

AGENDA FOR A REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE VALLECITOS WATER DISTRICT  
WEDNESDAY, OCTOBER 16, 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 OCTOBER 16, 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.

CONSENT CALENDAR

1.1 APPROVAL OF MINUTES (pp. 5-16)

- A. ENGINEERING/EQUIPMENT COMMITTEE MEETING – OCTOBER 1, 2019
- B. CLOSED SESSION BOARD MEETING – OCTOBER 2, 2019
- C. REGULAR BOARD MEETING – OCTOBER 2, 2019

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

**Recommendation:            Approve Minutes**

- 1.2 WARRANT LIST THROUGH OCTOBER 16, 2019 – \$763,611.50 (pp. 17-20)

**Recommendation: Approve Warrant List**

- 1.3 FINANCIAL REPORTS (pp. 21-43)

- A. WATER METER COUNT – SEPTEMBER 30, 2019
- B. WATER PRODUCTION/SALES REPORT – 2019/2020
- C. QUARTERLY FINANCIAL REPORT – SEPTEMBER 30, 2019
- D. PER CAPITA WATER CONSUMPTION – SEPTEMBER 30, 2019
- E. WATER REVENUE AND EXPENSE REPORT – SEPTEMBER 30, 2019
- F. SEWER REVENUE AND EXPENSE REPORT – SEPTEMBER 30, 2019
- G. RESERVE FUNDS ACTIVITY – SEPTEMBER 30, 2019
- H. INVESTMENT REPORT – SEPTEMBER 30, 2019
- I. LEGAL FEES SUMMARY – SEPTEMBER 30, 2019

- 1.4 ADOPTION OF RESOLUTION ORDERING THE ANNEXATION OF CERTAIN PROPERTY DESIGNATED AS THE “CHESUS ANNEXATION” (APN 222-042-14) INTO THE VALLECITOS WATER DISTRICT SEWER IMPROVEMENT DISTRICTS 1, 2 & 6 (pp. 44-51)

*The property is located at 1541 Rancho Santa Fe Road north of Calle Venado between Brighton Glen Road and Island Drive in the City of San Marcos.*

**Recommendation: 1) Approve Sewer Annexation; 2) Waive District Annexation Fees; and 3) Adopt Resolution**

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

ACTION ITEMS

- 2.1 SENATE BILL 555 BY SENATOR LOIS WOLK (D-DAVIS) – URBAN RETAIL WATER SUPPLIERS: WATER LOSS MANAGEMENT (pp. 52-65)

*Urban water suppliers are required to submit a completed and validated water loss audit annually to the California Department of Water Resources.*

**Recommendation: For information only**

- 2.2 END OF FY 18-19 CAPITAL PROJECTS SUMMARY (pp. 66-67)

**Recommendation: For information only**

2.3 ACWA ELECTION OF OFFICERS (pp. 68-70)

*Election of ACWA President and Vice President will be conducted at the ACWA General Session Membership Meeting on December 4, 2019.*

**Recommendation: Request Board direction on Board member authorized to vote on behalf of the District**

**\*\*\*\*\*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 QUARTERLY BOARD EXPENSES (pp. 71-73)

**Recommendation: For Information Only**

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

5.1 DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

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

6.1 ADJOURNMENT

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

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

Audio and video recordings of all Board meetings are available to the public at the District website [www.vwd.org](http://www.vwd.org)

AFFIDAVIT OF POSTING

I, Diane Posvar, Executive Secretary of the Vallecitos Water District, hereby certify that I caused the posting of this Agenda in the outside display case at the District office, 201 Vallecitos de Oro, San Marcos, California by 5:00 p.m., Friday, October 11, 2019.

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



MINUTES OF A MEETING OF THE  
ENGINEERING/EQUIPMENT COMMITTEE  
OF THE VALLECITOS WATER DISTRICT  
TUESDAY, OCTOBER 1, 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 Pruim  
                              District Engineer Gumpel  
                              Capital Facilities Senior Engineer Morgan  
                              Development Services Senior Engineer Scholl  
                              Capital Facilities Engineer Santos  
                              Administrative Secretary Johnson

ITEMS FOR DISCUSSION

CIP YEAR END

District Engineer Gumpel briefly reviewed where information pertaining to Capital Improvement Program (CIP) projects can be found on the District's website, including change orders, completed projects, outstanding issues, and financial data. Staff provided a presentation on the 2018/2019 End of the Year Report/4<sup>th</sup> Quarter Update as follows:

- 2018/2019 Project Summary
- Projected vs. Actual
- Change Order Total vs. Industry Standard
- Actual District Change Order Cost Based on Ordinance No. 146
- 2018/2019 4<sup>th</sup> Quarter Photos
  - Rock Springs Sewer Replacement
  - Rock Springs Sewer Replacement Site Restoration
  - Palos Vista Pump Station Electric Generator
  - School House Tank Refurbishment
- CIP 2018/2019 End of the Year Report

District Engineer Gumpel stated there are several projects in design/construction that are ready to bid. Capital Facilities Engineer Santos stated the Rock Springs Sewer Replacement, Palos Vista Pump Station Electric Generator and School House Tank Refurbishment projects are currently in construction and should be completed within the second quarter.

## DEVELOPMENT PROJECTS UPDATE

Development Services Senior Engineer Scholl reviewed development projects currently under construction, in plan check, and in design/planning as of June 2019. A map indicating where the projects are located was provided to the Committee. Projects in design/planning may never be built, but the District is aware of them.

General discussion took place regarding the capital facilities fee increase and how many projects in plan check are less than 90 days away from being approved. Development Services Senior Engineer Scholl stated most of the projects on the list are far enough along that they could be approved. District Engineer Gumpel stated portions of the San Marcos Highlands project would be the exception as it has not been annexed yet and is awaiting LAFCO's decision.

## DISTRICT-WIDE SOLAR

District Engineer Gumpel facilitated a presentation on the Request for Proposal (RFP) status review for the Solar Power Purchase Agreement (PPA) Project which included the following:

- RFP Goals
- Summary of Interest
- Evaluation Criteria
- Summary of Findings
- Lift Station 1
- Twin Oaks Reservoir
- Interviews, Best and Final Offer, and Next Steps

District Engineer Gumpel stated the District's consultant, TerraVerde, evaluated RFP responses received from five firms, considering criteria such as cost, sizing, financial wherewithal, experience, compliance to form agreements, added value alternatives, and realistic and complete project plans.

District Engineer Gumpel discussed the two proposed sites, Lift Station 1 and Twin Oaks Reservoir. At Lift Station 1, approximately 600 south facing modules would take up a significant amount of the useable space at that site. At the Twin Oaks Reservoir site, a much larger system than the one proposed at Lift Station 1 would consist of approximately 4,800 south facing modules.

District Engineer Gumpel stated that three of the five firms interviewed with staff and TerraVerde on September 19, and best and final offers were received on September 26. TerraVerde recommended moving forward with Performance Contracting Inc. into contract negotiations; however, differences in PPA term length, new SDG&E Time of Usage rates, and energy production values require a new savings analysis be completed. Staff anticipates TerraVerde will present a full cost analysis to the Board at either the October 16 or November 6 Board meeting for their consideration of whether to move forward with the project, and if so, to select a vendor.

SAN MARCOS INTERCEPTOR

Capital Facilities Senior Engineer Morgan presented an update on the San Marcos Interceptor Phase II Pre-Bid Phase as follows:

- Project Corridor and Summary
- Schedule Forecast
- Budget Update

District Engineer Gumpel stated construction will be done at night as required by the City of San Marcos.

Capital Facilities Senior Engineer Morgan stated the construction management contract was advertised in September and the construction contract will be advertised in October. Bid opening for both should occur in November. Award of the construction management contract is anticipated in November/December with the award for the construction contract following in December. Staff anticipates construction to begin in February 2020 and to be completed in November 2020.

Capital Facilities Senior Engineer Morgan stated the original budget for the project was \$7,540,000 and he reviewed the items included in the budget. The revised budget is estimated to be \$8,477,500 with a budget shortfall of \$937,500 depending on how the actual numbers come in, especially the Engineer's Construction Estimate.

OTHER BUSINESS

None.

PUBLIC COMMENT

None.

ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at the hour of 4:27 p.m.

MINUTES OF A CLOSED SESSION MEETING  
OF THE BOARD OF DIRECTORS  
OF THE VALLECITOS WATER DISTRICT  
WEDNESDAY, OCTOBER 2, 2019, AT 4:00 PM AT THE DISTRICT OFFICE,  
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

President Martin called the Closed Session meeting to order at the hour of 4:00 p.m.

Director Sannella led the pledge of allegiance.

Present: Director Elitharp  
Director Hernandez  
Director Sannella  
Director Martin

Absent: Director Evans

Staff Present: General Manager Pruum  
Legal Counsel Gilpin  
Principal Engineer  
Executive Secretary Posvar

ADOPT AGENDA FOR THE CLOSED SESSION MEETING OF SEPTEMBER 18, 2019

19-10-01 MOTION WAS MADE by Director Hernandez, seconded by Director Sannella, and carried unanimously, with Director Evans absent, to adopt the agenda for the Closed Session Meeting of October 2, 2019.

PUBLIC COMMENT

None.

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: One (1) potential case.

19-10-02 MOTION WAS MADE by Director Sannella, seconded by Director Hernandez, and carried unanimously, with Directors Evans absent, to move into Closed Session pursuant to Government Code Section 54956.9: One (1) potential case.

REPORT AFTER CLOSED SESSION

The Board reconvened to Open Session at 4:36 p.m. There was no reportable action from the Closed Session Meeting.

ADJOURNMENT

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

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, October 16, 2019 at 5:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.

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

ATTEST:

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Glenn Pruijm, Secretary  
Board of Directors  
Vallecitos Water District

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE VALLECITOS WATER DISTRICT  
WEDNESDAY, OCTOBER 2, 2019, AT 5:00 PM AT THE DISTRICT OFFICE,  
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

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

Director Hernandez led the pledge of allegiance.

Present: Director Elitharp  
Director Hernandez  
Director Sannella  
Director Martin

Absent: Director Evans

Staff Present: General Manager Pruim  
Legal Counsel Gilpin  
District Engineer Gumpel  
Finance Manager Owen  
Operations & Maintenance Manager Pedrazzi  
Development Services Senior Engineer Scholl  
Capital Facilities Senior Engineer Morgan  
Financial Analyst Arthur  
Executive Secretary Posvar

ADOPT AGENDA FOR THE REGULAR MEETING OF OCTOBER 2, 2019

19-10-01 MOTION WAS MADE by Director Hernandez, seconded by Director Sannella, and carried unanimously, with Director Evans absent, to adopt the agenda for the Regular Board Meeting of October 2, 2019.

PUBLIC COMMENT

None.

CONSENT CALENDAR

19-10-02 MOTION WAS MADE by Director Hernandez, seconded by Director Elitharp, and carried unanimously, with Director Evans absent, to approve the Consent Calendar as presented.

1.1 Approval of Minutes

- A. Regular Board Meeting – September 4, 2019
- B. Closed Session Board Meeting – September 18, 2019
- C. Regular Board Meeting – September 18, 2019

- 1.2 Warrant List through October 2, 2019 - \$5,405,501.86
- 1.3 Final Acceptance of Water and Sewer Improvements for Rancho Coronado MU-4 Phase 1, APN(s) 222-170-36, 222-170-37 & 222-190-17 (Brookfield Homes Rancho Coronado, LLC)
- 1.4 Final Acceptance of Water and Sewer Improvements for Rancho Coronado MU-4 Phase 2, APN(s) 222-170-36, 222-170-37 & 222-190-17 (Brookfield Homes Rancho Coronado, LLC)
- 1.5 Position Reclassification of Capital Facilities Coordinator to Capital Facilities Assistant Engineer.

### ACTION ITEMS

#### MODIFICATION OF WATER AND WASTEWATER CAPITAL FACILITY FEES

District Engineer Gumpel stated the District's current water fee is \$7,756 and the current sewer fee is just under \$10,000 with a combined total fee of \$17,700. A Board meeting was held on August 2 and comments were heard from the public, developers, and the BIA. A workshop was held on August 29 which more comments were heard, and staff went over the process and procedures of developing the Cap Fees as well as the legal framework. Staff considered what was received both in writing and from the workshop meetings of August 2<sup>nd</sup> and 29<sup>th</sup>. Staff used phases 1 through 4, which is the 20-year SANDAG projected growth over 20 years. There were certain pipes that extended beyond that 20-year timeframe as well as sewer treatment that are not in the fee. A 20-year timeframe of EDUs and the projects required to accommodate the new EDUs are what is included in the fee. The other item brought up within the Master Plan is existing deficiencies. Staff identified existing deficiencies on the District's existing infrastructure and backed that out of the fee. The result is an increase of approximately \$140 to just under \$7,900 for water and sewer fees from just under \$10,000, increased to just under \$13,000. The total combined fee for a single EDU went from approximately \$17,700 to \$20,800. Staff recommends adopting the fees as stated in the staff report. Implementation of the fee is recommendation for about a 60-day period. This has been past practice and would place implementation at December 1. There is a CEQA action of Notice of Decision included in the staff recommendation. Staff is requesting the Board adopt the fee and ordinance, and final recommendation on implementation.

Mike Hunsaker, President of Twin Oaks Property Owners Association, addressed the Board stating the citizens and ratepayers have been paying heavily for facilities that are in need and have to pay interest on the facilities built ahead of need. There hasn't been a real good explanation as to how the shortfall or deficit is calculated. As such, the needed data, analysis and nexus is not present. The nexus not only applies to developers not overpaying but also to ratepayers not overpaying. He looked at a 2007 finance CIP which indicated \$40 million for new development. How is this \$40 million going to be adjusted? It's being paid for in existing bonds now. He would like to know what the interest rate is going to be. There was

some discussion in the meetings on interest rates and there is a statement that you have settled on something. What exactly have you settled? Lastly, there is a question of how much new development is going in. There are three massive ones being considered – one being Newland. Creekside is finally getting pushed heavily and University District is ongoing. The SANDAG projections have been universally a shortfall as a consequence. The growth requirements have not been adequately met. What happens if Newland, University and Creekside all come in and you're all of a sudden very close to the 2040 buildout? This looks like a chance for new development to game the system that is being put in place. These factors need to be properly addressed.

President Martin requested staff address Mr. Hunsaker's concerns. Principal Engineer Gumpel addressed the Board indicating the shortfall is within the study itself. The shortfall in the proposed fee will pay with interest by the developers and paid by 2035. All projects mentioned, with the exception of Newland Sierra, are already considered in the Master Plan as well as the infrastructure.

Michael McSweeney, Senior Public Policy Advisor for the Building Industry Association, thanked the Board, General Manager and staff for working with the BIA. He is here to support staff's recommendation to the Board. He had asked that any new fees going into effect at the first of the year, James could give you an idea of what the ENR increase would be at the first of the year. But if going to do a \$3,163 increase now, if 4% would be a reasonable ENR adjustment, 4% would add another \$835 to the fee. Would prefer that anybody who has a project in the pipeline have enough time to be able to pay their fees ahead of time otherwise if you put off doing the next ENR adjustment, there are a couple of people who have projects that will come on right after the first of the year. He appreciated the way the District has changed things making it nice to work with District staff and have the dialogue.

Jim Simmons addressed the Board stating that several of the clients worked really hard through this process to try to get something that made sense to them and he thinks they arrived at a reasonable number. He appreciates staff's cooperation. For his project, The Highlands, it would be almost impossible to make their process happen by December 2<sup>nd</sup>, therefore requests that it be extended to January 2, 2020. Would appreciate it if the Board would make this change in the Ordinance.

Director Sannella thanked everyone involved in the process from the public who has participated, staff, and the development community. Anytime looking at an 18% increase at anything, a reasonable implementation one way is reasonable – 90 days feels reasonable to him.

Director Hernandez stated he is grateful and pleased that the system works. The cooperation with staff, management as well as the BIA and developers is appreciated. He recommended moving the implementation to January 2<sup>nd</sup>.

President Martin thanked everyone including those who were not present. He congratulated the Board on having an excellent General Manager, excellent staff, and is open and



transparent to everyone. He thanked staff for all their hard work. He also thanked the BIA for bringing up questions

19-10-03 MOTION WAS MADE by President Martin, seconded by Director Hernandez, and carried unanimously, with Director Evans absent, to approve the rates 90 days from October 2 which will be January 2.

Ordinance No. 213 - The roll call vote was as follows:

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

### EMERGENCY REPAIR OF 12-INCH WATER MAIN ON CAMPUS WAY AND BARHAM DRIVE

District Engineer Gumpel stated staff responded to a water main break at the intersection of Campus Way and Barham Drive on August 10<sup>th</sup>. After careful investigation, it was determined the main break was off a 12-inch diameter ductile iron pipe on Campus Water near SDG&E underground duct bank. The 12-inch DIP on Campus Way originates from a 12-inch asbestos concrete pipe off Barham Drive. Staff was able to isolate the 12-inch water main on Campus Way which limited the impacted customers to 3 water services. The 3 water services were provided with temporary water service shortly after the break and throughout the duration of the repair.

Cass Arrieta, the contracting company, was retained to perform the repair on the ruptured 12-inch DIP under the District's emergency purchasing policy. They were selected due to their previous performance with the District on emergency repairs and their ability to mobilize quickly. Cass Arrieta completed the repair and rehabilitation work in 6 working days. Operations staff assisted in the repair, locating the broken section of pipe and providing materials. Construction management and inspection was performed by District engineering staff. Soils consultant Christian Wheeler performed soils density testing to the compacted trench backfill, as required by the City. All final base paving has been completed. Ortiz Construction had been requested to pothole a recent nearby main installation as part of the initial investigation to find the main break.

19-10-04 MOTION WAS MADE by Director Sannella, seconded by Director Elitharp, and carried unanimously, with Director Evans absent, to approve payment to Cass Arrieta in the amount of \$51,680.27.

### SURPLUS PERSONAL PROPERTY LISTING

Finance Manager Owen stated the Personal Property Policy authorizes staff to accumulate and dispose of surplus property items through a public noticed sale, with the highest bid taking title and possession of the property. Staff has identified 5 vehicles with an estimated

value greater than \$1,000 which are no longer required for District operations. The vehicles have been replaced with new vehicles, all of which had been approved in adopted budgets.

19-10-04 MOTION WAS MADE by Director Hernandez, seconded by President Martin, and carried unanimously, with Director Evans absent, to approve the vehicles for disposal through public auction.

## REPORTS

### GENERAL MANAGER

General Manager Pruim stated the Water Academy is scheduled for Thursday, October 10 at 8:30 a.m.

District staff will be performing work tonight due to a fire hydrant being hit on San Marcos Blvd. at Grand Ave. The fire department responded and shut off the hydrant valve which created a pressure surge that created the water main break which took several restaurants on the south side of San Marcos Blvd. east of Grand Ave. out of service.

The City of San Marcos Council Meeting approved a construction contract for the San Marcos Creek Specific Plan capital improvement project. This project will build two bridges on Bent Avenue and Via Vera Cruz as well as reprofile, widen and raise Discovery and other assorted projects. Much of the construction will affect District facilities, therefore, some water and sewer lines will be relocated. Staff is also in the process of advertising the District's interceptor sewer project, which will be presented to the Board soon for award of the construction contract.

### DISTRICT LEGAL COUNSEL

Legal Counsel Gilpin stated that the Fair Political Practices Commission has adopted new regulations on materiality. Under the Political Reform Act, if there is a decision before the Board that would have a reasonably foreseeable material effect on a financial interest of one of the Directors, need to not act on it. New standards have been adopted regarding materiality affects if you have a business interest and that business is somehow directly or indirectly involved in an item. They will be issuing new materiality standards relative to source of income.

### SAN DIEGO COUNTY WATER AUTHORITY

None.

### ENCINA WASTEWATER AUTHORITY

Director Hernandez stated the Capital Improvement Committee meeting will be held October 16.

President Martin stated the Policy and Finance Committee will be held on October 8.

### STANDING COMMITTEES

Director Hernandez stated an Engineering Committee meeting was held on October 1. The Committee reviewed the solar project, San Marcos Interceptor at which a full report will be provided at a future date, development projects update, and the CIP year end. A contract will be developed. Based on the last discussion on contracts with the SDCWA, he asked that legal counsel review the documents that will be signed.

Principal Engineer Gumpel stated that interviews had been held and are going to one of two different respondents – staff asked for a best and final offer and are now getting clarifications and will start negotiations. Planning to come to the Board at the first meeting in November. Terra Verde will provide a presentation with the final potential cost savings and final contract recommendations for Board consideration.

### DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

Director Hernandez reported on his attendance to the WEFTEC, WaterReuse, and CSDA Conferences.

Director Elitharp reported on his attendance to the CSDA Conference.

President Martin reported on his attendance to the CSDA Conference and the GPAC meeting.

### OTHER BUSINESS

None.

### DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

Director Hernandez requested a Public Awareness/Personnel/Policy Committee meeting be scheduled to discuss plastics and overnight stays at conferences in San Diego.

### ADJOURNMENT

There being no further business to discuss, President Martin adjourned the Regular Meeting of the Board of Directors at the hour of 5:50 p.m.

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A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, October 16, 2019, at 5:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.

