

**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, OCTOBER 21, 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](mailto: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](http://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 OCTOBER 21, 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

Lito Santos, Capital Facility Engineer, will be presented with his Certificate of Specialized Study in Water Management & Leadership.

Chris Robbins, Public Information/Conservation Supervisor, will present a video on “The Work that We Do: Twin Oaks Solar Project.”

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. 6-16)

- A. PUBLIC AWARENESS/PERSONNEL/POLICY COMMITTEE MEETING – OCTOBER 6, 2020
- B. CLOSED SESSION BOARD MEETING – OCTOBER 7, 2020
- C. REGULAR BOARD MEETING – OCTOBER 7, 2020

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

**Recommendation: Approve Minutes**

1.2 WARRANT LIST THROUGH OCTOBER 7, 2020 - \$1,178,055.07 (pp.17-19)

**Recommendation: Approve Warrant List**

1.3 FINANCIAL REPORTS (pp. 20-41)

- A. WATER METER COUNT – SEPTEMBER 30, 2020
- B. WATER PRODUCTION/SALES REPORT – 2020/2021
- C. QUARTERLY FINANCIAL REPORT – SEPTEMBER 30, 2020
- D. PER CAPITA WATER CONSUMPTION – SEPTEMBER 30, 2020
- E. WATER REVENUE AND EXPENSE REPORT – SEPTEMBER 30, 2020
- F. SEWER REVENUE AND EXPENSE REPORT – SEPTEMBER 30, 2020
- G. RESERVE FUNDS ACTIVITY – SEPTEMBER 30, 2020
- H. INVESTMENT REPORT – SEPTEMBER 30, 2020
- I. MONTHLY RESERVE REPORT – SEPTEMBER 30, 2020
- J. LEGAL FEES SUMMARY – SEPTEMBER 30, 2020

1.4 OPERATIONS & MAINTENANCE METRICS QUARTERLY UPDATE – SEPTEMBER 30, 2020 (pp. 42-49)

1.5 AWARD OF CONSTRUCTION CONTRACT FOR THE REPAIR OF ASPHALT ROAD

*A water main break causing extensive damage occurred at 923 Applewilde Drive requiring a permanent repair of the asphalt. (pp. 50-66)*

**Recommendation: Authorize the General Manager to Enter into an Agreement with Marathon General, Inc. for Pavement Repairs**

1.6 FINAL ACCEPTANCE OF WATER AND SEWER IMPROVEMENTS FOR NORTH CITY EAST INDUSTRIAL STREET AND CARMEL STREET, APN 220-202-32 (URBAN VILLAGES SAN MARCOS, LLC) (pp. 67-69)

*Installation of water and sewer facilities have been completed.*

**Recommendation: 1) Accept Project Improvements; and 2) Approve the Filing of a Notice of Completion**

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

ACTION ITEM(S)

2.1 PARTICIPATION IN THE SAN DIEGO COUNTY WATER AUTHORITY'S NEW PERMANENT SPECIAL AGRICULTURAL WATER RATE PROGRAM (pp. 70-75)

*The San Diego County Water Authority (CWA) has provided a special agricultural water rate to certain farmer and grower customers of the District since 2008.*

**Recommendation: Approve the District's participation in the CWA's new Permanent Special Agricultural Water Rate Program**

2.2 AWARD FOR PROFESSIONAL SERVICES AGREEMENT FOR THE MEADOWLARK FAILSAFE REHABILITATION (BUENA REACH) PROJECT (pp. 76-79)

*Two significant pipeline breaks occurred in recent history in the Buena reach of the Failsafe pipeline.*

**Recommendation: Authorize the General Manager to enter into a Professional Services Agreement with NV5 in the amount of \$144,672 for planning and design services**

2.3 CALL FOR NOMINATIONS FOR THE LOCAL AGENCY FORMATION COMMISSION SPECIAL DISTRICTS ADVISORY COMMITTEE (pp. 80-83)

*The Local Agency Formation Commission is seeking nominations for eight seats on the Special Districts Advisory Committee.*

**Recommendation:** Request Board direction

2.4 COVID FINANCIAL REPORTING PRESENTATION (pp. 84)

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

**Recommendation:** Request Board direction

\*\*\*\*\*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](http://www.vwd.org)

AFFIDAVIT OF POSTING

I, Diane Posvar, Executive Secretary of the Vallecitos Water District, hereby certify that I caused the posting of this Agenda in the outside display case at the District office, 201 Vallecitos de Oro, San Marcos, California by 5:00 p.m., Friday, October 16, 2020.

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Diane Posvar

MINUTES OF A MEETING OF THE  
PUBLIC AWARENESS/PERSONNEL/POLICY COMMITTEE  
OF THE VALLECITOS WATER DISTRICT  
TUESDAY, OCTOBER 6, 2020 AT 4:00 P.M.  
VIA TELECONFERENCE

Director Evans called the meeting to order at the hour of 4:00 p.m.

Present: Director Sannella  
Director Evans  
General Manager Pruum  
Public Information/Conservation Supervisor Robbins  
Administrative Secretary Johnson

General Manager Pruum suggested the second agenda item regarding the Water Academy be discussed last as the first and third items are related. The Committee was agreeable to this.

ITEMS FOR DISCUSSION

PARTICIPATION IN THE SAN DIEGO COUNTY WATER AUTHORITY'S NEW PERMANENT SPECIAL AGRICULTURAL WATER RATE PROGRAM

Public Information/Conservation Supervisor Robbins provided background information on the San Diego County Water Authority's (SDCWA) Transitional Special Agricultural Water Rate (TSAWR) program which provides customers a lower agricultural water rate in exchange for a reduced level of service during water shortages and emergencies. The TSAWR program is set to expire on December 31, 2020 and will be replaced with the regional Permanent Special Agricultural Water Rate (PSAWR) program on January 1, 2021. The PSAWR program will be available to the District's customers as well as farmers and agricultural customers who want to voluntarily participate in the program to receive a lower agricultural rate tied to a reduced level of service as was available with the TSAWR program.

Public Information/Conservation Supervisor Robbins stated there are approximately 117 agricultural water customers in the District's service area. Most are participating in the TSAWR program; however, some are also participating in the District's own separate Certified Non-Participating Agricultural Water Rate (CNPAWR) program, and some are participating in both programs. Unlike the TSAWR program which required participants to be enrolled in the Metropolitan Water District's old interim agricultural water program on January 1, 2009, new and existing customers are eligible for the PSAWR program, and the PSAWR program does not have a minimum acreage requirement. To be eligible to participate in the PSAWR program, a customer must grow or raise, for commercial purposes, products of an agricultural, floricultural, or horticultural nature. The customer will be required to verify that they are eligible and must get on one of four distinct lists that have been determined by the SDCWA. The lists consist of:

- The Regional Water Quality Control Board's General Agricultural Orders Enrollment List;

- A growers list which is an inventory of agricultural operators with the County of San Diego;
- Active producers certified by the San Diego County Department of Agricultural Weights and Measures; and
- Organic producers, a list maintained by the U.S. Department of Agriculture.

Public Information/Conservation Supervisor Robbins further stated that to ensure a smooth transition into the new PSAWR program, the SDCWA will allow a six-month transition period during which current TSAWR customers will be enrolled into the PSAWR program. Customers will have to make the effort to get on one of the four lists by June 30, 2021; if they do not, they will not be eligible to participate in the PSAWR program. Customers will also have to complete a SDCWA enrollment form which will be sent to the District for verification. If a PSAWR participant opts out of the program for any reason, they cannot opt back in unless the property is sold to a new owner.

General discussion took place.

The Committee recommended presenting the PSAWR program to the Board for approval to participate in the program.

#### DECISIONS REGARDING CERTIFIED NON-PARTICIPATING AGRICULTURAL WATER RATES

Public Information/Conservation Supervisor Robbins stated the District's Certified Non-Participating Agricultural Water Rate (CNPAWR) program was established during the 2007-2009 drought in response to customers' requests for an agricultural water rate that would not be subject to water use reductions in times of drought or supply cutbacks. The CNPAWR program was referenced in District Ordinance No. 165, adopted in 2009, and has the same requirements as the TSAWR program. Ordinance No. 165 has been revised and replaced over the years; however, subsequent revisions are silent on the CNPAWR program.

Public Information/Conservation Supervisor Robbins further stated there are 23 customers currently in the CNPAWR program which flat lines customers at Tier 2, with no Tier 1 discount and no Tier 3 increase. He suggested that during the Cost of Service Study currently being conducted, it would be appropriate to consider options for the CNPAWR program such as:

- Keeping the CNPAWR program as is and possibly adding consequences (there are none currently) to the program such as a drought rate or volume reduction and adding the same eligibility requirements as the PSAWR program;
- Eliminating the CNPAWR program and offering only the PSAWR program to agricultural customers; or
- Transitioning from the CNPAWR classification to a type of irrigation classification.

General discussion took place.

The Committee recommended the Board consider options for the CNPAWR program.

FUTURE WATER ACADEMY EVENTS AND OPTIONS FOR A “VIRTUAL” WATER ACADEMY

Public Information/Conservation Supervisor Robbins provided an overview of the tour and activities associated with the District’s annual Water Academy which are not possible during the current COVID-19 pandemic, necessitating the need to cancel the fall Water Academy. He discussed options for the Committee to consider which include planning for a Water Academy in the spring of 2021, fall of 2021, or a virtual tour via Zoom.

General discussion took place regarding the appropriateness of conducting a virtual tour and consideration of a fall event or a summer event rather than a spring event. Another idea was to have staff create videos on various segments of the Water Academy tour which could be offered to groups such as HOAs, mobile home parks, or community groups.

The Committee concurred with staff’s decision to cancel the fall Water Academy and also suggested that staff consider the possibility of a summer Water Academy.

OTHER BUSINESS

None.

PUBLIC COMMENT

None.

ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at the hour of 4:50 p.m.



MINUTES OF A CLOSED SESSION MEETING  
OF THE BOARD OF DIRECTORS  
OF THE VALLECITOS WATER DISTRICT  
WEDNESDAY, OCTOBER 7, 2020, AT 4:00 PM, VIA TELECONFERENCE

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

Present: Director Elitharp  
Director Hernandez  
Director Martin  
Director Sannella (Arrived at 4:05 p.m.)  
Director Evans

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

Others Present: Fiona Hutton  
Kendall Klinger

ADOPT AGENDA FOR THE CLOSED SESSION MEETING OF OCTOBER 7, 2020

20-10-01 MOTION WAS MADE by Director Hernandez, seconded by Director Martin, and carried 4 – 0, with Director Sannella absent, to adopt the agenda for the Closed Session Meeting of October 7, 2020.

PUBLIC COMMENT

None.

Director Sannella joined the meeting at 4:05 p.m.

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION

(Per Government Code Section 54956.9(a)) – Vallecitos Water District vs. San Diego County Water Authority Case No. 37-2020-00034563-CU-BC-NC

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

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

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

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

20-10-02 MOTION WAS MADE by Director Martin, seconded by Director Hernandez, and carried unanimously, to move into Closed Session pursuant to Government Code Sections 54956.9(a) and 54957.

REPORT AFTER CLOSED SESSION

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

ADJOURNMENT

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

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, October 7, 2020 at 5:00 p.m. via teleconference.

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

ATTEST:

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Glenn Pruum, Secretary  
Board of Directors  
Vallecitos Water District

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE VALLECITOS WATER DISTRICT  
WEDNESDAY, OCTOBER 7, 2020, AT 5:00 PM, VIA TELECONFERENCE

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

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

Staff Present: General Manager Pruim  
Legal Counsel Gilpin  
Administrative Services Manager Emmanuel  
District Engineer Gumpel  
Finance Manager Owen  
Operations & Maintenance Manager Pedrazzi  
Capital Facilities Senior Engineer Morgan  
Development Services Senior Engineer Scholl  
Information Technology Supervisor Labarrere  
Public Information/Conservation Supervisor Robbins  
Principal Financial Analyst Arthur  
Executive Secretary Posvar

ADOPT AGENDA FOR THE REGULAR MEETING OF OCTOBER 7, 2020

20-10-03 MOTION WAS MADE by Director Martin, seconded by Director Sannella, and carried unanimously, to adopt the agenda for the Regular Board Meeting of October 7, 2020.

PUBLIC COMMENT

General Manager Pruim read aloud written comments from two members of the public that were received prior to the start of the meeting. Dr. Jack Paxton expressed his opinion of the District's lack of transparency in regard to his requests for information on the quality and quantity of desalination water the District purchases each day from the Poseidon Desalination Plant, and asked when the District will determine its share of the over \$1 billion in repairs to the Oroville Dam. Kathe Robbins suggested the Board rotate its assignments when a new Board meets after the election, and asked how much rate payer reserves the District has and how it compares to other San Diego County agencies.

Michael Hunsaker, member of the public, addressed the Board expressing his concerns regarding the lack of information on leased water facilities and whether it impacts waste treatment service fees, and large high density developments that are not paying for the correct amount of meters or are being given more exemptions than is appropriate.

CONSENT CALENDAR

20-10-04 MOTION WAS MADE by Director Sannella, seconded by Director Hernandez, and carried unanimously, to approve the Consent Calendar as presented.

1.1 Approval of Minutes

- A. Board Workshop Meeting – September 9, 2020
- B. Closed Session Board Meeting – September 16, 2020
- C. Regular Board Meeting – September 16, 2020
- D. Finance/Investment Committee Meeting – September 28, 2020

1.2 Warrant List through October 7, 2020 - \$4,642,568.03

1.3 Approval of Permanent Off-Site Sewer Service Agreement for Teri Campus of Life, APN 182-260-10 (Teri, Inc.)

1.4 Approval of Additional As-Needed Engineering Professional Services Agreements

1.5 Fall 2020 Between the Pipes – Vallecitos Water District Quarterly Newsletter

1.6 Vallecitos Water District’s Representative to the San Diego County Water Authority

1.7 Consideration of Organizational Achievement Awards

ACTION ITEMS

REQUEST FOR ANNEXATION OF CERTAIN PROPERTIES DESIGNATED AS THE “MURAI RESIDENTIAL DEVELOPMENT,” APNS 184-241-03, 217-050-36, 217-050-38 & 218-011-10, INTO VALLECIOS WATER DISTRICT’S SEWER IMPROVEMENT DISTRICTS 1, 2 & 6 (CR MURAI, LLC)

Development Services Senior Engineer Scholl provided a presentation, “Murai Residential Development Sewer Annexation,” as follows:

- Murai Residential
- Developer’s Annexation Request
- Annexation Per Ordinance No. 200
- Annexation – Southern Section
- Annexation – Northern Section
- Staff Recommendation

Development Services Senior Engineer Scholl stated the entire project is within the District’s water service area and 4.01 of the 91.65 acres is within the District’s sewer service area. The developer of the project has inquired about excluding from annexation 52.18 acres of

dedicated open space which will not be developed. Staff can support the exclusion of 24.06 acres of the project's open space located on the northern side of the property which abuts to the District's water service boundary and is adjacent to the future San Marcos Highlands open space dedication area which has been approved for exclusion from annexation. The Murai excluded area would consist of 20.73 acres of open space and 3.33 acres of non-dedicated open space that lies within a SDCWA pipeline easement. The open space dedications on the southern side of the Murai development are not contiguous to any proposed or existing open space dedications; therefore, staff does not support their exclusion from annexation in accordance with stipulations outlined in Ordinance No. 200.

Staff recommended the Board waive the requirements of Ordinance No. 200 to allow the exclusion of 24.06 acres of the Murai Residential Development from annexation into the sewer service area and approve the conditions for annexation of 67.59 acres of the development into Sewer Improvement Districts 1, 2 and 6 as detailed in the staff report.

General discussion took place.

20-10-05 MOTION WAS MADE by Director Elitharp, seconded by Director Sannella, and carried 4 – 1, with Director Hernandez voting no, to waive the requirements of Ordinance No. 200 to allow the exclusion of 24.06 acres of the Murai Residential Development from annexation into the sewer service area and approve the conditions for annexation of 67.59 acres of the development into Sewer Improvement Districts 1, 2 and 6 as detailed in the staff report.

### CAPITAL FACILITIES EXPANSION (CAPACITY) FUND PRESENTATION

General Manager Pruim stated the District recently received numerous inquiries from a member of the public regarding capacity funds. He provided a presentation on capacity funds which include the four basic funds the District tracks: water capacity, water replacement, wastewater capacity, and wastewater replacement, explaining that replacement relates to the management of the existing system, and capacity relates to the management of system improvements required to accommodate future growth.

General Manager Pruim discussed how capital facility fees, the fees paid by developers to cover the costs of infrastructure required for development, are calculated, stating it is common for costs to be incurred well in advance of fee collection. An example of this is that a water reservoir must be built well ahead of any homes being constructed. The capital facility fee calculation combines all capacity costs, including debt, revenue shortfall (deficit) and the amount of future growth and divides that total by the number of equivalent dwelling units. Staff is very confident that the capital facility fees established using this method will be sufficient to pay for all costs associated with growth, including addressing the revenue shortfall, which means rate payers are not subsidizing development and that growth pays for growth.

Finance Manager Owen facilitated a presentation, "Capital Facilities Expansion (Capacity) Fund," as follows:

- Purpose
- District Reserves
- Customer Rates
- 2020/21 Water Operating Expense Budget - \$42,726,000
- Cost of Service Study 2019
- Replacement Reserves
- District Reserves
- Capacity Reserves
- Capacity Shortfall Action Plan
- Conclusion

Finance Manager Owen stated replacement reserves are tracked separately from capacity reserves. The reporting requirements for replacement reserves are based on the District's reserve policy. The reporting requirements for capacity reserves are established by Government Code Section 66013. The capital facility fees were established during the capital fee study completed on July 9, 2019. Based on the results of the fee study, the capital facilities fees were increased 17.9% effective January 2, 2020. In addition, capital facility fees are increased annually through the construction inflation index, which has averaged an increase of 2.7% per year over the last five years.

Finance Manager Owen discussed the current capacity reserves shortfall which is a paper loan that pays interest into the replacement reserves, growth projects totaling \$45.6 million over the next five years, and planned future debt issuance of \$60 million, all of which is outlined in the budget. By never including the capacity shortfall when calculating water and sewer rates, and paying interest to the replacement reserves, the District has satisfied all necessary requirements for fiscal responsibility. Finance Manager Owen concluded that rate payers are not paying for development and that growth pays for growth.

General discussion took place.

General Manager Pruim read aloud written comments received from Tom Scaglione, member of the public, regarding rate payer's reserves, the developer capacity reserves deficit, and accommodations made by the Board to developers.

General Manager Pruim read aloud written comments received from Tim Shell, member of the public, expressing his opinion that the District has raised water rates high above the cost of service during the past six years, accumulating too much in rate payer reserves, and his concern regarding the capacity reserves deficit.

Gayle Martin, member of the public, addressed the Board asking questions regarding the developer fees deficit, when the next Master Plan will be started and completed, and what funds were used to pay the \$3.2 million developer fund debt service.

Dr. Tiffany Boyd-Hodgson, member of the public, addressed the Board requesting clarification on why developers pay capacity fees at occupancy, how and when that policy originated, and what the rationale is for reserves being closer to the ceiling than the floor.

Michael Hunsaker, member of the public, addressed the Board regarding his concerns about large high density developments paying delayed fees which he believes subsidizes new development and that they should have to pay up front. He stated more transparency is needed in regard to when occupancy is approved, a fee payment schedule, and calculation of the fees.

General Manager Pruim responded to the public's questions.

General discussion took place.

This item was presented for information and discussion only. No action was taken.

## REPORTS

### GENERAL MANAGER

General Manager Pruim reported wastewater collection staff will be performing system maintenance this evening in San Marcos Boulevard between Lift Station 1 and the Laurels subdivision.

### DISTRICT LEGAL COUNSEL

Legal Counsel Gilpin stated Assembly Bill (AB) 922, which relates to the Brown Act restrictions on the use of social media, was signed into law by Governor Newsom. AB 922 applies to Internet-based social media platforms such as Facebook and Twitter, and allows public officials to communicate on those platforms to answer questions, and provide information to and solicit information from the public on matters within the District's jurisdiction without conflicting with the prohibition of serial meetings. The bill prohibits responses from other Directors, such as liking or retweeting a Director's comments, and considers such responses a discussion among Directors even if there is not majority, which would be considered a serial meeting.

### SAN DIEGO COUNTY WATER AUTHORITY

President Evans reported on her attendance to the SDCWA Board of Directors meeting on September 24 at which a new President, Vice President and Secretary were elected. The Board also adopted a new Permanent Special Agricultural Water Rate (PSAWR) program which will replace the Transitional Special Agricultural Water Rate program set to expire on December 31, 2020.

ENCINA WASTEWATER AUTHORITY

Director Hernandez stated the Capital Improvement Committee will meet on October 21.

Director Martin stated the Policy and Finance Committee will meet next week.

STANDING COMMITTEES

Director Sannella reported that the Public Awareness/Personnel/Policy Committee met on October 6 at which the Committee discussed the SDCWA's new PSAWR program, the District's Certified Non-Participating Agricultural Water Rate program, and the fall Water Academy.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

Director Elitharp reported on his participation in the virtual California Association of Sanitation Agencies Board of Directors' strategic planning session September 21-22.

OTHER BUSINESS

None.

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

None.

ADJOURNMENT

There being no further business to discuss, President Evans adjourned the Regular Meeting of the Board of Directors at the hour of 6:35 p.m.

A Regular Meeting of the Vallecitos Board of Directors has been scheduled for Wednesday, October 21, 2020, at 5:00 p.m. via teleconference.

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

ATTEST:

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Glenn Pruiam, Secretary  
Board of Directors  
Vallecitos Water District



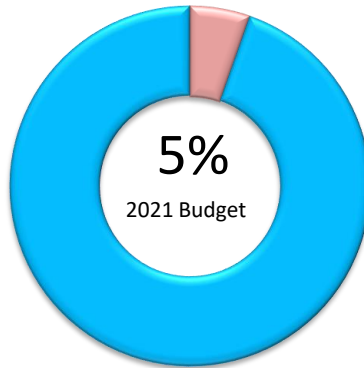
**VALLECITOS WATER DISTRICT  
DISBURSEMENTS SUMMARY  
September 30, 2020**

**Summary**

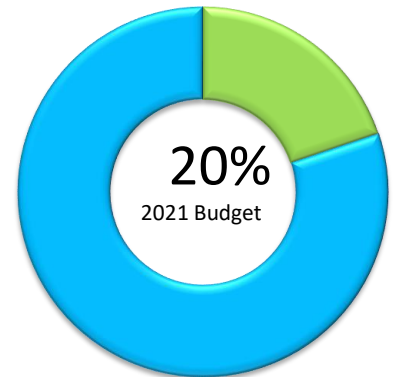
September Disbursements	\$	4,585,835 *
YTD Disbursements	\$	16,940,904 *
FY2021 Budget	\$	85,271,000

