

AGENDA FOR A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, SEPTEMBER 19, 2018, AT 5:00 P.M.
AT THE DISTRICT OFFICE
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

CALL TO ORDER – PRESIDENT HERNANDEZ

PLEDGE OF ALLEGIANCE

ROLL CALL

In the case of an emergency, items may be added to the Agenda by a majority vote of the Board of Directors. An emergency is defined as a work stoppage; a crippling disaster; or other activity which severely imperils public health, safety, or both. Also, items which arise after the posting of the Agenda may be added by a two-thirds vote of the Board of Directors.

ADOPT AGENDA FOR THE REGULAR MEETING OF SEPTEMBER 19, 2018

PRESENTATIONS

President Hernandez will present **Jason Hubbard**, Capital Facilities Senior Engineer, with his certificate for Certification in Water Management & Leadership.

President Hernandez will present **Shawn Askine, Water Systems Supervisor**, with the Certificate of Environmental Accreditation, Drinking Water and Certificate of Excellence for the Vallecitos Water District Drinking Water Lab.

Jack Griffin, City Manager for the City of San Marcos, will provide an update on the South Lake Recreational Project.

PUBLIC COMMENT

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

NOTICE TO THE PUBLIC

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

CONSENT CALENDAR

1.1 APPROVAL OF MINUTES (pp. 8-18)

- A. CLOSED SESSION BOARD MEETING – SEPTEMBER 5, 2018
- B. REGULAR BOARD MEETING – SEPTEMBER 5, 2018
- C. ENGINEERING/EQUIPMENT COMMITTEE MEETING – SEPTEMBER 6, 2018

Approved minutes become a permanent public record of the District.

Recommendation: Approve Minutes

1.2 WARRANT LIST THROUGH SEPTEMBER 19, 2018 – \$2,161,694.65 (pp.19-22)

Recommendation: Approve Warrant List

1.3 FINANCIAL REPORTS (pp. 23-40)

- A. WATER METER COUNT – AUGUST 31, 2018
- B. WATER PRODUCTION/SALES REPORT – 2018/2019
- C. WATER REVENUE AND EXPENSE REPORT – AUGUST 31, 2018
- D. SEWER REVENUE AND EXPENSE REPORT – AUGUST 31, 2018
- E. RESERVE FUNDS ACTIVITY – AUGUST 31, 2018
- F. INVESTMENT REPORT – AUGUST 31, 2018
- G. LEGAL FEES SUMMARY – AUGUST 31, 2018

1.4 ENVIRONMENTAL SYSTEMS RESEARCH INSTITUTE (ESRI) SMALL UTILITY ENTERPRISE LICENSE AGREEMENT (SUELA) FOR GIS SOFTWARE AND APPLICATIONS (pp. 41-49)

The District currently purchases individual licenses for ESRI software.

Recommendation: Authorize General Manager to Execute Agreement

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

ACTION ITEMS

2.1 FEASIBILITY ASSESSMENT FINDINGS FOR THE DISTRICT-WIDE SOLAR PROJECT (pp. 50-51)

The Board of Directors has expressed interest in exploring possibilities for a District-wide solar power system located at various District-owned properties.

Recommendation: Move forward with Design Phase for the three projects

2.2 CHANGE ORDER REQUEST FOR SOLAR PANEL INVERTER REPLACEMENT (pp. 52-56)

The project will replace two existing inverters and will include a new Data Acquisition System as well as a 5-year service contract.

Recommendation: Approve Change Order to Baker Electric in the amount of \$34,313.00, subject to the provisions of the contract

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

REPORTS

3.1 GENERAL MANAGER

3.2 DISTRICT LEGAL COUNSEL

3.3 SAN DIEGO COUNTY WATER AUTHORITY

3.4 ENCINA WASTEWATER AUTHORITY

- *Capital Improvement Committee*

- *Policy and Finance Committee*

3.5 STANDING COMMITTEES

3.6 DIRECTORS REPORTS ON MEETINGS/CONFERENCES/SEMINARS ATTENDED

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

OTHER BUSINESS

4.1 MEETINGS (pp. 57)

ACWA Fall Conference

November 27-30, 2018 – Manchester Grand Hyatt, San Diego, CA

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

5.1 DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

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

6.1 ADJOURNMENT

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

If you have any disability which would require accommodation in order to enable you to participate in this meeting, please call the Executive Secretary at 760.744.0460 ext. 264 at least 48 hours prior to the meeting.

Audio and video recordings of all Board meetings are available to the public at the District website www.vwd.org

AFFIDAVIT OF POSTING

I, Diane Posvar, Executive Secretary of the Vallecitos Water District, hereby certify that I caused the posting of this Agenda in the outside display case at the District office, 201 Vallecitos de Oro, San Marcos, California by 5:30 p.m., Thursday, September 13, 2018.

Diane Posvar

**CALIFORNIA STATE UNIVERSITY
SAN MARCOS**

Certificate of Completion

Awarded to

Jason Hubbard

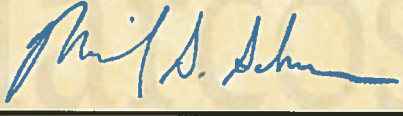
for successfully completing all of the required course work for

Certificate in Water Management & Leadership

Issued on August 8, 2018



Jim Hamerly
Dean, College of Business Administration



Mike Schroder
Dean, Extended Learning





STATE WATER RESOURCES CONTROL BOARD
REGIONAL WATER QUALITY CONTROL BOARDS



CALIFORNIA STATE

ENVIRONMENTAL LABORATORY ACCREDITATION PROGRAM

CERTIFICATE OF ENVIRONMENTAL ACCREDITATION

Is hereby granted to

Vallecitos Water District

Drinking Water

201 Vallecitos de Oro, Building B

San Marcos, CA 92069

Scope of the certificate is limited to the
"Fields of Testing"
which accompany this Certificate.

Continued accredited status depends on successful completion of on-site inspection,
proficiency testing studies, and payment of applicable fees.

This Certificate is granted in accordance with provisions of
Section 100825, et seq. of the Health and Safety Code.

Certificate No.: **3016**

Expiration Date: **4/30/2020**

Effective Date: **5/1/2018**

A handwritten signature in black ink, appearing to read "Christine Sotelo".

Sacramento, California
subject to forfeiture or revocation

Christine Sotelo, Chief
Environmental Laboratory Accreditation Program

CERTIFICATE OF EXCELLENCE

In recognition of the quality of your laboratory in proficiency testing for

WS-263

Vallecitos Water District Drinking Water Lab

is issued this certificate of achievement by ERA. This laboratory has been recognized as a Laboratory of Excellence for achieving 100% acceptable data in this study which included 190 participating laboratories. This achievement is a demonstration of the superior quality of the laboratory in evaluation of the standards listed below.

MicrobE™ (Coliforms)



Matthew Seebeck
Quality Officer

V609506

MINUTES OF A CLOSED SESSION MEETING
OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, SEPTEMBER 5, 2018, AT 4:30 PM AT THE DISTRICT OFFICE,
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

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

Director Sannella led the pledge of allegiance.

Present: Director Elitharp
Director Evans
Director Sannella
Director Martin
Director Hernandez

Staff Present: General Manager Pruim
Legal Counsel Gilpin
Executive Secretary Posvar

ADOPT AGENDA FOR THE CLOSED SESSION MEETING OF SEPTEMBER 5, 2018

18-09-01 MOTION WAS MADE by Director Sannella, seconded by Director Martin, and carried unanimously, to adopt the agenda for the Closed Session Meeting of September 5, 2018.

PUBLIC COMMENT

None.

CLOSED SESSION

CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.95 – LIABILITY CLAIM

Claimant: Sequoia Financial Services

18-09-02 MOTION WAS MADE by Director Sannella, seconded by Director Martin, and carried unanimously, to move into Closed Session pursuant to Government Code Section 54956.95.

REPORT AFTER CLOSED SESSION

The Board reconvened to Open Session at the hour of 4:36 p.m. The Board, in Closed Session, discussed the claim against the District.

- Claimant: Sequoia Financial Services
- Agency Claimed Against: Vallecitos Water District
- Substance of the Claim: Car Accident
- Action Taken in Closed Session: Deny Request to File Late Claim/Deny Claim as Untimely
- Vote or Abstention of Every Member Present: 5-0

ADJOURNMENT

There being no further business to discuss, President Hernandez adjourned the Closed Session Meeting of the Board of Directors at the hour of 4:37 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, September 5, 2018 at 5:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.

James Hernandez, President
Board of Directors
Vallecitos Water District

ATTEST:

Glenn Pruim, Secretary
Board of Directors
Vallecitos Water District

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, SEPTEMBER 5, 2018, AT 5:00 PM AT THE DISTRICT OFFICE,
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

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

Director Evans led the pledge of allegiance.

Present: Director Elitharp
Director Evans
Director Martin
Director Sannella
Director Hernandez

Staff Present: General Manager Pruim
Legal Counsel Gilpin
District Engineer Gumpel
Finance Manager Owen
Operations & Maintenance Manager Pedrazzi
Capital Facilities Senior Engineer Hubbard
Development Services Senior Engineer Scholl
Accounting Supervisor Glenn
Public Information/Conservation Supervisor Robbins
Financial Analyst Arthur
Human Resources Analyst Anderson
Executive Secretary Posvar

Others Present: Rick Rungaitis, President and CEO, San Marcos Chamber of Commerce

ADOPT AGENDA FOR THE REGULAR MEETING OF SEPTEMBER 5, 2018

18-09-03 MOTION WAS MADE by Director Evans, seconded by Director Martin, and carried unanimously, to adopt the agenda for the Regular Board Meeting of September 5, 2018.

INTRODUCTIONS

Human Resources Analyst Bridget Anderson introduced new employees Brian Fonseca, Wastewater Collection System Worker I, and Matt Thompson, Wastewater Collection System Worker II.

PRESENTATIONS

President Hernandez presented Marc Smith, Wastewater Treatment Plant Operator II, with his Certificate for Wastewater Treatment Plant Operator Grade III from the State Water Resources Control Board.

Rick Rungaitis, President and CEO for the San Marcos Chamber of Commerce, provided a presentation on the benefits of membership.

General discussion took place.

PUBLIC COMMENT

None.

CONSENT CALENDAR

18-09-04 MOTION WAS MADE by Director Martin, seconded by Director Evans, and carried unanimously, to approve the Consent Calendar as presented.

1.1 Approval of Minutes

- A. Closed Session Board Meeting – August 15, 2018
- B. Regular Board Meeting – August 15, 2018
- C. Public Awareness/Personnel/Policy Committee Meeting – August 21, 2018
- D. Finance/Investment Committee Meeting – August 27, 2018

1.2 Warrant List through September 5, 2018 - \$4,842,396.07

1.3 Fall 2018 Between the Pipes – Vallecitos Water District Quarterly Newsletter

ACTION ITEMS

ACCEPTANCE OF NORTH AND SOUTH PRESSURE REDUCING STATION UPGRADES

Capital Facilities Senior Engineer Hubbard stated that the original intent of this project was to bring electrical power to the North and South Pressure Reducing Stations (PRS) in order to install Supervisory Control and Data Acquisition (SCADA) systems for remote monitoring and control. The Board awarded the contract to Atom Engineering on August 16, 2017. During excavation for upgrade of the South PRS, the configuration and layout of existing piping did not match as-built records, forcing unexpected work to replumb the outlet side of the station. In addition, a leak on the existing pipe on the inlet side of the station was detected that required repair. To perform the work for both the replumbing and the repair, a new valve was needed to isolate the station and keep service to 187 customers. This work was performed during nighttime to minimize customer impacts. During this installation, a new valve was also installed at the North PRS to isolate and facilitate the upgrade work at this station. The unforeseen work was a changed condition initiated by the District and resulted in a \$21,367.85 increase to the contractor's contract. The unforeseen work also resulted in a significant amount of unplanned staff time to coordinate customer notification, inspection, water main dewatering and reactivation, and water quality sampling.

To mitigate some of the increases to the contractor's contract, staff was able to eliminate the replacement of two existing valves in the contractor's scope of work after it was determined that the valves were properly functioning and did not need to be replaced. Additionally, working with Operations and IT staff, programming work was removed from the contract and two antennae originally planned to be installed were replaced with smaller wireless modules resulting in lower project costs.

The project schedule was extended due to longer delivery time for certain materials and delays resulting from coordination with SDG&E. Delays to the project schedule contributed to additional unplanned staff time being added to the project budget. All construction work was completed at the beginning of August 2018. There was a total of 5 change orders amounting to a total credit of \$4,839.07

Staff requested the Board approve a budget increase of \$66,557.

General discussion took place.

18-09-05 MOTION WAS MADE by Director Martin, seconded by Director Evans, and carried unanimously, to increase the project budget by \$66,557; accept the project; and, authorize filing Notice of Completion and release of retention funds to contractor provided no claims are filed.

CONFLICT OF INTEREST CODE FOR VALLECITOS WATER DISTRICT BIENNIAL REVIEW AND ADOPTION

General Manager Pruiem stated that the Conflict of Interest Code is due for its biennial review as required by Government Code. The following amendments were made to the Code: (1) updated the Section Code for disclosure requirements; (2) added the position titles of Operations & Maintenance Manager, Capital Facilities Senior Engineer, and Development Services Senior Engineer; (3) updated the disclosure category for all designated positions to categories 1 and 2 except for consultants; and (4) amended the allowable gift value from \$460 to \$470.

Staff recommended adoption of the amended Conflict of Interest Code.

18-09-06 MOTION WAS MADE by Director Martin, seconded by Director Sannella, and carried unanimously, to adopt the amended Conflict of Interest Code.

FINANCIAL INSTITUTION REGISTRY AND AUTHORIZATION

Finance Manager Owen stated that the report was to present a registry of financial institutions and staff authorized to transact business on behalf of the District. It also serves to notify the Board of Directors of new financial institutions where a resolution is required by the institution naming specific staff members authorized to transact business on behalf of the District. The changes taking place are: (1) addition of one authorized signor, Finance Manager, on the

general checking account at Union Bank, and (2) addition of Accounting Supervisor to the list of staff authorized to transfer funds between LAIF and Union Bank operating account. Existing financial institutions and authorized staff were also listed.

Staff recommended the Board adopt the Local Agency Investment Fund and Union Bank General Checking Account resolutions changing authorizations of financial institutions.

18-09-07 MOTION WAS MADE by Director Sannella, seconded by Director Evans, and carried unanimously, to adopt the resolutions amending the authorizations of financial institutions.

Resolution No. 1542 – the roll call vote was as follows:

AYES: Elitharp, Evans, Martin, Sannella, Hernandez
NOES:
ABSTAIN:
ABSENT:

Resolution No. 1543 – the roll call vote was as follows:

AYES: Elitharp, Evans, Martin, Sannella, Hernandez
NOES:
ABSTAIN:
ABSENT:

REPORTS

GENERAL MANAGER

General Manager Pruim reported the following:

- The California legislative session ended on August 31, 2018 without any movement forward on the two bills related to the water tax.
- Senate Bill 998 passed on the Assembly and Senate floors and is pending the Governor's signature. This bill will significantly change how water agencies conduct their water shutoff programs, making it more difficult for agencies to shut water off for non-payment and reducing the amount of fees that can be charged for shutoffs and re-establishment of services. Staff will establish a new program to reflect the new legislation and will present it to the Board so that they understand what changes must be made and the impact to the District.
- Staff is in the final stages of preparing the facilities Master Plan. The document will be presented to the Board in October which will begin the official 45-day public review process for comments on the Master Plan as well as the accompanying Environmental Impact Report.

DISTRICT LEGAL COUNSEL

Legal Counsel Gilpin stated that once signed, the effective date of Senate Bill 998 will be February 1, 2020. The District will have to adopt written policies regarding discontinuance of water service, delinquent accounts and other related issues.

Legal Counsel Gilpin stated the Board will meet in Closed Session regarding the Lake San Marcos litigation. That meeting is tentatively scheduled for September 19. Updates will be provided on the litigation and settlement negotiations to date.

Legal Counsel Gilpin responded to President Hernandez's question regarding using alternative methods of delivery, specifically the lease-lease back approach. It is possible for the District to use alternative methods of delivery beyond the typical design/bid/build approach, provided the Board adopts a policy to allow alternative methods and amends the District's purchasing policy as well. General discussion took place regarding this topic.

SAN DIEGO COUNTY WATER AUTHORITY

Director Evans stated the SDCWA's lobbyist emailed a statement regarding the water tax bills, suggesting Assemblyman Eduardo Garcia, a member of the Assembly Water, Parks and Wildlife Committee, be involved in helping to sort out the water tax. The Committee provides the SDCWA with a monthly water resources report which includes information on rainfall and temperatures. Temperatures for this year have averaged 5.8 degrees above normal.

Director Evans further stated the SDCWA is working through a funding strategy for their pension plan.

ENCINA WASTEWATER AUTHORITY

President Hernandez stated the Capital Improvement Committee will meet on September 19.

Director Elitharp stated the September Policy and Finance Committee was cancelled. The next meeting is scheduled for October 9.

STANDING COMMITTEES

President Hernandez stated the Engineering/Equipment Committee will meet on September 6.

