

**NOTICE OF A SPECIAL MEETING  
OF THE OLIVENHAIN MUNICIPAL WATER  
DISTRICT'S FINANCE COMMITTEE  
1966 Olivenhain Road, Encinitas, CA 92024  
Tel: (760) 753-6466 • Fax: (760) 753-1578  
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 the District for immediate consideration.**

**DATE:** MONDAY, JULY 7, 2025

**TIME:** 2:30 P.M.

**PLACE:** HYBRID SPECIAL MEETING VIA ZOOM AND IN PERSON

The meeting is being held virtually as a convenience to the public. The meeting will not stop or suspend its in-person meeting should a technological interruption occur with respect to the Zoom or call-on options listed on the agenda.

**For Zoom Participation:**

[www.zoom.us/join](https://www.zoom.us/join)

Meeting ID: 878 9744 9880

Passcode: 394221

**For Zoom Call-in Only:**

Call: (669) 900-9128

Meeting ID: 878 9744 9880

Passcode: 394221

**Public Participation/Comment:** Members of the public can participate in the meeting by emailing your comments on an agenda item to Jared Graffam at [jgraffam@olivenhain.com](mailto:jgraffam@olivenhain.com) or address the finance committee directly in real-time under the public comment section. If you do not receive a confirmation email that your comment has been received, please call (760) 230-2569 or address the committee under the public comment section 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 finance committee members.

*Note: Items On The Agenda May Be Taken Out Of Sequential Order As Their Priority Is Determined By The Committee*

1. CALL TO ORDER
2. ROLL CALL (BOARD MEMBERS)
3. ADOPTION OF THE AGENDA
4. PUBLIC COMMENTS
5. CONSIDER APPROVAL OF THE MINUTES OF THE MAY 7, 2025, REGULAR FINANCE COMMITTEE MEETING
6. CONSIDER AND DISCUSS OMWD'S WATER RATES AND CHARGES FOR CALENDAR YEAR 2026
7. FUTURE AGENDA ITEMS
8. ADJOURNMENT

**MINUTES OF A REGULAR MEETING  
OF THE FINANCE COMMITTEE  
OF OLIVENHAIN MUNICIPAL WATER DISTRICT**

**May 7, 2025**

A regular meeting of the Finance Committee of Olivenhain Municipal Water District was held on Monday, May 7<sup>th</sup>, 2025, at the District office, 1966 Olivenhain Road, Encinitas, California via teleconference and in person.

Director Meyers called the meeting to order at 3:00 p.m. In attendance were Scott Maloni, Treasurer; Neal Meyers, Vice President; Kimberly Thorner, General Manager; Rainy Selamat, Finance Manager; Leo Mendez, Accounting Supervisor; Jared Graffam, Financial Analyst II; and Georgeanna Clark, Financial Analyst I. Also in attendance were Lawrence Chan from Stradling (OMWD's Bond Counsel) and Ali Shapouri, a local developer, for agenda item 6; and Eric Harp, Information Technology (IT) Supervisor, and Adam Schmidt, Senior Systems Administrator, for agenda item 9.

1. CALL TO ORDER

2. ROLL CALL (BOARD MEMBERS)

3. ADOPTION OF THE AGENDA

Director Meyers moved to adopt the agenda, seconded by Director Maloni, and carried unanimously.

4. PUBLIC COMMENTS

There were no public comments.

5. CONSIDER APPROVAL OF THE MINUTES OF THE April 28, 2025, SPECIAL FINANCE COMMITTEE MEETING

Director Meyers moved to approve the April 28<sup>th</sup>, 2025, meeting minutes, seconded by Director Maloni and carried unanimously.

6. CONSIDER AND DISCUSS OMWD'S INTEREST IN BECOMING A MEMBER OF THE CALIFORNIA STATEWIDE COMMUNITY DEVELOPMENT AUTHORITY (CSCDA)

Finance Manager Selamat discussed the possibility of the District becoming a member of the California Statewide Community Development Authority (CSCDA) which would allow

the District to participate in the Statewide Community Infrastructure Program (SCIP). Finance Manager Selamat explained that SCIP is a financing program offered through CSCDA which can be used by developers to finance public infrastructure, facilities, and impact fees. Finance Manager Selamat added that if the District were to become a member of CSCDA and participate in SCIP, it could provide competitive financing to local developers through the issuance of Mello Roos bonds by CSCDA to finance the required public improvements, such as the Pinnacles at Santa Fe Valley development project located within the District's service area. General Manager Thorner commented that the District has previously formed a Community Financing District (CFD) which was later dissolved, and that the District declined to form a CFD for the Pinnacles at Santa Fe developer due to the risk involved with CFD issuance. Finance Manager Selamat explained that staff prefers the CSCDA option instead of forming a CFD via OMWD, because District liability will be limited through the CSCDA process. CSCDA will assume liability for bond issuance and administration.

Director Meyers inquired about the risk is to the District. Lawrence Chan, the District's Bond Counsel, answered that there is very little risk to the District because the bonds are issued by CSCDA, and if the bonds are not paid back, they would be placed on the homeowners tax rolls as a CSCDA tax. Director Maloni asked if the District was required to approve the SCIP application, and what the benefit would be to the District. General Manager Thorner responded that the District is not required to approve the application, but it would allow developers to get better financing which could result in the District receiving capacity fees and water revenues sooner as new customers are connected to the District's distribution system. Director Meyers asked if there would be any other costs for the District, such as ongoing monitoring by staff. General Manager Thorner confirmed that there would be ongoing monitoring required, but that it would be the same monitoring that the District is already required to do for the District issued bonds and for grants the District receives.

Director Meyers and Director Maloni agreed to bring the discussion to the full Board at a future meeting.

7. QUARTERLY REVIEW OF INVESTMENTS AND CASH REPORT (3RD QTR OF FY 2025)

Finance Manager Selamat reviewed the investment report as of March 31, 2025, with the committee. Cash and investments were discussed. Finance Manager Selamat reported that the current yield on the District's investment portfolio has decreased slightly compared to the last quarter due to replacing matured securities with lower yields available in the market. Finance Manager Selamat referenced the three-year history of quarterly yields on investments included in the packet, showing increasing yields over most of the last three years and relatively steady yields over the last three quarters. Finance Manager Selamat reported that District investments are in compliance with the District's Investment policy and that the District has sufficient funds

to meet its financial obligations for the next 60 days. Finance Manager Selamat next presented the draft summary of fund balances over the previous five years.

Director Maloni commented that the investment yield was lower than he expected. General Manager Thorner explained that staff follows the Investment Policy put in place by the Board, which emphasizes protection of principal over earning interest. Director Maloni asked what other forms of alternative revenue the District has considered. General Manager Thorner replied that the District brings in alternative revenue through cell tower leases, water treatment services, the sale of certain District parcels of land, and staff continually seeks various state and federal grant funding to help pay for capital infrastructure projects. Director Maloni asked about whether the District can take on additional risk for higher returns and General Manager Thorner also responded that the Board can review the District's Investment policy and make adjustments, but the District will need to follow state laws that govern how agencies can invest public funds in California, and that it could affect the District's AAA bond rating if changes were made to the policy. Director Maloni requested that staff prepare a comparison of the District's historic returns on investment versus inflation, to be presented at a future committee meeting.

The committee accepted the report as presented.

