

Year in Review

2020

Vallecitos Water District

Your water and wastewater specialists, providing clean, safe, and reliable drinking water.





2020 Board of Directors



**Betty Evans,
President
Division 1**



**Mike Sannella,
Vice President
Division 4**



**Jim Hernandez,
Division 2**



**Craig Elitharp,
Division 3**



**Hal Martin,
Division 5**

Committed to service and environmental excellence

Since 1981 Vallecitos has been one of the region's leading recycled water producers, now recycling up to 74 percent of the wastewater generated in its service area.

Looking up to a higher standard of excellence 24/7

Our crews are available 24 hours, 7 days a week to ensure that you always have reliable water and sewer service.

Conserving resources today for availability tomorrow

As natural resources become more limited, Vallecitos has increased recycled water capacity and created the region's first sustainable demonstration garden.

Certified to serve you

Vallecitos field staff are certified by the State of California to make them that much more capable of providing the reliable service our customers have come to expect.

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Quality assured to deliver a passing grade

Your water is securely delivered and put through thousands of tests annually and consistently meets or exceeds all federal and state drinking water standards.

Less is more

Saving water can benefit two places: the environment and your pocketbook! Experience an elevation in conservation with cutting-edge conservation programs.



General Manager's Message

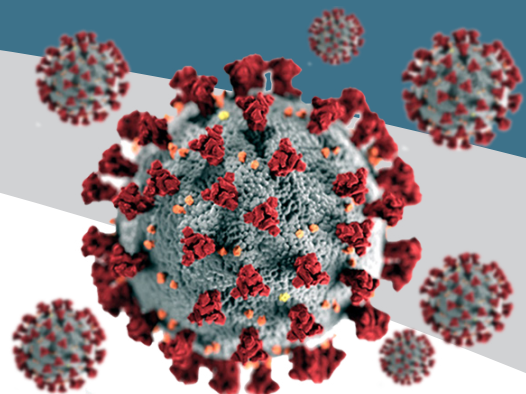
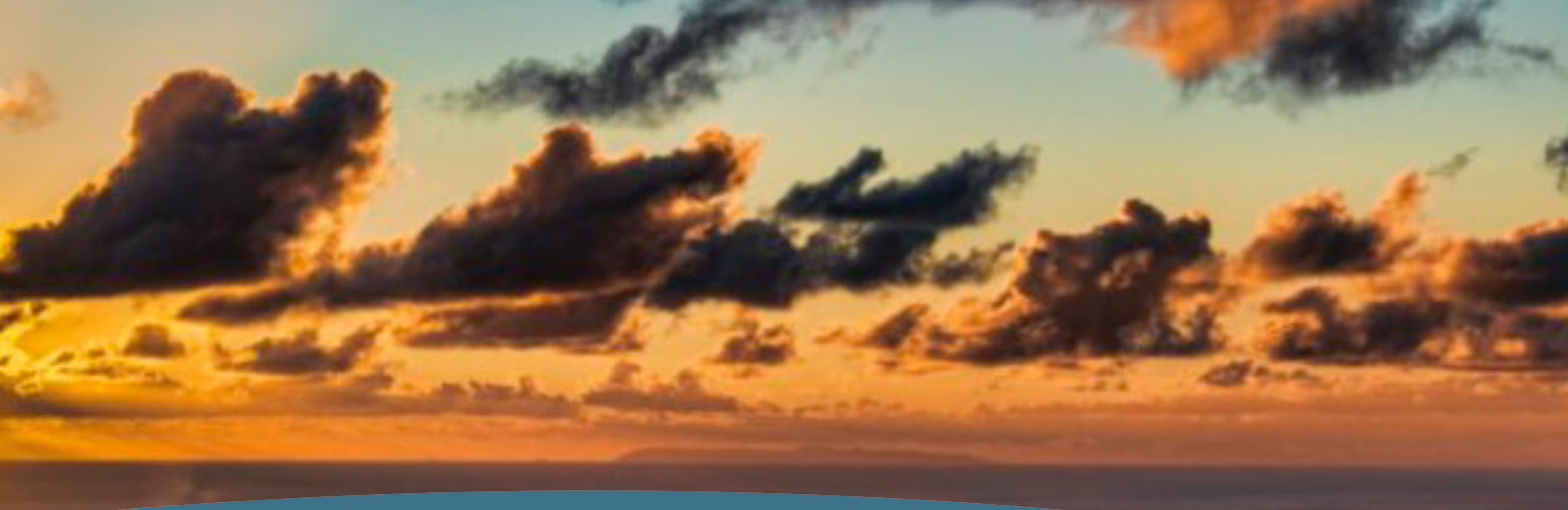
The year 2020 may be coming to an end, but the challenges we faced this year continue — the COVID19 pandemic, the associated economic fallout, and wildfires throughout the west coast, just to name a few. These challenges also produced collateral impacts to the District, including: safety protocols, staffing concerns, financial impacts to both Vallecitos and our customers, as well as rolling blackouts.