Director Evans stated the Public Awareness/Personnel/Policy Committee met on August 21 at which the Committee directed staff to continue with their research. The minutes of the meeting were provided in the Board agenda packet.

Director Martin stated the Finance/Investment Committee met on August 27 at which the Committee discussed rating agency criteria, the District's credit rating, and the District's receipt of EWA's restitution funds in the amount of \$637,000.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

None.

OTHER BUSINESS

None.

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

Director Sannella inquired on the status of the District's property adjacent to the District office. General Manager Pruum stated he will be meeting with a consultant next week.

Director Martin inquired on the status of the District's Coronado Hills property. General Manager Pruum stated the property will be discussed in conjunction with the strategic plan.

ADJOURNMENT

There being no further business to discuss, President Hernandez adjourned the Regular Meeting of the Board of Directors at the hour of 6:08 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, September 19, 2018, at 5:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.

James Hernandez, President
Board of Directors
Vallecitos Water District

ATTEST:

Glenn Pruum, Secretary
Board of Directors
Vallecitos Water District

MINUTES OF A MEETING OF THE
ENGINEERING/EQUIPMENT COMMITTEE
OF THE VALLECITOS WATER DISTRICT
THURSDAY, SEPTEMBER 6, 2018 AT 2:00 P.M.
AT THE DISTRICT OFFICE, 201 VALLECITOS DE ORO,
SAN MARCOS, CALIFORNIA

Director Hernandez called the meeting to order at the hour of 2:00 p.m.

Present: Director Hernandez
Director Elitharp
General Manager Pruiam
District Engineer Gumpel
Capital Facilities Senior Engineer Hubbard
Development Services Senior Engineer Scholl
Purchasing/Warehouse Supervisor Bowman
Administrative Secretary Johnson

ITEM(S) FOR DISCUSSION

SOLAR INVERTER REPLACEMENT PROJECT

Staff clarified this discussion was regarding the solar inverter replacement project at the District administrative facility, not the District-wide solar project. The two existing central inverters of the 360kW Solar Photovoltaic System which convert solar panel DC current to AC current are no longer working. The system was installed in 2006.

Capital Facilities Senior Engineer Hubbard provided background on the project approved by the Board on June 20, 2018. After execution of the contract with Baker Electric to perform the work, it was discovered that replacement inverters are no longer available as inverters used today start at 500kW. Baker Electric proposed replacing the central inverters with string inverters which are the most cost-effective inverter option on the market today. There are two string inverter options: Kehua (9 groups) or Chint (18 groups) which would increase the contract by \$34,313 and \$129,589 respectively.

Capital Facilities Senior Engineer Hubbard provided pros and cons of the two options. The Kehua string inverters are more cost effective and more efficient; however, Kehua (distributed by Satcon) is a newer company whose focus has been on solar battery technology. The Chint string inverters are more expensive and have a stronger track record; however, it is unknown if they will continue to be available as they do not meet the new SDG&E requirements in California. Both manufacturers offer a ten-year warranty.

Staff recommended the Kehua string converters as anticipated energy savings would result in an approximate two to three-year payoff of the entire project. The \$34,313 change order will require Board approval per Ordinance No. 146.

General discussion took place. Director Hernandez requested confirmation of where the ten-year warranty comes from, Kehua or Satcon. General Manager Pruim noted that the string inverters would not tie the District to a particular type of solar panel. Purchasing/Warehouse Supervisor Bowman stated no existing solar panels have been replaced due to failure except for those damaged by rocks thrown from the adjacent ball field.

The Committee concurred with staff's recommendation to proceed with the Kehua string inverters and to recommend the Board approve the change order to Baker Electric.

VWD GROUNDWATER BASIN STUDY

District Engineer Gumpel distributed Woodard & Curran's fee estimate for evaluation of the San Marcos groundwater basin supply options. He stated the purpose of the discussion at this meeting was to confirm the scope of the study and determine any adjustments necessary before bringing this back to the Board for approval.

District Engineer Gumpel further stated this is a table top groundwater study. No modeling, drilling of wells, mapping, or calculation of potential yield of the basin will be performed. The focus of the scope is on what can be potentially done as a water resource with the groundwater basin based on existing table top information. Options include using the groundwater for recycled non-potable use, indirect potable use as recharge, or integrating it with Encina Wastewater Authority's system for treatment and potable use. A funding source needs to be identified for each of the options along with additional steps, legal hurdles, and costs. Modeling a groundwater system, drilling and evaluating test wells, obtaining hard data on well pumping, yield, and recharge would take place in the next phase of the study.

General discussion took place regarding the budget for the study and optional items. Director Elitharp recommended the optional components be included in the scope: additional meetings and legal review. Director Hernandez concurred.

The Committee directed staff to proceed with the study scope as discussed including the additional meetings and legal review options. Staff anticipates presenting this item to the Board at the first Board meeting in October.

Mike Hunsaker, member of the public, expressed his concerns about compensation to customers with existing aquifers that have been in use and the method by which water would be introduced back into the aquifer. District Engineer Gumpel stated the second phase of the groundwater basin study, should the Board decide to go forward with it, would address his concerns.

OTHER BUSINESS

Director Hernandez requested an update on the District-wide solar project as he was unable to attend the July 23 Committee meeting at which the project was discussed. District Engineer Gumpel stated the project will be placed on the September 19 Board agenda and provided a brief update. The Committee had directed staff to move forward on the design of three projects.

PUBLIC COMMENT

Mike Hunsaker, member of the public, expressed his opinion that the District should consider solar battery storage with any type of solar project and his concerns about energy rate increases. He inquired about the status of his request for a copy of the draft Master Plan. Staff anticipates it will be available in October at the same time as the draft Environmental Impact Report.

ADJOURNMENT

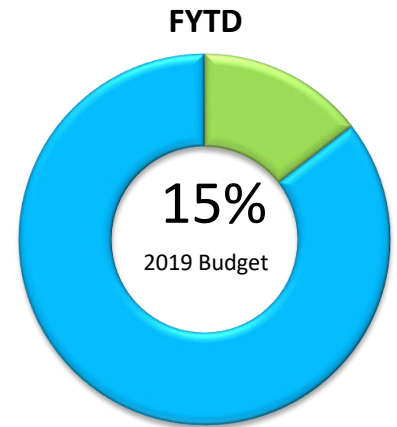
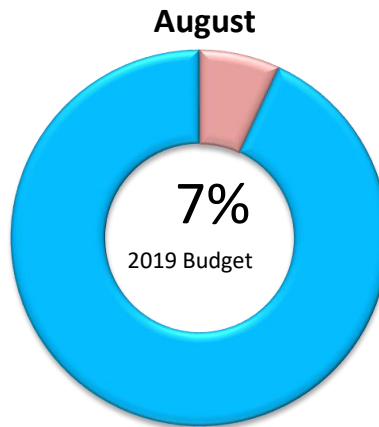
There being no further business to discuss, the meeting was adjourned at the hour of 2:55 p.m.

**VALLECITOS WATER DISTRICT
DISBURSEMENTS SUMMARY
August 31, 2018**

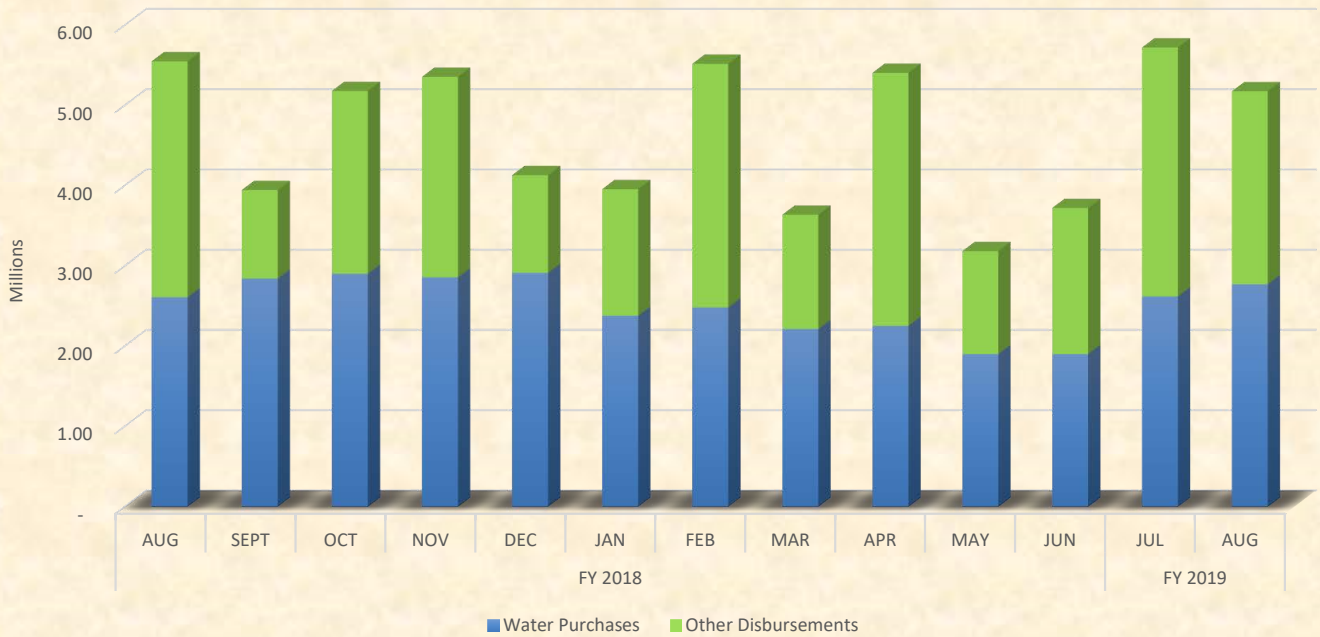
Summary

■ August Disbursements	\$ 5,176,720 *
■ YTD Disbursements	\$ 10,899,185 *
■ FY2019 Budget	\$ 74,880,200

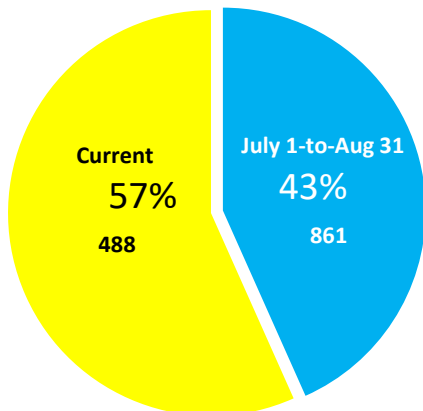
* Excludes Debt Service



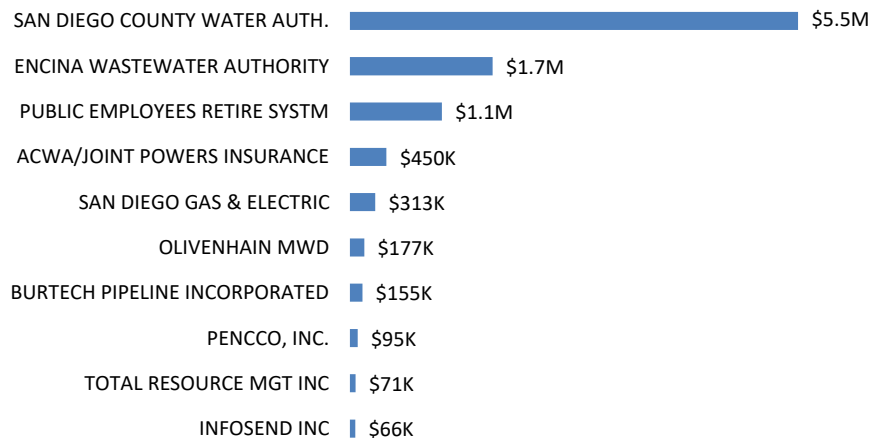
Disbursements by Month



Invoices Processed



Top 10 Vendors - FYTD



VALLECITOS WATER DISTRICT
WARRANTS LIST
September 19, 2018

PAYEE	DESCRIPTION	CHECK#	AMOUNT
CHECKS			
Garnishments	Payroll Garnishments	114522 through 114525	-
Air Resource Board/PERP	Engine Inspection Fees	114526	575.00
Aloha Printing	Window Envelopes & Letterhead 20K	114527	1,662.00
J.C. Ehrlich Co Inc	Plant Maintenance Sept	114528	263.00
Aqua-Metric Sales Co	MXUs 102, Gaskets 100	114529	30,010.68
Best, Best & Krieger	Legal Svcs July	114530	11,331.10
Brookfield Rancho Coronado LLC	Closed Account Refund	114531	75.51
Cardiac Science Corp	Pads for AED Defibrillation Machine	114532	212.88
CCI	Water Treatment Aug	114533	220.00
CDW Government Inc	Racked Power Distribution Units 3, Flash Storage Support 18-19	114534	6,531.73
Chandler Asset Management, Inc.	Investment Management Svcs Aug	114535	2,727.94
Jeffrey Colwell	Video Production Prj 20191-27	114536	516.25
Paul Cosmano	ESRI User Conference 7-11-18	114537	20.00
Council of Water Utilities	Meeting 9-18-18, Elitharp, Hernandez, Martin, Sannella, Pruim	114538	225.00
CR TOVR LLC	Closed Account Refund	114539	756.98
Crew Builders, Inc.	Locker Room Expansion Prj 20161-5	114540	120,249.10
CSUSM	Community Fair Sponsorship Prj 20191-26	114541	25.00
CWC Rancho Coronado 71, LLC	Closed Account Refund	114542	56.01
CWEA	Membership Renewal E Pedrazzi	114543	188.00
David & Selena Feador	Closed Account Refund	114544	11.16
DirecTV Inc	Satellite Svc Sept	114545	75.79
EDCO Waste & Recycling Serv	Trash Svc Aug	114546	911.64
Endress & Hauser Inc	Field Svc - Twin Oaks Reservoir Flow Meter	114547	1,550.00
Ewing Irrigation Products	PVC Supplies	114548	256.97
Fisher Scientific LLC	Incubator For Water Lab, Lab Supplies	114549	2,874.55
Fleetpride	Fleet Supplies Prj 20181-33 & Prj 20191-22	114550	588.37
Freeway Trailer Sales	Fleet Supplies	114551	177.74
Gallade Chemical Inc.	Calcium Hypochlorite	114552	1,280.07
Global Equipment Company Inc.	Pipe Cart - Warehouse	114553	589.85
Government Tax Seminars, LLC	Government Tax Seminar, A Glenn, S Sheets	114554	790.00
Hach Company	Svc - Turbidity Meter MRF	114555	463.25
Keith Hardin	Closed Account Refund	114556	17.61
Hawthorne Machinery Co.	Stabilizer Pads Veh 239, Fleet Supplies	114557	789.84
Home Depot Credit Services	Hardware Supplies Aug	114558	1,420.90
Industrial Electric Machinery	Pump 1 Motor Replacement MRF	114559	1,578.12
Infosend Inc	Support Fee, Postage, Printing & Door Hangers Aug	114560	13,424.29
Infrastructure Engr Corp	Skyline Town Homes Inspections Prj 20171-284	114561	11,070.00
Inocencia & Job Praxidio	Closed Account Refund	114562	7.86
Jason Hubbard	Self Improvement Program	114563	64.50
Javier Aguilera	Closed Account Refund	114564	2,200.00
Jennifer & Juliuf Zolevzi	Closed Account Refund	114565	21.77
John W. Joubran	Closed Account Refund	114566	102.96
JCI Jones Chemicals Inc	Chlorine	114567	4,086.42
Jostle Corporation	Jostle Subscription 18-19	114568	9,358.80
Knight Security & Fire Systems	Answering & Patrol Svc Sept	114569	918.19
Krista Timbs	Closed Account Refund	114570	69.67
Law Offices of Jeffrey G Scott	Legal Svcs Aug	114571	1,783.75
Timothy Miles Mork	Janitorial Svc Aug & Sept	114572	1,106.26
Lito Santos	Engineering License Renewal	114573	115.00
Mallory Safety & Supply, LLC	Gloves, Safety Glasses, Hard Hats, Safety Supplies	114574	3,439.63
Hal Martin	Urban Water Institute Conference 8-22-18	114575	114.27
Matt Chlor Inc	Chlorine Gas Neutralizers 6 MRF	114576	4,404.20
Melanie Schultz	Closed Account Refund	114577	57.48
Nacho's Taco Shop	Water Academy Lunch Prj 20191-503	114578	1,010.42

