

**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, NOVEMBER 18, 2020, AT 5:00 P.M.
VIA TELECONFERENCE

NOTICE TO THE PUBLIC

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

CALL TO ORDER – PRESIDENT EVANS

ROLL CALL

In the case of an emergency, items may be added to the Agenda by a majority vote of the Board of Directors. An emergency is defined as a work stoppage; a crippling disaster; or other activity which severely imperils public health, safety, or both. Also, items which arise after the posting of the Agenda may be added by a two-thirds vote of the Board of Directors.

ADOPT AGENDA FOR THE REGULAR MEETING OF NOVEMBER 18, 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.

PRESENTATION

District staff will provide information on “Vallecitos Water District Employees Achieving Service Anniversaries” including a video presentation.

CONSENT CALENDAR

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

1.1 APPROVAL OF MINUTES (pp. 5-10)

- A. CLOSED SESSION BOARD MEETING – NOVEMBER 4, 2020
- B. REGULAR BOARD MEETING – NOVEMBER 4, 2020

Approved minutes become a permanent public record of the District.

Recommendation: Approve Minutes

1.2 WARRANT LIST THROUGH NOVEMBER 18, 2020 - \$1,070,765.89 (pp. 11-12)

Recommendation: Approve Warrant List

1.3 FINANCIAL REPORTS (pp. 13-31)

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

1.4 RESOLUTION ADOPTING THE ANNUAL PAY SCHEDULE WITH ADJUSTMENTS FOR ROUNDING REVISIONS (pp. 32-35)

A resolution to approve the pay schedule must be adopted by the Board of Directors.

Recommendation: Adopt Resolution

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

ACTION ITEM(S)

- 2.1 FISCAL YEAR 2020 AUDIT RESULTS AND COMPREHENSIVE ANNUAL FINANCIAL REPORT (pp. 36-41)

Annual audit of the District's financial statements.

Recommendation: Accept Fiscal Year 2019/20 Comprehensive Annual Financial Report

*******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*******

- 4.1 DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

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

- 5.1 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.

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, November 13, 2020.

Diane Posvar

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, NOVEMBER 4, 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
IT Manager Labarrere
Operations & Maintenance Manager Pedrazzi
Capital Facilities Senior Engineer Morgan
Asset Management Supervisor Bowman
Executive Secretary Posvar

ADOPT AGENDA FOR THE REGULAR MEETING OF NOVEMBER 4, 2020

20-11-03 MOTION WAS MADE by Director Martin, seconded by Director Hernandez, and carried unanimously, to adopt the agenda for the Regular Board Meeting of November 4, 2020.

PUBLIC COMMENT

None.

CONSENT CALENDAR

20-11-04 MOTION WAS MADE by Director Martin, seconded by Director Sannella, and carried unanimously, to approve the Consent Calendar as presented.

1.1 Approval of Minutes

- A. Closed Session Board Meeting – October 21, 2020
- B. Regular Board Meeting – October 21, 2020
- C. Closed Session Board Meeting – October 28, 2020

1.2 Warrant List through November 4, 2020 - \$10,603,092.12

1.3 Emergency Repair of Asphalt Road on Echo Lane

ACTION ITEM(S)

CONSTRUCTION CONTRACT AWARD FOR THE MRF HEADWORKS IMPROVEMENT PROJECT

Capital Facilities Senior Engineer Morgan stated the Meadowlark Reclamation Facility (MRF) headworks is responsible for grit removal and deragging before influent reaches the primary treatment basin. The existing mechanical augers in the headworks, installed in 2006, are showing decreased efficiency in grit removal and the deragging process, causing operations and maintenance deficiencies throughout MRF. This project, included in the fiscal year 2020/21 budget, will replace existing equipment, and provide increased efficiency and reliability in the headworks.

Capital Facilities Senior Engineer Morgan further stated staff received and opened bids from two contractors on October 15, 2020. Staff and counsel found minor irregularities regarding administrative paperwork in the bids that may be waived, and upon review of qualifications, references and bid forms, determined that Jamison Engineering is the lowest responsive, responsible bidder. The project will be funded 100% from sewer replacement funds and has a budget deficit of \$39,482, bringing the total cost to \$479,482.

Staff recommended the Board increase the project budget by \$39,482 for a total of \$479,482, waive the minor irregularities in the bid, and authorize the General Manager to execute a construction contract with Jamison Engineering in the amount of \$397,829, subject to the provisions of the contract.

General discussion took place regarding features of the new mechanical augers in the MRF headworks and the minor bid irregularities.

20-11-05 MOTION WAS MADE by Director Martin, seconded by President Evans, and carried unanimously, to increase the project budget by \$39,482 to total \$479,482, waive all minor bid irregularities, and authorize the General Manager to execute a construction contract with Jamison Engineering in the amount of \$397,829.

REPORTS

GENERAL MANAGER

General Manager Pruiem reported that the warrant list in the agenda packet included payment to the California Public Employees' Retirement System (PERS) as part of the Board's three-year plan to pay down the District's PERS Unfunded Accrued Liability (UAL). The payment of over \$4 million was approved by the Board in the previous year's budget cycle. The final payment toward the UAL will be discussed during the fiscal year 2021/2022 budget process.

DISTRICT LEGAL COUNSEL

Legal Counsel Gilpin commented on the waiving of bid irregularities. In general, if the irregularity relates to pricing or terms, it cannot be waived. Irregularities that do not affect pricing or terms may be deemed responsive.

SAN DIEGO COUNTY WATER AUTHORITY

President Evans stated that a virtual Special Water Planning & Environmental Committee meeting has been scheduled for 1:30 p.m. on November 12 to discuss the 2020 Urban Water Management Plan.

President Evans announced that Christy Guerin, Vice Chair of the SDCWA Board of Directors, submitted her letter of resignation to the Board yesterday.

President Evans stated she attended her final Audit Committee meeting and as Chair of the Committee, she will be presenting the final audit and budget report to the SDCWA Board on November 19. She also attended her final meeting at the Conservation Garden.

ENCINA WASTEWATER AUTHORITY

Director Hernandez stated the Capital Improvement Committee will meet later this month.

Director Martin reported on his attendance to the Policy and Finance Committee at which the Committee discussed safety improvements that are being made and received an update on the co-generation building.

STANDING COMMITTEES

None.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

Director Elitharp reported on his participation in the virtual American Water Works Association California/Nevada Section Annual Conference October 27-29.

OTHER BUSINESS

None.

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

None.

ADJOURNMENT

There being no further business to discuss, President Evans adjourned the Regular Meeting of the Board of Directors at the hour of 5:23 p.m.

20-11-06 MOTION WAS MADE by Director Sannella, seconded by Director Martin, and carried unanimously, to reconvene the Closed Session meeting pursuant to Government Code Sections 54956.9 (a), 54957, and 54956.9(1).

A Regular Meeting of the Vallecitos Board of Directors has been scheduled for Wednesday, November 18, 2020, at 5:00 p.m. via teleconference.

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

ATTEST:

Glenn Pruim, Secretary
Board of Directors
Vallecitos Water District

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

President Evans called the Closed Session meeting to order at the hour of 4:02 p.m.

Present: Director Elitharp
Director Hernandez
Director Martin (4:07 p.m.)
Director Sannella (4:20 p.m.)
Director Evans

Staff Present: General Manager Pruiam
Information Technology Supervisor Labarrere
Executive Secretary Posvar

Others Present: Athena Troy, Meyers Fozi & Dwork, LLP
Neal Meyers, Meyers Fozi & Dwork, LLP

ADOPT AGENDA FOR THE CLOSED SESSION MEETING OF NOVEMBER 4, 2020

President Evans stated she received a recommendation to modify the agenda to address Item 1.4, Conference with Legal Counsel – Existing Litigation Per Government Code Section 54956.9(1) – Case Name: Citizens Development Corporation, Inc. vs. County of San Diego, et al., Case No. 12-CV-0334-GPC (KSC), first.

20-11-01 MOTION WAS MADE by Director Hernandez, seconded by Director Elitharp, and carried unanimously, with Directors Martin and Sannella absent, to adopt the agenda for the Closed Session Meeting of November 4, 2020 as amended.

PUBLIC COMMENT

None.

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

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Per Government Code Section 54956.9(1) – Case Name: Citizens Development Corporation, Inc. vs. County of San Diego, et al., Case No. 12-CV-0334-GPC (KSC)

20-11-02 MOTION WAS MADE by President Evans, seconded by Director Elitharp, and carried unanimously, with Directors Martin and Sannella absent, to move into Closed Session pursuant to Government Code Sections 54956.9(a), 54957, and 54956.9(1).

The Board reconvened to Open Session at 4:55 p.m. President Evans adjourned the Closed Session Meeting at 4:56 p.m. One item was continued for discussion until after the conclusion of the Regular Board meeting which followed at 5:00 p.m.

The Board reconvened to Closed Session at 5:28 p.m.

REPORT AFTER CLOSED SESSION

The Board reconvened to Open Session at 5:39 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 5:40 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, November 4, 2020 at 5:00 p.m. via teleconference.

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

ATTEST:

