

**PURSUANT TO EXECUTIVE ORDER N-25-20 ISSUED BY GOVERNOR NEWSOM,
ONE OR MORE BOARD MEMBERS MAY PARTICIPATE IN THE MEETING
VIA TELECONFERENCE**

AGENDA FOR A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, APRIL 15, 2020, AT 5:00 P.M.
AT THE DISTRICT OFFICE
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

NOTICE TO THE PUBLIC

Due to the evolving situation with the COVID-19 Novel Coronavirus and Executive Order N-35-20, so long as state or local public health officials have imposed or recommended social distancing measures Vallecitos Water District will hold future meetings via teleconferencing and allow members of the public to observe and address the meeting telephonically or otherwise electronically. During this period of time, Vallecitos Water District will not be making any physical location available for members of the public to observe the meeting and offer public comment. The public is encouraged to watch and participate in the meeting from the safety of their homes. The meeting can be viewed on the agenda page located on the main page of the District's website. Public comments or questions can be submitted to the following email address: PublicComment@vwd.org. All written comments that are received at least 90 minutes before the meeting will be provided to the Board, and a record of the receipt of comment will be noted during the meeting. Additional instructions for online participation will be posted on the District's website. www.vwd.org/meetings

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 REGULAR MEETING OF APRIL 15, 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.

CONSENT CALENDAR

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.

1.1 APPROVAL OF MINUTES (pg. 5-8)

A. REGULAR BOARD MEETING – APRIL 1, 2020

Approved minutes become a permanent public record of the District.

Recommendation: Approve Minutes

1.2 WARRANT LIST THROUGH APRIL 15, 2020 – \$893,346.21 (pg. 9-11)

Recommendation: Approve Warrant List

1.3 FINANCIAL REPORTS (pg. 12-32)

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

1.4 OPERATIONS & MAINTENANCE METRICS QUARTERLY REPORT – MARCH 31, 2020 (pg. 33-40)

1.5 APPROVAL OF CONSTRUCTION AGREEMENT FOR GREENS STORAGE ESCONDIDO – APNS: 187-170-62, 187-170-63 & 187-100-36 (pg. 41-57)

The project is located on North Center City Parkway at the I-15 crossing.

Recommendation: Approve the Construction Agreement for the Greens Storage Escondido Project Improvements

1.6 ADOPTION OF RESOLUTION RECOGNIZING THE ANNEXATION INTO THE VALLECITOS WATER DISTRICT OF CERTAIN PROPERTY DESIGNATED AS THE “DE MARIA ANNEXATION”, APN 219-062-27, AND ORDERING ANNEXATION INTO SEWER IMPROVEMENT DISTRICTS 1, 2 AND 6 (JOHN DE MARIA) (pg. 58 – 65)

The property is located at 671 Las Flores Drive, north of Linda Vista Drive in San Marcos.

Recommendation: Adopt the Resolution Recognizing the Annexation of APN 219-062-27 into the Vallecitos Water District and Ordering the Annexation into Sewer Improvement Districts 1, 2 & 6

1.7 SAN DIEGO REGIONAL WATER QUALITY CONTROL BOARD ADMINISTRATIVE CIVIL LIABILITY SETTLEMENT (pg. 66 - 70)

The District received a settlement offer from the San Diego Regional Water Quality Control Board for an alleged violation from a sanitary sewer overflow that occurred on February 28, 2017.

Recommendation: Authorize the General Manager to Pay the Administrative Civil Liability in the Sum of \$66,335 to the “State Water Resources Control Board Cleanup and Abatement Fund”

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

ACTION ITEM(S)

2.1 ACCEPTANCE OF PALOS VISTA PUMP STATION ELECTRIC GENERATOR (pg. 71 – 73)

An onsite permanent generator was installed to ensure reliability to the Emerald Heights community.

Recommendation: 1) Accept Project; 2) Authorize the General Manager to file a Notice of Completion and Release of Retention Funds to the Contractor Following the 60-day Notice Period

2.2 COVID-19 PANDEMIC RESPONSE AND COST RECOVERY (pg. 74-77)

A designation of Applicant’s Agency Resolution for Non-State Agencies is required to complete the Request for Public Assistance.

Recommendation: Accept and Certify the CalOES Form 130, Designation of Applicant’s Agent

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

REPORTS

- 3.1 GENERAL MANAGER
- 3.2 DISTRICT LEGAL COUNSEL
- 3.3 SAN DIEGO COUNTY WATER AUTHORITY
- 3.4 ENCINA WASTEWATER AUTHORITY
 - *Capital Improvement Committee*
 - *Policy and Finance Committee*
- 3.5 STANDING COMMITTEES
- 3.6 DIRECTORS REPORTS ON MEETINGS/CONFERENCES/SEMINARS ATTENDED

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

OTHER BUSINESS

- 4.1 MEETINGS

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

- 5.1 DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

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

- 6.1 ADJOURNMENT

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

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

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

AFFIDAVIT OF POSTING

I, Diane Posvar, Executive Secretary of the Vallecitos Water District, hereby certify that I caused the posting of this Agenda in the outside display case at the District office, 201 Vallecitos de Oro, San Marcos, California by 5:00 p.m., Friday, April 10, 2020.

Diane Posvar

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, APRIL 1, 2020, AT 5:00 PM AT THE DISTRICT OFFICE,
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

President Evans called the Regular meeting to order at the hour of 5:00 p.m. The meeting was held via teleconference.

Present: Director Elitharp
Director Martin
Director Sannella
Director Evans

Absent: Director Hernandez

Staff Present: General Manager Pruim
Legal Counsel Gilpin
District Engineer Gumpel
Finance Manager Owen
Executive Secretary Posvar

ADOPT AGENDA FOR THE REGULAR MEETING OF APRIL 1, 2020

20-04-01 MOTION WAS MADE by Director Martin, seconded by Director Sannella, and carried unanimously, with Director Hernandez absent, to adopt the agenda for the Regular Board Meeting of April 1, 2020.

PUBLIC COMMENT

General Manager Pruim stated an email message was received prior to the start of the meeting from Mike Hunsaker, member of the public, requesting that for today's meeting the public should be allowed to submit comments one hour before the start of the meeting, Zoom should be implemented for the next Board meeting and future workshops and committee meetings, video of this meeting should be posted tomorrow, and the Board should not take any legislative action until Zoom is implemented allowing public input in real time. He also recommended including an article in the District's newsletter regarding what alternatives to toilet paper may be flushed.

General discussion took place during which Director Sannella inquired if there are any legal restrictions concerning the Board taking action during teleconferenced meetings, to which Legal Counsel Gilpin responded no. Director Sannella recommended allowing the public to submit written comments 90 minutes prior to the start of meetings. The Board concurred with his recommendation.

CONSENT CALENDAR

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

1.1 Approval of Minutes

- A. Closed Session Board Meeting – March 4, 2020
- B. Regular Board Meeting – March 4, 2020
- C. Engineering/Equipment Committee Meeting – March 9, 2020
- D. Closed Session Board Meeting – March 18, 2020
- E. Special Board Meeting – March 18, 2020
- F. Finance/Investment Committee Meeting – March 23, 2020

1.2 Warrant List through April 1, 2020 - \$3,278,659.49

1.3 Approval of Construction Agreement for Orchard Hills Subdivision Improvements (Warmington Residential California, Inc.)

ACTION ITEM

PROPOSED 2020 INVESTMENT POLICY RESOLUTION

Finance Manager Owen stated staff reviews the District's investment policy annually and presents it to the Board for consideration. Staff determined no changes are necessary.

Staff recommended the Board adopt the resolution approving the proposed Statement of Investment Policy for calendar year 2020.

General discussion took place.

20-04-03 MOTION WAS MADE by Director Martin, seconded by Director Sannella, and carried unanimously, with Director Hernandez absent, to adopt the resolution approving the Statement of Investment Policy for calendar year 2020.

Resolution No. 1565 - The roll call vote was as follows:

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

REPORTS

GENERAL MANAGER

General Manager Pruim provided a brief update on the District's COVID-19 response. The District continues to deliver water and wastewater services despite the government-imposed shut down and restrictions. No District employees have tested positive for the virus. The District's administrative facility will remain closed to the public until April 30. Many employees are working remotely from home, field operations staff are working modified schedules to reduce the risk of exposure to staff unable to work from home, and Customer Service is fully staffed and working remotely as well.

General Manager Pruim reported the following:

- Staff will be working this evening to replace a large meter along San Marcos Boulevard at Pico Avenue, affecting a travel lane on Pico Avenue.
- The solar panels for the District-wide solar project have been shipped from China and are scheduled to arrive in the United States on April 3.
- The April 15 Board meeting will be conducted via teleconference with expanded capabilities that will allow the public to participate in real time.

DISTRICT LEGAL COUNSEL

Legal Counsel Gilpin stated that it is likely the Brown Act suspension will remain in place at least through April. The regulations allow public meetings to be conducted electronically so long as social distancing is required to allow the public the opportunity to observe and address meetings. He further stated that if the District is providing extraordinary emergency protective measures as a result of the COVID-19 pandemic, certain steps must be taken to insure the District is eligible for reimbursement from the federal government.

General Manager Pruim stated staff is currently tracking all COVID-19 related expenses.

SAN DIEGO COUNTY WATER AUTHORITY

President Evans stated the Board held its first teleconferenced meeting on March 26. The meeting went well considering the large number of attendees.

ENCINA WASTEWATER AUTHORITY

Director Martin stated he has not received notification whether or not the Capital Improvement Committee and Policy and Finance Committee meetings have been cancelled for April.

STANDING COMMITTEES

None.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

None.

OTHER BUSINESS

None.

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

None.

ADJOURNMENT

There being no further business to discuss, President Evans adjourned the Regular Meeting of the Board of Directors at the hour of 5:25 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, April 15, 2020, at 5:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.

Betty D. Evans, President
Board of Directors
Vallecitos Water District

ATTEST:

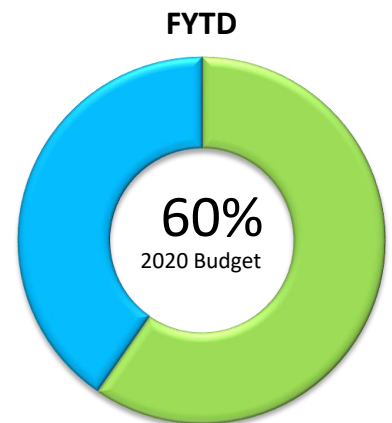
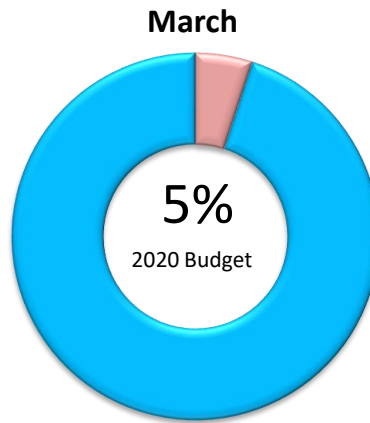
Glenn Pruim, Secretary
Board of Directors
Vallecitos Water District

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

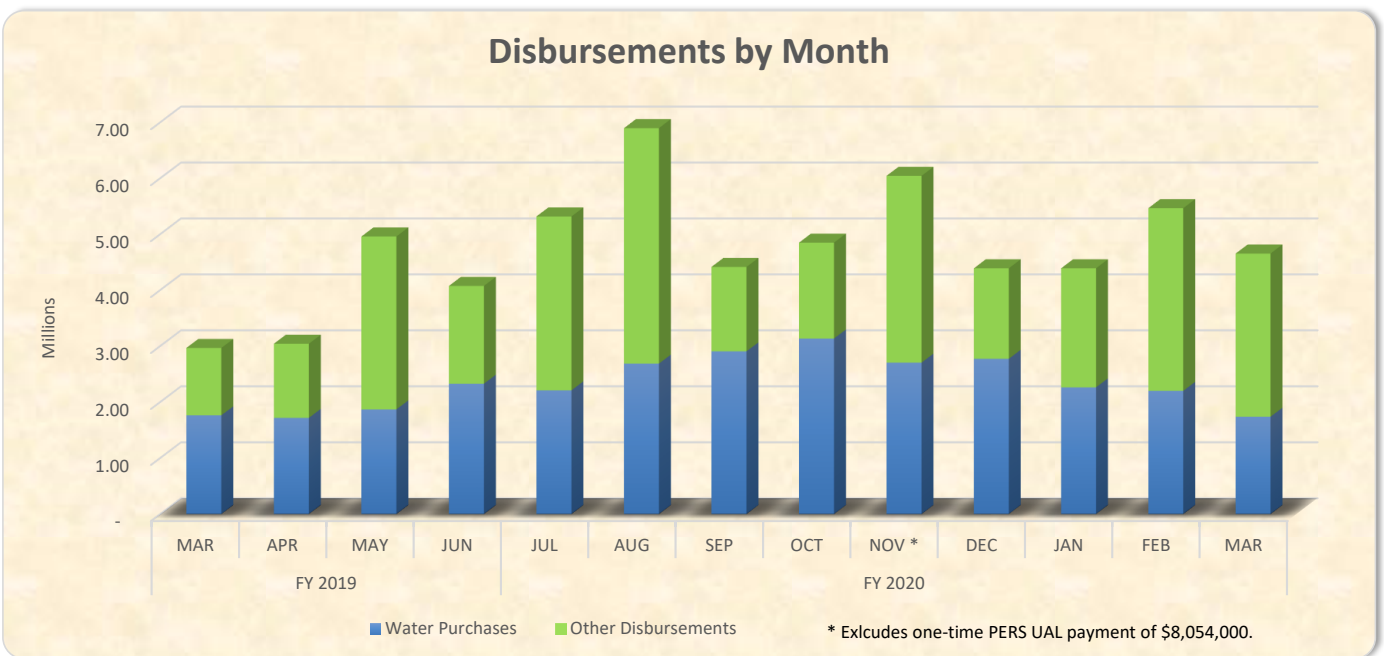
Summary

■ March Disbursements	\$ 4,654,315 *
■ YTD Disbursements	\$ 55,275,339 *
■ FY2020 Budget	\$ 92,718,000

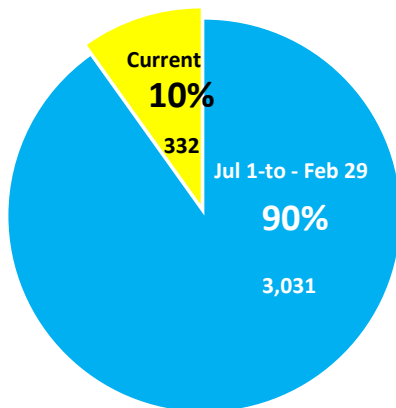
* Excludes Debt Service



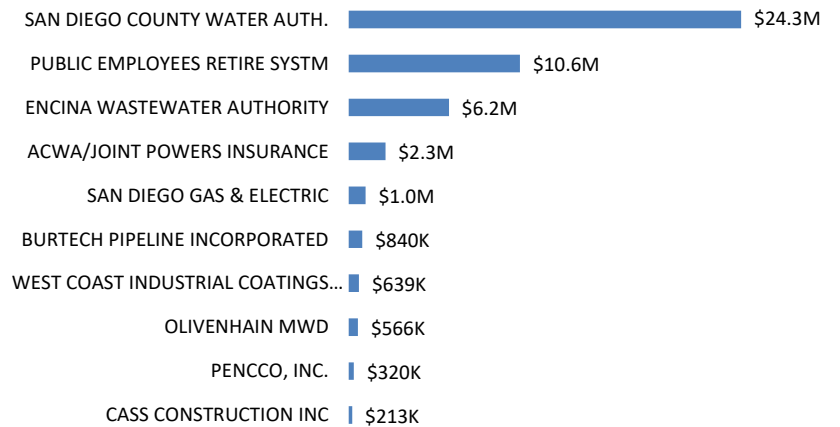
Disbursements by Month



Invoices Processed



Top 10 Vendors - FYTD



VALLECITOS WATER DISTRICT
WARRANTS LIST
April 15, 2020

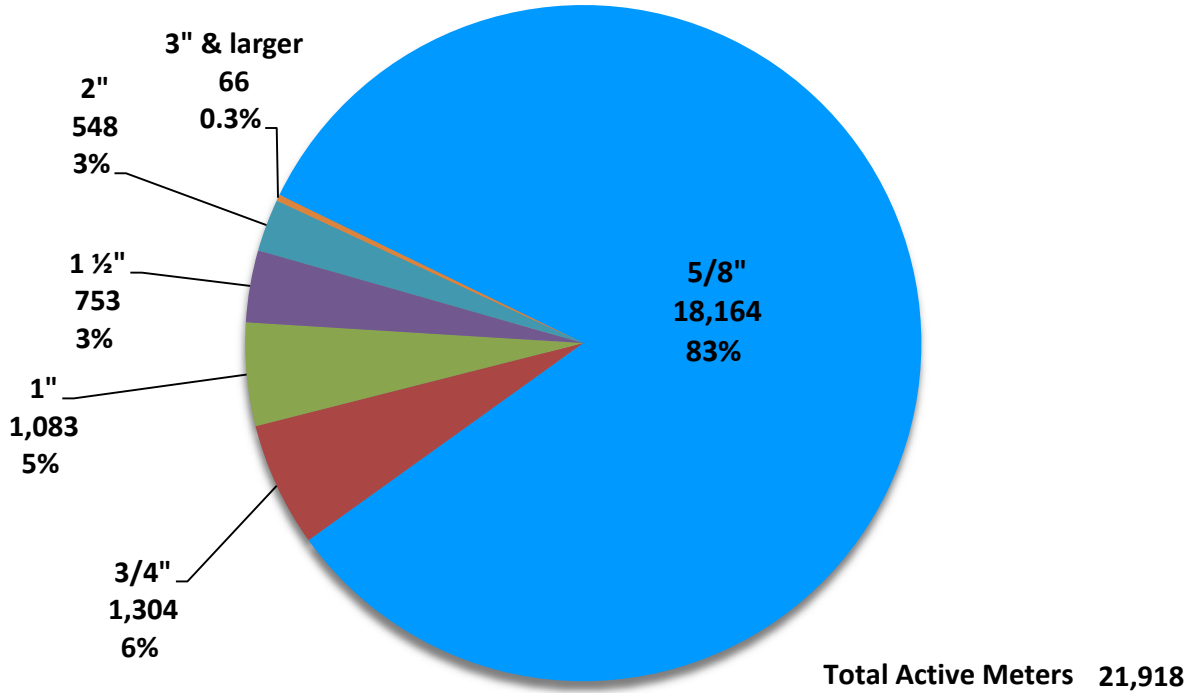
PAYEE	DESCRIPTION	CHECK#	AMOUNT
CHECKS			
Garnishments	Payroll Garnishments	118778 through 118780	-
2nd Gear LLC	SCADA Machines 3- MRF	118781	2,069.97
Aaron Jensen	Closed Account Refund	118782	65.89
AT&T	Phone Svc SCADA - Mar	118783	442.98
AT&T	Phone Svc - Feb	118784	42.08
Bearcom	Hand Held Radio Batteries 8 - Hazmat	118785	506.43
Blue Diamond Rentals	Closed Account Refund	118786	74.31
Brian Duckworth	Closed Account Refund	118787	93.03
CA Dept of Forestry/Fire Protection	Crew Work - Sept	118788	898.32
State Board of Equalization	Annual Use Tax Period Ending 12-31-19	118789	1,994.00
California's Own Native Landscape Design Inc	Heritage Park Maintenance Prj 20191-30	118790	700.00
CCI	Water Treatment - Mar	118791	220.00
Color Marble Commercial Projects Inc.	Closed Account Refund	118792	29.23
Core Logic Information Solutions Inc	Real Quest Svc For Engineering Maps - Feb	118793	212.18
County of San Diego	Recording Fees - Feb	118794	46.00
Charles P. Crowley Co Inc.	Parts - Spare Pump Rebuild - MRF	118795	1,725.53
CWEA	Membership Renewal - J Scott	118796	192.00
Danielle Lacoste	Closed Account Refund	118797	43.71
David Mejia	Closed Account Refund	118798	81.63
Desert Pumps & Parts	Solids Pump 1 Parts - MRF	118799	4,067.22
Craig Durban	Collection Cert Renewal - CWEA	118800	99.00
Dylan McDermott	Closed Account Refund	118801	32.14
Elyana Cotelo	Closed Account Refund	118802	78.75
EMCOR Service	HVAC Preventative Maintenance	118803	461.00
Employment Screening Services Inc	Employment Screening Svcs	118804	217.00
Ewing Irrigation Products	PVC Supplies	118805	38.44
Farwest Corrosion Control Company	Ductile Pipe Connections 250 - For Main Breaks	118806	800.90
Harris	North Star Annual Maintenance & Adjustment 2020	118807	15,504.52
Infosend Inc	Postage & Printing - Feb	118808	4,034.31
JCI Jones Chemicals Inc	Chlorine	118809	2,043.21
Julio Costa or Karla Costa	Closed Account Refund	118810	13.39
Kennedy/Jenks Consultants	San Marcos Interceptor Prj 71004	118811	3,907.50
Left Coast Window Cleaning	Floor Scrubbing & Waxing - Main Offices, Cleaning & Disinfecting Svcs - MRF	118812	3,468.13
Mike Lloyd Excavation	Closed Account Refund	118813	645.38
Mission Resource Conservation District	Water Use Evaluations 5 Prj 20201-43	118814	156.00
Occu Med Ltd	Medical Svcs	118815	270.50
Ostari Inc	IT Support - Feb & March, Duo Software Subscription Jan & Feb	118816	6,989.56
Parkhouse Tire Inc	Backhoe Tires - 4	118817	1,590.45
Patriot Portable Restroom Inc	Portable Restroom Rental - Mahr	118818	256.61
Paul Smith	Closed Account Refund	118819	25.18
Pencco, Inc.	Calcium Nitrate	118820	19,793.36
Pitney Bowes	Postage Meter Refill	118821	1,000.00
Ferguson Enterprises, Inc	Dechlorination Tablets	118822	830.80
Raftelis Financial Consultants Inc	Water, Waste Water, & Reclaimed - Cost of Service Study	118823	4,628.63
Recycled Aggregate Materials Co Inc	Concrete Recycling	118824	100.00
RDO Equipment	Chipper Maintenance & Service - Accelerator Throttle Switch, Blade Sharpening	118825	1,501.36
Rebecca Kaczarek	Closed Account Refund	118826	163.17
Rely Environmental	Fuel Island Maintenance - Feb	118827	199.50
Rhonda Ward	Closed Account Refund	118828	46.19
Rodolfo Martinez	Closed Account Refund	118829	61.90
Rosa Zepeda	Closed Account Refund	118830	91.67
Rusty Wallis Inc	Soft Water Tank Svc - Mar	118831	310.00
SDG&E	Power Feb & March	118832	50,561.32
SCADA Integrations	Ignition Upgrade Contractor Support - SCADA Prj 20201-4	118833	875.00
Scott Barrett	Closed Account Refund	118834	53.51
Shred-It US JV LLC	Shredding Svcs - Mar	118835	216.85
Sparling Instruments LLC	Flow Meters 12 Prj 20201-4	118836	19,822.92
Standard Insurance Company	LIFE, LTD & ADD Insurance - Apr	118837	5,743.13
Staples Advantage	Office Supplies	118838	2,785.76
State Board of Equalization	Underground Fuel Storage Tank Fees Jan - Mar	118839	205.66
State Water Resources Control	Water Distribution Cert Renewal - T Luna	118840	105.00
Test America Laboratories Inc	Sewer Testing	118841	552.50
The Compost Company	Closed Account Refund	118842	150.00

