

AGENDA FOR A REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE VALLECITOS WATER DISTRICT  
WEDNESDAY, JULY 20, 2022, AT 5:00 P.M.  
AT THE DISTRICT OFFICE  
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

CALL TO ORDER – PRESIDENT ELITHARP

NOTICE TO THE PUBLIC

Meetings of the Board of Directors of the Vallecitos Water District will be held in the Board Room at the District Office located at 201 Vallecitos de Oro, San Marcos, California, on the date and time identified above.

Vallecitos Water District is following the guidance issued by the County of San Diego, effective March 1, 2022, which follows the California Department of Public Health guidance which recommends that persons attending public meetings are strongly recommended to wear a face covering in indoor public settings, whether vaccinated or not. The Department of Industrial Relations also strongly recommends, but does not require, the use of face coverings by all visitors.

BROADCAST OF THE MEETING. Members of the public may watch the meeting live via computer or smart device by going to the District's website: [www.vwd.org/meetings](http://www.vwd.org/meetings) and clicking on the "Watch Live" icon; however, they will not be able to participate in the meeting remotely.

LISTEN TO THE MEETING. Members of the public may listen to the meeting live on their phone by dialing (888) 788-0099 (Toll Free) or (877) 853-5247 (Toll Free). When prompted, enter the meeting ID and Passcode displayed on the District's website.

PLEDGE OF ALLEGIANCE

ROLL CALL

ADDITIONS TO THE AGENDA

Items may be added to the Agenda in accordance with Section 54954.2(b)(2) of the Government Code upon a determination by a majority vote of the Vallecitos Board that an emergency situation exists, as defined in Section 54956.5, or upon a determination by a two-thirds vote of the Board present at the meeting, or, if less than two-thirds of the Board are present, a unanimous vote of Board members present, that there is a need to take immediate action and that the need for action came to the attention of the Vallecitos Water District subsequent to the agenda being posted.

ADOPT AGENDA FOR THE REGULAR MEETING OF JULY 20, 2022

PUBLIC COMMENT

Persons wishing to address a matter not on the Agenda may be heard at this time; however, no action will be taken until the matter is placed on a future agenda in accordance with Board policy. Public comments are limited to three minutes. A Request to Speak form is required to be submitted to the Executive Assistant prior to the start of the meeting, if possible. Public comment should start by stating name, address and topic. The Board is not permitted during this time to enter into a dialogue with the speaker.

PRESENTATIONS

North County Water Agencies' 4<sup>th</sup> Grade Calendar Contest Winners: Third Place: **Rose Tucker**; Second Place: **Ivan Ramirez Carrillo**; First Place: **Leilani Rodriguez**.

Soma Bhadra of the California Water Environment Association will present the District with a State-wide "Community Engagement and Outreach Best Use of Social Media" award.

CONSENT CALENDAR

All matters listed under the Consent Calendar are expected to be routine and non-controversial, to be acted upon by the Board by one motion. There will be no separate discussion of these items, unless a Board member or member of the public requests that a particular item(s) be removed from the Consent Calendar, in which case it will be considered separately under Action Items.

1.1 APPROVAL OF MINUTES (pp. 11-34)

- A. SPECIAL BOARD MEETING – MAY 19, 2022
- B. CLOSED SESSION BOARD MEETING – JUNE 1, 2022
- C. REGULAR BOARD MEETING – JUNE 1, 2022
- D. PUBLIC AWARENESS/PERSONNEL/POLICY COMMITTEE MEETING – JUNE 6, 2022
- E. REGULAR BOARD MEETING – JUNE 15, 2022
- F. PUBLIC AWARENESS/PERSONNEL/POLICY COMMITTEE MEETING – JULY 11, 2022

*Approved minutes become a permanent public record of the District.*

**Recommendation: Approve Minutes**

1.2 WARRANT LIST THROUGH JULY 20, 2022 - \$9,433,745.84 (pp. 35-38)

**Recommendation: Approve Warrant List**

1.3 FINANCIAL REPORTS (pp. 39-60)

- A. WATER METER COUNT – JUNE 30, 2022

- B. WATER PRODUCTION/SALES REPORT – 2021/2022
- C. QUARTERLY FINANCIAL REPORT – JUNE 30, 2022
- D. PER CAPITA WATER CONSUMPTION – JUNE 30, 2022
- E. WATER REVENUE AND EXPENSE REPORT – JUNE 30, 2022
- F. SEWER REVENUE AND EXPENSE REPORT – JUNE 30, 2022
- G. RESERVE FUNDS ACTIVITY – JUNE 30, 2022
- H. INVESTMENT REPORT – JUNE 30, 2022
- I. LEGAL FEES SUMMARY – JUNE 30, 2022

1.4 OPERATIONS & MAINTENANCE METRICS QUARTERLY REPORT – JUNE 30, 2022 (pp. 61-69)

1.5 RESOLUTION ADOPTING THE ANNUAL PAY SCHEDULE WITH THE COST-OF-LIVING SALARY ADJUSTMENT FOR FISCAL YEAR 2022/23 (pp. 70-73)

*Revisions to the District's Annual Pay Schedule require Board approval.*

**Recommendation: Adopt Resolution Approving the Annual Pay Schedule**

1.6 ORDINANCE ESTABLISHING ADMINISTRATIVE CHARGES TO RECOVER INDIRECT COSTS FOR FISCAL YEAR 2022-23 (pp. 74-79)

*The District uses an established rate to facilitate the recovery of indirect costs via an administrative charge.*

**Recommendation: Adopt Ordinance Establishing the New Overhead Rate**

1.7 APPROVAL OF CONSTRUCTION AGREEMENT FOR PANERA BREAD (MANNA DEVELOPMENT GROUP, LLC) (pp. 80-97)

*The project is located at the northwest corner of San Marcos Boulevard and Bent Avenue.*

**Recommendation: Approve Construction Agreement**

1.8 APPROVAL OF AS-NEEDED ENGINEERING SERVICES AGREEMENTS FOR FISCAL YEARS 22/23 AND 23/24 (pp. 98-99)

*The District routinely requires engineering professional services for its capital projects, emergency tasks and other unscheduled projects.*

**Recommendation: Authorize the General Manager to Enter Into As-Needed Engineering Professional Services Agreements with Selected Firms**

- 1.9 SET PUBLIC HEARING FOR REPORT ON DISTRICT WATER QUALITY RELATIVE TO PUBLIC HEALTH GOALS (pp. 100-140)

*The law requires that a public hearing be held for the purpose of accepting and responding to public comment on the report.*

**Recommendation: Set Public Hearing**

\*\*\*\*\*END OF CONSENT CALENDAR\*\*\*\*\*

PUBLIC HEARING

- 2.1 PUBLIC HEARING TO ADOPT A RESOLUTION OF THE BOARD OF DIRECTORS OF THE VALLECITOS WATER DISTRICT APPROVING THE SEWER SERVICE FEES TO BE COLLECTED ON THE TAX ROLL FOR IMPROVEMENT DISTRICT "A" FOR THE FISCAL YEAR JULY 1, 2022, TO JUNE 30, 2023 (pp. 141-144)

*The State Health Code requires the District to specify on an annual basis the method it will use to collect sewer service fees.*

**Recommendation: 1) Hold Public Hearing; 2) Adopt Resolution**

ACTION ITEM(S)

- 3.1 SCHOLARSHIP CONTEST RECOMMENDATION (pp. 145)

*On February 2, 2022, the Board approved a motion to provide scholarships to local high school seniors and students at Palomar College and California State University San Marcos.*

**Recommendation: Approve Scholarship Recipients**

- 3.2 WATER SUPPLY CONDITIONS UPDATE (pp. 146)

**Recommendation: For Information Only**

- 3.3 RESOLUTION OF THE BOARD OF DIRECTORS IN SUPPORT OF THE MONTH OF JUNE AS PRIDE MONTH IN THE VALLECITOS WATER DISTRICT ANNUALLY (pp. 147-149)

*The District has implemented enhanced efforts to support diversity and inclusion in its recruitment and hiring efforts.*

**Recommendation: Adopt Resolution**

- 3.4 PROFESSIONAL SERVICES AGREEMENT AMENDMENT NO. 1 FOR THE MEADOWLARK WATER RECLAMATION FACILITY SODIUM HYPOCHLORITE CONVERSION PROJECT (pp. 150-152)

*This project removes an existing acute hazard.*

**Recommendation: Authorize the General Manager to Execute Amendment No. 1 Under the Current Professional Services Agreement with Murraysmith**

- 3.5 PROJECT ACCEPTANCE FOR THE MEADOWLARK WATER RECLAMATION FACILITY BIOLOGICAL SELECTOR IMPROVEMENT PROJECT (pp. 153-155)

*The existing membrane panels in the aeration basins exceeded their useful life and required new ceramic disc diffusers and a new design.*

**Recommendation: 1) Accept the Project; and 2) Authorize the General Manager to File a Notice of Completion and Release of Retention Funds**

- 3.6 EMPLOYEE ASSOCIATION REQUEST REGARDING COST-OF-LIVING SALARY ADJUSTMENT (pp. 156-157)

*The District's Employees Association has requested the District consider removing the 3% maximum Cost-of-Living salary adjustment due to the current high inflation rates.*

**Recommendation: Request Board Direction**

- 3.7 DISCUSSION REGARDING IN-PERSON PUBLIC MEETINGS

*As COVID cases are increasing again, many agencies are reexamining their return to conventional, in-person, public meetings.*

**Recommendation: Request Board Direction**

- 3.8 SAN MARCOS CHAMBER OF COMMERCE – MEET YOUR ELECTED OFFICIALS BUSINESS MIXER PER DIEM/EXPENSE REIMBURSEMENT APPROVAL (pp. 158-159)

*This event is not considered compensable under District Ordinance No. 216, requiring approval for per diem and expense reimbursement.*

**Recommendation: Request Board Direction**

\*\*\*\*\*END OF ACTION ITEMS\*\*\*\*\*

REPORTS

- 4.1 GENERAL MANAGER
- 4.2 DISTRICT LEGAL COUNSEL
- 4.3 SAN DIEGO COUNTY WATER AUTHORITY
- 4.4 ENCINA WASTEWATER AUTHORITY
  - *Board of Directors Meeting*
  - *Capital Improvement Committee*
  - *Policy and Finance Committee*
- 4.5 STANDING COMMITTEES
- 4.6 DIRECTORS REPORTS ON MEETINGS/CONFERENCES/SEMINARS ATTENDED

\*\*\*\*\*END OF REPORTS\*\*\*\*\*

OTHER BUSINESS

- 5.1 MEETINGS

**Recommendation: For Information Only**

\*\*\*\*\*END OF OTHER BUSINESS\*\*\*\*\*

- 6.1 DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

\*\*\*\*\*END OF DIRECTORS COMMENTS/FUTURE AGENDA ITEMS\*\*\*\*\*

- 7.1 ADJOURNMENT

\*\*\*\*\*END OF AGENDA\*\*\*\*\*

If you have any disability which would require accommodation in order to enable you to participate in this meeting, please call the Executive Assistant at 760.744.0460 ext. 261 at least 48 hours prior to the meeting.

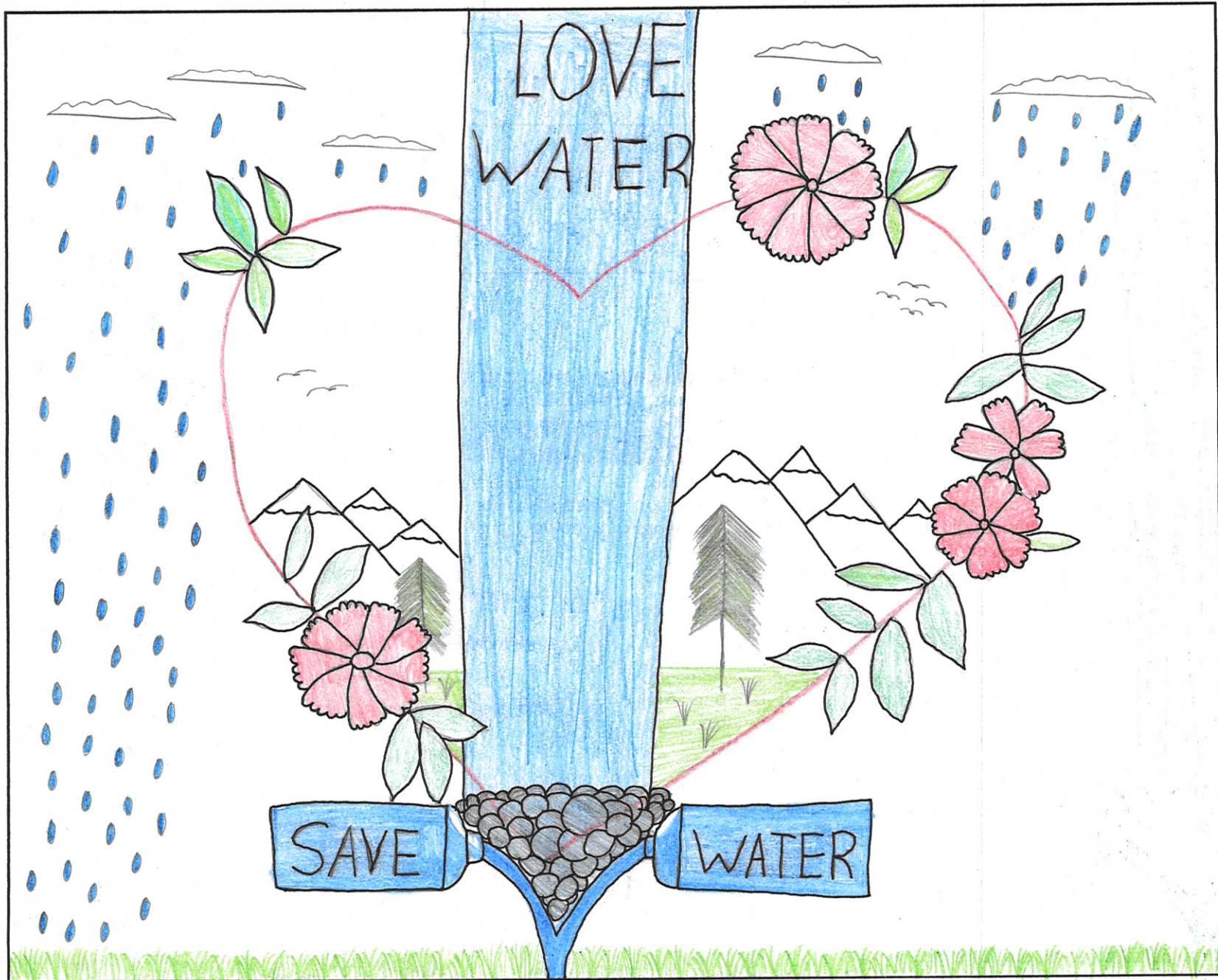
Audio and video recordings of all Board meetings are available to the public at the District website [www.vwd.org](http://www.vwd.org)

AFFIDAVIT OF POSTING

I, Ann Johnson, Executive Assistant of the Vallecitos Water District, hereby certify that I caused the posting of this Agenda in the outside display case at the District office, 201 Vallecitos de Oro, San Marcos, California by 5:00 p.m., Friday, July 15, 2022.

\_\_\_\_\_  
Ann Johnson

TOP OF YOUR ARTWORK - Don't forget to check your spelling!



BOTTOM OF YOUR ARTWORK - PLEASE KEEP ALL LINES AND COLORS INSIDE OF THE BOX



TOP OF YOUR ARTWORK - Don't forget to check your spelling!

"Love Water, Save Water"



BOTTOM OF YOUR ARTWORK - PLEASE KEEP ALL LINES AND COLORS INSIDE OF THE BOX

TOP OF YOUR ARTWORK - Don't forget to check your spelling!



BOTTOM OF YOUR ARTWORK - PLEASE KEEP ALL LINES AND COLORS INSIDE OF THE BOX

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS  
OF THE VALLECITOS WATER DISTRICT  
THURSDAY, MAY 19, 2022, AT 5:00 PM, AT THE DISTRICT OFFICE  
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

President Elitharp called the Special meeting to order at the hour of 5:00 p.m.

Present: Director Boyd-Hodgson  
Director Elitharp  
Director Hernandez  
Director Pennock (Arrived 5:03 p.m.)  
Director Sannella

Staff Present: General Manager Pruim  
Assistant General Manager Gumpel  
Legal Counsel Gilpin  
District Engineer Hubbard  
Finance Manager Owen  
Operations & Maintenance Manager Pedrazzi  
Development Services Senior Engineer Lopez  
Principal Financial Analyst Arthur  
Information Technology Technician Todd  
Executive Assistant Johnson

General Manager Pruim led the pledge of allegiance.

ADDITIONS TO THE AGENDA

None.

ADOPT AGENDA FOR THE SPECIAL MEETING OF MAY 19, 2022

22-05-04 MOTION WAS MADE by Director Hernandez, seconded by Director Sannella, and carried unanimously, with Director Pennock absent, to adopt the agenda for the Special Board Meeting of May 19, 2022.

PUBLIC COMMENT

None.

CONSENT CALENDAR

22-05-05 MOTION WAS MADE by Director Sannella, seconded by Director Boyd-Hodgson, and carried unanimously, with Director Pennock absent, to approve the Consent Calendar as presented.

- 1.1 Approval of Minutes
  - A. Special Board Meeting – May 10, 2022
- 1.2 Warrant List through May 19, 2022 - \$3,316,376.11
- 1.3 Financial Reports
  - A. Water Meter Count – April 30, 2022
  - B. Water Production/Sales Report – 2021/2022
  - C. Per Capita Water Consumption – April 30, 2022
  - D. Water Revenue and Expense Report – April 30, 2022
  - E. Sewer Revenue and Expense Report – April 30, 2022
  - F. Reserve Funds Activity – April 30, 2022
  - G. Investment Report – April 30, 2022
  - H. Legal Fees Summary – April 30, 2022
- 1.4 Final Acceptance of Water and Sewer Improvements for Kaiser Permanente Hospital – San Marcos Medical Center (Kaiser Foundation Hospitals)
- 1.5 Approval of Construction Agreement for Discovery Village South Residential Phase B Water and Sewer Improvements and Approval of Amended Construction Agreement for Discovery Village South Phase A Water and Sewer Improvements (Discovery SL, LLC)
- 1.6 Delegate Authority of Final Acceptance of Water and Sewer Improvements for Discovery Village South Phase A (Discovery SL, LLC)
- 1.7 Delegate Authority of Final Acceptance of Water and Sewer Improvements for Mission Villas Improvements (KB Home Coastal, Inc.)

Director Pennock joined the meeting at 5:03 p.m.

ACTION ITEM(S)

WATER SUPPLY CONDITIONS UPDATE

General Manager Pruum facilitated a presentation, Update on Water Supply Conditions, as follows:

- Vallecitos Currently in a Level 2 – Drought Alert
- Northern Sierra 8-Station Precipitation Index

- Snowpack Water Content
- California Reservoir Storage
- Colorado River Status
- Three-Month Temperature Outlook
- Three-Month Precipitation Outlook
- Conclusion

General discussion took place.

This item was presented for information only.

#### VALLECITOS WATER DISTRICT DRAFT PROPOSED FISCAL YEAR 2022/2023 BUDGET

Finance Manager Owen facilitated a presentation on the Draft Proposed Fiscal Year 2022/2023 Budget as follows:

- Budget Process and Calendar
- 2022/23 Budget – \$100,229,000
- 2022/23 Water Operating Expense Budget – \$47,715,000
- Operating Budget – Water
- 2022/23 Wastewater Operating Expense Budget – \$14,237,000
- Operating Budget – Sewer
- Salary and Benefits Budget to Budget Comparison
- Operating Budget – Salaries and Benefits
- Budget History

Principal Financial Analyst Arthur presented information on the following:

- Water Sales – Distribution
- Water Usage – Customer Months
- Water Sales – Revenue
- Water Purchases
- Sewer Revenues

Finance Manager Owen continued with his budget presentation as follows:

- Capital Budget to Budget Comparison
- Capital Improvement Projects by Function Total
- Reserve Projections
- Reserve Balances
- Water Reserves – Replacement

- Water Reserves – Total
- Wastewater Reserves – Replacement
- Wastewater Reserves – Total
- Days In Cash
- Next Steps

Finance Manager Owen stated the Recommended Budget will be presented at the June 1, 2022, Regular Board meeting for adoption.

General discussion took place during and after the presentation.

This item was presented for information only.

## REPORTS

### GENERAL MANAGER

General Manager Pruim reported the following:

- District staff is attending the San Marcos Promise Future Fair at Mission Hills High School today. The event allows high school students to network with industry professionals. Over 1,000 students are expected to attend the event.
- The District received \$46,000 from the state's wastewater arrearages program. The District will have to return some of the funds to the state as some customers brought their accounts up to date during the time between when the District applied for and received the funds.
- The District's interim audit will kick off on June 13. DavisFarr, the District's auditing firm, will conduct an interim audit and present the final audit in September.

### DISTRICT LEGAL COUNSEL

Legal Counsel Gilpin provided a brief overview and update on the Lake San Marcos litigation which began in 2011. The lawsuit has not been settled yet. Legal Counsel Gilpin will provide additional information once litigation has concluded.

Legal Counsel Gilpin provided an update on two bills moving forward pertaining to amendments to the Brown Act and relaxing teleconferencing rules outside of a pandemic situation. He also commented on another bill related to meeting disruptions and a bill that would require meeting materials to be made available to the public at the time they are distributed to the Board.

SAN DIEGO COUNTY WATER AUTHORITY

Director Elitharp stated the SDCWA Board will hold their regular meeting on May 26.

ENCINA WASTEWATER AUTHORITY

Director Hernandez stated the Capital Improvement Committee met on May 18. The Committee received updates on the Digester 4 and Digester 5 rehabilitation projects.

Director Sannella stated the EWA Board of Directors and Policy and Finance Committee have not met since the last Board meeting.

STANDING COMMITTEES

None.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

Director Pennock reported on his attendance to the California Special Districts Association (CSDA) Legislative Days conference May 17-18.

Director Hernandez reported on his attendance to the CSDA Legislative Days conference and the San Diego North Economic Development Council's Economic Summit on May 11.

Directors Sannella and Boyd-Hodgson reported on their attendance to the Council of Water Utilities meeting on May 17.

OTHER BUSINESS

QUARTERLY BOARD EXPENSES

This item was provided per Ordinance No. 216; no action required.

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

Director Hernandez requested an update on the District's scholarship program. Director Boyd-Hodgson provided an update.

ADJOURNMENT

There being no further business to discuss, President Elitharp adjourned the Special Meeting of the Board of Directors at the hour of 6:31 p.m.

A Regular Meeting of the Vallecitos Board of Directors has been scheduled for Wednesday, June 1, 2022, at 5:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.

---

Craig Elitharp, President  
Board of Directors  
Vallecitos Water District

ATTEST:

---

Glenn Pruim, Secretary  
Board of Directors  
Vallecitos Water District



MINUTES OF A CLOSED SESSION MEETING  
OF THE BOARD OF DIRECTORS  
OF THE VALLECITOS WATER DISTRICT  
WEDNESDAY, JUNE 1, 2022, AT 4:30 PM, AT THE DISTRICT OFFICE  
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

President Elitharp called the Closed Session meeting to order at the hour of 4:30 p.m.

Present: Director Elitharp  
Director Hernandez  
Director Pennock  
Director Sannella

Absent: Director Boyd-Hodgson

Staff Present: General Manager Pruim  
Assistant General Manager Gumpel  
Legal Counsel Gilpin  
Legal Counsel Kharuf

ADDITIONS TO THE AGENDA

None.

ADOPT AGENDA FOR THE CLOSED SESSION MEETING OF JUNE 1, 2022

22-06-01 MOTION WAS MADE by Director Hernandez, seconded by Director Sannella, and carried unanimously, with Director Boyd-Hodgson absent, to adopt the agenda for the Closed Session Meeting of June 1, 2022.

PUBLIC COMMENT

None.

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION – Significant Exposure to Litigation

Per Government Code Section 54956.9(c) – One Potential Case

22-06-02 MOTION WAS MADE by Director Sannella, seconded by Director Hernandez, and carried unanimously, with Director Boyd-Hodgson absent, to move into Closed Session pursuant to Government Code Section 54956.9(c).

REPORT AFTER CLOSED SESSION

The Board adjourned to Open Session at 4:59 p.m. There was no reportable action from the Closed Session Meeting.

ADJOURNMENT

There being no further business to discuss, President Elitharp adjourned the Closed Session Meeting of the Board of Directors at the hour of 4:59 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, June 1, 2022, at 5:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.

---

Craig Elitharp, President  
Board of Directors  
Vallecitos Water District

ATTEST:

---

Glenn Pruijm, Secretary  
Board of Directors  
Vallecitos Water District

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE VALLECITOS WATER DISTRICT  
WEDNESDAY, JUNE 1, 2022, AT 5:00 PM, AT THE DISTRICT OFFICE  
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

President Elitharp called the Regular meeting to order at the hour of 5:00 p.m.

Present: Director Elitharp  
Director Hernandez  
Director Pennock  
Director Sannella

Absent: Director Boyd-Hodgson

Staff Present: General Manager Pruim  
Assistant General Manager Gumpel  
Legal Counsel Gilpin  
Administrative Services Manager Emmanuel  
District Engineer Hubbard  
Operations & Maintenance Manager Pedrazzi  
Principal Financial Analyst Arthur  
Information Technology Technician Todd

Legal Counsel Gilpin led the pledge of allegiance.

ADDITIONS TO THE AGENDA

None.

ADOPT AGENDA FOR THE REGULAR MEETING OF JUNE 1, 2022

22-06-03 MOTION WAS MADE by Director Pennock, seconded by Director Sannella, and carried unanimously, with Director Boyd-Hodgson absent, to adopt the agenda for the Regular Board Meeting of June 1, 2022.

PUBLIC COMMENT

None.

CONSENT CALENDAR

22-06-04 MOTION WAS MADE by Director Sannella, seconded by Director Pennock, and carried unanimously, with Director Boyd-Hodgson absent, to approve the Consent Calendar as presented.

- 1.1 Appropriations Limit for Fiscal Year 2022/2023
- 1.2 Approval of Construction Agreement for Campus Pointe Storm Drain and Sewer Improvements (Carmel Enterprise, LLC by Nobel Canyon, LLC)
- 1.3 Adoption of Resolution Recognizing the Annexation into the Vallecitos Water District of Certain Properties Designated as Mosqueda Residence into the Sewer Improvement District (Mosqueda Residence)
- 1.4 Consumer Confidence Report

ACTION ITEM(S)

VALLECITOS WATER DISTRICT RECOMMENDED FISCAL YEAR 2022/2023 BUDGET

Principal Financial Analyst Arthur facilitated a presentation on the Recommended Budget for Fiscal Year 2022-2023 as follows:

- Budget Process and Calendar
- 2022/23 Budget – \$100,229,000
- 2022/23 Water Operating Expense Budget – \$47,715,000
- Water Sales/Purchases
- Water Purchases
- Water Sales – Distribution
- Water Sales – Revenue
- 2022/23 Wastewater Operating Expense Budget – \$14,237,000
- Wastewater Revenues
- Operating Budget – Salaries and Benefits
- Capital Improvement Projects by Function Total
- Water Reserves – Total
- Wastewater Reserves – Total
- Days In Cash
- Recommendations

General discussion took place during and after the presentation.

Staff recommended the Board approve the Recommended Fiscal Year 2022/2023 Budget.

22-06-05 MOTION WAS MADE by Director Hernandez, seconded by Director Pennock, and carried unanimously, with Director Boyd-Hodgson absent, to approve the Recommended Fiscal Year 2022/2023 Budget.

RESOLUTION DECLARING INTENT TO REIMBURSE CERTAIN EXPENDITURES WITH ONE OR MORE ISSUANCES OF TAX-EXEMPT OBLIGATIONS

General Manager Pruim stated that in order to use future debt proceeds for reimbursement of certain expenditures for project costs, the District must adopt an inducement resolution. Eligible project expenses are included in the Fiscal Year 2022/2023 Budget. The District adopts an inducement resolution annually.

Staff recommended the Board adopt the resolution.

22-06-06 MOTION WAS MADE by Director Sannella, seconded by President Elitharp, and carried unanimously, with Director Boyd-Hodgson absent, to adopt the resolution.

Resolution No. 1616 - The roll call vote was as follows:

AYES: Hernandez, Pennock, Sannella, Elitharp  
NOES:  
ABSTAIN:  
ABSENT: Boyd-Hodgson

REPORTS

GENERAL MANAGER

General Manager Pruim reported the following:

- The District issued a press release announcing that effective today through October 31, customers may water their lawns three days per week instead of two on days of their choosing.
- The District is experiencing a resurgence of COVID cases and is imposing restrictions regarding masks and employees moving between buildings. Public meetings will continue to be held in-person at the District office.

DISTRICT LEGAL COUNSEL

Legal Counsel Gilpin commented that the spike in COVID cases is impacting other agencies he works with, specifically those that did not adopt virtual meetings which allow hybrid public meetings that Directors and staff may attend virtually if necessary.

Legal Counsel Gilpin stated the State Water Control Board adopted emergency regulations on May 24. The regulations will go into effect on June 10.

SAN DIEGO COUNTY WATER AUTHORITY

Director Elitharp stated that at their meeting on May 26, the SDCWA Board approved refunding its member agencies \$10.4 million in attorney's fee proceeds from the settled litigation between SDCWA and Metropolitan Water District of Southern California. More may be refunded if the SDCWA receives a favorable ruling concerning the current litigation. He further stated the SDCWA announced their rate increases of 5.2% (all in full treated rate) and 3.7% (untreated rate).

ENCINA WASTEWATER AUTHORITY

Director Sannella stated the EWA Board heard a presentation on new methodology for billing its member agencies at the May 25 Board meeting.

STANDING COMMITTEES

None.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

None.

OTHER BUSINESS

None.

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

Director Sannella stated that members of Saint Elizabeth Seton Catholic Church located in Carlsbad contacted him recently regarding the construction of a new rectory on the church's property. The District is trying to resolve an issue with an existing backflow device in need of relocation before the construction can move forward. Director Sannella requested this item be placed on the next Board agenda.

ADJOURNMENT

There being no further business to discuss, President Elitharp adjourned the Regular Meeting of the Board of Directors at the hour of 5:32 p.m.

A Regular Meeting of the Vallecitos Board of Directors has been scheduled for Wednesday, June 15, 2022, at 5:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.

---

Craig Elitharp, President  
Board of Directors  
Vallecitos Water District

ATTEST:

---

Glenn Pruiam, Secretary  
Board of Directors  
Vallecitos Water District

MINUTES OF A MEETING OF THE  
PUBLIC AWARENESS/PERSONNEL/POLICY COMMITTEE  
OF THE VALLECITOS WATER DISTRICT  
MONDAY, JUNE 6, 2022, AT 10:00 A.M.  
AT THE DISTRICT OFFICE IN THE BOARD ROOM  
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

Director Boyd-Hodgson called the meeting to order at the hour of 10:00 a.m.

Present: Director Boyd-Hodgson  
Director Pennock  
General Manager Pruum  
Assistant General Manager Gumpel  
District Engineer Hubbard  
Development Services Senior Engineer Lopez  
Public Information/Conservation Supervisor Robbins  
Human Resources Analyst Anderson  
Information Technology Technician Todd

PUBLIC COMMENT

None.

ITEMS FOR DISCUSSION

PERSONNEL

**(NEW BUSINESS) DRAFT TELECOMMUTING POLICY**

General Manager Pruum stated that most of the District's administrative staff was required to telecommute during the early stages of the COVID pandemic out of necessity. Since then, employees have expressed their interest in continuing to work remotely and have asked the District to consider a permanent telecommuting policy where they could work remotely for some or all their time.

General Manager Pruum further stated that if the District were to consider a telecommuting policy, it would be on a pilot basis and results of the pilot program would be used to consider a permanent policy. A decision would not be made until negotiations for the new Memorandum of Understanding (MOU) with the Employees' Association take place. The telecommuting policy would be voluntary unless an emergency arises such as a pandemic that would require most employees to telecommute. Draft criteria have been developed considering the District's operational needs and include the following:

- Fixed component – part of a regular schedule with no more than two days per week of telecommuting during a five-day schedule and only one day during a four-day schedule. Schedules could not be changed from pay period to pay period.



- Mondays, Fridays, and days before and after a holiday would not be permitted.
- The District needs to consider alternative work schedules to accommodate the changing workforce and to stay competitive to attract and retain the best workforce.
- Intermittent component – an employee could ask to work from home for up to a four-hour period, once per quarter, four times per year.
- Subject to supervisor or manager approval.
- Employees would be required to sign an agreement outlining their obligations and the District's obligations.
- The District may limit the number of employees eligible for working remotely and schedules may need to be rotated from time to time to accommodate the District's operational and staffing needs.
- Employees may be required to return to the office on relatively short notice.
- Telecommuting employees would need to provide the same level of job performance and professionalism as those in the office and would have to be physically located at their workplace and available throughout the workday.
- Telecommuting is not to take place of dependent care.
- Employees would adhere to their normal starting, ending and break times. If unable to work for a portion of a day due to illness, employees would be required to inform their supervisor and report the appropriate sick leave time on their time sheet.
- Supervisors and managers would need to establish metrics to track employees' productivity while working at home.
- Workers' Compensation is another consideration. Employees would need to provide assurance that they have a proper workspace and equipment at home.
- The District would not be responsible for maintenance of an employee's personal computer if using it to perform their job, nor would the District pay for electric costs or mileage if the employee is called to work in the office on a day they would normally be telecommuting.

General Manager Pruim asked the Committee if they were interested in considering a pilot telecommuting policy which would require Board approval.

General discussion took place. The Committee supported the development of a pilot telecommuting policy. Staff will present this item to the Board for consideration.

### **(NEW BUSINESS) EMPLOYEES' ASSOCIATION REQUEST**

General Manager Pruim stated representatives of the Employees' Association requested the District consider lifting the Cost-of-Living Allowance (COLA) cap due to high inflation which is currently approximately 8%. The current MOU with the Employees' Association places a limit on the COLA increases every year. The limit for the current year is 3% which will be effective on the first full pay period of July.

General Manager Pruim further stated the employees' request could be denied and different COLA caps could be considered during negotiations for the next MOU. He provided the following three options for the Committee's consideration:

- Grant a COLA above 3%, possibly a one-time adjustment.
- Consider offsetting COLA reductions in future years.
- Consider a one-time, non-PERSABLE bonus utilizing leftover money from the recent ACWA/JPIA refund and unused funds from the District's 457 plan match.

General discussion took place. The Committee supported General Manager Pruiem presenting this item to the Board at a future Board meeting for their consideration.

## PUBLIC AWARENESS

### **(OLD BUSINESS) VALLECITOS WATER DISTRICT SCHOLARSHIPS**

Public Information/Conservation Supervisor Robbins stated 13 scholarship applications were received. No applications were received from High Tech High School or Twin Oaks High School. Copies of the scholarship applications were provided to the Committee.

General discussion took place regarding establishment of criteria to select scholarship recipients such as meeting all application requirements, demonstrating financial need, being from the local community, and preference to those pursuing careers in water or wastewater. Director Boyd-Hodgson suggested a list of the criteria be published when the scholarship recipients are announced.

Directors Boyd-Hodgson and Pennock will meet outside of this Committee to review the scholarship applications and will present their recommendations to the Board in July.

## POLICY

### **(OLD BUSINESS) REVIEW OF ORDINANCE NO. 204 (BACKFLOW DEVICE UPGRADES)**

Development Services Senior Engineer Lopez facilitated a discussion on Ordinance No. 204, Cross Control Connection (Backflow), specifically on fire protection systems. The main issue is that older backflow devices cannot be tested and are not allowed by the current Health Code. A history of the District's policy was reviewed. The District's legal counsel's opinion is that single-check devices installed since Ordinance No. 49 was adopted in July 1970 are likely to be the customer's responsibility to replace. Using Ordinance No. 49 as a timeline in determining the District's responsibility, out of a total of 496 detector checks, 202 are non-compliant single-check devices. Of the 202, 14 were installed prior to 1970 and are therefore the District's responsibility to replace. 188 were installed since 1970 and are the customer's responsibility.

Development Services Senior Engineer Lopez stated detector checks are currently being upgraded via the District's Tenant Improvement (TI) review process. The TI review process, implemented in 2018, applies only to commercial customers. The average cost for a tenant to upgrade from a single to double detector check varies from \$10,000 to \$45,000. Staff has been working with customers who request more time to upgrade their devices and estimates it may take over 20 years for just the commercial upgrades to occur.

Staff recommended implementation of a process to replace the 14 detector checks that are the District's responsibility, budgeting them for replacement in Fiscal Year 2023-2024. Staff also recommended implementation of a process to notify customers of their non-compliant backflow devices and to provide them time to upgrade their devices.

General Manger Pruim asked the Committee if this is something they will stand behind if staff embarks on their recommendations.

General discussion took place.

The Committee supported staff's recommendations. Staff will develop an implementation plan to enforce Ordinance No. 204.

#### NEXT MEETING DATE – JULY 11, 2022

The next Committee meeting is scheduled for 10:00 a.m. on Monday, July 11, 2022, in the Board Room.

#### ADJOURNMENT

There being no further business to discuss, the meeting adjourned at the hour of 11:55 a.m.

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE VALLECITOS WATER DISTRICT  
WEDNESDAY, JUNE 15, 2022, AT 5:00 PM, AT THE DISTRICT OFFICE  
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

President Elitharp called the Regular meeting to order at the hour of 5:00 p.m.

Present: Director Boyd-Hodgson  
Director Elitharp  
Director Hernandez  
Director Pennock  
Director Sannella

Staff Present: District Engineer Hubbard  
Legal Counsel Gilpin  
Operations & Maintenance Manager Pedrazzi  
Development Services Senior Engineer Lopez  
Public Information/Conservation Supervisor Robbins  
Principal Financial Analyst Arthur  
Information Technology Technician Todd  
Executive Assistant Johnson

Operations & Maintenance Manager Pedrazzi led the pledge of allegiance.

ADDITIONS TO THE AGENDA

None.

ADOPT AGENDA FOR THE REGULAR MEETING OF JUNE 15, 2022

22-06-07 MOTION WAS MADE by Director Boyd-Hodgson, seconded by Director Pennock, and carried unanimously, to adopt the agenda for the Regular Board Meeting of June 15, 2022.

PUBLIC COMMENT

None.

CONSENT CALENDAR

22-06-08 MOTION WAS MADE by Director Sannella, seconded by Director Hernandez, and carried unanimously, to approve the Consent Calendar as presented.

1.1 Warrant List through June 15, 2022 - \$5,364,914.09

1.2 Financial Reports

- A. Water Meter Count – May 31, 2022
- B. Water Production/Sales Report – 2021/2022
- C. Per Capita Water Consumption – May 31, 2022
- D. Water Revenue and Expense Report – May 31, 2022
- E. Sewer Revenue and Expense Report – May 31, 2022
- F. Reserve Funds Activity – May 31, 2022
- G. Investment Report – May 31, 2022
- H. Legal Fees Summary – May 31, 2022

1.3 Award of Construction Contract for the Repair of Asphalt Roads

ACTION ITEM(S)

WATER SUPPLY CONDITIONS UPDATE

Public Information/Conservation Supervisor Robbins stated the District issued a press release today announcing that customers may irrigate three times per week instead of two from June 1 to October 31. Local news stations NBC 7 and Fox News 5 interviewed him and aired stories regarding the current drought conditions.

Public Information/Conservation Supervisor Robbins further stated the State Water Resources Control Board has cut access to rivers and streams in the Delta. Over 4,000 water rights entities will not be able to pump water from rivers and streams.

Public Information/Conservation Supervisor Robbins facilitated a presentation, Update on Water Supply Conditions, as follows:

- Vallecitos Currently in a Level 2 – Drought Alert
- Northern Sierra 8-Station Precipitation Index
- Snowpack Water Content
- California Reservoir Storage
- Colorado River Status
- Three-Month Temperature Outlook
- Three-Month Precipitation Outlook
- Governor Newsom Asks Water Agencies to Submit Data Earlier

General discussion took place.

This item was presented for information only.

RESOLUTION ELECTING TO HAVE SEWER SERVICE FEES FOR IMPROVEMENT DISTRICT “A” FOR FISCAL YEAR JULY 1, 2022 – JUNE 30, 2023, COLLECTED ON THE TAX ROLL

Principal Financial Analyst Arthur stated Sewer Improvement District “A” is a special area where Vallecitos provides sewer collection services, and another agency provides water service. The District elects to have the sewer service fees for Improvement District “A” collected on the tax roll in the same manner and at the same time together with the general property taxes. The State Health Code requires the District to specify on an annual basis the method it will use to collect sewer services fees for Improvement District “A” and hold a public hearing acknowledging this method of collection.

Staff recommended the Board adopt the resolution electing to have sewer service fees for Improvement District “A” for fiscal year July 1, 2022, to June 30, 2023, collected on the tax roll and setting the public hearing for the Regular Board meeting on July 20, 2022.

General discussion took place.

22-06-09 MOTION WAS MADE by Director Sannella, seconded by Director Boyd-Hodgson, and carried unanimously, to adopt the resolution.

Resolution No. 1617 - The roll call vote was as follows:

AYES: Boyd-Hodgson, Hernandez, Pennock, Sannella, Elitharp  
NOES:  
ABSTAIN:  
ABSENT:

DISCUSSION OF SAINT ELIZABETH SETON CATHOLIC CHURCH FIRE SERVICE DETECTOR CHECK

Director Sannella stated that prior to this meeting, discussions have taken place with Saint Elizabeth Seton Catholic Church representatives and staff. The church’s representatives are satisfied with how the discussions are proceeding and decided not to address the Board at this time.

District Engineer Hubbard stated the details of the detector check issue are detailed in the staff report included in the agenda packet for this meeting. Staff is currently working to resolve the issue by leaving the existing detector check assembly in its current location, upgrading the device to a double check assembly, and installing a fence over the pipeline between the right of way and the device to prevent any digging to expose the pipeline or make an illegal connection. The District will pursue an access easement and an agreement as to the responsibility of maintaining the pipeline between the right of way and the device. Saint Elizabeth Seton Catholic Church has already agreed to assume the risk.

General discussion took place regarding the need for flexibility in the District's current policy regarding non-compliant detector check assemblies.

## REPORTS

### GENERAL MANAGER

District Engineer Hubbard stated the San Diego County Water Authority (SDCWA) held a kick-off meeting today in regard to their master plan which he attended. The SDCWA will be seeking input from its member agencies.

### DISTRICT LEGAL COUNSEL

Legal Counsel Gilpin reminded staff of heightened rules and scrutiny of publications and mass mailings during the upcoming election season. He also reminded Directors of limitations on their actions while on the dais, and cautioned staff not to participate in political campaigning while in uniform.

Legal Counsel Gilpin noted an Association of California Water Agencies Region 9 program is scheduled on June 24 at Wilson Creek Winery in Temecula, California.

### SAN DIEGO COUNTY WATER AUTHORITY

Director Elitharp stated the SDCWA Board will hold their regular meeting on June 23.

### ENCINA WASTEWATER AUTHORITY

Director Hernandez reported that the Capital Improvement Committee met this morning. The Committee discussed several capital improvement projects and the annual renewal of the Supervisory Control and Data Acquisition (SCADA) consultant contract.

Director Sannella stated the Policy and Finance Committee has not met since the last Board meeting, and that the EWA Board will hold a Special Closed Session meeting on June 16.

### STANDING COMMITTEES

Director Boyd-Hodgson stated the Public Awareness/ Personnel/ Policy Committee met on June 6. The Committee has reached a consensus on scholarship recipients and will present their recommendations to the Board at a future meeting.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

Directors Elitharp and Hernandez reported on their attendance to the San Marcos Chamber of Commerce State of the City Luncheon on June 8.

OTHER BUSINESS

None.

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

Director Pennock requested an update on the hillside property project. Director Hernandez stated a geotechnical report is being prepared. The Hillside Property Development Ad Hoc Committee will provide a presentation to the Board at a future meeting.

Director Boyd-Hodgson suggested the Public Awareness/Personnel/Policy Committee discuss how the District could recognize Pride Month.

ADJOURNMENT

There being no further business to discuss, President Elitharp adjourned the Regular Meeting of the Board of Directors at the hour of 5:30 p.m.

A Regular Meeting of the Vallecitos Board of Directors has been scheduled for Wednesday, July 6, 2022, at 5:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.

---

Craig Elitharp, President  
Board of Directors  
Vallecitos Water District

ATTEST:

---

Jason Hubbard, District Engineer  
Vallecitos Water District



MINUTES OF A MEETING OF THE  
PUBLIC AWARENESS/PERSONNEL/POLICY COMMITTEE  
OF THE VALLECITOS WATER DISTRICT  
MONDAY, JULY 11, 2022, AT 10:00 A.M.  
AT THE DISTRICT OFFICE IN THE BOARD ROOM  
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

Director Boyd-Hodgson called the meeting to order at the hour of 10:02 a.m.

Present: Director Boyd-Hodgson  
Director Pennock  
General Manager Pruiem  
Assistant General Manager Gumpel  
Public Information/Conservation Supervisor Robbins  
Information Technology Technician Todd  
Senior Executive Assistant Flores  
Executive Assistant Johnson

PUBLIC COMMENT

None.

ITEMS FOR DISCUSSION

PERSONNEL

None.

PUBLIC AWARENESS

**(NEW BUSINESS) DRAFT PRIDE MONTH RESOLUTION**

Public Information/Conservation Supervisor Robbins prepared a draft resolution recognizing and supporting the month of June as Pride Month annually per Director Boyd-Hodgson's request. The Committee approved the draft as written. Staff will ask legal counsel to review the draft resolution and will place it on a future Board agenda for consideration.

**(NEW BUSINESS) PARTNERSHIP OPPORTUNITIES WITH FRIENDS OF SAN MARCOS PARKS AND RECREATION**

Director Boyd-Hodgson stated she spoke with representatives of the Friends of San Marcos Parks and Recreation about forming an informal partnership with the District. Several possible collaborative events were discussed including the Jack's Pond field trip program, the District's Water Academy, a community garden at Woodland Park, a possible sponsorship of the Friends of San Marcos Parks and Recreation's Double Peak Challenge fundraiser, and a trail water fountain for the creek project. General discussion took place regarding budgeting considerations of a possible partnership.

**(OLD BUSINESS) PALOMAR COLLEGE INTERN UPDATE**

Public Information/Conservation Supervisor Robbins stated the Palomar College internship is going very well. Intern Greg Gauthier has spent time with various departments within the District, and he may be considered for the internship at the San Diego County Water Authority.

The Committee suggested a presentation to the Board be made after the internship is completed.

**POLICY**

General Manager Pruiem recommended Ordinance No. 216, Business of the Board, be placed on the agenda for the next Committee meeting to complete the Committee's review of the ordinance.

**NEXT MEETING DATE – AUGUST 1, 2022**

The next Committee meeting is scheduled for 10:00 a.m. on Monday, August 1, 2022, in the Board Room.

**ADJOURNMENT**

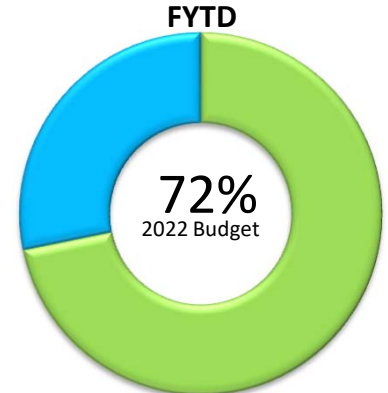
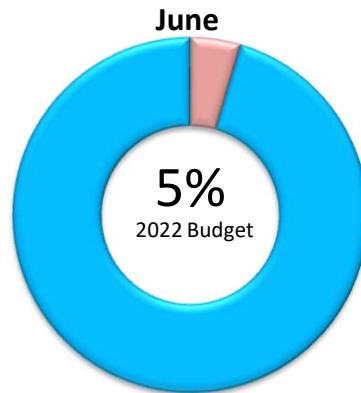
There being no further business to discuss, the meeting adjourned at the hour of 10:17 a.m.

