

VALLEY CENTER MUNICIPAL WATER DISTRICT
AGENDA

Regular Meeting of the Board of Directors

Monday, May 15, 2023 — 2:00 P.M.

The VCMWD Board of Directors welcomes the public to its Board Room in a limited capacity while accommodating virtual observation options as a convenience to the public. Additionally, Board Meetings continue to be livestreamed for those who wish to observe remotely. *Please note that in the event of technical issues that disrupt the meeting livestream or receipt of public comments by phone or email, the meeting will continue.*

Instructions for members of the public who wish to address the Board of Directors:

Members of the public who wish to address the Board of Directors under “Audience Comments/ Questions” or on specific agenda items, may do so as instructed below. All comments will be subject to a limit of three (3) minutes.

- Making Public Comment for Those Attending In-Person: Members of the public who wish to observe or to address the Board may join the Board Members at the noticed, physical location. A Request to Speak slip is required to be submitted to the Board Secretary prior to start of the meeting *(if possible)*.
- Phone Comments During the Meeting: Before the meeting, or before public comment period for the item closes during the meeting, submit a telephone number by email to the Board Secretary at publiccomments@vcmwd.org, together with the agenda item number, and the Board Secretary will call when the board is ready to hear public comments; *or*
- Emailed Comments: Before the meeting, or before public comment period for that item closes at the meeting, email your comments to the Board Secretary at publiccomments@vcmwd.org and the Board Secretary and it will be read aloud at the public comment period; *or*
- Written Comments: Written comments can be also be physically dropped off in advance of the meeting at the District’s Administrative Office or mailed in advance of the meeting to 29300 Valley Center Rd., Valley Center, CA 92082, for receipt no later than 1:00 pm on meeting day.

These public comment procedures supersede the District’s standard public comment policies and procedures to the contrary. If modifications or accommodations from individuals with disabilities are required, such persons should provide a request at least 24 hours in advance of the meeting by email to the Board Secretary at boardsecretary@vcmwd.org.

Meeting Broadcast: Members of the public may watch the meeting electronically by visiting the District’s website at vcmwd.org/Board/Board-Documents and then clicking the link listed below “live stream” on the page.

Meeting Documents: Board Meeting Packets *(except for closed session materials)* will be made available to the public once distributed to the Board. Please visit the District’s website at vcmwd.org/Board/Board-Documents for Agenda and related Board Meeting Documents.

ROLL CALL

APPROVAL OF AGENDA

At its option, the Board may approve the agenda, delete an item, reorder items and add an item to the agenda per the provisions of Government Code Section 54954.2.

**Valley Center Municipal Water District
Board of Directors' Meeting Agenda**

AUDIENCE COMMENTS/QUESTIONS

Comments and inquiries from the audience will be received on any matter not on the agenda, but within the jurisdiction of the Board. Comments and inquiries pertaining to an item on the agenda will be received during the deliberation of the agenda item (Government Code §54954.3).

CONSENT CALENDAR

Consent calendar items will be voted on together by a single motion unless separate action is requested by a Board member, staff, or member of the audience.

1. **Minutes of the Regular Board Meeting Held Monday, May 1, 2023;**
2. **Audit Demands and Wire Disbursements;**
3. **Treasurer's Report for Month Ending March 31, 2023 with Quarterly Financial Report Ending March 31, 2023;**
4. **Auditor's Communication with Those Charged with Governance (SAS 114) Letter;**
5. **Postponement of Public Hearing to June 5, 2023 to Consider Proposed Increases to Various Water Meter Fees and Charges and Related Administrative Code Modifications; and**
6. **Request Adoption of Resolution No. 2023-16 Adopting 2023 Revisions to Local Guidelines for Implementing the California Environmental Quality Act (CEQA).**

ACTION AGENDA

7. **Designation of Voting Delegates for the Association of California Water Agencies (ACWA) Concurrent Board Officer and Region 10 Elections:**

Designation of a Voting Delegate and an Alternative Voting Delegate for the concurrent ACWA elections, will be requested.

- a. Report by General Manager
- b. Discussion
- c. Audience comments/questions
- d. After review and discussion, designate Voting Delegate and Alternate Voting Delegate

8. **Review of Proposed Pumping Charge Increases – Analysis and Comparison:**

An analysis and comparison of proposed increases in pumping charges will be presented.

- a. Report by Director of Finance and Administration
- b. Discussion
- c. Audience comments/questions
- d. After review and discussion, provide input and direction to staff

INFORMATIONAL AGENDA

9. **Review of Proposed Water Meter Capacity and Annexation Charges:**

A review of proposed increases in meter capacity and annexation charges will be presented.

- a. Report by District Engineer
- b. Discussion
- c. Audience comments/questions
- d. Informational item only, no action required

**Valley Center Municipal Water District
Board of Directors' Meeting Agenda**

GENERAL MANAGER'S AGENDA

10. San Diego County Water Authority's Board Meeting Summary:

A report on the San Diego County Water Authority's Board of Directors' Meeting of April 27, 2023 will be provided.

- a. Report by General Manager
- b. Discussion
- c. Audience comments/questions
- d. Information item only, no action required

11. General Information:

General Informational items will be reviewed.

- a. Report by General Manager
- b. Discussion
- c. Audience comments/questions
- d. Information item only, no action required

DISTRICT GENERAL COUNSEL'S AGENDA

BOARD OF DIRECTORS' AGENDA and AB1234 REPORTING

CLOSED SESSIONS

At any time during the regular session, the Board may adjourn to closed session to consider litigation, personnel matters, or to discuss with legal counsel matters within the attorney-client privilege. Discussion of litigation is within the attorney-client privilege and may be held in closed session. *Authority: Government Code §54956.9.*

ADJOURNMENT

NOTICE TO THE PUBLIC:

This agenda was posted at least 72 hours before the meeting in a location freely accessible to the public. No action may be taken on any item not appearing on the posted agenda, except as provided by Government Code Section 54954.2. Any written materials provided to a majority of the Board of Directors within 72 hours prior to the meeting regarding any item on this agenda will be available for public inspection on the District's website. The agenda is available for public review on the District's website, <http://www.vcmwd.org>.

For questions or request for information related to this agenda contact the Board Secretary, at (760) 735-4517 or boardsecretary@vcmwd.org. Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities, as required by Section 202 of the American with Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to the Board Secretary at least 48 hours before the meeting, if possible.

— End of Agenda —

VALLEY CENTER MUNICIPAL WATER DISTRICT

Regular Board Meeting

Monday, May 1, 2023 – 2:00 P.M.

Place: Board Room

29300 Valley Center Road; Valley Center, CA 92082

The Valley Center Municipal Water District Board of Directors' meeting was called to order by President Polito at 2:00 PM, via teleconference and in-person. President Polito established for the record that all Directors were able to hear the proceedings, that all members of the Board were able to hear the Directors participating remotely clearly, and that all votes would be taken by a roll call vote pursuant to the provisions of the Brown Act. The meeting was also livestreamed.

ROLL CALL

Board Members Present: *President Polito, Vice President Ferro, Director Smith, and Director Holtz.*

**Noting Vice President Ferro arrived at 2:10 PM.*

Board Members Absent: Director Ness.

Staff Members Present: *General Manager Arant, Director of IT Pilve, District Engineer Grabbe, Director of Finance and Administration Pugh, Director of Operations and Facilities Lovelady, Manager of Accounting Velasquez, Executive Assistant/Board Secretary Peraino, General Counsel de Sousa, and Federal Consultant Representative (Ike with HGR) present in-person.*

PUBLIC COMMENTS / QUESTIONS

President Polito established for the record the process by which public comments are received by the Board; this process was also described in the Agenda for the meeting.

CONSENT CALENDAR

1. **Minutes of the Regular Board Meeting Held Monday, April 3, 2023;**
2. **Audit Demands for Check Nos. 165758 – 166002 from March 24 thru April 20, 2023 and Wire Disbursements for the Month Ending March 31, 2023; and**
3. **Quarterly Expense Reimbursement Disclosures (Oct. 1 – Dec. 31, 2022) per GC \$53065.5.**

Action: Upon motion by Holtz, seconded by Smith; motion carried with three (3) affirmative votes, the previously listed consent calendar items were approved.

ACTION AGENDA

4. **Adoption of Resolution No. 2023-15, Supporting VCFPD's Request for Support on Property Tax Allocation Reapportionment:**

At the Regular Meeting of April 6, 2023, Chief Joe Napier addressed the Board seeking support for the VCFPD request to the San Diego County Board of Supervisors for an increase from 2% to 6% of the County's 1% General Property Tax, reminded General Manager Arant. After the presentation, the Board voted unanimously to support the request and directed staff to bring back a resolution of support for consideration to the next regular Board Meeting. Adoption of Resolution No. 2023-15 would express the Board's official support for VCFPD's request. Staff

**Valley Center Municipal Water District
Board of Directors' Meeting Minutes**

also drafted a transmittal letter to convey the adopted resolution to the San Diego Board of Supervisors.

Action: Upon motion by Smith, seconded by Holtz; motion to adopt the following resolution, passed with three (3) affirmative votes:

RESOLUTION NO. 2023-15

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
VALLEY CENTER MUNICIPAL WATER DISTRICT SUPPORTING
THE REQUEST OF THE VALLEY CENTER FIRE PROTECTION
DISTRICT TO RAISE ITS SAN DIEGO COUNTY TAX ALLOTMENT
FROM 2% TO 6% OF PROPERTY TAX REVENUES**

was adopted by the following vote, to wit:

AYES: **Directors Polito, Smith, and Holtz**
NOES: **None**
ABSENT: **Directors Ferro and Ness**

5. Authorization to Enter into a Master Services Agreement with the Mission Resources Conservation District (MRCD) for Water Conservation Services:

The Water Use Efficiency Regulations outlined in AB 1606 and SB 606 are moving into the final regulatory process this summer with implementation slated to start as early as January 2024, began General Manager Arant. Though not yet adopted, the final regulatory requirements currently being considered by the State Water Resources Control Board (SWRCB) will require greater levels of water use efficiency by residents and commercial establishments to meet ever-decreasing outside water use allowances, while attempting to maintain healthy landscapes. While it is anticipated that VCMWD will be able to develop its in-house staff and expertise at some point, a cost-effective interim solution would be to contract with the MRCD.

Since the early 1990s, the MRCD has been involved with providing agricultural and landscape efficiency evaluations across San Diego County. Mr. Arant emphasized that *any services requested by the MRCD would not duplicate any of the conservation services provided for and funded through the SDCWA.*

MRCD would be able to provide on-site evaluations and consultations for VCMWD customers (both residential and CII - Commercial, Industrial, and Institutional) while training in-house conservation staff as it develops. In addition to the services provided through the contracts with the SDCWA, other services the MRCD can provide upon request, are:

- Overall Program Administration to assist in the development of in-house District programs;
- Overall Water Use Evaluations for residential and CII customers;
- Indoor Water Use Survey as customers deal with GPD allowances;
- Outdoor Residential Survey;
- GIS Mapping and Landscape Area Measurement;
- Customer "How to" Workshops; and
- Classroom Educational and Awareness Presentations.

MRCD requested a \$10,000 retainer to secure additional staff and other resources needed to provide conservation services. Staff would anticipate budgeting for services in FY 2023-24, FY 2024-25, and FY 2025-26, with a total cost not to exceed the amount of \$12,500 per year, or \$37,500 for the full contract period.

Valley Center Municipal Water District Board of Directors' Meeting Minutes

VCMWD and its agricultural customer base have had a long, productive relationship with the MRCD, and their ability and expertise in delivering critical services have been well established, stated Mr. Arant. As the District moves into FY 2023-24, and with the implementation of AB 1668 and SB 606, there will be a need for greater outreach and interaction with our customers to start moving them toward achieving higher levels of both outdoor and indoor water use efficiency. MRCD can provide the expertise to provide those services initially while assisting VCMWD in developing its in-house staff and programs to meet the more stringent water use efficiency requirements that will have the full regulatory force and effect in 2027.

Action: Upon motion by Smith, seconded by Ferro; motion to provide authorization for the General Manager to enter into a Master Services Agreement with MRCD was approved with four (4) affirmative votes.

6. Review of the San Diego County Consolidated Redevelopment Oversight Board Election:

The ballot for the election of San Diego County Consolidated Redevelopment Oversight Board Special District Representative was presented for Board consideration. General Manager Arant gave a brief background on the Consolidated Redevelopment Oversight Board, stating that it oversees and approves certain actions of all the San Diego County area redevelopment successor agencies, and manages the assets of the former redevelopment agencies, the repayment of debts, and the fulfillment of other redevelopment agency obligations. The candidates running for office are Timothy Robles of the Lakeside Fire Protection District and Patrick Sanchez of the Vista Irrigation District.

The Board was provided an opportunity to provide input to the Board President on casting a ballot for the position of Special District Representative for the San Diego County Consolidated Redevelopment Oversight. Mail-in ballots are due Monday, May 1, 2023, and were forwarded immediately after the conclusion of the Board Meeting.

Action: Upon motion by Smith, seconded by Holtz; motion to select Director Sanchez (from the VID) for the representative position was approved with four (4) affirmative votes.

7. Public Hearing Date Set for May 16, 2022 to Consider Proposed Miscellaneous Water Meter Fees and Charges, and Related Administrative Code Changes:

Proposed revisions to various water meter fees and charges were presented by District Engineer Grabbe for Board discussion, input, and direction. To avoid the possibility of significant increases, staff has committed to reviewing these one-time fees and charges annually. Staff analyzed the charges currently in effect as they relate to the actual material, labor, and equipment costs experienced in the current fiscal year, as explained by Mr. Grabbe.

After analyzing current charges as they relate to actual material, labor and equipment costs, staff considered industry standards such as Consumer Price Index for All Urban Consumers (San Diego - Carlsbad) ("CPI-U"), Engineering News Record ("ENR"), and Cost of Living Adjustment (COLA) to help determine the appropriate updates to the charges. ENR and CPI Indexes are indicating approximately a 7-8% increase from last year, setting the District's COLA for salary increases at its maximum allowed of 4.5% which takes effect July 1, 2023. It was also noted that recent inflation has caused above-average material, equipment, and labor cost increases.

The fees shown in the following sections of the District's Administrative Code are recommended to be increased to match actual costs that the District is paying currently for its materials and labor rates reflecting the 4.5% COLA increase per employee association Memorandum of Understanding.

Valley Center Municipal Water District Board of Directors' Meeting Minutes

- Section 160.4(a) – *Meter Installation Fees (Added “Meter Lateral Charges”, updated Tables 2 and 8, leaving no changes to Table 17)*
- Section 160.4(a) – *Fire Meter Tee (Table 7)*
- Section 160.12(d) – *Backflow Devices (Tables 3 – 6)*
- Section 160.20(c) – *Pressure Reducing Valves (Tables 9 and 10)*
- Section 160.8(a) – *Meter Relocation (Table 18)*
- Section 160.8(b) – *Meter Reconnection Allowance (Table 19)*
- Sections 160.22 & 171.10 – *Project Facility Availability & Comment Letters (Table 15)*
- Section 160.24(a) – *Construction Meter Service (Table 16)*

As a part of this process, staff also reviewed the minor Administrative Code modifications recommended to clarify code sections related to the meter application process, meter relocation requirements, and manifold alternatives, explained Mr. Grabbe. Proposed updates will align the code with procedures and policies that reflect current needs.

Action: Upon motion by Smith, seconded by Holtz; motion carried with four (4) affirmative votes, the public hearing date was set for Monday, May 15th at 2:00 p.m.

INFORMATIONAL AGENDA

8. Review of Budget Policies:

A preview of the District's budget policies was presented by Manager of Accounting Velasquez. The District has seven policies:

1. Reserves –

- a. **Rate Stabilization Reserves** are used to level water rates and pumping rates;
- b. **Operating Reserve** provides funds for emergencies and natural disasters;
- c. **Restricted Reserves** include Lower Moosa Canyon Replacement, Woods Valley Ranch Water Reclamation Facilities (WRF) Replacement, Grinder Pump, and Debt Service Reserves. Staff introduced the proposal to establish a Low Pressure Sewer Pump Reserve for Lower Moosa Canyon similar to the Grinder Pump Reserve in the Woods Valley Ranch WRF Fund; and
- d. **Capital Reserves** provide funding for continued budgeted capital projects, improvements funded from capacity charges, future capital additions and replacements.

2. **Fees and Charges** – Simply states that each water and wastewater system is self-sufficient and that all fees and charges from wholesale agencies are passed through to our customers.
3. **Debt** – long term debt is not used to fund current operating costs.
4. **One-time & Unpredictable Revenue** – significant one-time revenues are allocated to the source of the receipt and are not relied upon to initiate new programs.
5. **Balanced Budget** – the budget shall be balanced from current revenues and with Board approval during the budget process reserves can be used if needed.
6. **Revenue Diversification** – shall attempt to cover at least 60% of its fixed operating expenses with monthly water service charges.
7. **Contingencies** – provides procedures for use during water emergencies.

Action: Informational item only, no action required.

**Valley Center Municipal Water District
Board of Directors' Meeting Minutes**

9. Review of Revenue and Expense Projections in the Proposed Fiscal Year 2023-24 Budget:

To keep the Board apprised of what to anticipate in the proposed Fiscal Year (FY) 2023-24 Budget, Manager of Accounting Velasquez gave an overview of major assumptions, capital projects, and changes expected in the new budget.

Water Sales:

For the current FY ending June 30, 2023, it is projected that the District will sell 14,400-acre feet of water; 12.7% under the budgeted 16,500-acre feet. The significant shortfall in water sales compared to budget is due to the unforeseen onslaught of powerful atmospheric river storms that California faced during the winter, leading to record-breaking snowpack, nearly full reservoirs and overflowing watersheds. Additionally, agricultural sales continue to decline due to rapid increases in the wholesale water costs, regulatory restrictions, labor costs and shortages and market competition. For FY 2023-24, staff feels reducing the estimated sales to 16,000-acre feet would be more reasonable and reflective of the overall decline in agricultural sales.

Water Rates:

Ms. Velasquez stated that on January 1, 2024, aggregate wholesale costs from San Diego County Water Authority (SDCWA) and Metropolitan Water District (MWD) will increase. Included in the preliminary rate estimates is the most recent information that the District has received. SDCWA staff continues to seek Board input and refine multiple series of key inputs and assumptions that are expected to have significant influence on the ultimate Calendar Year 2024 rate recommendation come May. A News Release issued on March 10th announced that SDCWA's average rates are projected to rise approximately 14%.

Also included in the water charges from SDCWA and Metropolitan Water District (MWD) are fixed charges for capacity, readiness to serve, customer service, emergency storage, and supply reliability. It was recommended that all SDCWA wholesale rate changes be passed through to the District's customers in accordance with the District's Rate and Budgeting Policies contained in Section 160.3 (g) of the Admin Code. *Note: Final rate recommendations will be based upon actual rate increases from SDCWA and MWD. Actual rates to be adopted effective February 1, 2024, may be different.*

The District's local cost component of the water rate is budgeted at \$278.57 per acre foot, representing an increase of 1.8%, or \$4.93 over the current rate of \$273.64. This increase is necessary to cover a portion of the local fixed costs, with the 1.8% increase generating additional service charges of approximately \$78,000 over 12 months to further free property taxes for capital improvements.

Agricultural Water Rates (PSAWR Program):

Based on the current rate information from the SDCWA for FY 2023-24, VCMWD Permanent Special Agricultural Water Rate (PSAWR) customers will pay a retail rate that is \$698, or 25% lower than their domestic counterparts.

Local Revenues:

Monthly Water Service Charge:

Current Board policy states that the District's local water rates and charges, which include but are not limited to the District's Local Commodity Charges and Monthly Meter Service Charge, be set so that revenue from these sources would fully cover the District's local operating costs

Valley Center Municipal Water District Board of Directors' Meeting Minutes

(excluding wholesale water and power costs). Presently, the combination of the two revenues is not sufficient to fully cover the District's local operating costs; as a result, other non-operating revenues including investment income, lease revenues, and delinquent penalties make up the difference. It is the District's goal to close that gap over the next two years, and meet that goal by FY 2024-25.

Staff asks that the Board consider increasing the monthly service charge \$0.85 and \$1.16 for a ¾-inch and 1-inch meter, respectively. This 1.8% increase would generate additional service charges of approximately \$147,000 over 12 months to further free property taxes for capital improvements. Doing so will bring the local fixed cost coverage from monthly service charges up to 59.85%. The District is on target to reach its goal of covering 60% of all local fixed costs with the monthly service charge by FY 2024-25. Staff proposes that the increase be implemented on January 1, 2024, concurrent with the wholesale increases.

Pumping Rates:

Total energy costs including electricity, natural gas, and pump and motor maintenance are estimated to increase 12.8% over the prior year budget. Included in the preliminary budget and in the pumping revenues stated above is a 10% increase to the pumping rates. In order to cover all of the pumping costs that include electricity, natural gas, pump maintenance, and motor maintenance the District would need to increase the pumping rates by 42%. The Pumping Rate Reserve was depleted in FY 2016-17; every year since then, energy costs have exceeded pumping revenues at a rate higher than the District could raise rates. The current FY is the first year since FY 2000-01 that the revenues generated from the pumping charge were insufficient to cover the cost of electricity and natural gas. A shortfall of \$232,500 is anticipated which will be covered by other non-operating revenues, further reducing the contribution to capital replacement reserves. The total expected shortfall including pump and motor maintenance is approximately \$1.2M.

With the 10% proposed rate increase, it's anticipated that revenue from the pumping charge will be sufficient to cover the cost of electricity and natural gas with a small excess of approximately \$165,000 going towards the coverage of the pump and motor maintenance costs that are estimated at \$998,800; leaving an estimated total shortfall of approximately \$834K. Instead of attempting to recover the loss in one year, staff recommends working towards recovering all pumping costs over the next 3-5 years. In the meantime, the deficit will continue to be recovered with other non-operating revenue.

Staff will return at the next Board Meeting to provide an analysis and comparison of the proposed Pumping Charge increase options in the FY 2023-24 Proposed Budget. Each of the four options to be presented will, at minimum, cover the wholesale Utility Costs of electricity and natural gas.

Other Revenue:

SDCWA Infrastructure Access Charge (IAC):

Annually the SDCWA assesses the District a fixed charge based on the number and size of the active meters within the District. The charge to the District is passed through and collected from active customers. Based on the latest information from the SDCWA, the proposed IAC to go into effect on January 1, 2024 for a ¾-inch meter is \$4.32, representing an increase of 1.9% or \$0.08 from the current rate of \$4.24.

Valley Center Municipal Water District Board of Directors' Meeting Minutes

Property Taxes:

Secured property taxes are budgeted at \$3,151,000 for 2023-24, 2% more than the estimated actual for the current year. The District will also receive \$573,000 in water availability charges. The revenues collected entirely from both sources will fund the proposed new Capital Improvement appropriations.

Investment Income:

Investment Income is budgeted at \$864,900 for Fiscal Year 2023-24, 27.5% higher than budgeted in the current year, with an estimated rate of return at 3.00%. The current year estimated average rate of return is 2.00%. The Federal Reserve increased the Federal Funds Rate multiple times in the current year in an effort to offset the upward pressures on inflation, with no indication that the Federal Reserve plans to stop the increases as inflation remains elevated. Staff anticipates that because of the conservative holdings it currently has it will take the entire FY before the District's portfolio sees the full effects of the most recent increases to interest rates.

Personnel:

Staffing necessary to maintain operating, maintenance and administrative service levels for FY 2023-24 is proposed at 72 full-time equivalent positions; that is the same as was authorized in the Fiscal Year 2022-23 Budget. A cost of living salary adjustment is included in the calculations at 4.5%, in accordance with the current Memorandum of Understanding as well as average overall merit increases totaling 2.5% have also been included in the budgeting considerations for FY 2023-24.

There are two employees scheduled to retire in the coming year: John Martineau, Senior Construction Maintenance Technician, will be retiring in December; and Wally Grabbe, District Engineer, retiring in March. Overlap for training purposes is included in the FY 2023-24 Budget.

Operating Expenses:

Total operating expenses shown below, excluding Source of Supply, are budgeted at a total of \$14.9M compared to \$14.7M for the current Fiscal Year, a net increase of \$159,000 or 1% year-over-year. The following items are included in the increase.

- **General Administration Dept.** are budgeted to increase 0.6% largely due to increases in legal services, the water conservation program and LAFCO budget assessment that were partially offset by decreases to both labor and benefits and the unclassified contingency fund.
- **Finance Dept.** expenses, including debt service of \$44,873, are budgeted to decrease by 3.1% compared to the current year. The decrease is largely due to lower write off of uncollectible accounts and the elimination of the Emergency Paid Sick Leave both related to the COVID-19 Pandemic. Those decreases were partially offset by increases to outside professional services, labor and benefits, training and education, and transportation, meals and travel.
- **I.T. Dept.** budget amount is expected to increase 6.7% due to an increase in labor and benefits and the cost of maintaining equipment partially offset by a decrease to the cost of maintenance agreements & contracts.
- **Engineering Dept.** budget is estimated to be 6.7% greater than last year. The increase represents higher labor and benefits that includes overlap for a new District Engineer and higher software technical support costs that are partially offset by decreases in outside professional services, maintenance of equipment, special department expenses, transportation, meals & travel, and membership fees/dues.

Valley Center Municipal Water District Board of Directors' Meeting Minutes

- **Operations and Facilities Dept.** water expenses for FY 2023-24 are expected to have a net change of nearly zero. The major changes comprise of decreased labor and benefits, outside professional services, gas, oil and grease, and maintenance of engines. Decreases were almost entirely offset by increased temporary labor, chlorine, maintenance of valves, meter installation costs, maintenance of facilities and installation of backflow devices.

