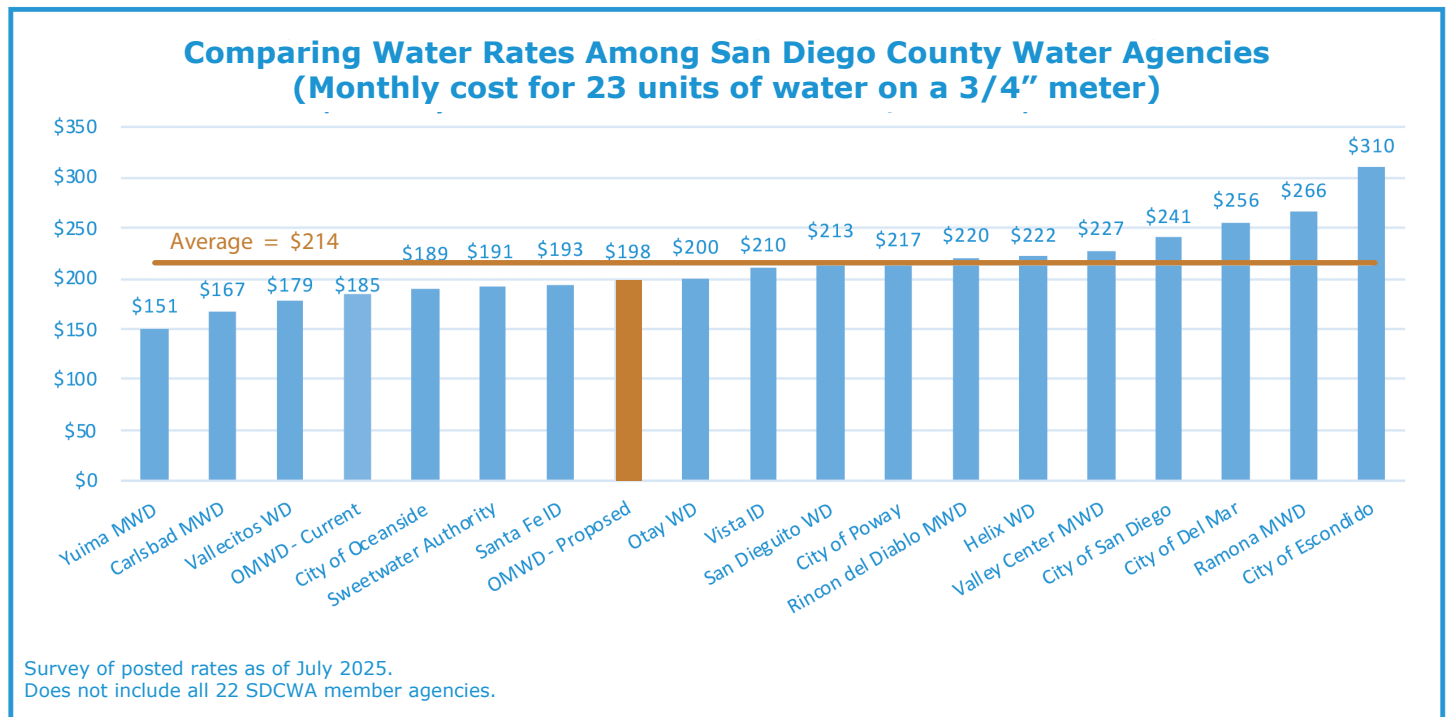


## OMWD Board to Consider a 5.64% Revenue Adjustment For 2026

OMWD purchases 100% of our drinking water supply from the regional water wholesaler, San Diego County Water Authority. Effective January 1, 2026, SDCWA will increase OMWD's cost to purchase water by 9.8%.

**Due to this increase and other operational cost increases, OMWD's Board of Directors will consider a 5.64% revenue adjustment at its October 15, 2025 meeting.**

If approved, the average monthly water bill for an OMWD customer would remain below the average among San Diego County water agencies. The cost of water that OMWD serves is approximately a penny per gallon for the average customer.



## What is the Reason For a 5.64% Revenue Adjustment?

OMWD's water rates are designed to fund operations, maintenance, and infrastructure needs, allowing us to provide customers with safe and reliable water. Public water agencies do not make a profit, and every dollar paid by customers is reinvested in operation and maintenance.

In June of each year, SDCWA's board approves wholesale water rate increases that directly impact OMWD's expenses beginning on January 1 of the following year. Effective January 1, 2026, wholesale costs from SDCWA for untreated water will increase by 9.8%.