Glenn Pruij, Secretary
Board of Directors
Vallecitos Water District

VALLECITOS WATER DISTRICT
WARRANTS LIST
November 18, 2020

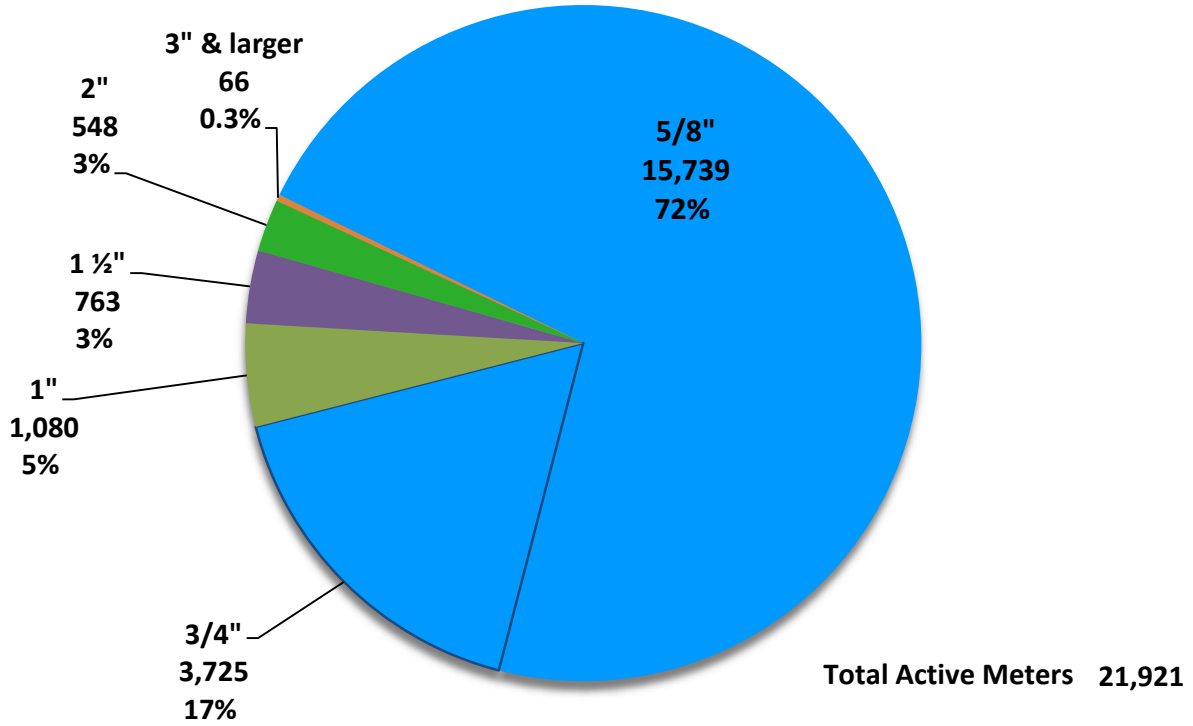
PAYEE	DESCRIPTION	CHECK#	AMOUNT
CHECKS			
Garnishments	Payroll Garnishments 120240 through	120241	-
Best Best & Krieger	Legal Svcs - July	120242	56,931.54
Raftelis Financial Consultants Inc.	Water Cost of Service Study	120243	4,057.50
Richard W. Gittings	Hillside Development - October & Rincon Reimbursement	120244	5,296.25
Accurate Measurement Systems	N. Twin Oaks Tank Refurbishment Prj 20191-3	120245	1,732.10
ACWA/Joint Powers Insurance	Medical Insurance - Nov	120246	211,821.69
Adkins Bee Removal	Bee Removals - 3	120247	450.00
AIS Specialty Products, Inc.	Copier Lease	120248	1.48
Allied Fluid Products Corp	Chlorine System Feed Tubing - MRF	120249	6,969.49
American Water Works Assn	Cert Renewal - E Pedrazzi	120250	100.00
American Water Works Assn	Membership Renewal 2021	120251	4,142.00
Fieldman, Rolapp & Associates, Inc.	Continuing Disclosure Annual Report	120252	526.50
Barry Valentine	Closed Account Refund	120253	126.66
Ben Moore	Closed Account Refund	120254	24.71
CA Dept of Forestry/Fire Protection	Crew Work - July	120255	2,262.32
Capital Industrial Coatings LLC	Closed Account Refund	120256	1,100.00
Chris Bland	Closed Account Refund	120257	39.05
Core-Rosion Products	Deposit - 1,150 Gallon Safe Tank - MRF	120258	2,548.00
County of San Diego	Facility Permit - District HQ	120259	2,484.00
CWEA	Membership Renewal - C Harrell	120260	192.00
Dean's Certified Welding Inc	Welding Svcs - 8 Inch Pipe	120261	1,920.00
DirecTV Inc	Satellite Svcs - Nov	120262	77.54
Domenic C. & Laura Baccini	Closed Account Refund	120263	22.78
Edco Waste & Recycling Serv	Trash Svc - Oct	120264	895.10
Emcor Service	Svc - HVAC Chiller	120265	687.00
Employment Screening Services Inc	Employment Screening Svcs	120266	118.00
Ferguson Enterprises, Inc	Couplings 9, Repair Clamps 3, Air Vac Enclosures 3, Fire Hydrant Valve & Lateral	120267	14,255.05
Flo Systems Inc	Spare Parts For Influent Pumps - MRF	120268	4,847.14
JCI Jones Chemicals Inc	Chlorine	120269	2,043.21
Karma Capital 2 LLC	Closed Account Refund	120270	57.36
Knight Security & Fire Systems	Answering, Monitoring, & Patrol Svcs - Nov	120271	656.69
Lawnmowers Plus Inc	Brush Cutter, Hardware Supplies	120272	724.09
Left Coast Window Cleaning	MRF Disinfecting & Cleaning Svcs - Nov & HQ Disinfecting Svcs - Nov	120273	4,693.13
Matias Labarrere	CISSP Cert Renewal	120274	125.00
NV5 West Inc	Closed Account Refund	120275	954.71
Ostari Inc	District Wide SCADA Upgrade Prj 20201-4, CISCO Switches MRF Trailer	120276	8,324.92
Parkhouse Tire Inc	Tire Stock - 6	120277	909.23
Petty Cash Custodian	Petty Cash	120278	696.93
Pitney Bowes	Mail System Lease Aug - Nov	120279	601.80
Pitney Bowes	Postage Meter Refill	120280	1.97
Richard & Richard Construction	Closed Account Refund	120281	447.11
Rick Post Welding	Welding Svcs	120282	697.50
SDG&E	Power - Oct	120283	21,801.03
Southern Counties Lubricants, LLC	Diesel Fuel, Annual Oil Sample Kits	120284	1,360.33
Sparling Instruments LLC	Annual Calibration - 20 Flow Meters	120285	3,084.48
Standard Insurance Company	LIFE, LTD & ADD Insurance June - Nov	120286	5,930.61
Staples Advantage	Office Supplies - Oct	120287	143.75
State Water Resources Control Board	Operator Cert Renewal - M Wiese	120288	255.00
Sunbelt Rentals Inc	Manlift Rental	120289	516.25
Tatiana Gorman	Closed Account Refund	120290	18.88
Thyssen Krupp Elevator	Elevator Maintenance Nov - Jan	120291	1,060.58
Tony's Custom Upholstery	Veh 240 - Seat Upholstery	120292	230.81
Unitis, Inc.	Water Softening Salt	120293	1,635.29
UPS	Shipping Svcs - Oct	120294	47.29
Urban Water Institute Inc	Annual Membership Fees	120295	500.00
Verizon Wireless	Ipad Svc - Oct	120296	380.10
Veronica Flores	Self Improvement Program	120297	227.92
Versatile Systems Inc.	Fall Protection Supplies For 3 Tanks - Towne Center, Trussell Hatch, Twin Oaks	120298	5,682.21
Work Partners Occupational Health Specialists	Medical Services - Sept	120299	800.00
Yzelt Rumbo	Closed Account Refund	120300	101.62
ASCE	Membership Renewal 2021	120301	295.00
Boot Barn	Safety Boots - 4 Pairs	120302	586.08
C.A.S.A.	Membership Renewal 2021	120303	17,100.00
Capital Industrial Coatings, LLC	North Twin Oaks Tank Prj 20191-3	120304	31,240.75
CCI	Water Treatment - Oct	120305	220.00
CDW Government Inc	Camera Memory Cards 4, Pole Mounts 2	120306	706.96
Chandler Asset Management, Inc.	Investment Management Svcs - Oct	120307	3,954.13
Clarkson Laboratory & Supply	Soil Analysis Prj 20141-4	120308	1,716.00
Commercial Mobile Systems	Temporary Trailer MRF Prj 20211-850	120309	511.82
County of San Diego	2020 Election Costs Deposit	120310	45,000.00
Doane & Hartwig Water Systems Inc	Hardware Supplies	120311	334.23
Electrical Sales Inc	Fan Kit For CL2 VFD Enclosure	120312	457.59
EnviroSupply & Service, Inc	Carbon - Odor Control	120313	6,396.00

VALLECITOS WATER DISTRICT
WARRANTS LIST
November 18, 2020

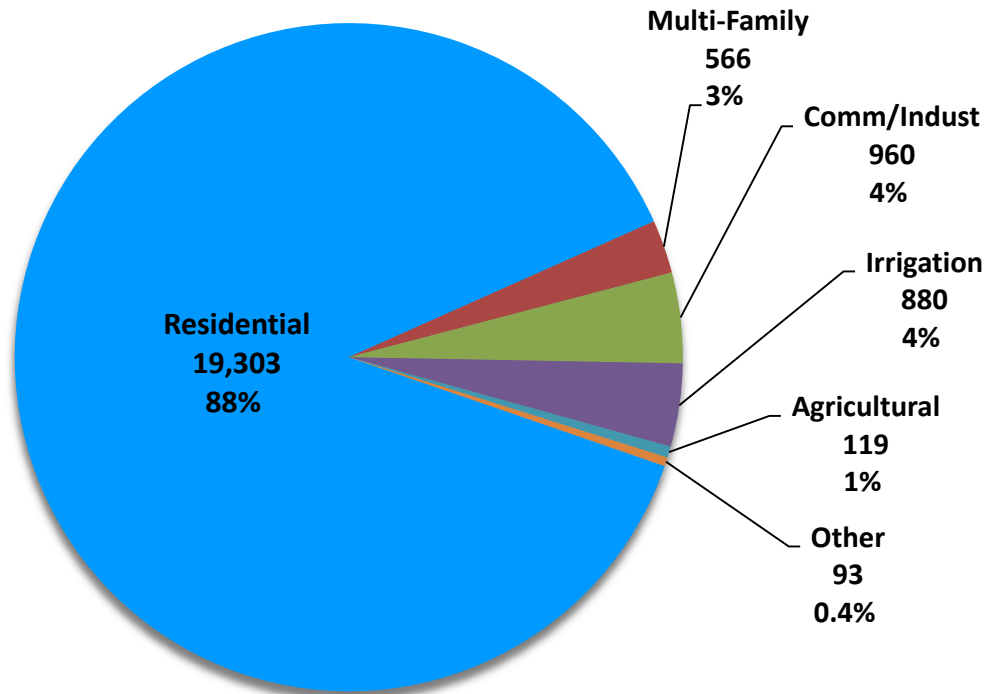
PAYEE	DESCRIPTION	CHECK#	AMOUNT
Fleet Pride	Generator Svcs & Materials - MRF	120314	1,127.21
Grainger Inc	Hardware Supplies	120315	341.19
Haaker Equipment Co.	Front Hose Guide Roller Assembly Reel & Installation Veh 240	120316	6,872.61
Hach Company	Calibration Supplies, Sensor Caps, Nitrate Strips - MRF	120317	1,677.51
Harrington Industrial	Hardware Supplies	120318	125.27
Infosend Inc	Postage & Printing, Support Fee - Oct	120319	5,595.69
Inland Kenworth Us Inc	Actuator - Veh 259	120320	409.54
Interstate Batteries	Vehicle Batteries - 5	120321	748.21
Joe's Paving Co Inc	Asphalt Svcs - 1,548 Sq. Ft	120322	11,999.74
Kaman Industrial Technologies	Hardware Supplies	120323	337.82
Mallory Safety & Supply, LLC	Gloves & Safety Glasses	120324	1,256.77
Marcon Products Inc	Sanitary Sewer Overflow Training Facility Prj 20211-18	120325	1,713.18
Mission Resource Conservation District	Water Use Evaluations - 4 Prj 20211-42	120326	136.50
O.G. Supply Inc	Meter Gasket Stock	120327	567.00
Pacific Pipeline Supply	Sanitary Sewer Overflow Training Facility Prj 20211-18	120328	2,097.98
Peneco, Inc.	Calcium Nitrate	120329	55,925.48
Recycled Aggregate Materials Co Inc	Concrete Recycling	120330	100.00
Rely Environmental	Fuel Island Maintenance - Nov	120331	199.50
Scada Integrations	SCADA Computer Restoration - MRF	120332	1,445.00
T.S. Industrial Supply	Broom & Paint Material Stock, Hardware Supplies	120333	1,765.82
Talley Communications	Coax Cables & Connectors SCADA Upgrade Prj 20201-4	120334	1,170.95
Umetech, Inc.	SSRS & SQL Consulting Svcs - Oct	120335	237.50
Underground Service Alert	Dig Alert Svc & CA State Fee Regulatory Costs - Oct	120336	657.80
Unifirst Corporation	Uniform Delivery	120337	1,588.99
Week Analytical Environmental Services, Inc.	Water Sampling	120338	1,160.00
Total Disbursements (97 Checks)			596,113.52
WIRES			
Public Employees Retirement System	Retirement Contribution - November 3, 2020 Payroll	Wire	81,095.84
PAYROLL			
Total direct deposits		Wire	248,890.23
VWD Employee Association		120240	578.00
Payroll & Garnishments		120241	1,182.90
IRS	Federal payroll tax deposits	Wire	97,013.61
Employment Development Department	California payroll tax deposit	Wire	19,314.72
CalPERS	Deferred compensation withheld	Wire	18,844.96
VOYA	Deferred compensation withheld	Wire	7,732.11
Total November 3, 2020 Payroll Disbursements			393,556.53
TOTAL DISBURSEMENTS			1,070,765.89

Vallejos Water District
 Active Water Meters
 October 31, 2020

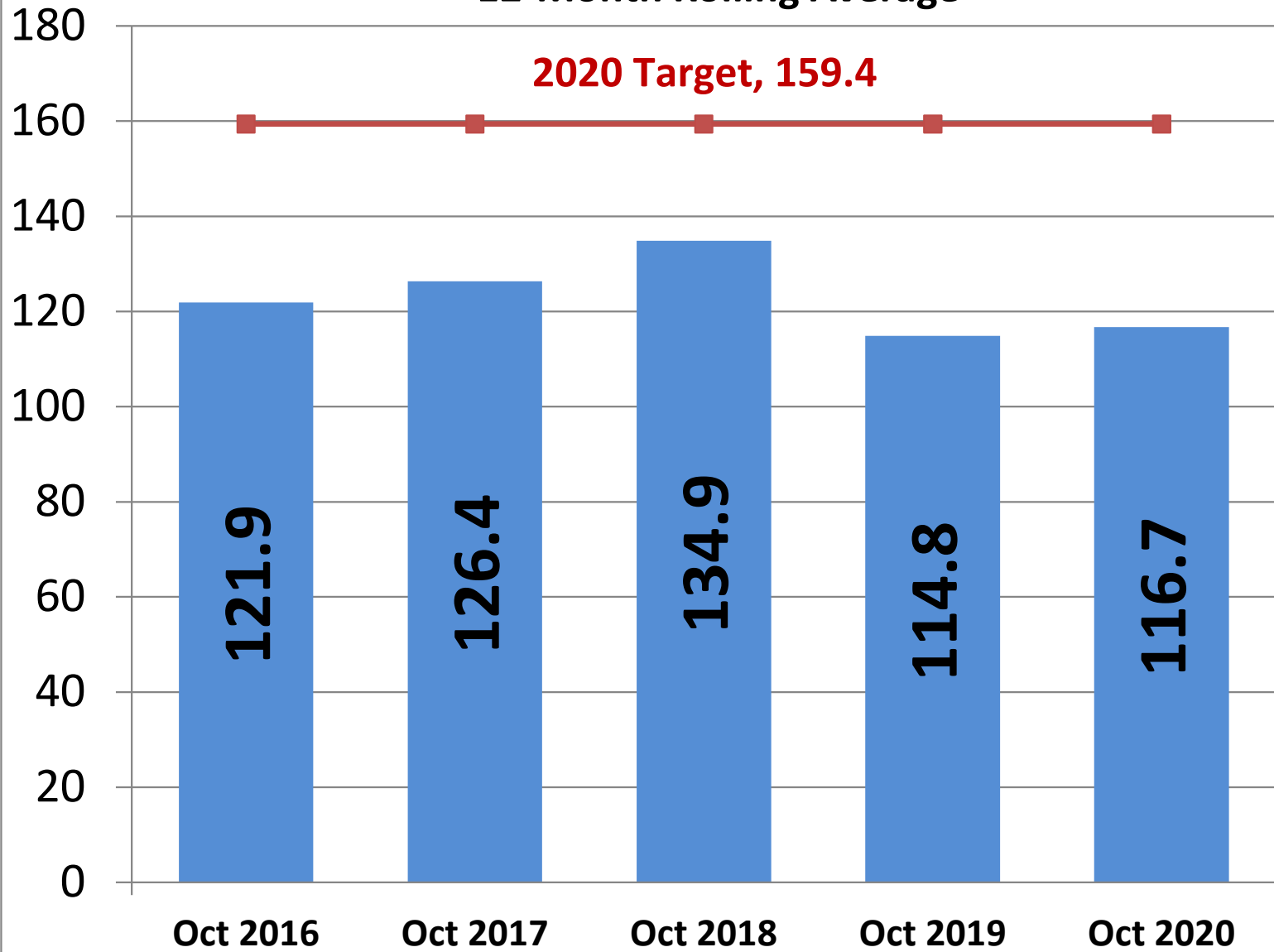
Active Meters by Size as of October 31, 2020



