



2008 CONSUMER CONFIDENCE REPORT

INTRODUCTION

Valencia Heights Water Company is committed to keeping you informed about the quality of your drinking water. This report is provided to you on an annual basis and it includes information on where your drinking water comes from, the constituents found in your drinking water and how the water quality compares with regulatory standards. We are proud to report that during 2008, the drinking water provided by Valencia Heights Water Company met or surpassed all Federal and State Drinking Water Standards. We remain dedicated to providing you with a reliable supply of high quality drinking water.

BOARD MEETINGS

Regularly scheduled Board of Directors' meetings are held on the third Wednesday of the month at 4:00 p.m., at 3009 East Virginia Avenue, West Covina, CA 91791-2252. These meetings provide an opportunity for stockholders to participate in decisions that may affect water quality.

WHERE DOES MY DRINKING WATER COME FROM?

Valencia Heights Water Company's water supply comes from two major sources: (1) groundwater from the Main San Gabriel Basin and (2) surface water from the San Gabriel River treated by Covina Irrigating Company (CIC). The water is tested and disinfected using chlorine before it is sent through a distribution of underground pipes to your home.

WHAT ARE WATER QUALITY STANDARDS?

In order to ensure that tap water is safe to drink, the United States Environmental Protection Agency (USEPA) and the California Department of Public Health (CDPH) prescribe regulations that limit the amount of certain contaminants in water provided by public water systems. CDPH regulations also establish limits for contaminants in bottled water, to provide the same protection for public health.

Drinking water standards established by USEPA and CDPH set limits for substances that may affect consumer health or aesthetic qualities of drinking water. The chart in this report shows the following types of water quality standards:

- **Maximum Contaminant Level (MCL):** The highest level of a contaminant that is allowed in drinking water. Primary MCLs are set as close to the PHGs (or MCLGs) as is economically and technologically feasible.
- **Secondary MCLs** are set to protect the odor, taste, and appearance of drinking water.
- **Primary Drinking Water Standard:** MCLs for contaminants that affect health along with their monitoring and reporting requirements and water treatment requirements.
- **Treatment Technique:** A required process intended to reduce the level of a contaminant in drinking water.
- **Regulatory Action Level (AL):** The concentration of a contaminant, which if exceeded, triggers treatment or other requirements that a water system must follow.

WHAT IS A WATER QUALITY GOAL?

In addition to mandatory water quality standards, USEPA and CDPH have set voluntary water quality goals for some contaminants. Water quality goals are often set at such low levels that they are not achievable in practice and are not directly measurable. Nevertheless, these goals provide useful guideposts and direction for water management practices. The chart in this report includes two types of water quality goals:

- **Maximum Contaminant Level Goal (MCLG):** The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs are set by USEPA.
- **Public Health Goal (PHG):** The level of a contaminant in drinking water below which there is no known or expected risk to health. PHGs are set by the California Environmental Protection Agency.

WHAT CONTAMINANTS COULD BE PRESENT IN SOURCES OF DRINKING WATER?

The sources of drinking water generally include rivers, lakes, streams, ponds, reservoirs, springs and wells. As water travels over the surface of the land or through the ground, it dissolves naturally-occurring minerals and, in some cases, radioactive material, and can pick up substances resulting from the presence of animals or from human activity.

Contaminants that may be present in source water include:

- **Microbial contaminants**, such as viruses and bacteria, which may come from sewage treatment plants, septic systems, agricultural livestock operations and wildlife.
- **Inorganic contaminants**, such as salts and metals, which can be naturally-occurring or result from urban stormwater

runoff, industrial or domestic wastewater discharges, oil and gas production, mining or farming.

- **Pesticides and herbicides**, which may come from a variety of sources such as agriculture and residential uses.
- **Radioactive contaminants**, which are naturally-occurring or can be the result of oil and gas production and mining activities.
- **Organic chemical contaminants**, including synthetic and volatile organic chemicals, which are byproducts of industrial processes and petroleum production, and can also come from gas stations, urban stormwater runoff, and septic systems.

Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that the water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the USEPA's Safe Drinking Water Hotline (1-800-426-4791).

ARE THERE ANY PRECAUTIONS THE PUBLIC SHOULD CONSIDER?

Some people may be more sensitive to contaminants in drinking water than the general population. Immuno-compromised persons, such as; persons with cancer undergoing chemotherapy, persons who have had organ transplants, people with HIV/AIDS or other immune system disorders, some elderly, and infants, can be particularly at risk from infections. These people should seek advice from their health care providers. USEPA / Centers for Disease Control (CDC) guidelines on the appropriate means to lessen the risk of infection by Cryptosporidium and other microbial contaminants are available at the Safe Drinking Water Hotline (1-800-426-4791).