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

ATTEST:

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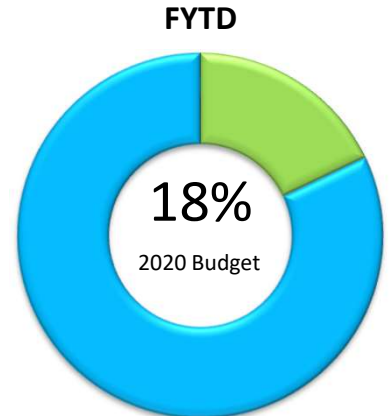
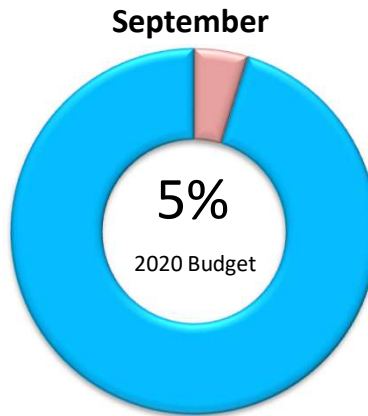
Glenn Pruij, Secretary  
Board of Directors  
Vallecitos Water District

**VALLECITOS WATER DISTRICT  
DISBURSEMENTS SUMMARY  
September 30, 2019**

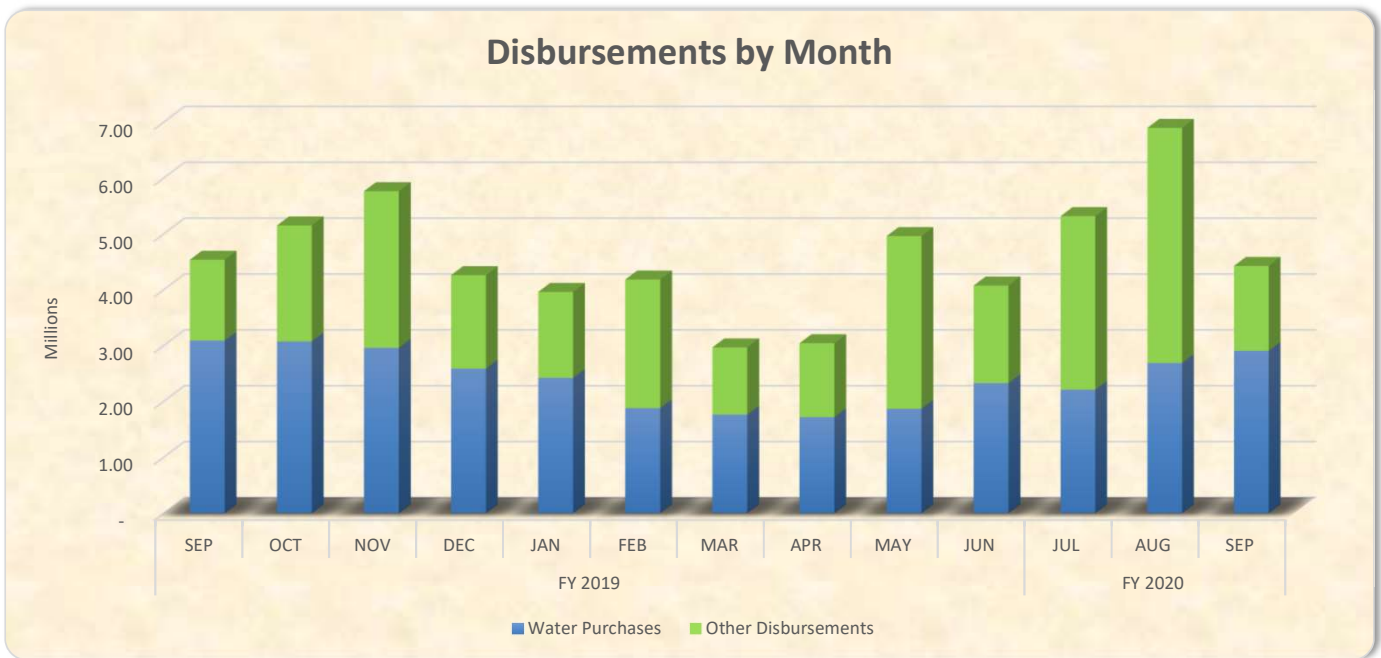
**Summary**

September Disbursements	\$	4,426,944 *
YTD Disbursements	\$	16,642,153 *
FY2020 Budget	\$	92,718,000

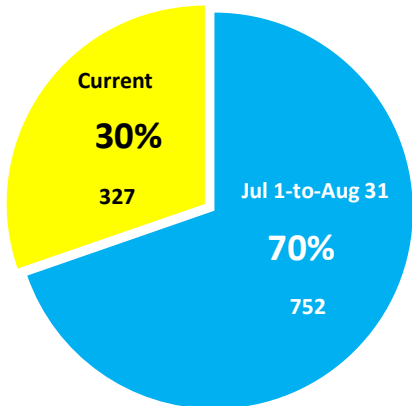
\* Excludes Debt Service



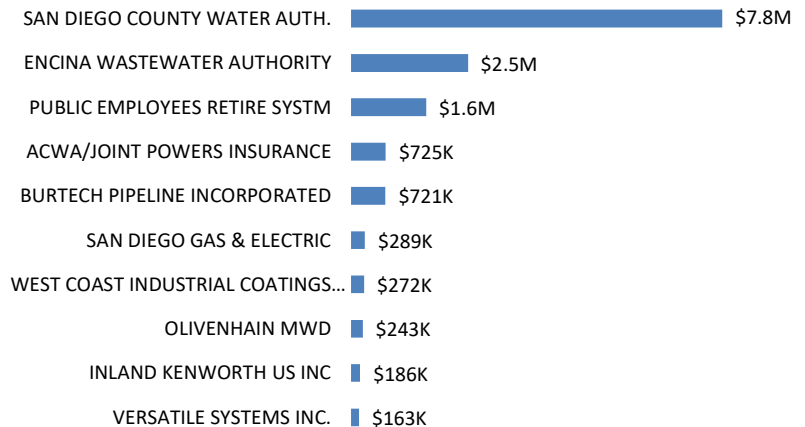
**Disbursements by Month**



**Invoices Processed**



**Top 10 Vendors - FYTD**



VALLECITOS WATER DISTRICT  
WARRANTS LIST  
October 16, 2019

PAYEE	DESCRIPTION	CHECK#	AMOUNT
CHECKS			
Adkins Bee Removal	Bee Removal	117397	150.00
Air Pollution Control District	Site Fees - 2400 Woodland Heights	117398	332.00
AM Conservation Group Inc	Hose Nozzles 120 Prj 20201-40	117399	677.88
American Water Works Assn	Fall Conference 10-22-19, C Rivera, A Alvarez, A Torres, M Garcia	117400	900.00
Anette Longville	Fall Protection Class 9-9-19	117401	131.54
Armorcast Products Co	Meter Boxes & Covers 108	117402	7,909.41
AT&T	Phone Svc - Sep	117403	364.27
AT&T	Phone Svc - Sep	117404	42.44
Bergelectric Corp.	Palos Vista Pump Station Electric Generator Prj 20181-6	117405	4,915.25
Best Best & Krieger	Legal Svcs - Aug	117406	27,495.43
Boot World Inc	Safety Boots	117407	286.36
Bradley Korrub	Closed Account Refund	117408	107.36
Brookfield Rancho Coronado LLC	Closed Account Refund	117409	1,101.70
Carrillo Property Investments LLC	Closed Account Refund	117410	65.78
Chris Lopez & Marina Talamantez	Closed Account Refund	117411	54.54
Christian Wheeler Engineering	Geotechnical Svcs - San Elijo Rd	117412	440.00
Christopher Endozo	Closed Account Refund	117413	49.73
Corodata Media Storage Inc	Back Up Storage Tape - Aug	117414	178.11
CWEA	Membership Renewal - D Saavedra	117415	192.00
DirecTV Inc	Satellite Svc - Sep	117416	120.24
Episodic Venture LLC	Closed Account Refund	117417	95.73
Escondido Metal Supply	Hardware Supplies	117418	77.58
Evantec Corporation	Lab Dishwasher Upper Rack - MRF	117419	2,201.94
Flexim Americas Corporation	Flow Meter - Threaded O-Ring Fitting	117420	737.01
Glenn Pruum	COWU Meeting 9-17-19	117421	33.41
Golden State Graphics	Between The Pipes Newsletter - Fall 2019 Prj 20201-40	117422	4,040.74
Hall Land Company, Inc.	Closed Account Refund	117423	229.22
Hallmark Communities	Closed Account Refund	117424	840.62
Harper & Associates Inc	Schoolhouse Tank Rehabilitation Prj 20181-3, NTO Tank 1 Rehabilitation Prj 20191-3	117425	9,691.00
James R Hernandez	WateReuse Conference 9-9-19	117426	255.11
Michael W Hill	Safety Glasses - M Hill	117427	268.00
Hydro Products Corp.	Sales Tax for Vactor Sanitation System	117428	553.73
Jack Gervais	Closed Account Refund	117429	420.72
Jeremy Henley	Closed Account Refund	117430	54.17
JCI Jones Chemicals Inc	Chlorine	117431	4,086.42
Jose & Lindy Munoz	Closed Account Refund	117432	147.07
J.J. Keller & Assoc Inc	Safety Support Renewal 19-20	117433	995.00
Knight Security & Fire Systems	Svc Call - MRF	117434	55.00
Laura Greenbaum	Closed Account Refund	117435	32.50
Lawnmowers Plus Inc	Trimmer Lines & Blades	117436	373.15
Left Coast Window Cleaning	District Headquarters - Cleaning Svcs - Sep	117437	1,500.00
Lifeline Rescue	CPR, First Aid, AED Training 9-17 & 9-19	117438	3,200.00
Lindsey Dam-Mikkelsen	Closed Account Refund	117439	59.87
LNN Custom Apparel	Adhesive Notes 500 Prj 20201-40	117440	725.05
Lynn Harper	Closed Account Refund	117441	112.20
Makar Kavmin	Closed Account Refund	117442	96.19
Hal Martin	COWU Meeting 9-17-19	117443	32.56
Mike Arthur	MAFO Meeting 8-15-19	117444	17.52
Moraes/Pham & Associates	CAD Production/Drawings North Twin Oaks Pump Station Prj 20201-4	117445	2,000.00
Nga Nguyen	Closed Account Refund	117446	13.74
Occu Med Ltd	Medical Svcs Jul & Aug	117447	384.00
Patriot Portable Restroom Inc	Portable Restroom Rental Jul & Aug	117448	513.22
Petty Cash Custodian	Petty Cash	117449	797.13
Recycled Aggregate Materials Co Inc	Concrete Recycling	117450	225.00
Rebecca A. Silva	Closed Account Refund	117451	69.84
Richard Schmidt	Closed Account Refund	117452	77.97
Rick Post Welding	Pipe Welding Prj 20161-4	117453	540.00
Rusty Wallis Inc	Soft Water Svc - Sep	117454	310.00
SDG&E	Power - Aug	117455	104,881.07

VALLECITOS WATER DISTRICT  
WARRANTS LIST  
October 16, 2019

PAYEE	DESCRIPTION	CHECK#	AMOUNT
Sandra Garcia	Closed Account Refund	117456	66.12
Shred-It US JV LLC	Shredding Svcs - Aug & Sep	117457	200.14
Six To Six Equipment Rentals	Boom Lift Rental - MRF	117458	510.00
Southern Counties Lubricants, LLC	Oil, Diesel Test Kit, Diesel Fuel	117459	20,537.06
Specialty Seals & Accessories	Mechanical Seal Refurbishing Supplies - Lake San Marcos Lift Station	117460	995.14
Standard Insurance Company	LIFE, LTD & ADD Insurance - Oct	117461	4,863.28
Staples Advantage	Office Supplies - Aug & Sep	117462	1,968.89
State of California - DTSC	Hazardous Waste Manifest Fee	117463	400.00
Superior Ready Mix Concrete LP	Rock & Cold Mix	117464	1,465.30
T.S. Industrial Supply	Tool Box Cabinet Liners Veh 284, Air Hose & Reel Veh 225, Hardware Supplies	117465	3,855.96
Talley Communications	IT Equipment - SCADA Upgrade Prj 20201-4	117466	2,302.91
The Howard E. Nyhart Co. Inc.	GASB 75 Report - FY19	117467	2,000.00
Tiffani Mauro	Closed Account Refund	117468	74.51
Johnathan Todd	Windows Server Training 9-9-19	117469	115.54
Trinity Grading Inc	Closed Account Refund	117470	595.62
Tyler Ryan	Closed Account Refund	117471	99.39
UPS	Shipping Svcs - Aug	117472	31.91
Viasat Inc	Internet Svc jun - Aug	117473	302.25
Water Education Group	LED Keychains 250 Prj 20201-40	117474	416.99
Xerox Corporation	Copier Lease - Aug	117475	414.13
Action Mail	Splash Newsletter Mailing - Fall 2019 Prj 20201-40	117476	1,259.78
Bay City Electric Works Inc	Hardware Supplies	117477	299.24
Bonsall Petroleum Constr Inc	Svc Calls 2 & Monitoring Certification - Fuel Island	117478	1,603.00
Boot Barn	Safety Boots	117479	150.00
CCI	Water Treatment - Sep	117480	220.00
Deer Springs Fire Protection District	Property Taxes 19-20	117481	522.90
DLT Solutions LLC	AutoCAD Government Subscription Renewal 19-20	117482	3,192.85
Electrical Sales Inc	Surge Protector, Power Monitor Installation Materials, Hardware Supplies	117483	657.60
Grainger Inc	Transfer Pump, Exhaust Fan, Hardware Supplies	117484	570.38
Granicus, LLC	Vision Live Subscription 19-20	117485	4,959.27
Hach Company	Lab Supplies	117486	158.04
Lautzenhisers Stationery Inc	Minute Book - Board Meetings	117487	226.45
Mallory Safety & Supply, LLC	Adapters & Filters For Respirators, Gloves, Safety Supplies	117488	5,000.01
Marcon Products Inc	Hardware Supplies Prj 20161-4	117489	345.47
Maryam Pisssoodeh	Deposit Refund Prj 20181-368	117490	1,877.95
Matheson Tri-Gas Inc	Cylinder Rental	117491	156.66
Morton Salt, Inc.	Industrial Salt	117492	3,949.09
Nacho's Taco Shop	Catering Svcs - Water Academy 10-9-19 Prj 20201-503	117493	1,137.84
One Source Distributors LLC	Hazmat Suit, Hardware Supplies	117494	842.64
Pacific Pipeline Supply	Repair Clamp Inventory, Angle Meter Stops 20, Air Vac Canisters	117495	12,163.50
Pencco, Inc.	Sulfend RT	117496	10,102.94
Plumbers Depot Inc	Primary Basin Spoon - MRF, Liquid Smoke - Used For Smoke Testing	117497	553.47
Richard W. Gittings	Consulting Svcs Hillside Development May - Aug	117498	9,600.00
RK Controls	SCADA Connectors Prj 20201-4	117499	1,213.41
Rupe's Hydraulics	Hoses 2 Veh 273	117500	174.86
Scada Integrations	SCADA Support - SCADA Upgrade Prj 20201-4	117501	3,600.00
Steel-Toe-Shoes.com	Safety Boots	117502	150.00
Steven Enterprises Inc	Mylar Film - For Map Books	117503	506.14
Traffic Safety Solutions LLC	Info Sign Rental - Alerting Customers of Water Pipeline Shut Down	117504	1,920.00
Unifirst Corporation	Uniform Delivery	117505	1,688.61
Unitis, Inc.	Industrial Salt - MRF	117506	1,656.84
Univar USA Inc	Caustic Soda	117507	3,316.06
Walters Wholesale Electric	Hardware Supplies	117508	158.05
Weck Analytical Environmental Services, Inc.	Water Sampling	117509	690.00
Garnishments	Payroll Garnishments	117510 through 117512	-
Total Disbursements (113 Checks)			<u>302,095.71</u>

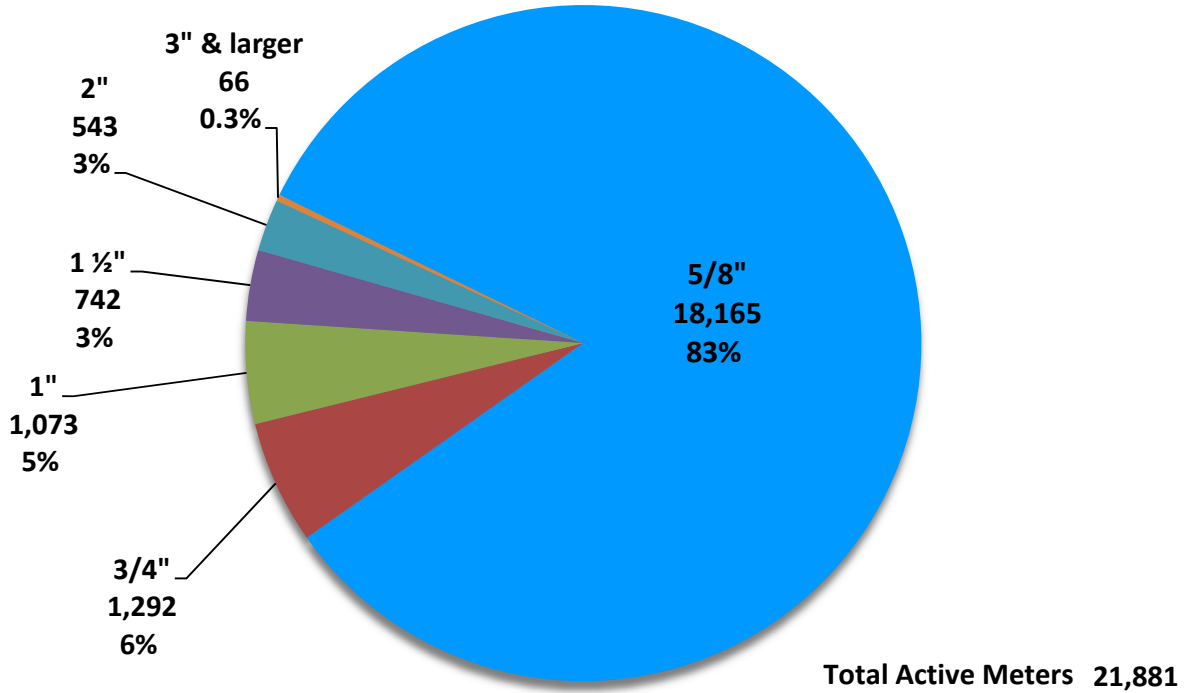
VALLECITOS WATER DISTRICT  
WARRANTS LIST  
October 16, 2019

PAYEE	DESCRIPTION	CHECK#	AMOUNT
<b>WIRES</b>			
Public Employees Retirement System	Retirement Contribution - October 9, 2019 Payroll	Wire	<u>75,386.79</u>
Total Wires			<u>75,386.79</u>
<b>PAYROLL</b>			
Total direct deposits		Wire	243,886.45
VWD Employee Association		117510	584.00
Payroll & Garnishments		117512	1,001.06
IRS	Federal payroll tax deposits	117511 through	93,868.05
Employment Development Department	California payroll tax deposit	Wire	18,492.31
CalPERS	Deferred compensation withheld	Wire	20,764.81
VOYA	Deferred compensation withheld	Wire	<u>7,532.32</u>
Total October 9, 2019 Payroll Disbursements			<u>386,129.00</u>
<b>TOTAL DISBURSEMENTS</b>			<u>763,611.50</u>

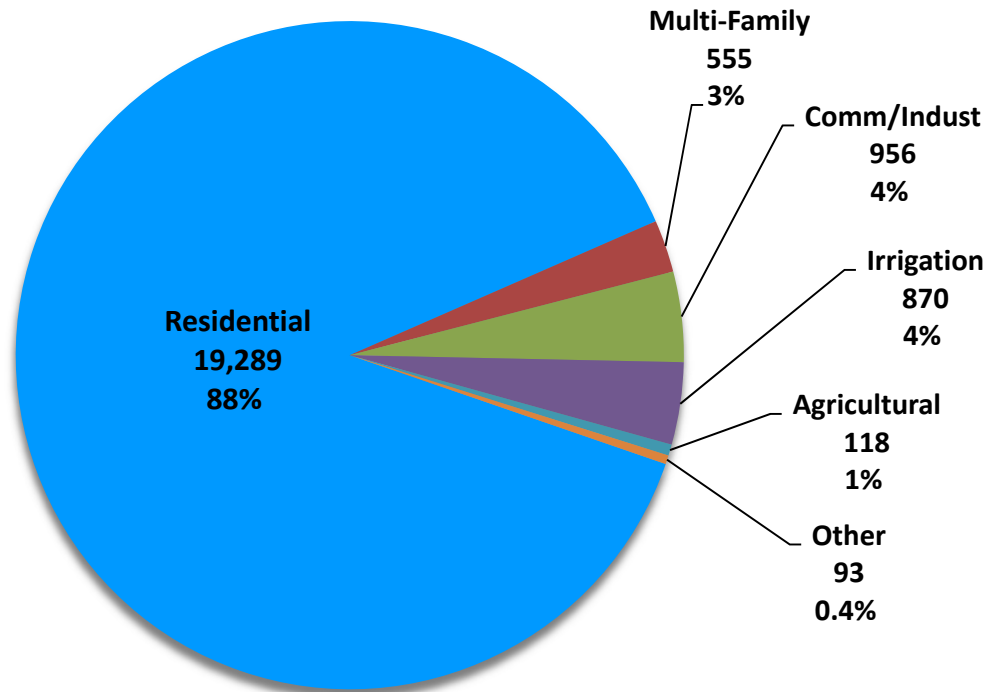


Vallejos Water District  
 Active Water Meters  
 September 30, 2019

Active Meters by Size as of September 30, 2019

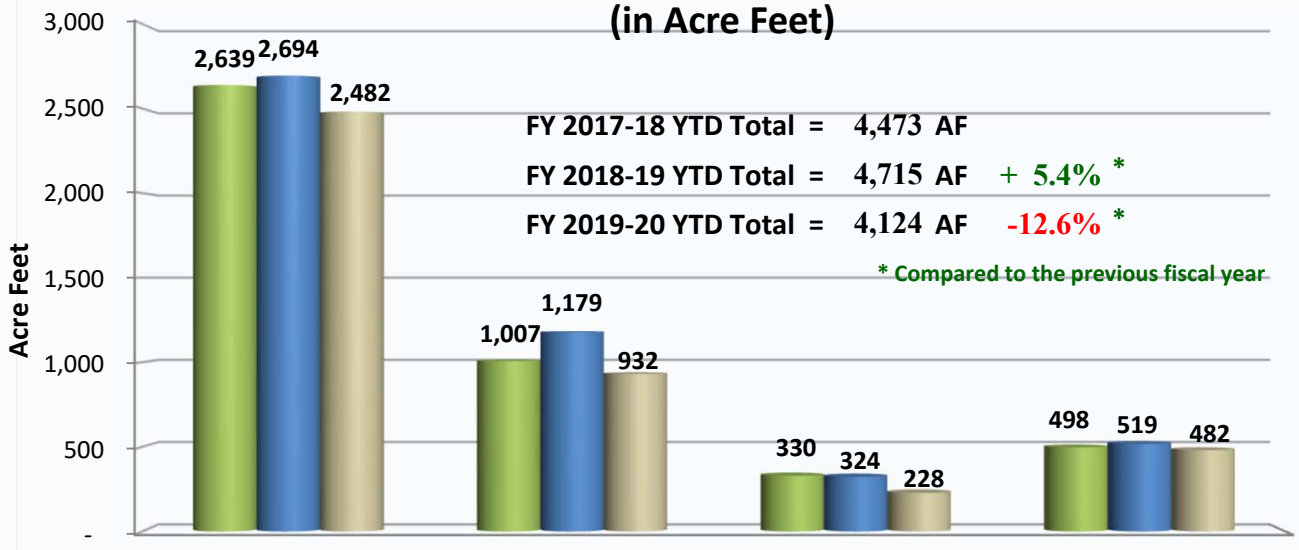


Active Meters by Type as of September 30, 2019



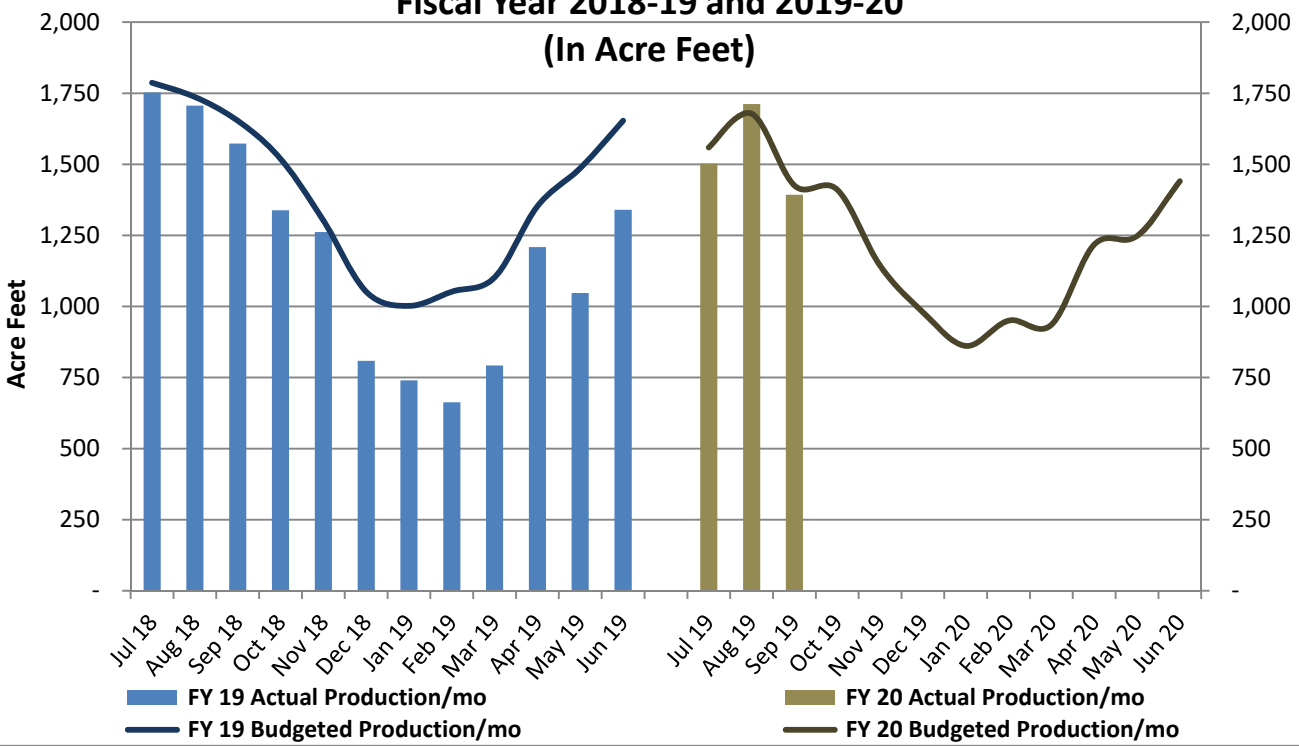
Vallejos Water District  
 Water Production/Sales  
 September 30, 2019

**Water Sales FY 17-18, FY 18-19 and FY 19-20 (FYTD)**  
 (in Acre Feet)



	Residential	Irrigation	Agricultural	Commer/ Indust/ Construct/ Other
FY 2017-18	2,639	1,007	330	498
FY 2018-19	2,694	1,179	324	519
FY 2019-20	2,482	932	228	482

**Water Production Budget vs. Actual**  
 Fiscal Year 2018-19 and 2019-20  
 (In Acre Feet)



## OVERVIEW

With the first quarter complete, the District's water fund had a net operating income of \$1.2 million (before depreciation) while the sewer fund had a net operating income of \$2.2 million (before depreciation). The District is cash funding capital projects and is current on all debt service payments.

