

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

CALL TO ORDER – PRESIDENT MARTIN

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 DECEMBER 19, 2018

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. 5-19)
  - A. CLOSED SESSION BOARD MEETING – DECEMBER 5, 2018
  - B. REGULAR BOARD MEETING – DECEMBER 5, 2018
  - C. PUBLIC AWARENESS/PERSONNEL/POLICY COMMITTEE MEETING – DECEMBER 10, 2018
  - D. FINANCE/INVESTMENT COMMITTEE MEETING – DECEMBER 11, 2018

*Approved minutes become a permanent public record of the District.*

**Recommendation:            Approve Minutes**

1.2 WARRANT LIST THROUGH DECEMBER 19, 2018 – \$2,296,612.97 (pp. 20-23)

**Recommendation: Approve Warrant List**

1.3 FINANCIAL REPORTS (pp. 24-44)

- A. WATER METER COUNT – NOVEMBER 30, 2018
- B. WATER PRODUCTION/SALES REPORT – 2018/2019
- C. PER CAPITA WATER CONSUMPTION – NOVEMBER 30, 2018
- D. WATER REVENUE AND EXPENSE REPORT – NOVEMBER 30, 2018
- E. SEWER REVENUE AND EXPENSE REPORT – NOVEMBER 30, 2018
- F. RESERVE FUNDS ACTIVITY – NOVEMBER 30, 2018
- G. INVESTMENT REPORT – NOVEMBER 30, 2018
- H. LEGAL FEES SUMMARY – NOVEMBER 30, 2018

1.4 APPROVAL OF CONSTRUCTION AGREEMENT FOR FIRESTINE RESIDENCE – 862 ROCK SPRINGS RD – APN: 226-012-46 (pp. 45-47)

*The project will construct approximately 170 feet of 8-inch diameter PVC sewer main.*

**Recommendation: Approve Construction Agreement**

1.5 APPROVAL OF CONSTRUCTION AGREEMENT FOR FOLIA AND OMELI SINGLE FAMILY RESIDENCES, APN: 222-360-35 & 222-360-36 (pp. 48-50)

*The project will construct approximately 111 feet of 8-inch diameter PVC sewer main plus sewer laterals and water meters to two lots.*

**Recommendation: Approve Construction Agreement**

1.6 APPROVAL OF CONSTRUCTION AGREEMENT FOR MONTIEL 6-LOT SUBDIVISION, APN: 226-111-53, 226-092-66 & 226-092-67 (pp. 51-53)

*The project will construct a 29-foot extension of an 8-inch diameter PVC sewer main.*

**Recommendation: Approve Construction Agreement**

1.7 APPROVAL OF TEMPORARY OFF-SITE WATER & SEWER SERVICE AGREEMENTS FOR APN: 226-092-66 (pp. 54-57)

*The owners of the property have requested approval of Temporary Off-Site Water and Sewer Service Agreements.*

**Recommendation: Approve Temporary Off-Site Water Service Agreement and Temporary Off-Site Sewer Service Agreement with conditions**

- 1.8 CONTRACT AMENDMENT #4 TO KENNEDY/JENKS CONSULTANTS INCORPORATED FOR THE SAN MARCOS INTERCEPTOR PROJECT, PHASE 2 (pp. 58-62)

*The project has been phased to correspond to City of San Marcos initiated development.*

**Recommendation: Approve Amendment to the Professional Services Agreement with K/J in the amount of \$61,338, subject to the provisions of the contract**

- 1.9 RETITLE ACCOUNTANT POSITION TO SENIOR ACCOUNTANT (pp. 63-69)

*The current position title of Accountant does not coincide with the responsibilities as listed in the job description.*

**Recommendation: Approve position title change and adopt revised pay schedule**

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

ACTION ITEMS

- 2.1 HILLSIDE PROPERTY AD HOC COMMITTEE CONSIDERATION (pp. 70-71)

*The District owns 32.7 acres of land adjacent to the Administrative Facilities that have been determined to be surplus to the District's needs for its operations.*

**Recommendation: 1) Form a Hillside Property Ad Hoc Committee; 2) Appoint two members of the Board to serve on the Committee**

- 2.2 CALL FOR NOMINATIONS TO THE LOCAL AGENCY FORMATION COMMISSION (pp. 72-74)

*Nominations are being solicited for two special district members, one regular and one alternate, to serve on the Local Agency Formation Commission.*

**Recommendation: Request Board direction**

- 2.3 CONSIDERATION OF ACWA JPIA REFUND CHECK FOR GAINSHARING (pp. 75-81)

*Employee Recognition Program includes the creation of a Gainsharing Incentive Plan as a new Organizational Achievement Award.*

**Recommendation: Presented for Board Consideration**

\*\*\*\*\*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

**\*\*\*\*\*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](http://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 5:00 p.m., Friday, December 14, 2018.

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Diane Posvar

MINUTES OF A CLOSED SESSION MEETING  
OF THE BOARD OF DIRECTORS  
OF THE VALLECITOS WATER DISTRICT  
WEDNESDAY, DECEMBER 5, 2018, AT 4:00 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 4:09 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  
General Counsel Gilpin  
Executive Secretary Posvar  
Administrative Secretary Johnson

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

18-12-01 MOTION WAS MADE by Director Martin, seconded by Director Elitharp, and carried unanimously, to adopt the agenda for the Closed Session Meeting of December 5, 2018.

PUBLIC COMMENT

None.

CLOSED SESSION

CONFERENCE WITH THE REAL PROPERTY NEGOTIATORS (Per Government Code Section 54956.8)

Property: APN is 220-022-06 (southwest corner of West Mission Road and Knoll Road, San Marcos);

District Negotiator: Glenn Pruim; Negotiating Parties: Interested Parties; Under Negotiation: Price & Terms

18-12-02 MOTION WAS MADE by Director Sannella, seconded by Director Martin, and carried unanimously, to move into Closed Session pursuant to Government Code Section 54956.8.

REPORT AFTER CLOSED SESSION

The Board reconvened to Open Session at the hour of 4:40 p.m. There was no reportable action from the Closed Session meeting.

ADJOURNMENT

There being no further business to discuss, President Hernandez adjourned the Closed Session Meeting of the Board of Directors at the hour of 4:41 p.m.

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

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James Hernandez, President  
Board of Directors  
Vallecitos Water District

ATTEST:

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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, DECEMBER 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 5:05 p.m.

President Hernandez 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  
Executive Secretary Posvar  
Administrative Secretary Johnson

Others Present: Jennifer Farr, DavisFarr LLP

ADOPT AGENDA FOR THE REGULAR MEETING OF DECEMBER 5, 2018

18-12-03 MOTION WAS MADE by Director Martin, seconded by Director Evans, and carried unanimously, to adopt the agenda for the Regular Board Meeting of December 5, 2018.

PUBLIC COMMENT

Mike Hunsaker, member of the public, addressed the Board stating the Bureau of Reclamation has published a 24-month projection indicating a 56% chance that Lake Mead will be below 1,075 feet at the end of the year which will trigger an international drought response. He expressed his concern of data used in the projection and the draining of Lake Powell to keep Lake Mead at levels that do not trigger reductions. He further stated 75% of the county's water comes from the Colorado River and that Lake Powell and Lake Mead produce most of our sustainable energy for southern California. If we lose the Colorado River and that power, we're in deep trouble. He thanked the Board.

CONSENT CALENDAR

18-12-04 MOTION WAS MADE by Director Martin, seconded by Director Sannella, and carried unanimously, to approve the Consent Calendar as presented.

1.1 Approval of Minutes

- A. Finance/Investment Committee Meeting – November 19, 2018
- B. Closed Session Board Meeting – November 21, 2018
- C. Regular Board Meeting – November 21, 2018

1.2 Warrant List through December 5, 2018 - \$3,993,317.65

1.3 North Twin Oaks Tank No. 1 Refurbishment

1.4 Award of Construction Contract for the OSHA Compliant Ladder Climb Safety Systems

ACTION ITEMS

EMERALD HEIGHTS HOMEOWNERS ASSOCIATION WATER SERVICE CONCERNS

Development Services Senior Engineer Scholl reviewed the results of discussions between staff and representatives of the Emerald Heights Homeowners Association (EHHOA) since the November 7 Board meeting. At that meeting, EHHOA's requests for the District's assistance regarding water rate increases, water meter relocations, and brush and road maintenance responsibilities were discussed. The Board directed staff to find amicable solutions for each item and gather additional information on costs and level of efforts needed to resolve them. The following summarizes staff's findings:

- Road maintenance responsibilities – EHHOA received an updated quote in the amount of \$9,387.00 for slurry seal and repair work on the looped easement road. Staff could support a one-time only 50/50 contribution to the road slurry seal and repairs not-to-exceed \$4,693.50.
- Brush maintenance activities – EHHOA requested the removal of brush encroaching in the looped easement road and maintenance on an annual basis. Staff could support performing a brush clearing event during the 2019 calendar year and would continue to clear the easement as needed to ensure access by District vehicles and equipment. The timing of the one-time clearing will depend on the availability of the work crews that routinely perform District easement vegetation clearing. The availability of these crews is currently being affected by the wildfires that have impacted California in recent months. Staff did not recommend the District commit to annual maintenance of the looped easement road.
- Maintenance and repair of the northern access gate – EHHOA inquired if the District was willing to participate in the maintenance and repair of the access gate that links to the High Point development on the north end of Emerald Heights. Staff was not interested in participating in this gate's maintenance and EHHOA has agreed to drop this request.



- Reducing EHHOA's irrigation costs – Staff's analysis indicates that swapping four of the EHHOA's existing smaller 1 ½-inch meters with larger 2-inch meters could potentially reduce the amount of water being charged at the highest tier 3 rates by approximately \$20,000 per year. Dan Cannon, President of the EHHOA, requested the District perform these meter swaps. The District can perform six of the eight meter exchanges for approximately \$2,450.87 per meter. However, staff has discovered that two of the service lines from the water meter to the water main would need to be upsized to handle the demands of the bigger 2-inch meters. District construction personnel have estimated the cost of these two meter exchanges at \$9,168.30 and \$12,686.30, mainly for the work involved in re-laying the new service lines, bringing the total estimated cost for the meter exchanges to \$36,559.82. After discussing the costs with the EHHOA, the EHHOA requested that the District allow the continued use of the undersized service lines with the larger 2-inch meters. The EHHOA would agree to reimburse the District its costs for repairing these service lines if they break in the future. This would reduce the total estimated cost for the meter exchanges to approximately \$19,606.96, of which \$11,309.76 is for District labor and overhead.

Staff requested the Board's direction on the EHHOA's meter exchange request.

Mike Hunsaker, member of the public and President of the Twin Oaks Valley Property Owners Association (TOVPOA), addressed the Board stating that the TOVPOA is very concerned about fire as the area has a large amount of brush. He advised the District to establish a program of more aggressive brush clearance. He thanked the Board.

Dan Cannon, representing the EHHOA, addressed the Board and thanked staff for all of the work they've done over the past couple of weeks. The EHHOA appreciates the District's assistance with the slurry seal and maintenance of the easement road, and requested the brush maintenance be performed before June, which is the start of fire season. Mr. Cannon stated the District did not charge for swapping meters in the past and that the EHHOA was previously told that if the lines in the road were not required to be replaced, the District would not charge for exchanging the meters. He hopes the District will perform the meter exchange at their cost or that some type of arrangement can be negotiated.

General discussion took place regarding the costs associated with exchanging meters. Aside from the labor costs which are already in the budget, the District would need to purchase approximately \$8,300.00 in materials and supplies. Further discussion took place regarding the possibility of cost sharing between the EHHOA and the District. General Manager Pruiim noted that if the EHHOA paid for the entire cost of exchanging the meters (approximately \$20,000) they would realize approximately that same amount annually depending on water rates and consumption.

Giampaolu Ganzamia, member of the public, addressed the Board stating he is a resident and homeowner in Emerald Heights and past President of the EHHOA. He

further stated an engineering report was prepared in February of 2011 which contains more details that may be helpful in making a decision about a cost sharing agreement.

During further discussion President Martin stated he concurred with the Board that the EHHOA should be responsible for the entire cost of exchanging the meters. Mr. Cannon asked if the EHHOA could pay those costs over time.

18-12-05 MOTION WAS MADE by Director Martin, seconded by Director Evans, and carried unanimously, to approve staff's recommendations regarding the first three items as discussed and stipulate that the EHHOA must pay for the entire cost of exchanging the meters which may be paid over a period of one year (12 payments) beginning January 2019.

#### FISCAL YEAR 2017/2018 ANNUAL AUDIT REPORT

Finance Manager Owen introduced Jennifer Farr of DavisFarr LLP, the firm that completed the District's annual audit. Ms. Farr provided a presentation on the audit results for the Fiscal Year ended June 30, 2018 which included audit reports, audit results, compliance results and areas of audit focus. The auditor's opinion states that the District's financial statements were accurate in all material aspects in accordance with government accounting standards. The District received an unmodified opinion which is the highest level of opinion possible.

General discussion took place.

Finance Manager Owen stated the financial statements are the responsibility of District management. He facilitated a presentation on the FY 2017/18 Audited Financial Report as follows:

- Contents
- Financial Highlights
- Current Year to Prior Year Analysis
- Restrictions, Commitments and Limitations
- Capital Assets
- Next Year's Budget and Rates

Mike Hunsaker, member of the public, addressed the Board stating that the London Interbank Offered Rate (LIBOR) is part of the District's debt and that it will be changing due to what's going on in the UK. He expressed his opinion that there will be a big upgrade to pension liabilities in January. He is concerned about the unrated securities, he did not see any discussion on capacity fees and the deficit in those accounts, nor any information on impact fees. His biggest concern is the sale of water capacity. The Mark San Marcos development has 416 apartments. According to facility fees, they should have paid for 40 2-inch meters; they put in 11. How is that financially appropriate? Under a law passed in 2016, submetering can be done. The owner of the

property only pays one capacity fee. Who pays for these meters, who have they been paying the true tier 3 water rates to over the last couple of years, and how many submeters have been attached and charged to the consumer?

18-12-06 MOTION WAS MADE by Director Martin, seconded by Director Evans, and carried unanimously, to accept the FY 2017/2018 audited financial statements.

President Hernandez expressed his gratitude to the Board for their support and guidance during this past year and thanked staff for their assistance.

### ANNUAL BOARD TRANSITION

General Manager Pruim stated that although Ordinance No. 203 addresses reorganization of the Board following elections in even numbered years, past practice has been to reorganize annually at the first Board meeting in December. A schedule showing the President and Vice President appointments for the last six years was provided for the Board's reference.

18-12-07 MOTION WAS MADE by President Hernandez, seconded by Director Sannella, and carried unanimously, to elect Director Martin President and Director Evans Vice President of the Board of Directors.

President Martin presented Director Hernandez with a book highlighting his term as President.

### COMMITTEE APPOINTEES AND REPRESENTATIVES

President Martin distributed a list of committee assignments for 2019 to the Board.

18-12-08 MOTION WAS MADE by Director Sannella, seconded by Director Elitharp, and carried unanimously, to approve the committee members as presented.

### COMMITTEES

ENGINEERING/EQUIPMENT  
FINANCE/INVESTMENT  
LEGAL/LEGISLATIVE AFFAIRS  
PUBLIC AWARENESS/PERSONNEL/POLICY  
AD HOC

Jim Hernandez (C), Craig Elitharp  
Mike Sannella (C), Hal Martin  
Mike Sannella (C), Betty Evans  
Hal Martin (C), Jim Hernandez  
Will be assigned on as needed basis  
(C) = Chairperson

**REPRESENTATIVES**

ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) ENERGY COMMITTEE	Member:	Craig Elitharp
ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) GROUNDWATER COMMITTEE	Member:	Jim Hernandez
ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) MEMBERSHIP COMMITTEE	Member:	Hal Martin
ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) WATER QUALITY COMMITTEE	Member:	Craig Elitharp
ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) REGION 10 BOARD	Member:	Betty Evans
ACWA/JOINT POWERS INSURANCE AUTHORITY	Delegate: Alternate:	Hal Martin Betty Evans
CALIFORNIA ASSOCIATION OF SANITATION AGENCIES (CASA) – LEGISLATIVE COMMITTEE	Delegate: Alternate:	Craig Elitharp Hal Martin
ENCINA WASTEWATER AUTHORITY	Delegates: Alternate:	Jim Hernandez & Hal Martin Glenn Pruum
SAN DIEGO COUNTY WATER AUTHORITY (SDCWA)	Delegate:	Betty Evans
SDNEDC	Delegate:	Mike Sannella

**APPROVAL OF GENERAL MANAGER’S EMPLOYMENT AGREEMENT**

Legal Counsel Gilpin reviewed significant financial terms of the proposed First Amended Employment Agreement between Vallecitos Water District and General Manager Pruum as follows:

- The proposed agreement is for four years beginning on December 5, 2018.
- The General Manager’s salary will increase by 3%.
- The General Manager will be eligible for merit-based salary increases in conjunction with an annual performance evaluation of up to 3% of his salary per year.
- The General Manager will remain eligible for the same cost of living adjustments as other employees of the District.
- The General Manager will receive 40 hours of Executive Leave per year.
- The General Manager will continue to receive benefits offered by the District at the same level as is offered to other District employees.

18-12-09 MOTION WAS MADE by Director Evans, seconded by Director Hernandez, and carried unanimously, to approve the First Amended Employment Agreement between the Vallecitos Water District and General Manager Pruum.

## REPORTS

### GENERAL MANAGER

General Manager Pruum reported that the Department of Water Resources has released its initial State Water Project "Table A" allocation of 10%. That amount may increase if weather conditions improve.

### DISTRICT LEGAL COUNSEL

Legal Counsel Gilpin briefly discussed the San Jose Decision, a Public Records Act case, which the Supreme Court adopted in 2017. The court found that officials' and employees' communications related to District business are public records, even if they are on their personal devices. He will be working with General Manager Pruum to assess any corrective steps the District needs to make concerning this in conjunction with the District's records retention policy.

### SAN DIEGO COUNTY WATER AUTHORITY

Director Evans stated the Board will meet on December 6.

### ENCINA WASTEWATER AUTHORITY

President Hernandez stated the Capital Improvement Committee will meet next week. He further stated he will be serving as the President of the EWA Board of Directors beginning next week.

Director Elitharp reported on his attendance to the Policy and Finance Committee meeting on December 4 at which the Committee considered a resolution establishing the Board of Directors meeting dates for 2019 and the Fiscal Year 2018 Comprehensive Annual Financial Report.

### STANDING COMMITTEES

President Martin stated the Finance/Investment Committee received the same presentation on the Fiscal Year 2017/2018 Annual Audit Report at their November 19 meeting as the Board heard tonight.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

Directors Hernandez, Evans, Elitharp and Martin reported on their attendance to the Association of California Water Agencies Fall Conference.

OTHER BUSINESS

None.

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

Directors Elitharp and Martin thanked Director Hernandez for his service as President of the Board during the past year.

Director Hernandez acknowledged that the equipment in the Boardroom is new; however, he hopes to have Board meetings begin on time. Director Sannella concurred with Director Hernandez. President Martin expressed his frustration on the new Boardroom equipment as well.

General Manager Pruum stated the equipment upgrades are near completion. Staff and the Board will receive training on how to use the equipment in the near future.

ADJOURNMENT

There being no further business to discuss, President Martin adjourned the Regular Meeting of the Board of Directors at the hour of 6:21 p.m.

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

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Hal J. Martin, President  
Board of Directors  
Vallecitos Water District

ATTEST:

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Glenn Pruum, Secretary  
Board of Directors  
Vallecitos Water District

MINUTES OF A MEETING OF THE  
PUBLIC AWARENESS/PERSONNEL/POLICY COMMITTEE  
OF THE VALLECITOS WATER DISTRICT  
MONDAY, DECEMBER 10, 2018 AT 9:00 A.M.  
AT THE DISTRICT OFFICE, 201 VALLECITOS DE ORO,  
SAN MARCOS, CALIFORNIA

Director Evans called the meeting to order at the hour of 9:35 a.m.

Present: Director Evans  
Director Hernandez  
General Manager Pruim  
Public Information/Conservation Supervisor Robbins  
Financial Analyst Arthur  
Administrative Secretary Johnson

ITEMS FOR DISCUSSION

WATER BILL ADJUSTMENTS

General Manager Pruim stated the District does not have a policy for water bill adjustments; however, it is something that occurs quite often particularly with water leaks. The District's current practice allows for a bill adjustment if a leak is confirmed and staff's review of the customer's water usage history indicates a deviation from their normal usage. The customer must also verify that the leak has been repaired. Typically, the bill adjustment is for a period of one month and consists of charging the usage that was in the highest tier 3 at the tier 2 rate. The customer still pays for all of the water used, but at a lower rate. The intent is for emergency water main breaks or something of that nature, not when sprinklers are left on, etc.

General discussion took place regarding establishing criteria for a policy allowing a billing adjustment such as the frequency of leaks. Director Hernandez suggested one adjustment per year. Director Evans agreed with one per year; however, she doesn't feel anyone should be punished in a true emergency.

General Manager Pruim stated staff is developing an informational video on how to read a water meter that will be available on the District's website to assist customers in monitoring their water usage. Director Evans suggested that when a billing adjustment is made, the customer could be asked to have a residential landscape audit performed at their home. Mission Resources performs the audits at no charge to the customer. The San Diego County Water Authority and the District share the cost of the program. The District's cost for a typical audit is approximately \$60.00.

Mike Hunsaker, member of the public, stated irrigation lines have more potential for leaks and this should be taken into consideration. He further stated leaks in apartments

are one of the biggest water wastes we have and asked if submeters are starting to be required for apartments and if so, who pays for them.

General Manager Pruim stated developers are required to install submetering in new apartments and the apartment owners are required to send notice to tenants of their water consumption. They are not required to share this information with the District.

The consensus of the Committee was to ask staff to draft a billing adjustment policy to be brought back to the Committee for further discussion. The policy should include a once-per-year adjustment limit, eligibility criteria, review of usage history for a maximum of three months, billing the extra water at tier 2 rates, requiring a landscape audit, and a maximum amount for the adjustment such as a percentage of their average monthly bill. Staff will review data to determine how many leaks are reported per year that would qualify for a billing adjustment and how many customers received an adjustment.

### AGRICULTURAL WATER RATES PROGRAM

Public Information/Conservation Supervisor Robbins provided background on this issue dating back to the May 16, 2018 Board meeting at which Robert Case requested approval of an agricultural rate for his single-family residence. Agricultural water is required to be used for growing crops, animal husbandry, floriculture products, etc. District Ordinance No. 207 does not address the subject of customers enrolling in Certified Non-Participating Agricultural Water Rate (CNPAWR) accounts. At the Board's direction, Public Information/Conservation Supervisor Robbins provided additional information to this Committee on August 21 concerning the history of the CNPAWR, how agricultural water had been "grandfathered" in previous ordinances, customers interested in the CNPAWR and CNPAWR related revenue loss. The Committee requested additional information on the expected revenue loss and if there was any logic or reason for leaving CNPAWR out of Ordinance No. 207.

Public Information/Conservation Supervisor Robbins stated that he found no reason why CNPAWR was not addressed in Ordinance No. 207. He further stated that four additional customers have requested agricultural water since May and that he consulted with Attorney Kelly Salt from BBK about this issue. Her opinion was that it is unclear how access to CNPAWR can be restricted based on the current ordinance. Attorney Salt recommended this be addressed in future ordinances and that a mandatory reduction in times of drought or a drought rate could be invoked for CNPAWR accounts.

General discussion took place regarding how a usage reduction could work, 218 considerations, and the possible development of an irrigation rate which the District does not currently have.

Financial Analyst Arthur provided data on two accounts that have requested CNPAWR water, Hokto Kinoko (commercial property) and Michael Rote (residential property) which illustrates the annual revenue loss for the past year if they were allowed the CNPAWR. The District currently has 22 CNPAWR accounts.



General discussion took place regarding possible caveats to go with an irrigation rate. In a drought situation, irrigation accounts would have to cut back or pay higher rates if a reduction is not verified in a month or two.

Director Hernandez recommended staff draft a revision to Ordinance No. 207 and bring it back to the Committee for further discussion. The draft Ordinance should include an agricultural rate, several tiers, allowing new customers into the program including micro-farms, developing an equivalency for hydroponic crops relative to acres, and defining the criteria for a commercial grower.

Mike Hunsaker, member of the public, expressed his concerns that some types of businesses may not be adaptable to more efficient water usage, totally unfettered consumption of water cannot be allowed by any segment, and that something should be said about water softeners and more tiers.