I'm happy to report that Vallecitos endured. From the moment the first lockdowns were required in the spring, our Board and management team implemented a plan to keep the water and wastewater systems operational.

ADAPTING TO CHANGE

Staff implemented safety protocols to keep crews healthy, distant and safe. Our finance team developed new ways to accept customer payments and implemented a policy to forego water shut-offs for non-payment. They also reviewed revenues and expenses and made swift budget adjustments.

Our Information Technology staff found ways for our staff to work from home using virtual private networks. Maintenance staff modified work stations and installed temperature check points. Our Board of Directors moved our meetings online.



In implementing these many changes, I'm most proud of our ability to adapt and adjust to change. You can't build an adaptable organization without adaptable people--and our staff found ways to adjust. Further, staff were able to reassure our customers, during the middle of a pandemic, that their drinking water was safe to use for all purposes. In keeping the water flowing, Vallecitos was a key component of pandemic hygiene, by providing reliable water service for handwashing at both residential homes and commercial businesses and restaurants, as well as hospitals and medical clinics.

Separate from the pandemic, Vallecitos had a productive year, including:

- Winning the H.R. LaBounty Safety Award (article on page 8)
- Using innovative technology to improve recycled water quality (article on page 10)
- Installing solar panels on District property (article on page 11)
- Winning two financial awards (article on page 12)

As we look forward to a safe and healthy 2021, I would like to acknowledge the Vallecitos Board of Directors for their outstanding leadership. Two of our Board members are moving on to new chapters in their lives: Division 1 Director Betty Evans and Division 5 Director Hal Martin. I also want to welcome incoming Division 1 Director Jim Pennock and Division 5 Director Tiffany Boyd-Hodgson, Ph.D. Finally, I want to thank all our employees for carrying forth the District's ongoing commitment to the communities we serve through these difficult times.

Glenn Pruim

About Vallecitos

Service Area:

The District's service area is 45-square miles providing water, sewer, and reclamation services to a population of more than 105,000 residents of San Marcos, Lake San Marcos, portions of Carlsbad, Escondido, Vista and unincorporated communities.

- 364 miles of water pipes
- 11 water pumping stations
- 19 water storage reservoirs
- 279 miles of sewer pipeline
- 4 sewer lift stations
- 1 water reclamation facility
- Twin Oaks Reservoir #1
- Twin Oaks Reservoir #2

ORGANIZATIONAL VALUES

INTEGRITY

Honest and ethical policies, communication and actions.

RESPECT

Appreciate differences in background, opinion and approach, and acknowledge with high regard.

TRUST

Our actions and words inspire fairness and support.

LOYALTY

Dedicated to the Public, the District and its employees.

RESPONSIBILITY

Demonstrate prudent use of all public and environmental resources.

PROFESSIONALISM

Conduct interactions in a courteous and respectful manner and be accountable for personal actions and decisions.





