

AGENDA FOR A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, JUNE 19, 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 JUNE 19, 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.

PRESENTATION

Chris Palmer, CSDA Field Coordinator for the Southern Network, will present Director Hernandez with his certificate for recognition in Special District Governance.

CONSENT CALENDAR

1.1 APPROVAL OF MINUTES (pp. 5-11)

- A. BOARD WORKSHOP MEETING – MAY 29, 2019
- B. ENGINEERING/EQUIPMENT COMMITTEE MEETING – MAY 30, 2019

Approved minutes become a permanent public record of the District.

Recommendation: Approve Minutes

1.2 WARRANT LIST THROUGH JUNE 19, 2019 – \$6,831,572.61 (pp. 12-16)

Recommendation: Approve Warrant List

1.3 FINANCIAL REPORTS (pp. 17-37)

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

1.4 SUMMER 2019 BETWEEN THE PIPES – VALLECITOS WATER DISTRICT
QUARTERLY NEWSLETTER (pp. 38-41)

**Recommendation: Approve Summer 2019 Between the Pipes
Newsletter**

1.5 RESOLUTION PLACING IN NOMINATION BETTY EVANS AS A MEMBER OF
THE ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) REGION 10
BOARD OF DIRECTORS (pp. 42-43)

*The Region 10 nominating committee is seeking ACWA members who are
interested in leading the direction of ACWA Region 10 for the 2020-2021 term.*

Recommendation: Adopt Resolution

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

ACTION ITEMS

- 2.1 RESOLUTION ELECTING TO HAVE SEWER SERVICE FEES FOR IMPROVEMENT DISTRICT "A" FOR FISCAL YEAR JULY 1, 2019 TO JUNE 30, 2020 COLLECTED ON THE TAX ROLL (pp. 44-45)

The District is required to hold a Public Hearing for the collection of sewer service fees for Improvement District "A".

Recommendation: Adopt Resolution authorizing collection of Improvement District "A" sewer service fees and set Public Hearing for the Regular Board Meeting on July 17, 2019

- 2.2 ADOPT THE MEMORANDUM OF UNDERSTANDING WITH THE EMPLOYEES' ASSOCIATION FOR FISCAL YEARS 2019/20, 20/21, 21/22, 22/23; ESTABLISH TERMS AND CONDITIONS OF EMPLOYMENT FOR MANAGEMENT AND CONFIDENTIAL EMPLOYEES; AND APPROVE THE PAY SCHEDULE (pp. 46-55)

Negotiations were initiated by the Employees' Association resulting in the proposed MOU.

Recommendation: Adopt Resolution

*****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

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, June 14, 2019.

Diane Posvar

MINUTES OF A WORKSHOP MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, MAY 29, 2019, AT 5:00 PM AT THE DISTRICT OFFICE,
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

President Martin called the Workshop Meeting to order at the hour of 5:00 p.m.

District Engineer Gumpel led the pledge of allegiance.

Present: Director Elitharp
Director Evans
Director Hernandez (Arrived at 5:09)
Director Sannella
Director Martin

Staff Present: General Manager Pruim
Legal Counsel Gilpin
District Engineer Gumpel
Finance Manager Owen
Operations & Maintenance Manager Pedrazzi
Accounting Supervisor Glenn
Financial Analyst Arthur
Executive Secretary Posvar

ADOPT AGENDA FOR THE WORKSHOP MEETING OF MAY 29, 2019

19-05-15 MOTION WAS MADE by Director Sannella, seconded by Director Evans, and carried unanimously, with Director Hernandez absent, to adopt the agenda for the Workshop Meeting of May 29, 2019.

PUBLIC COMMENT

None.

ITEM(S) FOR DISCUSSION

DRAFT BUDGET REVIEW

General Manager Pruim stated the purpose of this workshop was to review the proposed Fiscal Year (FY) 2019/2020 budget. Adoption of the budget is tentatively scheduled for the Special Board meeting on Thursday, June 13, 2019. The budget was reviewed extensively by the Finance/Investment Committee over the course of six meetings. He noted that five-year forecasting pertaining to reserve levels, Capital Improvement Program projects (CIP), and debt will be included in the discussion; however, only the proposed FY 2019/2020 budget will be considered for adoption. The proposed budget and forecasts assume certain assumptions such as water sales, future rate increases, capital facility fee increases, power costs, and future debt issuance for budget purposes only. He also noted the proposed budget includes the minimum PERS payments for the District and accelerated PERS payments for Encina Wastewater Authority.

Finance Manager Owen facilitated a presentation on the proposed FY 2019/2020 budget, along with Financial Analyst Arthur who discussed water purchases, as follows:

- Budget Process & Calendar
- 2019/20 Budget - \$90,123,000
- 2019/20 Water Operating Expense Budget - \$44,339,000
- Operating Budget - Water
- 2019/20 Wastewater Operating Expense Budget - \$14,258,000
- Operating Budget - Sewer
- Salary & Benefits Budget-to-Budget Comparison
- Operating Budget - Salaries & Benefits
- Capital Budget-to-Budget Comparison
- Capital Improvement Projects by Function Total
- Capital Budget
- Capital Budget Timeline
- Reserve Balances
- Water Reserves
- Wastewater Reserves
- Days in Cash
- Next Steps

General question and answer took place during the presentation.

Finance Manager Owen stated the Board approved funding PERS in the amount of \$834,000 from the Diamond Environmental settlement and JPIA refund checks. The funds are included in the beginning balances and will be sent to PERS before the end of the fiscal year.

Finance Manager Owen provided a presentation on accelerated payments toward the PERS Unfunded Accrued Liability (UAL) which included:

- Background
- Proposed Reserve Projections
- PERS Scenarios
 - PERS UAL 100% Funded
 - PERS UAL - 2 Years 100%
 - PERS UAL - 3 Years 100%
 - PERS UAL - 3 Years 100% - Half in Year 1
 - PERS UAL - \$2M Extra/Year
- Proposed Budget Reserves
- PERS UAL Payoff Scenarios

General discussion took place regarding the scenarios presented and how much interest each scenario would cost in addition to the savings that were presented. General Manager Pruim stated the scenario of paying 100% of the UAL over three years paying half in the first year would afford the District more flexibility should it be necessary, and that if the Board chose that option, more could be paid if market conditions are favorable.

During further general discussion, a consensus of three Board members with two Board members declining, directed staff to incorporate into the proposed budget the PERS scenario paying the UAL off over three years with paying half in the first year.

OTHER BUSINESS

None.

ADJOURNMENT

There being no further business to discuss, President Martin adjourned the Workshop Meeting of the Board of Directors at the hour of 6:52 p.m.

A Special Meeting of the Vallecitos Water District Board of Directors has been scheduled for Thursday, June 13, 2019, at 5:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.

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

ATTEST:

Glenn Pruim, Secretary
Board of Directors
Vallecitos Water District

MINUTES OF A MEETING OF THE
ENGINEERING/EQUIPMENT COMMITTEE
OF THE VALLECITOS WATER DISTRICT
THURSDAY, MAY 30, 2019 AT 3:00 P.M.
AT THE DISTRICT OFFICE, 201 VALLECITOS DE ORO,
SAN MARCOS, CALIFORNIA

Director Hernandez called the meeting to order at the hour of 3:00 p.m.

Present: Director Hernandez
Director Elitharp
General Manager Pruum
District Engineer Gumpel
Capital Facilities Senior Engineer Hubbard
Development Services Senior Engineer Scholl
Capital Facilities Engineer Santos
Administrative Secretary Johnson

Others Present: Scott Goldman, Woodard & Curran
Erica Wolski, Woodard & Curran

ITEMS FOR DISCUSSION

GROUNDWATER STUDY UPDATE

Scott Goldman and Erica Wolski of Woodard & Curran facilitated a presentation, Evaluation of San Marcos Groundwater Supply Options, which included the following:

- San Marcos Basin
- Groundwater Production
- Groundwater Quality
- Water Balance
- Options Development
- Option 1 – Non-Potable Use
- Option 2 – Desalter
- Option 3 – Potable Reuse
- Estimated Costs
- Conclusions
- Funding Options for Construction
- Next Steps

Mr. Goldman stated the evaluation assumes possible new extraction of 500 acre feet (AF) of groundwater per year, however, it could be as much as 1,000 AF. During discussion of the three possible development options, District Engineer Gumpel stated that when considering the District headquarters site for wells or a treatment plant for Option 1 – Non-Potable Use, portions of the adjacent hillside property were included for

reservoir storage. For Option 2 – Desalter, Mr. Goldman estimates extraction of 500 AF per year plus whatever amount of water is injected. Director Hernandez requested information be presented to the Board regarding the size of the tank needed for Option 1 and the size of the desalter for Option 2. Option 3 – Potable Reuse could potentially produce more water, possibly 1,300 to 2,000 AF per year, but would require a number of extraction wells. Option 2 was identified as the preferred option. Additional studies of the groundwater basin would be required to determine quantity and quality of water that could be produced.

General discussion took place regarding grants available from the California Department of Water Resources (DWR). DWR's grant is a 50% match up to \$10 Million for the non-potable option and up to \$14 Million for the desalter. Grants up to \$475 per AF are also available from Metropolitan Water District of Southern California and a 25% match through the U.S. Bureau of Reclamation. Grant funds could be used for next steps that would include a year of testing well sites on the District's property to obtain production and quality data.

Mr. Goldman stated he will proceed with the Committee's recommendation for the desalter option and complete the draft report incorporating the Committee's comments.

Staff will present information regarding the cost of the desalter option and funding options to the Board for consideration of the next steps to be taken.

SOLAR STUDY UPDATE

District Engineer Gumpel stated staff is moving forward with the study of a Net Energy Metering (NEM) project at Lift Station 1 and a Renewable Energy Self-Generation Bill Credit Transfer (RES-BCT) project at Twin Oaks. The draft Request for Proposal (RFP) for both projects is complete and the California Environmental Quality Act (CEQA) process is underway. A Mitigated Negative Declaration (MND) is required for both sites; however, he doesn't anticipate any problems.

Development Services Senior Engineer Scholl provided background on the CEQA process stating that the District's consultant, BRG Consulting, is currently doing technical studies for the draft MND which includes cultural, air quality, and greenhouse gas studies for both sites. He anticipates the technical studies will be completed by mid-June and that in early August he will request the Board's approval to circulate the RFP. Depending on the results of the RFP process, recommendations will be made whether to go forward with one or both on the proposed projects.

ASSET MANAGEMENT

District Engineer Gumpel provided an overview of the Integrated Asset Management Program (IAM), stating it is a four to five-year process to develop the program. IAM is a comprehensive utility management program which includes facilities planning, capital financing, and facilities operations and maintenance. The purpose of IAM is to maximize the value of an asset over its life cycle and it is an organization-wide responsibility

requiring alignment of customer expectations, business processes, technology, and organizational culture. He discussed the following:

- Why IAM?
- VWD's IAM
- Phase I: Asset Management Planning
- Phase II: Technology and Process Integration
- Asset Lifecycle
- Asset Lifecycle with Rehab
- Current Efforts

District Engineer Gumpel stated a consultant is assisting staff in preparing the RFP and scope to set up the District's IAM program. It will be important to have the Asset Management Supervisor position that is proposed in the FY 2019/2020 budget on board as soon as possible to work with the consultant while the program is being set up. The Asset Management Supervisor will be overseeing condition assessments, creating a cathodic protection program, asset rehabilitation projects, and working with the consultant to build the IAM program.

District Engineer Gumpel discussed current efforts proposed in the FY 2019/20 budget including a condition assessment of steel transmission water mains such as the Tres Amigos Pipeline, a critical pipeline installed in 1958 and 1964 that has had several line breaks over the years. If during the condition assessment it is determined that sections of the pipeline are in good condition, the total cost of the assessment and repairs could be significantly less than a full replacement of the line. Also proposed is a pipeline condition assessment of the Land Outfall Gravity Sewer which has a lot of ductile iron pipe dating back to the 80's that has never been assessed.

CIP 3RD QUARTER UPDATE

Capital Facilities Engineer Santos provided a brief update on FY 2018/2019 third quarter Capital Improvement Program (CIP) projects. He stated the CIP project information is updated on the District's website quarterly and demonstrated how to find the information that is available for anyone to view. Available information includes the title and brief description of each project, quarterly update, change orders, outstanding issues, map, and a financial breakdown. There are currently ten active CIP projects that are being managed from planning to construction. He reviewed three projects that are in construction: Palos Vista Pump Station Electric Generator, Rock Springs Sewer Replacement, and Schoolhouse Tank Refurbishment.

General discussion took place.

OTHER BUSINESS

Director Elitharp asked when the Committee could expect an update on development. General Manager Pruim stated development updates will be provided twice per year as there isn't as much going on compared with the CIP projects.

Capital Facilities Senior Engineer Hubbard stated that a year-end CIP update will be presented to the Committee in August and suggested that may be an appropriate time to present the development update.

PUBLIC COMMENT

None.

ADJOURNMENT

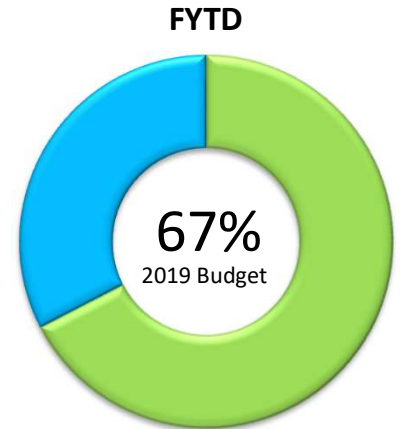
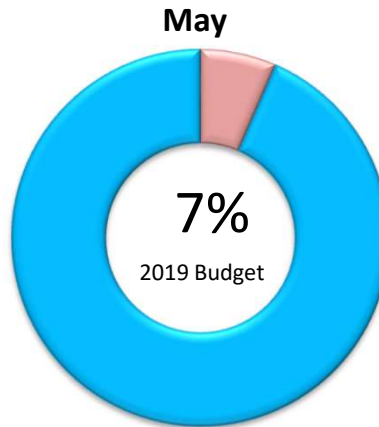
There being no further business to discuss, the meeting was adjourned at the hour of 4:43 p.m.

**VALLECITOS WATER DISTRICT
DISBURSEMENTS SUMMARY
May 31, 2019**

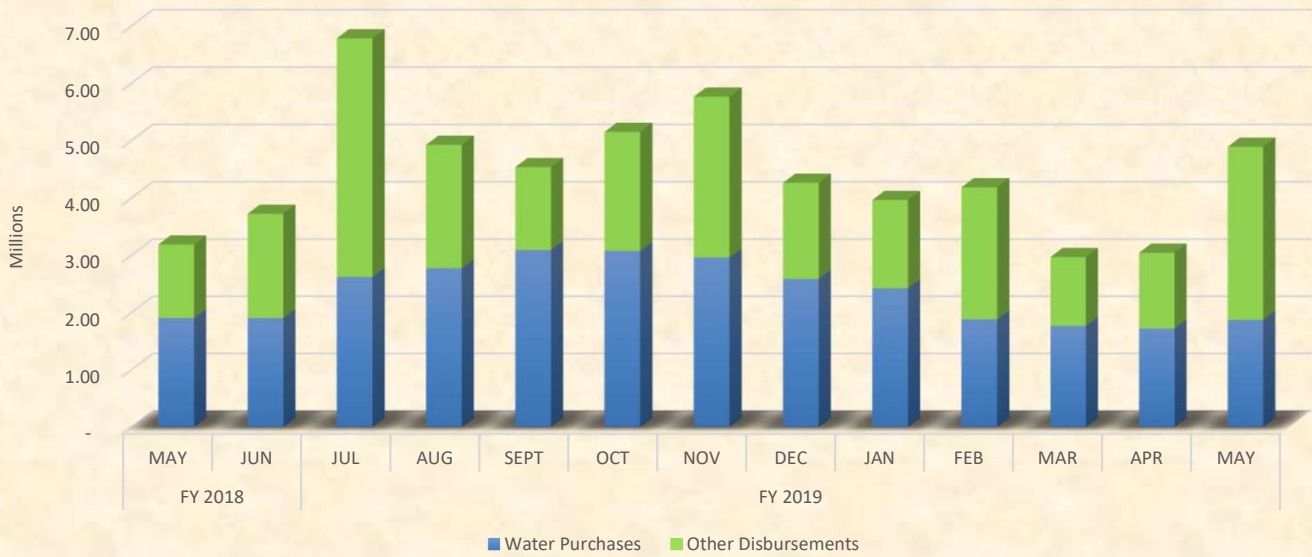
Summary

May Disbursements	\$	4,890,865	*
YTD Disbursements	\$	50,466,556	*
FY2019 Budget	\$	74,880,200	

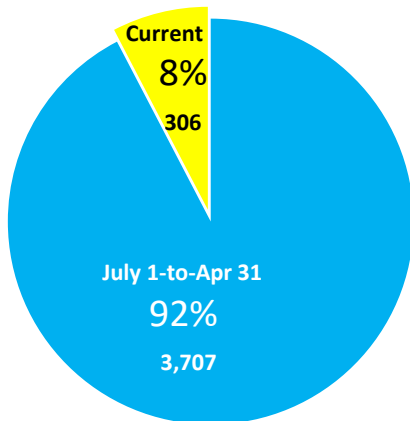
* Excludes Debt Service



Disbursements by Month



Invoices Processed



Top 10 Vendors - FYTD

SAN DIEGO COUNTY WATER AUTH.	\$27.0M
ENCINA WASTEWATER AUTHORITY	\$6.3M
ACWA/JOINT POWERS INSURANCE	\$2.6M
PUBLIC EMPLOYEES RETIRE SYSTM	\$2.6M
SAN DIEGO GAS & ELECTRIC	\$1.4M
BURTECH PIPELINE INCORPORATED	\$1.3M
OLIVENHAIN MWD	\$706K
CASS CONSTRUCTION INC	\$675K
CREW BUILDERS, INC.	\$416K
SANEXEN WATER, INC.	\$377K

