

**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, JANUARY 20, 2021, 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 SANNELLA

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 JANUARY 20, 2021

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.

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. 7-18)

- A. CLOSED SESSION BOARD MEETING – DECEMBER 16, 2020
- B. REGULAR BOARD MEETING – DECEMBER 16, 2020
- C. FINANCE/INVESTMENT COMMITTEE MEETING – DECEMBER 21, 2020

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

**Recommendation: Approve Minutes**

1.2 WARRANT LIST THROUGH JANUARY 20, 2021 - \$8,927,947.19 (pp. 19-23)

**Recommendation: Approve Warrant List**

1.3 FINANCIAL REPORTS (pp. 24-45)

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

1.4 OPERATIONS & MAINTENANCE METRICS QUARTERLY REPORT – DECEMBER 31, 2020 (pp. 46-53)

1.5 APPROVAL OF CONSTRUCTION AGREEMENT FOR DISCOVERY STREET SEGMENT 2 WATER AND SEWER IMPROVEMENTS (DISCOVERY SL, LLC) (pp. 54-70)

*The project is located on Discovery Street between Craven Road and Twin Oaks Valley Road.*

**Recommendation: Approve Construction Agreement**

- 1.6 APPROVAL OF CONSTRUCTION AGREEMENT FOR DISCOVERY VILLAGE SOUTH RESIDENTIAL WATER AND SEWER IMPROVEMENTS (DISCOVERY SL, LLC) (pp. 71-86)

*The project is located south of Discovery Street between Craven Road and Twin Oaks Valley Road.*

**Recommendation: Approve Construction Agreement**

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

ACTION ITEM(S)

- 2.1 ADOPTION OF RESOLUTION RECOGNIZING THE ANNEXATION INTO THE VALLECITOS WATER DISTRICT OF CERTAIN PROPERTY DESIGNATED AS "SAN MARCOS HIGHLANDS" (PORTIONS OF APNS 182-240-32, 182-240-33, 184-241-06 & 184-241-05) AND ORDERING ANNEXATION INTO SEWER IMPROVEMENT DISTRICTS 1, 2 & 6 (KB HOME CALIFORNIA, LLC) (pp. 87-104)

*The development is located along the proposed northerly extension of Las Posas Road north of Borden Road in the City of San Marcos.*

**Recommendation: Adopt Resolution recognizing the annexation of 45.55 acres of the San Marcos Highlands property into the Vallecitos Water District and ordering the annexation of 67.99 acres into Sewer Improvement Districts 1, 2 & 6**

- 2.2 CONSTRUCTION CONTRACT AWARD FOR THE MRF AERATION BASINS CAPITAL IMPROVEMENT PROJECT (pp. 105-109)

*The Meadowlark Water Reclamation Facility (MRF) is a wastewater treatment plant that has the ability to produce secondary effluent, that can be legally discharged through an ocean outfall, or recycled water, used for landscape irrigation regionally.*

**Recommendation: Authorize General Manager to execute a construction contract with SS Mechanical Construction and approve construction support services amendment for Trussell.**

- 2.3 AWARD FOR PROFESSIONAL SERVICES AGREEMENT FOR THE LAND OUTFALL WEST CONDITION ASSESSMENT (pp. 110-112)

*The existing sewer Land Outfall pipeline was installed in 1986 and connects the District's Lift Station No.1 to the Encina Water Pollution Control Facility (EWPCF).*

**Recommendation:** **Authorize General Manager to enter into a professional engineering services agreement with Hoch Consulting for design, planning and engineering services.**

- 2.4 AWARD OF PROFESSIONAL SERVICES AGREEMENT FOR THE 2020 URBAN WATER MANAGEMENT PLAN (pp. 113-114)

*Urban Water Management Plans (UWMP) support the District's long-term resource planning to ensure adequate water supply availability to meet existing and future water needs.*

**Recommendation:** **1) Increase FY 20/21 Development Services and Operations & Maintenance budgets for outside professional services; 2) Authorize General Manager to enter into a professional services agreement with HDR, Inc. for planning, production, and reporting of the District's 2020 UWMP.**

- 2.5 APPROVE REQUEST TO ADD AN EXTRA HELP RETIRED ANNUITANT DEVELOPMENT SERVICES COORDINATOR POSITION AND APPOINT RETIRED ANNUITANT EILEEN KOONCE BEFORE 180 DAY WAIT PERIOD (pp. 115-119)

*A retired annuitant is a CalPERS retiree who works as an at-will employee of a CalPERS employer with certain restrictions to avoid jeopardizing his or her retirement allowance (pension payments).*

**Recommendation:** **1) Approve the addition of Extra Help Retired Annuitant Development Services Coordinator position; 2) Adopt Resolution approving the 180-day wait period exception for retired annuitant Eileen Koonce.**

- 2.6 ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) REGION 10 BOARD (pp. 120)

*The members of the Region 10 Board determine the direction and focus of regional issues and activities.*

**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 8:00 p.m., Friday, January 15, 2021.

\_\_\_\_\_  
Diane Posvar

MINUTES OF A CLOSED SESSION MEETING  
OF THE BOARD OF DIRECTORS  
OF THE VALLECITOS WATER DISTRICT  
WEDNESDAY, DECEMBER 16, 2020, AT 4:00 PM, VIA TELECONFERENCE

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

Present: Director Boyd-Hodgson  
Director Elitharp  
Director Hernandez  
Director Pennock  
Director Sannella

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

ADOPT AGENDA FOR THE CLOSED SESSION MEETING OF DECEMBER 16, 2020

20-12-08 MOTION WAS MADE by Director Hernandez, seconded by Director Elitharp, and carried unanimously, to adopt the agenda for the Closed Session Meeting of December 16, 2020.

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

20-12-09 MOTION WAS MADE by Director Boyd-Hodgson, seconded by Director Elitharp, and carried unanimously, to move into Closed Session pursuant to Government Code Section 54956.9(a).

REPORT AFTER CLOSED SESSION

The Board reconvened to Open Session at 4:44 p.m. There was no reportable action from the Closed Session Meeting.

ADJOURNMENT

There being no further business to discuss, Vice President Sannella adjourned the Closed Session Meeting of the Board of Directors at the hour of 4:45 p.m.

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

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

ATTEST:

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Glenn Pruij, Secretary  
Board of Directors  
Vallecitos Water District



MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE VALLECITOS WATER DISTRICT  
WEDNESDAY, DECEMBER 16, 2020, AT 5:00 PM, VIA TELECONFERENCE

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

Present: Director Boyd-Hodgson  
Director Elitharp  
Director Hernandez  
Director Pennock  
Director Sannella

Staff Present: General Manager Pruim  
Legal Counsel Gilpin  
District Engineer Gumpel  
Finance Manager Owen  
Operations & Maintenance Manager Pedrazzi  
Development Services Senior Engineer Scholl  
Customer Service Supervisor Saavedra  
Principal Financial Analyst Arthur  
Systems Administrator Drummond  
Executive Secretary Posvar

Others Present: Genny Lynkiewicz, Chandler Asset Management

ADOPT AGENDA FOR THE REGULAR MEETING OF DECEMBER 16, 2020

20-12-10 MOTION WAS MADE by Director Hernandez, seconded by Director Boyd-Hodgson, and carried unanimously, to adopt the agenda for the Regular Board Meeting of December 16, 2020.

PUBLIC COMMENT

None.

PRESENTATION

General Manager Pruim provided a brief introduction of recently elected Directors James Pennock (Division 1) and Tiffany Boyd-Hodgson, Ph.D. (Division 5). As Secretary of the Board of Directors, General Manager Pruim administered the Oath of Office to them as well as Director Sannella who was re-elected to the Board.

Alan Geraci, member of the public, welcomed Director Boyd-Hodgson to the Board and wished good luck to the entire Board.

CONSENT CALENDAR

Director Boyd-Hodgson requested clarification on Items 1.3D and 1.3E, Water and Sewer Revenue and Expense Reports, pertaining to net operating expense, to which staff responded.

20-12-11 MOTION WAS MADE by Director Hernandez, seconded by Director Pennock, and carried unanimously, to approve the Consent Calendar as presented.

1.1 Approval of Minutes

- A. Closed Session Board Meeting – December 2, 2020
- B. Regular Board Meeting – December 2, 2020

1.2 Warrant List through December 16, 2020 - \$6,271,441.42

1.3 Financial Reports

- A. Water Meter Count – November 30, 2020
- B. Water Production/Sales Report – 2020/2021
- C. Per Capita Water Consumption – November 30, 2020
- D. Water Revenue and Expense Report – November 30, 2020
- E. Sewer Revenue and Expense Report – November 30, 2020
- F. Reserve Funds Activity – November 30, 2020
- G. Investment Report – November 30, 2020
- H. Legal Fees Summary – November 30, 2020

1.4 Approval of Construction Agreement for Discovery Village Segments 1 & 3 Discovery Street & Craven Road Water & Sewer Improvements (Discovery SL, LLC)

ACTION ITEM(S)

ANNUAL BOARD TRANSITION

General Manager Prum stated that each December the Board reorganizes and appoints a new President and Vice President. Information on the historical rotation of the positions was presented.

At Director Boyd-Hodgson's request, Directors Sannella and Elitharp stated their vision for the Board.

20-12-12 MOTION WAS MADE by Director Hernandez, seconded by Director Pennock, and carried unanimously, to elect Director Sannella President and Director Elitharp Vice President of the Board of Directors.

**COMMITTEE APPOINTEES AND REPRESENTATIVES**

President Sannella distributed a list of proposed committee and representative assignments for 2021 to the Board.

Director Boyd-Hodgson requested to be made an alternate on a couple of the committees.

General discussion took place during which General Manager Prum stated that historically the District has had a delegate and an alternate for the Encina Wastewater Authority (EWA); however, the San Diego County Water Authority does not allow alternates. Legal Counsel Gilpin clarified Brown Act rules regarding alternates on committees.

Director Boyd-Hodgson requested to be made an alternate on the EWA Board.

20-12-13 MOTION WAS MADE by Director Boyd-Hodgson, seconded by Director Hernandez, and carried unanimously, to approve the committee and representative assignments for 2021 as amended.

**COMMITTEES**

ENGINEERING/EQUIPMENT	Elitharp (C), Hernandez
FINANCE/INVESTMENT	Sannella (C), Boyd-Hodgson
LEGAL/LEGISLATIVE AFFAIRS	Hernandez (C), Pennock
PUBLIC AWARENESS/PERSONNEL/POLICY	Boyd-Hodgson (C), Pennock
HILLSIDE PROPERTY DEVELOPMENT AD HOC	Sannella, Hernandez
AD HOC	Will be assigned on as needed basis (C) = <i>Chairperson</i>

**REPRESENTATIVES**

ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA)/JOINT POWERS INSURANCE AUTHORITY	Delegate: Pennock
CALIFORNIA ASSOCIATION OF SANITATION AGENCIES (CASA)	Delegate: Elitharp
ENCINA WASTEWATER AUTHORITY	Delegates: Hernandez and Sannella Alternate: Boyd-Hodgson
SAN DIEGO COUNTY WATER AUTHORITY (SDCWA)	Delegate: Elitharp

**PROPOSED 2021 INVESTMENT POLICY RESOLUTION**

Finance Manager Owen stated the District’s investment policy is reviewed by staff and presented to the Board annually for their consideration. He provided background information on the proposed 2021 investment policy.

Genny Lynkiewicz of Chandler Asset Management, the District's investment advisor, reviewed the following recommended changes to the investment policy:

**Section 5: Authorized Financial Institutions, Depositories, and Broker/Dealers**

- Added broker-dealers to the list of institutions eligible to transact with the District to more closely align with California Government State Code (CGC) Section 53601.5. (Page 4)

**Section 6: Authorized Investments**

- Section 6.3 Federal Agencies/GSEs; recommend increasing the maximum investment per agency from 25% to 30%. (Pages 6, 8)
- Added language to Section 6.5 Commercial Paper to more closely align with CGC Section 53601(h). (Page 6)
- SB 998, which becomes effective 1/1/21, allows local agencies with assets under management of more than \$100 million to purchase up to 40% of the portfolio in eligible commercial paper until 1/1/26. (Pages 6, 9)

**Section 12: Risk Management and Diversification**

- Recommend changing the downgrade language in Section 12.1, Mitigating Credit Risk in the Portfolio, to allow the investment manager to sell the securities without waiting for prior approval. (Page 11)

General discussion took place regarding the conservative nature of the investments.

Staff recommended the Board approve and adopt the Annual Investment Policy Resolution for calendar year 2021.

20-12-14 MOTION WAS MADE by Director Boyd-Hodgson, seconded by Director Pennock, and carried unanimously, to approve and adopt the Annual Investment Policy Resolution for calendar year 2021.

Resolution No. 1580 - The roll call vote was as follows:

AYES: Boyd-Hodgson, Elitharp, Hernandez, Pennock, Sannella,  
NOES:  
ABSTAIN:  
ABSENT:

**COVID FINANCIAL REPORTING PRESENTATION**

General Manager Pruim stated that in preparing the FY 2020/2021 budget, assumptions

were made regarding the financial impact COVID-19 may have on the District. Staff had committed to providing the Board with monthly updates on the actual impacts.