Debt:

State Revolving Fund (SRF):

- The District currently has three Clean Water State Revolving Fund (CWSRF) Loans with an outstanding balance in the amount of \$18,408,960 at 2.2% interest. The funds were used solely for the Woods Valley Ranch Wastewater Expansion Project. In FY 2023-24, Debt Service payments against this loan amount to \$1,542,388.
- In addition, a Safe Drinking Water State Revolving Fund loan for the Cool Valley Reservoir Cover/Liner replacement was obtained by the District. At June 30, 2023, the outstanding amount of the loan will be \$2,754,885 at 1.6% interest, with a Debt Service payment is \$220,421 for FY 2023-24.
- On March 21, 2022, the Board authorized an SRF Financing Agreement totaling \$8,500,000 to fund the following three projects: Oat Hill Pump Station Discharge, Gordon Hill Rd Pipeline and Lilac Road Pipeline. The term of the loan will be 30 years at an interest rate of 1.2%. Construction periods vary for the three projects with the first beginning in March 2022 and the final completing in November 2023.

Wastewater:

Staff projected that the Moosa operating revenues will be sufficient to meet the anticipated operating costs for FY 2023-24. However, the new proposed capital appropriations will require additional funding generated from a new proposed Capital Improvement Charge as well as a loan of \$1.1M from the general fund. It's anticipated that Woods Valley Ranch WRF will have sufficient revenues to meet the anticipated operating and capital costs.

- **Lower Moosa Canyon:** The preliminary budget indicates that no change to the wastewater service charges nor the low-pressure wastewater collection system maintenance fee will be required and that the current charges will be sufficient to cover the operating expenses as well as ensure funding of the Replacement Reserve at the historical average of about \$340,000 per year. Currently the monthly Moosa wastewater service charge is \$61.72 EDU and the monthly low-pressure wastewater collection system maintenance fee is \$50.93 per EDU.

On February 21, 2023 the Board approved the Moosa Master Plan which outlined the capital improvement requirements over the next 20 years. Included in the Master Plan was a discussion about leveraging the net sewer service charge revenues through short-term funding from the District's General Fund and long-term Clean Water State Revolving Fund (CWSRF) Loans. For those CWSRF Loans, the State Water Resources Control Board has debt coverage requirements that would require increasing the total net revenues from \$340,000 to \$690,000. The new Capital Improvement Charge is proposed at \$12/month per EDU for that reason. There are approximately 2,490 active connections that would generate the additional \$350,000 annually as required by the State. It is estimated that a loan of \$1.1M will be required from the General Fund with a 5-year term at 2.5% interest.

- **Woods Valley Ranch:** The sewer service charges of \$98.60 per month, or \$1,183.20 per year will remain the same as no increase is required. Sewer standby fees for properties not

Valley Center Municipal Water District Board of Directors' Meeting Minutes

yet connected to the sewer system will remain unchanged at \$550.32 per EDU and will be utilized to fund the replacement reserve. The grinder pump maintenance charge for those properties requiring a grinder pump unit will also remain unchanged at the current rate of \$50.93 per month or \$611.16 per year. It is important to note that FY 2023-24 is expected to be the first year that the Wastewater Services Charges will be sufficient to cover the Operating Expenses. All fees and charges related to the Woods Valley Ranch Wastewater service area will be collected as fixed charge special assessments on the annual property tax roll.

- Woods Valley Ranch Wastewater Expansion Project:

The property owners that benefit from the Expansion are assessed via the property tax roll a fixed charge special assessment called Assessment District 2012-1 (AD 2012-1). The Debt Service related to all three SRF loans discussed above, are paid for completely with funds collected from AD 2012-1.

Development of the Park Circle Development required the construction of the Orchard Run Lift Station. A Series 1 Special Tax Bond will need to be sold to reimburse funds provided for design and construction of the Orchard Run Lift Station facility. The bonds will be issued by Community Facilities District No. 2020-1 (Park Circle East/West) ("CFD") and represent the first of two bond issuance series anticipated for the CFD. The Series 1 Bonds will be secured by and payable from the Special Tax Revenue levied on property within the CFD.

Staff is in the process of determining the required amounts for the AD 2012-1 assessment and the CFD 2020-1 special tax. That information will be presented in detail at the Board meeting on June 19, 2023.

Water Capital Projects:

New water capital improvement projects and expenditures total \$4,707,750 of which an estimated \$3.7M will be funded with revenues collected from general property tax and water availability charges. The remaining \$1.0M will be funded through non-operating revenues. The four largest project requests include McNally and Mizpah Reservoirs Paint and Recoat, Ridge Ranch Reservoir & Pump Station Replacement, Vehicle Replacements, and the Gordon Hill Upper Pipeline Relocation Project for a subtotal of \$3.9M. There are eleven other capital projects that make up the remaining difference of \$751K in new requests. Details for each new requested project will be presented at the June 19th Board Meeting. There are \$767,000 dollars in un-appropriated budgeted funds from prior year projects that will not be used and will not be carried forward.

Wastewater Capital Projects:

Moosa:

New appropriations for Moosa are proposed at \$1,468,700 and will require the use of funds from the Replacement Reserve as well as a loan from the general fund to complete. The three largest project requests include Upgrades to Clarifier Number 1 and 2, and the Server Room Relocation for a subtotal of \$1.1M. There are four other capital projects that make up the remaining difference of \$368,700 in new requests. Details for each new requested project will be presented at the June 19th Board Meeting. Additionally, there are \$304,744 in un-appropriated budgeted funds from prior year projects that will not be used and will not be carried forward.

Woods Valley Ranch:

Valley Center Municipal Water District Board of Directors' Meeting Minutes

New appropriations for Woods Valley Ranch are proposed at \$824,300 for 4 different projects. The one major project being the purchase and installation of Rapid Thickener Equipment for an estimated cost of \$750,000. There are no new capital appropriations proposed for the Woods Valley Ranch Expansion in FY 2023-24.

Next Steps:

Ms. Velasquez concluded her presentation by reviewing the next steps in the budget process. At the May 15, 2023 Board Meeting, staff will return to provide the Board an analysis and comparison of the proposed Pumping Charge increase options in the FY 2023-24 Proposed Budget, and ask for input and direction. On May 25, 2023 SDCWA Staff will present recommended rates and charges to its Board, with final adoption scheduled for June 22, 2023. The VCMWD Board will receive the first review of the proposed budget at the June 19, 2023 Board Meeting, with adoption scheduled for the July 3, 2023 Board Meeting.

Action: No action required, informational item only. The completed budget will be presented for Board approval at a later date.

GENERAL MANAGER'S AGENDA

10. General Information:

General informational items were reported on by General Manager Arant.

Action: Informational item only, no action required.

DISTRICT GENERAL COUNSEL'S AGENDA

General Counsel de Sousa gave a brief update on pending and upcoming legislation.

BOARD OF DIRECTORS' AGENDA and REPORTS ON MEETINGS ATTENDED

11. Biennial Review of Board of Directors' Per Diem and Consideration of Modification:

At the April 5, 2021 Regular Board Meeting, the Board directed staff to adjust the frequency of the Per Diem Review *from* annually *to* biennially (every odd year), began Board Secretary Peraino. Current law provides that the Board may increase its per diem amount by 5% for each calendar year since the date of the last adjustment, which was February 16, 1993. Under the aforementioned formula, the Board could increase the current \$100.00 per diem to a maximum of \$432.24 per day of Board business.

An analysis of the current survey of 24 local water agencies was provided, indicating the following:

- Range: \$100 - \$245
- Average: \$160.98
- Median: \$155

Staff asked for direction on whether the Board wanted to schedule a public hearing to consider increasing the amount.

Action: The Board of Directors declined to initiate action to increase the amount at this time.

**Valley Center Municipal Water District
Board of Directors' Meeting Minutes**

CLOSED SESSIONS

At any time during the regular session, the Board may adjourn to closed session to consider litigation, personnel matters, or to discuss with legal counsel matters within the attorney-client privilege. Discussion of litigation is within the attorney-client privilege and may be held in closed session. *Authority: Government Code §54956.9.*

ADJOURNMENT

Action: Upon motion by Smith, seconded by Holtz; motion passed with four (4) affirmative votes, the regular meeting of the Board of Directors was adjourned at 4:24 PM.

ATTEST:

ATTEST:

Robert A. Polito, *President*

Kirsten N. Peraino, *Secretary*

VALLEY CENTER M.W.D.
DISBURSEMENTS
FOR PERIOD APRIL 21, 2023 THROUGH APRIL 27, 2023

APRIL

CHECK #	PAYEE	DESCRIPTION	AMOUNT
166003	-166006 Payroll	Payroll 04/07/23-04/21/23	369.40
166007	Advanced Chemical Transport Inc	Training - DOT HazMat Manifest	1,650.00
166008	Alpha Analytical Laboratories, Inc.	Testing	2,160.00
166009	Richard C. Ambler, Jr.	Materials - Field	2,377.88
166010	Aqua-Metric Sales Company	Materials - Field	22,416.78
166011	AT&T Mobility	Services - Account No. 287290784385	3,809.87
166012	Atlas Technical Consultants LLC	Services - Oat Hill Discharge & Orchard Run Lift S	7,120.75
166013	Automationdirect.com Inc.	Materials - Field	204.73
166014	Babcock Laboratories, Inc	Testing	497.97
166015	Chris Banner	Services	950.00
166016	Bavco	Materials - Field	4,414.31
166017	California Bank & Trust	Credit Cards - Meals, Travel, Meetings	2,304.82
166018	California Bank & Trust	Credit Cards - Meals, Travel, Meetings	1,887.91
166019	Cass Construction, Inc.	Lilac Road Pipeline Upsize Project	310,712.39
166020	CCL Contracting, Inc.	Gordon Hill Pipeline Replacement Project	305,344.58
166021	Cedar Rock Ventures, LLC	Refund Check 018031-020, 9744 Rimrock Summ	187.15
166022	City of Escondido	Escondido Woods Sewer Charges - April 2023	2,304.89
166023	Complete Office of California, Inc	Office Supplies	22.55
166024	County of San Diego	Permits - DEH2014-HUPFP-000441	548.00
166025	Dan Dentino	Medicare Reimbursement - 1st Qtr 2023	494.70
166026	Linda Westler Dentino	Medicare Reimbursement - 1st Qtr 2023	494.70
166027	Doane and Hartwig Water Systems, Inc	Materials - Field	709.17
166028	EK Lindquist Inc	Services - Orchard Run Lift Station	440.00
166029	Environmental Systems Research Institute	Annual Software/Maintenance Agreement - 7/1/23	27,553.00
166030	ERI Repro Inc	Services	1,208.96
166031	Farwest Corrosion Control Company	Services	3,412.11
166032	FedEx	Shipping Services	83.71
166033	Fieldman, Rolapp & Associates	Services	16,727.50
166034	Gosch Ford Escondido	Vehicle Maintenance	68.17
166035	Grainger, Inc	Materials - Field	2,330.13
166036	Hadronex, Inc	Smart Cover Renewal - 07/01/2023-06/30/2024	2,150.00
166037	Hasa, Inc.	Chemicals	1,246.86
166038	Hawthorne Machinery Co	Materials - Field	67.56
166039	HDR Inc.	Services	549.00
166040	HealthEquity Inc.	Employees Contributions 04/07/23-04/21/23	731.07
166041	Jacqueline Howells	Consultant Services - May 2023	7,500.00
166042	International City Mgmt Association Rep	MissionSquare Remittance 04/07/23-04/21/23	5,762.65
166043	Jankovich Company	Maintenance - Electric Motors	1,855.00
166044	Jauregui & Culver, Inc	Services	1,600.00
166045	Kennedy/Jenks Consultants	Services	3,562.50
166046	Koppel & Gruber Public Finance	Services	2,854.74
166047	Albert Lawrence	Refund Check 005240-000, Off Lilac Hill Dr L2	112.80
166048	Levco Fab, Inc.	Aeration Air Piping Upgrade	13,519.23
166049	Liquid Environmental Solutions of California	Services	1,099.25

VALLEY CENTER M.W.D.
DISBURSEMENTS
FOR PERIOD APRIL 21, 2023 THROUGH APRIL 27, 2023

APRIL

CHECK #	PAYEE	DESCRIPTION	AMOUNT
166050	Miller Spatial Services, LLC	Services - GIS Support	27,200.00
166051	Garnishment	Garnishment Paydate 04/27/23	346.15
166052	New Pointe investment 47, LLC	Reimbursement for Participation Duffwood Waterli	162,010.00
166053	Occupational Health Centers of Califo	Medical Services	957.00
166054	OneSource Distributors, LLC	Materials - Field	786.52
166055	Pacific Pipeline Supply	Materials - Field	11,964.74
166056	PEBSO/Nationwide Retirement	Deferred Compensation 04/07/23-04/21/23	9,390.29
166057	Prudential Overall Supply	Uniform Rentals - March 2023	4,568.57
166058	Richard Brady & Associates, Inc.	Services-San Gabriel No. 1 Res	3,108.62
166059	Rincon Band of Luiseno Indians	Monitoring Services - March 2023	5,224.92
166060	Rockwell Construction Services, LLC	Services - Orchard Run Lift Station	7,140.00
166061	Sierra Analytical Labs, Inc	Testing	2,540.00
166062	Socalta SA	Refund Check 017960-000, 29747 Valley Center	90.24
166063	Social Secuirty Administration	SSA Detailed Earnings Info - B. Dendy	100.00
166064	Southwest Answering Service, Inc	Answering Service - 03/23/23-04/19/23	558.32
166065	Sunbelt Rentals, Inc.	Diesel Generator Rental 02/22/23-03/21/23	2,310.46
166066	SWRCB	Renewal Distribution Grade 3 - P. Adrian #30319	90.00
166067	SWRCB - ELAP Fees	Annual Permit Fee	704.00
166068	T.S. Industrial Supply	Materials - Field	613.20
166069	The Box Office	Shipping Service	60.15
166070	Tierra Data, Inc.	Services	3,142.90
166071	Transamerican Direct, Inc.	Water Availability Letters	1,132.20
166072	Tri County Pump Company	Maintenance of Pumps/Services	9,187.02
166073	TSAC Engineering	Services	9,908.65
166074	Turbine Supply Co	Materials - Field	600.00
166075	Underground Service Alert/SC	Services - March 2023	303.30
166076	United Way of San Diego County	Employee Contributions 04/07/23-04/21/23	20.00
166077	UPS	Shipping Services	130.68
166078	VCMWD Employees Assoc.	Employees Contributions 04/07/23-04/21/23	684.50
166079	Western Electricity Coordinating Coun	Annual Fee	75.00
TOTAL			<u>1,030,364.22</u>

Approved By: _____

General Manager



Director of Finance & Administration

VALLEY CENTER MUNICIPAL WATER DISTRICT
ELECTRONIC DISBURSEMENTS
FOR PERIOD APRIL 1, 2023 THROUGH APRIL 30, 2023

SEQ. #	DATE	PAYEE	DESCRIPTION	AMOUNT
BANK TRANSFERS:				
ACH:				
531	04/13/23	Direct Deposit	DIRECT DEP PAYROLL 03/24/23-04/07/23	198,784.83
	04/14/23	IRS	P/R TAX 03/24/23-04/07/23	40,407.60
	04/14/23	EDD	P/R TAX 03/24/23-04/07/23	12,187.24
	04/14/23	CALPERS	CALPERS CONTRIBUTIONS 03/24/23-04/07/23	53,841.65
	04/14/23	EXPERTPAY	GARNISHMENT 03/24/23-04/07/23	1,241.54
	04/20/23	EDD	1st QTR 2023 UI & ETT	8,064.00
532	04/27/23	Direct Deposit	DIRECT DEP PAYROLL 04/07/23-04/21/23	199,221.31
	04/28/23	IRS	P/R TAX 04/07/23-04/21/23	40,455.35
	04/28/23	EDD	P/R TAX 04/07/23-04/21/23	12,133.63
	04/28/23	CALPERS	CALPERS CONTRIBUTIONS 04/07/23-04/21/23	54,088.53
	04/28/23	EXPERTPAY	GARNISHMENT 04/07/23-04/21/23	1,241.54

ONE TIME WIRES:

RECURRING WIRES:

582	04/07/23	SDCWA	WATER DELIVERY - FEBRUARY 2023	1,192,783.18
-----	----------	-------	--------------------------------	--------------

TOTAL

1,814,450.40

APPROVED BY:


GENERAL MANAGER


DIRECTOR OF FINANCE

**VALLEY CENTER MUNICIPAL WATER DISTRICT
TREASURER'S REPORT - SUMMARY
March 31, 2023**

ACTIVE DEPOSITS	<u>Cost Basis</u>
Checking Accounts	\$576,572.24
Deposits with Fiscal Agents	
TOTAL ACTIVE DEPOSITS	<u>\$576,572.24</u>

INVESTMENTS	<u>Market Value</u>	<u>Average Yield</u>	<u>Percent</u>	
Money Market Funds	\$22,520,995.91	3.16%	68.982%	\$23,192,380.27
U.S. Treasury Notes	738,076.00	0.88%	2.222%	747,061.15
Federal Agencies Securities	7,229,605.11	2.16%	22.320%	7,504,311.70
Certificates of Deposit, insured	<u>2,092,560.49</u>	<u>1.36%</u>	<u>6.476%</u>	<u>2,177,380.74</u>
TOTAL INVESTMENTS	<u>\$32,581,237.51</u>	<u>2.77%</u>	<u>100.000%</u>	<u>\$33,621,133.86</u>

TOTAL ALL FUNDS **\$34,197,706.10**

TOTAL ALL FUNDS (PRIOR MONTH - FEBRUARY 2023) **\$36,395,107.32**

Maturity Analysis of Investments

	<u>Percent</u>	<u>Cost Basis</u>
Money Market Funds	68.982%	\$23,192,380.27
Maturity within one year	14.010%	4,710,374.50
Maturity later than one year	<u>17.008%</u>	<u>5,718,379.09</u>
Total Investments	<u>100.000%</u>	<u>\$33,621,133.86</u>

Weighted Average Days to Maturity 156
Maximum permitted single investment maturity is 5 years.

Yield Comparatives

<u>Security</u>	<u>Term</u>	<u>Yield</u>	<u>Security</u>	<u>Term</u>	<u>Yield</u>
LAIF	1 day	2.831%	12 mo. rolling T Bond	1 year	3.666%
T Bills	3 months	4.860%	T Bonds	1 year	4.680%
T Bills	6 months	4.990%	T Bonds	2 years	4.300%

Sufficient funds are available to meet the next six month's expenditure requirements. All investments are in compliance with the District's adopted statement of investment policy. Market values for the Governmental / Federal Securities and Certificates of Deposit were provided by Zions Capital Advisors.


Reviewed by James V. Hugh, Treasurer 05/02/23


Received by Gary T. Arant, General Manager 05/02/23
Date

**VALLEY CENTER MUNICIPAL WATER DISTRICT
TREASURER'S REPORT - DETAIL
March 31, 2023**

ACTIVE DEPOSITS

Checking Accounts:

California Bank & Trust
California Bank & Trust
Petty Cash

Cost Basis

\$571,298.24
\$3,874.00
\$1,400.00
\$576,572.24

INVESTMENTS

Money Market Funds:

Local Agency Investment Fund
County of San Diego Investment Fund
Zions Institutional Liquidity Management

Face Value
or Rating

Purchase
Date

Maturity
Date

Market
Value

Current
Yield

\$349,278.28 2.83% \$349,278.28
\$22,108,682.73 3.16% 22,780,067.09
\$63,034.90 4.48% 63,034.90

\$22,520,995.91 3.16% \$23,192,380.27

U.S. Treasury Notes:

U S Treasury Notes 1.250%
U S Treasury Notes 0.125%

500,000 05/06/22 07/31/23 494,179.50 1.26% 497,252.38
250,000 05/20/21 10/15/23 243,896.50 0.13% 249,808.77

\$738,076.00 0.88% \$747,061.15

Federal Agencies Securities - CB&T, a subsidiary of Zion Bank

Federal Home Loan Mtg Corp 0.40%	250,000	09/18/20	02/26/24	240,199.93	0.40%	\$250,000.00
Federal Home Loan Banks 0.50%	250,000	08/30/21	08/28/24	236,189.64	0.50%	250,000.00
Federal Farm Credit Bank 0.44%	250,000	11/04/20	11/04/24	234,759.29	0.44%	250,000.00
Federal Home Loan Banks 0.625%	250,000	05/27/21	02/27/25	232,984.18	0.63%	250,000.00
Federal Home Loan Banks 0.80%	250,000	07/21/21	07/21/25	231,807.08	0.80%	250,000.00
Federal Home Loan Bank 3.25%	500,000	08/22/22	08/22/23	496,346.55	3.25%	500,000.00
Federal Home Loan Banks 1.00%	500,000	03/10/22	09/29/23	493,916.56	1.00%	500,000.00
Federal Farm Credit Banks 3.49%	1,000,000	06/22/22	12/22/23	988,657.91	3.49%	1,000,000.00
Federal Home Loan Banks 5.00%	250,000	01/09/23	01/10/24	249,406.57	5.00%	250,000.00
Federal Home Loan Banks 1.50%	500,000	03/28/22	03/28/24	487,614.14	2.25%	500,000.00
Federal Home Loan Banks 0.50%	250,000	03/24/21	09/24/24	235,638.49	0.50%	250,000.00
Federal Home Loan Banks 0.50%	250,000	09/30/21	09/30/24	235,522.23	0.50%	250,000.00
Federal Home Loan Banks 1.00%	500,000	03/10/22	12/10/24	485,900.16	2.03%	499,599.70
Federal Home Loan Banks 0.40%	250,000	02/18/21	02/18/25	232,142.87	0.40%	250,000.00
Federal Home Loan Banks 0.625%	250,000	05/27/21	02/27/25	232,985.18	0.63%	250,000.00
Federal Home Loan Banks 2.15%	500,000	03/14/22	03/14/25	479,598.86	2.15%	500,000.00
Federal Home Loan Banks 6.00%	300,000	03/30/23	03/27/25	301,978.90	6.00%	300,000.00
Federal Home Ln Mtg Corp 5.15%	480,000	01/27/23	01/27/26	477,745.22	5.17%	479,712.00
Federal Home Loan Banks 0.80%	350,000	03/16/21	03/16/26	317,800.21	0.80%	350,000.00
Federal Home Loan Banks 1.00%	125,000	06/30/21	06/30/26	113,160.69	1.00%	125,000.00
Federal Home Loan Banks 1.05%	250,000	10/15/21	10/15/26	225,250.45	1.05%	250,000.00

\$7,229,605.11 2.16% \$7,504,311.70

Certificates of Deposit - CB&T, a subsidiary of Zion Bank

Goldman Sachs 2.70%	248,000	04/18/19	04/17/23	247,735.88	2.71%	247,938.54
UBS Bank 0.25%	125,000	07/15/21	07/14/23	123,290.13	0.26%	124,978.97
Raymond James Bank 1.95%	245,000	08/23/19	08/23/23	242,013.21	1.95%	244,968.52
BMW Bank North America 0.35%	245,000	09/27/21	09/25/23	239,472.07	0.36%	244,937.87
Cit Bank 3.30%	100,000	05/06/19	10/30/23	98,991.00	3.18%	100,489.45
Centerstate Bank 1.05%	245,000	04/30/20	04/30/24	234,677.42	1.05%	245,000.00
Medallion Bank 0.40%	245,000	07/29/21	07/22/24	230,661.13	0.45%	244,606.82
Synchrony Bank 0.55%	125,000	09/03/21	09/03/24	117,329.25	0.55%	125,000.00
UBS Bank 3.00%	120,000	05/11/22	11/12/24	116,260.20	3.03%	119,918.77
Morgan Stanley 1.50%	230,000	07/27/20	04/16/25	214,757.21	1.03%	234,841.87
HSBC Bank 1.30%	245,000	05/08/20	05/07/25	227,372.99	1.33%	244,699.93

