

AGENDA FOR A REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE VALLECITOS WATER DISTRICT  
WEDNESDAY, MARCH 20, 2019, 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 MARCH 20, 2019

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.

INTRODUCTION

Human Resources Analyst Bridget Anderson will introduce new employee, **Justin Shutt**, Construction Worker I.

PRESENTATION

**Chris Robbins**, Public Information/Conservation Supervisor, will present a video on “The Work that We Do: Pump Replacement.”

CONSENT CALENDAR

1.1 APPROVAL OF MINUTES (pp. 4-12)

- A. CLOSED SESSION BOARD MEETING – MARCH 6, 2019
- B. REGULAR BOARD MEETING – MARCH 6, 2019

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

**Recommendation: Approve Minutes**

1.2 WARRANT LIST THROUGH MARCH 20, 2019 – \$1,493,718.21 (pp. 13-16)

**Recommendation: Approve Warrant List**

1.3 FINANCIAL REPORTS (pp. 17-37)

- A. WATER METER COUNT – FEBRUARY 28, 2019
- B. WATER PRODUCTION/SALES REPORT – 2018/2019
- C. PER CAPITA WATER CONSUMPTION – FEBRUARY 28, 2019
- D. WATER REVENUE AND EXPENSE REPORT – FEBRUARY 28, 2019
- E. SEWER REVENUE AND EXPENSE REPORT – FEBRUARY 28, 2019
- F. RESERVE FUNDS ACTIVITY – FEBRUARY 28, 2019
- G. INVESTMENT REPORT – FEBRUARY 28, 2019
- H. LEGAL FEES SUMMARY – FEBRUARY 28, 2019

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

ACTION ITEMS

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

REPORTS

2.1 GENERAL MANAGER

2.2 DISTRICT LEGAL COUNSEL

2.3 SAN DIEGO COUNTY WATER AUTHORITY

- 2.4 ENCINA WASTEWATER AUTHORITY
  - *Capital Improvement Committee*
  - *Policy and Finance Committee*

2.5 STANDING COMMITTEES

2.6 DIRECTORS REPORTS ON MEETINGS/CONFERENCES/SEMINARS  
ATTENDED

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

OTHER BUSINESS

3.1 MEETINGS

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

4.1 DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

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

5.1 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, March 15, 2019.

\_\_\_\_\_  
Diane Posvar

MINUTES OF A CLOSED SESSION MEETING  
OF THE BOARD OF DIRECTORS  
OF THE VALLECITOS WATER DISTRICT  
WEDNESDAY, MARCH 6, 2019, AT 3:00 PM AT THE DISTRICT OFFICE,  
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

President Martin called the Closed Session meeting to order at the hour of 3:00 p.m.

Director Hernandez led the pledge of allegiance.

Present: Director Elitharp  
Director Evans  
Director Hernandez  
Director Martin

Absent: Director Sannella

Staff Present: General Manager Pruim  
General Counsel Gilpin  
Administrative Services Manager Emmanuel  
Financial Analyst Arthur  
Executive Secretary Posvar

ADOPT AGENDA FOR THE CLOSED SESSION MEETING OF MARCH 6, 2019

19-03-01 MOTION WAS MADE by Director Evans, seconded by Director Hernandez, and carried unanimously, to adopt the agenda for the Closed Session Meeting of March 6, 2019.

PUBLIC COMMENT

None.

CLOSED SESSION

CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957.6 – CONFERENCE WITH LABOR NEGOTIATOR

Agency designated representative: General Manager  
Employee Organization: Vallecitos Employee's Association

CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(c) – CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant Exposure to Litigation one (1) Potential Case

CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9, TWO (2) CASES – CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9

19-03-02 MOTION WAS MADE by Director Evans, seconded by Director Elitharp, and carried unanimously, to move into Closed Session pursuant to Government Code Sections 54957.6, 54956.9(c), and 54956.9.

REPORT AFTER CLOSED SESSION

The Board recessed at 4:45 p.m. to reconvene in Closed Session on Item 1.3.

The Closed Session ended at 6:25 p.m. Legal Counsel reported out that during Closed Session, the Board voted, with Director Sannella absent, to authorize Legal Counsel to initiate litigation against Thomas and Claudia Butler related to encroachment onto Vallecitos Water District Property.

ADJOURNMENT

There being no further business to discuss, President Martin adjourned the Closed Session Meeting of the Board of Directors at the hour of 6:26 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, March 20, 2019 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 Prui, Secretary  
Board of Directors  
Vallecitos Water District

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE VALLECITOS WATER DISTRICT  
WEDNESDAY, MARCH 6, 2019, AT 5:00 PM AT THE DISTRICT OFFICE,  
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

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

General Manager Pruim led the pledge of allegiance.

Present: Director Elitharp  
Director Evans  
Director Hernandez  
Director Martin

Absent: Director Sannella

Staff Present: General Manager Pruim  
Legal Counsel Gilpin  
Administrative Services Manager Emmanuel  
District Engineer Gumpel  
Finance Manager Owen  
Operations & Maintenance Manager Pedrazzi  
Capital Facilities Senior Engineer Hubbard  
Public Information/Conservation Supervisor Robbins  
Executive Secretary Posvar

Others Present: Andy Sells, Chief Executive Officer, ACWA/JPIA

ADOPT AGENDA FOR THE REGULAR MEETING OF MARCH 6, 2019

19-03-03 MOTION WAS MADE by Director Evans, seconded by Director Elitharp, and carried unanimously, with Director Sannella absent, to adopt the agenda for the Regular Board Meeting of March 6, 2019.

PUBLIC COMMENT

None.

PRESENTATION

Andy Sells, Chief Executive Officer with the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA), presented a refund check to the District in the amount of \$165,806. Mr. Sells stated the reasons for the refund included a favorable adjustment of ACWA/JPIA's pool for liability and worker's compensation insurance programs over the past several years, the District's better-than-average

losses compared to other agencies in the pool, the District's participation in ACWA/JPIA programs, staff efforts in hosting training for other local area districts, and effectively utilizing ACWA/JPIA's on-line training programs.

### INTRODUCTION

Human Resources Analyst Bridget Anderson introduced new employee Janel Olsen, Senior Accountant.

### PRESENTATION

Public Information/Conservation Supervisor Robbins presented a video created by staff on smoke testing. The video is the first in a series of "The Work that We Do" videos that will be created in the future.

### CONSENT CALENDAR

19-03-04 MOTION WAS MADE by Director Hernandez, seconded by Director Evans, and carried unanimously, with Director Sannella absent, to approve the Consent Calendar as presented.

#### 1.1 Approval of Minutes

- A. Closed Session Board Meeting – February 20, 2019
- B. Regular Board Meeting – February 20, 2019
- C. Finance/Investment Committee Meeting – February 25, 2019

#### 1.2 Warrant List through March 6, 2019 - \$2,801,524.44

#### 1.3 Ordinance Establishing the General Provisions for Conducting the Business of the Board and Amending Ordinance No. 210

#### 1.4 Employee's Request for Leave Without Pay

### ACTION ITEMS

#### REPAIR OF 16" FAILSAFE OUTFALL SEWER PIPELINE

Capital Facilities Senior Engineer Hubbard stated the Failsafe Outfall Sewer (Failsafe) pipeline is a ductile iron pipeline, approximately 7.5 miles in length, that connects the District's Meadowlark Water Reclamation Facility (MRF) to the Encina Wastewater Authority's (EWA) ocean outfall in Carlsbad. He provided background information on the Failsafe pipeline which included the following:

- Existing MRF Treatment Process
- MRF Outlet Piping
- Failsafe Pipeline Alignment
- Failsafe Pipeline Reaches
- Failsafe Pipeline Buena Reach

Capital Facilities Senior Engineer Hubbard further stated the Failsafe pipeline has three designated sections of which the District shares responsibility with the Buena Sanitation District (BSD) and the City of Carlsbad at percentages based on capacity. On December 20, 2018, BSD responded to a sewer spill in the Buena section which was initially thought to be BSD's line spilling; however, it was determined that the Failsafe pipeline had spilled. The discharge was recycled water, not sewer; therefore, no public notification or sampling was required. Staff hired Cass Arrieta to perform the necessary repairs.

Staff recommended the Board approve payment to Cass Arrieta in the amount of \$55,527.71 which is the total cost of repairs divided equally between Vallecitos and Buena Sanitation District.

General discussion took place.

19-03-05 MOTION WAS MADE by Director Hernandez, seconded by Director Evans, and carried unanimously, with Director Sannella absent, to approve payment to Cass Arrieta in the amount of \$55,527.71.

CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) BOARD OF DIRECTORS  
CALL FOR NOMINATIONS – SEAT B

General Manager Pruim stated the CSDA Board of Directors is seeking Independent Special District Board members or General Managers interested in serving on Seat B for the 2020-2022 term. Nominations are due by April 17, 2019.

The Board took no action.

LOCAL AGENCY FORMATION COMMISSION (LAFCO) 2019 SPECIAL DISTRICTS  
BALLOT FORM

General Manager Pruim stated that LAFCO solicited and received nominations for two Special District members to serve on the San Diego LAFCO – one regular and one alternate. The Nominating Committee's report and recommendations, election ballots and vote certification forms, summary of nominations, and nomination forms for regular and alternate members were provided to the Board for their consideration.



19-03-06 MOTION WAS MADE by Director Elitharp, seconded by Director Evans, and carried unanimously, with Director Sannella absent, to support candidates Edmund K. Sprague of Olivenhain Municipal Water District and Erin Lump of Rincon del Diablo Municipal Water District.

RESOLUTION CONCURRING IN NOMINATION TO THE CALIFORNIA WATER INSURANCE FUND BOARD – AN ACWA JPIA CAPTIVE INSURANCE COMPANY

President Martin stated the formation of a new ACWA/JPIA insurance company located in Utah was approved at the ACWA annual meeting. Vista Irrigation District is requesting Vallecitos Water District concur in the nomination of Paul E. Dorey to one of two open positions on the newly formed California Water Insurance Fund Board. Nominations require a resolution of support from three agencies.

19-03-07 MOTION WAS MADE by President Martin, seconded by Director Hernandez, and carried unanimously, with Director Sannella absent, to adopt the resolution concurring in the nomination of Paul E. Dorey to the California Water Insurance Fund Board.

Resolution No. 1548 - The roll call vote was as follows:

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

RESOLUTION CONCURRING IN NOMINATION TO THE CALIFORNIA WATER INSURANCE FUND BOARD – AN ACWA JPIA CAPTIVE INSURANCE COMPANY

President Martin stated Elsinore Valley Municipal Water District is requesting Vallecitos Water District concur in the nomination of Andrew Morris to one of two open positions on the California Water Insurance Fund Board.

General discussion took place.

The Board took no action.

REPORTS

GENERAL MANAGER

General Manager Pruim reported the following:

- The 2019 Legislative Session is in full swing. The deadline for the introduction of new bills was February 22; 2,576 new pieces of legislation were submitted, many of which involve water and wastewater.
- Snowpack and water content continue to improve. As of March 6, 2019, statewide, snowpack/water content is approximately 150%. Central and northern California are both above that at 156% and 153% respectively.
- All of the state's major reservoirs are at or above historical averages for this time of year. The level of Lake Shasta, the state's largest reservoir, rose by 39 feet in just the month of February which is approximately 16 inches per day. Lake Oroville is at 93% of its historical average.
- The Colorado River basin is doing very well with snowfall levels; however, it is still suffering from almost two decades of drought. Lake Mead and Lake Powell are both at approximately 40% of capacity.

#### DISTRICT LEGAL COUNSEL

Legal Counsel Gilpin stated the Fair Political Practices Commission recently prosecuted three agencies in California for violation of mass mailing of publications such as a holiday postcard, a quarterly newsletter, and an official newspaper which contained photos of elected officials.

#### SAN DIEGO COUNTY WATER AUTHORITY

Director Evans stated the SDCWA Board confirmed Gail Goldberg as the new delegate to the Metropolitan Water District, and that following Maureen Stapleton's recent retirement, Sandra Kerl is the Acting General Manager until a new General Manager is selected.

#### ENCINA WASTEWATER AUTHORITY

Director Hernandez stated the Capital Improvement Committee approved contracts for the upgrade of the facility and technical support.

President Martin stated Director Hernandez is serving as EWA Board President. A workshop was held earlier this week during which direction was given regarding EWA's CalPERS pension liability. The Policy and Finance Committee considered EWA's decision to make a minor amendment to the Joint Powers Agreement, the next steps for a water reuse project, and possible leasing of the South Parcel until needed.

President Martin commented on his recent tour of EWA.

STANDING COMMITTEES

None.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

President Martin reported on his attendance to the Urban Water Institute's Spring Water Conference in Palm Springs.

Director Elitharp reported on his attendance to the California Association of Sanitation Agencies/Association of California Water Agencies conferences in Washington, DC February 25-28.

OTHER BUSINESS

QUARTERLY BOARD EXPENSES

This information was provided per Ordinance No. 210; no action required.

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

Director Hernandez inquired about the status of the South Lake contract and quarterly update from the City of San Marcos. General Manager Pruim indicated he would follow up on this matter.