Finance Manager Owen and Principal Financial Analyst Arthur facilitated a presentation, COVID-19 Financial Plan Update, which included actual versus budget data as of November 30, 2020, as follows:

- Active Meters by Size
- Active Meters by Type
- Water Sales/Production
- Water Sales Comparison
- Water Sales/Production (April 2020 - November 2020 vs. 2019)
- Billing Timelines in Days
- Delinquency Charges (Fees)
- Fee Waivers Due to COVID-19
- Number of Accounts Delinquent
- Delinquency Charges – Year-To-Date
- Accounts Not Locked Due to COVID-19 (November)
- Lock Charges – Year-To-Date
- Bad Debt Expense – Year-To-Date

General discussion took place regarding the actions staff takes to assist customers who fall behind on their bills and how the excess funds in the current budget will be used. Finance Manager Owen stated staff will begin working on the fiscal year 2021-2022 budget in January at which time the budget surplus will be considered.

## REPORTS

### GENERAL MANAGER

General Manager Pruim reported the following:

- Kaiser Permanente is in the beginning stages of construction for a new 200-bed hospital located north of their existing medical facilities off of Craven Road. As with any new development requiring water or wastewater services, this project is required to pay capital facility fees for their share of infrastructure necessary to support the new development. Kaiser has paid their capital facility fees of over \$4 million for this project: approximately \$1.1 million for water and \$2.9 for wastewater.
- Work is well underway along San Marcos Boulevard near Pacific Street on the District's San Marcos Interceptor Sewer Project to replace the main sewer line that runs through the City of San Marcos within the District's service area. The project requires drilling and digging underneath the road that will continue through mid to late January. Traffic control is being coordinated with the City of San Marcos.

- General Manager Pruim provided background information on the District-wide solar project for the new Board members. The work at the Twin Oaks Reservoir site is nearly complete; however, San Diego Gas and Electric (SDG&E) will not allow it to be activated until the other site at Lift Station No. 1 is complete. The project at Lift Station No. 1 had been on hold awaiting permitting from the City of San Marcos. The District recently received the required permits from the City of San Marcos. The contractor is now able to begin installation activities at that site which will take approximately one month to complete. Staff anticipates that the entire system at both sites will be activated by SDG&E on February 19, 2021.
- This is the last Board meeting of 2020.
- The District has been dealing with COVID-19 for the past ten months of this year, which has been a constantly evolving situation due to changing regulations. He reviewed steps the District has taken to comply such as purchasing temperature scanning equipment and extra laptop computers and printers so that staff can remain productive while working remotely, as well as renting a trailer for additional office space for staff at the District's Meadowlark Reclamation Facility. Staff has remained productive throughout all of the changing scenarios. A few employees have contracted COVID-19; however, to date, it is unknown if the affected employees contracted the virus through work. He thanked staff for their cooperation in regard to daily temperature checks, wearing masks, and maintaining social distancing.
- With the imminent release of the COVID-19 vaccine, Governor Newsom has appointed a group to determine how the vaccine will be distributed to the public. A state-wide coalition is encouraging the state's Public Health Officer to include essential workers within the utilities sectors in the state's vaccination plan which could put many of the District's critical employees to the front of the line. General Manager Pruim will keep staff and the Board apprised as further details are available.

#### DISTRICT LEGAL COUNSEL

Legal Counsel Gilpin provided a brief update on Assembly Bill (AB) 992 as it relates to the Brown Act regarding serial meetings and social media. AB 992 creates a clearly defined rule that states members of a legislative body such as this Board may not respond directly to communications posted on the Internet by other members of the same legislative body regarding a matter within the jurisdiction of that legislative body. This would include posting a "like" or "thumbs up" type of response to a Director's post on Facebook. He cautioned the Directors to refrain from posting responses to other Director's posts regarding pending District business or future projects on the District's social media sites.

General discussion took place.

#### SAN DIEGO COUNTY WATER AUTHORITY

Director Elitharp stated that as the District's new delegate to the San Diego County Water Authority (SDCWA) Board, he completed Board orientation on December 1 and was sworn

in on December 7. He attended his first Board meeting on December 10 at which the Board received a legislative update from California Senator Brian Jones and selected Mona Rios, for Vice Chair, replacing Christy Guerin who had recently stepped down from that position. Ms. Rios is the first Latina to hold an executive position on the SDCWA Board in its 76-year history.

#### ENCINA WASTEWATER AUTHORITY

Director Hernandez stated the next meeting of the Capital Improvement Committee is scheduled for February 17, 2021, and the next Board meeting will be held on February 24.

President Sannella stated he was present for the Policy and Finance Committee meeting virtually at which the Committee received an overview of EWA's finance policy and discussed their meeting calendar for 2021.

#### STANDING COMMITTEES

President Sannella requested a Finance Committee meeting be held this month.

#### DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

Director Elitharp reported on his participation in the virtual Association of California Water Agencies (ACWA) Fall Conference December 2 – 3, an ACWA Water Quality Committee meeting on December 14, and a webinar regarding COVID-19 presented by the California Water Environmental Association and California Association of Sanitation Agencies on December 15.

Director Boyd-Hodson reported on her attendance in an unofficial capacity to the virtual SDCWA Board meeting on November 18. She stated she also viewed a virtual tour of the Valencia Reclamation Plant and attended her homeowner's association meeting in San Elijo Hills last night.

#### OTHER BUSINESS

Director Boyd-Hodgson commented that in reviewing the quarterly Board expenses, she noticed that a Boys & Girls Club of San Marcos event was included in reimbursements to Directors. She asked if Directors are typically reimbursed for attendance to charity functions and how charitable organizations are chosen.

Director Hernandez stated Directors do not receive a per diem to attend the Boys & Girls Club annual auction. For those events, the District typically purchases a table for attendees. The Boys & Girls Club annual auction is one of the largest charitable events and the Board considers it as a way for the District to be more visible in the community.

President Sannella concurred with Director Hernandez, stating he believes the Boys & Girls Club annual auction is a good forum for the District's public outreach while supporting a good cause. He suggested the Public Awareness/Personnel/Policy Committee consider establishing parameters as to how and when the Board supports charitable organizations and bring this topic to the Board for discussion.

This item was presented for information only.

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

Directors Hernandez, Elitharp, and Sannella offered their wishes for a happy holiday.

ADJOURNMENT

There being no further business to discuss, President Sannella adjourned the Regular Meeting of the Board of Directors at the hour of 6:51 p.m.

A Regular Meeting of the Vallecitos Board of Directors has been scheduled for Wednesday, January 6, 2021, at 5:00 p.m. via teleconference.

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

ATTEST:

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Glenn Pruij, Secretary  
Board of Directors  
Vallecitos Water District



MINUTES OF A MEETING OF THE  
FINANCE/INVESTMENT COMMITTEE  
OF THE VALLECITOS WATER DISTRICT  
MONDAY, DECEMBER 21, 2020 AT 4:00 P.M.  
VIA TELECONFERENCE

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

Present:                    Director Boyd-Hodgson  
                              Director Sannella  
                              General Manager Pruum  
                              Finance Manager Owen  
                              Principal Financial Analyst Arthur  
                              Administrative Secretary Johnson

ITEM(S) FOR DISCUSSION

BUDGET OVERVIEW

General Manager Pruum clarified that there was only one agenda item, Budget Overview. The other two items on the agenda were documents that were sent to the Committee. The purpose of the meeting was to provide a very broad overview of the budget process.

Finance Manager Owen and Principal Financial Analyst Arthur facilitated a presentation, Financial Overview, which had been used during the previous budget process, as follows:

- Budget Process and Calendar
  - Internal Process
  - Public Meetings/Workshops
- 2020/21 Budget - \$90,625,000
- 2020/21 Water Operating Expense Budget - \$42,726,000
- Operating Expenses – Water
- Operating Budget – Water
- 2020/21 Wastewater Operating Expense Budget - \$13,310,000
- Operating Expenses - Sewer
- Operating Budget – Salaries and Benefits
- Operating Budget – Full-time Equivalent Employees
- Water Sales – Sales
- Water Purchases
- Budget Assumptions
- Fiscal Year 2020/21 Budget Effects
- Average Customer Bill

- Water Sales – Revenue
- Sewer Revenues
- Capital Project Request Page
- Capital Budget
- Capital Improvement Projects by Function Total
- Reserve Balances
- Replacement Reserves

General discussion took place during which Director Sannella inquired about what options the Board has to control rates as water purchases make up 70% of the water operating budget. Finance Manager Owen stated that during the very detailed budget process, staff reviews controllable expenses such as materials and services in order to eliminate unnecessary costs as much as possible. He noted that in planning to reduce costs in the future, the Board approved pre-funding the California Public Employees' Retirement System (PERS) Unfunded Accrued Liability which has saved the District approximately \$10 million as well as fully funding the Other Post Employment Benefits (OPEB), saving approximately \$400,000 per year, both of which helped to save money for the District's rate payers. General Manager Prum stated options can be explored during the Cost of Service Study when operational costs are determined and during the rate setting process.

General Manager Prum recommended staff meet with new Directors Boyd-Hodgson and Pennock separately from the Finance Committee to provide a more comprehensive review of the budget and to answer questions they may have.

The Committee concurred with General Manager Prum's suggestion to schedule meetings with staff and Directors Boyd-Hodgson and Pennock.

Finance Manager Owen stated that a Finance Committee meeting is likely to be scheduled in February for the kickoff of the budget process for Fiscal Year 2021-2022.

#### OTHER BUSINESS

None.

#### PUBLIC COMMENT

None.

#### ADJOURNMENT

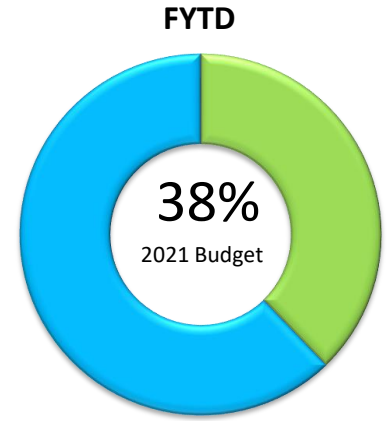
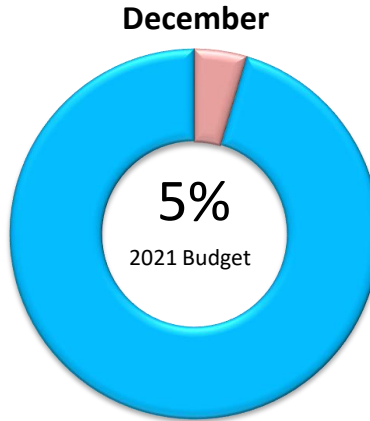
There being no further business to discuss, the meeting was adjourned at the hour of 4:53 p.m.

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

**Summary**

December Disbursements	\$	3,902,920 *
YTD Disbursements	\$	32,268,633 *
FY2021 Budget	\$	85,271,000

\* Excludes Debt Service

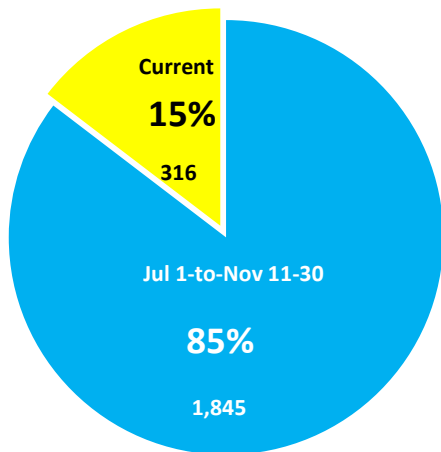


**Disbursements by Month**



**Top 10 Vendors - FYTD**

**Invoices Processed**



SAN DIEGO COUNTY WATER AUTH.	\$16.9M
ENCINA WASTEWATER AUTHORITY	\$5.8M
PUBLIC EMPLOYEES RETIRE SYSTM	\$1.8M
ACWA/JOINT POWERS INSURANCE	\$1.4M
SAN DIEGO GAS & ELECTRIC	\$848.9K
OLIVENHAIN MWD	\$494.9K
CAPITAL INDUSTRIAL COATINGS, LLC	334.2K
HAAKER EQUIPMENT CO.	\$288.7K
PENCCO, INC.	\$268.6K
TC CONSTRUCTION CO INC	\$266.0K