VALLECITOS WATER DISTRICT
WARRANTS LIST
April 15, 2020

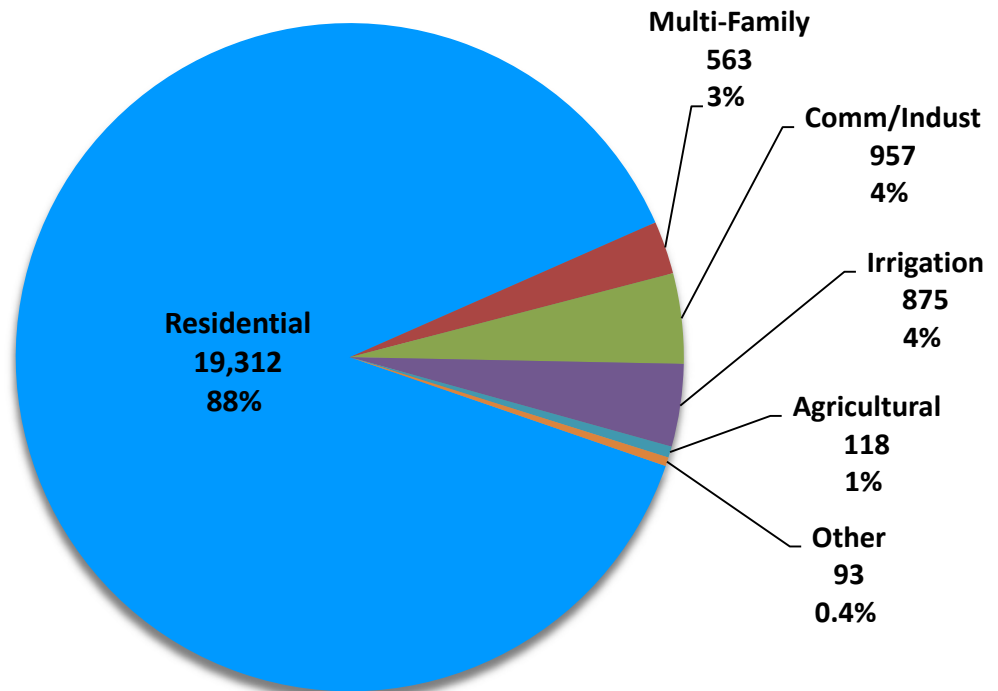
PAYEE	DESCRIPTION	CHECK#	AMOUNT
Vector Resources, Inc.	Ocularis Camera System License Renewals - 24	118843	738.29
Victoria Tucker	Closed Account Refund	118844	72.03
West Coast Cabling Inc	Cable Technician Svcs - MRF Prj 20201-1	118845	688.00
ACWA/Joint Powers Insurance	Medical Insurance - May	118846	215,031.08
Aqua-Metric Sales Co	Meter - 6 Inch	118847	5,443.14
Bergelectric Corp.	Palos Vista PS Electric Generator Prj 20181-6, Arc Flash Hazard Analysis	118848	3,590.10
Complete Paperless Solutions	Laserfiche Public Portal	118849	14,900.02
Computer Protection Technology Inc	Backup Power Supply	118850	1,079.39
Doane & Hartwig Water Systems Inc	Supplies - Chlorine Cylinder Scales, Gaskets For Chlorine Cylinders	118851	998.27
Doug's Filter Service Inc	Hardware Supplies	118852	193.95
Electrical Sales Inc	Motor Starter for Exhaust Blower Fan - MRF, Cable Tester, Hardware Supplies	118853	2,513.80
Employment Screening Services Inc	Employment Screening Svcs	118854	68.00
Fisher Scientific LLC	Lab Supplies	118855	35.84
Fleet Pride	Fleet Supplies	118856	128.95
Grainger Inc	Heavy Duty Vise, Cordless Ratchet Kits 2, Hardware Supplies	118857	1,746.80
Hach Company	Lab Supplies - MRF	118858	215.13
Integrity Municipal Services LLC	Odor Scrubber Inspection	118859	1,500.00
Interstate Batteries	Vehicle Batteries - 3	118860	435.99
Jessica & Richard Ortiz	Closed Account Refund	118861	106.81
Mallory Safety & Supply, LLC	Hand Sanitizer, Gloves, Safety Glasses, Ear Plugs, Safety Supplies	118862	1,235.87
Marcon Products Inc	Supplies - Manhole Repair	118863	404.88
Municipal Maintenance Equipment, Inc	Hardware Supplies	118864	192.83
Pacific Pipeline Supply	Air Vac Cans 5, Parts For Valve Replacement Prj 20161-4, Brass Supplies	118865	6,033.59
Powerland Equipment Inc	Hardware Supplies	118866	156.65
SCADA Integrations	Ignition Upgrade Contractor Support - SCADA Prj 20201-4	118867	1,125.00
SHI International Corp.	UPS Replacement - Main Computer Room	118868	2,756.43
Southern Counties Lubricants, LLC	Oil & Diesel Fuel	118869	965.61
Southland Water Technologies LLC	Transducer & Sensor - MRF Potable Tank	118870	626.55
State Water Resources Control	Water Operator Cert Renewal - J Bakken	118871	55.00
Steel-Toe-Shoes.com	Safety Boots	118872	129.29
T.S. Industrial Supply	Vactron Nozzles Veh 225 & 284, Socket Sets 2, Hardware Supplies	118873	1,112.13
Trussell Technologies Inc	MRF Biological Selector Improvements Prj 20191-2	118874	6,733.42
Underground Service Alert	Dig Alert Svc & CA State Fee/Regulatory Costs - Mar	118875	593.45
Unifirst Corporation	Uniform Delivery	118876	2,458.48
Univar USA Inc	Sodium Bisulfite	118877	2,297.23
Walters Wholesale Electric	Refurbished Replacement Breaker - Montiel Lift Station	118878	5,064.25
Waxie Sanitary Supply	Cleaning Supplies - Mar	118879	453.21
Yen Tran	Closed Account Refund	118880	97.99
Zebu Construction	Closed Account Refund	118881	119.79
Total Disbursements (101 Checks)			<u>446,031.95</u>
WIRES			
Public Employees Retirement System	Retirement Contribution - April 8, 2020 Payroll	Wire	73,009.88
PAYROLL			
Total direct deposits		Wire	232,029.73
VWD Employee Association		118778	560.00
Payroll & Garnishments	118779 through	118780	1,001.06
IRS	Federal payroll tax deposits	Wire	92,770.79
Employment Development Department	California payroll tax deposit	Wire	17,506.61
CalPERS	Deferred compensation withheld	Wire	22,409.56
VOYA	Deferred compensation withheld	Wire	8,026.63
Total April 8, 2020 Payroll Disbursements			<u>374,304.38</u>
TOTAL DISBURSEMENTS			<u>893,346.21</u>

Vallejos Water District
 Active Water Meters
 March 31, 2020

Active Meters by Size as of March 31, 2020

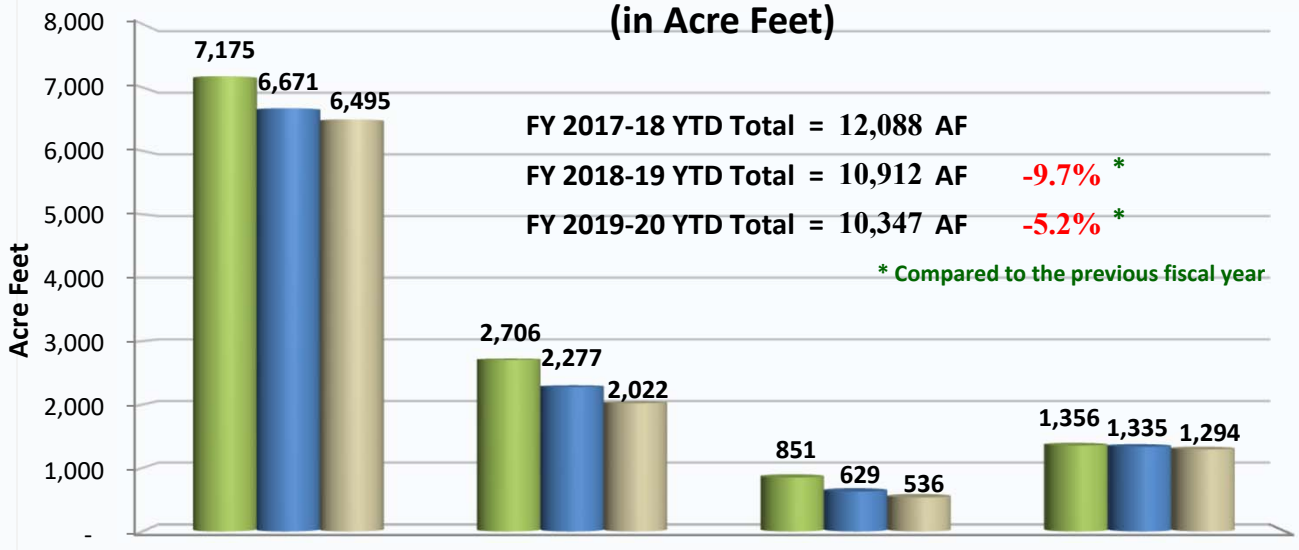


Active Meters by Type as of March 31, 2020



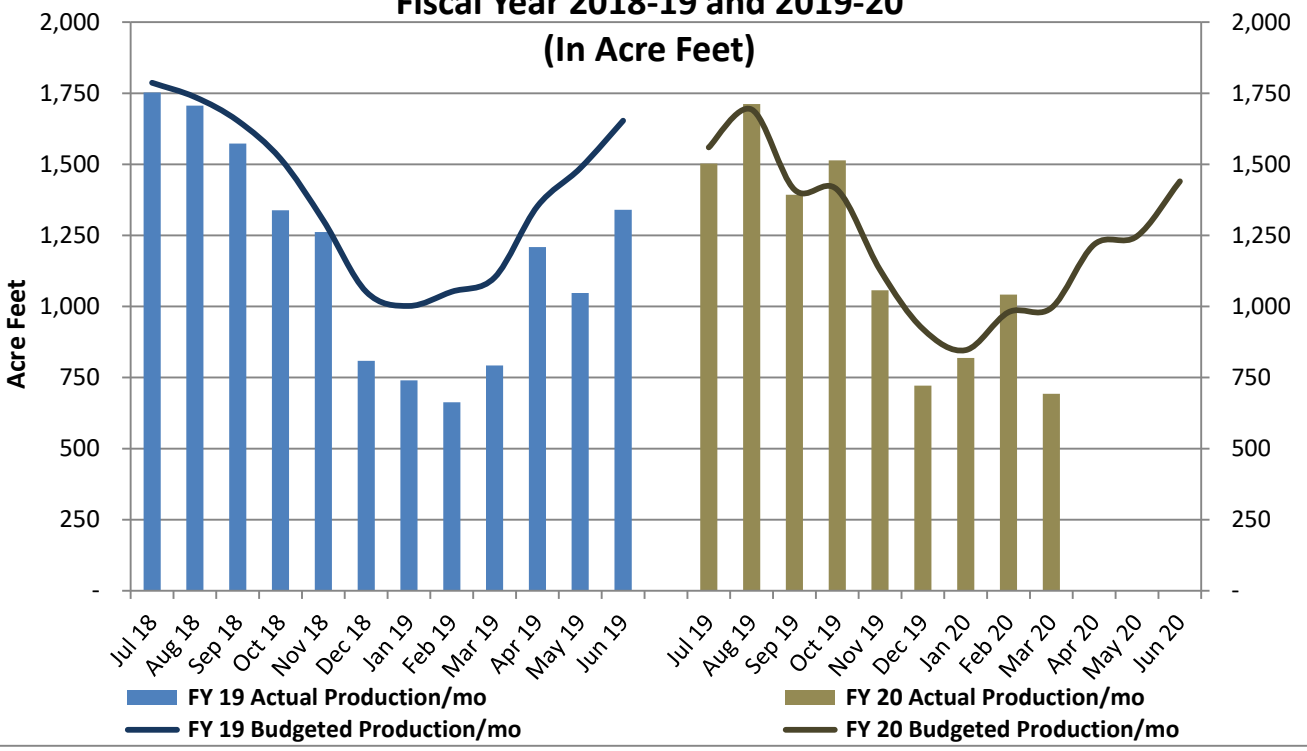
Vallejos Water District
 Water Production/Sales
 March 31, 2020

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	7,175	2,706	851	1,356
FY 2018-19	6,671	2,277	629	1,335
FY 2019-20	6,495	2,022	536	1,294

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



OVERVIEW

With the third quarter complete, the District's water fund had a net operating income of \$3.5 million (before depreciation) while the sewer fund had a net operating income of \$6.9 million (before depreciation). The District is cash funding capital projects and is current on all debt service payments.

WATER FUND

Overall, the water fund performed as expected during the third quarter of Fiscal Year 2020.

Revenues: Water Sales were 69% of total budget as a result of lower demand during the wet winter and spring months. Ready to Serve (RTS) performed as expected. Pumping Charges are high due to increasing power costs. Other revenue was high 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 and a reimbursement from ACWA/JPIA.

Revenue	Budget	YTD Actual	Percent
Water Sales	\$ 31,850,000	\$ 22,022,288	69%
Ready to Serve	13,800,000	10,758,708	78%
Pumping Cost Rec	340,000	300,602	88%
Other	700,000	584,224	83%
Total	\$ 46,690,000	\$ 33,665,822	72%

Expenses: Water Purchases were 67% of total budget. Operating and Supporting expenses were 66% and 70% of total budget, respectively. General & Administration expenses were slightly high at 79% of total budget. This was due to higher than anticipated costs for outside services.

Expense	Budget	YTD Actual	Percent
Water Purchases	\$ 32,200,000	\$ 21,577,043	67%
Operating	4,841,000	3,194,500	66%
Supporting	4,279,000	3,006,569	70%
General & Admin	2,986,000	2,365,920	79%
Total	\$ 44,306,000	\$ 30,144,032	68%

SEWER FUND

The Sewer Fund performed better than expected through the third quarter of Fiscal Year 2020.

Revenues: Sewer Service charges and Reclaimed water sales performed as planned. Like the water fund, Other revenue was high from the solar project reimbursement and fees received from a water and sewer annexation and a reimbursement from ACWA/JPIA.

Revenue	Budget	YTD Actual	Percent
Sewer Service	\$ 18,180,000	\$ 13,844,895	76%
Reclaimed	2,466,000	1,849,500	75%
Other	80,000	243,148	304%
Total	\$ 20,726,000	\$ 15,937,543	77%

SEWER FUND (continued)

Expenses: Treatment expenses were low due to timing of budgeted material purchases and outside services. Operating and Supporting expenses were low primarily as a result of lower outside services and staffing costs. General & Administrative expenses were high due to less time charged to projects

Expense	Budget	YTD Actual	Percent
Treatment	\$ 7,073,000	\$ 4,191,676	59%
Operating	2,953,000	1,988,408	67%
Supporting	2,775,000	1,755,600	63%
General & Admin	1,444,000	1,138,726	79%
Total	\$ 14,245,000	\$ 9,074,410	64%

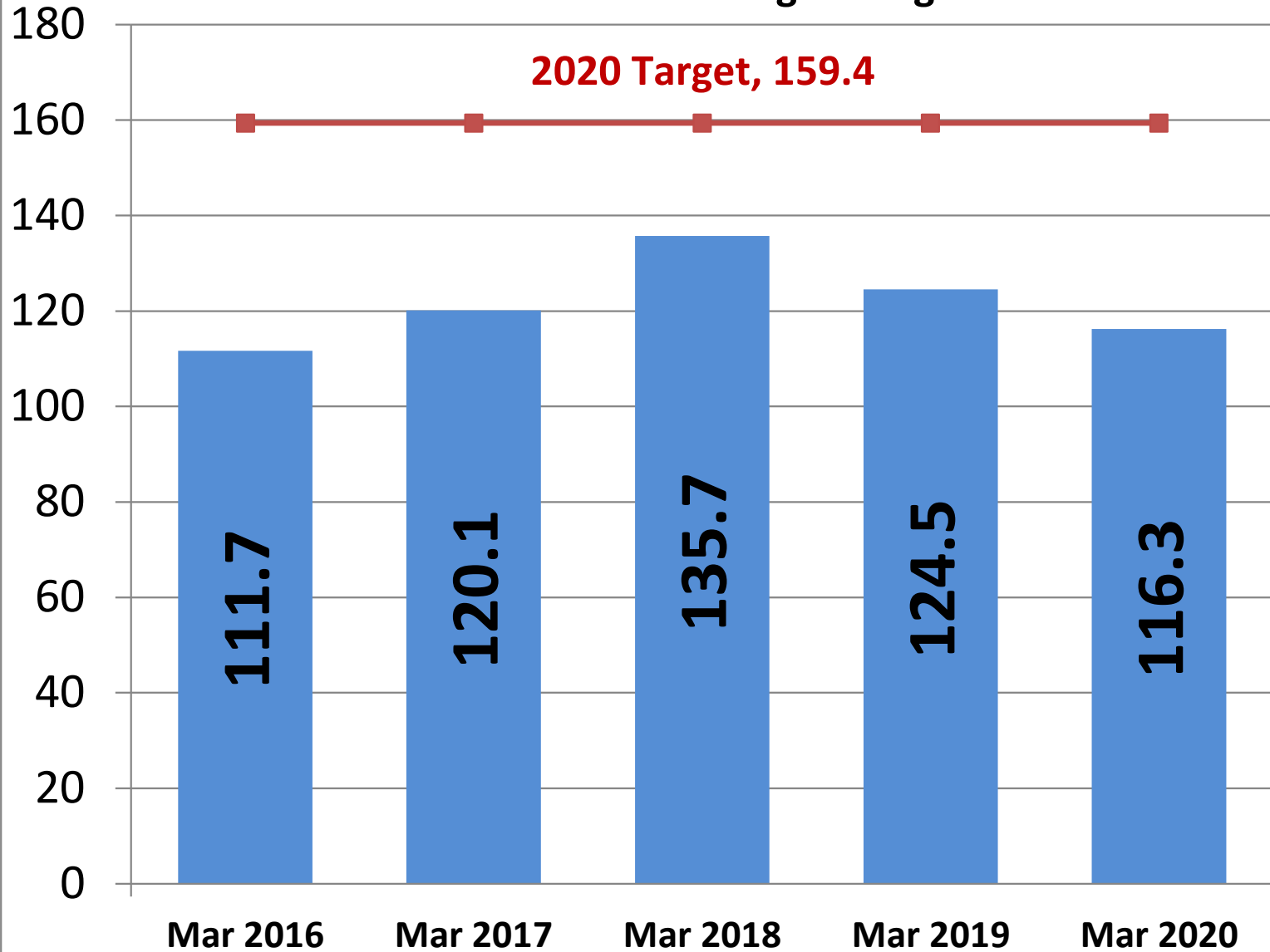
RESERVES AND FUNDS:

The following is a summary of the replacement reserves and capacity funds as of March 31, 2020.

Water:		
Revenues	Replacement	Capacity
FY 19/20 Operating Transfers	\$ 3,521,790	-
Capital Facility Fees	-	\$ 1,319,568
Property tax & Other	2,195,723	-
Total Revenue	5,717,513	1,319,568
Distributions		
Capital Projects	2,186,551	-
Fund PERS UAL	4,107,540	-
Debt Service	-	657,805
Total Distributions	6,294,091	657,805
Beginning Balance	37,641,145	(8,333,147)
Ending Balance	37,064,568	(7,671,383)
Less: Operating Reserves	5,970,100	-
Replacement Reserve Balance	\$ 31,094,468	\$ (7,671,383)
Replacement Reserve Floor	\$ 8,136,700	
Replacement Reserve Ceiling	\$ 34,640,500	

Wastewater:		
Revenues	Replacement	Capacity
FY 19/20 Operating Transfers	\$ 6,863,133	-
Capital Facility Fees	-	\$ 4,601,779
Property tax & Other	1,911,518	-
Total Revenue	8,774,651	4,601,779
Distributions		
Capital Projects	2,582,178	757,740
Fund PERS UAL	3,946,460	-
Debt Service	-	1,823,381
Total Distributions	6,528,638	2,581,121
Beginning Balance	58,689,994	(6,268,379)
Ending Balance	60,936,008	(4,247,721)
Less: Operating Reserves	7,024,900	-
Replacement Reserve Balance	\$ 53,911,108	\$ (4,247,721)
Replacement Reserve Floor	\$ 18,603,400	
Replacement Reserve Ceiling	\$ 54,762,600	

Gallons per Capita per Day 12-Month Rolling Average



DATE: APRIL 15, 2020
TO: BOARD OF DIRECTORS
SUBJECT: MONTHLY FINANCIAL REPORTS

BACKGROUND:

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

DISCUSSION:

The Monthly Revenue and Expense reports summarize revenues by service type and expenses by department over the 9-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 Nine Months Ended March 31, 2020

	Current Year <u>Actual</u>	Prior Year Actual			Current Year Budget		
		Amount	Variance		Amount	Variance	
			\$	%		\$	%
Revenue							
Water Sales	\$ 22,022,288	\$22,796,144	\$ (773,856)	-3.4%	\$23,658,000	\$ (1,635,712)	-6.9%
Ready-to-serve	10,758,708	10,340,075	418,633	4.0%	10,354,000	404,708	3.9%
Pumping cost recovery	300,602	248,760	51,842	20.8%	254,000	46,602	18.3%
Late & lock charges	241,665	294,685	(53,020)	-18.0%	346,000	(104,335)	-30.2%
Backflow fees	75,704	69,938	5,766	8.2%	73,000	2,704	3.7%
Other revenue	266,855	195,475	71,380	36.5%	89,800	177,055	197.2%
Total Revenue	33,665,822	33,945,077	(279,255)	-0.8%	34,774,800	(1,108,978)	-3.2%
Expenses							
Water costs	21,577,043	21,141,414	435,629	2.1%	23,121,000	(1,543,957)	-6.7%
Pumping costs	593,263	630,756	(37,493)	-5.9%	678,000	(84,737)	-12.5%
Water quality	89,608	91,200	(1,592)	-1.7%	168,000	(78,392)	-46.7%
Water treatment	385,723	309,698	76,025	24.5%	364,000	21,723	6.0%
Tanks & reservoirs	237,165	272,565	(35,400)	-13.0%	347,000	(109,835)	-31.7%
Trans & distribution	1,239,462	1,791,143	(551,681)	-30.8%	1,381,000	(141,538)	-10.2%
Services	57,661	45,972	11,689	25.4%	68,000	(10,339)	-15.2%
Meters	532,672	479,284	53,388	11.1%	579,000	(46,328)	-8.0%
Backflow prevention	58,946	38,019	20,927	55.0%	50,000	8,946	17.9%
Customer accounts	486,446	515,031	(28,585)	-5.6%	503,000	(16,554)	-3.3%
Building & grounds	260,660	299,892	(39,232)	-13.1%	295,000	(34,340)	-11.6%
Equipment & vehicles	178,331	179,629	(1,298)	-0.7%	250,000	(71,669)	-28.7%
Engineering	1,277,993	1,221,844	56,149	4.6%	1,215,000	62,993	5.2%
Safety & compliance	152,587	195,768	(43,181)	-22.1%	183,000	(30,413)	-16.6%
Information Technology	650,552	594,371	56,181	9.5%	774,000	(123,448)	-15.9%
General & administrative	2,365,920	2,357,878	8,042	0.3%	2,239,000	126,920	5.7%
Total Expenses	30,144,032	30,164,464	(20,432)	-0.1%	32,215,000	(2,070,968)	-6.4%
Net Operating Income	\$ 3,521,790	\$ 3,780,613	(258,823)	-6.8%	\$ 2,559,800	961,990	37.6%

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 and a refund check from ACWA/JPIA

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

Water Treatment has an unfavorable prior year variance due to budgeted increases in labor and being fully staffed

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.

Vallecitos Water District
Sewer Revenue and Expense Report
For the Nine Months Ended March 31, 2020

	Current Year Actual	Prior Year Actual			Current Year Budget		
		Amount	Variance		Amount	Variance	
			\$	%		\$	%
Revenue							
Sewer service charges	\$ 13,844,895	\$ 13,696,161	\$ 148,734	1.1%	\$ 13,632,000	\$ 212,895	1.6%
Reclaimed water sales	1,849,500	1,480,500	369,000	24.9%	1,850,000	(500)	0.0%
Other revenue	243,148	770,681	(527,533)	-68.5%	62,000	181,148	292.2%
Total Revenue	15,937,543	15,947,342	(9,799)	-0.1%	15,544,000	393,543	2.5%
Expenses							
Collection & conveyance	1,685,213	1,545,662	139,551	9.0%	1,803,000	(117,787)	-6.5%
Lift stations	165,254	132,491	32,763	24.7%	256,000	(90,746)	-35.4%
Source Control	137,941	136,226	1,715	1.3%	151,000	(13,059)	-8.6%
Effluent disposal	2,308,887	1,848,874	460,013	24.9%	2,640,000	(331,113)	-12.5%
Meadowlark	1,882,789	2,178,564	(295,775)	-13.6%	2,673,000	(790,211)	-29.6%
Customer Accounts	331,971	339,300	(7,329)	-2.2%	378,000	(46,029)	-12.2%
Building & grounds	155,586	200,262	(44,676)	-22.3%	204,000	(48,414)	-23.7%
Equipment & vehicles	152,727	142,047	10,680	7.5%	189,000	(36,273)	-19.2%
Engineering	491,568	496,826	(5,258)	-1.1%	538,000	(46,432)	-8.6%
Safety & compliance	104,795	124,394	(19,599)	-15.8%	143,000	(38,205)	-26.7%
Information technology	518,953	474,937	44,016	9.3%	625,000	(106,047)	-17.0%
General & administrative	1,138,726	920,203	218,523	23.7%	1,080,000	58,726	5.4%
Total Expenses	9,074,410	8,539,786	534,624	6.3%	10,680,000	(1,605,590)	-15.0%
Net Operating Income	\$ 6,863,133	\$ 7,407,556	(544,423)	-7.3%	\$ 4,864,000	1,999,133	41.1%

Explanation of Significant Variances

Reclaimed Water Sales has a favorable prior year variance as a result of budgeted increases in capital recovery costs.