Active Meters by Type as of October 31, 2020

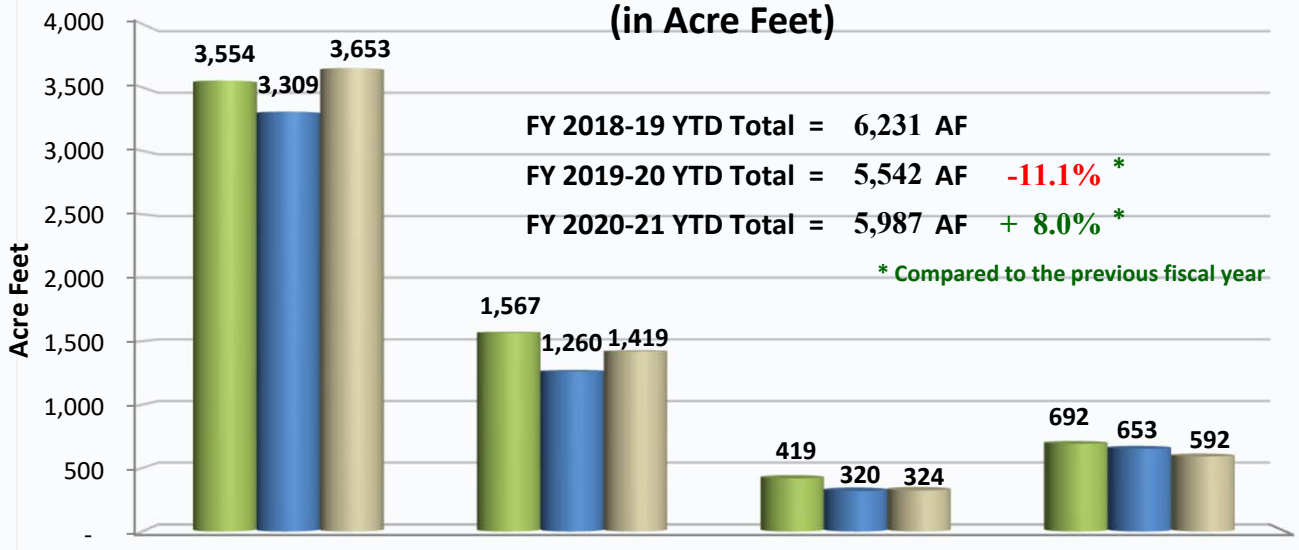


Gallons per Capita per Day 12-Month Rolling Average



Vallejos Water District
 Water Production/Sales
 October 31, 2020

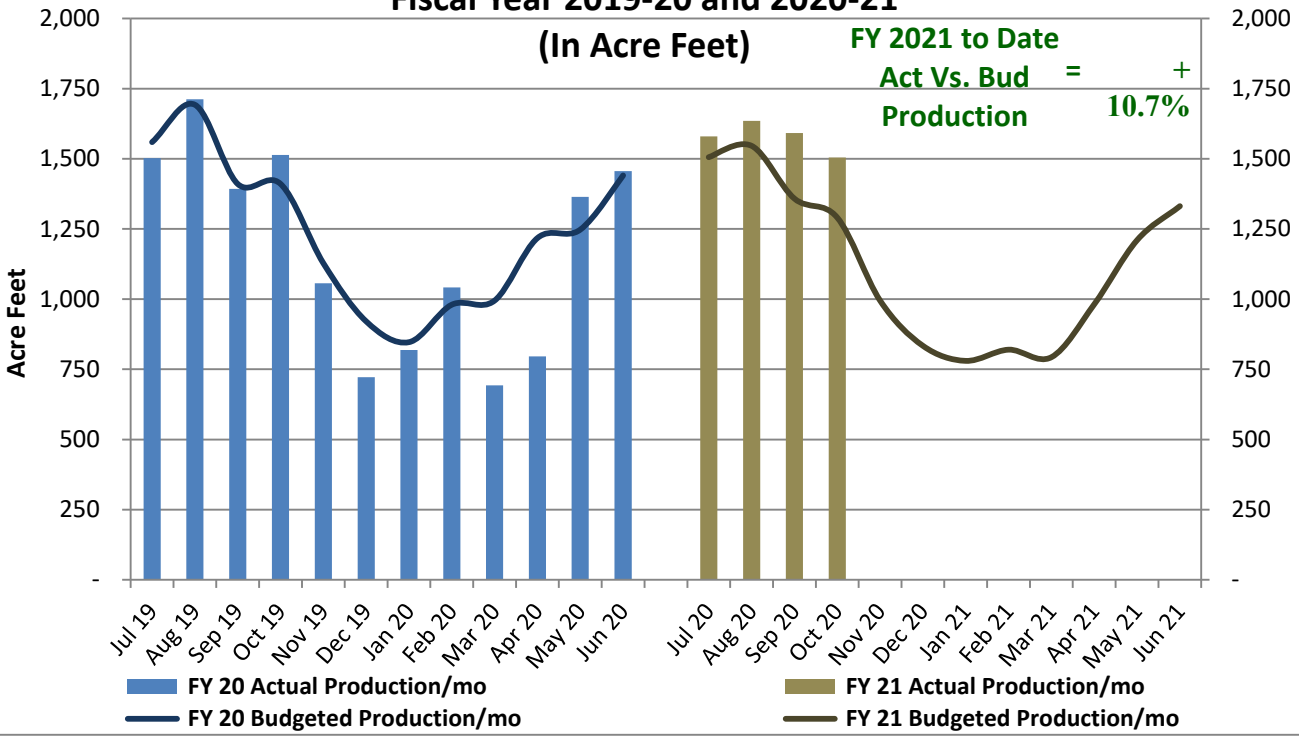
Water Sales FY 18-19, FY 19-20 and FY 20-21 (FYTD)
 (in Acre Feet)



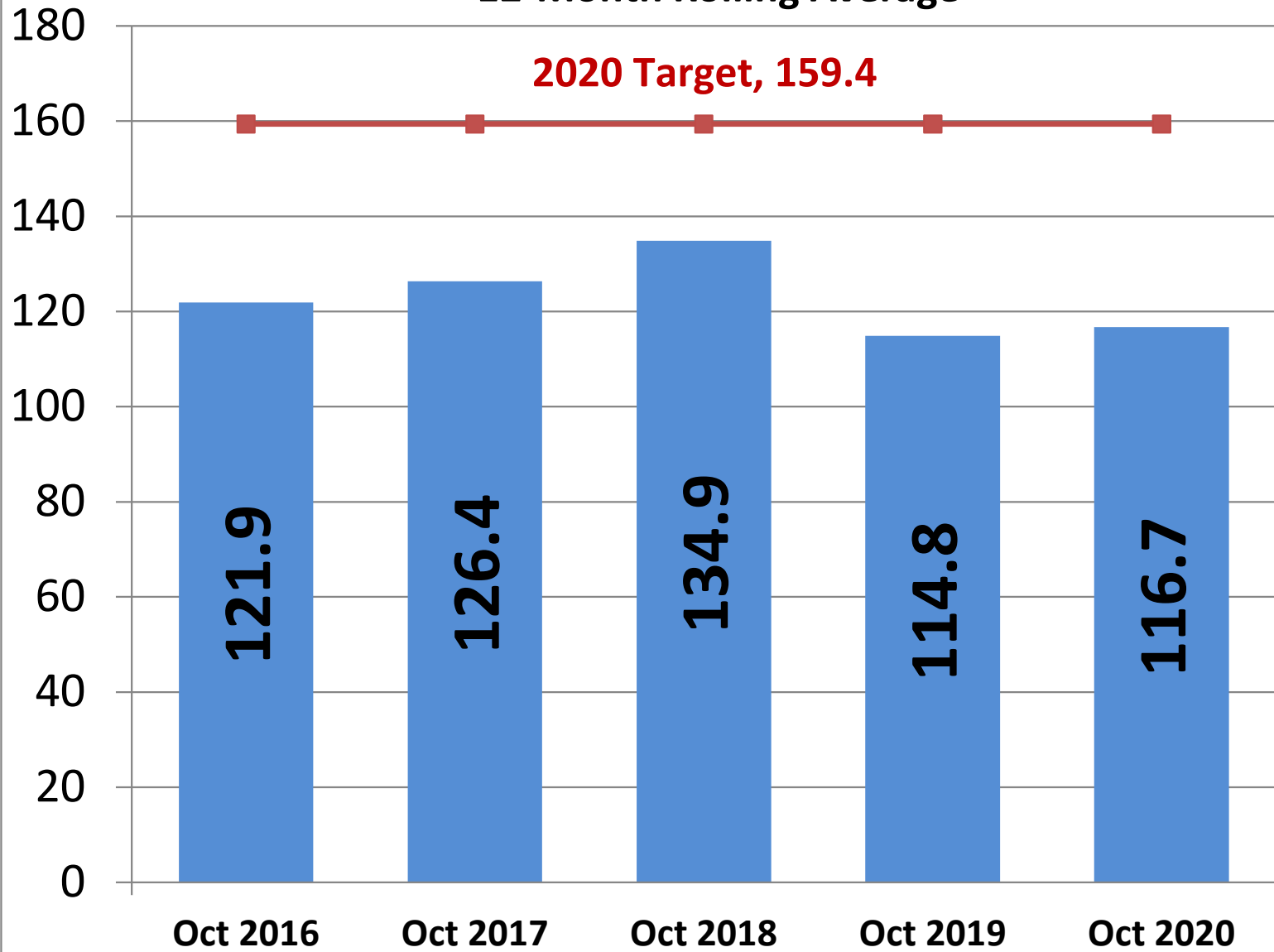
FY 2018-19 YTD Total = 6,231 AF
 FY 2019-20 YTD Total = 5,542 AF **-11.1% ***
 FY 2020-21 YTD Total = 5,987 AF **+ 8.0% ***
 * Compared to the previous fiscal year

	Residential	Irrigation	Agricultural	Commer/ Indust/ Construct/ Other
FY 2018-19	3,554	1,567	419	692
FY 2019-20	3,309	1,260	320	653
FY 2020-21	3,653	1,419	324	592

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



Gallons per Capita per Day 12-Month Rolling Average



Vallecitos Water District
Water Revenue and Expense Report
For the Four Months Ended October 31, 2020

	Current Year Actual	Prior Year Actual			Current Year Budget		
		Amount	Variance		Amount	Variance	
			\$	%		\$	%
Revenue							
Water Sales	\$ 13,850,966	\$ 12,159,375	\$ 1,691,591	13.9%	\$ 11,294,000	\$ 2,556,966	22.6%
Ready-to-serve	4,866,880	4,776,494	90,386	1.9%	4,818,000	48,880	1.0%
Pumping cost recovery	188,762	165,046	23,716	14.4%	175,000	13,762	7.9%
Late & lock charges	95,600	119,138	(23,538)	-19.8%	19,000	76,600	403.2%
Backflow fees	35,234	31,959	3,275	10.2%	36,000	(766)	-2.1%
Other revenue	41,664	40,733	931	2.3%	97,800	(56,136)	-57.4%
Total Revenue	19,079,106	17,292,745	1,786,361	10.3%	16,439,800	2,639,306	16.1%
Expenses							
Water costs	11,894,130	11,410,633	483,497	4.2%	10,170,000	1,724,130	17.0%
Pumping costs	286,407	292,799	(6,392)	-2.2%	439,000	(152,593)	-34.8%
Water quality	34,694	37,341	(2,647)	-7.1%	68,000	(33,306)	-49.0%
Water treatment	159,734	186,519	(26,785)	-14.4%	155,000	4,734	3.1%
Tanks & reservoirs	64,010	146,735	(82,725)	-56.4%	155,000	(90,990)	-58.7%
Trans & distribution	632,770	567,268	65,502	11.5%	625,000	7,770	1.2%
Services	23,207	16,424	6,783	41.3%	25,000	(1,793)	-7.2%
Meters	247,641	246,482	1,159	0.5%	244,000	3,641	1.5%
Backflow prevention	29,603	17,738	11,865	66.9%	21,000	8,603	41.0%
Customer accounts	220,978	199,540	21,438	10.7%	345,000	(124,022)	-35.9%
Building & grounds	130,264	111,136	19,128	17.2%	139,000	(8,736)	-6.3%
Equipment & vehicles	81,817	77,350	4,467	5.8%	104,000	(22,183)	-21.3%
Engineering	463,864	511,598	(47,734)	-9.3%	541,000	(77,136)	-14.3%
Safety & compliance	63,848	68,941	(5,093)	-7.4%	96,000	(32,152)	-33.5%
Information Technology	278,837	308,001	(29,164)	-9.5%	362,000	(83,163)	-23.0%
General & administrative	650,107	967,405	(317,298)	-32.8%	1,029,000	(378,893)	-36.8%
Total Expenses	15,261,911	15,165,910	96,001	0.6%	14,518,000	743,911	5.1%
Net Operating Income	\$ 3,817,195	\$ 2,126,835	1,690,360	79.5%	\$ 1,921,800	1,895,395	98.6%

Explanation of Significant Variances

Water sales show a favorable budget variance due to higher than anticipated sales in the summer months due to hotter than average temperatures and increased residential usage due to COVID-19.