## WATER FUND

Overall, the Water Fund performed as expected during the first quarter of Fiscal Year 2020.

**Revenues:** Water sales were 28% of total budget as a result of high demand during the summer months. Ready to Serve (RTS) performed as expected. Pumping Charges are high corresponding with water sales.

Revenue	Budget	YTD Actual	Percent
Water Sales	\$ 31,850,000	\$ 9,030,605	28%
Ready to Serve	13,800,000	3,580,658	26%
Pumping Cost Rec	340,000	122,296	36%
Other	700,000	141,700	20%
<b>Total</b>	<b>\$ 46,690,000</b>	<b>\$ 12,875,259</b>	<b>28%</b>

**Expenses:** Water Purchases were 28% of total budget in response to Water Sales. Operating and Supporting expenses were 22% of total budget. General & Administration performed as expected.

Expense	Budget	YTD Actual	Percent
Water Purchases	\$ 32,200,000	\$ 8,879,329	28%
Operating	4,841,000	1,060,716	22%
Supporting	4,279,000	927,135	22%
General & Admin	2,986,000	762,408	26%
<b>Total</b>	<b>\$ 44,306,000</b>	<b>\$ 11,629,588</b>	<b>26%</b>

## SEWER FUND

The Sewer Fund continues to be stable as revenues received in this fund stem from monthly fixed charges and, therefore, are very predictable.

**Revenues:** Sewer service charges performed as planned and Reclaimed Water Sales are adjusted at the end of each fiscal year to recover actual costs.

Revenue	Budget	YTD Actual	Percent
Sewer Service	\$ 18,180,000	\$ 4,647,344	26%
Reclaimed	2,466,000	616,500	25%
Other	80,000	18,252	23%
<b>Total</b>	<b>\$ 20,726,000</b>	<b>\$ 5,282,096</b>	<b>25%</b>

## SEWER FUND (continued)

**Expenses:** Treatment expenses were low due to timing of budgeted materials being purchased and outside services being performed. Supporting and General & Administration were low primarily as a result of lower outside service and staffing costs. Operating expenses performed as expected.

Expense	Budget	YTD Actual	Percent
Treatment	\$ 7,073,000	\$ 1,513,125	21%
Operating	2,953,000	671,148	23%
Supporting	2,775,000	555,313	20%
General & Admin	1,444,000	296,136	21%
<b>Total</b>	<b>\$ 14,245,000</b>	<b>\$ 3,035,722</b>	<b>21%</b>

## RESERVES AND FUNDS:

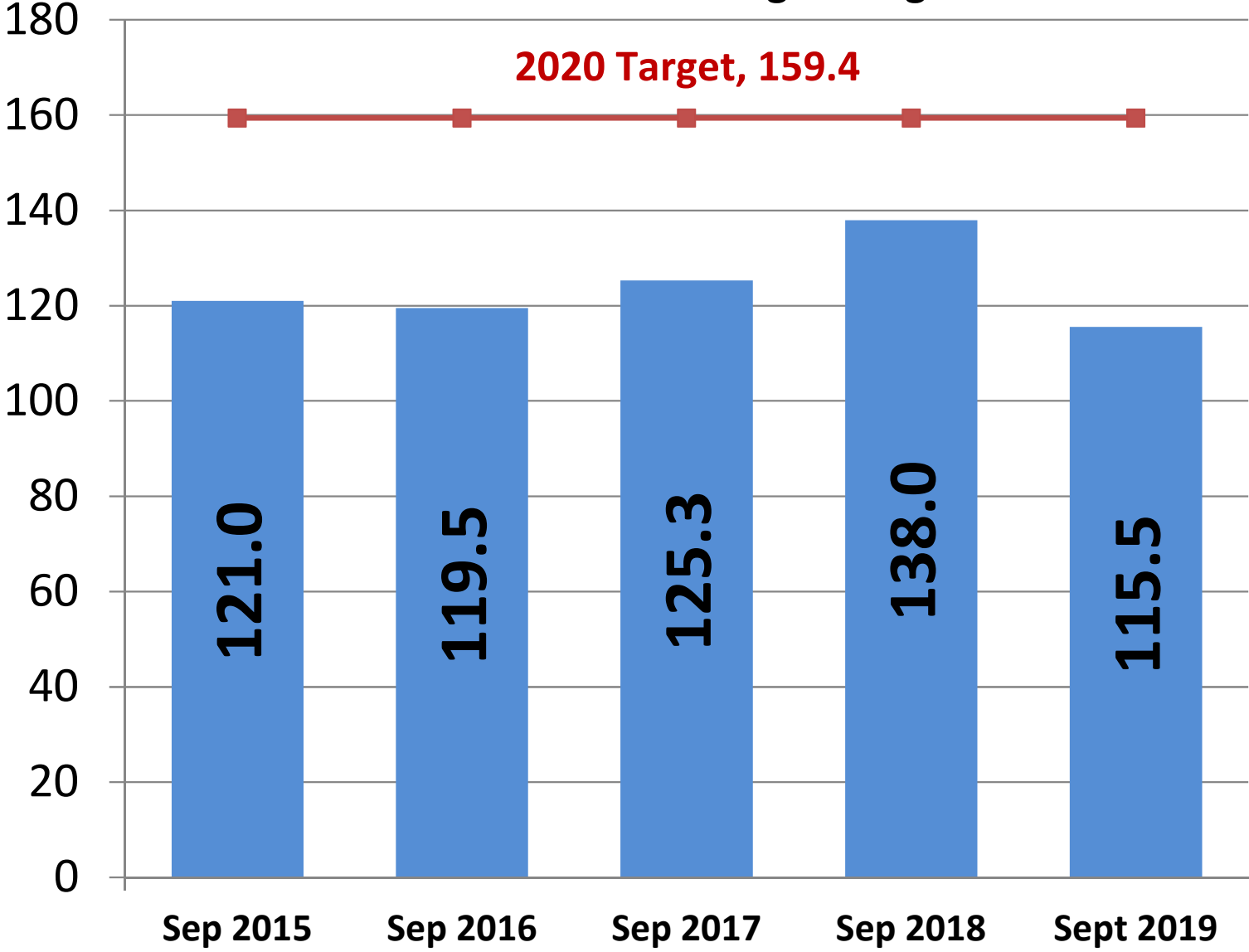
The following is a summary of the replacement reserves and capacity funds as of September 30, 2019.

Water:		
Revenues	Replacement	Capacity
FY 19/20 Operating Transfers	\$ 1,245,671	-
Capital Facility Fees	-	\$ 665,462
Property tax & Other	312,070	-
<b>Total Revenue</b>	<b>1,557,741</b>	<b>665,462</b>
Distributions		
Capital Projects	871,736	-
Debt Service	-	39,973
<b>Total Distributions</b>	<b>871,736</b>	<b>39,973</b>
Beginning Balance	37,641,145	(8,333,147)
Ending Balance	38,327,150	(7,707,657)
Less: Operating Reserves	5,970,100	-
<b>Replacement Reserve Balance</b>	<b>\$ 32,357,050</b>	<b>\$ (7,707,657)</b>
Replacement Reserve Floor	\$ 8,136,700	
Replacement Reserve Ceiling	\$ 34,640,500	

Wastewater:		
Revenues	Replacement	Capacity
FY 19/20 Operating Transfers	\$ 2,246,374	-
Capital Facility Fees	-	\$ 1,089,788
Property tax & Other	297,803	-
<b>Total Revenue</b>	<b>2,544,177</b>	<b>1,089,788</b>
Distributions		
Capital Projects	1,040,166	772,196
Debt Service	-	30,525
<b>Total Distributions</b>	<b>1,040,166</b>	<b>802,721</b>
Beginning Balance	58,689,994	(6,268,379)
Ending Balance	60,194,005	(5,981,312)
Less: Operating Reserves	7,024,900	-
<b>Replacement Reserve Balance</b>	<b>\$ 53,169,105</b>	<b>\$ (5,981,312)</b>
Replacement Reserve Floor	\$ 18,603,400	
Replacement Reserve Ceiling	\$ 54,762,600	

**For More Information.** This summary is based on detailed information produced by the District's accounting department. If you would like additional information, or have questions, please call 760-744-0460 x262.

# Gallons per Capita per Day 12-Month Rolling Average



**DATE: OCTOBER 16, 2019**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: MONTHLY FINANCIAL REPORTS**

**BACKGROUND:**

The Monthly Revenue and Expense Reports and the Reserve Report for the three months ended September 30, 2019 are presented.

**DISCUSSION:**

The Monthly Revenue and Expense reports summarize revenues by service type and expenses by department over the 3-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 Three Months Ended September 30, 2019

	Current	Prior Year Actual			Current Year Budget		
	Year	Amount	Variance		Amount	Variance	
	Actual		\$	%		\$	%
<b>Revenue</b>							
Water Sales	\$ 9,030,605	\$10,354,700	\$(1,324,095)	-12.8%	\$10,234,000	\$(1,203,395)	-11.8%
Ready-to-serve	3,580,658	3,409,846	170,812	5.0%	3,452,000	128,658	3.7%
Pumping cost recovery	122,296	104,628	17,668	16.9%	110,000	12,296	11.2%
Late & lock charges	86,541	116,947	(30,406)	-26.0%	115,000	(28,459)	-24.7%
Backflow fees	23,776	23,336	440	1.9%	24,000	(224)	-0.9%
Other revenue	31,383	41,827	(10,444)	-25.0%	31,300	83	0.3%
<b>Total Revenue</b>	<b>12,875,259</b>	<b>14,051,284</b>	<b>(1,176,025)</b>	<b>-8.4%</b>	<b>13,966,300</b>	<b>(1,091,041)</b>	<b>-7.8%</b>
<b>Expenses</b>							
Water costs	8,879,329	9,127,354	(248,025)	-2.7%	9,267,000	(387,671)	-4.2%
Pumping costs	212,287	241,675	(29,388)	-12.2%	293,000	(80,713)	-27.5%
Water quality	32,945	33,788	(843)	-2.5%	54,000	(21,055)	-39.0%
Water treatment	145,671	105,725	39,946	37.8%	121,000	24,671	20.4%
Tanks & reservoirs	88,575	55,598	32,977	59.3%	116,000	(27,425)	-23.6%
Trans & distribution	375,207	599,886	(224,679)	-37.5%	461,000	(85,793)	-18.6%
Services	13,631	20,097	(6,466)	-32.2%	21,000	(7,369)	-35.1%
Meters	181,010	152,000	29,010	19.1%	193,000	(11,990)	-6.2%
Backflow prevention	11,390	11,247	143	1.3%	17,000	(5,610)	-33.0%
Customer accounts	143,581	139,239	4,342	3.1%	167,000	(23,419)	-14.0%
Building & grounds	89,934	92,716	(2,782)	-3.0%	99,000	(9,066)	-9.2%
Equipment & vehicles	57,793	23,411	34,382	146.9%	83,000	(25,207)	-30.4%
Engineering	351,294	372,230	(20,936)	-5.6%	405,000	(53,706)	-13.3%
Safety & compliance	51,801	64,532	(12,731)	-19.7%	59,000	(7,199)	-12.2%
Information Systems	232,732	175,185	57,547	32.8%	260,000	(27,268)	-10.5%
General & administrative	762,408	560,082	202,326	36.1%	747,000	15,408	2.1%
<b>Total Expenses</b>	<b>11,629,588</b>	<b>11,774,765</b>	<b>(145,177)</b>	<b>-1.2%</b>	<b>12,363,000</b>	<b>(733,412)</b>	<b>-5.9%</b>
<b>Net Operating Income</b>	<b>\$ 1,245,671</b>	<b>\$ 2,276,519</b>	<b>(1,030,848)</b>	<b>-45.3%</b>	<b>\$ 1,603,300</b>	<b>(357,629)</b>	<b>-22.3%</b>

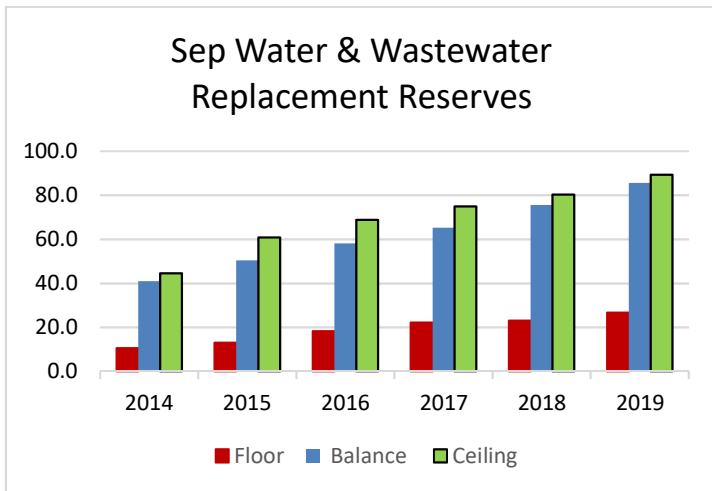
Vallecitos Water District  
Sewer Revenue and Expense Report  
For the Three Months Ended September 30, 2019

	Current	Prior Year Actual			Current Year Budget		
	Year	Amount	Variance		Amount	Variance	
	Actual		\$	%		\$	%
<b>Revenue</b>							
Sewer service charges	\$4,647,344	\$4,497,369	\$ 149,975	3.3%	\$4,535,000	\$ 112,344	2.5%
Reclaimed water sales	616,500	493,500	123,000	24.9%	617,000	(500)	-0.1%
Other revenue	18,252	654,497	(636,245)	-97.2%	13,000	5,252	40.4%
Total Revenue	<u>5,282,096</u>	<u>5,645,366</u>	(363,270)	-6.4%	<u>5,165,000</u>	117,096	2.3%
<b>Expenses</b>							
Collection & conveyance	578,767	432,275	146,492	33.9%	601,000	(22,233)	-3.7%
Lift stations	51,888	41,153	10,735	26.1%	86,000	(34,112)	-39.7%
Source Control	40,493	37,856	2,637	7.0%	50,000	(9,507)	-19.0%
Effluent disposal	878,750	694,250	184,500	26.6%	881,000	(2,250)	-0.3%
Meadowlark	634,375	799,686	(165,311)	-20.7%	891,000	(256,625)	-28.8%
Customer Accounts	93,553	89,346	4,207	4.7%	126,000	(32,447)	-25.8%
Building & grounds	50,057	62,704	(12,647)	-20.2%	68,000	(17,943)	-26.4%
Equipment & vehicles	43,880	32,673	11,207	34.3%	63,000	(19,120)	-30.3%
Engineering	150,583	138,723	11,860	8.5%	179,000	(28,417)	-15.9%
Safety & compliance	35,572	36,326	(754)	-2.1%	47,000	(11,428)	-24.3%
Information Systems	181,668	136,929	44,739	32.7%	209,000	(27,332)	-13.1%
General & administrative	296,136	255,202	40,934	16.0%	360,000	(63,864)	-17.7%
Total Expenses	<u>3,035,722</u>	<u>2,757,123</u>	278,599	10.1%	<u>3,561,000</u>	(525,278)	-14.8%
Net Operating Income	<u>\$2,246,374</u>	<u>\$2,888,243</u>	(641,869)	-22.2%	<u>\$1,604,000</u>	642,374	40.0%



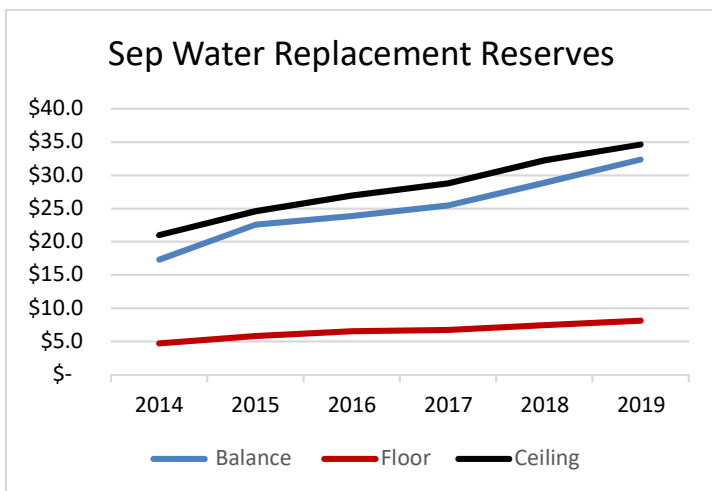
**REPLACEMENT RESERVES**

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 September 30, 2019, the total water and wastewater replacement reserve balance was \$85.5 million, 13 percent greater than September 30, 2019.



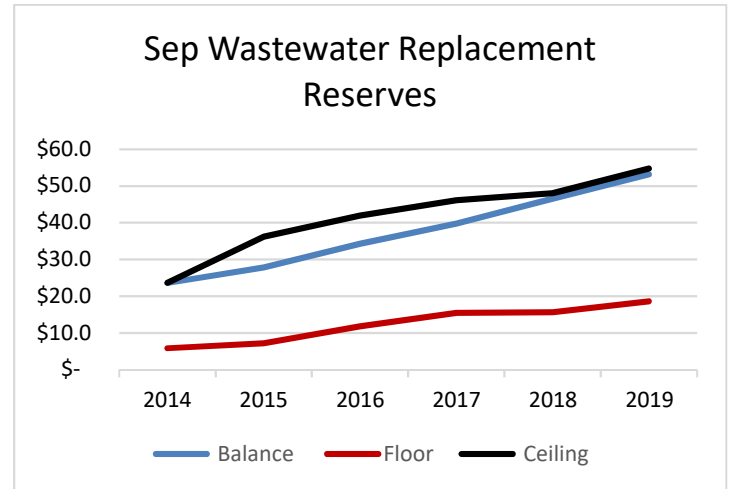
**WATER REPLACEMENT RESERVE**

As of September 30, 2019, the District’s water replacement reserve totaled \$32.4 million, an increase of 12 percent, or \$3.5 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.



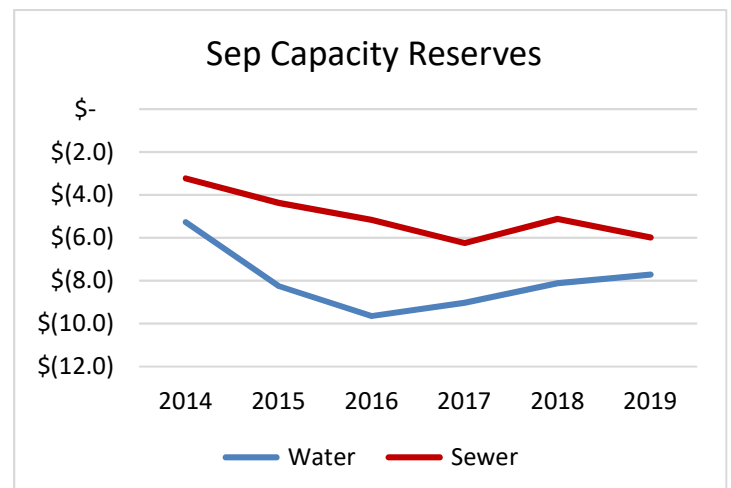
**WASTEWATER REPLACEMENT RESERVE**

As of September 30, 2019, the balance in the District’s wastewater replacement reserve totaled \$53.2 million, an increase of 14 percent, or \$6.6 million, from the same month of the prior year. The month-end balance is within the approved floor and ceiling.