VALLECITOS WATER DISTRICT  
WARRANTS LIST  
January 20, 2021

PAYEE	DESCRIPTION	CHECK#	AMOUNT
<b>CHECKS</b>			
Garnishments	Payroll Garnishments	120524 through 120525	-
Best Best & Krieger	Legal Svcs - Oct	120526	25,023.61
Home Depot Credit Services	Hardware Supplies - Nov	120527	399.49
Richard W. Gittings	Hillside Development & Rincon Consulting - Oct	120528	6,132.30
Union Bank FKA 1st Bank Card	Meetings & Travel - Nov	120529	7,510.61
Union Bank FKA 1st Bank Card	Meetings & Travel - Nov	120530	947.66
Union Bank FKA 1st Bank Card	Meetings & Travel - Nov	120531	503.86
Garnishments	Payroll Garnishments	120532 through 120533	-
Advanced Imaging Solutions, Inc.	Copier Lease - Dec	120534	2,451.32
AH Water Inc	Sewer Bypass Rehabilitation	120535	8,160.00
Airgas USA LLC	Cylinder Rental	120536	166.10
Ambius	Plant Maintenance - Dec	120537	263.00
Angela Johnson	Closed Account Refund	120538	27.75
Aqua-Metric Sales Co	2 Inch Meter	120539	874.54
AT&T	Internet Svc - Dec	120540	90.24
AT&T	SCADA Phone Svc - Dec	120541	518.41
AT&T	Phone Svc - Nov	120542	2,808.64
Big Frog Custom T-Shirts & More	District T-Shirt Stock - Qty 190	120543	2,973.90
Boncor Water Systems	Drinking & Soft Water Svc - Dec	120544	1,887.50
Brookfield Latitude LLC	Closed Account Refund	120545	2,128.11
Brookfield Rancho Coronado LLC	Closed Account Refund	120546	630.06
Calolympic Safety	Breathing Air Bottles - For Confined Space Truck	120547	1,932.97
CCI	Water Treatment - Dec	120548	220.00
CDW Government Inc	Admin. Wireless Radio Network Prj 20201-22	120549	786.22
Cora Lynn Pierce	Closed Account Refund	120550	112.41
Core Logic Information Solutions Inc	Real Quest Engineering Map Svcs - Nov	120551	212.18
Coro Data Media Storage Inc	Back Up Storage Tape - Nov	120552	184.42
CWEA	Membership & Cert Renewal - M Smith	120553	283.00
Davis Farr LLP	Auditing Svcs Fiscal Year 2020	120554	3,940.00
DHK Engineers Inc	MRF - Odor Scrubber Replacement Prj 20211-9	120555	11,465.00
Electrical Sales Inc	Cooling Fan Installation Supplies	120556	457.59
Elizabeth Ramirez	Closed Account Refund	120557	82.05
Escondido Metal Supply	District-Wide SCADA Upgrade Prj 20201-4	120558	133.07
Ferguson Enterprises, Inc	Repairs, Air Valves, Couplings, Meter Boxes, Pump Control Valves	120559	6,484.99
Government Finance Officers Association	CAFR Award Application FY 19-20	120560	460.00
Grangetto's Farm Garden Supply	Landscaping Chemicals	120561	838.83
Harrington Industrial	MRF - Aeration Influent Channel Mixing Prj 20211-23	120562	92.08
Inductive Automation LLC	District-Wide SCADA Upgrade Prj 20201-4	120563	20,663.02
Infosend Inc	Postage, Printing, & Support Fee - Nov	120564	8,360.72
The Irrigation Association	Cert Renewal - A Yerman	120565	125.00
Jack Doheny Companies, Inc.	Debris Baskets - 5 For Vactor Trucks	120566	1,540.83
Knight Security & Fire Systems	Answering, Patrol, & Monitoring Svc - Dec	120567	656.69
Laser Cut Concrete Cutting Inc	MRF - Flow Control Valve & Actuator Prj 20211-16	120568	580.00
Left Coast Window Cleaning	Disinfecting Svcs HQ; Cleaning & Disinfecting Svcs - MRF	120569	2,903.13
Libby Rogers	Closed Account Refund	120570	20.35
Lloyd Pest Control	Pest Control Svcs - Dec	120571	48.00
Matheson Tri-Gas Inc	Cylinder Rental	120572	65.86
Momar, Inc.	Non-Acid Restroom Cleaning Products	120573	460.05
Nickole Scholey	Closed Account Refund	120574	103.43
North County Tool & Abrasive	Hardware Supplies	120575	360.97
NV5, Inc.	Tres Amigos Waterline Prj 20201-3	120576	13,974.50
Olivenhain MWD	Treated Water - Nov	120577	71,036.20
Pacific Pipeline Supply	Steel Pipes - 20, Repair Clamp, Hardware Supplies	120578	4,688.95
Penco, Inc.	Calcium Nitrate	120579	5,229.75
Perrault Corporation	Rock & Cold Mix	120580	3,212.34
Plumbers Depot Inc	Hoses & Tiger Tails 10 - For Vactor Trucks	120581	1,291.81
Quantum Group	Employee Gifts - Qty 110	120582	2,138.84
Raftelis Financial Consultants Inc	Cost of Service Study - Water	120583	7,230.00
Randi Everett	Closed Account Refund	120584	64.43
Recon Environmental Inc	District-Wide SCADA Upgrade Prj 20201-4 & Failsafe Pipeline Prj 20211-3	120585	8,029.00
Rely Environmental	Fuel Island Maintenance - Dec	120586	174.50
Rusty Wallis Inc	UV Lamp Replacement	120587	193.00

VALLECITOS WATER DISTRICT  
WARRANTS LIST  
January 20, 2021

PAYEE	DESCRIPTION	CHECK#	AMOUNT
SDG&E	Power - Nov	120588	146,085.53
San Diego Refrigeration	Ice Machine Cleaning	120589	682.74
Sarah & James Bond	Closed Account Refund	120590	24.71
Schmidt Fire Protection Co Inc	Quarterly Sprinkler Maintenance	120591	335.00
SHI International Corp.	Video Cable Adapters - 15 & IT Equipment	120592	5,779.99
Southern Counties Lubricants, LLC	Unleaded & Diesel Fuel	120593	27,679.95
Stephanie Woo & Allen Verschave	Closed Account Refund	120594	54.65
Steven Enterprises Inc	Paper - OCE Printer	120595	96.86
Sunbelt Rentals Inc	Manlift Rental	120596	831.52
T.S. Industrial Supply	4 Inch Suction Hose - MRF	120597	2,180.27
Terra Verde Energy LLC	District Wide Solar Prj 20201-14	120598	2,962.00
Troy Goswick	Closed Account Refund	120599	75.54
Trussell Technologies Inc	MRF - Biological Selector Improvements Prj 20191-2	120600	12,750.00
UPS	Shipping Svcs - Nov	120601	128.42
V & A Consulting Engineers Inc	Asset Management Replacement Schedule Prj 20141-4	120602	1,983.00
Verizon Wireless	Cell Phone Svc - Nov & Dec	120603	4,753.72
Versatile Systems Inc.	Twin Oaks Reservoir Safety Climb System Prj 20211-22	120604	27,802.80
Work Partners OHS	Medical Svcs & COVID-19 Testing Prj 20211-850	120605	790.00
Baker Electric Inc	Solar System Svcs - District HQ	120606	1,096.00
CDW Government Inc	Admin. Wireless Radio Network Prj 20201-22	120607	2,348.77
Grainger Inc	Safety Glasses, Buckets, Beverage Coolers, Hardware Supplies	120608	927.88
Haaker Equipment Co.	Suction Hose - Vactor 240	120609	734.89
Harris	North Star Maintenance 20-21	120610	38,246.16
Hawthorne Machinery Co.	Engine Repairs - Backhoe 193	120611	5,958.51
Mallory Safety & Supply, LLC	Self-Contained Breathing Apparatus Bottles - 10 For Hazmat Trailer	120612	16,286.95
Raymond Allyn Business Supplies	Office Furniture	120613	1,635.49
Total Resource Mgt Inc	Maximo Support - Nov	120614	1,147.50
Unifirst Corporation	Uniform Delivery	120615	1,532.94
Valley CM Inc	San Marcos Interceptor Prj 71004	120616	90,374.36
Waxie Sanitary Supply	Cleaning Supplies	120617	323.02
Garnishments	Payroll Garnishments	120618 through	-
ACWA	2021 Membership Dues	120620	26,029.73
ACWA/Joint Powers Insurance	Medical Svcs - Jan	120621	222,749.81
Advanced Imaging Solutions, Inc.	Copier Lease - Jan	120622	2,451.32
Air Pollution Control District	MRF - Odor Scrubber Replacement Prj 20211-9	120623	2,018.00
Andrew Donovan	Closed Account Refund	120624	41.26
Armorcast Products Co	Poly Box Inventory Order - 96	120625	4,803.30
AT&T	Phone Svc - Dec	120626	46.61
Boot World Inc	Safety Boots	120627	300.00
Capital Industrial Coatings, LLC	North Twin Oaks Tank Prj 20191-3	120628	20,623.75
CDW Government Inc	Admin. Wireless Radio Network Prj 20201-22	120629	7,167.59
Christina & David Herrera	Closed Account Refund	120630	30.32
County of San Diego	Recording Fees - Nov	120631	150.00
Doane & Hartwig Water Systems Inc	Chlorinator 3 Cleaning - MRF, Hardware Supplies	120632	731.30
Dell Computers	Sound Bars - 5	120633	271.48
DirecTV Inc	Satellite Svc - Dec & Jan	120634	189.53
Dive/Corr Inc	Annual Tank Inspections - 4	120635	13,100.00
EDCO Waste & Recycling Serv	Trash Svc - Dec	120636	895.10
G & R Auto & Truck Repair Inc	Fleet Smog Testing - 7 Vehicles	120637	350.00
Home Depot Credit Services	Hardware Supplies - Dec	120638	718.75
Idexx Distribution Corp.	Lab Sample Vessels & Reagents	120639	4,558.02
Interstate Batteries	Stock Vehicle Batteries - 4, SCADA Battery Packs - 4 Double Peak	120640	981.62
JCI Jones Chemicals Inc	Chlorine	120641	2,043.21
Kennedy/Jenks Consultants	San Marcos Interceptor Prj 71004	120642	2,741.50
Knight Security & Fire Systems	Svc - Alarm System - MRF, Annual Monitoring Service Fee - MRF	120643	1,704.00
Lloyd Pest Control	Pest Control Svcs - Dec	120644	164.00
Mallory Safety & Supply, LLC	Hard Hats & Gloves	120645	1,284.53
Occu Med Ltd	Medical Svcs	120646	287.00
Ostari Inc	District-Wide SCADA Upgrade Prj 20201-4	120647	42,210.99
Parkhouse Tire Inc	Warehouse Tire Stock - 8 Tires	120648	1,379.98
Pencco, Inc.	Calcium Nitrate	120649	5,249.40
Pitney Bowes	Postage Meter Refill	120650	1,000.00
R.S. Hughes Co., Inc.	Nitrile Glove Stock Order, Hardware Supplies	120651	1,978.68

