

AGENDA FOR A SPECIAL MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, FEBRUARY 26, 2020, AT 5:00 P.M.
AT THE DISTRICT OFFICE
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

CALL TO ORDER – PRESIDENT EVANS

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 SPECIAL MEETING OF FEBRUARY 26, 2020

PUBLIC COMMENT

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

NOTICE TO THE PUBLIC

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

PRESENTATION

Chris Robbins, Public Information/Conservation Supervisor, will share the District's recent video, "Pipe Inspection and Condition Analysis," that highlights a new pipeline inspection tool being used by contractors working for the Vallecitos Water District to determine pipeline integrity of the High Point development.

CONSENT CALENDAR

1.1 APPROVAL OF MINUTES (pp. 6-13)

- A. CLOSED SESSION BOARD MEETING – FEBRUARY 5, 2020
- B. REGULAR BOARD MEETING – FEBRUARY 5, 2020

Approved minutes become a permanent public record of the District.

Recommendation: Approve Minutes

1.2 WARRANT LIST THROUGH FEBRUARY 26, 2020 – \$1,331,779.33 (pg. 14-17)

Recommendation: Approve Warrant List

1.3 FINANCIAL REPORTS (pp. 18-38)

- A. WATER METER COUNT – JANUARY 31, 2020
- B. WATER PRODUCTION/SALES REPORT – 2019/2020
- C. PER CAPITA WATER CONSUMPTION – JANUARY 31, 2020
- D. WATER REVENUE AND EXPENSE REPORT – JANUARY 31, 2020
- E. SEWER REVENUE AND EXPENSE REPORT – JANUARY 31, 2020
- F. RESERVE FUNDS ACTIVITY – JANUARY 31, 2020
- G. INVESTMENT REPORT – JANUARY 31, 2020
- H. LEGAL FEES SUMMARY – JANUARY 31, 2020

1.4 ORGANIZATIONAL ACHIEVEMENT AWARDS FOR PUBLIC INFORMATION/
CONSERVATION DEPARTMENT (pp. 39-40)

The Employee Recognition Program recognizes employees for their personal and team contributions in support of the District's Mission and Vision.

Recommendation: Approve Organizational Awards

1.5 WINTER 2020 BETWEEN THE PIPES – VALLECITOS WATER DISTRICT
QUARTERLY NEWSLETTER (pp. 41 – 44)

Recommendation: Approve Winter 2020 Between the Pipes Newsletter

1.6 APPROVAL OF CONSTRUCTION AGREEMENT FOR STEFAN TERRACE 4 LOT
SUBDIVISION, APN: 228-130-32 [MAIN EC, LLC (ALEX AHMADIAN MANAGING
MEMBER)] (pp. 45 – 61)

The property address is 841 St. Paul Drive, located at the corner of St. Stefan Terrace and St. Paul Drive, north of Montiel Road.

Recommendation: Approve Construction Agreement

1.7 APPROVAL OF PER DIEM AND EXPENSES FOR DIRECTOR ATTENDANCE TO
THE SAN DIEGO NORTH ECONOMIC DEVELOPMENT COUNCIL LUNCH AND
LEARN PROGRAM (pp. 62)

The SDNEDC is not on the list of organizations for which meetings are considered compensable under District Ordinance 212.

Recommendation: Authorize expense reimbursement

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

ACTION ITEMS

- 2.1 ACCEPTANCE OF LAWRENCE WELK COURT WATER LINE REPLACEMENT CAPITAL IMPROVEMENT PROJECT (pp. 63 – 65)

This project was planned and budgeted for the 2019/2020 fiscal year.

Recommendation: 1) Accept project; 2) Authorize filing of a Notice of Completion and release of retention funds

- 2.2 CONSTRUCTION CONTRACT ACCEPTANCE OF SCHOOLHOUSE TANK REFURBISHMENT (pp. 66 – 69)

The existing interior lining of the 2.4 MG Schoolhouse Tank has deteriorated and required refurbishment.

Recommendation: 1) Accept project; 2) authorize increasing project budget by \$145,510; 3) authorize the General Manager to file Notice of Completion and release of retention funds to the contractor following the 60-day notice period, provided no claims are filed.

- 2.3 REVIEW OF DISTRICT ORDINANCES, POLICIES AND CONTRACTS (pp. 70 – 71)

At the December 18, 2019 Board meeting, Director Sannella requested staff conduct a comprehensive review of District ordinances, policies and contracts.

Recommendation: Request Board direction

- 2.4 CALIFORNIA SPECIAL DISTRICTS ASSOCIATION CALL FOR NOMINATIONS – SEAT C (pp. 72)

The Elections and Bylaws Committee is looking for Board members interested in leading the direction of the CSDA for the 2021-2023 term.

Recommendation: Select one candidate

- 2.5 SAN MARCOS CHAMBER OF COMMERCE STATE OF THE CITY ADDRESS AND ORDINANCE 212 (pp. 73 – 79)

Ordinance 212 currently does not specifically allow for per diem to this event and requires authorization by the Board.

Recommendation: Presented for Board discussion

2.6 SAN MARCOS BOYS & GIRLS CLUB ANNUAL AUCTION (pp. 80- 81)

The Board has previously approved District sponsorship by purchasing a table or individual tickets for the Boys & Girls Club Annual Auction.

Recommendation: Presented for Board discussion

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

REPORTS

3.1 GENERAL MANAGER

3.2 DISTRICT LEGAL COUNSEL

3.3 SAN DIEGO COUNTY WATER AUTHORITY

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

3.5 STANDING COMMITTEES

3.6 DIRECTORS REPORTS ON MEETINGS/CONFERENCES/SEMINARS ATTENDED

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

OTHER BUSINESS

4.1 MEETINGS

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

5.1 DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

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

6.1 ADJOURNMENT

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

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

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

AFFIDAVIT OF POSTING

I, Diane Posvar, Executive Secretary of the Vallecitos Water District, hereby certify that I caused the posting of this Agenda in the outside display case at the District office, 201 Vallecitos de Oro, San Marcos, California by 5:30 p.m., Friday, February 21, 2020.

Diane Posvar

MINUTES OF A CLOSED SESSION MEETING
OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, FEBRUARY 5, 2020, AT 3:30 PM AT THE DISTRICT OFFICE,
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

Vice President Sannella called the Closed Session meeting to order at the hour of 3:30 p.m.

Director Hernandez led the pledge of allegiance.

Present: Director Elitharp
Director Hernandez
Director Martin
Director Sannella

Absent: Director Evans

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

ADOPT AGENDA FOR THE CLOSED SESSION MEETING OF FEBRUARY 5, 2020

20-02-01 MOTION WAS MADE by Director Martin, seconded by Director Hernandez, and carried unanimously, with Director Evans absent, to adopt the agenda for the Closed Session Meeting of February 5, 2020.

PUBLIC COMMENT

None.

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION

(Per Government Code Section 54956.9 (a)) – Citizens Development Corporation, Inc. v. County of San Diego, et al., Case No. 12-CV-0334-GPC(KSC)

CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION

(Per Government Code Section 54956.9 (a)) – Sten v. Vallecitos Water District et al., San Diego County Superior Court Case No. 37-2019-00028758-CU-OE-NC

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Initiation of litigation pursuant to paragraph (4) subdivision (d) of Section 54956.9: One potential case

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

(Per Government Code Section 54957) – Title: General Manager

20-02-02 MOTION WAS MADE by Director Martin, seconded by Director Hernandez, and carried unanimously, with Director Evans absent, to move into Closed Session pursuant to Government Code Sections 54956.9 (a), 54956.9, and 54957.

REPORT AFTER CLOSED SESSION

The Board reconvened to Open Session at 4:53 p.m. There was no reportable action from the Closed Session Meeting.

ADJOURNMENT

There being no further business to discuss, Vice President Sannella adjourned the Closed Session Meeting of the Board of Directors at the hour of 4:54 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, February 5, 2020 at 5:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.

Michael A. Sannella, Vice President
Board of Directors
Vallecitos Water District

ATTEST:

Glenn Pruim, Secretary
Board of Directors
Vallecitos Water District

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, FEBRUARY 5, 2020, AT 5:00 PM AT THE DISTRICT OFFICE,
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

Vice President Sannella 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 Martin
Director Sannella

Absent: Director Evans

Staff Present: General Manager Prum
Legal Counsel Gilpin
District Engineer Gumpel
Finance Manager Owen
Operations & Maintenance Manager Pedrazzi
Capital Facilities Senior Engineer Morgan
Development Services Senior Engineer Scholl
Public Information/Conservation Supervisor Robbins
Executive Secretary Posvar

ADOPT AGENDA FOR THE REGULAR MEETING OF FEBRUARY 5, 2020

20-02-03 MOTION WAS MADE by Director Hernandez, seconded by Director Martin, and carried unanimously, with Director Evans absent, to adopt the agenda for the Regular Board Meeting of February 5, 2020.

PUBLIC COMMENT

Mike Hunsaker, member of the public, addressed the Board as President of the Twin Oaks Valley Property Owners Association stating he's received questions regarding easement clearance. Residents have complained they were told to move sheds and other structures that had been approved by the county and to clear bushes and remove trees. He requested a clear policy on easement clearing be developed and advertised. The fire departments are also asking residents to clear their properties. He believes this needs to be coordinated and put into one uniform, consistent policy between the fire departments, the cities, and the District. He thanked the Board.

General Manager Pruim stated the District is not responsible for defensible space for fire prevention; however, staff ensures that easements for District facilities are clear and accessible for maintenance and operations. He further stated staff coordinates with other agencies when appropriate.

PRESENTATIONS

Chris Palmer, Public Affairs Field Coordinator for the California Special Districts Association, presented an award to Mission Hills High School student Jordan Chan, the third-place winner of the statewide “2019 Districts Make the Difference Video Contest.” San Marcos Mayor Rebecca Jones presented Jordan with an Honorable Certificate of Recognition for his third-place award in the contest. Aaron Andrews, representing Senator Brian Jones, congratulated Jordan. Kristy MacDougall, on behalf of Assemblywomen Marie Waldron, presented Jordan with a certificate as well.

Vice President Sannella presented Justin Shutt, Construction Worker I, with his State Water Resources Control Board Distribution D2 Certification.

Ryan Morgan, Capital Facilities Senior Engineer and California Water Environment Association (CWEA) San Diego Section President, announced the District was presented with two awards by the CWEA San Diego Section for “Community Engagement and Outreach Award for Best Use of Social Media” and “Community Engagement and Outreach Award for Film Festival (Semi-Pro)” on January 25, 2020. The staff created “Imagine a Day Without Water” video is still in the running for the CWEA Film Festival state award.

CONSENT CALENDAR

20-02-04 MOTION WAS MADE by Director Martin, seconded by Director Elitharp, and carried unanimously, with Director Evans absent, to approve the Consent Calendar as presented.

1.1 Approval of Minutes

- A. Special Board Meeting – January 9, 2020
- B. Regular Board Meeting – January 15, 2020

1.2 Warrant List through February 5, 2020 - \$5,545,305.71

1.3 Operations & Maintenance Metrics Quarterly Report – December 31, 2019

1.4 Approval of Construction Agreement for North City East Industrial Street and Carmel Street Water and Sewer Improvements, APN 220-202-32 (Urban Villages San Marcos, LLC.)

- 1.5 Final Acceptance of Water and Sewer Improvements for North City East Infrastructure, APNs 221-110-20, 221-110-31, 220-200-40, 220-200-47, 220-200-48, and 220-200-49 (Urban Villages San Marcos, LLC.)

ACTION ITEMS

REQUEST TO WAIVE REQUIREMENTS OF SECTION 2.5 OF ORDINANCE 200 AND TO APPROVE ANNEXATION OF CERTAIN PROPERTY DESIGNATED AS "LUPA SEWER ANNEXATION" (APN 228-010-25) INTO THE VALLECITOS WATER DISTRICT SEWER IMPROVEMENT DISTRICTS 5, 6 & A

General Manager Pruiim stated that at the January 15, 2020 Board meeting, Richard Lupa asked the Board to grant him a waiver from the standard annexation requirements. The Board was unable to discuss this issue at that meeting as it was not on the agenda.

Development Services Senior Engineer Scholl stated Mr. Lupa is the owner of two adjacent parcels, APNs 228-010-24 & 228-010-25, and wishes to combine the properties into one parcel and build an accessory dwelling unit on APN 228-010-25. He currently has a residence on APN 228-010-24. APN 228-010-25 is currently within the Vista Irrigation District (VID) water service area; however, it is currently not within any sewer service district. VID has infrastructure in place that fronts both properties and they do intend to serve both with water. Vallecitos Water District (VWD) only has sewer infrastructure that fronts both properties.

Development Services Senior Engineer Scholl further stated that Section 2.5 of Ordinance No. 200 stipulates that if a property wants to obtain sewer service from VWD, they must also annex into VWD's water service area as required by the San Diego Local Agency Formation Commission (LAFCO). Recent discussions with LAFCO revealed that Section 2.5 is in conflict with State Board of Equalization policy which does not allow a single property to be within two separate water districts' water service areas concurrently. Mr. Lupa requested the Board waive the requirement to annex APN 228-010-25 into VWD's water service area and allow the annexation into the VWD's Sewer Improvement District "A."

Development Services Senior Engineer Scholl discussed two options. One option is to waive the requirement for APN 228-010-25 to be annexed into VWD's water service boundary, resulting in a sewer-only annexation. Both parcels would be within VID's water service boundary and VWD's Sewer Improvement District "A." The other option would require both parcels to detach from VID's water service area and annex to VWD for both water and sewer service.

Staff recommended having additional discussions with LAFCO and the State Board of Equalization to ensure completeness of this matter which may require revisions to Section 2.5 of Ordinance No. 200. Staff also recommended the Board waive the requirement for annexation of APN 228-010-25 into VWD's water service boundary and approve the sewer

only annexation of APN 228-010-25 into VWD's Sewer Improvement District "A" with conditions as presented.

Richard Lupa, member of the public, addressed the Board stating there is only one legal lot for both parcels. The estimated total cost to disconnect from VID and connect to VWD, including LAFCO's fees, is approximately \$65,000. He has already submitted plans to build the accessory dwelling unit and needs to resolve the issue of sewer service. VID has plans to transfer water service to VWD sometime in the future, but he would like to proceed with his plans now. He supports staff's recommendation for the sewer only annexation.

20-02-05 MOTION WAS MADE by Director Martin, seconded by Director Hernandez, and carried unanimously, with Director Evans absent, to waive the requirement for annexation into VWD's water service boundary and approve the sewer only annexation of APN 228-010-25 into VWD's Sewer Improvement District "A" with conditions as presented.

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

The Board took no action on this item.

SAN MARCOS STATE OF THE CITY ADDRESS – MEETING ATTENDANCE PER DIEM/EXPENSE REIMBURSEMENT

Director Martin requested this item be placed on the next Board agenda to add this Chamber of Commerce event to the list of organizations for which meetings are considered compensable under District Ordinance No. 212.

20-02-06 MOTION WAS MADE by Director Hernandez, seconded by Director Martin, and carried unanimously, with Director Evans absent, to approve per diem for attendance to this event and to place this item on the next Board agenda.

REPORTS

GENERAL MANAGER

General Manager Pruiim stated that due to the Urban Water Institute Spring Conference, the Regular Board meeting scheduled on February 19 will be cancelled. A Special meeting will be scheduled for February 26. The public rate hearing is scheduled on February 27.

DISTRICT LEGAL COUNSEL

Legal Counsel Gilpin commented that SB 50, which would allow up zoning of single-family neighborhoods for transit-oriented residential development, has been considered for several years and did not pass recently.

SAN DIEGO COUNTY WATER AUTHORITY

None.

ENCINA WASTEWATER AUTHORITY

Director Martin stated the Policy and Finance Committee discussed goal setting for this year and leasing of the South Parcel at their last meeting.

Director Hernandez stated he was unable to attend the Capital Improvement Committee meeting.

STANDING COMMITTEES

Director Sannella stated the Finance/Investment Committee will meet on February 11.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

Director Martin reported on his attendance to the San Marcos General Plan Amendment Committee meeting, Council of Water Utilities meeting, Southern California Water Coalition Quarterly Luncheon, and San Diego North Economic Development Council Lunch and Learn.

Director Elitharp reported on his attendance to the California Association of Sanitation Agencies (CASA) Winter Conference.

Director Hernandez reported on his attendance to the Southern California Water Coalition Quarterly Luncheon and CASA Winter Conference.

OTHER BUSINESS

None.

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

None.

ADJOURNMENT

There being no further business to discuss, Vice President Sannella adjourned the Regular Meeting of the Board of Directors at the hour of 6:00 p.m.

A Special Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, February 26, 2020, at 5:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.

Michael A. Sannella, Vice President
Board of Directors
Vallecitos Water District

ATTEST:

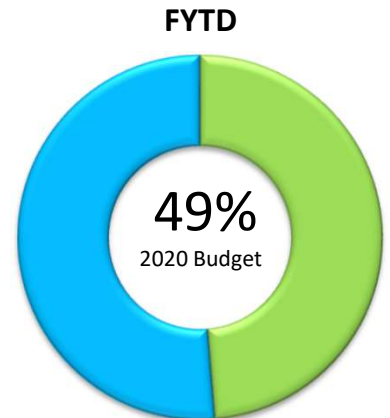
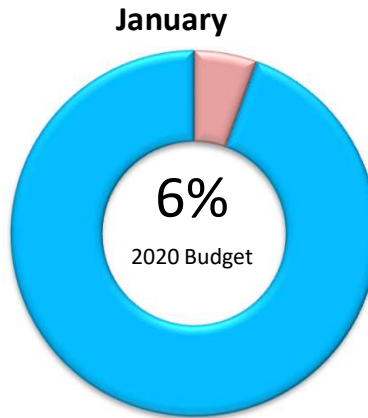
Glenn Pruim, Secretary
Board of Directors
Vallecitos Water District

**VALLECITOS WATER DISTRICT
DISBURSEMENTS SUMMARY
January 31, 2020**

Summary

January Disbursements	\$	5,185,339 *
YTD Disbursements	\$	45,154,471 *
FY2020 Budget	\$	92,718,000

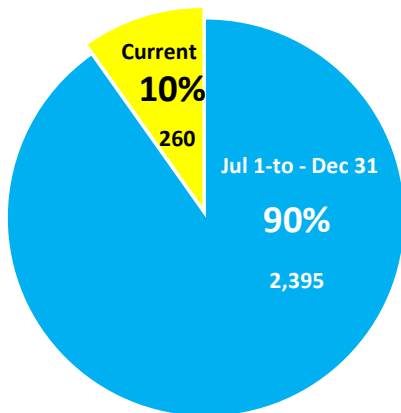
* Excludes Debt Service



Disbursements by Month



Invoices Processed



Top 10 Vendors - FYTD

SAN DIEGO COUNTY WATER AUTH.	\$18.7M
PUBLIC EMPLOYEES RETIRE SYSTM	\$10.3M
ENCINA WASTEWATER AUTHORITY	\$6.2M
ACWA/JOINT POWERS INSURANCE	\$1.8M
SAN DIEGO GAS & ELECTRIC	\$844K
BURTECH PIPELINE INCORPORATED	\$840K
WEST COAST INDUSTRIAL COATINGS...	\$607K
OLIVENHAIN MWD	\$444K
PENCCO, INC.	\$298K
CASS CONSTRUCTION INC	\$213K

VALLECITOS WATER DISTRICT
WARRANTS LIST
February 26, 2020

PAYEE	DESCRIPTION	CHECK#	AMOUNT
CHECKS			
Garnishments	Payroll Garnishments 118355 through	118357	-
1st Choice Backflow	Backflow Testing - Qty 16	118358	768.00
ACWA/Joint Powers Insurance	Workers' Compensation Quarter Ending 12-31-2019	118359	49,449.00
Advanced Imaging Solutions, Inc.	Copier Lease - Jan	118360	2,451.32
Air Pollution Control District	Regulatory Fees	118361	500.00
Air Pollution Control District	Emission Fee - 1891 Quest Haven	118362	1,032.00
Alan & Lucille Sneed	Closed Account Refund	118363	32.14
Anette Longville	DOT Hazmat Class 1-27-20	118364	21.74
Apex Granite Outlet	Closed Account Refund	118365	25.26
AT&T	Phone Svc - Dec	118366	21.03
Ayres Construction Company	Closed Account Refund	118367	440.65
Best Best & Krieger	Legal Fees Oct - Dec	118368	70,411.92
Boncor Water Systems	Soft & Drinking Water Svc - Jan & Feb	118369	1,726.00
Boot World Inc	Safety Boots	118370	388.19
Breckenridge Property Fund 2016, LLC	Closed Account Refund	118371	66.80
CA Dept of Forestry/Fire Protection	Crew Work - Nov	118372	1,796.64
City of Carlsbad	Quarterly Sewer Service	118373	6,674.40
Chandler Asset Management, Inc.	Investment Management Svcs - Jan	118374	3,842.06
Christian Wheeler Engineering	Geotechnical Testing Prj 20201-8	118375	3,795.00
Christine Jaojoco	Closed Account Refund	118376	70.36
Complete Paperless Solutions	Laserfiche Software Support Renewal 19-20	118377	12,657.00
County of San Diego	Facility Permit - Poinsettia Ln	118378	484.00
CWEA	Mechanical Cert Renewal - J Halbig	118379	89.00
Dell Computers	Docking Stations - 5	118380	1,229.92
DirecTV Inc	Satellite Svc - Feb	118381	81.79
EDCO Waste & Recycling Serv	Trash Svc - Jan	118382	878.13
Encina Wastewater Authority	Sewer Testing	118383	17,280.50
Fisher Scientific LLC	Petri Dishes, Alcohol Wipes, Face Masks, Nitrate Strips, Lab Supplies	118384	1,587.63
Georgia Galindez	Maximo Training Refreshments	118385	102.37
Gannett Fleming, Inc.	Risk & Resilience Assessment	118386	16,960.00
Eric D Garcia	CDL License Renewal	118387	48.00
Glenn Pruiim	CASA Conference 1-21-20, SDCWA Meeting 1-23-20	118388	184.66
Corey Harrell	CWEA Cert Renewal	118389	99.00
Harris	W-2 & 1099 Forms - 2019, GEMS Annual License Renewal 20-21	118390	15,814.07
Hawthorne Machinery Co.	Skid Steer Repairs Veh 62, Excavator Rental Prj 20161-04	118391	5,106.32
James R Hernandez	COWU & CASA Meetings 1-21-20, SCWC Luncheon 1-24-20	118392	348.97
Home Depot Credit Services	Hardware Supplies - Jan	118393	544.86
Infosend Inc	Support Fees, Postage, Printing, Door Hangers - Nov & Jan	118394	33,469.08
Infrastructure Engr Corp	Rock Springs Sewer Prj 90003	118395	10,379.39
International Paving Services, Inc	Closed Account Refund	118396	880.63
JCI Jones Chemicals Inc	Chlorine	118397	2,043.21
Julie Mahrtd	Closed Account Refund	118398	98.73
Kennedy/Jenks Consultants	San Marcos Interceptor Prj 71004	118399	20,672.13
Knight Security & Fire Systems	Answering, Monitoring, & Patrol - Feb	118400	588.19
Lusardi Construction	Closed Account Refund	118401	791.20
Hal Martin	COWU & CASA 1-21-20, SCWC 1-24-20, CalDesal 2-5-20, SDNEDC 2-19-20	118402	630.45
Mike Sannella	COWU Meeting 1-21-20	118403	32.23
N D Hartfiel	Closed Account Refund	118404	250.45
O-Side Painting	Painting Svcs - MRF	118405	15,271.70
Oakley Relocation LLC	Closed Account Refund	118406	84.95
Olivenhain MWD	Treated Water - Dec	118407	31,031.08
One Source Distributors LLC	Padlock Attachments 12 - MRF	118408	1,631.12
Patrick Hudie	Closed Account Refund	118409	85.71
Pitney Bowes	Postage Meter Lease Nov - Feb	118410	601.80
Pitney Bowes	Postage Meter Refill	118411	60.55
RF Yeager Engineering Inc.	High Point Waterline Corrosion Assessment Prj 20191-544	118412	7,750.00
Rick Crawford	CDL License Renewal	118413	48.00
Rick Post Welding	Welding Svcs - 20 In. Valve Install & Water Line Welding	118414	2,550.00
SDG&E	Power - Jan	118415	97,878.51
Sheila & Thaddeus Pullano	Closed Account Refund	118416	66.00
Shred-It US JV LLC	Shredding Svcs - Dec & Jan	118417	217.92
Siteimprove, Inc.	ADA Compliance Software & Support 20-21	118418	5,100.76
Standard Insurance Company	LIFE, LTD & ADD Insurance - Feb	118419	5,782.75
Staples Advantage	Office Supplies - Jan	118420	947.14
Terra Verde Energy LLC	District Wide Solar Prj 20201-14	118421	4,042.50
The Original Mr. Taco #1	Closed Account Refund	118422	8.96
Thomas S Strathairn	Advertising Space Prj 20201-40	118423	450.00
Thyssen Krupp Elevator	Elevator Maintenance Feb - Apr	118424	1,060.58