**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 September 30, 2019, the water capacity fund had a deficit of \$7.7 million and the sewer capacity fund had a deficit of \$6.0 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 MONTH OF SEPTEMBER 2019**

	110 Water 120		210 Wastewater 220		Total
	Replacement	Capacity	Replacement	Capacity	
BEGINNING BALANCE	\$ 37,641,145	\$ (8,333,147)	\$ 58,689,994	\$ (6,268,379)	\$ 81,729,614
REVENUES					
FY 19/20 Operating Transfers	1,245,671		2,246,374		3,492,045
Capital Facility Fees	-	665,462	-	1,089,788	1,755,250
Investment Earnings	245,340	-	240,385	-	485,725
Property Tax	48,230	-	38,919	-	87,149
RDA pass-through	18,500	-	18,500	-	37,000
<b>TOTAL REVENUES</b>	<b>1,557,741</b>	<b>665,462</b>	<b>2,544,177</b>	<b>1,089,788</b>	<b>5,857,169</b>
LESS DISTRIBUTIONS					
Capital Projects					
Rock Springs Sewer Replacement	-	-	351,271	429,332	780,603
Schoolhouse Tank Refurbishment	327,283	-	-	-	327,283
Montiel Lift Station And Forcemain Replacement	-	-	201,339	82,237	283,576
OSHA Compliant Ladder Systems	164,873	-	-	-	164,873
District-Wide SCADA Upgrade Project	66,851	-	64,230	-	131,081
Sewer Bypass Repair	-	-	68,876	-	68,876
MRF - Influent Pumps & Motors	-	-	67,244	-	67,244
District Wide Valve Replacement	63,158	-	-	-	63,158
San Marcos Interceptor Sewer	-	-	15,533	34,574	50,107
MRF Biological Selector Improvements	-	-	37,444	-	37,444
Building A Kitchens	13,706	-	13,169	-	26,875
Asset Management Replacement Schedule	11,528	-	11,077	-	22,605
Door Access System Expansion	11,079	-	10,645	-	21,724
Cal State San Marcos Meter Upgrade	15,093	-	-	-	15,093
Sewer Rehabilitation And Repairs	-	-	10,663	-	10,663
All other capital projects	27,216	-	2,927	1,193	31,336
Capital Budget - Vehicles/Mobile Equipmnt	170,948	-	185,749	-	356,697
Debt Service	-	-	-	224,861	224,861
Interest Expense	-	39,973	-	30,525	70,497
<b>TOTAL DISTRIBUTIONS</b>	<b>871,736</b>	<b>39,973</b>	<b>1,040,166</b>	<b>802,721</b>	<b>2,754,596</b>
ENDING BALANCE	\$ 38,327,150	\$ (7,707,657)	\$ 60,194,005	\$ (5,981,312)	\$ 84,832,186
Less: Operating Reserves	5,970,100	-	7,024,900	-	12,995,000
Replacement Reserves/Restricted Funds	\$ 32,357,050	\$ (7,707,657)	\$ 53,169,105	\$ (5,981,312)	\$ 71,837,186
Replacement reserve floor	\$ 8,136,700		\$ 18,603,400		
Replacement reserve ceiling	\$ 34,640,500		\$ 54,762,600		

VALLECITOS WATER DISTRICT  
INVESTMENT REPORT FOR SEPTEMBER 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 September follows:

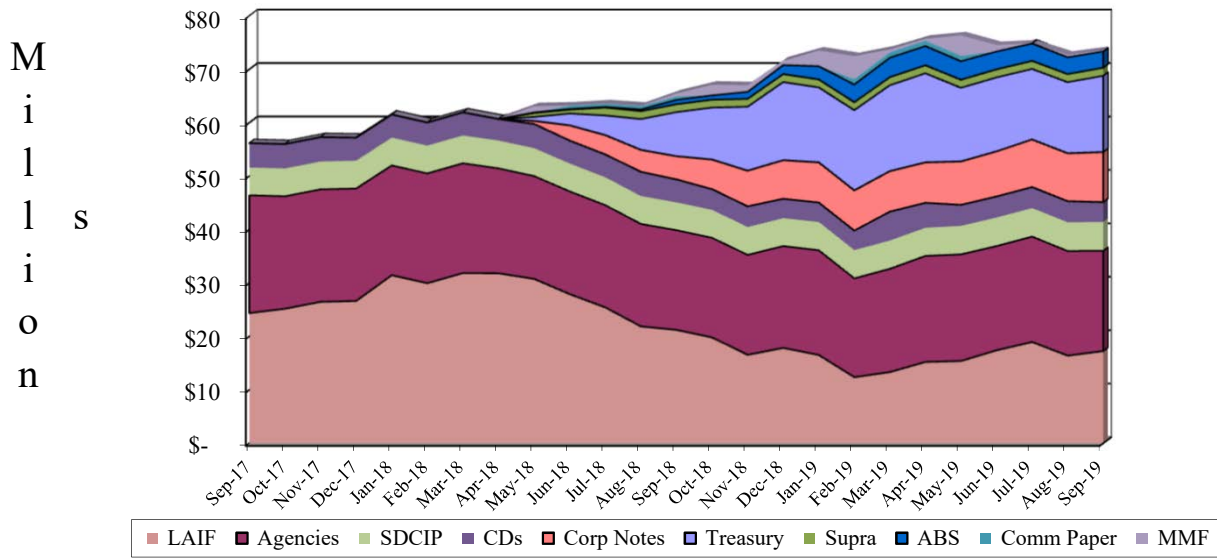
<u>Date</u>	<u>Activity</u>	<u>Investment</u>	<u>Amount</u>	<u>Maturity</u>	<u>Yield</u>
09/04/19	Deposit	LAIF	700,000	Open	2.34%
09/09/19	Deposit	LAIF	1,000,000	Open	2.34%
09/09/19	Purchased	Bank of America Corp	414,984	01/11/23	3.30%
09/16/19	Matured	Barclays Bank CD	(245,000)	09/16/19	1.90%
09/16/19	Sold	TOAT 2017-B CLA3	(28,903)	07/15/21	1.76%
09/16/19	Sold	JDOT 2017-B A3	(24,630)	10/15/21	1.82%
09/16/19	Sold	JDOT 2017-B A2	(18,998)	04/15/21	2.83%
09/17/19	Withdrawal	LAIF	(1,800,000)	Open	2.34%
09/18/19	Sold	HAROT 2017-3 A3	(23,980)	09/20/21	1.79%
09/19/19	Deposit	LAIF	450,000	Open	2.34%
09/23/19	Full Call	FHMLC	(750,000)	12/22/20	1.40%
09/24/19	Deposit	LAIF	500,000	Open	2.34%
09/26/19	Purchased	US Treasury	1,000,898	10/31/23	1.63%
Change in investments during the month			<u>\$ 1,174,372</u>		

	<u>Current</u>
Weighted average annual yield for total Vallecitos investments	2.340%
Weighted average days to maturity	412

The State Treasurer's Office provides fair market values of LAIF quarterly on their web site. The most recent valuation, which is used on this report, is as of June 30, 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 August 31, 2019. Fair values for federal agency obligations and corporate notes are provided by Union Bank trust account reporting

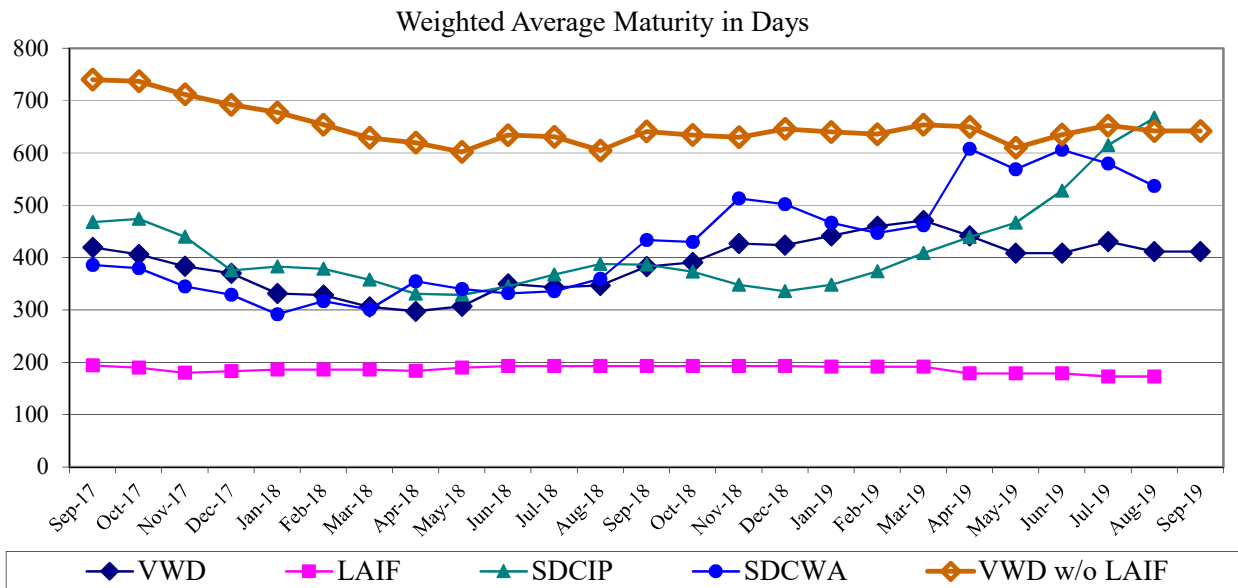
Safety

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



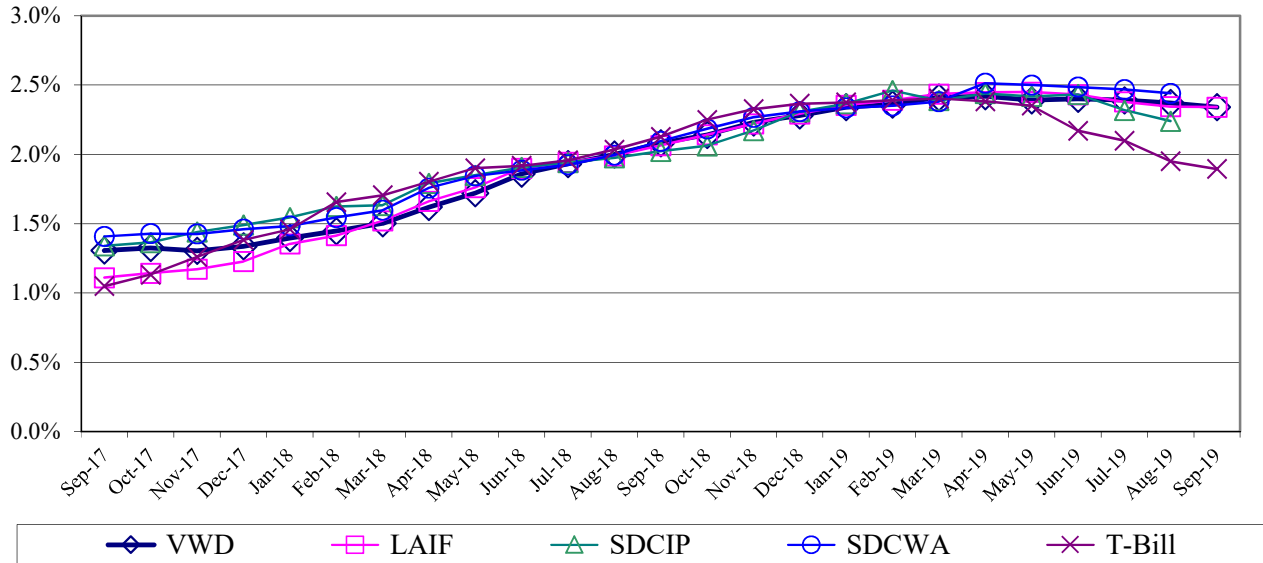
Liquidity

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of investments. The District averts interest rate risk by limiting terms of investments in accordance with the Investment Policy. Maturity in days is a measure of liquidity. The next graph compares the District's liquidity to other managed portfolios. The District's liquidity is graphed with and without LAIF. With LAIF the District is in fact very liquid with \$17.3 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	1.13
Average Coupon	2.14%
Average Purchase YTM	2.34%
Average Market YTM	1.97%
Average S&P/Moody Rating	AA+/Aa1
Average Final Maturity	1.35 yrs
Average Life	1.23 yrs

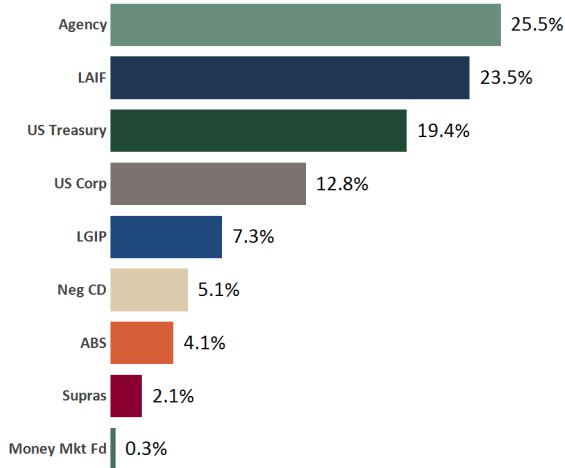
**ACCOUNT SUMMARY**

	Beg. Values as of 8/31/19	End Values as of 9/30/19
Market Value	72,717,892	73,580,881
Accrued Interest	323,222	344,647
<b>Total Market Value</b>	<b>73,041,114</b>	<b>73,925,528</b>
Income Earned	133,579	131,342
Cont/WD		
Par	72,264,326	73,214,901
Book Value	72,031,378	73,009,294
Cost Value	71,890,206	72,857,668

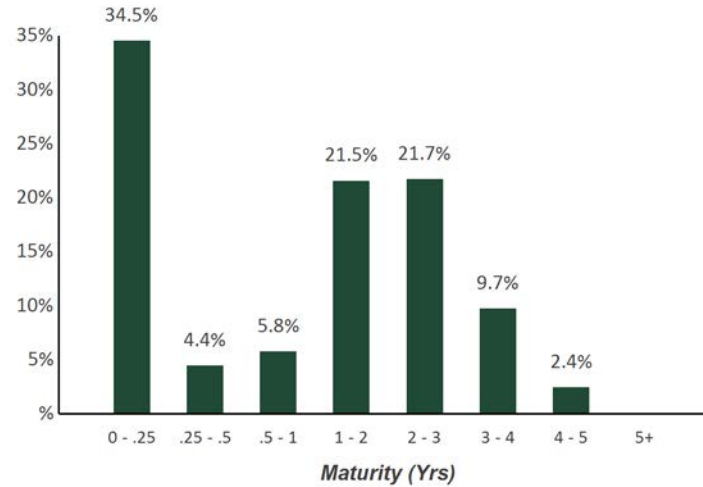
**TOP ISSUERS**

Local Agency Investment Fund	23.5%
Government of United States	19.4%
Federal Farm Credit Bank	8.1%
County of San Diego Pooled Inve	7.3%
Federal National Mortgage Assoc	7.1%
Federal Home Loan Bank	6.9%
Federal Home Loan Mortgage Corp	3.4%
Honda ABS	1.4%
<b>Total</b>	<b>77.1%</b>

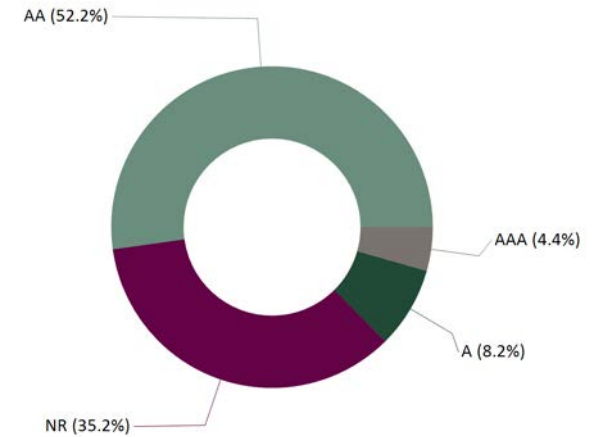
**SECTOR ALLOCATION**



**MATURITY DISTRIBUTION**



**CREDIT QUALITY (S&P)**



Vallecitos Water District Consolidated Account

Account #10594

Holdings Report

As of September 30, 2019



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>ABS</b>									
47788EAB4	John Deere Owner Trust 2018-B A2 2.83% Due 4/15/2021	168,445.44	01/29/2019 2.95%	168,300.69 168,383.26	100.16 2.24%	168,706.84 211.87	0.23% 323.58	Aaa / NR AAA	1.54 0.26
89190BAD0	Toyota Auto Receivables Trust 2017-B A3 1.76% Due 7/15/2021	274,982.56	09/26/2018 2.78%	271,770.85 272,928.45	99.86 2.11%	274,589.60 215.10	0.37% 1,661.15	Aaa / AAA NR	1.79 0.42
43814PAC4	Honda Auto Receivables Trust 2017-3 A3 1.79% Due 9/20/2021	264,916.60	12/11/2018 2.73%	261,480.96 262,472.27	99.92 1.96%	264,694.59 171.24	0.36% 2,222.32	NR / AAA AAA	1.98 0.53
43814WAB1	Honda Auto Receivables Trust 2019-1 A2 2.75% Due 9/20/2021	455,000.00	02/19/2019 2.77%	454,970.70 454,977.46	100.42 2.11%	456,902.81 451.84	0.62% 1,925.35	NR / AAA AAA	1.98 0.63
47788BAD6	John Deere Owner Trust 2017-B A3 1.82% Due 10/15/2021	326,958.35	11/14/2018 3.14%	322,449.89 323,801.58	99.84 2.16%	326,451.35 264.47	0.44% 2,649.77	Aaa / NR AAA	2.04 0.46
89239AAB9	Toyota Auto Receivables Trust 2019-A A2A 2.83% Due 10/15/2021	375,000.00	02/05/2019 2.85%	374,965.95 374,973.98	100.35 2.13%	376,311.75 471.67	0.51% 1,337.77	Aaa / AAA NR	2.04 0.49
47789JAB2	John Deere Owner Trust 2019-A A2 2.85% Due 12/15/2021	360,000.00	03/05/2019 2.87%	359,983.58 359,986.87	100.46 2.09%	361,658.88 456.00	0.49% 1,672.01	Aaa / NR AAA	2.21 0.59
43814UAG4	Honda Auto Receivables Trust 2018-2 A3 3.01% Due 5/18/2022	105,000.00	05/22/2018 3.03%	104,997.71 104,998.48	101.00 2.10%	106,049.37 114.13	0.14% 1,050.89	NR / AAA AAA	2.63 1.07
43815HAC1	Honda Auto Receivables Trust 2018-3 A3 2.95% Due 8/22/2022	205,000.00	08/21/2018 2.98%	204,971.87 204,979.58	101.16 1.99%	207,370.41 167.99	0.28% 2,390.83	Aaa / NR AAA	2.90 1.18
65478WAE5	Nissan Auto Receivables Trust 2016-C A4 1.38% Due 1/17/2023	500,000.00	01/24/2019 2.95%	489,531.25 492,129.95	99.50 2.13%	497,503.00 306.67	0.67% 5,373.05	Aaa / NR AAA	3.30 0.67
<b>Total ABS</b>		<b>3,035,302.95</b>	<b>2.89%</b>	<b>3,013,423.45</b> <b>3,019,631.88</b>	<b>2.10%</b>	<b>3,040,238.60</b> <b>2,830.98</b>	<b>4.12%</b> <b>20,606.72</b>	<b>Aaa / AAA</b> <b>AAA</b>	<b>2.28</b> <b>0.60</b>
<b>AGENCY</b>									
3137EADM8	FHLMC Note 1.25% Due 10/2/2019	500,000.00	09/25/2015 1.32%	498,665.00 499,999.09	100.00 1.78%	499,985.00 3,107.64	0.68% (14.09)	Aaa / AA+ AAA	0.01 0.01

**Vallecitos Water District Consolidated Account**

Account #10594

**Holdings Report**

As of September 30, 2019



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>AGENCY</b>									
3130A9UP4	FHLB Callable Note Cont 4/28/2017 1.19% Due 10/28/2019	500,000.00	10/28/2016 1.19%	500,000.00 500,000.00	99.95 1.82%	499,753.50 2,528.75	0.68% (246.50)	Aaa / AA+ NR	0.08 0.08
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	99.85 1.95%	499,249.00 1,706.25	0.68% (751.00)	Aaa / AA+ AAA	0.25 0.25
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	99.60 2.11%	498,007.00 18.06	0.67% (1,993.00)	Aaa / AA+ AAA	0.50 0.49
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	99.87 1.89%	749,031.00 5,323.13	1.02% (969.00)	Aaa / AA+ NR	0.58 0.23
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	99.75 1.88%	748,102.50 3,812.50	1.02% (1,897.50)	Aaa / AA+ AAA	0.66 0.65
3130A8M67	FHLB Callable Note Cont 7/13/2017 1.2% Due 7/13/2020	500,000.00	11/22/2016 1.60%	492,970.00 498,487.15	99.41 1.95%	497,071.50 1,300.00	0.67% (1,415.65)	Aaa / AA+ NR	0.79 0.78
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	99.59 1.86%	995,896.00 1,438.89	1.35% (4,104.00)	Aaa / AA+ AAA	0.90 0.89
3133EGC94	FFCB Callable Note Cont 2/2/2017 1.38% Due 11/2/2020	500,000.00	11/04/2016 1.40%	499,600.00 499,890.88	99.27 2.07%	496,328.00 2,855.83	0.68% (3,562.88)	Aaa / AA+ AAA	1.09 0.64
3133EGR49	FFCB Callable Note Cont 12/7/2017 1.77% Due 12/7/2020	250,000.00	12/07/2016 1.83%	249,437.50 249,833.29	99.98 1.79%	249,944.00 1,401.25	0.34% 110.71	Aaa / AA+ AAA	1.19 0.36
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	99.18 2.03%	495,902.00 1,225.00	0.67% (4,098.00)	Aaa / AA+ AAA	1.33 0.88
3133EFC54	FFCB Callable Note Cont 2/17/2017 1.62% Due 2/17/2021	150,000.00	11/18/2016 1.67%	149,667.00 149,891.65	99.78 1.78%	149,674.20 297.00	0.20% (217.45)	Aaa / AA+ AAA	1.39 0.56
3130A7ES0	FHLB Callable Note Qtrly 6/22/2016 2% Due 3/22/2021	275,000.00	04/06/2017 2.11%	274,381.25 274,769.79	100.04 1.84%	275,100.38 137.50	0.37% 330.59	Aaa / AA+ NR	1.48 0.23
3133EFZ91	FFCB Callable Note Cont 4/12/2017 1.62% Due 4/12/2021	750,000.00	04/12/2016 1.62%	749,925.00 749,977.04	99.33 2.07%	744,963.75 5,703.75	1.02% (5,013.29)	Aaa / AA+ AAA	1.53 0.71
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	100.00 1.99%	750,016.50 6,135.83	1.02% 16.50	Aaa / AA+ AAA	1.59 0.33
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	99.44 1.81%	497,182.50 1,333.33	0.67% (2,817.50)	Aaa / AA+ AAA	1.82 1.13
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	99.36 1.95%	993,571.00 1,600.00	1.35% (6,429.00)	Aaa / AA+ AAA	1.90 0.76