8. REVIEW OF OMWD FINANCIAL REPORTS – BUDGET VS. ACTUAL REPORT (3RD QUARTER OF FY 2025) AND HISTORICAL BUDGETED VS. ACTUAL WATER SALES

Finance Manager Selamat presented the Budget vs Actual report for the current fiscal year through March 2025. Finance Manager Selamat explained that revenue and expenses are close to budgeted numbers with most variances being caused by timing differences, and positive variances caused by higher than budgeted water sales to date. Finance Manager Selamat stated that the District's financials are currently in line with budget expectations. Finance Manager Selamat then presented the water sales budgeted vs actuals graph for the first 9 months of fiscal year 2025 and explained that water sales are currently ahead of budgeted predictions. Director Meyers asked why we are stating we are in line with budget expectations when it looks like we are ahead. Finance Manager Selamat explained that there are three more months left in the fiscal year and that we don't know for certain if we will stay ahead of budget expectations. General Manager Thorner confirmed that as of this moment in time we are ahead of budget expectations.

9. REVIEW OF DATA CENTER PROJECT – A NEW CIP IN FY 2026 AMENDED CAPITAL BUDGET (VERBAL REPORT)

The District's Information Technology (IT) Supervisor, Erik Harp, spoke to the committee about the Data Center capital improvement project (CIP) that is being added as part of the fiscal year 2026 midterm budget adjustment. IT Supervisor Harp explained that the

Data Center CIP is to replace aging infrastructure that is critical in supporting the District's business functions for computing, data storage, and network backup which was originally installed in 2020. IT Supervisor Harp explained that while the server hardware is still in good condition, however, since existing server hardware is no longer supported by the new software company due to the most recent acquisition, the District is not successful in obtaining an extension to the existing support agreement without replacing its server hardware.

Director Meyers commented that it seems as though the support agreement is used by the hardware suppliers as a tool to force replacement of hardware every 5-6 years. IT Supervisor Harp concurred with Director Meyers' comments. IT Supervisor Harp then added that his staff will continue seeking options. Director Meyers asked if the District has backups for the servers in question. IT Supervisor Harp explained that the District's back-up data is stored offsite, but the District will be left with no backup servers that would function if the Data Center were to fail, which is why the Data Center and corresponding support agreement are needed.

The committee thanked Mr. Harp for attending the meeting and providing more details on the Data Center CIP being proposed for the fiscal year 2026 budget.

10. REVIEW OF OMWD VACATION AND SICK LEAVE CASHOUT PROGRAMS AND PRESENT FINDINGS

Finance Manager Selamat explained that the District's current vacation and sick leave cashout features are subject to a tax law known as the constructive receipt rule. General Manager Thorner added that while the IRS rules have not changed, the IRS has recently begun enforcing existing rules against other districts. General Manager Thorner recommended making changes before the District is formally notified or penalized by the IRS. Director Meyers asked how long the current policy has been in place. General Manager Thorner stated that the policy has been largely unchanged for a long time, with only minor changes made during Memorandum of Understanding (MOU) negotiations.

Accounting Supervisor Mendez presented the details of the proposed changes to the elective cashout features for employee's accrued vacation and sick leave. Accounting Supervisor Mendez noted with these proposed changes, staff also recommends that the policy be amended to lower the vacation leave balance minimums to allow employees more cashout options while also decreasing the District's compensated absences liability. Accounting Supervisor Mendez noted that staff is also proposing modification of the policy to allow for certain cashout hours to be contributed to employee retirement accounts, which will provide tax savings to the District and the employees. Accounting Supervisor Mendez stated the next steps for implementation of the changes are to educate employees on the change, notify the collective bargaining units, and bring the policy changes to the Board at the July meeting.

Director Maloni asked if there are any downsides to the policy changes. General Manager Thorner stated that the downside is the complexity of the new policy requiring employee education. Director Maloni asked if there would be a cost to implement the new policy. Accounting Supervisor Mendez stated that the cost to implement will be staff time in the beginning to educate the employees and create the necessary forms and procedures, but that there are no expected ongoing costs to the new policy. Director Meyers asked if the MOU allows employees to reject the change. General Manager Thorner explained that the MOU allows for necessary compliance changes to be made without renegotiation. Director Meyers asked what the District's current compensated absence liability is and Accounting Supervisor Mendez responded that it is approximately \$2 million.

11. DISCUSS CURRENT BOARD PER DIEM (VERBAL REPORT)

General Manager Thorner explained that the per diem for Board compensation has not increased in over two decades and noted that it can be increased 5% per year since its last increase, which could lead to a substantial increase. General Manager Thorner explained that making changes to Board compensation requires a public hearing.

Director Maloni stated that he was the one to raise the issue and would like more information on Board per diems in the area. Director Maloni requested that staff research and present findings at the next committee meeting, including a survey of comparable boards and their compensation, frequency of other Boards' increase, and the frequency of per diems (per meeting vs. per day). Director Maloni also asked staff to look into increasing the daily limit for meals reimbursement while travelling on District business on the District's Administrative and Ethics Code.

Director Meyers supports looking into the information requested by Director Maloni before considering the issue further and bringing it back to the Finance Committee for discussion.

12. ADJOURNMENT

The meeting was adjourned at 4:21pm.

# Memo

Date: July 7, 2025  
To: Finance Committee  
From: Rainy Selamat, Finance Manager  
Via: Kimberly Thorner, General Manager  
Subject: **CONSIDER AND DISCUSS OMWD'S WATER RATES AND CHARGES FOR CALENDAR YEAR 2026**

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At the November 6, 2024 meeting, OMWD's Board adopted an ordinance authorizing OMWD, starting January 1, 2025, and at any time through and including December 31, 2029, to automatically pass through to customers certain cost increases experienced by OMWD to avoid operational deficits, depletion of reserves, and inability to address water capital infrastructure needs for the next five years ("Pass-Through Increases").

The Pass-Through Increases include: (1) increases in purchased water wholesale charges from SDCWA, and any other purchased water wholesale water charges imposed on OMWD, including by Recycled Water Wholesalers (collectively referred to as "Purchased Water Wholesale Pass-Through"); (2) increases imposed by SDCWA to the SDCWA Infrastructure Access Charge; (3) inflationary cost increases based on annual percentage change in CPI (Inflation Pass-Through).

If approved by the Board, Pass-Through Increases will be automatically implemented annually after giving notice to customers at least 30 days prior to the effective date of the Pass-Through Increases (January 1, 2026).

OMWD's water rates and charges are reviewed by the Board each year. Staff evaluate the impact of Pass-Through Increases on future OMWD's water rates and charges as



part of rate setting process and make recommendations to the Committee for discussion prior to presentation to the full Board for consideration and adoption.

A copy of the presentation, including rate options, is attached for review by the Committee. Staff will be available for discussion at the meeting.