VALLECITOS WATER DISTRICT
WARRANTS LIST
February 26, 2020

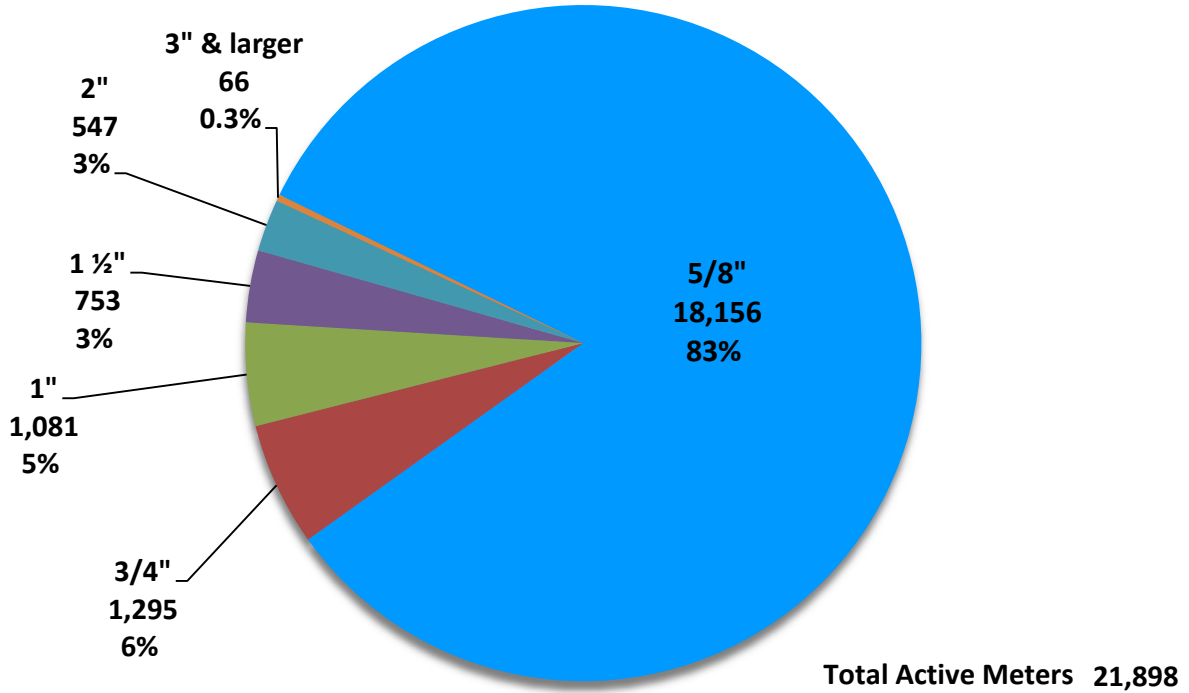
PAYEE	DESCRIPTION	CHECK#	AMOUNT
Tom's Adventures LLC	Closed Account Refund	118425	814.05
Underground Service Alert	Dig Alert Svc & CA State Regulatory Compliance - Jan	118426	628.10
Union Bank FKA 1st Bank Card	Meetings & Travel - Jan	118427	4,805.48
Union Bank FKA 1st Bank Card	Meetings & Travel - Jan	118428	7,405.43
Union Bank FKA 1st Bank Card	Meetings & Travel - Jan	118429	5,638.42
UPS	Shipping Svcs - Jan	118430	91.65
Lisa Urabe	Conservation Supplies Prj 20191-31, 20201-40 & 53	118431	711.19
Verizon Wireless	Ipad Svcs - Dec, Cell Phone Svcs - Jan	118432	2,304.85
Walters Wholesale Electric	Hardware Supplies	118433	243.08
Weck Analytical Environmental Services, Inc.	Water Sampling	118434	5,790.00
West Coast Industrial Coatings	Closed Account Refund	118435	1,100.00
Western A/V	Console Upgrade Furniture - Water Ops Prj 20201-19	118436	14,271.74
Westley Owen	CSMFO Conference 1-29-20	118437	192.31
Won Ho	Closed Account Refund	118438	83.35
Action Mail	Splash Spring Newsletter Prj 20201-40	118439	7,093.62
Aqua-Metric Sales Co	Meters 28	118440	27,424.90
ASAP Drain & Plumbing Guys	District Restroom Maintenance	118441	3,201.00
Automated Water Treatment	Calcium Hypochlorite Tablets	118442	3,592.41
B & C Crane Service Inc	Crane Rental	118443	580.00
Bergelectric Corp.	ARC Flash Hazard Analysis	118444	8,175.51
Calolympic Safety	Safety Gloves, Rain Suits, Safety Supplies	118445	5,347.46
Cat5CableGuy.com	Cable For Wireless Network Prj 20201-22	118446	477.21
CCI	Water Treatment - Jan	118447	220.00
Jeffrey Colwell	Video Production Prj 20201-41	118448	262.50
Core & Main LP	Air Vac Rebuild Parts, Sample Cans, Air Vac Cans 5, Valves 12	118449	13,197.81
Doane & Hartwig Water Systems Inc	Chlorine Cylinder Scale Controller	118450	4,470.08
Diversified Waterscapes Inc	Aeration Systems - LS3 Wet Well & LSMLS	118451	7,540.86
Electrical Sales Inc	Power Conversion Replacement - MRF, Enclosure For Tipping Weirs - MRF	118452	1,533.58
Emcor Service	HVAC Preventative Maintenance	118453	3,958.00
Eurofins Eaton Analytical Inc	Algae Testing	118454	210.00
Flo Systems Inc	Spare Parts - New Influent Pumps	118455	8,377.11
G & R Auto & Truck Repair Inc	Sensor Replacement - Veh 259	118456	978.35
Grainger Inc	First Aid Cabinets 4, Diesel Exhaust Fluid, Hardware Supplies	118457	1,565.87
Haaker Equipment Co.	Victor Hose, Hardware Supplies	118458	2,357.76
Hach Company	Quarterly Calibration Supplies, Lab Supplies	118459	1,586.00
Harrington Industrial	Chlorine Gas Injector Manifold - MRF, Hardware Supplies	118460	1,611.60
Interstate Batteries	Batteries 6 - Coggan Tank SCADA	118461	736.22
Michael Baker International, Inc.	Montiel Lift Station Prj 20201-2	118462	45,647.50
Mission Resource Conservation District	Water Use Evaluation Prj 2020100043	118463	44.50
Ostari Inc	Memory Modules - 24	118464	2,396.37
Pacific Pipeline Supply	Hardware Supplies	118465	627.97
Penco, Inc.	Calcium Nitrate	118466	2,218.40
Plumbers Depot Inc	Nozzles - 16	118467	647.88
Recycled Aggregate Materials Co Inc	Concrete Recycling	118468	225.00
Raymond Allyn Business Supplies	Tables 2 - Engineering Plotting Room	118469	2,504.90
Rincon Del Diablo MWD	Calendars & Forms 5,600 Prj 20201-42	118470	5,008.22
Rusty Wallis Inc	Deionized Water System - Install, Sanitation, & Tank Exchange	118471	1,995.40
San Diego County Water Authority	Connection Fees Quarter Ending 12-31-19	118472	149,399.00
SCADA Integrations	Ignition Upgrade - MRF Prj 20201-4	118473	4,080.00
Schmidt Fire Protection Co Inc	Quarterly Sprinkler Maintenance, Repairs - MRF Sprinklers	118474	1,315.00
South Bay Foundry Inc	Manhole Covers - 25	118475	3,367.19
Southern Counties Lubricants, LLC	Diesel Fuel	118476	19,224.28
Specialty Seals & Accessories	Mechanical Seal - New Influent Pump	118477	1,764.72
Steel-Toe-Shoes.com	Safety Boots	118478	107.74
T.S. Industrial Supply	Drill Bit Sets, Hardware Supplies	118479	403.56
Talley Communications	Antennas 2 Prj 20201-4	118480	282.76
Traffic Safety Solutions LLC	Traffic Control Services - San Elijo and Wild Canyon	118481	825.00
Traffic Supply Inc	Signs - 6 Construction Dept	118482	543.06
Unifirst Corporation	Uniform Delivery	118483	1,619.80
Vortex Industries Inc	District Headquarters Entrance Door Repairs	118484	3,637.50
West Coast Cabling Inc	Teldata Fiber Cabling Services - For Back Gate	118485	3,326.94
Total Disbursements (128 Checks)			<u>861,304.64</u>

VALLECITOS WATER DISTRICT
WARRANTS LIST
February 26, 2020

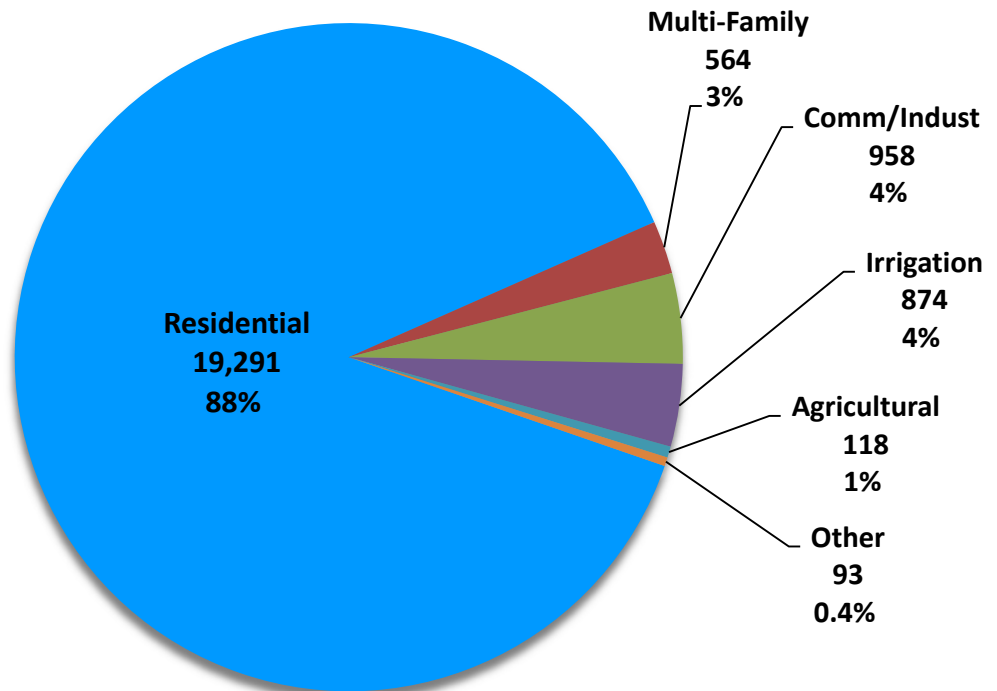
PAYEE	DESCRIPTION	CHECK#	AMOUNT
WIRES			
Public Employees Retirement System	Retirement Contribution - February 11, 2020 Payroll	Wire	74,109.56
Total Wires			<u>74,109.56</u>
PAYROLL			
Total direct deposits		Wire	240,496.76
VWD Employee Association		118355	578.00
Payroll & Garnishments	118356 through	118357	1,001.06
IRS	Federal payroll tax deposits	Wire	96,591.21
Employment Development Department	California payroll tax deposit	Wire	19,421.74
CalPERS	Deferred compensation withheld	Wire	29,488.18
VOYA	Deferred compensation withheld	Wire	8,788.18
Total February 11, 2020 Payroll Disbursements			<u>396,365.13</u>
TOTAL DISBURSEMENTS			<u>1,331,779.33</u>

Vallecitos Water District
 Active Water Meters
 January 31, 2020

Active Meters by Size as of January 31, 2020

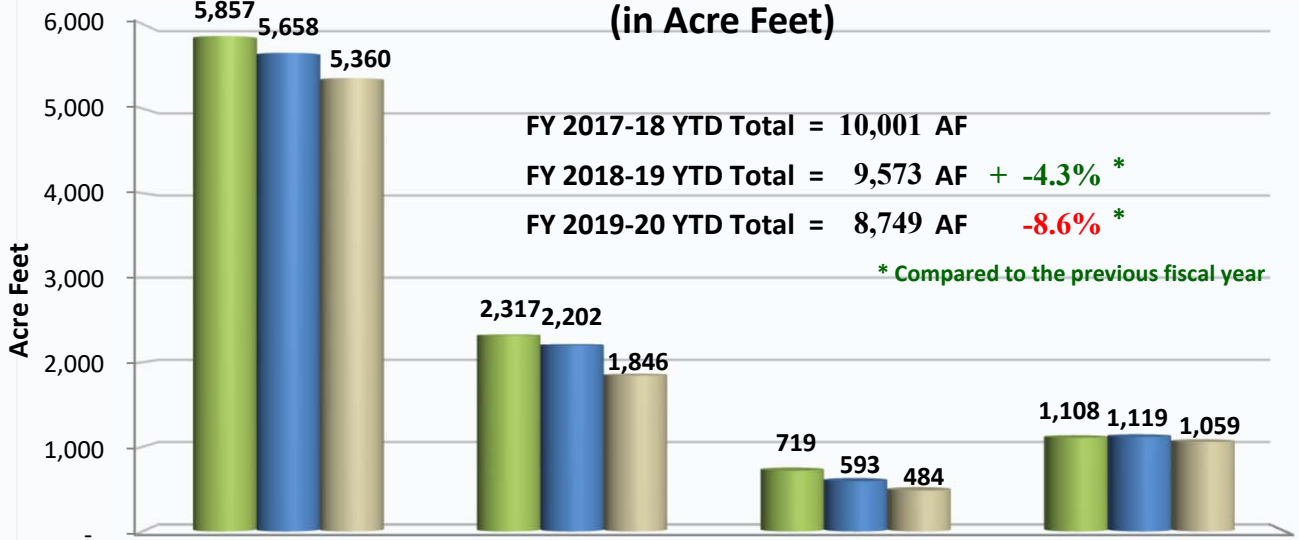


Active Meters by Type as of January 31, 2020



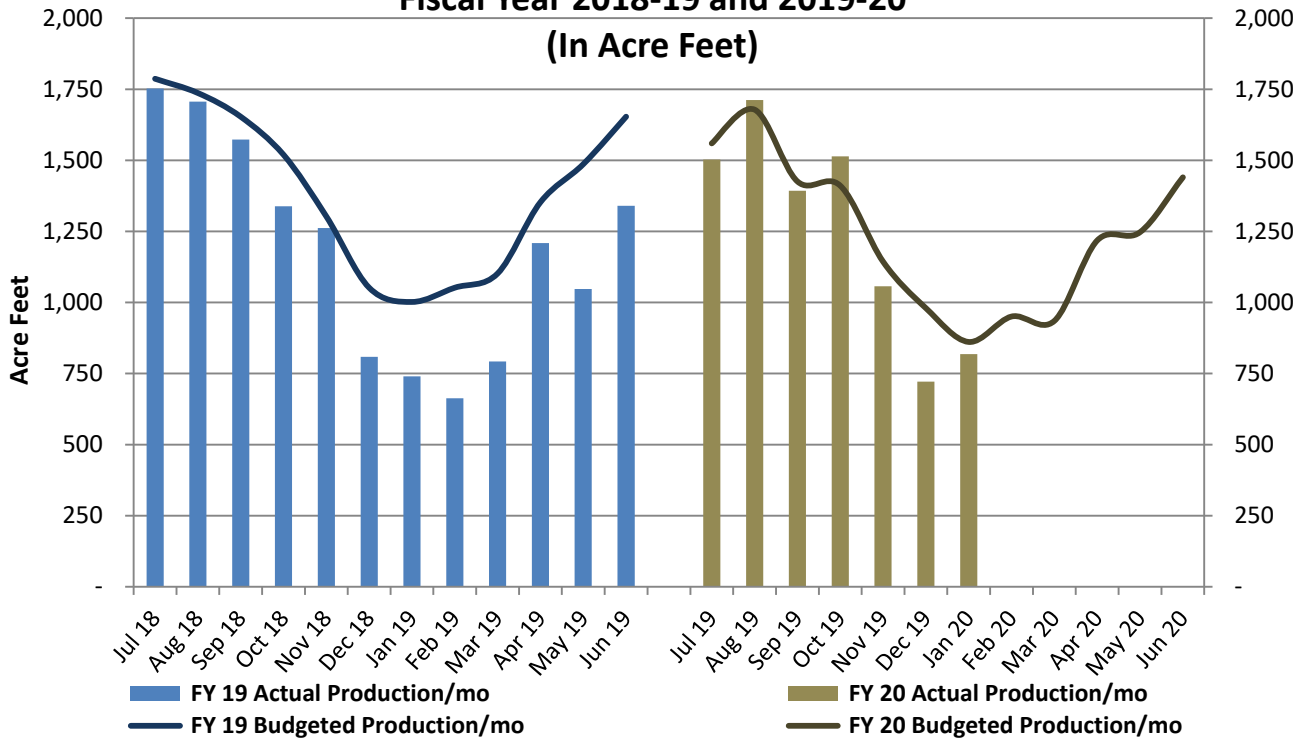
Vallejos Water District
 Water Production/Sales
 January 31, 2020

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

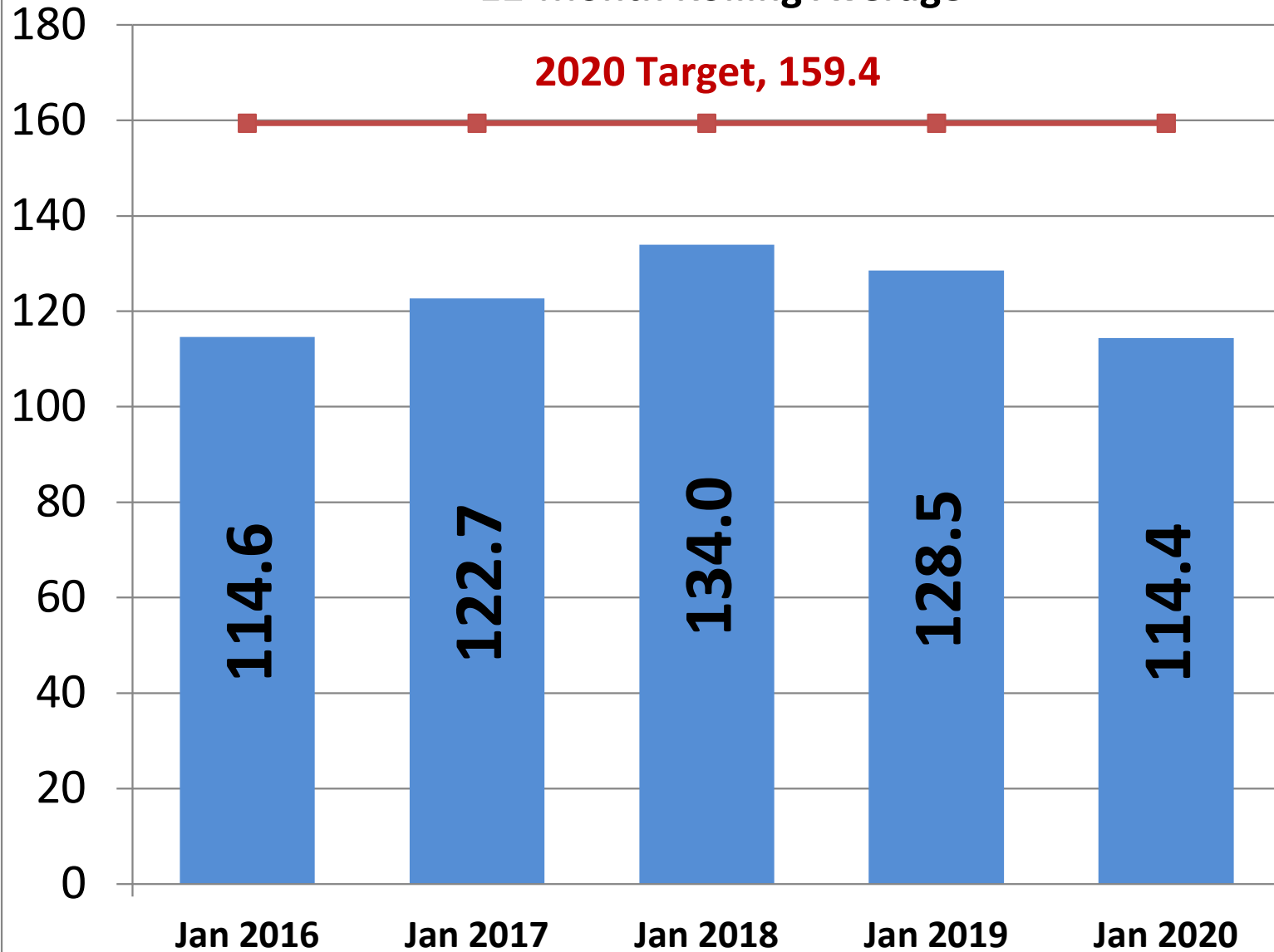


	Residential	Irrigation	Agricultural	Commer/ Indust/ Construct/ Other
FY 2017-18	5,857	2,317	719	1,108
FY 2018-19	5,658	2,202	593	1,119
FY 2019-20	5,360	1,846	484	1,059

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



Gallons per Capita per Day 12-Month Rolling Average



DATE: FEBRUARY 26, 2020
TO: BOARD OF DIRECTORS
SUBJECT: MONTHLY FINANCIAL REPORTS

BACKGROUND:

The Monthly Revenue and Expense Reports and the Reserve Report for the seven months ended January 31, 2020 are presented.

