

VALLEY CENTER MUNICIPAL WATER DISTRICT
AGENDA

Regular Meeting of the Board of Directors
Monday, December 15, 2025 — 2:00 P.M.

The VCMWD Board of Directors welcomes the public to attend its meetings both in-person at its Board Room and virtually via livestream. *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, unless otherwise required by law, such as when a Director is attending the meeting virtually pursuant to certain provisions of the Brown Act.*

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

Members of the public can address the Board of Directors during “Public Comments” 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 In-Person Attendance: 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 must 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 they will be read aloud during the public comment period; or
- Written Comments: Written comments can be also be physically dropped off or mailed in advance of the meeting at the District’s Administrative located at 29300 Valley Center Rd., Valley Center, CA 92082, for receipt no later than 1:00 pm on meeting day.

These public comment procedures supersede any District 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 (Government Code Section 54954.2).

PUBLIC COMMENTS

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 Section 54954.3).

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

CONSENT CALENDAR ITEMS

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, December 2, 2025;**
- 2. Audit Demands and Wire Disbursements; and**
- 3. Treasurer's Report for Month Ending October 31, 2025.**

PUBLIC HEARING ITEM(S)

- 4. Public Hearing on Proposed Changes in Water and Sewer Rates Effective January 1, 2026 and Request Adoption of Ordinance No. 2025-11 to Amend the Administrative Code:**

A public hearing to receive comments on the proposed changes in rates and charges and authority to pass through certain cost increases to be effective January 1, 2026 will be held. After receiving public comment, the Board of Directors will close the Public Hearing and adoption of Ordinance No. 2025-11 amending Administrative Code Sections 160, 171, and 172 will be considered.

- a. Open Public Hearing
- b. Report by Director of Finance and Administration
- c. Questions/Discussion
- d. Audience comments
- e. Close Public Hearing
- f. Discussion
- g. If desired, adopt Ordinance No. 2025-11

INFORMATIONAL ITEM(S)

DISTRICT GENERAL COUNSEL'S REPORT

BOARD OF DIRECTORS' AGENDA AND AB1234 REPORTING*

** Directors must provide brief reports on meetings/events attended in the performance of their official duties for which compensation or reimbursement is provided. Authority: Government Code Section 53232.3.*

CLOSED SESSION ITEM

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 (per Government Code § 54956.9).

Valley Center Municipal Water District
Board of Directors' Meeting Agenda

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 Coral Williams, *Board Secretary*, at (760) 735-4517 or publiccomments@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
MINUTES
Regular Meeting of the Board of Directors
Monday, December 1, 2025 — 2:00 P.M.

The Valley Center Municipal Water District Board of Directors' meeting was called to order by President Ferro at 2:00 PM. In the Board Room at 29300 Valley Center Rd.; Valley Center, CA 92082, and livestreamed on the District's website at www.vcmwd.org.

ROLL CALL

Board Members Present: *Directors Ferro, Holtz, Baker, Ness, and Stehly.*

Board Members Absent: *None*

Staff Members Present: *General Manager Leahy, Former General Manager Arant, District Engineer Grabbe, Manager of Accounting/Deputy Director of Finance & Administration Velasquez, Director of Operations and Facilities Lovelady, Director of IT Pilve, Administrative Assistant/Assistant Board Secretary Williams, Special Projects and Regulatory Compliance Manager Nichols, and General Counsel de Sousa.*

Guest Presenter(s): *Auditor Shannon Ayala with Davis Farr, LLP., the District's Certified Public Accountant.*

PUBLIC COMMENT(S)

President Ferro 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 ITEMS

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, November 17, 2025; and**
2. **Audit Demands.**

Action: Upon motion by Ness, seconded by Stehly; and carried with 5 affirmative votes, the previously listed consent calendar items were approved.

PRESENTATION

3. **Review, Receive and File of the District's Annual Comprehensive Financial Report (ACFR) for Fiscal Year (FY) 2024-25 and Review of Appropriation Limit Worksheet:**

The District's Annual Comprehensive Financial Report (ACFR) for the fiscal year ending June 30, 2025, was presented for the Board's review. Deputy Director of Finance Velasquez provided a summary of the ACFR financial highlights.

Valley Center Municipal Water District Board of Directors' Meeting Minutes

Water Purchases and Sales

Water sales for FY 2024-25 totaled **13,885 acre-feet (AF)**, an increase of **2,392 AF** or **20.8%** over the prior fiscal year, primarily due to significantly lower rainfall (8.2 inches compared to 20.8 inches in FY 2023-24). Water purchases increased **20.1%**, from 12,236 AF to **14,691 AF**.

Agricultural deliveries represented **55.7%** of all water sold. Sales to Certified Agricultural customers increased by **1,373 AF** (21.6%).

Agricultural discounts passed through from the SDCWA under the Permanent Special Agricultural Water Rate (PSAWR) totaled **\$2,697,478**. For Calendar Year 2025, PSAWR customers paid **\$2,193/AF**, which is **29%** or **\$909/AF** less than domestic/commercial customers at **\$3,102/AF**.

Combined Revenues

Total combined revenues (excluding capital contributions) for FY 2024-25 were **\$59,129,215**, an increase of **\$10,652,769 (22.0%)** over the prior fiscal year. Key revenue changes included:

- **Water Sales & Pumping Charges** increased by **32.0% (\$8.84M)** due to higher sales volume driven by dry conditions.
- **Meter Service Charges** increased **8.7% (\$713k)**, reflecting:
 - The new **MWD Fixed Charge Passthrough** implemented January 1, 2025
 - A **5.1% increase** to monthly meter service charges
 - An increase of **41 active meter services**, to 11,854 total
- **Meter Installation Fees** decreased **23.8% (\$113k)** due to reduced development activity as the Park Circle project neared completion.
- **Other Water Operating Revenues** increased **106% (\$717k)**, including a **\$520,000 reimbursement** from CFD bond proceeds for the Orchard Run Lift Station.
- **Wastewater Charges** increased **5.2% (\$236k)** due to:
 - Full-year collection of the Capital Improvement Charge implemented January 2024
 - A **5.1% increase** to wastewater service rates
 - A slight increase in active wastewater EDUs
- **Property Taxes & Assessments** increased **4.0% (\$180k)**, largely driven by assessed valuation increases from Park Circle buildout.
- **Investment Income** increased **7.7% (\$158k)** due to higher average yields (4.4% vs 4.1%).

Capital contributions totaled **\$9,394,341**, more than double the prior year, reflecting developer-funded infrastructure and completion of the Orchard Run Lift Station.

Combined Expenses

Total expenses for FY 2024-25 were **\$55,744,484**, an increase of **19.0% (\$8.9M)** from the prior year. Major expense changes included:

- **Cost of Water Sold** increased **29.4% (\$7.0M)** due to higher purchase volumes and increased wholesale water costs.
- **Energy and Pumping Costs** decreased **0.7%**, reflecting the 25% SDG&E rate decrease in March 2024, partially offset by increased pumping needs from higher sales.
- **Water System Operations** increased **8.5% (\$539k)** due to higher labor, benefits, and facility maintenance.

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- **Wastewater Collection & Treatment** increased **11.1% (\$205k)**, driven by labor, benefits, maintenance, and outside services.
- **Engineering Expenses** increased **9.1% (\$214)**, reflecting higher capital planning efforts.
- **General & Administrative Expenses** increased **18.2% (\$716k)** due to labor, benefits, OPEB adjustments, legal services, and insurance.
- **Depreciation** increased **3.6% (\$185k)** from new equipment and completed capital projects.
- **Interest Expense** increased **12.2% (\$60k)** from construction-period SRF loan interest for the 2020 Pipeline Projects.

Operating Results

Operating revenues totaled **\$51.9 million**, while total operating expenses were **\$55.2 million**, resulting in an **operating loss of \$3.3 million**, consistent with prior years OPEB and depreciation, which are - non-cash expenses are significant contributors.

Non-operating revenues (including property tax, investment income, and cellular leases) partially offset the operating loss.

Net Position at Year End

The District's Net Position at June 30, 2025 was **\$109,942,198**, an increase of **\$12,779,072 (13.2%)** over the previous year.

Of this increase:

- **\$9.39M** resulted from **capital contributions**.
- **\$3.38M** resulted from **income before contributions**, allocated as:
 - **\$2,403,497** – General Fund
 - **\$201,383** – Lower Moosa
 - **\$779,851** – Woods Valley Ranch

Water Operating Reserve

Consistent with Board policy requiring 3–6 months of operating reserves (excluding wholesale water and power), the District designated **\$6.5 million** to the Water Operating Reserve as of June 30, 2025. This represents **4.6 months** of budgeted operating and maintenance expenses.

Independent Audit and Appropriation Limit Worksheet

Auditor Shannon Ayala of Davis Farr LLP presented the Independent Auditor's Report, summarizing the audit of the FY 2024-25 financial statements. Davis Farr issued an unmodified opinion, the highest level of assurance, stating that the financial statements present fairly the financial position and cash flows of the District as of June 30, 2025.

The auditor reviewed:

- Responsibilities of Auditor
- Audit Reports
- Areas of Audit Focus
- Audit Results

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Ms. Ayala also presented findings from the Independent Accountants' Report on Applying Agreed-Upon Procedures for the Appropriations Limit Worksheet, confirming compliance with Article XIII B of the California Constitution. The District again received less than half of its allowable property tax limit.

Action: The Board received and filed the ACFR and the Appropriation Limit Worksheet.

ACTION ITEM(S)

4. Approve Professional Services Agreement with Interface Automation for System Integration Services for the Woods Valley Ranch WRF SCADA/HMI Software Upgrade:

District Engineer Grabbe presented the request for Board approval of a Professional Services Agreement with Interface Automation for system integration services related to the Human-Machine Interface (HMI) software upgrade at the Woods Valley Ranch Water Reclamation Facility (WRF).

Project Background

The existing HMI system at the Woods Valley Ranch WRF requires an upgrade to align with the Ignition Perspective platform, which is now the District standard for both water and wastewater systems. The upgrade will improve system reliability, compatibility, and long-term maintainability. Interface Automation previously configured the District's existing HMI for the Woods Valley Ranch facility and successfully completed the Moosa WRF upgrade from Wonderware to Ignition Perspective, providing significant system continuity advantages.

Consultant Selection

Two qualified system integrators were invited to submit proposals: Interface Automation and Enterprise Automation.

Consultant	Proposal Amount
Interface Automation	\$75,000
Enterprise Automation	\$325,272

Staff recommended Interface Automation due to:

- Their direct involvement in the existing WVR WRF HMI configuration
- Proven Ignition Perspective upgrade experience
- Existing knowledge of District systems, reducing implementation time and risk
- A significantly lower and more cost-effective proposal
- Although Administrative Code normally requires three quotes, staff recommended proceeding with Interface Automation based on their unique qualifications and prior system involvement.

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

Fiscal Impact

Funding for the HMI upgrade is included within the FY 2025–2026 Annual Budget, with sufficient appropriations to cover the award.

Recommendation

Staff recommended adoption of Resolution No. 2025-31, authorizing the General Manager, or her designee, to enter into a Professional Services Agreement with Interface Automation in the amount of \$75,000 for the Woods Valley Ranch WRF HMI software upgrade.

RESOLUTION NO. 2025-31

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE VALLEY CENTER MUNICIPAL WATER DISTRICT
APPROVING A PROFESSIONAL SERVICES AGREEMENT
WITH INTERFACE AUTOMATION FOR THE HMI SOFTWARE UPGRADE
AT THE WOODS VALLEY RANCH WATER RECLAMATION FACILITY**

Action: Upon motion by Holtz, seconded by Stehly; motion to approve the following Resolution passed with five (5) affirmative votes:

Was adopted by the following vote, to wit:

AYES: *Directors Ferro, Holtz, Ness, Stehly and Baker.*
NOES: *None*
ABSENT: *None*

5. San Diego Local Agency Formation Commission Special Districts Advisory Committee Call for Ballots:

Special Projects and Regulatory Compliance Manager Nichols presented the staff report dated December 1, 2025, regarding the San Diego Local Agency Formation Commission (LAFCO) Special Districts Advisory Committee (SDAC) Call for Ballots. On November 12, 2025, LAFCO issued a Call for Ballots for the election of seven representatives to serve on the SDAC, which provides feedback and recommendations to LAFCO on various topics related to special districts in San Diego County.

The Board reviewed the list of nominees and supporting candidate biographies included in the LAFCO ballot materials. Board President Ferro presented his recommended slate of seven candidates for the District's vote, based upon qualifications, experience, and representation across district types.

The recommended candidates were:

- **Mike Sims**, Bonita–Sunnyside Fire Protection District
- **James Gordon**, Deer Springs Fire Protection District
- **Erica Wolski**, Ramona Municipal Water District
- **Jack Beebe**, Fallbrook Public Utility District
- **Kurt Worden**, Lower Sweetwater Fire Protection District
- **Lindsay Leahy**, Valley Center Municipal Water District

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- **Albert C. Lau**, Santa Fe Irrigation District

Staff reviewed the ballot completion and certification requirements, noting that the signed Election Ballot and Vote Certification Form must be submitted to LAFCO by the December 22, 2025 deadline.

Action: Upon motion by Ness, seconded by Holtz, the Board approved the recommended seven candidates as presented, President Ferro directed staff to complete and submit the Election Ballot and Vote Certification Form to LAFCO by the required deadline.

INFORMATIONAL ITEMS

6. Water Use Efficiency and Water Loss Performance Standards Update:

Special Projects and Regulatory Compliance Manager Nichols presented an informational update on the District's current compliance status and implementation progress related to the State Water Resources Control Board's (State Board) Water Use Efficiency and Water Loss Performance Standards.

Legislative & Regulatory Background

Staff provided an overview of the "Making Conservation a Way of Life" regulatory framework established through the Water Conservation Act of 2009 (SBx7-7), Senate Bill 555 (Water Loss), and Senate Bill 606 and Assembly Bill 1668 (Water Use Efficiency), which together form the long-term Water Use Efficiency and Water Loss Performance Standards and associated reporting and compliance requirements urban water suppliers must meet.

Water Use Efficiency Standards & Compliance

The District's Urban Water Use Objective (UWUO), which is a supplier-specific water budget based on indoor and outdoor residential use, outdoor Commercial, Industrial, and Institutional (CII) use, and real system water loss was reviewed. Based on historic demand, the District's UWUO is 29,343 acre-feet per year. The District received a Compliance Summary from the State Board confirming that the District met the UWUO for FY 2023–2024 and is in compliance with all UWUO regulatory requirements. Staff noted that formal compliance with the UWUO began July 1, 2025, and will be reported on the UWUO Report due to the State Board by January 1, 2027.

Staff also reviewed implementation status of the required CII Performance Measures, which include classification of CII customers into 22 sector-specific categories, installation of dedicated irrigation meters or in-lieu technologies and development of sector-specific best management practices (BMPs). Staff reported that CII Classifications are expected to be completed well before the June 30, 2027 deadline and sector-specific BMPs are currently under development.

Water Loss Performance Standards & Compliance

Staff provided an overview of the State Board's Water Loss Performance Standards, which require suppliers to meet both Real Loss (pipeline leaks and breaks) and Apparent Loss (meter inaccuracies, billing errors, and data handling) Performance Standards. The District's Real Loss Performance Standard is 1,448.6 gallons per mile per day and the Apparent Loss Performance Standard is 57.4 gallons per connection per day.

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The regulations also require annual validated Water Loss Audits, the development and submission of a pipeline Break Registry and submission of questionnaires related to data quality, pressure and asset management to the State Board. Staff noted concerns with the State Board's draft Break Registry Specifications, particularly regarding data transparency requirements that could inadvertently disclose sensitive operational or infrastructure details. The District is coordinating with the San Diego County Water Authority (SDCWA) and the Association of California Water Agencies to submit formal comments.

As part of the SDCWA's Regional Water Loss Control Workgroup, the District received a detailed Compliance Summary evaluating the likelihood of exceeding Water Loss Performance Standards based on historic audit results. The Compliance Summary also identified recommended areas to support ongoing compliance, including data improvement, billing data analysis and consumption prorating and a small customer meter testing program.

