

OLIVENHAIN MUNICIPAL WATER DISTRICT ADMINISTRATIVE AND ETHICS CODE	Article No. 17	Page 1 of 2
	Title SPECIAL ACCOUNTS IN THE GENERAL FUND	
	Latest Revision Date December 13, 2023	Ordinance No. 512

ARTICLE 17. OTHER NON-RESTRICTED FUNDS

Article 17. revised by Ordinance No. 303 / February 26, 2003
Article 17.1. revised by Ordinance No. 512 / December 13, 2023

Sec. 17.1. Water Rate Stabilization Fund

Purpose: To protect the District’s financial stability and to secure the District’s ability to pay for its financial obligations, including debt service installment payments when revenue shortfalls occur due to weather conditions, economic shortfalls, changes in state and federal legislation, or other future uncertainties, enabling the District to avoid the need for rate spikes.

Target
Balance: A minimum of 25% of the average estimated Net Water Sales over two (2) fiscal years approved in the District’s budget shall be maintained in the Rate Stabilization Fund. The maximum amount in the Rate Stabilization Fund shall not exceed 50% of the average estimated Net Water Sales over two fiscal years approved in the District’s budget. Net Water Sales are defined as total revenues from water operations less water purchase expenses. Any excess over the maximum amount in this fund shall be reported at the next regular Board Meeting with staff’s recommendation on the handling of these excess funds.

Article 17.2. revised by Ordinance No. 512/ December 13, 2023

Sec. 17.2. Wastewater Rate Stabilization Fund

Purpose: To protect the District’s financial resources against economic shortfalls or an unexpected increase in expenditures, including sewage spill clean-up costs, a penalty imposed by the Regional Water Quality Control Board when sewage spills occur, or an emergency repair to the sewer facilities following natural disasters or other unforeseen emergencies. These conditions can lead the District to operating deficits.

Target
Balance: A minimum of 25 percent of annual Wastewater operating and maintenance expenditures approved by the Board shall be maintained in this fund. A maximum equal to 100 percent of annual Wastewater operating and maintenance expenditures approved by the Board. Any excess over the maximum amount in this fund shall be reported at the next regular Board meeting with staff’s recommendation on the handling of these excess funds.

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ARTICLE 17. OTHER NON-RESTRICTED FUNDS

Article 17.3. revised by Ordinance No. 512/ December 13, 2023

Sec. 17.3. Water – Pension Stabilization Fund

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

Target
Balance: A minimum of one (1) year average of Projected Future Employer Contributions for UAL Payment over the next 5 fiscal years based on the most current CalPERS annual actuarial report for Classic and PEPRA plans shall be maintained in this fund. A maximum of two (2) years average of Projected Future Employer Contributions for UAL Payment over the next 5 fiscal years included in the most current CalPERS annual actuarial report for Classic and PEPRA Miscellaneous Plans.

Article 17.4. revised by Ordinance No. 512/ December 13, 2023

Sec. 17.4. Wastewater – Pension Stabilization Fund

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

Target
Balance: A minimum of one (1) year average of Projected Future Employer Contributions for UAL Payment over the next 5 fiscal years based on the most current CalPERS annual actuarial report for Classic and PEPRA plans shall be maintained in this fund. A maximum of two (2) years average of Projected Future Employer Contributions for UAL Payment over the next 5 fiscal years included in the most current CalPERS annual actuarial report for Classic and PEPRA Miscellaneous Plans.