DISCUSSION:

The Monthly Revenue and Expense reports summarize revenues by service type and expenses by department over the 7-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 Seven Months Ended January 31, 2020

	Current Year Actual	Prior Year Actual			Current Year Budget		
		Amount	Variance		Amount	Variance	
			\$	%		\$	%
Revenue							
Water Sales	\$ 18,924,710	\$ 18,676,779	\$ 247,931	1.3%	\$ 20,672,000	\$ (1,747,290)	-8.5%
Ready-to-serve	8,364,508	8,110,026	254,482	3.1%	8,053,000	311,508	3.9%
Pumping cost recovery	258,842	205,779	53,063	25.8%	222,000	36,842	16.6%
Late & lock charges	204,754	278,850	(74,096)	-26.6%	269,000	(64,246)	-23.9%
Backflow fees	56,928	53,392	3,536	6.6%	57,000	(72)	-0.1%
Other revenue	220,384	113,350	107,034	94.4%	71,000	149,384	210.4%
Total Revenue	28,030,126	27,438,176	591,950	2.2%	29,344,000	(1,313,874)	-4.5%
Expenses							
Water costs	17,269,472	18,494,808	(1,225,336)	-6.6%	19,033,000	(1,763,528)	-9.3%
Pumping costs	472,604	440,725	31,879	7.2%	591,000	(118,396)	-20.0%
Water quality	61,953	74,173	(12,220)	-16.5%	130,000	(68,047)	-52.3%
Water treatment	300,964	260,825	40,139	15.4%	283,000	17,964	6.3%
Tanks & reservoirs	198,750	191,751	6,999	3.7%	271,000	(72,250)	-26.7%
Trans & distribution	986,446	818,853	167,593	20.5%	1,075,000	(88,554)	-8.2%
Services	34,896	89,839	(54,943)	-61.2%	53,000	(18,104)	-34.2%
Meters	426,485	380,103	46,382	12.2%	451,000	(24,515)	-5.4%
Backflow prevention	44,877	22,636	22,241	98.3%	39,000	5,877	15.1%
Customer accounts	375,555	432,191	(56,636)	-13.1%	391,000	(15,445)	-4.0%
Building & grounds	205,415	233,474	(28,059)	-12.0%	229,000	(23,585)	-10.3%
Equipment & vehicles	138,736	155,079	(16,343)	-10.5%	194,000	(55,264)	-28.5%
Engineering	958,793	824,821	133,972	16.2%	945,000	13,793	1.5%
Safety & compliance	123,330	131,208	(7,878)	-6.0%	141,000	(17,670)	-12.5%
Information Technology	526,150	507,400	18,750	3.7%	602,000	(75,850)	-12.6%
General & administrative	1,928,390	1,809,230	119,160	6.6%	1,742,000	186,390	10.7%
Total Expenses	24,052,816	24,867,116	(814,300)	-3.3%	26,170,000	(2,117,184)	-8.1%
Net Operating Income	\$ 3,977,310	\$ 2,571,060	1,406,250	54.7%	\$ 3,174,000	803,310	25.3%

Explanation of Significant Variances

Late & lock charges are lower than prior year and budget due to lower than anticipated delinquent accounts so far this year.

The favorable prior year and budget variance in **Other revenue** is due to reimbursement for a portion of the cost of the District-wide Solar Project, as well as fees received from a water and sewer annexation from the District.

The **Pumping costs** favorable budget variance is due to less than anticipated expenses for power so far this year.

Water quality has a favorable budget variance are a result of less than anticipated outside services being performed so far this year.

The **Tanks & reservoirs** favorable budget variance is due to less than anticipated outside services being performed so far this year.

Transmission and distribution has an unfavorable prior year variance as a result of fewer main breaks during the year thus far.

Variances are considered significant if they exceed \$58333 and 20%.

Vallecitos Water District
Sewer Revenue and Expense Report
For the Seven Months Ended January 31, 2020

	Current	Prior Year Actual			Current Year Budget		
	Year	Amount	Variance		Amount	Variance	
	Actual		\$	%		\$	%
Revenue							
Sewer service charges	\$10,810,331	\$10,562,085	\$ 248,246	2.4%	\$10,653,000	\$ 157,331	1.5%
Reclaimed water sales	1,438,501	1,202,707	235,794	19.6%	1,438,000	501	0.0%
Other revenue	229,216	45,135	184,081	407.8%	45,000	184,216	409.4%
Total Revenue	<u>12,478,048</u>	<u>11,809,927</u>	668,121	5.7%	<u>12,136,000</u>	342,048	2.8%
Expenses							
Collection & conveyance	1,357,561	1,043,069	314,492	30.2%	1,401,000	(43,439)	-3.1%
Lift stations	118,888	111,935	6,953	6.2%	198,000	(79,112)	-40.0%
Source Control	112,270	85,450	26,820	31.4%	117,000	(4,730)	-4.0%
Effluent disposal	1,723,053	1,704,182	18,871	1.1%	2,054,000	(330,947)	-16.1%
Meadowlark	1,449,687	1,553,685	(103,998)	-6.7%	2,079,000	(629,313)	-30.3%
Customer accounts	246,404	196,924	49,480	25.1%	294,000	(47,596)	-16.2%
Building & grounds	119,374	148,275	(28,901)	-19.5%	158,000	(38,626)	-24.4%
Equipment & vehicles	119,584	117,089	2,495	2.1%	147,000	(27,416)	-18.7%
Engineering	368,368	318,823	49,545	15.5%	418,000	(49,632)	-11.9%
Safety & compliance	83,633	86,382	(2,749)	-3.2%	111,000	(27,367)	-24.7%
Information technology	416,535	445,804	(29,269)	-6.6%	487,000	(70,465)	-14.5%
General & administrative	824,773	732,224	92,549	12.6%	840,000	(15,227)	-1.8%
Total Expenses	<u>6,940,130</u>	<u>6,543,842</u>	396,288	6.1%	<u>8,304,000</u>	(1,363,870)	-16.4%
Net Operating Income	<u>\$ 5,537,918</u>	<u>\$ 5,266,085</u>	271,833	5.2%	<u>\$ 3,832,000</u>	1,705,918	44.5%

Explanation of Significant Variances

Other revenues are high compared to prior year because of the litigation settlement related to illegal dumping in the Encina disposal system in FY19. Further, **Other revenues** have a favorable budget variance due to reimbursement for a portion of the cost of the district-wide Solar Project, as well as fees received from a water and sewer annexation from the District..

The **Collection & conveyance** unfavorable prior year variance is related to higher labor and materials and supplies costs compared to this time last year.

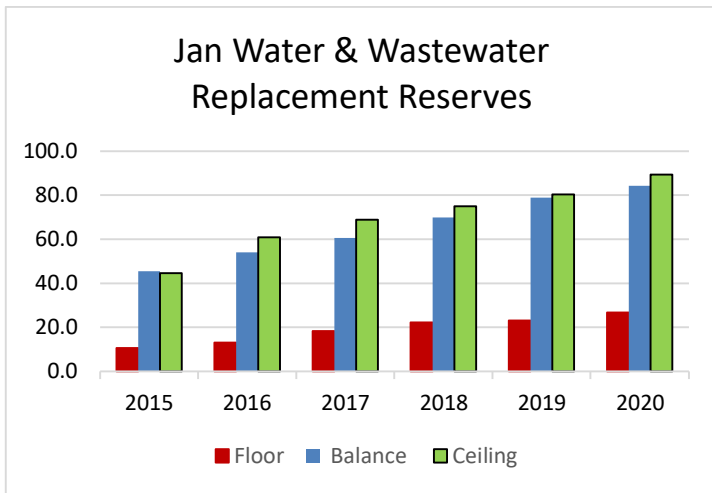
Lift stations has a favorable budget variance due to less than anticipated materials and supplies being used during the year thus far.

The **Meadowlark Plant** has a favorable budget variance as a result of less than anticipated outside services being performed thus far, as well as lower than anticipated materials and supplies, and chemical costs.

Variances are considered significant if they exceed \$58333 and 20%.

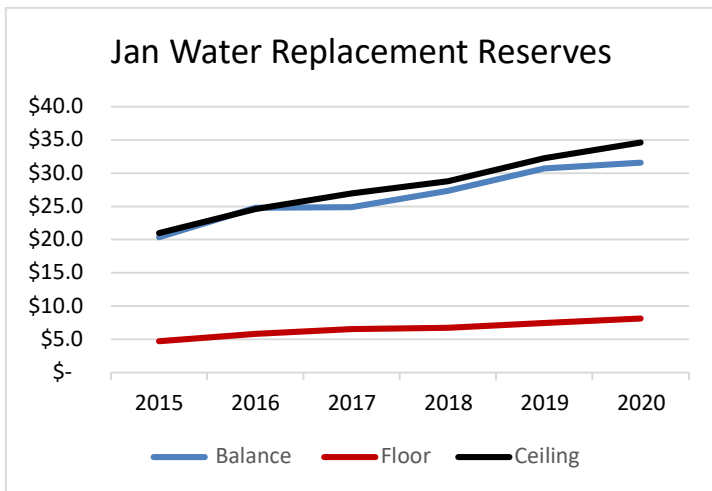
REPLACEMENT RESERVES

The District maintains two replacement reserves in cash equivalents and investments: One for the District’s water system, and the other for the District’s wastewater system. The District’s reserve policy establishes a floor of the sum of the next three years of projected system replacement costs, and a ceiling of the sum of the next ten years of system replacement costs. As of January 31, 2020, the total water and wastewater replacement reserve balance was \$84.2 million, 7 percent greater than January 31, 2019.



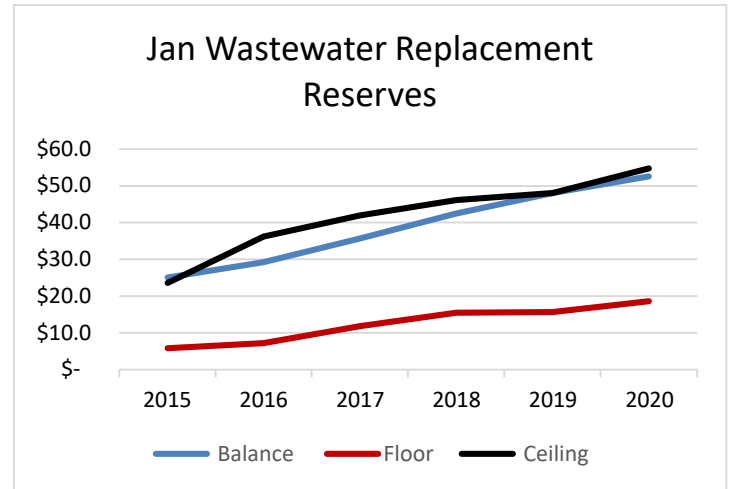
WATER REPLACEMENT RESERVE

As of January 31, 2020, the District’s water replacement reserve totaled \$31.6 million, an increase of 3 percent, or \$0.9 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.



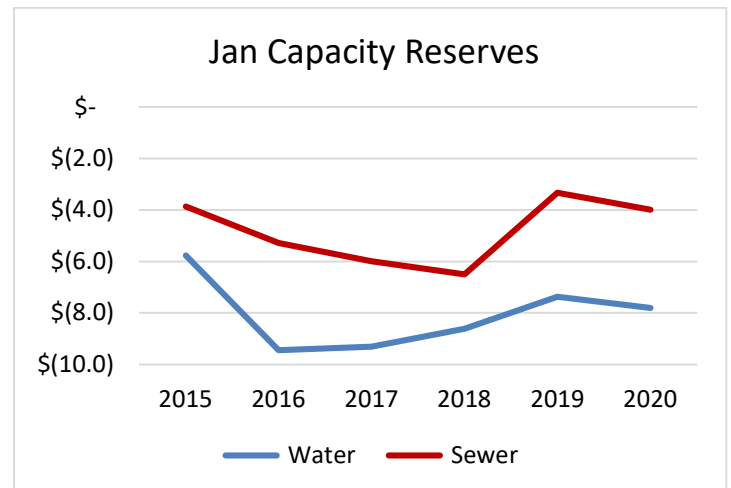
WASTEWATER REPLACEMENT RESERVE

As of January 31, 2020, the balance in the District’s wastewater replacement reserve totaled \$52.6 million, an increase of 9 percent, or \$4.5 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 January 31, 2020, the water capacity fund had a deficit of \$7.8 million and the sewer capacity fund had a deficit of \$4.0 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 JANUARY 2020

	110 Water Replacement	120 Capacity	210 Wastewater Replacement	220 Capacity	Total
BEGINNING BALANCE	\$37,641,145	\$ (8,333,147)	\$58,689,994	\$ (6,268,379)	\$81,729,614
REVENUES					
FY 19/20 Operating Transfers	3,977,310		5,537,918		9,515,228
Capital Facility Fees	-	1,136,561	-	4,543,416	5,679,976
Property Tax	730,241	-	587,983	-	1,318,224
RDA pass-through	657,836	-	623,897	-	1,281,733
Investment Earnings	559,133	-	508,192	-	1,067,325
Annexation Fees	1,757	-	-	-	1,757
TOTAL REVENUES	5,926,278	1,136,561	7,257,990	4,543,416	18,864,244
LESS DISTRIBUTIONS					
Capital Projects					
Rock Springs Sewer Replacement	-	-	420,175	513,548	933,723
Encina Wastewater Authority Five Year Plan	-	-	878,005	-	878,005
Schoolhouse Tank Refurbishment	725,413	-	-	-	725,413
District-Wide SCADA Upgrade Project	153,007	-	147,006	-	300,013
Montiel Lift Station And Forcemain Replacement	-	-	211,097	86,223	297,319
Lawrence Welk Court Water Line Replacement	193,044	-	-	-	193,044
OSHA Compliant Ladder Systems	173,332	-	-	-	173,332
San Marcos Interceptor Sewer	-	-	44,473	98,986	143,459
Palos Vista Pump Station Generator	116,547	-	-	-	116,547
MRF Biological Selector Improvements	-	-	110,865	-	110,865
MRF - Influent Pumps & Motors	-	-	86,595	-	86,595
Fire Services - Backflow Preventer Upgrades	75,328	-	-	-	75,328
Sewer Bypass Repair	-	-	74,082	-	74,082
District Wide Valve Replacement	63,158	-	-	-	63,158
Technology Infrastructure Upgrades	29,790	-	28,622	-	58,412
Sewer Rehabilitation And Repairs	-	-	42,619	-	42,619
Asset Management Replacement Schedule	18,903	-	18,162	-	37,065
District Wide Solar Project	13,941	-	13,394	-	27,334
Building A Kitchens	13,706	-	13,169	-	26,875
Door Access System Expansion	11,079	-	10,645	-	21,724
North Twin Oaks Tank 1 Refurbishment	21,463	-	-	-	21,463
Security Infrastructure Monitoring Upgrades	8,758	-	8,414	-	17,172
Cal State San Marcos Meter Upgrade	15,093	-	-	-	15,093
All other capital projects	11,069	-	16,922	1,344	29,334
Capital Budget - Vehicles/Mobile Equipmnt	239,495	-	252,084	-	491,578
Debt Service	-	526,737	-	1,511,813	2,038,550
Fund PERS UAL	4,107,540	-	3,946,460	-	8,054,000
Interest Expense	-	88,617	-	56,324	144,941
TOTAL DISTRIBUTIONS	5,990,665	615,354	6,322,789	2,268,236	15,197,044
ENDING BALANCE	\$37,576,758	\$ (7,811,940)	\$59,625,195	\$ (3,993,200)	\$85,396,813
Less: Operating Reserves	5,970,100	-	7,024,900	-	12,995,000
Replacement Reserves/Restricted Funds	\$31,606,658	\$ (7,811,940)	\$52,600,295	\$ (3,993,200)	\$72,401,813
Replacement reserve floor	\$ 8,136,700		\$18,603,400		
Replacement reserve ceiling	\$34,640,500		\$54,762,600		

VALLECITOS WATER DISTRICT
INVESTMENT REPORT FOR JANUARY 2020

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

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

Investment activity for the month of January follows:

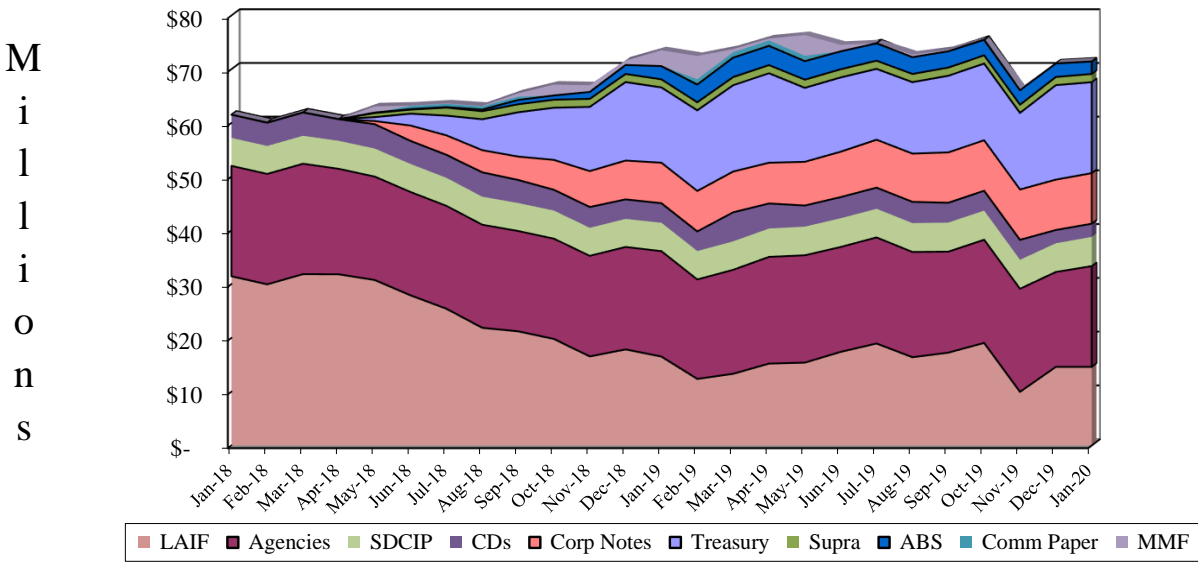
<u>Date</u>	<u>Activity</u>	<u>Investment</u>	<u>Amount</u>	<u>Maturity</u>	<u>Yield</u>
01/03/20	Deposit	LAIF	1,500,000	Open	1.97%
01/07/20	Deposit	LAIF	550,000	Open	1.97%
01/13/20	Deposit	LAIF	700,000	Open	1.97%
01/15/20	Interest	LAIF	88,016	Open	1.97%
01/15/20	Sold	JDOT 2017-B A3	(32,917)	Open	2.05%
01/15/20	Sold	TAOT 2017-B CLA3	(24,735)	Open	2.05%
01/15/20	Sold	TAOT 2019-A A2A	(29,243)	10/15/21	1.82%
01/15/20	Sold	JDOT 2018-B A2	(28,369)	04/15/21	2.83%
01/15/20	Sold	JDOT 2019-A A2	(31,511)	12/15/21	2.85%
01/16/20	Withdrawal	LAIF	(2,100,000)	Open	1.97%
01/21/20	Sold	HAROT 2017-3 A3	(19,792)	07/15/21	1.76%
01/21/20	Sold	HAROT 2019-1 A2	(36,229)	10/15/21	2.83%
01/24/20	Withdrawal	LAIF	(750,000)	Open	1.97%
01/31/20	Matured	US Treasury	(750,000)	12/17/19	2.61%
01/31/20	Purchased	Fannie Mae	1,041,280	01/31/24	2.25%
Change in investments during the month			<u>\$ 76,500</u>		

	<u>Current</u>
Weighted average annual yield for total Vallecitos investments	2.210%
Weighted average days to maturity	442

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

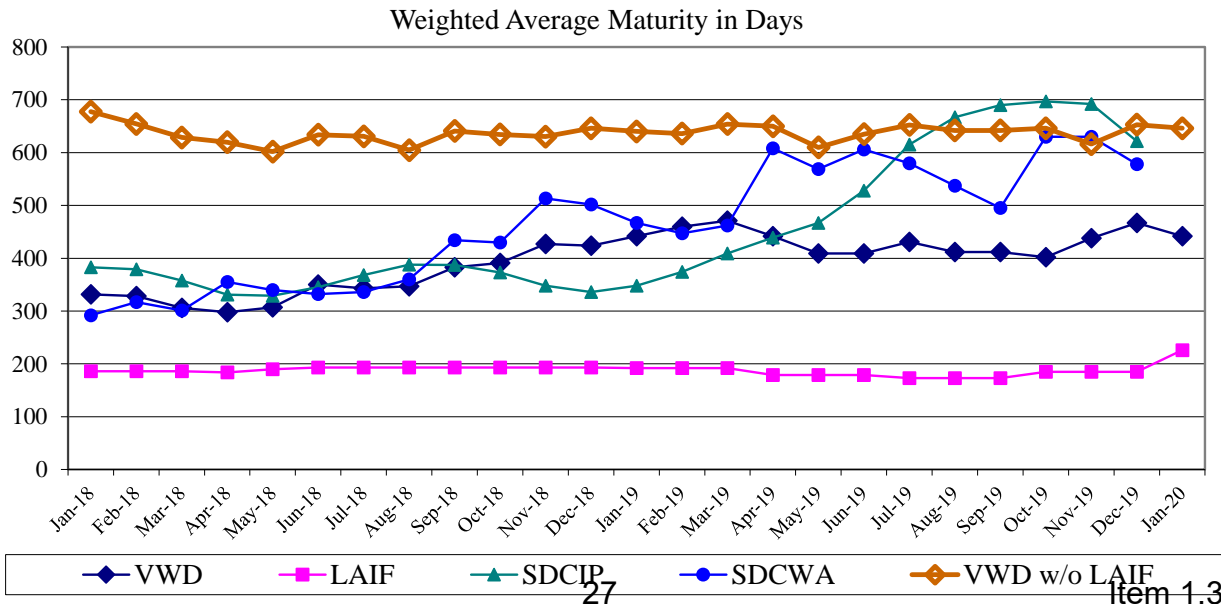
Safety

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.



