

A G E N D A

REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE LAKESIDE WATER DISTRICT

March 5, 2024

Meeting Place: Lakeside Water District; 10375 Vine Street
Lakeside CA 92040; **5:30 p.m.**

Assistance for those with disabilities: If you have a disability and need accommodation to participate in the meeting, please call Brett Sanders, General Manager, at (619) 443-3805 for assistance so the necessary arrangements can be made.

1. Call to Order
2. Prayer/Invocation
3. Pledge of Allegiance
4. Approval of the Agenda
5. Opportunity for Public Comment Pertaining to Items Not on the Agenda (Items must meet the requirements of Government Code Section 54954.2)
6. Approve Minutes of a Regular Meeting Held on February 6, 2024
7. Review the January 2024 Treasurers Report for the Annual Audit. Request to Note and File in Preparation.
8. Operations Report. Johnze
9. Review Joint Powers Insurance Authority Liability, Property and Workers Compensation Low Loss "President's Special Recognition Awards" for the 2019 to 2022 policy periods. Sanders
10. 2024 Asset Management Plan Update. Sanders
11. Approve Demands of the Treasurer for January 2024.
12. CWA Report
13. Director's Reports and/or Ad Hoc Sub-Committees Reports.
14. General Managers' Report.
15. Adjourn; Next Regular Meeting Date April 2, 2024.

PUBLIC COMMENT PROCEDURES

Members of the public will be allowed to address the Board on any agenda item prior to the Board's decision on the item. They will also be allowed to comment on matters not on the posted agenda, which are under the subject matter jurisdiction of the district. No action may be taken by the board except to set the matter presented for the next regular board meeting if proposed by the board. State your name, topic and provide the secretary with a request to speak form, so you can be properly included in the comment period. Comments are limited to 3 minutes and the board is not required to comment on the topic.

CERTIFICATE OF POSTING

I certify that on March 1, 2024, I posted a copy of the meeting agenda and any public records relating to items on the agenda and that they are available for public inspection at the time the record is distributed to all, or a majority of all members of the board. Such records shall be available at the district office located at 10375 Vine Street, Lakeside, California, or on the district's website at LakesideWater.org.

Agendas are posted at least 72 hours in advance of a regular meeting, or 24 hours in advance of a special meeting of the Board of Directors, near their regular meeting place, and as per Government Code Section 54954.2(a)(1) and 54956(a).

Brett Sanders, General Manager / Board Secretary

**MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
LAKESIDE WATER DISTRICT
HELD ON February 6, 2024**

At the time and place provided by law for the holding of a Regular Meeting of the Board of Directors of the Lakeside Water District; to-wit at the meeting place of said Board at 10375 Vine Street, Lakeside, California, at 5:30 p.m. the Board duly convened, the following members present.

Directors:

Frank Hilliker
Pete Jenkins
Steve Johnson
Eileen Neumeister
Steve Robak

Secretary:

Brett Sanders

- 1) Call to Order by Board President Hilliker.
- 2) Prayer/Invocation – Director Johnson introduced Tom Edelen to provide the meeting prayer for the nights meeting.
- 3) Pledge of Allegiance – The pledge was led by Director Jenkins
- 4) Approval of Agenda. Motion by Director Robak to accept the agenda as submitted.

Motion: Robak

Second: Neumeister

Vote:	Ayes	5	Hilliker, Jenkins, Johnson, Neumeister, Robak
	Noes	0	
	Abstain	0	
	Absent	0	

- 5) Opportunity for Public Comment Pertaining to Items Not on the Agenda (Items must meet the requirements of Government Code Section 54954.2). Betty requested that she be able to set up a table to provide plant and water saving expertise in behalf of the Lakeside Garden Club at our 100-year anniversary. Christy thanked the Board for their service to the District and the community, and to Director Robak for his support of the El Cajon School Board and his positive influence to the community.
- 6) Approve Minutes of a Regular Meeting held on January 9, 2024. Motion by Director Jenkins to approve the minutes as corrected in item #16d submitted.

Motion: Jenkins

Second: Robak

Vote:	Ayes	5	Hilliker, Jenkins, Johnson, Neumeister, Robak
	Noes	0	
	Abstain	0	
	Absent	0	

- 7) Review the December 2023 Treasurers Report for the Annual Audit. Request to Note and File in Preparation. Approved to Note and File

- 8) Consider Approval of the 2023 Annual Financial Audit Presented by Leaf & Cole LLP at the January 9, 2024 Board Meeting. General Manager Sanders Recapped the month review and consideration period. Motion by Director Robak to approve 2023 Annual Financial Audit as Presented.

Motion: Robak

Second: Neumeister

Vote:	Ayes	5	Hilliker, Jenkins, Johnson, Neumeister, Robak
	Noes	0	
	Abstain	0	
	Absent	0	

- 9) Consider Ordinance 2024-01 of the Board of Directors of Lakeside Water District Levying Special Taxes Within the “Lakeside Water District Community Facilities District No. 2022-1 (Yerba Valley Annexation Area)”. The General Manager provided a summary second reading of the ordinance and explained that once approved, the Ordinance would be effective in 30 days. Motion by Director Jenkins to Approve Ordinance 2024-01 as presented.

Motion: Jenkins

Second: Johnson

Vote:	Ayes	5	Hilliker, Jenkins, Johnson, Neumeister, Robak
	Noes	0	
	Abstain	0	
	Absent	0	

- 10) Adopt Resolution 24-03 Establishing a Tax Appropriations Limit for the District for the Fiscal Year 2023-2024. General Manager Sanders provided a summary of the requirement by the District to set annually the Tax Appropriations Limit per California Government Code 7910. Motion by Director Neumeister to approve Resolution 24-03 as presented.

Motion: Neumeister

Second: Robak

Vote:	Ayes	5	Hilliker, Jenkins, Johnson, Neumeister, Robak
	Noes	0	
	Abstain	0	
	Absent	0	

- 11) Consider Amending 8.1-11(C) (2) Post-Retirement Health Insurance Benefits. General Manager Sanders provided a summary of the benefit program history and increases that have occurred over the last 8 years. Motion by Director Johnson to approve the benefit cap adjustment to \$4,832 per year as presented.

Motion: Johnson

Second: Robak

Vote:	Ayes	5	Hilliker, Jenkins, Johnson, Neumeister, Robak
	Noes	0	
	Abstain	0	
	Absent	0	

12) Operations Report – Operations Superintendent Johnze

- a. Moreno Valley River Crossing; Inspection of the Enniss lowering installation
- b. District crews are continuing the replacement of 6" acp with District crews. The project has been extended approximately 100 L.F. to realign the main out from behind a fenced area and to a more straight alignment but through a rock area that crews are removing with a backhoe mounted rock breaker.
Progress is about 60% at this point. Pictures were shown to the Board.
- c. Prepared District property for extensive rain and runoff that is forecasted.
- d. AWP Pipeline Crossings and Inspections. District crews continue to work with the AWP contractor to expedite main replacements and crossing inspections. Currently working at Rancho Capitan and an issue of trenching behind a district tee assembly.
- e. No County of SD Road Work Updates.
1 Mainbreak (saddle failure damaged main), 1 Service Leak, 0 Fire Hydrants

13) Approve Demands of the Treasurer for January 2024. Motion by Director Robak to approve the demands as presented.

Motion: Robak

Second: Johnson

Vote:	Ayes	5	Hilliker, Jenkins, Johnson, Neumeister, Robak
	Noes	0	
	Abstain	0	
	Absent	0	

14) CWA Report. Director Hilliker reported extensive closed session. MWD has a shortfall in their budget and that we will likely see a large increase again for 2025. WA saved money by signing and implementing a water exchange with the largest agencies with water rights along the Colorado River.

15) Director's Report and Ad Hoc Sub-Committees Reports. No reports.

16) Manager's Report. The General Manager reported.

- 1) Vine Street Solar Installation Update. Met with contractor on site to verify the size and location of the equipment and what the District needs to do to make way. The plans have been completed with the reduced system size and ready for resubmittal with the County.
- 2) 100 Year Anniversary Update: Letters announcing our anniversary were sent out to the 11 water agencies and 4 legislatures requesting formal acknowledgement and attendance. 6 water agency confirmations to date.

Articles submitted:

Sierra Nevada Snowpack Triples in Past Month

California Panel Says Conservation Rules too Stringent and Costly

17) Adjourn; There being no further business the meeting is adjourned to the next Regular Meeting to be held on March 5, 2024 at 5:30 p.m.

