

**NOTICE OF A REGULAR 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, FEBRUARY 10, 2025

TIME: 2:00 P.M.

PLACE: HYBRID REGULAR 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

Meeting ID: 873 4766 3296

Passcode: 672930

For Zoom Call-in Only:

Call: (669) 900-9128

Meeting ID: 873 4766 3296

Passcode: 672930

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 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 NOVEMBER 4, 2024,
REGULAR FINANCE COMMITTEE MEETING
6. REVIEW OF DISTRICT INVESTMENTS AND CASH REPORT FOR FOURTH
QUARTER 2024
7. QUARTERLY REVIEW OF OMWD'S FINANCIAL REPORT - BUDGET vs. ACTUAL
REPORT (2ND QTR OF FY 2025)
8. FUTURE AGENDA ITEMS
9. ADJOURNMENT

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

November 4, 2024

A regular meeting of the Finance Committee of Olivenhain Municipal Water District was held on Monday, November 4th, 2024, at the District office, 1966 Olivenhain Road, Encinitas, California via teleconference and in person.

Director Meyers called the meeting to order at 10:01am. In attendance were Neal Meyers, Board Treasurer; Lawrence A. Watt, Board Secretary; Kimberly Thorner, General Manager; Rainy Selamat, Finance Manager; Leo Mendez, Accounting Supervisor; Jared Graffam, Financial Analyst II; Georgeanna Clark, Financial Analyst I; and Sophia Kuo from The Pun Group to discuss item 6.

1. CALL TO ORDER

2. ROLL CALL (BOARD MEMBERS)

3. ADOPTION OF THE AGENDA

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

4. PUBLIC COMMENTS

There were no public comments.

5. CONSIDER APPROVAL OF THE MINUTES OF THE AUGUST 12, 2024, SPECIAL FINANCE COMMITTEE MEETING

Director Meyers moved to approve the August 12th, 2024, meeting minutes, seconded by Director Watt and carried unanimously.

6. REVIEW AND DISCUSS FISCAL YEAR 2023-24 AUDITED FINANCIAL STATEMENTS AND SINGLE AUDIT

Sophia Kuo from The Pun Group (the District's audit firm) provided an overview of the audit process and discussed the District's audited financial statements with the committee. Ms. Kuo stated that there were no material findings during the audit and

her team did not encounter any difficulties in performing their audit. Ms. Kuo also stated that the District received a clean audit and no material weaknesses or significant deficiencies in internal controls were noted.

Ms. Kuo then presented an overview of the District's audited financial statements and other pertinent information, such as key financial indicators and pension information. Key financial indicators that were presented included a comparison with the average of ten local districts, and Ms. Kuo added that the District performs better than its peers across the presented financial indicators. Ms. Kuo noted the most significant variances from the prior year financials which include an increase in Unrestricted Assets caused by an increase in Cash and Investments, an increase in Restricted Assets caused by an increase in Grants Receivable, an increase in Liabilities from \$3.5 million in Grants Payable for the pass-through amount on the Title XVI Grant owed to subrecipients, resulting in an overall increase in Net Position of approximately \$4 million.

Director Meyers inquired if the District had purchased or put into service any new assets during the fiscal year, because Capital Assets decreased in value compared to last year. Accounting Supervisor Mendez explained that new assets were put into service, but the amount of depreciation recorded during the year was greater than the amount of new assets added which resulted in a net decrease.

Ms. Kuo then presented the Single Audit results. Ms. Kuo stated that there were no material findings during the audit and her team did not encounter any difficulties in performing their audit. Ms. Kuo also stated that the District received a clean audit and unmodified opinion.

Director Meyers asked Ms. Kuo if she or her team made any suggestions to District staff regarding current accounting practices in place or things that could be done better moving forward. Ms. Kuo reiterated that the District has strong internal controls over its accounting practices and there were no disagreements with staff during the audit process so there were no suggestions that needed to be made.

Both Director Meyers and Director Watt voted to approve presenting the audited financial statements and annual comprehensive financial report to the full Board at the December meeting.

7. REVIEW STAFF'S REPORT ON DISTRICT PENSION PLANS FUNDING STATUS WITH CALPERS AND DISCUSS STAFF'S RECOMMENDED PENSION FUNDING PLANS FOR 2024

Finance Manager Selamat presented the District's pension funding status to the committee based on the most recent actuarial report available from CalPERS. Finance Manager Selamat reported the District's pension funding status as of June 30, 2023 (the most current available) was slightly lower compared to fiscal year 2022 due to an

increase in normal cost contributions caused by an increase in District employee salaries, combined with a larger than average Cost-of-Living-Adjustment (COLA) in retired members payments. Finance Manager Selamat further reported that the District's PEPR plan has a funded status of 86.6%, which is above the 85% goal set by the Board, but the Classic plan has a funded status of 71.8% which does not meet the 85% funding goal. Director Meyers asked why the District's funded ratio went down despite making Additional Discretionary Payments (ADPs) each year, and how the District can improve its funding ratio moving forward. Finance Manager Selamat explained that the funding ratio of each plan can vary significantly from year to year depending on CalPERS actual investment returns compared to their target. Finance Manager Selamat further explained that the current ADP plan was calculated during a year when CalPERS had high returns resulting in a greater funding ratio for the District, but in the following years CalPERS showed lower returns and has increased Cost of Living Adjustment to retirees resulting in an increase in the Districts unaccrued pension liability, thus a lower funded ratio for the Classic plan. Finance Manager Selamat noted that the current \$311k per year ADP may need to be reevaluated in the future and possibly increased.

Director Meyers asked what percentage of employees are included in each plan. Finance Manager Selamat explained that most current employees are now under the PEPR plan, but almost all retired and former employees are under the Classic plan.

Finance Manager Selamat also presented staff's recommended pension funding plan for 2024 which includes: (1) making a \$311,000 Additional Discretionary Payment (ADP) before December 31, 2024, and (2) transferring \$500,000 to the Water Pension Stabilization Fund and \$50,000 to the Wastewater Pension Stabilization Fund from the Water and Wastewater Operating Funds, respectively. Directors Watt and Meyers voted to bring the staff recommended pension funding plan to the full Board at its November 2024 meeting.