**VALLECITOS WATER DISTRICT  
DISBURSEMENTS SUMMARY  
June 30, 2022**

**Summary**

June Disbursements	\$	4,050,063 *
YTD Disbursements	\$	63,230,969 *
FY2022 Budget	\$	88,064,000

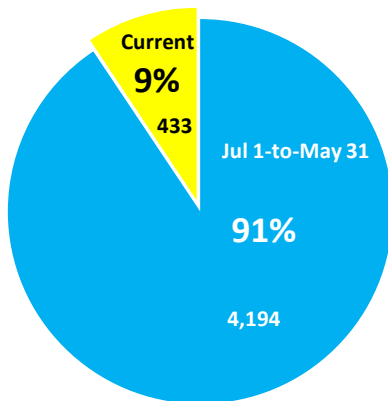
\* Excludes Debt Service



**Disbursements by Month**



**Invoices Processed**



**Top 10 Vendors - FYTD**

SAN DIEGO COUNTY WATER AUTH.	\$33.0M
ENCINA WASTEWATER AUTHORITY	9.1M
ACWA/JOINT POWERS INSURANCE	\$3.3M
PUBLIC EMPLOYEES RETIRE SYSTM	\$2.7M
TC CONSTRUCTION CO INC	\$1.7M
SAN DIEGO GAS & ELECTRIC	\$1.4M
SS MECHANICAL CONSTRUCTION CORP.	\$798.8K
OLIVENHAIN MWD	\$588.3K
HAAKER EQUIPMENT CO.	\$464.3K
JAMISON ENGINEERING...	\$424.2K

VALLECITOS WATER DISTRICT  
WARRANTS LIST  
July 20, 2022

PAYEE	DESCRIPTION	CHECK#	AMOUNT
CHECKS			
Garnishments	Payroll Garnishments	124367 through	-
DirecTV Inc	Satellite Svc - June	124369	86.99
Home Depot Credit Services	Hardware Supplies - May	124370	563.61
Pal General Engineering Inc.	Admin Front Entrance Concrete Repair Prj 20221-16	124371	41,611.90
SDG&E	Power - May	124372	6,252.62
Union Bank FKA 1st Bank Card	Meetings & Travel - May	124373	6,017.73
Union Bank FKA 1st Bank Card	Meetings & Travel - May	124374	4,469.33
Union Bank FKA 1st Bank Card	Meetings & Travel - May	124375	3,271.63
Verizon Wireless	Cell Phone Svc - May	124376	3,111.12
Advanced Imaging Solutions, Inc.	Copier Lease - May	124377	2,451.32
Airgas USA LLC	Cylinder Rental	124378	207.67
Ambius	Plant Maintenance - June	124379	279.00
Aqua-Metric Sales Co	1 1/2" Meters - 10	124380	5,975.28
AT&T	Cell Phone Svc - May	124381	5,157.03
Backflow Solutions, Inc.	Backflow Testing May - Qty 440	124382	6,578.00
Best Best & Krieger	Legal Svcs - Apr	124383	33,926.81
Carahsoft Technology Corporation	Water & Sewer Gems Software Support & Maintenance 22-23	124384	19,119.00
CCI	Water Treatment - May	124385	440.00
Clarkson Laboratory And Supply	Soil Analysis & Testing Prj 20141-4	124386	4,803.00
Core & Main LP	Hydrant Break Off Spools - 3	124387	725.01
Corodata Media Storage Inc	Backup Storage Tapes - May	124388	201.97
Denise Briana Stine	Dog Biscuits - Wags & Water Festival Prj 20221-48	124389	543.00
Ehab Alawneh	Deposit Refund Prj 20221-725	124390	276.40
Employment Development Dept.	Service Vendor Tax Levy	124391	1,200.00
Employment Screening Services Inc	Employment Screening Svcs	124392	202.50
EMSL Analytical, Inc.	Lab Bacterial Monitoring	124393	21.89
Fiber Saver Coatings Inc	Paint - Air Vac & Pressure Stations	124394	521.85
J.R. Filanc Construction Co Inc	MRF Tertiary Structural Rehabilitation Prj 20181-11	124395	11,875.00
Fisher Scientific LLC	Nitrate Test Strips, Beakers, & Lab Supplies	124396	1,145.23
Grangetto's Farm Garden Supply	Landscaping Chemicals	124397	209.42
James Gumpel	ACWA/JPIA Leadership Program 6-01-22	124398	490.16
Hach Company	Digital Ph Sensor	124399	1,564.02
Hall Land Company, Inc.	Deposit Refund Prj 20201-767	124400	6.79
Hawthorne Machinery Co.	Skid Steer Loader Parts - Veh 262	124401	3,758.48
James R Hernandez	ACWA Conference 5-02-22	124402	278.54
Infosend Inc	Support, Postage, Printing, Processing, & Fedex Door Hangers - May	124403	6,022.33
Interstate Batteries	PLC Batteries - 48	124404	974.40
Jan-Pro of San Diego	Janitorial Svcs Bldg B - June	124405	535.00
JCI Jones Chemicals Inc	Chlorine	124406	4,473.46
Knight Security & Fire Systems	Answering, Patrol, & Monitoring Svc - June	124407	956.69
Kyle Zilka	Deposit Refund Prj 20221-689	124408	1,074.69
Lennar	Deposit Refund Prj 20211-752	124409	382.95
Lifeline Rescue	CPR, First Aid, & AED Training	124410	1,100.00
Lloyd Pest Control	Pest Control Svcs - June	124411	77.00
Mallory Safety & Supply, LLC	Water Jugs - 10	124412	135.44
North County Auto Parts	Fleet Supplies - May	124413	2,584.07
O.G. Supply Inc	Warehouse Restock - Meter Washers - Qty 2,000	124414	417.83
Occu Med Ltd	Medical Svcs - May	124415	84.00
Olivenhain MWD	Bluewater Strategies; Woodard & Curran Grant Admin Costs	124416	10,152.81
One Source Distributors LLC	PLC Batteries - 6	124417	746.42
Ostari Inc	Duo Software Subscription - May	124418	71.00
Patriot Portable Restroom Inc	Portable Rest Room Rental - June	124419	308.05
Penceco, Inc.	Calcium Nitrate	124420	14,274.15
Poseidon Education	Water Resources Leadership Program Prj 20221-50	124421	1,000.00
Rick Post Welding	Welding Svcs - Emergency Main Repairs - 2	124422	2,977.50
SCADA Integrations	SCADA Programming Aeration Prj 20191-2	124423	1,275.00
Securitrim 2002 Inc.	Reflective Decals For New Vehicle Setup - 3	124424	274.00
Six To Six Equipment Rentals	Boom Lift Rental Prj 20201-4	124425	1,055.00
Smart Cover Systems	Sewer Flow Meter Readings Annual Support Agreement 22-23	124426	19,038.33
Southern Counties Lubricants, LLC	Diesel Fuel	124427	2,528.01
SS Mechanical Construction Corp.	Aeration Basins Prj 20191-2	124428	13,160.97
Studio West Landscape Architecture & Planning	Sustainable Garden Landscape Design Services Prj 20191-628	124429	5,200.00
T.S. Industrial Supply	Hardware Supplies	124430	61.71
Uline Inc	55 Gallon Fiber Drums - 12	124431	1,006.48
Univar USA Inc	Sodium Hypo Liquichlor & Sodium Bisulfite	124432	6,443.40
UPS	Shipping Svcs - May	124433	11.00
V & A Consulting Engineers Inc	Ductile Iron Pipe Condition Assessment Prj 20201-10	124434	1,299.50
Vesta Housing Solutions LLC	Covid 19 Trailer Rental	124435	511.82
Walters Wholesale Electric	Conduit & Installation Materials - MRF & Hardware Supplies	124436	2,603.95
Erik Warner	Reimbursement - Valve For Hand Wash Sink & Waste Tank Lid	124437	170.16
Work Partners Occupational Health Specialists	Covid Testing Prj 20211-850 & Medical Svcs - May	124438	2,124.00
Bentley Systems Inc	Sewer Gems Training	124439	4,622.26

VALLECITOS WATER DISTRICT  
WARRANTS LIST  
July 20, 2022

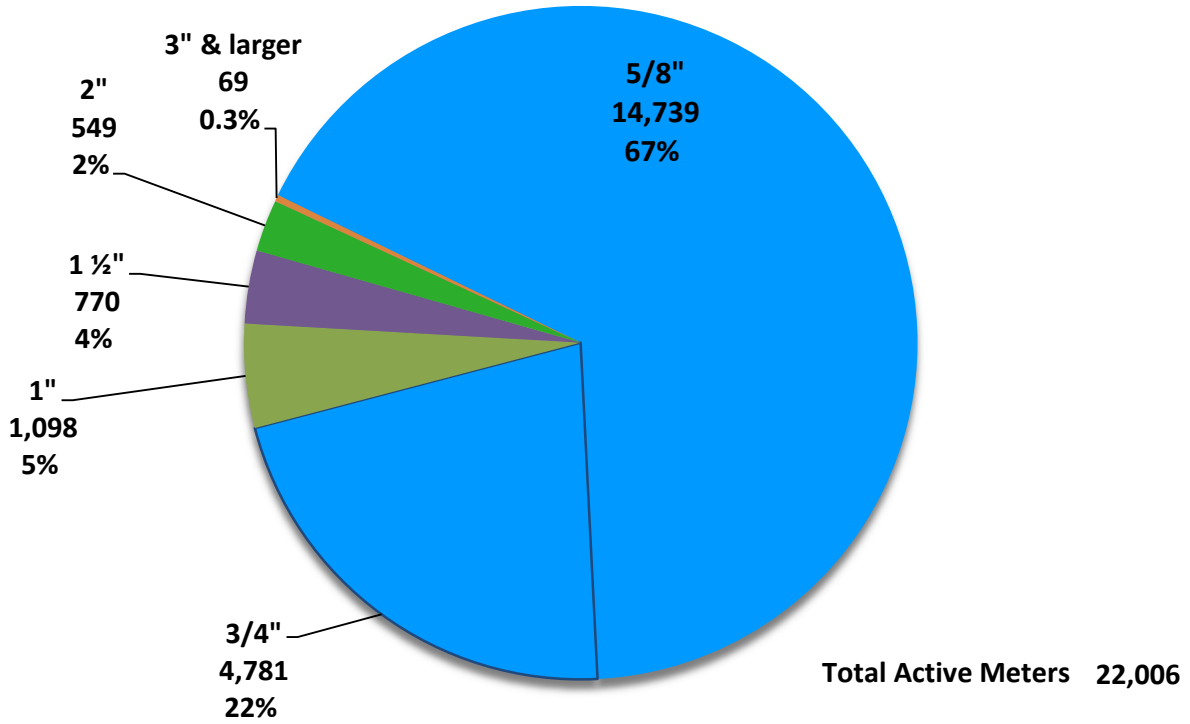
PAYEE	DESCRIPTION	CHECK#	AMOUNT
Chandler Asset Management, Inc.	Investment Management Svcs - May	124440	3,838.63
Electrical Sales Inc	IT Server Room Electrical Circuit - Bldg A	124441	885.77
EMSL Analytical, Inc.	Lab Bacterial Monitoring	124442	30.25
Golden State Graphics	Water Quality Report Prj 20221-48	124443	234.90
Grainger Inc	Utility Knives, Ratchets, Beverage Coolers, Glass Cleaner, & Hardware Supplies	124444	1,422.84
J W D'Angelo Co Inc	12" Pipes - 20, Warehouse Brass Inventory Supplies	124445	3,776.51
KRC Rock Inc	Landscaping Materials	124446	2,976.38
Mission Resource Conservation District	Water Use Evaluations - 3 Prj 20221-51	124447	225.00
Pacific Pipeline Supply	12" Steel Pipes - 40	124448	5,234.06
Plumbers Depot Inc	Leader Hoses - 2 & Vactor Supplies	124449	642.24
Rusty Wallis Inc	Water Softener & Water System Service June - MRF	124450	1,104.00
Safety-Kleen Systems Inc	Parts Washer Rental	124451	500.18
SHI International Corp.	Dell Sound Bars - 5	124452	295.34
Total Resource Mgt Inc	Maximo Support - May	124453	5,087.51
Unifirst Corporation	Uniform Delivery	124454	1,046.88
Valley CM Inc	Discovery Street Inspection Prj 20191-541	124455	4,350.00
Garnishments	Payroll Garnishments	124458	-
Accurate Security Pros, Inc.	Front Gate Repair & Fob Replacement - Employee Front Gate	124459	401.25
Advanced Industrial Services, Inc.	Sage Canyon Tank Refurbishment Prj 20201-6	124460	50,654.00
AT&T	Cell Phone Svc - May	124461	44.86
Electrorecycle, Inc.	E-Waste Removal 6-3-22	124462	378.05
Boncor Water Systems	Soft Water Svc - July	124463	1,149.00
County of San Diego	Recording Fees - May	124464	154.88
Directv Inc	Satellite Svc - June	124465	121.99
Electrical Sales Inc	Secondary Chain Drive - MRF, Pump 1 Starter - Wulff PS	124466	1,634.89
James R Hernandez	CSDA Meeting 5-16-22, San Marcos Chamber of Commerce Meeting 6-8-22	124467	299.02
ICD Waterjet Inc.	Laser Cut Steel Privacy Wall - Demo Garden Prj 20191-628	124468	6,198.75
Infosend Inc	Processing, Printing, & Door Hangers - June	124469	5,524.68
Jack Henry & Assoc Inc	Remit Plus Processing - May	124470	155.64
Jim Pennock	ACWA Conference 5-2-22, CSDA Meeting 5-16-22	124471	255.37
JCI Jones Chemicals Inc	Chlorine	124472	4,461.71
Justin Shutt	Cert Renewal Reimbursement - CWEA	124473	91.00
Matheson Tri-Gas Inc	Cylinder Rental	124474	80.17
Matias Labarrere	License Reimbursement - CISSP	124475	125.00
Mike Arthur	SDCWA Meetings 3-17-22 & 5-12-22	124476	22.93
Pacific Pipeline Supply	Warehouse Restock - PVC Pipes & Couplings	124477	674.08
Parkhouse Tire Inc	Tires 4 - Veh 240	124478	1,788.16
Penco, Inc.	Calcium Nitrate	124479	41,710.29
Rick Post Welding	Emergency Welding Svcs - 12" Main Repair	124480	1,356.25
SDG&E	Power - May	124481	4,782.92
Southern Counties Lubricants, LLC	Unleaded & Diesel Fuel	124482	48,560.81
SS Mechanical Construction Corp.	Aeration Basin Capital Improvement Prj 20191-2	124483	184,415.90
SSA Solar of CA 5, LLC	Solar Power Purchase Agreement	124484	28,051.23
Standard Insurance Company	LIFE, LTD, & ADD Insurance - July	124485	6,095.88
Staples Advantage	Office Supplies - June	124486	856.85
Tank Specialists of California	Fuel Island Maintenance - Feb - May	124487	1,200.00
Uline Inc	Outdoor Furniture - Umbrella & Base Replacement	124488	361.42
Univar USA Inc	Sodium Hypo Liquichlor, Caustic Soda	124489	6,886.23
UPS	Shipping Svcs - May	124490	52.24
Urban Corps San Diego County	Weed Abatement - May	124491	7,559.36
V & A Consulting Engineers Inc	Ductile Iron Pipe Condition Assessment Prj 20141-4	124492	5,019.49
Versatile Systems Inc.	Installation of Fall Protection Equipment - Water Vaults	124493	118,045.13
CCI	Water Treatment - June	124494	220.00
Core & Main LP	8" Check Valve Replacement - Lake San Marcos PS P3	124495	4,461.93
Fisher Scientific LLC	Laboratory UV Lamp & Sampling Thermometer - Water Ops	124496	1,308.32
Grainger Inc	Kitchen & Restroom Faucets 6, Pipe Cutters 2, LED Bulb Boxes 2, Bench Grinder & Stand	124497	6,479.30
Harper & Associates Inc	Sage Canyon Tank Refurbishment Prj 20201-6	124498	2,148.00
Jan-Pro of San Diego	Janitorial & Disinfecting Svcs May - MRF & District HQ Prj 20211-850	124499	5,647.00
KRC Rock Inc	Landscaping Materials	124500	1,488.19
Lawnmowers Plus Inc	Hardware Supplies	124501	104.37
Lloyd Pest Control	Pest Control Svcs - June	124502	613.00
Mallory Safety & Supply, LLC	Air Monitor Sensors, Hats, Sun Protection, & Disinfecting Wipes	124503	1,941.61
Pacific Pipeline Supply	Pump Control Valve Parts - PVPS, Couplings 4, Steel Plugs 4, Concrete Mortar Repair Tool	124504	9,561.64
Painting & Decor, Inc.	Exterior Painting - South Lake PS, Meadowlark PS, District HQ	124505	29,190.00
Pal General Engineering Inc.	Admin Building Concrete Repairs Prj 20221-16	124506	2,190.10
Saturn Electric, Inc.	Craven Pressure Station Electrical Vault Rehab Prj 20221-20	124507	20,580.00
Schmidt Fire Protection Co Inc	Quarterly Maintenance Inspection - Fire Sprinkler Systems	124508	353.00
Shi International Corp.	Dell Monitors - 5	124509	1,631.23
T.S. Industrial Supply	Warehouse Spray Paint Restock, Fire Hoses 4, Fire Hose Nozzles 3, & Bristle Brushes 2	124510	1,875.04
Total Compensation Systems, Inc.	GASB 75 Full Actuarial Valuation	124511	1,665.00
Unifirst Corporation	Uniform Delivery	124512	915.90
Univar USA Inc	Sodium Bisulfite	124513	2,922.87
Waxie Sanitary Supply	Cleaning Supplies - June	124514	1,215.24

VALLECITOS WATER DISTRICT  
WARRANTS LIST  
July 20, 2022

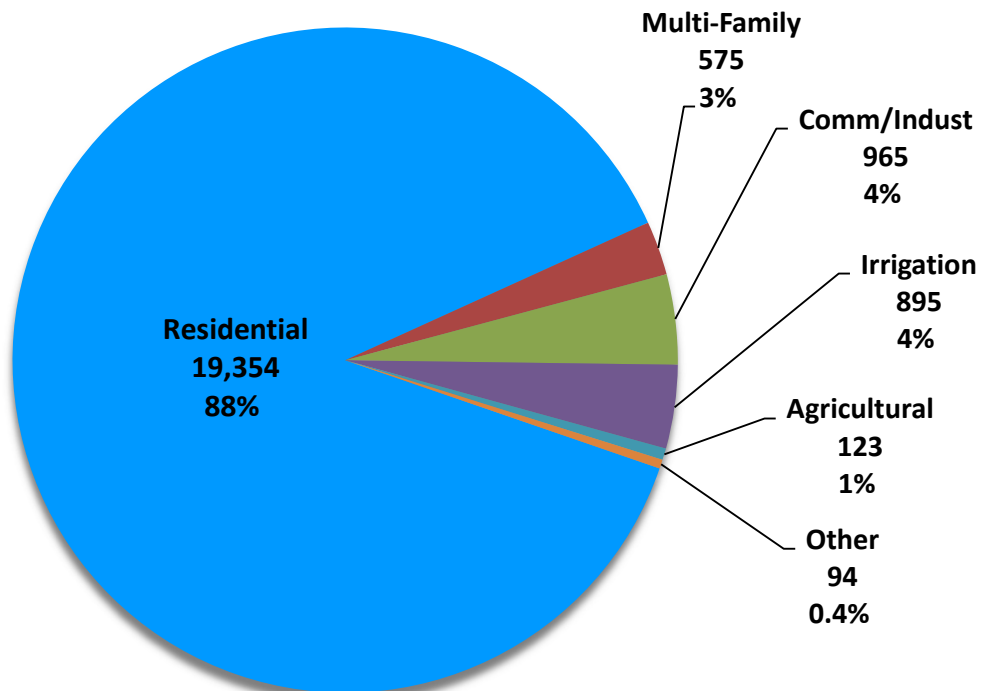
PAYEE	DESCRIPTION	CHECK#	AMOUNT
Garnishments	Payroll Garnishments	124515 through	124517
Total Disbursements (143 Checks)			-
			<u>934,407.34</u>
<b>WIRES</b>			
San Diego County Water Authority	May Water Bill	Wire	3,057,617.29
Public Employees Retirement System	Retirement Contribution FY22-23	Wire	889,315.00
Encina Wastewater Authority	Quarterly Billing	Wire	2,370,141.00
Public Employees Retirement System	Retirement Contribution - June 14, 2022 Payroll	Wire	75,663.00
Public Employees Retirement System	Retirement Contribution - June 28, 2022 Payroll	Wire	75,293.71
Public Employees Retirement System	Retirement Contribution - July 12, 2022 Payroll	Wire	76,034.18
US Bank	US Bank debt payment - Interest	Wire	746,510.01
Total Wires			<u>7,290,574.19</u>
<b>PAYROLL</b>			
Total direct deposits		Wire	242,144.76
VWD Employee Association		124367	572.00
Payroll & Garnishments		124368	997.37
IRS	Federal payroll tax deposits	Wire	96,627.39
Employment Development Department	California payroll tax deposit	Wire	19,431.95
CalPERS	Deferred compensation withheld	Wire	22,315.26
VOYA	Deferred compensation withheld	Wire	7,977.98
Total June 15, 2022 Payroll Disbursements			<u>390,066.71</u>
Total direct deposits		Wire	256,716.65
VWD Employee Association		124456	560.00
Payroll & Garnishments	Payroll Garnishments	124458	1,478.40
IRS	Federal payroll tax deposits	Wire	105,421.81
Employment Development Department	California payroll tax deposit	Wire	21,427.32
CalPERS	Deferred compensation withheld	Wire	21,665.99
VOYA	Deferred compensation withheld	Wire	7,962.55
Total June 28, 2022 Payroll Disbursements			<u>415,232.72</u>
Total direct deposits		Wire	249,871.78
VWD Employee Association		124515	560.00
Payroll & Garnishments	Payroll Garnishments	124517	1,810.62
IRS	Federal payroll tax deposits	Wire	101,840.86
Employment Development Department	California payroll tax deposit	Wire	20,799.34
CalPERS	Deferred compensation withheld	Wire	21,104.30
VOYA	Deferred compensation withheld	Wire	7,477.98
Total July 12, 2022 Payroll Disbursements			<u>403,464.88</u>
Total Payroll Disbursements			<u>1,208,764.31</u>
<b>TOTAL DISBURSEMENTS</b>			<u><u>9,433,745.84</u></u>

Vallecitos Water District  
 Active Water Meters  
 June 30, 2022

Active Meters by Size as of June 30, 2022



Active Meters by Type as of June 30, 2022



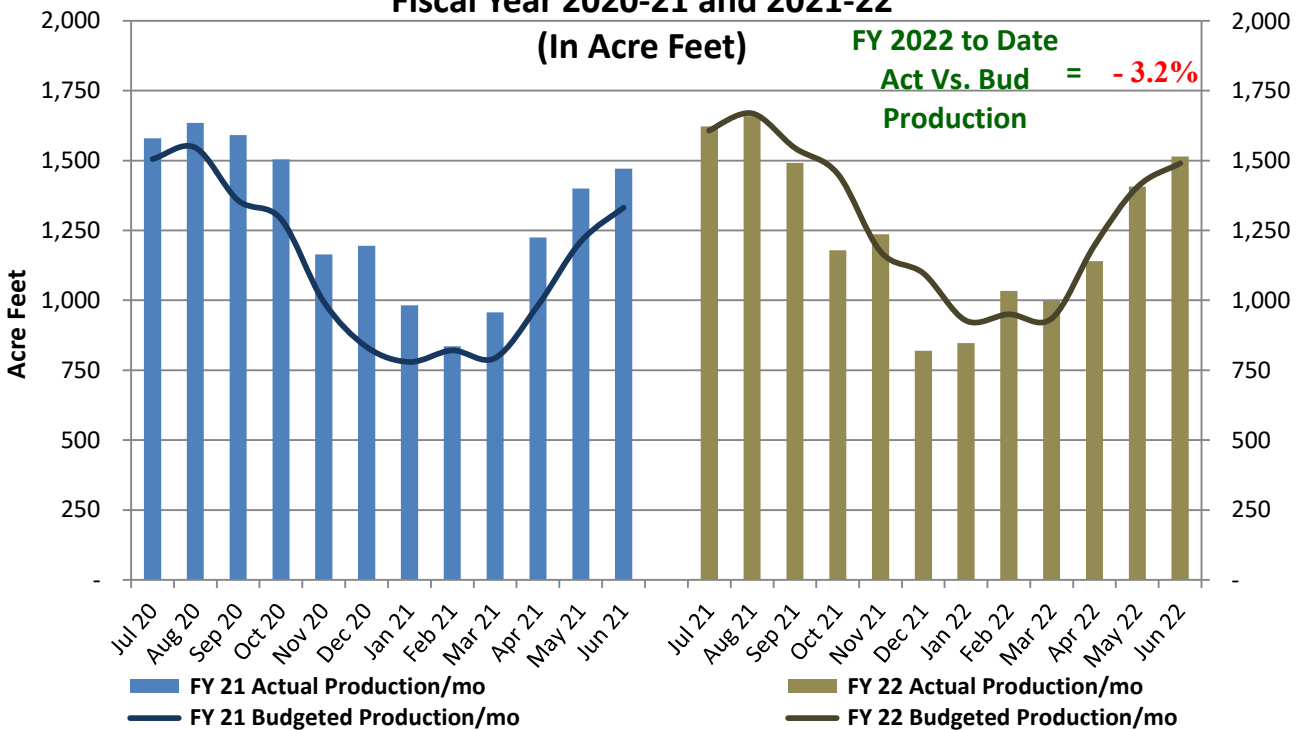
Vallejos Water District  
 Water Production/Sales  
 June 30, 2022

**Water Sales FY 19-20, FY 20-21 and FY 21-22 (FYTD)**  
**(in Acre Feet)**



	Residential	Irrigation	Agricultural	Commer/ Indust/ Const/ Oth
FY 19-20	8,433	2,423	634	1,594
FY 20-21	9,427	2,995	731	1,618
FY 21-22	8,939	2,797	654	1,800

**Water Production Budget vs. Actual**  
**Fiscal Year 2020-21 and 2021-22**  
**(In Acre Feet)**





## OVERVIEW

With the fourth quarter complete, the District's water fund had a net operating income of \$1.8 million (before depreciation) while the sewer fund had a net operating income of \$9.0 million (before depreciation). The District is cash funding capital projects and is current on all debt service payments.

## WATER FUND

Overall, the water fund performed as expected during the fourth quarter of Fiscal Year 2022.

**Revenues:** Water Sales were 97% of total budget as a result of statewide drought restrictions, lowering water usage for the final portion of the fiscal year. Ready to Serve (RTS) performed as expected. Pumping Charges were low this quarter due to decreased demand due to the drought restrictions. Other revenue was high due to more delinquency revenues collected than anticipated.

Revenue	Budget	YTD Actual	Percent
Water Sales	\$ 31,180,000	\$ 30,387,374	97%
Ready to Serve	14,310,000	14,264,852	100%
Pumping Cost Rec	415,000	383,196	92%
Other	599,111	746,528	125%
<b>Total</b>	<b>\$ 46,504,111</b>	<b>\$ 45,781,950</b>	<b>98%</b>

**Expenses:** Water Purchases were 100% of total budget. Operating expenses are low mainly due to timing of outside services being performed. Supporting expenses were low due to lower outside services and credits applied to customer accounts for the Water Arrearages Program. General & Administration expenses were low due to more time being charged to projects than anticipated.

Expense	Budget	YTD Actual	Percent
Water Purchases	\$ 32,652,000	\$ 32,530,848	100%
Operating	5,022,000	4,636,346	92%
Supporting	4,773,000	4,073,538	85%
General & Admin	3,134,000	2,729,644	87%
<b>Total</b>	<b>\$ 45,581,000</b>	<b>\$ 43,970,376</b>	<b>96%</b>

## SEWER FUND

The Sewer Fund performed as expected through the fourth quarter of Fiscal Year 2022.

**Revenues:** Sewer Service charges & Reclaimed water sales performed as planned. Other Revenue was low due to less grant revenue and reimbursements than anticipated.

Revenue	Budget	YTD Actual	Percent
Sewer Service	\$ 17,763,000	\$ 17,918,030	101%
Reclaimed	2,975,000	2,975,000	100%
Other	317,000	280,225	88%
<b>Total</b>	<b>\$ 21,055,000</b>	<b>\$ 21,173,255</b>	<b>101%</b>

## SEWER FUND (continued)

**Expenses:** Treatment expenses were low due to timing of budgeted material purchases and outside services. Operating & Support expenses were low due to lower outside services than anticipated. General & Admin expenses were high due to the timing of legal fees.

Expense	Budget	YTD Actual	Percent
Treatment	\$ 6,405,000	\$ 5,571,584	87%
Operating	2,823,000	2,612,053	93%
Supporting	3,117,000	2,471,531	79%
General & Admin	1,427,000	1,522,108	107%
<b>Total</b>	<b>\$ 13,772,000</b>	<b>\$ 12,177,276</b>	<b>88%</b>

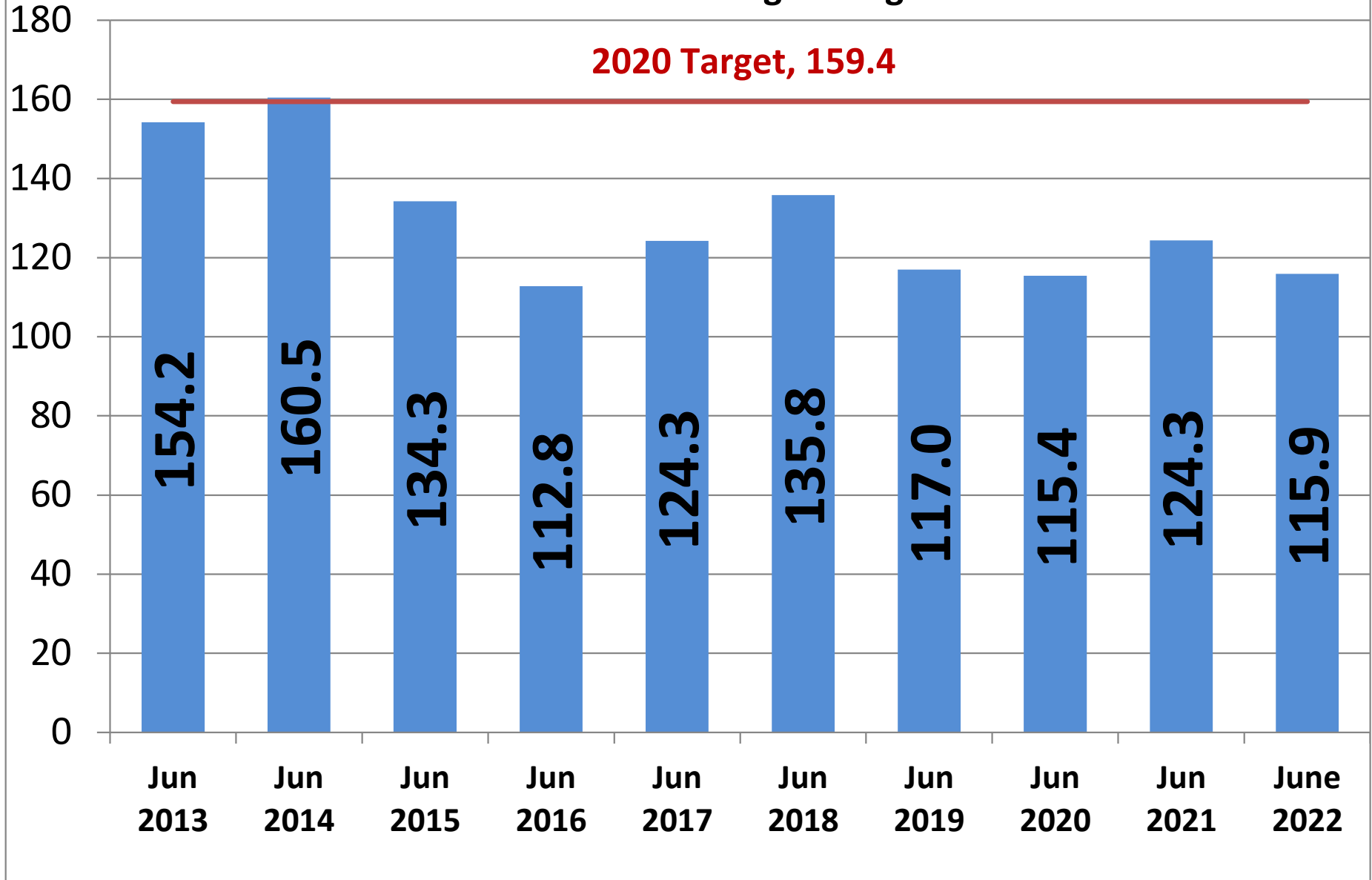
## RESERVES AND FUNDS:

The following is a summary of the replacement reserves and capacity funds as of June 30, 2022.

Water:		
Revenues	Replacement	Capacity
Debt Proceeds	\$ 389,075	\$ -
Interfund Transfer	-	8,808,075
FY 21/22 Operating Transfers	1,811,574	-
Capital Facility Fees	-	4,058,906
Property tax & Other	4,249,742	2,584
<b>Total Revenue</b>	<b>6,450,391</b>	<b>12,869,565</b>
Distributions		
Capital Projects	1,436,092	-
Interfund Transfer	389,075	-
Debt Service	-	2,144,805
<b>Total Distributions</b>	<b>1,825,167</b>	<b>2,144,805</b>
Beginning Balance	39,878,651	(7,871,529)
Ending Balance	44,503,875	2,853,231
Less: Operating Reserves	6,375,900	-
<b>Replacement Reserve Balance</b>	<b>\$ 38,127,975</b>	<b>\$ 2,853,231</b>
Replacement Reserve Floor	\$ 10,394,000	
Replacement Reserve Ceiling	\$ 40,281,800	

Wastewater:		
Revenues	Replacement	Capacity
Debt Proceeds	\$ 12,862,030	\$ 5,510,894
Interfund Transfer	-	4,443,030
FY 21/22 Operating Transfers	8,995,979	-
Capital Facility Fees	-	4,578,793
Property tax & Other	3,294,533	588
<b>Total Revenue</b>	<b>25,152,542</b>	<b>14,533,305</b>
Distributions		
Capital Projects	9,077,979	1,098,915
Interfund Transfer	12,862,030	-
Debt Service	-	3,273,404
<b>Total Distributions</b>	<b>21,940,009</b>	<b>4,372,319</b>
Beginning Balance	59,942,213	(9,842,681)
Ending Balance	63,154,746	318,305
Less: Operating Reserves	6,791,700	-
<b>Replacement Reserve Balance</b>	<b>\$ 56,363,046</b>	<b>\$ 318,305</b>
Replacement Reserve Floor	\$ 20,006,200	
Replacement Reserve Ceiling	\$ 63,574,100	

# Gallons per Capita per Day 12-Month Rolling Average



**DATE: JULY 20, 2022**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: MONTHLY FINANCIAL REPORTS**

**BACKGROUND:**

The Monthly Revenue and Expense Reports and the Reserve Report for the twelve months ended June 30, 2022, are presented.

**DISCUSSION:**

The Monthly Revenue and Expense reports summarize revenues by service type and expenses by department over the 12-month period. Comparisons to prior year actual and current year budget amounts are also presented. Each statement contains footnotes regarding significant variances exceeding predetermined dollar and percentage amounts. Any excess of revenues over expenses are transferred to reserves and any excess of expenses above revenues are paid for out of reserves. It is important to note that amounts shown in the Revenue and Expense reports are unaudited and do not reflect actual transfers to/from reserves. Actual transfers will be posted upon completion of the fiscal year-end audit.

The Monthly Reserve Report presents the balances in each of the District's reserve funds. The report summarizes all sources and uses of reserves. Sources consist of operating transfers, capital facility fees, property taxes, dissolved RDA distributions, investment earnings and annexation fees. Uses are distributions for capital projects, debt service, PERS UAL Additional Discretionary Payments (ADP), and interest expense. Unaudited amounts for operating transfers are reflected in the reserve report using the most recent information available at the time of reporting. Actual transfers will be posted upon completion of the audit in December of the following fiscal year which may result in adjustments to the beginning reserve balances.

**RECOMMENDATION:**

For information only.

Vallecitos Water District  
Water Revenue and Expense Report  
For the Year Ended June 30, 2022

(Unaudited)

	Current	Prior Year Actual			Current Year Budget		
	Year	Amount	Variance		Amount	Variance	
	Actual		\$	%		\$	%
<b>Revenue</b>							
Water Sales	\$ 30,387,374	\$32,766,058	\$ (2,378,684)	-7.3%	\$31,180,000	\$ (792,626)	-2.5%
Ready-to-serve	14,264,852	14,621,973	(357,121)	-2.4%	14,310,000	(45,148)	-0.3%
Pumping cost recovery	383,196	449,778	(66,582)	-14.8%	415,000	(31,804)	-7.7%
Late & lock charges	268,706	320,354	(51,648)	-16.1%	195,000	73,706	37.8%
Backflow fees	118,375	109,982	8,393	7.6%	92,000	26,375	28.7%
Other revenue	359,447	297,117	62,330	21.0%	314,000	45,447	14.5%
<b>Total Revenue</b>	<b>45,781,950</b>	<b>48,565,262</b>	<b>(2,783,312)</b>	<b>-5.7%</b>	<b>46,506,000</b>	<b>(724,050)</b>	<b>-1.6%</b>
<b>Expenses</b>							
Water costs	32,530,848	31,649,264	881,584	2.8%	32,652,000	(121,152)	-0.4%
Pumping costs	943,372	838,435	104,937	12.5%	923,000	20,372	2.2%
Water quality	204,008	98,236	105,772	107.7%	211,000	(6,992)	-3.3%
Water treatment	496,302	468,319	27,983	6.0%	476,000	20,302	4.3%
Tanks & reservoirs	365,519	289,533	75,986	26.2%	380,000	(14,481)	-3.8%
Trans & distribution	1,791,960	1,666,004	125,956	7.6%	1,910,000	(118,040)	-6.2%
Services	60,998	80,864	(19,866)	-24.6%	82,000	(21,002)	-25.6%
Meters	692,348	860,431	(168,083)	-19.5%	966,000	(273,652)	-28.3%
Backflow prevention	81,839	68,196	13,643	20.0%	74,000	7,839	10.6%
Customer accounts	559,577	790,146	(230,569)	-29.2%	888,000	(328,423)	-37.0%
Building & grounds	549,745	416,089	133,656	32.1%	494,000	55,745	11.3%
Equipment & vehicles	234,665	249,497	(14,832)	-5.9%	339,000	(104,335)	-30.8%
Engineering	1,618,896	1,593,763	25,133	1.6%	1,637,000	(18,104)	-1.1%
Safety & compliance	179,989	214,096	(34,107)	-15.9%	285,000	(105,011)	-36.8%
Information Technology	930,666	889,659	41,007	4.6%	1,130,000	(199,334)	-17.6%
General & administrative	2,729,644	2,547,496	182,148	7.2%	3,134,000	(404,356)	-12.9%
<b>Total Expenses</b>	<b>43,970,376</b>	<b>42,720,028</b>	<b>1,250,348</b>	<b>2.9%</b>	<b>45,581,000</b>	<b>(1,610,624)</b>	<b>-3.5%</b>
<b>Net Operating Income</b>	<b>\$ 1,811,574</b>	<b>\$ 5,845,234</b>	<b>(4,033,660)</b>	<b>-69.0%</b>	<b>\$ 925,000</b>	<b>886,574</b>	<b>95.8%</b>

Explanation of Significant Variances

**Water quality** has an unfavorable prior year variance due to an anticipated expenditure related to flushing services at Lake San Marcos.

**Meters** has a favorable budget variance because of product supply shortages causing delays in the meter testing and replacement program.

**Customer accounts** has a favorable prior year & budget variance due to federal monies received and credited to customer accounts awarded through the Arrearages program.

**Building & grounds** has an unfavorable prior year variance due to planned increases in outside repairs and power costs.

**Equipment & vehicles** has a favorable budget variance due to the timing of outside services performed and auto part supply shortages.

**Safety & compliance** has a favorable budget variance due to lower than anticipated labor costs.

Vallecitos Water District  
Sewer Revenue and Expense Report  
For the Year Ended June 30, 2022

(Unaudited)

	Current	Prior Year Actual			Current Year Budget		
	Year	Amount	Variance		Amount	Variance	
	Actual		\$	%		\$	%
<b>Revenue</b>							
Sewer service charges	\$ 17,918,030	\$ 18,190,931	\$ (272,901)	-1.5%	\$ 17,763,000	\$ 155,030	0.9%
Reclaimed water sales	2,975,000	2,925,486	49,514	1.7%	2,975,000	0	0.0%
Other revenue	280,225	283,856	(3,631)	-1.3%	317,000	(36,775)	-11.6%
Total Revenue	<u>21,173,255</u>	<u>21,400,273</u>	<u>(227,018)</u>	<u>-1.1%</u>	<u>21,055,000</u>	<u>118,255</u>	<u>0.6%</u>
<b>Expenses</b>							
Collection & conveyance	2,157,550	2,308,979	(151,429)	-6.6%	2,384,000	(226,450)	-9.5%
Lift stations	259,348	247,721	11,627	4.7%	236,000	23,348	9.9%
Source Control	195,155	183,171	11,984	6.5%	203,000	(7,845)	-3.9%
Effluent disposal	2,978,715	2,895,388	83,327	2.9%	3,339,000	(360,285)	-10.8%
Meadowlark	2,592,869	2,717,504	(124,635)	-4.6%	3,066,000	(473,131)	-15.4%
Customer Accounts	413,368	458,376	(45,008)	-9.8%	565,000	(151,632)	-26.8%
Building & grounds	367,885	262,827	105,058	40.0%	262,000	105,885	40.4%
Equipment & vehicles	194,537	196,722	(2,185)	-1.1%	329,000	(134,463)	-40.9%
Engineering	652,347	743,551	(91,204)	-12.3%	899,000	(246,653)	-27.4%
Safety & compliance	109,232	138,805	(29,573)	-21.3%	189,000	(79,768)	-42.2%
Information technology	734,162	741,775	(7,613)	-1.0%	873,000	(138,838)	-15.9%
General & administrative	1,522,108	1,387,813	134,295	9.7%	1,427,000	95,108	6.7%
Total Expenses	<u>12,177,276</u>	<u>12,282,632</u>	<u>(105,356)</u>	<u>-0.9%</u>	<u>13,772,000</u>	<u>(1,594,724)</u>	<u>-11.6%</u>
Net Operating Income	<u>\$ 8,995,979</u>	<u>\$ 9,117,641</u>	<u>(121,662)</u>	<u>-1.3%</u>	<u>\$ 7,283,000</u>	<u>1,712,979</u>	<u>23.5%</u>

Explanation of Significant Variances

**Customer accounts** has a favorable budget variance due to the timing of purchases of materials & supplies & monies received from the Sewer Arrearages Program that were credited to customer accounts.

**Building & grounds** has an unfavorable prior year variance due to planned increases in outside repairs, power costs, & an unfavorable budget variance due to unanticipated HVAC repairs.

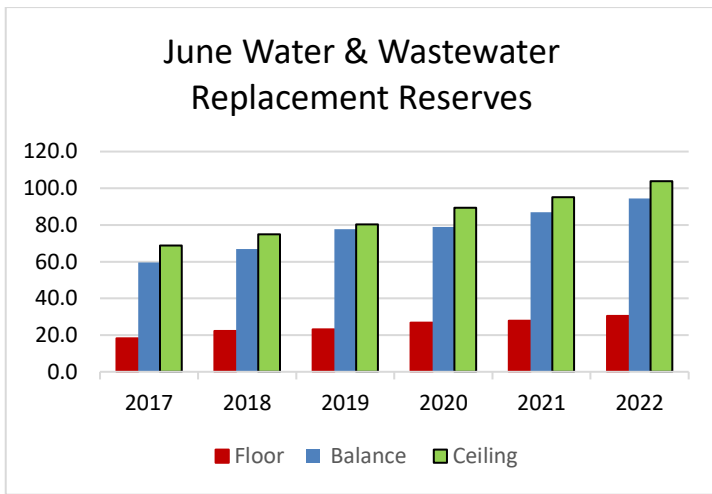
**Equipment & vehicles** has a favorable budget variance due to the timing of outside services performed and auto part supply shortages.

**Engineering** has a favorable budget variance due to less than anticipated outside services being performed.

*Variances are considered significant if they exceed \$100000 and 20%.*

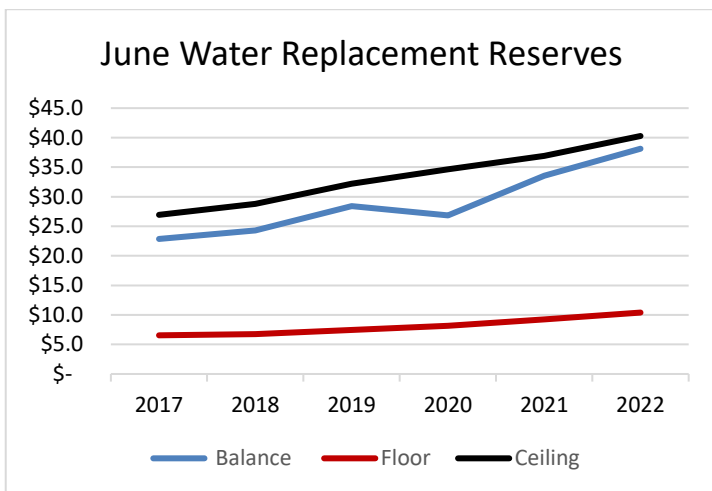
**REPLACEMENT RESERVES**

The District maintains two replacement reserves in cash equivalents and investments: One for the District’s water system and the other for the District’s wastewater system. The District’s reserve policy establishes a floor for replacement reserves after funding operating reserves as the sum of three years of projected system replacement costs, and a ceiling as the sum of ten years of projected system replacement costs for water or the sum of eight years of projected system replacement costs for sewer. As of June 30, 2022, the total water and wastewater replacement reserve balance was \$94.5 million, 8.7 percent higher than June 30, 2021.



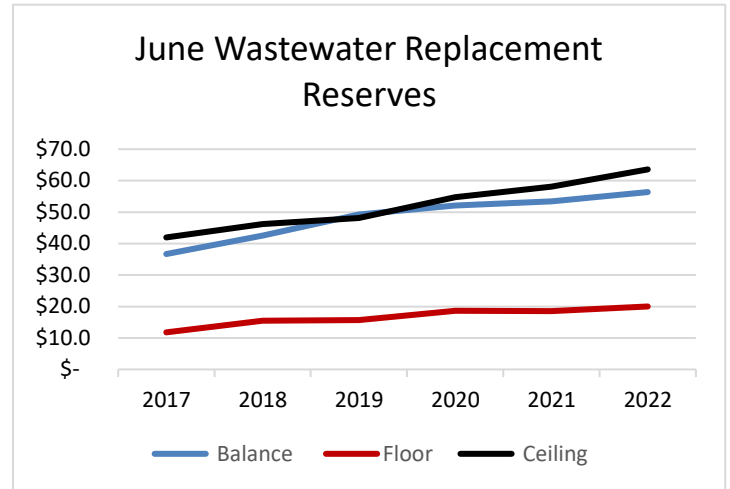
**WATER REPLACEMENT RESERVE**

As of June 30, 2022, the District’s water replacement reserve totaled \$38.1 million, an increase of 13.6 percent, or \$4.6 million higher from the same month of the prior year. The month-end balance is within the floor and ceiling established by the reserve policy, leaving the District with sufficient reserves to meet infrastructure replacement needs.