President Martin inquired about the status of the District-wide solar project. General Manager Pruim stated the District-wide solar study is currently in progress and clarified that the installation of the replacement solar panels at the District headquarters has been completed. The District's system has been connected to SDG&E's system. Production of electrical energy should begin tomorrow, and within a month the entire system will be integrated with a display panel in the lobby indicating how much energy is being produced and consumed.

District Engineer Gumpel provided a brief update on the District-wide solar project. Staff is moving forward with two of three possible sites: Twin Oaks, a two-megawatt system, and Lift Station 1, a net-metering project. Staff is considering a possible partnership for the third site at Mahr Reservoir. Staff is in the process of hiring a consultant for the California Environmental Quality Act process relating to the project.

ADJOURNMENT

There being no further business to discuss, President Martin adjourned the Regular Meeting of the Board of Directors at the hour of 5:55 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, March 20, 2019, 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 Pruijm, Secretary  
Board of Directors  
Vallecitos Water District

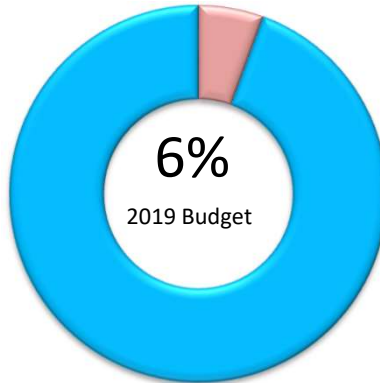
**VALLECITOS WATER DISTRICT  
DISBURSEMENTS SUMMARY  
February 28, 2019**

**Summary**

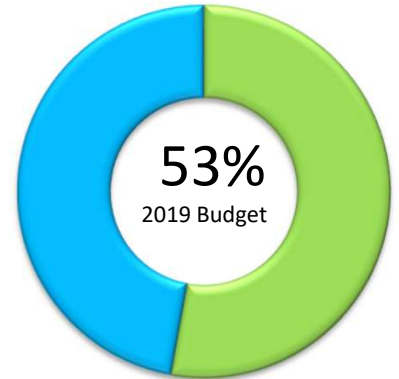
February Disbursements	\$	4,185,987	*
YTD Disbursements	\$	39,568,280	*
FY2019 Budget	\$	74,880,200	

\* Excludes Debt Service

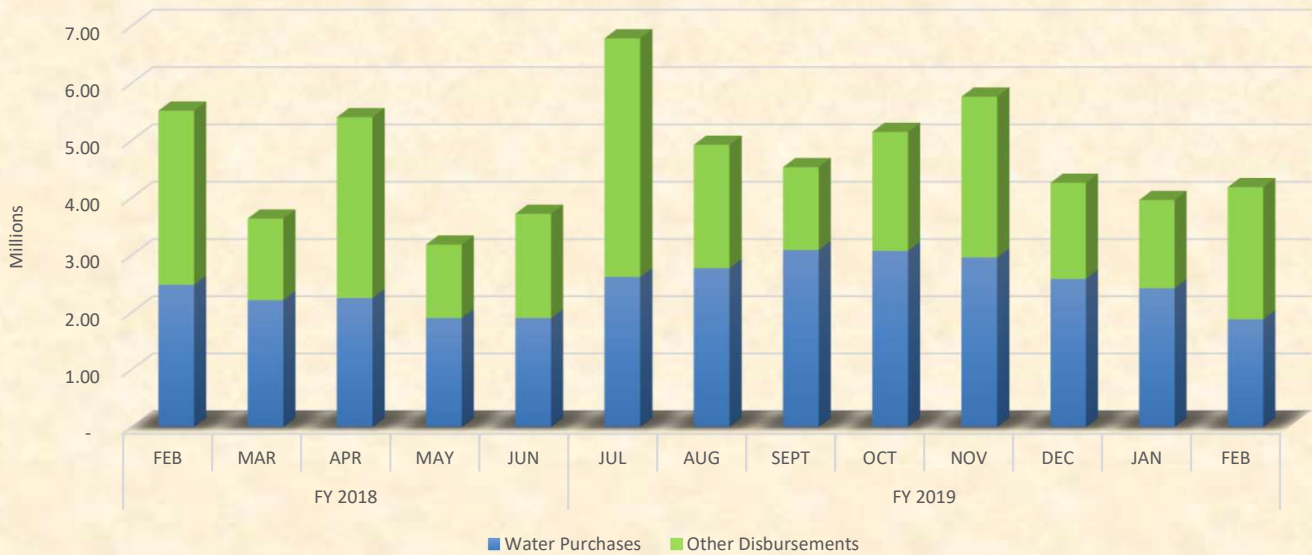
**February**



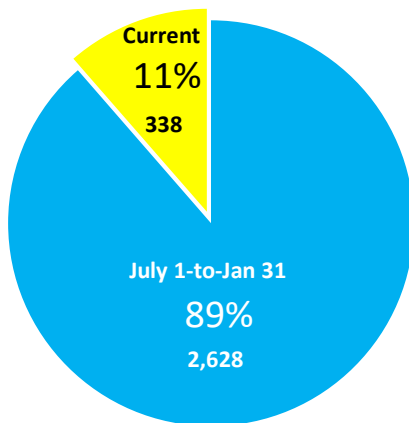
**FYTD**



**Disbursements by Month**



**Invoices Processed**



**Top 10 Vendors - FYTD**

SAN DIEGO COUNTY WATER AUTH.	\$21.8M
ENCINA WASTEWATER AUTHORITY	\$4.6M
PUBLIC EMPLOYEES RETIRE SYSTM	\$2.1M
ACWA/JOINT POWERS INSURANCE	\$1.9M
SAN DIEGO GAS & ELECTRIC	\$1.1M
BURTECH PIPELINE INCORPORATED	\$742K
CASS CONSTRUCTION INC	\$619K
OLIVENHAIN MWD	\$534K
SANEXEN WATER, INC.	\$377K
CREW BUILDERS, INC.	\$373K

VALLECITOS WATER DISTRICT  
WARRANTS LIST  
March 20, 2019

PAYEE	DESCRIPTION	CHECK#	AMOUNT
CHECKS			
City of Vista	Sewer Flow Fees 7-1-17 to 6-30-18	115795	73,972.27
Action Mail	Splash Postage Prj 20191-26	115796	1,352.06
Alan Crosthwaite	Photographic Images - Double Peak Prj 20191-26	115797	40.00
Allied Universal	Weekly Deposit Svc Jan	115798	90.10
Ambius	Plant Maintenance Mar	115799	263.00
Anette Longville	Supplies - Employee Event	115800	120.82
Ashley Hemond	Closed Account Refund	115801	18.72
Associated Microbreweries, Ltd.	Deposit Refund Prj 20191-460	115802	3,838.73
AT&T	Phone Svc SCADA Feb	115803	307.26
AT&T	Phone Svc Jan	115804	146.43
AVI Systems, Inc.	AV Rack System Relocation - MRF	115805	3,709.00
Bfit Club	Closed Account Refund	115806	70.39
Biotechnical Services Inc	Lab Equipment - Annual Calibration - MRF	115807	610.00
Bonsall Petroleum Constr Inc	Svc Call - Fuel Island	115808	150.00
Boot Barn	Safety Boots	115809	146.80
Boot World Inc	Safety Boots	115810	150.00
Broms Partnership	Closed Account Refund	115811	81.88
Brookfield Rancho Coronado LLC	Closed Account Refund	115812	739.85
Brookfield Rancho Coronado LLC	Deposit Refund Prj 20191-566	115813	1,205.40
C.A.S.A.	2019 Membership Dues	115814	16,711.00
CA Dept of Forestry/Fire Protection	Crew Work Dec	115815	1,815.52
Cal Atlantic Group, Inc	Overpayment Refund	115816	47,181.15
CCI	Water Treatment Feb	115817	220.00
Christalyn Brooks	Closed Account Refund	115818	113.50
Jeffrey Colwell	Video Production Svcs Prj 20191-27	115819	323.75
Complete Paperless Solutions	Laserfiche Support 18-19	115820	8,390.00
Construct Inc.	Deposit Refund Prj 20191-457	115821	92.99
County of San Diego	Recording Fees Jan	115822	47.00
Craig Elitharp	COWU Meeting 2-19-19, CASA/ACWA Conference 2-24-19	115823	1,657.83
Crew Builders, Inc.	Water Ops Locker Room Expansion Prj 20161-5	115824	43,664.42
CWC Rancho Coronado 71, LLC	Closed Account Refund	115825	99.99
CWEA	Membership Renewal E Garcia	115826	188.00
Dana Hockett	Closed Account Refund	115827	74.72
Dawn Norby	Closed Account Refund	115828	51.61
Dell Computers	Laptop - Meter Reading Vehicle Prj 20191-22	115829	3,195.85
Dilcie Perez	Closed Account Refund	115830	13.39
DirecTV Inc	Satellite Svc - Feb	115831	190.53
Doug's Filter Service Inc	Wiping Rags	115832	193.95
EDCO Waste & Recycling Serv	Trash Svc Feb	115833	873.64
Escondido Metal Supply	Hardware Supplies	115834	129.14
Ewing Irrigation Products	PVC Supplies	115835	6.89
Fisher Scientific LLC	Lab Supplies - MRF	115836	165.96
G & R Auto & Truck Repair Inc	Dump Truck Repairs - Veh 231	115837	915.01
G & W Truck Accessories	Toolboxes 2, Cab Protector, Set Up Items Veh 280 Prj 20191-17	115838	4,148.37
Hodge Products Inc	Facility Locks - 156	115839	3,793.67
Home Depot Credit Services	Hardware Supplies - Feb	115840	459.92
Hulizhen Zhu	Closed Account Refund	115841	70.27
Imperial Sprinkler Supply	Hardware Supplies	115842	61.43
Infinisource	Administrative Svcs 19-20	115843	1,898.00
Infosend Inc	Processing, Postage, Printing, Door Hangers - Feb	115844	7,817.46
Interstate Batteries	UPS Batteries - 20	115845	387.72
Jason Hubbard	CA Stormwater Quality Assoc Cert Renewal	115846	95.00
JCI Jones Chemicals Inc	Chlorine	115847	4,086.42
Juan Gonzales	Closed Account Refund	115848	60.88
Kathleen & Alexander McDougall	Closed Account Refund	115849	72.03
KB Homes Coastal Inc	Deposit Refund Prj 20191-513	115850	381.59
Kennedy/Jenks Consultants	San Marcos Interceptor Prj 71004	115851	5,895.00

VALLECITOS WATER DISTRICT  
WARRANTS LIST  
March 20, 2019

PAYEE	DESCRIPTION	CHECK#	AMOUNT
Kimberlee Cates	Closed Account Refund	115852	73.73
Knight Security & Fire Systems	Answering, Patrol Svc Mar	115853	588.19
Russell Kubota	Pesticide Cert Renewal - Dept of Pesticide Regulation	115854	260.00
Lake San Marcos Kiwanis Club Foundation, Inc.	Pancake Breakfast Ad Placement Prj 20191-26	115855	100.00
Left Coast Cleaning	Janitorial Svcs Mar	115856	553.13
Lennar Homes	Closed Account Refund	115857	774.78
Lennar Homes	Closed Account Refund	115858	1,530.84
Hal Martin	Cal Desal Conference 2-6-19, COWU Meeting 2-19-19	115859	146.37
Matheson Tri-Gas Inc	Cylinder Rental	115860	383.61
Mike Sannella	COWU Meeting 2-19-19	115861	19.25
Nathan Tyson	Closed Account Refund	115862	32.40
NCB Reprographics	Paper - OCE Printer Prj 20181-3	115863	558.63
Nicole & Connor Crail	Closed Account Refund	115864	95.67
North County Auto Parts	Fleet Supplies - Feb	115865	539.61
Patti Ashe	Closed Account Refund	115866	57.28
Pencco, Inc.	Trioxyn, Sulfend	115867	14,365.59
Poorang & Tima Aurasteh	Closed Account Refund	115868	86.83
Power Seal	Couplings - 2	115869	3,033.36
Premier Wireless Solutions	Wireless Modem - SCADA	115870	749.47
RDO Equipment Co.	Hardware Supplies	115871	13.44
Ronald & Carole Evans	Closed Account Refund	115872	54.96
Rusty Wallis Inc	Soft Water Svc - Feb	115873	220.00
SDG&E	Power Jan	115874	44,693.00
San Marcos Trophy	Name Plates - 4	115875	34.48
San Marcos Unified School Dist	Transportation Svcs Prj 20191-28	115876	75.00
Sandra Comouche	Closed Account Refund	115877	66.97
Shred-It US JV LLC	Shredding Svcs Feb	115878	186.59
Smart & Final	Office Supplies - Feb	115879	87.85
Southern Counties Lubricants, LLC	Oil, Diesel Fuel	115880	2,097.93
Standard Insurance Company	LIFE, LTD & ADD Insurance - Mar	115881	6,543.43
Staples Advantage	Office Supplies Jan	115882	3,466.29
State Water Resources Control	Water Treatment Cert - T Luna	115883	60.00
Steven Enterprises Inc	Toner - OCE Printer	115884	219.34
Stone Financing, LLC	Closed Account Refund	115885	55.87
Talley Communications	Mobile Antennas & Connectors 4	115886	64.77
Tim Ehlers	Closed Account Refund	115887	6.22
Total Resource Mgt Inc	Maximo Support Oct - Dec	115888	3,344.00
Union Bank FKA 1st Bank Card	Meetings & Travel Feb	115889	885.00
Union Bank FKA 1st Bank Card	Meetings & Travel Feb	115890	6,455.74
Union Bank FKA 1st Bank Card	Meetings & Travel Feb	115891	5,344.45
Univar USA Inc.	Sodium Bisulfite, Caustic Soda	115892	9,690.50
V & A Consulting Engineers Inc	Asset Management Replacement Schedule Prj 20141-4	115893	3,807.81
Valley Chain & Gear Inc	Coupler Replacement - MRF Solids Pump, Hardware Supplies	115894	1,018.86
Verizon Wireless	Ipad & Cell Phone Svc - Jan	115895	4,021.90
Vista Irrigation District	Water Distribution Class - 7 Employees	115896	1,225.00
Erik Warner	CWEA Membership Renewal	115897	188.00
Westley Owen	CSMFO Conference 1-08-19	115898	234.60
Wright Brother The Building Comp.	Closed Account Refund	115899	299.68
Xerox Corporation	Copier Lease - Jan	115900	4,585.62
Xylem Dewatering Solutions Inc	Supplies - Installation of High Level Alarms - MRF	115901	700.22
ACWA/Joint Powers Insurance	Medical Insurance Apr	115902	206,241.06
Backflow Solutions, Inc.	Backflow Tests - Feb - Qty 407	115903	5,765.65
Boncor Water Systems	Drinking Water Svc - Mar	115904	46.00
Burtech Pipeline Incorporated	Rock Springs Sewer Prj 90003	115905	90,215.80
Cardiac Science Corp	AED Units/Defibrillators - 3	115906	7,736.45
Chandler Asset Management, Inc.	Investment Management Svcs - Feb	115907	3,952.94
Christian Wheeler Engineering	Geotechnical Svcs Prj 90003	115908	4,200.00