\* Excludes Debt Service

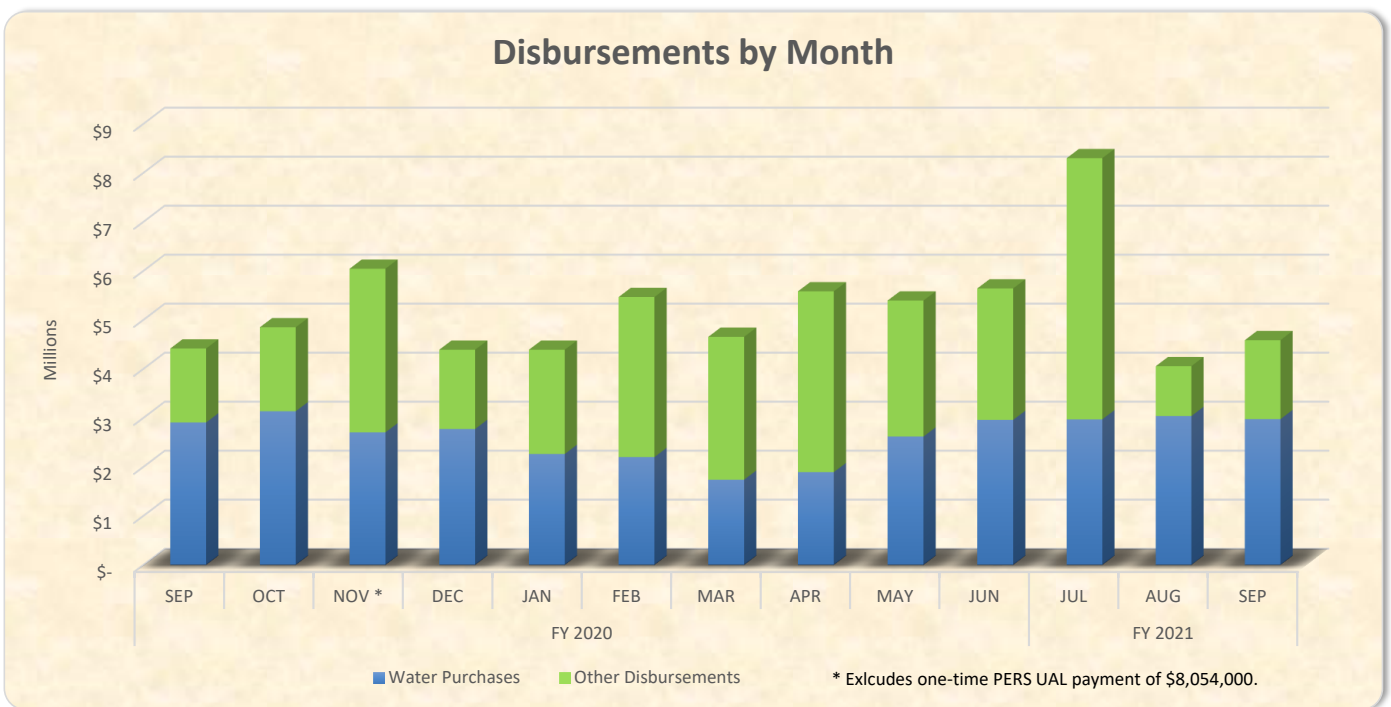
**September**



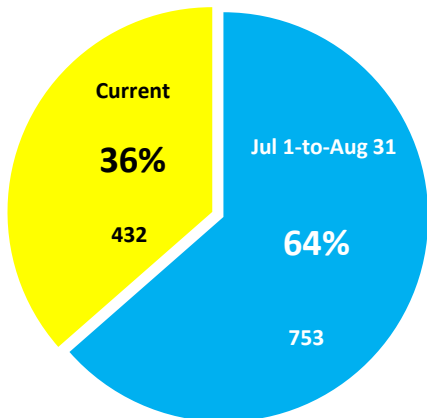
**FYTD**



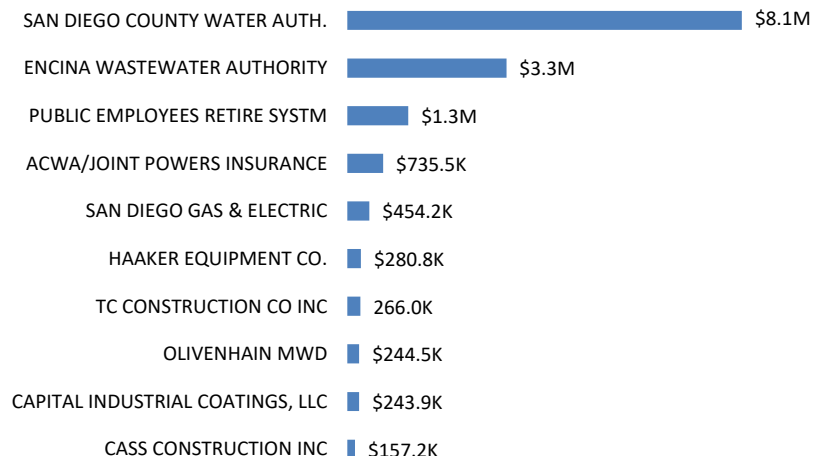
**Disbursements by Month**



**Invoices Processed**



**Top 10 Vendors - FYTD**



VALLECITOS WATER DISTRICT  
WARRANTS LIST  
October 21, 2020

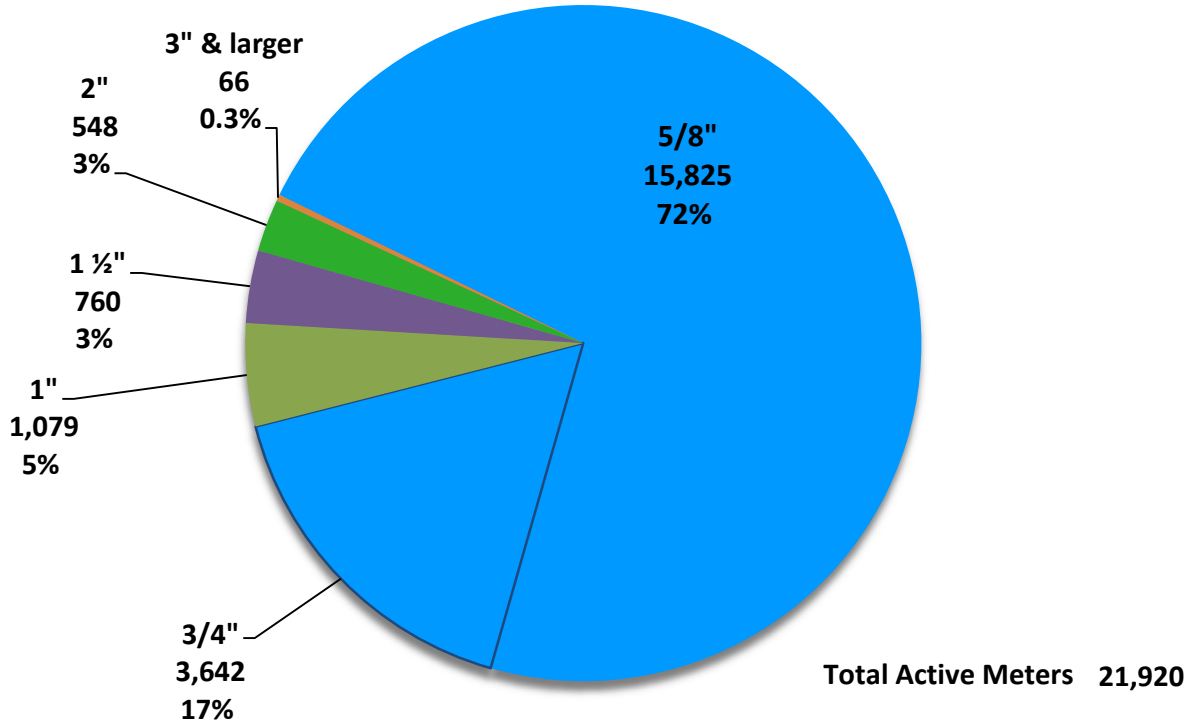
PAYEE	DESCRIPTION	CHECK#	AMOUNT
CHECKS			
Garnishments	Payroll Garnishments 120023 through	120025	-
ACWA/Joint Powers Insurance	Property Insurance Renewal 20-21	120026	178,856.00
Advanced Imaging Solutions, Inc.	Copier Lease - Oct	120027	2,451.32
Alex Douglas	Safety Boots	120028	150.00
Ambius	Plant Maintenance - Oct	120029	263.00
Anthony R. Brown	Closed Account Refund	120030	46.79
AT&T	Phone Svc - Sept	120031	2,727.25
Beverly Auerbach	Closed Account Refund	120032	35.65
Boot Barn	Safety Boots	120033	150.00
City of Carlsbad	Quarterly Sewer Svc	120034	6,878.40
Cass Construction Inc	Emergency Manhole Repair - Buena Cross Tie	120035	81,713.24
Christie Ashley	Closed Account Refund	120036	109.72
Christopher Allen	Closed Account Refund	120037	12.47
Clarkson Laboratory & Supply	Soil Testing Prj 20141-4	120038	3,381.00
Jeffrey Colwell	Video Production Svcs Prj 20211-40	120039	428.75
CWEA	Membership Renewal - D Saavedra	120040	192.00
Dell Computers	Laptops - 3, Monitors - 4, Webcams - 10, Docking Stations - 5	120041	6,154.03
DirectTV Inc	Satellite Svcs - Oct	120042	77.54
Edward Anderson	Closed Account Refund	120043	36.38
Eileen Hulse	Closed Account Refund	120044	55.58
Fergie Mercado	Closed Account Refund	120045	52.99
Hawthorne Machinery Co.	Brush Cutter Attachment Prj 20211-37, Hardware Supplies	120046	7,976.93
Home Depot Credit Services	Hardware Supplies - Sept	120047	1,332.47
Infosend Inc	Support Fee, Postage & Printing - Sept	120048	5,728.77
Instrument Technology Corporation	Repairs - Leak Detection Sounders	120049	144.00
JA A43Chase Enterprises LLC	Closed Account Refund	120050	660.62
Joely Proudfit	Closed Account Refund	120051	5.71
JCI Jones Chemicals Inc	Chlorine	120052	4,086.42
Ken Grody Ford	Fleet Supplies	120053	143.52
Kennedy/Jenks Consultants	San Marcos Interceptor Prj 71004	120054	8,647.13
Knight Security & Fire Systems	Answering, Patrol & Monitoring Svc - Oct	120055	656.69
Lawnmowers Plus Inc	Weed Whip Replacement	120056	327.52
Left Coast Window Cleaning	Cleaning & Disinfecting Svcs - MRF	120057	1,393.13
Liliana Riquer	Closed Account Refund	120058	69.44
Mallory Safety & Supply, LLC	Safety Glasses, Gloves, Respirator, Hats, Hand Sanitizer, Floor Sign	120059	2,023.70
Michael Huyett or Trisha Fox	Closed Account Refund	120060	47.38
Nathan Armstrong	Closed Account Refund	120061	24.12
Paul Cubbison	Closed Account Refund	120062	82.05
Pencco, Inc.	Calcium Nitrate	120063	32,771.55
Pitney Bowes	Postage Meter Refill	120064	68.94
Randlyn & Leon Reinhart	Closed Account Refund	120065	27.75
Steven Saavedra	CWEA Cert & Membership Renewal	120066	288.00
San Diego County Water Authority	Connection Fees Quarter Ending 9-30-20	120067	59,928.00
SDG&E	Power - Sept	120068	22,826.42
Smith Powerhouse Inc	Generator - CCTV Van	120069	6,405.14
Southern Counties Lubricants, LLC	Oil & Diesel Fuel	120070	1,554.84
Sunny Harvest, LLC	Closed Account Refund	120071	92.51
Teldata	Scada Upgrade MRF	120072	8,847.08
San Diego Centre For Organizational Effectiveness	Supervisor's Academy	120073	775.00
Traffic Supply Inc	Traffic Control Signs	120074	972.53
Trisha Woolslayer	Covid Supplies April - June Prj 20211-850	120075	754.64
Underground Service Alert	Dig Alert Svc - Sept	120076	495.10
Union Bank FKA 1st Bank Card	Meetings & Travel - Sept	120077	679.87
Union Bank FKA 1st Bank Card	Meetings & Travel - Sept	120078	3,548.17
Union Bank FKA 1st Bank Card	Meetings & Travel - Sept	120079	760.00
UPS	Shipping Svcs - Sept	120080	130.18
Verizon Wireless	Phone Svc - Sept	120081	2,127.94
AP Technology LLC	Secure Check Maintenance 20-21	120082	995.00
APGN Inc.	Temperature Sensor - MRF	120083	711.21
Aqua-Metric Sales Co	3/4 Inch Meters - 80, 2 Inch Meters - 2	120084	19,422.23
Backflow Solutions, Inc.	Backflow Tests Sept - Qty 430	120085	6,428.50
Bearcom	Plant Radios MRF - 2	120086	2,652.17
Boncor Water Systems	Drinking Water Svc - Oct	120087	47.00
Cat5cableguy.com	Cable For MRF Trailer Prj 20211-850	120088	267.11
CCI	Water Treatment - Sept	120089	220.00
CDW Government Inc	Microsoft Enterprise Agreement 20-21 - SCADA Infrastructure	120090	75,456.24

VALLECITOS WATER DISTRICT  
WARRANTS LIST  
October 21, 2020

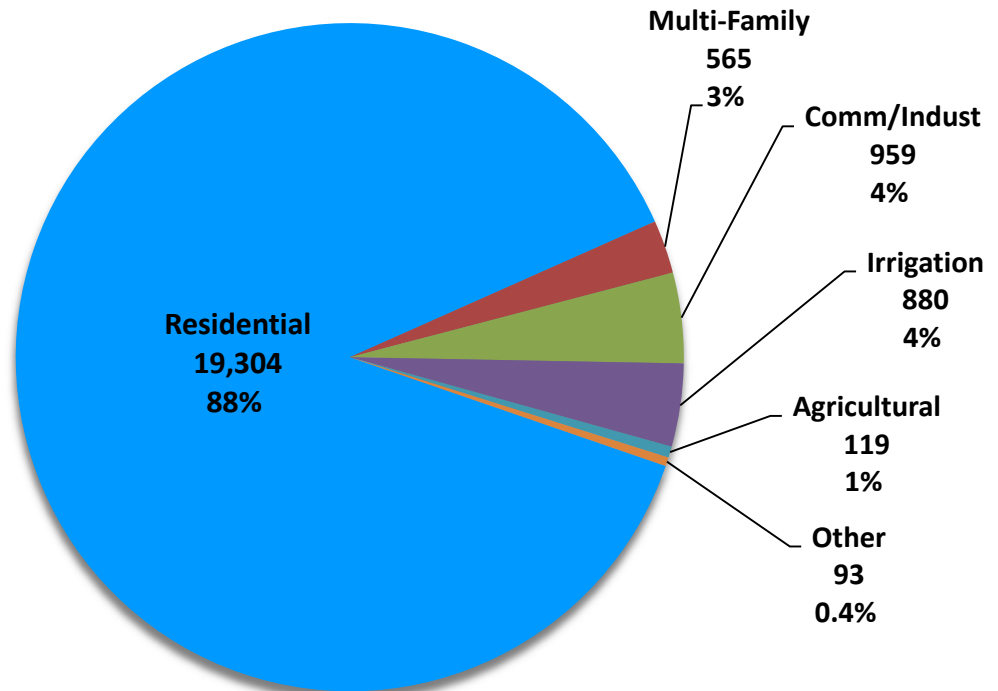
PAYEE	DESCRIPTION	CHECK#	AMOUNT
Consolidated Electrical Distributors, Inc.	LED Bulbs - 50	120091	377.13
San Diego County Vector Control	Assessment Fees 20-21	120092	259.47
Doane & Hartwig Water Systems Inc	Chlorine Analyzer Rebuild Kits 2 - MRF	120093	877.28
Deer Springs Fire Protection District	Property Taxes 20-21	120094	533.10
Electrical Sales Inc	Supplies MRF Trailer Prj 20211-850	120095	521.64
Fisher Scientific LLC	Petri Dishes & Lab Supplies MRF	120096	726.71
Grainger Inc	Manual Chain Hoist, Hardware Supplies	120097	747.79
Greens Escondido LLC	Refund Overpayment - Prj 20201-820	120098	35,532.00
Haaker Equipment Co.	Repair - Water Pressure Issues - Veh 240	120099	331.13
Harrington Industrial	Hardware Supplies	120100	127.65
Kaman Industrial Technologies	Hardware Supplies	120101	129.11
Lloyd Pest Control	Pest Control Svcs - Sept	120102	634.00
MGM Plastics Inc	Partition Prj 20201-4	120103	107.75
North County Auto Parts	Fleet Supplies - Sept	120104	841.22
NV5, Inc.	Tres Amigos Waterline Replacement Prj 20201-3	120105	1,360.00
Olivenhain MWD	SDCWA Conveyance System Project	120106	4,000.00
One Source Distributors LLC	PLC Battery	120107	67.53
Pacific Pipeline Supply	Gasket Ring, Couplings - 2, Hardware Supplies	120108	626.54
Recycled Aggregate Materials Co Inc	Concrete Recycling	120109	125.00
Rely Environmental	Fuel Island Maintenance - Oct	120110	199.50
Rusty Wallis Inc	Soft Water Tank Svc - Oct	120111	220.00
Scada Integrations	Data Loss Trouble Shooting - MRF	120112	14,402.50
Steel-Toe-Shoes.com	Safety Boots	120113	141.95
Steven Enterprises Inc	Toner - OCE Printer	120114	186.83
Syntec Diamond Tools, Inc	Concrete Saw Prj 20211-36	120115	19,891.44
T.S. Industrial Supply	Ramps MRF Trailer Prj 20211-850	120116	1,232.83
Terra Verde Energy LLC	District Wide Solar Prj 20201-14	120117	3,142.50
Underground Service Alert	CA State Fee Regulatory Costs	120118	175.90
Unifirst Corporation	Uniform Delivery	120119	1,506.70
USA Blue Book	Gas Chlorinator Vent Exhausts - 6 - MRF	120120	2,945.55
Valley CM Inc	San Marcos Interceptor Prj 71004	120121	35,295.00
Vortex Industries Inc	TOR Gate Repair	120122	6,402.70
Walters Wholesale Electric	Cooling Fan - School House Tank	120123	1,238.72
Waxie Sanitary Supply	Cleaning Supplies	120124	196.58
Total Disbursements (99 Checks)			<u>701,478.58</u>
WIRES			
Public Employees Retirement System	Retirement Contribution - October 6, 2020 Payroll	Wire	81,144.06
PAYROLL			
Total direct deposits		Wire	249,579.67
VWD Employee Association		120023	578.00
Payroll & Garnishments	120024 through	120025	1,240.99
IRS	Federal payroll tax deposits	Wire	96,752.97
Employment Development Department	California payroll tax deposit	Wire	19,213.97
CalPERS	Deferred compensation withheld	Wire	19,706.61
VOYA	Deferred compensation withheld	Wire	8,360.22
Total October 6, 2020 Payroll Disbursements			<u>395,432.43</u>
 TOTAL DISBURSEMENTS			<u>1,178,055.07</u>

Vallecitos Water District  
 Active Water Meters  
 September 30, 2020

Active Meters by Size as of September 30, 2020

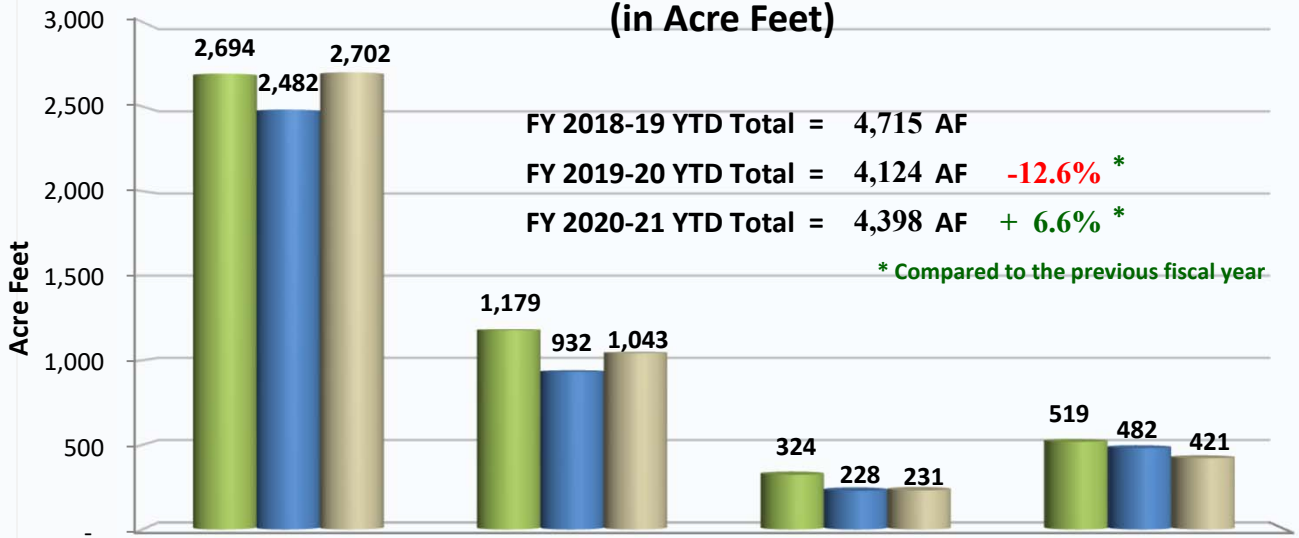


Active Meters by Type as of September 30, 2020



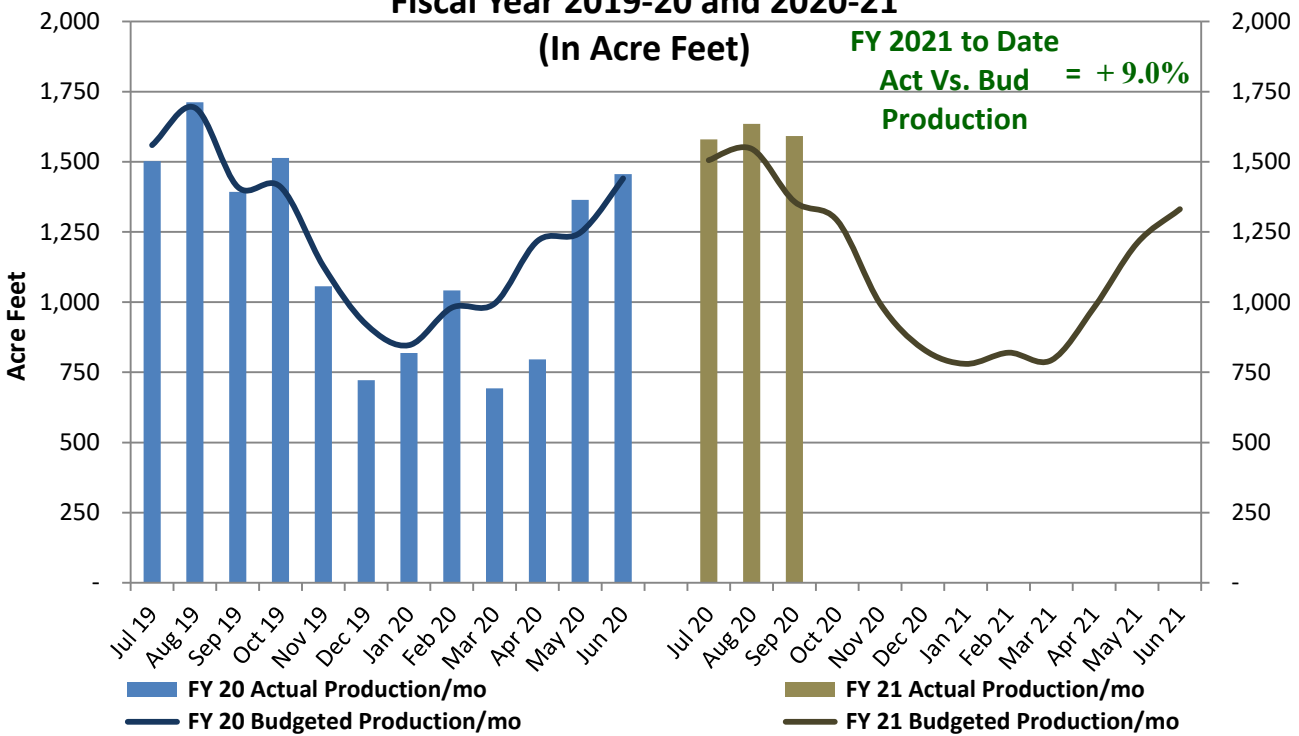
Vallejos Water District  
 Water Production/Sales  
 September 30, 2020

**Water Sales FY 18-19, FY 19-20 and FY 20-21 (FYTD)**  
 (in Acre Feet)



	Residential	Irrigation	Agricultural	Commer/ Indust/ Construct/ Other
FY 2018-19	2,694	1,179	324	519
FY 2019-20	2,482	932	228	482
FY 2020-21	2,702	1,043	231	421

**Water Production Budget vs. Actual**  
 Fiscal Year 2019-20 and 2020-21  
 (In Acre Feet)



## OVERVIEW

With the first quarter complete, the District's water fund had a net operating income of \$2.6 million (before depreciation) while the sewer fund had a net operating income of \$2.4 million (before depreciation). The District is cash funding capital projects and is current on all debt service payments.

## WATER FUND

Overall, the Water Fund performed as expected during the first quarter of Fiscal Year 2021.

**Revenues:** Water sales were 38% of total budget as a result of high demand during the summer months. Ready to Serve (RTS) performed as expected. Pumping Charges are high corresponding with water sales.

Revenue	Budget	YTD Actual	Percent
Water Sales	\$ 26,810,000	\$ 10,107,649	38%
Ready to Serve	14,450,000	3,647,318	25%
Pumping Cost Rec	415,000	136,166	33%
Other	441,000	123,791	28%
<b>Total</b>	<b>\$ 42,116,000</b>	<b>\$ 14,014,924</b>	<b>33%</b>

**Expenses:** Water Purchases were 30% of total budget in response to Water Sales. Operating and Supporting expenses are line thus far with the budget. General & Administrative expenses were low primarily as a result of lower outside service and staffing costs.

Expense	Budget	YTD Actual	Percent
Water Purchases	\$ 29,930,000	\$ 8,982,801	30%
Operating	4,935,000	1,020,818	21%
Supporting	4,773,000	929,914	19%
General & Admin	3,088,000	471,039	15%
<b>Total</b>	<b>\$ 42,726,000</b>	<b>\$ 11,404,572</b>	<b>27%</b>

## SEWER FUND

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

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

Revenue	Budget	YTD Actual	Percent
Sewer Service	\$ 17,330,000	\$ 4,571,365	26%
Reclaimed	2,794,000	698,500	25%
Other	110,000	25,543	23%
<b>Total</b>	<b>\$ 20,234,000</b>	<b>\$ 5,295,408</b>	<b>26%</b>

## SEWER FUND (continued)

**Expenses:** Treatment, Operating, and General and Administrative expenses performed as expected. Supporting costs were low primarily as a result of lower outside service and staffing costs.

Expense	Budget	YTD Actual	Percent
Treatment	\$ 6,147,000	\$ 1,401,142	23%
Operating	2,849,000	649,511	23%
Supporting	2,902,000	568,041	20%
General & Admin	1,412,000	321,039	23%
<b>Total</b>	<b>\$ 13,310,000</b>	<b>\$ 2,939,733</b>	<b>22%</b>

## RESERVES AND FUNDS:

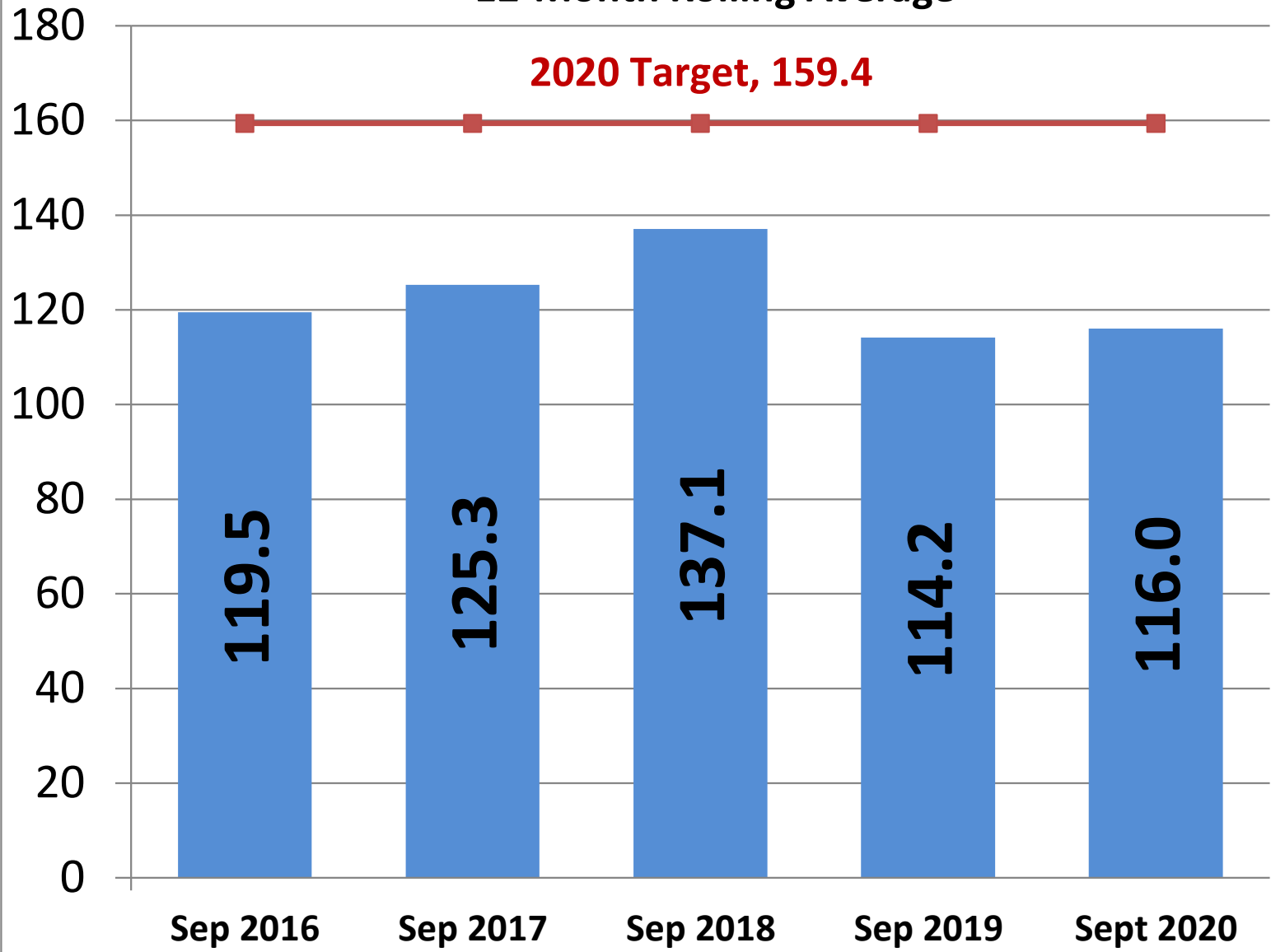
The following is a summary of the replacement reserves and capacity funds as of September 30, 2020.

Water:		
Revenues	Replacement	Capacity
FY 20/21 Operating Transfers	\$ 2,610,352	-
Capital Facility Fees	-	\$ 264,126
Property tax & Other	357,227	-
<b>Total Revenue</b>	<b>2,967,579</b>	<b>264,126</b>
Distributions		
Capital Projects	479,155	-
Debt Service	-	35,200
<b>Total Distributions</b>	<b>479,155</b>	<b>35,200</b>
Beginning Balance	37,926,769	(8,191,036)
Ending Balance	40,379,994	(7,926,910)
Less: Operating Reserves	6,310,400	-
<b>Replacement Reserve Balance</b>	<b>\$ 34,069,594</b>	<b>\$ (7,926,910)</b>
Replacement Reserve Floor	\$ 9,233,800	
Replacement Reserve Ceiling	\$ 36,905,000	

Wastewater:		
Revenues	Replacement	Capacity
FY 20/21 Operating Transfers	\$ 2,355,675	-
Capital Facility Fees	-	\$ 655,105
Property tax & Other	284,527	-
<b>Total Revenue</b>	<b>2,640,202</b>	<b>655,105</b>
Distributions		
Capital Projects	2,798,347	448,220
Debt Service	-	31,357
<b>Total Distributions</b>	<b>2,798,347</b>	<b>479,577</b>
Beginning Balance	59,840,514	(7,282,511)
Ending Balance	59,682,369	(7,106,983)
Less: Operating Reserves	6,563,800	-
<b>Replacement Reserve Balance</b>	<b>\$ 53,118,569</b>	<b>\$ (7,106,983)</b>
Replacement Reserve Floor	\$ 18,557,900	
Replacement Reserve Ceiling	\$ 58,145,300	

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

### Gallons per Capita per Day 12-Month Rolling Average





**DATE: OCTOBER 21, 2020**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: MONTHLY FINANCIAL REPORTS**

**BACKGROUND:**

The Monthly Revenue and Expense Reports and the Reserve Report for the three months ended September 30, 2020 are presented.

**DISCUSSION:**

The Monthly Revenue and Expense reports summarize revenues by service type and expenses by department over the 3-month period. Comparisons to prior year actual and current year budget amounts are also presented. Each statement contains footnotes regarding significant variances exceeding predetermined dollar and percentage amounts. Any excess of revenues over expenses are transferred to reserves and reflected in the Reserve Report. Any excess of expenses above revenues are paid for out of reserves in the current fiscal year.

The Monthly Reserve Report presents the balances in each of the District's reserve funds. The report summarizes all sources and uses of reserves. Sources consist of operating transfers, capital facility fees, property taxes, dissolved RDA distributions, investment earnings and annexation fees. Uses are distributions for capital projects and debt service.

**RECOMMENDATION:**

For information only.