Attachment: Presentation - OMWD's Water Rates and Charges for 2026

# **2026 Pass-Through Increases and Adjustments (Potable and Recycled Water)**

Special Finance Committee Meeting  
July 7, 2025

# OMWD Water Rate Pass-Through Ordinance

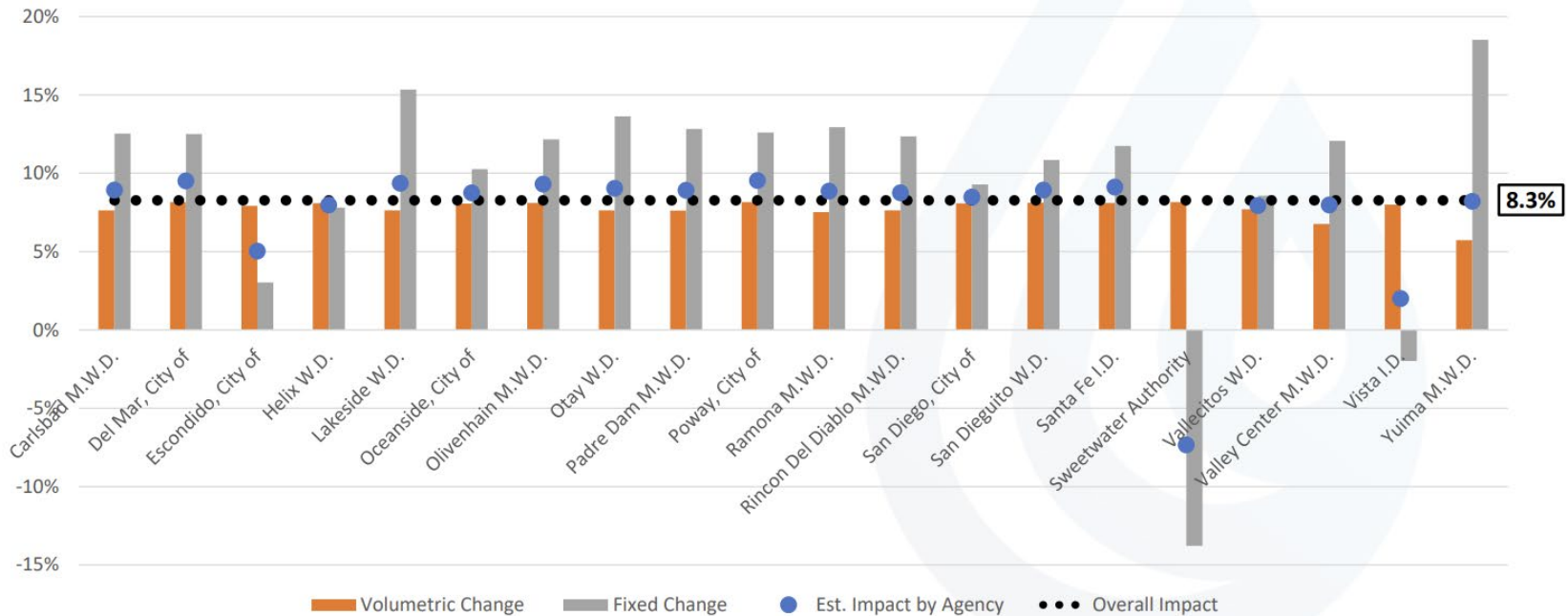
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- The 2024 ordinance authorized the board to:
  - Pass through any increases in purchased water wholesale costs from SDCWA and any other wholesale water charge increases imposed on the District by its public agency water suppliers – Purchased Water Wholesale Pass-Through
  - Pass-through increases to SDCWA fixed monthly meter fees collected on water meters – SDCWA Infrastructure Access Charge
  - Pass-through increases to the District's Costs of Operations and Maintenance and Capital Facilities based on SDCPI-U – Inflationary Pass Through
- Any future increases in the SDCWA Infrastructure Access Charge will only impact the SDCWA Infrastructure Access Charge.
- **Any Purchased Water Wholesale Pass-Through and any Inflationary Pass-Through will impact the OMWD Water Consumption Charges and System Access Charge.**
- If approved by the Board of Directors, Pass-Through Increases will be automatically implemented annually after giving notice to customers and be effective for the five-year period commencing January 1, 2025, through December 31, 2029.
- **All Pass-Through Increases shall not exceed 12% per year**, and in no event shall any Pass-Through Increases result in rates exceeding OMWD's cost of providing water services to its customers.
- Prior to implementing any Pass-Through Increases, OMWD will provide written notice of proposed changes to customers not less than 30 days prior to the effective date of the Pass-Through Increases.

# SDCWA Option 3 Impact on OMWD

## Option 3: Utilize Future Savings and Defer Anticipated Debt Issuance

Based on 110% of FY24 sales, estimated 8.3% impact and varies based on agencies' historical and projected system demands



Option 3	Future Rate Expectation	
CY 26	CY 27	CY 28
8.3%	8% (6%-10%)	5% (5%-9%)

# Purchased Water Wholesale

## Pass-Through Increases from SDCWA

(8.3% effective impact beginning Jan 1, 2026)

SDCWA Variable Charges	CY 2025 (\$/AF)	CY 2026 (\$/AF)	\$ Change Inc. (Dec.)	% Change Inc. (Dec.)
Supply Rate	1,355	1,490	135	10.0%
Transportation Rate (Variable)	141	128	(13)	-9.2%
<b>All-In Untreated Rate</b>	<b>1,496</b>	<b>1,618</b>	<b>122</b>	<b>8.2%</b>
Melded Treatment Rate	500	530	30	6.0%
<b>All-In Treated Rate</b>	<b>1,996</b>	<b>2,148</b>	<b>152</b>	<b>7.6%</b>

OMWD's Allocation of SDCWA Fixed Charges	CY 2025 Annual Fee	CY 2026 Annual Fee	\$ Change Inc. (Dec.)	% Change Inc. (Dec.)
Customer Service Charge	1,436,470	1,594,344	157,874	11.0%
Storage Charge	3,256,426	3,679,529	423,103	13.0%
Supply Reliability Charge	2,438,028	2,554,998	116,970	4.8%
Transportation Rate (Fixed)	1,436,470	2,100,681	664,211	46.2%
Readiness to Serve Charge (MWD) <sup>1</sup>	664,382	627,082	(37,300)	-5.6%
Capacity Charge (MWD)	489,102	542,019	52,917	10.8%
<b>Total Fixed Charges</b>	<b>9,720,878</b>	<b>11,098,653</b>	<b>1,377,775</b>	<b>14.2%</b>
Infrastructure Access Charge	1,551,516	1,550,316	(1,200)	-0.1%

<sup>1</sup> Readiness to Serve Charge (MWD) is billed on a fiscal year basis

# Purchased Water Wholesale Pass-Through from Recycled Water Suppliers

Recycled Water Rates					
Agency					
	FY '24	Increase	FY '25	Increase <sup>1</sup>	FY '26
RSFCSD	\$ 898.06	13.5%	\$ 1,019.30	0.2%	\$ 1,021.48
	FY '24	Increase	FY '25	Increase <sup>2</sup>	FY '26
City of SD (forecast)	\$ 1,021.48	3.4%	\$ 1,056.33	24.9%	\$ 1,319.87
	FY '24	Increase	FY '25	Increase	FY '26
SEJPA <sup>3</sup>	\$ 1,389.00	5.2%	\$ 1,461.00	10.4%	\$ 1,613.00
	FY '24	Increase <sup>4</sup>	FY '25	Increase <sup>5</sup>	FY '26
VWD	\$ 1,594.00	-9.9%	\$ 1,436.00	11.7%	\$ 1,604.00

1 - Estimated increase based on OMWD proposed recycled rate adjustment

2 - Based on proposed rate from City of San Diego

3 - SEJPA amounts are net of \$450 credit, FY 2026 based on SEJPA forecasted increases

4 - FY '25 based on VWD budget - awaiting retrospective adjustment

5 - FY '26 based on tentative recycled water purchase agreement

# 2026 Pass-Through Increases

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- Purchased Water Wholesale Pass-Through
  - SDCWA Supply and Transportation (Variable) combined rate increase of 8.2% effective January 1, 2026
  - SDCWA Fixed Cost Increase of 14.2% (excluding IAC) effective January 1, 2026
  - Infrastructure Access Charge Pass-Through Increase: 0%
  - Assume a 50% increase in City of San Diego's Recycled water commodity rate effective January 1, 2026
- Inflationary Pass-Through:
  - Based on over-the-year SDCPI-U increase: 3.49% (May 2025 over June 2024)
- Fire Meter Charge Increase: 6% based on the 2024 Water Cost of Service Study and Prop 218 Notice