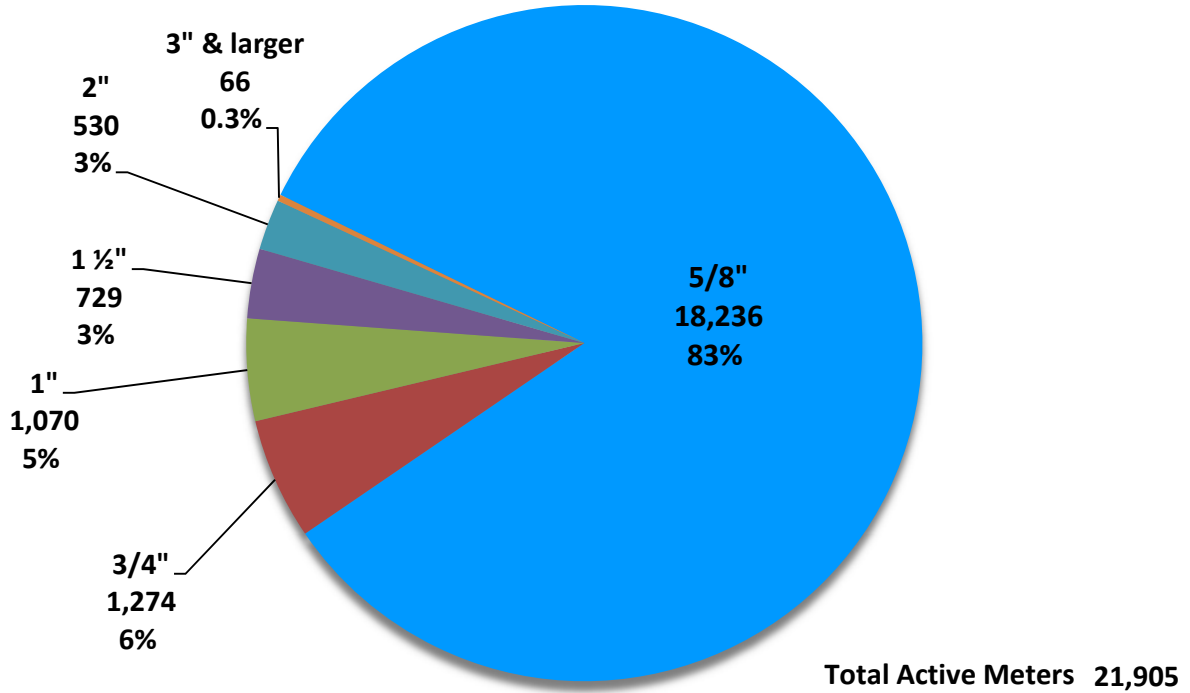
VALLECITOS WATER DISTRICT  
WARRANTS LIST  
March 20, 2019

PAYEE	DESCRIPTION	CHECK#	AMOUNT
Computer Protection Technology Inc	UPS Back Up Power Supply	115909	709.73
Electrical Sales Inc	Electrical Supplies	115910	65.17
Employment Screening Services Inc	Employment Screening Svcs	115911	344.00
Free Builders Supply	Rapidset Concrete	115912	1,526.50
Zuza LLC	Year In Review Publications Prj 20191-26	115913	479.49
Grainger Inc	Sump Pump, Fall Protection Handrail & Equipment - MRF, Hardware Supplies	115914	3,624.90
Haaker Equipment Co.	Vactor Repair Parts	115915	872.74
Hach Company	Water Quality Supplies, Cla Val, Turbidity Meter Parts - MRF	115916	3,016.54
Harrington Industrial	Chlorine Injection System - MRF, Hardware Supplies	115917	6,186.63
J W D'Angelo Co Inc	Brass Ball Valves 30	115918	2,238.81
JWC Environmental Inc.	Headworks Grinder Rebuild - MRF	115919	31,679.06
Mallory Safety & Supply, LLC	Safety Supplies	115920	313.33
Mission Resource Conservation District	Water Use Evaluation - Prj 20191-29	115921	32.00
One Source Distributors LLC	Automation Control Hardware - Product Support 19-20	115922	644.79
Ostari Inc	Technology Disaster Recovery & Business Continuity Plan, IT Support - Feb	115923	36,784.00
Pacific Pipeline Supply	Air Valves 11, Valve Gates 3, Gaskets, PVC Pipes, Bolts, Hardware Supplies	115924	10,843.59
Recycled Aggregate Materials Co Inc	Concrete Recycling	115925	325.00
Schmidt Fire Protection Co Inc	Quarterly Sprinkler Maintenance	115926	670.00
T.S. Industrial Supply	Marking Paint, Fire Hoses 2, Hardware Supplies	115927	2,593.40
Traffic Supply Inc	Traffic Control Supplies, Shoring Pump Repairs	115928	601.40
Umetech, Inc.	Svc - Microsoft SQL Server	115929	95.00
Underground Service Alert	Dig Alert Svc	115930	530.32
Unifirst Corporation	Uniform Delivery	115931	2,186.63
E.H. Wachs Company	Circuit Board & Transducer Assembly Kit	115932	1,634.26
Week Analytical Environmental Services, Inc.	Water Testing	115933	2,340.00
Garnishments	Payroll Garnishments	115934 through 115936	-
Total Disbursements (139 Checks)			<u>794,747.76</u>
 WIRES			
Public Employees Retirement System	Retirement Contribution - March 13, 2019 Payroll	Wire	70,788.44
Union Bank	Bank of America loan payment - Interest	Wire	29,610.90
Union Bank	Union Bank debt payment - Principal	Wire	200,000.00
Union Bank	Union Bank debt payment - Interest	Wire	27,621.00
Total Wires			<u>328,020.34</u>
 PAYROLL			
Total direct deposits		Wire	235,265.16
VWD Employee Association		115934	594.00
Garnishments		115935 through 115936	607.83
IRS	Federal payroll tax deposits	Wire	93,270.63
Employment Development Department	California payroll tax deposit	Wire	17,562.38
CalPERS	Deferred compensation withheld	Wire	16,222.88
VOYA	Deferred compensation withheld	Wire	7,427.23
Total March 13, 2019 Payroll Disbursements			<u>370,950.11</u>
 TOTAL DISBURSEMENTS			 <u>1,493,718.21</u>