OMWD's largest expense is the cost of purchasing this water, which accounts for about half of our total operating costs. In addition to the untreated water that OMWD purchases from SDCWA, OMWD purchases recycled water from four providers for resale to our irrigation customers. OMWD's cost of purchasing recycled



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interest of an informed public.

## BOARD OF DIRECTORS

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## GENERAL COUNSEL

Alfred Smith, Esq.

## BOARD MEETING DATES

Please visit our website at  
[www.olivenhain.com](http://www.olivenhain.com) for dates.

## MISSION STATEMENT

Olivenhain Municipal Water District is  
a multi-functioning public agency that  
is dedicated and committed to serving  
present and future customers in a  
service-oriented manner by:

### Water

Providing safe, reliable, high-quality  
drinking water while exceeding all  
regulatory requirements in a  
cost-effective and environmentally  
responsive manner.

### Recycled Water

Providing recycled water and wastewater  
treatment in the most cost-effective and  
environmentally responsive method.

### Parks

Safely operating Elfin Forest Recreational  
Reserve and providing all users with a  
unique recreational, educational, and  
environmental experience.

### Emergency Management

Complying with policies and procedures  
that adhere to local, state, and federal  
guidelines for national security and  
disaster preparedness.

### Sustainable Operations

Pursuing alternative and/or renewable  
resources with the most sustainable,  
efficient, and cost-effective approach.

*What is the Reason For a 5.64% Revenue Adjustment? | Continued from page 1*

water from these providers will increase by 11.8% in 2026.

Inflation is also a contributing factor to the proposed revenue adjustment. Based on changes in the San Diego/Carlsbad Consumer Price Index from June 2024 to May 2025, OMWD faces a 3.49% inflation increase. The impact of increases in wholesale water costs and inflation contributes to the proposed 5.64% revenue adjustment to OMWD's water rates and charges. It is necessary to pass these costs on to customers to ensure there are sufficient revenues to continue providing high-quality services to OMWD customers and to maintain the safety and reliability of water system infrastructure.

The 5.64% revenue adjustment is reflected in the proposed OMWD Commodity Charge, OMWD System Access Charge, OMWD Fire Meter Charge, and the SDCWA Infrastructure Access Charge tables on pages 3 and 4.

## How Will This Affect My Water Bill?

An OMWD residential customer's water bill includes a commodity rate for each unit of water used, as well as two fixed monthly access charges: OMWD's System Access Charge and SDCWA's Infrastructure Access Charge. The commodity rate is based on water consumption within tiers that are designed to recover the cost of providing water service within each tier.

The proposed 5.64% revenue adjustment for 2026 would appear on a customer's bill as an up to 9.6% increase to the System Access Charge, an up to 6.3% increase to the commodity rate, and an up to 6.1% increase to the Fire Meter Charge. The actual percentage increase is dependent on meter size, customer type, and usage tier. No increase is proposed for SDCWA's Infrastructure Access Charge for 2026.

The average residential customer using 23 units will see an increase of approximately \$13.80, which includes a proposed Rate Reimbursement Credit of 11 cents per unit of water. A residential customer who uses six units will see an estimated increase of \$7.00, which includes the proposed 11-cent Rate Reimbursement Credit.

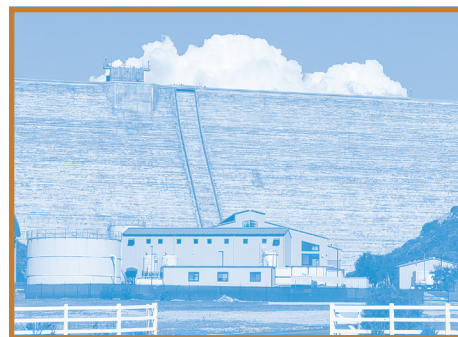
If approved by the board, the proposed changes to OMWD's water rates and charges will take effect with water use beginning January 1, 2026.

## What is OMWD Doing to Keep Costs Down?

OMWD continues to reduce expenses and control the impact of inflation on our operation and maintenance budget. Efforts include reprioritizing planned infrastructure projects, delaying new positions, and freezing existing positions when vacant.

In addition, OMWD constructed our David C. McCollom Water Treatment Plant to treat raw water rather than paying higher retail prices for treated water from SDCWA. To further reduce our operating costs, OMWD sells water treatment services to a neighboring water district.