Overall, the District remains in compliance with all standards and is on track to meet all regulatory deadlines. District staff will continue evaluating internal data collection and operating procedures to ensure proper tracking, reporting, and continued compliance with all state requirements.

Action: Informational item only; no Board action required

7. San Diego County Water Authority (SDCWA) Board Meeting Summary:

A report on the SDCWA's Board of Directors' Meeting of October 23, 2025 was provided.

Action: Informational item only; no Board action required

8. General Information:

An overview of the District Status report for the month of October was provided.

Action: Informational item only, no action required.

DISTRICT GENERAL COUNSEL'S ITEM(S)

None.

BOARD OF DIRECTORS' AB1234 REPORTS ON MEETINGS ATTENDED

None.

CLOSED SESSION ITEM

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 (per Government Code § 54956.9).

9. A Closed Session was called by President Ferro at 3:07 PM pursuant to the following item:

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Board of Directors' Meeting Minutes**

- **Government Code §54956.9 (d)(1) – Conference with Legal Counsel – Existing Litigation:**
HOLLOWAY V. SAN DIEGO GAS & ELECTRIC COMPANY et al.,
Case No. 37-2023-00053167-CU-OR-NC.

RECONVENE

Action: The Board came out of closed session at 3:12 PM with no reportable action.

ADJOURNMENT

Action: Upon motion by Stehly seconded by Ness; motion passed with 5 affirmative votes, the regular meeting of the Board of Directors was adjourned at 3:12 PM.

ATTEST:

ATTEST:

Coral L. Williams, Acting Board Secretary

Enrico P. Ferro, President

VALLEY CENTER M.W.D.
DISBURSEMENTS
FOR PERIOD NOVEMBER 22, 2025 THROUGH DECEMBER 05, 2025

DECEMBER

CHECK #	PAYEE	DESCRIPTION	AMOUNT
ACH	State Water Resources Control Board	CWSRF Contract No. 12825-550-0. Project Number	1,084,259.93
ACH	Alpha Analytical Laboratories, Inc.	Testing	1,235.00
ACH	Amazon Capital Services, Inc.	Office Supplies and Materials Field	391.25
ACH	Best Best & Krieger LLP	Legal Services - October 2025	24,164.79
ACH	BlueTriton Brands Inc	Deliveries - November 2025	112.93
ACH	Clearway Energy LLC	Solar Power Lake Turner - October 2025	19,171.72
ACH	International City Mgmt Association Re	Plan# 801966. MissionSquare Remittance 11/14/25	4,299.00
ACH	Greg Johnson	Vehicle Maintenance	10,153.90
ACH	Konica Minolta Premier Finance	Copier Rental 11/15/25-12/14/25	2,319.39
ACH	Partners In Control Inc.	SCADA/HMI Services	20,497.75
ACH	Self Insured Services Company LLC	Reimbursement Request For Dental Funding Datec	1,403.87
ACH	Self Insured Services Company LLC	Reimbursement Request For Dental Funding Datec	2,571.01
ACH	SHAPE Incorporated	Materials - Field	6,890.50
ACH	United Parcel Service, Inc.	Shipping	13.51
ACH	Univar Solutions	Materials - Field	4,917.54
ACH	Valley Center Municipal Water District	Employee Contributions 11/14/25-11/28/25 - Barga	563.75
ACH	VCMWD Employees Association	Employee Contributions 11/14/25-11/28/25 - Social	549.00
ACH	Waterline Technologies Inc	Materials - Field	772.78
ACH	Westflex, Inc.	Materials - Field	276.23
172624	Pure Property Management	Refund Check 020282-000, 2461 Boulder Legend	170.14
172625	Aaron Mehandroo LLC	Vehicle Maintenance	53.86
172626	Asbury Environmental Services	Hazardous Waste Removal	153.00
172627	AT&T	Services	754.37
172628	Babcock Laboratories, Inc	Testing	1,784.85
172629	Bavco	Materials - Field	126.75
172630	Bekker's, Inc.	Balance Due For Holiday Luncheon	2,159.63
172631	Busy Bees Locks & Keys, Inc.	Services	122.34
172632	California Bank & Trust	Credit Cards - Meals, Travel, Meetings	806.58
172633	California Bank & Trust	Credit Cards - Meals, Travel, Meetings	940.79
172634	California Bank & Trust	Credit Cards - Meals, Travel, Meetings	25.00
172635	California Bank & Trust	Credit Cards - Meals, Travel, Meetings	1,279.81
172636	California Bank & Trust	Credit Cards - Meals, Travel, Meetings	205.20
172637	California Bank & Trust	Credit Cards - Meals, Travel, Meetings	2,096.83
172638	California Dept. of Tax and Fee Admini	Water Rights Account# 094-008838. Voucher Lette	708.80
172639	City of Escondido	Escondido Woods Sewer Charges - November 202	1,776.19
172640	Complete Office of California, Inc	Office Supplies	1,566.36
172641	Core & Main LP	Materials - Field	3,784.18
172642	County of San Diego	Repeater Site Rent Acct# 7019 - Palomar Mountair	938.00
172643	Cummins Inc	Materials - Field	142.43
172644	Dell Marketing L.P.	Materials - IT	5,488.63
172645	Diamond Environmental Services, LP	Services	71.34
172646	DIRECTV	Dish Service 11/24/25-12/23/25	84.99
172647	Dow Jones & Company, Inc.	Wholesale Rack Report 12/01/25-02/28/26	624.00
172648	E & M Electric Machinery, Inc	Annual Support Renewal For Wonderware Product	16,360.00

VALLEY CENTER M.W.D.
DISBURSEMENTS
FOR PERIOD NOVEMBER 22, 2025 THROUGH DECEMBER 05, 2025

DECEMBER

CHECK #	PAYEE	DESCRIPTION	AMOUNT
172649	EDCO Waste & Recycling Service	Trash Services - November 2025	1,005.75
172650	Lorena Espinoza	Janitorial Service - November 2025	1,875.00
172651	Fallbrook Public Utility District	Cost Share Reimbursement - October 2025	7,500.00
172652	Farmer Brothers Co.	Breakroom Supplies	298.10
172653	Ferguson Waterworks #1083	Materials - Field	4,124.99
172654	Fidelity Security Life Insurance Company	Vision Plan Premium - December 2025. Group ID:	968.15
172655	Fidelity Security Life Insurance Company	Vision Plan Premium - December 2025. Group ID:	206.55
172656	Full Compass Systems Ltd	Materials - IT	574.57
172657	GFT Infrastructure, Inc.	North County Emergency Storage Project	16,121.38
172658	HealthEquity Inc.	Employee Contributions 11/14/25-11/28/25	277.00
172659	Home Depot Credit Services	Materials - Field	500.40
172660	Kaiser Foundation Health Plan Inc	Medical Premiums/Purchaser ID 104350 - Decem	72,370.55
172661	Motion and Flow Control Products, Inc.	Materials - Field	194.36
172662	Mutual of Omaha	Life Insurance - December 2025	2,863.38
172663	National Safety Compliance, Inc	DQF Online Monthly Fee - November 2025	65.70
172664	Jose Jesus Nieto	Betsworth Tree Trimming	3,200.00
172665	Jeson Nikrasch	Educational Reimbursement - AMPP 09/29/25-10/	99.00
172666	Pacific Pipeline Supply	Materials - Field	4,537.36
172667	Quality Chevrolet	Vehicle Maintenance	147.22
172668	Reliance Standard Life Insurance	Life Insurance Premiums - December 2025	9,421.88
172669	Rettig Machine Shop, Inc.	Materials - Field	4,681.88
172670	San Diego Friction Products, Inc.	Vehicle Maintenance	163.05
172671	Southwest Answering Service, Inc	Answering Service 10/30/25-11/26/25	465.04
172672	State Water Resources Control Board	Annual Permit Fees 07/01/25-06/30/26	69,481.00
172673	Stehly Brothers Drilling Inc	Materials - Field	619.78
172674	United Way of San Diego County	Employee Contributions 11/14/25-11/28/25	20.00
172675	Waxie Sanitary Supply	Janitorial Supplies	1,386.49
172676	Westair Gases & Equipment Inc.	Materials - Field	781.63
172677	Zigman Shields General Contractors	Refund Check 019823-000, 02059034 FH@ ARCC	2,305.96
TOTAL			<u>1,433,044.09</u>

Approved By: _____


General Manager


Director of Finance & Administration

VALLEY CENTER MUNICIPAL WATER DISTRICT
ELECTRONIC DISBURSEMENTS
FOR PERIOD NOVEMBER 1, 2025 THROUGH NOVEMBER 30, 2025


SEQ. #	DATE	PAYEE	DESCRIPTION	AMOUNT
BANK TRANSFERS:				
ACH:				
609	11/06/25	Direct Deposit	DIRECT DEP PAYROLL 10/17/25-10/31/25 Leave Sell Back	120,599.15
610	11/06/25	Direct Deposit	DIRECT DEP PAYROLL 10/17/25-10/31/25	219,074.83
	11/07/25	IRS	P/R TAX 10/17/25-10/31/25 Leave Sell Back	54,396.95
	11/06/25	IRS	P/R TAX 10/17/25-10/31/25	46,583.91
	11/07/25	EDD	P/R TAX 10/17/25-10/31/25 Leave Sell Back	14,061.05
	11/07/25	EDD	P/R TAX 10/17/25-10/31/25	14,492.13
	11/07/25	PEBSCO/NATIONWIDE	DEFERRED COMPENSATION 10/17/25-10/31/25 Leave Sell Back	81,442.49
	11/07/25	PEBSCO/NATIONWIDE	DEFERRED COMPENSATION 10/17/25-10/31/25	18,371.51
	11/07/25	EXPERTPAY	GARNISHMENT 10/17/25-10/31/25	780.00
	11/07/25	CALPERS	CALPERS CONTRIBUTIONS 10/17/25-10/31/25	66,813.07
	11/07/25	CALPERS	ANNUAL UNFUNDED ACCRUED LIABILITY - NOVEMBER	242,403.67
611	11/20/25	Direct Deposit	DIRECT DEP PAYROLL 10/31/25-11/14/25	226,164.09
	11/21/25	IRS	P/R TAX 10/31/25-11/14/25	49,699.87
	11/21/25	EDD	P/R TAX 10/31/25-11/14/25	15,336.98
	11/21/25	PEBSCO/NATIONWIDE	DEFERRED COMPENSATION 10/31/25-11/14/25	18,628.64
	11/21/25	EXPERTPAY	GARNISHMENT 10/31/25-11/14/25	780.00
	11/21/25	CALPERS	CALPERS CONTRIBUTIONS 10/31/25-11/14/25	66,743.43

ONE TIME WIRES:

RECURRING WIRES:

649	11/10/25	SDCWA	WATER DELIVERY - SEPTEMBER 2025	3,166,092.50
650	11/25/25	CAMP	TEMPORARY INVESTMENT	3,300,000.00
			TOTAL	<u>7,722,464.27</u>

APPROVED BY:


GENERAL MANAGER


DIRECTOR OF FINANCE

**VALLEY CENTER MUNICIPAL WATER DISTRICT
TREASURER'S REPORT - SUMMARY
October 31, 2025**

ACTIVE DEPOSITS

Checking Accounts
Deposits with Fiscal Agents

Cost Basis

\$989,446.95

TOTAL ACTIVE DEPOSITS

\$989,446.95

INVESTMENTS

	<u>Market Value</u>	<u>Average Yield</u>	<u>Percent</u>	
Money Market Funds	\$18,766,075.38	4.16%	48.790%	\$18,736,395.64
CAMP Term	\$5,304,285.59	3.96%	13.513%	\$5,189,430.00
U.S. Treasury Notes	0.00	#DIV/0!	0.000%	0.00
Federal Agencies Securities	13,005,045.59	4.31%	33.806%	12,982,393.45
Certificates of Deposit, insured	<u>1,529,887.00</u>	<u>4.55%</u>	<u>3.890%</u>	<u>1,493,977.41</u>
TOTAL INVESTMENTS	<u>\$38,605,293.56</u>	<u>4.20%</u>	<u>100.000%</u>	<u>\$38,402,196.50</u>

TOTAL ALL FUNDS

\$39,391,643.45

TOTAL ALL FUNDS (PRIOR MONTH - SEPTEMBER 2025)

\$40,791,457.70

Maturity Analysis of Investments

	<u>Percent</u>	<u>Cost Basis</u>
Money Market Funds	48.790%	\$18,736,395.64
Maturity within one year	18.643%	7,159,430.00
Maturity later than one year	<u>32.567%</u>	<u>12,506,370.86</u>
Total Investments	<u>100.000%</u>	<u>\$38,402,196.50</u>

Weighted Average Days to Maturity

451

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	4.150%	12 mo. rolling T Bond	1 year	4.027%
T Bills	3 months	3.980%	T Bonds	1 year	3.610%
T Bills	6 months	3.790%	T Bonds	2 years	3.520%

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.


Received by James V. Pugh, Treasurer

11/24/25


Received by Lindsay Leahy, General Manager

11/24/25

Date

VALLEY CENTER MUNICIPAL WATER DISTRICT
TREASURER'S REPORT - DETAIL
October 31, 2025

ACTIVE DEPOSITS

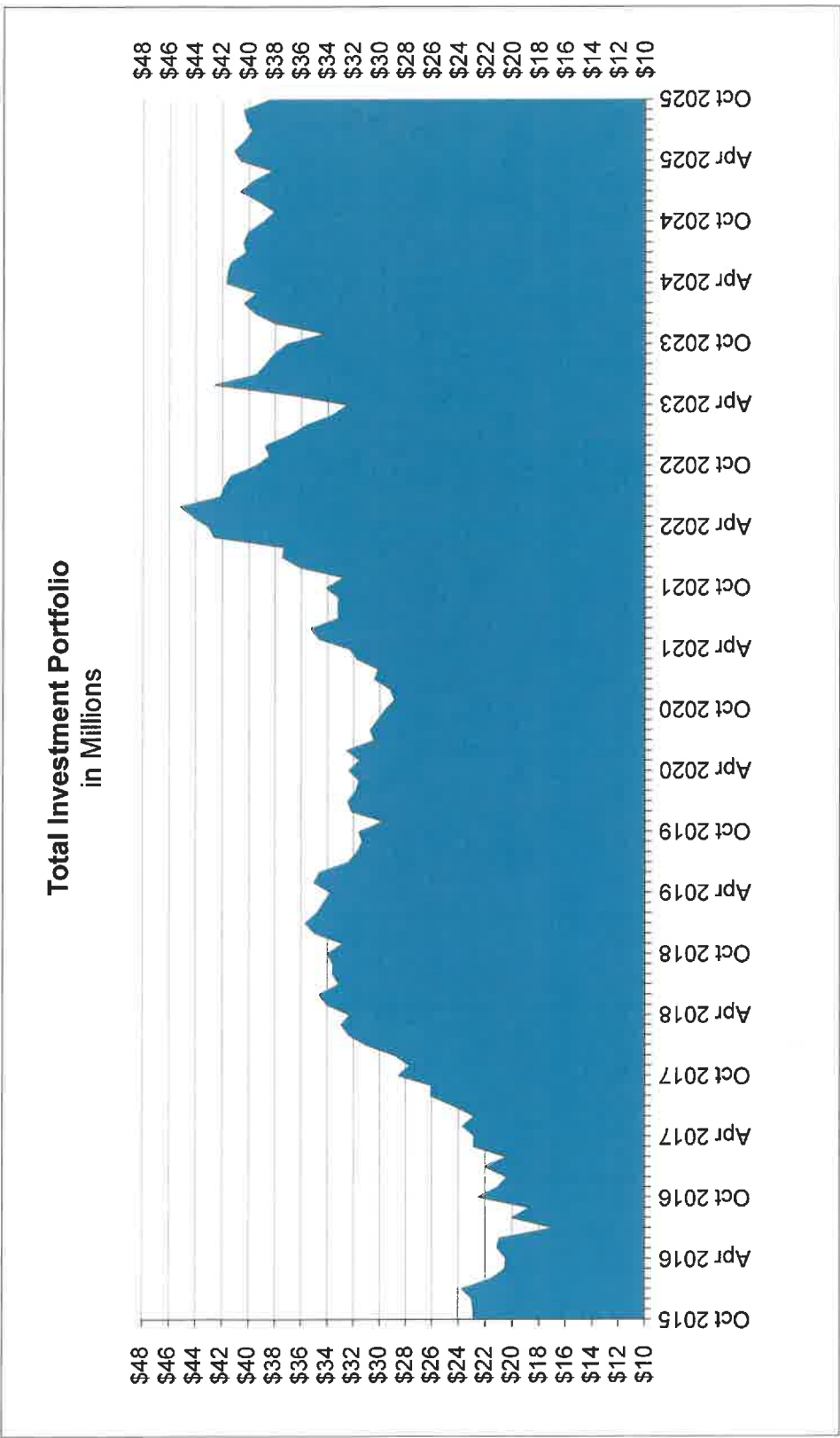
Checking Accounts:

California Bank & Trust	\$968,706.17
California Bank & Trust	\$3,730.00
California Bank & Trust	\$15,610.78
Petty Cash	\$1,400.00
Zions	
	<u>\$989,446.95</u>

INVESTMENTS

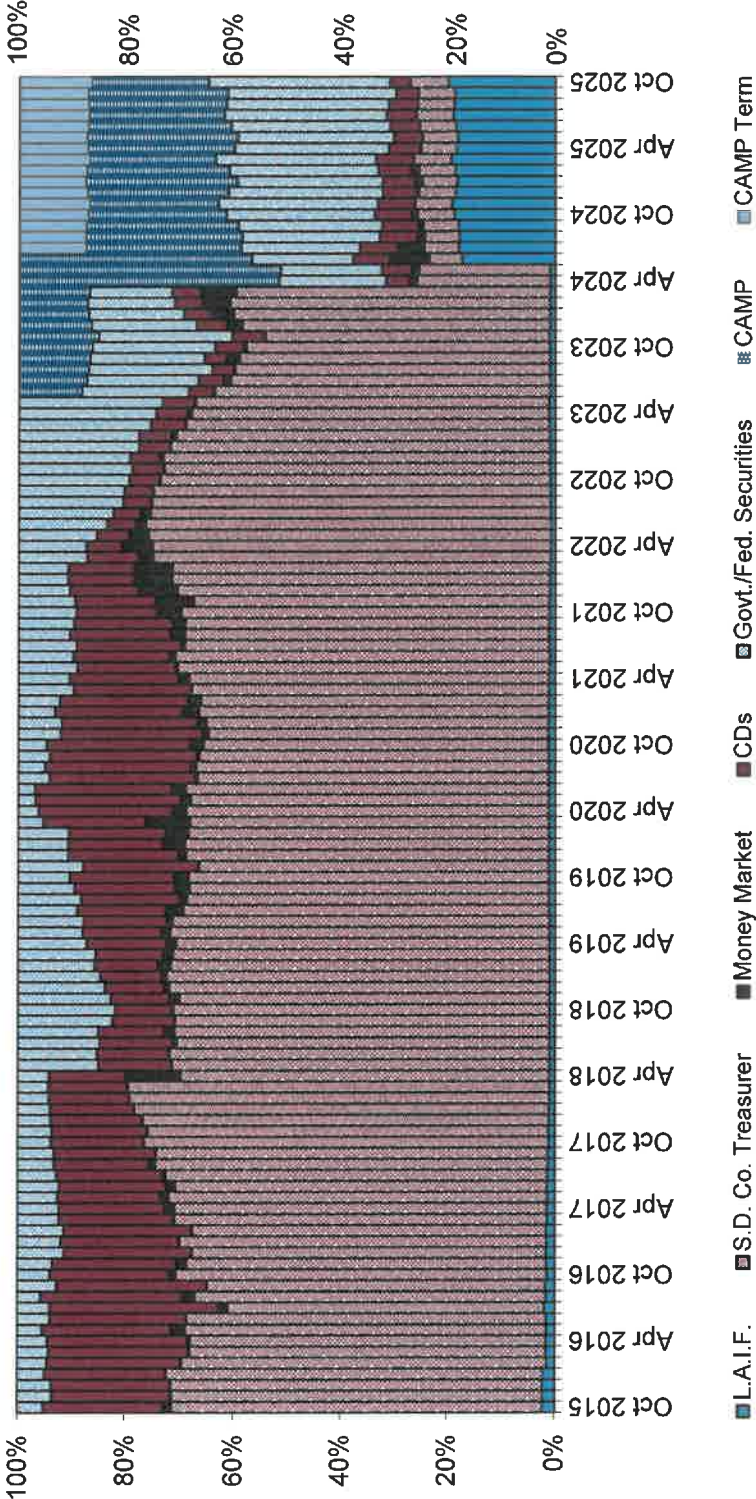
	<u>Face Value or Rating</u>	<u>Purchase Date</u>	<u>Maturity Date</u>	<u>Market Value</u>	<u>Current Yield</u>	<u>Cost Basis</u>
Money Market Funds:						
Local Agency Investment Fund				\$7,601,533.15	4.15%	\$7,601,533.15
County of San Diego Investment Fund				\$2,756,087.37	3.86%	2,754,356.60
Zions Institutional Liquidity Management				\$31,764.76	4.05%	31,764.76
CAMP				\$8,376,690.10	4.26%	8,348,741.13
				<u>\$18,766,075.38</u>	<u>4.16%</u>	<u>\$18,736,395.64</u>
CAMP Term:						
CAMP Term	5,000,000	4/11/2025	3/31/2026	5,304,285.59	3.96%	5,189,430.00
				<u>\$5,304,285.59</u>	<u>3.96%</u>	<u>\$5,189,430.00</u>
Federal Agencies Securities - CB&T, a subsidiary of Zion Bank						
Federal Home Ln Bnk 5.250%	1,000,000	4/12/2024	4/10/2029	1,005,176.90	5.25%	\$1,000,000.00
Federal Home Ln Mtg Corp 4.0850%	530,000	9/29/2025	9/18/2030	529,171.84	4.09%	529,214.78
Federal Home Loan Banks 0.80%	350,000	3/16/2021	3/16/2026	345,977.17	0.80%	350,000.00
Federal Home Loan Banks 1.00%	125,000	6/30/2021	6/30/2026	122,791.20	1.00%	125,000.00
Federal Farm Credit Bks 4.500%	600,000	8/26/2024	8/26/2026	600,456.34	4.50%	600,000.00
Federal Farm Credit Bks Bds 4.480%	400,000	9/3/2024	9/3/2026	400,116.05	4.48%	400,000.00
Federal Home Loan Banks 1.05%	250,000	10/15/2021	10/15/2026	243,602.73	1.05%	250,000.00
Federal Home Ln Bk Bds 4.500%	300,000	11/13/2024	11/13/2026	300,050.27	4.50%	300,000.00
Federal Home Loan Banks 3.000%	250,000	4/4/2024	2/25/2027	248,140.12	3.09%	242,349.57
Federal Home Loan Banks 4.400%	600,000	3/5/2025	3/5/2027	599,723.44	4.40%	600,000.00
Federal Home Ln Mtg Corp 4.280%	310,000	3/25/2025	3/25/2027	310,232.45	4.28%	310,000.00
Federal Natl Mtg Assn 4.500%	550,000	2/3/2025	1/28/2028	549,722.94	4.50%	549,767.35
Federal Home Loan Banks 4.375%	700,000	2/28/2025	2/25/2028	700,203.80	4.38%	700,000.00
Federal Home Loan Banks 4.620%	500,000	12/26/2024	12/26/2028	499,968.34	4.62%	500,000.00
Federal Farm Credit Bank 4.970%	500,000	4/12/2024	3/27/2029	502,017.68	4.99%	498,250.00
Federal Home Loan Banks 5.00%	1,000,000	7/9/2024	7/9/2029	1,007,437.40	5.00%	1,000,000.00
Federal Home Loan Banks 4.700%	1,000,000	7/30/2024	7/30/2029	1,004,244.82	4.70%	1,000,000.00
Federal Home Ln Mtg Corp 4.125%	1,000,000	8/13/2024	8/13/2029	998,659.71	4.16%	991,831.74
Federal Farm Cr Bks 4.930%	500,000	2/25/2025	2/25/2030	501,361.09	4.93%	500,000.00
Federal Home Ln Mtg Corp 4.500%	263,000	7/15/2025	5/23/2030	264,632.64	4.50%	262,980.01
Federal Farm Cr Bks 4.660%	254,000	7/22/2025	7/8/2030	254,192.54	4.66%	254,000.00
Federal Home Loan Banks 4.040%	320,000	8/20/2025	8/20/2030	320,272.72	4.04%	320,000.00
Federal Farm Cr Bks 4.270%	419,000	8/27/2025	8/20/2030	419,099.10	4.27%	419,000.00
Federal Natl Mtg Assn 4.000%	800,000	9/10/2025	9/10/2030	798,697.74	4.00%	800,000.00
Federal Home Ln Mtg Corp 4.200%	480,000	10/21/2025	10/17/2030	479,096.56	0.042	480,000.00
				<u>\$13,005,045.59</u>	<u>4.31%</u>	<u>\$12,982,393.45</u>
Certificates of Deposit - CB&T, a subsidiary of Zion Bank						
Federal Svgs Bk Chicago II 4.700%	250,000	6/26/2024	6/26/2028	256,364.58	4.70%	250,000.00
First Fndtn Bk Irvine Ca 4.600%	250,000	5/10/2024	5/10/2029	257,027.78	4.60%	250,000.00
Toyota Finl Svgs Bk Hend Nv 4.600%	250,000	5/14/2024	5/14/2029	257,043.28	4.60%	250,000.00
Customers Bk Phoenixville Pa 4.700%	250,000	6/11/2024	6/11/2029	258,014.83	4.71%	249,488.35
Sallie Mae Bk Murray Utah 4.500%	250,000	7/17/2024	7/17/2029	256,436.53	4.51%	249,489.06
Western Alliance Bank 4.150%	245,000	3/28/2025	3/27/2026	245,000.00	4.15%	245,000.00
				<u>\$1,529,887.00</u>	<u>4.55%</u>	<u>\$1,493,977.41</u>
TOTAL INVESTMENTS				<u>\$38,605,293.56</u>	<u>Average 4.198%</u>	<u>\$38,402,196.50</u>
TOTAL ALL FUNDS						<u>\$39,391,643.45</u>

VALLEY CENTER MUNICIPAL WATER DISTRICT
TREASURER'S REPORT - GRAPHS
October 31, 2025



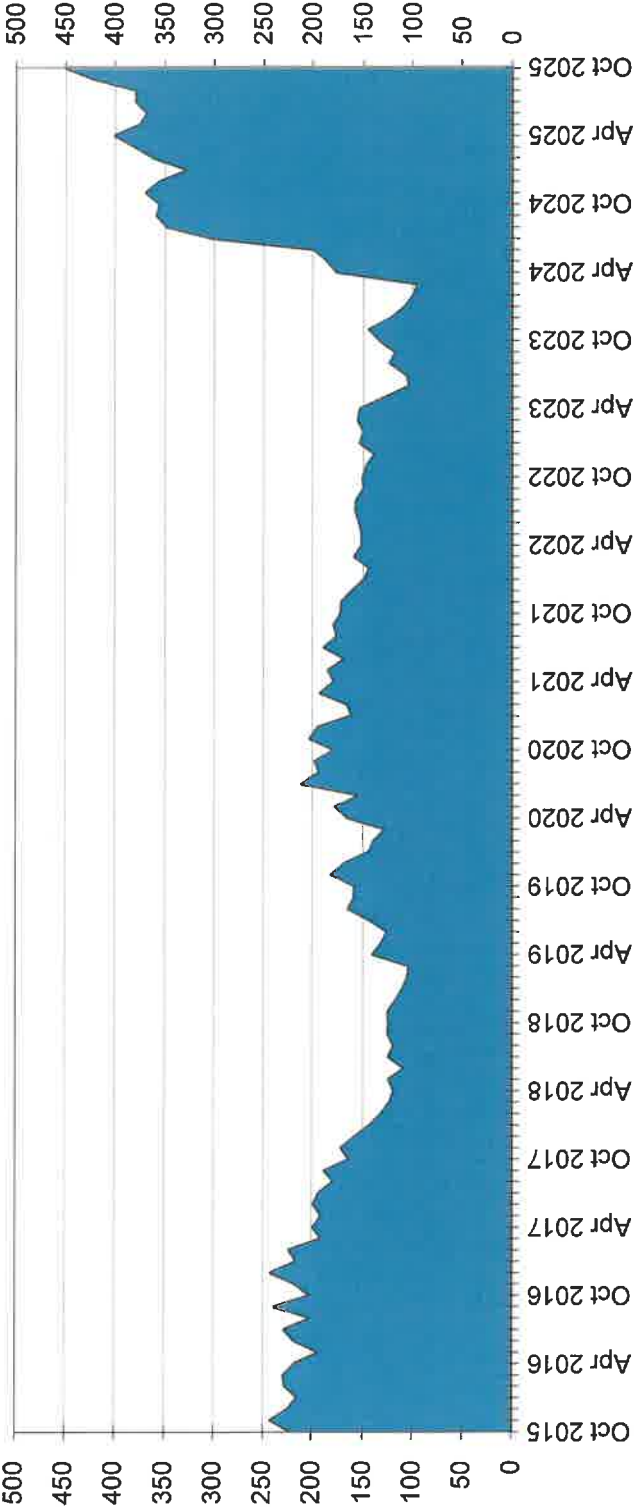
VALLEY CENTER MUNICIPAL WATER DISTRICT
TREASURER'S REPORT - GRAPHS
October 31, 2025