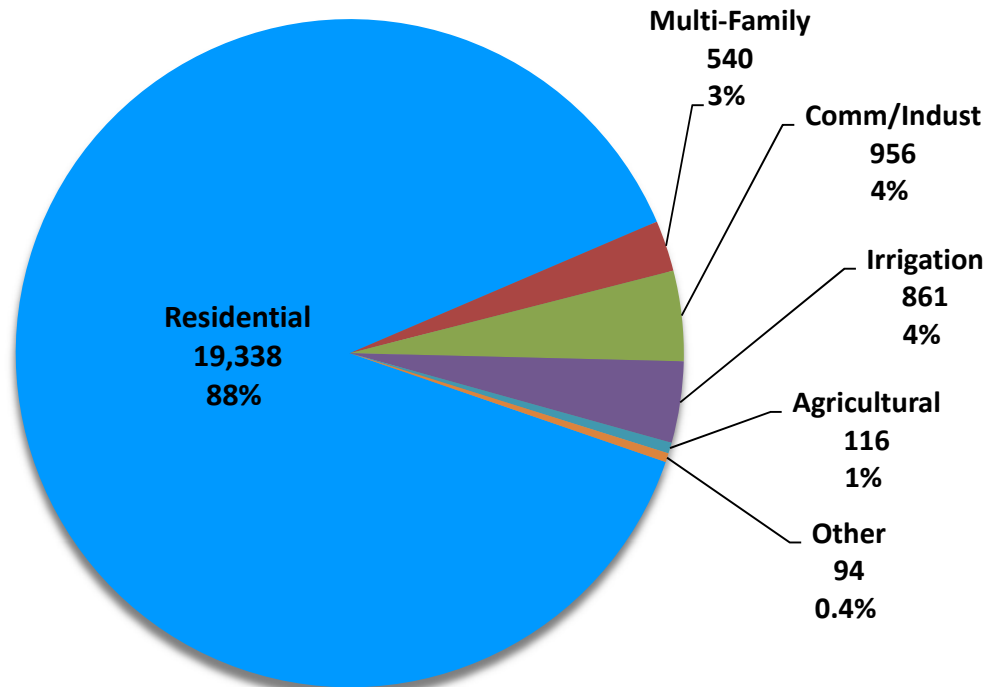


Vallecitos Water District  
 Active Water Meters  
 February 28, 2019

**Active Meters by Size as of February 28, 2019**

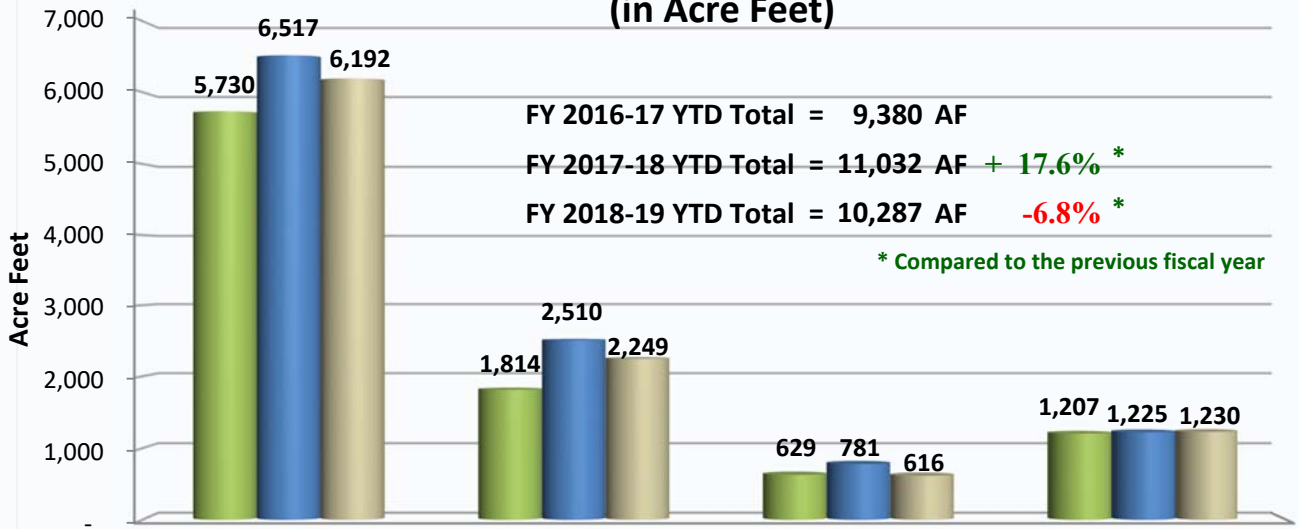


**Active Meters by Type as of February 28, 2019**



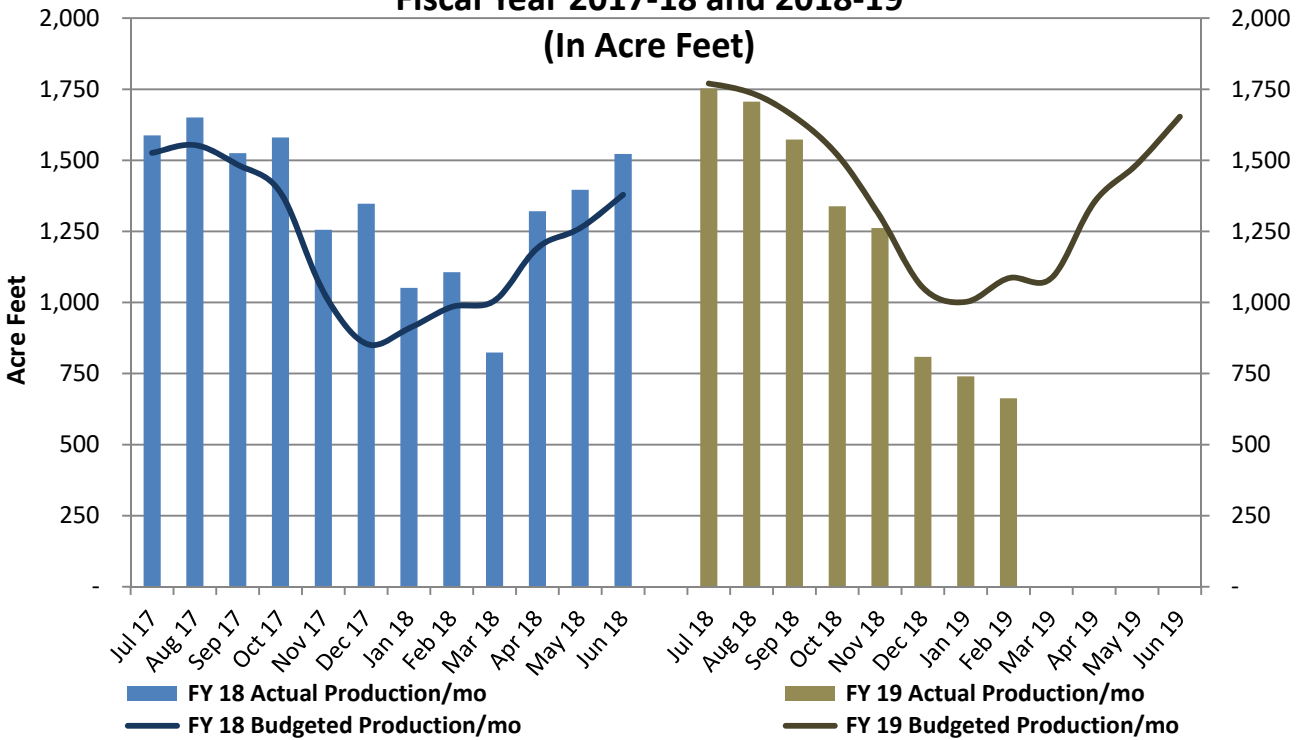
Vallejos Water District  
 Water Production/Sales  
 February 28, 2019

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

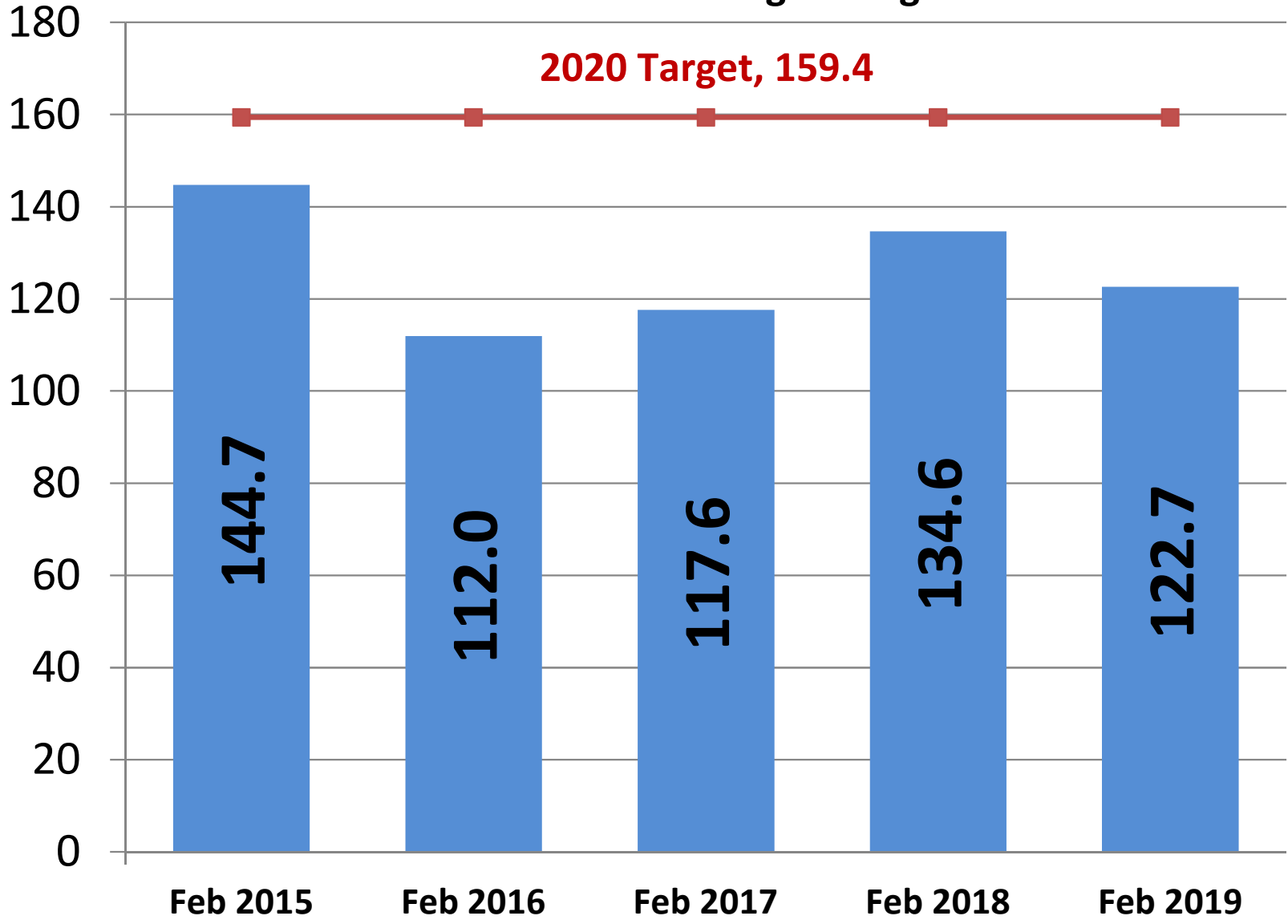


	Residential	Irrigation	Agricultural	Commer/ Indust/ Construct/ Other
FY 2016-17	5,730	1,814	629	1,207
FY 2017-18	6,517	2,510	781	1,225
FY 2018-19	6,192	2,249	616	1,230

**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: MARCH 20, 2019**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: MONTHLY FINANCIAL REPORTS**

**BACKGROUND:**

The Monthly Revenue and Expense Reports and the Reserve Report for the eight months ended February 28, 2019 are presented.

**DISCUSSION:**

The Monthly Revenue and Expense reports summarize revenues by service type and expenses by department over the 8-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 Eight Months Ended February 28, 2019

	Current	Prior Year Actual			Current Year Budget		
	Year	Amount	Variance		Amount	Variance	
	Actual		\$	%		\$	%
<b>Revenue</b>							
Water Sales	\$21,603,756	\$20,654,561	\$ 949,195	4.6%	\$22,141,000	\$ (537,244)	-2.4%
Ready-to-serve	9,154,027	9,230,595	(76,568)	-0.8%	8,868,000	286,027	3.2%
Pumping cost recovery	238,050	227,180	10,870	4.8%	238,000	50	0.0%
Late & lock charges	266,332	315,233	(48,901)	-15.5%	307,000	(40,668)	-13.2%
Backflow fees	61,798	60,530	1,268	2.1%	65,000	(3,202)	-4.9%
Other revenue	104,246	124,257	(20,011)	-16.1%	79,400	24,846	31.3%
<b>Total Revenue</b>	<b>31,428,209</b>	<b>30,612,356</b>	<b>815,853</b>	<b>2.7%</b>	<b>31,698,400</b>	<b>(270,191)</b>	<b>-0.9%</b>
<b>Expenses</b>							
Water costs	19,455,438	20,753,784	(1,298,346)	-6.3%	20,756,000	(1,300,562)	-6.3%
Pumping costs	564,091	502,890	61,201	12.2%	586,000	(21,909)	-3.7%
Water quality	81,259	80,923	336	0.4%	102,000	(20,741)	-20.3%
Water treatment	282,842	292,980	(10,138)	-3.5%	317,000	(34,158)	-10.8%
Tanks & reservoirs	232,791	211,190	21,601	10.2%	300,000	(67,209)	-22.4%
Trans & distribution	1,680,131	930,850	749,281	80.5%	1,146,000	534,131	46.6%
Services	43,899	173,628	(129,729)	-74.7%	94,000	(50,101)	-53.3%
Meters	428,145	429,888	(1,743)	-0.4%	450,000	(21,855)	-4.9%
Backflow prevention	31,354	27,763	3,591	12.9%	44,000	(12,646)	-28.7%
Customer accounts	500,643	356,952	143,691	40.3%	423,000	77,643	18.4%
Building & grounds	264,279	259,672	4,607	1.8%	252,000	12,279	4.9%
Equipment & vehicles	158,664	182,831	(24,167)	-13.2%	214,000	(55,336)	-25.9%
Engineering	1,107,918	925,846	182,072	19.7%	1,056,000	51,918	4.9%
Safety & compliance	175,835	147,787	28,048	19.0%	178,000	(2,165)	-1.2%
Information Technology	545,057	553,225	(8,168)	-1.5%	649,000	(103,943)	-16.0%
General & administrative	2,178,726	2,015,260	163,466	8.1%	1,990,000	188,726	9.5%
<b>Total Expenses</b>	<b>27,731,072</b>	<b>27,845,469</b>	<b>(114,397)</b>	<b>-0.4%</b>	<b>28,557,000</b>	<b>(825,928)</b>	<b>-2.9%</b>
<b>Net Operating Income</b>	<b>\$ 3,697,137</b>	<b>\$ 2,766,887</b>	<b>930,250</b>	<b>33.6%</b>	<b>\$ 3,141,400</b>	<b>555,737</b>	<b>17.7%</b>

Explanation of Significant Variances

The favorable budget variance in **Tanks and reservoirs** is related to outside services that have not been performed yet. This should smooth out over the coming months.

**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 favorable prior year variance in **Services** is due to completing the District-wide poly to copper service line conversion.

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

*Variances are considered significant if they exceed \$66666 and 20%.*

Vallecitos Water District  
Sewer Revenue and Expense Report  
For the Eight Months Ended February 28, 2019

	Current Year Actual	Prior Year Actual			Current Year Budget		
		Amount	Variance		Amount	Variance	
			\$	%		\$	%
<b>Revenue</b>							
Sewer service charges	\$ 12,212,456	\$ 12,037,393	\$ 175,063	1.5%	\$ 11,989,000	\$ 223,456	1.9%
Reclaimed water sales	1,316,000	1,373,957	(57,957)	-4.2%	1,316,000	-	0.0%
Other revenue	684,294	29,590	654,704	2212.6%	54,000	630,294	1167.2%
Total Revenue	<u>14,212,750</u>	<u>13,440,963</u>	771,787	5.7%	<u>13,359,000</u>	853,750	6.4%
<b>Expenses</b>							
Collection & conveyance	1,393,029	1,218,159	174,870	14.4%	1,538,000	(144,971)	-9.4%
Lift stations	116,712	127,445	(10,733)	-8.4%	196,000	(79,288)	-40.5%
Source Control	124,171	96,395	27,776	28.8%	126,000	(1,829)	-1.5%
Effluent disposal	1,617,457	1,889,515	(272,058)	-14.4%	1,851,000	(233,543)	-12.6%
Meadowlark	1,931,129	1,729,264	201,865	11.7%	2,264,000	(332,871)	-14.7%
Customer Accounts	332,668	244,699	87,969	35.9%	312,000	20,668	6.6%
Building & grounds	174,008	164,110	9,898	6.0%	173,000	1,008	0.6%
Equipment & vehicles	130,976	130,462	514	0.4%	160,000	(29,024)	-18.1%
Engineering	441,565	358,333	83,232	23.2%	454,000	(12,435)	-2.7%
Safety & compliance	110,950	97,908	13,042	13.3%	135,000	(24,050)	-17.8%
Information technology	434,873	483,315	(48,442)	-10.0%	564,000	(129,127)	-22.9%
General & administrative	834,361	868,063	(33,702)	-3.9%	968,000	(133,639)	-13.8%
Total Expenses	<u>7,641,899</u>	<u>7,408,888</u>	233,011	3.1%	<u>8,741,000</u>	(1,099,101)	-12.6%
Net Operating Income	<u>\$ 6,570,851</u>	<u>\$ 6,032,075</u>	538,776	8.9%	<u>\$ 4,618,000</u>	1,952,851	42.3%

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.