8. QUARTERLY REVIEW OF INVESTMENTS AND CASH REPORT (3RD QTR OF CY 2024)

Finance Manager Selamat reviewed the investment report as of September 30, 2024, 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 current market. 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. Finance Manager Selamat explained that once the fiscal year 2024 audit is complete, any fund balance over the maximum allowed per the District's Fund Balance (Reserves) policy will be brought to the finance committee and Board for

review. Any handling of excess funds will be discussed with the finance committee prior to Board discussion.

Finance Manager Selamat also presented a three-year history of quarterly yields on investments that Director Meyers had requested at the August 2024 meeting. The graph showed increasing yields over the last three years.

9. QUARTERLY REVIEW OF OMWD'S FINANCIAL REPORT - BUDGET vs. ACTUAL REPORT (1ST QTR OF FY 2025)

Finance Manager Selamat presented the Q1 Budget vs Actual report for the current fiscal period. Revenue and expenses are close to budgeted numbers with most variances being caused by timing differences. Finance Manager Selamat then presented the water sales budgeted vs actuals graph for the first 3 months of fiscal year 2025, and explained that water sales are in line with budgeted predictions. Finance Manager Selamat noted that staff will include a summary of the Budget vs Actual report and water sales graph in the Finance Committee meeting packet for review and discussion with the Committee.

Director Meyers noted that Metropolitan Water District of Southern California and San Diego County Water Authority (SDCWA) are reporting that they are currently selling less water than forecasted. Director Meyers mentioned that this may lead to higher rate increases than previously planned from the water wholesalers. Finance Manager Selamat and General Manager Thorner commented that they will continue participating in SDCWA meetings to monitor changes to future water wholesale rates.

10. ANNUAL REVIEW OF INVESTMENT AND BOARD DESIGNATED FUND BALANCES (RESERVES) POLICIES AND PROPOSED CHANGES TO THE POLICY FOR 2024

Finance Manager Selamat reported PFM Asset Management (PFM) reviewed the District's annual Investment Policy (Policy) and recommended certain updates which include: adding a mention of Government code section 16429.1 to subsection VI for consistency, and removing the language "seek to maintain a constant net asset value" from subsection VI, item L, to provide more flexibility for other types of investments, such as CAMP Term. Additionally, Staff changed any reference of "2024" to "2025" to extend the Policy through calendar year 2025.

There were no proposed changes to the Board Designated Fund Balances (Reserve) Policy.

The proposed changes to the Investment Policy were approved by the committee to be presented to the full Board.

11. RECEIVE STAFF UPDATE ON CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY FOR THE PINNACLE PROJECT (VERBAL REPORT)

The Committee received a verbal update from Finance Manager Selamat on the status of the Pinnacle Project to check the box in the 2024 annual objectives for feasibility assessment for Pinnacle Community Facilities District financing with Pinnacle's developer and California Statewide Communities Development Authority. The committee received the update with no further actions.

12. FUTURE AGENDA ITEMS/INFORMATION

No future agenda items for the next finance committee meeting were discussed.

13. ADJOURNMENT

The meeting was adjourned at 11:19am.

Memo

Date: February 10, 2025
To: Finance Committee
From: Rainy Selamat, Finance Manager
Via: Kimberly Thorner, General Manager
Subject: **QUARTERLY REVIEW OF INVESTMENTS AND CASH REPORT (4th QTR OF 2024)**

Purpose

The purpose of this agenda is to provide a report on the District’s investment activities and cash information to the Finance Committee to comply with the annual investment policy approved by the Board.

Recommendation

It is recommended that the committee review and receive the attached report as presented. The report provides documentation that the District has sufficient funds to meet the next 60 days’ obligations.

Background

The purpose of the District's Investment Policy is to identify policies and procedures that shall govern the investment of all District funds. The ultimate goal of the policy is to enhance the economic position of the District while protecting its funds. These policies have been followed in making all investment decisions on behalf of the District.

The Annual Investment Policy also states that at least once each quarter, the District's Finance Manager shall provide an oral report on the District's investments for review and discussion.

Discussion

All investments have been made in accordance with the District's Annual Statement of Investment Policy. A copy of District historic water and wastewater reserve fund balances is also provided and attached for review.

Staff will be available for discussion with the Committee during the meeting.

Attachments:

Attachment 1 - DRAFT Monthly Cash and Investment Summary Report as of December 31, 2024

Attachment 2 - Graphs showing 5-year history of reserve balances by fund

Attachment 3 - Graph showing 3-year history of quarterly yields on investments

Olivenhain Municipal Water District
MONTHLY CASH AND INVESTMENT SUMMARY
As of December 31, 2024

Active Deposits

	Book Value
Checking Accounts	\$ 4,528,444
Cash Restricted for Specific Use	447,066
Petty Cash/Disaster Preparedness	1,496
Total Active Deposits	\$ 4,977,006

Deposits Not Covered by Investment Policy

Cash with Fiscal Agents	1,903,302
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Investments	Face Value	Market Value	Current Yield	
LAIF	\$ 20,390,006	20,432,032	4.43%	\$ 20,390,006
CAMP - US Bank	25,410,704	25,410,704	4.73%	25,410,704
Money Market Funds	5,232,098	5,232,098	3.93%	5,232,098
Municipal Bonds	1,000,000	1,005,600	4.97%	1,216,760
U.S. Treasury Securities	4,500,000	4,456,430	3.71%	4,447,641
U.S. Agency Securities	32,475,000	31,680,392	2.15%	32,473,000
Total Investments	\$ 89,007,808	\$ 88,217,255	3.64%	\$ 89,170,209

Total - All Deposits/Investments**\$ 96,050,517****Maturity Analysis of Investments**

	Percent	Balance
Demand Deposits	57.2%	\$ 51,032,808
Maturity within the next two months	6.1%	5,463,163
Maturity within three months and one year	5.9%	5,216,760
Maturity beyond one year	30.8%	27,457,478
Total Investments	100.0%	\$ 89,170,209

Weighted Average Days to Maturity**217****Other Required Disclosures:**

Accrued interest receivable as of 12/31/2024 \$ 376,289

The above investments are in accordance with the portfolio limitations in the Investment Policy approved by the Board in December 2024.