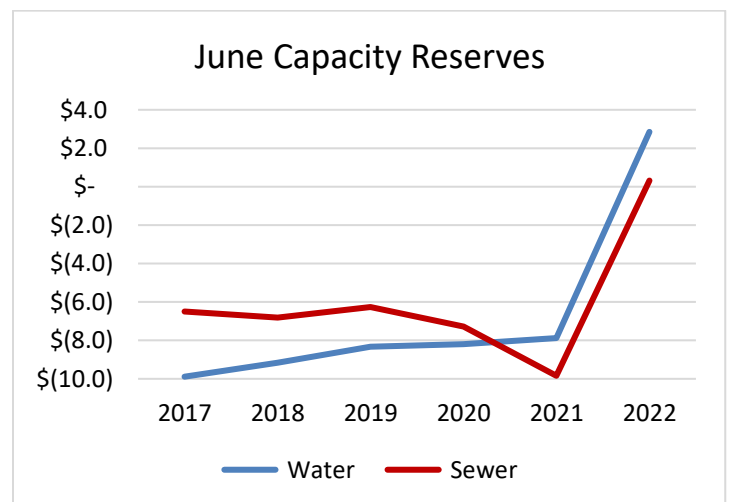
**WASTEWATER REPLACEMENT RESERVE**

As of June 30, 2022, the balance in the District’s wastewater replacement reserve totaled \$56.4 million, an increase of 5.6 percent, or \$3.0 million, from the same month of the prior year. The month-end balance is within the approved floor and ceiling.



**CAPACITY RESERVES**

The District collects capital facility fees from new development and increased demands from existing customers, maintains the collected fees in separate funds (one for water and one for wastewater), and uses the funds exclusively to provide capacity to serve new development and fund future construction of facilities identified in the District’s Master Plan and capital budget. As of June 30, 2022, the water capacity fund had a balance of \$2.9 million and the sewer capacity fund had a balance of \$0.3 million. The District’s capital facility fees situation has improved as a result of the adoption of the new Master Plan and the corresponding capacity fee study.



**VALLECITOS WATER DISTRICT**

RESERVE ACTIVITY FOR THE TWELVE MONTHS ENDED JUNE 30, 2022

	110 Water		120 Wastewater		220	Total
	Replacement	Capacity	Replacement	Capacity		
BEGINNING BALANCE <sup>(1)</sup>	\$ 39,878,651	\$ (7,871,529)	\$ 59,942,213	\$ (9,842,681)		\$ 82,106,654
<b>REVENUES</b>						
Debt Proceeds	389,075	-	12,862,030	5,510,894		18,761,999
Interfund Transfer	-	8,808,075	-	4,443,030		13,251,106
FY 21/22 Operating Transfers <sup>(2)</sup>	1,811,574	-	8,995,979	-		10,807,553
Capital Facility Fees	-	4,058,906	-	4,578,793		8,637,699
RDA pass-through	1,538,173	-	1,477,853	-		3,016,026
Property Tax	1,441,420	-	1,151,068	-		2,592,488
Investment Earnings	498,841	2,584	487,358	588		989,371
Annexation Fees	771,308	-	178,254	-		949,562
<b>TOTAL REVENUES</b>	<u>6,450,391</u>	<u>12,869,565</u>	<u>25,152,542</u>	<u>14,533,305</u>		<u>59,005,804</u>
<b>LESS DISTRIBUTIONS</b>						
<b>Capital Projects</b>						
Encina Wastewater Authority Five Year Plan	-	-	5,302,733	-		5,302,733
San Marcos Interceptor Sewer	-	-	444,705	989,830		1,434,535
MRF - Biological Selector Improvements	-	-	915,722	-		915,722
MRF - Headworks - Upgrade/Replace Equipment	-	-	452,600	-		452,600
MRF - Conversion to Sodium Hypochlorite	-	-	254,878	-		254,878
Sage Canyon Tank Refurbishment	253,268	-	-	-		253,268
Montiel Lift Station And Forcemain Replacement	-	-	130,630	85,506		216,136
16-Inch Emergency Bypass Pipeline Rehabilitation	-	-	209,050	-		209,050
MRF - Odor Scrubber #1 Replacement	-	-	186,190	-		186,190
District-Wide Valve Replacement Program	185,979	-	-	-		185,979
Energy Management Study	75,915	-	72,938	-		148,853
MRF - Site Lighting Upgrade and Repairs	-	-	145,610	-		145,610
Land Outfall West Condition Assessment	-	-	135,679	-		135,679
Tres Amigos Water Line Replacement Phase 1	113,330	-	-	-		113,330
District-Wide SCADA Upgrade Project	53,853	-	51,741	-		105,594
Asset Managment Replacement Schedule	45,849	-	44,052	-		89,901
MRF - Tertiary Influent Chamber Repairs	-	-	82,103	-		82,103
Meadowlark Failsafe Rehabilitation (Buena Reach)	-	-	78,199	-		78,199
Painting of Car Wash Building	35,548	-	34,153	-		69,701
Technology Infrastructure Upgrades	35,104	-	33,727	-		68,831
Sewer Lining and Rehab	-	-	66,741	-		66,741
Maintenance Services Department Offices	34,017	-	32,683	-		66,700
MRF - Replacement of Valve Actuators	-	-	66,451	-		66,451
Safety Nets & Climbing System For Twin oaks	66,151	-	-	-		66,151
Chlorine Contact Tank Expansion	-	-	63,684	-		63,684
Administration Building Repairs	31,446	-	30,213	-		61,659
South Lake Pump Station Fence	56,974	-	-	-		56,974
Craven Pressure Station - Interior Refurbishment	56,739	-	-	-		56,739
MRF - Flow Control Valve & Actuator	-	-	55,304	-		55,304
Meadowlark - Landscaping Improvements	-	-	33,382	20,042		53,424
Ductile Iron Pipe Condition Assessment	40,592	-	-	-		40,592
Wulff Pressure Reducing Station	39,981	-	-	-		39,981
District Wide Solar Project	17,974	-	17,269	-		35,243
GEMS AB Suite 6.1 Upgrade	15,401	-	14,797	-		30,198
Mahr Reservoir - Algae Monitoring	-	-	29,601	-		29,601
Palos Vista Pump Station - Motor Starter Upgrade	26,783	-	-	-		26,783
Maximo 7.6.1.2 Upgrade	12,926	-	12,419	-		25,345
Las Posas Water Line Replacement	22,478	-	-	-		22,478
Fire Services - Backflow Preventer Upgrades	19,258	-	-	-		19,258
Neogov Applicant Tracking Software	7,737	-	7,433	-		15,170
All other capital projects	125,731	-	32,356	3,537		161,624
Capital Budget - Vehicles and Equipmnt	63,058	-	40,936	-		103,994
<b>Total Capital Project Expenditures</b>	<u>1,436,092</u>	<u>-</u>	<u>9,077,979</u>	<u>1,098,915</u>		<u>11,612,986</u>
Interfund Transfer	389,075	-	12,862,030	-		13,251,106
Debt Service	-	2,140,215	-	3,253,737		5,393,952
Interest Expense	-	4,590	-	19,667		24,257
<b>TOTAL DISTRIBUTIONS</b>	<u>1,825,167</u>	<u>2,144,805</u>	<u>21,940,009</u>	<u>4,372,319</u>		<u>30,282,301</u>
<b>ENDING BALANCE</b>	<u>\$ 44,503,875</u>	<u>\$ 2,853,231</u>	<u>\$ 63,154,746</u>	<u>\$ 318,305</u>		<u>\$ 110,830,157</u>
Less: Operating Reserves	6,375,900	-	6,791,700	-		13,167,600
<b>Replacement Reserves/Restricted Funds</b>	<u>\$ 38,127,975</u>	<u>\$ 2,853,231</u>	<u>\$ 56,363,046</u>	<u>\$ 318,305</u>		<u>\$ 97,662,557</u>
Replacement reserve floor	<u>\$ 10,394,000</u>		<u>\$ 20,006,200</u>			
Replacement reserve ceiling	<u>\$ 40,281,800</u>		<u>\$ 63,574,100</u>			

**Notes:**

(1) Beginning balances represent ending balances from the prior year which are adjusted to actual cash and investment balances after completion of the audit around November of the current year

(2) Operating transfers from the unaudited revenue and expense reports are calculated using the most recent information available at the time of this report. Included for reporting purposes, actual transfer amounts will differ.

VALLECITOS WATER DISTRICT  
INVESTMENT REPORT FOR JUNE 2022

Attached is a detailed list of investments for all District funds that are not needed to meet current obligations. In accordance with Government Code Section 53646, the information is presented to the Board on a monthly basis and includes a breakdown by fund, financial institution, settlement and maturity date, yield, and investment amount. In addition, the report indicates the various percentages of investments in each type of institution.

The process and the presentation of the information to the Board are in compliance with requirements outlined in the District Investment Policy adopted on an annual basis. In addition to the investment portfolio, there are sufficient funds in the Operating Account to meet District obligations for the next 30 days. Maturity dates on investments are structured to meet the future financial obligations of the District (i.e., bond payments and construction projections). In that regard, the District will be able to meet expenditure requirements for the next six months without a need to liquidate an investment earlier than scheduled maturity dates.

Investment activity for the month of June follows:

<u>Date</u>	<u>Activity</u>	<u>Investment</u>	<u>Amount</u>	<u>Maturity</u>	<u>Yield</u>
06/01/22	Matured	Blackrock Inc	(500,215)	06/01/22	3.38%
06/02/22	Deposit	LAIF	2,800,000	Open	0.86%
06/03/22	Purchased	US Treasury Note	981,701	10/31/25	3.00%
06/06/22	Deposit	LAIF	1,200,000	Open	0.86%
06/10/22	Withdrawal	LAIF	(2,200,000)	Open	0.86%
06/15/22	Deposit	LAIF	900,000	Open	0.86%
06/15/22	Paid Down	John Deere Owner Trust	(12,118)	08/15/24	1.10%
06/15/22	Paid Down	Toyota Auto Rec	(14,278)	01/15/25	0.35%
06/22/22	Withdrawal	LAIF	(2,700,000)	Open	0.86%
06/30/22	Withdrawal	LAIF	<u>(1,600,000)</u>	Open	0.86%
Change in investments during the month			<u>\$ (1,144,910)</u>		

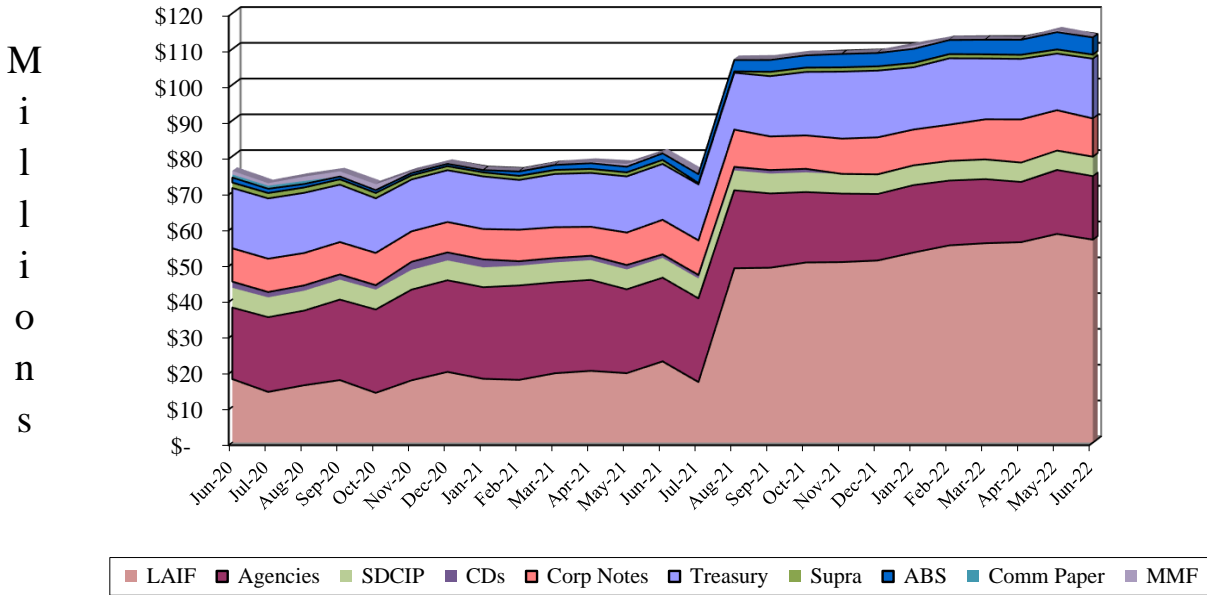
	<u>Current</u>
Weighted average annual yield for total Vallecitos investments	1.050%
Weighted average days to maturity	285

The State Treasurer's Office provides fair market values of LAIF quarterly on their web site. The most recent valuation, which is used on this report, is as of March 31, 2022. The San Diego County Treasurer provides the fair values for the County investment pool. The most recent values and returns, which are used for this report, are for May 31, 2022. Fair values for federal agency obligations and corporate notes are provided by US Bank trust account reporting.



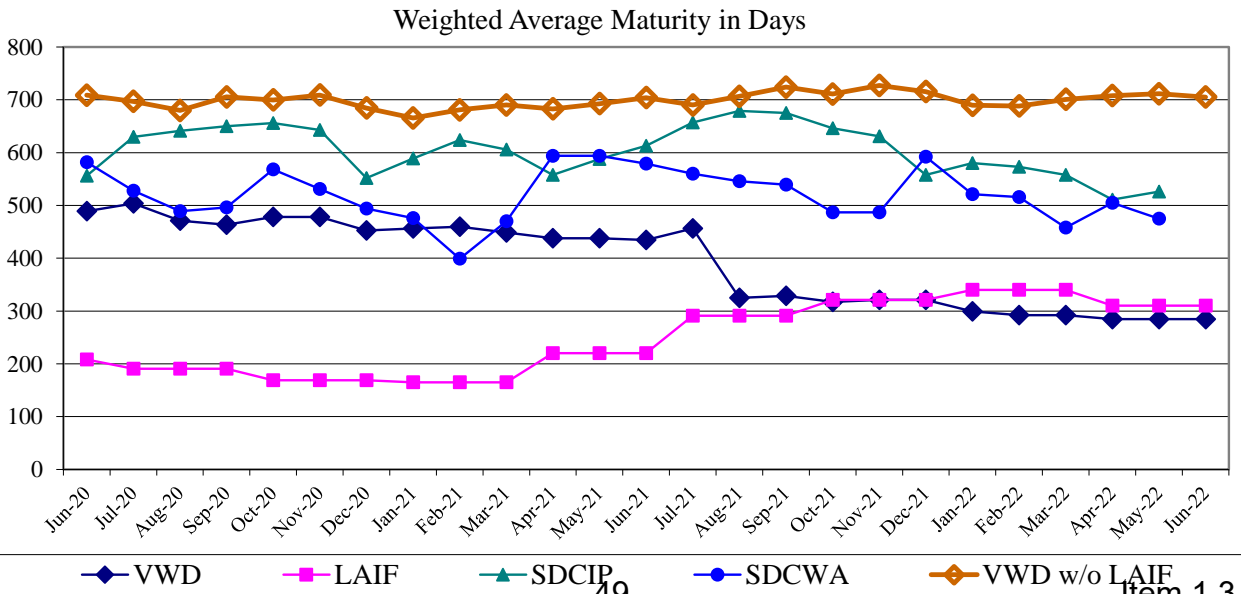
Safety

Criteria for selecting investments and the absolute order of priority are safety, liquidity and yield. To meet the objective of safety and avert credit risk, the District acquires only those investments permitted by the Board adopted investment policy and within the limits established by the policy. Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligation. The District also limits risk by investing in a range of investments to ensure diversification as indicated in the graph below.



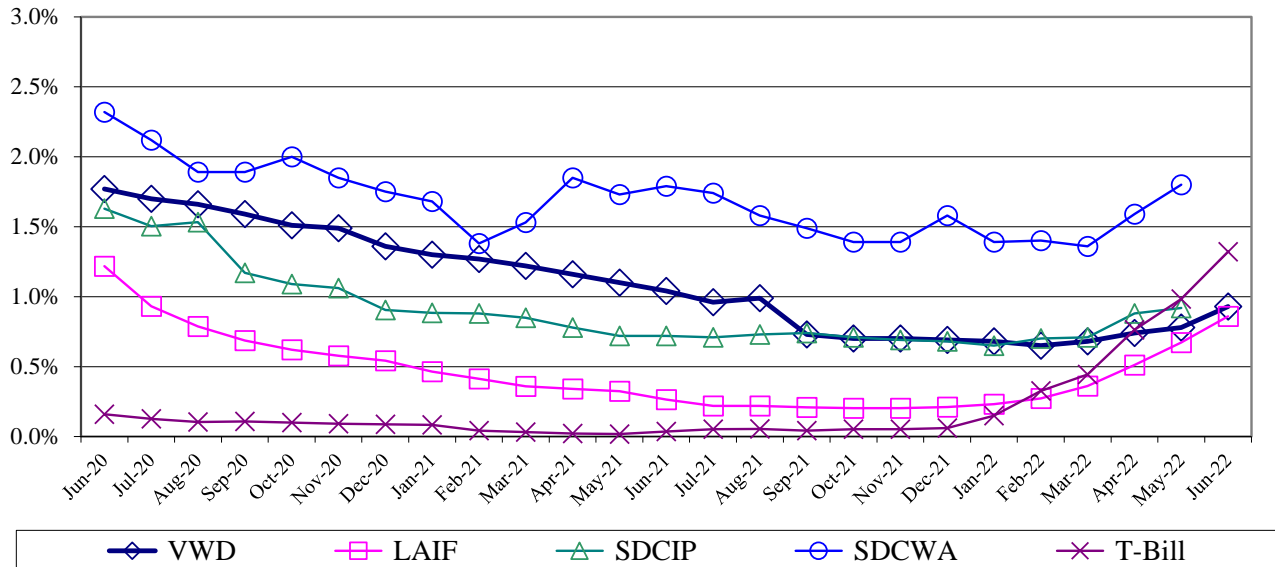
Liquidity

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of investments. The District averts interest rate risk by limiting terms of investments in accordance with the Investment Policy. Maturity in days is a measure of liquidity. The next graph compares the District's liquidity to other managed portfolios. The District's liquidity is graphed with and without LAIF. With LAIF the District is in fact very liquid with \$56.7 million available the same day. But for comparative purposes LAIF is eliminated from the District's portfolio and shown separately.



Yield

The next graph compares the District’s effective yield to LAIF, SDCIP, San Diego County Water Authority (SDCWA), and the average 91-day Treasury bill rate.



Investment/Debt Management

On March 7, 2018 the District entered into a contract with Chandler Asset Management to provide professional investment management and advisory services. Chandler manages the District’s investments in accordance with the District’s policy of safety, liquidity, and yield and continues to maintain investments of varying types within limits allowed by the investment policy (100% in federal agency obligations, 100% in LAIF, 100% in other local government investment pools, 25% in FDIC-backed corporate notes, 25% in commercial paper, 20% in certificates of deposit). Chandler’s portfolio summary is attached.



**PORTFOLIO CHARACTERISTICS**

Average Modified Duration	0.78
Average Coupon	1.10%
Average Purchase YTM	1.05%
Average Market YTM	1.89%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	0.89 yrs
Average Life	0.81 yrs

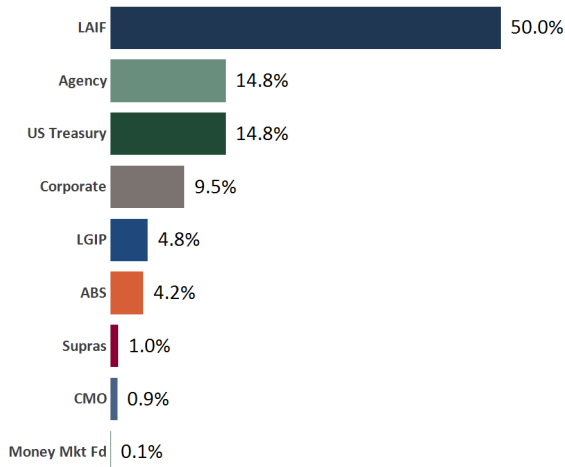
**ACCOUNT SUMMARY**

	Beg. Values as of 5/31/22	End Values as of 6/30/22
Market Value	115,205,441	113,349,847
Accrued Interest	225,887	248,194
<b>Total Market Value</b>	<b>115,431,328</b>	<b>113,598,041</b>
Income Earned	83,531	93,659
Cont/WD		
Par	116,502,166	114,969,324
Book Value	116,588,441	115,054,793
Cost Value	116,737,694	115,208,640

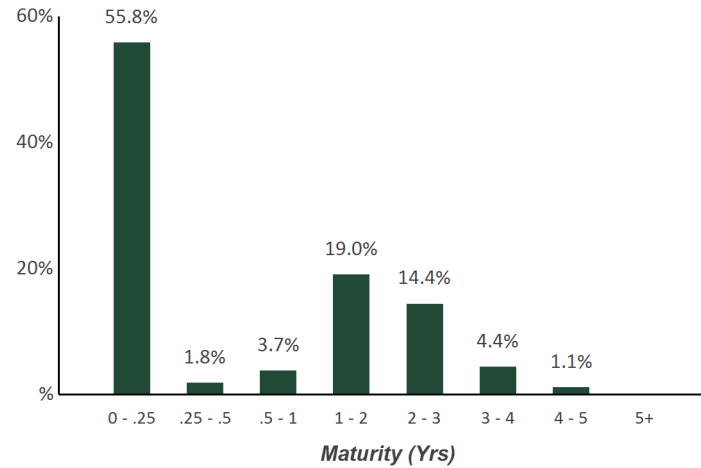
**TOP ISSUERS**

Local Agency Investment Fund	50.0%
Government of United States	14.8%
Federal Home Loan Mortgage Corp	5.4%
County of San Diego Pooled Inve	4.8%
Federal Farm Credit Bank	4.1%
Federal Home Loan Bank	3.2%
Federal National Mortgage Assoc	2.9%
JP Morgan Chase & Co	0.8%
<b>Total</b>	<b>86.0%</b>

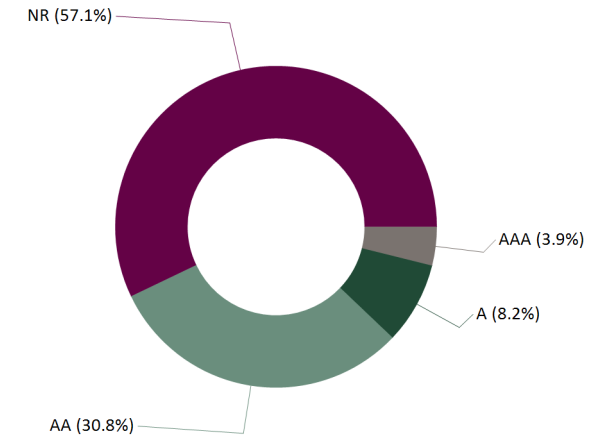
**SECTOR ALLOCATION**



**MATURITY DISTRIBUTION**



**CREDIT QUALITY (S&P)**



Vallecitos Water District Consolidated Account

Account #10594

Holdings Report

As of June 30, 2022



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>ABS</b>									
47789KAC7	John Deere Owner Trust 2020-A A3 1.1% Due 8/15/2024	138,682.00	03/04/2020 1.11%	138,673.52 138,677.93	98.99 3.46%	137,278.82 67.80	0.12% (1,399.11)	Aaa / NR AAA	2.13 0.43
36262XAC8	GM Financial Auto Lease Trust 2021-3 A2 0.39% Due 10/21/2024	360,000.00	08/10/2021 0.39%	359,995.10 359,996.86	96.79 3.43%	348,438.60 42.90	0.31% (11,558.26)	NR / AAA AAA	2.31 1.07
58769KAD6	Mercedes-Benz Auto Lease Trust 2021- B A3 0.4% Due 11/15/2024	255,000.00	06/22/2021 0.40%	254,980.75 254,988.35	96.81 3.55%	246,871.37 45.33	0.22% (8,116.98)	NR / AAA AAA	2.38 1.02
09690AAC7	BMW Vehicle Lease Trust 2021-2 A3 0.33% Due 12/26/2024	160,000.00	09/08/2021 0.34%	159,983.49 159,989.23	97.07 3.49%	155,310.88 8.80	0.14% (4,678.35)	Aaa / NR AAA	2.49 0.93
89236XAC0	Toyota Auto Receivables 2020-D A3 0.35% Due 1/15/2025	179,493.49	10/06/2020 0.36%	179,460.05 179,473.51	98.50 3.19%	176,804.68 27.92	0.16% (2,668.83)	NR / AAA AAA	2.55 0.53
05601XAC3	BMW Vehicle Lease Trust 2022-1 A3 1.1% Due 3/25/2025	170,000.00	01/11/2022 1.11%	169,974.59 169,979.79	96.55 3.84%	164,134.15 31.17	0.14% (5,845.64)	NR / AAA AAA	2.74 1.27
43813GAC5	Honda Auto Receivables Trust 2021-1 A3 0.27% Due 4/21/2025	130,000.00	02/17/2021 0.27%	129,997.62 129,998.66	97.62 3.54%	126,910.55 9.75	0.11% (3,088.11)	Aaa / NR AAA	2.81 0.73
89240BAC2	Toyota Auto Receivables Owners 2021- A A3 0.26% Due 5/15/2025	475,000.00	02/02/2021 0.27%	474,911.84 474,951.44	97.65 3.47%	463,827.53 54.89	0.41% (11,123.91)	Aaa / NR AAA	2.88 0.73
47788UAC6	John Deere Owner Trust 2021-A A3 0.36% Due 9/15/2025	185,000.00	03/02/2021 0.37%	184,964.44 184,977.37	96.15 3.93%	177,878.98 29.60	0.16% (7,098.39)	Aaa / NR AAA	3.21 1.08
44933LAC7	Hyundai Auto Receivables Trust 2021-A A3 0.38% Due 9/15/2025	225,000.00	04/20/2021 0.38%	224,976.33 224,985.45	96.59 3.80%	217,325.70 38.00	0.19% (7,659.75)	NR / AAA AAA	3.21 1.00
43815EAC8	Honda Auto Receivables 2021-3 A3 0.41% Due 11/18/2025	340,000.00	08/17/2021 0.41%	339,995.04 339,996.34	95.53 3.78%	324,789.76 50.34	0.29% (15,206.58)	NR / AAA AAA	3.39 1.34
44934KAC8	Hyundai Auto Receivables Trust 2021-B A3 0.38% Due 1/15/2026	465,000.00	07/20/2021 0.39%	464,897.37 464,927.67	96.00 3.62%	446,400.47 78.53	0.39% (18,527.20)	NR / AAA AAA	3.55 1.25
43815GAC3	Honda Auto Receivables Trust 2021-4 A3 0.88% Due 1/21/2026	175,000.00	11/16/2021 0.89%	174,963.11 174,969.93	95.37 3.78%	166,903.28 42.78	0.15% (8,066.65)	Aaa / NR AAA	3.56 1.62



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>ABS</b>									
47789QAC4	John Deere Owner Trust 2021-B A3 0.52% Due 3/16/2026	220,000.00	07/13/2021 0.52%	219,980.38 219,985.46	94.89 3.90%	208,765.26 50.84	0.18% (11,220.20)	Aaa / NR AAA	3.71 1.53
89238JAC9	Toyota Auto Receivables Trust 2021-D A3 0.71% Due 4/15/2026	160,000.00	11/09/2021 0.71%	159,996.59 159,997.24	95.28 3.79%	152,451.68 50.49	0.13% (7,545.56)	NR / AAA AAA	3.79 1.56
05602RAD3	BMW Vehicle Owner Trust 2022-A A3 3.21% Due 8/25/2026	185,000.00	05/10/2022 3.23%	184,990.38 184,990.75	98.96 4.46%	183,073.23 98.98	0.16% (1,917.52)	Aaa / AAA NR	4.16 0.85
362554AC1	GM Financial Securitized Term 2021-4 A3 0.68% Due 9/16/2026	130,000.00	10/13/2021 0.68%	129,996.69 129,997.36	94.95 4.17%	123,428.76 36.83	0.11% (6,568.60)	Aaa / AAA NR	4.22 1.47
47787JAC2	John Deere Owner Trust 2022-A A3 2.32% Due 9/16/2026	215,000.00	03/10/2022 2.34%	214,952.44 214,956.42	97.45 3.74%	209,523.74 221.69	0.18% (5,432.68)	Aaa / NR AAA	4.22 1.82
380146AC4	GM Financial Auto Receivables 2022-1 A3 1.26% Due 11/16/2026	115,000.00	01/11/2022 1.27%	114,990.01 114,991.35	95.68 4.09%	110,028.55 60.38	0.10% (4,962.80)	NR / AAA AAA	4.38 1.55
362585AC5	GM Financial Securitized ART 2022-2 A3 3.1% Due 2/16/2027	170,000.00	04/05/2022 3.13%	169,964.47 169,966.71	99.09 3.60%	168,460.31 219.58	0.15% (1,506.40)	Aaa / AAA NR	4.64 1.90
02582JIT8	American Express Credit Trust 2022-2 A 3.39% Due 5/17/2027	475,000.00	05/17/2022 3.42%	474,894.93 474,898.60	99.89 3.46%	474,454.23 715.67	0.42% (444.37)	NR / AAA AAA	4.88 2.68
<b>Total ABS</b>		<b>4,928,175.49</b>	<b>1.06%</b>	<b>4,927,539.14</b> <b>4,927,696.42</b>	<b>3.67%</b>	<b>4,783,060.53</b> <b>1,982.27</b>	<b>4.21%</b> <b>(144,635.89)</b>	<b>Aaa / AAA</b> <b>AAA</b>	<b>3.41</b> <b>1.31</b>
<b>AGENCY</b>									
3130AFE78	FHLB Note 3% Due 12/9/2022	1,000,000.00	01/25/2019 2.71%	1,010,700.00 1,001,220.91	100.30 2.31%	1,002,995.00 1,833.33	0.88% 1,774.09	Aaa / AA+ AAA	0.44 0.44
3137EAER6	FHLMC Note 0.375% Due 5/5/2023	985,000.00	05/05/2020 0.39%	984,586.30 984,883.42	97.91 2.89%	964,380.01 574.58	0.85% (20,503.41)	Aaa / AA+ AAA	0.85 0.83
3135G04Q3	FNMA Note 0.25% Due 5/22/2023	1,055,000.00	05/20/2020 0.35%	1,051,824.45 1,054,057.49	97.72 2.84%	1,030,997.70 285.73	0.91% (23,059.79)	Aaa / AA+ AAA	0.89 0.88
3135G05G4	FNMA Note 0.25% Due 7/10/2023	875,000.00	07/08/2020 0.32%	873,118.75 874,357.45	97.35 2.88%	851,829.13 1,039.06	0.75% (22,528.32)	Aaa / AA+ AAA	1.03 1.01
3133EKZK5	FFCB Note 1.6% Due 8/14/2023	1,000,000.00	08/28/2019 1.48%	1,004,700.00 1,001,329.39	98.53 2.94%	985,303.00 6,088.89	0.87% (16,026.39)	Aaa / AA+ AAA	1.12 1.09

Vallecitos Water District Consolidated Account

Account #10594

Holdings Report

As of June 30, 2022



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>AGENCY</b>									
3137EAEV7	FHLMC Note 0.25% Due 8/24/2023	1,000,000.00	09/24/2020 0.24%	1,000,230.00 1,000,090.66	97.03 2.90%	970,280.00 881.94	0.85% (29,810.66)	Aaa / AA+ AAA	1.15 1.13
3130A3DL5	FHLB Note 2.375% Due 9/8/2023	700,000.00	10/09/2019 1.44%	724,864.00 707,551.42	99.41 2.88%	695,901.50 5,218.40	0.62% (11,649.92)	Aaa / AA+ NR	1.19 1.15
3137EAEW5	FHLMC Note 0.25% Due 9/8/2023	660,000.00	09/02/2020 0.26%	659,782.20 659,913.99	96.95 2.88%	639,885.84 517.92	0.56% (20,028.15)	Aaa / AA+ AAA	1.19 1.17
3133EMBS0	FFCB Note 0.2% Due 10/2/2023	1,000,000.00	11/12/2020 0.28%	997,720.00 999,008.32	96.73 2.87%	967,343.00 494.44	0.85% (31,665.32)	Aaa / AA+ AAA	1.26 1.24
3137EAEY1	FHLMC Note 0.125% Due 10/16/2023	825,000.00	10/14/2020 0.25%	821,922.75 823,673.55	96.51 2.89%	796,201.73 214.84	0.70% (27,471.82)	Aaa / AA+ AAA	1.30 1.28
3137EAEZ8	FHLMC Note 0.25% Due 11/6/2023	1,075,000.00	11/03/2020 0.28%	1,074,032.50 1,074,564.80	96.52 2.90%	1,037,582.48 410.59	0.91% (36,982.32)	Aaa / AA+ AAA	1.35 1.33
3137EAF A2	FHLMC Note 0.25% Due 12/4/2023	770,000.00	12/02/2020 0.28%	769,237.70 769,637.30	96.30 2.92%	741,476.12 144.38	0.65% (28,161.18)	Aaa / AA+ AAA	1.43 1.41
3130A3VC5	FHLB Note 2.25% Due 12/8/2023	1,000,000.00	02/13/2020 1.46%	1,029,240.00 1,011,020.10	98.87 3.06%	988,705.00 1,437.50	0.87% (22,315.10)	Aaa / AA+ NR	1.44 1.40
3135G0V34	FNMA Note 2.5% Due 2/5/2024	1,000,000.00	01/30/2020 1.44%	1,041,280.00 1,016,444.42	99.36 2.91%	993,561.00 10,138.89	0.88% (22,883.42)	Aaa / AA+ AAA	1.60 1.54
3133EKMX1	FFCB Note 2.23% Due 2/23/2024	750,000.00	07/30/2019 1.91%	760,425.00 753,762.50	98.84 2.96%	741,294.75 5,946.67	0.66% (12,467.75)	Aaa / AA+ AAA	1.65 1.59
3133EMRZ7	FFCB Note 0.25% Due 2/26/2024	850,000.00	02/22/2021 0.26%	849,694.00 849,830.93	95.88 2.81%	815,020.80 737.85	0.72% (34,810.13)	Aaa / AA+ AAA	1.66 1.63
3130A7PH2	FHLB Note 1.875% Due 3/8/2024	1,000,000.00	03/03/2020 0.85%	1,040,350.00 1,016,966.28	98.22 2.97%	982,151.00 5,885.42	0.87% (34,815.28)	Aaa / AA+ NR	1.69 1.64
3133ENKS8	FFCB Note 1.125% Due 1/6/2025	395,000.00	01/06/2022 1.20%	394,111.25 394,250.55	95.54 2.98%	377,388.93 2,098.44	0.33% (16,861.62)	Aaa / AA+ AAA	2.52 2.44
3133ENPY0	FFCB Note 1.75% Due 2/25/2025	750,000.00	03/03/2022 1.76%	749,865.00 749,879.75	97.18 2.86%	728,877.75 4,593.75	0.65% (21,002.00)	Aaa / AA+ AAA	2.66 2.55
3135G05X7	FNMA Note 0.375% Due 8/25/2025	500,000.00	12/20/2021 1.06%	487,610.00 489,381.32	91.94 3.08%	459,686.00 656.25	0.41% (29,695.32)	Aaa / AA+ AAA	3.16 3.08
<b>Total Agency</b>		<b>17,190,000.00</b>	<b>0.90%</b>	<b>17,325,293.90</b> <b>17,231,824.55</b>	<b>2.88%</b>	<b>16,770,860.74</b> <b>49,198.87</b>	<b>14.81%</b> <b>(460,963.81)</b>	<b>Aaa / AA+</b> <b>AAA</b>	<b>1.38</b> <b>1.35</b>



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>CMO</b>									
3137BKRJ1	FHLMC K047 A2 3.329% Due 5/25/2025	500,000.00	05/19/2022 3.05%	502,890.63 502,788.26	99.73 3.37%	498,627.50 1,387.08	0.44% (4,160.76)	NR / NR AAA	2.90 2.61
3137BM7C4	FHLMC K051 A2 3.308% Due 9/25/2025	500,000.00	05/16/2022 2.96%	503,886.72 503,747.56	99.86 3.30%	499,284.50 1,378.33	0.44% (4,463.06)	NR / NR AAA	3.24 2.89
<b>Total CMO</b>		<b>1,000,000.00</b>	<b>3.00%</b>	<b>1,006,777.35</b> <b>1,006,535.82</b>	<b>3.34%</b>	<b>997,912.00</b> <b>2,765.41</b>	<b>0.88%</b> <b>(8,623.82)</b>	<b>NR / NR</b> <b>AAA</b>	<b>3.07</b> <b>2.75</b>
<b>CORPORATE</b>									
06051GEU9	Bank of America Corp Note 3.3% Due 1/11/2023	400,000.00	09/05/2019 2.13%	414,984.00 402,382.70	100.17 2.98%	400,663.60 6,233.33	0.36% (1,719.10)	A2 / A- AA-	0.53 0.51
90331HNL3	US Bank NA Callable Note Cont 12/23/2022 2.85% Due 1/23/2023	480,000.00	07/22/2019 2.24%	489,580.80 481,343.46	99.97 2.90%	479,866.56 6,004.00	0.43% (1,476.90)	A1 / AA- AA-	0.57 0.55
69353RFL7	PNC Bank Callable Note Cont 5/9/2023 3.5% Due 6/8/2023	500,000.00	06/11/2019 2.44%	519,580.00 504,283.98	100.01 3.49%	500,040.50 1,118.06	0.44% (4,243.48)	A2 / A A+	0.94 0.91
69371RQ82	Paccar Financial Corp Note 0.8% Due 6/8/2023	300,000.00	06/01/2020 0.85%	299,583.00 299,869.76	97.85 3.14%	293,547.30 153.33	0.26% (6,322.46)	A1 / A+ NR	0.94 0.92
931142EK5	Wal-Mart Stores Callable Note Cont 5/26/2023 3.4% Due 6/26/2023	500,000.00	05/21/2019 2.65%	514,115.00 503,172.02	100.31 3.06%	501,527.50 236.11	0.44% (1,644.52)	Aa2 / AA AA	0.99 0.89
808513BN4	Charles Schwab Corp Callable Note Cont 2/18/2024 0.75% Due 3/18/2024	600,000.00	Various 0.70%	600,858.00 600,480.96	95.98 3.17%	575,888.40 1,287.50	0.51% (24,592.56)	A2 / A A	1.72 1.68
023135BW5	Amazon.com Inc Note 0.45% Due 5/12/2024	420,000.00	05/10/2021 0.50%	419,386.80 419,618.99	95.16 3.14%	399,658.98 257.25	0.35% (19,960.01)	A1 / AA AA-	1.87 1.83
91324PEB4	United Health Group Inc Callable Note Cont 5/15/2022 0.55% Due 5/15/2024	230,000.00	11/08/2021 0.78%	228,679.80 229,015.25	95.26 3.17%	219,099.61 161.64	0.19% (9,915.64)	A3 / A+ A	1.88 1.84
14913R2L0	Caterpillar Financial Service Note 0.45% Due 5/17/2024	665,000.00	05/10/2021 0.50%	664,108.90 664,442.25	94.79 3.33%	630,385.42 365.75	0.56% (34,056.83)	A2 / A A	1.88 1.84
24422EVQ9	John Deere Capital Corp Note 0.45% Due 6/7/2024	395,000.00	06/07/2021 0.49%	394,506.25 394,680.62	94.54 3.39%	373,438.93 118.50	0.33% (21,241.69)	A2 / A A	1.94 1.90
89114QCA4	Toronto Dominion Bank Note 2.65% Due 6/12/2024	500,000.00	08/25/2021 0.61%	528,130.00 519,635.84	98.21 3.61%	491,066.50 699.31	0.43% (28,569.34)	A1 / A AA-	1.95 1.88

**Vallecitos Water District Consolidated Account**

Account #10594

**Holdings Report**

As of June 30, 2022



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>CORPORATE</b>									
89236TJH9	Toyota Motor Credit Corp Note 0.5% Due 6/18/2024	400,000.00	06/15/2021 0.54%	399,524.00 399,688.17	94.47 3.43%	377,896.00 72.22	0.33% (21,792.17)	A1 / A+ A+	1.97 1.93
06367TQW3	Bank of Montreal Note 0.625% Due 7/9/2024	500,000.00	12/15/2021 1.21%	492,645.00 494,186.80	94.14 3.65%	470,722.00 1,493.06	0.42% (23,464.80)	A2 / A- AA-	2.03 1.97
79466LAG9	Salesforce.com Inc Callable Note Cont 7/15/2022 0.625% Due 7/15/2024	105,000.00	06/29/2021 0.64%	104,946.45 104,963.70	94.71 3.33%	99,446.97 302.60	0.09% (5,516.73)	A2 / A+ NR	2.04 1.99
69371RR40	Paccar Financial Corp Note 0.5% Due 8/9/2024	255,000.00	08/03/2021 0.52%	254,862.30 254,903.26	94.15 3.40%	240,094.23 502.92	0.21% (14,809.03)	A1 / A+ NR	2.11 2.06
78015K7C2	Royal Bank of Canada Note 2.25% Due 11/1/2024	500,000.00	05/19/2021 0.74%	525,645.00 517,381.61	96.62 3.78%	483,081.00 1,875.00	0.43% (34,300.61)	A1 / A AA-	2.34 2.24
89236TJT3	Toyota Motor Credit Corp Note 1.45% Due 1/13/2025	275,000.00	01/10/2022 1.50%	274,631.50 274,688.32	94.86 3.59%	260,869.13 1,860.83	0.23% (13,819.19)	A1 / A+ A+	2.54 2.44
46647PBY1	JP Morgan Chase & Co Callable Note Cont 2/16/2024 0.563% Due 2/16/2025	365,000.00	02/09/2021 0.56%	365,000.00 365,000.00	94.30 3.37%	344,188.43 770.61	0.30% (20,811.57)	A2 / A- AA-	2.64 2.56
57636QAN4	MasterCard Inc Callable Note 1x 02/03/2025 2% Due 3/3/2025	600,000.00	10/28/2021 1.04%	618,294.00 614,573.71	96.51 3.37%	579,084.00 3,933.33	0.51% (35,489.71)	A1 / A+ NR	2.68 2.56
24422EWB1	John Deere Capital Corp Note 2.125% Due 3/7/2025	215,000.00	03/02/2022 2.14%	214,907.55 214,917.33	96.60 3.46%	207,689.79 1,446.77	0.18% (7,227.54)	A2 / A A	2.69 2.56
87612EBL9	Target Corp Callable Note Cont 4/15/25 2.25% Due 4/15/2025	500,000.00	03/15/2022 2.53%	495,935.00 496,318.01	96.62 3.53%	483,078.00 2,375.00	0.43% (13,240.01)	A2 / A A	2.79 2.66
06406RBC0	Bank of NY Mellon Corp Callable Note Cont 3/25/2025 3.35% Due 4/25/2025	475,000.00	04/19/2022 3.35%	474,933.50 474,937.51	98.96 3.74%	470,056.20 2,873.09	0.42% (4,881.31)	A1 / A AA-	2.82 2.65
46647PCH7	JP Morgan Chase & Co Callable Note Cont 6/1/2024 0.824% Due 6/1/2025	555,000.00	05/24/2021 0.78%	555,720.85 555,461.05	93.53 3.60%	519,078.74 381.10	0.46% (36,382.31)	A2 / A- AA-	2.92 2.83
438516CB0	Honeywell Intl Callable Note Cont 5/1/2025 1.35% Due 6/1/2025	500,000.00	03/09/2022 2.31%	485,140.00 486,552.84	94.21 3.45%	471,048.00 562.50	0.42% (15,504.84)	A2 / A A	2.92 2.82
63743HFE7	National Rural Utilities Note 3.45% Due 6/15/2025	160,000.00	04/27/2022 3.46%	159,956.80 159,959.00	99.64 3.58%	159,426.24 874.00	0.14% (532.76)	A2 / A- A	2.96 2.77





CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>CORPORATE</b>									
26442UAA2	Duke Energy Progress LLC Callable Note Cont 5/15/25 3.25% Due 8/15/2025	500,000.00	04/18/2022 3.21%	500,605.00 500,566.14	99.33 3.48%	496,637.50 6,138.89	0.44% (3,928.64)	Aa3 / A NR	3.13 2.91
857477BR3	State Street Bank Callable Note Cont 2/6/2025 1.746% Due 2/6/2026	175,000.00	02/02/2022 1.75%	175,000.00 175,000.00	94.48 3.82%	165,345.25 1,222.20	0.15% (9,654.75)	A1 / A AA-	3.61 3.40
<b>Total Corporate</b>		<b>11,070,000.00</b>	<b>1.48%</b>	<b>11,171,259.50</b> <b>11,108,023.28</b>	<b>3.40%</b>	<b>10,692,924.78</b> <b>43,318.90</b>	<b>9.45%</b> <b>(415,098.50)</b>	<b>A1 / A</b> <b>A+</b>	<b>2.07</b> <b>1.99</b>
<b>LAIF</b>									
90LAIF\$00	Local Agency Investment Fund State Pool	56,688,363.68	Various 0.94%	56,688,363.68 56,688,363.68	1.00 0.94%	56,688,363.68 99,262.73	49.99% 0.00	NR / NR NR	0.00 0.00
<b>Total LAIF</b>		<b>56,688,363.68</b>	<b>0.94%</b>	<b>56,688,363.68</b> <b>56,688,363.68</b>	<b>0.94%</b>	<b>56,688,363.68</b> <b>99,262.73</b>	<b>49.99%</b> <b>0.00</b>	<b>NR / NR</b> <b>NR</b>	<b>0.00</b> <b>0.00</b>
<b>LOCAL GOV INVESTMENT POOL</b>									
90SDCP\$00	County of San Diego Pooled Investment Pool	5,444,000.00	Various 0.98%	5,444,000.00 5,444,000.00	1.00 0.98%	5,444,000.00 0.00	4.79% 0.00	NR / NR AAA	0.00 0.00
<b>Total Local Gov Investment Pool</b>		<b>5,444,000.00</b>	<b>0.98%</b>	<b>5,444,000.00</b> <b>5,444,000.00</b>	<b>0.98%</b>	<b>5,444,000.00</b> <b>0.00</b>	<b>4.79%</b> <b>0.00</b>	<b>NR / NR</b> <b>AAA</b>	<b>0.00</b> <b>0.00</b>
<b>MONEY MARKET FUND</b>									
261908206	Dreyfus Treasury Money Market Fund	98,784.99	Various 1.08%	98,784.99 98,784.99	1.00 1.08%	98,784.99 0.00	0.09% 0.00	Aaa / AAA NR	0.00 0.00
<b>Total Money Market Fund</b>		<b>98,784.99</b>	<b>1.08%</b>	<b>98,784.99</b> <b>98,784.99</b>	<b>1.08%</b>	<b>98,784.99</b> <b>0.00</b>	<b>0.09%</b> <b>0.00</b>	<b>Aaa / AAA</b> <b>NR</b>	<b>0.00</b> <b>0.00</b>
<b>SUPRANATIONAL</b>									
459058JM6	Intl. Bank Recon & Development Note 0.25% Due 11/24/2023	395,000.00	11/17/2020 0.32%	394,150.75 394,603.68	96.44 2.86%	380,934.84 101.49	0.34% (13,668.84)	Aaa / AAA AAA	1.40 1.38



