

**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, SEPTEMBER 16, 2020, AT 5:00 P.M.
VIA TELECONFERENCE

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. Members of the public viewing the meeting via the Zoom videoconferencing platform can express their desire to provide input at the appropriate time by utilizing the "Raise Hand" function. Additional instructions for online participation will be posted on the District's website. www.vwd.org/meetings

CALL TO ORDER – PRESIDENT EVANS

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 SEPTEMBER 16, 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. Alternatively, persons wishing to address the Board at this time may utilize the "Raise Hand" feature of the Zoom videoconferencing platform. 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.

PRESENTATIONS

Finance Manager Owen will present information on the District's recent bond rating reaccreditation.

Finance Manager Owen will present the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting awarded to the District.

Finance Manager Owen will present information on the District's meter pilot testing program.

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 (pp. 5-15)

- A. FINANCE/INVESTMENT COMMITTEE MEETING – AUGUST 31, 2020
- B. CLOSED SESSION BOARD MEETING – SEPTEMBER 2, 2020
- C. REGULAR BOARD MEETING – SEPTEMBER 2, 2020

Approved minutes become a permanent public record of the District.

Recommendation: Approve Minutes

1.2 WARRANT LIST THROUGH SEPTEMBER 16, 2020 - \$1,803,746.30 (pp. 16-18)

Recommendation: Approve Warrant List

1.3 FINANCIAL REPORTS (pp. 19-38)

- A. WATER METER COUNT – AUGUST 31, 2020
- B. WATER PRODUCTION/SALES REPORT – 2020/2021
- C. PER CAPITA WATER CONSUMPTION – AUGUST 31, 2020
- D. WATER REVENUE AND EXPENSE REPORT – AUGUST 31, 2020
- E. SEWER REVENUE AND EXPENSE REPORT – AUGUST 31, 2020
- F. RESERVE FUNDS ACTIVITY – AUGUST 31, 2020
- G. INVESTMENT REPORT – AUGUST 31, 2020
- H. LEGAL FEES SUMMARY – AUGUST 31, 2020

1.4 ADOPTION OF RESOLUTION ORDERING THE ANNEXATION OF CERTAIN PROPERTY DESIGNATED AS THE "LUPA ANNEXATION" (APN 228-010-25) INTO THE VALLECITOS WATER DISTRICT SEWER IMPROVEMENT DISTRICTS 5, 6 & A (pp. 39-45)

The property consists of two adjacent parcels located on Anthony Heights Drive east of Nordahl Road and north of Rock Springs Road in the City of Escondido.

Recommendation: Adopt Resolution

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

ACTION ITEM(S)

- 2.1 APPROVAL OF AN AGREEMENT WITH THE SAN DIEGO COUNTY WATER AUTHORITY FOR THE VALLECITOS 11 FLOW CONTROL FACILITY DESIGN, CONSTRUCTION, OPERATION AND MAINTENANCE (pp. 46-68)

The San Diego County Water Authority is replacing the existing Vallecitos 2 Flow Control Facility with the new Vallecitos 11 Flow Control Facility.

Recommendation: Approve the agreement

- 2.2 AMENDMENT TO THE CONFLICT OF INTEREST CODE PURSUANT TO THE POLITICAL REFORM ACT OF 1974 BIENNIAL REVIEW AND ADOPTION (pp. 69-80)

All public agencies are required to adopt and maintain a Conflict of Interest Code.

Recommendation: Adopt the amended Conflict of Interest Code

- 2.3 COVID FINANCIAL REPORTING PRESENTATION (pp. 81)

In preparing the FY 2021 budget, staff developed a series of assumptions to estimate the financial impact that COVID may have on the District.

Recommendation: Receive presentation and provide direction

- 2.4 2020 YEAR IN REVIEW PRESENTATION (pp. 82)

At the conclusion of each fiscal year staff plans to provide a timely review of annual financial results.

Recommendation: Receive presentation

*****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, September 11, 2020.

Diane Posvar

MINUTES OF A MEETING OF THE
FINANCE/INVESTMENT COMMITTEE
OF THE VALLECITOS WATER DISTRICT
MONDAY, AUGUST 31, 2020 AT 4:00 P.M.
VIA TELECONFERENCE

Director Martin called the meeting to order at the hour of 4:00 p.m. The meeting was held via teleconference.

Present: Director Sannella
 Director Martin
 General Manager Pruim
 Finance Manager Owen
 Principal Financial Analyst Arthur
 Administrative Secretary Johnson

ITEM(S) FOR DISCUSSION

AFFIRMATION OF AA+ BOND RATING

Finance Manager Owen provided a brief presentation on the District's bond rating which included background information, Fitch's press release, and key rating drivers. On August 11, 2020, Fitch issued a press release announcing their affirmation of the District's AA+ bond rating with a stable outlook. This is a major accomplishment that will be important to maintain should the District need to issue debt in the future.

Staff will present this item at the September 16 Board meeting.

PUMP ZONE CHARGE REVENUE SHORTFALL ISSUE

Principal Financial Analyst Arthur facilitated a presentation, Pump Zone Analysis, as follows:

- Background
- Recovery History
- Reasons for the Shortfall
- Summary
- Estimate Based on Same Demand
- Proposed Alternatives
 - Adjust rates for one year
 - Adjust rates over a two-year period
 - Make no adjustment
- Bill Effect on Pass-through Charge
- Recovery History
- Recovery History (Alternative 2)
- Rate History

Principal Financial Analyst Arthur stated that on May 17, 2017, the Board approved a three-year increase to pump zone charges with a goal of achieving 95% revenue recovery of SDG&E's energy pass-through costs by Fiscal Year (FY) 2020/21. The pump zone charges affect approximately 3,000 customers in nine active pump zones. At the end of FY 2019/20, the revenue recovery was 61% with a shortfall of approximately \$210,000. The primary reasons for the shortfall are an approximate 25% decrease in demand over the past few years due to heavy rainfall and that approximately one third of SDG&E's costs are fixed costs.

General discussion took place.

Mike Hunsacker, member of the public, questioned whether electrical costs and pump zone charges continue to have serious impacts for agricultural customers, and why the District doesn't calculate the electrical costs for the pump zone charges per kilowatt hour. General Manager Pruim explained that the District's calculation is a blend of fixed and variable SDG&E costs.

AWARD OF FINANCIAL REPORTING ACHIEVEMENT

Finance Manager Owen stated that last year the District expanded its basic financial statements to a Comprehensive Annual Financial Report (CAFR). He discussed the three sections that make up the CAFR, introductory, financial, and statistical, the information provided in each section, and the CAFR preparation process. Staff submitted the CAFR to the Government Finance Officers Association (GFOA) in December of 2019 for the financial reporting award, and this month the GFOA awarded the Certificate of Achievement for Excellence in Financial Reporting to the District for its CAFR for the fiscal year ended June 30, 2019.

COST OF SERVICE STUDY UPDATE

General Manager Pruim provided an update on the Cost of Service Study (COSS). He stated the FY 2020/21 budget adopted in June assumes on the revenue aspect that a rate increase of approximately 3.5% would go into effect on February 1, 2021. The COSS does not determine the overall revenue requirements or revenue increase; it determines how to allocate revenue requirements among the District's customer base.

General Manager Pruim stated that several months ago the Board awarded a contract to Raftelis to perform the COSS. Staff has been meeting with Raftelis to start the process and recommends the Board hold a workshop meeting on September 9 to determine the Board's priorities and fundamental issues to look at in the COSS. Raftelis will need two months to work on data based on the Board's input before presenting their preliminary results to the Board in mid-November. At a November meeting the Board will be asked for their feedback and to select one of several alternatives to complete the COSS. The tentative timeline suggests that at the December 2 Board meeting, the Board will be asked to 1) consider proposed rates that are consistent with revenue requirements and the Board's overall objectives; 2) approve the COSS; 3) approve preliminary rates for Proposition 218 noticing purposes only; and 4) set the date for a

public hearing. Staff recommends the public hearing be held on January 20, 2021 at a regularly scheduled Board meeting. According to the tentative timeline, the Proposition 218 notice would be mailed out to customers on December 4 which initiates the required 45-day notice period. If the Board adopts new rates on January 20, 2021, the rates will be effective on February 1, 2021 and will be reflected in the March 1, 2021 customer bills.

General Manager Pruim further stated staff is working with Raftelis to determine if the tentative timeline is achievable. If the target date of February 1, 2021 for the rate increase is not met, the result will be a \$50,000 per month loss of revenue over what was assumed in the budget process. If rates were adopted one or two months later, the rate increase may have to be higher to achieve the same revenue requirements, or the loss of revenue would be realized and adjusted in the budget. An alternative would be to conduct the public hearing at a Special Board meeting on January 27, 2021 which would still make the February 1 effective date possible.

General discussion took place regarding the tentative timeline for the proposed rate increase.

OTHER BUSINESS

None.

PUBLIC COMMENT

None.

ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at the hour of 4:49 p.m.

MINUTES OF A CLOSED SESSION MEETING
OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, SEPTEMBER 2, 2020, AT 4:00 PM, VIA TELECONFERENCE

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

Present: Director Elitharp
Director Evans
Director Hernandez
Director Martin
Director Sannella

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

Others Present: Kendall Klinger
Fiona Hutton

ADOPT AGENDA FOR THE CLOSED SESSION MEETING OF SEPTEMBER 2, 2020

20-09-01 MOTION WAS MADE by Director Martin, seconded by Director Hernandez, and carried unanimously, to adopt the agenda for the Closed Session Meeting of September 2, 2020.

PUBLIC COMMENT

None.

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

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

20-09-02 MOTION WAS MADE by Director Martin, seconded by Director Elitharp, and carried unanimously, to move into Closed Session pursuant to Government Code Section 54956.9.

REPORT AFTER CLOSED SESSION

The Board reconvened to Open Session at 4:30 p.m. There was no reportable action from the Closed Session Meeting.

ADJOURNMENT

There being no further business to discuss, Vice President Sannella adjourned the Closed Session Meeting of the Board of Directors at the hour of 4:31 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, September 2, 2020 at 5:00 p.m. via teleconference.

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

ATTEST:

Glenn Pruij, Secretary
Board of Directors
Vallecitos Water District

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, SEPTEMBER 2, 2020, AT 5:00 PM, VIA TELECONFERENCE

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

Present: Director Elitharp
Director Evans
Director Hernandez
Director Martin
Director Sannella

Staff Present: General Manager Pruum
Legal Counsel Gilpin
District Engineer Gumpel
Finance Manager Owen
Operations & Maintenance Manager Pedrazzi
Capital Facilities Senior Engineer Morgan
Development Services Senior Engineer Scholl
Capital Facilities Engineer Santos
Asset Management Supervisor Bowman
Information Technology Supervisor Labarrere
Executive Secretary Posvar

Others Present: Christine Antoine
Craig Balben
Tiffany Boyd-Hodgson

ADOPT AGENDA FOR THE REGULAR MEETING OF SEPTEMBER 2, 2020

20-09-03 MOTION WAS MADE by Director Martin, seconded by Director Hernandez, and carried unanimously, to adopt the agenda for the Regular Board Meeting of September 2, 2020.

PUBLIC COMMENT

None.

CONSENT CALENDAR

20-09-04 MOTION WAS MADE by Director Martin, seconded by Director Elitharp, and carried unanimously, to approve the Consent Calendar as presented.

1.1 Approval of Minutes

- A. Engineering/Equipment Committee Meeting – August 17, 2020
- B. Closed Session Board Meeting – August 19, 2020
- C. Regular Board Meeting – August 19, 2020

1.2 Warrant List through September 2, 2020 - \$4,250,022.76

1.3 Position Reclassification of Development Services Coordinator to Engineering Technician III

ACTION ITEMS

FY 2019/2020 YEAR END CAPITAL IMPROVEMENT PROGRAM SUMMARY

Capital Facilities Senior Engineer Morgan briefly demonstrated how information pertaining to active Capital Improvement Program (CIP) projects may be accessed on the District's website.

Capital Facilities Senior Engineer Morgan provided a presentation on Capital Projects – 2019/2020 Fourth Quarter Update and 2019/2020 End of the Year Report as follows:

- 2019/2020 Project Summary
- Projected vs. Actual
- Change Order Total vs. Industry Standard
- Actual 2019/2020 Completed Projects Change Order Impact
- 2019/2020 Construction Photos
 - Lawrence Welk Waterline Replacement
 - 2019 Sewer Lining and Rehabilitation
 - North Twin Oaks Tank No. 1 Tank Refurbishment
 - District Wide Solar

Capital Facilities Senior Engineer Morgan stated the total for active construction projects in Fiscal Year (FY) 2019/2020 was \$4,138,192 of which \$4,084,621 has been paid to date. There were a total of 49 change orders averaging 6.62%; however, removing two change orders that were initiated by staff lowered that percentage to 1.75%. The change orders on projects completed in FY 2019/2020 resulted in an actual budget surplus of \$686,373. Design contracts totaled \$1,317,937.

General discussion took place.

This item was presented for information only.

HIGH POINT PIPE ASSESSMENT

District Engineer Gumpel stated the High Point Country Manor development was initiated in the mid-2000's. In 2007 a pump station and associated facilities as well as pipelines

were constructed and nearly ready for acceptance by the District; however, the project was abandoned and the facilities were never accepted by the District. Several developers have come forward since then expressing interest in developing the project. The District has maintained its position recommending that the pump station and its facilities and all of the pipelines be replaced. The current developer of the property approached the District about performing a pipeline condition assessment. The assessment does not address the pump station and associated pumps, motors, gearing and generator. The District maintains its position that those items will need to be replaced and will be addressed at a later date.

Asset Management Supervisor Bowman facilitated a presentation, “High Point Pipeline Condition Assessment Results and Recommendations,” as follows:

- Project Map
- Development Background
- Current Status
- Assessed Areas
 - 12-Inch Ductile Iron – Woodland Heights Glen
 - 8-Inch Ductile Iron – Kensington Glen
- Assessed Area Map
- Video: Condition Assessment with Pipeline Inspection and Condition Analysis Corporation (PICA) SeeSnake Remote Field Technology Tool
- Results and Recommendations – 12-Inch Woodland Heights Glen
- Results and Recommendation – 8-Inch Kensington Glen

Asset Management Supervisor Bowman stated that during the internal pipeline inspection, approximately 2,059 linear feet of 12-inch ductile iron pipe was inspected in the Woodland Heights Glen area of the project. Potholing was also performed in two locations. Approximately 706 linear feet of 8-inch ductile iron pipeline was inspected in the Kensington Glen area.

Asset Management Supervisor Bowman discussed the findings of the assessment. In the Woodland Heights Glen area, the results indicated significant loss of wall thickness and significant deterioration as well as corrosion that was further verified by the potholing. Staff recommended replacement of all 12-inch pipeline with the same trench and reusing existing bedding and appurtenances. Regarding the Kensington Glen area, the results indicated minimal loss of wall thickness, the sections of pipe that were potholed showed no corrosion, and the pipeline is in relatively “like new” condition. Staff recommended PICA inspection of the remaining 8-inch pipe within the development to determine the condition of that pipe. *The Technical Memorandum – Summary of High Point Pipeline Condition Assessment Draft Report* is available on the District’s website.

General discussion took place.

- 20-09-05 MOTION WAS MADE by Director Elitharp, seconded by President Evans, and carried unanimously, to approve staff's recommendation to replace all of the 12-inch ductile iron pipeline within the development and inspect the remaining unexamined 8-inch ductile iron pipeline within the development to determine the condition of that pipe.

REPORTS

GENERAL MANAGER

General Manager Pruim reported the following:

- Governor Newsom recently introduced two new COVID-19 classification criteria. One is based on the number of new confirmed cases per 100,000 of population and the other is the percentage of administered tests that came back positive for COVID-19. The criteria results in four tiers or risk levels that determine which businesses may open and what restrictions they may have. Tier 1 (purple) is the worst and considers the COVID-19 threat wide spread; Tier 2 (red) considers the threat substantial; Tier 3 (orange) considers the threat moderate; and Tier 4 (yellow) considers the threat minimal. It appears that the COVID-19 metrics are trending in a positive direction locally. San Diego County has been placed in Tier 2 with substantial risk. Some businesses such as restaurants have been allowed to reopen this week with fewer restrictions; however, there are still restrictions in place that limit the District's ability to resume normal operations. The District's field operations staff have been back to work for some time now. A significant number of administrative staff are continuing to telecommute. The Tier 2 risk level calls for continued telecommuting. When San Diego County enters Tier 3, plans will be developed concerning the telecommuting staff. The District's lobby will remain closed to the public and public meetings will continue to be conducted via Zoom for the foreseeable future.
- The District's annual Water Academy is usually held in October. Due to the COVID-19 pandemic, staff does not recommend holding the event this year. Staff is looking into ways of offering a virtual option and possibly rescheduling the event in the future when the COVID-19 related restrictions are relaxed.

DISTRICT LEGAL COUNSEL

Legal Counsel Gilpin discussed Assembly Bill 992 relative to the Brown Act and serial meetings via cell phones, texts and social media. If the bill passes, it would create an exception under the Brown Act that would allow elected officials to engage in separate conversations outside of a meeting on an Internet based social media platform to answer questions, provide information to the public, or solicit information from the public regarding District business.

SAN DIEGO COUNTY WATER AUTHORITY

General Manager Pruim stated he and President Evans attended the SDCWA Board meeting on August 27 at which the Regional Conveyance System (RCS) project was discussed at length. As directed by the VWD Board, General Manager Pruim submitted a letter to the SDCWA Board on August 26 opposing the project unless it was delayed. The letter was included in the public record. The SDCWA Board received over 500 letters regarding the RCS from the public. Most of the letters received opposed the project. A vast majority of the opposition letters were automatically generated from a link that was provided on an environmental group's website.

General Manager Pruim further stated the SDCWA Board voted to defer the item until their November Board meeting, and authorized additional funding up to \$200,000 for SDCWA staff to continue to work with member agencies, consultants and environmental groups that are opposing the project to better prepare for the November meeting.

ENCINA WASTEWATER AUTHORITY

Director Hernandez stated the Capital Improvement Committee meeting has not met since the last Board meeting.

Director Martin stated the Policy and Finance Committee has not met since the last Board meeting.

STANDING COMMITTEES

Vice President Sannella stated the Finance/Investment Committee met on August 31 at which the Committee discussed the Cost of Service Study.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

Director Elitharp reported on his participation in the virtual California Association of Sanitation Agencies Board of Directors meeting on August 20 and the virtual Association of California Water Agencies (ACWA) Energy Committee meeting on August 25.

President Evans reported on her participation in a virtual ACWA Region 10 meeting on August 26.

Director Hernandez reported on his participation in the virtual California Special Districts Association San Diego Chapter quarterly meeting on August 20.

OTHER BUSINESS

None.

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

None.

ADJOURNMENT

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

A Regular Meeting of the Vallecitos Board of Directors has been scheduled for Wednesday, September 16, 2020, at 5:00 p.m. via teleconference.

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

ATTEST:

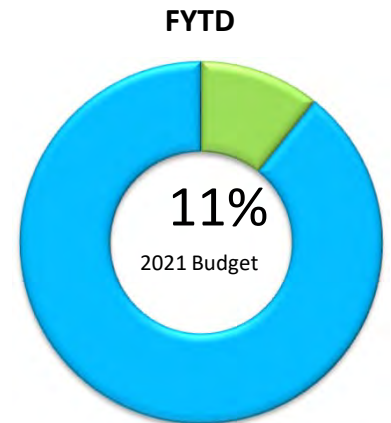
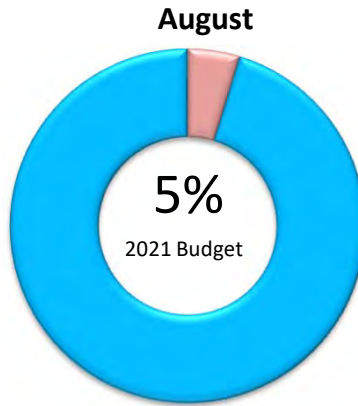
Glenn Pruiam, Secretary
Board of Directors
Vallecitos Water District

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

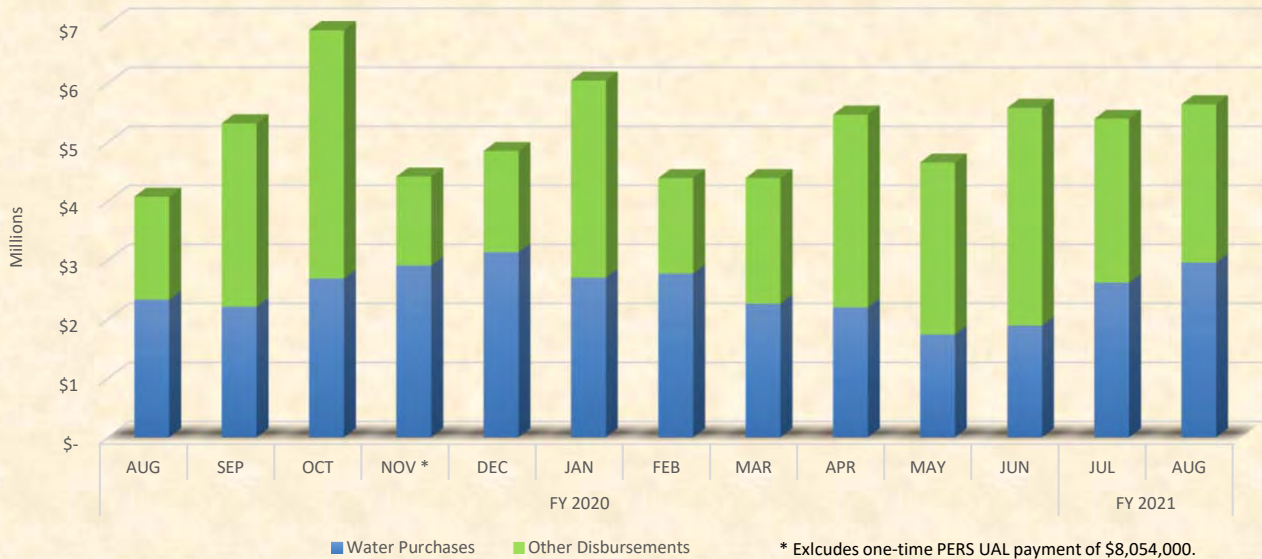
Summary

August Disbursements	\$	4,054,791 *
YTD Disbursements	\$	9,184,478 *
FY2021 Budget	\$	85,271,000