MISSION STATEMENT

The mission of Vallecitos Water District is to serve as water and wastewater specialists, providing exceptional and sustainable services.

How do we achieve our mission?

Supporting and retaining highly trained staff that is knowledgeable, engaged, team-oriented and responsive to the community and other agencies.

Providing continuous outreach and education to our customers on issues and topics that impact the services we provide and our role as water and wastewater specialists.

Proactively, innovatively, and continuously improving the quality and efficiency of our operations and service.

Providing support for the good of the region to remain a respected and active industry partner.

Vallecitos Recognized for Best Safety Practices

Vallecitos Water District was among 16 California water agencies honored by the Association of California Water Agencies Joint Powers Insurance Authority with the H.R. LaBounty Safety Award. Vallecitos won its award for its Confined Space Rescue Training coordinated with several regional fire agencies in November 2019.

Vallecitos Water District wanted to heighten safety awareness and improve procedures in its confined space entry and rescue during real-world situations. It took on a high level of coordination to bring in fire department personnel to conduct 12 days of joint training.

Fire department crews participating were from the cities of Carlsbad, San Marcos, Del Mar, Vista, Escondido, Oceanside, Encinitas, Solana Beach, Rancho Santa Fe, Valley Center, and crews from North County Fire (Fallbrook), San Pasqual, Rincon, and Camp Pendleton. As a result of training, personnel were able to reduce potential hazards conducting entry into confined spaces, perform personnel rescues, and better manage hazardous materials present (gaseous chlorine).

“Vallecitos is top notch when it comes to safety training and we look forward to more training like this in the future.”

- JOHN BROOKS
Battalion Chief Training
& Safety



Vallecitos crews rehabilitate manhole, protecting the environment

Vallecitos Water District crews sprang into action to repair and rehabilitate a manhole in danger of failing, successfully preventing a spill, which could have resulted in significant environmental damage.

Located just off Palomar Airport Road in a shared 30-foot easement with the Buena Sanitation District in Carlsbad, the manhole is part of a 30-inch outfall providing a main sewage drain for the City of San Marcos. The line feeds directly into the Encina Wastewater Treatment plant a half-mile from the project site.

Instead of replacing the manhole, the District used a polymer concrete replacement product to build a new manhole within the old manhole. As a result, no excavation was needed. Unlike regular concrete, the new material is corrosion-proof and should provide District customers in San Marcos with many years of reliable service while protecting the environment.

The Encinas Creek HCA is also part of the City of Carlsbad's habitat management preserve. It includes riparian habitat and is known to be home to state and federally protected species. The Center for Natural Lands Management works to protect the property from trespassing, nonnative invasive plant and animal species, and other issues.



INNOVATIVE STORIES

Vallecitos WD featured stories on [WaterNewsNetwork](#)

FEATURE STORY

Vallecitos
uses
innovative
technology
to monitor
water
quality

The Vallecitos Water District is known for its sustainable practices in water and wastewater treatment processes, without any compromise in water quality. The District is now using a new ultrasound technology to address water quality at the Stanley A. Mahr Reservoir with a reduced need for chemical treatment.

Mahr Reservoir was completed in 1981. Originally called La Costa Storage No. 1 Dam and Reservoir, it was renamed after the District's original founder, 35-year board member Stanley A. Mahr. It stores up to 54 million gallons of reclaimed water to be used later for irrigation. The District has contracts with the City of Carlsbad and Olivenhain Municipal Water District to provide water as needed, as much as five million gallons of recycled water daily.

Because the reservoir's location receives intense sunlight with little rain, algal blooms can occur in the nutrient-rich recycled water. The most common method of treating algal blooms is with harmful chemicals. They are costly and labor-intensive.

The District instead uses technology developed by the international company LG Sonic, which provides a complete overview of the water quality allowing swift identification and treatment of algal blooms.