Vallecitos Water District Consolidated Account

Account #10594

Holdings Report

As of September 30, 2019



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>AGENCY</b>									
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	99.67 1.79%	996,748.00 45.14	1.35% (3,252.00)	Aaa / AA+ NR	2.00 1.00
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	99.63 1.73%	996,343.00 6,587.50	1.36% (3,657.00)	Aaa / AA+ AAA	2.08 1.08
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	100.01 1.81%	1,000,078.00 6,510.42	1.36% 78.00	Aaa / AA+ AAA	2.16 0.73
3133EJ3B3	FFCB Note 2.8% Due 12/17/2021	1,000,000.00	12/26/2018 2.70%	1,002,780.00 1,002,068.36	102.31 1.73%	1,023,116.00 8,088.89	1.39% 21,047.64	Aaa / AA+ AAA	2.22 2.13
3135G0U92	FNMA Note 2.625% Due 1/11/2022	500,000.00	03/05/2019 2.60%	500,350.00 500,279.80	102.14 1.67%	510,681.00 2,916.67	0.69% 10,401.20	Aaa / AA+ AAA	2.28 2.20
3133EKBV7	FFCB Note 2.55% Due 3/1/2022	750,000.00	02/27/2019 2.55%	750,075.00 750,060.36	102.08 1.67%	765,572.25 1,593.75	1.04% 15,511.89	Aaa / AA+ AAA	2.42 2.34
313378WG2	FHLB Note 2.5% Due 3/11/2022	500,000.00	04/08/2019 2.36%	501,945.00 501,626.00	102.06 1.64%	510,301.00 694.44	0.69% 8,675.00	Aaa / AA+ NR	2.45 2.37
313383WD9	FHLB Note 3.125% Due 9/9/2022	500,000.00	01/30/2019 2.68%	507,580.00 506,181.41	104.16 1.67%	520,795.50 954.86	0.71% 14,614.09	Aaa / AA+ AAA	2.95 2.81
3130AFE78	FHLB Note 3% Due 12/9/2022	1,000,000.00	01/25/2019 2.71%	1,010,700.00 1,008,834.51	104.03 1.70%	1,040,288.00 9,333.33	1.42% 31,453.49	Aaa / AA+ AAA	3.19 3.02
3133EKZK5	FFCB Note 1.6% Due 8/14/2023	1,000,000.00	08/28/2019 1.48%	1,004,700.00 1,004,592.74	99.98 1.61%	999,789.00 2,088.89	1.36% (4,803.74)	Aaa / AA+ AAA	3.87 3.73
3133EKMx1	FFCB Note 2.23% Due 2/23/2024	750,000.00	07/30/2019 1.91%	760,425.00 760,037.50	102.56 1.62%	769,213.50 1,765.42	1.04% 9,176.00	Aaa / AA+ AAA	4.40 4.17
<b>Total Agency</b>		<b>18,675,000.00</b>	<b>1.82%</b>	<b>18,703,200.75</b> <b>18,706,529.57</b>	<b>1.82%</b>	<b>18,772,703.08</b> <b>80,504.02</b>	<b>25.50%</b> <b>66,173.51</b>	<b>Aaa / AA+</b> <b>AAA</b>	<b>1.85</b> <b>1.39</b>
<b>LAIF</b>									
90LAIF\$00	Local Agency Investment Fund State Pool	17,253,680.65	Various 2.25%	17,253,680.65 17,253,680.65	1.00 2.25%	17,253,680.65 104,104.12	23.48% 0.00	NR / NR NR	0.00 0.00
<b>Total LAIF</b>		<b>17,253,680.65</b>	<b>2.25%</b>	<b>17,253,680.65</b> <b>17,253,680.65</b>	<b>2.25%</b>	<b>17,253,680.65</b> <b>104,104.12</b>	<b>23.48%</b> <b>0.00</b>	<b>NR / NR</b> <b>NR</b>	<b>0.00</b> <b>0.00</b>



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>LOCAL GOV INVESTMENT POOL</b>									
90SDCP\$00	County of San Diego Pooled Investment Pool	5,400,000.00	Various 2.25%	5,400,000.00 5,400,000.00	1.00 2.25%	5,400,000.00 0.00	7.30% 0.00	NR / NR AAA	0.00 0.00
<b>Total Local Gov Investment Pool</b>		<b>5,400,000.00</b>	<b>2.25%</b>	<b>5,400,000.00</b>	<b>2.25%</b>	<b>5,400,000.00</b> <b>0.00</b>	<b>7.30%</b> <b>0.00</b>	<b>NR / NR</b> <b>AAA</b>	<b>0.00</b> <b>0.00</b>
<b>MONEY MARKET FUND FI</b>									
261908206	Dreyfus Treasury Money Market Fund	247,917.66	Various 1.59%	247,917.66 247,917.66	1.00 1.59%	247,917.66 0.00	0.34% 0.00	Aaa / AAA NR	0.00 0.00
<b>Total Money Market Fund FI</b>		<b>247,917.66</b>	<b>1.59%</b>	<b>247,917.66</b>	<b>1.59%</b>	<b>247,917.66</b> <b>0.00</b>	<b>0.34%</b> <b>0.00</b>	<b>Aaa / AAA</b> <b>NR</b>	<b>0.00</b> <b>0.00</b>
<b>NEGOTIABLE CD</b>									
06417G5R5	Bank of Nova Scotia Yankee CD 2.61% Due 12/17/2019	1,000,000.00	03/25/2019 2.61%	999,994.51 999,998.41	100.00 2.61%	999,998.41 13,775.00	1.37% 0.00	P-1 / A-1 F-1+	0.21 0.21
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 15,616.94	1.37% 0.00	P-1 / A-1 F-1+	0.43 0.42
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	99.93 1.85%	244,835.61 262.45	0.33% (164.39)	NR / NR NR	0.44 0.44
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%	244,510.00 244,901.01	99.67 1.83%	244,184.89 798.77	0.33% (716.12)	NR / NR NR	0.77 0.76
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	99.43 2.04%	243,602.77 1,590.82	0.33% (1,397.23)	NR / NR NR	1.07 1.05
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	100.00 1.85%	244,989.22 24.84	0.33% (10.78)	NR / NR NR	1.25 1.23
94986TXN2	Wells Fargo Callable NCD Qtrly 9/4/18 2.3% Due 3/4/2021	243,000.00	03/04/2016 2.30%	243,000.00 243,000.00	100.15 1.46%	243,364.50 413.43	0.33% 364.50	NR / NR NR	1.43 0.18
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	99.66 1.85%	244,156.96 11.08	0.33% (843.04)	NR / NR NR	1.75 1.72

Vallecitos Water District Consolidated Account

Account #10594

Holdings Report

As of September 30, 2019



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>NEGOTIABLE CD</b>									
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	99.37 1.99%	243,467.28 509.47	0.33% (1,532.72)	NR / NR NR	1.88 1.84
<b>Total Negotiable CD</b>		<b>3,713,000.00</b>	<b>2.23%</b>	<b>3,712,504.51</b> <b>3,712,899.42</b>	<b>2.28%</b>	<b>3,708,599.64</b> <b>33,002.80</b>	<b>5.06%</b> <b>(4,299.78)</b>	<b>Aaa / AA</b> <b>AAA</b>	<b>0.74</b> <b>0.64</b>
<b>SUPRANATIONAL</b>									
4581X0CD8	Inter-American Dev Bank Note 2.125% Due 11/9/2020	750,000.00	05/22/2018 2.81%	737,865.00 744,539.25	100.31 1.84%	752,319.00 6,286.46	1.03% 7,779.75	Aaa / AAA AAA	1.11 1.08
459058GH0	Intl. Bank Recon & Development Note 2.75% Due 7/23/2021	750,000.00	07/24/2018 2.86%	747,607.50 748,553.12	101.85 1.71%	763,882.50 3,895.83	1.04% 15,329.38	Aaa / AAA NR	1.81 1.76
<b>Total Supranational</b>		<b>1,500,000.00</b>	<b>2.84%</b>	<b>1,485,472.50</b> <b>1,493,092.37</b>	<b>1.77%</b>	<b>1,516,201.50</b> <b>10,182.29</b>	<b>2.06%</b> <b>23,109.13</b>	<b>Aaa / AAA</b> <b>AAA</b>	<b>1.47</b> <b>1.42</b>
<b>US CORPORATE</b>									
40428HPV8	HSBC USA Inc Note 2.75% Due 8/7/2020	250,000.00	10/10/2018 3.26%	247,772.50 248,958.27	100.58 2.06%	251,446.00 1,031.25	0.34% 2,487.73	A2 / A AA-	0.85 0.84
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%	490,920.00 495,257.96	100.32 1.97%	501,615.00 4,727.78	0.68% 6,357.04	A3 / A A	1.10 0.98
459200JF9	IBM Corp Note 2.25% Due 2/19/2021	500,000.00	06/26/2018 3.07%	489,640.00 494,568.23	100.45 1.92%	502,262.00 1,312.50	0.68% 7,693.77	A2 / A NR	1.39 1.36
69371RN93	Paccar Financial Corp Note 2.8% Due 3/1/2021	300,000.00	07/23/2018 3.12%	297,585.00 298,685.73	101.21 1.93%	303,621.00 700.00	0.41% 4,935.27	A1 / A+ NR	1.42 1.39
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%	493,125.00 495,979.45	100.77 1.96%	503,830.50 5,763.89	0.69% 7,851.05	A1 / A AA-	1.54 1.41
369550BE7	General Dynamics Corp Note 3% Due 5/11/2021	350,000.00	06/28/2018 3.08%	349,247.50 349,577.39	101.75 1.89%	356,128.85 4,083.33	0.49% 6,551.46	A2 / A+ NR	1.61 1.56



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>US CORPORATE</b>									
857477AV5	State Street Bank Note 1.95% Due 5/19/2021	500,000.00	10/12/2018 3.30%	483,360.00 489,516.45	100.01 1.94%	500,055.50 3,575.00	0.68% 10,539.05	A1 / A AA-	1.64 1.59
808513AW5	Charles Schwab Corp Callable Note Cont 4/21/2021 3.25% Due 5/21/2021	320,000.00	Various 3.09%	321,372.10 320,738.00	102.06 1.90%	326,600.01 3,755.55	0.45% 5,862.01	A2 / A A	1.64 1.50
931142EJ8	Wal-Mart Stores Note 3.125% Due 6/23/2021	290,000.00	06/20/2018 3.13%	289,985.50 289,991.62	102.26 1.79%	296,545.59 2,467.01	0.40% 6,553.97	Aa2 / AA AA	1.73 1.67
02665WBG5	American Honda Finance Note 1.7% Due 9/9/2021	500,000.00	07/20/2018 3.19%	478,045.00 486,381.37	99.56 1.93%	497,786.00 519.44	0.67% 11,404.63	A2 / A NR	1.95 1.90
89233P5F9	Toyota Motor Credit Corp Note 3.4% Due 9/15/2021	500,000.00	05/31/2018 3.03%	505,785.00 503,449.77	102.95 1.86%	514,742.50 755.56	0.70% 11,292.73	Aa3 / AA- A+	1.96 1.89
24422ETL3	John Deere Capital Corp Note 2.65% Due 1/6/2022	500,000.00	Various 3.29%	489,627.50 493,188.36	101.57 1.94%	507,856.50 3,128.48	0.69% 14,668.14	A2 / A A	2.27 2.18
74005PBA1	Praxair Callable Note Cont 11/15/2021 2.45% Due 2/15/2022	300,000.00	06/27/2018 3.15%	292,848.00 295,321.83	101.30 1.82%	303,909.90 939.17	0.41% 8,588.07	A2 / A NR	2.38 2.06
037833CQ1	Apple Inc Callable Note Cont 4/11/22 2.3% Due 5/11/2022	500,000.00	10/30/2018 3.30%	483,395.00 487,704.30	101.18 1.82%	505,918.50 4,472.22	0.69% 18,214.20	Aa1 / AA+ NR	2.61 2.43
68389XBB0	Oracle Corp Callable Note Cont 3/15/2022 2.5% Due 5/15/2022	500,000.00	Various 3.28%	486,304.00 490,505.32	101.22 1.99%	506,093.50 4,722.23	0.69% 15,588.18	A1 / A+ A	2.62 2.35
084664BT7	Berkshire Hathaway Note 3% Due 5/15/2022	500,000.00	12/11/2018 3.31%	495,015.00 496,180.43	102.90 1.86%	514,503.00 5,666.67	0.70% 18,322.57	Aa2 / AA A+	2.62 2.50
09247XAJ0	Blackrock Inc Note 3.375% Due 6/1/2022	500,000.00	11/28/2018 3.36%	500,215.00 500,163.73	104.08 1.80%	520,392.00 5,625.00	0.71% 20,228.27	Aa3 / AA- NR	2.67 2.53
06051GEU9	Bank of America Corp Note 3.3% Due 1/11/2023	400,000.00	09/05/2019 2.13%	414,984.00 414,713.80	103.32 2.24%	413,267.20 2,933.33	0.56% (1,446.60)	A2 / A- A+	3.28 3.08
90331HNL3	US Bank NA Callable Note Cont 12/23/22 2.85% Due 1/23/2023	480,000.00	07/22/2019 2.24%	489,580.80 489,051.09	102.29 2.11%	491,000.16 2,584.00	0.67% 1,949.07	A1 / AA- AA-	3.32 3.06
69353RFL7	PNC Bank Callable Note Cont 5/9/2023 3.5% Due 6/8/2023	500,000.00	06/11/2019 2.44%	519,580.00 518,069.62	105.00 2.06%	524,981.00 5,493.06	0.72% 6,911.38	A2 / A NR	3.69 3.36
931142EK5	Wal-Mart Stores Callable Note Cont 5/26/2023 3.4% Due 6/26/2023	500,000.00	05/21/2019 2.65%	514,115.00 512,851.98	105.26 1.90%	526,323.00 4,486.11	0.72% 13,471.02	Aa2 / AA AA	3.74 3.41



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>Total US Corporate</b>		<b>9,190,000.00</b>	<b>3.02%</b>	<b>9,132,501.90</b> <b>9,170,854.70</b>	<b>1.94%</b>	<b>9,368,877.71</b> <b>68,741.58</b>	<b>12.77%</b> <b>198,023.01</b>	<b>A1 / AA+</b> <b>A+</b>	<b>2.27</b> <b>2.12</b>
<b>US TREASURY</b>									
9128283S7	US Treasury Note 2% Due 1/31/2020	750,000.00	08/24/2018 2.57%	744,082.03 748,616.87	100.03 1.91%	750,204.75 2,527.17	1.02% 1,587.88	Aaa / AA+ AAA	0.34 0.33
9128283Y4	US Treasury Note 2.25% Due 2/29/2020	750,000.00	06/25/2018 2.51%	746,835.94 749,220.60	100.14 1.91%	751,054.50 1,437.16	1.02% 1,833.90	Aaa / AA+ AAA	0.42 0.41
912828XH8	US Treasury Note 1.625% Due 6/30/2020	750,000.00	05/31/2018 2.43%	737,753.91 745,606.86	99.82 1.86%	748,681.50 3,079.99	1.02% 3,074.64	Aaa / AA+ AAA	0.75 0.74
912828L65	US Treasury Note 1.375% Due 9/30/2020	750,000.00	06/27/2018 2.53%	731,044.92 741,613.81	99.56 1.82%	746,718.75 28.18	1.01% 5,104.94	Aaa / AA+ AAA	1.00 0.99
912828WC0	US Treasury Note 1.75% Due 10/31/2020	750,000.00	07/20/2018 2.64%	735,292.97 742,991.60	99.93 1.81%	749,502.00 5,492.53	1.02% 6,510.40	Aaa / AA+ AAA	1.09 1.06
912828A42	US Treasury Note 2% Due 11/30/2020	750,000.00	11/28/2018 2.85%	737,695.31 742,839.07	100.22 1.81%	751,641.00 5,040.98	1.02% 8,801.93	Aaa / AA+ AAA	1.17 1.14
912828N89	US Treasury Note 1.375% Due 1/31/2021	750,000.00	10/30/2018 2.86%	725,859.38 735,685.76	99.48 1.77%	746,074.50 1,737.43	1.01% 10,388.74	Aaa / AA+ AAA	1.34 1.31
912828U81	US Treasury Note 2% Due 12/31/2021	750,000.00	11/08/2018 3.05%	726,650.39 733,281.03	100.81 1.63%	756,093.75 3,790.76	1.03% 22,812.72	Aaa / AA+ AAA	2.25 2.18
912828W55	US Treasury Note 1.875% Due 2/28/2022	1,000,000.00	01/30/2019 2.56%	979,921.88 984,262.61	100.59 1.63%	1,005,859.00 1,596.84	1.36% 21,596.39	Aaa / AA+ AAA	2.42 2.35
912828W89	US Treasury Note 1.875% Due 3/31/2022	750,000.00	09/27/2018 2.92%	724,013.67 731,484.74	100.68 1.60%	755,097.75 38.42	1.02% 23,613.01	Aaa / AA+ AAA	2.50 2.43
912828XR6	US Treasury Note 1.75% Due 5/31/2022	750,000.00	09/24/2018 2.93%	719,208.98 727,708.58	100.38 1.61%	752,812.50 4,410.86	1.02% 25,103.92	Aaa / AA+ AAA	2.67 2.58
912828XW5	US Treasury Note 1.75% Due 6/30/2022	350,000.00	09/07/2018 2.80%	336,792.97 340,463.17	100.44 1.59%	351,531.25 1,547.89	0.48% 11,068.08	Aaa / AA+ AAA	2.75 2.66
9128282P4	US Treasury Note 1.875% Due 7/31/2022	1,000,000.00	12/28/2018 2.53%	977,617.19 982,305.94	100.75 1.60%	1,007,461.00 3,158.97	1.37% 25,155.06	Aaa / AA+ AAA	2.84 2.74
912828L24	US Treasury Note 1.875% Due 8/31/2022	750,000.00	09/20/2018 2.94%	720,439.45 728,137.51	100.84 1.58%	756,298.50 1,197.63	1.02% 28,160.99	Aaa / AA+ AAA	2.92 2.83
9128282W9	US Treasury Note 1.875% Due 9/30/2022	1,000,000.00	03/19/2019 2.43%	981,406.25 984,216.93	100.89 1.57%	1,008,867.00 51.23	1.36% 24,650.07	Aaa / AA+ AAA	3.00 2.91



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>US TREASURY</b>									
9128284D9	US Treasury Note 2.5% Due 3/31/2023	1,000,000.00	02/21/2019 2.51%	999,414.06 999,500.50	103.14 1.57%	1,031,445.00 68.31	1.40% 31,944.50	Aaa / AA+ AAA	3.50 3.35
912828R69	US Treasury Note 1.625% Due 5/31/2023	600,000.00	04/11/2019 2.30%	584,039.06 585,857.13	100.20 1.57%	601,171.80 3,276.64	0.82% 15,314.67	Aaa / AA+ AAA	3.67 3.53
912828T91	US Treasury Note 1.625% Due 10/31/2023	1,000,000.00	09/25/2019 1.60%	1,000,898.44 1,000,895.44	100.21 1.57%	1,002,148.00 6,800.27	1.36% 1,252.56	Aaa / AA+ AAA	4.09 3.91
<b>Total US Treasury</b>		<b>14,200,000.00</b>	<b>2.58%</b>	<b>13,908,966.80</b> <b>14,004,688.15</b>	<b>1.68%</b>	<b>14,272,662.55</b> <b>45,281.26</b>	<b>19.37%</b> <b>267,974.40</b>	<b>Aaa / AA+</b> <b>AAA</b>	<b>2.21</b> <b>2.14</b>
<b>TOTAL PORTFOLIO</b>		<b>73,214,901.26</b>	<b>2.34%</b>	<b>72,857,668.22</b> <b>73,009,294.40</b>	<b>1.97%</b>	<b>73,580,881.39</b> <b>344,647.05</b>	<b>100.00%</b> <b>571,586.99</b>	<b>Aa1 / AA+</b> <b>AAA</b>	<b>1.35</b> <b>1.13</b>
<b>TOTAL MARKET VALUE PLUS ACCRUED</b>						<b>73,925,528.44</b>			

**VALLECITOS WATER DISTRICT  
SUMMARY OF LEGAL FEES**

<b>Matter Description</b>	<b>Aug-18</b>	<b>Sep-18</b>	<b>Oct-18</b>	<b>Nov-18</b>	<b>Dec-18</b>	<b>Jan-19</b>	<b>Feb-19</b>	<b>Mar-19</b>	<b>Apr-19</b>	<b>May-19</b>	<b>Jun-19</b>	<b>Jul-19</b>	<b>Aug-19</b>	<b>Total</b>
General Counsel Services	\$14,057	\$6,416	\$7,639	\$8,896	\$7,886	\$3,422	\$9,177	\$10,914	\$5,557	\$9,183	\$5,284	\$2,215	\$12,391	\$103,037
Labor/Employment	-	493	3,770	6,409	852	-	2,610	5,577	21,718	14,492	5,447	2,135	3,679	\$67,180
Engineering - Construction/Contracting	1,274	1,947	1,404	260	858	2,938	2,840	2,647	3,172	1,693	546	1,641	1,968	\$23,188
Fees and Taxes	-	1,040	-	78	988	364	-	-	-	728	-	2,744	7,241	\$13,182
Environmental	-	-	-	-	-	-	-	-	7,935	116	-	-	1,800	\$9,851
VWD v. Brian Thomas Boyd	1,730	3,375	494	2,718	130	104	-	-	-	-	-	-	-	\$8,551
Adv. Butler	-	-	-	-	-	-	-	2,302	302	136	-	30	417	\$3,187
<b>Total</b>	<b>\$17,061</b>	<b>\$13,271</b>	<b>\$13,308</b>	<b>\$18,361</b>	<b>\$10,714</b>	<b>\$6,828</b>	<b>\$14,628</b>	<b>\$21,439</b>	<b>\$38,684</b>	<b>\$26,348</b>	<b>\$11,277</b>	<b>\$8,764</b>	<b>\$27,495</b>	<b>\$228,178</b>

**DATE: OCTOBER 16, 2019**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: ADOPTION OF RESOLUTION ORDERING THE ANNEXATION OF CERTAIN PROPERTY DESIGNATED AS THE “CHESUS ANNEXATION” (APN 222-042-14) INTO THE VALLECITOS WATER DISTRICT SEWER IMPROVEMENT DISTRICTS 1, 2 & 6**

**BACKGROUND:**

The Chesus property consists of approximately 1.53 acres located at 1541 Rancho Santa Fe Road (APN 222-042-14) north of Calle Venado between Brighton Glen Road and Island Drive in the City of San Marcos. The property is currently within the Vallecitos Water District and receives water service from VWD. The property is not within the VWD sewer service boundary.

**DISCUSSION:**

In 1979, the then owner of the property purchased sewer capacity and paid for installation of a sewer lateral for the existing home. District staff installed the lateral, connecting the property to the District’s sewer system and the property has previously been billed for sewer service. However, no records have been found to verify that the property was annexed into the sewer service area at that time.

The property was acquired by the City of San Marcos in 1989. In 2006, a portion of the property was dedicated for the widening of Rancho Santa Fe Road and the existing home was demolished. The remaining property has remained vacant.

The City sold the property in February 2019. Mary Chesus, the current owner of the property, wishes to build on the property and approached the District to locate the sewer lateral and arrange to connect the new home to sewer.

The District cannot provide sewer service to properties outside of VWD’s sewer service area per Ordinance No. 200. Since any previous annexation cannot be verified, the Chesus property must now be annexed into the sewer service area to be eligible for sewer service. Therefore, Ms. Chesus has requested approval of annexation into the sewer service area at no cost to her.

Due to the fact that this property has received sewer service since 1979 and the District failed to collect annexation fees at the time, staff recommends that the Board waive annexation fees to expedite the proper annexation of this property and correct the District’s sewer service boundary.

The State Board of Equalization determines property tax rate areas based on jurisdictional boundaries. A fee is required for all boundary changes based on acreage.



**FISCAL IMPACT:**

Current sewer annexation fees for this property would be \$13,511.43 (\$8,831 per acre x 1.53 acres). Annexation fees at the time the sewer lateral was installed were \$25.00 per acre or \$38.25. Owner shall pay the State Board of Equalization fee of \$350.00.