Attest:

Brett Sanders, Board Secretary
Lakeside Water District

Frank Hilliker
Board President

Lakeside Water District
Statement of Revenues and Expenses
January 2024

	Jan 24	Jul '23 - Jan 24	Budget	% of Budget
Operating Revenue				
Water Sales				
4000 · Water Sales on Account	633,520	4,728,585	7,252,312	65%
4010 · System meter charge	89,746	593,586	1,004,444	59%
4020 · CWA/IAC	35,712	246,364	419,358	59%
4040 · Penalties / other	7,178	76,351	0	100%
Total Water Sales	766,156	5,644,886	8,676,114	65%
4100 · Capacity Fees LWD	21,672	49,748	237,773	21%
4101 · SDCWA Capacity & Treatment	26,951	64,447	314,039	21%
4200 · Meter Services	3,628	14,143	35,000	40%
4210 · Engineering & Inspection Fees	0	500	7,500	7%
4220 · Fire Hydrants	6,835	9,810	30,000	33%
4230 · Tapping	0	2,129	15,000	14%
4300 · Miscellaneous Income	115	4,240	15,000	28%
4310 · Water Letters	200	1,825	250	730%
4400 · Rent - Land Lease	11,058	159,918	271,821	59%
4500 · Annexation Fees	0	0	0	0%
4600 · Interest Income	18,010	141,955	227,645	62%
4700 · Taxes Revenue	116,749	407,707	679,000	60%
4951 · High Meadow Ranch	1,738	5,359	9,200	58%
Total Operating Revenue	973,112	6,506,667	10,518,342	62%
Expense				
Administrative and General				
7001 · Incentive Compensation	0	2,500	5,000	50%
7000 · General Manager/Secretary	21,374	133,497	222,949	60%
7020 · Director's Fees	680	4,915	10,750	46%
7100 · General Insurance	0	61,944	66,575	93%
7200 · Annual Audit	0	30,740	29,000	106%
7210 · Attorney Fees	3,491	6,806	30,000	23%
7230 · Consultants	0	115	2,000	6%
7320 · Lafco Operating Costs	0	5,748	5,634	102%
7401 · Administrative Expense	3,205	3,839	7,000	55%
7450 · Public Info/Public Relat	0	0	11,350	0%
7500 · State Health Dept./ SWRCB	0	41,532	49,064	85%
7800 · Bad Debt Expense	0	0	2,000	0%
7900 · Water Dev./Conservation Program	0	0	9,500	0%
Total Administrative and General	28,750	291,636	450,822	65%
Operations and Maintenance				
5628 · Telemetry Repair	0	7,685	3,000	256%

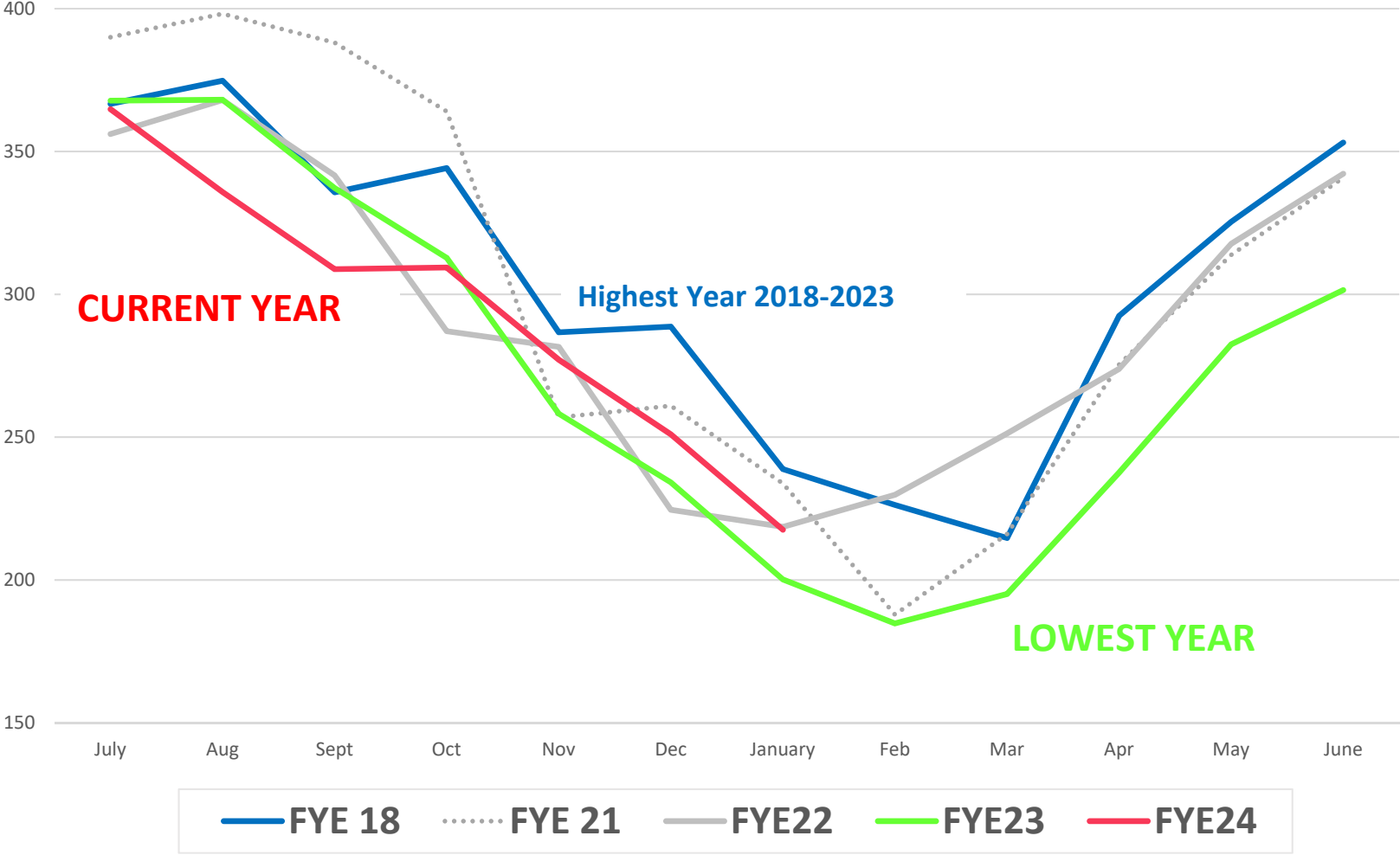
Lakeside Water District
Statement of Revenues and Expenses
January 2024

	Jan 24	Jul '23 - Jan 24	Budget	% of Budget
5620 · Yerba Valley Annexation	1,320	13,964	30,000	47%
5627 · County - Road Improvements	0	374	15,000	2%
6102 · Dist. Pump & Maint	17,195	40,477	60,000	67%
6110 · Emergency Repairs & Service	0	10,690	45,000	24%
5000 · Water Purchases	470,212	3,828,745	6,351,182	60%
5075 · Padre Dam Deliver Charge	0	0	2,600	0%
5080 · Water Treatment & Testing	360	9,734	20,040	49%
5090 · Infrastructure Access Charge	36,458	246,620	428,910	57%
5091 · SDCWA Capacity & Treatment F	26,951	64,447	314,039	21%
5100 · Electric Power	21,841	263,446	395,566	67%
5200 · Water Treatment -Maint/Supplie	2,116	232,912	700,000	33%
6000 · Wages, Field	63,140	438,677	754,202	58%
6100 · Distribution - Maint/Supplies	8,584	94,588	130,000	73%
6200 · Trucks-Fuel,Maintenance,Repair	6,646	39,788	70,000	57%
6400 · Outside Labor	5,795	22,255	40,000	56%
6410 · Engineering	502	632	20,000	3%
7010 · Wages, Office	24,410	170,510	297,794	57%
7030 · Payroll Taxes	8,380	53,276	97,227	55%
7040 · Group Insurance	28,805	183,997	326,350	56%
7050 · CalPers Retirement	13,499	95,048	178,157	53%
7070 · Unemployment Insurance	40	552	5,000	11%
7400 · Office Expense	9,309	84,288	157,714	53%
7440 · Dues & Subscriptions	120	14,114	19,778	71%
7920 · Miscellaneous Expense	0	2,041	5,000	41%
Total Operations and Maintenance	745,683	5,918,860	10,466,559	57%
Total Expense	774,433	6,210,496	10,917,381	57%
Net Income Over Expense	198,679	296,171	(399,039)	(74%)