Investment Portfolio Composition

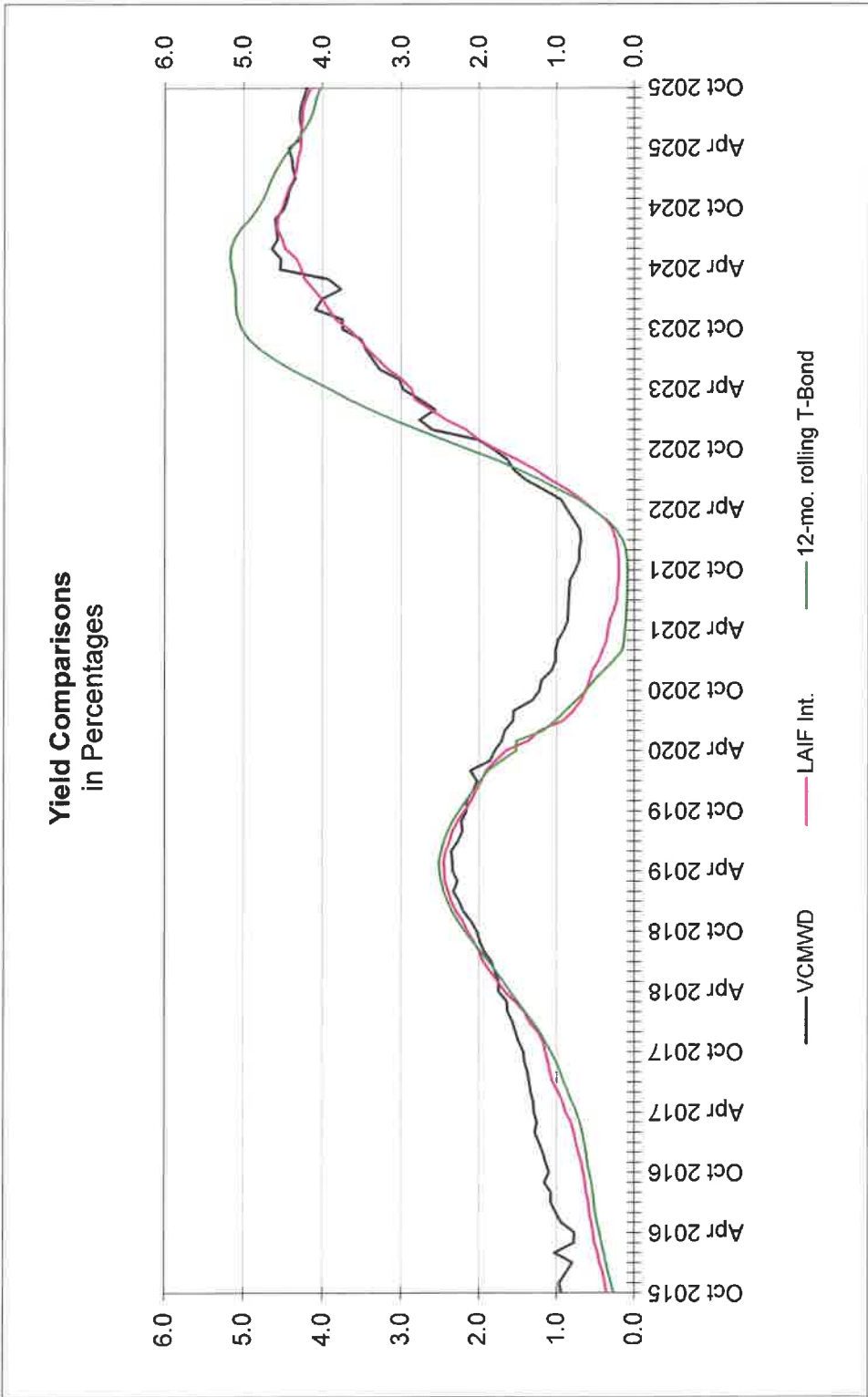


VALLEY CENTER MUNICIPAL WATER DISTRICT
TREASURER'S REPORT - GRAPHS
October 31, 2025

Weighted Average Days to Maturity



VALLEY CENTER MUNICIPAL WATER DISTRICT
TREASURER'S REPORT - GRAPHS
October 31, 2025



**VALLEY CENTER MUNICIPAL WATER DISTRICT
TREASURER'S REPORT - TRANSACTIONS
JULY 1, 2025 THROUGH JUNE 30, 2026**

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>CAMP, CB&T, a subsidiary of Zion Bank</u>					
7/15/2025	Federal Home Ln Mtg Corp 4.500%	5/23/2030	263,000.00	262,980.01	4.500%
7/22/2025	Federal Farm Cr Bks 4.660%	7/8/2030	254,000.00	254,000.00	4.660%
8/12/2025	U S Treasury Bills	8/19/2025	320,000.00	319,737.52	0.000%
8/20/2025	Federal Home Loans Banks 4.040%	8/20/2030	320,000.00	320,000.00	4.040%
8/27/2025	Federal Farm Cr Bks 4.270%	8/20/2030	419,000.00	419,000.00	4.270%
9/10/2025	Federal Natl Mtg Assn 4.000%	9/10/2030	800,000.00	800,000.00	4.000%
9/29/2025	Federal Home Ln Mtg Corp 4.0850%	9/18/2030	260,000.00	259,594.40	4.085%
9/30/2025	Federal Home Ln Mtg Corp 4.0850%	9/18/2030	270,000.00	269,620.38	4.085%
10/21/2025	Federal Home Ln Mtg Corp 4.2000%	10/17/2030	480,000.00	480,000.00	4.200%

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>CAMP, CB&T, a subsidiary of Zion Bank</u>					
1/14/2025	Federal Home Loan Banks 4.40%	7/14/2025	200,000.00	200,000.00	4.400%
7/21/2021	Federal Home Loan Banks 0.80%	7/21/2025	250,000.00	250,000.00	0.800%
4/28/2025	Federal Home Ln Mtg Corp 5.000%	8/11/2025	285,000.00	285,000.00	5.000%
8/12/2025	U S Treasury Bills	8/19/2025	320,000.00	319,737.52	0.000%
8/30/2024	Federal Home Loan Banks 4.430%	8/26/2025	350,000.00	350,000.00	4.430%
5/15/2025	U S Treasury Bills	9/9/2025	785,000.00	774,129.12	4.210%
10/6/2023	USAA Federal Savings Bank 5.300%	9/26/2025	250,000.00	250,000.00	5.300%
9/29/2023	Citibank NA 5.300%	9/29/2025	250,000.00	250,000.00	5.300%
10/19/2023	U S Treasury Notes 4.250%	10/15/2025	200,000.00	200,000.00	4.250%
10/18/2023	Eastern Svgs Bk Fsb Hunt Vy 5.250%	10/20/2025	245,000.00	245,000.00	5.250%

December 15, 2025

TO: Honorable President and Board of Directors

FROM: Lindsay Leahy, *General Manager*

SUBJECT: ORDINANCE NO. 2025-11 ADOPTING WATER AND WASTEWATER RATES AND CHARGES AND AMENDING ADMINISTRATIVE CODE SECTIONS 160 – WATER SERVICE - RULES AND REGULATIONS, 171 – WASTEWATER SERVICE REQUIREMENTS, AND 172 – LOW PRESSURE WASTEWATER COLLECTION SYSTEMS

PURPOSE:

Board action is required to amend the District's Administrative Code to increase various water rates and fees, including pass through of the wholesale price of water from the San Diego County Water Authority (SDCWA) and Metropolitan Water District (MWD), as well as an adjustment to the local commodity portion, monthly service charges, and other charges to offset increases in operational costs and fund the District's capital program. In addition, Pumping Zone Rates are proposed to increase to offset increased utility costs and increases in pump and motor maintenance increases, along with increases in the Moosa Wastewater Service Charges and Fees and Low-Pressure Wastewater Collection System charge and the Woods Valley Ranch Wastewater Service Charge and Fees and Grinder Pump Maintenance Charge.

The rates proposed are based on the District's Cost and Revenue Structure Description and Policy Issue Analysis that was approved by the Board in July 2019, the Long-Range Financial Strategy that was adopted by the Board in November 2019, the June 2020 Update of the January 2019 Water Master Plan, the Fiscal Year 2025-2026 Annual Operating Budget, all budget work papers appurtenant to the 2025-2026 Budget, and the February 2023 Update of the Lower Moosa Water Reclamation Facility Master Plan. The proposed rates and charges were reviewed in more detail at the regular Board meeting on October 20, 2025, in a report titled, "Review and Approval of Notice of Public Hearing for Proposed Changes to Water and Wastewater Rates effective January 1, 2026." No changes have been made to the rates since that review.

All of the above referenced documents are incorporated into the Public Record for this Rate Hearing and proposed adoption of rates and charges effective January 1, 2026, and copies of these documents are available upon request.

SUMMARY:

All rates will go into effect on January 1, 2026, for February billings.

1. Water Rates

Wholesale costs from SDCWA and MWD will increase 4.7%, for domestic/commercial water, and 9.9%, for Permanent Special Agricultural Water Rate (PSAWR) water.

The District's local cost component is proposed to increase 9.8%. These are the same rates that had been anticipated in the Fiscal Year 2025-2026 Budget.

Included in the water charges are additional charges the District is required to pay to SDCWA and MWD in 2026 which include fixed charges for Customer Service, Storage, Supply Reliability, and Transportation. The District calculates the per-acre-foot equivalent of these charges by dividing the total charges by projected water sales, less a 10% reserve for sales levels under budgeted amounts. For the fiscal year ending 2026 budgeted sales are 12,500 acre feet and the fixed charges totaling \$5,468,160 are allocated over 11,250 acre feet.

Beginning in Calendar Year 2026, the SDCWA Board approved a refined methodology for calculating the Storage Charge. Prior to January 2026 PSAWR customers were exempt from paying the full Storage Charge. The Storage Charge will now be segregated into two parts: 1) the Operating component, which all users including PSAWR customers benefit from, and; 2) the component for the Emergency Storage Program (ESP) and Carryover (CO) Storage Program. PSAWR customers will be subject to the Operating component and will remain exempt from the ESP & CO component. This refined methodology ensures that PSAWR customers pay proportionately for the operational storage benefits they receive, while maintaining their exemption from emergency and carryover storage costs.

Current and Proposed Water Wholesale/Commodity Charge Rates (\$/HCF)

Customer Class	Costs	Current	Proposed Change	Effective Jan. 1, 2026
Domestic/Commercial *	MWD/SDCWA Wholesale	\$6.4496	\$0.3004	\$6.7500
	VCMWD Commodity	\$0.6715	\$0.0658	\$0.7373
	Total	\$7.1211	\$0.3662	\$7.4873
PSAWR:	MWD/SDCWA Wholesale	\$4.3634	\$0.4341	\$4.7975
	VCMWD Commodity	\$0.6715	\$0.0658	\$0.7373
	Total	\$5.0349	\$0.4999	\$5.5348

Current and Proposed Water Wholesale/Commodity Charge Rates (\$/Acre Feet)

Customer Class	Costs	Current	Proposed Change	Effective Jan. 1, 2026
Domestic/Commercial *	MWD/SDCWA Wholesale	\$2,809.45	\$130.85	\$2,940.30
	VCMWD Commodity	\$292.51	\$28.66	\$321.17
	Total	\$3,101.96	\$159.51	\$3,261.47
PSAWR:	MWD/SDCWA Wholesale	\$1,900.70	\$189.09	\$2,089.79
	VCMWD Commodity	\$292.51	\$28.66	\$321.17
	Total	\$2,193.21	\$217.75	\$2,410.96

*Also referred to as "Municipal/Industrial"

Construction Water: is billed at the Domestic/Commercial rate of \$7.4873 per HCF.

2. Water Meter Service Charge

The monthly water service charge collects a portion of fixed costs the District incurs that are incurred regardless of whether any water is delivered. Staff proposes increasing the monthly active meter water service charge to offset local inflation of its operating costs by a range of 9.8% to 11.3%. The charge is based on the 1-inch equivalent meter size. The increase for the 3/4-inch is slightly higher to bring it in line with the 1-inch equivalent.

Current and Proposed Water Service Charge Rates (\$/Meter Size)

Meter Size	Current	Proposed Change	Effective Jan. 1, 2026
3/4 inch	\$51.28	\$5.78	\$57.06
1 inch	\$69.30	\$6.79	\$76.09
1-1/2 inch	\$103.95	\$10.18	\$114.13
2 inch	\$138.60	\$13.58	\$152.18
3 inch	\$207.90	\$20.37	\$228.27
4 inch	\$277.20	\$27.16	\$304.36
6 inch	\$415.80	\$40.74	\$456.54
8 inch	\$554.40	\$54.32	\$608.72

Staff proposes increasing the monthly fire service charge to offset local inflation of its operating costs by a range of 9.8% to 13.7%. The charge is based on the 1-inch equivalent meter size serving the parcel. The increase for the ¾-inch is slightly higher to bring it in line with the 1-inch equivalent.

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

Meter Size	Current	Proposed Change	Effective Jan. 1, 2026
3/4 inch	\$10.61	\$1.45	\$12.06
1 inch	\$14.86	\$1.45	\$16.31
1-1/2 inch	\$22.29	\$2.17	\$24.46
2 inch	\$29.72	\$2.90	\$32.62
3 inch	\$44.58	\$4.35	\$48.93

3. Pumping Rates

Staff proposes a 17.3% increase to the pumping rates. This is required to offset the costs passed through from San Diego Gas & Electric as well as the costs for the maintenance of pumps and motors. In Fiscal Year 2023-24 the Board approved a 5-year plan to close the gap between Pumping Charge Revenues and Total Pumping Costs. The ultimate goal is that the Pumping Charge Revenues be sufficient to cover the Total Pumping Costs.

Current and Proposed Pumping Zone Rates

Zone	Current \$/Unit	Proposed Change	Effective Jan. 1, 2026
1	\$0.16612	\$0.02873	\$0.19485
2	\$0.33215	\$0.05746	\$0.38961
3	\$0.36849	\$0.06374	\$0.43223
4	\$0.55030	\$0.09520	\$0.64550
5	\$0.80714	\$0.13963	\$0.94677
6	\$0.90035	\$0.15576	\$1.05611
7	\$0.95481	\$0.16518	\$1.11999
8	\$1.08217	\$0.18721	\$1.26938
9	\$1.12087	\$0.19391	\$1.31478
10	\$1.48459	\$0.25683	\$1.74142

4. SDCWA Infrastructure Access Charge

Annually the SDCWA assesses the District a fixed charge based on the number and size of the active meters within the District. The annual charge to the District is divided into monthly charges passed through and collected each month from active customers. **No change is proposed to the current rates at this time.**

Current SDCWA IAC Rates

Meter Size	Jan. 1, 2026
3/4 inch	\$4.55
1 inch	\$7.28
1-1/2 inch	\$13.65
2 inch	\$23.66
3 inch	\$43.68
4 inch	\$74.62
6 inch	\$136.50
8 inch	\$236.60

5. MWD Fixed Charge

The Metropolitan Water District (MWD) has two fixed charges, the Capacity Reservation and Readiness-to-Serve charge that are passed directly through to the District from the SDCWA totaling \$1,009,240. The VCMWD Board approved the MWD Fixed Charge that went into effect in January 2025. The MWD Fixed Charge is based on the meter size serving the parcel. **No change is proposed to the current rates at this time.**

Current MWD Fixed Charge
(\$/Meter Size)

Meter Size	Effective Jan. 1, 2026
3/4 inch	\$7.50
1 inch	\$10.00
1-1/2 inch	\$15.00
2 inch	\$20.00
3 inch	\$30.00
4 inch	\$40.00
6 inch	\$60.00
8 inch	\$80.00

6. Proposed SDCWA Fixed Transportation Charge

The San Diego County Water Authority (SDCWA) has several fixed charges that are passed directly through to the District. One of these fixed charges, the Transportation Charge which totals \$2,016,265 for calendar 2026, has been approved by the VCMWD Board to be covered with a new fixed charge, the SDCWA Fixed Transportation Charge. The VCMWD Board is proposing this new fixed charge to be phased in over a three-year period that will ultimately cover the full cost of the Fixed Transportation Charge from SDCWA. It will be proposed to be added to the monthly customer water bills beginning February 2026 for service starting January 1, 2026. The new fixed charge will be billed based on the customers active meter size serving the parcel and is proposed at \$4.75 for a ¾-inch meter and \$6.34 for a 1-inch meter. Larger meter charges are based on the 1-inch meter charge. The balance will continue to be included in the variable wholesale rate until years 2 and 3 when ultimately the total Transportation Charge will be collected with the monthly SDCWA Fixed Transportation Charge Passthrough on the customer water bills.

Proposed SDCWA
Fixed Transportation Charge
(\$/Meter Size)

Meter Size	Effective Jan. 1, 2026
3/4 inch	\$4.75
1 inch	\$6.34
1-1/2 inch	\$9.51
2 inch	\$12.68
3 inch	\$19.02
4 inch	\$25.36
6 inch	\$38.04
8 inch	\$50.72

7. Proposed Water Capital Improvement Charge

The Water 2020 Master Plan Update encompasses a 20-year capital improvement planning horizon. A proposed \$91.1M, five to ten-year, multi-phased capital improvement program was recommended that included replacement projects needed to extend the service life of the existing facilities, provide greater operational redundancy, and enhance reliability and operation efficiencies. Given the reduction in water sales over the past several years, funding that was normally available for capital improvements has been diverted to operational expenses. This has occurred to such an extent that there is not sufficient funding to carry out the capital improvement program that was laid out in the Water 2020 Master Plan Update at the rate needed to keep up with the District's aging infrastructure. Funding for these projects would be from capital replacement reserves and short and long term low interest rate loans with repayment from a combination of the current net revenues and a proposed Water Capital Improvement Charge intended to be added to the monthly bill. The new Water Capital Improvement Charge of \$15.00 will be implemented over a five year period and is based on the customers active meter size serving the parcel and is proposed at \$5.00 for a ¾-inch meter and \$6.67 for a 1-inch meter. Larger meter charges are based on the 1-inch meter charge. This charge would go into effect starting on January 1, 2026.