The District has sufficient funds on hand to meet the next 60 days' obligations.

**Olivenhain Municipal Water District
MONTHLY INVESTMENTS DETAIL
December 31, 2024**

ACTIVE DEPOSIT

	Book Value
Checking A/C: California Bank and Trust for General Purpose	4,528,444
California Bank and Trust for Specific Purpose	447,066
Petty Cash/Disaster Preparedness	1,496
Total - Active Deposits	4,977,006

DEPOSITS NOT COVERED BY INVESTMENT POLICY

Cash with Fiscal Agents:

Union Bank - RAD 96-1 Refunding Bond	281,159
Union Bank - 2015A Refunding Bond	4,468
SRF Loan	1,608,851
Union Bank - 2016A Refunding Bond	2,282
Union Bank - 2021A WW Revenue Bond	4,034
Union Bank - 2021B Refunding Bond	2,507

Total Deposits Not Covered by Investment Policy

1,903,302

	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)													
State Local Agency Investment Fund (LAIF)													
First American Government 31846V567													
CB&T Money Market Account													

U.S. Treasury Notes/Bills

912797LR6	U.S. Treasury Bills	Aaa	-	10/08/24	01/02/25								
912797LX3	U.S. Treasury Bills	Aaa	-	10/17/24	01/09/25								
91282CBQ3	U.S. Treasury Notes	Aaa	-	03/09/21	02/28/26								
						14		3.67%	3.71%	\$ 4,456,430	\$ 4,500,000	\$ 4,447,641	

U.S. Agency Securities

3130ANGN4	FHLB Step-up Callable	Aaa	AA+	08/18/21	02/18/25	02/18/25	None	50	50	1.50%	1.51%	996,070	1,000,000	1,000,000
3130AMKE1	FHLB Callable	Aaa	AA+	05/27/21	02/27/25	02/27/25		59	59	0.66%	0.66%	994,200	1,000,000	1,000,000
3134GWAQ9	FHLMC Callable	Aaa	AA+	07/28/20	07/28/25		None	210		0.65%	0.66%	979,570	1,000,000	1,000,000
3130B3S58	FHLB Callable	Aaa	AA+	10/09/24	10/09/25			283	10	4.65%	4.65%	1,000,020	1,000,000	1,000,000
3130AKGX8	FHLB Step-up Callable	Aaa	AA+	12/15/20	12/15/25	03/15/25	06/15/25	350	75	1.50%	1.53%	1,961,040	2,000,000	2,000,000
3130AKMD5	FHLB Callable	Aaa	AA+	01/26/21	01/26/26	01/26/25		392	27	0.50%	0.52%	960,790	1,000,000	999,500
3130AKU53	FHLB Callable	Aaa	AA+	01/28/21	01/28/26	11/28/25		394	333	0.52%	0.54%	960,830	1,000,000	1,000,000
3130AKN69	FHLB Callable	Aaa	AA+	01/28/21	01/28/26	01/28/25		394	29	0.50%	0.52%	960,620	1,000,000	1,000,000
3130AKVN3	FHLB Callable	Aaa	AA+	01/29/21	01/29/26	01/29/25		395	30	0.52%	0.54%	960,730	1,000,000	1,000,000
3130AKWK8	FHLB Callable	Aaa	AA+	02/12/21	02/12/26	02/12/25		409	44	0.51%	0.53%	959,250	1,000,000	1,000,000
3130AKX43	FHLB Step-up Callable	Aaa	AA+	02/24/21	02/24/26	02/24/25	None	421	56	0.70%	0.73%	1,918,560	2,000,000	2,000,000
3130AL7M0	FHLB Callable	Aaa	AA+	02/24/21	02/24/26	02/24/25		421	56	0.63%	0.65%	959,070	1,000,000	1,000,000
3130AKYR1	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	02/25/25		422	57	0.55%	0.57%	958,360	1,000,000	1,000,000
3130AL6K5	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	02/25/25		422	57	0.58%	0.60%	958,690	1,000,000	1,000,000
3130ALD76	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	02/25/25		422	57	0.70%	0.73%	960,020	1,000,000	1,000,000
3130ALCW2	FHLB Callable	Aaa	AA+	02/25/21	02/25/26	02/25/25		422	57	0.63%	0.65%	959,190	1,000,000	998,500
3130ALGJ7	FHLB Callable	Aaa	AA+	03/23/21	03/23/26	01/23/25		448	24	1.00%	1.04%	936,322	975,000	975,000
3130B2RS6	FHLB Callable	Aaa	AA+	09/27/24	03/27/26	03/27/25		452	87	4.33%	4.34%	998,650	1,000,000	1,000,000
3130ALPQ1	FHLB Step-up Callable	Aaa	AA+	03/30/21	03/30/26	03/30/25	03/30/25	455	90	1.50%	1.55%	970,490	1,000,000	1,000,000
3130ALVCS	FHLB Step-up Callable	Aaa	AA+	04/14/21	04/14/26	01/14/25	04/14/25	470	15	1.50%	1.55%	969,280	1,000,000	1,000,000
3130B3YT4	FHLB Callable	Aaa	AA+	12/06/24	06/05/26	03/05/25		522	65	4.55%	4.55%	999,340	1,000,000	1,000,000
3130B44P3	FHLB Callable	Aaa	AA+	12/12/24	06/12/26	03/12/25		529	72	4.50%	4.51%	1,498,200	1,500,000	1,500,000
3130APAY1	FHLB Callable	Aaa	AA+	10/21/21	10/21/26	01/21/25		660	22	1.10%	1.16%	944,510	1,000,000	1,000,000
3130APL78	FHLB Callable	Aaa	AA+	10/28/21	10/28/26	01/28/25		667	29	1.38%	1.45%	948,630	1,000,000	1,000,000
3130B2DX0	FHLB Callable	Aaa	AA+	08/27/24	11/27/26	Anytime		697	1	4.55%	4.57%	996,380	1,000,000	1,000,000
3130B1TA5	FHLB Callable	Aaa	AA+	07/09/24	07/09/27	07/09/25		921	191	5.20%	5.19%	1,002,280	1,000,000	1,000,000
3130B3PL1	FHLB Callable	Aaa	AA+	11/15/24	11/15/27	05/15/25		1,050	136	4.88%	4.88%	999,410	1,000,000	1,000,000
3130B2N43	FHLB Callable	Aaa	AA+	09/10/24	09/10/29	09/10/26		1,715	619	4.00%	4.10%	975,790	1,000,000	1,000,000
3130B2NM3	FHLB Callable	Aaa	AA+	09/17/24	09/17/29	03/17/25		1,722	77	4.92%	4.93%	997,040	1,000,000	1,000,000
3130B3BF9	FHLB Callable	Aaa	AA+	10/16/24	10/11/29	04/11/25		1,746	102	4.90%	4.91%	997,060	1,000,000	1,000,000
								571	86	2.09%	2.15%	\$ 31,680,392	\$ 32,475,000	\$ 32,473,000

