competently before they will be eligible for Remote Work.
- Employees must have demonstrated the ability to work independently, manage their time, organize and prioritize work, exercise good judgment, code time and use leave appropriately, have a history of using safe computing and cybersecurity practices, and have a history of reliability and responsibility in completing work assignments.
- The Supervisor and Department Manager, in consultation with the Human Resources Manager, will make the determination as to whether the employee meets these requirements.

REMOTE WORKING CONDITIONS

Remote Work Schedules

- Remote Work is distinguished between “Regular,” “Block,” and “Unplanned”. Regular Remote Work involves an employee whose regular work schedule includes specific, predefined off-site days. Situational Blocks involve an employee working remotely on a temporary, short-term basis in response to temporary circumstances with a defined end date. Unplanned events are unexpected events that cannot be planned for in advance.
- On days hourly employees are scheduled to work from the office, they are expected to be at the office at the beginning of the scheduled workday. Commute time is not compensable on regularly scheduled on-site days.

- On days hourly employees are scheduled to work remotely, but get unexpectedly called in to the office to handle urgent District business that can't wait until their next on-site day, they may book their commute time and be paid for the time.

Remote Work Authorization Process

- Employees who wish to work remotely must complete the Remote Work Application and Agreement and have it approved before beginning the Remote Work Schedule.
- Regular, Block, and Unplanned Remote Work Agreements will be reviewed and approved by the Supervisor, Department Manager, Human Resources Manager and approved by the General Manager.
- Employees must have an approved Agreement on file even when not requesting a Regular or Block schedule in order to work remotely during unplanned events.
- Employees on Remote Work Agreements may end or request to change their agreement at any time.
- Upon termination of Remote Work Agreements, all equipment issued in the IT Equipment Checklist must be returned.
- The violation of any provision of this policy or the misuse of District time or any District-provided equipment may preclude the employee from remote working and/or result in disciplinary action, up to and including termination of employment.
- Denial, modification, or termination of a Remote Work Agreement is not subject to the grievance procedures in any Memorandum of Understanding, or to any other appeal procedures.

Work Location

- The employee is expected to provide their own workspace.
- Since Remote Work Agreements are a privilege and benefit to the employee, the District will not be responsible for costs associated with the setup of the employee's home office, such as remodeling, office furniture or lighting, internet connection, Wi-Fi, telephone, or modifications to the home office space.
- The employee must complete the Remote Worksite Safety Checklist and Self Certification to determine compliance with safety guidelines.
- Workers' Compensation benefits will apply only to injuries arising out of and in the course of employment as defined by workers' compensation law.
- The District is not liable for any injuries to family members, visitors or others, which occur at the remote worksite.
- The District is not responsible for damage to an employee's personal or real property while the employee is working remotely.

District Equipment, Supplies, and Property

- Office supplies such as paper, pens, and ink will be provided by the District as needed, just as they would be if working on-site.
- Equipment, software, and office supplies provided by the District are for conducting District business and remain the property of the District. Other household members or anyone else not authorized shall not use District equipment or software.
- Negligence or intentional conduct that results in loss, theft, or damage of District equipment may be subject to disciplinary action, in accordance with the Administrative and Ethics Code.

- Employees may not modify or add hardware or software to District equipment or devices without approval.

District Information

- All files, records, papers, or other materials created while working remotely are District property.
- All work should be completed on the District's remote server, network, and software. Documents should not be stored on personal computers, other personal devices, or personal cloud storage such as Dropbox or Google Drive.
- All District information must be transmitted using District provided mediums. Using personal email, file sharing services, FTP servers, or any service not controlled by OMWD IT is prohibited.
- Negligence or intentional conduct that results in loss, theft, or damage of District information may be subject to disciplinary action, in accordance with the Administrative and Ethics Code.
- The California Public Records Act applies to the work product and communications related to District business by employees who work remotely, whether the information is on a District-owned device or not.
- Upon receipt of a public records request, remote employees must permit inspection of any public record in the employee's custody, within required time limits. This requirement exists regardless of where the public record is located.
- Employees who handle confidential information are required to work in locations where this information is safeguarded from access or being overheard by unauthorized individuals.
- Employees must make sure that passwords are stored in a secure location, and are not written down. If the employee feels that their password may have been compromised, they must notify the IT department immediately.
- Employees must notify the IT department immediately if they believe their computer has been infected with malicious software or has otherwise been compromised, or if any login credential may have been compromised. This could occur if the employee downloaded any software, clicked on a link, visited a suspicious website, inserted a USB drive into their computer, or someone other than themselves had access to their computer.

REMOTE WORKING ROLES AND RESPONSIBILITIES

Employee Responsibilities

- Employees who are authorized to perform work at off-site locations must meet the same standards and professionalism expected of employees at on-site work locations in terms of job responsibilities, work products, and customer and public contact.
- Meet with Supervisor to discuss request and complete the Remote Work Application.
- If approved, establish designated Remote Worksite and complete Remote Worksite Safety Checklist and Self-Certification and online office ergonomics educational program.
- Maintain remote worksite in condition free of safety hazards.
- Comply with the District's Administrative and Ethics Code, policies and procedures, agreements, state and federal laws including the Fair Labor Standards Act (FLSA) while working remotely.
- Hourly employees who work remotely must work during their regularly scheduled hours, take breaks and meal periods as scheduled, get pre-approval before working overtime or using leave, and keep accurate records of time worked on the District's timekeeping system.
- Follow all District rules regarding the use of computers and the internet while working remotely, including the Computer Policy that is acknowledged when employees log on every day.

- Do not use public Wi-Fi, such as, but not limited to: coffee shops or restaurants to connect any of the District's devices to the internet. Connection should be made via District cell phone hotspot and VPN. If unable to connect via cell hotspot, the employee should get IT approval to connect to a secure, private Wi-Fi that is owned and controlled by the employee. Use of a neighbor's Wi-Fi is prohibited.
- Ensure the safe storage of District property to protect it from theft, loss, and damage.
- Return all equipment and supplies at the conclusion of the remote work agreement, upon request by the General Manager, or upon separation of employment.
- Comply with terms of the Remote Work Agreement and this policy.
- Ensure that non-employees do not access restricted or confidential information, which includes personal identifying information (PII) of employees, job applicants, vendors, and customers, either in print, electronic, or auditory form.
- Remain reachable by telephone, virtual meetings, or e-mail during agreed-upon work hours.
- Comply with the District's Drug and Alcohol Free workplace policy during working hours and otherwise be able to perform required duties safely and effectively.
- Maintain a safe work area and follow safe work practices.
- Report any workplace injuries or accidents as soon as possible to the Supervisor and the Safety/Risk Compliance Administrator.

Direct Supervisor Responsibilities

- Meet with employee to discuss request and establish objectives and assignments, review Remote Work Agreement, and recommend approval or denial based on the eligibility factors established in this policy, including an assessment of operational needs.
- Develop remote work effectiveness metrics and monitor effectiveness of the remote work arrangement and compliance with the remote work program. Modify conditions of the Remote Work Agreement as necessary.
- Monitor and evaluate performance by relying more heavily on work results rather than direct observation and meet with the employee (which may be by videoconference or telephone) at regular intervals to review the employee's work performance.
- Determine and communicate expected turnaround times and the medium for responses during working hours.
- Communicate with the remote employee if they are not meeting the performance or productivity criteria agreed upon, and what kind of improvement is required in order to continue the Remote Work Agreement.
- Coordinate remote access with IT Department as needed.
- When an employee requests to work remotely for an Unplanned situation, the supervisor shall notify the Human Resources Manager and General Manager for tracking purposes.

Department Manager's Responsibilities

- Review Remote Work Agreement and recommend approval or denial based on the eligibility factors established in this policy, including operational needs.
- Contact Human Resources to discuss the request if necessary.
- Assess the impact of all remote work arrangements within the department to determine whether organizational needs are being satisfied, District service levels are being maintained, and employee performance is consistently meeting or exceeding expectations.
- Modify or terminate telecommuting arrangements as appropriate to meet the District's operational needs.

General Manager Responsibilities

- Assess utilization and effectiveness of the Remote Work program in October of 2022 and develop recommendation to modify, extend, or terminate as appropriate.
- Review Remote Work Agreements and deny or approve requests.
- May deny, modify, or rescind a Remote Work Agreement for any operational reason that is not discriminatory or arbitrary.
- May impose additional Remote Work restrictions, provided they are consistent with the spirit and intent of the Remote Work Policy.
- May approve the purchase of laptop computers, software, and mobile devices to facilitate efficiency and productivity while an employee is working remotely.

Human Resources Responsibilities

- Discuss any meet and confer issues with bargaining unit representatives.
- Review and recommend approval or denial of Remote Work Applications and file Applications and Remote Worksite Self-Certification forms.
- Review annual evaluations to ensure performance related to participation in the Remote Work Program is sufficiently addressed.

Safety/Risk Responsibilities

- Assign and verify the employee's completion of Office Ergonomics classes online.
- Be available for any questions regarding workers' compensation.

IT Responsibilities

- Determine the IT equipment and software needs for each remote employee on a case-by-case basis and complete the IT Equipment Checklist.
- Add approved remote workers to the list of authorized VPN users so they may access the District network remotely.
- Provide instructions for downloading and installing the VPN software.
- Notify remote employees when there is an update to VPN or other security software.
- Provide a cell phone with hotspot capabilities, so that the employee can tether their computer directly to the hotspot.
- Provide remote support on a best-effort basis. Employee should understand that some issues cannot be resolved remotely. This may require the employee to return equipment to the office for troubleshooting, to acquire replacement equipment from IT, or to complete their work on-site.

QUARTERLY - REMOTE WORK APPLICATION

Employee Name: _____ Direct Supervisor: _____

Job Title: _____ Department Manager: _____

The purpose of this Remote Work Application is to notify the employee's direct Supervisor of the request for remote work. If the Supervisor supports the request, detailed information and additional approvals will be required before authorizing any remote work.

What is the location the employee would like to use as a remote workspace?

Will there be a need for computer software or other IT equipment to be issued to facilitate the remote work arrangement?

The cell phone number to reach the employee at the remote worksite while working under the Remote Work Agreement is: _____. When working remotely, employees must forward their District phone extension to this number.

How will calls for the remote employee that come into the office be handled on days when working remotely? Indicate expected frequency for checking voicemail and returning calls, etc.

Submitted to Direct Supervisor:

Employee's Signature

Date

REMOTE WORKSITE SAFETY CHECKLIST AND SELF-CERTIFICATION

Employee Name: _____

Participation in the Remote Work Program conveys agreement to an inspection of the workspace in order to determine that the work site is safe and free from hazards. This required form is an inspection checklist and certification that these safe conditions exist. The remote employee self-certifies this information by completing and signing this form. For each worksite, a new Safety Checklist and Self-Certification form must be completed.

Workspace: Define the designated off-site workspace (be specific as to the address, room, work surface being used, ergonomic considerations, privacy, etc.): _____

Please check (X) below to certify that these conditions exist:

FIRE PROTECTION

- ☐ Smoke alarm in working order
- ☐ Extension cords in good condition
- ☐ Fire extinguishers
- ☐ Outlets/power strips not overloaded
- ☐ Electrical equipment/tools properly maintained
- ☐ Fuse box clearly accessible/properly labeled
- ☐ No electrical cord tripping hazards
- ☐ Electrical equipment surge protection
- ☐ Sufficient ventilation for electrical components

HOUSEHOLD

- ☐ Heating/AC in good repair (if any or N/A)
- ☐ Appliances in good working order
- ☐ Clear access to fire extinguishers

EMERGENCY PROCEDURES

- ☐ Evacuation plans established
- ☐ First aid supplies adequate/accessible

Date completed "General Office Ergonomics" course: _____

Name and phone number of nearest emergency health care facility:

Name of Health Care Facility

Phone Number

I hereby affirm by my signature that the above information about the remote worksite is accurate as of the date of this self-certification and that I will contact Human Resources if any of these conditions change. I will complete a new Safety Checklist and Self-Certification form if my remote worksite location changes.

Employee's Signature

Date

QUARTERLY - REMOTE WORK AGREEMENT

Employee Name: _____

Type of Remote Work Agreement: _____ Regular _____ Block _____ Unplanned

The Agreement is valid from _____ to _____.

The approved regular Remote Work Schedule is as follows:

Day	Date(s)	Total Hours
Sunday		
Monday		
Tuesday		
Wednesday		
Thursday		
Friday		
Saturday		

I, the undersigned employee ("Employee"), have read the Remote Work Policy and the Remote Work Agreement ("RWA" or "Agreement") in their entirety and I agree to abide by the terms and conditions they contain. I understand and agree that the RWA is contingent upon General Manager approval. Approval does not imply entitlement to a permanently modified position or a continued remote work arrangement. I understand and agree that the RWA is voluntary and may be terminated at any time. I further understand that the District may, at any time, change any or all of the conditions under which approval to participate in the RWA is granted, with or without notice.

I agree to and understand my duties, obligations, and responsibilities. I also understand it is my responsibility to provide adequate advance notification to my supervisor if I am unable to keep any of the agreed upon commitments and/or deliverables. If I fail to do so, I understand this Agreement may be immediately terminated. I agree to defend and indemnify the District against any and all claims by family or visitors against alleged harm or injury allegedly caused by or within my remote work location. I hereby affirm by my signature that I have read this Remote Work Agreement and understand and agree to all of its provisions.

Employee's Signature

Date

Approved by:

Supervisor

Department Manager

Human Resources Manager

General Manager

IT REMOTE WORKSITE EQUIPMENT CHECKLIST

Employee Name: _____

The following equipment will be provided by the District:

__ Laptop: _____

__ Laptop bag: _____

__ Laptop power supply: _____

__ Mouse: _____

__ Monitor: _____

__ Cell phone: _____

__ Cell phone charger: _____

__ Other: _____

__ Other: _____

__ Other: _____

__ Other: _____

Issued by:

IT Staff Signature

Date

Received by:

Employee's Signature

Date

SUPERVISOR'S CHECKLIST FOR REMOTE WORKERS

Employee Name: _____

The Supervisor and the employee agree to the following:

1. The employee has read the District's Remote Work Policy.
2. The Supervisor has reviewed the remote work arrangement for the employee, and has approved that the employee may work remotely.
3. The Remote Work Agreement has been explained to the employee, work hours and begin/end dates have been filled in, and both the employee and Supervisor have signed.
4. The Remote Worksite Safety Checklist and Self-Certification form has been signed by the employee.
5. Performance expectations have been discussed and are clearly understood. Assignments and due dates are documented and on file with the Supervisor and employee.
6. Equipment issued by the District has been documented on the IT Remote Worksite Equipment Checklist and the employee has verified that s/he has homeowners/renters insurance to cover equipment items in the event of damage, theft, or loss.
7. Requirements for care of equipment assigned to the employee have been discussed and are clearly understood.
8. The employee is familiar with the District's requirements and techniques for computer information security. The employee agrees to protect District information from unauthorized disclosure or damage and will comply with federal, state, and District rules, policies and procedures regarding disclosure of public and official records.
9. Telephone contact procedures have been clearly defined and other District staff have received information on how and when to reach the employee.

I certify that all conditions are met:

Supervisor's Signature

Date

Employee's Signature

Date

Exhibit E

Duty Pay - Effective 1/1/2022

Duty	Type of Pay	Duty Pay			Logged with Timecard			
		Weekday	Weekend	7th consecutive day	Holiday	Minimum Call	Minimum Login	Alarm Response
Primary & Secondary Duty & ICT Technicians	(A) 1.5 hours per day at hourly rate; Secondary only - 2 hours on 7th consecutive day	1.5	1.5	1.5/2**	4	30 min	N/A, Tech = 30 min	N/A, Techs = 30min
Water Treatment Plant & Wastewater Treatment Plant	(A) 1 hour per day at hourly rate + (B) expected duty 1.5x hr pay/day; 2x on 7th consecutive day	2.5	2.5	3	4	30 min 9pm to 5am	30 min	30 min 9pm to 5am
Water Watch	3.25 hours per day at hourly rate (same flat rate for every day of duty)	3.25	3.25	3.25	4	30 min 9pm to 5am	30 min	30 min 9pm to 5am

Duty Pay:

(A) This is the "standby" pay

(B) This is the "expected duty rounds" pay

**** 2 hrs for 7th consecutive day for Secondary Duty**

Minimum rate is \$25/hr, if actual hourly pay rate is less than the minimum.

Logged with Timecard:

30 minute minimum for call or log-in alarm response (Water Treatment, Wastewater, & Water Watch 30 min 9PM to 5AM).

Alarm response is if a duty person gets a page and must acknowledge the alarm via telephone, or must log in via laptop.

Holiday pay = 4 hours per person who holds duty for any part of a holiday, will only be paid to persons not regularly scheduled for that day.

Holiday pay hours must be logged with timecard (ex: 2 hours of DT).

Overtime logged as Comp time is only allowed for unexpected duty and must be logged with timecard.

Memo

Date: December 15, 2021

To: Olivenhain Municipal Water District Board of Directors

From: Jason P. Hubbard, Engineering Manager

Via: Kimberly A. Thorner, General Manager

Subject: **CONSIDER APPROVAL OF A PROFESSIONAL SERVICES AGREEMENT WITH PARSONS TRANSPORTATION GROUP, INC. IN THE AMOUNT OF \$192,465 FOR PRELIMINARY AND FINAL DESIGN SERVICES FOR THE UNIT A NORTH, RANCHO SANTA FE ROAD POTABLE WATER PIPELINE PROJECT, APPROPRIATE \$156,250 TO THE FY 21/22 PROJECT BUDGET, AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF OMWD**

Purpose

The purpose of this agenda item is to consider approval of a Professional Services Agreement (PSA) with Parsons Transportation Group, Inc. (Parsons) in the amount of \$192,465 for preliminary and final design services for the Unit A North, Rancho Santa Fe Road Potable Water Pipeline Project (Unit A North), appropriate \$156,250 from the fiscal year (FY) 2022/2023 project budget to the FY 2021/2022 project budget, without changing the overall project budget, and authorization for the General Manager to sign on behalf of OMWD.

Recommendation

Staff recommends approval of a PSA with Parsons in the amount of \$192,465 and authorization for the General Manager to sign on behalf of OMWD.

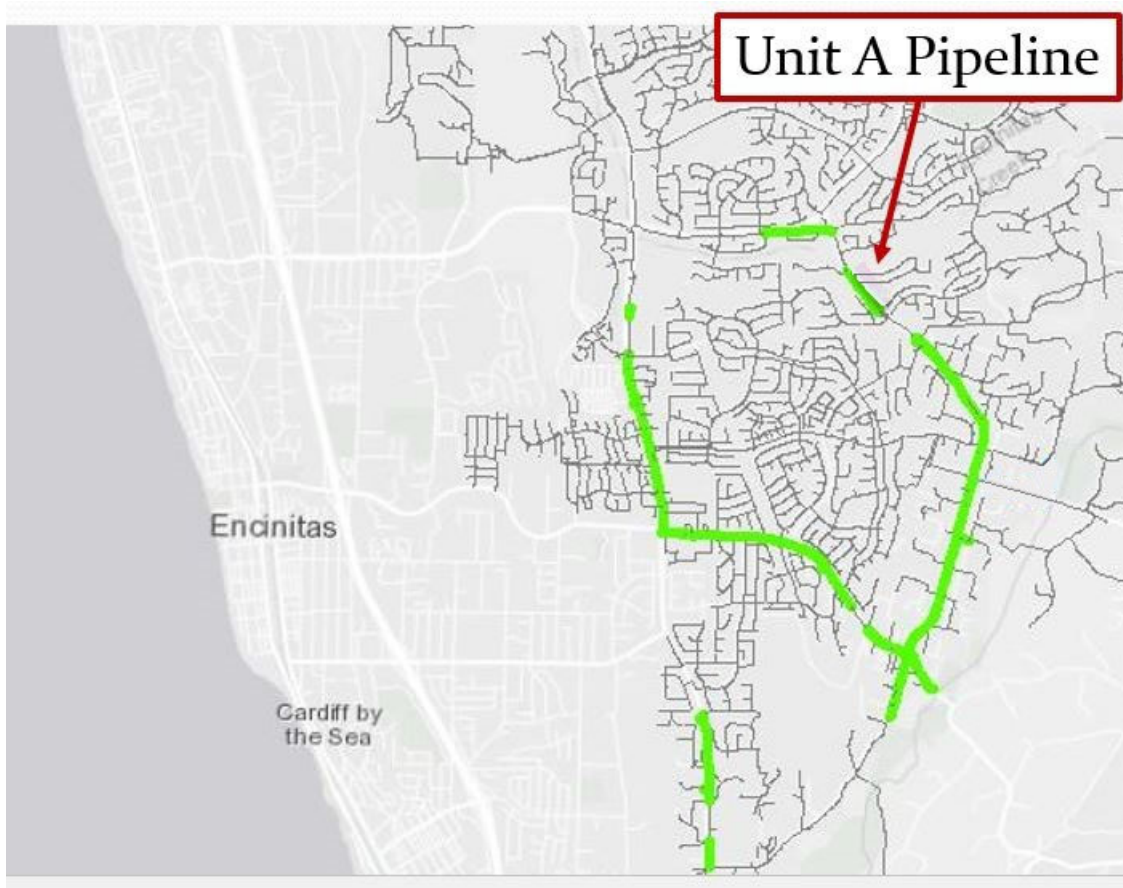
Alternative(s)

One (1) proposal was received in response to a Request for Proposals (RFP) issued by OMWD. The Board may choose to not approve this agreement and instead direct staff to reissue the RFP. The Board may also decide to not proceed with the Unit A North Project, however, the existing pipeline was assessed in 2020 and was determined to have corrosion at the joints and upwards of 30% wall loss and has been recommended for replacement or rehabilitation by a 2020 Pipeline Inspection and Condition Assessment Report.

Background

The Unit A pipeline, a 12-inch cement mortar lined and coated (CML&C) steel potable water line, was installed in 1961 and totals 14,600 feet of pipe located throughout OMWD's service area as shown in the graphic below. The section of the Unit A pipeline within Rancho Santa Fe Road from Las Olas Court to Avenida La Posta/Calle Acervo, is located in Director Division 3 (Guerin). In 2015, OMWD retained Pure Technologies (Pure) to evaluate and prepare a risk assessment of all of OMWD's pipelines on the basis of Likelihood of Failure (LOF) and Consequence of Failure (COF). During this study, a section of the 1961 Unit A pipeline at the intersection of Rancho Santa Fe Road and Manchester Avenue/Encinitas Boulevard developed a leak causing a significant disruption to the community. The results of the Pure report were presented to the Board of Directors in May 2017 and the top 30 high priority pipelines, equating to 40 miles of pipe, were discussed. Of note, the report found there are a total of 73 miles of steel pipeline in OMWD's system, 39 percent of which in the medium and high category for the Likelihood of Failure. Interestingly, six (6) of the top seven (7) high priority pipelines are steel pipelines.

Based on pipe condition, remaining useful life, and soil corrosivity, the section of Unit A within Rancho Santa Fe Road from Las Olas Court to Avenida La Posta/Calle Acervo was ranked No. 2 on the list of high priority pipelines. The sections of the Unit A pipeline located at the Rancho Santa Fe Road and Manchester Avenue/Encinitas Boulevard intersection and along El Camino Real were ranked No. 1 and No. 3 for priority pipelines, both of which are in the process of being replaced or have been replaced.



On April 18, 2018 the Board approved a PSA with HDR Engineering, Inc. (HDR) for the preparation of planning and contract documents for the inspection and condition assessment of five (5) high priority pipelines within OMWD's service area. HDR completed research, planning, preliminary design, and cost estimates for the 24-inch Unit B, the 27-inch Unit K Pipelines, and the 12-inch Unit A Pipeline in Rancho Santa Fe Road.

On January 16, 2019, the Board approved a PSA with Pure for the inspection on the Unit B and Unit K pipelines, near the Gaty Reservoir Complex. This portion of the condition assessment was internally designated as Phase I to differentiate from future assessments. For Phase I, inspection work was completed in April 2019 and the final report from HDR was submitted to OMWD March 2020.

Continuing with Phase II, the inspection of the Unit A 12-inch Pipeline in Rancho Santa Fe Road, from Las Olas Court to Avenida La Posta/Calle Acervo, staff referred to a study by the American Water Works Association Research Foundation comparing various technologies for the inspection of smaller diameter metallic pipelines. The Study, conducted by HDR, recommended Pipeline Inspection Condition Analysis Corporation

(PICA). In addition, Pure did not have the capability to inspect 12-inch and smaller diameter pipelines. As HDR was OMWD's consultant for the Phase I inspection projects, they recommended PICA for Phase II of the Rancho Santa Fe Road inspection project.

On September 18, 2019, the Board approved a PSA with PICA for the inspection on the Unit A 12-inch Pipeline in Rancho Santa Fe Road between Las Olas Court and Avenida La Posta. The inspection work by PICA was completed in January 2020. The final report from HDR was submitted to OMWD in June 2020. This information was presented to the Facilities Committee on July 28, 2020 and to the Board on August 19, 2020. Staff reported on the results of the condition assessment which included:

- 0 – Group 1 (urgent or emergency) pipeline defects.
- 16 – Group 2 (near-term repair and investigation) pipeline defects. Group 2 defects include locations where PICA identified significant wall loss or where video inspection identified significant spalling with bare steel and corrosion.
- 53 – Group 3 (monitor) pipeline defects. Group 3 defects include locations where PICA and video inspection identified minor wall loss, cracks, spalling, and joints without mortar with visible rust/corrosion.
- Two (2) anomalies identified by PICA possibly indicative of significant wall losses or construction features.

Recommendations from the report were as follows:

- Plan to replace or rehabilitate the inspected portion of the Unit A pipeline and perform External Corrosion Direct Assessment (ECDA) on portions of pipe removed to correspond with the area anomalies were detected by PICA.
- Use ECDA results to plan future work on the unassessed portions of the Unit A pipeline.
- Proactively monitor the unassessed portions of the Unit A pipeline.
- Perform corrosivity survey and leak detection to prioritize and identify timing for inspection, rehabilitation or replacement projects.
- Develop and perform an opportunistic condition assessment program for when the pipe is exposed and open such as during valve replacement, break repairs, and service lateral installations.
- Perform annual cathodic protection surveys.

Subsequently, a multi-year project to replace or rehabilitate the section of the Unit A pipeline in Rancho Santa Fe Road, from Las Olas Court to Avenida La Posta/Calle Acervo was developed and approved by the Board in the General Manager's Recommended

Biennial Operating and Capital Budget, with design efforts scheduled to begin in fiscal year 2021-2022.

Fiscal Impact

This multi-year project is included in OMWD's 10-year Capital Spending Plan for fiscal year 2021-2022. Staff is not requesting for a change to the capital project budget approved by the Board at the June 17, 2020 meeting. Funds were included in OMWD's Biennial FY 2021/2023 budget. Although staff only expects \$70,000 to be spent by Parsons this fiscal year, their proposed contract amount exceeds the fiscal year appropriation of \$97,000 and an additional appropriation is required. There is no increase in the project budget requested at this time.

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

In which FY did this capital project first appear in the CIP budget? **2021**

Total Project Budget: **\$1,748,000**

Current Fiscal Year Appropriation: **\$97,000**

To Date Approved Appropriations: **\$97,000**

Target Project Completion Date: **11/30/2023**

Expenditures and Encumbrances as of (11/16/2021): **\$6,800**

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

If this change order/allocation is outside of the appropriation, Source of Funds: **FY 22/23 Appropriation**

Discussion

An RFP for preliminary and final design services was posted to OMWD's website in late September 2021. Proposals were due November 9, 2021. Staff also reached out to

several firms to make them aware of the project. Despite being advertised for over 6 weeks and despite interest from various firms for many months leading up to release of the RFP, only one (1) proposal was received: Parsons.

A panel of staff reviewed the proposal in accordance with Administrative and Ethics Code Section 6.9 B:

“For professional service contracts that are anticipated to exceed \$200,000, staff shall request proposals in writing to at least three firms. A detailed RFP shall be used. An in-house panel shall be established for rating/interviewing and shall consist of at least one person from a different department than the one conducting the detailed RFP process.”

The panel reviewed Parsons submitted proposal with an understanding there were no competing proposals for comparison. Staff did reach out to five (5) other engineering firms: IEC, NV5, Hoch Engineering, Wood Rodgers, and Michael Baker; some who are currently working on OMWD projects and/or whom have expressed interest in this particular project. Reasons for not submitting a proposal varied, but overall, a lack of capacity was the common answer. Despite the lack of proposals to compare against, staff determined Parsons laid out a comprehensive approach to the design with a good understanding of the project challenges. Though they have not worked for OMWD before, staff is familiar with their work from past affiliations. Parsons project team also engaged staff prior to the release of the RFP to better understand the project needs and scheduled a technical briefing to ask specific questions once the RFP was released, an opportunity offered to all firms interested in submitting a proposal. Originally submitting a price of \$194,662 with \$19,638 in optional tasks for a possible contract amount of \$214,300, staff has negotiated a final contract amount of \$192,465. The April 2021 engineered estimate for these services was \$153,000.

This is a multi-year project with a Preliminary Design Report (PDR) scheduled to be completed summer 2022. Following staff approval of the PDR, the design is scheduled to be completed in late 2022/early 2023. Parsons will provide PDR and final design services as well as construction support services. Construction is scheduled to be completed in late 2023/early 2024.

The proposed agreement is attached for your information. Staff is available to answer questions.

Attachment(s):

Draft Professional Services Agreement;

Location map

PROFESSIONAL SERVICES AGREEMENT
PRELIMINARY AND FINAL DESIGN SERVICES OF THE
UNIT A NORTH, RANCHO SANTA FE ROAD POTABLE WATER
PIPELINE REPLACEMENT OR REHABILITATION PROJECT
FOR THE OLIVENHAIN MUNICIPAL WATER DISTRICT

22AGRXXX
D120093

This Agreement is entered into by and between the Olivenhain Municipal Water District, a Municipal Water District organized and operating pursuant to Water Code Sections 71000 *et seq.* (hereinafter the District) and Parsons Transportation Group, Inc. a California corporation organized and operating in the State of California (hereinafter “PARSONS”).

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

1. The District is a public agency organized and operating pursuant to Water Code Sections 71000 *et seq.*, which provides water, recycled water, and sewer service within certain areas of Northern San Diego County.
2. The District requires the services of a design firm to provide design services within the District boundaries.
3. PARSONS is a design firm licensed to do business in the State of California with expertise in preliminary and final design for the Unit A North, Rancho Santa Fe Road Potable Water Pipeline Replacement or Rehabilitation Project.
4. The District desires to retain PARSONS to provide planning, preliminary and final design, plans, specifications, contract documents, and construction cost estimate services for the Unit A North, Rancho Santa Fe Road Potable Water Pipeline Replacement or Rehabilitation Project.

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

1. Services to Be Performed. PARSONS agrees to perform planning, preliminary and final design, plans, specifications, contract documents, and construction cost estimate services for the Unit A North Rancho Santa Fe Road Potable Water Pipeline Replacement or Rehabilitation Project. The services to be provided by PARSONS are more particularly described in the Scope and Cost Proposal attached hereto as Exhibit "A" and incorporated herein by reference. All work performed by PARSONS shall be subject to review and approval by the District. The District shall have no obligation to approve any work found defective by the District, in its sole discretion.

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

3. Price for Work. PARSONS agrees to perform all work described in Exhibit "A" for a total price not to exceed \$192,465. No increase in this price shall be allowed without the express written consent of the District. The District shall have no obligation to grant this consent and may deny consent to any price increase, in its sole discretion.

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

5. Extra Work. The District may request additional work or services from PARSONS from time to time, as the District shall determine, in its sole discretion. PARSONS shall not

commence any extra work without a written change order expressly approved by the District, in writing. Work performed by PARSONS without an approved change order signed by the District will not be paid for by the District. In the event the District determines that additional work is justified, the parties shall agree on the additional work to be performed and the price to be paid for this additional work prior to commencement of any additional work by PARSONS. It is understood by the parties that PARSONS shall not be entitled to any payment for extra work unless the District determines that it desires extra work to be performed and a written change order has been executed by the parties. Attached as Exhibit "B" is the Request for Additional Work Form required by the District for all requests for additional work or task transfers.

6. Standard of Care. In performing all work and services required by this Agreement, PARSONS agrees to use the highest degree of skill and expertise ordinarily exercised, under similar circumstances, by a licensed design firm with expertise in planning, preliminary and final design, plans, specifications, contract documents, and construction cost estimate services, and the other services described in the Scope and Cost Proposal attached as Exhibit "A". As a material term of this Agreement, PARSONS warrants and represents that it has secured all licenses required by federal or California law to perform all work and services required by this Agreement. PARSONS agrees to perform all work required by this Agreement at all times in strict accordance with all applicable federal, state, and local laws and regulations which apply to the labor or materials being provided.

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

8. Liability for Work of Agents, Independent Contractors, and Subcontractors. PARSONS shall be solely liable and responsible for all labor and materials provided by any director, officer, agent, employee, subcontractor, supplier, or independent contractor hired or retained by PARSONS to perform any work or to provide any materials or supplies. The District

shall have no liability whatsoever for any work or services performed or any materials or supplies provided by PARSONS or its directors, officers, agents, employees, subcontractors, suppliers, or independent contractors.

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

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

11. Hazardous and Toxic Waste. For purposes of this section, the term “hazardous or toxic waste” means any solid, liquid, or gaseous product classified as a hazardous or toxic waste under any federal, state, or local laws, rules, regulations, or ordinances, and all gas and oil products and by-products of every kind or nature. PARSONS shall be solely liable and responsible for the proper clean-up and removal of all hazardous or toxic waste used, handled, stored, or spilled by PARSONS or any director, officer, agent, employee, subcontractor, independent contractor or representative of PARSONS. PARSONS shall pay all fees, costs, expenses and fines necessary to clean-up or remediate any hazardous or toxic waste for which PARSONS is liable under this

paragraph in strict accordance with all federal, state and local laws, rules and regulations at PARSONS's sole cost and expense. PARSONS shall not be liable for any hazardous or toxic waste used, handled, stored or spilled by the District or its directors, officers, employees or contractors.

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

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

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

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

15. District Remedies for Breach. In the event PARSONS breaches any term, covenant, or condition of this Agreement or fails to perform any work or services required by this

Agreement, the District shall be entitled to elect all or any of the following remedies at the District's sole option:

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

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

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

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

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

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

16.1 Liability Insurance. Following execution of this Agreement, and prior to commencement of any work, PARSONS shall provide the District with proof of liability insurance coverage with an insurance company licensed to do business in the State of California and

acceptable to the District, providing \$1,000,000 of coverage per occurrence and \$2,000,000 minimum aggregate. The liability insurance coverage shall include each of the following types of insurance:

A. General Liability:

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

B. Auto Liability

1. Comprehensive Form
2. Owned
3. Hired

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

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

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

16.4 ACORD Certificate of Liability Insurance and Additional Insured Endorsements. All insurance required by Paragraph 16.1, 16.2, and 16.3 of this agreement shall be submitted on an ACORD Certificate of Liability Insurance. Insurers must be authorized to do business and have an agent for service of process in the State of California and have an ‘A’

financial strength rating and a financial size rating of at least Class VI in accordance with the most current A.M. Best's Rating Guide. Additional Insured Endorsements must be provided for the Liability Insurance called out in Paragraph 16.1 with the **Olivenhain Municipal Water District (District), the District's Engineer/Architect, the District's Representatives, Consultants, and each of the District's Directors, Officers, Agents, and Employees** named as additional insureds. The insurance must include a Waiver of Subrogation and must be Primary and non-Contributory. The additional insured endorsements must be provided on Form CG 20 10 10 01. The insurance certificate and endorsements shall be cancelable with notice delivered to the District in accordance with the policy provisions.

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

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

limited as provided by Civil Code Section 2782.8 to the extent that the PARSONS establishes its proportionate percentage of fault by stipulation of all the parties to the proceeding or a final adjudicatory determination.

19. Miscellaneous Provisions.

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

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

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

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

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

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

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

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

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

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

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

19.12 No Joint Venture and No Third Party Beneficiaries. Nothing in this Agreement is intended to create a joint venture, partnership or common enterprise relationship of

any kind between the District and PARSONS. No third parties shall be construed as beneficiaries of any term, covenant or provision of this Agreement.

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

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

To: "PARSONS"
Parsons Transportation Group, Inc.
Attn: Chris A. Johnson, PE, Vice President
525 B Street, Suite 1600
San Diego, CA 92101

To: "District"
Olivenhain Municipal Water District
Attn: Kimberly A. Thorner, General Manager
1966 Olivenhain Road
Encinitas, California 92024

19.15 Effective Date. The effective date of this Agreement executed in counterparts in Olivenhain, California, within the North County Judicial District, County of San Diego, State of California, is _____, 2022.

Dated: _____, 2022

Olivenhain Municipal Water District,
a public agency

By: _____
Kimberly A. Thorner
General Manager

Dated: _____, 2022

Parsons Transportation Group, Inc.

By: _____

Title: _____

PLANNING AND PRELIMINARY DESIGN OF THE UNIT A NORTH, RANCHO SANTE FE ROAD POTABLE WATER PIPELINE REPLACEMENT OR REHABILITATION - SCOPE OF SERVICES

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Legend: The detailed scope of work from the original Request for Proposal has been included below.
Text additions For ease of review, we did not delete any of the original text from the scope of work; rather, we have redlined the original scope of work to highlight modifications.

Scope of Services

The Olivenhain Municipal Water District (OMWD) is seeking proposals from qualified engineering consultants to provide planning, preliminary design, and preliminary construction cost estimates for the Unit A North, Rancho Santa Fe (RSF) Road Potable Water Pipeline Replacement or Rehabilitation Project. The pipeline will start at an existing 12-inch steel cross just north of Avenida La Posta and continue to a 12-inch steel tee near Las Olas Court, a distance of approximately 1,600 feet. The project also includes a connection to the 8-inch Polyvinylchloride (PVC) pipe at Avenida La Cima. For OMWD to actually proceed with a rehabilitation option, the option would need to save approximately \$300,000 to \$500,000 over the replacement option, as estimated by the Consultant. OMWD is interested in considering the short and long-term benefits and costs of installing a new 12-inch PVC pipeline versus rehabilitating the existing 12-inch cement-mortar lined and coated (CMLC) steel pipeline. OMWD is also interested in the option to replace shorter sections of CMLC immediately south of the 12-inch cross north of Avenida La Posta (approximately 140-feet).

The following scope of services include Project Management, Planning and Preliminary Design tasks proposed by the Consultant to provide OMWD with an analysis of pipeline rehabilitation versus pipeline replacement for the given pipeline, as well as to address all other needs specified by OMWD. Preliminary and Final Design tasks have been separated since OMWD has the right to refuse a contract after Preliminary Design has concluded.

PROJECT BACKGROUND

Unit A pipelines, constructed in the early 1960s, are some of the oldest in OMWD. Most of the Unit A pipelines are within El Camino Real, Encinitas Boulevard, and Rancho Santa Fe Road. OMWD recently inspected 1,400 feet of the approximately 14,600 feet of Unit A pipelines still in service and determined near-term replacements are in order for this stretch as well as the rest of the pipeline network. The goal of this project is to provide OMWD with a cost-effective solution towards improving the service life of their Unit A network.