Late & lock charges are higher than budget due to customers paying late charges at a higher rate than anticipated during COVID-19.

Other revenue has an unfavorable budget variance as a result of less than anticipated recovery and reimbursements during the year thus far.

Pumping costs have a favorable budget variance thus far this year due to less than anticipated outside services being performed and lower power costs.

Tanks and reservoirs has a favorable prior year variance as a result of less labor costs and outside repair costs. The **Tanks and reservoirs** favorable budget variance is due to less than anticipated labor costs and outside repair costs during the year thus far.

Customer accounts has a favorable budget variance due to less than anticipated bad debt expense when compared to COVID-19 projections.

Information technology has a favorable budget variance due to timing of outside services being performed.

General & administrative has a favorable prior year and budget variance as a result more labor charged to projects this year and greater than anticipated labor charged to projects during the current fiscal year.

Variances are considered significant if they exceed \$33333 and 20%.

Vallecitos Water District
Sewer Revenue and Expense Report
For the Four Months Ended October 31, 2020

	Current Year Actual	Prior Year Actual			Current Year Budget		
		Amount	Variance		Amount	Variance	
			\$	%		\$	%
Revenue							
Sewer service charges	\$6,118,326	\$6,211,742	\$ (93,416)	-1.5%	\$5,738,000	\$ 380,326	6.6%
Reclaimed water sales	931,333	822,000	109,333	13.3%	933,000	(1,667)	-0.2%
Other revenue	34,003	24,593	9,410	38.3%	33,000	1,003	3.0%
Total Revenue	<u>7,083,662</u>	<u>7,058,335</u>	25,327	0.4%	<u>6,704,000</u>	379,662	5.7%
Expenses							
Collection & conveyance	786,162	771,962	14,200	1.8%	784,000	2,162	0.3%
Lift stations	118,843	67,177	51,666	76.9%	98,000	20,843	21.3%
Source control	47,210	53,612	(6,402)	-11.9%	68,000	(20,790)	-30.6%
Effluent disposal	870,579	1,171,667	(301,088)	-25.7%	1,015,000	(144,421)	-14.2%
Meadowlark	850,992	841,665	9,327	1.1%	1,034,000	(183,008)	-17.7%
Customer Accounts	135,417	131,794	3,623	2.7%	200,000	(64,583)	-32.3%
Building & grounds	75,657	60,170	15,487	25.7%	102,000	(26,343)	-25.8%
Equipment & vehicles	56,851	67,860	(11,009)	-16.2%	75,000	(18,149)	-24.2%
Engineering	233,467	195,846	37,621	19.2%	250,000	(16,533)	-6.6%
Safety & compliance	38,759	49,505	(10,746)	-21.7%	66,000	(27,241)	-41.3%
Information technology	245,726	241,411	4,315	1.8%	276,000	(30,274)	-11.0%
General & administrative	446,156	421,336	24,820	5.9%	468,000	(21,844)	-4.7%
Total Expenses	<u>3,905,819</u>	<u>4,074,005</u>	(168,186)	-4.1%	<u>4,436,000</u>	(530,181)	-12.0%
Net Operating Income	<u>\$3,177,843</u>	<u>\$2,984,330</u>	193,513	6.5%	<u>\$2,268,000</u>	909,843	40.1%

Explanation of Significant Variances

Lift stations has an unfavorable prior year variance due to anticipated increases in materials and supplies being used this year.

The *Effluent disposal* has a favorable prior year variance due to a change in accounting for EWA's CalPERS additional discretionary payments which moved them from operating expenses to a direct reduction from reserves for this fiscal year.

Customer accounts has a favorable budget variance due to less than anticipated bad debt expense when compared to COVID-19 projections.

Variances are considered significant if they exceed \$33333 and 20%.

VALLECITOS WATER DISTRICT

RESERVE ACTIVITY FOR THE FOUR MONTHS ENDED OCTOBER 31, 2020

	110 Water 120		210 Wastewater 220		Total
	Replacement	Capacity	Replacement	Capacity	
BEGINNING BALANCE	\$ 37,926,769	\$ (8,191,036)	\$ 59,840,514	\$ (7,282,511)	\$ 82,293,735
REVENUES					
FY 20/21 Operating Transfers	3,817,195		3,177,843		6,995,038
Capital Facility Fees	-	436,050	-	686,717	1,122,766
Investment Earnings	280,900	-	281,942	-	562,842
Property Tax	93,917	-	75,656	-	169,573
Annexation Fees	85,641	-	13,060	-	98,701
TOTAL REVENUES	<u>4,277,653</u>	<u>436,050</u>	<u>3,548,500</u>	<u>686,717</u>	<u>8,948,920</u>
LESS DISTRIBUTIONS					
Capital Projects					
Encina Wastewater Authority Five Year Plan	-	-	3,768,979	-	3,768,979
San Marcos interceptor sewer	-	-	129,903	289,137	419,040
North Twin Oaks Tank 1 Refurbishment	389,652	-	-	-	389,652
District-Wide SCADA Upgrade Project	47,018	-	45,174	-	92,192
MRF Grinder Pump 1	-	-	72,894	-	72,894
South Lake - Ultrasonic Algae Control System	59,740	-	-	-	59,740
District-Wide Valve Replacement Program	44,232	-	-	-	44,232
District Wide Solar Project	18,784	-	18,047	-	36,831
Sewer Rehabilitation And Repairs	-	-	32,775	-	32,775
Septage Hauler Disposal Siting Study	-	-	29,981	-	29,981
MRF Biological Selector Improvements	-	-	28,838	-	28,838
16-Inch Emergency Bypass Pipeline Rehabilitation	-	-	20,153	-	20,153
Asset Management Replacement Schedule	8,442	-	8,110	-	16,552
MRF Headworks - Upgrade/Replace Equipment	-	-	15,905	-	15,905
Failsafe Buena Sewer Outfall Condition Assessment	-	-	13,738	-	13,738
Audiovisual Upgrade	6,988	-	6,714	-	13,702
District Wide Valve Replacement	10,651	-	-	-	10,651
Tres Amigos Water Line Replacement Phase 1	9,988	-	-	-	9,988
Wireless Radio Network Upgrades	3,386	-	3,253	-	6,638
Land Outfall West Condition Assessment	-	-	6,004	-	6,004
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
MRF - AT&T Phone Line Relocation	-	-	3,129	-	3,129
Palos Vista Pump Station - Motor Starter Upgrade	1,494	-	-	-	1,494
Encina Land Parallel Outfall	-	-	-	1,130	1,130
MRF - Tertiary Influent Chamber Repairs	-	-	1,064	-	1,064
All other capital projects	95	-	1,717	-	1,812
Total Capital Project Expenditures	609,775	-	4,213,181	291,465	5,114,420
Capital Budget - Vehicles/Mobile Equipmnt	13,852	-	313,359	-	327,211
Debt Service	-	-	-	996,759	996,759
Fund PERS UAL	2,456,470	-	1,570,530	-	4,027,000
Interest Expense	-	46,245	-	43,984	90,229
TOTAL DISTRIBUTIONS	<u>3,080,098</u>	<u>46,245</u>	<u>6,097,069</u>	<u>1,332,208</u>	<u>10,555,619</u>
ENDING BALANCE	\$ 39,124,324	\$ (7,801,232)	\$ 57,291,945	\$ (7,928,002)	\$ 80,687,035
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>\$ 32,813,924</u>	<u>\$ (7,801,232)</u>	<u>\$ 50,728,145</u>	<u>\$ (7,928,002)</u>	<u>\$ 67,812,835</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 OCTOBER 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 October follows:

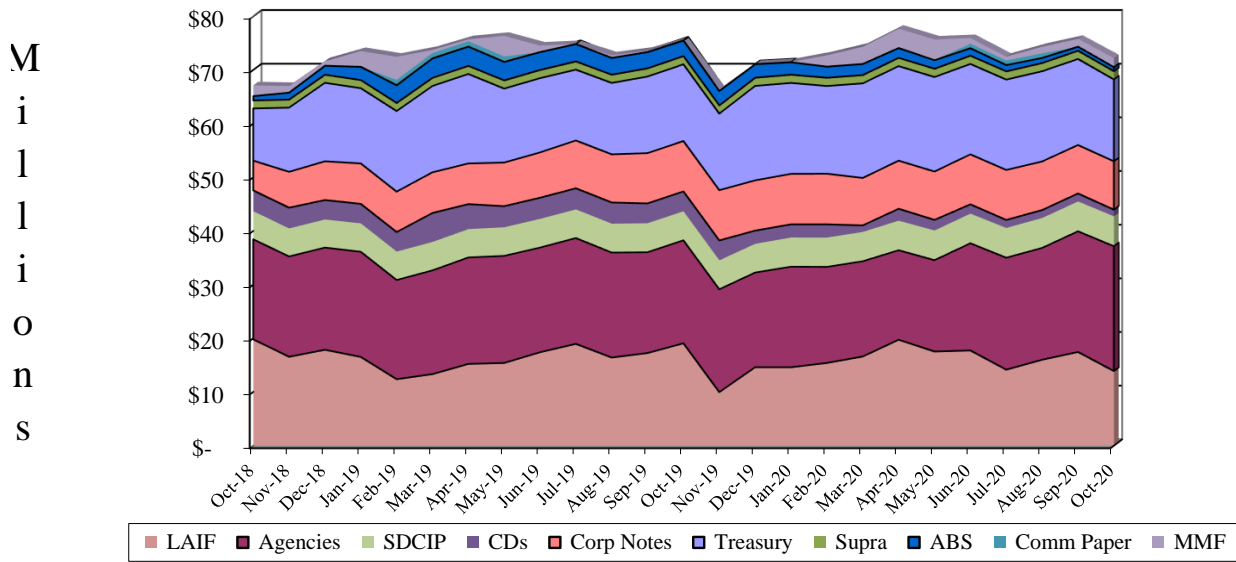
<u>Date</u>	<u>Activity</u>	<u>Investment</u>	<u>Amount</u>	<u>Maturity</u>	<u>Yield</u>
10/01/20	Withdrawal	LAIF	(600,000)	Open	0.62%
10/09/20	Deposit	LAIF	700,000	Open	0.62%
10/13/20	Purchased	Toyota Auto Rec	219,959	01/15/25	0.35%
10/15/20	Sold	NAR 2016-C A4	(72,862)	01/17/23	1.38%
10/15/20	Sold	TAOT 2017-B CLA3	(3,435)	07/15/21	1.76%
10/15/20	Sold	JDOT 2017-B A3	(13,446)	10/15/21	1.82%
10/15/20	Sold	TAOT 2019-A A2A	(26,424)	10/15/21	2.83%
10/15/20	Sold	JDOT 2019-A A2	(24,588)	12/15/21	2.85%
10/15/20	Interest	LAIF	35,049	Open	0.62%
10/15/20	Withdrawal	LAIF	(2,500,000)	Open	0.62%
10/16/20	Purchased	FHLMC	821,923	10/16/23	0.13%
10/16/02	Deposit	LAIF	900,000	Open	0.62%
10/19/20	Sold	HAROT 2017-3 A3	(15,553)	09/20/21	1.79%
10/19/20	Sold	HAROT 2019-1 A2	(34,438)	09/20/21	2.75%
10/20/20	Sold	Honda Auto Rec	(6,667)	05/18/22	3.01%
10/21/20	Sold	HAROT 2018-3 A3	(11,683)	08/22/22	2.95%
10/21/20	Deposit	LAIF	800,000	Open	0.62%
10/26/20	Matured	Discover Bank of Canada CD	(245,000)	10/26/20	1.50%
10/28/20	Withdrawal	LAIF	(2,900,000)	Open	0.62%
10/31/20	Matured	US Treasury Note	(750,000)	10/31/20	1.75%
Change in investments during the month			<u>\$ (3,727,166)</u>		

	<u>Current</u>
Weighted average annual yield for total Vallecitos investments	1.490%
Weighted average days to maturity	478

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 September 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 September 30, 2020. Fair values for federal agency obligations and corporate notes are provided by Union Bank trust account reporting