Proposed Water Capital Improvement Charge (\$/Meter Size)

Meter Size	Effective Jan. 1, 2026	Effective Jan. 1, 2028	Effective Jan. 1, 2030
3/4 inch	\$5.00	\$10.00	\$15.00
1 inch	\$6.67	\$13.33	\$20.00
1-1/2 inch	\$10.00	\$20.00	\$30.00
2 inch	\$13.34	\$26.66	\$40.00
3 inch	\$20.00	\$39.99	\$60.00
4 inch	\$26.67	\$53.32	\$80.00
6 inch	\$40.00	\$79.98	\$120.00
8 inch	\$53.35	\$106.64	\$160.00

8. Construction Water Permit Fee

With the proposed water rate increases, the unmetered construction water permit fees will change accordingly.

Used Via a Water Truck with a Capacity of:	Potable	
	Current	Effective Jan. 1, 2026
2,500 gallons or less	\$435.00	\$465.00
3,000 gallons	\$520.00	\$560.00
3,500 gallons	\$605.00	\$650.00
4,000 gallons	\$695.00	\$745.00
5,000 gallons or more	\$865.00	\$930.00

9. Wastewater Monthly Service Charges

Moosa Wastewater

Staff proposes the Moosa Reclamation Facility monthly service fee be increased by \$3.24, or 5.0%, per equivalent dwelling unit (EDU), from \$64.86 to \$68.10 to offset inflationary impacts.

The low-pressure wastewater collection system maintenance fee is recommended to increase 10%. The fee is currently \$53.52 and is proposed to increase \$5.35 for a new rate of \$58.87 per EDU per month to offset inflation impacts.

Certain property owners in the Lower Moosa Canyon service area have paid for and reserved wastewater capacity but have not connected to the District's system. In lieu of the Monthly Service Charge, each of these property owners has entered into an agreement with the District to pay a monthly wastewater capacity reservation fee for their proportionate share of the ongoing costs of operating and maintaining the system. The current and proposed rates for wastewater service charges and capacity reservation fee are set forth in the table below.

Current and Proposed Wastewater Service Charge Rates (\$/EDU)

<u>Lower Moosa Canyon Service Area</u>	<u>Current</u>	<u>Proposed Change</u>	<u>Effective Jan. 1, 2026</u>
Monthly Moosa - Service Charge	\$64.86	\$3.24	\$68.10
Monthly Moosa - Pressure ¹	\$53.52	\$5.35	\$58.87
Capacity Reservation Fee ²	\$32.43	\$1.62	\$34.05

¹ Not all Wastewater Accounts are Pressure Accounts.

² 50% of the Monthly Service Charge.

Moosa Capital Improvement Charge

The Lower Moosa Canyon Water Reclamation Facility 2023 Master Plan Update encompasses a 20-year capital improvement planning horizon. A \$10.7M, five to ten-year, multi-phased capital improvement program was adopted that included replacement projects needed to extend the service life of the existing facilities, provide greater operational

redundancy, and enhance reliability and operation efficiencies to accommodate changes in the waste stream characteristics and flow. Funding for these projects comes from capital replacement reserves and short and long term low interest rate loans with repayment from a combination of the current net wastewater revenues and the Moosa Capital Improvement Charge which went into effect on January 3, 2024. The current Moosa Capital Improvement Charge is \$12 per month per EDU and is billed on the monthly wastewater bill. An EDU is the flow equivalent of a single-family residential unit. Commercial properties are assigned multiple EDUs depending on the size and type of business. **No change is proposed to the current rate at this time.**

Woods Valley Ranch Wastewater

Sewer service charges and sewer standby fees for properties not yet connected to the sewer system are collected as a fixed charge on the property tax roll. Changes proposed for effective date of July 1, 2026, are \$113.85 per month, or \$1,366.20 per year compared to the current fee of \$103.50, or \$1,242.00 per year. The Standby Fee is \$45.86 per month, or \$550.32 per year, with no change proposed at this time.

The grinder pump maintenance charge is normally collected as a fixed charge on the property tax roll. However, mid-year connections may occur which will result in the collection of the charge on the monthly water bill until the end of the fiscal year. Changes proposed for effective date of July 1, 2026, are \$58.87 per month, or \$706.44 per year compared to the current fee of \$53.52 per month, or \$642.24 per year.

Current and Proposed Wastewater Service Charge Rates (\$/EDU)

<u>Woods Valley Ranch Service Area</u>	<u>Current</u>	<u>Proposed Change</u>	<u>Effective Jul. 1, 2026</u>
Monthly Service Charge ³	\$103.50	\$10.35	\$113.85
Mid-Year Sewer Service Charge ⁴	\$57.64	\$10.35	\$67.99
Grinder Pump Maintenance ^{4, 5}	\$53.52	\$5.35	\$58.87

³ The Monthly Service Charge in the Woods Valley Ranch service area is collected on each property owner's property tax bill on an annual basis.

⁴ Mid-Year Service Connection collected on the water meter bill until the end of the fiscal year, after which time the charges shall be levied on the property tax roll.

⁵ Grinder Pump Maintenance Charge is collected on each property owner's property tax bill on an annual basis.

Wastewater Excess Usage Charge Woods Valley Ranch Service Area

When wastewater usage exceeds the wastewater EDU capacity allocation, staff proposes to add a Wastewater Excess Usage Charge to the property's water bill based on the amount of excess wastewater discharged.

The Wastewater Excess Usage Charge, on commercial properties, provides a means to recover capital, service and administration costs associated with wastewater usage in excess of a property's wastewater capacity allocation. The charge is billed to the commercial customer on their monthly water bill and should be sufficient to recover all costs associated with providing wastewater service. The allotted wastewater flow is calculated at 175 gallons per day per EDU, or 5,250 gallons per month per EDU, which equates to a wastewater flow per EDU of 7.0 hundred cubic feet per month. Any wastewater discharged greater than 7.0 HCF times the number of EDU's allocated to the

property would be charged at the Wastewater Excess Usage Charges as shown in the table below. **No change is proposed to the current rates at this time.**

	<u>Jan. 1, 2026</u>
Wastewater Excess Usage Charge (discharge amount greater than 7.0 HCF times the EDU allocation)	\$39.66
Grinder Pump Excess Usage Charge (discharge amount greater than 7.0 HCF times the EDU allocation)	\$9.92

10. Public Comments and Written Protests

The District mailed a Notice of Public Hearing to all District customers and to all property owners within the District boundaries on October 29, 2025, in compliance with state law. As of December 8, 2025, the District has received written protests for four (4) of the parcels, copy attached. Following the public hearing, written protests will be totaled.

To ensure we reached all interested parties, we combined the County of San Diego Assessor records and the District's billing records.

RECOMMENDATION:

Staff recommends Board approval of Ordinance No. 2025-11 to implement the above rate and fee changes to be effective January 1, 2026, with select charges effective July 1, 2026 and in future years as noted above.

PREPARED BY:



James V. Pugh
Director of Finance & Administration

APPROVED BY:



Lindsay Leahy
General Manager

Letter

Official Written Protest Letter – Valley Center Municipal Water District Rate Increases

To:

Valley Center Municipal Water District

P.O. Box 67

Valley Center, CA 92082



Date: 11.3.25

Subject: Formal Protest Against Proposed Water and Wastewater Rate Increases (Public Hearing December 15, 2025)

Dear Board of Directors,

I, the undersigned property owner/customer of the Valley Center Municipal Water District, hereby submit this formal written protest pursuant to Proposition 218 against the proposed water and wastewater rate and charge increases described in the District's "Notice of Public Hearing Concerning Proposed Rate Increases" scheduled for December 15, 2025.

I oppose the proposed increases in water service fees, wastewater service fees, and the addition of new charges including the SDCWA Fixed Transportation Charge and Water Capital Improvement Charge scheduled to take effect on January 1, 2026.

Please record this letter as my official written protest against the adoption of these proposed rate and charge increases.

Full Name: Rachel Mullen

Service Address / Parcel Number: 28553 Gladstone Court Escondido CA 92026

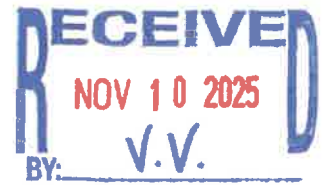
Phone | Email 510-691-6531 | rmullen.a.rachel@gmail.com

Signature:

A handwritten signature in blue ink, appearing to read "Rachel Mullen", written over a horizontal line.

Heather Kornahrens
29569 Miller Rd.
Valley Center 92082

11/02/25



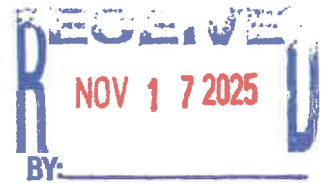
Opposition to Rate Increases

To Whom it May Concern,

I Heather Kornahrens am in opposition to the water and waste water rate increase. Me and my family can barely afford the water + wastewater prices as-is. All costs of living are increasing every year at an extreme rate and it is unmanageable. Water is an essential need to live why are we being gouged every year for something that we all need & comes from the earth we are all born into. I understand they're costs for cleaning, sanitation & transportation of the water, but ~~there~~ has to be another solution. Gouging Customers is not the answer. Please do not increase the prices!

Heather Kornahrens

Subject: Formal Protest of Proposed Water and Wastewater Rate Increases



To the Board of Directors,
Valley Center Municipal Water District
29300 Valley Center Rd
Valley Center, CA 92082

Dear Board Members,

I am writing to formally protest the proposed water and wastewater rate increases scheduled to take effect on January 1, 2025. As a resident and customer of the Valley Center Municipal Water District, I am deeply concerned about the financial burden this 14.9% increase will place on our community, especially during a time when many households are already facing economic challenges.

While I understand that the San Diego County Water Authority's wholesale rate increase of 16.1% and the District's 5% increase in local operational costs contribute to the overall rate hike, I urge the Board to consider alternative solutions that do not disproportionately impact ratepayers. Many residents, including seniors and families on fixed incomes, will struggle to absorb these additional costs.

Moreover, the justification for the increasing infrastructure and fixed operational costs—highlights the need for long-term planning and investment strategies that prioritize affordability and sustainability. I respectfully request that the Board:

1. Reevaluate the proposed rate structure and explore phased or reduced increases.
2. Increase transparency around cost drivers and budget allocations.
3. Provide greater opportunities for public engagement and feedback before finalizing rate changes.

I appreciate the opportunity to voice my concerns and urge the Board to act in the best interest of the community it serves. Please include this letter in the official record of public comments for the upcoming Board meeting.

Sincerely,

Mohammad & Batoul Tahiry
9787 Crystal Ridge Dr.
Escondido, CA 92026
robert.tahiry@brightstarcare.com
760-672-0757

November 13, 2025



Alicia and Richard Muhr
30765 Little Quail Run
Valley Center, CA 92082

Dear Valley Center Municipal Water District Board Members,

I am writing to respectfully ask the Board to reconsider any proposed increase in water rates. While I understand that operating costs and infrastructure needs continue to rise, many residents and local businesses are already feeling the strain of higher prices across the board. An additional increase would create further hardship for families who are already doing their best to manage essential expenses.

Water is a basic necessity, not a luxury. Before approving any rate increase, I encourage the Board to explore alternative funding options and cost-saving measures that lessen the impact on customers.

Thank you for your time and consideration. I appreciate the work you do to ensure reliable and safe water for our community and hope you will prioritize fairness and affordability in your decision.

Sincerely,


Alicia Muhr

ORDINANCE NO. 2025-11

ORDINANCE OF THE BOARD OF DIRECTORS OF THE VALLEY CENTER MUNICIPAL WATER DISTRICT ADOPTING INCREASES IN WATER AND WASTEWATER RATES AND CHARGES

RECITALS

WHEREAS, Valley Center Municipal Water District is a California Municipal Water District (the "District") created by the Municipal Water District Law of 1911 (Water Code Section 71000 *et seq.*); and

WHEREAS, the District indirectly purchases water from the Metropolitan Water District of Southern California through the San Diego County Water Authority ("SDCWA"); and

WHEREAS, while the District continually strives for cost reductions and better utilization of the assets it holds, it also needs to keep pace with inflation and other cost increases, including, among others, the cost to purchase water from SDCWA and to comply with regulations governing the treatment and disposal of wastewater; and

WHEREAS, the District mailed written Notice of a Public Hearing (the "Notice") to be held on December 15, 2025, to consider the adoption of increases in the rates and charges for the District's water and wastewater service charges; and

WHEREAS, not less than 45 days prior to the Public Hearing, the Notice was mailed to all record owners of parcels upon which the water and wastewater rates and charges are proposed to be imposed and any tenants directly responsible for the payment of such charges (i.e., a customer of record); and

WHEREAS, the rate structure for the District's water service charges has two customer classes: Domestic/Commercial and Permanent Special Agricultural Water Rate ("PSAWR"). The rates for District's water service charges are comprised of seven components: (1) a fixed monthly charge (the "Water Service Charge" and/or "Fire Service Charge"); (2) a volumetric water consumption charge (the "Wholesale" or "Commodity Charge"); (3) a pumping charge (the "Pumping Charge"); (4) a SDCWA Infrastructure Access Charge (the "IAC"), which is a direct pass-through of rates adopted by the SDCWA; (5) a monthly Metropolitan Water District ("MWD") Fixed Charge, which is a direct pass-through from SDCWA of the MWD wholesale fixed charges for the capacity reservation and readiness-to-serve charge adopted by MWD; (6) a monthly SDCWA Fixed Transportation Charge, which is a direct pass-through of one-third of the SDCWA Fixed Transportation Charge; and (7) a monthly Water Capital Improvement Charge for active meters based on the meter size serving the property.

WHEREAS, the rates for the District's monthly wastewater service charges are structured to recover the cost to collect, treat, and dispose of sewage. Because of differences in the cost of providing wastewater service, the District has two different

wastewater service areas—Lower Moosa Canyon and Woods Valley Ranch. The rates within each service area for the monthly wastewater service charge (the “Monthly Service Charge”) are determined on an equivalent dwelling unit (“EDU”) basis; and

WHEREAS, a monthly fee is also imposed on certain areas of the District that have been identified to be served by Low Pressure Wastewater Collection Systems (“LPCS Charge”) or a Grinder Pump Maintenance Charge (“GPMC”). The LPCS Wastewater Service Charge and GPMC are structured to recover the cost to maintain, repair, and ultimately replace the Septic Tank Effluent Pump (“STEP”) system and pumps. Additionally, certain property owners in the Lower Moosa Canyon service area have paid for and reserved capacity in the District’s wastewater system but have not connected to the system. In lieu of the Monthly Service Charge, each of these property owners has entered into an agreement with the District to pay a monthly wastewater reservation capacity fee (the “Capacity Reservation Fee”) for their proportionate share of the ongoing costs of operating and maintaining the system; and

WHEREAS, the rates proposed are based on the District’s Cost and Revenue Structure Description and Policy Issue Analysis that was approved by the Board in July 2019, the Long-Range Financial Strategy that was adopted by the Board in November 2019, the June 2020 Update of the January 2019 Water Master Plan, the Fiscal Year 2024-2025 Annual Operating Budget, all budget work papers appurtenant to the 2024-2025 Budget, and the February 2023 Update of the Lower Moosa Water Reclamation Facility Master Plan. The proposed rates and charges were reviewed in more detail at the regular Board meeting on October 20, 2025, in a report titled, “Review and Approval of Notice of Public Hearing for Proposed Changes to Water and Wastewater Rates effective January 1, 2026.” All of the above referenced documents are incorporated into the Public Record for the Rate Hearing and proposed adoption of rates and charges effective January 1, 2026 and copies of these documents are available upon request; and

WHEREAS, the Board of Directors conducted a Public Hearing at a Regular Meeting on December 15, 2025, in accordance with the Notice to consider the rate increases described in the Notice; and

WHEREAS, the Board of Directors considered the Authorizations described herein, and in the Proposed Schedule of Rates and Charges and heard the comments of interested persons at the Public Hearing; and

WHEREAS, at the conclusion of the Public Hearing, the District did not receive written protests against the proposed rate increases by a majority of the record owners of parcels upon which the water or wastewater charges are proposed to be imposed and customers of record; and

WHEREAS, the Board of Directors desires to adopt this Ordinance in order to revise and amend District’s Administrative Code governing rates for water and wastewater service charges.