Director Evans recommended changing the CNPAWR name to eliminate confusion and to create a new program which allows a lower rate but comes with sacrifices in regard to efficiency and lack of water.

General discussion took place regarding creating an irrigation rate rather than a commercial rate. This is something that could be considered during the next Cost of Service Study which is anticipated to be completed in the fall of 2019.

The consensus of the Committee was to offer a pilot program for agricultural rates for approximately one year and evaluate the results during the next Cost of Service Study. Staff will draft a revised Ordinance and bring it back to the Committee for further discussion.

#### OTHER BUSINESS

None.

#### PUBLIC COMMENT

None.

#### ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at the hour of 10:55 a.m.

MINUTES OF A MEETING OF THE  
FINANCE/INVESTMENT COMMITTEE  
OF THE VALLECITOS WATER DISTRICT  
TUESDAY, DECEMBER 11, 2018 AT 4:00 P.M.  
AT THE DISTRICT OFFICE, 201 VALLECITOS DE ORO,  
SAN MARCOS, CALIFORNIA

Director Martin called the meeting to order at the hour of 4:00 p.m.

Present:                    Director Martin  
                              Director Sannella  
                              General Manager Pruum  
                              Finance Manager Owen  
                              Accounting Supervisor Glenn  
                              Financial Analyst Arthur  
                              Administrative Secretary Johnson

ITEM(S) FOR DISCUSSION

PERS 2017 ACTUARIAL REPORT

Staff provided a status update on PERS since 2016. The 2017 PERS Actuarial Report was released in September which contains data as of June 30, 2017. Finance Manager Owen facilitated a presentation on the District's Annual Valuation Report as follows:

- Purpose
- UAL and Funding Status
- Funding Options
- Alternative Schedules
- Amortization Bases
- Next Steps

Finance Manager Owen stated the District's Unfunded Accrued Liability (UAL) is \$16.9 million as of June 30, 2017, a decrease from \$17.1 million in 2016. The District's funding status is 76.6%.

General Manager Pruum noted that the District has always paid the amount specified by CalPERS, often up front instead of monthly installments, resulting in a small discount for not having to pay interest. The District has saved approximately \$35,000 per year during the last three years or so by paying up front.

General discussion took place on the benefits of paying off the UAL which would save the 7% interest the District is currently paying, but would affect days in cash, etc. Several funding options were discussed such as making accelerated payments.

This item was information only.

OTHER POST EMPLOYMENT BENEFITS FUNDING

General Manager Pruim provided a brief presentation on the District's Other Post Employment Benefits (OPEB). OPEB is a program for District retirees primarily for medical costs. The program is no longer available to employees hired after June 30, 2013. To be eligible for OPEB, an employee must work for the District for five years and retire from the District.

Director Martin inquired how CalPERS learns of a retiree's death. Staff will research this.

General Manager Pruim stated that of 104 employees who have some level of eligibility for OPEB, 28 have already retired. There are 76 active employees who were hired before 2013. That number may change if employees leave the District to work somewhere else. He further stated that according to the latest actuarial report, the District's OPEB liability is \$5.3 million.

General Manager Pruim explained that every year the District sets aside funds from the operating budget for OPEB to establish a trust fund for retirees, current eligible employees, and current year medical costs for retirees and current employees. Last year the District stopped paying into the trust for retirees and current employees as the trust is fully funded. Staff suggested the Board may want to consider paying for the retirees' medical (approximately \$400,000 each year) from the trust fund instead of the operating budget. That would reduce the current \$2.6 million that is paid to ACWA/JPIA for medical benefits for retirees and current employees to approximately \$2.2 million.

This item was for information only.

OTHER BUSINESS

None.

PUBLIC COMMENT

None.

ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at the hour of 4:55 p.m.

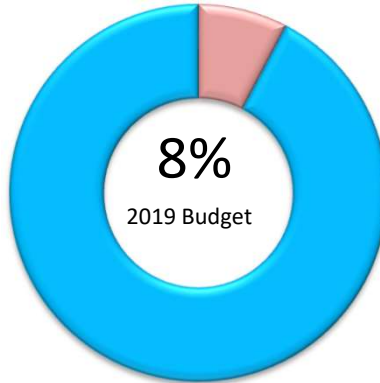
**VALLECITOS WATER DISTRICT  
DISBURSEMENTS SUMMARY  
November 30, 2018**

**Summary**

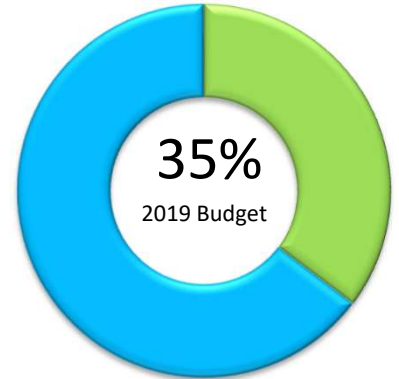
November Disbursements	\$	5,765,466	*
YTD Disbursements	\$	26,442,883	*
FY2019 Budget	\$	74,880,200	

\* Excludes Debt Service

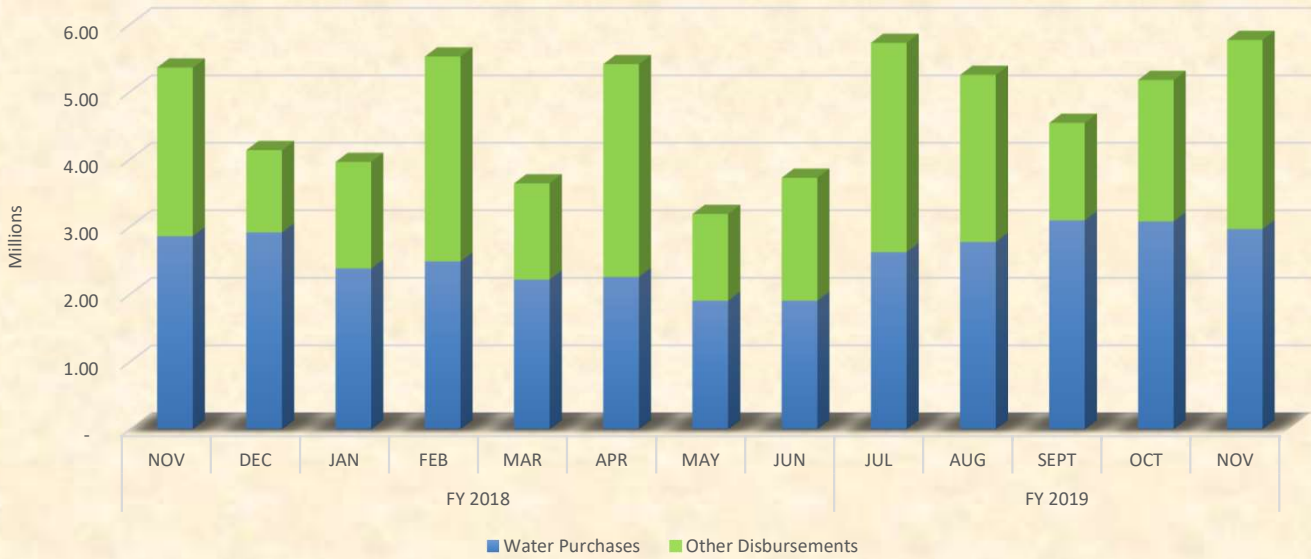
**November**



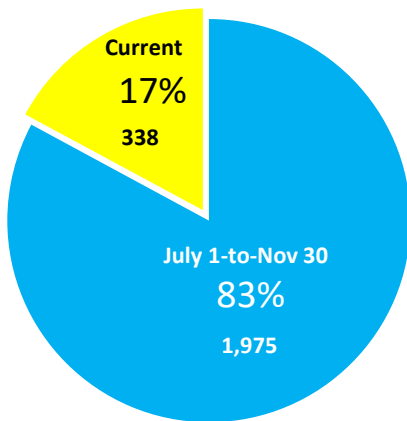
**FYTD**



**Disbursements by Month**



**Invoices Processed**



**Top 10 Vendors - FYTD**

SAN DIEGO COUNTY WATER AUTH.	\$14.8M
ENCINA WASTEWATER AUTHORITY	\$3.6M
PUBLIC EMPLOYEES RETIRE SYSTM	\$1.7M
ACWA/JOINT POWERS INSURANCE	\$1.3M
SAN DIEGO GAS & ELECTRIC	\$775K
CASS CONSTRUCTION INC	\$619K
CREW BUILDERS, INC.	\$372K
OLIVENHAIN MWD	\$368K
BURTECH PIPELINE INCORPORATED	\$272K
PENCCO, INC.	\$228K

VALLECITOS WATER DISTRICT  
WARRANTS LIST  
December 19, 2018

PAYEE	DESCRIPTION	CHECK#	AMOUNT
CHECKS			
Garnishments	Payroll Garnishments	115191 through	115193 -
Accutek Laboratories DBA: Pipette.com	Instrument Calibration	115194	57.00
Adobe Lock & Safe	Chlorine Building Doors 3 & Panic Hardware For Escape/Emergencies -MRF	115195	2,760.93
Air Pollution Control District	Emissions Fees 3 Locations	115196	2,940.00
Airgas USA LLC	Cylinder Rentals	115197	88.39
Allied Universal	Weekly Deposit Svc Oct	115198	74.20
Anthony Glenn	SDCWA Cash Flow Training 11-19-18	115199	31.28
April Donahoo	Closed Account Refund	115200	97.80
Aqua-Metric Sales Co	VGB Reading Unit Prj 20191-24	115201	23,970.07
AT&T	Phone Svc SCADA Nov	115202	312.84
AT&T	Phone Svc Oct	115203	2,848.87
Automated Water Treatment	Mountain Belle Tank Chlorine System Prj 20191-10	115204	11,565.31
Bear Com	Svc District Radio Repeater	115205	595.00
Best Best & Krieger	Legal Svs Sept	115206	13,271.48
Black & Veatch Corporation	Water/Sewer Master Plan Prj 20141-03	115207	6,536.81
Boncor Water Systems	Soft Water Service Nov	115208	1,680.00
Brookfield Residential	Closed Account Refund	115209	34.93
Cally Buchel Or Caren Buchel	Closed Account Refund	115210	48.55
CCI	Water Treatment November	115211	220.00
CDW Government Inc	Computer Hard Drives 12 SCADA, Check Printer Finance	115212	1,918.25
Charles & Ju-Al Lee-Mohler	Closed Account Refund	115213	43.54
Jeffrey Colwell	Video Production Svcs Prj 20191-26	115214	472.50
County of San Diego	Facility Permits - 4 Locations	115215	2,110.00
Craig Elitharp	ACWA Conference 11-27-18	115216	80.33
Craneworks Southwest, Inc	Ford F550 Prj 20181-30	115217	86,058.19
CWC Rancho Coronado 71, LLC	Closed Account Refund	115218	635.86
CWEA	Collection Cert Renewal E Garcia	115219	92.00
CWEA	Electrical Cert Renewal R Salazar	115220	102.00
CWEA	Collection Cert Renewal E Pedrazzi, R Rodarte	115221	184.00
Doane & Hartwig Water Systems Inc	Chemical Injection Pump MRF	115222	622.70
David Schwab	Closed Account Refund	115223	50.64
Department of Industrial Relations	Elevator Inspection Fee	115224	675.00
DirecTV Inc	Satellite Svc Dec	115225	71.54
Diversified Waterscapes Inc	Algae Treatment S Lake Reservoir, Aeration Compressor Rebuild Kits 12 Mahr	115226	15,729.08
Don Hubbard Contracting Co	Via Vera Cruz Stabilization Prj 20161-14	115227	2,000.00
Duke's Root Control, Inc.	Root Control - Collection Pipes - 11,344 Feet	115228	18,036.96
EDCO Waste & Recycling Serv	Trash Svc Nov	115229	911.64
Eliana & Frank Jimenez	Closed Account Refund	115230	7.59
Enbo Zhang	Closed Account Refund	115231	74.49
Garrett C White	Pipeline Assessment Certification Program Re-Certification Training	115232	5,375.00
Hach Company	Flo Dar Calibration, Lab Supplies	115233	4,280.56
Harris	North Star Maintenance 18-19	115234	38,218.96
James R Hernandez	ACWA Conference 11-27-18	115235	272.32
Home Depot Credit Services	Hardware Supplies Nov	115236	741.95
Huntington & Associates, Inc.	Reverse Flow Parts, Double Peak Pump Station	115237	972.13
Infosend Inc	Door Hangers, Postage & Printing Nov	115238	12,570.36
Interstate Batteries	Battery Veh 16, Batteries 2 Veh 259	115239	383.20
JCI Jones Chemicals Inc	Chlorine	115240	4,086.42
L. N. Curtis & Sons	Regulator Flow Testing	115241	1,598.81
Lynn & Scott Wall	Closed Account Refund	115242	9.70
Manpower Temp Services	Customer Service Rep Weeks Ending: 11-11-18 & 11-18-18	115243	1,221.20
Marcon Products Inc	Manhole Repair Supplies, Concrete Sidewalk Panel Replacement	115244	676.77
Hal Martin	CSDA Meeting 11-15-18, ACWA Conference 11-26-18	115245	354.25
Mission Resource Conservation District	Water Use Evaluations 7 Prj 20191-29	115246	232.00
National Public Employer Labor Relations	Membership Renewal B Anderson	115247	195.00
Occu Med Ltd	Medical Svcs	115248	286.00
Pacific Pipeline Supply	Rock Springs Sewer Prj 90003	115249	29,325.07
PCMG, Inc.	Microsoft Enterprise Agreement 18-19	115250	74,717.11

VALLECITOS WATER DISTRICT  
WARRANTS LIST  
December 19, 2018

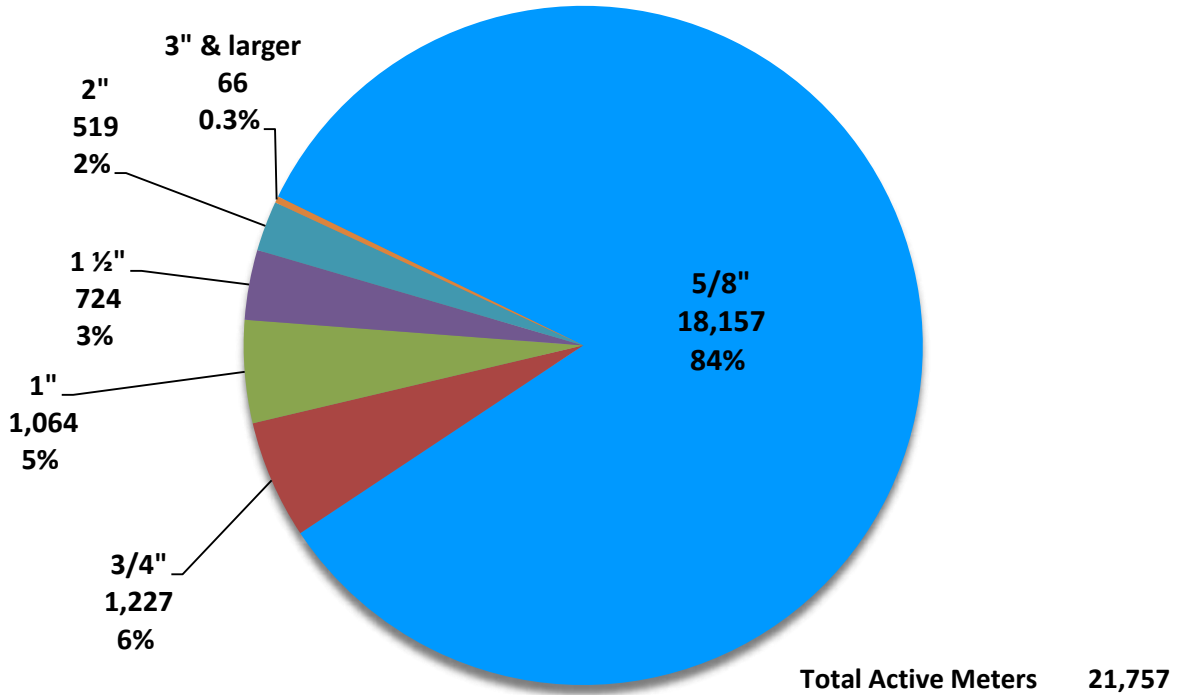
PAYEE	DESCRIPTION	CHECK#	AMOUNT
Pencco, Inc.	Sulfend RT	115251	8,053.16
Pitney Bowes	Postage Machine Supplies	115252	402.94
Pitney Bowes	Postage Meter Refill	115253	2,000.00
Rachel Baxter	Closed Account Refund	115254	50.42
Ricky Shieh	Closed Account Refund	115255	21.65
SDG&E	Power Nov	115256	76,042.81
Shred-It US JV LLC	Shredding Svcs Oct - Nov	115257	189.51
Siemens Water Technologies	Control Transmitter - LS3 Wet Well	115258	1,747.71
Southern Counties Lubricants, LLC	Unleaded & Diesel Fuel	115259	15,504.27
Staples Advantage	Office Supplies Nov	115260	695.71
State Water Resources Control	Annual Permit Fees - MRF & Head Quarters	115261	14,527.00
Steve Travis	Closed Account Refund	115262	38.94
Sue Faasen	Closed Account Refund	115263	86.89
Syntech Systems Inc	Fuelmaster Support 18-19	115264	135.00
Talley Communications	Radio Upgrade Materials - OPS SCADA Upgrade	115265	578.32
Terraverde Energy LLC	District Wide Solar Project	115266	5,122.50
Union Bank FKA 1st Bank Card	Meetings & Travel Nov	115267	790.87
Union Bank FKA 1st Bank Card	Meetings & Travel Nov	115268	699.61
Union Bank FKA 1st Bank Card	Meetings & Travel Nov	115269	2,620.51
UPS	Shipping Svcs Nov	115270	107.23
Urban Water Institute Inc	2019 Membership Dues	115271	500.00
Verizon Wireless	Ipad Svc Oct	115272	362.00
Victor Chou	Closed Account Refund	115273	162.33
Westley Owen	CPA License Renewal & CPE Depot Annual Membership	115274	298.00
Tri-City Emergency Medical Group	Medical Svcs	115275	380.00
Backflow Solutions, Inc.	Backflow Tests Nov - Qty 233	115276	3,017.35
Brookfield Rancho Coronado LLC	Rancho Coronado Park Crossing Prj 20171-281	115277	13,710.00
Burtech Pipeline Incorporated	Rock Springs Sewer Prj 90003	115278	201,516.32
Chandler Asset Management, Inc.	Investment Management Svcs Nov	115279	3,339.07
Christian Wheeler Engineering	Rock Springs Sewer Prj 90003	115280	70.00
San Diego County Vector Control	Assessment Fees 18-19	115281	253.76
Hidden Valley Steel & Scrap, Inc.	Hardware Supplies	115282	233.90
Electrical Sales Inc	Hardware Supplies	115283	532.33
Ewing Irrigation Products	PVC Supplies	115284	117.10
Ferguson Enterprises, Inc	Hardware Supplies	115285	160.98
Fisher Scientific LLC	Thermometer, Petri Dishes	115286	252.43
Grainger Inc	SCBA Air Bottles 3, Hardware Supplies	115287	6,200.27
Ken Grody Ford	Fleet Supplies	115288	252.37
Montroy Supply Co Inc	Mountain Belle Tank Chlorine System Prj 20191-10	115289	13.41
One Source Distributors LLC	PLC Batteries 18, MRF	115290	1,360.04
Ostari Inc	Cisco Firewall - 1 Year Software License	115291	4,255.46
Patriot Portable Restroom Inc	Portable Restroom Rental	115292	256.61
Plumbers Depot Inc	Sewer Hose & Wooden Reel, Liquid Smoke	115293	2,002.74
Redback USA Inc.	Safety Boots	115294	267.22
San Marcos Unified School Dist	San Marcos Middle School Storm Drain Prj 20181-454	115295	1,904.63
Smogs By Rita	Smog Checks - 22 Vehicles	115296	880.00
Steel-Toe-Shoes.com	Safety Boots	115297	300.00
Unifirst Corporation	Uniform Delivery	115298	1,341.86
Walters Wholesale Electric	Mountain Belle Tank Chlorine System Prj 20191-10	115299	596.75
Total Disbursements (106 Checks)			<u>746,478.56</u>
WIRES			
Union Bank	Union Bank debt payment - Interest	Wire	1,109,254.12
Public Employees Retirement System	Retirement Contribution - December 5, 2018 Payroll	Wire	71,297.93
Total Wires			<u>1,180,552.05</u>

VALLECITOS WATER DISTRICT  
WARRANTS LIST  
December 19, 2018

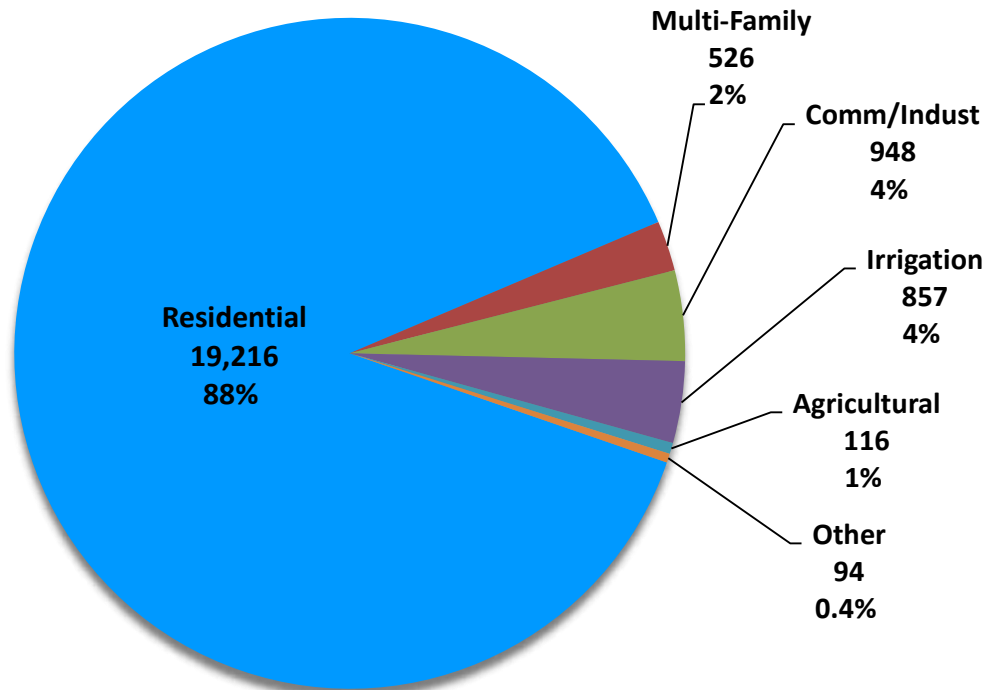
PAYEE	DESCRIPTION	CHECK#	AMOUNT
PAYROLL			
Total direct deposits		Wire	238,359.81
VWD Employee Association		115191	612.00
Garnishments	115192 through	115193	607.83
IRS	Federal payroll tax deposits	Wire	86,739.47
Employment Development Department	California payroll tax deposit	Wire	16,979.51
CalPERS	Deferred compensation withheld	Wire	13,232.37
VOYA	Deferred compensation withheld	Wire	5,312.88
Total December 5, 2018 Payroll Disbursements			<u>361,843.87</u>
Total direct deposits		Wire	4,510.82
IRS	Federal payroll tax deposits	Wire	2,681.33
Employment Development Department	California payroll tax deposit	Wire	546.34
Special Payroll Disbursements (i.e., final checks, accrual payouts, etc.)			<u>7,738.49</u>
Total Payroll Disbursements			<u>369,582.36</u>
TOTAL DISBURSEMENTS			<u>2,296,612.97</u>