PROJECT TASKS

1. PROJECT MANAGEMENT (PROJECT MANAGEMENT HAS BEEN MODIFIED TO BE A SEPARATE TASK)

1.1 Project Management

This task addresses the management responsibilities associated with proper scheduling review, budget control, invoice preparation and coordination with OMWD and Consultant's team. Consultant shall provide project management to achieve the project objectives and stay within budget and on schedule. Consultant shall notify OMWD immediately if any budget

or schedule variances are expected. Consultant will send biweekly progress emails will be to OMWD and the team. The email shall include:

- Work completed over the past reporting period
- Progress anticipated over the next reporting period
- Next deliverable due date
- Information required from OMWD
- Any issues which would delay delivery of the project on time

Deliverable: Biweekly Status Report Emails

1.2 Meetings

Consultant shall participate in meetings with OMWD staff throughout the Preliminary Design process as necessary to complete their work. These meetings and attendees shall include:

- Project kickoff meeting (1)
 - Attendees: Project Manager (PM), Project Engineer (PE)
 - Estimate: 2 hours each person for meeting preparation, attendance, and preparation of minutes
- Draft preliminary design report review meeting after delivery of report to OMWD (1)
 - Attendees: PM, PE, Water Engineer II
 - Estimate: 2 hours each person for meeting preparation, attendance, and preparation of minutes
- Coordination meetings with OMWD staff (2)
 - Attendees: PM, PE, Water Engineer II, Technical Advisor (CIPP Specialist or Balboa Engineering)
 - Estimate: 2 hours each person for meeting preparation, attendance, and preparation of minutes

Consultant shall prepare meeting agendas and minutes for each of these meetings, which will be distributed to all attendees.

Deliverables: Project Meetings, Meeting Minutes

2. PLANNING AND PRELIMINARY DESIGN

The subtasks within this can be categorized into two categories: 1) Planning and 2) Preliminary Design.

Planning subtasks shall constitute of all tasks related to research and preparation of all project constraints that will affect the overall design of either pipeline rehabilitation or replacement plans. This includes: baseline research of existing conditions, utility research, agency coordination, identification of right-of-way and property needs, mapping and survey.

Preliminary design subtasks shall constitute of all tasks related to the design of pipeline options in relation to the results determined through the planning phase. These subtasks include pipeline alignment options, rehabilitation options, cost estimates, and production of 30% drawings.

2.1 Baseline Research

Consultant shall review the planning work that has been completed, all other available data and information, perform a site visit, and meet with OMWD to confirm the information and the approach. The Consultant's recommended approach will consider the previous planning work and new investigations.

Deliverable: Review of existing information

2.2 Prepare Preliminary Design Report

Consultant shall prepare a Preliminary Design Report (PDR) finalizing the Unit A North RSF Rd Pipeline design concepts and criteria. The PDR shall conclude with a recommended approach for replacement or rehabilitation and preferred alignment for final design for replacement should OMWD elect to pursue that course of action. Consultant shall compare and contrast pipeline rehabilitation and replacement approaches based on both cost, and non-cost factors. An alternatives analysis will be presented within the PDR. A matrix of all project factors will be created that will include:

- Weight factors assigned to each project element (1 – normal weight, 1.25 – significant, 1.5 – extremely significant).
- Rankings will be assigned to each project element (1 to 3, 3 being the highest).
- Rankings will be multiplied by weight factors to generate a score for each element of the alternative. The score of the alternative will be the sum of the weighted scores of all project elements.

The alternative with the highest score will be presented to OMWD as the “preliminary preferred alternative.”

Consultant shall also consider the recommendation to develop bid documents allows replacement with rehabilitation as an alternate bid schedule. The PDR should also evaluate options for replace short sections of steel pipe south of the 12-inch steel cross north of Avenida La Posta in regards to operational challenges/solutions and cost. Consultant shall coordinate on any hydraulic analysis to be performed by OMWD. Consultant shall meet with OMWD to present and discuss the draft report, revise the report incorporating OMWD's comments, and prepare the final PDR. The final PDR should include 30% preliminary drawings for the recommended alternative.

Design concepts to be evaluated and finalized during this phase include but are not limited to:

2.2.a Evaluation of Pipeline Rehabilitation Options

Consultant shall evaluate options to rehabilitate the existing 12-inch CMLC steel pipeline. Consultant shall evaluate multiple rehabilitation options, valve closures,

new valves, shutdowns and nighttime work, and number of customers affected. Consultant will evaluate the following rehabilitation technologies:

1. Cured-in-place-pipe lining – both structural and non-structural lining options
2. Spray on epoxy liner
3. Sliplining

The District is not interested in pipe bursting, thus it will not be evaluated.

Consultant shall estimate the costs of the options and estimate the remaining life of the pipeline after rehabilitation.

Deliverable: Pipeline rehabilitation options (to be included in PDR)

2.2.b Pipeline Replacement Layout

Consultant shall select a pipeline alignment and layout new pipelines, connections and disconnections, valve closures, new valves, shutdowns and nighttime work, and number of customers affected. Pipeline alignment shall meet clearance requirements from California State Water Resources Control Board Division of Drinking Water (DDW). If clearance requirements cannot be met, Consultant shall notify OMWD and prepare DDW waiver application during Final Design.

Deliverable: Pipeline replacement layout (to be included in PDR)

2.2.c Identification of Right-of-Way and Property Needs

Consultant shall identify any right-of-way or property needed for the pipeline and appurtenances. Consultant shall use data provided in Task 2.2b and 2.2g to identify any existing right-of-way or property rights along the proposed pipeline alignment, and document this information in a technical memorandum to OMWD. Property acquisition, though not anticipated, will be completed by OMWD with support from the Consultant.

Deliverable: Memo identifying right-of-way and property needs (to be included in PDR)

2.2.d Identification of any Special Construction or Permit Areas

Consultant shall identify any areas within the project requiring special construction techniques, traffic control, or permits. Identify any construction impacting businesses or schools, including impacts to Olivenhain Pioneer Elementary School, Diegueno Middle School, and Sun Vista Park.

Deliverable: Identification of special permit areas (to be included in PDR)

2.2.e Agency Coordination

Consultant shall meet with the City of Carlsbad and the City of Encinitas (project borders these two cities) to review the project and collect their comments and input. Consultant shall identify permits and approvals, submittal requirements, fees, signature blocks, and processing time. Requirements for each agency

include trail maintenance requirements during construction, potential triggers for curb ramp replacements, future planned projects, water quality, and paving moratoriums. For traffic control, Consultant shall identify and discuss with each city the requirements for any special areas, collect traffic control requirements, and define pavement replacement requirements. OMWD staff will attend these meetings.

- Coordination meetings with Agencies (2 formal mtgs. per agency, plus technical coordination)
 - Attendees: PM , PE
 - Estimate: 2 hours each person for meeting preparation, attendance, and meeting minutes for formal meetings; Additional technical coordination time is anticipated for project engineer.

Deliverable: Agency Coordination meeting minutes

2.2.f Utility Coordination

Consultant shall research public utilities from as-builts and private utilities for inclusion into preliminary design. Potential design conflicts will be identified in preliminary design and will be confirmed upon potholing in the Final Design phase. Consultant shall prepare a brief technical memorandum listing public agency and private utility issues, approvals, and permits related to the project.

Deliverable: Utility technical memorandum

2.2.g Mapping and Survey

Consultant will perform a limited right-of-way (ROW) and topographic survey area for a portion of Rancho Santa Fe Road between Calle Acervo and Las Olas Court. This will include both sides of the street and the adjoining slopes on each side of Rancho Santa Fe Road. Consultant will capture all existing utilities that are visible and utility markouts (if arranged prior to the date of the field survey by Consultant).

2.2.g.1 Establish Control and Survey Research

Consultant will use City of Carlsbad Control and County of San Diego survey records to prepare for survey. Consultant will review the survey control provided and setup the project for the field crew.

2.2.g.2 Field Boundary and Topographic Survey

Consultant will field survey centerline ROW monuments along with topographic survey information as identified above. This includes measuring existing visible utilities, utility markouts (by others), large trees, signs, handhole, manholes, etc. within the proposed project area. Consultant will need to use a two-man prevailing consultant crew in order to perform this task.

2.2.g.3 Drafting Topographic Survey

Consultant will process supplemental limited topographic survey map of existing conditions within the subject area.

2.2.g.4 Reference Map Reimbursement Cost

Consultant will obtain survey reference maps as needed from the County of San Diego. An estimate of \$200 has been included within the budget.

Deliverable: Survey topography and utility markout map (.dwg)

2.2.h Construction Cost Estimate and Schedule

Consultant shall prepare an level opinion of probable construction cost broken down by the major items of work. *Costs will be escalated to the mid-point of expected construction. Where possible, Consultant will consider COVID-19 related supply-chain prices increases and product extended lead times, if any.* If the estimate exceeds OMWD's budget, Consultant shall make suggestions on phasing or other changes to stay within budget. Consultant shall prepare a construction schedule showing, at a minimum, completion of the plans, bidding, award, construction, and start-up.

Deliverables : Construction Cost Estimate (30% level) and Construction Schedule

2.2.i Submittals

Consultant shall prepare and submit three (3) hard copies and one (1) electronic copy of the Draft Preliminary Design Report to OMWD for review. Consultant shall incorporate OMWD comments after the review, allowing up to three (3) weeks for OMWD to review. Upon acceptance by OMWD, Consultant shall submit three (3) copies of the Final Preliminary Design Report along with one (1) electronically submitted copy of the documents.

Anticipated 30% Sheet List

SHEET NO.	SHEET ID	SHEET DESCRIPTION
1	C-1a	Water Plan & Profile STA 1+00 to STA 9+00 - Replacement
2	C-2a	Water Plan & Profile STA 9+00 to STA 17+00 - Replacement
3	C-1b	Water Plan & Profile STA 1+00 to STA 9+00 - Rehabilitation
4	C-2b	Water Plan & Profile STA 9+00 to STA 17+00 - Rehabilitation
5	C-3	Water Plan & Profile South of Existing Cross at Avenida La Posta (Optional)

Deliverables: DRAFT Preliminary Design Report (.pdf and 3 hard copies), FINAL Preliminary Design Report (.pdf and 3 hard copies), 30% Design Drawings of recommended alternative (.pdf)

2.2.j Quality Assurance and Quality Control

Prior to submitting any materials to OMWD or other agencies, Consultant shall provide quality assurance and quality control (QA/QC) reviews in accordance with the Consultant's internal processes and procedures. The reviews will provide an

independent check of the work. All submittals will indicate the name of the reviewer, backchecker, verifier, date reviewed, and date of revisions (all in accordance with Parsons QA/QC process). Consultant shall provide a copy of the Quality Control review set and a Quality Assurance certification form.

Deliverable: Quality Control review set and Quality Assurance certification form

3. GEOTECHNICAL REVIEW

3.1 Geotechnical Review

It is recommended by the Parsons team to initiate the geotechnical investigation during Preliminary Design to determine the feasibility of both alternatives prior to selecting a preferred alternative.

3.1.a Information Review

This task involves a review of readily available information, including preliminary project design information, published geologic literature and maps, as-built utility maps, pertinent geotechnical reports prepared by others (if available), and topographic maps.

3.1.b. Geotechnical Memo Preparation

This task Consultant will analyze the data retrieved as a result of Tasks 3.1a and prepare a preliminary memorandum summarizing the findings and providing high-level suggestions on the viability of each of the alternatives.

Deliverable: Geotechnical Memo (.pdf)

4. ENVIRONMENTAL DOCUMENTATION AND PUBLIC OUTREACH SUPPORT

4.1 Environmental Documentation Process

Upon approval of PDR, consultant shall provide engineering technical information to support OMWD in preparing and processing the environmental document. Based on PDA preferred alternative, consultant shall identify any areas along the proposed alignment requiring special construction techniques due to environmental considerations, including, but not limited to, creek/drainage crossing or proximity, preservation areas, and traffic/hours of work. Consultant shall identify and coordinate with OMWD's environmental consultant any permit requirements of other regulatory agencies.

Deliverable: Technical Information in support of environmental documentation

4.2 Public Outreach Process

Consultant shall provide technical data and graphics to support OMWD's public outreach process to the residential and commercial customers and community. Examples include aerial exhibits showing the proposed pipeline layout and proposed work areas.

Consultant estimate includes budget for preparation of two (2) exhibits to support OMWD's public outreach efforts. Exhibits are assumed to be 8.5x11 inch size may also include technical information such as hours of work, and shutdown times.

Deliverable: Exhibits in support of Public Outreach (.pdf and .dwg)

ASSUMPTIONS

- One (1) iteration of the Geotechnical Investigation summary memo will be prepared
- OMWD will provide pertinent information, including preliminary project plans, as-built utility plans, topographic maps, and geotechnical reports (if available) pertaining to existing improvements at the project site.
- OMWD will be responsible for obtaining right- of-entry permits from private property owners, if required.
- No other regulatory agency permits will be required to perform the soil borings.
- City of Carlsbad and City of Encinitas permit fees will be billed at cost.
- Deliverables for the Geotechnical Investigation will include one electronic copy of the Draft Report for each project site and one electronic copy of the Final Report for each project site.
- Project will be measured on the City of Carlsbad control network on NAVD88 datum
- Easements lines will be plotted per existing Map 10556, 14135 and 14195 within ROW area.

EXCLUSIONS

- Mapping and Survey:
 - Construction Surveying
 - Monument Preservation
 - Setting, Tagging or Replacing Monuments
 - Additional Topographic Survey Areas, including detailed survey for replacement of curb ramps or other existing features
 - Title Reports for the project area. Including easement analysis and plotting other than indicated above.
- Potholing
- Curb ramp designs
- Right of Way Plats/Legals, Acquisition Negotiations, and Agreement preparations

- Environmental Approval Documentation

COST PROPOSAL

Our team has prepared a cost proposal that corresponds with the Preliminary Design Scope of Services, see following sheets.

FINAL DESIGN OF THE UNIT A NORTH, RANCHO SANTA FE ROAD POTABLE WATER PIPELINE REPLACEMENT OR REHABILITATION - SCOPE OF SERVICES

SCOPE OF SERVICES	2
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ASSUMPTIONS.....	9
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Legend:

Text additions

The detailed scope of work from the original Request for Proposal has been included below. For ease of review, we did not delete any of the original text from the scope of work; rather, we have redlined the original scope of work to highlight modifications.

Scope of Services

The Olivenhain Municipal Water District (OMWD) is seeking proposals from qualified engineering consultants to provide final design, plans, specifications, contract documents, and construction cost estimates for the Unit A North, Rancho Santa Fe (RSF) Road Potable Water Pipeline Replacement or Rehabilitation Project. The pipeline will start at an existing 12-inch steel cross just north of Avenida La Posta and continue to a 12-inch steel tee near Las Olas Court, a distance of approximately 1,600 feet. The project also includes a connection to the 8-inch Polyvinylchloride (PVC) pipe at Avenida La Cima. For OMWD to actually proceed with a rehabilitation option, the option would need to save approximately \$300,000 to \$500,000 over the replacement option, as estimated by the Consultant. OMWD is also interested in the option to replace shorter sections of CMLC immediately south of the 12-inch cross north of Avenida La Posta (approximately 140-feet).

The following scope of services include Project Management, Geotechnical Investigation, Field Investigation, and Final Design tasks proposed by the Consultant to provide OMWD with contract documents to construct the preferred method of pipeline construction as determined by the Final Preliminary Design Report. This scope of work also allows provisions to allow the Contractor to bid the non-selected alternative as an alternative bid.

Discipline specialists have been selected and included in the fee spreadsheet to deliver each item efficiently.

If pipeline rehabilitation is selected as the preferred alternative, OMWD shall meet with the Consultant to negotiate a reduced fee for completing Final Design.

PROJECT BACKGROUND

Unit A pipelines, constructed in the early 1960s, are some of the oldest in OMWD. Most of the Unit A pipelines are within El Camino Real, Encinitas Boulevard, and Rancho Santa Fe Road. OMWD recently inspected 1,400 feet of the approximately 14,600 feet of Unit A pipelines still in service and determined near-term replacements are in order for this stretch as well as the rest of the pipeline network. The goal of this project is to provide OMWD with a cost-effective solution towards improving the service life of their Unit A network.

PROJECT TASKS

1. PROJECT MANAGEMENT

1.1 Project Management

Consultant shall provide project management to achieve the project objectives and stay within budget and on schedule. Consultant shall notify OMWD immediately if any budget or schedule variances are expected. Consultant will send biweekly progress emails will be to OMWD and the team. The email shall include:

- Work completed over the past reporting period
- Progress anticipated over the next reporting period
- Next deliverable due date
- Information required from OMWD
- Any issues which would delay delivery of the project on time

Deliverable: Biweekly Status Report Emails

1.2 Meetings

Consultant shall participate in three (3) scheduled meetings with OMWD staff through the course of final design. These meetings shall include:

- Project kickoff meeting (1)
 - Attendees: Project Manager (PM), Project Engineer (PE), Water Engineer (WE) II
 - Estimate: 2 hours for PM/PE, 4 hours for Water Engineer II for meeting preparation, attendance, and preparation of minutes
- OMWD review of 60% final design plans and specifications after receipt of OMWD's comments (1)
 - Attendees: PM, PE, WE II
 - Estimate: 2 hours for PM/PE, 4 hours for Water Engineer II for meeting preparation, attendance, and preparation of minutes
- OMWD review of 100% final design plans and specifications after receipt of OMWD's comments (1)
 - Attendees: PM, PE, WE II
 - Estimate: 2 hours for PM/PE, 4 hours for Water Engineer II for meeting preparation, attendance, and preparation of minutes

Consultant shall prepare meeting agendas and minutes for each of these meetings, which will be distributed to all attendees. Assume three (3) weeks for receipt of OMWD's comments after delivery of submittal(s). If Consultant requires additional meetings to complete their work, it shall be at no cost to OMWD.

Deliverable: Project Meetings, Meeting Minutes

2. GEOTECHNICAL INVESTIGATION (TASK 3.3 OF RFP HAS BEEN MODIFIED TO THE FOLLOWING)

This task shall commence only if pipeline replacement is the preferred alternative for design.

2.1 Field Reconnaissance, Planning, Permitting and Utility Clearance

This task includes the performance of several subtasks/services in preparation of the field exploration program, as follows:

- Perform one (1) field reconnaissance to select suitable locations for exploratory soil borings
- Prepare a boring location map for review and approval by OMWD
- Coordinate utility clearance of the proposed boring locations through Underground Service Alert
- Obtain excavation and traffic control permits from the City of Encinitas and City of Carlsbad

2.2 Field Exploration Program

This task shall commence only if pipeline replacement is the preferred alternative for design.

The scope of Consultant's investigation is anticipated to include the advancement of four (4) borings along Rancho Santa Fe Road between Las Olas Court and Calle Acervo. The borings will be advanced to a depth of 15 feet below the ground surface (bgs). Consultant proposes to advance the borings using conventional hollow-stem auger drilling method to the target depth or less if drilling refusal on bedrock, hard cemented zones or large cobbles/rock is encountered. The field investigation will be performed under the direction of an experienced field geologist or engineer from our firm.

The soil materials encountered in the borings will be visually classified and logged, and representative samples of the soils will be collected for laboratory testing and analysis. During drilling, Standard Penetration Tests (SPT) will be performed with a specially manufactured "split spoon" sampler at selected depths. Relatively undisturbed samples will be obtained by driving a 3- inch (OD) diameter standard California sampler with a special cutting tip and inside lining of thin brass rings into the soils at the bottom of the borehole. Soil cuttings retained in the samplers will be field screened for the possible presence of volatile organic compounds using an OVM. In addition, loose bulk samples will also be collected from each borehole.

Upon completion of the field exploration activities, the borings will be backfilled with concrete grout and capped to match the adjacent existing ground surface. Borings that are located in the paved area will be repaired with hot mix asphalt. The work areas will be cleaned and any excess soil and/or fluid will be removed for offsite disposal.

2.3 Geotechnical Laboratory Testing

Geotechnical laboratory tests will be performed on selected soil samples to verify field classifications and to evaluate certain engineering characteristics. Laboratory tests will be performed in general conformance with the American Society for Testing and Materials (ASTM) or other generally accepted testing procedures. The testing program is anticipated to include the following:

- In-place Moisture Content (ASTM D2216);
- Moisture Content and Dry Density (ASTM D2937);
- Wet Sieve Analysis (ASTM D422);
- Atterberg Limits (ASTM D4318);
- Compaction (ASTM D1557);
- Direct Shear (ASTM D3080);
- Expansion Index (ASTM D4829); and
- Soil pH, resistivity, and soluble sulfate, chloride and bicarbonates concentrations

For cost estimating purposes, Consultant has made certain assumptions regarding the type and quantity of the laboratory testing that may be required. Our assumptions and cost estimates are shown on the attached cost spreadsheet.

2.4 Engineering Analysis and Report Preparation

Consultant will analyze the field and laboratory data and develop recommendations pertaining to the geotechnical aspects of the project. A summary of our findings, including the final test results, and our opinions and recommendations will be presented in written Draft Reports. Consultant will prepare separate Draft Reports for each project location. The issues that will be addressed include the following:

- General surface and subsurface conditions;
- General geologic conditions and potential geologic hazards;
- Groundwater conditions and dewatering recommendations, if required, based on the groundwater level encountered in the borings at the time of drilling and a review of existing information available on the Geotracker database;
- Soil excavation characteristics;
- Allowable soil bearing capacity, and lateral earth pressures and resistances for foundation design;
- Modulus of subgrade reaction for slab design;
- Soil settlement characteristics;
- Soil corrosivity characteristics; and
- General construction-related considerations, including earthwork guidelines, backfilling operations, temporary sloped excavations and shoring, and construction dewatering, if applicable.

Following our receipt of review comments on the Draft Reports, Consultant will prepare and submit Final Reports that will incorporate our response to all review comments that were received.

Deliverables: Draft Geotechnical Report (.pdf), Final Geotechnical Report (.pdf)

3. FIELD INVESTIGATION

3.1 Potholing

Consultant will perform (10) potholes as indicated in OMWD provided potholing exhibit of connections, crossings, and critical utilities. A standard pothole is 12 in x 12 in, performed to the top of pipe or encasement with slurry backfill and a hot surface patch. OMWD will be provided a detailed potholing report at the conclusion of the investigation.

Deliverable: Potholing Report (.pdf)

3.2 Survey of Pothole Locations

Consultant will field survey to identify and locate horizontally and vertically requested (10) overall potholes. Consultant will use a two-man prevailing wage crew in order to comply with OSHA standards when surveying in an intersection or within the street. Consultant will provide pothole locations and elevations on txt or ast format.

The locations of the potholes will determine if traffic control is necessary for pothole survey. A budget for traffic control and City permit approval is included.

Deliverable – Survey Pothole Data Map in (txt or ast)

4. FINAL DESIGN

Consultant shall prepare water plans **in accordance with the latest OMWD standards**. If pipeline rehabilitation is selected, OMWD will work with the Consultant to develop a reduced design fee. For the purposes of estimating the design, **options have been included** for additional design to replace short sections of steel pipe south of the 12-inch cross and a bid package that would include a base bid to replace the pipeline and an alternate schedule to rehabilitate it.

Pipeline alignment shall meet clearance requirements from California State Water Resources Control Board Division of Drinking Water (DDW). If clearance requirements cannot be met, Consultant shall notify OMWD and to prepare DDW waiver application (as required).

4.1 Utility Coordination

Consultant shall complete records research and coordination with utilities and agencies to finalize the locations of existing and proposed facilities in order to minimize disruptions to, or modifications of, all utilities impacted by the final design. Consultant shall use potholing and survey data to plot utilities on the plans to resolve conflicts, send plans to utility owners for review, follow- up to obtain comments, respond to comments, coordinate with OMWD on decisions, and modify contract documents, if needed. **A Utility Conflict Resolution Matrix will be used to document known conflicts and will be provided to utility companies.**

Deliverables : Utility CAD base file and Utility Conflict Resolution Matrix

4.2 Construction Drawings

Consultant shall prepare drawings suitable for the construction of the pipeline replacement and/or rehabilitation approach selected by OMWD from the PDR effort **and traffic control drawings** for the associated alternative. The drawings shall include plans and details required for a complete and operable system, including but not limited to plans and profile, connection details, highline/construction phasing, traffic control, city construction requirements (City of Carlsbad and City of Encinitas), and cathodic protection if necessary. Note, if the pipeline is to be replaced, OMWD will require the Consultant via notes and/or details, to direct the contractor to remove three 40-foot sections of the existing steel pipeline, restore the site, and deliver them to the OMWD's headquarters for evaluation. Consultant shall support OMWD in coordinating submittals and responding to comments from the City of Carlsbad and the City of Encinitas. The design drawings shall be prepared in AutoCAD.

4.2.a Submittals

Progress submittals shall be submitted to OMWD for review at 60%, 90%, 100% and “Final For Construction” stages. Consultant shall prepare and submit one (1) half size hard copy and one (1) electronic copy of the plans together with one (1) hard copy and one (1) electronic copy of the specifications to OMWD for review at each relevant submittal, allowing up to three (3) weeks for each OMWD review. Consultant shall incorporate OMWD’s comments after the review and provide a matrix response. If Consultant fails to properly incorporate OMWD’s comments or does not meet drafting standards resulting in additional submittals, it shall be at no cost to OMWD. At completion of the project, submit AutoCAD files to OMWD.

Anticipated Final Sheet List

SHEET NO.	SHEET ID	SHEET DESCRIPTION
1	G-1	Cover Sheet
2	G-2	General Notes, Index, Legend, and Abbreviations
3	G-3	General Notes (City of Encinitas and City of Carlsbad)
4	C-1	Water Plan & Profile STA 1+00 to STA 9+00
5	C-2	Water Plan & Profile STA 9+00 to STA 17+00
6	C-3	Water Plan & Profile South of Existing Cross at Avenida La Posta (Optional)
7	C-3	Water Connection Details
8	C-4	High-line/Construction Phasing
9	C-6	Street Resurfacing Details
10	TC-1	Traffic Control Plan Cover
11	TC-2	Traffic Control Plan STA 1+00 to STA 9+00
12	TC-3	Traffic Control Plan STA 9+00 to STA 17+00
13	TC-4	Traffic Control Detour Plan - Bike Lane/Pedestrian

4.3 Construction Specifications

Consultant will provide complete construction specifications including project specific front end contract, general, and special conditions and all relevant technical specifications required for construction of the project. OMWD’s Standard Specifications and Drawings will be incorporated, where applicable. OMWD’s standard “front end” specifications will be provided to the Engineer in MS Word format for review and editing. Provide an outline of the specification package with the 60% submittal and complete specifications for review at the 90% and “Final for Construction” submittals. For the 100% submittal, provide only those specifications which have been added or changed from the 90% submittal.

It is assumed the District utilizes the Masterspec 1995 format. Anticipated technical specifications to be included are:

Division 13 – Cured-In-Place-Pipe Rehabilitation

Deliverable: Project specifications (.doc and .pdf)

4.4 Schedule and Cost Estimate

Consultant will provide an anticipated construction schedule and detailed cost estimate escalated to the estimated construction time frame. Cost estimate shall be broken down by the major items of work. The costs will be escalated to the expected midpoint of construction. If the estimate exceeds OMWD's budget, make suggestions on phasing or other changes to stay within budget.

The construction schedule shall be submitted with the 90% and 100% submittals and the detailed cost estimate shall be submitted with both the 60% and 100% submittals. A contingency will be applied for each cost estimate submittal, reducing upon each submittal.

Construction schedule shall show, at a minimum, completion of the plans, bidding, award, construction, shutdowns, and start-up.

Deliverable: Construction schedule (.pdf and .mpp), Engineers Cost Estimate (.pdf)

4.5 Quality Assurance and Quality Control

Consultant shall provide quality assurance and quality control (QA/QC) reviews throughout the course of the project. *Consultant shall provide a copy of the Quality Control review set and a Quality Assurance certification form with each deliverable.*

Deliverable: QC Review Set, QA Certification of Deliverables

4.6 Pre-Bid Assistance

Consultant shall provide the following services as part of the project:

- Attend a pre-bid meeting hosted by OMWD for prospective bidders and be available to answer questions at the meeting. *Pre-bid meetings are estimated at two hours per meeting. Project Manager and Project Engineer shall attend meeting.*
- Review and prepare written responses addressing technical questions submitted by the prospective bidders during the bid phase for inclusion in bid addenda. OMWD's staff will prepare and transmit any necessary addenda to prospective bidders. Assume responding to up to three (3) technical questions. *Technical questions are estimated at two hours per question, with half of questions requiring a resubmittal and 1 hour for response.*

Deliverable: Pre-bid assistance

4.7 Construction Support Services

Consultant shall provide the following services as part of the project:

- Attend two (2) field meetings to coordinate construction issues with OMWD's Representative. **Field meetings are estimated at two hours per meeting. Project Engineer shall attend meetings.**
- Review and prepare written responses addressing Requests For Information (RFI) submitted by the contractor. Estimate assumes responding to up to five (5) RFI's. **RFIs are estimated at two hours per RFI, with half of RFIs requiring a resubmittal and 1 hour for resubmittal response.**
- Review and prepare written responses addressing construction Potential Change Orders (PCO) submitted by the contractor. Estimate assumes responding to up to three (3) PCO's. **PCOs are estimated at four hours per response, with half of PCOs requiring a resubmittal and 2 hours for resubmittal response.**

Deliverable: Construction Support

ASSUMPTIONS

- Four (4) Borings will be advanced within City Right-of-Way, not within private property. Hence, Right-of-Entry agreements will not be prepared.
- Geotechnical borings will only be performed if pipe replacement is chosen as the preferred alternative
- Consultant will coordinate with and utilize District's as-needed cathodic protection engineering consultant (RF Yeager Engineering) to place required cathodic protection notes into the construction documents

EXCLUSIONS

- Mapping and Survey:
 - Construction Surveying
 - Monument Preservation
 - Setting, Tagging or Replacing Monuments
 - Additional Topographic Survey Areas, including detailed survey for replacement of curb ramps or other existing features
- Potholing:
 - Permanent Cold Patch
 - Sand Backfill
 - Extensive Traffic Control
 - Flagging for Traffic Control
- Curb ramp designs
- Right of Way Plats/Legals, Acquisition Negotiations, and Agreement preparations
- Environmental Approval Documentation
- Temporary Water Pollution Control Sheets/SWPPP plan/Water Quality Design

COST PROPOSAL

NOVEMBER 24, 2021



Our team has prepared a cost proposal that corresponds with this scope of services. See following sheets.

FEE ESTIMATE SUMMARY

Job: Olivenhain Municipal Water District Preliminary and Final Design of the Unit A North, Rancho Santa Fe Road Potable Water Pipeline Replacement or Rehabilitation

Task	Task Description	Fee
Planning and Preliminary Design		
1.0	PROJECT MANAGEMENT	\$ 9,507
2.0	PLANNING AND PRELIMINARY DESIGN	\$ 54,677
3.0	GEOTECHNICAL REVIEW	\$ 3,680
4.0	ENVIRONMENTAL DOCUMENTATION AND PUBLIC OUTREACH SUPPORT	\$ 4,607
	ODCS	\$ 231

Final Design

1.0	PROJECT MANAGEMENT	\$ 9,256
2.0	GEOTECHNICAL INVESTIGATION	\$ 9,340
3.0	POTHOLING INVESTIGATION	\$ 6,021
3.2	SURVEY TRAFFIC CONTROL	\$ 4,600
4.0	FINAL DESIGN	\$ 66,169
	ODCS	\$ 24,377

Planning and Preliminary Design \$ 72,702

Final Design \$ 119,763

TOTAL \$ 192,465

OLIVENHAIN MUNICIPAL WATER DISTRICT (OMWD)
PRELIMINARY AND FINAL DESIGN OF UNIT A NORTH, RANCHO SANTA FE POTABLE WATER PIPELINE

PLANNING AND PRELIMINARY DESIGN COST PROPOSAL		Parsons						Balboa Engineering	Coastal Land Solutions			Allied Geotechnical					RFYeager Engineering				
TASK NO.	TASK DESCRIPTIONS	Principal Project Manager	CIPP Specialist	Senior Project Engineer - WQ/TC	Project Engineer	Engineer II	Senior Contract Administrator	Principal Civil Engineer	PLS	LSIT	Two-Man Crew	Principal	Senior Geologist	Senior Geotechnical Engineer	Draftsperson/ Technical Illustrator	Office Manager	Senior PM	Admin Assistant	Total Hours	TASK TOTAL	
		\$221.50	\$221.50	\$161.57	\$145.93	\$109.45	\$127.69	\$200.00	\$185.00	\$150.00	\$373.00	\$175.00	\$150.00	\$150.00	\$75.00	\$63.00	\$165.00	\$95.00			
1.0	PROJECT MANAGEMENT																				
1.0	Project Management	4					8	4				1				1			18	\$2,945.52	
1.2	Meetings	8	4		8	8		6									4		38	\$6,561.04	
2.0	PLANNING AND PRELIMINARY DESIGN																				
2.1	Baseline Research				4	16													20	\$2,334.92	
2.2	Prepare Preliminary Design Report (PDR)																				
2.2.a	Evaluation of Pipeline Rehabilitation Options	4	4		8	12													28	\$4,252.84	
2.2.b	Pipeline Replacement Layout				4	12													16	\$1,897.12	
2.2.c	Identification of Right-of-Way and Property Needs	2			1	4													7	\$1,026.73	
2.2.d	Identification of any Special Construction or Permit Areas				4														4	\$583.72	
2.2.e	Agency Coordination	4			16														20	\$3,220.88	
2.2.f	Utility Coordination	4			8	16													28	\$3,804.64	
2.2.g	Mapping and Survey				4														4	\$583.72	
2.2.g.1	Establishing Control and Survey Research								2	2	4								8	\$2,162.00	
2.2.g.2	Field Boundary and Topographic Survey										26								26	\$9,698.00	
2.2.g.3	Drafting Topographic Survey								2	18									20	\$3,070.00	
2.2.g.4	Reference Map Reimbursement Cost (See ODCs)																				
2.2.h	Construction Cost Estimate and Schedule	2			4	16													22	\$2,777.92	
2.2.i	Submittals																				
2.2.i.1	Draft PDR	4	8	4	16	30											38	6	106	\$15,762.66	
2.2.i.2	Final PDR	2			4	8													14	\$1,902.32	
2.2.j	Quality Assurance/Quality Control							8											8	\$1,600.00	
3.0	GEOTECHNICAL REVIEW																				
3.1	Geotechnical Review																				
3.1.a	Information Review											1	4						5	\$775.00	
3.1.b	Engineering Analysis & Report Preparation				2								8	8	2	1			21	\$2,904.86	
4.0	ENVIRONMENTAL DOCUMENTATION AND PUBLIC OUTREACH SUPPORT																				
4.1	Environmental Documentation Process	2			8	12													22	\$2,923.84	
4.2	Public Outreach Process	2			4	6													12	\$1,683.42	
	TOTAL HOURS :	38	16	4	95	140	8	18	4	20	30	2	12	8	2	2	42	6	447		
	TOTAL LABOR :	\$8,417.00	\$3,544.00	\$646.28	\$13,863.35	\$15,323.00	\$1,021.52	\$3,600.00	\$740.00	\$3,000.00	\$11,190.00	\$350.00	\$1,800.00	\$1,200.00	\$150.00	\$126.00	\$6,930.00	\$570.00		\$72,471.15	
																		ODCs	Task 2.2.g.4 - Survey Mapping Request	\$	200.00
																			Mileage	\$	30.85
																		TOTAL		\$72,702.00	

OLIVENHAIN MUNICIPAL WATER DISTRICT (OMWD)
PRELIMINARY AND FINAL DESIGN OF UNIT A NORTH, RANCHO SANTA FE POTABLE WATER PIPELINE

FINAL DESIGN COST PROPOSAL																						
		Parsons							Balboa Engineering	Allied Geotechnical						Coastal Land Solutions						
TASK NO.	TASK DESCRIPTIONS	Principal Project Manager	CIPP Specialist	Senior Project Engineer - Water Quality/Traffic	Project Engineer (Water)	Engineer II (Water)	Engineer I (Traffic)	Senior Contract Administrator	Principal Civil Engineer	Principal	Senior Geologist	Senior Geotechnical Engineer	Laboratory Technician	Draftsperson/ Technical Illustrator	Office Manager	PLS	LSIT	Two-Man Crew	Total Hours	Total		
		\$221.50	\$221.50	\$161.57	\$145.93	\$109.45	\$93.81	\$127.69	\$200.00	\$175.00	\$150.00	\$150.00	\$98.00	\$75.00	\$63.00	\$185.00	\$150.00	\$373.00				
1.0	PROJECT MANAGEMENT																					
1.0	Project Management	8						6	4	3					3				24	\$4,052.14		
1.2	Meetings	6	4		6	12			4										32	\$5,203.98		
2.0	GEOTECHNICAL INVESTIGATION																					
2.1	Field Reconnaissance, Planning, Permitting,and Utility Clearance	2			2					1	12			8					25	\$3,309.86		
2.2	Geotechnical Field Exploration Program										10								10	\$1,500.00		
2.3	Geotechnical Laboratory Testing											2	3						5	\$594.00		
2.4	Engineering Analysis and Report Preparation				4					4	4	10		4	4				30	\$3,935.72		
3.0	POTHOLING INVESTIGATION																					
3.1	Potholing	1			4														5	\$805.22		
3.2	Survey of Potholes				2											4	8	8	22	\$5,215.86		
4.0	FINAL DESIGN																					
4.1	Utility Coordination	4			8	16													28	\$3,804.64		
4.2	Construction Drawings																					
4.2.a	Submittals																					
4.2.a.1	60%	2	4	4	26	67	44												147	\$17,230.25		
4.2.a.2	90%	2	3	3	15	50	30												103	\$12,067.96		
4.2.a.3	100%	2	2	2	10	40	22												78	\$9,110.26		
4.2.a.4	Final	2		2	8	15	14												41	\$4,888.67		
4.3	Construction Specifications	2			10	14	4												30	\$3,809.84		
4.4	Schedule and Cost Estimate				24														24	\$3,502.32		
4.5	Quality Assurance and Quality Control								16										16	\$3,200.00		
4.6	Pre-Bid Assistance	3			10														13	\$2,123.80		
4.7	Construction Support Services	4			38														42	\$6,431.34		
	TOTAL HOURS :	38	13	11	167	214	114	6	24	8	26	12	3	12	7	4	8	8	619			
	TOTAL LABOR :	\$8,417.00	\$2,879.50	\$1,777.27	\$24,370.31	\$23,422.30	\$10,694.34	\$766.14	\$4,800.00	\$1,400.00	\$3,900.00	\$1,800.00	\$294.00	\$900.00	\$441.00	\$740.00	\$1,200.00	\$2,984.00		\$90,785.86		
																			ODC's:	Task 2.0 Geotechnical Investigation ODCs	\$	8,236.00
																				Task 3.1 Potholing Contractor	\$	16,110.00
																				Task 3.2 Survey Traffic Control	\$	4,600.00
																				Mileage	\$	31.14
																				TOTAL		\$119,763.00