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.

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

The **Effluent disposal** unfavorable prior year variance is due to anticipated increases in operating costs at Encina Wastewater Authority.

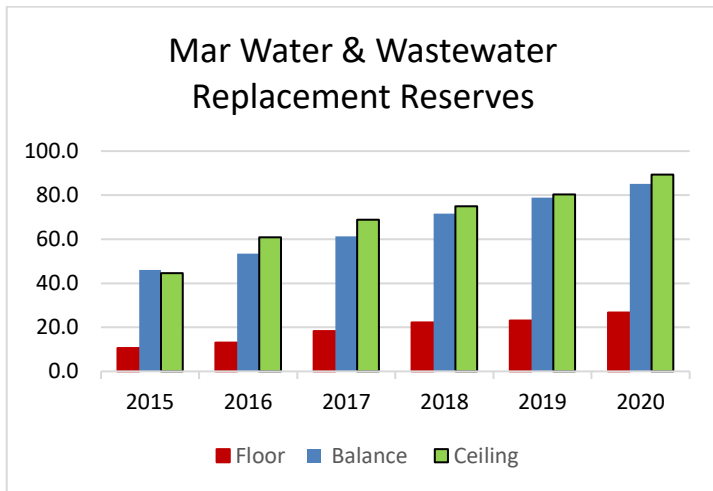
The **Meadowlark Plant** has a favorable budget variance as a result of less than anticipated outside services being performed thus far, as well as lower than anticipated materials and supplies, and chemical costs.

General & administrative has an unfavorable prior year variance due to budgeted decreases in labor charged to projects

Variances are considered significant if they exceed \$75000 and 20%.

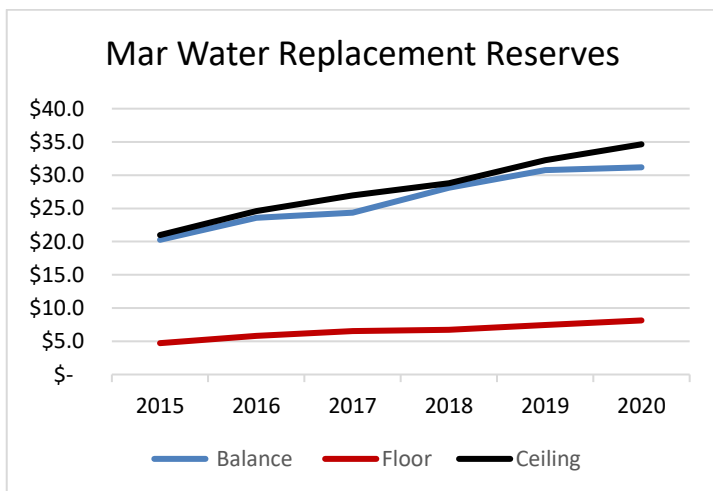
REPLACEMENT RESERVES

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 March 31, 2020, the total water and wastewater replacement reserve balance was \$85.0 million, 8 percent greater than March 31, 2019.



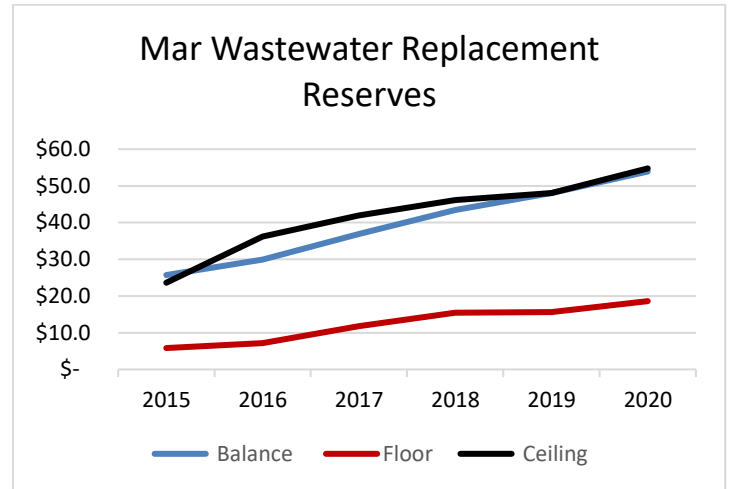
WATER REPLACEMENT RESERVE

As of March 31, 2020, the District’s water replacement reserve totaled \$31.1 million, an increase of 1 percent, or \$0.3 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.



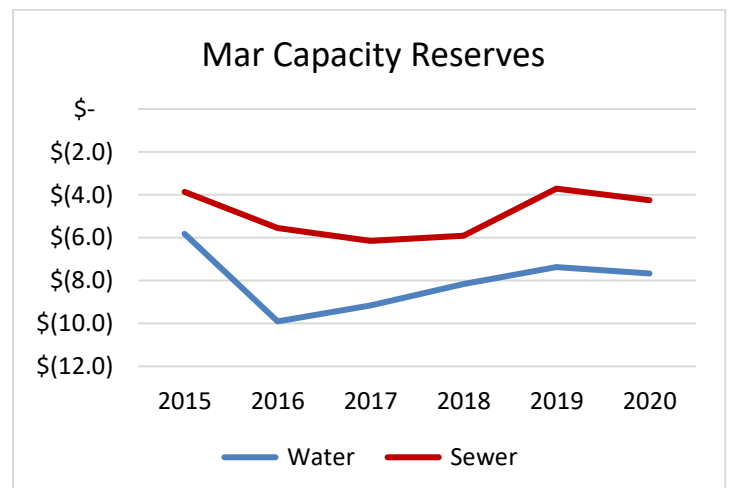
WASTEWATER REPLACEMENT RESERVE

As of March 31, 2020, the balance in the District’s wastewater replacement reserve totaled \$53.9 million, an increase of 12 percent, or \$5.8 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 March 31, 2020, the water capacity fund had a deficit of \$7.7 million and the sewer capacity fund had a deficit of \$4.2 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 NINE MONTHS ENDED MARCH 31, 2020

	110 Water 120		210 Wastewater 220		Total
	Replacement	Capacity	Replacement	Capacity	
BEGINNING BALANCE	\$ 37,641,145	\$ (8,333,147)	\$ 58,689,994	\$ (6,268,379)	\$ 81,729,614
REVENUES					
FY 19/20 Operating Transfers	3,521,790		6,863,133		10,384,923
Capital Facility Fees	-	1,319,568	-	4,601,779	5,921,347
Investment Earnings	773,340	-	673,554	-	1,446,893
Property Tax	762,790	-	614,067	-	1,376,858
RDA pass-through	657,836	-	623,897	-	1,281,733
Annexation Fees	1,757	-	-	-	1,757
TOTAL REVENUES	<u>5,717,513</u>	<u>1,319,568</u>	<u>8,774,651</u>	<u>4,601,779</u>	<u>20,413,512</u>
LESS DISTRIBUTIONS					
Capital Projects					
Rock Springs Sewer Replacement	-	-	422,894	516,872	939,766
Encina Wastewater Authority Five Year Plan	-	-	879,394	-	879,394
Schoolhouse Tank Refurbishment	768,336	-	-	-	768,336
Montiel Lift Station And Forcemain Replacemen	-	-	288,695	117,918	406,612
District-Wide SCADA Upgrade Project	177,776	-	170,805	-	348,581
Lawrence Welk Court Water Line Replacement	215,770	-	-	-	215,770
District Wide Valve Replacement	192,684	-	-	-	192,684
San Marcos Interceptor Sewer	-	-	54,636	121,607	176,243
OSHA Compliant Ladder Systems	173,332	-	-	-	173,332
MRF Biological Selector Improvements	-	-	131,166	-	131,166
Palos Vista Pump Station Generator	123,100	-	-	-	123,100
MRF - Influent Pumps & Motors	-	-	86,595	-	86,595
Fire Services - Backflow Preventer Upgrades	78,942	-	-	-	78,942
Sewer Bypass Repair	-	-	74,082	-	74,082
Sewer Rehabilitation And Repairs	-	-	72,923	-	72,923
Technology Infrastructure Upgrades	32,085	-	30,827	-	62,912
Asset Managment Replacement Schedule	29,013	-	27,876	-	56,889
District Wide Solar Project	22,906	-	22,008	-	44,915
North Twin Oaks Tank 1 Refurbishment	37,356	-	-	-	37,356
Building A Kitchens	13,706	-	13,169	-	26,875
Door Access System Expansion	11,079	-	10,645	-	21,724
Security Infrastructure Monitoring Upgrades	8,758	-	8,414	-	17,172
Tres Amigos Water Line Replacement Phase 1	16,638	-	-	-	16,638
Cal State San Marcos Meter Upgrade	15,093	-	-	-	15,093
Water Operations Control Panel Upgrades	14,272	-	-	-	14,272
MRF - Tertiary Influent Chamber Repairs	-	-	12,924	-	12,924
All other capital projects	13,141	-	19,301	1,344	33,786
Capital Budget - Vehicles/Mobile Equipmnt	242,564	-	255,826	-	498,389
Debt Service	-	526,737	-	1,737,275	2,264,012
Fund PERS UAL	4,107,540	-	3,946,460	-	8,054,000
Interest Expense	-	131,068	-	86,106	217,174
TOTAL DISTRIBUTIONS	<u>6,294,091</u>	<u>657,805</u>	<u>6,528,638</u>	<u>2,581,121</u>	<u>16,061,655</u>
ENDING BALANCE	\$ 37,064,568	\$ (7,671,383)	\$ 60,936,008	\$ (4,247,721)	\$ 86,081,471
Less: Operating Reserves	<u>5,970,100</u>	-	<u>7,024,900</u>	-	<u>12,995,000</u>
Replacement Reserves/Restricted Funds	\$ 31,094,468	\$ (7,671,383)	\$ 53,911,108	\$ (4,247,721)	\$ 73,086,471
Replacement reserve floor	<u>\$ 8,136,700</u>		<u>\$ 18,603,400</u>		
Replacement reserve ceiling	<u>\$ 34,640,500</u>		<u>\$ 54,762,600</u>		

VALLECITOS WATER DISTRICT
INVESTMENT REPORT FOR MARCH 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 March follows:

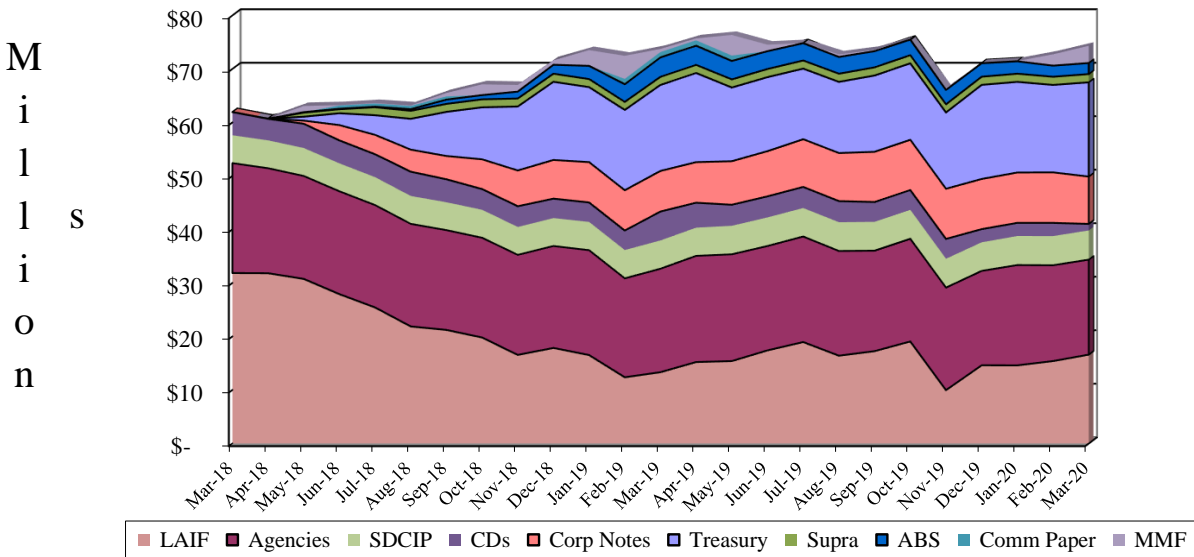
<u>Date</u>	<u>Activity</u>	<u>Investment</u>	<u>Amount</u>	<u>Maturity</u>	<u>Yield</u>
03/03/20	Deposit	LAIF	600,000	Open	1.79%
03/09/20	Deposit	LAIF	500,000	Open	1.79%
03/16/20	Withdrawal	LAIF	(900,000)	Open	1.79%
03/19/20	Deposit	LAIF	900,000	Open	1.79%
03/04/20	Purchased	FHLB	1,040,350	03/08/24	1.88%
03/04/20	Purchased	US Treasury	1,052,539	04/30/24	2.00%
03/05/20	Matured	Bank of Montreal CD	(1,000,000)	03/05/20	2.69%
03/06/20	Full Call	IBM	(504,494)	02/19/21	2.25%
03/09/20	Matured	Key Bank CD	(245,000)	03/09/20	1.70%
03/10/20	Full Call	FFCB	(500,000)	11/02/20	1.38%
03/10/20	Full Call	FFCB	(150,000)	02/17/21	1.62%
03/11/20	Purchased	John Deere Owner TR	274,983	08/15/24	0.00%
03/12/20	Full Call	FHLB	(500,000)	07/13/20	1.20%
03/12/20	Full Call	FFCB	(750,000)	04/12/21	1.62%
03/16/20	Sold	Various	(266,246)	Various	Various
03/25/20	Purchased	FNMA	1,033,760	04/12/22	2.250%
03/26/20	Purchased	FHLMC	1,031,090	01/13/22	2.375%
03/30/20	Full Call	FHLB	(1,000,000)	09/30/21	1.625%
03/30/20	Matured	FNMA	(500,000)	03/30/20	1.300%
Change in investments during the month			<u>\$ 116,983</u>		

	<u>Current</u>
Weighted average annual yield for total Vallecitos investments	1.990%
Weighted average days to maturity	464

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 February 29, 2020. Fair values for federal agency obligations and corporate notes are provided by Union Bank trust account reporting

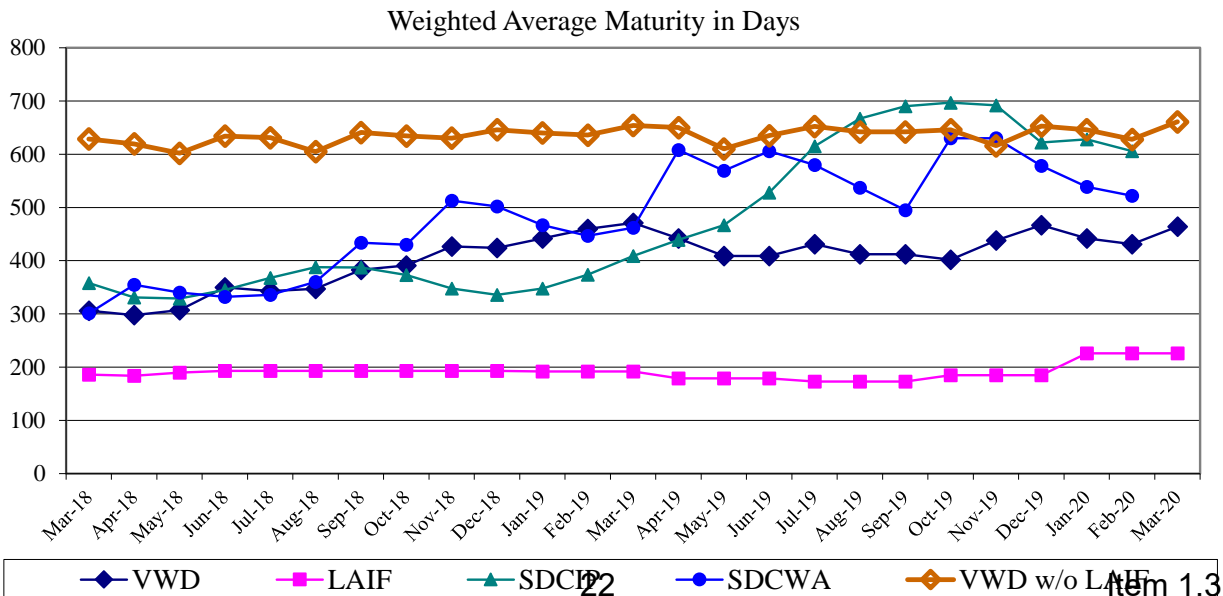
Safety

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



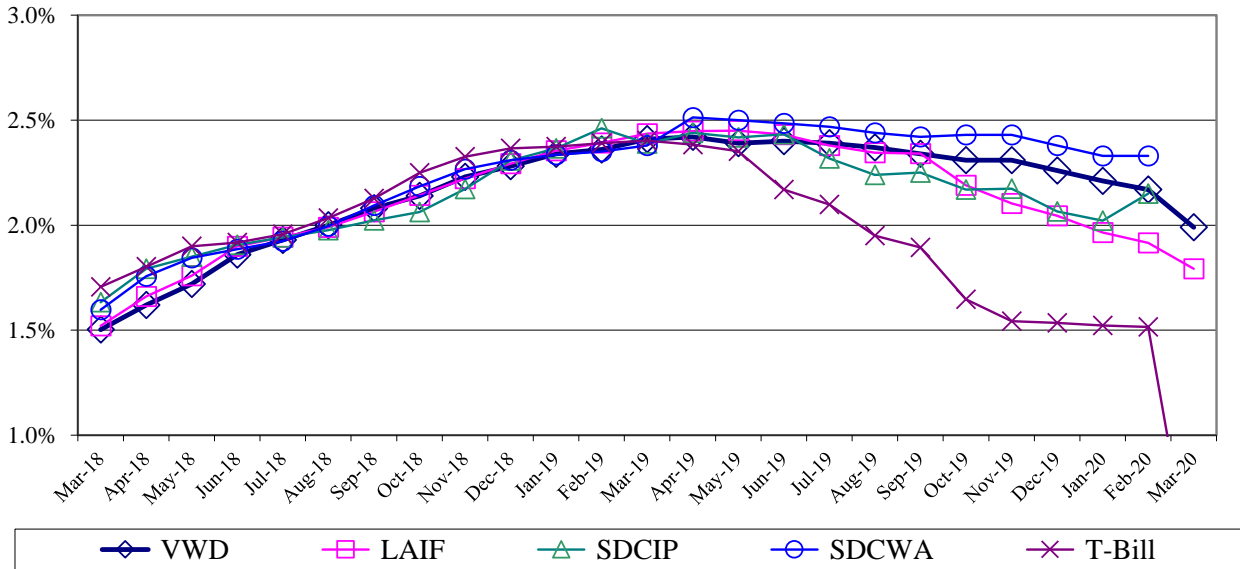
Liquidity

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of investments. The District averts interest rate risk by limiting terms of investments in accordance with the Investment Policy. Maturity in days is a measure of liquidity. The next graph compares the District’s liquidity to other managed portfolios. The District’s liquidity is graphed with and without LAIF. With LAIF the District is in fact very liquid with \$16.6 million available the same day. But for comparative purposes LAIF is eliminated from the District’s portfolio and shown separately.



Yield

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



Investment/Debt Management

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



PORTFOLIO CHARACTERISTICS

Average Modified Duration	1.27
Average Coupon	1.95%
Average Purchase YTM	1.99%
Average Market YTM	1.05%
Average S&P/Moody Rating	AA+/Aa1
Average Final Maturity	1.42 yrs
Average Life	1.31 yrs

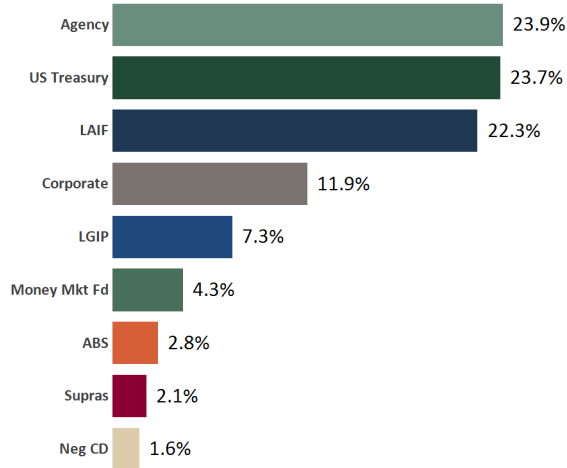
ACCOUNT SUMMARY

	Beg. Values as of 2/29/20	End Values as of 3/31/20
Market Value	72,735,656	74,330,751
Accrued Interest	307,273	301,758
Total Market Value	73,042,929	74,632,509
Income Earned	118,655	125,297
Cont/WD		
Par	71,710,786	72,877,458
Book Value	71,690,207	73,025,019
Cost Value	71,505,303	72,850,318

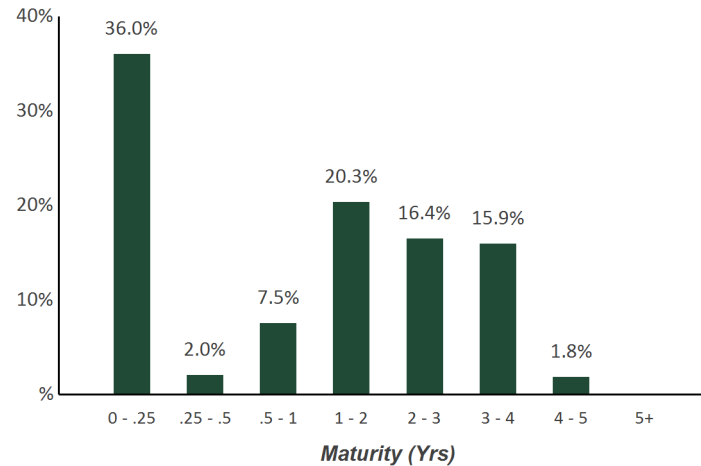
TOP ISSUERS

Government of United States	23.7%
Local Agency Investment Fund	22.3%
Federal National Mortgage Assoc	8.6%
Federal Home Loan Bank	7.6%
County of San Diego Pooled Inve	7.3%
Federal Farm Credit Bank	4.9%
Dreyfus Treasury and Agency	4.3%
Federal Home Loan Mortgage Corp	2.7%
Total	81.6%

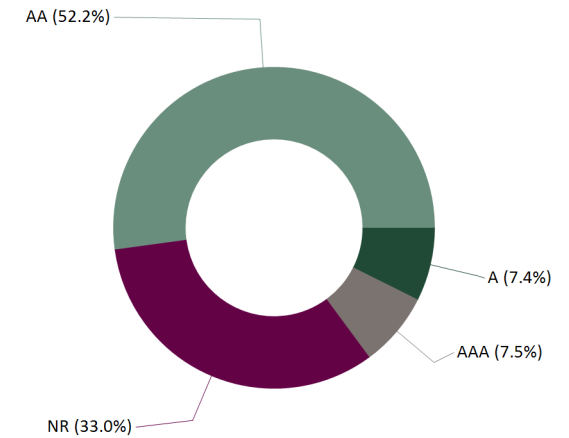
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