Municipal Bonds

882724RA7	TEXAS ST PUB FIN AUTH	Aaa	AAA	10/30/20	10/01/25			275		5.00%	4.97%	1,005,600	1,000,000	1,216,760
								10		5.00%	4.97%	\$ 1,005,600	\$ 1,000,000	\$ 1,216,760
Total Investments								217		3.60%	3.64%	\$ 88,217,255	\$ 89,007,808	\$ 89,170,209

TOTAL - ALL DEPOSITS AND INVESTMENTS

\$ 96,050,517

**Olivenhain Municipal Water District
INVESTMENTS TRANSACTION
December 31, 2024**

PURCHASED

DATE				Investment Description	Stated	Current	Face Value	Book Value
Purchase	Maturity	Call	Step-Up		Coupon	Yield		
10/01/24	12/31/24			U.S. Treasury Bills	4.552%	4.587%	2,000,000	1,977,556
10/08/24	01/02/25			U.S. Treasury Bills	4.584%	4.620%	1,500,000	1,483,973
10/09/24	10/09/25	01/09/25		FHLB Callable	4.650%	4.660%	1,000,000	1,000,000
10/16/24	10/11/29	04/11/25		FHLB Callable	4.900%	4.903%	1,000,000	1,000,000
10/17/24	11/13/24	None		FHLB Callable	5.250%	5.249%	1,000,000	1,000,275
10/17/24	01/09/25			U.S. Treasury Bills	4.569%	4.608%	2,000,000	1,979,190
11/15/24	11/15/27	05/15/25		FHLB Callable	4.875%	4.878%	1,000,000	1,000,000
12/06/24	06/05/26	03/05/25		FHLB Callable	4.550%	4.553%	1,000,000	1,000,000
12/12/24	06/12/26	03/12/25		FHLB Callable	4.500%	4.505%	1,500,000	1,500,000

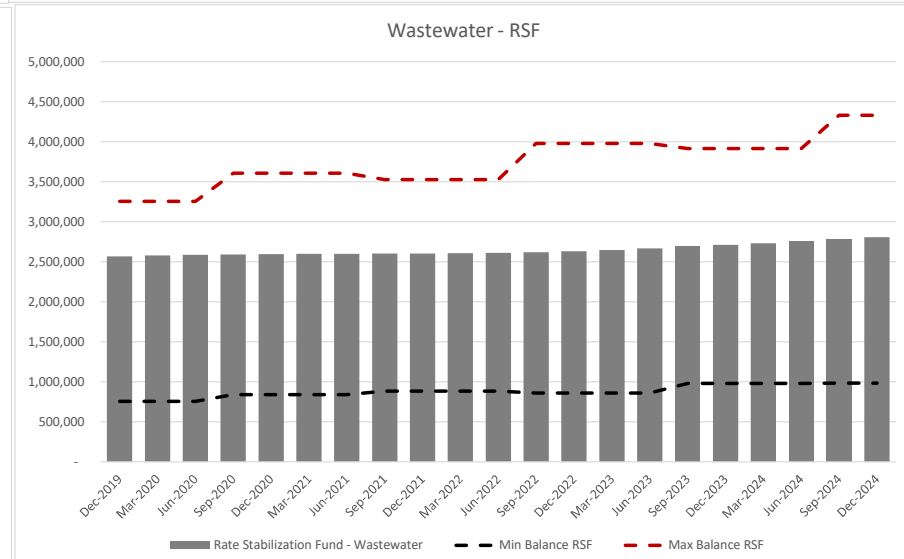
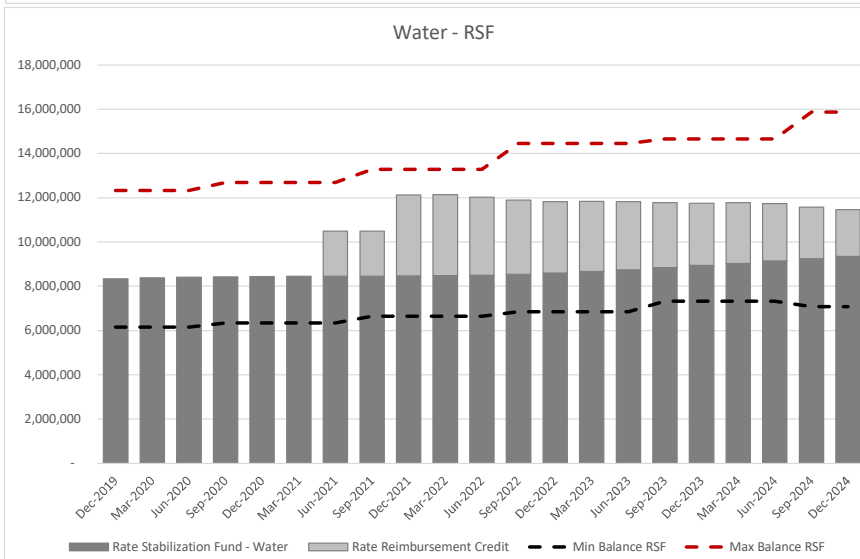
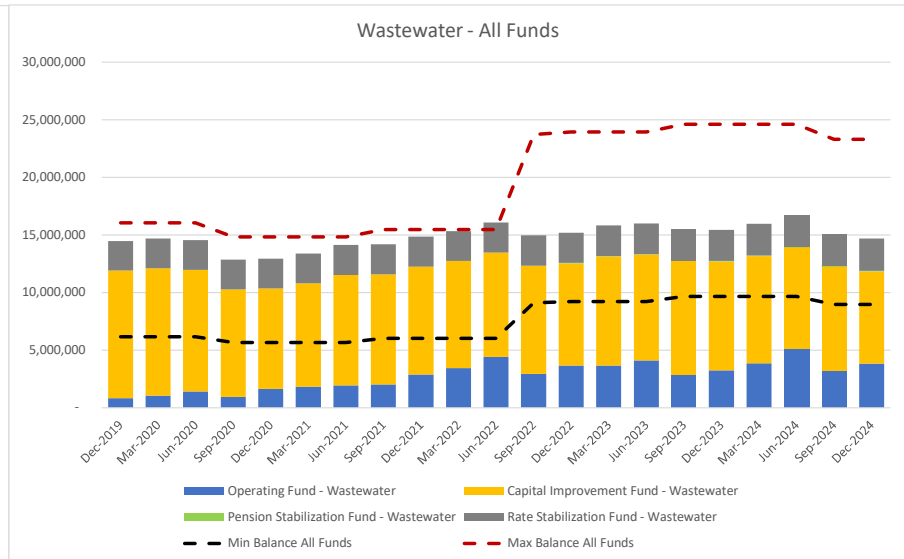
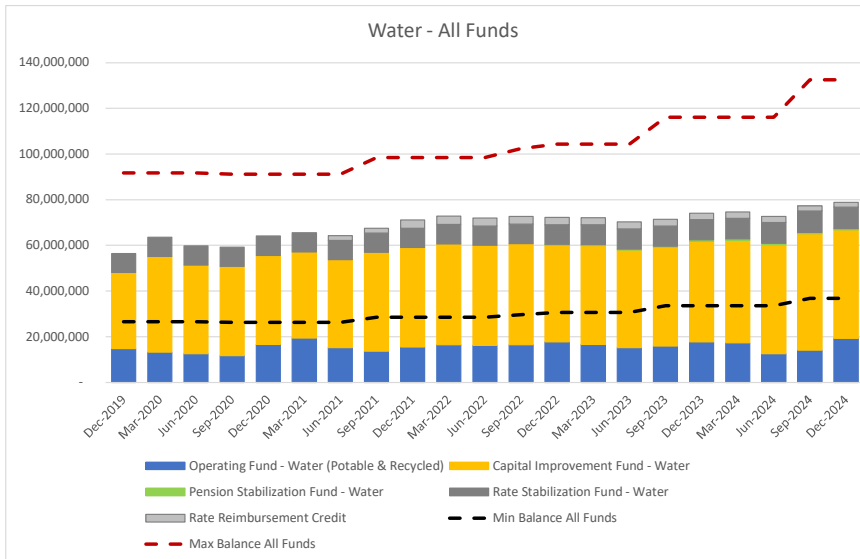
MATURED / REDEEMED / CALLED