CAPITAL REQUIREMENTS

1510 · Buildings & Land Improvemen	0	10,972	4,000	274%
1520 · O & M Equipment	0	7,453	10,000	75%
1530 · Office Furniture & Equipment	2,383	15,916	19,000	84%
1548 · Office Solar	0	0	400,000	0%
1547 · CIP Design/Engineering	0	15	25,000	0%
1550 · Pumping Plant & Distribution	25,104	81,961	25,000	328%
1551 · New Service/Meters	0	0	10,000	0%
1750 · Cellular Transmit Meters (42)	0	24,293	24,350	100%
Total Capital Expense	27,487	140,610	517,350	27%

Water Usage



Lakeside Water District

Investment Report

January 2024

Current Assets

Checking/Savings

1050 · Multi-Bank Securities, Inc.	135,080
1030 · King Cash Fund	30,946
1020 · UBS Cash Fund	5,204
1070 · Investment - LAIF	957
Total Checking/Savings	172,187

Other Current Assets

Investments

1351.50 · FHLM 5.1% 1/27/28	295,000
1351.49 · TSRY 3.54% 5/15/27	335,501
1383.33 · AllyBk 3% 6/9/26 57803	139,000
1351.48 · StBk India 3.3% 6/1/27 33682	100,000
1351.47 · FHLN 3.75% 5/26/27 no call 12mo	1,000,000
1383.32 · FHLB 3.375% 5/28/27 no call 24mo	255,000
1383.31 · FHLB 3% 4/29/27 no call 24mo	250,000
1383.30 · FHLB 3.25% 4/21/27	255,000
1383.29 · FHLB 2.5% 3/30/27	200,000
1383.28 · BealBk 2.05% 3/3/27 57833	247,000
1351.46 · FHLN 2.5% 3/29/27	270,000
1383.27 · FHLB 2.5% 2/25/27	670,000
1351.45 · FHLB 1.65% 12/30/26	270,000
1351.44 · FHLN 1.375% 11/16/26	270,000
1351.43 · FHLN 1.1% 10/13/26	350,000
1351.42 · PentagonFed 0.9% 9/29/26 227	249,000
1351.41 · ConnectOneBk 0.8% 9/24/26 57919	136,000
1351.40 · FHLN 0.9% 8/26/26	640,000
1351.39 · Synchrony 0.9% 8/20/26 27314	119,000
1351.38 · Toyota 0.95% 7/22/26 57542	140,000
1351.34 · Greenstate 0.7% 3/12/26 60269	249,000
1351.33 · FHLB 0.875% 3/10/26	245,000
1321.69 · BkUnited 0.55% 1/22/26 58979	242,000
1383.26 · FNMA 0.57% 12/30/25	270,000
1351.32 · FMCC 0.625% 11/24/25	500,000
1351.31 · FNMA 0.55% 9/30/25	512,000
1383.25 · FNMA 0.51% 8/14/25	375,000
1321.67 · FFCB 0.62% 8/25/25	240,000
1321.66 · FHLMC 0.6% 8/12/25	200,000
1383.24 · FHLM 0.6% 8/12/25	260,000
1351.30 · FNMA 0.65% 8/14/25	270,000

Lakeside Water District

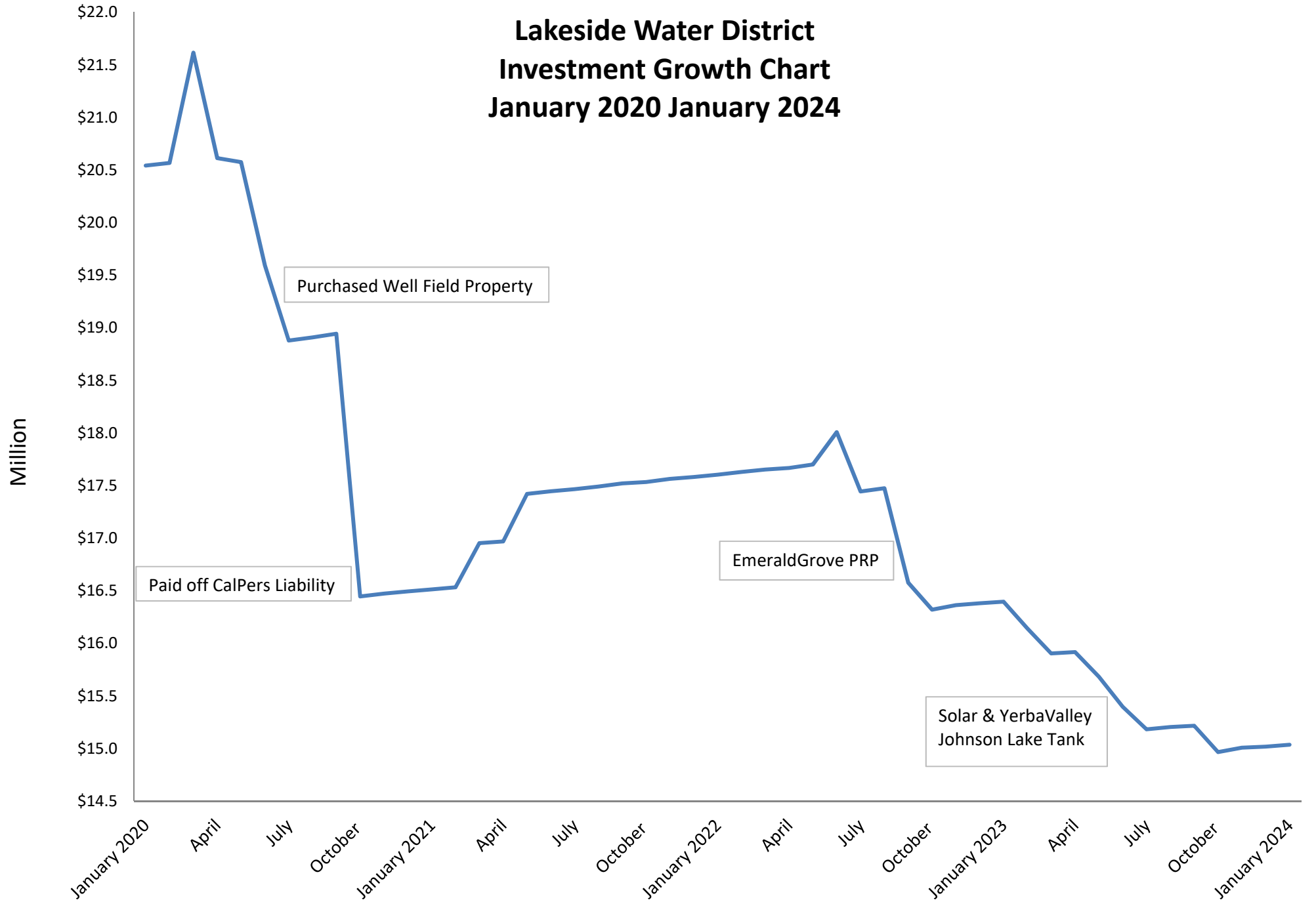
Investment Report

January 2024

1351.29 · Chippewa 0.5% 7/29/25 12322	151,000
1383.23 · JP MorganC 0.55% 7/31/25 628	249,000
1383.22 · BMO Harris 0.55% 7/29/24 16571	136,000
1383.21 · 1st Carolina 0.5% 6/26/25 35530	175,851
1383.20 · Bk Baroda 0.65% 7/22/25 33681	249,000
1321.65 · StBkIndia 1.1% 5/28/25 33682	104,000
1383.19 · TexasEx 1.1% 5/13/25 20099	125,000
1351.26 · Summit 0.85% 5/15/25 32203	249,000
1351.25 · EnterpriseB 0.85% 5/14/25 34786	249,000
1351.24 · M1 Bk 1% 5/8/25 9797	249,000
1351.22 · Encore 1.15% 4/30/24 34562	249,000
1351.21 · PacifWestrn 1.25% 4/30/25 24045	249,000
1351.20 · Evergreen 1.15% 4/28/25 35230	249,000
1383.15 · Celtic 1.45% 4/17/25 57056	249,000
1351.19 · CenterstateBk 1% 3/31/25 33555	249,000
1351.18 · Adirondack 1.1% 3/25/25 28380	249,000
1383.10 · LiveOak 1.85% 1/20/25 58665	230,000
1351.15 · RaymondJame 1.75% 2/14/25 33893	249,000
1351.11 · St Bk India2.05% 11/27/24 33682	145,000
1351.10 · Knoxville 1.95% 11/26/24 68085	100,000
1383.03 · BalboaThrft 2.1% 7/19/24 26704	249,000
1383.02 · NorthWstBk 2.1% 7/11/24 58752	249,000
1383.00 · FirstNatBk 2.151% 6/28/24 3330	210,000
1351.03 · MorganStan 2.7% 6/6/24 34221	199,000
1382.98 · WellsFargo 3% 2/27/24 3511	249,000
Total Investments	14,864,351
Total Current Assets	15,036,538