EXHIBIT "B"

Olivenhain Municipal Water District
Request for Additional Work
(Includes Authorization to Perform Additional Services and Inter-Task Transfers)

Consultant name Parsons Transportation Group, Inc. Request # _____

Project name Unit A North, RSF Road PW Pipeline Replacement Date Required _____

Project Task	Current Budget	Change	Revised Budget
			\$0.00
			\$0.00
			\$0.00
Total Contract Change Amount		\$0.00	\$0.00

Original Project Budget _____

Prior requests approved _____

This request _____

\$0.00

Revised Project Budget _____

Reason for requested change(s), please attach supporting documentation

Signature of consultant representative _____

e-mail _____ Date _____

Email the completed form to tgarnica@olivenhain.com or mail to 1966 Olivenhain Rd., Encinitas, CA. 92024

OMWD use only below this line

Approved by _____

Date _____

D120093

Workorder number(s) to charge _____

22AGRXXX

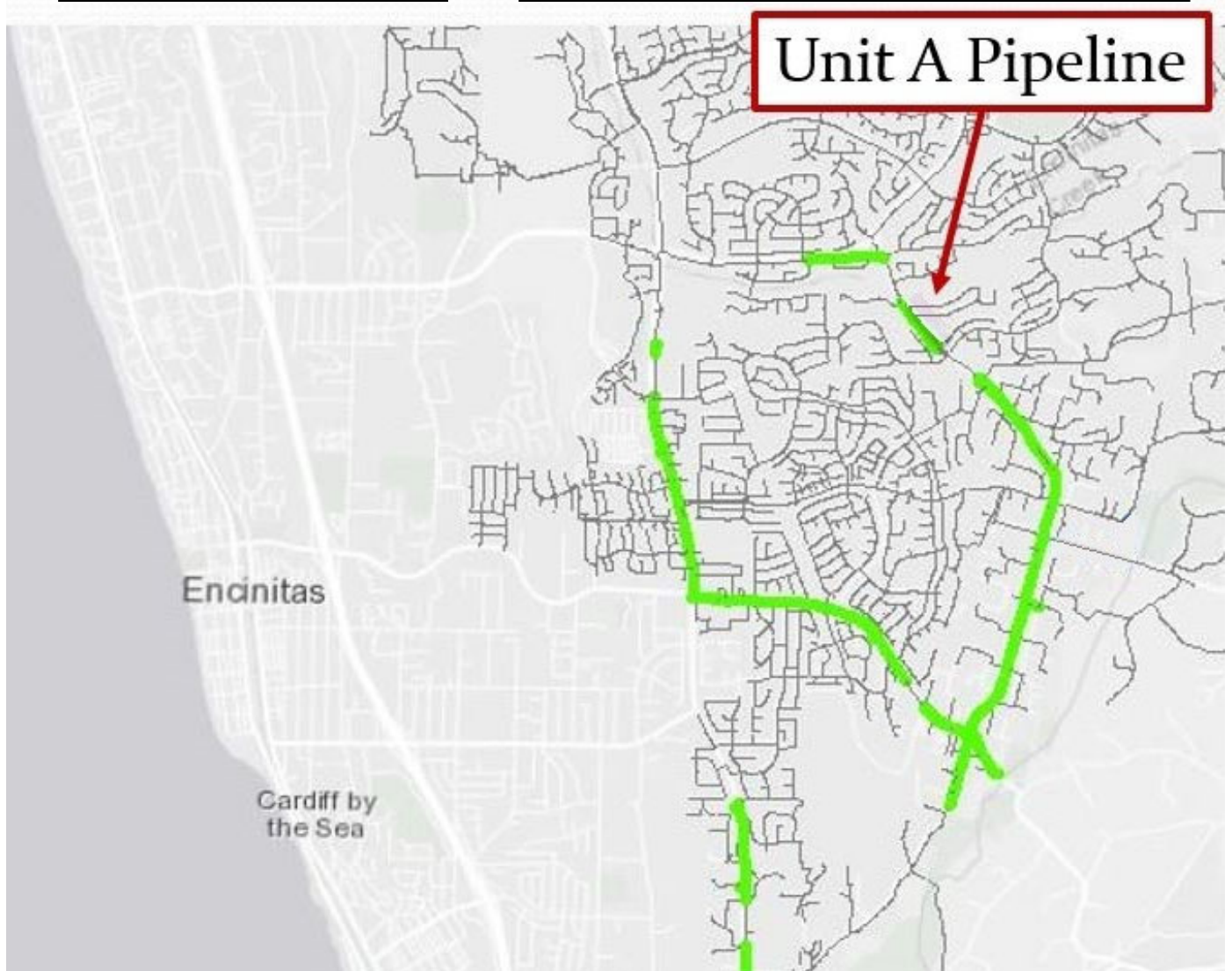
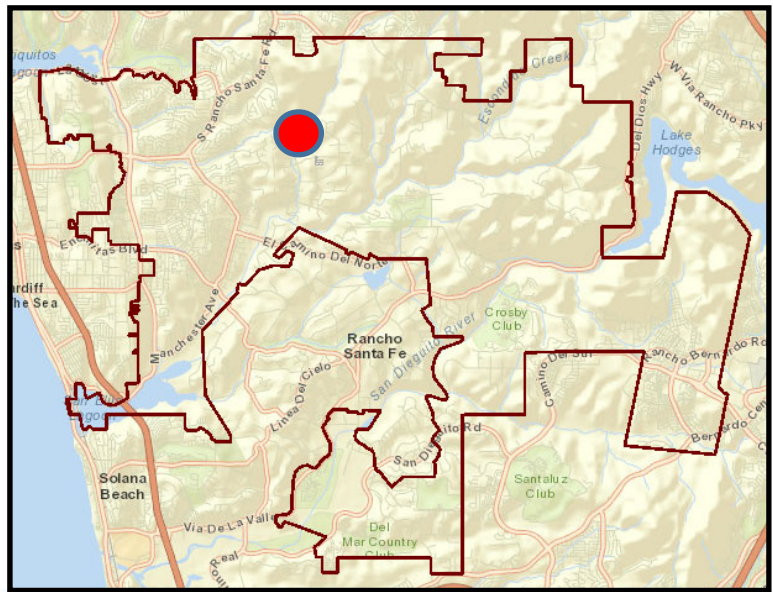
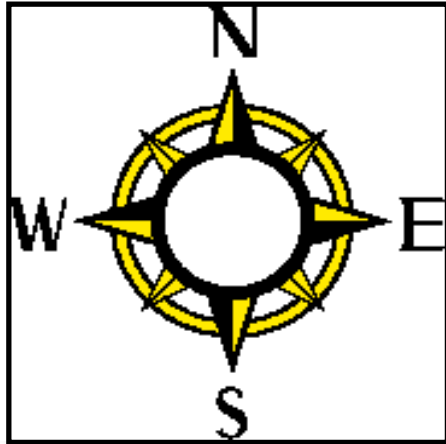
OMWD Record No. _____

Original to General Manager

☐

Copies to

Originating Dept. ☐Consultant ☐Project Acct ☐



**UNIT A NORTH, RANCHO SANTA FE POTABLE WATER
PIPELINE PROJECT
DISTRICT PROJECT NO. D120093**



Memo

Date: December 15, 2021

To: Olivenhain Municipal Water District Board of Directors

From: Joey Randall, Assistant General Manager

Via: Kimberly A. Thorner, General Manager

Subject: **CONSIDER SETTING A TIME AND PLACE TO HOLD A SPECIAL MEETING OF THE BOARD OF DIRECTOR'S TO CONDUCT A WORKSHOP ON THE SAN DIEGUITO VALLEY BRACKISH GROUNDWATER DESALINATION PROJECT (WEEK OF MARCH 28, 2022 AT 4:00 PM) TO CONSIDER THE RESULTS OF RECENT INVESTIGATIONS, AND PROVIDE AN OPPORTUNITY FOR BOARD COMMENT AND INPUT**

Purpose

The purpose of this agenda item is to set a time and place for a special meeting. The Special Board Meeting is to brief the Board on the results of recent investigations into regulatory and environmental considerations, project economics, water rights, and sustainability. The workshop will provide an opportunity for Board questions, discussion, and input and will be scheduled in accordance with Government Code 54956, which sets forth provisions for setting special meetings.

Recommendation

Staff recommends the workshop be held on a day selected by the Board the week of March 28, 2022 at 4:00 PM.

Alternative(s)

- Hold the workshop as a part of a regularly scheduled Board Meeting; however, this option would add approximately 2 hours of presentations and discussions to regularly scheduled meeting duration.
- Receive and review written reports on the investigations at a later date and take action as a part of a regularly scheduled Board meeting.

Background

The District receives 100 percent of its potable water supply from the San Diego County Water Authority from which the primary sources are the San Joaquin – Sacramento Bay Delta, and the Colorado River. These sources are distant from the District and face regulatory, drought, and climate-change challenges. For these reasons, the District has been investigating opportunities to diversify its portfolio, by developing supplies that are locally-controlled, reliable, and cost-competitive. Currently, local supply opportunities include desalinated seawater and brackish groundwater desalination.

In 2008, the Board directed staff to investigate brackish groundwater desalination opportunities, instead of purchasing potable water directly from the Carlsbad Seawater Desalination Plant

A 2010 opportunities and constraints report identified brackish groundwater desalination opportunities in both the San Elijo and San Dieguito Groundwater basins.

The District received United States Bureau of Reclamation funding and in 2016 completed a feasibility report that concluded the San Elijo Basin was potentially feasible, pending additional hydrogeologic and environmental investigations.

The District was awarded State of California grant funding and in 2017 completed a feasibility study of the San Dieguito Basin. The study concluded that the project was technically feasible and that potable water could be produced at a cost that was less than desalinated seawater, and competitive with imported water.

The District was awarded additional State of California and Metropolitan Water District of Southern California grant funding and in 2020 completed a 12-month pump test in the San Dieguito Basin. The resultant 2021 Hydrogeologic Report confirmed the feasibility study results and identified only minor impacts to the groundwater basin. The results were presented to the Board in April 2020 and to the stakeholders and public a week later. At the April Board Meeting, staff identified several investigations that would

be conducted in fiscal year 2022. Preliminary results from these investigations are now available and will be presented to the Board at its Special Meeting in March 2022 for review and discussion.

The proposed workshop will include:

- Regulatory and Environmental Investigations
- An Economic Analysis
- A Water Rights and Sustainability Investigation.

A draft Workshop agenda is attached. Depending on the results of the water rights analysis, this portion of the workshop may be presented in closed session.

Fiscal Impact

The work completed in fiscal year 2022 and planned for fiscal year 2023 was included in the Board approved budget.

Discussion

The San Dieguito/San Elijo Valley Brackish Groundwater Desalination Project is the District's largest potential capital project, currently budgeted at more than \$42,000,000. Staff believes the Board should have a separate dedicated workshop to review recent information that is critical to the project, ask questions and discuss the project. This project supports the District's historical goal of obtaining 30 percent of its water supply from local sources.

It is important to hold the Workshop in March so that staff has adequate time to incorporate any direction into the FY 2023 budget process.

At the January Board Meeting, Doug Gillingham, of Gillingham Water will provide a brief introduction to the economic analysis, covering the purpose and goals, the evaluation criteria, and assessment approach. This introduction will provide the background for an efficient presentation and discussion at the March workshop, and an opportunity for Board input before the analysis is completed.

Attachments:

- *Draft Workshop Agenda*

Olivenhain Municipal Water District

Draft Agenda for Board Workshop – San Dieguito Valley Brackish Groundwater Desalination Project

March XX, 2021

1. Project Background, Staff (10 Minutes)
 - a. 2010 Opportunities & Constraints
 - b. 2017 Feasibility Study
 - c. 2021 12-Month Pump Test
 - d. April 2021 Board Briefing (Plan for FY 2022 and FY 2023)
2. Regulatory and Environmental Analysis, Woodard & Curran (20 Minutes)
 - a. Regulatory Processes and Challenges
 - b. Regulatory Strategy
 - c. Environmental Constraints
 - d. Regulations and Resources
 - e. Permitting Strategy
3. Economic Analysis, Gillingham Water (20 Minutes)
4. Water Rights and Sustainability, Rutan (Jungreis) (Possible Closed Session) (20 Minutes)
 - a. Potential OMWD Water Rights
 - i. Existing Water Rights
 - ii. Imported Water Return Flow
 - iii. Establishing New Rights
 - b. Strategy for Certainty of Supply
5. Board of Directors Discussion, Comments, and Input
6. FY 2023 Investigations and Contracting Approach, Staff
7. Next Steps, Staff

Memo

Date: December 15, 2021
To: Olivenhain Municipal Water District Board of Directors
From: Kimberly A. Thorner, General Manager
Subject: **CONSIDER STATUS UPDATE ON THE PROPOSED FALLBROOK PUBLIC UTILITIES DISTRICT AND RAINBOW MUNICIPAL WATER DISTRICT DETACHMENT FROM THE SAN DIEGO COUNTY WATER AUTHORITY**

Purpose

The purpose of this agenda item is to receive a status report on the proposed detachment process of the Fallbrook Public Utilities District (FPUD) and the Rainbow Municipal Water District (RMWD) from the San Diego County Water Authority (SDCWA) and into the service area of Eastern Municipal Water District.

This status report originally had been slated as an Annual Objective for 2021 to report out on the completion of the work and the recommendation of the San Diego Local Agency Formation Commission's (SDLAFCO) Ad Hoc Advisory Detachment Committee (Advisory Committee), which your General Manager serves on as a representative of the SDLAFCO Special Districts Advisory Committee. However, the work of the Advisory Committee is not yet complete and will likely go into early 2022 before any recommendation is made to SDLAFCO.

Recommendation

None. The work of the Advisory Committee is not yet complete. Staff will return with a follow up report in early 2022 once the work by the SDLAFCO Consultant, Dr. Hanemann and the Advisory Committee is complete.

Alternative(s)

N/A. This is an informational report.

Background

SDLAFCO is processing two related detachment proposals separately filed by RMWD and FPUD. These proposals request LAFCO approval for each agency to separately and concurrently detach from the SDCWA and annex to the Eastern Municipal Water District (Riverside County) for purposes of changing wholesale water suppliers. San Diego and Riverside LAFCOs have entered an agreement assigning all related approvals for both proposals to SDLAFCO. SDLAFCO had indicated that they will be processing both proposals concurrently to the extent possible under statute with the intent of presenting to the Commission for consideration at a future joint-public hearing.

The OMWD Finance Committee (then Directors Sprague and Watt) heard a presentation by the General Managers of FPUD and RMWD in February of 2020 regarding their position on the detachment. Both General Managers indicated that the savings to their ratepayers from the detachment was significant, saving each agency millions of dollars per year. Both also indicated that they were open to some type of exit fee or “true up” with SDCWA. They also stated their position that their agencies had paid for assets over the years that would remain as a benefit to other SDCWA member agencies were the detachments to proceed.

The SDCWA passed a resolution in May of 2020, establishing conditions relating to the outcome of the SDLAFCO review of the detachment applications. The SDCWA has indicated that if these conditions are not satisfied, they are opposed to the detachments. The SDCWA has also released a preliminary analysis of financial impacts that the detachment would have on its member agencies. The high level financial impact analysis undertaken by SDCWA staff states that the annual revenue loss from the detachments would have an annual estimated impact to OMWD of \$648,548. This figure does not take into account any “true up” that may be developed by LAFCO in its process.

SDLAFCO created an Advisory Committee in July of 2020 to assist in fulfilling the Commission’s policies on detachment and to assist LAFCO staff in analyzing the FPUD and RMWD applications so that staff may make appropriate recommendations to the Commission on the applications. The OMWD General Manager serves on this Advisory Committee. The Advisory Committee came to consensus that independent consultants

should be retained by SDLAFCO to analyze the following three topics related to the detachment:

- **Water Supply Reliability:** Reviewing the source, availability, and reliability of the SDCWA and the Eastern Municipal Water District.
- **Ratepayer Impacts:** Reviewing the potential rate savings to the FPUD and RMWD customers versus the potential impacts to the remaining retail water agencies that comprise the SDCWA.
- **Potential Departure Fees:** What should the financial “true-ups” be for the departing agencies and should there be SDLAFCO conditions to make the member agencies of the SDCWA whole if the detachment moves forward.

In September of 2020, the OMWD Board approved a letter to SDLAFCO supporting SDLAFCO’s analysis of these impacts with independent consultants who are experts in the areas of water supply reliability, financial impacts, and the development of departure fees.

SDLAFCO hired one expert, Dr. Michael Hanemann who has met with the parties over the past year and has prepared a draft report as of October 2021. A final report is expected to be published in mid-December 2021.

The Advisory Committee is scheduled to meet with Dr. Hanemann and SDLAFCO Staff in January of 2022 to go over the report, to conclude its work, and hopefully come to findings on the three issues noted above that it was tasked with considering.

Dr. Hanemann’s draft report contained the following key findings:

- Dr. Hanemann concurred with SDCWA and found the financial impact of detachment to SDCWA would be an annual reduction of \$16.4 million in net revenue, broken down into a net revenue impact of \$5.7 million for FPUD and \$10.7 million for RMWD. He notes that this number varies based on sales in a given year, but found the SDCWA estimate to be reasonable.
- Dr. Hanemann also suggested 10 years as the timeframe for a departure fee and that there are two ways by which FPUD and RMWD could provide this compensation: (1) an annual departure fee, or (2) an annual water purchase commitment. He suggested that an annual payment by FPUD and RMWD combined amounting to either \$8.9 million or \$14.3 million a year for ten years

OR an annual water purchase commitment when SDCWA deliveries to member agencies fall short of 320,700 AF, whereby FPUD and RMWD would commit to purchase the amount by which SDCWA deliveries that year to the remaining member agencies fall short of 320,700 AF, up to a joint cap of 17,500 AF.

- Finally, Dr. Hanemann found that FPUD and RMWD will have less reliability of supply when served by EMWD than when served by SDCWA, but he could not quantify the reliability difference.

On October 25, 2021, the OMWD General Manager (as a member of the Advisory Committee) sent a letter to Dr. Hanemann on his draft report, stating her concern about a statement in his report about past major infrastructure investments by SDCWA and that these infrastructure “commitments are long-term in nature, and they impose a fixed and ongoing financial burden on SDCWA and its member agencies.” OMWD staff believes that this statement is not accurate as it applies to member agencies and current practices. No member agency has an ongoing fixed financial commitment to SDCWA to take a certain volume of water or pay a fixed sum for SDCWA’s past investments in infrastructure, other than through payment of fixed costs as allocated in SDCWA’s rate structure. Hopefully this issue will be addressed in the final report from Dr. Hanemann.

The applications for detachment, Dr. Hanemann’s draft report, and the record to date on the applications are voluminous, but can be found here:

<https://www.sdlafco.org/resources/major-proposals/fallbrook-pud-RMWD-mwd-wholesaler-reorganization-2020>

Fiscal Impact

The fiscal impact of the potential departures are not yet fully known, as no terms of any “true up” have been reached between the parties nor set forth by SDLAFCO.

Discussion

The OMWD General Manager will be available at the meeting to answer any questions. A subsequent briefing will be given to the OMWD Board in 2022 as the work of the Advisory Committee concludes and the matter is put before the SDLAFCO Board for consideration.

Memo

Date: December 15, 2021
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.

Recommendation

This is an informational update pursuant to the Administrative and Ethics Code §3.2.1. No Board action is required. To date, sixteen employees have gotten COVID-19 and there have been six breakthrough cases but there has been no workplace outbreak.

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.

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 \$324,077.86 as of the publishing of this memo. Of this amount, only \$126,190.67 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 delay is due to the Presidential transition and that FEMA has been prioritizing vaccine projects.

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's application is pending at this time and an update will be provided to the board once additional information is available. The State of California is due to publish the allocation of the funds in December 2021.

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 thermometers, bottles for hand sanitizer.	2,940.38	Supplies	
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	

Category	Total
Information Technology	40,990.12
Inventory	169,668.55
Supplies	102,312.99
Customer Service	11,106.20
Grand Total	324,077.86

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 further notice. The district will continue our objectives to protect the health and safety of employees and customers; and ensure the continuity of business operations.

OMWD is proud to not have had a workplace outbreak nor any workplace transmission of COVID due to the proactive measures since February of 2020.

**NOTICE OF OMWD FINANCING CORPORATION MEETING
OF THE BOARD OF DIRECTORS OF THE
OLIVENHAIN MUNICIPAL WATER DISTRICT
1966 Olivenhain Road
Encinitas, CA 92024
Tele: (760) 753-6466 Fax: (760) 753-5640
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 15, 2021

TIME: 5:15 P.M.

PLACE: Hybrid Regular Meeting VIA TELECONFERENCE AND IN PERSON

Pursuant to the Legislation AB 361, 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, however, masks must be worn if unvaccinated.

To join this meeting via phone, please dial:

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

Meeting ID: 863 0179 4539 and Password: 333798

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. In person participation can also be had by attending the meeting in the Boardroom at 1966 Olivenhain Rd. Encinitas, CA 92024.

***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 15, 2021
To: Olivenhain Municipal Water District Board of Directors
From: Rainy Selamat, Finance Manager
Via: Kimberly Thorner, General Manager
Subject: **CONSIDER THE STATUS OF DEBT ISSUED BY THE NON-PROFIT CORPORATION
(OLIVENHAIN MUNICIPAL WATER DISTRICT SYSTEM REFUNDING REVENUE
BONDS SERIES 2015A)**
(Finance Corporation Annual Meeting Agenda)

Purpose

The purpose of this item is to comply with California laws for not-for-profit organizations. California non-profit laws require all non-profit corporations to hold annual meetings.

OMWD Financing Corporation is a non-profit organization and is conducting its annual meeting on December 15, 2021.

Recommendation

Staff is requesting the Board to consider acceptance of Staff report.

Alternative(s)

N/A

Background

The OMWD Financing Corporation (Corporation) was organized by the District in 1997 to facilitate the financing of facilities for the use and benefit of the District. The Board of Directors of the District serves as the Board of Directors of the Corporation.

Fiscal Impact

N/A

Discussion

The Financing Corporation has issued four bonds since formation: the \$50,000,000 1997 Water Revenue Certificates of Participation (COP), the \$13,950,000 2002 Variable Rate Taxable Subordinate Water Revenue Certificates of Participation Bonds (Regional Recycled Water System), the \$38,940,000 2006A Water Revenue Refunding Bonds, and the \$23,455,000 2015A Water System Refunding Revenue Bonds .

The 2015 Bonds were issued to refund all of the outstanding 2006A Water Revenue Refunding Bonds, to purchase a debt service reserve surety policy for deposit in the Reserve Fund, and to pay for cost of issuance. The 2015A Bonds are payable solely from Net System Revenues and certain funds and accounts created under the bond indenture. The District is committed to maintaining the debt service requirement as prescribed in the bond covenant while these certificates are outstanding.

As of August 2015, the 2006A Water Revenue Refunding Bonds were paid off.

As of June 30, 2007 the 1997 Certificates of Participation were paid off.

As of June 1, 2011 the 2002 Variable Rate Subordinate Water Revenue Certificates of Participation Bonds were paid off.

The OMWD Financing Corporation is in compliance with the existing installment purchase agreement. All debt service payments were made in a timely manner as prescribed in the bond covenants.

**NOTICE OF OMWD FINANCING AUTHORITY JPA MEETING
OF THE BOARD OF DIRECTORS OF THE
OLIVENHAIN MUNICIPAL WATER DISTRICT
1966 Olivenhain Road
Encinitas, CA 92024
Tele: (760) 753-6466 Fax: (760) 753-5640
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 15, 2021

TIME: 5:15 P.M.

PLACE: Hybrid Regular Meeting VIA TELECONFERENCE AND IN PERSON

Pursuant to the Legislation AB 361, 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, however, masks must be worn if unvaccinated.

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1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. ROLL CALL
4. DETERMINATION OF A QUORUM
5. ADOPTION OF AGENDA
6. PERSONAL APPEARANCES AND PUBLIC COMMENTS
7. CONSIDER THE STATUS OF DEBT ISSUED BY THE 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 15, 2021

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 Annual Meeting Agenda)

Purpose

This is a housekeeping item. The Financing Authority is required by Joint Powers Authority law to conduct an annual meeting.

Recommendation

Staff is requesting the Board to consider acceptance of the Staff report.

Alternative(s)

N/A

Background

At the December 15, 2010 board meeting, the Board adopted a resolution to amend the existing Joint Exercise of Powers (JPA) between the Olivenhain Municipal Water District and the Olivenhain Municipal Water District Community Facilities District No. 2007-01 to include the Rancho Santa Fe Community Services District (RSFCSD). The JPA was amended to include the RSFCSD because Rancho Cielo Community Facilities District (RCCFD) was being dissolved. The RSFCSD was added in order to ensure that the water revenue bonds issued by the District in 2009 were represented by a JPA which requires a minimum of two agencies.

Fiscal Impact

N/A

Discussion

The OMWD Financing Authority has issued 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 Comprehensive Annual Report and financial data are distributed to interested parties to comply with annual continuing disclosure requirements.

Memo

Date: December 15, 2021
To: Olivenhain Municipal Water District Board of Directors
From: John Carnegie, Customer Services Manager
Via: Kimberly A. Thorner, General Manager
Subject: **PUBLIC HEARING TO CONSIDER ADJUSTMENTS TO OLIVENHAIN MUNICIPAL WATER DISTRICT'S DIRECTOR DIVISION BOUNDARIES (5:30 P.M.)**

Purpose

The purpose of this agenda item is to receive input from the board and members of the public regarding adjustments to the boundaries of OMWD's director divisions, pursuant to California Elections Code Section 22001.

Recommendation

No board action is required beyond holding the public hearing and providing comment.

Alternative(s)

None, as the date and time for the public hearing were set by the board on November 17.

Background

California Elections Code Section 22000 requires special districts to adjust their division boundaries by resolution after each federal decennial census. Using that census as a basis, special districts are to adjust the boundaries of director divisions so that the divisions are, as far as practicable, equal in population. In adjusting the boundaries of the divisions, the board may give consideration to the following factors: “(1) topography, (2) geography, (3) cohesiveness, contiguity, integrity, and compactness of territory, and (4) communities of interest of the division.” Section 22001 requires that at least one public hearing is conducted prior to the adoption of new boundaries.

OMWD’s director division boundaries were last modified by the board in October 2011 via Resolution 2011-31, based on data from the 2010 census.

In 2017, the board requested an investigation into whether population changes throughout OMWD’s service area warranted a mid-decade redistricting process. Redistricting Partners, a firm specializing in redistricting, advised OMWD that while changes in population had occurred and had disproportionate impact in some divisions, a mid-decade redistricting would still need to be based on 2010 census data, and would not allow for adjustments specifically to address or correct for the documented population changes since 2010. As a result, the Ad Hoc Population Study Review Committee—then consisting of Directors Watt and Varty—chose in September 2017 to defer adjustments to director division boundaries until the results of the 2020 census became available.

AB 849, the Fair And Inclusive Redistricting for Municipalities And Political Subdivisions (or “Fair Maps”) Act was signed into law in 2019. The bill introduced several new requirements for local agency redistricting processes, but focused on cities and counties rather than on special districts. For example, cities and counties must now conduct certain outreach, maintain websites with publicly available information about draft maps, and hold at least four public hearings on the issue. The prescriptive measures introduced by the Fair Maps Act do not apply to special districts.

SB 594 was signed by Governor Newsom on September 27, 2021, and requires that the governing board of a district that has a regular election to elect members of its governing board on the same date as the 2022 statewide general election shall adopt adjusted division boundaries no later than April 17, 2022.

At its November 17, 2021 meeting, the board scheduled three public hearings by which to receive public input on the redistricting process. The hearings were scheduled for

December 15, 2021; January 19, 2022; and February 16, 2022. Though only one public hearing is required by law, the board chose to hold three public hearings for the purpose of transparency.

Fiscal Impact

There is no fiscal impact associated with holding the public hearing.

Discussion

Redistricting Partners has been retained to guide OMWD through the 2022 redistricting process. At the December 15 public hearing, Redistricting Partners will review the attached slideshow to provide an overview of the redistricting process. Redistricting Partners will also review census data for OMWD's service area, and then solicit input from the public and the board about where communities of interest exist and how they can contribute to the building of potential director division boundaries. Based on the input received at this hearing, Redistricting Partners will develop three maps of new potential director division boundaries that will be presented at the January 19 public hearing.

Attachments:

- *PowerPoint Presentation*

Olivenhain Municipal Water District 2021-22 Redistricting



Agenda

What we will cover:

- Redistricting Background & Principles
- Redistricting Timeline and Process
- Census Data
- Next Steps

What is Redistricting

Definition

Redistricting is the process of adjusting district lines every 10 years after the release of the U.S. Census. The well-known examples are Congress and the legislature.

Within the U.S., redistricting has become an extremely politicized process and has been the subject of more high-profile Supreme Court decisions than any other part of our elections system.

Traditional Redistricting Principles

Preventing a Redistricting from Becoming a Gerrymander

There are a number of criteria that have been used nationally and upheld by courts.

- Relatively equal size – people, not citizens
- Contiguous – districts should not hop/jump
- Keep districts compact – appearance/function
- Maintain “*communities of interest*”
- Follow city/county/local government lines

Communities of Interest

Bringing like-minded people together for representation

A community of interest includes ethnic and language minorities and other groups.

Communities covered by the Voting Rights Act

- Latinos
- Asians
- African Americans

While race is a community of interest, it cannot be the *predominant factor* in drawing districts.

Fair Maps Act (2019)

Preventing a Districting from Becoming a Gerrymander

Starting in 2020, cities and counties doing redistricting have additional criteria they must follow under the California Fair Maps Act. This becomes a “best practice” for all agencies.

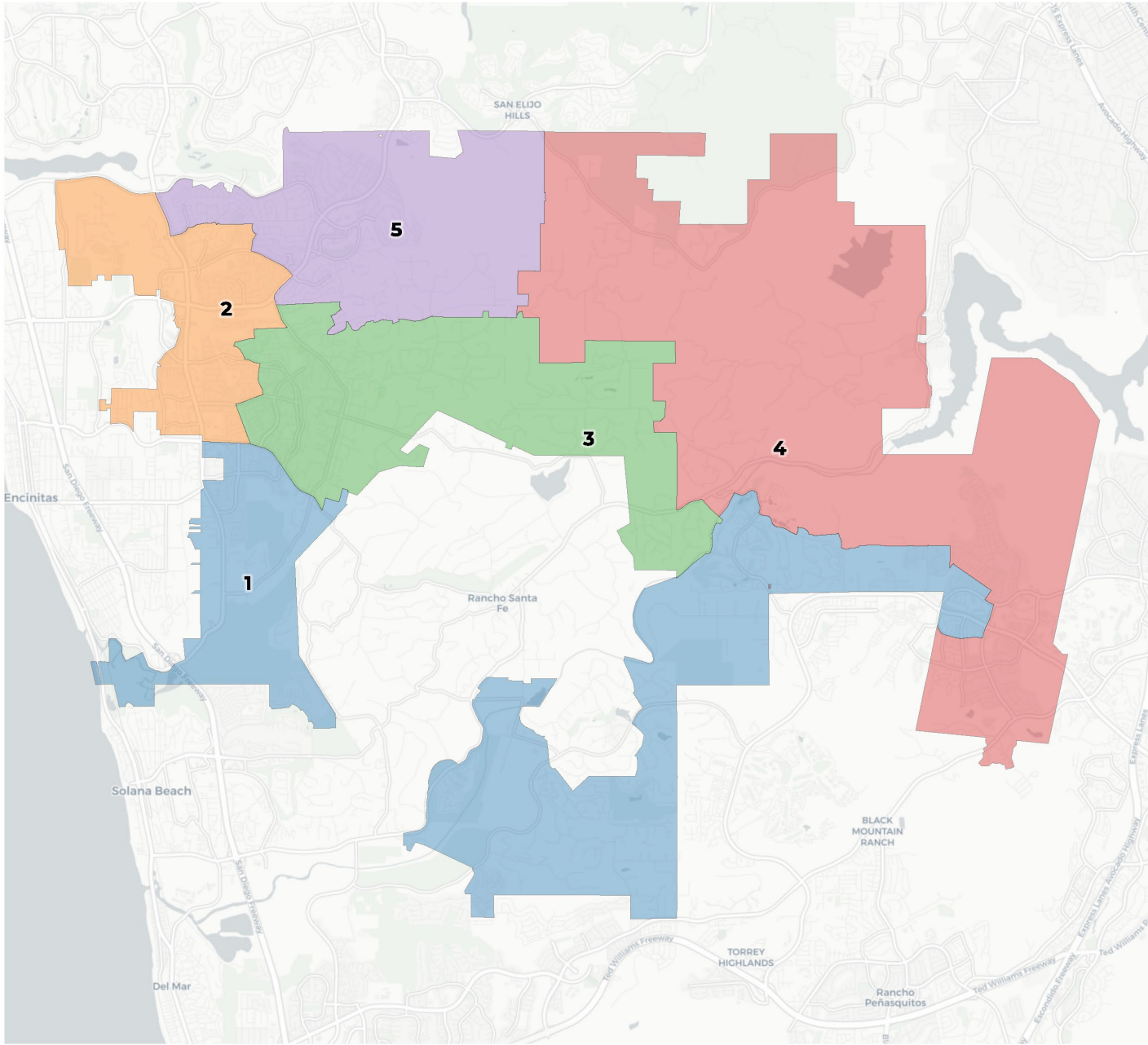
- Process/transparency when conducting redistricting
- Not using incumbent or candidate residence as a Community of Interest
- Not drawing districts to advantage a political party

These rules do not currently apply directly to water districts, but redistricting best practices will likely push most agencies to voluntarily adopt them.