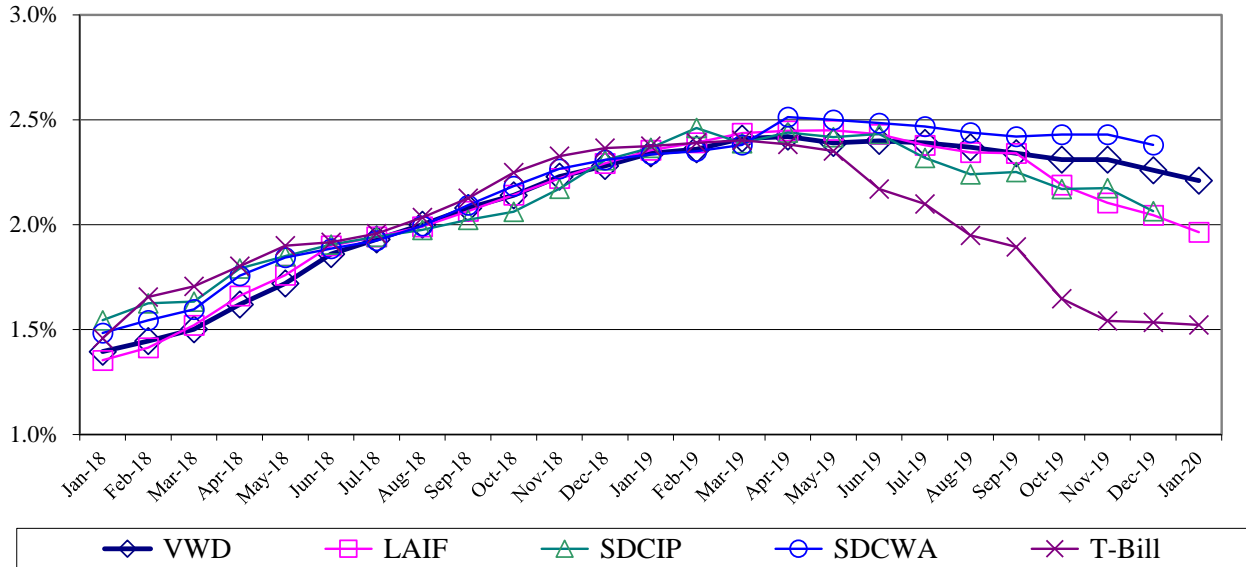
Liquidity

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 \$14.6 million available the same day. But for comparative purposes LAIF is eliminated from the District's portfolio and shown separately.



Yield

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



Investment/Debt Management

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



PORTFOLIO CHARACTERISTICS

Average Modified Duration	1.21
Average Coupon	2.06%
Average Purchase YTM	2.21%
Average Market YTM	1.65%
Average S&P/Moody Rating	AA+/Aa1
Average Final Maturity	1.41 yrs
Average Life	1.28 yrs

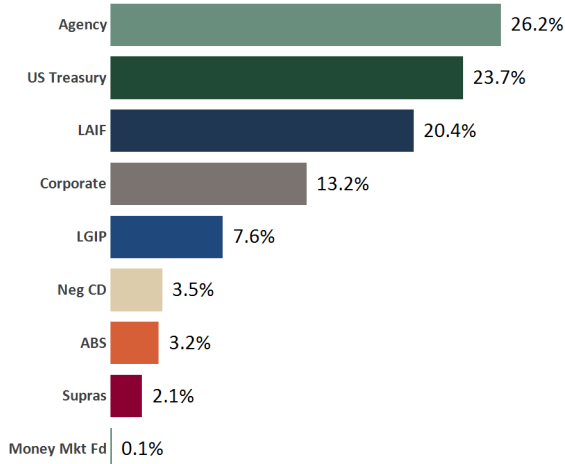
ACCOUNT SUMMARY

	Beg. Values as of 12/31/19	End Values as of 1/31/20
Market Value	71,143,177	71,489,939
Accrued Interest	332,963	290,466
Total Market Value	71,476,140	71,780,405
Income Earned	119,965	131,464
Cont/WD		
Par	70,714,443	70,817,423
Book Value	70,605,148	70,759,359
Cost Value	70,426,223	70,577,431

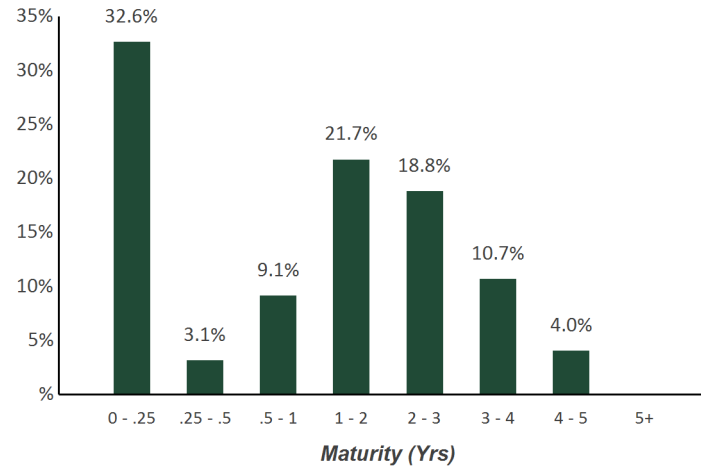
TOP ISSUERS

Government of United States	23.7%
Local Agency Investment Fund	20.4%
Federal National Mortgage Assoc	8.1%
Federal Home Loan Bank	8.0%
County of San Diego Pooled Inve	7.6%
Federal Farm Credit Bank	7.3%
Federal Home Loan Mortgage Corp	2.8%
Bank of Montreal Chicago	1.4%
Total	79.3%

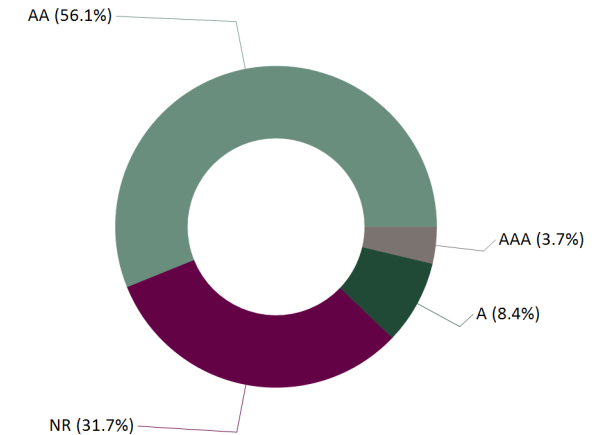
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)





CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
ABS									
47788EAB4	John Deere Owner Trust 2018-B A2 2.83% Due 4/15/2021	62,544.34	01/29/2019 2.95%	62,490.59 62,536.77	100.08 1.95%	62,592.30 78.67	0.09% 55.53	Aaa / NR AAA	1.21 0.09
89190BAD0	Toyota Auto Receivables Trust 2017-B A3 1.76% Due 7/15/2021	170,662.00	09/26/2018 2.78%	168,668.72 169,627.29	100.00 1.78%	170,655.17 133.50	0.24% 1,027.88	Aaa / AAA NR	1.45 0.28
43814PAC4	Honda Auto Receivables Trust 2017-3 A3 1.79% Due 9/20/2021	180,625.52	12/11/2018 2.73%	178,283.03 179,243.64	100.04 1.69%	180,702.45 116.75	0.25% 1,458.81	NR / AAA AAA	1.64 0.40
43814WAB1	Honda Auto Receivables Trust 2019-1 A2 2.75% Due 9/20/2021	356,020.24	02/19/2019 2.77%	355,997.31 356,005.61	100.40 1.81%	357,446.44 353.55	0.50% 1,440.83	NR / AAA AAA	1.64 0.42
47788BAD6	John Deere Owner Trust 2017-B A3 1.82% Due 10/15/2021	207,110.22	11/14/2018 3.14%	204,254.36 205,440.72	99.97 1.93%	207,043.72 167.53	0.29% 1,603.00	Aaa / NR AAA	1.71 0.30
89239AAB9	Toyota Auto Receivables Trust 2019-A A2A 2.83% Due 10/15/2021	256,611.96	02/05/2019 2.85%	256,588.66 256,597.10	100.39 1.72%	257,617.60 322.76	0.36% 1,020.50	Aaa / AAA NR	1.71 0.35
47789JAB2	John Deere Owner Trust 2019-A A2 2.85% Due 12/15/2021	273,431.31	03/05/2019 2.87%	273,418.84 273,422.86	100.37 1.87%	274,448.99 346.35	0.38% 1,026.13	Aaa / NR AAA	1.87 0.37
43814UAG4	Honda Auto Receivables Trust 2018-2 A3 3.01% Due 5/18/2022	105,000.00	05/22/2018 3.03%	104,997.71 104,998.68	101.05 1.61%	106,106.81 114.13	0.15% 1,108.13	NR / AAA AAA	2.30 0.74
43815HAC1	Honda Auto Receivables Trust 2018-3 A3 2.95% Due 8/22/2022	205,000.00	08/21/2018 2.98%	204,971.87 204,981.96	101.20 1.60%	207,460.00 167.99	0.29% 2,478.04	Aaa / NR AAA	2.56 0.87
65478WAE5	Nissan Auto Receivables Trust 2016-C A4 1.38% Due 1/17/2023	500,000.00	01/24/2019 2.95%	489,531.25 493,429.30	99.86 1.77%	499,310.00 306.67	0.70% 5,880.70	Aaa / NR AAA	2.96 0.36
Total ABS		2,317,005.59	2.90%	2,299,202.34 2,306,283.93	1.77%	2,323,383.48 2,107.90	3.24% 17,099.55	Aaa / AAA AAA	2.05 0.42
AGENCY									
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	99.91 1.81%	499,570.00 2,184.72	0.70% (430.00)	Aaa / AA+ AAA	0.16 0.17

Vallecitos Water District Consolidated Account

Account #10594

Holdings Report

As of January 31, 2020



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
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	100.00 1.66%	750,005.25 3,235.63	1.05% 5.25	Aaa / AA+ NR	0.24 0.24
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	99.98 1.55%	749,868.00 1,937.50	1.05% (132.00)	Aaa / AA+ AAA	0.33 0.33
3130A8M67	FHLB Callable Note Cont 7/13/2017 1.2% Due 7/13/2020	500,000.00	11/22/2016 1.60%	492,970.00 499,137.78	99.82 1.60%	499,104.00 300.00	0.70% (33.78)	Aaa / AA+ NR	0.45 0.45
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	99.91 1.56%	999,100.00 6,105.56	1.40% (900.00)	Aaa / AA+ AAA	0.56 0.21
3133EGC94	FFCB Callable Note Cont 2/2/2017 1.38% Due 11/2/2020	500,000.00	11/04/2016 1.40%	499,600.00 499,924.61	99.81 1.63%	499,069.50 1,705.83	0.70% (855.11)	Aaa / AA+ AAA	0.76 0.28
3133EGR49	FFCB Callable Note Cont 12/7/2017 1.77% Due 12/7/2020	250,000.00	12/07/2016 1.83%	249,437.50 249,880.65	100.00 1.77%	250,000.00 663.75	0.35% 119.35	Aaa / AA+ AAA	0.85 0.01
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	99.52 1.89%	497,595.50 58.33	0.69% (2,404.50)	Aaa / AA+ AAA	0.99 0.53
3133EFC54	FFCB Callable Note Cont 2/17/2017 1.62% Due 2/17/2021	150,000.00	11/18/2016 1.67%	149,667.00 149,918.04	100.00 1.62%	150,000.30 1,107.00	0.21% 82.26	Aaa / AA+ AAA	1.05 0.25
3133EFZ91	FFCB Callable Note Cont 4/12/2017 1.62% Due 4/12/2021	750,000.00	04/12/2016 1.62%	749,925.00 749,982.09	99.76 1.81%	748,236.75 3,678.75	1.05% (1,745.34)	Aaa / AA+ AAA	1.20 0.30
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	100.01 1.43%	500,067.50 83.33	0.70% 67.50	Aaa / AA+ AAA	1.49 0.76
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	99.82 1.72%	998,223.00 6,933.33	1.40% (1,777.00)	Aaa / AA+ AAA	1.57 0.45
3130A9F89	FHLB Callable Note Qtrly 12/30/2016 1.625% Due 9/30/2021	1,000,000.00	09/30/2016 1.63%	1,000,000.00 1,000,000.00	100.02 1.47%	1,000,239.00 5,461.81	1.40% 239.00	Aaa / AA+ NR	1.67 0.56
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	100.02 1.48%	1,000,154.00 4,004.17	1.40% 154.00	Aaa / AA+ AAA	1.74 0.73
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	100.02 1.52%	1,000,203.00 3,385.42	1.40% 203.00	Aaa / AA+ AAA	1.82 0.07
3133EJ3B3	FFCB Note 2.8% Due 12/17/2021	1,000,000.00	12/26/2018 2.70%	1,002,780.00 1,001,753.50	102.63 1.38%	1,026,296.00 3,422.22	1.43% 24,542.50	Aaa / AA+ AAA	1.88 1.82
3135G0U92	FNMA Note 2.625% Due 1/11/2022	500,000.00	03/05/2019 2.60%	500,350.00 500,238.48	102.38 1.38%	511,885.00 729.17	0.71% 11,646.52	Aaa / AA+ AAA	1.95 1.89



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
3133EKBV7	FFCB Note 2.55% Due 3/1/2022	750,000.00	02/27/2019 2.55%	750,075.00 750,051.94	102.30 1.43%	767,235.00 7,968.75	1.08% 17,183.06	Aaa / AA+ AAA	2.08 2.01
313378WG2	FHLB Note 2.5% Due 3/11/2022	500,000.00	04/08/2019 2.36%	501,945.00 501,401.79	102.31 1.38%	511,569.00 4,861.11	0.72% 10,167.21	Aaa / AA+ NR	2.11 2.04
313383WD9	FHLB Note 3.125% Due 9/9/2022	500,000.00	01/30/2019 2.68%	507,580.00 505,473.49	104.53 1.35%	522,647.00 6,163.19	0.74% 17,173.51	Aaa / AA+ AAA	2.61 2.48
3130AFE78	FHLB Note 3% Due 12/9/2022	1,000,000.00	01/25/2019 2.71%	1,010,700.00 1,007,901.77	104.55 1.37%	1,045,476.00 4,333.33	1.46% 37,574.23	Aaa / AA+ AAA	2.86 2.73
3133834G3	FHLB Note 2.125% Due 6/9/2023	650,000.00	10/30/2019 1.66%	660,432.50 659,695.81	102.36 1.40%	665,343.90 1,995.14	0.93% 5,648.09	Aaa / AA+ NR	3.36 3.23
3133EKZK5	FFCB Note 1.6% Due 8/14/2023	1,000,000.00	08/28/2019 1.48%	1,004,700.00 1,004,192.95	100.50 1.45%	1,005,045.00 7,422.22	1.41% 852.05	Aaa / AA+ AAA	3.54 3.40
3130A3DL5	FHLB Note 2.375% Due 9/8/2023	700,000.00	10/09/2019 1.44%	724,864.00 722,880.45	103.46 1.39%	724,245.20 6,603.82	1.02% 1,364.75	Aaa / AA+ NR	3.61 3.42
3135G0V34	FNMA Note 2.5% Due 2/5/2024	1,000,000.00	01/30/2020 1.44%	1,041,280.00 1,041,251.84	104.30 1.39%	1,042,998.00 12,222.22	1.47% 1,746.16	Aaa / AA+ AAA	4.02 3.78
3133EKMx1	FFCB Note 2.23% Due 2/23/2024	750,000.00	07/30/2019 1.91%	760,425.00 759,268.75	103.05 1.45%	772,879.50 7,340.42	1.09% 13,610.75	Aaa / AA+ AAA	4.07 3.84
Total Agency		18,500,000.00	1.81%	18,606,731.00 18,602,953.94	1.52%	18,737,055.40 103,906.72	26.25% 134,101.46	Aaa / AA+ AAA	1.96 1.51
CORPORATE									
40428HPV8	HSBC USA Inc Note 2.75% Due 8/7/2020	250,000.00	10/10/2018 3.26%	247,772.50 249,370.27	100.48 1.80%	251,209.50 3,322.92	0.35% 1,839.23	A2 / A A+	0.52 0.51
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%	490,920.00 496,719.79	100.35 1.76%	501,762.50 2,811.11	0.70% 5,042.71	A3 / A A	0.76 0.66
459200JF9	IBM Corp Note 2.25% Due 2/19/2021	500,000.00	06/26/2018 3.07%	489,640.00 495,886.00	100.64 1.63%	503,196.00 5,062.50	0.71% 7,310.00	A2 / A NR	1.05 1.03
69371RN93	Paccar Financial Corp Note 2.8% Due 3/1/2021	300,000.00	07/23/2018 3.12%	297,585.00 298,998.41	101.31 1.57%	303,937.50 3,500.00	0.43% 4,939.09	A1 / A+ NR	1.08 1.05



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
CORPORATE									
06406FAA1	Bank of NY Mellon Corp Callable Note Cont 03/15/2021 2.5% Due 4/15/2021	500,000.00	08/24/2018 3.05%	493,125.00 496,859.39	101.00 1.59%	505,008.50 3,680.56	0.71% 8,149.11	A1 / A AA-	1.21 1.10
369550BE7	General Dynamics Corp Note 3% Due 5/11/2021	350,000.00	06/28/2018 3.08%	349,247.50 349,665.80	101.77 1.59%	356,200.60 2,333.33	0.50% 6,534.80	A2 / A+ NR	1.28 1.25
857477AV5	State Street Bank Note 1.95% Due 5/19/2021	500,000.00	10/12/2018 3.30%	483,360.00 491,680.00	100.56 1.51%	502,795.00 1,950.00	0.70% 11,115.00	A1 / A AA-	1.30 1.28
808513AW5	Charles Schwab Corp Callable Note Cont 4/21/2021 3.25% Due 5/21/2021	320,000.00	Various 3.09%	321,372.10 320,578.16	102.04 1.56%	326,520.32 2,022.23	0.46% 5,942.16	A2 / A A	1.30 1.19
931142EJ8	Wal-Mart Stores Note 3.125% Due 6/23/2021	290,000.00	06/20/2018 3.13%	289,985.50 289,993.25	102.19 1.53%	296,339.11 956.60	0.41% 6,345.86	Aa2 / AA AA	1.39 1.36
02665WBG5	American Honda Finance Note 1.7% Due 9/9/2021	500,000.00	07/20/2018 3.19%	478,045.00 488,743.98	100.08 1.65%	500,413.50 3,352.78	0.70% 11,669.52	A2 / A NR	1.61 1.57
89233P5F9	Toyota Motor Credit Corp Note 3.4% Due 9/15/2021	500,000.00	05/31/2018 3.03%	505,785.00 502,856.31	102.85 1.61%	514,243.00 6,422.22	0.73% 11,386.69	Aa3 / AA- A+	1.62 1.56
24422ETL3	John Deere Capital Corp Note 2.65% Due 1/6/2022	500,000.00	Various 3.29%	489,627.50 494,200.24	101.90 1.64%	509,521.50 920.14	0.71% 15,321.26	A2 / A A	1.93 1.88
74005PBA1	Praxair Callable Note Cont 11/15/2021 2.45% Due 2/15/2022	300,000.00	06/27/2018 3.15%	292,848.00 295,984.75	101.60 1.54%	304,802.10 3,389.17	0.43% 8,817.35	A2 / A NR	2.04 1.73
037833CQ1	Apple Inc Callable Note Cont 4/11/22 2.3% Due 5/11/2022	500,000.00	10/30/2018 3.30%	483,395.00 489,291.26	101.61 1.55%	508,027.50 2,555.56	0.71% 18,736.24	Aa1 / AA+ NR	2.28 2.13
68389XBB0	Oracle Corp Callable Note Cont 3/15/2022 2.5% Due 5/15/2022	500,000.00	Various 3.28%	486,304.00 491,725.64	101.81 1.63%	509,036.00 2,638.89	0.71% 17,310.36	A1 / A+ A	2.29 2.06
084664BT7	Berkshire Hathaway Note 3% Due 5/15/2022	500,000.00	12/11/2018 3.31%	495,015.00 496,671.35	103.22 1.56%	516,091.50 3,166.67	0.72% 19,420.15	Aa2 / AA A+	2.29 2.20
09247XAJ0	Blackrock Inc Note 3.375% Due 6/1/2022	500,000.00	11/28/2018 3.36%	500,215.00 500,143.05	104.08 1.59%	520,401.00 2,812.50	0.73% 20,257.95	Aa3 / AA- NR	2.33 2.24
06051GEU9	Bank of America Corp Note 3.3% Due 1/11/2023	400,000.00	09/05/2019 2.13%	414,984.00 413,203.11	104.47 1.74%	417,866.00 733.33	0.58% 4,662.89	A2 / A- A+	2.95 2.80
90331HNL3	US Bank NA Callable Note Cont 12/23/22 2.85% Due 1/23/2023	480,000.00	07/22/2019 2.24%	489,580.80 488,106.83	103.44 1.63%	496,522.08 304.00	0.69% 8,415.25	A1 / AA- AA-	2.98 2.78