OMWD's board established a Rate Reimbursement Credit to reduce the impact of rate increases on customer bills. This credit is a result of lawsuits filed by SDCWA between 2010 and 2018 that successfully challenged the legality of certain water rates and charges by the Metropolitan Water District of Southern California. OMWD's board voted in 2021 to create the Rate Reimbursement Credit to refund customers the \$3.6 million that OMWD received from the settlement. The proposed Rate Reimbursement Credit for customers in 2026 is 11 cents per unit of potable water.



*David C. McCollom Water Treatment Plant*





Current Commodity Charge Effective January 1, 2025 (1 unit = 748 gallons) <sup>1</sup>				
CUSTOMER TYPE	NON-SHORTAGE	WATER SUPPLY SHORTAGE RATES		
	(BASE) RATES	10% DEMAND REDUCTION RATES <sup>2</sup>	20% DEMAND REDUCTION RATES <sup>2</sup>	30% DEMAND REDUCTION RATES <sup>2</sup>
<b>Domestic</b>				
0-6 Units	\$4.43	\$4.73	\$5.11	\$5.55
7-23 Units	\$6.47	\$6.77	\$7.15	\$7.59
24-80 Units	\$7.25	\$7.55	\$7.93	\$8.37
80+ Units	\$8.20	\$8.50	\$8.88	\$9.32
<b>Agricultural<sup>3</sup></b>	\$6.90	\$7.20	\$7.58	\$8.02
<b>Combined Agricultural/Domestic</b>				
First 23 Units per month: Follow Domestic rate structure. Over 23 Units per month: Follow Agricultural rate structure.				
<b>Commercial</b>	\$6.14	\$6.44	\$6.82	\$7.26
<b>Irrigation<sup>4</sup></b>				
Tier 1	\$6.91	\$7.21	\$7.59	\$8.03
Tier 2	\$7.80	\$8.10	\$8.48	\$8.92
<b>Construction<sup>5</sup></b>	\$8.60	\$8.90	\$9.28	\$9.72
<b>Recycled<sup>5</sup></b>	\$4.68	Shortage rates do not apply		

Current and Proposed OMWD System Access Charge (SAC) <sup>1, 6</sup>		
Meter Size	Current	Proposed Effective January 1, 2026
5/8"	\$37.16	\$40.72
3/4" *	\$48.53	\$53.19
1"	\$82.64	\$90.58
1-1/2"	\$128.11	\$140.41
2"	\$200.11	\$219.33
2-1/2"	\$363.05	\$397.94
3"	\$397.16	\$435.33
4"	\$658.63	\$721.93
6"	\$1,374.83	\$1,506.96
8"	\$2,473.76	\$2,711.51

\* Typical residential meter size

Proposed Commodity Charge Effective January 1, 2026 (1 unit = 748 gallons)				
CUSTOMER TYPE	NON-SHORTAGE	WATER SUPPLY SHORTAGE RATES		
	(BASE) RATES	10% DEMAND REDUCTION RATES <sup>2</sup>	20% DEMAND REDUCTION RATES <sup>2</sup>	30% DEMAND REDUCTION RATES <sup>2</sup>
<b>Domestic</b>				
0-6 Units	\$4.71	\$5.01	\$5.39	\$5.83
7-23 Units	\$6.76	\$7.06	\$7.44	\$7.88
24-80 Units	\$7.57	\$7.87	\$8.25	\$8.69
80+ Units	\$8.55	\$8.85	\$9.23	\$9.67
<b>Agricultural<sup>3</sup></b>	\$7.22	\$7.52	\$7.90	\$8.34
<b>Combined Agricultural/Domestic</b>				
First 23 Units per month: Follow Domestic rate structure. Over 23 Units per month: Follow Agricultural rate structure.				
<b>Commercial</b>	\$6.43	\$6.73	\$7.11	\$7.55
<b>Irrigation<sup>4</sup></b>				
Tier 1	\$7.23	\$7.53	\$7.91	\$8.35
Tier 2	\$8.16	\$8.46	\$8.84	\$9.28
<b>Construction<sup>5</sup></b>	\$8.97	\$9.27	\$9.65	\$10.09
<b>Recycled<sup>5</sup></b>	\$4.70	Shortage rates do not apply		