VALLECITOS WATER DISTRICT
WARRANTS LIST
June 19, 2019

PAYEE	DESCRIPTION	CHECK#	AMOUNT
CHECKS			
Garnishments	Payroll Garnishments	116456 through	116458 -
BRG Consulting Inc	District Solar Project		116459 2,707.50
CWEA	Membership Fees M Smith		116460 188.00
Dell Computers	Lap Tops 5, Desk & Vehicle Docking Stations 10		116461 18,745.87
Electrical Sales Inc	Fan - MRF, Light Pole Antenna		116462 839.49
Emcor Service	Replace Cooling Tower Motor - District Headquarters		116463 4,422.00
Freedom Automation Inc	Svc Call - Water Ops, Control Valve Indicators 8 - Water Distribution System		116464 10,020.00
Hach Company	Water Quality Supplies Water Ops		116465 4,007.72
Harrington Industrial	Ball Valves 12, PVC Supplies		116466 916.35
JCI Jones Chemicals Inc	Chlorine		116467 2,043.21
JWC Environmental Inc.	Channel Grinder Refurbishment - LS1		116468 22,871.84
Lautzenhiser's Stationery Inc	Minute Paper - Board Meetings		116469 326.32
Lloyd Pest Control	Pest Control Apr - May		116470 1,240.00
Major League Pest	Bee Removal		116471 125.00
Marcon Products Inc	Hardware Supplies		116472 22.77
Matheson Tri-Gas Inc	Cylinder Rental		116473 55.18
Mitchell Instrument Co Inc	Hand Crank Megohmmeter - Measures Voltage		116474 538.64
Morton Salt, Inc.	Industrial Salt - MRF		116475 3,469.09
North County Auto Parts	Fleet Supplies - Apr		116476 1,834.95
Pacific Pipeline Supply	Meter Coupling Adapters - 6		116477 608.20
Patriot Portable Restroom Inc	Portable Restroom Rental - Mahr		116478 256.61
Pencco, Inc.	Trioxyn, Sulfend RT		116479 26,050.23
Rick Post Welding	Welding Svcs - Emergency Main Repair - Rancho Santa Fe x Las Posas		116480 2,100.00
Rusty Wallis Inc	Soft Water Svc - May		116481 220.00
Scada Integrations	Programming Svcs SCADA - Water Ops		116482 500.00
Jeremy Scott	Achievement Award		116483 100.00
Southern Counties Lubricants, LLC	Diesel Fuel		116484 21,070.60
Steven Enterprises Inc	Paper for Plotter Machine - Engineering		116485 294.14
Superior Ready Mix Concrete LP	Rock & Cold Mix		116486 5,214.41
The Keze Group LLC	Capital Facilities Fee Update Prj 20141-3		116487 2,632.50
Trussell Technologies Inc	MRF Biological Selector Improvements Prj 20191-2		116488 12,605.00
Unifirst Corporation	Uniform Delivery		116489 91.55
Univar USA Inc	Sodium Bisulfite		116490 2,590.09
USA Blue Book	Hydrant Meters - 5		116491 5,150.45
V & A Consulting Engineers Inc	Ductile Iron Pipe Assessment Prj 20141-04		116492 11,750.00
White Cap Construction Supply Ltd	Fabric Filter - For Main Break Repairs		116493 495.42
Alicia Yerman	Achievement Award		116494 300.00
Anthony Glenn	Achievement Award		116495 400.00
Marc Smith	Achievement Award		116496 150.00
Allied Universal	Weekly Deposit Svc - Apr		116497 72.08
Ambius	Plant Maintenance - Jun		116498 263.00
Ant Computer Inc	PLC Upgrades - Deer Springs, Wulff, and Coggan Pump Stations		116499 2,848.62
Anthony Glenn	GFOA Conference 5-19 through 5-22-19		116500 203.31
AT&T	Phone Svc - May		116501 2,664.87
Baker Electric Inc	Solar Inverter Prj 20181-7		116502 76,210.11
Becky Robbins	Closed Account Refund		116503 7.02
Bergelectric Corp.	Palos Vista Generator Prj 20181-6		116504 7,185.80
Best Best & Krieger	Legal Svcs - Mar		116505 21,439.06
Boncor Water Systems	Soft & Drinking Water Svc - Jun		116506 1,726.00
Boot Barn	Safety Boots		116507 300.00
Boot World Inc	Safety Boots		116508 600.00
Brad Kraten	Closed Account Refund		116509 172.30
CCI	Water Treatment - May		116510 220.00
CDW Government Inc	CISCO Cloud Controller Subscription License 19-20		116511 1,723.50
Christian Wheeler Engineering	Geotechnical Svcs Prj 20181-06		116512 1,160.00
Christy Torchio	Closed Account Refund		116513 56.10
Computer Protection Technology Inc	Replacement UPS		116514 709.73
CWEA	Collection Cert Renewal M Thompson		116515 285.00
CWEA	Environmental Compliance Inspector Cert Renewal D McDougle		116516 87.00
CWEA	Collection Cert Renewal J Woodward		116517 97.00
CWEA	Membership & Mechanical Cert Renewal D Austin		116518 280.00

VALLECITOS WATER DISTRICT
WARRANTS LIST
June 19, 2019

PAYEE	DESCRIPTION	CHECK#	AMOUNT
Davidson Building Inc	Closed Account Refund	116519	773.27
Davidson Communities	Closed Account Refund	116520	98.71
DirecTV Inc	Satellite Svc - Jun	116521	78.79
EDCO Waste & Recycling Serv	Trash Svc - May	116522	873.64
Eva Ingram	Closed Account Refund	116523	150.00
Fitness Direct Inc.	Wellness Room Annual Maintenance	116524	330.66
G & R Auto & Truck Repair Inc	Dump Truck Repair Veh 231	116525	571.79
Gary Hamilton	Closed Account Refund	116526	129.00
Gila Uziel	Closed Account Refund	116527	41.70
Gloria & Michael Simons	Closed Account Refund	116528	41.42
Hallmark Communities	Closed Account Refund	116529	842.38
Hank Erler	Closed Account Refund	116530	85.71
Harper & Associates Inc	North Twin Oaks Tank Refurbishment Prj 20191-3	116531	8,920.00
James R Hernandez	ACWA Conference 5-6-19	116532	190.03
Home Depot Credit Services	Office Supplies - May	116533	463.05
Idexx Distribution Corp.	Sample Vessels & Reagent	116534	3,475.93
Infosend Inc	Support, Door Hangers, Processing, Printing Postage - May	116535	20,031.90
Interstate Batteries	Batteries 3, Veh 233, 260, 273	116536	435.99
Jessica & George Glover	Closed Account Refund	116537	97.99
John Keys	Closed Account Refund	116538	126.63
JCI Jones Chemicals Inc	Chlorine	116539	4,086.42
Ken Grody Ford	Repair Parts - Veh 163 &201	116540	642.39
Knight Security & Fire Systems	Answering, Patrol, Monitoring Svc, Jun	116541	888.19
Lautzenhisers Stationery Inc	Minute Books 4 - Board Meetings	116542	492.04
MGM Plastics Inc	Hardware Supplies	116543	280.15
Michael Baker International, Inc.	Montiel Gravity Outfall Prj 20161-3	116544	7,993.74
Michael Bergtraesser	Closed Account Refund	116545	737.53
Patti Kinney	Closed Account Refund	116546	62.34
Penco, Inc.	Trioxyn, Sulfend RT	116547	39,588.74
Petty Cash Custodian	Petty Cash	116548	797.96
Pitney Bowes	Postage Meter Refill	116549	1,000.00
Ralph Andersen & Associates	Class & Comp Study Oct - Feb	116550	27,500.00
Raymond & Brenda Petit	Closed Account Refund	116551	95.62
Redback USA	Safety Boots	116552	133.61
Rely Environmental	Fuel Island Maintenance - Jun	116553	199.50
SDG&E	Power - May	116554	9,920.63
Scada Integrations	Alarm Evaluation - MRF	116555	5,750.00
Shred-It US JV LLC	Shredding Svcs Apr - May	116556	186.60
Smart & Final	Supplies - LCW Training	116557	89.31
Standard Insurance Company	LIFE, LTD & ADD Insurance - Jun	116558	6,262.64
Staples Advantage	Office Supplies - May	116559	549.64
Steven Martin	Closed Account Refund	116560	19.98
T.S. Industrial Supply	Hardware Supplies	116561	76.52
TC Construction Co Inc	Closed Account Refund	116562	893.84
Trench Shoring Co	Shoring Svcs - Emergency Repair Las Posas & Rancho Santa Fe Prj 20191-603	116563	1,232.50
Twin Oaks Associates	Deposit Refund Prj 20191-504	116564	737.44
Union Bank FKA 1st Bank Card	Meetings & Travel - May	116565	2,616.58
Union Bank FKA 1st Bank Card	Meetings & Travel - May	116566	2,828.84
Union Bank FKA 1st Bank Card	Meetings & Travel - May	116567	3,462.06
Univar USA Inc	Sodium Hypochlorite, Caustic Soda, Sodium Bisulfite	116568	5,900.61
UPS	Shipping Svcs - May	116569	27.15
Valley Power Systems Inc	Generator Speed Sensor - MRF	116570	215.73
City Of Vista	Pass Thru Fee - Buena Vista Sanitation District - Per Flow Agreement	116571	596.00
Waxie Sanitary Supply	Cleaning Supplies	116572	473.82
Westley Owen	GFOA Conference 5-19 through 5-22-19	116573	415.30
Work Smart Automation Inc	Daily & Monthly Report Charges - MRF	116574	5,100.00
Zebtron Contracting Inc	Manhole Rehab - 5 - Coating and Repairs	116575	9,240.00
AAFSI	Deposit Refund Prj 20191-569	116576	601.48
Ace Coolers Inc	Ice Machine - Bldg B	116577	3,415.28
ACWA/Joint Powers Insurance	Medical Insurance - Jul	116578	205,877.63
Airgas USA LLC	Cylinder Rentals	116579	112.67

VALLECITOS WATER DISTRICT
WARRANTS LIST
June 19, 2019

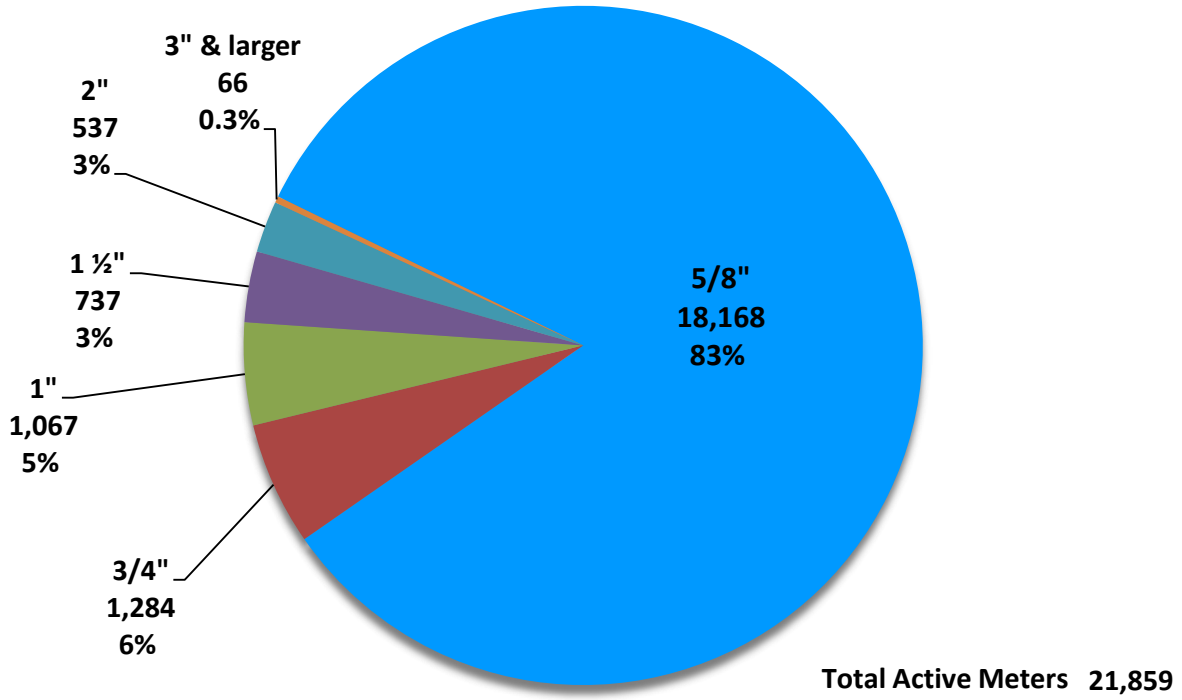
PAYEE	DESCRIPTION	CHECK#	AMOUNT
Allen Instruments & Supplies, LLC	Hardware Supplies	116580	173.32
Artis Senior Living	Deposit Refund Prj 20191-518	116581	1,012.57
B & C Crane Service Inc	Crane Rental	116582	435.00
Chandler Asset Management, Inc.	Investment Management Svc - May	116583	4,080.44
Chaparral Builders, LLC	Deposit Refund Prj 20181-424	116584	6,115.87
Jeffrey Colwell	Video Production Svcs Prj 20191-27	116585	525.00
Custom Truck Body & Equipment, Inc.	Dump Truck Beds 2, Prj 20191-18 & Prj 20191-19	116586	34,234.60
Doane & Hartwig Water Systems Inc	Chlorine Analyzer Svc & Rebuild, Supplies For Dosing Pumps	116587	4,021.97
Dell Computers	Laptops 2, Docking Stations 2	116588	4,900.19
Electrical Sales Inc	Analysis - MRF Electrical System, VFD Pump 1 MRF, Materials - Flow Meter Install	116589	12,106.88
Ewing Irrigation Products	PVC Supplies	116590	54.77
Fisher Scientific LLC	Lab Supplies - MRF	116591	1,245.30
Free Builders Supply	Rapidset Concrete	116592	1,571.44
Grainger Inc	Sump Pump, Steps For Generator MRF, Fire Extinguishers 7, Hardware Supplies	116593	7,072.88
Grangetto's Farm Garden Supply	Landscape Chemicals	116594	743.37
Haaker Equipment Co.	Hardware Supplies	116595	275.60
Hach Company	Lab Supplies - MRF	116596	2,351.51
Harrington Industrial	Ball Valves 8, 2 Inch PVC Pipes 120,	116597	949.69
Harris	On Site Utilization Review - North Star - March 4-8	116598	4,601.65
Hydro Products Corp	Pathogen Defense System - For CCTV	116599	8,440.47
Integral Communities	Deposit Refund Prj 20191-515	116600	576.81
Lawnmowers Plus Inc	Trimmer Line & Blades, Leaf Blower Repair	116601	382.43
Left Coast Window Cleaning	Janitorial Svcs Jun - MRF	116602	553.13
Mallory Safety & Supply, LLC	Safety Supplies - Hard Hats, Gloves, Headlight	116603	5,527.20
Mission Resource Conservation District	Water Use Evals 6 Prj 20191-29	116604	459.00
O-Side Painting	Lake San Marcos LS Pressure Wash & Painting, LS1 Painting	116605	8,125.00
One Source Distributors LLC	PLC Upgrades - School House PS, Double Peak PS, Wulff PS, Deer Springs PS	116606	26,116.88
Pacific Pipeline Supply	Steel Pipe Weld Straps 16, Ball Valves 4, Copper Pipes 120	116607	16,731.56
Parada Painting Inc.	Pump Station Painting - School House, Wulff, & Double Peak PS	116608	18,000.00
Parkhouse Tire Inc	Tires 8 Veh 213 & 225	116609	3,332.83
Peters Paving & Grading, Inc.	Paving Svcs - 2,115 Sq. Ft - 1259 Via Caliente	116610	22,736.25
Plumbers Depot Inc	Sewer Hose, Hardware Supplies	116611	2,107.56
Quantum Automation	Communication Devices 2 - SCADA	116612	749.61
Raising Cane's Restaurants, LLC	Deposit Refund Prj 20191-597	116613	2,790.60
Ramco	Concrete Recycling	116614	400.00
Rick Post Welding	Main Line Repair Prj 20191-603, Air Vac Repair	116615	2,205.00
Schmidt Fire Protection Co Inc	Semi Annual Maintenance Inspection - 3 Aerosol Systems 4-17-19	116616	1,072.00
SD County Superintendent	Splash Labs 2 Prj 20191-28	116617	1,780.00
Smart Cover Systems	Sewer Flow Meter Rental Prj 20191-522	116618	1,695.00
Southern Contracting Company	Fiber Optic Cable Installation - OPS Building To Hilltop Repeater Radio Antenna Site	116619	8,382.00
Southern Counties Lubricants, LLC	Unleaded & Diesel Fuel, Oil	116620	17,717.17
Steel-Toe-Shoes.com	Safety Boots	116621	94.81
Superior Ready Mix Concrete LP	Rock & Cold Mix	116622	2,512.51
Terra Verde Energy LLC	District Wide Solar Project	116623	1,511.00
Think Forward, LLC	Radio Network Administration	116624	722.50
Traffic Safety Solutions LLC	Traffic Control - Multi Lane Closure - Emergency Manhole Repair	116625	1,650.00
Unifirst Corporation	Uniform Delivery	116626	3,019.49
Urban Villages San Marcos LLC	Deposit Refund Prj 20181-383	116627	1,295.71
Visser Construction Inc	MRF Conference Room & MRF Men's Locker Room Improvements	116628	18,196.00
West Coast Industrial Coatings Inc. (WCIC)	School House Tank Refurbishment Prj 20181-3	116629	35,379.90
Xerox Corporation	Copier Lease - Apr	116630	4,807.89
Total Disbursements (172 Checks)			<u>979,665.06</u>
WIRES			
San Diego County Water Authority	April Water Bill	Wire	2,312,748.73
Public Employees Retirement System	Retirement Contribution - June 5, 2019 Payroll	Wire	67,940.58
Union Bank	Union Bank debt payment - Principal	Wire	2,020,000.00
Union Bank	Union Bank debt payment - Interest	Wire	1,085,250.00
Total Wires			<u>5,485,939.31</u>