Vallecitos Water District Consolidated Account

Account #10594

Holdings Report

As of January 31, 2020



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
CORPORATE									
69353RFL7	PNC Bank Callable Note Cont 5/9/2023 3.5% Due 6/8/2023	500,000.00	06/11/2019 2.44%	519,580.00 516,380.74	105.56 1.74%	527,782.50 2,576.39	0.74% 11,401.76	A2 / A NR	3.35 3.09
931142EK5	Wal-Mart Stores Callable Note Cont 5/26/2023 3.4% Due 6/26/2023	500,000.00	05/21/2019 2.65%	514,115.00 511,666.09	105.99 1.54%	529,962.50 1,652.78	0.74% 18,296.41	Aa2 / AA AA	3.40 3.14
Total Corporate		9,190,000.00	3.02%	9,132,501.90 9,178,724.42	1.62%	9,401,638.21 56,163.68	13.18% 222,913.79	A1 / A+ A+	1.93 1.81
LAIF									
90LAIF\$00	Local Agency Investment Fund State Pool	14,600,608.84	Various 1.94%	14,600,608.84 14,600,608.84	1.00 1.94%	14,600,608.84 26,099.35	20.38% 0.00	NR / NR NR	0.00 0.00
Total LAIF		14,600,608.84	1.94%	14,600,608.84 14,600,608.84	1.94%	14,600,608.84 26,099.35	20.38% 0.00	NR / NR NR	0.00 0.00
LOCAL GOV INVESTMENT POOL									
90SDCP\$00	County of San Diego Pooled Investment Pool	5,430,000.00	Various 2.02%	5,430,000.00 5,430,000.00	1.00 2.02%	5,430,000.00 0.00	7.56% 0.00	NR / NR AAA	0.00 0.00
Total Local Gov Investment Pool		5,430,000.00	2.02%	5,430,000.00 5,430,000.00	2.02%	5,430,000.00 0.00	7.56% 0.00	NR / NR AAA	0.00 0.00
MONEY MARKET FUND FI									
261908206	Dreyfus Treasury Money Market Fund	59,808.56	01/31/2020 1.20%	59,808.56 59,808.56	1.00 1.20%	59,808.56 0.00	0.08% 0.00	Aaa / AAA NR	0.00 0.00
Total Money Market Fund FI		59,808.56	1.20%	59,808.56 59,808.56	1.20%	59,808.56 0.00	0.08% 0.00	Aaa / AAA NR	0.00 0.00
NEGOTIABLE CD									
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 24,807.78	1.43% 0.00	P-1 / A-1 F-1+	0.09 0.09
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	100.02 1.48%	245,053.90 1,666.00	0.34% 53.90	NR / NR NR	0.10 0.10



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
NEGOTIABLE CD									
40434AZ44	HSBC Bank USA NA Callable Neg. CD S/A 7/8/2018 1.4% Due 7/8/2020	245,000.00	09/16/2016 1.45%	244,510.00 244,944.34	99.90 1.63%	244,750.35 225.53	0.34% (193.99)	NR / NR NR	0.44 0.43
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	99.73 1.87%	244,343.16 986.71	0.34% (656.84)	NR / NR NR	0.74 0.73
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	100.06 1.48%	245,142.59 37.25	0.34% 142.59	NR / NR NR	0.91 0.16
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	99.91 1.71%	244,786.12 22.15	0.34% (213.88)	NR / NR NR	1.41 1.40
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	99.68 1.86%	244,212.08 852.80	0.34% (787.92)	NR / NR NR	1.54 1.51
Total Negotiable CD		2,470,000.00	2.06%	2,469,510.00 2,469,944.34	2.09%	2,468,288.20 28,598.22	3.48% (1,656.14)	Aaa / AA AAA	0.54 0.46
SUPRANATIONAL									
4581X0CD8	Inter-American Dev Bank Note 2.125% Due 11/9/2020	750,000.00	05/22/2018 2.81%	737,865.00 746,197.70	100.45 1.53%	753,384.00 3,630.21	1.05% 7,186.30	Aaa / AAA AAA	0.78 0.76
459058GH0	Intl. Bank Recon & Development Note 2.75% Due 7/23/2021	750,000.00	07/24/2018 2.86%	747,607.50 748,822.36	101.91 1.44%	764,334.00 458.33	1.07% 15,511.64	Aaa / AAA NR	1.48 1.45
Total Supranational		1,500,000.00	2.84%	1,485,472.50 1,495,020.06	1.49%	1,517,718.00 4,088.54	2.12% 22,697.94	Aaa / AAA AAA	1.13 1.11
US TREASURY									
9128283Y4	US Treasury Note 2.25% Due 2/29/2020	750,000.00	06/25/2018 2.51%	746,835.94 749,855.48	100.04 1.68%	750,328.50 7,139.42	1.06% 473.02	Aaa / AA+ AAA	0.08 0.08
912828XH8	US Treasury Note 1.625% Due 6/30/2020	750,000.00	05/31/2018 2.43%	737,753.91 747,586.18	100.02 1.58%	750,117.00 1,071.43	1.05% 2,530.82	Aaa / AA+ AAA	0.41 0.41
912828L65	US Treasury Note 1.375% Due 9/30/2020	750,000.00	06/27/2018 2.53%	731,044.92 744,439.84	99.87 1.57%	749,033.25 3,493.85	1.05% 4,593.41	Aaa / AA+ AAA	0.67 0.66
912828WCO	US Treasury Note 1.75% Due 10/31/2020	750,000.00	07/20/2018 2.64%	735,292.97 745,168.45	100.13 1.57%	750,966.75 3,353.37	1.05% 5,798.30	Aaa / AA+ AAA	0.75 0.74



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US TREASURY									
912828A42	US Treasury Note 2% Due 11/30/2020	750,000.00	11/28/2018 2.85%	737,695.31 744,906.67	100.38 1.54%	752,812.50 2,581.97	1.05% 7,905.83	Aaa / AA+ AAA	0.83 0.82
912828N89	US Treasury Note 1.375% Due 1/31/2021	750,000.00	10/30/2018 2.86%	725,859.38 739,293.65	99.86 1.51%	748,974.75 28.33	1.04% 9,681.10	Aaa / AA+ AAA	1.00 0.99
912828U81	US Treasury Note 2% Due 12/31/2021	750,000.00	11/08/2018 3.05%	726,650.39 735,782.77	101.20 1.36%	759,023.25 1,318.68	1.06% 23,240.48	Aaa / AA+ AAA	1.92 1.87
912828W55	US Treasury Note 1.875% Due 2/28/2022	1,000,000.00	01/30/2019 2.56%	979,921.88 986,459.77	101.08 1.35%	1,010,820.00 7,932.69	1.42% 24,360.23	Aaa / AA+ AAA	2.08 2.02
912828W89	US Treasury Note 1.875% Due 3/31/2022	750,000.00	09/27/2018 2.92%	724,013.67 733,981.86	101.14 1.34%	758,583.75 4,764.34	1.06% 24,601.89	Aaa / AA+ AAA	2.16 2.10
912828XR6	US Treasury Note 1.75% Due 5/31/2022	750,000.00	09/24/2018 2.93%	719,208.98 730,526.51	100.97 1.33%	757,266.00 2,259.22	1.06% 26,739.49	Aaa / AA+ AAA	2.33 2.27
912828XW5	US Treasury Note 1.75% Due 6/30/2022	350,000.00	09/07/2018 2.80%	336,792.97 341,632.70	101.01 1.32%	353,527.30 538.46	0.49% 11,894.60	Aaa / AA+ AAA	2.41 2.36
9128282P4	US Treasury Note 1.875% Due 7/31/2022	1,000,000.00	12/28/2018 2.53%	977,617.19 984,410.75	101.35 1.32%	1,013,516.00 51.51	1.41% 29,105.25	Aaa / AA+ AAA	2.50 2.44
912828L24	US Treasury Note 1.875% Due 8/31/2022	750,000.00	09/20/2018 2.94%	720,439.45 730,662.47	101.41 1.32%	760,605.75 5,949.52	1.07% 29,943.28	Aaa / AA+ AAA	2.58 2.50
9128282W9	US Treasury Note 1.875% Due 9/30/2022	1,000,000.00	03/19/2019 2.43%	981,406.25 985,989.83	101.47 1.31%	1,014,688.00 6,352.46	1.42% 28,698.17	Aaa / AA+ AAA	2.67 2.58
912828M80	US Treasury Note 2% Due 11/30/2022	800,000.00	12/24/2019 1.70%	806,875.00 806,637.27	101.90 1.31%	815,218.40 2,754.10	1.14% 8,581.13	Aaa / AA+ AAA	2.83 2.74
9128284D9	US Treasury Note 2.5% Due 3/31/2023	1,000,000.00	02/21/2019 2.51%	999,414.06 999,548.61	103.68 1.31%	1,036,758.00 8,469.95	1.46% 37,209.39	Aaa / AA+ AAA	3.16 3.02
912828R28	US Treasury Note 1.625% Due 4/30/2023	1,000,000.00	12/04/2019 1.60%	1,000,898.44 1,000,856.48	101.01 1.31%	1,010,078.00 4,151.79	1.41% 9,221.52	Aaa / AA+ AAA	3.25 3.14
912828R69	US Treasury Note 1.625% Due 5/31/2023	1,100,000.00	Various 2.00%	1,083,765.62 1,086,890.84	101.04 1.31%	1,111,387.20 3,076.85	1.55% 24,496.36	Aaa / AA+ AAA	3.33 3.23
912828T91	US Treasury Note 1.625% Due 10/31/2023	1,000,000.00	09/25/2019 1.60%	1,000,898.44 1,000,821.57	101.14 1.31%	1,011,445.00 4,151.79	1.41% 10,623.43	Aaa / AA+ AAA	3.75 3.61



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US TREASURY									
912828V80	US Treasury Note 2.25% Due 1/31/2024	1,000,000.00	12/16/2019 1.71%	1,021,210.94 1,020,563.06	103.63 1.32%	1,036,289.00 61.81	1.44% 15,725.94	Aaa / AA+ AAA	4.00 3.83
Total US Treasury		16,750,000.00	2.40%	16,493,595.71 16,616,014.76	1.39%	16,951,438.40 69,501.54	23.71% 335,423.64	Aaa / AA+ AAA	2.26 2.19
TOTAL PORTFOLIO		70,817,422.99	2.21%	70,577,430.85 70,759,358.85	1.65%	71,489,939.09 290,465.95	100.00% 730,580.24	Aa1 / AA+ AAA	1.41 1.21
TOTAL MARKET VALUE PLUS ACCRUED						71,780,405.04			

**VALLECITOS WATER DISTRICT
SUMMARY OF LEGAL FEES**

Matter Description	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Total
General Counsel Services	\$7,886	\$3,422	\$9,177	\$10,914	\$5,557	\$9,183	\$5,284	\$2,215	\$12,391	\$6,930	\$10,083	\$7,810	\$18,504	\$109,356
Labor/Employment	852	-	2,610	5,577	21,718	14,492	5,447	2,135	3,679	3,948	2,359	3,504	4,073	\$70,392
Engineering - Construction/Contracting	858	2,938	2,840	2,647	3,172	1,693	546	1,641	1,968	2,878	4,143	3,433	1,615	\$30,372
Fees and Taxes	988	364	-	-	-	728	-	2,744	7,241	5,491	1,204	-	1,802	\$20,561
Environmental	-	-	-	-	7,935	116	-	-	1,800	2,910	678	-	-	\$13,439
VWD v. Brian Thomas Boyd	130	104	-	-	-	-	-	-	-	-	-	-	-	\$234
Adv. Butler	-	-	-	2,302	302	136	-	30	417	-	1,702	138	2,831	\$7,857
Renewable Energy	-	-	-	-	-	-	-	-	-	-	4,710	1,824	-	\$6,534
Total	\$10,714	\$6,828	\$14,628	\$21,439	\$38,684	\$26,348	\$11,277	\$8,764	\$27,495	\$22,157	\$24,878	\$16,708	\$28,825	\$258,745

DATE: FEBRUARY 26, 2020
TO: BOARD OF DIRECTORS
SUBJECT: ORGANIZATIONAL ACHIEVEMENT AWARDS FOR PUBLIC INFORMATION/CONSERVATION DEPARTMENT

BACKGROUND:

The Employee Recognition Program recognizes employees in a variety of ways for their personal and team contributions in the promotion of efficiency, initiative, and morale in support of the District's Mission and Vision. The program is designed to create a culture of employee recognition; improve the working environment and employee morale; motivate employees to be successful; and acknowledge achievements.

The District's Employee Recognition Program's paragraph on "Organizational Achievement Awards" reads as follows:

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

DISCUSSION:

On October 23, 2019, more than 1,000 organizations across the nation came together for "Imagine a Day Without Water," the fifth annual day of action hosted by the Value of Water Campaign that asks Americans to think about our often-overlooked water systems. Across the country, millions of Americans participated in raising awareness about the value of water. The District's Public Information/Conservation Department produced a creative video to show our community how much we all depend on having safe, reliable water and wastewater service every day to communicate the true value of water. The video was promoted on the District's website as well as social media outlets and it was very well received inside and outside of our community.

To date, the social media video has accomplished the following successes:

- The video was shared by Metropolitan Water District of Southern California, San Diego County Water Authority, and other local water districts and individuals.
- The video was highlighted on BC WATER NEWS, a nationwide e-newsletter that is sent to water professionals by Brown & Caldwell.
- The video views on social media continue to increase, documenting that the community is still engaging with the video. The one-day reach was 7,461 people.

Public Information Representatives Lisa Urabe and Alicia Yerman teamed up to script, film, edit and create this video under the leadership of their supervisor Chris Robbins. The California Water Environment Association (CWEA) San Diego Section presented

local awards at their banquet on January 25, 2020 and the District won two (2) awards for Community Engagement and Outreach, Best Use of Social Media and for Film Festival (Semi-Pro). The video is also in the running for the CWEA Film Festival state award.

FISCAL IMPACT:

A total cost of \$500 for three (3) employees, which is well within the budget for the Employee Recognition Program (\$8,000 per year, excluding gainsharing).

RECOMMENDATION:

Approve Organizational Achievement Awards for the Public Information/Conservation staff in the amount of \$100 for the department supervisor and \$200 each for the two (2) employees.

ATTACHMENTS:

None.

New Inspection Tool Aids Vallecitos Pipeline Assessments

After nearly completing construction in 2008, developers walked away from the 500-acre High Point subdivision. Water facilities installed for the subdivision were left unused for ten years and never accepted into the general system by the Vallecitos Water District (VWD).

Recently, two developers decided to try and complete the project, and approached VWD to determine what is needed to complete water service. The mains for this project were made of ductile iron pipe (DIP). VWD needed to conduct a thorough pipe condition assessment to determine their current status. Infrastructure Engineering Corporation (IEC) and subcontractor PICA (Pipeline Inspection and Condition Analysis) Corporation recently tested the integrity of the water main.

Several processes were included in the High Point Pipeline Assessment project. Crews inserted a tool developed by PICA Corporation called a “See-Snake” into the pipeline, and gathered data showing the condition of the pipes. The See-Snake used an electromagnetic method on iron pipes, which can “see” past cement mortar, epoxy, or polyethylene lining to any actual damage to the iron structure of the pipe itself.



PICA Corporation's "See-Snake" tool.

The See-Snake tool was pulled through the pipe at 17 feet per minute, delivering data as the inspection was being performed in real-time. The technology expedites information gathering, saving time and money by accelerating the process without sacrificing attention to detail. VWD was then able to assess the pipeline's wall thickness, potential iron loss, and other anomalies to determine the condition of the existing pipeline.

Over time, pipelines are exposed to corrosion from aggressive soils, electrical currents, physical force, or other factors. The result from corrosion could be a pipeline break interrupting water service, losing water supplies, and incurring monetary losses.

The inspection has been completed, and a full report is forthcoming. The initial review discovered two badly corroded areas of pipeline, and excavations verified the accuracy of the data. As VWD continues to test the new process and the accuracy of the data, we will determine whether to adopt the new technology for future working pipeline assessments.



Enter our WaterSmart Landscape Contest!

[Vallecitos participants needed. Send in your application now.](#)

Be recognized for your work in water conservation and neighborhood beautification – enter the contest. This annual competition rewards water-efficient landscapes created by customers of Vallecitos Water District and other water agencies throughout San Diego County.

[Go to www.landscapecontest.com to apply.](http://www.landscapecontest.com)

Vallecitos Water District top three winners receive gift certificates to a local nursery.

Staff can assist you with your application!



Proud of Your Water-Efficient Yard?
Enter for a Chance to Win!

Basic Judging Criteria

- Overall Attractiveness
- Efficient Methods of Irrigation
- Design
- Appropriate Plant Selection & Maintenance

Deadline April 27, 2020
Valuable Prizes and Winners from Each Participating Agency

For details on eligibility requirements, how to apply and more, visit landscapecontest.com or contact your local water agency.

WaterSmart Landscape Contest

VALLECITOS WATER DISTRICT
Water and Wastewater Specialists Since 1955



Vallecitos Public Information Department Wins Two Video Awards from California Water Environment Association

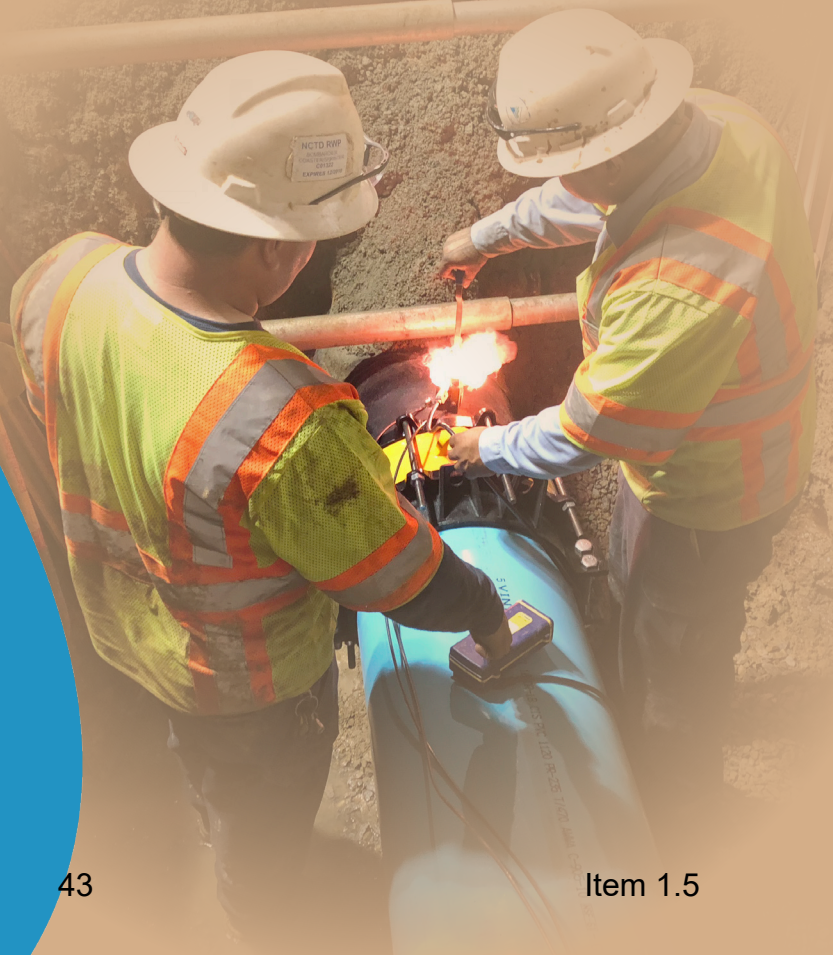


On January 20, 2020, Vallecitos was presented with two awards by the California Water Environment Association (CWEA) San Diego Section for “Community Engagement and Outreach Award for Best Use of Social Media” and “Community Engagement and Outreach Award for Film Festival (Semi-Pro).”



The “Imagine a Day Without Water” video is still in the running for the State-wide CWEA Film Festival award.

Do we have your current phone number on file?



EMERGENCY

In an Emergency

When Vallecitos has a water outage, we attempt to contact customers by phone using the most current phone number in our billing system.

If you've changed your phone number or use your cell phone as your primary phone, it may be time to update your phone number in our system. To update your number, please call our Customer Service Department at (760) 744-0460 to make this change.



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



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

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ECRWSS

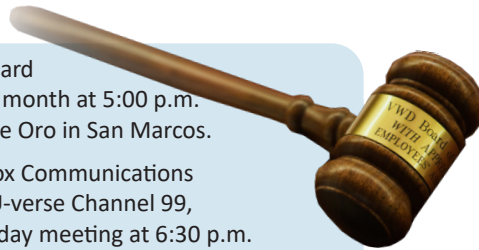
Management Staff

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

Postal Customer

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

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



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

Free Movie Night Friday, March 20, 2020

Vallecitos, in partnership with the San Diego County Water Authority, invites customers to attend a free showing of **THE BIGGEST LITTLE FARM.**

“The Biggest Little Farm” chronicles the eight-year quest of a couple as they trade city living in Los Angeles for 200 acres of barren farmland and a dream to harvest in harmony with nature.

When: Friday, March 20, 2020
 Where: 201 Vallecitos de Oro, San Marcos, CA
 Time: 6:30 p.m. - 8:30 p.m.
 Free: Popcorn and drinks 44



To watch the movie trailer or to register to attend, go to www.vwd.org/BiggestLittleFarm.



San Diego County Water Authority
 Our Region's Trusted Water Leader

Item 1.5

DATE: FEBRUARY 26, 2020
TO: BOARD OF DIRECTORS
SUBJECT: APPROVAL OF CONSTRUCTION AGREEMENT FOR STEFAN TERRACE 4 LOT SUBDIVISION APN: 228-130-32 [MAIN EC, LLC (ALEX AHMADIAN MANAGING MEMBER)]

BACKGROUND:

Main EC, LLC, owner of the project, has completed the plan check process with the District. The project is a 4 lot, single family subdivision. The property address is 841 St. Paul Drive, located at the corner of St. Stefan Terrace and St. Paul Drive, north of Montiel Road. The property is receiving water service provided by Vista Irrigation District. VWD sewer facilities are located in St. Stefan Terrace.

DISCUSSION:

A Construction Agreement is typically entered into between a developer and the District to ensure that the required public facilities are constructed to support the demands of the development.

The project will construct approximately 70 feet of 8-inch diameter PVC sewer main.

Upon completion of the sewer facilities, sewer service will be available to 4 single family homes.

All engineering fees and inspection deposits have been paid prior to Board approval of the Construction Agreement. Water and wastewater capital facility fees are due and payable prior to issuance of the final building inspection and/or utility release per Resolution No. 1441.

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

Labor and Materials	\$23,710.00
Faithful Performance	\$23,710.00

FISCAL IMPACT:

None. Future sewer revenues will offset costs of service.