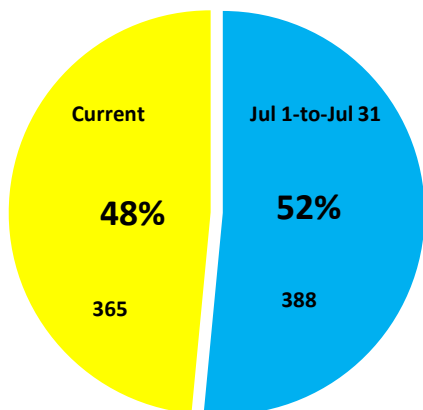
* Excludes Debt Service



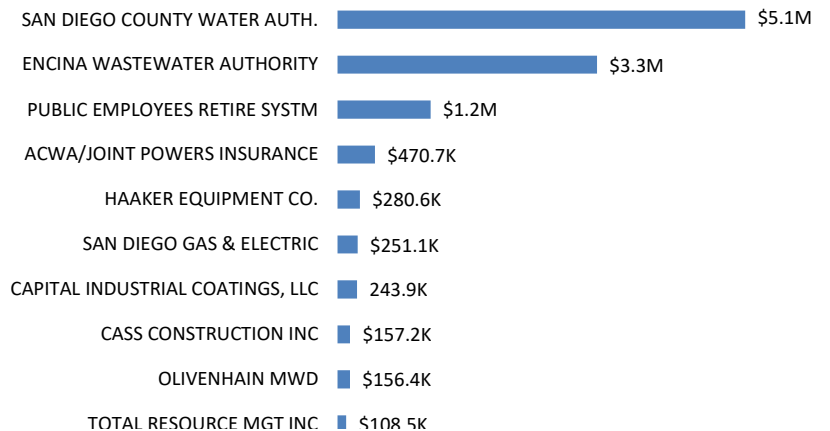
Disbursements by Month



Invoices Processed



Top 10 Vendors - FYTD



VALLECITOS WATER DISTRICT
WARRANTS LIST
September 16, 2020

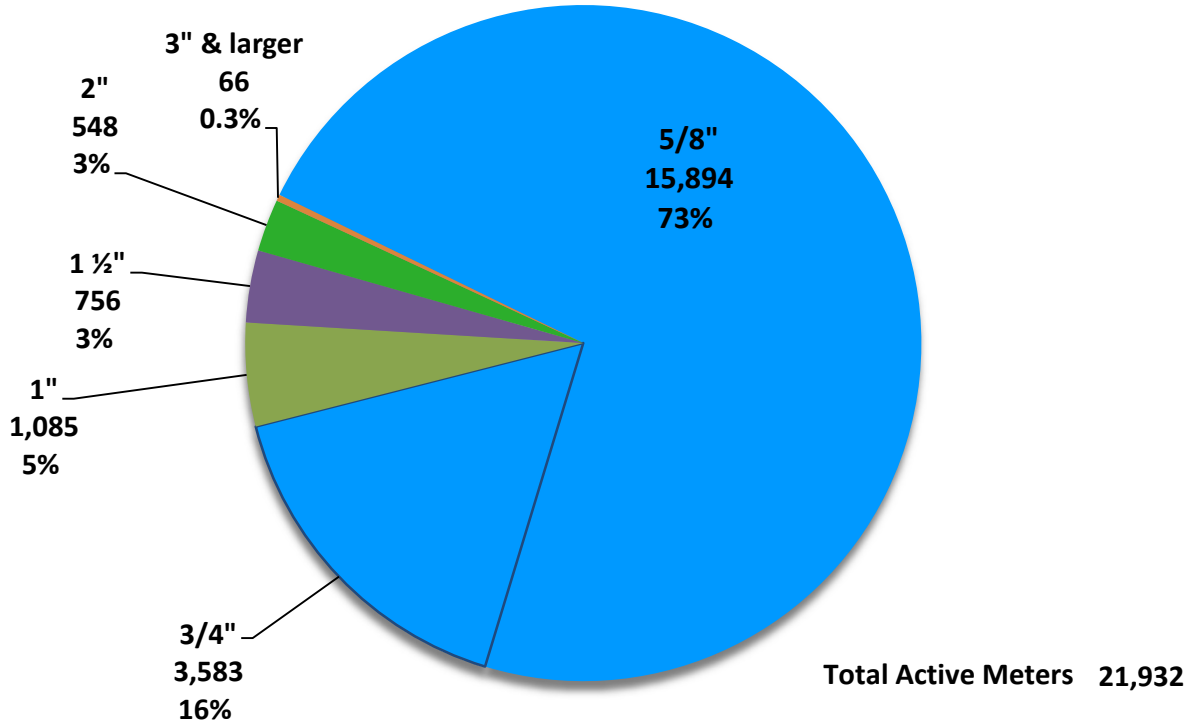
PAYEE	DESCRIPTION	CHECK#	AMOUNT
CHECKS			
Garnishments	Payroll Garnishments	119890	-
ACWA/Joint Powers Insurance	Property Insurance 20-21	119800	55,493.49
AT&T	Phone Svc - Aug	119801	22.03
AVI Systems, Inc.	Automated Control Panel Repair - MRF	119802	162.40
Backflow Solutions, Inc.	Backflow Tests Aug - Quantity 299	119803	4,470.05
Barbara & Stephen Coetzee	Closed Account Refund	119804	79.83
Boncor Water Systems	Soft Water Svc - Sept	119805	1,764.00
Brookfield Latitude LLC	Closed Account Refund	119806	1,117.40
David H Burpeau	Safety Training - 8/24/20 & 8/27/20	119807	450.00
Cadence Cooper	Closed Account Refund	119808	99.68
Cary Geensburg	Closed Account Refund	119809	21.11
CCI	Water Treatment - Aug	119810	220.00
CDW Government Inc.	Dell Server Support & Maintenance 20-22, Acrobat Licenses 10	119811	10,200.88
Charlene Macias	Closed Account Refund	119812	90.65
Chris or Jill Barnhart	Claim Settlement	119813	500.00
Christine Abercrombie	Closed Account Refund	119814	49.90
Christopher Andrews or Autumn Leaves	Closed Account Refund	119815	36.73
CWEA	Membership Renewal - D Richardson	119816	192.00
CWEA	Membership Renewal - I Murguia	119817	192.00
Desert Pumps & Parts	Solids Pump Rebuild Parts, Gear Kits 5, Bearing Kits 5 - MRF	119818	22,422.02
EDCO Waste & Recycling Serv	Trash Svc - Aug	119819	895.10
Electrical Sales Inc	Contractor Rebuild Kits For Pump Motor Starters 8 - MRF	119820	2,932.91
Ewing Irrigation Products	PVC Supplies	119821	46.48
Giancarlo Patti	Closed Account Refund	119822	68.20
Hach Company	Hardware Supplies Prj 20201-4	119823	174.80
Homes Management	Closed Account Refund	119824	243.91
House To Home Remodeling & Design Inc.	Closed Account Refund	119825	17.22
Howard Greenfield	Closed Account Refund	119826	122.74
Interstate Batteries	Generator Batteries 3	119827	14.64
Joell Leone	Closed Account Refund	119828	88.39
JCI Jones Chemicals Inc.	Chlorine	119829	4,086.42
Joseph & Heather Moore	Closed Account Refund	119830	103.36
Kamaile Aluli	Closed Account Refund	119831	74.79
Kay M Bryant	Closed Account Refund	119832	63.92
Kim Aniang	Closed Account Refund	119833	68.20
LG Sonic, LLC	South Lake Algae Control System Prj 20211-14	119834	59,740.00
Lito Santos	Engineering License Renewal - State of CA	119835	116.00
Marcia & Ron Torres	Closed Account Refund	119836	80.78
Mariah Lopez & Alejandro Sanchez	Closed Account Refund	119837	97.14
Mary Robertson	Closed Account Refund	119838	21.97
Melissa Durkin	Closed Account Refund	119839	117.16
Michael Baker International, Inc.	Montiel Lift Station Prj 20201-2	119840	1,747.78
Michael Gastauer	Closed Account Refund	119841	37.98
Michael Teague	Closed Account Refund	119842	20.83
Municipal Information Technology Association	Membership Renewal - M Labarrere	119843	130.00
Natalie Jacobs	Closed Account Refund	119844	18.30
Parkhouse Tire Inc.	Warehouse Tire Stock - 2 Tires	119845	649.12
Perrault Corporation	Rock & Cold Mix	119846	2,682.35
Samuel Carton	Closed Account Refund	119847	54.93
SDG&E	Power - July	119848	46,503.51
Schmidt Fire Protection Co Inc.	Quarterly Sprinkler Maintenance - MRF & Head Quarters	119849	975.00
Sensus USA, Inc.	Meter Reading Software 20-21	119850	1,949.94
Shea Homes	Closed Account Refund	119851	121.63
Sierra Pacific West, Inc.	Closed Account Refund	119852	1,100.00
Smart Cover Systems	Smart Cover Support Agreement 2021	119853	4,675.66
Specialty Seals & Accessories	Pump Mechanical Seals - 2	119854	1,167.33
Standard Insurance Company	LIFE, LTD & ADD Insurance June - Sept	119855	5,907.48
Timothy & Maureen Mahoney	Closed Account Refund	119856	60.26
Tom Tarrant	Closed Account Refund	119857	16.56
Tyler Lopez	Closed Account Refund	119858	81.31
Univar USA Inc.	Caustic Soda	119859	4,517.69
UPS	Shipping Svcs - Aug	119860	91.03

VALLECITOS WATER DISTRICT
WARRANTS LIST
September 16, 2020

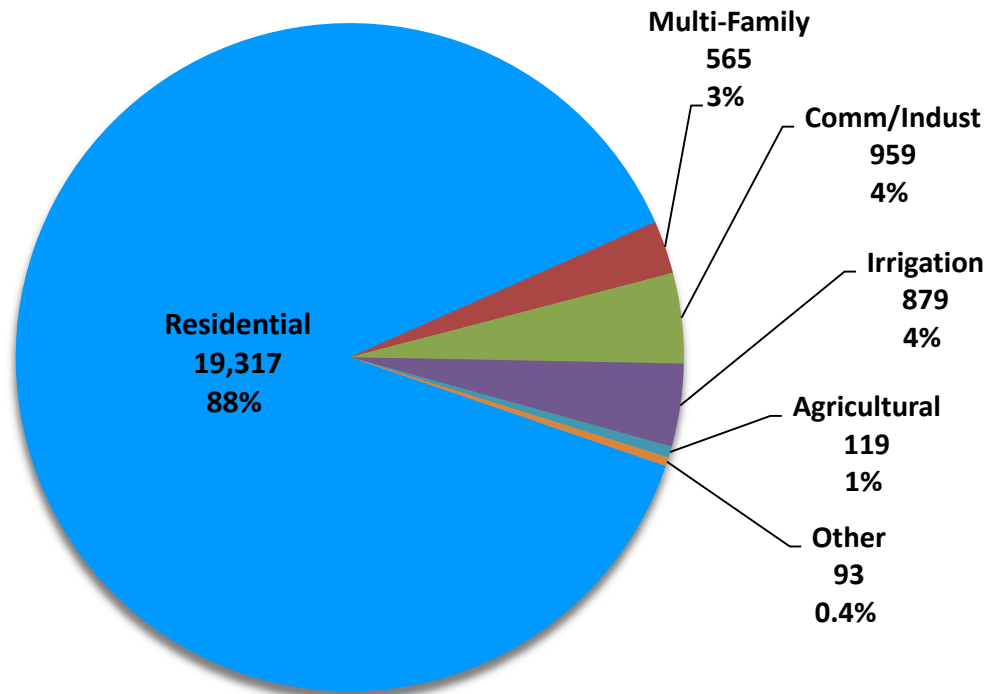
PAYEE	DESCRIPTION	CHECK#	AMOUNT
Verizon Wireless	Ipad Svc July & Aug	119861	757.23
Viatron Systems Inc.	Record Scanning Svcs	119862	2,025.00
Waxie Sanitary Supply	Disinfecting & Cleaning Supplies	119863	1,408.43
Wendy Lee	Closed Account Refund	119864	94.73
Work Partners Occupational	Medical Svcs - July	119865	2,790.00
A Waters Company	Sewer Testing - MRF	119866	327.78
AP Technology LLC	AP Check Stock	119867	531.08
Employment Screening Services Inc.	Employment Screening Svcs	119868	140.50
Grainger Inc.	Safety Supplies, Hinges, & Rust Remover	119869	2,129.11
Harrington Industrial	Sensor Paddlewheel For Flow Meter - MRF	119870	1,244.51
Hawthorne Machinery Co.	South Lake Pump Station Fence Prj 20201-13	119871	2,635.16
JWC Environmental Inc.	Grinder Cartridges 3 - Lake San Marcos Lift Station	119872	42,246.86
Lloyd Pest Control	Pest Control - Aug	119873	581.00
Marcon Products Inc.	Hardware Supplies	119874	157.58
Mission Electric Supply, Inc.	Supplies - Odor Scrubber 2 - MRF	119875	536.72
Pacific Pipeline Supply	Repair Clamps 3, Hardware Supplies	119876	1,076.57
Penco, Inc.	Calcium Nitrate	119877	28,345.41
Rely Environmental	Fuel Island Maintenance	119878	199.50
Shred-It US JV LLC	Shredding Svcs - July & Aug	119879	263.51
Smart & Final	Office Supplies	119880	14.49
Southern Counties Lubricants, LLC	Diesel Fuel	119881	1,097.90
Traffic Supply Inc.	Traffic Control Signs - Veh 284	119882	817.83
Uline Inc.	55 Gallon Drums - 12	119883	699.94
Unifirst Corporation	Uniform Delivery	119884	1,496.02
Versatile Systems Inc.	Inspection - Water Tank Climbing Systems - All Above Ground Tanks	119885	4,800.00
Walters Wholesale Electric	District Wide Solar Prj 20201-4	119886	414.10
Woodard & Curran Inc.	Septage Disposal Siting Study Prj 20201-508	119887	490.00
Total Disbursements (88 Checks)			336,587.95
WIRES			
Public Employees Retirement System	Retirement Contribution - September 8, 2020 Payroll	Wire	80,728.21
Bank of America	Bank of America loan payment - Principal	Wire	739,000.00
Bank of America	Bank of America loan payment - Interest	Wire	22,433.40
Union Bank	Union Bank debt payment - Principal	Wire	200,000.00
Union Bank	Union Bank debt payment - Interest	Wire	17,152.00
Total Wires			1,059,313.61
PAYROLL			
Total direct deposits		Wire	256,576.30
VWD Employee Association		119888	578.00
Payroll & Garnishments	119889 through	119890	1,219.72
IRS	Federal payroll tax deposits	Wire	101,860.88
Employment Development Department	California payroll tax deposit	Wire	19,751.69
CalPERS	Deferred compensation withheld	Wire	20,370.82
VOYA	Deferred compensation withheld	Wire	7,487.33
Total September 8, 2020 Payroll Disbursements			407,844.74
TOTAL DISBURSEMENTS			1,803,746.30

Vallecitos Water District
 Active Water Meters
 August 31, 2020

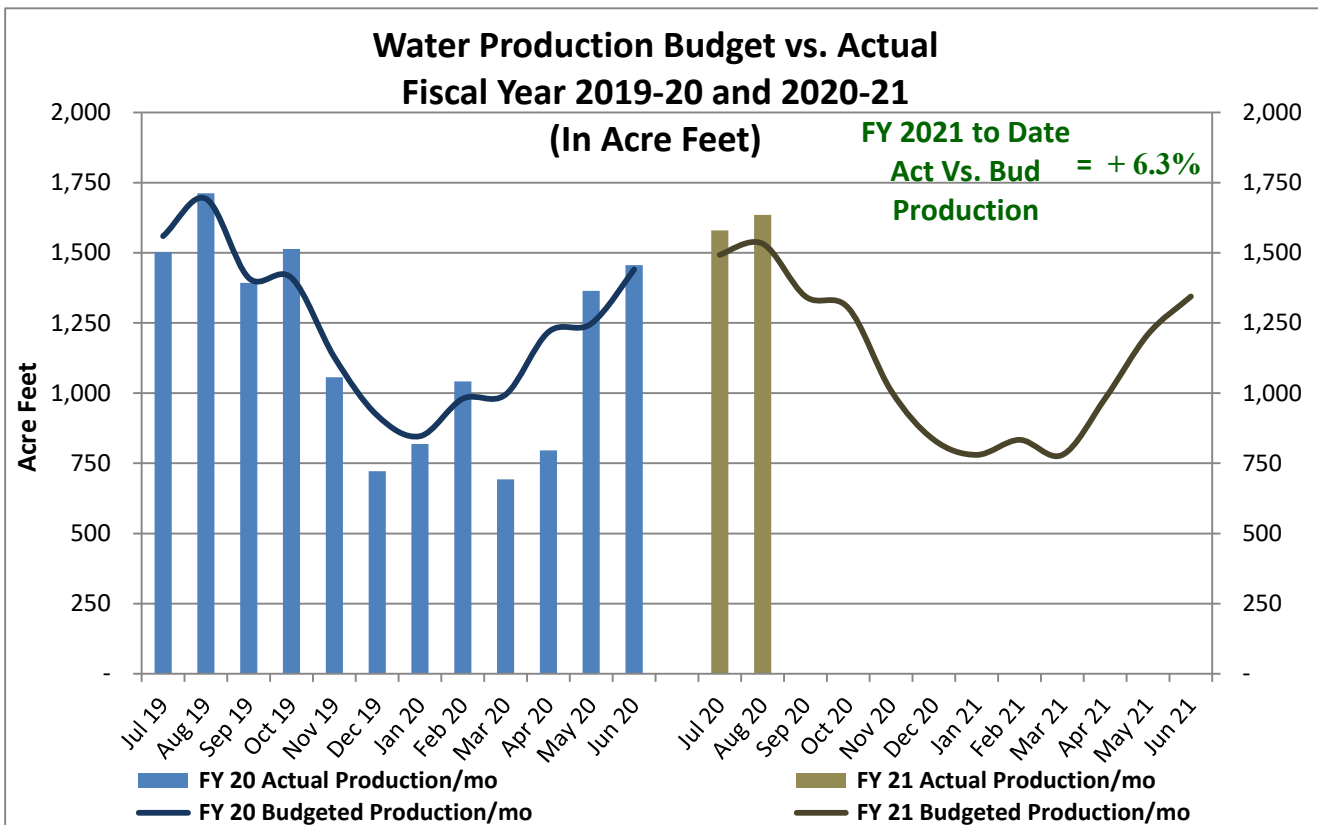
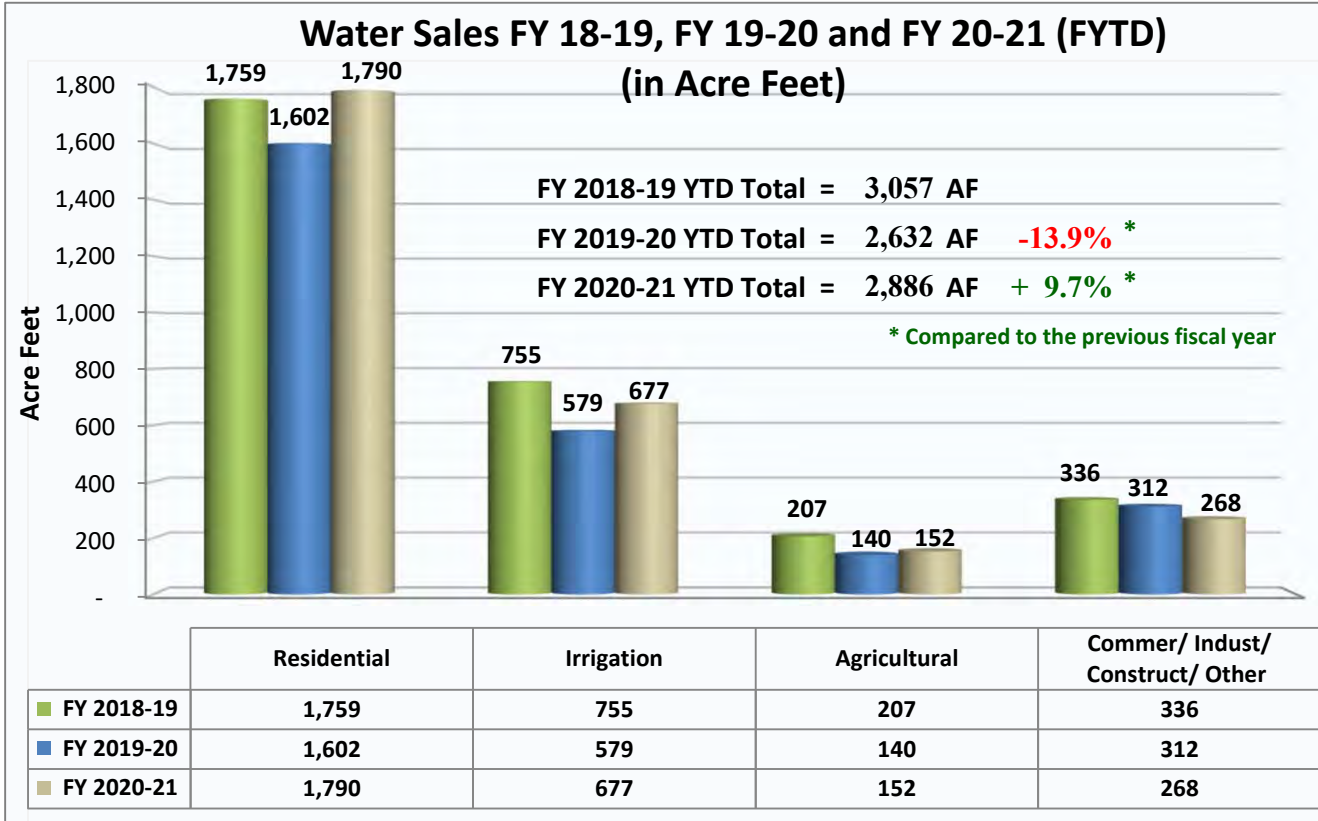
Active Meters by Size as of August 31, 2020



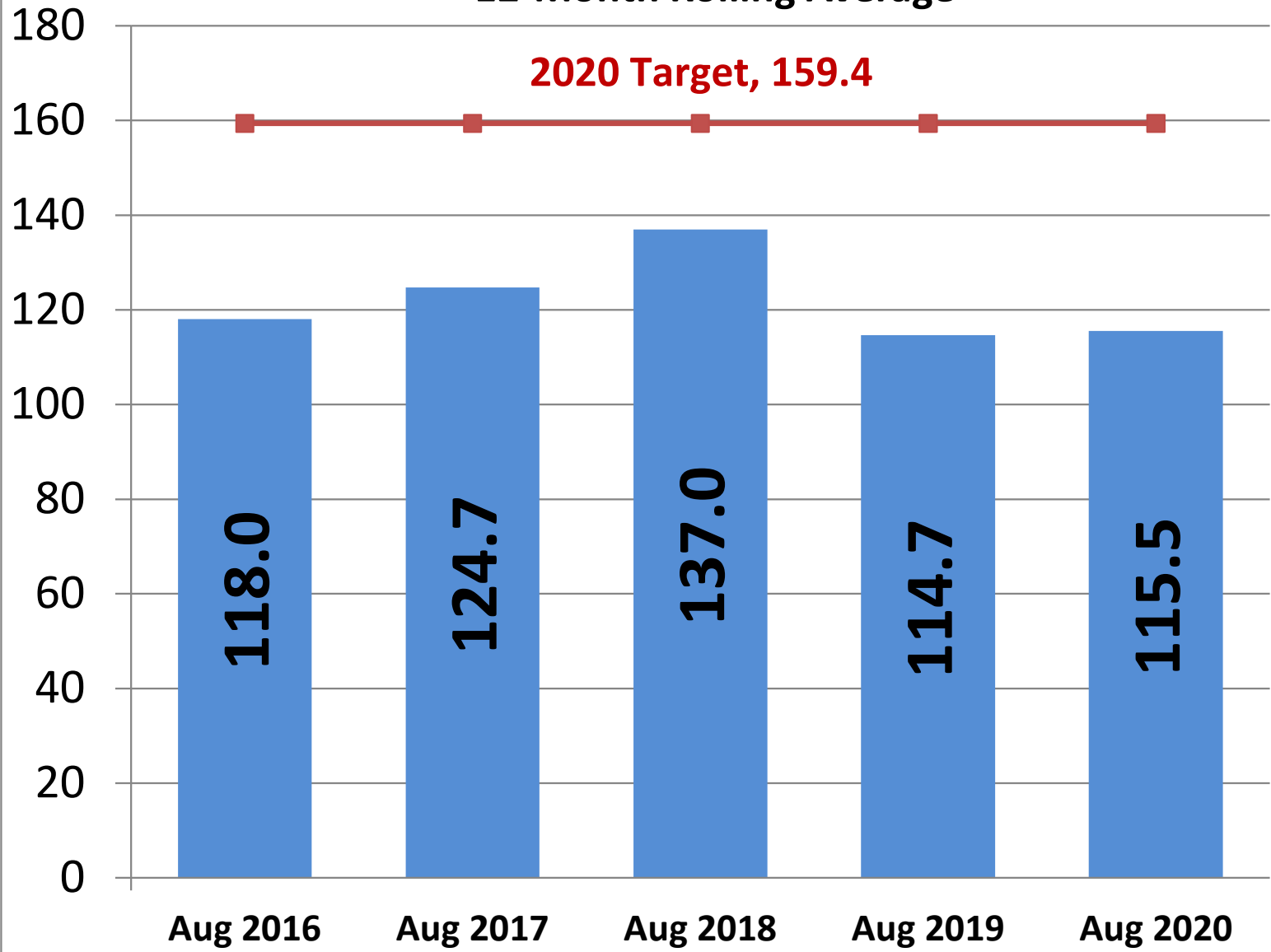
Active Meters by Type as of August 31, 2020