# Pass-Through Rate Options for Consideration (Potable)

## 2026 Purchased Water Wholesale Pass Through and Inflation Pass Through

Criteria	Option 1: Full Pass-Through (Staff Preferred)	Option 2: Offset Commodity Rate Increase Using Reserves	Option 3: Offset SAC Increase Using Reserves	Current
Compliance with OMWD Prop 218 Notice?	✓	✓	✓	N/A
Met Cost of Service?	✓	X	X	N/A
Consistency with OMWD Past Practice?	✓	X	X	N/A
Revenue Adjustment \$ <sup>1</sup>	\$ 3,850,000	\$ 3,350,000	\$ 3,050,000	N/A
Use of Reserves	X	✓	✓	N/A
Revenue Adjustment % <sup>1</sup>	5.64%	4.92%	4.48%	N/A
Rate Reimbursement Credit per Unit <sup>2</sup>	11 cents	11 cents	11 cents	22 cents

<sup>1</sup> Excludes Infrastructure Access Charge (IAC) pass-through and Rate Reimbursement Credits

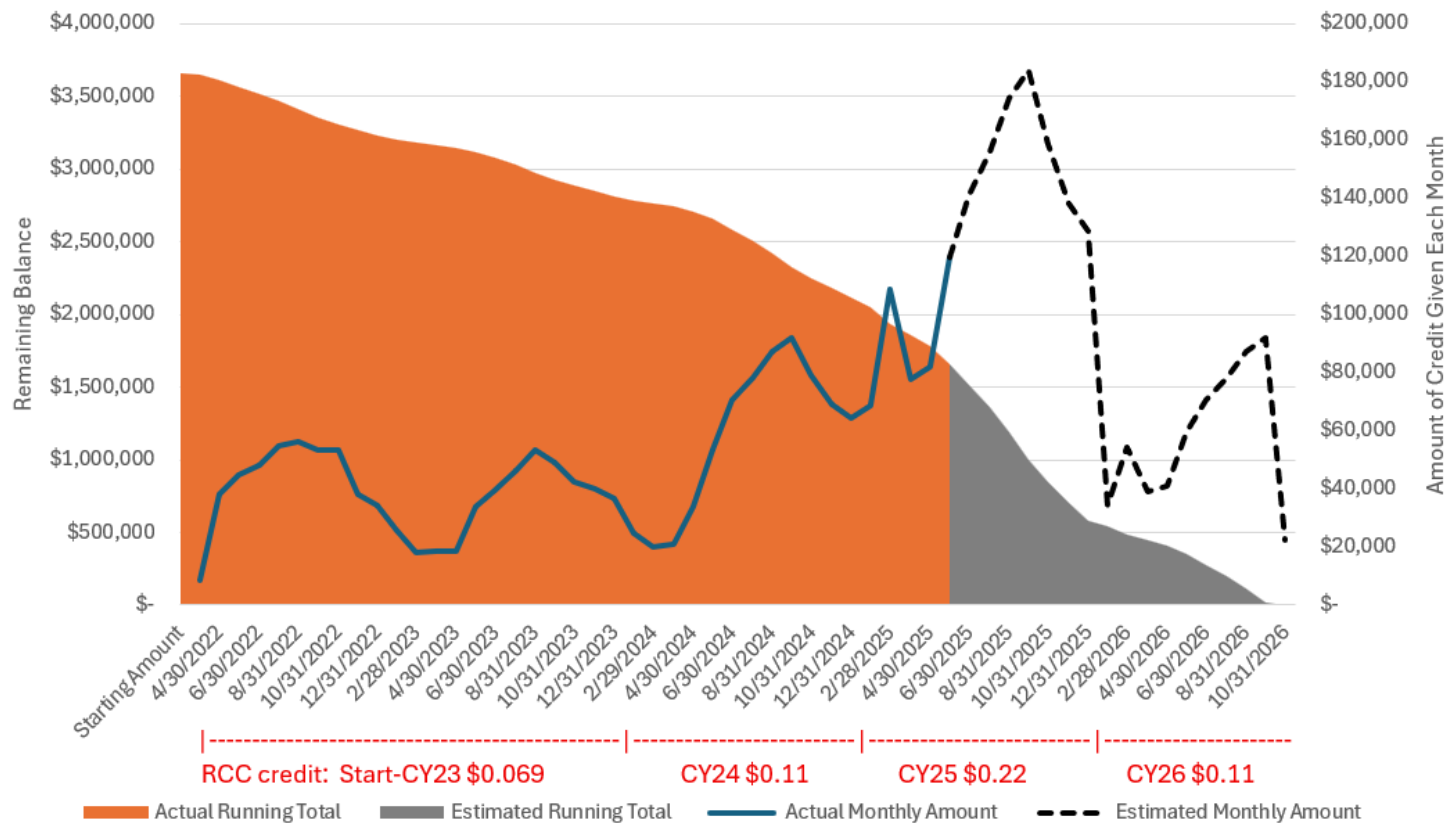
<sup>2</sup> RRC is scheduled to decrease from 22 cents per unit to 11 cents effective January 1, 2026. RRC is anticipated to end around October 2026.



# OMWD Rate Reimbursement Credit

## 2024 COSS Option 3: Phase out over 2-YR

RRC will reduce from 22 cents per unit to 11 cents as approved by the Board effective January 1, 2026



# OMWD Proposed Rate Options

Commodity Charge		Calendar Year 2026 Rate Options		
Customer Type	Current	Option 1 Staff Preferred	Option 2 Commodity Offset	Option 3 SAC Offset
<b>Domestic</b>				
0-6 Units	\$4.43	\$4.71	\$4.64	\$4.71
7-23 Units	\$6.47	\$6.76	\$6.69	\$6.76
24-80 Units	\$7.25	\$7.57	\$7.50	\$7.57
80+ Units	\$8.20	\$8.55	\$8.48	\$8.55
<b>Agricultural<sup>(3)</sup></b>	\$6.90	\$7.22	\$7.16	\$7.22
Combined Agricultural/ Domestic	First 23 units per month: Follow Domestic Rate Structure. Over 23 units per month: Follow Agricultural Rate Structure.			
<b>Commercial</b>	\$6.14	\$6.43	\$6.36	\$6.43
<b>Irrigation<sup>(4)</sup></b>				
Tier 1	\$6.91	\$7.23	\$7.16	\$7.23
Tier 2	\$7.80	\$8.16	\$8.09	\$8.16
Construction	\$8.60	\$8.97	\$8.91	\$8.97
Recycled	\$4.68	\$4.70	\$4.70	\$4.70
<i>RRC</i>	\$0.22	\$0.11	\$0.11	\$0.11

System Access Charge		Calendar Year 2026 Rate Options		
Meter Size	Current	Option 1 Staff Preferred	Option 2 Commodity Offset	Option 3 SAC Offset
5/8"	\$37.16	\$40.72	\$40.72	\$38.98
3/4"	\$48.53	\$53.19	\$53.19	\$50.91
1"	\$82.64	\$90.58	\$90.58	\$86.71
1-1/2"	\$128.11	\$140.41	\$140.41	\$134.41
2"	\$200.11	\$219.33	\$219.33	\$209.96
2-1/2"	\$363.05	\$397.94	\$397.94	\$380.93
3"	\$397.16	\$435.33	\$435.33	\$416.72
4"	\$658.63	\$721.93	\$721.93	\$691.07
6"	\$1,374.83	\$1,506.96	\$1,506.96	\$1,442.56
8"	\$2,473.76	\$2,711.51	\$2,711.51	\$2,595.64

# OMWD Proposed Rate Options cont.

**Current and Proposed OMWD Fire Meter Charge Rates (\$/Meter Size)**

Meter Size	Current	Proposed* 1/1/2026	Proposed 1/1/2027	Proposed 1/1/2028	Proposed 1/1/2029
5/8"	\$6.13	\$6.50	\$6.89	\$7.24	\$7.53
3/4"	\$6.13	\$6.50	\$6.89	\$7.24	\$7.53
1"	\$6.87	\$7.29	\$7.73	\$8.12	\$8.45
1-1/2"	\$7.84	\$8.32	\$8.82	\$9.27	\$9.65
2"	\$9.39	\$9.96	\$10.56	\$11.09	\$11.54
2-1/2"	\$12.89	\$13.67	\$14.50	\$15.23	\$15.84
3"	\$13.62	\$14.44	\$15.31	\$16.08	\$16.73
4"	\$19.24	\$20.40	\$21.63	\$22.72	\$23.63
6"	\$34.63	\$36.71	\$38.92	\$40.87	\$42.51
8"	\$58.23	\$61.73	\$65.44	\$68.72	\$71.47

\* Proposed increase follows Prop 218 notice.