VALLECITOS WATER DISTRICT
WARRANTS LIST
June 19, 2019

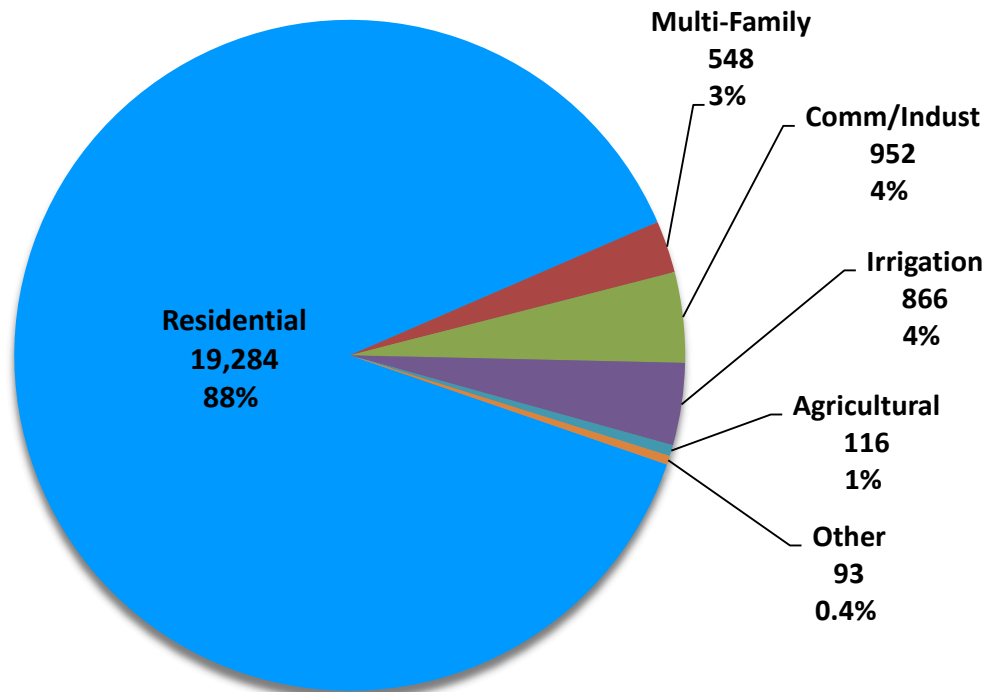
PAYEE	DESCRIPTION	CHECK#	AMOUNT
PAYROLL			
Total direct deposits		Wire	236,085.52
VWD Employee Association		116456	594.00
Payroll & Garnishments	116457 through	116458	1,001.06
IRS	Federal payroll tax deposits	Wire	90,783.19
Employment Development Department	California payroll tax deposit	Wire	17,564.57
CalPERS	Deferred compensation withheld	Wire	13,795.67
VOYA	Deferred compensation withheld	Wire	6,144.23
Total June 5, 2019 Payroll Disbursements			<u>365,968.24</u>
Total Payroll Disbursements			<u>365,968.24</u>
TOTAL DISBURSEMENTS			<u>6,831,572.61</u>

Vallecitos Water District
 Active Water Meters
 May 31, 2019

Active Meters by Size as of May 31, 2019

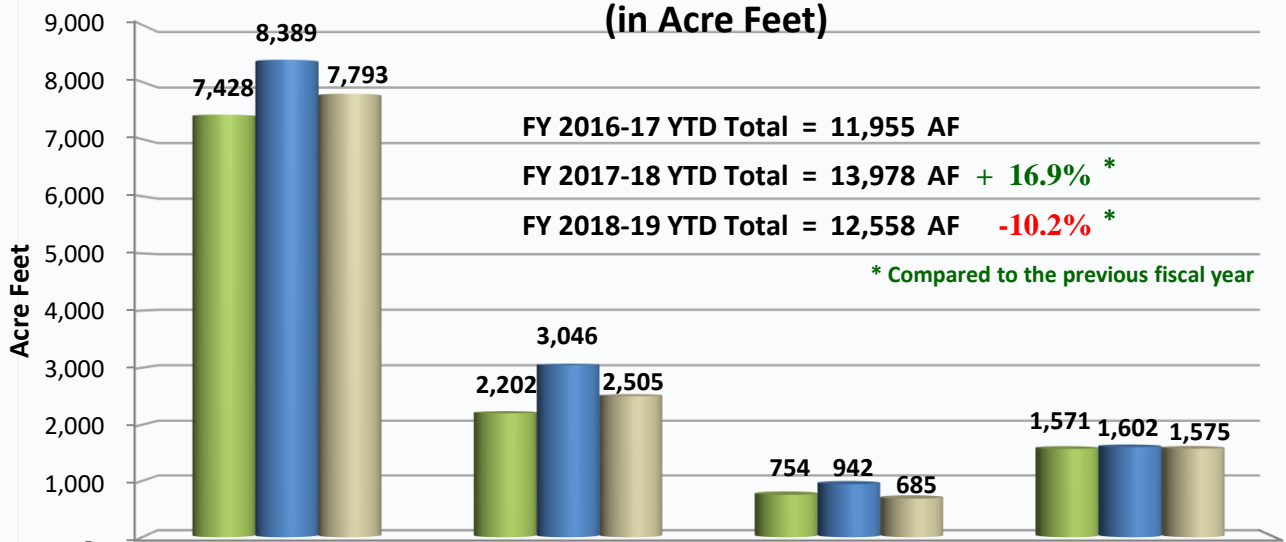


Active Meters by Type as of May 31, 2019



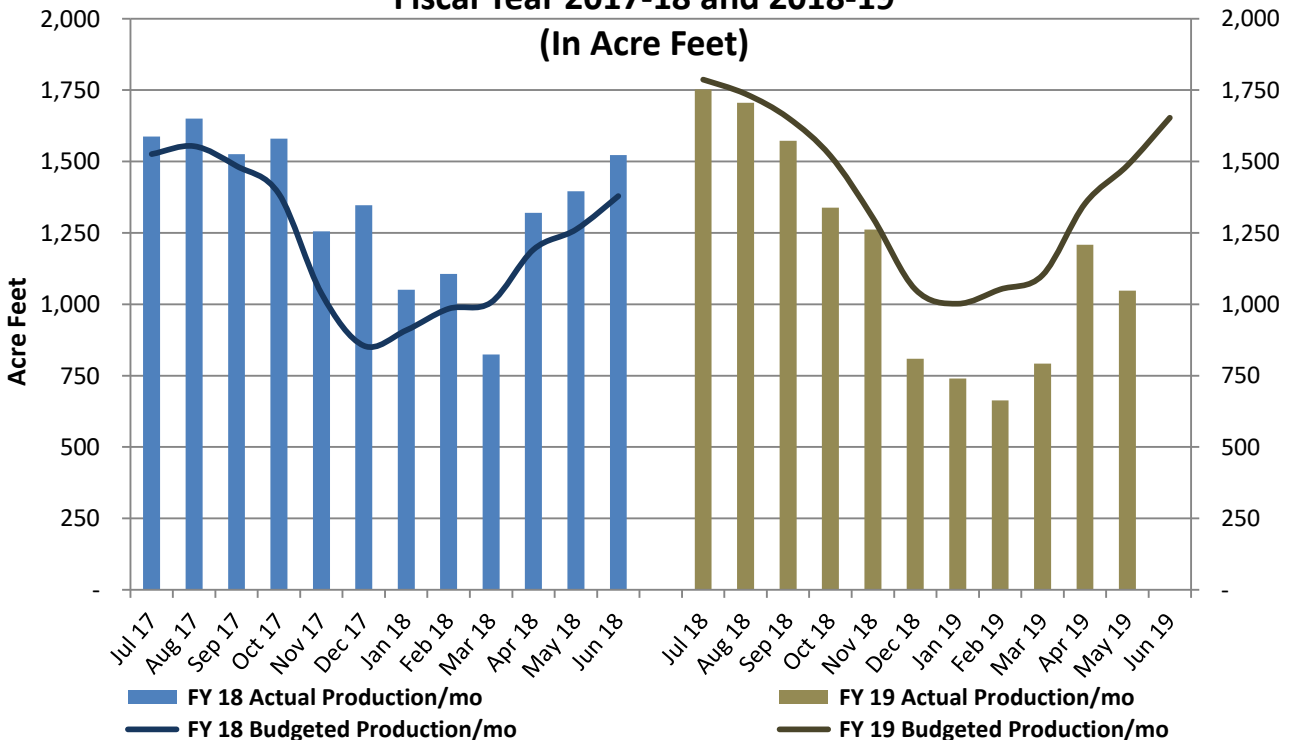
Vallecitos Water District
 Water Production/Sales
 May 31, 2019

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

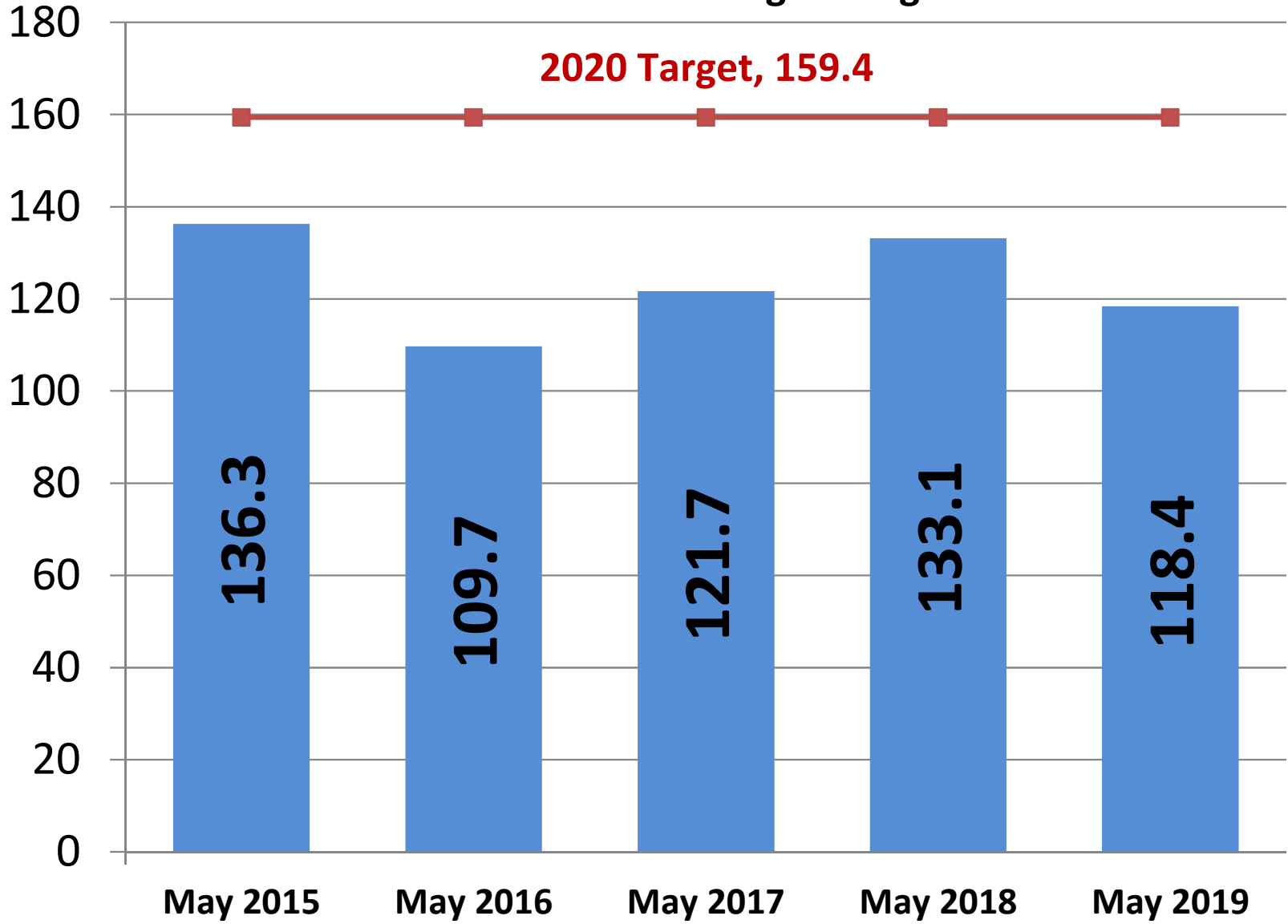


	Residential	Irrigation	Agricultural	Commer/ Indust/ Construct/ Other
FY 2016-17	7,428	2,202	754	1,571
FY 2017-18	8,389	3,046	942	1,602
FY 2018-19	7,793	2,505	685	1,575

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: JUNE 19, 2019
TO: BOARD OF DIRECTORS
SUBJECT: MONTHLY FINANCIAL REPORTS

BACKGROUND:

The Monthly Revenue and Expense Reports and the Reserve Report for the eleven months ended May 31, 2019 are presented.

DISCUSSION:

The Monthly Revenue and Expense reports summarize revenues by service type and expenses by department over the 11-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 Eleven Months Ended May 31, 2019

	Current Year Actual	Prior Year Actual			Current Year Budget		
		Amount	Variance		Amount	Variance	
			\$	%		\$	%
Revenue							
Water Sales	\$ 26,062,910	\$ 26,265,955	\$ (203,045)	-0.8%	\$ 28,653,000	\$ (2,590,090)	-9.0%
Ready-to-serve	12,713,843	12,594,119	119,724	1.0%	12,192,000	521,843	4.3%
Pumping cost recovery	282,651	282,802	(151)	-0.1%	308,000	(25,349)	-8.2%
Late & lock charges	346,037	414,696	(68,659)	-16.6%	424,000	(77,963)	-18.4%
Backflow fees	85,470	83,126	2,344	2.8%	89,000	(3,530)	-4.0%
Other revenue	511,245	246,196	265,049	107.7%	109,600	401,645	366.5%
Total Revenue	40,002,156	39,886,894	115,262	0.3%	41,775,600	(1,773,444)	-4.2%
Expenses							
Water costs	25,877,017	27,853,871	(1,976,854)	-7.1%	29,148,000	(3,270,983)	-11.2%
Pumping costs	752,101	702,275	49,826	7.1%	757,000	(4,899)	-0.6%
Water quality	110,751	140,237	(29,486)	-21.0%	141,000	(30,249)	-21.5%
Water treatment	382,513	388,372	(5,859)	-1.5%	434,000	(51,487)	-11.9%
Tanks & reservoirs	338,755	291,914	46,841	16.0%	413,000	(74,245)	-18.0%
Trans & distribution	2,040,239	1,241,743	798,496	64.3%	1,576,000	464,239	29.5%
Services	52,907	183,647	(130,740)	-71.2%	128,000	(75,093)	-58.7%
Meters	570,907	585,217	(14,310)	-2.4%	620,000	(49,093)	-7.9%
Backflow prevention	51,529	45,738	5,791	12.7%	61,000	(9,471)	-15.5%
Customer accounts	611,329	520,880	90,449	17.4%	582,000	29,329	5.0%
Building & grounds	342,936	347,678	(4,742)	-1.4%	346,000	(3,064)	-0.9%
Equipment & vehicles	214,826	243,878	(29,052)	-11.9%	294,000	(79,174)	-26.9%
Engineering	1,429,750	1,275,361	154,389	12.1%	1,452,000	(22,250)	-1.5%
Safety & compliance	239,071	208,871	30,200	14.5%	245,000	(5,929)	-2.4%
Information Technology	730,405	707,719	22,686	3.2%	892,000	(161,595)	-18.1%
General & administrative	2,747,772	2,728,945	18,827	0.7%	2,736,000	11,772	0.4%
Total Expenses	36,492,808	37,466,346	(973,538)	-2.6%	39,825,000	(3,332,192)	-8.4%
Net Operating Income	\$ 3,509,348	\$ 2,420,548	1,088,800	45.0%	\$ 1,950,600	1,558,748	79.9%

Explanation of Significant Variances

The favorable prior year and budget variance in **Other revenues** is from the refund received from ACWA/JPIA related to lower than expected insurance claims.

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.

Variances are considered significant if they exceed \$91666 and 20%.