Vallecitos Water District  
Water Revenue and Expense Report  
For the Three Months Ended September 30, 2020

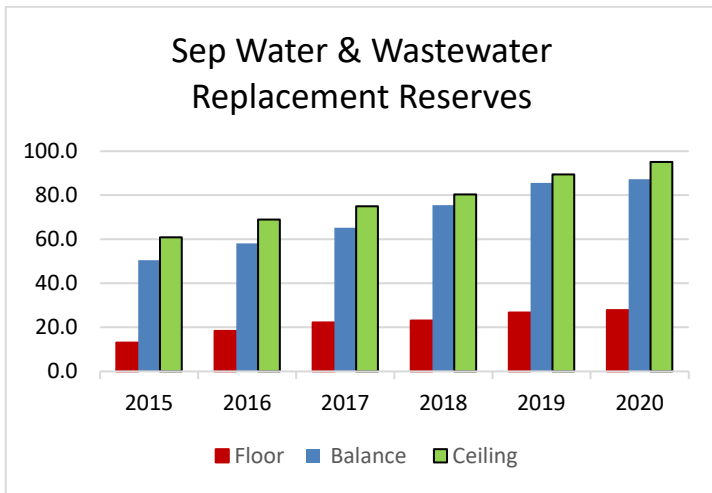
	Current	Prior Year Actual			Current Year Budget		
	Year	Amount	Variance		Amount	Variance	
	Actual		\$	%		\$	%
<b>Revenue</b>							
Water Sales	\$10,107,649	\$9,030,605	\$ 1,077,044	11.9%	\$8,614,000	\$ 1,493,649	17.3%
Ready-to-serve	3,647,318	3,580,658	66,660	1.9%	3,614,000	33,318	0.9%
Pumping charges	136,166	122,296	13,870	11.3%	134,000	2,166	1.6%
Late & lock charges	67,591	86,541	(18,950)	-21.9%	15,000	52,591	350.6%
Backflow fees	26,629	23,776	2,853	12.0%	27,000	(371)	-1.4%
Other revenue	29,571	31,383	(1,812)	-5.8%	73,400	(43,829)	-59.7%
<b>Total Revenue</b>	<b>14,014,924</b>	<b>12,875,259</b>	<b>1,139,665</b>	<b>8.9%</b>	<b>12,477,400</b>	<b>1,537,524</b>	<b>12.3%</b>
<b>Expenses</b>							
Water costs	8,982,801	8,879,329	103,472	1.2%	7,767,000	1,215,801	15.7%
Pumping cost recovery	217,837	212,287	5,550	2.6%	335,000	(117,163)	-35.0%
Water quality	29,824	32,945	(3,121)	-9.5%	49,000	(19,176)	-39.1%
Water treatment	107,375	145,671	(38,296)	-26.3%	115,000	(7,625)	-6.6%
Tanks & reservoirs	45,027	88,575	(43,548)	-49.2%	116,000	(70,973)	-61.2%
Trans & distribution	396,339	375,207	21,132	5.6%	469,000	(72,661)	-15.5%
Services	20,995	13,631	7,364	54.0%	18,000	2,995	16.6%
Meters	182,161	181,010	1,151	0.6%	182,000	161	0.1%
Backflow prevention	21,260	11,390	9,870	86.7%	16,000	5,260	32.9%
Customer accounts	167,760	143,581	24,179	16.8%	259,000	(91,240)	-35.2%
Building & grounds	101,090	89,934	11,156	12.4%	105,000	(3,910)	-3.7%
Equipment & vehicles	63,905	57,793	6,112	10.6%	78,000	(14,095)	-18.1%
Engineering	349,376	351,294	(1,918)	-0.5%	405,000	(55,624)	-13.7%
Safety & compliance	47,521	51,801	(4,280)	-8.3%	71,000	(23,479)	-33.1%
Information Technology	200,262	232,732	(32,470)	-14.0%	272,000	(71,738)	-26.4%
General & administrative	471,039	762,408	(291,369)	-38.2%	773,000	(301,961)	-39.1%
<b>Total Expenses</b>	<b>11,404,572</b>	<b>11,629,588</b>	<b>(225,016)</b>	<b>-1.9%</b>	<b>11,030,000</b>	<b>374,572</b>	<b>3.4%</b>
<b>Net Operating Income</b>	<b>\$ 2,610,352</b>	<b>\$1,245,671</b>	<b>1,364,681</b>	<b>109.6%</b>	<b>\$1,447,400</b>	<b>1,162,952</b>	<b>80.3%</b>

Vallecitos Water District  
Sewer Revenue and Expense Report  
For the Three Months Ended September 30, 2020

	Current	Prior Year Actual			Current Year Budget		
	Year	Amount	Variance		Amount	Variance	
	Actual		\$	%		\$	%
<b>Revenue</b>							
Sewer service charges	\$ 4,571,365	\$ 4,647,344	\$ (75,979)	-1.6%	\$ 4,323,000	\$ 248,365	5.7%
Reclaimed water sales	698,500	616,500	82,000	13.3%	699,000	(500)	-0.1%
Other revenue	25,543	18,252	7,291	39.9%	18,000	7,543	41.9%
<b>Total Revenue</b>	<b>5,295,408</b>	<b>5,282,096</b>	<b>13,312</b>	<b>0.3%</b>	<b>5,040,000</b>	<b>255,408</b>	<b>5.1%</b>
<b>Expenses</b>							
Collection & conveyance	515,078	578,767	(63,689)	-11.0%	588,000	(72,922)	-12.4%
Lift stations	100,118	51,888	48,230	93.0%	74,000	26,118	35.3%
Source Control	34,315	40,493	(6,178)	-15.3%	51,000	(16,685)	-32.7%
Effluent disposal	761,250	878,750	(117,500)	-13.4%	761,000	250	0.0%
Meadowlark	639,892	634,375	5,517	0.9%	775,000	(135,108)	-17.4%
Customer accounts	100,399	93,553	6,846	7.3%	150,000	(49,601)	-33.1%
Building & grounds	59,507	50,057	9,450	18.9%	76,000	(16,493)	-21.7%
Equipment & vehicles	42,036	43,880	(1,844)	-4.2%	56,000	(13,964)	-24.9%
Engineering	168,662	150,583	18,079	12.0%	187,000	(18,338)	-9.8%
Safety & compliance	25,356	35,572	(10,216)	-28.7%	50,000	(24,644)	-49.3%
Information technology	172,081	181,668	(9,587)	-5.3%	207,000	(34,919)	-16.9%
General & administrative	321,039	296,136	24,903	8.4%	351,000	(29,961)	-8.5%
<b>Total Expenses</b>	<b>2,939,733</b>	<b>3,035,722</b>	<b>(95,989)</b>	<b>-3.2%</b>	<b>3,326,000</b>	<b>(386,267)</b>	<b>-11.6%</b>
<b>Net Operating Income</b>	<b>\$ 2,355,675</b>	<b>\$ 2,246,374</b>	<b>109,301</b>	<b>4.9%</b>	<b>\$ 1,714,000</b>	<b>641,675</b>	<b>37.4%</b>

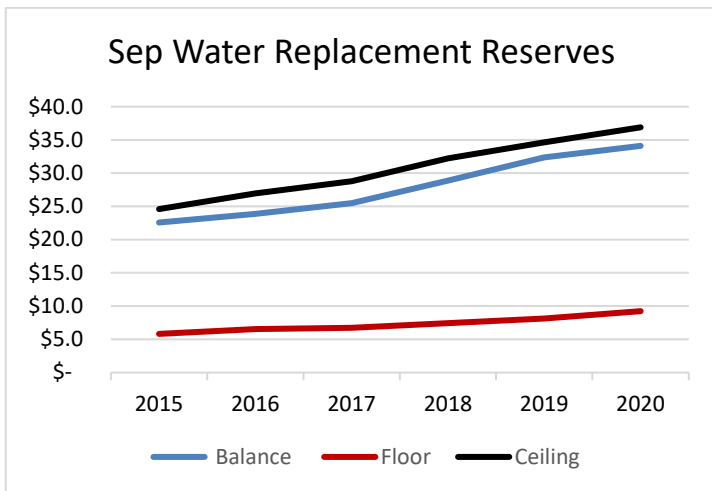
**REPLACEMENT RESERVES**

The District maintains two replacement reserves in cash equivalents and investments: One for the District’s water system, and the other for the District’s wastewater system. The District’s reserve policy establishes a floor of the sum of the next three years of projected system replacement costs, and a ceiling of the sum of the next ten years of system replacement costs. As of September 30, 2020, the total water and wastewater replacement reserve balance was \$87.2 million, 2 percent greater than September 30, 2019.



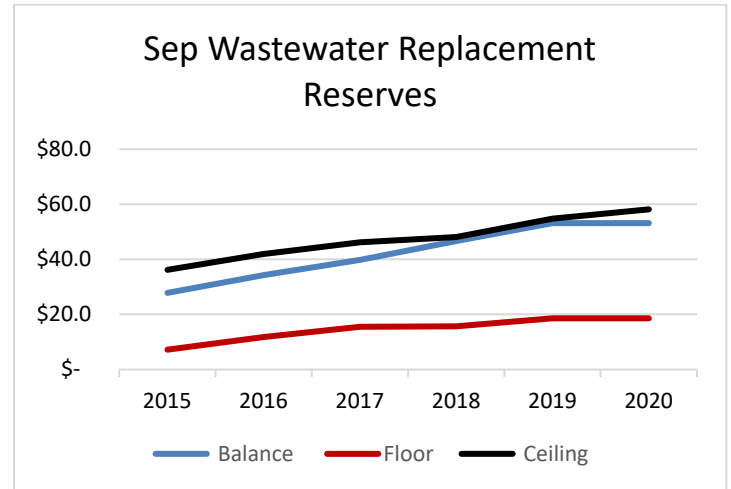
**WATER REPLACEMENT RESERVE**

As of September 30, 2020, the District’s water replacement reserve totaled \$34.1 million, an increase of 5.4 percent, or \$2.7 million higher from the same month of the prior year. The month-end balance is within the floor and ceiling established by the reserve policy, leaving the District with sufficient reserves to meet infrastructure replacement needs.



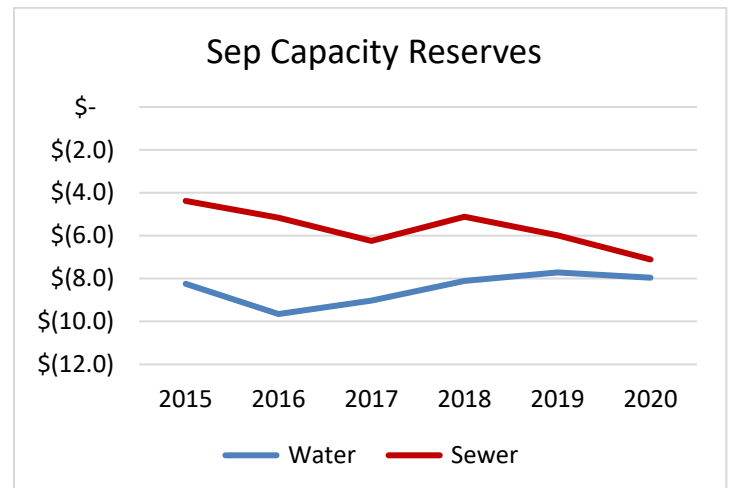
**WASTEWATER REPLACEMENT RESERVE**

As of September 30, 2020, the balance in the District’s wastewater replacement reserve totaled \$53.1 million, a decrease of 0.1 percent, or \$0.05 million, from the same month of the prior year. The month-end balance is within the approved floor and ceiling.



**CAPACITY RESERVES**

The District collects capital facility fees from new development and increased demands from existing customers, maintains the collected fees in separate funds (one for water and one for wastewater), and uses the funds exclusively to provide capacity to serve new development and fund future construction of facilities identified in the District’s Master Plan and capital budget. As of September 30, 2020, the water capacity fund had a deficit of \$8.0 million and the sewer capacity fund had a deficit of \$7.1 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 THREE MONTHS ENDED SEPTEMBER 30, 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	2,610,352		2,355,675		4,966,027
Capital Facility Fees	-	264,126	-	655,105	919,231
Investment Earnings	210,129	-	221,838	-	431,967
Property Tax	61,457	-	49,629	-	111,087
Annexation Fees	85,641	-	13,060	-	98,701
TOTAL REVENUES	<u>2,967,580</u>	<u>264,126</u>	<u>2,640,202</u>	<u>655,105</u>	<u>6,527,013</u>
LESS DISTRIBUTIONS					
Capital Projects					
Encina Wastewater Authority Five Year Plan	-	-	2,136,008	-	2,136,008
San Marcos interceptor sewer	-	-	104,682	232,999	337,681
North Twin Oaks Tank 1 Refurb	311,093	-	-	-	311,093
MRF Grinder Pump 1	-	-	72,894	-	72,894
District-Wide SCADA Upgrade Project	36,068	-	34,654	-	70,723
South Lake - Ultrasonic Algae Control System	59,740	-	-	-	59,740
Sewer Rehabilitation And Repairs	-	-	32,775	-	32,775
Septage Hauler Disposal Siting Study	-	-	29,981	-	29,981
District Wide Solar Project	14,070	-	13,518	-	27,588
MRF Biological Selector Improvements	-	-	17,515	-	17,515
District-Wide Valve Replacement Program	16,083	-	-	-	16,083
Audiovisual Upgrade	6,988	-	6,714	-	13,702
16-Inch Emergency Bypass Pipeline Rehabilitation	-	-	13,322	-	13,322
Asset Management Replacement Schedule	6,460	-	6,205	-	12,665
District Wide Valve Replacement	10,651	-	-	-	10,651
MRF Headworks - Upgrade/Replace Equipment	-	-	9,258	-	9,258
Failsafe Buena Sewer Outfall Condition Assessment	-	-	8,416	-	8,416
Tres Amigos Water Line Replacement Phase 1	7,364	-	-	-	7,364
South Lake Pump Station Fence	5,277	-	-	-	5,277
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
Land Outfall West Condition Assessment	-	-	2,099	-	2,099
Encina Land Parallel Outfall	-	-	-	1,130	1,130
MRF - Tertiary Influent Chamber Repairs	-	-	1,064	-	1,064
Palos Vista Pump Station - Motor Starter Upgrade	1,027	-	-	-	1,027
All other capital projects	304	-	2,389	-	2,693
Total Capital Project Expenditures	479,155	-	2,498,298	235,327	3,212,780
Capital Budget - Vehicles/Mobile Equipmnt	-	-	300,049	-	300,049
Debt Service	-	-	-	212,893	212,893
Interest Expense	-	35,200	-	31,357	66,557
TOTAL DISTRIBUTIONS	<u>479,155</u>	<u>35,200</u>	<u>2,798,347</u>	<u>479,577</u>	<u>3,792,279</u>
ENDING BALANCE	\$ 40,415,193	\$ (7,962,110)	\$ 59,682,369	\$ (7,106,983)	\$ 85,028,469
Less: Operating Reserves	<u>6,310,400</u>	<u>-</u>	<u>6,563,800</u>	<u>-</u>	<u>12,874,200</u>
Replacement Reserves/Restricted Funds	<u>\$ 34,104,793</u>	<u>\$ (7,962,110)</u>	<u>\$ 53,118,569</u>	<u>\$ (7,106,983)</u>	<u>\$ 72,154,269</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 SEPTEMBER 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 September follows:

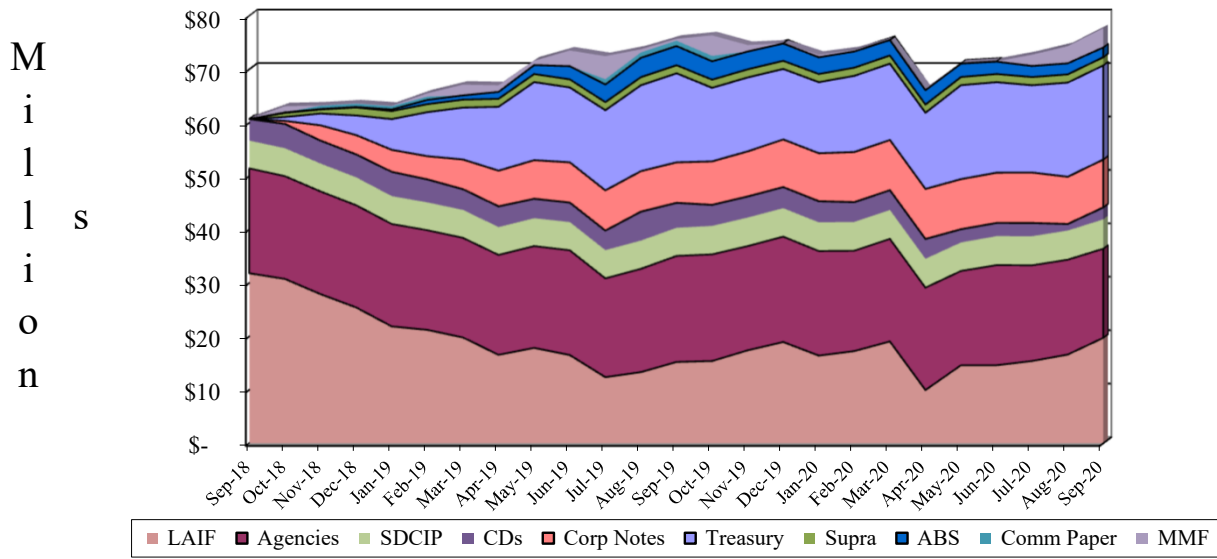
<u>Date</u>	<u>Activity</u>	<u>Investment</u>	<u>Amount</u>	<u>Maturity</u>	<u>Yield</u>
09/02/20	Deposit	LAIF	850,000	Open	0.69%
09/04/20	Purchased	FHLMC	659,782	09/08/23	0.25%
09/09/20	Deposit	LAIF	600,000	Open	0.69%
09/14/20	Matured	MUFG Bank LTD CP	(849,528)	09/14/20	0.25%
09/15/20	Sold	JDOT 2017-B A3	(13,983)	10/15/21	1.82%
09/15/20	Sold	NAR 2016-C A4	(43,828)	01/17/23	1.38%
09/15/20	Sold	TAOT 2017-B CLA3	(17,959)	07/15/21	1.76%
09/15/20	Sold	TAOT 2019-A A2A	(25,602)	10/15/21	2.83%
09/15/20	Sold	JDOT 2019-A A2	(23,112)	12/15/21	2.85%
09/16/20	Withdrawal	LAIF	(900,000)	Open	0.69%
09/18/20	Sold	HAROT 2017-3 A3	(15,550)	09/20/21	1.79%
09/18/20	Sold	Honda Auto Rec	(6,589)	05/18/22	3.01%
09/18/20	Sold	HAROT 2019-1 A2	(33,945)	09/20/21	2.75%
09/21/20	Sold	HAROT 2018-3 A3	(12,251)	08/22/22	2.95%
09/21/20	Deposit	LAIF	900,000	Open	0.69%
09/25/20	Purchased	FHLMC	1,000,230	08/24/23	0.25%
09/30/20	Matured	US Treasury	(750,000)	09/30/20	1.38%
Change in investments during the month			<u>\$ 1,317,666</u>		

	<u>Current</u>
Weighted average annual yield for total Vallecitos investments	1.510%
Weighted average days to maturity	464

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

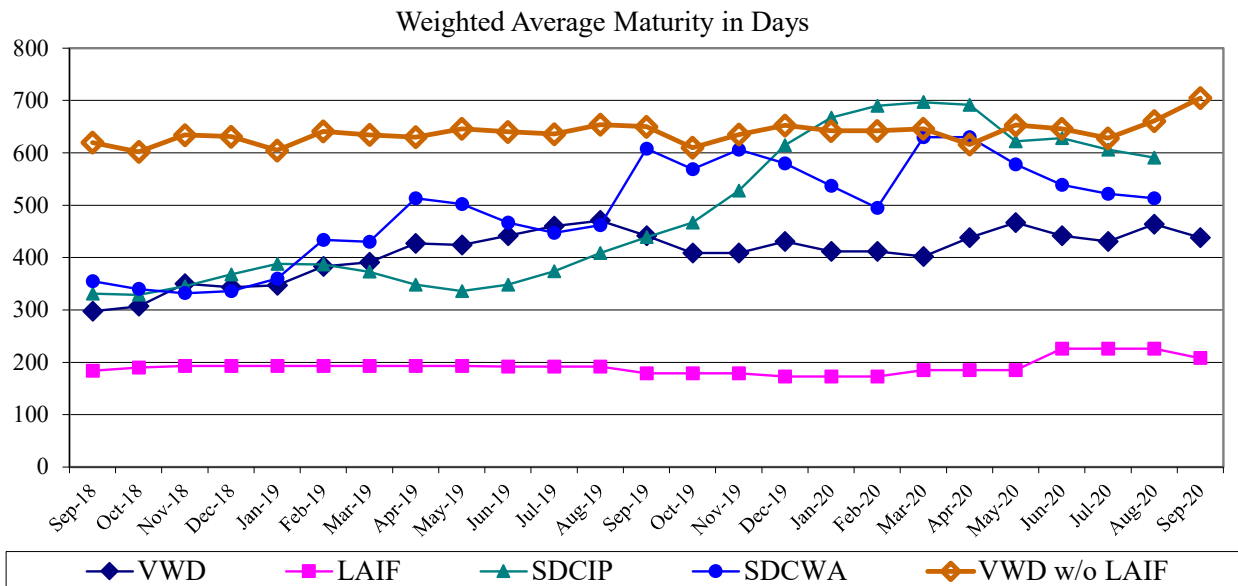
Safety

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.



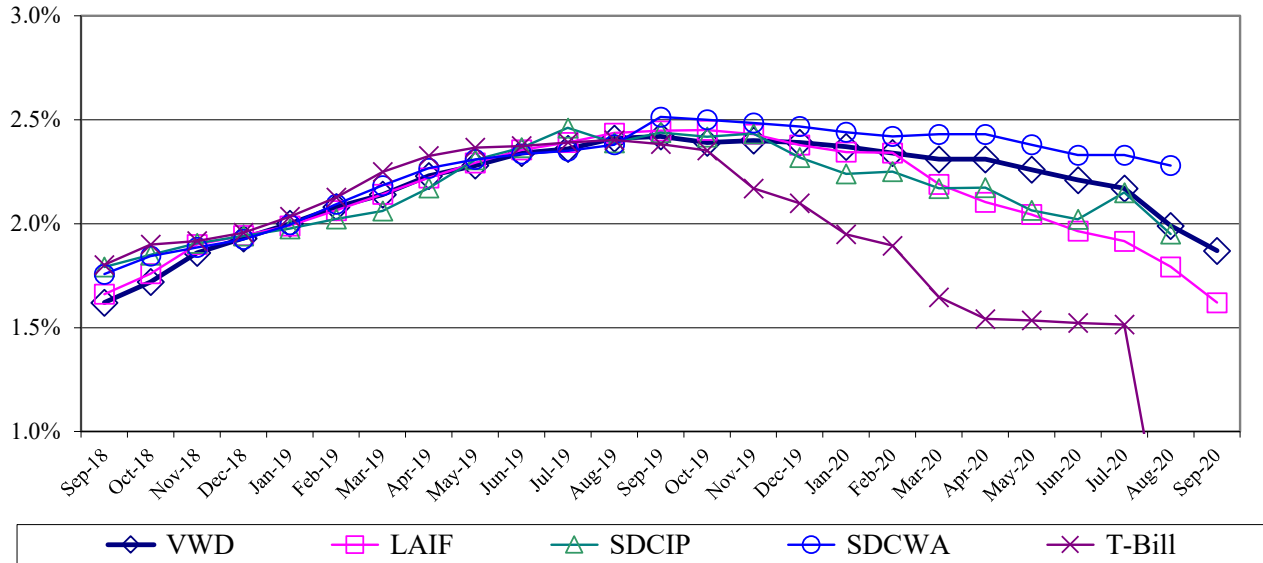
Liquidity

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 \$17.5 million available the same day. But for comparative purposes LAIF is eliminated from the District's portfolio and shown separately.



Yield

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



Investment/Debt Management

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





**PORTFOLIO CHARACTERISTICS**

Average Modified Duration	1.27
Average Coupon	1.50%
Average Purchase YTM	1.51%
Average Market YTM	0.42%
Average S&P/Moody Rating	AA+/Aa1
Average Final Maturity	1.32 yrs
Average Life	1.30 yrs

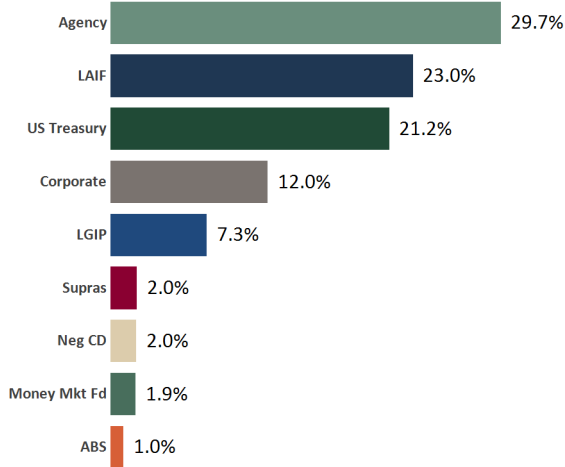
**ACCOUNT SUMMARY**

	Beg. Values as of 8/31/20	End Values as of 9/30/20
Market Value	74,321,087	75,793,078
Accrued Interest	258,911	251,388
<b>Total Market Value</b>	<b>74,579,998</b>	<b>76,044,466</b>
Income Earned	90,562	88,501
Cont/WD		
Par	72,790,775	74,328,825
Book Value	72,939,254	74,479,278
Cost Value	72,775,636	74,334,655

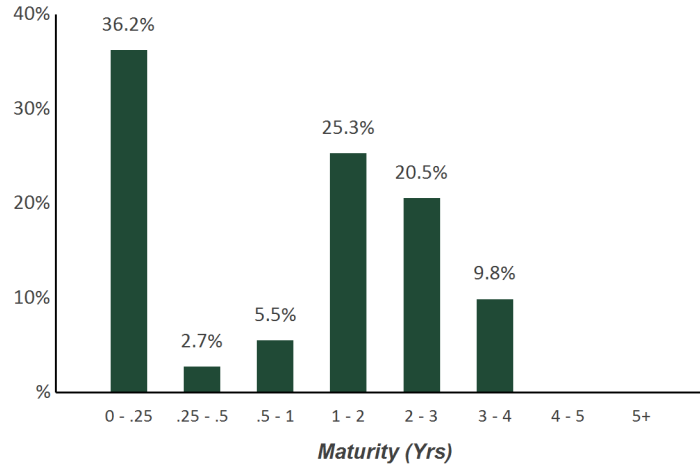
**TOP ISSUERS**

Local Agency Investment Fund	23.0%
Government of United States	21.2%
Federal Farm Credit Bank	8.7%
Federal Home Loan Bank	7.5%
Federal Home Loan Mortgage Corp	7.4%
County of San Diego Pooled Inve	7.3%
Federal National Mortgage Assoc	6.0%
Dreyfus Treasury and Agency	1.9%
<b>Total</b>	<b>83.1%</b>

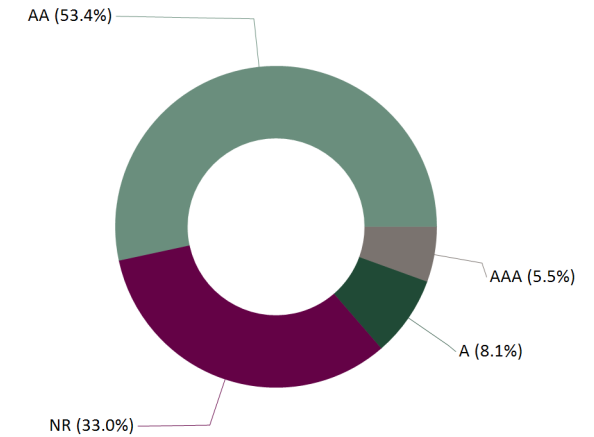
**SECTOR ALLOCATION**



**MATURITY DISTRIBUTION**



**CREDIT QUALITY (S&P)**



Vallecitos Water District Consolidated Account

Account #10594

Holdings Report

As of September 30, 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
<b>ABS</b>									
89190BAD0	Toyota Auto Receivables Trust 2017-B A3 1.76% Due 7/15/2021	3,434.87	09/26/2018 2.78%	3,394.75 3,423.59	100.05 0.12%	3,436.61 2.69	0.00% 13.02	Aaa / AAA NR	0.79 0.03
43814PAC4	Honda Auto Receivables Trust 2017-3 A3 1.79% Due 9/20/2021	40,190.21	12/11/2018 2.73%	39,668.99 40,007.89	100.17 0.32%	40,257.72 25.98	0.05% 249.83	NR / AAA AAA	0.97 0.11
43814WAB1	Honda Auto Receivables Trust 2019-1 A2 2.75% Due 9/20/2021	73,180.39	02/19/2019 2.77%	73,175.67 73,178.60	100.25 0.10%	73,361.18 72.67	0.10% 182.58	NR / AAA AAA	0.97 0.09
47788BAD6	John Deere Owner Trust 2017-B A3 1.82% Due 10/15/2021	14,296.42	11/14/2018 3.14%	14,099.29 14,226.20	100.05 0.15%	14,304.25 11.56	0.02% 78.05	Aaa / NR AAA	1.04 0.03
89239AAB9	Toyota Auto Receivables Trust 2019-A A2A 2.83% Due 10/15/2021	44,703.40	02/05/2019 2.85%	44,699.34 44,701.82	100.22 0.12%	44,802.13 56.23	0.06% 100.31	Aaa / AAA NR	1.04 0.08
47789JAB2	John Deere Owner Trust 2019-A A2 2.85% Due 12/15/2021	46,301.23	03/05/2019 2.87%	46,299.12 46,300.31	100.19 0.10%	46,390.59 58.65	0.06% 90.28	Aaa / NR AAA	1.21 0.07
43814UAG4	Honda Auto Receivables Trust 2018-2 A3 3.01% Due 5/18/2022	57,575.41	05/22/2018 3.03%	57,574.15 57,574.89	101.14 0.28%	58,232.17 62.58	0.08% 657.28	NR / AAA AAA	1.63 0.42
43815HAC1	Honda Auto Receivables Trust 2018-3 A3 2.95% Due 8/22/2022	126,291.45	08/21/2018 2.98%	126,274.12 126,283.23	101.31 0.39%	127,948.75 103.49	0.17% 1,665.52	Aaa / NR AAA	1.89 0.51
65478WAE5	Nissan Auto Receivables Trust 2016-C A4 1.38% Due 1/17/2023	72,862.33	01/24/2019 2.95%	71,336.78 72,278.90	100.05 0.10%	72,896.87 44.69	0.10% 617.97	Aaa / NR AAA	2.30 0.03
47789KAC7	John Deere Owner Trust 2020-A A3 1.1% Due 8/15/2024	275,000.00	03/04/2020 1.11%	274,983.20 274,985.32	101.31 0.36%	278,606.08 134.44	0.37% 3,620.76	Aaa / NR AAA	3.88 1.76
<b>Total ABS</b>		<b>753,835.71</b>	<b>2.25%</b>	<b>751,505.41</b> <b>752,960.75</b>	<b>0.27%</b>	<b>760,236.35</b> <b>572.98</b>	<b>1.00%</b> <b>7,275.60</b>	<b>Aaa / AAA</b> <b>AAA</b>	<b>2.39</b> <b>0.79</b>
<b>AGENCY</b>									
3133EJ3B3	FFCB Note 2.8% Due 12/17/2021	1,000,000.00	12/26/2018 2.70%	1,002,780.00 1,001,131.45	103.21 0.15%	1,032,106.00 8,088.89	1.37% 30,974.55	Aaa / AA+ AAA	1.21 1.19