Vallecitos Water District  
 Active Water Meters  
 November 30, 2018

**Active Meters by Size as of November 30, 2018**



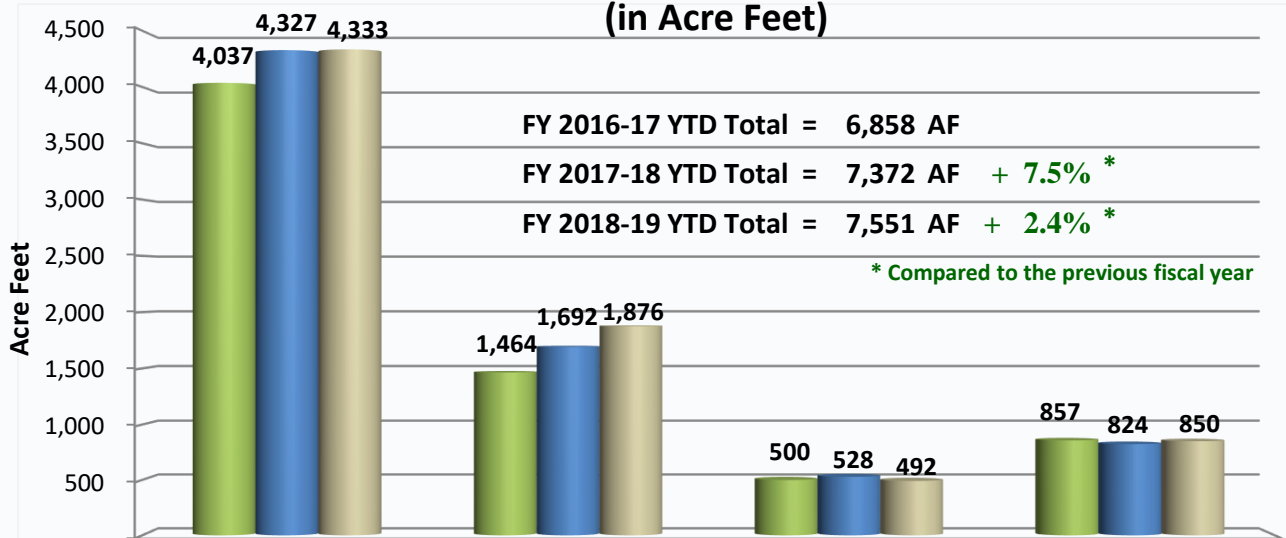
**Active Meters by Type as of November 30, 2018**





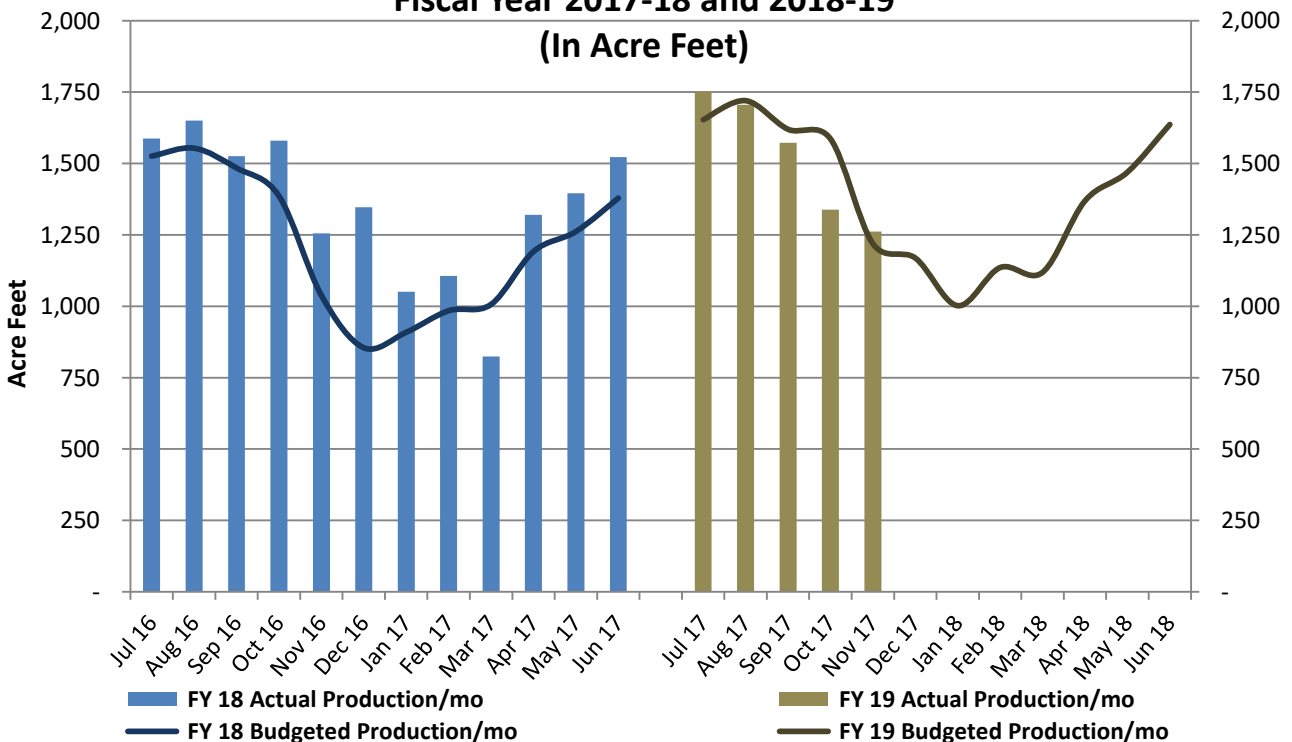
Vallecito Water District  
 Water Production/Sales  
 November 30, 2018

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

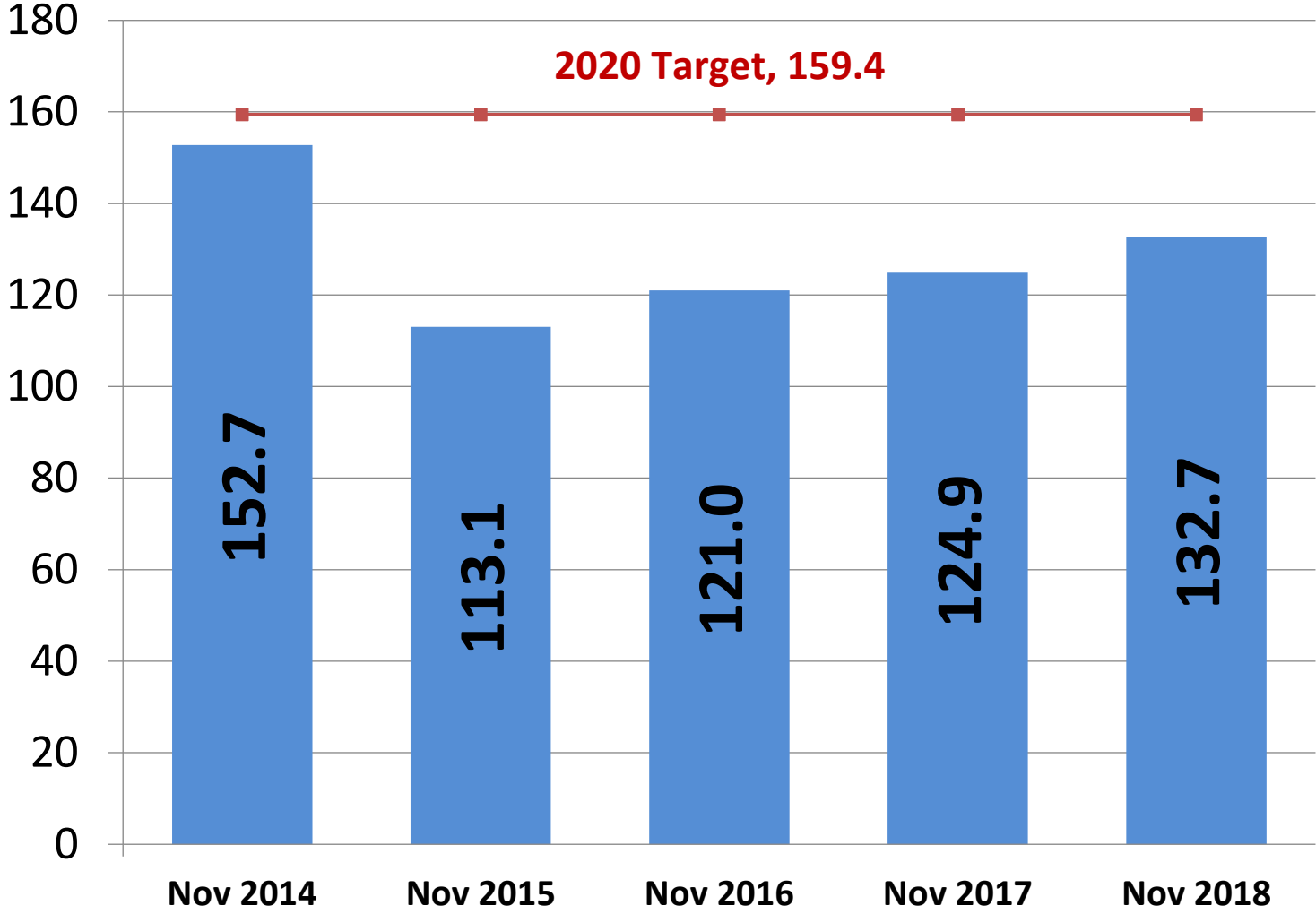


	Residential	Irrigation	Agricultural	Commer/ Indust/ Construct/ Other
FY 2016-17	4,037	1,464	500	857
FY 2017-18	4,327	1,692	528	824
FY 2018-19	4,333	1,876	492	850

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



### Gallons per Capita per Day 12-Month Rolling Average



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

**BACKGROUND:**

The Monthly Revenue and Expense Reports and the Reserve Report for the five months ended November 30, 2018 are presented.

**DISCUSSION:**

The Monthly Revenue and Expense reports summarize revenues by service type and expenses by department over the 5-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 Five Months Ended November 30, 2018

	Current Year Actual	Prior Year Actual			Current Year Budget		
		Amount	Variance		Amount	Variance	
			\$	%		\$	%
<b>Revenue</b>							
Water Sales	\$ 16,367,229	\$ 13,811,002	\$ 2,556,227	18.5%	\$ 16,346,000	\$ 21,229	0.1%
Ready-to-serve	5,656,851	5,820,035	(163,184)	-2.8%	5,542,000	114,851	2.1%
Pumping charges	176,416	148,600	27,816	18.7%	176,000	416	0.2%
Late & lock charges	186,079	203,372	(17,293)	-8.5%	194,000	(7,921)	-4.1%
Backflow fees	38,555	38,123	432	1.1%	40,000	(1,445)	-3.6%
Other revenue	58,636	85,134	(26,498)	-31.1%	52,100	6,536	12.5%
<b>Total Revenue</b>	<b>22,483,766</b>	<b>20,106,266</b>	<b>2,377,500</b>	<b>11.8%</b>	<b>22,350,100</b>	<b>133,666</b>	<b>0.6%</b>
<b>Expenses</b>							
Water costs	14,419,050	13,779,725	639,325	4.6%	14,786,000	(366,950)	-2.5%
Pumping costs	366,814	286,255	80,559	28.1%	431,000	(64,186)	-14.9%
Water quality	49,910	50,012	(102)	-0.2%	63,000	(13,090)	-20.8%
Water treatment	179,518	191,347	(11,829)	-6.2%	197,000	(17,482)	-8.9%
Tanks & reservoirs	138,680	148,517	(9,837)	-6.6%	189,000	(50,320)	-26.6%
Trans & distribution	1,245,977	555,099	690,878	124.5%	716,000	529,977	74.0%
Services	37,637	76,652	(39,015)	-50.9%	58,000	(20,363)	-35.1%
Meters	245,207	258,901	(13,694)	-5.3%	281,000	(35,793)	-12.7%
Backflow prevention	18,501	17,256	1,245	7.2%	28,000	(9,499)	-33.9%
Customer accounts	251,911	197,555	54,356	27.5%	264,000	(12,089)	-4.6%
Building & grounds	167,099	170,315	(3,216)	-1.9%	158,000	9,099	5.8%
Equipment & vehicles	78,129	104,202	(26,073)	-25.0%	133,000	(54,871)	-41.3%
Engineering	585,892	526,164	59,728	11.4%	660,000	(74,108)	-11.2%
Safety & compliance	100,371	87,565	12,806	14.6%	111,000	(10,629)	-9.6%
Information Technology	301,966	332,079	(30,113)	-9.1%	408,000	(106,034)	-26.0%
General & administrative	1,028,760	1,162,977	(134,217)	-11.5%	1,244,000	(215,240)	-17.3%
<b>Total Expenses</b>	<b>19,215,422</b>	<b>17,944,621</b>	<b>1,270,801</b>	<b>7.1%</b>	<b>19,727,000</b>	<b>(511,578)</b>	<b>-2.6%</b>
<b>Net Operating Income</b>	<b>\$ 3,268,344</b>	<b>\$ 2,161,645</b>	<b>1,106,699</b>	<b>51.2%</b>	<b>\$ 2,623,100</b>	<b>645,244</b>	<b>24.6%</b>

Explanation of Significant Variances

The **Pumping costs** unfavorable variance to prior year is a result of increased power costs which were anticipated due to rate increases.

The **Tanks and reservoirs** favorable budget variance is due to timing of outside services being performed and materials purchased. This variance should smooth over time.

**Transmission and distribution** has an unfavorable prior year and budget variance as a result of higher than anticipated repairs due to main breaks during the year thus far.

The **Customer Accounts** unfavorable prior year variance is due to anticipated increases in outside services.

The **Equipment and Vehicles** favorable budget variance is due to less than anticipated materials and services purchased to date.

The favorable budget variance in **Information Technology** is a result of timing of budgeted expenditures for hardware upgrades.

Vallecitos Water District  
Sewer Revenue and Expense Report  
For the Five Months Ended November 30, 2018

	Current Year Actual	Prior Year Actual			Current Year Budget		
		Amount	Variance		Amount	Variance	
			\$	%		\$	%
<b>Revenue</b>							
Sewer service charges	\$7,716,210	\$7,539,622	\$ 176,588	2.3%	\$7,536,000	\$ 180,210	2.4%
Reclaimed water sales	822,500	856,250	(33,750)	-3.9%	824,000	(1,500)	-0.2%
Other revenue	666,705	32,816	633,889	1931.6%	31,000	635,705	2050.7%
Total Revenue	<u>9,205,415</u>	<u>8,428,688</u>	<u>776,727</u>	<u>9.2%</u>	<u>8,391,000</u>	<u>814,415</u>	<u>9.7%</u>
<b>Expenses</b>							
Collection & conveyance	807,252	692,643	114,609	16.5%	961,000	(153,748)	-16.0%
Lift stations	71,004	80,540	(9,536)	-11.8%	122,000	(50,996)	-41.8%
Source control	75,681	56,300	19,381	34.4%	79,000	(3,319)	-4.2%
Effluent disposal	1,033,360	1,225,849	(192,489)	-15.7%	1,157,000	(123,640)	-10.7%
Meadowlark	1,250,021	1,064,340	185,681	17.4%	1,415,000	(164,979)	-11.7%
Customer Accounts	177,601	134,558	43,043	32.0%	195,000	(17,399)	-8.9%
Building & grounds	115,368	116,040	(672)	-0.6%	109,000	6,368	5.8%
Equipment & vehicles	75,547	88,605	(13,058)	-14.7%	100,000	(24,453)	-24.5%
Engineering	233,931	214,245	19,686	9.2%	284,000	(50,069)	-17.6%
Safety & compliance	66,075	58,340	7,735	13.3%	84,000	(17,925)	-21.3%
Information technology	249,532	291,004	(41,472)	-14.3%	352,000	(102,468)	-29.1%
General & administrative	<u>486,876</u>	<u>505,367</u>	<u>(18,491)</u>	<u>-3.7%</u>	<u>605,000</u>	<u>(118,124)</u>	<u>-19.5%</u>
Total Expenses	<u>4,642,248</u>	<u>4,528,869</u>	<u>113,379</u>	<u>2.5%</u>	<u>5,463,000</u>	<u>(820,752)</u>	<u>-15.0%</u>
Net Operating Income	<u>\$4,563,167</u>	<u>\$3,899,819</u>	<u>663,348</u>	<u>17.0%</u>	<u>\$2,928,000</u>	<u>1,635,167</u>	<u>55.8%</u>

Explanation of Significant Variances

*Other revenues* have a favorable prior year and budget variance from the litigation settlement related to illegal dumping in the Encina disposal system.

*Lift stations* has a favorable budget variance resulting from less than anticipated materials used during the year thus far.

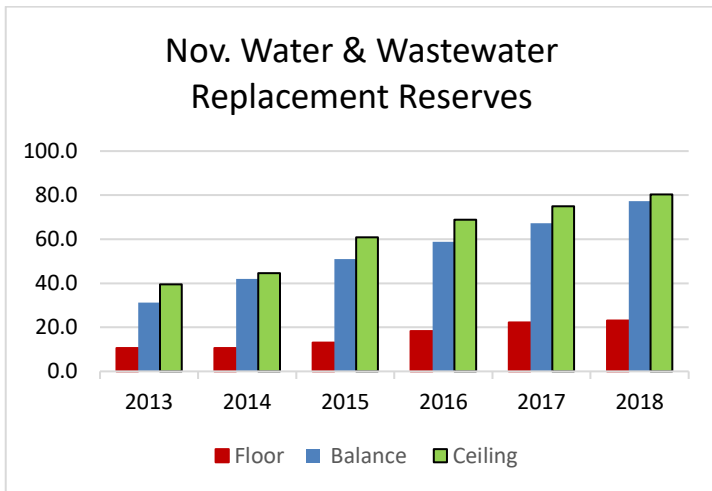
The *Customer Accounts* unfavorable prior year variance is due to anticipated increases in outside services.

The favorable budget variance in *Information Technology* is due to the timing of budgeted expenditures for hardware upgrades.

*Variances are considered significant if they exceed \$41666 and 20%.*

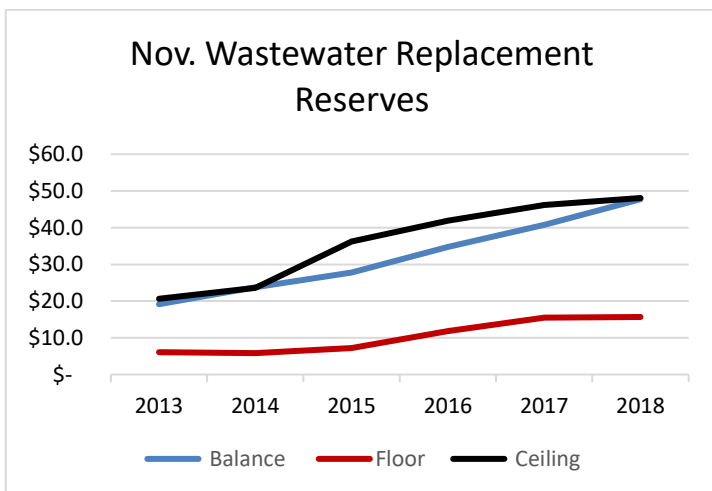
**REPLACEMENT RESERVES**

The District maintains two replacement reserves in cash equivalents and investments: One for the District’s water system, and the other for the District’s wastewater system. The District’s reserve policy establishes a floor of the sum of the next three years of projected system replacement costs, and a ceiling of the sum of the next ten years of system replacement costs. As of November 30, 2018, the total water and wastewater replacement reserve balance was \$77.2 million, 15 percent greater than November 30, 2018.



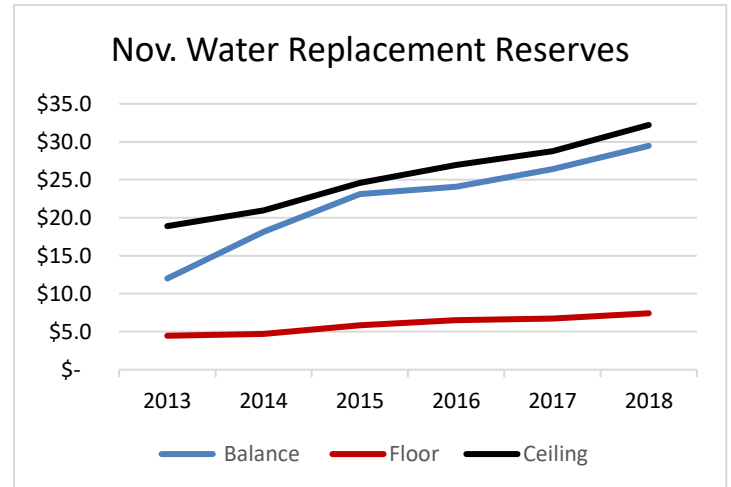
**WATER REPLACEMENT RESERVE**

As of November 30, 2018, the District’s water replacement reserve totaled \$29.5 million, an increase of 12 percent, or \$3.1 million, from the same month of the prior year. The month-end balance is within the floor and ceiling established by the reserve policy, leaving the District with sufficient reserves to meet infrastructure replacement needs.



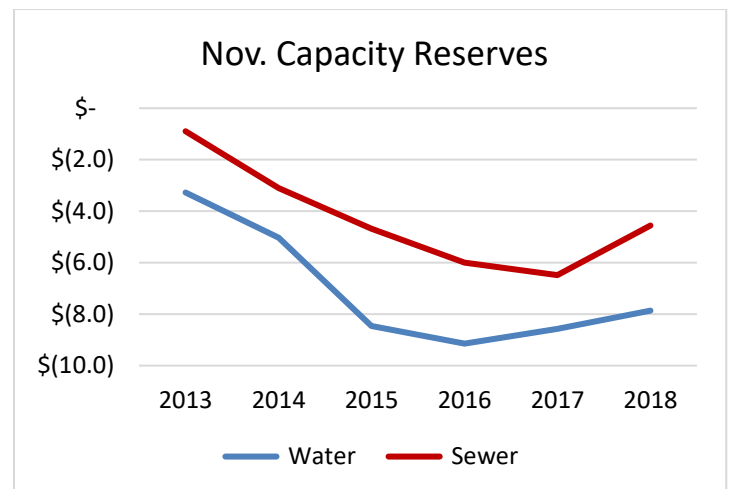
**WASTEWATER REPLACEMENT RESERVE**

As of November 30, 2018, the District maintained a balance in the wastewater replacement reserve of \$47.8 million, just below the established ceiling of \$48.1 million.



**CAPACITY RESERVES**

The District collects capital facility fees from new development and increased demands from existing customers, maintains the collected fees in separate funds (one for water and one for wastewater), and uses the funds exclusively to provide capacity to serve new development and fund future construction of facilities identified in the District’s Master Plan and capital budget. As of November 30, 2018, the water capacity fund had a deficit of \$7.9 million and the sewer capacity fund had a deficit of \$4.6 million. The District’s capital facility fees situation is expected to improve with the adoption of the new Master Plan and the corresponding capacity fee study.