DATE				Investment Description	Stated	Current	Face Value	Book Value
Redemption	Maturity	Call	Step-Up		Coupon	Yield		
10/03/24	10/03/24			U.S. Treasury Bills	5.311%	5.312%	1,500,000	1,462,852
10/08/24	10/08/24			U.S. Treasury Bills	5.275%	5.280%	1,000,000	986,457
10/10/24	02/10/26	10/10/24		FHLB Callable	5.250%	5.262%	1,000,000	1,000,000
10/17/24	10/17/24			U.S. Treasury Bills	5.321%	5.332%	4,000,000	3,925,885
10/17/24	10/17/24	None		FHLB Callable	0.500%	0.501%	1,000,000	1,000,000
10/17/24	04/17/29	10/17/24		FHLB Callable	6.000%	5.997%	1,000,000	1,000,000
11/04/24	11/04/24	Anytime		FHLB Callable	0.430%	0.430%	2,000,000	2,000,000
11/12/24	08/12/26	11/12/24		FHLB Callable	5.200%	5.202%	1,000,000	1,000,000
11/13/24	11/13/24	None		FHLB Callable	5.250%	5.249%	1,000,000	1,000,275
11/14/24	08/14/26	11/14/24		FHLB Callable	5.150%	5.154%	1,000,000	1,000,000
11/20/24	11/20/26	11/20/24		FHLB Callable	5.500%	5.501%	1,000,000	1,000,000
11/21/24	11/21/24			U.S. Treasury Bills	5.076%	5.089%	1,900,000	1,876,256
11/29/24	11/29/24			U.S. Treasury Bills	5.023%	5.041%	2,000,000	1,976,938
12/05/24	12/05/24			U.S. Treasury Bills	5.021%	5.023%	1,000,000	987,638
12/12/24	12/12/24			U.S. Treasury Bills	4.759%	4.765%	1,911,000	1,888,914
12/31/24	12/31/24			U.S. Treasury Bills	4.552%	4.569%	2,000,000	1,977,556
12/11/24	06/11/26	12/11/24		FHLB Callable	5.350%	5.348%	1,000,000	1,000,000