No Investment Changes in January

Lakeside Water District Investment Growth Chart January 2020 January 2024



Investments by Maturity

January 2024

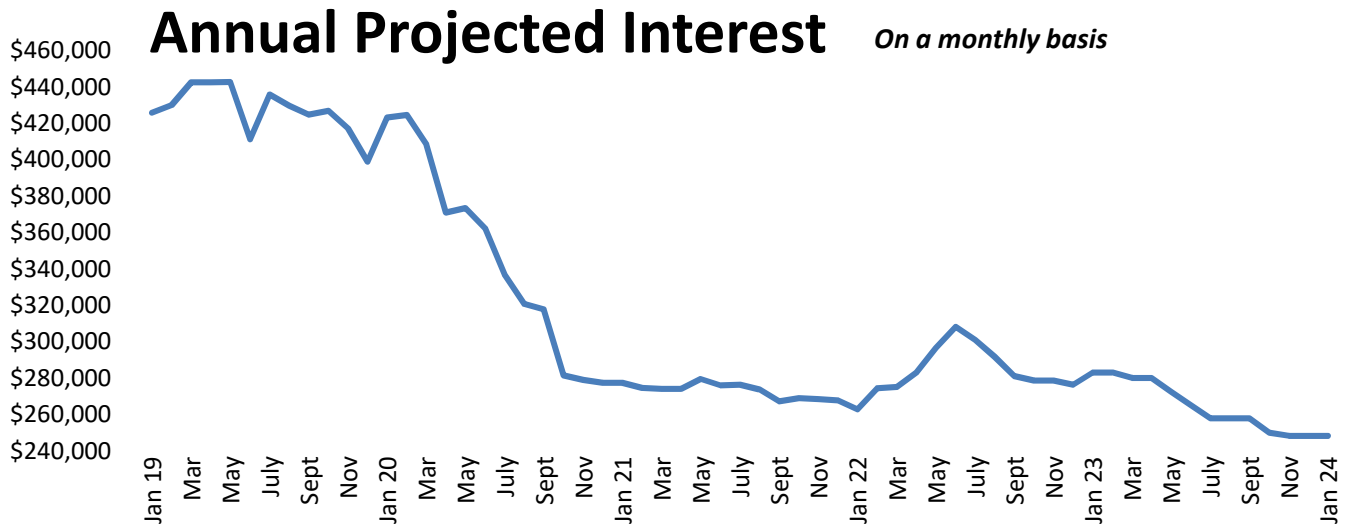
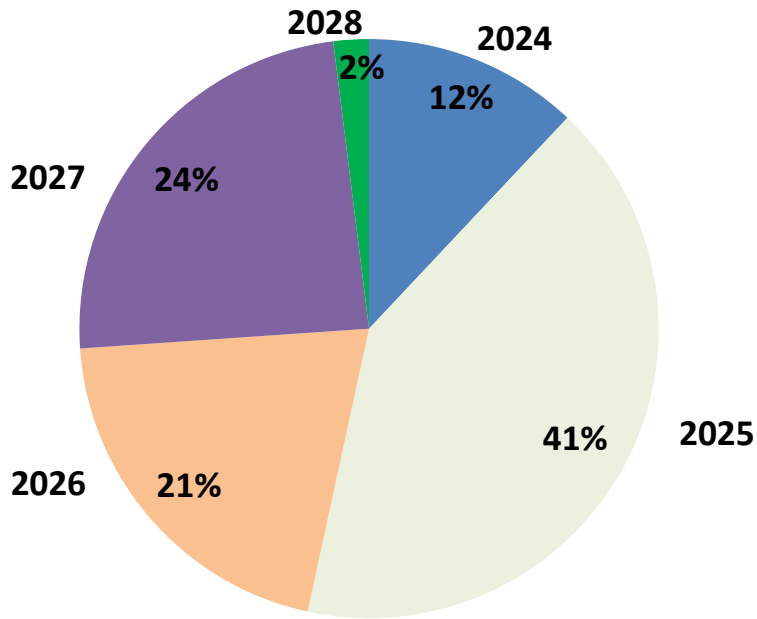
Description	Cusip	Maturity	Rate	Amount	Est. Yr Interest	Avg Rate
Wells Fargo	949763XY7	2/27/2024	3.00%	\$ 249,000	\$ 7,470.00	
EncoreBk	29260MBE4	4/30/2024	1.15%	\$ 249,000	\$ 2,863.50	
Morgan Stanley	61760AE88	6/6/2024	2.70%	\$ 199,000	\$ 5,373.00	
First Natl Bk	32112UDA6	6/28/2024	2.30%	\$ 210,000	\$ 4,830.00	
Northwest Bk	66736ABQ1	7/11/2024	2.10%	\$ 249,000	\$ 5,229.00	
Balboa Thrif	05765LAZ0	7/19/2024	2.10%	\$ 249,000	\$ 5,229.00	
BMO Harris	05600XAN0	7/29/2024	0.55%	\$ 136,000	\$ 748.00	
Knoxville Credit Union	499724AK8	11/26/2024	1.95%	\$ 100,000	\$ 1,950.00	
STATE BK INDIA	856285RS2	11/27/2024	2.05%	\$ 145,000	\$ 2,972.50	
Maturity in 2024		\$ 1,786,000	12%			2.05%
Live Oak Bk	538036HP2	1/20/2025	1.85%	\$ 230,000	\$ 4,255.00	
RAYMOND JAMES BK	75472RBB6	2/14/2025	1.75%	\$ 249,000	\$ 4,357.50	
ADIRONDACK BK UTICA	00687QAT9	3/25/2025	1.10%	\$ 249,000	\$ 2,739.00	
CENTERSTATE BK FLA	15201QCJ4	3/31/2025	1.00%	\$ 249,000	\$ 2,490.00	
CELTIC BANK	15118RUW5	4/17/2025	1.45%	\$ 249,000	\$ 3,610.50	
EVERGREEN BK GROUP	300185JM8	4/28/2025	1.15%	\$ 249,000	\$ 2,863.50	
PACIFIC WESTN BK	69506YRL5	4/30/2025	1.25%	\$ 249,000	\$ 3,112.50	
M1 BK MACKS CREEK MO	55316CAY2	5/8/2025	1.00%	\$ 249,000	\$ 2,490.00	
TEXAS EXCHANGE BANK SSB	88241THD5	5/13/2025	1.10%	\$ 125,000	\$ 1,375.00	
ENTERPRISE BK	29367RLM6	5/14/2025	0.85%	\$ 249,000	\$ 2,116.50	
SUMMIT ST BK SANTA	866264DP6	5/15/2025	0.85%	\$ 249,000	\$ 2,116.50	
State Bank of India	856285TQ4	5/28/2025	1.10%	\$ 104,000	\$ 1,144.00	
FIRST CAROLINA BANK	31944MAY1	6/26/2025	0.60%	\$ 175,851	\$ 1,055.10	
Bank of Baroda	06063HMS9	7/22/2025	0.70%	\$ 249,000	\$ 1,743.00	
CHIPPEWA VY BK	169894AT9	7/29/2025	0.50%	\$ 151,000	\$ 755.00	
JPMORGAN CHASE BANK NA	48128UHS1	7/31/2025	0.55%	\$ 249,000	\$ 1,369.50	
FHLMC	3134GWND4	8/12/2025	0.60%	\$ 260,000	\$ 1,560.00	
FHLMC	3134GWND4	8/12/2025	0.60%	\$ 200,000	\$ 1,200.00	
FNMA	3135G05S8	8/14/2025	0.51%	\$ 375,000	\$ 1,912.50	
FNMA	3136G4C43	8/14/2025	0.65%	\$ 270,000	\$ 1,755.00	
FFCB	313EL4W1	8/25/2025	0.63%	\$ 240,000	\$ 1,502.40	
FNMA	3136G44F7	9/30/2025	0.55%	\$ 512,000	\$ 2,816.00	
FHLMC	FMCC5080214	11/24/2025	0.63%	\$ 500,000	\$ 3,125.00	
FNMA	3135G06Q1	12/30/2025	0.57%	\$ 270,000	\$ 1,541.70	
Maturity in 2025		\$ 6,151,851	41%			0.86%
Bank United	066519QC6	1/22/2026	0.58%	\$ 242,000	\$ 1,410.86	
FHLB	3130ALLS1	3/10/2026	0.88%	\$ 245,000	\$ 2,143.75	
Greenstate	39573LAY4	3/12/2026	0.70%	\$ 249,000	\$ 1,743.00	
Ally Bank	02007GSU8	6/9/2026	3.00%	\$ 139,000	\$ 4,170.00	