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>SUPRANATIONAL</b>									
4581X0DZ8	Inter-American Dev Bank Note 0.5% Due 9/23/2024	830,000.00	09/15/2021 0.52%	829,385.80 829,543.27	94.58 3.03%	784,980.80 1,129.72	0.69% (44,562.47)	Aaa / AAA NR	2.24 2.18
<b>Total Supranational</b>		<b>1,225,000.00</b>	<b>0.46%</b>	<b>1,223,536.55</b> <b>1,224,146.95</b>	<b>2.98%</b>	<b>1,165,915.64</b> <b>1,231.21</b>	<b>1.03%</b> <b>(58,231.31)</b>	<b>Aaa / AAA</b> <b>AAA</b>	<b>1.96</b> <b>1.92</b>
<b>US TREASURY</b>									
9128282P4	US Treasury Note 1.875% Due 7/31/2022	1,000,000.00	12/28/2018 2.53%	977,617.19 999,486.63	100.06 1.17%	1,000,599.00 7,821.13	0.89% 1,112.37	Aaa / AA+ AAA	0.08 0.09
9128282W9	US Treasury Note 1.875% Due 9/30/2022	1,000,000.00	03/19/2019 2.43%	981,406.25 998,688.35	100.02 1.81%	1,000,150.00 4,713.11	0.88% 1,461.65	Aaa / AA+ AAA	0.25 0.25
912828T91	US Treasury Note 1.625% Due 10/31/2023	1,000,000.00	09/25/2019 1.60%	1,000,898.44 1,000,292.47	98.32 2.92%	983,203.00 2,737.77	0.87% (17,089.47)	Aaa / AA+ AAA	1.34 1.30
91282CBE0	US Treasury Note 0.125% Due 1/15/2024	1,000,000.00	01/12/2021 0.24%	996,445.31 998,172.34	95.80 2.93%	958,008.00 576.66	0.84% (40,164.34)	Aaa / AA+ AAA	1.55 1.52
912828V80	US Treasury Note 2.25% Due 1/31/2024	1,000,000.00	12/16/2019 1.71%	1,021,210.94 1,008,154.80	98.94 2.94%	989,375.00 9,385.36	0.88% (18,779.80)	Aaa / AA+ AAA	1.59 1.53
912828X70	US Treasury Note 2% Due 4/30/2024	1,000,000.00	03/03/2020 0.71%	1,052,539.06 1,023,154.57	98.33 2.94%	983,320.00 3,369.57	0.87% (39,834.57)	Aaa / AA+ AAA	1.84 1.78
91282CCC3	US Treasury Note 0.25% Due 5/15/2024	1,000,000.00	05/12/2021 0.36%	996,875.00 998,046.16	95.12 2.94%	951,211.00 319.29	0.84% (46,835.16)	Aaa / AA+ AAA	1.88 1.84
91282CCG4	US Treasury Note 0.25% Due 6/15/2024	1,000,000.00	06/10/2021 0.33%	997,695.31 998,496.48	94.91 2.94%	949,102.00 109.29	0.84% (49,394.48)	Aaa / AA+ AAA	1.96 1.93
91282CCX7	US Treasury Note 0.375% Due 9/15/2024	1,000,000.00	09/10/2021 0.44%	997,929.69 998,475.60	94.47 2.98%	944,688.00 1,100.54	0.83% (53,787.60)	Aaa / AA+ AAA	2.21 2.17
912828YM6	US Treasury Note 1.5% Due 10/31/2024	1,000,000.00	08/06/2021 0.45%	1,033,554.69 1,024,276.63	96.70 2.98%	966,953.00 2,527.17	0.85% (57,323.63)	Aaa / AA+ AAA	2.34 2.26
91282CDH1	US Treasury Note 0.75% Due 11/15/2024	1,000,000.00	11/29/2021 0.81%	998,164.06 998,525.81	94.90 2.99%	948,984.00 957.88	0.84% (49,541.81)	Aaa / AA+ AAA	2.38 2.32
91282CDN8	US Treasury Note 1% Due 12/15/2024	500,000.00	03/15/2022 2.03%	486,347.66 487,801.19	95.32 2.99%	476,582.00 218.58	0.42% (11,219.19)	Aaa / AA+ AAA	2.46 2.40

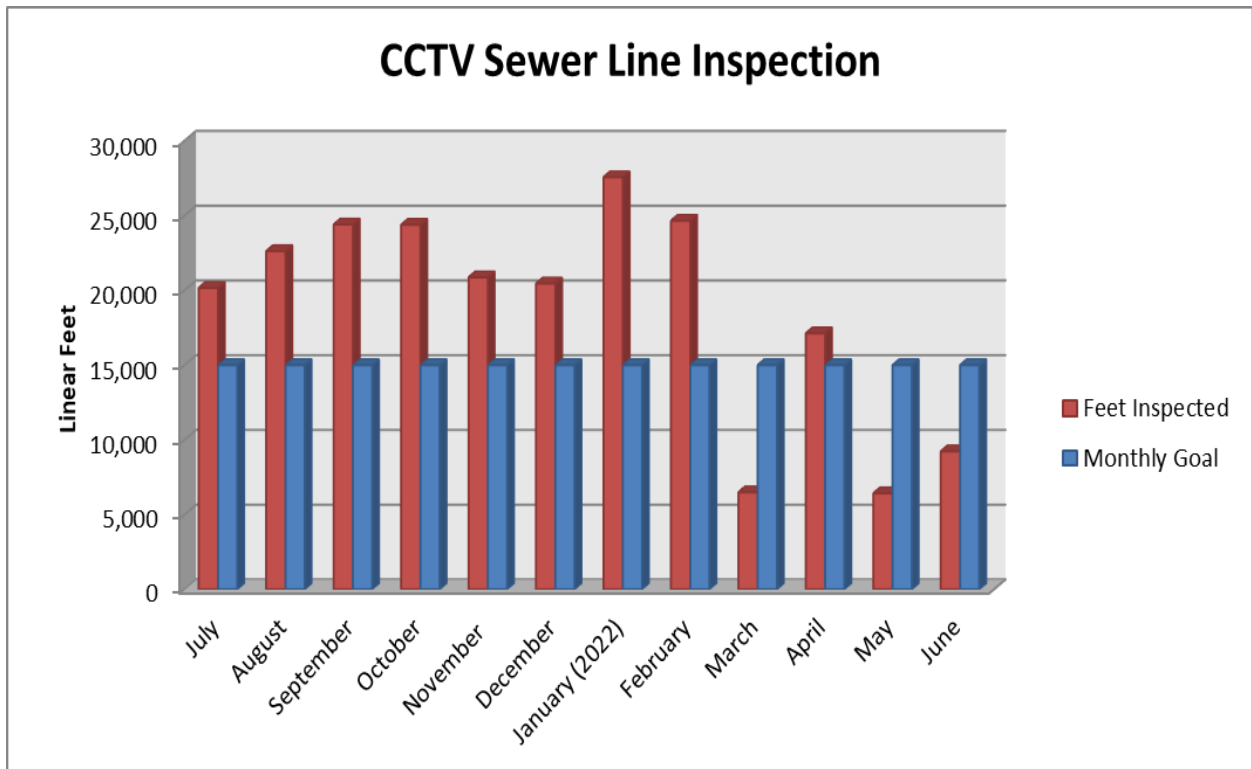


CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>US TREASURY</b>									
912828ZC7	US Treasury Note 1.125% Due 2/28/2025	1,250,000.00	02/09/2022 1.59%	1,232,666.02 1,234,860.00	95.27 2.98%	1,190,917.50 4,700.24	1.05% (43,942.50)	Aaa / AA+ AAA	2.67 2.59
912828ZF0	US Treasury Note 0.5% Due 3/31/2025	1,000,000.00	03/03/2021 0.54%	998,515.63 998,998.45	93.43 3.01%	934,258.00 1,256.83	0.82% (64,740.45)	Aaa / AA+ AAA	2.75 2.69
912828ZL7	US Treasury Note 0.375% Due 4/30/2025	950,000.00	04/12/2021 0.66%	939,238.28 942,471.16	92.91 3.00%	882,608.90 600.20	0.78% (59,862.26)	Aaa / AA+ AAA	2.84 2.78
912828ZT0	US Treasury Note 0.25% Due 5/31/2025	1,000,000.00	10/14/2021 0.78%	980,976.56 984,697.91	92.38 3.00%	923,789.00 211.75	0.81% (60,908.91)	Aaa / AA+ AAA	2.92 2.87
9128285C0	US Treasury Note 3% Due 9/30/2025	650,000.00	04/29/2022 2.90%	652,005.86 651,909.35	99.96 3.01%	649,771.20 4,901.64	0.58% (2,138.15)	Aaa / AA+ AAA	3.25 3.05
9128285J5	US Treasury Note 3% Due 10/31/2025	975,000.00	06/02/2022 2.87%	978,999.02 978,909.15	99.95 3.02%	974,504.70 4,927.99	0.86% (4,404.45)	Aaa / AA+ AAA	3.34 3.14
<b>Total US Treasury</b>		<b>17,325,000.00</b>	<b>1.23%</b>	<b>17,323,084.97</b> <b>17,325,417.05</b>	<b>2.79%</b>	<b>16,708,024.30</b> <b>50,435.00</b>	<b>14.75%</b> <b>(617,392.75)</b>	<b>Aaa / AA+</b> <b>AAA</b>	<b>2.05</b> <b>1.99</b>
<b>TOTAL PORTFOLIO</b>		<b>114,969,324.16</b>	<b>1.05%</b>	<b>115,208,640.08</b> <b>115,054,792.74</b>	<b>1.89%</b>	<b>113,349,846.66</b> <b>248,194.39</b>	<b>100.00%</b> <b>(1,704,946.08)</b>	<b>Aa1 / AA</b> <b>AAA</b>	<b>0.89</b> <b>0.78</b>
<b>TOTAL MARKET VALUE PLUS ACCRUED</b>						<b>113,598,041.05</b>			

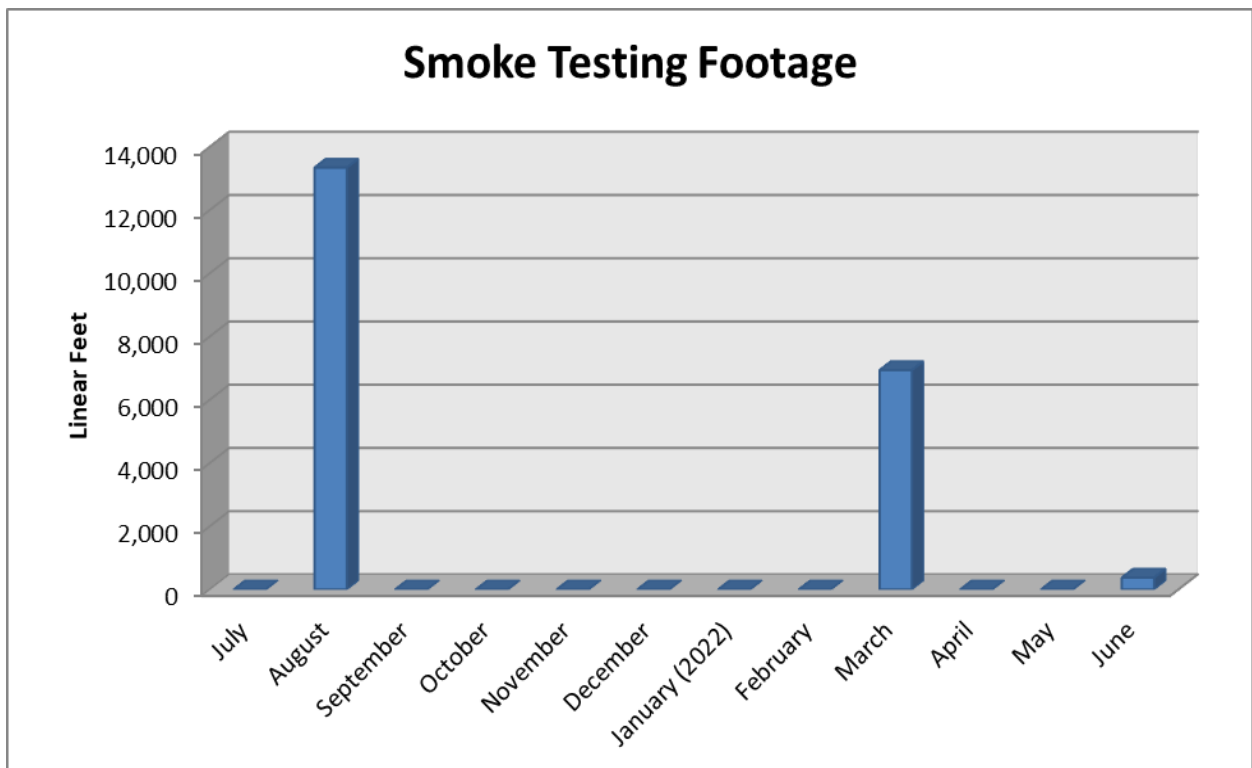
**VALLECITOS WATER DISTRICT  
SUMMARY OF LEGAL FEES**

<b>Matter Description</b>	<b>May-21</b>	<b>Jun-21</b>	<b>Jul-21</b>	<b>Aug-21</b>	<b>Sep-21</b>	<b>Oct-21</b>	<b>Nov-21</b>	<b>Dec-21</b>	<b>Jan-22</b>	<b>Feb-22</b>	<b>Mar-22</b>	<b>Apr-22</b>	<b>May-22</b>	<b>Total</b>
General Counsel Services	\$ 13,238	\$ 16,885	\$ 6,265	\$ 5,404	\$ 9,160	\$ 14,725	\$ 10,616	\$ 8,361	\$ 17,888	\$ 3,317	\$ 5,420	\$ 22,505	\$ 9,905	\$ 143,688
Labor/Employment	2,487	1,627	1,075	368	461	890	1,965	860	1,934	829	1,013	184	1,658	15,350
Engineering - Construction/Contracting	3,033	2,640	2,640	990	2,915	3,025	2,915	3,548	3,316	2,303	2,533	4,298	4,810	38,964
Fees and Taxes	-	645	-	-	461	-	-	154	-	-	-	276	3,776	5,311
Environmental	-	-	-	-	-	-	-	-	-	-	1,689	-	215	1,903
Adv. Butler	275	1,458	1,267	3,489	2,947	-	550	1,100	1,089	1,013	1,965	4,115	4,225	23,493
Renewable Energy	645	276	-	-	215	-	-	110	399	-	307	92	-	2,044
Litigation	4,840	-	3,745	3,469	3,991	4,329	368	1,228	1,259	1,842	4,166	2,456	450	32,142
Driscoll & Omens Prop 218 Sole	1,562	163	3,935	333	324	2,945	647	1,074	795	246	43	-	-	12,066
Driscoll & Omens Prop 218 Shared	318	281	229	151	85	95	23	602	240	223	170	-	34	2,450
Driscoll & Omens Prop 218 PRA Requests	481	767	252	545	835	290	1,028	186	17	104	-	-	-	4,504
<b>Total</b>	<b>\$ 26,877</b>	<b>\$ 24,742</b>	<b>\$ 19,407</b>	<b>\$ 14,751</b>	<b>\$ 21,392</b>	<b>\$ 26,299</b>	<b>\$ 18,112</b>	<b>\$ 17,221</b>	<b>\$ 26,936</b>	<b>\$ 9,876</b>	<b>\$ 17,305</b>	<b>\$ 33,927</b>	<b>\$ 25,072</b>	<b>\$ 281,916</b>

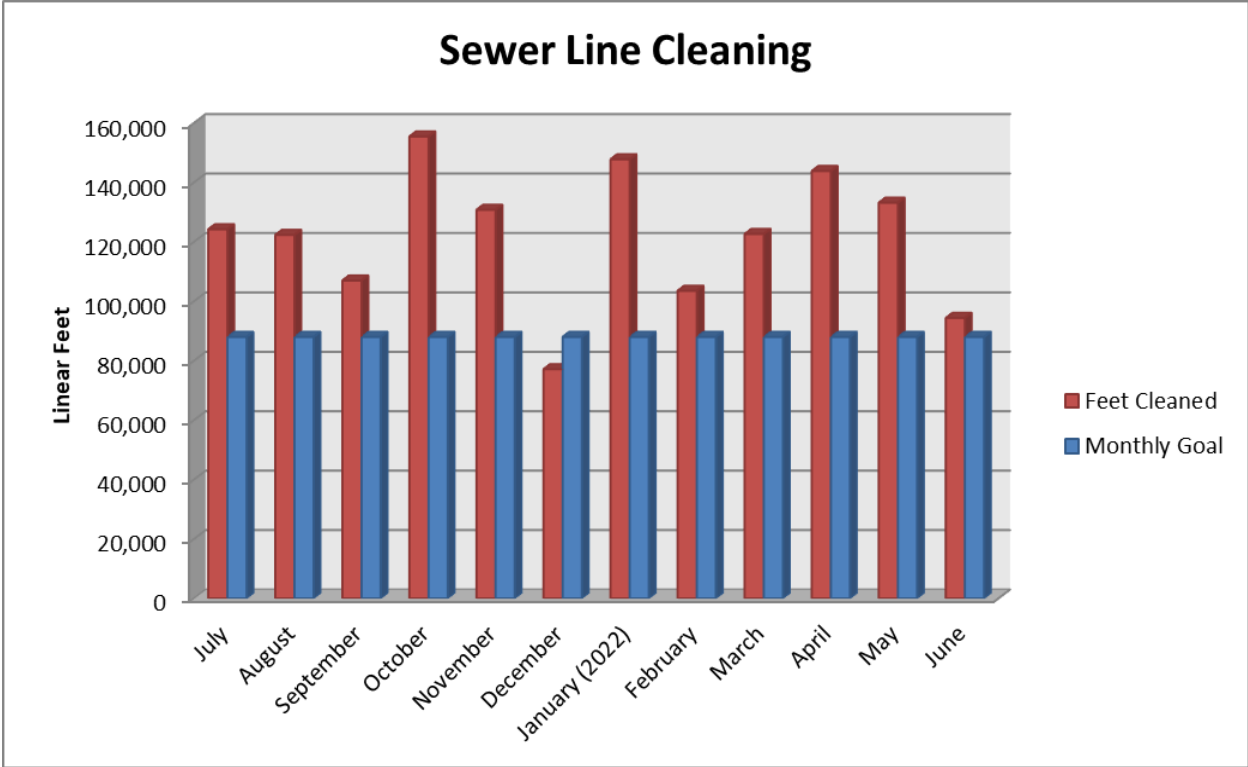
# Quarterly O&M Metrics Report



CCTV Sewer Line Inspection Totals in Feet  
 Total for Calendar Year 2022 = 91,511 ft.  
 (Goal is to inspect at least 180,000 feet of gravity lines per calendar year)

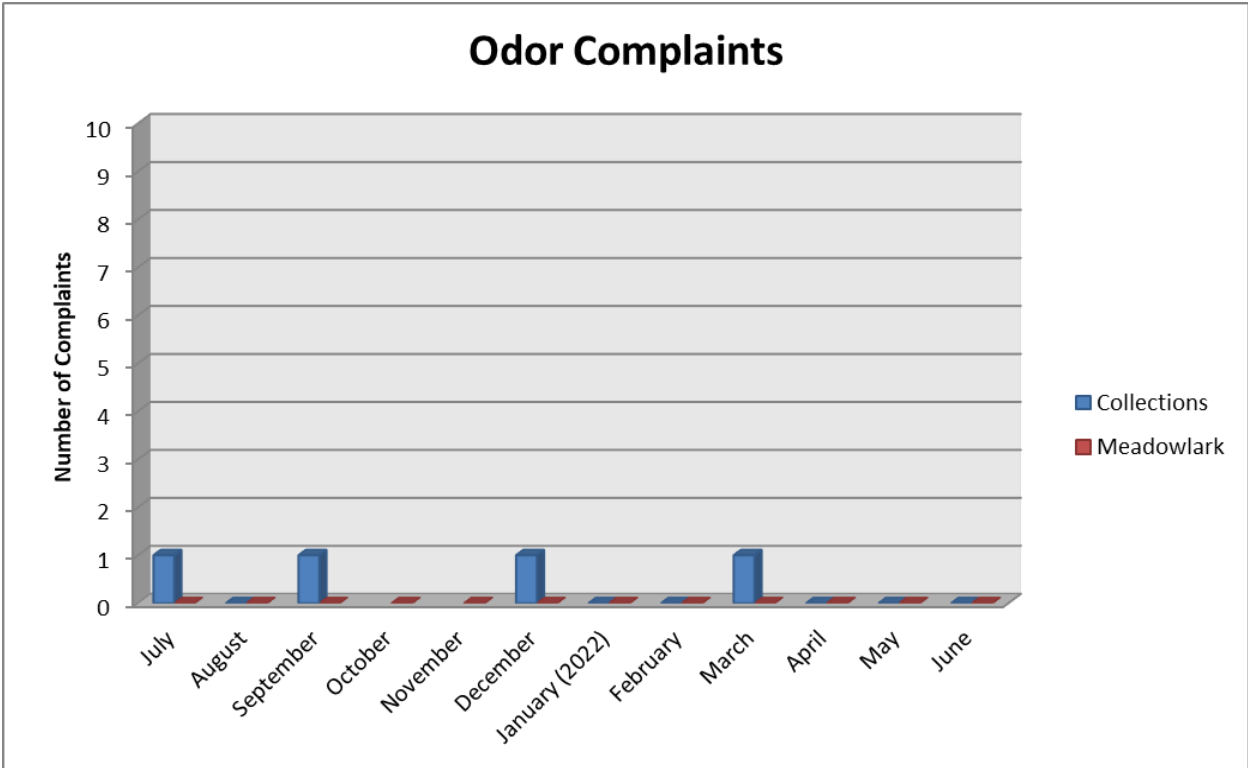


Smoke Testing of Sewer Lines in Feet  
 (Goal is to smoke test three areas per calendar year based on suspected I&I)

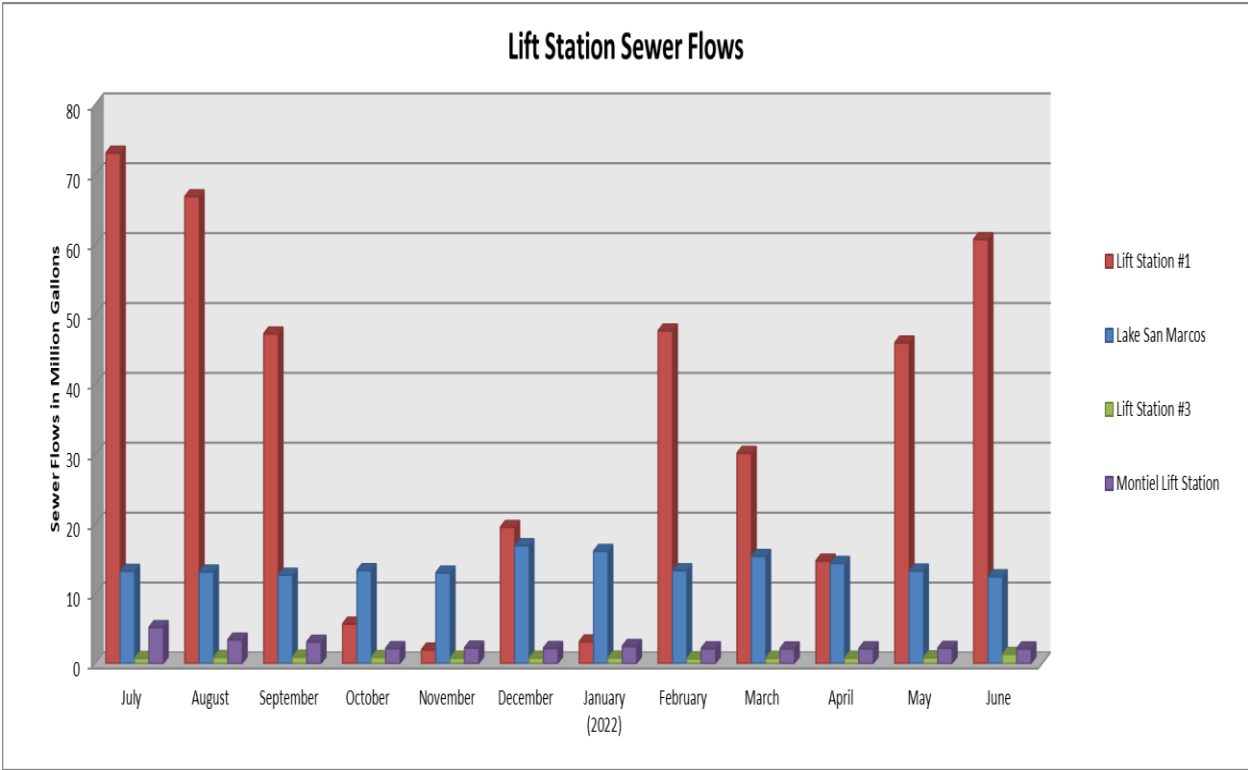


Sewer Line Cleaning Totals in Feet  
Total for Calendar Year 2022 = 745,183 ft.

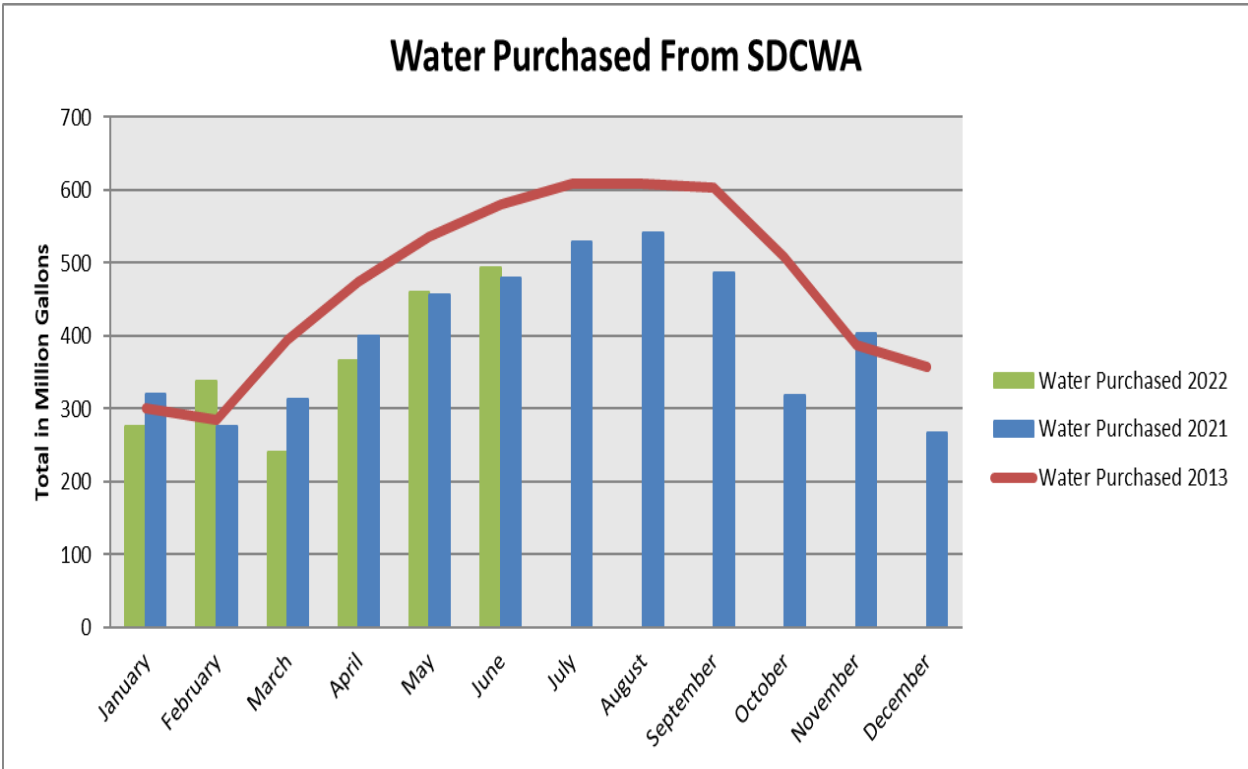
(Goal is to clean 1,000,000 ft. of gravity lines per year and clean the entire system in 15 months or less)



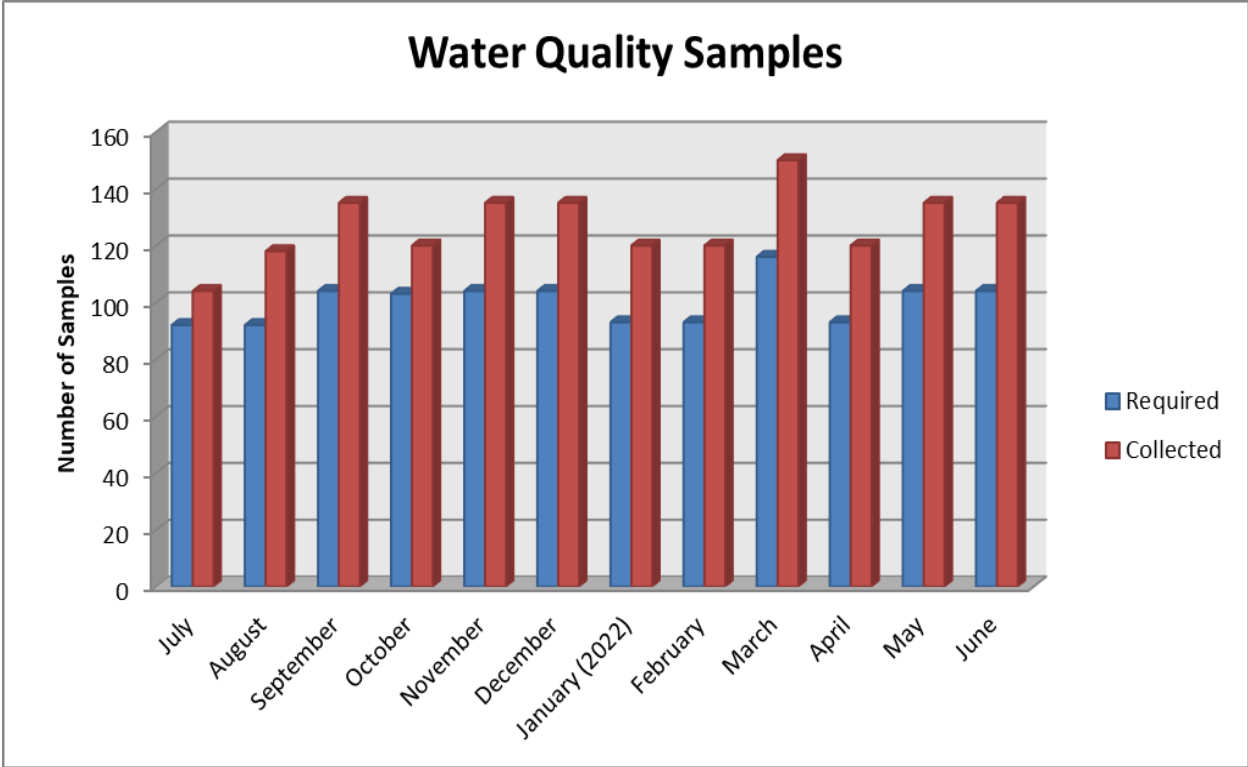
Customer Sewer Odor Complaints



Sewer Flows Pumped from District Lift Stations

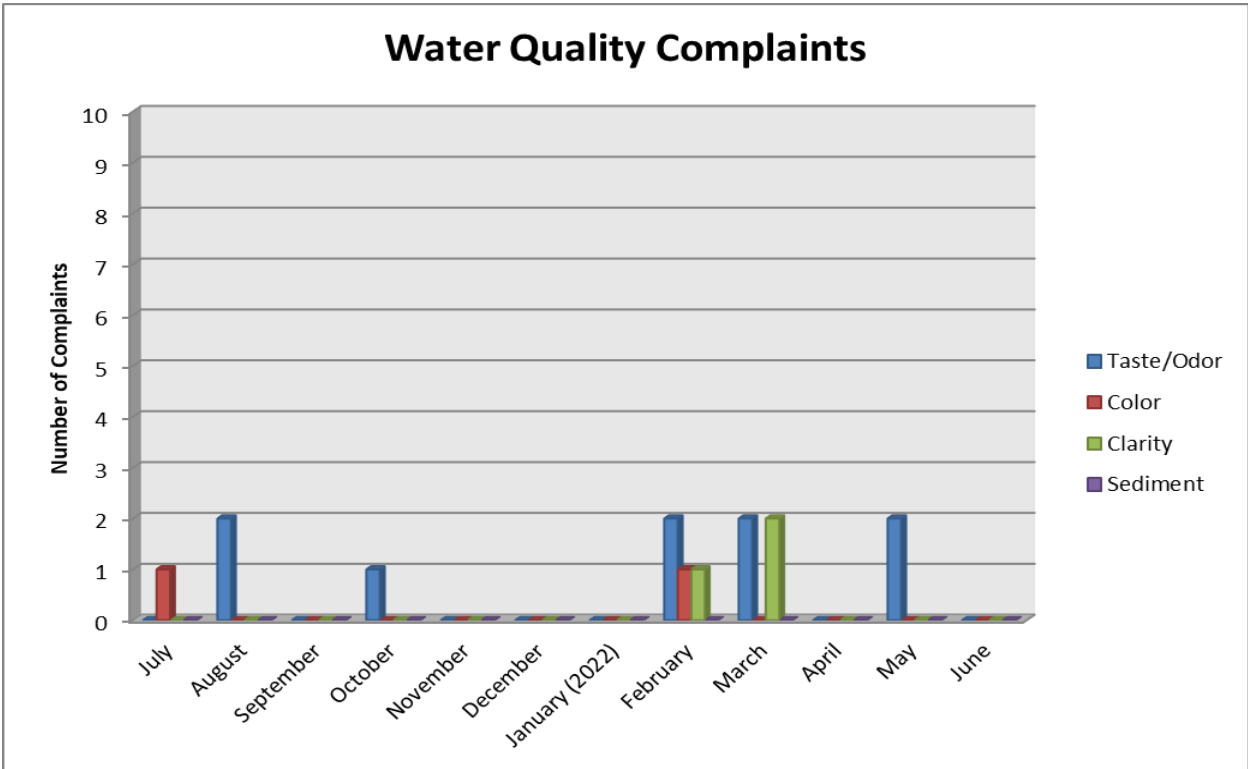


Water Purchased from the San Diego County Water Authority  
 Calendar Year 2013 was used by the SWRCB as a baseline for water conservation efforts  
 (Includes water from the desalination and OMWD plants)



Bacteriological Water Quality Samples

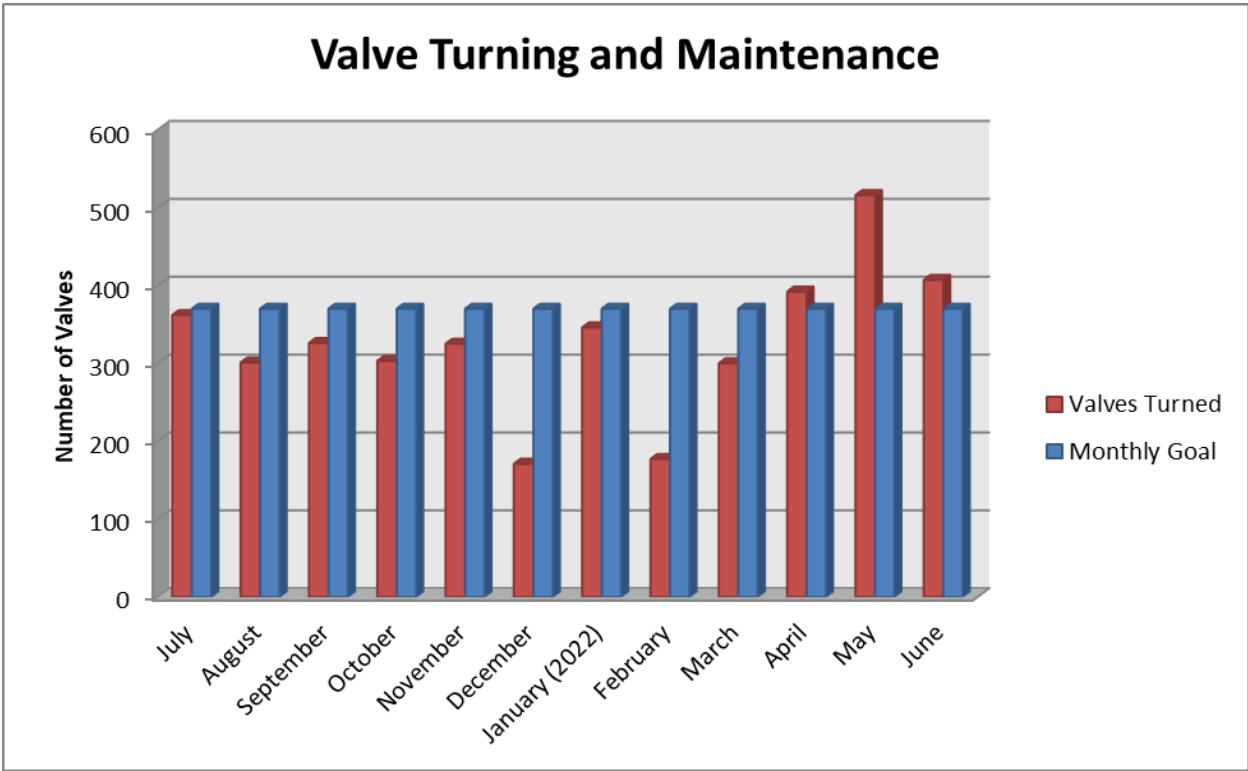
(Number of samples required each month is based on SWRCB regulations & the number of weeks per month)



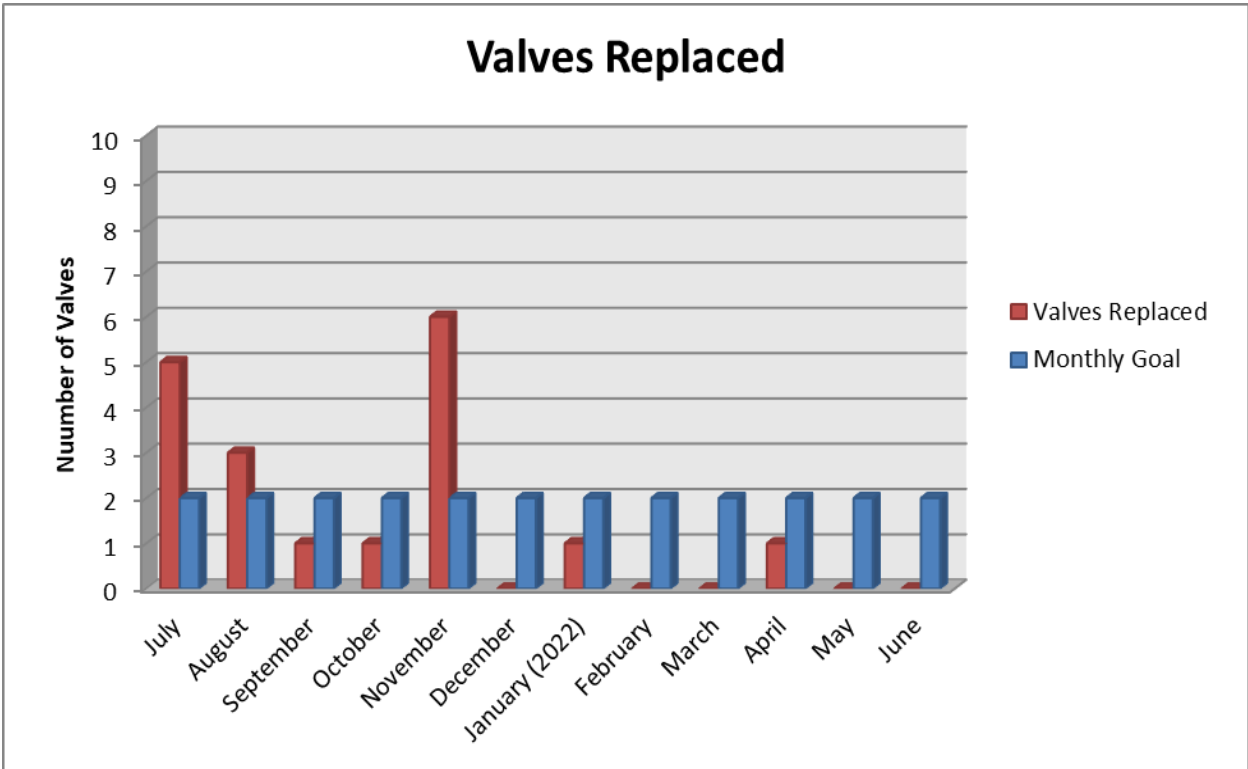
Customer Water Quality Complaints

(Water quality issues are typically caused by main breaks, construction activities & customers' plumbing)

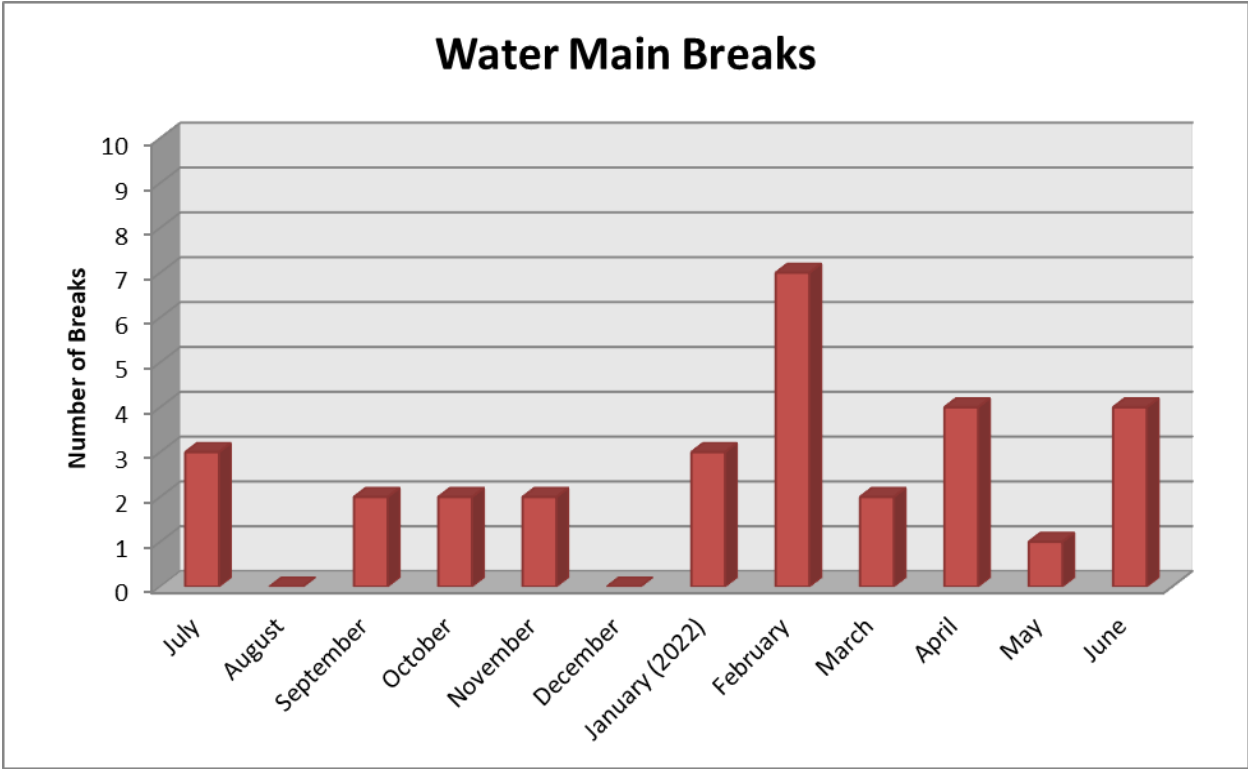




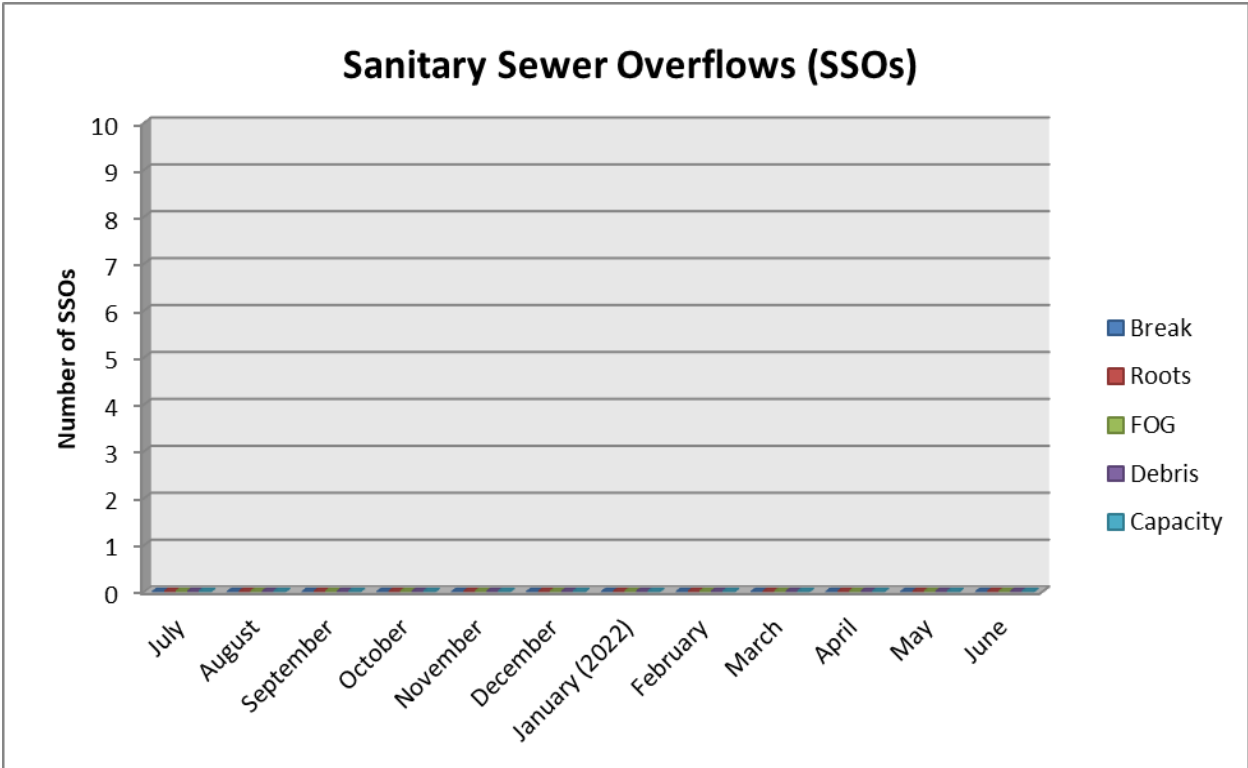
**Water Valves Turned in the Distribution System**  
 The District has 8,874 valves / 24% of the valves have been turned in Calendar Year 2022  
 (Goal is to turn 50% of valves every calendar year or about 370/Month)



**Water Valves Replaced in the Distribution System**  
 Total replaced so far for Fiscal Year 2021/22 = 18 / There are currently 35 broken valves that need replacing  
 (Goal is to replace 20 valves every fiscal year or around 2 per month)