Vallecito Water District
 Water Production/Sales
 August 31, 2020



Gallons per Capita per Day 12-Month Rolling Average



DATE: SEPTEMBER 16, 2020
TO: BOARD OF DIRECTORS
SUBJECT: MONTHLY FINANCIAL REPORTS

BACKGROUND:

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

DISCUSSION:

The Monthly Revenue and Expense reports summarize revenues by service type and expenses by department over the 2-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 Two Months Ended August 31, 2020

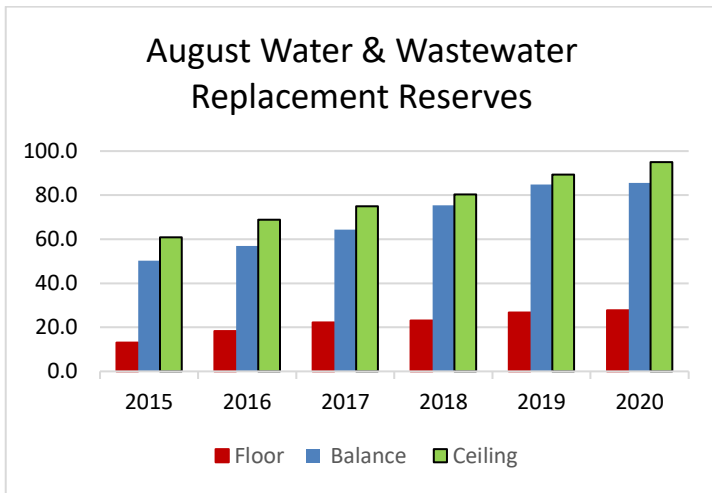
	Current	Prior Year Actual			Current Year Budget		
	Year	Amount	Variance		Amount	Variance	
	Actual		\$	%		\$	%
Revenue							
Water Sales	\$ 6,598,373	\$5,695,334	\$ 903,039	15.9%	\$5,535,000	\$ 1,063,373	19.2%
Ready-to-serve	2,433,472	2,385,735	47,737	2.0%	2,410,000	23,472	1.0%
Pumping charges	90,914	77,098	13,816	17.9%	86,000	4,914	5.7%
Late & lock charges	40,943	58,039	(17,096)	-29.5%	10,000	30,943	309.4%
Backflow fees	17,875	15,596	2,279	14.6%	18,000	(125)	-0.7%
Other revenue	18,208	20,816	(2,608)	-12.5%	49,000	(30,792)	-62.8%
Total Revenue	<u>9,199,785</u>	<u>8,252,618</u>	947,167	11.5%	<u>8,108,000</u>	1,091,785	13.5%
Expenses							
Water costs	6,116,090	5,779,529	336,561	5.8%	5,335,000	781,090	14.6%
Pumping cost recovery	119,770	55,769	64,001	114.8%	216,000	(96,230)	-44.6%
Water quality	19,122	24,031	(4,909)	-20.4%	33,000	(13,878)	-42.1%
Water treatment	76,115	92,772	(16,657)	-18.0%	77,000	(885)	-1.1%
Tanks & reservoirs	29,727	57,617	(27,890)	-48.4%	78,000	(48,273)	-61.9%
Trans & distribution	234,753	227,131	7,622	3.4%	313,000	(78,247)	-25.0%
Services	19,708	6,696	13,012	194.3%	12,000	7,708	64.2%
Meters	119,693	118,429	1,264	1.1%	122,000	(2,307)	-1.9%
Backflow prevention	13,692	6,446	7,246	112.4%	10,000	3,692	36.9%
Customer accounts	105,741	92,679	13,062	14.1%	173,000	(67,259)	-38.9%
Building & grounds	57,645	49,719	7,926	15.9%	71,000	(13,355)	-18.8%
Equipment & vehicles	44,066	37,100	6,966	18.8%	51,000	(6,934)	-13.6%
Engineering	237,825	289,591	(51,766)	-17.9%	270,000	(32,175)	-11.9%
Safety & compliance	34,174	33,360	814	2.4%	50,000	(15,826)	-31.7%
Information Technology	135,927	146,196	(10,269)	-7.0%	182,000	(46,073)	-25.3%
General & administrative	329,555	483,208	(153,653)	-31.8%	515,000	(185,445)	-36.0%
Total Expenses	<u>7,693,603</u>	<u>7,500,273</u>	193,330	2.6%	<u>7,508,000</u>	185,603	2.5%
Net Operating Income	<u>\$ 1,506,182</u>	<u>\$ 752,345</u>	753,837	100.2%	<u>\$ 600,000</u>	906,182	151.0%

Vallecitos Water District
Sewer Revenue and Expense Report
For the Two Months Ended August 31, 2020

	Current	Prior Year Actual			Current Year Budget		
	Year	Amount	Variance		Amount	Variance	
	Actual		\$	%		\$	%
Revenue							
Sewer service charges	\$ 3,035,720	\$ 3,083,037	\$ (47,317)	-1.5%	\$ 2,848,000	\$ 187,720	6.6%
Reclaimed water sales	465,667	411,000	54,667	13.3%	466,000	(333)	-0.1%
Other revenue	19,479	12,294	7,185	58.4%	14,000	5,479	39.1%
Total Revenue	<u>3,520,866</u>	<u>3,506,331</u>	14,535	0.4%	<u>3,328,000</u>	192,866	5.8%
Expenses							
Collection & conveyance	307,017	319,497	(12,480)	-3.9%	392,000	(84,983)	-21.7%
Lift stations	29,344	34,829	(5,485)	-15.7%	50,000	(20,656)	-41.3%
Source Control	23,923	28,473	(4,550)	-16.0%	34,000	(10,077)	-29.6%
Effluent disposal	507,500	585,833	(78,333)	-13.4%	507,000	500	0.1%
Meadowlark	306,328	430,833	(124,505)	-28.9%	517,000	(210,672)	-40.7%
Customer accounts	66,396	57,203	9,193	16.1%	100,000	(33,604)	-33.6%
Building & grounds	31,234	19,674	11,560	58.8%	51,000	(19,766)	-38.8%
Equipment & vehicles	27,979	27,761	218	0.8%	37,000	(9,021)	-24.4%
Engineering	120,758	105,275	15,483	14.7%	125,000	(4,242)	-3.4%
Safety & compliance	15,312	21,245	(5,933)	-27.9%	33,000	(17,688)	-53.6%
Information technology	117,260	109,777	7,483	6.8%	138,000	(20,740)	-15.0%
General & administrative	224,660	167,294	57,366	34.3%	234,000	(9,340)	-4.0%
Total Expenses	<u>1,777,711</u>	<u>1,907,694</u>	(129,983)	-6.8%	<u>2,218,000</u>	(440,289)	-19.9%
Net Operating Income	<u>\$ 1,743,155</u>	<u>\$ 1,598,637</u>	144,518	9.0%	<u>\$ 1,110,000</u>	633,155	57.0%

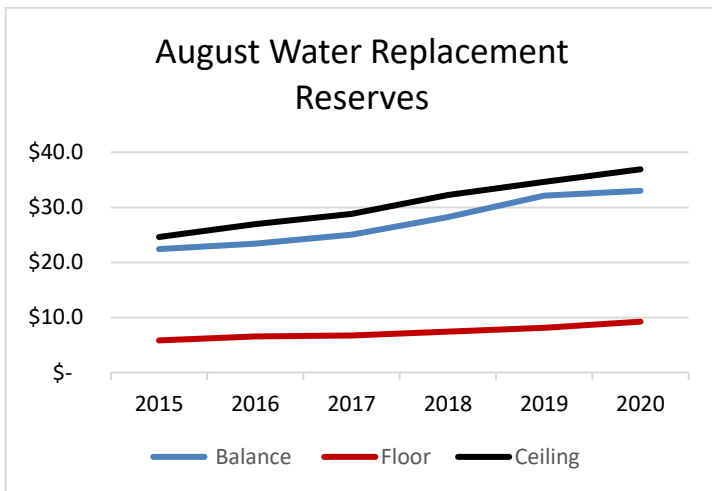
REPLACEMENT RESERVES

The District maintains two replacement reserves in cash equivalents and investments: One for the District’s water system, and the other for the District’s wastewater system. The District’s reserve policy establishes a floor of the sum of the next three years of projected system replacement costs, and a ceiling of the sum of the next ten years of system replacement costs. As of August 31, 2020, the total water and wastewater replacement reserve balance was \$85.5 million, 1 percent greater than August 31, 2019.



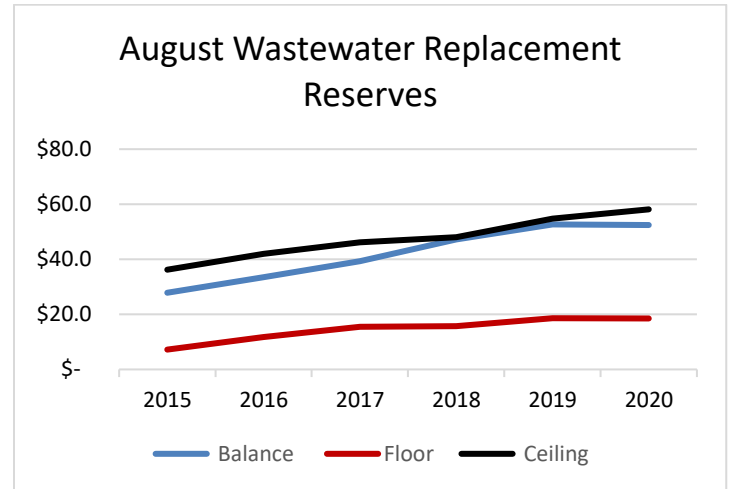
WATER REPLACEMENT RESERVE

As of August 31, 2020, the District’s water replacement reserve totaled \$33.0 million, an increase of 2.8 percent, or \$0.9 million, from the same month of the prior year. The month-end balance is within the floor and ceiling established by the reserve policy, leaving the District with sufficient reserves to meet infrastructure replacement needs.



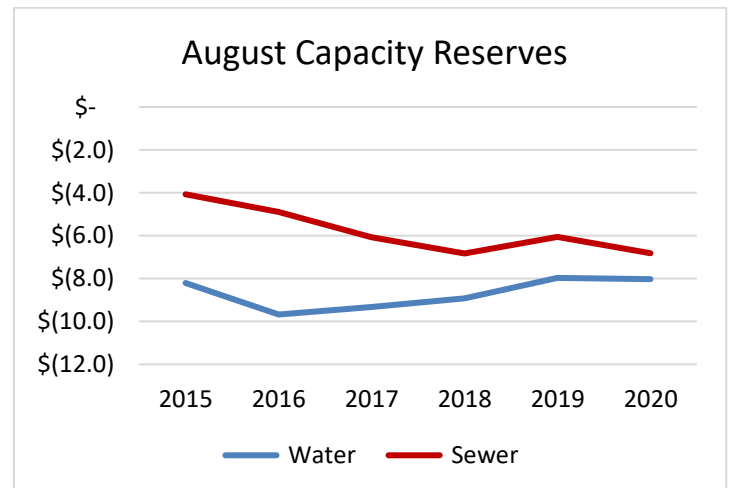
WASTEWATER REPLACEMENT RESERVE

As of August 31, 2020, the balance in the District’s wastewater replacement reserve totaled \$52.5 million, a decrease of 0.34 percent, or \$0.2 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 August 31, 2020, the water capacity fund had a deficit of \$8.0 million and the sewer capacity fund had a deficit of \$6.8 million. The District’s capital facility fees situation is expected to improve with the adoption of the new Master Plan and the corresponding capacity fee study.



VALLECITOS WATER DISTRICT

RESERVE ACTIVITY FOR THE TWO MONTHS ENDED AUGUST 31, 2020

	110 Water 120		210 Wastewater 220		Total
	Replacement	Capacity	Replacement	Capacity	
BEGINNING BALANCE	\$ 37,926,769	\$ (8,191,036)	\$ 59,840,514	\$ (7,282,511)	\$ 82,293,735
REVENUES					
FY 20/21 Operating Transfers	1,506,182		1,743,155		3,249,337
Capital Facility Fees	-	186,774	-	518,037	704,811
Investment Earnings	106,485	-	83,354	-	189,839
Annexation Fees	85,641	-	13,060	-	98,701
Property Tax	37,701	-	30,502	-	68,203
TOTAL REVENUES	<u>1,736,009</u>	<u>186,774</u>	<u>1,870,071</u>	<u>518,037</u>	<u>4,310,891</u>
LESS DISTRIBUTIONS					
Capital Projects					
Encina Wastewater Authority Five Year Plan	-	-	2,136,008	-	2,136,008
North Twin Oaks Tank 1 Refurb	293,071	-	-	-	293,071
MRF Grinder Pump 1	-	-	72,894	-	72,894
San Marcos interceptor sewer	-	-	14,039	31,247	45,286
District-Wide SCADA Upgrade Project	17,524	-	16,837	-	34,362
Sewer Rehabilitation And Repairs	-	-	32,775	-	32,775
Septage Hauler Disposal Siting Study	-	-	29,491	-	29,491
District Wide Solar Project	10,812	-	10,388	-	21,200
Audiovisual Upgrade	6,988	-	6,714	-	13,702
District Wide Valve Replacement	10,651	-	-	-	10,651
Asset Management Replacement Schedule	4,703	-	4,517	-	9,220
MRF Biological Selector Improvements	-	-	9,148	-	9,148
MRF Headworks - Upgrade/Replace Equipment	-	-	5,287	-	5,287
Tres Amigos Water Line Replacement Phase 1	4,960	-	-	-	4,960
Montiel Lift Station And Forcemain Replacement	-	-	2,931	1,197	4,128
Door Access Control System Expansion	2,055	-	1,975	-	4,030
Technology Infrastructure Upgrades	1,974	-	1,896	-	3,870
Failsafe Buena Sewer Outfall Condition Assessment	-	-	3,716	-	3,716
16-Inch Emergency Bypass Pipeline Rehabilitation	-	-	2,498	-	2,498
Encina Land Parallel Outfall	-	-	-	1,130	1,130
Palos Vista Pump Station - Motor Starter Upgrade	934	-	-	-	934
MRF Grinder Pump 3	-	-	875	-	875
MRF - Tertiary Influent Chamber Repairs	-	-	708	-	708
Wireless Radio Network Upgrades	149	-	144	-	293
MRF Site Lighting Upgrade and Repairs	-	-	280	-	280
MRF - Uninterruptible Power Supply	-	-	187	-	187
Total Capital Project Expenditures	353,821	-	2,353,310	33,575	2,740,706
Capital Budget - Vehicles/Mobile Equipmnt	-	-	300,049	-	300,049
Interest Expense	-	15,942	-	13,860	29,802
TOTAL DISTRIBUTIONS	<u>353,821</u>	<u>15,942</u>	<u>2,653,359</u>	<u>47,435</u>	<u>3,070,557</u>
ENDING BALANCE	\$ 39,308,957	\$ (8,020,204)	\$ 59,057,225	\$ (6,811,909)	\$ 83,534,069
Less: Operating Reserves	<u>6,310,400</u>	-	<u>6,563,800</u>	-	<u>12,874,200</u>
Replacement Reserves/Restricted Funds	<u>\$ 32,998,557</u>	<u>\$ (8,020,204)</u>	<u>\$ 52,493,425</u>	<u>\$ (6,811,909)</u>	<u>\$ 70,659,869</u>
Replacement reserve floor	<u>\$ 9,233,800</u>		<u>\$ 18,557,900</u>		
Replacement reserve ceiling	<u>\$ 36,905,000</u>		<u>\$ 58,145,300</u>		

VALLECITOS WATER DISTRICT
INVESTMENT REPORT FOR AUGUST 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 August follows:

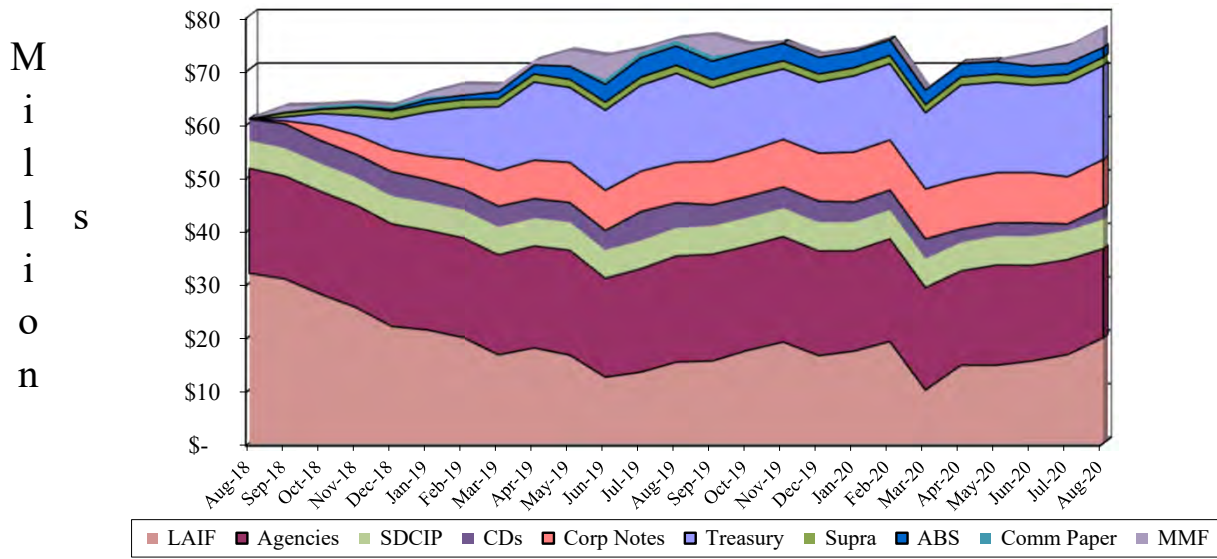
<u>Date</u>	<u>Activity</u>	<u>Investment</u>	<u>Amount</u>	<u>Maturity</u>	<u>Yield</u>
08/05/20	Deposit	LAIF	800,000	Open	0.79%
08/07/20	Matured	HSBC USA BDS	(250,000)	08/07/20	2.75%
08/07/20	Deposit	LAIF	550,000	Open	0.79%
08/17/20	Sold	JDOT 2017-B A3	(17,987)	10/15/21	1.82%
08/17/20	Sold	NAR 2016-C A4	(50,313)	01/17/23	1.38%
08/17/20	Sold	TAOT 2017-B CLA3	(19,921)	7/15/21	1.76%
08/17/20	Sold	TAOT 2019-A A2A	(27,075)	10/15/21	2.83%
08/17/20	Sold	JDOT 2019-A A2	(29,988)	12/15/21	2.85%
08/17/20	Withdrawal	LAIF	(850,000)	Open	0.79%
08/18/20	Sold	HAROT 2017-3 A3	(17,573)	09/20/21	1.79%
08/18/20	Sold	HONDA AUTO REC	(7,263)	05/18/22	3.01%
08/18/20	Sold	HAROT 2019-1 A2	(36,997)	09/20/21	2.75%
08/20/20	Deposit	LAIF	700,000	Open	0.79%
08/21/20	Sold	HAROT 2018-3 A3	(12,932)	08/22/22	2.95%
08/28/20	Deposit	LAIF	650,000	Open	0.79%
Change in investments during the month			<u>\$ 1,379,951</u>		

	<u>Current</u>
Weighted average annual yield for total Vallecitos investments	1.590%
Weighted average days to maturity	471

The State Treasurer's Office provides fair market values of LAIF quarterly on their web site. The most recent valuation, which is used on this report, is as of June 30, 2020. 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 July 31, 2020. Fair values for federal agency obligations and corporate notes are provided by Union Bank trust account reporting

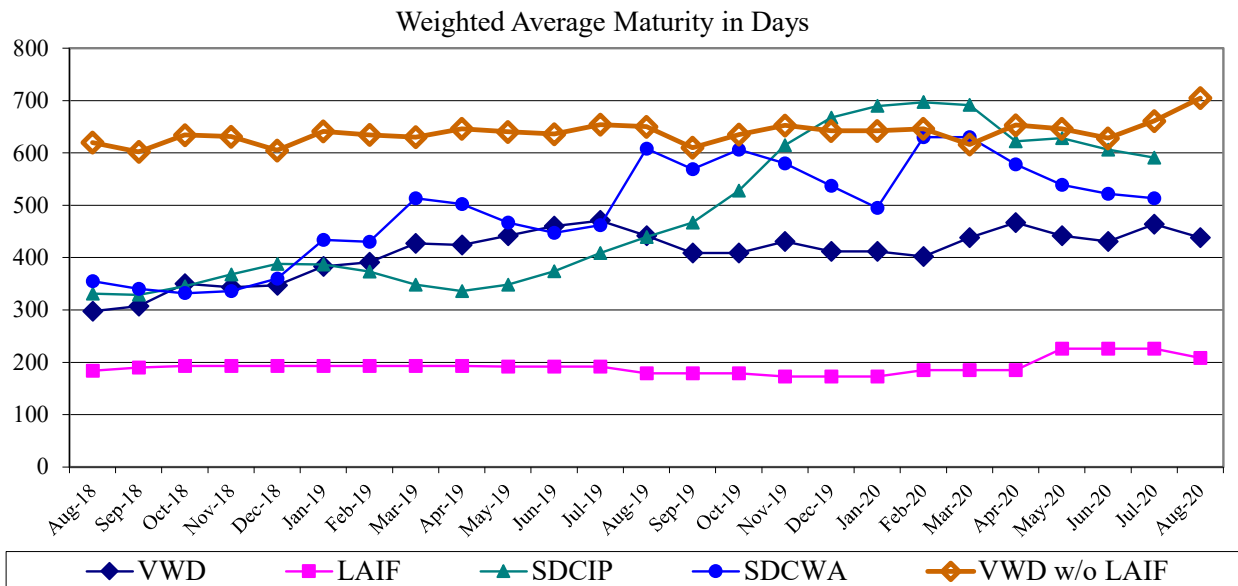
Safety

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.