Investments by Maturity

January 2024

<u>Description</u>	<u>Cusip</u>	<u>Maturity</u>	<u>Rate</u>	<u>Amount</u>	<u>Est. Yr Interest</u>	<u>Avg Rate</u>
Toyota Fin	89235MLD1	7/22/2026	0.95%	\$ 140,000	\$ 1,330.00	
Synchrony	87165GD74	8/20/2026	0.90%	\$ 119,000	\$ 1,071.00	
FHLB	3130ANJT8	8/26/2026	0.90%	\$ 640,000	\$ 5,760.00	
ConnectOneBk	20786ADL6	9/24/2026	0.80%	\$ 136,000	\$ 1,088.00	
PentagonFed	70962LAS1	9/29/2026	0.90%	\$ 249,000	\$ 2,241.00	
FHLN	3130APB87	10/13/2026	1.10%	\$ 350,000	\$ 3,850.00	
FHLN	3130APLP8	11/16/2026	1.38%	\$ 270,000	\$ 3,712.50	
FHLB	3130AQBE2	12/30/2026	1.65%	\$ 270,000	\$ 4,455.00	
Maturity in 2026		\$ 3,049,000	21%			1.08%
FHLB	3130AQYG2	2/25/2027	2.50%	\$ 670,000	\$ 16,750.00	
Beal Bk	07371CK81	3/3/2027	2.05%	\$ 247,000	\$ 5,063.50	
FHLB	3130ARDY4	3/29/2027	2.50%	\$ 270,000	\$ 6,750.00	
FHLB	3130ARCL3	3/30/2027	2.50%	\$ 200,000	\$ 5,000.00	
FHLB	3130ARKD2	4/21/2027	3.25%	\$ 255,000	\$ 8,287.50	
FHLB	3130ARMS7	4/29/2027	3.00%	\$ 250,000	\$ 7,500.00	
US Treasury	912828X88	5/15/2027	3.54%	\$ 335,501	\$ 11,876.73	
FHLB	3130ARMS7	5/26/2027	3.75%	\$ 1,000,000	\$ 37,500.00	
FHLB	3130ARYQ8	5/28/2027	3.37%	\$ 255,000	\$ 8,593.50	
State Bank India N	856285N64	6/1/2027	3.30%	\$ 100,000	\$ 3,300.00	
Maturity in 2027		\$ 3,582,501	24%			3.09%
FHLM	3134GYF31	1/27/2028	5.10%	\$ 295,000	\$ 15,045.00	
Maturity in 2028		\$ 295,000	2%			5.10%
				<u>Total Investments</u>	<u>Total Yr Interest</u>	<u>Avg</u>
				\$ 14,864,351	\$ 248,312	1.67%

Investments by Maturity Year



OPERATIONS REPORT
MARCH 2024
BOARD OF DIRECTORS MEETING

General Operation:

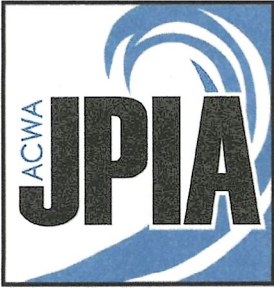
- *Moreno Valley crossing update*
- *Toyon 6" to 8" C-900 upgrade*
- *Well 7 Rehabilitation update*
- *Service relocations; What are they and why we do them.*

Outside District Projects:

- *AWP pipeline crossings and inspections*

District Emergencies Repairs:

- *Main breaks 0*
- *Service leaks 1*
- *Fire hydrants 0*



YOUR BEST PROTECTION

ACWA JPIA

P.O. Box 619082
Roseville, CA
95661-9082

phone
916.786.5742
800.231.5742

www.acwajpia.com

Core Values

- People
- Service
- Integrity
- Innovation

11/27/2023

Lakeside Water District (L004)
10375 Vine Street
Lakeside, CA 92040-2440

General Manager:

Each year at Fall Conference, the JPIA recognizes members that have a Loss Ratio of 20% or less in either of the Liability, Property or Workers' Compensation programs (loss ratio = total losses / total premiums).

The members with this distinction receive the "**President's Special Recognition Award**" certificate for each Program that they qualify in.

The JPIA is extremely pleased to present Lakeside Water District (L004) with this special recognition and commends the District on the hard work in reducing claims.

Congratulations to you, your staff, Board, and District. Keep up the good work!

The JPIA wishes you the best in 2024.

Sincerely,

Melody McDonald
President

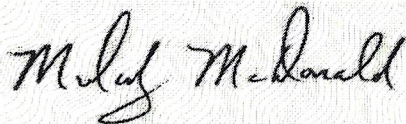
Enclosure: President's Special Recognition Award(s)

President's Special Recognition Award

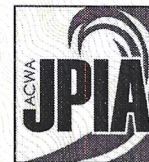
*The President of the
ACWA JPIA
hereby gives Special Recognition to*

Lakeside Water District

*for achieving a low ratio of "Paid Claims and Case Reserves" to "Deposit Premiums"
in the Property Program for the period 07/01/2019 - 06/30/2022
announced at the Board of Directors' Meeting in Indian Wells.*



Melody McDonald, President



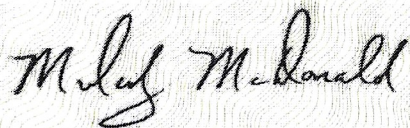
November 27, 2023

President's Special Recognition Award

*The President of the
ACWA JPIA
hereby gives Special Recognition to*

Lakeside Water District

*for achieving a low ratio of "Paid Claims and Case Reserves" to "Deposit Premiums"
in the Workers' Compensation Program for the period 07/01/2019 - 06/30/2022
announced at the Board of Directors' Meeting in Indian Wells.*



Melody McDonald, President



November 27, 2023

© 2023 JPIA
V'S'U NI OHIT

President's Special Recognition Award

*The President of the
ACWA JPIA
hereby gives Special Recognition to*

Lakeside Water District

*for achieving a low ratio of "Paid Claims and Case Reserves" to "Deposit Premiums"
in the Liability Program for the period 10/01/2019 - 09/30/2022
announced at the Board of Directors' Meeting in Indian Wells.*

Melody McDonald

Melody McDonald, President



November 27, 2023

LAKESIDE WATER DISTRICT

BOARD REPORT

TO: Board of Directors

FROM: Brett Sanders, General Manager

DATE: March 5, 2024

SUBJECT: ASSET MANAGEMENT PLAN – 2024 UPDATE SUMMARY

Since 2011, Lakeside Water District has embarked on a sustainable, pay as you go pipeline replacement program. This program was brought forward because of increasing pipeline failures in the upper Eucalyptus Hills area in the early 2000's. Currently over eight miles of pipeline have been replaced throughout the District, dramatically reducing failures and putting the District on the road to sustainable asset management.

In 2014 the Board received their first Asset Management Plan (AMP) report covering all the District asset's. The report provided a comprehensive inventory and estimate of future repair, rehabilitation and/or replacement costs for all the Districts' major water system and facility capital assets.

The first and most significant targeted asset, and one which will require the most coordination, engineering and implementation over the years, is the District's pipeline infrastructure, with a replacement value currently estimated at \$143,050,838 (based on recent inflation levels) to \$225,000,000 (based on current bid prices). As the AMP report shows (page 44) the majority (55%) of the pipeline footage was installed in the 1960's and 70's. Because of this surge of development and pipeline installation, the District would without a change in planning be hit with a surge of pipeline replacement in the decades of 2060 and 2070. To counteract this surge, the District has made a commitment to replace pipelines in a steady and methodical manner such as has been presented in each AMP update, and as our Capital Improvement Plan shows.