\$2,092,560.49 1.36% \$2,177,380.74

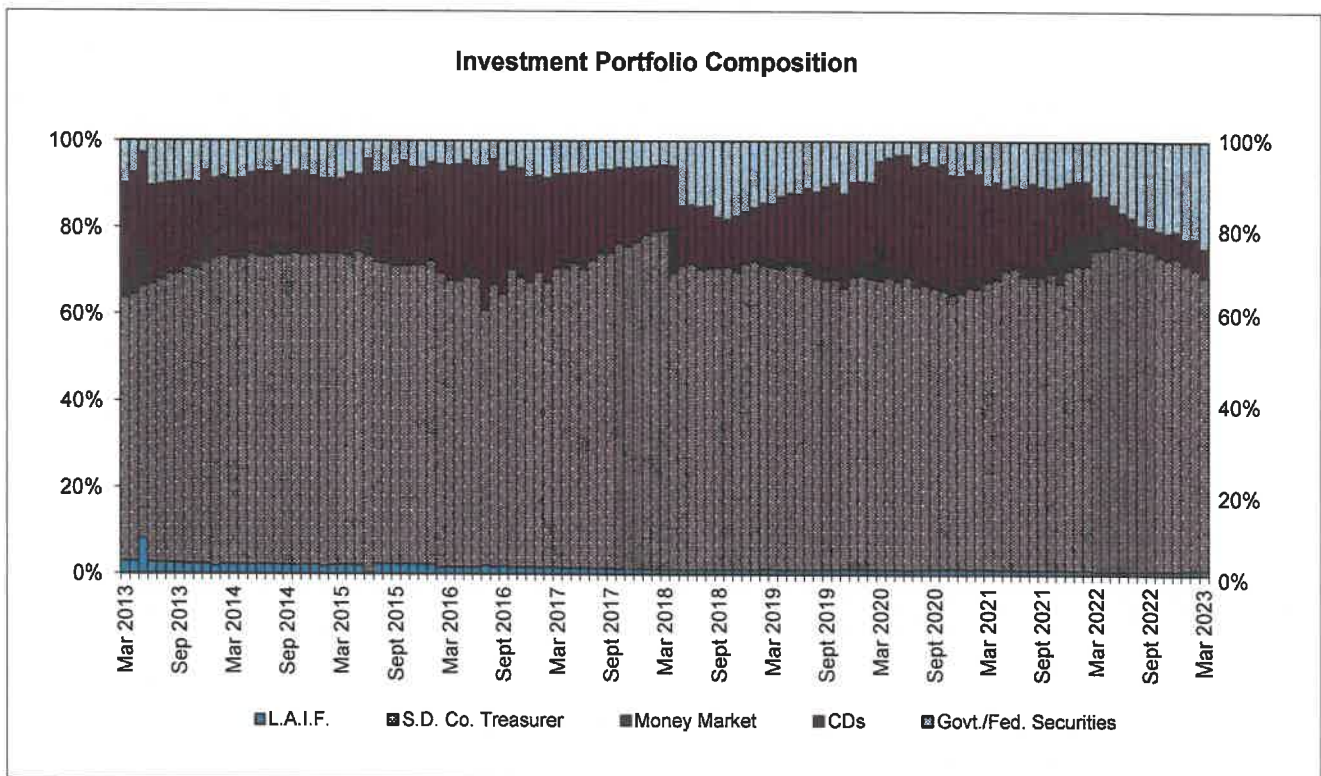
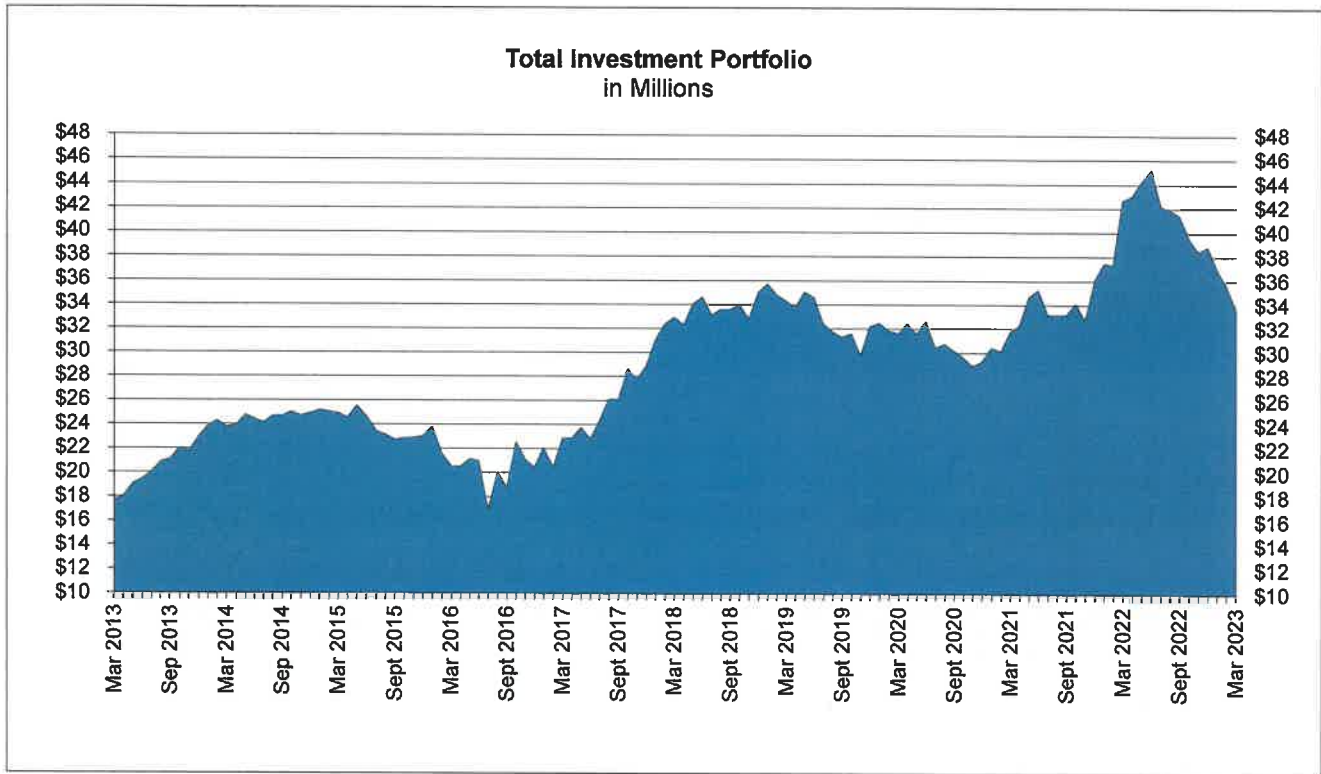
TOTAL INVESTMENTS

\$32,581,237.51 **Average 2.769%** \$33,621,133.86

TOTAL ALL FUNDS

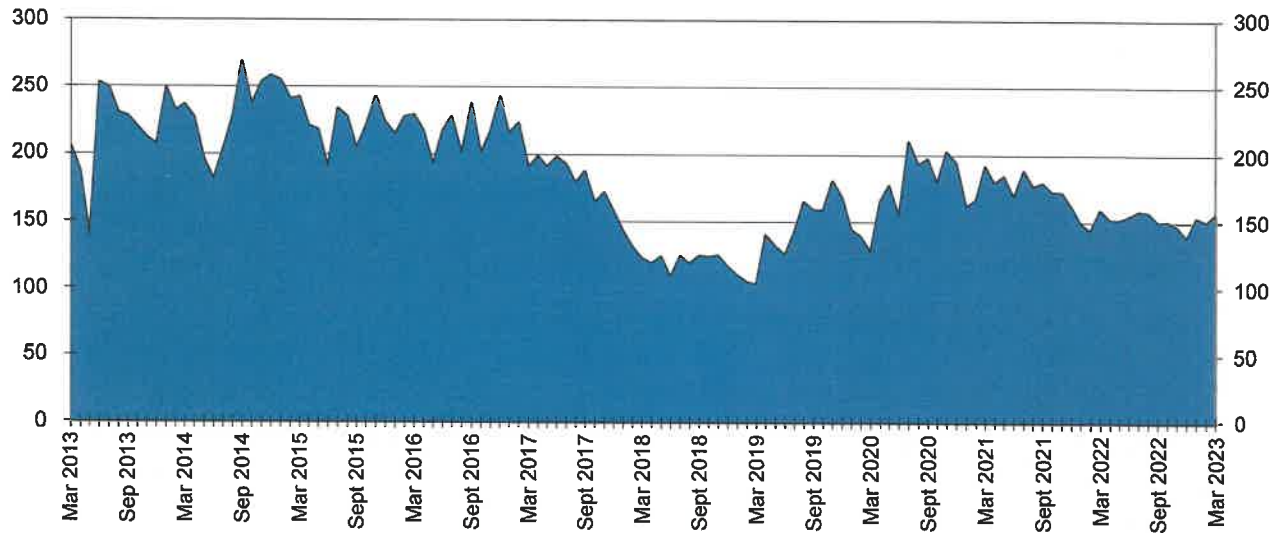
\$34,197,706.10

**VALLEY CENTER MUNICIPAL WATER DISTRICT
TREASURER'S REPORT - GRAPHS
March 31, 2023**

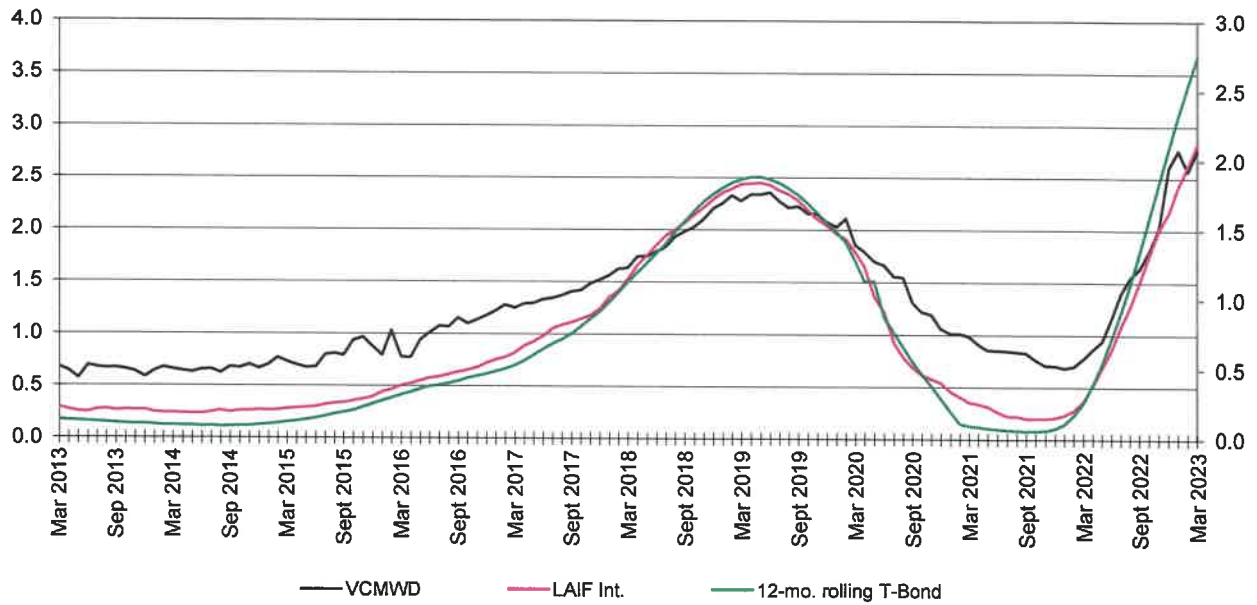


**VALLEY CENTER MUNICIPAL WATER DISTRICT
TREASURER'S REPORT - GRAPHS
March 31, 2023**

Weighted Average Days to Maturity



**Yield Comparisons
in Percentages**



**VALLEY CENTER MUNICIPAL WATER DISTRICT
TREASURER'S REPORT - TRANSACTIONS
JULY 1, 2022 THROUGH JUNE 30, 2023**

INVESTMENTS PURCHASED

<u>Purchase Date</u>	<u>Security</u>	<u>Maturity Date</u>	<u>Cost</u>	<u>Face Value</u>	<u>Expected Yield</u>
<u>CB&T, a subsidiary of Zion Bank</u>					
08/22/22	Federal Home Loan Banks 3.25%	08/22/23	500,000.00	500,000.00	3.250%
08/30/22	Federal Home Loan Banks 3.15%	02/23/23	200,000.00	200,000.00	3.150%
12/30/22	Federal Home Loan Banks 5.20%	12/18/23	100,000.00	100,000.00	5.200%
01/09/23	Federal Home Loan Banks 5.00%	01/10/24	250,000.00	250,000.00	5.000%
01/27/23	Federal Home Ln Mtg Corp 5.15%	01/27/26	480,000.00	480,000.00	5.150%
03/30/23	Federal Home Loan Banks 6.00%	03/27/25	300,000.00	300,000.00	6.000%

INVESTMENTS MATURED

<u>Purchase Date</u>	<u>Security</u>	<u>Maturity Date</u>	<u>Cost</u>	<u>Face Value</u>	<u>Yield to Maturity</u>
<u>CB&T, a subsidiary of Zion Bank</u>					
07/01/20	New York Comenity 0.35%	07/05/22	245,000.00	245,000.00	0.350%
12/16/20	Federal Home Loan Mrtg Corp 0.20%	12/16/22	200,000.00	200,000.00	0.200%
05/20/22	U S Treasury Notes 2.125%	12/31/22	500,000.00	500,000.00	2.125%
12/30/22	Federal Home Loan Banks 5.20%	02/21/23	100,000.00	100,000.00	5.200%
08/30/22	Federal Home Loan Banks 3.15%	02/23/23	200,000.00	200,000.00	3.150%

VALLEY CENTER MUNICIPAL WATER DISTRICT
Quarterly Financial Report as of March 31, 2023
75% of Budget Year

Total Revenues for the quarter ending March 31, 2023, total \$36,811,966, which is 65.1% of budget. Details of revenues are as follows:

Water Sales and Pumping Revenue of \$21,600,496 is currently 59.4% of budget. Water sales through the third quarter total 10,629 acre-feet, and are 64.4% of budget. Water sales from January through March totaled 1,042 acre-feet. This is due to increased rainfall 24.2 inches so far this calendar year with 18.4 inches of that in the third quarter.

Meter Services Charges of \$5,828,252 are right on budget at 74.2%.

New Connection Sales are running 225.0% of budget. This increase is due to higher than anticipated meter sales at this point of the fiscal year from new development.

Other Income of \$884,110, is running 85.1% of budget. This is higher than budget due to higher delinquency charges, lease revenues, and the sale of Solar Credits.

Investment Income of \$780,427 is currently running over budget at 182.0%. This increase is a result of the higher than expected rate of return on investments due to the multiple increases that the Federal Reserve has made to the Federal Funds Rate. As a result of those changes, rather than seeing unrealized losses, the District is experiencing unrealized gains. Those are now calculated and recorded monthly. Through March 31, 2023, unrealized gains total approximately \$160,000. The District's average rate of return for FY 2022/23 is expected to be 2%, compared to the 1.25% that was budgeted.

Capacity Charges of \$1,239,393 and are 80.6% of budget. The increase is a result of the new connection sales due to higher meter sales related to new development.

Property Taxes and Water Availability Charges total \$2,270,929, and are running at 66.8% of budget. The majority of property taxes and water availability charges are received in December and April when taxes are generally paid.

Moosa Wastewater revenues are right on budget at \$1,392,250, or 74.1% of budget.

The **Woods Valley Wastewater** revenues are down as they are on the property tax roll and are generally received in December and April.

Total Expenditures of \$34,667,653 are 62.5% of budget at the end of the third quarter. More details of the expenditures follows:

Source of Supply is the single greatest Water Operating Expense. It includes the cost of water sold, electricity, and natural gas the sum of which accounts for 68% of the total budgeted water operating expenditures in Fiscal Year 2022-23. Source of Supply of \$19,568,675 is 62.5% of budget at the end of the second quarter. Water purchases through the end of the third quarter total 10,260 acre-feet which is 58.5% of budget. Purchases are down, like sales due to the increased rainfall seen in January through March of this year. Total rainfall for the fiscal year is 24.2 inches with 18.4 inches of that coming in the third quarter.

General Administration costs are 68.2% of budget, at \$631,807. The slight reduction is a result of lower outside professional services, labor and benefits, and travel expenses.

Information Technology expenses are slightly above budget totaling \$767,582 or 76.6%. The slight increase is due to higher labor and benefits which are offset by lower maintenance expenses.

Finance expenses, excluding debt service, are below budget at \$1,848,367, or 68.2% of the 2022-23 fiscal budget at March 31st. The increase is due to higher labor and benefits and utility costs which are offset by lower outside services, special department expenses, postage and travel expenses.

Engineering expenses of \$1,435,119 are slightly under budget, running at 69.8%. The reduction is a result of lower labor and benefits, outside professional services, and legal services.

Operations and Facilities expenses are \$5,780,970, or 71.9% of budget. This is down slightly as a result of a decrease in labor and benefits, training, outside services, and software technical support.

Moosa operating expenses are \$1,194,487, or 80.8% of budget. The increase is due to higher labor, benefits, outside professional services, and utility expenses.

Woods Valley Ranch combined operating expenses are right on budget, running at 74.6% of the combined operating budget numbers.

Combined **Capital Project Appropriations** are below budget as major projects have yet to begin.

In the water general fund, the Painting and Recoating of San Gabriel, \$2,040,000, and Mountain Meadows and Reid Hill Reservoirs, \$1,590,000, are underway. The Enterprise Resource Planning Software, \$750,000, and the Dump and Hooklift Trucks, totaling \$592,325, have yet to start or been received.

At Moosa the Aeration Air Piping Upgrade of \$150,000 has just started. In addition, we are still waiting on service trucks.

At Woods Valley the Aeration Piping Evaluation of \$25,000 has yet to start and we are still waiting on service vehicles.

VALLEY CENTER MUNICIPAL WATER DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE PERIOD ENDED MARCH 31, 2023
75% OF BUDGET YEAR

	2022-2023 Adopted Budget	Actual for the period ended 3/31/2023	Percent of Budget
REVENUES:			
Water Sales	16,500 A.F.	10,629 A.F.	64.4%
General Fund:			
Operating Revenues:			
Water Sales (including pumping)	36,389,000	21,600,496	59.4%
Meter Service Charges	7,859,000	5,828,252	74.2%
New Connection Sales	418,050	940,670	225.0%
Other Revenue	1,038,900	884,110	85.1%
Investment Income	428,800	780,427	182.0%
Total Operating Revenue	46,133,750	30,033,955	65.1%
Debt Service Revenues - Water Availability Charges	47,237	23,433	49.6%
Capital Project Revenues:			
Capacity Charges	1,538,200	1,239,393	80.6%
Property Taxes	2,873,000	1,941,404	67.6%
Water Availability Charges	525,763	329,525	62.7%
Total Capital Project Revenue	4,936,963	3,510,322	71.1%
Total General Fund Revenues	51,117,950	33,567,710	65.7%
Moosa Wastewater Revenues	1,877,860	1,392,250	74.1%
Woods Valley Ranch Wastewater Revenues	1,433,054	812,573	56.7%
Woods Valley Ranch Expansion	2,112,705	1,039,433	49.2%
Total Revenues	56,541,569	36,811,966	65.1%
EXPENDITURES:			
General Fund:			
Operating Expenses:			
General Administration	926,420	631,807	68.2%
Information Technology	1,002,679	767,582	76.6%
Finance	2,712,161	1,848,367	68.2%
Engineering	2,055,044	1,435,119	69.8%
Operations & Facilities	8,040,130	5,780,970	71.9%
Source of Supply	31,303,161	19,568,675	62.5%
Total Operating Expenses	46,039,595	30,032,520	65.2%
Debt Service - Interest Expense	47,237	23,433	49.6%
Capital Projects Appropriations	6,049,000	2,403,261	39.7%
Total General Fund Expenditures	52,135,832	32,459,215	62.3%
Moosa Wastewater:			
Operating Expenses	1,477,490	1,194,487	80.8%
Capital Project Appropriations	271,795	48,647	17.9%
Total Moosa Expenditures	1,749,285	1,243,135	71.1%
Woods Valley Ranch Wastewater:			
Operating Expenses	938,493	733,487	78.2%
Capital Project Appropriations	122,795	43,251	35.2%
Total Woods Valley Ranch Expenditures	1,061,288	776,738	73.2%
Woods Valley Ranch Expansion:			
Operating Expenses	78,000	24,456	31.4%
Debt Service - Interest Expense	429,481	169,897	39.6%
Capital Project Appropriations	0	0	0.0%
Total Woods Valley Ranch Expenditures	507,481	194,353	38.3%
Total Expenditures	55,453,886	34,673,440	62.5%
NET REVENUES & EXPENDITURES	1,087,683	2,138,525	196.6%

May 15, 2023

TO: Honorable President and Board of Directors
FROM: Gary T. Arant, General Manager
SUBJECT: AUDITOR'S COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE (SAS 114) LETTER

PURPOSE:

To present to the Board for their receipt and acceptance the "*Auditor's Communication with Those Charged with Governance (SAS 114) Letter*" (attached).

SUMMARY:

At the regular Board meeting of April 18, 2022, your Board approved the appointment of Davis Farr, LLP as the new auditors for the District. They are tasked with conducting the annual audit of the District's basic financial statements.

Presented today is the required audit process SAS 114 communication to the Board of Directors for the 2022-2023 Fiscal Year Audit. This includes the communication of the auditor's responsibilities under generally accepted auditing standards, concept of materiality, the planned scope, timing, independence, and process of the audit. Shannon Ayala, Partner in charge of the audit from Davis Farr, LLP, will be on-line to answer any questions that you may have.

RECOMMENDATION:

Staff recommends the receipt and acceptance of the "*Auditor's Communication with Those Charged with Governance (SAS 114) Letter*".

PREPARED BY:



James V. Pugh
Director of Finance & Administration

APPROVED BY:



Gary T. Arant
General Manager

April 10, 2023

Board of Directors
Valley Center Municipal Water District
Valley Center, CA

This letter is provided in connection with our engagement to audit the financial statements of the Valley Center Municipal Water District (the "District") as of and for the year ending June 30, 2023. Professional standards require that we communicate with you certain items including our responsibilities with regard to the financial statement audit and the planned scope and timing of our audit, including significant risks we have identified.

Our Responsibilities

As stated in our engagement letter dated April 10, 2023, we are responsible for conducting our audit in accordance with auditing standards generally accepted in the United States of America and in accordance with *Government Auditing Standards* for the purpose of forming and expressing an opinion about whether the financial statements that have been prepared by management, with your oversight, are prepared, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit does not relieve you or management of your respective responsibilities.

Our responsibility relating to other information, whether financial or nonfinancial information (other than financial statements and the auditor's report thereon), included in the District's Annual Comprehensive Financial Report ("ACFR") includes only the information identified in our report. We have no responsibility for determining whether the Introductory Information, Statistical Information and Continuing Disclosure Section of the ACFR is properly stated. We require that we receive the final version of the ACFR in a timely manner prior to the date of the auditor's report, or if that is not possible, as soon as practicable and, in any case, prior to the District's issuance of such information.

Planned Scope of the Audit

Our audit will include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Our audit is designed to provide reasonable, but not absolute, assurance about whether the financial statements as a whole are free of material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations. Because of this concept of reasonable assurance and because we will not examine all transactions, there is a risk that material misstatements may exist and not be detected by us.

Our audit will include obtaining an understanding of the District and its environment, including its internal control, sufficient to assess the risks of material misstatement of the financial statements and as a basis for designing the nature, timing, and extent of further audit procedures, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. However, we will communicate to you at the conclusion of our audit any material weaknesses or significant deficiencies identified.

We will also communicate to you:

- Any violation of laws or regulations that come to our attention;
- Our views relating to qualitative aspects of the District's significant accounting practices, including accounting policies, accounting estimates, and financial statement disclosures;
- Significant difficulties, if any, encountered during the audit;
- Disagreements with management, if any, encountered during the audit;
- Significant unusual transactions, if any;
- The potential effects of uncorrected misstatements on future-period financial statements; and
- Other significant matters that are relevant to your responsibilities in overseeing the financial reporting process.

Timing of Audit

We plan to begin the interim audit examination of the District in April 2023 and final audit procedures in October 2023. We plan to present the audit report and results of the audit to the Board at the completion of the audit.

Audit Risk Areas

In addition to our standard audit approach, our engagement team plans to expand our testing in the following areas:

- Risk of errors implementing new Subscription Based IT Arrangements accounting standard: We will review the District's inventory of subscription agreements, review a sample of the agreements and test the calculations of the accounting transactions. We will ensure the District's financial statement footnotes are accurate and complete in accordance with the new standard.
- Risk of errors associated with recording capital asset additions: As a result of the significance of capital projects, we plan to test the most significant capital projects to ensure asset additions are properly recorded and removed from construction in progress when completed.
- Each year we are required to incorporate an element of unpredictability into our audit approach. This year, we plan to test a sample of payroll disbursements to ensure payroll and related benefits and taxes are calculated correctly.

Fraud Inquiries

Professional auditing standards require that, as part of our audit, we inquire of those in the governance to ascertain whether or not the Board of Directors (the "Board") has knowledge of matters that might have a bearing on the auditor's risk assessment for the annual audit of the District's financial statements.

Example of these matters are:

- Known or suspected instances of employee fraud
- Areas in which the internal controls of the District are thought by the Board to be weak
- Known or suspected misstatements in the accounting records of the District
- Known or suspected use of improper accounting practices by the District
- Any awareness of pressure upon the District or District management with respect to achieving certain financial results
- Matters that warrant particular attention during the audit
- Information about unusual transactions or other matters relevant to the audit

Generally, the scope of the audit is limited to matters involving amounts that would be significant to the financial statements of the District taken as a whole. If additional time is required to respond to the concerns of the Board, we will estimate for the District the costs involved.

If any member of the Board has information relevant to our audit (matters involving amounts that would be significant to the financial statements of the District taken as a whole), please contact the undersigned at 760.298.5872 or sayala@davisfarr.com.

This information is intended solely for the information and use of management of the District and the Board and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,



Shannon Ayala, CPA
Partner

May 15, 2023

TO: Honorable President & Board of Directors

FROM: Gary T. Arant, General Manager

SUBJECT: POSTPONEMENT OF PUBLIC HEARING TO CONSIDER PROPOSED INCREASES TO THE VARIOUS WATER METER FEES AND CHARGES AND RELATED ADMINISTRATIVE CODE MODIFICATIONS

PURPOSE:

Request the Board of Directors postpone the previously scheduled public hearing to consider adopting an Ordinance approving proposed increases to the various water meter fees and charges and related Administrative Code modifications to the June 5, 2023 Board Meeting.

BACKGROUND:

Staff presented to the Board, at the May 1st meeting, a preview of the proposed increases to the various water meter fees and charges and related administrative code modifications. The Board approved the requested May 15th public hearing date to consider approval of the proposed recommendations. However, staff encountered some issues with the proposed timeline as it pertains to proper notification of a public hearing and is requesting to postpone the public hearing to June 5, 2023. Postponing the public hearing will allow staff time to submit the publication to the newspaper and comply with the Government Code Section 6066-Public Notice requirements.