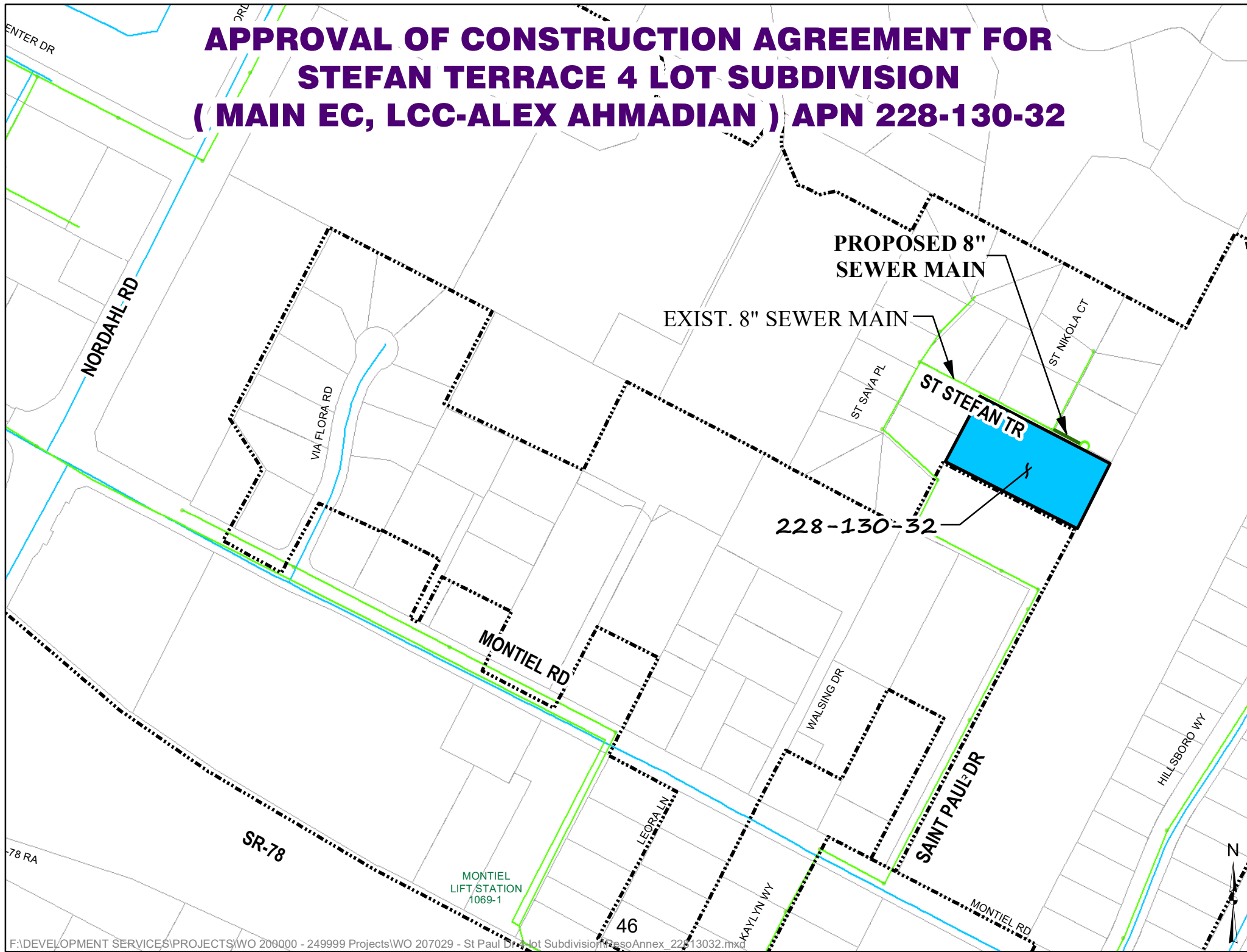
RECOMMENDATION:

Approve the construction agreement for Stefan Terrace 4 Lot Subdivision.

ATTACHMENTS:

2 Map Exhibits – 1 Plat Map & 1 Aerial
Construction Agreement

APPROVAL OF CONSTRUCTION AGREEMENT FOR STEFAN TERRACE 4 LOT SUBDIVISION (MAIN EC, LCC-ALEX AHMADIAN) APN 228-130-32



APPROVAL OF CONSTRUCTION AGREEMENT FOR STEFAN TERRACE 4 LOT SUBDIVISION (MAIN EC, LCC-ALEX AHMADIAN) APN 228-130-32



**AGREEMENT FOR CONSTRUCTION OF FACILITIES TO BE
DEDICATED TO THE VALLECITOS WATER DISTRICT**

THIS AGREEMENT is entered into by and between VALLECITOS WATER DISTRICT ("DISTRICT"), a County Water District organized and operating pursuant to the County Water District Law, California Water Code §§ 30000 et seq., and **MAIN EC, LLC (ALEX AHMADIAN MANAGING MEMBER)** ("DEVELOPER"), a California Corporation.

RECITALS

1. DEVELOPER desires to improve certain real property which lies within the boundaries of the DISTRICT consisting of approximately **1.29** acres commonly described as Tax Assessor's Parcel Nos. **228-130-32** ("PROJECT").

2. DEVELOPER has requested that DISTRICT provide water and/or sewer service to parts of the PROJECT upon payment of applicable fees, construction and installation by DEVELOPER of the water and/or sewer facilities ("FACILITIES") necessary to serve the PROJECT and acceptance of the FACILITIES by the DISTRICT.

3. DEVELOPER is required to submit plans and specifications for construction of the FACILITIES for review and approval by DISTRICT. The plans and specifications have been prepared by **RANCHO COASTAL ENGINEERING & SURVEYING** and are identified as **SAINT STEFAN TERRACE**, DEVELOPER shall construct the FACILITIES pursuant to the approved plans and specifications which shall include DISTRICT's standard specifications and applicable special provisions. DEVELOPER shall comply with all terms of this Agreement. All work covered by this Agreement shall be completed on or before _____, 202___. In the event work is not completed by that date, this AGREEMENT shall terminate unless DEVELOPER obtains a written extension from DISTRICT.

COVENANTS

4. CONDITIONS PRECEDENT TO EXECUTION OF AGREEMENT. Each of the following items is an express condition precedent to the obligation of the DISTRICT to execute this Agreement:

4.1 FEES AND CHARGES. DEVELOPER shall pay all fees and charges due as established by the DISTRICT in its discretion from time to time. All Capital Facility and Connection fees are non-refundable.

4.2 ENVIRONMENTAL REVIEW. DEVELOPER shall provide the DISTRICT with all environmental documents previously utilized to obtain approvals for the PROJECT. In the event that the DISTRICT determines additional environmental review is necessary, all fees and costs to prepare this additional environmental review shall be borne solely by the DEVELOPER.

4.3 APPROVED PLANS AND SPECIFICATIONS. DEVELOPER shall prepare and submit to the DISTRICT a set of plans and specifications for the FACILITIES. The plans and specifications for the FACILITIES include DISTRICT's standard specifications and applicable special provisions and are incorporated herein by reference as if set forth in full. Approval of these plans and specifications by the DISTRICT shall be a condition precedent to the obligations of the DISTRICT to execute this Agreement. Approval of these plans and specifications by the DISTRICT shall not relieve the DEVELOPER of liability for any improper design or construction of the FACILITIES.

4.4 CHANGES TO PLANS AND SPECIFICATIONS. DISTRICT, without liability to DISTRICT, DISTRICT's engineer and their consultants, and each of their directors, officers, employees, and agents, may require such changes, alterations, or additions to the plans and specifications which do not exceed ten percent (10%) of the original DISTRICT estimated cost of the work as may be determined necessary or desirable by DISTRICT in its sole discretion, including those necessary due to errors or omissions in the approved plans or specifications. Changes, alterations, or additions without said 10% limitation may be made for unforeseen conditions such as rock excavation, unstable soil conditions, or high water tables requiring dewatering.

5. COMMERCIAL GENERAL LIABILITY AND AUTOMOBILE LIABILITY INSURANCE. Prior to construction of FACILITIES under this Agreement, the DEVELOPER shall provide and maintain the following commercial general liability and automobile liability insurance:

5.1 COVERAGE. Coverage for commercial general liability and automobile liability insurance shall be at least as broad as the following:

- A. Insurance Services Office (ISO) Commercial General Liability Coverage (Occurrence Form CG 0001);
- B. Insurance Services Office (ISO) Business Auto Coverage (Form CA 0001), covering Symbol 1 (any auto).

5.2 LIMITS. The DEVELOPER shall maintain limits no less than the following:

- A. General Liability - One million dollars (\$1,000,000) per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit or products-completed operations aggregate limit is used, either the general aggregate limit shall apply separately to the project/location (with the ISO CG 2503, or ISO CG 2504, or insurer's equivalent endorsement provided to DISTRICT) or the general aggregate limit and products-completed operations aggregate limit shall be twice the required occurrence limit.
- B. Automobile Liability - One million dollars (\$1,000,000) for bodily injury and property damage each accident limit.

5.3 REQUIRED PROVISIONS. The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

- A. DISTRICT, its directors, officers, employees, and authorized volunteers are to be given insured status (via ISO endorsement CG 2010, CG 2033, or insurer's equivalent for general liability coverage) as respects: liability arising out of activities performed by or on behalf of the DEVELOPER; products and completed operations of the DEVELOPER; premises owned, occupied or used by the DEVELOPER; and automobiles owned, leased, hired or borrowed by the DEVELOPER. The coverage shall contain no special limitations on the scope of protection afforded to DISTRICT, its directors, officers, employees, or authorized volunteers.
- B. For any claims related to this project, the DEVELOPER's insurance shall be primary insurance as respects DISTRICT, its directors, officers,

employees, or authorized volunteers. Any insurance, self-insurance, or other coverage maintained by DISTRICT, its directors, officers, employees, or authorized volunteers shall not contribute to it.

C. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to DISTRICT, its directors, officers, employees, or authorized volunteers.

D. The DEVELOPER's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

E. Each insurance policy required by this agreement shall state, or be endorsed to state, that coverage shall not be canceled by the insurance carrier or the DEVELOPER, except after thirty (30) days (10 days for non-payment of premium) prior written notice by U.S. mail has been given to DISTRICT.

Such liability insurance shall indemnify the DEVELOPER and his/her sub-DEVELOPER's against loss from liability imposed by law upon, or assumed under contract by, the DEVELOPER or his/her sub-DEVELOPER's for damages on account of such bodily injury (including death), property damage, personal injury, completed operations, and products liability.

The general liability policy shall cover bodily injury and property damage liability, owned and non-owned equipment, blanket contractual liability, completed operations liability, explosion, collapse, underground excavation, and removal of lateral support. Additionally, the automobile liability policy shall cover all owned, non-owned, and hired automobiles.

All of the insurance shall be provided on policy forms and through companies satisfactory to DISTRICT.

6. DEDUCTIBLES AND SELF-INSURED RETENTIONS. Any deductible or self-insured retention must be declared to and approved by DISTRICT. At the option of DISTRICT, the insurer shall either reduce or eliminate such deductibles or self-insured retentions.

7. ACCEPTABILITY OF INSURANCE. Insurance is to be placed with insurers having a current A.M. Best rating of no less than A:VII or equivalent or as otherwise approved by DISTRICT.

8. WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY INSURANCE.

The DEVELOPER and all sub-DEVELOPERs shall insure (or be a qualified self-insured) under the applicable laws relating to workers' compensation insurance, all of their employees working on or about the construction site, in accordance with the "Workers' Compensation and Insurance Act", Division IV of the Labor Code of the State of California and any Acts amendatory thereof. The DEVELOPER shall provide employer's liability insurance with limits of no less than \$1,000,000 each accident, \$1,000,000 disease policy limit, and \$1,000,000 disease each employee.

9. RESPONSIBILITY FOR WORK. Until the completion and final acceptance by DISTRICT of all the work under and implied by this agreement, the work shall be under the DEVELOPER's responsible care and charge. The DEVELOPER shall rebuild, repair, restore and make good all injuries, damages, re-erections, and repairs occasioned or rendered necessary by causes of any nature whatsoever.

10. EVIDENCE OF INSURANCE. Prior to construction of FACILITIES under this Agreement, the DEVELOPER shall file with DISTRICT a certificate of insurance (Accord Form 25-S or equivalent) signed by the insurer's representative evidencing the coverage required by this agreement. Such evidence shall include an additional insured endorsement signed by the insurer's representative and evidence of waiver of rights of subrogation against DISTRICT (if builder's risk insurance is applicable). Such evidence shall also include confirmation that coverage includes or has been modified to include **Required Provisions**, A-E.

The DEVELOPER shall, upon demand of DISTRICT, deliver to DISTRICT such policy or policies of insurance and the receipts for payment of premiums thereon.

11. CONTINUATION OF COVERAGE. If any of the required coverage expires during the term of this agreement, the DEVELOPER shall deliver the renewal certificate(s) including the general liability additional insured endorsement and evidence of waiver of rights of subrogation against DISTRICT (if builder's risk insurance is applicable) to DISTRICT at least ten (10) days prior to the expiration date.

12. SUB-DEVELOPERS. In the event that the DEVELOPER employs other DEVELOPERs (sub-DEVELOPERs) as part of the work covered by this agreement, it shall be the DEVELOPER's responsibility to require and confirm that each sub-DEVELOPER meets the minimum insurance requirements specified above.

13. SECURITY. Upon execution of this Agreement and prior to Board approval, DEVELOPER shall provide the DISTRICT with a payment bond and a performance bond, each in the amount of **\$ 23,710.00.** Each payment and performance bond shall represent 100% of

the estimated construction costs of the FACILITIES. Bonds shall be furnished by surety companies satisfactory to the DISTRICT. Surety companies, to be acceptable to the DISTRICT, must have an acceptable rating from Best's Key Rating Guide, authorized to do business and have an agent for service of process in California.

If at any time a surety on any such bond is declared as bankrupt or loses its right to do business in the state of California for any reason, DEVELOPER shall, within ten (10) days after notice from the DISTRICT, substitute acceptable bonds in such form and sum and signed by such other surety or sureties as may be satisfactory to the DISTRICT in its sole discretion. The premium on such bonds shall be paid by the DEVELOPER.

In the event the PROJECT is sold, transferred or assigned the performance and payment bonds shall remain in effect unless new bonds acceptable to the DISTRICT have been provided.

The performance and the payment bonds must remain in effect throughout the period for performance of the work until the work is accepted by formal action of the Board of Directors of the DISTRICT.

In lieu of providing these performance and payment bonds, DEVELOPER may provide the DISTRICT with a cash deposit to replace either or both of these bonds, or may provide the DISTRICT with an Instrument of Credit, or Irrevocable Letter of Credit on a form acceptable to the DISTRICT. No substitution or modification of the DISTRICT's standard Instrument of Credit or Irrevocable Letter of Credit shall be accepted without approval of the DISTRICT.

14. DEVELOPER'S FAILURE TO PROVIDE INSURANCE OR BONDS. In the event any insurance or security provided to the DISTRICT in accordance with this Agreement is terminated or canceled for any reason, or is limited in the scope of coverage required by this Agreement, DEVELOPER shall have thirty (30) consecutive days from written notice from DISTRICT to procure the required insurance or security. The failure of DEVELOPER to present alternative insurance or security acceptable to DISTRICT within this thirty- (30-) day period shall constitute a material breach of this Agreement entitling the DISTRICT to unilaterally terminate this Agreement or sue DEVELOPER for damages at the election of the DISTRICT.

15. EASEMENTS. Prior to execution of this Agreement, DEVELOPER shall provide DISTRICT with a current preliminary title report issued within the last 90 days covering all properties in which easements are to be granted to the DISTRICT. The cost of the preliminary title report shall be borne solely by DEVELOPER. DEVELOPER shall provide the DISTRICT with such easements as the DISTRICT may require, as determined by the DISTRICT in its sole

discretion. All easements to be conveyed to the DISTRICT shall be prepared on the DISTRICT's standard form easements. All easements shall: (1) be of a width satisfactory to DISTRICT, in no case less than twenty (20) feet without specified approval of the Board of Directors; (2) be free and clear of all liens and/or encumbrances which could affect title to the easement; and (3) have recorded subordination agreements for all trust deeds or other liens to insure that the DISTRICT has prior rights in any easements being conveyed to the DISTRICT. DEVELOPER shall procure a policy of title insurance in favor of the DISTRICT covering easements to be granted in amounts determined by the DISTRICT subject only to those conditions of record acceptable to the DISTRICT. All fees and costs to procure easements required by the DISTRICT shall be borne solely by DEVELOPER. Nothing in this Agreement shall obligate the DISTRICT to exercise its condemnation authorities to acquire any easement determined necessary by the DISTRICT. All easements being conveyed to the DISTRICT must be in a recordable form acceptable to the DISTRICT prior to approval of plans and specifications by the DISTRICT.

16. QUALIFIED SERVICE COMMITMENT. Nothing in this Agreement is intended to limit the power of the DISTRICT to restrict the use of water as provided by California Water Code §§ 350 et seq., and §§ 31026 et seq. DEVELOPER is advised and understands that the ability of the DISTRICT to provide water service to the PROJECT is dependent upon the continuing availability of water imported to the DISTRICT from other agencies. In the event of a water shortage, threatened water shortage, or an emergency, water service to DEVELOPER's project may not be available or may be curtailed or restricted. Consequently, the DISTRICT cannot guarantee that water will be available at the time service is requested. The declaration of a water shortage, threatened water shortage or emergency shall be exercised in the sole discretion of the DISTRICT. DEVELOPER agrees that the DISTRICT shall not be liable for any damages, costs, fees, or expenses of any kind, caused by any curtailment, restriction, or termination of potable water service determined necessary by the DISTRICT.

17. CONSTRUCTION OF FACILITIES. DEVELOPER shall not commence construction of any FACILITIES required by this Agreement until DEVELOPER has received written authorization from the DISTRICT to proceed. All work performed on the FACILITIES shall be done in strict compliance with the approved plans and specifications and in a good and workmanlike manner as determined by the DISTRICT in its sole discretion. All work performed on the FACILITIES by DEVELOPER shall be subject to inspection by the DISTRICT's designated representatives and DEVELOPER shall comply with all instructions given by the

DISTRICT's representative during construction of the work. All fees and costs to construct the FACILITIES shall be borne by DEVELOPER.

18. COMPLIANCE WITH APPLICABLE LAW. DEVELOPER shall insure that all work performed on the project is performed in a manner which complies with all applicable federal and state laws and all county and local government rules and regulations, including all rules and regulations of DISTRICT, as these rules and regulations may be modified or changed from time to time. DEVELOPER shall be solely responsible for obtaining and paying for all permits, licenses and approvals necessary to construct the FACILITIES. DEVELOPER shall provide verification that permits, licenses and approvals have been obtained promptly upon demand from DISTRICT.

19. PREVAILING WAGES. DEVELOPER is aware of the provisions of California Labor Code §§ 1770 et seq., which requires the payment of prevailing wage rates and the performance of other requirements if it is determined that DEVELOPER's contract with its contractor to construct the FACILITIES is a public works contract. DEVELOPER agrees to hold the DISTRICT and its officers, employees and agents harmless from any claim of liability, including costs of defense and attorney's fees, arising from any alleged failure to comply with these provisions of the Labor Code.

DEVELOPER, and not the DISTRICT, shall be liable for insuring that prevailing wages, as set by the Director of the Department of Industrial Relations, have been paid for all work performed in accordance with this contract. In the event of any claim, DEVELOPER shall provide the DISTRICT with all information in DEVELOPER's possession concerning the claim within ten (10) consecutive days following written demand from the DISTRICT.

20. UTILIZATION OF A PORTION OF WORK. DISTRICT shall have the right upon written notification to the DEVELOPER to utilize such portions of the work DISTRICT deems sufficiently complete to be utilized or placed into service.

21. ACCEPTANCE OF WORK. Upon completion of the FACILITIES required by this Agreement to the satisfaction of the DISTRICT, the FACILITIES which have been constructed shall be presented to the Board of Directors of the DISTRICT for dedication and the filing of a Notice of Completion. The DISTRICT shall have no obligation to accept the FACILITIES or file a Notice of Completion if the design and/or construction of the work is not satisfactory to the DISTRICT in its sole discretion. Upon recordation of a Notice of Completion, all right, title, ownership and interest in the FACILITIES shall be deemed to have been transferred to the DISTRICT. DEVELOPER shall not allow any part of PROJECT to be occupied prior to acceptance of FACILITIES by DISTRICT.

22. WATER SERVICE MAINTENANCE AFTER ACCEPTANCE OF WORK. Due to the uncertainty of prompt sale/construction/occupancy of the project's lots and based on the need to provide adequate flow to residences, DEVELOPER shall be responsible for periodic flushing of the services within the subdivision until such time as the subdivision is sold. The DISTRICT and DEVELOPER will cooperate to provide manpower and schedule work.

23. LIABILITY FOR WORK PRIOR TO FORMAL ACCEPTANCE. Until the Board of Directors of the DISTRICT has formally accepted all work performed in accordance with this Agreement, DEVELOPER shall be solely responsible for all damage to the work regardless of cause and for all damages or injuries to any person or property from any cause excepting injury or damage caused by the sole or active negligence of DISTRICT, its agents, servants or employees.

24. LIABILITY AFTER ACCEPTANCE OF WORK. After the Board of Directors of the DISTRICT has accepted the FACILITIES by formal action of the Board, DEVELOPER and DEVELOPER's successors in interest shall remain liable for all injuries or damage to persons or property including damage to the work itself, arising from or related to design or construction of the FACILITIES.

25. RELEASE OF SECURITY. Forty (40) days after the Notice of Completion has been filed by the DISTRICT, the DISTRICT shall release any security previously provided by DEVELOPER, as long as no claims have been filed. The security shall not be released until the DISTRICT has received a warranty bond or alternative security acceptable to the DISTRICT covering 25% of the original performance bond or alternative security amount. DISTRICT must have warranty bond prior to Board acceptance of the project. This new security shall remain in effect until the warranty period has expired One (1) year from final Board Acceptance and DEVELOPER has corrected all defects noted by the DISTRICT during the warranty period.

26. WARRANTY. DEVELOPER shall and hereby does guarantee all work and materials for the FACILITIES to be free from all defects due to faulty materials or workmanship for a period of one (1) year after the date of acceptance of the work by the DISTRICT. The DEVELOPER shall repair or remove and replace any and all such work, together with any other work which may be displaced in so doing, that is found to be defective in workmanship and/or materials within said one-year period without expense whatsoever to the DISTRICT, ordinary wear and tear and unusual abuse or neglect excepted. In the event DEVELOPER fails to comply with the above-mentioned conditions within one (1) week after being notified in writing, the DISTRICT is authorized to proceed to have the defects remedied and made good at the expense of DEVELOPER who agrees to pay the cost and charges therefore immediately upon

demand. Such action by the DISTRICT will not relieve the DEVELOPER of the guarantee required by this section. This section does not in any way limit liability of the DEVELOPER for any design defects or defects in the work subsequently discovered by the DISTRICT.

27. INDEMNITY. DEVELOPER shall be solely responsible and liable for design defects or defects in work performed to construct the FACILITIES required by this Agreement. This shall include liability and responsibility for injury or damage to the work itself. DEVELOPER hereby agrees to hold harmless, indemnify and defend the DISTRICT, the DISTRICT's representatives and each of the DISTRICT's officers, employees and agents from any and all claims, suits or action of every name, kind and description brought for or on account of injuries to or death of any person or damage to any property resulting from design or construction of the FACILITIES except where the injury or damage has been caused by the sole and active negligence of the DISTRICT, its agents, servants or employees. In the event that any suit is instituted naming the DISTRICT as a party, the DISTRICT shall be entitled to appoint its own independent counsel to represent the DISTRICT; and DEVELOPER agrees to pay all attorney's fees and litigation costs associated with this defense. This indemnity shall extend to any claims arising because DEVELOPER has failed to properly secure any necessary easement, land right, contract or approval

28. AS-BUILT DRAWINGS. Prior to acceptance of the work by the Board of Directors of the DISTRICT, DEVELOPER shall provide the DISTRICT with two (2) blueprint copies of "as-built" drawings. Upon approval of the blueprint copies the DISTRICT will require a bonded mylar or original drawing, disk and certification by a licensed engineer in the state of California as to the accuracy and completeness of the "as-built" drawings.