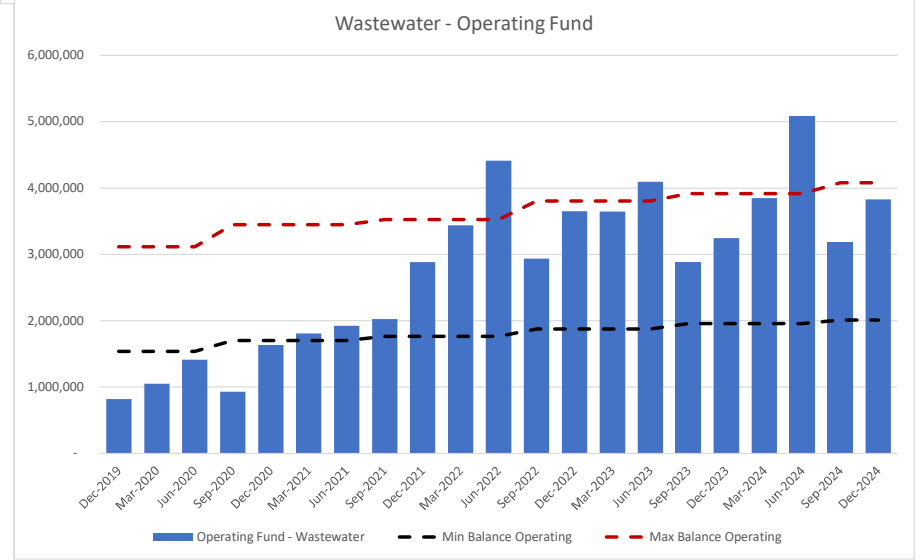
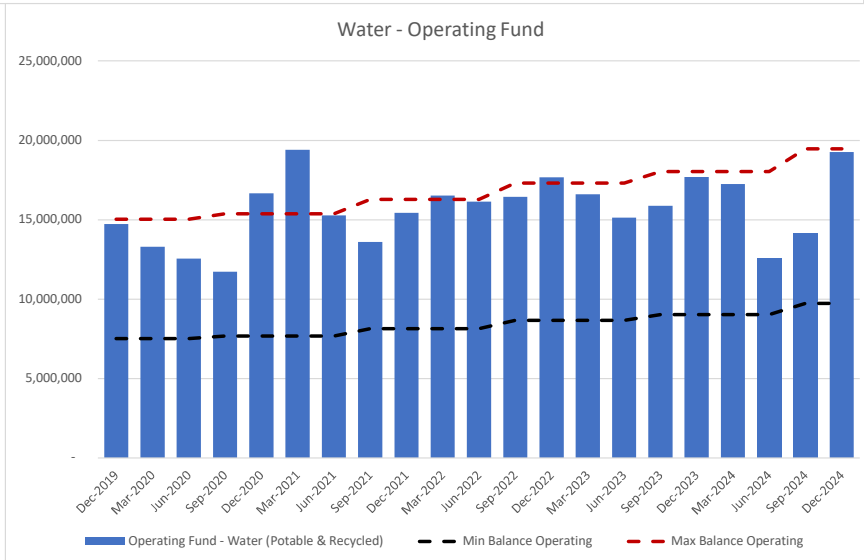
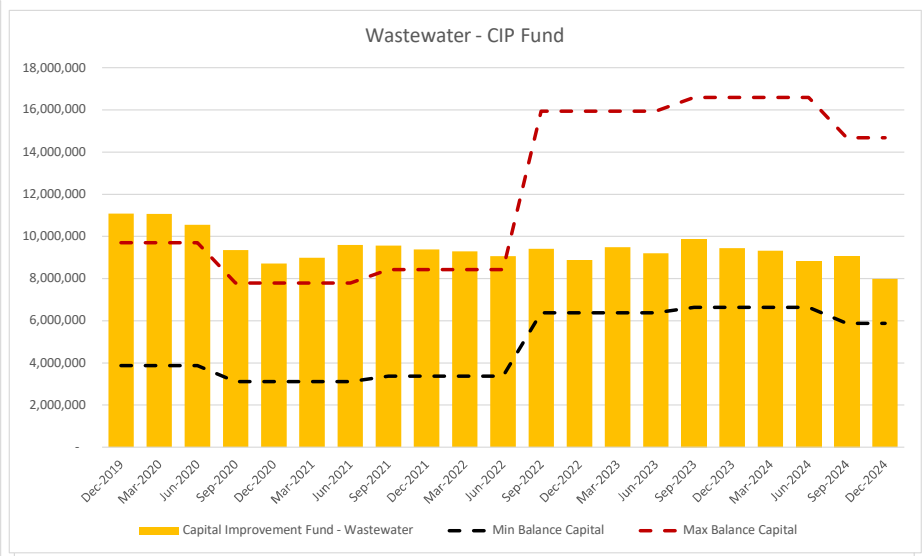
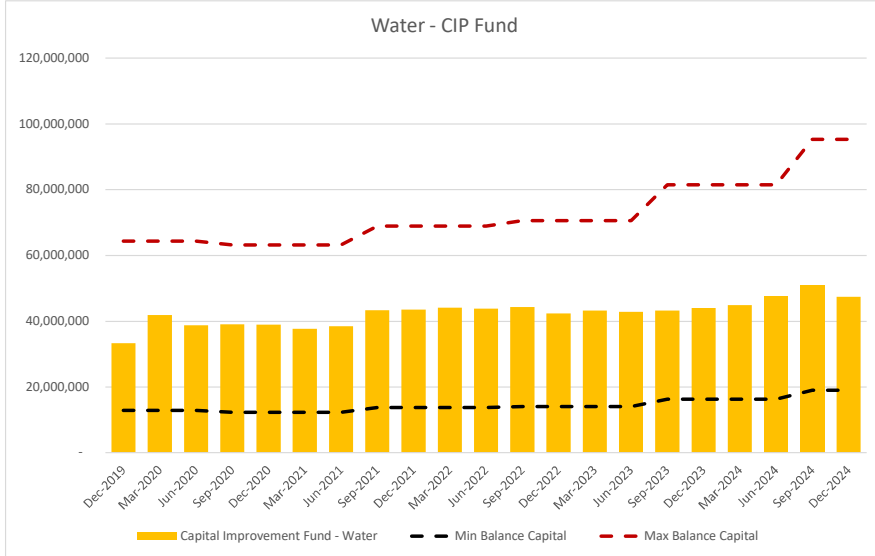
Olivenhain Municipal Water District
UNAUDITED CASH POSITION BY FUNDING SOURCES
As of December 31, 2024