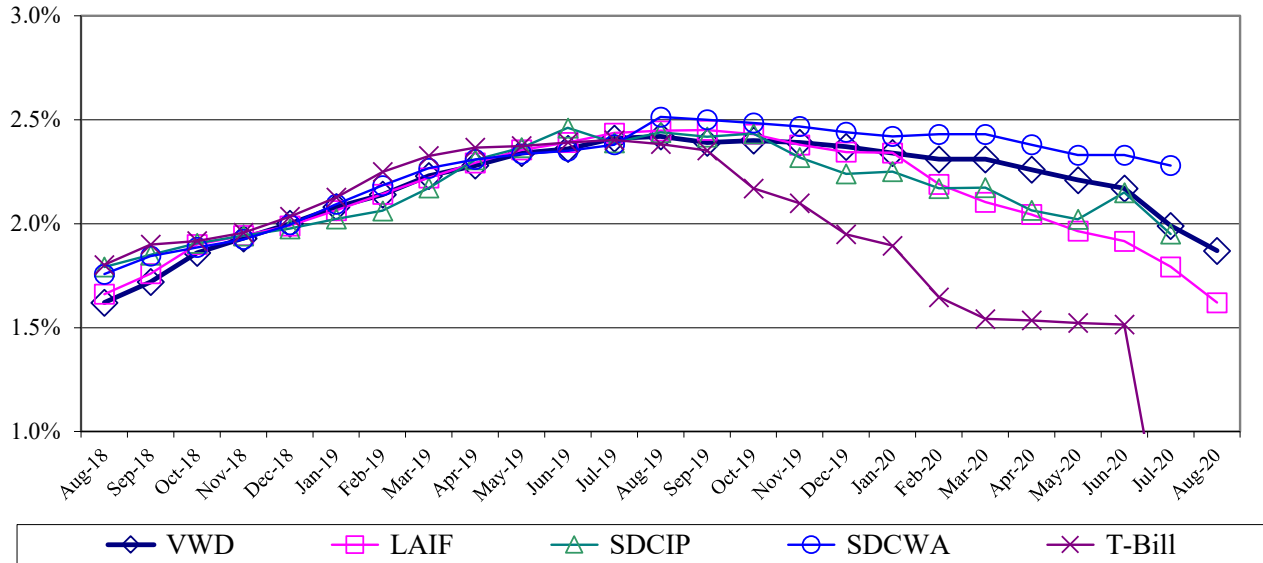
Liquidity

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 \$16.0 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	1.29
Average Coupon	1.57%
Average Purchase YTM	1.59%
Average Market YTM	0.44%
Average S&P/Moody Rating	AA+/Aa1
Average Final Maturity	1.34 yrs
Average Life	1.31 yrs

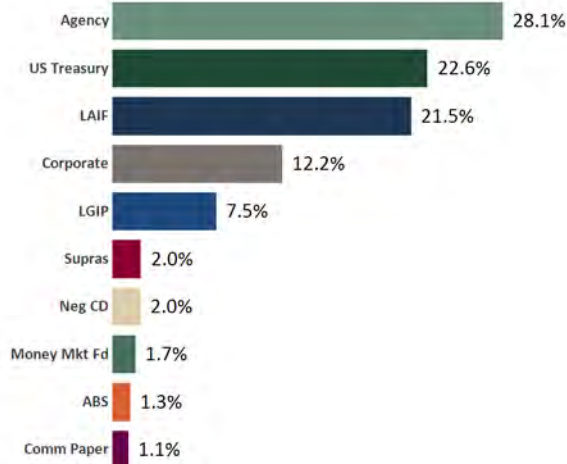
ACCOUNT SUMMARY

	Beg. Values as of 7/31/20	End Values as of 8/31/20
Market Value	72,465,250	74,321,087
Accrued Interest	225,458	258,911
Total Market Value	72,690,708	74,579,998
Income Earned	98,520	90,562
Cont/WD		
Par	70,867,012	72,790,775
Book Value	71,013,145	72,939,254
Cost Value	70,847,875	72,775,636

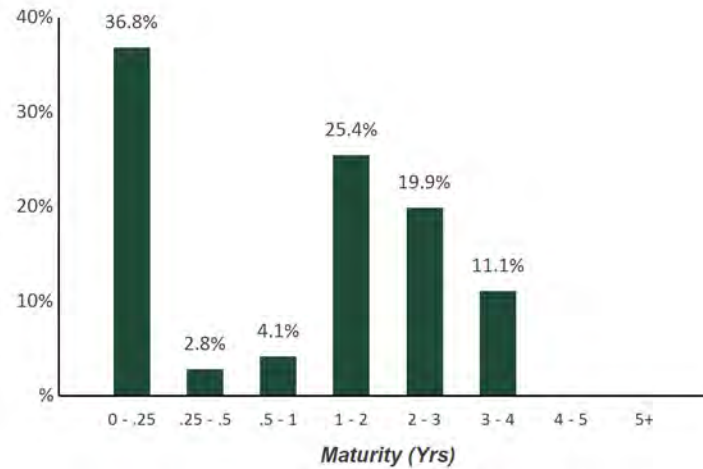
TOP ISSUERS

Government of United States	22.6%
Local Agency Investment Fund	21.5%
Federal Farm Credit Bank	8.9%
Federal Home Loan Bank	7.6%
County of San Diego Pooled Inve	7.5%
Federal National Mortgage Assoc	6.1%
Federal Home Loan Mortgage Corp	5.3%
Dreyfus Treasury and Agency	1.7%
Total	81.3%

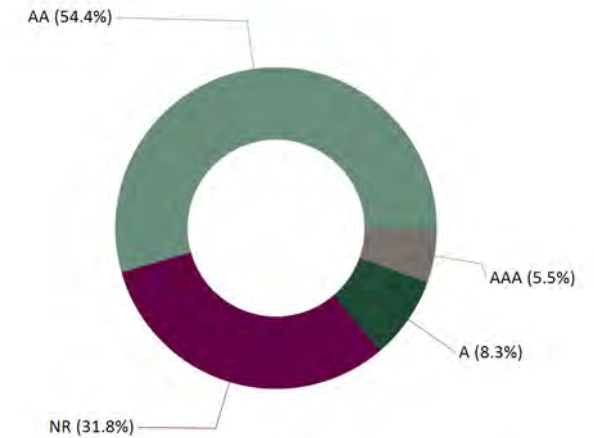
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



Vallecitos Water District Consolidated Account

Account #10594

Holdings Report

As of August 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									
89190BAD0	Toyota Auto Receivables Trust 2017-B A3 1.76% Due 7/15/2021	21,393.80	09/26/2018 2.78%	21,143.93 21,316.22	100.04 0.29%	21,403.08 16.73	0.03% 86.86	Aaa / AAA NR	0.87 0.04
43814PAC4	Honda Auto Receivables Trust 2017-3 A3 1.79% Due 9/20/2021	55,740.09	12/11/2018 2.73%	55,017.21 55,465.80	100.22 0.41%	55,861.03 36.03	0.07% 395.23	NR / AAA AAA	1.05 0.16
43814WAB1	Honda Auto Receivables Trust 2019-1 A2 2.75% Due 9/20/2021	107,125.38	02/19/2019 2.77%	107,118.47 107,122.55	100.32 0.46%	107,473.00 106.38	0.14% 350.45	NR / AAA AAA	1.05 0.14
47788BAD6	John Deere Owner Trust 2017-B A3 1.82% Due 10/15/2021	28,278.97	11/14/2018 3.14%	27,889.03 28,129.08	100.10 0.17%	28,306.97 22.87	0.04% 177.89	Aaa / NR AAA	1.12 0.07
89239AAB9	Toyota Auto Receivables Trust 2019-A A2A 2.83% Due 10/15/2021	70,305.46	02/05/2019 2.85%	70,299.08 70,302.78	100.32 0.10%	70,533.59 88.43	0.09% 230.81	Aaa / AAA NR	1.12 0.11
47789JAB2	John Deere Owner Trust 2019-A A2 2.85% Due 12/15/2021	69,413.07	03/05/2019 2.87%	69,409.91 69,411.60	100.29 0.16%	69,616.64 87.92	0.09% 205.04	Aaa / NR AAA	1.29 0.11
43814UAG4	Honda Auto Receivables Trust 2018-2 A3 3.01% Due 5/18/2022	64,164.78	05/22/2018 3.03%	64,163.38 64,164.18	101.22 0.41%	64,944.56 69.74	0.09% 780.38	NR / AAA AAA	1.71 0.46
43815HAC1	Honda Auto Receivables Trust 2018-3 A3 2.95% Due 8/22/2022	138,542.19	08/21/2018 2.98%	138,523.18 138,532.78	101.41 0.45%	140,492.43 113.53	0.19% 1,959.65	Aaa / NR AAA	1.98 0.56
65478WAE5	Nissan Auto Receivables Trust 2016-C A4 1.38% Due 1/17/2023	116,690.57	01/24/2019 2.95%	114,247.37 115,682.23	100.04 0.09%	116,740.97 71.57	0.16% 1,058.74	Aaa / NR AAA	2.38 0.03
47789KAC7	John Deere Owner Trust 2020-A A3 1.1% Due 8/15/2024	275,000.00	03/04/2020 1.11%	274,983.20 274,985.01	101.36 0.42%	278,745.22 134.44	0.37% 3,760.21	Aaa / NR AAA	3.96 1.99
Total ABS		946,654.31	2.38%	942,794.76 945,112.23	0.33%	954,117.49 747.64	1.28% 9,005.26	Aaa / AAA AAA	2.27 0.74
AGENCY									
3133EJ3B3	FFCB Note 2.8% Due 12/17/2021	1,000,000.00	12/26/2018 2.70%	1,002,780.00 1,001,208.25	103.42 0.15%	1,034,239.00 5,755.56	1.39% 33,030.75	Aaa / AA+ AAA	1.30 1.27

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AGENCY									
3135G0U92	FNMA Note 2.625% Due 1/11/2022	500,000.00	03/05/2019 2.60%	500,350.00 500,166.94	103.34 0.17%	516,709.50 1,822.92	0.70% 16,542.56	Aaa / AA+ AAA	1.36 1.34
3137EADB2	FHLMC Note 2.375% Due 1/13/2022	1,000,000.00	03/25/2020 0.63%	1,031,090.00 1,023,577.37	103.06 0.13%	1,030,604.00 3,166.67	1.39% 7,026.63	Aaa / AA+ AAA	1.37 1.35
3133EKBV7	FFCB Note 2.55% Due 3/1/2022	750,000.00	02/27/2019 2.55%	750,075.00 750,037.36	103.58 0.16%	776,869.50 9,562.50	1.05% 26,832.14	Aaa / AA+ AAA	1.50 1.46
313378WG2	FHLB Note 2.5% Due 3/11/2022	500,000.00	04/08/2019 2.36%	501,945.00 501,013.51	103.56 0.17%	517,806.50 5,902.78	0.70% 16,792.99	Aaa / AA+ NR	1.53 1.49
3133ELWD2	FFCB Note 0.375% Due 4/8/2022	930,000.00	04/03/2020 0.45%	928,623.60 928,898.88	100.33 0.17%	933,095.97 1,385.31	1.25% 4,197.09	Aaa / AA+ AAA	1.60 1.60
3135G0V59	FNMA Note 2.25% Due 4/12/2022	1,000,000.00	03/24/2020 0.59%	1,033,760.00 1,026,538.61	103.43 0.12%	1,034,318.00 8,687.50	1.40% 7,779.39	Aaa / AA+ AAA	1.61 1.58
3133ELYR9	FFCB Note 0.25% Due 5/6/2022	1,050,000.00	04/30/2020 0.31%	1,048,666.50 1,048,882.05	100.13 0.17%	1,051,374.45 838.54	1.41% 2,492.40	Aaa / AA+ AAA	1.68 1.68
3134GVJ66	FHLMC Note 0.25% Due 6/8/2022	1,000,000.00	06/04/2020 0.28%	999,400.00 999,469.86	100.13 0.17%	1,001,332.00 576.39	1.34% 1,862.14	Aaa / NR AAA	1.77 1.76
3133ELN26	FFCB Note 0.26% Due 6/22/2022	1,000,000.00	06/17/2020 0.28%	999,530.00 999,575.71	100.14 0.18%	1,001,424.00 498.33	1.34% 1,848.29	Aaa / AA+ AAA	1.81 1.80
313383WD9	FHLB Note 3.125% Due 9/9/2022	500,000.00	01/30/2019 2.68%	507,580.00 504,247.56	105.91 0.19%	529,561.50 7,465.28	0.72% 25,313.94	Aaa / AA+ AAA	2.02 1.95
3130AFE78	FHLB Note 3% Due 12/9/2022	1,000,000.00	01/25/2019 2.71%	1,010,700.00 1,006,286.53	106.33 0.21%	1,063,301.00 6,833.33	1.43% 57,014.47	Aaa / AA+ AAA	2.27 2.20
3137EAER6	FHLMC Note 0.375% Due 5/5/2023	985,000.00	05/05/2020 0.39%	984,586.30 984,630.58	100.26 0.28%	987,585.63 1,169.69	1.33% 2,955.05	Aaa / AA+ AAA	2.68 2.66
3135G04Q3	FNMA Note 0.25% Due 5/22/2023	1,055,000.00	05/20/2020 0.35%	1,051,824.45 1,052,120.25	100.10 0.21%	1,056,040.23 725.31	1.42% 3,919.98	Aaa / AA+ AAA	2.72 2.71
3133834G3	FHLB Note 2.125% Due 6/9/2023	650,000.00	10/30/2019 1.66%	660,432.50 658,008.55	105.16 0.26%	683,508.80 3,146.18	0.92% 25,500.25	Aaa / AA+ NR	2.77 2.69
3137EAES4	FHLMC Note 0.25% Due 6/26/2023	965,000.00	06/24/2020 0.35%	962,182.20 962,354.61	100.00 0.25%	964,969.12 435.59	1.29% 2,614.51	Aaa / AA+ AAA	2.82 2.81
3135G05G4	FNMA Note 0.25% Due 7/10/2023	875,000.00	07/08/2020 0.32%	873,118.75 873,209.81	100.01 0.25%	875,049.88 309.90	1.17% 1,840.07	Aaa / AA+ AAA	2.86 2.85

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AGENCY									
3133EKZK5	FFCB Note 1.6% Due 8/14/2023	1,000,000.00	08/28/2019 1.48%	1,004,700.00 1,003,500.62	103.98 0.25%	1,039,763.00 755.56	1.40% 36,262.38	Aaa / AA+ AAA	2.95 2.89
3130A3DL5	FHLB Note 2.375% Due 9/8/2023	700,000.00	10/09/2019 1.44%	724,864.00 719,174.34	106.24 0.30%	743,649.20 7,989.24	1.01% 24,474.86	Aaa / AA+ NR	3.02 2.90
3130A3VC5	FHLB Note 2.25% Due 12/8/2023	1,000,000.00	02/13/2020 1.46%	1,029,240.00 1,025,041.87	106.41 0.28%	1,064,110.00 5,187.50	1.43% 39,068.13	Aaa / AA+ NR	3.27 3.16
3135G0V34	FNMA Note 2.5% Due 2/5/2024	1,000,000.00	01/30/2020 1.44%	1,041,280.00 1,035,254.13	107.72 0.24%	1,077,158.00 1,805.56	1.45% 41,903.87	Aaa / AA+ AAA	3.43 3.30
3133EKMX1	FFCB Note 2.23% Due 2/23/2024	750,000.00	07/30/2019 1.91%	760,425.00 757,937.50	106.69 0.29%	800,208.00 371.67	1.07% 42,270.50	Aaa / AA+ AAA	3.48 3.36
3130A7PH2	FHLB Note 1.875% Due 3/8/2024	1,000,000.00	03/03/2020 0.85%	1,040,350.00 1,035,364.78	105.73 0.24%	1,057,276.00 9,010.42	1.43% 21,911.22	Aaa / AA+ NR	3.52 3.39
Total Agency		20,210,000.00	1.18%	20,447,503.30 20,396,499.67	0.21%	20,839,953.28 83,401.73	28.05% 443,453.61	Aaa / AA+ AAA	2.35 2.30
COMMERCIAL PAPER									
62479LJE6	MUFG Bank Ltd Discount CP 0.25% Due 9/14/2020	850,000.00	06/25/2020 0.25%	849,527.78 849,923.26	99.99 0.25%	849,923.26 0.00	1.14% 0.00	P-1 / A-1 NR	0.04 0.04
Total Commercial Paper		850,000.00	0.25%	849,527.78 849,923.26	0.25%	849,923.26 0.00	1.14% 0.00	Aaa / AA NR	0.04 0.04
CORPORATE									
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%	490,920.00 499,251.26	100.18 0.27%	500,898.50 3,769.44	0.68% 1,647.24	A3 / A A	0.18 0.09
69371RN93	Paccar Financial Corp Note 2.8% Due 3/1/2021	300,000.00	07/23/2018 3.12%	297,585.00 299,539.88	101.29 0.22%	303,859.20 4,200.00	0.41% 4,319.32	A1 / A+ NR	0.50 0.49
06406FAA1	Bank of NY Mellon Corp Callable Note Cont 3/15/2021 2.5% Due 4/15/2021	500,000.00	08/24/2018 3.05%	493,125.00 498,383.19	101.20 0.26%	506,013.50 4,722.22	0.68% 7,630.31	A1 / A AA-	0.62 0.54
369550BE7	General Dynamics Corp Note 3% Due 5/11/2021	350,000.00	06/28/2018 3.08%	349,247.50 349,818.88	101.89 0.27%	356,630.05 3,208.33	0.48% 6,811.17	A2 / A NR	0.69 0.69

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CORPORATE									
857477AV5	State Street Bank Note 1.95% Due 5/19/2021	500,000.00	10/12/2018 3.30%	483,360.00 495,426.64	101.23 0.23%	506,136.50 2,762.50	0.68% 10,709.86	A1 / A AA-	0.72 0.71
808513AW5	Charles Schwab Corp Callable Note Cont 4/21/2021 3.25% Due 5/21/2021	320,000.00	Various 3.09%	321,372.10 320,301.37	101.87 0.31%	325,987.84 2,888.88	0.44% 5,686.47	A2 / A A	0.72 0.63
931142EJ8	Wal-Mart Stores Note 3.125% Due 6/23/2021	290,000.00	06/20/2018 3.13%	289,985.50 289,996.08	102.37 0.20%	296,865.75 1,711.81	0.40% 6,869.67	Aa2 / AA AA	0.81 0.80
02665WBG5	American Honda Finance Note 1.7% Due 9/9/2021	500,000.00	07/20/2018 3.19%	478,045.00 492,835.33	101.34 0.38%	506,718.50 4,061.11	0.68% 13,883.17	A3 / A- NR	1.02 1.01
89233P5F9	Toyota Motor Credit Corp Note 3.4% Due 9/15/2021	500,000.00	05/31/2018 3.03%	505,785.00 501,828.62	103.17 0.34%	515,858.00 7,838.89	0.70% 14,029.38	A1 / A+ A+	1.04 1.01
24422ETL3	John Deere Capital Corp Note 2.65% Due 1/6/2022	500,000.00	Various 3.29%	489,627.50 495,952.50	103.29 0.20%	516,445.00 2,024.30	0.70% 20,492.50	A2 / A A	1.35 1.33
74005PBA1	Praxair Callable Note Cont 11/15/2021 2.45% Due 2/15/2022	300,000.00	06/27/2018 3.15%	292,848.00 297,132.73	102.56 0.32%	307,678.20 326.67	0.41% 10,545.47	A2 / A NR	1.46 1.19
037833CQ1	Apple Inc Callable Note Cont 4/11/2022 2.3% Due 5/11/2022	500,000.00	10/30/2018 3.30%	483,395.00 492,039.41	103.26 0.27%	516,304.00 3,513.89	0.70% 24,264.59	Aa1 / AA+ NR	1.69 1.58
68389XBB0	Oracle Corp Callable Note Cont 3/15/2022 2.5% Due 5/15/2022	500,000.00	Various 3.28%	486,304.00 493,838.87	103.38 0.29%	516,915.50 3,680.56	0.70% 23,076.63	A3 / A A-	1.70 1.51
084664BT7	Berkshire Hathaway Note 3% Due 5/15/2022	500,000.00	12/11/2018 3.31%	495,015.00 497,521.47	104.72 0.22%	523,621.50 4,416.67	0.71% 26,100.03	Aa2 / AA A+	1.70 1.66
09247XAJ0	Blackrock Inc Note 3.375% Due 6/1/2022	500,000.00	11/28/2018 3.36%	500,215.00 500,107.25	105.33 0.32%	526,645.00 4,218.75	0.71% 26,537.75	Aa3 / AA- NR	1.75 1.70
06051GEU9	Bank of America Corp Note 3.3% Due 1/11/2023	400,000.00	09/05/2019 2.13%	414,984.00 410,587.06	106.69 0.45%	426,753.60 1,833.33	0.57% 16,166.54	A2 / A- A+	2.36 2.28
90331HNL3	US Bank NA Callable Note Cont 12/23/2022 2.85% Due 1/23/2023	480,000.00	07/22/2019 2.24%	489,580.80 486,471.65	105.88 0.30%	508,208.16 1,444.00	0.68% 21,736.51	A1 / AA- AA-	2.40 2.25
69353RFL7	PNC Bank Callable Note Cont 5/9/2023 3.5% Due 6/8/2023	500,000.00	06/11/2019 2.44%	519,580.00 513,456.10	108.03 0.49%	540,160.00 4,034.72	0.73% 26,703.90	A2 / A NR	2.77 2.57
69371RQ82	Paccar Financial Corp Note 0.8% Due 6/8/2023	300,000.00	06/01/2020 0.85%	299,583.00 299,615.37	101.29 0.33%	303,867.30 553.33	0.41% 4,251.93	A1 / A+ NR	2.77 2.74

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CORPORATE									
931142EK5	Wal-Mart Stores Callable Note Cont 5/26/2023 3.4% Due 6/26/2023	500,000.00	05/21/2019 2.65%	514,115.00 509,612.47	108.40 0.31%	542,012.00 3,069.44	0.73% 32,399.53	Aa2 / AA AA	2.82 2.62
Total Corporate		8,740,000.00	2.94%	8,694,672.40 8,743,716.13	0.30%	9,047,578.10 64,278.84	12.22% 303,861.97	A1 / A+ A+	1.49 1.41
LAIF									
90LAIF\$00	Local Agency Investment Fund State Pool	15,997,682.76	Various 0.76%	15,997,682.76 15,997,682.76	1.00 0.76%	15,997,682.76 23,619.81	21.48% 0.00	NR / NR NR	0.00 0.00
Total LAIF		15,997,682.76	0.76%	15,997,682.76 15,997,682.76	0.76%	15,997,682.76 23,619.81	21.48% 0.00	NR / NR NR	0.00 0.00
LOCAL GOV INVESTMENT POOL									
90SDCP\$00	County of San Diego Pooled Investment Pool	5,570,000.00	Various 1.56%	5,570,000.00 5,570,000.00	1.00 1.56%	5,570,000.00 0.00	7.47% 0.00	NR / NR AAA	0.00 0.00
Total Local Gov Investment Pool		5,570,000.00	1.56%	5,570,000.00 5,570,000.00	1.56%	5,570,000.00 0.00	7.47% 0.00	NR / NR AAA	0.00 0.00
MONEY MARKET FUND FI									
261908206	Dreyfus Treasury Money Market Fund	1,236,437.44	Various 0.01%	1,236,437.44 1,236,437.44	1.00 0.01%	1,236,437.44 0.00	1.66% 0.00	Aaa / AAA NR	0.00 0.00
Total Money Market Fund FI		1,236,437.44	0.01%	1,236,437.44 1,236,437.44	0.01%	1,236,437.44 0.00	1.66% 0.00	Aaa / AAA NR	0.00 0.00
NEGOTIABLE CD									
254672L89	Discover Bank Negotiable CD 1.5% Due 10/26/2020	245,000.00	10/26/2016 1.50%	245,000.00 245,000.00	100.19 0.28%	245,458.40 1,288.77	0.33% 458.40	NR / NR NR	0.15 0.15
78012UVJ1	Royal Bank of Canada Yankee CD 1% Due 2/19/2021	1,000,000.00	04/20/2020 1.00%	1,000,000.00 1,000,000.00	100.00 1.00%	1,000,000.00 3,694.44	1.35% 0.00	P-1 / A-1+ F-1+	0.47 0.47