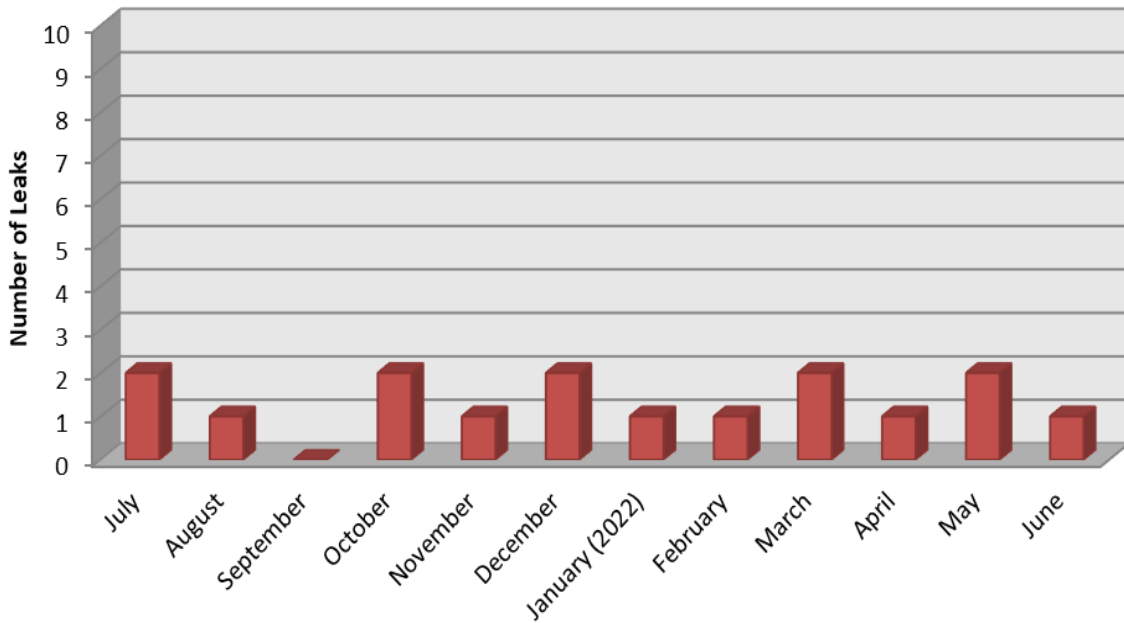


Water Mainline Breaks in the Distribution System  
 (There have been 21 water main breaks in calendar year 2022 / There were 18 in 2021)



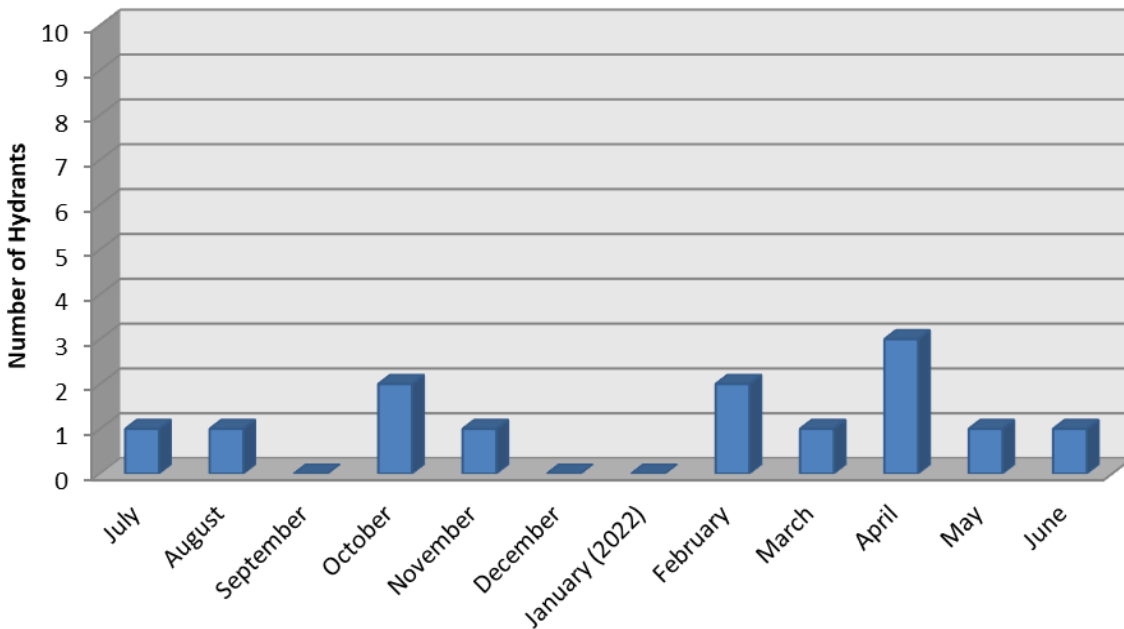
Sanitary Sewer Overflows (sewer spills and their cause) in the Wastewater Collections System  
 (There have been 0 SSOs in calendar year 2022 / There were 0 in 2021)

## Water Service Line Leaks



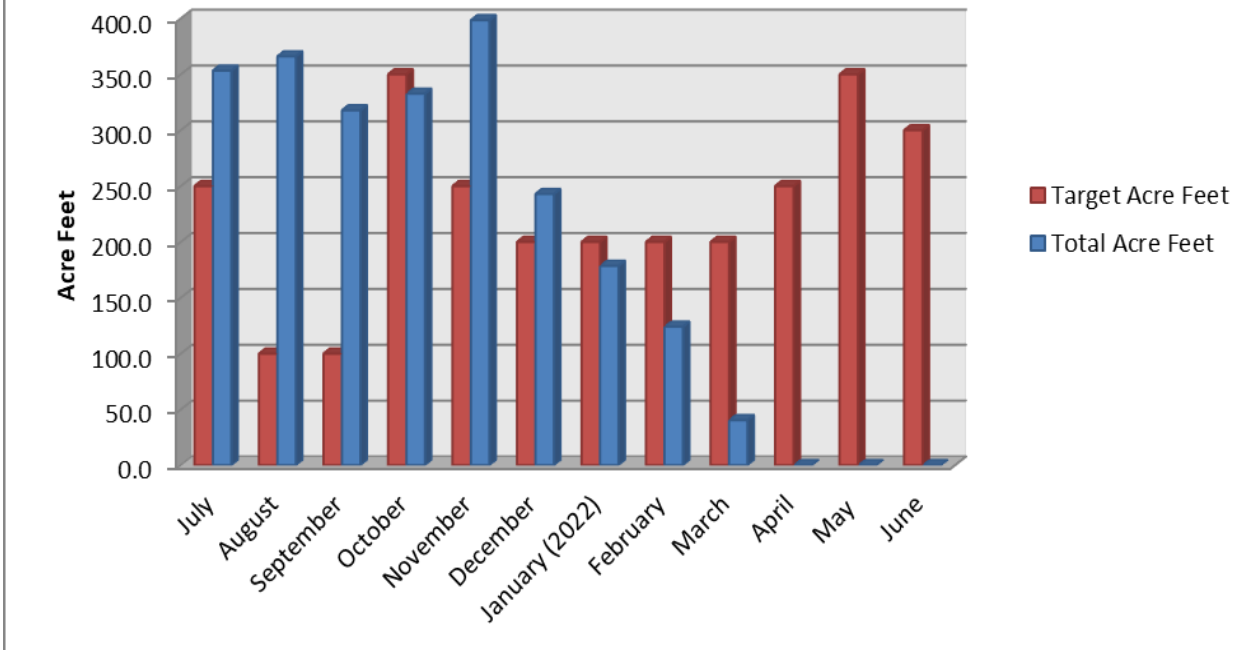
Water Service Line Leaks in the Distribution System  
 (There have been 4 water service line leaks in calendar year 2022 / There were 18 in 2021)

## Hit Fire Hydrants



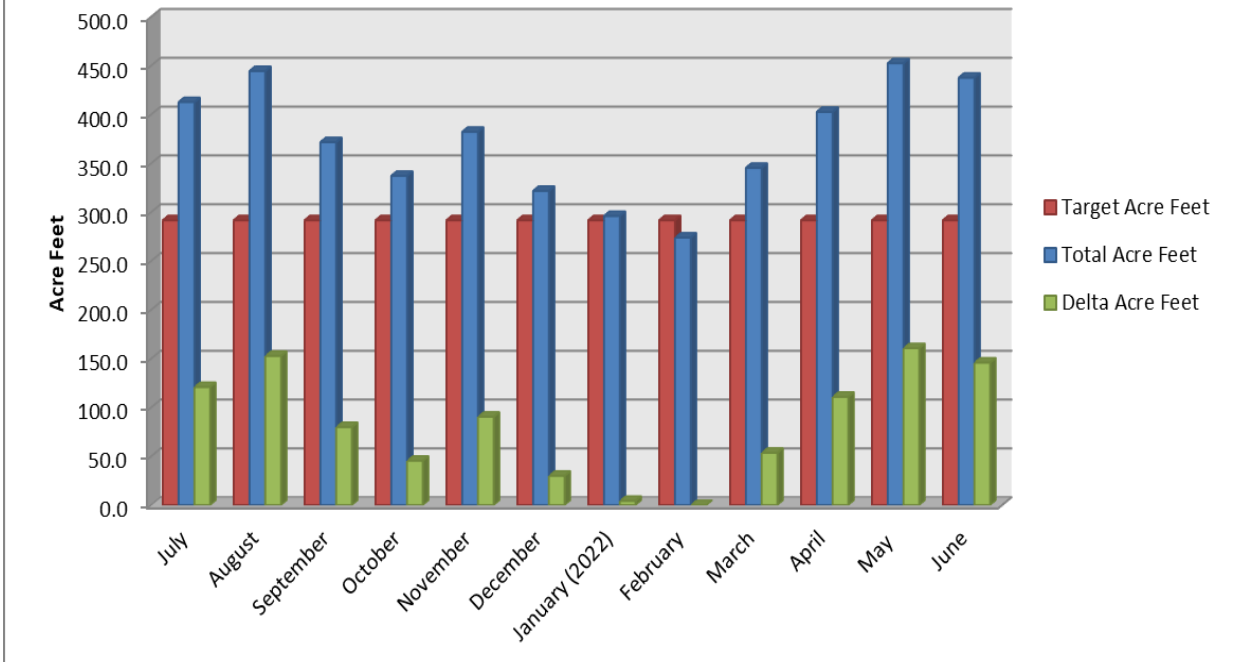
Fire Hydrants Hit in the Distribution System  
 (There have been 8 fire hydrants hit in calendar year 2022 / There were 10 in 2021)

## San Elijo Pump Station - OMWD Water Purchase

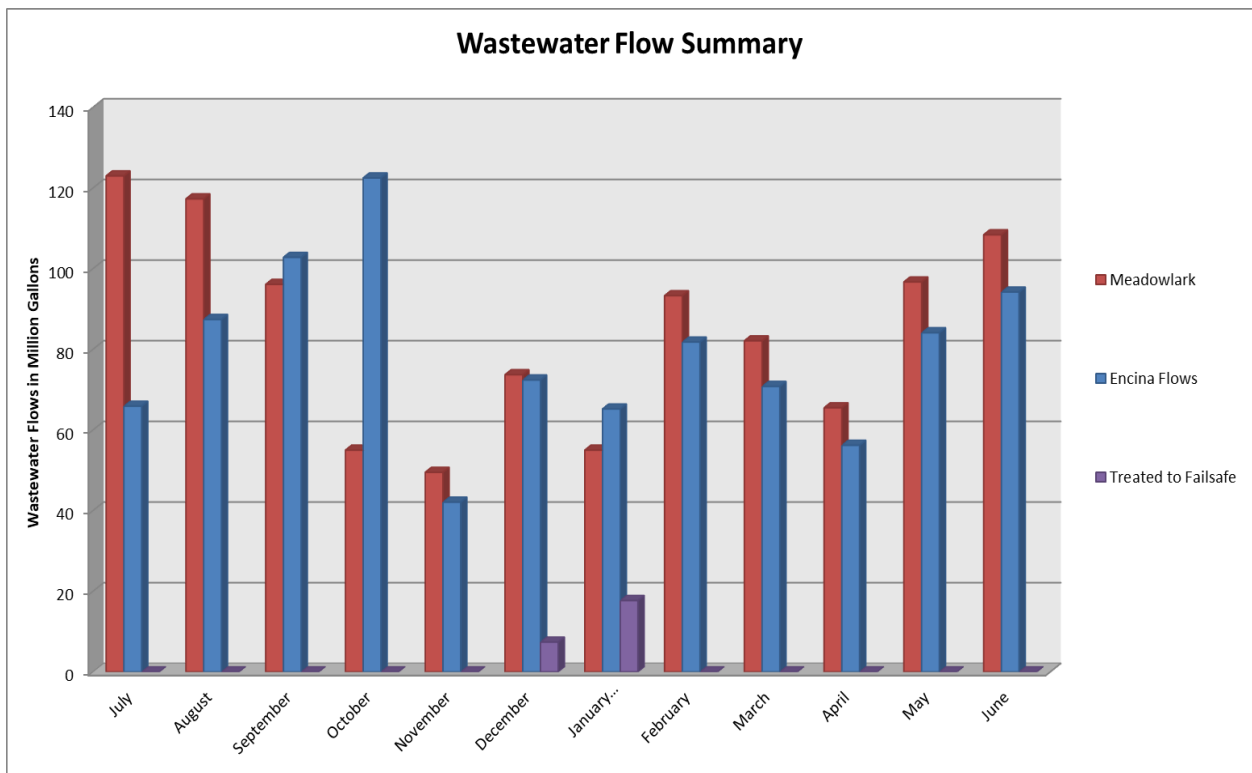


Acre Feet (AF) of Water Purchased from Olivenhain MWD – San Elijo Pump Station  
 Our annual minimum take from OMWD is 2,750 AF / We have purchased 343 AF in CY 2022  
 (The monthly Target Acre Feet varies throughout the year based on the agreement with OMWD)

## Desalination Plant Water Purchase



Acre Feet (AF) of Water Purchased from the Carlsbad Desalination Plant  
 Our annual minimum take from Desal is 3,500 AF / We have purchased 2208 AF in CY 2022  
 The Delta Acre Feet is the amount of Desal water taken above the target amount in the Rider Agreement  
 A total of 995.4 Acre Feet of Desal water has been taken towards the goal of 4,600 Acre Feet by 2031



Total raw wastewater flows to Meadowlark Reclamation Facility (MRF) and Encina Wastewater Authority (EWA). This graph also includes secondary or reclaimed water sent to the District's Failsafe line. All totals are in Million Gallons per Month.

**DATE: JULY 20, 2022**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: RESOLUTION ADOPTING THE ANNUAL PAY SCHEDULE WITH THE COST- OF- LIVING SALARY ADJUSTMENT FOR FISCAL YEAR 2022/23**

**BACKGROUND:**

On June 19, 2019, the Board approved the Memorandum of Understanding (MOU) with the Vallecitos Water District Employees' Association covering the General Employees' Unit for Fiscal Years 2019/20 through 2022/23. Also, on June 19, 2019, the Board adopted a Resolution establishing terms and conditions of employment for employees in management and confidential positions, subject to all other terms and conditions of employment in the District's Employee Handbook including salary and benefit changes contained in the MOU. The California Public Employees' Retirement System (CalPERS) requires employers to have pay schedules be publicly available and approved and adopted by the governing body in accordance with the requirements of applicable public meeting laws.

**DISCUSSION:**

As specified in the MOU, the cost-of-living salary adjustment (COLA) is based on the San Diego Consumer Price Index for All Urban Consumers (CPI-U), percent change for the second half of the preceding calendar year. For Fiscal Year 2022/23, the District will provide a COLA of 3.0% to all employees, which is equal to the 3.0% cap in the MOU, to be effective at 12:00 PM on July 8, 2022, the beginning of the first full pay period in July 2022, paid on July 26, 2022. The revised pay schedule must be adopted by the Board and includes the COLA for Fiscal Year 2022/23 from the MOU. A resolution is provided to approve and adopt the revised annual pay schedule.

**FISCAL IMPACT:**

The Fiscal Year 2022/23 budget included the costs for COLA.

**RECOMMENDATIONS:**

Adopt the resolution approving the revised annual pay schedule.

**ATTACHMENT:**

Resolution Adopting District Pay Schedule with Exhibit "A", Vallecitos Water District Personnel Classification and Annual Pay Schedule

**RESOLUTION NO.**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE VALLECITOS WATER DISTRICT ADOPTING THE ANNUAL PAY SCHEDULE WITH THE COST-OF-LIVING SALARY ADJUSTMENT FOR FISCAL YEAR 2022/23 AND POSITION CHANGES AUTHORIZED IN THE APPROVED BUDGET FOR FISCAL YEAR 2022/23**

WHEREAS, the Vallecitos Water District previously negotiated with the Vallecitos Water District Employees' Association for a cost-of-living salary adjustment for Fiscal Year 2022/23 as set forth in the Memorandum of Understanding (MOU) with the General Employees' Unit;

WHEREAS, except as otherwise indicated in the General Manager's employment contract with the Board, the Board of Directors previously approved Management and Confidential Employees to be subject to all other terms and conditions of employment in the Vallecitos Water District Employee Handbook including salary and benefit changes contained in the MOU;

WHEREAS, to comply with CalPERS regulations, the Board is required to publicly approve a District pay schedule, and the District Pay Schedule has been amended to incorporate the agreed upon terms of the MOU, and also to apply the same increases for Management and Confidential employees;

WHEREAS, the Board of Directors approved authorized positions and position changes in the budget for Fiscal Year 2022/23; and,

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Vallecitos Water District as follows:

DISTRICT PAY SCHEDULE. The Board of Directors does hereby approve and adopt the Vallecitos Water District Personnel Classification and Annual Pay Schedule, attached hereto as Exhibit "A".

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Vallecitos Water District at a regular meeting held on the 20<sup>th</sup> day of July, 2022, by the following roll call vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

\_\_\_\_\_  
Craig Elitharp, President  
Board of Directors  
Vallecitos Water District

ATTEST:

\_\_\_\_\_  
Glenn Pruijm, Secretary  
Board of Directors  
Vallecitos Water District

**VALLECITOS WATER DISTRICT PERSONNEL CLASSIFICATION ANNUAL PAY SCHEDULE**

*has been duly approved and adopted by Vallecitos Water District Board in accordance with requirements of applicable public meeting laws.*

Effective beginning of the pay period at noon on 7/8/2022 - Exhibit "A"

POSITION/TITLE	EXPERIENCE STEPS							LONGEVITY	
	A	B	C	D	E	F	G	H	I
Accounting Supervisor	100,787	105,826	111,118	116,674	122,507	128,632	135,064	141,818	148,908
Accounting Technician	61,875	64,969	68,217	71,627	75,209	78,970	82,918	87,063	91,417
Administrative Services Manager	152,585	160,215	168,226	176,636	185,469	194,742	204,479	214,703	225,438
Asset Management Supervisor	103,276	108,440	113,862	119,555	125,533	131,809	138,399	145,320	152,585
Assistant General Manager	176,636	185,469	194,742	204,479	214,703	225,438	236,710	248,546	260,973
Building and Grounds Worker	42,913	45,059	47,312	49,678	52,162	54,770	57,508	60,382	63,402
Capital Facilities Assistant Engineer	78,970	82,918	87,063	91,417	95,987	100,787	105,826	111,118	116,674
Capital Facilities Engineer	98,358	103,276	108,440	113,862	119,555	125,533	131,809	138,399	145,320
Capital Facilities Senior Engineer	113,862	119,555	125,533	131,809	138,399	145,320	152,585	160,215	168,226
Cashier / Receptionist	49,678	52,162	54,770	57,508	60,382	63,402	66,572	69,901	73,396
Chief Financial Officer	152,585	160,215	168,226	176,636	185,469	194,742	204,479	214,703	225,438
Chief Technology Officer	125,533	131,809	138,399	145,320	152,585	160,215	168,226	176,636	185,469
CMMS Planner	73,396	77,066	80,919	84,965	89,214	93,674	98,358	103,276	108,440
Construction Inspection Supervisor	87,063	91,417	95,987	100,787	105,826	111,118	116,674	122,507	128,632
Construction Inspector I	64,969	68,217	71,627	75,209	78,970	82,918	87,063	91,417	95,987
Construction Inspector II	75,209	78,970	82,918	87,063	91,417	95,987	100,787	105,826	111,118
Construction Supervisor	87,063	91,417	95,987	100,787	105,826	111,118	116,674	122,507	128,632
Construction Worker I	50,904	53,450	56,122	58,928	61,875	64,969	68,217	71,627	75,209
Construction Worker II	58,928	61,875	64,969	68,217	71,627	75,209	78,970	82,918	87,063
Customer Service Representative I	48,480	50,904	53,450	56,122	58,928	61,875	64,969	68,217	71,627
Customer Service Representative II	54,770	57,508	60,382	63,402	66,572	69,901	73,396	77,066	80,919
Customer Service Representative III	57,508	60,382	63,402	66,572	69,901	73,396	77,066	80,919	84,965
Customer Service Supervisor	80,919	84,965	89,214	93,674	98,358	103,276	108,440	113,862	119,555
Development Services Coordinator	80,919	84,965	89,214	93,674	98,358	103,276	108,440	113,862	119,555
Development Services Senior Engineer	113,862	119,555	125,533	131,809	138,399	145,320	152,585	160,215	168,226
District Engineer	156,354	164,172	172,380	180,999	190,050	199,552	209,529	220,006	231,006
Electrical/Instrumentation Technician	77,066	80,919	84,965	89,214	93,674	98,358	103,276	108,440	113,862
Engineering Services Assistant	58,928	61,875	64,969	68,217	71,627	75,209	78,970	82,918	87,063
Engineering Technician I	58,928	61,875	64,969	68,217	71,627	75,209	78,970	82,918	87,063
Engineering Technician II	68,217	71,627	75,209	78,970	82,918	87,063	91,417	95,987	100,787
Engineering Technician III	78,970	82,918	87,063	91,417	95,987	100,787	105,826	111,118	116,674
Executive Assistant	73,396	77,066	80,919	84,965	89,214	93,674	98,358	103,276	108,440
Facility Locator	64,969	68,217	71,627	75,209	78,970	82,918	87,063	91,417	95,987
Finance Assistant	54,770	57,508	60,382	63,402	66,572	69,901	73,396	77,066	80,919
General Manager	273,716	273,716	273,716	273,716	273,716	273,716	273,716	273,716	273,716
GIS/CADD Technician	66,572	69,901	73,396	77,066	80,919	84,965	89,214	93,674	98,358
Human Resources Analyst	75,209	78,970	82,918	87,063	91,417	95,987	100,787	105,826	111,118
Information Technology Analyst	73,396	77,066	80,919	84,965	89,214	93,674	98,358	103,276	108,440
IT Business Analyst I	80,919	84,965	89,214	93,674	98,358	103,276	108,440	113,862	119,555
IT Business Analyst II	95,987	100,787	105,826	111,118	116,674	122,507	128,632	135,064	141,818
Landscape Maintenance Worker I	49,678	52,162	54,770	57,508	60,382	63,402	66,572	69,901	73,396
Landscape Maintenance Worker II	54,770	57,508	60,382	63,402	66,572	69,901	73,396	77,066	80,919
Maintenance Services Supervisor	80,919	84,965	89,214	93,674	98,358	103,276	108,440	113,862	119,555
Mechanic	63,402	66,572	69,901	73,396	77,066	80,919	84,965	89,214	93,674
Mechanical / Electrical Supervisor	89,214	93,674	98,358	103,276	108,440	113,862	119,555	125,533	131,809
Meter Service Supervisor	80,919	84,965	89,214	93,674	98,358	103,276	108,440	113,862	119,555
Meter Service Worker I	48,480	50,904	53,450	56,122	58,928	61,875	64,969	68,217	71,627



**VALLECITOS WATER DISTRICT PERSONNEL CLASSIFICATION ANNUAL PAY SCHEDULE**

*has been duly approved and adopted by Vallecitos Water District Board in accordance with requirements of applicable public meeting laws.*

Effective beginning of the pay period at noon on 7/8/2022 - Exhibit "A"

POSITION/TITLE	EXPERIENCE STEPS							LONGEVITY	
	A	B	C	D	E	F	G	H	I
Meter Service Worker II	56,122	58,928	61,875	64,969	68,217	71,627	75,209	78,970	82,918
Operations and Maintenance Contract Coordinator	57,508	60,382	63,402	66,572	69,901	73,396	77,066	80,919	84,965
Operations and Maintenance Manager	152,585	160,215	168,226	176,636	185,469	194,742	204,479	214,703	225,438
Principal Financial Analyst	95,987	100,787	105,826	111,118	116,674	122,507	128,632	135,064	141,818
Public Information Representative	77,066	80,919	84,965	89,214	93,674	98,358	103,276	108,440	113,862
Public Information/Conservation Supervisor	91,417	95,987	100,787	105,826	111,118	116,674	122,507	128,632	135,064
Pump and Motor Technician Assistant	54,770	57,508	60,382	63,402	66,572	69,901	73,396	77,066	80,919
Pump and Motor Technician I	63,402	66,572	69,901	73,396	77,066	80,919	84,965	89,214	93,674
Pump and Motor Technician II	73,396	77,066	80,919	84,965	89,214	93,674	98,358	103,276	108,440
Risk Management Supervisor	100,787	105,826	111,118	116,674	122,507	128,632	135,064	141,818	148,908
Safety Technician	69,901	73,396	77,066	80,919	84,965	89,214	93,674	98,358	103,276
Senior Accountant	77,066	80,919	84,965	89,214	93,674	98,358	103,276	108,440	113,862
Senior Construction Worker	68,217	71,627	75,209	78,970	82,918	87,063	91,417	95,987	100,787
Senior Customer Service Representative	61,875	64,969	68,217	71,627	75,209	78,970	82,918	87,063	91,417
Senior Executive Assistant	80,919	84,965	89,214	93,674	98,358	103,276	108,440	113,862	119,555
Senior Pump and Motor Technician	78,970	82,918	87,063	91,417	95,987	100,787	105,826	111,118	116,674
Senior Purchasing Specialist	73,396	77,066	80,919	84,965	89,214	93,674	98,358	103,276	108,440
Senior Wastewater Collection Systems Worker	64,969	68,217	71,627	75,209	78,970	82,918	87,063	91,417	95,987
Senior Wastewater Treatment Plant Operator	78,970	82,918	87,063	91,417	95,987	100,787	105,826	111,118	116,674
Senior Water Systems Operator	75,209	78,970	82,918	87,063	91,417	95,987	100,787	105,826	111,118
Source Control Technician	68,217	71,627	75,209	78,970	82,918	87,063	91,417	95,987	100,787
Systems Administrator	87,063	91,417	95,987	100,787	105,826	111,118	116,674	122,507	128,632
Valve Maintenance Technician	64,969	68,217	71,627	75,209	78,970	82,918	87,063	91,417	95,987
Warehouse Assistant I	49,678	52,162	54,770	57,508	60,382	63,402	66,572	69,901	73,396
Warehouse Assistant II	57,508	60,382	63,402	66,572	69,901	73,396	77,066	80,919	84,965
Wastewater Collection Systems Supervisor	87,063	91,417	95,987	100,787	105,826	111,118	116,674	122,507	128,632
Wastewater Collection Systems Worker I	49,678	52,162	54,770	57,508	60,382	63,402	66,572	69,901	73,396
Wastewater Collection Systems Worker II	57,508	60,382	63,402	66,572	69,901	73,396	77,066	80,919	84,965
Wastewater Treatment Plant Operator I	57,508	60,382	63,402	66,572	69,901	73,396	77,066	80,919	84,965
Wastewater Treatment Plant Operator II	66,572	69,901	73,396	77,066	80,919	84,965	89,214	93,674	98,358
Wastewater Treatment Plant Supervisor	93,674	98,358	103,276	108,440	113,862	119,555	125,533	131,809	138,399
Water Systems Operator I	57,508	60,382	63,402	66,572	69,901	73,396	77,066	80,919	84,965
Water Systems Operator II	66,572	69,901	73,396	77,066	80,919	84,965	89,214	93,674	98,358
Water Systems Supervisor	93,674	98,358	103,276	108,440	113,862	119,555	125,533	131,809	138,399

**DATE: JULY 20, 2022**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: ORDINANCE ESTABLISHING ADMINISTRATIVE CHARGES TO RECOVER INDIRECT COSTS FOR FISCAL YEAR 2022-23**

**BACKGROUND:**

The District uses an established rate (overhead rate) to facilitate the recovery of indirect costs via an administrative charge. There are several common methodologies for calculating overhead cost recovery. The District contracted Black & Veatch in 2013 to determine the most appropriate methodology based on District operations and financial reporting. District operations and financial reporting have remained consistent through the years and the overhead rate methodology established in 2013 remains the most appropriate. The overhead rate is revised annually based on the approved budget and was last updated with Ordinance 218 which established the overhead rate for fiscal year 2022. A side-by-side comparison of previous fiscal years' calculations is included in this staff report for the Board.

**DISCUSSION:**

The 2013 Cost of Service Report (Report) recommended applying a single overhead rate to direct labor costs and adjusting the rate annually using the approved District budget in accordance with the methodology established in the Report. The methodology established a formula to be used when calculating the rate. This methodology is commonly referred to as the Direct Labor Cost Method. The calculation to arrive at the overhead rate is Budgeted Indirect Costs and Employee Benefits divided by Direct Labor Costs as follows:

$$\text{Overhead Rate} = \frac{\text{Budgeted Indirect Costs and Employee Benefits}}{\text{Direct Labor Costs}}$$

A brief history of adopted overhead rates follow:

Adopted Date	Adopted Rate	Effective for FY	Indirect Costs	Direct Costs
03/05/90	75%	90/91	NA	NA
09/04/13	195%	13/14	10,154,626	5,215,174
07/16/14	188%	14/15	10,420,378	5,535,622
07/15/15	198%*	15/16	11,367,536	5,352,464
07/20/16	205%	16/17	11,607,237	5,643,763
08/16/17	221%	17/18	12,031,103	5,427,897
07/18/18	219%	18/19	12,116,219	5,521,781
08/07/19	217%	19/20	12,522,775	5,758,225
07/15/20	209%	20/21	12,377,524	5,909,476
07/21/21	212%	21/22	12,377,524	5,975,965
07/20/22	211%**	22/23	13,406,235	6,339,765
*This year the calculation result was 212% but because of one time expenses it was adopted at a lower rate of 198%				
**Proposed not adopted				

Excerpts from the 2013 Cost of Service Report explaining the formula and types of activities where the rate is applied:

#### 1.3.4 District Staff Labor Overhead Rate

1. Black & Veatch recommends that the District utilize a 195 percent overhead rate for FY 13/14. The District can use this rate to apply to outside contractor costs, developer projects and miscellaneous billings to help recover District support associated with these costs.
2. Furthermore, Black & Veatch recommends that the District conduct an annual review of direct and indirect costs and the resulting overhead rate as these costs tend to change from year to year. The review and implementation of overhead rates should be effective as of July 1 of each fiscal year based on that year's approved budget.

#### 6.1.1 OVERHEAD RATE ANALYSIS

The overhead rate analysis is a simple one that consists of identifying District indirect costs that support direct services provided by the District, grouping direct labor costs of the District (less benefits), and finally dividing the total indirect costs by the total direct costs. .... Table 6-1 shows the overhead calculation and resulting rate.

Examples of types of activities where the rate is applied are:

- Outside contractor costs such as when VWD provides another agency with VWD personnel on a temporary and fee for services basis.
- Developer projects where VWD staff will review plans presented by someone at the engineering counter and bill at the staff person's hourly rate plus the overhead rate.
- Miscellaneous billings such as when a VWD asset is damaged in a traffic accident and costs of repairs are billed to the responsible party.

The proposed Ordinance recommends an overhead rate of 211% and was derived by dividing adopted FY 22/23 budgeted indirect costs by direct labor costs per the recommended methodology in the Report.

A side-by-side comparison of the applicable costs for the current fiscal year over the preceding four fiscal years is presented in the attachment.

#### **FISCAL IMPACT:**

The District budget estimates the recovery of \$1.5 million of overhead costs in fiscal year 2022/23.

#### **RECOMMENDATION:**

Adopt Ordinance No. \_\_\_\_ establishing the new overhead rate.

#### **ATTACHMENTS:**

1. Overhead rate calculation
2. Cost change from prior year
3. Ordinance No. \_\_\_\_\_

**ATTACHMENT 1  
VALLECITOS WATER DISTRICT  
OVERHEAD RATE CALCULATION**

Line No.	Description	Budget				
		FY 2022/23	FY 2021/22	FY 2020/21	FY 2019/20	FY 2018/19
	<b>Indirect Costs</b>					
1	Water - Safety & Regulatory Affairs	382,000	285,000	292,000	246,000	268,000
2	Water - Building & Grounds	559,000	494,000	423,000	392,000	377,000
3	Water - Information Technology	1,143,000	1,130,000	1,080,000	1,027,000	973,000
4	Water - General & Administration	3,310,000	3,134,000	3,088,000	2,986,000	2,985,000
5	Water - G & A Transfer	895,000	826,000	814,000	961,000	921,000
7	Wastewater - Safety & Regulatory Affairs	280,000	189,000	197,000	190,000	203,000
8	Wastewater - Building & Grounds	382,000	329,000	303,000	272,000	260,000
9	Wastewater - Information Technology	879,000	873,000	828,000	833,000	845,000
10	Wastewater - General & Administration	1,550,000	1,427,000	1,412,000	1,444,000	1,452,000
11	Wastewater - G & A Transfer	624,000	623,000	608,000	548,000	527,000
12	Water/Wastewater Benefits	3,402,235	3,393,035	3,332,524	3,623,775	3,305,219
	Total District Indirect Costs	<u>13,406,235</u>	<u>12,703,035</u>	<u>12,377,524</u>	<u>12,522,775</u>	<u>12,116,219</u>
	<b>Direct Costs</b>					
13	Water - Pumping Cost of Labor	122,000	116,000	107,000	119,000	118,000
14	Water - Water Quality Cost of Labor	58,000	55,000	55,000	58,000	54,000
15	Water - Water Treatment Cost of Labor	415,000	394,000	385,000	411,000	393,000
16	Water - Tanks & Reservoirs Cost of Labor	205,000	197,000	246,000	244,000	233,000
17	Water - T&D Cost of Labor	1,185,000	1,164,000	1,234,000	1,185,000	1,122,000
18	Water - Services Cost of Labor	45,000	45,000	51,000	45,000	102,000
19	Water - Meters Cost of Labor	829,000	792,000	656,000	663,000	622,000
20	Water - Backflow Prevention Cost of Labor	25,000	23,000	21,000	21,000	20,000
21	Water - Customer Accounts Cost of Labor	593,000	561,000	539,000	496,000	466,000
22	Water - Engineering Cost of Labor	1,530,000	1,446,000	1,469,000	1,518,000	1,419,000
23	Water - Equipment & Vehicles Cost of Labor	148,000	140,000	142,000	129,000	122,000
24	Wastewater - Collection Cost of Labor	1,775,000	1,668,000	1,655,000	1,642,000	1,566,000
25	Wastewater - Lift Stations Cost of Labor	140,000	133,000	130,000	183,000	168,000
26	Wastewater - Source Control Cost of Labor	177,000	170,000	173,000	176,000	164,000
27	Wastewater - MRF Lift Station Cost of Labor	75,000	72,000	87,000	107,000	105,000
28	Wastewater - MRF Cost of Labor	1,097,000	1,107,000	1,107,000	1,124,000	1,023,000
29	Wastewater - Mahr Reservoir Cost of Labor	101,000	100,000	97,000	95,000	84,000
30	Wastewater - Customer Accounts Cost of Labor	368,000	349,000	336,000	358,000	334,000
31	Wastewater - Equip & Vehicles Cost of Labor	160,000	151,000	123,000	137,000	124,000
32	Wastewater - Engineering Cost of Labor	694,000	686,000	629,000	671,000	588,000
33	Total District Direct Costs	<u>9,742,000</u>	<u>9,369,000</u>	<u>9,242,000</u>	<u>9,382,000</u>	<u>8,827,000</u>
	Benefit % per budget	53.7%	56.8%	56.4%	62.9%	59.9%
	Direct Costs less Benefits	6,339,765	5,975,965	5,909,476	5,758,225	5,521,781
	Overhead Rate	<b>211.46%</b>	<b>212.57%</b>	<b>209.45%</b>	<b>217.48%</b>	<b>219.43%</b>

**ATTACHMENT 2  
VALLECITOS WATER DISTRICT  
COST CHANGE FROM PRIOR YEAR**

Line No.	Description	Change from Previous Fiscal Year Budget				
		FY 2022/23	FY 2021/22	FY 2020/21	FY 2019/20	FY 2018/19
	<b>Indirect Costs</b>					
1	Water - Safety & Regulatory Affairs	97,000	(7,000)	46,000	(22,000)	7,000
2	Water - Building & Grounds	65,000	71,000	31,000	15,000	15,000
3	Water - Information Technology	13,000	50,000	53,000	54,000	(30,000)
4	Water - General & Administration	176,000	46,000	102,000	1,000	173,000
5	Water - G & A Transfer	69,000	12,000	(147,000)	40,000	(99,000)
7	Wastewater - Safety & Regulatory Affairs	91,000	(8,000)	7,000	(13,000)	14,000
8	Wastewater - Building & Grounds	53,000	26,000	31,000	12,000	3,000
9	Wastewater - Information Technology	6,000	45,000	(5,000)	(12,000)	14,000
10	Wastewater - General & Administration	123,000	15,000	(32,000)	(8,000)	(3,000)
11	Wastewater - G & A Transfer	1,000	15,000	60,000	21,000	(21,000)
12	Water/Wastewater Benefits	9,200	60,510	(291,251)	318,556	12,116
	Total District Indirect Costs	<u>703,200</u>	<u>325,510</u>	<u>(145,251)</u>	<u>406,556</u>	<u>85,116</u>
	<b>Direct Costs</b>					
13	Water - Pumping Cost of Labor	6,000	9,000	(12,000)	1,000	14,000
14	Water - Water Quality Cost of Labor	3,000	-	(3,000)	4,000	(9,000)
15	Water - Water Treatment Cost of Labor	21,000	9,000	(26,000)	18,000	18,000
16	Water - Tanks & Reservoirs Cost of Labor	8,000	(49,000)	2,000	11,000	(15,000)
17	Water - T&D Cost of Labor	21,000	(70,000)	49,000	63,000	(56,000)
18	Water - Services Cost of Labor	-	(6,000)	6,000	(57,000)	2,000
19	Water - Meters Cost of Labor	37,000	136,000	(7,000)	41,000	57,000
20	Water - Backflow Prevention Cost of Labor	2,000	2,000	-	1,000	(5,000)
21	Water - Customer Accounts Cost of Labor	32,000	22,000	43,000	30,000	(21,000)
22	Water - Engineering Cost of Labor	84,000	(23,000)	(49,000)	99,000	104,000
23	Water - Equipment & Vehicles Cost of Labor	8,000	(2,000)	13,000	7,000	8,000
24	Wastewater - Collection Cost of Labor	107,000	13,000	13,000	76,000	49,000
25	Wastewater - Lift Stations Cost of Labor	7,000	3,000	(53,000)	15,000	(19,000)
26	Wastewater - Source Control Cost of Labor	7,000	(3,000)	(3,000)	12,000	11,000
27	Wastewater - MRF Lift Station Cost of Labor	3,000	(15,000)	(20,000)	2,000	3,000
28	Wastewater - MRF Cost of Labor	(10,000)	-	(17,000)	101,000	14,000
29	Wastewater - Mahr Reservoir Cost of Labor	1,000	3,000	2,000	11,000	(12,000)
30	Wastewater - Customer Accounts Cost of Labor	19,000	13,000	(22,000)	24,000	(30,000)
31	Wastewater - Equip & Vehicles Cost of Labor	9,000	28,000	(14,000)	13,000	17,000
32	Wastewater - Engineering Cost of Labor	8,000	57,000	(42,000)	83,000	(24,000)
33	Total District Direct Costs	<u>373,000</u>	<u>127,000</u>	<u>(140,000)</u>	<u>555,000</u>	<u>106,000</u>

**ORDINANCE NO.**

**ORDINANCE OF THE VALLECITOS WATER DISTRICT  
ESTABLISHING A COST RECOVERY OVERHEAD RATE FOR FISCAL YEAR 2022-23,  
AND REPEALING ORDINANCE NO. 218**

WHEREAS, the Board of Directors of the Vallecitos Water District (District) wishes to recover all direct costs and expenses associated with services provided by the District, development expenses and repair costs of damaged facilities; and

WHEREAS, on August 21, 2013, the Board of Directors accepted the District's Cost of Service Study, "Water Validation, Cost of Service & Rate Design Analysis; Wastewater Validation & Rate Analysis; Miscellaneous Fees & Overhead Rate Analysis (Report)", which established the methodology for calculating the overhead rate identified below; and

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE VALLECITOS WATER DISTRICT AS FOLLOWS:

SECTION 1, DIRECT COST RECOVERY: Direct costs and expenses incurred by the District such as legal services, permits, reproduction services, consulting engineers and other professional services shall be recovered at direct costs only and the administrative overhead charge shall not apply.

SECTION 2, ADMINISTRATIVE OVERHEAD CHARGE: All direct labor costs and services provided on a time and material basis, by the District, are subject to the Administrative Overhead Charge. The charge for Fiscal Year 2022/23 is hereby established as 211% of the total direct labor costs. This charge will not apply to services provided on a fixed fee basis.

SECTION 3, ADMINSTRATIVE OVERHEAD CALCULATION: The overhead rate shall be calculated concurrent with adoption of the annual budget by the Board of Directors and utilize the following methodology:

$$\frac{\text{Budgeted indirect costs and employee benefits}}{\text{Direct labor costs}}$$

SECTION 3, EQUIPMENT USAGE CHARGE: All services provided by the District which District owned equipment is used and are charged on a time and material basis will be subject to an Equipment Usage Charge. The charge is hereby established as a per hour rate in accordance with the current State of California, Department of Transportation, Division of Construction Equipment Rental Rates and shall be included in the final actual cost determination. Direct rental costs for other equipment shall be recovered based upon actual expenses. This charge will not apply to services provided on a fixed fee basis.

All other Ordinances, Articles or Sections of Ordinances in conflict with this Ordinance are hereby repealed.

This ordinance shall be effective upon adoption.

PASSED, APPROVED, AND ADOPTED by the Board of Directors of the Vallecitos Water District at a regular meeting held this 20<sup>th</sup> day of July, 2022, by the following roll call vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

\_\_\_\_\_  
Craig Elitharp, President  
Board of Directors  
Vallecitos Water District

ATTEST:

\_\_\_\_\_  
Glenn Pruum, Secretary  
Board of Directors  
Vallecitos Water District

**DATE: JULY 20, 2022**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: APPROVAL OF CONSTRUCTION AGREEMENT FOR PANERA BREAD (MANNA DEVELOPMENT GROUP, LLC)**

**BACKGROUND:**

Manna Development, LLC is the new owner of the project, which was recently sold by the original developer, Patriot San Marcos. This project was approved by the Board for construction in June 2020. Water improvements for the project are completed but sewer improvements have not been constructed due to pending plan revisions from the owner’s engineer for a sewer and storm drain crossing conflict. The project is located at the northwest corner of San Marcos Boulevard and Bent Avenue.

**DISCUSSION:**

A Construction Agreement is typically entered into between a developer and the District to ensure the required public facilities are constructed to support the demands of the development.

The project will construct approximately 623 feet of 8-inch PVC sewer main. The existing 8-inch sewer main along San Marcos Boulevard is at capacity and therefore the pipeline requires upsizing before any new connections will be allowed. Instead of upsizing the San Marcos Boulevard sewer main, it was determined to be more cost-effective to extend the sewer in Bent Avenue to Grand Avenue.

Upon completion of the water and sewer facilities, water and sewer service will be available to serve the drive-thru Panera Restaurant.

All engineering fees and inspection deposits have been paid prior to Board approval of the Construction Agreement. Water and wastewater capital facility fees are due and payable prior to issuance of the final building inspection and/or utility release per Resolution No. 1441.

The new owner, Manna Development, LLC, has submitted standard surety bonds to guarantee completion of the project.

The following bond amounts have been reviewed and approved by staff:

Labor and Materials	\$121,943.40
Faithful Performance	\$121,943.40

**FISCAL IMPACT:**

There are no operational fiscal impacts associated with the recommended actions. Future water and sewer revenues will offset costs of service. Prior to occupancy, the project will generate \$50,952.00 for water capital facility fees and \$167,592.00 for wastewater capital facility fees.



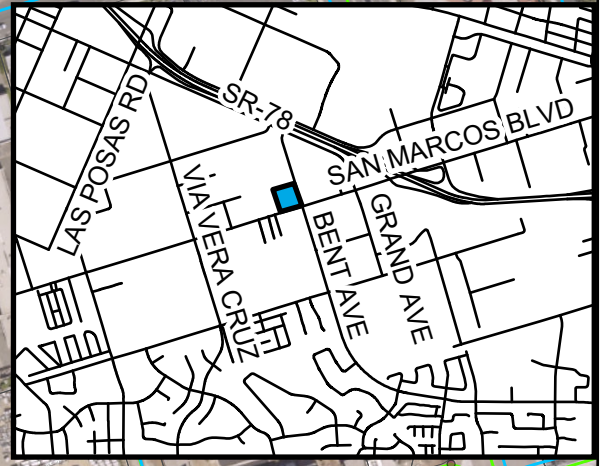
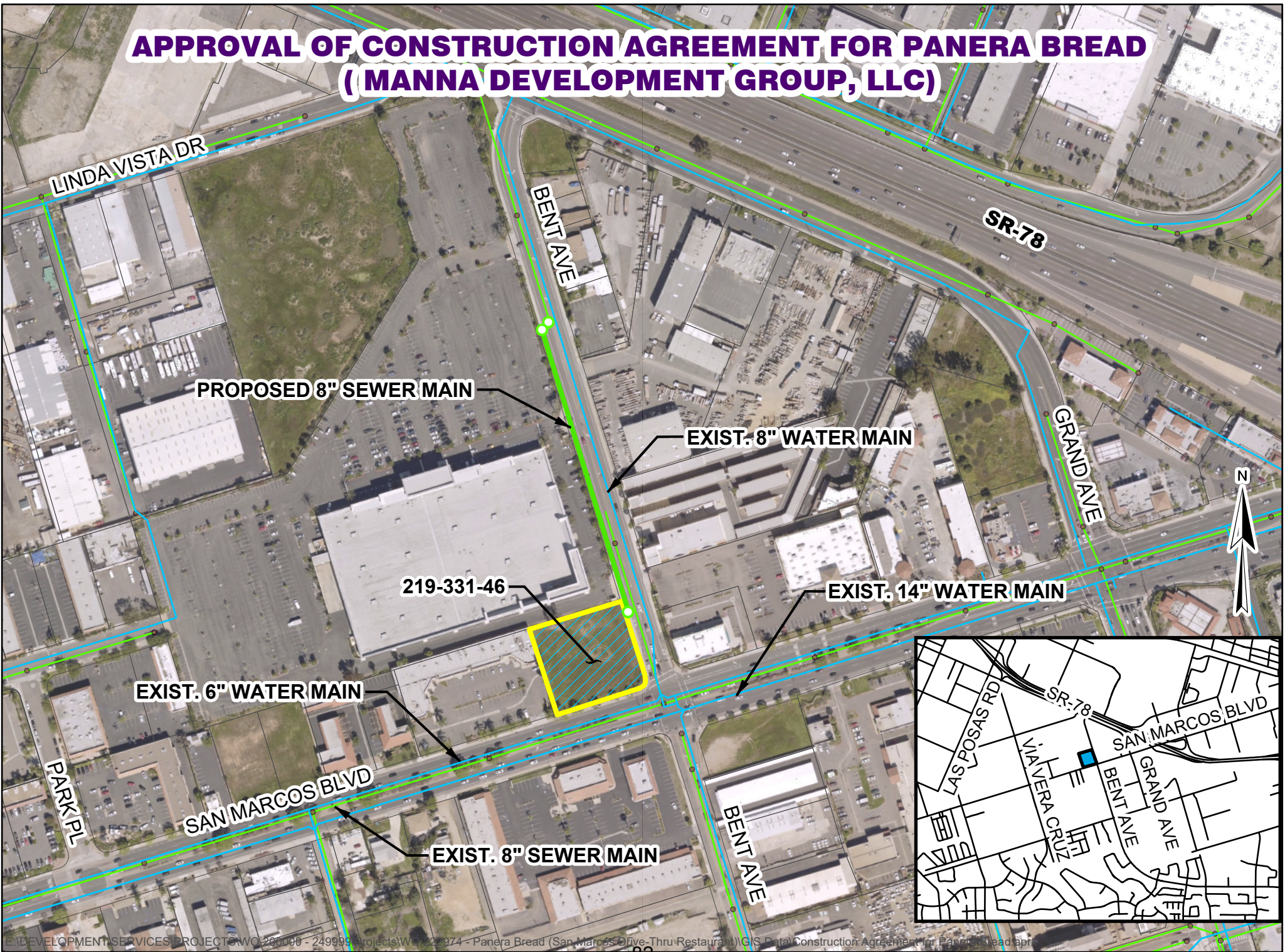
**RECOMMENDATION:**

Approve the new Construction Agreement for Panera Bread.