Vallecitos Water District
Sewer Revenue and Expense Report
For the Eleven Months Ended May 31, 2019

	Current	Prior Year Actual			Current Year Budget		
	Year	Amount	Variance		Amount	Variance	
	Actual		\$	%		\$	%
Revenue							
Sewer service charges	\$ 16,617,138	\$ 16,495,611	\$ 121,527	0.7%	\$ 16,437,000	\$ 180,138	1.1%
Reclaimed water sales	1,788,736	1,908,471	(119,735)	-6.3%	1,810,000	(21,264)	-1.2%
Other revenue	<u>783,469</u>	<u>127,899</u>	655,570	512.6%	<u>75,000</u>	708,469	944.6%
Total Revenue	<u>19,189,343</u>	<u>18,531,981</u>	657,362	3.5%	<u>18,322,000</u>	867,343	4.7%
Expenses							
Collection & conveyance	1,837,538	1,670,147	167,391	10.0%	2,117,000	(279,462)	-13.2%
Lift stations	157,641	188,489	(30,848)	-16.4%	268,000	(110,359)	-41.2%
Source Control	157,997	131,149	26,848	20.5%	174,000	(16,003)	-9.2%
Effluent disposal	2,314,891	2,503,920	(189,029)	-7.5%	2,544,000	(229,109)	-9.0%
Meadowlark	2,736,030	2,341,998	394,032	16.8%	3,113,000	(376,970)	-12.1%
Customer Accounts	413,027	360,441	52,586	14.6%	429,000	(15,973)	-3.7%
Building & grounds	230,452	221,058	9,394	4.2%	239,000	(8,548)	-3.6%
Equipment & vehicles	163,690	175,765	(12,075)	-6.9%	220,000	(56,310)	-25.6%
Engineering	598,909	518,123	80,786	15.6%	625,000	(26,091)	-4.2%
Safety & compliance	158,028	136,457	21,571	15.8%	186,000	(27,972)	-15.0%
Information technology	600,097	625,699	(25,602)	-4.1%	774,000	(173,903)	-22.5%
General & administrative	<u>1,065,589</u>	<u>1,208,506</u>	(142,917)	-11.8%	<u>1,331,000</u>	(265,411)	-19.9%
Total Expenses	<u>10,433,889</u>	<u>10,083,079</u>	350,810	3.5%	<u>12,020,000</u>	(1,586,111)	-13.2%
Net Operating Income	<u>\$ 8,755,454</u>	<u>\$ 8,448,902</u>	306,552	3.6%	<u>\$ 6,302,000</u>	2,453,454	38.9%

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 and the refund received from ACWA/JPIA related to lower than expected insurance claims.

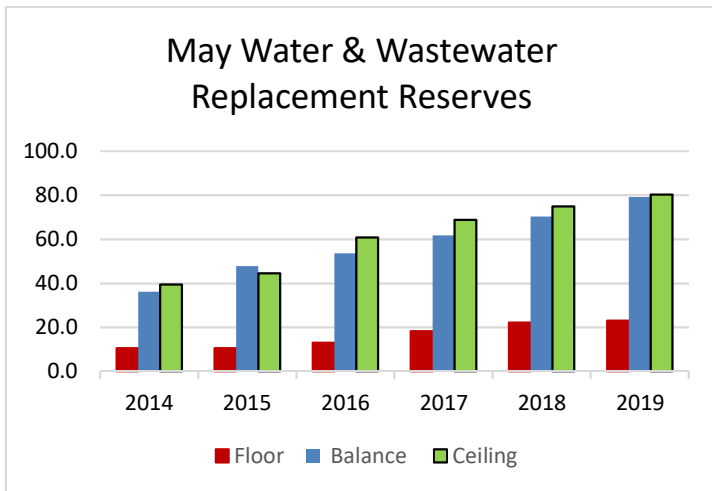
Lift stations has a favorable budget variance resulting from less than anticipated materials used during the year thus far.

Information Technology has a favorable budget variance as a result of capitalizing hardware purchases that qualified as capital assets, in accordance with the District's policy on capitalization.

Variances are considered significant if they exceed \$91666 and 20%.

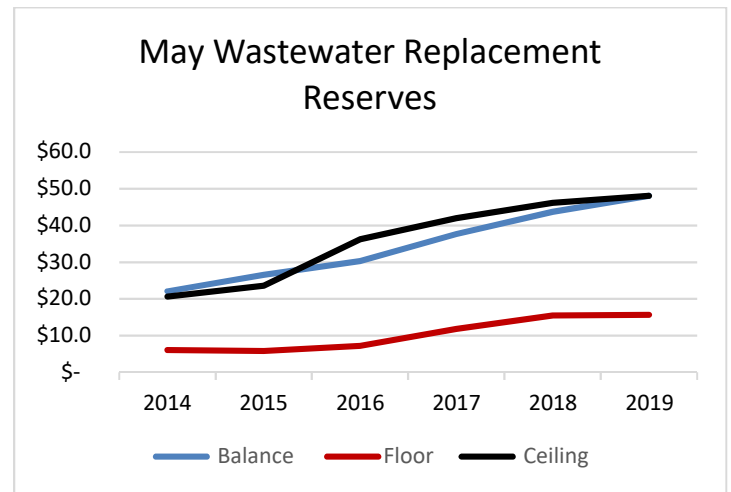
REPLACEMENT RESERVES

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 May 31, 2019, the total water and wastewater replacement reserve balance was \$79.1 million, 13 percent greater than May 31, 2018.



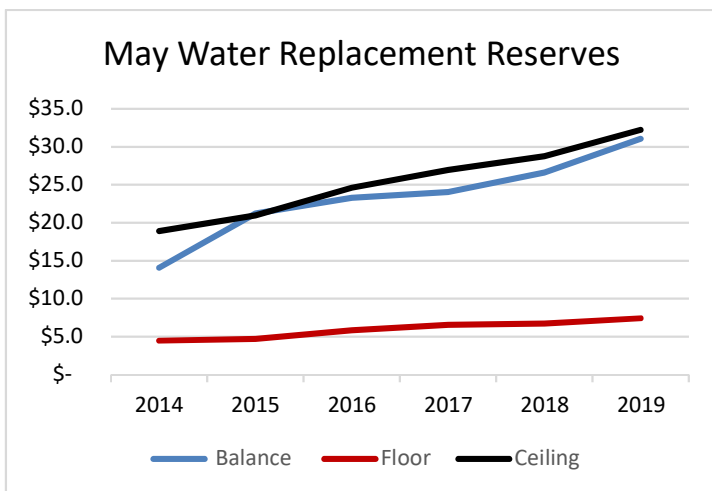
WASTEWATER REPLACEMENT RESERVE

As of May 31, 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, \$3.7 million was transferred to rate stabilization to keep the replacement reserve balance within the established range.



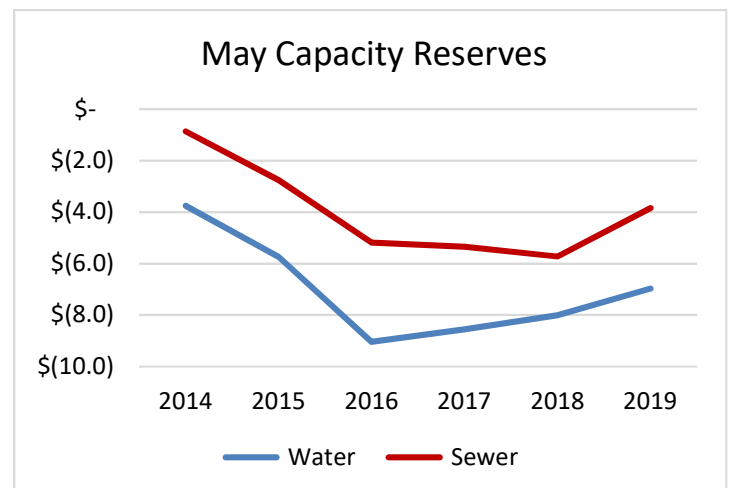
WATER REPLACEMENT RESERVE

As of May 31, 2019, the District’s water replacement reserve totaled \$31.1 million, an increase of 17 percent, or \$4.5 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 May 31, 2019, the water capacity fund had a deficit of \$7.0 million and the sewer capacity fund had a deficit of \$3.8 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 ELEVEN MONTHS ENDED MAY 31, 2019

	110 Water		210 Wastewater		Total
	Replacement	Capacity	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	3,509,348		8,755,454		12,264,802
Capital Facility Fees	-	2,944,783	-	5,582,269	8,527,052
Property Tax	1,255,582	-	993,627	-	2,249,209
Investment Earnings	789,260	-	735,359	-	1,524,619
RDA pass-through	570,490	-	570,490	-	1,140,979
TOTAL REVENUES	<u>6,124,679</u>	<u>2,944,783</u>	<u>11,054,930</u>	<u>5,582,269</u>	<u>25,706,662</u>
LESS DISTRIBUTIONS					
Capital Projects					
Encina Wastewater Authority Five Year Plan	-	-	2,680,031	440,075	3,120,106
Rock Springs Sewer Replacement	-	-	717,470	876,908	1,594,378
Stargaze Court Water Line Replacement	488,339	-	-	-	488,339
Expansion of the Men's Locker Room in Building B	242,028	-	232,538	-	474,566
Audiovisual Upgrade	132,402	-	127,210	-	259,612
Solar Panel Inverter Replacement	98,684	-	94,812	-	193,496
District Wide Valve Replacement	163,257	-	-	-	163,257
Laurels Sewer Lining	-	-	146,257	-	146,257
Palos Vista Pump Station Generator	103,808	-	-	-	103,808
Water & Sewer Master Plan	-	50,761	-	50,760	101,521
South Lake - Facility Upgrades	86,808	-	-	-	86,808
Fulton Road And Nctd Sewer Line Rehabilitation	-	-	85,309	-	85,309
MRF - Influent Pumps & Motors	-	-	81,418	-	81,418
Mountain Belle Tank Chlorine System	67,407	-	-	-	67,407
South Vista Pressure Reducing Station Upgrade	62,298	-	-	-	62,298
Ultrasonic Algae Control System	-	-	59,718	-	59,718
City of San Marcos Joint Projects	30,430	-	19,456	-	49,886
Montiel Gravity Outfall	-	-	20,259	24,761	45,021
Schoolhouse Tank Refurbishment	44,527	-	-	-	44,527
Encina Land Parallel Outfall	-	-	-	36,053	36,053
Asset Management Replacement Schedule	17,250	-	16,576	-	33,826
Sewer Rehabilitation And Repairs	-	-	31,458	-	31,458
Palos Vista Pump Station Motor Replacement	30,715	-	-	-	30,715
Replace Roofs On Equipment Storages	14,881	-	14,298	-	29,179
Vulnerability assessment improvements	-	16,970	-	11,313	28,283
Admin Emergency Generator - Auto Transfer Switch	12,830	-	12,830	-	25,660
North Vista Pressure Reducing Station Upgrade	25,564	-	-	-	25,564
MRF Biological Selector Improvements	-	-	22,101	-	22,101
Sewer Bypass Repair	-	-	19,192	-	19,192
Via Vera Cruz Tank Hill Stabilization	18,844	-	-	-	18,844
HVAC System Upgrade	9,561	-	9,186	-	18,747
San Marcos interceptor sewer	-	-	5,770	12,843	18,613
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	39,698	-	6,082	-	45,780
Capital Budget - Vehicles/Mobile Equipmnt	401,256	-	117,047	-	518,303
Debt Service	-	553,478	-	1,061,587	1,615,065
Interest Expense	-	137,081	-	90,595	227,676
TOTAL DISTRIBUTIONS	<u>2,121,701</u>	<u>758,289</u>	<u>4,519,018</u>	<u>2,604,896</u>	<u>10,003,904</u>
ENDING BALANCE	\$ 36,800,084	\$ (6,974,919)	\$ 58,213,469	\$ (3,843,464)	\$ 84,195,170
Less: Operating Reserves	5,748,700	-	6,468,600	-	12,217,300
Less: Rate Stabilization	-	-	3,662,969	-	3,662,969
Replacement Reserves/Restricted Funds	\$ 31,051,384	\$ (6,974,919)	\$ 48,081,900	\$ (3,843,464)	\$ 68,314,901
Replacement reserve floor	\$ 7,428,200		\$ 15,665,900		
Replacement reserve ceiling	\$ 32,224,700		\$ 48,081,900		

VALLECITOS WATER DISTRICT
INVESTMENT REPORT FOR MAY 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 May follows:

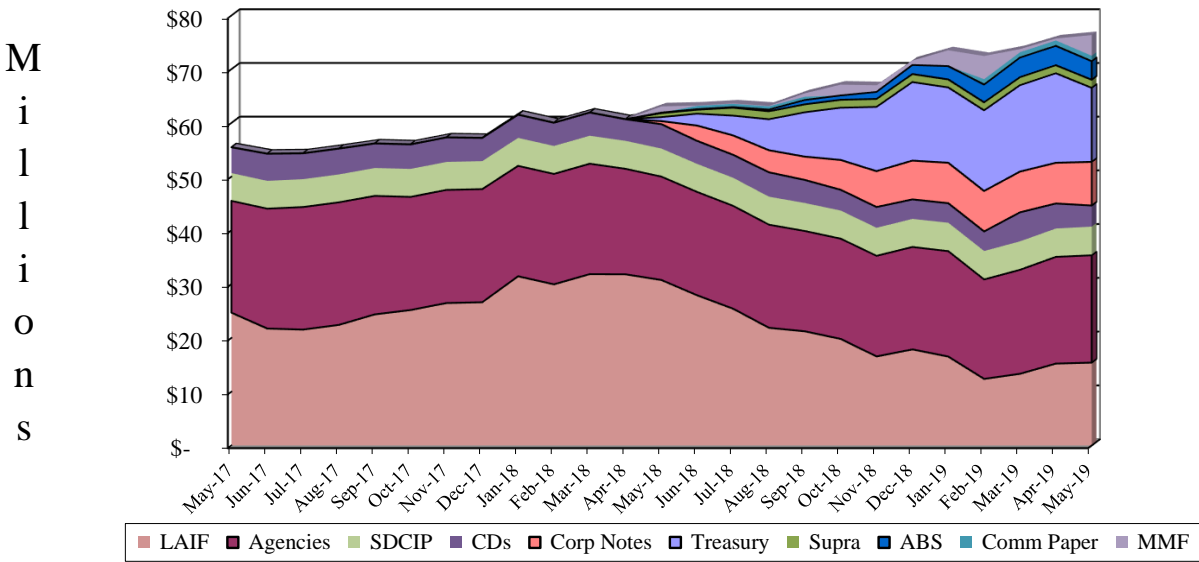
<u>Date</u>	<u>Activity</u>	<u>Investment</u>	<u>Amount</u>	<u>Maturity</u>	<u>Yield</u>
05/02/19	Deposit	LAIF	900,000	Open	2.45%
05/06/19	Deposit	LAIF	450,000	Open	2.45%
05/15/19	Withdrawal	LAIF	(1,000,000)	Open	2.45%
05/15/19	Matured	Enerbank CD	(233,000)	05/15/19	1.50%
05/16/19	Withdrawal	LAIF	(1,500,000)	Open	2.45%
05/23/19	Deposit	LAIF	800,000	Open	2.45%
05/23/19	Purchased	Walmart Inc	514,115	06/23/23	3.40%
05/24/19	Deposit	LAIF	380,000	Open	2.45%
05/24/19	Matured	Toronto Dom CD	(500,000)	05/24/19	2.68%
05/28/19	Withdrawal	LAIF	(600,000)	Open	2.45%
05/31/19	Deposit	LAIF	750,000	Open	2.45%
05/31/19	Sold	US Treasury	(749,063)	08/31/20	2.13%
05/31/19	Sold	US Treasury	(744,492)	04/15/20	1.50%
05/31/19	Sold	US Treasury	(750,234)	04/30/20	2.38%
05/31/19	Sold	US Treasury	(753,047)	07/31/20	2.63%
Change in investments during the month			<u>\$ (3,035,721)</u>		

	<u>Current</u>
Weighted average annual yield for total Vallecitos investments	2.390%
Weighted average days to maturity	409

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 March 31, 2019. 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 April 30, 2019. Fair values for federal agency obligations and corporate notes are provided by Union Bank trust account reporting

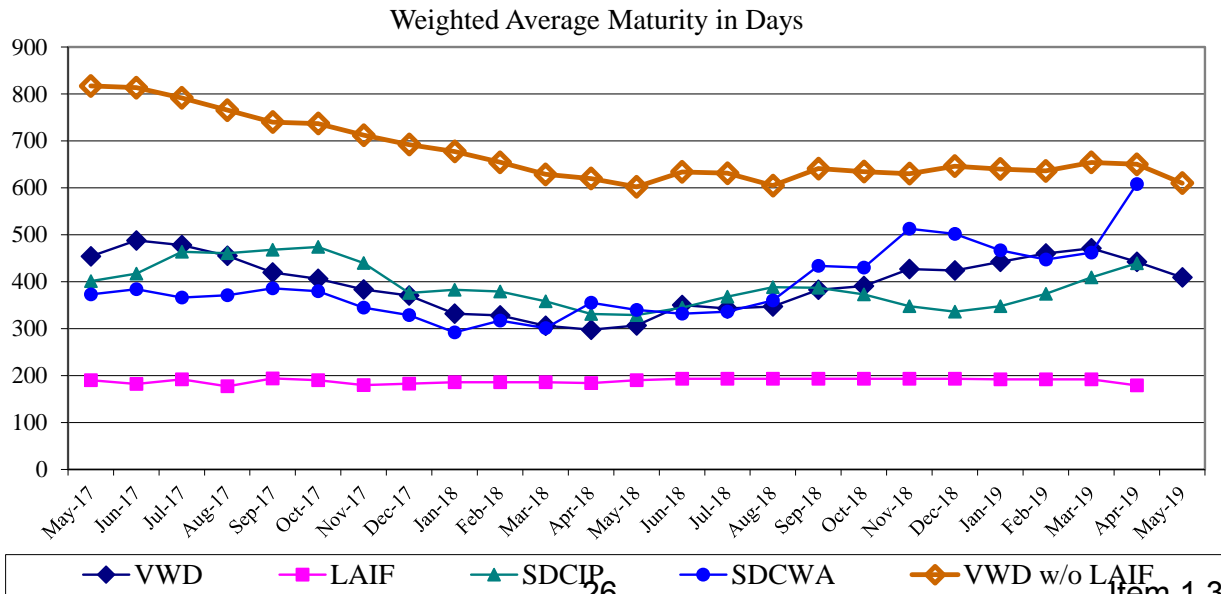
Safety

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.