Proposed Irrigation Unit Allotments (No changes are proposed) Tier 1 Allotment: Based upon water use by meter size		
Meter Size	Winter (Dec-May)	Summer (Jun-Nov)
5/8"	10	15
3/4" *	20	30
1"	35	50
1-1/2"	50	110
2"	100	200
3"	200	500
4"	600	3,500
6"	3,100	11,800
8"	5,600	21,300

\* Typical residential meter size

## Notes to the tables above

- (1) Current rates and charges were approved and adopted by OMWD's board at its November 6, 2024 meeting. These rates and charges are currently used to calculate monthly water bills.
- (2) Demand Reduction Rates would only be implemented by the General Manager or board action under the terms of OMWD's Water Shortage Contingency Plan. Such action is generally triggered by SDCWA's and/or Metropolitan's declaration of a specific level of water shortage. No water shortages are anticipated in 2026.
- (3) The Agricultural water rate is available only to those who meet the program criteria. Visit [www.olivenhain.com/ag](http://www.olivenhain.com/ag) for details.
- (4) For irrigation, all monthly water usage more than the Tier 1 allotment shown in the table is charged at the Irrigation Tier 2 rate.
- (5) The Rate Reimbursement Credit does not apply to construction or recycled water usage.
- (6) OMWD's System Access Charge is designed to cover a portion of the fixed costs of OMWD's operation. These costs include maintenance of meters and water infrastructure, payment of debt obligations, and customer service expenses for meter reading and billing.

Current and Proposed OMWD Fire Meter Charge (\$/Meter Size) <sup>1</sup>		
Meter Size	Current	Proposed Effective January 1, 2026
5/8"	\$6.13	\$6.50
3/4" *	\$6.13	\$6.50
1"	\$6.87	\$7.29
1-1/2"	\$7.84	\$8.32
2"	\$9.39	\$9.96
2-1/2"	\$12.89	\$13.67
3"	\$13.62	\$14.44
4"	\$19.24	\$20.40
6"	\$34.63	\$36.71
8"	\$58.23	\$61.73

\* Typical residential meter size

(1) OMWD's Fire Meter Charge is a fixed monthly service fee collected on certain properties as a condition of extending or initiating water service by (a) the installation of a private fire suppression system, and (b) upon request from an OMWD customer for the delivery of water to the property for the purpose of fire protection.

Current and Proposed SDCWA Infrastructure Access Charge (IAC) <sup>1</sup> (No changes are proposed)		
Meter Size	Current	Proposed Effective January 1, 2026
5/8"	\$4.55	\$4.55
3/4" *	\$4.55	\$4.55
1"	\$8.65	\$8.65
1-1/2"	\$14.11	\$14.11
2"	\$22.75	\$22.75
2-1/2"	\$42.32	\$42.32
3"	\$46.41	\$46.41
4"	\$77.81	\$77.81
6"	\$163.80	\$163.80
8"	\$295.75	\$295.75

\* Typical residential meter size

(1) SDCWA's IAC is a pass-through monthly fixed charge imposed by SDCWA on all OMWD water meters. It is designed to cover a portion of SDCWA's costs for constructing water supply, transportation, and storage projects over a 30-year forecast horizon to ensure SDCWA meets the projected water supply needs for the region. OMWD collects the SDCWA IAC on OMWD's customers' monthly water bills on SDCWA's behalf.

#### What is OMWD Doing to Keep Costs Down? | Continued from page 2

OMWD challenges employees to reduce operational and maintenance costs, finding new ways to accomplish existing practices. For example, one employee fabricated custom screens to increase efficiencies at David C. McCollom Water Treatment Plant, saving an estimated \$10,000 a year.

OMWD has also aggressively pursued grant funding to help pay for capital projects and identified alternative revenue sources such as selling hydroelectricity and leasing property. To date, OMWD has generated \$50.6 million in grant awards and cost-saving efforts, as well as \$20.7 million in alternative revenue.

Due to OMWD's cost-saving measures and financial policies, OMWD ratepayers will be less impacted by SDCWA rate increases than customers of other water agencies in the county in 2026.

## Thanks For Going Paperless!

OMWD reduces postage and printing costs with each customer who elects to receive their bill electronically instead of by mail. With over 67% of OMWD customers now using online billing, OMWD saves almost \$100,000 a year, which helps keep water rates below the county average!

In addition to viewing and paying bills online, customers can also view their water use and set up high bill and leak alerts.

Visit [www.olivenhain.com/ebill](http://www.olivenhain.com/ebill) to enroll.