FEATURE STORY

Solar Project saves energy and reduces costs for Vallecitos

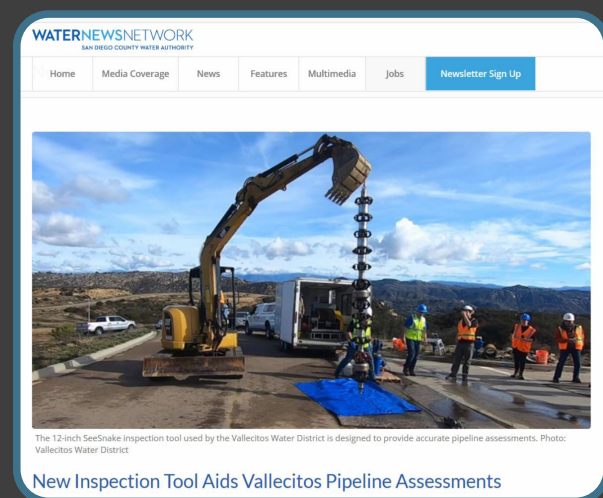
In 2017, the Vallecitos Water District Board of Directors agreed to pursue development of District-wide renewable solar power sources using existing District-owned open space to benefit the District and its customers. The District worked with solar consultant Terra Verde Renewable Partners to evaluate and study the feasibility of up to three solar port locations. Two projects are now nearing completion; two arrays at the pair of Vallecitos owned potable water reservoirs in Twin Oaks, and an array at the (sewer) Lift Station #1, located on San Marcos Boulevard.

The projects are structured under a Power Purchase Agreement. A solar provider designs, builds, and maintains the solar systems for 25 years. The District receives a reduced electricity fixed rate from SDG&E over the 25-year term at the District's 13 highest use meters. The District will become owners of the solar system after the 25-year Power Purchase Agreement (PPA) term expires. A zero dollar capital investment is required from the District under the PPA.

"The project is a great benefit to Vallecitos customers and the environment," said Ryan Morgan, Capital Facilities Senior Engineer. "Through our export of power into the SDG&E power grid, we receive bill credits and tax credits on these power exchanges. The District executed the PPA approximately one month before the maximum tax credit from the Federal government expired (end of 2019) on the solar panel equipment purchase, providing maximum financial benefit in the form of a tax credit. The District benefits directly through reduced power costs, and that cost savings is passed down to the customer in reduced water and sewer rate increases along with localized capacity increases to the power grid using renewable solar resources."



Inspection tool story 11th top story of 2020 on WaterNewsNetwork



FINANCIAL STATUS

Prudent financial planning and reasonable assumptions in an uncertain global environment result in Fitch Ratings recently reaffirming Vallecitos Water District's credit rating of 'AA+', with a "Stable Outlook" into the foreseeable future.

Fitch's analysis determined the factors for the favorable rating to be:

- Very strong revenue defensibility
- Low operating risk profile
- Favorable service area
- Affordable rates
- Sound debt coverage and liquidity levels

Vallecitos' rating was bolstered by an informed forecast pointing to continued solid performance. The AA+ rating is a testament to the actions taken by the Vallecitos Board to ensure that Vallecitos is properly run financially.

Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to Vallecitos Water District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. The Comprehensive Annual Financial Report has been judged by an impartial panel to meet the high standards of the program, which includes demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential users and user groups to read the Comprehensive Annual Financial Report.

The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

A circular graphic with a white border containing a background image of water splashing. The text is centered within the circle.

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Vallecitos Water District
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

HAZARDOUS MATERIALS RESPONSE TEAM

To protect its employees, members of the public, and the environment from any accidental chemical releases or exposure, the Vallecitos Water District has established its own internal Hazardous Materials Response Team or HAZMAT team. Maintaining its own internal team allows a 24-hour response capability.