**RECOMMENDATION:**

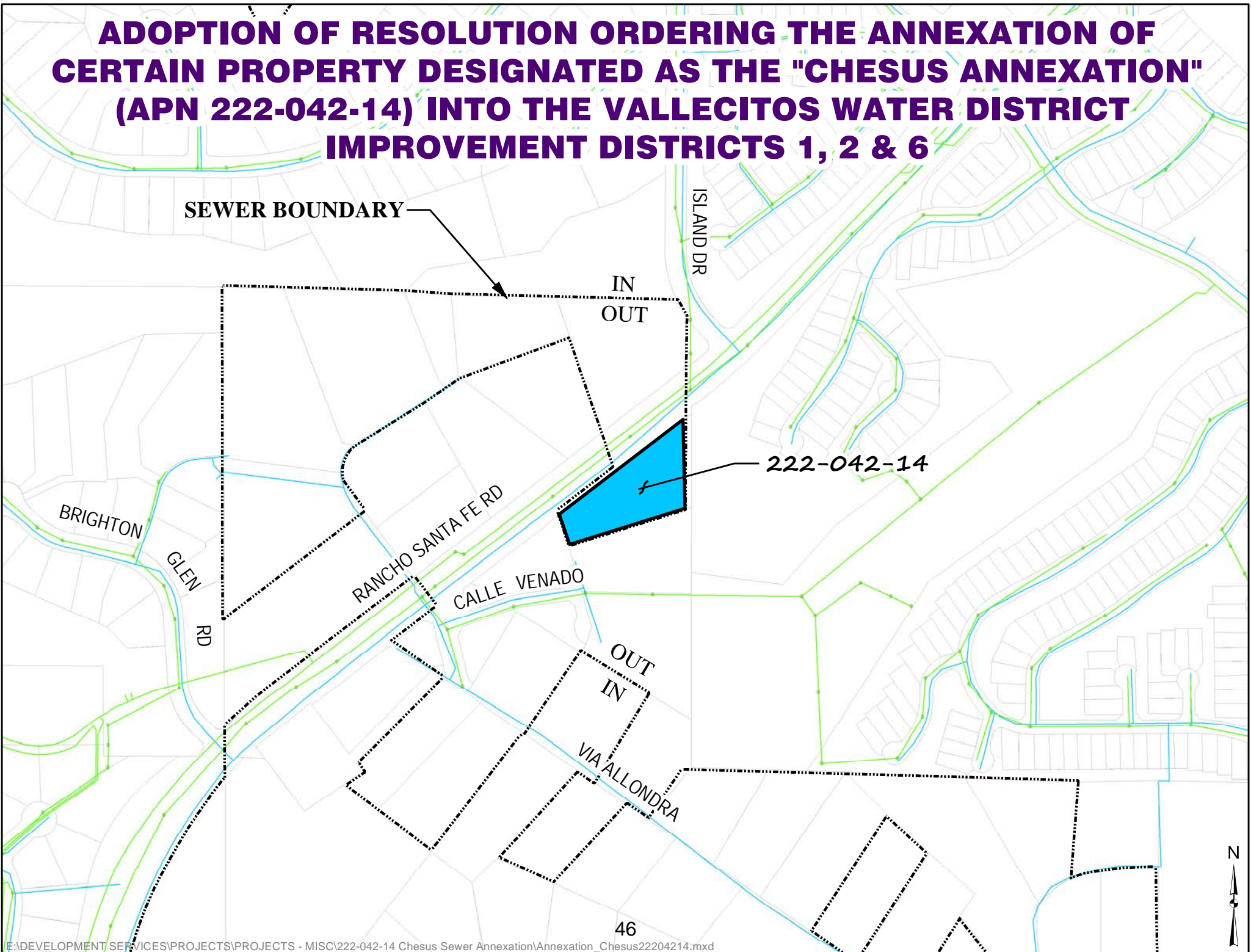
Approve the sewer annexation, waive District annexation fees and adopt the resolution ordering the annexation of the Chesus property into Sewer Improvement Districts 1, 2 & 6.

**ATTACHMENTS:**

2 Map Exhibits: 1-Plat & 1-Aerial

Resolution Ordering the Annexation of APN 222-042-14 into the Vallecitos Water District Sewer Improvement Districts 1, 2 & 6.

# ADOPTION OF RESOLUTION ORDERING THE ANNEXATION OF CERTAIN PROPERTY DESIGNATED AS THE "CHESUS ANNEXATION" (APN 222-042-14) INTO THE VALLECITOS WATER DISTRICT IMPROVEMENT DISTRICTS 1, 2 & 6



SEWER BOUNDARY

IN  
OUT

ISLAND DR

222-042-14

BRIGHTON

GLEN  
RD

RANCHO SANTA FE RD

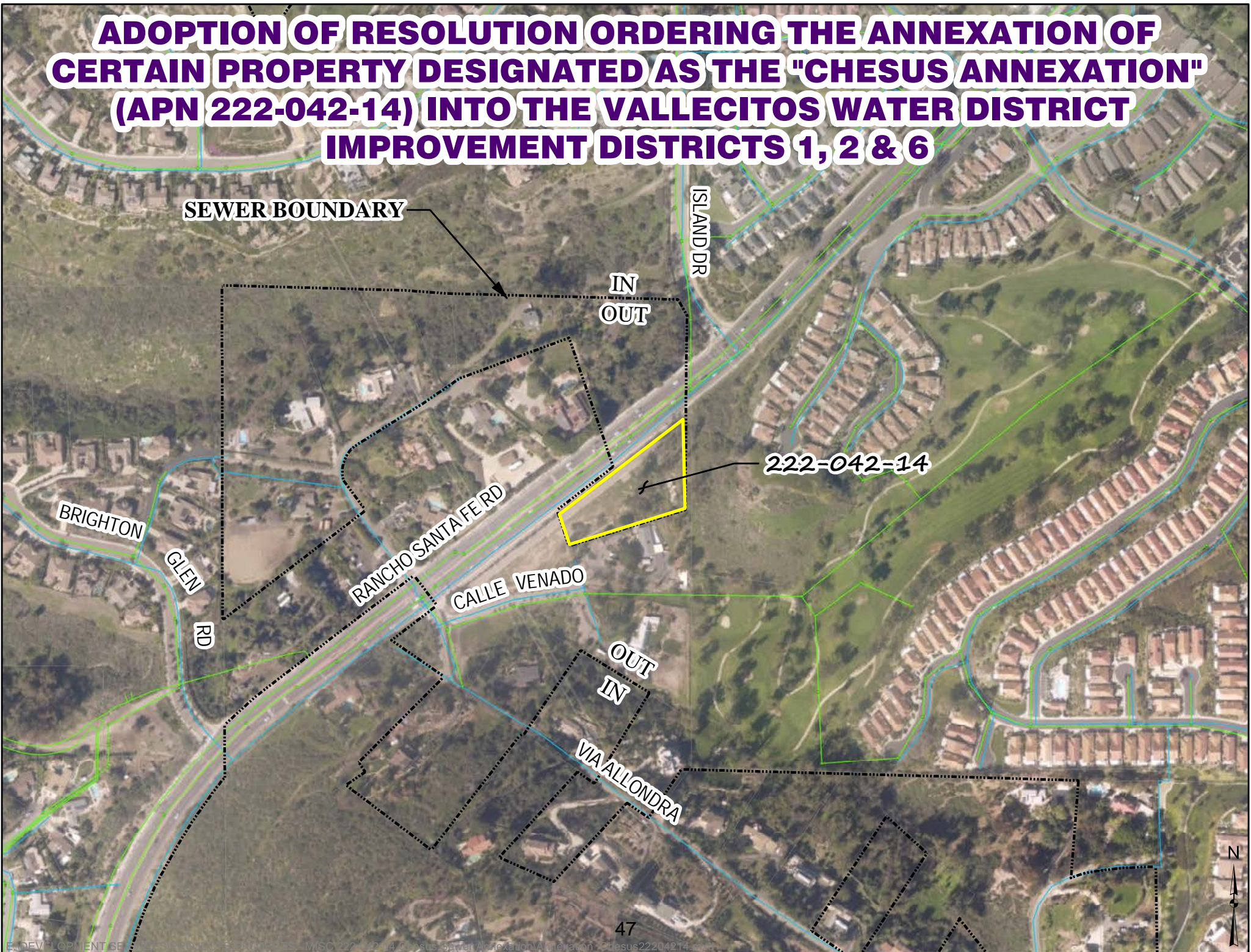
CALLE VENADO

OUT  
IN

VIA ALLONDRA



# ADOPTION OF RESOLUTION ORDERING THE ANNEXATION OF CERTAIN PROPERTY DESIGNATED AS THE "CHESUS ANNEXATION" (APN 222-042-14) INTO THE VALLECITOS WATER DISTRICT IMPROVEMENT DISTRICTS 1, 2 & 6





**RESOLUTION NO.**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
VALLECITOS WATER DISTRICT ORDERING THE ANNEXATION  
INTO SEWER IMPROVEMENT DISTRICTS 1, 2 & 6 FOR SEWER  
SERVICE OF CERTAIN PROPERTY DESIGNATED AS  
“CHESUS ANNEXATION” (APN 222-042-14)**

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE VALLECITOS WATER DISTRICT as follows:

SECTION 1: The following facts are hereby found and determined to be true:

Section 1.1: That the Vallecitos Water District owns, operates, and maintains a sewage disposal system under and by virtue of Improvement Districts 1, 2 & 6 of the Vallecitos Water District.

Section 1.2: That the owners of the land described in this resolution have given their written consent to the annexation of said lands to the Improvement Districts hereinafter designated and have, in writing, requested the annexation of said lands to said Improvement Districts.

Section 1.3: That the Vallecitos Water District Board of Directors has waived the payment of the costs for this annexation, including annexation fees, advertising, engineering and attorney’s fees but excluding State of California Board of Equalization fees.

Section 1.4: The inclusion of said land within the designated Improvement Districts will be for the best interest of the designated Improvement District.

Section 1.5: The inclusion of said land within said Improvement Districts will be for the best interest of the land, and the owners thereof consent to the inclusion of said land in the designated Improvement Districts of the Vallecitos Water District.

Section 1.6: The Board of Directors determines that all the land hereinafter described shall be included in the designated Improvement Districts; that the proceedings had for the annexation and inclusion herein and above referred to were genuine and sufficient and in all respects complied with the Water Code of the State of California commencing at Section 32550.

Section 1.7: That the land herein described is within the boundaries of the Vallecitos Water District and said lands are not a part of an Improvement District constituted for a purpose similar to the purpose of Improvement Districts 1, 2 & 6 of the Vallecitos Water District.

Section 1.8: All of the owners of the land within the territory to be annexed have given their written consent to such annexation and the Board is thereby authorized to order the annexation by resolution without notice and hearing by the Board and without an election.

SECTION 2: The Board of Directors of the Vallecitos Water District does hereby order the annexation of all the lands hereinafter described to Improvement Districts 1, 2 & 6 of the Vallecitos Water District pursuant to this resolution and the proceedings above referred to, which description contained in Exhibit “A” attached hereto and made a part hereof, is sufficient to identify the land.

SECTION 3: The condition of said annexation to Improvement Districts 1, 2 & 6 of the Vallecitos Water District are as follows:

Section 3.1: The Board of Directors has waived payment by petitioners of the standard fees for annexation of the territory into Improvement Districts 1, 2 & 6 (together not individually) for the use or right of use of the existing property in the Improvement Districts.

Section 3.2: Petitioner has been relieved of the requirement to pay the sum of \$1,000.00 to cover the administrative costs of annexation, which includes attorney fees, publication, filing fees and miscellaneous costs of annexation.

Section 3.3: The lands annexed to an Improvement District shall be subject to existing bond issues and indebtedness of the Improvement District from and after the filing with the San Diego County Assessor of a certified copy of this resolution as set forth in Section 32553 of the Water code of the State of California.

SECTION 4: This resolution shall become effective immediately upon its final passage; this resolution being adopted pursuant to Section 32552 of the Water Code of the State of California. This resolution being adopted without notice and hearing and without an election being conducted in said territory, all in accordance with Section 32552 of the Water Code of the State of California. The Secretary of this District shall comply with the provisions of the Water Code, Section 32553, and shall file a certified copy of this resolution together with a map of the territory thus annexed with the San Diego County Assessor and the San Diego County Tax Collector and with the State Board of Equalization.

PASSED AND ADOPTED by the Board of Directors of the Vallecitos Water District at a regular meeting held on this 16<sup>th</sup> day of October, 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"

1 OF 2

ANNEXATION NO. \_\_\_\_\_.

## "MARY CHESUS LIVING TRUST" ANNEXATION TO VALLECITOS WATER DISTRICT

### GEOGRAPHIC DESCRIPTION

A PORTION OF THAT CERTAIN PARCEL OF LAND SHOWN AND DESIGNATED AS "PARCEL 55" ON RECORD OF SURVEY MAP NO. 4009, FILED SEPTEMBER 5, 1956, BEING A PORTION OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 20, TOWNSHIP 12 SOUTH, RANGE 3 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF SAN MARCOS, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

**BEGINNING** AT THE SOUTHEASTERLY CORNER OF SAID PARCEL 55;

THENCE, **(1)** ALONG THE SOUTHERLY LINE OF SAID PARCEL 55, SOUTH 72°02'28" WEST, 371.21 FEET TO THE SOUTHWESTERLY CORNER OF SAID PARCEL 55;

THENCE, **(2)** ALONG THE WESTERLY LINE OF SAID PARCEL 55, NORTH 16°40'17" WEST, 88.92 FEET;

THENCE, **(3)** LEAVING SAID WESTERLY LINE, NORTH 51°58'20" EAST, 477.60 FEET TO THE EASTERLY LINE OF SAID PARCEL 55;

THENCE, **(4)** ALONG SAID EASTERLY LINE, SOUTH 00°31'20" EAST, 264.96 FEET TO THE **POINT OF BEGINNING** AND CONTAINING 1.53 ACRES OF LAND MORE OR LESS.

*FOR ASSESSMENT PURPOSES ONLY. THIS DESCRIPTION OF LAND IS NOT A LEGAL PROPERTY DESCRIPTION AS DEFINED IN THE SUBDIVISION MAP ACT AND MAY NOT BE USED AS THE BASIS FOR AN OFFER FOR SALE OF THE LAND DESCRIBED.*



Jake D. Logan, PLS 9042

8-13-2019  
Date

# EXHIBIT "A"

2 OF 2



SCALE IN FEET  
SCALE: 1" = 200'

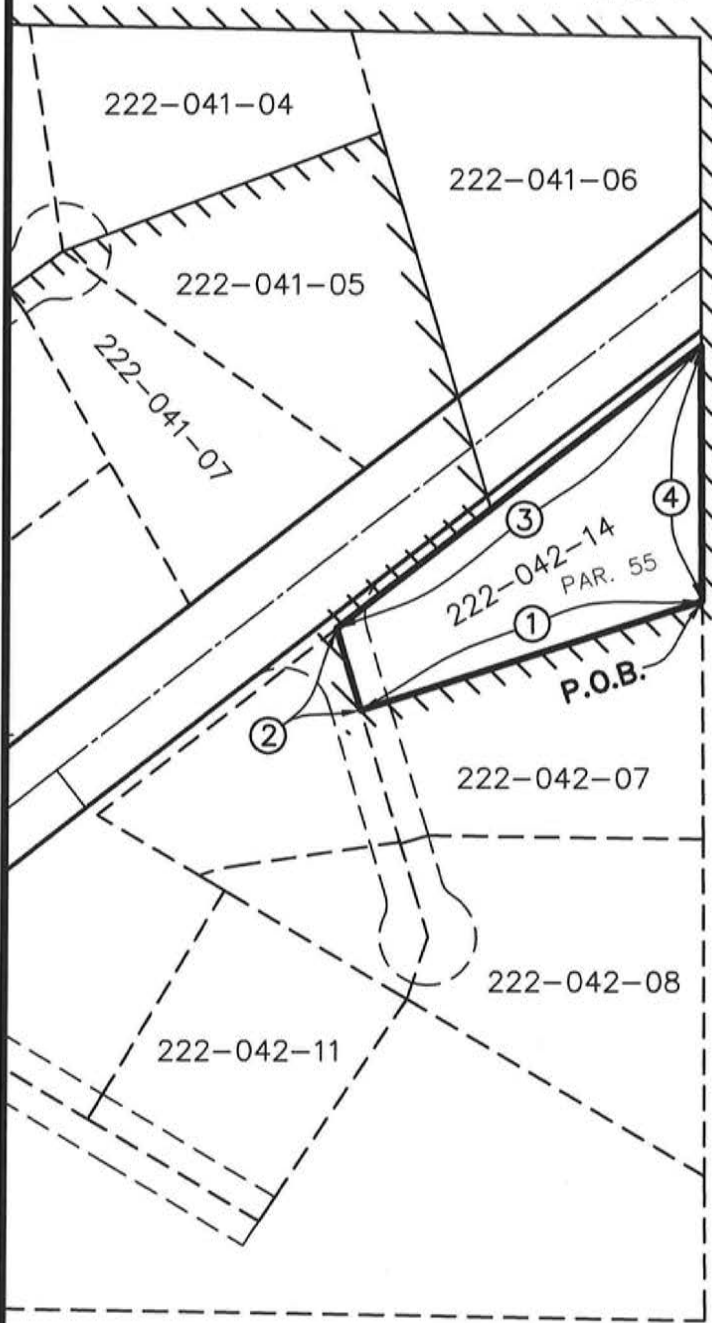


**COURSES:**

1. S 72°02'28" W 371.21'
2. N 16°40'17" W 88.92'
3. N 51°58'20" E 477.60'
4. S 00°31'20" E 264.96'

**LEGEND:**

- P.O.B.** POINT OF BEGINNING
- EXISTING VALLECITOS WATER DISTRICT BOUNDARY
- PROPOSED VALLECITOS WATER DISTRICT BOUNDARY



*Jake D. Logan* 8-13-2019  
 JAKE D. LOGAN, PLS 9042 DATE

ASSESSORS PARCEL NO: 222-042-14	LAFCO RESOLUTION NUMBER XXXX-XX	ACREAGE 1.53	DATE 07/17/2019	SCALE 1"=200'
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"MARY CHESUS LIVING TRUST"  
ANNEXATION TO VALLECITOS WATER DISTRICT

BEING A PORTION OF PARCEL 55 OF RECORD OF SURVEY NO. 4009, IN THE CITY OF SAN MARCOS, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA



**RANCHO COASTAL**  
**ENGINEERING & SURVEYING**  
 SINGLE SOURCE DEVELOPMENT CONSULTANT  
 310 S. TWIN OAKS VALLEY RD., #107-297  
 SAN MARCOS, CA. 92078  
 (760) 510-3152 Ph / (760) 510-3153 Fax

FOR ASSESSMENT PURPOSES ONLY. THIS DESCRIPTION OF LAND IS NOT A LEGAL PROPERTY DESCRIPTION AS DEFINED IN THE SUBDIVISION MAP ACT AND MAY NOT BE USED AS THE BASIS FOR AN OFFER FOR SALE OF THE LAND DESCRIBED.

**DATE: OCTOBER 16, 2019**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: SENATE BILL 555 BY SENATOR LOIS WOLK (D-DAVIS) – URBAN  
RETAIL WATER SUPPLIERS: WATER LOSS MANAGEMENT**

**BACKGROUND:**

California Senate Bill (SB) 555, passed in October 2015, and California Water Code Section 10608.34 require urban water suppliers to submit a completed and validated water loss audit annually to the California Department of Water Resources (DWR) starting in October 2017. The water loss audit must be completed in accordance with the method adopted by the American Water Works Association (AWWA) in the third edition of Water Audits and Loss Control Programs, Manual M36, and in the Free Water Audit Software, version 5.0.

The California-Nevada (CA-NV) Section of the AWWA led a broad group of stakeholders that came together in 2015 to combat water loss in California by forming the California Water Loss Control Collaborative (WLCC). This group includes utility personnel, industry organizations, non-profits as well as state entities. The WLCC project has been funded wholly or in part by the United States Environmental Protection Agency (EPA) and the State Water Resources Control Board (SWRCB), through the State Revolving Fund set-aside for technical assistance.

The WLCC in turn developed the Water Loss Technical Assistance Program (Water Loss TAP) to aid urban water suppliers in complying with SB 555. The Water Loss TAP program ushered utilities through a series of four work sessions to accomplish this goal.

**DISCUSSION:**

Water Loss TAP documents recommend that each water agency put together their own internal water audit team consisting of representatives from: Billing & Finance; Conservation; Engineering; and Supply & Operations. Vallecitos' water audit team includes:

Michael Arthur, Principal Financial Analyst  
Ed Pedrazzi, Operations & Maintenance Manager  
Chris Robbins, Public Information/Conservation Supervisor  
Rob Scholl, Development Services Senior Engineer

The initial workshops were designed to familiarize staff with the various definitions in water loss including:

- Water Supplied: the volume of treated water supplied to the retail water distribution system of a utility with the intent to serve customers. Water Supplied does not include bulk water exports. Therefore, Water Supplied is calculated by subtracting Water Exported from System Input Volume.



- **Authorized Consumption:** is water that is used by known customers of the water system. Authorized consumption is the sum of billed authorized consumption and unbilled authorized consumption and is a known quantity. An example of unbilled authorized consumption would be water used at the District's own facilities. It also includes water supplied to other water systems where the District supplies water to a customer, but another agency bills for it.
- **Real Losses:** also referred to as physical losses, are actual losses of water from the system and consist of leakage from transmission and distribution mains, leakage and overflows from the water system's storage tanks and leakage from service connections up to and including the meter. The software estimates these values unless the agency has better data.
- **Apparent losses:** occur when water that should be included as revenue generating water appears as a loss due to unauthorized actions or calculation error. Apparent losses consist of unauthorized consumption, customer metering inaccuracies, and systematic data handling errors in the meter reading and billing processes.
- **Non-Revenue Water (NRW):** is water that is not billed, and no payment is received, such as fire suppression that is not reimbursed. It can be either authorized or result from apparent and real losses. Unbilled Authorized Consumption is a component of NRW and consists of unbilled metered consumption and unbilled un-metered consumption.

Staff use these and other definitions along with the Water Audit Software (Excel spreadsheet) and District data to create a reporting worksheet.

Principal Financial Analyst Michael Arthur completed the water audit in September 2019 and Senior Engineer Rob Scholl served as the validator. The final validated Water Audit data was submitted to DWR on October 1, 2019, and is included in this packet as attachments.

**VALIDATED AUDIT RESULTS:**

Results from the CY 2018 audit show the following values:

Water Supplied:	15,661.5 acre feet
Authorized Consumption:	14,984.7 acre feet
Water Losses:	676.8 acre feet
Non-Revenue Water:	780.2 acre feet

One of the primary concerns from a District operations perspective is the category titled Water Losses. This number reflects the "tightness" of the water system. A lower number means less water is being lost through leaks and breaks. The CY 2018 amount of 676.8 acre-feet equates to a water loss percentage of 4.32%, which is well within industry standards.

Numbers are assigned to each data component to describe confidence and accuracy of input data with 1 being low and 10 being high. The Water Audit Software includes a

weighted scale of the components which notes the confidence in the specific data values. The District has a “Water Audit Data Validity Score” of 70. Reinhard Sturm, Water Systems Optimization CEO and President, has noted that the majority of the scores fall between 50 and 70.

This is now an annual process. It is expected that a standard for water system loss will be established through the SB 555 process and may be expressed as volume per capita or volume per connection, accounting for relevant factors such as infrastructure age and condition. It is anticipated that at some point, DWR will also direct agencies to improve or increase their “Water Audit Data Validity Score.” When that happens, it is recommended that the District consider a customer meter testing program which tests a sample of random meters whose stratification (by size, age, or other characteristics) represents the entire customer meter stock. The lack of a District meter testing program contributed to one of the lowest ratings on the “Water Audit Data Validity Score.” Implementing a meter testing program should increase that score.

**RECOMMENDATION:**

For information only.

**ATTACHMENT:**

Vallecitos Water District validated water audit submitted to DWR on October 1, 2019.