<u>Water Funds (Potable & Recycled)</u>		<u>Balance</u>
10050-100	Cash - Petty Cash Fund	1,496
10010-100	Cash - Operating Fund	19,249,722
10030-100	Cash - Capital and Equipment Fund	40,506,095
10040-100	Cash - Rate Stabilization Fund	11,460,791
10080-100	Cash - Pension Stabilization Fund	689,744
10060-100	Cash - Deposit Work for Other	138,431
14000-500	Restricted Cash - Capacity Fee Fund	6,964,368
Total Water Funds (Potable & Recycled)		<u>79,010,648</u>
<u>Wastewater Funds</u>		
10010-110	Wastewater - Operating Fund	3,828,367
10030-110	Wastewater - Capital Replacement Fund	7,992,812
10040-110	Wastewater - Rate Stabilization Fund	2,806,537
10080-110	Cash - Pension Stabilization Fund	61,785
Total Wastewater Funds		<u>14,689,501</u>
<u>Non Fiscal Agent Debt Service Cash</u>		
14020-570	Cash non-agent - RAD 96-1	435,865
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>447,066</u>
<u>Debt Service Funds</u>		
14030-510	SRF Loan - Fiscal Agent	1,608,851
14105-570	Redemption fund - RAD 96-1	230,404
14110-570	Reserve fund - RAD 96-1	50,755
14100-561	Redemption fund - Bond 2015A	4,468
14100-581	Redemption fund - Bond 2016A	2,282
14100-521	Redemption fund - Bond 2021A	4,034
14100-522	Redemption fund - Bond 2021B	2,507
Total Debt Service Funds		<u>1,903,302</u>
 TOTAL FUND BALANCES		 <u><u>96,050,517</u></u>

5 Year History of OMWD Fund Balances by Quarter

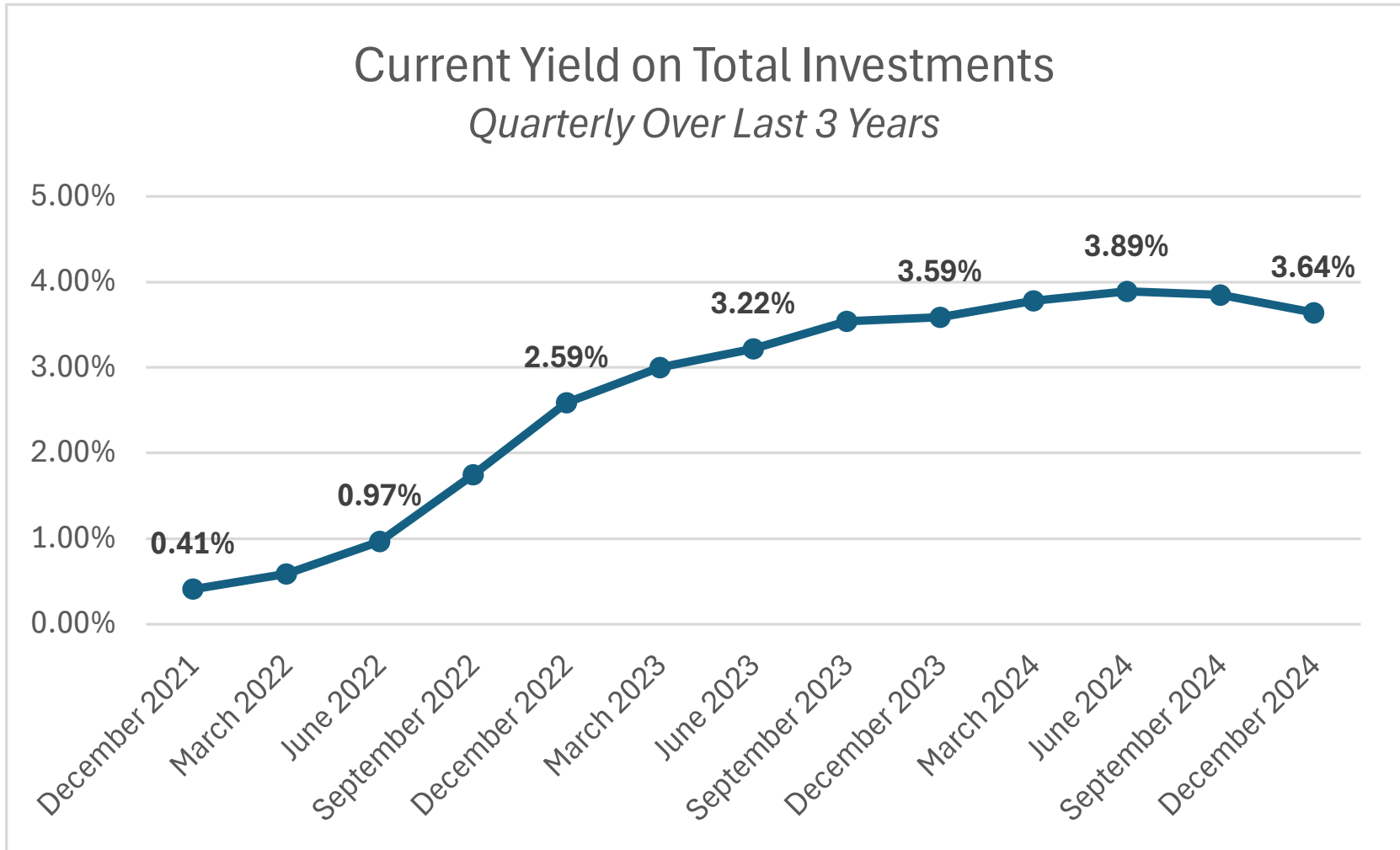


5 Year History of OMWD Fund Balances by Quarter



Notes to fund balance graphs above:

Quarterly fund balances in these graphs may exceed the maximum threshold set in the District's Reserves Policy due to the timing of cash receipts and expenditures. In November, after the District's financial audit is completed, fund balances will be reviewed with the finance committee and reported to the full Board. Any excess over the maximum set in the District's Reserve Policy, at that time, will be reported and any handling of excess funds will be discussed with the Finance Committee.



Memo

Date: February 10, 2025
To: Finance Committee
From: Rainy Selamat, Finance Manager
Via: Kimberly Thorner, General Manager
Subject: **REVIEW OF OMWD FINANCIAL REPORTS – BUDGET VS. ACTUAL REPORT (2nd QUARTER OF FY 2025) AND HISTORICAL BUDGETED VS. ACTUAL WATER SALES**

The purpose of this agenda item to review the most recent quarterly Budget vs. Actual financial report with the Finance Committee. Staff will review the attachments with the committee and will be available to answer any questions.