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NEGOTIABLE CD									
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	101.26 0.13%	248,088.23 22.15	0.33% 3,088.23	NR / NR NR	0.83 0.82
Total Negotiable CD		1,490,000.00	1.19%	1,490,000.00	0.74%	1,493,546.63 5,005.36	2.01% 3,546.63	Aaa / AAA AAA	0.48 0.48
SUPRANATIONAL									
4581X0CD8	Inter-American Dev Bank Note 2.125% Due 11/9/2020	750,000.00	05/22/2018 2.81%	737,865.00 749,069.65	100.35 0.28%	752,613.00 4,958.33	1.02% 3,543.35	Aaa / AAA AAA	0.19 0.19
459058GH0	Intl. Bank Recon & Development Note 2.75% Due 7/23/2021	750,000.00	07/24/2018 2.86%	747,607.50 749,288.60	102.23 0.26%	766,691.25 2,177.08	1.03% 17,402.65	Aaa / AAA NR	0.89 0.89
Total Supranational		1,500,000.00	2.84%	1,485,472.50 1,498,358.25	0.27%	1,519,304.25 7,135.41	2.05% 20,946.00	Aaa / AAA AAA	0.55 0.54
US TREASURY									
912828L65	US Treasury Note 1.375% Due 9/30/2020	750,000.00	06/27/2018 2.53%	731,044.92 749,333.70	100.10 0.15%	750,751.50 4,339.14	1.01% 1,417.80	Aaa / AA+ AAA	0.08 0.08
912828WC0	US Treasury Note 1.75% Due 10/31/2020	750,000.00	07/20/2018 2.64%	735,292.97 748,938.12	100.27 0.15%	751,992.00 4,422.55	1.01% 3,053.88	Aaa / AA+ AAA	0.17 0.17
912828A42	US Treasury Note 2% Due 11/30/2020	750,000.00	11/28/2018 2.85%	737,695.31 748,487.13	100.46 0.15%	753,446.25 3,811.48	1.02% 4,959.12	Aaa / AA+ AAA	0.25 0.25
912828N89	US Treasury Note 1.375% Due 1/31/2021	750,000.00	10/30/2018 2.86%	725,859.38 745,541.47	100.49 0.19%	753,691.50 896.74	1.01% 8,150.03	Aaa / AA+ AAA	0.42 0.42
912828U81	US Treasury Note 2% Due 12/31/2021	750,000.00	11/08/2018 3.05%	726,650.39 740,115.06	102.46 0.15%	768,456.75 2,567.93	1.03% 28,341.69	Aaa / AA+ AAA	1.33 1.32
912828W55	US Treasury Note 1.875% Due 2/28/2022	1,000,000.00	01/30/2019 2.56%	979,921.88 990,264.61	102.58 0.15%	1,025,820.00 51.80	1.38% 35,555.39	Aaa / AA+ AAA	1.50 1.49
912828W89	US Treasury Note 1.875% Due 3/31/2022	750,000.00	09/27/2018 2.92%	724,013.67 738,306.15	102.73 0.15%	770,478.75 5,917.01	1.04% 32,172.60	Aaa / AA+ AAA	1.58 1.55

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US TREASURY									
912828XR6	US Treasury Note 1.75% Due 5/31/2022	750,000.00	09/24/2018 2.93%	719,208.98 735,406.34	102.79 0.15%	770,947.50 3,335.04	1.04% 35,541.16	Aaa / AA+ AAA	1.75 1.72
912828XW5	US Treasury Note 1.75% Due 6/30/2022	350,000.00	09/07/2018 2.80%	336,792.97 343,657.96	102.93 0.15%	360,267.60 1,048.57	0.48% 16,609.64	Aaa / AA+ AAA	1.83 1.80
9128282P4	US Treasury Note 1.875% Due 7/31/2022	1,000,000.00	12/28/2018 2.53%	977,617.19 988,055.66	103.31 0.14%	1,033,125.00 1,630.43	1.39% 45,069.34	Aaa / AA+ AAA	1.92 1.89
912828L24	US Treasury Note 1.875% Due 8/31/2022	750,000.00	09/20/2018 2.94%	720,439.45 735,034.97	103.47 0.14%	776,016.00 38.85	1.04% 40,981.03	Aaa / AA+ AAA	2.00 1.97
9128282W9	US Treasury Note 1.875% Due 9/30/2022	1,000,000.00	03/19/2019 2.43%	981,406.25 989,059.96	103.62 0.13%	1,036,172.00 7,889.34	1.40% 47,112.04	Aaa / AA+ AAA	2.08 2.04
912828M80	US Treasury Note 2% Due 11/30/2022	800,000.00	12/24/2019 1.70%	806,875.00 805,268.69	104.18 0.14%	833,406.40 4,065.57	1.12% 28,137.71	Aaa / AA+ AAA	2.25 2.20
9128284D9	US Treasury Note 2.5% Due 3/31/2023	1,000,000.00	02/21/2019 2.51%	999,414.06 999,631.93	106.08 0.14%	1,060,781.00 10,519.13	1.44% 61,149.07	Aaa / AA+ AAA	2.58 2.49
912828R28	US Treasury Note 1.625% Due 4/30/2023	1,000,000.00	12/04/2019 1.60%	1,000,898.44 1,000,702.40	103.94 0.14%	1,039,414.00 5,475.54	1.40% 38,711.60	Aaa / AA+ AAA	2.66 2.61
912828R69	US Treasury Note 1.625% Due 5/31/2023	1,100,000.00	Various 2.00%	1,083,765.62 1,089,188.98	104.07 0.14%	1,144,730.40 4,542.01	1.54% 55,541.42	Aaa / AA+ AAA	2.75 2.69
912828T91	US Treasury Note 1.625% Due 10/31/2023	1,000,000.00	09/25/2019 1.60%	1,000,898.44 1,000,693.65	104.64 0.16%	1,046,367.00 5,475.54	1.41% 45,673.35	Aaa / AA+ AAA	3.17 3.08
912828V80	US Treasury Note 2.25% Due 1/31/2024	1,000,000.00	12/16/2019 1.71%	1,021,210.94 1,017,563.11	107.07 0.17%	1,070,664.00 1,956.52	1.44% 53,100.89	Aaa / AA+ AAA	3.42 3.30
912828X70	US Treasury Note 2% Due 4/30/2024	1,000,000.00	03/03/2020 0.71%	1,052,539.06 1,046,274.52	106.60 0.19%	1,066,016.00 6,739.13	1.44% 19,741.48	Aaa / AA+ AAA	3.67 3.53
Total US Treasury		16,250,000.00	2.28%	16,061,544.92 16,211,524.41	0.15%	16,812,543.65 74,722.32	22.64% 601,019.24	Aaa / AA+ AAA	2.00 1.95
TOTAL PORTFOLIO		72,790,774.51	1.59%	72,775,635.86 72,939,254.15	0.44%	74,321,086.86 258,911.11	100.00% 1,381,832.71	Aa1 / AA+ AAA	1.34 1.29
TOTAL MARKET VALUE PLUS ACCRUED						74,579,997.97			

**VALLECITOS WATER DISTRICT
SUMMARY OF LEGAL FEES**

Matter Description	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Total
General Counsel Services	\$5,284	\$2,215	\$12,391	\$6,930	\$10,083	\$7,810	\$18,504	\$5,857	\$11,254	\$9,723	\$9,182	\$6,304	\$565	\$100,817
Labor/Employment	5,447	2,135	3,679	3,948	2,359	3,504	4,073	468	1,666	2,089	889	2,297	559	\$27,664
Engineering - Construction/Contracting	546	1,641	1,968	2,878	4,143	3,433	1,615	2,200	2,662	8,528	7,968	8,966	9,810	\$55,813
Fees and Taxes	-	2,744	7,241	5,491	1,204	-	1,802	1,812	2,562	2,550	240	-	180	\$25,825
Environmental	-	-	1,800	2,910	678	-	-	-	-	-	870	870	-	\$7,128
Adv. Butler	-	30	417	-	1,702	138	2,831	8,593	1,063	81	646	319	797	\$16,615
Renewable Energy	-	-	-	-	4,710	1,824	-	-	-	305	-	630	-	\$7,469
Driscoll & Omens Prop 218 Sole	-	-	-	-	-	-	-	-	-	500	691	592	188	\$1,971
Driscoll & Omens Prop 218 Shared	-	-	-	-	-	-	-	-	-	2,323	1,089	1,406	466	\$5,285
Total	\$11,277	\$8,764	\$27,495	\$22,157	\$24,878	\$16,708	\$28,825	\$18,931	\$19,207	\$26,098	\$21,575	\$21,383	\$12,565	\$248,587

DATE: SEPTEMBER 16, 2020
TO: BOARD OF DIRECTORS
SUBJECT: ADOPTION OF RESOLUTION ORDERING THE ANNEXATION OF CERTAIN PROPERTY DESIGNATED AS THE “LUPA ANNEXATION” (APN 228-010-25) INTO THE VALLECITOS WATER DISTRICT SEWER IMPROVEMENT DISTRICTS 5, 6 & A

BACKGROUND:

The Lupa property consists of two adjacent parcels totaling approximately 2.33 acres located on Anthony Heights Drive east of Nordahl Road and north of Rock Springs Road (APN 228-010-24 & 25) in the City of Escondido. Both parcels are outside of the Vallecitos Water District water service boundary and APN 228-010-24 is within VWD’s sewer service area. Both parcels are within Vista Irrigation District’s (VID) service boundary.

DISCUSSION:

Richard Lupa requested annexation of APN 228-010-25 into the District’s sewer service area in December 2019. The District’s conditions for annexation were approved at the February 5, 2020 Board of Directors meeting. VID will continue to provide water service. Detachment from VID is not required.

The property owner has paid \$13,059.90 in sewer annexation fees in accordance with Ordinance No. 200. He has also paid \$350 in State Board of Equalization fees per the conditions of annexation listed in the February 5, 2020 staff report.

FISCAL IMPACT:

Payment of \$13,059.90 (\$9,674.00/acre x 1.35 acres) in sewer annexation fees have been collected in accordance with Ordinance No. 200. All other fees will cover actual costs and have no fiscal impact.

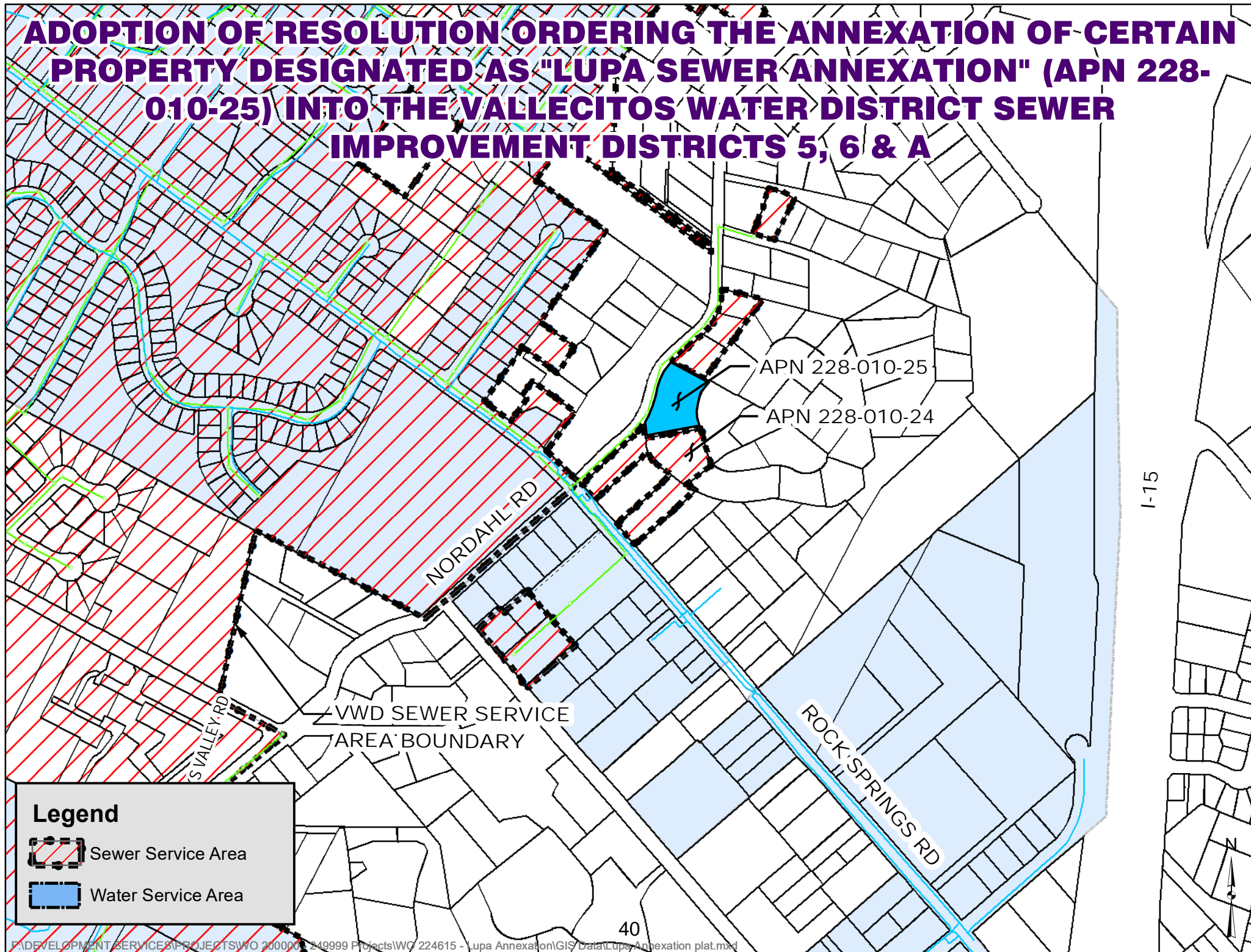
RECOMMENDATION:

Adopt the resolution ordering the annexation of APN 228-010-25 into the Vallecitos Water District Sewer Improvement Districts 5, 6 & A.

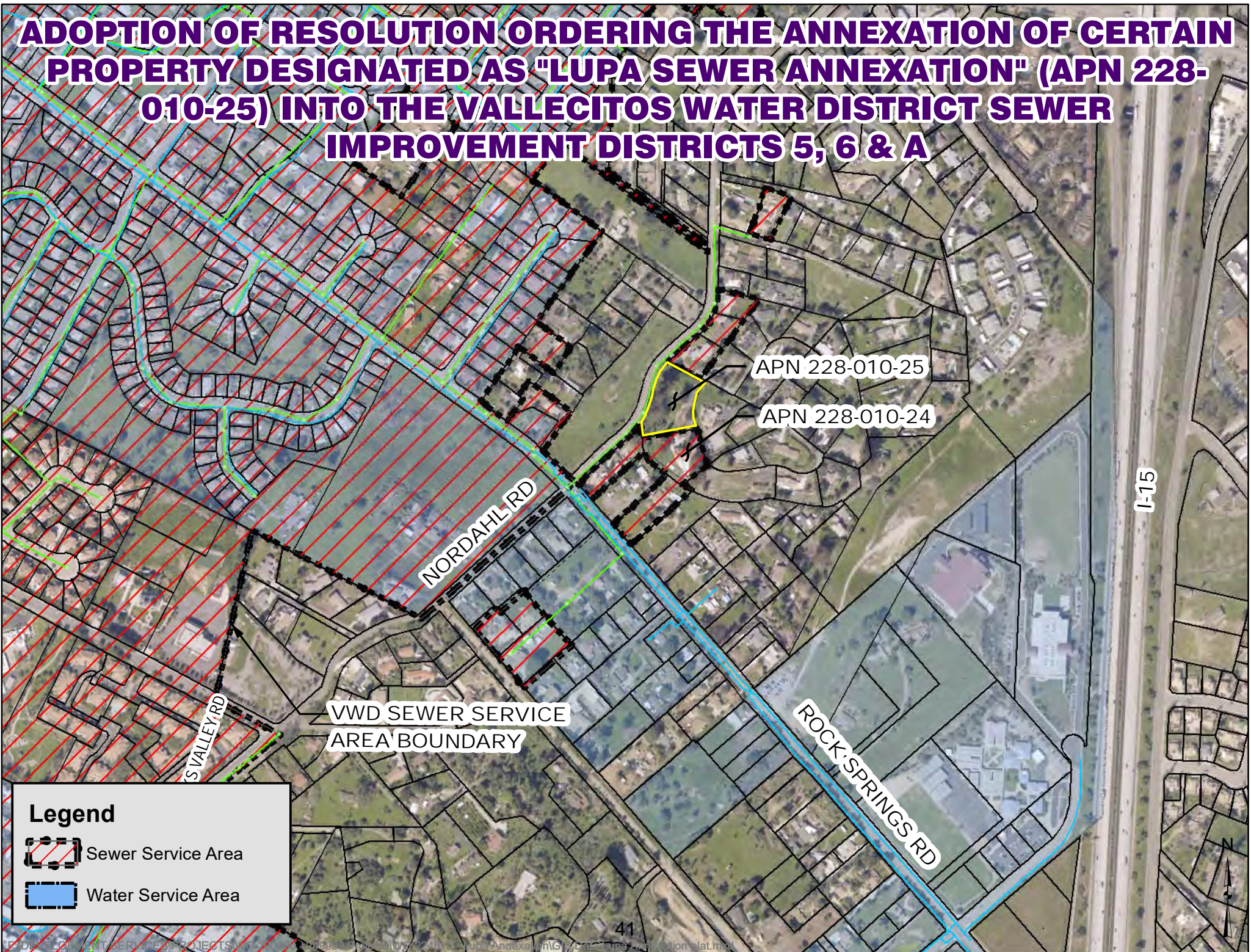
ATTACHMENTS:

2 Map Exhibits - 1 Plat & 1 Aerial
Resolution



ADOPTION OF RESOLUTION ORDERING THE ANNEXATION OF CERTAIN PROPERTY DESIGNATED AS "LUPA SEWER ANNEXATION" (APN 228-010-25) INTO THE VALLECITOS WATER DISTRICT SEWER IMPROVEMENT DISTRICTS 5, 6 & A



ADOPTION OF RESOLUTION ORDERING THE ANNEXATION OF CERTAIN PROPERTY DESIGNATED AS "LUPA SEWER ANNEXATION" (APN 228-010-25) INTO THE VALLECITOS WATER DISTRICT SEWER IMPROVEMENT DISTRICTS 5, 6 & A



Legend

-  Sewer Service Area
-  Water Service Area

RESOLUTION NO.

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
VALLECITOS WATER DISTRICT ORDERING ANNEXATION
OF CERTAIN PROPERTY DESIGNATED AS THE “LUPA ANNEXATION”
APN 228-010-25 INTO SEWER IMPROVEMENT DISTRICTS 5, 6 & A**

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 5, 6 & A of the Vallecitos Water District.

Section 1.2: That the owners of the land described in this resolution, consisting of approximately 1.35 acres, and also referred to as APN 228-010-25, 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 5, 6 & A of the Vallecitos Water District.

SECTION 2: The Board of Directors of the Vallecitos Water District does hereby order the annexation of all the lands hereinafter described to Sewer Improvement Districts 5, 6 & A of the Vallecitos Water District pursuant to this resolution and the proceedings above referred to, which description contained in Exhibits “A” & “B” 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 District 5 of the Vallecitos Water District are as follows:

Section 3.1: Payment by petitioners of the sum of \$9,674.00 per acre or fraction thereof for annexation of the territory into Sewer Improvement Districts 5, 6 & A 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 5 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 16th day of September, 2020, by the following roll call vote:

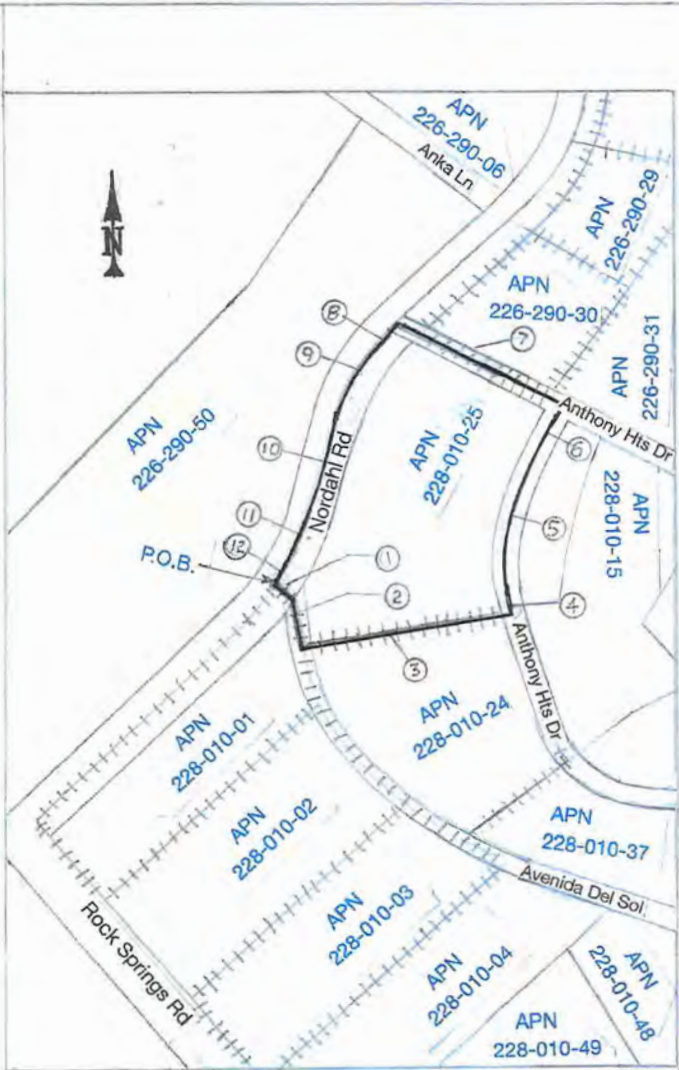
- AYES:
- NOES:
- ABSTAIN:
- ABSENT

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

ATTEST:

 Glenn Pruim, Secretary
 Board of Directors
 Vallecitos Water District

EXHIBIT 'A'



COURSES

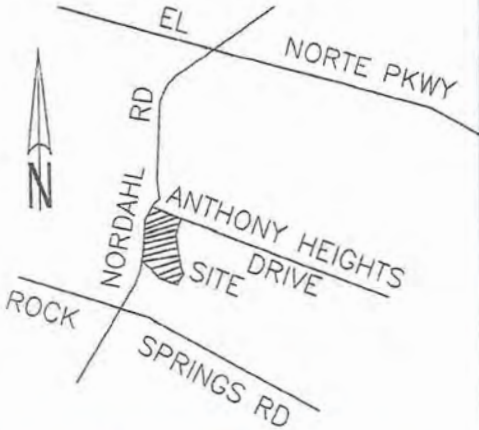
- 1. S 50 26' 00" E 25.00'
- 2. S 13 34' 00" E 60.61'
- 3. N 78 20' 20" E 228.21'
- 4. N 17 19' 40" W 11.53'
- 5. Northerly 54 20' 30" 151.75'
along curve concave Easterly radius 160'
- 6. N 37 00' 50" E 59.60'
- 7. N 60 60' 40" W 203.93'
- 8. S 48 53' 00" W 29.50'
- 9. Southwesterly 35 09' 92.02'
along curve concave Southwesterly radius 150'
- 10. S 13 44' 00" W 127.57'
- 11. Southwesterly 25 50' 00" 67.63'
along curve concave Northwesterly radius 150'
- 12. S 39 34' 00" 7.84'



Existing Boundary of Vallecitos Water District
Proposed Boundary of Vallecitos Water District

VICINITY MAP

NOT TO SCALE



APN: 228-010-25	LAFCO	AREA:	DATE:	SCALE
	1.35 AC	2/11/2010	1"= 200'
Richard & Danuta Lupa 1557 Anthony Hts Dr Escondido, CA 92026 Annexation to Vallecitos Water District		Drawn by: Danuta Lupa		
		San Diego County Assessor's Office Mapping Division		

EXHIBIT 'B'

ANNEXATION NO. C020-01 - Lupa-Anthony Heights Change of Organization

Annexation parcel APN 228-010-25 to Vallecitos Water District for sanitation service

GEOGRAPHIC DESCRIPTION

All of that certain real property situate in portion of Lot 7 Block 4 and Lot 1 in Block 12 of The Rancho Los Vallecitos De San Marcos, in the County of San Diego, State of California described as follows:

Beginning at the center line of Nordahl Road, also being the existing Vallecitos Water District boundary, designated as **True Point of Beginning**;

Thence, (1) North 39 34' 00" East 7.84 feet
to the beginning of a tangent 150.00 foot radius curve concave Northeasterly

Thence (2) North 25 50'00" East a distance of 67.63 along said curve

Thence, (3) North 13 44'00" East 127.57 feet
to the beginning of a tangent 150.00 foot radius curve concave Northeasterly

Thence, (4) North 35 09'00"East 92.02 feet along said curve

Thence, (5) North 48 53' 00" East 29.50 feet

Thence, (6) South 60 60"40" East 203.93 feet

Thence, (7) South 37 00"50" West 59.60 feet
to the beginning of a tangent 160.00 foot radius curve concave Southwesterly

Thence, (8) South 54 20' 30" West 151.75 feet along said curve

Thence, (9) South 17 19' 40" East 11.53 feet

Thence (10) South 75 20' 20" West 228.21 feet

Thence (11) North 13 34' 00" West 60.61 feet

Thence (12) North 50 26' 00" West 25.00 feet

to the **True Point of beginning**

and containing 1.35 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.