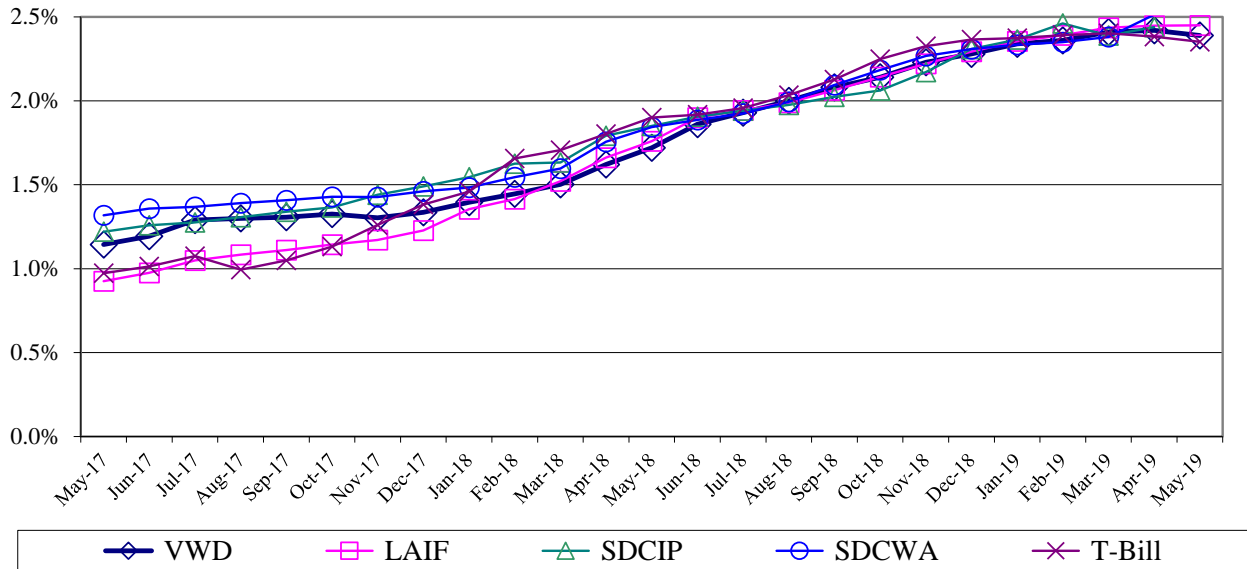
Liquidity

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 \$15.4 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	1.12
Average Coupon	2.17%
Average Purchase YTM	2.39%
Average Market YTM	2.24%
Average S&P/Moody Rating	AA+/Aa1
Average Final Maturity	1.34 yrs
Average Life	1.20 yrs

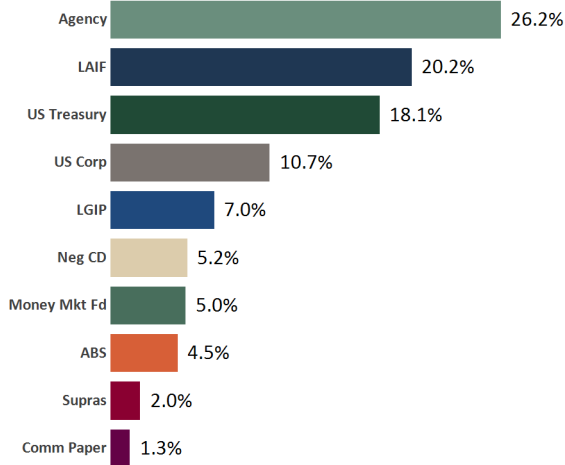
ACCOUNT SUMMARY

	Beg. Values as of 4/30/19	End Values as of 5/31/19
Market Value	75,715,471	76,352,933
Accrued Interest	287,775	290,698
Total Market Value	76,003,247	76,643,631
Income Earned	147,076	143,495
Cont/WD		
Par	75,959,129	76,304,681
Book Value	75,596,856	75,991,170
Cost Value	75,480,767	75,871,869

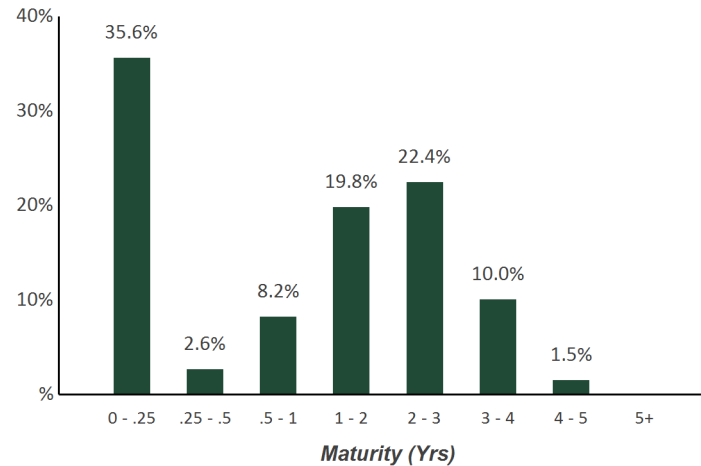
TOP ISSUERS

Local Agency Investment Fund	20.2%
Government of United States	18.1%
County of San Diego Pooled Inve	7.0%
Federal National Mortgage Assoc	6.8%
Federal Farm Credit Bank	6.8%
Federal Home Loan Bank	6.6%
Federal Home Loan Mortgage Corp	5.9%
Dreyfus Treasury and Agency	5.0%
Total	76.4%

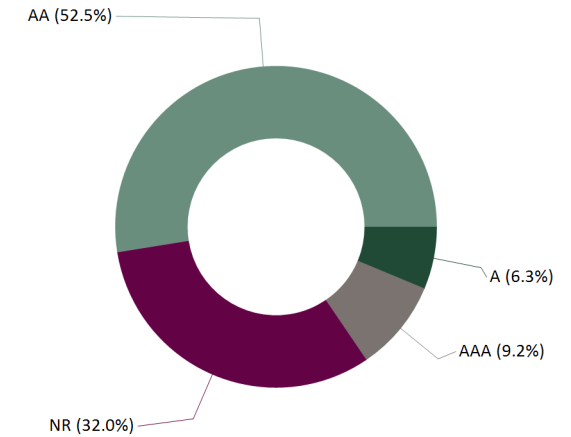
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



Vallecitos Water District Consolidated Account

Account #10594

Holdings Report

As of May 31, 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
ABS									
47788EAB4	John Deere Owner Trust 2018-B A2 2.83% Due 4/15/2021	258,756.26	01/29/2019 2.95%	258,533.89 258,597.05	100.10 2.60%	259,023.81 325.46	0.34% 426.76	Aaa / NR AAA	1.88 0.41
89190BAD0	Toyota Auto Receivables Owner 2017-B A3 1.76% Due 7/15/2021	396,200.65	09/26/2018 2.78%	391,573.16 392,688.11	99.62 2.46%	394,689.53 309.92	0.52% 2,001.42	Aaa / AAA NR	2.13 0.55
43814PAC4	Honda Auto Receivables Owner T 17-3 A3 1.79% Due 9/20/2021	363,145.29	12/11/2018 2.73%	358,435.75 359,226.88	99.62 2.37%	361,748.99 234.73	0.47% 2,522.11	NR / AAA AAA	2.31 0.67
43814WAB1	HAROT 2019-1 A2 2.75% Due 9/20/2021	455,000.00	02/19/2019 2.77%	454,970.70 454,973.64	100.31 2.44%	456,423.24 451.84	0.60% 1,449.60	NR / AAA AAA	2.31 0.97
47788BAD6	John Deere Owner Trust 2017-B A3 1.82% Due 10/15/2021	438,300.89	11/14/2018 3.14%	432,257.13 433,376.13	99.57 2.51%	436,433.64 354.54	0.57% 3,057.51	Aaa / NR AAA	2.38 0.62
89239AAB9	Toyota Auto Receivables 2019-A A2A 2.83% Due 10/15/2021	375,000.00	02/05/2019 2.85%	374,965.95 374,969.72	100.35 2.41%	376,309.13 471.67	0.49% 1,339.41	Aaa / AAA NR	2.38 0.80
47789JAB2	John Deere Owner Trust 2019-A A2 2.85% Due 12/15/2021	360,000.00	03/05/2019 2.87%	359,983.58 359,984.88	100.42 2.32%	361,527.12 456.00	0.47% 1,542.24	Aaa / NR AAA	2.55 0.78
43814UAG4	Honda Auto Receivables 2018-2 A3 3.01% Due 5/18/2022	105,000.00	05/22/2018 3.03%	104,997.71 104,998.29	101.08 2.28%	106,130.22 114.13	0.14% 1,131.93	NR / AAA AAA	2.97 1.44
43815HAC1	Honda Auto Receivables Owner 2018-3 A3 2.95% Due 8/22/2022	205,000.00	08/21/2018 2.98%	204,971.87 204,977.23	101.17 2.19%	207,405.26 167.99	0.27% 2,428.03	Aaa / NR AAA	3.23 1.50
65478WAE5	Nissan Auto Receivables Owner 2016-C A4 1.38% Due 1/17/2023	500,000.00	01/24/2019 2.95%	489,531.25 490,841.16	98.97 2.40%	494,852.50 306.67	0.65% 4,011.34	Aaa / NR AAA	3.64 1.02
Total ABS		3,456,403.09	2.89%	3,430,220.99 3,434,633.09	2.41%	3,454,543.44 3,192.95	4.51% 19,910.35	Aaa / AAA AAA	2.56 0.82

AGENCY									
3133EGEF8	FFCB Callable Note Cont 6/13/2017 1.18% Due 6/13/2019	500,000.00	05/26/2017 1.43%	497,500.00 499,959.89	99.97 2.17%	499,833.00 2,753.33	0.66% (126.89)	Aaa / AA+ AAA	0.04 0.03
3133EGLC7	FFCB Callable Note Cont 10/12/2016 1.08% Due 7/12/2019	500,000.00	07/12/2016 1.10%	499,675.00 499,987.83	99.86 2.26%	499,323.00 2,085.00	0.65% (664.83)	Aaa / AA+ AAA	0.12 0.11
3137EADM8	FHLMC Note 1.25% Due 10/2/2019	500,000.00	09/25/2015 1.32%	498,665.00 499,888.14	99.64 2.33%	498,190.50 1,024.31	0.65% (1,697.64)	Aaa / AA+ AAA	0.34 0.33

Vallecitos Water District Consolidated Account

Account #10594

Holdings Report

As of May 31, 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
AGENCY									
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	99.51 2.40%	497,555.50 545.42	0.65% (2,444.50)	Aaa / AA+ NR	0.41 0.40
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	99.90 2.41%	749,246.25 4,114.58	0.98% (753.75)	Aaa / AA+ AAA	0.48 0.23
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	99.43 2.34%	497,146.00 2,831.25	0.65% (2,854.00)	Aaa / AA+ AAA	0.58 0.57
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	99.19 2.28%	495,959.00 1,101.39	0.65% (4,041.00)	Aaa / AA+ AAA	0.83 0.82
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	99.49 2.24%	746,160.75 1,148.13	0.98% (3,839.25)	Aaa / AA+ NR	0.91 0.89
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	99.27 2.25%	744,509.25 62.50	0.97% (5,490.75)	Aaa / AA+ AAA	1.00 0.98
3130A8M67	FHLB Callable Note Cont 7/13/2017 1.2% Due 7/13/2020	500,000.00	11/22/2016 1.60%	492,970.00 497,841.81	99.06 2.06%	495,277.00 2,300.00	0.65% (2,564.81)	Aaa / AA+ NR	1.12 1.10
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	99.16 2.09%	991,609.00 3,772.22	1.30% (8,391.00)	Aaa / AA+ AAA	1.24 1.21
3133EGC94	FFCB Callable Note Cont 2/2/2017 1.38% Due 11/2/2020	500,000.00	11/04/2016 1.40%	499,600.00 499,857.44	99.12 2.01%	495,591.50 555.83	0.65% (4,265.94)	Aaa / AA+ AAA	1.43 1.40
3133EGR49	FFCB Callable Note Cont 12/7/2017 1.77% Due 12/7/2020	250,000.00	12/07/2016 1.83%	249,437.50 249,786.32	99.64 2.01%	249,103.25 2,138.75	0.33% (683.07)	Aaa / AA+ AAA	1.52 1.02
3134GBT A0	FHLMC Callable Note Qtrly 9/22/2017 2% Due 12/22/2020	750,000.00	06/27/2017 2.00%	750,000.00 750,000.00	100.00 1.86%	750,023.25 2,872.92	0.98% 23.25	Aaa / AA+ AAA	1.56 0.65
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	99.07 1.97%	495,343.50 2,391.67	0.65% (4,656.50)	Aaa / AA+ AAA	1.67 1.62
3133EFC54	FFCB Callable Note Cont 2/17/2017 1.62% Due 2/17/2021	150,000.00	11/18/2016 1.67%	149,667.00 149,865.47	99.36 2.00%	149,035.05 702.00	0.20% (830.42)	Aaa / AA+ AAA	1.72 1.21
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	99.98 2.07%	513,882.81 2,705.64	0.67% (117.19)	Aaa / AA+ AAA	1.75 0.24
3130A7ES0	FHLB Callable Note Qtrly 6/22/2016 2% Due 3/22/2021	275,000.00	04/06/2017 2.11%	274,381.25 274,717.58	99.94 2.07%	274,824.28 1,052.26	0.36% 106.70	Aaa / AA+ NR	1.81 0.80
3133EFZ91	FFCB Callable Note Cont 4/12/2017 1.62% Due 4/12/2021	750,000.00	04/12/2016 1.62%	749,925.00 749,972.03	99.31 2.00%	744,824.25 1,653.75	0.97% (5,147.78)	Aaa / AA+ AAA	1.87 1.29

Vallecitos Water District Consolidated Account

Account #10594

Holdings Report

As of May 31, 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
AGENCY									
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	99.98 2.00%	749,878.50 1,160.83	0.98% (121.50)	Aaa / AA+ AAA	1.93 1.02
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	99.09 1.93%	495,459.50 2,583.33	0.65% (4,540.50)	Aaa / AA+ AAA	2.16 1.64
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	99.06 2.03%	990,550.00 4,266.67	1.30% (9,450.00)	Aaa / AA+ AAA	2.24 1.45
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	99.11 2.02%	991,050.00 2,753.47	1.30% (8,950.00)	Aaa / AA+ NR	2.34 1.60
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	99.03 1.96%	990,295.00 1,420.83	1.29% (9,705.00)	Aaa / AA+ AAA	2.41 1.78
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	99.61 2.04%	996,075.00 260.42	1.30% (3,925.00)	Aaa / AA+ AAA	2.49 1.38
3133EJ3B3	FFCB Note 2.8% Due 12/17/2021	1,000,000.00	12/26/2018 2.70%	1,002,780.00 1,002,380.66	101.98 2.00%	1,019,754.00 12,755.56	1.35% 17,373.34	Aaa / AA+ AAA	2.55 2.42
3135G0U92	FNMA Note 2.625% Due 1/11/2022	500,000.00	03/05/2019 2.60%	500,350.00 500,320.78	101.62 1.98%	508,099.50 5,104.17	0.67% 7,778.72	Aaa / AA+ AAA	2.62 2.49
3133EKBV7	FFCB Note 2.55% Due 3/1/2022	750,000.00	02/27/2019 2.55%	750,075.00 750,068.70	101.54 1.97%	761,515.50 4,781.25	1.00% 11,446.80	Aaa / AA+ AAA	2.75 2.63
313378WG2	FHLB Note 2.5% Due 3/11/2022	500,000.00	04/08/2019 2.36%	501,945.00 501,848.39	101.43 1.97%	507,142.50 2,777.78	0.67% 5,294.11	Aaa / AA+ NR	2.78 2.66
313383WD9	FHLB Note 3.125% Due 9/9/2022	500,000.00	01/30/2019 2.68%	507,580.00 506,883.58	103.51 2.01%	517,546.50 3,559.03	0.68% 10,662.92	Aaa / AA+ AAA	3.28 3.09
3130AFE78	FHLB Note 3% Due 12/9/2022	1,000,000.00	01/25/2019 2.71%	1,010,700.00 1,009,759.67	103.53 1.96%	1,035,262.00 17,083.33	1.37% 25,502.33	Aaa / AA+ AAA	3.53 3.29
Total Agency		19,939,000.00	1.83%	19,949,250.75 19,957,138.29	2.08%	19,950,065.14 94,317.62	26.15% (7,073.15)	Aaa / AA+ AAA	1.78 1.40
COMMERCIAL PAPER									
62479MTL7	MUFG Bank Ltd/NY Discount CP 2.6% Due 6/20/2019	1,000,000.00	02/19/2019 2.66%	991,333.33 998,627.78	99.86 2.66%	998,627.78 0.00	1.30% 0.00	P-1 / A-1 NR	0.05 0.05
Total Commercial Paper		1,000,000.00	2.66%	991,333.33 998,627.78	2.66%	998,627.78 0.00	1.30% 0.00	Aaa / AA NR	0.05 0.05