NOW, THEREFORE, BE IT HEREBY RESOLVED, DETERMINED AND ORDERED by the Board of Directors of Valley Center Municipal Water District as follows:

Section 1. The matters set forth in the Recitals to this Ordinance are true and correct statements and are incorporated herein by this reference.

Section 2. The Board of Directors of Valley Center Municipal Water District has been presented with data showing the estimated reasonable costs of providing water and wastewater services, and data showing the revenue sources available to cover the costs of providing such services.

Section 3. The Board of Directors authorized and directed the District Secretary to give Notice of a Public Hearing for the consideration of the adoption of the proposed rates and charges, and such Notice was given by mail to all record owners of parcels upon which the water and wastewater charges are proposed to be imposed and customers of record no less than 45 days prior to the Public Hearing. On December 15, 2025, at the time and place set for the Public Hearing, this Ordinance was considered and the Board of Directors heard and considered the oral comments of all persons appearing at the Hearing, and considered all written protests submitted prior to the close of the Hearing.

Section 4. The Board of Directors finds that the Authorizations described herein and in the Schedule of Water and Wastewater Rates attached hereto as Exhibit "A" and by this reference incorporated herein, will result in revenue to the District, taking into consideration the estimated reasonable cost of providing water and wastewater service and the sources of revenue available to the District to cover the cost of such facilities and services, which will not exceed the estimated cost of the services for which the water and wastewater rates are charged.

Section 5. The Board of Directors finds that the Authorizations described herein and in the Schedule of Water and Wastewater Rates, taking into consideration the estimated reasonable cost of providing all services by the District and the sources of revenue therefor, will result in a fair and reasonable revenue program, reasonably allocating the cost of water and wastewater services to those who benefit therefrom, without unfair subsidy to or by those who pay for the water and wastewater services.

Section 6. The Board of Directors finds and determines that the administration, operation, maintenance and improvements of the District's water and wastewater systems, which are to be funded by the increased water and wastewater service rates set forth herein, are necessary to maintain service within the District's existing service area. The Board of Directors further finds that the administration, operation, maintenance and improvements of the District's water and wastewater systems, to be funded by the increased rates and charges, will not expand the District's water and wastewater systems. The Board of Directors further finds that the adoption of the rates and charges is necessary and reasonable to fund the administration, operation, maintenance and improvements of the District's water and wastewater systems. Based on these findings,

the Board of Directors determines that the adoption of the rates and charges established by this Ordinance are exempt from the requirements of the California Environmental Quality Act pursuant to §21080(b)(8) of the Public Resources Code and §15273(a) of the State CEQA Guidelines.

Section 7. The Board of Directors finds that the revenue derived from the Authorizations described herein and in the water and wastewater rates and charges established by this Ordinance: (1) do not exceed the funds required to provide the water and wastewater capital facilities and services; (2) shall not be used for any other purpose than that for which they are imposed; (3) do not exceed the proportional cost of the water and wastewater services attributable to each customer; (4) are imposed for services which are immediately available to the customers who pay such rates and charges; and (5) are not levied for general governmental services.

Section 8. The Board of Directors hereby adopts the Schedule of Water and Wastewater Rates set forth in Exhibit "A." The Schedule of Water and Wastewater Rates set forth in Exhibit "A" is hereby adopted as an Amendment to the District's Administrative Code replacing the existing schedule rates and charges with those approved in this Ordinance, and the General Manager of the District is hereby authorized and directed to implement and collect the new rates for water and wastewater charges set forth in Exhibit "A" for services provided on and after January 1, 2026.

Section 9. This Ordinance shall take effect immediately upon adoption.

Section 10. All ordinances, resolutions, or administrative actions by the Board of Directors, or parts thereof that are inconsistent with any provision of this Ordinance are hereby superseded only to the extent of such inconsistency.

Section 11. If any section, subsection, clause or phrase in this Ordinance is for any reason held invalid, the validity of the remainder of this Ordinance shall not be affected thereby. The Board of Directors hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses or phrases or the application thereof be held invalid.

ADOPTED, SIGNED AND APPROVED at a regular meeting of the Board of Directors of Valley Center Municipal Water District held this 15th day of December 2025, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Enrico P. Ferro, *President*

ATTEST:

Coral Williams, *Acting Board Secretary*

Article 160 Water Service - Rules and Regulations (Cont'd.)

Sec. 160.3 Water Service Charges and Water Rates. The water service charges and rates for filtered and unfiltered water, pumping energy and surcharges and miscellaneous zone charges are as follows and may be changed from time to time as the Board determines.

- (a) Monthly Service Charge. All permanent meter installations shall be subject to the Monthly Service Charge, irrespective of water use through the meter. The Monthly Service Charge is a fixed charge established on the basis of the size of the water meter serving the property. The revenue, by Board Policy § 50.2(f), is used to recover at least 60% of the Districts fixed local operating costs, which include, but are not limited to, the costs of operating and maintaining the water system, meter service support and maintenance, the collection of meter reads, billing and collections, customer service, and other related services.

1. Standard Meters:

Meter Size	3/4"	1"	1-1/2"	2"	3"
Monthly Service Charge for Water	\$51.28	\$69.30	\$103.95	\$138.60	\$207.90
Availability	\$57.06	\$76.09	\$114.13	\$152.18	\$228.27
Meter Size	4"	6"	8"		
(Cont'd)	\$277.20	\$415.80	\$554.40		
	\$304.36	\$456.54	\$608.72		

2. Fire Protection Meters:

Meter Size	3/4"	1"	1-1/2"	2"	3"
Monthly Service Charge for Water	\$10.61	\$14.86	\$22.29	\$29.72	\$44.58
Availability	\$12.06	\$16.31	\$24.46	\$32.62	\$48.93

Meters larger than 3" will be limited to Master Meters serving multiple dwellings such as trailer parks, condominiums and apartments and will require the approval of the District Engineer. The monthly service charge will be based on the following:

- A. The size of the meter times the 1" service charge shown above. Compound and fire flow meters will be treated as separate meters for service charges and water billing purposes.
- B. Water through a fire flow meter will be charged in accordance with §160.23(d).

Article 160 Water Service - Rules and Regulations (Cont'd.)Sec. 160.3 Water Service Charges and Water Rates (Cont'd.)(b) Water Rates

Water Rates per 100 cubic feet:

Domestic/Commercial \$7.1211 **\$7.4873**
(Municipal /Industrial)

Eligible San Diego County
 Water Authority (SDCWA) \$5.0349 **\$5.5348**
 Permanent Special Agricultural
 Water Rate (PSAWR)

Eligible PSAWR Agricultural/Domestic: First 22 hcf at Domestic/ Commercial rate, all over 22 hcf at Certified Agricultural rate.

Construction Water: Potable at Domestic/Commercial rate.

Fire Service: It is the intent of the District to provide water for fire protection at no cost to the customers in the District. However, unauthorized water used through a fire service or fire hydrant will be billed at three (3) times the then domestic/commercial water commodity rate as set forth in this section of the District's Administrative Code. Repeated unauthorized use may result in prosecution by the District under §498 of the California Penal Code.

- (c) San Diego County Water Authority Monthly Infrastructure Access Charge. In accordance with §15.3.5 of the SDCWA Act, the Authority will, annually, assess the VCMWD a fixed charge based on the number and size of the active meters within the District. The charge to the District will be based on the following table and the charge will be passed through and collected from active District customers using Authority water. The charge will be shown separately on the customer's water bill and identified as a pass through from the Authority.

<u>Meter Size</u>	<u>Infrastructure Access Monthly Charge</u>
3/4"	\$4.55
1"	\$7.28
1-1/2"	\$13.65
2"	\$23.66
3"	\$43.68
4"	\$74.62
6"	\$136.50
8"	\$236.60

- (d) Classification Definitions. For purposes of rate classifications, the following definitions shall apply:

1. Domestic/Commercial. The use of water for all purposes not qualifying under another classification herein. This is also known as Municipal and Industrial.

Article 160 Water Service - Rules and Regulations (Cont'd.)Sec. 160.3 Water Service Charges and Water Rates (Cont'd.)

2. SDCWA PSAWR. PSAWR water use is defined in and qualified as eligible under provisions in Admin. Code Article 162 "San Diego County Water Authority Permanent Special Agricultural Water Rate Program," §162.7.
Requires certification by owner or agent that water used on property meets definition stated herein.
 3. Eligible PSAWR / Domestic Use. The use of water for the purpose stated in §162.7 with incidental domestic use. Requires certification as stated in §162.7.
 4. Commercial Agricultural Full Price (CAFP). Commercial agriculture customers determined to be eligible by VCMWD that are not participating in the SDCWA PSAWR program and paying full price for water.
Requires an eligibility determination by the District that water used on property meets definition stated in §162.7.
 5. Construction Water. The use of potable water from District appurtenances as provided by §160.24 of this Code.
- (e) Surcharge on Water Delivered Per Agreement. Those customers receiving water which results in direct additional cost to the District, such as those customers connected to the Yuima line, will be charged a sufficient surcharge on the water consumed to reimburse the District for all additional costs incurred.
- (f) Pump Zone Charges. All customers will be charged a pumping energy surcharge based on water consumed as follows:

<u>Zone Number</u>	<u>Charges Per 100 Cubic Feet</u>	
0	\$0.00000	
1	\$0.16612	\$0.19485
2	\$0.33215	\$0.38961
3	\$0.36849	\$0.43223
4	\$0.55030	\$0.64550
5	\$0.80714	\$0.94677
6	\$0.90035	\$1.05611
7	\$0.95481	\$1.11999
8	\$1.08217	\$1.26938
9	\$1.12087	\$1.31478
10	\$1.48459	\$1.74142

The zone is determined by the District's main serving the meter as shown on the map entitled "Pump Zones" available at the District office. This map may be modified as new lines are constructed within the District.

Article 160 Water Service - Rules and Regulations (Cont'd.)Sec. 160.3 Water Service Charges and Water Rates (Cont'd.)

- (g) Pass Through of Wholesale Suppliers' Fees and Charges. All San Diego County Water Authority and Metropolitan Water District of Southern California fees and charges for wholesale water and water related services shall be passed through to Valley Center Municipal Water District customers by action of the Board of Directors.
- (h) Metropolitan Water District (MWD) Fixed Charge. The monthly MWD Fixed Charge is established on the basis of the size of the water meter serving the property. The revenue is used to recover the costs of both the Capacity Reservation & Readiness-to-Serve Charges from the MWD. The charge will be based on the following table and will be passed through and collected from District customers that have an active meter. The charge will be shown separately on the customer's water bill.

MWD Fixed Charge (\$/Meter Size)

3/4 inch	\$7.50
1 inch	\$10.00
1-1/2 inch	\$15.00
2 inch	\$20.00
3 inch	\$30.00
4 inch	\$40.00
6 inch	\$60.00
8 inch	\$80.00

- (i) San Diego County Water Authority (SDCWA) Fixed Transportation Charge. The monthly SDCWA Fixed Charge is established on the basis of the size of the water meter serving the property. The revenue is used to recover the cost of the Transportation Charges from the SDCWA. The charge will be based on the following table and will be passed through and collected from District customers that have an active meter. The charge will be shown separately on the customer's water bill.

MWD Fixed Charge (\$/Meter Size)

3/4 inch	\$4.75
1 inch	\$6.34
1-1/2 inch	\$9.51
2 inch	\$12.68
3 inch	\$19.02
4 inch	\$25.36
6 inch	\$38.04
8 inch	\$50.72

- (j) Water Capital Improvement Charge. The monthly Water Capital Improvement Charge is established on the basis of the size of the water meter serving the property. The revenue is used to fund the District's capital program. The charge will be based on the following table and will be passed through and collected from District customers that have an active meter. The charge will be shown separately on the customer's water bill.

Proposed Water Capital Improvement Charge (\$/Meter Size)

<u>Meter Size</u>	<u>Effective Jan. 1, 2026</u>	<u>Effective Jan. 1, 2028</u>	<u>Effective Jan. 1, 2030</u>
3/4 inch	\$5.00	\$10.00	\$15.00
1 inch	\$6.67	\$13.33	\$20.00
1-1/2 inch	\$10.00	\$20.00	\$30.00
2 inch	\$13.34	\$26.66	\$40.00
3 inch	\$20.00	\$39.99	\$60.00
4 inch	\$26.67	\$53.32	\$80.00
6 inch	\$40.00	\$79.98	\$120.00
8 inch	\$53.35	\$106.64	\$160.00

Sec. 160.24

Temporary Water Service. Temporary water service for construction purposes may be provided by this section. Temporary water service is subject to reduction or complete interruption in delivery based upon water supply conditions as determined by the VCMWD, Metropolitan Water District and/or the San Diego County Water Authority.

- (a) Construction Meter Service. A "Construction Meter Assembly" shall be a District provided assembly consisting of meter, backflow, and PRV if required. Assembly will be connected to a fire hydrant or blow-off equivalent to a 3-inch meter capacity. Actual flow will be dependent upon hydraulic characteristics of its location. If a larger assembly is required, applicant will be responsible for providing the devices and all associated parts, District costs will be determined on a case by case basis for those applications.

1. Applicant shall pay a refundable deposit of \$2,500 for the assembly, in addition to the following applicable charges:
 - A. Installation and relocation charge of \$230 per occurrence, includes testing Backflow device. Additionally, an annual backflow test will be performed if device has been on site for more than 1 year.
 - B. Applicant shall be responsible for any damage to the construction meter assembly including theft, and shall pay for repair or replacement costs upon request.
 - C. Failure to satisfy the request will result in termination of service costs deducted from the deposit.

Article 160Water Service - Rules and Regulations (Cont'd.)

D. If pressure exceeds 175 PSI a PRV will be installed

2. The following monthly charges will apply:

- A. Service and rental charge of ~~\$207.90~~ **\$228.27** for construction service and devices.
- B. Purchase of water as provided by Section 160.3, including applicable pump zone charges.

3. Other Use Conditions:

- A. Monthly service and rental charge of ~~\$207.90~~ **\$228.27** for construction service.
- B. Purchase of water as provided by Section 160.3, including applicable pump zone charges.

Sec. 160.25 Construction Water Permit. Single day use permits will be issued authorizing the drawing of construction water from a fire hydrant or blow off to a water truck within the District in accordance with the following fee schedule per a 24 hour period.

Used Via a Water Truck With a Capacity of:	2,500 gallons or less:	3,000 gallons:	3,500 gallons:	4,000 gallons:	5,000 gallons:
(Potable)	\$435.00 \$465.00	\$520.00 \$560.00	\$605.00 \$650.00	\$695.00 \$745.00	\$865.00 930.00

The permit must be kept at the job site and available for verification at all times when drawing water, and is valid only on the date(s) listed. The District may require the use of a construction meter.

Sec. 171.10 Wastewater Charges. Fees referenced in Articles 170 and 171 are summarized below:

(a) General Fees.

1. Processing fees for:
 - a. Project Facility Availability (PFA) \$193.00
 - b. Project Facility Commitment (PFC) \$193.00

(b) Lower Moosa Canyon Water Reclamation Facility.

1. Wastewater Capacity Charge (Sec. 171.2) \$8,935.00/EDU
 - Deposit (issuance of PFA) \$750.00/EDU⁽¹⁾⁽²⁾
 - Deposit (issuance of PFC) \$3,250.00/EDU⁽³⁾
 - Balance *(due prior to connection or issuance of Agency Clearance Letter)* \$4,935.00/EDU⁽³⁾
2. Monthly Wastewater Service Fee: ~~\$64.86~~ **\$68.10/EDU**
3. Monthly **Moosa** Capital Improvement Charge: \$12.00/EDU
4. Wastewater Capacity Reservation Fee:
 - A. Commitments issued after July 1, 2004 [Sec. 171.3(a)] 50% of current Monthly Service Fee
 - B. Meadows development [Sec. 171.3(b)] \$675.00/EDU
5. Capacity Reservation Fee Deposit \$500.00/EDU⁽⁴⁾
6. Wastewater Connection Inspection Fee \$150.00/lateral
7. Wastewater Connection Inspection Deposit \$1,250.00/lateral

(c) Woods Valley Ranch Water Reclamation Facility.

