

Reflecting on 2025

2025 was defined by our ongoing commitment to you. We continued improving our infrastructure to reliably serve you into the future. We minimized our costs to lessen the impact of escalating wholesale water rates from our suppliers. We ensured that water is available in case wildfires approach your neighborhood, and doubled down on emergency preparedness education to help you protect your family and property. ***It has been an honor to serve you this past year!***

We are pleased to share several highlights from 2025.

Maintaining Fiscal Strength

Fitch Ratings, a global rating agency, reviewed OMWD's budgeting and financial practices and determined that we maintained our AAA bond rating. Since 2016, OMWD's revenue bonds have held the AAA rating, the highest grade awarded by Fitch. The AAA rating allows OMWD to finance improvement projects at lower interest rates. Lower interest rates will result in savings over time and help reduce pressure to increase water rates due to rising wholesale costs.

Celebrating Wins

OMWD was honored with the following awards in 2025.

- Government Finance Officers Association's **Certificate of Achievement for Excellence in Financial Reporting** for our Annual Comprehensive Financial Report for fiscal year 2024 - This recognition is reserved for government entities that meet rigorous standards for financial health, transparency, and accounting practices. ***This is the 30th consecutive year that OMWD has earned this honor!***
- California Society of Municipal Finance Officers' **Operating Budget Excellence Award** for our budget for fiscal years 2025 and 2026 - The budget document demonstrated how OMWD met or exceeded statewide standards and used best practices in budgeting and financial reporting.



WaterReuse California's **2025 Outreach and Education Program of the Year** award for a Water Career Day event - The event welcomed high school and community college students, as well as military veterans exploring post-service careers. OMWD and our partners engaged with attendees at interactive stations, performed demonstrations on real-world infrastructure, and provided insight into the industry's diverse range of career pathways.



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A Public Agency
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BOARD MEETING DATES

Please visit our website at
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.

Your Water Bill: 2026 Revenue Adjustment of 5.64% Effective January 1

Effective January 1, 2026, San Diego County Water Authority will increase OMWD's cost to purchase water by 9.8%. To contend with this and other operational cost increases, OMWD's Board of Directors approved at its October meeting a revenue adjustment of 5.64%.

The revenue adjustment, along with new rates and charges, will take effect on January 1. The typical residential customer using 13 units (324 gallons a day) will see an increase of \$9.80 per month. A residential customer who uses six units (150 gallons a day) will see an increase of \$7.00. OMWD's average residential customer's monthly water bill remains below the average among San Diego County water agencies.

For a full list of 2026 rates and charges, visit www.olivenhain.com/rates.

OMWD Board Will Consider Current Fluoridation Practices

OMWD's Board of Directors will consider at its January 21, 2026 meeting whether to request an exemption to the requirement to add fluoride to the drinking water OMWD supplies.

Why is OMWD's board considering an exemption request?

OMWD continues to explore ways to reduce costs for our ratepayers, and discontinuing fluoridation would be one way to do so. The annual cost for OMWD to add fluoride to our drinking water is nearly \$160,000. This cost is expected to increase, in part, due to supply chain vulnerabilities. Further, fluoride has become harder to source.

Health & Safety Code §§116409-116415 requires public water systems to fluoridate to promote dental health. Each year, water agencies can apply for an exemption from this requirement if outside funding is not available. OMWD requested outside funding to cover the costs needed to fluoridate. No funding was available.

How much fluoride is in OMWD's water?

Fluoride occurs naturally in OMWD's raw water supply at levels ranging from 0.2 to 0.4 milligrams per liter.

During the treatment process, OMWD adds fluoride to target a level of 0.7 milligrams per liter. This is the level recommended by US Department of Health and Human Services and required by state law. The level of fluoride found in OMWD's water is published each year in our Consumer Confidence Report, available at www.olivenhain.com/ccr.

Public comments may be submitted by mail to OMWD, "Attn: Fluoride," 1966 Olivenhain Road, Encinitas, CA 92024. To submit electronic comments, visit www.olivenhain.com/fluoride and follow the link at the bottom of the page. Written comments received by January 12 will be included in the board meeting packet. Comments may also be made in person at the January 21 board meeting by completing a speaker's slip, which allows each speaker three minutes to address the board.

More information is available at
www.olivenhain.com/fluoride.





California Water Environment Association's **Plant of the Year** award for our 4S Ranch Water Reclamation Facility - The award acknowledged the facility's innovation, regulatory compliance, and cost-effective operation. The facility produces up to two million gallons of recycled water daily for irrigation.



The Coast News Group's **2025 Best of North County - "Best Place to Volunteer"** for our Elfin Forest Recreational Reserve - Trail Patrol volunteers improve trails and engage with visitors. Volunteers also interact with the public at the interpretive center and participate in outdoor education programs.



- Special District Risk Management Authority's **2025 McMurchie Excellence in Safety Award** for OMWD's safety practices - SDRMA commended OMWD's workers' compensation claim history, which is better than the industry average. This makes OMWD less of a risk to insure. As a result, OMWD receives a substantial discount on workers' compensation insurance premiums, saving our ratepayers over \$137,000 in 2025.

Expanding Recycled Water

We completed construction of the Calle Barcelona, Village Park, and Summerhill recycled water pipelines in Carlsbad and Encinitas. The installation of over 5,600 feet of new pipelines will allow several HOA communities to convert their irrigation systems to recycled water, saving more than 12.5 million gallons of drinking water each year.

Recycled water is locally produced, disinfected wastewater that is used for irrigation and other non-potable uses. OMWD meets up to 15 percent of its overall demand with recycled water and continues to identify additional ways to make recycled water available to eligible customers.



January 24:

Learn How to Harvest Rain to Reduce Your Water Bill

OMWD is offering a free workshop on capturing rainwater for irrigation. The workshop will be held at 1966 Olivenhain Road in Encinitas from 10:00 a.m. to 11:30 a.m. Topics include installing and maintaining rain barrels and cisterns, selecting downspouts and rain chains, and applying for rebates on qualifying purchases.

Although the average annual rainfall in San Diego County is just under ten inches, even a light rain event can provide gallons of water for later use. For example, a roof with a 2,000-square-foot surface area can capture 300 gallons of water from only a quarter-inch of rain.

Learn more and reserve your spot at www.olivenhain.com/events.



Enter Our 19th Annual Elfin Forest Recreational Reserve Amateur Photo Contest

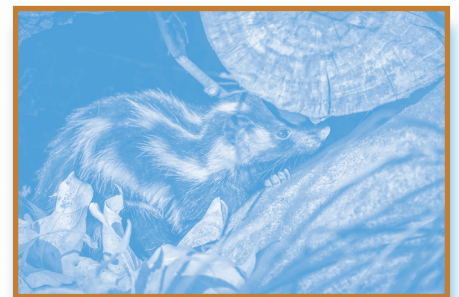
Have you taken a breathtaking photo in OMWD's Elfin Forest Recreational Reserve and thought, "This photograph is so great, it could win a prize?" Here is your chance to put your photography skills to the test. Through April 27, 2026, you can submit photos taken within the reserve for a chance to win donated prizes, including San Diego Zoo tickets. Our partner, the Escondido Creek Conservancy, will also award a cash prize. Categories include Water Scenery, Scenic View, Plants, Animals, and Youth Photographer (age 15 and under). For more information, visit www.olivenhain.com/photo.



"Strut Your Duckling Stuff"
Sienna Schwarz
Contest Winner, 2025



"Veins"
Finn Behle
Contest Winner, 2025



"Shelter"
Ronnie Bailey-Steinitz
Contest Winner, 2025