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
LAIF									
90LAIF\$00	Local Agency Investment Fund State Pool	15,398,732.29	Various 2.45%	15,398,732.29 15,398,732.29	1.00 2.45%	15,398,732.29 61,156.46	20.17% 0.00	NR / NR NR	0.00 0.00
Total LAIF		15,398,732.29	2.45%	15,398,732.29	2.45%	15,398,732.29 61,156.46	20.17% 0.00	NR / NR NR	0.00 0.00
LOCAL GOV INVESTMENT POOL									
90SDCP\$00	County of San Diego Pooled Investment Pool	5,335,000.00	Various 2.42%	5,335,000.00 5,335,000.00	1.00 2.42%	5,335,000.00 0.00	6.96% 0.00	NR / NR AAA	0.00 0.00
Total Local Gov Investment Pool		5,335,000.00	2.42%	5,335,000.00	2.42%	5,335,000.00 0.00	6.96% 0.00	NR / NR AAA	0.00 0.00
MONEY MARKET FUND FI									
261908206	Dreyfus Treasury Money Market Fund	3,857,545.31	Various 2.00%	3,857,545.31 3,857,545.31	1.00 2.00%	3,857,545.31 0.00	5.03% 0.00	Aaa / AAA NR	0.00 0.00
Total Money Market Fund FI		3,857,545.31	2.00%	3,857,545.31	2.00%	3,857,545.31 0.00	5.03% 0.00	Aaa / AAA NR	0.00 0.00
NEGOTIABLE CD									
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	99.89 2.27%	244,726.09 982.01	0.32% (273.91)	NR / NR NR	0.30 0.29
06417G5R5	Bank of Nova Scotia Yankee CD 2.61% Due 12/17/2019	1,000,000.00	03/25/2019 2.61%	999,994.51 999,995.89	100.00 2.61%	999,995.89 4,930.00	1.31% 0.00	P-1 / A-1 F-1+	0.55 0.54
06370RVP1	Bank of Montreal Chicago Yankee CD 2.69% Due 3/5/2020	1,000,000.00	03/06/2019 2.69%	1,000,000.00 1,000,000.00	100.00 2.69%	1,000,000.00 6,500.83	1.31% 0.00	P-1 / A-1 F-1+	0.76 0.75
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	99.43 2.44%	243,615.02 969.93	0.32% (1,384.98)	NR / NR NR	0.78 0.76
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%	244,510.00 244,858.04	98.82 2.48%	242,112.43 1,353.21	0.32% (2,745.61)	NR / NR NR	1.11 1.08



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
NEGOTIABLE CD									
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	98.33 2.71%	240,915.85 362.47	0.31% (4,084.15)	NR / NR NR	1.41 1.38
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	99.02 2.48%	242,611.01 37.25	0.32% (2,388.99)	NR / NR NR	1.58 1.56
94986TXN2	Wells Fargo Callable NCD Qtrly 9/4/18 2.3% Due 3/4/2021	243,000.00	03/04/2016 2.29%	243,000.00 243,000.00	99.93 2.39%	242,837.19 1,355.14	0.32% (162.81)	NR / NR NR	1.76 0.75
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	98.17 2.55%	240,513.07 22.15	0.31% (4,486.93)	NR / NR NR	2.08 2.05
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	97.75 2.70%	239,497.06 177.21	0.31% (5,502.94)	NR / NR NR	2.21 2.16
Total Negotiable CD		3,958,000.00	2.20%	3,957,504.51 3,957,853.93	2.58%	3,936,823.61 16,690.20	5.16% (21,030.32)	Aaa / AA AAA	1.02 0.94
SUPRANATIONAL									
4581X0CD8	Inter-American Dev Bank Note 2.125% Due 11/9/2020	750,000.00	05/22/2018 2.81%	737,865.00 742,894.28	100.06 2.08%	750,480.00 973.96	0.98% 7,585.72	Aaa / AAA AAA	1.45 1.41
459058GH0	Intl. Bank Recon & Development Note 2.75% Due 7/23/2021	750,000.00	07/24/2018 2.86%	747,607.50 748,286.07	101.55 2.01%	761,603.25 7,333.33	1.00% 13,317.18	Aaa / AAA NR	2.15 2.06
Total Supranational		1,500,000.00	2.84%	1,485,472.50 1,491,180.35	2.04%	1,512,083.25 8,307.29	1.98% 20,902.90	Aaa / AAA AAA	1.80 1.74
US CORPORATE									
46625HHS2	JP Morgan Chase Note 4.4% Due 7/22/2020	250,000.00	01/25/2019 3.07%	254,790.00 253,698.94	102.17 2.46%	255,418.25 3,941.67	0.34% 1,719.31	A2 / A- AA-	1.15 1.10
40428HPV8	HSBC USA Inc Note 2.75% Due 8/7/2020	250,000.00	10/10/2018 3.26%	247,772.50 248,549.61	100.31 2.48%	250,769.00 2,177.08	0.33% 2,219.39	A2 / A AA-	1.19 1.15
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%	490,920.00 493,808.01	99.93 2.34%	499,663.00 894.44	0.65% 5,854.99	A3 / A A	1.43 1.39
459200JF9	IBM Corp Note 2.25% Due 2/19/2021	500,000.00	06/26/2018 3.07%	489,640.00 493,261.18	99.69 2.44%	498,428.00 3,187.50	0.65% 5,166.82	A1 / A A	1.73 1.66



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US CORPORATE									
69371RN93	Paccar Financial Corp Note 2.8% Due 3/1/2021	300,000.00	07/23/2018 3.12%	297,585.00 298,375.59	100.67 2.41%	302,002.50 2,100.00	0.40% 3,626.91	A1 / A+ NR	1.75 1.69
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%	493,125.00 495,106.66	100.07 2.45%	500,357.50 1,597.22	0.65% 5,250.84	A1 / A AA-	1.88 1.74
369550BE7	General Dynamics Corp Note 3% Due 5/11/2021	350,000.00	06/28/2018 3.08%	349,247.50 349,489.71	101.24 2.34%	354,337.90 583.33	0.46% 4,848.19	A2 / A+ NR	1.95 1.88
857477AV5	State Street Bank Note 1.95% Due 5/19/2021	500,000.00	10/12/2018 3.30%	483,360.00 487,370.49	99.23 2.35%	496,139.50 325.00	0.65% 8,769.01	A1 / A AA-	1.97 1.92
808513AW5	Charles Schwab Corp Callable Note Cont 4/21/2021 3.25% Due 5/21/2021	320,000.00	Various 3.09%	321,372.10 320,896.53	101.57 2.39%	325,033.60 288.89	0.42% 4,137.07	A2 / A A	1.98 1.83
931142EJ8	Wal-Mart Stores Note 3.125% Due 6/23/2021	290,000.00	06/20/2018 3.13%	289,985.50 289,990.00	101.68 2.29%	294,874.32 3,977.43	0.39% 4,884.32	Aa2 / AA AA	2.07 1.96
02665WBG5	American Honda Finance Note 1.7% Due 9/9/2021	500,000.00	07/20/2018 3.19%	478,045.00 484,037.97	98.65 2.31%	493,265.00 1,936.11	0.65% 9,227.03	A2 / A NR	2.28 2.20
89233P5F9	Toyota Motor Credit Corp Note 3.4% Due 9/15/2021	500,000.00	05/31/2018 3.03%	505,785.00 504,038.40	102.26 2.38%	511,317.00 3,588.89	0.67% 7,278.60	Aa3 / AA- A+	2.30 2.18
24422ETL3	John Deere Capital Corp Note 2.65% Due 1/6/2022	500,000.00	Various 3.29%	489,627.50 492,184.71	100.52 2.44%	502,609.50 5,336.80	0.66% 10,424.79	A2 / A A	2.61 2.47
74005PBA1	Praxair Callable Note Cont 11/15/2021 2.45% Due 2/15/2022	300,000.00	06/27/2018 3.15%	292,848.00 294,664.30	100.41 2.28%	301,215.60 2,164.17	0.40% 6,551.30	A2 / A NR	2.72 2.36
037833CQ1	Apple Inc Callable Note Cont 4/11/22 2.3% Due 5/11/2022	500,000.00	10/30/2018 3.30%	483,395.00 486,130.24	99.92 2.33%	499,621.00 638.89	0.65% 13,490.76	Aa1 / AA+ NR	2.95 2.75
68389XBB0	Oracle Corp Callable Note Cont 3/15/2022 2.5% Due 5/15/2022	500,000.00	Various 3.28%	486,304.00 489,294.92	100.03 2.49%	500,165.00 555.56	0.65% 10,870.08	A1 / AA- A	2.96 2.68
084664BT7	Berkshire Hathaway Note 3% Due 5/15/2022	500,000.00	12/11/2018 3.31%	495,015.00 495,693.50	101.93 2.32%	509,654.50 666.67	0.67% 13,961.00	Aa2 / AA A+	2.96 2.82
09247XAJ0	Blackrock Inc Note 3.375% Due 6/1/2022	500,000.00	11/28/2018 3.36%	500,215.00 500,184.24	102.92 2.36%	514,609.50 8,437.50	0.68% 14,425.26	Aa3 / AA- NR	3.01 2.80

Vallecitos Water District Consolidated Account

Account #10594

Holdings Report

As of May 31, 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
US CORPORATE									
931142EK5	Wal-Mart Stores Callable Note Cont 5/26/2023 3.4% Due 6/26/2023	500,000.00	05/21/2019 2.65%	514,115.00 514,028.23	103.89 2.37%	519,426.50 7,319.44	0.69% 5,398.27	Aa2 / AA AA	4.07 3.67
Total US Corporate		8,060,000.00	3.16%	7,963,147.10 7,990,803.23	2.38%	8,128,907.17 49,716.59	10.67% 138,103.94	A1 / A+ A+	2.35 2.20
US TREASURY									
912828WW6	US Treasury Note 1.625% Due 7/31/2019	600,000.00	08/29/2018 2.44%	595,593.75 599,210.82	99.87 2.40%	599,206.80 3,258.98	0.79% (4.02)	Aaa / AA+ AAA	0.17 0.17
9128283S7	US Treasury Note 2% Due 1/31/2020	750,000.00	08/24/2018 2.57%	744,082.03 747,233.75	99.78 2.33%	748,359.00 5,013.81	0.98% 1,125.25	Aaa / AA+ AAA	0.67 0.66
9128283Y4	US Treasury Note 2.25% Due 2/29/2020	750,000.00	06/25/2018 2.51%	746,835.94 748,590.88	99.93 2.34%	749,502.00 4,264.61	0.98% 911.12	Aaa / AA+ AAA	0.75 0.74
912828XH8	US Treasury Note 1.625% Due 6/30/2020	750,000.00	05/31/2018 2.43%	737,753.91 743,643.62	99.36 2.22%	745,224.75 5,117.40	0.98% 1,581.13	Aaa / AA+ AAA	1.08 1.06
912828L65	US Treasury Note 1.375% Due 9/30/2020	750,000.00	06/27/2018 2.53%	731,044.92 738,810.76	99.04 2.11%	742,764.00 1,746.93	0.97% 3,953.24	Aaa / AA+ AAA	1.34 1.31
912828WCO	US Treasury Note 1.75% Due 10/31/2020	750,000.00	07/20/2018 2.64%	735,292.97 740,832.44	99.55 2.07%	746,631.00 1,141.30	0.98% 5,798.56	Aaa / AA+ AAA	1.42 1.39
912828A42	US Treasury Note 2% Due 11/30/2020	750,000.00	11/28/2018 2.85%	737,695.31 740,788.29	99.93 2.05%	749,472.75 40.98	0.98% 8,684.46	Aaa / AA+ AAA	1.50 1.47
912828N89	US Treasury Note 1.375% Due 1/31/2021	750,000.00	10/30/2018 2.86%	725,859.38 732,107.20	98.94 2.02%	742,060.50 3,447.00	0.97% 9,953.30	Aaa / AA+ AAA	1.67 1.63
912828U81	US Treasury Note 2% Due 12/31/2021	750,000.00	11/08/2018 3.05%	726,650.39 730,799.62	100.25 1.90%	751,904.25 6,298.34	0.99% 21,104.63	Aaa / AA+ AAA	2.59 2.49
912828W55	US Treasury Note 1.875% Due 2/28/2022	1,000,000.00	01/30/2019 2.56%	979,921.88 982,083.31	99.88 1.92%	998,828.00 4,738.45	1.31% 16,744.69	Aaa / AA+ AAA	2.75 2.66
912828W89	US Treasury Note 1.875% Due 3/31/2022	750,000.00	09/27/2018 2.92%	724,013.67 729,007.92	99.95 1.89%	749,589.75 2,382.17	0.98% 20,581.83	Aaa / AA+ AAA	2.84 2.74



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US TREASURY									
912828XR6	US Treasury Note 1.75% Due 5/31/2022	750,000.00	09/24/2018 2.93%	719,208.98 724,913.57	99.54 1.91%	746,514.00 35.86	0.97% 21,600.43	Aaa / AA+ AAA	3.00 2.91
912828XW5	US Treasury Note 1.75% Due 6/30/2022	350,000.00	09/07/2018 2.80%	336,792.97 339,303.16	99.57 1.89%	348,509.70 2,571.82	0.46% 9,206.54	Aaa / AA+ AAA	3.08 2.96
9128282P4	US Treasury Note 1.875% Due 7/31/2022	1,000,000.00	12/28/2018 2.53%	977,617.19 980,218.25	99.90 1.91%	999,023.00 6,267.27	1.31% 18,804.75	Aaa / AA+ AAA	3.17 3.04
912828L24	US Treasury Note 1.875% Due 8/31/2022	750,000.00	09/20/2018 2.94%	720,439.45 725,633.07	99.89 1.91%	749,179.50 3,553.84	0.98% 23,546.43	Aaa / AA+ AAA	3.25 3.12
9128282W9	US Treasury Note 1.875% Due 9/30/2022	1,000,000.00	03/19/2019 2.43%	981,406.25 982,458.45	99.93 1.90%	999,258.00 3,176.23	1.31% 16,799.55	Aaa / AA+ AAA	3.34 3.21
9128284D9	US Treasury Note 2.5% Due 3/31/2023	1,000,000.00	02/21/2019 2.51%	999,414.06 999,452.78	102.14 1.92%	1,021,445.00 4,234.97	1.34% 21,992.22	Aaa / AA+ AAA	3.84 3.63
912828R69	US Treasury Note 1.625% Due 5/31/2023	600,000.00	04/11/2019 2.30%	584,039.06 584,567.57	98.86 1.92%	593,133.00 26.64	0.77% 8,565.43	Aaa / AA+ AAA	4.00 3.85
Total US Treasury		13,800,000.00	2.65%	13,503,662.11 13,569,655.46	2.03%	13,780,605.00 57,316.60	18.05% 210,949.54	Aaa / AA+ AAA	2.30 2.22
TOTAL PORTFOLIO		76,304,680.69	2.39%	75,871,868.89 75,991,169.73	2.24%	76,352,932.99 290,697.71	100.00% 361,763.26	Aa1 / AA+ AAA	1.34 1.12
TOTAL MARKET VALUE PLUS ACCRUED						76,643,630.70			

**VALLECITOS WATER DISTRICT
FY 19 SUMMARY OF LEGAL FEES**

Matter Description	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Total
General Counsel Services	\$3,223	\$14,057	\$6,416	\$7,639	\$8,896	\$7,886	\$3,422	\$9,177	\$10,914	\$71,630
Labor/Employment	609	-	493	3,770	6,409	852	-	2,610	5,577	20,319
Engineering - Construction/Contracting	2,059	1,274	1,947	1,404	260	858	2,938	2,840	2,647	16,227
VWD v. Brian Thomas Boyd	658	1,730	3,375	494	2,718	130	104	-	-	9,210
Annual Public Policy & Ethics Program	4,600	-	-	-	-	-	-	-	-	4,600
Fees and Taxes	182	-	1,040	-	78	988	364	-	-	2,652
Adv. Butler	-	-	-	-	-	-	-	-	2,302	2,302
Total	\$11,331	\$17,061	\$13,271	\$13,308	\$18,361	\$10,714	\$6,828	\$14,628	\$21,439	\$126,941

BETWEEN THE PIPES

Thirty Years as the Vallecitos Water District

Most customers probably only know us as the Vallecitos Water District. But it wasn't always that way. The District was formed in 1955 and was originally named the "San Marcos County Water District." Over the years that name caused a lot of questions and confusion about the agency.



Were we part of the County? No, Vallecitos is an independent Special District providing water, wastewater and recycled water services formed under the State of California County Water District Act.

Were we a Department of the City of San Marcos? No, Vallecitos was formed years before the City of San Marcos was incorporated and we've remained independent of the city.

Did you service only the City of San Marcos? No, in addition to serving areas within the City of San Marcos, Vallecitos serves the community of Lake San Marcos, other unincorporated areas such as Twin Oaks Valley and portions of the cities of Carlsbad, Escondido and Vista.

How did the District resolve the confusion? One way was to enhance the public image of the District and clarify its identity. In April of 1989, our Board of Directors did just that. By adopting Resolution 840, the District changed its name to the Vallecitos Water District, effective May 1, 1989.