**ATTACHMENTS:**

Map Exhibit – 1 Aerial Map  
Construction Agreement

# APPROVAL OF CONSTRUCTION AGREEMENT FOR PANERA BREAD (MANNA DEVELOPMENT GROUP, LLC)



**AGREEMENT FOR CONSTRUCTION OF FACILITIES TO BE  
DEDICATED TO THE VALLECITOS WATER DISTRICT**

THIS AGREEMENT is entered into on this \_\_\_ day of \_\_\_\_\_, 2022 by and between VALLECITOS WATER DISTRICT (“DISTRICT”), a County Water District organized and operating pursuant to the County Water District Law, California Water Code §§ 30000 et seq., and **Manna Development Group, LLC** (“DEVELOPER”), a California Limited Liability Corporation.

**RECITALS**

**A.** DEVELOPER desires to improve certain real property which lies within the boundaries of the DISTRICT consisting of approximately **0.86** acres commonly described as Tax Assessor's Parcel Nos. **219-331-39 & 219-331-40** (“PROJECT”).

**B.** DEVELOPER has requested that DISTRICT provide water and/or sewer service to parts of the PROJECT upon payment of applicable fees, construction, and installation by DEVELOPER of the water and/or sewer facilities (“FACILITIES”) necessary to serve the PROJECT and acceptance of the FACILITIES by the DISTRICT.

**C.** DEVELOPER is required to submit plans and specifications for construction of the FACILITIES for review and approval by DISTRICT. The plans and specifications have been prepared by **KIMLEY-HORN AND ASSOCIATES, INC. Phone # 714-939-1030** and are identified as **ON-SITE & OFF-SITE IMPROVEMENTS FOR PANERA BREAD – 800 W. SAN MARCOS BLVD. SAN MARCOS, CA, 92069, VWD WO# 222974** DEVELOPER shall construct the FACILITIES pursuant to the approved plans and specifications which shall include DISTRICT's standard specifications and applicable special provisions. DEVELOPER shall comply with all terms of this Agreement. All work covered by this Agreement shall be completed on or before **February 6th, 2024**. In the event work is not completed by that date, this AGREEMENT shall terminate unless DEVELOPER obtains a written extension from DISTRICT.

## AGREEMENT

### NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. **CONDITIONS PRECEDENT TO EXECUTION OF AGREEMENT.** Each of the following items is an express condition precedent to the obligation of the DISTRICT to execute this Agreement:

- 1.1 **FEES AND CHARGES.** DEVELOPER shall pay all fees and charges due as established by the DISTRICT in its discretion from time to time. All Capital Facility and Connection fees are non-refundable.
- 1.2 **ENVIRONMENTAL REVIEW.** DEVELOPER shall provide the DISTRICT with all environmental documents previously utilized to obtain approvals for the PROJECT. In the event that the DISTRICT determines additional environmental review is necessary, all fees and costs to prepare this additional environmental review shall be borne solely by the DEVELOPER.
- 1.3 **APPROVED PLANS AND SPECIFICATIONS.** DEVELOPER shall prepare and submit to the DISTRICT a set of plans and specifications for the FACILITIES. The plans and specifications for the FACILITIES include DISTRICT's standard specifications and applicable special provisions and are incorporated herein by reference as if set forth in full. Approval of these plans and specifications by the DISTRICT shall be a condition precedent to the obligations of the DISTRICT to execute this Agreement. Approval of these plans and specifications by the DISTRICT shall not relieve the DEVELOPER of liability for any improper design or construction of the FACILITIES.
- 1.4 **CHANGES TO PLANS AND SPECIFICATIONS.** DISTRICT, without liability to DISTRICT, DISTRICT's engineer and their consultants, and each of their directors, officers, employees, and agents, may require such changes, alterations, or additions to the plans and specifications which do not exceed ten percent (10%) of the original DISTRICT estimated cost of the work as may be determined necessary or desirable by DISTRICT in its

sole discretion, including those necessary due to errors or omissions in the approved plans or specifications. Changes, alterations, or additions without said 10% limitation may be made for unforeseen conditions such as rock excavation, unstable soil conditions, or high water tables requiring dewatering.

**2. COMMERCIAL GENERAL LIABILITY AND AUTOMOBILE LIABILITY INSURANCE.** Prior to construction of FACILITIES under this Agreement, the DEVELOPER shall provide and maintain the following commercial general liability and automobile liability insurance:

**2.1 COVERAGE.** Coverage for commercial general liability and automobile liability insurance shall be at least as broad as the following:

- A. Insurance Services Office (ISO) Commercial General Liability Coverage (Occurrence Form CG 0001);
- B. Insurance Services Office (ISO) Business Auto Coverage (Form CA 0001), covering Symbol 1 (any auto).

**2.2 LIMITS.** The DEVELOPER shall maintain limits no less than the following:

- A. General Liability - One million dollars (\$1,000,000) per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit or products-completed operations aggregate limit is used, either the general aggregate limit shall apply separately to the project/location (with the ISO CG 2503, or ISO CG 2504, or insurer's equivalent endorsement provided to DISTRICT) or the general aggregate limit and products-completed operations aggregate limit shall be twice the required occurrence limit.
- B. Automobile Liability - One million dollars (\$1,000,000) per occurrence for bodily injury and property damage each accident limit.

**2.3 REQUIRED PROVISIONS.** The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

- A. DISTRICT, its directors, officers, employees, and authorized volunteers are to be given additional insured status (using ISO endorsement forms CG 20 10 10 01 and 20 37 10 01, or

endorsements providing the exact same coverage) as respects: liability arising out of activities performed by or on behalf of the DEVELOPER; products and completed operations of the DEVELOPER; premises owned, occupied or used by the DEVELOPER; and automobiles owned, leased, hired or borrowed by the DEVELOPER. The coverage shall contain no special limitations on the scope of protection afforded to DISTRICT, its directors, officers, employees, or authorized volunteers.

- B. For any claims related to this project, the DEVELOPER's insurance shall be primary insurance as respects DISTRICT, its directors, officers, employees, or authorized volunteers. Any insurance, self-insurance, or other coverage maintained by DISTRICT, its directors, officers, employees, or authorized volunteers shall not contribute to it.
- C. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to DISTRICT, its directors, officers, employees, or authorized volunteers.
- D. The DEVELOPER's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- E. Each insurance policy required by this agreement shall state, or be endorsed to state, that coverage shall not be canceled by the insurance carrier or the DEVELOPER, except after thirty (30) days (10 days for non-payment of premium) prior written notice by U.S. mail has been given to DISTRICT.
- F. Such liability insurance shall indemnify the DEVELOPER and its sub-developers against loss from liability imposed by law upon, or assumed under contract by, the DEVELOPER or its sub-developers for damages on account of such bodily injury (including death), property damage, personal injury, completed operations, and products liability.

G. The general liability policy shall cover bodily injury and property damage liability, owned and non-owned equipment, blanket contractual liability, completed operations liability, explosion, collapse, underground excavation, and removal of lateral support. Additionally, the automobile liability policy shall cover all owned, non-owned, and hired automobiles.

H. All of the insurance shall be provided on policy forms and through companies satisfactory to DISTRICT.

**3. DEDUCTIBLES AND SELF-INSURED RETENTIONS.** Any deductible or self-insured retention must be declared to and approved by DISTRICT. At the option of DISTRICT, the insurer shall either reduce or eliminate such deductibles or self-insured retentions.

**4. ACCEPTABILITY OF INSURANCE.** All insurance required hereunder is to be placed with insurers having a current A.M. Best rating of no less than A-:VII or equivalent or as otherwise approved by DISTRICT.

**5. WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY INSURANCE.** The DEVELOPER and all sub-developers shall insure (or be a qualified self-insured) under the applicable laws relating to workers' compensation insurance, all of their employees working on or about the construction site, in accordance with the "Workers' Compensation and Insurance Act", Division IV of the Labor Code of the State of California and any Acts amendatory thereof. The DEVELOPER shall provide employer's liability insurance with limits of no less than \$1,000,000 each accident, \$1,000,000 disease policy limit, and \$1,000,000 disease each employee.

**5.1 Labor Certification.** By its signature hereunder, DEVELOPER certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of that Code. DEVELOPER agrees to comply with such provisions and to require its consultants and contractors to comply with such provisions before commencing any work on the FACILITIES

**6. RESPONSIBILITY FOR WORK.** Until the completion and final acceptance by DISTRICT of all the work under and implied by this agreement, the work shall be under the DEVELOPER's responsible care and charge. The DEVELOPER shall rebuild, repair, restore and

make good all injuries, damages, re-erections, and repairs occasioned or rendered necessary by causes of any nature whatsoever.

**7. EVIDENCE OF INSURANCE.** Prior to construction of FACILITIES under this Agreement, the DEVELOPER shall file with DISTRICT a certificate of insurance (Accord Form 25-S or equivalent) signed by the insurer's representative evidencing the coverage required by this agreement. Such evidence shall include an additional insured endorsement and evidence of waiver of rights of subrogation against DISTRICT. If umbrella or excess liability coverage is used to meet any required limit(s) specified herein, DEVELOPER shall provide a "follow form" endorsement satisfactory to DISTRICT indicating that such coverage is subject to the same terms and conditions as the underlying liability policy. Such evidence shall also include confirmation that coverage includes or has been modified to include **Required Provisions**, A-E. The DEVELOPER shall, upon demand of DISTRICT, deliver to DISTRICT such policy or policies of insurance and the receipts for payment of premiums thereon.

**8. CONTINUATION OF COVERAGE.** If any of the required coverage expires during the term of this agreement, the DEVELOPER shall deliver the renewal certificate(s) including the general liability additional insured endorsement and evidence of waiver of rights of subrogation against DISTRICT (if builder's risk insurance is applicable) to DISTRICT at least ten (10) days prior to the expiration date.

**9. SUB-DEVELOPERS.** In the event that the DEVELOPER employs other developers (sub-developers) as part of the work covered by this agreement, it shall be the DEVELOPER's responsibility to require and confirm that each sub-developer meets the minimum insurance requirements specified above.

**10. SECURITY.** Upon execution of this Agreement and prior to Board approval, DEVELOPER shall provide the DISTRICT with a payment bond and a performance bond, each in the amount of **\$ 121,943.70**. Each payment and performance bond shall represent 100% of the estimated construction costs of the FACILITIES. Bonds shall be furnished by an admitted surety insurer, as defined in Code of Civil Procedure section 995.120, authorized to do business in the State of California and satisfactory to the DISTRICT.

If at any time a surety on any such bond is declared as bankrupt or loses its right to do business in the state of California for any reason, DEVELOPER shall, within ten (10) days after notice from the DISTRICT, substitute acceptable bonds in such form and sum and signed by such



other surety or sureties as may be satisfactory to the DISTRICT in its sole discretion. The premium on such bonds shall be paid by the DEVELOPER.

In the event the PROJECT is sold, transferred or assigned the performance and payment bonds shall remain in effect unless new bonds acceptable to the DISTRICT have been provided.

The performance and the payment bonds must remain in effect throughout the period for performance of the work until the work is accepted by formal action of the Board of Directors of the DISTRICT.

In lieu of providing these performance and payment bonds and subject to the DISTRICT's approval, DEVELOPER may provide the DISTRICT with a cash deposit to replace either or both of these bonds, or may provide the DISTRICT with an Instrument of Credit, or Irrevocable Letter of Credit on a form acceptable to the DISTRICT. No substitution or modification of the DISTRICT's standard Instrument of Credit or Irrevocable Letter of Credit shall be accepted without approval of the DISTRICT.

**11. DEVELOPER'S FAILURE TO PROVIDE INSURANCE OR BONDS.** In the event any insurance or security provided to the DISTRICT in accordance with this Agreement is terminated or canceled for any reason, or is limited in the scope of coverage required by this Agreement, DEVELOPER shall have thirty (30) consecutive days from written notice from DISTRICT to procure the required insurance or security. The failure of DEVELOPER to present alternative insurance or security acceptable to DISTRICT within this thirty- (30-) day period shall constitute a material breach of this Agreement entitling the DISTRICT to unilaterally terminate this Agreement or sue DEVELOPER for damages at the election of the DISTRICT.

**12. EASEMENTS.** Prior to execution of this Agreement, DEVELOPER shall provide DISTRICT with a current preliminary title report issued within the last 90 days covering all properties in which easements are to be granted to the DISTRICT. The cost of the preliminary title report shall be borne solely by DEVELOPER. DEVELOPER shall provide the DISTRICT with such easements as the DISTRICT may require, as determined by the DISTRICT in its sole discretion. All easements to be conveyed to the DISTRICT shall be prepared on the DISTRICT's standard form easements. All easements shall: (1) be of a width satisfactory to DISTRICT, in no case less than twenty (20) feet without specified approval of the Board of Directors; (2) be free and clear of all liens and/or encumbrances which could affect title to the easement; and (3) have recorded subordination agreements for all trust deeds or other liens to insure that the DISTRICT

has prior rights in any easements being conveyed to the DISTRICT. DEVELOPER shall procure a policy of title insurance in favor of the DISTRICT covering easements to be granted in amounts determined by the DISTRICT subject only to those conditions of record acceptable to the DISTRICT. All fees and costs to procure easements required by the DISTRICT shall be borne solely by DEVELOPER. Nothing in this Agreement shall obligate the DISTRICT to exercise its condemnation authorities to acquire any easement determined necessary by the DISTRICT. All easements being conveyed to the DISTRICT must be in a recordable form acceptable to the DISTRICT prior to approval of plans and specifications by the DISTRICT.

**13. QUALIFIED SERVICE COMMITMENT.** Nothing in this Agreement is intended to limit the power of the DISTRICT to restrict the use of water as provided by California Water Code §§ 350 et seq., and §§ 31026 et seq. DEVELOPER is advised and understands that the ability of the DISTRICT to provide water service to the PROJECT is dependent upon the continuing availability of water imported to the DISTRICT from other agencies. In the event of a water shortage, threatened water shortage, or an emergency, water service to DEVELOPER's project may not be available or may be curtailed or restricted. Consequently, the DISTRICT cannot guarantee that water will be available at the time service is requested. The declaration of a water shortage threatened water shortage or emergency shall be exercised in the sole discretion of the DISTRICT. DEVELOPER agrees that the DISTRICT shall not be liable for any damages, costs, fees, or expenses of any kind, caused by any curtailment, restriction, or termination of potable water service determined necessary by the DISTRICT.

**14. CONSTRUCTION OF FACILITIES.** DEVELOPER shall not commence construction of any FACILITIES required by this Agreement until DEVELOPER has received written authorization from the DISTRICT to proceed. All work performed on the FACILITIES shall be: (1) done in strict compliance with the approved plans and specifications; (2) in a good and workmanlike manner as determined by the DISTRICT in its sole discretion; and (3) in accordance with DISTRICT's current published standards and criteria for projects and standards and criteria which may be required by DISTRICT at any time, whether published or not, in the District's sole discretion. All work performed on the FACILITIES by DEVELOPER shall be subject to inspection by the DISTRICT's designated representatives and DEVELOPER shall comply with all instructions given by the DISTRICT's representative during construction of the work. All fees and costs to construct the FACILITIES shall be borne by DEVELOPER.

**15. COMPLIANCE WITH APPLICABLE LAW.** DEVELOPER shall insure that all work performed on the project is performed in a manner which complies with all applicable federal and state laws and all county and local government rules and regulations, including all rules and regulations of DISTRICT, as these rules and regulations may be modified or changed from time to time. DEVELOPER shall be solely responsible for obtaining and paying for all permits, licenses and approvals necessary to construct the FACILITIES. DEVELOPER shall provide verification that permits, licenses and approvals have been obtained promptly upon demand from DISTRICT. As a material part of this Agreement, DEVELOPER agrees to assume all risk of liability arising from non-compliance with applicable federal, state, county, and local government rules and regulations, including all rules and regulations of the DISTRICT

**16. CALIFORNIA LABOR CODE REQUIREMENTS.**

**16.1** DEVELOPER is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq. (“Prevailing Wage Laws”), which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" projects. If the requirements of this Agreement are performed as part of an applicable “public works” project, as defined by the Prevailing Wage Laws, DEVELOPER agrees to fully comply with such Prevailing Wage Laws, if applicable. DEVELOPER shall defend, indemnify and hold the DISTRICT and its officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising from any failure or alleged failure to comply with the Prevailing Wage Laws. It shall be mandatory upon the DEVELOPER and DEVELOPER’s contractor and all subcontractors to comply with all California Labor Code provisions, which include but are not limited to prevailing wages, employment of apprentices, hours of labor and debarment of contractors and subcontractors.

**16.2** If the work is being performed as part of an applicable “public works” or “maintenance” project, in addition to the foregoing, then pursuant to Labor Code Sections 1725.5 and 1771.1, DEVELOPER’s contractor and all subcontractors must be registered with the Department of Industrial Relations (“DIR”). DEVELOPER’s contractor shall maintain registration for the duration of the project and require the same of any subcontractors. This

project may also be subject to compliance monitoring and enforcement by the DIR. It shall be DEVELOPER's sole responsibility to comply with all applicable registration and labor compliance requirements including the submission of payroll records directly to the DIR.

**17. UTILIZATION OF A PORTION OF WORK.** DISTRICT shall have the right upon written notification to the DEVELOPER to utilize such portions of the work DISTRICT deems sufficiently complete to be utilized or placed into service.

**18. ACCEPTANCE OF WORK.** Upon completion of the FACILITIES required by this Agreement to the satisfaction of the DISTRICT, the FACILITIES which have been constructed shall be presented to the Board of Directors of the DISTRICT for dedication and acceptance, and to authorize the filing of a Notice of Completion by the DEVELOPER. The DISTRICT shall have no obligation to accept the FACILITIES if the design and/or construction of the work is not satisfactory to the DISTRICT in its sole discretion. Upon acceptance of the FACILITIES by the DISTRICT's Board of Directors, all right, title, ownership and interest in the FACILITIES shall be deemed to have been transferred to the DISTRICT, including any warranties as set forth in the approved contract documents. The form of said title shall be determined by DISTRICT. DEVELOPER shall not allow any part of PROJECT to be occupied prior to acceptance of FACILITIES by DISTRICT.

**19. WATER SERVICE MAINTENANCE AFTER ACCEPTANCE OF WORK.** Due to the uncertainty of prompt sale/construction/occupancy of the project's lots and based on the need to provide adequate flow to residences, DEVELOPER shall be responsible for periodic flushing of the services within the subdivision until such time as the subdivision is sold. The DISTRICT and DEVELOPER will cooperate to provide manpower and schedule work.

**20. LIABILITY FOR WORK PRIOR TO FORMAL ACCEPTANCE.** Until the Board of Directors of the DISTRICT has formally accepted all work performed in accordance with this Agreement, DEVELOPER shall be solely responsible for all damage to the work regardless of cause and for all damages or injuries to any person or property from any cause excepting injury or damage caused by the sole or active negligence of DISTRICT, its agents, or employees.

**21. LIABILITY AFTER ACCEPTANCE OF WORK.** After the Board of Directors of the DISTRICT has accepted the FACILITIES by formal action of the Board, DEVELOPER and DEVELOPER's successors in interest shall remain liable for all injuries or damage to persons or

property including damage to the work itself, arising from or related to design or construction of the FACILITIES to the fullest extent permitted by California law.

**22. RELEASE OF SECURITY.** Forty (40) days after the acceptance of the FACILITIES by the DISTRICT, the DISTRICT shall release any security previously provided by DEVELOPER, as long as no claims have been filed. The security shall not be released until the DISTRICT has received a warranty bond or alternative security acceptable to the DISTRICT covering 25% of the original performance bond or alternative security amount. DISTRICT must have a warranty bond prior to Board acceptance of the project. This new security shall remain in effect for the full duration of the one-year warranty period, which commences upon final Board Acceptance, and until DEVELOPER has corrected all defects noted by the DISTRICT during the warranty period.

**23. WARRANTY.** DEVELOPER shall and hereby does guarantee all work and materials for the FACILITIES to be free from all defects due to faulty materials or workmanship for a period of one (1) year after the date of acceptance of the work by the DISTRICT. The DEVELOPER shall repair or remove and replace any and all such work, together with any other work which may be displaced in so doing, that is found to be defective in workmanship and/or materials within said one-year period without expense whatsoever to the DISTRICT, ordinary wear and tear and unusual abuse or neglect excepted. In the event DEVELOPER fails to comply with the above-mentioned conditions within one (1) week after being notified in writing, the DISTRICT is authorized to proceed to have the defects remedied and made good at the expense of DEVELOPER who agrees to pay the cost and charges therefore immediately upon demand. Such action by the DISTRICT will not relieve the DEVELOPER of the guarantee required by this section. This section does not in any way limit liability of the DEVELOPER for any design defects or defects in the work subsequently discovered by the DISTRICT.

**24. INDEMNITY.** DEVELOPER shall be solely responsible and liable for design defects or defects in work performed to construct the FACILITIES required by this Agreement. This shall include liability and responsibility for injury or damage to the work itself. To the fullest extent permitted by law, DEVELOPER shall defend, indemnify and hold the DISTRICT, the DISTRICT's representatives and each of the DISTRICT's officers, employees and agents free and harmless from any and all claims, liabilities, losses, costs, expenses, damages, or injuries to property or persons, including wrongful death, (collectively, "Claims") in any manner arising out of or incident to any acts, omissions or willful misconduct of DEVELOPER, its officials, officers,

employees, agents, consultants and contractors resulting from the design or construction of the FACILITIES, except where the Claim has been caused by the sole and active negligence of the DISTRICT. In the event that any suit is instituted naming the DISTRICT as a party, the DISTRICT shall be entitled to appoint its own independent counsel to represent the DISTRICT; and DEVELOPER agrees to pay all attorney's fees and litigation costs associated with this defense. This indemnity shall extend to any claims arising because DEVELOPER has failed to properly secure any necessary easement, land right, contract or approval.

**25. AS-BUILT DRAWINGS.** Prior to acceptance of the work by DISTRICT, DEVELOPER shall provide the DISTRICT with two (2) blueprint copies of "as-built" drawings. Upon approval of the mylar copies the DISTRICT will require a bonded mylar or original drawing, disk and certification by a licensed engineer in the state of California as to the accuracy and completeness of the "as-built" drawings. DEVELOPER shall be solely responsible and liable for insuring the completeness and accuracy of these as-built drawings.

**26. CASH DEPOSITS.** DEVELOPER shall provide the DISTRICT with an initial cash deposit in the amount of **\$ 2,426.50** to cover all DISTRICT fees and costs associated with the FACILITIES. When this deposit has been drawn down to **\$ 1,000.00**, DEVELOPER agrees to deposit such additional sums as the DISTRICT may determine from time to time to cover all fees and costs of the DISTRICT. Prior to final acceptance of the project, a final accounting will be forwarded to the DEVELOPER for payment. Additional deposits for additional inspections after acceptance of the project may be requested.

**27. MISCELLANEOUS PROVISIONS.**

**27.1 NOTICES.** All notices required pursuant to this Agreement shall be deemed effective upon receipt when personally served or when sent certified mail, return receipt requested to the following addresses:

**DISTRICT:**

VALLECITOS WATER DISTRICT  
Glenn Pruim – General Mgr  
201 VALLECITOS DE ORO  
SAN MARCOS, CA 92069

**DEVELOPER:**

Manna Development Group, LLC  
Patrick Rogers - Member  
2211 Encinitas Blvd  
Encinitas Ca 92024

- 27.2 GOVERNING LAW AND VENUE.** This Agreement shall be governed by the laws of the State of California. In the event of any legal or equitable proceeding to enforce or interpret the terms or conditions of this Agreement, the parties agree that venue shall lie only in the federal or state courts in or nearest to the North County Judicial District, County of San Diego, State of California.
- 27.3 MODIFICATION.** This Agreement may not be altered in whole or in part except by a modification, in writing, executed by all the parties to this Agreement.
- 27.4 ATTORNEY'S FEES.** In the event of any legal or equitable proceeding to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to all reasonable attorney's fees and costs in addition to any other relief granted by law. This provision shall apply to the entire Agreement.
- 27.5 ENTIRE AGREEMENT.** This Agreement, together with all the exhibits attached to this Agreement, contains all representations and the entire understanding between the parties with respect to the subject matter of this Agreement. Any prior correspondence, memoranda or agreements are in conflict with this Agreement are intended to be replaced in total by this Agreement and its exhibits.
- 27.6 ASSIGNMENTS.** DEVELOPER shall not be entitled to assign all or any portion of its rights or obligations contained in this Agreement without obtaining the prior consent of the DISTRICT, which consent shall not be unreasonably withheld. Any purported assignment without the DISTRICT's prior written consent shall be void.
- 27.7 BINDING EFFECT.** This Agreement shall inure to the benefit of and be binding upon the parties and their respective purchasers, successors, heirs and assigns.
- 27.8 UNENFORCEABLE PROVISIONS.** The terms, conditions and covenants of this Agreement shall be construed whenever possible as consistent with all applicable laws and regulations. To the extent that any provision of this

Agreement, as so interpreted, is held to violate any applicable law or regulation, the remaining provisions shall nevertheless be carried into full force and effect and remain enforceable.

**27.9 REPRESENTATION OF CAPACITY TO CONTRACT.** Each of the parties to this Agreement represents and warrants that he has the authority to execute this Agreement on behalf of the entity represented by that individual.

**27.10 OPPORTUNITY TO BE REPRESENTED BY INDEPENDENT COUNSEL.** DEVELOPER warrants and represents that DEVELOPER has been advised to consult independent legal counsel of its own choosing and has had a reasonable opportunity to do so prior to executing this Agreement.

**27.11 NO WAIVER.** The failure of either party to enforce any term, covenant or condition of this Agreement on the date it is to be performed shall not be construed as a waiver of that party's right to enforce this, or any other, term, covenant or condition of this Agreement at any later date or as a waiver of any term, covenant or condition of this Agreement.

**27.12 COUNTERPARTS.** This Agreement may be signed in counterparts, each of which shall constitute an original.

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the date first written above.

[SIGNATURES ON FOLLOWING PAGE]



**AGREEMENT FOR CONSTRUCTION OF FACILITIES TO BE  
DEDICATED TO THE VALLECITOS WATER DISTRICT**

**SIGNATURE PAGE**

<b>“DISTRICT” VALLECITOS WATER DISTRICT</b>	
By: _____ Glenn Pruum, Secretary Board of Directors Vallecitos Water District	Dated: _____

<b>“DEVELOPER”</b>	
Name: <u>Patrick Rogers</u>	
Title: <u>Member</u>	
Company: <u>Manna Development Group, LLC.</u>	
Signature*: _____	Dated: _____

\*Acknowledgment of the signature(s) of authorized representative(s) of DEVELOPER executing this Construction Agreement, by a Notary Public, is required. Attach acknowledgment to this page.

**DATE: JULY 20, 2022**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: APPROVAL OF AS-NEEDED ENGINEERING SERVICES**  
**AGREEMENTS FOR FISCAL YEARS 22/23 AND 23/24**

**BACKGROUND:**

Vallecitos Water District routinely requires engineering professional services for its capital projects, Operations projects/support, emergency tasks, and other unscheduled projects. The cost of these services generally does not justify going through the formal engineering proposal process.

**DISCUSSION:**

Based on experience, it is often in the District's best interest to negotiate standard fees for these types of services. Over the past several years, staff has negotiated reduced rates, on an annual basis, with selected engineering/design/specialty firms which have submitted resumes, provided statements of qualifications and/or proposals, and/or have successfully completed projects and services to the District. The as-needed professional services agreements will be reviewed and renewed after a 2-year term. Staff and Counsel have reviewed the engineering services agreements and find them consistent with similar, past agreements. The following firms are recommended for as-needed professional services:

- NV5 - Engineering Design
- Ardurra (formerly Infrastructure Engineering Corp.) - Engineering Design
- MurraySmith – Engineering Design
- Kennedy Jenks - Engineering Design
- Black and Veatch – Engineering Design and Planning
- HDR - Engineering Design and Planning
- Kelsey Structural – Structural Engineering Design
- Gerry Green Inc. - Electrical Engineering Design
- Hoch Consulting – Grant Writing & Engineering Design
- Christian Wheeler Engineering – Geotechnical Engineering/ Special Inspections
- RF Yeager Engineering – Corrosion Control/ Cathodic Protection Engineering
- Harper & Associates – Engineering Design/ Coatings Special Inspection
- Land Surveying Consultants – Survey Mapping
- Valley Construction Management – Construction Management & Inspection
- DHK Engineers, Inc. – Engineering Design, Odor Control, & Analytical Services
- Recon Environmental – Environmental Engineering Services
- Trussell Technologies – Engineering Design & Water Quality Services
- MBN Group – Architectural Design Professional Services
- TerraVerde Energy – Energy Advisors & Solar Asset Management

**FISCAL IMPACT:**

The above consultants each submitted a statement of qualifications for professional services on a time and materials basis. The hourly rates are often reduced from their normal rates because certain administration/marketing costs are not required for the “on-call” nature of the work involved. Fees associated with specific work under these as-needed contracts will be directly reimbursed through developer deposits or charged to specific capital projects. As-needed agreements are utilized for contracts in accordance with the District’s purchasing policy and procedures.

**RECOMMENDATION:**

Authorize the General Manager to enter into as-needed engineering professional services agreements with the selected firms, subject to the provisions of the contract.

**ATTACHMENT:**

N/A

**DATE: JULY 20, 2022**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: SET PUBLIC HEARING FOR REPORT ON DISTRICT WATER QUALITY**  
**RELATIVE TO PUBLIC HEALTH GOALS**

**BACKGROUND:**

California Health and Safety Code §116470 require water utilities with more than 10,000 service connections to prepare a special report once every three years if their water quality constituents have exceeded any Public Health Goals (PHG's). PHG's are non-enforceable goals established by the Cal-EPA's Office of Environmental Health Hazard Assessment (OEHHA). The law also requires that where OEHHA has not adopted a PHG for a constituent, the water suppliers are to use the Maximum Contaminant Level Goals (MCLG's) adopted by USEPA. Only constituents that have a California primary drinking water standard and for which a PHG or MCLG has been established need to be addressed.

**DISCUSSION:**

The law requires that a Public Hearing be held (which can be part of a regularly scheduled public meeting) for the purpose of accepting and responding to public comment on the Report. The law requires that the Report be made available to the public at least 15 days prior to the acceptance of the Report. A Notice of Public Hearing will be placed in a local newspaper upon the setting of the Public Hearing date. The Report will be available at the District office for public review.

**RECOMMENDATION:**

Staff recommends the Public Hearing be scheduled as part of the Regular Board Meeting on September 7, 2022.

**ATTACHMENT:**

2022 Report on District Water Quality Relative to Public Health Goals

## **2022 Report on District Water Quality Relative to Public Health Goals**

The California Health and Safety Code §116470<sup>1</sup> specifies that water utilities with more than 10,000 service connections prepare a special report by July 1, 2022, if their water quality measurements have exceeded any Public Health Goals (PHGs). PHGs are non-enforceable goals established by the Cal-EPA's Office of Environmental Health Hazard Assessment (OEHHA). The law also requires that where OEHHA has not adopted a PHG for a constituent, the water suppliers are to use the Maximum Contaminant Level Goals (MCLGs) adopted by USEPA. Only constituents that have a California primary drinking water standard and for which either a PHG or MCLG has been established need to be addressed<sup>4</sup>.

There are several constituents that are routinely detected in water systems at levels usually well below the drinking water standards for which no PHG nor MCLG has yet been adopted by OEHHA or USEPA including Total Trihalomethanes. These will be addressed in a future required report after a PHG has been adopted. California Health and Safety Code §116470 specifies what information is to be provided in the report.

If a constituent was detected in the District's water supply between 2019 and 2021 at a level exceeding an applicable PHG or MCLG, this report provides the information required. Included is the numerical public health risk<sup>2</sup> associated with the Maximum Contaminant Level (MCL) and the PHG or MCLG, the category or type of risk to health that could be associated with each constituent, the best treatment technology available that could be used to reduce the constituent level, and an estimate of the cost to install that treatment if it is appropriate and feasible.

### **What Are PHGs?**

PHGs are set by the Cal-EPA's OEHHA and are based solely on public health care considerations. None of the practical risk-management factors that are considered by the USEPA or the State Water Resources Control Board (SWRCB) in setting drinking water standards (MCLs) are considered in setting the PHGs. These factors include analytical detection capability, treatment technology available, benefits, and costs. The PHGs are not enforceable and are not required to be met by any public water system. MCLGs are the federal equivalent of PHGs.

### **Water Quality Data Considered:**

All water quality data collected by our water system, including data provided by the Metropolitan Water District of Southern California, the San Diego County Water Authority, Olivenhain Municipal Water District, Carlsbad Desalination Plant, and the City of Oceanside, between 2019 and 2021 for determining compliance with drinking water standards was considered. This data was summarized in our 2019, 2020 and 2021 Consumer Confidence Reports which were mailed to and/or made available electronically for all our customers in compliance with the California Health and Safety Code §116470<sup>1</sup>.

**Guidelines Followed:**

The Association of California Water Agencies (ACWA) formed a workgroup that prepared guidelines for water utilities to use in preparing these required reports. The ACWA guidelines were used in the preparation of this report. No guidance was available from or provided by state regulatory agencies.

**Best Available Treatment Technology and Cost Estimates:**

Both the USEPA and SWRCB adopt what are known as BATs or Best Available Technologies which are the best-known methods of reducing contaminant levels to the MCL. Implementation of these technologies can be extremely expensive and, depending on the water available, can be cost-prohibitive. Costs can be estimated by utilizing various pilot studies and reports. However, since many PHGs and all MCLGs are set much lower than the MCL, it is not always possible or feasible to determine what treatment is needed to further reduce a constituent downward to or near the PHG or MCLG, many of which are set at zero. Estimating the costs to reduce a constituent to zero is difficult, if not impossible because it may not be possible to verify, by analytical means, that the level has been lowered to zero. In some cases, installing treatment to reduce very low levels of one constituent may have adverse effects on other aspects of water quality.

**Constituents Detected That Exceed a PHG or an MCLG:**

The following is a discussion of constituents that were detected in one or more of our drinking water sources at levels above the PHG, or if no PHG, above the MCLG.

**Arsenic:**

Arsenic is a naturally occurring element in the earth's crust and is very widely distributed in the environment. All humans are exposed to microgram quantities of arsenic (inorganic and organic) largely from food (25 to 50 µg/day) and to a lesser degree from drinking water and air. In certain geographical areas, natural mineral deposits may contain large quantities of arsenic, and this may result in higher levels of arsenic in water. Waste chemical disposal sites may also be a source of arsenic contamination of water supplies. The main commercial use of arsenic in the U.S. is in pesticides, mostly herbicides and in wood preservatives. Misapplication or accidental spills of these materials could result in contamination of nearby water supplies. Arsenic does not tend to accumulate in the body at low environmental exposure levels.

Studies in humans have shown considerable individual variability in arsenic toxicity. The levels of arsenic that most people ingest in food and water (ca. 50 µg/day) have not usually been of health concern for non-cancer effects.

The MCL for arsenic is 10 ppb, and the PHG and MCLG for arsenic are 0.004 ppb. The Detection Limit for Reporting Purposes is 2 ppb. The San Diego County Water Authority (SDCWA) detected it in 2019 and 2021. The maximum level detected was 3.0 ppb<sup>3</sup>. The

Olivenhain Municipal Water District (OMWD) detected it in 2021. The level detected was 2.8 ppb<sup>3</sup>. The health risk associated with arsenic, and the reason that a drinking water standard was adopted for it, is that people who drink water containing arsenic above the MCL throughout their lifetime could experience an increased risk of getting cancer. OEHHA has set the PHG at 4 ppt (0.004 ppb). The PHG is based on a level that will result in not more than 1 excess cancer in 1 million people who drink 2 liters daily of this water for 70 years. The actual cancer risk may be lower or zero.

The arsenic in our water system comes from our already treated water from SDCWA and OMWD. It is not required for SDCWA or OMWD to lower arsenic levels to the PHG and MCLG levels because it already meets federal and state health-based standards. The best available technology (BAT) cited in the literature to remove arsenic is reverse osmosis. According to the Association of California Water Agencies (ACWA) Cost Estimates for Treatment Technology BAT, it would cost approximately \$2.0-\$8.04 per 1000 gallons to treat arsenic using RO treatment. These values were assessed using ACWA's 2021 'Suggested Guidelines' for reverse osmosis treatment technology and include annualized capital and O&M costs<sup>5</sup>.

**Bromate:**

Bromate is formed when naturally occurring bromide reacts with ozone during the disinfection process. The District's water wholesalers, the Metropolitan Water District (MWD), and the San Diego County Water Authority (SDCWA) use ozone in their treatment plants to treat drinking water. Since the treatment plants' source water contains naturally occurring bromide, bromate is formed during this process.

The MCL for bromate is 10 ppb and the PHG for bromate is 0.1 ppb. SDCWA and MWD detected bromate above the Detection Limit for Reporting Purposes (DLR) of 5.0. The San Diego County Water Authority (SDCWA) detected it in 2019, 2020, and 2021. The Metropolitan Water District detected it in 2019, 2020, and 2021. The maximum level detected from both agencies was 10.0 ppb<sup>3</sup>. One of the most effective best available technologies for bromate reduction is reverse osmosis (RO). RO treatment reduces the naturally occurring bromide in source water by reducing the natural organic matter (NOM) in water. When this is reduced, the demand for ozone decreases, therefore reducing bromate formation. Because the DLR for bromate is greater than the PHG, it would be difficult to assess the effectiveness of RO treatment in reaching the PHG level.

The bromate in our water system comes from our already treated water from MWD and SDCWA. It is not required for either agency to lower bromate levels to the PHG and MCLG levels because it already meets federal and state health-based standards. The best available technology (BAT) cited in the literature to remove bromate is reverse osmosis. According to the Association of California Water Agencies (ACWA) Cost Estimates for Treatment Technology BAT, it would cost approximately \$2.04-\$3.89 per 1000 gallons to treat bromate using RO treatment. These values were assessed using ACWA's 2021 'Suggested Guidelines' for reverse osmosis treatment technology and include annualized capital and O&M costs<sup>5</sup>.

**Coliform Bacteria:**

The MCL for coliform bacteria is 5% positive samples of all samples per month. The MCLG is zero. The reason for the coliform drinking water standard is to minimize the possibility of the water containing pathogens, which are organisms that can cause waterborne disease. Because coliform is only a surrogate indicator of the potential presence of pathogens, it is not possible to state a specific numerical health risk. While USEPA normally sets MCLGs “at a level where no known or anticipated adverse effects on persons would occur”, they indicate that they cannot do so with coliforms. Therefore, the MCLG for coliform bacteria has been set at zero by the USEPA.

In the month of June 2020, the District collected 119 samples from our distribution system for coliform analysis. Of these samples, one tested positive for coliform bacteria (0.84%)<sup>3</sup>.

The District re-tested the source noted above in accordance with SWRCB guidelines and all sources tested negative for coliform bacteria.

Coliform bacteria are indicator organisms that are ubiquitous in nature and are not generally considered harmful. They are used because of the ease of monitoring and analysis. If a positive sample is found, it indicates a potential problem that needs to be investigated and follow-up sampling done. It is not at all unusual for a system to have an occasional positive sample. It is difficult, if not impossible, to assure that a system will never have a positive sample.

The District operates its distribution system in a manner that assures the best possible water quality. Important measures that have been implemented include supplemental injection of chlorine at the Twin Oaks Reservoir Facility to increase chloramine disinfectant residual in the distribution system, a comprehensive nitrification control program, an effective cross-connection control program, maintenance of a disinfectant residual throughout our system, an effective monitoring program using an advanced SCADA system and maintaining positive pressures in our distribution system. Our system has already taken all the steps described by SWRCB as the “best available technology” for coliform bacteria in Section 64447, Title 22, CCR. Therefore, no estimate of cost has been included.

**Copper:**

There is no MCL for copper. Instead, the 90th percentile value of all samples from household taps in the distribution system cannot exceed an Action Level of 1.3 mg/l for copper. The PHG for copper is 0.3 mg/l.

The category of health risk for copper is gastrointestinal irritation. Numerical health risk data on copper has not yet been provided by OEHHA, the State agency responsible for providing that information.

Based on extensive sampling of our distribution system in 2021, our 90th percentile value for copper was 0.260 mg/l<sup>3</sup>. Our water system is in full compliance with the



Federal and State Lead and Copper Rule. Based on our sampling, it was determined according to State regulatory requirements that we meet the Action Level for copper. Therefore, we are deemed by SWRCB to have “optimized corrosion control” for our system.

In general, optimizing corrosion control is the best available technology to deal with corrosion issues and with any lead or copper findings. We continue to monitor our water quality parameters that relate to corrosivity, such as the pH, hardness, alkalinity, and total dissolved solids and will act if necessary to maintain our system in an “optimized corrosion control” condition.

Since we are meeting the “optimized corrosion control” requirements, it is not prudent to initiate additional corrosion control treatment as it involves the addition of other chemicals and there could be additional water quality issues raised. Therefore, no estimate of cost has been included.

**Lead:**

There is no MCL for lead. Instead, the 90th percentile value of all samples from household taps in the distribution system cannot exceed an Action Level of 0.015 mg/l for lead. The PHG for lead is 0.0002 mg/l.

The category of health risk for lead is developmental neurotoxicity. Numerical health risk data on lead has not yet been provided by OEHHA, the State agency responsible for providing that information.

Based on extensive sampling of our distribution system in 2021, our 90th percentile value for the lead was 0.0009 mg/l<sup>3</sup>. Our water system is in full compliance with the Federal and State Lead and Copper Rule. Based on our sampling, it was determined according to State regulatory requirements that we meet the Action Level for lead. Therefore, we are deemed by SWRCB to have “optimized corrosion control” for our system.

In general, optimizing corrosion control is the best available technology to deal with corrosion issues and with any lead or copper findings. We continue to monitor our water quality parameters that relate to corrosivity, such as the pH, hardness, alkalinity, total dissolved solids, and will act if necessary to maintain our system in an “optimized corrosion control” condition.

Since we are meeting the “optimized corrosion control” requirements, it is not prudent to initiate additional corrosion control treatment as it involves the addition of other chemicals and there could be additional water quality issues raised. Therefore, no estimate of cost has been included.

**Radiologicals:**

The water delivered to Vallecitos by MWD, OMWD and SDCWA exceeded the PHG for several of the radiologicals in 2019, 2020, and 2021. Radiological contaminants are considered by USEPA and SWRCB as carcinogenic or capable of producing cancer.

At the present time, there are no plans by MWD, OMWD or SDCWA to treat their water to remove the radiologicals. If the agencies were to treat their water to remove the radiologicals, they would likely use reverse osmosis, and the cost of the treated water would increase by approximately \$838-1336 per acre-foot. This cost estimate is in addition to the current wholesale cost of treated water to the District. These values were assessed using ACWA's 2018 'Suggested Guidelines' for reverse osmosis treatment technology and includes annualized capital and O&M costs<sup>5</sup>.

MWD, and other Southern California water agencies, have successfully lobbied for federal legislation that should result in the removal or containment of one or more of the sources of radiologicals in our Colorado River supplies. The primary source of radiologicals is a pile of mine tailings in Moab, Utah. The water from the MWD, OMWD, the SDCWA and the City of Oceanside to Vallecitos is on average approximately 70-80% Colorado River Water with the remaining 20-30% from the State Water Project.

Presently the District proposes that we continue to pursue the removal/containment of the major source of the radiological contamination from mine tailings in Moab, Utah.

**Hexavalent Chromium:**

Hexavalent chromium is a chemical compound that can occur naturally in the environment or be introduced from industrial activities such as corrosion control or metal plating.

The category of health risk for hexavalent chromium is carcinogenicity (cancer causing). Numerical health risk data on hexavalent chromium has not yet been provided by OEHHA, the State agency responsible for providing that information.

The MCL for hexavalent chromium is 10 ppb and the PHG for hexavalent chromium is 0.02 ppb. The Detection Limit for Reporting Purposes (DLR) is 1.0 ppb<sup>3</sup>. One of the most effective best available technologies for hexavalent chromium reduction is additional treatment facility filtration.

The hexavalent chromium in our water system comes from our already treated water. It is not required for agencies to lower hexavalent chromium levels to the PHG and MCLG levels because it already meets federal and state health-based standards. The best available technology (BAT) cited in the literature to remove hexavalent chromium is additional treatment. According to the Association of California Water Agencies (ACWA) Cost Estimates for Treatment Technology BAT, it would cost approximately \$1.91-\$11.96 per 1000 gallons to treat hexavalent chromium using additional treatment. These values were assessed using ACWA's 2021 'Suggested Guidelines' for coagulation filtration treatment technology and include annualized capital and O&M costs<sup>5</sup>.

**N-Nitrosodimethylamine (NDMA):**

NDMA is a chemical that is a byproduct of manufacturing processes, component of tobacco smoke. Formerly used as a component of rocket fuels.

The category of health risk for NDMA is carcinogenicity (cancer-causing). Numerical health risk data on NDMA has not yet been provided by OEHHA, the State agency responsible for providing that information. This contaminant is not currently regulated in drinking water.

The Notification Level (NL) for NDMA is 10 ppt and the PHG for NDMA is 3 ppt. The Detection Limit for Reporting Purposes (DLR) is 2 ppt<sup>3</sup>. One of the most effective and best available technologies for NDMA reduction is additional treatment facility filtration.

The NDMA in our water system comes from our already treated water. It is not required for agencies to lower NDMA levels to the PHG and MCLG levels because it already meets federal and state health-based standards. NDMA is a new contaminant monitored in drinking water. The Association of California Water Agencies has not established the best available technology (BAT) to remove NDMA. This information was assessed using ACWA's 2021 'Suggested Guidelines'.

**Trihalomethanes:**

These four trihalomethanes established PHG's starting in 2020; they are bromodichloromethane, bromoform, chloroform, and dibromochloromethane. The four regulated THMs are byproducts produced during the disinfection of water by chlorination or chloramination. The amount of each THM present in various drinking water supplies is dependent on factors such as organic content, temperature, salinity, pH of the water, and type of chlorinating agent.

The category of health risk for these four THMs is carcinogenicity (cancer-causing). There is no MCL for these four THMs. The PHG's for the four THMs are in ppb; bromodichloromethane is 0.06 ppb, bromoform is 0.5 ppb, chloroform is 0.4 ppb and dibromochloromethane is 0.1 ppb. The Detection Limit for Reporting Purposes (DLR) is 1.0 ppb<sup>3</sup>.