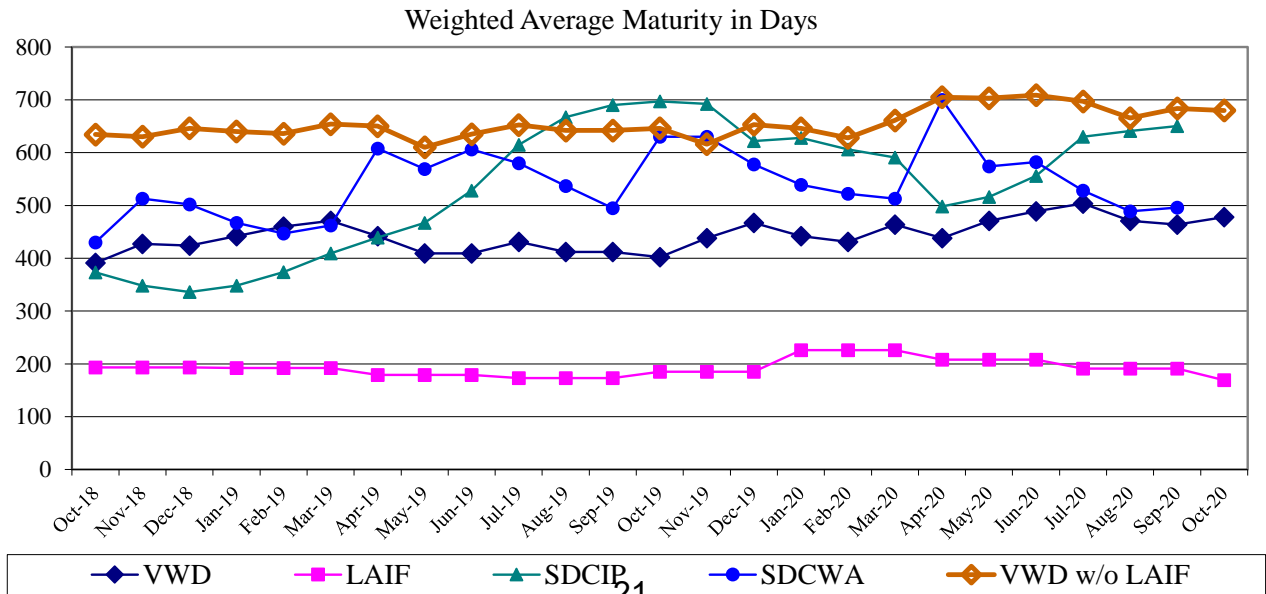
Safety

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.



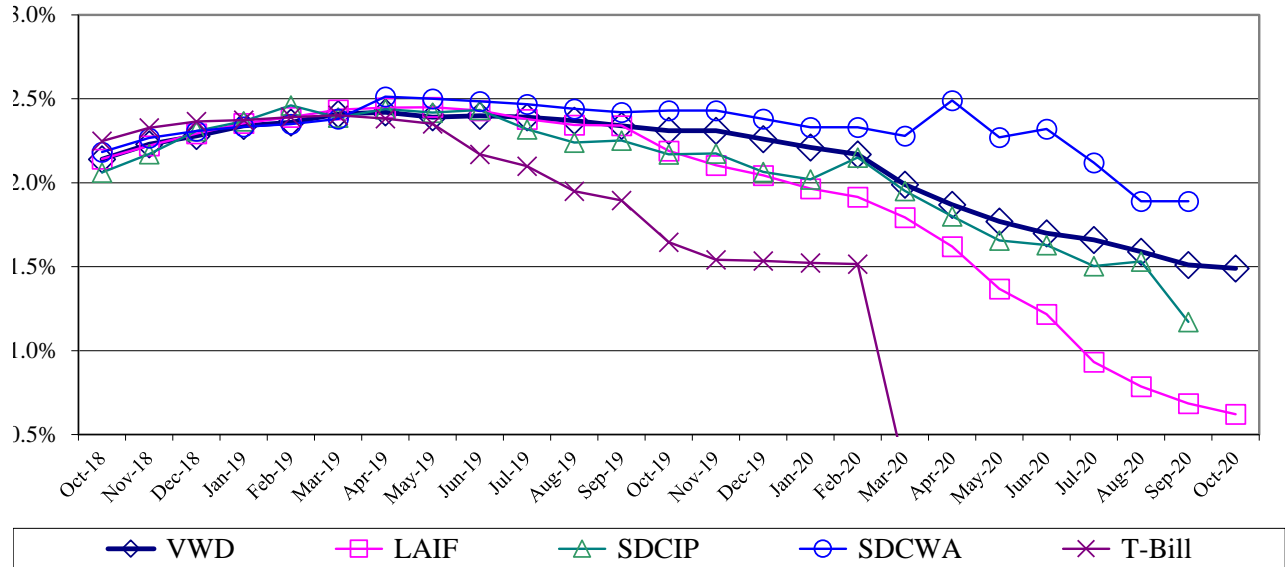
Liquidity

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 \$13.9 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	1.31
Average Coupon	1.49%
Average Purchase YTM	1.49%
Average Market YTM	0.39%
Average S&P/Moody Rating	AA+/Aa1
Average Final Maturity	1.37 yrs
Average Life	1.34 yrs

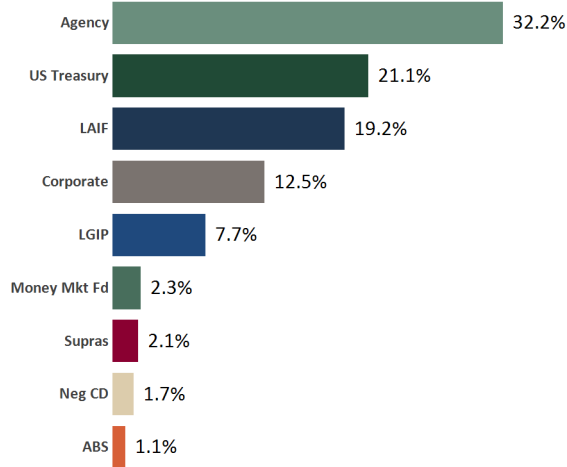
ACCOUNT SUMMARY

	Beg. Values as of 9/30/20	End Values as of 10/31/20
Market Value	76,793,078	72,198,813
Accrued Interest	255,916	248,104
Total Market Value	77,048,994	72,446,917
Income Earned	88,501	88,603
Cont/WD		
Par	75,328,825	70,818,742
Book Value	75,479,278	70,967,416
Cost Value	75,334,655	70,838,121

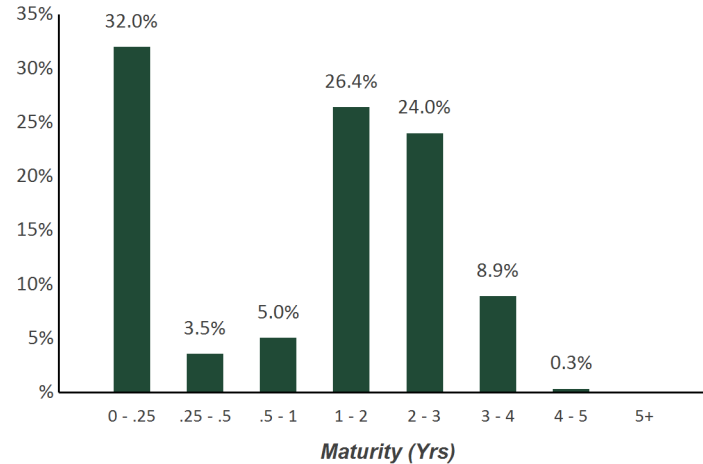
TOP ISSUERS

Government of United States	21.1%
Local Agency Investment Fund	19.2%
Federal Farm Credit Bank	9.2%
Federal Home Loan Mortgage Corp	8.9%
Federal Home Loan Bank	7.8%
County of San Diego Pooled Inve	7.7%
Federal National Mortgage Assoc	6.3%
Dreyfus Treasury and Agency	2.3%
Total	82.5%

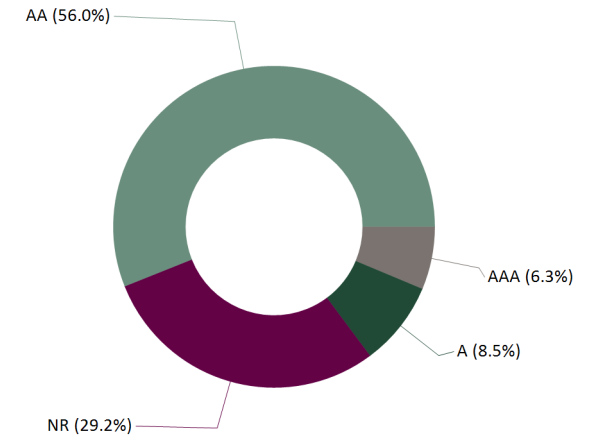
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



Vallecitos Water District Consolidated Account

Account #10594

Holdings Report

As of October 31, 2020



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
ABS									
43814PAC4	Honda Auto Receivables Trust 2017-3 A3 1.79% Due 9/20/2021	24,636.88	12/11/2018 2.73%	24,317.37 24,534.90	100.12 0.42%	24,666.07 15.93	0.03% 131.17	NR / AAA AAA	0.89 0.09
43814WAB1	Honda Auto Receivables Trust 2019-1 A2 2.75% Due 9/20/2021	38,742.57	02/19/2019 2.77%	38,740.07 38,741.71	100.15 0.51%	38,801.89 38.47	0.05% 60.18	NR / AAA AAA	0.89 0.07
47788BAD6	John Deere Owner Trust 2017-B A3 1.82% Due 10/15/2021	850.80	11/14/2018 3.14%	839.07 846.96	100.06 0.47%	851.28 0.69	0.00% 4.32	Aaa / NR AAA	0.96 0.04
89239AAB9	Toyota Auto Receivables Trust 2019-A A2A 2.83% Due 10/15/2021	18,278.91	02/05/2019 2.85%	18,277.25 18,278.32	100.10 0.41%	18,297.32 22.99	0.03% 19.00	Aaa / AAA NR	0.96 0.04
47789JAB2	John Deere Owner Trust 2019-A A2 2.85% Due 12/15/2021	21,713.23	03/05/2019 2.87%	21,712.24 21,712.83	100.11 0.21%	21,737.09 27.50	0.03% 24.26	Aaa / NR AAA	1.12 0.04
43814UAG4	Honda Auto Receivables Trust 2018-2 A3 3.01% Due 5/18/2022	50,908.49	05/22/2018 3.03%	50,907.38 50,908.06	101.05 0.35%	51,441.81 55.33	0.07% 533.75	NR / AAA AAA	1.55 0.39
43815HAC1	Honda Auto Receivables Trust 2018-3 A3 2.95% Due 8/22/2022	114,608.27	08/21/2018 2.98%	114,592.54 114,601.15	101.25 0.43%	116,043.05 93.92	0.16% 1,441.90	Aaa / NR AAA	1.81 0.49
47789KAC7	John Deere Owner Trust 2020-A A3 1.1% Due 8/15/2024	275,000.00	03/04/2020 1.11%	274,983.20 274,985.64	101.25 0.43%	278,429.80 134.44	0.38% 3,444.16	Aaa / NR AAA	3.79 0.05
89236XAC0	Toyota Auto Receivables 2020-D A3 0.35% Due 1/15/2025	220,000.00	10/06/2020 0.36%	219,959.01 219,959.51	99.98 0.29%	219,959.51 38.50	0.30% 0.00	NR / AAA AAA	4.21 2.07
Total ABS		764,739.15	1.53%	764,328.13 764,569.08	0.38%	770,227.82 427.77	1.06% 5,658.74	Aaa / AAA AAA	3.08 0.72
AGENCY									
3133EJ3B3	FFCB Note 2.8% Due 12/17/2021	1,000,000.00	12/26/2018 2.70%	1,002,780.00 1,001,052.10	102.96 0.17%	1,029,595.00 10,422.22	1.44% 28,542.90	Aaa / AA+ AAA	1.13 1.11
3135G0U92	FNMA Note 2.625% Due 1/11/2022	500,000.00	03/05/2019 2.60%	500,350.00 500,146.45	102.92 0.18%	514,600.00 4,010.42	0.72% 14,453.55	Aaa / AA+ AAA	1.20 1.17
3137EADB2	FHLMC Note 2.375% Due 1/13/2022	1,000,000.00	03/25/2020 0.63%	1,031,090.00 1,020,695.17	102.65 0.17%	1,026,475.00 7,125.00	1.43% 5,779.83	Aaa / AA+ AAA	1.20 1.18