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>AGENCY</b>									
3135G0U92	FNMA Note 2.625% Due 1/11/2022	500,000.00	03/05/2019 2.60%	500,350.00 500,156.86	103.18 0.14%	515,920.00 2,916.67	0.68% 15,763.14	Aaa / AA+ AAA	1.28 1.26
3137EADB2	FHLMC Note 2.375% Due 1/13/2022	1,000,000.00	03/25/2020 0.63%	1,031,090.00 1,022,159.89	102.89 0.13%	1,028,866.00 5,145.83	1.36% 6,706.11	Aaa / AA+ AAA	1.29 1.27
3133EKBV7	FFCB Note 2.55% Due 3/1/2022	750,000.00	02/27/2019 2.55%	750,075.00 750,035.31	103.37 0.17%	775,278.75 1,593.75	1.02% 25,243.44	Aaa / AA+ AAA	1.42 1.40
313378WG2	FHLB Note 2.5% Due 3/11/2022	500,000.00	04/08/2019 2.36%	501,945.00 500,958.83	103.39 0.15%	516,969.00 694.44	0.68% 16,010.17	Aaa / AA+ NR	1.44 1.43
3133ELWD2	FFCB Note 0.375% Due 4/8/2022	930,000.00	04/03/2020 0.45%	928,623.60 928,955.44	100.31 0.17%	932,913.69 1,675.94	1.23% 3,958.25	Aaa / AA+ AAA	1.52 1.52
3135G0V59	FNMA Note 2.25% Due 4/12/2022	1,000,000.00	03/24/2020 0.59%	1,033,760.00 1,025,184.60	103.24 0.14%	1,032,375.00 10,562.50	1.37% 7,190.40	Aaa / AA+ AAA	1.53 1.50
3133ELYR9	FFCB Note 0.25% Due 5/6/2022	1,050,000.00	04/30/2020 0.31%	1,048,666.50 1,048,936.85	100.15 0.15%	1,051,619.10 1,057.29	1.38% 2,682.25	Aaa / AA+ AAA	1.60 1.60
3134GVJ66	FHLMC Note 0.25% Due 6/8/2022	1,000,000.00	06/04/2020 0.28%	999,400.00 999,494.52	100.14 0.17%	1,001,381.00 784.72	1.32% 1,886.48	Aaa / NR AAA	1.69 1.68
3133ELN26	FFCB Note 0.26% Due 6/22/2022	1,000,000.00	06/17/2020 0.28%	999,530.00 999,595.03	100.17 0.16%	1,001,735.00 715.00	1.32% 2,139.97	Aaa / AA+ AAA	1.73 1.72
313383WD9	FHLB Note 3.125% Due 9/9/2022	500,000.00	01/30/2019 2.68%	507,580.00 504,074.90	105.67 0.20%	528,339.50 954.86	0.70% 24,264.60	Aaa / AA+ AAA	1.94 1.90
3130AFE78	FHLB Note 3% Due 12/9/2022	1,000,000.00	01/25/2019 2.71%	1,010,700.00 1,006,059.04	106.09 0.21%	1,060,924.00 9,333.33	1.41% 54,864.96	Aaa / AA+ AAA	2.19 2.12
3137EAER6	FHLMC Note 0.375% Due 5/5/2023	985,000.00	05/05/2020 0.39%	984,586.30 984,641.94	100.43 0.21%	989,225.65 1,477.50	1.30% 4,583.71	Aaa / AA+ AAA	2.59 2.58
3135G04Q3	FNMA Note 0.25% Due 5/22/2023	1,055,000.00	05/20/2020 0.35%	1,051,824.45 1,052,207.26	100.07 0.22%	1,055,756.44 945.10	1.39% 3,549.18	Aaa / AA+ AAA	2.64 2.63
3133834G3	FHLB Note 2.125% Due 6/9/2023	650,000.00	10/30/2019 1.66%	660,432.50 657,770.91	105.10 0.22%	683,149.35 4,297.22	0.90% 25,378.44	Aaa / AA+ NR	2.69 2.61
3137EAES4	FHLMC Note 0.25% Due 6/26/2023	965,000.00	06/24/2020 0.35%	962,182.20 962,431.81	100.09 0.22%	965,866.57 636.63	1.27% 3,434.76	Aaa / AA+ AAA	2.74 2.73
3135G05G4	FNMA Note 0.25% Due 7/10/2023	875,000.00	07/08/2020 0.32%	873,118.75 873,261.35	99.98 0.26%	874,819.75 492.19	1.15% 1,558.40	Aaa / AA+ AAA	2.78 2.76

Vallecitos Water District Consolidated Account

Account #10594

Holdings Report

As of September 30, 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
<b>AGENCY</b>									
3133EKZK5	FFCB Note 1.6% Due 8/14/2023	1,000,000.00	08/28/2019 1.48%	1,004,700.00 1,003,403.11	103.93 0.23%	1,039,260.00 2,088.89	1.37% 35,856.89	Aaa / AA+ AAA	2.87 2.81
3137EAEV7	FHLMC Note 0.25% Due 8/24/2023	1,000,000.00	09/24/2020 0.24%	1,000,230.00 1,000,228.70	100.07 0.23%	1,000,678.00 277.78	1.32% 449.30	Aaa / AA+ AAA	2.90 2.89
3130A3DL5	FHLB Note 2.375% Due 9/8/2023	700,000.00	10/09/2019 1.44%	724,864.00 718,652.35	106.22 0.25%	743,545.60 1,062.15	0.98% 24,893.25	Aaa / AA+ NR	2.94 2.85
3137EAEW5	FHLMC Note 0.25% Due 9/8/2023	660,000.00	09/02/2020 0.26%	659,782.20 659,787.55	100.04 0.24%	660,241.56 123.75	0.87% 454.01	Aaa / AA+ AAA	2.94 2.93
3130A3VC5	FHLB Note 2.25% Due 12/8/2023	1,000,000.00	02/13/2020 1.46%	1,029,240.00 1,024,412.15	106.32 0.26%	1,063,223.00 7,062.50	1.41% 38,810.85	Aaa / AA+ NR	3.19 3.07
3135G0V34	FNMA Note 2.5% Due 2/5/2024	1,000,000.00	01/30/2020 1.44%	1,041,280.00 1,034,409.39	107.50 0.25%	1,075,043.00 3,888.89	1.42% 40,633.61	Aaa / AA+ AAA	3.35 3.22
3133EKMX1	FFCB Note 2.23% Due 2/23/2024	750,000.00	07/30/2019 1.91%	760,425.00 757,750.00	106.67 0.26%	799,991.25 1,765.42	1.05% 42,241.25	Aaa / AA+ AAA	3.40 3.28
3130A7PH2	FHLB Note 1.875% Due 3/8/2024	1,000,000.00	03/03/2020 0.85%	1,040,350.00 1,034,538.50	105.52 0.26%	1,055,205.00 1,197.92	1.39% 20,666.50	Aaa / AA+ NR	3.44 3.34
<b>Total Agency</b>		<b>21,870,000.00</b>	<b>1.11%</b>	<b>22,107,515.50</b> <b>22,050,237.74</b>	<b>0.20%</b>	<b>22,484,432.21</b> <b>68,839.16</b>	<b>29.66%</b> <b>434,194.47</b>	<b>Aaa / AA+</b> <b>AAA</b>	<b>2.32</b> <b>2.28</b>
<b>CORPORATE</b>									
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%	490,920.00 499,607.80	100.14 0.54%	500,706.50 4,727.78	0.66% 1,098.70	A3 / A A	0.09 0.01
69371RN93	Paccar Financial Corp Note 2.8% Due 3/1/2021	300,000.00	07/23/2018 3.12%	297,585.00 299,616.14	101.05 0.29%	303,155.10 700.00	0.40% 3,538.96	A1 / A+ NR	0.42 0.42
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%	493,125.00 498,597.81	101.02 0.27%	505,101.50 5,763.89	0.67% 6,503.69	A1 / A AA-	0.54 0.45
369550BE7	General Dynamics Corp Note 3% Due 5/11/2021	350,000.00	06/28/2018 3.08%	349,247.50 349,840.44	101.67 0.27%	355,847.10 4,083.33	0.47% 6,006.66	A2 / A NR	0.61 0.61
857477AV5	State Street Bank Note 1.95% Due 5/19/2021	500,000.00	10/12/2018 3.30%	483,360.00 495,954.33	101.09 0.23%	505,472.00 3,575.00	0.67% 9,517.67	A1 / A AA-	0.63 0.63

**Vallecitos Water District Consolidated Account**

Account #10594

**Holdings Report**

As of September 30, 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
<b>CORPORATE</b>									
808513AW5	Charles Schwab Corp Callable Note Cont 4/21/2021 3.25% Due 5/21/2021	320,000.00	Various 3.09%	321,372.10 320,262.40	101.60 0.37%	325,128.32 3,755.55	0.43% 4,865.92	A2 / A A	0.64 0.55
931142EJ8	Wal-Mart Stores Note 3.125% Due 6/23/2021	290,000.00	06/20/2018 3.13%	289,985.50 289,996.48	102.17 0.15%	296,290.68 2,467.01	0.39% 6,294.20	Aa2 / AA AA	0.73 0.72
02665WBG5	American Honda Finance Note 1.7% Due 9/9/2021	500,000.00	07/20/2018 3.19%	478,045.00 493,411.58	101.19 0.43%	505,966.50 519.44	0.67% 12,554.92	A3 / A- NR	0.94 0.94
89233P5F9	Toyota Motor Credit Corp Note 3.4% Due 9/15/2021	500,000.00	05/31/2018 3.03%	505,785.00 501,683.87	102.92 0.35%	514,588.50 755.56	0.68% 12,904.63	A1 / A+ A+	0.96 0.95
24422ETL3	John Deere Capital Corp Note 2.65% Due 1/6/2022	500,000.00	Various 3.29%	489,627.50 496,199.31	102.89 0.36%	514,431.50 3,128.48	0.68% 18,232.19	A2 / A A	1.27 1.25
74005PBA1	Praxair Callable Note Cont 11/15/2021 2.45% Due 2/15/2022	300,000.00	06/27/2018 3.15%	292,848.00 297,294.42	102.33 0.38%	306,977.40 939.17	0.40% 9,682.98	A2 / A NR	1.38 1.11
037833CQ1	Apple Inc Callable Note Cont 4/11/2022 2.3% Due 5/11/2022	500,000.00	10/30/2018 3.30%	483,395.00 492,426.47	103.12 0.25%	515,613.50 4,472.22	0.68% 23,187.03	Aa1 / AA+ NR	1.61 1.50
68389XBB0	Oracle Corp Callable Note Cont 3/15/2022 2.5% Due 5/15/2022	500,000.00	Various 3.28%	486,304.00 494,136.51	103.13 0.34%	515,662.00 4,722.23	0.68% 21,525.49	A3 / A A-	1.62 1.43
084664BT7	Berkshire Hathaway Note 3% Due 5/15/2022	500,000.00	12/11/2018 3.31%	495,015.00 497,641.20	104.27 0.36%	521,371.00 5,666.67	0.69% 23,729.80	Aa2 / AA A+	1.62 1.58
09247XAJ0	Blackrock Inc Note 3.375% Due 6/1/2022	500,000.00	11/28/2018 3.36%	500,215.00 500,102.20	105.00 0.37%	525,001.50 5,625.00	0.70% 24,899.30	Aa3 / AA- NR	1.67 1.62
06051GEU9	Bank of America Corp Note 3.3% Due 1/11/2023	400,000.00	09/05/2019 2.13%	414,984.00 410,218.60	106.15 0.58%	424,595.20 2,933.33	0.56% 14,376.60	A2 / A- A+	2.28 2.20
90331HNL3	US Bank NA Callable Note Cont 12/23/2022 2.85% Due 1/23/2023	480,000.00	07/22/2019 2.24%	489,580.80 486,241.34	105.47 0.39%	506,245.44 2,584.00	0.67% 20,004.10	A1 / AA- AA-	2.32 2.16
69353RFL7	PNC Bank Callable Note Cont 5/9/2023 3.5% Due 6/8/2023	500,000.00	06/11/2019 2.44%	519,580.00 513,044.18	107.48 0.61%	537,390.00 5,493.06	0.71% 24,345.82	A2 / A NR	2.69 2.49
69371RQ82	Paccar Financial Corp Note 0.8% Due 6/8/2023	300,000.00	06/01/2020 0.85%	299,583.00 299,626.79	100.71 0.53%	302,121.60 753.33	0.40% 2,494.81	A1 / A+ NR	2.69 2.65
931142EK5	Wal-Mart Stores Callable Note Cont 5/26/2023 3.4% Due 6/26/2023	500,000.00	05/21/2019 2.65%	514,115.00 509,323.23	108.04 0.36%	540,188.00 4,486.11	0.72% 30,864.77	Aa2 / AA AA	2.74 2.54

**Vallecitos Water District Consolidated Account**

Account #10594

**Holdings Report**

As of September 30, 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
<b>Total Corporate</b>		<b>8,740,000.00</b>	<b>2.94%</b>	<b>8,694,672.40</b> <b>8,745,225.10</b>	<b>0.38%</b>	<b>9,021,853.34</b> <b>67,151.16</b>	<b>11.95%</b> <b>276,628.24</b>	<b>A1 / A+</b> <b>A+</b>	<b>1.41</b> <b>1.32</b>
<b>LAIF</b>									
90LAIF\$00	Local Agency Investment Fund State Pool	17,447,682.76	Various 0.66%	17,447,682.76 17,447,682.76	1.00 0.66%	17,447,682.76 33,219.60	22.99% 0.00	NR / NR NR	0.00 0.00
<b>Total LAIF</b>		<b>17,447,682.76</b>	<b>0.66%</b>	<b>17,447,682.76</b> <b>17,447,682.76</b>	<b>0.66%</b>	<b>17,447,682.76</b> <b>33,219.60</b>	<b>22.99%</b> <b>0.00</b>	<b>NR / NR</b> <b>NR</b>	<b>0.00</b> <b>0.00</b>
<b>LOCAL GOV INVESTMENT POOL</b>									
90SDCP\$00	County of San Diego Pooled Investment Pool	5,564,000.00	Various 1.46%	5,564,000.00 5,564,000.00	1.00 1.46%	5,564,000.00 0.00	7.32% 0.00	NR / NR AAA	0.00 0.00
<b>Total Local Gov Investment Pool</b>		<b>5,564,000.00</b>	<b>1.46%</b>	<b>5,564,000.00</b> <b>5,564,000.00</b>	<b>1.46%</b>	<b>5,564,000.00</b> <b>0.00</b>	<b>7.32%</b> <b>0.00</b>	<b>NR / NR</b> <b>AAA</b>	<b>0.00</b> <b>0.00</b>
<b>MONEY MARKET FUND FI</b>									
261908206	Dreyfus Treasury Money Market Fund	1,463,306.20	Various 0.01%	1,463,306.20 1,463,306.20	1.00 0.01%	1,463,306.20 0.00	1.92% 0.00	Aaa / AAA NR	0.00 0.00
<b>Total Money Market Fund FI</b>		<b>1,463,306.20</b>	<b>0.01%</b>	<b>1,463,306.20</b> <b>1,463,306.20</b>	<b>0.01%</b>	<b>1,463,306.20</b> <b>0.00</b>	<b>1.92%</b> <b>0.00</b>	<b>Aaa / AAA</b> <b>NR</b>	<b>0.00</b> <b>0.00</b>
<b>NEGOTIABLE CD</b>									
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	100.09 0.28%	245,213.15 1,590.82	0.32% 213.15	NR / NR NR	0.07 0.07
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 4,527.78	1.32% 0.00	P-1 / A-1+ F-1+	0.39 0.39
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	101.14 0.13%	247,793.00 11.08	0.33% 2,793.00	NR / NR NR	0.75 0.74
<b>Total Negotiable CD</b>		<b>1,490,000.00</b>	<b>1.19%</b>	<b>1,490,000.00</b> <b>1,490,000.00</b>	<b>0.74%</b>	<b>1,493,006.15</b> <b>6,129.68</b>	<b>1.97%</b> <b>3,006.15</b>	<b>Aaa / AAA</b> <b>AAA</b>	<b>0.40</b> <b>0.39</b>



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>SUPRANATIONAL</b>									
4581X0CD8	Inter-American Dev Bank Note 2.125% Due 11/9/2020	750,000.00	05/22/2018 2.81%	737,865.00 749,474.15	100.20 0.24%	751,533.00 6,286.46	1.00% 2,058.85	Aaa / AAA AAA	0.11 0.11
459058GH0	Intl. Bank Recon & Development Note 2.75% Due 7/23/2021	750,000.00	07/24/2018 2.86%	747,607.50 749,354.27	102.06 0.22%	765,450.00 3,895.83	1.01% 16,095.73	Aaa / AAA NR	0.81 0.81
<b>Total Supranational</b>		<b>1,500,000.00</b>	<b>2.84%</b>	<b>1,485,472.50</b> <b>1,498,828.42</b>	<b>0.23%</b>	<b>1,516,983.00</b> <b>10,182.29</b>	<b>2.01%</b> <b>18,154.58</b>	<b>Aaa / AAA</b> <b>AAA</b>	<b>0.46</b> <b>0.46</b>
<b>US TREASURY</b>									
912828WC0	US Treasury Note 1.75% Due 10/31/2020	750,000.00	07/20/2018 2.64%	735,292.97 749,469.06	100.13 0.15%	751,008.00 5,492.53	0.99% 1,538.94	Aaa / AA+ AAA	0.08 0.08
912828A42	US Treasury Note 2% Due 11/30/2020	750,000.00	11/28/2018 2.85%	737,695.31 748,991.42	100.31 0.14%	752,322.75 5,040.98	1.00% 3,331.33	Aaa / AA+ AAA	0.17 0.17
912828N89	US Treasury Note 1.375% Due 1/31/2021	750,000.00	10/30/2018 2.86%	725,859.38 746,421.44	100.41 0.15%	753,076.50 1,737.43	0.99% 6,655.06	Aaa / AA+ AAA	0.34 0.33
912828U81	US Treasury Note 2% Due 12/31/2021	750,000.00	11/08/2018 3.05%	726,650.39 740,725.24	102.32 0.14%	767,402.25 3,790.76	1.01% 26,677.01	Aaa / AA+ AAA	1.25 1.23
912828W55	US Treasury Note 1.875% Due 2/28/2022	1,000,000.00	01/30/2019 2.56%	979,921.88 990,800.51	102.46 0.13%	1,024,648.00 1,605.66	1.35% 33,847.49	Aaa / AA+ AAA	1.41 1.40
912828W89	US Treasury Note 1.875% Due 3/31/2022	750,000.00	09/27/2018 2.92%	724,013.67 738,915.21	102.61 0.13%	769,599.75 38.63	1.01% 30,684.54	Aaa / AA+ AAA	1.50 1.49
912828XR6	US Treasury Note 1.75% Due 5/31/2022	750,000.00	09/24/2018 2.93%	719,208.98 736,093.64	102.70 0.13%	770,244.00 4,410.86	1.02% 34,150.36	Aaa / AA+ AAA	1.67 1.64
912828XW5	US Treasury Note 1.75% Due 6/30/2022	350,000.00	09/07/2018 2.80%	336,792.97 343,943.21	102.83 0.13%	359,912.00 1,547.89	0.48% 15,968.79	Aaa / AA+ AAA	1.75 1.72
9128282P4	US Treasury Note 1.875% Due 7/31/2022	1,000,000.00	12/28/2018 2.53%	977,617.19 988,569.02	103.20 0.13%	1,031,953.00 3,158.97	1.36% 43,383.98	Aaa / AA+ AAA	1.83 1.81
912828L24	US Treasury Note 1.875% Due 8/31/2022	750,000.00	09/20/2018 2.94%	720,439.45 735,650.82	103.33 0.13%	774,990.00 1,204.25	1.02% 39,339.18	Aaa / AA+ AAA	1.92 1.89
9128282W9	US Treasury Note 1.875% Due 9/30/2022	1,000,000.00	03/19/2019 2.43%	981,406.25 989,492.37	103.48 0.13%	1,034,805.00 51.51	1.36% 45,312.63	Aaa / AA+ AAA	2.00 1.97
912828M80	US Treasury Note 2% Due 11/30/2022	800,000.00	12/24/2019 1.70%	806,875.00 805,075.93	104.04 0.13%	832,281.60 5,377.05	1.10% 27,205.67	Aaa / AA+ AAA	2.17 2.12



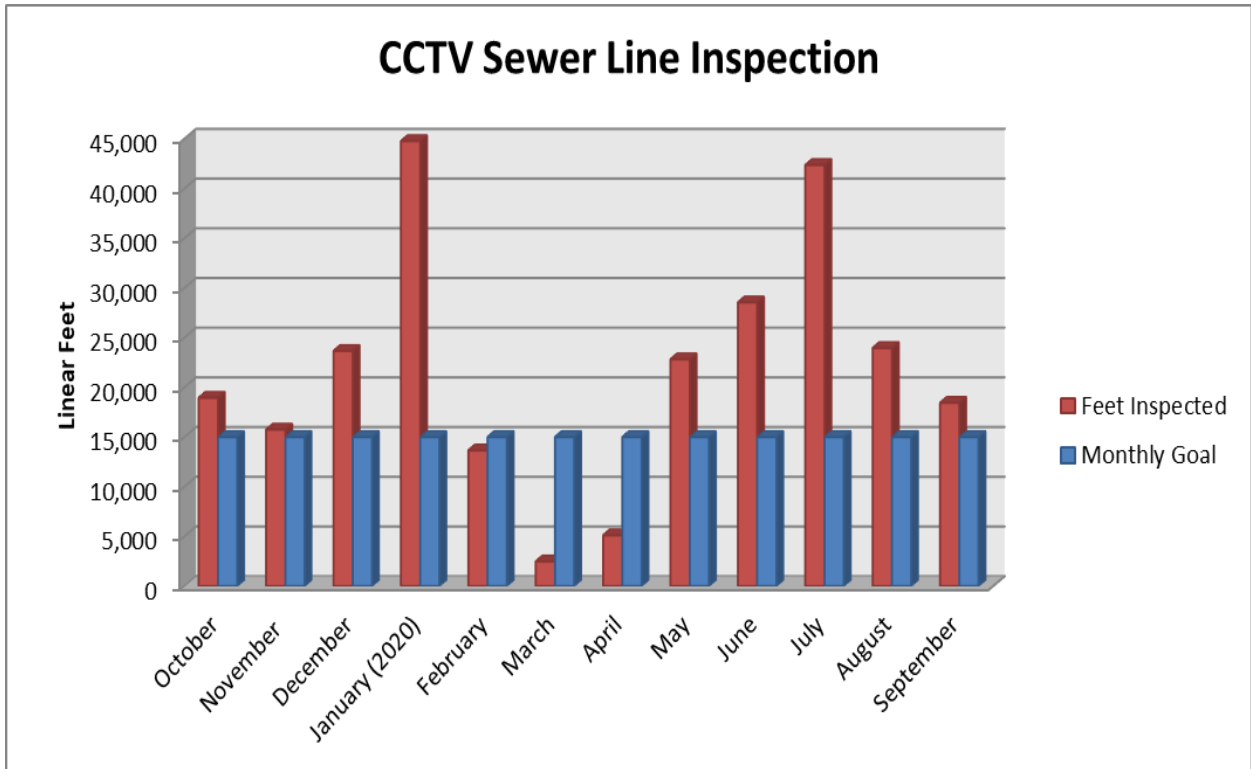
CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>US TREASURY</b>									
9128284D9	US Treasury Note 2.5% Due 3/31/2023	1,000,000.00	02/21/2019 2.51%	999,414.06 999,643.66	105.89 0.14%	1,058,906.00 68.68	1.39% 59,262.34	Aaa / AA+ AAA	2.50 2.44
912828R28	US Treasury Note 1.625% Due 4/30/2023	1,000,000.00	12/04/2019 1.60%	1,000,898.44 1,000,680.70	103.82 0.14%	1,038,203.00 6,800.27	1.37% 37,522.30	Aaa / AA+ AAA	2.58 2.52
912828R69	US Treasury Note 1.625% Due 5/31/2023	1,100,000.00	Various 2.00%	1,083,765.62 1,089,512.67	103.95 0.14%	1,143,398.30 6,007.17	1.51% 53,885.63	Aaa / AA+ AAA	2.67 2.61
912828T91	US Treasury Note 1.625% Due 10/31/2023	1,000,000.00	09/25/2019 1.60%	1,000,898.44 1,000,675.63	104.52 0.16%	1,045,195.00 6,800.27	1.38% 44,519.37	Aaa / AA+ AAA	3.08 3.00
912828V80	US Treasury Note 2.25% Due 1/31/2024	1,000,000.00	12/16/2019 1.71%	1,021,210.94 1,017,140.58	106.89 0.18%	1,068,945.00 3,790.76	1.41% 51,804.42	Aaa / AA+ AAA	3.34 3.22
912828X70	US Treasury Note 2% Due 4/30/2024	1,000,000.00	03/03/2020 0.71%	1,052,539.06 1,045,236.20	106.47 0.19%	1,064,688.00 8,369.57	1.41% 19,451.80	Aaa / AA+ AAA	3.58 3.45
<b>Total US Treasury</b>		<b>15,500,000.00</b>	<b>2.27%</b>	<b>15,330,500.00</b> <b>15,467,037.31</b>	<b>0.14%</b>	<b>16,041,578.15</b> <b>65,293.24</b>	<b>21.18%</b> <b>574,540.84</b>	<b>Aaa / AA+</b> <b>AAA</b>	<b>2.00</b> <b>1.96</b>
<b>TOTAL PORTFOLIO</b>		<b>74,328,824.67</b>	<b>1.51%</b>	<b>74,334,654.77</b> <b>74,479,278.28</b>	<b>0.42%</b>	<b>75,793,078.16</b> <b>251,388.11</b>	<b>100.00%</b> <b>1,313,799.88</b>	<b>Aa1 / AA+</b> <b>AAA</b>	<b>1.32</b> <b>1.27</b>
<b>TOTAL MARKET VALUE PLUS ACCRUED</b>						<b>76,044,466.27</b>			



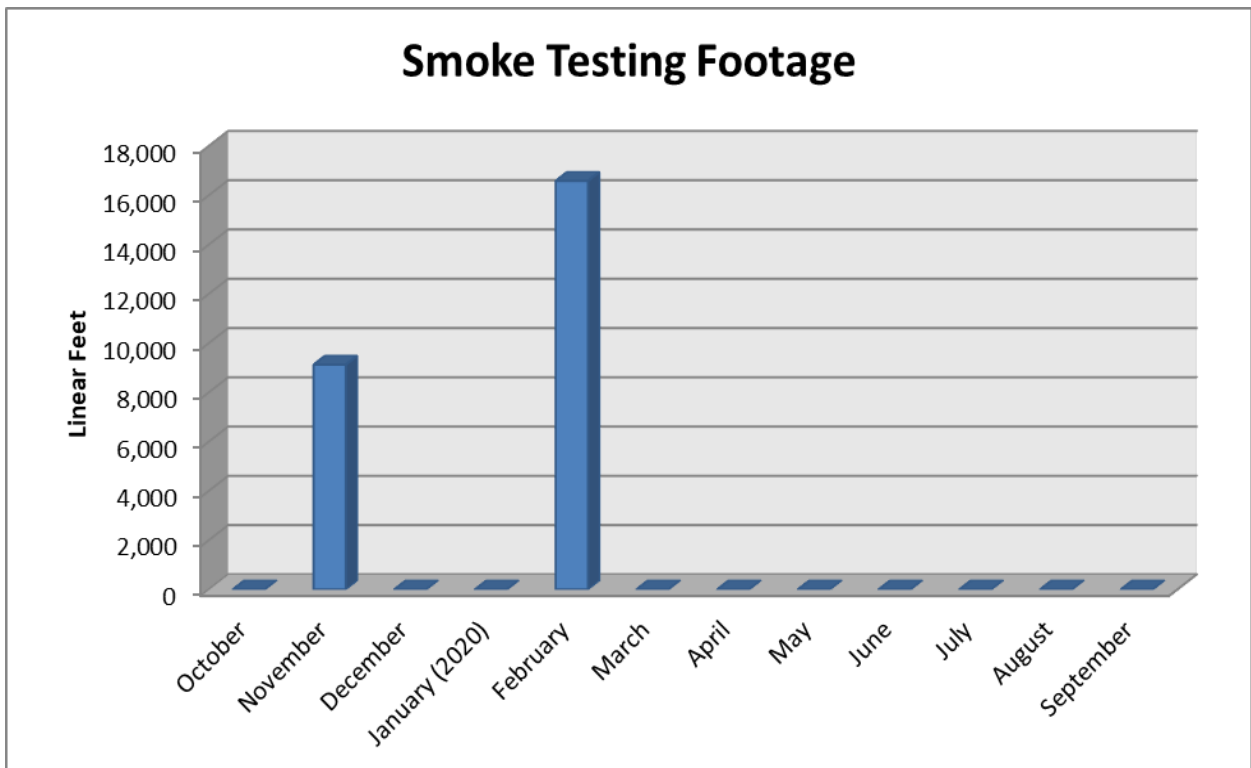
**VALLECITOS WATER DISTRICT  
SUMMARY OF LEGAL FEES**

<b>Matter Description</b>	<b>Aug-19</b>	<b>Sep-19</b>	<b>Oct-19</b>	<b>Nov-19</b>	<b>Dec-19</b>	<b>Jan-20</b>	<b>Feb-20</b>	<b>Mar-20</b>	<b>Apr-20</b>	<b>May-20</b>	<b>Jun-20</b>	<b>Jul-20</b>	<b>Aug-20</b>	<b>Total</b>
General Counsel Services	\$12,391	\$6,930	\$10,083	\$7,810	\$18,504	\$5,857	\$11,254	\$9,723	\$9,182	\$6,304	\$8,572	46,859	9,405	\$162,873
Labor/Employment	3,679	3,948	2,359	3,504	4,073	468	1,666	2,089	889	2,297	559	541	601	\$26,671
Engineering - Construction/Contracting	1,968	2,878	4,143	3,433	1,615	2,200	2,662	8,528	7,968	8,966	9,810	6,164	10,280	\$70,616
Fees and Taxes	7,241	5,491	1,204	-	1,802	1,812	2,562	2,550	240	-	180	215	156	\$23,452
Environmental	1,800	2,910	678	-	-	-	-	-	870	870	-	829	-	\$7,957
Adv. Butler	417	-	1,702	138	2,831	8,593	1,063	81	646	319	797	908	34	\$17,526
Renewable Energy	-	-	4,710	1,824	-	-	-	305	-	630	-	92	-	\$7,561
Driscoll & Omens Prop 218 Sole	-	-	-	-	-	-	-	500	691	592	188	834	3,450	\$6,255
Driscoll & Omens Prop 218 Shared	-	-	-	-	-	-	-	2,323	1,089	1,406	466	429	1,433	\$7,146
Litigation	-	-	-	-	-	-	-	-	-	-	565	61	768	\$1,394
<b>Total</b>	<b>\$27,495</b>	<b>\$22,157</b>	<b>\$24,878</b>	<b>\$16,708</b>	<b>\$28,825</b>	<b>\$18,931</b>	<b>\$19,207</b>	<b>\$26,098</b>	<b>\$21,575</b>	<b>\$21,383</b>	<b>\$21,137</b>	<b>\$56,932</b>	<b>\$25,358</b>	<b>\$331,452</b>