1. Sewer Service Charge – Service Areas 1 and 2
 - A. Monthly Sewer Service Charge ~~\$103.50~~ **\$113.85/EDU**
(collected on the property tax roll)
 - B. Annual Sewer Service Charge ~~\$1,242.00~~ **\$1,366.20/EDU**
(collected on the property tax roll)
 - C. Monthly Sewer Service Charge ~~\$57.64~~ **\$67.99/EDU**
(collected on monthly water bill for mid-year connections when paying Sewer Standby Fee)
2. Sewer Standby Fee – Service Areas 1 and 2
 - A. Annual Sewer Standby Fee \$550.32/EDU
(collected on the property tax roll)
3. Grinder Pump Maintenance Charge (see §172.2)
4. Wastewater Excess Usage Charge \$39.66/HCF
(Monthly discharge amount greater than 7.0 HCF times the number of EDUs of wastewater capacity allocation)

⁽¹⁾Unless property to be served is included in Assessment District 93-1.

⁽²⁾Major Subdivision Developments may enter into a wastewater service lien agreement for the full wastewater capacity charge in lieu of the initial PFA deposit.

⁽³⁾Amount may vary depending on prior deposits and any unpaid capacity reservation fees.

⁽⁴⁾Paid with balance of wastewater capacity fee.

Sec. 172.2 Low Pressure Wastewater Collection System Charges:

(a) General

1. Administration & Inspection Fee - \$1,200.00 per LPCS unit per Section 172.1(b). (Residential LPCS Units Only; Commercial/Industrial LPCS Unit costs funded by Applicant on time and material basis through Special Project Account pursuant to Article 180).
2. Timing of Monthly Charges - Monthly service charges applicable in paragraphs (b) and (c) and District maintenance of the on-site LPCS would begin upon connection of the on-site facilities to the wastewater system service lateral and an acceptable final inspection of the facilities.

(b) Lower Moosa Canyon WRF Service Area

1. Monthly Service Fee - same as specified for the Lower Moosa Canyon wastewater service area shown in Section 171.10 - Monthly Wastewater Service Fee.
2. Additional Monthly Low-Pressure Wastewater Collection System Maintenance Fee of ~~\$53.52~~ **\$58.87** per EDU (per Sec. 172.1(f)(3)).
3. Maintenance Acceptance Inspection Deposit - \$150.00 (per Sec. 172.1(h)).

(c) Woods Valley Ranch WRF Service Area

1. Annual Grinder Pump Maintenance Charges, described in subparagraphs 3. and 4. below, shall be collected on the property tax roll pursuant to Administrative Code Section 171.15 – Woods Valley Ranch Water Reclamation Facility Service Area 2 – Sewer Service Charge.
2. Mid-Year Service Connections – Sewer Service Charge and Grinder Pump Maintenance Charge for connections made during the fiscal year shall be prorated monthly and collected on the water meter bill until the end of the fiscal year, after which time the charges shall be levied on the property tax roll.
3. Grinder Pump Maintenance Charges for Simplex Grinder Pump Units (one EDU) shall be ~~\$642.24~~ **\$706.44** annually and prorated to ~~\$53.52~~ **\$58.87** for monthly billing for mid-year connections.

Sec. 172.2

Low Pressure Wastewater Collection System Charges (Cont'd.)

(c) Woods Valley Ranch WRF Service Area (Cont'd.)

4. Grinder Pump Maintenance Charges for Duplex Grinder Pump Units shall be in accordance with the following schedule and prorated monthly for mid-year connections as indicated for the EDU capacity allocated to the property served by the Grinder Pump Unit.

DUPLEX GRINDER PUMP MAINTENANCE CHARGES FY 2024-2025			DUPLEX GRINDER PUMP MAINTENANCE CHARGES FY2025-2026		
EDUS	MONTHLY	ANNUALLY	EDUS	MONTHLY	ANNUALLY
1	\$62.67	\$752.04	1	\$65.86	\$790.32
2	\$76.43	\$917.16	2	\$80.32	\$963.84
3	\$89.47	\$1,073.64	3	\$94.02	\$1,128.24
4	\$101.95	\$1,223.40	4	\$107.12	\$1,285.44
5	\$113.80	\$1,365.60	5	\$119.60	\$1,435.20
6	\$125.02	\$1,500.24	6	\$131.34	\$1,576.08
7	\$135.59	\$1,627.08	7	\$142.45	\$1,709.40
8	\$145.40	\$1,744.80	8	\$152.80	\$1,833.60
9	\$154.69	\$1,856.28	9	\$162.54	\$1,950.48
10	\$163.34	\$1,960.08	10	\$171.60	\$2,059.20
11	\$171.35	\$2,056.20	11	\$180.07	\$2,160.84
12	\$178.71	\$2,144.52	12	\$187.80	\$2,253.60
13	\$185.33	\$2,223.96	13	\$194.74	\$2,336.88
14	\$191.42	\$2,297.04	14	\$201.18	\$2,414.16
15	\$196.87	\$2,362.44	15	\$206.85	\$2,482.20
16	\$201.66	\$2,419.92	16	\$211.84	\$2,542.08
17	\$205.83	\$2,469.96	17	\$216.24	\$2,594.88
18	\$209.35	\$2,512.20	18	\$219.96	\$2,639.52
19	\$212.13	\$2,545.56	19	\$222.87	\$2,674.44
20	\$214.37	\$2,572.44	20	\$225.20	\$2,702.40

ORDINANCE NO. 2025-11

ORDINANCE OF THE BOARD OF DIRECTORS OF THE VALLEY CENTER MUNICIPAL WATER DISTRICT ADOPTING INCREASES IN WATER AND WASTEWATER RATES AND CHARGES

RECITALS

WHEREAS, Valley Center Municipal Water District is a California Municipal Water District (the "District") created by the Municipal Water District Law of 1911 (Water Code Section 71000 *et seq.*); and

WHEREAS, the District indirectly purchases water from the Metropolitan Water District of Southern California through the San Diego County Water Authority ("SDCWA"); and

WHEREAS, while the District continually strives for cost reductions and better utilization of the assets it holds, it also needs to keep pace with inflation and other cost increases, including, among others, the cost to purchase water from SDCWA and to comply with regulations governing the treatment and disposal of wastewater; and

WHEREAS, the District mailed written Notice of a Public Hearing (the "Notice") to be held on December 15, 2025, to consider the adoption of increases in the rates and charges for the District's water and wastewater service charges; and

WHEREAS, not less than 45 days prior to the Public Hearing, the Notice was mailed to all record owners of parcels upon which the water and wastewater rates and charges are proposed to be imposed and any tenants directly responsible for the payment of such charges (i.e., a customer of record); and

WHEREAS, the rate structure for the District's water service charges has two customer classes: Domestic/Commercial and Permanent Special Agricultural Water Rate ("PSAWR"). The rates for District's water service charges are comprised of seven components: (1) a fixed monthly charge (the "Water Service Charge" and/or "Fire Service Charge"); (2) a volumetric water consumption charge (the "Wholesale" or "Commodity Charge"); (3) a pumping charge (the "Pumping Charge"); (4) a SDCWA Infrastructure Access Charge (the "IAC"), which is a direct pass-through of rates adopted by the SDCWA; (5) a monthly Metropolitan Water District ("MWD") Fixed Charge, which is a direct pass-through from SDCWA of the MWD wholesale fixed charges for the capacity reservation and readiness-to-serve charge adopted by MWD; (6) a monthly SDCWA Fixed Transportation Charge, which is a direct pass-through of one-third of the SDCWA Fixed Transportation Charge; and (7) a monthly Water Capital Improvement Charge for active meters based on the meter size serving the property.

WHEREAS, the rates for the District's monthly wastewater service charges are structured to recover the cost to collect, treat, and dispose of sewage. Because of differences in the cost of providing wastewater service, the District has two different

wastewater service areas—Lower Moosa Canyon and Woods Valley Ranch. The rates within each service area for the monthly wastewater service charge (the “Monthly Service Charge”) are determined on an equivalent dwelling unit (“EDU”) basis; and

WHEREAS, a monthly fee is also imposed on certain areas of the District that have been identified to be served by Low Pressure Wastewater Collection Systems (“LPCS Charge”) or a Grinder Pump Maintenance Charge (“GPMC”). The LPCS Wastewater Service Charge and GPMC are structured to recover the cost to maintain, repair, and ultimately replace the Septic Tank Effluent Pump (“STEP”) system and pumps. Additionally, certain property owners in the Lower Moosa Canyon service area have paid for and reserved capacity in the District’s wastewater system but have not connected to the system. In lieu of the Monthly Service Charge, each of these property owners has entered into an agreement with the District to pay a monthly wastewater reservation capacity fee (the “Capacity Reservation Fee”) for their proportionate share of the ongoing costs of operating and maintaining the system; and

WHEREAS, the rates proposed are based on the District’s Cost and Revenue Structure Description and Policy Issue Analysis that was approved by the Board in July 2019, the Long-Range Financial Strategy that was adopted by the Board in November 2019, the June 2020 Update of the January 2019 Water Master Plan, the Fiscal Year 2024-2025 Annual Operating Budget, all budget work papers appurtenant to the 2024-2025 Budget, and the February 2023 Update of the Lower Moosa Water Reclamation Facility Master Plan. The proposed rates and charges were reviewed in more detail at the regular Board meeting on October 20, 2025, in a report titled, “Review and Approval of Notice of Public Hearing for Proposed Changes to Water and Wastewater Rates effective January 1, 2026.” All of the above referenced documents are incorporated into the Public Record for the Rate Hearing and proposed adoption of rates and charges effective January 1, 2026 and copies of these documents are available upon request; and

WHEREAS, the Board of Directors conducted a Public Hearing at a Regular Meeting on December 15, 2025, in accordance with the Notice to consider the rate increases described in the Notice; and

WHEREAS, the Board of Directors considered the Authorizations described herein, and in the Proposed Schedule of Rates and Charges and heard the comments of interested persons at the Public Hearing; and

WHEREAS, at the conclusion of the Public Hearing, the District did not receive written protests against the proposed rate increases by a majority of the record owners of parcels upon which the water or wastewater charges are proposed to be imposed and customers of record; and

WHEREAS, the Board of Directors desires to adopt this Ordinance in order to revise and amend District’s Administrative Code governing rates for water and wastewater service charges.

NOW, THEREFORE, BE IT HEREBY RESOLVED, DETERMINED AND ORDERED by the Board of Directors of Valley Center Municipal Water District as follows:

Section 1. The matters set forth in the Recitals to this Ordinance are true and correct statements and are incorporated herein by this reference.

Section 2. The Board of Directors of Valley Center Municipal Water District has been presented with data showing the estimated reasonable costs of providing water and wastewater services, and data showing the revenue sources available to cover the costs of providing such services.

Section 3. The Board of Directors authorized and directed the District Secretary to give Notice of a Public Hearing for the consideration of the adoption of the proposed rates and charges, and such Notice was given by mail to all record owners of parcels upon which the water and wastewater charges are proposed to be imposed and customers of record no less than 45 days prior to the Public Hearing. On December 15, 2025, at the time and place set for the Public Hearing, this Ordinance was considered and the Board of Directors heard and considered the oral comments of all persons appearing at the Hearing, and considered all written protests submitted prior to the close of the Hearing.

Section 4. The Board of Directors finds that the Authorizations described herein and in the Schedule of Water and Wastewater Rates attached hereto as Exhibit "A" and by this reference incorporated herein, will result in revenue to the District, taking into consideration the estimated reasonable cost of providing water and wastewater service and the sources of revenue available to the District to cover the cost of such facilities and services, which will not exceed the estimated cost of the services for which the water and wastewater rates are charged.

Section 5. The Board of Directors finds that the Authorizations described herein and in the Schedule of Water and Wastewater Rates, taking into consideration the estimated reasonable cost of providing all services by the District and the sources of revenue therefor, will result in a fair and reasonable revenue program, reasonably allocating the cost of water and wastewater services to those who benefit therefrom, without unfair subsidy to or by those who pay for the water and wastewater services.

Section 6. The Board of Directors finds and determines that the administration, operation, maintenance and improvements of the District's water and wastewater systems, which are to be funded by the increased water and wastewater service rates set forth herein, are necessary to maintain service within the District's existing service area. The Board of Directors further finds that the administration, operation, maintenance and improvements of the District's water and wastewater systems, to be funded by the increased rates and charges, will not expand the District's water and wastewater systems. The Board of Directors further finds that the adoption of the rates and charges is necessary and reasonable to fund the administration, operation, maintenance and improvements of the District's water and wastewater systems. Based on these findings,

the Board of Directors determines that the adoption of the rates and charges established by this Ordinance are exempt from the requirements of the California Environmental Quality Act pursuant to §21080(b)(8) of the Public Resources Code and §15273(a) of the State CEQA Guidelines.

Section 7. The Board of Directors finds that the revenue derived from the Authorizations described herein and in the water and wastewater rates and charges established by this Ordinance: (1) do not exceed the funds required to provide the water and wastewater capital facilities and services; (2) shall not be used for any other purpose than that for which they are imposed; (3) do not exceed the proportional cost of the water and wastewater services attributable to each customer; (4) are imposed for services which are immediately available to the customers who pay such rates and charges; and (5) are not levied for general governmental services.

Section 8. The Board of Directors hereby adopts the Schedule of Water and Wastewater Rates set forth in Exhibit "A." The Schedule of Water and Wastewater Rates set forth in Exhibit "A" is hereby adopted as an Amendment to the District's Administrative Code replacing the existing schedule rates and charges with those approved in this Ordinance, and the General Manager of the District is hereby authorized and directed to implement and collect the new rates for water and wastewater charges set forth in Exhibit "A" for services provided on and after January 1, 2026.

Section 9. This Ordinance shall take effect immediately upon adoption.

Section 10. All ordinances, resolutions, or administrative actions by the Board of Directors, or parts thereof that are inconsistent with any provision of this Ordinance are hereby superseded only to the extent of such inconsistency.

Section 11. If any section, subsection, clause or phrase in this Ordinance is for any reason held invalid, the validity of the remainder of this Ordinance shall not be affected thereby. The Board of Directors hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses or phrases or the application thereof be held invalid.

ADOPTED, SIGNED AND APPROVED at a regular meeting of the Board of Directors of Valley Center Municipal Water District held this 15th day of December 2025, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Enrico P. Ferro, *President*

ATTEST:

Coral Williams, *Acting Board Secretary*

Article 160 Water Service - Rules and Regulations (Cont'd.)

Sec. 160.3 Water Service Charges and Water Rates. The water service charges and rates for filtered and unfiltered water, pumping energy and surcharges and miscellaneous zone charges are as follows and may be changed from time to time as the Board determines.

- (a) Monthly Service Charge. All permanent meter installations shall be subject to the Monthly Service Charge, irrespective of water use through the meter. The Monthly Service Charge is a fixed charge established on the basis of the size of the water meter serving the property. The revenue, by Board Policy § 50.2(f), is used to recover at least 60% of the Districts fixed local operating costs, which include, but are not limited to, the costs of operating and maintaining the water system, meter service support and maintenance, the collection of meter reads, billing and collections, customer service, and other related services.