VALLECITOS WATER DISTRICT
WARRANTS LIST
September 19, 2018

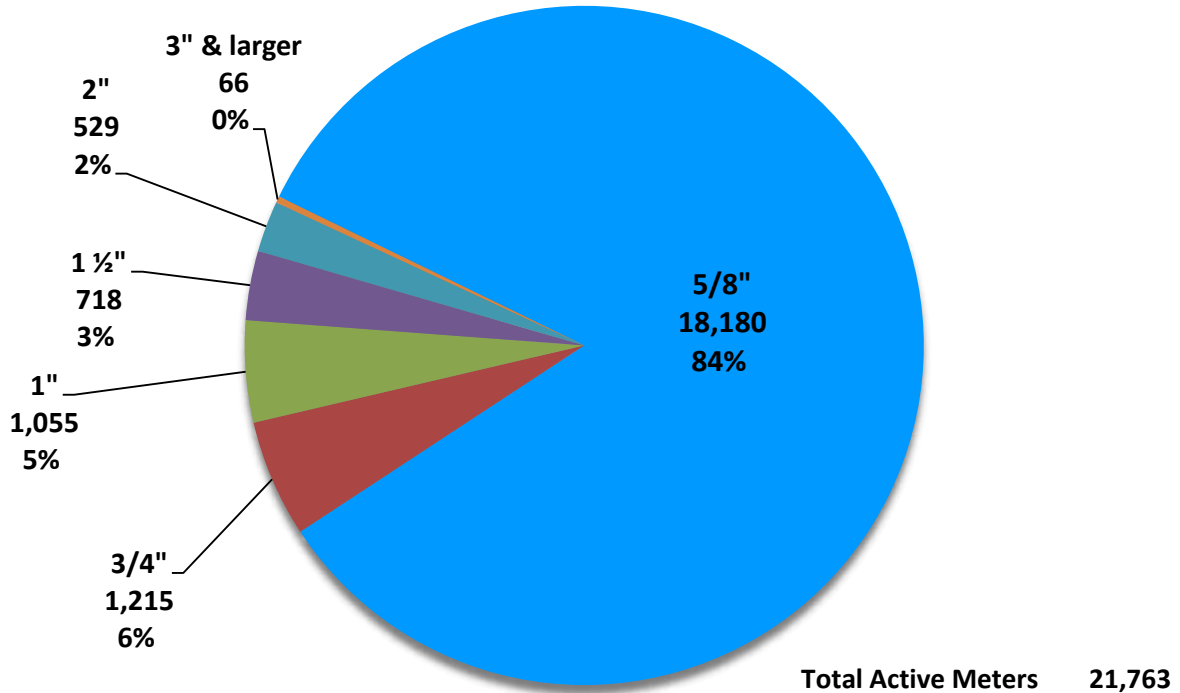
PAYEE	DESCRIPTION	CHECK#	AMOUNT
O-Side Painting	Plant Equipment Painting - MRF	114579	15,470.00
Pacific Safety Center	Respiratory Fit Testing & Training 8-1-18	114580	495.00
Penco, Inc.	Sulfend RT	114581	31,917.36
Petty Cash Custodian	Petty Cash	114582	781.60
Pitney Bowes	Postage Meter Refill	114583	2,000.00
Plumbers Depot Inc	Hardware Supplies	114584	259.33
Polydyne Inc	Clarifloc	114585	17,174.27
Recycled Aggregate Materials Co Inc	Concrete Recycling	114586	75.00
Cheryl (Minichilli) Reiber	Computer Purchase Program	114587	1,009.78
Safety-Kleen Systems Inc	Parts Washer Rental	114588	232.15
SDG&E	Power Aug	114589	117,112.88
San Diego Local Agency Formation Commission	APN Annexation Processing Fee Prj 20181-405	114590	4,050.00
Shred-It US JV LLC	Shredding Svcs Aug	114591	176.34
Southern Counties Lubricants, LLC	Oil, Diesel Fuel	114592	22,226.57
Staples Advantage	Office Supplies Aug	114593	595.92
Steel-Toe-Shoes.com	Safety Boots	114594	115.99
Sterling Investments Group	Closed Account Refund	114595	136.82
Steven Enterprises Inc	Color Bond Paper	114596	106.68
T4 Spatial, LLC	Collections Software Subscription Renewal 18-19	114597	28,800.00
Thyssen Krupp Elevator	Elevator Maintenance Aug - Oct	114598	994.28
Union Bank FKA 1st Bank Card	Meetings & Travel Aug	114599	1,908.84
Union Bank FKA 1st Bank Card	Meetings & Travel Aug	114600	3,177.52
Union Bank FKA 1st Bank Card	Meetings & Travel Aug	114601	1,238.26
UPS	Shipping Svcs Aug	114602	45.90
Verizon Wireless	Ipad Svc July	114603	129.33
Victoria Patriquin	Closed Account Refund	114604	17.31
Visser Construction Inc	Board Room Upgrade Prj 20151-2	114605	3,809.00
HD Supply Construction Supply Ltd	Trash Pumps - Vehicles 198 & 225	114606	3,394.13
ACWA/Joint Powers Insurance	Group Insurance Oct	114607	202,923.11
Ant Computer Inc	SCADA Upgrade - Water Ops	114608	3,365.82
Biotechnical Services Inc	Incubator Calibration - Water Lab	114609	161.50
Boot World Inc	Safety Boots	114610	135.72
Christian Wheeler Engineering	Biological Evaluation July Prj 20161-5	114611	2,700.00
Electrical Sales Inc	Power Supply Devices 2 NS Pressure Reducing Stations	114612	1,088.95
Ferguson Enterprises, Inc	Pipes 22, Couplings 18, Air Valves 5	114613	7,395.05
Grainger Inc	Sealant, Shop Towels, Spray Paint, Hardware Supplies	114614	821.20
Harrington Industrial	Ball Valves 14, Hardware Supplies	114615	1,376.24
The New York Blower Company	Fan Unit - Odor Scrubber 1 MRF	114616	986.99
One Source Distributors LLC	PLCs 10 - North Twin Oaks Pump Station, Misc Pump Stations	114617	9,466.12
Pacific Pipeline Supply	Hardware Supplies Prj 20191-509	114618	627.18
Rick Post Welding	Welding Svcs - Emergency Main Line Repair - Coronado Hills	114619	2,699.38
RK Controls Inc.	Cable Material - SCADA	114620	953.98
Talley Communications	Radio Upgrade Materials, Hardware Supplies	114621	1,980.51
Traffic Safety Solutions LLC	Traffic Control - Sewer Line Maintenance	114622	3,390.00
Unifirst Corporation	Uniform Delivery	114623	1,378.36
Walters Wholesale Electric	Hardware Supplies	114624	294.24
Xerox Corporation	Copier Lease Aug	114625	5,138.31
Total Disbursements (100 Checks)			746,710.43
WIRES			
Public Employees Retirement System	Retirement Contribution - September 12, 2018 Payroll	Wire	71,551.86
Bank of America	Bank of America loan payment - Principal	Wire	741,000.00
Union Bank	Bank of America loan payment - Interest	Wire	36,946.80
Union Bank	Union Bank debt payment - Principal	Wire	200,000.00
Total Wires			1,049,498.66

VALLECITOS WATER DISTRICT
WARRANTS LIST
September 19, 2018

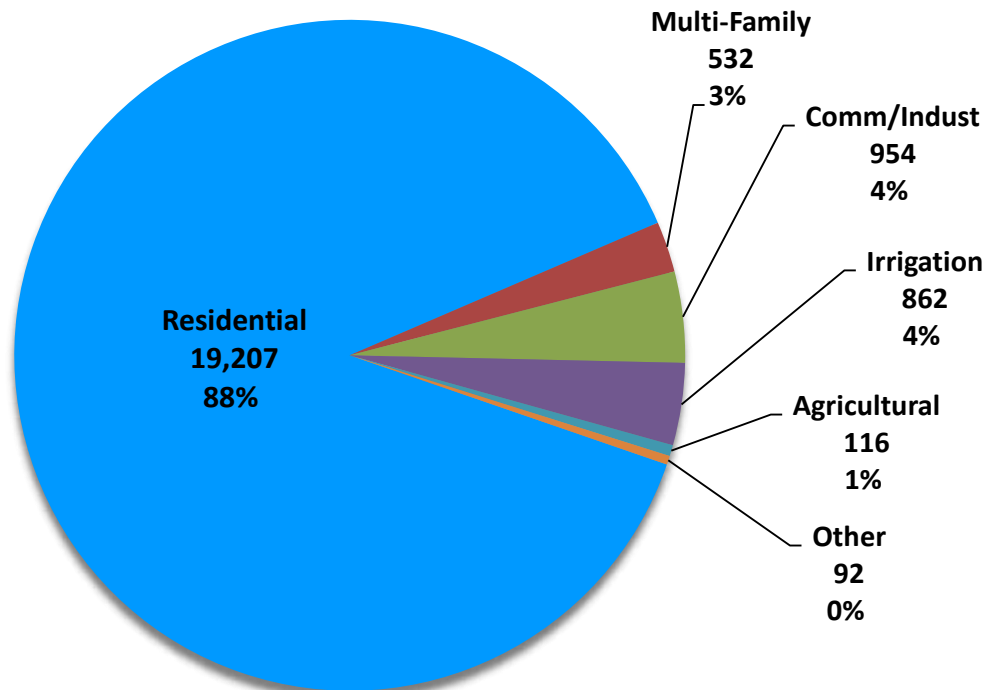
PAYEE	DESCRIPTION	CHECK#	AMOUNT
PAYROLL			
Total direct deposits		Wire	236,414.88
VWD Employee Association		114522	612.00
Garnishments	114523 through	114525	907.83
IRS	Federal payroll tax deposits	Wire	90,429.18
Employment Development Department	California payroll tax deposit	Wire	17,735.56
CalPERS	Deferred compensation withheld	Wire	14,277.64
VOYA	Deferred compensation withheld	Wire	5,108.47
Total September 12, 2018 Payroll Disbursements			<u>365,485.56</u>
TOTAL DISBURSEMENTS			<u>2,161,694.65</u>

Vallecitos Water District
Active Water Meters
August 31, 2018

Active Meters by Size as of August 31, 2018

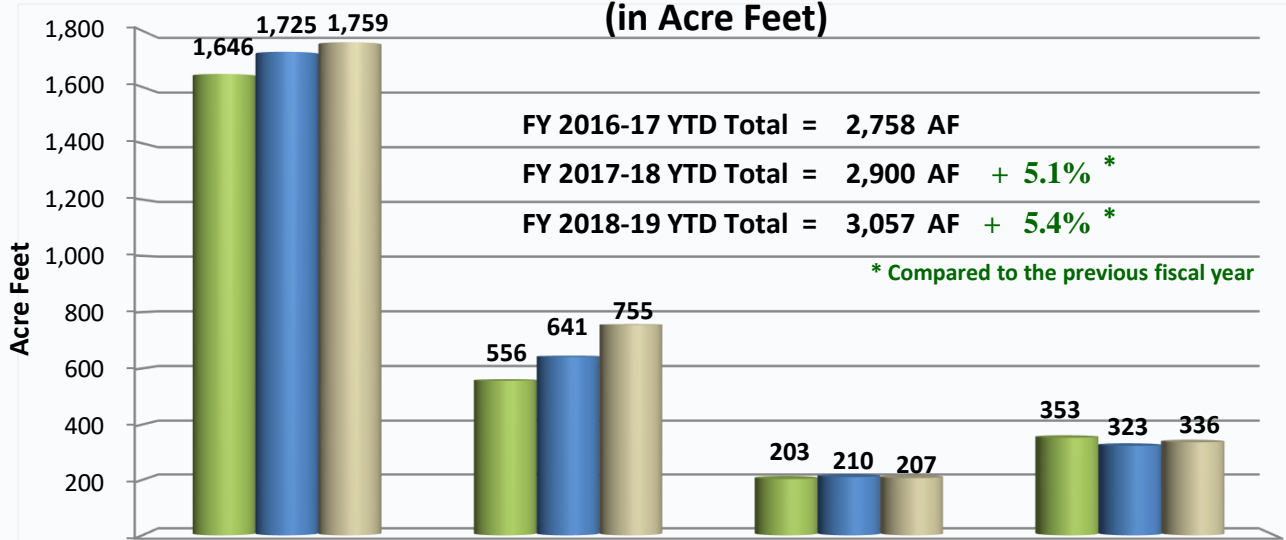


Active Meters by Type as of August 31, 2018



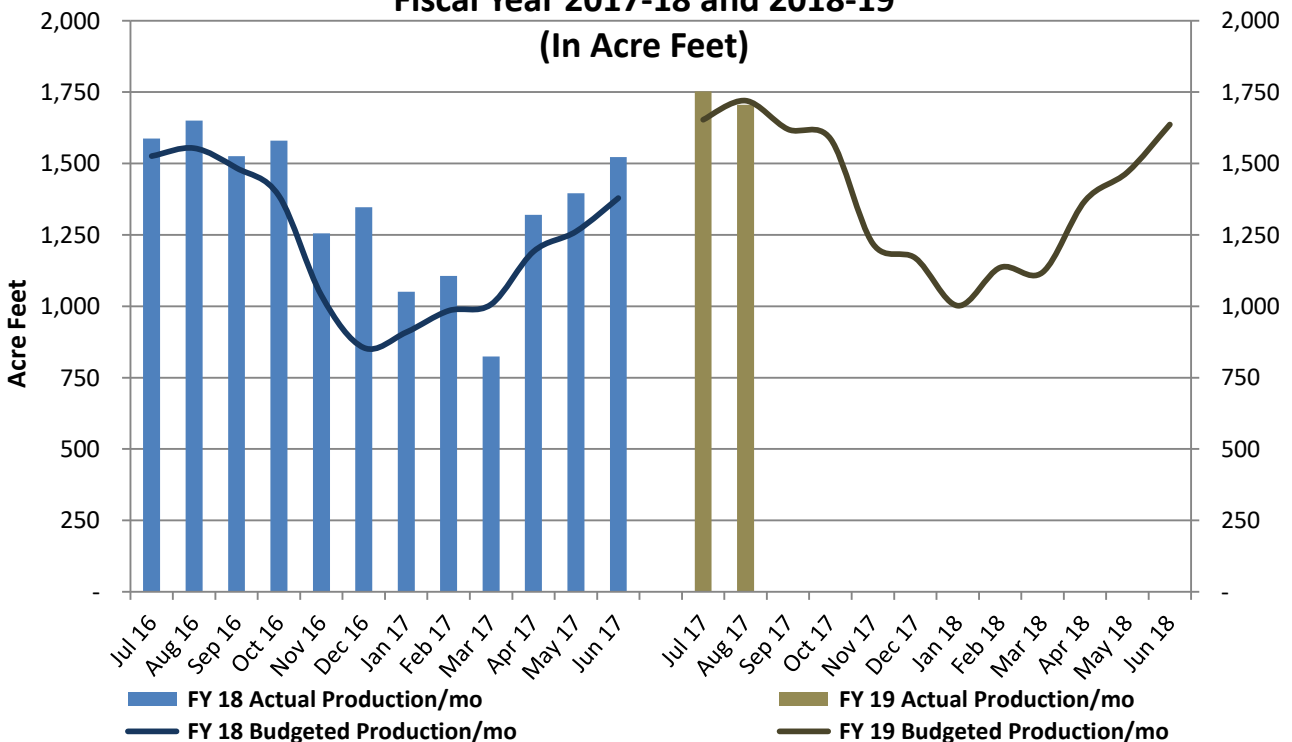
Vallecito Water District
 Water Production/Sales
 August 31, 2018

Water Sales FY 16-17, FY 17-18 and FY 18-19 (FYTD)
 (in Acre Feet)



	Residential	Irrigation	Agricultural	Commer/ Indust/ Construct/ Other
FY 2016-17	1,646	556	203	353
FY 2017-18	1,725	641	210	323
FY 2018-19	1,759	755	207	336

Water Production Budget vs. Actual
 Fiscal Year 2017-18 and 2018-19
 (In Acre Feet)



DATE: SEPTEMBER 19, 2018
TO: BOARD OF DIRECTORS
SUBJECT: MONTHLY FINANCIAL REPORTS

BACKGROUND:

The Monthly Revenue and Expense Reports and the Reserve Report for the two months ended August 31, 2018 are presented.

DISCUSSION:

The Monthly Revenue and Expense reports summarize revenues by service type and expenses by department over the 2-month period. Comparisons to prior year actual and current year budget amounts are also presented. Each statement contains footnotes regarding significant variances exceeding predetermined dollar and percentage amounts. Any excess of revenues over expenses are transferred to reserves and reflected in the Reserve Report. Any excess of expenses above revenues are paid for out of reserves in the current fiscal year.

The Monthly Reserve Report presents the balances in each of the District's reserve funds. The report summarizes all sources and uses of reserves. Sources consist of operating transfers, capital facility fees, property taxes, dissolved RDA distributions, investment earnings and annexation fees. Uses are distributions for capital projects and debt service.

RECOMMENDATION:

For information only.