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
3133EKBV7	FFCB Note 2.55% Due 3/1/2022	750,000.00	02/27/2019 2.55%	750,075.00 750,033.19	103.14 0.19%	773,524.50 3,187.50	1.07% 23,491.31	Aaa / AA+ AAA	1.33 1.31
313378WG2	FHLB Note 2.5% Due 3/11/2022	500,000.00	04/08/2019 2.36%	501,945.00 500,902.32	103.18 0.16%	515,875.50 1,736.11	0.71% 14,973.18	Aaa / AA+ NR	1.36 1.34
3133ELWD2	FFCB Note 0.375% Due 4/8/2022	930,000.00	04/03/2020 0.45%	928,623.60 929,013.89	100.26 0.19%	932,421.72 222.81	1.29% 3,407.83	Aaa / AA+ AAA	1.44 1.43
3135G0V59	FNMA Note 2.25% Due 4/12/2022	1,000,000.00	03/24/2020 0.59%	1,033,760.00 1,023,785.45	103.04 0.14%	1,030,444.00 1,187.50	1.42% 6,658.55	Aaa / AA+ AAA	1.45 1.43
3133ELYR9	FFCB Note 0.25% Due 5/6/2022	1,050,000.00	04/30/2020 0.31%	1,048,666.50 1,048,993.48	100.13 0.17%	1,051,337.70 1,276.04	1.45% 2,344.22	Aaa / AA+ AAA	1.51 1.51
3134GVJ66	FHLMC Note 0.25% Due 6/8/2022	1,000,000.00	06/04/2020 0.28%	999,400.00 999,520.00	100.09 0.19%	1,000,921.00 993.06	1.38% 1,401.00	Aaa / NR AAA	1.60 1.60
3133ELN26	FFCB Note 0.26% Due 6/22/2022	1,000,000.00	06/17/2020 0.28%	999,530.00 999,614.99	100.12 0.19%	1,001,220.00 931.67	1.38% 1,605.01	Aaa / AA+ AAA	1.64 1.64
313383WD9	FHLB Note 3.125% Due 9/9/2022	500,000.00	01/30/2019 2.68%	507,580.00 503,896.48	105.37 0.22%	526,871.00 2,256.94	0.73% 22,974.52	Aaa / AA+ AAA	1.86 1.81
3130AFE78	FHLB Note 3% Due 12/9/2022	1,000,000.00	01/25/2019 2.71%	1,010,700.00 1,005,823.95	105.81 0.23%	1,058,107.00 11,833.33	1.48% 52,283.05	Aaa / AA+ AAA	2.11 2.03
3137EAER6	FHLMC Note 0.375% Due 5/5/2023	985,000.00	05/05/2020 0.39%	984,586.30 984,653.67	100.36 0.23%	988,546.00 1,785.31	1.37% 3,892.33	Aaa / AA+ AAA	2.51 2.49
3135G04Q3	FNMA Note 0.25% Due 5/22/2023	1,055,000.00	05/20/2020 0.35%	1,051,824.45 1,052,297.16	100.02 0.24%	1,055,227.88 1,164.90	1.46% 2,930.72	Aaa / AA+ AAA	2.56 2.55
3133834G3	FHLB Note 2.125% Due 6/9/2023	650,000.00	10/30/2019 1.66%	660,432.50 657,525.34	104.95 0.22%	682,190.60 5,448.26	0.95% 24,665.26	Aaa / AA+ NR	2.61 2.53
3137EAES4	FHLMC Note 0.25% Due 6/26/2023	965,000.00	06/24/2020 0.35%	962,182.20 962,511.59	100.04 0.24%	965,360.91 837.67	1.33% 2,849.32	Aaa / AA+ AAA	2.65 2.64
3135G05G4	FNMA Note 0.25% Due 7/10/2023	875,000.00	07/08/2020 0.32%	873,118.75 873,314.61	100.11 0.21%	875,938.00 674.48	1.21% 2,623.39	Aaa / AA+ AAA	2.69 2.68
3133EKZK5	FFCB Note 1.6% Due 8/14/2023	1,000,000.00	08/28/2019 1.48%	1,004,700.00 1,003,302.35	103.79 0.23%	1,037,912.00 3,422.22	1.44% 34,609.65	Aaa / AA+ AAA	2.79 2.73
3137EAEV7	FHLMC Note 0.25% Due 8/24/2023	1,000,000.00	09/24/2020 0.24%	1,000,230.00 1,000,221.99	99.99 0.25%	999,895.00 486.11	1.38% (326.99)	Aaa / AA+ AAA	2.81 2.80

Vallecitos Water District Consolidated Account

Account #10594

Holdings Report

As of October 31, 2020



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
3130A3DL5	FHLB Note 2.375% Due 9/8/2023	700,000.00	10/09/2019 1.44%	724,864.00 718,112.96	106.06 0.24%	742,408.80 2,447.57	1.03% 24,295.84	Aaa / AA+ NR	2.85 2.77
3137EAEW5	FHLMC Note 0.25% Due 9/8/2023	660,000.00	09/02/2020 0.26%	659,782.20 659,793.69	100.02 0.24%	660,155.10 261.25	0.91% 361.41	Aaa / AA+ AAA	2.85 2.84
3137EAEY1	FHLMC Note 0.125% Due 10/16/2023	825,000.00	10/14/2020 0.25%	821,922.75 821,967.71	99.63 0.25%	821,924.40 42.97	1.13% (43.31)	Aaa / AA+ AAA	2.96 2.95
3130A3VC5	FHLB Note 2.25% Due 12/8/2023	1,000,000.00	02/13/2020 1.46%	1,029,240.00 1,023,761.44	106.03 0.30%	1,060,303.00 8,937.50	1.48% 36,541.56	Aaa / AA+ NR	3.10 2.99
3135G0V34	FNMA Note 2.5% Due 2/5/2024	1,000,000.00	01/30/2020 1.44%	1,041,280.00 1,033,536.48	107.25 0.26%	1,072,528.00 5,972.22	1.49% 38,991.52	Aaa / AA+ AAA	3.27 3.14
3133EKMX1	FFCB Note 2.23% Due 2/23/2024	750,000.00	07/30/2019 1.91%	760,425.00 757,556.25	106.44 0.28%	798,291.00 3,159.17	1.11% 40,734.75	Aaa / AA+ AAA	3.32 3.20
3130A7PH2	FHLB Note 1.875% Due 3/8/2024	1,000,000.00	03/03/2020 0.85%	1,040,350.00 1,033,684.68	105.22 0.31%	1,052,233.00 2,760.42	1.46% 18,548.32	Aaa / AA+ NR	3.35 3.25
Total Agency		22,695,000.00	1.08%	22,929,438.25 22,865,717.39	0.22%	23,274,306.11 82,582.65	32.24% 408,588.72	Aaa / AA+ AAA	2.26 2.22
CORPORATE									
00440EAT4	Chubb INA Holdings Inc Callable Note Cont 10/3/2020 2.3% Due 11/3/2020	500,000.00	09/27/2018 3.21%	490,920.00 499,976.23	100.00 2.30%	500,000.00 5,686.11	0.70% 23.77	A3 / A A	0.01 0.01
69371RN93	Paccar Financial Corp Note 2.8% Due 3/1/2021	300,000.00	07/23/2018 3.12%	297,585.00 299,694.95	100.84 0.27%	302,525.40 1,400.00	0.42% 2,830.45	A1 / A+ NR	0.33 0.33
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%	493,125.00 498,819.59	100.76 0.45%	503,794.50 555.56	0.70% 4,974.91	A1 / A AA-	0.45 0.37
369550BE7	General Dynamics Corp Note 3% Due 5/11/2021	350,000.00	06/28/2018 3.08%	349,247.50 349,862.72	101.40 0.35%	354,887.40 4,958.33	0.50% 5,024.68	A2 / A NR	0.53 0.52
857477AV5	State Street Bank Note 1.95% Due 5/19/2021	500,000.00	10/12/2018 3.30%	483,360.00 496,499.62	100.94 0.24%	504,701.00 4,387.50	0.70% 8,201.38	A1 / A AA-	0.55 0.54
808513AW5	Charles Schwab Corp Callable Note Cont 4/21/2021 3.25% Due 5/21/2021	320,000.00	Various 3.09%	321,372.10 320,222.12	101.41 0.27%	324,502.40 4,622.22	0.45% 4,280.28	A2 / A A	0.55 0.47



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
CORPORATE									
931142EJ8	Wal-Mart Stores Note 3.125% Due 6/23/2021	290,000.00	06/20/2018 3.13%	289,985.50 289,996.89	101.84 0.27%	295,334.55 3,222.22	0.41% 5,337.66	Aa2 / AA AA	0.64 0.64
02665WBG5	American Honda Finance Note 1.7% Due 9/9/2021	500,000.00	07/20/2018 3.19%	478,045.00 494,007.03	101.20 0.30%	505,979.00 1,227.78	0.70% 11,971.97	A3 / A- NR	0.86 0.85
89233P5F9	Toyota Motor Credit Corp Note 3.4% Due 9/15/2021	500,000.00	05/31/2018 3.03%	505,785.00 501,534.30	102.64 0.37%	513,193.00 2,172.22	0.71% 11,658.70	A1 / A+ A+	0.87 0.86
24422ETL3	John Deere Capital Corp Note 2.65% Due 1/6/2022	500,000.00	Various 3.29%	489,627.50 496,454.33	102.70 0.36%	513,489.50 4,232.64	0.71% 17,035.17	A2 / A A	1.18 1.16
74005PBA1	Praxair Callable Note Cont 11/15/2021 2.45% Due 2/15/2022	300,000.00	06/27/2018 3.15%	292,848.00 297,461.50	102.07 0.45%	306,216.90 1,551.67	0.42% 8,755.40	A2 / A NR	1.29 1.03
037833CQ1	Apple Inc Callable Note Cont 4/11/2022 2.3% Due 5/11/2022	500,000.00	10/30/2018 3.30%	483,395.00 492,826.43	102.85 0.32%	514,242.50 5,430.56	0.72% 21,416.07	Aa1 / AA+ NR	1.53 1.41
68389XBB0	Oracle Corp Callable Note Cont 3/15/2022 2.5% Due 5/15/2022	500,000.00	Various 3.28%	486,304.00 494,444.08	102.94 0.35%	514,721.00 5,763.89	0.72% 20,276.92	A3 / A A-	1.54 1.34
084664BT7	Berkshire Hathaway Note 3% Due 5/15/2022	500,000.00	12/11/2018 3.31%	495,015.00 497,764.93	104.29 0.21%	521,453.00 6,916.67	0.73% 23,688.07	Aa2 / AA A+	1.54 1.49
09247XAJ0	Blackrock Inc Note 3.375% Due 6/1/2022	500,000.00	11/28/2018 3.36%	500,215.00 500,096.99	104.81 0.33%	524,055.00 7,031.25	0.73% 23,958.01	Aa3 / AA- NR	1.58 1.53
06051GEU9	Bank of America Corp Note 3.3% Due 1/11/2023	400,000.00	09/05/2019 2.13%	414,984.00 409,837.86	106.02 0.54%	424,069.20 4,033.33	0.59% 14,231.34	A2 / A- A+	2.20 2.11
90331HNL3	US Bank NA Callable Note Cont 12/23/2022 2.85% Due 1/23/2023	480,000.00	07/22/2019 2.24%	489,580.80 486,003.35	105.22 0.40%	505,039.68 3,724.00	0.70% 19,036.33	A1 / AA- AA-	2.23 2.08
69353RFL7	PNC Bank Callable Note Cont 5/9/2023 3.5% Due 6/8/2023	500,000.00	06/11/2019 2.44%	519,580.00 512,618.53	107.59 0.47%	537,930.50 6,951.39	0.75% 25,311.97	A2 / A NR	2.60 2.41
69371RQ82	Paccar Financial Corp Note 0.8% Due 6/8/2023	300,000.00	06/01/2020 0.85%	299,583.00 299,638.60	100.81 0.48%	302,442.90 953.33	0.42% 2,804.30	A1 / A+ NR	2.60 2.57
931142EK5	Wal-Mart Stores Callable Note Cont 5/26/2023 3.4% Due 6/26/2023	500,000.00	05/21/2019 2.65%	514,115.00 509,024.34	107.86 0.33%	539,285.50 5,902.78	0.75% 30,261.16	Aa2 / AA AA	2.65 2.46
Total Corporate		8,740,000.00	2.94%	8,694,672.40 8,746,784.39	0.46%	9,007,862.93 80,723.45	12.55% 261,078.54	A1 / A+ A+	1.33 1.25