Financing pipeline replacement and infrastructure rehabilitation projects will be one of the most important issues facing the District in the years ahead. The goal of the AMP has been to identify the infrastructure replacement schedule as well as the potential costs. The potential costs are linked to real costs and cost escalators such as inflation and labor trends. One of the most significant AMP issues into 2024, is cost uncertainty as reflected by inflation and "supply chain" problems. Additional factors are staffing/labor issues potentially limiting contractors willing or able to bid on our projects.

Grant funding or debt funding are not typically available or sought after by the District. Grant funding is usually targets low income or disadvantaged areas and debt funding is typically used for high cost long life assets or when financial conditions necessitate borrowing funds. The District's strategic financing goal is to use our own revenue sources and pay as we go. As we have discussed, a concern and a factor in future capital improvement spending plans is the escalation of the value of the District's infrastructure as a guideline for future budgets. I have used 2% as a value escalator of

District facilities, which means that our annual budget projections should go up at a 2% rate to maintain our AMP guideline. A case can be made that this figure may be too low and will not reflect the true increases. Although this 2% cost escalator projection may or may not be enough, the District has options available to control costs and pace replacement, and can be evaluated on an annual or bi-annual basis. A few methods are as follows:

- 1) Scale back projects, and base replacement on money available.
- 2) Extend lifecycles of all of the District assets to lengthen the replacement schedule by utilizing rehabilitation methods over replacement methods.
- 3) Consolidate and eliminate redundant pipelines.
- 4) Continue consistent rate increases to keep pace with inflation and other cost increases, with a goal of being able to fund up to 70% of the calculated annual replacement cost. Prior listed cost control methods allow this level of funding.

Because of the current unstable and volatile economic conditions, a wait and see stance may be the most reasonable path forward to push off excessive costs at this time. Cost for current pipeline projects have outpaced inflation and are now pushed upwards by other factor's such as permitting, inspection, demolition disposal, fuel, insurance cost, regulation compliance and the high inflation rates applied to labor and material costs.

There will be many unknown variables that will factor into our replacement forecasting. But by reviewing the Asset Management Plan and coordinating annual capital improvement expenditures based on a long term view of revenue to match our goals, the District will still be able to confidently plan and execute our Asset Management Plan into the future, looking well past all of the current turmoil, and continue to replace and rehabilitate facilities to minimize peaks of replacement schedules with the goal to control excessive revenue requirements in the future.

Disbursements List February 2024

Num	Name	Account	Amount
15511	A Cut Above Concrete Cutting, Inc.	1550 · Pumping Plant & Distribution	635.00
15520	Enniss, Inc.	1550 · Pumping Plant & Distribution	7,525.60
15522	Ferguson Waterworks	1550 · Pumping Plant & Distribution	11,864.03
15529	PorterRents	1550 · Pumping Plant & Distribution	497.00
15574	PorterRents	1550 · Pumping Plant & Distribution	6,883.45
15575	Trebor Shoring Rentals	1550 · Pumping Plant & Distribution	360.64
E-pay	Union Bank InstaTax Federal	2100 · Payroll Liabilities	28,547.31
eft	Cal Pers	2100 · Payroll Liabilities	6,731.23
eft	San Diego County Credit Union	2100 · Payroll Liabilities	12,700.00
eft	Union Bank InstaTax State	2100 · Payroll Liabilities	4,691.38
15559	Variable Annuity Life Insurance	2100 · Payroll Liabilities	2,240.00
15537	Baxter Land, LP	4000 · Water Sales on Account	655.45
15538	Buendin, Juan Carlos	4000 · Water Sales on Account	65.83
15539	Cottrell, Edith Living Trust	4000 · Water Sales on Account	200.00
15540	Evangelou, David	4000 · Water Sales on Account	185.93
15541	Freiburger, Analiza	4000 · Water Sales on Account	110.26
15542	Garcia, Adrian	4000 · Water Sales on Account	80.63
15543	Johnson, Hollie	4000 · Water Sales on Account	158.01
15544	Lane, Christapher	4000 · Water Sales on Account	169.11
15545	Logan Family Properties Inc.	4000 · Water Sales on Account	99.28
15546	Magill, Chris	4000 · Water Sales on Account	178.57
15547	Martinez, Rene	4000 · Water Sales on Account	127.08
15548	McGee, Kathryn	4000 · Water Sales on Account	122.72
15549	Moreno, Lidia	4000 · Water Sales on Account	63.61
15550	Nunez, Joseph & Danielle	4000 · Water Sales on Account	53.80
15551	Rickling, Edna Mae	4000 · Water Sales on Account	144.78
15552	Rodriguez, Nicholas	4000 · Water Sales on Account	132.07
15553	Turner, Dalton	4000 · Water Sales on Account	185.93
15554	Watts, Herderson	4000 · Water Sales on Account	206.75
ach	San Diego County Water Authority	5010 · CWA Delivery Charge	506,670.10
15560	Alpha Analytical Laboratories, Inc	5080 · Water Treatment & Testing	360.00
15533	San Diego County Water Authority	5091 · SDCWA Capacity & Treatment F	5,859.00
eft	SDGE	5100 · Electric Power	21,841.31
15570	SDGE	5100 · Electric Power	111.54
15523	HASA	5200 · Water Treatment -Maint/Supplie	491.68
15524	Helix Water District	5200 · Water Treatment -Maint/Supplie	716.00
15527	Northern Safety Co., Inc.	5200 · Water Treatment -Maint/Supplie	12.56

Disbursements List February 2024

Num	Name	Account	Amount
15565	HASA	5200 · Water Treatment -Maint/Supplie	1,180.04
15569	Procopio Cory Hargreaves & Savitch	5620 · Yerba Valley Annexation	4,810.50
Payroll	Payroll	6000 · Payroll	64,094.05
15512	ABC Industrial Services, Inc	6100 · Distribution - Maint/Supplies	120.00
15516	Cintas First Aid & Safety	6100 · Distribution - Maint/Supplies	299.78
15528	Payton's Hardware, Inc.	6100 · Distribution - Maint/Supplies	315.54
15530	PowerPlan	6100 · Distribution - Maint/Supplies	109.31
15531	Republic Services	6100 · Distribution - Maint/Supplies	1,394.05
15534	Sycamore Landfill	6100 · Distribution - Maint/Supplies	505.48
15562	Badger Meter, Inc.	6100 · Distribution - Maint/Supplies	1,835.47
15564	Ferguson Waterworks	6100 · Distribution - Maint/Supplies	649.60
15571	United Site Service	6100 · Distribution - Maint/Supplies	89.33
15572	White Cap Industries, Inc.	6100 · Distribution - Maint/Supplies	4,206.99
15576	WestAir	6100 · Distribution - Maint/Supplies	120.32
15518	County Motor Parts Co., Inc.	6200 · Trucks-Fuel,Maintenance,Repair	42.54
15526	Lakeside Petroleum, Inc.	6200 · Trucks-Fuel,Maintenance,Repair	3,953.16
15563	Border Tire	6200 · Trucks-Fuel,Maintenance,Repair	76.68
15573	Wintergardens Smog & Tune	6200 · Trucks-Fuel,Maintenance,Repair	1,723.67
15514	America's Finest City Backflow Service	6400 · Outside Labor	545.00
15561	America's Finest City Backflow Service	6400 · Outside Labor	2,040.00
15566	Municipal Diving Services Inc.	6400 · Outside Labor	892.50
15568	Padre Dam M.W.D.	6410 · Engineering	151.88
15532	Robak, Steve	7020 · Director's Fees	55.00
15513	ACWA - Group Ins	7040 · Group Insurance	28,294.55
15517	Cook, Robert	7040 · Group Insurance	4,602.00
15558	Standard Insurance	7040 · Group Insurance	512.65
eft	Cal Pers	7050 · CalPers Retirement	12,828.76
15519	Employment Development Departmen	7070 · Unemployment Insurance	40.00
15515	American Messaging	7400 · Office Expense	93.03
15521	Excel Telemessaging	7400 · Office Expense	249.88
15525	Jan-Pro	7400 · Office Expense	331.00
15536	Wave.Band	7400 · Office Expense	1,891.34
15567	Omni Graphics	7400 · Office Expense	109.85
eft	First Bankcard - Visa	7401 · Administrative Expense	6,458.74
15535	Underground Service Alert	7440 · Dues & Subscriptions	120.25