These four trihalomethanes in our water system come from our already treated water. The risks to health from these by-products are extremely low in comparison with the risks associated with inadequate disinfection.<sup>6</sup> The best available technology (BAT) cited in the literature to reduce these four THMs is additional treatment technology. According to the Association of California Water Agencies (ACWA) Cost Estimates for Treatment Technology BAT, it would cost approximately \$1.51 per 1000 gallons to reduce these four THMs using additional treatment. These values were assessed using ACWA's 2021 'Suggested Guidelines' for granular activated carbon treatment technology and include annualized capital and O&M costs<sup>5</sup>.

### **Fiscal Impact:**

There is no fiscal impact associated with the recommended action.

### **Recommendations for Further Action:**

The drinking water of the Vallecitos Water District meets all State of California, State Water Resources Control Board, Department of Drinking Water, and USEPA drinking water standards set to protect public health. To further reduce the levels of the constituents identified in this report that are already significantly below the health-based Maximum Contaminant Levels established to provide “safe drinking water”, additional costly treatment processes would be required. The effectiveness of the treatment processes to provide any significant reductions in constituent levels at these already low values is uncertain. The health protection benefits of these further hypothetical reductions are not at all clear and may not be quantifiable. Therefore, no action is proposed.

### **References:**

- 1 Excerpt from California Health and Safety Code: Section §116470(b) (SWRCB)
- 2 Health Risk Information for PHG Exceedance Reports (OEHHA)
- 3 Excerpts from 2019, 2020, and 2021 Metropolitan Water District of Southern California - Water Quality Reports; Excerpts from 2019, 2020, and 2021 San Diego County Water Authority - Water Quality Reports; Excerpts from 2019, 2020, and 2021 Oceanside Treatment Plant – Water Quality Reports; Excerpts from 2019, 2020 and 2021 Olivenhain Municipal Water District – Water quality Reports; Excerpts from 2019, 2020 and 2021 Carlsbad Desalination Plant – Water Quality Reports; Excerpts from 2019, 2020 and 2021 Vallecitos Water District - Monthly Summary of Distribution System Coliform Monitoring for June 2020; Vallecitos Water District – Lead and Copper Report: 2021.
- 4 California MCLs and PHGs and Federal MCLGs (ACWA)
- 5 Cost Estimates for Treatment Technologies (ACWA)
- 6 Director Zeise, Ph.D., February 2020, OEHHA website, accessed 24 June 2022. Paste URL below into your browser for a copy of the report:  
<http://oehha.ca.gov/media/downloads/water/chemicals/phg/thmsphg020220.pdf>

**Health and Safety Code §116470**

a) As a condition of its operating permit, every public water system shall annually prepare a consumer confidence report and mail or deliver a copy of that report to each customer, other than an occupant, as defined in Section 799.28 of the Civil Code, of a recreational vehicle park. A public water system in a recreational vehicle park with occupants as defined in Section 799.28 of the Civil Code shall prominently display on a bulletin board at the entrance to or in the office of the park, and make available upon request, a copy of the report. The report shall include all of the following information:

- (1) The source of the water purveyed by the public water system.
- (2) A brief and plainly worded definition of the terms "maximum contaminant level," "primary drinking water standard," and "public health goal."
- (3) If any regulated contaminant is detected in public drinking water supplied by the system during the past year, the report shall include all of the following information:

(A) The level of the contaminant found in the drinking water, and the corresponding public health goal and primary drinking water standard for that contaminant.

(B) Any violations of the primary drinking water standard that have occurred as a result of the presence of the contaminant in the drinking water and a brief and plainly worded statement of health concerns that resulted in the regulation of that contaminant.

(C) The public water system's address and phone number to enable customers to obtain further information concerning contaminants and potential health effects.

(4) Information on the levels of unregulated contaminants, if any, for which monitoring is required pursuant to state or federal law or regulation.

(5) Disclosure of any variances or exemptions from primary drinking water standards granted to the system and the basis therefor.

(b) On or before July 1, 1998, and every three years thereafter, public water systems serving more than 10,000 service connections that detect one or more contaminants in drinking water that exceed the applicable public health goal, shall prepare a brief written report in plain language that does all of the following:

(1) Identifies each contaminant detected in drinking water that exceeds the applicable public health goal.

(2) Discloses the numerical public health risk, determined by the office, associated with the maximum contaminant level for each contaminant identified in paragraph (1) and the numerical public health risk determined by the office associated with the public health goal for that contaminant.

(3) Identifies the category of risk to public health, including, but not limited to, carcinogenic, mutagenic, teratogenic, and acute toxicity, associated with exposure to the contaminant in drinking water, and includes a brief plainly worded description of these terms.

Reference No. 1 (continued)

(4) Describes the best available technology, if any is then available on a commercial basis, to remove the contaminant or reduce the concentration of the contaminant. The public water system may, solely at its own discretion, briefly describe actions that have been taken on its own, or by other entities, to prevent the introduction of the contaminant into drinking water supplies.

(5) Estimates the aggregate cost and the cost per customer of utilizing the technology described in paragraph (4), if any, to reduce the concentration of that contaminant in drinking water to a level at or below the public health goal.

(6) Briefly describes what action, if any, the local water purveyor intends to take to reduce the concentration of the contaminant in public drinking water supplies and the basis for that decision.

(c) Public water systems required to prepare a report pursuant to subdivision (b) shall hold a public hearing for the purpose of accepting and responding to public comment on the report. Public water systems may hold the public hearing as part of any regularly scheduled meeting.

(d) The department shall not require a public water system to take any action to reduce or eliminate any exceedance of a public health goal.

(e) Enforcement of this section does not require the department to amend a public water system's operating permit.

(f) Pending adoption of a public health goal by the Office of Environmental Health Hazard Assessment pursuant to subdivision (c) of Section 116365, and in lieu thereof, public water systems shall use the national maximum contaminant level goal adopted by the United States Environmental Protection Agency for the corresponding contaminant for purposes of complying with the notice and hearing requirements of this section.

(g) This section is intended to provide an alternative form for the federally required consumer confidence report as authorized by 42 U.S.C. Section 300g-3(c).

## Health Risk Information for Public Health Goal Exceedance Reports

Prepared by

Office of Environmental Health Hazard Assessment  
California Environmental Protection Agency

February 2022

**NEW for the 2022 Report:** New in this document are an updated Public Health Goal (PHG) for 1,2-dibromo-3-chloropropane (DBCP) and newly established PHGs for the trihalomethanes bromodichloromethane, bromoform, chloroform, and dibromochloromethane.

**Background:** Under the Calderon-Sher Safe Drinking Water Act of 1996 (the Act), public water systems with more than 10,000 service connections are required to prepare a report every three years for contaminants that exceed their respective PHGs.<sup>1</sup> This document contains health risk information on regulated drinking water contaminants to assist public water systems in preparing these reports. A PHG is the concentration of a contaminant in drinking water that poses no significant health risk if consumed for a lifetime. PHGs are developed and published by the Office of Environmental Health Hazard Assessment (OEHHA) using current risk assessment principles, practices and methods.<sup>2</sup>

The water system's report is required to identify the health risk category (e.g., carcinogenicity or neurotoxicity) associated with exposure to each regulated contaminant in drinking water and to include a brief, plainly worded description of these risks. The report is also required to disclose the numerical public health risk, if available, associated with the California Maximum Contaminant Level (MCL) and with the PHG for each contaminant. This health risk information document is prepared by OEHHA every three years to assist the water systems in providing the required information in their reports.

<sup>1</sup> Health and Safety Code Section 116470(b)

<sup>2</sup> Health and Safety Code Section 116365

Reference No. 2 (Continued)  
ATTACHMENT NO. 2  
2022 Health Risk Information for Public Health Goal  
Exceedance Reports

**Numerical health risks:** Table 1 presents health risk categories and cancer risk values for chemical contaminants in drinking water that have PHGs.

The Act requires that OEHHA publish PHGs based on health risk assessments using the most current scientific methods. As defined in statute, PHGs for non-carcinogenic chemicals in drinking water are set at a concentration “at which no known or anticipated adverse health effects will occur, with an adequate margin of safety.” For carcinogens, PHGs are set at a concentration that “does not pose any significant risk to health.” PHGs provide one basis for revising MCLs, along with cost and technological feasibility. OEHHA has been publishing PHGs since 1997 and the entire list published to date is shown in Table 1.

Table 2 presents health risk information for contaminants that do not have PHGs but have state or federal regulatory standards. The Act requires that, for chemical contaminants with California MCLs that do not yet have PHGs, water utilities use the federal Maximum Contaminant Level Goal (MCLG) for the purpose of complying with the requirement of public notification. MCLGs, like PHGs, are strictly health based and include a margin of safety. One difference, however, is that the MCLGs for carcinogens are set at zero because the US Environmental Protection Agency (US EPA) assumes there is no absolutely safe level of exposure to such chemicals. PHGs, on the other hand, are set at a level considered to pose no *significant* risk of cancer; this is usually no more than a one-in-one-million excess cancer risk ( $1 \times 10^{-6}$ ) level for a lifetime of exposure. In Table 2, the cancer risks shown are based on the US EPA’s evaluations.

**For more information on health risks:** The adverse health effects for each chemical with a PHG are summarized in a PHG technical support document. These documents are available on the OEHHA website (<https://oehha.ca.gov/water/public-health-goals-phgs>).



**Table 1: Health Risk Categories and Cancer Risk Values for Chemicals with California Public Health Goals (PHGs)**

Chemical	Health Risk Category <sup>1</sup>	California PHG (mg/L) <sup>2</sup>	Cancer Risk <sup>3</sup> at the PHG	California MCL <sup>4</sup> (mg/L)	Cancer Risk at the California MCL
<a href="#">Alachlor</a>	carcinogenicity (causes cancer)	0.004	NA <sup>5,6</sup>	0.002	NA
<a href="#">Aluminum</a>	neurotoxicity and immunotoxicity (harms the nervous and immune systems)	0.6	NA	1	NA
<a href="#">Antimony</a>	hepatotoxicity (harms the liver)	0.001	NA	0.006	NA
<a href="#">Arsenic</a>	carcinogenicity (causes cancer)	0.000004 (4×10 <sup>-6</sup> )	1×10 <sup>-6</sup> (one per million)	0.01	2.5×10 <sup>-3</sup> (2.5 per thousand)
<a href="#">Asbestos</a>	carcinogenicity (causes cancer)	7 MFL <sup>7</sup> (fibers >10 microns in length)	1×10 <sup>-6</sup>	7 MFL (fibers >10 microns in length)	1×10 <sup>-6</sup> (one per million)
<a href="#">Atrazine</a>	carcinogenicity (causes cancer)	0.00015	1×10 <sup>-6</sup>	0.001	7×10 <sup>-6</sup> (seven per million)

<sup>1</sup> Based on the OEHHA PHG technical support document unless otherwise specified. The categories are the hazard traits defined by OEHHA for California's Toxics Information Clearinghouse (online at: <https://oehha.ca.gov/media/downloads/risk-assessment/gcrgtext011912.pdf>).

<sup>2</sup> mg/L = milligrams per liter of water or parts per million (ppm)

<sup>3</sup> Cancer Risk = Upper bound estimate of excess cancer risk from lifetime exposure. Actual cancer risk may be lower or zero. 1×10<sup>-6</sup> means one excess cancer case per million people exposed.

<sup>4</sup> MCL = maximum contaminant level.

<sup>5</sup> NA = not applicable. Cancer risk cannot be calculated.

<sup>6</sup> The PHG for alachlor is based on a threshold model of carcinogenesis and is set at a level that is believed to be without any significant cancer risk to individuals exposed to the chemical over a lifetime.

<sup>7</sup> MFL = million fibers per liter of water.

**Table 1: Health Risk Categories and Cancer Risk Values for Chemicals with California Public Health Goals (PHGs)**

Chemical	Health Risk Category <sup>1</sup>	California PHG (mg/L) <sup>2</sup>	Cancer Risk <sup>3</sup> at the PHG	California MCL <sup>4</sup> (mg/L)	Cancer Risk at the California MCL
<a href="#">Barium</a>	cardiovascular toxicity (causes high blood pressure)	2	NA	1	NA
<a href="#">Bentazon</a>	hepatotoxicity and digestive system toxicity (harms the liver, intestine, and causes body weight effects <sup>8</sup> )	0.2	NA	0.018	NA
<a href="#">Benzene</a>	carcinogenicity (causes leukemia)	0.00015	$1 \times 10^{-6}$	0.001	$7 \times 10^{-6}$ (seven per million)
<a href="#">Benzoflpyrene</a>	carcinogenicity (causes cancer)	0.000007 ( $7 \times 10^{-6}$ )	$1 \times 10^{-6}$	0.0002	$3 \times 10^{-5}$ (three per hundred thousand)
<a href="#">Beryllium</a>	digestive system toxicity (harms the stomach or intestine)	0.001	NA	0.004	NA
<a href="#">Bromate</a>	carcinogenicity (causes cancer)	0.0001	$1 \times 10^{-6}$	0.01	$1 \times 10^{-4}$ (one per ten thousand)
<a href="#">Cadmium</a>	nephrotoxicity (harms the kidney)	0.00004	NA	0.005	NA
<a href="#">Carbofuran</a>	reproductive toxicity (harms the testis)	0.0007	NA	0.018	NA

<sup>8</sup> Body weight effects are an indicator of general toxicity in animal studies.

**Table 1: Health Risk Categories and Cancer Risk Values for Chemicals with California Public Health Goals (PHGs)**

Chemical	Health Risk Category <sup>1</sup>	California PHG (mg/L) <sup>2</sup>	Cancer Risk <sup>3</sup> at the PHG	California MCL <sup>4</sup> (mg/L)	Cancer Risk at the California MCL
<a href="#">Carbon tetrachloride</a>	carcinogenicity (causes cancer)	0.0001	1×10 <sup>-6</sup>	0.0005	5×10 <sup>-6</sup> (five per million)
<a href="#">Chlordane</a>	carcinogenicity (causes cancer)	0.00003	1×10 <sup>-6</sup>	0.0001	3×10 <sup>-6</sup> (three per million)
<a href="#">Chlorite</a>	hematotoxicity (causes anemia) neurotoxicity (causes neurobehavioral effects)	0.05	NA	1	NA
<a href="#">Chromium, hexavalent</a>	carcinogenicity (causes cancer)	0.00002	1×10 <sup>-6</sup>	none	NA
<a href="#">Copper</a>	digestive system toxicity (causes nausea, vomiting, diarrhea)	0.3	NA	1.3 (AL <sup>9</sup> )	NA
<a href="#">Cyanide</a>	neurotoxicity (damages nerves) endocrine toxicity (affects the thyroid)	0.15	NA	0.15	NA
<a href="#">Dalapon</a>	nephrotoxicity (harms the kidney)	0.79	NA	0.2	NA
<a href="#">Di(2-ethylhexyl) adipate (DEHA)</a>	developmental toxicity (disrupts development)	0.2	NA	0.4	NA

<sup>9</sup> AL = action level. The action levels for copper and lead refer to a concentration measured at the tap. Much of the copper and lead in drinking water is derived from household plumbing (The Lead and Copper Rule, Title 22, California Code of Regulations [CCR] section 64672.3).

**Table 1: Health Risk Categories and Cancer Risk Values for Chemicals with California Public Health Goals (PHGs)**

Chemical	Health Risk Category <sup>1</sup>	California PHG (mg/L) <sup>2</sup>	Cancer Risk <sup>3</sup> at the PHG	California MCL <sup>4</sup> (mg/L)	Cancer Risk at the California MCL
<a href="#">Di(2-ethylhexyl) phthalate (DEHP)</a>	carcinogenicity (causes cancer)	0.012	$1 \times 10^{-6}$	0.004	$3 \times 10^{-7}$ (three per ten million)
<a href="#">1,2-Dibromo-3-chloropropane (DBCP)</a>	carcinogenicity (causes cancer)	0.000003 ( $3 \times 10^{-6}$ )	$1 \times 10^{-6}$	0.0002	$7 \times 10^{-5}$ (seven per hundred thousand)
<a href="#">1,2-Dichlorobenzene (o-DCB)</a>	hepatotoxicity (harms the liver)	0.6	NA	0.6	NA
<a href="#">1,4-Dichlorobenzene (p-DCB)</a>	carcinogenicity (causes cancer)	0.006	$1 \times 10^{-6}$	0.005	$8 \times 10^{-7}$ (eight per ten million)
<a href="#">1,1-Dichloroethane (1,1-DCA)</a>	carcinogenicity (causes cancer)	0.003	$1 \times 10^{-6}$	0.005	$2 \times 10^{-6}$ (two per million)
<a href="#">1,2-Dichloroethane (1,2-DCA)</a>	carcinogenicity (causes cancer)	0.0004	$1 \times 10^{-6}$	0.0005	$1 \times 10^{-6}$ (one per million)
<a href="#">1,1-Dichloroethylene (1,1-DCE)</a>	hepatotoxicity (harms the liver)	0.01	NA	0.006	NA
<a href="#">1,2-Dichloroethylene, cis</a>	nephrotoxicity (harms the kidney)	0.013	NA	0.006	NA
<a href="#">1,2-Dichloroethylene, trans</a>	immunotoxicity (harms the immune system)	0.05	NA	0.01	NA

**Table 1: Health Risk Categories and Cancer Risk Values for Chemicals with California Public Health Goals (PHGs)**

Chemical	Health Risk Category <sup>1</sup>	California PHG (mg/L) <sup>2</sup>	Cancer Risk <sup>3</sup> at the PHG	California MCL <sup>4</sup> (mg/L)	Cancer Risk at the California MCL
<a href="#">Dichloromethane (methylene chloride)</a>	carcinogenicity (causes cancer)	0.004	1×10 <sup>-6</sup>	0.005	1×10 <sup>-6</sup> (one per million)
<a href="#">2,4-Dichlorophenoxyacetic acid (2,4-D)</a>	hepatotoxicity and nephrotoxicity (harms the liver and kidney)	0.02	NA	0.07	NA
<a href="#">1,2-Dichloropropane (propylene dichloride)</a>	carcinogenicity (causes cancer)	0.0005	1×10 <sup>-6</sup>	0.005	1×10 <sup>-5</sup> (one per hundred thousand)
<a href="#">1,3-Dichloropropene (Telone II®)</a>	carcinogenicity (causes cancer)	0.0002	1×10 <sup>-6</sup>	0.0005	2×10 <sup>-6</sup> (two per million)
<a href="#">Dinoseb</a>	reproductive toxicity (harms the uterus and testis)	0.014	NA	0.007	NA
<a href="#">Diquat</a>	ocular toxicity (harms the eye) developmental toxicity (causes malformation)	0.006	NA	0.02	NA
<a href="#">Endothall</a>	digestive system toxicity (harms the stomach or intestine)	0.094	NA	0.1	NA
<a href="#">Endrin</a>	neurotoxicity (causes convulsions) hepatotoxicity (harms the liver)	0.0003	NA	0.002	NA
<a href="#">Ethylbenzene (phenylethane)</a>	hepatotoxicity (harms the liver)	0.3	NA	0.3	NA

**Table 1: Health Risk Categories and Cancer Risk Values for Chemicals with California Public Health Goals (PHGs)**

Chemical	Health Risk Category <sup>1</sup>	California PHG (mg/L) <sup>2</sup>	Cancer Risk <sup>3</sup> at the PHG	California MCL <sup>4</sup> (mg/L)	Cancer Risk at the California MCL
<a href="#">Ethylene dibromide (1,2-Dibromoethane)</a>	carcinogenicity (causes cancer)	0.00001	$1 \times 10^{-6}$	0.00005	$5 \times 10^{-6}$ (five per million)
<a href="#">Fluoride</a>	musculoskeletal toxicity (causes tooth mottling)	1	NA	2	NA
<a href="#">Glyphosate</a>	nephrotoxicity (harms the kidney)	0.9	NA	0.7	NA
<a href="#">Heptachlor</a>	carcinogenicity (causes cancer)	0.000008 ( $8 \times 10^{-6}$ )	$1 \times 10^{-6}$	0.00001	$1 \times 10^{-6}$ (one per million)
<a href="#">Heptachlor epoxide</a>	carcinogenicity (causes cancer)	0.000006 ( $6 \times 10^{-6}$ )	$1 \times 10^{-6}$	0.00001	$2 \times 10^{-6}$ (two per million)
<a href="#">Hexachlorobenzene</a>	carcinogenicity (causes cancer)	0.00003	$1 \times 10^{-6}$	0.001	$3 \times 10^{-5}$ (three per hundred thousand)
<a href="#">Hexachlorocyclopentadiene (HCCPD)</a>	digestive system toxicity (causes stomach lesions)	0.002	NA	0.05	NA
<a href="#">Lead</a>	developmental neurotoxicity (causes neurobehavioral effects in children) cardiovascular toxicity (causes high blood pressure) carcinogenicity (causes cancer)	0.0002	$< 1 \times 10^{-6}$ (PHG is not based on this effect)	0.015 (AL <sup>9</sup> )	$2 \times 10^{-6}$ (two per million)

**Table 1: Health Risk Categories and Cancer Risk Values for Chemicals with California Public Health Goals (PHGs)**

Chemical	Health Risk Category <sup>1</sup>	California PHG (mg/L) <sup>2</sup>	Cancer Risk <sup>3</sup> at the PHG	California MCL <sup>4</sup> (mg/L)	Cancer Risk at the California MCL
<a href="#">Lindane (<math>\gamma</math>-BHC)</a>	carcinogenicity (causes cancer)	0.000032	$1 \times 10^{-6}$	0.0002	$6 \times 10^{-6}$ (six per million)
<a href="#">Mercury (inorganic)</a>	nephrotoxicity (harms the kidney)	0.0012	NA	0.002	NA
<a href="#">Methoxychlor</a>	endocrine toxicity (causes hormone effects)	0.00009	NA	0.03	NA
<a href="#">Methyl tertiary-butyl ether (MTBE)</a>	carcinogenicity (causes cancer)	0.013	$1 \times 10^{-6}$	0.013	$1 \times 10^{-6}$ (one per million)
<a href="#">Molinate</a>	carcinogenicity (causes cancer)	0.001	$1 \times 10^{-6}$	0.02	$2 \times 10^{-5}$ (two per hundred thousand)
<a href="#">Monochlorobenzene (chlorobenzene)</a>	nephrotoxicity (harms the kidney)	0.07	NA	0.07	NA
<a href="#">Nickel</a>	developmental toxicity (causes increased neonatal deaths)	0.012	NA	0.1	NA
<a href="#">Nitrate</a>	hematotoxicity (causes methemoglobinemia)	45 as nitrate	NA	10 as nitrogen (=45 as nitrate)	NA
<a href="#">Nitrite</a>	hematotoxicity (causes methemoglobinemia)	3 as nitrite	NA	1 as nitrogen (=3 as nitrite)	NA

**Table 1: Health Risk Categories and Cancer Risk Values for Chemicals with California Public Health Goals (PHGs)**

Chemical	Health Risk Category <sup>1</sup>	California PHG (mg/L) <sup>2</sup>	Cancer Risk <sup>3</sup> at the PHG	California MCL <sup>4</sup> (mg/L)	Cancer Risk at the California MCL
<a href="#">Nitrate and Nitrite</a>	hematotoxicity (causes methemoglobinemia)	10 as nitrogen <sup>10</sup>	NA	10 as nitrogen	NA
<a href="#">N-nitroso-dimethyl-amine (NDMA)</a>	carcinogenicity (causes cancer)	0.000003 (3×10 <sup>-6</sup> )	1×10 <sup>-6</sup>	none	NA
<a href="#">Oxamyl</a>	general toxicity (causes body weight effects)	0.026	NA	0.05	NA
<a href="#">Pentachloro-phenol (PCP)</a>	carcinogenicity (causes cancer)	0.0003	1×10 <sup>-6</sup>	0.001	3×10 <sup>-6</sup> (three per million)
<a href="#">Perchlorate</a>	endocrine toxicity (affects the thyroid) developmental toxicity (causes neurodevelopmental deficits)	0.001	NA	0.006	NA
<a href="#">Picloram</a>	hepatotoxicity (harms the liver)	0.166	NA	0.5	NA
<a href="#">Polychlorinated biphenyls (PCBs)</a>	carcinogenicity (causes cancer)	0.00009	1×10 <sup>-6</sup>	0.0005	6×10 <sup>-6</sup> (six per million)
<a href="#">Radium-226</a>	carcinogenicity (causes cancer)	0.05 pCi/L	1×10 <sup>-6</sup>	5 pCi/L (combined Ra <sup>226+228</sup> )	1×10 <sup>-4</sup> (one per ten thousand)

<sup>10</sup> The joint nitrate/nitrite PHG of 10 mg/L (10 ppm, expressed as nitrogen) does not replace the individual values, and the maximum contribution from nitrite should not exceed 1 mg/L nitrite-nitrogen.



**Table 1: Health Risk Categories and Cancer Risk Values for Chemicals with California Public Health Goals (PHGs)**

Chemical	Health Risk Category <sup>1</sup>	California PHG (mg/L) <sup>2</sup>	Cancer Risk <sup>3</sup> at the PHG	California MCL <sup>4</sup> (mg/L)	Cancer Risk at the California MCL
<a href="#">Radium-228</a>	carcinogenicity (causes cancer)	0.019 pCi/L	$1 \times 10^{-6}$	5 pCi/L (combined Ra <sup>226+228</sup> )	$3 \times 10^{-4}$ (three per ten thousand)
<a href="#">Selenium</a>	integumentary toxicity (causes hair loss and nail damage)	0.03	NA	0.05	NA
<a href="#">Silvex (2,4,5-TP)</a>	hepatotoxicity (harms the liver)	0.003	NA	0.05	NA
<a href="#">Simazine</a>	general toxicity (causes body weight effects)	0.004	NA	0.004	NA
<a href="#">Strontium-90</a>	carcinogenicity (causes cancer)	0.35 pCi/L	$1 \times 10^{-6}$	8 pCi/L	$2 \times 10^{-5}$ (two per hundred thousand)
<a href="#">Styrene (vinylbenzene)</a>	carcinogenicity (causes cancer)	0.0005	$1 \times 10^{-6}$	0.1	$2 \times 10^{-4}$ (two per ten thousand)
<a href="#">1,1,2,2-Tetrachloroethane</a>	carcinogenicity (causes cancer)	0.0001	$1 \times 10^{-6}$	0.001	$1 \times 10^{-5}$ (one per hundred thousand)
<a href="#">2,3,7,8-Tetrachlorodibenzo-p-dioxin (TCDD, or dioxin)</a>	carcinogenicity (causes cancer)	$5 \times 10^{-11}$	$1 \times 10^{-6}$	$3 \times 10^{-8}$	$6 \times 10^{-4}$ (six per ten thousand)

**Table 1: Health Risk Categories and Cancer Risk Values for Chemicals with California Public Health Goals (PHGs)**

Chemical	Health Risk Category <sup>1</sup>	California PHG (mg/L) <sup>2</sup>	Cancer Risk <sup>3</sup> at the PHG	California MCL <sup>4</sup> (mg/L)	Cancer Risk at the California MCL
<a href="#">Tetrachloroethylene (perchloroethylene, or PCE)</a>	carcinogenicity (causes cancer)	0.00006	1×10 <sup>-6</sup>	0.005	8×10 <sup>-5</sup> (eight per hundred thousand)
<a href="#">Thallium</a>	integumentary toxicity (causes hair loss)	0.0001	NA	0.002	NA
<a href="#">Thiobencarb</a>	general toxicity (causes body weight effects) hematotoxicity (affects red blood cells)	0.042	NA	0.07	NA
<a href="#">Toluene (methylbenzene)</a>	hepatotoxicity (harms the liver) endocrine toxicity (harms the thymus)	0.15	NA	0.15	NA
<a href="#">Toxaphene</a>	carcinogenicity (causes cancer)	0.00003	1×10 <sup>-6</sup>	0.003	1×10 <sup>-4</sup> (one per ten thousand)
<a href="#">1,2,4-Trichlorobenzene</a>	endocrine toxicity (harms adrenal glands)	0.005	NA	0.005	NA
<a href="#">1,1,1-Trichloroethane</a>	neurotoxicity (harms the nervous system), reproductive toxicity (causes fewer offspring) hepatotoxicity (harms the liver) hematotoxicity (causes blood effects)	1	NA	0.2	NA

**Table 1: Health Risk Categories and Cancer Risk Values for Chemicals with California Public Health Goals (PHGs)**

Chemical	Health Risk Category <sup>1</sup>	California PHG (mg/L) <sup>2</sup>	Cancer Risk <sup>3</sup> at the PHG	California MCL <sup>4</sup> (mg/L)	Cancer Risk at the California MCL
<a href="#">1,1,2-Trichloroethane</a>	carcinogenicity (causes cancer)	0.0003	$1 \times 10^{-6}$	0.005	$2 \times 10^{-5}$ (two per hundred thousand)
<a href="#">Trichloroethylene (TCE)</a>	carcinogenicity (causes cancer)	0.0017	$1 \times 10^{-6}$	0.005	$3 \times 10^{-6}$ (three per million)
<a href="#">Trichlorofluoromethane (Freon 11)</a>	accelerated mortality (increase in early death)	1.3	NA	0.15	NA
<a href="#">1,2,3-Trichloropropane (1,2,3-TCP)</a>	carcinogenicity (causes cancer)	0.0000007 ( $7 \times 10^{-7}$ )	$1 \times 10^{-6}$	0.000005 ( $5 \times 10^{-6}$ )	$7 \times 10^{-6}$ (seven per million)
<a href="#">1,1,2-Trichloro-1,2,2-trifluoroethane (Freon 113)</a>	hepatotoxicity (harms the liver)	4	NA	1.2	NA
<a href="#">Trihalomethanes: Bromodichloromethane</a>	carcinogenicity (causes cancer)	0.00006	$1 \times 10^{-6}$	0.080*	$1.3 \times 10^{-3}$ (1.3 per thousand) <sup>11</sup>
<a href="#">Trihalomethanes: Bromoform</a>	carcinogenicity (causes cancer)	0.0005	$1 \times 10^{-6}$	0.080*	$2 \times 10^{-4}$ (two per ten thousand) <sup>12</sup>

\* For total trihalomethanes (the sum of bromodichloromethane, bromoform, chloroform, and dibromochloromethane). There are no MCLs for individual trihalomethanes.

<sup>11</sup> Based on 0.080 mg/L bromodichloromethane; the risk will vary with different combinations and ratios of the other trihalomethanes in a particular sample.

<sup>12</sup> Based on 0.080 mg/L bromoform; the risk will vary with different combinations and ratios of the other trihalomethanes in a particular sample.

**Table 1: Health Risk Categories and Cancer Risk Values for Chemicals with California Public Health Goals (PHGs)**

Chemical	Health Risk Category <sup>1</sup>	California PHG (mg/L) <sup>2</sup>	Cancer Risk <sup>3</sup> at the PHG	California MCL <sup>4</sup> (mg/L)	Cancer Risk at the California MCL
<a href="#">Trihalomethanes: Chloroform</a>	carcinogenicity (causes cancer)	0.0004	$1 \times 10^{-6}$	0.080*	$2 \times 10^{-4}$ (two per ten thousand) <sup>13</sup>
<a href="#">Trihalomethanes: Dibromochloromethane</a>	carcinogenicity (causes cancer)	0.0001	$1 \times 10^{-6}$	0.080*	$8 \times 10^{-4}$ (eight per ten thousand) <sup>14</sup>
<a href="#">Tritium</a>	carcinogenicity (causes cancer)	400 pCi/L	$1 \times 10^{-6}$	20,000 pCi/L	$5 \times 10^{-5}$ (five per hundred thousand)
<a href="#">Uranium</a>	carcinogenicity (causes cancer)	0.43 pCi/L	$1 \times 10^{-6}$	20 pCi/L	$5 \times 10^{-5}$ (five per hundred thousand)
<a href="#">Vinyl chloride</a>	carcinogenicity (causes cancer)	0.00005	$1 \times 10^{-6}$	0.0005	$1 \times 10^{-5}$ (one per hundred thousand)
<a href="#">Xylene</a>	neurotoxicity (affects the senses, mood, and motor control)	1.8 (single isomer or sum of isomers)	NA	1.75 (single isomer or sum of isomers)	NA

\* For total trihalomethanes (the sum of bromodichloromethane, bromoform, chloroform, and dibromochloromethane). There are no MCLs for individual trihalomethanes.

<sup>13</sup> Based on 0.080 mg/L chloroform; the risk will vary with different combinations and ratios of the other trihalomethanes in a particular sample.

<sup>14</sup> Based on 0.080 mg/L dibromochloromethane; the risk will vary with different combinations and ratios of the other trihalomethanes in a particular sample.

**Table 2: Health Risk Categories and Cancer Risk Values for Chemicals without California Public Health Goals**

Chemical	Health Risk Category <sup>1</sup>	US EPA MCLG <sup>2</sup> (mg/L)	Cancer Risk <sup>3</sup> at the MCLG	California MCL <sup>4</sup> (mg/L)	Cancer Risk at the California MCL
<b>Disinfection byproducts (DBPs)</b>					
Chloramines	acute toxicity (causes irritation) digestive system toxicity (harms the stomach) hematotoxicity (causes anemia)	4 <sup>5,6</sup>	NA <sup>7</sup>	none	NA
Chlorine	acute toxicity (causes irritation) digestive system toxicity (harms the stomach)	4 <sup>5,6</sup>	NA	none	NA
Chlorine dioxide	hematotoxicity (causes anemia) neurotoxicity (harms the nervous system)	0.8 <sup>5,6</sup>	NA	none	NA
<b>Disinfection byproducts: haloacetic acids (HAA5)</b>					
Monochloroacetic acid (MCA)	general toxicity (causes body and organ weight changes <sup>8</sup> )	0.07	NA	none	NA

<sup>1</sup> Health risk category based on the US EPA MCLG document or California MCL document unless otherwise specified.

<sup>2</sup> MCLG = maximum contaminant level goal established by US EPA.

<sup>3</sup> Cancer Risk = Upper estimate of excess cancer risk from lifetime exposure. Actual cancer risk may be lower or zero.  $1 \times 10^{-6}$  means one excess cancer case per million people exposed.

<sup>4</sup> California MCL = maximum contaminant level established by California.

<sup>5</sup> Maximum Residual Disinfectant Level Goal, or MRDLG.

<sup>6</sup> The federal Maximum Residual Disinfectant Level (MRDL), or highest level of disinfectant allowed in drinking water, is the same value for this chemical.

<sup>7</sup> NA = not available.

<sup>8</sup> Body weight effects are an indicator of general toxicity in animal studies.

**Table 2: Health Risk Categories and Cancer Risk Values for Chemicals without California Public Health Goals**

Chemical	Health Risk Category <sup>1</sup>	US EPA MCLG <sup>2</sup> (mg/L)	Cancer Risk <sup>3</sup> at the MCLG	California MCL <sup>4</sup> (mg/L)	Cancer Risk at the California MCL
Dichloroacetic acid (DCA)	Carcinogenicity (causes cancer)	0	0	none	NA
Trichloroacetic acid (TCA)	hepatotoxicity (harms the liver)	0.02	NA	none	NA
Monobromoacetic acid (MBA)	NA	none	NA	none	NA
Dibromoacetic acid (DBA)	NA	none	NA	none	NA
Total haloacetic acids (sum of MCA, DCA, TCA, MBA, and DBA)	general toxicity, hepatotoxicity and carcinogenicity (causes body and organ weight changes, harms the liver and causes cancer)	none	NA	0.06	NA
<b>Radionuclides</b>					
Gross alpha particles <sup>9</sup>	carcinogenicity (causes cancer)	0 ( <sup>210</sup> Po included)	0	15 pCi/L <sup>10</sup> (includes radium but not radon and uranium)	up to 1x10 <sup>-3</sup> (for <sup>210</sup> Po, the most potent alpha emitter)

<sup>9</sup> MCLs for gross alpha and beta particles are screening standards for a group of radionuclides. Corresponding PHGs were not developed for gross alpha and beta particles. See the OEHHHA memoranda discussing the cancer risks at these MCLs at <http://www.oehha.ca.gov/water/reports/grossab.html>.

<sup>10</sup> pCi/L = picocuries per liter of water.

**Reference No. 3**  
**Contaminants Exceeding the Public Health Goals & Maximum Contaminant Level Goals**

<b>2019 Water Quality Effluent Report from SDCWA, MWD, OTP, Carlsbad Desal, OMWD and VWD Distribution</b>												
Parameter	Units	State or Federal MCL [MRDL]	PHG (MCLG) [MRDLG]	State DLR	Range Average	SDCWA	MWD	OTP	Desal	OMWD	VWD	
Uranium	pCi/L	20	0.43	1	Range	1.0 - 1.1	ND - 3	NRA	ND	NR	NA	Erosion of natural deposits
					Average	1.1	ND	2.0				
Arsenic	ppb	10	0.004	2	Single Sample	NRA	ND	NRA	ND	NR	NA	Natural deposits erosion, glass and electronics production wastes
						3		1.1				
Bromate	ppb	10	0.1	5.0	Range	2 - 4.8	ND - 10	NR	NA	NR	NA	By-product of drinking water ozonation
					Average	3.1	2.8					
NDMA	ppt	NL = 10	3	2	Range	NRA	3.9	NR	NA	NR	NA	By-product of drinking water chloramination; industrial processes
					Average	2.3						
Copper	ppb	AL = 1,300	300	5	90th Percentile	Single Sample	ND	138	ND	284	270	House pipes internal corrosion; erosion of natural deposits; leaching
						2.4						
Lead	ppb	AL = 15	0.2	5	90th Percentile	ND	ND	0	ND	0	1.2	House pipes internal corrosion; erosion of natural deposits; leaching
Total Coliforms	%	5.0	(0)	NA	Range	ND	NA	ND	ND	ND	ND	Naturally present in the environment
					Average							
Gross Alpha	pCi/L	15	(0)	3	Range	ND	ND - 4	NRA	ND	NR	NA	Erosion of natural deposits
					Average		ND	2.1				
Gross Beta	pCi/L	20	0.43	4	Range	ND - 3.5	ND - 5	NA	ND	NR	NA	Decay of natural and man - made deposits
					Average	2.3	ND					
Radium-226	pCi/L	NA	0.05	1	Range	ND	ND	NR	ND	NR	NR	Erosion of natural deposits
					Average							
Radium-228	pCi/L	NA	0.019	1	Range	ND	ND	NR	ND	NR	NR	Erosion of natural deposits
					Average							
Combined Radium-226 + 228	pCi/L	5	(0)	NA	Range	ND	ND	NR	-0.0891 - 0.446	NR	NR	Erosion of natural deposits
					Average				0.206			
Strontium-90	pCi/L	8	0.35	2	Range	ND	ND	NR	ND	NR	NR	Decay of natural and man - made deposits
					Average							
Chromium, Hex	ppb	NA	0.02	1	Range	0.06 - 0.49	ND	NR	NA	NR	NA	By-product of industrial process
					Average	0.27						

**Reference No. 3 (continued)**  
**Contaminants Exceeding the Public Health Goals & Maximum Contaminant Level Goals**

2020 Water Quality Effluent Report from SDCWA, MWD, OTP, Carlsbad Desal, OMWD and VWD Distribution												
Parameter	Units	State or Federal MCL [MRDL]	PHG (MCLG) [MRDLG]	State DLR	Range Average	SDCWA	MWD	OTP	Desal	OMWD	VWD	
Uranium	pCi/L	20	0.43	1	Range	Single Sample	ND -2	NA	ND	NR	NA	Erosion of natural deposits.
					Average	1	2	1.1				
Arsenic	ppb	10	0.004	2	Single Sample	ND	ND	NA	ND	NR	NA	Natural deposits erosion, glass and electronics production wastes
					Average			1.1				
Bromate	ppb	10	0.1	5.0	Range	ND -7.4	ND -5.6	NR	NA	NR	NA	By-product of drinking water ozonation
					Average	2.8	2.5					
NDMA	ppt	NL = 10	3	2	Range	Single Sample	4.2	NR	NA	NR	NA	By-product of drinking water chloramination; industrial processes
					Average	ND						
Copper	ppb	AL = 1,300	300	5	90th Percentile	ND	ND	138	ND	284	NA	House pipes internal corrosion; erosion of natural deposits; leaching
					90th Percentile	ND	ND	0	ND	ND	NA	House pipes internal corrosion; erosion of natural deposits; leaching
Total Coliforms	%	5.0	(0)	NA	Range	ND	NA	ND	ND	ND	ND - Present	Naturally present in the environment
					Average						0.14	
Gross Alpha	pCi/L	15	(0)	3	Range	ND	ND - 3	ND	ND	NR	NA	Erosion of natural deposits
					Average		ND					
Gross Beta	pCi/L	20	0.43	4	Range	ND	ND - 5	NA	ND	NR	NA	Decay of natural and man - made deposits
					Average		ND					
Radium-226	pCi/L	NA	0.05	1	Range	ND	ND	NR	ND	NR	NR	Erosion of natural deposits
					Average							
Radium-228	pCi/L	NA	0.019	1	Range	ND	ND - 1	NR	ND	NR	NR	Erosion of natural deposits
					Average		ND					
Combined Radium-226 + 228	pCi/L	5	(0)	NA	Range	ND	ND	NA	-0.00109 - 0.712	NR	NR	Erosion of natural deposits
					Average			0.42	0.094			
Strontium-90	pCi/L	8	0.35	2	Range	ND	NR	NR	ND	NR	NR	Decay of natural and man - made deposits
					Average							
Chromium, Hex	ppb	NA	0.02	1	Range	ND	ND	NR	NA	NR	NA	By-product of industrial process
					Average							
Dibromo- (DBCP) Chloropropane	ppt	200	3	10	Range	ND	ND	NR	ND	NR	NR	Banned nematocide that may still be present in soils.
					Average							
Bromodichloro-methane	ppb	NA	0.06	1	Range	NR	NR	NR	NR	NR	2.3 - 12	By-product of drinking water chloronation.
					Average						11	
Bromoform	ppb	NA	0.5	1	Range	NR	NR	NR	NR	NR	1.5 - 9.9	By-product of drinking water chloronation.
					Average						5.6	
Chloroform	ppb	NA	0.4	1	Range	NR	NR	NR	NR	NR	1.4 - 10	By-product of drinking water chloronation.
					Average						8.1	
Dibromochloro-methane	ppb	NA	0.1	1	Range	NR	NR	NR	NR	NR	3.6 - 16	By-product of drinking water chloronation.
					Average						13.5	



**Reference No. 3 (continued)**  
**Contaminants Exceeding the Public Health Goals & Maximum Contaminant Level Goals**

2021 Water Quality Effluent Report from SDCWA, MWD, OTP, Carlsbad Desal, OMWD and VWD Distribution												
Parameter	Units	State or Federal MCL [MRDL]	PHG (MCLG) [MRDLG]	State DLR	Range Average	SDCWA	MWD	OTP	Desal	OMWD	VWD	
Uranium	pCi/L	20	0.43	1	Range	2.3 - 3	ND - 2	NA	ND	2.3	NA	Erosion of natural deposits
					Average	2.6	2	1.10		2.3		
Arsenic	ppb	10	0.004	2	Single Sample	2.1	ND	NA	ND	2.8	NA	Natural deposits erosion, glass and electronics production wastes
					Average			1.1		2.8		
Bromate	ppb	10	0.1	5.0	Range	ND - 6	ND - 2.5	NR	NA	NR	NA	By-product of drinking water ozonation
					Average	2	1					
NDMA	ppt	NL = 10	3	2	Range	Single Sample	ND	NR	NA	NR	NA	By-product of drinking water chloramination; industrial processes
					Average	ND						
Copper	ppb	AL = 1,300	300	5	90th Percentile	ND	ND	245	ND	NA	260	House pipes internal corrosion; erosion of natural deposits; leaching
Lead	ppb	AL = 15	0.2	5	90th Percentile	ND	ND	ND	ND	NA	0.9	House pipes internal corrosion; erosion of natural deposits; leaching
Total Coliforms	%	5.0	(0)	NA	Range Average	ND	NA	ND	0	ND	ND	Naturally present in the environment
Gross Alpha	pCi/L	15	(0)	3	Range	ND - 4	ND - 3	ND	ND	4.7	NA	Erosion of natural deposits
					Average	ND	ND			4.7		
Gross Beta	pCi/L	20	0.43	4	Range	4.9 - 5.1	ND - 7	NA	ND	NR	NA	Decay of natural and man - made deposits
					Average	5	4					
Radium-226	pCi/L	NA	0.05	1	Range	ND	ND	NR	ND	NR	NR	Erosion of natural deposits
					Average							
Radium-228	pCi/L	NA	0.019	1	Range	ND	ND - 1	NR	ND	NR	NR	Erosion of natural deposits
					Average		ND					
Combined Radium-226 + 228	pCi/L	5	(0)	NA	Range	ND	ND	NA	-0.07 - 0.48	NR	NR	Erosion of natural deposits
					Average			0.42	0.2			
Strontium-90	pCi/L	8	0.35	2	Range	ND	ND	NR	ND	NR	NR	Decay of natural and man - made deposits
					Average							
Chromium, Hex	ppb	NA	0.02	1	Range	ND - 0.22	ND	NR	ND	NR	NA	By-product of industrial process
					Average	0.06						
Dibromo- (DBCP) Chloropropane	ppt	200	3	10	Range Average	ND	ND	NR	NR	NR	NR	Banned nematocide that may still be present in soils.
Bromodichloro-methane	ppb	NA	0.06	1	Range	NR	NR	NR	NR	NR	0.0 - 9.9	By-product of drinking water chlorination
					Average						8.1	
Bromoform	ppb	NA	0.5	1	Range	NR	NR	NR	NR	NR	0.0 - 5.7	By-product of drinking water chlorination
					Average						4.2	
Chloroform	ppb	NA	0.4	1	Range	NR	NR	NR	NR	NR	0.0 - 11	By-product of drinking water chlorination
					Average						7.6	
Dibromochloro-methane	ppb	NA	0.1	1	Range	NR	NR	NR	NR	NR	0.0 - 11	By-product of drinking water chlorination
					Average						8.1	

<b>MCLs, DLRs, and PHGs for Regulated Drinking Water Contaminants</b> (Units are in milligrams per liter (mg/L), unless otherwise noted.) Last Update: September 14, 2021				
This table includes: California's maximum contaminant levels (MCLs) Detection limits for purposes of reporting (DLRs) <a href="#">Public health goals (PHGs) from the Office of Environmental Health Hazard Assessment (OEHHA)</a> Also, the PHG for NDMA (which is not yet regulated) is included at the bottom of this table.				
Regulated Contaminant	MCL	DLR	PHG	Date of PHG
<b>Chemicals with MCLs in 22 CCR §64431—Inorganic Chemicals</b>				
Aluminum	1	0.05	0.6	2001
Antimony	0.006	0.006	0.001	2016
Arsenic	0.010	0.002	0.000004	2004
Asbestos (MFL = million fibers per liter; for fibers >10 microns long)	7 MFL	0.2 MFL	7 MFL	2003
Barium	1	0.1	2	2003
Beryllium	0.004	0.001	0.001	2003
Cadmium	0.005	0.001	0.00004	2006
Chromium, Total - OEHHA withdrew the 0.0025-mg/L PHG	0.05	0.01	withdrawn Nov. 2001	1999
Chromium, Hexavalent - 0.01-mg/L MCL & 0.001-mg/L DLR repealed September 2017	--	--	0.00002	2011
Cyanide	0.15	0.1	0.15	1997
Fluoride	2	0.1	1	1997
Mercury (inorganic)	0.002	0.001	0.0012	1999 (rev2005)*
Nickel	0.1	0.01	0.012	2001
Nitrate (as nitrogen, N)	10 as N	0.4	45 as NO3 (=10 as N)	2018
Nitrite (as N)	1 as N	0.4	1 as N	2018
Nitrate + Nitrite (as N)	10 as N	--	10 as N	2018
Perchlorate	0.006	0.004	0.001	2015
Selenium	0.05	0.005	0.03	2010
Thallium	0.002	0.001	0.0001	1999 (rev2004)
<b>Copper and Lead, 22 CCR §64672.3</b>				
<i>Values referred to as MCLs for lead and copper are not actually MCLs; instead, they are called "Action Levels" under the lead and copper rule</i>				
Copper	1.3	0.05	0.3	2008