Vallecitos Water District Consolidated Account

Account #10594

Holdings Report

As of October 31, 2020



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
LAIF									
90LAIF\$00	Local Agency Investment Fund State Pool	13,882,731.31	Various 0.62%	13,882,731.31 13,882,731.31	1.00 0.62%	13,882,731.31 8,645.96	19.17% 0.00	NR / NR NR	0.00 0.00
Total LAIF		13,882,731.31	0.62%	13,882,731.31	0.62%	13,882,731.31 8,645.96	19.17% 0.00	NR / NR NR	0.00 0.00
LOCAL GOV INVESTMENT POOL									
90SDCP\$00	County of San Diego Pooled Investment Pool	5,561,000.00	Various 1.20%	5,561,000.00 5,561,000.00	1.00 1.20%	5,561,000.00 0.00	7.68% 0.00	NR / NR AAA	0.00 0.00
Total Local Gov Investment Pool		5,561,000.00	1.20%	5,561,000.00	1.20%	5,561,000.00 0.00	7.68% 0.00	NR / NR AAA	0.00 0.00
MONEY MARKET FUND FI									
261908206	Dreyfus Treasury Money Market Fund	1,680,271.46	Various 0.01%	1,680,271.46 1,680,271.46	1.00 0.01%	1,680,271.46 0.00	2.32% 0.00	Aaa / AAA NR	0.00 0.00
Total Money Market Fund FI		1,680,271.46	0.01%	1,680,271.46	0.01%	1,680,271.46 0.00	2.32% 0.00	Aaa / AAA NR	0.00 0.00
NEGOTIABLE CD									
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	100.28 0.10%	1,002,775.00 5,388.89	1.39% 2,775.00	P-1 / A-1+ F-1+	0.30 0.30
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	101.03 0.10%	247,511.50 22.15	0.34% 2,511.50	NR / NR NR	0.66 0.66
Total Negotiable CD		1,245,000.00	1.13%	1,245,000.00	0.10%	1,250,286.50 5,411.04	1.73% 5,286.50	Aaa / AAA AAA	0.37 0.37
SUPRANATIONAL									
4581X0CD8	Inter-American Dev Bank Note 2.125% Due 11/9/2020	750,000.00	05/22/2018 2.81%	737,865.00 749,892.13	100.04 0.37%	750,291.75 7,614.58	1.05% 399.62	Aaa / AAA AAA	0.02 0.02

Vallecitos Water District Consolidated Account

Account #10594

Holdings Report

As of October 31, 2020



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
SUPRANATIONAL									
459058GH0	Intl. Bank Recon & Development Note 2.75% Due 7/23/2021	750,000.00	07/24/2018 2.86%	747,607.50 749,422.12	101.84 0.22%	763,770.75 5,614.58	1.06% 14,348.63	Aaa / AAA NR	0.73 0.72
Total Supranational		1,500,000.00	2.84%	1,485,472.50 1,499,314.25	0.30%	1,514,062.50 13,229.16	2.11% 14,748.25	Aaa / AAA AAA	0.38 0.37

US TREASURY									
912828A42	US Treasury Note 2% Due 11/30/2020	750,000.00	11/28/2018 2.85%	737,695.31 749,512.52	100.14 0.26%	751,066.50 6,311.48	1.05% 1,553.98	Aaa / AA+ AAA	0.08 0.08
912828N89	US Treasury Note 1.375% Due 1/31/2021	750,000.00	10/30/2018 2.86%	725,859.38 747,330.75	100.30 0.19%	752,226.75 2,606.15	1.04% 4,896.00	Aaa / AA+ AAA	0.25 0.25
912828U81	US Treasury Note 2% Due 12/31/2021	750,000.00	11/08/2018 3.05%	726,650.39 741,355.76	102.14 0.16%	766,083.75 5,054.35	1.06% 24,727.99	Aaa / AA+ AAA	1.17 1.15
912828W55	US Treasury Note 1.875% Due 2/28/2022	1,000,000.00	01/30/2019 2.56%	979,921.88 991,354.26	102.30 0.15%	1,022,969.00 3,211.33	1.42% 31,614.74	Aaa / AA+ AAA	1.33 1.32
912828W89	US Treasury Note 1.875% Due 3/31/2022	750,000.00	09/27/2018 2.92%	724,013.67 739,544.56	102.43 0.15%	768,252.00 1,236.26	1.06% 28,707.44	Aaa / AA+ AAA	1.41 1.40
912828XR6	US Treasury Note 1.75% Due 5/31/2022	750,000.00	09/24/2018 2.93%	719,208.98 736,803.85	102.52 0.15%	768,896.25 5,522.54	1.07% 32,092.40	Aaa / AA+ AAA	1.58 1.56
912828XW5	US Treasury Note 1.75% Due 6/30/2022	350,000.00	09/07/2018 2.80%	336,792.97 344,237.97	102.65 0.16%	359,269.40 2,063.86	0.50% 15,031.43	Aaa / AA+ AAA	1.66 1.64
9128282P4	US Treasury Note 1.875% Due 7/31/2022	1,000,000.00	12/28/2018 2.53%	977,617.19 989,099.50	103.00 0.16%	1,029,961.00 4,738.45	1.43% 40,861.50	Aaa / AA+ AAA	1.75 1.72
912828L24	US Treasury Note 1.875% Due 8/31/2022	750,000.00	09/20/2018 2.94%	720,439.45 736,287.19	103.13 0.17%	773,437.50 2,408.49	1.07% 37,150.31	Aaa / AA+ AAA	1.83 1.80
9128282W9	US Treasury Note 1.875% Due 9/30/2022	1,000,000.00	03/19/2019 2.43%	981,406.25 989,939.20	103.28 0.16%	1,032,773.00 1,648.35	1.43% 42,833.80	Aaa / AA+ AAA	1.92 1.89
912828M80	US Treasury Note 2% Due 11/30/2022	800,000.00	12/24/2019 1.70%	806,875.00 804,876.75	103.81 0.16%	830,500.00 6,732.24	1.16% 25,623.25	Aaa / AA+ AAA	2.08 2.03
9128284D9	US Treasury Note 2.5% Due 3/31/2023	1,000,000.00	02/21/2019 2.51%	999,414.06 999,655.79	105.61 0.17%	1,056,055.00 2,197.80	1.46% 56,399.21	Aaa / AA+ AAA	2.41 2.35



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US TREASURY									
912828R28	US Treasury Note 1.625% Due 4/30/2023	1,000,000.00	12/04/2019 1.60%	1,000,898.44 1,000,658.28	103.61 0.18%	1,036,133.00 44.89	1.43% 35,474.72	Aaa / AA+ AAA	2.50 2.46
912828R69	US Treasury Note 1.625% Due 5/31/2023	1,100,000.00	Various 2.00%	1,083,765.62 1,089,847.14	103.72 0.18%	1,140,949.70 7,521.18	1.59% 51,102.56	Aaa / AA+ AAA	2.58 2.52
912828T91	US Treasury Note 1.625% Due 10/31/2023	1,000,000.00	09/25/2019 1.60%	1,000,898.44 1,000,657.01	104.27 0.20%	1,042,734.00 44.89	1.44% 42,076.99	Aaa / AA+ AAA	3.00 2.94
912828V80	US Treasury Note 2.25% Due 1/31/2024	1,000,000.00	12/16/2019 1.71%	1,021,210.94 1,016,703.97	106.56 0.22%	1,065,625.00 5,686.14	1.48% 48,921.03	Aaa / AA+ AAA	3.25 3.14
912828X70	US Treasury Note 2% Due 4/30/2024	1,000,000.00	03/03/2020 0.71%	1,052,539.06 1,044,163.27	106.11 0.24%	1,061,133.00 55.25	1.46% 16,969.73	Aaa / AA+ AAA	3.50 3.40
Total US Treasury		14,750,000.00	2.25%	14,595,207.03 14,722,027.77	0.18%	15,258,064.85 57,083.65	21.14% 536,037.08	Aaa / AA+ AAA	2.01 1.97
TOTAL PORTFOLIO		70,818,741.92	1.49%	70,838,121.08 70,967,415.65	0.39%	72,198,813.48 248,103.68	100.00% 1,231,397.83	Aa1 / AA+ AAA	1.37 1.31
TOTAL MARKET VALUE PLUS ACCRUED						72,446,917.16			

**VALLECITOS WATER DISTRICT
SUMMARY OF LEGAL FEES**

Matter Description	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Total
General Counsel Services	\$ 6,930	\$ 10,083	\$ 7,810	\$ 18,504	\$ 5,857	\$ 11,254	\$ 9,723	\$ 9,182	\$ 6,304	\$ 8,572	\$ 46,859	\$ 9,405	\$ 32,375	\$ 182,857
Labor/Employment	3,948	2,359	3,504	4,073	468	1,666	2,089	889	2,297	559	541	601	785	23,778
Engineering - Construction/Contracting	2,878	4,143	3,433	1,615	2,200	2,662	8,528	7,968	8,966	9,810	6,164	10,280	11,791	80,439
Fees and Taxes	5,491	1,204	-	1,802	1,812	2,562	2,550	240	-	180	215	156	-	16,212
Environmental	2,910	678	-	-	-	-	-	870	870	-	829	-	-	6,157
Adv. Butler	-	1,702	138	2,831	8,593	1,063	81	646	319	797	908	34	2,949	20,058
Renewable Energy	-	4,710	1,824	-	-	-	305	-	630	-	92	-	-	7,561
Litigation	-	-	-	-	-	-	-	-	-	565	61	768	4,386	5,780
Driscoll & Omens Prop 218 Sole	-	-	-	-	-	-	500	691	592	188	834	3,450	887	7,141
Driscoll & Omens Prop 218 Shared	-	-	-	-	-	-	2,323	1,089	1,406	466	429	1,433	1,685	8,831
Driscoll & Omens Prop 218 PRA Requests	-	-	-	-	-	-	-	-	-	-	-	-	2,138	2,138
Total	\$ 22,157	\$ 24,878	\$ 16,708	\$ 28,825	\$ 18,931	\$ 19,207	\$ 26,098	\$ 21,575	\$ 21,383	\$ 21,137	\$ 56,932	\$ 26,126	\$ 56,996	\$ 360,952

DATE: NOVEMBER 18, 2020
TO: BOARD OF DIRECTORS
SUBJECT: RESOLUTION ADOPTING THE ANNUAL PAY SCHEDULE WITH ADJUSTMENTS FOR ROUNDING REVISIONS

BACKGROUND:

On July 15, 2020, the Board adopted the annual pay schedule with the cost of salary adjustment for Fiscal Year 2020/21. The California Public Employees' Retirement System (CalPERS) requires employers to have pay schedules be publicly available and approved and adopted by the governing body in accordance with the requirements of applicable public meeting laws.

DISCUSSION:

While performing periodic internal reviews staff noticed minor rounding variances in the amounts shown on the annual pay schedule. These variances ranged from \$1 to \$8 per year. Due to the sensitive nature of salaries and CalPERS requirements revisions have been made to the Annual Pay Schedule and the updated version is presented today. It's important to note that these revisions only affect the pay schedule which is derived from excel calculations. Amounts paid to employees are calculated by the payroll system and are 100% correct. The revised pay schedule must be adopted by the Board. A resolution is provided to approve and adopt the revised annual pay schedule.

FISCAL IMPACT:

None

RECOMMENDATIONS:

Adopt the resolution approving the revised annual pay schedule.

ATTACHMENT:

Resolution Adopting District Pay Schedule with Exhibit "A", Vallecitos Water District Personnel Classification and Annual Pay Schedule

VALLECITOS WATER DISTRICT PERSONNEL CLASSIFICATION ANNUAL PAY SCHEDULE
 Effective beginning of the pay period at noon on 7/10/2020 (pay schedule revised for rounding 11/18/2020)