Total 766,420.58



SUMMARY OF FORMAL BOARD OF DIRECTORS' MEETING FEBRUARY 22, 2024

1. Monthly Treasurer's Report on Investments and Cash Flow.
The Board noted and filed the Treasurer's report.
2. Amendment to Services Contract with Ace Janitorial Services, Inc. for Routine Janitorial Services. The Board authorized the General Manager, or designee, to execute Amendment No. 3 to the services contract with Ace Janitorial Services, Inc. to extend the contract term for an additional 18 months, in the amount of \$127,530, for continued routine janitorial services for the Kearny Mesa Headquarters and Escondido Operations Center, through September 30, 2025, increasing the authorized contract amount from \$125,855 to \$253,385.
3. Board Budget Policy Recommended Modifications.
The Board adopted the Board Budget Policy with recommended modifications, with changes as requested to amend the March timeline to provide a draft two weeks prior to the Board meeting.
4. Approval of the Calendar Year (CY) 2025 Interim Rate Redesign Recommendation.
The Board approved the Finance Planning Workgroup (FPWG) and Member Agency Rate Workgroup (MARW) rate redesign recommendation for CY 2025 which encompasses:
 - Apportionment of 40 percent of the Transportation's revenue requirement on an annual fixed basis (Transportation Fixed Rate), allocated to member agencies by a seven-year average in water demands. The existing volumetric based Transportation Rate will be set to recover the remaining 60% of the determined annual revenue requirement.
 - Adjusting the fixed cost allocation methodology for Customer Service Charge from a three-year average to a seven-year average; Supply Reliability Charge from a five-year average to a seven-year average; and Storage Charge from a three-year average to a seven-year average.
5. Professional Services Contract with Dudek for As-Needed Environmental Consulting Services. The Board awarded a professional services contract, with such non-material modifications as approved by the General Manager or General Counsel, with Dudek for a not-to-exceed amount of \$5,500,000, to provide as-needed environmental consulting services for five years, and authorized the General Manager, or designee, to execute the contract.
6. Professional Services Contract with RECON Environmental, Inc., for As-Needed Habitat Restoration Maintenance Services.
The Board awarded a professional services contract, with such non-material modifications as approved by the General Manager or General Counsel, with RECON Environmental, Inc. for a not-to-exceed amount of \$1,750,000, to provide as-needed habitat restoration maintenance services for five years, and authorized the General Manager, or designee, to execute the contract.



7. Approval of Minutes.
The Board approved the minutes of the Special Board of Directors' meeting of January 11, 2024, and the Formal Board of Directors' meeting of January 25, 2024.
8. Retirement of Director.
The Board adopted Resolution No. 2024-03 honoring Consuelo Martinez upon her retirement from the Board of Directors.
9. Retirement of Director.
The Board adopted Resolution No. 2024-04 honoring Kyle Swanson upon his retirement from the Board of Directors.
10. Memorandum of Understanding (MOU) with Moulton Niguel Water District.
The Board authorized the General Manager to enter a Memorandum of Understanding (MOU) with Moulton Niguel Water District.

General Managers
Quarterly Report – State of the District & Report of Capital Outlays and Expenses

March 5, 2024

Board of Directors Meeting

The top issues facing the District in the 2nd quarter of 2024 are;

- 1) Water Demand –**
- 2) District Project Summary –**
- 3) 100 Year Anniversary –**

Our Current Capital Outlays for fiscal year 2023/24 are for the following;

		%Complete
a. Admin Office and Yard Solar Installation	\$ 400,000	0
b. Office Furniture & Equipment	\$ 19,000	71
c. Capital Improvement Design/Engineering		
Admin Office Expansion Design	\$ 25,000	0
d. Pumping Plant & Distribution	\$ 25,000	227
e. Building and Land Improvements	\$ 10,000	274
f. Cellular Transmit Meters (42) Ordered	\$ 24,350	100

News Articles/Editorials Enclosed:

HOA Homefront: New Law Restricts Watering Non Functional Turf

Will the Grossmont Cuyamaca Conservation Garden Survive?

CWA to Offer Desal Water for Sale

Pentagon Panicking Over Bidens PFAS Proposal

HOA Homefront: New law restricts watering of HOA ‘nonfunctional turf’

HOAs are required to stop using potable water to irrigate nonfunctional turf or to remove such turf from common areas by the end of 2028

By [Kelly G. Richardson](#)
Feb. 27, 2024 5 AM PT

Q: Can you address AB 1572, which will have a huge effect financially on our HOA?
— B.W., San Diego

A: Even though 2024 is expected to be a drought-free year, California is historically prone to periods of drought. On Oct. 13, the governor signed into law Assembly Bill 1572, creating a new Water Code Section 10608.14. (So now, in addition to Civil, Government, Corporations, and Vehicle Codes, there are also Water Code sections specifically affecting HOAs.)

This new statute requires various property owners, including common interest development associations, to remove “nonfunctional turf” or irrigate it with reclaimed water. HOAs are required to stop using potable water to irrigate nonfunctional turf or to remove such turf from common areas by the end of 2028.

“Nonfunctional turf” is defined by Water Code Section 10608.12 as “turf that is not functional turf.” “Functional turf” is defined as “a ground cover surface of turf located in a recreational use area or community space. Turf enclosed by fencing or other barriers to permanently preclude human access for recreation or assembly is not functional turf.” “Turf” means a “ground cover surface of mowed grass.” (Title 23 California Code of Regulations Section 491(zzz))

The law allows HOAs to use potable water to irrigate trees and other non-turf plantings.

HOAs must achieve compliance with this new law by Jan. 1, 2029. However, given the aforementioned definitions, only mowed grass areas that are enclosed and not accessible to residents appear to be defined as “nonfunctional turf.” Therefore, most HOAs probably will not be greatly impacted. However, mowed grass areas that are purely decorative and not available for residents to enjoy appear to fall under this restriction, so HOAs should plan on supplying such areas with reclaimed water or simply removing any mowed turf from the location.

HOAs with over 5,000 square feet of irrigated common area must every three years provide a certification of compliance to the State Water Board. Thousands of HOAs have that much

irrigated common area and will have to certify compliance, and the first certification is due on June 30, 2031.

The penalties for noncompliance are found in Water Code Section 1846, which provides for penalties of up to \$500 per day of violation. The state could also sue to enforce the law and collect the penalties.

While the law's goal of increasing potable water conservation is laudable, and although it won't substantially affect most HOAs, there is still the reporting requirement every three years to reckon with. Will the water board consider the failure to timely file a report to be a single \$500 violation, or will it consider each day to be a separate violation? Will the water board establish a form for these reports? Can they be submitted electronically? These are questions that remain to be sorted out in the coming years as the water board implements this statute.

If your HOA has more than 5,000 square feet of common area, the reporting deadline of June 30, 2031, should be calendared to avoid late filing.

Hopefully the impact on your HOA will not be as great as feared.

To read any California statute or bill, the official website is [leginfo.legislature.ca.gov](http://leginfo.ca.gov).

Will the Grossmont-Cuyamaca Community College District or the Water Conservation Garden Joint Powers Authority step in to operate the Garden?



By Miriam Raftery

February 16, 2024 (Rancho San Diego) – The Water Conservation Garden at Cuyamaca College, a treasured community destination, has closed temporarily amid efforts to reorganize under new leadership.

“As we celebrate our 25th anniversary this year, we will be undergoing major structural changes,” interim executive director Lauren Magnuson announced in an email sent to media and supporters of the Garden. “A reopening date will be announced in the future...The Garden is committed to reopening and continuing its mission to educate and inspire the community to promote water conservation,” she concluded, adding, “We look forward to welcoming you back soon with a renewed and thriving Water Conservation Garden experience!”

The temporary closure announcement follows months of financial concerns stemming primarily from large loans taken out by the Garden’s former director, Jennifer Pillsbury, during and after COVID.

Those loans total over \$1 million and include a Small Business Association COVID loan, a Mission Funded Finance loan that is past due, and a loan from the Grossmont Cuyamaca Community College District. Pillsbury alone signed for the loans, though bylaws for Friends of the Water Conservation requires two signatures and Friends’ agreement with the Water Conservation Garden’s Joint Powers Authority prohibit loans beyond the term of the JPA’s contract with the Garden, which ends in June.(View ECM’s prior coverage [here](#) and [here](#).)