**Current and Proposed SDCWA Infrastructure Access Charge (IAC)  
(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

**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

# OMWD Bill Impact

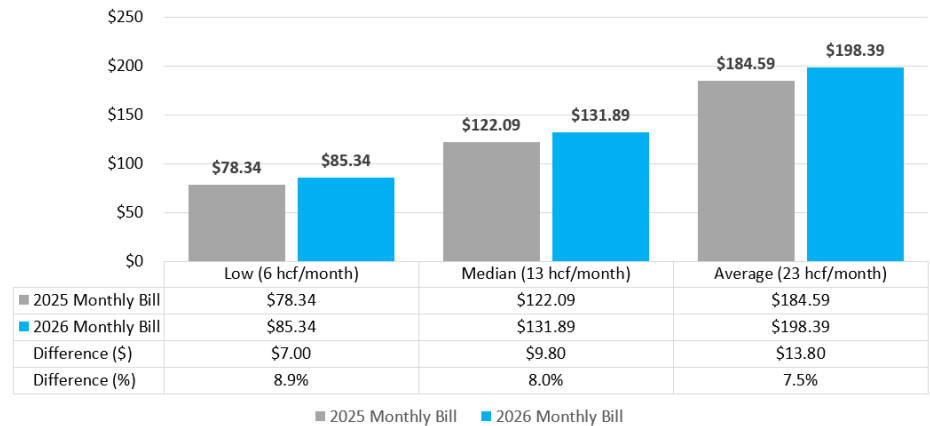
## Option 1 – Full Pass-Through (Staff Preferred Option)

2026 Monthly Bill Impacts  
(Domestic Customer with 3/4" Meter)



*Excluding Rate Reimbursement Credit*

2026 Monthly Bill Impacts  
(Domestic Customer with 3/4" Meter)



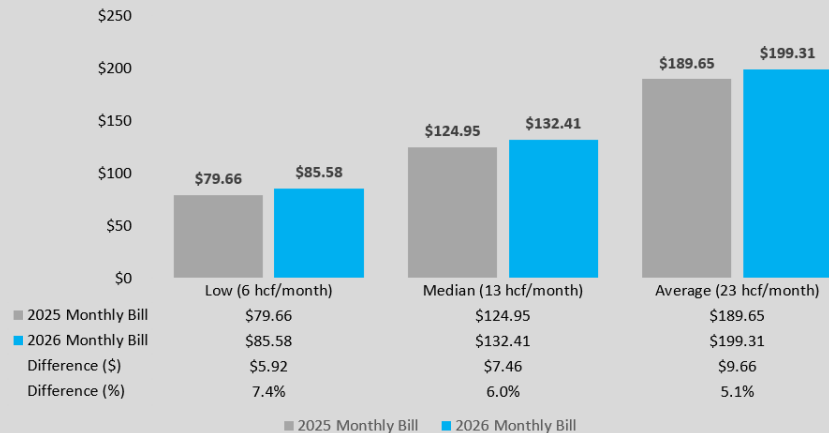
*Net of Rate Reimbursement Credit*

*2025 Monthly Bill amounts include a RRC of 22 cents per unit  
2026 Monthly Bill amounts include a RRC of 11 cents per unit*

# OMWD Bill Impact cont'd

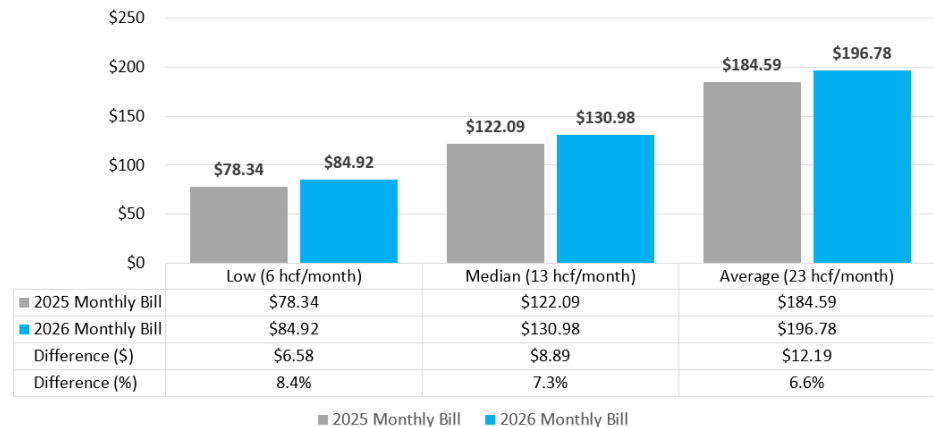
## Option 2 – Utilizes \$500k of Reserves

2026 Monthly Bill Impacts  
(Domestic Customer with 3/4" Meter)



Excluding Rate Reimbursement Credit

2026 Monthly Bill Impacts  
(Domestic Customer with 3/4" Meter)



Net of Rate Reimbursement Credit

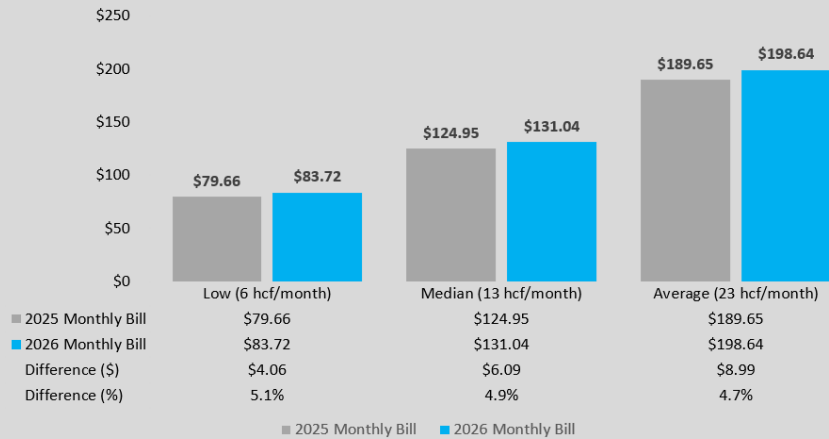
2025 Monthly Bill amounts include a RRC of 22 cents per unit

2026 Monthly Bill amounts include a RRC of 11 cents per unit

# OMWD Bill Impact cont'd

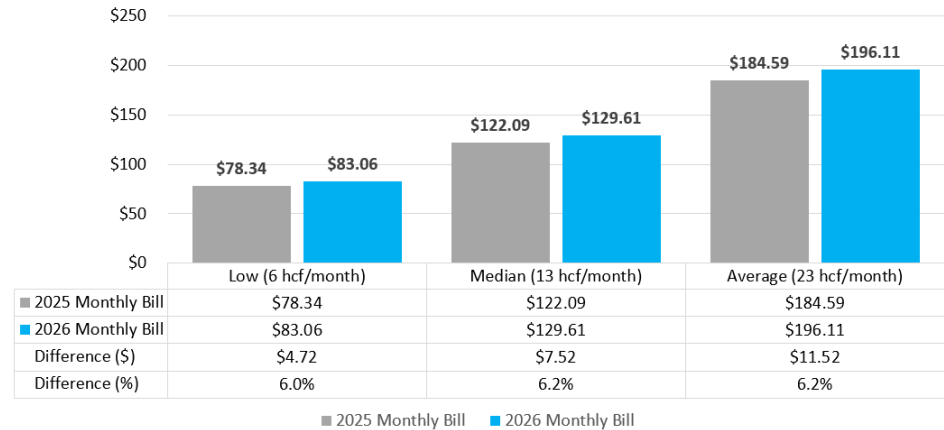
## Option 3 – Utilizes \$800k of Reserves