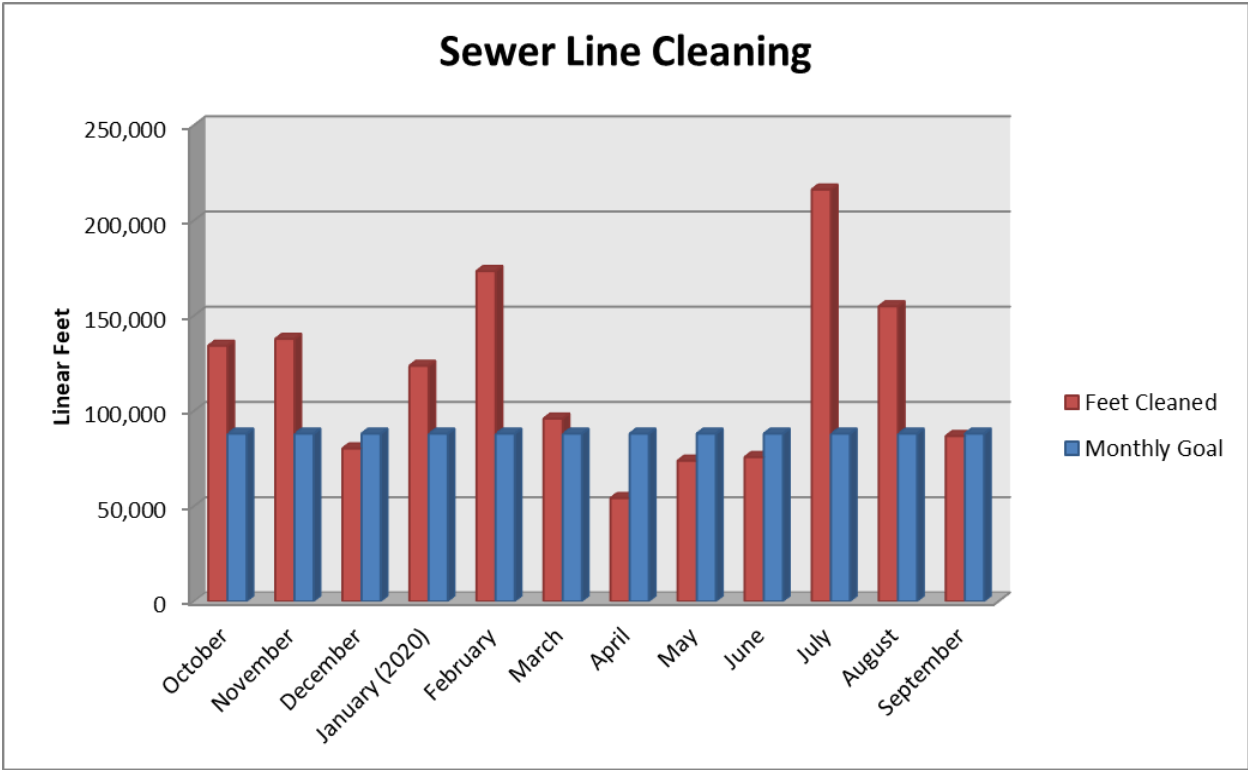
# Quarterly O&M Metrics Report



CCTV Sewer Line Inspection Totals in Feet  
 Total for Calendar Year 2020 = 202,143 ft.  
 (Goal is to inspect at least 180,000 feet of gravity lines per calendar year)

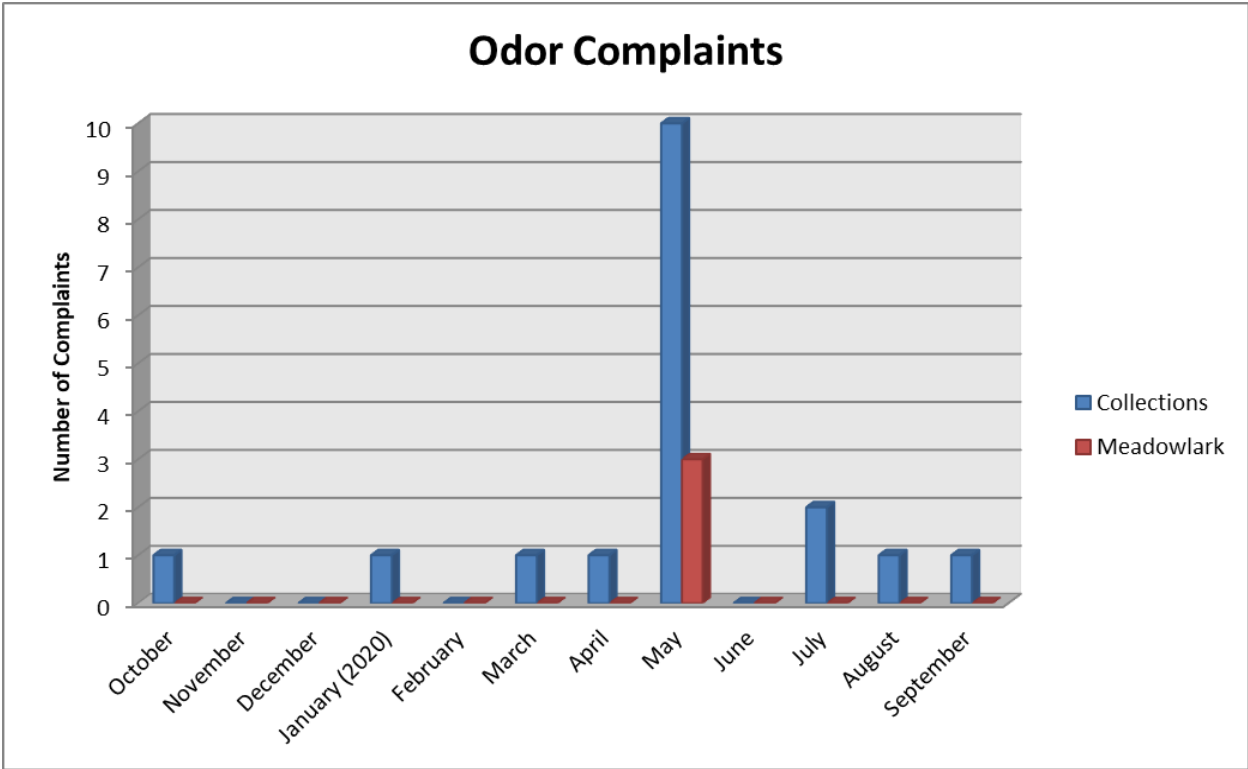


Smoke Testing of Sewer Lines in Feet  
 (Goal is to smoke test three areas per calendar year based on suspected I&I)

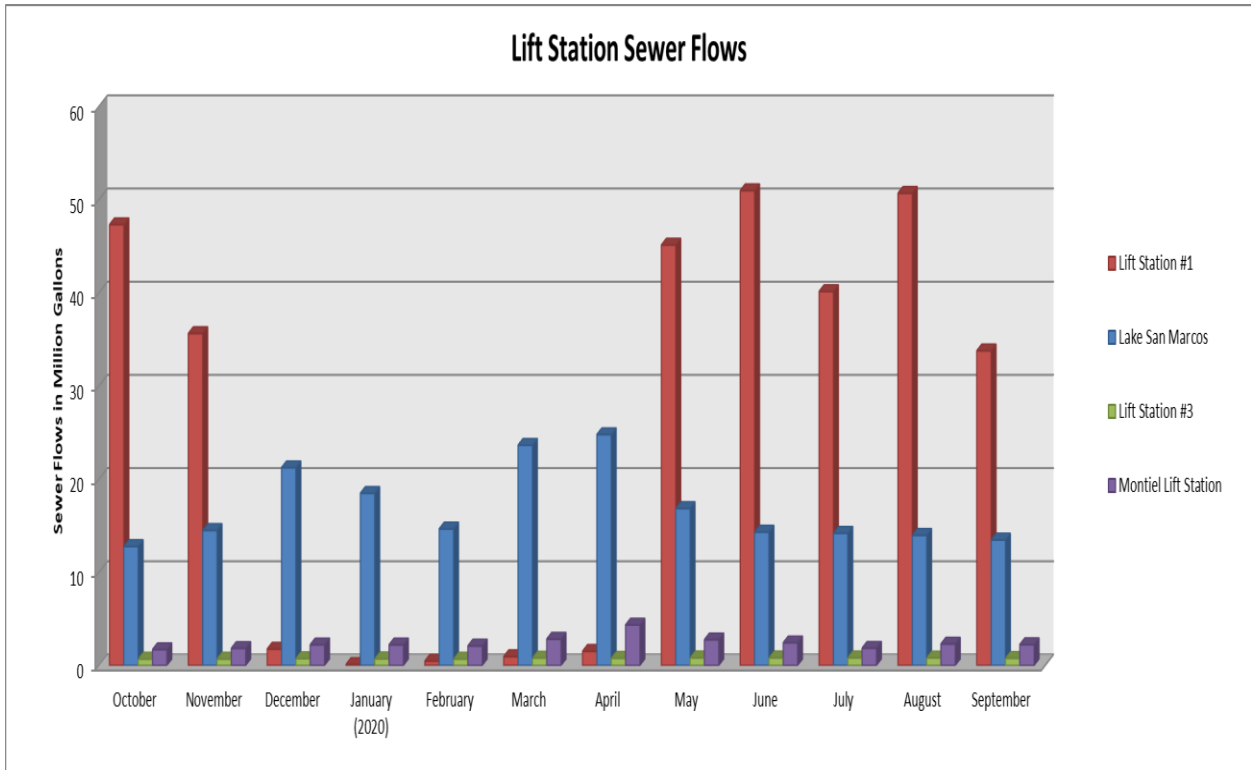


Sewer Line Cleaning Totals in Feet  
 Total for Calendar Year 2020 = 1,054,237 ft.

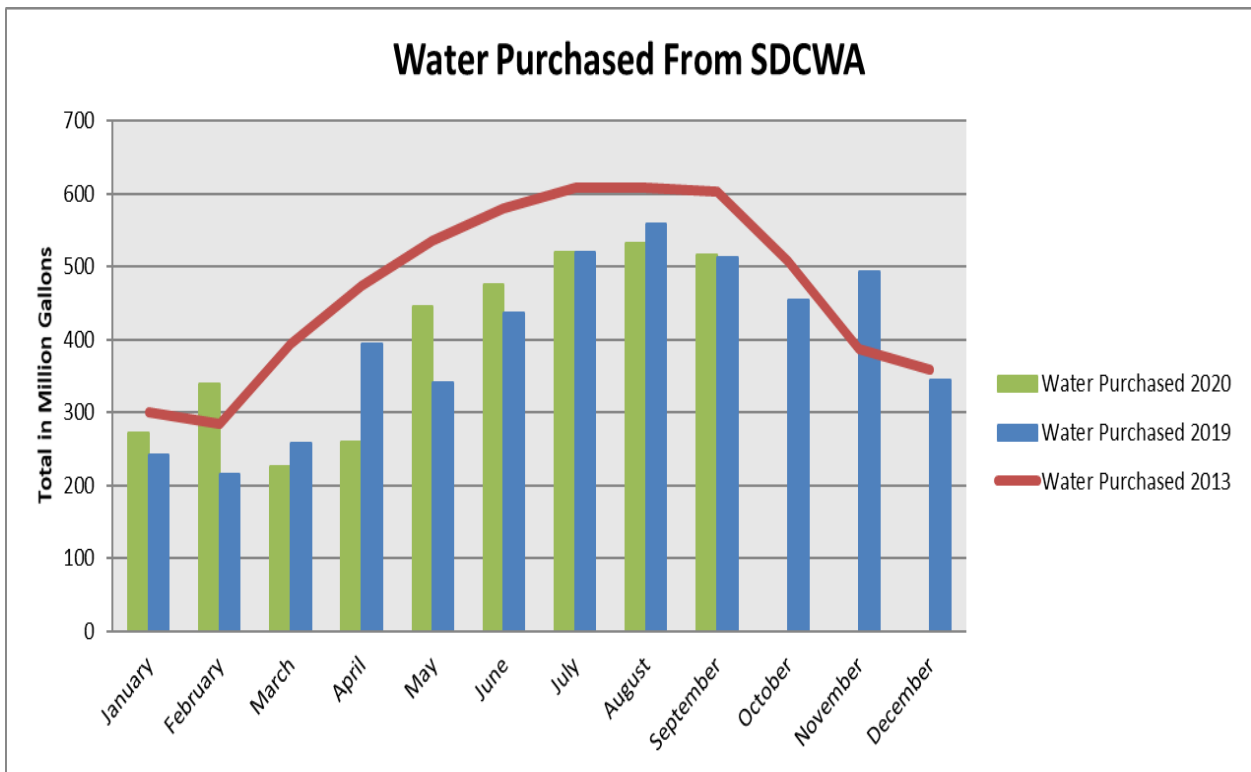
(Goal is to clean 1,000,000 ft. of gravity lines per year and clean the entire system in 15 months or less)



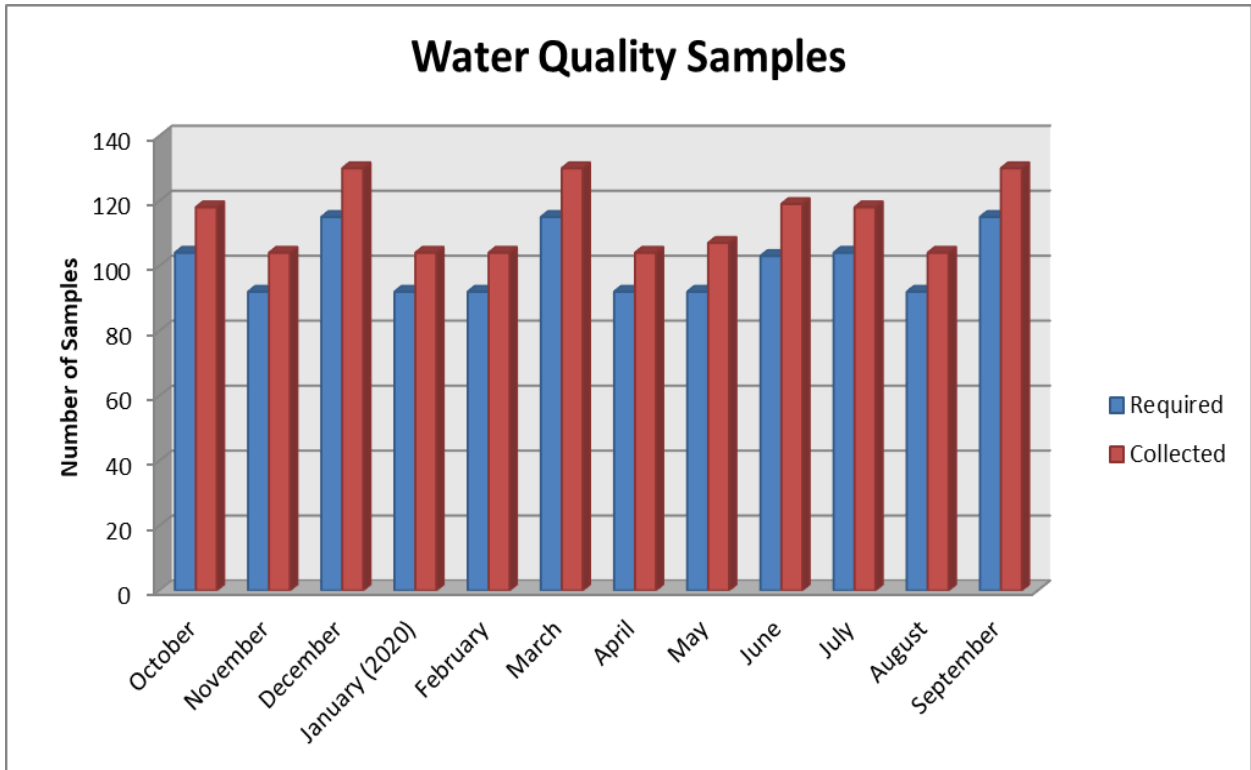
Customer Sewer Odor Complaints



Sewer Flows Pumped from District Lift Stations

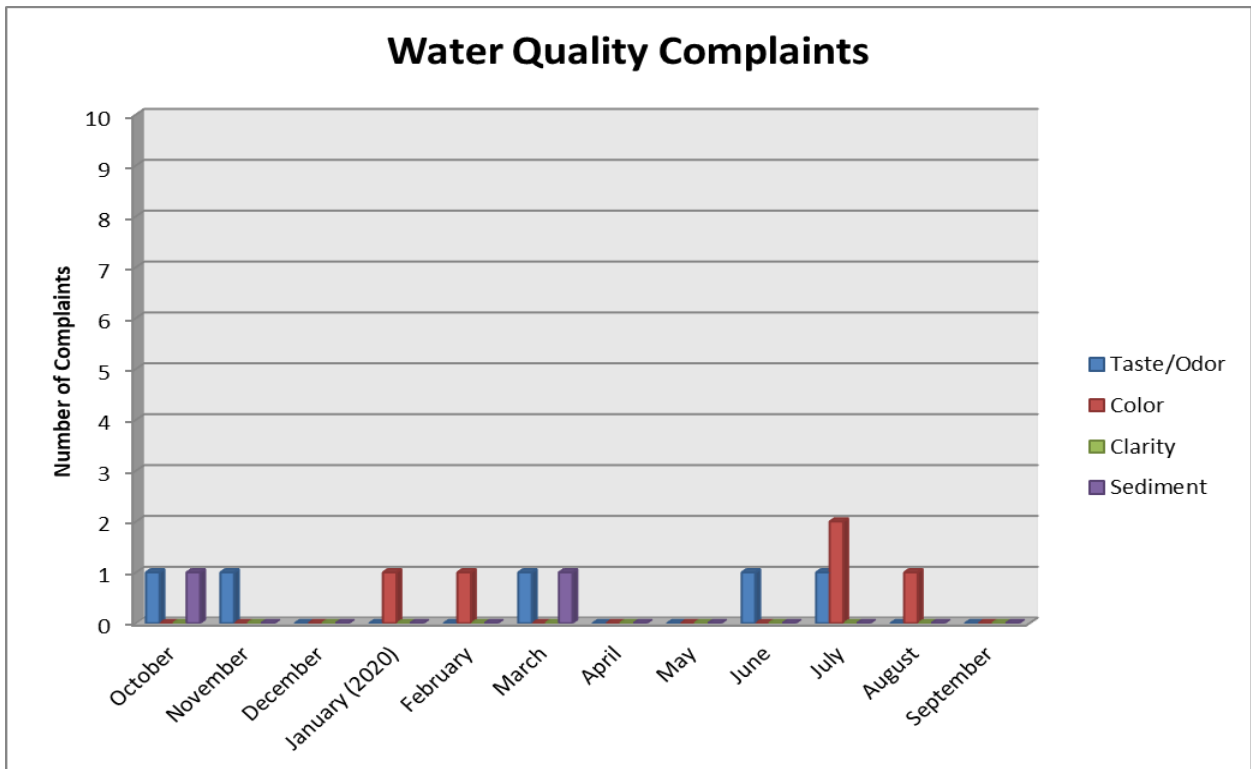


Water Purchased from the San Diego County Water Authority  
 Calendar Year 2013 was used by the SWRCB as a baseline for water conservation efforts  
 (Includes water from the desalination and OMWD plants)



#### Bacteriological Water Quality Samples

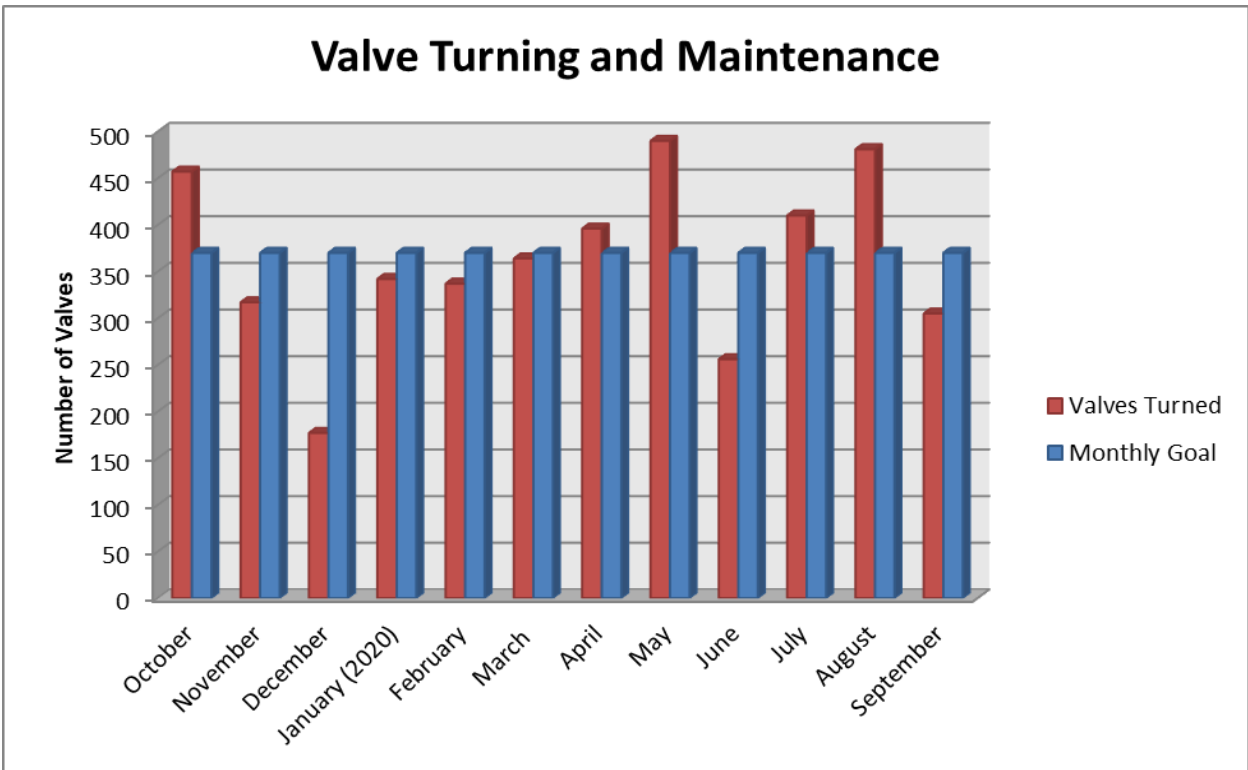
(Number of samples required each month is based on SWRCB regulations & the number of weeks per month)



#### Customer Water Quality Complaints

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

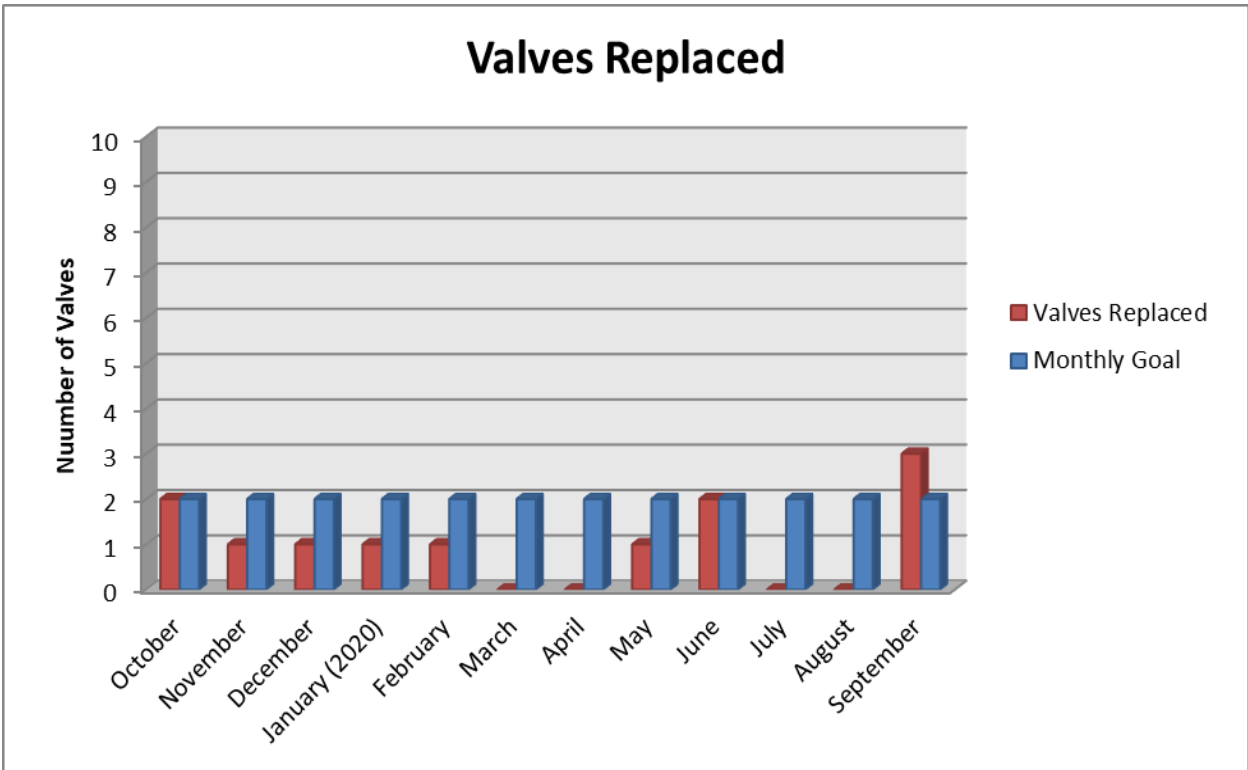
## Valve Turning and Maintenance



### Water Valves Turned in the Distribution System

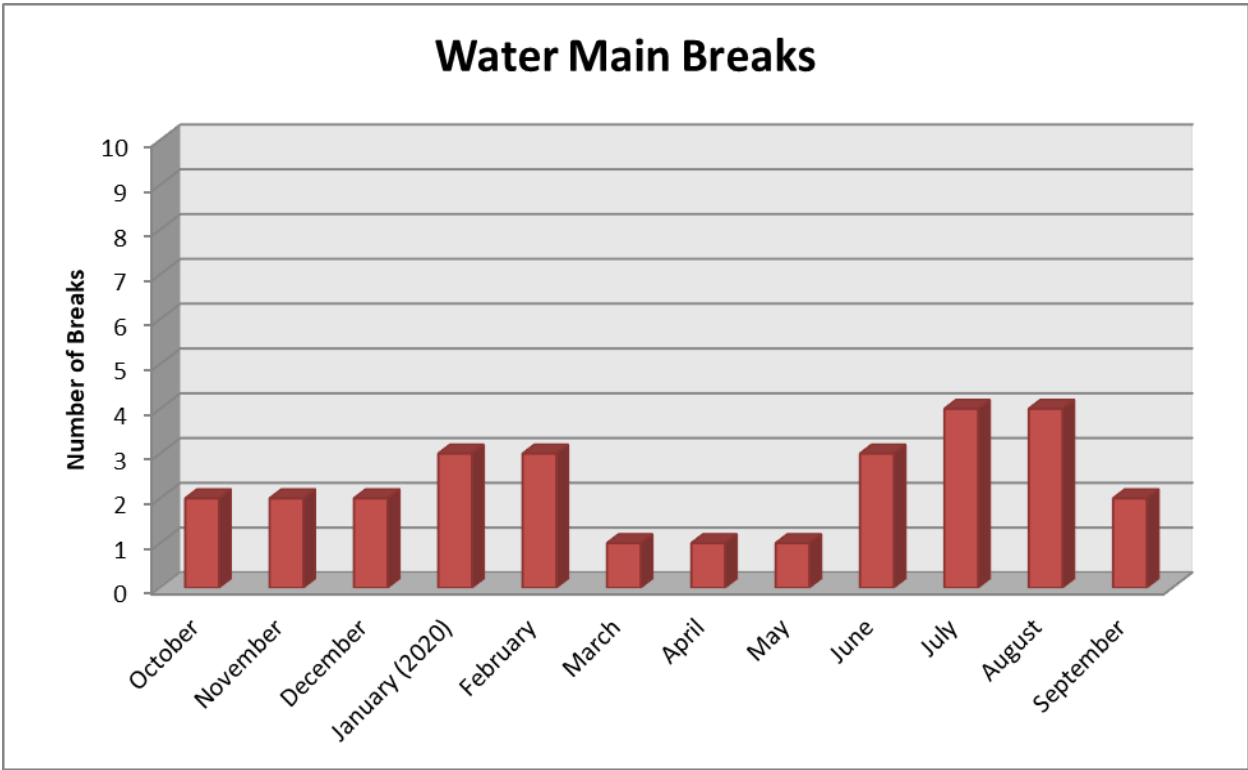
The District has 8,874 valves / 38% of the valves have been turned in Calendar Year 2020  
(Goal is to turn 50% of valves every calendar year or about 370/Month)