Vallecitos Water District Consolidated Account

Account #10594

Holdings Report

As of March 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
ABS									
47788EAB4	John Deere Owner Trust 2018-B A2 2.83% Due 4/15/2021	1,097.47	01/29/2019 2.95%	1,096.53 1,097.47	99.96 3.95%	1,097.07 1.38	0.00% (0.40)	Aaa / NR AAA	1.04 0.03
89190BAD0	Toyota Auto Receivables Trust 2017-B A3 1.76% Due 7/15/2021	124,249.08	09/26/2018 2.78%	122,797.89 123,581.05	99.89 2.24%	124,113.52 97.19	0.17% 532.47	Aaa / AAA NR	1.29 0.23
43814PAC4	Honda Auto Receivables Trust 2017-3 A3 1.79% Due 9/20/2021	142,071.40	12/11/2018 2.73%	140,228.91 141,093.72	99.90 2.10%	141,926.06 91.83	0.19% 832.34	NR / AAA AAA	1.47 0.34
43814WAB1	Honda Auto Receivables Trust 2019-1 A2 2.75% Due 9/20/2021	282,895.16	02/19/2019 2.77%	282,876.94 282,884.71	99.76 3.47%	282,213.27 280.93	0.38% (671.44)	NR / AAA AAA	1.47 0.34
47788BAD6	John Deere Owner Trust 2017-B A3 1.82% Due 10/15/2021	136,204.89	11/14/2018 3.14%	134,326.75 135,212.86	99.63 3.56%	135,706.39 110.17	0.18% 493.53	Aaa / NR AAA	1.54 0.21
89239AAB9	Toyota Auto Receivables Trust 2019-A A2A 2.83% Due 10/15/2021	201,105.33	02/05/2019 2.85%	201,087.07 201,094.80	100.13 2.41%	201,359.31 252.95	0.27% 264.51	Aaa / AAA NR	1.54 0.29
47789JAB2	John Deere Owner Trust 2019-A A2 2.85% Due 12/15/2021	207,273.97	03/05/2019 2.87%	207,264.52 207,268.13	100.26 1.93%	207,823.21 262.55	0.28% 555.08	Aaa / NR AAA	1.71 0.28
43814UAG4	Honda Auto Receivables Trust 2018-2 A3 3.01% Due 5/18/2022	99,532.66	05/22/2018 3.03%	99,530.49 99,531.50	100.59 2.11%	100,115.52 108.19	0.13% 584.02	NR / AAA AAA	2.13 0.64
43815HAC1	Honda Auto Receivables Trust 2018-3 A3 2.95% Due 8/22/2022	202,327.41	08/21/2018 2.98%	202,299.65 202,310.75	100.92 1.70%	204,188.81 165.80	0.27% 1,878.06	Aaa / NR AAA	2.39 0.72
65478WAE5	Nissan Auto Receivables Trust 2016-C A4 1.38% Due 1/17/2023	410,231.85	01/24/2019 2.95%	401,642.62 405,360.86	99.53 3.22%	408,315.65 251.61	0.55% 2,954.79	Aaa / NR AAA	2.80 0.25
47789KAC7	John Deere Owner Trust 2020-A A3 1.1% Due 8/15/2024	275,000.00	03/04/2020 1.11%	274,983.20 274,983.42	98.17 1.87%	269,962.00 168.06	0.36% (5,021.42)	Aaa / NR AAA	4.38 2.39
Total ABS		2,081,989.22	2.66%	2,068,134.57 2,074,419.27	2.55%	2,076,820.81 1,790.66	2.79% 2,401.54	Aaa / AAA AAA	2.26 0.61

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CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
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	100.20 0.24%	751,522.50 3,812.50	1.01% 1,522.50	Aaa / AA+ AAA	0.16 0.16
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	100.11 0.63%	1,001,122.00 1,438.89	1.34% 1,122.00	Aaa / AA+ AAA	0.40 0.15
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	100.06 0.60%	500,293.00 1,225.00	0.67% 293.00	Aaa / AA+ AAA	0.83 0.08
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	100.08 0.33%	500,417.50 1,333.33	0.67% 417.50	Aaa / AA+ AAA	1.32 0.07
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	100.17 0.48%	1,001,666.00 1,600.00	1.34% 1,666.00	Aaa / AA+ AAA	1.40 0.15
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	100.09 0.38%	1,000,877.00 6,587.50	1.35% 877.00	Aaa / AA+ AAA	1.58 0.07
3133EJ3B3	FFCB Note 2.8% Due 12/17/2021	1,000,000.00	12/26/2018 2.70%	1,002,780.00 1,001,599.91	103.70 0.62%	1,037,037.00 8,088.89	1.40% 35,437.09	Aaa / AA+ AAA	1.72 1.67
3135G0U92	FNMA Note 2.625% Due 1/11/2022	500,000.00	03/05/2019 2.60%	500,350.00 500,218.33	103.87 0.44%	519,342.50 2,916.67	0.70% 19,124.17	Aaa / AA+ AAA	1.78 1.74
3137EADB2	FHLMC Note 2.375% Due 1/13/2022	1,000,000.00	03/25/2020 0.63%	1,031,090.00 1,030,806.50	103.51 0.40%	1,035,065.00 5,145.83	1.39% 4,258.50	Aaa / AA+ AAA	1.79 1.75
3133EKBV7	FFCB Note 2.55% Due 3/1/2022	750,000.00	02/27/2019 2.55%	750,075.00 750,047.83	104.00 0.45%	779,978.25 1,593.75	1.05% 29,930.42	Aaa / AA+ AAA	1.92 1.88
313378WG2	FHLB Note 2.5% Due 3/11/2022	500,000.00	04/08/2019 2.36%	501,945.00 501,292.41	104.15 0.36%	520,758.50 694.44	0.70% 19,466.09	Aaa / AA+ NR	1.95 1.91
3135G0V59	FNMA Note 2.25% Due 4/12/2022	1,000,000.00	03/24/2020 0.59%	1,033,760.00 1,033,444.06	103.68 0.43%	1,036,777.00 10,562.50	1.40% 3,332.94	Aaa / AA+ AAA	2.03 1.97
313383WD9	FHLB Note 3.125% Due 9/9/2022	500,000.00	01/30/2019 2.68%	507,580.00 505,128.15	106.63 0.39%	533,170.50 954.86	0.72% 28,042.35	Aaa / AA+ AAA	2.44 2.36
3130AFE78	FHLB Note 3% Due 12/9/2022	1,000,000.00	01/25/2019 2.71%	1,010,700.00 1,007,446.78	106.63 0.51%	1,066,285.00 9,333.33	1.44% 58,838.22	Aaa / AA+ AAA	2.69 2.58
3133834G3	FHLB Note 2.125% Due 6/9/2023	650,000.00	10/30/2019 1.66%	660,432.50 659,220.52	105.54 0.38%	686,002.85 4,297.22	0.92% 26,782.33	Aaa / AA+ NR	3.19 3.08
3133EKZK5	FFCB Note 1.6% Due 8/14/2023	1,000,000.00	08/28/2019 1.48%	1,004,700.00 1,003,997.93	103.49 0.55%	1,034,871.00 2,088.89	1.39% 30,873.07	Aaa / AA+ AAA	3.37 3.28

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CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
3130A3DL5	FHLB Note 2.375% Due 9/8/2023	700,000.00	10/09/2019 1.44%	724,864.00 721,836.47	106.39 0.50%	744,754.50 1,062.15	1.00% 22,918.03	Aaa / AA+ NR	3.44 3.31
3130A3VC5	FHLB Note 2.25% Due 12/8/2023	1,000,000.00	02/13/2020 1.46%	1,029,240.00 1,028,253.44	106.91 0.36%	1,069,135.00 7,062.50	1.44% 40,881.56	Aaa / AA+ NR	3.69 3.53
3135G0V34	FNMA Note 2.5% Due 2/5/2024	1,000,000.00	01/30/2020 1.44%	1,041,280.00 1,039,562.35	107.57 0.51%	1,075,671.00 3,888.89	1.45% 36,108.65	Aaa / AA+ AAA	3.85 3.67
3133EKMx1	FFCB Note 2.23% Due 2/23/2024	750,000.00	07/30/2019 1.91%	760,425.00 758,893.75	106.23 0.61%	796,740.00 1,765.42	1.07% 37,846.25	Aaa / AA+ AAA	3.90 3.74
3130A7PH2	FHLB Note 1.875% Due 3/8/2024	1,000,000.00	03/03/2020 0.85%	1,040,350.00 1,039,578.81	105.81 0.39%	1,058,053.00 1,197.92	1.42% 18,474.19	Aaa / AA+ NR	3.94 3.81
Total Agency		17,100,000.00	1.64%	17,349,571.50 17,331,327.24	0.46%	17,749,539.10 76,650.48	23.89% 418,211.86	Aaa / AA+ AAA	2.34 2.04
CORPORATE									
40428HPV8	HSBC USA Inc Note 2.75% Due 8/7/2020	250,000.00	10/10/2018 3.26%	247,772.50 249,571.25	99.53 4.10%	248,818.50 1,031.25	0.33% (752.75)	A2 / A A+	0.35 0.35
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%	490,920.00 497,432.88	100.11 2.07%	500,534.00 4,727.78	0.68% 3,101.12	A3 / A A	0.59 0.50
69371RN93	Paccar Financial Corp Note 2.8% Due 3/1/2021	300,000.00	07/23/2018 3.12%	297,585.00 299,150.94	100.56 2.18%	301,676.70 700.00	0.41% 2,525.76	A1 / A+ NR	0.92 0.90
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%	493,125.00 497,288.63	99.94 2.55%	499,706.00 5,763.89	0.68% 2,417.37	A1 / A AA-	1.04 1.01
369550BE7	General Dynamics Corp Note 3% Due 5/11/2021	350,000.00	06/28/2018 3.08%	349,247.50 349,708.92	100.77 2.29%	352,692.90 4,083.33	0.48% 2,983.98	A2 / A NR	1.11 1.08
857477AV5	State Street Bank Note 1.95% Due 5/19/2021	500,000.00	10/12/2018 3.30%	483,360.00 492,735.39	99.56 2.34%	497,803.50 3,575.00	0.67% 5,068.11	A1 / A AA-	1.13 1.11
808513AW5	Charles Schwab Corp Callable Note Cont 4/21/2021 3.25% Due 5/21/2021	320,000.00	Various 3.09%	321,372.10 320,500.19	100.75 2.52%	322,397.13 3,755.55	0.44% 1,896.94	A2 / A A	1.14 1.02
931142EJ8	Wal-Mart Stores Note 3.125% Due 6/23/2021	290,000.00	06/20/2018 3.13%	289,985.50 289,994.05	102.18 1.33%	296,315.04 2,467.01	0.40% 6,320.99	Aa2 / AA AA	1.23 1.20



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									
02665WBG5	American Honda Finance Note 1.7% Due 9/9/2021	500,000.00	07/20/2018 3.19%	478,045.00 489,896.47	98.36 2.87%	491,802.50 519.44	0.66% 1,906.03	A3 / A NR	1.44 1.41
89233P5F9	Toyota Motor Credit Corp Note 3.4% Due 9/15/2021	500,000.00	05/31/2018 3.03%	505,785.00 502,566.82	101.30 2.48%	506,520.00 755.56	0.68% 3,953.18	A1 / AA- A+	1.46 1.41
24422ETL3	John Deere Capital Corp Note 2.65% Due 1/6/2022	500,000.00	Various 3.29%	489,627.50 494,693.83	100.97 2.08%	504,870.00 3,128.48	0.68% 10,176.17	A2 / A A	1.77 1.71
74005PBA1	Praxair Callable Note Cont 11/15/2021 2.45% Due 2/15/2022	300,000.00	06/27/2018 3.15%	292,848.00 296,308.12	100.37 2.22%	301,098.00 939.17	0.40% 4,789.88	A2 / A NR	1.88 1.58
037833CQ1	Apple Inc Callable Note Cont 4/11/22 2.3% Due 5/11/2022	500,000.00	10/30/2018 3.30%	483,395.00 490,065.38	102.51 1.05%	512,530.00 4,472.22	0.69% 22,464.62	Aa1 / AA+ NR	2.11 1.97
68389XBB0	Oracle Corp Callable Note Cont 3/15/2022 2.5% Due 5/15/2022	500,000.00	Various 3.28%	486,304.00 492,320.92	101.71 1.60%	508,562.00 4,722.23	0.69% 16,241.08	A3 / A+ A-	2.12 1.89
084664BT7	Berkshire Hathaway Note 3% Due 5/15/2022	500,000.00	12/11/2018 3.31%	495,015.00 496,910.82	103.87 1.15%	519,363.50 5,666.67	0.70% 22,452.68	Aa2 / AA A+	2.12 2.04
09247XAJ0	Blackrock Inc Note 3.375% Due 6/1/2022	500,000.00	11/28/2018 3.36%	500,215.00 500,132.97	103.22 1.85%	516,114.00 5,625.00	0.70% 15,981.03	Aa3 / AA- NR	2.17 2.07
06051GEU9	Bank of America Corp Note 3.3% Due 1/11/2023	400,000.00	09/05/2019 2.13%	414,984.00 412,466.20	103.60 1.96%	414,416.00 2,933.33	0.56% 1,949.80	A2 / A- A+	2.78 2.64
90331HNL3	US Bank NA Callable Note Cont 12/23/22 2.85% Due 1/23/2023	480,000.00	07/22/2019 2.24%	489,580.80 487,646.22	102.37 1.95%	491,387.52 2,584.00	0.66% 3,741.30	A1 / AA- AA-	2.82 2.61
69353RFL7	PNC Bank Callable Note Cont 5/9/2023 3.5% Due 6/8/2023	500,000.00	06/11/2019 2.44%	519,580.00 515,556.90	103.47 2.33%	517,368.50 5,493.06	0.70% 1,811.60	A2 / A NR	3.19 2.91
931142EK5	Wal-Mart Stores Callable Note Cont 5/26/2023 3.4% Due 6/26/2023	500,000.00	05/21/2019 2.65%	514,115.00 511,087.60	106.06 1.43%	530,276.00 4,486.11	0.72% 19,188.40	Aa2 / AA AA	3.24 2.98
Total Corporate		8,690,000.00	3.02%	8,642,861.90 8,686,034.50	2.06%	8,834,251.79 67,429.08	11.93% 148,217.29	A1 / A+ A+	1.82 1.70

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CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
LAIF									
90LAIF\$00	Local Agency Investment Fund State Pool	16,600,608.84	Various 1.74%	16,600,608.84 16,600,608.84	1.00 1.74%	16,600,608.84 74,247.54	22.34% 0.00	NR / NR NR	0.00 0.00
Total LAIF		16,600,608.84	1.74%	16,600,608.84	1.74%	16,600,608.84 74,247.54	22.34% 0.00	NR / NR NR	0.00 0.00

LOCAL GOV INVESTMENT POOL									
90SDCP\$00	County of San Diego Pooled Investment Pool	5,463,000.00	Various 1.98%	5,463,000.00 5,463,000.00	1.00 1.98%	5,463,000.00 0.00	7.32% 0.00	NR / NR AAA	0.00 0.00
Total Local Gov Investment Pool		5,463,000.00	1.98%	5,463,000.00	1.98%	5,463,000.00 0.00	7.32% 0.00	NR / NR AAA	0.00 0.00

MONEY MARKET FUND FI									
261908206	Dreyfus Treasury Money Market Fund	3,216,859.76	Various 0.01%	3,216,859.76 3,216,859.76	1.00 0.01%	3,216,859.76 0.00	4.31% 0.00	Aaa / AAA NR	0.00 0.00
Total Money Market Fund FI		3,216,859.76	0.01%	3,216,859.76	0.01%	3,216,859.76 0.00	4.31% 0.00	Aaa / AAA NR	0.00 0.00

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%	244,510.00 244,965.48	100.10 1.03%	245,243.04 789.37	0.33% 277.56	NR / NR NR	0.27 0.27
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	100.11 1.31%	245,269.50 1,590.82	0.33% 269.50	NR / NR NR	0.57 0.57
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	100.21 0.99%	245,516.95 37.25	0.33% 516.95	NR / NR NR	0.75 0.25
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	100.40 1.32%	245,986.86 22.15	0.33% 986.86	NR / NR NR	1.25 1.24

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CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
NEGOTIABLE CD									
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	100.08 1.04%	245,186.94 498.39	0.33% 186.94	NR / NR NR	1.38 0.13
Total Negotiable CD		1,225,000.00	1.62%	1,224,510.00 1,224,965.48	1.14%	1,227,203.29 2,937.98	1.65% 2,237.81	NR / NR NR	0.84 0.49
SUPRANATIONAL									
4581X0CD8	Inter-American Dev Bank Note 2.125% Due 11/9/2020	750,000.00	05/22/2018 2.81%	737,865.00 747,006.70	100.95 0.54%	757,161.00 6,286.46	1.02% 10,154.30	Aaa / AAA AAA	0.61 0.60
459058GH0	Intl. Bank Recon & Development Note 2.75% Due 7/23/2021	750,000.00	07/24/2018 2.86%	747,607.50 748,953.69	102.88 0.54%	771,579.00 3,895.83	1.04% 22,625.31	Aaa / AAA NR	1.31 1.29
Total Supranational		1,500,000.00	2.84%	1,485,472.50 1,495,960.39	0.54%	1,528,740.00 10,182.29	2.06% 32,779.61	Aaa / AAA AAA	0.96 0.95
US TREASURY									
912828XH8	US Treasury Note 1.625% Due 6/30/2020	750,000.00	05/31/2018 2.43%	737,753.91 748,551.71	100.38 0.11%	752,845.50 3,080.36	1.01% 4,293.79	Aaa / AA+ AAA	0.25 0.25
912828L65	US Treasury Note 1.375% Due 9/30/2020	750,000.00	06/27/2018 2.53%	731,044.92 745,818.39	100.66 0.06%	754,921.50 28.18	1.01% 9,103.11	Aaa / AA+ AAA	0.50 0.50
912828WC0	US Treasury Note 1.75% Due 10/31/2020	750,000.00	07/20/2018 2.64%	735,292.97 746,230.33	100.97 0.09%	757,266.00 5,516.83	1.02% 11,035.67	Aaa / AA+ AAA	0.59 0.58
912828A42	US Treasury Note 2% Due 11/30/2020	750,000.00	11/28/2018 2.85%	737,695.31 745,915.25	101.29 0.07%	759,668.25 5,040.98	1.02% 13,753.00	Aaa / AA+ AAA	0.67 0.66
912828N89	US Treasury Note 1.375% Due 1/31/2021	750,000.00	10/30/2018 2.86%	725,859.38 741,053.60	101.09 0.06%	758,203.50 1,728.19	1.02% 17,149.90	Aaa / AA+ AAA	0.84 0.83
912828U81	US Treasury Note 2% Due 12/31/2021	750,000.00	11/08/2018 3.05%	726,650.39 737,003.14	103.11 0.22%	773,320.50 3,791.21	1.04% 36,317.36	Aaa / AA+ AAA	1.75 1.72
912828W55	US Treasury Note 1.875% Due 2/28/2022	1,000,000.00	01/30/2019 2.56%	979,921.88 987,531.56	103.17 0.21%	1,031,719.00 1,630.43	1.38% 44,187.44	Aaa / AA+ AAA	1.92 1.89

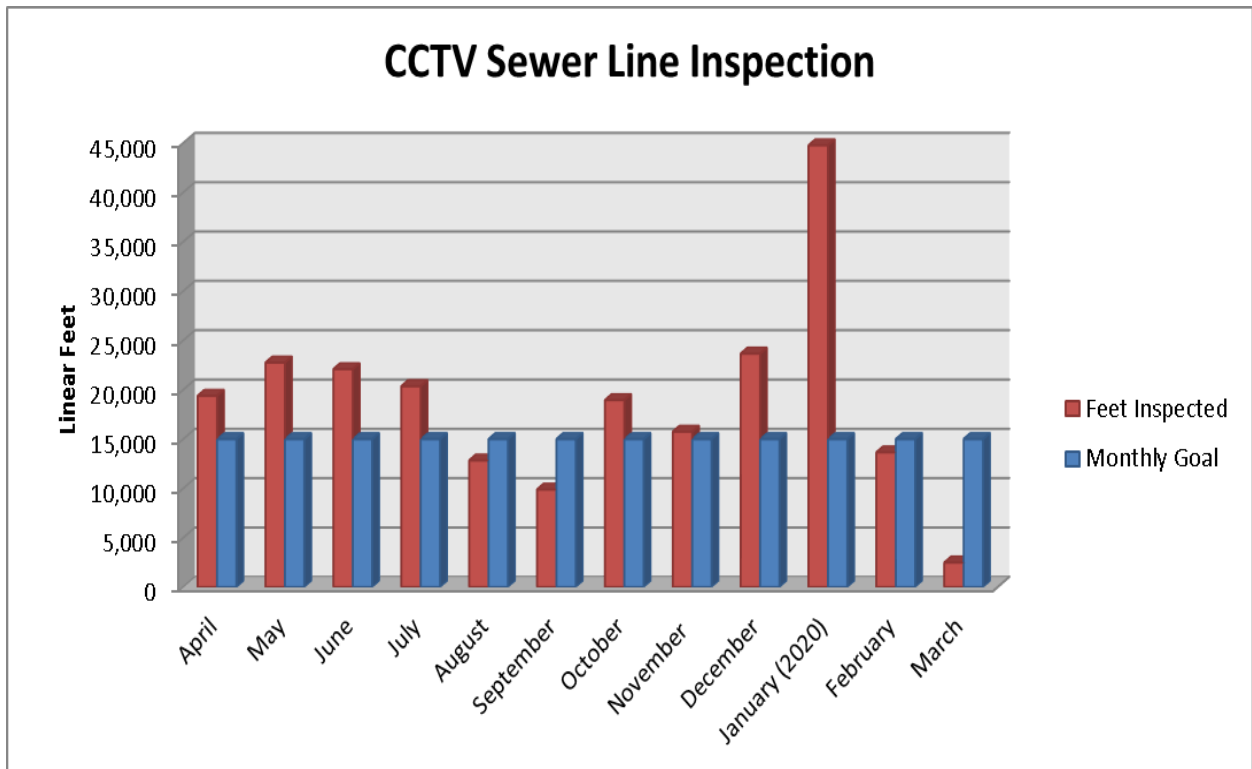


CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US TREASURY									
912828W89	US Treasury Note 1.875% Due 3/31/2022	750,000.00	09/27/2018 2.92%	724,013.67 735,199.97	103.31 0.22%	774,814.50 38.42	1.04% 39,614.53	Aaa / AA+ AAA	2.00 1.97
912828XR6	US Treasury Note 1.75% Due 5/31/2022	750,000.00	09/24/2018 2.93%	719,208.98 731,901.11	103.27 0.24%	774,521.25 4,410.86	1.04% 42,620.14	Aaa / AA+ AAA	2.17 2.12
912828XW5	US Treasury Note 1.75% Due 6/30/2022	350,000.00	09/07/2018 2.80%	336,792.97 342,203.19	103.44 0.22%	362,031.25 1,548.08	0.49% 19,828.06	Aaa / AA+ AAA	2.25 2.21
9128282P4	US Treasury Note 1.875% Due 7/31/2022	1,000,000.00	12/28/2018 2.53%	977,617.19 985,437.48	103.82 0.23%	1,038,242.00 3,142.17	1.40% 52,804.52	Aaa / AA+ AAA	2.33 2.29
912828L24	US Treasury Note 1.875% Due 8/31/2022	750,000.00	09/20/2018 2.94%	720,439.45 731,894.16	103.92 0.25%	779,385.00 1,222.83	1.05% 47,490.84	Aaa / AA+ AAA	2.42 2.37
9128282W9	US Treasury Note 1.875% Due 9/30/2022	1,000,000.00	03/19/2019 2.43%	981,406.25 986,854.65	104.05 0.25%	1,040,547.00 51.23	1.39% 53,692.35	Aaa / AA+ AAA	2.50 2.45
912828M80	US Treasury Note 2% Due 11/30/2022	800,000.00	12/24/2019 1.70%	806,875.00 806,251.75	104.57 0.28%	836,531.20 5,377.05	1.13% 30,279.45	Aaa / AA+ AAA	2.67 2.59
9128284D9	US Treasury Note 2.5% Due 3/31/2023	1,000,000.00	02/21/2019 2.51%	999,414.06 999,572.08	106.60 0.29%	1,065,977.00 68.31	1.43% 66,404.92	Aaa / AA+ AAA	3.00 2.91
912828R28	US Treasury Note 1.625% Due 4/30/2023	1,000,000.00	12/04/2019 1.60%	1,000,898.44 1,000,813.08	104.08 0.29%	1,040,820.00 6,830.36	1.40% 40,006.92	Aaa / AA+ AAA	3.08 3.00
912828R69	US Treasury Note 1.625% Due 5/31/2023	1,100,000.00	Various 2.00%	1,083,765.62 1,087,538.20	104.16 0.30%	1,145,805.10 6,007.17	1.54% 58,266.90	Aaa / AA+ AAA	3.17 3.08
912828T91	US Treasury Note 1.625% Due 10/31/2023	1,000,000.00	09/25/2019 1.60%	1,000,898.44 1,000,785.53	104.69 0.31%	1,046,914.00 6,830.36	1.41% 46,128.47	Aaa / AA+ AAA	3.59 3.47
912828V80	US Treasury Note 2.25% Due 1/31/2024	1,000,000.00	12/16/2019 1.71%	1,021,210.94 1,019,718.01	107.33 0.32%	1,073,320.00 3,770.60	1.44% 53,601.99	Aaa / AA+ AAA	3.84 3.68
912828X70	US Treasury Note 2% Due 4/30/2024	1,000,000.00	03/03/2020 0.71%	1,052,539.06 1,051,569.96	106.69 0.35%	1,066,875.00 8,406.59	1.44% 15,305.04	Aaa / AA+ AAA	4.08 3.91
Total US Treasury		17,000,000.00	2.29%	16,799,298.83 16,931,843.15	0.23%	17,633,727.55 68,520.21	23.72% 701,884.40	Aaa / AA+ AAA	2.32 2.26
TOTAL PORTFOLIO		72,877,457.82	1.99%	72,850,317.90 73,025,018.63	1.05%	74,330,751.14 301,758.24	100.00% 1,305,732.51	Aa1 / AA+ AAA	1.42 1.27
TOTAL MARKET VALUE PLUS ACCRUED						74,632,509.38			