## Reference No. 4 (Continued)

## ATTACHMENT NO. 1

## 2019 PHG Triennial Report: Calendar Years 2019-2020-2021

Lead	0.015	0.005	0.0002	2009
<b>Radionuclides with MCLs in 22 CCR §64441 and §64443—Radioactivity</b>				
[units are picocuries per liter (pCi/L), unless otherwise stated; n/a = not applicable]				
Gross alpha particle activity - OEHHA concluded in 2003 that a PHG was not practical	15	3	none	n/a
Gross beta particle activity - OEHHA concluded in 2003 that a PHG was not practical	4 mrem/yr	4	none	n/a
Radium-226	--	1	0.05	2006
Radium-228	--	1	0.019	2006
Radium-226 + Radium-228	5	--	--	--
Strontium-90	8	2	0.35	2006
Tritium	20,000	1,000	400	2006
Uranium	20	1	0.43	2001
<b>Chemicals with MCLs in 22 CCR §64444—Organic Chemicals</b>				
<b>(a) Volatile Organic Chemicals (VOCs)</b>				
Benzene	0.001	0.0005	0.00015	2001
Carbon tetrachloride	0.0005	0.0005	0.0001	2000
1,2-Dichlorobenzene	0.6	0.0005	0.6	1997 (rev2009)
1,4-Dichlorobenzene (p-DCB)	0.005	0.0005	0.006	1997
1,1-Dichloroethane (1,1-DCA)	0.005	0.0005	0.003	2003
1,2-Dichloroethane (1,2-DCA)	0.0005	0.0005	0.0004	1999 (rev2005)
1,1-Dichloroethylene (1,1-DCE)	0.006	0.0005	0.01	1999
cis-1,2-Dichloroethylene	0.006	0.0005	0.013	2018
trans-1,2-Dichloroethylene	0.01	0.0005	0.05	2018
Dichloromethane (Methylene chloride)	0.005	0.0005	0.004	2000
1,2-Dichloropropane	0.005	0.0005	0.0005	1999
1,3-Dichloropropene	0.0005	0.0005	0.0002	1999 (rev2006)
Ethylbenzene	0.3	0.0005	0.3	1997
Methyl tertiary butyl ether (MTBE)	0.013	0.003	0.013	1999
Monochlorobenzene	0.07	0.0005	0.07	2014
Styrene	0.1	0.0005	0.0005	2010
1,1,2,2-Tetrachloroethane	0.001	0.0005	0.0001	2003
Tetrachloroethylene (PCE)	0.005	0.0005	0.00006	2001
Toluene	0.15	0.0005	0.15	1999
1,2,4-Trichlorobenzene	0.005	0.0005	0.005	1999
1,1,1-Trichloroethane (1,1,1-TCA)	0.2	0.0005	1	2006
1,1,2-Trichloroethane (1,1,2-TCA)	0.005	0.0005	0.0003	2006
Trichloroethylene (TCE)	0.005	0.0005	0.0017	2009
Trichlorofluoromethane (Freon 11)	0.15	0.005	1.3	2014

## Reference No. 4 (Continued)

## ATTACHMENT NO. 1

## 2019 PHG Triennial Report: Calendar Years 2019-2020-2021

1,1,2-Trichloro-1,2,2-Trifluoroethane (Freon 113)	1.2	0.01	4	1997 (rev2011)
Vinyl chloride	0.0005	0.0005	0.00005	2000
Xylenes	1.75	0.0005	1.8	1997
<b>(b) Non-Volatile Synthetic Organic Chemicals (SOCs)</b>				
Alachlor	0.002	0.001	0.004	1997
Atrazine	0.001	0.0005	0.00015	1999
Bentazon	0.018	0.002	0.2	1999 (rev2009)
Benzo(a)pyrene	0.0002	0.0001	0.000007	2010
Carbofuran	0.018	0.005	0.0007	2016
Chlordane	0.0001	0.0001	0.00003	1997 (rev2006)
Dalapon	0.2	0.01	0.79	1997 (rev2009)
1,2-Dibromo-3-chloropropane (DBCP)	0.0002	0.00001	0.000003	2020
2,4-Dichlorophenoxyacetic acid (2,4-D)	0.07	0.01	0.02	2009
Di(2-ethylhexyl)adipate	0.4	0.005	0.2	2003
Di(2-ethylhexyl)phthalate (DEHP)	0.004	0.003	0.012	1997
Dinoseb	0.007	0.002	0.014	1997 (rev2010)
Diquat	0.02	0.004	0.006	2016
Endothal	0.1	0.045	0.094	2014
Endrin	0.002	0.0001	0.0003	2016
Ethylene dibromide (EDB)	0.00005	0.00002	0.00001	2003
Glyphosate	0.7	0.025	0.9	2007
Heptachlor	0.00001	0.00001	0.000008	1999
Heptachlor epoxide	0.00001	0.00001	0.000006	1999
Hexachlorobenzene	0.001	0.0005	0.00003	2003
Hexachlorocyclopentadiene	0.05	0.001	0.002	2014
Lindane	0.0002	0.0002	0.000032	1999 (rev2005)
Methoxychlor	0.03	0.01	0.00009	2010
Molinate	0.02	0.002	0.001	2008
Oxamyl	0.05	0.02	0.026	2009
Pentachlorophenol	0.001	0.0002	0.0003	2009
Picloram	0.5	0.001	0.166	2016
Polychlorinated biphenyls (PCBs)	0.0005	0.0005	0.00009	2007
Simazine	0.004	0.001	0.004	2001
Thiobencarb	0.07	0.001	0.042	2016
Toxaphene	0.003	0.001	0.00003	2003
1,2,3-Trichloropropane	0.000005	0.000005	0.0000007	2009
2,3,7,8-TCDD (dioxin)	3x10 <sup>-8</sup>	5x10 <sup>-9</sup>	5x10 <sup>-11</sup>	2010
2,4,5-TP (Silvex)	0.05	0.001	0.003	2014
<b>Chemicals with MCLs in 22 CCR §64533—Disinfection Byproducts</b>				
Total Trihalomethanes	0.080	--	--	--
Bromodichloromethane	--	0.0010	0.00006	2020

## Reference No. 4 (Continued)

## ATTACHMENT NO. 1

## 2019 PHG Triennial Report: Calendar Years 2019-2020-2021

Bromoform	--	0.0010	0.0005	2020
Chloroform	--	0.0010	0.0004	2020
Dibromochloromethane	--	0.0010	0.0001	2020
Haloacetic Acids (five) (HAA5)	0.060	--	--	--
Monochloroacetic Acid	--	0.0020	--	--
Dichloroacetic Acid	--	0.0010	--	--
Trichloroacetic Acid	--	0.0010	--	--
Monobromoacetic Acid	--	0.0010	--	--
Dibromoacetic Acid	--	0.0010	--	--
Bromate	0.010	0.0050**	0.0001	2009
Chlorite	1.0	0.020	0.05	2009
<b><i>Chemicals with PHGs established in response to DDW requests. These are not currently regulated drinking water contaminants.</i></b>				
N-Nitrosodimethylamine (NDMA)	--	--	0.000003	2006
*OEHHA's review of this chemical during the year indicated (rev20XX) resulted in no change in the PHG.				
**The DLR for Bromate is 0.0010 mg/L for analysis performed using EPA Method 317.0 Revision 2.0, 321.8, or 326.0.				

**ATTACHMENT NO. 3****Table 1****Reference: 2012 ACWA PHG Survey****COST ESTIMATES FOR TREATMENT TECHNOLOGIES****(INCLUDES ANNUALIZED CAPITAL AND O&M COSTS)**

<b>No.</b>	<b>Treatment Technology</b>	<b>Source of Information</b>	<b>Estimated Unit Cost 2012 ACWA Survey Indexed to 2021* (\$/1,000 gallons treated)</b>
1	Ion Exchange	Coachella Valley WD, for GW, to reduce Arsenic concentrations. 2011 costs.	2.40
2	Ion Exchange	City of Riverside Public Utilities, for GW, for Perchlorate treatment.	1.16
3	Ion Exchange	Carollo Engineers, anonymous utility, 2012 costs for treating GW source for Nitrates. Design source water concentration: 88 mg/L NO <sub>3</sub> . Design finished water concentration: 45 mg/L NO <sub>3</sub> . Does not include concentrate disposal or land cost.	0.88
4	Granular Activated Carbon	City of Riverside Public Utilities, GW sources, for TCE, DBCP (VOC, SOC) treatment.	0.58
5	Granular Activated Carbon	Carollo Engineers, anonymous utility, 2012 costs for treating SW source for TTHMs. Design source water concentration: 0.135 mg/L. Design finished water concentration: 0.07 mg/L. Does not include concentrate disposal or land cost.	0.42
6	Granular Activated Carbon, Liquid Phase	LADWP, Liquid Phase GAC treatment at Tujunga Well field. Costs for treating 2 wells. Treatment for 1,1 DCE (VOC). 2011-2012 costs.	1.78
7	Reverse Osmosis	Carollo Engineers, anonymous utility, 2012 costs for treating GW source for Nitrates. Design source water concentration: 88 mg/L NO <sub>3</sub> . Design finished water concentration: 45 mg/L NO <sub>3</sub> . Does not include concentrate disposal or land cost.	0.94
8	Packed Tower Aeration	City of Monrovia, treatment to reduce TCE, PCE concentrations. 2011-12 costs.	0.52
9	Ozonation+ Chemical addition	SCVWD, STWTP treatment plant includes chemical addition + ozone generation costs to reduce THM/HAA5 concentrations. 2009-2012 costs.	0.11

**COST ESTIMATES FOR TREATMENT TECHNOLOGIES**  
(INCLUDES ANNUALIZED CAPITAL AND O&M COSTS)

No.	Treatment Technology	Source of Information	Estimated Unit Cost 2012 ACWA Survey Indexed to 2021* (\$/1,000 gallons treated)
10	Ozonation+ Chemical addition	SCVWD, PWTP treatment plant includes chemical addition + ozone generation costs to reduce THM/HAA5 concentrations, 2009-2012 costs.	0.23
11	Coagulation/Filtration	Soquel WD, treatment to reduce manganese concentrations in GW. 2011 costs.	0.88
12	Coagulation/Filtration Optimization	San Diego WA, costs to reduce THM/Bromate, Turbidity concentrations, raw SW a blend of State Water Project water and Colorado River water, treated at Twin Oaks Valley WTP.	1.00
13	Blending (Well)	Rancho California WD, GW blending well, 1150 gpm, to reduce fluoride concentrations.	0.83
14	Blending (Wells)	Rancho California WD, GW blending wells, to reduce arsenic concentrations, 2012 costs.	0.68
15	Blending	Rancho California WD, using MWD water to blend with GW to reduce arsenic concentrations. 2012 costs.	0.81
16	Corrosion Inhibition	Atascadero Mutual WC, corrosion inhibitor addition to control aggressive water. 2011 costs.	0.10

\*Costs were adjusted from date of original estimates to present, where appropriate, using the Engineering News Record (ENR) annual average Construction Cost Index of 12,1332021

**ATTACHMENT NO. 3**  
**Table 2**  
**Reference: Other Agencies**

**COST ESTIMATES FOR TREATMENT TECHNOLOGIES**  
**(INCLUDES ANNUALIZED CAPITAL AND O&M COSTS)**

<b>No.</b>	<b>Treatment Technology</b>	<b>Source of Information</b>	<b>Estimated 2012 Unit Cost Indexed to 2021* (\$/1,000 gallons treated)</b>
1	Reduction - Coagulation-Filtration	Reference: February 28, 2013, Final Report Chromium Removal Research, City of Glendale, CA. 100-2000 gpm. Reduce Hexavalent Chromium to 1 ppb.	1.91 - 11.96
2	IX - Weak Base Anion Resin	Reference: February 28, 2013, Final Report Chromium Removal Research, City of Glendale, CA. 100-2000 gpm. Reduce Hexavalent Chromium to 1 ppb.	1.96 – 8.19
3	IX	Golden State Water Co., IX w/disposable resin, 1 MGD, Perchlorate removal, built in 2010.	0.60
4	IX	Golden State Water Co., IX w/disposable resin, 1000 gpm, perchlorate removal (Proposed; O&M estimated).	1.31
5	IX	Golden State Water Co., IX with brine regeneration, 500 gpm for Selenium removal, built in 2007.	8.57
6	GFO/Adsorption	Golden State Water Co., Granular Ferric Oxide Resin, Arsenic removal, 600 gpm, 2 facilities, built in 2006.	2.24 - 2.39
7	RO	Reference: Inland Empire Utilities Agency : Chino Basin Desalter. RO cost to reduce 800 ppm TDS, 150 ppm Nitrate (as NO <sub>3</sub> ); approx. 7 mgd.	2.93
8	IX	Reference: Inland Empire Utilities Agency : Chino Basin Desalter. IX cost to reduce 150 ppm Nitrate (as NO <sub>3</sub> ); approx. 2.6 mgd.	1.63



Reference No. 5 (Continued)

9	Packed Tower Aeration	Reference: Inland Empire Utilities Agency : Chino Basin Desalter. PTA-VOC air stripping, typical treated flow of approx. 1.6 mgd.	0.49
10	IX	Reference: West Valley WD Report, for Water Recycling Funding Program, for 2.88 mgd treatment facility. IX to remove Perchlorate, Perchlorate levels 6-10 ppb. 2008 costs.	0.68 - 0.97
11	Coagulation Filtration	Reference: West Valley WD, includes capital, O&M costs for 2.88 mgd treatment facility- Layne Christensen packaged coagulation Arsenic removal system. 2009-2012 costs.	0.45
12	FBR	Reference: West Valley WD/Envirogen design data for the O&M + actual capitol costs, 2.88 mgd fluidized bed reactor (FBR) treatment system, Perchlorate and Nitrate removal, followed by multimedia filtration & chlorination, 2012. NOTE: The capitol cost for the treatment facility for the first 2,000 gpm is \$23 million annualized over 20 years with ability to expand to 4,000 gpm with minimal costs in the future. \$17 million funded through state and federal grants with the remainder funded by WWWD and the City of Rialto.	2.02 – 2.13

\* Costs were adjusted from date of original estimates to present, where appropriate, using the Engineering News Record (ENR) annual average Construction Cost Index of 12,133 for 2021.

**ATTACHMENT NO. 3****Table 3****Reference: Updated 2012 ACWA Cost of Treatment Table****COST ESTIMATES FOR TREATMENT TECHNOLOGIES****(INCLUDES ANNUALIZED CAPITAL AND O&M COSTS)**

<b>No.</b>	<b>Treatment Technology</b>	<b>Source of Information</b>	<b>Estimated 2012 Unit Cost Indexed to 2021* (\$/1,000 gallons treated)</b>
1	Granular Activated Carbon	Reference: Malcolm Pirnie estimate for California Urban Water Agencies, large surface water treatment plants treating water from the State Water Project to meet Stage 2 D/DBP and bromate regulation, 1998	0.69 - 1.31
2	Granular Activated Carbon	Reference: Carollo Engineers, estimate for VOC treatment (PCE), 95% removal of PCE, Oct. 1994, 1900 gpm design capacity	0.32
3	Granular Activated Carbon	Reference: Carollo Engineers, est. for a large No. Calif. surf. water treatment plant ( 90 mgd capacity) treating water from the State Water Project, to reduce THM precursors, ENR construction cost index = 6262 (San Francisco area) - 1992	1.51
4	Granular Activated Carbon	Reference: CH2M Hill study on San Gabriel Basin, for 135 mgd central treatment facility for VOC and SOC removal by GAC, 1990	0.59 - 0.86
5	Granular Activated Carbon	Reference: Southern California Water Co. - actual data for "rented" GAC to remove VOCs (1,1-DCE), 1.5 mgd capacity facility, 1998	2.71
6	Granular Activated Carbon	Reference: Southern California Water Co. - actual data for permanent GAC to remove VOCs (TCE), 2.16 mgd plant capacity, 1998	1.75
7	Reverse Osmosis	Reference: Malcolm Pirnie estimate for California Urban Water Agencies, large surface water treatment plants treating water from the State Water Project to meet Stage 2 D/DBP and bromate regulation, 1998	2.036 – 3.89
8	Reverse Osmosis	Reference: Boyle Engineering, RO cost to reduce 1000 ppm TDS in brackish groundwater in So. Calif., 1.0 mgd plant operated at 40% of design flow, high brine line cost, May 1991	4.80
9	Reverse Osmosis	Reference: Boyle Engineering, RO cost to reduce 1000 ppm TDS in brackish groundwater in So. Calif., 1.0 mgd plant operated at 100% of design flow, high brine line cost, May 1991	2.96
10	Reverse Osmosis	Reference: Boyle Engineering, RO cost to reduce 1000 ppm TDS in brackish groundwater in So. Calif., 10.0 mgd plant operated at 40% of design flow, high brine line cost, May 1991	3.20

**COST ESTIMATES FOR TREATMENT TECHNOLOGIES**  
(INCLUDES ANNUALIZED CAPITAL AND O&M COSTS)

No.	Treatment Technology	Source of Information	Estimated 2012 Unit Cost Indexed to 2021* (\$/1,000 gallons treated)
11	Reverse Osmosis	Reference: Boyle Engineering, RO cost to reduce 1000 ppm TDS in brackish groundwater in So. Calif., 10.0 mgd plant operated at 100% of design flow, high brine line cost, May 1991	2.48
12	Reverse Osmosis	Reference: Arsenic Removal Study, City of Scottsdale, AZ - CH2M Hill, for a 1.0 mgd plant operated at 40% of design capacity, Oct. 1991	8.04
13	Reverse Osmosis	Reference: Arsenic Removal Study, City of Scottsdale, AZ - CH2M Hill, for a 1.0 mgd plant operated at 100% of design capacity, Oct. 1991	4.75
14	Reverse Osmosis	Reference: Arsenic Removal Study, City of Scottsdale, AZ - CH2M Hill, for a 10.0 mgd plant operated at 40% of design capacity, Oct. 1991	3.55
15	Reverse Osmosis	Reference: Arsenic Removal Study, City of Scottsdale, AZ - CH2M Hill, for a 10.0 mgd plant operated at 100% of design capacity, Oct. 1991	2.20
16	Reverse Osmosis	Reference: CH2M Hill study on San Gabriel Basin, for 135 mgd central treatment facility with RO to remove nitrate, 1990	2.22 - 3.89
17	Packed Tower Aeration	Reference: Analysis of Costs for Radon Removal... (AWWARF publication), Kennedy/Jenks, for a 1.4 mgd facility operating at 40% of design capacity, Oct. 1991	1.27
18	Packed Tower Aeration	Reference: Analysis of Costs for Radon Removal... (AWWARF publication), Kennedy/Jenks, for a 14.0 mgd facility operating at 40% of design capacity, Oct. 1991	0.68
19	Packed Tower Aeration	Reference: Carollo Engineers, estimate for VOC treatment (PCE) by packed tower aeration, without off-gas treatment, O&M costs based on operation during 329 days/year at 10% downtime, 16 hr/day air stripping operation, 1900 gpm design capacity, Oct. 1994	0.34
20	Packed Tower Aeration	Reference: Carollo Engineers, for PCE treatment by Ecolo-Flo Enviro-Tower air stripping, without off-gas treatment, O&M costs based on operation during 329 days/year at 10% downtime, 16 hr/day air stripping operation, 1900 gpm design capacity, Oct. 1994	0.35
21	Packed Tower Aeration	Reference: CH2M Hill study on San Gabriel Basin, for 135 mgd central treatment facility - packed tower aeration for VOC and radon removal, 1990	0.55 - 0.90

**COST ESTIMATES FOR TREATMENT TECHNOLOGIES**  
(INCLUDES ANNUALIZED CAPITAL AND O&M COSTS)

No.	Treatment Technology	Source of Information	Estimated 2012 Unit Cost Indexed to 2021* (\$/1,000 gallons treated)
22	Advanced Oxidation Processes	Reference: Carollo Engineers, estimate for VOC treatment (PCE) by UV Light, Ozone, Hydrogen Peroxide, O&M costs based on operation during 329 days/year at 10% downtime, 24 hr/day AOP operation, 1900 gpm capacity, Oct. 1994	0.67
23	Ozonation	Reference: Malcolm Pirnie estimate for CUWA, large surface water treatment plants using ozone to treat water from the State Water Project to meet Stage 2 D/DBP and bromate regulation, <i>Cryptosporidium</i> inactivation requirements, 1998	0.15 - 0.32
24	Ion Exchange	Reference: CH2M Hill study on San Gabriel Basin, for 135 mgd central treatment facility - ion exchange to remove nitrate, 1990	0.73 - 0.97

\* Costs were adjusted from date of original estimates to present, where appropriate, using the Engineering News Record (ENR) annual average Construction Cost Index of 12,133 for 2021.

**DATE: JULY 20, 2022**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: RESOLUTION APPROVING COLLECTION OF SEWER SERVICE FEES FOR IMPROVEMENT DISTRICT "A"**

**BACKGROUND:**

Sewer Improvement District "A" is a special service area where Vallecitos provides sewer collection services, and another agency provides domestic water service and fire protection. For these areas, as prescribed by Ordinance No. 184, the District elects to have its sewer service fees collected on the County tax roll in the same manner at the same time together with general property taxes.

**DISCUSSION:**

The State Health Code requires the District to specify on an annual basis the method it will use to collect sewer service fees. Resolution No. 1617, adopted June 15, 2022, approved the District's proposed method of collection. The attached resolution orders the collection of sewer service fees for fiscal year 2022-23. The sewer service fees will be collected by the County of San Diego, and then transferred to the District.

**FISCAL IMPACT:**

Including sewer service fees on the tax roll results in time and materials savings through reduced workload on staff and eliminating postage costs. Additional revenue is also realized through facilitated collections. There is a nominal cost to the District of \$0.10 per parcel to have the sewer fees collected on the tax roll.

**RECOMMENDATION:**

Staff recommends adoption of the resolution.

**ATTACHMENT:**

Resolution

**RESOLUTION NO.**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
VALLECITOS WATER DISTRICT APPROVING THE SEWER  
SERVICE FEES TO BE COLLECTED ON THE TAX ROLL  
FOR IMPROVEMENT DISTRICT "A" FOR THE  
FISCAL YEAR JULY 1, 2022, TO JUNE 30, 2023**

WHEREAS, the Vallecitos Water District duly adopted Resolution No. 1617 on June 15, 2022, electing to have the sewer service fees for Improvement District "A" for Fiscal Year July 1, 2022, to June 30, 2023, collected on the Tax Roll.

WHEREAS, a written report has been prepared and filed with the District, which contains a description of each parcel of real property in Improvement District "A" receiving sewer service and the amount of sewer service fee for each parcel for the Fiscal Year 2022-2023.

WHEREAS, the Secretary of the District has prepared and caused notices to be mailed and published in the form and manner prescribed by law.

WHEREAS, on July 20, 2022, at the hour of 5:00 p.m., at the office of the District, 201 Vallecitos de Oro, San Marcos, California, a duly noticed public hearing was held with respect to this matter.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE VALLECITOS WATER DISTRICT DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

Section 1. The sewer service fees for Improvement District "A" for Fiscal Year 2022-2023, attached hereto and incorporated herein as Exhibit "A", are hereby approved.

Section 2. Sewer service fees for properties that connect to the District sewer system subsequent to approval of the foregoing report or properties connected to the system that are not included in the report for any reason, shall be billed to the property owners directly by the Vallecitos Water District in accordance with the rules and regulations established by Ordinance of the District.

Section 3. The sewer service fees for properties that are not on the Tax Roll shall be billed to the property owners directly by the Vallecitos Water District in accordance with the rules and regulations established by Ordinance of the District.

Section 4. This Resolution is adopted pursuant to the Health and Safety Code Section 5473.3 and is effective immediately upon its adoption, and its provisions shall supersede any conflicting provisions or existing Ordinance, Resolution, rules or regulations of the District.

Section 5. The Secretary/General Manager of the Vallecitos Water District is hereby authorized and directed to file this endorsed report with a certified copy of this Resolution with the County Auditor of the County of San Diego on or before August 1, 2022.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Vallecitos Water District at a regular meeting held on the 20<sup>th</sup> day of July 2022, by the following roll call vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

---

Craig Elitharp, President  
Board of Directors  
Vallecitos Water District

ATTEST:

---

Glenn Pruij, Secretary  
Board of Directors  
Vallecitos Water District

**EXHIBIT A**

**AVAILABLE UPON REQUEST**



**DATE: JULY 20, 2022**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: SCHOLARSHIP CONTEST RECOMMENDATION**

**BACKGROUND:**

At the Vallecitos Water District Board meeting of February 2, 2022, the Board of Directors approved a motion to provide scholarships to local high school seniors and students at both Palomar College and California State University San Marcos. The scholarship budget was set at \$6,000 annually with a maximum of six scholarships offered.

The selection process would require candidates to submit: an application, an essay, a letter of recommendation and a financial needs worksheet. The Public Awareness/Personnel/Policy (P3) Committee would serve as competition judges and be responsible for reviewing and recommending scholarship recipients to the Board of Directors each year.

**DISCUSSION:**

Staff issued a press release on March 2, 2022, announcing the scholarship contest. Counselors at local high schools and colleges were contacted by both email and phone. A submittal deadline of Friday, April 29, 2022, was established.

A total of thirteen scholarship applications were received by the District. Staff created a matrix for the P3 Committee members which reflected information about the students, including: completeness of the application packet, residence location of the student, current enrollment of the student, future enrollment of the student, and if the student had plans to pursue a career in water or a related field.

P3 Committee members reviewed the applications and found five applicants they recommend receiving scholarships.

**RECOMMENDATION:**

Staff recommends that the Board of Directors make a motion to approve five scholarships either in the amount of \$1,000 each or \$1,200 each.

**FISCAL IMPACT:**

Direct costs for the scholarship program this year would be either \$5,000 or \$6,000 depending on the Board's direction.

**DATE: JULY 20, 2022**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: WATER SUPPLY CONDITIONS UPDATE**

**BACKGROUND:**

On April 20, 2022, the Vallecitos Board of Directors declared a Level 2 – Drought Alert (mandatory) condition within the Vallecitos Water District service area. Residential and commercial landscape irrigation is limited to no more than three days per week from June through October. This shall not apply to commercial growers, agricultural water accounts or nurseries.

**DISCUSSION:**

A recent study by the Golden Gate Weather Service shows that, since 2019, California is missing one full year of its normal rainfall. Over a three-year span, that ended on June 30 of this year, most Northern California cities received half or possibly two-thirds of their rain averages.

The Northern Sierra 8-Station Precipitation Index shows values of 79% to date for the new water year. Snowpack water content statewide is 0% of average. By the end of June, almost all the automated snow sensors reported no snow. Lake Oroville is at 46% of capacity and the San Luis Reservoir is at 36% of capacity.

On the Colorado River, Lake Mead is currently 27% full and Lake Powell is 28% full. Upper Basin precipitation is 96% to date.

Locally, the National Weather Service/NOAA three-month temperature outlook shows the San Diego area as “above normal favored.” Precipitation is “equal chances.”

**FISCAL IMPACT:**

Conservation measures can revenues. There currently is no expected financial impact beyond seasonal changes.

**RECOMMENDATION:**

For information only.

**DATE: JULY 20, 2022**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: RESOLUTION OF THE BOARD OF DIRECTORS IN SUPPORT OF THE MONTH OF JUNE AS PRIDE MONTH IN THE VALLECITOS WATER DISTRICT ANNUALLY**

**BACKGROUND:**

The modern “pride” movement began after the Stonewall riots in New York City in June of 1969. June is the nationwide month to recognize the Lesbian, Gay, Bisexual, Transgender and Queer/Questioning, and Plus (LGBTQ+) community.

**DISCUSSION:**

The Vallecitos Water District recently implemented enhanced efforts to support diversity and inclusion in our employee recruitment and hiring efforts. This resolution will further cement the District’s commitment as an equal opportunity employer. The District prohibits discrimination against employees, or applicants for employment, on the basis of race, color, religion, sex, sexual identity, gender, gender expression, gender identity, national origin, ancestry, citizenship, age, marital status, physical or mental disability, medical condition, sexual orientation, genetic information, or any other basis protected by law.

This draft resolution was presented to the Public Awareness/Personnel/Policy (P3) Committee on July 11, 2022. The P3 Committee recommended this item be brought to the full Board of Directors for consideration.

**FISCAL IMPACT:**

None.

**RECOMMENDATION:**

It is recommended the Board of Directors adopt Resolution No. \_\_\_\_, Resolution of the Board of Directors of the Vallecitos Water District supporting June as Pride Month on an annual basis.

**ATTACHMENT:**

Resolution No. \_\_\_\_, Resolution of the Board of Directors.

**RESOLUTION NO.**

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE VALLECITOS WATER DISTRICT  
RECOGNIZING AND SUPPORTING THE MONTH OF  
JUNE AS PRIDE MONTH ANNUALLY**

WHEREAS, the Vallecitos Water District and its Board of Directors welcomes and encourages diversity and inclusion within our community; and

WHEREAS, June 28, 2022, marked the 53rd anniversary of the Stonewall uprising in New York City, which sparked the gay rights movement, and is the nationwide month to recognize the Lesbian, Gay, Bisexual, Transgender and Queer/Questioning, and Plus (LGBTQ+) community; and

WHEREAS, celebrating Pride Month raises awareness and provides support and advocacy for the LGBTQ+ community, and is an opportunity to become educated, engage in dialogue, strengthen alliances and build understanding; and

WHEREAS, while there has been remarkable progress towards acceptance and equality, members of the LGBTQ+ community continue to face discrimination, intolerance, and hate; and

WHEREAS the District must commit to supporting and accepting LGBTQ+ individuals, in particular our youth, who compared to their peers are far more likely to experience violence and bullying at school; to suffer from depression; to struggle with substance use; and to have attempted suicide; and

WHEREAS, the District must remain vigilant in deterring oppression and discrimination against people on the basis of sex, gender identity or expression, or sexual orientation; and

WHEREAS, by protecting the rights of every individual, we enhance and strengthen the value of everyone throughout our service area and our entire society; and

WHEREAS, we affirm our support for LGBTQ+ residents in our community and stand with them to protect their civil rights and their ability to live openly, equally and without fear; and

NOW, THEREFORE, BE IT RESOLVED, by the Vallecitos Water District on this 20th day of July, 2022, that the Board of Directors recognizes and supports the month of June annually as Lesbian, Gay, Bisexual, Transgender, and Queer/Questioning, and Plus (LGBTQ+) "Pride Month;" and we urge all customers to celebrate and build a culture of inclusiveness and acceptance – during this month and every month.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Vallecitos Water District at a regular meeting held on this 20<sup>th</sup> day of July 2022, by the following roll call vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

---

Craig Elitharp, President  
Board of Directors  
Vallecitos Water District

ATTEST:

---

Glenn Pruiam, Secretary  
Board of Directors  
Vallecitos Water District

**DATE: JULY 20, 2022**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: PROFESSIONAL SERVICES AGREEMENT AMENDMENT NO. 1 FOR THE MEADOWLARK WATER RECLAMATION FACILITY SODIUM HYPOCHLORITE CONVERSION PROJECT**

**BACKGROUND:**

The Meadowlark Water Reclamation Facility (MRF) currently uses 100% chlorine gas as disinfectant to meet State regulations for treatment to reclaimed water standards. On October 6, 2021, the Board of Directors authorized the General Manager to execute a professional services agreement with Murraysmith (consultant) in the amount of \$421,921 for design and bid phase engineering and environmental services for the MRF Conversion to Sodium Hypochlorite Project (Project). The Project will produce contract documents for construction to convert the existing chlorine gas storage and injection process to bulk storage and injection of sodium hypochlorite (12.5%). This project removes an existing acute hazard at MRF and replaces it with storage and injection of bleach solution that removes the District's requirement to maintain several safety programs and permits.

The project is an operational priority to remove an existing acute hazard while also reducing regulatory requirements, and operations and maintenance staff time at MRF. The project is scheduled for final design in the FY 22/23 Budget.

**DISCUSSION:**

During the preliminary design process, District Operations and Engineering staff recommended the addition of proof-of-concept testing be conducted to field-verify the effectiveness of adding sodium hypochlorite at the secondary effluent channel at MRF. In January 2022, the consultant submitted a draft preliminary design report (PDR) for the District to review, comment and approve. Appendix E of the PDR includes a workplan for District staff to conduct testing on-site to confirm the effectiveness of the existing Harrington screen diffusers with 12.5 % hypochlorite solution before the full conversion project is constructed. Additional details on how to conduct these tests were discussed with District staff during a site visit by the consultant in May 2022. Based on the District's input, the consultant proposed a scope of work to include the requisite planning, report preparation, data analysis, and meetings to successfully conduct the proof-of-concept field and laboratory testing. This is in addition to the consultant's contractual scope of work. The completion of these tests prior to the completion of design is a crucial step in confirming the successful treatment process transition from chlorine gas to sodium hypochlorite.

Staff requested a proposal from the consultant for proof-of-concept testing on May 30, 2022, and after internal review and revisions, the time and materials scope and fee was finalized on June 29, 2022. The not-to-exceed fee for proposed Amendment No. 1 is \$74,102.

**FISCAL IMPACT:**

The project is identified in the FY 22/23 Budget with a total amount of \$3,885,000. The project funding source is 100% from Reclaimed Water funds. The total estimated project cost and budget summary are as follows:

Budget	\$ 3,885,000
Design Engineering & Environmental Amendment #1	\$ 421,921 \$ 74,102
Design Management Staff Services	\$ 50,000*
Process Engineering Peer Review Services	\$ 35,100
Overhead and Materials	\$ 115,000*
Construction Contract	\$ <u>TBD</u>
Total	\$ 696,123*

\*Estimated Allocation

**RECOMMENDATION:**

Staff recommends the Board of Directors authorize the General Manager to execute Amendment No. 1 under the current Professional Services Agreement with Murraysmith in the amount of \$74,102 for proof-of-concept testing for the MRF Conversion to Sodium Hypochlorite Project.

**ATTACHMENT:**

Aerial exhibit

**PROFESSIONAL SERVICES AGREEMENT  
AMENDMENT 1 AWARD FOR THE MEADOWLARK WRF  
SODIUM HYPOCHLORITE CONVERSION PROJECT**



**CORINTHIA ST**

**SIHO TORTUGA**

**M.R.F.**

**MRF CHEMICAL STORAGE BUILDING**



**DATE: JULY 20, 2022**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: PROJECT ACCEPTANCE FOR THE MEADOWLARK WATER RECLAMATION FACILITY BIOLOGICAL SELECTOR IMPROVEMENT PROJECT**

**BACKGROUND:**

The District's Meadowlark Water Reclamation Facility (MRF) is a wastewater treatment plant able to produce recycled water for the District's existing customers, Carlsbad Municipal Water District (CMWD) and Olivenhain Municipal Water District (OMWD). MRF treats wastewater by primary and secondary treatment processes which can then be legally discharged into the Ocean Outfall or treated further in a tertiary process to produce and convey recycled water. Any improvements to the tertiary process are reimbursed through recycled water rates by recycled water customers.

The existing membrane panels in the aeration basins were installed in 2007 and later upgraded in 2011. The panels had exceeded their useful life and replacement parts were difficult to obtain, requiring new ceramic disc diffusers and a new design.

The District awarded a task order to As-Needed Consultant Trussell Technologies on February 20, 2019, to study two design improvement alternatives. Alternative 1 would replace the failing membrane panels with ceramic disc diffusers. Alternative 2 would replace the failing membrane panels and upgrade the system with a new compressed air mixing system and process control sensors. Alternative 2, commonly referred to as the "bio selector", would provide benefits such as a reduction in phosphorus in secondary effluent, improving the recycled water quality for District customers.

District staff received and opened construction bids on December 3, 2020, from 6 contractors for both improvement alternatives. The lowest apparent bid for Alternative 1 was from GSE for \$416,300 and Alternative 2 was from SS Mechanical Construction for \$865,390.

Staff presented the bid results and discussed the benefits and disadvantages between both alternatives with District recycled water customers, OMWD and CMWD. As a result, the stakeholders determined Alternative 2 was the preferred option. The difference between the apparent low Alternative 1 and Alternative 2 bids was \$449,090.

The Board awarded the contract to SS Mechanical for Alternative 2 for \$865,390 on January 20, 2021.

**DISCUSSION:**

Construction was determined to be substantially complete in May 2022 and water quality has improved in the short time after commissioning. During construction there was one change order for unforeseen conditions requiring rerouting of stainless-steel piping, electrical improvements for the installation of a backup compressor, and installation of

additional rigid horizontal reinforcement for the baffle walls. Change Order No. 1 amounted to \$13,853.65 or 1.6% of the original Contract.

Trussell Technology prepared the design plans and technical specifications for both design improvement alternatives and conducted special inspections and observations throughout construction. Staff produced the specifications and contract documents, self-performed engineering services during construction, construction management, and inspection.

**FISCAL IMPACT:**

The project is identified in the FY 2022/23 Budget with a total amount of \$1,366,000. The project funding source is 100% from Fund 250, Reclaimed Water funds. Additionally, since the difference between the apparent low Alternative 1 price and the awarded Alternative 2 price was \$449,090, this amount will be recouped through the District's recycled water rates with OMWD and CMWD. The total estimated project cost and budget summary are as follows:

Budget	\$1,366,000
Construction Contract	\$ 865,390
Change Order 1	\$ 13,854
District Furnished Materials	\$ 12,770
Construction Support Services (Trussell)	\$ 44,117
Planning and Design (Trussell)	\$ 142,273
Staff & Overhead: Planning and Design	\$ 119,995
<u>Staff &amp; Overhead: Construction Phase</u>	<u>\$ 111,263</u>
Total	\$1,309,663
Estimated Budget Surplus	\$ 56,337
Reimbursable amount by Recycled Customers	\$ 449,090

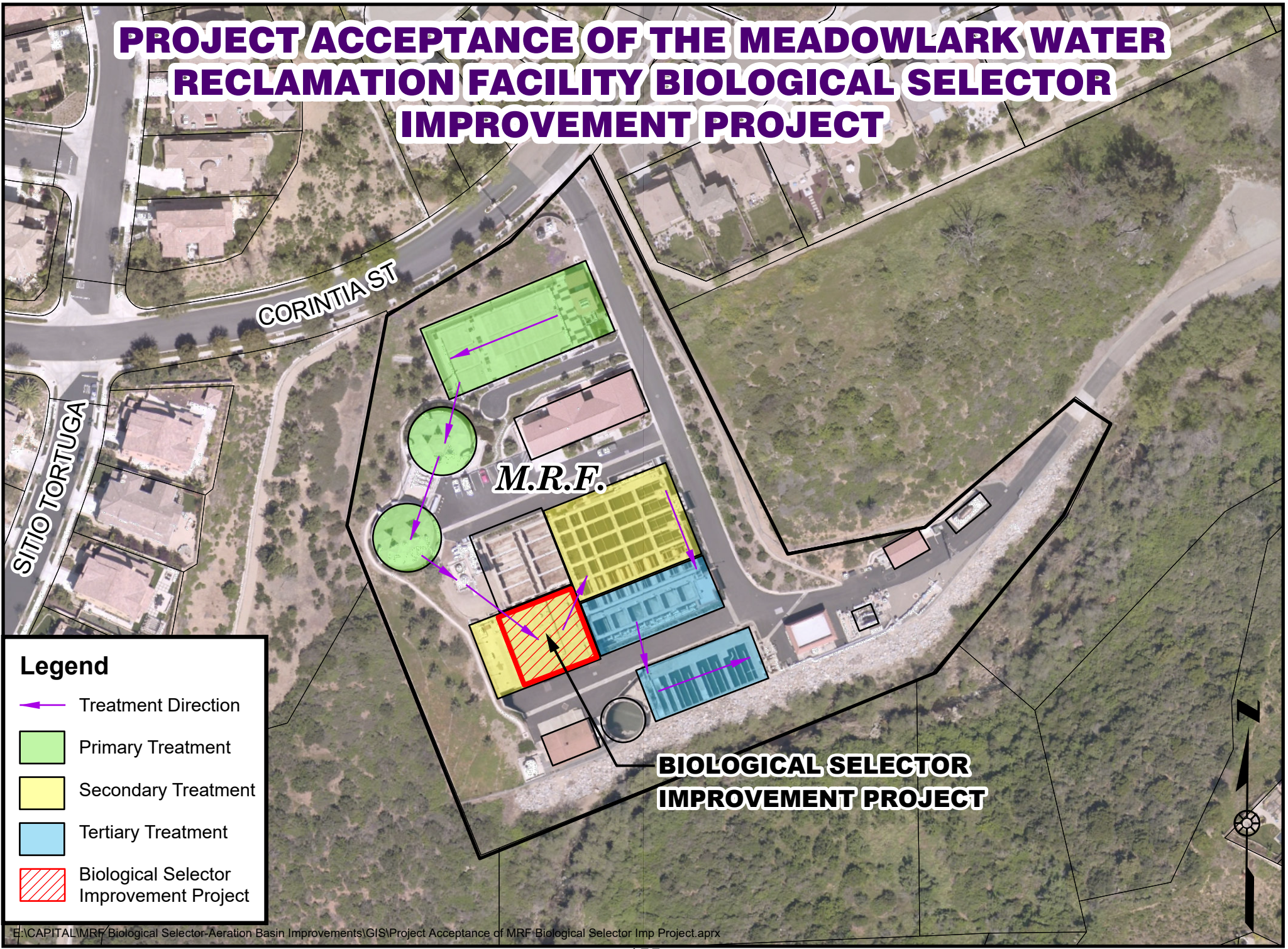
**RECOMMENDATION:**

Staff recommends project acceptance and authorizing the General Manager to file a Notice of Completion (NOC) and release of retention funds to the contractor following the 60-day notice period, provided no claims are filed, in conformance with the contract documents.

**ATTACHMENT:**

Aerial Exhibit

# PROJECT ACCEPTANCE OF THE MEADOWLARK WATER RECLAMATION FACILITY BIOLOGICAL SELECTOR IMPROVEMENT PROJECT



## Legend

- ← Treatment Direction
- Primary Treatment
- Secondary Treatment
- Tertiary Treatment
- Biological Selector Improvement Project

**DATE: JULY 20, 2022**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: EMPLOYEE ASSOCIATION REQUEST REGARDING COST-OF-LIVING SALARY ADJUSTMENT**

**BACKGROUND:**

The majority of Vallecitos employees are represented by the Vallecitos Water District Employees Association (Association). The Association represents its employees during labor negotiations. The results of the negotiations are captured in a Memorandum of Understanding (MOU), which specifies certain terms and conditions of employment for a specified time period. The current MOU was approved by the Board of Directors on June 19, 2019, and is set to expire on June 30, 2023. One of the terms addressed in the MOU is an annual salary adjustment for all employees. This Cost-of-Living Salary Adjustment (COLA) is tied to the San Diego Consumer Price Index for All Urban Consumers (CPI-U). The MOU specifies the COLA shall not be greater than 3% in years 2 through 4 of the agreement.

In recent months, inflation rates have been well above the historic range. Lingering effects of COVID, rising interest rates, material availability, labor shortages and other factors have led to these high inflation rates, which have exceeded 8% for several months. The inflation rates are reflected in the CPI-U. Given the COLA caps specified in the MOU, general inflation will significantly exceed the salary adjustments specified in the MOU.

**DISCUSSION:**

Several months ago, the two primary Association representatives requested a meeting with the General Manager to discuss the Association's concerns about the financial impacts high inflation would have on its members. The Association asked if the District would consider removing the 3% maximum salary adjustment contained within the MOU, due to the high inflation rates.

Significant discussion followed, in which the Association representatives and the General Manager discussed possible options to address these financial impacts. The District's concern is that removing the COLA cap will have ongoing fiscal impacts, such as the District's CalPERS pension obligations, even though the high inflation rates may only be temporary.

Among the several options discussed, one option included the use of one-time funds to address the immediate inflation impacts. If the Board is interested in using this approach, funding would be limited to monies remaining from the FY 21/22 budget for employee benefits and monies the District received due to the collective efforts of its employees. These two sources are described in detail below.

One benefit offered to Vallecitos employees is a deferred compensation program. This program allows employees to direct a portion of their salary into tax-deferred savings or investments. In addition to providing access to this IRS-compliant program, the District will match an employee's investments dollar for dollar, up to \$2,000/year. In the FY 21/22 budget, the District budgeted \$218,000 for this benefit, assuming each of

its 109 employees would participate in this program to the maximum extent. As of the end of FY 21/22, the District's deferred compensation match totaled \$168,429.46. Therefore, there was a remaining unspent, budgeted amount of \$49,570.54 for these funds.

During FY 21/22, the District received a refund check in the amount of \$126,945 from its insurance provider, ACWA-JPIA. This refund was due to the exceedingly low insurance claims history for Vallecitos. The low claims history is due to the diligent efforts of all Vallecitos employees. This refund check was unbudgeted revenue. The Board elected to provide each employee with a \$500 one-time bonus to recognize their efforts. The Board also elected to provide a one-time \$500 bonus to each employee who became fully vaccinated for COVID-19, in an effort to promote a safer working environment. To date, the District has spent \$72,500 of the ACWA-JPIA funds, leaving a balance of \$54,445. There may be additional incentive payments to employees, as the Board set a deadline of October 30, 2022, to become fully vaccinated/boosted. It is not anticipated that the total expenditures will increase significantly.

Between those two funding sources, which were always intended to benefit our employees or came about as a result of their excellent work practices, there is a balance of \$104,015.54 from FY 21/22. As of the July 20, 2022, Board meeting, we anticipate we will have 105 filled positions, including the General Manager's position. If the Board approved the Association's request in the option described above, staff would recommend each employee, with the exception of the General Manager, receive a one-time lump sum inflation-relief bonus of \$1,000. This would total \$104,000 which is less than the amount of the remaining funds identified herein. The bonus would be treated as taxable income and would have no impact on each employee's salary for retirement purposes.

This item is being presented pursuant to the Association's request.

**FISCAL IMPACT:**

The fiscal impact will depend upon the Board's direction. Any amounts in excess of the amount listed above would come from District reserves. Any amounts less than the amount listed above would remain in the District reserves.

**RECOMMENDATION:**

Consider the Employee Association request and provide staff direction.

**DATE: JULY 20, 2022**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: SAN MARCOS CHAMBER OF COMMERCE – MEET YOUR ELECTED OFFICIALS BUSINESS MIXER PER DIEM/EXPENSE REIMBURSEMENT APPROVAL**

**BACKGROUND:**

The San Marcos Chamber of Commerce is hosting their annual “Meet Your Elected Officials” Business Mixer on Thursday, July 28, 2022, at Union Cowork in North City. This event is not considered compensable under District Ordinance No. 216; therefore, approval for per diem and expense reimbursement is required.

**RECOMMENDATION:**

Request Board direction.

**ATTACHMENT:**

Event Details



***Business Mixer***

**Thursday, July 28, 2022**

**5:00pm - 7:00pm**



Join the San Marcos Chamber on Thursday, July 28th from 5:00-7:00pm for the 8th Annual Meet Your Elected Officials event. This event provides a great opportunity for guests to meet and connect with elected officials, key City of San Marcos staff members, VIPs and business representatives from San Marcos and neighboring cities.

The Meet Your Elected Officials event includes hors d'oeuvres and a no host bar. The event will be held at Union Cowork in beautiful North City.