Vallecitos Water District
Water Revenue and Expense Report
For the Two Months Month Ended August 31, 2018

	Current	Prior Year Actual			Current Year Budget		
	Year	Amount	Variance		Amount	Variance	
	Actual		\$	%		\$	%
Revenue							
Water Sales	\$6,710,606	\$5,391,952	\$ 1,318,654	24.5%	\$6,567,000	\$ 143,606	2.2%
Ready-to-serve	2,274,459	2,320,268	(45,809)	-2.0%	2,218,000	56,459	2.5%
Pumping charges	61,380	56,289	5,091	9.0%	71,000	(9,620)	-13.5%
Late & lock charges	79,910	76,398	3,512	4.6%	76,000	3,910	5.1%
Backflow fees	15,397	15,059	338	2.2%	16,000	(603)	-3.8%
Other revenue	26,024	34,011	(7,987)	-23.5%	20,900	5,124	24.5%
Total Revenue	<u>9,167,776</u>	<u>7,893,977</u>	1,273,799	16.1%	<u>8,968,900</u>	198,876	2.2%
Expenses							
Water costs	6,200,740	5,650,046	550,694	9.7%	6,335,000	(134,260)	-2.1%
Pumping cost recovery	136,617	105,065	31,552	30.0%	173,000	(36,383)	-21.0%
Water quality	22,418	21,450	968	4.5%	25,000	(2,582)	-10.3%
Water treatment	75,691	70,358	5,333	7.6%	80,000	(4,309)	-5.4%
Tanks & reservoirs	33,863	32,129	1,734	5.4%	76,000	(42,137)	-55.4%
Trans & distribution	263,043	220,401	42,642	19.3%	287,000	(23,957)	-8.3%
Services	12,080	18,899	(6,819)	-36.1%	22,000	(9,920)	-45.1%
Meters	111,008	94,797	16,211	17.1%	114,000	(2,992)	-2.6%
Backflow prevention	7,657	4,735	2,922	61.7%	11,000	(3,343)	-30.4%
Customer accounts	105,918	77,795	28,123	36.2%	105,000	918	0.9%
Building & grounds	66,495	59,946	6,549	10.9%	64,000	2,495	3.9%
Equipment & vehicles	15,143	29,386	(14,243)	-48.5%	53,000	(37,857)	-71.4%
Engineering	274,586	210,387	64,199	30.5%	264,000	10,586	4.0%
Safety & compliance	47,307	33,078	14,229	43.0%	45,000	2,307	5.1%
Information Technology	117,856	99,365	18,491	18.6%	164,000	(46,144)	-28.1%
General & administrative	389,117	493,593	(104,476)	-21.2%	498,000	(108,883)	-21.9%
Total Expenses	<u>7,879,539</u>	<u>7,221,430</u>	658,109	9.1%	<u>8,316,000</u>	(436,461)	-5.2%
Net Operating Income	<u>\$1,288,237</u>	<u>\$ 672,547</u>	615,690	91.5%	<u>\$ 652,900</u>	635,337	97.3%

Vallecitos Water District
Sewer Revenue and Expense Report
For the Two Months Month Ended August 31, 2018

	Current	Prior Year Actual			Current Year Budget		
	Year	Amount	Variance		Amount	Variance	
	Actual		\$	%		\$	%
Revenue							
Sewer service charges	\$ 3,100,715	\$ 2,982,366	\$ 118,349	4.0%	\$ 2,950,000	\$ 150,715	5.1%
Reclaimed water sales	329,000	342,500	(13,500)	-3.9%	329,000	-	0.0%
Other revenue	649,419	12,438	636,981	5121.2%	10,000	639,419	6394.2%
Total Revenue	<u>4,079,134</u>	<u>3,337,304</u>	741,830	22.2%	<u>3,289,000</u>	790,134	24.0%
Expenses							
Collection & conveyance	285,873	269,902	15,971	5.9%	384,000	(98,127)	-25.6%
Lift stations	27,694	29,035	(1,341)	-4.6%	50,000	(22,306)	-44.6%
Source Control	28,371	21,796	6,575	30.2%	32,000	(3,629)	-11.3%
Effluent disposal	462,833	657,106	(194,273)	-29.6%	464,000	(1,167)	-0.3%
Meadowlark	557,107	403,888	153,219	37.9%	566,000	(8,893)	-1.6%
Customer accounts	62,365	52,743	9,622	18.2%	78,000	(15,635)	-20.0%
Building & grounds	41,824	39,190	2,634	6.7%	43,000	(1,176)	-2.7%
Equipment & vehicles	27,382	29,977	(2,595)	-8.7%	40,000	(12,618)	-31.5%
Engineering	101,278	79,339	21,939	27.7%	113,000	(11,722)	-10.4%
Safety & compliance	26,417	21,595	4,822	22.3%	33,000	(6,583)	-19.9%
Information technology	85,020	85,446	(426)	-0.5%	142,000	(56,980)	-40.1%
General & administrative	167,647	201,933	(34,286)	-17.0%	242,000	(74,353)	-30.7%
Total Expenses	<u>1,873,811</u>	<u>1,891,950</u>	(18,139)	-1.0%	<u>2,187,000</u>	(313,189)	-14.3%
Net Operating Income	<u>\$ 2,205,323</u>	<u>\$ 1,445,354</u>	759,969	52.6%	<u>\$ 1,102,000</u>	1,103,323	100.1%

VALLECITOS WATER DISTRICT

RESERVE ACTIVITY FOR THE TWO MONTHS ENDED AUGUST 31, 2018

	110 Water	120	210 Wastewater	220	
	Replacement	Capacity	Replacement	Capacity	Total
BEGINNING BALANCE	\$ 32,797,105	\$ (9,161,412)	\$ 51,677,556	\$ (6,820,836)	\$ 68,492,413
REVENUES					
FY 18/19 Operating Transfers	1,288,237	-	2,205,323	-	3,493,560
Capital Facility Fees	-	248,164	-	470,868	719,032
Property Tax	32,177	-	20,434	-	52,611
Investment Earnings	5,213	-	10,009	-	15,221
TOTAL REVENUES	<u>1,325,627</u>	<u>248,164</u>	<u>2,235,766</u>	<u>470,868</u>	<u>4,280,424</u>
LESS DISTRIBUTIONS					
Capital Projects					
Laurels Sewer Lining	-	-	96,294	-	96,294
Fulton Road And Nctd Sewer Line Rehabilitation	-	-	78,237	-	78,237
Stargaze Court Water Line Replacement	58,871	-	-	-	58,871
Ultrasonic Algae Control System	-	-	57,040	-	57,040
South Lake - Facility Upgrades	49,911	-	-	-	49,911
Admin Emergency Generator - Auto Transfer Switch	10,929	-	10,928	-	21,857
Rock Springs Sewer Replacement	-	-	9,010	11,013	20,023
South Lake Pump Station Valves	10,235	-	-	-	10,235
Water & Sewer Master Plan	-	4,773	-	4,774	9,547
South Vista Pressure Reducing Station Upgrade	9,269	-	-	-	9,269
Expansion of the Men's Locker Room in Building B	4,565	-	4,386	-	8,951
District Wide Valve Replacement	8,136	-	-	-	8,136
San Marcos interceptor sewer	-	-	2,472	5,503	7,975
Encina Land Parallel Outfall	-	-	-	6,683	6,683
MRF - Influent Pumps & Motors	-	-	6,228	-	6,228
Montiel Gravity Outfall	-	-	2,143	2,620	4,763
Coronado Hills Chlorine Injection System	4,058	-	-	-	4,058
Audiovisual Upgrade	1,998	-	1,920	-	3,918
North Vista Pressure Reducing Station Upgrade	2,725	-	-	-	2,725
Palos Vista Pump Station Generator	2,287	-	-	-	2,287
Sewer Rehabilitation And Repairs	-	-	647	-	647
Schoolhouse Tank Refurbishment	647	-	-	-	647
Mountain Belle Tank Chorine System	224	-	-	-	224
Solar Panel Inverter Replacement	95	-	91	-	186
Capital Budget - Vehicles/Mobile Equipmnt	3,478	-	609	-	4,087
TOTAL DISTRIBUTIONS	<u>167,427</u>	<u>4,773</u>	<u>270,004</u>	<u>30,593</u>	<u>472,797</u>
ENDING BALANCE	\$ 33,955,304	\$ (8,918,021)	\$ 53,643,318	\$ (6,380,561)	\$ 72,300,040
Less: Operating Reserves	<u>5,748,700</u>	<u>-</u>	<u>6,468,600</u>	<u>-</u>	<u>12,217,300</u>
Replacement Reserves/Restricted Funds	<u>\$ 28,206,604</u>	<u>\$ (8,918,021)</u>	<u>\$ 47,174,718</u>	<u>\$ (6,380,561)</u>	<u>\$ 60,082,740</u>
Replacement reserve floor	<u>\$ 7,428,200</u>		<u>\$ 15,665,900</u>		
Replacement reserve ceiling	<u>\$ 32,224,700</u>		<u>\$ 48,081,900</u>		

VALLECITOS WATER DISTRICT
INVESTMENT REPORT FOR AUGUST 2018

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

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

Investment activity for the month of June follows:

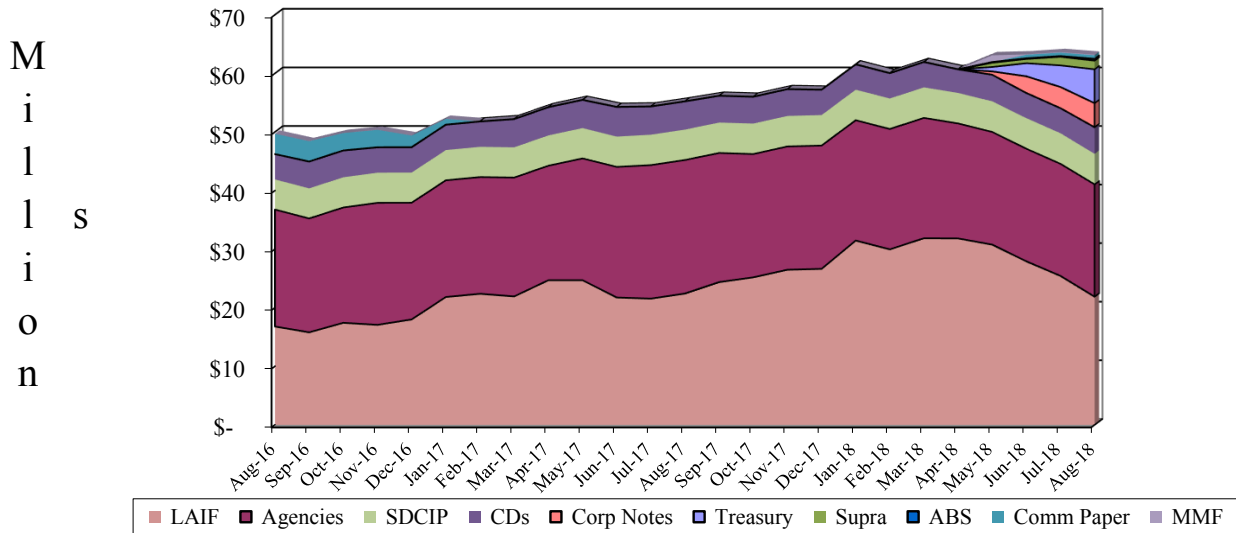
<u>Date</u>	<u>Activity</u>	<u>Investment</u>	<u>Amount</u>	<u>Maturity</u>	<u>Yield</u>
08/01/18	Withdrawal	LAIF	(1,800,000)	Open	1.99%
08/03/18	Deposit	LAIF	500,000	Open	1.99%
08/07/18	Deposit	LAIF	650,000	Open	1.99%
08/10/18	Deposit	LAIF	700,000	Open	1.99%
08/15/18	Withdrawal	LAIF	(2,100,000)	Open	1.99%
08/20/18	Matured	Goldman Sachs Bank CD	(245,000)	08/20/18	1.70%
08/21/18	Withdrawal	LAIF	(1,750,000)	Open	1.99%
08/23/18	Deposit	LAIF	500,000	Open	1.99%
08/24/18	Purchase	Royal Bank CDA NY CD	500,130	04/08/19	2.60%
08/27/18	Purchase	US Treasury	744,082	01/31/20	2.00%
08/28/18	Withdrawal	LAIF	(250,000)	Open	1.99%
08/28/18	Purchase	Honda Auto ABS	204,972	08/22/22	2.95%
08/28/18	Purchase	Bank of NY Mellon	493,125	04/15/21	2.50%
08/29/18	Purchase	US Treasury	742,236	08/31/20	2.13%
08/30/18	Purchase	US Treasury	595,594	07/31/19	1.63%
Change in investments during the month			<u>\$ (514,861)</u>		

	<u>Current</u>
Weighted average annual yield for total Vallecitos investments	2.000%
Weighted average days to maturity	347

The State Treasurer's Office provides fair market values of LAIF quarterly on their web site. The most recent valuation, which is used on this report, is as of June 30, 2018. The San Diego County Treasurer provides the fair values for the County investment pool. The most recent values and returns, which are used for this report, are for July 31, 2018. Fair values for federal agency obligations and corporate notes are provided by Union Bank trust account reporting

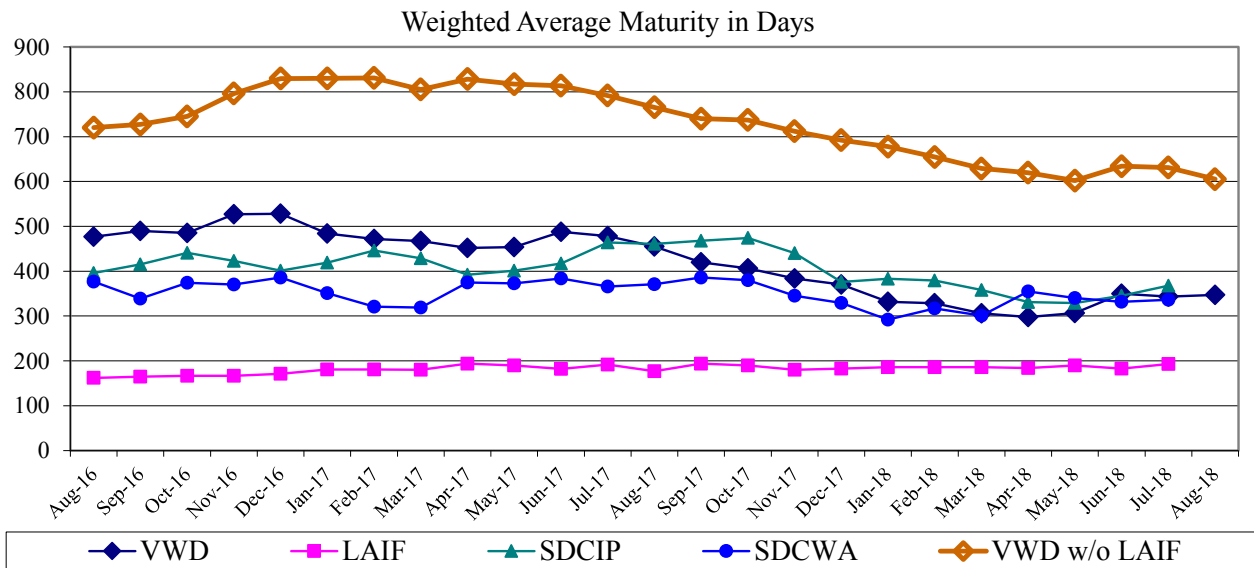
Safety

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



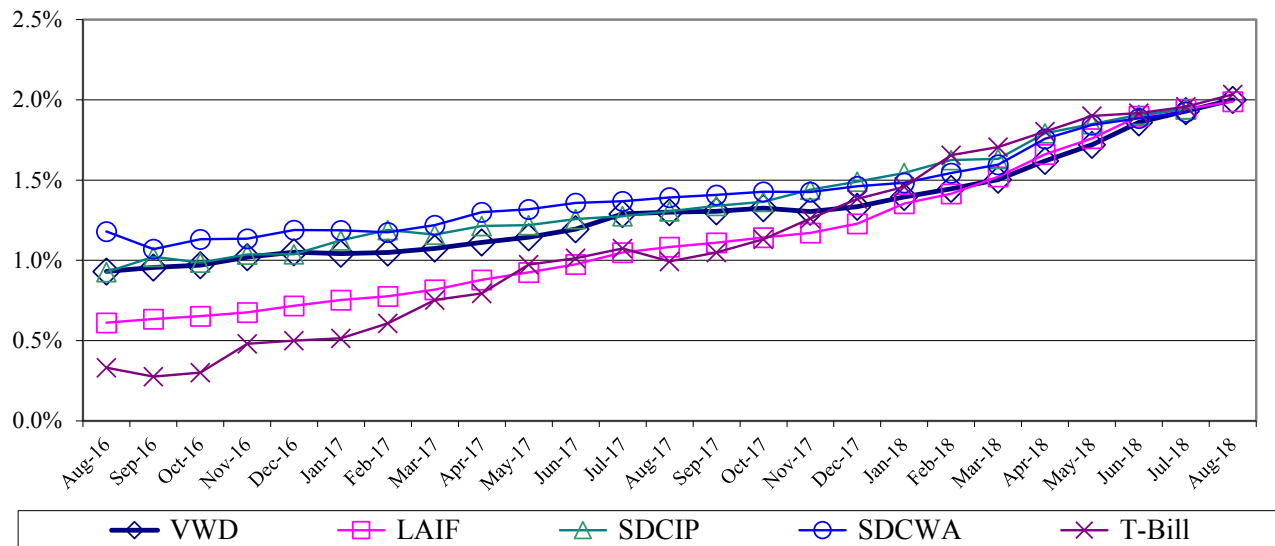
Liquidity

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of investments. The District averts interest rate risk by limiting terms of investments in accordance with the Investment Policy. Maturity in days is a measure of liquidity. The next graph compares the District’s liquidity to other managed portfolios. The District’s liquidity is graphed with and without LAIF. With LAIF the District is in fact very liquid with \$21.9 million available the same day. But for comparative purposes LAIF is eliminated from the District’s portfolio and shown separately.