ABOUT NITRATE

Nitrate levels may rise quickly for short periods of time as a result of rainfall or agricultural activity. Nitrate in drinking water at levels above 45 milligrams per liter (mg/l) is a health risk for infants of less than six months of age. Such nitrate levels in drinking water can interfere with the capacity of an infant's blood to carry oxygen, resulting in a serious illness; symptoms include shortness of breath and blueness of the skin. Nitrate levels above 45 mg/l may also affect the ability of the blood to carry oxygen in other individuals, such as pregnant women and those with certain specific enzyme deficiencies. If you are caring for an infant, or you are pregnant, you should ask for advice from your health care provider.

DOES YOUR DRINKING WATER MEET THE STANDARD?

Your drinking water is regularly tested using State-approved methods to ensure its safety and quality. The chart in this report lists all the drinking water constituents that we detected in 2008 or in other recent tests. We are pleased to report that, once again this year, we met or *surpassed* all the Federal and

State drinking water standards. Please review the chart on the reverse side for more details.

DRINKING WATER SOURCE ASSESSMENT

In accordance with the Federal Safe Drinking Water Act, an assessment of the drinking water sources for Valencia Heights Water Company was completed in October 2002, an additional assessment for well #7 was completed in July 2008. The purpose of the drinking water source assessment is to promote source water protection by identifying types of activities in the proximity of the drinking water sources which could pose a threat to water quality. The assessment concluded that Valencia Heights Water Company's sources are considered most vulnerable to the following activities or facilities associated with contaminants detected in the water supply: known contaminant plumes, campgrounds/ recreational areas and high-density housing. In addition, the sources are considered most vulnerable to the following activities or facilities not associated with contaminants detected in the water supply: gas stations, dry cleaners and transportation corridors.

In addition, Valencia Heights Water Company purchases groundwater and surface water from CIC. CIC completed its groundwater source assessment in July 2002 and surface water sanitary survey in December 2000. The assessment concluded that CIC's groundwater sources are not considered vulnerable to any activity associated with contaminants detected in the water supply. However, the groundwater sources are considered vulnerable to the following activities or facilities not associated with contaminants detected in the water supply: gas stations, known contaminant plumes and leaking underground storage tanks. Also CIC's surface water source is considered vulnerable to sewer lines, pesticides and herbicides application, and recreational activities.

A copy of the complete assessment is available at Valencia Height Water Company at 3009 East Virginia Avenue, West Covina, CA 91791-2252. You may request a summary of the assessment to be sent to you by contacting Mr. David Michalko, General Manager at 626-332-8935.

CONSERVATION / WATER SUPPLY NOTE...

This past winter, rainfall in the local watershed was only about 65% of normal, and ground water levels are at record lows. With import water still curtailed due to an extended drought and Federal Court Rulings, the State has a significant water supply shortage that must be addressed with immediate water conservation practices. We must improve our conservation efforts today, to ensure a water supply for tomorrow. Visit vhwc.org to learn more, and see what you can do to do your part.

Este informe contiene información muy importante sobre su agua potable. Tradúzcalo o hable con alguien que lo entienda bien.