REDISTRICTING PARTNERS

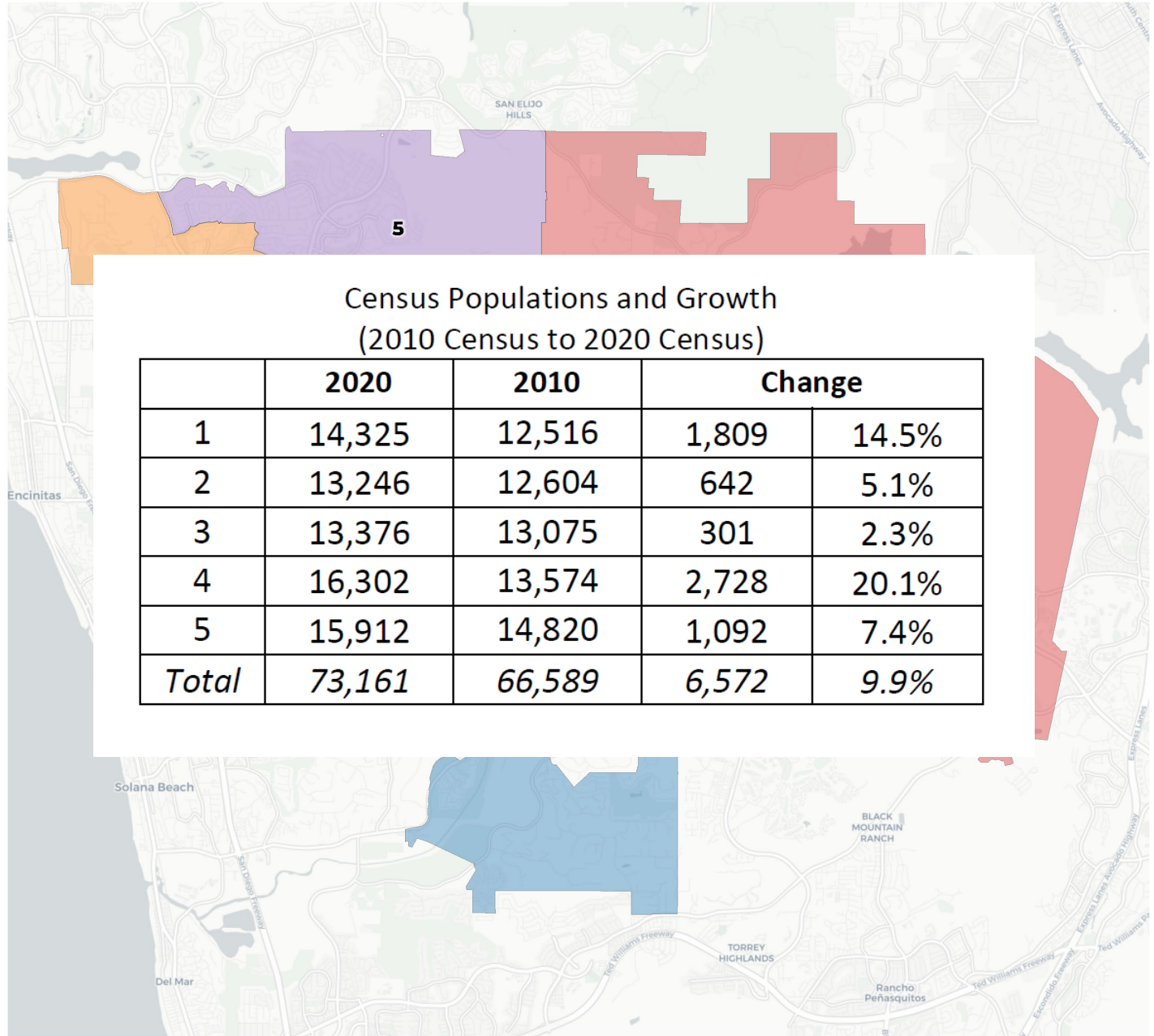
Olivenhain Municipal Water District Director Divisions





REDISTRICTING PARTNERS

Olivenhain Municipal Water District
Director Divisions



2020 Census

	1	2	3	4	5
Population	14,325	13,246	13,376	16,302	15,912
Deviation	-307	-1,386	-1,256	1,670	1,280
Deviation %	-2.1%	-9.5%	-8.6%	11.4%	8.7%
Other	10,231	10,855	11,138	7,382	12,883
Other %	71.4%	81.9%	83.3%	45.3%	81.0%
Latino	1,357	1,574	1,478	1,340	1,778
Latino %	9.5%	11.9%	11.0%	8.2%	11.2%
Asian	2,610	725	674	7,381	1,152
Asian %	18.2%	5.5%	5.0%	45.3%	7.2%
Black	127	92	86	199	99
Black %	0.9%	0.7%	0.6%	1.2%	0.6%

Citizen Voting Age Population (CVAP)

	1	2	3	4	5
Total CVAP	10,025	9,533	9,442	9,412	11,764
Other CVAP	7,085	8,357	8,221	5,630	9,944
Other CVAP %	70.7%	87.7%	87.1%	59.8%	84.5%
Latino CVAP	1,089	635	745	947	1,083
Latino CVAP %	10.9%	6.7%	7.9%	10.1%	9.2%
Asian CVAP	1,720	473	432	2,708	685
Asian CVAP %	17.2%	5.0%	4.6%	28.8%	5.8%
Black CVAP	131	67	44	128	52
Black CVAP %	1.3%	0.7%	0.5%	1.4%	0.4%

2020 Census

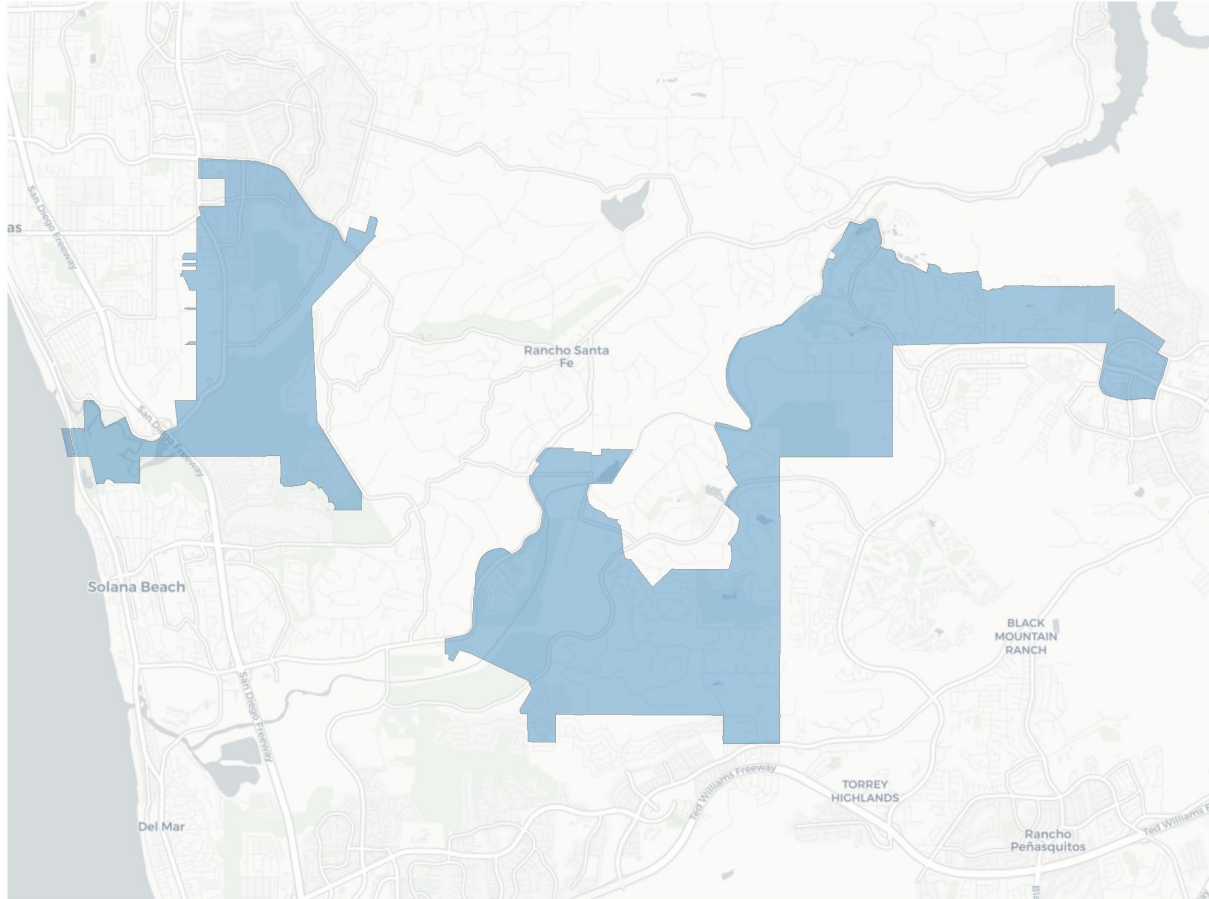
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Other %	71.4%	81.9%	83.3%	45.3%	81.0%
Latino	1,351	1,351	1,351	1,340	1,778
Latino %	9.5%	10.2%	10.1%	8.2%	11.2%
Asian	2,611	2,611	2,611	7,381	1,152
Asian %	18.2%	19.7%	19.5%	45.3%	7.2%
Black	127	92	86	199	99
Black %	0.9%	0.7%	0.6%	1.2%	0.6%

The total deviation of the plan is the sum of the absolute values of the highest and lowest districts. *Here the plan deviation is **20.9%***

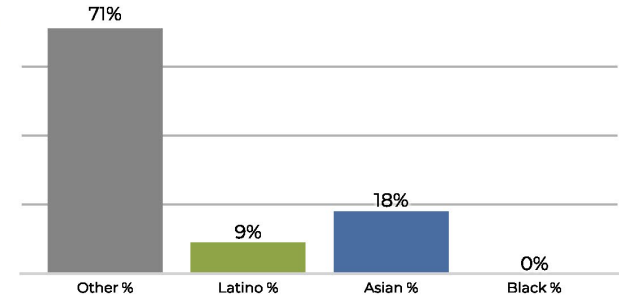
Citizen Voting Age Population (CVAP)

	1	2	3	4	5
Total CVAP	10,025	9,533	9,442	9,412	11,764
Other CVAP	7,085	8,357	8,221	5,630	9,944
Other CVAP %	70.7%	87.7%	87.1%	59.8%	84.5%
Latino CVAP	1,089	635	745	947	1,083
Latino CVAP %	10.9%	6.7%	7.9%	10.1%	9.2%
Asian CVAP	1,720	473	432	2,708	685
Asian CVAP %	17.2%	5.0%	4.6%	28.8%	5.8%
Black CVAP	131	67	44	128	52
Black CVAP %	1.3%	0.7%	0.5%	1.4%	0.4%

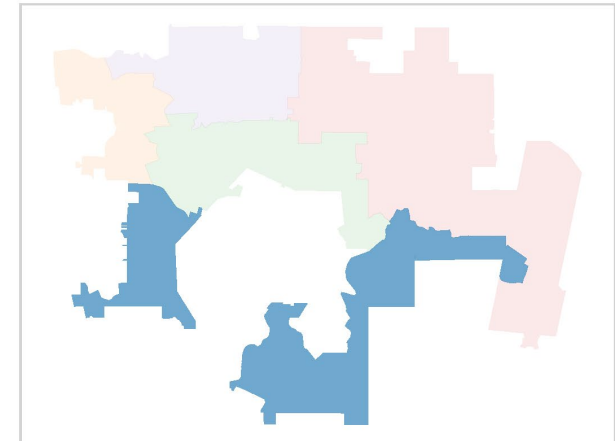
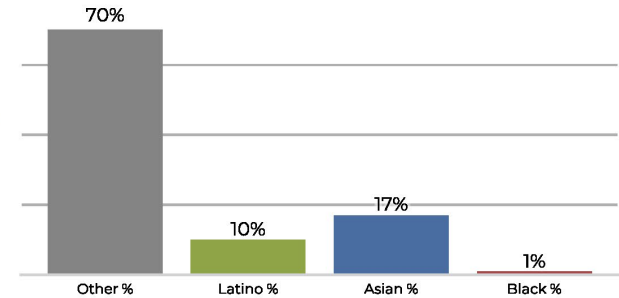
District 1



2020 Census

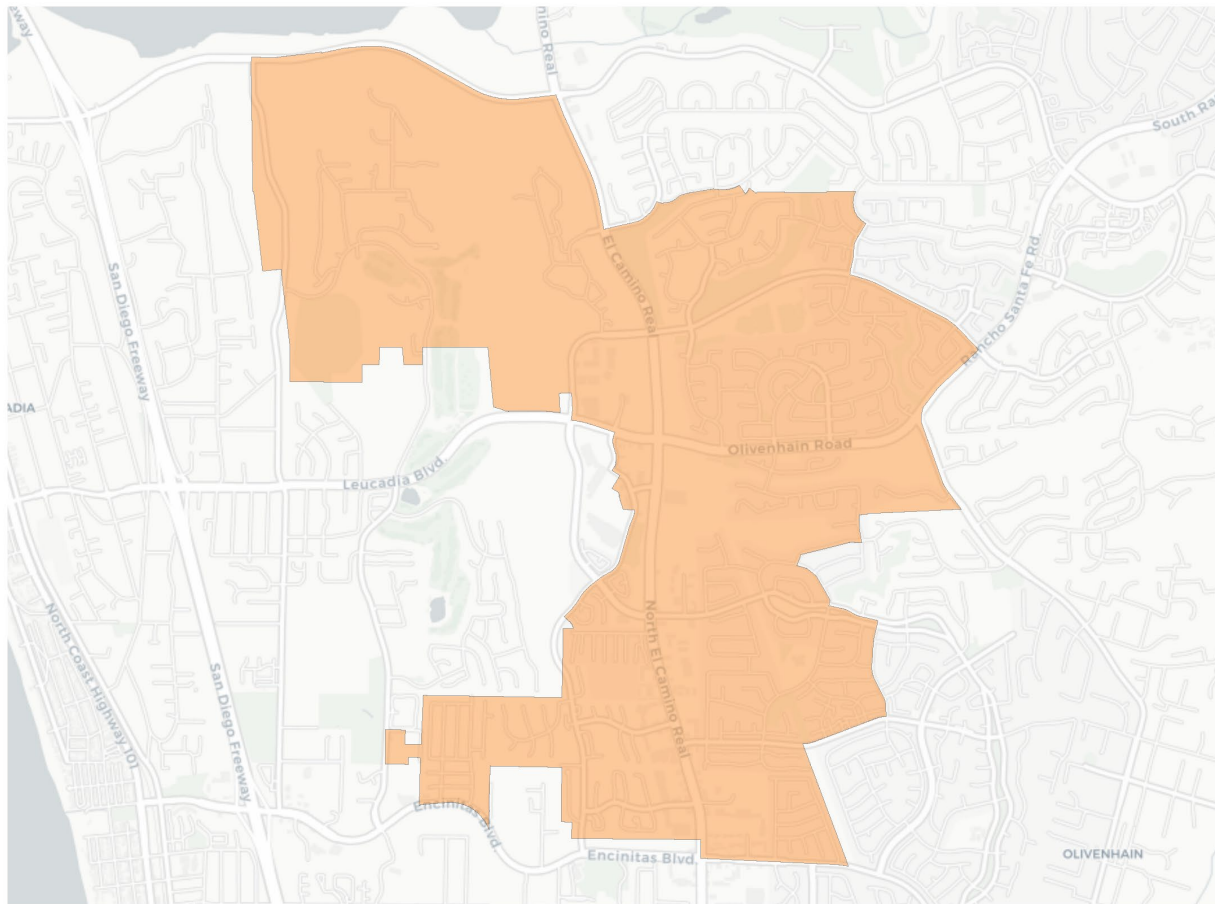


Citizen Voting Age Population

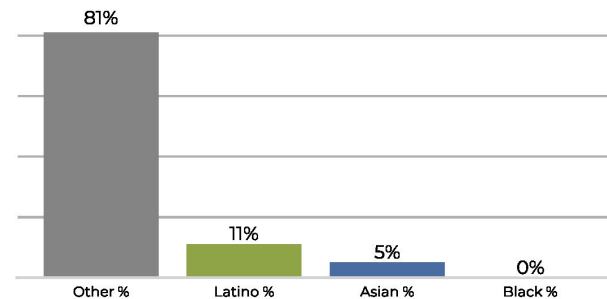


Population	Deviation	Deviation %	Other	Other %	Latino	Latino %	Asian	Asian %	Black	Black %
14,325	-307	-2.1%	10,231	71.4%	1,357	9.5%	2,610	18.2%	127	0.9%
Total CVAP	Other CVAP	Other CVAP %	Latino CVAP	Latino CVAP %	Asian CVAP	Asian CVAP %	Black CVAP	Black CVAP %		
10,025	7,085	70.7%	1,089	10.9%	1,720	17.2%	131	1.3%		

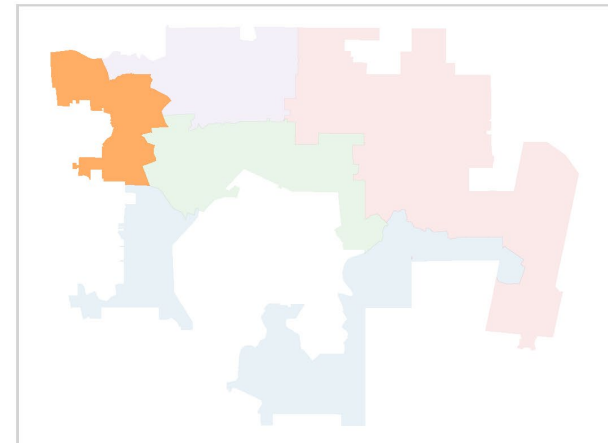
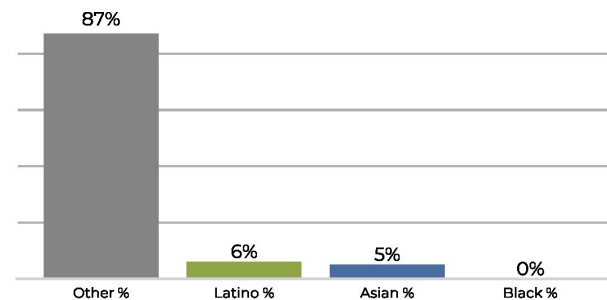
District 2



2020 Census

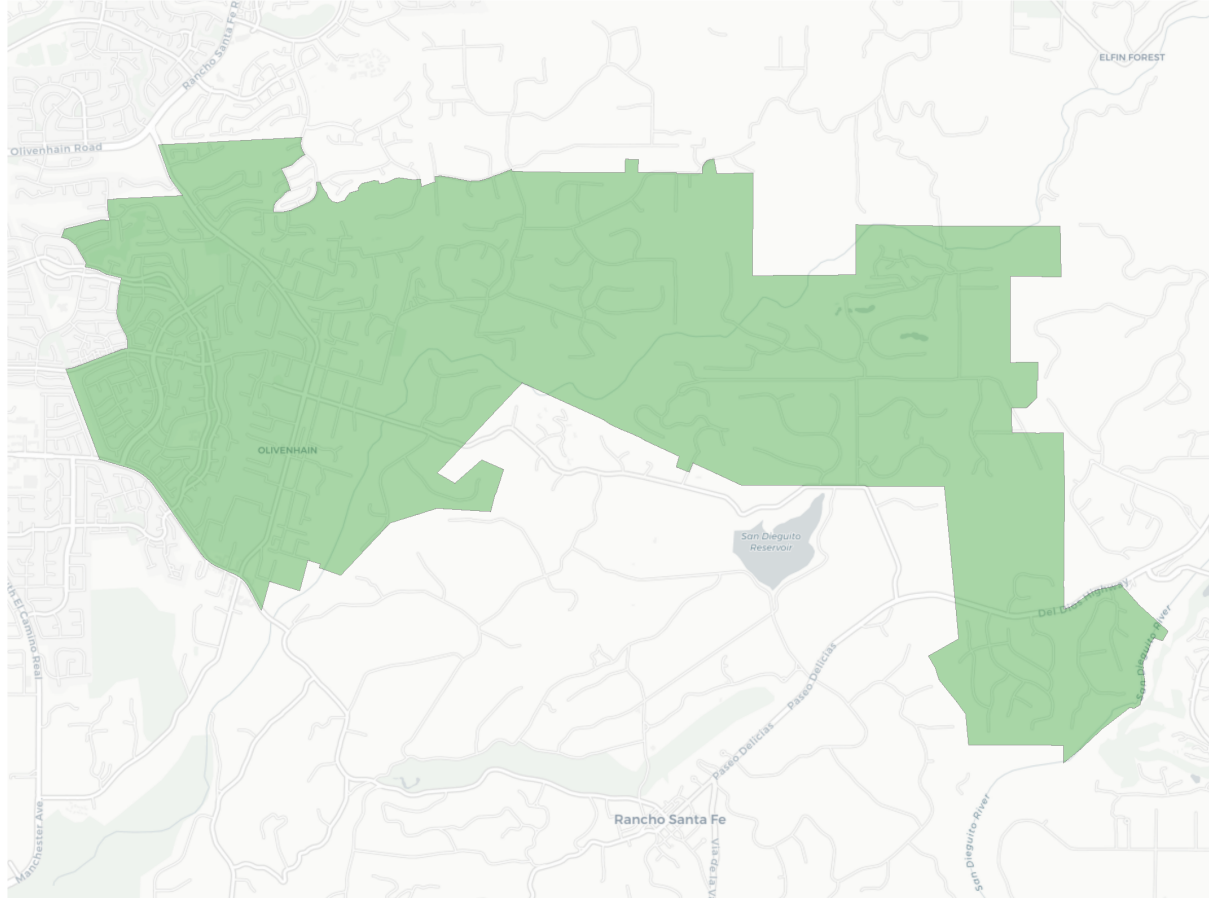


Citizen Voting Age Population

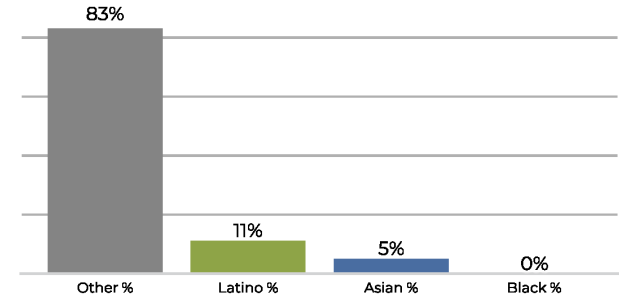


Population	Deviation	Deviation %	Other	Other %	Latino	Latino %	Asian	Asian %	Black	Black %
13,246	-1,386	-9.5%	10,855	81.9%	1,574	11.9%	725	5.5%	92	0.7%
Total CVAP	Other CVAP	Other CVAP %	Latino CVAP	Latino CVAP %	Asian CVAP	Asian CVAP %	Black CVAP	Black CVAP %		
9,533	8,357	87.7%	635	6.7%	473	5.0%	67	0.7%		

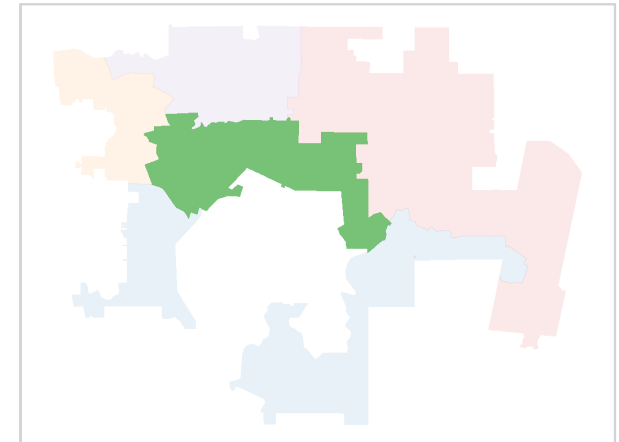
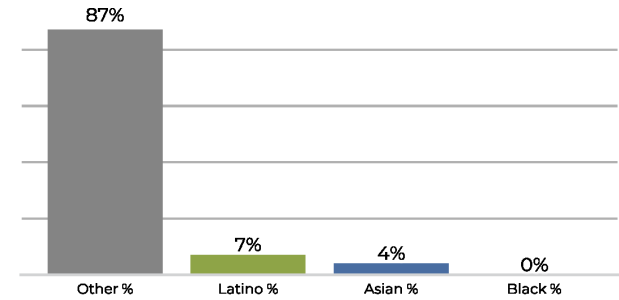
District 3



2020 Census

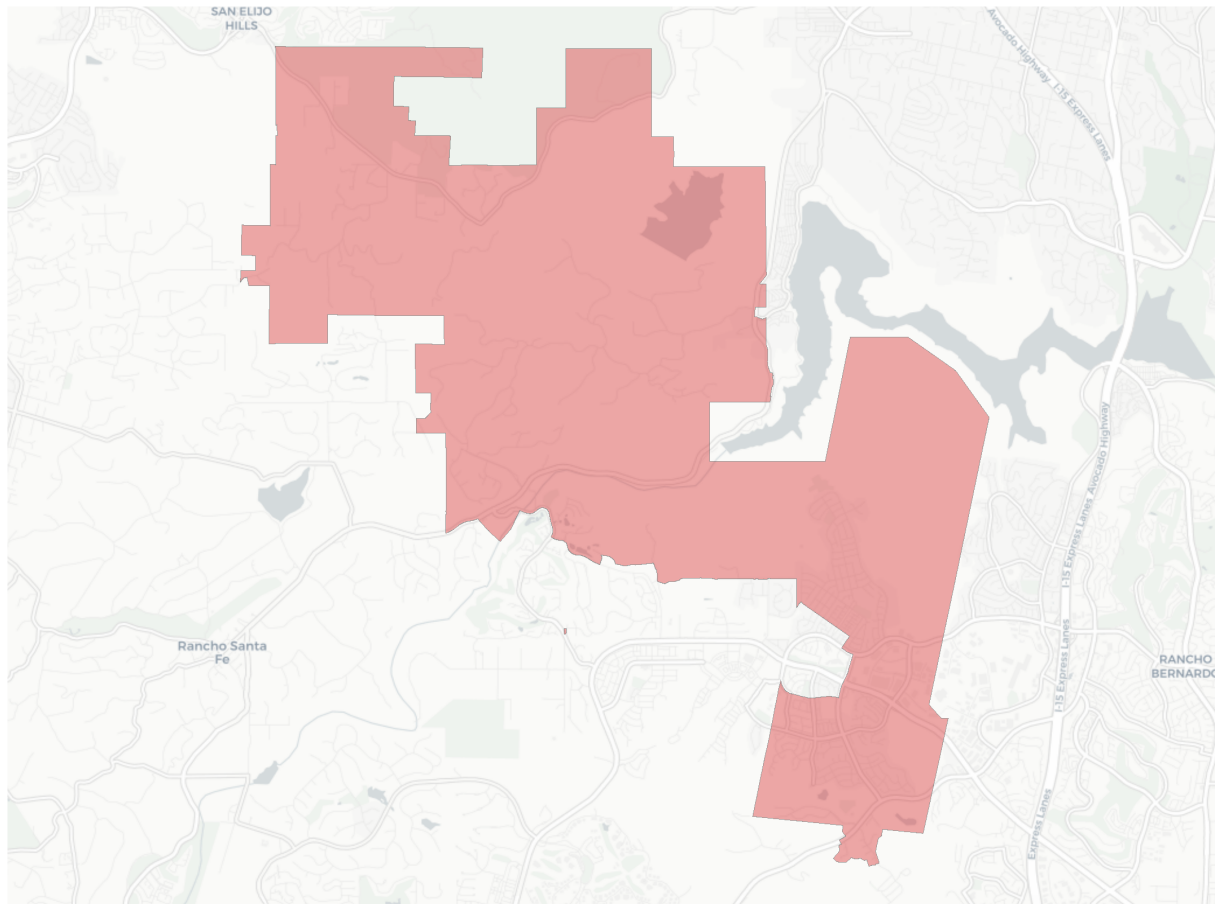


Citizen Voting Age Population

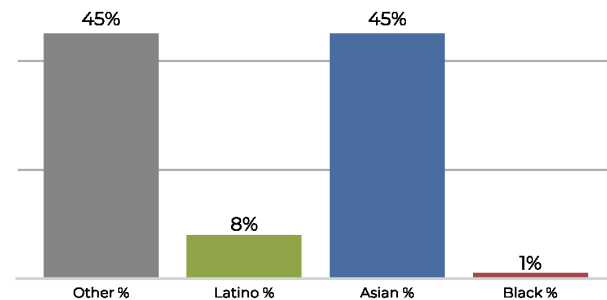


Population	Deviation	Deviation %	Other	Other %	Latino	Latino %	Asian	Asian %	Black	Black %
13,376	-1,256	-8.6%	11,138	83.3%	1,478	11.0%	674	5.0%	86	0.6%
Total CVAP	Other CVAP	Other CVAP %	Latino CVAP	Latino CVAP %	Asian CVAP	Asian CVAP %	Black CVAP	Black CVAP %		
9,442	8,221	87.1%	745	7.9%	432	4.6%	44	0.5%		

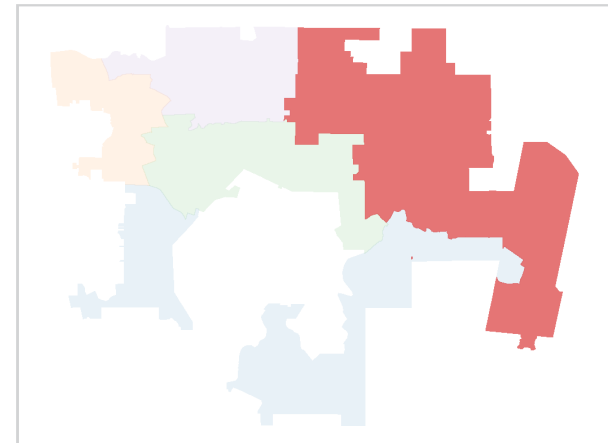
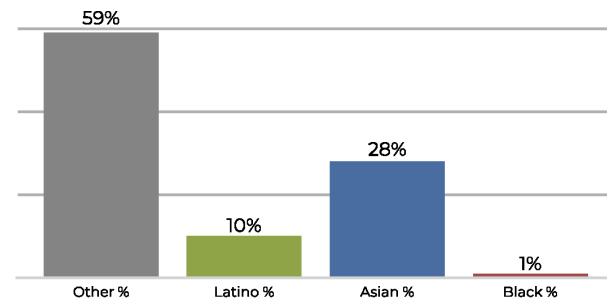
District 4



2020 Census

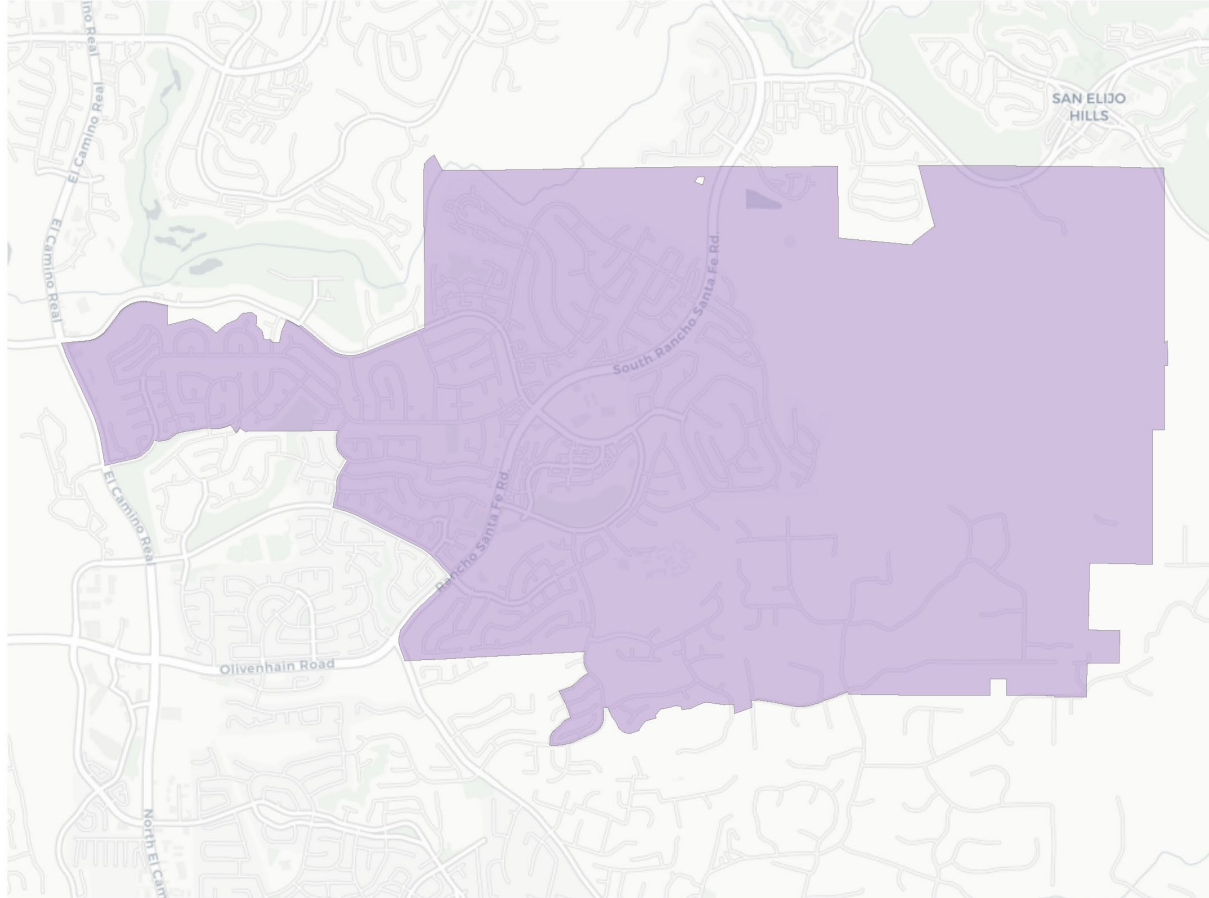


Citizen Voting Age Population

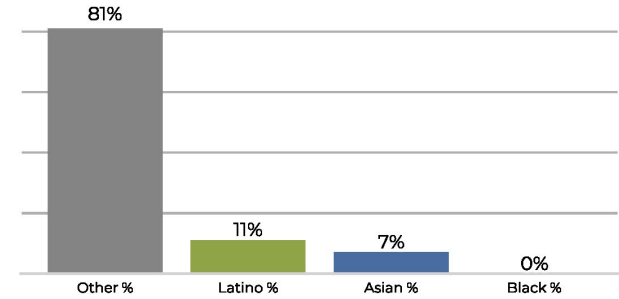


Population	Deviation	Deviation %	Other	Other %	Latino	Latino %	Asian	Asian %	Black	Black %
16,302	1,670	11.4%	7,382	45.3%	1,340	8.2%	7,381	45.3%	199	1.2%
Total CVAP	Other CVAP	Other CVAP %	Latino CVAP	Latino CVAP %	Asian CVAP	Asian CVAP %	Black CVAP	Black CVAP %		
9,412	5,630	59.8%	947	10.1%	2,708	28.8%	128	1.4%		

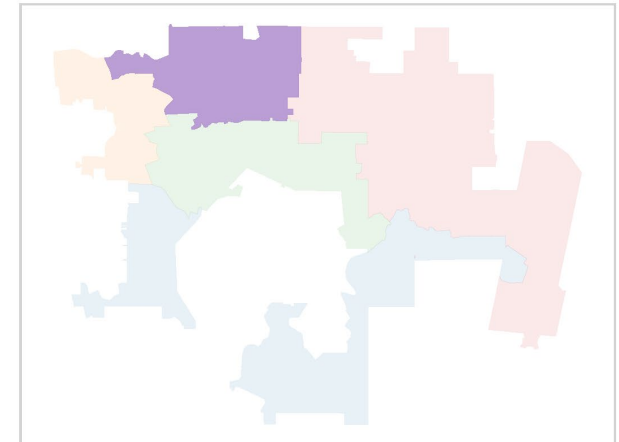
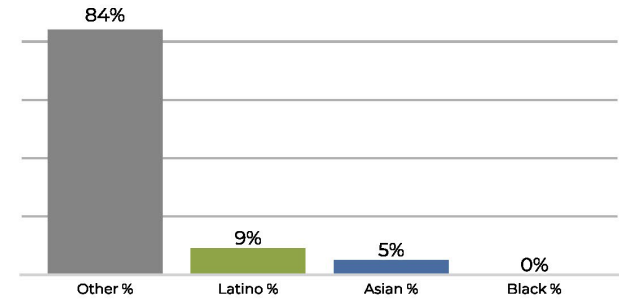
District 5



2020 Census



Citizen Voting Age Population



Population	Deviation	Deviation %	Other	Other %	Latino	Latino %	Asian	Asian %	Black	Black %
15,912	1,280	8.7%	12,883	81.0%	1,778	11.2%	1,152	7.2%	99	0.6%
Total CVAP	Other CVAP	Other CVAP %	Latino CVAP	Latino CVAP %	Asian CVAP	Asian CVAP %	Black CVAP	Black CVAP %		
11,764	9,944	84.5%	1,083	9.2%	685	5.8%	52	0.4%		

Olivenhain Municipal Water District Redistricting Process

Next Steps

Redistricting Partners creates draft maps to adjust current districts

Olivenhain Municipal Water District Redistricting Process

Timeline for Upcoming Meetings

December 15th

Redistricting Basics

January 19th

Public hearing on draft maps

February 16th

Adoption of Final Maps

April 17th

Deadline to pass map



**REDISTRICTING
PARTNERS**

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 15, 2021

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 2021:**

Operations & Maintenance	Current Month	Last Month
DCMWTP Total Production	622.7 million gallons	566.6 million gallons
DCMWTP Average Daily Production	20.8 million gallons	18.3 million gallons
DCMWTP Peak Day Production	25.9 million gallons	25.3 million gallons
Source Water Blend (% State Project Water)	0	0
Total Deliveries to VWD	398.49 acre feet 129.85 million gallons	322.68 acre feet 105.17 million gallons
4S and Rancho Cielo Sewer Systems Total Inflow	40.93 million gallons	31.42 million gallons
4S and Rancho Cielo Sewer Systems Average Daily Inflow	1,364,527 gallons	1,019,159 gallons
4S and Rancho Cielo Sewer Systems Peak Day Inflow	1,746,888 gallons	1,357,370 gallons
4S and Rancho Cielo Sewer Systems Low Day Inflow	901,654 gallons	856,512 gallons
4SWRF Average Daily Production	730,860 gallons	651,311 gallons
4SWRF Peak Day Production	929,731 gallons	1,108,022 gallons
4SWRF Total to Recycled Water Distribution System	21.92 million gallons	20.19 million gallons
4S Recycled Water Storage Pond Volume	17 acre feet	21 acre feet
Repaired Potable Water Main Leak(s)	0	0
Repaired Potable Water Service Lateral Assembly Leak(s)	4	3
Repaired Recycled Water Main Leak(s)	0	0
Repaired Recycled Water Service Lateral Leak(s)	0	0
Repaired Hit Fire Hydrant Lateral Assembly Leak(s)	1	2
Replaced Valve(s) Monthly Total	28	4
Replaced Valve(s) Calendar Year To Date	45	17
Recycled Water Use Site Inspections & Visits	20	28
Recycled Water Use Site Cross Connection Tests	7	9
Cross Connection Site Surveys	2	1
Backflow Inspections & Testing (New)	2	4
IT Help Requests	21	31
Customer Services	Current Month	Last Month
Customer Calls and Inquiries	910	958
Total Monthly Bills Issued	22,954	22,926
Service Orders	383	669
New Potable Meters	1	1
New Fire Meters	1	3
New Recycled Water Meters	0	0
AMI Troubleshooting Investigations	45	36

AMR Troubleshooting Investigations	33	32
Stopped/Underperforming Meters Replaced	57	51
Customer Services - Continued	Current Month	Last Month
MXUs Upgraded to AMI	1	285
Meter Accuracy Tests Performed	3	0
Water Use Evaluations	22	13
Water Use Violation Reports	12	3
Workshops, Events, and Tours	0	1
High-Efficiency Clothes Washer Rebates	2	3
Weather-Based Irrigation Controller Rebates	8	8
Hose Irrigation Controller Rebates	0	0
High-Efficiency Rotating Nozzle Rebates	1	1
High-Efficiency Toilet Rebates	0	0
Rain Barrel Rebates	0	3
Flow Monitor Device Rebates	3	2
Turf Removal Project Rebates	0	1
Social Media Posts	18	20
News Releases/Media Advisories	3	3
EFRR	Current Month	Last Month
Special Use/Event Permits	5	4
Parking Notices	71	42
Incident Reports	7	8
Vehicle Count	4,715	3,915
Trail Use Count	11,285	8,262
Days Closed Due to Rain/Red Flag/COVID-19	2	0
Days IC Open	19	20
Number of IC Visitors	268	495
Volunteer Trail Patrol Shifts	7	10
Volunteer Docent Hours	105	111
Total Number of Docents	63	63
Finance	Current Month	Last Month
Infosend Payments	9,926	9,815
OMWD Auto Debit Payments	2,486	2,498
CB&T Lockbox Payments	3,213	3,275
Over the Counter Payments	697	451
Check-free, Metavante and Chase	4,877	4,869
Paymentus (Credit Card) Payments	1,067	1,018
Finance Calls and walk-ins	61	66
Service Orders Processed	16	11
Service Orders Closed Out	1	0
Purchase Orders	11	13
Inventory Items Received	1,897	214
Invoices Processed	534	629
Payroll Direct Deposits Processed	230	231
Accounts Payable Checks	266	231

ENGINEERING DEPARTMENT

Engineering Manager Jason Hubbard Highlights for November 2021:

Warranty items continue to be addressed for the New and Remodeled Operations and Administration Facilities project by the contractor and as part of the final sign-off on the building permit; landscaping modifications and other ancillary work will continue for the next few months in order to close-out the City of Carlsbad permit obligations. The Manchester Potable Waterline Replacement contractor continues to install pipeline and appurtenances, shifting from night work to day work schedule. The Neighborhood 1 Sewer Pump Station Replacement project was released for public bid with bids due in January 2022 and a professional services agreement was approved by the Board for Construction Management and Inspection services for the project. The Lone Jack Pressure Reducing Station Replacement project was released for public bid with bids due in December. Staff continues coordination with Caltrans and their contractor on work occurring at I-5 and Manchester Avenue which will have impacts to OMWD's upcoming Manchester Avenue Recycled Water Pipeline project, currently nearing design completion. The Coastal Commission has approved the project and staff are anticipating releasing the project for bid in December. Preliminary design work continues on the Headworks Screening System Improvement project. A proposal was received for design services for the Unit A North, Rancho Santa Fe Road Potable Water Pipeline Replacement or Rehabilitation project and staff will bring a recommendation to the Board in December. Staff has concluded their findings from the aerial drone pilot program data collected in April and will present to the Facilities Committee in December. Staff continues to handle developer and other minor projects including fire hydrants, detector checks, water service laterals, etc., assist other departments with engineering related work, and manage OMWD's right-of-ways. Work continues for the upcoming sale of the Peay parcel.

HUMAN RESOURCES DEPARTMENT

Human Resources Manager Jennifer Joslin Highlights for November 2021:

Human Resources staff conducted new hire orientations and safety training for the new Administrative Analyst, IT Systems Administrator (cybersecurity), and the Department Assistant I for the Assistant General Manager. Coordinated recruitments for the vacant Inspector I position and internal temporary out of class assignment for a Water Treatment Plant Operator II. Held benefits open enrollment for employee annual health insurance plan changes, supplemental insurance additions, and flexible spending account enrollments. Continued negotiations meetings with the representatives of the employee association groups (BUMA and DEA), presented the Tentative Agreement at the general meeting of all BUMA and DEA employees, and held a Personnel Committee meeting as part of the ongoing Memorandum of Understanding (MOU) negotiations process. Generated the mid-year performance reviews for completion by the Supervisors and Managers. Records staff processed multiple public records requests. Safety staff performed site visits during the North County Fire Departments confined space training on District property.