Yield

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



Investment/Debt Management

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



PORTFOLIO CHARACTERISTICS

Average Modified Duration	0.95
Average Coupon	1.88%
Average Purchase YTM	2.00%
Average Market YTM	2.39%
Average S&P/Moody Rating	AA+/Aa1
Average Final Maturity	1.08 yrs
Average Life	1.02 yrs

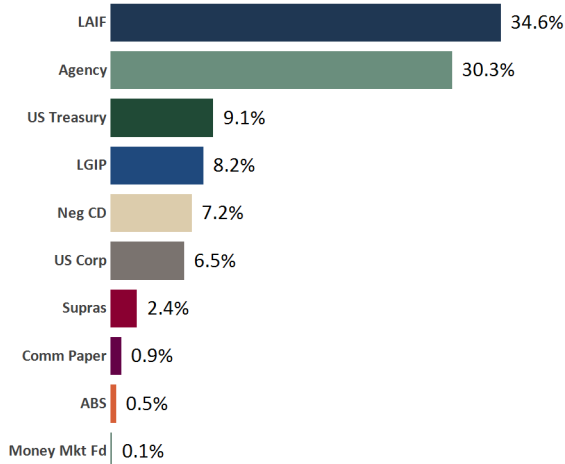
ACCOUNT SUMMARY

	Beg. Values as of 7/31/18	End Values as of 8/31/18
Market Value	63,621,604	63,168,559
Accrued Interest	183,537	227,599
Total Market Value	63,805,141	63,396,158
Income Earned	107,077	95,156
Cont/WD		
Par	64,235,790	63,747,517
Book Value	64,102,762	63,595,856
Cost Value	64,087,428	63,574,294

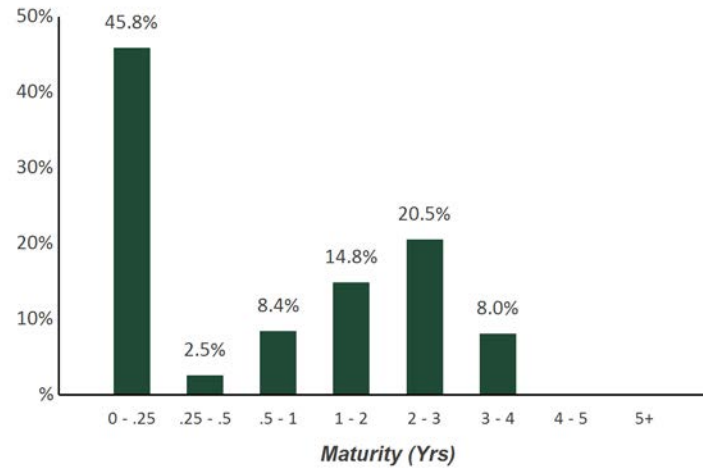
TOP ISSUERS

Local Agency Investment Fund	34.6%
Federal Home Loan Mortgage Corp	9.4%
Government of United States	9.1%
County of San Diego Pooled Inve	8.2%
Federal National Mortgage Assoc	8.1%
Federal Home Loan Bank	7.0%
Federal Farm Credit Bank	5.9%
Intl Bank Recon and Development	1.2%
Total	83.5%

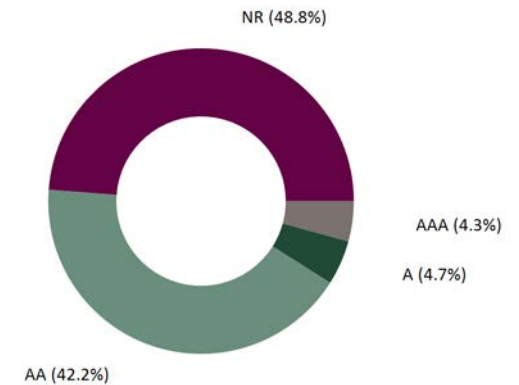
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)





CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
ABS									
43814UAG4	Honda Auto Receivables 2018-2 A3 3.01% Due 5/18/2022	105,000.00	05/22/2018 3.03%	104,997.71 104,997.86	100.08 2.99%	105,088.31 114.13	0.17% 90.45	NR / AAA AAA	3.72 2.13
43815HAC1	Honda Auto Receivables Owner 2018-3 A3 2.95% Due 8/22/2022	205,000.00	08/21/2018 2.98%	204,971.87 204,971.95	99.94 3.00%	204,886.02 50.40	0.32% (85.93)	Aaa / NR AAA	3.98 2.00
Total ABS		310,000.00	3.00%	309,969.58 309,969.81	2.99%	309,974.33 164.53	0.49% 4.52	Aaa / AAA AAA	3.89 2.04
AGENCY									
3130A5K73	FHLB Note 1.2% Due 9/26/2018	500,000.00	06/29/2015 1.26%	499,050.00 499,979.96	99.94 2.04%	499,705.50 2,583.33	0.79% (274.46)	Aaa / AA+ NR	0.07 0.07
3130AAN20	FHLB Callable Note Cont 1/23/2018 1.24% Due 1/23/2019	500,000.00	02/08/2017 1.24%	500,000.00 500,000.00	99.61 2.24%	498,035.50 654.44	0.79% (1,964.50)	Aaa / AA+ NR	0.40 0.39
3136G3YA7	FNMA Callable Note Qtrly 10/25/2016 1% Due 1/25/2019	500,000.00	07/25/2016 1.01%	499,900.00 499,984.03	99.51 2.24%	497,528.00 500.00	0.79% (2,456.03)	Aaa / AA+ AAA	0.40 0.40
3133EFYS0	FFCB Callable Note Cont 02/22/17 1.15% Due 2/22/2019	367,000.00	03/07/2017 1.40%	365,260.42 366,577.84	99.52 2.17%	365,220.42 105.51	0.58% (1,357.42)	Aaa / AA+ AAA	0.48 0.47
3133EGEF8	FFCB Callable Note Cont 6/13/2017 1.18% Due 6/13/2019	500,000.00	05/26/2017 1.43%	497,500.00 499,047.46	99.04 2.42%	495,205.00 1,278.33	0.78% (3,842.46)	Aaa / AA+ AAA	0.78 0.77
3134G9YQ4	FHLMC Callable Note Qtrly 12/28/2016 2% Due 6/28/2019	750,000.00	06/28/2016 2.00%	750,000.00 750,000.00	99.74 2.78%	748,057.50 2,614.58	1.18% (1,942.50)	Aaa / AA+ AAA	0.82 0.32
3130ABJS6	FHLB Callable Note Qtrly 9/28/2017 1.5% Due 6/28/2019	500,000.00	07/07/2017 1.50%	500,000.00 500,000.00	99.61 2.50%	498,044.00 1,310.76	0.79% (1,956.00)	Aaa / AA+ NR	0.82 0.52
3133EGLC7	FFCB Callable Note Cont 10/12/2016 1.08% Due 7/12/2019	500,000.00	07/12/2016 1.10%	499,675.00 499,906.80	98.84 2.45%	494,186.00 735.00	0.78% (5,720.80)	Aaa / AA+ AAA	0.86 0.85
3134GAEV2	FHLMC Callable Note Qtrly 2/28/2017 2% Due 8/28/2019	750,000.00	08/30/2016 2.01%	750,000.00 750,000.00	99.84 2.55%	748,816.50 119.79	1.18% (1,183.50)	Aaa / AA+ AAA	0.99 0.49
3137EADM8	FHLMC Note 1.25% Due 10/2/2019	500,000.00	09/25/2015 1.32%	498,665.00 499,639.88	98.67 2.50%	493,338.00 2,586.81	0.78% (6,301.88)	Aaa / AA+ AAA	1.09 1.06
3130A9UP4	FHLB Callable Note Cont 4/28/2017 1.19% Due 10/28/2019	500,000.00	10/28/2016 1.19%	500,000.00 500,000.00	98.38 2.62%	491,908.00 2,032.92	0.78% (8,092.00)	Aaa / AA+ NR	1.16 1.13
3134G9V95	FHLMC Callable Note Qtrly 2/22/2017 1.5% Due 11/22/2019	750,000.00	08/22/2016 1.50%	750,000.00 750,000.00	99.15 2.64%	743,611.50 281.25	1.17% (6,388.50)	Aaa / AA+ AAA	1.23 0.96



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
3136G3VH5	FNMA Callable Note Qtrly 12/30/2016 1.35% Due 12/30/2019	500,000.00	06/30/2016 1.35%	500,000.00 500,000.00	98.19 2.74%	490,942.00 1,143.75	0.78% (9,058.00)	Aaa / AA+ AAA	1.33 1.31
3135G0Q63	FNMA Callable Note Qtrly 3/30/2017 1.3% Due 3/30/2020	500,000.00	10/19/2016 1.30%	500,000.00 500,000.00	97.99 2.60%	489,964.50 2,726.39	0.78% (10,035.50)	Aaa / AA+ AAA	1.58 1.54
3130ABAY2	FHLB Callable Note Cont 7/28/2017 1.67% Due 4/28/2020	750,000.00	04/28/2017 1.67%	750,000.00 750,000.00	98.46 2.62%	738,481.50 4,279.38	1.17% (11,518.50)	Aaa / AA+ NR	1.66 1.61
3136G3NZ4	FNMA Callable Note Qtrly 11/29/2016 1.5% Due 5/29/2020	750,000.00	05/27/2016 1.50%	750,000.00 750,000.00	98.13 2.61%	735,939.00 2,875.00	1.17% (14,061.00)	Aaa / AA+ AAA	1.75 1.70
3130A8M67	FHLB Callable Note Cont 7/13/2017 1.2% Due 7/13/2020	500,000.00	11/22/2016 1.60%	492,970.00 496,397.72	97.39 2.64%	486,958.50 800.00	0.77% (9,439.22)	Aaa / AA+ NR	1.87 1.82
3135G0N66	FNMA Callable Note Qtrly 2/24/2017 1.4% Due 8/24/2020	1,000,000.00	08/24/2016 1.40%	1,000,000.00 1,000,000.00	97.43 2.74%	974,309.00 272.22	1.54% (25,691.00)	Aaa / AA+ AAA	1.98 1.93
3133EGC94	FFCB Callable Note Cont 2/2/2017 1.38% Due 11/2/2020	500,000.00	11/04/2016 1.40%	499,600.00 499,782.59	97.17 2.73%	485,871.50 2,280.83	0.77% (13,911.09)	Aaa / AA+ AAA	2.18 2.11
3133EGR49	FFCB Callable Note Cont 12/7/2017 1.77% Due 12/7/2020	250,000.00	12/07/2016 1.83%	249,437.50 249,681.21	97.89 2.74%	244,712.75 1,032.50	0.39% (4,968.46)	Aaa / AA+ AAA	2.27 1.84
3134GBT A0	FHLMC Callable Note Qtrly 9/22/2017 1.7% Due 12/22/2020	750,000.00	06/27/2017 1.70%	750,000.00 750,000.00	99.10 2.61%	743,275.50 2,441.67	1.18% (6,724.50)	Aaa / AA+ AAA	2.31 1.45
3136G4GA5	FNMA Callable Note Qtrly 4/28/2017 1.4% Due 1/28/2021	500,000.00	10/28/2016 1.40%	500,000.00 500,000.00	97.05 2.67%	485,239.50 641.67	0.77% (14,760.50)	Aaa / AA+ AAA	2.41 2.34
3133EFC54	FFCB Callable Note Cont 2/17/2017 1.62% Due 2/17/2021	150,000.00	11/18/2016 1.67%	149,667.00 149,806.89	97.33 2.75%	145,998.45 94.50	0.23% (3,808.44)	Aaa / AA+ AAA	2.47 2.09
3134G8LH0	FHLMC Callable Note Qtrly 8/26/2016 1.5% Due 2/26/2021	514,000.00	02/26/2016 1.50%	514,000.00 514,000.00	98.94 2.84%	508,562.39 107.08	0.80% (5,437.61)	Aaa / AA+ AAA	2.49 0.97
3130A7ES0	FHLB Callable Note Qtrly 6/22/2016 1.75% Due 3/22/2021	275,000.00	04/06/2017 2.11%	274,381.25 274,600.77	98.59 2.83%	271,131.30 2,123.61	0.43% (3,469.47)	Aaa / AA+ NR	2.56 1.51
3133EFZ91	FFCB Callable Note Cont 4/12/2017 1.62% Due 4/12/2021	750,000.00	04/12/2016 1.62%	749,925.00 749,960.82	97.15 2.76%	728,594.25 4,691.25	1.16% (21,366.57)	Aaa / AA+ AAA	2.62 2.20
3133EHHM8	FFCB Callable Note Cont 8/3/2017 1.99% Due 5/3/2021	750,000.00	05/03/2017 1.99%	750,000.00 750,000.00	97.87 2.82%	734,040.00 4,892.08	1.17% (15,960.00)	Aaa / AA+ AAA	2.67 1.97
3136G3A70	FNMA Callable Note Qtrly 1/27/2017 1.5% Due 7/27/2021	500,000.00	07/27/2016 1.50%	500,000.00 500,000.00	96.30 2.84%	481,487.00 708.33	0.76% (18,513.00)	Aaa / AA+ AAA	2.91 2.81



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
3134G95L7	FHLMC Callable Note Qrtly 11/25/2016 1.6% Due 8/25/2021	1,000,000.00	08/25/2016 1.60%	1,000,000.00 1,000,000.00	96.25 2.92%	962,488.00 266.67	1.52% (37,512.00)	Aaa / AA+ AAA	2.99 2.53
3130A9F89	FHLB Callable Note Qtrly 12/30/2016 1.625% Due 9/30/2021	1,000,000.00	09/30/2016 1.63%	1,000,000.00 1,000,000.00	96.10 2.96%	960,987.00 6,815.97	1.53% (39,013.00)	Aaa / AA+ NR	3.08 2.57
3136G4GF4	FNMA Callable Note Qtrly 4/28/2017 1.55% Due 10/28/2021	1,000,000.00	10/31/2016 1.55%	1,000,000.00 1,000,000.00	95.89 2.92%	958,870.00 5,295.83	1.52% (41,130.00)	Aaa / AA+ AAA	3.16 3.03
3134GAYX6	FHLMC Callable Note Qtrly 5/26/2017 1.875% Due 11/26/2021	1,000,000.00	11/30/2016 1.88%	1,000,000.00 1,000,000.00	96.62 2.98%	966,236.00 4,947.92	1.53% (33,764.00)	Aaa / AA+ AAA	3.24 2.50
Total Agency		19,556,000.00	1.56%	19,540,031.17 19,549,365.97	2.67%	19,167,744.06 63,239.37	30.33% (381,621.91)	Aaa / AA+ AAA	1.88 1.58
COMMERCIAL PAPER									
62479MK28	MUFG Bank Ltd/NY Discount CP 2.31% Due 10/2/2018	600,000.00	06/22/2018 2.36%	596,188.50 598,806.50	99.80 2.36%	598,806.50 0.00	0.94% 0.00	P-1 / A-1 NR	0.09 0.09
Total Commercial Paper		600,000.00	2.36%	596,188.50 598,806.50	2.36%	598,806.50 0.00	0.94% 0.00	Aaa / AA NR	0.09 0.09
LAIF									
90LAIF\$00	Local Agency Investment Fund State Pool	21,871,573.03	Various 2.02%	21,871,573.03 21,871,573.03	1.00 2.02%	21,871,573.03 84,844.44	34.63% 0.00	NR / NR NR	0.00 0.00
Total LAIF		21,871,573.03	2.02%	21,871,573.03 21,871,573.03	2.02%	21,871,573.03 84,844.44	34.63% 0.00	NR / NR NR	0.00 0.00
LOCAL GOV INVESTMENT POOL									
90SDCP\$00	County of San Diego Pooled Investment Pool	5,216,000.00	Various 1.94%	5,216,000.00 5,216,000.00	1.00 1.94%	5,216,000.00 0.00	8.23% 0.00	NR / NR AAA	0.00 0.00
Total Local Gov Investment Pool		5,216,000.00	1.94%	5,216,000.00 5,216,000.00	1.94%	5,216,000.00 0.00	8.23% 0.00	NR / NR AAA	0.00 0.00