**VALLECITOS WATER DISTRICT**

**RESERVE ACTIVITY FOR THE FIVE MONTHS ENDED NOVEMBER 30, 2018**

	110	120	210	220	Total
	Water Replacement	Capacity	Wastewater Replacement	Capacity	
BEGINNING BALANCE	\$ 32,797,105	\$ (9,161,412)	\$ 51,677,556	\$ (6,820,836)	\$ 68,492,413
REVENUES					
FY 18/19 Operating Transfers	3,268,344		4,563,167		7,831,511
Capital Facility Fees	-	1,376,603	-	2,860,269	4,236,873
Investment Earnings	217,000	-	245,321	-	462,322
Property Tax	114,348	-	86,033	-	200,382
RDA pass-through	13,196	-	13,196	-	26,391
<b>TOTAL REVENUES</b>	<b>3,612,888</b>	<b>1,376,603</b>	<b>4,907,717</b>	<b>2,860,269</b>	<b>12,757,478</b>
LESS DISTRIBUTIONS					
Capital Projects					
Encina Wastewater Authority Five Year Plan	-	-	1,591,364	114,889	1,706,253
Expansion of the Men's Locker Room in Building B	210,722	-	202,460	-	413,182
Stargaze Court Water Line Replacement	218,801	-	-	-	218,801
Rock Springs Sewer Replacement	-	-	95,143	116,287	211,430
Laurels Sewer Lining	-	-	136,056	-	136,056
Audiovisual Upgrade	64,140	-	61,625	-	125,765
South Lake - Facility Upgrades	86,808	-	-	-	86,808
Solar Panel Inverter Replacement	42,152	-	40,498	-	82,650
Fulton Road And Nctd Sewer Line Rehabilitation	-	-	79,236	-	79,236
District Wide Valve Replacement	72,252	-	-	-	72,252
South Vista Pressure Reducing Station Upgrade	62,298	-	-	-	62,298
Ultrasonic Algae Control System	-	-	57,223	-	57,223
Montiel Gravity Outfall	-	-	16,769	20,496	37,265
San Marcos interceptor sewer	-	-	10,876	24,208	35,084
Water & Sewer Master Plan	-	15,106	-	15,107	30,213
Replace Roofs On Equipment Storages	14,881	-	14,298	-	29,179
Mountain Belle Tank Chorine System	28,500	-	-	-	28,500
Vulnerability assessment improvements	-	16,970	-	11,313	28,283
Palos Vista Pump Station Generator	25,750	-	-	-	25,750
North Vista Pressure Reducing Station Upgrade	25,564	-	-	-	25,564
Admin Emergency Generator - Auto Transfer Switch	11,882	-	11,881	-	23,763
MRF - Influent Pumps & Motors	-	-	23,644	-	23,644
Palos Vista Pump Station Motor Replacement	22,903	-	-	-	22,903
Coronado Hills Chlorine Injection System	15,759	-	-	-	15,759
Refurbish Pumps At North Twin Oaks Pump Station	15,355	-	-	-	15,355
Via Vera Cruz Tank Hill Stabilization	14,493	-	-	-	14,493
Encina Land Parallel Outfall	-	-	-	14,001	14,001
Sewer Rehabilitation And Repairs	-	-	13,075	-	13,075
Wulff Pump Station Pumps & Motors	12,873	-	-	-	12,873
South Lake Pump Station Valves	11,151	-	-	-	11,151
All other capital projects	11,276	-	3,885	-	15,161
Capital Budget - Vehicles/Mobile Equipmnt	217,478	-	1,609	-	219,088
Debt Service	-	-	-	250,361	250,361
Interest Expense	-	44,612	-	29,820	74,432
<b>TOTAL DISTRIBUTIONS</b>	<b>1,185,037</b>	<b>76,688</b>	<b>2,359,641</b>	<b>596,482</b>	<b>4,217,848</b>
ENDING BALANCE	\$ 35,224,956	\$ (7,861,497)	\$ 54,225,632	\$ (4,557,049)	\$ 77,032,042
Less: Operating Reserves	5,748,700	-	6,468,600	-	12,217,300
Replacement Reserves/Restricted Funds	\$ 29,476,256	\$ (7,861,497)	\$ 47,757,032	\$ (4,557,049)	\$ 64,814,742
Replacement reserve floor	\$ 7,428,200		\$ 15,665,900		
Replacement reserve ceiling	\$ 32,224,700		\$ 48,081,900		

VALLECITOS WATER DISTRICT  
INVESTMENT REPORT FOR NOVEMBER 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 November follows:

<u>Date</u>	<u>Activity</u>	<u>Investment</u>	<u>Amount</u>	<u>Maturity</u>	<u>Yield</u>
11/05/18	Deposit	LAIF	700,000	Open	2.22%
11/09/18	Deposit	LAIF	450,000	Open	2.22%
11/09/18	Purchase	US Treasury	726,650	12/31/21	2.00%
11/15/18	Withdrawal	LAIF	(300,000)	Open	2.22%
11/16/18	Purchase	John Deere Owner Trust	493,105	10/15/21	1.82%
11/19/18	Withdrawal	LAIF	(2,500,000)	Open	2.22%
11/20/18	Withdrawal	LAIF	(3,000,000)	Open	2.22%
11/26/18	Deposit	LAIF	700,000	Open	2.22%
11/27/18	Deposit	LAIF	1,400,000	Open	2.22%
11/29/18	Withdrawal	LAIF	(700,000)	Open	2.22%
11/29/18	Purchase	US Treasury	737,695	11/30/20	2.00%
11/30/18	Purchase	Blackrock Inc	500,215	06/01/22	3.38%
11/30/18	Purchase	US Treasury	745,605	04/30/20	2.38%
Change in investments during the month			<u>\$ (46,728)</u>		

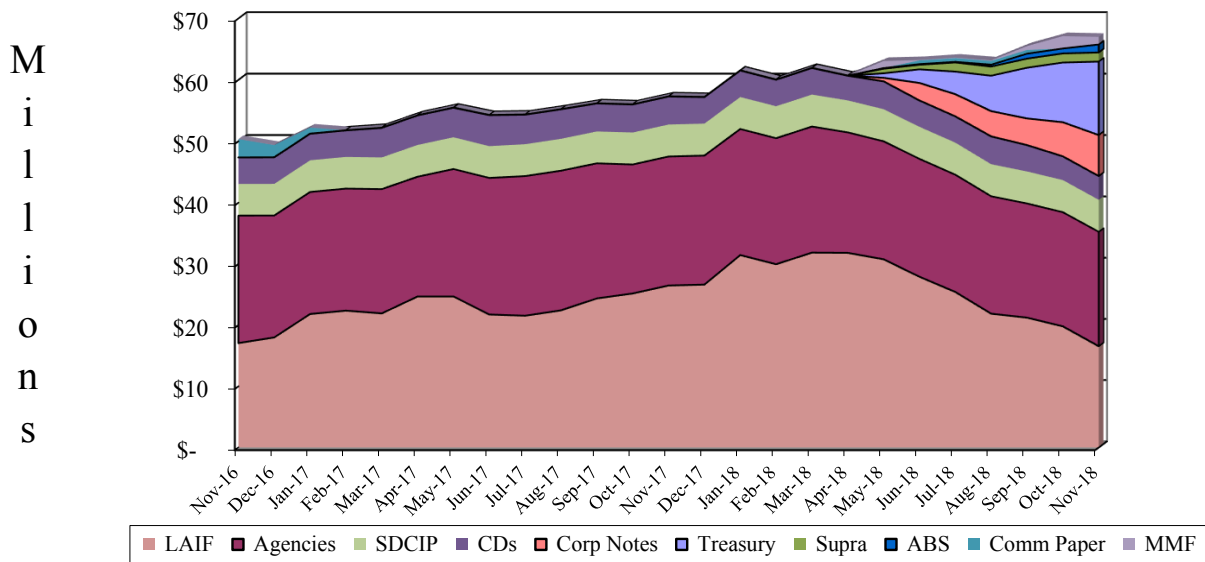
	<u>Current</u>
Weighted average annual yield for total Vallecitos investments	2.230%
Weighted average days to maturity	427

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 September 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 October 31, 2018. Fair values for federal agency obligations and corporate notes are provided by Union Bank trust account reporting



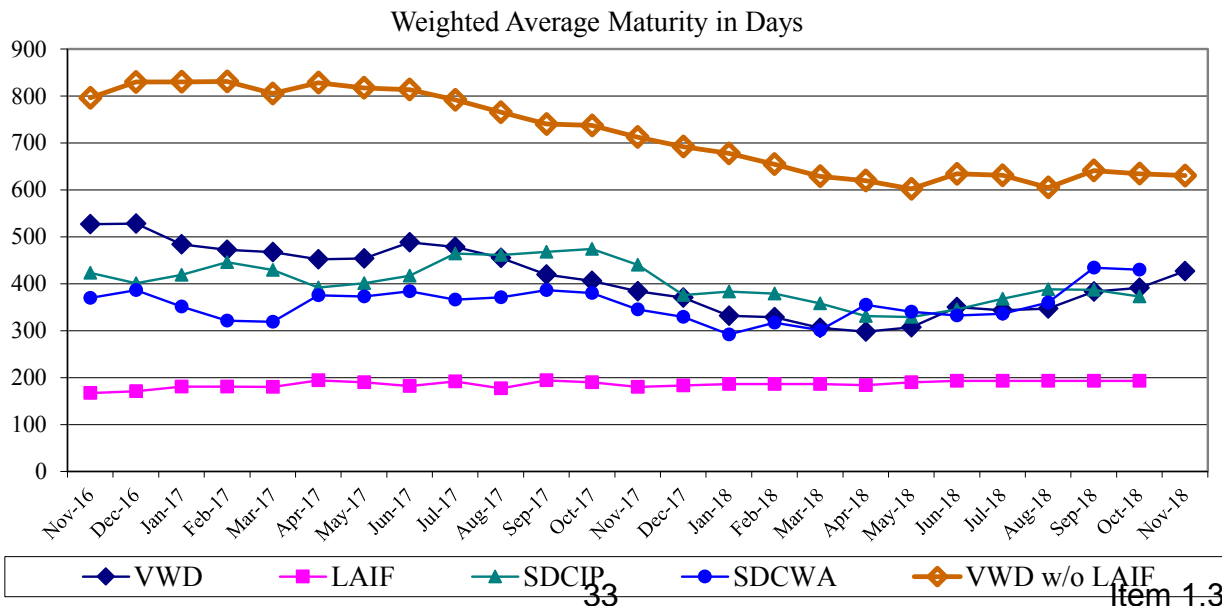
Safety

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.



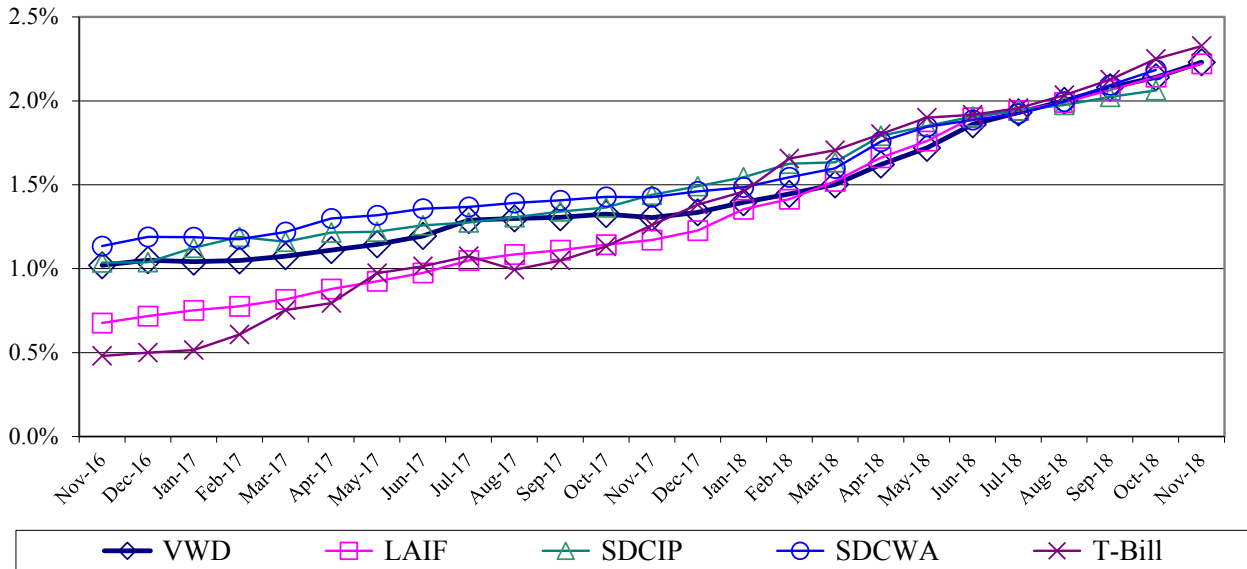
Liquidity

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 \$16.6 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	1.17
Average Coupon	1.98%
Average Purchase YTM	2.23%
Average Market YTM	2.65%
Average S&P/Moody Rating	AA+/Aa1
Average Final Maturity	1.28 yrs
Average Life	1.21 yrs

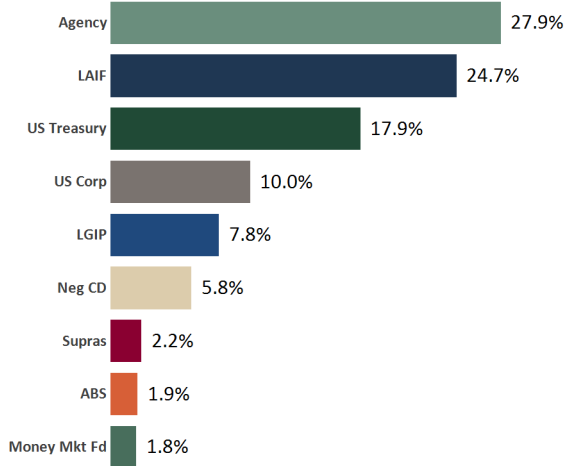
**ACCOUNT SUMMARY**

	Beg. Values as of 10/31/18	End Values as of 11/30/18
Market Value	67,124,873	67,004,253
Accrued Interest	210,172	250,647
<b>Total Market Value</b>	<b>67,335,044</b>	<b>67,254,900</b>
Income Earned	118,136	112,456
Cont/WD		
Par	67,949,804	67,810,127
Book Value	67,649,616	67,453,597
Cost Value	67,615,497	67,407,922

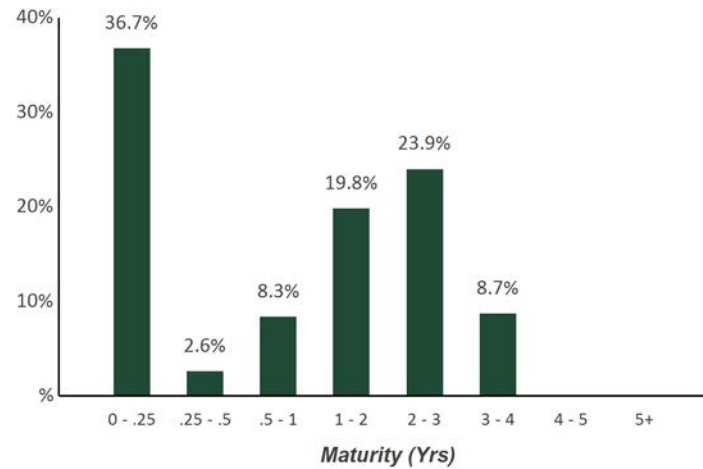
**TOP ISSUERS**

Local Agency Investment Fund	24.7%
Government of United States	17.9%
Federal Home Loan Mortgage Corp	8.8%
County of San Diego Pooled Inve	7.8%
Federal National Mortgage Assoc	7.6%
Federal Home Loan Bank	5.9%
Federal Farm Credit Bank	5.5%
Dreyfus Treasury and Agency	1.8%
<b>Total</b>	<b>80.1%</b>

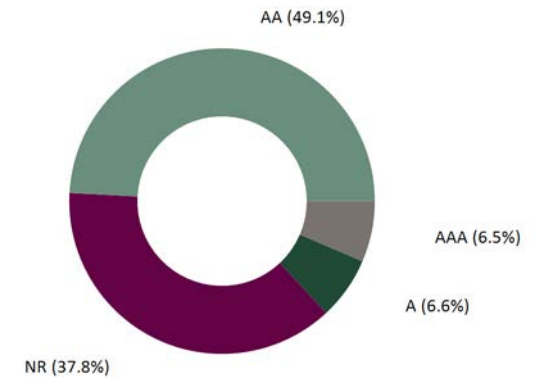
**SECTOR ALLOCATION**



**MATURITY DISTRIBUTION**



**CREDIT QUALITY (S&P)**



**Vallecitos Water District Consolidated Account**

Account #10594

**Holdings Report**

As of November 30, 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
<b>ABS</b>									
89190BAD0	Toyota Auto Receivables Owner 2017-B A3 1.76% Due 7/15/2021	500,000.00	09/26/2018 2.78%	494,160.16 494,526.22	98.92 3.05%	494,610.00 391.11	0.74% 83.78	Aaa / AAA NR	2.62 0.84
47788BAD6	John Deere Owner Trust 2017-B A3 1.82% Due 10/15/2021	500,000.00	11/14/2018 3.14%	493,105.47 493,202.67	98.73 3.06%	493,638.00 404.44	0.73% 435.33	Aaa / NR AAA	2.88 1.03
43814UAG4	Honda Auto Receivables 2018-2 A3 3.01% Due 5/18/2022	105,000.00	05/22/2018 3.03%	104,997.71 104,998.00	99.83 3.12%	104,822.34 114.13	0.16% (175.66)	NR / AAA AAA	3.47 1.88
43815HAC1	Honda Auto Receivables Owner 2018-3 A3 2.95% Due 8/22/2022	205,000.00	08/21/2018 2.98%	204,971.87 204,973.71	99.70 3.12%	204,375.16 167.99	0.30% (598.55)	Aaa / NR AAA	3.73 1.97
<b>Total ABS</b>		<b>1,310,000.00</b>	<b>2.97%</b>	<b>1,297,235.21</b> <b>1,297,700.60</b>	<b>3.07%</b>	<b>1,297,445.50</b> <b>1,077.67</b>	<b>1.93%</b> <b>(255.10)</b>	<b>Aaa / AAA</b> <b>AAA</b>	<b>2.96</b> <b>1.17</b>

<b>AGENCY</b>									
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	99.84 2.34%	499,185.00 2,204.44	0.75% (815.00)	Aaa / AA+ NR	0.15 0.15
3136G3YA7	FNMA Callable Note Qtrly 10/25/2016 1% Due 1/25/2019	500,000.00	07/25/2016 1.01%	499,900.00 499,993.98	99.79 2.36%	498,959.50 1,750.00	0.74% (1,034.48)	Aaa / AA+ AAA	0.15 0.15
3133EFYS0	FFCB Callable Note Cont 02/22/17 1.15% Due 2/22/2019	367,000.00	03/07/2017 1.40%	365,260.42 366,798.63	99.73 2.34%	366,004.70 1,160.64	0.55% (793.93)	Aaa / AA+ AAA	0.23 0.23
3133EGEF8	FFCB Callable Note Cont 6/13/2017 1.18% Due 6/13/2019	500,000.00	05/26/2017 1.43%	497,500.00 499,351.60	99.27 2.56%	496,339.50 2,753.33	0.74% (3,012.10)	Aaa / AA+ AAA	0.53 0.53
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	99.95 2.63%	749,629.50 6,364.58	1.12% (370.50)	Aaa / AA+ AAA	0.58 0.08
3130ABJS6	FHLB Callable Note Qtrly 9/28/2017 1.75% Due 6/28/2019	500,000.00	07/07/2017 1.75%	500,000.00 500,000.00	99.73 2.65%	498,672.50 1,527.78	0.74% (1,327.50)	Aaa / AA+ NR	0.58 0.57
3133EGLC7	FFCB Callable Note Cont 10/12/2016 1.08% Due 7/12/2019	500,000.00	07/12/2016 1.10%	499,675.00 499,933.81	99.08 2.60%	495,377.00 2,085.00	0.74% (4,556.81)	Aaa / AA+ AAA	0.61 0.61
3134GAEV2	FHLMC Callable Note Qtrly 2/28/2017 2.5% Due 8/28/2019	750,000.00	08/30/2016 2.45%	750,000.00 750,000.00	99.94 2.68%	749,581.50 145.83	1.11% (418.50)	Aaa / AA+ AAA	0.74 0.25
3137EADM8	FHLMC Note 1.25% Due 10/2/2019	500,000.00	09/25/2015 1.32%	498,665.00 499,722.63	98.76 2.75%	493,801.00 1,024.31	0.74% (5,921.63)	Aaa / AA+ AAA	0.84 0.82

**Vallecitos Water District Consolidated Account**

Account #10594

**Holdings Report**

As of November 30, 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
<b>AGENCY</b>									
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	98.59 2.77%	492,949.50 545.42	0.73% (7,050.50)	Aaa / AA+ NR	0.91 0.90
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	99.29 2.84%	744,654.00 3,093.75	1.11% (5,346.00)	Aaa / AA+ AAA	0.98 0.71
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	98.47 2.79%	492,344.50 2,831.25	0.74% (7,655.50)	Aaa / AA+ AAA	1.08 1.06
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	98.07 2.79%	490,328.50 1,101.39	0.73% (9,671.50)	Aaa / AA+ AAA	1.33 1.31
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	98.44 2.80%	738,316.50 1,148.13	1.10% (11,683.50)	Aaa / AA+ NR	1.41 1.38
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	98.08 2.82%	735,609.75 62.50	1.09% (14,390.25)	Aaa / AA+ AAA	1.50 1.47
3130A8M67	FHLB Callable Note Cont 7/13/2017 1.2% Due 7/13/2020	500,000.00	11/22/2016 1.60%	492,970.00 496,879.08	97.46 2.81%	487,306.50 2,300.00	0.73% (9,572.58)	Aaa / AA+ NR	1.62 1.58
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	97.44 2.93%	974,354.00 3,772.22	1.45% (25,646.00)	Aaa / AA+ AAA	1.73 1.69
3133EGC94	FFCB Callable Note Cont 2/2/2017 1.38% Due 11/2/2020	500,000.00	11/04/2016 1.40%	499,600.00 499,807.54	97.27 2.85%	486,334.00 555.83	0.72% (13,473.54)	Aaa / AA+ AAA	1.93 1.87
3133EGR49	FFCB Callable Note Cont 12/7/2017 1.77% Due 12/7/2020	250,000.00	12/07/2016 1.83%	249,437.50 249,716.25	97.87 2.86%	244,681.00 2,138.75	0.37% (5,035.25)	Aaa / AA+ AAA	2.02 1.95
3134GBT A0	FHLMC Callable Note Qtrly 9/22/2017 1.8% Due 12/22/2020	750,000.00	06/27/2017 1.80%	750,000.00 750,000.00	99.08 2.76%	743,079.00 2,585.42	1.11% (6,921.00)	Aaa / AA+ AAA	2.06 1.75
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	96.96 2.86%	484,808.00 2,391.67	0.72% (15,192.00)	Aaa / AA+ AAA	2.16 2.10
3133EFC54	FFCB Callable Note Cont 2/17/2017 1.62% Due 2/17/2021	150,000.00	11/18/2016 1.67%	149,667.00 149,826.42	97.33 2.87%	145,992.15 702.00	0.22% (3,834.27)	Aaa / AA+ AAA	2.22 2.14
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	99.19 2.96%	509,816.04 2,034.58	0.76% (4,183.96)	Aaa / AA+ AAA	2.24 0.72
3130A7ES0	FHLB Callable Note Qtrly 6/22/2016 1.75% Due 3/22/2021	275,000.00	04/06/2017 2.11%	274,381.25 274,639.70	98.71 2.95%	271,463.78 922.40	0.41% (3,175.92)	Aaa / AA+ NR	2.31 1.28
3133EFZ91	FFCB Callable Note Cont 4/12/2017 1.62% Due 4/12/2021	750,000.00	04/12/2016 1.62%	749,925.00 749,964.55	97.09 2.90%	728,159.25 1,653.75	1.09% (21,805.30)	Aaa / AA+ AAA	2.37 2.29

Vallecitos Water District Consolidated Account

Account #10594

Holdings Report

As of November 30, 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
<b>AGENCY</b>									
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	97.85 2.91%	733,885.50 1,160.83	1.09% (16,114.50)	Aaa / AA+ AAA	2.42 2.34
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	96.19 3.00%	480,973.50 2,583.33	0.72% (19,026.50)	Aaa / AA+ AAA	2.66 2.56
3134G95L7	FHLMC Callable Note Qtrly 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	96.61 2.90%	966,116.00 4,266.67	1.44% (33,884.00)	Aaa / AA+ AAA	2.74 2.64
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	96.61 2.88%	966,053.00 2,753.47	1.44% (33,947.00)	Aaa / AA+ NR	2.84 2.42
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	95.79 3.07%	957,913.00 1,420.83	1.43% (42,087.00)	Aaa / AA+ AAA	2.91 2.81
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	97.08 2.90%	970,759.00 260.42	1.44% (29,241.00)	Aaa / AA+ AAA	2.99 2.88
<b>Total Agency</b>		<b>19,056,000.00</b>	<b>1.59%</b>	<b>19,040,981.17</b> <b>19,050,634.19</b>	<b>2.80%</b>	<b>18,693,446.67</b> <b>59,300.52</b>	<b>27.88%</b> <b>(357,187.52)</b>	<b>Aaa / AA+</b> <b>AAA</b>	<b>1.68</b> <b>1.50</b>
<b>LAIF</b>									
90LAIF\$00	Local Agency Investment Fund State Pool	16,553,171.90	Various 2.24%	16,553,171.90 16,553,171.90	1.00 2.24%	16,553,171.90 71,815.36	24.72% 0.00	NR / NR NR	0.00 0.00
<b>Total LAIF</b>		<b>16,553,171.90</b>	<b>2.24%</b>	<b>16,553,171.90</b> <b>16,553,171.90</b>	<b>2.24%</b>	<b>16,553,171.90</b> <b>71,815.36</b>	<b>24.72%</b> <b>0.00</b>	<b>NR / NR</b> <b>NR</b>	<b>0.00</b> <b>0.00</b>
<b>LOCAL GOV INVESTMENT POOL</b>									
90SDCP\$00	County of San Diego Pooled Investment Pool	5,217,000.00	Various 2.12%	5,217,000.00 5,217,000.00	1.00 2.12%	5,217,000.00 0.00	7.76% 0.00	NR / NR AAA	0.00 0.00
<b>Total Local Gov Investment Pool</b>		<b>5,217,000.00</b>	<b>2.12%</b>	<b>5,217,000.00</b> <b>5,217,000.00</b>	<b>2.12%</b>	<b>5,217,000.00</b> <b>0.00</b>	<b>7.76%</b> <b>0.00</b>	<b>NR / NR</b> <b>AAA</b>	<b>0.00</b> <b>0.00</b>