VALLECITOS WATER DISTRICT  
WARRANTS LIST  
January 20, 2021

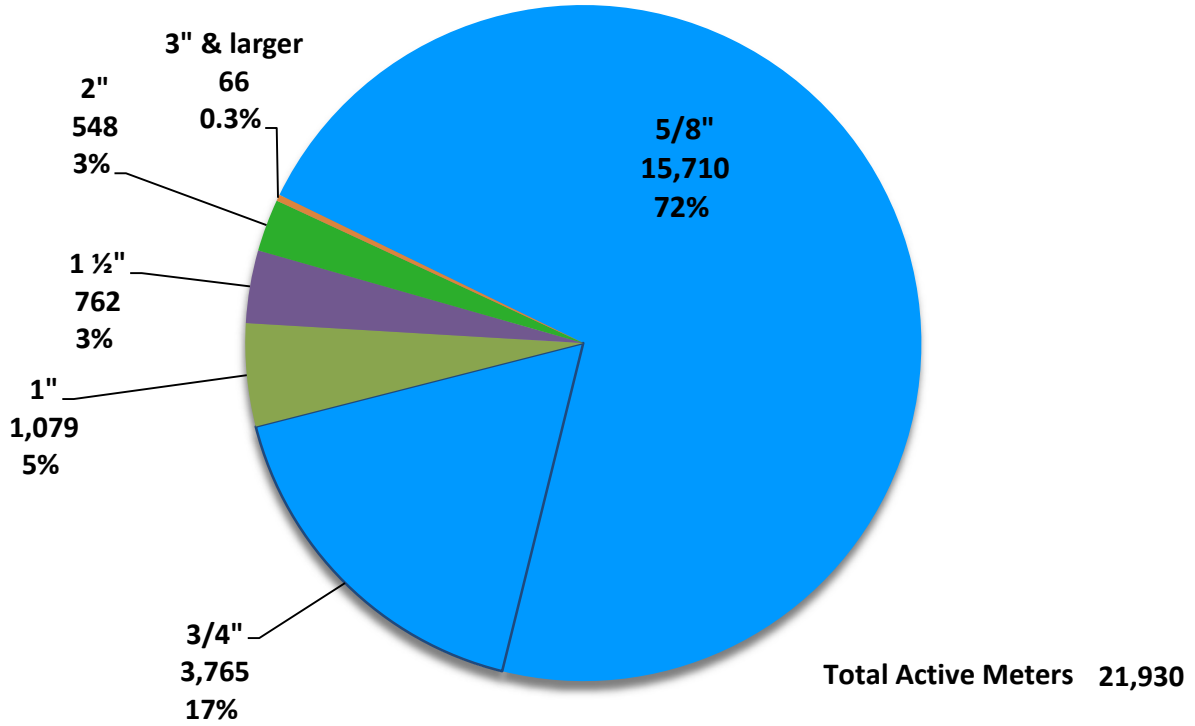
PAYEE	DESCRIPTION	CHECK#	AMOUNT
Rusty Wallis Inc	Svc to Odor Scrubber 1 - MRF	120652	180.00
Safety-Kleen Systems Inc	Parts Washer Rental	120653	919.70
San Diego County Water Authority	Water Connection Fees Quarter Ending 12-31-20	120654	343,225.00
SDG&E	Power - Dec	120655	7,984.67
Schmidt Fire Protection Co Inc	Semi Annual Sprinkler Maintenance Inspection - HQ	120656	1,072.00
SHI International Corp.	Headsets - 8, Docking Stations - 10	120657	3,268.40
Shred-It US JV LLC	Shredding Svcs - Dec	120658	450.05
South Bay Foundry Inc	Manholes & Manhole Covers - 18	120659	3,814.35
Southern Counties Lubricants, LLC	Diesel Fuel	120660	1,740.16
Sparling Instruments LLC	Failsafe Flow Meter Modules - 2 - MRF	120661	3,146.19
State Water Resources Control	Annual Permit Fees - District HQ & MRF	120662	38,442.00
Test America Laboratories Inc	Analysis - Car Wash Grit	120663	1,080.50
Union Bank FKA 1st Bank Card	Meetings & Travel - Dec	120664	115.05
Union Bank FKA 1st Bank Card	Meetings & Travel - Dec	120665	2,043.21
Union Bank FKA 1st Bank Card	Meetings & Travel - Dec	120666	2,247.42
Univar USA Inc	Sodium Bisulfite & Caustic Soda	120667	5,335.13
UPS	Shipping Svcs - Dec	120668	31.27
Verizon Wireless	Ipad Svc - Dec	120669	381.53
Waxie Sanitary Supply	Cleaning Supplies	120670	37.67
Aqua-Metric Sales Co	SSO Training Facility Prj 20211-18	120671	53,526.26
Backflow Solutions, Inc.	Backflow Testing Dec - Qty 55	120672	822.25
Cal Pacific Truck Center, LLC	Supplies Veh 231 Repair, Miscellaneous Fleet Supplies	120673	321.98
California Bank & Trust	San Marcos Interceptor Prj 71004	120674	3,330,250.65
California Water Efficiency Partnership	2021 Membership Dues Prj 20211-44	120675	2,023.36
Chandler Asset Management, Inc.	Investment Management Svcs - Dec	120676	3,927.98
Jeffrey Colwell	Video Production Svcs Prj 20211-40	120677	376.25
Commercial Mobile Systems	COVID-19 Trailer Rental - MRF	120678	511.82
Electrical Sales Inc	MRF - AT&T Phone Line Relocation Prj 20211-24	120679	1,166.72
Fisher Scientific LLC	Lab Supplies - MRF	120680	712.84
Flag Mart	Flags - 2	120681	164.08
Fleet Pride	Hardware Supplies	120682	113.72
Grainger Inc	Window & Door Sealant, Brass Valves - 2, Hardware Supplies	120683	1,291.78
Harris	GEMS Budget Training	120684	200.00
Huntington & Associates, Inc.	Claval Valve For Construction Meter	120685	4,086.75
Infosend Inc	Support Fee, Postage, & Printing - Dec	120686	5,566.95
Kaman Industrial Technologies	Hardware Supplies	120687	96.81
Left Coast Window Cleaning	Disinfecting Svcs HQ; Cleaning & Disinfecting Svcs - MRF	120688	3,683.13
Michael Baker International, Inc.	Montiel Lift Station Prj 20201-2	120689	13,174.50
Mission Resource Conservation District	Water Use Evaluation Prj 20211-42	120690	99.00
Pacific Pipeline Supply	Warehouse Brass Inventory Order, PVC Pipes, Hardware Supplies	120691	6,079.13
Ramco Specialty Products Inc	Concrete Recycling	120692	125.00
Redback USA	Safety Boots	120693	133.61
Rick Post Welding	Welding Svcs - 8 Inch Pipe Repair, Water System Tank 1 - Pipe Repair	120694	6,307.31
T.S. Industrial Supply	Hardware Supplies	120695	369.29
Traffic Supply Inc	Custom Sign	120696	25.41
TSI Incorporated	Flow Meter - MRF	120697	758.48
Underground Service Alert	Dig Alert Svc & CA State Fee/Regulatory Costs - Dec	120698	763.40
Unifirst Corporation	Uniform Delivery	120699	2,450.43
USA Blue Book	Sample Collection Supplies - MRF	120700	402.16
Valley CM Inc	San Marcos Interceptor Prj 71004	120701	41,145.00
Vortex Industries Inc	Roll Up Door Repair - MRF	120702	766.00
VWR International	Glass Fiber Filters 6 - MRF	120703	534.07
Total Disbursements (174 Checks)			<u>4,905,683.65</u>
<b>WIRES</b>			
San Diego County Water Authority	November Water Bill	Wire	2,360,730.95
Public Employees Retirement System	Retirement Contribution - December 15, 2020 Payroll	Wire	81,072.27
Public Employees Retirement System	Retirement Contribution - December 29, 2020 Payroll	Wire	81,341.25
Public Employees Retirement System	Retirement Contribution - January 13, 2021 Payroll	Wire	78,481.78
Public Employees Retirement System	Replacement Benefit Fund	Wire	95,350.56
Total Wires			<u>2,696,976.81</u>

VALLECITOS WATER DISTRICT  
WARRANTS LIST  
January 20, 2021

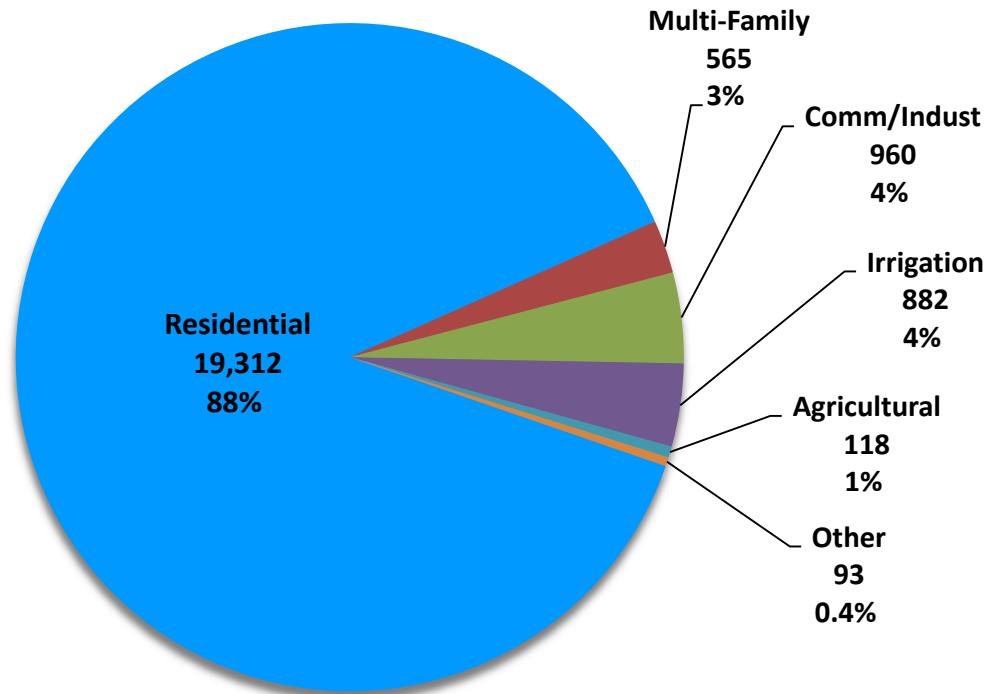
PAYEE	DESCRIPTION	CHECK#	AMOUNT
<b>PAYROLL</b>			
Total direct deposits		Wire	248,991.14
VWD Employee Association		120524	578.00
Payroll & Garnishments		120525	1,171.76
IRS	Federal payroll tax deposits	Wire	95,101.58
Employment Development Department	California payroll tax deposit	Wire	18,848.53
CalPERS	Deferred compensation withheld	Wire	20,427.46
VOYA	Deferred compensation withheld	Wire	7,661.69
Total December 15, 2020 Payroll Disbursements			<u>392,780.16</u>
Total direct deposits		Wire	250,104.95
VWD Employee Association		120532	578.00
Payroll & Garnishments		120533	689.06
IRS	Federal payroll tax deposits	Wire	95,167.09
Employment Development Department	California payroll tax deposit	Wire	18,764.33
CalPERS	Deferred compensation withheld	Wire	23,797.60
VOYA	Deferred compensation withheld	Wire	7,321.69
Total December 29, 2020 Payroll Disbursements			<u>396,422.72</u>
Total direct deposits		Wire	232,728.24
VWD Employee Association		120618	566.00
Payroll & Garnishments		120619	689.06
IRS	Federal payroll tax deposits	Wire	98,647.31
Employment Development Department	California payroll tax deposit	Wire	25,172.04
CalPERS	Deferred compensation withheld	Wire	35,732.64
VOYA	Deferred compensation withheld	Wire	13,479.10
Total January 13, 2021 Payroll Disbursements			<u>407,014.39</u>
Total direct deposits		Wire	53,450.49
IRS	Federal payroll tax deposits	Wire	38,659.20
Employment Development Department	California payroll tax deposit	Wire	7,709.77
CalPERS	Deferred compensation withheld	Wire	27,250.00
VOYA	Deferred compensation withheld	Wire	2,000.00
Special Payroll Disbursements (i.e., final checks, accrual payouts, etc.)			<u>129,069.46</u>
Total Payroll Disbursements			<u>1,325,286.73</u>
TOTAL DISBURSEMENTS			<u>8,927,947.19</u>

Vallejos Water District  
 Active Water Meters  
 December 31, 2020

Active Meters by Size as of December 31, 2020



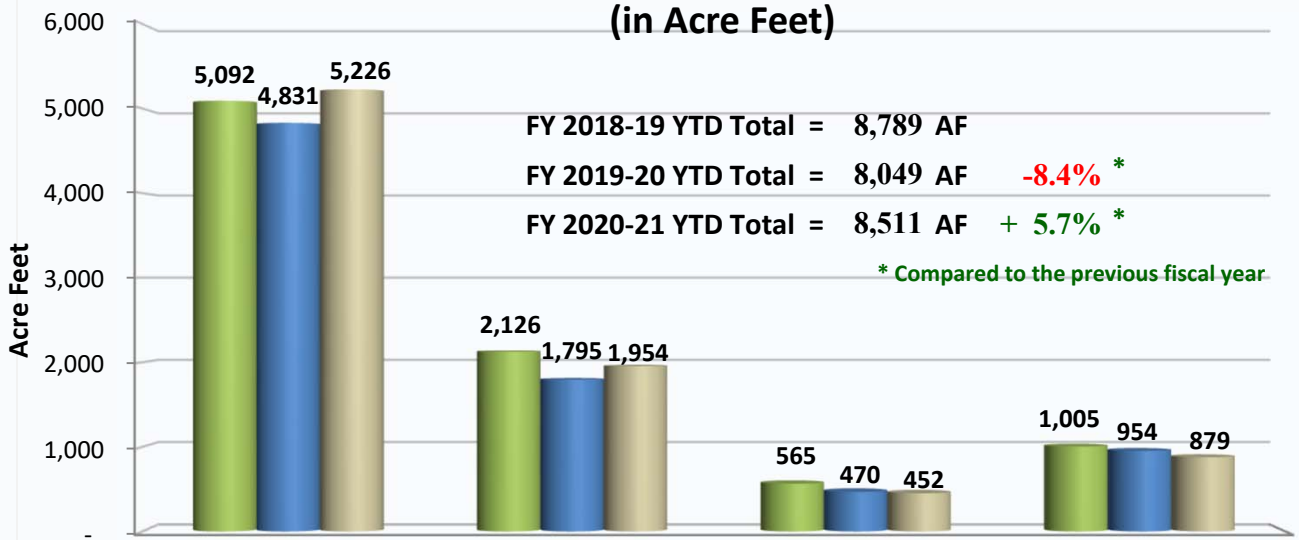
Active Meters by Type as of December 31, 2020





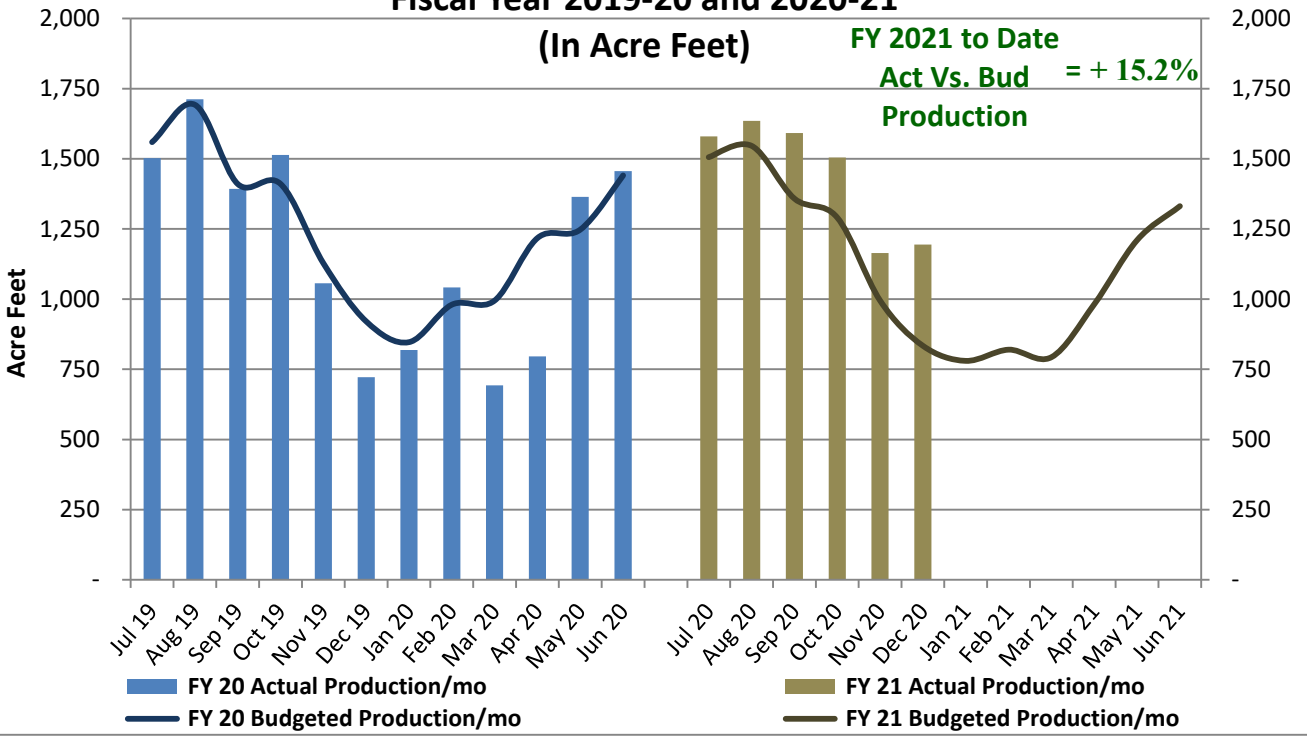
Vallejos Water District  
 Water Production/Sales  
 December 31, 2020

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



	Residential	Irrigation	Agricultural	Commer/ Indust/ Const/ Oth
FY 2018-19	5,092	2,126	565	1,005
FY 2019-20	4,831	1,795	470	954
FY 2020-21	5,226	1,954	452	879

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



## OVERVIEW

With the second quarter complete, the District's water fund had a net operating income of \$5.0 million (before depreciation) and the sewer fund had a net operating income of \$4.7 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 better than expected during the second quarter of Fiscal Year 2021.