The name was derived from a local land grant entitled "Rancho los Vallecitos de San Marcos." So, we've been named the Vallecitos Water District for 30 years now--but we've been your water and wastewater specialists since 1955. We'll be celebrating 65 years in 2020. Keep your eye out for information on that celebration next year!

ANNIVERSARY



2019

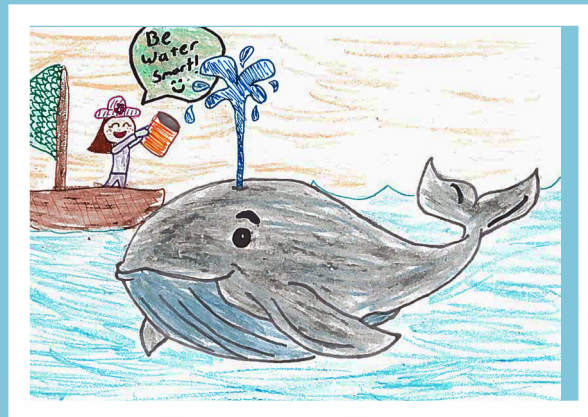
Calendar Contest WINNERS

Sierra Whiteside
Carrillo Elementary



"I will save water by making an invention that gives you only the water that you need."

Zofia Dowd
Double Peak Elementary



"I would take shorter showers, not run water, take buckets to fill up water in the rain and will only use water when needed."

Lia VanderJagt
Double Peak Elementary



"I will save water by doing my best to use less of it and value it more. I will take shorter showers."



The Work We Do

Wondering about the work we do? Starting in 2019, Vallecitos began creating videos to document many of our departments on film. Check out these videos to see our crews in action providing our community with reliable drinking water and wastewater services, protecting the environment and more! We'll continue to post more videos as they become available.

To see the “Work We Do” go to www.vwd.org/workwedo





201 Vallecitos de Oro
 San Marcos, CA 92069
 (760) 744-0460
www.vwd.org



Between the Pipes is a publication of information and interest to Vallecitos water and sewer customers. If you receive water or sewer services from another district, please disregard any information that does not apply to you.

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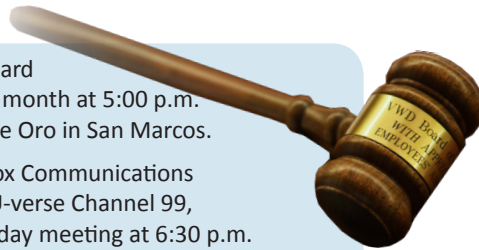
Management Staff

Glenn Pruiam, General Manager
 Rhondi Emmanuel, Administrative Services Manager
 Ed Pedrazzi, Operations and Maintenance Manager
 James Gumpel, District Engineer
 Wes Owen, Finance Manager

Postal Customer

The public is welcome to attend the Vallecitos Board Meetings the first and third Wednesday of each month at 5:00 p.m. in the Administration building—201 Vallecitos de Oro in San Marcos.

Meetings are also aired on San Marcos TV on Cox Communications Channel 19, Time Warner Channel 24 or AT&T U-verse Channel 99, which air on the Monday following the Wednesday meeting at 6:30 p.m. Visit www.san-marcos.net/smtv for programming schedule.



“Like us” on Facebook or follow us on Twitter @vallecitoswater

2018 Water Quality Report

The 2018 Water Quality Report will be available online June 30, 2019 at www.vwd.org/waterquality. The report will list the more than 200 compounds tested for throughout the year and the results. Tested water from Vallecitos consistently meets or exceeds all drinking water standards. To request a hard copy of the report, call us at 760-744-0460.



DATE: JUNE 19, 2019
TO: BOARD OF DIRECTORS
SUBJECT: ACWA REGION 10 NOMINATING COMMITTEE SEEKING REGION 10 BOARD CANDIDATES

BACKGROUND:

The Region 10 Nominating Committee is seeking ACWA members who are interested in leading the direction of ACWA Region 10 for the 2020-2021 term. The Nominating Committee is currently seeking candidates for the Region 10 Board, which is comprised of Chair, Vice Chair and up to five Board Member positions.

DISCUSSION:

At the June 13, 2019 Board meeting, Director Evans stated she would like to continue her participation on the ACWA Region 10 Board.

A nomination form must be completed and a resolution of support from the Board of Directors is also required. The deadline to submit the requested information is Friday, June 28.

The Region 10 Nominating Committee will announce their recommended slate by July 31, 2019. On August 1, 2019 the election will begin with ballots sent to the General Managers and Board Presidents. The election will be completed by September 30, 2019. On October 4, 2019, election results will be announced. The newly elected Region 10 Board members will begin their two-year term on January 1, 2020.

RECOMMENDATION:

Adopt Resolution.

RESOLUTION NO.

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
PLACING IN NOMINATION BETTY EVANS AS A MEMBER OF THE
ASSOCIATION OF CALIFORNIA WATER AGENCIES
REGION 10 BOARD OF DIRECTORS**

WHEREAS, The Board of Directors of the Vallecitos Water District does encourage and support the participation of its members in the affairs of the Association of California Water Agencies (ACWA); and

WHEREAS, Betty Evans has indicated a desire to continue serving as a Board member of ACWA Region 10.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Vallecitos Water District does place its full and unresolved support in the nomination of Betty Evans for Board member of ACWA Region 10.

BE IT FURTHER RESOLVED that the Board of Directors of the Vallecitos Water District does hereby determine that the expenses attendant with the service of Betty Evans in ACWA Region 10 shall be borne by the Vallecitos Water District.

PASSED AND ADOPTED by the Board of Directors of the Vallecitos Water District at a regular meeting held on this 19TH day of June, 2019, by the following roll call vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

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

ATTEST:

Glenn Pruum, Secretary
Board of Directors
Vallecitos Water District

DATE: JUNE 19, 2019
TO: BOARD OF DIRECTORS
SUBJECT: RESOLUTION OF THE BOARD OF DIRECTORS OF THE VALLECITOS WATER DISTRICT ELECTING TO HAVE SEWER SERVICE FEES FOR IMPROVEMENT DISTRICT "A" FOR FISCAL YEAR JULY 1, 2019, TO JUNE 30, 2020, COLLECTED ON THE TAX ROLL

BACKGROUND:

Sewer Improvement District "A" is a special service area where Vallecitos provides sewer collection services and another water agency provides domestic water service and fire protection. For these areas, as prescribed by Ordinance No. 184, the District elects to have its sewer service fees collected on the County tax roll in the same manner and at the same time together with general property taxes.

DISCUSSION:

The State Health Code requires Vallecitos to specify on an annual basis the method it will use to collect sewer service fees for Improvement District "A". These fees are added to the tax bill of each resident and are paid through the regular property taxes. The County of San Diego then transfers this revenue to Vallecitos. As part of this procedure Vallecitos is required to hold a Public Hearing acknowledging this method of collection.

FISCAL IMPACT:

Including sewer service fees on the tax roll results in time and materials savings through reduced workload on staff and eliminating postage costs. Additional revenue is also realized through facilitated collections.

RECOMMENDATION:

Staff recommends approval of the Resolution which sets the Public Hearing for the Regular Board Meeting on July 17, 2019.

RESOLUTION NO.

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
VALLECITOS WATER DISTRICT ELECTING TO HAVE SEWER
SERVICE FEES FOR IMPROVEMENT DISTRICT "A" FOR
FISCAL YEAR JULY 1, 2019, TO JUNE 30, 2020,
COLLECTED ON THE TAX ROLL**

WHEREAS, Vallecitos Water District hereby elects to have its sewer service fees for Improvement District "A", as prescribed by Ordinance No. 184, or as amended, for fiscal year July 1, 2019, to June 30, 2020, collected on the tax roll in the same manner, by the same persons, and at the same time as, together with and not separate from, general taxes;

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

SECTION 1: A written report has been prepared and filed with the Secretary of this District, which contains a description of each parcel of real property in Improvement District "A" receiving sewer service and the amount of the sewer service fees prescribed by Ordinance No. 184, or as amended. The Secretary of this District is authorized and directed to prepare and cause a notice to be published in the form and manner prescribed by law.

SECTION 2: July 17, 2019, at the hour of 5:00 p.m., at the office of the District, 201 Vallecitos de Oro, San Marcos, California, is fixed as the time and place for the hearing on the report required by law.

SECTION 3: Sewer service fees for properties that connect to the District's sewer system after the foregoing report is prepared, or properties connected to the system that are not included in the report for any reason, shall be billed to the property owners directly by Vallecitos Water District in accordance with rules and regulations established by ordinance of the District.

SECTION 4: Sewer service fees for properties that are not on the tax roll shall be billed to the property owners directly by Vallecitos Water District in accordance with rules and regulations established by ordinance of the District.

SECTION 5: Sewer service fees for fiscal year July 1, 2019, to June 30, 2020, may be paid directly to Vallecitos Water District in advance on or before August 1, 2019, and each calendar year thereafter.

SECTION 6: This resolution is adopted pursuant to Health and Safety Code Sections 5471 and 5473 to be effective immediately upon its adoption and its provisions shall supersede any conflicting provisions of existing ordinances, resolutions, rules, or regulations of the District.

PASSED AND ADOPTED by the Board of Directors of the Vallecitos Water District at a regular meeting held on this 19th day of June 2019, by the following roll call vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST:

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

Glenn Pruijm, Secretary
Board of Directors
Vallecitos Water District

DATE: JUNE 19, 2019
TO: BOARD OF DIRECTORS
SUBJECT: ADOPT THE MEMORANDUM OF UNDERSTANDING WITH THE EMPLOYEES' ASSOCIATION FOR FISCAL YEARS 2019/20, 20/21, 21/22, 22/23; ESTABLISH TERMS AND CONDITIONS OF EMPLOYMENT FOR MANAGEMENT AND CONFIDENTIAL EMPLOYEES; AND APPROVE THE PAY SCHEDULE

BACKGROUND:

Negotiations on a new Memorandum of Understanding (MOU) were initiated by the Employee Association in February 2019, resulting in the proposed MOU presented for consideration. Separate action is required for ten (10) management and confidential employees who will be excluded from the Employee Association and not covered by the new MOU. The FY 19/20 budget adopted on June 13, 2019 included the costs to implement the MOU and other staffing changes as detailed below.

DISCUSSION:

The following items were authorized by the Board as part of the negotiations and were considered and included in the MOU:

Effective Date:	7/1/19–6/30/23; 4 Year MOU Fiscal Years 19/20 through 22/23
Renegotiation:	Initiate no sooner than 11/1/22; begin no later than 11/15/22; first proposal no later than 1/31/23
COLA Cap:	COLA provided each July of MOU for Fiscal Years 20/21 through 22/23 based on SD CPI-U up to 3.0%
COLA FY19/20:	3.7% COLA & lump sum bonus equal to 8 pay periods of 3.7%
Medical:	Base medical contributions provided with 7.5% annual escalation
Holiday:	Continue to provide three 9-hour floating holidays per fiscal year
Class/Comp Study:	2018 results not implemented; 2022 study may be requested
Deferred Comp:	Up to \$2,000 per year matching funds
Vacation Sell Back:	May elect 2x a year to sell back up to 80 hours if conditions met
Overtime:	2-hour minimum for call outs/call backs (physical response only)
Unit Modification:	Exclude management and confidential positions from unit
Sick Leave Cap:	1040 hours or personal cap if higher balance as of June 30, 2019; automatic cash out above cap, 1 hour pay for 2 hours sick leave
Vacation Cap:	Max of 2x annual accrual or 240 hours, whichever is greater
Vacation Accrue:	Higher annual accrual for external candidates max 120 hours/year
Flex Spending:	Voluntary pre-tax employee contributions for eligible expenses
Opener:	Modify or revise if severe or potentially crippling financial situation
Handbook:	Updated and presented to Board within 90 days of MOU approval

Effective July 1, 2019, management and confidential employees will no longer be members of the Employee Association as a result of the bargaining unit modification

indicated above. Staff recommends management and confidential employees be provided the same salary and benefits changes as the Board is considering for the represented employees and that the management and confidential employees continue to be subject to all other terms and conditions of employment in the District's Employee Handbook. When the Employee Handbook is updated after MOU approval, other minor changes may be made such as allowing managers to claim mileage reimbursement for travel within San Diego County, under the same terms as other employees, subject to certain conditions (number of miles roundtrip and use of District vehicle preferred).

The FY 19/20 budget included the following position changes:

Retitle Control Systems Technician to Control Systems Specialist
Retitle Financial Analyst to Principal Financial Analyst
New Classification/Additional FTE for Asset Management Supervisor

An additional position change is proposed to reclassify a Purchasing and Warehouse Supervisor position to Senior Purchasing Specialist as the result of a reorganization splitting warehouse and purchasing responsibilities. Warehouse responsibilities were recently reassigned to the Operations and Maintenance Department. Purchasing responsibilities remain with the Finance Department.

The above position changes are included with the revisions to the District's Personnel Classification and Annual Pay Schedule implementing the 3.7% COLA per the terms of the MOU, effective July 12, 2019.

FISCAL IMPACT:

Approval of the MOU with same salary and benefit changes to management and confidential employees, results in an increase of \$86,100 in salaries and \$200,900 in benefits for FY 19/20 which were included in the budget adopted on June 13, 2019.

Savings of \$9,000 in salary and \$2,000 in benefits from the additional position reclassification.

RECOMMENDATIONS:

Approve Resolution to 1) adopt the MOU with the VWD Employees' Association covering the general employees' unit of representation; 2) establish terms and conditions of employment for management and confidential employees; 3) approve the position reclassification for Purchasing and Warehouse Supervisor to Senior Purchasing Specialist; and 4) approve the pay schedule.

ATTACHMENTS:

1. Resolution with Exhibits A and B
2. Memorandum of Understanding
3. Salary Schedule effective July 12, 2019

RESOLUTION NO.

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
VALLECITOS WATER DISTRICT
ADOPTING THE MEMORANDUM OF UNDERSTANDING WITH THE EMPLOYEES'
ASSOCIATION FOR FISCAL YEARS 2019/20, 20/21, 21/22, 22/23; ESTABLISHING
TERMS AND CONDITIONS OF EMPLOYMENT FOR MANAGEMENT AND
CONFIDENTIAL EMPLOYEES; AND APPROVING THE PAY SCHEDULE**

WHEREAS, pursuant to the provisions of the Meyers Milias Brown Act, the Vallecitos Water District (District) and the Vallecitos Water District Employees Association (Association) met and conferred on issues involving wages, hours, and working conditions and reached a four-year agreement which is effective on July 1, 2019, and ends June 30, 2023, the terms of which are set forth in a Memorandum of Understanding (MOU); and

WHEREAS, the above referenced MOU excludes Management and Confidential employees from the Association effective July 1, 2019, but the Board intends to provide the same salary and benefits changes for Management and Confidential employees and to continue to provide the same terms and conditions of employment to the Management and Confidential employees, as set forth in the rules and regulations of the District; and

WHEREAS, the Board of Directors approved authorized positions and position changes in the budget for Fiscal Year 2019/20; and

WHEREAS, the Board of Directors desires to approve the position reclassification of Purchasing and Warehouse Supervisor to Senior Purchasing Specialist; and,

WHEREAS, to comply with CalPERS regulations, the Board is required to publicly approve a District pay schedule, and the District Pay Schedule has been amended to incorporate the agreed upon terms of the MOU, and also to apply the same increases for Management and Confidential employees;

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

SECTION 1: MEMORANDUM OF UNDERSTANDING. The Board of Directors does hereby adopt the Memorandum of Understanding between the Vallecitos Water District and the Vallecitos Water District Employees' Association Covering the Employees' Unit of Representation for Fiscal Years 2019/20, 2020/21, 2021/22, and 2022/23 as approved on June 4, 2019, by the Employees Association, attached hereto as Exhibit "A"; and,

SECTION 2: MANAGEMENT AND CONFIDENTIAL EMPLOYEES. The Board of Directors does hereby approve and adopt rules, regulations, and procedures, salary ranges and other conditions of employment for Management and Confidential Employees.

Management and Confidential employees include employees who occupy the following classifications:

Management Classifications

Administrative Services Manager
Assistant General Manager
District Engineer
Finance Manager
General Manager
Operations and Maintenance Manager

Confidential Classifications

Administrative Secretary
Executive Secretary
Principal Financial Analyst
Human Resources Analyst

Except as otherwise indicated in the General Manager’s employment contract with the Board, Management and Confidential employees shall be subject to all other terms and conditions of employment in the Vallecitos Water District Employee Handbook including the salary and benefit changes contained in the MOU for Fiscal Years 2019/20, 2020/21, 2021/22, and 2022/23.

SECTION 3: DISTRICT PAY SCHEDULE. The Board of Directors does hereby approve and adopt the Vallecitos Water District Personnel Classification and Annual Pay Schedule, attached hereto as Exhibit “B”.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Vallecitos Water District at a regular meeting held on the 19th day of June, 2019 by the following roll call vote:

- AYES:
- NOES:
- ABSTAIN:
- ABSENT:

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

ATTEST:

Glenn Pruum, Secretary
Board of Directors
Vallecitos Water District

EXHIBIT "A"

**MEMORANDUM OF UNDERSTANDING BETWEEN
THE VALLECITOS WATER DISTRICT
AND
THE VALLECITOS WATER DISTRICT EMPLOYEES' ASSOCIATION
COVERING THE EMPLOYEES' UNIT OF REPRESENTATION
FOR FY 2019/20, FY 2020/21, FY 2021/22 AND FY 2022/23**

This Memorandum of Understanding (MOU) between the Vallecitos Water District (District) and the Vallecitos Water District Employees Association (Association) is made after meeting and conferring in good faith on wages, benefits and other terms and conditions of employment that cover the employees in the general employees' unit of representation excluding management and confidential employees as provided below. It is also understood that this MOU does not modify or change any previously negotiated MOU's and agreed upon benefits or items unless expressly identified and modified in this MOU.