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
MONEY MARKET FUND FI									
261908206	Dreyfus Treasury Money Market Fund	88,943.99	Various 1.60%	88,943.99 88,943.99	1.00 1.60%	88,943.99 0.00	0.14% 0.00	Aaa / AAA NR	0.00 0.00
Total Money Market Fund FI		88,943.99	1.60%	88,943.99	1.60%	88,943.99 0.00	0.14% 0.00	Aaa / AAA NR	0.00 0.00
NEGOTIABLE CD									
36161T2B0	Goldman Sachs Bank USA Negotiable CD 1.8% Due 9/5/2018	245,000.00	09/05/2014 1.80%	245,000.00 245,000.00	100.00 1.77%	245,000.49 2,174.79	0.39% 0.49	NR / NR NR	0.01 0.01
140420WJ5	Capital One Bank USA NA Negotiable CD 1.65% Due 10/9/2018	179,000.00	10/13/2015 1.65%	179,000.00 179,000.00	99.99 1.76%	178,977.63 1,189.49	0.28% (22.37)	NR / NR NR	0.11 0.11
02006LVC4	Ally Bank Negotiable CD 1.6% Due 10/29/2018	245,000.00	10/29/2015 1.60%	245,000.00 245,000.00	99.97 1.78%	244,925.28 1,342.47	0.39% (74.72)	NR / NR NR	0.16 0.16
795450XC4	Sallie Mae Bank Negotiable CD 1.6% Due 12/10/2018	245,000.00	12/09/2015 1.60%	245,000.00 245,000.00	99.92 1.90%	244,793.47 902.14	0.39% (206.53)	NR / NR NR	0.28 0.27
05580AGN8	BMW Corp Negotiable CD 1.35% Due 3/11/2019	245,000.00	03/10/2017 1.35%	245,000.00 245,000.00	99.64 2.04%	244,122.41 1,585.79	0.39% (877.59)	NR / NR NR	0.53 0.52
78012UEY7	Royal Bank of Canada Yankee CD 2.6% Due 4/8/2019	500,000.00	08/24/2018 2.55%	500,130.05 500,125.47	100.03 2.55%	500,125.47 1,913.89	0.79% 0.00	P-1 / A-1+ F-1+	0.60 0.60
966594AY9	Whitney Bank Negotiable CD 1.65% Due 4/22/2019	245,000.00	04/20/2017 1.65%	245,000.00 245,000.00	99.71 2.11%	244,287.79 1,484.10	0.39% (712.21)	NR / NR NR	0.64 0.63
29266NK97	Enerbank USA Negotiable CD 1.5% Due 5/15/2019	233,000.00	06/18/2015 1.58%	232,301.00 232,874.60	99.55 2.15%	231,943.81 162.78	0.37% (930.79)	NR / NR NR	0.70 0.70
89113XX33	Toronto Dominion NY Yankee CD 2.68% Due 5/24/2019	500,000.00	05/23/2018 2.68%	500,000.00 500,000.00	100.00 2.68%	500,000.00 3,722.22	0.79% 0.00	P-1 / A-1+ F-1+	0.73 0.72
06740KJ7	Barclays Bank Delaware Negotiable CD 1.9% Due 9/16/2019	245,000.00	09/16/2015 1.90%	245,000.00 245,000.00	99.58 2.31%	243,975.90 2,155.33	0.39% (1,024.10)	NR / NR NR	1.04 1.02
49306SXX7	Key Bank Negotiable CD 1.7% Due 3/9/2020	245,000.00	03/08/2017 1.70%	245,000.00 245,000.00	98.63 2.62%	241,646.20 2,019.74	0.38% (3,353.80)	NR / NR NR	1.52 1.48

Vallecitos Water District Consolidated Account

Account #10594

Holdings Report

As of August 31, 2018



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
NEGOTIABLE CD									
40434AZ44	HSBC Bank USA NA Callable Neg. CD S/A 7/8/2018 1.4% Due 7/8/2020	245,000.00	09/16/2016 1.45%	244,510.00 244,761.87	97.52 2.78%	238,912.24 516.85	0.38% (5,849.63)	NR / NR NR	1.85 1.81
254672L89	Discover Bank Negotiable CD 1.5% Due 10/26/2020	245,000.00	10/26/2016 1.50%	245,000.00 245,000.00	96.74 3.07%	237,000.75 1,288.77	0.38% (7,999.25)	NR / NR NR	2.16 2.09
66476QBW7	Northern Nevada Bank Callable Neg CD Qtrly 6/29/18 1.85% Due 12/29/2020	245,000.00	06/29/2017 1.85%	245,000.00 245,000.00	97.70 2.87%	239,366.23 37.25	0.38% (5,633.77)	NR / NR NR	2.33 2.28
94986TXN2	Wells Fargo Callable Neg CD Qtrly 9/4/18 1.15% Due 3/4/2021	243,000.00	03/04/2016 1.15%	243,000.00 243,000.00	99.55 2.05%	241,900.18 1,385.77	0.38% (1,099.82)	NR / NR NR	2.51 0.50
20033AQU3	Comenity Capital Bank Negotiable CD 1.65% Due 6/30/2021	245,000.00	06/30/2016 1.65%	245,000.00 245,000.00	96.28 3.02%	235,888.70 22.15	0.37% (9,111.30)	NR / NR NR	2.83 2.76
48126XAH8	JP Morgan Chase Bank NA Callable Neg. CD Qtrly 8/16/17 1.65% Due 8/16/2021	245,000.00	08/16/2016 1.65%	245,000.00 245,000.00	95.67 3.19%	234,398.85 177.21	0.37% (10,601.15)	NR / NR NR	2.96 2.87
Total Negotiable CD		4,595,000.00	1.82%	4,593,941.05 4,594,761.94	2.42%	4,547,265.40 22,080.74	7.21% (47,496.54)	Aaa / AAA AAA	1.17 1.04
SUPRANATIONAL									
4581X0CD8	Inter-American Dev Bank Note 2.125% Due 11/9/2020	750,000.00	05/22/2018 2.81%	737,865.00 739,213.33	98.65 2.76%	739,866.00 4,958.33	1.17% 652.67	Aaa / AAA AAA	2.19 2.11
459058GH0	Intl. Bank Recon & Development Note 2.75% Due 7/23/2021	750,000.00	07/24/2018 2.86%	747,607.50 747,688.49	99.83 2.81%	748,701.00 2,062.50	1.18% 1,012.51	Aaa / AAA NR	2.90 2.76
Total Supranational		1,500,000.00	2.84%	1,485,472.50 1,486,901.82	2.79%	1,488,567.00 7,020.83	2.36% 1,665.18	Aaa / AAA AAA	2.55 2.43
US CORPORATE									
459200JF9	IBM Corp Note 2.25% Due 2/19/2021	500,000.00	06/26/2018 3.07%	489,640.00 490,336.38	98.16 3.03%	490,786.00 375.00	0.77% 449.62	A1 / A+ A+	2.47 2.38
69371RN93	Paccar Financial Corp Note 2.8% Due 3/1/2021	300,000.00	07/23/2018 3.12%	297,585.00 297,681.60	99.30 3.09%	297,889.80 4,293.33	0.48% 208.20	A1 / A+ NR	2.50 2.36



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US CORPORATE									
06406FAA1	Bank of NY Mellon Corp Callable Note Cont 03/15/2021 2.5% Due 4/15/2021	500,000.00	08/24/2018 3.05%	493,125.00 493,153.62	98.42 3.13%	492,101.50 4,722.22	0.78% (1,052.12)	A1 / A AA-	2.62 2.49
369550BE7	General Dynamics Corp Note 3% Due 5/11/2021	350,000.00	06/28/2018 3.08%	349,247.50 349,293.50	99.82 3.07%	349,360.20 3,208.33	0.56% 66.70	A2 / A+ NR	2.70 2.55
808513AW5	Charles Schwab Corp Callable Note Cont 4/21/2021 3.25% Due 5/21/2021	320,000.00	Various 3.09%	321,372.10 321,251.28	100.32 3.12%	321,036.16 2,860.00	0.51% (215.12)	A2 / A A	2.72 2.49
931142EJ8	Wal-Mart Stores Note 3.125% Due 6/23/2021	290,000.00	06/20/2018 3.13%	289,985.50 289,986.38	100.51 2.93%	291,490.89 1,611.11	0.46% 1,504.51	Aa2 / AA AA	2.81 2.66
02665WBG5	American Honda Finance Note 1.7% Due 9/9/2021	500,000.00	07/20/2018 3.19%	478,045.00 478,794.12	95.94 3.12%	479,707.50 4,061.11	0.76% 913.38	A2 / A+ NR	3.03 2.89
89233P5F9	Toyota Motor Credit Corp Note 3.4% Due 9/15/2021	500,000.00	05/31/2018 3.03%	505,785.00 505,355.59	100.91 3.09%	504,525.00 7,838.89	0.81% (830.59)	Aa3 / AA- A	3.04 2.83
24422ETL3	John Deere Capital Corp Note 2.65% Due 1/6/2022	250,000.00	05/10/2018 3.25%	244,895.00 245,316.27	98.90 3.00%	247,240.75 1,012.15	0.39% 1,924.48	A2 / A A	3.35 3.16
74005PBA1	Praxair Callable Note Cont 11/15/2021 2.45% Due 2/15/2022	300,000.00	06/27/2018 3.15%	292,848.00 293,192.93	97.77 3.13%	293,302.80 326.67	0.46% 109.87	A2 / A NR	3.46 3.28
68389XBB0	Oracle Corp Callable Note Cont 3/15/2022 2.5% Due 5/15/2022	350,000.00	06/13/2018 3.21%	340,868.50 341,366.58	97.95 3.09%	342,840.75 2,576.39	0.54% 1,474.17	A1 / AA- A+	3.71 3.48
Total US Corporate		4,160,000.00	3.11%	4,103,396.60 4,105,728.25	3.08%	4,110,281.35 32,885.20	6.54% 4,553.10	A1 / A+ A+	2.92 2.75
US TREASURY									
912828WW6	US Treasury Note 1.625% Due 7/31/2019	600,000.00	08/29/2018 2.44%	595,593.75 595,620.06	99.26 2.45%	595,546.80 847.83	0.94% (73.26)	Aaa / AA+ AAA	0.92 0.90
9128283S7	US Treasury Note 2% Due 1/31/2020	750,000.00	08/24/2018 2.57%	744,082.03 744,138.72	99.23 2.56%	744,228.75 1,304.35	1.18% 90.03	Aaa / AA+ AAA	1.42 1.38
9128283Y4	US Treasury Note 2.25% Due 2/29/2020	750,000.00	06/25/2018 2.51%	746,835.94 747,181.77	99.52 2.58%	746,396.25 46.62	1.18% (785.52)	Aaa / AA+ AAA	1.50 1.46
912828X21	US Treasury Note 1.5% Due 4/15/2020	750,000.00	07/23/2018 2.62%	735,937.50 736,806.66	98.27 2.60%	737,021.25 4,272.54	1.17% 214.59	Aaa / AA+ AAA	1.62 1.58



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US TREASURY									
912828XH8	US Treasury Note 1.625% Due 6/30/2020	750,000.00	05/31/2018 2.43%	737,753.91 739,250.48	98.22 2.62%	736,670.25 2,086.45	1.17% (2,580.23)	Aaa / AA+ AAA	1.83 1.78
912828VV9	US Treasury Note 2.125% Due 8/31/2020	750,000.00	08/28/2018 2.66%	742,236.33 742,268.10	99.02 2.63%	742,675.50 44.03	1.17% 407.40	Aaa / AA+ AAA	2.00 1.94
912828L65	US Treasury Note 1.375% Due 9/30/2020	750,000.00	06/27/2018 2.53%	731,044.92 732,538.35	97.46 2.64%	730,927.50 4,339.14	1.16% (1,610.85)	Aaa / AA+ AAA	2.08 2.02
912828WCO	US Treasury Note 1.75% Due 10/31/2020	750,000.00	07/20/2018 2.64%	735,292.97 736,000.89	98.13 2.65%	735,937.50 4,422.55	1.17% (63.39)	Aaa / AA+ AAA	2.17 2.09
Total US Treasury		5,850,000.00	2.55%	5,768,777.35 5,773,805.03	2.59%	5,769,403.80 17,363.51	9.13% (4,401.23)	Aaa / AA+ AAA	1.71 1.66
TOTAL PORTFOLIO		63,747,517.02	2.00%	63,574,293.77 63,595,856.34	2.39%	63,168,559.46 227,598.62	100.00% (427,296.88)	Aa1 / AA+ AAA	1.08 0.95
TOTAL MARKET VALUE PLUS ACCRUED						63,396,158.08			

**VALLECITOS WATER DISTRICT
SUMMARY OF LEGAL FEES**

Matter Description	Mar-18	Apr-18	May-18	Jun-18	Jul-18
General Counsel Services	\$ 2,417	\$ 10,376	\$ 6,959	\$ 4,112	\$ 3,223
Fees and Taxes		208	3,274	1,765	182
Labor/Employment		377	1,385	522	609
Engineering - Construction/Contracting		6,797	11,150	2,288	2,059
VWD v. Brian Thomas Boyd					658
Annual Public Policy & Ethics Program					4,600
Total	\$ 2,417	\$ 17,758	\$ 22,767	\$ 8,687	\$ 11,331

DATE: SEPTEMBER 19, 2018
TO: BOARD OF DIRECTORS
SUBJECT: ENVIRONMENTAL SYSTEMS RESEARCH INSTITUTE (ESRI) SMALL UTILITY ENTERPRISE LICENSE AGREEMENT (SUELA) FOR GIS SOFTWARE AND APPLICATIONS

BACKGROUND:

The District uses ESRI GIS software extensively to create maps, plans, reports, and statistical analysis. It is also used to manage, update, maintain, and edit vast stores of data in a GIS (spatial) format and will soon be used for new interactive maps for the public, executive dashboards, and various internal web applications. In addition, GIS is tightly integrated with the District's Computer Maintenance Management System (CMMS) and Maximo, an Enterprise Asset Management software.

The District currently purchases individual licenses for ESRI software. Purchasing an Enterprise license will cost less than individual licenses for FY 18/19 and allow access to unlimited Desktop and Server licenses from ESRI. ESRI is the sole-source maintenance and licensing provider of ESRI GIS products.

DISCUSSION:

The benefits of the ESRI Enterprise License Agreement are as follows:

- Gives staff complete flexibility to deploy ESRI GIS software products that have been researched, tested, and determined a best fit for the District, when and where needed at a lower cost than per-unit pricing.
- Provides the District with access to standard ESRI tools, executive dashboards, and focused applications which can be used by field staff.
- Allows Maximo and other GIS-based enterprise business systems to access the ESRI software without incurring additional licensing costs.
- Allows continued use of ArcGIS online subscription services to easily deploy applications to the public on the District's website, and to smartphones and tablets, including the District's Water and Sewer Boundary maps.
- Includes maintenance and support on all ESRI software deployed under the agreement.
- Allows scalability across GIS servers to improve application performance and reliability.
- Allows the District to take advantage of free and discounted GIS training through ESRI Campus courses.
- ESRI software has been fully integrated into the District's enterprise business systems which serves the public and staff.

- Increased utilization of standard applications available through the SUELA. The Information Technology Division anticipates reduced reliance of custom applications in FY 19/20 due to increased utilization of standard applications available through the SUELA. Retirement of these custom applications will save an estimated \$30,000 in costs associated with support and maintenance in subsequent fiscal years.

FISCAL IMPACT:

The fiscal impact associated with staff recommendation is included in the FY18/19 budget. Individual licensing costs for FY 18/19 would cost the District \$26,527.40, whereas SUELA licensing will cost \$25,000.

The contract amounts for the second and third years will be added during the normal budget process. The SUELA total contract amount is \$75,000; or \$25,000 each fiscal year from FY18/19 to FY21/22.

RECOMMENDATION:

Authorize the General Manager to execute a 3-year ESRI Enterprise License Agreement for GIS software and applications.

ATTACHMENT:

3-year Small Utility Enterprise License Agreement



Quotation # 20535348

Date: August 22, 2018

Environmental Systems Research Institute, Inc.
380 New York St
Redlands, CA 92373-8100
Phone: 909-793-2853 Fax: 909-307-3049
DUNS Number: 06-313-4175 CAGE Code: 0AMS3

Customer # 199974 Contract #

Vallecitos Water District
Engineering Dept
201 Vallecitos de Oro
San Marcos, CA 92069-4299

ATTENTION: Matias Labarrere
PHONE: (760) 752-7134
FAX: (760) 744-3507

*To expedite your order, please attach a copy of this quotation to your purchase order.
Quote is valid from: 08/22/2018 To: 11/20/2018*

Material	Qty	Description	Unit Price	Total
114761	1	Meter Counts of 10,001 to 50,000 Small Utility Term Enterprise License Agreement - Year 1	25,000.00	25,000.00
114761	1	Meter Counts of 10,001 to 50,000 Small Utility Term Enterprise License Agreement - Year 2	25,000.00	25,000.00
114761	1	Meter Counts of 10,001 to 50,000 Small Utility Term Enterprise License Agreement - Year 3	25,000.00	25,000.00
			Item Total:	75,000.00
			Subtotal:	75,000.00
			Sales Tax:	0.00
			Estimated Shipping & Handling(2 Day Delivery) :	0.00
			Contract Pricing Adjust:	0.00
			Total:	\$75,000.00

Esri may charge a fee to cover expenses related to any customer requirement to use a proprietary vendor management, procurement, or invoice program.