DATE: SEPTEMBER 16, 2020
TO: BOARD OF DIRECTORS
SUBJECT: APPROVAL OF AN AGREEMENT WITH THE SAN DIEGO COUNTY WATER AUTHORITY FOR THE VALLECITOS 11 FLOW CONTROL FACILITY DESIGN, CONSTRUCTION, OPERATION AND MAINTENANCE

BACKGROUND:

The District has five existing connections to the San Diego County Water Authority's (SDCWA's) infrastructure. One of these connections, the Vallecitos 2 Flow Control Facility, is to SDCWA's first aqueduct system in Escondido. This connection is within a SDCWA easement on a property north of Rincon Avenue and east of N. Broadway. The property is owned by the City of Escondido.

DISCUSSION:

The SDCWA is replacing the Vallecitos 2 Flow Control Facility, which was constructed in 1958, with a new Vallecitos 11 Flow Control Facility that will have the same capacity (12 cubic feet per second). As with the existing Vallecitos 2 Flow Control Facility, the new Vallecitos 11 Flow Control Facility will be owned by the SDCWA.

On November 6, 2019, the Board of Directors approved a Joint Use Agreement with the SDCWA and the City of Escondido to grant VWD rights to access the pipeline connection point to the existing Vallecitos 2 Flow Control Facility. This same connection point will be utilized for the new Vallecitos 11 Flow Control Facility.

The SDCWA has drafted an Agreement for the design, construction, operation and maintenance of the new Vallecitos 11 Flow Control Facility connection, which details the responsibilities of both parties. According to the agreement, the SDCWA will design and construct the new facility while VWD will provide timely feedback on design submittals and construction changes, and assist with isolating its water system from the SDCWA first aqueduct during the connection transfer to the new flow control facility.

Staff and legal counsel have reviewed the Agreement. There is no cost to VWD for the design, construction, operation or maintenance of the new Vallecitos 11 Flow Control Facility.

FISCAL IMPACT:

None.

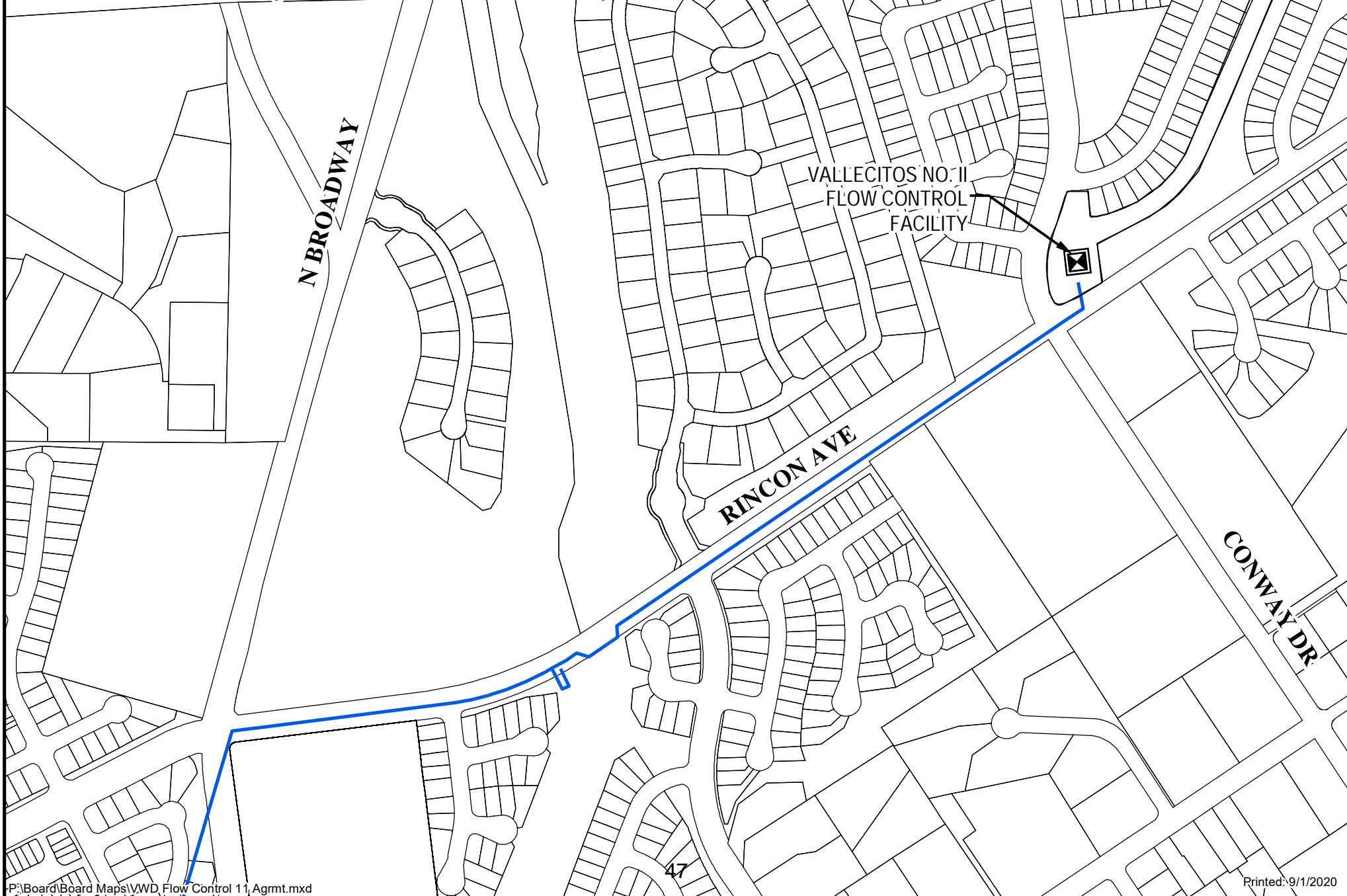
RECOMMENDATION:

Approve the agreement for the design, construction, operation and maintenance of the Vallecitos 11 Flow Control Facility.

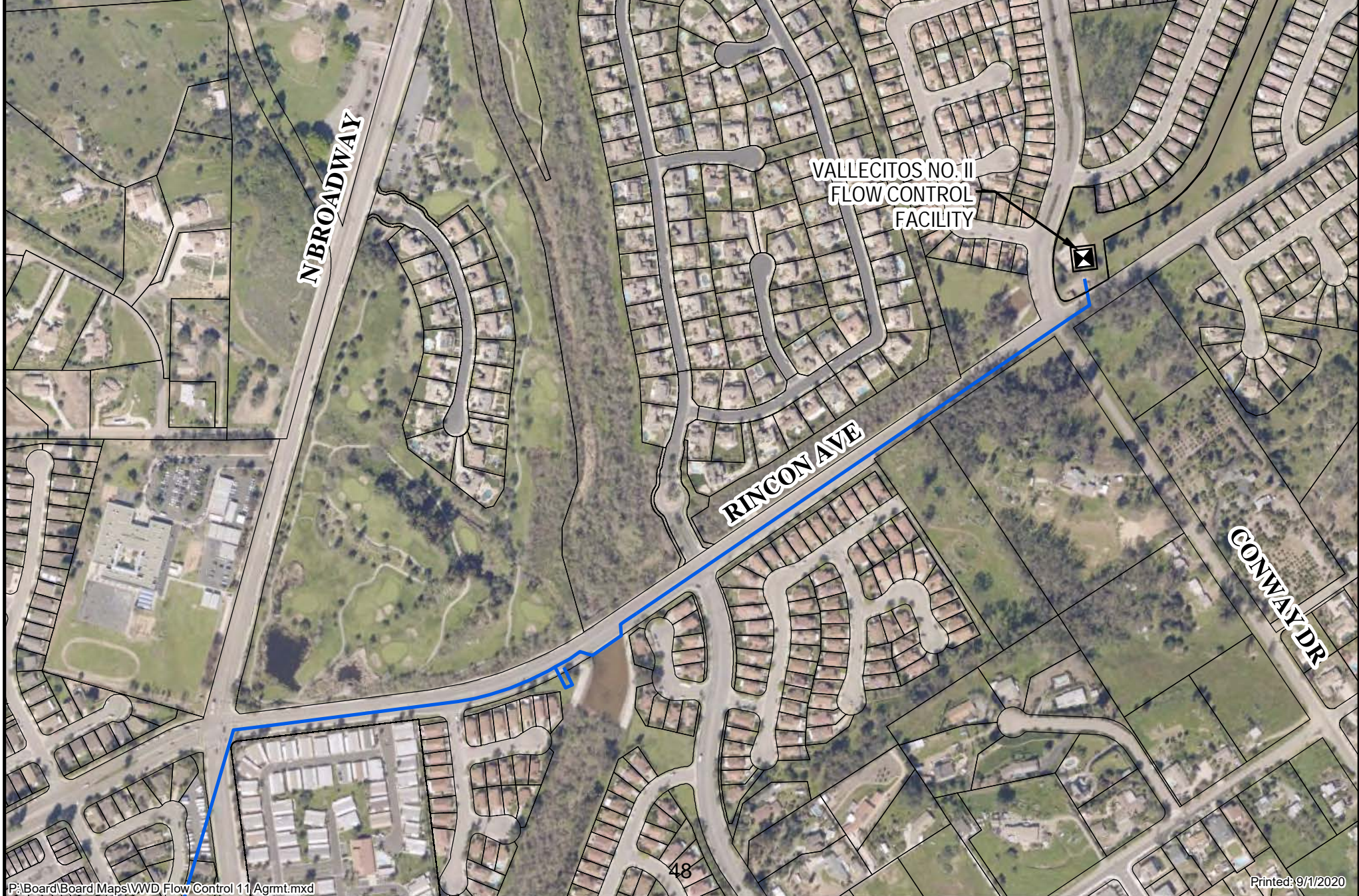
ATTACHMENTS:

2 Map Exhibits – 1 Plat & 1 Aerial
1 Agreement

APPROVAL OF AN AGREEMENT WITH THE SAN DIEGO COUNTY WATER AUTHORITY FOR THE VALLECITOS II FLOW CONTROL FACILITY DESIGN, CONSTRUCTION, OPERATION AND MAINTENANCE



APPROVAL OF AN AGREEMENT WITH THE SAN DIEGO COUNTY WATER AUTHORITY FOR THE VALLECITOS II FLOW CONTROL FACILITY DESIGN, CONSTRUCTION, OPERATION AND MAINTENANCE



Agreement between San Diego County Water Authority and Vallecitos Water District for Design, Construction, Ownership, Operation, and Maintenance of the Vallecitos 11 Flow Control Facility

This Agreement is entered into as of _____, 2020, between the San Diego County Water Authority, a county water authority (Water Authority) and Vallecitos Water District, a county water district (Vallecitos). The Water Authority and Vallecitos (collectively Parties) in consideration of their mutual covenants, and for other valuable consideration, agree as follows:

Recitals:

- A. Vallecitos is a member agency of the Water Authority and currently distributes and sells at retail to its customers treated water supplied by the Water Authority.
- B. The Water Authority established an Asset Management Program (Program) in 2009 to prioritize the rehabilitation, repair, or replacement of assets based on consequence of failure and probability of failure.
- C. The purpose of this Agreement is for the Water Authority to construct a new Vallecitos 11 Flow Control Facility (VAL11 FCF) to replace the Vallecitos 2 Flow Control Facility (VAL 2 FCF), which was constructed in 1958.
- D. The Water Authority currently meters and controls the delivery of up to 7.8 million gallons per day (mgd), or 12 cubic feet per second (cfs), of treated water from Pipeline 1 and Pipeline 2 to the existing VAL 2 FCF. Vallecitos has requested the delivery capacity remain unchanged for VAL11 FCF. As a result, VAL11 FCF will be designed and constructed to deliver 7.8 mgd (12 cfs) of treated water from Pipeline 1 and Pipeline 2.
- F. There is no existing written agreement between the Parties for VAL 2 FCF. Therefore, this Agreement establishes the terms and conditions pursuant to which the existing VAL 2 FCF will be replaced by VAL11 FCF, at the same location with a new permanently metered 7.8 mgd (12 cfs) treated water flow control facility, which will be designed, constructed, owned, operated, and maintained by the Water Authority.
- G. VAL11 FCF will share the location with another new facility for Vista Irrigation District to be called Vista Irrigation District 12 Flow Control Facility (VID12 FCF). VAL11 FCF and VID12 FCF will be housed in a single building and will be referred as to VAL11/VID12 FCF. VAL11/VID 12 FCF will be designed and constructed concurrently. The Water Authority and Vista Irrigation District have a separate design, construction, ownership, operation, and maintenance agreement for VID12 FCF.

- H. The Water Authority is the lead agency for environmental documents and will ensure the work performed under this Agreement complies with the requirements of the California Environmental Quality Act (CEQA). A Notice of Exemption was filed on December 15, 2016 for this project, therefore CEQA requirements have been completed and approved.

The Recitals are incorporated herein and the Parties agree as follows:

1.0 Delivery of Water to Vallecitos 11 FCF

- 1.1 Availability, delivery, rate of flow, and cost of treated water to be sold by the Water Authority to Vallecitos shall be as established by the Board of Directors of the Water Authority in accordance with the Water Authority's Administrative Code, on the same basis as generally applicable to the Water Authority's member agencies.

2.0 Facility Design and Construction

- 2.1 Water Authority will design and construct VAL11 FCF to its standards with a capacity to deliver up to 7.8 mgd (12 cfs) of treated water to Vallecitos.
- 2.2 VAL11 FCF will be combined with VID12 FCF in a single building.

3.0 Facility and Access Right-of-Way

- 3.1 VAL 11 FCF will be located on Water Authority right of way immediately adjacent to the existing VAL 2 FCF as shown on Exhibit A, attached and made a part of this Agreement. The property is currently owned in fee by City of Escondido. Facility access will be from adjacent public streets.
- 3.2 The Water Authority will acquire temporary construction easements and all other property rights it deems necessary for VAL 11/VID12 FCF prior to the start of construction activities.
- 3.3 The Water Authority has negotiated the Joint Use Agreement #2018-111, as shown in Exhibit B, attached and made a part of this Agreement, for the necessary property rights from the City of Escondido for Vallecitos's portion of the 16-inch-diameter pipeline.

4.0 Vallecitos Will Perform the Following

- 4.1 Assign a project manager for the VAL11 FCF who will be the Water Authority's single point of contact.

- 4.2 Review and comment on the 70% and 100% design plans and construction documents related to the connection to the existing Vallecitos distribution pipeline. During the design phase, Vallecitos will submit review comments and concurrence within 15 working days. During the construction phase, Vallecitos will submit review comments and concurrence within five calendar days of receipt of a construction submittal. If Vallecitos does not respond within the allotted time, it will be understood by the Parties that no Vallecitos comment is required. Vallecitos shall not unreasonably delay or withhold concurrence.
- 4.3 Shutdown, isolate and drain the existing distribution pipe(s) downstream of VAL 2 FCF at the same time as the Water Authority's aqueduct shutdowns, to allow the Water Authority to complete the connection for VAL 11 FCF.
- 4.4 All work performed and all material used (including cost of water drained) by Vallecitos will be done so at its own expense.

5.0 The Water Authority Will Perform the Following

- 5.1 Assign a project manager for the VAL 11 FCF who will be Vallecitos' single point of contact.
- 5.2 Procure or provide services for preliminary design, final design, a public bid, preparation of addendum and change orders, inspection and testing services, and construction of VAL 11 FCF. Each contract shall require the contractor to obtain and maintain insurance policies. All such insurance policies shall name Vallecitos, including its directors, officers, employees and agents, as additional insureds.
- 5.3 Vallecitos' point of delivery at the existing VAL 2 FCF will be maintained during construction of the VAL11/VID12 FCF, except for the aqueduct shutdown as described below:
 - 5.3.1 Shutdown: A 12-day aqueduct shutdown is required for the replacement of and connection to the turnouts for VAL 11/VID12 FCF. During this shutdown, the following work will be performed: replace valves and piping at both the turnout structures on Pipeline 1 and Pipeline 2, complete the rehabilitation structural elements, and connect VAL11/VID 12 FCF to Pipeline 1 and Pipeline 2 on the upstream side of the VAL11/VID12 FCF and Vallecitos' system on the downstream side of the VAL11/VID12 FCF. Once the connections are complete, the point of delivery for Vallecitos will be via VAL11 FCF. To make the above permanent connections and tie-ins, the existing distribution pipe(s), owned and operated by Vallecitos, downstream of VAL 2 FCF, will need to be shut down at the same time as the Water Authority's aqueduct shutdowns.

- 5.4 Coordinate and provide to Vallecitos 30 days notice of the 12 day shutdown.
- 5.5 Upon request, the Water Authority will provide to Vallecitos electronic record drawings in pdf format showing the connection between VAL 11 FCF and Vallecitos' distribution pipeline.

6.0 Ownership and Operational Control of Facilities

- 6.1 The Water Authority will own, maintain, and operate all components of VAL 11 FCF, including inlet and outlet piping, as shown on Exhibit A. On the outlet piping, a cathodic protection isolation joint assembly will be installed to delineate the change in ownership, as shown on Exhibit A. On the surface, the change of ownership will be delineated with a concrete pad. The Water Authority will own and maintain the piping and equipment up to and including the cathodic protection isolation joint and test station, as shown on Exhibit A. Vallecitos will own and maintain the piping and equipment downstream of the cathodic protection isolation joint.
- 6.2 In accordance with current Water Authority Board policy, all operation and maintenance costs of the VAL11 FCF shall be borne by the Water Authority.

7.0 Cost Responsibility: The Water Authority will pay all costs related to the design, construction, operation, and maintenance of VAL 11 FCF, except as stated in Paragraph 4.

8.0 Non-Binding Mediation

- 8.1 If a dispute arises out of, or relates to this Agreement, or the breach thereof, and if the dispute cannot be settled through normal contract negotiations, the Parties agree to first try to settle the dispute using mediation under the Construction Industry Mediation Rules of the American Arbitration Association or any other neutral organization agreed upon before having recourse in a court of law.
- 8.2 The expenses of witnesses for either side shall be paid by the party producing such witnesses. All other expenses of the mediation, including required traveling and other expenses of the mediator, and the cost of any proofs or expert advice produced at the direct request of the mediator, shall be borne equally by the Parties, unless otherwise agreed.
- 8.3 Any agreements resulting from mediation shall be documented in writing. All mediation results and documentation, by themselves, shall be "non-binding." Mediators shall not be subject to any subpoena or liability and their actions shall not be subject to discovery.

9.0 Mutual Indemnification: Vallecitos and Water Authority agree to mutually indemnify, defend at their own expense, including attorneys' fees, and hold each

other harmless from and against all claims, costs, demands, losses, and liability of any nature whatsoever, including but not limited to liability for bodily injury, sickness, disease or death, property damage (including loss of use), or violation of the law, caused by or arising out of any error, omission, negligent act, or willful misconduct of that party, its officers, directors, employees, agents, volunteers, or any other person acting pursuant to its control in performing under this Agreement.

- 10.0 Laws and Venue. This Agreement will be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state or federal court in San Diego County.
- 11.0 Amendment. This Agreement may be modified only by a subsequent written amendment executed by both Parties.
- 12.0 Term; The term of this Agreement shall begin on the date first written above and shall continue in full force and effect until terminated by mutual written agreement of the Parties.
- 13.0 Successors or Assigns. This Agreement and any portion thereof shall not be assigned or transferred, nor shall any of the duties be delegated, without the express written consent of both Parties, which shall not be unreasonably withheld or delayed. Any attempt to assign or delegate this Agreement without the express written consent of both Parties shall be void and of no force or effect.
- 14.0 Notices. Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing the same in any United States Post Office, postage prepaid, addressed to:
- San Diego County Water Authority
4677 Overland Avenue
San Diego, CA 92123
Attention: Director of Engineering
- Vallecitos Water District
201 Vallecitos De Oro
San Marcos, CA 92069
Attention: District Engineer
- 15.0 Severability. The partial or total invalidity of one or more parts of this Agreement will not affect the intent or validity of this entire Agreement.
- 16.0 Signatures. The individuals executing this Agreement represent and warrant that they have the legal capacity and authority to do so on behalf of their respective legal entities. This Agreement may be executed in any number of counterparts and

by the parties hereto in separate counterparts, each of which shall be deemed to be an original when executed, and all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed as of the date written above.