29. CASH DEPOSITS. DEVELOPER shall provide the DISTRICT with an initial cash deposit in the amount of \$ 6,455.00 to cover all DISTRICT fees and costs associated with the FACILITIES. When this deposit has been drawn down to \$ 2,500.00 DEVELOPER agrees to deposit such additional sums as the DISTRICT may determine from time to time to cover all fees and costs of the DISTRICT. Prior to final acceptance of the project, a final accounting will be forwarded to the developer for payment. Additional deposits for additional inspections after acceptance of the project may be requested.

30. MISCELLANEOUS PROVISIONS.

30.1 VENUE. In the event of any legal or equitable proceeding to enforce or interpret the terms or conditions of this Agreement, the parties agree that

venue shall lie only in the federal or state courts in or nearest to the North County Judicial District, County of San Diego, State of California.

- 30.2 MODIFICATION.** This Agreement may not be altered in whole or in part except by a modification, in writing, executed by all the parties to this Agreement.
- 30.3 ATTORNEY'S FEES.** In the event of any legal or equitable proceeding to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to all reasonable attorney's fees and costs in addition to any other relief granted by law. This provision shall apply to the entire Agreement.
- 30.4 ENTIRE AGREEMENT.** This Agreement, together with all the exhibits attached to this Agreement, contains all representations and the entire understanding between the parties with respect to the subject matter of this Agreement. Any prior correspondence, memoranda or agreements are in conflict with this Agreement are intended to be replaced in total by this Agreement and its exhibits.
- 30.5 ASSIGNMENTS.** DEVELOPER shall not be entitled to assign all or any portion of its rights or obligations contained in this Agreement without obtaining the prior consent of the DISTRICT, which consent shall not be unreasonably withheld. Any purported assignment without the DISTRICT's prior written consent shall be void.
- 30.6 BINDING EFFECT.** This Agreement shall inure to the benefit of and be binding upon the parties and their respective purchasers, successors, heirs and assigns.
- 30.7 UNENFORCEABLE PROVISIONS.** The terms, conditions and covenants of this Agreement shall be construed whenever possible as consistent with all applicable laws and regulations. To the extent that any provision of this Agreement, as so interpreted, is held to violate any applicable law or regulation, the remaining provisions shall nevertheless be carried into full force and effect and remain enforceable.
- 30.8 REPRESENTATION OF CAPACITY TO CONTRACT.** Each of the parties to this Agreement represents and warrants that he has the authority to execute this Agreement on behalf of the entity represented by that individual.

30.9 OPPORTUNITY TO BE REPRESENTED BY INDEPENDENT COUNSEL.


DEVELOPER warrants and represents that DEVELOPER has been advised to consult independent legal counsel of its own choosing and has had a reasonable opportunity to do so prior to executing this Agreement.

30.10 NO WAIVER. The failure of either party to enforce any term, covenant or condition of this Agreement on the date it is to be performed shall not be construed as a waiver of that party's right to enforce this, or any other, term, covenant or condition of this Agreement at any later date or as a waiver of any term, covenant or condition of this Agreement.

30.11 NOTICES. All letters, statements or notices required pursuant to this Agreement shall be deemed effective upon receipt when personally served or when sent certified mail, return receipt requested to the following addresses:

30.12 EFFECTIVE DATE. The effective date of this Agreement, executed in counterparts in the North County Judicial District, County of San Diego, State of California, is _____.

“DISTRICT” VALLECITOS WATER DISTRICT	
By: _____ Glenn Pruim, Secretary Board of Directors Vallecitos Water District	Dated: _____

“DEVELOPER”	
Name: <u>ALEX AHMADIAN</u>	
Title: <u>MANAGING MEMBER</u>	
Company: <u>MAIN EC, LLC.</u>	
Signature*: <u></u>	Dated: <u>01/27/2020</u>

*Acknowledgment of the signature(s) of authorized representative(s) of DEVELOPER executing this Construction Agreement, by a Notary Public, is required. Attach acknowledgment to this page.

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of San Diego)

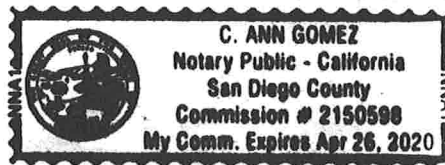
On January 27, 2020 before me, C. Ann Gomez, Notary Public
(insert name and title of the officer)

personally appeared Alex H. Ahmadian,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature C. Ann Gomez (Seal)



DATE: FEBRUARY 26, 2020
TO: BOARD OF DIRECTORS
SUBJECT: APPROVAL OF PER DIEM AND EXPENSES FOR DIRECTOR ATTENDANCE TO THE SAN DIEGO NORTH ECONOMIC DEVELOPMENT COUNCIL LUNCH AND LEARN PROGRAM

BACKGROUND:

On January 29, 2020, Director Martin attended the San Diego North Economic Development Council (SDNEDC) Lunch and Learn Program. Director Martin is requesting per diem and expenses for his attendance to the event. The SDNEDC is not on the list of organizations for which meetings are considered compensable under District Ordinance No. 212; therefore, approval for per diem and expense reimbursement is required.

RECOMMENDATION:

Authorize Expense Reimbursement

DATE: FEBRUARY 26, 2020
TO: BOARD OF DIRECTORS
SUBJECT: ACCEPTANCE OF LAWRENCE WELK COURT WATER LINE REPLACEMENT CAPITAL IMPROVEMENT PROJECT

BACKGROUND:

A 12-inch concrete mortar lined and coated (CML&C) steel pipe was installed in 1976 in a 30' wide District easement under Lawrence Welk Court. Staff responded to a break at Lawrence Welk Court on September 9, 2018. Exploratory excavation exposed large boulders at a depth of 4-Ft on top of the leaky pipeline. Staff excavated down to 12', which is the limit of the District equipment, and did not locate the pipe. Further investigation found the depth of the pipeline was 20-Ft below the roadway. Due to the depth, rocky conditions, and difficult location of the pipeline in Lawrence Welk Court, the pipe failure was not repaired. A temporary highline was installed to place a resident back in water service while a plan and budget to relocate the water line was made for the 2019/2020 fiscal year.

DISCUSSION:

District staff received and opened bids from 4 contractors and Southland Paving was the lowest apparent responsive bidder. The Board awarded the contract to Southland Paving for \$144,975 on November 6, 2019.

Construction began December 16, 2019 and was completed January 30th. There were a total of 2 Change Orders that amounted to \$1,798.28 or 1.2% of the original Contract.

District Staff prepared the design, bid documents, and performed inspection and construction management services.

FISCAL IMPACT:

The total estimated cost and budget summary are as follows:

Budget	\$ 679,000
Construction	\$ 144,975
Change Orders	\$ 1,798
Staff & Overhead: Planning and Designing	\$ 36,653
Geotechnical Services (Christian Wheeler)	\$ 6,000
<u>Staff & Overhead: Construction Phase</u>	<u>\$ 38,000</u>
Total	\$ 227,426
Budget Surplus	\$ 451,574

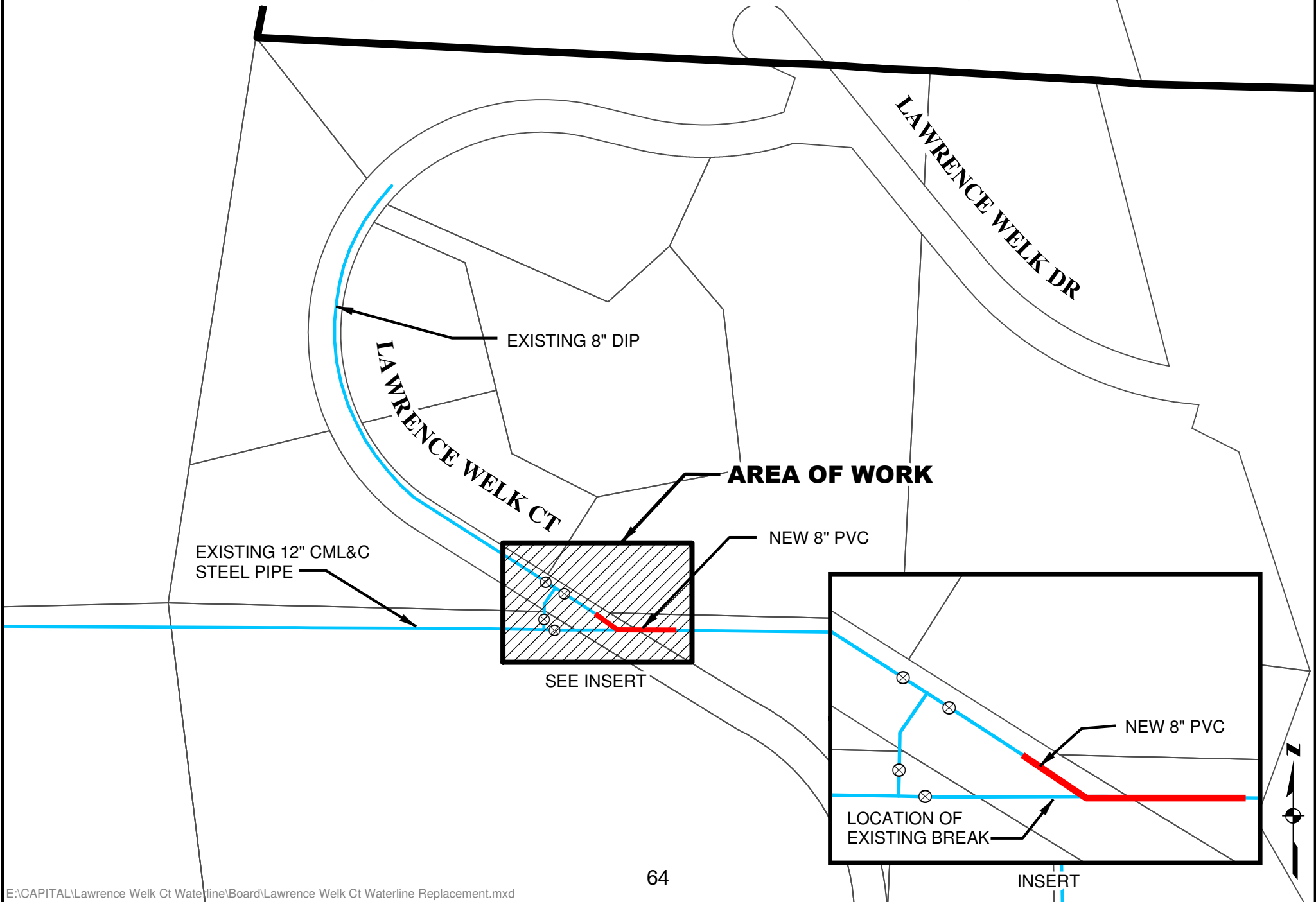
RECOMMENDATION:

Staff recommends project acceptance and authorizing the General Manager to file Notice of Completion (NOC) and release of retention funds to the contractor following the 60-day notice period, provided no claims are filed, in conformance with the contract documents.

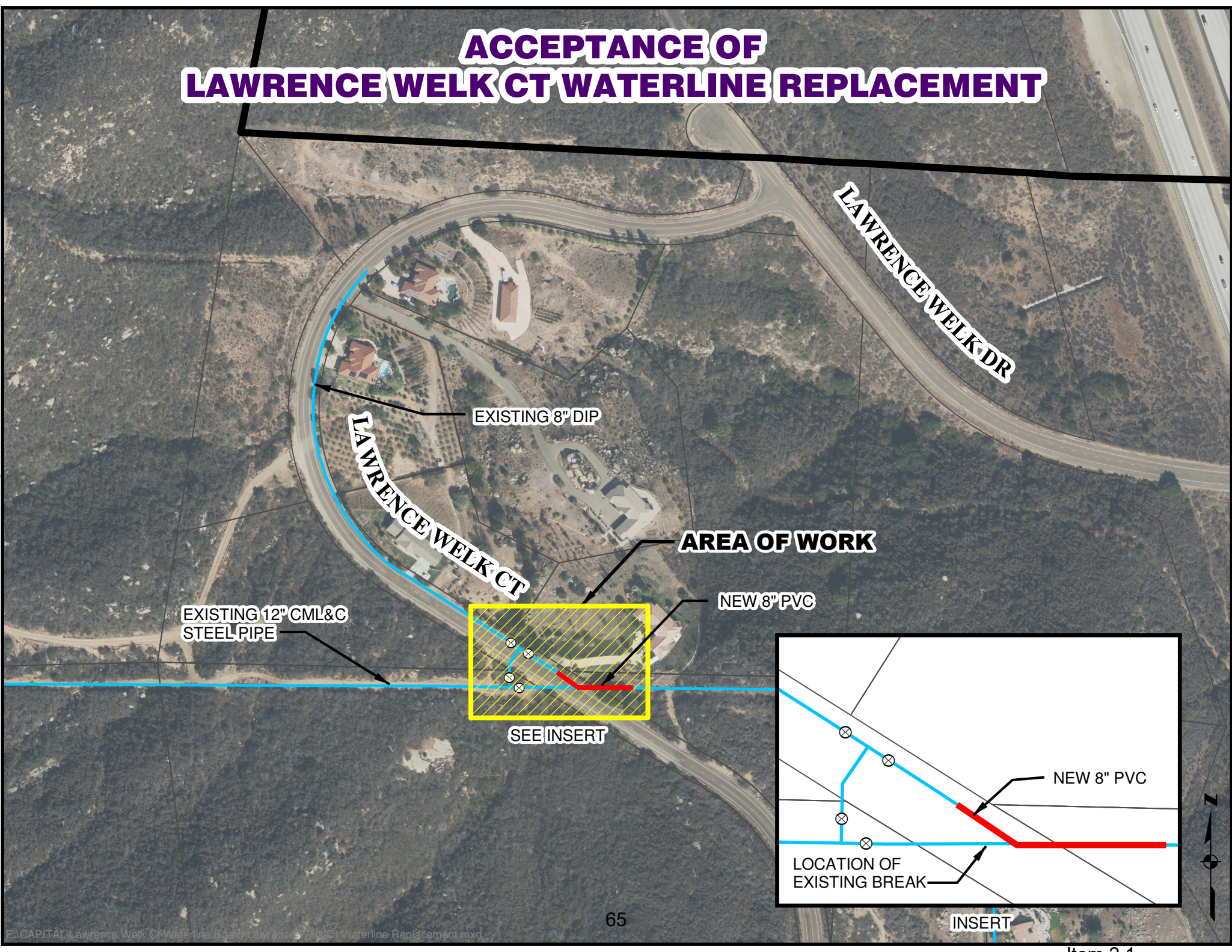
ATTACHMENTS:

Plat and Aerial Exhibit

ACCEPTANCE OF LAWRENCE WELK CT WATERLINE REPLACEMENT



ACCEPTANCE OF LAWRENCE WELK CT WATERLINE REPLACEMENT



EXISTING 8" DIP

LAWRENCE WELK DR

LAWRENCE WELK CT

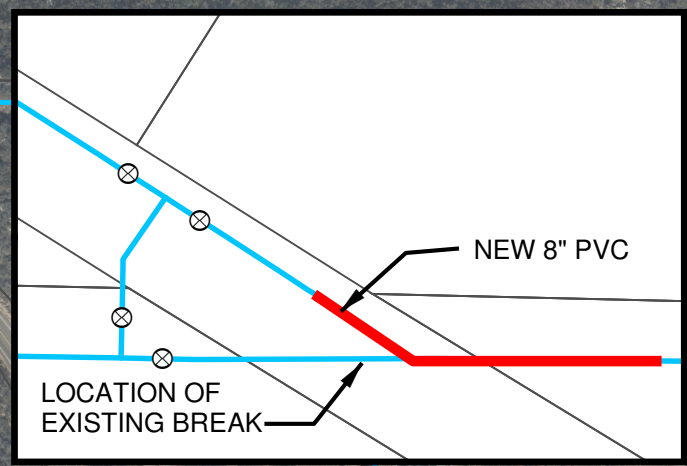
AREA OF WORK

EXISTING 12" CML&C
STEEL PIPE

NEW 8" PVC



SEE INSERT



NEW 8" PVC

LOCATION OF
EXISTING BREAK

INSERT

DATE: FEBRUARY 26, 2020
TO: BOARD OF DIRECTORS
SUBJECT: CONSTRUCTION CONTRACT ACCEPTANCE OF SCHOOLHOUSE TANK REFURBISHMENT

BACKGROUND:

The existing interior lining of the 2.4 million-gallon Schoolhouse Tank has deteriorated and required refurbishment. This project removed and replaced the existing interior lining and upgraded the anti-corrosion system. Repairs to the ceiling rafters and equipment upgrades were also necessary to meet current American Water Works Association (AWWA) and Division of Occupational Safety and Health (Cal/OSHA) standards.

The Board awarded Harper & Associates Engineering a purchase order for project design and inspection services on July 19, 2017. The Engineer's Estimate for construction was \$462,000.

DISCUSSION:

District staff received and opened bids from four (4) contractors on March 21, 2019, with West Coast Industrial Linings as the lowest responsive and responsible bidder at \$535,000. The Board authorized the General Manager to award the contract in the amount of \$535,000 to West Coast Industrial Linings on April 17, 2019.

Schoolhouse Tank was drained, and work began on May 20, 2019.

There were three (3) Change Orders that totaled \$180,946.75 or 34% of the original contract value. The largest of the three totaled \$160,005 which was for structural repairs of the rafters discovered after the initial blast inspection revealed extensive corrosion. The Board on July 17, 2019 authorized the three change orders. At that time, staff identified that an increase to the project budget would be required but that action was stayed until contract acceptance when staff could accurately identify the exact amount required. Change Order Nos. 1-3 added 65 calendar days to the contract.

Construction was completed and accepted by January 31, 2019. Staff provided construction management and engineering services during construction. Harper & Associates Engineering provided professional design and inspection services during construction for the project. The extended duration of construction required additional inspection services be provided by Harper & Associates Engineering. Amendment No. 1 for 65 days of additional design and inspection services during construction totaled \$10,309.

FISCAL IMPACT:

The total estimated cost and budget summary are as follows:

Budget	\$782,000
Construction	\$535,000
Design/Inspection Consultant	\$ 62,570
Staff & Overhead: Planning, Design, Misc.	\$ 43,302
<u>Staff & Overhead: Construction Phase</u>	<u>\$ 95,382</u>
Subtotal	\$736,254
Change Orders Nos. 1-3 (Approved at 7/17/19 Board Meeting)	\$180,947
Design/Inspection Consultant <u>Amendment No. 1</u>	<u>\$ 10,309</u>
Total	\$927,510
Budget Shortfall	\$145,510

RECOMMENDATION:

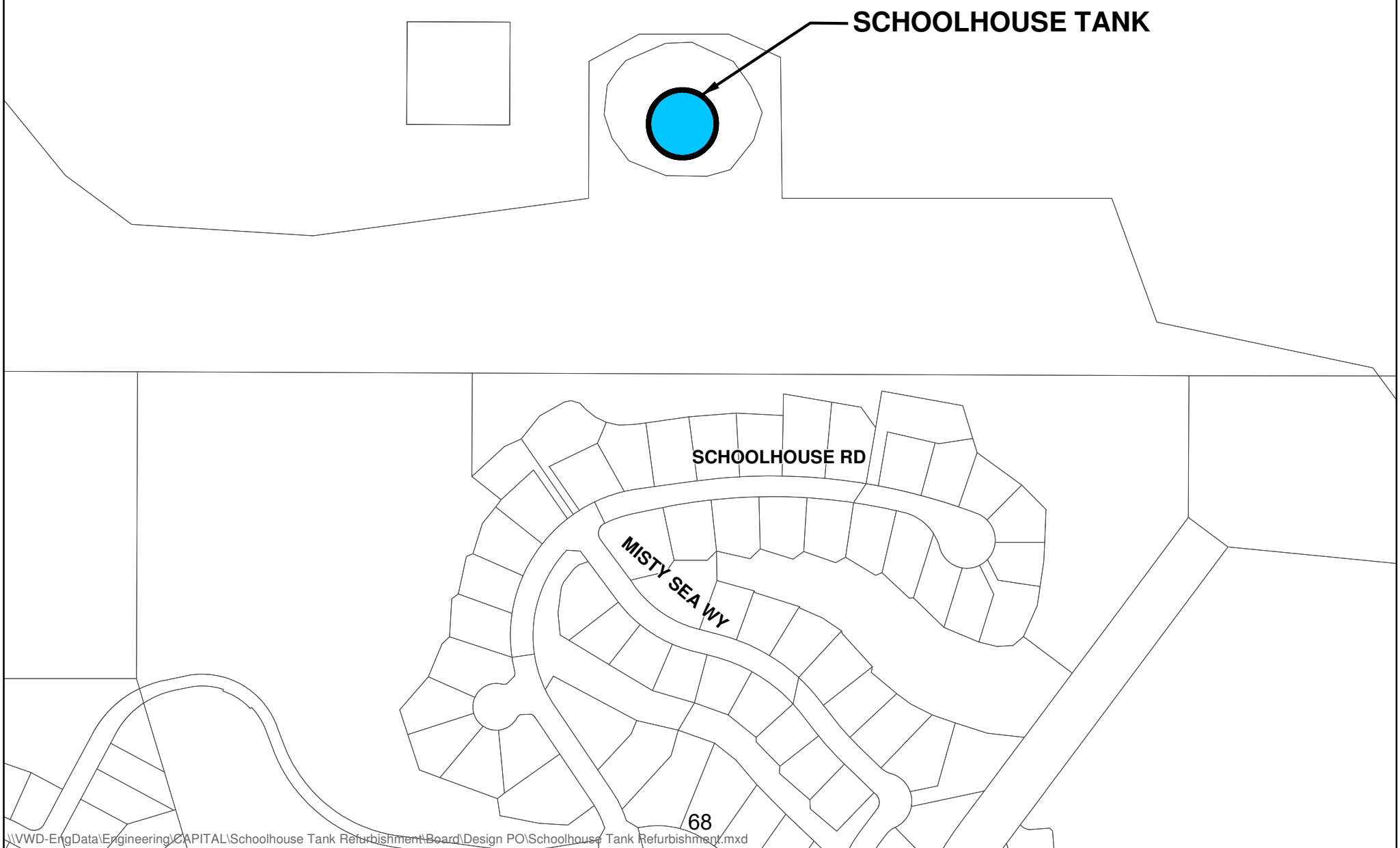
Staff recommends project acceptance for the Schoolhouse Tank Refurbishment project, as follows:

1. Authorize increasing the project budget by \$145,510.
2. Authorize the General Manager to file Notice of Completion (NOC) and release of retention funds to the contractor following the 60-day notice period, provided no claims are filed, in conformance with the contract documents.