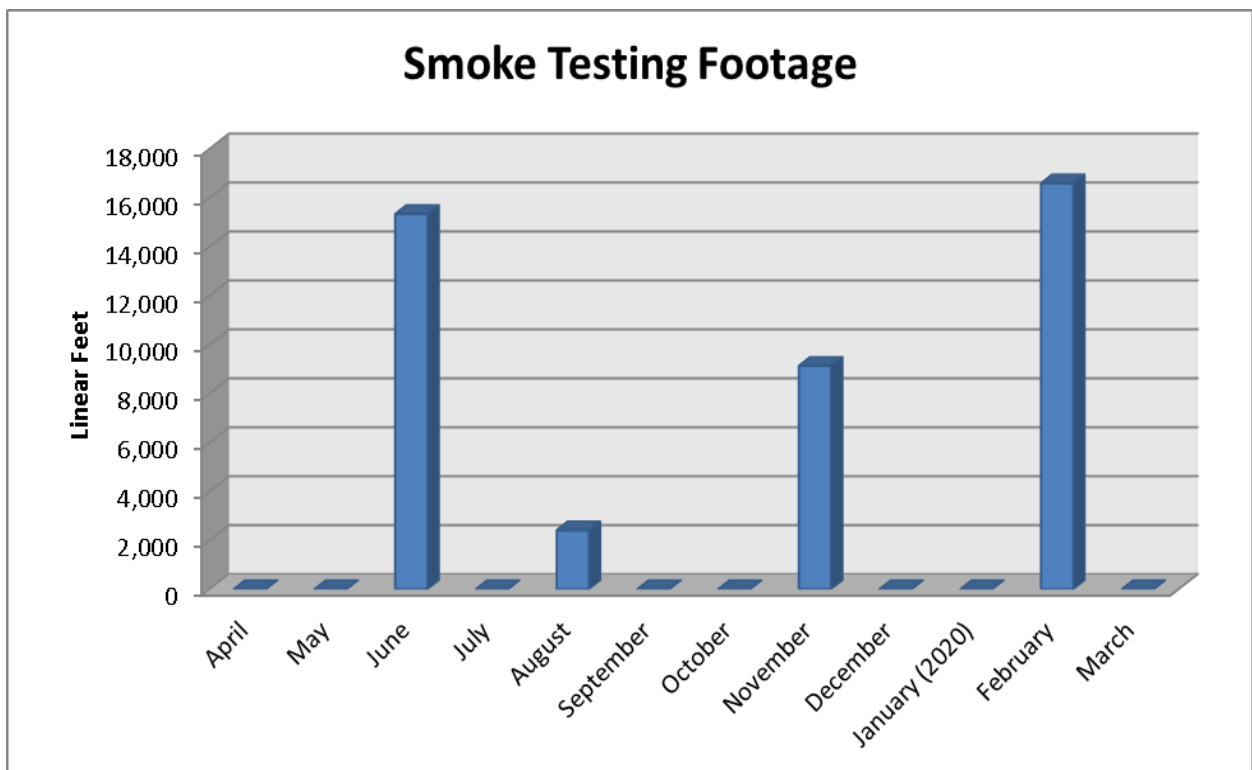
**VALLECITOS WATER DISTRICT
SUMMARY OF LEGAL FEES**

Matter Description	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Total
General Counsel Services	\$9,177	\$10,914	\$5,557	\$9,183	\$5,284	\$2,215	\$12,391	\$6,930	\$10,083	\$7,810	\$18,504	\$5,857	\$11,254	\$115,159
Labor/Employment	2,610	5,577	21,718	14,492	5,447	2,135	3,679	3,948	2,359	3,504	4,073	468	1,666	\$71,674
Engineering - Construction/Contracting	2,840	2,647	3,172	1,693	546	1,641	1,968	2,878	4,143	3,433	1,615	2,200	2,662	\$31,438
Fees and Taxes	-	-	-	728	-	2,744	7,241	5,491	1,204	-	1,802	1,812	2,562	\$23,583
Environmental	-	-	7,935	116	-	-	1,800	2,910	678	-	-	-	-	\$13,439
VWD v. Brian Thomas Boyd	-	-	-	-	-	-	-	-	-	-	-	-	-	\$0
Adv. Butler	-	2,302	302	136	-	30	417	-	1,702	138	2,831	8,593	1,063	\$17,513
Renewable Energy	-	-	-	-	-	-	-	-	4,710	1,824	-	-	-	\$6,534
Total	\$14,628	\$21,439	\$38,684	\$26,348	\$11,277	\$8,764	\$27,495	\$22,157	\$24,878	\$16,708	\$28,825	\$18,931	\$19,207	\$279,341

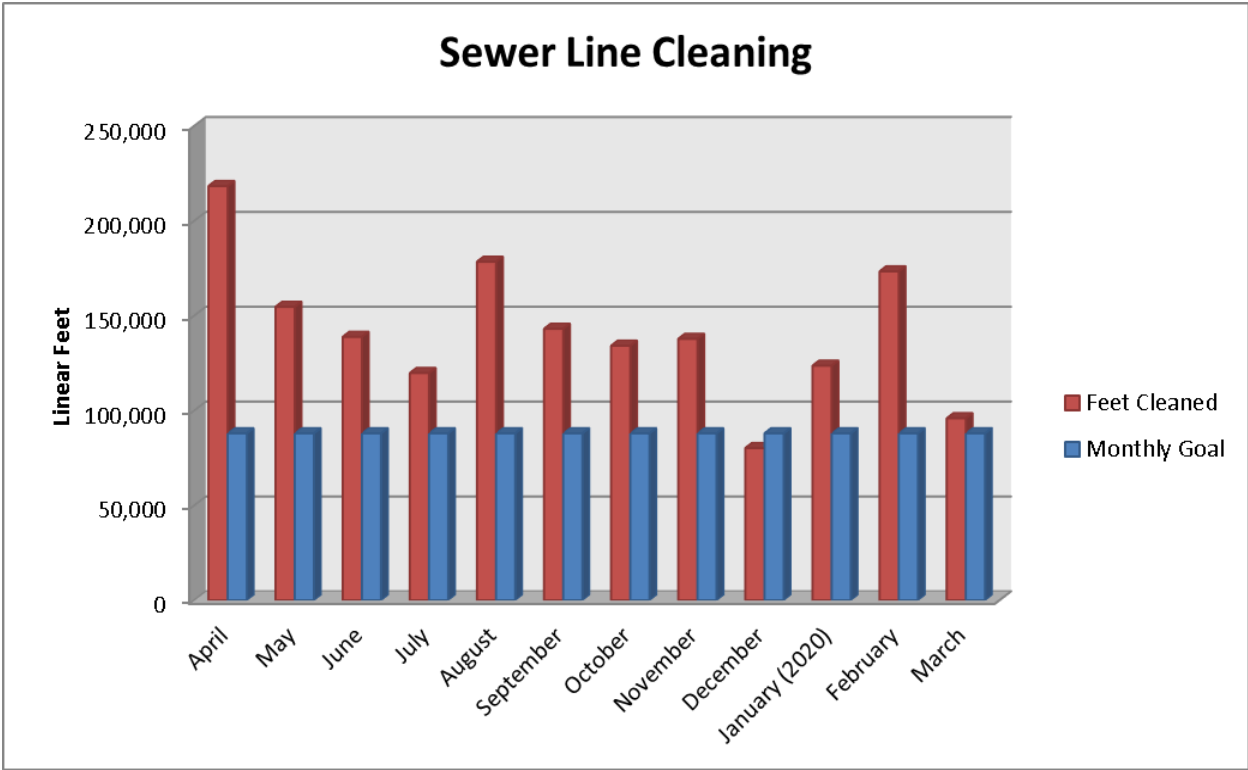
Quarterly O&M Metrics Report



CCTV Sewer Line Inspection Totals in Feet
 Total for Calendar Year 2020 = 60,912 ft.
 (Goal is to inspect at least 180,000 feet of gravity lines per calendar year)

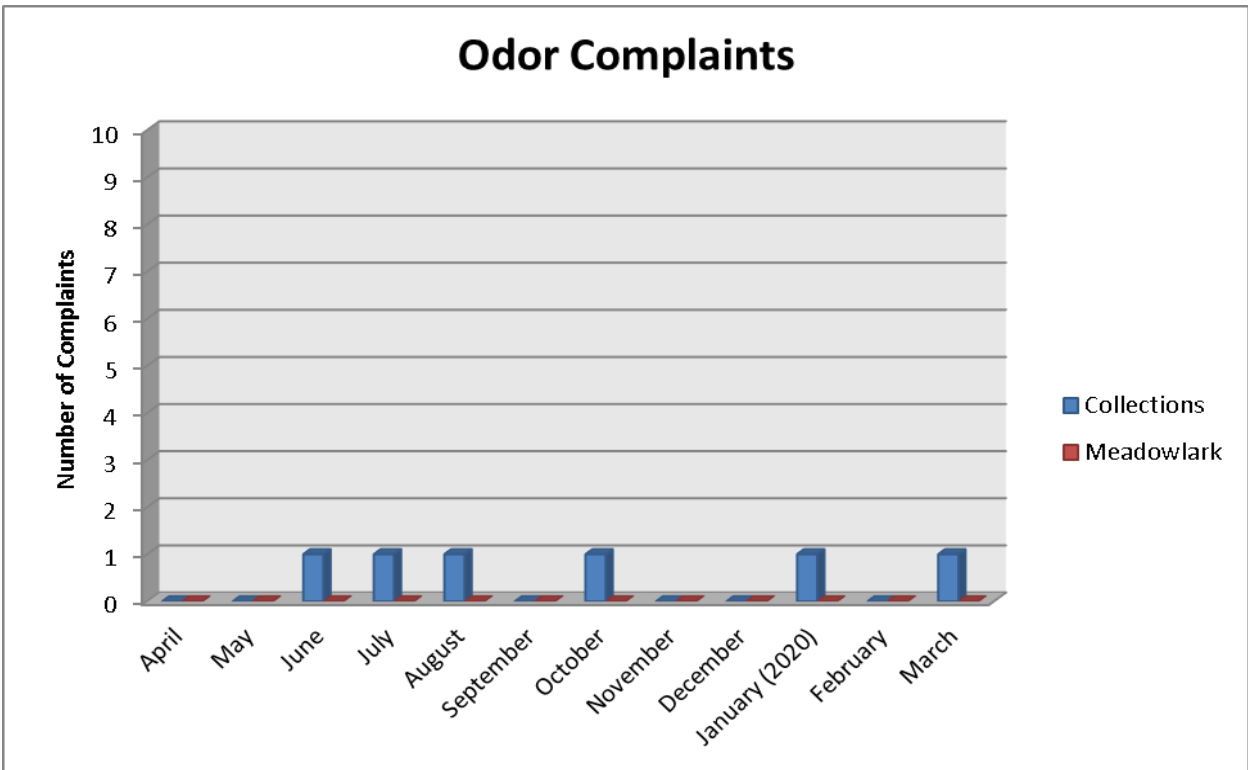


Smoke Testing of Sewer Lines in Feet
 (Goal is to smoke test three areas per calendar year based on suspected I&I)

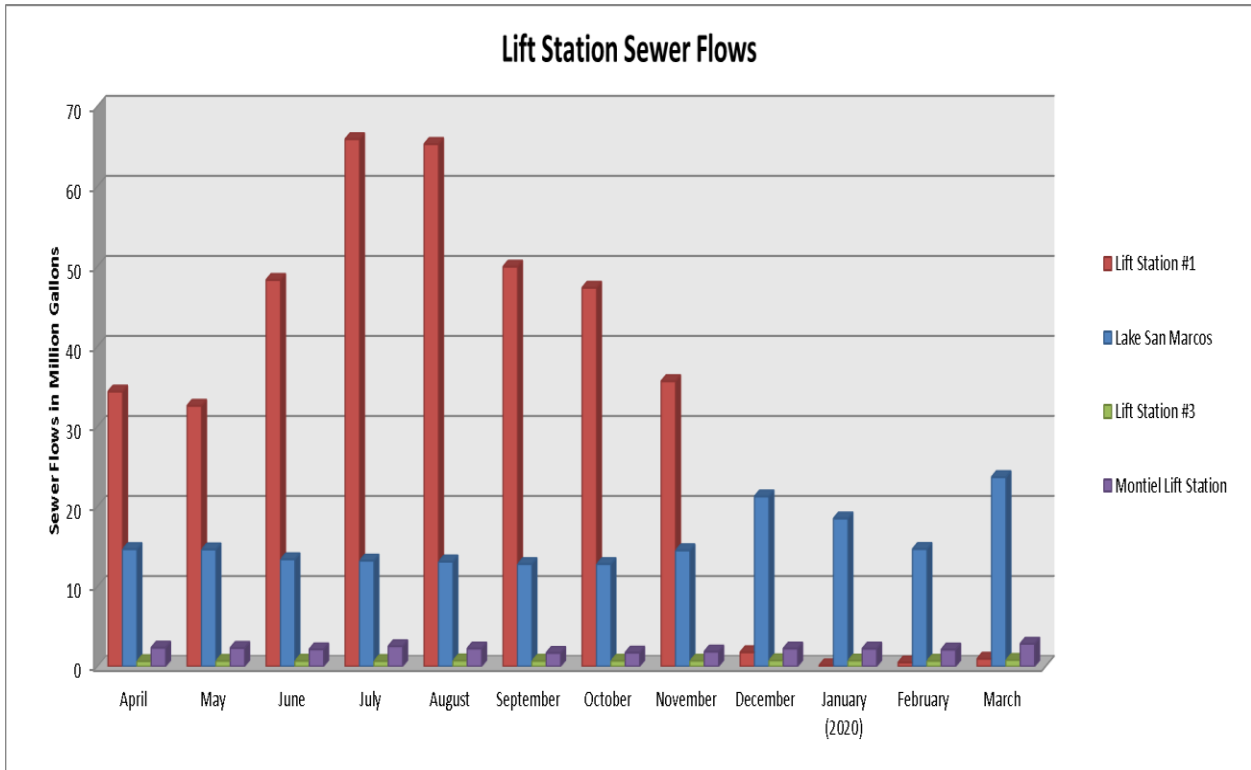


Sewer Line Cleaning Totals in Feet
 Total for Calendar Year 2020 = 392,875 ft.

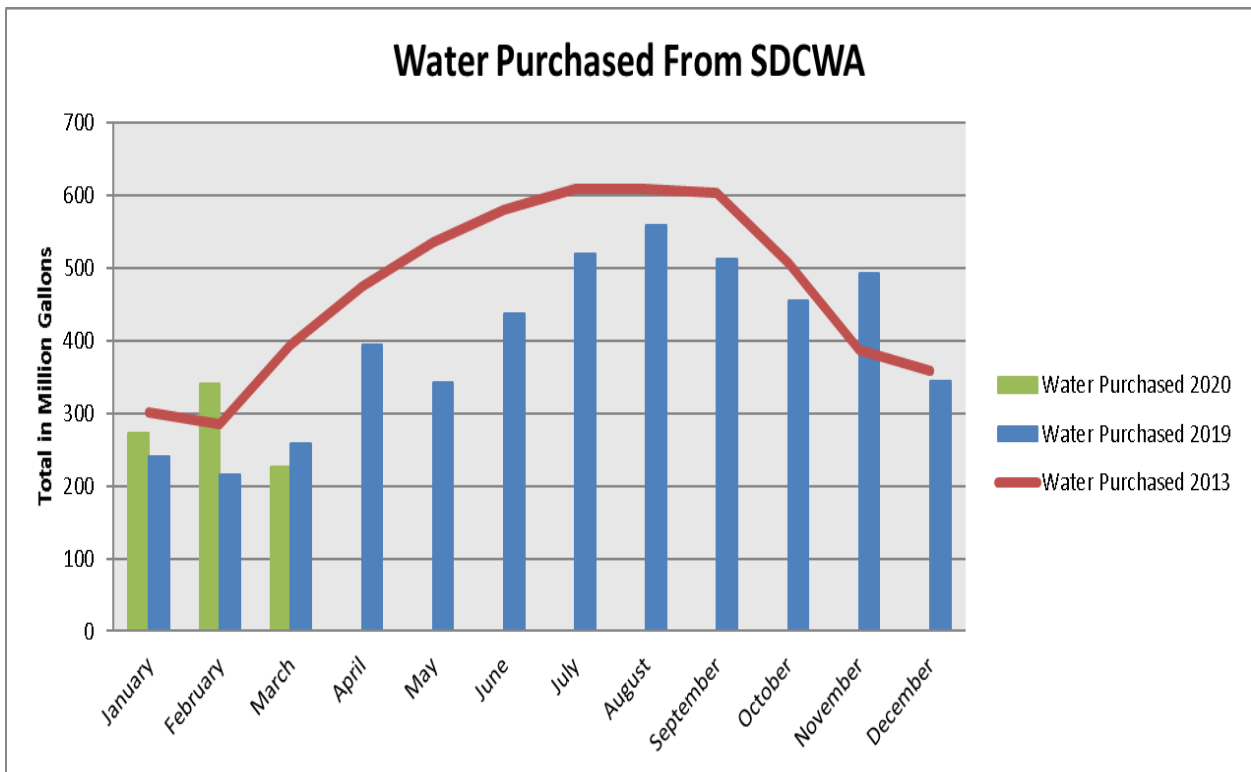
(Goal is to clean 1,000,000 ft. of gravity lines per year and clean the entire system in 15 months or less)



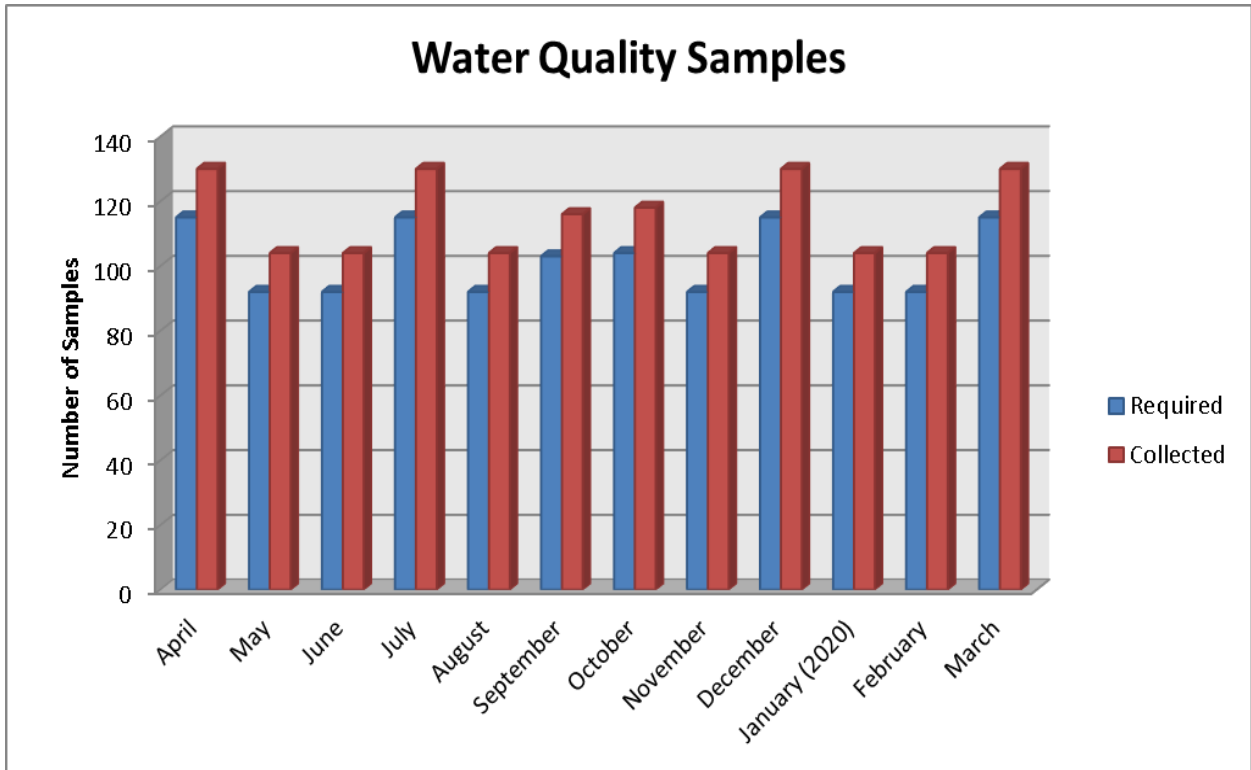
Customer Sewer Odor Complaints



Sewer Flows Pumped from District Lift Stations

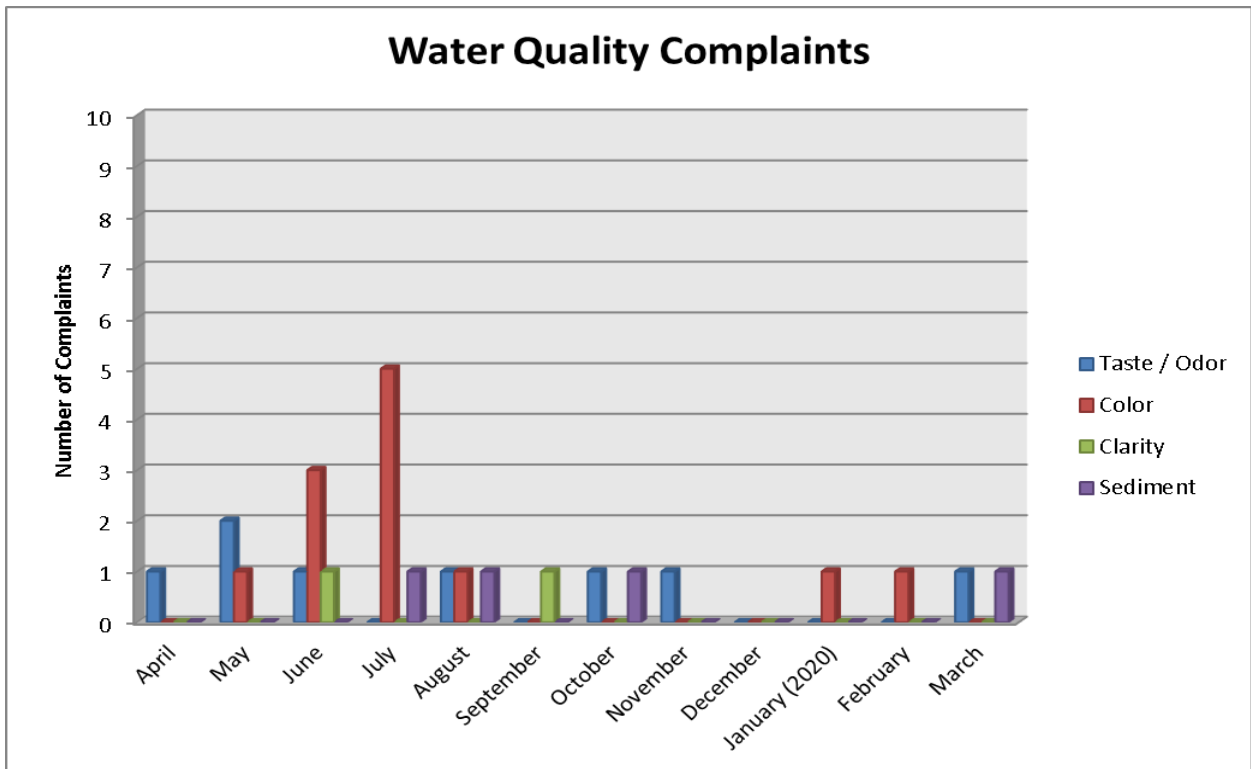


Water Purchased from the San Diego County Water Authority
 Calendar Year 2013 was used by the SWRCB as a baseline for water conservation efforts
 (Includes water from the desalination and OMWD plants)