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
<b>MONEY MARKET FUND FI</b>									
261908206	Dreyfus Treasury Money Market Fund	1,237,955.28	Various 1.87%	1,237,955.28 1,237,955.28	1.00 1.87%	1,237,955.28 0.00	1.84% 0.00	Aaa / AAA NR	0.00 0.00
<b>Total Money Market Fund FI</b>		<b>1,237,955.28</b>	<b>1.87%</b>	<b>1,237,955.28</b>	<b>1.87%</b>	<b>1,237,955.28</b> <b>0.00</b>	<b>1.84%</b> <b>0.00</b>	<b>Aaa / AAA</b> <b>NR</b>	<b>0.00</b> <b>0.00</b>

<b>NEGOTIABLE CD</b>									
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	99.99 2.03%	244,970.85 1,879.45	0.37% (29.15)	NR / NR NR	0.03 0.03
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	99.72 2.35%	244,323.07 743.05	0.36% (676.93)	NR / NR NR	0.28 0.27
78012UEY7	Royal Bank of Canada Yankee CD 2.6% Due 4/8/2019	500,000.00	08/24/2018 2.55%	500,130.05 500,073.33	100.01 2.55%	500,073.33 5,200.00	0.75% 0.00	P-1 / A-1+ F-1+	0.35 0.35
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 2.39%	244,290.73 465.16	0.36% (709.27)	NR / NR NR	0.39 0.39
29266NK97	Enerbank USA Negotiable CD 1.5% Due 5/15/2019	233,000.00	06/18/2015 1.58%	232,301.00 232,919.18	99.59 2.42%	232,036.08 153.21	0.35% (883.10)	NR / NR NR	0.45 0.45
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 7,109.44	0.75% 0.00	P-1 / A-1+ F-1+	0.48 0.47
06740KJJ7	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	99.57 2.44%	243,952.14 969.26	0.36% (1,047.86)	NR / NR NR	0.79 0.78
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	98.56 2.86%	241,475.68 958.52	0.36% (3,524.32)	NR / NR NR	1.27 1.24
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%	244,510.00 244,793.93	97.50 3.00%	238,880.64 1,372.00	0.36% (5,913.29)	NR / NR NR	1.61 1.56
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	96.66 3.32%	236,825.58 362.47	0.35% (8,174.42)	NR / NR NR	1.91 1.85
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	97.44 3.12%	238,720.90 24.84	0.35% (6,279.10)	NR / NR NR	2.08 2.04



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
<b>NEGOTIABLE CD</b>									
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	99.54 2.43%	241,877.34 673.74	0.36% (1,122.66)	NR / NR NR	2.26 1.23
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	96.04 3.25%	235,304.62 11.08	0.35% (9,695.38)	NR / NR NR	2.58 2.52
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	95.46 3.41%	233,872.59 166.13	0.35% (11,127.41)	NR / NR NR	2.71 2.63
<b>Total Negotiable CD</b>		<b>3,926,000.00</b>	<b>1.85%</b>	<b>3,924,941.05</b> <b>3,925,786.44</b>	<b>2.71%</b>	<b>3,876,603.55</b> <b>20,088.35</b>	<b>5.79%</b> <b>(49,182.89)</b>	<b>Aaa / AAA</b> <b>AAA</b>	<b>1.11</b> <b>1.02</b>
<b>SUPRANATIONAL</b>									
4581X0CD8	Inter-American Dev Bank Note 2.125% Due 11/9/2020	750,000.00	05/22/2018 2.81%	737,865.00 740,440.32	98.51 2.92%	738,841.50 973.96	1.10% (1,598.82)	Aaa / AAA AAA	1.95 1.88
459058GH0	Intl. Bank Recon & Development Note 2.75% Due 7/23/2021	750,000.00	07/24/2018 2.86%	747,607.50 747,887.68	99.54 2.93%	746,561.25 7,218.75	1.12% (1,326.43)	Aaa / AAA NR	2.65 2.51
<b>Total Supranational</b>		<b>1,500,000.00</b>	<b>2.84%</b>	<b>1,485,472.50</b> <b>1,488,328.00</b>	<b>2.92%</b>	<b>1,485,402.75</b> <b>8,192.71</b>	<b>2.22%</b> <b>(2,925.25)</b>	<b>Aaa / AAA</b> <b>AAA</b>	<b>2.30</b> <b>2.20</b>
<b>US CORPORATE</b>									
40428HPV8	HSBC USA Inc Note 2.75% Due 8/7/2020	250,000.00	10/10/2018 3.26%	247,772.50 247,939.98	98.96 3.39%	247,398.75 2,177.08	0.37% (541.23)	A2 / A AA-	1.69 1.62
00440EAT4	Chubb INA Holdings Inc Callable Note Cont 10/3/2020 2.3% Due 11/3/2020	500,000.00	09/27/2018 3.21%	490,920.00 491,644.97	98.03 3.37%	490,147.00 894.44	0.73% (1,497.97)	A3 / A A	1.93 1.86
459200JF9	IBM Corp Note 2.25% Due 2/19/2021	500,000.00	06/26/2018 3.07%	489,640.00 491,311.31	97.49 3.43%	487,436.50 3,187.50	0.73% (3,874.81)	A1 / A A	2.22 2.13
69371RN93	Paccar Financial Corp Note 2.8% Due 3/1/2021	300,000.00	07/23/2018 3.12%	297,585.00 297,912.93	99.06 3.23%	297,186.30 2,100.00	0.45% (726.63)	A1 / A+ NR	2.25 2.15
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%	493,125.00 493,804.63	98.07 3.35%	490,371.00 1,597.22	0.73% (3,433.63)	A1 / A AA-	2.38 2.28





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
<b>US CORPORATE</b>									
369550BE7	General Dynamics Corp Note 3% Due 5/11/2021	350,000.00	06/28/2018 3.08%	349,247.50 349,358.90	99.42 3.25%	347,977.00 583.33	0.52% (1,381.90)	A2 / A+ NR	2.45 2.34
857477AV5	State Street Bank Note 1.95% Due 5/19/2021	500,000.00	10/12/2018 3.30%	483,360.00 484,169.13	96.54 3.42%	482,703.00 325.00	0.72% (1,466.13)	A1 / A AA-	2.47 2.38
808513AW5	Charles Schwab Corp Callable Note Cont 4/21/2021 3.25% Due 5/21/2021	320,000.00	Various 3.09%	321,372.10 321,133.03	99.88 3.30%	319,616.97 288.89	0.48% (1,516.06)	A2 / A A	2.47 2.36
931142EJ8	Wal-Mart Stores Note 3.125% Due 6/23/2021	290,000.00	06/20/2018 3.13%	289,985.50 289,987.58	99.91 3.16%	289,748.86 3,876.74	0.44% (238.72)	Aa2 / AA AA	2.56 2.41
02665WBG5	American Honda Finance Note 1.7% Due 9/9/2021	500,000.00	07/20/2018 3.19%	478,045.00 480,542.07	95.52 3.40%	477,612.00 1,936.11	0.71% (2,930.07)	A2 / A+ NR	2.78 2.67
89233P5F9	Toyota Motor Credit Corp Note 3.4% Due 9/15/2021	500,000.00	05/31/2018 3.03%	505,785.00 504,916.53	100.25 3.30%	501,273.00 3,588.89	0.75% (3,643.53)	Aa3 / AA- A+	2.79 2.63
24422ETL3	John Deere Capital Corp Note 2.65% Due 1/6/2022	500,000.00	Various 3.29%	489,627.50 490,687.47	97.43 3.53%	487,165.00 5,336.80	0.73% (3,522.47)	A2 / A A	3.10 2.91
74005PBA1	Praxair Callable Note Cont 11/15/2021 2.45% Due 2/15/2022	300,000.00	06/27/2018 3.15%	292,848.00 293,683.39	97.13 3.40%	291,390.90 2,164.17	0.44% (2,292.49)	A2 / A NR	3.21 3.03
037833CQ1	Apple Inc Callable Note Cont 4/11/22 2.3% Due 5/11/2022	500,000.00	10/30/2018 3.30%	483,395.00 483,782.06	96.66 3.33%	483,312.50 638.89	0.72% (469.56)	Aa1 / AA+ NR	3.45 3.27
68389XBB0	Oracle Corp Callable Note Cont 3/15/2022 2.5% Due 5/15/2022	500,000.00	Various 3.28%	486,304.00 487,489.25	96.87 3.47%	484,343.00 555.56	0.72% (3,146.25)	A1 / AA- A	3.46 3.27
09247XAJ0	Blackrock Inc Note 3.375% Due 6/1/2022	500,000.00	11/28/2018 3.36%	500,215.00 500,214.83	100.00 3.37%	500,015.00 8,437.50	0.76% (199.83)	Aa3 / AA- NR	3.50 3.22
<b>Total US Corporate</b>		<b>6,810,000.00</b>	<b>3.19%</b>	<b>6,699,227.10</b> <b>6,708,578.06</b>	<b>3.37%</b>	<b>6,677,696.78</b> <b>37,688.12</b>	<b>9.98%</b> <b>(30,881.28)</b>	<b>A1 / A+</b> <b>A+</b>	<b>2.72</b> <b>2.57</b>
<b>US TREASURY</b>									
912828WW6	US Treasury Note 1.625% Due 7/31/2019	600,000.00	08/29/2018 2.44%	595,593.75 596,816.98	99.33 2.64%	595,992.00 3,258.83	0.89% (824.98)	Aaa / AA+ AAA	0.67 0.66
9128283S7	US Treasury Note 2% Due 1/31/2020	750,000.00	08/24/2018 2.57%	744,082.03 745,170.39	99.12 2.77%	743,408.25 5,013.59	1.11% (1,762.14)	Aaa / AA+ AAA	1.17 1.14



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
<b>US TREASURY</b>									
9128283Y4	US Treasury Note 2.25% Due 2/29/2020	750,000.00	06/25/2018 2.51%	746,835.94 747,651.47	99.34 2.79%	745,048.50 4,288.67	1.11% (2,602.97)	Aaa / AA+ AAA	1.25 1.21
912828X21	US Treasury Note 1.5% Due 4/15/2020	750,000.00	07/23/2018 2.62%	735,937.50 738,834.69	98.26 2.80%	736,933.50 1,452.61	1.10% (1,901.19)	Aaa / AA+ AAA	1.38 1.34
9128284J6	US Treasury Note 2.375% Due 4/30/2020	750,000.00	11/29/2018 2.80%	745,605.47 745,613.97	99.40 2.81%	745,517.25 1,525.38	1.11% (96.72)	Aaa / AA+ AAA	1.42 1.38
912828XH8	US Treasury Note 1.625% Due 6/30/2020	750,000.00	05/31/2018 2.43%	737,753.91 740,714.86	98.17 2.81%	736,260.00 5,100.20	1.10% (4,454.86)	Aaa / AA+ AAA	1.58 1.54
912828Y46	US Treasury Note 2.625% Due 7/31/2020	750,000.00	10/31/2018 2.87%	746,894.53 747,045.19	99.68 2.82%	747,568.50 6,580.33	1.12% 523.31	Aaa / AA+ AAA	1.67 1.61
912828VV9	US Treasury Note 2.125% Due 8/31/2020	750,000.00	08/28/2018 2.66%	742,236.33 743,231.94	98.81 2.83%	741,064.50 4,050.41	1.11% (2,167.44)	Aaa / AA+ AAA	1.75 1.69
912828L65	US Treasury Note 1.375% Due 9/30/2020	750,000.00	06/27/2018 2.53%	731,044.92 734,629.15	97.44 2.82%	730,810.50 1,756.52	1.09% (3,818.65)	Aaa / AA+ AAA	1.84 1.79
912828WC0	US Treasury Note 1.75% Due 10/31/2020	750,000.00	07/20/2018 2.64%	735,292.97 737,611.41	98.00 2.83%	735,029.25 1,123.96	1.09% (2,582.16)	Aaa / AA+ AAA	1.92 1.86
912828A42	US Treasury Note 2% Due 11/30/2020	750,000.00	11/28/2018 2.85%	737,695.31 737,728.93	98.41 2.83%	738,046.50 41.21	1.10% 317.57	Aaa / AA+ AAA	2.00 1.94
912828N89	US Treasury Note 1.375% Due 1/31/2021	750,000.00	10/30/2018 2.86%	725,859.38 726,768.69	96.98 2.82%	727,324.50 3,446.84	1.09% 555.81	Aaa / AA+ AAA	2.17 2.10
912828U81	US Treasury Note 2% Due 12/31/2021	750,000.00	11/08/2018 3.05%	726,650.39 727,097.86	97.57 2.83%	731,748.00 6,277.17	1.10% 4,650.14	Aaa / AA+ AAA	3.09 2.94
912828W89	US Treasury Note 1.875% Due 3/31/2022	750,000.00	09/27/2018 2.92%	724,013.67 725,312.99	96.95 2.84%	727,089.75 2,395.26	1.08% 1,776.76	Aaa / AA+ AAA	3.33 3.19
912828XR6	US Treasury Note 1.75% Due 5/31/2022	750,000.00	09/24/2018 2.93%	719,208.98 720,743.95	96.37 2.85%	722,754.00 36.06	1.07% 2,010.05	Aaa / AA+ AAA	3.50 3.36
912828XW5	US Treasury Note 1.75% Due 6/30/2022	350,000.00	09/07/2018 2.80%	336,792.97 337,572.65	96.30 2.84%	337,039.15 2,563.18	0.50% (533.50)	Aaa / AA+ AAA	3.58 3.41



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
<b>US TREASURY</b>									
912828L24	US Treasury Note 1.875% Due 8/31/2022	750,000.00	09/20/2018 2.94%	720,439.45 721,896.95	96.52 2.86%	723,896.25 3,573.90	1.08% 1,999.30	Aaa / AA+ AAA	3.75 3.57
<b>Total US Treasury</b>		<b>12,200,000.00</b>	<b>2.73%</b>	<b>11,951,937.50</b> <b>11,974,442.07</b>	<b>2.81%</b>	<b>11,965,530.40</b> <b>52,484.12</b>	<b>17.87%</b> <b>(8,911.67)</b>	<b>Aaa / AA+</b> <b>AAA</b>	<b>2.08</b> <b>2.01</b>
<b>TOTAL PORTFOLIO</b>		<b>67,810,127.18</b>	<b>2.23%</b>	<b>67,407,921.71</b> <b>67,453,596.54</b>	<b>2.65%</b>	<b>67,004,252.83</b> <b>250,646.85</b>	<b>100.00%</b> <b>(449,343.71)</b>	<b>Aa1 / AA+</b> <b>AAA</b>	<b>1.28</b> <b>1.17</b>
<b>TOTAL MARKET VALUE PLUS ACCRUED</b>						<b>67,254,899.68</b>			

**VALLECITOS WATER DISTRICT  
SUMMARY OF LEGAL FEES**

<b>Matter Description</b>	<b>Mar-18</b>	<b>Apr-18</b>	<b>May-18</b>	<b>Jun-18</b>	<b>Jul-18</b>	<b>Aug-18</b>	<b>Sep-18</b>
General Counsel Services	\$ 2,417	\$ 10,376	\$ 6,959	\$ 4,112	\$ 3,223	\$ 14,057	\$ 6,416
Fees and Taxes		208	3,274	1,765	182		1,040
Labor/Employment		377	1,385	522	609		493
Engineering - Construction/Contracting		6,797	11,150	2,288	2,059	1,274	1,947
VWD v. Brian Thomas Boyd					658	1,730	3,375
Annual Public Policy & Ethics Program					4,600		
<b>Total</b>	<b>\$ 2,417</b>	<b>\$ 17,758</b>	<b>\$ 22,767</b>	<b>\$ 8,687</b>	<b>\$ 11,331</b>	<b>\$ 17,061</b>	<b>\$ 13,271</b>

**DATE: DECEMBER 19, 2018**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: APPROVAL OF CONSTRUCTION AGREEMENT FOR FIRESTINE RESIDENCE – 862 ROCK SPRINGS RD – APN: 226-012-46**

**BACKGROUND:**

Ryan Firestine, owner of the project, has completed the plan check process with the District. The project is located at 862 Rock Springs Road. The owner proposes to build a single-family home on 0.41 acres.

**DISCUSSION:**

A Construction Agreement is entered into between a property owner and the District to ensure that the required public facilities are constructed to support the demands of the project.

The project will construct approximately 170 feet of 8-inch diameter PVC sewer main.

Upon completion of the sewer facilities, sewer service will be available to one single family home.

All engineering fees and inspection deposits have been paid prior to Board approval of the Construction Agreement. Estimated Wastewater Capital Facility Fees of \$9,899.00 are due and payable prior to issuance of the final building inspection and/or utility release per Resolution 1441.

The owner has submitted standard surety bonds to guarantee completion of the project. The following bond amounts have been reviewed and approved by staff:

Labor and Materials	\$27,264.00
Faithful Performance	\$27,264.00

**FISCAL IMPACT:**

None. Future sewer revenues will offset costs of service.

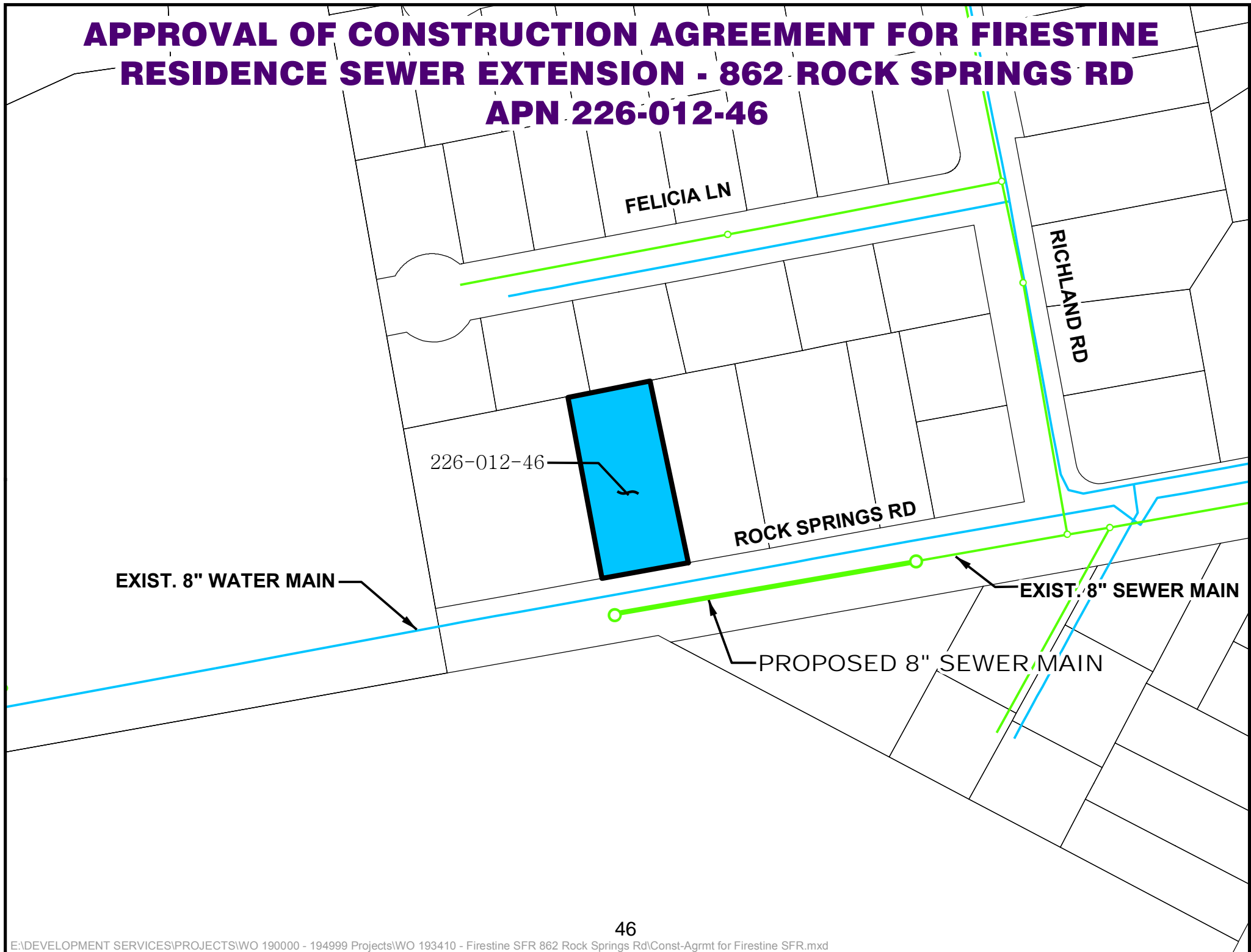
**RECOMMENDATION:**

Approve the construction agreement for the Firestine Residence project improvements.

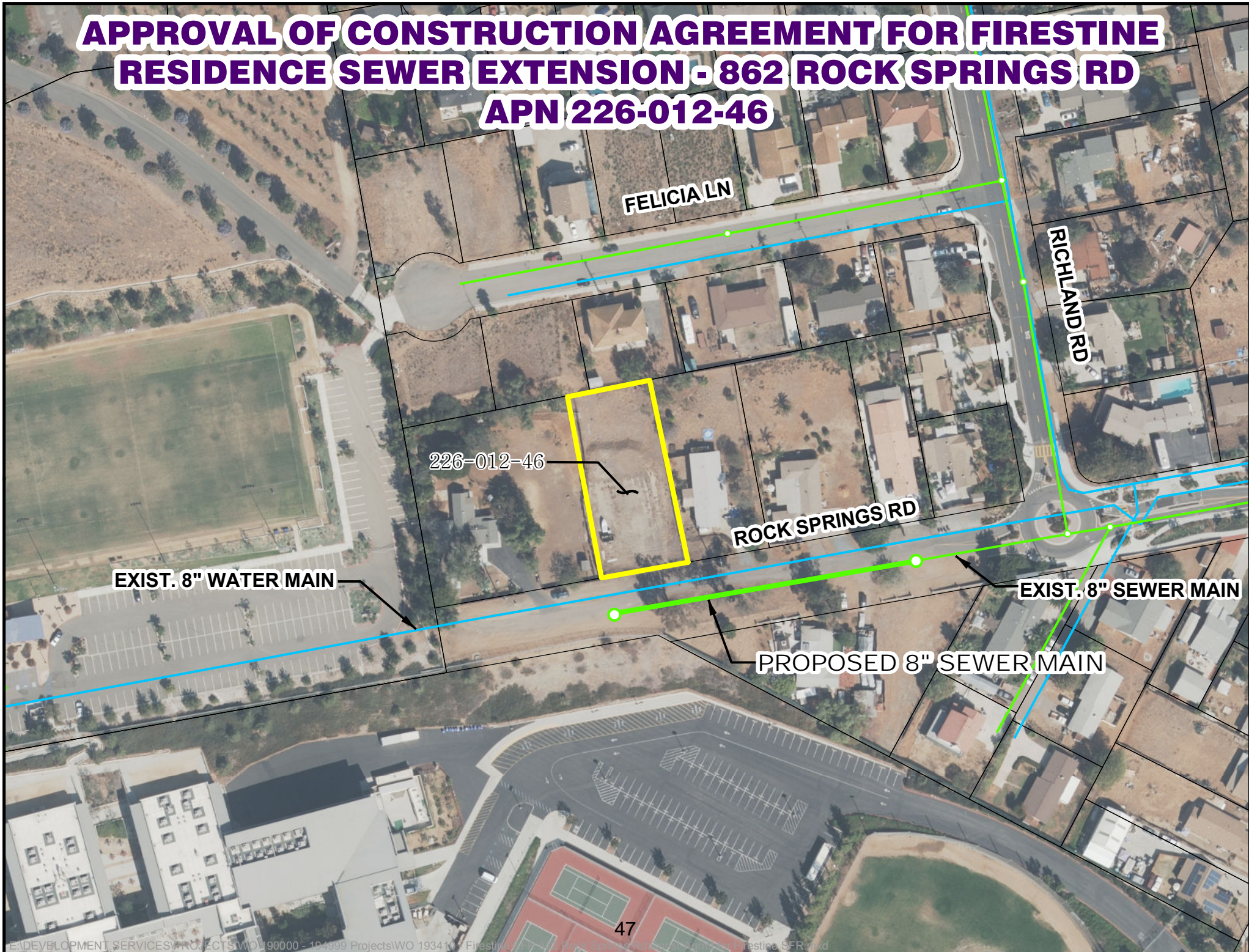
**ATTACHMENTS:**

2 Map Exhibits – 1 Plat & 1 Aerial

# APPROVAL OF CONSTRUCTION AGREEMENT FOR FIRESTINE RESIDENCE SEWER EXTENSION - 862 ROCK SPRINGS RD APN 226-012-46



# APPROVAL OF CONSTRUCTION AGREEMENT FOR FIRESTINE RESIDENCE SEWER EXTENSION - 862 ROCK SPRINGS RD APN 226-012-46



**DATE: DECEMBER 19, 2018**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: APPROVAL OF CONSTRUCTION AGREEMENT FOR FOLIA AND OMELI SINGLE FAMILY RESIDENCES**  
**APN: 222-360-35 & 222-360-36**

**BACKGROUND:**

Ed Folia and Marc Lomeli, owners of the project, have completed the plan check process with the District. The project is located on La Sombra Drive north of Valencia Avenue. The owners propose to provide service to two single family residences.