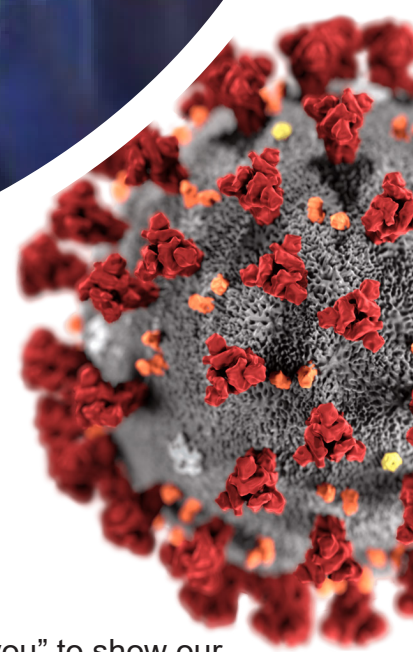
Common hazardous chemicals play vital roles in the water and wastewater industry for disinfection and odor control. They are also used in fueling and maintaining agency vehicles, generators, pumps, and motors.

A HAZMAT team is an organized group of professionals who receive special training to handle hazardous materials or dangerous goods. A HAZMAT team responds to oil, chemical and other liquid spills, industrial and military explosions and accidents during transportation, and similar incidents.

The Vallecitos Water District HAZMAT team consists of 20 members from different departments. They complete U.S. Occupational Safety and Health Administration Hazardous Waste Operations and Emergency Response training, which provides a set of guidelines regulating hazardous water waste operations and emergency services in the U.S.

When an emergency call requires HAZMAT team response, individual members move from their regular job assignments to the HAZMAT Response Trailer. The team then mobilizes to the site of the emergency.





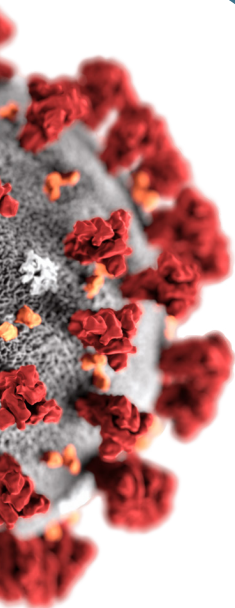
Vallecitos Social Media

SOCIAL MEDIA – A CRUCIAL LINE OF COMMUNICATION DURING THE PANDEMIC

Through the years, the District has had an active social media presence, and during the pandemic was no different. With residents at home more and thirsty for information, the District kept them up-to-date about the many issues that may have affected them during this time, such as bill payment assistance, local assistance resources, the safety of Vallecitos' drinking water, and what District employees were doing during this time. The overarching communication theme during the pandemic

was, "We're here for you" to show our residents that just because our lobby was closed, we are still providing the same exceptional water and wastewater services to our customers that they've come to expect.

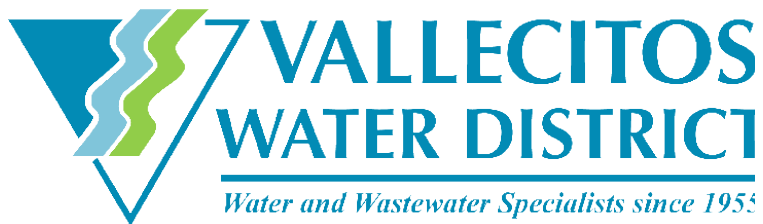
One social media post that performed well during the pandemic highlighted some of the staff's children during the stay-at-home order. A light-hearted video was made featuring these junior water and wastewater specialists informing the




public about how the staff was still working hard for them and our customer service staff was available to help. It also used humor to convey that the many items that people were flushing during the “toilet paper shortage of 2020” should not go down the drain. The video garnered close to 5,700 impressions with approximately 200 people engaging with the posts.

Another post that performed well during this time recognized all of the water and waste-

water workers across the nation that were working hard behind-the-scenes to keep everyone’s water and wastewater flowing. This post was the District’s most popular tweet of 2020, garnering more than 8,250 impressions and 129 engagements on Twitter. Ninety-seven Facebook users engaged with the post, which received more than 1,000 impressions, showing support for the unsung heroes of the water industry.



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Vallecitos Water District