Those loans have left the nonprofit Friends of the Water Conservation Garden, which has been operating the garden, financially encumbered. Friends had anticipated receiving nearly a quarter million dollar federal Employee Retention Credit and retained employees in good faith, but the federal government froze all ERC credits, exacerbating the financial issues. Though ERC funds have recently been unfrozen and that money is

anticipated to come in during the next few months, the Garden has run out of operating funds, even after furloughing employees and drastically slashing costs.

Discussions are now underway for a different entity to take over operation of the Garden. Prospects include the Grossmont-Cuyamaca Community College District or the Water Conservation Joint Powers Authority (JPA), which includes as members Helix and Otay water districts, Sweetwater Authority, the city of San Diego, San Diego County Water Authority, and the Grossmont Cuyamaca Community College District.

Or a new nonprofit entity could be formed to operate and/or raise funds for Garden operations and programs in the future.

JPA member Katheen Hedberg, also a director in the Helix Water District, posted on Facebook in reaction to news of the Garden's closure, "I will, as your Helix Water District representative, work hard to ensure that it will not be closed for long; we will restructure operations.

The Garden's army of around 100 volunteers have voiced eagerness to help, but cannot do so until a new entity can provide insurance for the facility.

The Tomatomania event slated for March 8-9 at the Garden will instead be moved to the Mission Hills Nursery in San Diego, Tomatomania organizers announced. The Spring Garden Festival has also been cancelled for this year, as well as educational programs such as "Ms. Smarty-Plants", water conservation educational courses for adults, and popular wellness classes, such as yoga.

On the Garden's Facebook page, members of the public voiced concerns, fond memories, and hopes that the Garden can survive and thrive.

"This place is very special to me," Elisabeth Adkins posted. I spent some of my dad's last days walking the garden with him. He loved it there. My children also have very fond memories of running the paths during COVID."

Similarly, Courtney Ware wrote, "My kiddos love it there. Been bringing them since my oldest could walk."

Mary Anne Murphy-Clagett called the Garden "a gem" and voiced confidence that it "will open again."

"I am beyond gutted by this," Susannah Koffman wrote. "This place is a treasure and one I walk in every weekend and during school vacations. Please let us know how we can help to keep this open."

A new fund is expected to be established soon. For now, anyone who wants to support the Garden can donate to its Survive and Thrive fund at <https://www.classy.org/campaign/survive-and-thrive-2023/c542253>.

For Sale: Water Authority's De-Salted Ocean Water

A small Orange County water district is potentially interested in purchasing some water from San Diego's desalination plant to keep on hand for a drought year.

by [MacKenzie Elmer](#) 6 hours ago

In its bid to [become a water dealer across the West](#), the San Diego County Water Authority is exploring selling off some of its most expensive supplies to a small Orange County water district.

Dan Denham, the Water Authority's new general manager, got unanimous approval from his board Thursday to pursue selling some of the region's de-salted ocean water to Moulton Niguel Water District. Moulton Niguel serves 172,000 customers to six cities in southern Orange County including parts of Dana Point and San Juan Capistrano. The agency is mostly dependent on imported water from places like the Colorado River and the Sierra Nevada snowpack and it's looking to diversify its sources.

"I see no harm in exploring this. If anything, we'll learn whether this could be a great deal for both regions," said Joone Kim-Lopez, general manager at Moulton Niguel Water District. Her board will consider the agreement next week.

No money, water or commitments are made or exchanged at this stage in the process, both parties stressed. It's simply opening up an avenue for a water district in need of extra supplies during droughts to tap resources from another that has ample to spare.

And the Water Authority has plenty of water supplies to spare. It's the sole customer of one of the largest desalination plants in the world and made major deals with Imperial Valley farmers for Colorado River water to avoid water cuts in drier times. While that insulated the Water Authority from shouldering major cutbacks during the last drought, the cost of water is rising rapidly in San Diego. The agency passed a 9.5 percent rate increase last year, which its 23 member agencies must absorb or pass on to customers.

But the region needs less water than it did over 30 years ago during the last wave of major water contract signing. San Diegans learned to conserve over the years and use about 50 percent less water than they did in 1990. That and local water districts are starting to recycle wastewater for reuse, which means the region needs to buy even less water from the Water Authority.

The city of San Diego is desperate for water rate relief and has been pushing the Water Authority to offload its expensive supplies. The city is in the middle of building a multi-billion dollar

wastewater-to-drinking water system called Pure Water. That's partly why the city hiked water rates by 10.2 percent this year and another 8.7 percent for 2025.

Denham is responding to that request by making deals like the one with Moulton, and [with the Metropolitan Water District of Southern California](#) to buy cheaper supplies. But following two very rainy years, the Water Authority is selling much less water and is staring down budget woes of its own this year.

"Our sales are down. We're not selling water and this is not just a wet year thing," Denham told Voice of San Diego. "Our eye is toward rebalancing our water portfolio."

Denham said this is a signal that the Water Authority is interested in more than just Moulton Niguel partnering, especially since the Carlsbad desalination plant is not even producing at its full capacity.

Pentagon is panicking over Biden's proposal that would increase water costs by \$10,000 per household

Without so much as a whisper of pushback from [Congress](#), the [White House](#) is bulldozing forward with a regulatory proposal that could cost the average household up to \$10,000 extra in water costs. But it's not only [President Joe Biden](#)'s campaign that is scared of this latest forefront of the president's green agenda — Biden's own Pentagon is panicking over the proposal.

The World Health Organization now [recommends](#) that governments limit polyfluoroalkyl substances, also known as PFAS or “forever plastics” that are resistant to breaking down in either the environment or the human body, at a level of 100 parts per trillion. This is the same level limited by the European Commission. Japan set a temporary PFAS limit of 50 ppt in 2020, and Sweden limits most PFAS at an average of 90 ppt. As far as more restrictive measures go, Canada is trying to lower its limit to 30 ppt, while Denmark is trying to ban PFAS in specific, isolated sectors such as in paper food packaging.

And then, there is America's Environmental Protection Agency, which is trying to reduce its advisory limit of 70 ppt to a hard limit of 4 ppt for two prevalent types of PFAS, PFOA and PFOS, for all drinking water.

In other words, Biden would decrease the Obama administration's suggested PFAS limit to a legal maximum by 94.3%. The new standard would be 4% of the WHO's recommendation and less than one-tenth of 1% of that of Australia and New Zealand.

According to a Black & Veatch consulting report [commissioned](#) by the American Water Works Association, the EPA's proposed standards would increase water costs by anywhere from \$80 to \$11,150 per year for each household. Contrary to the EPA's estimate of \$1 billion extra in annual costs added to water utilities, the AWWA [argues](#) the new standards would amount to \$3.8 billion in new annual costs.

But according to the Pentagon, it's not just household budgets that are at risk if this proposal succeeds — it's also our national security.

“[The Department of Defense] is reliant on the critically important chemical and physical properties of PFAS to provide required performance for the technologies and consumable items and articles which enable military readiness and sustainment,” read a Pentagon report sent to Congress in August. “Losing access to PFAS due to overly broad regulations or severe market contractions would greatly impact national security and DoD’s ability to fulfill its mission.”

According to the DoD, PFAS are found in its infrastructure related to “information technology, critical manufacturing, health care, renewable energy, and transportation,” including within batteries, semiconductors, and most weaponry. Even before the EPA’s new standards come into effect, the Pentagon estimated it would require \$39 billion to clean up PFAS contamination past the Obama-era recommendation. In total, nearly 3,000 private wells by 63 military bases are considered contaminated, with some combined levels of PFOS and PFOA at 10,000 ppt — or 2,500 times higher than what the EPA would allow under these new standards.

For reference regarding how uniquely stringent the proposed PFAS standards are, the EPA limits arsenic in water at 10 parts per *billion* and cyanide at 200 parts per billion. Thus the EPA is asking that taxpayers pay tens of billions of dollars to bring the prevalence of some plastics to a level less than a fraction of a percent of what we allow for literal poisons.

The White House Office of Regulatory Affairs is now reviewing the final rule. If it pushes the standards through prior to the Congressional Review Act deadline of May 22, this baseless standard will become law without so much as a peep from our so-called lawmakers.