**Revenues:** Water sales were 73% of total budget because of high demand during the summer months and as a result of COVID-19. Ready to Serve (RTS) performed as expected. Pumping Charges are high corresponding with water sales. Other revenue was high due to more late fees collected than anticipated during COVID-19.

Revenue	Budget	YTD Actual	Percent
Water Sales	\$ 26,810,000	\$ 19,459,460	73%
Ready to Serve	14,450,000	7,300,312	51%
Pumping Cost Rec	415,000	266,549	64%
Other	441,000	285,552	65%
<b>Total</b>	<b>\$ 42,116,000</b>	<b>\$ 27,311,873</b>	<b>65%</b>

**Expenses:** Water Purchases were 56% of total budget in response to Water Sales. Operating expenses are in line thus far with the budget. Supporting expenses are low due to less bad debt expense than anticipated during COVID-19. General & Administrative expenses were slightly below because of lower outside service and staffing costs.

Expense	Budget	YTD Actual	Percent
Water Purchases	\$ 29,930,000	\$ 16,749,860	56%
Operating	4,935,000	2,233,442	45%
Supporting	4,773,000	2,067,538	43%
General & Admin	3,088,000	1,269,232	41%
<b>Total</b>	<b>\$ 42,726,000</b>	<b>\$ 22,320,072</b>	<b>52%</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	\$ 9,165,073	53%
Reclaimed	2,794,000	1,528,486	55%
Other	110,000	56,953	52%
<b>Total</b>	<b>\$ 20,234,000</b>	<b>\$ 10,750,512</b>	<b>53%</b>

## SEWER FUND (continued)

**Expenses:** Treatment expenses were low due to timing of budgeted materials being purchased and outside services being performed. Operating and General and Administrative expenses performed as expected. Like the water fund, supporting costs were low due to less bad debt expense than anticipated.

Expense	Budget	YTD Actual	Percent
Treatment	\$ 6,147,000	\$ 2,666,390	43%
Operating	2,849,000	1,450,116	51%
Supporting	2,902,000	1,263,891	44%
General & Admin	1,412,000	686,449	49%
<b>Total</b>	<b>\$ 13,310,000</b>	<b>\$ 6,066,846</b>	<b>46%</b>

## RESERVES AND FUNDS:

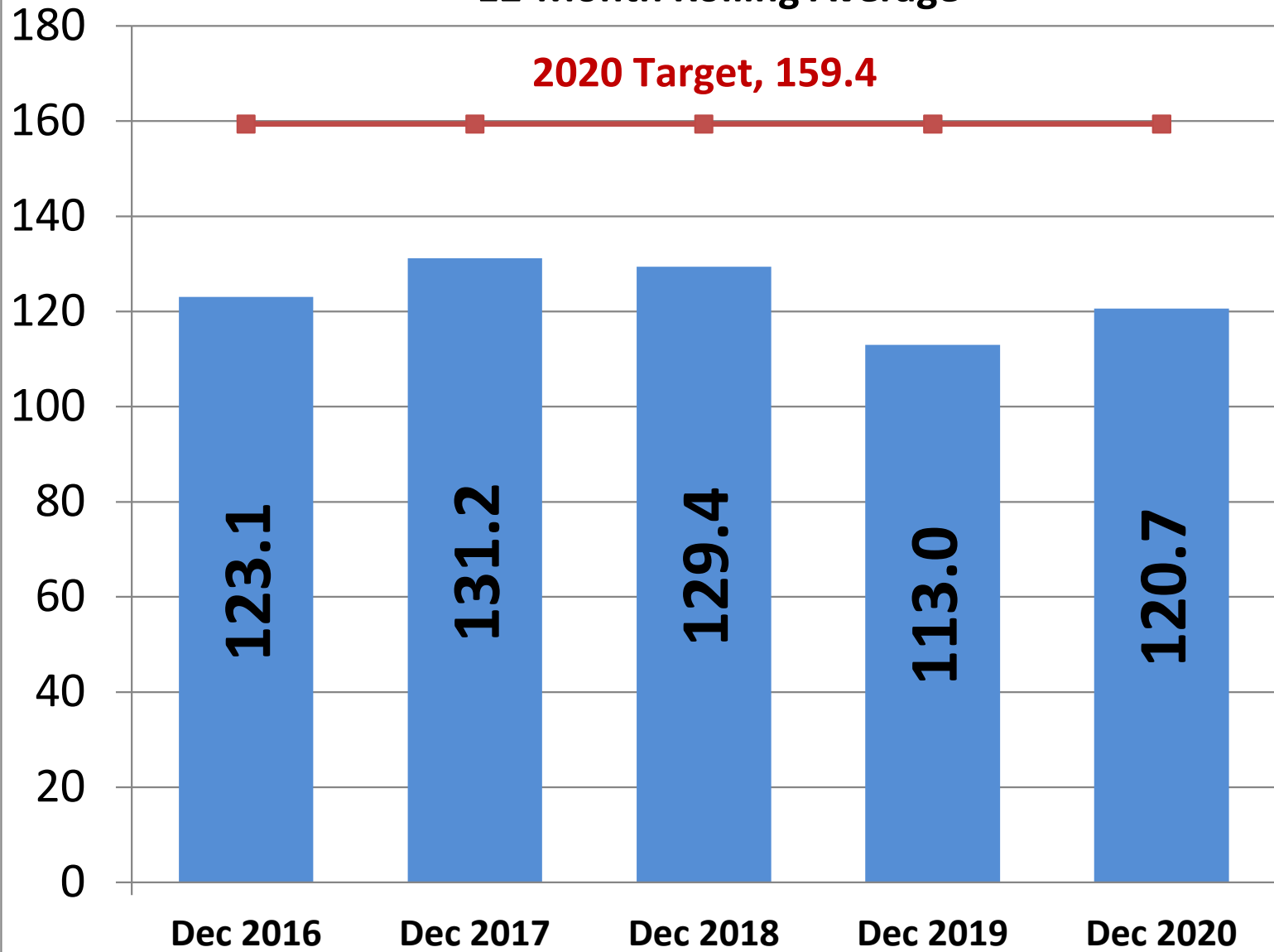
The following is a summary of the replacement reserves and capacity funds as of December 31, 2020.

Water:		
Revenues	Replacement	Capacity
FY 20/21 Operating Transfers	\$ 4,991,801	-
Capital Facility Fees	-	\$ 1,682,064
Property tax & Other	1,400,392	-
<b>Total Revenue</b>	<b>6,392,193</b>	<b>1,682,064</b>
Distributions		
Capital Projects	809,087	-
Fund PERS UAL	2,456,470	-
Debt Service	-	649,381
<b>Total Distributions</b>	<b>3,265,557</b>	<b>649,381</b>
Beginning Balance	37,926,769	(8,191,036)
Ending Balance	41,053,405	(7,158,353)
Less: Operating Reserves	6,310,400	-
<b>Replacement Reserve Balance</b>	<b>\$ 34,743,005</b>	<b>\$ (7,158,353)</b>
Replacement Reserve Floor	\$ 9,233,800	
Replacement Reserve Ceiling	\$ 36,905,000	

Wastewater:		
Revenues	Replacement	Capacity
FY 20/21 Operating Transfers	\$ 4,683,666	-
Capital Facility Fees	-	\$ 3,660,535
Property tax & Other	1,618,617	-
<b>Total Revenue</b>	<b>6,302,283</b>	<b>3,660,535</b>
Distributions		
Capital Projects	4,823,407	384,155
Fund PERS UAL	1,570,530	-
Debt Service	-	1,602,535
<b>Total Distributions</b>	<b>6,393,937</b>	<b>1,986,690</b>
Beginning Balance	59,840,514	(7,282,511)
Ending Balance	59,748,860	(5,608,666)
Less: Operating Reserves	6,563,800	-
<b>Replacement Reserve Balance</b>	<b>\$ 53,185,060</b>	<b>\$ (5,608,666)</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: JANUARY 20, 2021**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: MONTHLY FINANCIAL REPORTS**

**BACKGROUND:**

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

**DISCUSSION:**

The Monthly Revenue and Expense reports summarize revenues by service type and expenses by department over the 6-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 Six Months Ended December 31, 2020

	Current Year Actual	Prior Year Actual				Current Year Budget		
		Amount	Variance		Amount	Variance		
			\$	%		\$	%	
<b>Revenue</b>								
Water Sales	\$19,459,460	\$17,545,307	\$ 1,914,153	10.9%	\$15,922,000	\$ 3,537,460	22.2%	
Ready-to-serve	7,300,312	7,165,804	134,508	1.9%	7,226,000	74,312	1.0%	
Pumping cost recovery	266,549	241,313	25,236	10.5%	246,000	20,549	8.4%	
Late & lock charges	159,799	186,023	(26,224)	-14.1%	28,000	131,799	470.7%	
Backflow fees	52,633	48,616	4,017	8.3%	52,000	633	1.2%	
Other revenue	73,120	196,355	(123,235)	-62.8%	145,600	(72,480)	-49.8%	
<b>Total Revenue</b>	<b>27,311,873</b>	<b>25,383,418</b>	<b>1,928,455</b>	<b>7.6%</b>	<b>23,619,600</b>	<b>3,692,273</b>	<b>15.6%</b>	
<b>Expenses</b>								
Water costs	16,749,860	16,241,870	507,990	3.1%	14,852,000	1,897,860	12.8%	
Pumping costs	434,322	432,680	1,642	0.4%	618,000	(183,678)	-29.7%	
Water quality	48,239	53,250	(5,011)	-9.4%	102,000	(53,761)	-52.7%	
Water treatment	229,852	267,929	(38,077)	-14.2%	233,000	(3,148)	-1.4%	
Tanks & reservoirs	119,338	186,559	(67,221)	-36.0%	232,000	(112,662)	-48.6%	
Trans & distribution	896,130	867,602	28,528	3.3%	939,000	(42,870)	-4.6%	
Services	56,979	32,253	24,726	76.7%	39,000	17,979	46.1%	
Meters	406,707	373,472	33,235	8.9%	364,000	42,707	11.7%	
Backflow prevention	41,875	30,636	11,239	36.7%	32,000	9,875	30.9%	
Customer accounts	378,232	327,248	50,984	15.6%	517,000	(138,768)	-26.8%	
Building & grounds	211,950	176,173	35,777	20.3%	209,000	2,950	1.4%	
Equipment & vehicles	128,351	123,082	5,269	4.3%	158,000	(29,649)	-18.8%	
Engineering	813,816	828,646	(14,830)	-1.8%	813,000	816	0.1%	
Safety & compliance	104,192	103,919	273	0.3%	146,000	(41,808)	-28.6%	
Information Technology	430,997	467,405	(36,408)	-7.8%	543,000	(112,003)	-20.6%	
General & administrative	1,269,232	1,639,720	(370,488)	-22.6%	1,543,000	(273,768)	-17.7%	
<b>Total Expenses</b>	<b>22,320,072</b>	<b>22,152,444</b>	<b>167,628</b>	<b>0.8%</b>	<b>21,340,000</b>	<b>980,072</b>	<b>4.6%</b>	
<b>Net Operating Income</b>	<b>\$ 4,991,801</b>	<b>\$ 3,230,974</b>	<b>1,760,827</b>	<b>54.5%</b>	<b>\$ 2,279,600</b>	<b>2,712,201</b>	<b>119.0%</b>	

Explanation of Significant Variances

**Water sales** show a favorable budget variance due to higher than anticipated sales in the summer months resulting from 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 prior year variance due to a reimbursement received in the prior fiscal year for a portion of the cost of the District-Wide Solar Project. **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.