Additionally, after consideration of the Board discussion at the May 1st presentation, staff proposes to modify the previous recommendation regarding the Meter Reconnection Allowance described in Section 160.8 (b) of the District's Administrative Code. This section describes the requirements and responsibilities for the relocation of meter services when new district water lines are proposed to be installed parallel to existing private water service lines. Modifications proposed for this section will eliminate the need for a Meter Reconnection Allowance. In all instances, the project proponent would be responsible for relocating the customer's water meter, upgrading their backflow device to current standards, and reconnecting the customer's private water service lines to the relocated water meter, all at no cost and minimal inconvenience to the customer.

RECOMMENDATION:

Staff recommends the Board of Directors:

- 1) Postpone the public hearing to consider approval of the proposed increases to the various water meter fees and charges and related Administrative Code modifications to the June 5, 2023 Board Meeting, and
- 2) Direct staff to publish the appropriate notice incorporating the proposed modification to eliminate the Meter Relocation Allowance.

PREPARED BY:



Wally Grabbe
District Engineer

SUBMITTED BY:



Gary T. Arant
General Manager

Attachments:

- Public Hearing Notice

VALLEY CENTER MUNICIPAL WATER DISTRICT
NOTICE OF PUBLIC HEARING
TO CONSIDER INCREASING VARIOUS
WATER METER FEES AND CHARGES

NOTICE IS HEREBY GIVEN THAT on Monday, June 5, 2023, at 2:00 P.M. in the Board Room of the Valley Center Municipal Water District, 29300 Valley Center Rd., Valley Center, California, a public hearing before the District Board of Directors will be held to consider increasing the various water meter fees and charges as follows:

Meter Connection Charges:

Service Lateral	3/4"	1"	1-1/2"	2"	3"
	Amount	Amount	Amount	Amount	Amount
FY 2023-24 Recommended Fee	N/A	\$7,724	\$8,208	\$8,909	\$9,294

***Traffic Control add-on when required \$2,000**

Drop-In Meter Installation (Existing Service Lateral)	3/4"	1"	1-1/2"	2"	3"
	Amount	Amount	Amount	Amount	Amount
Current	\$1,039	\$777	\$1,602	\$1,795	\$2,098
Recommended % increase	4%	8%	0%	0%	0%
FY 2023-24 Recommended Fee	\$1,083	\$843	\$1,602	\$1,795	\$2,098

Full Installation (Drop-In Meter Installation plus Service lateral)	3/4"	1"	1-1/2"	2"	3"
	Amount	Amount	Amount	Amount	Amount
Current Full Install Charge	\$7,935	\$7,840	\$8,983	\$9,947	\$10,444
Recommended % increase	11%	9%	9%	8%	9%
FY 2023-24 Lateral Charge	\$7,724	\$7,724	\$8,208	\$8,909	\$9,294
FY 2023-24 Drop In Charge	\$1,083	\$843	\$1,602	\$1,795	\$2,098
Subtotal Full Install Cost	\$8,807	\$8,567	\$9,810	\$10,704	\$11,392

Backflow Prevention Detector Check (DC) and Reduced Pressure (RP) Charges:

Detector Check (DC) Device	3/4"	1"	1-1/2"	2"	3"
	Amount	Amount	Amount	Amount	Amount
Current	\$330	\$377	\$685	\$600	\$1,229
Recommended % increase	32%	30%	33%	52%	0%
FY 2023-24 Recommended Fee	\$436	\$489	\$911	\$914	\$1,229

Detector Check (DC) on Risers Device	3/4"	1"	1-1/2"	2"	3"
	Amount	Amount	Amount	Amount	Amount
Current	\$488	\$587	\$1,154	\$1,349	\$1,825
Recommended % increase	23%	21%	14%	10%	35%
FY 2023-24 Recommended Fee	\$600	\$709	\$1,315	\$1,484	\$2,458

Reduced Pressure (RP) Device	3/4"	1"	1-1/2"	2"	3"
	Amount	Amount	Amount	Amount	Amount
Current	\$730	\$767	\$1,306	\$1,728	\$3,177
Recommended % increase	18%	25%	10%	2%	29%
FY 2023-24 Recommended Fee	\$860	\$961	\$1,437	\$1,767	\$4,092

Reduced Pressure (RP) Device with Domestic Tee	3/4"	1"	1-1/2"	2"	3"
	Amount	Amount	Amount	Amount	Amount
Current	\$946	\$997	\$1,579	\$2,066	\$3,763
Recommended % increase	23%	29%	14%	5%	26%
FY 2023-24 Recommended Fee	\$1,164	\$1,284	\$1,797	\$2,164	\$4,746

Pressure Reducing Valves Standard	3/4"	1"	1-1/2"	2"	3"
	Amount	Amount	Amount	Amount	Amount
Current	\$100	\$121	\$817	\$954	N/A
Recommended % increase	27%	27%	36%	65%	
FY 2023-24 Recommended Fee	\$127	\$153	\$1,109	\$1,571	N/A

Pressure Reducing Valve - Cla-Valve	3/4"	1"	1-1/2"	2"	3"
	Amount	Amount	Amount	Amount	Amount
Current	N/A	N/A	N/A	\$1,443	\$1,989
Recommended % increase				125%	46%
FY 2023-24 Recommended Fee	N/A	N/A	N/A	\$3,249	\$2,907

Fire Tee	1"
	Amount
Current	\$279
Recommended % increase	41%
FY 2023-24 Recommended Fee	\$394

1" Fire Meter - Drop-In Installation	3/4"	1"
	Amount	Amount
Current	\$740	\$605
Recommended % increase	4%	19%
FY 2023-24 Recommended Fee	\$772	\$721

Miscellaneous Fees:

Project Facility Availability (PFA) Project Facility Commitment (PFC)	Amount
Current	\$170
Recommended % increase	2%
FY 2023-24 Recommended Fee	\$174

Construction Meter Installation and Relocation Fee	Amount
Current	\$230
Recommended % increase	9%
FY 2023-24 Recommended Fee	\$250

Traffic Control Cost	Amount
Current	\$2,000
Recommended % increase	0%
FY 2023-24 Recommendation	\$2,000

Meter Relocation Charge	Amount
Current	\$180
Recommended % increase	193%
FY 2023-24 Recommendation	\$528

Documentation for the proposed changes are available upon request from the District, and can be viewed in the District's Office at 29300 Valley Center Road, 7:00 a.m. to 4:30 p.m., Monday through Thursday and 7:30 a.m. to 4:00 p.m., Friday. A written protest to the proposed increases may be filed with the Board Secretary of the District at 29300 Valley Center Rd., Valley Center, CA (mailing address: P. O. Box 67, Valley Center, CA 92082) any time prior to the hour set for the hearing.

The VCMWD Board of Directors welcomes the public to its Board Room in a limited capacity while accommodating virtual observation options as a convenience to the public. Seating inside the Board Room will be spaced to accommodate social distancing. Additionally, Board Meetings continue to be livestreamed for those who wish to observe remotely. *Please note that in the event of technical issues that disrupt the meeting livestream or receipt of public comments by phone or email, the meeting will continue.*

Instructions for members of the public who wish to address the Board of Directors:

Members of the public who wish to address the Board of Directors under "Audience Comments/ Questions" or on specific agenda items, may do so as instructed below. All comments will be subject to a limit of three (3) minutes.

- Making Public Comment for Those Attending In-Person: Members of the public who wish to observe or to address the Board may join the Board Members at the noticed, physical location. A Request to Speak slip is required to be submitted to the Board Secretary prior to start of the meeting (*if possible*).
- Phone Comments During the Meeting: Before the meeting, or before public comment period for the item closes during the meeting, submit a telephone number by email to the Board Secretary at publiccomments@vcmwd.org, together with the agenda item number, and the Board Secretary will call when the board is ready to hear public comments; *or*
- Emailed Comments: Before the meeting, or before public comment period for that item closes at the meeting, email your comments to the Board Secretary at publiccomments@vcmwd.org and the Board Secretary and it will be read aloud at the public comment period; *or*
- Written Comments: Written comments can be also be physically dropped off in advance of the meeting at the District's Administrative Office or mailed in advance of the meeting to 29300 Valley Center Rd., Valley Center, CA 92082, for receipt no later than 1:00 pm on meeting day.

These public comment procedures supersede the District's standard public comment policies and procedures to the contrary. If modifications or accommodations from individuals with disabilities are required, such persons should provide a request at least 24 hours in advance of the meeting by email to the Board Secretary at kperaino@vcmwd.org.

Meeting Broadcast: Members of the public may watch the meeting electronically by visiting the District's website at vcmwd.org/Board/Board-Documents and then clicking the link listed below "live stream" on the page.

Any protest submitted via e-mail or other electronic means will not be accepted as a formal written protest.

At the time stated above, the Board of Directors shall hear and consider all objections or protests, if any, to the proposed increase in fees and charges and may continue the hearing from time to time. Upon the conclusion of the hearing, the Board may adopt, revise, change, reduce, or modify the increases, or overrule any or all objections. If approved, the Miscellaneous Water Meter Fees and Charges would take effect June 19, 2023.

Gary Arant
General Manager

May 18 & May 25, 2023

May 15, 2023

TO: Honorable President & Board of Directors

FROM: Gary T. Arant, General Manager

**SUBJECT: RESOLUTION NO. 2023-16 ADOPTING UPDATED 2023 LOCAL
GUIDELINES FOR IMPLEMENTING THE CALIFORNIA
ENVIRONMENTAL QUALITY ACT**

PURPOSE:

Adopt Resolution No. 2023-16 approving the 2023 Update to the District's Local Guidelines for Implementing the California Environmental Quality Act (CEQA).

SUMMARY:

Background – The California Environmental Quality Act ("CEQA"), codified at Public Resources Code Sections 2100 et seq., is California's most comprehensive environmental law. It generally requires all public agencies to evaluate the environmental effects of their actions before they are taken. CEQA also aims to prevent significant environmental effects from occurring as a result of agency actions by requiring agencies to avoid or reduce, when feasible, the significant environmental impacts of their decisions.

To this end, CEQA requires all public agencies to adopt specific objectives, criteria and procedures for evaluating public and private projects that are undertaken or approved by such agencies.

Discussion - Best Best and Krieger ("BBK") has prepared a proposed updated set of Local CEQA Guidelines for 2023 in compliance with CEQA's requirements. These Guidelines reflect recent changes to CEQA. BBK has provided the attached memorandum summarizing the proposed modifications in the Local Guidelines for 2022. These Local CEQA Guidelines also provide instructions and forms for preparing all environmental documents required under CEQA.


Fiscal Impact – No fiscal impact is anticipated from amending the Local CEQA Guidelines.

Environmental Impact – No environmental impact is anticipated from amending the Local CEQA Guidelines. Adoption of the attached Resolution is not a project under State CEQA Guidelines section 15378(b)(5) because it involves an administrative activity involving process only and would not result in any environmental impacts.

RECOMMENDATION:

Staff recommends the Board of Directors adopt Resolution No. 2023-16 regarding the adoption of the 2023 update to the District's Local Guidelines for Implementing the California Environmental Quality Act.

PREPARED BY:


Wally Grabbe, P.E.
District Engineer

SUBMITTED BY:


Gary T. Arant
General Manager

Encl. - Memorandum of Changes from BBK
Resolution No. 2023-16

Memorandum

TO: Project 5 District Client
FROM: Best Best & Krieger LLP
DATE: April 17, 2023
RE: Summary of Changes to Local CEQA Guidelines

In 2022, the California Legislature took action to exempt certain transportation, water system, and housing projects from the California Environmental Quality Act ("CEQA"). We have revised the District's Local Guidelines for Implementing CEQA ("Local Guidelines") to account for these CEQA developments. This memorandum summarizes the substantive amendments to the District's Local Guidelines.

The Local Guidelines and this memorandum are designed to help the District comply with CEQA when considering a project subject to CEQA. We still recommend, however, that you consult with an attorney when you have specific questions on major, controversial, or unusual projects or activities.

The Local Guidelines, the related CEQA forms, and other important legal alerts may be accessed via the Best Best & Krieger CEQA client portal at <http://clients.bbklaw.net/pfcc/>. For technical support, please contact Tammy Ingram at tammy.ingram@bbklaw.com.

REVISIONS TO LOCAL GUIDELINES

1. SECTION 3.20 TRANSIT PRIORITIZATION PROJECTS

With its adoption of Senate Bill ("SB") 922, the California Legislature amended Public Resources Code section 21080.25 to exempt certain transit, bicycle, and pedestrian projects that meet specified criteria and do not induce single-occupancy vehicle trips.

Examples of projects exempt under SB 922 include, but are not limited to: (1) pedestrian and bicycle facilities; (2) transit prioritization projects, such as the installation of traffic signs or new signals; (3) a project for the institution or increase of bus rapid transit, bus, or light rail service; (4) a public project to construct or maintain infrastructure or facilities to charge, refuel, or maintain zero-emission public transit buses, trains, or ferries; and (5) a decision to reduce or eliminate minimum parking requirements or institute parking maximums.

We revised Section 3.20 of the Local Guidelines to account for this exemption and to set forth conditions that must be met for the exemption to apply.

2. SECTION 3.21 TRANSPORTATION PLANS, PEDESTRIAN PLANS, AND BICYCLE TRANSPORTATION PLANS

The California Legislature amended Public Resources Code section 21080.20 to exempt "active transportation plans" and "pedestrian plans" from CEQA. An "active transportation plan"

refers to a plan developed by a local jurisdiction that promotes and encourages people to choose walking, bicycling, or rolling through the creation of safe, comfortable, connected, and accessible walking, bicycling, or rolling networks, and encourages alternatives to single-occupancy vehicle trips. A “pedestrian plan” refers to a plan developed by a local jurisdiction that establishes a comprehensive, coordinated approach to improving pedestrian infrastructure and safety.

While a lead agency’s adoption of an active transportation plan or pedestrian plan is exempt from CEQA, specific projects identified within those plans remain subject to CEQA unless such projects are exempt under a separate provision of CEQA.

We revised Section 3.21 of the Local Guidelines to account for this exemption and to set forth procedural requirements that must be met when finding a project exempt under this provision.

3. SECTION 3.22 WATER SYSTEM WELLS AND DOMESTIC WELL PROJECTS

With the adoption of AB 1642 and its codification at Public Resources Code section 21080.31, the Legislature has enacted a new statutory exemption that applies to the construction, maintenance, repair, or replacement of wells where certain conditions are met. To qualify for the exemption, (1) the domestic well or water system to which the well project is connected must be designated by the State Water Resources Control Board (“State Board”) as high risk or medium risk in the State Board’s drinking water needs assessment; (2) the well project must be designed to mitigate or prevent a circumstance where residents that rely on the well or the water system to which the well is connected would be left without an adequate supply of safe drinking water; (3) the well project may not be designed primarily to serve irrigation or future growth; and (4) a series of other conditions must be met.

We added Section 3.22 to the Local CEQA Guidelines to provide for this statutory exemption and to set forth in greater detail the circumstances in which it may apply.

4. SECTION 9.08 AFFORDABLE HOUSING DEVELOPMENTS IN COMMERCIAL ZONES

The Legislature has created a new CEQA-exempt, ministerial approval process for multifamily housing developments meeting specified criteria, codified at Public Resources Code section 65912.110, et seq. For a proposed multifamily housing development project to qualify for this exemption, the project must (1) ensure that 100 percent of the project’s units, excluding managers’ units, be dedicated to lower income households at an affordable cost or affordable rent; (2) meet applicable objective zoning standards, objective subdivision standards, and objective design review standards, as defined; (3) be located in a zone where office, retail, or parking are a principally permitted use; (4) meet certain labor standards; and (5) meet a list of other conditions, specified in the Local Guidelines.

We have added Section 9.08 to the Local Guidelines to include this exemption and to set forth the various conditions a project must meet to qualify for the exemption.

**5. SECTION 9.09 MIXED-INCOME HOUSING DEVELOPMENTS ALONG
COMMERCIAL CORRIDORS**

The Legislature has additionally created another CEQA-exempt, ministerial approval process for proposed multifamily housing development projects that meet certain affordability criteria, set forth at Public Resources Code section 65912.120, et seq. In addition to meeting the specified affordability criteria, the proposed project must (1) abut a commercial corridor and have frontage along the commercial corridor of at least fifty feet; (2) not be located on a project site greater than 20 acres; (3) be located in a zone where office, retail, or parking is a principally permitted use; (4) meet certain labor standards; and (5) meet a list of over twenty other conditions, specified in the Local Guidelines.

We have added Section 9.09 to the Local Guidelines to include this exemption and to set forth the various conditions a project must meet to qualify for the exemption.

6. VARIOUS SECTIONS UPDATED REFERENCES TO CALIFORNIA PUBLIC RECORDS ACT

The Legislature has recodified and reorganized the entirety of the California Public Records Act ("PRA") consistent with Assembly Bill ("AB") 463. Whereas the PRA was previously codified at Government Code section 6250, et seq., the PRA is now codified at Government Code section 7920.000, et seq. We have updated all references to the PRA in the Local Guidelines consistent with AB 463. The reorganization makes no substantive changes to the PRA.

Other Changes

Effective January 1, 2023, the Department of Fish and Wildlife has increased its fees. For a Negative Declaration or a Mitigated Negative Declaration, the new filing fee is \$2,764.00. For an EIR, the new filing fee is \$3,839.25. For an environmental document prepared pursuant to a Certified Regulatory Program, the filing fee has been increased to \$1,305.25.

Conclusion

As always, CEQA remains complicated and, at times, challenging to apply. The only constant in this area of law is how quickly the rules change. Should you have questions about any of the provisions discussed above, please contact a BB&K attorney for assistance.

BEST BEST & KRIEGER LLP

RESOLUTION NO. 2023-16
A RESOLUTION OF THE VALLEY CENTER MUNICIPAL WATER DISTRICT
AMENDING AND ADOPTING LOCAL GUIDELINES FOR IMPLEMENTING THE
CALIFORNIA ENVIRONMENTAL QUALITY ACT
(PUBLIC RESOURCES CODE §§ 21000 ET SEQ.)

WHEREAS, the California Legislature has amended the California Environmental Quality Act ("CEQA") (Pub. Resources Code §§ 21000 et seq.), the Natural Resources Agency has amended portions of the State CEQA Guidelines (Cal. Code Regs, tit. 14, §§ 15000 et seq.), and the California courts have interpreted specific provisions of CEQA;

WHEREAS, Public Resources Code section 21082 requires all public agencies to adopt objectives, criteria and procedures for (1) the evaluation of public and private projects undertaken or approved by such public agencies, and (2) the preparation, if required, of environmental impact reports and negative declarations in connection with that evaluation; and

WHEREAS, the Valley Center Municipal Water District must revise its local guidelines for implementing CEQA to make them consistent with the current provisions and interpretations of CEQA and the State CEQA Guidelines.

NOW, THEREFORE, IT IS HEREBY RESOLVED, DETERMINED, AND ORDERED by the Board of Directors of VALLEY CENTER MUNICIPAL WATER DISTRICT, that:

1. The District hereby adopts the "2023 Local Guidelines for Implementing the California Environmental Quality Act," a copy of which is on file at the offices of the District and is available for inspection by the public.
2. All prior actions of the District enacting earlier guidelines are hereby repealed.

PASSED AND ADOPTED this 15th day of May, 2023, at the meeting of the Board of Directors of Valley Center Municipal Water District by the following majority vote of the Board:

Robert A. Polito, *President*

ATTEST:

Kirsten Peraino, *Board Secretary*

May 15, 2023

TO: Honorable President and Board of Directors

FROM: Gary Arant, *General Manager*

SUBJECT: DESIGNATION OF VOTING DELEGATES FOR THE CONCURRENT ACWA BOARD OFFICER AND REGION 10 ELECTIONS FOR THE 2024-'25 TERM

PURPOSE:

The Association of California Water Agencies (ACWA) has launched two separate but concurrent election processes for the 2024-'25 term: The Board Officers' election for President and Vice President and the Region Board Officer and Member election. In order to participate in both elections, the Board must designate a Voting Delegate and Alternative Voting Delegate by the June 16, 2023 deadline.

SUMMARY:

In order to vote in both elections, each member agency must designate one voting representative by June 16, 2023. The person designated on the form will cast the District's vote for the election of ACWA's President and Vice President as well as the Region 10 election for the 2024-'25 term. In the past, VCMWD Delegates and Alternate Delegates have been designated by the Board President with the concurrence of the full Board.

Board Officer Election:

It is important to note that starting this year, as a result of bylaw changes approved by the membership in 2022, ACWA has initiated new processes for ACWA members to elect the President and Vice President.

An Election Committee has been appointed to facilitate the election of the President and Vice President, including confirming that candidates' eligibility criteria have been met. The 11-member committee includes one representative appointed by the current ACWA President and 10 region representatives appointed by each of the region boards. The committee will endorse preferred candidates for President and Vice President, but all qualifying candidates will be listed on the ballot. The committee representatives were appointed on February 28, 2023 and will continue to meet as needed throughout the election cycle to facilitate the election of the board officers. The 2023 Election Committee members are:

- Gary Arant, *Region 10 (Chair)*
- Larry McKenney, *Region 3*
- Bill Cooper, *Region 8*
- Sheridan Nicholas, *Region 7*
- Bill Diedrich, *Region 6*
- Kathy Tieg, *President's Representative*
- Carol Lee Gonzales-Brady, *Region 9*
- Bruce Rupp, *Region 1*
- Piret Harmon, *Region 5*
- Mike Wade, *Region 2*
- Dan York, *Region 4*

Region 10 Election:

The Nominating Committee is currently seeking candidates for the Region 10 Board, which is comprised of Chair, Vice Chair and up to five Board Member positions. The Region 10 Chair and Vice Chair serve on ACWA's statewide Board and recommend all committee appointments for Region 10. The Region 10 Board determines the direction and focus of region issues and activities.

The Region 10 Nominating Committee Representatives were appointed on February 28, 2023 and will continue to meet as needed throughout the election cycle to facilitate the election of the board officers. With concurrence of the region board, the region chairs appoint at least three region members to serve as the respective region's Nominating Committee. The 2023 Nominating Committee Representatives are:

- Amy Reeh, Yuima MWD
- Duane Cave, Moulton Niguel Water District
- David Drake, Rincon del Diablo MWD
- Greg Mills, Serrano Water District

Concurrent Election Process:

Both the Board Officer and Region 10 Elections will begin on July 17, 2023 with electronic ballots emailed to General Managers and Board Presidents. Respective ballots will include the Board Officer Election Committee and the Regional Nominating Committee's recommended slates and any additional candidates interested in the Region Board positions who meet the qualification criteria. All ballots will be submitted electronically, except those who opted out of electronic voting in lieu of 1st class mail. The deadline for voting is 5 p.m. on September 15, 2023. *There will be no voting at the ACWA Fall Conference.* Election results are to be announced on September 27, 2023. The newly elected Board Officers and Region 10 Board Members will begin their two-year term of service on January 1, 2024.

RECOMMENDATION:

If so desired, it is recommended that the Board President designate Director Smith as the Voting Delegate and General Manager Arant as the Alternate Delegate by the June 16, 2023 deadline.

PREPARED BY:



Kirsten N. Peraino
Executive Assistant/Board Secretary

APPROVED BY:



Gary T. Arant
General Manager

Attachments:

- *ACWA Authorized Voting Representative Form*
- *ACWA Call for Candidates for Region Boards Memorandum (dated April 17, 2023)*
- *ACWA Call for Candidates for ACWA President/VP Memorandum (dated April 24, 2023)*

ACWA has launched two separate but concurrent election processes for the 2024-'25 term: the board officers' election for President and Vice President and the region board elections. **In order to vote for the board officers, each member agency must designate one voting representative by June 16.** To designate your agency's one voter, submit this Authorized Voting Representative Form by the June deadline. If you do not designate a representative to vote by the deadline, your agency's General Manager will be the authorized voter by default. Authorized voters will receive an electronic ballot on July 17. For more information about ACWA's elections, visit www.acwa.com/elections.

The person designated below will cast our agency's vote for the election of ACWA's President and Vice President for the 2024-'25 term in the upcoming election.

Member Agency's Name		Agency's Phone No.
Authorized Voting Representative's Name	Authorized Voting Representative's Email	Authorized Voting Representative's Phone No.

☐ Our member agency would like to cast a paper ballot by U.S. mail instead of voting electronically.

Please provide the mailing address below only if you are voting by mail.

Mailing Address	City, State and Zip
-----------------	---------------------

Print Name of Member Agency's Authorized Signatory

X

Authorized Signatory Signature

Date

SAVE & SUBMIT

SUBMIT YOUR FORM

To: Donna Pangborn, Senior Clerk of the Board

Email: donna@acwa.com

Mail: 980 9th Street, Suite 1000, Sacramento, CA 95814

SUBMISSION DEADLINE

JUNE 16, 2023

MEMORANDUM

Date: April 17, 2023

To: ACWA Region 10 General Manager and Board Presidents
(sent via e-mail)

From: ACWA Region 10 Nominating Committee

- **Amy Reeh**, Yuima Municipal Water District
- **David Drake**, Rincon del Diablo Municipal Water District
- **Duane Cave**, Moulton Niguel Water District
- **Greg Mills**, Serrano Water District

Subject: Call for Candidates for Region Boards

The Region 10 Nominating Committee is looking for ACWA members who are interested in leading the direction of ACWA Region 10 for the 2024-'25 term. The Nominating Committee is currently seeking candidates for the Region 10 Board, which is comprised of Chair, Vice Chair and up to five Board Member positions. In a separate but concurrent process, ACWA's Election Committee has announced its call for candidates for ACWA President and Vice President. **More information about both processes is available at www.acwa.com/elections.** The leadership of ACWA's 10 geographical regions is integral to the leadership of ACWA. The Chair and Vice Chair of Region 10 serve on ACWA's statewide Board of Directors and recommend all committee appointments for Region 10. The members of the Region 10 Board determine the direction and focus of region issues and activities. Additionally, they support the fulfillment of ACWA's goals on behalf of members and serve as a key role in ACWA's grassroots outreach efforts.