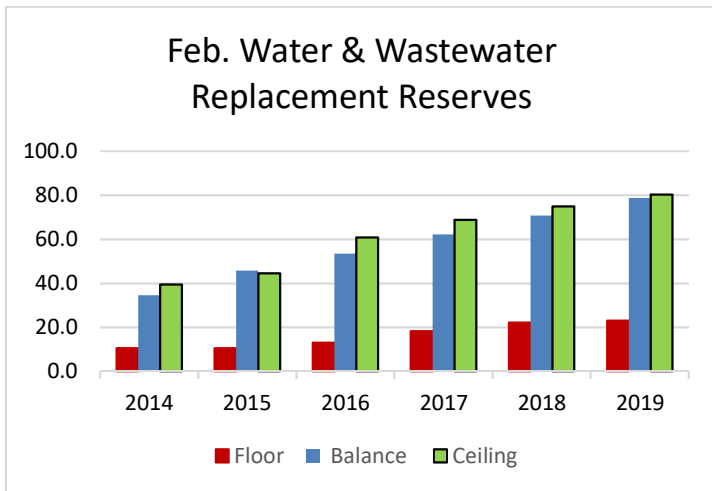
The **Engineering** unfavorable prior year variance is due to anticipated decreases in labor charged to projects.

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 \$66666 and 20%.*

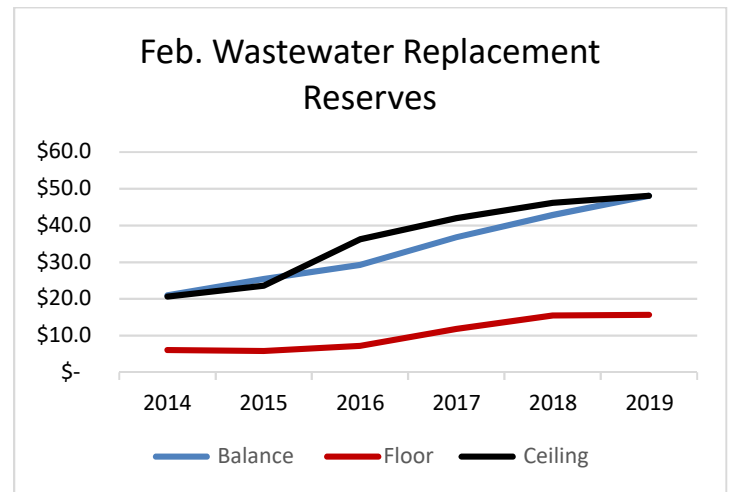
**REPLACEMENT RESERVES**

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 February 28, 2019, the total water and wastewater replacement reserve balance was \$78.7 million, 11 percent greater than February 28, 2018.



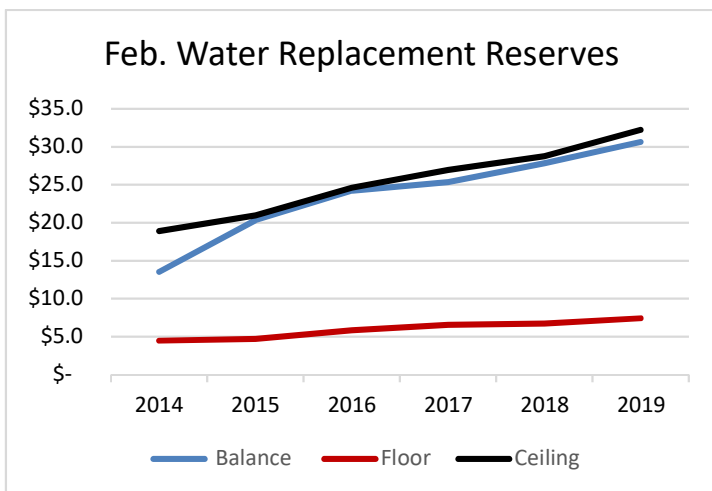
**WASTEWATER REPLACEMENT RESERVE**

As of February 28, 2019, the balance in the District’s wastewater replacement reserve exceeded the established ceiling of \$48.1 million. In accordance with the reserve policy of the District, \$2 million was transferred to rate stabilization to keep the replacement reserve balance within the established range.



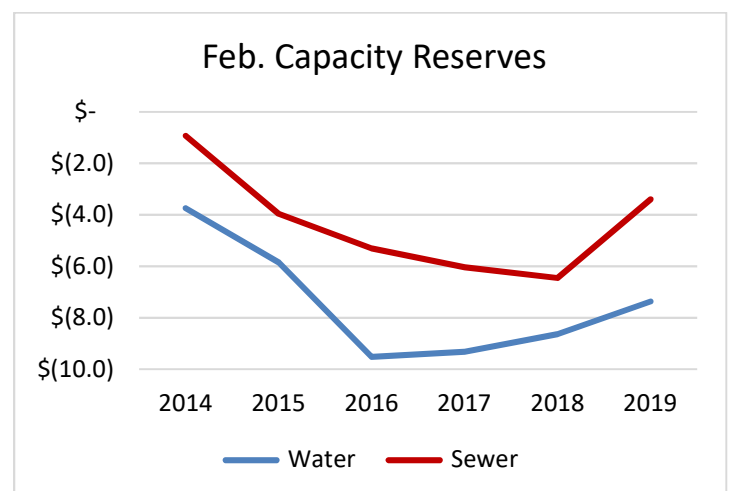
**WATER REPLACEMENT RESERVE**

As of February 28, 2019, the District’s water replacement reserve totaled \$30.7 million, an increase of 10 percent, or \$2.8 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.



**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 February 28, 2019, the water capacity fund had a deficit of \$7.4 million and the sewer capacity fund had a deficit of \$3.4 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 EIGHT MONTHS ENDED FEBRUARY 28, 2019

	110	Water	120	210	Wastewater	220	Total
	Replacement		Capacity	Replacement		Capacity	
BEGINNING BALANCE	\$ 32,797,105		\$ (9,161,412)	\$ 51,677,556		\$ (6,820,836)	\$ 68,492,413
<b>REVENUES</b>							
FY 18/19 Operating Transfers	3,697,137			6,570,851			10,267,988
Capital Facility Fees	-		2,468,100	-		5,024,516	7,492,616
Property Tax	757,530		-	597,103		-	1,354,632
RDA pass-through	570,490		-	570,490		-	1,140,979
Investment Earnings	438,200		-	404,054		-	842,254
<b>TOTAL REVENUES</b>	<u>5,463,357</u>		<u>2,468,100</u>	<u>8,142,498</u>		<u>5,024,516</u>	<u>21,098,470</u>
<b>LESS DISTRIBUTIONS</b>							
Capital Projects							
Encina Wastewater Authority Five Year Plan			-	1,924,278		214,331	2,138,608
Rock Springs Sewer Replacement	-		-	378,610		462,746	841,356
Stargaze Court Water Line Replacement	488,339		-	-		-	488,339
Expansion of the Men's Locker Room in Building B	239,020		-	229,649		-	468,669
Audiovisual Upgrade	113,803		-	109,341		-	223,144
Solar Panel Inverter Replacement	95,443		-	91,698		-	187,141
Laurels Sewer Lining	-		-	146,257		-	146,257
District Wide Valve Replacement	114,552		-	-		-	114,552
South Lake - Facility Upgrades	86,808		-	-		-	86,808
Fulton Road And Nctd Sewer Line Rehabilitation	-		-	85,309		-	85,309
MRF - Influent Pumps & Motors	-		-	79,660		-	79,660
Water & Sewer Master Plan	-		31,606	-		31,606	63,212
South Vista Pressure Reducing Station Upgrade	62,298		-	-		-	62,298
Ultrasonic Algae Control System	-		-	59,718		-	59,718
Mountain Belle Tank Chlorine System	52,695		-	-		-	52,695
City of San Marcos Joint Projects	30,430		-	19,456		-	49,886
Montiel Gravity Outfall	-		-	16,769		20,496	37,265
Replace Roofs On Equipment Storages	14,881		-	14,298		-	29,179
Palos Vista Pump Station Generator	28,372		-	-		-	28,372
Vulnerability assessment improvements	-		16,970	-		11,313	28,283
Encina Land Parallel Outfall	-		-	-		27,178	27,178
Admin Emergency Generator - Auto Transfer Switch	12,830		-	12,830		-	25,660
North Vista Pressure Reducing Station Upgrade	25,564		-	-		-	25,564
Schoolhouse Tank Refurbishment	23,509		-	-		-	23,509
Sewer Rehabilitation And Repairs	-		-	22,936		-	22,936
Palos Vista Pump Station Motor Replacement	22,903		-	-		-	22,903
HVAC System Upgrade	9,561		-	9,186		-	18,747
Asset Management Replacement Schedule	8,528		-	8,194		-	16,722
Via Vera Cruz Tank Hill Stabilization	16,576		-	-		-	16,576
Coronado Hills Chlorine Injection System	15,759		-	-		-	15,759
Refurbish Pumps At North Twin Oaks Pump Station	15,355		-	-		-	15,355
All other capital projects	32,081		-	18,389		(11,459)	39,011
Capital Budget - Vehicles/Mobile Equipmnt	338,036		-	60,762		-	398,798
Debt Service	-		553,478	-		806,514	1,359,992
Interest Expense	-		78,497	-		48,557	127,053
<b>TOTAL DISTRIBUTIONS</b>	<u>1,847,342</u>		<u>680,550</u>	<u>3,287,339</u>		<u>1,611,281</u>	<u>7,426,512</u>
ENDING BALANCE	\$ 36,413,119		\$ (7,373,863)	\$ 56,532,715		\$ (3,407,601)	\$ 82,164,372
Less: Operating Reserves	5,748,700		-	6,468,600		-	12,217,300
Less: Rate Stabilization	-		-	1,982,215		-	1,982,215
Replacement Reserves/Restricted Funds	\$ 30,664,419		\$ (7,373,863)	\$ 48,081,900		\$ (3,407,601)	\$ 67,964,856
Replacement reserve floor	\$ 7,428,200			\$ 15,665,900			
Replacement reserve ceiling	\$ 32,224,700			\$ 48,081,900			



VALLECITOS WATER DISTRICT  
INVESTMENT REPORT FOR FEBRUARY 2019

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 January follows:

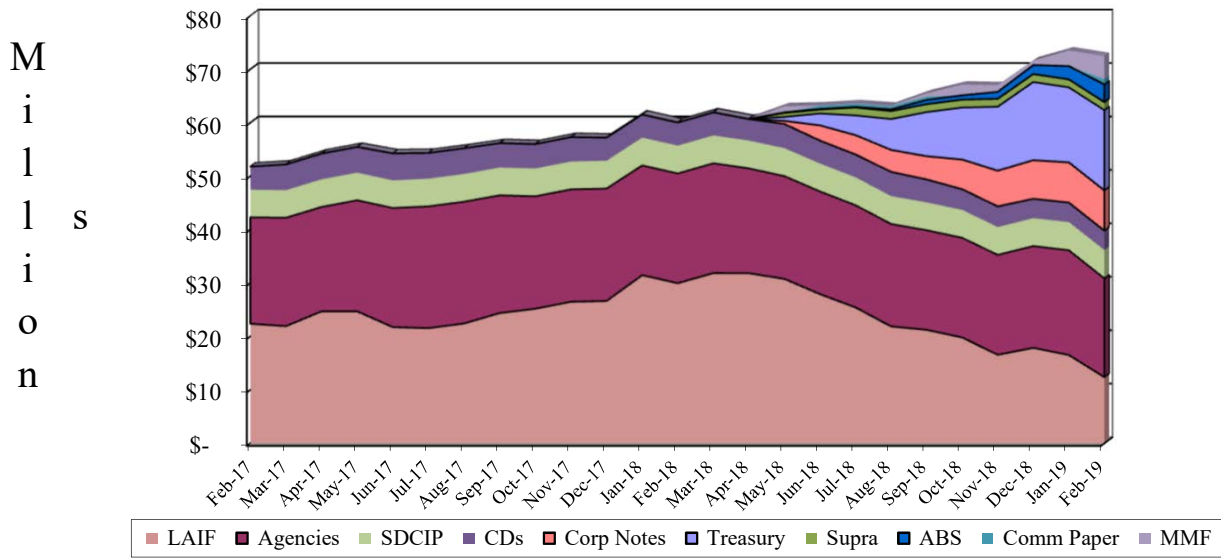
<u>Date</u>	<u>Activity</u>	<u>Investment</u>	<u>Amount</u>	<u>Maturity</u>	<u>Yield</u>
02/01/19	Withdrawal	LAIF	(75,000)	Open	2.39%
02/04/19	Deposit	LAIF	325,000	Open	2.39%
02/06/19	Deposit	LAIF	400,000	Open	2.39%
02/13/19	Purchase	TAOT 2019-A	374,966	10/15/21	2.83%
02/15/19	Withdrawal	LAIF	(1,200,000)	Open	2.39%
02/20/19	Purchase	MUFG Bank LTD	991,333	06/20/19	2.60%
02/21/19	Withdrawal	LAIF	(1,000,000)	Open	2.39%
02/22/19	Maturity	FFCB	(367,000)	02/22/19	1.15%
02/22/19	Purchase	US Treasury	999,414	03/31/23	2.50%
02/26/19	Withdrawal	LAIF	(3,000,000)	Open	2.39%
02/27/19	Deposit	LAIF	400,000	Open	2.39%
02/27/19	Purchase	HAROT 2019-1 A2	454,971	09/20/21	2.75%
02/28/19	Full Call	FHLMC	(750,000)	08/28/19	0.75%
Change in investments during the month			<u>\$ (2,446,316)</u>		