Attachments:

- Attachment 1** – Budget Vs. Actual Report (2nd Quarter of FY 2025)
- Attachment 2** – Historical Budgeted vs. Actual Water Sales

	Approved Budget	Actual YTD	Budget YTD	Variance Amt	Variance %	Notes
Operating Revenues						
Commodity Water Sales	\$46,817,000.00	\$29,039,428.74	\$27,670,900.00	\$1,368,528.74	4.9%	1
Water Fees and Services	19,701,000.00	9,735,029.82	9,850,500.00	(115,470.18)	(1.2%)	
Wastewater Revenue	5,725,000.00	1,755,146.17	1,651,100.00	104,046.17	6.3%	2
Total Operating Revenues	72,243,000.00	40,529,604.73	39,172,500.00	1,357,104.73	3.5%	
Operating Expenses						
Purchased Water - Variable	27,264,000.00	15,881,490.27	16,865,500.00	984,009.73	5.8%	3
Purchased Water - Fixed	9,593,000.00	4,548,150.00	4,552,600.00	4,450.00	0.1%	
General Manager Dept	2,232,000.00	1,075,772.80	1,116,060.00	40,287.20	3.6%	4
Engineering Dept	2,577,000.00	1,160,123.29	1,288,020.00	127,896.71	9.9%	4
Finance Dept	1,875,000.00	952,609.21	937,980.00	(14,629.21)	(1.6%)	4
Customer Service Dept	3,226,500.00	1,499,818.81	1,614,138.00	114,319.19	7.1%	4
Human Resources Dept	878,000.00	442,359.07	439,098.00	(3,261.07)	(0.7%)	4
Water Operations and Maintenance Dept	13,026,000.00	5,894,959.90	6,515,274.00	620,314.10	9.5%	4
Parks Dept	542,800.00	266,492.01	272,076.00	5,583.99	2.1%	4
Other Operating Expenses	50,000.00		25,200.00	25,200.00	100.0%	
Wastewater Operations and Maintenance Dept	3,397,000.00	1,624,929.95	1,700,172.00	75,242.05	4.4%	4
Recycled Water Operations Dept	1,252,500.00	614,378.62	625,260.00	10,881.38	1.7%	4
Paygo Transfers						
Water Operations	5,382,000.00	2,694,000.00	2,694,000.00		0.0%	
Wastewater Operations	3,245,000.00	1,620,000.00	1,620,000.00		0.0%	
Recycled Operations	1,700,000.00	852,000.00	852,000.00		0.0%	
Capitalized Operations Expenditures	(1,969,700.00)	(647,106.63)	(984,360.00)	(337,253.37)	34.3%	5
Total Operating Expenses	74,271,100.00	38,479,977.30	40,133,018.00	1,653,040.70	4.1%	
Net Operating Income (Loss)	(2,028,100.00)	2,049,627.43	(960,518.00)	3,010,145.43		
Nonoperating Revenues						
Water Funds	7,289,000.00	3,667,953.29	3,293,020.00	374,933.29	11.4%	6
Debt Service Funds	1,057,000.00	355,977.94	346,880.00	9,097.94	2.6%	6
Wastewater Funds	145,000.00	109,317.90	72,600.00	36,717.90	50.6%	6
Recycled Water Funds	342,000.00	137,772.08	171,000.00	(33,227.92)	(19.4%)	6
Total Nonoperating Revenue	8,833,000.00	4,271,021.21	3,883,500.00	387,521.21	10.0%	
Nonoperating Expense						
Capacity Fee Funds	30,000.00	24,839.91	14,880.00	(9,959.91)	(66.9%)	
Debt Service Funds	1,242,400.00	523,161.07	622,020.00	98,858.93	15.9%	7
Potable Water Funds	748,000.00	527,210.34	457,800.00	(69,410.34)	(15.2%)	8
Total Nonoperating Expense	2,020,400.00	1,075,211.32	1,094,700.00	19,488.68	1.8%	
Inc before Cap Fees and Capital Contributions	4,784,500.00	5,245,437.32	1,828,282.00	3,417,155.32		
Capacity Fee Funds	1,457,000.00	664,849.38				
Capital contributions	1,772,000.00	9,424.02				
Change in Net Position		5,919,710.72				

OLIVENHAIN MUNICIPAL WATER DISTRICT
Actual vs Budget Variance
For the Six Months Ending 12/31/2024

1. Water Sales revenue was higher than Budget YTD by approximately \$1.37 million resulting in a favorable variance of 4.9% due to the timing of unbilled water estimates and slightly higher actual water sales over budgeted. Customers' total water usage through December was 161 acre feet, or 1.4%, more than Budget YTD.
2. Wastewater Revenue was greater than Budget YTD due to timing. 4S Ranch and Rancho Cielo Sanitation Districts' wastewater service fees are collected on the County's tax roll when customers pay their property tax to the County. Actual YTD wastewater service revenue will be closer to the Budget YTD amount as the year progresses.
3. Purchased water variable expenses were lower than the Budget YTD for a favorable variance of \$984 thousand or 5.8%. This is primarily due to the timing of the final take or pay amount owed to the City of San Diego per the recycled water agreement which is included in Budget YTD but not yet paid to the City, and the timing of treated water purchases included in Budget YTD which assumed additional cost is incurred evenly throughout the year.
4. 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.
5. Actual Capitalized Operating Expenses were lower than the Budget YTD amount due to the timing of capitalized labor spent on District projects. The Budget YTD amount assumes expenditures are incurred evenly throughout the year.
6. Actual Non-operating Revenues – Water Funds, Debt Service Funds, Wastewater Funds, and Recycled Water Funds were overall greater than Budget YTD for a positive variance due to higher interest income earned on short-term investments over budgeted returns and by the timing of property tax revenues received from the County. This is partially offset by the timing of proceeds from the sale of the District's Wiegand parcels included in the budget.
7. Actual Non-operating Expenses - Debt Service Funds were lower than the Budget YTD amount for a positive variance because amortization of the issuance premium is not included in the 2015A Bonds interest expense.
8. Actual Non-operating Expenses – Potable Water Funds were greater than Budget YTD for a negative variance primarily due to grant administrative expenses being reclassified to Non-Operating Expenses rather than Customer Service departmental operating where originally budgeted.