This MOU constitutes a mutual recommendation to be submitted to the District's Board of Directors and shall not be binding upon the parties' hereto in whole or in part unless and until said Board of Directors formally approves said MOU.

IT IS AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

I. EFFECTIVE DATE: The provisions of this MOU shall be effective July 1, 2019, except as otherwise specified in this MOU, and shall remain in effect until June 30, 2023.

II. RENEGOTIATION: In accordance with Government Code Section 3505, either party may initiate good faith negotiations of a successor MOU. Either party shall serve upon the other no sooner than November 1, 2022, its written request to commence negotiations. Upon receipt of such written notice, negotiations shall begin thereafter no later than November 15, 2022. A first written proposal shall be served upon the other no later than January 31, 2023.

III. COST OF LIVING SALARY ADJUSTMENT (COLA): The Cost of Living Salary Adjustment (COLA) for each fiscal year of the MOU shall be based on the San Diego Consumer Price Index for All Urban Consumers (CPI-U), percent change for the second half of the preceding calendar year, subject to the caps and terms set forth below. If the percent change of the CPI-U for Fiscal Year's 2020/21, and 2021/22, is greater than the COLA caps specified below, the percentage amount over the cap shall roll over to the next year(s) and shall be added to the CPI-U for the next year to determine the COLA, as long as the total COLA does not exceed the year's cap. The rollover shall not be limited to the next Fiscal Year and may aggregate over the term of the MOU. This provision is in effect only during the term of this MOU, and no rollover of CPI-U/COLA will occur upon the expiration of this MOU. If the designated CPI-U is not available for use during the term of the MOU, the parties agree to meet and confer over the index to be used to determine COLA.

A. Fiscal Year 2019/20: The District shall provide a COLA of 3.7% based on CPI-U and a one-time non-PERSable lump sum bonus in an amount equal to 8 pay periods of 3.7% of employees' salary. The FY 2019/20 COLA of 3.7% and the lump sum bonus shall be effective the beginning of the first full pay period in July 2019 and shall be paid on the pay date for that pay period.

B. Fiscal Year 2020/21: Effective the beginning of the first full pay period in July 2020, the District shall provide a COLA in an amount not to exceed 3.0%.

C. Fiscal Year 2021/22: Effective the beginning of the first full pay period in July 2021, the District shall provide a COLA in an amount not to exceed 3.0%.

D. Fiscal Year 2022/23: Effective the beginning of the first full pay period in July 2022, the District shall provide a COLA in an amount not to exceed 3.0%.

IV. BASE MEDICAL CONTRIBUTIONS: Base medical contributions shall be provided by the District for all eligible employees as shown in **Table 1** below.

Calendar Year	Base Medical Contributions – Table 1				
	Current 2019	2020	2021	2022	2023
Individual	\$743	\$799	\$859	\$923	\$992
Couple	\$1,471	\$1,581	\$1,700	\$1,828	\$1,965
Family	\$2,075	\$2,231	\$2,398	\$2,578	\$2,771

The monthly contributions shown in **Table 1**, include an annual 7.5% escalation effective January 1 of each year through June 30, 2023, and establish the monthly maximum the District will pay on behalf of the employee. If premiums increase beyond those established in **Table 1**, the employee shall be responsible for the additional costs as a monthly payroll deduction.

V. FLOATING HOLIDAYS: The District shall continue to provide three (3) nine-hour floating holidays per fiscal year.

VI. CLASSIFICATION AND COMPENSATION STUDY: The results of the 2018 Classification and Compensation Study shall not be implemented and no salary adjustments from the 2018 study shall be made. A new Classification and Compensation study for 2022 shall not be required; however, the District reserves the right to conduct a study prior to January 2023, with the goal of being completed prior to initiation of negotiations for a successor MOU. The Employee Association also reserves the right to request the District to conduct a new study, which must be submitted prior to February 28, 2022, to allow the District time to budget for and conduct the study. If a new study is conducted, the salary recommendations shall be based on 103% of the market average. The results of the study shall not be required to be implemented.

VII. DEFERRED COMPENSATION MATCH: The District shall provide a matching contribution beginning the first full pay period in July 2019, as noted below for employees that participate in and contribute to a 457 Deferred Compensation Plan. The District shall provide contributing funds per pay period up to the maximum noted below:

After the required introductory employment period, the District shall contribute matching funds up to \$2,000 per year during the term of this MOU for each employee that participates in

the 457 Plan. Eligible employees must have contributed matching funds during the calendar year.

VIII. VACATION SELL BACK: The vacation sell back policy will be revised to comply with IRS regulations as follows: Employees shall be allowed to sell back up to 80 hours of vacation time each calendar year provided they meet the following requirements (1) the employee has used a minimum of one week's vacation (40-hours) in the 12 month period prior to the cash out, or if otherwise approved by the General Manager at his discretion, and (2) the election is made on a timely basis. Vacation sell back will occur twice a year, once in June and once in December. The election to cash out in June shall be considered timely if it is delivered to the Payroll department on or before the last day the District's Payroll department is open during December of the preceding calendar year. The election to cash out in December shall be considered timely if it is delivered to the Payroll department on or before the last day the District's Payroll department is open in June of the year in which the leave will be cashed out. The vacation time elected to be cashed out shall be included in the employee's last paycheck in June or December, depending on the designated cash out date. The amount cashed out shall be limited to the leave accrued and unused during the half of the year from which the vacation will be cashed out (January through June, or July through December), as of the date of payment. Elections do not carry-forward and must be made semi-annually.

In addition, employees may be permitted to cash out additional vacation based upon a hardship, at the General Manager's discretion and in accordance with IRS restrictions and District Policy.

IX. OVERTIME FOR CALL OUTS: Employees shall be paid for call outs/call backs at their overtime rate until the employee is released from work or starts their regular shift, whichever occurs first, with a minimum call back/call out pay of 2 hours. The 2-hour minimum does not apply to SCADA response at home or phone calls. Employees will be compensated for actual travel time from/to their residence, up to 30 minutes each way, which is included in the 2-hour minimum.

X. BARGAINING UNIT MODIFICATION: The bargaining unit is modified to exclude management and confidential positions (currently 6 managers and 4 Administrative staff – 2 secretaries, 1 HR Analyst, and 1 Financial Analyst) from the VWD Employees' Association. Employees in these positions will no longer be members of the Association effective July 1, 2019.

XI. SICK LEAVE CAP: New employees, and current employees with a sick leave balance of less than or equal to 1040 hours as of June 30, 2019, shall have a sick leave balance cap of 1040 hours. Employees with a sick leave balance greater than 1040 hours as of June 30, 2019, shall have their sick leave balance cap set at the number of hours accrued as of June 30, 2019. All employees will continue to accrue sick leave at the rate specified in the Employee Handbook, up to the sick leave balance cap. Once employees have reached their sick leave cap, additional sick leave accrual will automatically be cashed out at a ratio of one hour of pay for every two hours of sick leave time, based on their hourly rate at the time of cash out. The timing of the cash out will be determined by District Finance staff but in no case shall the cash out extend beyond the end of each Fiscal Year.

Exhibit B

VALLECITOS WATER DISTRICT PERSONNEL CLASSIFICATION AND ANNUAL PAY SCHEDULE

Effective at noon on 7/12/2019

POSITION/TITLE	EXPERIENCE STEPS							LONGEVITY	
	A	B	C	D	E	F	G	H	I
Accounting Supervisor	94,416	99,137	104,094	109,298	114,763	120,501	126,528	132,864	139,500
Accounting Technician	57,972	60,871	63,914	67,110	70,465	73,989	77,676	81,564	85,644
Administrative Secretary	65,484	68,758	72,196	75,806	79,596	83,576	87,756	92,148	96,756
Administrative Services Manager	142,944	150,091	157,596	165,476	173,749	182,437	191,568	201,144	211,200
Applications Specialist I	75,804	79,594	83,574	87,753	92,140	96,747	101,592	106,668	112,008
Applications Specialist II	89,928	94,424	99,146	104,103	109,308	114,773	120,504	126,528	132,864
Asset Management Supervisor	96,756	101,594	106,673	112,007	117,608	123,488	129,660	136,140	142,944
Assistant General Manager	165,480	173,754	182,442	191,564	201,142	211,199	221,760	232,848	244,488
Building and Grounds Worker	40,200	42,210	44,321	46,537	48,863	51,307	53,880	56,568	59,400
Capital Facilities Coordinator	73,980	77,679	81,563	85,641	89,923	94,419	99,144	104,100	109,308
Capital Facilities Engineer	92,148	96,755	101,593	106,673	112,006	117,607	123,480	129,660	136,140
Capital Facilities Senior Engineer	106,668	112,001	117,601	123,482	129,656	136,138	142,944	150,096	157,596
Cashier / Receptionist	46,536	48,863	51,306	53,871	56,565	59,393	62,364	65,484	68,760
CMMS Planner	68,760	72,198	75,808	79,598	83,578	87,757	92,148	96,756	101,592
Construction Inspection Supervisor	81,564	85,642	89,924	94,421	99,142	104,099	109,308	114,768	120,504
Construction Inspector I	60,864	63,907	67,103	70,458	73,981	77,680	81,564	85,644	89,928
Construction Inspector II	70,464	73,987	77,687	81,571	85,649	89,932	94,416	99,144	104,100
Construction Supervisor	81,564	85,642	89,924	94,421	99,142	104,099	109,308	114,768	120,504
Construction Worker I	47,688	50,072	52,576	55,205	57,965	60,863	63,912	67,104	70,464
Construction Worker II	55,212	57,973	60,871	63,915	67,111	70,466	73,980	77,676	81,564
Control Systems Specialist	75,804	79,594	83,574	87,753	92,140	96,747	101,592	106,668	112,008
Customer Service Representative I	45,420	47,691	50,076	52,579	55,208	57,969	60,864	63,912	67,104
Customer Service Representative II	51,312	53,878	56,571	59,400	62,370	65,489	68,760	72,204	75,804
Customer Service Representative III	53,880	56,574	59,403	62,373	65,491	68,766	72,204	75,804	79,596
Customer Service Supervisor	75,804	79,594	83,574	87,753	92,140	96,747	101,592	106,668	112,008
Development Services Coordinator	75,804	79,594	83,574	87,753	92,140	96,747	101,592	106,668	112,008
Development Services Senior Engineer	106,668	112,001	117,601	123,482	129,656	136,138	142,944	150,096	157,596
District Engineer	146,484	153,808	161,499	169,574	178,052	186,955	196,296	206,112	216,420
Electrical/Instrumentation Technician	72,204	75,814	79,605	83,585	87,764	92,153	96,756	101,592	106,668
Engineering Technician I	55,212	57,973	60,871	63,915	67,111	70,466	73,980	77,676	81,564
Engineering Technician II	63,912	67,108	70,463	73,986	77,685	81,570	85,644	89,928	94,416
Engineering Technician III	73,980	77,679	81,563	85,641	89,923	94,419	99,144	104,100	109,308
Executive Secretary	79,596	83,576	87,755	92,142	96,749	101,587	106,668	112,008	117,600
Facility Locator	60,864	63,907	67,103	70,458	73,981	77,680	81,564	85,644	89,928
Finance Assistant	51,312	53,878	56,571	59,400	62,370	65,489	68,760	72,204	75,804
Finance Manager	142,944	150,091	157,596	165,476	173,749	182,437	191,568	201,144	211,200
General Manager	256,428	256,428	256,428	256,428	256,428	256,428	256,428	256,428	256,428
GIS/CADD Technician	62,364	65,482	68,756	72,194	75,804	79,594	83,580	87,756	92,148
Human Resources Analyst	70,464	73,987	77,687	81,571	85,649	89,932	94,416	99,144	104,100
Information Technology Supervisor	101,592	106,672	112,005	117,605	123,486	129,660	136,140	142,944	150,096
Information Technology Technician	68,760	72,198	75,808	79,598	83,578	87,757	92,148	96,756	101,592
Landscape Maintenance Worker I	46,536	48,863	51,306	53,871	56,565	59,393	62,364	65,484	68,760
Landscape Maintenance Worker II	51,312	53,878	56,571	59,400	62,370	65,489	68,760	72,204	75,804

VALLECITOS WATER DISTRICT PERSONNEL CLASSIFICATION AND ANNUAL PAY SCHEDULE

Effective at noon on 7/12/2019

POSITION/TITLE	EXPERIENCE STEPS							LONGEVITY	
	A	B	C	D	E	F	G	H	I
Mechanic	59,400	62,370	65,489	68,763	72,201	75,811	79,596	83,580	87,756
Mechanical/Electrical Supervisor	83,580	87,759	92,147	96,754	101,592	106,672	112,008	117,600	123,480
Mechanical Maintenance Worker I	51,312	53,878	56,571	59,400	62,370	65,489	68,760	72,204	75,804
Mechanical Maintenance Worker II	59,400	62,370	65,489	68,763	72,201	75,811	79,596	83,580	87,756
Meter Service Supervisor	75,804	79,594	83,574	87,753	92,140	96,747	101,592	106,668	112,008
Meter Service Worker I	45,420	47,691	50,076	52,579	55,208	57,969	60,864	63,912	67,104
Meter Service Worker II	52,572	55,201	57,961	60,859	63,902	67,097	70,464	73,980	77,676
Operations and Maintenance Assistant	51,312	53,878	56,571	59,400	62,370	65,489	68,760	72,204	75,804
Operations and Maintenance Manager	142,944	150,091	157,596	165,476	173,749	182,437	191,568	201,144	211,200
Principal Financial Analyst	89,928	94,424	99,146	104,103	109,308	114,773	120,504	126,528	132,864
Public Information Representative	72,204	75,814	79,605	83,585	87,764	92,153	96,756	101,592	106,668
Public Information/Conservation Supervisor	85,644	89,926	94,423	99,144	104,101	109,306	114,768	120,504	126,528
Pump and Motor Technician I	59,400	62,370	65,489	68,763	72,201	75,811	79,596	83,580	87,756
Pump and Motor Technician II	68,760	72,198	75,808	79,598	83,578	87,757	92,148	96,756	101,592
Purchasing/Warehouse Assistant	56,568	59,396	62,366	65,485	68,759	72,197	75,804	79,596	83,580
Risk Management Supervisor	94,416	99,137	104,094	109,298	114,763	120,501	126,528	132,864	139,500
Safety Technician	65,484	68,758	72,196	75,806	79,596	83,576	87,756	92,148	96,756
Senior Accountant	72,204	75,814	79,605	83,585	87,764	92,153	96,756	101,592	106,668
Senior Construction Worker	63,912	67,108	70,463	73,986	77,685	81,570	85,656	89,928	94,416
Senior Customer Service Representative	57,972	60,871	63,914	67,110	70,465	73,989	77,676	81,564	85,644
Senior Pump and Motor Technician	73,980	77,679	81,563	85,641	89,923	94,419	99,144	104,100	109,308
Senior Purchasing Specialist	68,760	72,198	75,808	79,598	83,578	87,757	92,148	96,756	101,592
Senior Wastewater Collections Systems Worker	60,864	63,907	67,103	70,458	73,981	77,680	81,564	85,644	89,928
Senior Wastewater Treatment Plant Operator	73,980	77,679	81,563	85,641	89,923	94,419	99,144	104,100	109,308
Senior Water Systems Operator	70,464	73,987	77,687	81,571	85,649	89,932	94,416	99,144	104,100
Source Control Technician	63,912	67,108	70,463	73,986	77,685	81,570	85,656	89,928	94,416
Systems Administrator	81,564	85,642	89,924	94,421	99,142	104,099	109,308	114,768	120,504
Valve Maintenance Technician	60,864	63,907	67,103	70,458	73,981	77,680	81,564	85,644	89,928
Warehouse Assistant I	46,536	48,863	51,306	53,871	56,565	59,393	62,364	65,484	68,760
Warehouse Assistant II	53,880	56,574	59,403	62,373	65,491	68,766	72,204	75,804	79,596
Wastewater Collection Systems Supervisor	81,564	85,642	89,924	94,421	99,142	104,099	109,308	114,768	120,504
Wastewater Collection Systems Worker II	46,536	48,863	51,306	53,871	56,565	59,393	62,364	65,484	68,760
Wastewater Collection Systems Worker II	53,880	56,574	59,403	62,373	65,491	68,766	72,204	75,804	79,596
Wastewater Treatment Plant Operator I	53,880	56,574	59,403	62,373	65,491	68,766	72,204	75,804	79,596
Wastewater Treatment Plant Operator II	62,364	65,482	68,756	72,194	75,804	79,594	83,580	87,756	92,148
Wastewater Treatment Plant Supervisor	87,756	92,144	96,751	101,589	106,668	112,001	117,600	123,480	129,660
Water Systems Operator I	53,880	56,574	59,403	62,373	65,491	68,766	72,204	75,804	79,596
Water Systems Operator II	62,364	65,482	68,756	72,194	75,804	79,594	83,580	87,756	92,148
Water Systems Supervisor	87,756	92,144	96,751	101,589	106,668	112,001	117,600	123,480	129,660