For questions contact: Suzanne Timani

Email: stimani@esri.com

Phone: (909) 793-2853 x1627

The items on this quotation are subject to and governed by the terms of this quotation, the most current product specific scope of use document found at <http://www.esri.com/~media/Files/Pdfs/legal/pdfs/e300.pdf>, and your applicable signed agreement with Esri. If no such agreement covers any item quoted, then Esri's standard terms and conditions found at <http://www.esri.com/~media/Files/Pdfs/legal/pdfs/ma-full/ma-full.pdf> apply to your purchase of that item. Federal government entities and government prime contractors authorized under FAR 51.1 may purchase under the terms of Esri's GSA Federal Supply Schedule. Supplemental terms and conditions found at <http://www.esri.com/legla/supplemental-terms-and-conditions> apply to some state and local government purchases. All terms of this quotation will be incorporated into and become part of any additional agreement regarding Esri's offerings. Acceptance of this quotation is limited to the terms of this quotation. Esri objects to and expressly rejects any different or additional terms contained in any purchase order, offer, or confirmation sent to or to be sent by buyer. The quotation information is confidential and may not be copied and released without consent from Esri unless the release or copy of the quotation information is required to conform to law (i.e. open records request). Delivery is FOB Origin.

If sending remittance, please address to: Esri, P.O. Box 741076, Los Angeles, CA 90074-1076

Esri Use Only:

Cust. Name _____
Cust. # _____
PO # _____
Esri Agreement # _____



**SMALL ENTERPRISE AGREEMENT
SMALL UTILITY
(E215-2)**

This Agreement is by and between the organization identified in the Quotation ("**Customer**") and **Environmental Systems Research Institute, Inc. ("Esri")**.

This Agreement sets forth the terms for Customer's use of Products and incorporates by reference (i) the Quotation and (ii) the Master Agreement. Should there be any conflict between the terms and conditions of the documents that comprise this Agreement, the order of precedence for the documents shall be as follows: (i) the Quotation, (ii) this Agreement, and (iii) the Master Agreement. This Agreement shall be governed by and construed in accordance with the laws of the state in which Customer is located without reference to conflict of laws principles, and the United States of America federal law shall govern in matters of intellectual property. The modifications and additional rights granted in this Agreement apply only to the Products listed in Table A.

**Table A
List of Products**

Uncapped Quantities

Desktop Software and Extensions (Single Use)

ArcGIS Desktop Advanced
ArcGIS Desktop Standard
ArcGIS Desktop Basic
ArcGIS Desktop Extensions: ArcGIS 3D Analyst, ArcGIS Spatial Analyst, ArcGIS Geostatistical Analyst, ArcGIS Publisher, ArcGIS Network Analyst, ArcGIS Schematics, ArcGIS Workflow Manager, ArcGIS Data Reviewer

Enterprise Software and Extensions

ArcGIS Enterprise and Workgroup (Advanced and Standard)
ArcGIS Enterprise Extensions: ArcGIS 3D Analyst, ArcGIS Spatial Analyst, ArcGIS Geostatistical Analyst, ArcGIS Network Analyst, ArcGIS Schematics, ArcGIS Workflow Manager

Enterprise Optional Servers

ArcGIS Image Server

Developer Tools

ArcGIS Engine
ArcGIS Engine Extensions: ArcGIS 3D Analyst, ArcGIS Spatial Analyst, ArcGIS Engine Geodatabase Update, ArcGIS Network Analyst, ArcGIS Schematics
ArcGIS Runtime (Standard)
ArcGIS Runtime Analysis Extension

Limited Quantities

One (1) Professional subscription to ArcGIS Developer*
Two (2) Esri CityEngine Advanced Single Use Licenses
50 Level 1 ArcGIS Online Named Users
50 Level 2 ArcGIS Online Named Users
10,000 ArcGIS Online Service Credits
50 Level 2 ArcGIS Enterprise Named Users
2 Insights for ArcGIS for use with ArcGIS Enterprise

OTHER BENEFITS

Number of Esri User Conference Registrations provided annually	2
Number of Tier 1 Help Desk Individuals authorized to call Esri	3
Maximum number of sets of backup media, if requested**	2
Self-Paced e-Learning	Uncapped
Five percent (5%) discount on all individual commercially available instructor-led training classes at Esri facilities purchased outside this Agreement (Discount does not apply to Small Enterprise Training Package)	

*Maintenance is not provided for these items

**Additional sets of backup media may be purchased for a fee

Customer may accept this Agreement by signing and returning the whole Agreement with a signed sales quotation, purchase order, or other document that matches the Quotation and references this Agreement ("Ordering Document"). **ADDITIONAL OR CONFLICTING TERMS IN CUSTOMER'S ORDERING DOCUMENT WILL NOT APPLY, AND THE TERMS OF THIS AGREEMENT WILL GOVERN.** This Agreement is effective as of the date of Esri's receipt of Customer's Ordering Document incorporating this Agreement by reference, unless otherwise agreed to by the parties ("Effective Date").

Term of Agreement: Three (3) years

This Agreement supersedes any previous agreements, proposals, presentations, understandings, and arrangements between the parties relating to the licensing of the Products. Except as provided in Article 4—Product Updates, no modifications can be made to this Agreement.

Accepted and Agreed:

(Customer)

By: _____
Authorized Signature

Printed Name: _____

Title: _____

Date: _____

CUSTOMER CONTACT INFORMATION

Contact: _____

Telephone: _____

Address: _____

Fax: _____

City, State, Postal Code: _____

E-mail: _____

Country: _____

Quotation Number (if applicable): _____

1.0—ADDITIONAL DEFINITIONS

In addition to the definitions provided in the Master Agreement, the following definitions apply to this Agreement:

"Case" means a failure of the Software or Online Services to operate according to the Documentation where such failure substantially impacts operational or functional performance.

"Deploy", "Deployed" and "Deployment" mean to redistribute and install the Products and related Authorization Codes within Customer's organization(s).

"Fee" means the fee set forth in the Quotation.

"Maintenance" means Tier 2 Support, Product updates, and Product patches provided to Customer during the Term of Agreement.

"Master Agreement" means the applicable master agreement for Esri Products incorporated by this reference that is (i) found at <http://www.esri.com/legal/software-license> and available in the installation process requiring acceptance by electronic acknowledgment or (ii) a signed Esri master agreement or license agreement that supersedes such electronically acknowledged master agreement.

"Product(s)" means the products identified in Table A—List of Products and any updates to the list Esri provides in writing.

"Quotation" means the offer letter and quotation provided separately to Customer.

"Technical Support" means the technical assistance for attempting resolution of a reported Case through error correction, patches, hot fixes, workarounds, replacement deliveries, or any other type of Product corrections or modifications.

"Tier 1 Help Desk" means Customer's point of contact(s) to provide all Tier 1 Support within Customer's organization(s).

"Tier 1 Support" means the Technical Support provided by the Tier 1 Help Desk.

"Tier 2 Support" means the Esri Technical Support provided to the Tier 1 Help Desk when a Case cannot be resolved through Tier 1 Support.

2.0—ADDITIONAL GRANT OF LICENSE

2.1 Grant of License. Subject to the terms and conditions of this Agreement, Esri grants to Customer a personal, nonexclusive, nontransferable license solely to use, copy, and Deploy quantities of the Products listed in Table A—List of Products for the Term of Agreement (i) for the applicable Fee and (ii) in accordance with the Master Agreement.

2.2 Consultant Access. Esri grants Customer the right to permit Customer's consultants or contractors to use the Products exclusively for Customer's benefit. Customer will be solely responsible for compliance by consultants and contractors with this Agreement and will ensure that the consultant or contractor discontinues use of Products upon completion of work for Customer. Access to or use of Products by consultants or contractors not exclusively for Customer's benefit is prohibited. Customer may not permit its consultants or contractors to install Software or Data on consultant, contractor, or third-party computers or remove Software or Data from Customer locations, except for the purpose of hosting the Software or Data on Contractor servers for the benefit of Customer.

3.0—TERM, TERMINATION, AND EXPIRATION

3.1 Term. This Agreement and all licenses hereunder will commence on the Effective Date and continue for the duration identified in the Term of Agreement, unless this Agreement is terminated earlier as provided herein. Customer is only authorized to use Products during the Term of Agreement. For an Agreement with a limited term, Esri does not grant Customer an indefinite or a perpetual license to Products.

3.2 No Use upon Agreement Expiration or Termination. All Product licenses, all Maintenance, and Esri User Conference registrations terminate upon expiration or termination of this Agreement.

3.3 Termination for a Material Breach. Either party may terminate this Agreement for a material breach by the other party. The breaching party will have thirty (30) days from the date of written notice to cure any material breach.

3.4 Termination for Lack of Funds. For an Agreement with government or government-owned entities, either party may terminate this Agreement before any subsequent year if

Customer is unable to secure funding through the legislative or governing body's approval process.

3.5 Follow-on Term. If the parties enter into another agreement substantially similar to this Agreement for an additional term, the effective date of the follow-on agreement will be the day after the expiration date of this Agreement.

4.0—PRODUCT UPDATES

4.1 Future Updates. Esri reserves the right to update the list of Products in Table A—List of Products by providing written notice to Customer. Customer may continue to use all Products that have been Deployed, but support and upgrades for deleted items may not be available. As new Products are incorporated into the standard program, they will be offered to Customer via written notice for incorporation into the Products schedule at no additional charge. Customer's use of new or updated Products requires Customer to adhere to applicable additional or revised terms and conditions in the Master Agreement.

4.2 Product Life Cycle. During the Term of Agreement, some Products may be retired or may no longer be available to Deploy in the identified quantities. Maintenance will be subject to the individual Product Life Cycle Support Status and Product Life Cycle Support Policy, which can be found at <http://support.esri.com/en/content/productlifecycles>. Updates for Products in the mature and retired phases may not be available. Customer may continue to use Products already Deployed, but Customer will not be able to Deploy retired Products.

5.0—MAINTENANCE

The Fee includes standard maintenance benefits during the Term of Agreement as specified in the most current applicable Esri Maintenance and Support Program document (found at <http://www.esri.com/legal>). At Esri's sole discretion, Esri may make patches, hot fixes, or updates available for download. No Software other than the defined Products will receive Maintenance. Customer may acquire maintenance for other Software outside this Agreement.

a. Tier 1 Support

1. Customer will provide Tier 1 Support through the Tier 1 Help Desk to all Customer's authorized users.
2. The Tier 1 Help Desk will be fully trained in the Products.
3. At a minimum, Tier 1 Support will include those activities that assist the user in resolving how-to and operational questions as well as questions on installation and troubleshooting procedures.
4. The Tier 1 Help Desk will be the initial point of contact for all questions and reporting of a Case. The Tier 1 Help Desk will obtain a full description of each reported Case and the system configuration from the user. This may include obtaining any customizations, code samples, or data involved in the Case.
5. If the Tier 1 Help Desk cannot resolve the Case, an authorized Tier 1 Help Desk individual may contact Tier 2 Support. The Tier 1 Help Desk will provide support in such a way as to minimize repeat calls and make solutions to problems available to Customer's organization.
6. Tier 1 Help Desk individuals are the only individuals authorized to contact Tier 2 Support. Customer may change the Tier 1 Help Desk individuals by written notice to Esri.

b. Tier 2 Support

1. Tier 2 Support will log the calls received from Tier 1 Help Desk.
2. Tier 2 Support will review all information collected by and received from the Tier 1 Help Desk including preliminary documented troubleshooting provided by the Tier 1 Help Desk when Tier 2 Support is required.
3. Tier 2 Support may request that Tier 1 Help Desk individuals provide verification of information, additional information, or answers to additional questions to supplement any preliminary information gathering or troubleshooting performed by Tier 1 Help Desk.
4. Tier 2 Support will attempt to resolve the Case submitted by Tier 1 Help Desk.

5. When the Case is resolved, Tier 2 Support will communicate the information to Tier 1 Help Desk, and Tier 1 Help Desk will disseminate the resolution to the user(s).

6.0—ENDORSEMENT AND PUBLICITY

This Agreement will not be construed or interpreted as an exclusive dealings agreement or Customer's endorsement of Products. Either party may publicize the existence of this Agreement.

7.0—ADMINISTRATIVE REQUIREMENTS

7.1 OEM Licenses. Under Esri's OEM or Solution OEM programs, OEM partners are authorized to embed or bundle portions of Esri products and services with their application or service. OEM partners' business model, licensing terms and conditions, and pricing are independent of this Agreement. Customer will not seek any discount from the OEM partner or Esri based on the availability of Products under this Agreement. Customer will not decouple Esri products or services from the OEM partners' application or service.

7.2 Annual Report of Deployments. At each anniversary date and ninety (90) calendar days prior to the expiration of this Agreement, Customer will provide Esri with a written report detailing all Deployments. Upon request, Customer will provide records sufficient to verify the accuracy of the annual report.

8.0—ORDERING, ADMINISTRATIVE PROCEDURES, DELIVERY, AND DEPLOYMENT

8.1 Orders, Delivery, and Deployment

- a. Upon the Effective Date, Esri will invoice Customer and provide Authorization Codes to activate the nondestructive copy protection program that enables Customer to download, operate, or allow access to the Products. If this is a multi-year Agreement, Esri may invoice the Fee before the annual anniversary date for each year.
- b. Undisputed invoices will be due and payable within thirty (30) calendar days from the date of invoice. Esri's federal ID number is 95-2775-732.
- c. If requested, Esri will ship backup media to the ship-to address identified on the Ordering

Document, FOB Destination, with shipping charges prepaid. Customer acknowledges that should sales or use taxes become due as a result of any shipments of tangible media, Esri has a right to invoice and Customer will pay any such sales or use tax associated with the receipt of tangible media.

8.2 Order Requirements. Esri does not require Customer to issue a purchase order. Customer may submit a purchase order in accordance with its own process requirements, provided that if Customer issues a purchase order, Customer will submit its initial purchase order on the Effective Date. If this is a multi-year Agreement, Customer will submit subsequent purchase orders to Esri at least thirty (30) calendar days before the annual anniversary date for each year.

- a. All orders pertaining to this Agreement will be processed through Customer's centralized point of contact.
- b. The following information will be included in each Ordering Document:
 - (1) Customer name; Esri customer number, if known; and bill-to and ship-to addresses
 - (2) Order number
 - (3) Applicable annual payment due

9.0—MERGERS, ACQUISITIONS, OR DIVESTITURES

If Customer is a commercial entity, Customer will notify Esri in writing in the event of (i) a consolidation, merger, or reorganization of Customer with or into another corporation or entity; (ii) Customer's acquisition of another entity; or (iii) a transfer or sale of all or part of Customer's organization (subsections i, ii, and iii, collectively referred to as "Ownership Change"). There will be no decrease in Fee as a result of any Ownership Change.

- 9.1 If an Ownership Change increases the cumulative program count beyond the maximum level for this Agreement, Esri reserves the right to increase the Fee or terminate this Agreement and the parties will negotiate a new agreement.
- 9.2 If an Ownership Change results in transfer or sale of a portion of Customer's organization, that portion of Customer's organization will transfer the Products to Customer or uninstall, remove, and destroy all copies of the Products.

9.3 This Agreement may not be assigned to a successor entity as a result of an Ownership Change unless approved by Esri in writing in advance. If the assignment to the new entity is not approved, Customer will require any successor entity to uninstall, remove, and destroy the Products. This Agreement will terminate upon such Ownership Change.

DATE: SEPTEMBER 19, 2018
TO: BOARD OF DIRECTORS
SUBJECT: FEASIBILITY ASSESSMENT FINDINGS FOR THE DISTRICT-WIDE SOLAR PROJECT

BACKGROUND:

The Board of Directors has expressed interest in exploring the possibilities for a District-wide solar power system to be located at various District-owned properties. This subject was delegated to the Engineering/Equipment Committee (Committee) to provide direction to staff and explore potential solar power generating opportunities. The Committee's direction was to move forward with releasing a Request for Proposals (RFP) for a consultant to study and represent the District on the development of various energy savings projects. The successful consultant would be excluded from building the recommended project to ensure that there are no conflicts of interest when representing the District.

TerraVerde Renewable Partners (TerraVerde) was awarded a professional services agreement at the January 17, 2018 Board Meeting. The study has identified 3 projects that are up for consideration. Those projects are as follows:

- Net Energy Metering at Lift Station No. 1
- RES-BCT Project at Twin Oaks Reservoir Site
- Mahr Reservoir Floating Solar Project

All three projects were proposed as a Power Purchase Agreement (PPA) where an independent third party would build, maintain and operate the solar installation at no cost to the District. The PPA would generate a reduced electric rate for 20-25 years resulting in net savings to the District with no capital contributions.

DISCUSSION:

Staff presented the study update to the Board on June 20, 2018.

TerraVerde has completed the Solar Energy and Battery Storage Feasibility Assessment Findings Report which was presented to the Engineering/Equipment Committee on July 23, 2018. The Committee recommended bringing the 3 projects forward to the Board for consideration.

FISCAL IMPACT:

TerraVerde's \$212,322 contract consists of 3 separate components:

- Planning (Study) - \$62,142
- Design - \$97,725
- Construction Support - \$52,455

TerraVerde Contract	\$212,322
Staff and Overhead (Spent to Date)	<u>\$ 10,572</u>
Total	\$222,894

RECOMMENDATION:

Staff and the Engineering/Equipment Committee recommend moving forward with Design Phase for the 3 projects described above.