Bacteriological Water Quality Samples

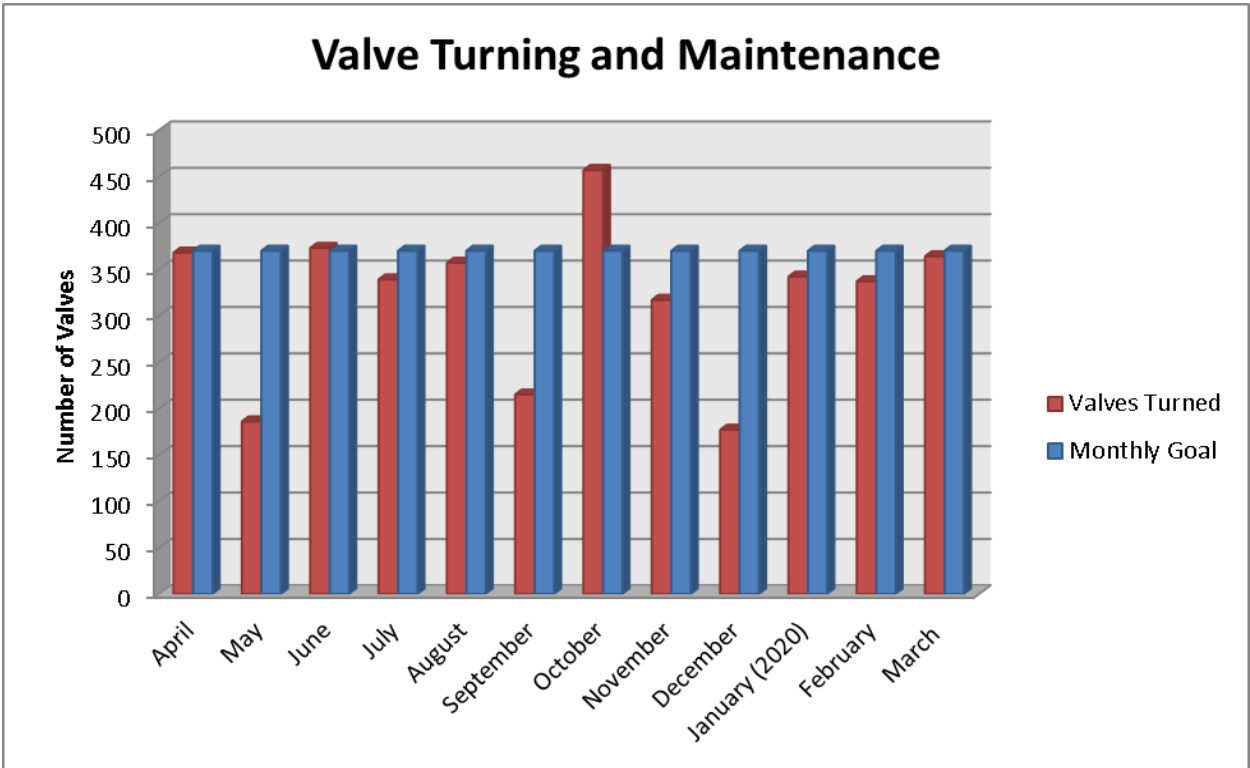
(Number of samples required each month is based on SWRCB regulations & the number of weeks per month)



Customer Water Quality Complaints

(Water quality issues are typically caused by main breaks, construction activities & customers' plumbing)

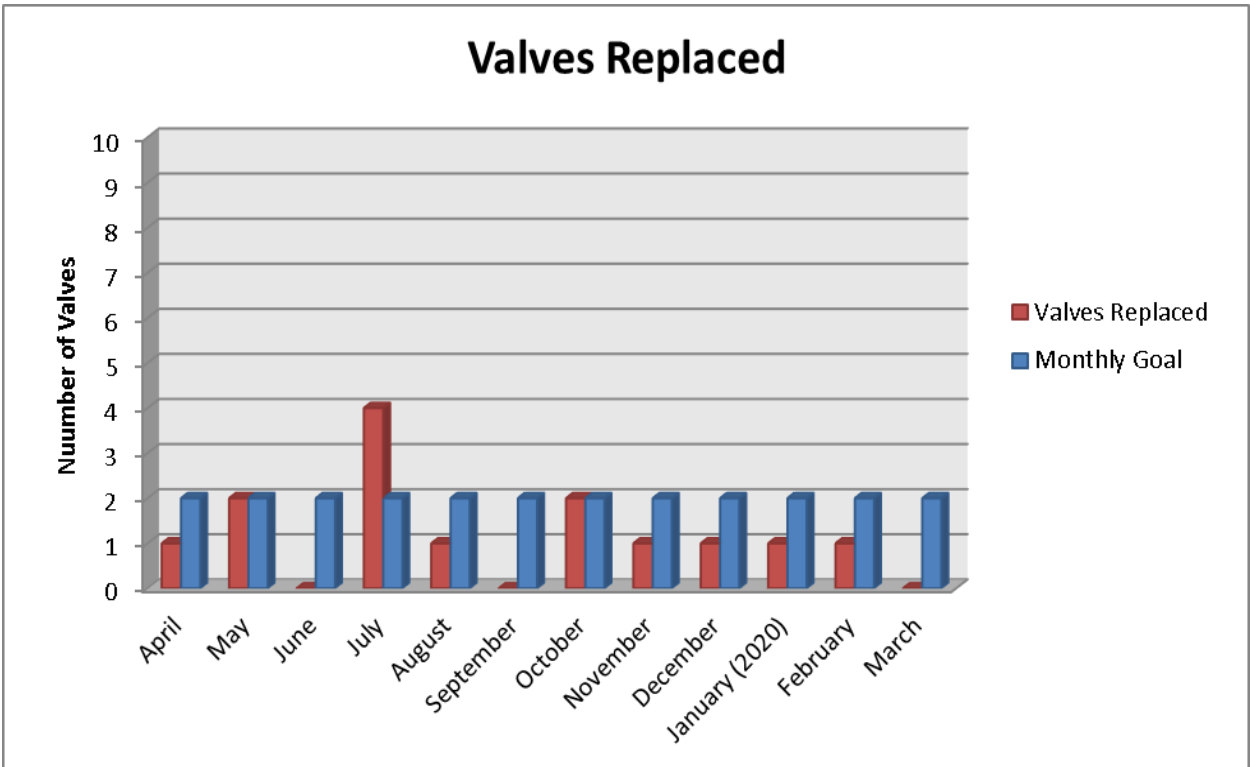
Valve Turning and Maintenance



Water Valves Turned in the Distribution System

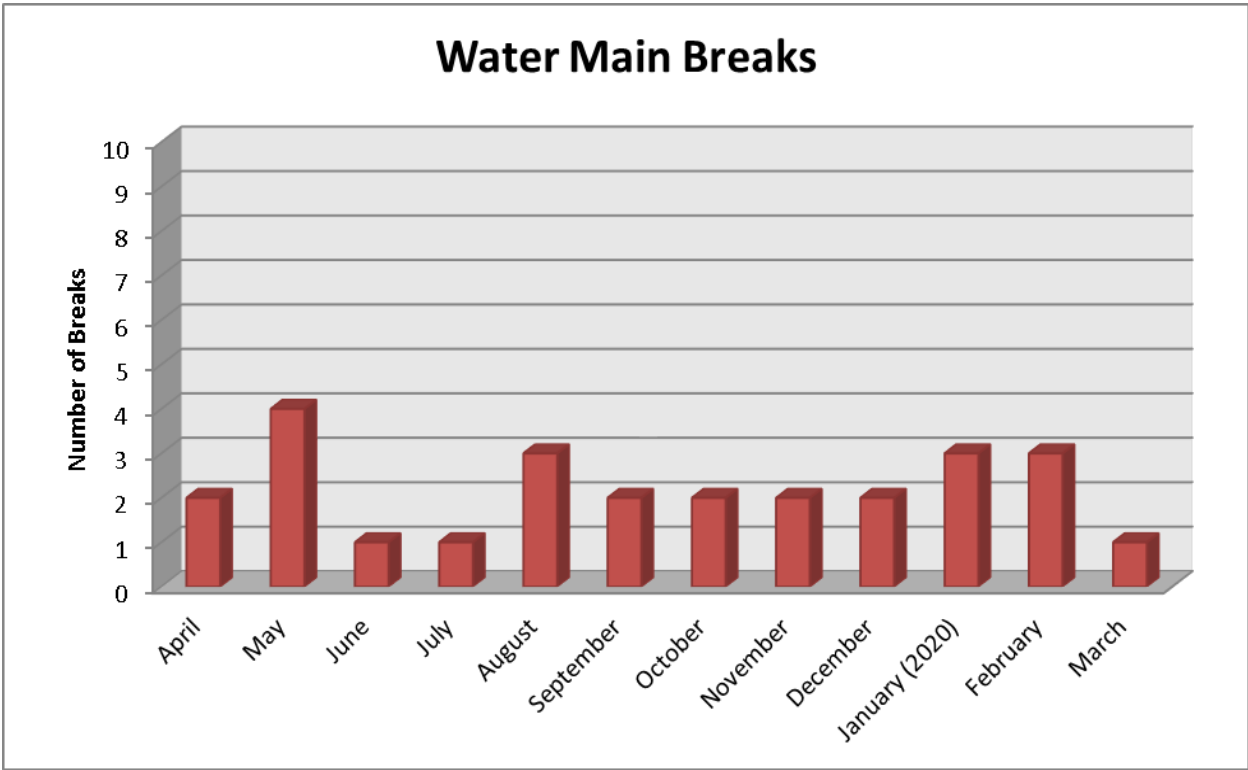
The District has 8,874 valves / 12% of the valves have been turned in Calendar Year 2020
(Goal is to turn 50% of valves every calendar year or about 370/Month)

Valves Replaced

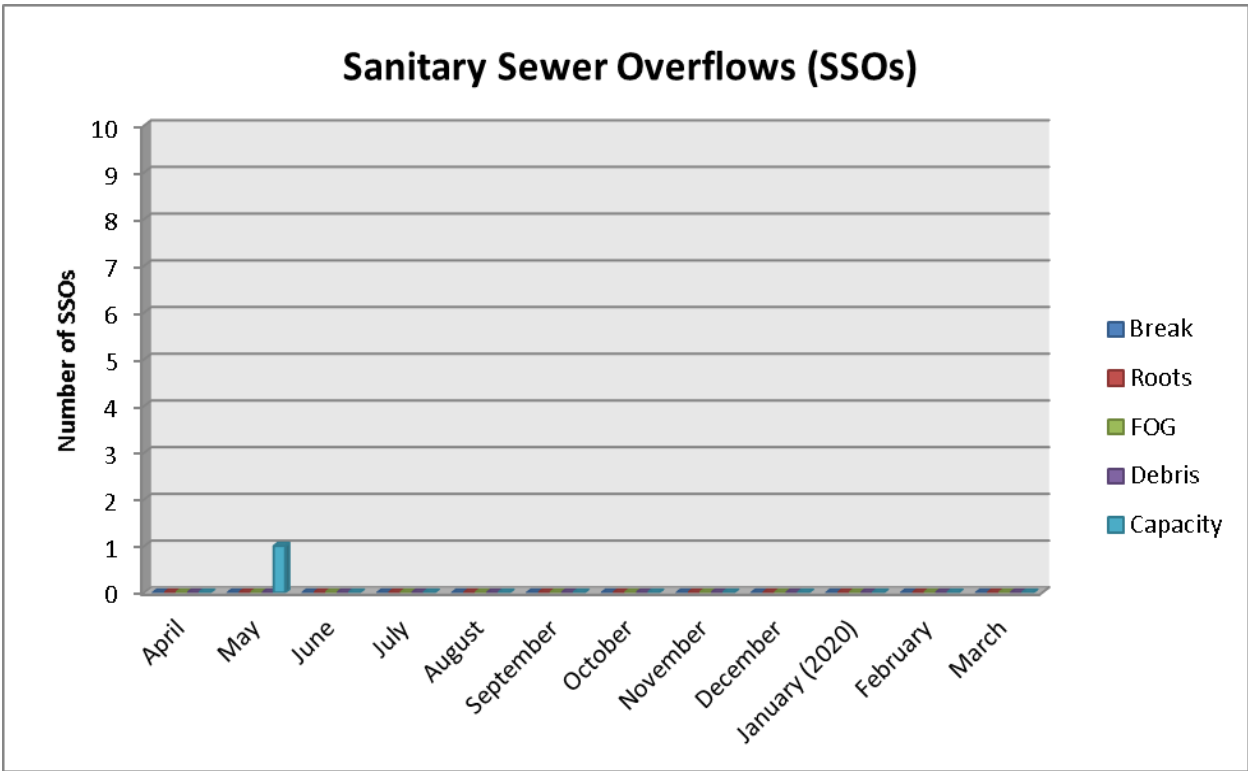


Water Valves Replaced in the Distribution System

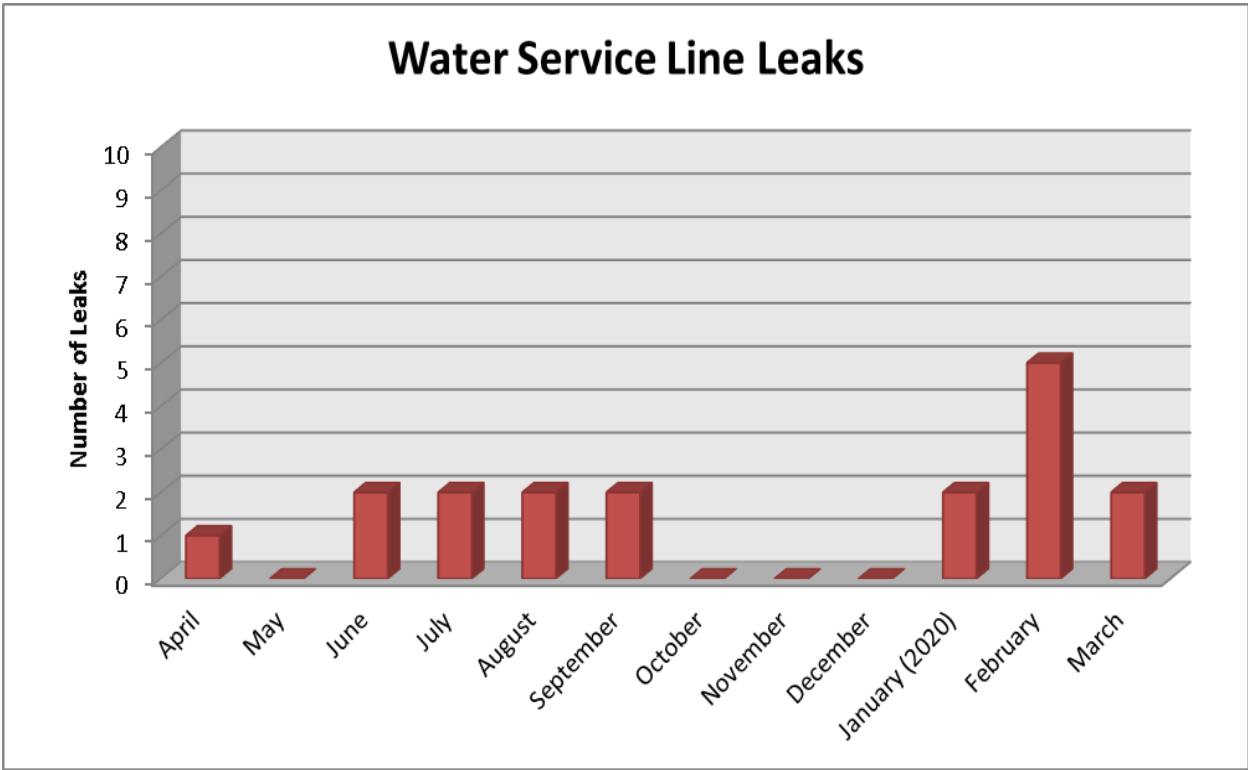
Total replaced so far for Fiscal Year 2019/20 = 11 / There are currently 35 broken valves that need replacing
(Goal is to replace 20 valves every fiscal year or around 2 per month)



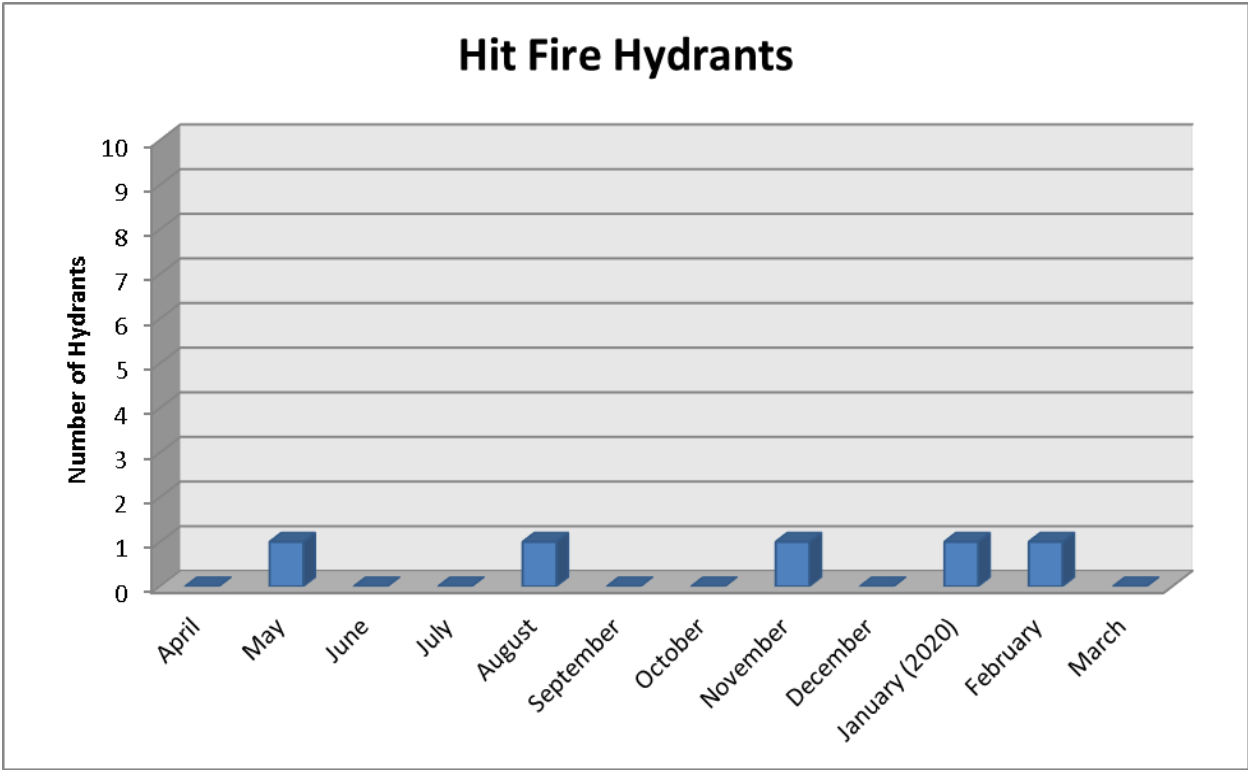
Water Mainline Breaks in the Distribution System
 (There have been 7 water main breaks in calendar year 2020 / There were 23 in 2019)



Sanitary Sewer Overflows (sewer spills and their cause) in the Wastewater Collections System
 (There have been 0 SSOs in calendar year 2020 / There were 2 in 2019)

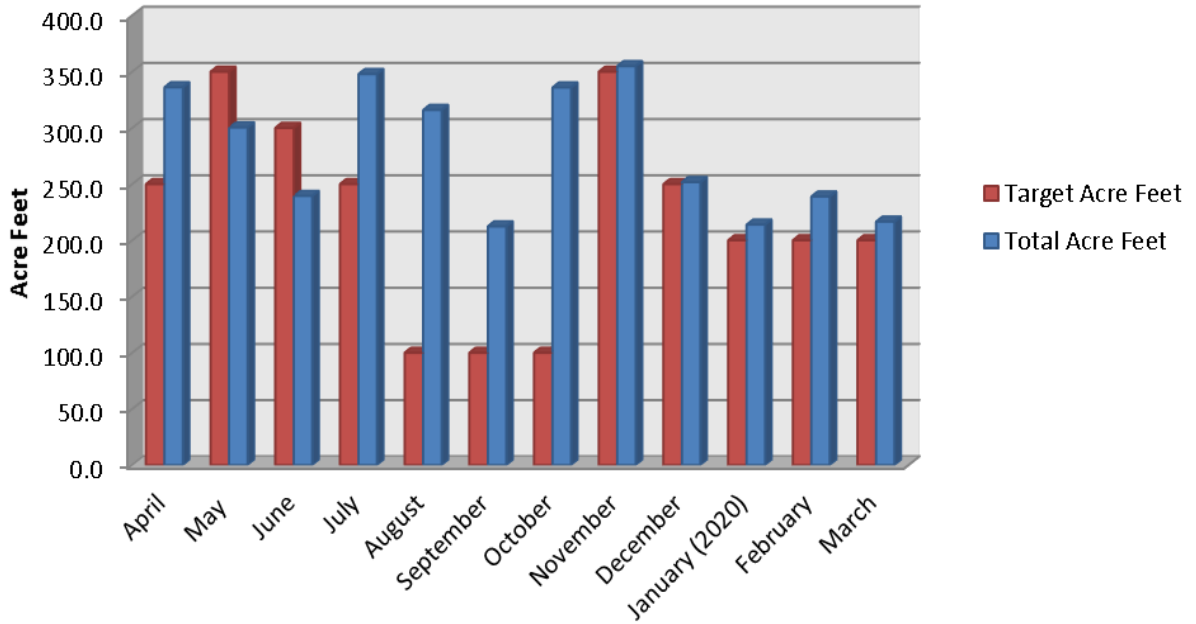


Water Service Line Leaks in the Distribution System
 (There have been 9 water service line leaks in calendar year 2020 / There were 10 in 2019)



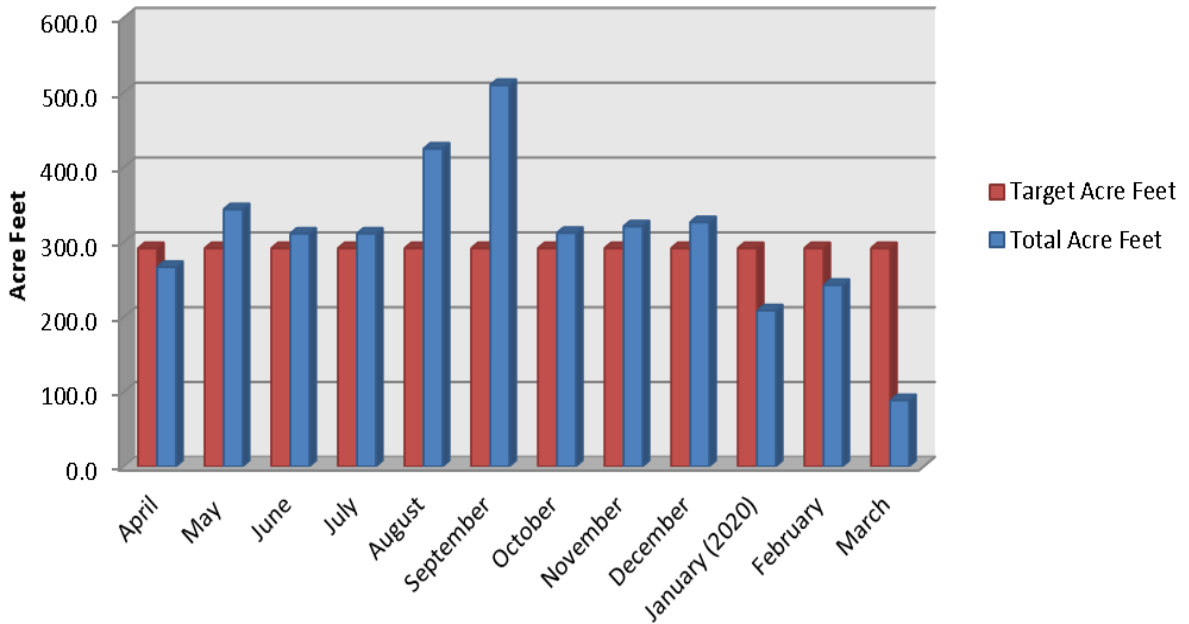
Fire Hydrants Hit in the Distribution System
 (There have been 2 fire hydrants hit in calendar year 2020 / There were 4 in 2019)

San Elijo Pump Station - OMWD Water Purchase



Acre Feet (AF) of Water Purchased from Olivenhain MWD – San Elijo Pump Station
 Our annual minimum take from OMWD is 2,750 AF / We have purchased 670 AF in CY 2020
 (The monthly Target Acre Feet varies throughout the year based on the agreement with OMWD)

Desalination Plant Water Purchase



Acre Feet (AF) of Water Purchased from the Carlsbad Desalination Plant
 Our annual minimum take from Desal is 3,500 AF / We have purchased 540 AF in CY 2020
 (Our monthly Target Acre Feet is based on our purchase agreement with SDCWA)

DATE: APRIL 15, 2020
TO: BOARD OF DIRECTORS
SUBJECT: APPROVAL OF CONSTRUCTION AGREEMENT FOR GREENS STORAGE ESCONDIDO – APNS: 187-170-62, 187-170-63 & 187-100-36

BACKGROUND:

Greens Escondido, LLC, owner of the project, has completed the plan check process with the District. The project is located on North Center City Parkway at the I-15 crossing. The owner proposes to build a commercial storage facility with a caretaker suite.