**Water quality** has a favorable budget variance this year due to timing of outside services being performed.

**Tanks and reservoirs** has a favorable prior year variance as a result of less labor costs and outside repair costs. **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 variance as a result of more labor charged to projects this year.

Vallecitos Water District  
Sewer Revenue and Expense Report  
For the Six Months Ended December 31, 2020

	Current Year Actual	Prior Year Actual			Current Year Budget		
		Amount	Variance		Amount	Variance	
			\$	%		\$	%
<b>Revenue</b>							
Sewer service charges	\$ 9,165,073	\$ 9,300,850	\$ (135,777)	-1.5%	\$ 8,729,000	\$ 436,073	5.0%
Reclaimed water sales	1,528,486	1,828,425	(299,939)	-16.4%	1,397,000	131,486	9.4%
Other revenue	56,953	207,693	(150,740)	-72.6%	53,000	3,953	7.5%
<b>Total Revenue</b>	<b>10,750,512</b>	<b>11,336,968</b>	<b>(586,456)</b>	<b>-5.2%</b>	<b>10,179,000</b>	<b>571,512</b>	<b>5.6%</b>
<b>Expenses</b>							
Collection & conveyance	1,212,544	1,209,892	2,652	0.2%	1,176,000	36,544	3.1%
Lift stations	155,372	106,472	48,900	45.9%	146,000	9,372	6.4%
Source Control	82,200	99,326	(17,126)	-17.2%	102,000	(19,800)	-19.4%
Effluent disposal	1,378,079	1,430,370	(52,291)	-3.7%	1,522,000	(143,921)	-9.5%
Meadowlark	1,288,311	1,284,919	3,392	0.3%	1,551,000	(262,689)	-16.9%
Customer Accounts	223,344	213,749	9,595	4.5%	300,000	(76,656)	-25.6%
Building & grounds	125,000	100,218	24,782	24.7%	152,000	(27,000)	-17.8%
Equipment & vehicles	96,573	102,611	(6,038)	-5.9%	113,000	(16,427)	-14.5%
Engineering	384,425	317,382	67,043	21.1%	374,000	10,425	2.8%
Safety & compliance	67,026	73,967	(6,941)	-9.4%	99,000	(31,974)	-32.3%
Information technology	367,523	368,704	(1,181)	-0.3%	414,000	(46,477)	-11.2%
General & administrative	686,449	664,341	22,108	3.3%	704,000	(17,551)	-2.5%
<b>Total Expenses</b>	<b>6,066,846</b>	<b>5,971,951</b>	<b>94,895</b>	<b>1.6%</b>	<b>6,653,000</b>	<b>(586,154)</b>	<b>-8.8%</b>
<b>Net Operating Income</b>	<b>\$ 4,683,666</b>	<b>\$ 5,365,017</b>	<b>(681,351)</b>	<b>-12.7%</b>	<b>\$ 3,526,000</b>	<b>1,157,666</b>	<b>32.8%</b>

Explanation of Significant Variances

**Other revenue** has an unfavorable prior year variance due to a reimbursement received in the prior fiscal year for a portion of the cost of the District-Wide Solar Project.

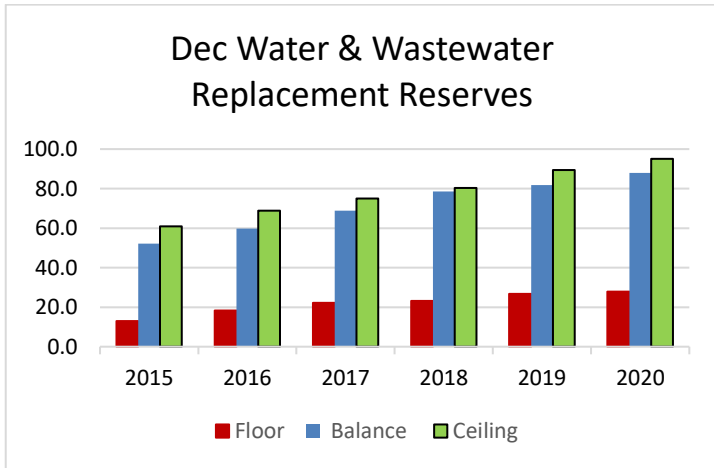
**Customer accounts** has a favorable budget variance due to less than anticipated bad debt expense when compared to COVID-19 projections.

**Engineering** has an unfavorable prior year variance due to anticipated increases in labor costs.

*Variances are considered significant if they exceed \$50000 and 20%.*

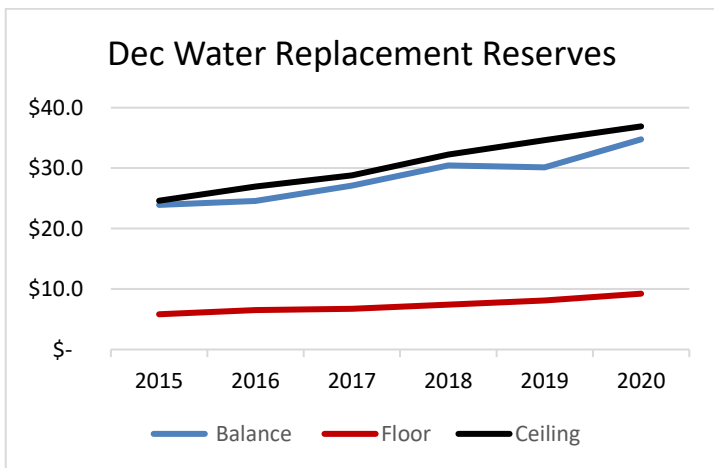
**REPLACEMENT RESERVES**

The District maintains two replacement reserves in cash equivalents and investments: One for the District’s water system, and the other for the District’s wastewater system. The District’s reserve policy establishes a floor of the sum of the next three years of projected system replacement costs, and a ceiling of the sum of the next ten years of system replacement costs. As of December 31, 2020, the total water and wastewater replacement reserve balance was \$87.9 million, 7.5 percent higher than December 31, 2019.



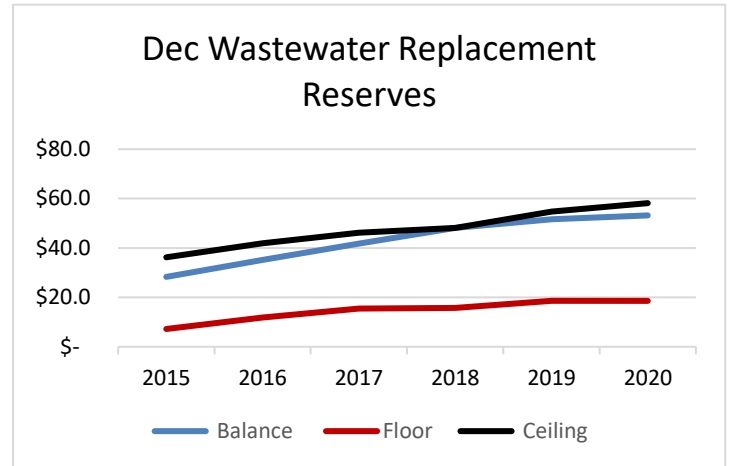
**WATER REPLACEMENT RESERVE**

As of December 31, 2020, the District’s water replacement reserve totaled \$34.7 million, an increase of 15.2 percent, or \$4.6 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.



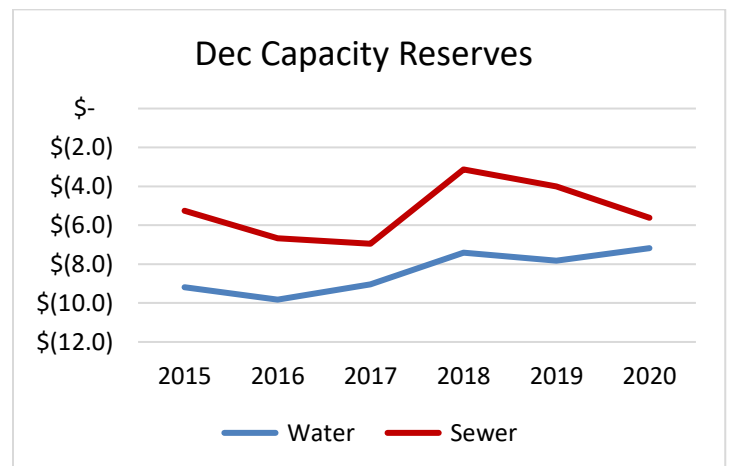
**WASTEWATER REPLACEMENT RESERVE**

As of December 31, 2020, the balance in the District’s wastewater replacement reserve totaled \$53.2 million, an increase of 2.9 percent, or \$1.5 million, from the same month of the prior year. The month-end balance is within the approved floor and ceiling.



**CAPACITY RESERVES**

The District collects capital facility fees from new development and increased demands from existing customers, maintains the collected fees in separate funds (one for water and one for wastewater), and uses the funds exclusively to provide capacity to serve new development and fund future construction of facilities identified in the District’s Master Plan and capital budget. As of December 31, 2020, the water capacity fund had a deficit of \$7.2 million and the sewer capacity fund had a deficit of \$5.6 million. The District’s capital facility fees situation is expected to improve as a result of the adoption of the new Master Plan and the corresponding capacity fee study.





**VALLECITOS WATER DISTRICT**

**RESERVE ACTIVITY FOR THE SIX MONTHS ENDED DECEMBER 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	4,991,801		4,683,666		9,675,467
Capital Facility Fees	-	1,682,064	-	3,660,535	5,342,599
Property Tax	591,233	-	471,810	-	1,063,043
Investment Earnings	501,644	-	476,012	-	977,656
Annexation Fees	307,515	-	670,795	-	978,310
<b>TOTAL REVENUES</b>	<b>6,392,193</b>	<b>1,682,064</b>	<b>6,302,283</b>	<b>3,660,535</b>	<b>18,037,076</b>
LESS DISTRIBUTIONS					
Capital Projects					
Encina Wastewater Authority Five Year Plan	-	-	3,768,979	-	3,768,979
San Marcos interceptor sewer	-	-	170,582	379,680	550,262
North Twin Oaks Tank 1 Refurb	428,004	-	-	-	428,004
District-Wide SCADA Upgrade Project	95,906	-	92,145	-	188,052
District-Wide Valve Replacement Program	93,845	-	-	-	93,845
MRF Biological Selector Improvements	-	-	74,199	-	74,199
MRF Grinder Pump 1	-	-	72,894	-	72,894
South Lake - Ultrasonic Algae Control System	59,740	-	-	-	59,740
16-Inch Emergency Bypass Pipeline Rehabilitation	-	-	54,759	-	54,759
District Wide Solar Project	26,274	-	25,243	-	51,517
Sewer Rehabilitation And Repairs	-	-	32,775	-	32,775
Tres Amigos Water Line Replacement Phase 1	31,657	-	-	-	31,657
Septage Hauler Disposal Siting Study	-	-	29,981	-	29,981
SSO Training Facility	-	-	24,574	-	24,574
Asset Management Replacement Schedule	11,900	-	11,433	-	23,333
MRF Headworks - Upgrade/Replace Equipment	-	-	22,697	-	22,697
MRF - Fall Protection Grating Installation	-	-	22,337	-	22,337
Failsafe Buena Sewer Outfall Condition Assessment	-	-	21,333	-	21,333
Twin Oaks Reservoir - Safety Climb System	13,996	-	-	-	13,996
MAHR - Salt Tank Ladder Climbing System	-	-	13,901	-	13,901
Audiovisual Upgrade	6,988	-	6,714	-	13,702
MRF - Odor Scrubber #1 Replacement	-	-	12,635	-	12,635
Land Outfall West Condition Assessment	-	-	11,495	-	11,495
District Wide Valve Replacement	10,651	-	-	-	10,651
Wireless Radio Network Upgrades	5,099	-	4,899	-	9,998
MRF - Tertiary Influent Chamber Repairs	-	-	9,437	-	9,437
MRF - Flow Control Valve & Actuator	-	-	7,430	-	7,430
South Lake Pump Station Fence	5,277	-	-	-	5,277
MRF - AT&T Phone Line Relocation	-	-	4,620	-	4,620
MRF - Aeration Influent Channel Mixing	-	-	4,411	-	4,411
Montiel Lift Station And Foremain 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
Encina Land Parallel Outfall	-	-	-	3,278	3,278
MRF Site Lighting Upgrade and Repairs	-	-	2,150	-	2,150
Palos Vista Pump Station - Motor Starter Upgrade	1,868	-	-	-	1,868
All other capital projects	-	-	1,623	-	1,623
Capital Budget - Vehicles/Mobile Equipmnt	13,852	-	313,359	-	327,211
Total Capital Project Expenditures	809,087	-	4,823,407	384,155	6,016,649
Debt Service	-	500,629	-	1,477,755	1,978,384
Fund PERS UAL	2,456,470	-	1,570,530	-	4,027,000
Interest Expense	-	148,752	-	124,780	273,532
<b>TOTAL DISTRIBUTIONS</b>	<b>3,265,557</b>	<b>649,381</b>	<b>6,393,937</b>	<b>1,986,690</b>	<b>12,295,565</b>
ENDING BALANCE	\$ 41,053,405	\$ (7,158,353)	\$ 59,748,860	\$ (5,608,666)	\$ 88,035,246
Less: Operating Reserves	6,310,400	-	6,563,800	-	12,874,200
Replacement Reserves/Restricted Funds	\$ 34,743,005	\$ (7,158,353)	\$ 53,185,060	\$ (5,608,666)	\$ 75,161,046
Replacement reserve floor	\$ 9,233,800		\$ 18,557,900		
Replacement reserve ceiling	\$ 36,905,000		\$ 58,145,300		