DATE: SEPTEMBER 19, 2018
TO: BOARD OF DIRECTORS
SUBJECT: CHANGE ORDER REQUEST FOR SOLAR PANEL INVERTER REPLACEMENT

BACKGROUND:

The 360kW Solarport Photovoltaic System for the District’s main headquarters was installed in 2006. The two existing central inverters, which convert solar panel DC current to AC current, are no longer working. The estimated savings, based on the difference between actual power costs while the inverters were functioning and after their failure, are between \$70,000 and \$100,000 annually.

This project will replace both inverters and will include a new Data Acquisition System (DAS) and 5-year service contract for the DAS. The DAS will include a display in the lobby with public information. This project will also repair broken solar panels, reinstate panel connections, and clean the panels to optimize the overall performance of the system.

On June 20, 2018, the Board awarded a contract to Baker Electric in the amount of \$154,165.60 to perform the work.

DISCUSSION:

After execution of the contract, Baker Electric contacted Satcon, the manufacturer of the replacement inverters, and were told the inverters were no longer available. Though Satcon had worked with District staff during the design phase to price out replacement inverters, it wasn’t until Baker Electric placed an order for the inverters that Satcon determined during a quality inspection of the equipment that vital components had corroded. Satcon decided that it was not financially viable to build replacement parts and the order was canceled.

There are no alternate manufacturers who can provide replacement central inverters for the District’s 360kW system. Current central inverter manufacturers only have inverters for systems as small as 500kW; therefore, there are no central inverters available on the market.

Baker Electric has proposed replacing the central inverters with string inverters. String inverters are the most cost-effective inverter option on the market today. While central invertors convert DC current to AC current for one entire solar panel system at a time, string invertors more efficiently convert current for groups of panels within a system. In this way, if one or more panels are non-functioning, the entire system isn’t shut down, just that particular group or “string” of panels. Baker Electric has provided the following two options for replacing the existing central inverters:

Option	Description	Net Increase to Contract
1	Kehua String Invertors (9 groups)	\$ 34,313
2	Chint String Inverters (18 groups)	\$129,589

Both options have pros and cons. While Kehua string inverters are more cost-effective and more efficient (i.e. less groups), they are a new product line from Satcon without a track record. While Chint string invertors have a strong track record, they are a more expensive alternative and it is unknown if they will continue making them in the future based on new SDG&E requirements. Both types of string inverters come with a 10-year warranty. Staff reviewed both options and have determined Kehua string inverters to be the best option. Satcon has a vested interest in the Kehua string inverters succeeding and they appear to be offering a higher level of customer service. Since string inverters have a 10-12 year lifespan, the existing solar panels are at 50% of their production life, and solar technology continues to develop at a rapid pace, finding a cost-effective option appears to be in the District's best interest.

Other options were discussed, but not considered. These options include the following:

1. Abandon the existing Solarport Photovoltaic System and replace with metal roofing
2. Replace/upgrade the entire Solarport Photovoltaic System, including solar panels

Increasing the contract by \$34,313 for the Kehua string inverter option will exceed limits allowable to staff. District Ordinance No. 146, Section 4.1.1, requires Board approval for change orders exceeding 10% of the Contract Value.

FISCAL IMPACT:

The total estimated cost and budget summary are as follows:

Budget	\$295,000.00
Construction	\$154,165.60
Change Order Estimate (10%)	\$ 15,416.56
Staff & Overhead	\$ 16,500.00
Panel Repair/Cleaning (not part of Baker Electric contract)	<u>\$ 35,000.00</u>
Total at time of Project Award	\$221,082.16
Change Order 1	\$ 34,313.00
Additional Staff & Overhead	<u>\$ 12,500.00</u>
New Total	\$267,895.16
Budget Surplus	\$ 27,104.84

A budget adjustment is not requested at this time and will be evaluated after the project is complete. If a budget adjustment is necessary, additional funds will be paid for out of the water replacement reserves and sewer replacement reserves.

Based on the power cost savings, this project, including the change order, will have a 2-3-year payback period.

On September 6, 2018, staff met with the Engineering & Equipment Committee to review the project and discuss available options.

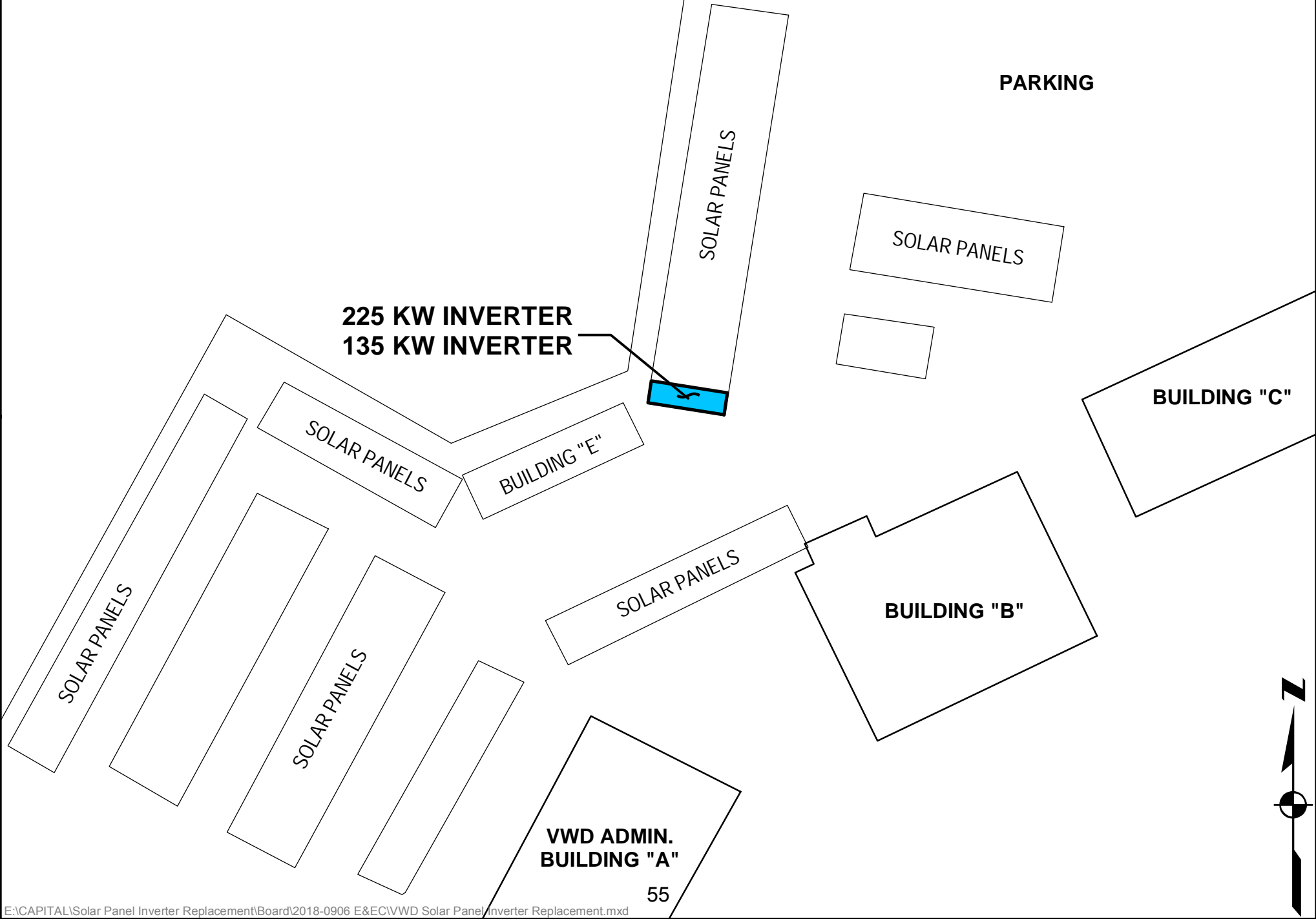
RECOMMENDATION:

Staff and the Engineering & Equipment Committee recommend the Board approve the change order to Baker Electric in the amount of \$34,313.00, subject to provisions of the contract.

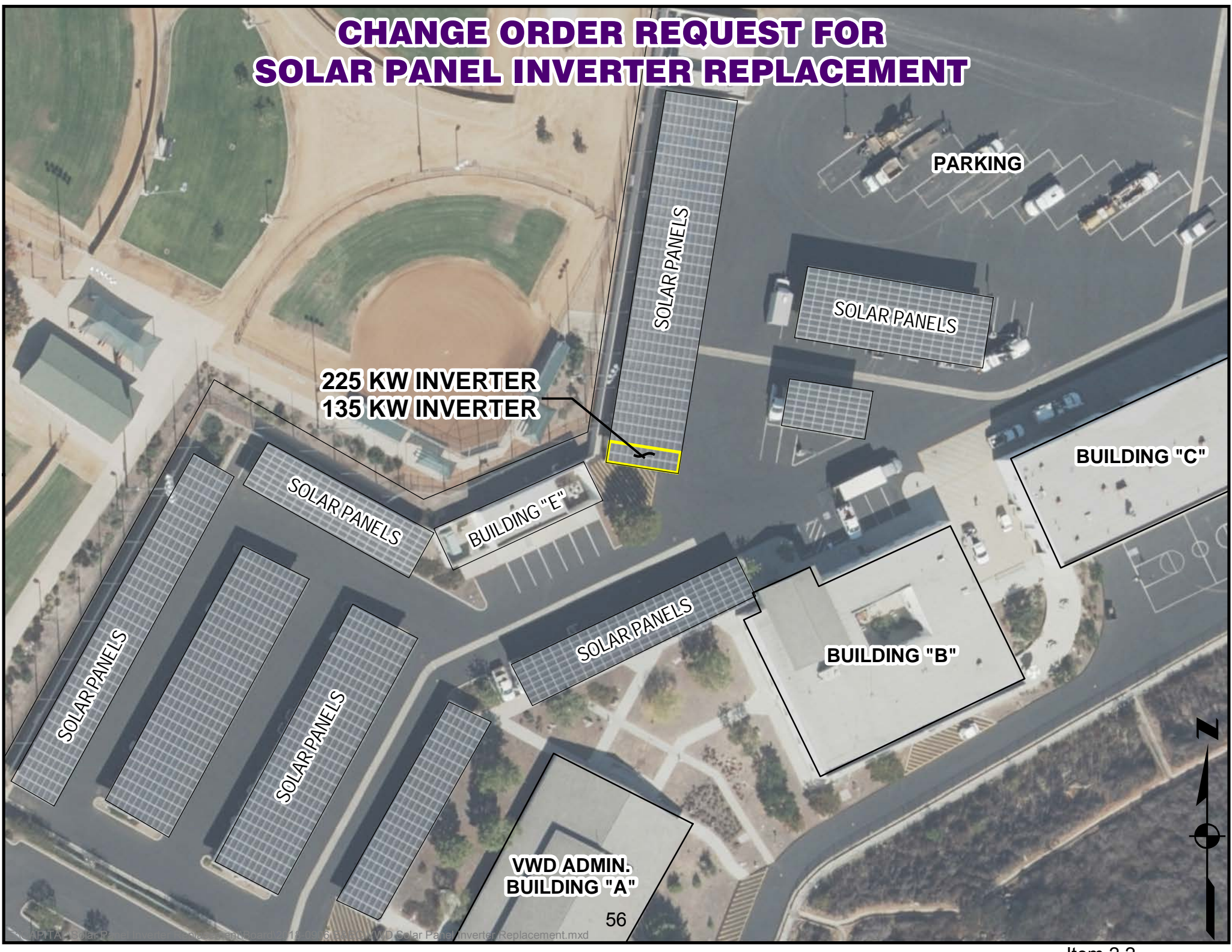
ATTACHMENTS:

Plat and Aerial Exhibit

CHANGE ORDER REQUEST FOR SOLAR PANEL INVERTER REPLACEMENT



CHANGE ORDER REQUEST FOR SOLAR PANEL INVERTER REPLACEMENT



225 KW INVERTER
135 KW INVERTER

SOLAR PANELS

PARKING

SOLAR PANELS

BUILDING "C"

SOLAR PANELS

BUILDING "E"

SOLAR PANELS

BUILDING "B"

SOLAR PANELS

SOLAR PANELS

VWD ADMIN.
BUILDING "A"



ACWA 2018 Fall Conference & Exhibition

PRELIMINARY AGENDA

November 27-30, 2018 • San Diego

ACWA JPIA - MONDAY, NOV. 26

- 8:30 - 10:00 AM**
 - ACWA JPIA Program Committee
- 10:15 - 11:15 AM**
 - ACWA JPIA Executive Committee
- 1:30 - 4:00 PM**
 - ACWA JPIA Board of Directors
- 4:00 - 5:00 PM**
 - ACWA JPIA Town Hall
- 5:00 - 6:00 PM**
 - ACWA JPIA Reception

TUESDAY, NOV. 27

- 8:00 AM - 9:45 AM**
 - Agriculture Committee
- 8:00 AM - 6:00 PM**
 - Registration
- 8:30 AM - Noon**
 - ACWA JPIA Seminars
- 9:00 AM - 4:00 PM**
 - Legal Affairs Committee CLE Spring Workshop
- 10:00 - 11:45 AM**
 - Groundwater Committee
 - Local Government Committee
- 11:00 AM - Noon**
 - Outreach Task Force
- Noon - 2:00 PM**
 - ACWA 101 & Luncheon
 - Committee Lunch Break
- 1:00 - 2:45 PM**
 - Energy Committee
 - Finance Committee
 - Scholarship & Awards Subcommittee
 - Water Management Committee
- 1:30 - 3:30 PM**
 - ACWA JPIA: Sexual Harassment Prevention for Board Members & Managers (AB 1825)
- 3:00 - 4:45 PM**
 - Communications Committee
 - Federal Affairs Committee
 - Membership Committee
 - Water Quality Committee
- 5:00 - 6:30 PM**
 - Welcome Reception in the Exhibit Hall

WEDNESDAY, NOV. 28

- 7:30 AM - 5 PM**
 - Registration
- 8:00 - 9:45 AM**
 - Opening Breakfast (*Ticket Required*)
- 8:30 AM - Noon & 1:30 - 5:00 PM**
 - Exhibit Hall
- 10:00 - 11:30 AM**
 - Attorneys Program
 - Energy Committee Program
 - Exhibitor Demos
 - Finance Program
 - Region Issue Forum
 - Statewide Issue Forum
 - Water Industry Trends Program
- 11:30 - 11:45 AM**
 - Networking in the Exhibit Hall
- 11:45 AM - 1:45 PM**
 - General Session Luncheon (*Ticket Required*)
- 2:00 - 3:15 PM**
 - Attorneys Program
 - Communications Committee Program
 - Energy Committee Program
 - Exhibitor Case Study
 - Region Program
 - Statewide Issue Forum
 - Water Industry Trends Program
- 3:30 - 4:45 PM**
 - Aquatic Resources Subcommittee
 - Exhibitor Case Study
 - Finance Program
 - Local Government Committee
 - Statewide Issue Forums
 - Water Industry Trends Program

- 3:30 - 5:30 PM**
 - Legal Affairs Committee

- 5:00 - 6:00 PM**
 - Prize Drawing Fiesta Night in the Exhibit Hall

- 5:30 - 7:00 PM**
 - CalDesal Hosted Mixer
 - CH2M Hosted Reception

THURSDAY, NOV. 29

- 7:30 AM - 4 PM**
 - Registration
- 7:45 - 9:15 AM**
 - Regions 1-5 Membership Meetings

- 8:00 AM - Noon**
 - Exhibit Hall
- 8:00 - 9:15 AM**
 - Networking Continental Breakfast, Exhibit Hall (*Ticket Required*)
- 9:30 - 11:00 AM**
 - Attorneys Program
 - Exhibitor Demos
 - Finance Program
 - Region Issue Forum
 - Statewide Issue Forum
- 9:30 - 11:45 AM**
 - Ethics Training (AB 1234) - *Limited Seating*
- 11:00 - 11:30 AM**
 - Prize Drawings in the Exhibit Hall
- 11:45 AM - 1:45 PM**
 - General Session Luncheon (*Ticket Required*)
- 2:00 - 3:15 PM**
 - Attorneys Program
 - Exhibitor Case Studies
 - Federal Issues Forum
 - Town Hall
 - Water Industry Trends Program
- 3:30 - 5 PM**
 - Regions 6-10 Membership Meetings
- 6:00 - 7:00 PM**
 - Outreach Reception
- 7:00 - 10:00 PM**
 - Dinner & Entertainment (*Ticket Required*)

FRIDAY, NOV. 30

- 8:00 - 9:30 AM**
 - Registration
- 8:30 - 10:00 AM**
 - ACWA's Hans Doe Past Presidents' Breakfast in Partnership with ACWA JPIA (*Ticket Required*)

OTHER EVENTS

TUESDAY, NOV. 27

- 7:00 AM - 4 PM**
 - ACWA Fall Conference Golf Tournament

THURSDAY, NOV. 29

- 6:45 - 8:30 AM**
 - San Joaquin Valley Agricultural Water Committee

All conference programs are subject to change.