## Valves Replaced

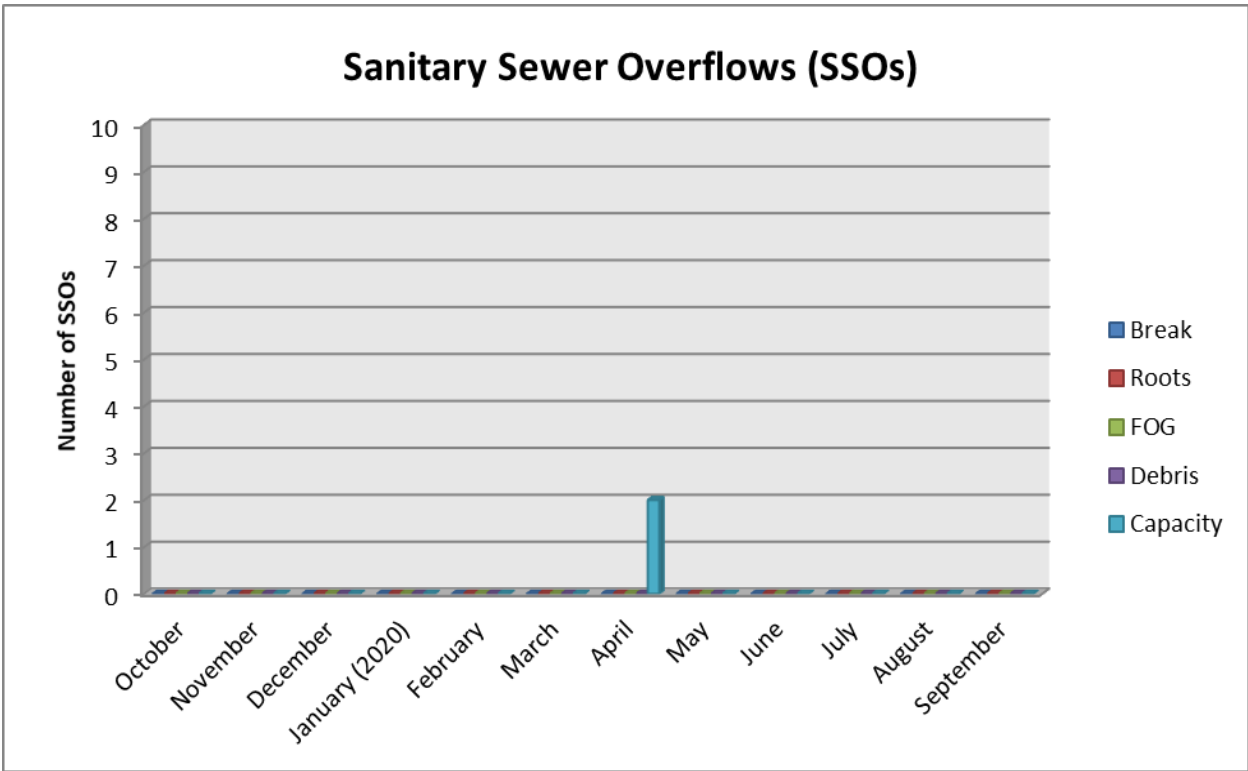


### Water Valves Replaced in the Distribution System

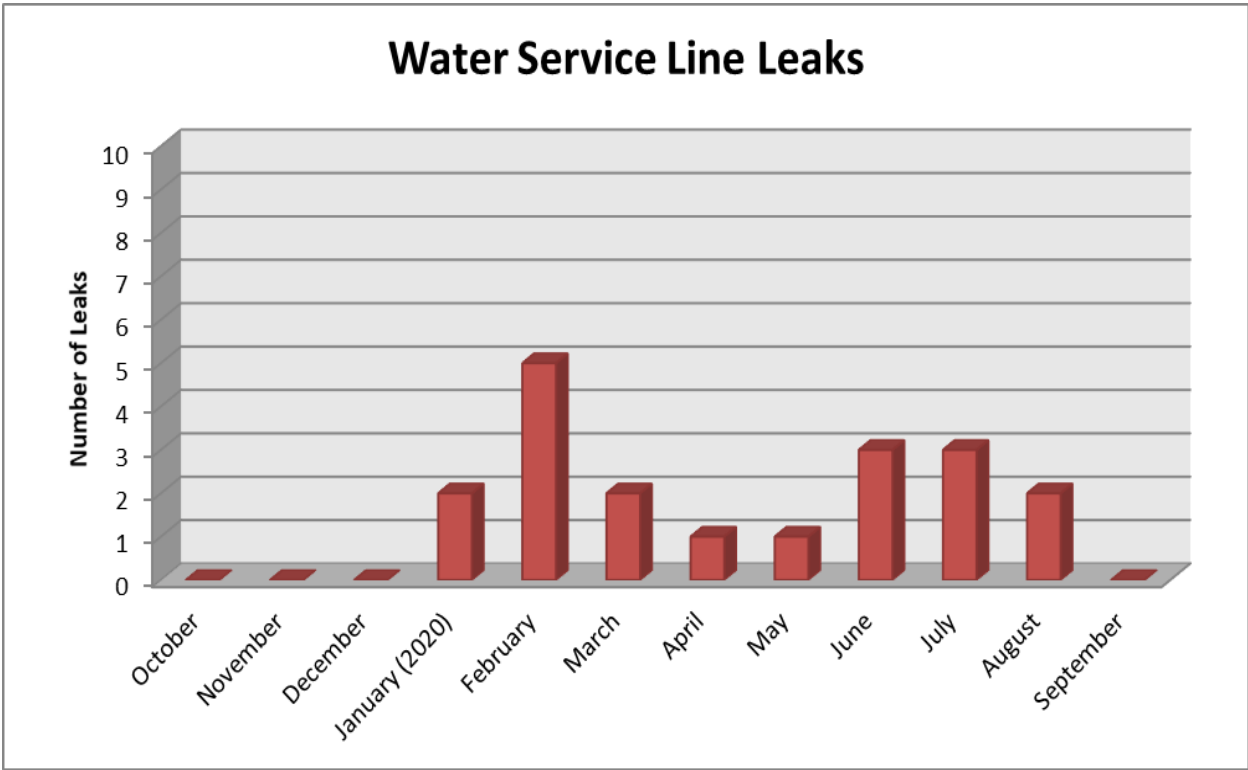
Total replaced so far for Fiscal Year 2019/20 = 14 / There are currently 35 broken valves that need replacing  
(Goal is to replace 20 valves every fiscal year or around 2 per month)



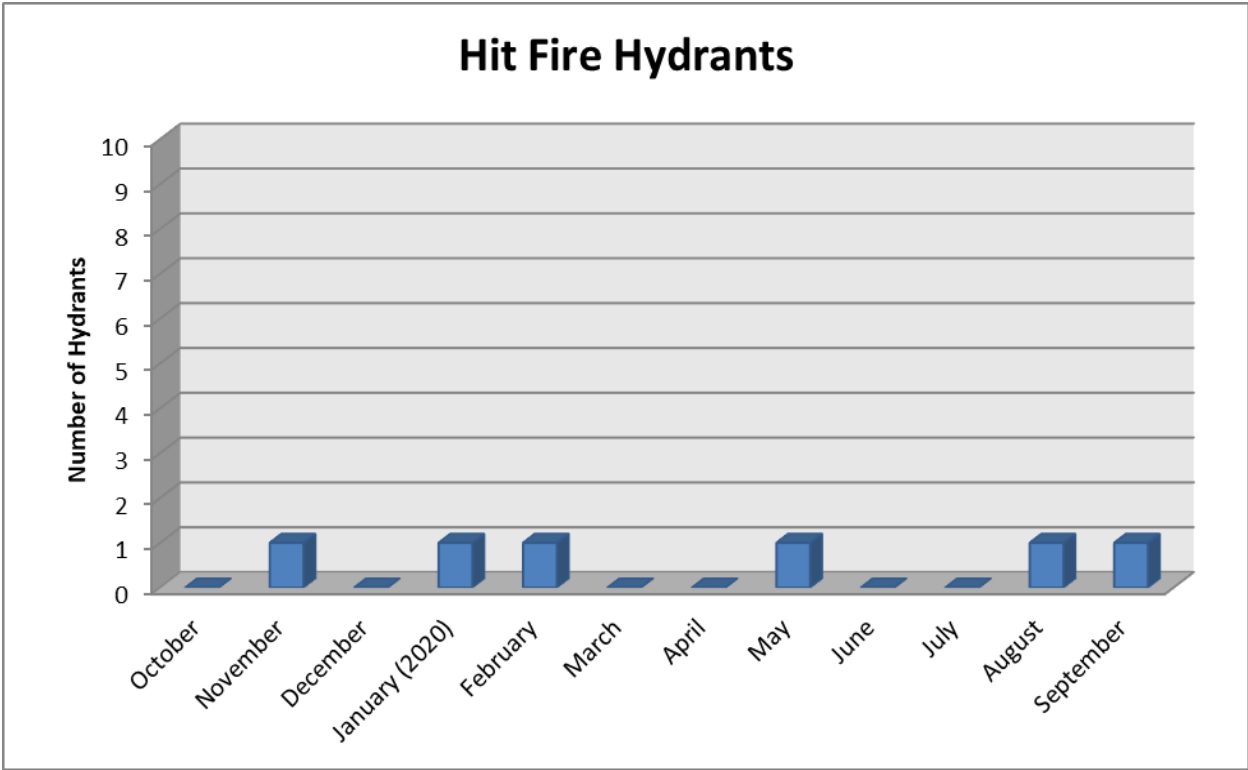
Water Mainline Breaks in the Distribution System  
 (There have been 22 water main breaks in calendar year 2020 / There were 23 in 2019)



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



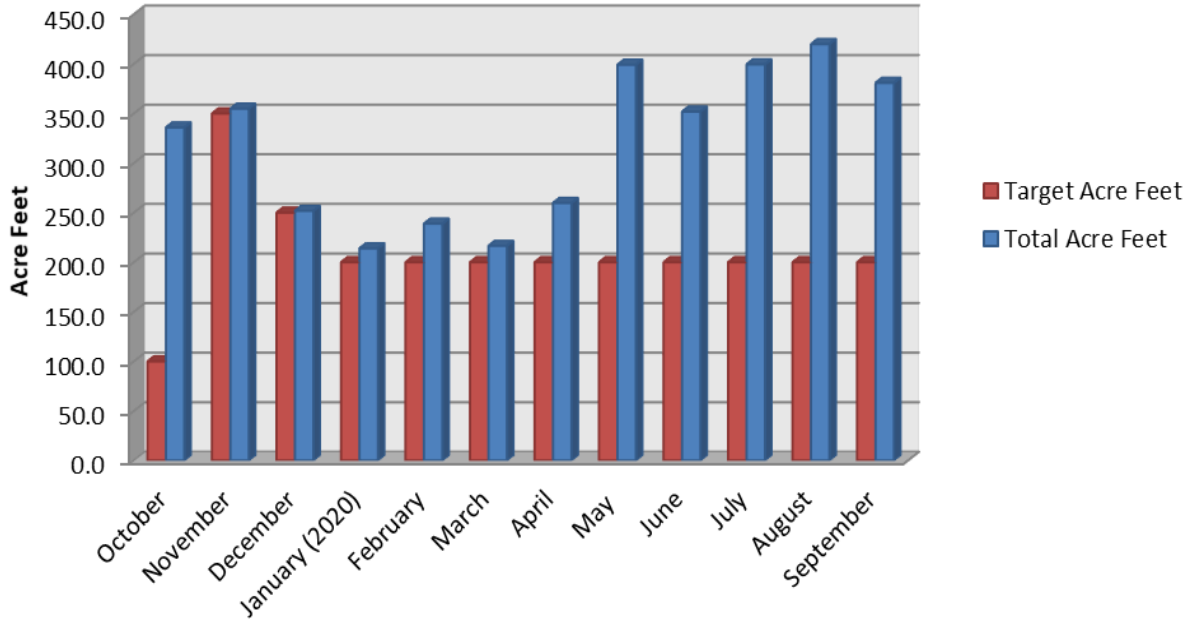
Water Service Line Leaks in the Distribution System  
 (There have been 19 water service line leaks in calendar year 2020 / There were 10 in 2019)



Fire Hydrants Hit in the Distribution System  
 (There have been 5 fire hydrants hit in calendar year 2020 / There were 4 in 2019)

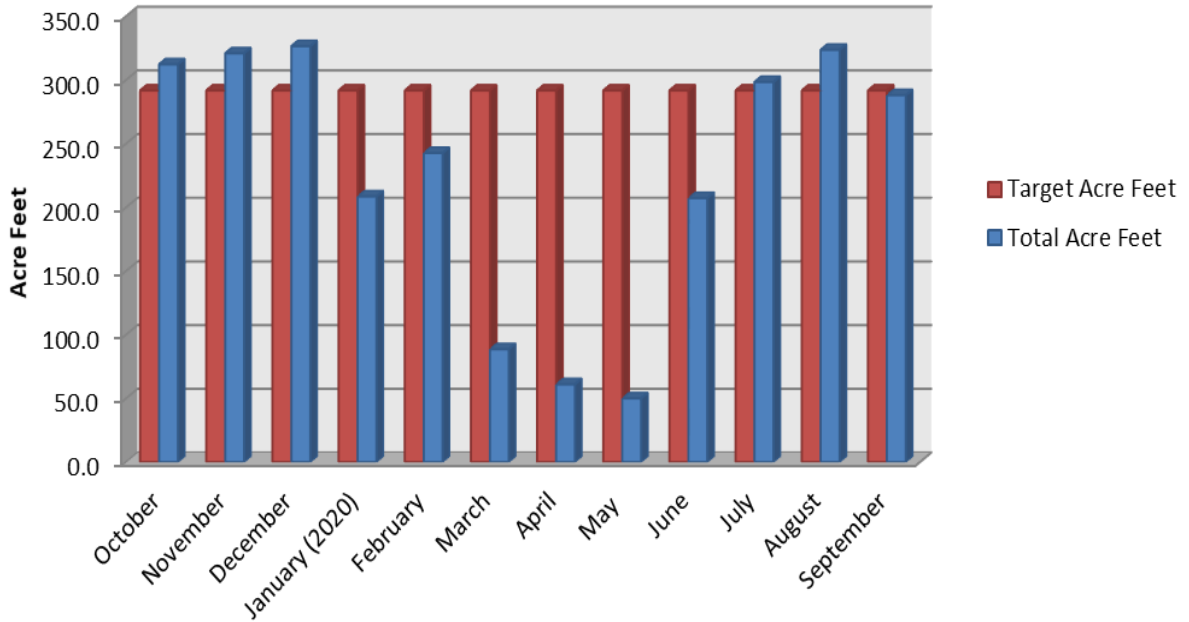


## San Elijo Pump Station - OMWD Water Purchase



Acre Feet (AF) of Water Purchased from Olivenhain MWD – San Elijo Pump Station  
 Our annual minimum take from OMWD is 2,750 AF / We have purchased 2881 AF in CY 2020  
 (The monthly Target Acre Feet varies throughout the year based on the agreement with OMWD)

## Desalination Plant Water Purchase



Acre Feet (AF) of Water Purchased from the Carlsbad Desalination Plant  
 Our annual minimum take from Desal is 3,500 AF / We have purchased 1768 AF in CY 2020  
 (Our monthly Target Acre Feet is based on our purchase agreement with SDCWA)

**DATE: OCTOBER 21, 2020**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: AWARD OF CONSTRUCTION CONTRACT FOR THE REPAIR OF ASPHALT ROAD**

**BACKGROUND:**

The Construction crew applies a temporary asphalt patch to areas of work where water service lines are replaced, or main lines were repaired. A water main break on an 8-inch ductile iron pipe occurred at 923 Applewilde Drive in August of 2020 that caused extensive damage to a large section of the road. A permanent repair of the asphalt is required.

**DISCUSSION:**

District staff requested bids from eleven local paving companies for the paving of the damaged road on Applewilde Drive. Seven of the paving companies submitted bids. The bid results are as follows:

**Asphalt List 20-05**

**Bidder**

Peters Paving & Grading, Inc.	\$149,115.90
Hardy and Harper, Inc.	\$127,504.90
PAL General Engineering, Inc.	\$127,072.68
A&Y Company, Inc.	\$111,296.65
RAP Engineering, Inc.	\$110,216.10
Joe's Paving Company, Inc.	\$109,648.43
Marathon General, Inc.	\$106,326.12

Staff completed the evaluation of qualifications and determined that Marathon General, Inc. was the lowest, most responsive bidder for the asphalt repair list 20-05. Construction management will be performed by District staff.

The cost of the repairs exceeds the General Manager's signature authority and requires Board approval.

**FISCAL IMPACT:**

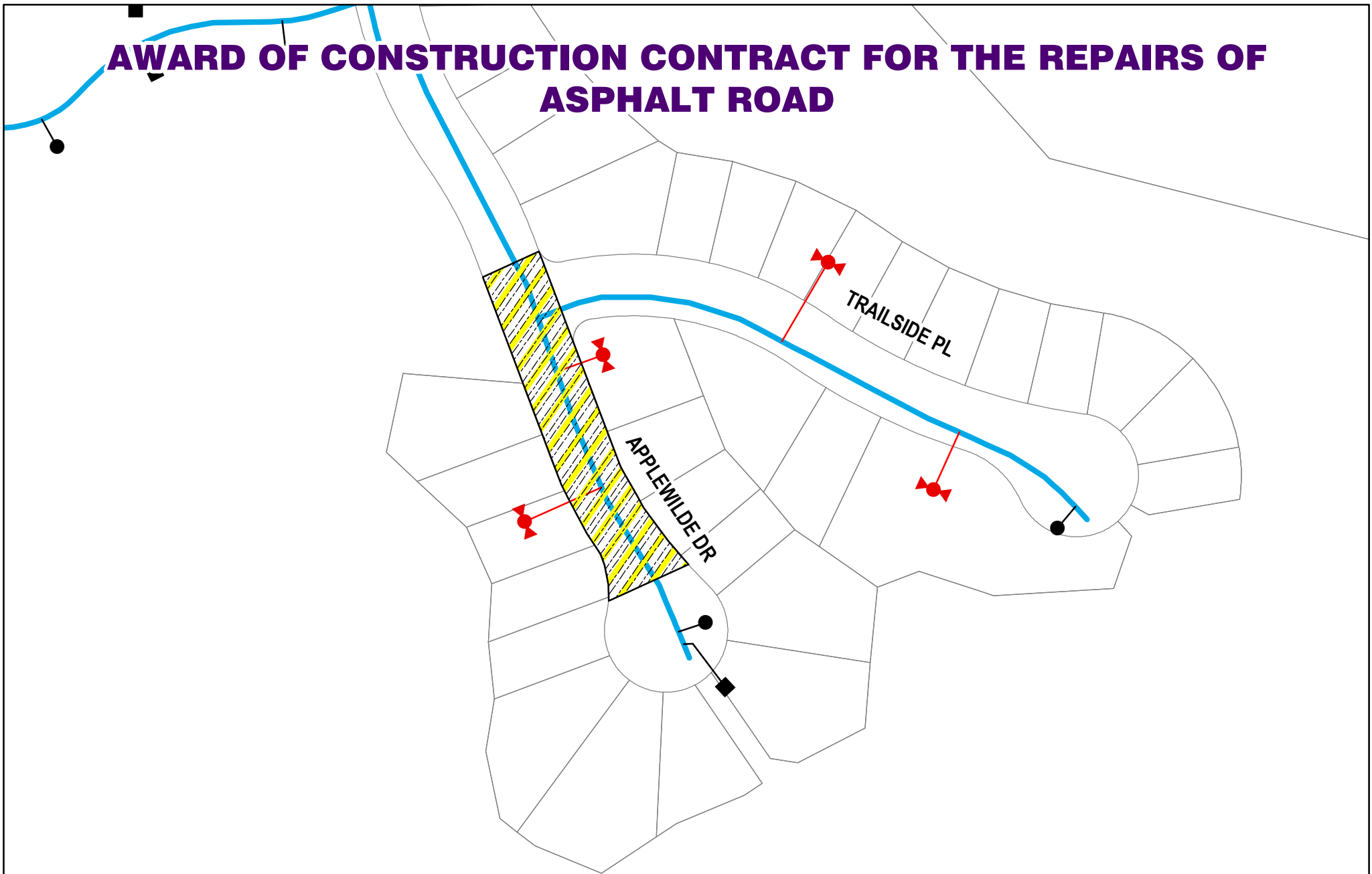
Funds are included in the 2020/21 Materials & Services Budget for asphalt repairs. The estimated cost summary is as follows:

<u>Asphalt List 20-05</u>	<u>\$106,326.12</u>
Total	\$106,326.12

**RECOMMENDATION:**

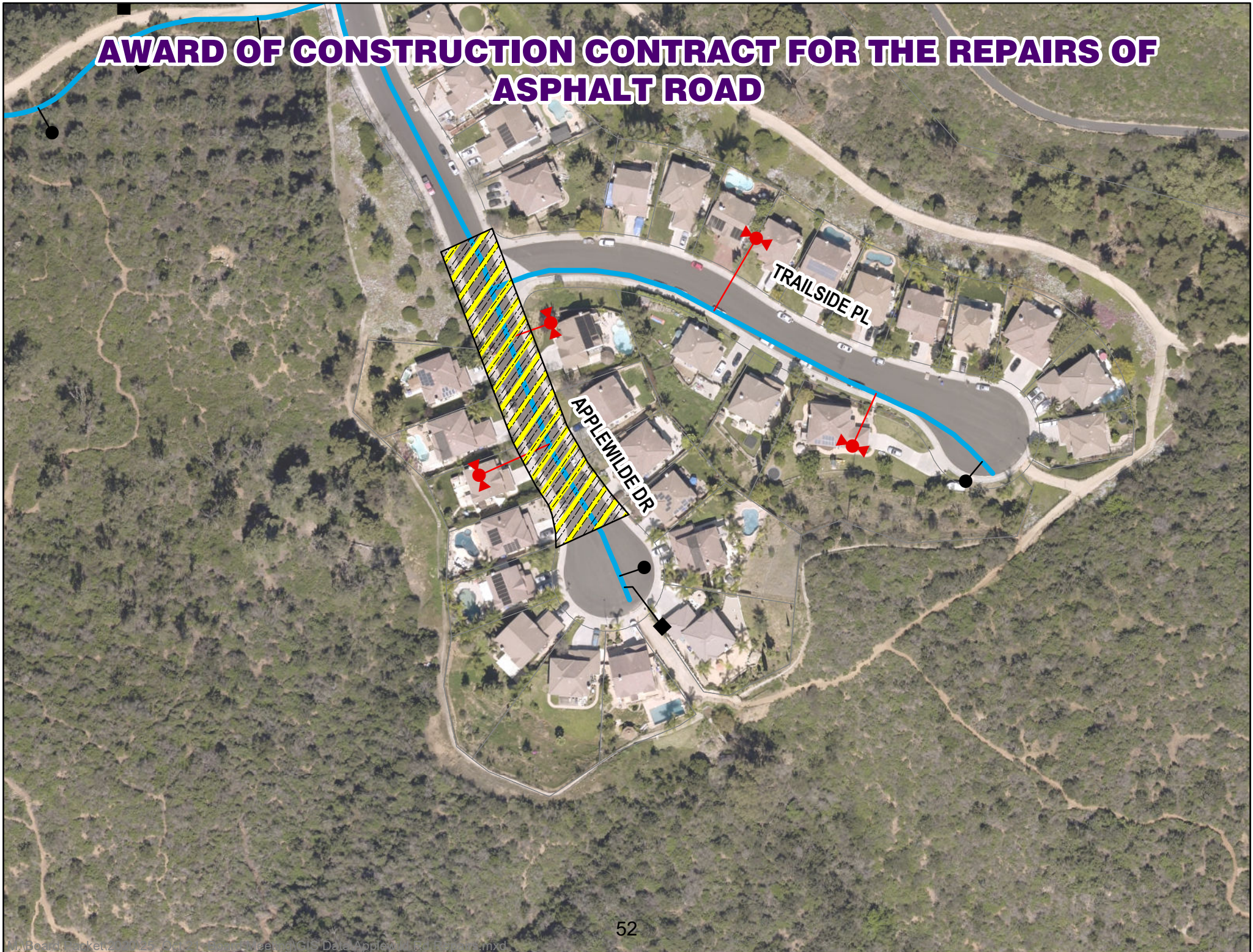
Authorize the General Manager to enter into an agreement for pavement repairs with Marathon General, Inc. for a total of \$106,326.12, subject to provisions of the contracts.

# AWARD OF CONSTRUCTION CONTRACT FOR THE REPAIRS OF ASPHALT ROAD





# AWARD OF CONSTRUCTION CONTRACT FOR THE REPAIRS OF ASPHALT ROAD





**AGREEMENT & GENERAL CONDITIONS**  
**(Small Contracts)**

This Agreement is entered into by and between the Vallecitos Water District (hereinafter “District”), a County Water District organized and operating pursuant to California Water Code section 30000 et seq., and Marathon General, Inc., (hereinafter “Contractor”).

**R-E-C-I-T-A-L-S**

1. The District is a public agency organized and operating pursuant to Water Code section 30000 et seq., which provides water and sewer services to the residents of North San Diego County, California.

2. The District desires to enter into an agreement with Contractor to perform certain contracting services in accordance with the terms of this Agreement for the Asphalt List 20-05 Project (Project).

**C-O-V-E-N-A-N-T-S**

1. Services to be Performed. Contractor agrees to furnish all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately perform all work in accordance with the Scope of Services attached hereto as Exhibit “A” and incorporated herein by reference (“the Work”).

2. Payment of Compensation.

2.1 For Contractor’s complete and satisfactory performance of the Work, Contractor shall be paid the firm fixed fee of One Hundred Six Thousand Three Hundred Twenty-Six Dollars and Twelve Cents (\$106,326.12).

2.2 Contractor shall submit a payment application for the total work completed once each month and upon completion of the Project and satisfaction of all conditions of the Contract Documents. The District shall make payment within thirty (30) days of receipt of application, less five percent retention. The District shall release the retained funds after sixty (60) days pursuant to California Public Contract Code Section 7107.

2.3 Pursuant to Public Contract Code Section 22300, for monies earned by the Contractor and withheld by the District to ensure the performance of the Contract, the Contractor may, at its option, choose to substitute securities meeting the requirements of Public Contract Code Section 22300.

3. Time of Completion.

3.1 The time limits and standards established in the Contractor’s Schedule, set forth in Exhibit “A” and any updates thereto as approved by District, shall be adhered to by the parties in the performance of this Agreement.

3.2 Time is of the essence of this Contract.

3.3 If Contractor fails to complete the Project within the Contract Time, the District will sustain damage. It is and will be impracticable to determine the actual damage which the District will sustain in the event of and by reason of such delay, therefore Contractor will pay to the District \$1,000.00 for each and every calendar day beyond the time prescribed to complete the Work; Contractor agrees to pay such liquidated damages as herein provided, and in case the same are not paid, agrees that the District may deduct the amount thereof from any monies due or that may become due the Contractor under the Contract.

4. Permits. District will obtain the required encroachment/excavation permits from the City of San Marcos on behalf of the Contractor. Contractor shall be responsible for complying with all provisions of the applicable permit including submittal of traffic control plans. Contractor shall be responsible for providing traffic control plans and obtaining all other permits required to accomplish the work. Permits required by other applicable jurisdictional agencies are the sole responsibility of the Contractor.

5. Pavement Costs. Contractor shall be responsible for all costs associated with pavement removal, temporary pavement, disposal of all excavated materials, and import of all bedding and backfill material in accordance with the City of San Marcos or other applicable jurisdictional agency excavation permit and the standards of the Vallecitos Water District.

6. District Specifications and General Conditions. All construction work shall be in accordance with the District's Standard Specifications and General Conditions, which are incorporated herein by reference. District Standard Specifications and General Conditions can be reviewed from the District website: <http://www.vwd.org/departments/engineering/document-library>. A hard copy of the District's Standard Specifications and General Conditions shall be furnished to the Contractor upon written request.

7. Insurance.

7.1 **Minimum Scope and Limits of Insurance:** Contractor shall procure and maintain for the duration of the contract, *and for 5 years thereafter*, insurance against claims for injuries or death to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, employees, or subcontractors.

7.2 **Coverage** - Coverage shall be at least as broad as the following:

7.2.1 **General Liability - Commercial General Liability (CGL) - Insurance Services Office (ISO) Commercial General Liability Coverage (Occurrence Form CG 00 01)** including products and completed operations, property damage, bodily injury, personal and advertising injury with limit of at least five million dollars (\$5,000,000) per occurrence or the full per occurrence limits of the policies available, whichever is greater. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (coverage as broad as the ISO CG 25 03, or ISO CG 25 04 endorsement provided to the District) or the general aggregate limit shall be twice the required occurrence limit.

7.2.2 **Automobile Liability** - Insurance Services Office (ISO) Business Auto Coverage (Form CA 00 01), covering Symbol 1 (any auto) with limit of one million dollars (\$1,000,000) for bodily injury and property damage each accident.

7.2.3 **Workers' Compensation Insurance** - The Contractor shall provide workers' compensation coverage as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease. **Waiver of Subrogation** (also known as Transfer of Rights of Recovery Against Others to Us): The Contractor hereby agrees to waive rights of subrogation to obtain endorsement necessary to affect this waiver of subrogation in favor of the District, its directors, officers, employees, and authorized volunteers, for losses paid under the terms of this coverage which arise from work performed by the Named Insured for the District; this provision applies regardless of whether or not the District has received a waiver of subrogation from the insurer.

7.2.4 **Builder's Risk** – (Course of Construction) if necessary- insurance utilizing an “All Risk” (Special Perils) coverage form with limits equal to the completed value of the project and no coinsurance penalty provision. See **Responsibility of Work**.

7.2.5 If the Contractor maintains broader coverage and or/higher limits than the minimums shown above, the District requires and shall be entitled to the broader coverage and/or higher limits maintained by the Contractor. Any available insurance proceeds in excess of the specified minimum of insurance and coverage shall be available to the District).

7.3 **Other Required Provisions** – The Commercial General Liability policy and Contractors Pollution (if necessary) are to contain, or be endorsed to contain, the following provisions:

7.3.1 **Additional Insured Status:** District, its directors, officers, employees, and authorized volunteers are to be given insured status (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of **both** CG 20 10 10 01 and CG 20 37 10 01, with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance.

7.3.2 **Primary Coverage:** For any claims related to this project, the Contractor's insurance coverage shall be primary at least as broad as ISO CG 20 01 04 13 as respects to the District, its directors, officers, employees, and authorized volunteers. Any insurance or self-insurance maintained by the District, its directors, officers, employees, and authorized volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

7.4 **Notice of Cancellation:** Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the District.

7.5 **Acceptability of Insurers** - Insurance is to be placed with insurers having a current A.M. Best rating of no less than A: VII or equivalent or as otherwise approved by District.

7.6 The Contractor agrees and it will comply with such provisions before commencing work. All of the insurance shall be provided on policy forms and through companies satisfactory to District. The District reserves the right to obtain complete, certified copies of all required insurance policies, including the policy declarations page with endorsement number. Failure to continually satisfy the Insurance requirements is a material breach of contract.

7.7 The Contractor shall provide and maintain **builder's risk** (course of construction) or an installation floater (for materials and equipment) covering all risks of direct physical loss, damage or destruction to the work in the amount specified in the General Conditions, to insure against such losses until final acceptance of the work by District. Such insurance shall insure at least against the perils of fire and extended coverage, theft, vandalism and malicious mischief, and collapse. The Policy shall be endorsed with District, its directors, officers, employees, and authorized volunteers named as loss payee, as their interest may appear. The making of progress payments to the Contractor shall not be construed as creating an insurable interest by or for District or be construed as relieving the Contractor or its subcontractors of responsibility for loss from any direct physical loss, damage or destruction occurring prior to final acceptance of the work by District.

7.8 **Deductibles and Self-Insured Retentions** - Insurance deductibles or self-insured retentions must be declared by the Contractor and approved by the District. At the election of District the Contractor shall either cause the insurer to reduce or eliminate such self-insured retentions as respects the District, its directors, officers, employees, and authorized volunteers or the Contractor shall provide a financial guarantee satisfactory to the District guaranteeing payment of losses and related investigations, claim administration, and defense expenses. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or the District.

7.9 **Verification of Coverage - Evidences of Insurance** Contractor shall furnish the District with copies of certificates and amendatory endorsements effecting coverage required by this Agreement. All certificates and endorsements are to be received and approved by the District before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor's obligation to provide them. The District reserves the right to require complete, certified copies of all required insurance policies, including policy Declaration pages and Endorsement pages, required by these specifications, at any time. Failure to continually satisfy the Insurance requirements is a material breach of contract.