**DISCUSSION:**

A Construction Agreement is entered into between a property owner and the District to ensure that the required public facilities are constructed to support the demands of the project.

The project will construct approximately 111 feet of 8-inch diameter PVC sewer main plus sewer laterals and water meters to two lots.

Upon completion of the facilities, water and sewer service will be available to two single family residences.

All engineering fees and inspection deposits have been paid prior to Board approval of the Construction Agreement. Estimated Water and Wastewater Capital Facility Fees of \$46,018.00 are due and payable prior to issuance of the final building inspection and/or utility release per Resolution 1441.

The owner has submitted standard surety bonds to guarantee completion of the project. The following bond amounts have been reviewed and approved by staff:

Labor and Materials	\$44,600.00
Faithful Performance	\$44,600.00

**FISCAL IMPACT:**

None. Future water revenues will offset costs of service.

**RECOMMENDATION:**

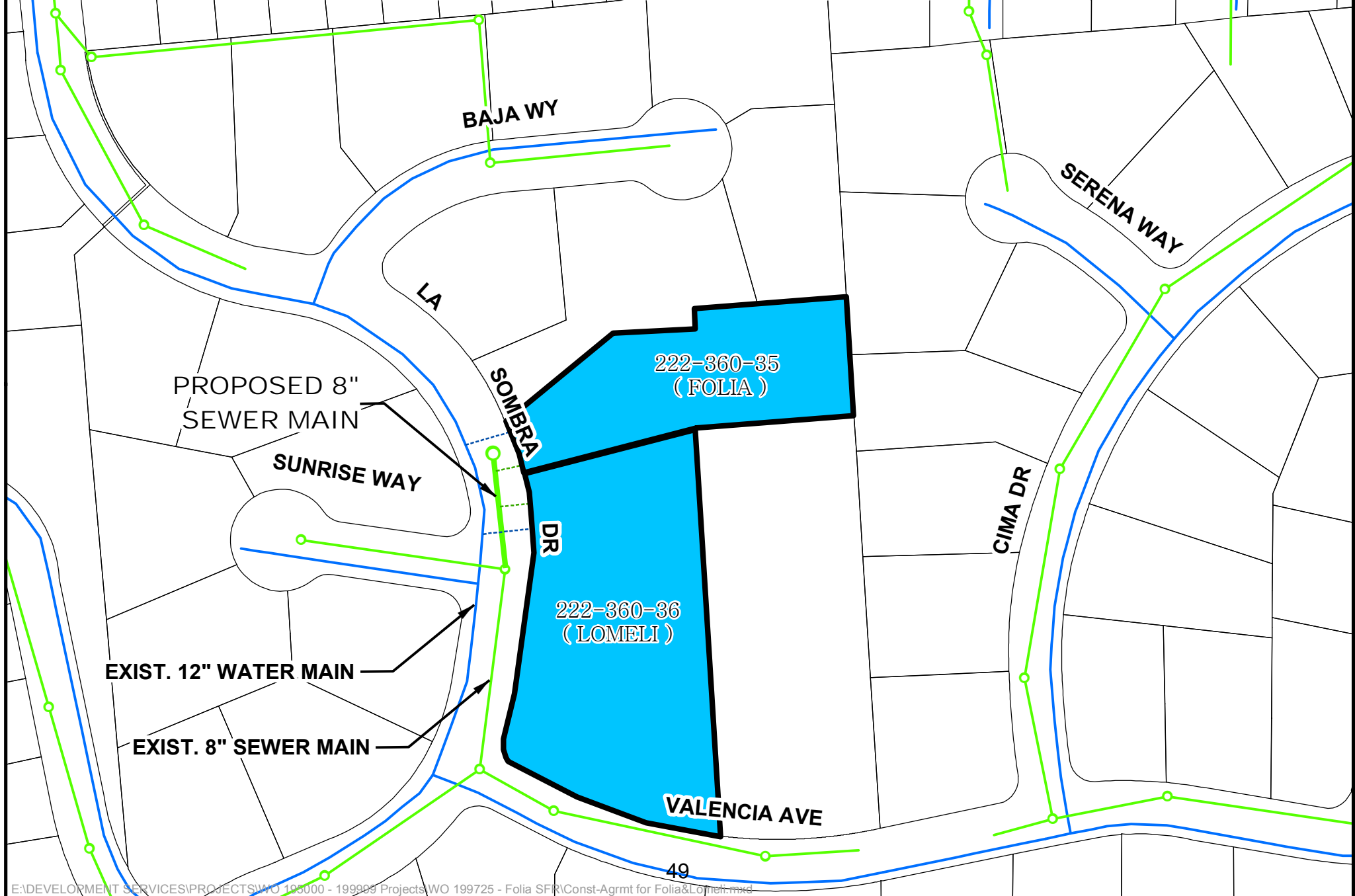
Approve the construction agreement for the Folia and Lomeli Single Family Residences project improvements.

**ATTACHMENTS:**

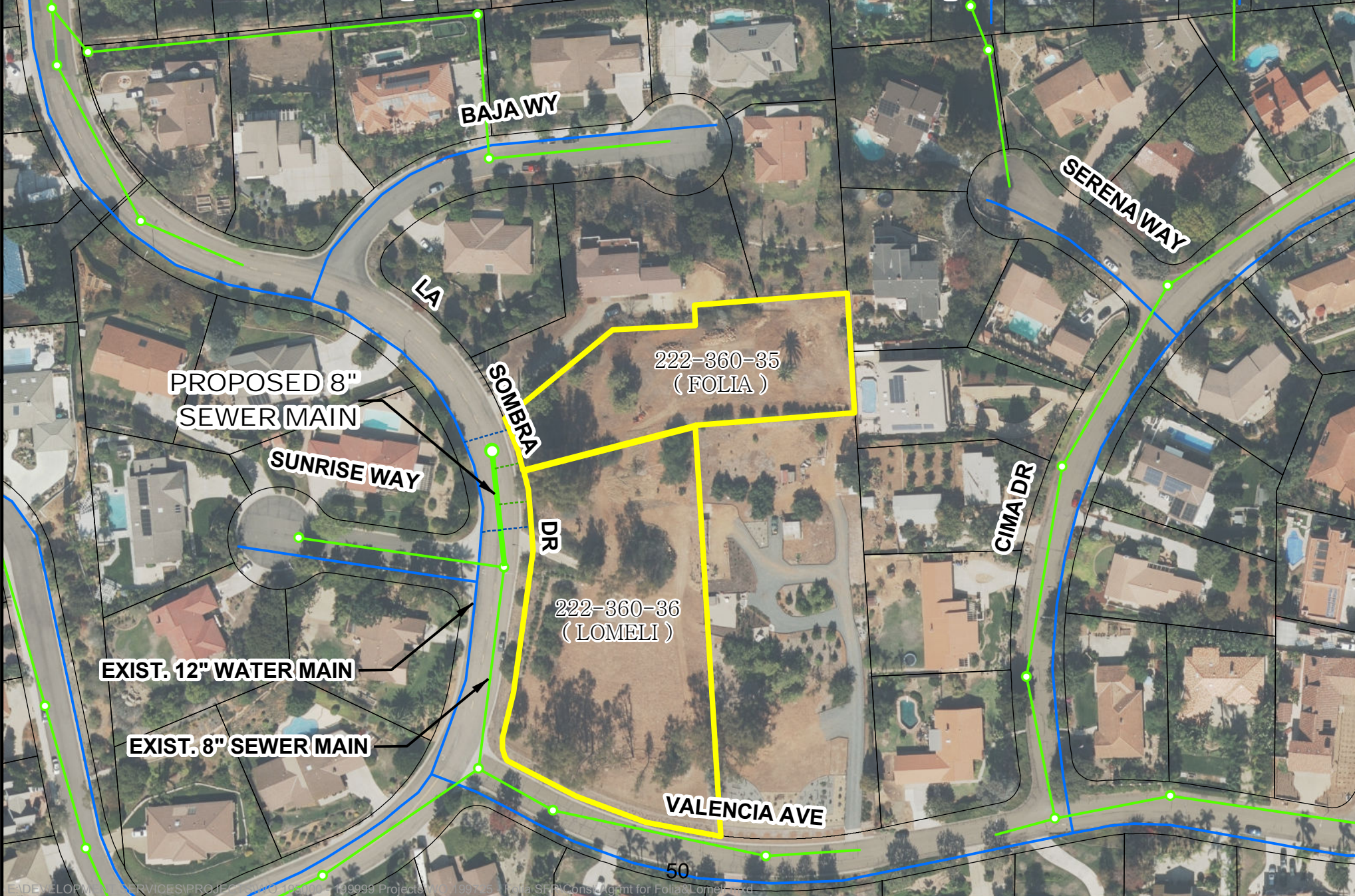
2 Map Exhibits – 1 Plat & 1 Aerial



# APPROVAL OF CONSTRUCTION AGREEMENT FOR FOLIA AND LOMELI SINGLE FAMILY RESIDENCES APN 222-360-35 & 222-360-36 ( ED FOLIA & MARC LOMELI )



# APPROVAL OF CONSTRUCTION AGREEMENT FOR FOLIA AND LOMELI SINGLE FAMILY RESIDENCES APN 222-360-35 & 222-360-36 ( ED FOLIA & MARC LOMELI )



**DATE: DECEMBER 19, 2018**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: APPROVAL OF CONSTRUCTION AGREEMENT FOR MONTIEL 6-LOT**  
**SUBDIVISION APN: 226-111-53, 226-092-66 & 226-092-67**  
**(MOOREHOWARD INVESTMENTS, LLC)**

**BACKGROUND:**

Moorehoward Investments, LLC, owner of the project, has completed the plan check process with the District. The project is located on Montiel Road southeast of Bennett Avenue. The proposed project is comprised of six lots. APN 226-092-66 and 226-092-67 have existing water and sewer services. APN 226-111-53 is being subdivided into 4 new lots. The existing home on APN 226-111-53 has existing water and sewer services which will remain. New water and sewer services are to be provided to three of the new lots. APN 226-092-66 does not have the required frontage on the water or sewer mains and the owner is requesting approval of an off-site water and sewer service agreement under a separate agenda item.

**DISCUSSION:**

A Construction Agreement is entered into between a property owner and the District to ensure that the required public facilities are constructed to support the demands of the project.

The project will construct a 29-foot extension of an 8-inch diameter PVC sewer main.

Upon completion of the sewer facilities, sewer service will be available to three new single-family residences.

All engineering fees and inspection deposits have been paid prior to Board approval of the Construction Agreement. Estimated Water and Sewer Capital Facility Fees of \$69,027.00 are due and payable prior to issuance of the final building inspection and/or utility release per Resolution 1441.

The owner has submitted standard surety bonds to guarantee completion of the project. The following bond amounts have been reviewed and approved by staff:

Labor and Materials	\$34,090.00
Faithful Performance	\$34,090.00

**FISCAL IMPACT:**

None. Future water revenues will offset costs of service.

**RECOMMENDATION:**

Approve the construction agreement for the Montiel 6-Lot Subdivision project improvements.

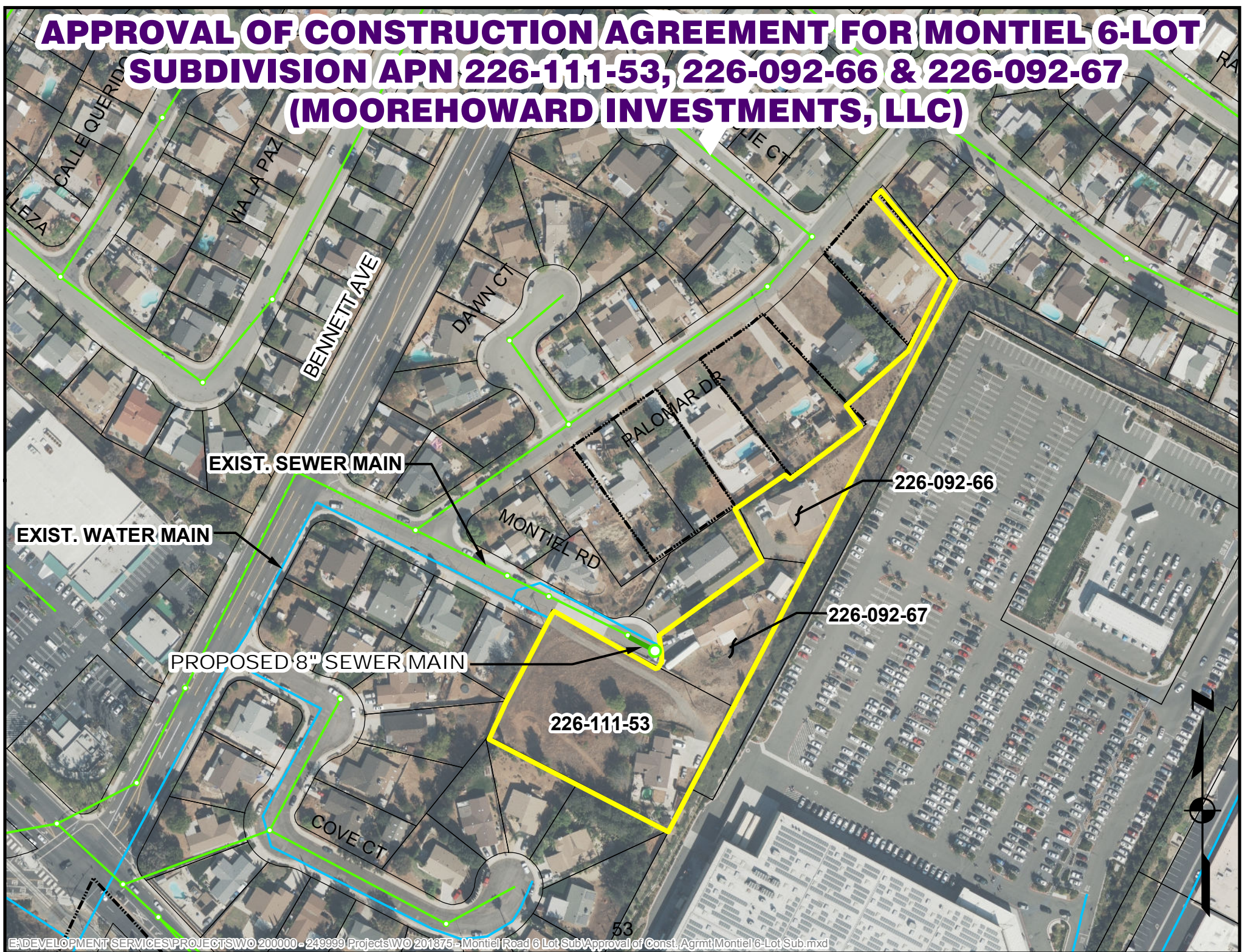
**ATTACHMENTS:**

2 Map Exhibits – 1 Plat & 1 Aerial

# APPROVAL OF CONSTRUCTION AGREEMENT FOR MONTIEL 6-LOT SUBDIVISION APN 226-111-53, 226-092-66 & 226-092-67 (MOOREHOWARD INVESTMENTS, LLC)



# APPROVAL OF CONSTRUCTION AGREEMENT FOR MONTIEL 6-LOT SUBDIVISION APN 226-111-53, 226-092-66 & 226-092-67 (MOOREHOWARD INVESTMENTS, LLC)



**DATE: DECEMBER 19, 2018**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: APPROVAL OF TEMPORARY OFF-SITE WATER & SEWER SERVICE AGREEMENTS FOR APN: 226-092-66 (MOOREHOWARD INVESTMENTS, LLC)**

**BACKGROUND:**

Moorehoward Investments, LLC, owners of the subject property, have requested approval of Temporary Off-Site Water and Sewer Service Agreements to provide water and sewer service for a single-family residence on the above referenced property.

**DISCUSSION:**

The subject property is located within Vallecitos Water District's (VWD) water and sewer service boundary, on APN 226-092-66, and is not located adjacent to any existing VWD facilities. An existing VWD 8-inch water main is located in Montiel Road approximately 200 feet southwest of the subject property.

District standards require the extension of facilities along the frontage of properties requiring service. In this case, the extension of water and sewer mains to APN 226-092-66 would only serve this one property. There would be no benefit to the District for extension of these facilities.

Per District Ordinance No. 118, a "Temporary Off-Site Service Agreement" is defined as service to those properties that do not abut, traverse, or lie adjacent to existing pipelines.

It is not likely that future pipeline extensions would be constructed. If a pipeline extension is ever constructed across the frontage of this property, the Temporary Off-Site Water and Sewer Service Agreements require the owner to relocate the water meter and/or sewer connection to the new main at that time.

**FISCAL IMPACT:**

None. Future water and sewer revenues will offset costs of service.

**RECOMMENDATION:**

Approve a Temporary Off-Site Water Service Agreement and a Temporary Off-Site Sewer Service Agreement with the following conditions:

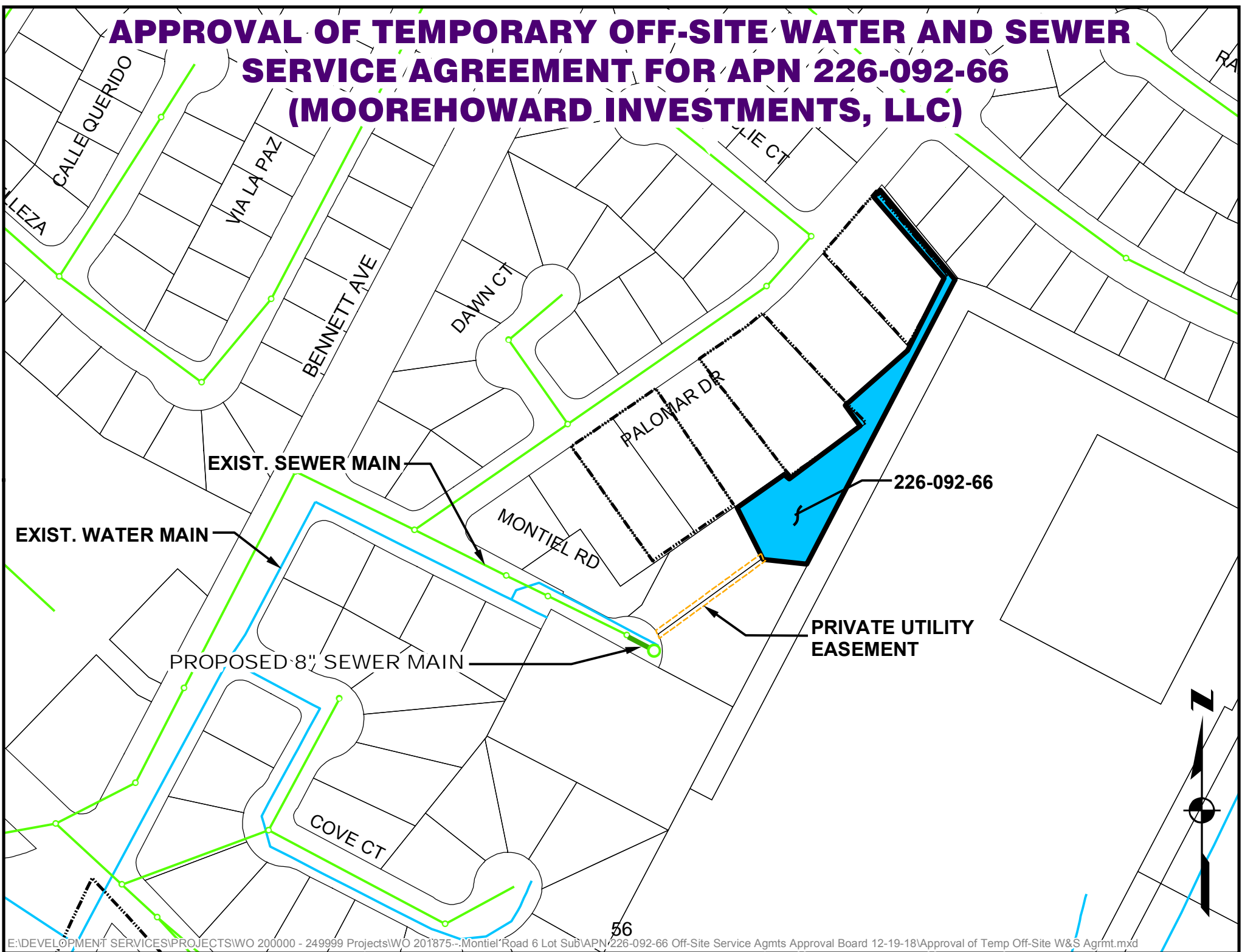
1. Execution of a Temporary Off-Site Water Service Agreement and a Temporary Off-Site Sewer Service Agreement, each of which will be recorded against the property.
2. Payment of a \$1,000 Administration fee (\$500 for each agreement).
3. Payment of County recording fees (to be determined at time of recording).
4. Submittal of proof of a recorded private easement across the adjacent property for a private water service line.

5. Installation of a water service line, water meter and sewer lateral by owner's contractor with inspection by District personnel.
6. No water or sewer service will be allowed until payment of all current fees and charges and completion of the above conditions.