VALLECITOS WATER DISTRICT  
INVESTMENT REPORT FOR DECEMBER 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 December follows:

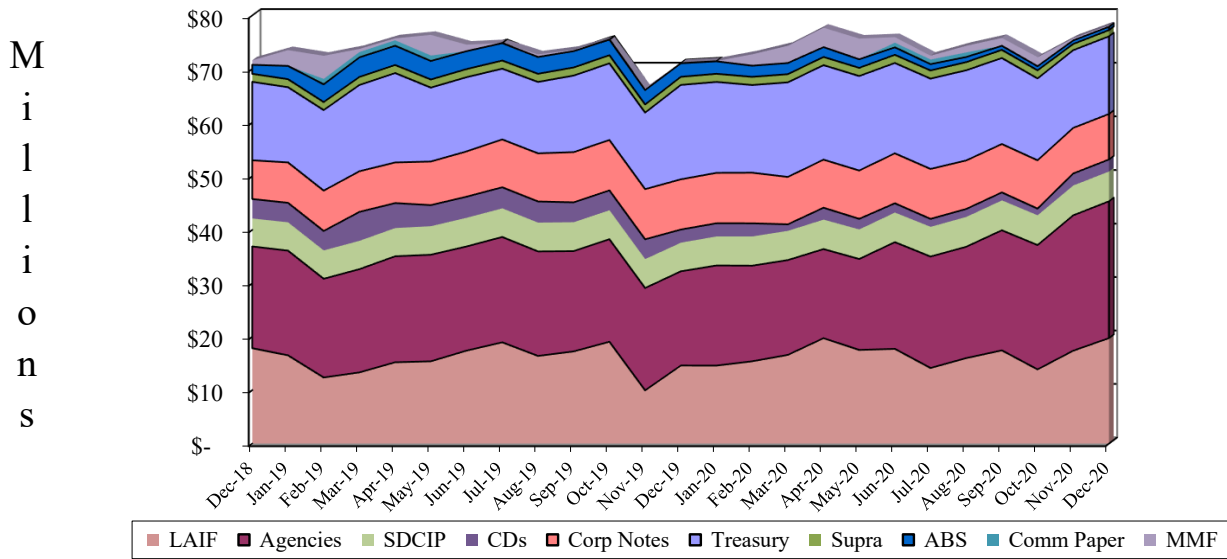
<u>Date</u>	<u>Activity</u>	<u>Investment</u>	<u>Amount</u>	<u>Maturity</u>	<u>Yield</u>
12/02/20	Deposit	LAIF	750,000	Open	0.54%
12/04/20	Purchased	FHLMC	769,238	12/04/23	0.00%
12/04/20	Sold	FNMA	(513,760)	01/11/22	2.63%
12/09/20	Deposit	LAIF	900,000	Open	0.54%
12/15/20	Withdrawal	LAIF	(1,650,000)	Open	0.54%
12/17/20	Deposit	LAIF	1,250,000	Open	0.54%
12/18/20	Sold	HAROT 2017-3 A3	(9,892)	09/20/21	1.79%
12/18/20	Sold	HAROT 2019-1 A2	(5,381)	09/20/21	2.75%
12/18/20	Sold	Honda Auto Rec	(5,824)	05/18/22	3.01%
12/21/20	Sold	HAROT 2018-3 A3	(10,468)	08/22/22	2.95%
12/31/20	Deposit	LAIF	1,100,000	Open	0.54%
Change in investments during the month			<u>\$ 2,573,913</u>		

Weighted average annual yield for total Vallecitos investments	<u>Current</u> 1.300%
Weighted average days to maturity	453

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

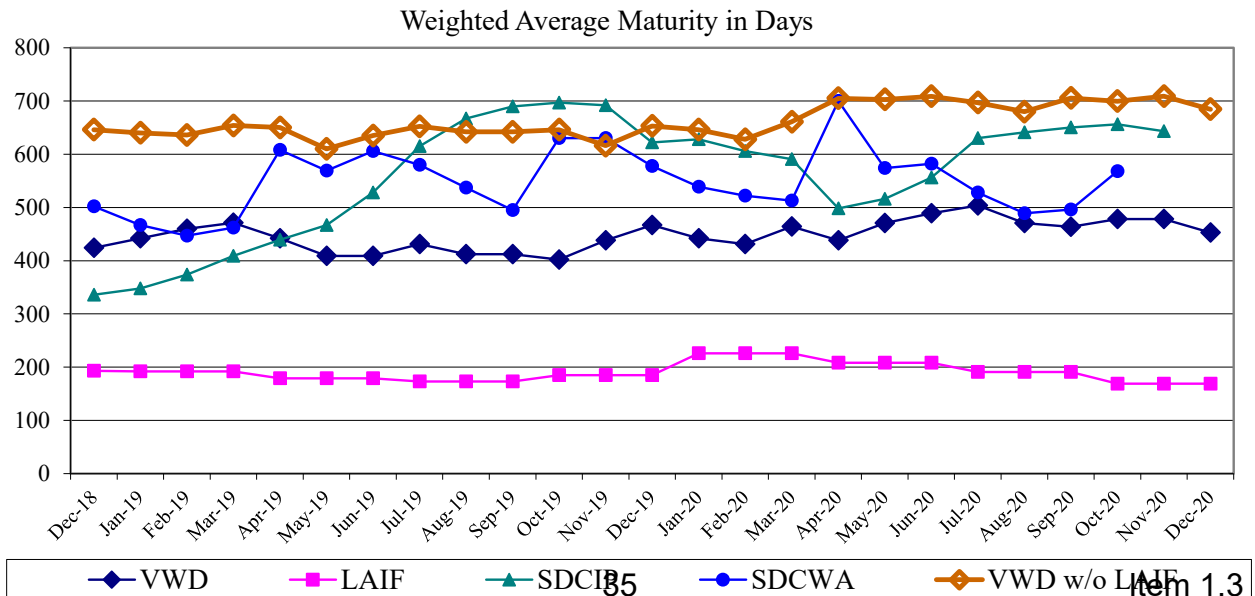
Safety

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.



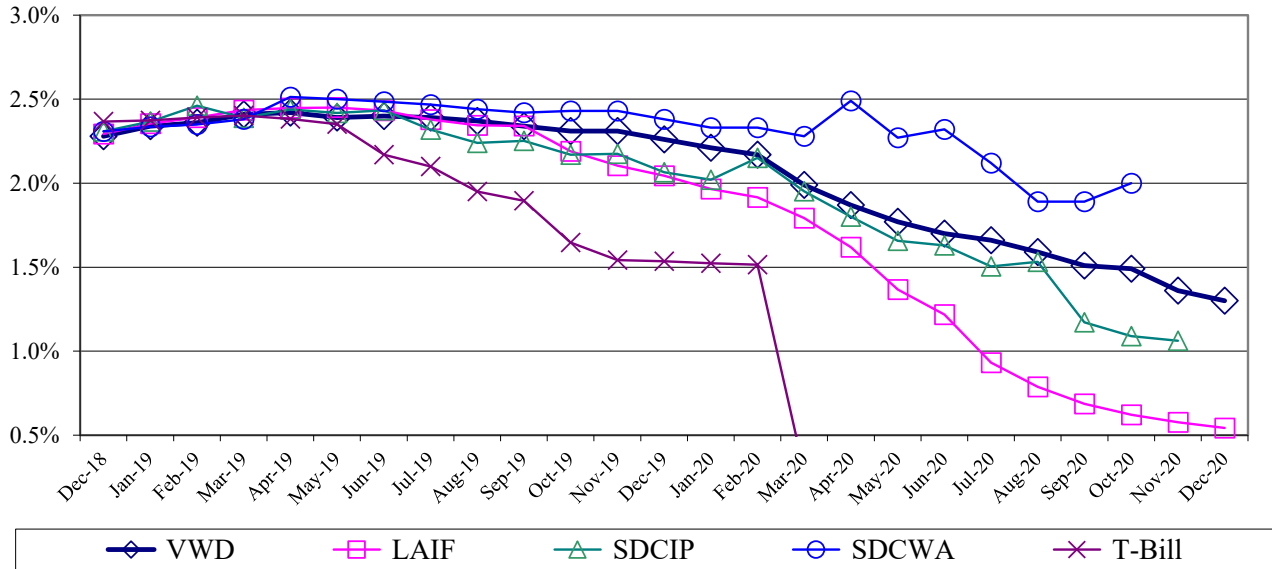
Liquidity

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 \$19.7 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	1.24
Average Coupon	1.32%
Average Purchase YTM	1.30%
Average Market YTM	0.33%
Average S&P/Moody Rating	AA+/Aa1
Average Final Maturity	1.28 yrs
Average Life	1.25 yrs

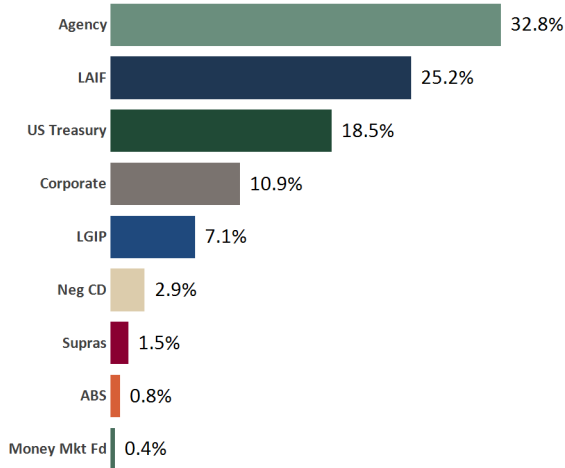
**ACCOUNT SUMMARY**

	Beg. Values as of 11/30/20	End Values as of 12/31/20
Market Value	75,733,953	78,157,573
Accrued Interest	242,827	223,653
<b>Total Market Value</b>	<b>75,976,780</b>	<b>78,381,227</b>
Income Earned	79,049	78,966
Cont/WD		
Par	74,396,934	76,861,613
Book Value	74,541,105	77,003,869
Cost Value	74,445,945	76,909,643

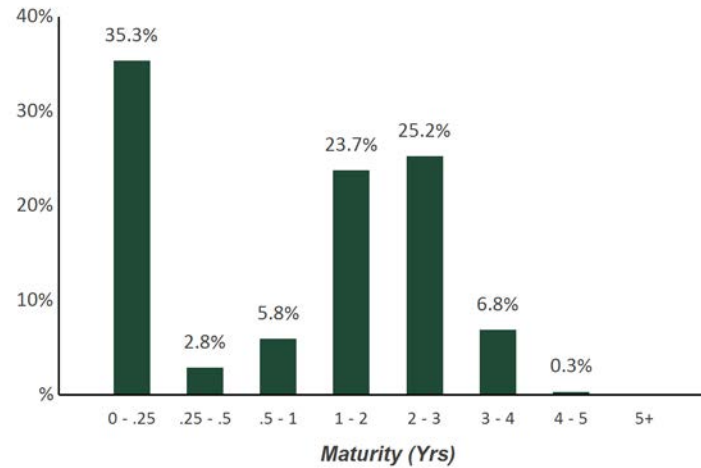
**TOP ISSUERS**

Local Agency Investment Fund	25.2%
Government of United States	18.5%
Federal Home Loan Mortgage Corp	10.6%
Federal Farm Credit Bank	9.7%
Federal Home Loan Bank	7.2%
County of San Diego Pooled Inve	7.1%
Federal National Mortgage Assoc	5.2%
Intl Bank Recon and Development	1.5%
<b>Total</b>	<b>85.1%</b>