OPERATIONS & MAINTENANCE

Operations Manager Geoff Fulks Highlights for November 2021:

DCMWTP is working on contract documents with the awarded contractor for the pH Control System project - construction to commence in December 2021. Recruitment of a temporary Water Treatment Plant 2 operator is currently in process. Operators are preparing for the installation of refurbished filter cassettes slated for January 2022. Wanket reservoir was inspected in support of the Concrete Tank Inspection project. Cross-connection staff upgraded the Denk Reservoir's irrigation backflow with new equipment for easier long term maintenance and completed the annual inspection and repairs for all OMWD owned backflows. In support of the Valve Replacement project, OMWD staff replaced 28 valves in the Solana Beach area. Staff worked with the Finance department on creating a Critical Parts Inventory to ensure we have adequate parts on hand with global supply chains currently disrupted.

CUSTOMER SERVICES DEPARTMENT

Customer Services Manager John Carnegie Highlights for November 2021:

Participated in DWR's Annual Water Supply and Demand Assessment Guidance Workshop; met with DWR and WaterReuse to provide feedback on DWR's Urban Water Use Objective Variance for High TDS on Landscapes; received notification of a \$3,999 funding award from the Hans and Margaret Doe Charitable Trust for California-Friendly Demonstration Garden project at headquarters; mailed 505 postcards notifying customers affected by the next AMI Expansion Project phase; concluded 2021 Pure Excellence awards program; launched campaign seeking input on new director division boundaries; released video on Manchester Avenue potable and recycled water projects; and published December issue of Watching Water newsletter.

At EFRR, held "Interacting with the Public" workshop led by docent Al Bates; installed new car counters at Staging Area and Overflow parking lots; hosted seven field trips for third graders from Escondido Unified School District; and hosted first OMWD Employees Recreation Club Turkey Trot hike.

FINANCE DEPARTMENT

Finance Manager Rainy Selamat Highlights for November 2021:

Worked with the District's auditors to finalize draft of OMWD Annual Comprehensive Financial Report for fiscal years ended 2021 and 2020 for review and discussion with the Finance Committee; staff implemented Electronic Fund Transfers (EFT) vendor payments in Microsoft GP and began transitioning eligible vendors to the new platform to minimize fraudulent checks; completed various annual housekeeping items, such as review of the District's investment policy, reserve policy, and record retention policy; provided GM Thorner with estimated cost of each item included in the 2021 labor negotiations proposal; finalized 2022 pass-through wholesale cost and inflation increases on water rates and charges; presented Rate Reimbursement Credit options for consideration and discussion with the Finance Committee and the Board, and drafted a written notice on changes on water rates and charges for 2022 to be included in January 2022 Watching Water edition.

ASSISTANT GENERAL MANAGER:

The Assistant General Manager reports the following:

Participated in a North San Diego Water Reuse Coalition Meeting; engaged in a meeting with the 4S Ranch Master Association; attended the CSDA Quarterly Dinner; participated in a Conservation Committee Meeting; attended ACWA Fall Conference; engaged in several new-hire interviews; trained and developed new staff; dedicated time to personnel matters, employee recruitment, claims management, and reviewing public records requests.

GENERAL MANAGER:

The General Manager reports the following:

General Manager Thorner participated in the SDCWA Board Meeting, participated in the Member Agency Managers Meeting, held Finance, Conservation, and Personnel Committee Meetings, participated in the MAMO Meeting, attended the CSDA Quarterly Dinner, led Employee Negotiations, held a NSDWRC Meeting, participated in the ACWA Federal Affairs Committee Meeting, attended the ACWA Fall Conference, dedicated significant time to interviews, personnel matters, and reviewing legal matters.

Memo

C

To: Olivenhain Municipal Water District Board of Directors

Subject: INFORMATIONAL REPORTS
CONSULTING ENGINEER

Any report will be given orally at the meeting.

Memo

D

To: Olivenhain Municipal Water District Board of Directors

Subject: INFORMATIONAL REPORTS

GENERAL COUNSEL

Any 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 15, 2021

RE: Attorney Report: NEPA Update
150152-0005

I. Introduction.

This attorney report provides an update on revisions to the National Environmental Policy Act (“NEPA”) proposed by the Biden administration. The Council on Environmental Quality (“CEQ”) recently proposed to reverse the Trump administration’s definition of environmental “effects” and to reinstate the term “cumulative impacts” under NEPA. If adopted, the Biden administration amendments will revert to NEPA regulatory definitions as they existed back in 1978 and expand the scope of projects subject to NEPA.

II. Background.

The definitions of “effects” and the elimination of “cumulative impacts” from the NEPA regulations are key elements of the Trump administration’s 2020 NEPA regulations. 85 Fed. Reg. 43304, 43375 (July 16, 2020). The Trump regulations made major revisions to the definitions of these terms that had been in place since the Carter administration.

More than four decades ago, CEQ adopted regulations implementing NEPA and defining “effects” to include “indirect effects” and “cumulative impacts” of major federal agency actions. The 1978 NEPA regulations defined “indirect” effects to include effects “caused by an action” that are “later in time or farther removed in distance, but are still reasonably foreseeable.” “Cumulative impacts” were defined as an “impact which results from the incremental effect of the action when added to other past, present, and reasonably foreseeable future actions.” 40 C.F.R. § 1508.8, 1508.7 (1978).

NEPA’s enactment in 1969 and the 1978 regulations spawned a blizzard of litigation over the scope of federal agencies’ obligation to analyze indirect and cumulative environmental effects of a federal agency action. Fast forward to today, there is a robust body of case law in the Supreme Court and in the federal circuit courts applying the term “effects” and “cumulative impacts” in hundreds of factual settings.

Before the emergence of climate change as a heavily contested environmental issue, NEPA case law on the definition of “effects” was relatively stable. Most agencies and CEQA practitioners understood how to structure an analysis of a project’s effects sufficiently enough to survive judicial scrutiny. NEPA evaluations of indirect and cumulative impacts are assisted by increasingly complex federal and state environmental laws setting substantive regulatory standards and by sophisticated analytical models of cumulative air, water and other environmental impacts.

Climate change, greenhouse gas emissions, fossil fuel energy related projects, and environmental justice concerns appear to be fundamental drivers of the Biden administration’s proposed NEPA revisions. Climate change, in particular, led to a new round of litigation raising new and difficult questions regarding the reach of the NEPA obligation to evaluate indirect and cumulative impacts. Climate change has been described as the quintessential example of a “cumulative impact.” Virtually every human activity of the modern world involves carbon emissions. But no single activity emits carbon in an amount to individually and measurably alter the climate.

World leaders met last month in Scotland at the 2021 United Nations Climate Change Conference, more commonly referred to as COP26 or Conference of the Parties. During this conference, world leaders reiterated the urgency of achieving a net zero of carbon emissions by 2050 to avoid an irreversible tipping point.

A group of fifteen California state legislators, Newsom administration officials and the Lieutenant Governor all participated in this global climate change summit, touting California's progress and leadership on climate change efforts. Speaker Rendon remarked that California’s climate change goals are antiquated, not consistent with the current state of the climate crisis and the most recent scientific developments, and that enhanced climate change regulation will be a focus for the next California legislative session.

III. The Trump Administration Amendments.

The Trump Administration advanced changes to NEPA to address the evaluation of environmental impacts associated with climate change, energy projects, and the related questions of how to evaluate environmental effects that are later in time, but still “reasonably foreseeable.” The legislative history shows that in evaluating such questions, the Trump Administration considered questions such as: How much later in time is relevant for an environmental impact evaluation? What is “reasonably foreseeable”? What geographic distance is relevant? Does a coal-fired power plant or a natural gas field in North Dakota have a “reasonably foreseeable” relationship to the reduction in Arctic Ocean sea ice and associated impacts on marine mammals living about and below the ice? Or does it contribute in a foreseeable way to changes in precipitation occurring in the western United States or flooding in the Mississippi River basin?

The Trump administration attempted to address these questions by requiring a “reasonably close causal relationship” between the agency action and the “effects.” The regulations provided that:

“A ‘but for’ causal relationship is insufficient to make an agency responsible for a particular effect under NEPA. Effects should generally not be considered if they are remote in time, geographically remote, or the product of a lengthy causal chain. Effects do not include those effects that the agency has no ability to prevent due to its limited statutory authority or would occur regardless of the proposed action.” 85 Fed. Reg. 43304, 43375 (July 16, 2020).

The Trump administration revisions also eliminated the term “cumulative impact.” The Trump administration concluded that the “cumulative impact” definition is too speculative, vague and impractical in attempting to evaluate the “incremental environmental effect of the action when added to other past, present, and reasonably foreseeable future actions.”

Five lawsuits challenged the Trump regulations on a variety of grounds. The lawsuits zeroed in on the elimination of the term “cumulative impacts” and on the narrowing of the definition of “effects.” In response to Biden administration requests, the courts have temporarily stayed the litigation.

IV. The Biden Administration’s Proposed Revisions.

The new regulations proposed by the Biden administration will, in large part, return the regulatory definitions of “effects” and “cumulative impacts” to the 1978 NEPA regulations. CEQ explained that the reinstatement of the 1978 definitions would insure that agencies consider the full range of reasonably foreseeable effects in the NEPA process, even if the environmental impact is remote in time or geographically remote from the proposed action.

CEQ also stated “that even where an agency does not exercise regulatory authority over all aspects of a problem, it may be appropriate to consider and compare the air pollution and greenhouse gas emissions effects that the proposal and the regional alternatives would have on the environment, even if the agency does not have control over all of the emissions that the alternative would produce.” 86 Fed. Reg. 55757, 66763 (October 7, 2021).

CEQ argues that reinstatement of the definition of “cumulative impacts” aligns with the courts’ longstanding interpretations of NEPA to require agencies to consider cumulative effects, noting that even before CEQ issued regulations on cumulative effects, the U.S. Supreme Court had interpreted NEPA to require consideration of cumulative effects “when several proposals . . . that will have cumulative or synergistic environmental impact upon a region are pending concurrently before an agency, their

environmental consequences must be considered together.” *Kleppe v. Sierra Club*, 427 U.S. 390, 410 (1976).

V. CONCLUSION.

With increasing attention to climate change, energy projects, environmental justice, and the federal infrastructure bill proposing over \$63 billion in drinking water and water infrastructure programs, an increase in state and local projects subject to NEPA is expected in coming years. If the 1978 definition of “effects” and “cumulative impacts” are reinstated as proposed by the Biden Administration, the scope of projects subject to NEPA will expand, and NEPA challenges to agency actions will likely increase.

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 18, 2021

1. Resolution requesting from the Metropolitan Water District of Southern California a one-year extension of time for completion of the Rincon del Diablo Municipal Water District's Proposed Sringeri Vidya Bharati Foundation Temple Annexation.
The Board adopted Resolution No. 2021-26 to: A) request the Metropolitan Water District of Southern California extend the time for completion of Rincon del Diablo Municipal Water District's proposed Sringeri Vidya Bharati Foundation Temple annexation to December 31, 2022, in accordance with Section 3108 of Metropolitan Water District of Southern California's Administrative Code; and B) Reaffirm all other terms and conditions as set forth in San Diego County Water Authority Resolution No. 2020-04 and Metropolitan Water District of Southern California Resolution No. 9263.
2. Adopt Resolution No. 2021-27 Authorizing the San Diego County Water Authority to Enter into an Agreement with the State of California Department of Water Resources to Receive Funds for the San Vicente Pump Station Project and Authorizing the General Manager to Execute the Agreement on Behalf of the San Diego County Water Authority.
The Board adopted Resolution No. 2021-27 authorizing the San Diego County Water Authority to enter into an agreement with the State of California Department of Water Resources to receive funds for the San Vicente Pump Station project and authorizing the General Manager to execute the agreement on behalf of the San Diego County Water Authority.
3. Closed Session
The Board authorized the General Manager to, subject to CEQA compliance, negotiate and enter into agreements for the Water Authority's water storage assets at the Semitropic Water Banks as follows: (1) an \$893/AF sale floor price for the sale of 4,200/AF of water in 2022; and (2) a \$100/AF minimum sales price for take capacity in 2022.
4. Proposed 2022 Legislative Policy Guidelines.
The Board adopted the proposed 2022 Legislative Policy Guidelines.
5. 2022 State Legislative and Congressional Sessions: Proposals for State and Federal Priorities.
The Board approved sponsoring, co-sponsoring, or supporting the following legislative proposals: A) streamline the operator certification process and allow for flexibility during extenuating circumstances, and B) support water rate affordability for low-income ratepayers; and adopted state and federal priorities for 2022.
6. Monthly Treasurer's Report on Investments and Cash Flow.
The Board noted and filed the Treasurer's report.
7. Vote Entitlement Resolution for Calendar Year 2022.
The Board adopted Resolution No. 2021-28 establishing vote and representative entitlements of each member agency to be effective January 1, 2022.



8. Professional services contract with Alliant Insurance Services, Inc., to provide Health Insurance Broker Services.
The Board authorized the General Manager to award a professional services contract to Alliant Insurance Services, Inc. to provide Health Insurance Broker Services for a four-year term, beginning January 1, 2022, through December 31, 2025, at a cost of \$60,000 per year. The Water Authority will have the option for a one-year extension at a cost of \$63,000, for a total not-to-exceed five-year contract amount of \$303,000.
9. Adopt Annual Statement of Investment Policy, as amended, and continue to delegate authority to the Treasurer to invest Water Authority funds for Calendar Year 2022.
The Board adopted the Annual Statement of Investment Policy, as amended, and continue to delegate authority to the Treasurer to invest Water Authority funds for calendar year 2022.
10. Approval of Minutes.
The Board approved the minutes of the Formal Board of Directors' meeting of October 28, 2021.
14. Appointment of Director Lois Fong-Sakai to the Metropolitan Water District of Southern California Board of Directors.
The Board approved the appointment of Lois Fong-Sakai, replacing Jerry Butkiewicz, as a Director to the Metropolitan Water District of Southern California Board of Directors.
15. 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 approved 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.

Memo

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To: Olivenhain Municipal Water District Board of Directors

Subject: INFORMATIONAL REPORTS
LEGISLATIVE REPORT

Any written report will be attached; any oral report will be provided at the time of the Board Meeting.



NOSSAMAN LLP | Memorandum

TO: Olivenhain Municipal Water District

FROM: Ashley Walker, Senior Policy Advisor, Nossaman LLP
Jennifer Capitulo, Jennifer M. Capitulo and Associates LLC

DATE: December 8, 2021

RE: October Public Policy Report

State Legislative Update:

2022 Legislative Session – Anticipated Policy Issues: While the Legislature and Administration accomplished some significant policy and fiscal goals in 2021, Sacramento will be as busy as ever in the coming year with several anticipated hot policy topics. The Legislature reconvenes on January 3, 2022 and some of the important issues impacting the District we anticipate being debated include, but are not limited to: Continued COVID-19 response and recovery, public health, Brown Act modernization, wildfire and other climate change impacts on sustainability, drought response and water storage, and water affordability.

FY 2022-23 State Budget Projections: On November 17, 2021, the Legislative Analyst's Office released their 2022-23 California Budget Outlook, projecting a \$31 billion surplus. The LAO explains that the trend in surplus expected, can support the State investing in new, ongoing investments and/or tax reductions. We know that the Legislature and Administration will be debating what types of investments should be made, and we will work with our Members to continue to advocate for our legislative and funding priorities, as well as local projects. A link to the full LAO report can be found here: <https://lao.ca.gov/Publications/Report/4472>.

Executive Orders and Actions Related to COVID-19: This list is compiled from CalOES, California Health and Human Services, California Department of Public Health, and FEMA.

- December 1 -The State of California and the San Francisco Department of Public Health confirmed a case of the Omicron variant in California.
- November 18 - Governor Gavin Newsom proclaimed a state of emergency to support counties across the state recovering from January 2021 storms and an executive order to extend consumer protections for communities impacted by last year's wildfires.
- November 10 - Governor Newsom signed an executive order to ensure California's health care facilities continue to have the staffing and resources needed to prevent potential strain on the state's health care delivery system as the state prepares for a potential new surge in COVID-19 cases over the winter.
- November 3 - California launches robust vaccination program for 5-11 Age Group, following the Western States Scientific Safety Review Workgroup's review of the federal process and conclusion that the Pfizer-BioNTech vaccine is safe and effective for children 5 years of age and up.

Drought Update:

The drought continues, but over the last month conditions have not become more extreme. The State Water Board continues to report out once a month on water suppliers' progress toward achieving the voluntarily 15% water use reductions called for in the Governor's July 6 Executive Order. At the December 7 State Water Board meeting, staff presented their second update on the monthly water production and conservation data reported by urban retail water suppliers. The October 2020 to 2021 statewide savings was 13.2%, for a cumulative savings of 5.7%.

Water Quality Update:

CrVI Regulation and Environmental Impact Report: On November 29, 2021, the State Water Board held a scoping meeting for the Notice of Preparation of an environmental impact report for a Chromium-6 Drinking Water MCL. The EIR will reviewing the adoption of 17 possible MCL levels (1-15, 20 and 25 µg/L). The project scope will include setting the MCL for hexavalent chromium and the reasonably foreseeable methods of compliance. The comment period closes December 6, 2021.

Drinking Water Infrastructure Funding Stakeholder Meeting: The State Water Board is hosting a series of meetings to solicit public input on an implementation plan for the \$650 million in drinking water and wastewater infrastructure funds appropriated in the 2021/22 State Budget. The funding will be awarded as grants and must be committed to projects by June 2024. The implementation plan is expected to go before the State Water Board for consideration in early 2022.

Microplastics Workshop: On November 17, 2021, the State Water Board held a workshop to solicit public input on the draft methods and plan for testing and reporting microplastics in drinking water. Written comments are due on the Methods and Plan by December 22, 2021. Staff intend to present the Methods and Plan to the State Water Board for consideration of adoption at the Board's February 15, 2022 meeting.

Water Use Efficiency/Conservation Update:

Department Of Water Resources

The Department of Water Resources (DWR) and State Water Board continue to implement the comprehensive water conservation and drought planning legislation of 2018, AB 1668 (Friedman) and SB 606 (Hertzberg).

- **Indoor Water Use Standard:** On November 30 DWR and State Water Board released their final Indoor Residential Water Use Study and recommendations to the Legislature. The final report recommends reducing the indoor water use standard from 52.5 to 47 gallons per person per day (gpcd) in 2025, and further lowering it from 50 to 42 gpcd in 2030, as had been proposed in the draft report. The final report and the response to comments (Appendix K) are posted here: [Urban Water Use Efficiency Standards and Water Use Objective \(ca.gov\)](#). Water suppliers and associations identified many concerns with such lower indoor standards, which are not practically achievable in many areas without significant retrofits of the existing housing stock. Most of these comments were dismissed in the response to comments. The Legislature will now consider these recommendations in conjunction with the existing bill, AB 1434 (Friedman), which proposes reducing indoor water use standard to 48 gallons per capita daily until 2025, then to 44 gallons gpcd to 2030, and finally to 40 gallons gpcd after 2030.

The indoor standard is to be used on a per capita basis, along with the other standards that are to be adopted by the Water Board (including distribution system leak loss), to derive the overall water use reduction target (aka "objective") for each urban supplier. Water Board enforcement will be against the urban suppliers that don't hit the target (not individual water users).

- **DWR Water Efficiency Standards:** On November 16 DWR held a workshop to present its final draft recommendations for the Residential Outdoor Water Use Standard, and on November 17 held a workshop to present its final draft recommendations on the water use standard for Commercial, Industrial and Institutional (CII) outdoor landscape areas that are irrigated with dedicated irrigation meters (DIMs). Analysis was presented in support the previously proposed provisional irrigation efficiency standard of .80 until 2030, which is the same that in the current Model Water Efficient Landscape Ordinance (MWELO) for new development. The recommendation proposes further reduction of the efficiency standard to .65 for all residential irrigation after 2030. Water suppliers continued to comment that these proposed standards unachievable in practice.

DWR had set a comment deadline of November 18, but at the request of the Water Supplier Coalition extended it to November 24. ACWA, CMUA, and CWA submitted a coalition letter which conveyed comprehensive comments and concerns about the DWR efficiency standards (attached).

DWR now plans to finalize the urban water use standards and several variances and deliver them the State Water Board in late December. The Water Board will begin formal rulemaking in the Spring of 2022, which is to include and environmental and economic impact analysis of the proposed standards and alternatives.

- **Annual Water Supply and Demand Assessment (AWSDA):** DWR held a webinar meeting on November 16 to present draft guidance for the Annual Water Supply and Demand Assessment (AWSDA), the first of which is due on July 1, 2022. Comments and input were solicited.
- **Water use efficiency standards and SB X7-7 2020 conservation target requirements:** On November 12 DWR held a webinar to present their proposed approach to compare the objective based total water use calculated using water use standards against the SB X7-7 2020 water conservation targets. DWR staff and technical team present a tool that was developed to estimate for each urban water supplier if the proposed water use efficiency targets would likely achieve greater water use reductions than the previous SB X7-7 2020 conservation targets. This analysis concludes that most water agencies would have lower water use, as was required by the statute.

State Water Resources Control Board

Water Use Standards for Wastewater Management: On December 2 the State Water Board held a workshop to describe proposed methods for analyzing the impacts of reduced water use on wastewater management statewide in coming years as AB 1668 and SB 606 are implemented. Water Code 10609.21(c) requires a broad assessment of the scale of operations impacts due to reduced flow for which wastewater collection and treatment systems were not designed. Consultants working for the Water Board presented their technical approach and preliminary findings and solicited input from stakeholders. The studies are expected to identify impacts and estimate statewide costs associated with mitigating the unintended consequences of reduced water use. This work is to be completed in 2022 for consideration by the Water Board as part of the Water Use Standards rulemaking.

Water Use Standards for Urban Trees and Parkland: On December 3 the Water Board held a workshop to describe proposed methods for analyzing the impacts of reduced water use on urban trees and parklands, also required by Water Code 10609.21(c). Again, consultants presented their technical approach and preliminary findings and solicited input from stakeholders. The studies are also expected to be completed in 2022 and will identify impacts and estimate statewide costs associated with mitigating the effects of reduced water use.

Emergency Rulemaking: Prohibited Uses of Water: On November 30 State Water Board initiated emergency rulemaking to adopt emergency statewide water waste prohibitions, as authorized by the Governor's October 19, 2021 proclamation of a drought state of emergency. Written comments are due on December 23, 2021. On January 4, 2022, the State Water Board plans to consider a proposed resolution adopting emergency regulations to prohibit broad classes of water use as "waste" under Water Code Section 1058 and imposition of a \$500 fine on individual water users. When this was attempted in 2017, public water agencies opposed it as an impermissible expansion of the state "waste and unreasonable use" doctrine that could erode water rights. Also, it imposes some blanket statewide prohibitions that may be misaligned with existing water supplier Water Shortage Contingency Plans, as well as imposing state enforcement upon local water suppliers. Although that proposal was withdrawn by the Board, this appears to be a very similar proposal and it may be that public water entities will oppose it this time as well.



Olivenhain Legislative Report 2021-22
Report as of 11/10/2021

Neutral

AB 339 (Lee D) Local government: open and public meetings.

Last Amend: 9/3/2021

Status: 10/7/2021-Vetoed by the Governor

Location: 10/7/2021-A. VETOED

Calendar: 1/3/2022 #22 ASSEMBLY GOVERNOR'S VETOES

Summary: The Ralph M. Brown Act requires, with specified exceptions, that all meetings of a legislative body of a local agency, as those terms are defined, be open and public and that all persons be permitted to attend and participate. Under existing law, a member of the legislative body who attends a meeting where action is taken in violation of this provision, with the intent to deprive the public of information that the member knows the public is entitled to, is guilty of a crime. This bill would require local agencies to conduct meetings subject to the act consistent with applicable state and federal civil rights laws, as specified.

Position

Neutral

Oppose

AB 377 (Rivas, Robert D) Water quality: impaired waters.

Last Amend: 4/13/2021

Status: 5/25/2021-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/19/2021)(May be acted upon Jan 2022)

Location: 5/25/2021-A. 2 YEAR

Summary: Would require, by January 1, 2023, the State Water Resources Control Board and regional boards to prioritize enforcement of all water quality standard violations that are causing or contributing to an exceedance of a water quality standard in a surface water of the state. The bill would require the state board and regional boards, by January 1, 2025, to evaluate impaired state surface waters and report to the Legislature a plan to bring all water segments into attainment by January 1, 2050. The bill would require the state board and regional boards to update the report with a progress summary to the Legislature every 5 years. The bill would create the Waterway Recovery Account in the Waste Discharge Permit Fund and would make moneys in the Waterway Recovery Account available for the state board to expend, upon appropriation by the Legislature, to bring impaired water segments into attainment in accordance with the plan.

Position

Oppose

AB 1434 (Friedman D) Urban water use objectives: indoor residential water use.

Last Amend: 4/19/2021

Status: 5/25/2021-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. on 4/27/2021)(May be acted upon Jan 2022)

Location: 5/25/2021-A. 2 YEAR

Summary: Would establish, beginning January 1, 2023, until January 1, 2025, the standard for indoor residential water use as 48 gallons per capita daily. The bill would establish, beginning January 1, 2025, the standard as 44 gallons per capita daily and, beginning January 1, 2030, 40 gallons per capita daily.

Position

Oppose

SB 223 (Dodd D) Discontinuation of residential water service.

Last Amend: 5/3/2021

Status: 5/25/2021-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/17/2021)(May be acted upon Jan 2022)

Location: 5/25/2021-S. 2 YEAR

Summary: Current law requires an urban and community water system to have a written policy on discontinuation of residential service for nonpayment, including, among other things, specified options for addressing the nonpayment. Current law requires an urban and community water system to provide notice of that policy to customers, as provided. This bill would apply those provisions, on and after July 1, 2022, to a very small community water system, defined as a public water system that supplies water to 200 or fewer service connections used by year long residents.

Position

Oppose

Oppose Unless Amended

SB 222 (Dodd D) Water Rate Assistance Program.

Last Amend: 8/30/2021

Status: 9/10/2021-Failed Deadline pursuant to Rule 61(a)(15). (Last location was INACTIVE FILE on 9/3/2021)(May be acted upon Jan 2022)

Location: 9/10/2021-A. 2 YEAR

Summary: Would establish the Water Rate Assistance Fund in the State Treasury to help provide water affordability assistance, for both drinking water and wastewater services, to low-income ratepayers and ratepayers experiencing economic hardship in California. The bill would require the Department of Community Services and Development to develop and administer the Water Rate Assistance Program established by the bill.

Position

Oppose Unless
Amended

Support

AB 361 (Rivas, Robert D) Open meetings: state and local agencies: teleconferences.

Last Amend: 9/3/2021

Status: 9/16/2021-Approved by the Governor. Chaptered by Secretary of State - Chapter 165, Statutes of 2021.

Location: 9/16/2021-A. CHAPTERED

Summary: Would, until January 1, 2024, authorize a local agency to use teleconferencing without complying with the teleconferencing requirements imposed by the Ralph M. Brown Act when a legislative body of a local agency holds a meeting during a declared state of emergency, as that term is defined, when state or local health officials have imposed or recommended measures to promote social distancing, during a proclaimed state of emergency held for the purpose of determining, by majority vote, whether meeting in person would present imminent risks to the health or safety of attendees, and during a proclaimed state of emergency when the legislative body has determined that meeting in person would present imminent risks to the health or safety of attendees, as provided.

Position

Support

Notes: 2/18/21 Letter to author

SB 323 (Caballero D) Local government: water or sewer service: legal actions.

Last Amend: 8/16/2021

Status: 9/23/2021-Chaptered by Secretary of State. Chapter 216, Statutes of 2021.

Location: 9/22/2021-S. CHAPTERED

Summary: Current law prohibits a local agency from imposing fees for specified purposes, including fees for water or sewer connections, as defined, that exceed the estimated reasonable cost of providing the service for which the fee is charged, unless voter approval is obtained. Existing law provides that a local agency levying a new water or sewer connection fee or increasing a fee must do so by ordinance or resolution. Current law requires, for specified fees, including water or sewer connection fees, any judicial action or proceeding to attack, review, set aside, void, or annul an ordinance, resolution, or motion adopting a new fee or service charge or modifying an existing fee or service charge to be commenced within 120 days of the effective date of the ordinance, resolution, or motion according to specified procedures for validation proceedings. Except as provided, this bill would require any judicial action or proceeding to attack, review, set aside, void, validate, or annul an ordinance, resolution, or motion adopting, modifying, or amending water or sewer service fees or charges adopted after January 1, 2022, to be commenced within 120 days of the effective date or the date of final passage, adoption, or approval of the ordinance, resolution, or motion, whichever is later.

Position

Support

AB 1 (Garcia, Cristina D) Hazardous waste.

Status: 7/14/2021-Failed Deadline pursuant to Rule 61(a)(11). (Last location was E.Q. on 6/9/2021)(May be acted upon Jan 2022)

Location: 7/14/2021-S. 2 YEAR

Summary: Would create the Board of Environmental Safety in the California Environmental Protection Agency. The bill would provide requirements for the membership of the board and would require the board to conduct no less than 6 public meetings per year. The bill would provide for the duties of the board, which would include, among others, reviewing specified policies, processes, and programs within the hazardous waste control laws; proposing statutory, regulatory, and policy changes; and hearing and deciding appeals of hazardous waste facility permit decisions and certain financial assurance decisions.

Position

AB 8 (Smith R) Unemployment benefits: direct deposit.

Status: 9/10/2021-Failed Deadline pursuant to Rule 61(a)(15). (Last location was INS. on 1/11/2021)(May be acted upon Jan 2022)

Location: 9/10/2021-A. 2 YEAR

Summary: Current law requires unemployment compensation benefits that are directly deposited to an account of the recipient's choice to be deposited to a qualifying account. Current law defines "qualifying account" for these purposes to mean a demand deposit or savings account at an insured financial institution in the name of the person entitled to receipt of public assistance payments or a prepaid card account that meets certain requirements, including that the prepaid card account may not be attached to any credit or overdraft feature that is automatically repaid from the account after delivery of the payment. This bill would, by July 1, 2021, provide that the recipient of the unemployment compensation benefits has the right to choose whether the benefits payments are directly deposited into a qualifying account or applied to a prepaid debit card.

Position

AB 9 (Wood D) Fire safety and prevention: wildfires: fire adapted communities: Office of the State Fire Marshal: community wildfire preparedness and mitigation.

Last Amend: 9/3/2021

Status: 9/23/2021-Approved by the Governor. Chaptered by Secretary of State - Chapter 225, Statutes of 2021.

Location: 9/23/2021-A. CHAPTERED

Summary: Would establish in the Department of Conservation the Regional Forest and Fire Capacity Program to support regional leadership to build local and regional capacity and develop, prioritize, and implement strategies and projects that create fire adapted communities and landscapes by improving ecosystem health, community wildfire preparedness, and fire resilience. The bill would require, among other things, the department to, upon an appropriation by the Legislature, provide block grants to regional entities, as defined, to develop regional strategies that develop governance structures, identify wildfire risks, foster collaboration, and prioritize and implement projects within the region to achieve the goals of the program.

Position

AB 11 (Ward D) Climate change: regional climate change authorities.

Last Amend: 1/21/2021

Status: 4/30/2021-Failed Deadline pursuant to Rule 61(a)(2). (Last location was NAT. RES. on 1/11/2021)(May be acted upon Jan 2022)

Location: 4/30/2021-A. 2 YEAR

Summary: Would require the Strategic Growth Council, by January 1, 2023, to establish up to 12 regional climate change authorities to coordinate climate adaptation and mitigation activities in their regions, and coordinate with other regional climate adaptation authorities, state agencies, and other relevant stakeholders.

Position

AB 19 (Santiago D) Unemployment insurance compensation: COVID-19 pandemic: temporary benefits.

Status: 9/10/2021-Failed Deadline pursuant to Rule 61(a)(15). (Last location was INS. on 1/11/2021)(May be acted upon Jan 2022)

Location: 9/10/2021-A. 2 YEAR

Summary: The federal Coronavirus Aid, Relief, and Economic Security Act (CARES Act) temporarily provides for expanded unemployment benefits through the federal Pandemic Unemployment Assistance (PUA) and Pandemic Emergency Unemployment Compensation (PEUC) provisions of the CARES Act. This bill would require the Employment Development Department to provide, until July 1, 2022, following the termination of assistance pursuant to PUA and PEUC or any other federal or state supplemental unemployment compensation payments for unemployment due to the COVID-19 pandemic, in addition to an individual's weekly benefit amount as otherwise provided for by existing unemployment compensation law, unemployment compensation benefits equivalent to the terminated federal or state supplemental unemployment compensation payments for the remainder of the duration of time the individual is unemployed due to the COVID-19 pandemic, notwithstanding the weekly benefit cap. The bill would prohibit any unemployment compensation benefits authorized by the bill from being charged against the reserve account of any employer.

Position

AB 21 (Bauer-Kahan D) Forestry: electrical transmission and distribution lines: clearance: penalties.

Last Amend: 4/5/2021

Status: 4/30/2021-Failed Deadline pursuant to Rule 61(a)(2). (Last location was JUD. on 3/24/2021)(May be acted upon Jan 2022)

Location: 4/30/2021-A. 2 YEAR

Summary: Current law requires a person that owns, controls, operates, or maintains any electrical transmission or distribution line upon any mountainous land or forest-covered land, brush-covered land, or grass-covered land to maintain around and adjacent to any pole or tower that supports a switch, fuse, transformer, lightning arrester, line junction, or dead-end or corner pole a firebreak, as specified. Current law requires a person that owns, controls, operates, or maintains any electrical transmission or distribution line upon any mountainous land or in forest-covered land, brush-covered land, or grass-covered land to maintain a clearance between all vegetation and all conductors that are carrying electric current, as specified. This bill would impose a civil penalty of up to \$100,000 for each violation of the above-described provisions after the person that owns, controls, operates, or maintains any electrical transmission or distribution line is offered a reasonable opportunity to cure.

Position

AB 24 (Waldron R) Unemployment insurance: benefit determination deadlines.

Status: 9/10/2021-Failed Deadline pursuant to Rule 61(a)(15). (Last location was INS. on 1/11/2021)(May be acted upon Jan 2022)

Location: 9/10/2021-A. 2 YEAR

Summary: Current law establishes procedures for the filing, determination, and payment of benefit claims, and those benefits are payable from the Unemployment Fund. Current law requires the department to promptly pay benefits if it finds the claimant is eligible and to promptly deny benefits if it finds the claimant is ineligible for benefits. Current law requires the department to consider facts submitted by an employer in making this determination and also provides for the department to audit claims, as specified. Existing law provides a procedure for a claimant or a base employer to challenge a determination of the computation or recomputation of the benefits. This bill would require the department to provide a claimant with a notification of the computation used to determine their benefits within 30 days of the

receipt of the claim and to respond to a challenge by the claimant or the base employer based on the computation or recomputation of benefits within 15 days of the receipt of the protest, except as specified.

Position

AB 25 (Kiley R) Worker classification: employees and independent contractors.

Status: 4/30/2021-Failed Deadline pursuant to Rule 61(a)(2). (Last location was L. & E. on 1/11/2021)(May be acted upon Jan 2022)

Location: 4/30/2021-A. 2 YEAR

Summary: Current law exempts specified occupations and business relationships from the application of the ABC test as specified. Current law, instead, provides that these exempt relationships are governed by the multifactor test previously adopted in the case of S. G. Borello & Sons, Inc. v. Department of Industrial Relations (1989) 48 Cal.3d 341 (Borello). This bill would generally repeal provisions relating to the "ABC" test for various specified occupations and business relationships. The bill would, instead, require the determination of whether a person is an employee or an independent contractor to be based on the specific multifactor test set forth in Borello, including whether the person to whom service is rendered has the right to control the manner and means of accomplishing the result desired, and other identified factors.

Position

AB 30 (Kalra D) Outdoor access to nature: environmental equity.

Last Amend: 3/22/2021

Status: 5/25/2021-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/12/2021)(May be acted upon Jan 2022)

Location: 5/25/2021-A. 2 YEAR

Summary: Current law establishes various state agencies, including the Natural Resources Agency, which consists of various departments, including the Department of Conservation, the Department of Fish and Wildlife, and the Department of Parks and Recreation. Current law vests in the Natural Resources Agency various powers, including those related to conservation of lands. Current law establishes, within state agencies, state departments, including the Department of Transportation under the Transportation Agency. This bill would declare that it is the established policy of the state that access to nature and access to the benefits of nature is a human right and that every human has the right to safe and affordable outdoor access, among other things.

Position

AB 36 (Gallagher R) Design-build contracting: Town of Paradise

Status: 10/8/2021-Approved by the Governor. Chaptered by Secretary of State - Chapter 689, Statutes of 2021.

Location: 10/8/2021-A. CHAPTERED

Summary: Would authorize the Paradise Irrigation District to use the design-build contracting process to award a contract for a water conveyance pipeline from the Town of Paradise to the City of Chico. The bill would authorize the Town of Paradise to use the design-build contracting process to provide for the provision of sewer treatment to the Town of Paradise, including for infrastructure connecting the Town of Paradise to an existing treatment facility.

Position

AB 50 (Boerner Horvath D) Climate change: Climate Adaptation Center and Regional Support Network: sea level rise.

Status: 4/30/2021-Failed Deadline pursuant to Rule 61(a)(2). (Last location was NAT. RES. on 1/11/2021)(May be acted upon Jan 2022)

Location: 4/30/2021-A. 2 YEAR

Summary: Current law requires the Natural Resources Agency, in collaboration with the Ocean Protection Council, to create, and update biannually, a Planning for Sea Level Rise Database describing steps being taken throughout the state to prepare for, and adapt to, sea level rise. This bill would establish the Climate Adaptation Center and Regional Support Network in the Ocean Protection Council to provide local governments facing sea level rise challenges with information and scientific expertise necessary to proceed with sea level rise mitigation.

Position

AB 51 (Quirk D) Climate change: adaptation: regional climate adaptation planning groups: regional climate adaptation plans.

Status: 4/30/2021-Failed Deadline pursuant to Rule 61(a)(2). (Last location was NAT. RES. on 1/11/2021)(May be acted upon Jan 2022)

Location: 4/30/2021-A. 2 YEAR

Summary: Would require the Strategic Growth Council, by July 1, 2022, to establish guidelines for the formation of regional climate adaptation planning groups. The bill would require the council, by July 1, 2023, and in consultation with certain state entities, to develop criteria for the development of regional climate adaptation plans.

Position

AB 52 (Frazier D) California Global Warming Solutions Act of 2006: scoping plan updates: wildfires.

Status: 4/30/2021-Failed Deadline pursuant to Rule 61(a)(2). (Last location was NAT. RES. on 1/11/2021)(May be acted upon Jan 2022)

Location: 4/30/2021-A. 2 YEAR

Summary: The California Global Warming Solutions Act of 2006 authorizes the State Air Resources Board to include in its regulation of emissions of greenhouse gases the use of market-based compliance mechanisms. Current law requires all moneys, except for fines and penalties, collected by the state board from a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund (fund) and to be available upon appropriation by the Legislature. Current law continuously appropriates 35% of the annual proceeds of the fund for transit, affordable housing, and sustainable communities programs and 25% of the annual proceeds of the fund for certain components of a specified high-speed rail project. This bill would require the state board, in each scoping plan update prepared by the state board after January 1, 2022, to include, consistent with the act, recommendations for achieving the maximum technologically feasible and cost-effective reductions of emissions of greenhouse gases and black carbon from wildfires.