# AWWA Free Water Audit Software: Reporting Worksheet

WAS v5.0  
American Water Works Association,  
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Click to access definition  
 Click to add a comment

**Water Audit Report for:** Vallecitos Water District (CA3710002)  
**Reporting Year:** 2018 1/2018 - 12/2018

Please enter data in the white cells below. Where available, metered values should be used; if metered values are unavailable please estimate a value. Indicate your confidence in the accuracy of the input data by grading each component (n/a or 1-10) using the drop-down list to the left of the input cell. Hover the mouse over the cell to obtain a description of the grades

All volumes to be entered as: ACRE-FEET PER YEAR

To select the correct data grading for each input, determine the highest grade where the utility meets or exceeds all criteria for that grade and all grades below it.

←----- Enter grading in column 'E' and 'J' ----->

### WATER SUPPLIED

Volume from own sources:	<input type="button" value="+"/>	<input type="button" value="?"/>	<input type="text" value="n/a"/>	<input type="text" value="0.000"/>	acre-ft/yr
Water imported:	<input type="button" value="+"/>	<input type="button" value="?"/>	<input type="text" value="7"/>	<input type="text" value="19,040.600"/>	acre-ft/yr
Water exported:	<input type="button" value="+"/>	<input type="button" value="?"/>	<input type="text" value="7"/>	<input type="text" value="3,379.100"/>	acre-ft/yr

### Master Meter and Supply Error Adjustments

Pcnt:	<input type="button" value="+"/>	<input type="button" value="?"/>	<input type="text" value=""/>	<input type="text" value=""/>	acre-ft/yr
Value:	<input type="button" value="+"/>	<input type="button" value="?"/>	<input type="text" value="5"/>	<input type="text" value=""/>	acre-ft/yr
Pcnt:	<input type="button" value="+"/>	<input type="button" value="?"/>	<input type="text" value="5"/>	<input type="text" value=""/>	acre-ft/yr

Enter negative % or value for under-registration  
Enter positive % or value for over-registration

**WATER SUPPLIED:**   acre-ft/yr

### AUTHORIZED CONSUMPTION

Billed metered:	<input type="button" value="+"/>	<input type="button" value="?"/>	<input type="text" value="5"/>	<input type="text" value="14,881.100"/>	acre-ft/yr
Billed unmetered:	<input type="button" value="+"/>	<input type="button" value="?"/>	<input type="text" value="7"/>	<input type="text" value="0.200"/>	acre-ft/yr
Unbilled metered:	<input type="button" value="+"/>	<input type="button" value="?"/>	<input type="text" value="9"/>	<input type="text" value="81.700"/>	acre-ft/yr
Unbilled unmetered:	<input type="button" value="+"/>	<input type="button" value="?"/>	<input type="text" value="10"/>	<input type="text" value="21.700"/>	acre-ft/yr

Click here:  for help using option buttons below

Pcnt:	<input type="text" value=""/>	<input type="text" value=""/>	Value:	<input type="text" value="21.700"/>	acre-ft/yr
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Use buttons to select percentage of water supplied OR value

**AUTHORIZED CONSUMPTION:**   acre-ft/yr

### WATER LOSSES (Water Supplied - Authorized Consumption)

acre-ft/yr

#### Apparent Losses

Unauthorized consumption:    acre-ft/yr

Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed

Customer metering inaccuracies:	<input type="button" value="+"/>	<input type="button" value="?"/>	<input type="text" value="3"/>	<input type="text" value="37.501"/>	acre-ft/yr
Systematic data handling errors:	<input type="button" value="+"/>	<input type="button" value="?"/>	<input type="text" value="5"/>	<input type="text" value="10.000"/>	acre-ft/yr

Pcnt:	<input type="text" value="0.25%"/>	<input type="text" value=""/>	Value:	<input type="text" value=""/>	acre-ft/yr
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Pcnt:	<input type="text" value="0.25%"/>	<input type="text" value=""/>	Value:	<input type="text" value="10.000"/>	acre-ft/yr
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**Apparent Losses:**   acre-ft/yr

#### Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses:   acre-ft/yr

**WATER LOSSES:**  acre-ft/yr

### NON-REVENUE WATER

**NON-REVENUE WATER:**   acre-ft/yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

### SYSTEM DATA

Length of mains:	<input type="button" value="+"/>	<input type="button" value="?"/>	<input type="text" value="9"/>	<input type="text" value="378.0"/>	miles
Number of active AND inactive service connections:	<input type="button" value="+"/>	<input type="button" value="?"/>	<input type="text" value="9"/>	<input type="text" value="22,473"/>	
Service connection density:	<input type="button" value="+"/>	<input type="button" value="?"/>	<input type="text" value=""/>	<input type="text" value="59"/>	conn./mile main

Are customer meters typically located at the curbstop or property line?  (length of service line, beyond the property boundary, that is the responsibility of the utility)

Average length of customer service line has been set to zero and a data grading score of 10 has been applied

Average operating pressure:     psi

### COST DATA

Total annual cost of operating water system:	<input type="button" value="+"/>	<input type="button" value="?"/>	<input type="text" value="10"/>	<input type="text" value="\$41,821,785"/>	\$/Year
Customer retail unit cost (applied to Apparent Losses):	<input type="button" value="+"/>	<input type="button" value="?"/>	<input type="text" value="9"/>	<input type="text" value="\$4.67"/>	\$/100 cubic feet (ccf)
Variable production cost (applied to Real Losses):	<input type="button" value="+"/>	<input type="button" value="?"/>	<input type="text" value="7"/>	<input type="text" value="\$1,722.54"/>	\$/acre-ft <input type="checkbox"/> Use Customer Retail Unit Cost to value real losses

### WATER AUDIT DATA VALIDITY SCORE:

\*\*\* YOUR SCORE IS: 70 out of 100 \*\*\*

A weighted scale for the components of consumption and water loss is included in the calculation of the Water Audit Data Validity Score

### PRIORITY AREAS FOR ATTENTION:

Based on the information provided, audit accuracy can be improved by addressing the following components:

1: Water imported

2: Customer metering inaccuracies

3: Billed metered



# AWWA Free Water Audit Software: System Attributes and Performance Indicators

WAS v5.0

American Water Works Association.  
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Water Audit Report for: Vallecitos Water District (CA3710002)  
 Reporting Year: 2018 1/2018 - 12/2018

\*\*\* YOUR WATER AUDIT DATA VALIDITY SCORE IS: 70 out of 100 \*\*\*

**System Attributes:**

Apparent Losses:	<span style="border: 1px solid black; padding: 2px;">86.655</span>	acre-ft/yr
+	Real Losses:	<span style="border: 1px solid black; padding: 2px;">590.145</span> acre-ft/yr
=	<b>Water Losses:</b>	<span style="border: 1px solid black; padding: 2px;">676.800</span> acre-ft/yr
<span style="border: 1px solid black; padding: 2px; color: blue;">?</span> Unavoidable Annual Real Losses (UARL): <span style="border: 1px solid black; padding: 2px;">712.22</span> acre-ft/yr		
Annual cost of Apparent Losses:		<span style="border: 1px solid black; padding: 2px;">\$176,239</span>
Annual cost of Real Losses:		<span style="border: 1px solid black; padding: 2px;">\$1,016,549</span> Valued at <b>Variable Production Cost</b>

Return to Reporting Worksheet to change this assumption

**Performance Indicators:**

Financial:	{	Non-revenue water as percent by volume of Water Supplied:	<span style="border: 1px solid black; padding: 2px;">5.0%</span>	
		Non-revenue water as percent by cost of operating system:	<span style="border: 1px solid black; padding: 2px;">3.3%</span>	Real Losses valued at Variable Production Cost

Operational Efficiency:	{	Apparent Losses per service connection per day:	<span style="border: 1px solid black; padding: 2px;">3.44</span>	gallons/connection/day
		Real Losses per service connection per day:	<span style="border: 1px solid black; padding: 2px;">23.44</span>	gallons/connection/day
		Real Losses per length of main per day*:	<span style="border: 1px solid black; padding: 2px;">N/A</span>	
		Real Losses per service connection per day per psi pressure:	<span style="border: 1px solid black; padding: 2px;">0.20</span>	gallons/connection/day/psi

From Above, Real Losses = Current Annual Real Losses (CARL): 590.15 acre-feet/year

? Infrastructure Leakage Index (ILI) [CARL/UARL]: 0.83

\* This performance indicator applies for systems with a low service connection density of less than 32 service connections/mile of pipeline

# 2018 AWWA Water Audit Level 1 Certified Validation Report

## Audit Information:

Water Supplier Name: Vallecitos Water District

PWS ID: 3710002

System Type: Potable

Audit Period: Calendar Year 2018

Utility Representation: Michael P. Arthur (Principal Financial Analyst), Chris Robbins (Public Information/Conservation Supervisor), Ed Pedrazzi (Operations & Maintenance Manager)

Validation Date: 9/26/2019

Call Time: 1:30 p.m.

Sufficient Supporting Documents Provided: Yes

## Validation Findings & Confirmation Statement:

### Key Audit Metrics:

Data Validity Score: 70

Data Validity Band (Level): Band III (51-70)

ILI: 0.83

Real Loss: 23.44 gallons/connection/day

Apparent Loss: 3.44 gallons/connection/day

Non-revenue water as percent of cost of operating system: 3.3%

### Certification Statement by Validator:

This water loss audit report has been Level 1 validated per the requirements of California Code of Regulations Title 23, Division 2, Chapter 7 and the California Water Code Section 10608.34.

All recommendations on volume derivation and Data Validity Grades were incorporated into the water audit.

## Validator Information:

Water Audit Validator: Robert Scholl

Qualifications: Water Audit Validator Certificate issued by the CA-NV Section of the AWWA

Validator Provided

# 2018 AWWA Water Audit Level 1 Certified Validation Report

**Water Supplier Name:** Vallecitos Water District

**Water Supplier ID Number:** CA3710002

**Water Audit Period:** Calendar Year 2018

## Water Audit & Water Loss Improvement Steps:

Utility to provide steps taken in preceding year to increase data validity, reduce real loss and apparent loss as informed by the annual validated water audit:

Starting in 2018, the Vallecitos Water District began billing the San Marcos fire department training facilities for their water use. This created a revenue water source not previously captured.

The Vallecitos Water District's 2018 Water Audit also makes an adjustment in the metered usage data time period to align with the audit period. Previous versions of the water audit had a one-month lag time between metered usage data and metered import data that could create anomalies between the two. This adjustment should better match supply and demand on a per-month basis.

## Certification Statement by Utility Executive:

This water loss audit report meets the requirements of California Code of Regulations Title 23, Division 2, Chapter 7 and the California Water Code Section 10608.34 and has been prepared in accordance with the method adopted by the American Water Works Association, as contained in their manual, *Water Audit and Loss Control Programs, Manual M36, Fourth Edition* and in the Free Water Audit Software version 5.

Executive Name (Print)

Glenn Pruim

Executive Position

General Manager

Signature



Date

10/1/19

Utility Provided



**2018 AWWA Water Audit Level 1 Validation Summary Notes**

Pre-Interview Notes	<p>Import and export water volume monthly reports received</p> <p>All import meter calibration reports received</p> <p>Primary export meter (&gt;90% volume of total exports) calibration report received</p> <p>Authorized consumption per month for each use category spreadsheet received</p> <p>Customer Retail Unit Cost derivation spreadsheet received</p> <p>Variable Production Cost derivation spreadsheet received</p>
---------------------	---

Audit Input	Confirmation of Input Derivation	Confirmation of DVG Assignment
Volume from Own Sources (VOS)	<p><b>Supply meter profile:</b> No supply from own sources</p> <p><b>Confirmed input value:</b> 0.0 acre-feet/year</p>	<b>Confirmed DVG:</b> N/A
VOS Master Meter Error Adjustment	<p><b>Adjustment Basis:</b> No supply from own sources</p> <p><b>Confirmed input value:</b> None</p>	<b>Confirmed DVG:</b> N/A
Water Imported (WI)	<p><b>Import meter profile:</b> 5 import connections to San Diego County Water Authority (includes desalinated water connection) through Venturi meters; 1 import connection to the Olivenhain Municipal Water District through a mag meter.</p> <p><b>WI Data Source:</b> Totaled from all monthly volume reads</p> <p><b>Comments:</b> Input derivation from supporting documents confirmed. Exclusion of non-potable volumes confirmed.</p> <p><b>Confirmed input value:</b> 19,040.6 acre-feet/year</p>	<p><b>Percent of WI metered:</b> 100%</p> <p><b>Signal calibration frequency:</b> Semi-annually for San Diego County Water Authority meters; annually for the Olivenhain Municipal Water District meter.</p> <p><b>Volumetric testing frequency:</b> None</p> <p><b>Volumetric testing method:</b> N/A</p> <p><b>Percent of WI tested and/or calibrated:</b> 100%</p> <p><b>Comments:</b> Signal calibration testing performed annually for over 90% of the source flow by volume, but no volumetric flow testing</p> <p><b>Confirmed DVG:</b> 7</p>
WI Master Meter Error Adjustment	<b>Adjustment Basis:</b> No adjustment made in absence of volumetric flow test data.	<p><b>Import meter read frequency:</b> Continuous</p> <p><b>Import meter read method:</b> Automatic logging via SCADA telemetry</p>

**2018 AWWA Water Audit Level 1 Validation Summary Notes**

Audit Input	Confirmation of Input Derivation	Confirmation of DVG Assignment
	<p><b>Comments:</b> Data made available to protect both the selling and purchasing agencies. Data is adjusted to correct for errors when equipment malfunction is detected.</p> <p><b>Confirmed input value:</b> No Value</p>	<p><b>Frequency of data review:</b> Monthly</p> <p><b>Comments:</b> Metered data is reviewed only monthly by the purchasing agency, and so a Data Value Grade of 6 is not supported.</p> <p><b>Confirmed DVG:</b> 5</p>
<p><b>Water Exported (WE)</b></p>	<p><b>Export meter profile:</b> Total of 4 metered export interconnections. Main export interconnection is with the Carlsbad Municipal Water District. Smaller volume interconnections also exist with the Olivenhain Municipal Water District, the Vista Irrigation District and the City of Escondido.</p> <p><b>WE Data Source:</b> Totaled from all monthly volume reads</p> <p><b>Comments:</b> Input derivation from supporting documents confirmed. Exclusion of non-potable volumes confirmed. Exclusion of Billed Metered Authorized Consumption confirmed.</p> <p><b>Confirmed input value:</b> 3,379.1 acre-feet/year</p>	<p><b>Percent of WE metered:</b> 100%</p> <p><b>Signal calibration frequency:</b> Annually for Carlsbad Municipal Water District meter; no calibration for the Vista Irrigation District or City of Escondido exchange meters.</p> <p><b>Volumetric testing frequency:</b> None</p> <p><b>Volumetric testing method:</b> N/A</p> <p><b>Percent of WE tested and/or calibrated:</b> 99.5%</p> <p><b>Comments:</b> Signal calibration testing performed annually for over 90% of the source flow by volume, but no volumetric flow testing</p> <p><b>Confirmed DVG:</b> 7</p>
<p><b>WE Master Meter Error Adjustment</b></p>	<p><b>Adjustment Basis:</b> No adjustment made in absence of volumetric flow test data.</p> <p><b>Comments:</b> Data made available to protect both the selling and purchasing agencies. Data is adjusted to correct for errors when equipment malfunction is detected.</p> <p><b>Confirmed input value:</b> No Value</p>	<p><b>Export meter read frequency:</b> Continuous</p> <p><b>Export meter read method:</b> Automatic logging via SCADA telemetry</p> <p><b>Frequency of data review:</b> Monthly</p> <p><b>Comments:</b> Metered data is reviewed only monthly by the purchasing agency, and so a Data Value Grade of 6 is not supported.</p> <p><b>Confirmed DVG:</b> 5</p>



**2018 AWWA Water Audit Level 1 Validation Summary Notes**

Audit Input	Confirmation of Input Derivation	Confirmation of DVG Assignment
<p>Billed Metered Authorized Consumption (BMAC)</p>	<p><b>Customer Meters &amp; Reads Profile:</b></p> <ul style="list-style-type: none"> <li>- <b>Age profile:</b> 95% of meters are 10 years old or less. Older meters may be up to 30 years old.</li> <li>- <b>Reading system:</b> Predominantly AMR with less than 10 accounts manually read due to radio coverage issues.</li> <li>- <b>Read frequency:</b> Monthly</li> </ul> <p><b>Billing Data Pro-rated?</b> Yes, based on customer complaints</p> <p><b>Comments:</b> Input derivation from supporting documents confirmed; metered data time period is adjusted to align with the audit period. Exclusion of non-potable volumes confirmed.</p> <p><b>Confirmed input value:</b> 14,881.1 acre-feet/year</p>	<p><b>Percent of customers metered:</b> 100%</p> <p><b>Small meter testing policy:</b> Reactive and only performed due to customer complaints</p> <p><b>Number of small meters testing/year:</b> Less than 3 per year</p> <p><b>Large meter testing policy:</b> Reactive and only performed due to customer complaints</p> <p><b>Number of large meter tested/year:</b> Less than 3 per year</p> <p><b>Meter replacement policy:</b> Upon meter failure or when flagged for consumption anomalies</p> <p><b>Number of replacements/year:</b> Not quantified, but known to be small</p> <p><b>Billing data auditing practice:</b> Computer records exist with annual auditing conducted by utility personnel.</p> <p><b>Comments:</b> Volumes are reviewed by utility personnel during each billing cycle. No proactive meter testing program is in place, and so a Data Value Grade of 6 is not supported.</p> <p><b>Confirmed DVG:</b> 5</p>
<p>Billed Unmetered Authorized Consumption (BUAC)</p>	<p><b>Billed Unmetered Profile:</b> One-Day permits from the utility authorize the use up to 10,000 gallons of water.</p> <p><b>Input Derivation:</b> Assumes 10,000 gallons of potable water use for each One-Day permit issued. Exclusion of non-potable volumes confirmed.</p> <p><b>Comments:</b> Flat-rate charge with the goal of minimizing such unmetered usage.</p> <p><b>Confirmed input value:</b> 0.2 acre-foot/year</p>	<p><b>Policy for metering exemptions:</b> Authorized for small-scale, single-family residence projects only. Commercial landscaping and construction water usage are metered.</p> <p><b>Comments:</b> Site-specific methods not performed to obtain reliable estimates of consumption.</p> <p><b>Confirmed DVG:</b> 7</p>

**2018 AWWA Water Audit Level 1 Validation Summary Notes**

Audit Input	Confirmation of Input Derivation	Confirmation of DVG Assignment
<p>Unbilled Metered Authorized Consumption (UMAC)</p>	<p><b>Unbilled Metered Profile:</b> Vallecitos Water District internal consumption such as water pipeline flushing, sewer pipeline maintenance, headquarters building and water recycling plant potable water usage.</p> <p><b>Input Derivation:</b> Totaled from all monthly volume reads</p> <p><b>Comments:</b> Input derivation from supporting documents confirmed. Exclusion of non-potable volumes confirmed.</p> <p><b>Confirmed input value:</b> 81.7 acre-feet/year</p>	<p><b>Policy for billing exemptions:</b> Written policy exists regarding internal billing exemptions.</p> <p><b>Comments:</b> Internal usage is audited monthly by utility personnel. Meters are not calibrated on an annual basis. Policy does not emphasize keeping such accounts to a minimum.</p> <p><b>Confirmed DVG:</b> 9</p>
<p>Unbilled Unmetered Authorized Consumption (UUAC)</p>	<p><b>Unbilled Unmetered Profile:</b> Vallecitos Water District potable water tank wash-out water usage.</p> <p><b>Input Derivation if Estimated:</b> Consumption is quantified via formulae. Exclusion of non-potable volumes confirmed.</p> <p><b>Comments:</b> No additional comments.</p> <p><b>Confirmed input value:</b> 21.7 acre-foot/year</p>	<p><b>Default or Adjusted Default Applied:</b> Value adjusted based on estimated flow methodology.</p> <p><b>Completeness of Documentation:</b> Good records document each occurrence.</p> <p><b>Comments:</b> Written policy exists regarding internal potable water usage with the intent of minimizing this type of consumption.</p> <p><b>Confirmed DVG:</b> 10</p>
<p>Unauthorized Consumption (UC)</p>	<p><b>Default Applied?</b> Yes</p> <p><b>Input Derivation if Customized:</b> N/A</p> <p><b>Comments:</b> No additional comments.</p> <p><b>Confirmed input value:</b> 39.154 acre-feet/year</p>	<p><b>Instances and extent of UC documented:</b> None</p> <p><b>Comments:</b> Default grade applied</p> <p><b>Confirmed DVG:</b> 5</p>
<p>Customer Metering Inaccuracies (CMI)</p>	<p><b>Input Derivation:</b> Default value applied.</p> <p><b>Comments:</b> The meter population includes a mix of new high-performing meters and dated meters with suspect accuracy.</p>	<p><b>Characterization of meter testing:</b> Reactive and only performed due to customer complaints. Estimated that less than 3 meter tests are performed per year.</p> <p><b>Characterization of meter replacement:</b> Upon meter failure or when flagged for consumption anomalies. Number of meter replacements each year are believed to be small.</p>



**2018 AWWA Water Audit Level 1 Validation Summary Notes**

Audit Input	Confirmation of Input Derivation	Confirmation of DVG Assignment
	<p>Confirmed input value: 37.501 acre-feet/year</p>	<p><b>Comments:</b> A reliable electronic recordkeeping system for meters exists. However, with no proactive meter testing program in place, a Data Value Grade of 4 is not supported.</p> <p>Confirmed DVG: 3</p>
<p>Systematic Data Handling Errors (SDHE)</p>	<p><b>Input Derivation:</b> Estimate based on an assumed error of 35,000 cubic feet of water per month.</p> <p><b>Comments:</b> No additional comments.</p> <p>Confirmed input value: 10.0 acre-feet/year</p>	<p><b>Characterization of read collection &amp; billing process:</b> Policy and procedures for new account activation in place and reviewed periodically. Oversight of billing operations reviewed monthly. Computerized billing system is in use with reports to confirm billing data and system functionality.</p> <p><b>Characterization of billing process and billing data auditing:</b> Internal checks of billing data error conducted monthly. Volume attributed to errant reads, stuck meters, and other shortcomings of the billing process can only be approximated.</p> <p>Confirmed DVG: 5</p>
<p>Length of Mains</p>	<p><b>Input Derivation:</b> Totaled from GIS inputs.</p> <p><b>Hydrant lateral length included:</b> Yes</p> <p><b>Comments:</b> Hydrant lateral lengths taken from water main to the property line.</p> <p>Confirmed input value: 378.0 miles</p>	<p><b>Mapping format:</b> Digital</p> <p><b>Asset management database:</b> GIS assumed as asset management.</p> <p><b>Map updates &amp; field validation:</b> Infrastructure updates added as they are constructed and as-built. However, digital database is not validated through random field verification.</p> <p><b>Comments:</b> Sound written policy exists for managing water main extensions and replacements</p> <p>Confirmed DVG: 9</p>
<p>Number of Active and Inactive</p>	<p><b>Input Derivation:</b> Standard report run from billing system.</p> <p><b>Basis for database query:</b> By meter identification number.</p>	<p><b>CIS updates &amp; field validation:</b> Meter readers detect and verify anomalies with billing system. Total meter count between billing and meter departments generally agree.</p> <p><b>Estimated error of total count within:</b> 1%</p>