	<u>Current</u>
Weighted average annual yield for total Vallecitos investments	2.360%
Weighted average days to maturity	460

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 December 31, 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 January 31, 2019. Fair values for federal agency obligations and corporate notes are provided by Union Bank trust account reporting

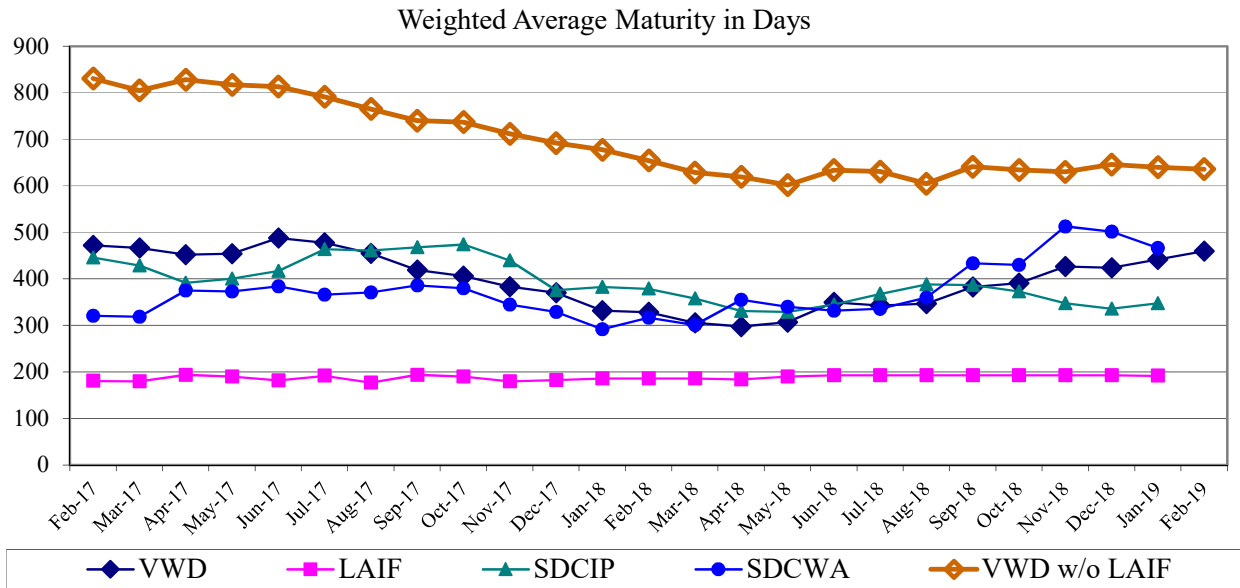
Safety

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.



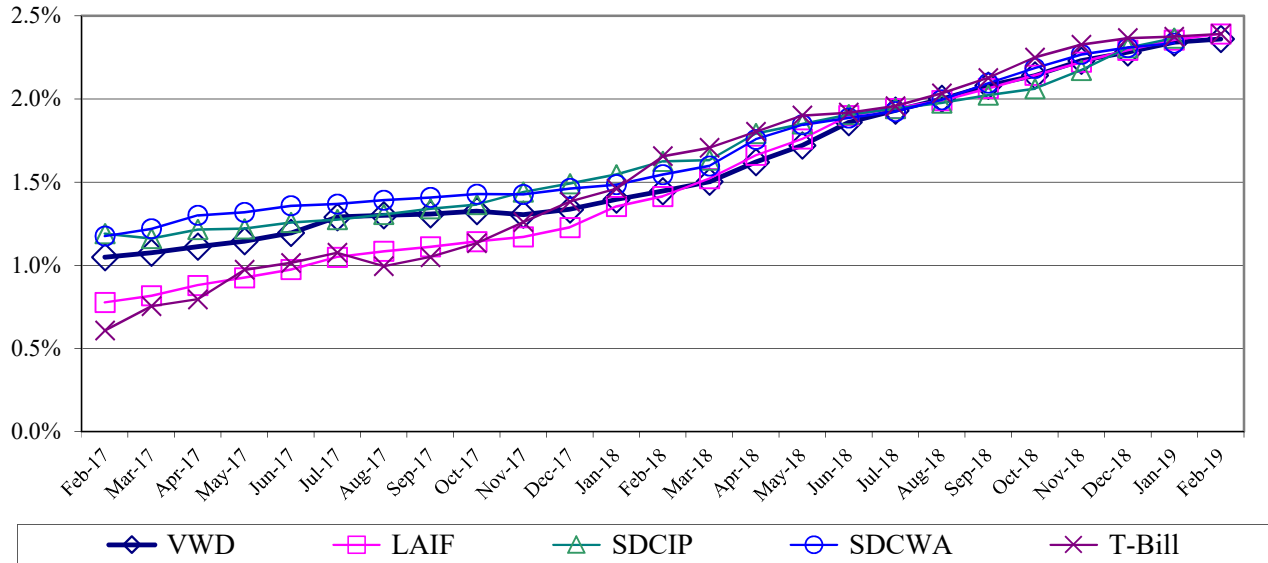
Liquidity

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 \$12.4 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	1.26
Average Coupon	2.11%
Average Purchase YTM	2.36%
Average Market YTM	2.53%
Average S&P/Moody Rating	AA+/Aa1
Average Final Maturity	1.41 yrs
Average Life	1.30 yrs

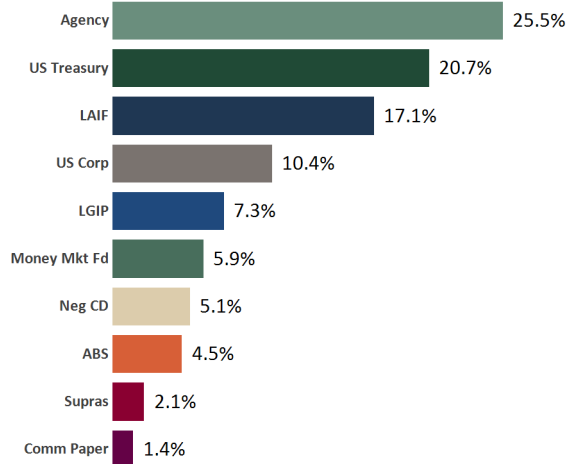
**ACCOUNT SUMMARY**

	Beg. Values as of 1/31/19	End Values as of 2/28/19
Market Value	73,521,950	72,457,628
Accrued Interest	259,369	294,224
<b>Total Market Value</b>	<b>73,781,319</b>	<b>72,751,853</b>
Income Earned	138,320	127,344
Cont/WD		
Par	73,993,175	72,940,766
Book Value	73,626,093	72,577,581
Cost Value	73,553,728	72,493,787

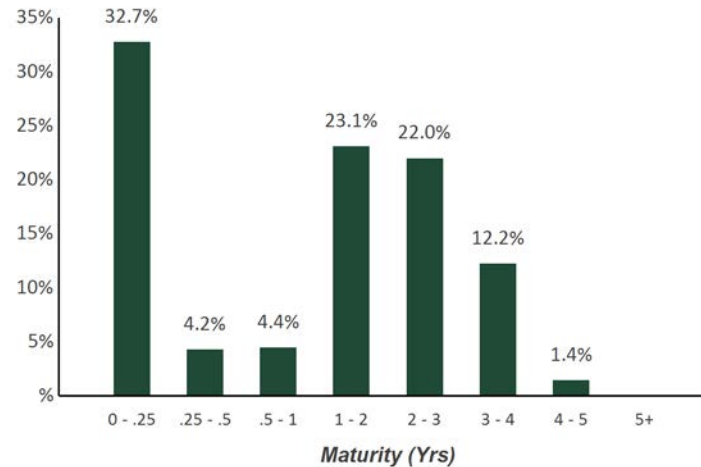
**TOP ISSUERS**

Government of United States	20.7%
Local Agency Investment Fund	17.1%
County of San Diego Pooled Inve	7.3%
Federal Home Loan Bank	6.9%
Federal National Mortgage Assoc	6.4%
Federal Home Loan Mortgage Corp	6.1%
Federal Farm Credit Bank	6.0%
Dreyfus Treasury and Agency	5.9%
<b>Total</b>	<b>76.5%</b>

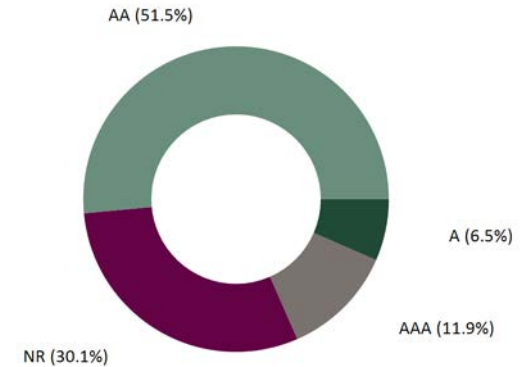
**SECTOR ALLOCATION**



**MATURITY DISTRIBUTION**



**CREDIT QUALITY (S&P)**



**Vallecitos Water District Consolidated Account**

Account #10594

**Holdings Report**

As of February 28, 2019



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>									
47788EAB4	John Deere Owner Trust 2018-B A2 2.83% Due 4/15/2021	300,000.00	01/29/2019 2.95%	299,742.19 299,759.74	100.06 2.74%	300,194.10 377.33	0.41% 434.36	Aaa / NR AAA	2.13 0.61
89190BAD0	Toyota Auto Receivables Owner 2017-B A3 1.76% Due 7/15/2021	496,175.39	09/26/2018 2.78%	490,380.22 491,254.32	99.40 2.69%	493,217.69 388.12	0.68% 1,963.37	Aaa / AAA NR	2.38 0.65
43814PAC4	Honda Auto Receivables Owner T 17-3 A3 1.79% Due 9/20/2021	387,000.00	12/11/2018 2.73%	381,981.09 382,367.92	99.18 2.74%	383,817.31 250.15	0.53% 1,449.39	NR / AAA AAA	2.56 0.87
43814WAB1	HAROT 2019-1 A2 2.75% Due 9/20/2021	455,000.00	02/19/2019 2.77%	454,970.70 454,970.76	100.01 2.76%	455,032.31 139.03	0.63% 61.55	NR / AAA AAA	2.56 1.03
47788BAD6	John Deere Owner Trust 2017-B A3 1.82% Due 10/15/2021	500,000.00	11/14/2018 3.14%	493,105.47 493,785.85	99.21 2.83%	496,046.99 404.44	0.68% 2,261.14	Aaa / NR AAA	2.63 0.79
89239AAB9	Toyota Auto Receivables 2019-A A2A 2.83% Due 10/15/2021	375,000.00	02/05/2019 2.85%	374,965.95 374,966.51	100.06 2.78%	375,213.38 530.63	0.52% 246.87	Aaa / AAA NR	2.63 0.92
43814UAG4	Honda Auto Receivables 2018-2 A3 3.01% Due 5/18/2022	105,000.00	05/22/2018 3.03%	104,997.71 104,998.14	100.44 2.76%	105,466.31 114.13	0.15% 468.17	NR / AAA AAA	3.22 1.65
43815HAC1	Honda Auto Receivables Owner 2018-3 A3 2.95% Due 8/22/2022	205,000.00	08/21/2018 2.98%	204,971.87 204,975.45	100.35 2.79%	205,714.43 167.99	0.28% 738.98	Aaa / NR AAA	3.48 1.81
65478WAE5	Nissan Auto Receivables Owner 2016-C A4 1.38% Due 1/17/2023	500,000.00	01/24/2019 2.95%	489,531.25 489,869.29	98.25 2.81%	491,250.00 306.67	0.68% 1,380.71	Aaa / NR AAA	3.89 1.23
<b>Total ABS</b>		<b>3,323,175.39</b>	<b>2.90%</b>	<b>3,294,646.45</b> <b>3,296,947.98</b>	<b>2.77%</b>	<b>3,305,952.52</b> <b>2,678.49</b>	<b>4.55%</b> <b>9,004.54</b>	<b>Aaa / AAA</b> <b>AAA</b>	<b>2.79</b> <b>0.97</b>