Position

AB 55 (Boerner Horvath D) Employment: telecommuting.

Status: 5/7/2021-Failed Deadline pursuant to Rule 61(a)(3). (Last location was PRINT on 12/7/2020)(May be acted upon Jan 2021)

Location: 5/7/2021-A. 2 YEAR

Summary: Current law promotes and develops the welfare of workers in California to improve working conditions and advance opportunities for profitable employment. Current law regulates the wages, hours, and working conditions of any worker employed in any occupation, trade, or industry. This bill would declare the intent of

the Legislature to enact future legislation to ensure certain rights and benefits for telecommuting employees.

Position

AB 59 (Gabriel D) Mitigation Fee Act: fees: notice and timelines.

Status: 4/30/2021-Failed Deadline pursuant to Rule 61(a)(2). (Last location was L. GOV. on 1/11/2021)(May be acted upon Jan 2022)

Location: 4/30/2021-A. 2 YEAR

Summary: Current law authorizes any party to protest the imposition of a fee, dedication, reservation, or other exactions imposed on a development project within 90 or 120 days of the imposition of the fee, as applicable, and specifies procedures for those protests and actions. The Mitigation Fee Act imposes the same requirements on a local agency for a new or increased fee for public facilities. Current law, for specified fees, requires any judicial action or proceeding to attack, review, set aside, void, or annul an ordinance, resolution, or motion adopting a new fee or service charge or modifying an existing fee or service charge to be commenced within 120 days of the effective date of the ordinance, resolution, or motion. Current law also provides that, if an ordinance, resolution, or motion provides for an automatic adjustment in a fee or service charge and the adjustment results in an increase in the fee or service charge, that any action to attack, review, set aside, void, or annul the increase to be commenced within 120 days of the increase. This bill would increase, for fees and service charges and for fees for specified public facilities, the time for mailing the notice of the time and place of the meeting to at least 45 days before the meeting.

Position

AB 64 (Quirk D) Electricity: long-term backup electricity supply strategy.

Last Amend: 3/23/2021

Status: 4/30/2021-Failed Deadline pursuant to Rule 61(a)(2). (Last location was U. & E. on 1/11/2021)(May be acted upon Jan 2022)

Location: 4/30/2021-A. 2 YEAR

Summary: Would require the PUC, Energy Commission, and State Energy Resources Conservation and Development Commission, in consultation with all balancing authorities, to additionally develop a strategy, by January 1, 2024, that achieves (1) a target of 5 gigawatthours of operational long-term backup electricity, as specified, by December 31, 2030, and (2) a target of at least an additional 5 gigawatthours of operational long-term backup electricity in each subsequent year through 2045. The bill would require the commission, by January 1, 2024, to submit the strategy developed in a report to the Legislature, and by January 1 of each 4th year thereafter, through January 1, 2044, would require the commission to submit a report to the Legislature detailing the progress made toward achieving the targets of the long-term backup electricity supply strategy.

Position

AB 78 (O'Donnell D) San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy: territory: Dominguez Channel watershed and Santa Catalina Island.

Status: 8/27/2021-Failed Deadline pursuant to Rule 61(a)(12). (Last location was APPR. SUSPENSE FILE on 8/23/2021)(May be acted upon Jan 2022)

Location: 8/27/2021-S. 2 YEAR

Summary: Current law establishes the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy in the Natural Resources Agency and prescribes the functions and duties of the conservancy with regard to the protection, preservation, and

enhancement of specified areas of the Counties of Los Angeles and Orange located along the San Gabriel River and the lower Los Angeles River and tributaries along those rivers. Current law, for purposes of those provisions, defines "territory" to mean the territory of the conservancy that consists of those portions of the Counties of Los Angeles and Orange located within the San Gabriel River and its tributaries, the lower Los Angeles River and its tributaries, and the San Gabriel Mountains, as described. This bill would additionally include the Dominguez Channel watershed and Santa Catalina Island, as described, within that definition of territory, and would make various related changes to the boundaries of that territory.

Position

AB 79 (Committee on Budget) Budget Act of 2020.

Last Amend: 4/8/2021

Status: 9/10/2021-Failed Deadline pursuant to Rule 61(a)(15). (Last location was BUDGET & F.R. on 5/18/2021)(May be acted upon Jan 2022)

Location: 9/10/2021-S. 2 YEAR

Summary: The Budget Act of 2020 made appropriations for the support of state government for the 2020-21 fiscal year. This bill would amend the Budget Act of 2020 by amending and adding items of appropriation and making other changes. This bill would declare that it is to take effect immediately as a Budget Bill.

Position

AB 80 (Burke D) Taxation: Coronavirus Aid, Relief, and Economic Security Act: Federal Consolidated Appropriations Act, 2021.

Last Amend: 4/15/2021

Status: 4/29/2021-Approved by the Governor. Chaptered by Secretary of State - Chapter 17, Statutes of 2021.

Location: 4/29/2021-A. CHAPTERED

Summary: Would exclude, for taxable years beginning on or after January 1, 2019, from gross income any advance grant amount, as defined, issued pursuant to specified provisions of the CARES Act or the Consolidated Appropriations Act, 2021, and covered loan amounts forgiven pursuant to the Consolidated Appropriations Act, 2021.

Position

AB 81 (Ting D) COVID-19 relief.

Last Amend: 2/17/2021

Status: 2/23/2021-Approved by the Governor. Chaptered by Secretary of State - Chapter 5, Statutes of 2021.

Location: 2/23/2021-A. CHAPTERED

Summary: Current law makes an ordinance, resolution, regulation, or administrative action adopted by a city, county, or city and county in response to the COVID-19 pandemic to protect tenants from eviction subject to certain restrictions, including that the specified period of time during which a tenant is permitted to repay COVID-19 rental debt may not extend beyond the period that was in effect on August 19, 2020, and a provision may not permit a tenant a period of time that extends beyond August 31, 2021, to repay COVID-19 rental debt. This bill would instead, among other things, prohibit an ordinance, resolution, regulation, or administrative action adopted by a city, county, or city and county from permitting a tenant a period of time that extends beyond August 31, 2022, to repay COVID-19 rental debt.

Position

AB 82 (Ting D) COVID-19 pandemic emergency: contact tracing: childcare.

Last Amend: 2/17/2021

Status: 2/23/2021-Approved by the Governor. Chaptered by Secretary of State - Chapter 6, Statutes of 2021.

Location: 2/23/2021-A. CHAPTERED

Summary: Current law provides that the Legislature finds and declares that the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act (Public Law 116-136) Child Care and Development Block Grant supplemental payment awarded funds to California to address the impact of the COVID-19 pandemic on childcare providers and the families they serve, including to prevent, prepare for, and respond to the pandemic emergency, to provide assistance to childcare providers in the case of decreased enrollment or closures, and to provide childcare assistance to essential workers during the response to the pandemic. Current law provides that it is the intent of the Legislature to allocate funds to restore amounts either directly or through reimbursement for obligations incurred relating to childcare and the pandemic. Current law requires the Controller to transfer, on July 1, 2020, \$152,314,000 from the Federal Trust Fund, and consistent with the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act Child Care and Development Block Grant supplemental payment requirements, to the General Fund to offset the state costs incurred in the 2019-20 fiscal year. For the 2020-2021 fiscal year, current law appropriates \$198,000,000 from the Federal Trust Fund to the Superintendent of Public Instruction for COVID-19 pandemic-related relief and assistance for childcare providers, the families those childcare providers serve, and essential workers, as prescribed. This bill would instead require \$42,014,000 to be transferred on July 1, 2020, and would instead appropriate \$308,000,000 for the 2020-2021 fiscal year thereby making an appropriation.

Position

AB 83 (Committee on Budget) Alcoholic beverage control: license renewal fees: waiver.

Last Amend: 3/10/2021

Status: 3/17/2021-Approved by the Governor. Chaptered by Secretary of State - Chapter 11, Statutes of 2021.

Location: 3/17/2021-A. CHAPTERED

Summary: The Alcoholic Beverage Control Act, administered by the Department of Alcoholic Beverage Control, regulates the application, issuance, and suspension of licenses for the manufacture, distribution, and sale of alcoholic beverages. Current law, for the purpose of providing economic relief to licensees most severely impacted by the COVID-19 pandemic, authorizes the department to waive license renewal fees, as defined, for licenses that expire between March 1, 2021, and February 28, 2023, inclusive. Current law provides that the waiver of license renewal fees applies only to specified license types that were active, as defined by the department in its guidelines, between March 1, 2020, and December 31, 2020, inclusive. Current law requires a licensee who requests a fee waiver to certify under penalty of perjury that they qualify for the waiver. This bill would renumber that provision and expand the license types eligible for the above-described waiver of license renewal fees.

Position

AB 84 (Committee on Budget) Employment: rehiring and retention: displaced workers.

Last Amend: 4/8/2021

Status: 9/10/2021-Failed Deadline pursuant to Rule 61(a)(15). (Last location was BUDGET & F.R. on 5/18/2021)(May be acted upon Jan 2022)

Location: 9/10/2021-S. 2 YEAR

Summary: Would, until December 31, 2024, require an employer, as defined, to offer its laid-off employees specified information about job positions that become available for which the laid-off employees are qualified, and to offer positions to those laid-off employees based on a preference system, in accordance with specified timelines and procedures. The bill would define the term "laid-off employee" to mean any employee who was employed by the employer for 6 months or more in the 12 months preceding January 1, 2020, and whose most recent separation from active service was due to a reason related to the COVID-19 pandemic, including a public health directive, government shutdown order, lack of business, a reduction in force, or other economic, nondisciplinary reason related to the COVID-19 pandemic. The bill would require an employer to keep records for 3 years, including records of communications regarding the offers.

Position

AB 85 (Committee on Budget) Budget Act of 2020.

Last Amend: 2/17/2021

Status: 2/23/2021-Approved by the Governor. Chaptered by Secretary of State - Chapter 4, Statutes of 2021.

Location: 2/23/2021-A. CHAPTERED

Summary: The Budget Act of 2020 made appropriations for the support of state government for the 2020–21 fiscal year. This bill would amend the Budget Act of 2020 by amending and adding items of appropriation and making other changes.

Position

AB 86 (Committee on Budget) COVID-19 relief and school reopening, reporting, and public health requirements.

Last Amend: 3/1/2021

Status: 3/5/2021-Approved by the Governor. Chaptered by Secretary of State - Chapter 10, Statutes of 2020.

Location: 3/5/2021-A. CHAPTERED

Summary: Current law, for purposes of calculating apportionments for the 2020–21 fiscal year, requires a local educational agency to offer in-person instruction and authorizes these agencies to offer distance learning, as specified. This bill would require the school administrator or other person in charge of a public or private school campus maintaining kindergarten or any of grades 1 to 12, inclusive, upon learning that a school employee or pupil at the public or private school campus has tested positive for COVID-19 and was present on campus while infectious, to immediately, and in no case later than 24 hours after learning of the positive COVID-19 case, notify the local health officer or the local health officer's representative about the positive case, as specified.

Position

AB 87 (Committee on Budget) Juvenile Justice.

Last Amend: 4/26/2021

Status: 9/10/2021-Failed Deadline pursuant to Rule 61(a)(15). (Last location was BUDGET & F.R. on 5/18/2021)(May be acted upon Jan 2022)

Location: 9/10/2021-S. 2 YEAR

Summary: Current law establishes the Division of Juvenile Justice within the Department of Corrections and Rehabilitation to operate facilities to house specified juvenile offenders. Current law, commencing July 1, 2021, prohibits further commitment of wards to the Division of Juvenile Justice unless the ward is otherwise eligible to be committed to the division and a motion was filed to transfer the ward from the juvenile court to a court of criminal jurisdiction. Current law requires that all

wards committed to the division prior to July 1, 2021, remain within the custody of the division until the ward is discharged, released, or transferred. This bill would require a court to consider, as an alternative to commitment to the Division of Juvenile Justice, placement in local programs established as a result of the realignment of wards from the Division of Juvenile Justice to county-based custody.

Position

AB 88 (Committee on Budget) One-time stimulus and grant payments: garnishment: exclusion from gross income.

Last Amend: 3/3/2021

Status: 3/17/2021-Approved by the Governor. Chaptered by Secretary of State - Chapter 12, Statutes of 2021.

Location: 3/17/2021-A. CHAPTERED

Summary: Current law requires the Controller to make a one-time Golden State Stimulus payment to each qualified recipient, as defined, of an applicable amount, as specified, and authorizes the Controller to make the payment in a form and manner determined by the Franchise Tax Board, as specified. Current law also requires the State Department of Social Services to make a one-time grant payment (Golden State Grant payment) to qualified grant recipients, as defined, of \$600, as specified. This bill would, except as provided, make both payments automatically exempt from a garnishment order, as defined, and would require a financial institution to employ a certain procedure to identify a deposit exempt pursuant to that provision. The bill would prohibit a financial institution that attempts to comply with those provisions in good faith from being subject to liability, as specified. The bill would also further clarify the definition of "qualified recipient" for purposes of the Golden State Stimulus payment and a "grant recipient" eligible to receive a Golden State Grant payment.

Position

AB 100 (Holden D) Drinking water: endpoint devices: lead content.

Last Amend: 6/24/2021

Status: 10/8/2021-Approved by the Governor. Chaptered by Secretary of State - Chapter 692, Statutes of 2021.

Location: 10/8/2021-A. CHAPTERED

Summary: The California Safe Drinking Water Act requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health. Current law prohibits, with certain exceptions, the use of any pipe, pipe or plumbing fitting or fixture, solder, or flux that is not lead free in the installation or repair of any public water system or any plumbing in a facility providing water for human consumption. Current law defines "lead free" for purposes of conveying or dispensing water for human consumption to mean not more than 0.2% lead when used with respect to solder and flux and not more than a weighted average of 0.25% lead when used with respect to the wetted surfaces of pipes and pipe fittings, plumbing fittings, and fixtures. This bill would, commencing January 1, 2023, prohibit a person from manufacturing, and offering for sale in the state, an endpoint device, as defined, that does not meet a certain lead leaching standard. The bill would, commencing July 1, 2023, prohibit a person from introducing into commerce or offering for sale in the state an endpoint device that does not meet that lead leaching standard.

Position

AB 119 (Salas D) County auditor: direct levies.

Last Amend: 1/26/2021

Status: 4/30/2021-Failed Deadline pursuant to Rule 61(a)(2). (Last location was L. GOV. on 1/11/2021)(May be acted upon Jan 2022)

Location: 4/30/2021-A. 2 YEAR

Summary: Current law requires each county to have certain offices, including the office of auditor who is designated to perform certain duties, including apportioning property tax revenue to each jurisdiction according to tax rate area. Current law defines tax rate areas for the purpose of property tax allocation. This bill would require the county auditor, or other county officer designated by the county, to make publicly available on their internet website information about direct levies, as defined, including the range of combined direct levies assessed on real property. The bill would require a website posting that identifies contact information for each direct levy assessed within their jurisdiction, to also include the range of fees assessed on individual parcels of real property subject to the special district's assessment.

Position

AB 125 (Rivas, Robert D) Equitable Economic Recovery, Healthy Food Access, Climate Resilient Farms, and Worker Protection Bond Act of 2022.

Last Amend: 4/12/2021

Status: 9/10/2021-Failed Deadline pursuant to Rule 61(a)(15). (Last location was NAT. RES. on 4/15/2021)(May be acted upon Jan 2022)

Location: 9/10/2021-A. 2 YEAR

Summary: Would enact the Equitable Economic Recovery, Healthy Food Access, Climate Resilient Farms, and Worker Protection Bond Act of 2022, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$3,302,000,000 pursuant to the State General Obligation Bond Law, to finance programs related to, among other things, agricultural lands, food and fiber infrastructure, climate resilience, agricultural professionals, including farmers, ranchers, and farmworkers, workforce development and training, air quality, tribes, disadvantaged communities, nutrition, food aid, meat processing facilities, fishing facilities, and fairgrounds.

Position

AB 131 (Committee on Budget) Child development programs.

Last Amend: 7/11/2021

Status: 7/23/2021-Approved by the Governor. Chaptered by Secretary of State - Chapter 116, Statutes of 2021.

Location: 7/23/2021-A. CHAPTERED

Summary: The Child Care and Development Services Act establishes a system of childcare and development services for children up to 13 years of age, which is administered by the State Department of Education and the Superintendent of Public Instruction and which includes various programs and services, including, among others, CalWORKs stage 2 and stage 3 childcare, migrant childcare, childcare and development services for children with special needs, the alternative payment program, and head start programs. These programs and services are contained in the Education Code. Existing law, effective July 1, 2021, transfers administration of these programs to the State Department of Social Services. This bill would make various statutory changes to reflect the transfer described above, including by repealing the statutes governing those programs, services, and duties from the Education Code and reenacting them in the Welfare and Institutions Code.

Position

AB 132 (Committee on Budget) Postsecondary education trailer bill.

Last Amend: 7/9/2021

Status: 7/27/2021-Approved by the Governor. Chaptered by Secretary of State - Chapter 144, Statutes of 2021.

Location: 7/27/2021-A. CHAPTERED

Summary: Would establish the Cradle-to-Career Data System for the purpose of connecting individuals and organizations to trusted information and resources, as a source for actionable data and research on education, economic, and health outcomes for individuals, families, and communities, and to provide for expanded access to tools and services that support the education-to-employment pipeline, as specified.

Position

AB 133 (Committee on Budget) Health.

Last Amend: 7/11/2021

Status: 7/27/2021-Approved by the Governor. Chaptered by Secretary of State - Chapter 143, Statutes of 2021.

Location: 7/27/2021-A. CHAPTERED

Summary: Current law establishes the Office of Statewide Health Planning and Development (OSHDP), under the control of an executive officer known as the Director of Statewide Health Planning and Development. The office is vested with all the duties, powers, purposes, and responsibilities of the State Department of Public Health relating to health planning and research development. Current law creates the health care workforce clearinghouse to serve as the central source of health care workforce and education data in the state to collect data regarding health care workers, including the supply of health care workers and current and forecasted demand for health care workers. This bill would rename the Office of Statewide Health Planning and Development as the Department of Health Care Access and Information. The bill would repeal numerous duties and programs currently carried out by the OSHDP, including, among others, rural health care transition oversight, the Steven M. Thompson Medical School Scholarship Program, and the Postsurgical Care Demonstration Project.

Position

AB 252 (Rivas, Robert D) Department of Conservation: Multibenefit Land Repurposing Program.

Last Amend: 8/26/2021

Status: 9/10/2021-Failed Deadline pursuant to Rule 61(a)(15). (Last location was INACTIVE FILE on 9/7/2021)(May be acted upon Jan 2022)

Location: 9/10/2021-S. 2 YEAR

Summary: Would establish the Multibenefit Land Repurposing Program, for purposes of assisting groundwater sustainability agencies in critically overdrafted basins achieve their groundwater sustainability goal by providing grants to public and private entities for projects and programs that reduce groundwater use by converting irrigated agricultural land to new uses that both reduce groundwater demand or use and provide some other measurable benefits to the environment or broader community.

Position

AB 267 (Valladares R) California Environmental Quality Act: exemption: prescribed fire, thinning, and fuel reduction projects.

Last Amend: 6/2/2021

Status: 7/14/2021-Failed Deadline pursuant to Rule 61(a)(11). (Last location was N.R. & W. on 5/12/2021)(May be acted upon Jan 2022)

Location: 7/14/2021-S. 2 YEAR

Summary: Current law, until January 1, 2023, exempts from the requirements of CEQA prescribed fire, thinning, or fuel reduction projects undertaken on federal lands to reduce the risk of high-severity wildfire that have been reviewed under the federal National Environmental Policy Act of 1969, as provided. Current law requires the Department of Forestry and Fire Protection, beginning December 31, 2019, and annually thereafter until January 1, 2023, to report to the relevant policy committees of the Legislature the number of times the exemption was used. This bill would extend the exemption from CEQA and the requirement on the department to report to the relevant policy committees of the Legislature to January 1, 2026.

Position

AB 271 (Rivas, Robert D) Santa Clara Valley Water District: contracts: best value procurement.

Last Amend: 4/5/2021

Status: 7/9/2021-Approved by the Governor. Chaptered by Secretary of State - Chapter 48, Statutes of 2021.

Location: 7/9/2021-A. CHAPTERED

Summary: Current law authorizes certain local entities to select a bidder for a contract on the basis of "best value," as defined. Existing law governs various types of contract procedures applicable to the Santa Clara Valley Water District and prescribes competitive bidding procedures for any improvement or unit of work over \$50,000. This bill would authorize the district, upon approval by the board of directors of the district, to award contracts on a best value basis for any work of the Anderson Dam project, defined to include prescribed activities and works of construction with regard to the Leroy Anderson Dam and Reservoir and certain fish and aquatic habitat measures described in a federal-state settlement agreement.

Position

AB 280 (Rivas, Robert D) Electrical corporations: wildfire mitigation plans.

Status: 5/7/2021-Failed Deadline pursuant to Rule 61(a)(3). (Last location was U. & E. on 1/28/2021)(May be acted upon Jan 2021)

Location: 5/7/2021-A. 2 YEAR

Summary: Under current law, the Public Utilities Commission has jurisdiction over electrical corporations. Current law requires each electrical corporation to annually prepare and submit a wildfire mitigation plan to the Wildfire Safety Division of the commission for review and approval. This bill would require each electrical corporation to also submit its wildfire mitigation plan to the appropriate policy committees of the Legislature.

Position

AB 297 (Gallagher R) Fire prevention.

Last Amend: 4/21/2021

Status: 9/10/2021-Failed Deadline pursuant to Rule 61(a)(15). (Last location was NAT. RES. on 2/12/2021)(May be acted upon Jan 2022)

Location: 9/10/2021-A. 2 YEAR

Summary: Would continuously appropriate \$480,000,000 and \$20,000,000 to the Department of Forestry and Fire Prevention and the California Conservation Corps, respectively, for fire prevention activities, as provided.

Position

AB 304 (Quirk D) Contaminated sites: waste releases or surface or groundwater contamination: local oversight: remedial actions.

Last Amend: 8/31/2021

Status: 10/8/2021-Approved by the Governor. Chaptered by Secretary of State - Chapter 698, Statutes of 2021.

Location: 10/8/2021-A. CHAPTERED

Summary: Whenever a release of waste occurs and remedial action is required, current law authorizes a responsible party, as defined, to request that a local officer supervise the remedial action. Current law authorizes a local officer to agree to supervise the remedial action if the local officer determines that certain conditions have been met. Current law requires that remedial action to be carried out only pursuant to a remedial action agreement, which includes specified elements, entered into by the local officer and the responsible party, and authorizes the local officer to withdraw from the agreement, after giving the responsible party adequate notice, at any time after making specified findings. Current law requires a local officer to provide written notification that includes specified information to the Department of Toxic Substances Control and the appropriate regional water quality control board at least 10 working days before entering into a remedial action agreement with a responsible party. This bill would authorize a responsible party to request the local officer to oversee a remedial investigation, as defined, or a remedial action, as defined, or both, only if the release of waste is not being overseen by the department or a regional water quality control board.

Position

AB 315 (Stone D) Voluntary stream restoration property owner liability: indemnification.

Last Amend: 9/3/2021

Status: 10/6/2021-Approved by the Governor. Chaptered by Secretary of State - Chapter 580, Statutes of 2021.

Location: 10/6/2021-A. CHAPTERED

Summary: Would require a qualifying state agency, as defined, that funds a project to restore fish and wildlife habitats to indemnify and hold harmless a real property owner who voluntarily allows their real property to be used for such a project from civil liability for property damage or personal injury resulting from the project if the project qualifies for a specified exemption and meets specified requirements, including that the liability arises from, and the real property owner or any person or entity retained by the real property owner does not perform, the construction, design specifications, surveying, planning, supervision, testing, or observation of construction related to the project. The bill would authorize a qualifying state agency to indemnify and hold harmless a real property owner who voluntarily allows their real property to be used for that project from civil liability for property damage or personal injury resulting from the project in the case the project does not meet the specified exemption.

Position

AB 322 (Salas D) Energy: Electric Program Investment Charge program: biomass.

Last Amend: 8/18/2021

Status: 9/23/2021-Approved by the Governor. Chaptered by Secretary of State - Chapter 229, Statutes of 2021.

Location: 9/23/2021-A. CHAPTERED

Summary: Current law creates in the State Treasury the Electric Program Investment Charge Fund to be administered by the State Energy Resources Conservation and Development Commission and requires the PUC to forward to the Energy Commission, at least quarterly, moneys for those EPIC programs the PUC has

determined should be administered by the Energy Commission for deposit in the fund. Current law requires the Energy Commission, in administering moneys in the fund for research, development, and demonstration programs, to develop and implement the EPIC program for the purpose of awarding funds to projects that may lead to technological advancement and breakthroughs to overcome barriers that prevent the achievement of the state's statutory energy goals and that may result in a portfolio of projects that are strategically focused and sufficiently narrow to make advancement on the most significant technological challenges. Current law, until January 1, 2023, requires the Energy Commission to expend certain percentages of the moneys appropriated from the fund for technology demonstration and deployment at sites that benefit certain communities. This bill would require the Energy Commission to consider, in the investment planning process for the EPIC program, funding for eligible biomass conversion to energy projects, as specified.

Position

AB 350 (Villapudua D) Agriculture: Cannella Environmental Farming Act of 1995: technical assistance grant program: groundwater conservation planning.

Last Amend: 8/26/2021

Status: 9/10/2021-Failed Deadline pursuant to Rule 61(a)(15). (Last location was INACTIVE FILE on 9/2/2021)(May be acted upon Jan 2022)

Location: 9/10/2021-S. 2 YEAR

Summary: Would require, upon an appropriation of funds, the Department of Food and Agriculture to establish and administer a 3-year grant program to fund technical assistance to support landowners located in a critically overdrafted basin, as defined, in reaching water use reduction goals established pursuant to the Sustainable Groundwater Management Act. The bill would require the department, in its development of the grant program, to establish various criteria, guidelines, restrictions, processes, and requirements for the qualification and administration of grants to technical assistance providers, as specified. The bill would authorize the department to use specified guidelines to administer this program. The bill would require the grant program to fund one or more technical assistance providers in each critically overdrafted basin. The bill would require the department to ensure that at least 25% of the grant program funds are used to provide technical assistance to socially disadvantaged farmers and ranchers, as defined.

Position

AB 373 (Sevarto R) State Emergency Plan: update.

Last Amend: 3/3/2021

Status: 4/30/2021-Failed Deadline pursuant to Rule 61(a)(2). (Last location was EMERGENCY MANAGEMENT on 2/25/2021)(May be acted upon Jan 2022)

Location: 4/30/2021-A. 2 YEAR

Summary: Current law, the California Emergency Services Act, establishes the Office of Emergency Services (Cal OES) within the office of the Governor, and requires Cal OES to update the State Emergency Plan on or before January 1, 2019, and requires Cal OES to update it every 5 years thereafter. This bill, instead, would require Cal OES to update the State Emergency Plan every three years commencing January 1, 2024.

Position

AB 394 (Arambula D) Fresno Metropolitan Flood Control District: contracts.

Status: 5/7/2021-Failed Deadline pursuant to Rule 61(a)(3). (Last location was L. GOV. on 2/12/2021)(May be acted upon Jan 2021)

Location: 5/7/2021-A. 2 YEAR

Summary: The Fresno Metropolitan Flood Control Act establishes the Fresno Metropolitan Flood Control District and grants the district authority relating to flood control. The act requires that a contract entered into by the district for materials, supplies, or for the construction or repair of works or improvements that has a contract price exceeding \$10,000 be let to the lowest responsible bidder in accordance with specified public bidding requirements, except as provided. The act authorizes the district to enter into a contract without public bidding if the contract price does not exceed \$10,000. This bill would increase the contract price amount set forth in those provisions for a contract for materials or supplies from \$10,000 to \$25,000.

Position

AB 418 (Valladares R) Emergency services: grant program.

Last Amend: 5/24/2021

Status: 10/4/2021-Vetoed by Governor.

Location: 10/4/2021-A. VETOED

Calendar: 1/3/2022 #6 ASSEMBLY GOVERNOR'S VETOES

Summary: Would establish the Community Power Resiliency Program (program), to be administered by the Office of Emergency Services, to support local governments' efforts to improve resiliency in response to power outage events, as provided. The bill would require the office to allocate funds, pursuant to an appropriation by the Legislature, to local governments, special districts, and tribes for various purposes relating to power resiliency, and would require certain entities, in order to be eligible for funding, to either describe the portion of their emergency plan that includes power outages or confirm that power outages will be included when the entity revises any portion of their emergency plan.

Position

AB 442 (Maves I) Surface Mining and Reclamation Act of 1975: exemption: Metropolitan Water District of Southern California: master reclamation plan.

Last Amend: 8/16/2021

Status: 9/16/2021-Approved by the Governor. Chaptered by Secretary of State - Chapter 166, Statutes of 2021.

Location: 9/16/2021-A. CHAPTERED

Summary: The Surface Mining and Reclamation Act of 1975 prohibits a person, with exceptions, from conducting surface mining operations unless, among other things, a permit is obtained from, a specified reclamation plan is submitted to and approved by, and financial assurances for reclamation have been approved by the lead agency for the operation of the surface mining operation. The act exempts certain activities from the provisions of the act, including, among others, emergency excavations or grading conducted by the Department of Water Resources or the Central Valley Flood Protection Board for the specified purposes; surface mining operations conducted on lands owned or leased, or upon which easements or rights-of-way have been obtained, by the Department of Water Resources for the purpose of the State Water Resources Development System or flood control; and surface mining operations on lands owned or leased, or upon which easements or rights-of-way have been obtained, by the Central Valley Flood Protection Board for the purpose of flood control. This bill would additionally exempt from the provisions of the act emergency excavations or grading conducted by the Metropolitan Water District of Southern California (MWD) for its own operations and infrastructure for specified purposes.

Position

AB 464 (Mullin D) Enhanced Infrastructure Financing Districts: allowable facilities and projects.

Last Amend: 3/25/2021

Status: 6/28/2021-Approved by the Governor. Chaptered by Secretary of State - Chapter 25, Statutes of 2021.

Location: 6/28/2021-A. CHAPTERED

Summary: Current law authorizes the legislative body of a city or a county to establish an enhanced infrastructure financing district to finance public capital facilities or other specified projects of communitywide significance that provide significant benefits to the district or the surrounding community, including, but not limited to, the acquisition, construction, or repair of industrial structures for private use. This bill would include, in the list of facilities and projects the district may fund, the acquisition, construction, or repair of commercial structures by the small business, as defined, occupant of such structures, if certain conditions are met, and facilities in which nonprofit community organizations provide health, youth, homeless, and social services.

Position

AB 522 (Fong R) Forestry: Forest Fire Prevention Exemption.

Status: 4/30/2021-Failed Deadline pursuant to Rule 61(a)(2). (Last location was NAT. RES. on 2/18/2021)(May be acted upon Jan 2022)

Location: 4/30/2021-A. 2 YEAR

Summary: The Z'berg-Nejedly Forest Practice Act of 1973 prohibits a person from conducting timber operations, as defined, unless a timber harvesting plan prepared by a registered professional forester has been submitted to the Department of Forestry and Fire Protection. The act authorizes the State Board of Forestry and Fire Protection to exempt from some or all of those provisions of the act a person engaging in specified forest management activities, as prescribed, including the harvesting of trees for the purpose of reducing the rate of fire spread, duration and intensity, fuel ignitability, or ignition of tree crowns, as provided, known as the Forest Fire Prevention Exemption. This bill would extend the operation of the Forest Fire Prevention Exemption indefinitely. The bill would delete the requirement that the tree harvesting area not exceed 300 acres and the requirement that temporary road construction or reconstruction be limited to no more than 2 miles of road per ownership in a planning watershed per any 5-year period.

Position

AB 564 (Gonzalez, Lorena D) Biodiversity Protection and Restoration Act.

Status: 4/30/2021-Failed Deadline pursuant to Rule 61(a)(2). (Last location was A. & A.R. on 2/18/2021)(May be acted upon Jan 2022)

Location: 4/30/2021-A. 2 YEAR

Summary: Would establish the Biodiversity Protection and Restoration Act and would provide that it is the policy of the state that all state agencies, boards, and commissions shall utilize their authorities in furtherance of the biodiversity conservation purposes and goals of certain executive orders. The bill would require all state agencies, boards, and commissions to consider and prioritize the protection of biodiversity in carrying out their statutory mandates. The bill would require strategies related to the goal of the state to conserve at least 30% of California's land and coastal waters by 2030 to be made available to the public and provided to certain legislative committees by no later than June 30, 2022.

Position

AB 575 (Fong R) Civil liability: prescribed burning activities: gross negligence.

Status: 5/7/2021-Failed Deadline pursuant to Rule 61(a)(3). (Last location was JUD. on 2/18/2021)(May be acted upon Jan 2021)

Location: 5/7/2021-A. 2 YEAR

Summary: Would provide that a private entity engaging in a prescribed burning activity that is supervised by a person certified as burn boss is liable for damages to a third party only if the prescribed burning activity was carried out in a grossly negligent manner.

Position

AB 577 (Gallagher R) County drainage districts: levee districts: reclamation districts.

Status: 5/7/2021-Failed Deadline pursuant to Rule 61(a)(3). (Last location was L. GOV. on 2/18/2021)(May be acted upon Jan 2021)

Location: 5/7/2021-A. 2 YEAR

Summary: The Local Agency Public Construction Act requires reclamation district contracts for any improvement or unit of work, or for materials or supplies, in excess of \$25,000 to be let to the lowest responsive, responsible bidder. The act, for certain projects and purchases of materials for projects of a reclamation district, authorizes the reclamation district to exceed those limitations to a maximum of \$50,000, if approved by landowners of the district, as prescribed (landowner approval). This bill would establish a \$50,000 threshold amount for county drainage districts for the requirement to let to the lowest responsible bidder. The bill would increase the threshold amount for subjecting levee districts to the act from \$2,500 to \$50,000. The bill would increase the lowest responsible bidder threshold amount for reclamation district contracts from \$25,000 to \$50,000 and would delete the landowner approval provisions.

Position

AB 588 (Garcia, Eduardo D) California Safe Drinking Water Act: compliance.

Last Amend: 3/30/2021

Status: 4/30/2021-Failed Deadline pursuant to Rule 61(a)(2). (Last location was E.S. & T.M. on 3/25/2021)(May be acted upon Jan 2022)

Location: 4/30/2021-A. 2 YEAR

Summary: The California Safe Drinking Water Act requires the State Water Resources Control Board to adopt primary drinking water standards for contaminants in drinking water. Current law requires the state board to consider specified criteria when it adopts a primary drinking water standard, including the technological and economic feasibility of compliance. This bill would require the state board to identify actions necessary to assist specified water systems to achieve compliance within any compliance period established.

Position

AB 602 (Grayson D) Development fees: impact fee nexus study.

Last Amend: 8/26/2021

Status: 9/28/2021-Approved by the Governor. Chaptered by Secretary of State - Chapter 347, Statutes of 2021.

Location: 9/28/2021-A. CHAPTERED

Summary: Current law requires a city, county, or special district that has an internet website to make available on its internet website certain information, as applicable, including its current schedule of fees and exactions. This bill, among other things, would require, on and after January 1, 2022, a local agency that conducts an impact fee nexus study to follow specific standards and practices, including, but not limited

to, (1) that prior to the adoption of an associated development fee, an impact fee nexus study be adopted, (2) that the study identify the existing level of service for each public facility, identify the proposed new level of service, and include an explanation of why the new level of service is necessary, and (3) if the study is adopted after July 1, 2022, either calculate a fee levied or imposed on a housing development project proportionately to the square footage of the proposed units, or make specified findings explaining why square footage is not an appropriate metric to calculate the fees.

Position

AB 622 (Friedman D) Washing machines: microfiber filtration.

Status: 5/7/2021-Failed Deadline pursuant to Rule 61(a)(3). (Last location was E.S. & T.M. on 2/25/2021)(May be acted upon Jan 2021)

Location: 5/7/2021-A. 2 YEAR

Summary: Current law, to protect public health and water quality, regulates a broad range of consumer products and processes, including water softeners, water treatment devices, and backflow prevention devices, among others. This bill would require, on or before January 1, 2024, that all washing machines sold as new in California contain a microfiber filtration system with a mesh size of 100 microns or smaller.

Position

AB 642 (Friedman D) Wildfires.

Last Amend: 9/3/2021

Status: 9/28/2021-Approved by the Governor. Chaptered by Secretary of State - Chapter 375, Statutes of 2021.

Location: 9/28/2021-A. CHAPTERED

Summary: Current law requires the Director of Forestry and Fire Protection to identify areas of the state as very high fire hazard severity zones, as provided. Current law requires a local agency, within 30 days of receiving a transmittal from the director that identifies very high fire hazard severity zones, to make the information available for public review. This bill would require the director to also identify areas in the state as moderate and high fire hazard severity zones. The bill would modify the factors the director is required to use to classify areas into fire hazard severity zones, as provided. The bill would instead require a local agency, within 30 days of receiving a transmittal from the director that identifies fire hazard severity zones, to make the information available for public review and comment.

Position

AB 648 (Fong R) Greenhouse Gas Reduction Fund: healthy forest and fire prevention: appropriation.

Status: 9/10/2021-Failed Deadline pursuant to Rule 61(a)(15). (Last location was NAT. RES. on 2/25/2021)(May be acted upon Jan 2022)

Location: 9/10/2021-A. 2 YEAR

Summary: Would continuously appropriate, beginning in the 2021–22 fiscal year and ending in the 2028–29 fiscal year, \$200,000,000 of the annual proceeds from the Greenhouse Gas Reduction Fund to the Department of Forestry and Fire Protection for (1) healthy forest and fire prevention programs and projects that improve forest health and reduce greenhouse gas emissions caused by uncontrolled wildfires and (2) prescribed fire and other fuel reduction projects through proven forestry practices consistent with the recommendations of the California Forest Carbon Plan, including the operation of year-round prescribed fire crews and implementation of a research and monitoring program for climate change adaptation.

Position

[AB 652](#) ([Friedman D](#)) **Product safety: juvenile products: chemicals: perfluoroalkyl and polyfluoroalkyl substances.**

Last Amend: 8/18/2021

Status: 10/5/2021-Approved by the Governor. Chaptered by Secretary of State - Chapter 500, Statutes of 2021.

Location: 10/5/2021-A. CHAPTERED

Summary: Would, on and after July 1, 2023, prohibit a person, including a manufacturer, from selling or distributing in commerce in this state any new, not previously owned, juvenile product, as defined, that contains regulated perfluoroalkyl and polyfluoroalkyl substances (PFAS), as defined. The bill would require a manufacturer to use the least toxic alternative when replacing PFAS chemicals in a juvenile product.

Position

[AB 692](#) ([Waldron R](#)) **Lake Wohlford Dam: grant funding: liquidation.**

Last Amend: 5/25/2021

Status: 9/24/2021-Approved by the Governor. Chaptered by Secretary of State - Chapter 301, Statutes of 2021.