DISCUSSION:

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

The project will construct approximately 773 feet of 8-inch diameter PVC water main.

Upon completion of the water facilities, water service will be available to a commercial storage facility with a caretaker suite.

All engineering fees and inspection deposits have been paid prior to Board approval of the Construction Agreement. Estimated Water Capital Facility Fees of \$55,838 are due and payable prior to issuance of the final building inspection and/or utility release per Resolution No. 1441.

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

Labor and Materials	\$140,332
Faithful Performance	\$140,332

FISCAL IMPACT:

None. Future water revenues will offset costs of service.

RECOMMENDATION:

Approve the construction agreement for the Greens Storage Escondido project improvements.

ATTACHMENTS:

2 Map Exhibits – 1 Plat & 1 Aerial
Construction Agreement

APPROVAL OF CONSTRUCTION AGREEMENT FOR GREENS STORAGE ESCONDIDO APN 187-170-62, 187-170-63 & 187-100-36 (GREENS STORAGE ESCONDIDO, LLC)

EXIST. 8" WATER MAIN

187-100-36

I-15

187-170-62

PROPOSED 8" WATER MAIN

JESMOND DENE RD

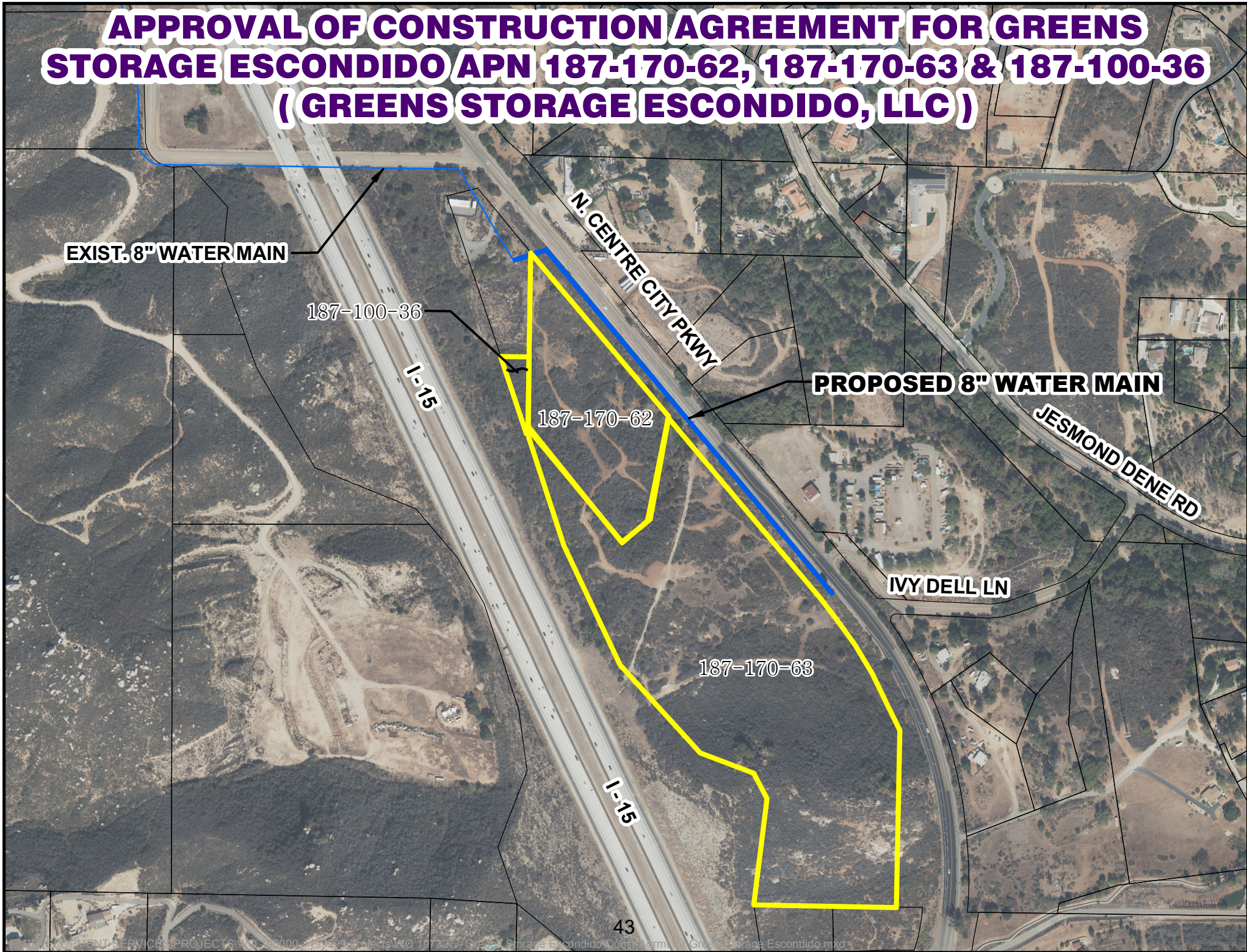
IVY DELL LN

187-170-63

I-15

42

APPROVAL OF CONSTRUCTION AGREEMENT FOR GREENS STORAGE ESCONDIDO APN 187-170-62, 187-170-63 & 187-100-36 (GREENS STORAGE ESCONDIDO, LLC)



**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 **GREENS ESCONDIDO, LLC** (“DEVELOPER”), a California **Corporation**.

RECITALS

1. DEVELOPER desires to improve certain real property which lies within the boundaries of the DISTRICT consisting of approximately **31.7** acres commonly described as Tax Assessor’s Parcel Nos. **187-170-62, 187-170-63 & 187-100-36** (“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 **CIVIL LANDWORKS** and are identified as **GREENS STORAGE ESCONDIDO**. 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 April 15, 2022. 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-erectments, 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 \$ **140,332.00** 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 \$ 13,838.00 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 has been advised and understands that this Agreement has been prepared by The Law Offices of Jeffrey G. Scott, general counsel, who represents only the DISTRICT. 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 Prum, Secretary
Board of Directors
Vallecitos Water District

Dated: _____

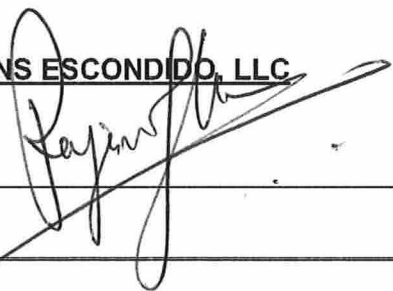
"DEVELOPER"

Name: **RAJESH J. KADAKIA**

Title: **MANAGER**

Company: **GREENS ESCONDIDO, LLC**

Signature*: _____



Dated: **04/01/2020**

*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.

CALIFORNIA ALL- PURPOSE CERTIFICATE OF 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 ORANGE }

On 04/01/2020 before me, SAHIL P. DESAI, NOTARY PUBLIC
(Here insert name and title of the officer)

personally appeared RAJESH J. KADAKIA-----
 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.

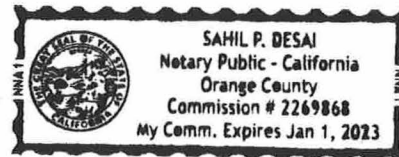
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Notary Public Signature

(Notary Public Seal)



ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

AGREEMENT FOR CONSTRUCTION OF

(Title or description of attached document)

FACILITIES TO BE DEDICATED TO VWD

(Title or description of attached document continued)

Number of Pages 13 Document Date _____

CAPACITY CLAIMED BY THE SIGNER

- Individual (s)
- Corporate Officer

(Title)

- Partner(s)
- Attorney-in-Fact
- Trustee(s)
- Other _____

INSTRUCTIONS FOR COMPLETING THIS FORM

This form complies with current California statutes regarding notary wording and, if needed, should be completed and attached to the document. Acknowledgments from other states may be completed for documents being sent to that state so long as the wording does not require the California notary to violate California notary law.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he/she/they~~, is /are) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
 - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
 - ❖ Indicate title or type of attached document, number of pages and date.
 - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document with a staple.

DATE: APRIL 15, 2020
TO: BOARD OF DIRECTORS
SUBJECT: ADOPTION OF RESOLUTION RECOGNIZING THE ANNEXATION INTO THE VALLECITOS WATER DISTRICT OF CERTAIN PROPERTY DESIGNATED AS THE “DE MARIA ANNEXATION”, APN 219-062-27, AND ORDERING ANNEXATION INTO SEWER IMPROVEMENT DISTRICTS 1, 2 & 6 (JOHN DE MARIA)

BACKGROUND:

The 0.6 acre De Maria property is a single-family residential lot located at 671 Las Flores Drive, north of Linda Vista Drive in San Marcos. The property is currently outside of the VWD Sphere of Influence and not within either the water or sewer service boundaries of the District. The property is currently located within the Vista Irrigation District (VID).

DISCUSSION:

John De Maria requested annexation into the District’s water and sewer service areas in August 2019. The conditions for annexation into the District’s water and sewer service area were approved at the August 21, 2019 Board of Directors meeting. An application was made to LAFCO in December 2019. LAFCO conditionally approved the application on Jan 7, 2020.

The property owner has paid \$2,828.40 in water annexation fees and \$5,298.60 in sewer annexation fees in accordance with District Ordinance No. 200. They have also paid \$300 in State Board of Equalization fees per the conditions of annexation listed in the August 21, 2019 staff report. The property is also required to detach from Vista Irrigation District.

A sewer main extension will be the responsibility of the owner and will be covered under a separate construction agreement. The property owner will have the choice to either extend a VWD water main to the property or apply for an Exchange Agreement where VID will serve the property on behalf of VWD.

FISCAL IMPACT:

The owner will pay \$7,896 in Water Capital Facility Fees and \$12,986 in Wastewater Capital Facility fees prior to occupancy per District Ordinance No. 175 and Resolution No. 1441. Capital Facility Fees must be paid at the rate in effect at the time of payment.

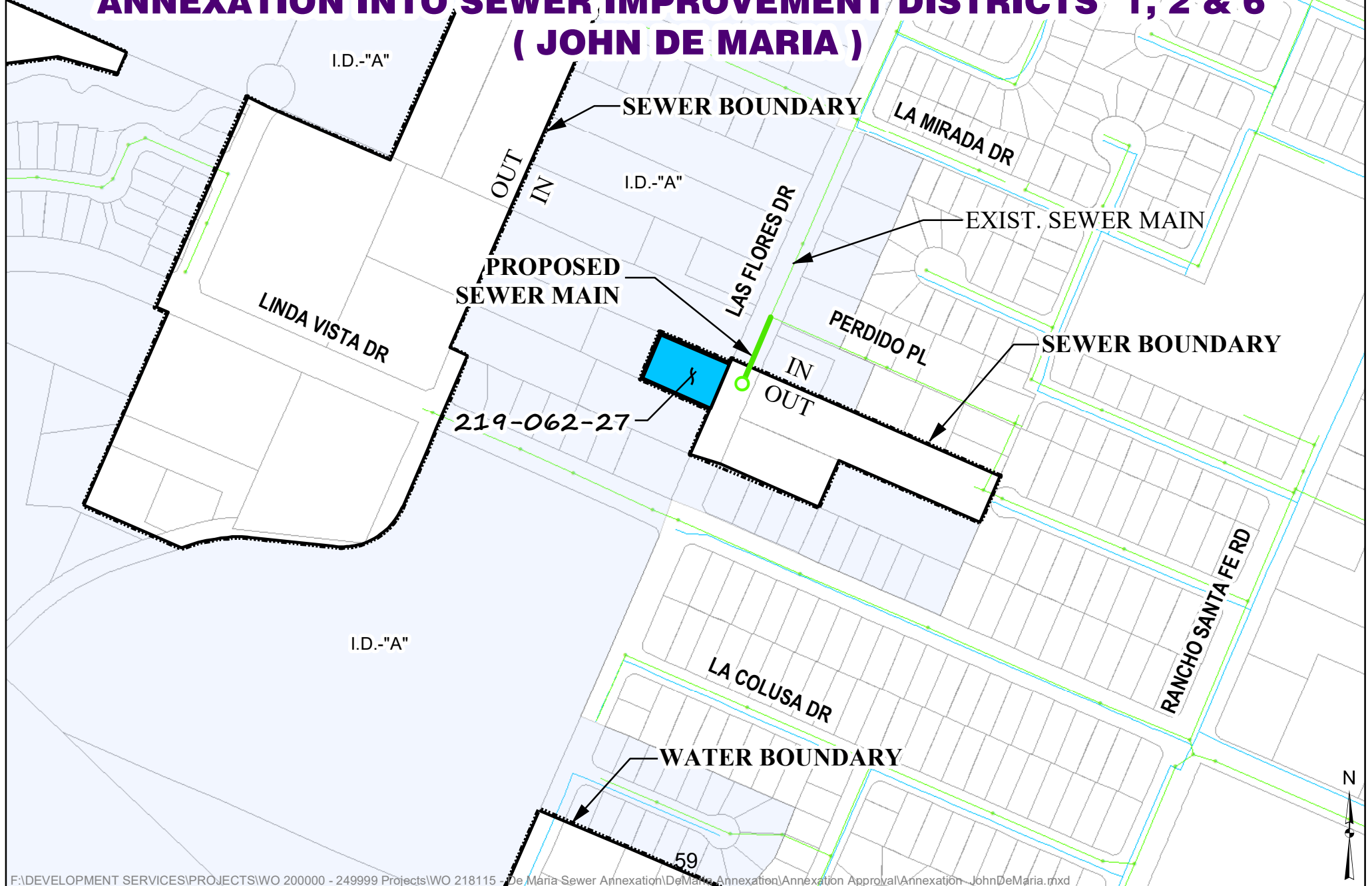
RECOMMENDATION:

Adopt the resolution recognizing the annexation of APN 219-062-27 into the Vallecitos Water District and ordering the annexation into Sewer Improvement Districts 1, 2 & 6.

ATTACHMENTS:

2 Map Exhibits: 1-Plat & 1-Aerial
Resolution Recognizing the Annexation of APN 219-062-27 into the Vallecitos Water District and Ordering the Annexation into Sewer Improvement Districts 1, 2 & 6.

ADOPTION OF RESOLUTION RECOGNIZING THE ANNEXATION INTO THE VALLECITOS WATER DISTRICT OF CERTAIN PROPERTY DESIGNATED AS THE "DE MARIA ANNEXATION", APN 219-062-27 AND ORDERING ANNEXATION INTO SEWER IMPROVEMENT DISTRICTS "1, 2 & 6" (JOHN DE MARIA)



RESOLUTION NO.

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
VALLECITOS WATER DISTRICT RECOGNIZING THE ANNEXATION
INTO THE VALLECITOS WATER DISTRICT OF CERTAIN PROPERTY DESIGNATED AS
THE “DE MARIA WATER AND SEWER ANNEXATION,” APN 219-062-27 AND ORDERING
ANNEXATION INTO SEWER IMPROVEMENT
DISTRICTS 1, 2 & 6**

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

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

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

Section 1.2: That the owners of the land described in this resolution, consisting of approximately 1.59 acres, and also referred to as APN 219-062-27, have given their written consent to the annexation of said lands to the Sewer Improvement Districts hereinafter designated and have, in writing, requested the annexation of said lands to said Sewer Improvement Districts.

Section 1.3: That the owners of the land described in this resolution have advanced to the Secretary of the Vallecitos Water District the costs of this annexation, including, but not limited to, advertising, engineering and attorney’s fees.

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

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

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

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

Section 1.8: For annexations into the Sewer Improvement District, the Board requires as a condition of the annexation that the property also be annexed into the Vallecitos Water District.

Section 1.9: That the San Diego Local Agency Formation Commission has approved the proposed annexation to Vallecitos Water District and detachment from Vista Irrigation District as the "Las Flores Drive Change of Organization" per Certificate of Filing LAFCO File No. CO19-12.

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

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

Section 3.1: Payment by petitioners of the sum of \$4,714.00 per acre or fraction thereof for annexation of the territory into the Vallecitos Water District and \$8,831.00 per acre or fraction thereof for annexation of the territory into Sewer Improvement Districts 1, 2 & 6 (together not individually) for the use or right of use of the existing property in the Improvement Districts.

Section 3.2: Payment by the petitioners of the sum of \$1,000.00 to cover costs of annexation, which includes attorney fees, publication, filing fees and miscellaneous costs of annexation.

Section 3.3: The lands annexed to an Vallecitos Water District and Sewer Improvement Districts 1, 2 & 6 shall be subject to existing bond issues and indebtedness of the Improvement District from and after the filing with the San Diego County Assessor of a certified copy of this resolution as set forth in Section 32553 of the Water Code of the State of California.

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

PASSED AND ADOPTED by the Board of Directors of the Vallecitos Water District at a regular meeting held on this 15th day of April, 2020, by the following roll call vote:

AYES:
NOES:
ABSTAIN:
ABSENT

Betty D. Evans, President
Board of Directors
Vallecitos Water District

ATTEST:

Glenn Pruijm, Secretary
Board of Directors
Vallecitos Water District

EXHIBIT "A"
1 OF 2

**LAS FLORES DRIVE CHANGE IN ORGANIZATION
ANNEXATION TO VALLECITOS WATER DISTRICT
LAFCO REFERENCE NO. C019-12**

GEOGRAPHIC DESCRIPTION

All that certain property, situated in a portion of Rancho Los Vallecitos De San Marcos, in the City of San Marcos, County of San Diego, State of California, more particularly described as follows:

Beginning at the centerline intersection of Linda Vista Drive and Las Flores Drive, Las Flores Drive being 80 feet wide;

Thence, (1) North 22°08'43" East 305.06 feet along the centerline of Las Flores Drive to the **True Point of Beginning**.

Thence leaving said centerline (2) North 67°56'27" West 40.00 feet to a point on the westerly right of way of Las Flores Drive and on the existing Vallecitos Water District Boundary;

Thence leaving said right of way and along said boundary, (3) North 67°56'27" West 195.00 feet;

Thence continuing along said boundary, (4) North 22°08'43" East 132.47 feet;

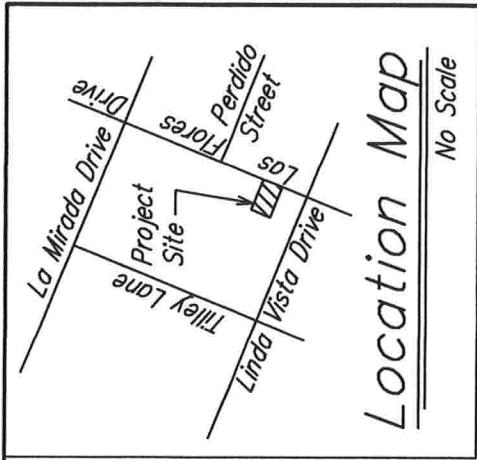
Thence continuing along said boundary, (5) South 67°55'58" East 195.00 feet to a point on the westerly right of way of Las Flores Drive;

Thence continuing along said boundary and leaving said right of way, (6) South 67°55'58" East 40.00 feet to the centerline of Las Flores Drive;

Thence leaving said boundary and along said centerline, (7) South 22°08'43" West 132.43 feet to the **True Point of Beginning**, containing 0.715 acres of land more or less.

For assessment purposes only. This description of land is not a legal property description as defined in the Subdivision Map Act and may not be used as the basis for an offer for sale of the land described.

LAS FLORES DRIVE CHANGE IN ORGANIZATION



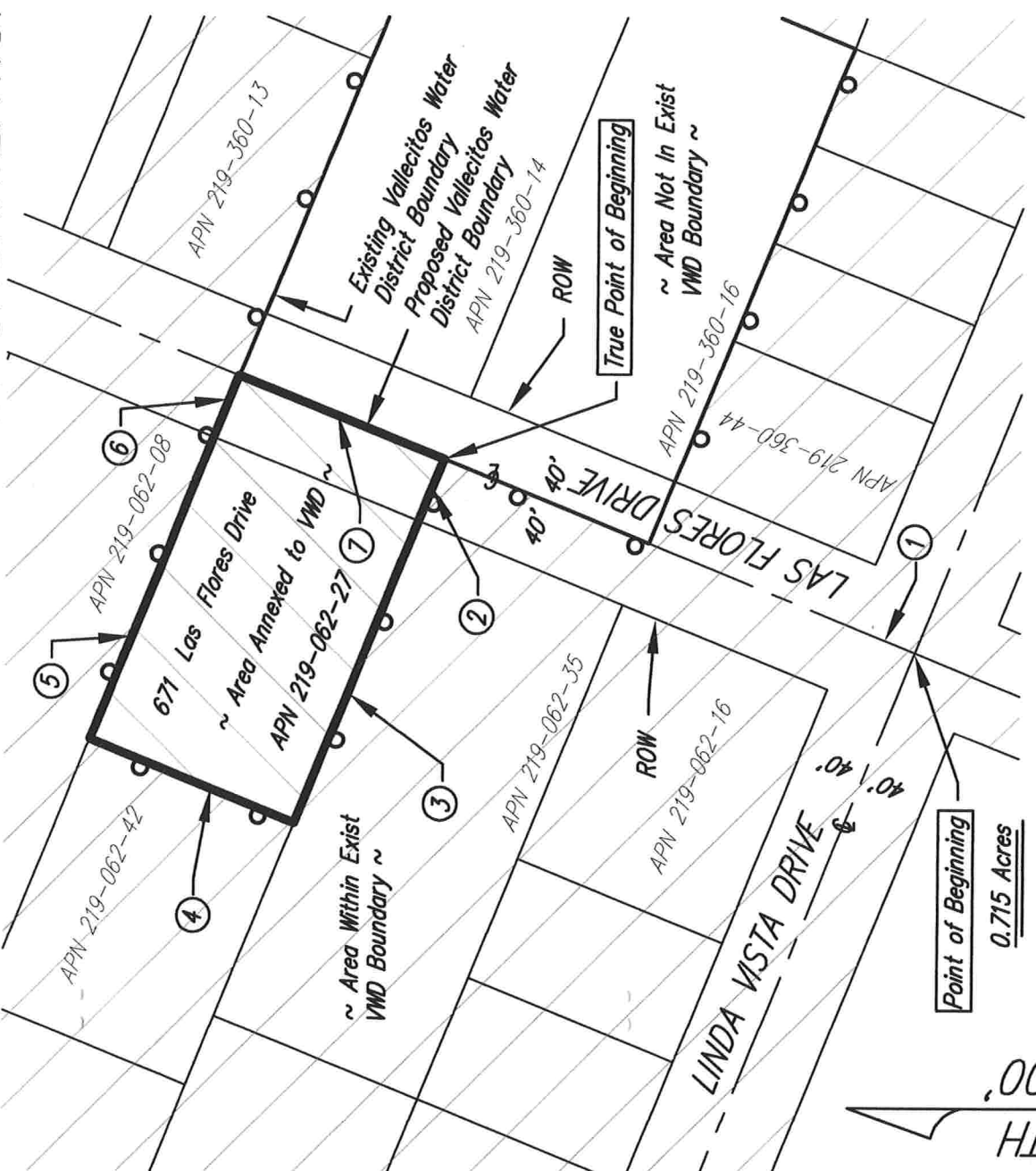
Disclaimer:
"For assessment purposes only. This description of land is not a legal property description as defined in the Subdivision Map Act and may not be used as the basis for an offer for sale of the land described."

SEGMENT INFORMATION	
ID #	BEARING
①	N22°08'43"E
②	N67°56'27"W
③	N67°56'27"W
④	N22°08'43"E
⑤	S67°55'58"E
⑥	S67°55'58"E
⑦	S22°08'43"W

APN: 219-062-27 LAFCO REFERENCE NO. C019-12 ACREAGE: 0.715 DATE: 2/5/2020 SCALE: 1"=100'
 Pacific Overland Engineering & Surveying
 635 Via Columbia (760) 385-8410
 Vista, CA 92081 John@PacificOverland.com

NOTE: Bearings and Distances based on Record of Survey 116889

Being a portion of Rancho Los Vallecitos De San Marcos in San Diego County



NORTH
1"=100'

Point of Beginning
0.715 Acres

DATE: APRIL 15, 2020
TO: BOARD OF DIRECTORS
SUBJECT: SAN DIEGO REGIONAL WATER QUALITY CONTROL BOARD
ADMINISTRATIVE CIVIL LIABILITY SETTLEMENT

BACKGROUND:

On February 20, 2020, the District received a letter from the California Regional Water Quality Control Board, San Diego Region (RWQCB). The letter offered a settlement for an alleged violation from a Sanitary Sewer Overflow (SSO) that occurred on February 28, 2017. The District chose to agree to the settlement offer rather than contest the alleged violation or reject the offer. A brief summary of the rationale behind the decision and overview of the conditions related to the February 2017 SSO are provided in the Discussion section below.