<b>AGENCY</b>									
3133EGEF8	FFCB Callable Note Cont 6/13/2017 1.18% Due 6/13/2019	500,000.00	05/26/2017 1.43%	497,500.00 499,652.41	99.65 2.38%	498,247.00 1,278.33	0.69% (1,405.41)	Aaa / AA+ AAA	0.29 0.29
3130ABJS6	FHLB Callable Note Qrtly 9/28/2017 2% Due 6/28/2019	500,000.00	07/07/2017 2.00%	500,000.00 500,000.00	99.97 2.52%	499,826.50 1,746.53	0.69% (173.50)	Aaa / AA+ NR	0.33 0.32
3133EGLC7	FFCB Callable Note Cont 10/12/2016 1.08% Due 7/12/2019	500,000.00	07/12/2016 1.10%	499,675.00 499,960.53	99.51 2.39%	497,568.50 735.00	0.68% (2,392.03)	Aaa / AA+ AAA	0.37 0.37
3137EADM8	FHLMC Note 1.25% Due 10/2/2019	500,000.00	09/25/2015 1.32%	498,665.00 499,804.48	99.26 2.51%	496,302.50 2,586.81	0.69% (3,501.98)	Aaa / AA+ AAA	0.59 0.58

**Vallecitos Water District Consolidated Account**

Account #10594

**Holdings Report**

As of February 28, 2019



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	99.11 2.55%	495,529.50 2,032.92	0.68% (4,470.50)	Aaa / AA+ NR	0.66 0.66
3134G9V95	FHLMC Callable Note Qtrly 2/22/2017 2% Due 11/22/2019	750,000.00	08/22/2016 2.00%	750,000.00 750,000.00	99.68 2.70%	747,623.25 364.58	1.03% (2,376.75)	Aaa / AA+ AAA	0.73 0.47
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	98.98 2.58%	494,917.50 1,143.75	0.68% (5,082.50)	Aaa / AA+ AAA	0.84 0.82
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	98.67 2.54%	493,357.00 2,726.39	0.68% (6,643.00)	Aaa / AA+ AAA	1.08 1.07
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	98.98 2.57%	742,319.25 4,279.38	1.03% (7,680.75)	Aaa / AA+ NR	1.16 1.14
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	98.68 2.58%	740,073.75 2,875.00	1.02% (9,926.25)	Aaa / AA+ AAA	1.25 1.23
3130A8M67	FHLB Callable Note Cont 7/13/2017 1.2% Due 7/13/2020	500,000.00	11/22/2016 1.60%	492,970.00 497,355.15	98.18 2.56%	490,879.00 800.00	0.68% (6,476.15)	Aaa / AA+ NR	1.37 1.35
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	98.20 2.64%	981,985.00 272.22	1.35% (18,015.00)	Aaa / AA+ AAA	1.49 1.46
3133EGC94	FFCB Callable Note Cont 2/2/2017 1.38% Due 11/2/2020	500,000.00	11/04/2016 1.40%	499,600.00 499,832.21	98.05 2.58%	490,240.50 2,280.83	0.68% (9,591.71)	Aaa / AA+ AAA	1.68 1.64
3133EGR49	FFCB Callable Note Cont 12/7/2017 1.77% Due 12/7/2020	250,000.00	12/07/2016 1.83%	249,437.50 249,750.90	98.62 2.57%	246,560.75 1,032.50	0.34% (3,190.15)	Aaa / AA+ AAA	1.78 1.73
3134GBT A0	FHLMC Callable Note Qtrly 9/22/2017 1.9% Due 12/22/2020	750,000.00	06/27/2017 1.90%	750,000.00 750,000.00	99.60 2.53%	746,963.25 2,729.17	1.03% (3,036.75)	Aaa / AA+ AAA	1.82 1.28
3136G4GA5	FNMA Callable Note Qtrly 4/28/2017 1.4% Due 1/28/2021	500,000.00	10/28/2016 1.40%	500,000.00 500,000.00	97.88 2.54%	489,420.50 641.67	0.67% (10,579.50)	Aaa / AA+ AAA	1.92 1.87
3133EFC54	FFCB Callable Note Cont 2/17/2017 1.62% Due 2/17/2021	150,000.00	11/18/2016 1.67%	149,667.00 149,845.73	98.19 2.57%	147,292.05 94.50	0.20% (2,553.68)	Aaa / AA+ AAA	1.97 1.92
3134G8LH0	FHLMC Callable Note Qtrly 8/26/2016 2% Due 2/26/2021	514,000.00	02/26/2016 2.00%	514,000.00 514,000.00	99.69 2.67%	512,406.60 135.64	0.70% (1,593.40)	Aaa / AA+ AAA	2.00 0.48
3130A7ES0	FHLB Callable Note Qtrly 6/22/2016 1.75% Due 3/22/2021	275,000.00	04/06/2017 2.11%	274,381.25 274,678.22	99.36 2.61%	273,243.58 2,125.52	0.38% (1,434.64)	Aaa / AA+ NR	2.06 1.03
3133EFZ91	FFCB Callable Note Cont 4/12/2017 1.62% Due 4/12/2021	750,000.00	04/12/2016 1.62%	749,925.00 749,968.25	98.06 2.57%	735,441.00 4,691.25	1.02% (14,527.25)	Aaa / AA+ AAA	2.12 2.06

Vallecitos Water District Consolidated Account

Account #10594

Holdings Report

As of February 28, 2019



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	98.78 2.57%	740,877.75 4,892.08	1.03% (9,122.25)	Aaa / AA+ AAA	2.18 2.10
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	97.29 2.66%	486,474.00 708.33	0.67% (13,526.00)	Aaa / AA+ AAA	2.41 2.34
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	97.66 2.57%	976,647.00 266.67	1.34% (23,353.00)	Aaa / AA+ AAA	2.49 2.42
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	97.68 2.56%	976,782.00 6,815.97	1.35% (23,218.00)	Aaa / AA+ NR	2.59 2.50
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	96.98 2.73%	969,759.00 5,295.83	1.34% (30,241.00)	Aaa / AA+ AAA	2.67 2.57
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	98.13 2.59%	981,275.00 4,947.92	1.36% (18,725.00)	Aaa / AA+ AAA	2.75 2.64
3133EJ3B3	FFCB Note 2.8% Due 12/17/2021	1,000,000.00	12/26/2018 2.70%	1,002,780.00 1,002,616.17	100.63 2.57%	1,006,265.00 5,755.56	1.39% 3,648.83	Aaa / AA+ AAA	2.80 2.67
313383WD9	FHLB Note 3.125% Due 9/9/2022	500,000.00	01/30/2019 2.68%	507,580.00 507,413.09	101.72 2.61%	508,601.50 7,465.28	0.71% 1,188.41	Aaa / AA+ AAA	3.53 3.28
3130AFE78	FHLB Note 3% Due 12/9/2022	1,000,000.00	01/25/2019 2.71%	1,010,700.00 1,010,457.34	101.62 2.55%	1,016,245.00 9,583.33	1.41% 5,787.66	Aaa / AA+ AAA	3.78 3.53
<b>Total Agency</b>		<b>18,689,000.00</b>	<b>1.76%</b>	<b>18,696,880.75</b> <b>18,705,334.48</b>	<b>2.58%</b>	<b>18,483,123.23</b> <b>80,302.96</b>	<b>25.52%</b> <b>(222,211.25)</b>	<b>Aaa / AA+</b> <b>AAA</b>	<b>1.90</b> <b>1.74</b>
<b>COMMERCIAL PAPER</b>									
62479MTL7	MUFG Bank Ltd/NY Discount CP 2.6% Due 6/20/2019	1,000,000.00	02/19/2019 2.66%	991,333.33 991,983.33	99.20 2.66%	991,983.33 0.00	1.36% 0.00	P-1 / A-1 NR	0.31 0.30
<b>Total Commercial Paper</b>		<b>1,000,000.00</b>	<b>2.66%</b>	<b>991,333.33</b> <b>991,983.33</b>	<b>2.66%</b>	<b>991,983.33</b> <b>0.00</b>	<b>1.36%</b> <b>0.00</b>	<b>Aaa / AA</b> <b>NR</b>	<b>0.31</b> <b>0.30</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>LAIF</b>									
90LAIF\$00	Local Agency Investment Fund State Pool	12,370,281.67	Various 2.39%	12,370,281.67 12,370,281.67	1.00 2.39%	12,370,281.67 65,471.96	17.09% 0.00	NR / NR NR	0.00 0.00
<b>Total LAIF</b>		<b>12,370,281.67</b>	<b>2.39%</b>	<b>12,370,281.67</b>	<b>2.39%</b>	<b>12,370,281.67</b> <b>65,471.96</b>	<b>17.09%</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	5,296,000.00	Various 2.39%	5,296,000.00 5,296,000.00	1.00 2.39%	5,296,000.00 0.00	7.28% 0.00	NR / NR AAA	0.00 0.00
<b>Total Local Gov Investment Pool</b>		<b>5,296,000.00</b>	<b>2.39%</b>	<b>5,296,000.00</b>	<b>2.39%</b>	<b>5,296,000.00</b> <b>0.00</b>	<b>7.28%</b> <b>0.00</b>	<b>NR / NR</b> <b>AAA</b>	<b>0.00</b> <b>0.00</b>
<b>MONEY MARKET FUND FI</b>									
261908206	Dreyfus Treasury Money Market Fund	4,321,308.54	Various 2.04%	4,321,308.54 4,321,308.54	1.00 2.04%	4,321,308.54 0.00	5.94% 0.00	Aaa / AAA NR	0.00 0.00
<b>Total Money Market Fund FI</b>		<b>4,321,308.54</b>	<b>2.04%</b>	<b>4,321,308.54</b>	<b>2.04%</b>	<b>4,321,308.54</b> <b>0.00</b>	<b>5.94%</b> <b>0.00</b>	<b>Aaa / AAA</b> <b>NR</b>	<b>0.00</b> <b>0.00</b>
<b>NEGOTIABLE CD</b>									
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	99.97 2.21%	244,936.30 1,558.60	0.34% (63.70)	NR / NR NR	0.03 0.03
78012UEY7	Royal Bank of Canada Yankee CD 2.6% Due 4/8/2019	500,000.00	08/24/2018 2.55%	500,130.05 500,021.77	100.00 2.55%	500,021.77 8,450.00	0.70% 0.00	P-1 / A-1+ F-1+	0.11 0.11
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	99.92 2.23%	244,791.75 1,461.95	0.34% (208.25)	NR / NR NR	0.15 0.14
29266NK97	Enerbank USA Negotiable CD 1.5% Due 5/15/2019	233,000.00	06/18/2015 1.58%	232,301.00 232,963.26	99.84 2.27%	232,628.13 134.05	0.32% (335.13)	NR / NR NR	0.21 0.21
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 10,459.44	0.70% 0.00	P-1 / A-1+ F-1+	0.23 0.23



**Vallecitos Water District Consolidated Account**

Account #10594

**Holdings Report**

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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>									
06740KJ7	Barclays Bank Delaware Negotiable CD 1.9% Due 9/16/2019	245,000.00	09/16/2015 1.90%	245,000.00 245,000.00	99.82 2.23%	244,556.06 2,117.07	0.34% (443.94)	NR / NR NR	0.55 0.54
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	99.17 2.52%	242,976.79 1,985.51	0.34% (2,023.21)	NR / NR NR	1.03 1.00
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%	244,510.00 244,825.63	98.39 2.61%	241,053.30 488.66	0.33% (3,772.33)	NR / NR NR	1.36 1.33
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	97.78 2.87%	239,571.29 1,268.63	0.33% (5,428.71)	NR / NR NR	1.66 1.62
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	98.54 2.67%	241,422.76 12.42	0.33% (3,577.24)	NR / NR NR	1.84 1.80
94986TXN2	Wells Fargo Callable NCD Qtrly 9/4/18 1.15% Due 3/4/2021	243,000.00	03/04/2016 1.15%	243,000.00 243,000.00	99.70 2.59%	242,258.85 1,362.80	0.33% (741.15)	NR / NR NR	2.01 0.99
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	97.41 2.80%	238,656.22 11.08	0.33% (6,343.78)	NR / NR NR	2.34 2.28
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	96.90 2.96%	237,407.45 143.98	0.33% (7,592.55)	NR / NR NR	2.47 2.40
<b>Total Negotiable CD</b>		<b>3,681,000.00</b>	<b>1.86%</b>	<b>3,679,941.05</b> <b>3,680,810.66</b>	<b>2.56%</b>	<b>3,650,280.67</b> <b>29,454.19</b>	<b>5.06%</b> <b>(30,529.99)</b>	<b>Aaa / AAA</b> <b>AAA</b>	<b>0.94</b> <b>0.85</b>
<b>SUPRANATIONAL</b>									
4581X0CD8	Inter-American Dev Bank Note 2.125% Due 11/9/2020	750,000.00	05/22/2018 2.81%	737,865.00 741,653.82	99.13 2.65%	743,445.00 4,958.33	1.03% 1,791.18	Aaa / AAA AAA	1.70 1.64
459058GH0	Intl. Bank Recon & Development Note 2.75% Due 7/23/2021	750,000.00	07/24/2018 2.86%	747,607.50 748,084.69	100.35 2.60%	752,652.75 2,177.08	1.04% 4,568.06	Aaa / AAA NR	2.40 2.31
<b>Total Supranational</b>		<b>1,500,000.00</b>	<b>2.84%</b>	<b>1,485,472.50</b> <b>1,489,738.51</b>	<b>2.63%</b>	<b>1,496,097.75</b> <b>7,135.41</b>	<b>2.07%</b> <b>6,359.24</b>	<b>Aaa / AAA</b> <b>AAA</b>	<b>2.05</b> <b>1.98</b>
<b>US CORPORATE</b>									
46625HHS2	JP Morgan Chase Note 4.4% Due 7/22/2020	250,000.00	01/25/2019 3.07%	254,790.00 254,515.02	101.94 2.98%	254,841.50 1,191.67	0.35% 326.48	A2 / A- AA-	1.40 1.35