**2018 AWWA Water Audit Level 1 Validation Summary Notes**

Audit Input	Confirmation of Input Derivation	Confirmation of DVG Assignment
Service Connections	<p><b>Comments:</b> Number of connections cross-checked with GIS. A deviation of less than 200 meters currently exists between the two systems.</p> <p>Confirmed input value: 22,473</p>	<p><b>Comments:</b> Written policy and auditing procedures exist for reliable management of service connection population.</p> <p>Confirmed DVG: 9</p>
Average Length of Customer Service Line	<p>Are customer meters at the curbstop? Yes</p> <p>Where are customer meters installed if not at curbstop? N/A</p> <p>Customer service line derivation: N/A</p> <p><b>Comments:</b> No additional comments.</p> <p>Confirmed input value: 0.0 feet</p>	<p><b>Comments:</b> Default grade applied</p> <p>Confirmed DVG: 10</p>
Average Operating Pressure	<p>Number of zones, general setup: 26 pressure zones</p> <p>Typical pressure range: 40 psi to 150 psi per policy, although some high-pressure areas can be up to 175 psi if meter type allows.</p> <p>Input derivation: Output from hydraulic model, averaged over the entire distribution system.</p> <p><b>Comments:</b> Well managed, discrete pressure zones exist.</p> <p>Confirmed input value: 117.4 psi</p>	<p>Extent of static pressure data collection: From fire hydrants or testing stations taken during construction projects and to address customer complaints.</p> <p>Characterization of real-time pressure data collection: Current, full-scale SCADA system in place to monitor water distribution system and collect data, including real-time pressure readings.</p> <p>Hydraulic model in place? Calibrated?: Yes; last calibrated in 2018 against SCADA system data and manual pressure reads.</p> <p><b>Comments:</b> Since procedures are not reviewed by a third party knowledgeable in the M36 methodology, a Data Value Grade of 10 is not supported.</p> <p>Confirmed DVG: 9</p>
Total Operating Cost (TOC)	<p>Input Derivation: From official financial statements</p> <p><b>Comments:</b> Confirmed costs limited to water only, including engineering costs and overhead.</p>	<p>Frequency of internal auditing: Annually</p> <p>Frequency of third-party CPA auditing: Annually</p> <p><b>Comments:</b> Reliable electronic, industry-standard cost accounting system in place.</p>



**2018 AWWA Water Audit Level 1 Validation Summary Notes**

Audit Input	Confirmation of Input Derivation	Confirmation of DVG Assignment
	<p>Confirmed input value: \$41,821,785 per year</p>	<p>Confirmed DVG: 10</p>
<p>Customer Retail Unit Cost (CRUC)</p>	<p><b>Input Derivation:</b> Total consumptive revenue divided by billed metered consumption.</p> <p><b>Sewer Charges Volumetric?</b> Only commercial accounts.</p> <p><b>Sewer Charges Included?</b> No</p> <p><b>Comments:</b> Water rate structure updated annually and applied consistently in billing operations except for construction meters (charged at highest tier for all usage) and agricultural accounts (charged at middle tier for all usage and eligible for discounted agricultural rate).</p> <p>Confirmed input value: \$4.67 per 100 cubic feet</p>	<p><b>Characterization of calculation:</b> Weighted average composite of all CII and other customer rates.</p> <p><b>Comments:</b> Since rate structure and calculations of composite rate are not reviewed by a third party knowledgeable in the M36 methodology, a Data Value Grade of 10 is not supported.</p> <p>Confirmed DVG: 9</p>
<p>Variable Production Cost (VPC)</p>	<p><b>Supply profile:</b> Imported potable water supply only.</p> <p><b>Direct variable costs included:</b> Commodity portion of purchase costs plus variable distribution costs.</p> <p><b>Secondary costs included:</b> Secondary costs of importer assumed in purchase costs.</p> <p><b>Comments:</b> Pertinent marginal (variable) supply costs beyond power and additional treatment are included.</p> <p>Confirmed input value: \$1,722.54</p>	<p><b>Characterization of calculation:</b> Total commodity portion of imported costs less utility overhead, all divided by total potable water purchases.</p> <p><b>Comments:</b> Reliable electronic, industry-standard cost accounting system in place. Data is audited by utility personnel annually; but since the data is not audited by a third party knowledgeable in the M36 methodology, a Data Value Grade of 8 is not supported.</p> <p>Confirmed DVG: 7</p>
<p>Pending Items needed to complete the validation</p>	<p>None</p>	

**DATE: OCTOBER 16, 2019**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: END OF FY 18-19 CAPITAL PROJECTS SUMMARY**

**BACKGROUND:**

On a recurring annual basis, the Capital Facilities department summarizes the completed and ongoing Capital Improvement Project (CIP) metrics during the prior fiscal year (FY 18-19).

**DISCUSSION:**

Real-time status updates of ongoing capital projects are available to the public on <http://www.vwd.org/>. Navigating to the *Departments/Engineering* tab and clicking on the *Capital Facilities* orange cog will allow a user to select *Active Capital Improvement Projects*. From the Active Capital Improvement Projects page, an interactive map allows the user to see the geographic location of all ongoing CIP projects. The title and a brief description of each project is shown by selecting on a specific project. A web link is provided in the description which will route the user to more details including project financials, vicinity maps, schedule, and other metrics as it relates to specific projects of interest.

A total of 22 projects worth a cumulative contract amount of \$4,294,864.50 were executed during FY 18-19. The actual invoiced (paid-to-date) value during the year totaled \$3,434,973.33. A total of 32 project change orders were authorized for a total amount of \$65,226.62 or a total of 1.52% above the original cumulative contract value. The total amount of design contracts totaled \$2,266,082.33. A summary of the FY 18-19 CIP metrics is provided in Table A.

Notable projects completed or nearing completion during FY 18-19 include the Rock Springs Sewer Replacement Project, Palos Vista Pump Station Electric Genset Project, and the School House Water Tank Refurbishment Project.

***Table A – FY 18-19 CIP Summary Metrics***

GL#		CONTRACT TOTALS	
Budget Amount		\$31,782,000.00	
Contract Amount		\$4,294,864.50	
Number of Projects		22	
Month	Projected Monthly	Actual Monthly	
Previous Year(s)	\$387,398.00	\$356,308.11	
Jul-18	\$251,684.95	\$282,166.88	
Aug-18	\$464,100.00	\$168,025.98	
Sep-18	\$125,000.00	\$21,049.63	
Oct-18	\$208,900.00	\$307,051.68	
Nov-18	\$221,755.00	\$451,516.32	
Dec-18	\$160,000.00	\$150,741.26	
Jan-19	\$119,036.05	\$136,687.81	
Feb-19	\$121,670.00	\$133,880.22	
Mar-19	\$225,000.00	\$208,510.75	
Apr-19	\$300,000.00	\$298,229.60	
May-19	\$405,000.00	\$330,016.87	
Jun-19	\$576,005.50	\$590,788.22	
<b>FY INVOICE</b>		\$3,565,549.50	\$3,434,973.33
Change Order	Total #	32	
	Amount	\$65,226.62	
	% C.O.	1.52%	
New Contract Amount		\$4,147,375.23	

**CUMULATIVE CONTRACT TOTALS**

Projected Cumulative	Actual Cumulative
\$387,398.00	\$356,308.11
\$639,082.95	\$638,474.99
\$1,103,182.95	\$806,500.97
\$1,228,182.95	\$827,550.60
\$1,437,082.95	\$1,134,602.28
\$1,658,837.95	\$1,586,118.60
\$1,818,837.95	\$1,736,859.86
\$1,937,874.00	\$1,873,547.67
\$2,059,544.00	\$2,007,427.89
\$2,284,544.00	\$2,215,938.64
\$2,584,544.00	\$2,514,168.24
\$2,989,544.00	\$2,844,185.11
\$3,565,549.50	\$3,434,973.33

<b>Design/Con Support</b>	<b>Design/Con Support</b>
Contract Amt	\$2,266,082.33
Paid to Date	\$1,802,383.14
% Paid	79.54%
<b>CM/Inspection</b>	<b>CM/Inspection</b>
Contract Amt	\$76,592.00
Paid to Date	\$40,142.88
% Paid	52.41%
<b>Geo/Env/ROW/Misc</b>	<b>Geo/Env/Misc</b>
Contract Amt	\$485,772.00
Paid to Date	\$449,409.74
% Paid	92.51%
<b>VWD Furnished Matl</b>	<b>VWD Furnished Matl</b>
Amount	\$58,289.41
<b>Agency Reimbursement</b>	<b>Agency Reimbursement</b>
Amount	\$332,294.00

**RECOMMENDATION:**  
 For information only.

**DATE:           OCTOBER 16, 2019**  
**TO:             BOARD OF DIRECTORS**  
**SUBJECT:      ACWA ELECTION OF OFFICERS**

**DISCUSSION:**

ACWA will be holding a General Session Membership Meeting at their 2019 Fall Conference on Wednesday, December 4. The purpose of the meeting is to formally nominate and elect ACWA's President and Vice President for the 2020-2021 term. The General Session Membership Meeting will convene at 1:15 p.m., immediately following the Wednesday luncheon program, which will be located in the Harbor Ballroom A-F, Manchester Grand Hyatt.

This item was discussed by the Board at the September 4 Board meeting at which it was suggested the Board take no action at that time and to wait for ACWA's Nominating Committee to announce their slate of candidates on September 27.

The ACWA Nominating Committee has announced a 2020-2021 slate that recommends current Vice President Steven LaMar for ACWA President and current Region 5 Vice Chair Sarah Palmer for ACWA Vice President. As provided by ACWA's Bylaws, nominations from the floor will be accepted prior to the vote. The Bylaws require that floor nominations and seconds be made by a member of the Association and must be supported by a resolution of the governing body of the member making and seconding such nomination. The member agency on whose Board the nominee serves shall submit a resolution of support if they are not the agency making the floor nomination or second.

ACWA will issue one proxy voting card to each member agency's designated voting representative (delegate) as identified by the member agency on the proxy designation form. The designated voting representative must be present at the General Session Membership Meeting and must sign in as the delegate to receive the proxy voting card. Proxy voting cards will only be available for pick-up on Wednesday, December 4, between 9:00 a.m. and 12:00 p.m. at the ACWA General Session desk in the Harbor Foyer, Manchester Grand Hyatt. Proxy voting cards will not be issued before or after these hours.

The voting delegate must be indicated on the proxy form and returned by email ([donnap@acwa.com](mailto:donnap@acwa.com)) or fax to ACWA by Monday, November 25.

**RECOMMENDATION:**

Request Board direction on Board Member authorized to vote on behalf of the District.

**ATTACHMENTS:**

Election Procedures  
Proxy Designation Form



## GENERAL SESSION/ELECTION PROCEDURES FOR ACWA 2019 FALL CONFERENCE

The following information is provided to inform the ACWA member agency delegates attending the 2019 Fall Conference of the procedures to be used pertaining to the nomination and election of ACWA officers during the General Session Membership Meeting.

### PROXY VOTING CARDS – (REQUIRED FOR VOTING)

ACWA will issue one proxy voting card each member agency's designated voting representative (delegate) as officially identified by the member agency. In order to vote during the General Session Membership Meeting, the designated voting representative must be **present** at the General Session Membership Meeting and must sign-in as the delegate to receive the proxy voting card no later than **12:00 p.m. on Wednesday, December 4**. Upon sign-in, the voting delegate will receive the required proxy voting cards. Proxy voting cards will **only** be available for pick-up on **Wednesday, December 4, between 9:00 a.m. and 12:00 p.m.** at the **ACWA General Session Desk** in the **Harbor Foyer**, Manchester Grand Hyatt. Proxy voting cards will not be issued before or after these hours. The luncheon and General Session Membership Meeting will be held in the Harbor Ballroom A-F.

### GENERAL SESSION MEMBERSHIP MEETING, WEDNESDAY, DEC. 4 (DOORS OPEN AT 1:05 P.M.)

1. The General Session Membership Meeting will be called to order at 1:15 p.m. and a quorum will be determined. The presence of 50 authorized voting representatives is required to establish a quorum for transacting business.
2. Legal Affairs Committee Chair Jennifer Buckman will provide an overview of the agenda and election procedures.
3. Nominating Committee Chair DeAna Verbeke will present the committee's report and announce the candidate for ACWA President.
4. President Brent Haste will call for floor nominations for ACWA President.
5. If there are no floor nominations for President, the election will proceed. President Haste will close the nominations and delegates will vote by holding up their "Yes" or "No" proxy voting cards.
6. If there **are** floor nominations for President, the nomination will follow the procedures established by Article 9 of ACWA's Bylaws, stating that floor nominations and seconds shall be made by a member of the Association and must be supported by a resolution of the governing body of the member making and seconding such nomination. The member agency on whose board the nominee serves shall submit a resolution of support if they are not the agency making the floor nomination or second.
  - a. Ballots will be distributed to the voting delegates.
  - b. Delegates will complete their ballots and place them in the ballot box, which will be centrally located in the Harbor Ballroom A-F meeting room.
  - c. Tellers' Committee will count the ballots. President Haste has appointed the following staff members to serve as the Tellers' Committee: Clerk of the Board Donna Pangborn; Director of Business Development & Events Paula Currie; and Executive Assistant Lili Vogelsang.
  - d. Legal Affairs Committee Chair Jennifer Buckman will serve as the proctor to oversee the ballot counting process.
  - e. Candidates are welcome to designate an observer to be present during the ballot counting process.



PROXY DESIGNATION FORM

ASSOCIATION OF CALIFORNIA WATER AGENCIES  
GENERAL SESSION MEMBERSHIP MEETING(S)

WEDNESDAY, DECEMBER 4, 2019 AT 1:15 PM  
THURSDAY, DECEMBER 5, 2019 AT 1:15PM (IF NEEDED)

**TO:** Donna Pangborn, Clerk of the Board

**EMAIL:** donnap@acwa.com

**FAX:** 916-325-4857

The person designated below will be attending the ACWA General Session Membership Meeting(s) on **Wednesday, December 4, 2019 (and December 5, 2019 if necessary)** as our voting delegate.

MEMBER AGENCY'S NAME	AGENCY'S TELEPHONE No.
MEMBER AGENCY'S AUTHORIZED SIGNATORY (print)	SIGNATURE
DELEGATE'S NAME (print)	SIGNATURE
DELEGATE'S EMAIL	DELEGATE'S TELEPHONE No.
DELEGATE'S AFFILIATION (if different from assigning agency) <sup>1</sup>	DATE

<sup>1</sup> If your agency designates a delegate from another entity to serve as its authorized voting representative, please indicate the delegate's entity in the appropriate space above. Note: Delegates need to sign the proxy form indicating they have accepted the responsibility of carrying the proxy.

**REMINDER:** Proxy voting cards will **only** be available for pick up on **Wednesday, December 4**, between **9:00 a.m. and 12:00 p.m.** at the **ACWA General Session Desk** in the **Harbor Foyer**, Manchester Grand Hyatt. The luncheon and General Session Membership Meeting will be held in the Harbor Ballroom A-F.

**VWD Director's Compensation for Apr - Jun 2019**  
**Payments from EWA (Encina Wastewater Authority)**

<u>NAME</u>	<u>EWA DATE</u>	<u>CHECK NO</u>	<u>INVOICE NET</u>	<u>DESCRIPTION</u>
HAROLD J MARTIN	04/09/2019	3161	\$206.00	PFC MEETING 4/9/19
HAROLD J MARTIN	04/24/2019	3201	206.00	BOD MEETING 4/24/19
HAROLD J MARTIN	05/01/2019	3282	206.00	EWA BOARD MEETING 05/22/19
HAROLD J MARTIN	06/01/2019	3356	206.00	CIC MEETING 06/19/19
HAROLD J MARTIN	06/01/2019	3356	206.00	EWA MEETING 06/26/19
HAROLD J MARTIN	06/01/2019	3313	206.00	PFC MEETING 06/11/19
		Meetings Only	<u>\$1,236.00</u>	
JIM HERNANDEZ	04/09/2019	187576	\$206.00	CIC MEETING 4/17/19
JIM HERNANDEZ	04/24/2019	187632	206.00	BOD MEETING 4/24/19
JIM HERNANDEZ	05/01/2019	187730	206.00	EWA BOARD MEETING 05/22/19
JIM HERNANDEZ	05/01/2019	187675	206.00	CIC MEETING 05/19
JIM HERNANDEZ	06/01/2019	187853	206.00	EWA MEETING 06/26/19
		Meetings Only	<u>\$1,030.00</u>	

**VWD Director's Compensation for Apr - Jun 2019**  
**Payments from SDCWA (San Diego County Water Authority)**

<u>Director</u>	<u>Per Diem Payments</u>	<u>Mileage</u>	<u>Travel/Other</u>	<u>Total</u>
Betty Evans	\$600.00	\$141.52	\$0.00	\$741.52

VALLECITOS WATER DISTRICT  
Board of Directors Per Diem and Expenses (1)  
Paid April 1st, 2019 through June 30th, 2019

Director Meeting/Seminar	Per Diem		Meeting				Reimb		Total
	#	Payments	Benefits	Registration	Travel	Lodging	Meals	Other Agencies	
<b>ELITHARP, Craig</b>									
Paid by VWD:									
VWD Meetings	11	\$ 2,200.00	\$ -	\$ -	\$ -	\$ -	\$ 21.10	\$ -	\$ 2,221.10
ACWA	5	1,000.00	-	-	478.99	1,052.92	197.16	-	2,729.07
CASA	2	400.00	-	-	-	-	-	-	400.00
COWU - Council of Water Utilities	1	200.00	-	45.00	-	-	-	-	245.00
CSDA - CA Special Districts Assoc	1	200.00	-	30.00	32.56	-	-	-	262.56
SDNCEDC	1	200.00	-	160.76	3.13	-	-	-	363.89
Group Insurance	-	-	273.84	-	-	-	-	-	273.84
	<u>21</u>	<u>\$ 4,200.00</u>	<u>\$ 273.84</u>	<u>\$ 235.76</u>	<u>\$ 514.68</u>	<u>\$ 1,052.92</u>	<u>\$ 218.26</u>	<u>\$ -</u>	<u>\$ 6,495.46</u>
<b>EVANS, Betty</b>									
Paid by VWD:									
VWD Meetings	9	\$ 1,800.00	\$ -	\$ -	\$ -	\$ -	\$ 21.10	\$ -	\$ 1,821.10
ACWA	-	-	-	725.00	-	188.36	-	-	913.36
COWU - Council of Water Utilities	1	200.00	-	45.00	19.25	-	-	-	264.25
North County Group - Rincon	2	400.00	-	-	-	-	-	-	400.00
SNECON Summit	1	200.00	-	-	-	-	-	-	200.00
Group Insurance	-	-	2,445.60	-	-	-	-	-	2,445.60
Paid by VWD - SDCWA pmt differential	6	300.00	-	-	-	-	-	-	300.00
<b>Paid by SDCWA **</b>	4	600.00	-	-	-	-	-	141.52	600.00
	<u>23</u>	<u>\$ 3,500.00</u>	<u>\$ 2,445.60</u>	<u>\$ 770.00</u>	<u>\$ 19.25</u>	<u>\$ 188.36</u>	<u>\$ 21.10</u>	<u>\$ 141.52</u>	<u>\$ 6,944.31</u>
<b>HERNANDEZ, James</b>									
Paid by VWD:									
VWD Meetings	13	\$ 2,600.00	\$ -	\$ -	\$ -	\$ -	\$ 21.10	\$ -	\$ 2,621.10
ACWA	4	800.00	-	-	559.13	782.19	54.89	-	2,196.21
CSDA - CA Special Districts Assoc	4	800.00	-	95.00	165.80	-	-	-	1,060.80
Water Reuse	3	600.00	-	500.00	-	526.00	-	-	1,626.00
Group Insurance	-	-	6,150.39	-	-	-	-	-	6,150.39
<b>Paid by EWA - Encina JPA</b>	5	1,030.00	-	-	-	-	-	-	1,030.00
	<u>29</u>	<u>\$ 5,830.00</u>	<u>\$ 6,150.39</u>	<u>\$ 595.00</u>	<u>\$ 724.93</u>	<u>\$ 1,308.19</u>	<u>\$ 75.99</u>	<u>\$ -</u>	<u>\$ 14,684.50</u>
<b>MARTIN, Hal</b>									
Paid by VWD:									
VWD Meetings	12	\$ 2,400.00	\$ -	\$ -	\$ -	\$ -	\$ 21.10	\$ -	\$ 2,421.10
ACWA	6	1,200.00	-	-	583.99	1,239.20	69.41	-	3,092.60
COWU - Council of Water Utilities	-	-	-	45.00	32.56	-	-	-	77.56
CSDA - CA Special Districts Assoc	-	-	-	30.00	32.56	-	-	-	62.56
SDNEDC	1	200.00	-	160.76	3.13	-	-	-	363.89
UWI - Urban Water Institute	-	-	-	-	-	188.26	-	-	188.26
WaterReuse	-	-	-	-	-	420.72	-	-	420.72
Group Insurance	-	-	2,039.43	-	-	-	-	-	2,039.43
<b>Paid by EWA - Encina JPA</b>	6	1,236.00	-	-	-	-	-	-	1,236.00
	<u>25</u>	<u>\$ 5,036.00</u>	<u>\$ 2,039.43</u>	<u>\$ 235.76</u>	<u>\$ 652.24</u>	<u>\$ 1,848.18</u>	<u>\$ 90.51</u>	<u>\$ -</u>	<u>\$ 9,902.12</u>
<b>SANELLA, Mike</b>									
Paid by VWD:									
VWD Meetings	13	\$ 2,600.00	\$ -	\$ -	\$ -	\$ -	\$ 21.08	\$ -	\$ 2,621.08
COWU - Council of Water Utilities	-	-	-	45.00	32.56	-	-	-	77.56
CSDA - CA Special Districts Assoc	1	200.00	-	30.00	32.56	-	-	-	262.56
SDNEDC	-	-	-	160.76	-	-	-	-	160.76
UWI - Urban Water Institute	1	200.00	-	-	-	188.26	-	-	388.26
WaterReuse	3	600.00	-	-	121.69	420.72	103.28	-	1,245.69
Group Insurance	-	-	2,317.65	-	-	-	-	-	2,317.65
	<u>18</u>	<u>\$ 3,600.00</u>	<u>\$ 2,317.65</u>	<u>\$ 235.76</u>	<u>\$ 186.81</u>	<u>\$ 608.98</u>	<u>\$ 124.36</u>	<u>\$ -</u>	<u>\$ 7,073.56</u>
<b>TOTALS (1)</b>	<u>116</u>	<u>\$22,166.00</u>	<u>\$13,226.91</u>	<u>\$ 2,072.28</u>	<u>\$ 2,097.91</u>	<u>\$ 5,006.63</u>	<u>\$ 530.22</u>	<u>\$ 141.52</u>	<u>\$45,099.95</u>

(1) Includes both expenses paid directly by the Agencies and reimbursements of expenses paid by Board members.

Presented in accordance with ordinance number 194, effective 5/17/2015. (Board per Diem, \$200/meeting)

\* As of 4th Qtr 2017 - EWA meetings are \$200 each - VWD payment differential no longer applies

\*\* SDCWA only required to publish report for Boardmember payments once per year. Fiscal Year End, June 30th