2008 WATER QUALITY REPORT

CONSTITUENTS AND (UNITS)	MCL	PHG or (MCLG)	DLR	GROUNDWATER SOURCES		SURFACE WATER SOURCES		TYPICAL ORIGINS
				Results (a)	Range (Min-Max)	Results (a)	Range (Min-Max)	
PRIMARY DRINKING WATER STANDARDS--Health-Related Standards								
CLARITY								
Effluent Turbidity (NTU) (b)	0.3	NA	--			0.08	(0.04 - 0.45)	Soil Runoff
DISINFECTION BYPRODUCTS (c)								
Total Trihalomethanes (TTHM) (ug/l)	80	NA	0.5	61.2	(33 - 82)	42.3	(34.8 - 58.9)	Byproduct of drinking water disinfection
Haloacetic Acids (five) (HAA5) (ug/l)	60	NA	1	13.4	(0.9 - 29)	31.2	(10.8 - 49.1)	Byproduct of drinking water disinfection
INORGANIC CHEMICALS (d)								
Aluminum (mg/l)	1	0.6	0.05	ND	ND	0.18	(0.09 - 0.31)	Residue from water treatment process
Arsenic (ug/l)	10	0.004	2	ND	ND	4	4	Erosion of natural deposits
Barium (mg/l)	1	(2)	0.1	ND	ND	ND	ND	Erosion of natural deposits
Copper (mg/l) (e)	AL = 1.3	0.17	0.05	0.64	(.064 - 1.2)	ND	ND	Corrosion of household plumbing system
Fluoride (mg/l)	2	1	0.1	0.4	(0.3 - 0.49)	0.35	(0.29 - 0.38)	Erosion of natural deposits
Nitrate as NO3 (mg/l)	45	45	2	26	(21 - 53)	1.9	(ND - 4.6)	Leaching from fertilizer use
Lead ug/L (e)	AL = 15	2	5	8.3	(ND - 17)	ND	ND	Corrosion of household plumbing system
RADIOACTIVITY (d)								
Gross Alpha Activity (pCi/l)	15	NA	1	8.1	(5.3 - 19)	ND	ND	Erosion of natural deposits
Uranium (pCi/l)	20	0.43	1	7.6	(4.1 - 19)	ND	ND	Erosion of natural deposits
SECONDARY DRINKING WATER STANDARDS--Aesthetic Standards, Not Health-Related (d)								
System Turbidity (NTU)	5	NA	0.1	0.13	(0.1 - 0.3)			Soil runoff
Odor-Threshold (Units)	3	NA	1	1	1	1	1	Naturally-occurring organic materials
Chloride (mg/l)	500	NA	1	100	(90 - 110)	7.3	(6 - 8)	Runoff/leaching from natural deposits
Sulfate (mg/l)	500	NA	0.5	235	(230 - 260)	22	(21 - 24)	Runoff/leaching from natural deposits
Total Dissolved Solids (mg/l)	1,000	NA	1	810	(800 - 820)	193	(170 - 230)	Runoff/leaching from natural deposits
Specific Conductance (umho/cm)	1,600	NA	10	1,200	1200	335	(310 - 350)	Substances that form ions in water
UNREGULATED CHEMICALS								
Boron (ug/l)	AL = 1,000	NA	100	ND	ND	56	(37 - 70)	Erosion of natural deposits
Perchlorate(ug/l)	6	6	4	ND	(ND - 8.9)	ND	ND	Industrial waste discharge
Vanadium (ug/l)	AL = 50	NA	3	16	(16 - 17)	ND	(ND - 4)	Erosion of natural deposits
OTHER CONSTITUENTS OF INTEREST								
Hardness as CaCO3 (mg/l)	NA	NA	2	540	(530 - 590)	150	(140 - 160)	Runoff/leaching from natural deposits
Sodium (mg/l)	NA	NA	1	72	(62 - 74)	26	(13 - 39)	Runoff/leaching from natural deposits

NOTES

mg/l = parts per million or milligrams per liter
 ug/l = parts per billion or micrograms per liter
 pCi/l = picoCuries per liter
 umho/cm = micromhos per centimeter
 NTU = Nephelometric Turbidity Units

DLR = Detection Limit for the Purpose of Reporting
 ND = Not Detected at DLR
 NA = No Applicable Limit
 NR = Monitoring Not Required

AL = Action Level
 MCL = Maximum Contaminant Level
 MCLG = Maximum Contaminant Level Goal
 PHG = Public Health Goal

(a) The results reported in the table are average concentrations of the constituents detected in your drinking water during year 2008 or from the most recent tests, except for filter effluent turbidity, TTHM, HAA5, and copper which are described below.

(b) Turbidity is a measure of the cloudiness of the water. It is a good indicator of the effectiveness of the water filtration system. All of the turbidity measurements were less than 0.3 NTU.

(c) TTHM and HAA5 samples are collected in VHWC's distribution system. The running annual averages of all the samples collected in 2008 are reported as "Results"; while the maximum and minimum of the individual samples collected in 2008 are reported as "Range". Compliance is based on the running annual averages.

(d) Not all sources were sampled in year 2008, some sources were sampled in previous years, and all of the most recent results are included.

(e) Concentrations were measured at the tap. The 90th percentile concentration is reported in the table. Out of 20 distribution system locations sampled, none of the results for both lead and copper exceeded the ALs. The samples were collected in August 2008. The next samples will be taken in 2011.

In addition to the above constituents, we continue to conduct monitoring for more than 60 other constituents, and all results have been below the detection limits.

For more information or questions regarding water quality, please contact Mr. David Michalko, General Manager, at Valencia Heights Water Company, 3009 East Virginia Avenue, West Covina, CA 91791 Phone: (626)332-8935.