If you, or someone within your agency, are interested in serving in a leadership role within ACWA by becoming a Region 10 Board Member, please familiarize yourself with the [role and responsibilities of the region boards](#) and the [Region 10 Rules and Regulations](#) and submit the following documents by **June 16**:

- [A candidate nomination form](#)
- **A signed resolution of support from your agency's Board of Directors** (A sample resolution [is available online](#))

June 16

In addition to the required documents, you may also send a short biography and a headshot photo to be included in the candidate section of ACWA's elections webpage; however, these are not required.

The election will begin on July 17 with electronic ballots emailed to General Managers and Board Presidents. The ballot will include the Nominating Committee's recommended slate and any additional candidates interested in the region board positions who meet the qualification criteria.



All region ballots must be submitted by Sept. 15. One ballot per agency will be counted. Election results announced Sept. 27 and the newly elected Region 10 Board Members will begin their two-year term of service on Jan. 1, 2024.

If you have any questions, please visit www.acwa.com/elections or contact Regional Affairs Representative Sarah Hodge at SarahH@acwa.com or 916-669-2384.

ACWA MEMORANDUM

TO: ACWA Agency Presidents and General Managers *(sent via email)*

CC: ACWA Board of Directors

FROM: ACWA Election Committee

DATE: April 24, 2023

SUBJECT: Call for Candidates for ACWA President/Vice President for the 2024-'25 Term

ACWA recently distributed an Advisory announcing the Election Committee's official Call for Candidates for President and Vice President for the 2024-'25 term. In a separate but concurrent process, ACWA's region Nominating Committees have issued a similar call for candidates interested in serving on the 10 region boards.

ACWA's Bylaws and Board policies (Article 9, Section 9.10, and Board Policy 2.3.3.1) establish the eligibility criteria candidates must meet to serve as President or Vice President. Candidates must meet the following eligibility criteria to qualify:

- At the time of their election, the President and Vice President will each be an elected or appointed member of the governing body or commission of a member agency of the Association.
- An official nominating resolution from the Association member agency on whose board the nominee serves will accompany all nominations for the position of President and Vice President. An authorized signatory of the member agency's Board of Directors will sign said resolution.
- Each nomination will include a statement of qualifications or resume highlighting the candidate's qualifications for the position, such as active involvement in ACWA task forces, region boards, committees, or the like. Candidates must also submit an abbreviated statement (300 words max) that can be included with the official ballot. A headshot photo is recommended but not required.

Election Process Changes

It is important to note that starting this year, as a result of bylaw changes approved by the membership in 2022, ACWA has initiated new processes for ACWA members to elect the President and Vice President. Below are some of the major changes. More details, including copies of the Board policy, are available at www.acwa.com/elections.

- An 11-member Election Committee has been appointed to facilitate the election of the President and Vice President. The committee will confirm that candidates' eligibility criteria has been met and endorse preferred candidates.
- The Election Committee will present an open ballot on July 17 that lists all qualified candidates, including the committee's preferred candidates. All candidates will also be listed on the ACWA website and invited to participate in a town hall style webinar in which members can ask the candidates questions.
- Members of ACWA will elect the President and Vice President by voting electronically July 17 – September 15. **There will be no voting during fall conference.**

- Ballots will be emailed by a third-party vendor called Simply Voting. This web-based online voting system provides quick and verified results while keeping individual votes confidential. There will be an opportunity for agencies to opt-out of electronic voting.
- Each member agency may cast one vote and must designate their one voting representative by June 16. If an agency does not designate a representative to vote by the deadline, the agency's General Manager will be the authorized voter by default.
- In the event that one candidate does not receive a majority of votes for President or Vice President, a run-off election will be held and a new ballot will be sent out on Sept. 26 with the two candidates that received the highest amount of votes. The deadline for members to return the ballots will be Nov. 10.

Important Dates

- Deadline to receive Authorized Voting Representative Form: **Friday, June 16**
- Deadline to receive candidate nominations: **Friday, June 16**
- Tentative date for candidate interviews: **Friday, June 23**
- Election Begins: **Monday, July 17**
- Election Ends: **Friday, September 15**

In addition to being accepted via email to donnap@acwa.com, nomination items may also be submitted via mail to the below address.

Gary Arant, Election Committee Chair
c/o Donna Pangborn, ACWA
980 9th Street, Suite 1000
Sacramento, CA 95814

Please be aware that candidates may contact general managers and board presidents to solicit their respective member agency's support. A sample resolution of support is available [online](#).

We appreciate your interest and participation in this process to find the best qualified individuals to serve in representing ACWA's statewide membership. Should you have any questions regarding this process, please contact ACWA Senior Clerk of the Board Donna Pangborn at 916-669-2425 or donnap@acwa.com.

May 15, 2023

TO: Honorable President and Board of Directors

FROM: Gary Arant, General Manager

SUBJECT: PUMPING CHARGE INCREASE ANALYSIS AND COMPARISON

PURPOSE:

To provide the Board with an analysis and comparison of the proposed Pumping Charge increase options in the Fiscal Year 2023-24 Proposed Budget.

SUMMARY:

Total Pumping Costs including electricity, natural gas, and pump and motor maintenance are estimated to increase 12.8% over the current year estimated actual expenses. The Pumping Rate Reserve was depleted in Fiscal Year 2016-17. Every year since then, Total Pumping Costs have exceeded pumping revenues at a rate higher than the District was willing or able to raise rates. This decision was made in an effort to moderate rate increases. Utility costs alone have increased at such a fast pace over the past three years, that now, the District is significantly behind in its ability to cover Total Pumping Costs with the pumping charge revenues alone.

Below is a 3-year summary of budgeted Pumping Revenues compared to Total Pumping Costs:

	2021-22 Actual	2022-23 Estimated Actual	2023-24 Budget	
Water Sales (Acre Feet)	16,207	14,400	16,000	
Rate Increase	10%	10%	10%	
Pumping Revenues	2,286,452	2,120,000	2,912,000	
Electricity	1,402,408	1,606,640	1,868,000	
Natural Gas	580,245	745,860	879,000	
Utilities Subtotal	1,982,653	2,352,500	2,747,000	+16.8%
Gross Margin	303,799	(232,500)	165,000	
Pump Station Maint.	244,085	315,037	361,800	
Motor Maintenance	662,269	653,394	637,000	
Maintenance Subtotal	906,354	968,431	998,800	+3.1%
Total Pumping Costs	2,889,007	3,320,931	3,745,800	+12.8%
Deficit	(602,555)	(1,200,931)	(833,800)	

Below are 4 options to consider for raising the pumping charge in Fiscal Year 2023-24. Each of the four options will, at minimum, cover the wholesale Utility Costs of electricity and natural gas.

1. 10.0%

- Will generate annual revenue, just barely sufficient to cover the anticipated pumping utility costs.
- However, it will only cover approximately 6% of the anticipated maintenance costs.
- Leaves an expected deficit of \$833,800.

2. 12.8%

- Represents the Total Pumping Utility Cost increase anticipated in the Fiscal Year 2023-24 Budget when compared to the estimated actual figures for the current Fiscal Year 2022-23.
- A 12.8% increase will cover the anticipated increases in the Budget for Fiscal Year 2023-24. However, it will do nothing to resolve the larger issue of not generating sufficient annual revenues from the pumping charges to cover Total Pumping Costs.

3. 17.3%

- This option will be discussed in detail further in this report in the section titled "Seeking a Long-term Solution".

4. 42.0%

- Represents the increase required to cover 100% of the anticipated Total Pumping Costs in Fiscal Year 2023-24 with pumping charge revenues in the same year.
- A 42.0% increase relies heavily on the last 5 months of Fiscal Year 2023-24 (February 2024 – June 2024) to catch up on an issue that has been growing over the past 5 years and is not recommended.

2023-24 Budget				
Water Sales (Acre Feet)	16,000			
Rate Increase	10.0%	12.8%	17.3%	42.0%
Pumping Revenues	2,912,000	2,986,000	3,106,000	3,759,000
Electricity	1,868,000			
Natural Gas	879,000			
Utilities Subtotal	2,747,000			
Gross Margin	165,000			
Pump Station Maint.	361,800			
Motor Maintenance	637,000			
Maintenance Subtotal	998,800			
Total Pumping Costs	3,745,800	3,745,800	3,745,800	3,745,800
Deficit	(833,800)	(759,800)	(639,800)	13,200

NO CHANGE IN
EXPENSE
ASSUMPTIONS

SEEKING A LONG-TERM SOLUTION:

It has taken 6 years for the Net Deficits in the Pumping Revenues to reach the levels that we're seeing today. Before looking to the future, it's important to understand what happened in the past. The chart below breaks down Utility Costs into a per unit cost based on acre feet. As shown below, whether the calculation is done based on wholesale purchases or water sales the average SDG&E cost increase for the past 5 years is 16%.

History

	Actual 2018-19	Actual 2019-20	Actual 2020-21 ¹	Actual 2021-22	Estimated 2022-23	Budgeted 2023-24	Average
Total Utility Costs	\$ 1,380,925	\$ 1,516,859	\$ 1,720,958	\$ 1,982,653	\$ 2,352,500	\$ 2,747,000	
Purchases (AF)	17,166	16,684	18,862	17,131	15,320	17,020	17,031
Utility Cost Per AF	\$ 80.44	\$ 90.92	\$ 91.24	\$ 115.73	\$ 153.56	\$ 161.40	
Percent Increase Over Prior Year		13%	0% ¹	27%	33%	5%	16%
Sales (AF)	16,116	15,691	17,683	16,207	14,400	16,000	16,016
Utility Cost Per AF	\$ 85.68	\$ 96.67	\$ 97.32	\$ 122.33	\$ 163.37	\$ 171.69	
Percent Increase Over Prior Year		13%	1% ¹	26%	34%	5%	16%

Future Projections

The analysis that follows looks at 6 years into the future to attempt to bring the Pumping Revenues back in line to cover Total Pumping Costs completely. Accomplishing this would free up non-operating revenues that are currently subsidizing those deficits, for capital improvements instead. Below is a summary of the assumptions that were made in the chart that follow:

Water Sales (AF) – Assumed to be 16,000 AF

Water Purchases (AF) – Assumed to be 17,020 AF

Cost Increase Assumptions:

Utilities – Assumed to increase an average of 16.0% annually.

Maintenance – Assumed to increase an average of 3.0% annually.

Revenue Increase Assumptions:

Pump Charge Revenue – Passing through the Total Pumping Cost increases PLUS 4.5% annually for the next 6 years.

¹ The Actual for Fiscal Year 2020/21 percent increase over prior year was approximately 7%, however it's showing as 0% because the total includes an SDG&E \$120,000 refund for a rate error that spanned the immediate 2 preceding years.

	Estimated 2022-23	Budget 2023-24	Projected 2024-25	Projected 2025-26	Projected 2026-27	Projected 2027-28	Projected 2028-29
Pump Charge Revenue	\$ 2,120,000	\$ 3,106,000	\$ 3,633,000	\$ 4,262,000	\$ 5,012,000	\$ 5,909,000	\$ 6,978,000
Utilities	\$ 2,352,500	\$ 2,747,000	\$ 3,186,520	\$ 3,696,363	\$ 4,287,781	\$ 4,973,826	\$ 5,769,639
Maintenance	\$ 968,431	\$ 998,800	\$ 1,028,764	\$ 1,059,627	\$ 1,091,416	\$ 1,124,158	\$ 1,157,883
Total Pumping Costs	\$ 3,320,931	\$ 3,745,800	\$ 4,215,284	\$ 4,755,990	\$ 5,379,197	\$ 6,097,985	\$ 6,927,521
Deficit	\$ (1,200,931)	\$ (639,800)	\$ (582,284)	\$ (493,990)	\$ (367,197)	\$ (188,985)	\$ 50,479
Total Pumping Cost percent increase Over prior year		12.8%	12.5%	12.8%	13.1%	13.4%	13.6%
Additional Fixed Increased Requirement		4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Total Proposed Rate Increase		17.3%	17.0%	17.3%	17.6%	17.9%	18.1%

As previously established, for the Fiscal Year 2023-24 Proposed Budget, the Total Pumping Cost percent increase is expected to be the 12.8%. Adding an additional 4.5% increase would bring the proposed pump charge rate increase up to a total of 17.3%. This would ensure that the District is passing through all cost increases and beginning to close the deficit that currently exists in the Net Pumping Revenues.

For Fiscal Years 2024-25 through 2028-29 shown in the chart above, the Total Pumping Cost percent increase is based on assumptions that use historical averages. Staff plans to complete this analysis annually, within the budget process, to report on the actual expected pass throughs for each particular year. Staff expects the proposed rate increase for the "Projected" years shown in the chart above would likely be different and are shown for information purposes only.

Assuming that whatever the actual Total Cost Increases maybe in each year are passed through, the additional Fixed Increase Requirement of 4.5% annually is the figure that Staff determined is needed in order to close the gap in deficits by Fiscal Year 2028-29. The ultimate goal would be to ensure that annual revenues from pumping charges are sufficient to cover Total Pumping Costs 100% as displayed above in the last column, Projected 2028-29.

Pumping Rates

The pumping rates for all 4 rate increase options in Fiscal Year 2023-24 are shown in acre feet on the following page:

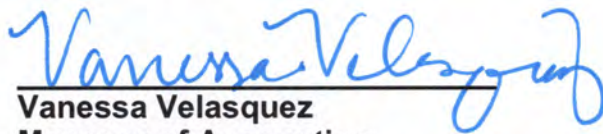
Proposed Increase Options to be Effective Feb.1, 2024									
Zone	Current \$/AF	10.0%		12.8%		17.3%		42.0%	
		Rate	Increase	Rate	Increase	Rate	Increase	Rate	Increase
0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1	\$52.73	\$58.00	\$5.27	\$59.47	\$6.75	\$61.85	\$9.12	\$74.87	\$22.14
2	\$105.42	\$115.97	\$10.54	\$118.92	\$13.49	\$123.66	\$18.24	\$149.70	\$44.28
3	\$116.96	\$128.65	\$11.70	\$131.93	\$14.97	\$137.19	\$20.23	\$166.08	\$49.12
4	\$174.66	\$192.13	\$17.47	\$197.02	\$22.36	\$204.88	\$30.22	\$248.02	\$73.36
5	\$256.19	\$281.80	\$25.62	\$288.98	\$32.79	\$300.51	\$44.32	\$363.78	\$107.60
6	\$285.77	\$314.35	\$28.58	\$322.35	\$36.58	\$335.21	\$49.44	\$405.79	\$120.02
7	\$303.06	\$333.36	\$30.31	\$341.85	\$38.79	\$355.48	\$52.43	\$430.34	\$127.28
8	\$343.48	\$377.83	\$34.35	\$387.44	\$43.97	\$402.90	\$59.42	\$487.74	\$144.26
9	\$355.76	\$391.34	\$35.58	\$401.30	\$45.54	\$417.31	\$61.55	\$505.18	\$149.42
10	\$471.21	\$518.33	\$47.12	\$531.52	\$60.31	\$552.72	\$81.52	\$669.11	\$197.91

The pumping charges would be proposed to go into effect for the February 1, 2024 billing.

RECOMMENDATION:

After review and discussion, provide input and direction on which pump charge rate increase to include in the calculations for the Fiscal Year 2023-24 Proposed Budget.

PREPARED BY:


Vanessa Velasquez
 Manager of Accounting

APPROVED BY:


Gary T. Arant
 General Manager

REVIEWED BY:


James V. Pugh
 Director of Finance & Administration

May 15, 2023

TO: Honorable President & Board of Directors

FROM: Gary T. Arant, General Manager

SUBJECT: PRELIMINARY FINDINGS FOR PROPOSED VALLEY CENTER MUNICIPAL WATER DISTRICT WATER METER CAPACITY AND ANNEXATION CHARGE INCREASES

PURPOSE:

Present to the Board of Directors preliminary findings regarding proposed Valley Center Municipal Water District ("the District") Water Meter Capacity Charge and Annexation Charge increases.

SUMMARY:

In addition to the San Diego County Water Authority ("SDCWA") meter capacity and annexation charges, the District's Water Meter Capacity Charges are collected for new water meters purchased from the District and a per acre District Annexation Charge is collected from properties requesting annexation to the District. The SDCWA sets its capacity charges independently of the District. The last adjustment to the District's water meter capacity charge and annexation charge was approved in February 2022. Staff is proposing an increase in the water meter capacity charges of 8.83% and an annexation charge increase of 7.0%. The recommendations are based on the water system and non-facility asset values as of June 30, 2022.

Modifications to the approach since last year include the following:

- Updated the Asset Values to the current Replacement Cost New Depreciation
- Updated the Equivalued Meter Count

Staff will incorporate the Board's discussion and direction from this meeting into the final recommendation to be presented at the June 19, 2023 Board meeting. If approved at that time, the new charges would take effect in mid-July, a minimum 30 days after approval.

Background

The methodology used for determining the charge recommendations is a "Buy-In" approach to the water system asset value for the water meter capacity charge and the corporate asset value for the annexation charge. The "Buy-In" components are based on a determination of the water facility's Replacement Cost New Less Depreciation ("RCNLD") valuation and applicable reserve balances as of June 30, 2022. This "Buy-In" methodology is in accordance with recommendations included in the AWWA Manual of Water Supply Practices entitled, "*M1 - Principles of Water Rates, Fees, and Charges*". Capacity charge revenues collected under

this methodology can be used for capital replacement or investment in expansion projects. An additional incremental charge for funded projects that have a substantial benefit to new connections within a specific, clearly defined, service area is added to the water meter capacity charge for properties that are in those specific areas.

Water Meter Capacity Charge

Buy-in Component Calculation - The buy-in calculation for determining the water meter capacity charges is a result of the following calculation, utilizing values as of the end of FY 2021-2022:

$$\frac{\text{Value of Water System Assets}}{\text{Number of Equivalent } \frac{3}{4}\text{-inch Meter Connections}}$$

Key considerations in determining the value of the water system assets include adjustments made to the useful life of the facility assets, not considering contributed capital and adjustments for the amount of the asset value attributable to tax and availability charge revenue.

Proposed Water Meter Capacity Charge - The meter capacity charge recommendation from the described evaluation results in an 8.83% increase in the water meter capacity charge from \$5,242 to \$5,705 for a $\frac{3}{4}$ -inch water meter. The following table summarizes the proposed water meter capacity charges to be presented for consideration at the public hearing. The final amounts may vary slightly in confirming the estimated valuation amounts.

Water Meter Capacity Charge Summary (\$ per Meter Size)					
Meter Size	$\frac{3}{4}$ -inch	1-inch	1 $\frac{1}{2}$ -inch	2-inch	3-inch
Proposed Capacity Charge	\$5,705	\$9,509	\$19,016	\$30,426	\$66,559
Current Capacity Charge	\$5,242	\$8,737	\$17,473	\$27,957	\$61,157
Percent Increase	8.83%	8.83%	8.83%	8.83%	8.83%

Incremental Charges

An Incremental Component to the Water Meter Capacity Charge is added for projects either 1) constructed by the District that benefit future connections in a specific area or 2) for contributed capital projects (Developer Projects with Reimbursement Agreements) that benefit future connections in a specific area. Where an Incremental Component applies, a Specific Benefit Area ("SBA") is established and a Specific Benefit Area Capacity Charge ("SBACC") is separately approved, conceptually during the project approval process based on estimated project costs, with final approval after project completion when all project costs are known. This charge is added to the water meter capacity charge for new water meters for only property within the Specific Benefit Area.

The proposed incremental charges for the current Specific Benefit Areas are summarized in the following table.

Specific Benefit Area Capacity Charges				
SPECIFIC BENEFIT AREA (SBA) DESCRIPTION	Total Project Value (6/30/2021) (RCNLD)¹	Total Project Value (6/30/2022) (RCNLD)¹	SBA Build Out (Equivalent ¾-inch meter)	SPECIAL BENEFIT AREA CAPACITY CHARGE (per equivalent ¾ inch meter)
High Mountain Waterline	\$216,261	\$226,652	168	\$1,349
Wilkes Road Waterline	\$743,668	\$791,917	362	\$2,187
Via Piedra Waterline Extension - Total	\$571,203	\$571,203	37	N/A
Via Piedra Waterline Extension - Subarea A	\$3,656	\$3,656	10	\$366
Via Piedra Waterline Extension - Subarea B	\$73,611	\$73,611	6	\$12,268
Via Piedra Waterline Extension - Subarea C	\$493,936	\$493,936	21	\$23,521

The RCNLD asset value for the projects is adjusted each year based the Engineering News Record Construction Cost Index and an additional year of depreciation. The factors resulted in an average 2.6% increase from the previous year.

Proposed Annexation Charge

Using a similar” Buy-In” methodology as the water meter capacity charge, the annexation charge is determined as described in the District’s Administrative Code Article 220.6. The same amount deducted from the water facility asset value for taxes and availability charges used in determining the water meter capacity charge is the primary component of the corporate asset value used to determine the annexation charge recommendation. Owners of property outside the District have not paid availability charges or tax revenues to the District and as such would need to buy-in to the value attributed to those revenue sources to be on an equal basis as customers within the District. Using this methodology, an 7.0% increase of the annexation charge from \$1,325 per acre to \$1,418 per acre is recommended.

The following table summarized the Asset values used to determine the Annexation fee:

Annexation Charge Summary			
ITEM	ASSET DESCRIPTION	FINAL CORPORATE ASSET VALUE (as of 06/30/2021)	FINAL CORPORATE ASSET VALUE (as of 06/30/2022)
1	Facility Assets funded from Availability Charges and Taxes (Divided by Non-Exempt Acreage)	\$62,281,851	\$68,976,739
2	Corporate Assets		
2(A)	Corporate Non-Facility Assets	\$8,398,982	\$6,587,230
2(B)	Corporate Facility Assets (Buildings)	\$3,250,000	\$3,571,439
2(C)	Land Associated with Corporate Facility Assets	\$1,712,071	\$1,712,071
2	Total Corporate Assets (Divided by Non-Exempt Acreage plus Exempt Acreage with Service)	\$13,361,053	\$11,870,740
Total Corporate Assets Related to Annexation Charges		\$75,642,904	\$80,847,479
Total Non-Exempt District Acreage		56,672	56,672
Total Non-Exempt plus Exempt Acreage with Service		59,105	59,105
Annexation Charge (\$/Acre)		\$1,325	\$1,418
Percent Increase from Previous FY		9.5%	7.0%

Administrative Code Modifications

In addition to modifying the Administrative Code to reflect the increases in the capacity charges, staff is proposing two other modifications: 1) to clarify the capacity charge requirements for Accessory Dwelling Units (ADUs) and 2) to clarify the reserve requirements for administration of the capacity charges.


ADUs – This proposed modification would indicate that pursuant to state legislation there is no additional capacity or connection charge for adding an ADU to an existing service. Capacity and connection charges for ADUs constructed with new single-family dwelling units would be based on the water meter size required for the new development.

Capacity Charge Administration – This proposed modification would create an additional reserve for administering the “Incremental” component of the collected capacity charges and would also clarify the approved uses of the “Buy-In” component of the collected capacity charges.

RECOMMENDATION:

Staff recommends the Board of Directors direct staff to proceed with the process to implement the proposed water meter capacity charge and annexation charge increases incorporating Board comments during review and discussion.

PREPARED BY:



Wally Grabbe, PE
District Engineer

SUBMITTED BY:



Gary T. Arant
General Manager



Our Region's Trusted Water Leader
San Diego County Water Authority

SUMMARY OF FORMAL BOARD OF DIRECTORS' MEETING APRIL 27, 2023

1. Adopt positions on various bills.

The Board adopted the following positions of Support:

- Support on AB 246 (Papan), relating to Product Safety: PFAS in Menstrual Products.
- Support on AB 727 (Weber), relating to Product Safety: PFAS in Cleaning Products.
- Support on AB 1290 (Luz Rivas), relating to Product Safety: Substances in Plastic Packaging.
- Support on AB 1423 (Schiavo), relating to Product Safety: PFAS in Artificial Turf or Synthetic Substances.
- Support on AB 1594 (Garcia), relating to Medium- and Heavy-Duty Zero-Emissions Vehicles: Public Utilities.
- Support on H.R. 1837 (Kustoff and Ruppertsberger), relating to Investing in our Communities.

2. Notice of Completion for the Mission Trails Flow Regulatory Structure II and Flow Control Facility project.

The Board authorized the General Manager, or designee, to accept the Mission Trails Flow Regulatory Structure II and Flow Control Facility project as complete, record the Notice of Completion, and release funds held in retention to OHLA USA, Inc., in accordance with applicable law.

3. Monthly Treasurer's Report on Investments and Cash Flow.

The Board noted and filed the Treasurer's report.

4. General Manager's Final Draft Recommended Budget for Fiscal Years 2024 and 2025.

The Board accepted the General Manager's rate mitigation efforts presented and directed the General Manager to continue with rate mitigation options and present what was shared today at the May Budget Workshop.

5. Approval of Minutes.

The Board approved the minutes of the Formal Board of Directors' meeting of March 23, 2023.

May 15, 2023

TO: Honorable President & Board of Directors

FROM: Gary T. Arant, *General Manager*

SUBJECT: DISTRICT STATUS REPORT – FEBRUARY 2023

PURPOSE:

To provide the Board with a status report on District operations, activities and projects.