7.10 **Continuation of Coverage** - The Contractor shall, upon demand of District deliver evidence of coverage showing continuation of coverage for at least (5) years after completion of the project. Contractor further waives all rights of subrogation under this agreement When any of the required coverages expire during the term of this agreement, the Contractor shall deliver the renewal certificate(s) including the general liability additional insured endorsement and evidence of waiver of rights of subrogation against District (if builder's risk insurance is applicable) to District at least ten (10) days prior to the expiration date.



7.11 **Subcontractors** - In the event that the Contractor employs other Contractors (subcontractors) as part of the work covered by this agreement, it shall be the Contractor's responsibility to require and confirm that each subcontractor meets the minimum insurance requirements specified above (via as broad as ISO CG 20 38 04 13). The Contractor shall, upon demand of District, deliver to District copies such policy or policies of insurance and the receipts for payment of premiums thereon.

8. Bonds. If required, within ten (10) days after being notified of the award of the contract, and before the District will execute the agreement, the Contractor shall furnish and file with the District Performance and Payment Surety bonds, in a sum no less than one hundred percent (100%) of the Contract Price, on the forms provided by the District. The bonds shall be duly executed by a responsible corporate surety listed in the United States Department of the Treasury circular entitled "Companies Holding Certificates of Authority as Acceptable Sureties on Federal Bonds and as Acceptable Reinsuring Companies," authorized to do business in the State of California and acceptable to the District.

9. Prevailing Wages.

9.1 The Contract is subject to California Labor Code Sections 1720 and following, and Contractor and any subcontractor shall pay not less than the specified prevailing rates of wage to all workers employed in performance of the Work. Pursuant to the provisions of Section 1770 of the California Labor Code, the District has obtained the general prevailing rate of wages and employer payments for health and welfare, vacation, pension and similar purposes in the District, as determined by the Director of the Department of Industrial Relations, a copy of which is on file in the office of the District, and shall be made available for viewing to any interested party upon request. The Contractor and each subcontractor shall forfeit as a penalty to the District not more than Two Hundred Dollars (\$200) for each calendar day, or portion thereof, for each worker paid less than the stipulated prevailing wage rate in violation of the Labor Code. In addition, the difference between the prevailing wage rate and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the stipulated prevailing wage rate shall be paid to each worker by the Contractor.

9.2 Contractor's attention is directed to the provisions in Section 1777.5 and 1777.6 of the Labor Code concerning the employment of apprentices by the Contractor or any subcontractor under the Contractor. It shall be the responsibility of the Contractor to effectuate compliance on the part of itself and any subcontractors with the requirements for employment of apprentices. Information relative to apprenticeship standards, wage schedules, and other requirements may be obtained from the Director of Industrial Relations, ex-officio the Administrator of Apprenticeship, San Francisco, California, or from the Division of Apprenticeship Standards and its branch offices.

9.3 Pursuant to Labor Code Section 1776, the Contractor and each subcontractor shall maintain weekly certified payroll records showing the name, address, social security number, work classification, straight time and overtime hours paid each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker or other employee employed in connection with the work. Contractor shall certify under penalty of perjury that records maintained and submitted by Contractor are true and accurate. Contractor shall also require subcontractor(s) to certify weekly payroll records under penalty of perjury. In

the event of noncompliance with the requirements of this Section, the Contractor shall have ten (10) days in which to comply subsequent to receipt of written notice specifying any item or actions necessary to achieve compliance with this section. If Contractor or subcontractor does not comply after such ten (10)-day period, the Contractor shall, as a penalty to the District, forfeit One Hundred Dollars (\$100) for each day, or portion thereof, for each worker until strict compliance is effectuated.

9.4 In accordance with Labor Code section 1771.4, the Contractor and each subcontractor shall furnish the certified payroll records directly to the Department of Industrial Relations (“DIR”) on a weekly basis and in the format prescribed by the DIR, which may include electronic submission. Contractor shall comply with all requirements and regulations from the DIR relating to labor compliance monitoring and enforcement.

9.5 In accordance with the provisions of the Labor Code, contractors or subcontractors may not perform work on a public works project with a subcontractor who is ineligible to perform work on a public project pursuant to Labor Code Sections 1777.1 or 1777.7. Any contract on a public works project entered into between a contractor and a debarred subcontractor is void as a matter of law. A debarred subcontractor may not receive any public money for performing work as a subcontractor on a public works contract. Any public money that is paid to a debarred subcontractor by the Contractor for the Project shall be returned to the District. The Contractor shall be responsible for the payment of wages to workers of a debarred subcontractor who has been allowed to work on the Project.

9.6 Contractor shall post, at appropriate conspicuous points on the Project site, a schedule showing all determined general prevailing wage rates and all authorized deductions, if any, from unpaid wages actually earned.

9.7 Pursuant to the requirements of Division 4 of the Labor Code, the Contractor will be required to secure the payment of worker’s compensation to its employees in accordance with the provisions of Section 3700 of the Labor Code. By its signature below, Contractor certifies as follows:

I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for worker’s compensation or to undertake self-insurance in accordance with the provisions before commencing the performance of the work of this contract.

10. Warranty. Contractor shall guarantee all work and materials to be free from all defects due to faulty materials or workmanship for a period of one (1) year after the date of acceptance of the Work by the District. Contractor shall repair or remove and replace any and all such work, together with any other work which may be displaced in so doing, that is found to be defective in workmanship and/or materials within said one-year period without expense whatsoever to the District, ordinary wear and tear and unusual abuse or neglect excepted. Nothing herein shall be construed to limit the District’s rights under this Contract or with respect to latent defects, gross mistakes, or fraud. The District specifically reserves all rights related to defective work, including but not limited to defect claims pursuant to California Code of Civil Procedure Section 337.15.

11. Subcontracting. Contractor represents and warrants that Contractor alone is responsible for performance all of the Work as described in Exhibit “A”, attached hereto, with Contractor’s own forces, except for those portions of the work which Contractor has specifically identified on the Designation of Subcontractors Form attached as Exhibit “B.” In accordance with Public Contract Code 4104, Contractor shall not subcontract any portion of the Work to any other subcontractor or entity which is not listed on Exhibit “B”, without the written authorization of the District. Contractor shall be responsible for ensuring that any subcontractor performing the Work shall be in full compliance with prevailing wage laws and requirements, as set forth herein.

12. Inspection and Protection of Work

12.1 Responsibility for, and security of, all work and materials is the responsibility of the Contractor until final acceptance of the Project by the District.

12.2 Contractor shall make the work accessible at all reasonable times for inspection by the District. Contractor shall, at the first opportunity, inspect all material and equipment delivered to the jobsite by others to be used or incorporated in the Contractor’s work and give prompt notice of any defect therein. Contractor assumes full responsibility to protect the work done hereunder until final acceptance by the District.

12.3 When the Work is completed, Contractor shall request, in writing, a final inspection. Within ten (10) days of the receipt of such request, the District shall make a final inspection. The Contractor or its representatives may be present at the final inspection. The purpose of such final inspection shall be to determine whether the Work has been completed in accordance with the Contract Documents, including all change orders and all interpretations and instructions previously issued.

13. Changes In Work.

13.1 The Contractor shall not be entitled to any increase in the Contract price due to any change in the Work unless the Contractor submits a written request within ten (10) calendar days from the date of the event which causes the Contractor to request a change in the price.

13.2 Changes in, additions to, or deductions from the Work, including increases or decreases in the quantity of any item or portion of the Work, shall be set forth in a written Change Order executed by the District and by the Contractor, or a Disputed Work Order signed by the District, which shall specify:

13.2.1 The changes, additions, and deductions to be made.

13.2.2 The increase or decrease in compensation due the Contractor, if any.

13.2.3 Adjustment in the time for completion of the Work, if any.

13.3 Adjustment in the compensation due the Contractor shall be determined by one or more of the following methods in the order of precedence listed below:

13.3.1 Unit price contained in the contract.

13.3.2 Mutually agreeable lump sum or unit prices. If requested by the District, the Contractor shall furnish an itemized breakdown of the quantities and prices used in computing proposed lump sum and unit prices.

13.3.3 Force account whereby the Contractor is compensated for furnishing labor, materials, tools, and equipment as follows:

(a) Cost of labor plus fifteen percent (15%) for workers directly engaged in the performance of the work. Cost of labor shall include actual wages paid including employer payments to or on behalf of the workers for health and welfare, pension, vacation, and similar purposes plus payments imposed on payroll amounts by state and federal laws plus subsistence and travel allowance payments to workers.

(b) Cost of material plus fifteen percent (15%). Cost of material shall include sales tax, freight, and delivery charges. The District reserves the right to furnish such materials as he deems advisable and the Contractor shall not be paid the fifteen percent (15%) markup on such materials.

(c) For tools and equipment actually engaged in the performance of the work, rental rates plus fifteen percent (15%). The rental rates shall be those prevailing in the area where the work is performed. No rental charge shall be made for the use of tools or equipment having a replacement value of Five Hundred Dollars (\$500) or less.

(d) Subcontractor invoices to the Contractor plus five percent (5%). Subcontractor invoices shall be based on the above-described cost of labor plus fifteen percent (15%), cost of material plus fifteen percent (15%), and tool and equipment rental rates plus fifteen percent (15%).

(e) No payment shall be made for any item not set forth above, including without limitation, Contractor's overhead, general administrative expense, supervision, or damages claimed for delay in prosecuting the remainder of the work.

(f) For force account Work, the Contractor shall submit to the District for its verification, daily work sheets showing an itemized breakdown of labor, materials, tools, and equipment used in performing the work. No payment will be made for Work not verified by the District.

#### 14. Claims and Disputes

14.1 If any dispute shall arise between District and Contractor regarding performance of the work, or any alleged change in the work, Contractor shall timely perform the disputed work and shall give written notice of a claim for additional compensation for the work to District within three (3) days after commencement of the disputed work. Contractor's failure to give written notice within the three (3)-day period constitutes an agreement by Contractor that it will receive no extra compensation for the disputed work.

14.2 All public works claims between the Contractor and the District shall be resolved pursuant to the procedures set forth in Public Contract Code Section 9204. The District will provide a written response to the Contractor identifying what portion of the claim is disputed and what portion is undisputed within forty-five (45) days of receipt of the claim, unless the parties mutually agree to extend the time for response. If the District does not respond within the 45-day time period, or as extended by mutual agreement, the claim shall be deemed rejected in its entirety.

14.3 If the Contractor disputes the District's response, or if the District fails to respond within the statutory time period(s), the Contractor may so notify the District within fifteen (15) days of the receipt of the response or the failure to respond and demand an informal conference to meet and confer for settlement. Upon such demand, the District shall schedule a meet and confer conference within thirty (30) days.

14.4 Within ten (10) business days following the conclusion of the meet and confer conference, if the claim or any portion thereof remains in dispute, the District shall provide the Contractor with a written statement identifying the portion of the claim that remains in dispute and the portion that is undisputed. Any portion of the claim that remains in dispute shall be submitted to nonbinding mediation. The selection of the mediator shall be in accordance with Public Contract Code section 9204 and the District and the Contractor shall equally share the associated mediator fees. Each party will be responsible for its own attorney's fees and other costs.

14.5 Submission of a claim, properly certified, with all required supporting documentation and written rejection or denial of all or part of the claim by the District is a condition precedent to any action, proceeding, litigation, suit, or demand for arbitration by Contractor.

14.6 Notwithstanding any other provision herein, claims of \$375,000 or less shall be resolved in accordance with the procedures set forth in Section 20104 et seq. of the Public Contract Code.

14.7 In addition to any and all requirements pertaining to notices of and requests for compensation or payment for extra work, disputed work, construction claims and/or changed conditions, the Contractor must comply with the claim procedures set forth in Government Code section 900 et seq. prior to filing any lawsuit against the District. Such Government Code claims and any subsequent lawsuit based upon the Government Code claims shall be limited to those matters that remain unresolved after all procedures pertaining to extra work, disputed work, construction claims, and/or changed conditions have been followed by Contractor. If no such Government Code claim is submitted, or if the prerequisite contractual requirements are not otherwise satisfied as specified herein, Contractor shall be barred from bringing and maintaining a valid lawsuit against the District.

14.8 Pursuant to Public Contract Code Section 9201, the District shall provide Contractor with timely notification of the receipt of any third-party claim relating to the Contract.

15. Indemnification. To the fullest extent allowed by law, Contractor shall defend (with counsel of the District's choosing), indemnify and hold the District, its officials, officers, directors, agents, employees, and representatives free and harmless from any and all claims, demands, causes of action, costs, expenses,

liabilities, losses, damages or injuries, in law or equity, regardless of whether the allegations are false, fraudulent, or groundless, to property or persons, including wrongful death, arising out of or in connection with the performance of the Work or this Contract, including claims made by subcontractors for nonpayment, including without limitation the payment of all consequential damages and attorneys' fees and other related costs and expenses. To the fullest extent permitted by law, Contractor shall defend, at Contractor's own cost, expense and risk, with the District's choosing, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against the District, its officials, officers, directors, agents, employees and representatives. Contractor shall pay and satisfy any judgment, award or decree that may be rendered against the District, its officials, officers, employees, directors, agents, employees and representatives, in any such suit, action or other legal proceeding. Contractor shall reimburse the District, its officials, officers, directors, agents, employees and representatives for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. The only limitations on this provision shall be those imposed by Civil Code Section 2782.

16. Termination.

16.1 Should Contractor fail within seven (7) calendar days from receipt of the District's written notice to correct any default, including but not limited to failure perform the Work in accordance with the Contract Documents, failure to comply with the directions of the District, or failure pay its creditors, the District may terminate this Contract. Following a termination for default, the District shall have the right to take whatever steps it deems necessary to correct Contractor's deficiencies and charge the cost thereof to Contractor, who shall be liable for the full cost of the District's corrective action, including reasonable overhead, profit and attorneys' fees.

16.2 The District may at any time terminate the Contract at the District's convenience upon five (5) days written notice to Contractor; in the event of termination for convenience, Contractor shall recover only the actual cost of work completed to the date of termination, which costs are documented to the District's satisfaction, plus a reasonable amount not to exceed fifteen percent (15%) of the actual cost of the Work performed for overhead and profit. Contractor shall not be entitled to any claim or lien against the District for any additional compensation or damages in the event of such termination.

16.3 If the District terminates Contractor for cause, and if it is later determined that the termination was wrongful, such default termination shall automatically be converted to and treated as a termination for convenience. In such event, Contractor shall be entitled to receive only the amounts payable under this section, and Contractor specifically waives any claim for any other amounts or damages, including, but not limited to, any claim for consequential damages or lost profits.

17. Miscellaneous Provisions.

17.1 Governing Law; Venue. This Contract shall be governed by and construed in accordance with the laws of the State of California. In the event of any legal or equitable proceeding to enforce or interpret the terms or conditions of this Agreement, the parties agree that venue shall lie only in the federal or state courts in or nearest to the North County Judicial District, County of San Diego, State of California.

17.2 Modification. This Agreement may not be altered in whole or in part except by a modification, in writing, executed by all the parties to this Agreement.

17.3 Entire Agreement. This Agreement, together with all the exhibits attached to this Agreement, contains all representations and the entire understanding between the parties with respect to the subject matter of this Agreement. Any prior correspondence, memoranda or agreements are in conflict with this Agreement are intended to be replaced in total by this Agreement and its exhibits.

17.4 Clayton Act and Cartwright Act. Section 7103.5 of the Public Contract Code specifies that in entering into a public works contract or a subcontract to supply goods, services or materials pursuant to a public works contract, the contractor or subcontractor offers and agrees to assign to the awarding body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 commencing with Sec. 16700) of Part 2 of Division 7 of the Business Profession Code, arising from purchase of goods, services or materials pursuant to the contract or subcontract. Pursuant to Public Contract Code Section 7103.5 the Contractor and all of its subcontractors hereby offer and agree to assign to the District all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 commencing with Sec. 16700) of Part 2 of Division 7 of the Business Profession Code, arising from purchase of goods, services or materials pursuant to this Contract. This assignment shall become effective when the District tender's final payment to the Contractor without further acknowledgement by the parties.

17.5 State License Board Notice. Contractors are required by law to be licensed and regulated by the contractors' state license board which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four (4) years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within ten (10) years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors' State License Board, P.O. Box 26000, Sacramento, California 95826.

17.6 Right to Audit. Pursuant to California Government Code Section 8546.7, the parties to this Contract shall be subject to the examination and audit of representative of the Auditor General of the State of California for a period of three (3) years after final payment under the contract. The examination and audit shall be confined to those matters connected with the performance of this contract including, but not limited to, the cost of administering the contract.

17.7 No Assignment. Contractor may not assign performance of the Contract may not be assigned except upon written consent of the District.

17.8 Compliance With All Laws. Contractor shall at all times observe and comply with, and shall cause all of its agents and employees to observe and comply with all such existing and future Federal, State and local laws, ordinances, regulations, orders, and decrees of bodies or tribunals having any jurisdiction or authority over the Project; and shall protect and indemnify the District, and all officers and employees thereof connected with the Project, against any claim or liability arising from or based on the violation of any such law, ordinance, regulation, order, or decree, whether by the District's representative

or their employees. If any discrepancy or inconsistency is discovered in the plans, drawings, specifications, or contract for the work in relation to any such law, ordinance, regulation, order or decree, Contractor shall promptly report the same to the District in writing.

17.9 Effective Date. The effective date of this Agreement executed in counterparts in the North County Judicial District, County of San Diego, State of California, is August 31, 2020.

**VALLECITOS WATER DISTRICT**

Dated: \_\_\_\_\_, 20\_\_

By: \_\_\_\_\_  
Glenn Pruiam, General Manager

**Marathon General, Inc.**

Dated: \_\_\_\_\_, 20\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
License Classification and No. \_\_\_\_\_  
Public Works Contractor Registration No. \_\_\_\_\_



**EXHIBIT 'A'**  
**SCOPE AND SCHEDULE OF WORK**

**EXHIBIT 'B'**  
**DESIGNATION OF SUBCONTRACTORS FORM**

In compliance with the Subletting and Subcontracting Fair Practices Act Chapter 4 (commencing at Section 4100), Part 1, Division 2 of the Public Contract Code of the State of California and any amendments thereof, Contractor shall set forth below: (a) the name and the location of the place of business, (b) the California contractor license number, (c) the DIR public works contractor registration number, and (d) the portion of the work which will be done by each subcontractor who will perform work or labor or render service to the Contractor in or about the construction of the work or improvement to be performed under this Contract in an amount in excess of one-half of one percent (0.5%) of the total contract price. Notwithstanding the foregoing, if the work involves the construction of streets and highways, then the Contractor shall list each subcontractor who will perform work or labor or render service to the Contractor in or about the work in an amount in excess of one-half of one percent (0.5%) of the total contract price or \$10,000, whichever is greater.

If the Contractor fails to specify a subcontractor or if a contractor specifies more than one subcontractor for the same portion of work, then the Contractor shall be deemed to have agreed that it is fully qualified to perform that portion of work and that it shall perform that portion itself.

<b>Name of Subcontractor</b>	<b>Work to be performed</b>	<b>Location of Business</b>	<b>CSLB License No.</b>	<b>DIR Registration Number</b>

Name of Contractor: \_\_\_\_\_

Signature: \_\_\_\_\_

Dated: \_\_\_\_\_

**DATE: OCTOBER 21, 2020**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: FINAL ACCEPTANCE OF WATER AND SEWER IMPROVEMENTS FOR NORTH CITY EAST INDUSTRIAL STREET AND CARMEL STREET APN 220-202-32 (URBAN VILLAGES SAN MARCOS, LLC)**

**BACKGROUND:**

Urban Villages San Marcos, LLC, owner of the project, has completed the installation of water and sewer facilities for their commercial site located on Industrial Street between Carmel Street and Barham Drive.

**DISCUSSION:**

Water and/or sewer facilities for private land development projects are constructed by a developer. When completed to the satisfaction of the District, those facilities are accepted by the Board of Directors and become District property.

The project constructed approximately 566 feet of 12-inch diameter water main and 44 feet of 8-inch diameter sewer main.

Upon final acceptance of the project, water and sewer service will be available to the 17,000 square foot rock climbing gym.

The owner has provided the District with the required security to guarantee repairs due to failure of materials or workmanship for a period of one year. All current fees and charges have been paid to date.

Along with the water and sewer mains, assorted appurtenances were installed such as water meters, fire hydrants, gate valves, sewer laterals and manholes.

The owner has paid a total of \$76,406 in water capital facility fees and has paid a total of \$119,556 in wastewater capital facility fees for the release of the domestic building and irrigation meters.

**FISCAL IMPACT:**

None. Future water and sewer revenues will offset costs of service.

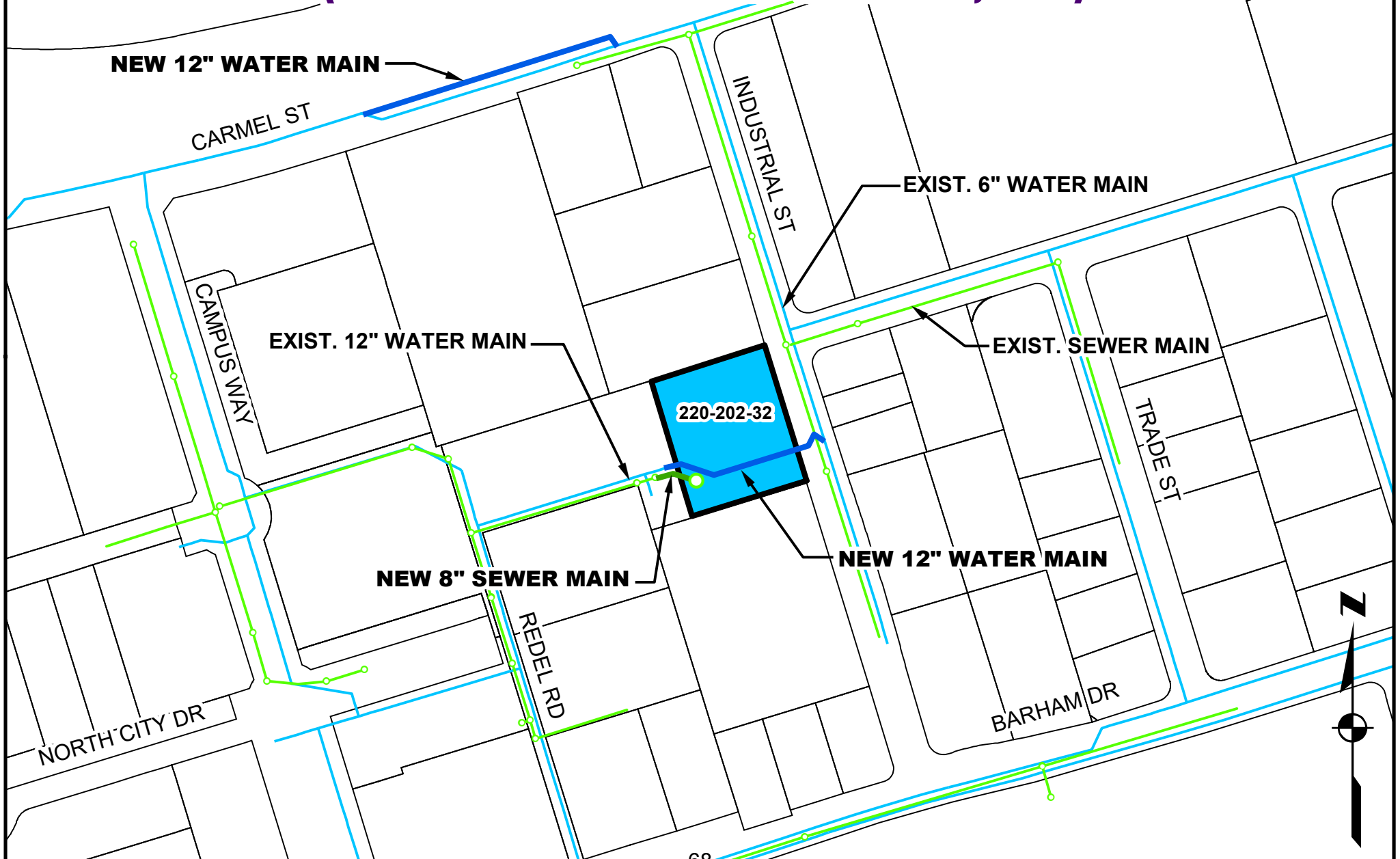
**RECOMMENDATION:**

Accept the project improvements and approve the filing of a Notice of Completion for North City East Industrial Street and Carmel Street.

**ATTACHMENTS:**

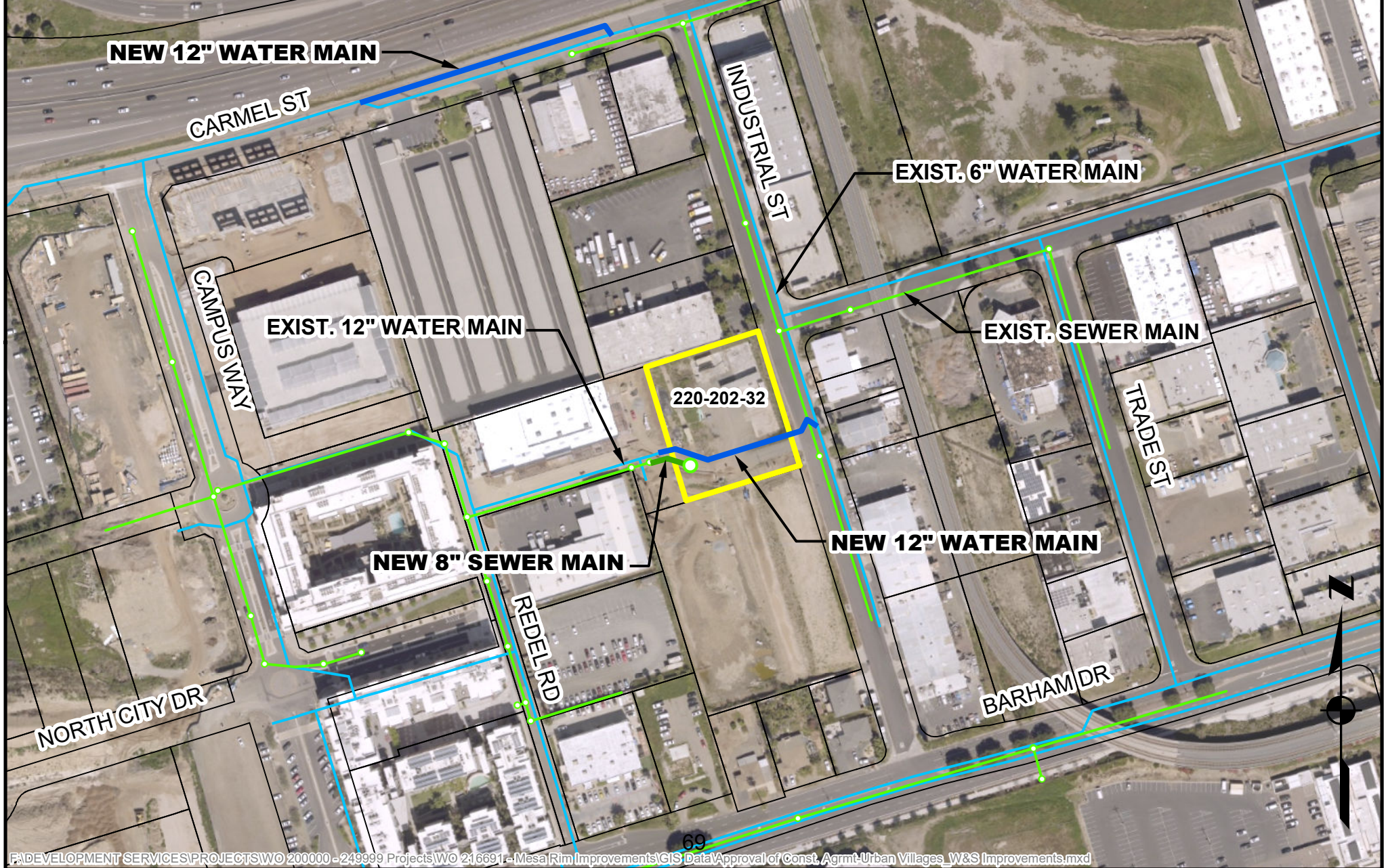
2 Map Exhibits – 1 Plat Map & 1 Aerial

# FINAL ACCEPTANCE OF WATER & SEWER IMPROVEMENTS FOR NORTH CITY EAST INDUSTRIAL STREET AND CARMEL STREET APN 220-202-32 (URBAN VILLAGES SAN MARCOS, LLC)





# FINAL ACCEPTANCE OF WATER & SEWER IMPROVEMENTS FOR NORTH CITY EAST INDUSTRIAL STREET AND CARMEL STREET APN 220-202-32 (URBAN VILLAGES SAN MARCOS, LLC)





**DATE: OCTOBER 21, 2020**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: PARTICIPATION IN THE SAN DIEGO COUNTY WATER AUTHORITY'S  
NEW PERMANENT SPECIAL AGRICULTURAL WATER RATE  
PROGRAM**

**BACKGROUND:**

The San Diego County Water Authority (CWA) has provided a special agricultural water rate to certain farmer and grower customers of the Vallecitos Water District (VWD) since 2008 through the Transitional Special Agricultural Water Rate (TSAWR) Program. As a separate class of service, VWD TSAWR customers receive a reduced level of water supply reliability in exchange for the lower agricultural water rates (compared to municipal and industrial full-service rates).

With the TSAWR Program set to expire on December 31, 2020, the CWA Board authorized a Task Force to work with CWA staff to develop program-specific policies and procedures for a new Permanent Special Agricultural Water Rate (PSAWR) Program. PSAWR Program policies and procedures were modeled after many of the TSAWR Program requirements.

The PSAWR Program will continue to offer certain farmer and grower VWD customers, who voluntarily participate in the program, a lower agricultural water rate tied to a reduced level of water service during water shortages and emergencies. The PSAWR Program will begin on January 1, 2021. VWD currently has approximately 117 agricultural water accounts with some customers participating in the TSAWR program and others in VWD's Certified Non-Participating Agricultural Water Rate (CNPAWR) program. Some VWD customers have more than one agricultural account.