**ATTACHMENTS:**

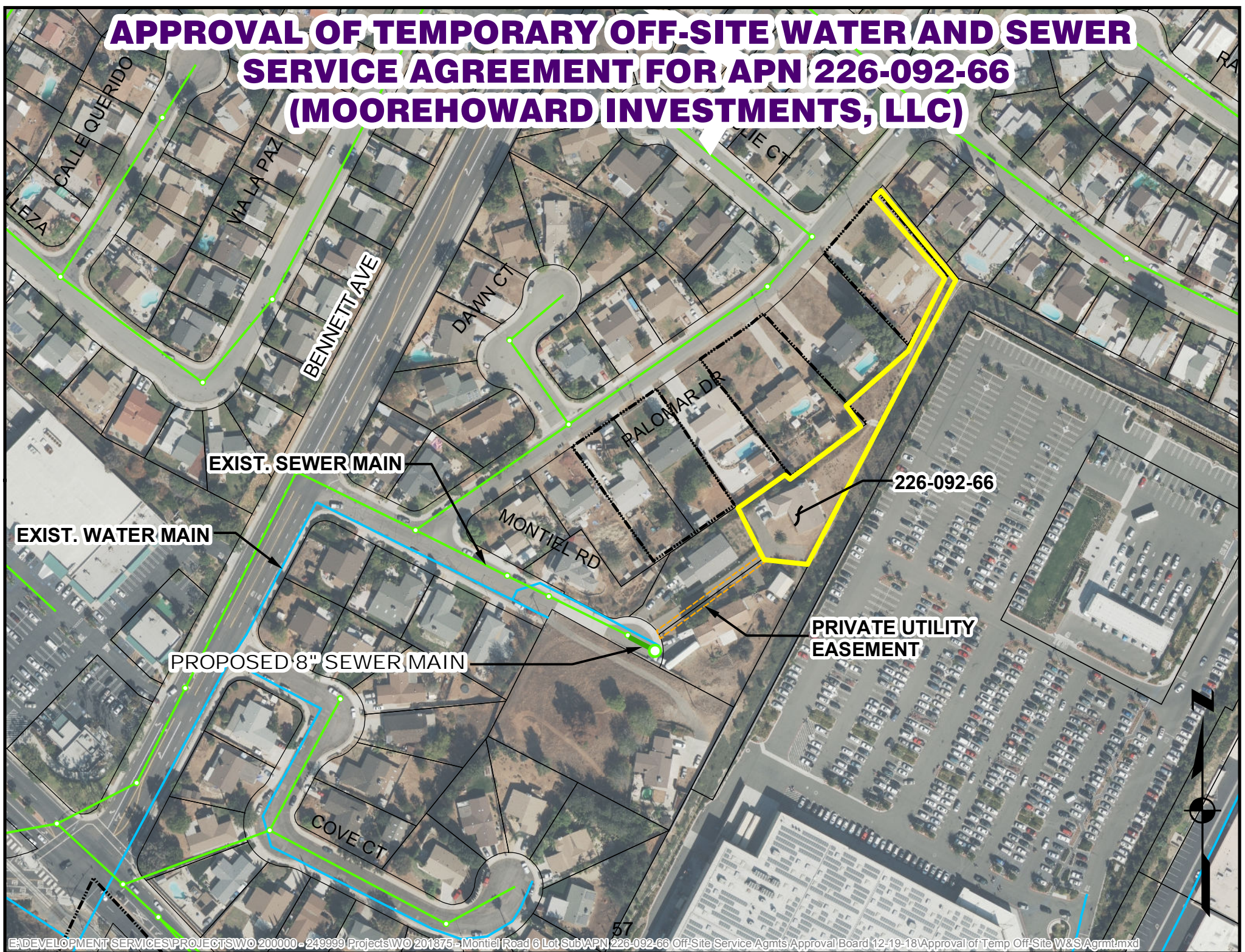
2 Map Exhibits - 1 Plat & 1 Aerial

# APPROVAL OF TEMPORARY OFF-SITE WATER AND SEWER SERVICE AGREEMENT FOR APN 226-092-66 (MOOREHOWARD INVESTMENTS, LLC)





# APPROVAL OF TEMPORARY OFF-SITE WATER AND SEWER SERVICE AGREEMENT FOR APN 226-092-66 (MOOREHOWARD INVESTMENTS, LLC)



**DATE: DECEMBER 19, 2018**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: CONTRACT AMENDMENT #4 TO KENNEDY/JENKS CONSULTANTS INCORPORATED FOR THE SAN MARCOS INTERCEPTOR PROJECT, PHASE 2**

**BACKGROUND:**

The San Marcos Interceptor Project consists of replacing the existing 1960's era 21" Sewer Interceptor with approximately 12,200 LF of 36" to 42" diameter sewer pipe between Twin Oaks Valley Road and Pacific Street. The project was identified in the 1991 Master Plan and initially approved in the District's 1999/2000 Budget. The project has been phased to correspond to City of San Marcos (City) initiated development, with the following portions completed:

- 2002 - portion behind the Creekside Marketplace from SR-78 to Grand Avenue.
- 2005 - experimental pipe-bursting section from Twin Oaks Valley Road to east of Johnston Lane.
- 2013 - Phase 1A from Grand Avenue to Via Vera Cruz.
- 2014 - Phase 1 from east of Johnston Lane to the south side of SR-78.

Phase 2, extending from Via Vera Cruz to Pacific Street, will complete the project.

**DISCUSSION:**

On August 21, 2013, the Board of Directors approved an engineering services contract with Kennedy/Jenks Consultants (K/J) for design and environmental services for the Phase 2 portion of the Sewer Interceptor in the amount of \$381,732.

Over the course of the design, K/J has received 3 previous contract amendments:

- Amendment 1: \$37,842 (Feb. 2014) – added scope of services due to San Diego County Water Authority aqueduct conflict; deleted scope of services for easement acquisition.
- Amendment 2: \$77,265 (Sept. 2015) – added scope of services to revise alignment into the City's Creekside Promenade project. Amendment cost to be reimbursed from the City.
- Amendment 3: \$6,553 (Feb. 2016) – added scope of services for additional utility potholing.

As a result of continued coordination, the City has reversed their request for the new Sewer Interceptor to be aligned within their Creekside Promenade per Amendment 2. Therefore, the alignment of the Sewer Interceptor will need to be redesigned back into the District's existing easement. Amendment 4 will cover the cost of these redesign efforts for the not-to-exceed amount of \$61,338. The City has agreed to reimburse the District for these costs.

**FISCAL IMPACT:**

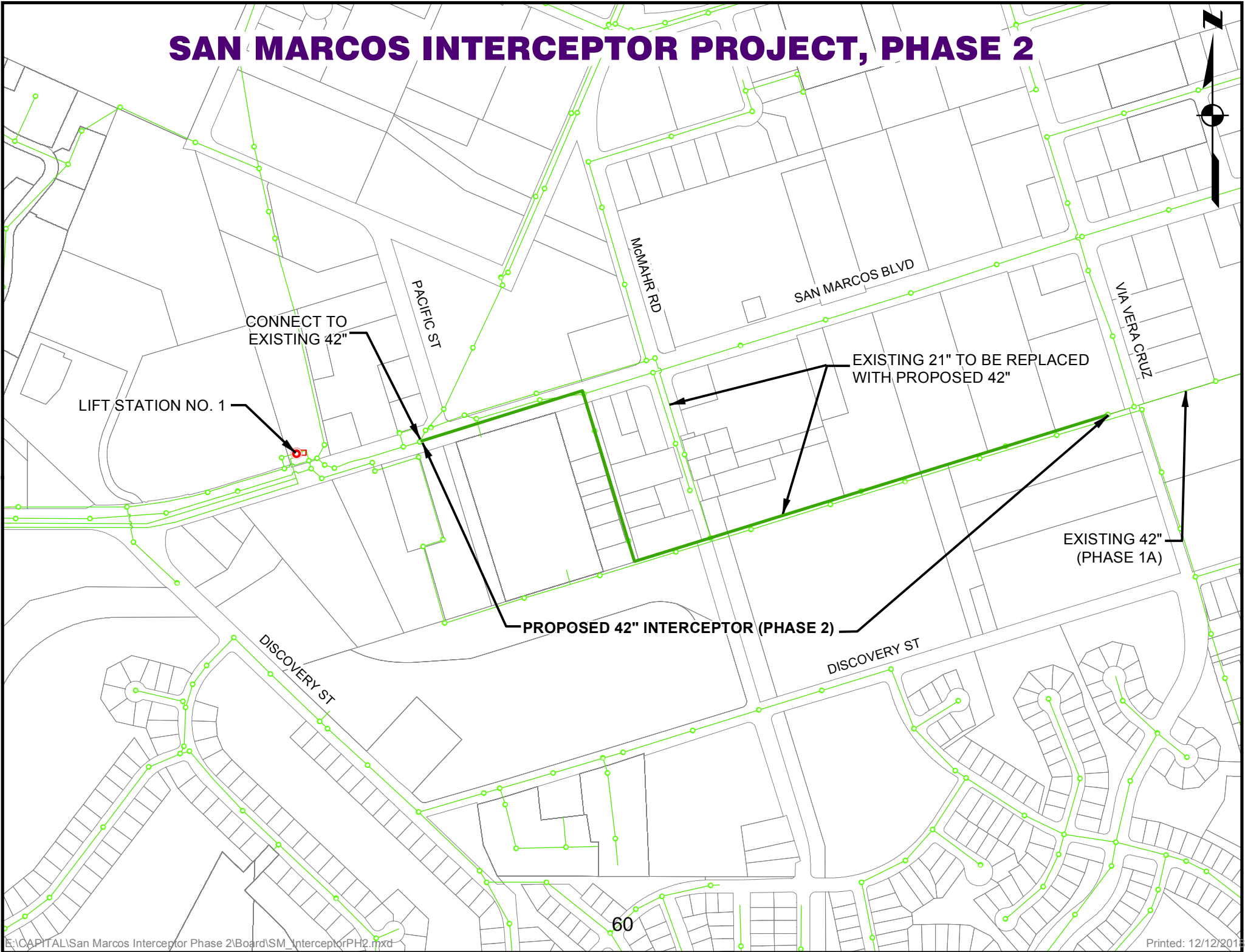
The project is identified in the FY 18/19 Budget with a fiscal year budget amount of \$1,580,000. There are adequate funds in the project budget to cover the amendment.

The District will be reimbursed by the City for the cost of Amendment 4 per the 2009 VWD/City Cost Sharing Agreement.

**RECOMMENDATION:**

Approve amendment to the professional services agreement with K/J in the amount of \$61,338, subject to the provisions of the contract.

# SAN MARCOS INTERCEPTOR PROJECT, PHASE 2



CONNECT TO EXISTING 42"

LIFT STATION NO. 1

PACIFIC ST

McMAHR RD

SAN MARCOS BLVD

VA VERACRUZ

EXISTING 21" TO BE REPLACED WITH PROPOSED 42"

EXISTING 42" (PHASE 1A)

PROPOSED 42" INTERCEPTOR (PHASE 2)

DISCOVERY ST

DISCOVERY ST

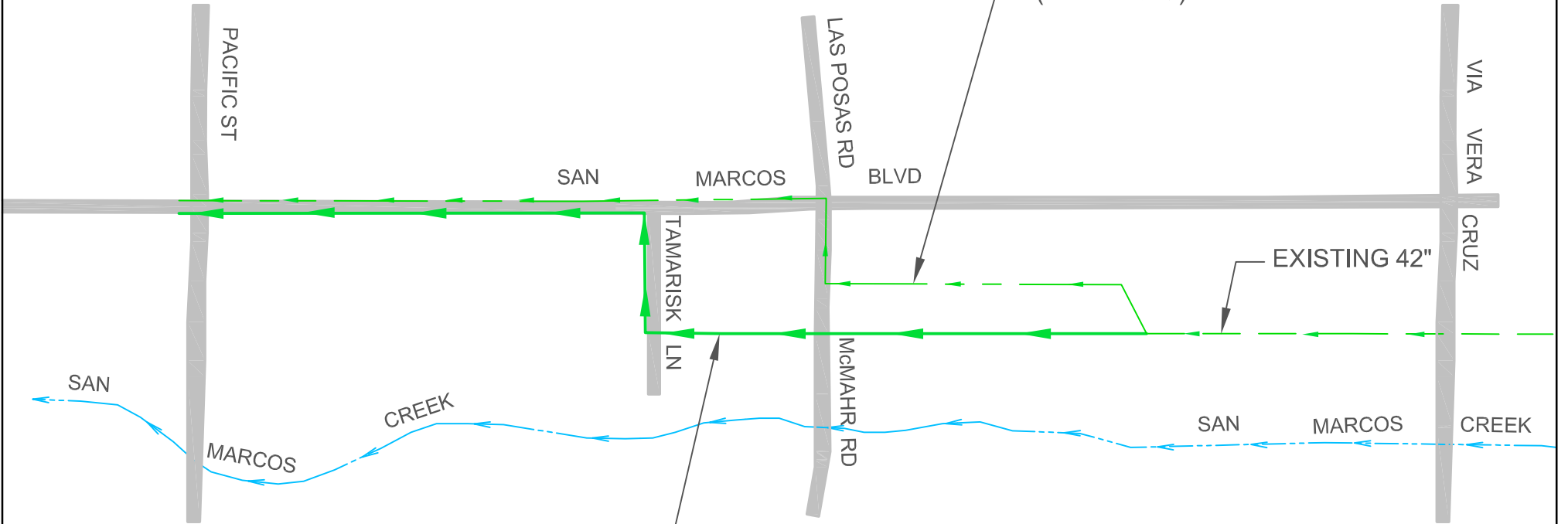
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# SAN MARCOS INTERCEPTOR PROJECT, PHASE 2



# SAN MARCOS INTERCEPTOR PROJECT, PHASE 2

AMENDMENT #2 : MOVE INTERCEPTOR ALIGNMENT INTO CITY PROMENADE WITH NEW EASEMENT (SEPT. 2015)



AMENDMENT #4: MOVE INTERCEPTOR ALIGNMENT BACK TO VWD EXISTING ALIGNMENT AND EASEMENT (DEC. 2018)

**DATE: DECEMBER 19, 2018**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: RETITLE ACCOUNTANT POSITION TO SENIOR ACCOUNTANT**

**BACKGROUND:**

Per the District's Employee Handbook, job descriptions are established for all authorized positions and include a description of work performed. All positions authorized by the Board are included in the annual budget and listed in the salary schedule approved and adopted in accordance with requirements of the California Public Employees' Retirement System. As positions become vacant the District scrutinizes the need to fill them and updates job descriptions as needed.

**DISCUSSION:**

An Accountant position will become vacant on January 28, 2019 when the incumbent retires. The Finance Manager and Accounting Supervisor reviewed the tasks of the position and the needs of the department and determined the current position title does not coincide with the responsibilities as listed in the job description. Staff reviewed job descriptions for other local agencies and determined a position title of Senior Accountant better reflects the needs of the department and the requirements of the position, without the need to adjust the existing pay scale for the position. Staff believes the change in position title will also make the future opening more attractive during recruitment.

The Senior Accountant will report directly to the Accounting Supervisor. A draft of the updated job description is attached.

**FISCAL IMPACT:**

No salary adjustment is being requested.

**RECOMMENDATION:**

Staff recommends approval of the position title change and adoption of the pay schedule.

**ATTACHMENTS:**

Revised Job Description for Senior Accountant  
Annual Pay Schedule  
Resolution

## **VALLECITOS WATER DISTRICT**

### **SENIOR ACCOUNTANT**

#### **DEFINITION**

Under general supervision, performs complex professional accounting duties in preparation of factual and analytical statements and/or reports; analyzes and evaluates detailed financial records; performs related duties as required.

#### **CLASS CHARACTERISTICS**

This single incumbent, non-supervisory class performs complex professional accounting support to the District, ensuring that day-to-day accounting and fiscal activities comply with accepted standards and appropriate laws and regulations. This position may perform some advanced functions in the absence of department supervisor, and may act in a lead capacity to Accounting Technicians. This class is distinguished from Accounting Supervisor in that the latter has supervisory responsibility for all accounting functions.

#### **ESSENTIAL FUNCTIONS**

Essential functions include, but are not limited to, the following:

- Prepares a variety of detailed accounting, statistical, and/or narrative financial statements or reports requiring complex analysis and interpretation of detailed source data; analyzes and reconciles general ledger and subsidiary accounts, including financial information detailing assets, liabilities, and net assets; prepares audit schedules, budget projections and analyses;
- Conducts and/or coordinates internal/external audits of financial records, rates, and charges; examines, analyzes, and verifies documents to ensure adherence to established internal controls and accepted professional standards;
- Ensures compliance with all applicable governmental accounting standards;
- Assists in the preparation and review of the annual operating and capital budget; researches, compiles, and analyzes financial data and department budget submittals; forecasts future expenditures based on past performance, current situation, and expected developments;
- Conducts complex research, interprets, and makes recommendations on accounting related debt and financial issues;
- Balances internal billing to projects against developer deposit; prepares journal entries for adjustments and project closing; creates invoices or issues refunds to developers as necessary;
- Invoices for property damages; creates journal entries for administration, equipment charges, and water loss; works with insurance companies to file claims;
- Performs bank account reconciliations, verifying accuracy of recorded transactions; prepares related work sheets, cash balances, proofs, and other schedules; reconciles other balance sheet accounts;



- Recommends and assists in the implementation of new or revised accounting systems, procedures, and records to ensure compliance with governmental accounting standards; may participate in the development of computerized programs for various accounting analyses; creates queries and reports using report writing software;
- Reviews payroll and accounts payable reports for accuracy before posting; may act in a lead capacity to Accounting Technicians; may perform payroll and accounts receivable/payable duties in the absence of the Accounting Technician;
- Makes complex or difficult adjusting entries affecting several subsystems of an accounting system; closes the District's financial records at the end of the accounting period; prepares a variety of related reports;
- Record fixed assets for depreciation; prepare journal entries for capital improvement program relating to acquisition and disposal of fixed assets; prepare fixed asset audit schedules and maintain fixed asset module within finance system;
- Compare internal billing to capital improvement project budget for overages;
- Assists in responding to public information requests;
- May rotate as Emergency Operations Center (EOC) finance representative in the absence of the Finance Manager or Accounting Supervisor;
- Operates copiers and a variety of office equipment;
- Performs duties in a professional manner and works well with others or in a team setting;
- Establish and maintain cooperative working relationships with co-workers, outside agencies, and the public;
- Regular attendance and adherence to prescribed work schedule to conduct job responsibilities;
- Observes safe work practices and safety methods; performs other duties as assigned.

## QUALIFICATIONS GUIDELINES

### Knowledge, Skills, and Abilities

#### Knowledge of:

- Principles and practices of accounting and auditing, including fund and governmental accounting and budgeting;
- Business data processing applications related to accounting and budgeting, such as Microsoft Excel;
- Applicable federal, state, and local laws, regulations, and policies related to assigned work;
- Auditing and reconciliation principles and methods;
- Principles and practices of financial/statistical/comparative analysis techniques;
- Principles of payroll processing;
- General office procedures.

#### Ability to:

- Prepare a variety of financial statements, reports, reconciliations, and analyses;
- Apply and adapt established accounting principles and procedures to a variety of District accounting work;
- Analyze and review financial data to develop forecasts, trends, and analysis;
- Examine and verify financial documents and reports;
- Communicate effectively with the public and a variety of personnel; establish and maintain effective working relationships;

- Explain and apply policies and procedures; interpret and apply rules, regulations, legislation, and policies; make sound decisions within established guidelines;
- Understand and follow verbal and written directions; work independently;
- Perform mathematical computations;
- Operate a computer and use a variety of computer software; operate a calculator.

Education & Experience

Any combination of education or experience that would likely provide the necessary knowledge and abilities is qualifying. A typical way to obtain these knowledge and abilities would be: Graduation from a four-year college or university with a degree in Accounting or a related field, plus two years of professional accounting experience. Public agency accounting experience is desirable.

Licenses, Certificates, and Special Requirements

- None required; however, position-related certificates and licenses will be noted.

PHYSICAL DEMANDS AND WORK ENVIRONMENT

The physical demands and work environment described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Employees may be required to wear and/or use personal protective and other safety equipment. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee is frequently required to sit; talk or hear; use hands and fingers to grasp; and feel objects, tools, or controls; and reach with hands and arms. The employee is occasionally required to stand or walk. The employee must occasionally lift and/or move up to 25 pounds. Specific vision abilities required by this job include close vision and the ability to adjust focus.

Environment: Office environment. Frequently works in or around areas with minor amounts of dust. Some work done on ladders up to 4 feet above ground. Noise level is usually quiet.

**I have reviewed this Job Description with my Supervisor and agree with its contents.**

---

Employee Signature

Date

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Supervisor Signature

Date

*The specific statements shown in each section of this job description are not intended to be all-inclusive. They represent typical elements and criteria necessary to successfully perform the job.*

**VALLECITOS WATER DISTRICT PERSONNEL CLASSIFICATION AND ANNUAL PAY SCHEDULE**

Effective December 19, 2018

POSITION/TITLE	RANGE NO.	EXPERIENCE STEPS							LONGEVITY	
		A	B	C	D	E	F	G	H	I
Accounting Supervisor	64.5	91,056	95,604	100,380	105,408	110,676	116,208	122,016	128,124	134,532
Accounting Technician	54.5	55,896	58,692	61,632	64,704	67,944	71,340	74,904	78,660	82,584
Administrative Secretary	57.0	63,156	66,312	69,624	73,104	76,764	80,592	84,624	88,860	93,300
Administrative Services Manager	73.0	137,844	144,744	151,980	159,576	167,556	175,932	184,728	193,968	203,664
Applications Specialist I	60.0	73,104	76,764	80,592	84,624	88,860	93,300	97,968	102,864	108,012
Applications Specialist II	63.5	86,712	91,056	95,604	100,380	105,408	110,676	116,208	122,016	128,124
Assistant General Manager	76.0	159,576	167,556	175,932	184,728	193,968	203,664	213,852	224,544	235,764
Buildings & Grounds Worker	47.0	38,772	40,704	42,744	44,880	47,124	49,476	51,960	54,552	57,276
Buildings & Grounds Worker (Y-rating)	47.0Y	54,612	54,612	54,612	54,612	54,612	54,612	54,612	54,612	54,612
Capital Facilities Coordinator	59.5	71,340	74,904	78,660	82,584	86,712	91,056	95,604	100,380	105,408
Capital Facilities Engineer	64.0	88,860	93,300	97,968	102,864	108,012	113,412	119,076	125,028	131,280
Capital Facilities Senior Engineer	67.0	102,864	108,012	113,412	119,076	125,028	131,280	137,844	144,744	151,980
Cashier / Receptionist	50.0	44,880	47,124	49,476	51,960	54,552	57,276	60,144	63,156	66,312
CMMS Planner	58.0	66,312	69,624	73,104	76,764	80,592	84,624	88,860	93,300	97,968
Construction Inspection Supervisor	61.5	78,660	82,584	86,712	91,056	95,604	100,380	105,408	110,676	116,208
Construction Inspector I	55.5	58,692	61,632	64,704	67,944	71,340	74,904	78,660	82,584	86,712
Construction Inspector II	58.5	67,944	71,340	74,904	78,660	82,584	86,712	91,056	95,604	100,380
Construction Supervisor	61.5	78,660	82,584	86,712	91,056	95,604	100,380	105,408	110,676	116,208
Construction Worker I	50.5	45,984	48,288	50,700	53,232	55,896	58,692	61,632	64,704	67,944
Construction Worker II	53.5	53,232	55,896	58,692	61,632	64,704	67,944	71,340	74,904	78,660
Control Systems Technician	60.0	73,104	76,764	80,592	84,624	88,860	93,300	97,968	102,864	108,012
Customer Service Representative I	49.5	43,800	45,984	48,288	50,700	53,232	55,896	58,692	61,632	64,704
Customer Service Representative II	52.0	49,476	51,960	54,552	57,276	60,144	63,156	66,312	69,624	73,104
Customer Service Representative III	53.0	51,960	54,552	57,276	60,144	63,156	66,312	69,624	73,104	76,764
Customer Service Supervisor	60.0	73,104	76,764	80,592	84,624	88,860	93,300	97,968	102,864	108,012
Development Services Coordinator	60.0	73,104	76,764	80,592	84,624	88,860	93,300	97,968	102,864	108,012
Development Services Senior Engineer	67.0	102,864	108,012	113,412	119,076	125,028	131,280	137,844	144,744	151,980
District Engineer	73.5	141,252	148,320	155,736	163,524	171,696	180,276	189,288	198,756	208,692
Electrical/Instrumentation Technician	59.0	69,624	73,104	76,764	80,592	84,624	88,860	93,300	97,968	102,864
Engineering Services Assistant	53.5	53,232	55,896	58,692	61,632	64,704	67,944	71,340	74,904	78,660
Engineering Technician I	53.5	53,232	55,896	58,692	61,632	64,704	67,944	71,340	74,904	78,660
Engineering Technician II	56.5	61,632	64,704	67,944	71,340	74,904	78,660	82,584	86,712	91,056
Engineering Technician III	59.5	71,340	74,904	78,660	82,584	86,712	91,056	95,604	100,380	105,408
Executive Secretary	61.0	76,764	80,592	84,624	88,860	93,300	97,968	102,864	108,012	113,412
Facility Locator	55.5	58,692	61,632	64,704	67,944	71,340	74,904	78,660	82,584	86,712
Finance Assistant	52.0	49,476	51,960	54,552	57,276	60,144	63,156	66,312	69,624	73,104
Finance Manager	73.0	137,844	144,744	151,980	159,576	167,556	175,932	184,728	193,968	203,664
Financial Analyst	63.5	86,712	91,056	95,604	100,380	105,408	110,676	116,208	122,016	128,124
General Manager	N/A	247,281	247,281	247,281	247,281	247,281	247,281	247,281	247,281	247,281
GIS/CADD Technician	56.0	60,144	63,156	66,312	69,624	73,104	76,764	80,592	84,624	88,860
Human Resources Analyst	58.5	67,944	71,340	74,904	78,660	82,584	86,712	91,056	95,604	100,380
Information Technology Supervisor	66.0	97,968	102,864	108,012	113,412	119,076	125,028	131,280	137,844	144,744
Information Technology Technician	58.0	66,312	69,624	73,104	76,764	80,592	84,624	88,860	93,300	97,968
Landscape Maintenance Worker I	50.0	44,880	47,124	49,476	51,960	54,552	57,276	60,144	63,156	66,312
Landscape Maintenance Worker II	52.0	49,476	51,960	54,552	57,276	60,144	63,156	66,312	69,624	73,104
Mechanic	55.0	57,276	60,144	63,156	66,312	69,624	73,104	76,764	80,592	84,624
Mechanic Assistant	51.0	47,124	49,476	51,960	54,552	57,276	60,144	63,156	66,312	69,624