2026 Monthly Bill Impacts  
(Domestic Customer with 3/4" Meter)



Excluding Rate Reimbursement Credit

2026 Monthly Bill Impacts  
(Domestic Customer with 3/4" Meter)

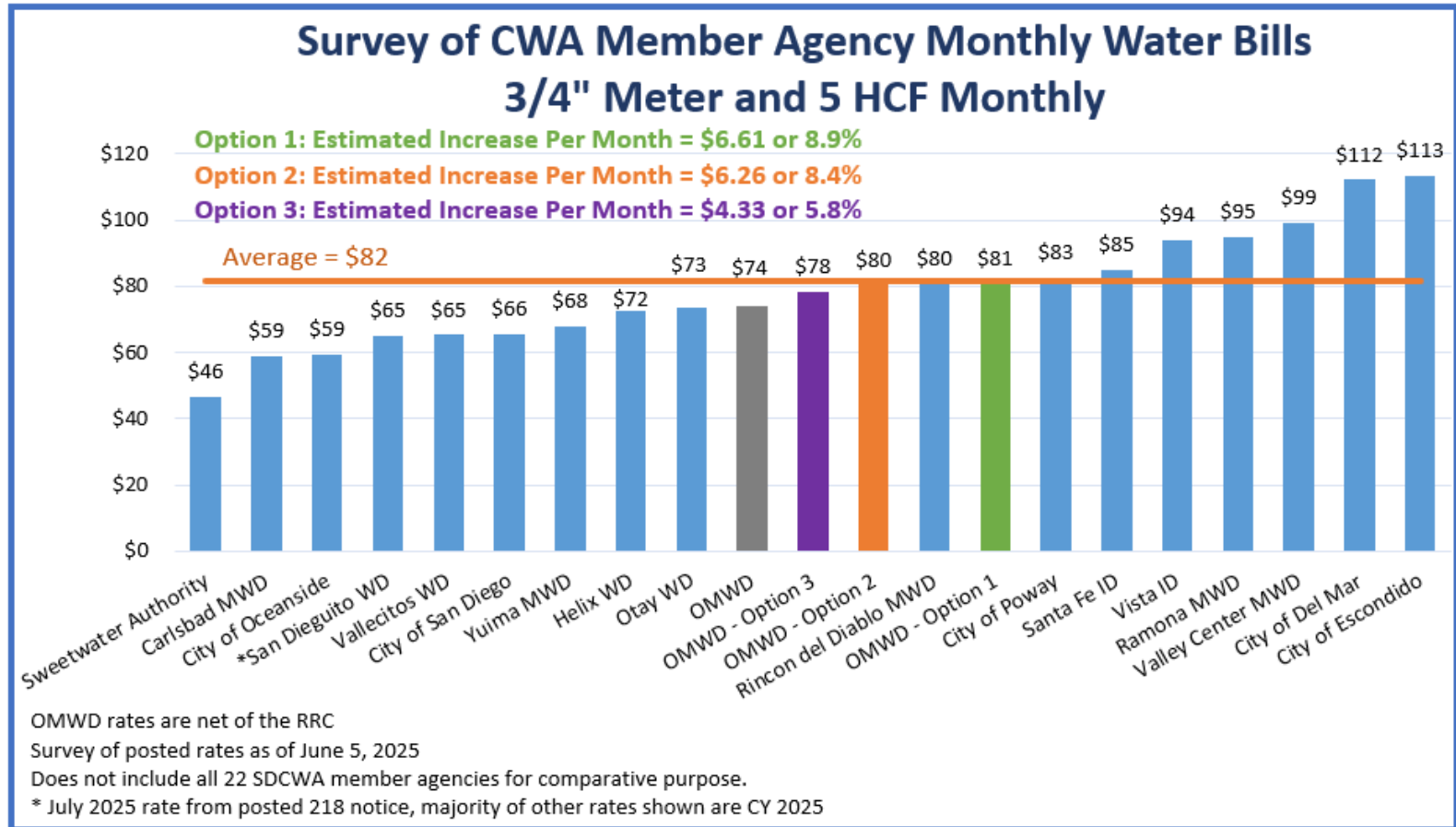


Net of Rate Reimbursement Credit

2025 Monthly Bill amounts include a RRC of 22 cents per unit

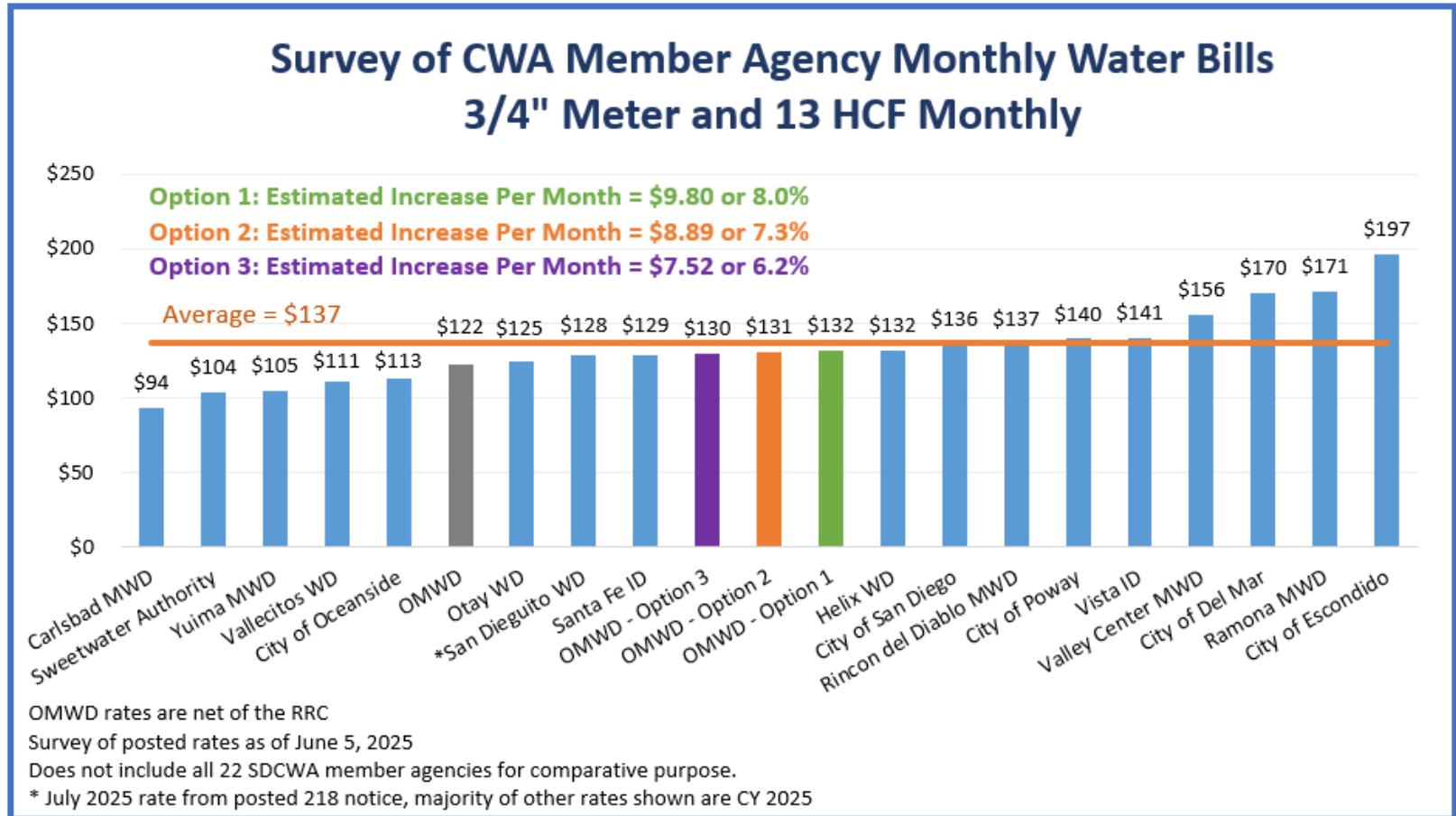
2026 Monthly Bill amounts include a RRC of 11 cents per unit