San Diego County Water Authority

Vallecitos Water District

By: _____
Gerard E. Reed, III
Director of Engineering

By: _____
Glenn Pruum
General Manager

Approved as to form:
Anna Brathwaite
Assistant General Counsel

Approved as to form:
James Gilpin
Legal Counsel

By: _____

By: _____

EXHIBIT A

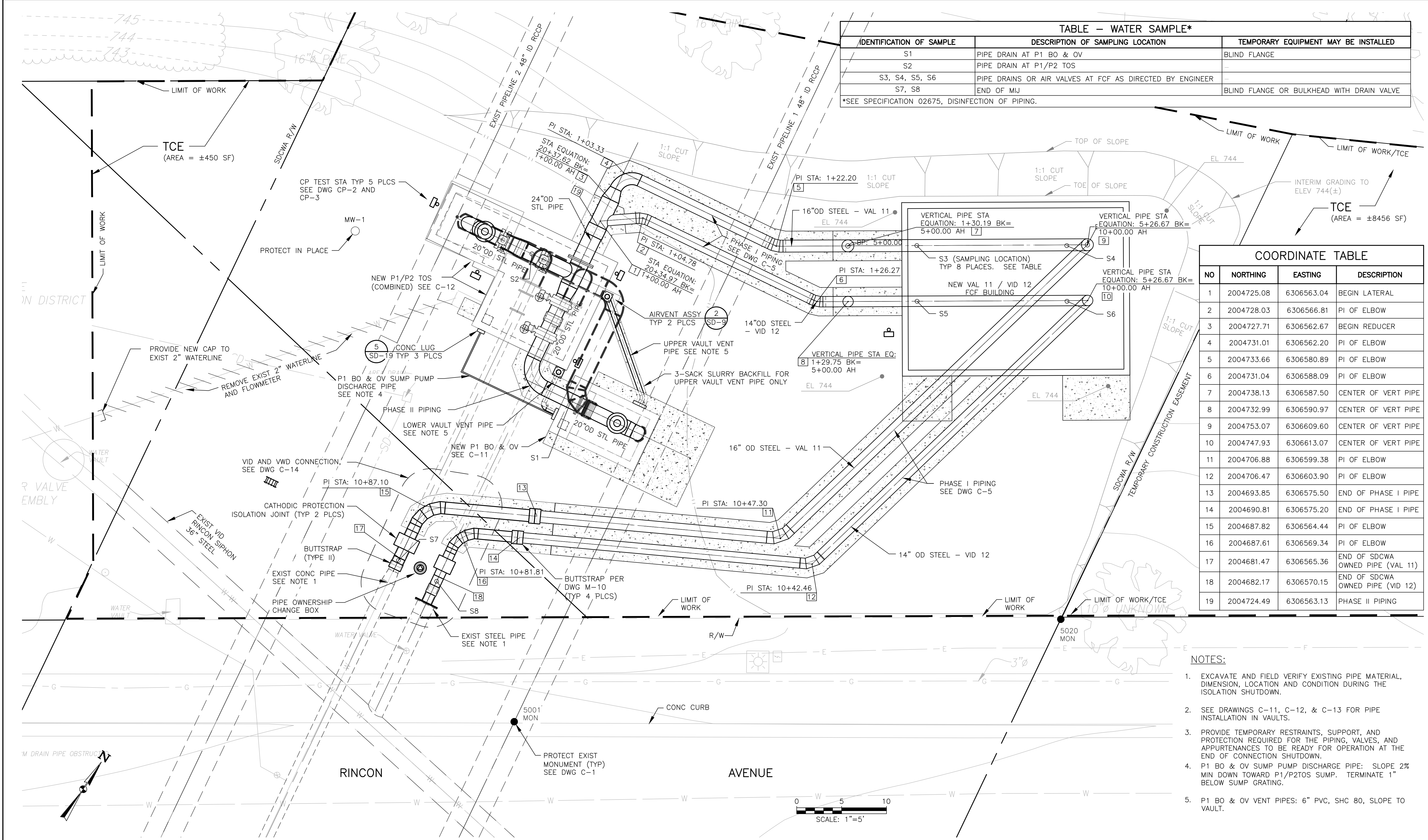
[https://sdcwaoffice365.sharepoint.com/sites/extranet/eng/prj/q0302/Shared Documents/000 General Finance/002 Agreements/002.2 Agency Agreements/VWD/VWD Agreement-Final/VWD - Agmt with SDCWA re VAL 11 \(VWD 5.5.20\)-c1-Rev073020.DOCX](https://sdcwaoffice365.sharepoint.com/sites/extranet/eng/prj/q0302/Shared Documents/000 General Finance/002 Agreements/002.2 Agency Agreements/VWD/VWD Agreement-Final/VWD - Agmt with SDCWA re VAL 11 (VWD 5.5.20)-c1-Rev073020.DOCX)

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TABLE - WATER SAMPLE*		
IDENTIFICATION OF SAMPLE	DESCRIPTION OF SAMPLING LOCATION	TEMPORARY EQUIPMENT MAY BE INSTALLED
S1	PIPE DRAIN AT P1 BO & OV	BLIND FLANGE
S2	PIPE DRAIN AT P1/P2 TOS	-
S3, S4, S5, S6	PIPE DRAINS OR AIR VALVES AT FCF AS DIRECTED BY ENGINEER	-
S7, S8	END OF MIJ	BLIND FLANGE OR BULKHEAD WITH DRAIN VALVE

*SEE SPECIFICATION 02675, DISINFECTION OF PIPING.

COORDINATE TABLE			
NO	NORTHING	EASTING	DESCRIPTION
1	2004725.08	6306563.04	BEGIN LATERAL
2	2004728.03	6306566.81	PI OF ELBOW
3	2004727.71	6306562.67	BEGIN REDUCER
4	2004731.01	6306562.20	PI OF ELBOW
5	2004733.66	6306580.89	PI OF ELBOW
6	2004731.04	6306588.09	PI OF ELBOW
7	2004738.13	6306587.50	CENTER OF VERT PIPE
8	2004732.99	6306590.97	CENTER OF VERT PIPE
9	2004753.07	6306609.60	CENTER OF VERT PIPE
10	2004747.93	6306613.07	CENTER OF VERT PIPE
11	2004706.88	6306599.38	PI OF ELBOW
12	2004706.47	6306603.90	PI OF ELBOW
13	2004693.85	6306575.50	END OF PHASE I PIPE
14	2004690.81	6306575.20	END OF PHASE I PIPE
15	2004687.82	6306564.44	PI OF ELBOW
16	2004687.61	6306569.34	PI OF ELBOW
17	2004681.47	6306565.36	END OF SDCWA OWNED PIPE (VAL 11)
18	2004682.17	6306570.15	END OF SDCWA OWNED PIPE (VID 12)
19	2004724.49	6306563.13	PHASE II PIPING



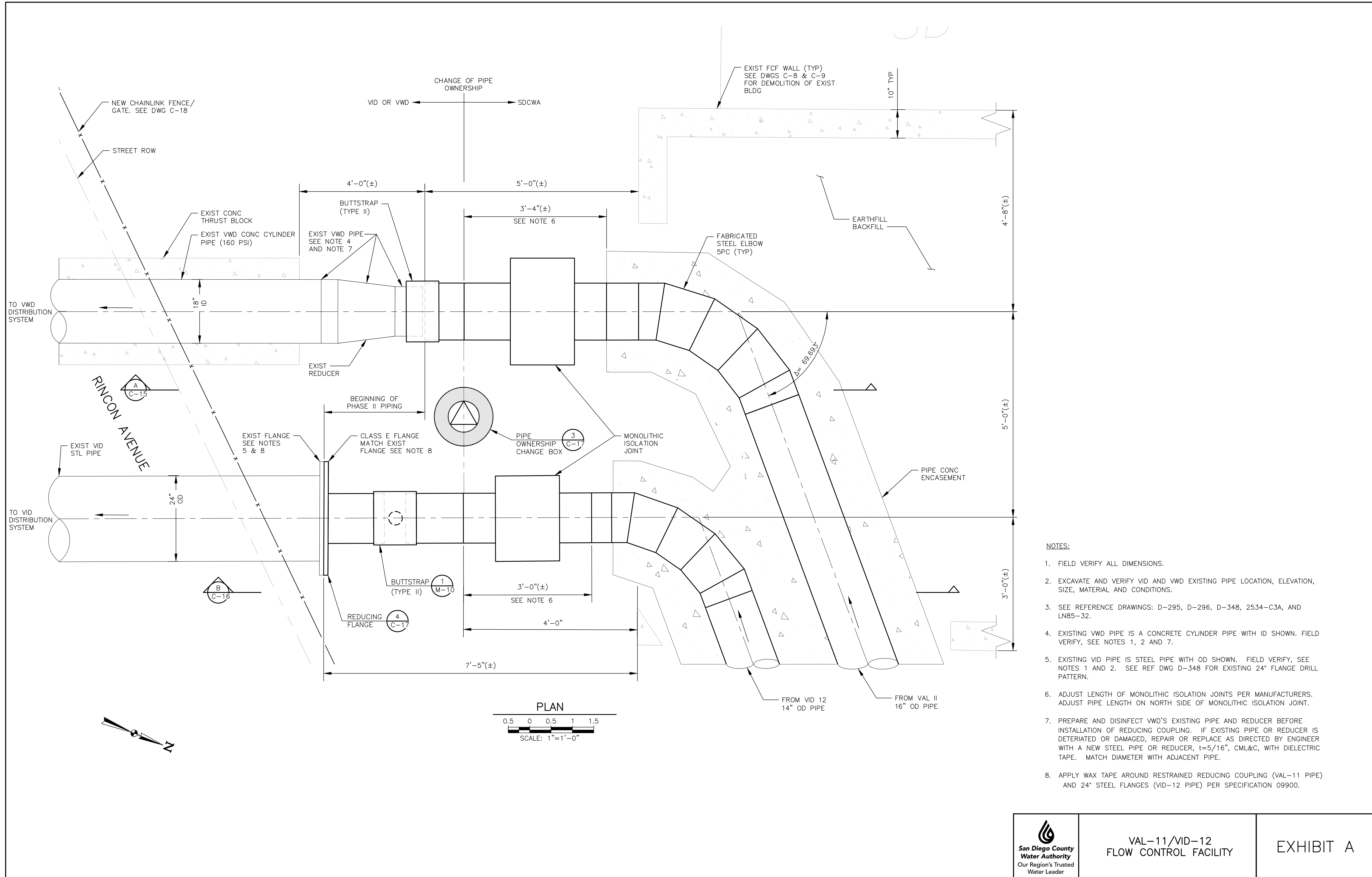
- NOTES:
- EXCAVATE AND FIELD VERIFY EXISTING PIPE MATERIAL, DIMENSION, LOCATION AND CONDITION DURING THE ISOLATION SHUTDOWN.
 - SEE DRAWINGS C-11, C-12, & C-13 FOR PIPE INSTALLATION IN VAULTS.
 - PROVIDE TEMPORARY RESTRAINTS, SUPPORT, AND PROTECTION REQUIRED FOR THE PIPING, VALVES, AND APPURTENANCES TO BE READY FOR OPERATION AT THE END OF CONNECTION SHUTDOWN.
 - P1 BO & OV SUMP PUMP DISCHARGE PIPE: SLOPE 2% MIN DOWN TOWARD P1/P2TOS SUMP. TERMINATE 1" BELOW SUMP GRATING.
 - P1 BO & OV VENT PIPES: 6" PVC, SHC 80, SLOPE TO VAULT.



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

VAL-11/VID-12
FLOW CONTROL FACILITY

EXHIBIT A



- NOTES:**
1. FIELD VERIFY ALL DIMENSIONS.
 2. EXCAVATE AND VERIFY VID AND VWD EXISTING PIPE LOCATION, ELEVATION, SIZE, MATERIAL AND CONDITIONS.
 3. SEE REFERENCE DRAWINGS: D-295, D-296, D-348, 2534-C3A, AND LN85-32.
 4. EXISTING VWD PIPE IS A CONCRETE CYLINDER PIPE WITH ID SHOWN. FIELD VERIFY, SEE NOTES 1, 2 AND 7.
 5. EXISTING VID PIPE IS STEEL PIPE WITH OD SHOWN. FIELD VERIFY, SEE NOTES 1 AND 2. SEE REF DWG D-348 FOR EXISTING 24" FLANGE DRILL PATTERN.
 6. ADJUST LENGTH OF MONOLITHIC ISOLATION JOINTS PER MANUFACTURERS. ADJUST PIPE LENGTH ON NORTH SIDE OF MONOLITHIC ISOLATION JOINT.
 7. PREPARE AND DISINFECT VWD'S EXISTING PIPE AND REDUCER BEFORE INSTALLATION OF REDUCING COUPLING. IF EXISTING PIPE OR REDUCER IS DETERIORATED OR DAMAGED, REPAIR OR REPLACE AS DIRECTED BY ENGINEER WITH A NEW STEEL PIPE OR REDUCER, t=5/16", CML&C, WITH DIELECTRIC TAPE. MATCH DIAMETER WITH ADJACENT PIPE.
 8. APPLY WAX TAPE AROUND RESTRAINED REDUCING COUPLING (VAL-11 PIPE) AND 24" STEEL FLANGES (VID-12 PIPE) PER SPECIFICATION 09900.

<p>San Diego County Water Authority Our Region's Trusted Water Leader</p>	<p>VAL-11/VID-12 FLOW CONTROL FACILITY</p>	<p>EXHIBIT A</p>
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EXHIBIT B

[https://sdcwaoffice365.sharepoint.com/sites/extranet/eng/prj/q0302/Shared Documents/000 General Finance/002 Agreements/002.2 Agency Agreements/VWD/VWD Agreement-Final/VWD - Agmt with SDCWA re VAL 11 \(VWD 5.5.20\)-c1-Rev073020.DOCX](https://sdcwaoffice365.sharepoint.com/sites/extranet/eng/prj/q0302/Shared Documents/000 General Finance/002 Agreements/002.2 Agency Agreements/VWD/VWD Agreement-Final/VWD - Agmt with SDCWA re VAL 11 (VWD 5.5.20)-c1-Rev073020.DOCX)

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108

PLEASE RECORD THIS DOCUMENT AT NO FEE AS IT IS TO THE BENEFIT OF THIS DISTRICT (GOV. CODE §6103)

RECORDING REQUESTED BY AND WHEN RECORDED, PLEASE MAIL TO:

San Diego County Water Authority
Engineering Department
4677 Overland Avenue
San Diego, CA 92123-1233

DOC# 2020-0034607



Jan 22, 2020 02:56 PM
OFFICIAL RECORDS
Ernest J. Dronenburg, Jr.,
SAN DIEGO COUNTY RECORDER
FEES: \$0.00 (SB2 Atkins: \$0.00)

PAGES: 10

APN: 224-985-51
Water Authority Pipeline & Parcel: P1 P01-195

**JOINT USE AGREEMENT # 2018-111
BETWEEN VALLECITOS WATER DISTRICT
AND THE SAN DIEGO COUNTY WATER AUTHORITY**

This Joint Use Agreement is made between the San Diego County Water Authority (Water Authority) and Vallecitos Water District (VWD) this 11th day of December, 2019, to allow Vallecitos Water District to use the Water Authority's right of way for specified public facilities, with the necessary consent of the City of Escondido (City).

- A. City is the owner of the property identified as APN 224-985-51.
- B. The Water Authority has an easement for pipeline and other facilities located in, upon, over, under, and across this property acquired by Quitclaim Deed recorded December 19, 1997 as Document 1997-0646794 of the official records of the County of San Diego, attached hereto and incorporated herein by reference "the Water Authority's Right of Way."
- C. The Water Authority has a capital improvement project, Q0302 Vallecitos Water District 11/Vista Irrigation District 12 Flow Control Facility Rehabilitation, that will replace existing water facilities including a 16-inch-diameter steel pipeline serving VWD.
- D. VWD is a public agency/utility that owns or will own the 16-inch-diameter steel pipeline downstream of the cathodic protection isolation joint (VWD's Pipeline) in the real property subject to the Water Authority's right of way.

WHEREAS, VWD desires to obtain the Water Authority's consent for the operation and maintenance of VWD's Pipeline in, over, under, and across Water Authority's right of way as within a joint use area described in Exhibit "A" and as shown on Exhibit "B", (Joint Use Area);

NOW, THEREFORE, the parties mutually hereby agree as follows:

- 1. The above recitals herein are incorporated into this agreement.
- 2. The Water Authority authorizes VWD, subject to consent of the City, and any successor public agency or public utility to operate and maintain VWD's Pipeline in, over, under, and across the Water Authority's right of way within the Joint Use Area, under the terms and conditions stated herein.

3. Plans for the subsequent alterations to VWD's Pipeline, including protection of Water Authority facilities, shall be submitted to the City and Water Authority in advance of construction. No construction by VWD shall occur until the City and Water Authority approve the plans. The Water Authority's approval of the plans may be withheld, as the Water Authority deems reasonably necessary to protect its interests and to minimize impacts on its facilities and operations. The Water Authority agrees to process the plans and approve, conditionally approve, or reject the plans within a reasonable time. Notice of subsequent alterations to VWD's Pipeline shall be provided to the City and Water Authority two weeks in advance to provide for the scheduling of inspection.

4. Nothing in this Joint Use Agreement shall be construed to diminish any of the Water Authority's property rights. This Joint Use Agreement is in the nature of a license and the Water Authority's right of way shall remain and continue in full force and effect and shall in no way be affected by the Water Authority's consent contained herein. The Water Authority may terminate the license upon determination that the license or uses authorized by this Agreement are incompatible with Water Authority's uses of the Joint Use Area.

5. VWD agrees not to interrupt the use or operation of Water Authority's facilities.

6. VWD shall, at its sole expense, remove and replace, rearrange, or relocate VWD's Pipeline as may be necessary for the Water Authority's use and enjoyment of its easement and right of way. Except in the event of an emergency, the Water Authority agrees to provide VWD written notice to remove and replace, rearrange, or relocate VWD's Pipeline. Upon receipt of the notice by VWD the parties shall meet within 30 days, or such time as mutually agreed upon, to develop a plan to incorporate the removal, replacement, rearrangement, or relocation of VWD's Pipeline as part of the Water Authority's project; or, alternatively, to develop a separate plan for the removal, replacement, rearrangement, or relocation of VWD's Pipeline under a mutually agreeable time-frame. Absent exigent circumstances, the parties shall mutually agree in writing to a plan and schedule for the removal, replacement, rearrangement, or relocation not less than 60 days after the Water Authority's written notice. Plans for removal and replacement, rearranging, or relocation of VWD's Pipeline shall be subject to paragraph 3, above, however, no time shall be charged against VWD for that period of time the plans are pending the Water Authority's review. In the event of an emergency affecting the public health, safety, or welfare, as determined by the Water Authority, or VWD's failure to remove and replace, rearrange, or relocate VWD's Pipeline within the time and schedule mutually agreed upon, then the Water Authority may remove VWD's Pipeline without obligation to VWD, at their expense. This Agreement shall continue to apply when VWD's Pipeline is replaced, rearranged, or relocated pursuant to this paragraph.

7. This Agreement shall run with the land and be binding upon both parties, its representatives, agents, successors, and assigns.

8. The Water Authority has certain property interests as provided in Exhibit "A", and may not assign any of those rights without the express consent of the City. City consents to the use as strictly provided herein under the terms and conditions of this agreement. The parties understand and agree that this Agreement grants the consent of the Water Authority and the consent of the City of Escondido for the activities identified under the terms and conditions stated herein to be situated within the Joint Use Area.

9. VWD shall save, indemnify, and hold harmless the Water Authority against any liability, loss, cost, damage, and expense caused by or arising from (i) an act(s) or omission(s) of VWD, its employees, agents, contractors, successors and assigns or (ii) the location and existence of VWD's Pipeline, whether defective or otherwise; including, but not limited to any such loss, cost, damage, liability, and expense arising from damage to or destruction of real and personal property or injury to or death of any person; provided, however, that VWD's duty to indemnify and hold harmless shall not include any claims or liability arising from the established sole negligence or willful misconduct of the Water Authority, its agents, officers, or employees. VWD shall also hold harmless the Water Authority against damage to or destruction of VWD's Pipeline caused by an act(s) of a third party(s). If the Water Authority removes the VWD's Pipeline pursuant to paragraph 6, VWD agrees to release and waive any responsibility or claim against the Water Authority on account of removal completed pursuant to paragraph 6.

10. VWD and the Water Authority shall save, indemnify, and hold harmless the City against any liability, loss, cost, damage, and expense caused by or arising from (i) an act(s) or omission(s) of VWD and the Water Authority, or their employees, agents, contractors, successors, and assigns; (ii) the location and existence of VWD's Pipeline, whether defective or otherwise; including, but not limited to any such loss, cost, damage, liability, and expense arising from damage to or destruction of real and personal property or injury to or death of any person; provided, however, that VWD's and the Water Authority's duty to indemnify and hold harmless shall not include any claims or liability arising from established sole negligence or willful misconduct of the City, its agents, officers, or employees. VWD and the Water Authority shall also hold harmless the City against damage to or destruction of VWD's Pipeline caused by an act(s) of a third party(s).

11. VWD's Pipeline shall be maintained in a safe and sanitary condition at the sole cost, risk, and responsibility of VWD and their successors in interest without exception, including but not limited to any damages to VWD's Pipeline caused by the Water Authority's maintenance or construction activities.

12. Any notice required, permitted, or contemplated under this Agreement shall be deemed given when actually delivered or when deposited in the mail, certified or registered, postage prepaid, addressed as follows:

TO WATER AUTHORITY: San Diego County Water Authority
Engineering Department
4677 Overland Avenue
San Diego, CA 92123

TO PUBLIC AGENCY/ UTILITY: Vallecitos Water District
201 Vallecitos De Oro
San Marcos CA 92069

TO PROPERTY OWNER: City of Escondido
Real Property Manager
201 N. Broadway
Escondido, CA 92025

(SIGNATURES ON FOLLOWING PAGE)

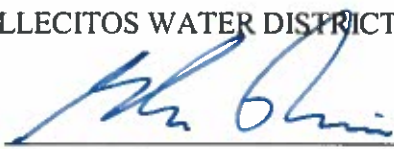
IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by a duly authorized officer on the day and year first above written.

SAN DIEGO COUNTY WATER AUTHORITY:

By: 
W. John Kross aka Walter John Kross
Right of Way Manager

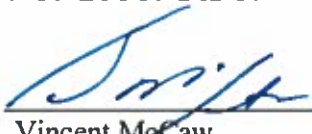
Dated: 12/11/19 (Notarization Required)

VALLECITOS WATER DISTRICT:

By: 
Glenn Pruim
General Manager

Dated: 11/23/19 (Notarization Required)

Concurrence by:
CITY OF ESCONDIDO:

By: 
Vincent McCaw
Real Property Manager

Dated: 1/8/20 (Notarization Required)

CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

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

State of California }
County of SAN DIEGO }
On December 12, 2019 before me, MARIA SILVA, NOTARY
Date Here Insert Name and Title of the Officer
personally appeared Walter John Kross
Name(s) of Signer(s)

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



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

WITNESS my hand and official seal.

Signature [Handwritten Signature]

Place Notary Seal and/or Stamp Above

Signature of Notary Public

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

Corporate Officer - Title(s): _____

Partner - Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer is Representing: _____

Signer's Name: _____

Corporate Officer - Title(s): _____

Partner - Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer is Representing: _____

ACKNOWLEDGMENT

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

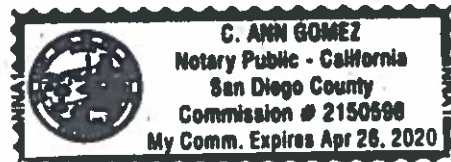
State of California
County of San Diego)

On November 22, 2019 before me, C. Ann Gomez, Notary Public
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.



Signature C. Ann Gomez (Seal)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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

STATE OF CALIFORNIA }
COUNTY OF SAN DIEGO }

On JANUARY 8, 2020 (date) before me, SERENA KIRKBRIDE, Notary Public

personally appeared VINCENT MCCAWE,

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.