**DISCUSSION:**

Unlike the TSAWR program, which required customers to be enrolled in the Metropolitan Water District's (MWD) Interim Agricultural Water Program (IAWP) as of January 1, 2009, in order to participate, both new and existing customers can join the PSAWR program. Further, PSAWR has no minimum acreage requirement, unlike the TSAWR program, which required one acre densely planted for commercial purposes.

**Eligibility**

To participate in the PSAWR Program, VWD agricultural customers must grow or raise--for commercial purposes--products of an agricultural, horticultural, or floricultural nature. VWD will be required to verify our customers' eligibility through one of the four methods described below. Eligibility verification will be provided through the confirmation of enrollment in one of the following San Diego Regional Water Quality Control Board (Regional Board) or County of San Diego programs and be subject to site visits.

Regional Board General Agricultural Orders Enrollment List

In 2016, the Regional Board adopted General Waste Discharge Requirements for Discharges from Commercial Agricultural Operations (or General Agricultural Orders). The Regional Board requires all owners or operators of Commercial Agricultural Operations that intend to make a profit in the San

Diego region to comply with the General Agricultural Orders and enroll in the Regional Board's program.

#### Grower's List

The Grower's List is an inventory of San Diego agricultural operators with a County of San Diego assigned operator identification number associated with pesticide use.

#### Active Certified Producers

A Certified Producer is a farmer who has been certified by the County of San Diego's Department of Agriculture Weights and Measures (AWM) to sell in Certified Farmers Markets (CFMs). This means that AWM inspectors have visited their farm to verify their agricultural production. AWM issues a Certified Producer's Certificate to the farmer, which lists the products they grow and may sell in a CFM.

#### Organic Producers

The United States Department of Agriculture's National Organic Program defines "organic agriculture" as an ecological production management system that promotes and enhances biodiversity, biological cycles, and soil biological activity. This means that organic operations must maintain or enhance soil and water quality, while also conserving wetlands, woodlands, and wildlife. This list can be obtained from AWM.

To allow for a smooth transition between the TSAWR and PSAWR Programs, upon the end of the TSAWR Program on December 31, 2020, the CWA plans to allow existing TSAWR Program customers to temporarily migrate into the PSAWR Program on a conditional basis until their eligibility for the PSAWR Program is verified. VWD and other agencies will be given a six-month transition period, through June 30, 2021, to verify existing TSAWR Program customers are eligible. If existing TSAWR Program customers do not meet the new PSAWR Program eligibility criteria, listed above, they cannot participate in the new PSAWR Program and must be removed. The District will be required to re-verify customer eligibility for the PSAWR Program annually (by cross-checking PSAWR Program customers' Assessor Parcel Number (APN) against the San Diego Regional Board's General Agricultural Order list or the County of San Diego's Grower's List, Active Certified Producers and Organic Producers list). If Vallecitos determines a customer no longer meets the eligibility requirements, that customer will be deemed ineligible for the PSAWR Program and must be removed.

#### **Enrollment**

All PSAWR Program participants must complete a PSAWR Program Enrollment Form (Attachment) to be eligible to participate. VWD will be required to obtain written approval from our retail agricultural customers of their intent to enter the PSAWR Program, and such consent must be made prior to entry into the program (excluding the temporary 6-month conditional transition period for existing TSAWR Program customers). This shall be achieved by the retail customer completing the PSAWR Program Enrollment Form, which includes a written consent clause, and submitting it to VWD. VWD will be required

to provide proof that an enrollment form was received, and that eligibility is verified annually by confirming the participant's enrollment in one of the four lists mentioned previously.

### **Entering and Exiting the PSAWR Program**

Eligible customers may sign up to receive the PSAWR Program water rate at any time during non-service limitation periods. Non-service limitations periods are when there are no service limitations imposed to PSAWR member agencies such as a cutback from the MWD or emergency situations.

Additionally, participating customers may opt-out of the PSAWR Program at any time during non-service limitation periods. Essentially, PSAWR customers are not allowed to opt-out during a cutback, emergency, shortage periods or when the CWA's Water Shortage Contingency Plan is activated. As part of the compliance obligations, VWD must have a requirement to ensure service limitations (described below) are allocated to PSAWR participants in the event of supply cutbacks from MWD or emergency situations. When such events occur, the CWA will require each participating member agency to meet an established mandatory PSAWR supply reduction level based on all certified program participation for the most recently completed fiscal year in which allocations had not previously occurred. If a PSAWR Program account has opted out, the parcel number associated with that retail meter account will not be allowed to re-enter the PSAWR Program unless the parcel legally changes ownership in an arm's length commercial transaction verified by the member agency.

If an active PSAWR Program participant's parcel becomes ineligible for the PSAWR Program during a non-service limitation period by being removed or dropped from one of the four eligible lists maintained by the County or Regional Board, VWD may appeal the participant's loss of eligibility provided that VWD provides written notice and supporting documentation to the CWA. Within 30 days of receiving the appeal request from VWD, the CWA shall review the appeal request and provide a written response supporting or opposing reinstatement of the participant's PSAWR Program eligibility. An appeal request will not be considered if the participant voluntarily requests in writing to opt-out of the PSAWR Program. Any decision of the CWA is final.

### **Responsibilities**

The CWA shall oversee administration of the PSAWR Program at the member agency level in conformance with CWA Board approved PSAWR policies and procedures. VWD is responsible for administering the PSAWR Program at the retail customer level, with activities including, but not limited to retail customer eligibility verification, program enrollment, reporting of program deliveries, and assistance with the year-end review processes.

### **Improvements of PSAWR over TSAWR**

One of the primary improvements of PSAWR over the old program is the certification requirement. Agricultural customers will need to prove the viability of their operation to third party entities that in-turn certify them. District staff no longer have to act as an investigator/judge, trying to determine if a customer has a legitimate agricultural business.



**FINANCIAL IMPACTS:**

Rates for PSAWR will be in the same format as TSAWR. Long term, there may be more or less agricultural water customers depending on how many new customers join and how many existing customers fail to meet new PSAWR requirements. The PSAWR program does not require any subsidies from the District. We are simply allowing eligible customers to access the program from the CWA.

**VWD'S OTHER AGRICULTURAL WATER PROGRAM:**

Separate from the CWA ag programs, the District has its own Certified Non-Participating Agricultural Water Rate (CNPAWR) Program. The District's CNPAWR was established during the 2007-2009 California Drought. The District was petitioned by customers to provide an agricultural rate that would not be subject to water use reductions in times of drought or supply cutbacks. The CNPAWR was originally referenced in Ordinance No. 165, adopted in 2009, which included the same requirements as the CWA's TSAWR program. Ordinance No. 165 has been revised and replaced over the years.

Currently, the District has approximately 97 TSAWR customers and 23 CNPAWR customers. Unlike the TSAWR/PSAWR programs, which offer a lower agricultural water rate tied to a reduced level of water service during water shortages and emergencies, CNPAWR customers have no current consequences during times of drought. CNPAWR customers are currently flat lined at Tier 2. They get no Tier 1 discount and no Tier 3 increase.

While the Board and the District is conducting a water rate study, it is appropriate to consider the status of the District's CNPAWR Program. Options include:

- Keeping CNPAWR as is
- Removing CNPAWR and offering only PSAWR to agricultural customers
- Transitioning the CNPAWR classification to an "irrigation classification" that would be available to grass areas such as parks, or large landscapes on separate irrigation meters.

**RECOMMENDATION:**

Staff recommends that the Board approve VWD's participation in the CWA's PSAWR program.

**ALTERNATIVE:**

Do not participate in the CWA's PSAWR program. This would have financial consequences to the majority of the District's agricultural customers, as they would no longer have access to lower priced agricultural water.

**ATTACHMENT:**

- 1) Sample PSAWR enrollment form

**PERMANENT SPECIAL AGRICULTURAL WATER RATE (PSAWR)  
ENROLLMENT FORM**

To receive the PSAWR water rate as established by the San Diego County Water Authority, and administered by {INSERT MEMBER AGENCY}, a Property Owner is required to provide the following information, provide written consent, certification and acknowledgement as indicated on this form. Failure to complete all sections and/or provide requested documentation may result in ineligibility for the PSAWR water rate.

**OWNER/AUTHORIZED AGENT’S BILLING INFORMATION:**

Account Number: \_\_\_\_\_  Single Meter – Agricultural Use Only  
 Owner Name: \_\_\_\_\_  Single Meter – Agricultural/Residential (share)  
 Operator/Agent (If applicable) \_\_\_\_\_  
 Service Address: \_\_\_\_\_  
 Owner’s Mailing Address (If different than above) \_\_\_\_\_  
 Owner/Agent’s Phone Number \_\_\_\_\_ Owner/Agent’s Email \_\_\_\_\_

**SECTION 1 – QUALIFICATIONS FOR PSAWR Water Rate (Required):**

In accordance with the San Diego County Water Authority policies, {INSERT MEMBER AGENCY} and Owner acknowledge that to participate in the PSAWR water rate, agricultural customers must:

“Grow or raise – for commercial purposes – products of an agricultural, horticultural, or floricultural nature.”

**SECTION 2 – PROPERTY INFORMATION** (Required Information to be provided by Owner regarding the real property covered by the PSAWR water rate for Calendar Year 2021):

Assessor’s Parcel Number (APN)*	Acreage of Parcel	Acreage Planted & Irrigated	Is there a residence on the Parcel	Type of crop	Number of trees
EXAMPLE...125-125-10	.....10	.....4	.....YES	.....Avocados	.....400

\*- If there are more than three APN’s property owner may provide a list as an attachment.

**SECTION 3 – VERIFICATION OF COMMERCIAL AGRICULTURAL SALES (Required):**

Concurrent with the completion of this Enrollment Form, {INSERT MEMBER AGENCY} will determine if the Commercial Agricultural Operation is included on one of the following lists (**ONLY 1 REQUIRED**):

- Grower’s List
- Active Certified Producers List
- Organic Producers List
- Regional Board General Agricultural Order Enrollment List

**SECTION 4 – CONSENT TO PARTICIPATE AND ACKNOWLEDGMENT(Required):**

I hereby certify that:

- I, < Owner/Agent’s Name>, am the owner or authorized agent of the owner, of the above referenced property and consent to participate in the PSAWR water rate
- The information provided herein is true and correct
- Water purchased under the PSAWR water rate will be used for agricultural purposes in accordance with the rules of the San Diego County Water Authority PSAWR Handbook

I hereby acknowledge that:

- Water received under the PSAWR water rate is a non-firm, interruptible supply, subject to early and accelerated mandatory supply reduction, based upon water supply conditions as determined by the San Diego County Water Authority.
- Water use under the PSAWR water rate is subject to periodic examination , and I agree to respond in a timely manner to requests for information and access to properties.
- Failure to provide a reasonable response and access will result in automatic termination of the PSAWR water rate.
- I will not be allowed to opt out of the PSAWR water rate during or under substantial threat of a mandatory water supply reduction.
- Water purchased under the PASWR water rate, but done so on the basis of **incorrect information** supplied by the applicant, or water utilized for uses other than agricultural purposes as defined by the San Diego County Water Authority, may result in the assessment by {INSERT MEMBER AGENCY} of water rates, penalties and charges as required by the San Diego County Water Authority, which I hereby agree to pay.
- If at any time my status of eligibility changes, I will be responsible for notifying {INSERT MEMBER AGENCY} within 30 days.

Owner/Agent’s Name \_\_\_\_\_ Title \_\_\_\_\_  
 (Please Print) (Owner/Authorized Agent)

Owner/Agent’s Signature \_\_\_\_\_ Date \_\_\_\_\_

For {INSERT MEMBER AGECCNY} to complete:	
This property qualifies under one of the following: <input type="checkbox"/> Grower’s List <input type="checkbox"/> Active Certified Producers <input type="checkbox"/> Organic Producers <input type="checkbox"/> Agricultural Order Enrollment List	<input type="checkbox"/> This property does not qualify. Note Reason:
Backflow requirements met (IF APPLICABLE): Yes ___ No ___.	
Comments _____	
Completed by (Member Agency Staff Name): Member Agency Staff Signature and Date:	

**DATE: OCTOBER 21, 2020**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: AWARD FOR PROFESSIONAL SERVICES AGREEMENT FOR THE MEADOWLARK FAILSAFE REHABILITATION (BUENA REACH) PROJECT**

**BACKGROUND:**

The Failsafe Outfall Sewer (Failsafe) pipeline is a 16-inch ductile iron pipeline (DIP) installed in 1980 that connects the District’s Meadowlark Water Reclamation Facility (MRF) to Encina Wastewater Authority’s (EWA) Ocean Outfall. The Failsafe pipeline allows MRF to discharge up to 3 million gallons per day (MGD) of secondary effluent directly into the ocean, bypassing the tertiary or recycled water treatment process at MRF and treatment at EWA. Bypassing the tertiary treatment process typically occurs when recycled water demand is low or MRF’s systems are experiencing an upset. MRF also has the operational flexibility to send recycled water through the Failsafe pipeline during scheduled maintenance or water quality disruptions.

The Failsafe pipeline is a closed pressurized line with no access points in the system. There are three designated sections, of which responsibility is shared with the Buena Sanitation District (BSD) and the City of Carlsbad at different percentages based on flow capacity. Through existing agreements with these agencies, the District is responsible for operating and maintaining the pipeline; however, incurred costs, including emergency repairs, are distributed among the agencies as follows:

Pipeline Section	Agency		
	Vallecitos WD	Buena SD	City of Carlsbad
San Marcos	100%	0%	0%
<b>Buena</b>	<b>50%</b>	<b>50%</b>	<b>0%</b>
Carlsbad	16.3%	16.3%	67.4%

Two significant pipeline breaks occurred in recent history in the Buena reach of the Failsafe pipeline. The Buena reach is approximately 10,000-feet of 16-inch diameter pipeline located between Aviara Parkway and Yarrow Drive in the City of Carlsbad. The first break occurred on December 20, 2018 and the second occurred on April 20, 2020. Outside contractors were required to repair the breaks due to the depth of the pipe and scope of work. The repair identified external surface corrosion which propagated to the internal pipe wall.

Discharge of the spills were recycled water, not sewer, and no public notification or sampling was required. District staff have prioritized the planning, design, and construction of the Meadowlark Failsafe Rehabilitation Project throughout the limits of the Buena reach.

**DISCUSSION:**

The District submitted a request for proposals for the Meadowlark Failsafe Rehabilitation (Buena Reach) Project to three as-needed engineering firms on August 24, 2020. These firms were asked to present their experience in designing linear wastewater projects. The three firms that staff requested proposals from included:

- Infrastructure Engineering Corporation (IEC)
- Black and Veatch (B&V)
- Nolte Vertical Five (NV5)

On September 14, 2020, staff received proposals from all three of the firms. District staff and Buena Sanitation District staff reviewed the proposals and rated each firm based on their experience on similar projects, how well they addressed the proposal requirements, their approach to this project, scope of work, fee/labor hours, and schedule. Staff followed up with IEC and NV5 after the initial review to request clarifications to their respective proposed scope and approach. On September 21, staff received revised proposals from IEC and NV5 and rated both revised proposals for conformance in coordination with Buena Sanitation District staff. NV5 was selected as the most qualified consultant with a total fee of \$144,672 for planning and design engineering services.

**FISCAL IMPACT:**

This project is identified in the District’s fiscal year 2020/2021 budget. The approved Capital budget amount is \$1,160,000. Funding for the project will come entirely from Sewer Replacement Funds. As a 50% stakeholder, Buena Sanitation District will fund 50% of the project’s planning, design, and construction efforts.

VWD Budget		\$ 1,160,000
Planning and Design Services	\$ 144,672	
Environmental Support Services	\$ 27,440	
Construction (estimate)	\$ 1,900,000	
Staff & Other Services (estimate)	\$ 70,000	
Overhead/Materials (estimate)	<u>\$ 165,000</u>	
Subtotal	\$ 2,307,112	
Estimated BSD Responsibility		\$ 1,153,556
Estimated VWD Responsibility		\$ 1,153,556

Staff time includes project management throughout design, bid and construction as well as construction management and inspection during construction.

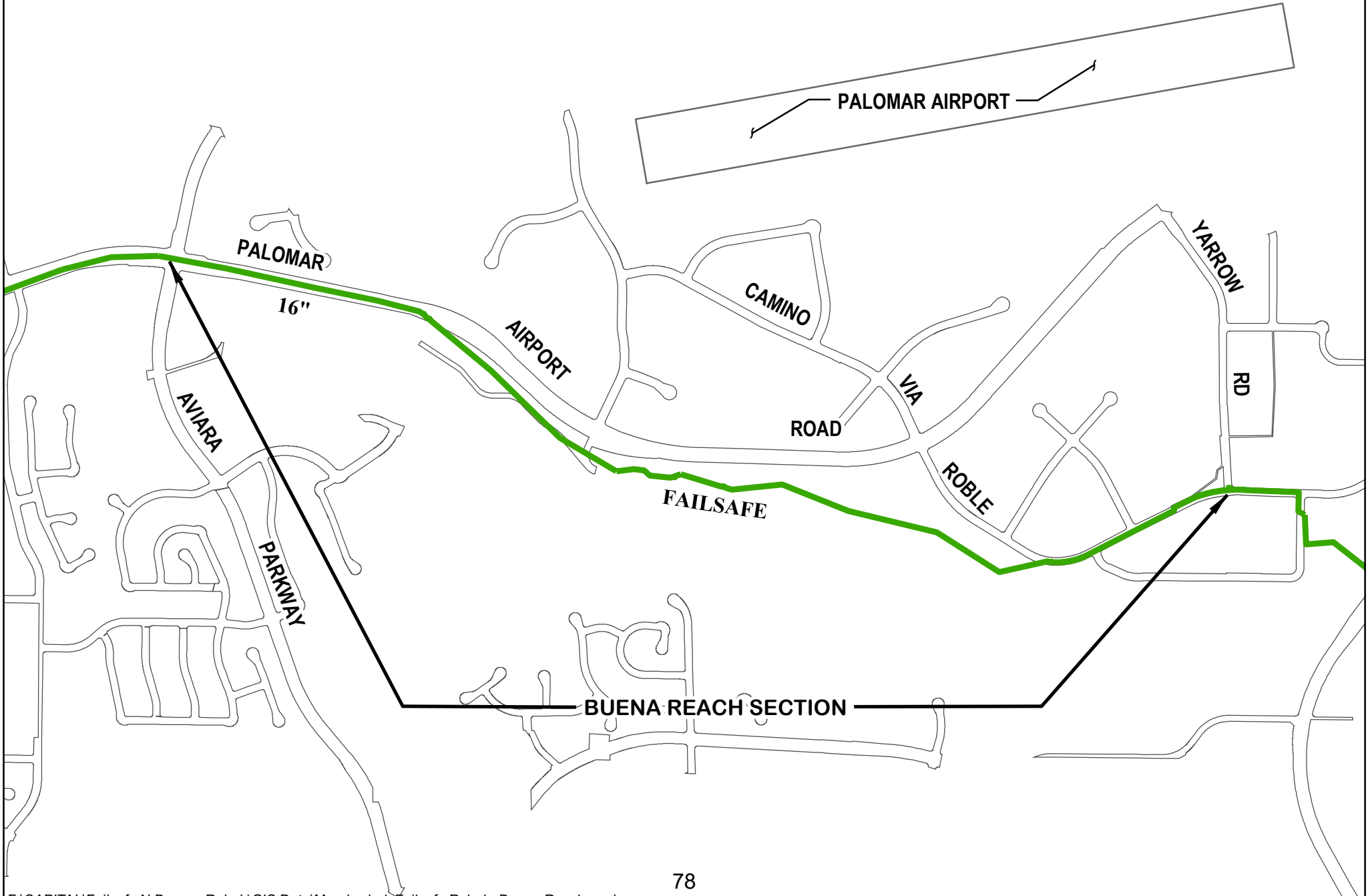
**RECOMMENDATION:**

Authorize the General Manager to enter into a professional engineering services agreement with NV5 in the amount of \$144,672 for planning and engineering design services during construction for the Meadowlark Failsafe Rehabilitation Project (Buena Reach).

**ATTACHMENTS:**

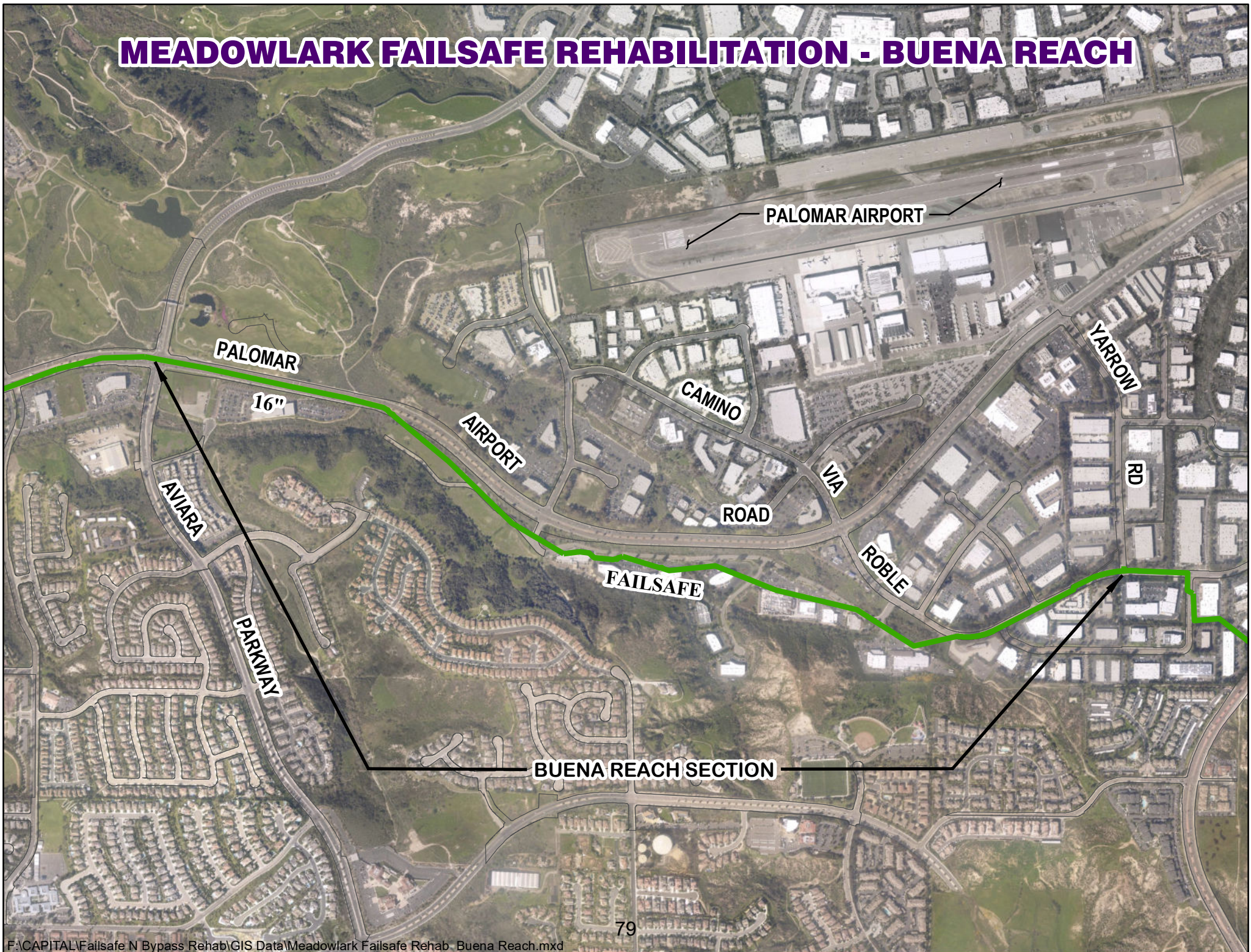
Plat and aerial exhibits

# MEADOWLARK FAILSAFE REHABILITATION - BUENA REACH





# MEADOWLARK FAILSAFE REHABILITATION - BUENA REACH





**DATE: OCTOBER 21, 2020**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: CALL FOR NOMINATIONS FOR THE LOCAL AGENCY FORMATION COMMISSION SPECIAL DISTRICTS ADVISORY COMMITTEE**

**BACKGROUND:**

The San Diego County Local Formation Commission (LAFCO) is calling for nominations among all independent special districts pursuant to Government Code Section 56332(1) involving eight expiring terms on the Special Districts Advisory Committee.

**DISCUSSION:**

The Advisory Committee consists of 8 members that serve four-year terms and tasked with providing feedback, including recommendations, germane to topics to assist LAFCO in fulfilling its regulatory and planning functions. Eligibility to serve on the Advisory Committee involves either an elected or appointed district office or a staff member. The number of candidates representing the same agency shall also be limited to one.

All eight seats subject to this call for nomination will commence immediately upon election with terms extending to October 2024. The eight incumbents currently holding the eight affected seats are as follows:

<u>Term expire</u>	<u>Incumbent</u>	<u>Home Special District</u>
October 2020	Gary Arant	Valley Center Municipal Water District
October 2020	Bill Haynor	Whispering Palms Community Services District
October 2020	Julie Nygaard	Tri-City Healthcare District
October 2020	Fred Cox	Rancho Santa Fe Fire Protection District
October 2020	Augie Scalzitti	Padre Dam Municipal Water District
October 2020	Joel Scalzitti	Helix Water District
October 2020	Sheryl Landrum	Resource Conservation District of Greater SD County
October 2020	Hector Martinez	South Bay Irrigation District

State law specifies only the presiding officer or their alternate as designated by the government Board must sign the nomination form. The nomination form is attached (Attachment A) with additional details as:

- Nominations and a limited two-page resume indicating the candidate’s District and LAFCO experience must be returned to San Diego LAFCO no later than 5:00 p.m. on Monday, November 9, 2020. Nominations received after this deadline will be invalid.
- Nominations and resumes may be submitted by mail to the San Diego Officer at 9335 Hazard Way, Suite 200, San Diego, CA 92123 or via email to: [tamaron.luckett@sdcounty.ca.gov](mailto:tamaron.luckett@sdcounty.ca.gov)

**RECOMMENDATION:**

Request Board direction.





**San Diego County**  
**Local Agency Formation Commission**  
 Regional Service Planning | Subdivision of the State of California

**CALL FOR NOMINATIONS**

October 5, 2020

**TO:** Independent Special Districts in San Diego County

**FROM:** Tamaron Luckett, Commission Clerk

**SUBJECT:** Call for Nominations | San Diego Local Agency Formation Commission  
 Special Districts Advisory Committee

The San Diego County Local Agency Formation Commission (LAFCO) is respectfully calling for nominations among all independent special districts pursuant to Government Code Section 56332(1) involving eight expiring terms on the Special Districts Advisory Committee. The Advisory Committee consists of 16 members that serve four-year terms and tasked with providing feedback – including recommendations – germane topics to assist LAFCO in fulfilling its regulatory and planning functions. Eligibility to serve on the Advisory Committee involves either an elected or appointed district officer and a staff member. The number of candidates representing the same agency shall also be limited to one. All eight seats subject to this call for nomination will commence immediately upon election with terms extending to October 2024. The eight incumbents currently holding the eight affected seats follows:

Term expire	Incumbent	Home Special District
October 2020	Gary Arant	Valley Center Municipal Water District
October 2020	Bill Haynor	Whispering Palms Community Services District
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October 2020	Joel Scalzitti	Helix Water District
October 2020	Sheryl Landrum	Resource Conservation District of Greater San Diego County
October 2020	Hector Martinez	South Bay Irrigation District

State law specifies only the presiding officer or their alternate as designated by the governing board must sign the nomination form. Attached is the nomination form (**Attachment A**) with additional details provided below.

<b>Administration</b> Keene Simonds, Executive Officer County Operations Center 9335 Hazard Way, Suite 200 San Diego, California 92123 T 858.614.7755 F 858.614.7766 www.sdlafco.org	<b>Jim Desmond</b> County of San Diego  <b>Chair Dianne Jacob</b> County of San Diego  <b>Greg Cox, Alternate</b> County of San Diego	<b>Mary Casillas Salas</b> City of Chula Vista  <b>Bill Wells</b> City of El Cajon  <b>Paul McNamara, Alternate</b> City of Escondido	<b>Mark Kersey</b> City of San Diego  <b>Chris Cate, Alternate</b> City of San Diego  <b>Erin Lump, Alternate</b> Rincon del Diablo MWD	<b>Jo MacKenzie</b> Vista Irrigation  <b>Barry Willis</b> Alpine Fire Protection  <b>Harry Mathis, Alternate</b> General Public	<b>Vice Chair Andy Vanderlaan</b> General Public
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San Diego LAFCO

October 5, 2020

Call for nominations | Special District Advisory Committee

- Nominations and a limited **two-page** resume indicating the candidate's District and LAFCO experience must be returned to San Diego LAFCO **no later** than 5:00 p.m. on **Monday, November 9, 2020**. Nominations received after this deadline will be invalid.
- Nominations and resumes may be submitted by mail to the San Diego Officer at 9335 Hazard Way, Suite 200, San Diego, CA 92123 or via email to [tamaron.luckett@sdcounty.ca.gov](mailto:tamaron.luckett@sdcounty.ca.gov), if necessary to meet the submission deadline, but the original form must be submitted.

After nominations and resumes are received further information will be provided. Should you have any questions, please contact me at (858) 614-7755.

Respectfully,

Tamaron Luckett  
Commission Clerk

Attachment:  
Nomination Form

**ATTACHMENT A**  
**NOMINATION OF THE**  
**SPECIAL DISTRICT REPRESENTATIVES**  
**FOR THE SAN DIEGO LOCAL AGENCY FORMATION COMMISSION**  
**SPECIAL DISTRICTS ADVISORY COMMITTEE**

The \_\_\_\_\_ is pleased to nominate \_\_\_\_\_ as a  
(Name of Independent Special District) (Name of Candidate)

Candidate for the San Diego Local Agency Formation Commission as a special district advisory committee member.

As presiding officer or his/her delegated alternate as provided by the governing board, I hereby certify that:

- The nominee is either a district elected or appointed officer and a staff member.

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Print Title)

**PLEASE ATTACH RESUME FOR NOMINEE**

- Limit two pages
- Must be submitted with Nomination Form

**DATE: OCTOBER 21, 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 October 21, 2020 Board meeting. The information provided will reflect conditions up to September 30, 2020. This is the third month in which information can be compared to the assumptions developed for the FY2021 budget. Because it is only the third 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 October on water sales, the data will be for September billings, which reflect August 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.