1. Standard Meters:

Meter Size	3/4"	1"	1-1/2"	2"	3"
Monthly Service Charge for Water	\$51.28	\$69.30	\$103.95	\$138.60	\$207.90
Availability	\$57.06	\$76.09	\$114.13	\$152.18	\$228.27
Meter Size	4"	6"	8"		
(Cont'd)	\$277.20	\$415.80	\$554.40		
	\$304.36	\$456.54	\$608.72		

2. Fire Protection Meters:

Meter Size	3/4"	1"	1-1/2"	2"	3"
Monthly Service Charge for Water	\$10.61	\$14.86	\$22.29	\$29.72	\$44.58
Availability	\$12.06	\$16.31	\$24.46	\$32.62	\$48.93

Meters larger than 3" will be limited to Master Meters serving multiple dwellings such as trailer parks, condominiums and apartments and will require the approval of the District Engineer. The monthly service charge will be based on the following:

- A. The size of the meter times the 1" service charge shown above. Compound and fire flow meters will be treated as separate meters for service charges and water billing purposes.
- B. Water through a fire flow meter will be charged in accordance with §160.23(d).

Article 160 Water Service - Rules and Regulations (Cont'd.)Sec. 160.3 Water Service Charges and Water Rates (Cont'd.)(b) Water Rates

Water Rates per 100 cubic feet:

Domestic/Commercial (Municipal /Industrial)	\$7.1214 \$7.4873
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Eligible San Diego County Water Authority (SDCWA) Permanent Special Agricultural Water Rate (PSAWR)	\$5.0349 \$5.5348
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Eligible PSAWR Agricultural/Domestic: First 22 hcf at Domestic/ Commercial rate, all over 22 hcf at Certified Agricultural rate.

Construction Water: Potable at Domestic/Commercial rate.

Fire Service: It is the intent of the District to provide water for fire protection at no cost to the customers in the District. However, unauthorized water used through a fire service or fire hydrant will be billed at three (3) times the then domestic/commercial water commodity rate as set forth in this section of the District's Administrative Code. Repeated unauthorized use may result in prosecution by the District under §498 of the California Penal Code.

- (c) San Diego County Water Authority Monthly Infrastructure Access Charge. In accordance with §15.3.5 of the SDCWA Act, the Authority will, annually, assess the VCMWD a fixed charge based on the number and size of the active meters within the District. The charge to the District will be based on the following table and the charge will be passed through and collected from active District customers using Authority water. The charge will be shown separately on the customer's water bill and identified as a pass through from the Authority.

<u>Meter Size</u>	<u>Infrastructure Access Monthly Charge</u>
3/4"	\$4.55
1"	\$7.28
1-1/2"	\$13.65
2"	\$23.66
3"	\$43.68
4"	\$74.62
6"	\$136.50
8"	\$236.60

- (d) Classification Definitions. For purposes of rate classifications, the following definitions shall apply:

1. Domestic/Commercial. The use of water for all purposes not qualifying under another classification herein. This is also known as Municipal and Industrial.

Article 160 Water Service - Rules and Regulations (Cont'd.)Sec. 160.3 Water Service Charges and Water Rates (Cont'd.)

2. SDCWA PSAWR. PSAWR water use is defined in and qualified as eligible under provisions in Admin. Code Article 162 "San Diego County Water Authority Permanent Special Agricultural Water Rate Program," §162.7.
Requires certification by owner or agent that water used on property meets definition stated herein.
 3. Eligible PSAWR / Domestic Use. The use of water for the purpose stated in §162.7 with incidental domestic use. Requires certification as stated in §162.7.
 4. Commercial Agricultural Full Price (CAFP). Commercial agriculture customers determined to be eligible by VCMWD that are not participating in the SDCWA PSAWR program and paying full price for water.
Requires an eligibility determination by the District that water used on property meets definition stated in §162.7.
 5. Construction Water. The use of potable water from District appurtenances as provided by §160.24 of this Code.
- (e) Surcharge on Water Delivered Per Agreement. Those customers receiving water which results in direct additional cost to the District, such as those customers connected to the Yuima line, will be charged a sufficient surcharge on the water consumed to reimburse the District for all additional costs incurred.
- (f) Pump Zone Charges. All customers will be charged a pumping energy surcharge based on water consumed as follows:

<u>Zone Number</u>	<u>Charges Per 100 Cubic Feet</u>
0	\$0.00000
1	\$0.16612 \$0.19485
2	\$0.33215 \$0.38961
3	\$0.36849 \$0.43223
4	\$0.55030 \$0.64550
5	\$0.80714 \$0.94677
6	\$0.90035 \$1.05611
7	\$0.95481 \$1.11999
8	\$1.08217 \$1.26938
9	\$1.12087 \$1.31478
10	\$1.48459 \$1.74142

The zone is determined by the District's main serving the meter as shown on the map entitled "Pump Zones" available at the District office. This map may be modified as new lines are constructed within the District.

Article 160 Water Service - Rules and Regulations (Cont'd.)Sec. 160.3 Water Service Charges and Water Rates (Cont'd.)

- (g) Pass Through of Wholesale Suppliers' Fees and Charges. All San Diego County Water Authority and Metropolitan Water District of Southern California fees and charges for wholesale water and water related services shall be passed through to Valley Center Municipal Water District customers by action of the Board of Directors.
- (h) Metropolitan Water District (MWD) Fixed Charge. The monthly MWD Fixed Charge is established on the basis of the size of the water meter serving the property. The revenue is used to recover the costs of both the Capacity Reservation & Readiness-to-Serve Charges from the MWD. The charge will be based on the following table and will be passed through and collected from District customers that have an active meter. The charge will be shown separately on the customer's water bill.

MWD Fixed Charge (\$/Meter Size)

3/4 inch	\$7.50
1 inch	\$10.00
1-1/2 inch	\$15.00
2 inch	\$20.00
3 inch	\$30.00
4 inch	\$40.00
6 inch	\$60.00
8 inch	\$80.00

- (i) San Diego County Water Authority (SDCWA) Fixed Transportation Charge. The monthly SDCWA Fixed Charge is established on the basis of the size of the water meter serving the property. The revenue is used to recover the cost of the Transportation Charges from the SDCWA. The charge will be based on the following table and will be passed through and collected from District customers that have an active meter. The charge will be shown separately on the customer's water bill.

MWD Fixed Charge (\$/Meter Size)

3/4 inch	\$4.75
1 inch	\$6.34
1-1/2 inch	\$9.51
2 inch	\$12.68
3 inch	\$19.02
4 inch	\$25.36
6 inch	\$38.04
8 inch	\$50.72

(j) Water Capital Improvement Charge. The monthly Water Capital Improvement Charge is established on the basis of the size of the water meter serving the property. The revenue is used to fund the District's capital program. The charge will be based on the following table and will be passed through and collected from District customers that have an active meter. The charge will be shown separately on the customer's water bill.

Proposed Water Capital Improvement Charge (\$/Meter Size)

<u>Meter Size</u>	<u>Effective Jan. 1, 2026</u>	<u>Effective Jan. 1, 2028</u>	<u>Effective Jan. 1, 2030</u>
3/4 inch	\$5.00	\$10.00	\$15.00
1 inch	\$6.67	\$13.33	\$20.00
1-1/2 inch	\$10.00	\$20.00	\$30.00
2 inch	\$13.34	\$26.66	\$40.00
3 inch	\$20.00	\$39.99	\$60.00
4 inch	\$26.67	\$53.32	\$80.00
6 inch	\$40.00	\$79.98	\$120.00
8 inch	\$53.35	\$106.64	\$160.00

Sec. 160.24

Temporary Water Service. Temporary water service for construction purposes may be provided by this section. Temporary water service is subject to reduction or complete interruption in delivery based upon water supply conditions as determined by the VCMWD, Metropolitan Water District and/or the San Diego County Water Authority.

(a) Construction Meter Service. A "Construction Meter Assembly" shall be a District provided assembly consisting of meter, backflow, and PRV if required. Assembly will be connected to a fire hydrant or blow-off equivalent to a 3-inch meter capacity. Actual flow will be dependent upon hydraulic characteristics of its location. If a larger assembly is required, applicant will be responsible for providing the devices and all associated parts, District costs will be determined on a case by case basis for those applications.

1. Applicant shall pay a refundable deposit of \$2,500 for the assembly, in addition to the following applicable charges:
 - A. Installation and relocation charge of \$230 per occurrence, includes testing Backflow device. Additionally, an annual backflow test will be performed if device has been on site for more than 1 year.
 - B. Applicant shall be responsible for any damage to the construction meter assembly including theft, and shall pay for repair or replacement costs upon request.
 - C. Failure to satisfy the request will result in termination of service costs deducted from the deposit.

Article 160Water Service - Rules and Regulations (Cont'd.)

D. If pressure exceeds 175 PSI a PRV will be installed

2. The following monthly charges will apply:

- A. Service and rental charge of ~~\$207.90~~ **\$228.27** for construction service and devices.
- B. Purchase of water as provided by Section 160.3, including applicable pump zone charges.

3. Other Use Conditions:

- A. Monthly service and rental charge of ~~\$207.90~~ **\$228.27** for construction service.
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Sec. 160.25 Construction Water Permit. Single day use permits will be issued authorizing the drawing of construction water from a fire hydrant or blow off to a water truck within the District in accordance with the following fee schedule per a 24 hour period.

Used Via a Water Truck With a Capacity of:	2,500 gallons or less:	3,000 gallons:	3,500 gallons:	4,000 gallons:	5,000 gallons:
(Potable)	\$435.00 \$465.00	\$520.00 \$560.00	\$605.00 \$650.00	\$695.00 \$745.00	\$865.00 930.00

The permit must be kept at the job site and available for verification at all times when drawing water, and is valid only on the date(s) listed. The District may require the use of a construction meter.

Sec. 171.10 Wastewater Charges. Fees referenced in Articles 170 and 171 are summarized below:

(a) General Fees.

1. Processing fees for:
 - a. Project Facility Availability (PFA) \$193.00
 - b. Project Facility Commitment (PFC) \$193.00

(b) Lower Moosa Canyon Water Reclamation Facility.

1. Wastewater Capacity Charge (Sec. 171.2) \$8,935.00/EDU
 - Deposit (issuance of PFA) \$750.00/EDU⁽¹⁾⁽²⁾
 - Deposit (issuance of PFC) \$3,250.00/EDU⁽³⁾
 - Balance *(due prior to connection or issuance of Agency Clearance Letter)* \$4,935.00/EDU⁽³⁾
2. Monthly Wastewater Service Fee: ~~\$64.86~~ **\$68.10/EDU**
3. Monthly **Moosa** Capital Improvement Charge: \$12.00/EDU
4. Wastewater Capacity Reservation Fee:
 - A. Commitments issued after July 1, 2004 [Sec. 171.3(a)] 50% of current Monthly Service Fee
 - B. Meadows development [Sec. 171.3(b)] \$675.00/EDU
5. Capacity Reservation Fee Deposit \$500.00/EDU⁽⁴⁾
6. Wastewater Connection Inspection Fee \$150.00/lateral
7. Wastewater Connection Inspection Deposit \$1,250.00/lateral

(c) Woods Valley Ranch Water Reclamation Facility.

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 - A. Monthly Sewer Service Charge (collected on the property tax roll) ~~\$103.50~~ **\$113.85/EDU**
 - B. Annual Sewer Service Charge (collected on the property tax roll) ~~\$1,242.00~~ **\$1,366.20/EDU**
 - C. Monthly Sewer Service Charge (collected on monthly water bill for mid-year connections when paying Sewer Standby Fee) ~~\$57.64~~ **\$67.99/EDU**
2. Sewer Standby Fee – Service Areas 1 and 2
 - A. Annual Sewer Standby Fee (collected on the property tax roll) \$550.32/EDU
3. Grinder Pump Maintenance Charge (see §172.2)
4. Wastewater Excess Usage Charge \$39.66/HCF
(Monthly discharge amount greater than 7.0 HCF times the number of EDUs of wastewater capacity allocation)

⁽¹⁾Unless property to be served is included in Assessment District 93-1.

⁽²⁾Major Subdivision Developments may enter into a wastewater service lien agreement for the full wastewater capacity charge in lieu of the initial PFA deposit.

⁽³⁾Amount may vary depending on prior deposits and any unpaid capacity reservation fees.

⁽⁴⁾Paid with balance of wastewater capacity fee.

Sec. 172.2 Low Pressure Wastewater Collection System Charges:

(a) General

1. Administration & Inspection Fee - \$1,200.00 per LPCS unit per Section 172.1(b). (Residential LPCS Units Only; Commercial/Industrial LPCS Unit costs funded by Applicant on time and material basis through Special Project Account pursuant to Article 180).
2. Timing of Monthly Charges - Monthly service charges applicable in paragraphs (b) and (c) and District maintenance of the on-site LPCS would begin upon connection of the on-site facilities to the wastewater system service lateral and an acceptable final inspection of the facilities.

(b) Lower Moosa Canyon WRF Service Area

1. Monthly Service Fee - same as specified for the Lower Moosa Canyon wastewater service area shown in Section 171.10 - Monthly Wastewater Service Fee.
2. Additional Monthly Low-Pressure Wastewater Collection System Maintenance Fee of ~~\$53.52~~ **\$58.87** per EDU (per Sec. 172.1(f)(3)).
3. Maintenance Acceptance Inspection Deposit - \$150.00 (per Sec. 172.1(h)).

(c) Woods Valley Ranch WRF Service Area

1. Annual Grinder Pump Maintenance Charges, described in subparagraphs 3. and 4. below, shall be collected on the property tax roll pursuant to Administrative Code Section 171.15 – Woods Valley Ranch Water Reclamation Facility Service Area 2 – Sewer Service Charge.
2. Mid-Year Service Connections – Sewer Service Charge and Grinder Pump Maintenance Charge for connections made during the fiscal year shall be prorated monthly and collected on the water meter bill until the end of the fiscal year, after which time the charges shall be levied on the property tax roll.
3. Grinder Pump Maintenance Charges for Simplex Grinder Pump Units (one EDU) shall be ~~\$642.24~~ **\$706.44** annually and prorated to ~~\$53.52~~ **\$58.87** for monthly billing for mid-year connections.

Sec. 172.2 Low Pressure Wastewater Collection System Charges (Cont'd.)

(c) Woods Valley Ranch WRF Service Area (Cont'd.)

4. Grinder Pump Maintenance Charges for Duplex Grinder Pump Units shall be in accordance with the following schedule and prorated monthly for mid-year connections as indicated for the EDU capacity allocated to the property served by the Grinder Pump Unit.

DUPLEX GRINDER PUMP MAINTENANCE CHARGES FY 2024-2025			DUPLEX GRINDER PUMP MAINTENANCE CHARGES FY2025-2026		
EDUS	MONTHLY	ANNUALLY	EDUS	MONTHLY	ANNUALLY
1	\$62.67	\$752.04	1	\$65.86	\$790.32
2	\$76.43	\$917.16	2	\$80.32	\$963.84
3	\$89.47	\$1,073.64	3	\$94.02	\$1,128.24
4	\$101.95	\$1,223.40	4	\$107.12	\$1,285.44
5	\$113.80	\$1,365.60	5	\$119.60	\$1,435.20
6	\$125.02	\$1,500.24	6	\$131.34	\$1,576.08
7	\$135.59	\$1,627.08	7	\$142.45	\$1,709.40
8	\$145.40	\$1,744.80	8	\$152.80	\$1,833.60
9	\$154.69	\$1,856.28	9	\$162.54	\$1,950.48
10	\$163.34	\$1,960.08	10	\$171.60	\$2,059.20
11	\$171.35	\$2,056.20	11	\$180.07	\$2,160.84
12	\$178.71	\$2,144.52	12	\$187.80	\$2,253.60
13	\$185.33	\$2,223.96	13	\$194.74	\$2,336.88
14	\$191.42	\$2,297.04	14	\$201.18	\$2,414.16
15	\$196.87	\$2,362.44	15	\$206.85	\$2,482.20
16	\$201.66	\$2,419.92	16	\$211.84	\$2,542.08
17	\$205.83	\$2,469.96	17	\$216.24	\$2,594.88
18	\$209.35	\$2,512.20	18	\$219.96	\$2,639.52
19	\$212.13	\$2,545.56	19	\$222.87	\$2,674.44
20	\$214.37	\$2,572.44	20	\$225.20	\$2,702.40