SUMMARY:

For the month of February 2023, the following reports are presented by the Operations, Engineering, Finance, IT and General Administration Departments:

I. OPERATIONS DEPARTMENT:

A. WATER / WASTEWATER DIVISION:

	<u>FEB</u>	<u>FEB</u>	<u>FY</u>	<u>FY</u>
Water Operations	<u>2023</u>	<u>2022</u>	<u>2022-23</u>	<u>2021-22</u>
Flow (average cfs)	9.12	19.93	21.11	23.92
Total Rainfall (inches)	4.05	0.81	17.83	7.68
Average 24 Hr. Temp. (EF)	44	50	62	63
Average High Temp. (EF)	61	69	75	77

Water Purchases (A.F.)	506.7	1,104.8	10,235.54	11,420.55
-------------------------------	-------	---------	-----------	-----------

	<u>Budgeted</u>	<u>Projected</u>	<u>Actual</u>
	<u>2022-23</u>	<u>2022-23</u>	<u>2021-22</u>
Water Sales (A.F.)	16,500.0	14,648.2	16,207.0

	<u>JAN</u>	<u>DEC</u>	<u>F.Y.</u>
	<u>2023</u>	<u>2022</u>	<u>2022-23</u>
			<u>to Date</u>
Power Purchases			
Electricity and Natural Gas			
Total kWh Purchased	349,467	608,310	5,291,540
Avg. Cost/kWh	\$0.288802	\$0.294705	\$0.225462
Total Therms Purchased	19,870	42,138	307,885
Avg. Cost/Therm	\$3.16809	\$1.49119	\$1.54891

RENEWABLE ENERGY PROGRAM

Project	Start Date	kWh Produced JAN 2023	Savings from Solar JAN 2023	CSI Rebate JAN 2023	kWh Produced Fiscal Year	Savings from Solar Fiscal Year	CSI Rebate Fiscal Year	kWh Produced To Date	Savings from Solar To Date	CSI Rebate To Date
Lake Turner	1/1/2009	126,703	Not Available		872,431	Not Available		24,208,113	\$443,357	
Tyler Pump Station	6/3/2013	5,093	\$1,324		48,122	\$10,160		853,924	\$168,837	\$61,739
Circle R Pump Station	11/13/2013	5,191	\$1,350		48,458	\$10,236		862,927	\$171,339	\$68,201
Cobb Reservoir	4/1/2015	2,993	\$778		29,552	\$6,228		434,448	\$87,164	\$37,481
MJM Pump Station	6/1/2015	2,485	\$646		25,064	\$5,275		357,965	\$72,314	\$32,525
Cool Valley Pump Station	3/23/2016	8,348	\$2,171		66,401	\$14,163		1,046,761	\$216,726	
Miller Pump Station	7/1/2016	6,576	\$1,710		64,336	\$13,556		736,473	\$151,637	
TOTALS		157,389	\$7,979	\$0	1,154,364	\$59,618	\$0	28,500,611	\$1,311,374	\$199,946

Total Program Cost Savings **\$1,511,320**

Total Metric Tons of CO2e Offset by Renewable Energy Production **9,177**

SDG&E CO2e Factor **0.322**

Total Renewable Energy Credits Sold:	23,284	Value:	\$33,549.60
	+		+
	0		\$0.00
	23,284		\$33,549.60

Operations and Facilities Department RENEWABLE ENERGY PROJECTS



Country Club Res - 58kW



Miller Pump Sta. (A) - 70kW



Tyler Pump Station - 52kW



Cool Valley Res - 91kW



MJM Pump Station - 30kW



Lake Turner - 1.1MW



Cobb Res - 30kW

Solar Sites Online

^ (7) Sites - Total: 1.43MW

Proposed Future Solar Sites

P Betsworth Pump Station	868kW
P Corporate Facility	110kW
P Lower Moosa Canyon WRF	187kW
P Miller Pump Station (B)	431kW

Total: 1.6MW

Terms:
kW - Kilowatt or 1,000 Watts
MW - Megawatt or 1,000 Kilowatts
1 MW will power 1,000 Homes



Wastewater	<u>FEB 2023</u>	<u>FEB 2022</u>	<u>FEB 2021</u>
Daily Flows (Average M.G.D.)			
Moosa	.262	.283	.260
Woods Valley	.108	.064	.055

	<u>FEB 2023</u>	<u>FEB 2022</u>	<u>F.Y. 2021-22 to Date</u>	<u>F.Y. 2020-21 to Date</u>
Recycled Water				
Woods Valley Ranch WWRF (A.F.)	9.66	5.50	73.32	44.47

B. CUSTOMER CONTACTS:

	<u>FEB 2023</u>	<u>FEB 2022</u>	<u>F.Y. 2022-23 to Date</u>	<u>F.Y. 2021-22 to Date</u>
Customer Service Requests				
Backflow Leaking	8	4	43	42
Conservation	0	0	0	0
Facilities Damaged by Others	1	1	1	7
Leaks	17	25	163	176
Miscellaneous	19	18	276	207
No Water	4	3	28	32
Pressure	9	9	81	79
Sewer	0	0	2	0
STEP System	3	2	6	20
Water Quality	1	0	7	8
After-Hour Call-Outs				
SCADA	6	1	32	25
Customer	7	5	79	59

C. SAFETY/MEETINGS:

Safety Meetings

02/07/23 - Storm Water Run Off (Bill Morris)
02/08/23

02/21/23 - Back Safety (Bill Morris)
02/22/23

Seminars/Meetings

02/09/23 ASDWA LSLI/LSLR Series #4 Service Line Material Field Validations
hosted by San Diego County Water Authority attended by Julee Scott

02/15/23 Drought Reporting Brownbag hosted by ACWA attended by Julee Scott

D. SECURITY:

	<u>FEB 2023</u>	<u>FEB 2022</u>	<u>F.Y. 2022-23 to Date</u>	<u>F.Y. 2021-22 to Date</u>
Trespassing/Break-ins	0	2	1	2
Vandalism	0	0	0	0
Threats/Suspicious Activity	0	0	0	0
Theft	0	0	0	0

E. METER SERVICES DIVISION:

	<u>FEB 2023</u>	<u>F.Y. 2022-23 to Date</u>	<u>F.Y. 2021-22 to Date</u>
Installation/Maintenance/Repair			
Meters Installed	40	411	339
Meter Service Repairs	12	65	24
Total Meters Exchanged	15	140	164
Meter Flow Test Bench			
Meters Tested	6	69	50
Backflow Program RP & DC Devices			
Tested	726	3,863	3,425
Repaired	22	155	161
Installed	42	286	374
Replaced Due to Theft/Damages	0	0	13

F. WATER FACILITIES DIVISION:

	<u>FEB 2023</u>	<u>F.Y. 2022-23 to Date</u>	<u>F.Y. 2021-22 to Date</u>
Pump Maintenance			
Pumps Pulled	1	3	1
Electric Motors Repaired	1	1	0
Electric Motors Rewound	0	0	0

G. CONSTRUCTION & MAINTENANCE DIVISION:

	<u>FEB 2023</u>	<u>F.Y. 2022-23 to Date</u>	<u>F.Y. 2021-22 to Date</u>
Pipeline Maintenance/Repair			
Mainline Repairs	2	12	10
Shutdowns	1	5	13
Shutdowns Due to New Construction	0	7	3

Valve Maintenance

Quad completed: A – J

17% through Quad K

Leak Detection Program Status

100% of facilities detected through Quads: A – J

17% of facilities detected through Quad K

	<u>FEB</u> <u>2023</u>	<u>F.Y.</u> <u>2022-23</u> <u>to Date</u>	<u>F.Y.</u> <u>2021-22</u> <u>to Date</u>
Landscape (Reservoirs) Maintenance			
Station Maintenance	20	130	169

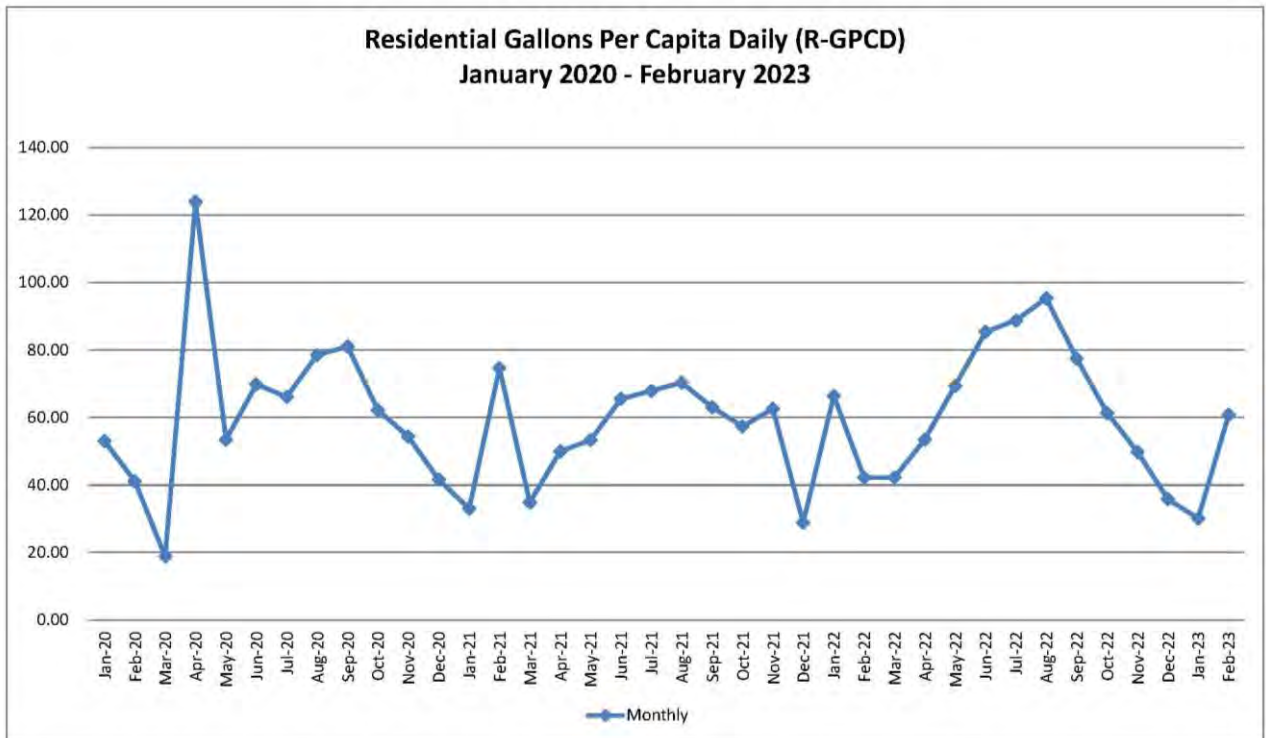
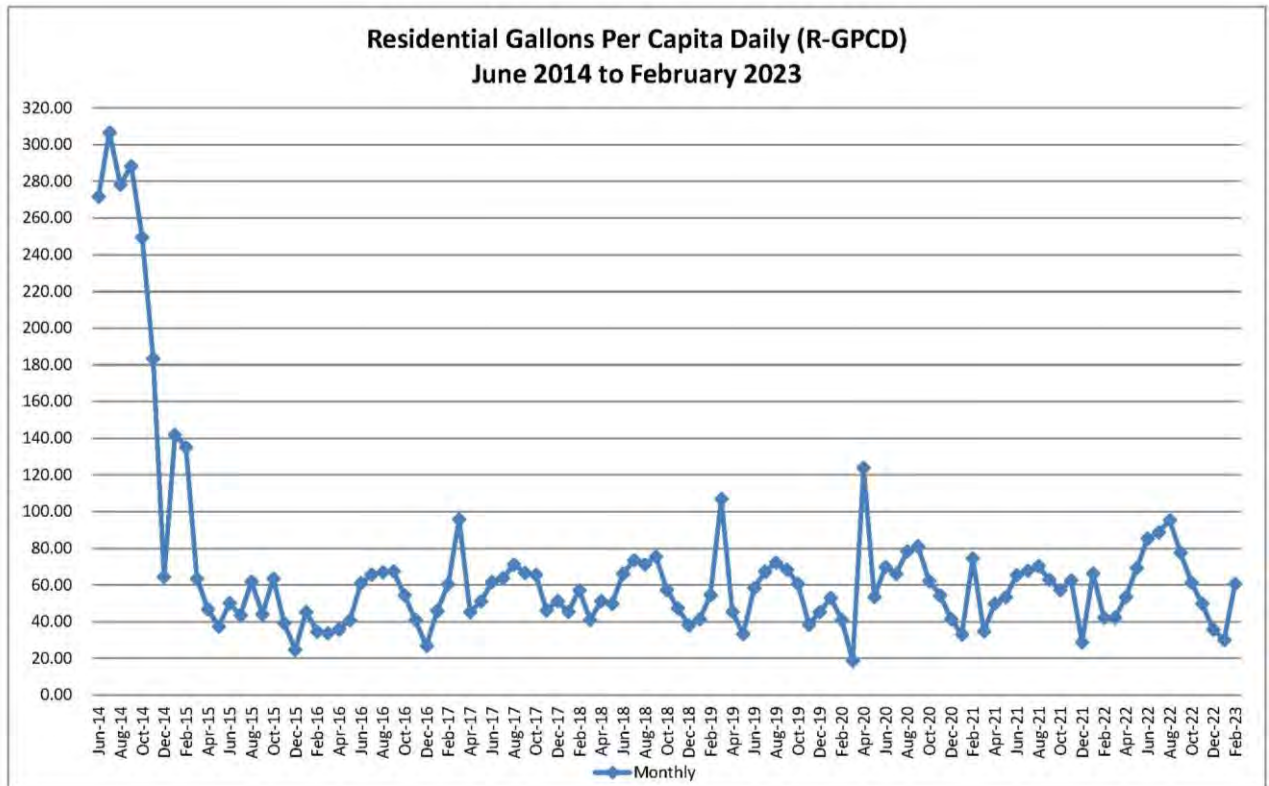
H. VEHICLE MAINTENANCE:

	<u>FEB</u> <u>2023</u>	<u>F.Y.</u> <u>2022-23</u> <u>to Date</u>	<u>F.Y.</u> <u>2021-22</u> <u>to Date</u>
Vehicles Serviced	3	38	41
Miles Driven	26,728	221,040	198,440
Gallons of Fuel Consumed - Vehicles	2,266	18,616	17,039
Gallons of Fuel Consumed – Equipment	529	1,838	1,143
MPG (average)	12.0	11.9	11.4
Pickup Trucks MPG	14.8	14.7	13.8
Service Trucks MPG	6.9	7.3	7.3
Average Vehicle Miles	514	524	459
Total Mileage on Vehicles		4,859,749	4,980,227
Total Number of Vehicles in Fleet	52		
Vehicles in Service	47		
Surplus Vehicles in Service	3		
Surplus Vehicles Out of Service	2		

**FIELD DEPARTMENT
CAPITAL FUNDED PROJECTS SUMMARY**

Project No.	Name	F.Y. Auth- orized	Budget 2022- 2023	Total Project Budget	Contracts			Comments	Dept.
					Contractor / Consultant	% Complete JAN	FEB		
01-06-78-51050	Natural Gas Engine Controls Upgrade and Automation	16-17		\$190,000		30%	30%	Construction in progress	P&M
01-06-78-51650	Risk and Resilience Assessment and Emergecy Response Plan	20-21		\$151,000		95%	95%	Risk and Resiliency Assessment 100% complete. ERP Plan is complete. Training will take place after COVID	SAFETY
01-06-78-51080	Pump Station Power Monitors	22-23	\$56,220	\$56,220		15%	15%	Construction in progress	P&M
01-06-78-51370	Vehicles - Pickup Truck	20-21	\$54,500	\$214,100		50%	50%	1 Complete, 1 On Order	P&M
01-06-78-51371	Vehicles - Service Truck	21-22	\$283,100	\$430,525		35%	35%	1 Receveived, Out Fitting in Progress	P&M
01-06-78-51372	Vehicles - Dump Truck	21-22	\$189,100	\$353,525		20%	20%	On Order	P&M
01-06-78-51373	Vehicles - Hooklift Truck	22-23	\$238,800	\$238,800		20%	20%	On Order	P&M
13-06-78-53140	Lower Moosa Collection System Vitrified Clay Pipe Lining	18-19		\$119,000		90%	90%	Contractor making repairs	WW
13-06-78-53060	Lower Moosa Canyon Reclamation Facility Solar Evaluation	19-20		\$15,000		0%	0%		WW
13-06-78-53430	Lower Moosa Canyon WRF Islands Lift Station Generator	20-21		\$55,000		20%	20%	On Order	P&M
13-06-78-53300	Sludge Transfer Pump Upgrade/Replacement	22-23	\$33,000	\$33,000		10%	70%	Pump purchased, waiting install	WW
13-06-78-53370 17-06-78-57370	Vehicles - Pickup Truck	22-23		\$58,000		20%	20%	On Order	P&M
13-06-78-53371 17-06-78-57371	Vehicles - Utility Pumper Truck	21-22	\$135,000	\$135,000		20%	20%	On Order	P&M
13-06-78-53372 17-06-78-57372	Vehicles - Service Truck	22-23		\$119,590		15%	15%	Out for Bid	P&M
17-06-78-57040	Lift Pumps	21-22	\$33,000	\$33,000		100%	100%	Completed	WW

II. Residential Gallons Per Capita Daily (R-GPCD):



Residential Gallons Per Capita Daily for February 2023 is 60.77

III. ENGINEERING DEPARTMENT:

A. ENGINEERING SERVICES:

	<u>February 2023</u>	<u>January 2023</u>	<u>F.Y. 2022-23 To Date</u>	<u>F.Y. 2021-22 Total</u>
Fire Meter Sales	23	17	223	315
Meter Sales	22	17	222	295
Meter Relocation	19	0	24	7
Meter Resize	0	0	3	5
Maps Processed (PF letters)	2	2	15	15
Agency Clearances Signed	5	5	45	107
Fire Hydrants/Special Projects Accepted	1	1	2	6
Underground Service Alerts/Mark-Outs	344	325	2,180	2,514
Potable Construction Meters	5	3	40	34
Non-Potable Construction Meters	0	0	0	0
One Day Permits	0	0	2	2
Wastewater Inspections	0	0	2	3

General Activity:

In addition to the items listed above, Engineering has met with customers inquiring about Special Projects and Meter Services. Meter installations for Phase 1, of the Infill Development has begun. In the month of February, 22 sets of meters were installed in Park Circle, leaving approximately 120 sets left to complete the development.

GEOGRAPHICAL INFORMATION SYSTEM (GIS):

GIS staff gathers and updates the facility data in the GIS as it is modified and assists project managers with various project maps/exhibits and data analysis. The following took place in February:

1. The Engineering technician is training both administrative assistants with the Esri Software, Story Maps and ArcGIS Desktop. They'll be moving forward with updating Capital Projects and Meter locations. Additionally, she has taken on the task of analyzing, adding, and updating all our facilities. Drawing out any improvements and bringing the as-builts together to hyperlink for staff to use in the Cityworks application or GIS web maps. This month the Mizpah Reservoir and Red Mtn. Pump Station were reviewed and updated;

2. Implemented web maps for enterprise-wide use. We have created a web application to update the meter locations as we interact with them, whether it is a service or possibly a relocation. The application was created to work with our EOS Arrow device, which will collect precise location data with sub-meter accuracy. We have gone forward and trained our field personnel in the use and have started to receive the updated location data. This information will be available in our desktop applications, web map and Cityworks.
3. Staff employed a consultant to digitize district easements to display in GIS. We have received multiple files consisting of over 900 Easements. We are currently reviewing this data and have added it to our Geodatabase so we can view it in our Web applications.

B. EASEMENT ENCROACHMENTS:

Summary of Activities:

In the month of February, no Violations were discovered and no Permits were requested. All other existing files are still pending.

ENCROACHMENT STATUS TABLE					
February	Encroachment Violations			Encroachment Permits	
	Pending Evaluation ⁽¹⁾	Owner Resolution ⁽²⁾	District Resolution ⁽³⁾	Pending Evaluation ⁽⁴⁾	Active Permits ⁽⁵⁾
Beginning Log	12	22	11	17	9
Plus New	0	0	0	0	0
Less Completed	0	0	0	0	0
Ending Log	12	22	11	17	9

Encroachment Table Footnotes:

- 1) Pending Evaluation – This column represents the status of reported encroachment violations. The number of new violations reported during the month is indicated along with the number of violations that were resolved during the month. Resolution may result in either a) the property owner agreeing to remove the encroachment violation, b) in some cases, the District allowing the encroachment violation to remain pending resolution by the District, c) issuance of an encroachment permit that allows the encroachment to remain as is, or d) issuance of an encroachment permit that requires modification of the encroachment by the owner. Once the course of action for resolution of the encroachment violation has been determined, it is shown completed in the Pending Evaluation column and becomes a new item in either the Owner Resolution Column, the District Resolution Column or the Active Permit Column.
- 2) Owner Resolution – Removal of the encroachment violation is a property owner action requirement and will be inspected by District staff. The number of encroachment violations that were removed during the month is indicated as completed in this column.

- 3) District Resolution – Staff has determined that the encroachment violation is not a result of current owner’s action and has agreed allow the encroachment to remain pending resolution by the District. The encroachment violation is properly documented and made clear to the owner that the District is not responsible for damage to the encroachment as a result of the operation, maintenance or failure of the District’s facility in the easement.
- 4) Pending Evaluation – This column represents the status of requests to construct facilities or other improvements within a District easement under review and consideration. The number of requests received during the month is indicated as new and the number of requests resolved is indicated as completed. Resolution of the request included either a) denial of the encroachment request, or b) issuance of an encroachment permit. Many times the encroachment permits is issued concurrently with the completion of the work. Encroachment permits that will require further follow up inspection are shown in the Active Permits column.
- 5) Active Permits – This column shows the status of encroachment permits approved by District with work in progress and being inspected by District staff. Although the work is authorized, work may not commence immediately.

C. DEVELOPER FUNDED PROJECTS:

See Table I and Location Map for project details and general status of the Special Projects, Private Low-Pressure Wastewater Collection System Installations and Cell Site Projects that are in process.

See Table II and Location Map for general status of all developer funded projects.

**ENGINEERING DEPARTMENT
TABLE I - ENGINEERING SERVICES PROJECTS SUMMARY**

Special Projects (01-00-00-182xx)								
Job # 182xx	PROJECT NAME	<u>Owner</u> Engineer	Plan Approval	Estimated Construction Cost	Contractor	% Complete Construction	Final Accept.	February 2023 Comments
15	North Avenue Estates - RDDMWD & COE Project, Incl. VCMWD Waterline Relocation and Access Easement	Jared Aronowitz (Beazer) <u>Masson & Associates</u>	11/2/2022	N/A		5%		Preliminary pre-construction meeting was held February 8th with City of Escondido, San Diego County Water Authority, various consultants and project contractors.
28	Miller Road Plaza - Shopping Center: Water/Irrig. & Fire Service, w/Grinder Pump	<u>Valley Center View Properties</u> Wynn Engineering	10/12/22	\$400,000	Gratzl Heavy Equipment Rental (Grading)	0%		Developer is working on securing performance bonds. Contractor has started with the submittal process. Preconstruction meeting will be held once work is onsite is ready to begin.
39	KA Enterprises - Fire Service/FH/Meter Relocate for new Circle R at Mountain Meadow Rd.	<u>KA Enterprises</u> Omega Engineering Consultants	6/3/2021	\$21,200	BC3 Equipment	90%		Repairs to DCDA were completed following damage to the Fire Assembly from a car accident.
44	San Pasqual Retail Center adjacent to Horizon Ph 1 - Water Service Installation Ph 2 - Road Widening and Appurtenance Relocation	<u>San Pasqual Economic Development Corporation</u> Masson and Associates Inc	3/18/2021	\$92,758	TLM Petro Labor force, Inc.	70%		Project engineer submitted exhibit to VCMWD for review of proposed meters. VCMWD had comments and corrections on domestic water meter set up.

**ENGINEERING DEPARTMENT
TABLE I - ENGINEERING SERVICES PROJECTS SUMMARY**

Special Projects (01-00-00-182xx), Continued.								
Job # 182xx	PROJECT NAME	<u>Owner</u> Contactor	Plan Approval	Estimated Construction Cost	Contractor	% Complete Construction	Final Accept.	February 2023 Comments
64	Anthony Rd. Fire Hydrant - Blackrock	<u>David Klose</u>	N/A	Pending	Pending	0%		Project was established and performance bond received in October 2021. No VCMWD activity in February.
65	ARCO Gas Station and Store at VC Rd & Cole Grade Rd Domestic/Irrig/Fire Service and Sewer with Grinder pump	<u>Rafat Mikhail</u> Civil Landworks		Pending	Gratzl Heavy Equipment Rental	5%		Developer sent plumbing, landscape and rough grading plans to VCMWD.
66	Darling Sewer Lateral	<u>Terri Darling</u>	4/29/2021	\$15,300	Draves Pipeline Inc.	100%	8/23/2022	In 1-year Warranty Period through August 2023.
67	Hamid Quitclaim	<u>Hamid Liaghat</u>		\$2,000	Szytel Engineering	80%		Staff transmitted comments to the property owners surveyor to address. Staff is awaiting revised documents to proceed. Property owner put quitclaim on hold for now.
69	Goldman FH	<u>Melanie Goldman</u>		\$17,365	Draves Pipeline Inc.	0%		Site visit took place in February with developer, Fire Department, contractor and VCMWD. Location was agreed upon limits of easement was discussed.
81	Erler/Carney Rd FH	Hank Erler	N/A	\$37,090	Draves Pipeline Inc.	100%	1/10/2023	In 1-year Warranty Period through January 2024.
82	V.C. Fire Station No. 3 Domestic Service and Fire Detector Assembly	Erickson-Hall Construction Co. Brandon Hamlett	N/A		Pending	0%		VCMWD held a kickoff meeting on November 3rd. Erickson-Hall is working on their private onsite plans and will reconvene with VCMWD when complete. No VCMWD activity in February.
83	McNally - JHR Partners Fire Hydrant	JHR Partners Wade Rupe	N/A		Pending	0%		Project account was established and initial \$5,000 deposit was received in February. VCMWD waiting for developer to procure contractor and start submittal process.