DISCUSSION:

During a heavy rain event on February 27, 2017, excessive flows from the Land Outfall Pipeline pressurized the District's 16-inch Techite Bypass Sewer Pipeline. The resulting pipe break occurred during the morning of February 28, 2017 near Carillo Way and Melrose Drive, Carlsbad, California. Upon investigation, it was determined that during construction in 1968, the original pipe bedding was improperly installed. The break in the Bypass Pipeline was repaired and repair work was accepted by the District's Board of Directors sixteen days after the SSO, on March 15, 2017.

On April 8, 2019, the RWQCB issued a Notice of Violation (R9-2019-0110) and an Investigative Order (R9-2019-0111) related to two 2019 SSOs that occurred during heavy rainstorms. The RWQCB made several requests for additional information between April 2019 and February 2020 and determined that the Administrative Civil Liability was related to a February 2017 SSO. District staff responded to all information requests from the Regional Board and cooperated in the investigation. While District staff do not agree with this finding, it has been determined that there is less financial risk to the District by paying the offered settlement rather than contesting the alleged violation and risking a fine of up to approximately \$1,000,000.

District staff responded to the Regional Board's Settlement Offer on March 23, 2020, accepting the terms of the Settlement. The Regional Board has posted the acceptance on their website for the required 30-day public notice period. At the conclusion of the public notice period, the Regional Board's Executive Officer will make the final determination regarding this matter. If the Executive Officer approves the settlement, the District will have 30 days from that approval date to submit payment.

FISCAL IMPACT:

The Administrative Civil Liability penalty, as presented in the Settlement Offer, is for \$66,335. This amount includes a 10% reduction offered by the Regional Board, should the District accept the Settlement Offer.

RECOMMENDATION:

Staff recommends the Board authorize the General Manager to pay the administrative civil liability in the sum of \$66,335 to the “State Water Resources Control Board Cleanup and Abatement Fund.” This payment shall be deemed payment in full of the civil liability pursuant to Water Code section 13385 addressed for the alleged violation described in the Settlement Offer and its enclosures (attached).

Attachment 1: Acceptance of Settlement Offer and Waiver of Right to a Hearing, Order R9-2020-0009 for Vallecitos Water District, Meadowlark Collection System, February 28, 2017 Sanitary Sewer Overflow

ATTACHMENT 1

ACCEPTANCE OF SETTLEMENT OFFER AND WAIVER OF RIGHT TO A HEARING

ORDER R9-2020-0009

**FOR
VALLECITOS WATER DISTRICT
MEADOWLARK COLLECTION SYSTEM**

FEBRUARY 28, 2017 SANITARY SEWER OVERFLOW

By signing below and returning this *Acceptance of Settlement Offer and Waiver of Right to Hearing, Order No. R9-2020-0009 (Acceptance and Waiver)* to the California Regional Water Quality Control Board, San Diego Region (San Diego Water Board), **Vallecitos Water District** (hereinafter District) hereby accepts the Settlement Offer described in the letter dated February 20, 2020 and titled *Offer R9-2020-0009 to Settle Administrative Civil Liability for a Violation Resulting from February 28, 2017 Sanitary Sewer Overflow from the Vallecitos Water District Meadowlark Collection System*. The District also hereby waives the right to a hearing before the San Diego Water Board to dispute the alleged violation described in the Settlement Offer and its enclosures.

The District agrees that the Settlement Offer shall serve as a complaint pursuant to Article 2.5 of the California Water Code and that no separate complaint is required for the San Diego Water Board to assert jurisdiction over the alleged violations. The District agrees to perform the following:

- Pay an administrative civil liability in the sum of **sixty-six thousand three hundred thirty-five dollars (\$66,335)** to the “State Water Resources Control Board Cleanup and Abatement Fund.” This payment shall be deemed payment in full of the civil liability pursuant to Water Code section 13385 addressed for the violation described in the Settlement Offer and its enclosures.
- Fully comply with the requirements of Order No. 2006-0003-DWQ, *Statewide General Waste Discharge Requirements for Sanitary Sewer Systems* and Order R9-2007-0005, *Waste Discharge Requirements for Sewage Collection Agencies in the San Diego Region*.

Upon execution by the District, the *Acceptance and Waiver* shall be returned to the following address:

California Regional Water Quality Control Board, San Diego Region
2375 Northside Drive, Suite 100
San Diego, CA 92108
Attention: CW-631590:cmeans
Email: SanDiego@waterboards.ca.gov

The District understands that prior to the San Diego Water Board or its delegate formally endorsing it, this *Acceptance and Waiver* will be published for at least 30 days for a public comment period.

If no comments are received within the notice period that cause the Prosecution Team to reconsider the Settlement Offer, then the Prosecution Team will present this *Acceptance and Waiver* to the San Diego Water Board's Executive Officer for signature and issuance on behalf of the San Diego Water Board.

The District understands that if significant comments are received in opposition to the settlement, then the offer may be withdrawn by the Prosecution Team. If the Settlement Offer is withdrawn, then the District will be notified and its waiver pursuant to the *Acceptance and Waiver* will also be treated as withdrawn. The unresolved violation may be addressed in a formal enforcement action. An administrative civil liability complaint may be issued and the matter may be set for a hearing.

The District further understands that once the *Acceptance and Waiver* is executed by the San Diego Water Board, or its delegate, payment of the full administrative civil liability is required by the deadline set forth below is a condition of this *Acceptance and Waiver*. In accordance with Water Code section 13385(n), funds collected for the alleged violations shall be deposited in the State Water Pollution Cleanup and Abatement Account. Accordingly, the liability shall be paid by a cashier's or certified check for \$66,335 made out to the "State Water Pollution Cleanup and Abatement Account." Please write the Settlement Order Number (R9-2020-0009) on the check.

Payment must be submitted to the State Water Resources Control Board, Accounting Office, Attn: ACL Payment, P.O. Box 1888, Sacramento, CA 95812-1888, no later than thirty (30) calendar days after the San Diego Water Board, or its delegate, has executed this *Acceptance and Waiver*. A redacted copy of the check must also be received by the San Diego Water Board at 2375 Northside Drive, Suite 100, San Diego, CA 92108 within thirty (30) days of approval via U.S: Postal Service or e-mail to SanDiego@waterboards.ca.gov, attention CW-631590:cmeans.

I hereby affirm that I am duly authorized to act on behalf of and to bind the District in the making and giving of this **Acceptance of Settlement Offer and Waiver of Right to a Hearing Order R9-2020-0009**.

By: GLENN PRUIM 

Title: GENERAL MANAGER

Date: MARCH 19, 2020

IT IS SO ORDERED, pursuant to Water Code section 13385.

By: _____
David W. Gibson, Executive Officer, San Diego Water Board

Date: _____

DATE: APRIL 15, 2020
TO: BOARD OF DIRECTORS
SUBJECT: ACCEPTANCE OF PALOS VISTA PUMP STATION ELECTRIC GENERATOR

BACKGROUND:

Palos Vista Pump Station lifts water from the Richland Tanks to the Palos Vista Tank which supplies water to the Emerald Heights community. The pump station did not have a permanent generator for emergency power. To ensure reliability to the Emerald Heights community, an onsite permanent generator with associated equipment pad and electrical improvements were installed that meets all current Air Pollution Control District (APCD) and California Air Quality Resource Board (CARB) rules.

Moraes/Pham Associates prepared the electrical design and electrical specifications. Nolte Vertical 5 prepared the recommendation for the equipment pad. District staff prepared Civil Design, specification, and bid packages and self-performed construction management and inspection services. Christian Wheeler conducted geotechnical and material testing and inspection

DISCUSSION:

District staff received and opened bids from 3 contractors, Bergelectric was the lowest apparent responsive bidder. The Board awarded the contract to Bergelectric for \$180,321 on November 7, 2018.

Construction began March 25, 2019 and was completed March 19, 2020. There was one change order in the amount of \$2,530 to add additional alarms in the control board.

FISCAL IMPACT:

The total estimated cost and budget summary are as follows:

Budget	\$	325,000
Construction	\$	180,321
Change Orders	\$	2,530
Electrical Design Consultant (Moraes/Pham)	\$	4,950
Staff & Overhead: Planning and Designing	\$	41,911
Geotechnical Services (Christian Wheeler)	\$	1,760
Staff & Overhead: Construction Phase	\$	45,231
Total	\$	276,703
Budget Surplus	\$	48,297

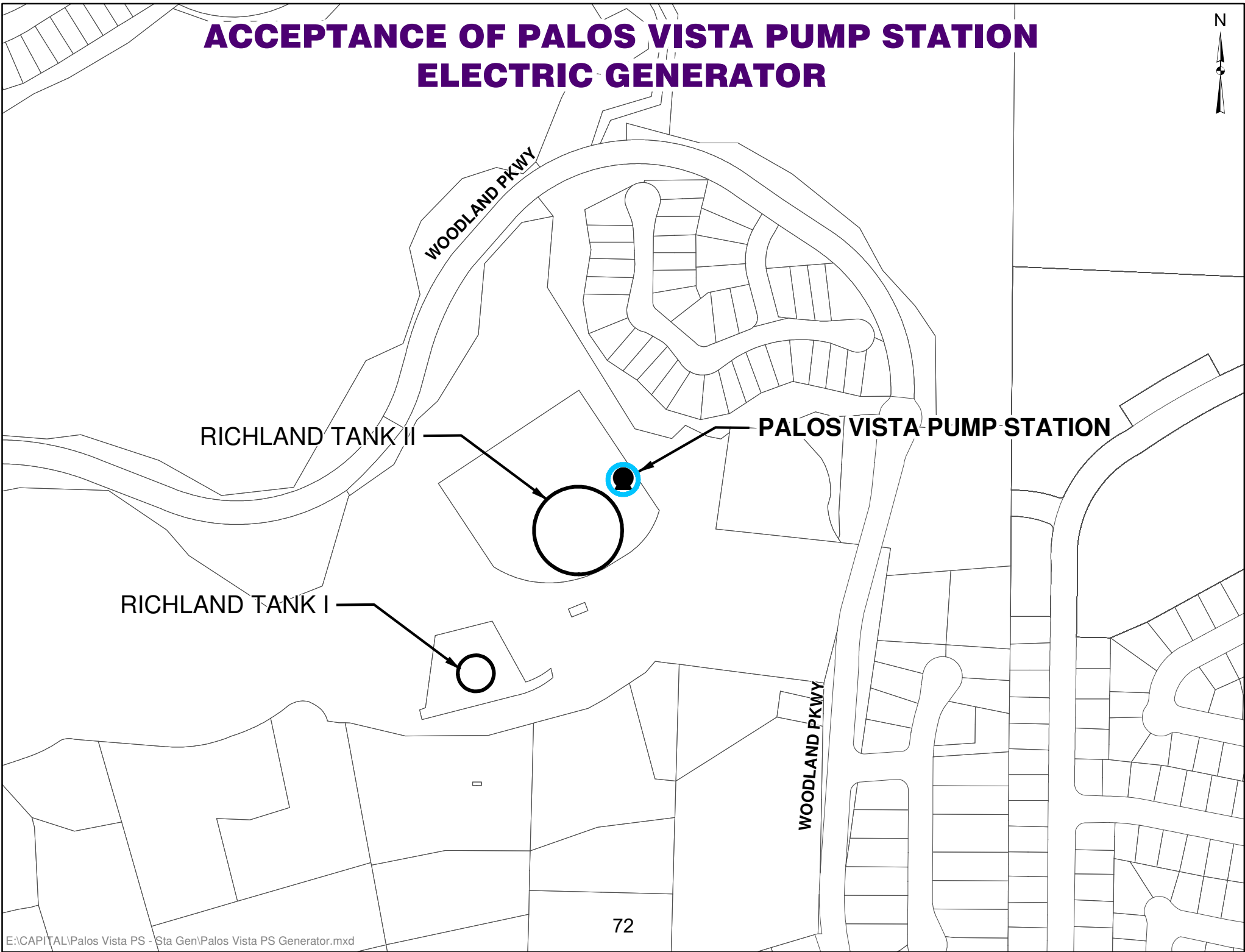
RECOMMENDATION:

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.

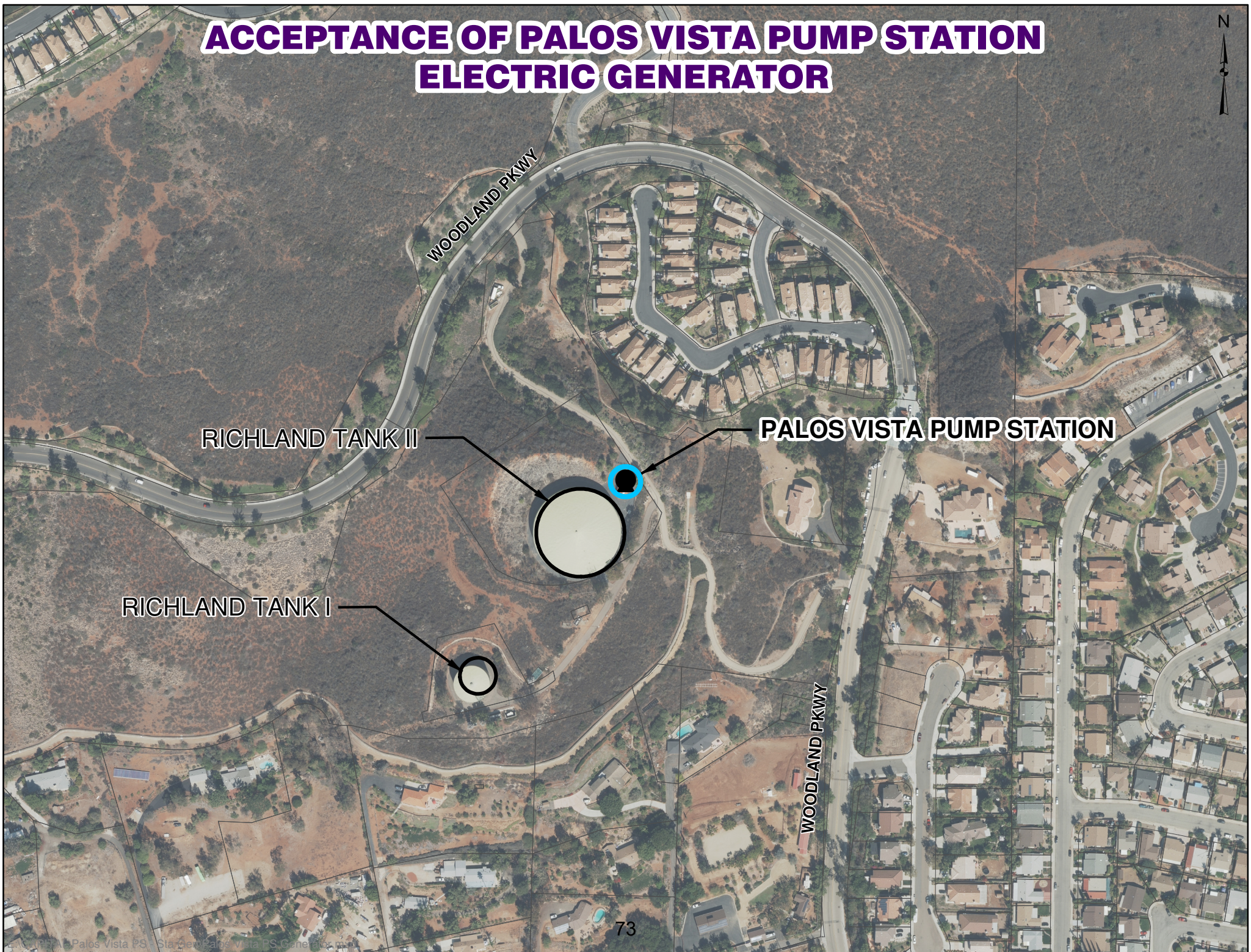
ATTACHMENTS:

Plat and Aerial Exhibit

ACCEPTANCE OF PALOS VISTA PUMP STATION ELECTRIC GENERATOR



ACCEPTANCE OF PALOS VISTA PUMP STATION ELECTRIC GENERATOR



RICHLAND TANK II

PALOS VISTA PUMP STATION

RICHLAND TANK I

WOODLAND PKWY

73

DATE: APRIL 15, 2020
TO: BOARD OF DIRECTORS
SUBJECT: COVID-19 PANDEMIC RESPONSE AND COST RECOVERY

BACKGROUND:

While the District is still actively responding to the COVID-19 Pandemic, there are cost recovery filing deadlines approaching. In order to position the District for the best chance of cost reimbursement from the federal government and State of California, the District must complete and certify the State of California, Office of Emergency Services (CalOES), Form 130, Designation of Applicant’s Agent Resolution for Non-State Agencies.

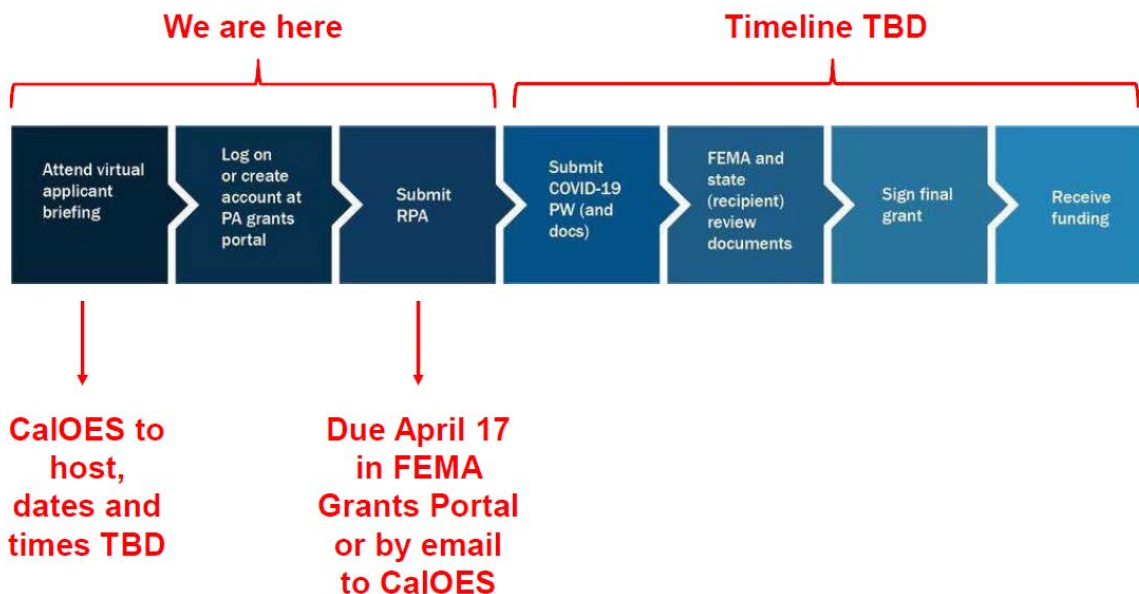
A Designation of Applicant’s Agent Resolution for Non-State Agencies is required to complete the Request for Public Assistance (RPA). The RPA is required to be submitted to CalOES by close of business on April 17, 2020.

DISCUSSION:

The potential reimbursement for the District’s costs incurred as a result of responding to the COVID-19 Pandemic may be found in FEMA’s Public Assistance (PA) Program. The PA Program is authorized by the Robert T. Stafford Disaster Relief and Emergency Assistance Act (the “Stafford Act”). The Stafford Act enables the President to provide federal assistance when the magnitude of an incident or threatened incident exceeds the affected State, Territorial, Tribal, and local government capabilities to respond or recover. The PA Program is FEMA’s largest grant program and has provided over 5 Billion dollars in relief since 2017.

Cal OES has requested that all agencies who plan to submit costs for reimbursement under the PA program complete submission in the FEMA grants portal prior to April 17, 2020. In order to be able to complete submission of the required RPA in the grants portal, staff must send the certified CalOES 130 Form to the state, as soon as possible.

Figure: Overview of FEMA Cost Reimbursement using the Public Assistance Program



COVID 19 Disaster Declaration Milestones (2020)	
Date	Event Description
January 20	Date at which costs related to the Major Disaster Declaration may begin to be accrued (FEMA-4482-DR-CA)
January 25	First confirmed COVID-19 case in California
March 4	Governor Newsom declares a state of emergency for California
March 6	Phase I COVID-19 legislative package (H.R. 6074)
March 13	President declares a national emergency, frees up extra federal funding
March 18	Phase II COVID-19 legislative package (H.R. 6201) signed into law
March 22	The President approved Major Declaration FEMA-4482-DR-CA (DR-4482) for the COVID-19 Pandemic.
March 27	Congress approved the CARES Act, \$2.2 trillion relief package.

FISCAL IMPACT:

No. There is no fiscal impact if the form is completed and certified.

RECOMMENDATION:

Staff recommends the Board of Directors accept and certify the attached CalOES Form 130, Designation of Applicant's Agent in order to be eligible to receive potential cost reimbursement related to the COVID-19 Pandemic.

Attachment 1: State of California, Office of Emergency Services (CalOES), Form 130, Designation of Applicant's Agent Resolution for Non-State Agencies.

**DESIGNATION OF APPLICANT'S AGENT RESOLUTION
FOR NON-STATE AGENCIES**

BE IT RESOLVED BY THE _____ OF THE _____
(Governing Body) (Name of Applicant)

THAT _____, OR
(Title of Authorized Agent)

_____, OR
(Title of Authorized Agent)

(Title of Authorized Agent)

is hereby authorized to execute for and on behalf of the _____, a public entity
(Name of Applicant)

established under the laws of the State of California, this application and to file it with the California Governor's Office of Emergency Services for the purpose of obtaining certain federal financial assistance under Public Law 93-288 as amended by the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988, and/or state financial assistance under the California Disaster Assistance Act.

THAT the _____, a public entity established under the laws of the State of California,
(Name of Applicant)

hereby authorizes its agent(s) to provide to the Governor's Office of Emergency Services for all matters pertaining to such state disaster assistance the assurances and agreements required.

Please check the appropriate box below:

This is a universal resolution and is effective for all open and future disasters up to three (3) years following the date of approval below.

This is a disaster specific resolution and is effective for only disaster number(s) _____

Passed and approved this _____ day of _____, 20 _____

(Name and Title of Governing Body Representative)

(Name and Title of Governing Body Representative)

(Name and Title of Governing Body Representative)

CERTIFICATION

I, _____, duly appointed and _____ of
(Name) (Title)

_____, do hereby certify that the above is a true and correct copy of a
(Name of Applicant)

Resolution passed and approved by the _____ of the _____
(Governing Body) (Name of Applicant)

on the _____ day of _____, 20 _____.

(Signature)

(Title)

Cal OES Form 130 Instructions

A Designation of Applicant's Agent Resolution for Non-State Agencies is required of all Applicants to be eligible to receive funding. A new resolution must be submitted if a previously submitted Resolution is older than three (3) years from the last date of approval, is invalid or has not been submitted.

When completing the Cal OES Form 130, Applicants should fill in the blanks on page 1. The blanks are to be filled in as follows:

Resolution Section:

Governing Body: This is the group responsible for appointing and approving the Authorized Agents.
Examples include: Board of Directors, City Council, Board of Supervisors, Board of Education, etc.

Name of Applicant: The public entity established under the laws of the State of California. Examples include: School District, Office of Education, City, County or Non-profit agency that has applied for the grant, such as: City of San Diego, Sacramento County, Burbank Unified School District, Napa County Office of Education, University Southern California.

Authorized Agent: These are the individuals that are authorized by the Governing Body to engage with the Federal Emergency Management Agency and the Governor's Office of Emergency Services regarding grants applied for by the Applicant. There are two ways of completing this section:

1. **Titles Only:** If the Governing Body so chooses, the titles of the Authorized Agents would be entered here, not their names. This allows the document to remain valid (for 3 years) if an Authorized Agent leaves the position and is replaced by another individual in the same title. If "Titles Only" is the chosen method, this document must be accompanied by a cover letter naming the Authorized Agents by name and title. This cover letter can be completed by any authorized person within the agency and does not require the Governing Body's signature.
2. **Names and Titles:** If the Governing Body so chooses, the names **and** titles of the Authorized Agents would be listed. A new Cal OES Form 130 will be required if any of the Authorized Agents are replaced, leave the position listed on the document or their title changes.

Governing Body Representative: These are the names and titles of the approving Board Members.
Examples include: Chairman of the Board, Director, Superintendent, etc. The names and titles **cannot** be one of the designated Authorized Agents, and a minimum of two or more approving board members need to be listed.

Certification Section:

Name and Title: This is the individual that was in attendance and recorded the Resolution creation and approval.
Examples include: City Clerk, Secretary to the Board of Directors, County Clerk, etc. This person **cannot** be one of the designated Authorized Agents or Approving Board Member (if a person holds two positions such as City Manager and Secretary to the Board and the City Manager is to be listed as an Authorized Agent, then the same person holding the Secretary position would sign the document as Secretary to the Board (not City Manager) to eliminate "Self Certification.")