**Vallecitos Water District Consolidated Account**

Account #10594

**Holdings Report**

As of February 28, 2019



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>									
40428HPV8	HSBC USA Inc Note 2.75% Due 8/7/2020	250,000.00	10/10/2018 3.26%	247,772.50 248,241.45	99.75 2.93%	249,381.75 458.33	0.34% 1,140.30	A2 / A AA-	1.44 1.40
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%	490,920.00 492,714.61	99.03 2.89%	495,151.00 3,769.44	0.69% 2,436.39	A3 / A A	1.68 1.62
459200JF9	IBM Corp Note 2.25% Due 2/19/2021	500,000.00	06/26/2018 3.07%	489,640.00 492,275.53	98.67 2.95%	493,366.50 375.00	0.68% 1,090.97	A1 / A A	1.98 1.91
69371RN93	Paccar Financial Corp Note 2.8% Due 3/1/2021	300,000.00	07/23/2018 3.12%	297,585.00 298,141.72	99.49 3.06%	298,483.80 4,200.00	0.42% 342.08	A1 / A+ NR	2.01 1.91
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%	493,125.00 494,448.49	99.12 2.93%	495,624.00 4,722.22	0.69% 1,175.51	A1 / A AA-	2.13 2.04
369550BE7	General Dynamics Corp Note 3% Due 5/11/2021	350,000.00	06/28/2018 3.08%	349,247.50 349,423.59	100.38 2.82%	351,346.10 3,208.33	0.49% 1,922.51	A2 / A+ NR	2.20 2.10
857477AV5	State Street Bank Note 1.95% Due 5/19/2021	500,000.00	10/12/2018 3.30%	483,360.00 485,752.22	97.90 2.93%	489,495.50 2,762.50	0.68% 3,743.28	A1 / A AA-	2.22 2.14
808513AW5	Charles Schwab Corp Callable Note Cont 4/21/2021 3.25% Due 5/21/2021	320,000.00	Various 3.09%	321,372.10 321,016.08	101.04 2.75%	323,336.32 2,888.88	0.45% 2,320.24	A2 / A A	2.23 2.04
931142EJ8	Wal-Mart Stores Note 3.125% Due 6/23/2021	290,000.00	06/20/2018 3.13%	289,985.50 289,988.78	100.99 2.68%	292,873.90 1,711.81	0.40% 2,885.12	Aa2 / AA AA	2.32 2.21
02665WBG5	American Honda Finance Note 1.7% Due 9/9/2021	500,000.00	07/20/2018 3.19%	478,045.00 482,270.81	96.83 3.01%	484,167.50 4,061.11	0.67% 1,896.69	A2 / A NR	2.53 2.43
89233P5F9	Toyota Motor Credit Corp Note 3.4% Due 9/15/2021	500,000.00	05/31/2018 3.03%	505,785.00 504,482.29	101.49 2.79%	507,440.00 7,838.89	0.71% 2,957.71	Aa3 / AA- A+	2.55 2.39
24422ETL3	John Deere Capital Corp Note 2.65% Due 1/6/2022	500,000.00	Various 3.29%	489,627.50 491,427.86	99.25 2.93%	496,237.50 2,024.30	0.68% 4,809.64	A2 / A A	2.86 2.72
74005PBA1	Praxair Callable Note Cont 11/15/2021 2.45% Due 2/15/2022	300,000.00	06/27/2018 3.15%	292,848.00 294,168.45	98.50 2.98%	295,503.90 326.67	0.41% 1,335.45	A2 / A NR	2.97 2.83
037833CQ1	Apple Inc Callable Note Cont 4/11/22 2.3% Due 5/11/2022	500,000.00	10/30/2018 3.30%	483,395.00 484,943.25	98.38 2.83%	491,901.00 3,513.89	0.68% 6,957.75	Aa1 / AA+ NR	3.20 3.04
68389XBB0	Oracle Corp Callable Note Cont 3/15/2022 2.5% Due 5/15/2022	500,000.00	Various 3.28%	486,304.00 488,382.17	98.74 2.91%	493,693.00 3,680.56	0.68% 5,310.83	A1 / AA- A	3.21 3.04



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>US CORPORATE</b>									
084664BT7	Berkshire Hathaway Note 3% Due 5/15/2022	500,000.00	12/11/2018 3.31%	495,015.00 495,326.31	100.91 2.70%	504,534.50 4,416.67	0.70% 9,208.19	Aa2 / AA A+	3.21 3.02
09247XAJ0	Blackrock Inc Note 3.375% Due 6/1/2022	500,000.00	11/28/2018 3.36%	500,215.00 500,199.70	101.35 2.94%	506,745.50 4,218.75	0.70% 6,545.80	Aa3 / AA- NR	3.26 3.04
<b>Total US Corporate</b>		<b>7,560,000.00</b>	<b>3.19%</b>	<b>7,449,032.10</b> <b>7,467,718.33</b>	<b>2.89%</b>	<b>7,524,123.27</b> <b>55,369.02</b>	<b>10.42%</b> <b>56,404.94</b>	<b>A1 / A+</b> <b>A+</b>	<b>2.48</b> <b>2.36</b>
<b>US TREASURY</b>									
912828WW6	US Treasury Note 1.625% Due 7/31/2019	600,000.00	08/29/2018 2.44%	595,593.75 598,000.75	99.64 2.48%	597,843.60 781.08	0.82% (157.15)	Aaa / AA+ AAA	0.42 0.42
9128283S7	US Treasury Note 2% Due 1/31/2020	750,000.00	08/24/2018 2.57%	744,082.03 746,190.73	99.51 2.54%	746,337.75 1,201.66	1.03% 147.02	Aaa / AA+ AAA	0.92 0.91
9128283Y4	US Treasury Note 2.25% Due 2/29/2020	750,000.00	06/25/2018 2.51%	746,835.94 748,116.02	99.70 2.55%	747,773.25 45.86	1.03% (342.77)	Aaa / AA+ AAA	1.00 0.98
912828X21	US Treasury Note 1.5% Due 4/15/2020	750,000.00	07/23/2018 2.62%	735,937.50 740,840.43	98.85 2.54%	741,387.00 4,234.20	1.02% 546.57	Aaa / AA+ AAA	1.13 1.10
9128284J6	US Treasury Note 2.375% Due 4/30/2020	750,000.00	11/29/2018 2.80%	745,605.47 746,378.98	99.80 2.55%	748,476.75 5,953.90	1.04% 2,097.77	Aaa / AA+ AAA	1.17 1.14
912828XH8	US Treasury Note 1.625% Due 6/30/2020	750,000.00	05/31/2018 2.43%	737,753.91 742,163.15	98.78 2.56%	740,829.75 2,020.03	1.02% (1,333.40)	Aaa / AA+ AAA	1.34 1.31
912828Y46	US Treasury Note 2.625% Due 7/31/2020	750,000.00	10/31/2018 2.87%	746,894.53 747,482.58	100.09 2.56%	750,673.50 1,577.18	1.03% 3,190.92	Aaa / AA+ AAA	1.42 1.39
912828VV9	US Treasury Note 2.125% Due 8/31/2020	750,000.00	08/28/2018 2.66%	742,236.33 744,185.19	99.36 2.57%	745,166.25 43.31	1.02% 981.06	Aaa / AA+ AAA	1.51 1.47
912828L65	US Treasury Note 1.375% Due 9/30/2020	750,000.00	06/27/2018 2.53%	731,044.92 736,696.98	98.18 2.56%	736,318.50 4,306.32	1.02% (378.48)	Aaa / AA+ AAA	1.59 1.54
912828WC0	US Treasury Note 1.75% Due 10/31/2020	750,000.00	07/20/2018 2.64%	735,292.97 739,204.23	98.69 2.56%	740,156.25 4,387.09	1.02% 952.02	Aaa / AA+ AAA	1.67 1.62
912828A42	US Treasury Note 2% Due 11/30/2020	750,000.00	11/28/2018 2.85%	737,695.31 739,241.80	99.07 2.55%	742,998.00 3,750.00	1.03% 3,756.20	Aaa / AA+ AAA	1.76 1.70
912828N89	US Treasury Note 1.375% Due 1/31/2021	750,000.00	10/30/2018 2.86%	725,859.38 729,408.61	97.83 2.54%	733,710.75 826.14	1.01% 4,302.14	Aaa / AA+ AAA	1.93 1.88



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>									
912828U81	US Treasury Note 2% Due 12/31/2021	750,000.00	11/08/2018 3.05%	726,650.39 728,928.40	98.68 2.48%	740,127.00 2,486.19	1.02% 11,198.60	Aaa / AA+ AAA	2.84 2.73
912828W55	US Treasury Note 1.875% Due 2/28/2022	1,000,000.00	01/30/2019 2.56%	979,921.88 980,439.91	98.22 2.49%	982,227.00 50.95	1.35% 1,787.09	Aaa / AA+ AAA	3.00 2.89
912828W89	US Treasury Note 1.875% Due 3/31/2022	750,000.00	09/27/2018 2.92%	724,013.67 727,140.15	98.21 2.48%	736,611.00 5,872.25	1.02% 9,470.85	Aaa / AA+ AAA	3.09 2.95
912828XR6	US Treasury Note 1.75% Due 5/31/2022	750,000.00	09/24/2018 2.93%	719,208.98 722,805.85	97.68 2.50%	732,627.00 3,281.25	1.01% 9,821.15	Aaa / AA+ AAA	3.25 3.12
912828XW5	US Treasury Note 1.75% Due 6/30/2022	350,000.00	09/07/2018 2.80%	336,792.97 338,428.40	97.66 2.49%	341,796.70 1,015.19	0.47% 3,368.30	Aaa / AA+ AAA	3.34 3.21
9128282P4	US Treasury Note 1.875% Due 7/31/2022	1,000,000.00	12/28/2018 2.53%	977,617.19 978,643.92	97.96 2.50%	979,648.00 1,502.07	1.35% 1,004.08	Aaa / AA+ AAA	3.42 3.28
912828L24	US Treasury Note 1.875% Due 8/31/2022	750,000.00	09/20/2018 2.94%	720,439.45 723,744.48	97.90 2.51%	734,238.00 38.21	1.01% 10,493.52	Aaa / AA+ AAA	3.51 3.36
9128284D9	US Treasury Note 2.5% Due 3/31/2023	1,000,000.00	02/21/2019 2.51%	999,414.06 999,416.80	99.95 2.51%	999,531.00 10,439.56	1.39% 114.20	Aaa / AA+ AAA	4.09 3.82
<b>Total US Treasury</b>		<b>15,200,000.00</b>	<b>2.69%</b>	<b>14,908,890.63</b> <b>14,957,457.36</b>	<b>2.53%</b>	<b>15,018,477.05</b> <b>53,812.44</b>	<b>20.72%</b> <b>61,019.69</b>	<b>Aaa / AA+</b> <b>AAA</b>	<b>2.17</b> <b>2.09</b>
<b>TOTAL PORTFOLIO</b>		<b>72,940,765.60</b>	<b>2.36%</b>	<b>72,493,787.02</b> <b>72,577,580.86</b>	<b>2.53%</b>	<b>72,457,628.03</b> <b>294,224.47</b>	<b>100.00%</b> <b>(119,952.83)</b>	<b>Aa1 / AA+</b> <b>AAA</b>	<b>1.41</b> <b>1.26</b>
<b>TOTAL MARKET VALUE PLUS ACCRUED</b>						<b>72,751,852.50</b>			

**VALLECITOS WATER DISTRICT  
SUMMARY OF LEGAL FEES**

<b>Matter Description</b>	<b>Jul-18</b>	<b>Aug-18</b>	<b>Sep-18</b>	<b>Oct-18</b>	<b>Nov-18</b>	<b>Dec-18</b>
General Counsel Services	\$ 3,223	\$ 14,057	\$ 6,416	\$ 7,639	\$ 8,896	\$ 7,886
Fees and Taxes	182		1,040		78	988
Labor/Employment	609		493	3,770	6,409	852
Engineering - Construction/Contracting	2,059	1,274	1,947	1,404	260	858
VWD v. Brian Thomas Boyd	658	1,730	3,375	494	2,718	130
Annual Public Policy & Ethics Program	4,600					
<b>Total</b>	<b>\$ 11,331</b>	<b>\$ 17,061</b>	<b>\$ 13,271</b>	<b>\$ 13,308</b>	<b>\$ 18,361</b>	<b>\$ 10,714</b>