**ENGINEERING DEPARTMENT
TABLE I - ENGINEERING SERVICES PROJECTS SUMMARY**

Private Grinder Pump - LPS Installations (13-06-78-53250 or 17-06-78-57250 - Function 64)								
App#	APPLICANT	Plan Submittal	Plan Approval	Estimated Construction Cost	Contractor	% Complete Construction	Final Accept.	February 2023 Comments
417	Papa Bears (Armando & Maria Sanchez)	11/26/18	11/26/18	N/A	Pending	98%		No VCMWD activity in February.
11165	Humberto Perez (10137 Tall Oak Dr)	11/29/22	11/29/22	N/A	Pending	0%		No VCMWD activity in February.
11166	Antonio Vera (Woods Valley Ct)	11/09/22	11/09/22	N/A	Property Owner	25%		Homeowner placed Grinder Pump tank in excavation. Backfilling of excavation pending plumbing and electrical connections.
11698	Good Standing - Hakeem Milbes (Tall Oak Lot 27)	01/23/23	01/25/23	N/A	Pending	0%		Received Plan Submittal and approved in January. Waiting on customer to start installation.
11699	Good Standing - Hakeem Milbes (Tall Oak Lot 24)	09/20/22	09/26/22	N/A	Pending	0%		No VCMWD activity in February.
11727	Ryan Scharbarth (27674 High Vista Dr)	Pending		N/A	Pending	0%		VCMWD staff met onsite with customer February 27th. Discussed installation location and requirements.
10564	Joi Blake (Tall Oak Lot 17)	Pending		N/A	Pending	0%		Sent Customer Grinder Pump information.
Cell Site Installations (01-03-23-50001 Function 122)								
Site #	SITE	Plan Submittal	Plan Approval	Estimated Construction Cost	Cell Company	% Complete Construction	Final Accept.	February 2023 Comments
	NO CELL SITE INSTALLATIONS ARE IN PROCESS AT THIS TIME							

**ENGINEERING DEPARTMENT
TABLE II - DEVELOPER FUNDED PROJECTS SUMMARY**

Job # 01-00-00- 180xx	PROJECT NAME	Proj. Mgr.	Map No.	Lots/ Units	Phase	PLANNING	Planning		CONSTRUCTION				February 2023 Comments
						Engineer	Concept Approval	Plan Approval (1)	Estimated Cost	Contractor	% Complete	Final Acceptance	
02	Butterfield Trails	NL	TM 5551	71	G	Alidade Engineering - Larry Dutton	09/02/14		\$2,457,000				No VCMWD Activity in February.
05	Belmont Estates	NL	TM5110-1	4	G	ACAL Engineering	08/04/14	02/04/16	\$166,655				No response to letter requesting status update sent February 2018. No VCMWD Activity in February.
06	Lake Wohlford Resort Annexation Office of Water Programs - Sacramento State (OWP) is providing management services for the Facility Grant with the SWRCB	WG			F	Dexter Wilson Engineering							OWP obtained approval of an amendment to the SWRCB Grant to fund additional Annexation and Planning costs of the private water facilities needed to serve the resort and adding participation of the San Pasqual Band of Mission Indians for water service at Duro Road. Contracts with the consultants are being processed. District activities are on hold pending funding of VCMWD project expenses and the SDCWA and MWD annexation processing fees.
07	Viking Grove Development	NL	20689 & 20690	9	B	ACAL Engineering	05/16/16	11/09/22	\$318,507	TAD Construction	5%		Weather delayed the tie-in that was scheduled in February. Contractor excavated for tie in to take place in March.
09	Duffywood LLC Waterline Extension	P NL	TM 5478	7	B	Florentina/ Civil Land Works	01/03/22	11/24/20	\$360,000	TAD Construction	95%		County road improvements have been pending within Fruitvale Road since October. Tad Construction is working to complete remaining punchlist items.
17	Bear Peak (Shady Oak)	NL		47	B	Rick Engineering Company	03/18/19	07/08/19	\$600,000	GPS Plumbing and H7 Contrating & Engineering	99%		Minor punch list items still remaining. Waiting on developer to schedule final CCTV inspection.
19	The Oaks (Washington Meadows Dev., Inc.)	NL	TM 5174.1	11	D	Spears and Assoc.	10/19/15	09/08/22	\$186,710		0%		The final map and plans were signed by the District and transmitted to the developer in September. No VCMWD activity in February.
22	El Cidro	NL		10	G	BWE, Inc. (formerly Burkett & Wong Engineering)	04/15/13	11/30/15	\$410,250				Joint Agreement to Improve Subdivision, Joint Lien Agreement & Lien Hold Agreement approved by the County and the Final Map was recorded in July 2016. With project under a Lien Hold Agreement, construction will be delayed indefinitely. No VCMWD Activity in February.
	Park Circle Touchstone Communities (Backbone Facilities) (neighborhoods A & C)	NL	TM 5603 Units 2 & 3		B		04/15/19	07/23/19	\$3,100,000	Basile	98%		Staff is continuing to work with Developer and their contractors on completing the remaining punch list items. Punch list items are being completed slowly.

**ENGINEERING DEPARTMENT
TABLE II - DEVELOPER FUNDED PROJECTS SUMMARY**

Job # 01-00-00- 180xx	PROJECT NAME	Proj. Mgr.	Map No.	Lots/ Units	Phase	PLANNING	Planning		CONSTRUCTION				February 2023 Comments
						Engineer	Concept Approval	Plan Approval (1)	Estimated Cost	Contractor	% Complete	Final Acceptance	
23	Park Circle Touchstone Communities (Neighborhood E)	NL	TM 5603 Unit 1	101	B	Dexter Wilson Engineering & Touchstone Engineering Staff	04/15/19	10/19/20		Cass/Arrieta	90%		Developer continues to construct homes. VCMWD staff working with developer to complete punch list items.
	Park Circle Touchstone Communities (Neighborhood B)	NL	TM 5603 Unit 4 & Portion Unit 5	143	B		04/15/19	11/18/19		Cass/Arrieta	90%		Remaining punch list items for Unit 4 have still not been addressed. VCMWD staff is working with the developer and their contractor towards completion.
25	Orchard Run Subdivision - Unit 1 (Backbone Facilities funded by Touchstone)	NL	TM 5087 Unit 1 - 58 Lots Unit 2 - 70 Lots Unit 3 - 120 Lots Affordable Homes - 52 lots	20	B	Dexter Wilson Engineering & Touchstone Engineering Staff	04/15/19	07/23/19	\$1,855,600	Cass/Arrieta	95%		Staff is continuing to work with Developer and their contractors on completing the remaining punch list items. Punch list items are being completed slowly.
	Orchard Run Subdivision - Unit 2 (Backbone Facilities funded by Touchstone)			3	B		04/15/19	07/23/19	\$1,877,000	Cass/Arrieta H7	95%		Remaining Unit 2 work is under KB Homes Job No. Item 56.
	Orchard Run Subdivision - Unit 3 (Backbone Facilities funded by Touchstone)			120	B		04/15/19	07/23/19	\$1,717,785	Cass/Arrieta	90%		VCMWD staff issued an updated punch list to developer. 6 sets of 3/4" Domestic Meters and 1" Fire Meters were installed for Meritage.
27	Free-Thomas Line Extension	NL	20450	4	G	Penny Engineering	12/24/14	12/24/14	\$69,837				No activity since letter informing Owner that plan approval expired; requested project update. Owner continuing to process plans through County which is delaying water design. No VCMWD Activity in February.
30	Deer Springs Towne Center	NL		2	F	BWE, Inc. (formerly Burkett & Wong Engineering)							Staff previously met with County planner in charge of other adjacent development to explore options for wastewater service that can be applicable here as well. There may be opportunity for joint effort with other developers for a communal system, to be further explored with individual developers. No VCMWD Activity in February.
32	Keys Creek Water Line Replacement (Keys Creek Investments, Inc.)	NL	PM 1698	3	D	Engineering Design Group - Ranka Vukmanic	08/03/15	N/A	\$7,492	Draves Pipeline	100%	02/02/23	Fire Hydrant was installed and Final Accepted February 2nd, 2023.
35	Welk Garden Villas	NL		148	B	Hale	06/19/06	07/26/10	\$458,800	Ratzlaff	90%		In October 2022, Staff met with representative from Marriot, the new Owner of Welk Resort. They indicated a contractor is in process of being selected to perform the remaining punch list items. No VCMWD Activity in February.

**ENGINEERING DEPARTMENT
TABLE II - DEVELOPER FUNDED PROJECTS SUMMARY**

Job # 01-00-00- 180xx	PROJECT NAME		Proj. Mgr.	Map No.	Lots/ Units	P h a s e	PLANNING	Planning		CONSTRUCTION				February 2023 Comments
							Engineer	Concept Approval	Plan Approval (1)	Estimated Cost	Contractor	% Complete	Final Acceptance	
39	Rimrock Phase III - Unit 1		NL	TM 4744	9	D	Piro Engineering	06/07/93						District was previously requested to re-sign the joint County bonds as part of the ownership transfer process. District met with the new owner in October of 2022 representatives shortly after to review the project. The new owner is planning to resume development of the remaining lots in the near future. No VCMWD Activity in February.
	Rimrock Phase III - Unit 2				32	D	Piro Engineering	06/07/93						
	Rimrock Phase III - Unit 3				29	D	CTE, Inc.	06/07/93						
40	Circle P		NL	TM 5468	11	G	CTE, Inc.	08/07/17						No activity since Board issued Concept Approval for the project in August 2017. Staff prepared and submitted District Facility Agreement (DFA) to Developer for signature. Plan review pending receipt of plans and signed DFA. No VCMWD Activity in February.
44	Sea Bright Line Ext.		NL	TM 5814	9	G	Sea Bright	01/22/13	06/02/17	\$639,000				No activity since Board issued Concept Approval for the project in August 2017. Staff prepared and submitted District Facility Agreement (DFA) to Developer for signature. Plan review pending receipt of plans and signed DFA. No VCMWD Activity in February.
46	Beck Subdivision		NL	TM 5060	16	G	Sea Bright	06/01/09	10/10/18	\$237,215				No activity since plan approval extension was approved October 10, 2018.
47	Orchard Run Interim Lift Station		FC			B	Dexter Wilson Engineering		02/26/20	\$350,000	Basile	100%		Facility to remain in Operation until the Orchard Run Permanent Lift station is complete and operational.
51	Eagles Noel (Baldwin) Water Line Extension		NL	PM 17548	3	B	Wynn Engineering	04/05/21	06/02/21	\$185,000	JPI Development	70%		Contractor remobilized and started to install new pipeline. A pre-construction meeting was held on February 9th.
52	Weston Towne Center (previously called Village Square)		WG		85	F	TSAC Engineering Steve McPartland							The project was acquired by Indian Creek Associates, LLC. The new owner has established a new project account, see Job No. Item 73. Owner of the commercial property (Bob's LLC) has not yet made contact with the District. This account will remain open to report on the status of the commercial property.
54	Mathew Rd. Line Ext.		NL		3	A	Wunderlin Engineering Inc.	12/21/20	09/28/21	\$58,100	Westcoast Underground	100%	06/02/22	Project in 1 year warranty period through July 2023
55	Park Circle Shea Homes (Neighborhood A)		NL	Portion TM 5603 Unit 5	88	B	Dexter Wilson Engineering & Touchstone Engineering Staff	04/15/19	11/18/19		Cass/Arrieta	95%		Shea Homes is still working to complete remaining punch list items. Developer completed paint application of district facilities. Additional punch list items remain to process final acceptance.
56	Orchard Run KB Home Coastal (Units 1 & 2)		NL		105	B	Dexter Wilson Engineering & Touchstone Engineering Staff	04/17/19	07/23/19	\$1,717,785	H7 Contracting and Engineering	80%		Developer's contractor is working to complete punch list items.

**ENGINEERING DEPARTMENT
TABLE II - DEVELOPER FUNDED PROJECTS SUMMARY**

Job # 01-00-00- 180xx	PROJECT NAME	Proj. Mgr.	Map No.	Lots/ Units	Phase	PLANNING	Planning		CONSTRUCTION				February 2023 Comments
						Engineer	Concept Approval	Plan Approval (1)	Estimated Cost	Contractor	% Complete	Final Acceptance	
57	Orchard Run Unit 3 Affordable Home Unit	NL	TM 5087-3	52	B	Touchstone	04/17/19	07/23/19	Incl in OR Unit 3	Cass/Arieta	50%		Contractor completed watermain tie-in early February, this completed Phase 1 of the project.
58	Mountain Meadow Village Center	NL		1	F	PLSA							In October 2022, Developer requested additional Project Facility Availability forms to be signed as part of their ongoing permitting process with the County. No VCMWD Activity in February.
59	Pauma Vista Winery Water Line Extension	NL		1	C	Rancho Coastal Surveying Engineering Inc.	01/07/22	11/16/22	\$255,000	Pending			Project plans were signed on November 16th 2022. Developer is currently obtaining quotes from contractors to perform the proposed improvements. No VCMWD Activity in February.
60	Liberty Bell Plaza	NL		5	F	Alidade Engineering - Larry Dutton							Staff is continuing to work with Developer on processing quitclaim, no other activity took place in February.
63	Polito Subdivision	NL	TM 5001	14	G	Piro Engineering	06/07/99	08/28/15	\$150,000		100%	2/1/23 quitclaim deed recorded	VCMWD staff assisted in producing Quitclaim documents for easements no longer necessary. Quitclaim deeds were recorded 2/1/23. Project complete.
64	Park Circle Beazer Homes (Unit 4)	NL	TM 5603-2	79	B	Dexter Wilson Engineering & Touchstone Engineering Staff	04/15/19	09/27/21		H7 Engineering and Contracting	70%		Alleys G-2 and G-3 are still in construction and have yet to be conditionally accepted.
65	Rincon Tribe Emergency Water Service	WG			G	JR Filanc							Staff is providing assistance and coordination to Rincon Band of Luiseno Indians regarding their evaluation of obtaining a connection location for an emergency source of water supply. Study is being conducted by JR Filanc utilizing San Diego State Engineering Department. No Activity since initial discussion with SDSU Students in October 2021.
66	Village Station	NL		200	F	Wynn Engineering	Pending						Previously requested updated preliminary design report (PDR) for all of VCVF North Village property. Owner contracted with Dexter Wilson Engineering to prepare the report. Staff had previously provided DWE with additional information. No further activity anticipated until receipt of the PDR.
67	Ivy Dell RV Park Water Line Extension	NL		1	D	Excell Engineering Robert Dentino	Pending		Pending	Pending			Developer's engineer made corrections based on VCMWD staff comments and resubmitted for review.
69	Manzanita Crest Waterline Extension	NL	PM 19064		F	SMS Consulting	Pending						Developer's engineer submitted plans for review. Staff processed and returned first plan check comments in June. No VCMWD Activity in February.

**ENGINEERING DEPARTMENT
TABLE II - DEVELOPER FUNDED PROJECTS SUMMARY**

Job # 01-00-00- 180xx	PROJECT NAME	Proj. Mgr.	Map No.	Lots/ Units	P h a s e	PLANNING	Planning		CONSTRUCTION				February 2023 Comments
						Engineer	Concept Approval	Plan Approval (1)	Estimated Cost	Contractor	% Complete	Final Acceptance	
72	SDGE Strategic Undergrounding Project (SUP)	NL			B	NV5							Staff is supporting the project as necessary in response to SDG&E activity surrounding District facilities. SDGE is working with VCMWD to obtain easement.
73	North Ranch Estates (Weston Residential Property)	NL		515	F	Dexter Wilson Engineering.							Developer is working closely with the other major developers in the North Village Area to prepare a phased expansion plan for additional wastewater capacity. Dexter Wilson Engineering will be updating their prior reports and requesting an update to the prior concept approval. No submittals received from the Developer in February.
74	City of Escondido Flume Underground Project	NL			B	Michael Baker International				Sukut			Project is to account for spent inspecting construction of the City of Escondido's Flume underground project occurring in the vicinity of District Facilities. No VCMWD Activity in February.
75	Hideaway Lake Road Waterline Extension	NL		1	E	ARC Engineering	Pending						Staff requested additional information in January to process Concept Approval. Waiting on response from developer to move forward with concept approval. No activity in February.
84	Anderson Line Extension (Munster Platz)	NL	TPM 20460	5	G	Wynn Engineering	05/16/16						Developer's Engineer contacted District late May 2021 indicating that the Developer was wanting to move forward with the water line improvements in 2021. Staff responded with need to renew the Concept Approval and review the plans for compliance with latest standards. No VCMWD Activity in February.
88	Marquart Ranch Line Ext.	NL	TM 5410	9	G	MLB Engineering (Michael Benesh)	05/04/09	09/19/17	\$293,751				No activity since plans approved September 7, 2017.
	PROJECT SUMMARY												
				# of Projects		Lots or Units							
A	Warranty Period			1		3							
B	Under Construction			18		925							
C	Pending Construction			1		1							
D	Design Phase			6		85							
E	Concept Approval (Pending Design)			1		1							
	Total in Process			27		1,015							
F	In Planning - Active			8		808							
G	In Planning - Inactive			11		153							
	Total Planning			19		961							
	Total Projects			46		1,976							

(DFA) = District Facilities Agreement

(P) = District Participation in Project

(R) = Reimbursement Agreement

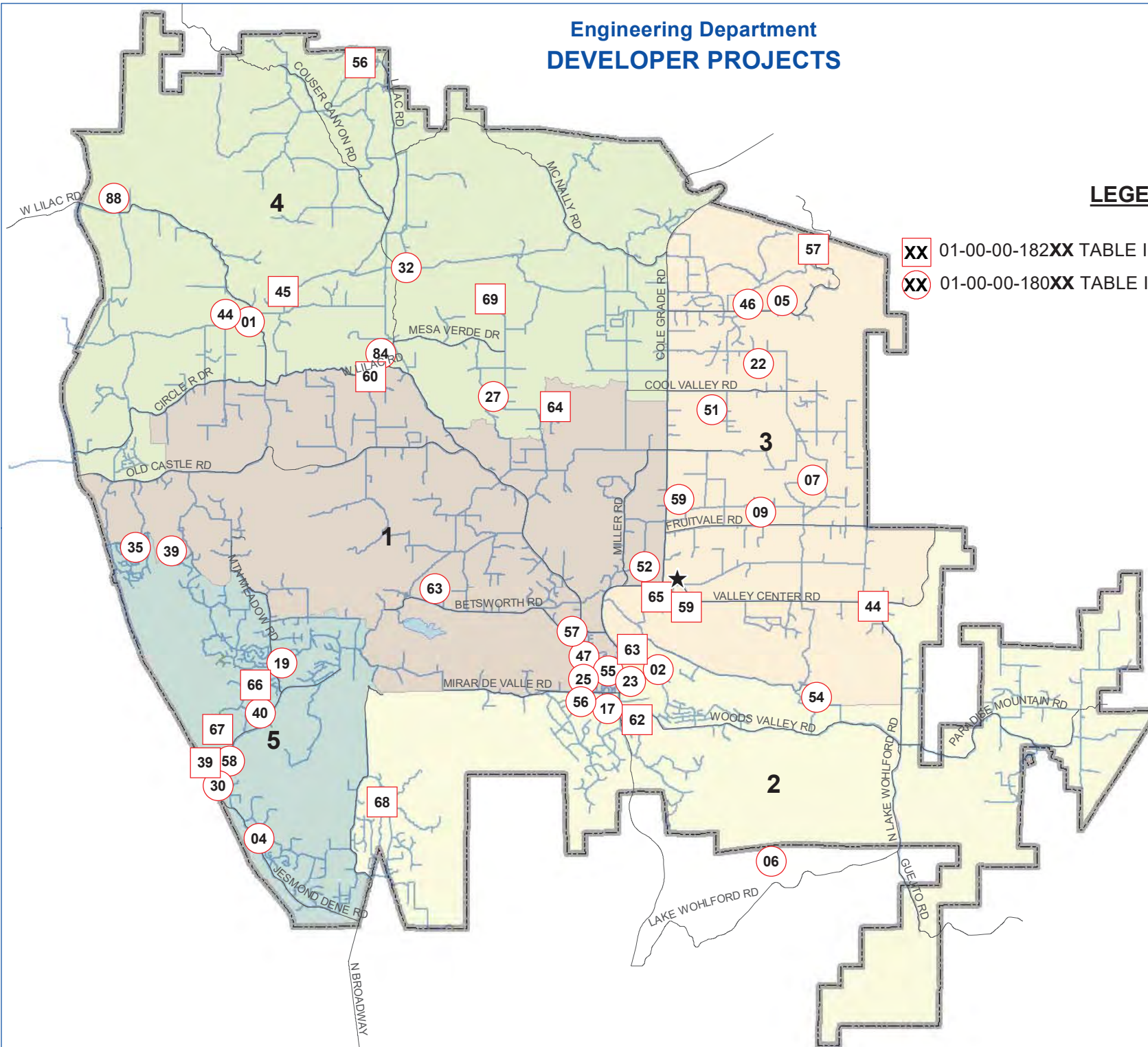
(1) Red Text indicates that Concept or Plan Approval has expired.

Engineering Department DEVELOPER PROJECTS



LEGEND

- XX** 01-00-00-182**XX** TABLE I - SPECIAL PROJECTS
- XX** 01-00-00-180**XX** TABLE II - DEVELOPER PROJECTS



D. CAPITAL IMPROVEMENT PROJECTS:

See Table III and Location Map for general status of all capital improvement projects.

E. MAPPING:

General Activity: In the month of February staff received 28 mapping update requests for a total of 128, 28 were completed. In addition, staff assisted with the Lilac Road Pipeline Upsize Capital Improvement and Park Circle Developer drawings.

MAPS AND RECORDS UPDATE STATUS TABLE					
February	Capital Improvement Projects ⁽¹⁾	Developer Projects ⁽²⁾	Encroachment Permits ⁽³⁾	Special Projects ⁽⁴⁾	Facility Mapping ⁽⁵⁾
Beginning Log	4	0	0	0	100
Plus New	1	1	0	0	28
Less Completed	(1)	(1)	0	0	(28)
Ending Log	4	0	0	0	100

Maps and Records Updates: Maps and records consist of preparing record drawings (as-builts) and valve detail drawings and updating the District base map, GIS facility map, and database. Maps and records are continually being updated to accurately reflect completed projects, non-District improvements (encroachments), and current field conditions. The following table summarizes the status of the record map updates.

Maps and Records Update Status Table Footnotes:

- 1) Capital Improvement Projects – This column represents AutoCAD record drawing status of recently constructed Capital Improvement Projects. Each project may generate or affect one or more record drawings. Each project is counted as one regardless of the number of improvement sheets.
- 2) Developer Projects – This column represents AutoCAD record drawing status of recently constructed Developer Improvement Projects. Each project may generate or affect one or more record drawings. Each project is counted as one regardless of the number of improvement sheets.
- 3) Encroachment Permits – This column represents changes made to our existing AutoCAD record drawings to reflect an encroachment that has been generated through the permit process.
- 4) Special Projects – This column represents AutoCAD record drawing status of recently constructed Special Projects such as the installation of new fire hydrants or service laterals.
- 5) Facility Mapping – This column represents individual minor mapping update requests from field or office staff.

ENGINEERING DEPARTMENT

TABLE III - CAPITAL FUNDED PROJECTS SUMMARY

Project Name	F.Y. Author-ized	Total Budget	Jan	Feb	Project Manager	February 2023 Comments
Pipelines & PRV Projects						
Upsizing / Unspecified Pipeline Replacement	22-23	\$151,500	0%	0%	Wally Grabbe	New Authorization for FY 2022-23 - \$200,000 - Transferred \$35,000 in October to establish CIP Account to acquire property adjacent to Circle R Reservoir - In February an additional \$13,500 was transferred to the Circle R Reservoir account to complete the acquisition leaving \$151,500 Available for future projects.
Pipeline Condition Assessment	22-23	\$150,000	0%	1%	Michael Powers	Project Established with FY 2022-23 Annual Budget. Staff met to clarify scope and estimate costs accordingly.
North Broadway Pipeline Relocation (Design/Bid Phase)	21-22	\$100,000	70%	70%	Michael Powers	Staff continued communications and coordination with EUSD and other property owners regarding acquisition of necessary easements. Staff initiated an as needed task assignment with TSAC to finalize easement documents.
NC ESP Alternative Delivery Project Planning, Design and Funding Agreement (Design/Bid Phase)	17-18	\$1,020,000	100%	100%	Nick Lyuber	Staff carried out selection of construction management services for the project. Additionally working on board action to present in March approving the Construction phase agreement with SDCWA and YMWD.
NC ESP 14-inch Pipeline Relocation (Design/Bid Phase)	21-22	\$725,000	100%	100%	Nick Lyuber	Included with the NCESP project activities.
Water System Upgrade Projects - Keys Creek Crossing Replacement (planning and design)	14-15	\$170,000	20%	20%	Fernando Carrillo	Staff is preparing a recommendation for replacement and confirming the size requirement, a pipe bridge replacement above the 100-year floodplain elevation appears the least expensive option. No Activity in February.