POSITION/TITLE	EXPERIENCE STEPS							LONGEVITY	
	A	B	C	D	E	F	G	H	I
Accounting Supervisor	96,216	101,026	106,078	111,382	116,951	122,798	128,938	135,385	142,154
Accounting Technician	59,068	62,022	65,123	68,379	71,798	75,388	79,157	83,115	87,270
Administrative Secretary	66,731	70,067	73,571	77,249	81,112	85,168	89,426	93,897	98,592
Administrative Services Manager	145,665	152,948	160,596	168,625	177,057	185,909	195,205	204,965	215,213
Applications Specialist I	77,249	81,112	85,168	89,426	93,897	98,592	103,522	108,697	114,132
Applications Specialist II	91,634	96,216	101,026	106,078	111,382	116,951	122,798	128,938	135,385
Asset Management Supervisor	98,592	103,522	108,697	114,132	119,839	125,831	132,122	138,729	145,665
Assistant General Manager	168,625	177,057	185,909	195,205	204,965	215,213	225,974	237,273	249,136
Building and Grounds Worker	40,967	43,015	45,166	47,425	49,796	52,286	54,900	57,644	60,526
Capital Facilities Assistant Engineer	75,388	79,157	83,115	87,270	91,634	96,216	101,026	106,078	111,382
Capital Facilities Engineer	93,897	98,592	103,522	108,697	114,132	119,839	125,831	132,122	138,729
Capital Facilities Senior Engineer	108,697	114,132	119,839	125,831	132,122	138,729	145,665	152,948	160,596
Cashier / Receptionist	47,425	49,796	52,286	54,900	57,644	60,526	63,553	66,731	70,067
CMMS Planner	70,067	73,571	77,249	81,112	85,168	89,426	93,897	98,592	103,522
Construction Inspection Supervisor	83,115	87,270	91,634	96,216	101,026	106,078	111,382	116,951	122,798
Construction Inspector I	62,022	65,123	68,379	71,798	75,388	79,157	83,115	87,270	91,634
Construction Inspector II	71,798	75,388	79,157	83,115	87,270	91,634	96,216	101,026	106,078
Construction Supervisor	83,115	87,270	91,634	96,216	101,026	106,078	111,382	116,951	122,798
Construction Worker I	48,595	51,025	53,577	56,255	59,068	62,022	65,123	68,379	71,798
Construction Worker II	56,255	59,068	62,022	65,123	68,379	71,798	75,388	79,157	83,115
Control Systems Specialist	77,249	81,112	85,168	89,426	93,897	98,592	103,522	108,697	114,132
Customer Service Representative I	46,281	48,595	51,025	53,577	56,255	59,068	62,022	65,123	68,379
Customer Service Representative II	52,286	54,900	57,644	60,526	63,553	66,731	70,067	73,571	77,249
Customer Service Representative III	54,900	57,644	60,526	63,553	66,731	70,067	73,571	77,249	81,112
Customer Service Supervisor	77,249	81,112	85,168	89,426	93,897	98,592	103,522	108,697	114,132
Development Services Coordinator	77,249	81,112	85,168	89,426	93,897	98,592	103,522	108,697	114,132
Development Services Senior Engineer	108,697	114,132	119,839	125,831	132,122	138,729	145,665	152,948	160,596
District Engineer	149,262	156,726	164,562	172,790	181,430	190,501	200,026	210,027	220,529
Electrical/Instrumentation Technician	73,571	77,249	81,112	85,168	89,426	93,897	98,592	103,522	108,697
Engineering Technician I	56,255	59,068	62,022	65,123	68,379	71,798	75,388	79,157	83,115
Engineering Technician II	65,123	68,379	71,798	75,388	79,157	83,115	87,270	91,634	96,216
Engineering Technician III	75,388	79,157	83,115	87,270	91,634	96,216	101,026	106,078	111,382
Executive Secretary	81,112	85,168	89,426	93,897	98,592	103,522	108,697	114,132	119,839
Facility Locator	62,022	65,123	68,379	71,798	75,388	79,157	83,115	87,270	91,634
Finance Assistant	52,286	54,900	57,644	60,526	63,553	66,731	70,067	73,571	77,249
Finance Manager	145,665	152,948	160,596	168,625	177,057	185,909	195,205	204,965	215,213
General Manager	261,302	261,302	261,302	261,302	261,302	261,302	261,302	261,302	261,302
GIS/CADD Technician	63,553	66,731	70,067	73,571	77,249	81,112	85,168	89,426	93,897
Human Resources Analyst	71,798	75,388	79,157	83,115	87,270	91,634	96,216	101,026	106,078
Information Technology Supervisor	103,522	108,697	114,132	119,839	125,831	132,122	138,729	145,665	152,948
Information Technology Technician	70,067	73,571	77,249	81,112	85,168	89,426	93,897	98,592	103,522
Landscape Maintenance Worker I	47,425	49,796	52,286	54,900	57,644	60,526	63,553	66,731	70,067
Landscape Maintenance Worker II	52,286	54,900	57,644	60,526	63,553	66,731	70,067	73,571	77,249
Maintenance Services Supervisor	77,249	81,112	85,168	89,426	93,897	98,592	103,522	108,697	114,132
Mechanic	60,526	63,553	66,731	70,067	73,571	77,249	81,112	85,168	89,426
Mechanical / Electrical Supervisor	85,168	89,426	93,897	98,592	103,522	108,697	114,132	119,839	125,831
Mechanical Maintenance Worker I	52,286	54,900	57,644	60,526	63,553	66,731	70,067	73,571	77,249

VALLECITOS WATER DISTRICT PERSONNEL CLASSIFICATION ANNUAL PAY SCHEDULE
 Effective beginning of the pay period at noon on 7/10/2020 (pay schedule revised for rounding 11/18/2020)

POSITION/TITLE	EXPERIENCE STEPS							LONGEVITY	
	A	B	C	D	E	F	G	H	I
Mechanical Maintenance Worker II	60,526	63,553	66,731	70,067	73,571	77,249	81,112	85,168	89,426
Meter Service Supervisor	77,249	81,112	85,168	89,426	93,897	98,592	103,522	108,697	114,132
Meter Service Worker I	46,281	48,595	51,025	53,577	56,255	59,068	62,022	65,123	68,379
Meter Service Worker II	53,577	56,255	59,068	62,022	65,123	68,379	71,798	75,388	79,157
Operations and Maintenance Assistant	52,286	54,900	57,644	60,526	63,553	66,731	70,067	73,571	77,249
Operations and Maintenance Manager	145,665	152,948	160,596	168,625	177,057	185,909	195,205	204,965	215,213
Principal Financial Analyst	91,634	96,216	101,026	106,078	111,382	116,951	122,798	128,938	135,385
Public Information Representative	73,571	77,249	81,112	85,168	89,426	93,897	98,592	103,522	108,697
Public Information/Conservation Supervisor	87,270	91,634	96,216	101,026	106,078	111,382	116,951	122,798	128,938
Pump and Motor Technician I	60,526	63,553	66,731	70,067	73,571	77,249	81,112	85,168	89,426
Pump and Motor Technician II	70,067	73,571	77,249	81,112	85,168	89,426	93,897	98,592	103,522
Purchasing/Warehouse Assistant	57,644	60,526	63,553	66,731	70,067	73,571	77,249	81,112	85,168
Risk Management Supervisor	96,216	101,026	106,078	111,382	116,951	122,798	128,938	135,385	142,154
Safety Technician	66,731	70,067	73,571	77,249	81,112	85,168	89,426	93,897	98,592
Senior Accountant	73,571	77,249	81,112	85,168	89,426	93,897	98,592	103,522	108,697
Senior Construction Worker	65,123	68,379	71,798	75,388	79,157	83,115	87,270	91,634	96,216
Senior Customer Service Representative	59,068	62,022	65,123	68,379	71,798	75,388	79,157	83,115	87,270
Senior Pump and Motor Technician	75,388	79,157	83,115	87,270	91,634	96,216	101,026	106,078	111,382
Senior Purchasing Specialist	70,067	73,571	77,249	81,112	85,168	89,426	93,897	98,592	103,522
Senior Wastewater Collections Systems Worker	62,022	65,123	68,379	71,798	75,388	79,157	83,115	87,270	91,634
Senior Wastewater Treatment Plant Operator	75,388	79,157	83,115	87,270	91,634	96,216	101,026	106,078	111,382
Senior Water Systems Operator	71,798	75,388	79,157	83,115	87,270	91,634	96,216	101,026	106,078
Source Control Technician	65,123	68,379	71,798	75,388	79,157	83,115	87,270	91,634	96,216
Systems Administrator	83,115	87,270	91,634	96,216	101,026	106,078	111,382	116,951	122,798
Valve Maintenance Technician	62,022	65,123	68,379	71,798	75,388	79,157	83,115	87,270	91,634
Warehouse Assistant I	47,425	49,796	52,286	54,900	57,644	60,526	63,553	66,731	70,067
Warehouse Assistant II	54,900	57,644	60,526	63,553	66,731	70,067	73,571	77,249	81,112
Wastewater Collection Systems Supervisor	83,115	87,270	91,634	96,216	101,026	106,078	111,382	116,951	122,798
Wastewater Collection Systems Worker I	47,425	49,796	52,286	54,900	57,644	60,526	63,553	66,731	70,067
Wastewater Collection Systems Worker II	54,900	57,644	60,526	63,553	66,731	70,067	73,571	77,249	81,112
Wastewater Treatment Plant Operator I	54,900	57,644	60,526	63,553	66,731	70,067	73,571	77,249	81,112
Wastewater Treatment Plant Operator II	63,553	66,731	70,067	73,571	77,249	81,112	85,168	89,426	93,897
Wastewater Treatment Plant Supervisor	89,426	93,897	98,592	103,522	108,697	114,132	119,839	125,831	132,122
Water Systems Operator I	54,900	57,644	60,526	63,553	66,731	70,067	73,571	77,249	81,112
Water Systems Operator II	63,553	66,731	70,067	73,571	77,249	81,112	85,168	89,426	93,897
Water Systems Supervisor	89,426	93,897	98,592	103,522	108,697	114,132	119,839	125,831	132,122

RESOLUTION NO.

RESOLUTION OF THE BOARD OF DIRECTORS OF THE VALLECITOS WATER DISTRICT ADOPTING THE REVISED ANNUAL PAY SCHEDULE WITH THE COST OF LIVING SALARY ADJUSTMENT FOR FISCAL YEAR 2020/21

WHEREAS, the Vallecitos Water District previously negotiated with the Vallecitos Water District Employees' Association for a cost of living salary adjustment for Fiscal Year 2020/21 as set forth in the Memorandum of Understanding (MOU) with the General Employees' Unit;

WHEREAS, except as otherwise indicated in the General Manager's employment contract with the Board, the Board of Directors previously approved Management and Confidential Employees to be subject to all other terms and conditions of employment in the Vallecitos Water District Employee Handbook including salary and benefit changes contained in the MOU; and,

WHEREAS, to comply with CalPERS regulations, the Board is required to publicly approve a District pay schedule, and the District Pay Schedule has been amended to incorporate the agreed upon terms of the MOU, and also to apply the same increases for Management and Confidential employees;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Vallecitos Water District as follows:

DISTRICT PAY SCHEDULE. The Board of Directors does hereby approve and adopt the Vallecitos Water District Personnel Classification and Annual Pay Schedule, attached hereto as Exhibit "A".

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Vallecitos Water District at a regular meeting held on the 18th day of November, 2020 by the following roll call vote:

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

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

ATTEST:

Glenn Pruiam, Secretary
Board of Directors
Vallecitos Water District

DATE: NOVEMBER 18, 2020
TO: BOARD OF DIRECTORS
SUBJECT: FISCAL YEAR 2020 AUDIT AND COMPREHENSIVE ANNUAL FINANCIAL REPORT

BACKGROUND:

The District retained the auditing services of Davis Farr, LLP in April 2018, for a three-year period, to audit the District's annual financial statements, beginning with the 2017/18 fiscal year. For fiscal year 2018/19, staff transformed the annual financial statements, as presented in the past, to a Comprehensive Annual Financial Report (CAFR) and it was awarded a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) on August 20, 2020.

DISCUSSION:

The Comprehensive Annual Financial Report (CAFR) including audited financial statements is the responsibility of District management and the auditor's responsibility is to express an opinion on the financial position and results of operations presented in those financial statements.

Following generally accepted auditing standards, the auditor obtained reasonable assurance through testing and other audit procedures that, in the auditor's opinion, the financial statements present fairly, in all material respects, the financial position and results of operations of the District.

Mrs. Jennifer Farr will present the results of the 2019/20 fiscal year audit of the CAFR to the Board and staff will present a summary of its' contents as well as Management's Discussion and Analysis.

Staff believes the current CAFR continues to meet the Certificate of Achievement Program's requirements and will be submitting it to GFOA to determine its' eligibility for another certificate. Copies of the CAFR are included in the Board packet along with the Statement of Auditing Standards, also known as the "Communication with the board."

RECOMMENDATION:

Staff requests the Board consider and accept the fiscal year 2019/20 Comprehensive Annual Financial Report (CAFR).

ATTACHMENTS:

- 1) Comprehensive Annual Financial Report – June 30, 2020
- 2) Auditor's Report on Internal Control and Other Matters
- 3) Auditor's Communication With Those Charged With Governance (SAS 114)

To the Board of Directors
Vallecitos Water District

We have audited the financial statements of Vallecitos Water District ("District") for the year ended June 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 24, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2020. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements were:

Management's estimate of the which capital projects represent ordinary maintenance activities necessary to keep an asset operational for its originally intended useful life versus significant improvement, replacement, and life extending projects that should be capitalized as additions to capital assets is based on management's knowledge of the assets and their useful lives. We evaluated the key factors and assumptions used to develop the amounts added to capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of transactions related to net pension liabilities based on actuarial information. We evaluated the key factors and assumptions used to develop the amounts by the actuary and determined that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of transactions related to net OPEB liabilities based on actuarial information. We evaluated the key factors and assumptions used to develop the amounts by the actuary and determined that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure of pensions in Note 8 to the financial statements.

The disclosure of OPEB in Note 9 to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 12, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as District’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to *Management’s Discussion & Analysis, Schedule of the Plan’s Proportionate Share of Net Pension Liability, Schedule of Contributions – Defined Benefit Pension Plan, Schedule of Changes in Net OPEB Liability and Related Ratios, and Schedule of OPEB Contributions*, which are required supplementary information (RSI) that supplements the basic financial statements.

Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the *introductory section and statistical section*, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

DavisFarrLLP

Irvine, California
November 12, 2020

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Independent Auditor's Report

Board of Directors
Vallecitos Water District
San Marcos, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Vallecitos Water District's ("District") basic financial statements, and have issued our report thereon dated November 12, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The following matter is not considered a material weakness or significant deficiency in internal control. However, as a service to you, we offer the following best practice recommendation to enhance internal controls of the District:

(1) Review of Construction in Progress

During our review of construction in progress, it was noted there were a significant amount of projects beneath the capitalization threshold of \$10,000. It was noted these projects were placed in construction in progress as a tracking mechanism and were not in fact, capital projects. While the amounts recorded in the current year are not material, recording projects in construction in progress could result in the erroneous capitalization of projects that should be expensed and therefore overstate capital assets and understate expenses.

Recommendation

We recommend Finance review all projects setup as construction in progress to determine will in fact result in capital assets, otherwise the expenses should be expensed as incurred and not capitalized.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

DavisFarr LLP

Irvine, California
November 12, 2020