Serena Kirkbride
Signature of Notary



EXHIBIT "A"
LEGAL DESCRIPTION
JOINT USE AREA
APN 224-985-51


THAT PORTION OF LOT 40 OF ESCONDIDO TRACT NO. 583R-A, IN THE CITY OF ESCONDIDO, COUNTY OF SAN DIEGO, ACCORDING TO MAP THEREOF NO. 11384, FILED IN THE OFFICE OF THE COUNTY RECORDER, DECEMBER 6, 1985 AS FILE NO. 85-461310, BEING A 7.40 FOOT WIDE STRIP OF LAND LYING 5.00 FEET WESTERLY AND 2.40 FEET EASTERLY, MEASURED AT RIGHT ANGLES TO THE FOLLOWING DESCRIBED LINE:

BEGINNING AT THE SOUTHWEST CORNER OF LOT 40 PER MAP 11384, POINT BEING THE EASTERLY END OF A 20 FOOT RADIUS CURVE CONCAVED NORTHEASTERLY; THENCE TANGENT TO SAID 20 FOOT RADIUS CURVE, NORTH 56°02'44" EAST 76.95 FEET (NORTH 55°36'00" EAST PER MAP 11384) ALONG THE SOUTHEASTERLY LINE OF SAID LOT 40 TO THE **TRUE POINT OF BEGINING**; THNECE NORTH 08°05'50" WEST 7.58 FEET TO THE TERMINUS OF THE SAID CENTER LINE.

THE EASTERLY AND WESTERLY LINES OF THE PREVIOUSLY DESCRIBED STRIP SHALL TERMINATE SOUTHERLY AT THE SOUTHEASTERLY LINE OF SAID LOT 40, ALL AS SHOWN ON THE ATTACHED EXHIBIT "B".

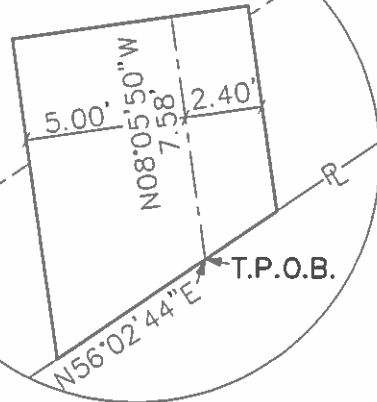
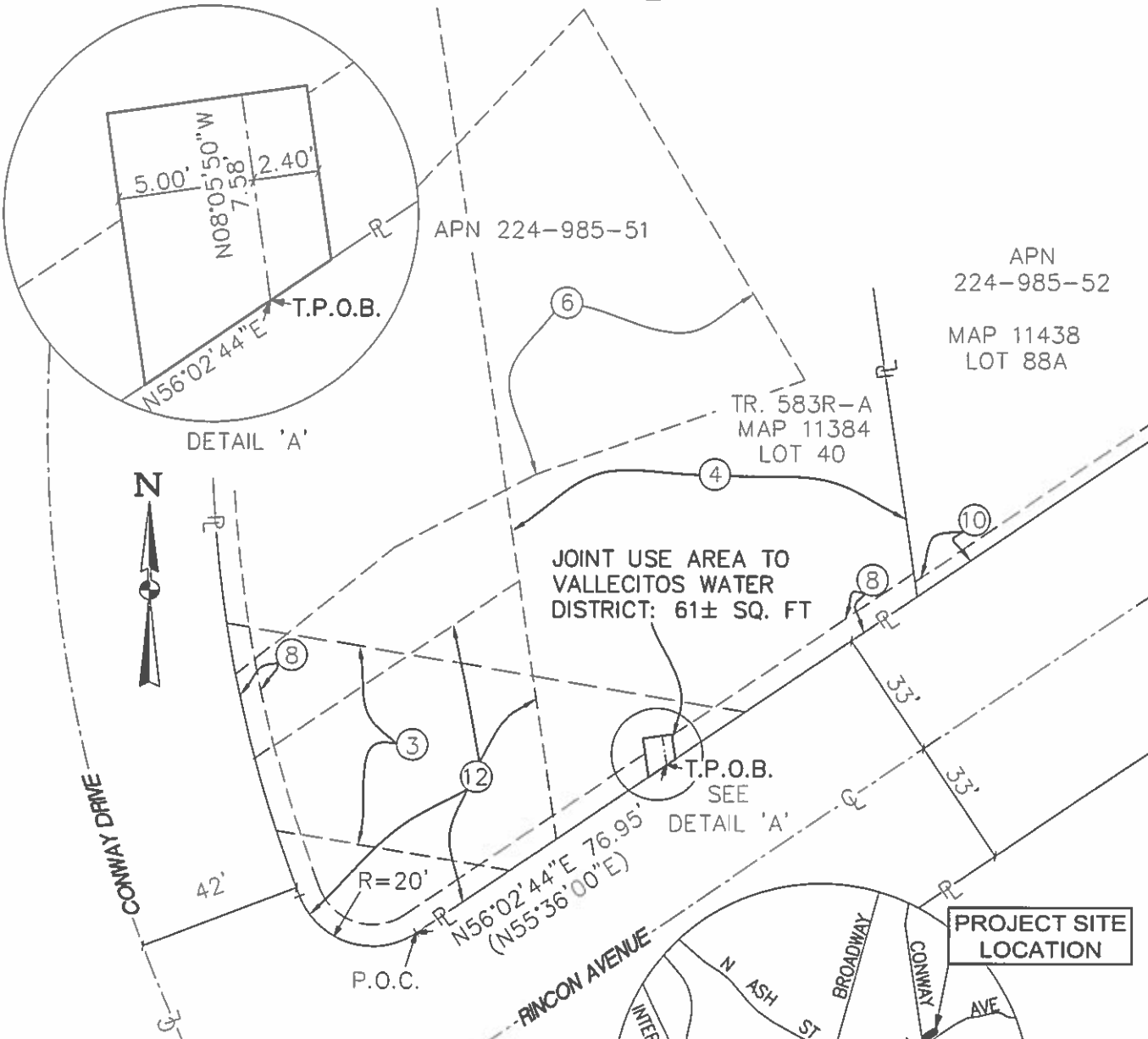
CONTAINING 61 S.F. MORE OR LESS




MARVIN J. SYLAKOWSKI, PLS 6998 DATE 4/30/19
EXPIRATION 9/30/19

Q0302
MJS 4/30/19

EXHIBIT "B"



LEGEND:

- - DENOTES PROPOSED JOINT USE AREA
- # - INDICATES EXISTING EASEMENT. (SEE SHEET 2 OF 2 FOR ENCUMBRANCE ITEM DESCRIPTIONS)
- () - INDICATES RECORD DATA PER MAP 11384

VICINITY MAP NO SCALE ESCONDIDO 1 OF 2

VALLECITOS WATER DISTRICT

DATE: 4/30/2019	JOINT USE AREA CITY OF ESCONDIDO PORTION OF LOT 40 OF TRACT NO. 583R-A	DRAWN BY: L. WILLIAMS
SCALE: 1"=40'		WVD NO.
APN 224-985-51		WVD CK.

L:\ROW\DeptOnly\LAND SURVEY & RECORDS\Projects\00302 Vol 11 VD 12\Legal and Plat\VD Plat_R1.dwg Apr 30, 2019

EXHIBIT "B"

JOINT USE AREA

ENCUMBRANCE DATA FOR ASSESSORS PARCEL NO. 224-985-51
PRELIMINARY TITLE REPORT PREPARED BY Fidelity National Title Company
NO. 997-23040595-PP2 **DATE: DECEMBER 19,2013**

ITEM NO.	DOCUMENT NO.	REC. DATE	ENCUMBRANCE WHO - TYPE
3	BK. 1121 PG. 226	10/2/25	Vista Irrigation District - Pipeline
4*	BK. 4103 PG. 132	5/17/51	United States of America - Pipelines and Right of Way
5**	BK. 3555 PG. 319	3/4/55	Vista Irrigation District - Water Treatment Plant
6	85-461310	12/6/85	City of Escondido - Storm Drains
7***	85-461310	12/6/85	City of Escondido - Public Utilities
8	85-461311	12/6/85	City of Escondido - Tree Planting
9***	86-049475	2/6/86	City of Escondido - Public Utilities
10	86-049475	2/6/86	City of Escondido - Tree Planting
11***	86-135813	4/8/86	Parawood Landscape - Terms and conditions
12	86-571882	12/9/86	Vista Irrigation District- Right of Way

* DOCUMENT SUPERSEDED BY BK.4868,PG.168 REC. 12/12/57
 DOC. 85-402430 REC. 10/28/85
 DOC. 1997-0646794 REC. 12/19/97

**SUPERSEDED- SEE ITEM 12

***NOT PLOTTED - DOES NOT AFFECT EASEMENT AREA

2 OF 2

VALLECITOS WATER DISTRICT

DATE: 4/30/2019	JOINT USE AREA	DRAWN BY: L. WILLIAMS
	CITY OF ESCONDIDO	VWD NO.
APN 224-985-51	PORTION OF LOT 40 OF TRACT NO. 583R-A	VWD CK.

DATE: SEPTEMBER 16, 2020
TO: BOARD OF DIRECTORS
SUBJECT: AMENDMENT TO THE CONFLICT OF INTEREST CODE PURSUANT TO THE POLITICAL REFORM ACT OF 1974 BIENNIAL REVIEW AND ADOPTION

DISCUSSION:

The Political Reform Act of 1974, Government Code section 81000 et seq. (the “Act”), requires all public agencies to adopt and maintain a conflict of interest code establishing the rules for disclosure of personal assets and the disqualification from making or participating in the making of any decisions that may affect any personal assets designating positions and establishing disclosure categories.

Pursuant to Section 87306 of the Act, the District must amend its Code when necessitated by changed circumstances including the creation of new positions that must be designated, revises the titles of existing positions, revised disclosure categories, updates and clarifies language.

RECOMMENDATION:

Staff recommends the Board adopt Resolution No. ____

ATTACHMENTS:

- 1) Legislative Version of Proposed Amended Conflict of Interest Code
- 2) Resolution No. ____

LEGISLATIVE VERSION
(SHOWS CHANGES MADE)

CONFLICT OF INTEREST CODE
OF THE
VALLECITOS WATER DISTRICT

CONFLICT OF INTEREST CODE OF THE VALLECITOS WATER DISTRICT

(Adopted September 5, 2018- Amended September 2, 2020)

1. Standard Code of FPPC

The Political Reform Act of 1974 (Gov. Code, §§ 81000, et seq.) requires each state and local government agency to adopt and promulgate a conflict of interest codes. ~~The Vallecitos Water District has adopted heretofore such a code which should be revised and updated.~~ The Fair Political Practices Commission (FPPC) has adopted a regulation (2 Cal. Code of Regs., §Section 18730), that which contains the terms of a standard conflict of interest code that can be incorporated ~~beby~~ reference as a district's code. After public notice and hearing, ~~the regulation Section 18730~~ may be amended by the ~~FPPC- Fair Political Practices Commission~~ to conform to amendments in the Political Reform Act.

2. Adoption of Standard Code of FPPC

~~The terms of Title 2, California Code of Regulations, section 18730, and any future amendments to it duly adopted by the FPPC, are hereby incorporated by reference. This regulation and the appendix attached hereto designating officials and employees and establishing disclosure categories shall constitute the Conflict of Interest Code of the Vallecitos Water District. This code shall take effect when approved by the San Diego County Board of Supervisors and shall thereupon supersede all prior codes adopted by the Vallecitos Water District.~~

Therefore, the terms of 2 Cal. Code of Regs. Section 18730, and any amendments to it duly adopted by the Fair Political Practices Commission, are hereby incorporated by reference. This regulation (attached) and the attached Appendix designating officials and employees and establishing disclosure categories, shall constitute the Conflict of Interest Code of the Vallecitos Water District (the "District"). This code shall take effect when approved by the

San Diego County Board of Supervisors and shall thereupon supersede all prior codes adopted by the Vallecitos Water District.

3. Filing of Statements of Economic Interests

~~Pursuant to Section 4 of the standard code, designated employees set forth in the appendix shall file statements of economic interests with the executive secretary of the Vallecitos Water District. Upon receipt of the statements of the members of the board of directors and the general manager, the executive secretary shall make and retain copies and forward the originals of these statements to the Clerk of the Board of Supervisors for the County of San Diego. Statements for all other designated employees shall be retained by the Vallecitos Water District.~~

All officials and designated positions required to submit a statement of economic interests shall file their statements with the General Manager as the District's Filing Officer. The Filing Officer shall make and retain a copy of all statements filed by the General Manager and Members of the Board of Directors, and forward the originals of such statements to the Clerk of the Board of Supervisors. The Filing Officer shall retain the original statements of all other officials and designated positions and will make this Code and all retained statements available for public inspection and reproduction during regular business hours (Gov. Code § 81008).

APPENDIX
CONFLICT OF INTEREST CODE
OF THE
VALLECITOS WATER DISTRICT
(Adopted September 5, 2018 - Amended September 2, 2020)

PART "A"
OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

~~District officials~~ Officials who manage public investments as defined by 2 Cal. Code of Regs. §18700.3, are NOT subject to the District's Conflict of Interest Code but ~~are subject to the must file~~ disclosure ~~requirements of the Act~~ statements { under Government Code, §§ section 87200 et seq.; 2 Cal. Code of [Regs., §18730(b)(3)]

It has been determined that the positions listed below are officials who manage public investments¹:

- Members of the Board of Directors
- General Manager
- Assistant General Manage
- Treasurer/Director of Administrative Services
- Financial Consultants

~~Candidates for the Board of Directors are required to report financial interests through the County Registrar of Voters at the time of filing for election.~~

¹ Individuals holding one of the above-listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by § 87200.

DESIGNATED POSITIONS

GOVERNED BY THE CONFLICT OF INTEREST CODE

**APPENDIX TO THE CONFLICT OF INTEREST CODE OF
THE VALLECITOS WATER DISTRICT**

<u>DESIGNATED EMPLOYEES'</u> <u>TITLE OR FUNCTION</u>	<u>DISCLOSURE CATEGORIES</u> <u>ASSIGNED</u>
Administrative Services Manager	<u>1, 2, 5</u>
<u>Asset Management Supervisor</u>	<u>5</u>
<u>Capital Facilities Coordinator</u>	<u>5</u>
<u>Capital Facilities Engineer</u>	<u>2, 3, 5</u>
Capital Facilities Senior Engineer	<u>1, 2, 2, 3, 5</u>
<u>Computerized Maintenance Management System Planner (CMMS Planner)</u>	<u>5</u>
<u>Construction Inspector II</u>	<u>2, 3, 5</u>
<u>Construction Inspection Supervisor</u>	<u>2, 3, 5</u>
<u>Construction Supervisor</u>	<u>2, 3, 5</u>
<u>Development Services Coordinator</u>	<u>2, 3, 5</u>
Development Services Senior Engineer	<u>1, 2, 3, 5</u>
District Engineer	<u>1, 2, 3, 5</u>
Finance Manager	1, 2
General Counsel	1, 2
<u>Human Resource Analyst</u>	<u>5</u>
<u>Information Technology Supervisor</u>	<u>5</u>
<u>Mechanical/Electrical Supervisor</u>	<u>5</u>

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Operations & Maintenance Manager	1,2,4
<u>Public Information Conservation Supervisor</u>	5
<u>Purchasing/Warehouse Assistant</u>	4
<u>Risk Management Supervisor</u>	6
<u>Purchasing/Warehouse Supervisor Senior Purchasing Specialist</u>	1,2,4
<u>System Administrator</u>	5
<u>Wastewater Collection Systems Supervisor</u>	5
<u>Wastewater Treatment Plant Supervisor</u>	5
<u>Water Operations Supervisor</u>	5
<u>Water System Supervisor</u>	5

Consultants and New Positions²

*

~~* Consultants shall disclose all sources of income, interests in real property and investments and business positions in business entities. The General Manager of the District may determine in writing that a particular consultant, although a designated position, is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements described in this section. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. Such determination shall be a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code.~~

² Individuals serving as a consultant as defined in FPPC Reg 18700.3 or in a new position created since this Code was last approved that makes or participates in making decisions must file under the broadest disclosure set forth in this Code subject to the following limitation:

The General Manager may determine that, due to the range of duties or contractual obligations, it is more appropriate to assign a limited disclosure requirement. A clear explanation of the duties and a statement of the extent of the disclosure requirements must be in a written document. (Gov. Code Sec. 82019; FPPC Regulations 18219 and 18734.). The General Manager's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code. (Gov. Code Sec. 81008.)

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PART "B"

DISCLOSURE CATEGORIES

The disclosure categories listed below identify the types of economic interests that the designated position must disclose for each disclosure category to which he or she is assigned.³ "Investment" means financial interest in any business entity (including a consulting business or other independent contracting business) and are reportable if they are either located in, doing business in, planning to do business in, or have done business during the previous two years in the jurisdiction of the District.

~~A. — Persons holding positions listed in the Appendix are required to file the initial, annual, and leaving office statements of financial interest required by this code for the types of interests in the categories set forth in the column "Disclosure Categories" opposite the column "Designated Positions." It has been determined that these persons make or participate in making decisions that may foreseeably have a material effect on such financial interests.~~

~~B. — Where the disclosure category requires disclosure of interests in real property, the designated employee need only disclose real property that is located in whole or in part within or not more than two miles outside the boundaries of the jurisdiction or within two miles of any land owned or used by the local government agency.~~

~~C. — Where the disclosure category requires disclosure of investments or sources of income, the designated employee need only disclose investments in business entities and sources of income that do business in the jurisdiction, plan to do business in the jurisdiction, or have done business in the jurisdiction within the past two years. In addition to other activities, a business entity is doing business within the jurisdiction if it owns real property within the jurisdiction.~~

~~D. — Where the disclosure category requires disclosure of business positions, the designated employee need only disclose positions of director, officer, partner, trustee, employee, or any positions of management in organizations or enterprises operated for profit.~~

Category: 1: All investments and sources of income. All investments and business positions in business entities, and sources of income located in, that do business in or own real property within the jurisdiction of the District.

Category: 2: All interests in real property which is located in whole or in part within, or not more than two (2) miles outside, the jurisdiction of the District.

³ This Conflict of Interest Code does not require the reporting of gifts from outside this agency's jurisdiction if the source does not have some connection with or bearing upon the functions or duties of the position. (Reg. 18730.1)

Category 3: All investments and business positions in, ~~business entities~~ and sources of income from, business entities that are which engaged in land development, construction, or the acquisitions or sale of real property, ~~and all interest in real property within the jurisdiction of the District.~~

Category 4: All Investments and business positions in, ~~business entities~~ and sources of income from, ~~which~~ business entities that provide services, supplies, materials, machinery, vehicles or equipment of the type utilized by the agency purchased or leased by the District.

Category 5: All investments and business positions in, and sources of income from, business entities that provide services, supplies, materials, machinery, vehicles or equipment of a type purchased or leased by the District.

Category 6: All investments and business positions in business entities, and sources of income, including gifts, loans, and travel payments, if such entities or sources have filed claims against the agency in the past 2 years, or have a claim pending before the District.

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[All previous provisions have been deleted]

RESOLUTION NO. _____

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
VALLCITOS WATER DISTRICT ADOPTING AN
AMENDED CONFLICT OF INTEREST CODE PURSUANT
TO THE POLITICAL REFORM ACT OF 1974**

WHEREAS, the State of California enacted the Political Reform Act of 1974, Government Code Section 81000 et seq. (the “Act”), which contains provisions relating to conflicts of interest which potentially affect all officers, employees and consultants of the Vallecitos Water District (the “District”) and requires all public agencies to adopt and promulgate a Conflict of Interest Code; and

WHEREAS, the Board of Directors adopted a Conflict of Interest Code (the “Code”) which was adopted on September 5, 2018, in compliance with the Act; and

WHEREAS, subsequent changed circumstances within the District have made it advisable and necessary pursuant to Sections 87306 and 87307 of the Act to amend and update the District’s Code; and

WHEREAS, the potential penalties for violation of the provisions of the Act are substantial and may include criminal and civil liability, as well as equitable relief which could result in the District being restrained or prevented from acting in cases where the provisions of the Act may have been violated; and

WHEREAS, notice of the time and place of a public meeting on, and of consideration by the Board of Directors of, the proposed amended Code was provided each affected designated employee and publicly posted for review at the offices of the District; and

WHEREAS, a public meeting was held upon the proposed amended Code at a regular meeting of the Board of Directors on September 16, 2020, at which all present were given an opportunity to be heard on the proposed amended Code.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Vallecitos Water District, that the Board of Directors does hereby adopt the proposed amended Conflict of Interest Code, a copy of which is attached hereto and shall be on file with the Assistant Board Secretary and available to the public for inspection and copying during regular business hours;

BE IT FURTHER RESOLVED that the said amended Conflict of Interest Code shall be submitted to the Board of Supervisors of the County of San Diego for approval and said Code shall become effective immediately after the Board of Supervisors approves the proposed amended Code as submitted.

APPROVED AND ADOPTED this 16th day of September, 2020.

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

ATTEST:

Glenn Prui, Secretary
Board of Directors
Vallecitos Water District

DATE: SEPTEMBER 16, 2020
TO: BOARD OF DIRECTORS
SUBJECT: COVID FINANCIAL REPORTING PRESENTATION

BACKGROUND:

The COVID pandemic has had far reaching impacts on society and has resulted in significant changes in how businesses and citizens act. Of particular interest to Vallecitos is how those societal changes may affect District operations and finances. In preparing the FY2021 budget, staff developed a series of assumptions to estimate the financial impact that COVID may have on the District.

Several discussions have taken place with the Finance Committee and the Board in conjunction with the budget development regarding metrics that could be developed and tracked to determine the accuracy of the assumptions made in the preparation of the budget. Staff committed to providing monthly updates of the financial tracking metrics to the Board.

DISCUSSION:

Staff will be providing an update on the financial tracking metrics at the September 16, 2020 Board meeting. The information provided will reflect conditions up to August 31, 2020. This is the second month in which information can be compared to the assumptions developed for the FY2021 budget. Because it is only the second month of the Fiscal Year, we are not yet able to identify trending patterns in the data. Subsequent updates will determine the direction in which certain metrics are trending and enable the Board and staff to determine the need for any budget-related course corrections.

It may take several additional months for patterns to emerge and it would be advisable to receive several more monthly reports before any changes are considered. In addition, it is important to note that several of the indicators/metrics have a built-in time lag, meaning the data presented does not necessarily reflect the results for the month in which the data is presented. For example, when staff reports in September on water sales, the data will be for August billings, which reflect July usage. This time lag is important when the District is trying to correlate the data it compiles with how society is reacting to COVID-related restrictions.

FISCAL IMPACT:

There are no fiscal impacts associated with receiving the staff presentation. The information provided will enable the District to determine how well the data compares to the estimates upon which the Fiscal Year 2021 budget was prepared.

RECOMMENDATION:

Receive the staff presentation and provide direction as appropriate.

DATE: SEPTEMBER 16, 2020
TO: BOARD OF DIRECTORS
SUBJECT: 2020 YEAR IN REVIEW PRESENTATION

BACKGROUND:

Revenue and Expense Reports for water and sewer and the Reserve Report are included in the Board packets every month to keep the Board informed about the financial status of the District. The Board is also provided a Monthly Reserve Report with explanations of reserve levels, how they compare to the reserve policy floor and ceiling, and illustrating reserve levels in comparison to prior years. In addition, a Quarterly Financial Report narrative is provided to the Board summarizing the results of operations, providing budget comparisons, and explaining significant budget variances.

At the conclusion of each fiscal year staff plans to provide a timely review of annual financial results. The information being presented was included in the Board packet on July 15th and was discussed with the Finance Committee on July 27th.

DISCUSSION:

Staff will be providing an update on the preliminary results of operations as of June 30, 2020. It's important to note that these are preliminary numbers and they are unaudited. Significant changes may be made leading up to the audit in order to be in compliance with Generally Accepted Accounting Principles (GAAP). For example, numerous invoices come in after year end for materials delivered and services performed during the year and they are not included here. Changes to these numbers will be reflected in the audited financial statements which will be presented in November.

FISCAL IMPACT:

There are no fiscal impacts associated with receiving the staff presentation.

RECOMMENDATION:

Receive the staff presentation.