ENGINEERING DEPARTMENT

TABLE III - CAPITAL FUNDED PROJECTS SUMMARY

Project Name	F.Y. Author-ized	Total Budget	Jan	Feb	Project Manager	February 2023 Comments
Cole Grade Road Pipeline Replacement Design Phase	16-17	\$610,000	95%	95%	Michael Powers	Awaiting action from the County. Construction expected to begin in Spring of 2024. No activity in February.
Gordon Hill Pipeline Replacement (Design/Bid/Award Phase - 100% Complete) (Construction Ongoing)	18-19	\$3,380,000	60%	80%	Nick Lyuber	Construction is ongoing, approximately 80% of the watermain has been installed. Half of new pipeline has been energized and put into service. Contractor is working on installing appurtenances.
Oat Hill Discharge & Alps Way Pipeline Replacement (Design/Bid/Award Phase - 100% Complete) (Construction Ongoing)	18-19	\$1,225,000	80%	80%	Nick Lyuber	Weather events limited the tie-in of the new line near Oat Hill Reservoir that was originally scheduled in February. Contractor will reschedule tie-in for March.
Lilac Road Pipeline Upsizing (Construction Phase)	18-19	\$3,700,000	15%	15%	Fernando Carrillo	Cass continued to install 8-inch pipe in Lilac Road, moving towards Via Piedra.
Old Castle Road Pipeline Replacement - Phase 2 Design Only	21-22	\$100,000	80%	80%	Michael Powers	This project is planned to be included in the "2021 Facility Replacement Project" SRF application. Staff is working on design plans to be included with the application including the verification of existing utilities.
Duffwood Project	21-22	\$190,000	95%	95%	Nick Lyuber	County road improvements began in Fruitvale Road. Tad Construction continued work to complete remaining punchlist items.
2020 DWSRF Loan Application (Reimbursement Phase)	18-19	\$150,000	5%	5%	Nick Lyuber	Staff toured the state representative to the three project sites as required by the requirements of the loan. Final Budget Approval is anticipated to be received in March.
2021 DWSRF Loan Application	20-21	\$75,000	25%	25%	Nick Lyuber	No Activity in January.
Gordon Hill Upper Pipeline Relocation Project (Design, Bid Phase)	21-22	\$30,000	90%	90%	Michael Powers	Staff has submitted encroachment permit applications with SDG&E and is awaiting further direction. Staff initiated an as needed task assignment with consultant, TSAC to finalize easement documents.

ENGINEERING DEPARTMENT

TABLE III - CAPITAL FUNDED PROJECTS SUMMARY

Project Name	F.Y. Author-ized	Total Budget	Jan	Feb	Project Manager	February 2023 Comments
Reservoir Projects						
Kornblum Reservoir Mixing System (Construction Phase)	22-23	\$300,000	10%	10%	Nick Lyuber	Materials and equipment have been ordered and are trickling in. Once necessary parts are received, District staff will begin to construct the system.
Ridge Ranch Interim Reservoir (Design Phase)	19-20	\$90,000	10%	10%	Michael Powers	This project is planned to be included in the 2021 SRF Loan Application Package. Staff is evaluating the feasibility of replacing the existing reservoir with a smaller reservoir and upgrading the existing pump station to meet fire flow requirements.
Weaver Reservoir - Paint & Recoat	21-22	\$1,800,000	100%	100%	Nick Lyuber	Project complete and in the 1-year Warranty Period, ending 10/6/2024
Burnt Mountain & Reidy Canyon No. 2 Reservoir - Paint & Recoat	21-22	\$1,150,000	100%	100%	Nick Lyuber	Project is complete and in the 1- year warranty period, ending 12/19/23.
San Gabriel No. 1 Reservoir - Paint & Recoat	22-23	\$2,040,000	10%	20%	Michael Powers	Contractor submitted initial change order request based on conclusions from the structural analysis. Staff began negotiations on terms of the change order. Contractor continued construction according to the recommendations from the structural analysis.
Mountain Meadow No. 1 & Reid Hill Reservoirs - Paint & Recoat	22-23	\$2,315,000	35%	40%	Michael Powers	Contractor completed surface preparation and completed the coating the interior of the reservoir. Contractor began coating the exterior but experienced delays due to inclement weather.

ENGINEERING DEPARTMENT
TABLE III - CAPITAL FUNDED PROJECTS SUMMARY

Project Name	F.Y. Author-ized	Total Budget	Jan	Feb	Project Manager	February 2023 Comments
Data Management Systems						
SCADA/HMI Migration - Water system - Initial Equipment Purchase FY 17/18 Migration FY 21/22	21-22	\$310,000	10%	10%	Fernando Carrillo	Staff has requested a proposal from Rockwell Services to assist in the RFP process to select an Integration company
Document Management System	22-23	\$65,000	0%	0%	Wally Grabbe	Recommendation for software vender delayed pending further evaluation of construction management software and other department document requirements. Recommendation scheduled for July timeframe.
GIS Easement Integration	22-23	\$75,000	60%	60%	Nick Lyuber	To date 727 easements out of approximately 2300 have been input into GIS. A consultants has been utilized to perform the digitizing. Due to limited resources, consultant is working at a slower pace than necessary. Staff will be taking over the effort, once appropriate software and processes are in place.
Facilities Projects						
Turner Dam EAP	18-19	\$9,500	95%	95%	Wally Grabbe Gaby Olson	DSOD (Division of Safety of Dams) approved the new inundation map on January 16, 2020. Staff completed and submitted the EAP (Emergency Action Plan) and received review comments from Cal OES (California Office of Emergency Services). Staff contracted with a consultant in April to address the State's comments and complete the EAP. Staff worked with the consultant to complete the EAP and resubmitted the EAP to the State for review and approval.
Water Age Analysis	22-23	\$100,000	5%	5%	Wally Grabbe	Collecting and organizing water meter usage data for use in the evaluation.

ENGINEERING DEPARTMENT

TABLE III - CAPITAL FUNDED PROJECTS SUMMARY

Project Name	F.Y. Author-ized	Total Budget	Jan	Feb	Project Manager	February 2023 Comments
Lower Moosa Canyon Water Reclamation Facility Projects						
Moosa Wastewater O&M Manual Development	17-18	\$60,000	60%	60%	Fernando Carrillo	Engineering staff producing drawings and attachments for O&M Manual.
Moosa Main Motor Control Center (MCC) Replacement - Bid/Construction Phase	17-18	\$650,000	100%	100%	Fernando Carrillo	Project was completed September '22 and is in the warranty period through September '23. Staff to present project closeout report in March.
Moosa Aeration Air Piping Upgrade	22-23	\$150,000	0%	0%	Fernando Carrillo	Pipe and pipe wrap was ordered from a Levco Pipe Fab. Pipe has a lead time of 3 weeks. Plans are being prepared for C&M to use for installation.
Meadows Lift Station Motor Control Upgrade	21-22	\$455,000	5%	5%	Fernando Carrillo	Staff is in the design phase for the MCC replacement.
Moosa Clarifier Upgrades - Design	21-22	\$250,000	35%	35%	Fernando Carrillo	Equipment has started to arrive in different shipments. Some component are still missing. Plans and specs for installation are being prepared
Moosa Headworks Improvements	21-22	\$140,000	5%	5%	Fernando Carrillo	Staff has put the design on hold pending completion of the Moosa Master Plan, which may effect the Headworks improvements proposed with this project.
Moosa Master Plan	04-05	\$95,000	95%	100%	Wally Grabbe	Presented final Lower Moosa Canyon Master Plan update for Board Approval

ENGINEERING DEPARTMENT

TABLE III - CAPITAL FUNDED PROJECTS SUMMARY

Project Name	F.Y. Author-ized	Total Budget	Jan	Feb	Project Manager	February 2023 Comments
Woods Valley Ranch Water Reclamation Facility Expansion Projects						
Woods Valley Ranch Wastewater Expansion Project Property Acquisitions	98-99	\$250,000	80%	80%	Wally Grabbe	North Village Lift Station site acquisition pending resolution of Indian Creek Road ROW and County approval of VCVF Village Station site plan. VCVF site plan approval by County is still in process. There has been no further discussions with the new owner of the Weston residential parcels. County VMT regulations have slowed down the owner's planning processes. No Activity in January.
Woods Valley Golf Course Seasonal Storage	16-17	\$450,000	0%	0%	Fernando Carrillo	Staff continuing to work with San Pasqual Economic Development Corporation to develop additional seasonal storage facilities on the golf course. No Activity in February.
Grinder Pump Flow Meter Installation	21-22	\$72,000	0%	0%	Fernando Carrillo	Staff is developing an RFQ for installation of the flow meters at various commercial properties that are connected to the South Village Low Pressure sewer collection system. No Activity in February.
North Village Lift Station Design	16-17	\$290,000	10%	10%	Fernando Carrillo	Preliminary design complete. Lift Station site requirements identified. Site acquisition pending county approval of Village Station (VCVP) development plans. No Activity in February.
Series 1 Bond Issuance Costs CFD 2020-1	21-22	\$350,000	90%	90%	Wally Grabbe	Staff informed SWRCB that the District would proceed with a Series 1 Bond Sale to payoff the CFD portion of the SRF Debt. SWRCB prepared and submitted draft amendments to the SRF Loan Agreements for review. The amendments included conditions that could not be met with the available special tax revenues. Staff began developing alternatives to discuss the SWRCB.
Orchard Run Lift Station Construction	21-22	\$3,850,000	80%	80%	Fernando Carrillo	Contractor started to prep the access road for paving. Electrical contract install light poles and laid conduits to the existing lift station. Discharge piping and bollards were painted. Concrete swale was poured on the eastside of the block wall.

ENGINEERING DEPARTMENT

TABLE III - CAPITAL FUNDED PROJECTS SUMMARY

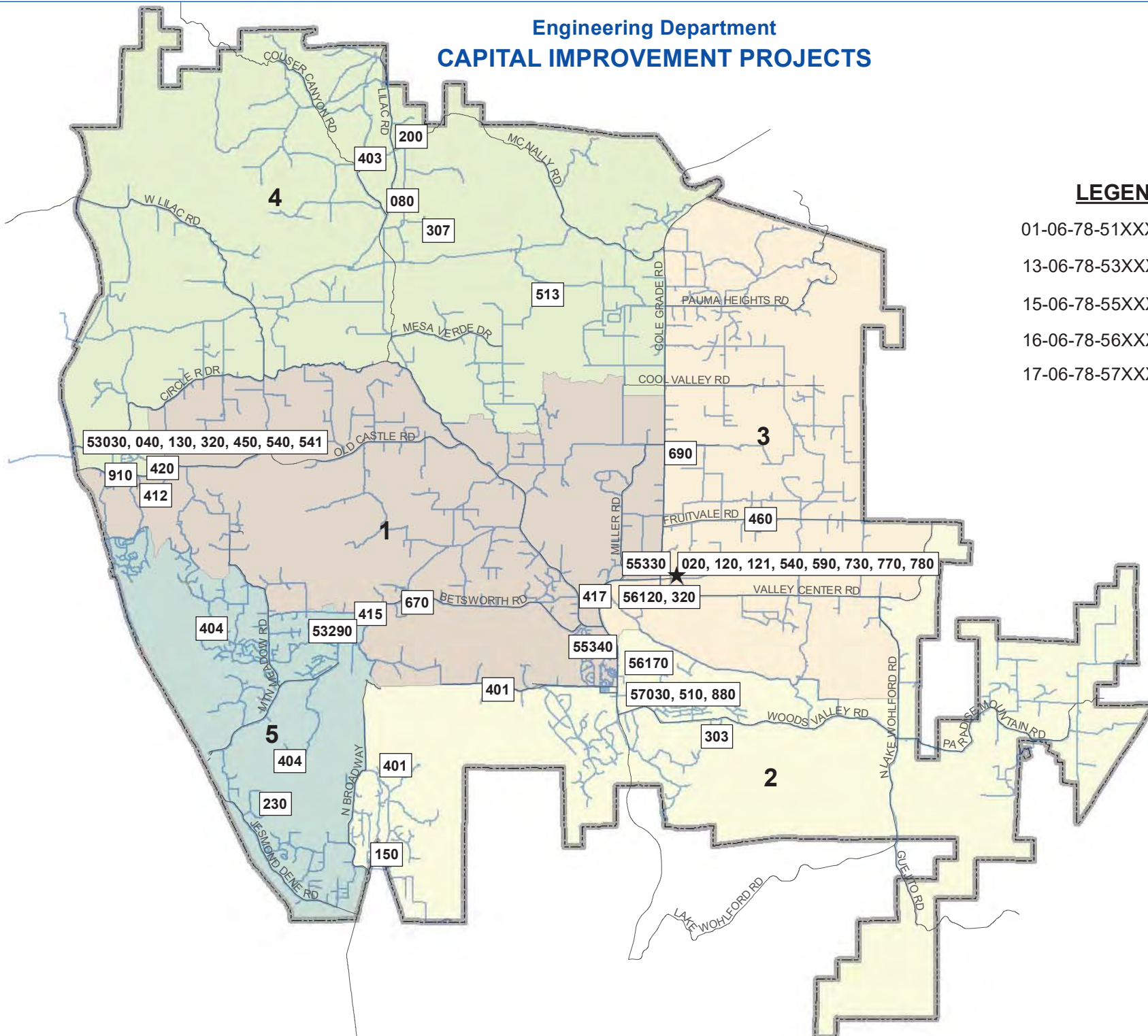
Project Name	F.Y. Author- ized	Total Budget	Jan	Feb	Project Manager	February 2023 Comments
Woods Valley Ranch Water Reclamation Facility Projects						
WVR Wastewater O&M Manual Development	17-18	\$90,000	6%	6%	Fernando Carrillo	Engineering staff and Wastewater staff have started reviewing existing O&M and are developing a new format. No Activity in February.
WVR WRF HMI Upgrade	21-22	\$25,000	5%	5%	Fernando Carrillo	WVR WRF HMI Upgrade is scheduled to start after the Water SCADA HMI Conversion Project is completed. No Activity in February
Woods Valley Ranch WRF Waste Discharge Permit Requirements Salt Nutrient Management Plan (SNMP)	15-16	\$90,000	5%	5%	Wally Grabbe	Scheduled start in April '23. No Activity in February.

Engineering Department CAPITAL IMPROVEMENT PROJECTS



LEGEND

- 01-06-78-51XXX (XXX)
- 13-06-78-53XXX (53XXX)
- 15-06-78-55XXX (55XXX)
- 16-06-78-56XXX (56XXX)
- 17-06-78-57XXX (57XXX)



F. FUNDING REQUESTS:

Drinking Water State Revolving Fund Loan Application. Final approval of the Installment Sales Agreement by the SWRCB for the 2020 Pipeline Projects was received and the Board of Directors authorized the General Manager to execute the Agreement in March '22. The first disbursement request for planning and design expenses was submitted in April and the first disbursement was received in October '22. The last of the three projects included in the application, Lilac Road Pipeline Replacement Project, was Awarded in October '22, contracts received the following month and Final Budget Approval documents submitted in November '22. Upon receipt of Final Budget Approval from the SWRCB staff can prepare disbursements requests for reimbursement of construction expenses. Final Budget Approval is expected by March '23, six months from submittal.

G. SEMINARS/MEETINGS:

- 2/15/23 – M. Martinez and M. Wick attended the ESRI Water Users Group meeting.
- 2/16/23 –M. Wick attended the DWR 3rd Thursday Water Loss webinar.

IV. FINANCE DEPARTMENT:

A. COMPARISON OF STATISTICS:

	<u>FEB</u> <u>2023</u>	<u>Fiscal YTD</u> <u>2022-23</u>	<u>Fiscal YTD</u> <u>2021-22</u>
Bills Mailed:	10,380	82,703	75,138
<i>Actions for Non-Payment:</i>			
Notices Mailed	1,308	10,469	9,667
48 Hr. Phone Calls	499	4,068	3,486
Meters Flow Restricted	1	13	10
Accounts Liened	3	26	30
Lien Notices Mailed	7	108	112
Accounts Transferred	49	481	506

	<u>FEB</u> <u>2023</u>	<u>FEB</u> <u>2022</u>	<u>FEB</u> <u>2021</u>
Customer Counts:			
Active Water Accounts:			
Certified Ag - PSAWR	643	648	1,044
M & I	9,040	8,670	8,060
Fire Meters	<u>1,876</u>	<u>1,516</u>	<u>1,317</u>
Total Active Accounts	11,559	10,834	10,421
Inactive Water Accounts:			
PSAWR	45	40	90
M & I	707	709	685
Fire Meters	<u>135</u>	<u>140</u>	<u>142</u>
Total Inactive Accounts	887	889	917
Total Water Accounts	<u>12,446</u>	<u>11,723</u>	<u>11,338</u>
Active Wastewater Accounts			
Moosa	2,495	2,491	2,490
Woods Valley	<u>873</u>	<u>543</u>	<u>377</u>
Total Wastewater Accounts	<u>3,368</u>	<u>3,034</u>	<u>2,867</u>

	<u>Acre-Feet</u>	<u>Value</u>
Interim MWD Agricultural Program:		
July 1994 through DEC 2012	<u>513,882.8</u>	\$63,681,802
MWD RTS Estimated Savings:		
FEB 2003 through DEC 2012		17,884,325
SDCWA PSAWR:		
July 1998 through FEB 2023	<u>485,089.5</u>	32,640,672
SDCWA Emergency Storage Est. Savings:		
JAN 2003 through FEB 2023		34,650,240
SDCWA Supply Reliability Est. Savings:		
JAN 2016 through FEB 2023		<u>4,535,246</u>
TOTAL MWD & SDCWA DISCOUNTS		<u>\$153,392,285</u>

B. MEETINGS:

- 02/07/2023 & 02/08/2023 9:00 am – 2:00 pm
Vanessa, Danielle, Beatriz, and John attended the Virtual Springbrook Employee Self-Service module training.
- 02/09/2023 10:00 am – 10:30 am
Vanessa and Andrew attended the WaterSmart Quarterly Check-in with Account Manager Jeff Sargent.
- 02/10/2023 8:30 am – 10:30 am
Jim and Vanessa attended the Virtual SDCWA MAM/MAFO Rate Group Meeting #13.
- 02/13/2023 9:00 am – 10:00 am
Vanessa, Danielle, and Beatriz attended the Virtual Springbrook Employee Self-Service Follow-up meeting with Marti Moore.
- 02/13/2023 2:30-3:30 pm
Jim, Vanessa and Andrew attended Springbrook-Review Allocation Billing updates to Facilitate VCMWD Billing needs, and teams.
- 02/15/2023 2:00 pm – 2:30 pm
Vanessa met Virtually with representatives from Workiva, a budget report software company to discuss a demonstration.
- 02/16/2023 12:30 pm – 1:15 pm
Vanessa, Danielle and Beatriz met Virtually with Melissa Wagner at Springbrook for a demonstration on Cirrus Advanced Timesheets.
- 02/16/2023
Jim attended 2023-2024 Budget Meeting
- 02/22/2023 11:30 am – 12:30 pm
Vanessa met Virtually with Workiva representatives for demonstration on their budget report writing software.
- 02/22/2023 2:00 pm – 2:30 pm
Jim and Vanessa met with Heather Smidt, California Bank & Trust Branch Manager for an Annual Check-in.
- 02/28/2023 11:30 am – 12:30 pm
Vanessa met Virtually with a ClearGov for a demonstration on the companies budget report writing software and interactive budget product.

V. INFORMATION TECHNOLOGY DEPARTMENT:

A. CAPITAL IMPROVEMENT PROJECTS –

SCADA HMI Improvements – Wonderware HMI system replacement at Moosa with Ignition HMI software has been completed. Replacement of the HMI system for the water system is currently in planning stages.

Asset Management System – Phase 2 of Cityworks development and deployment is in progress, which includes backflow, fleet maintenance, storeroom modules and integration with GIS and ERP systems.

Boardroom Technology Upgrade – The existing technology in the board room is being replaced with a new high definition media system. In-room video presentation system and video system wiring upgrades are in progress. Some components are backordered due to supply chain delays.

Server Visualization and Storage – The project will upgrade the data center virtual computing environment to Windows 2022 server-based system. This includes redundant server cluster with automatic failover, software licenses, and core network switch upgrade in the data center. The existing server will be relocated to a remote site and used for data replication, back, and disaster recovery. Server hardware has been set up. Cluster system and storage arrays have been configured. Backup systems have been integrated, and the system is currently being tested for failover and replication functionality.

B. GENERAL ACTIVITY –

SCADA Upgrades – Continuous rolling upgrades are being done to replace older devices such as radios, cameras, network switches, and Uninterruptible Power Supply (UPS) units with newer models, which are faster and more reliable. Video cameras are being replaced with event-driven models that are capable of detecting humans and vehicles.

Geographic Information Systems (GIS) Upgrades – GIS staff has deployed web maps and user portals within the software, and GIS databases and maps have been integrated with the Cityworks Asset Management System. The system is being continuously enhanced and actively used by District personnel.

Backflow Application – Work is continuing to integrate the District's Backflow application with Cityworks and GIS. Data replication components have been developed to allow backflow data to populate Cityworks inspections where it will be available for remote data entry by the tester. The integration is currently being tested.

C. SYSTEM STATUS –

All systems operated normally during the month of February.

D. MEETINGS –

No meetings were attended in February 2023.

**INFORMATION TECHNOLOGY DEPARTMENT
CAPITAL FUNDED PROJECTS SUMMARY**

Project No.	Name	F.Y. Auth- orized	Total Budget	Contracts			Comments	Project Manager/ Coordinator
				Contractor / Consultant	% Complete			
					Jan	Feb		
51040	Boardroom Technology Upgrade	16-17	\$ 32,135	In-house	98%	98%	Project will upgade the Audio/Video presentation technology in the Boardroom. New sound system was installed in January 2018. Video live streaming system was installed with upgraded cameras. New monitors were installed on the dais. Video presentation system upgrade is in progress.	Ando Pilve
51480	Asset Management System	18-19	\$ 88,704	In-house, external consultant	98%	98%	Cityworks Asset Management System's implementation is in progress. Deployment is completed with DigAlert, work order modules, and GraniteNet sewer inspection system. Backflow, fleet, and storeroom modules are in development.	Ando Pilve
51240	Server Virtualization & Storage	22-23	\$ 97,423	In-house	60%	70%	Project will upgrade the data center virtual computing environment to Windows 2022 server based system. This includes redundant server cluster with automatic failover, software licenses, and core network switch upgrade in the data center. Server hardware has been set up, system and storage arrays have been configured. Currently testing the system before full deployment.	Ando Pilve

VI. GENERAL ADMINISTRATION PROJECTS AND PROGRAMS:

A. GENERAL MANAGER'S MEETINGS AND ACTIVITIES FOR FEBRUARY 2023 –

- 02/01/23 – Lake Wohlford Resort Annexation Status Meeting (GA);
Cityworks Consultant Meeting – Backflow (GO);
- 02/02/23 – ACWA Board Retreat (GA);
- 02/03/23 – ACWA Board Meeting (GA);
- 02/06/23 – VCMWD Regular Board Meeting (GA & GO);
- 02/07/23 – VCMWD Agenda Meeting (GA & GO);
SDCWA MWD Delegates Meeting (GA);
Consultant Meeting Turner Dam Emer. Action Pln. (GO);
Cityworks Consultant meeting – BackFlow (GO);
- 02/08/23 – DocuSign Meeting (GO);
- 02/09/23 – Chris Mika, Congressman Issa's Office, Federal Funding (GA);
SDCWA Special Board Meeting, AB 1661 Training (GA);
- 02/10/23 – ACWA CARB ACF Rule Conference Call (GA);
SDCWA Rate Study Workgroup (GA);
- 02/13/23 – Springbrook Allocation Software Meeting (GA & GO);
- 02/14/23 – ACWA Energy Committee Coord. Call (GA); SDCWA GM's Mtng. (GA);
SD Farm Bureau Water Committee (GA);
Cityworks Meeting with Account Manager (GO);
- 02/15/23 – SCADA Ignition Migration Mtng. (GA); ACWA Ag Committee Mtng. (GA);
ACWA Energy Committee Meeting (GA);
SWRCB Drought Reporting Meeting (GO);
- 02/16/23 – FY23-24 Budget Mtng. (GA & GO); SDCWA Finance Planning Workgroup (GA);
- 02/17/23 – North County GM's Meeting (GA); ACWA Climate Change Workgroup (GA);
- 02/21/23 – SDCWA Board Officers and Chairs Meeting (GA);
SDCWA Admin & Finance Committee Pre-Board Meeting (GA);
VCMWD Regular Board Meeting (GA & GO);
Centricity Consultant, Cityworks Meeting (GO);
- 02/22/23 – SDCWA North County Caucus (GA);
VCMWD Agenda Meeting (GA & GO);
CBT Branch Manager Meeting (GA);
- 02/23/23 – SDCWA Regular Board Meeting (GA);
VCMWD Staff Water Loss Meeting (GO);
- 02/24/23 – Dave Lloyd, BBK, Right of Way Issue (GA);
Corporate and LMC Solar Projects Update with Blue Path (GA)
SDCWA Labor Negotiations Workgroup (GA);
- 02/27/23 – "A" Group In-Person Staff Meeting (GA);
Consultant Meeting, Turner Dam Emer. Action Plan (GO);
- 02/28/23 – "B" Group In-Person Staff Meeting (GA);

**Key: GA – Gary Arant; GO Gaby Olson*

February 2023

Status Report

B. Water Conservation and Public Outreach –

Staff distributed entry forms to fourth grade classrooms at Lilac and Valley Center Elementary Schools' for this year's contest.

C. Personnel –

1) Regular Full-Time Employees, as of February 28, 2023:

<u>Funds</u>	<u>Budgeted</u>	<u>Employed</u>
Water	66	62
Wastewater	<u>6</u>	<u>6</u>
Total	72	68

2) Pending Retirements –

a) John Martinueau, *Sr. C&M Technician* – December 2023

Compiled By:



Kirsten N. Peraino, *Board Secretary*

Submitted By:



Gary T. Arant, *General Manager*