**VALLECITOS WATER DISTRICT PERSONNEL CLASSIFICATION AND ANNUAL PAY SCHEDULE**

Effective December 19, 2018

POSITION/TITLE	RANGE NO.	EXPERIENCE STEPS							LONGEVITY	
		A	B	C	D	E	F	G	H	I
Mechanical Maintenance Worker I	52.0	49,476	51,960	54,552	57,276	60,144	63,156	66,312	69,624	73,104
Mechanical Maintenance Worker II	55.0	57,276	60,144	63,156	66,312	69,624	73,104	76,764	80,592	84,624
Mechanical/Electrical Supervisor	62.0	80,592	84,624	88,860	93,300	97,968	102,864	108,012	113,412	119,076
Meter Service Supervisor	60.0	73,104	76,764	80,592	84,624	88,860	93,300	97,968	102,864	108,012
Meter Service Worker I	49.5	43,800	45,984	48,288	50,700	53,232	55,896	58,692	61,632	64,704
Meter Service Worker II	52.5	50,700	53,232	55,896	58,692	61,632	64,704	67,944	71,340	74,904
Operations & Maintenance Assistant	52.0	49,476	51,960	54,552	57,276	60,144	63,156	66,312	69,624	73,104
Operations & Maintenance Manager	73.0	137,844	144,744	151,980	159,576	167,556	175,932	184,728	193,968	203,664
Public Information Representative	59.0	69,624	73,104	76,764	80,592	84,624	88,860	93,300	97,968	102,864
Public Information/Conservation Supervisor	62.5	82,584	86,712	91,056	95,604	100,380	105,408	110,676	116,208	122,016
Pump & Motor Technician I	55.0	57,276	60,144	63,156	66,312	69,624	73,104	76,764	80,592	84,624
Pump & Motor Technician II	58.0	66,312	69,624	73,104	76,764	80,592	84,624	88,860	93,300	97,968
Purchasing/Warehouse Assistant	54.0	54,552	57,276	60,144	63,156	66,312	69,624	73,104	76,764	80,592
Purchasing/Warehouse Supervisor	60.0	73,104	76,764	80,592	84,624	88,860	93,300	97,968	102,864	108,012
Risk Management Supervisor	64.5	91,056	95,604	100,380	105,408	110,676	116,208	122,016	128,124	134,532
Safety Technician	57.0	63,156	66,312	69,624	73,104	76,764	80,592	84,624	88,860	93,300
Senior Accountant	59.0	69,624	73,104	76,764	80,592	84,624	88,860	93,300	97,968	102,864
Senior Construction Systems Worker	56.5	61,632	64,704	67,944	71,340	74,904	78,660	82,584	86,712	91,056
Senior Customer Service Representative	54.5	55,896	58,692	61,632	64,704	67,944	71,340	74,904	78,660	82,584
Senior Pump and Motor Technician	59.5	71,340	74,904	78,660	82,584	86,712	91,056	95,604	100,380	105,408
Senior Wastewater Collection Systems Worker	55.5	58,692	61,632	64,704	67,944	71,340	74,904	78,660	82,584	86,712
Senior Wastewater Treatment Plant Operator	59.5	71,340	74,904	78,660	82,584	86,712	91,056	95,604	100,380	105,408
Senior Water Systems Operator	58.5	67,944	71,340	74,904	78,660	82,584	86,712	91,056	95,604	100,380
Source Control Technician	56.5	61,632	64,704	67,944	71,340	74,904	78,660	82,584	86,712	91,056
Systems Administrator	61.5	78,660	82,584	86,712	91,056	95,604	100,380	105,408	110,676	116,208
Valve Maintenance Technician	55.5	58,692	61,632	64,704	67,944	71,340	74,904	78,660	82,584	86,712
Warehouse Assistant I	50.0	44,880	47,124	49,476	51,960	54,552	57,276	60,144	63,156	66,312
Warehouse Assistant II	53.0	51,960	54,552	57,276	60,144	63,156	66,312	69,624	73,104	76,764
Wastewater Collection Systems Supervisor	61.5	78,660	82,584	86,712	91,056	95,604	100,380	105,408	110,676	116,208
Wastewater Collection Systems Worker I	50.0	44,880	47,124	49,476	51,960	54,552	57,276	60,144	63,156	66,312
Wastewater Collection Systems Worker II	53.0	51,960	54,552	57,276	60,144	63,156	66,312	69,624	73,104	76,764
Wastewater Treatment Plant Operator I	53.0	51,960	54,552	57,276	60,144	63,156	66,312	69,624	73,104	76,764
Wastewater Treatment Plant Operator II	56.0	60,144	63,156	66,312	69,624	73,104	76,764	80,592	84,624	88,860
Wastewater Treatment Plant Supervisor	63.0	84,624	88,860	93,300	97,968	102,864	108,012	113,412	119,076	125,028
Water Systems Operator I	53.0	51,960	54,552	57,276	60,144	63,156	66,312	69,624	73,104	76,764
Water Systems Operator II	56.0	60,144	63,156	66,312	69,624	73,104	76,764	80,592	84,624	88,860
Water Systems Supervisor	63.0	84,624	88,860	93,300	97,968	102,864	108,012	113,412	119,076	125,028

**RESOLUTION NO.**

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE VALLECITOS WATER DISTRICT  
ADOPTING DISTRICT PAY SCHEDULE**

WHEREAS, California Code of Regulations (CCR) Section 570.5 requires public agencies to have a pay schedule duly approved and adopted by the employer's governing body in accordance with requirements of applicable public meeting laws in order for the California Public Employees Retirement System (CalPERS) to consider pay as "compensation earnable" for purposes of calculating a member's retirement benefit;

WHEREAS, the Board of Directors approved authorized positions in the budget for Fiscal Year 2018/19; and,

WHEREAS, the Board of Directors approved the salary adjustment for the General Manager on December 5, 2018; and,

WHEREAS, the Board of Directors approves the change in job title of the Accountant position to Senior Accountant;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Vallecitos Water District as follows:

DISTRICT PAY SCHEDULE. The Board of Directors does hereby approve and adopt the Vallecitos Water District Personnel Classification and Monthly Pay Schedule, attached hereto as Exhibit "A" and incorporated herein by reference.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Vallecitos Water District at a regular meeting held on the 19<sup>th</sup> day of December, 2018, by the following roll call vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

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Hal J. Martin, President  
Board of Directors  
Vallecitos Water District

ATTEST:

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Glenn Pruum, Secretary  
Board of Directors  
Vallecitos Water District

**DATE: DECEMBER 19, 2018**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: HILLSIDE PROPERTY AD HOC COMMITTEE CONSIDERATION**

**BACKGROUND:**

The District owns 32.7 acres of land adjacent to the Administrative Facilities that have been determined surplus to the District's needs for its operations. The property (Hillside Property) is generally comprised of sloped hillsides covered with native and non-native vegetation. As required by law, the District approached the City of San Marcos, the City of San Marcos' Parks Department and the San Marcos Unified School District to determine if any of those agencies were interested in acquiring the property in furthering their missions. Only the School District expressed interest in pursuing the property. They have made numerous site visits and performed preliminary geotechnical work to determine whether the property is a suitable location for a new school. The statutory period of time allowed the School District to exclusively enter into discussions with the District to purchase the property has passed and the District can legally market the property to any interested party.

The District hired PDC Engineering to prepare a Planning Research Report to investigate development scenarios for the property enabling the District to assess the development potential of the property. The District also retained the services of Hendrickson Appraisal Company to assess the value of the land given the development scenarios prepared by PDC. The District's Board of Directors has expressed interest in pursuing development opportunities for the property.

**DISCUSSION:**

Development of real property is a long, involved process requiring specific expertise. The District does not have expertise in this area and it is likely that consultants will need to be retained to assist the District. Additionally, there will be many factors that will need to be considered in a timely fashion during the property development process. In order to facilitate this process and keep the project moving forward, staff recommends that an Ad Hoc Committee be formed by the Board to oversee the development of this project. An Ad Hoc Committee is a temporary advisory committee comprised of less than a quorum of the legislative body that serves a limited or single purpose. In this case, the single purpose would be to oversee the development of the Hillside Property.

An Ad Hoc Committee would be advisory to the Board, i.e. cannot make independent decisions, and would consider issues such as: whether the District should sell or lease the property; what type of development should occur on the property; how intense should the development be; what development partners should the District engage; etc. The Ad Hoc Committee would make recommendations to the Board. Final actions in these areas would be performed by the full Board, after having heard from the Ad Hoc Committee. Staff believes the formation of an Ad Hoc Committee would greatly facilitate the development/disposition of the Hillside Property.

**FISCAL IMPACT:**

There are no fiscal impacts associated with the formation of an Ad Hoc Committee. There are minor costs associated with conducting Ad Hoc Committee meetings, such as Director per diem costs and reimbursable expenses. Those expenses can be accommodated within the existing budget.

**RECOMMENDATION:**

Form a Hillside Property Ad Hoc Committee. Appoint two members of the Board to serve on the Hillside Property Ad Hoc Committee.

**DATE: DECEMBER 19, 2018**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: CALL FOR NOMINATIONS TO THE LOCAL AGENCY FORMATION COMMISSION**

**BACKGROUND:**

Nominations are being solicited for two special district members, one regular and one alternate, to serve on the Local Agency Formation Commission (LAFCO).

**DISCUSSION:**

Nominations are being sought for one regular and one alternate commissioner position to serve on the San Diego Local Agency Formation Commission (LAFCO). San Diego LAFCO commissioners serve four-year terms. The terms of the incumbents, regular district member Ed Sprague and alternate district member Judy Hanson, expire May 2019. The new term of the regular and alternate district members expires May 2023. Candidates eligible for election must be members of the legislative body of an independent special district who reside within San Diego County but may not be members of the legislative body of a city or county.

Nominations and a limited two-page resume indicating the candidate's District and LAFCO experience must be returned to San Diego LAFCO no later than January 31, 2019.

**RECOMMENDATION:**

Request Board direction.



## Chair

Jo MacKenzie, Director  
Vista Irrigation District

## Vice Chair

Ed Sprague, Director  
Olivenhain Municipal Water

## Members

Catherine Blakespear, Mayor  
City of Encinitas

Bill Horn, Supervisor  
County of San Diego

Dianne Jacob, Supervisor  
County of San Diego

Andrew Vanderlaan  
Public Member

Bill Wells, Mayor  
City of El Cajon

Lorie Zapf, Councilmember  
City of San Diego

## Alternate Members

Lorie Bragg, Councilmember  
City of Imperial Beach

Chris Cate, Councilmember  
City of San Diego

Greg Cox, Supervisor  
County of San Diego

Judy Hanson, Director  
Leucadia Wastewater District

Harry Mathis  
Public Member

## Executive Officer

Keene Simonds

## Counsel

Michael G. Colantuono

November 28, 2018

**TO:** Independent Special Districts in San Diego County

**FROM:** Tameron Luckett, Executive Assistant   
San Diego Local Agency Formation Commission

**SUBJECT:** Call for Nominations | San Diego Local Agency Formation Commission

This notice serves as a call to nominations pursuant to Government Code Section 56332(1) to solicit two special district members – (a) one regular and (b) one alternate – to serve on the San Diego Local Agency Formation Commission (LAFCO).

San Diego LAFCO Commissioners serve four-year terms. The term of the incumbents – regular district member (Ed Sprague)<sup>1</sup> and alternate district member (Judy Hanson)<sup>2</sup> – expires May 2019.

- The new term of the regular district member expires May 2023.
- The new term of the alternate district member expires May 2023.
- Candidates eligible for election must be members of the legislative body of an independent special district who reside within San Diego County, but may not be members of the legislative body of a city or county.

State law specifies only the presiding officer or their alternate as designated by the governing board must sign the nomination form. Attached is nomination form for the LAFCO regular and alternate special district member (**Attachment A**). Nominations and a limited **two-page** resume indicating the candidate's District and LAFCO experience must be returned to San Diego LAFCO **no later than Monday, January 7, 2019**. Nominations and resumes can be emailed to [tameron.luckett@sdcounty.ca.gov](mailto:tameron.luckett@sdcounty.ca.gov), if necessary to meet the submission deadline, but the original form must be submitted.

<sup>1</sup> The term of the regular member position expires on May 6, 2019, but will be extended to 2023 if approved by a majority of special districts.

<sup>2</sup> The term of the alternate member position expires on May 6, 2019, but will be extended to 2023 if approved by a majority of special districts.

Please send nominations and resumes to:

*Tamaron Lockett, Executive Assistant  
San Diego Local Agency Formation Commission  
9335 Hazard Way, Suite 200  
San Diego, California 92123*

After nominations and resumes are received it is anticipated a candidates' forum will be held in conjunction with the California Special Districts Association Quarterly Dinner with confirmation being provided under separate/future cover. All nominations and resumes received will be reviewed by a nominating committee. The nominating committee's report and copies of all nomination forms and resumes submitted will be included with the ballots and voting instructions. These materials will be mailed on **Wednesday, February 20, 2019**.

Should you have any questions, please contact Executive Assistant Tamaron Lockett at (858) 614.7755.

Attachments:

- 1) Nomination form – LAFCO regular and alternate special district member
- 2) Acknowledgement receipt form

**DATE: DECEMBER 19, 2018**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: CONSIDERATION OF ACWA JPIA REFUND CHECK FOR GAINSHARING**

**BACKGROUND:**

The District’s Employee Recognition Program recognizes employees in a variety of ways for their individual and team contributions in support of the District’s Mission and Vision. At the regular Board meeting held on November 7, 2018, the Board approved revisions to the Employee Recognition Program. These revisions included the creation of a Gainsharing Incentive Plan as a new Organizational Achievement Award to provide eligible employees with monetary awards for cost saving measures they directly participated in that resulted in gainsharing funds. As detailed in Resolution No. 1544 (attached), gainsharing funds are only available when the District receives a refund check (i.e., ACWA JPIA for pooled insurance programs) which the Board designates as gainsharing funds.

**DISCUSSION:**

This past February, the District received a refund check from ACWA JPIA (JPIA) in the amount of \$145,176.29. The refund check is a result of the District’s balance in the Rate Stabilization Fund (RSF) for insurance premiums based on retrospective adjustments for prior policy years. When there are favorable years where the claims are less than the actuary projected, JPIA can refund the savings to member agencies with qualifying account balances. Refund checks are issued to eligible member agencies on a calendar year basis. In addition to the 2018 refund check, the District has received three refunds from JPIA in the past 10 years: \$69,995.45 in 2012, \$110,333.74 in 2010, and \$27,737.60 in 2008. The District’s insurance claims history is included in the calculation for determining a premium adjustment. Therefore, refunds from JPIA directly reflect employees’ overall effectiveness in loss control by preventing occurrences that would otherwise result in the payment of damages to third parties and incidence of employee injury.

The 2018 ACWA JPIA refund check is presented to the Board for its consideration of whether to designate a portion of it as gainsharing funds to be awarded to eligible District employees as recognition for their outstanding efforts in reducing the District’s insurance costs. If any portion of the refund check is designated as gainsharing funds, the funds would be divided in an amount determined by the Board, with the employees’ share paid as lump sum bonuses (taxable compensation and not “compensation earnable” for CalPERS retirement purposes). All employees currently employed by the District on the date the funds are approved by the Board as gainsharing funds would be eligible to receive the lump sum bonus. Following are examples of individual lump sum bonuses for 106 eligible employees using gainsharing funds:

<u>Employees Share (%)</u>	<u>Employees Share (\$)</u>	<u>Per Employee Share (before taxes)</u>
100%	\$145,176	\$1,370
90%	\$130,659	\$1,233
80%	\$116,141	\$1,096
70%	\$101,623	\$ 959
60%	\$ 87,106	\$ 822
50%	\$ 72,588	\$ 685

The above examples are for information only and are based on the number of employees employed at the time of this report. The Board may determine a different amount for the employee share as a percentage or a specified dollar amount. Refund checks received in the future are subject to the Board's discretion and would require separate action by the Board.

**FISCAL IMPACT:**

The lump sum bonuses for the employees' share of the gainsharing funds would be paid from the 2018 ACWA JPIA refund check. The remaining funds from the refund check would be included with the District's investment balance.

**RECOMMENDATIONS:**

This item is presented for consideration. If desired by the Board, action would include:

- 1) Designating a specified percentage or dollar amount of the funds from the 2018 ACWA JPIA refund check in the amount of \$145,176.29 as gainsharing funds;
- 2) Determining how gainsharing funds will be divided between eligible employees; and
- 3) Approving Organizational Achievement Awards for all eligible employees with the employees' share of the gainsharing funds paid as individual lump sum bonuses.

**ATTACHMENT:**

1. Resolution No. 1544 (approved November 7, 2018) – Adopting Revisions to the Employee Recognition Program Including a Gainsharing Incentive Plan as an Organizational Achievement Award

**RESOLUTION NO. 1544**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
VALLECITOS WATER DISTRICT ADOPTING REVISIONS TO THE EMPLOYEE  
RECOGNITION PROGRAM INCLUDING A GAINSHARING INCENTIVE PLAN AS AN  
ORGANIZATIONAL ACHIEVEMENT AWARD**

WHEREAS, the District's Employee Handbook Section VI – Employee Benefits includes an Employee Recognition Program which recognizes employees in a variety of ways for their personal and team contributions in support of the District's Mission and Vision;

WHEREAS, the Board of Directors wishes to recognize outstanding group performance in the pursuit of loss control and prevention; and,

WHEREAS, the Board of Directors intends to revise the Employee Recognition Program recognizing such group performance demonstrated by employees of the District; and,

WHEREAS, it is in the best interests of the District to adopt Organizational Achievement Awards;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Vallecitos Water District as follows:

EMPLOYEE RECOGNITION PROGRAM. The Board of Directors does hereby approve and adopt the revisions to the Vallecitos Water District Employee Handbook Section VI – Employee Benefits, Employee Recognition Program, attached hereto as Exhibit "A" and incorporated herein by reference. A new gainsharing incentive plan is a type of an Organizational Achievement Award subject to the following conditions:

SECTION 1. A gainsharing incentive plan provides monetary awards issued by the Board to all employees for their participation in cost savings measures that resulted in gainsharing funds.

SECTION 2. Gainsharing funds are only available if/when the District receives a refund check (i.e. ACWA JPIA) and the funds are designated by the Board for gainsharing.

SECTION 3. Designating funds as gainsharing requires Board approval and depends on other factors as determined by the Board, such as the overall financial health of the District.


SECTION 4. Gainsharing funds would be divided between the District and employees in an amount determined by the Board with the employees' share paid as lump sum bonuses treated as taxable compensation for federal and state tax purposes, and such bonuses will not be included in "compensation earnable" for CalPERS purposes.

SECTION 5. Gainsharing dividends would be offset by cost savings measures and paid by refunds received by the District; and,

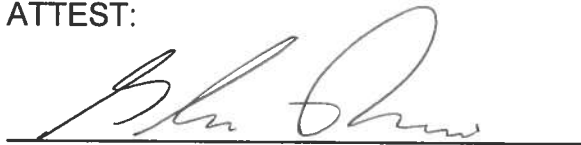
SECTION 6. All current employees would be eligible to receive gainsharing dividends provided they were employed during the period of the recognized cost savings measures.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Vallecitos Water District at a regular meeting held on the 7<sup>th</sup> day of November, 2018 by the following roll call vote:

AYES: ELITHARP, EVANS, MARTIN, SANNELLA, HERNANDEZ  
NOES:  
ABSTAIN:  
ABSENT:

  
James Hernandez, President  
Board of Directors  
Vallecitos Water District

ATTEST:

  
Glenn Prui, Secretary  
Board of Directors  
Vallecitos Water District

## EXHIBIT A-1

### S. EMPLOYEE RECOGNITION

The District's Employee Recognition Program recognizes employees in a variety of ways for their personal and team contributions in support of the District's Mission and Vision. The program is designed to create a culture of employee recognition; improve the working environment and employee morale; motivate employees to be successful; and acknowledge achievements. The Board hosts an annual Employee Recognition Luncheon to present service awards and give each employee a token of appreciation. The way the Board chooses to recognize employees may change from time to time. Employees who receive certifications and other personal accomplishments (i.e. degrees or completion of certificate programs) may be recognized at a regular Board of Directors' meeting. Other types of awards include: Organizational Achievement Awards for cost savings measures (a Gainsharing Incentive Plan) and when the District receives state or local awards from external organizations; Individual Achievement Awards for significant personal accomplishments; Aqualades certificates for going above and beyond normal duties; Water Winner team celebrations for a group of employees; Ripples spot awards; and Waves peer awards. Refer to the Employee Recognition Program (Supplement 11) for more information. All awards of cash and gift cards are treated as taxable compensation for federal and state tax purposes. These awards do not meet the definition of special compensation and will not be included in compensation earnable for purposes of determining an employee's CalPERS pension.

## Vallecitos Water District

**EMPLOYEE RECOGNITION PROGRAM****INTRODUCTION**

The District's Employee Recognition Program recognizes employees in a variety of ways for their personal and team contributions in the promotion of efficiency, initiative, and morale in support of the District's Mission and Vision. The program is designed to create a culture of employee recognition; improve the working environment and employee morale; motivate employees to be successful; and acknowledge achievements. This program is separate from other District policies including merit increases and reimbursement for certification renewals and exams.

**POLICY**

The Board of Directors hosts an annual Employee Recognition Luncheon to present service awards and give each employee a gift as a token of appreciation. The way the Board chooses to recognize employees may change from time to time. Employees who receive certifications and other individual achievements may be recognized at a regular Board meeting. Other forms of recognition are at the discretion of the District. The total cost of awards per year will not exceed \$8,000 (excluding service awards). All employees are eligible to receive recognition awards unless otherwise indicated. An employee, supervisor, or manager cannot nominate a spouse, domestic partner, significant other, or family member who are also employed by the District.

Lump sum bonuses and gift cards are taxed and treated as taxable compensation as required by IRS regulations. All other awards provided for herein are considered de minimis fringe and may be excluded from income. None of the awards set forth herein are considered special compensation items and may not be included in compensation earnable for purposes of determining an employee's CalPERS pension benefits.

Service Awards – certificates presented by the Board with gift cards in \$25 increments for every 5 years of service.

Individual Achievement Awards – lump sum bonuses of \$100-\$500 awarded by the General Manager (GM) for significant personal accomplishments including obtaining new job-related certifications, degrees or professional licenses, and state or local awards from external organizations (ex. employee or supervisor of the year). An employee may receive one individual achievement award per year. The GM has the sole discretion to determine if award criteria is met and the amount of the bonus up to the \$500 maximum.

Organizational Achievement Awards – lump sum monetary awards awarded by the Board with gainsharing funds (refer to District Resolution for more information), or when the District, specific department or function, receives state or local awards from external organizations (i.e. CSDA, CWEA, or CASA).



## EXHIBIT A-2

### Employee Recognition Program Page 2 of 2

Water Winners – a group of employees, usually in different departments, nominated by a supervisor or manager for working together to complete a special project (i.e. Water Academy) or other accomplishments. With GM approval, Human Resources will assist with the planning of a breakfast or lunch event and provide food from select local restaurants for an onsite team celebration.

Aqualades – certificates from department managers when the public or other employees provide feedback on employees going 'above and beyond' normal job duties. The winner of a quarterly raffle receives a \$50 gift card.

Ripples – spot awards or small tokens of appreciation from supervisors or managers to employees such as gift cards, drink/food items, or other nominal gifts up to \$10 per employee not to exceed \$50 per month awarded by each supervisor or manager. Reimbursement for the cost of spot awards may be made through petty cash with appropriate approvals. Supervisors and managers must be aware of the appearance of favoritism and should distribute awards fairly amongst staff as warranted by performance.

Waves – peer awards are compliments and thank you's from one employee to another, submitted in writing with supervisor verification. The winner of a quarterly raffle receives a \$25 gift card.

### **PROCEDURES**

Written nominations may be submitted via email to the employee's supervisor and/or Human Resources. Lump sum bonuses will be processed through standard payroll procedures. All gift card awards must be reported to payroll by supervisors or managers.