# Monthly Water Bills for Single Family Residential (5 units)



Rates for other agencies last updated in June 2025. Any subsequent changes are not reflected in this graph.

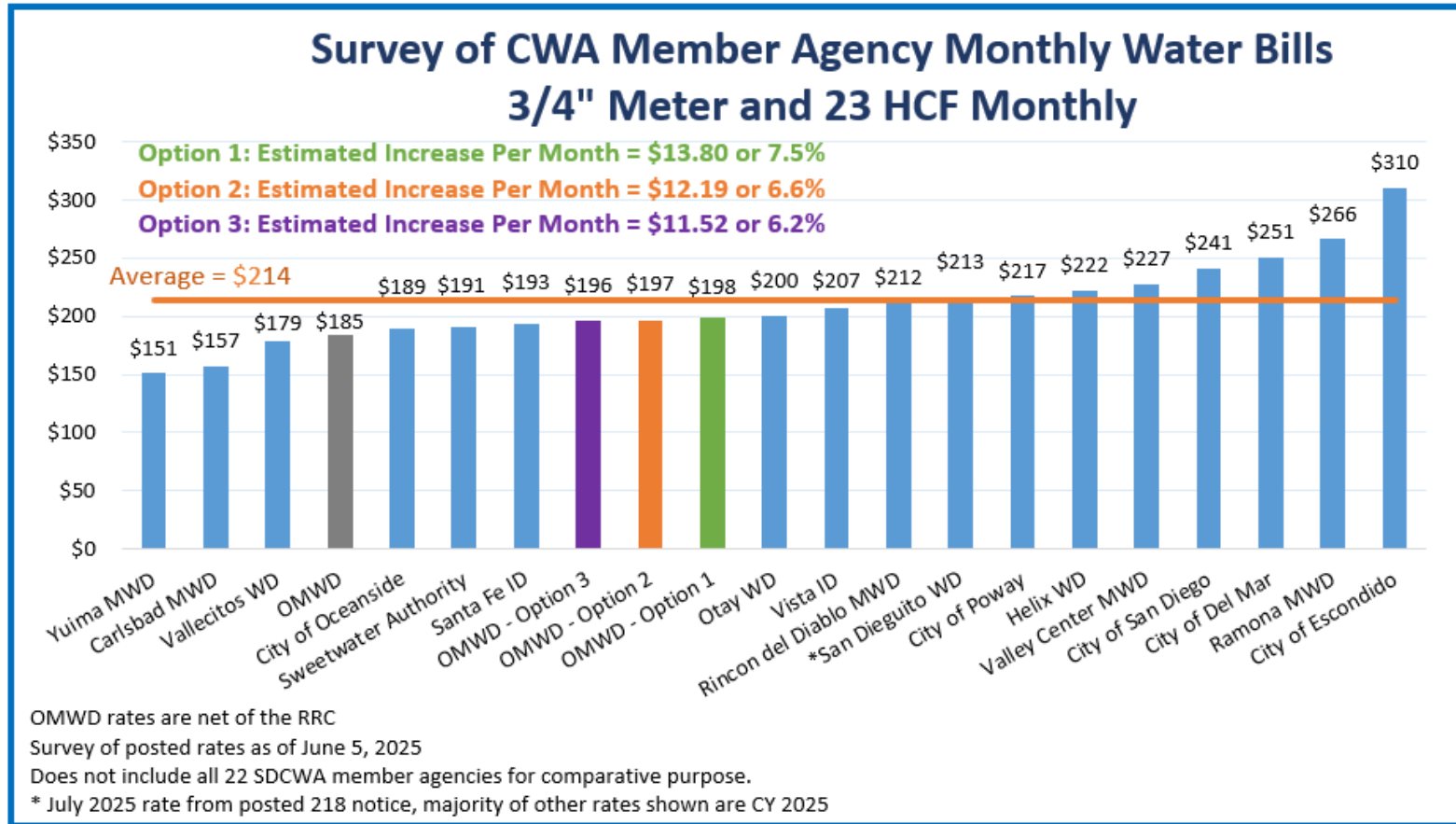
# Monthly Water Bills for Single Family Residential (13 units)



Rates for other agencies last updated in June 2025. Any subsequent changes are not reflected in this graph.