Location: 9/24/2021-A. CHAPTERED

Summary: The Disaster Preparedness and Flood Prevention Bond Act of 2006, approved by the voters as Proposition 1E at the November 7, 2006, statewide general election, authorizes the issuance of bonds in the amount of \$4,090,000,000 for the purposes of financing disaster preparedness and flood prevention projects. The act makes \$300,000,000 of that amount available, upon appropriation to the Department of Water Resources, for grants for stormwater flood management projects, as specified. Current law appropriates \$300,000,000 to the department for those purposes and requires those funds to be available for encumbrance until June 30, 2020, and for liquidation until June 30, 2023. This bill would instead make those funds that were appropriated to the department and allocated to the City of Escondido for use on the Lake Wohlford Dam project available for liquidation until June 30, 2028, if the City of Escondido uses a skilled and trained workforce for the Lake Wohlford Dam project.

Position

[AB 697](#) ([Chau D](#)) **Forest resources: national forest lands: Good Neighbor Authority Fund: ecological restoration and fire resiliency projects.**

Last Amend: 8/26/2021

Status: 9/23/2021-Approved by the Governor. Chaptered by Secretary of State - Chapter 232, Statutes of 2021.

Location: 9/23/2021-A. CHAPTERED

Summary: Would reorganize the law relating to the State Treasury the Good Neighbor Authority Fund. The bill would require the Secretary of the Natural Resources Agency, under an agreement between the state and the federal government, to establish a program for purposes of conducting ecological restoration and fire resiliency projects on national forest lands, with priority given to forest restoration and fuels reduction projects that are landscape scale and are focused on ecological restoration and to community fire protection and protection of water infrastructure and other infrastructure. The bill would require projects to be based on the best available science and emphasize the use of prescribed fire where appropriate.

Position

AB 703 (Rubio, Blanca D) Open meetings: local agencies: teleconferences.

Last Amend: 4/29/2021

Status: 5/7/2021-Failed Deadline pursuant to Rule 61(a)(3). (Last location was L. GOV. on 2/25/2021)(May be acted upon Jan 2021)

Location: 5/7/2021-A. 2 YEAR

Summary: Current law, by Executive Order N-29-20, suspends the Ralph M. Brown Act's requirements for teleconferencing during the COVID-19 pandemic, provided that notice requirements are met, the ability of the public to observe and comment is preserved, as specified, and that a local agency permitting teleconferencing have a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities, as specified. This bill would remove the notice requirements particular to teleconferencing and would revise the requirements of the act to allow for teleconferencing subject to existing provisions regarding the posting of notice of an agenda, provided that the public is allowed to observe the meeting and address the legislative body directly both in person and remotely via a call-in option or internet-based service option, and that a quorum of members participate in person from a singular physical location clearly identified on the agenda that is open to the public and situated within the jurisdiction.

Position

AB 712 (Calderon D) Local Agency Public Construction Act: change orders: County of Los Angeles.

Last Amend: 6/10/2021

Status: 7/16/2021-Approved by the Governor. Chaptered by Secretary of State - Chapter 95, Statutes of 2021.

Location: 7/16/2021-A. CHAPTERED

Summary: The Local Agency Public Construction Act regulates contracting by local agencies, including counties and special districts. The act, for a county, imposes a \$5,000 cap when the total amount of the original contract does not exceed \$50,000. For any original contract that exceeds \$50,000, but does not exceed \$250,000, the cap is 10% of the amount of the original contract. For contracts whose original cost exceeds \$250,000, the cap is \$25,000 plus 5% of the amount of the original contract cost in excess of \$250,000, and prohibits a change or alteration cost from exceeding \$210,000. This bill would authorize the County of Los Angeles to add a new change order cap of \$400,000 for contracts whose original cost exceeds \$25,000,000 and of \$750,000 for contracts whose original cost exceeds \$50,000,000, both of which would be adjusted annually to reflect the percentage change in the California Consumer Price Index.

Position

AB 736 (Mathis R) Safe Drinking Water State Revolving Fund: internet website information: updates.

Status: 4/30/2021-Failed Deadline pursuant to Rule 61(a)(2). (Last location was E.S. & T.M. on 2/25/2021)(May be acted upon Jan 2022)

Location: 4/30/2021-A. 2 YEAR

Summary: The Safe Drinking Water State Revolving Fund Law of 1997, administered by the State Water Resources Control Board, establishes the Safe Drinking Water State Revolving Fund to provide grants or revolving fund loans for the design and construction of projects for public water systems that will enable those systems to meet safe drinking water standards. The law requires the board, at least once every 2 years, to post information on its internet website and send a link of the internet website to the Legislature regarding implementation of the law and expenditures from

the fund, as specified. This bill would require the board to post that information and send that link at least annually instead of at least once every 2 years.

Position

AB 754 (Mathis R) Sustainable groundwater management: groundwater sustainability plan.

Last Amend: 4/15/2021

Status: 7/14/2021-Failed Deadline pursuant to Rule 61(a)(11). (Last location was N.R. & W. on 6/16/2021)(May be acted upon Jan 2022)

Location: 7/14/2021-S. 2 YEAR

Summary: The Sustainable Groundwater Management Act authorizes the State Water Resources Control Board to designate a high- or medium-priority basin as a probationary basin if the basin is not entirely covered by an adopted groundwater sustainability plan or plans or a department-approved alternative by the applicable deadline. The act authorizes the board to adopt an interim plan for a probationary basin, as specified. This bill would authorize the department to extend the deadline for a high- or medium-priority basin not subject to critical conditions of overdraft to be managed under a groundwater sustainability plan or coordinated plans by up to 180 days after January 31, 2022, upon request of a local agency or groundwater sustainability agency in the basin for an extension of a specified period of time. The bill would require a request to be submitted by January 3, 2022, and to be responded to by the department by January 10, 2022.

Position

AB 781 (Daly D) Flood control projects: County of Orange: subvention funds.

Last Amend: 3/4/2021

Status: 9/24/2021-Approved by the Governor. Chaptered by Secretary of State - Chapter 302, Statutes of 2021.

Location: 9/24/2021-A. CHAPTERED

Summary: Would authorize the state to provide subvention funds, as prescribed, to the County of Orange for a specified flood control project at an estimated cost to the state of the sum that may be appropriated for state cooperation by the Legislature and upon a determination by the Department of Water Resources that the project meets specified requirements. The bill would provide that the state assumes no liability for damages that may result from the project by authorizing the provision of subvention funds, or by the appropriation of those subvention funds.

Position

AB 792 (Flora R) Forestry: prescribed burning agreements.

Status: 5/25/2021-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/12/2021)(May be acted upon Jan 2022)

Location: 5/25/2021-A. 2 YEAR

Summary: Current law authorizes the Director of Forestry and Fire Protection to enter into an agreement for prescribed burning or other hazardous fuel reduction for specified purposes, such as vegetation management and forest improvement. Current law requires an agreement that is entered into pursuant to that authorization to, among other requirements, provide that the Department of Forestry and Fire Protection be fully responsible for prescribed burns initiated at the department's request, with the consent of the landowner, for training or other purposes on lands owned by a nonprofit organization or other public agencies. This bill would delete the qualification that those prescribed burns initiated at the department's request be on lands owned by a nonprofit organization or other public agencies.

Position

AB 800 (Gabriel D) Wildfires: local general plans: safety elements: fire hazard severity zones.

Last Amend: 3/18/2021

Status: 4/30/2021-Failed Deadline pursuant to Rule 61(a)(2). (Last location was NAT. RES. on 3/18/2021)(May be acted upon Jan 2022)

Location: 4/30/2021-A. 2 YEAR

Summary: Current law requires the Director of Forestry and Fire Protection to identify areas of the state as very high fire hazard severity zones, as provided. Current law requires each planning agency to prepare, and the legislative body of each county and city to adopt, a comprehensive, long-term general plan, including a safety element, for the physical development of the county or city, as provided. Current law requires the draft element of, or draft amendment to, the safety element of a county or city's general plan to be submitted to the State Board of Forestry and Fire Protection and to every local agency that provides fire protection to territory in the city or county at least 90 days before the adoption or amendment to the safety element of its general plan for each city or county that contains a very high fire hazard severity zone. This bill would require the director to also identify areas of the state as moderate and high fire hazard severity zones, as provided.

Position

AB 802 (Bloom D) Microfiber pollution.

Status: 4/30/2021-Failed Deadline pursuant to Rule 61(a)(2). (Last location was E.S. & T.M. on 2/25/2021)(May be acted upon Jan 2022)

Location: 4/30/2021-A. 2 YEAR

Summary: Would require the Water Resources Control Board to identify the best available control technology for filtering microfibers from an industrial, institutional, or commercial laundry facility on or before an unspecified date, and would require the state board to consult with owners and operators of laundry facilities on the types of filtration systems currently in use and with universities, scientific organizations, and experts on plastic pollution in identifying the best available control technology. The bill would also require, on or before an unspecified date, any entity that operates an industrial, institutional, or commercial laundry facility to adopt the use of the best available control technology to capture microfibers that are shed during washing.

Position

AB 818 (Bloom D) Solid waste: premoistened nonwoven disposable wipes.

Last Amend: 7/1/2021

Status: 10/6/2021-Approved by the Governor. Chaptered by Secretary of State - Chapter 590, Statutes of 2021.

Location: 10/6/2021-A. CHAPTERED

Summary: Would require, except as provided, certain premoistened nonwoven disposable wipes manufactured on or after July 1, 2022, to be labeled clearly and conspicuously with the phrase "Do Not Flush" and a related symbol, as specified. The bill would prohibit a covered entity, as defined, from making a representation about the flushable attributes, benefits, performance, or efficacy of those premoistened nonwoven disposable wipes, as provided. The bill would establish enforcement provisions, including authorizing a civil penalty not to exceed \$2,500 per day, up to a maximum of \$100,000 per violation, to be imposed on a covered entity who violates those provisions.

Position

[AB 819](#) (Levine D) California Environmental Quality Act: notices and documents: electronic filing and posting.

Last Amend: 5/28/2021

Status: 7/16/2021-Approved by the Governor. Chaptered by Secretary of State - Chapter 97, Statutes of 2021.

Location: 7/16/2021-A. CHAPTERED

Summary: CEQA requires, if an environmental impact report is required, the lead agency to mail a notice of determination to each responsible agency, the Office of Planning and Research, and public agencies with jurisdiction over natural resources affected by the project. CEQA requires the lead agency to provide notice to the public and to organizations and individuals who have requested notices that the lead agency is preparing an environmental impact report, negative declaration, or specified determination. CEQA requires notices for an environmental impact report to be posted in the office of the county clerk of each county in which the project is located. This bill would instead require the lead agency to mail or email those notices, and to post them on the lead agency's internet website. The bill would also require notices of an environmental impact report to be posted on the internet website of the county clerk of each county in which the project is located.

Position

[AB 821](#) (Cooper D) Sexually violent predators: placement outside county of domicile: notice and hearing.

Last Amend: 3/18/2021

Status: 4/30/2021-Failed Deadline pursuant to Rule 61(a)(2). (Last location was PUB. S. on 3/18/2021)(May be acted upon Jan 2022)

Location: 4/30/2021-A. 2 YEAR

Summary: Current law requires a sexually violent predator who is conditionally released to be placed in the county that was the person's county of domicile prior to the person's incarceration, unless extraordinary circumstances exist requiring placement outside the county, as specified. This bill would require advance notice, as specified, if a sexually violent predator is to be released to a county other than their county of domicile. The bill would require the local jurisdiction to give public notice of the intended release and allow for public comment, as specified. The bill would require the court to hold an evidentiary hearing to determine if extraordinary circumstances exist.

Position

[AB 908](#) (Frazier D) Natural Resources Agency: statewide natural resources inventory.

Status: 4/30/2021-Failed Deadline pursuant to Rule 61(a)(2). (Last location was NAT. RES. on 2/25/2021)(May be acted upon Jan 2022)

Location: 4/30/2021-A. 2 YEAR

Summary: Would require the Natural Resources Agency, to the extent a specified appropriation is made, to prepare a comprehensive, statewide inventory of the natural resources of the state and establish treatment measures necessary to protect those resources, and to post its initial inventory on its internet website on or before January 1, 2023, with annual updates on or before January 1 of each year thereafter.

Position

[AB 921](#) (McCarty D) Flood protection: City of West Sacramento flood risk reduction project.

Status: 6/4/2021-Failed Deadline pursuant to Rule 61(a)(8). (Last location was INACTIVE FILE on 6/3/2021)(May be acted upon Jan 2022)

Location: 6/4/2021-A. 2 YEAR

Summary: Unless a city or county within the Sacramento-San Joaquin Valley makes certain findings after the effective date of specified amendments to its general plan, the Planning and Zoning Law prohibits a city or county from entering into a development agreement for property located in a flood hazard zone; approving a discretionary permit, ministerial permit, or other discretionary entitlement for a project that is located within a flood hazard zone, as specified; or approving a tentative map, or a parcel map for which a tentative map was not required, for a subdivision that is located within a flood hazard zone. This bill would require the City of West Sacramento, as defined, to achieve the urban level of flood protection by 2030.

Position

AB 926 (Mathis R) Fire prevention: local assistance grant program: projects: report.

Last Amend: 3/8/2021

Status: 5/25/2021-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/19/2021)(May be acted upon Jan 2022)

Location: 5/25/2021-A. 2 YEAR

Summary: Current law requires the Department of Forestry and Fire Protection to establish a local assistance grant program for fire prevention activities, as defined, in the state. This bill would expand the definition of "fire prevention activities" to include the removal of hazardous dead trees, creation of fuel breaks and community defensible spaces, and creation of ingress and egress corridors. The bill would also require the department to prioritize projects that have a completed, or nearly completed, environmental review document, as provided. The bill would authorize the department to consider and evaluate the wildfire risk within the proposed project area, as well as the socioeconomic characteristics of communities that the various education and mitigation projects are intended to protect, when awarding local assistance grants.

Position

AB 963 (Kamlager D) Baldwin Hills Conservancy: urban watersheds conservancy expansion.

Status: 5/25/2021-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/12/2021)(May be acted upon Jan 2022)

Location: 5/25/2021-A. 2 YEAR

Summary: The Baldwin Hills Conservancy Act establishes, until January 1, 2026, in the Natural Resources Agency, the Baldwin Hills Conservancy, created with the purpose, among other purposes, to acquire and manage public lands within the Baldwin Hills area, as defined. This bill would expand the area covered by the conservancy to include the southern Ballona Creek Watershed, as defined, and the Upper Dominguez Channel, as defined. The bill would rename the conservancy the Baldwin Hills and Urban Watersheds Conservancy and make conforming changes.

Position

AB 1086 (Aquiar-Curry D) Organic waste: implementation strategy: report.

Last Amend: 7/7/2021

Status: 8/27/2021-Failed Deadline pursuant to Rule 61(a)(12). (Last location was APPR. SUSPENSE FILE on 8/16/2021)(May be acted upon Jan 2022)

Location: 8/27/2021-S. 2 YEAR

Summary: Would request that the California Council on Science and Technology, in consultation with its academic and research partners and specified state agencies, undertake and, within 12 months of entering into a contract, complete a report that provides an implementation strategy to achieve the state's organic waste, and related climate change and air quality, mandates, goals, and targets. If the council agrees to undertake and complete the report, the bill would require the council to provide the report to the relevant state agencies after peer review in order for one or more of the relevant state agencies to conduct at least one public meeting and publish the draft implementation strategy on its internet website. The bill would also require the council, if it agrees to undertake and complete the report, to submit the report to the Legislature. The bill would require the implementation strategy to include, among other things, recommendations on policy and funding support for the beneficial reuse of organic waste.

Position

AB 1099 (Rivas, Robert D) Environmental equity: principles: bond and fund expenditures.

Last Amend: 3/25/2021

Status: 4/30/2021-Failed Deadline pursuant to Rule 61(a)(2). (Last location was NAT. RES. on 3/25/2021)(May be acted upon Jan 2022)

Location: 4/30/2021-A. 2 YEAR

Summary: The State General Obligation Bond Law contains procedures for use in authorizing the issuance, sale, and providing for the repayment of, state general obligation bonds. Current law establishes various funds in the State Treasury for purposes of providing financial incentives to eligible entities for specified purposes. This bill would require the administration of proceeds from the sales of bonds issued under a bond act that is enacted by the Legislature and is approved by the voters on or after January 1, 2022, pursuant to the State General Obligation Bond Law and that addresses environmental issues, and the administration of certain funds established on or after January 1, 2022, that provide financial assistance to eligible entities to incorporate certain principles of environmental equity.

Position

AB 1110 (Rivas, Robert D) Zero-emission vehicles: Clean Vehicles Ombudsperson: Climate Catalyst Revolving Loan Fund Program.

Last Amend: 8/26/2021

Status: 9/10/2021-Failed Deadline pursuant to Rule 61(a)(15). (Last location was INACTIVE FILE on 9/9/2021)(May be acted upon Jan 2022)

Location: 9/10/2021-A. 2 YEAR

Summary: Would establish the Clean Vehicles Ombudsperson, to be appointed by and report directly to the Director of GO-Biz, and would require the ombudsperson to consult with appropriate entities in identifying available programs and incentives offered by the state that can help to reduce costs and increase participation in a statewide contract or leveraged procurement agreement, as specified. The bill would also require the ombudsperson to convene 2 or more workshops of an advisory committee to aid the ombudsperson in identifying and publishing best practices in adopting zero-emission fleet vehicles for public agencies and identifying appropriate candidate vehicles for bulk purchase, leveraged procurement, or other means of widespread adoption by public entities, as specified. The bill would also require the ombudsperson to develop, and recommend that DGS adopt, criteria for evaluating vehicle purchase options or other means of widespread and streamline adoption options, as provided.

Position

AB 1164 (Flora R) Dams and reservoirs: exclusions.

Last Amend: 5/4/2021

Status: 7/14/2021-Failed Deadline pursuant to Rule 61(a)(11). (Last location was N.R. & W. on 6/3/2021)(May be acted upon Jan 2022)

Location: 7/14/2021-S. 2 YEAR

Summary: Current law requires the Department of Water Resources to adopt, by regulation, a schedule of fees to cover the department's costs in carrying out the supervision of dam safety. Current law excludes certain obstructions from being considered a dam, including a barrier that is not across a stream channel, watercourse, or natural drainage area and that has the principal purpose of impounding water for agricultural use. This bill would specify that the exclusion from being considered a dam for a barrier that is not across a stream channel, watercourse, or natural drainage area and that has the principal purpose of impounding water for agricultural use applies only to a barrier owned or operated by a private entity. The bill would provide that a barrier owned or operated by a public entity that is not across a stream channel, watercourse, or natural drainage area and that has the principal purpose of impounding water for agricultural use shall not be considered a dam only if certain criteria are met, including, among other criteria, that the operator provides to the county office of emergency management a structural failure plan.

Position

AB 1195 (Garcia, Cristina D) Drinking water.

Last Amend: 5/24/2021

Status: 7/14/2021-Failed Deadline pursuant to Rule 61(a)(11). (Last location was N.R. & W. on 6/9/2021)(May be acted upon Jan 2022)

Location: 7/14/2021-S. 2 YEAR

Summary: Current law establishes the Safe and Affordable Drinking Water Fund in the State Treasury to help water systems provide an adequate and affordable supply of safe drinking water in both the near and long terms. Current law authorizes the state board to provide for the deposit into the fund of certain moneys and continuously appropriates the moneys in the fund to the state board for grants, loans, contracts, or services to assist eligible recipients. This bill would prohibit a public water system from transferring or abandoning a water right held by the public water system except upon approval of the state board, as prescribed.

Position

AB 1200 (Ting D) Plant-based food packaging: cookware: hazardous chemicals.

Last Amend: 8/23/2021

Status: 10/5/2021-Approved by the Governor. Chaptered by Secretary of State - Chapter 503, Statutes of 2021.

Location: 10/5/2021-A. CHAPTERED

Summary: Would prohibit, beginning January 1, 2023, any person from distributing, selling, or offering for sale in the state any food packaging that contains regulated perfluoroalkyl and polyfluoroalkyl substances or PFAS, as defined. The bill would require a manufacturer to use the least toxic alternative when replacing PFAS chemicals. The bill would define "food packaging," in part, to mean a nondurable package, packaging component, or food service ware that is comprised, in substantial part, of paper, paperboard, or other materials originally derived from plant fibers.

Position

AB 1250 (Calderon D) Water and sewer system corporations: consolidation of service.

Last Amend: 7/5/2021

Status: 10/8/2021-Approved by the Governor. Chaptered by Secretary of State - Chapter 713, Statutes of 2021.

Location: 10/8/2021-A. CHAPTERED

Summary: The California Safe Drinking Water Act provides for the operation of public water systems, which include small community water systems, and imposes on the State Water Resources Control Board related regulatory responsibilities and duties. Current law authorizes the state board to order consolidation of public water systems where a public water system or state small water system serving a disadvantaged community consistently fails to provide an adequate supply of safe drinking water, as provided. This bill, the Consolidation for Safe Drinking Water Act of 2021, would authorize a water or sewer system corporation to file an application and obtain approval from the Public Utilities Commission through an order authorizing the water or sewer system corporation to consolidate with a small community water system or state small water identified as failing or at risk of failing by the state board.

Position

AB 1255 (Bloom D) Fire prevention: fire risk reduction guidance: local assistance grants.

Last Amend: 4/19/2021

Status: 6/4/2021-Failed Deadline pursuant to Rule 61(a)(8). (Last location was INACTIVE FILE on 6/2/2021)(May be acted upon Jan 2022)

Location: 6/4/2021-A. 2 YEAR

Summary: Would require the Natural Resources Agency, on or before July 1, 2023, and in collaboration with specified state agencies and in consultation with certain other state agencies, to develop a guidance document that describes goals, approaches, opportunities, and best practices in each region of the state for ecologically appropriate, habitat-specific fire risk reduction. The bill would require the guidance document to be developed through a public process, including region-specific public workshops hosted by the agency, and would require the agency to post the document on its internet website.

Position

AB 1271 (Ting D) Surplus land.

Last Amend: 4/19/2021

Status: 4/30/2021-Failed Deadline pursuant to Rule 61(a)(2). (Last location was H. & C.D. on 4/15/2021)(May be acted upon Jan 2022)

Location: 4/30/2021-A. 2 YEAR

Summary: Would add to the definition of "exempt surplus land" a former military base or other planned residential or mixed-use development of adjacent or nonadjacent parcels of greater than 5 total acres, that are subject to a written plan, where at least one of the owners is a local agency and meets other specified criteria. This bill would provide that the surplus land provisions as specified do not preclude a local agency that purchases surplus land from a disposing agency from reconveying the surplus land to a nonprofit or for-profit housing developer for development of low- and moderate-income housing as authorized under other provisions of law. The bill would provide that any local agency disposing of surplus land to a specified entity that intends to use the land for specified purposes, including low- and moderate-income housing purposes, may provide for a payment period of up to 20 years in any contract of sale or sale by trust deed for the land.

Position

AB 1376 (Gray D) Water quality: state certification.

Status: 4/30/2021-Failed Deadline pursuant to Rule 61(a)(2). (Last location was E.S. & T.M. on 3/4/2021)(May be acted upon Jan 2022)

Location: 4/30/2021-A. 2 YEAR

Summary: The Porter-Cologne Water Quality Control Act authorizes the State Water Resources Control Board to certify or provide a statement to a federal agency, as required pursuant to federal law, that there is reasonable assurance that an activity of any person subject to the jurisdiction of the state board will not reduce water quality below applicable standards. The federal act provides that if a state fails or refuses to act on a request for this certification within a reasonable period of time, which shall not exceed one year after receipt of the request, then the state certification requirements are waived with respect to the federal application. This bill would require the state board to make the certificate or statement available on its internet website for a 60-day public comment and review period, and would provide that the certificate or statement shall not be final until voted upon by a majority of the members of the state board at the conclusion of that period.

Position

AB 1403 (Levine D) Emergency services.

Last Amend: 9/3/2021

Status: 10/5/2021-Vetoed by Governor.

Location: 10/5/2021-A. VETOED

Calendar: 1/3/2022 #15 ASSEMBLY GOVERNOR'S VETOES

Summary: The California Emergency Services Act authorizes the Governor to proclaim a state of emergency when specified conditions of disaster or extreme peril to the safety of persons and property exist, and authorizes the Governor to exercise certain powers in response to that emergency. Current law defines the term "state of emergency" to mean a duly proclaimed existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by, among other things, fire, storm, or riot. This bill would additionally include a "deenergization event," defined as a planned power outage, as specified, within those conditions constituting a state of emergency.

Position

AB 1428 (Quirk D) Safe Drinking Water Act: applicability.

Status: 7/9/2021-Approved by the Governor. Chaptered by Secretary of State - Chapter 64, Statutes of 2021.

Location: 7/9/2021-A. CHAPTERED

Summary: Under current law, a water district, as defined, in existence prior to May 18, 1994, that provides primarily agricultural services through a piped water system with only incidental residential or similar uses is not considered to be a public water system under specified conditions, including the system certifying that it is providing alternative water for residential or similar uses for drinking water and cooking to achieve the equivalent level of public health protection provided by the applicable primary drinking water regulations. This bill would remove the above provision authorizing those water districts to certify that they are providing alternative water for residential or similar uses to achieve the equivalent level of public health protection provided by the applicable primary drinking water regulations.

Position

AB 1431 (Frazier D) Forestry: forest carbon and resilience goals.

Last Amend: 7/14/2021

Status: 8/27/2021-Failed Deadline pursuant to Rule 61(a)(12). (Last location was APPR. SUSPENSE FILE on 8/16/2021)(May be acted upon Jan 2022)

Location: 8/27/2021-S. 2 YEAR

Summary: Current law requires the Department of Forestry and Fire Protection to implement various fire protection programs intended to protect forest resources and prevent uncontrolled wildfires. This bill would establish state goals for fuels treatment, vegetation management, and wildfire risk reduction, including, but not limited to, increasing vegetation management on nonfederal lands and urging the federal government to increase vegetation management on federal lands, as provided, and increasing the pace and scale of home hardening efforts to harden at least 100,000 existing homes per year by 2025. The bill would require that the established vegetation management goals be for activities that improve fire resiliency and reduce fire spread, duration, and intensity, fuel ignitability, or ignition of tree crowns, as applicable, and would require the state to implement, or cause to be implemented, the established vegetation management and home hardening goals in a specified manner, including prioritizing the implementation of these goals in the most vulnerable communities.

Position

AB 1458 (Frazier D) Fish and wildlife protection and conservation: lake and streambed alteration agreements: exemptions

Status: 4/30/2021-Failed Deadline pursuant to Rule 61(a)(2). (Last location was W.,P. & W. on 3/11/2021)(May be acted upon Jan 2022)

Location: 4/30/2021-A. 2 YEAR

Summary: Current law prohibits a person, a state or local governmental agency, or a public utility from substantially diverting or obstructing the natural flow of, or substantially changing or using any material from the bed, channel, or bank of, any river, stream, or lake, or depositing or disposing of debris, waste, or other material containing crumbled, flaked, or ground pavement where it may pass into any river, stream, or lake, unless prescribed requirements are met, including written notification to the Department of Fish and Wildlife regarding the activity. Current law requires the department to determine whether the activity may substantially adversely affect an existing fish and wildlife resource and, if so, to provide a draft lake or streambed alteration agreement to the person, agency, or utility. Current law prescribes various requirements for lake and streambed alteration agreements. Current law also establishes various exemptions from these provisions. This bill would additionally exempt from these provisions vegetation management or fuels treatment projects undertaken, carried out, or approved by a state or local governmental agency necessary to prevent or mitigate the threat or intensity of a wildfire.

Position

AB 1500 (Garcia, Eduardo D) Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, and Workforce Development Bond Act of 2022.

Last Amend: 5/11/2021

Status: 9/10/2021-Failed Deadline pursuant to Rule 61(a)(15). (Last location was RLS. on 5/20/2021)(May be acted upon Jan 2022)

Location: 9/10/2021-A. 2 YEAR

Summary: Would enact the Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, and Workforce Development Bond Act of 2022, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$7,080,000,000 pursuant to the State General Obligation Bond Law to finance projects for safe drinking water, wildfire prevention, drought

preparation, flood protection, extreme heat mitigation, and workforce development programs.

Position

AB 1519 (Gallagher R) Forestry: fuels transportation program: biomass energy facility: grant program.

Last Amend: 3/11/2021

Status: 4/30/2021-Failed Deadline pursuant to Rule 61(a)(2). (Last location was NAT. RES. on 3/11/2021)(May be acted upon Jan 2022)

Location: 4/30/2021-A. 2 YEAR

Summary: Would require the Natural Resources Agency to develop and implement a fuels transportation program that provides competitive grants or other financial incentives for projects in eligible communities to offset the costs of transporting fuels to a biomass energy facility, as specified. The bill would authorize the agency to allocate moneys from the Greenhouse Gas Reduction Fund consistent with the purposes of the fund. The bill would exempt these provisions from the Administrative Procedure Act.

Position

AB 1570 (Committee on Natural Resources) Public resources: omnibus bill.

Last Amend: 8/30/2021

Status: 10/9/2021-Approved by the Governor. Chaptered by Secretary of State - Chapter 755, Statutes of 2021.

Location: 10/9/2021-A. CHAPTERED

Summary: Would require the Department of Forestry and Fire Protection to assist local governments in preventing future high-intensity wildland fires and instituting appropriate fuels management by making its wildland fire prevention and vegetation management expertise available to local governments to the extent possible within the department's budgetary limitations. The bill would explicitly define, for these purposes, "local governments" to include cities, counties, and special districts. The bill would also make changes to related findings and declarations by the Legislature.

Position

ACA 1 (Aguilar-Curry D) Local government financing: affordable housing and public infrastructure: voter approval.

Status: 4/22/2021-Referred to Coms. on L. GOV. and APPR.

Location: 4/22/2021-A. L. GOV.

Summary: The California Constitution prohibits the ad valorem tax rate on real property from exceeding 1% of the full cash value of the property, subject to certain exceptions. This measure would create an additional exception to the 1% limit that would authorize a city, county, city and county, or special district to levy an ad valorem tax to service bonded indebtedness incurred to fund the construction, reconstruction, rehabilitation, or replacement of public infrastructure, affordable housing, or permanent supportive housing, or the acquisition or lease of real property for those purposes, if the proposition proposing that tax is approved by 55% of the voters of the city, county, or city and county, as applicable, and the proposition includes specified accountability requirements.

Position

ACR 33 (Friedman D) Wildfire mitigation.

Status: 8/31/2021-Chaptered by Secretary of State- Chapter 111, Statutes of 2021

Location: 8/31/2021-A. CHAPTERED

Summary: Would state the Legislature's commitment to improving wildfire outcomes in the State of California by investing in science-based wildfire mitigation strategies that will benefit the health of California forests and communities. The measure would also state that the Legislature calls upon public and private stakeholders to work jointly to identify, discuss, and refine, as necessary, procedures concerning treatment of forested lands for the purpose of, among other things, wildfire risk mitigation.

Position

AJR 4 **(Garcia, Cristina D) Basel Convention: ratification.**

Status: 7/15/2021-Chaptered by Secretary of State- Chapter 77, Statutes of 2021

Location: 7/15/2021-A. CHAPTERED

Summary: This measure would declare California to be in favor of the United States' ratification of the Basel Convention at the earliest opportunity and would request the Biden Administration to accomplish this ratification as a matter of urgency.

Position

SB 5 **(Atkins D) Affordable Housing Bond Act of 2022.**

Last Amend: 3/10/2021

Status: 9/10/2021-Failed Deadline pursuant to Rule 61(a)(15). (Last location was HOUSING on 3/18/2021)(May be acted upon Jan 2022)

Location: 9/10/2021-S. 2 YEAR

Summary: Would enact the Affordable Housing Bond Act of 2022, which, if adopted, would authorize the issuance of bonds in the amount of \$6,500,000,000 pursuant to the State General Obligation Bond Law. Proceeds from the sale of these bonds would be used to fund affordable rental housing and homeownership programs. The bill would state the intent of the Legislature to determine the allocation of those funds to specific programs. This bill would provide for submission of the bond act to the voters at the November 8, 2022, statewide general election in accordance with specified law.

Position

SB 12 **(McGuire D) Local government: planning and zoning: wildfires.**

Last Amend: 7/1/2021

Status: 7/14/2021-Failed Deadline pursuant to Rule 61(a)(11). (Last location was H. & C.D. on 6/24/2021)(May be acted upon Jan 2022)

Location: 7/14/2021-A. 2 YEAR

Summary: Current law requires that the Office of Planning and Research, among other things, coordinate with appropriate entities, including state, regional, or local agencies, to establish a clearinghouse for climate adaptation information for use by state, regional, and local entities, as provided. This bill would require the safety element, upon the next revision of the housing element or the hazard mitigation plan, on or after July 1, 2024, whichever occurs first, to be reviewed and updated as necessary to include a comprehensive retrofit strategy to reduce the risk of property loss and damage during wildfires, as specified, and would require the planning agency to submit the adopted strategy to the Office of Planning and Research for inclusion into the above-described clearinghouse.

Position

SB 27 **(Skinner D) Carbon sequestration: state goals: natural and working lands: registry of projects.**

Last Amend: 8/30/2021

Status: 9/23/2021-Approved by the Governor. Chaptered by Secretary of State. Chapter 237, Statutes of 2021.

Location: 9/23/2021-S. CHAPTERED

Summary: Would require, no later than July 1, 2023, the Natural Resources Agency, in coordination with the California Environmental Protection Agency, the State Air Resources Board, the Department of Food and Agriculture, and other relevant state agencies, to establish the Natural and Working Lands Climate Smart Strategy and, in developing the strategy, to create a framework to advance the state's climate goals. The bill would require the state board, as part of its scoping plan, to establish specified carbon dioxide removal targets for 2030 and beyond.

Position

SB 33 (Cortese D) Apprenticeship: annual report: task force.

Last Amend: 4/7/2021

Status: 9/10/2021-Failed Deadline pursuant to Rule 61(a)(15). (Last location was RLS. on 6/17/2021)(May be acted upon Jan 2022)

Location: 9/10/2021-A. 2 YEAR

Summary: Would require the Director of Industrial Relations, on or before September 1, 2022, to convene a task force to promote apprenticeship for all populations throughout the state, to be known as the Construction Apprenticeship Advancement Task Force, with membership as prescribed. The bill would require the task force, in consultation with specified entities, to study the recruitment, retention, and barriers to entry of women and other minority, underrepresented, and disadvantaged populations in the State of California for purposes of ensuring apprenticeship opportunities are more inclusive of those populations.

Position

SB 37 (Cortese D) Contaminated Site Cleanup and Safety Act.

Last Amend: 9/3/2021

Status: 9/10/2021-Failed Deadline pursuant to Rule 61(a)(15). (Last location was INACTIVE FILE on 9/8/2021)(May be acted upon Jan 2022)

Location: 9/10/2021-A. 2 YEAR

Summary: Current law requires designated local enforcement agencies to compile and submit to the Department of Resources Recycling and Recovery a list of all solid waste disposal facilities from which there is a known migration of hazardous waste, and requires the department to compile these lists into a statewide list. Current law requires these agencies to update the information as appropriate, but at least annually, and to submit the information to the Secretary for Environmental Protection. Under existing law, the Secretary for Environmental Protection is required to consolidate the information provided by these state agencies and distribute the information in a timely fashion to each city and county in which sites on the lists are located and to any other person upon request. This bill would enact the Contaminated Site Cleanup and Safety Act and would recodify the above-described provisions with certain revisions. The bill would repeal the requirement for the State Department of Health Care Services to compile a list of all public drinking water wells, as described above.

Position

SB 45 (Portantino D) Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2022.

Last Amend: 4/8/2021

Status: 9/10/2021-Failed Deadline pursuant to Rule 61(a)(15). (Last location was INACTIVE FILE on 6/1/2021)(May be acted upon Jan 2022)

Location: 9/10/2021-S. 2 YEAR

Summary: Would enact the Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2022, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$5,595,000,000 pursuant to the State General Obligation Bond Law to finance projects for a wildfire prevention, safe drinking water, drought preparation, and flood protection program.

Position

SB 52 (Dodd D) State of emergency: local emergency: planned power outage.

Last Amend: 8/26/2021

Status: 10/6/2021-Approved by the Governor. Chaptered by Secretary of State. Chapter 597, Statutes of 2021.

Location: 10/6/2021-S. CHAPTERED

Summary: Would define a 'deenergization event' as a planned power outage, as specified, and would make a deenergization event one of those conditions constituting a local emergency, with prescribed limitations.

Position

SB 54 (Allen D) Plastic Pollution Producer Responsibility Act.

Last Amend: 2/25/2021

Status: 6/4/2021-Failed Deadline pursuant to Rule 61(a)(8). (Last location was INACTIVE FILE on 5/20/2021)(May be acted upon Jan 2022)

Location: 6/4/2021-S. 2 YEAR

Summary: Would establish the Plastic Pollution Producer Responsibility Act, which would prohibit producers of single-use, disposable packaging or single-use, disposable food service ware products from offering for sale, selling, distributing, or importing in or into the state such packaging or products that are manufactured on or after January 1, 2032, unless they are recyclable or compostable.

Position

SB 63 (Stern D) Fire prevention: vegetation management: public education: grants: defensible space: fire hazard severity zones.

Last Amend: 9/7/2021

Status: 9/28/2021-Approved by the Governor. Chaptered by Secretary of State. Chapter 382, Statutes of 2021.

Location: 9/28/2021-S. CHAPTERED

Summary: Would, among other things, require the Director of Forestry and Fire Protection to identify areas of the state as moderate and high fire hazard severity . The bill would modify the factors the director is required to use to identify areas into fire hazard severity zones, as provided. The bill would require a local agency to make this information available for public review and comment, as provided. By expanding the responsibility of a local agency, the bill would impose a state-mandated local program.

Position

SB 91 (Committee on Budget and Fiscal Review) COVID-19 relief: tenancy: federal rental assistance.

Last Amend: 1/25/2021

Status: 1/29/2021-Approved by the Governor. Chaptered by Secretary of State. Chapter 2, Statutes of 2021.

Location: 1/29/2021-S. CHAPTERED

Summary: Current law prohibits a landlord from interrupting or terminating utility service furnished to a tenant with the intent to terminate the occupancy of the tenant, and imposes specified penalties on a landlord who violates that prohibition. Current law, until February 1, 2021, imposes additional damages in an amount of at least \$1,000, but not more than \$2,500, on a landlord that violates that prohibition, if the tenant has provided a declaration of COVID-19 financial distress, as specified. This bill would extend the imposition of those additional damages from February 1, 2021, to July 1, 2021.

Position

SB 208 (Dahle R) Sierra Nevada Conservancy: Sierra Nevada Region: subregion: definitions: annual report.

Last Amend: 4/6/2021

Status: 9/16/2021-Approved by the Governor. Chaptered by Secretary of State. Chapter 182, Statutes of 2021.