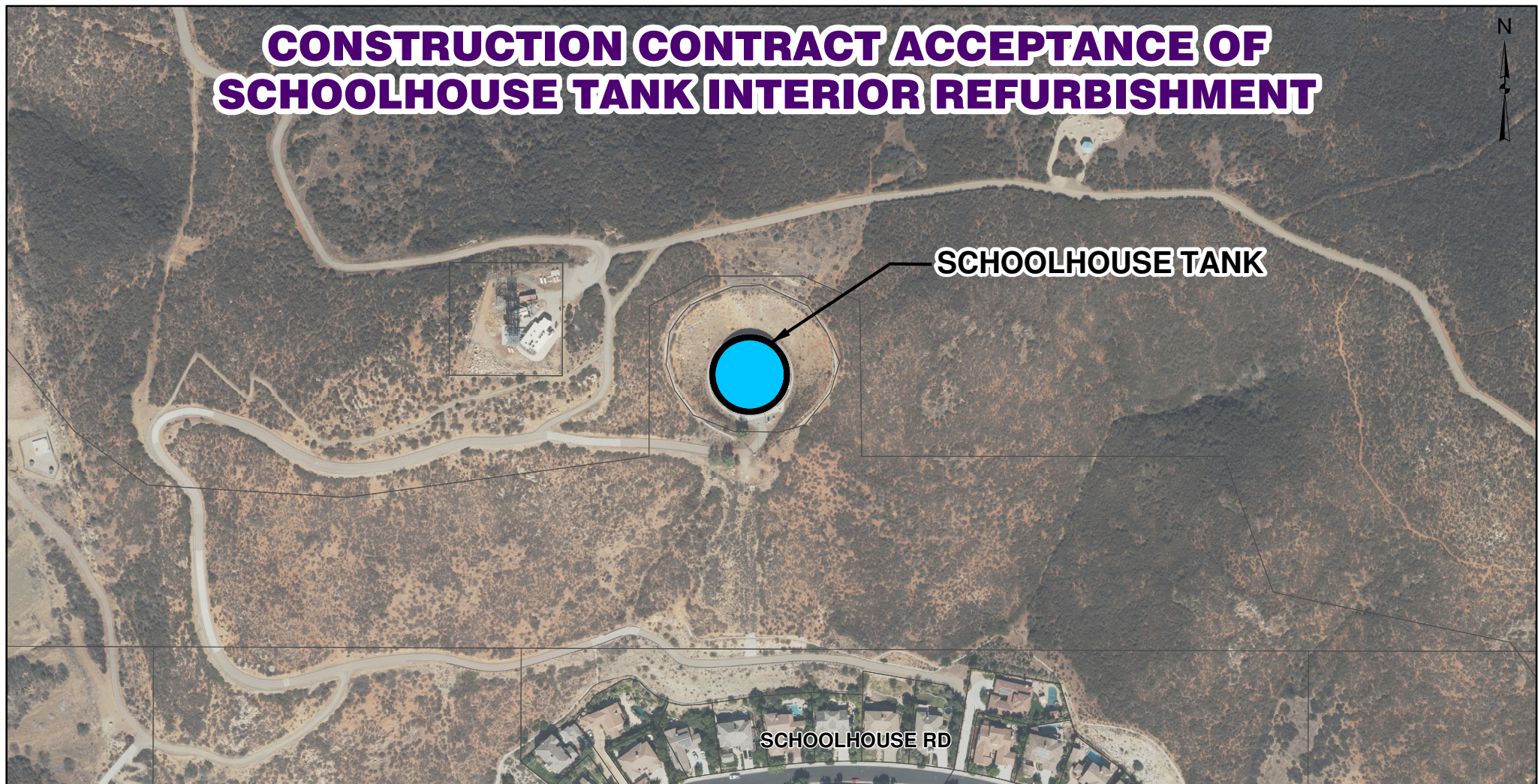
ATTACHMENTS:

Plat and Aerial Exhibit

CONSTRUCTION CONTRACT ACCEPTANCE OF SCHOOLHOUSE TANK INTERIOR REFURBISHMENT



CONSTRUCTION CONTRACT ACCEPTANCE OF SCHOOLHOUSE TANK INTERIOR REFURBISHMENT



SCHOOLHOUSE TANK

SCHOOLHOUSE RD



MISTY SEA WY

69



DATE: FEBRUARY 26, 2020
TO: BOARD OF DIRECTORS
SUBJECT: REVIEW OF DISTRICT ORDINANCES, POLICIES AND CONTRACTS

BACKGROUND:

At the December 18, 2019, Board meeting, Director Sannella requested that staff conduct a comprehensive review of District ordinances, policies and contracts. Although there appeared to be general support from the remainder of the Board to do so, the item was not on the agenda and, therefore, did not allow the Directors to engage in a detailed discussion on the matter. This item has been placed on the Board agenda to allow the Board to discuss the issue and provide direction to staff.

DISCUSSION:

In order to provide proper guidance to staff, the District has adopted many ordinances. The District does not have many formal Board policies, as it has relied primarily on ordinances. These documents, which are amended from time to time as needed, ensure that the direction of the Board is memorialized. Staff then rely on these documents to guide future actions. To date, the Board has adopted 214 ordinances. Of those, ninety-eight of them are considered current. The remainder have been replaced by subsequent ordinances or have been rescinded.

The District relies heavily on contracts to carry out its mission. Contracts can be for constructing capital facilities, procuring materials and supplies and for obtaining professional services when the District does not have sufficient staffing resources or expertise. Most of the contracts are for a limited term, many of which have already expired. Current contracts are bound by the terms contained within the contracts. District staff have been working extensively with our legal counsel, Best Best & Krieger (BB&K), to revise the contracting templates and to ensure that all future contracts are scrutinized to maximize the benefit to the District.

The suggestion made at the December 18 Board meeting has potentially significant cost and resource impacts. Depending on the breadth and depth of the review of the cited documents, this could be a significant undertaking.

Before staff initiates any effort on this task, it would be helpful to get Board direction regarding what level of review is requested and on which documents in particular. In addition, staff would request direction regarding what standing committees may be involved in the review. Depending on the review required, it is conceivable that all four standing committees, Legal/Legislative; Engineering/Equipment; Finance/Investment; and Public Awareness/Policy/Personnel; may be involved.

In addition to staff resources, a comprehensive review of the requested documents would require significant legal review. The District's agreement with BB&K for general counsel services did not anticipate this level of legal review.

FISCAL IMPACT:

There is no fiscal impact associated with the discussion regarding review of the District's ordinances, policies and contracts. Depending upon direction provided, staff would develop an estimated cost to perform the analysis.

RECOMMENDATION:

Request Board direction regarding the extent of the review of the District's ordinances, policies and contracts. Additionally, identify the role of the various standing committees in this process.

DATE: FEBRUARY 26, 2020
TO: BOARD OF DIRECTORS
SUBJECT: CALIFORNIA SPECIAL DISTRICTS ASSOCIATION CALL FOR NOMINATIONS – SEAT C

BACKGROUND:

The Elections and Bylaws Committee is looking for Independent Special District Board members who are interested in leading the direction of the California Special Districts Association (CSDA) for the 2021 - 2023 term.

DISCUSSION:

The leadership of CSDA is elected from its six geographical networks. Each of the six networks has three seats on the Board with staggered 3-year terms. Candidates must be affiliated with an independent special district that is a CSDA Regular Member in good standing and located within the geographic network that they seek to represent.

The CSDA Board of Directors is the governing body responsible for all policy decisions related to CSDA's members services, legislative advocacy, education and resources. Serving on the Board requires one's interest in the issues confronting special districts statewide.

Commitments and expectations include: attending all Board meetings at the CSDA office in Sacramento, 4 – 5 meetings annually; participate on at least one committee, meetings 3 – 5 times a year; attend CSDA events (Special District's Legislative Days and annual conference); complete all four modules of CSDA's Special District Leadership Academy within 2 years of being elected; and, complete annual Chief Executive Officer Evaluation.

Any regular member in good standing is eligible to nominate one person, a Board member, for election to the CSDA Board of Directors. A resolution or minute action and candidate information sheet must accompany the nomination. The deadline for receiving nominations is March 26, 2020.

CSDA will begin electronic voting on May 25, 2020. All votes must be received through the system no later than 5:00 p.m. July 20, 2020. All selected Board members will be introduced at the Annual Conference in Palm Desert in August 2020.

Expiring Terms:

Northern Network Fred Ryness, Director, Burney Water District*
Sierra Network Pete Kampa, GM, Saddle Creek Community Services District*
Bay Area Network Stanley Caldwell, Director, Mt. View Sanitary District*
Central Network Sandi Miller, GM, Selma Cemetery District*
Coastal Network Vincent Ferrante, Director, Moss Landing Harbor District*
Southern Network Arlene Schafer, Director, Costa Mesa Sanitary District*
(* = incumbent running for re-election)

FISCAL IMPACT:

None.

RECOMMENDATION:

Select one candidate to represent the Network in Seat C.

DATE: FEBRUARY 26, 2020
TO: BOARD OF DIRECTORS
SUBJECT: SAN MARCOS CHAMBER OF COMMERCE STATE OF THE CITY ADDRESS AND ORDINANCE 212

BACKGROUND:

The San Marcos Chamber of Commerce State of the City Address event has previously been added yearly to the Board agenda requesting per diem for Board member attendance. Board members have requested that the District Ordinance governing meeting compensation be amended to provide per diem for Directors attending the State of the City Address.

In addition, Board members have requested the Ordinance be modified to add CalDesal to the authorized list of District memberships.

DISCUSSION:

Ordinance 212 currently does not allow for per diem to the Chamber of Commerce State of the City Address and requires authorization by the Board. Additionally, the Ordinance does not include CalDesal in its list of authorized memberships.

The attached Ordinance allows for Director per diem when attending the State of the City Address and adds CalDesal to the list of authorized memberships.

FISCAL IMPACT:

Per diem provided for Board members attending the event would be as much as \$1,000 per year if all Directors attend the event.

The annual membership to CalDesal is \$1,000. The cost to attend CalDesal events would depend upon the number of CalDesal events, the number of Directors attending events, and the cost of the events, including registration, lodging, travel, food and per diem.

RECOMMENDATION:

Adopt Ordinance

Attachment: Ordinance No. 215

ORDINANCE NO. 215

ORDINANCE OF THE VALLECITOS WATER DISTRICT ESTABLISHING THE GENERAL PROVISIONS FOR CONDUCTING THE BUSINESS OF THE BOARD AND REPEALING ORDINANCE NO. 212

BE IT ORDAINED by the Board of Directors of the VALLECITOS Water District as follows:

SECTION 1: BOARD OF DIRECTORS

Section 1.1: Regular Meetings - Time and Place

Regular Meetings of the Board of Directors of the Vallecitos Water District shall be held with notice on the first and third Wednesday of each month, at the hour of 5:00 p.m. at the location of the principal place of business of the District, namely, 201 Vallecitos de Oro, San Marcos, California. Notification, including the location, shall be made in accordance with the Ralph M. Brown Act (California Government Code §54950 through §54926), as amended. Closed Sessions will be scheduled before the start of the meeting.

Section 1.2: Adjourned Meetings

A majority vote by the Board of Directors may terminate and adjourn a Board meeting at any place in the agenda to any time and place specified in the order of adjournment, except that if no Directors are present at any regular or adjourned regular meeting, the General Manager may declare the meeting adjourned to a stated time and place, and he/she shall cause written notice of adjournment in accordance with the Ralph M. Brown Act, as amended.

Section 1.3: Special Meetings

A. Special non-emergency Board meetings may be called by the Board President or a majority of the Board. Written notification shall be made and posted at least 24 hours in accordance with the Ralph M. Brown Act, as amended.

B. Special emergency Board Meetings may be held with notice in the event of an emergency situation involving matters upon which prompt action is necessary due to the disruption or threatened disruption of public facilities. An emergency situation means a crippling disaster which impairs public health, safety, or both, as determined by the General Manager, Board President or Vice President in the President's absence.

Section 1.4: Rules for Conducting Meetings

Except as otherwise provided by law, or ordinance adopted by the Board, "Roberts Rules of Order, Revised," are hereby adopted as the rules of practice and procedure governing the conduct of the business and procedure before the Board. The Board President shall preside at all meetings and shall have a vote on all matters before the Board. In the absence of the President, the Vice President shall preside, and in the absence of both, the presiding officer shall be elected by a majority vote of the members of the Board.

Section 1.5: Agenda

The General Manager, in cooperation with the Board President, shall prepare an agenda for each regular, adjourned, and special meeting. Any Director may request any item to be placed on the agenda.

Section 1.6: Minutes of Meetings

A. The minutes of the Meetings of the Board shall be recorded and kept by the Secretary in a book maintained for that purpose for each calendar year. Unless otherwise expressly directed by the Board at the time of adoption, all ordinances and resolutions adopted by the Board may be referred to in the minutes of the meetings of the Board by number and title, but the same shall be recorded in full in separate books kept for that purpose for each calendar year.

B. The Board President or other person who may preside at the meeting, or the Secretary, shall authenticate the minutes, ordinances and resolutions after these have been transcribed into the appropriate books, and when so authenticated, these shall constitute the official minutes, ordinances and resolutions of the Board.

C. The Minute Book, the Ordinance Book and the Resolution Book shall be kept at the office of the Secretary at the principal place of business of the District.

Section 1.7: District Seal

The seal, an impression of which is herewith affixed to this document, bearing the words "Vallecitos Water District, Organized March 24, 1955," is adopted as the official seal of this District.

Section 1.8: Standing Advisory Committees

A. The District shall have the following standing advisory committees, each of whose function is to advise the Board of Directors and General Manager with respect to the subjects under its jurisdiction: Engineering/Equipment, Finance/Investment, Public Awareness/Personnel/Policy, and Legal/Legislative Affairs. Other standing committees may be established by the Board President. The precise and/or additional duties and responsibilities of each standing committee shall be as specified by the President from time to time. Each standing committee shall have two (2) members appointed by the President from the members of the Board; however, in no event shall the same two (2) members be permitted to serve together on more than one (1) standing committee without the unanimous approval of the Board. The President shall appoint a committee chairman from the two (2) members of the Board serving on each committee; however, no member shall be permitted to chair more than one (1) standing committee without the unanimous approval of the Board.

B. Ad Hoc advisory committees for special purposes not falling within the assigned function of an existing standing committee may be created and appointments made thereto from the members of the Board, not to exceed two (2) such members on any one ad hoc committee, from time to time by the President. Ad hoc committees may include members of the public and said appointment shall be made by the Board.

C. All committee members shall serve at the pleasure of the Board President. The General Manager shall be an ex-officio non-voting member of each committee. Each committee shall meet at such times, places, and frequency as may be directed by its chairman, by the President, or by the Board in accordance with the Ralph M. Brown Act, as amended. Each committee shall cause to be prepared and filed promptly with the Board current minutes of all of its meetings.

Section 1.9: Board Reorganization

A. Following a District election, on the first Tuesday after the first Monday in November in each even numbered year, the Board shall reorganize at the first meeting after the election is certified by the Registrar of Voters and appoint or reappoint its officers pursuant to the County Water District Act in conformance with the Uniform District Election Law, Elections Code, §23500 et. seq.

B. In addition to the minimum reorganization requirement, Board policy determines that the Board will reorganize annually to provide that each elected Director will have the opportunity to hold the office of President once during their first term. The President serves at the pleasure of the Board.

C. Each elected Director, who desires, shall have an opportunity to hold a position on the Encina Wastewater Authority and San Diego County Water Authority Boards at least once during their four-year term.

Section 1.10: Adoption of Ordinances and Resolutions

Except as otherwise provided by law, ordinances and resolutions of the District shall be adopted, amended, and repealed (in whole or in part) by the Board only in the following manner:

A. Ordinances shall be adopted by the Board, and may be amended or repealed (in whole or in part) only by an ordinance adopted by the Board. The Board may adopt the ordinance (in whole or in part) as originally proposed or as modified by the Board.

B. Formal resolutions, that is, resolutions which are numbered and titled documents separate from the minutes of the meetings of the Board and required to be kept in the Resolution Book shall be adopted by the Board, and may be amended or repealed (in whole or in part) only by a formal resolution or an ordinance adopted by the Board, only at a duly held meeting of the Board. The number and title of formal resolutions may but are not required to be, set forth in the agenda for the meeting.

C. At the time of presentation to the Board of the proposed ordinance or the proposed formal resolution, as the case may be, the reading in full thereof shall be deemed waived unless otherwise requested by any member of the Board. Ordinances and formal resolutions adopted by the Board shall contain the signed approval and attestation of the then Presiding Officer and Secretary, respectively, of the District.

D. Minute resolutions, as distinguished from formal resolutions, shall be adopted by the Board, and may be amended or repealed (in whole or in part) only by a minute

resolution or a formal resolution or an ordinance adopted by the Board, only at a duly held meeting of the Board.

SECTION 2: DISTRICT MEMBERSHIPS, PER DIEM COMPENSATION, REIMBURSEMENTS, ETHICS TRAINING AND ELIGIBILITY FOR EMPLOYEE BENEFITS

Section 2.1: Authorized District Memberships

The Board has determined it to be in the best interests of the District, and its constituents, to maintain memberships in affiliated national, state, and local organizations which have applicability to the functions of the District. The District shall hold membership in the following organizations:

American Water Works Association (AWWA)
 Association of California Water Agencies (ACWA)
 CalDesal
 California Association of Sanitation Agencies (CASA)
 California Special Districts Association (CSDA)
 California Water Environment Association
 Council of Water Utilities
 North County Water Group
 *San Marcos Chamber of Commerce
 Southern California Alliance of Publicly Owned Treatment Works (SCAP)
 Southern California Water Coalition
 Urban Water Institute
 Water Education Foundation (WEF)
 Water Environment Federation
 WaterReuse

* The only San Marcos Chamber of Commerce event that is eligible for per diem reimbursement is the State of the City address unless approved by the Board

In addition to the above listed organizations, the Board may remove existing memberships or approve additional memberships and authorize attendance at meetings, events, or conferences by motion from time to time. The General Manager may approve District membership of, and employee participation in, professional, technical, and business related associations and organizations.

Section 2.2: Per Diem Compensation

Each Director shall receive compensation of \$200 per diem for attending meetings of the Board or for each day's service as a member of the Board, not to exceed compensation for one meeting in any 24-hour period or ten meetings per month. The Board may consider an annual increase in the per diem equivalent to the San Diego Consumer Price Index (CPI-U), up to a maximum of 5 percent, following the operative date of the last adjustment. Public notice shall be provided annually in accordance with Water Code Section 20203 if an increase is to be considered. Any increase adopted by this Section shall become effective 60 days from the date of approval. Compensable meetings which are pre-designated and considered occasions that constitute performance of official duties include the following:

A. Regular, Adjourned, and Special meetings of the Board, including pre-meetings with the Board Chair.

B. Committee Meetings, limited to the two Directors serving on the committee, other meetings, such as District sponsored special functions, open houses, and community out-reach functions, including pre-meetings with the appropriate representative(s).

C. Meetings of other public agencies of which the District is a member or sub-member agency such as the Encina Wastewater Authority, San Diego County Water Authority, the Metropolitan Water District of Southern California, and Local Agency Formation Commission (LAFCO), including pre-meetings with the appropriate representative(s).

D. Conferences, meetings, and other functions in which the District is a member of as listed in Section 2.1 above, and which have a significant and meaningful link to the purposes, policies, and interests of the District.

E. Meetings which provide educational training including ethics training in accordance with Government Code Section 53232.1.

F. Other meetings or conferences which the Board approves as an agenda item at a regular meeting that serves a benefit to the District and constitute the performance of official duties.

Any amounts paid as a per diem compensation by other organizations shall be deducted from the \$200 District per diem.

Board members shall report on meetings or conferences attended at a regularly scheduled Board meeting after the event, which may include a written report that can be distributed to all Board members electronically.

Section 2.3: Reimbursement of Expenses and Reporting

Each Director shall be entitled to payment and/or reimbursement for actual and necessary expenses incurred in the performance of official duties including expenses incurred relating to travel, meals, lodging, and other actual and necessary expenses incurred for attendance at meetings and conferences of organizations listed in Section 2.1 or approved in accordance with Section 2.2F Lodging expenses may not exceed the maximum group rate published by the conference or activity sponsor. Requests for Reimbursement must be submitted on a District approved Expense Form and shall include receipts documenting each expense in accordance with District Resolution 1365.

Director expenses and per diems shall be reported on a cumulative quarterly basis, (attaching a summary of per diems and expenses from District appointed positions to other agencies).

Section 2.4: Ethics training

In accordance with Government Code Section 53234, Board members and any designated employees shall have at least (2) hours of ethics training every two (2) years. Certificates of completion of ethics training shall be maintained for at least five (5) years.

Section 2.5: Eligibility for Employee Benefits

Members of the Board shall be eligible for all benefits, allowable by law, the same as full time, regular employees.

ALL OTHER ORDINANCES OR AMENDMENTS IN CONFLICT HEREWITH ARE HEREBY REPEALED.

This Ordinance shall become effective upon adoption, and a summary shall be published one time in a newspaper of general circulation within the District.

PASSED, APPROVED, AND ADOPTED by the Board of Directors of the Vallecitos Water District at a regular meeting held this 26st day of February 2020, by the following roll call vote:

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

Betty D. Evans President
 Board of Directors
 Vallecitos Water District

ATTEST:

Glenn Pruim
 General Manager
 Vallecitos Water District

DATE: FEBRUARY 26, 2020
TO: BOARD OF DIRECTORS
SUBJECT: SAN MARCOS BOYS & GIRLS CLUB ANNUAL AUCTION

BACKGROUND:

The Board has previously approved District sponsorship of the Boys and Girls Club Annual Auction by way of purchasing a table or individual tickets for the event.

DISCUSSION:

The San Marcos Boys & Girls Club will be holding its annual auction on Saturday, April 18, 2020. If the Board elects to purchase individual tickets or sponsor a table, the use of those tickets will be limited to District Board members and staff only.

FISCAL IMPACT

Individual tickets are \$175 and table sponsorship is \$1,750.

RECOMMENDATION:

Presented for Board discussion.



70's Themed Event

Tickets: \$175

Table: \$1,750