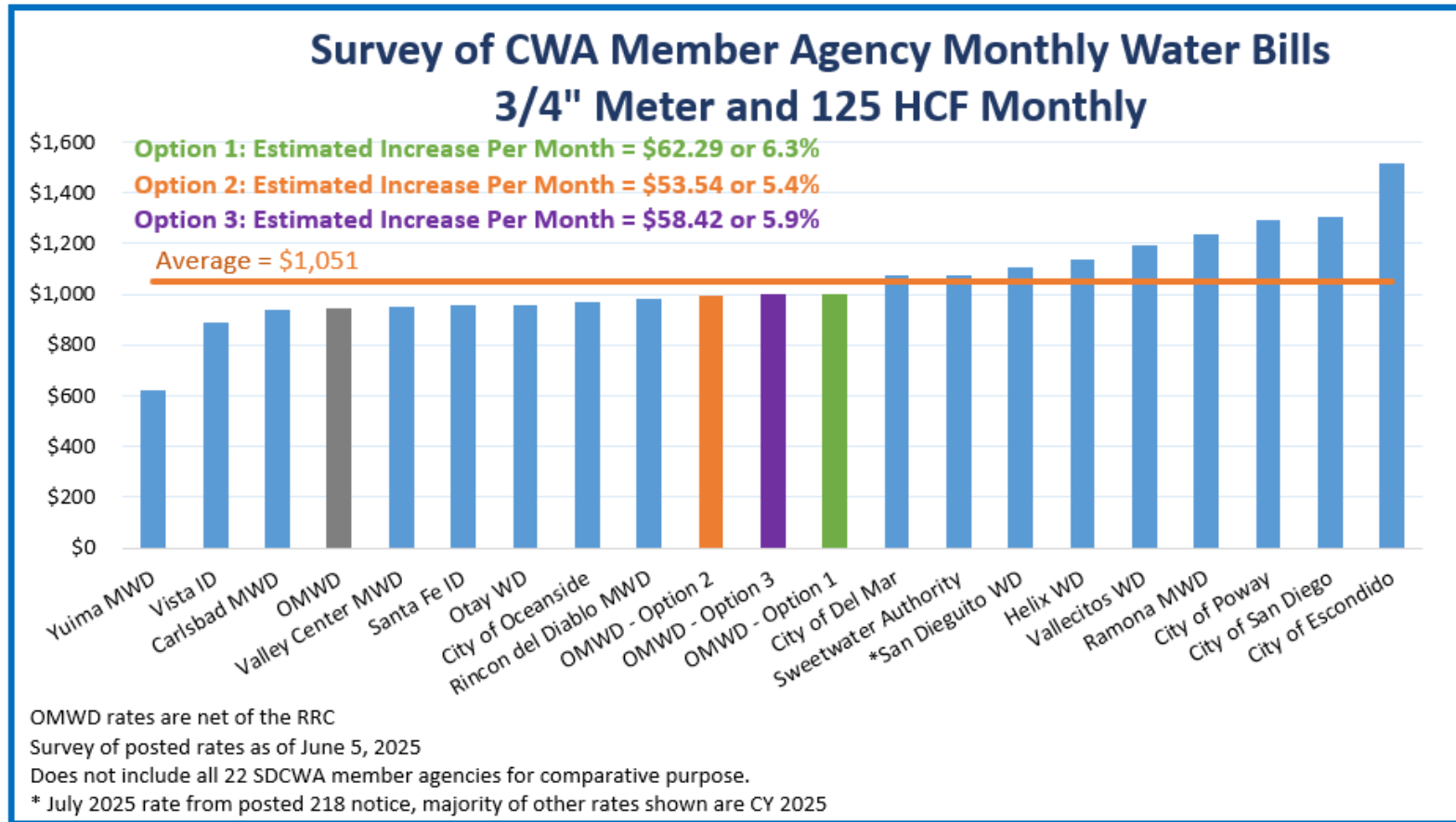


# Monthly Water Bills for Single Family Residential (23 units)



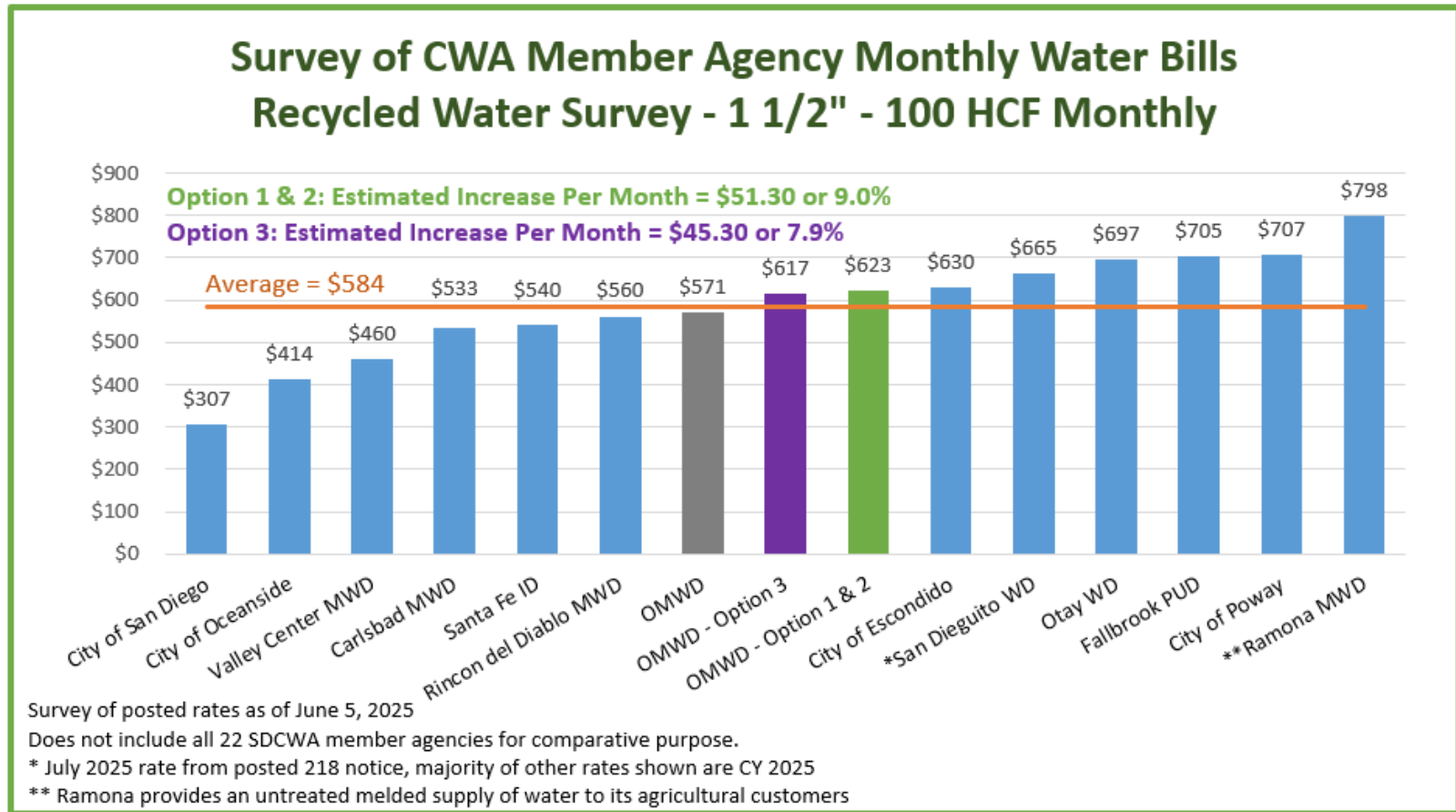
Rates for other agencies last updated in June 2025. Any subsequent changes are not reflected in this graph.

# Monthly Water Bills for Single Family Residential (125 units)



Rates for other agencies last updated in June 2025. Any subsequent changes are not reflected in this graph.

# OMWD Recycled Customer's Monthly Average Water Bill



Rates for other agencies last updated in June 2025. Any subsequent changes are not reflected in this graph.

# Next Steps

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- July Board meeting:
  - Review and discuss rate options with the Board
  - Board to consider and approve an option to be included in OMWD's 30-day rate change notice (September 2025 Watching Water newsletter)
- August/September:
  - Prepare and mail the 30-day rate change notice to OMWD's customers to receive comments
- October Board meeting:
  - Board to consider and adopt Calendar Year 2026 water rates and charges
- November:
  - Implement new rates
- January 1, 2026:
  - New water rates and charges effective date

# Appendix

# SDCWA Approved CY 2026 Rates – Option 3

## Staff Recommended CY26 Rates and Charge Options

Only the Melded Supply Rate varies between options

		Option 1		Option 2		Option 3	
	CY 2025	CY 2026	%Δ	CY 2026	%Δ	CY 2026	%Δ
<b>Variable (\$/AF)</b>							
Melded Supply Rate, Untreated	\$1,355	\$1,545	14.0%	\$1,516	11.9%	\$1,490	10.0%
Agriculture Supply Rate, Untreated	\$912	\$984	7.9%	\$984	7.9%	\$984	7.9%
Treatment Rate	\$500	\$530	6.0%	\$530	6.0%	\$530	6.0%
Transportation	\$141	\$128	-9.2%	\$128	-9.2%	\$128	-9.2%
<b>Fixed (\$M)</b>							
Transportation	\$30.00	\$41.50	38.3%	\$41.50	38.3%	\$41.50	38.3%
Customer Service	\$30.00	\$32.50	8.3%	\$32.50	8.3%	\$32.50	8.3%
Storage	\$65.00	\$72.00	10.8%	\$72.00	10.8%	\$72.00	10.8%
Supply Reliability	\$48.68	\$49.90	2.5%	\$49.90	2.5%	\$49.90	2.5%
IAC (\$/ME)	\$4.55	\$4.55	0.0%	\$4.55	0.0%	\$4.55	0.0%
		10.4%		9.3%		8.3%	
		Effective Impact		Effective Impact		Effective Impact	