Location: 9/16/2021-S. CHAPTERED

Summary: Current law requires the Sierra Nevada Conservancy to make an annual report to the Legislature and to the Secretary of the Natural Resources Agency regarding expenditures, land management costs, and administrative costs. This bill would modify areas listed under the definitions of the "Sierra Nevada Region" and its "subregions," as specified, for these purposes. The bill would require the conservancy to include, in its report regarding expenditures, land management costs, and administrative costs for the year 2022, recommendations to the Legislature for legislation to change the name of the conservancy and the governing board of the Sierra Nevada Conservancy, and to change the structure of the regions, subregions, and board, to align the conservancy with its recent expansion in the Counties of Shasta, Siskiyou, and Trinity.

Position

SB 209 (Dahle R) State of emergency: termination after 45 days: extension by the Legislature.

Last Amend: 3/4/2021

Status: 4/30/2021-Failed Deadline pursuant to Rule 61(a)(2). (Last location was G.O. on 2/10/2021)(May be acted upon Jan 2022)

Location: 4/30/2021-S. 2 YEAR

Summary: Would require a state of emergency to terminate 45 days after the Governor's proclamation of the state of emergency unless the Legislature extends it by a concurrent resolution.

Position

SB 230 (Portantino D) State Water Resources Control Board: Constituents of Emerging Concern Program.

Status: 5/25/2021-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. on 3/15/2021)(May be acted upon Jan 2022)

Location: 5/25/2021-S. 2 YEAR

Summary: Would require the State Water Resources Control Board to establish, maintain, and direct an ongoing, dedicated program called the Constituents of Emerging Concern Program to assess the state of information and recommend areas for further study on, among other things, the occurrence of constituents of emerging concern (CEC) in drinking water sources and treated drinking water. The bill would require the state board to convene, by an unspecified date, the Science Advisory Panel to review and provide recommendations to the state board on CEC for further

action, among other duties. The bill would require the state board to provide an annual report to the Legislature on the ongoing work conducted by the panel.

Position

SB 259 (Wilk R) Public Utilities Commission: oversight of electrical corporations.

Status: 9/10/2021-Failed Deadline pursuant to Rule 61(a)(15). (Last location was RLS. on 1/26/2021)(May be acted upon Jan 2022)

Location: 9/10/2021-S. 2 YEAR

Summary: Would state the intent of the Legislature to enact legislation to strengthen the Public Utilities Commission's oversight of electrical corporations' efforts to reduce their fire risk and use of deenergization events.

Position

SB 260 (Wiener D) Climate Corporate Accountability Act.

Last Amend: 4/19/2021

Status: 5/25/2021-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/17/2021)(May be acted upon Jan 2022)

Location: 5/25/2021-S. 2 YEAR

Summary: Would require the State Air Resources Board, on or before January 1, 2023, to develop and adopt regulations requiring United States-based partnerships, corporations, limited liability companies, and other business entities with total annual revenues in excess of \$1,000,000,000 and that do business in California, defined as "reporting entities," to publicly disclose, starting in 2024 on a date to be determined by the state board, and annually thereafter, their greenhouse gas emissions, categorized as scope 1, 2, and 3 emissions, as defined, from the prior calendar year.

Position

SB 267 (Hertzberg D) Property taxation: active solar energy systems: partnership flip transactions.

Last Amend: 8/16/2021

Status: 9/30/2021-Approved by the Governor. Chaptered by Secretary of State. Chapter 424, Statutes of 2021.

Location: 9/30/2021-S. CHAPTERED

Summary: Would provide that for a legal entity that owns an active solar energy system pursuant to a partnership flip transaction, as defined, neither an initial transfer of a capital and profits interest in the legal entity, nor any subsequent change in the allocation of the capital and profits of the legal entity among the members, shall be deemed to constitute a transfer of control of, or of a majority interest in, the legal entity. The bill would provide that if the parties to a partnership flip transaction sell or exchange ownership of the partnership or limited liability company in a transaction or series of transactions, that are separate and apart from the partnership flip transaction conducted pursuant to the bill's provisions, in such a manner that a change in ownership of the partnership or limited liability company occurs, as specified, then the bill's provisions do not apply to that transaction or transactions.

Position

SB 273 (Hertzberg D) Water quality: municipal wastewater agencies.

Last Amend: 6/21/2021

Status: 9/23/2021-Approved by the Governor. Chaptered by Secretary of State. Chapter 241, Statutes of 2021.

Location: 9/23/2021-S. CHAPTERED

Summary: Would authorize a municipal wastewater agency, as defined, to enter into agreements with entities responsible for stormwater management for the purpose of managing stormwater and dry weather runoff, as defined, to acquire, construct, expand, operate, maintain, and provide facilities for specified purposes relating to managing stormwater and dry weather runoff, and to levy taxes, fees, and charges consistent with the municipal wastewater agency's existing authority in order to fund projects undertaken pursuant to the bill. The bill would require the exercise of any new authority granted under the bill to comply with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. The bill would require a municipal wastewater agency that enters into or amends one of these agreements after January 1, 2022, to file a copy of the agreement or amendment with the local agency formation commission in each county where any part of the municipal wastewater agency's territory is located, but would exempt those agreements and amendments from local agency formation commission approval except as required by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

Position

SB 274 (Wieckowski D) Local government meetings: agenda and documents.

Last Amend: 4/5/2021

Status: 10/9/2021-Approved by the Governor. Chaptered by Secretary of State. Chapter 763, Statutes of 2021.

Location: 10/9/2021-S. CHAPTERED

Summary: The Ralph M. Brown Act requires meetings of the legislative body of a local agency to be open and public and also requires regular and special meetings of the legislative body to be held within the boundaries of the territory over which the local agency exercises jurisdiction, with specified exceptions. Current law authorizes a person to request that a copy of an agenda, or a copy of all the documents constituting the agenda packet, of any meeting of a legislative body be mailed to that person. This bill would require a local agency with an internet website, or its designee, to email a copy of, or website link to, the agenda or a copy of all the documents constituting the agenda packet if the person requests that the items be delivered by email. If a local agency determines it to be technologically infeasible to send a copy of the documents or a link to a website that contains the documents by email or by other electronic means, the bill would require the legislative body or its designee to send by mail a copy of the agenda or a website link to the agenda and to mail a copy of all other documents constituting the agenda packet, as specified.

Position

SB 282 (Dahle R) State Water Resources Control Board.

Status: 9/10/2021-Failed Deadline pursuant to Rule 61(a)(15). (Last location was RLS. on 2/1/2021)(May be acted upon Jan 2022)

Location: 9/10/2021-S. 2 YEAR

Summary: Current law establishes the State Water Resources Control Board, consisting of 5 members, in the California Environmental Protection Agency to exercise certain powers relating to water rights, water quality, and safe and reliable drinking water. This bill would make a nonsubstantive change in these provisions.

Position

SB 284 (Stern D) Workers' compensation: firefighters and peace officers: post-traumatic stress.

Last Amend: 8/30/2021

Status: 9/10/2021-Failed Deadline pursuant to Rule 61(a)(15). (Last location was INACTIVE FILE on 8/30/2021)(May be acted upon Jan 2022)

Location: 9/10/2021-A. 2 YEAR

Summary: Current law, under the workers' compensation system, provides, only until January 1, 2025, that, for certain state and local firefighting personnel and peace officers, the term "injury" includes post-traumatic stress that develops or manifests during a period in which the injured person is in the service of the department or unit, but applies only to injuries occurring on or after January 1, 2020. Existing law requires the compensation awarded pursuant to this provision to include full hospital, surgical, medical treatment, disability indemnity, and death benefits. This bill would make that provision applicable to active firefighting members of the State Department of State Hospitals, the State Department of Developmental Services, the Military Department, and the Department of Veterans Affairs, and to additional peace officers, including security officers of the Department of Justice when performing assigned duties as security officers and the officers of a state hospital under the jurisdiction of the State Department of State Hospitals or the State Department of Developmental Services, among other officers.

Position

SB 318 (Melendez R) Land use: development fee or charge: audit: auditor standards.

Status: 4/30/2021-Failed Deadline pursuant to Rule 61(a)(2). (Last location was GOV. & F. on 2/17/2021)(May be acted upon Jan 2022)

Location: 4/30/2021-S. 2 YEAR

Summary: The Mitigation Fee Act authorizes a local agency to retain an independent auditor if requested to conduct an audit to determine whether a fee or charge is reasonable, provided, among other conditions, that the person who requests the audit deposits with the local agency the amount of the local agency's reasonable estimate of the cost of that audit, except as provided. This bill would require that the independent auditor be a certified public accountant, as defined, or a firm, as defined, of certified public accountants. The bill would prohibit the local agency from retaining an independent auditor that the local agency contracted with for any reason during the preceding 10 years, as provided. The bill would also prohibit an independent auditor that is retained by a local agency to conduct the audit from soliciting or accepting employment from the local agency for 5 years following the completion of the audit and all subsequent challenges related to the audit.

Position

SB 319 (Melendez R) Land use: development fees: audit.

Status: 9/28/2021-Approved by the Governor. Chaptered by Secretary of State. Chapter 385, Statutes of 2021.

Location: 9/28/2021-S. CHAPTERED

Summary: Current law authorizes a person to request an audit to determine whether a fee or charge levied by a local agency exceeds the amount reasonably necessary to cover the cost of any product, public facility, or service provided by the local agency. If a local agency does not comply with the above-described disclosure requirement for 3 consecutive years, existing law prohibits the local agency from requiring that person to make a specified deposit and requires the local agency to pay the cost of the audit. This bill, additionally, would require that audit to include each consecutive year the local agency did not comply with the disclosure requirement. The bill would make clarifying changes to that provision.

Position

SB 332 (Dodd D) Civil liability: prescribed burning operations: gross negligence. Last Amend: 6/23/2021

Status: 10/6/2021-Approved by the Governor. Chaptered by Secretary of State. Chapter 600, Statutes of 2021.

Location: 10/6/2021-S. CHAPTERED

Summary: Would provide that no person shall be liable for any fire suppression or other costs otherwise recoverable for a prescribed burn if specified conditions are met, including, among others, that the burn be for the purpose of wildland fire hazard reduction, ecological maintenance and restoration, cultural burning, silviculture, or agriculture, and that, when required, a certified burn boss review and approve a written prescription for the burn. The bill would provide that any person whose conduct constitutes gross negligence shall not be entitled to immunity from fire suppression or other costs otherwise recoverable, as specified. The bill would define terms for its purposes.

Position

SB 347 (Caballero D) Urban forestry: California Community and Neighborhood Tree Voluntary Tax Contribution Fund.

Last Amend: 3/17/2021

Status: 7/16/2021-Approved by the Governor. Chaptered by Secretary of State. Chapter 104, Statutes of 2021.

Location: 7/16/2021-S. CHAPTERED

Summary: Would allow a taxpayer to designate an amount in excess of personal income tax liability to be transferred into the California Community and Neighborhood Tree Voluntary Tax Contribution Fund, which the bill would create. The bill would require the Franchise Tax Board to revise the tax return to include a space for this fund for taxable years beginning on or after January 1, 2021, and until January 1, 2028, unless the fund fails to meet an annual minimum contribution amount of \$250,000, in which case these provisions would be repealed on December 1 of that year. The bill would require moneys transferred to the California Community and Neighborhood Tree Voluntary Tax Contribution Fund to be continuously appropriated and allocated to the Department of Forestry and Fire Protection to the grant program for urban forest management activities under the California Urban Forestry Act of 1978 and to the Franchise Tax Board and the Controller for related administrative costs, as provided. By continuously appropriating these funds, the bill would make an appropriation.

Position

SB 351 (Caballero D) Water Innovation Act of 2021.

Last Amend: 4/20/2021

Status: 5/25/2021-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/10/2021)(May be acted upon Jan 2022)

Location: 5/25/2021-S. 2 YEAR

Summary: Current law establishes the State Water Resources Control Board for the purposes of providing for the orderly and efficient administration of the water resources of the state. This bill, the Water Innovation Act of 2021, would create the Office of Water Innovation at the California Water Commission for the furtherance of new technologies and other innovative approaches in the water sector. The bill would require the office, by December 31, 2023, to take specified measures to advance innovation in the water sector. The bill would make findings and declarations regarding the need for water innovation.

Position

SB 369 (Pan D) Flood control: Yolo Bypass Cache Slough Partnership Multibenefit Program.

Last Amend: 6/14/2021

Status: 9/23/2021-Approved by the Governor. Chaptered by Secretary of State. Chapter 275, Statutes of 2021.

Location: 9/23/2021-S. CHAPTERED

Summary: Would establish the Yolo Bypass Cache Slough Partnership Multibenefit Program to support the development and implementation of projects within the Yolo Bypass and Cache Slough region. The bill would define "Yolo Bypass Cache Slough Partnership" to mean the multiagency partnership established pursuant to a memorandum of understanding signed in May 2016 by a total of 15 participating federal, state, and local agencies. The bill would require the participating state agencies, including the Natural Resources Agency, the Department of Water Resources, the Department of Fish and Wildlife, the Central Valley Flood Protection Board, the State Water Resources Control Board, and the Central Valley Regional Water Quality Control Board, to work in collaboration with the participating federal and local agencies and the City of West Sacramento, if it chooses to participate, to advance specified objectives in the Yolo Bypass and Cache Slough region.

Position

SB 372 (Leyva D) Medium- and heavy-duty fleet purchasing assistance program: zero-emission vehicles.

Last Amend: 7/12/2021

Status: 10/7/2021-Approved by the Governor. Chaptered by Secretary of State. Chapter 639, Statutes of 2021.

Location: 10/7/2021-S. CHAPTERED

Summary: Current law establishes the Air Quality Improvement Program that is administered by the State Air Resources Board for purposes of funding projects related to, among other things, the reduction of criteria air pollutants and improvement of air quality. Pursuant to its existing statutory authority, the state board has established the Clean Vehicle Rebate Project, as a part of the Air Quality Improvement Program, to promote the use of zero-emission vehicles by providing rebates for the purchase of new zero-emission vehicles. Current law, the California Pollution Control Financing Authority Act, establishes the California Pollution Control Financing Authority, with specified powers and duties, and authorizes the authority to approve financing for projects or pollution control facilities to prevent or reduce environmental pollution. This bill would establish the Medium- and Heavy-Duty Zero-Emission Vehicle Fleet Purchasing Assistance Program within the Air Quality Improvement Program to make financing tools and nonfinancial supports available to operators of medium- and heavy-duty vehicle fleets to enable those operators to transition their fleets to zero-emission vehicles.

Position

SB 378 (Gonzalez D) Local government: broadband infrastructure development project permit processing: microtrenching permit processing ordinance.

Last Amend: 6/29/2021

Status: 10/8/2021-Approved by the Governor. Chaptered by Secretary of State. Chapter 677, Statutes of 2021.

Location: 10/8/2021-S. CHAPTERED

Summary: Would require a local agency to allow, except as provided, microtrenching for the installation of underground fiber if the installation in the microtrench is limited to fiber. The bill would also require, to the extent necessary, a local agency with jurisdiction to approve excavations to adopt or amend existing policies, ordinances, codes, or construction rules to allow for microtrenching. The bill would provide that these provisions do not supersede, nullify, or otherwise alter the requirements to comply with specified safety standards. The bill would authorize a local agency to

impose a fee for its reasonable costs on an application for a permit to install fiber, as provided. By imposing new duties on local agencies with regard to the installation of fiber, the bill would impose a state-mandated local program.

Position

SB 391 (Min D) Common interest developments: emergency powers and procedures.

Last Amend: 7/8/2021

Status: 9/23/2021-Approved by the Governor. Chaptered by Secretary of State. Chapter 276, Statutes of 2021.

Location: 9/23/2021-S. CHAPTERED

Summary: The Davis-Stirling Common Interest Development Act governs the management and operation of common interest developments. Current law defines a board meeting as a congregation, as provided, or a teleconference, as provided. Current law requires, among other things, a board meeting held by teleconference to identify at least one physical location so that members of the association may attend, except as provided. This bill would establish alternative teleconferencing procedures for a board meeting or a meeting of the members if gathering in person is unsafe or impossible because the common interest development is in an area affected by a federal, state, or local emergency. The bill would also make a conforming change.

Position

SB 396 (Dahle R) Forestry: electrical transmission or distribution lines: clearances: notice and opportunity to be heard.

Last Amend: 9/3/2021

Status: 9/10/2021-Failed Deadline pursuant to Rule 61(a)(15). (Last location was INACTIVE FILE on 9/8/2021)(May be acted upon Jan 2022)

Location: 9/10/2021-A. 2 YEAR

Summary: Under current law, the Public Utilities Commission, which has regulatory authority over public utilities, including electrical corporations, has established additional vegetation management requirements. This bill would revise and recast those provisions related to electrical lines and abatement activities for a person who owns, controls, operates, or maintains an electrical transmission or distribution line, specifying that abatement activities covered by this law include felling, cutting, or trimming trees. The bill would explicitly require all these line clearance and tree pruning and abatement activities to comply with the commission's vegetation management rules, if applicable.

Position

SB 403 (Gonzalez D) Drinking water: consolidation.

Last Amend: 7/5/2021

Status: 9/23/2021-Approved by the Governor. Chaptered by Secretary of State. Chapter 242, Statutes of 2021.

Location: 9/23/2021-S. CHAPTERED

Summary: The California Safe Drinking Water Act authorizes the State Water Resources Control Board to order consolidation with a receiving water system where a public water system or a state small water system, serving a disadvantaged community, consistently fails to provide an adequate supply of safe drinking water or where a disadvantaged community is substantially reliant on domestic wells that consistently fail to provide an adequate supply of safe drinking water. This bill would revise those consolidation provisions, including, among other revisions, authorizing the state board to also order consolidation where a water system serving a disadvantaged community is an at-risk water system, as defined, or where a

disadvantaged community is substantially reliant on at-risk domestic wells, as defined.

Position

SB 412 (Ochoa Bogh R) California Environmental Quality Act: emergency definition.

Last Amend: 4/12/2021

Status: 4/30/2021-Failed Deadline pursuant to Rule 61(a)(2). (Last location was E.Q. on 3/18/2021)(May be acted upon Jan 2022)

Location: 4/30/2021-S. 2 YEAR

Summary: Would expand the definition of "emergency" provided in CEQA to include a project jointly identified by a state or local agency and the Department of Forestry and Fire Protection or the State Board of Forestry and Fire Protection, with notice to the Department of Fish and Wildlife, as mitigating a high threat to life and safety by preventing, minimizing, or mitigating damage to life, health, property, natural resources, or essential public services, resulting from a catastrophic fire in areas of the state that a lead agency determines, based on substantial evidence, are at a heightened risk of the occurrence of that event. The bill would also specify that "emergency" includes, but is not limited to, man-made or natural occurrences, as specified, and would make other nonsubstantive changes.

Position

SB 423 (Stern D) Energy: firm zero-carbon resources.

Last Amend: 9/7/2021

Status: 9/23/2021-Approved by the Governor. Chaptered by Secretary of State. Chapter 243, Statutes of 2021.

Location: 9/23/2021-S. CHAPTERED

Summary: Would require the Energy Commission to timely incorporate into its integrated energy policy reports electrical resources that can individually, or in combination, deliver electricity with high availability for the expected duration of multiday extreme or atypical weather events and facilitate integration of eligible renewable energy resources into the electrical grid and the transition to a zero-carbon electrical grid, referred to as "firm zero-carbon resources."

Position

SB 426 (Rubio D) Municipal separate storm sewer systems: financial capability analysis.

Last Amend: 3/1/2021

Status: 6/4/2021-Failed Deadline pursuant to Rule 61(a)(8). (Last location was INACTIVE FILE on 6/1/2021)(May be acted upon Jan 2022)

Location: 6/4/2021-S. 2 YEAR

Summary: Would require the State Water Resources Control Board, by July 1, 2022, to establish financial capability assessment guidelines for municipal separate storm sewer system permittees that are adequate and consistent when considering the costs to local jurisdictions. The bill would require the state board and the regional boards to continue using available regulatory tools and other approaches to foster collaboration with permittees to implement permit requirements in light of the costs of implementation.

Position

SB 427 (Eggman D) Water theft: enhanced penalties.

Last Amend: 4/12/2021

Status: 7/23/2021-Approved by the Governor. Chaptered by Secretary of State. Chapter 137, Statutes of 2021.

Location: 7/23/2021-S. CHAPTERED

Summary: Would authorize the legislative body of a local agency, as defined, that provides water service to adopt an ordinance that prohibits water theft, as defined, subject to an administrative fine or penalty in excess of the limitations above, as specified. The bill would require the local agency to adopt an ordinance that sets forth the administrative procedures governing the imposition, enforcement, collection, and administrative review of the administrative fines or penalties for water theft and to establish a process for granting a hardship waiver to reduce the amount of the fine, as specified.

Position

SB 429 (Bradford D) Public utilities: women, minority, disabled veteran, and LGBT business enterprises: microgrids.

Last Amend: 3/10/2021

Status: 4/30/2021-Failed Deadline pursuant to Rule 61(a)(2). (Last location was E. U., & C. on 3/18/2021)(May be acted upon Jan 2022)

Location: 4/30/2021-S. 2 YEAR

Summary: Current law requires the Public Utilities Commission to require each electrical corporation, gas corporation, water corporation, wireless telecommunication service provider, electric service provider, and telephone corporation with gross annual California revenues exceeding \$25,000,000 and their commission-regulated subsidiaries and affiliates, to submit annually a detailed and verifiable plan for increasing procurement from women, minority, disabled veteran, and LGBT business enterprises in all categories. That law specifies certain categories of procurement that are expressly required to be included in the plan, like renewable energy projects and smart grid projects. Current law requires those entities with gross annual California revenues between \$15,000,000 and \$25,000,000 to annually submit data to the commission on its procurement from enterprises in all categories, expressly including all of the same categories as are required for the higher grossing regulated entities. This bill would expressly include microgrids as one of the categories for purposes of this annual submission of procurement data to the commission.

Position

SB 462 (Borgeas R) Disaster relief: Creek Fire: allocation to local agencies.

Status: 9/10/2021-Failed Deadline pursuant to Rule 61(a)(15). (Last location was APPR. SUSPENSE FILE on 3/22/2021)(May be acted upon Jan 2022)

Location: 9/10/2021-S. 2 YEAR

Summary: The California Disaster Assistance Act requires the Director of Emergency Services to provide financial assistance to local agencies for their personnel costs, equipment costs, and the cost of supplies and materials used during disaster response activities, incurred as a result of a state of emergency proclaimed by the Governor, subject to specified criteria. Under the act, the state share for eligible project costs is generally 75% of total eligible costs, and for specified incidents, the state share is up to 100% of total eligible costs. The act continuously appropriates moneys in the Disaster Assistance Fund and its subsidiary account, the Earthquake Emergency Investigations Account, without regard to fiscal year, for purposes of the act. This bill would allow for a state share of up to 100% of total eligible costs related to the Creek Fire that started on September 4, 2020, in the Counties of Fresno and Madera.

Position

SB 463 (Dahle R) Water: landowner right to modify, repair, or replace jointly used conduits.

Last Amend: 6/28/2021

Status: 7/14/2021-Failed Deadline pursuant to Rule 61(a)(11). (Last location was W.,P. & W. on 5/13/2021)(May be acted upon Jan 2022)

Location: 7/14/2021-A. 2 YEAR

Summary: Current law declares that the general welfare requires that the water sources of the state be put to beneficial use to the fullest extent of which they are capable, that the waste or unreasonable use or unreasonable method of use of water be prevented, and that the conservation of water is to be exercised with a view to the reasonable and beneficial use of water in the interest of the people and for the public welfare. Current law provides for contribution of expenses of, and proceedings for declaration of rights in, jointly used wells, pumping plants, or conduits used by 2 or more persons. This bill would authorize a landowner to, where a conduit is constructed across or buried beneath the lands of 2 or more landowners, and the conduit is not under the control or management of any public agency or authority, modify, repair, or replace, as defined, the conduit on or beneath their land if the modification, repair, or replacement is made in a manner that does not impede the flow of the water to any other property receiving a benefit of the conduit or, otherwise injure any person using or interested in the conduit.

Position

SB 496 (Laird D) Flood control: water development projects: Pajaro River.

Last Amend: 7/8/2021

Status: 9/24/2021-Approved by the Governor. Chaptered by Secretary of State. Chapter 310, Statutes of 2021.

Location: 9/24/2021-S. CHAPTERED

Summary: Current law provides for state cooperation with the federal government in the construction of specified flood control projects. For certain flood control projects authorized on or after January 1, 2002, or for which specified findings have been made on or after that date, existing law requires the state to pay 50% of specified nonfederal costs. Current law authorizes the state to pay up to 70% of those nonfederal costs upon the recommendation of the Department of Water Resources or the Central Valley Flood Protection Board if either entity determines that the project will advance one of several objectives. This bill would authorize, upon certain conditions, the state to provide up to 100% of the costs to the Counties of Monterey and Santa Cruz, or to local agencies in those counties, for the project for flood control on the Pajaro River in the Counties of Monterey and Santa Cruz.

Position

SB 499 (Levy D) General plan: land use element: uses adversely impacting health outcomes.

Status: 4/30/2021-Failed Deadline pursuant to Rule 61(a)(2). (Last location was GOV. & F. on 2/25/2021)(May be acted upon Jan 2022)

Location: 4/30/2021-S. 2 YEAR

Summary: Would prohibit the land use element from designating land uses that have the potential to significantly degrade local air, water, or soil quality or to adversely impact health outcomes in disadvantaged communities to be located, or to materially expand, within or adjacent to a disadvantaged community or a racially and ethnically concentrated area of poverty. By expanding the duties of cities and counties in the administration of their land use planning duties, the bill would impose a state-mandated local program.

Position

SB 520 (Wilk R) Water resources: permit to appropriate: application procedure: mining use.

Last Amend: 3/17/2021

Status: 7/14/2021-Failed Deadline pursuant to Rule 61(a)(11). (Last location was W.,P. & W. on 5/13/2021)(May be acted upon Jan 2022)

Location: 7/14/2021-A. 2 YEAR

Summary: Current law requires the State Water Resources Control Board to issue and deliver a notice of an application as soon as practicable after the receipt of an application for a permit to appropriate water that conforms to the law. Current law allows interested persons to file a written protest with regard to an application to appropriate water and requires the protestant to set forth the objections to the application. Current law declares that no hearing is necessary to issue a permit in connection with an unprotested application, or if the undisputed facts support the issuance of the permit and there is no disputed issue of material fact, unless the board elects to hold a hearing. This bill, if the board has not rendered a final determination on an application for a permit to appropriate water for a beneficial use or uses that include mining use within 30 years from the date the application was filed, would require the board to issue a new notice and provide an opportunity for protests before rendering a final determination, with specified exceptions.

Position

SB 526 (Min D) Community water systems: lead user service lines.

Status: 4/30/2021-Failed Deadline pursuant to Rule 61(a)(2). (Last location was E.Q. on 2/25/2021)(May be acted upon Jan 2022)

Location: 4/30/2021-S. 2 YEAR

Summary: Current law requires, by July 1, 2020, a community water system with known lead user service lines in use in its distribution system to provide a timeline for replacement of those lines to the State Water Resources Control Board. Current law requires the state board to review and approve an established timeline, and requires, if the state board fails to act within 30 days of the submission of the timeline, the timeline to be deemed approved. Current law authorizes the state board to enforce these requirements, as specified, and a violation is considered a violation of the California Safe Drinking Water Act, subjecting the violator to specified civil and criminal penalties. This bill would, until January 1, 2025, require a community water system to remove or replace the full lead user service line, if the community water system disturbs, removes, or replaces a portion thereof. The bill would apply the above-described enforcement provisions to a violation of the requirements of the bill, thereby creating a state-mandated local program by expanding the scope of crimes under the California Safe Drinking Water Act.

Position

SB 533 (Stern D) Electrical corporations: wildfire mitigation plans: deenergization events.

Last Amend: 9/1/2021

Status: 9/23/2021-Approved by the Governor. Chaptered by Secretary of State. Chapter 244, Statutes of 2021.

Location: 9/23/2021-S. CHAPTERED

Summary: Would require that an electrical corporation's wildfire mitigation plan identify circuits that have frequently been deenergized to mitigate the risk of wildfire and the measures taken, or planned to be taken, by the electrical corporation to reduce the need for, and impact of, future deenergization of those circuits, including the estimated annual decline in circuit deenergization and deenergization impact on customers, and replacing, hardening, or undergrounding any portion of the circuit or of upstream transmission or distribution lines.

Position

SB 552 (Hertzberg D) Drought planning: small water suppliers: nontransient noncommunity water systems.

Last Amend: 9/3/2021

Status: 9/23/2021-Approved by the Governor. Chaptered by Secretary of State. Chapter 245, Statutes of 2021.

Location: 9/23/2021-S. CHAPTERED

Summary: Current law required the Department of Water Resources, in consultation with the State Water Resources Control Board, to propose to the Governor and the Legislature, by January 1, 2020, recommendations and guidance relating to the development and implementation of countywide drought and water shortage contingency plans to address the planning needs of small water suppliers and rural communities, as provided. This bill would require small water suppliers, as defined, serving 1,000 to 2,999 service connections, inclusive, and nontransient noncommunity water systems that are schools, no later than July 1, 2023, to develop and maintain an abridged Water Shortage Contingency Plan that includes specified drought-planning elements.

Position

SB 559 (Hurtado D) Department of Water Resources: water conveyance systems: Water Conveyance Restoration Fund.

Last Amend: 8/30/2021

Status: 9/10/2021-Failed Deadline pursuant to Rule 61(a)(15). (Last location was INACTIVE FILE on 9/8/2021)(May be acted upon Jan 2022)

Location: 9/10/2021-A. 2 YEAR

Summary: Would establish the Water Conveyance Restoration Fund in the State Treasury to be administered by the Department of Water Resources in consultation with the State Water Resources Control Board and the Department of Fish and Wildlife. The bill would require all moneys deposited in the fund to be expended, upon appropriation by the Legislature, in support of subsidence repair costs, including environmental planning, permitting, design, and construction and necessary road and bridge upgrades required to accommodate capacity improvements. The bill would require the Director of Water Resources to apportion money appropriated from the fund, subject to specified requirements, for the Friant-Kern Canal, Delta-Mendota Canal, San Luis Field Division of the California Aqueduct, and San Joaquin Division of the California Aqueduct.

Position

SB 594 (Glazer D) Elections: redistricting.

Last Amend: 8/26/2021

Status: 9/27/2021-Approved by the Governor. Chaptered by Secretary of State. Chapter 320, Statutes of 2021.

Location: 9/27/2021-S. CHAPTERED

Summary: The California Constitution establishes the Citizens Redistricting Commission for the purpose of drawing district lines for the election of Members of the State Senate, Assembly, Congress, and the State Board of Equalization, and requires the commission to do so by August 15 in each year ending in the number one thereafter. For redistricting occurring in 2021, the Supreme Court of California, by peremptory writ of mandate in *Legislature of State of California v. Padilla* (2020) 9 Cal.5th 867, extended that deadline to December 15, 2021, or to a later date if specified conditions are met, due to a delay in the release of federal census data caused by the COVID-19 pandemic. This bill would, for the June 7, 2022, statewide

direct primary election, make various changes, as specified, to existing law relating to candidate nominations and compilation of registered voter data in order to accommodate the extended state redistricting deadline.

Position

SB 626 (Dodd D) Department of Water Resources: Procurement Methods.

Last Amend: 6/21/2021

Status: 9/23/2021-Approved by the Governor. Chaptered by Secretary of State. Chapter 247, Statutes of 2021.

Location: 9/23/2021-S. CHAPTERED

Summary: Current law authorizes the Department of Transportation, regional transportation agencies, and the San Diego Association of Governments to engage in a Construction Manager/General Contractor project delivery method (CM/GC method) for specified public work projects. This bill would, until January 1, 2033, authorize the Department of Water Resources to utilize the CM/GC method, as specified, for no more than 7 projects for elements of State Water Facilities, as defined. The bill would require the Department of Water Resources, on all projects delivered by the department, to use department employees or consultants under contract with the department to perform all project design and engineering services related to design, and construction inspection services, required for the CM/GC method consistent with specified existing law.

Position

SB 776 (Gonzalez D) Safe drinking water and water quality.

Last Amend: 8/30/2021

Status: 9/16/2021-Approved by the Governor. Chaptered by Secretary of State. Chapter 187, Statutes of 2021.

Location: 9/16/2021-S. CHAPTERED

Summary: The California Safe Drinking Water Act requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health. Current law provides that the California Safe Drinking Water Act does not apply to small state water systems, except as specified. This bill would expand the application of the act to small state water systems, as specified.

Position

SB 821 (Committee on Natural Resources and Water) Sacramento-San Joaquin Delta: Delta Independent Science Board.

Last Amend: 7/5/2021

Status: 10/7/2021-Approved by the Governor. Chaptered by Secretary of State. Chapter 650, Statutes of 2021.

Location: 10/7/2021-S. CHAPTERED

Summary: Current law establishes the Delta Independent Science Board and sets forth the composition of the board, including requiring the board to consist of no more than 10 members appointed by the Delta Stewardship Council. Current law requires the board to provide oversight of the scientific research, monitoring, and assessment programs that support adaptive management of the Sacramento-San Joaquin Delta through periodic reviews of each of those programs, as specified. Current law requires the board to submit to the council a report on the results of each review, including recommendations for any changes in the programs reviewed by the board. This bill would require the council to contract for the services of the members of the board, as specified. The bill would exempt these contracts from specified provisions of law governing public contracting. The bill would require the council to establish procedures for contracting for the services that are subject to these contracts.

Position

Memo

G

To: Olivenhain Municipal Water District Board of Directors

Subject: INFORMATIONAL REPORTS

TWELVE MONTH CALENDAR/OTHER MEETINGS / REPORTS

Any report will be oral at the time of the Board meeting. Please refer to the TWELVE MONTH Calendar (attached) for meetings attended.

TWELVE MONTH CALENDAR OF EVENTS (AS OF 12/8/21)

Date(s)	Event	Time	Location	Attending Board Member(s)	Additional Information (Speakers' Topic, Cohosts, etc.)
NOVEMBER 2021					
18-Nov	CSDA Quarterly Dinner	6:00 - 9:00 PM	94th Aero Squadron	Meyers	
23-Nov	Meeting with the General Manager	12:00 PM		Watt	
30-Nov	Nossaman ACWA Reception	6:30-8:30 PM	Alexander's	Guerin, Meyers, Watt	
Nov 30-Dec 3	ACWA Fall Conference		Pasadena, CA	Guerin, Meyers, Watt	
DECEMBER 2021					
4-Dec	AB 1825 – Harrassment Training Due		Target Solutions	Watt	
6-Dec	Individual Conference Calls with the General Manager			Bruce-Lane, Guerin, Meyers, Watt	
12-Dec	Facilities Committee Meeting	10:00 AM	OMWD Boardroom	Meyers, Topolovac	

Memo

To: Olivenhain Municipal Water District Board of Directors

Subject: INFORMATIONAL REPORTS

CORRESPONDENCE

Any correspondence is attached.

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.

OMWD to refund customers \$1.62 million

 thecoastnews.com/omwd-to-refund-customers-1-62-million/

staff

November 19, 2021

ENCINITAS — Olivenhain Municipal Water District's Board of Directors unanimously voted at its Nov. 17 meeting to refund \$1.62 million to customers to reduce the impact of future water rate increases. The refund resulted from lawsuits filed by San Diego County Water Authority in 2010 and 2018, challenging the legality of Metropolitan Water District of Southern California's water rates and charges and seeking payment for legal damages and interest.

"Court rulings have not only returned more than \$3.6 million to OMWD that we have been able to give back to our customers, but they also help to prevent future overcharges to our region," said OMWD Board Treasurer Christy Guerin. "These refunds will allow us to minimize costs to our customers over the next six years."

SDCWA won several critical issues in cases covering 2011 to 2014, and was deemed the prevailing party and awarded the payment of legal fees and charges in addition to damages and interest payments from Metropolitan. In March 2021, SDCWA issued OMWD a check for \$2 million after receiving reimbursement from Metropolitan for 2011-2014 overcharges, which OMWD's board voted in April to refund to customers. OMWD received a second \$1.622 million refund check this month for overcharges between 2015-2017.

To address increasing costs, OMWD's 2019 Water Cost of Service Study Report proposed gradual annual increases to water rates through mid-2024. OMWD customers can anticipate a credit on their monthly bills, reducing the impact of water rates through 2027. OMWD's rates are currently in the lower half among San Diego County water agencies.

"As California's drought conditions worsen, it is my hope that Metropolitan and SDCWA can resolve the remaining issues outside of court and focus on water supply reliability, affordability, and conservation challenges facing our region," said Guerin.

Olivenhain Municipal Water District celebrates local water heroes



thecoastnews.com/olivenhain-municipal-water-district-celebrates-local-water-heroes/

staff

November 19, 2021

ENCINITAS — Olivenhain Municipal Water District recognized seven individuals and businesses making a significant, positive impact over the last year in the community, the San Diego region, and at local recreation facilities at its Nov. 17 board meeting.

“Tonight’s award recipients have demonstrated exemplary efforts to elevate water use efficiency, customer experience and safety, education programs, and trail safety at our Elfin Forest Recreational Reserve,” said OMWD Board Vice President Kristie Bruce-Lane. “They have gone above and beyond to make a difference for OMWD customers and EFRR visitors, and we are very grateful for their contributions to the community.”

Poway Unified School District’s recycled water use sites have undergone significant improvements in water use efficiency, and it was named OMWD’s Recycled Water Customer of the Year.

Proactive communication and close coordination with OMWD staff during an emergency shutdown earned Sylvia Lopez of JD Richardson Co., representing Stratford Fairbanks HOA, recognition as Commercial Customer of the Year.

Bee Rescue LLC was recognized as Business of the Year for its professionalism and attentiveness in providing non-lethal honeybee removal services that preserve bee populations while resolving hive issues in water meter boxes that may affect customer safety.

Honored as Non-Profit of the Year, San Diego Mountain Bike Association has provided volunteer trail work at OMWD’s Elfin Forest Recreational Reserve since the early 2000s, donating hundreds of hours to help maintain trail safety.

EFRR docents Donna Walker and Al Bates are OMWD’s Volunteers of the Year who share their passion for the outdoors on monthly walks that enhance visitor appreciation of EFRR’s watershed community of native plants and wildlife.

Simon Breen was recognized as Educator of the year for his efforts at The Escondido Creek Conservancy, including the development of EFRR virtual field trips during the pandemic to continue to connect students to their natural environment.

Who's News: 12/10/21

 thecoastnews.com/whos-news-12-10-21/

staff

December 6, 2021

RAIN BARRELS

Olivenhain Municipal Water District has partnered with neighboring water districts – San Dieguito Water District, Santa Fe Irrigation District, and Carlsbad Municipal Water District – to offer discounted rain barrels to area residents this winter. Rain barrels ordered by Jan. 31, 2022 will be available for pick up at Solana Center for Environmental Innovation located at 137 N. El Camino Real. Fifty-gallon barrels are on sale for \$97, with a final cost of \$62 after a \$35 rebate from water wholesaler Metropolitan Water District of Southern California. Rebates on rain barrels and other water-saving measures are available at socalwatersmart.com. A roof with a 2,000-square-foot surface area can capture 300 gallons from only a quarter-inch of rain. Visit solanacenter.org/purchase-rain-barrel for more information and to order rain barrels.