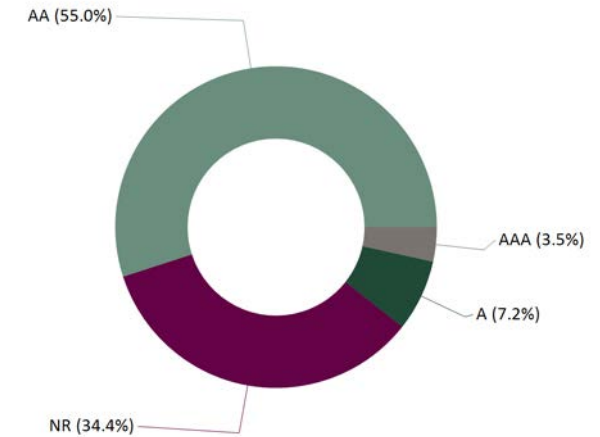
**SECTOR ALLOCATION**



**MATURITY DISTRIBUTION**



**CREDIT QUALITY (S&P)**





CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>ABS</b>									
43814UAG4	Honda Auto Receivables Trust 2018-2 A3 3.01% Due 5/18/2022	38,745.77	05/22/2018 3.03%	38,744.93 38,745.48	100.83 0.33%	39,068.79 42.11	0.05% 323.31	NR / AAA AAA	1.38 0.31
43815HAC1	Honda Auto Receivables Trust 2018-3 A3 2.95% Due 8/22/2022	92,515.99	08/21/2018 2.98%	92,503.30 92,510.77	101.18 0.17%	93,611.84 75.81	0.12% 1,101.07	Aaa / NR AAA	1.64 0.43
47789KAC7	John Deere Owner Trust 2020-A A3 1.1% Due 8/15/2024	275,000.00	03/04/2020 1.11%	274,983.20 274,986.27	101.25 0.30%	278,450.15 134.44	0.36% 3,463.88	Aaa / NR AAA	3.62 1.56
89236XAC0	Toyota Auto Receivables 2020-D A3 0.35% Due 1/15/2025	220,000.00	10/06/2020 0.36%	219,959.01 219,961.12	99.98 0.36%	219,961.12 34.22	0.28% 0.00	NR / AAA AAA	4.04 1.94
<b>Total ABS</b>		<b>626,261.76</b>	<b>1.24%</b>	<b>626,203.64</b>	<b>0.30%</b>	<b>631,091.90</b> <b>286.58</b>	<b>0.81%</b> <b>4,888.26</b>	<b>Aaa / AAA</b> <b>AAA</b>	<b>3.34</b> <b>1.45</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 1,000,895.95	102.56 0.13%	1,025,646.00 1,088.89	1.31% 24,750.05	Aaa / AA+ AAA	0.96 0.95
3137EADB2	FHLMC Note 2.375% Due 1/13/2022	1,000,000.00	03/25/2020 0.63%	1,031,090.00 1,017,812.96	102.31 0.14%	1,023,120.00 11,083.33	1.32% 5,307.04	Aaa / AA+ AAA	1.04 1.02
3133EKBV7	FFCB Note 2.55% Due 3/1/2022	750,000.00	02/27/2019 2.55%	750,075.00 750,029.01	102.79 0.15%	770,945.25 6,375.00	0.99% 20,916.24	Aaa / AA+ AAA	1.16 1.15
313378WG2	FHLB Note 2.5% Due 3/11/2022	500,000.00	04/08/2019 2.36%	501,945.00 500,791.12	102.83 0.13%	514,151.00 3,819.44	0.66% 13,359.88	Aaa / AA+ NR	1.19 1.18
3133ELWD2	FFCB Note 0.375% Due 4/8/2022	930,000.00	04/03/2020 0.45%	928,623.60 929,128.91	100.33 0.12%	933,051.33 804.06	1.19% 3,922.42	Aaa / AA+ AAA	1.27 1.27
3135G0V59	FNMA Note 2.25% Due 4/12/2022	1,000,000.00	03/24/2020 0.59%	1,033,760.00 1,021,032.30	102.79 0.07%	1,027,930.00 4,937.50	1.32% 6,897.70	Aaa / AA+ AAA	1.28 1.26
3133ELYR9	FFCB Note 0.25% Due 5/6/2022	1,050,000.00	04/30/2020 0.31%	1,048,666.50 1,049,104.91	100.19 0.11%	1,051,993.95 401.04	1.34% 2,889.04	Aaa / AA+ AAA	1.35 1.34
3134GVJ66	FHLMC Note 0.25% Due 6/8/2022	1,000,000.00	06/04/2020 0.28%	999,400.00 999,570.14	100.29 0.05%	1,002,930.00 159.72	1.28% 3,359.86	Aaa / NR AAA	1.44 1.43
3133ELN26	FFCB Note 0.26% Due 6/22/2022	1,000,000.00	06/17/2020 0.28%	999,530.00 999,654.26	100.20 0.13%	1,001,963.00 65.00	1.28% 2,308.74	Aaa / AA+ AAA	1.47 1.47

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Holdings Report

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CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>AGENCY</b>									
313383WD9	FHLB Note 3.125% Due 9/9/2022	500,000.00	01/30/2019 2.68%	507,580.00 503,545.39	105.03 0.14%	525,148.50 4,861.11	0.68% 21,603.11	Aaa / AA+ AAA	1.69 1.64
3130AFE78	FHLB Note 3% Due 12/9/2022	1,000,000.00	01/25/2019 2.71%	1,010,700.00 1,005,361.37	105.60 0.11%	1,055,958.00 1,833.33	1.35% 50,596.63	Aaa / AA+ AAA	1.94 1.90
3137EAER6	FHLMC Note 0.375% Due 5/5/2023	985,000.00	05/05/2020 0.39%	984,586.30 984,676.76	100.51 0.16%	990,056.99 574.58	1.26% 5,380.23	Aaa / AA+ AAA	2.34 2.33
3135G04Q3	FNMA Note 0.25% Due 5/22/2023	1,055,000.00	05/20/2020 0.35%	1,051,824.45 1,052,474.06	100.24 0.15%	1,057,490.86 285.73	1.35% 5,016.80	Aaa / AA+ AAA	2.39 2.38
3133834G3	FHLB Note 2.125% Due 6/9/2023	650,000.00	10/30/2019 1.66%	660,432.50 657,042.14	104.73 0.18%	680,756.70 844.10	0.87% 23,714.56	Aaa / AA+ NR	2.44 2.39
3137EAES4	FHLMC Note 0.25% Due 6/26/2023	965,000.00	06/24/2020 0.35%	962,182.20 962,668.56	100.22 0.16%	967,097.91 33.51	1.23% 4,429.35	Aaa / AA+ AAA	2.48 2.48
3135G05G4	FNMA Note 0.25% Due 7/10/2023	875,000.00	07/08/2020 0.32%	873,118.75 873,419.41	100.24 0.16%	877,089.50 1,039.06	1.12% 3,670.09	Aaa / AA+ AAA	2.52 2.51
3133EKZK5	FFCB Note 1.6% Due 8/14/2023	1,000,000.00	08/28/2019 1.48%	1,004,700.00 1,003,104.08	103.57 0.23%	1,035,744.00 6,088.89	1.33% 32,639.92	Aaa / AA+ AAA	2.62 2.56
3137EAEV7	FHLMC Note 0.25% Due 8/24/2023	1,000,000.00	09/24/2020 0.24%	1,000,230.00 1,000,208.80	100.20 0.18%	1,001,971.00 902.78	1.28% 1,762.20	Aaa / AA+ AAA	2.65 2.64
3130A3DL5	FHLB Note 2.375% Due 9/8/2023	700,000.00	10/09/2019 1.44%	724,864.00 717,051.59	105.84 0.19%	740,912.20 5,218.40	0.95% 23,860.61	Aaa / AA+ NR	2.69 2.60
3137EAEW5	FHLMC Note 0.25% Due 9/8/2023	660,000.00	09/02/2020 0.26%	659,782.20 659,805.78	100.19 0.18%	661,282.38 536.25	0.84% 1,476.60	Aaa / AA+ AAA	2.69 2.67
3133EMBS0	FFCB Note 0.2% Due 10/2/2023	1,000,000.00	11/12/2020 0.28%	997,720.00 997,826.10	99.90 0.24%	999,034.00 494.44	1.28% 1,207.90	Aaa / AA+ AAA	2.75 2.74
3137EAEY1	FHLMC Note 0.125% Due 10/16/2023	825,000.00	10/14/2020 0.25%	821,922.75 822,139.14	99.93 0.15%	824,435.70 214.84	1.05% 2,296.56	Aaa / AA+ AAA	2.79 2.78
3137EAEZ8	FHLMC Note 0.25% Due 11/6/2023	1,075,000.00	11/03/2020 0.28%	1,074,032.50 1,074,082.82	100.08 0.22%	1,075,909.45 418.06	1.37% 1,826.63	Aaa / AA+ AAA	2.85 2.83
3137EAFA2	FHLMC Note 0.25% Due 12/4/2023	770,000.00	12/02/2020 0.28%	769,237.70 769,257.19	100.11 0.21%	770,820.82 144.38	0.98% 1,563.63	Aaa / AA+ AAA	2.93 2.91
3130A3VC5	FHLB Note 2.25% Due 12/8/2023	1,000,000.00	02/13/2020 1.46%	1,029,240.00 1,022,481.01	106.03 0.19%	1,060,297.00 1,437.50	1.35% 37,815.99	Aaa / AA+ NR	2.94 2.85

Vallecitos Water District Consolidated Account

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CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>AGENCY</b>									
3135G0V34	FNMA Note 2.5% Due 2/5/2024	1,000,000.00	01/30/2020 1.44%	1,041,280.00 1,031,818.83	107.11 0.20%	1,071,064.00 10,138.89	1.38% 39,245.17	Aaa / AA+ AAA	3.10 2.97
3133EKMX1	FFCB Note 2.23% Due 2/23/2024	750,000.00	07/30/2019 1.91%	760,425.00 757,175.00	106.20 0.25%	796,467.75 5,946.67	1.02% 39,292.75	Aaa / AA+ AAA	3.15 3.03
3130A7PH2	FHLB Note 1.875% Due 3/8/2024	1,000,000.00	03/03/2020 0.85%	1,040,350.00 1,032,004.57	105.22 0.23%	1,052,187.00 5,885.42	1.35% 20,182.43	Aaa / AA+ NR	3.19 3.09
<b>Total Agency</b>		<b>25,040,000.00</b>	<b>0.96%</b>	<b>25,270,078.45</b> <b>25,194,162.16</b>	<b>0.16%</b>	<b>25,595,454.29</b> <b>75,631.92</b>	<b>32.75%</b> <b>401,292.13</b>	<b>Aaa / AA+</b> <b>AAA</b>	<b>2.20</b> <b>2.17</b>

<b>CORPORATE</b>									
69371RN93	Paccar Financial Corp Note 2.8% Due 3/1/2021	300,000.00	07/23/2018 3.12%	297,585.00 299,850.02	100.34 0.74%	301,026.00 2,800.00	0.39% 1,175.98	A1 / A+ NR	0.16 0.17
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%	493,125.00 499,255.98	100.45 0.30%	502,253.00 2,638.89	0.64% 2,997.02	A1 / A AA-	0.29 0.21
369550BE7	General Dynamics Corp Note 3% Due 5/11/2021	350,000.00	06/28/2018 3.08%	349,247.50 349,906.57	100.96 0.33%	353,371.55 1,458.33	0.45% 3,464.98	A2 / A NR	0.36 0.36
857477AV5	State Street Bank Note 1.95% Due 5/19/2021	500,000.00	10/12/2018 3.30%	483,360.00 497,572.60	100.67 0.21%	503,329.50 1,137.50	0.64% 5,756.90	A1 / A AA-	0.38 0.38
808513AW5	Charles Schwab Corp Callable Note Cont 4/21/2021 3.25% Due 5/21/2021	320,000.00	Various 3.09%	321,372.10 320,142.85	100.90 0.31%	322,864.97 1,155.56	0.41% 2,722.12	A2 / A A	0.39 0.31
931142EJ8	Wal-Mart Stores Note 3.125% Due 6/23/2021	290,000.00	06/20/2018 3.13%	289,985.50 289,997.70	101.37 0.25%	293,974.74 201.39	0.38% 3,977.04	Aa2 / AA AA	0.48 0.48
02665WBG5	American Honda Finance Note 1.7% Due 9/9/2021	500,000.00	07/20/2018 3.19%	478,045.00 495,178.74	100.94 0.33%	504,703.50 2,644.44	0.65% 9,524.76	A3 / A- NR	0.69 0.68
89233P5F9	Toyota Motor Credit Corp Note 3.4% Due 9/15/2021	500,000.00	05/31/2018 3.03%	505,785.00 501,239.99	102.14 0.36%	510,714.00 5,005.56	0.66% 9,474.01	A1 / A+ A+	0.71 0.70
24422ETL3	John Deere Capital Corp Note 2.65% Due 1/6/2022	500,000.00	Various 3.29%	489,627.50 496,956.15	102.44 0.24%	512,186.00 6,440.98	0.66% 15,229.85	A2 / A A	1.02 0.99
74005PBA1	Praxair Callable Note Cont 11/15/2021 2.45% Due 2/15/2022	300,000.00	06/27/2018 3.15%	292,848.00 297,790.26	101.86 0.31%	305,572.20 2,776.67	0.39% 7,781.94	A2 / A NR	1.13 0.86



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CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>CORPORATE</b>									
037833CQ1	Apple Inc Callable Note Cont 4/11/2022 2.3% Due 5/11/2022	500,000.00	10/30/2018 3.30%	483,395.00 493,613.46	102.78 0.12%	513,879.50 1,597.22	0.66% 20,266.04	Aa1 / AA+ NR	1.36 1.26
68389XBB0	Oracle Corp Callable Note Cont 3/15/2022 2.5% Due 5/15/2022	500,000.00	Various 3.28%	486,304.00 495,049.27	102.67 0.28%	513,368.00 1,597.23	0.66% 18,318.73	A3 / A A-	1.37 1.19
084664BT7	Berkshire Hathaway Note 3% Due 5/15/2022	500,000.00	12/11/2018 3.31%	495,015.00 498,008.39	103.81 0.22%	519,068.00 1,916.67	0.66% 21,059.61	Aa2 / AA A+	1.37 1.35
09247XAJ0	Blackrock Inc Note 3.375% Due 6/1/2022	500,000.00	11/28/2018 3.36%	500,215.00 500,086.74	104.34 0.30%	521,688.50 1,406.25	0.67% 21,601.76	Aa3 / AA- NR	1.42 1.39
06051GEU9	Bank of America Corp Note 3.3% Due 1/11/2023	400,000.00	09/05/2019 2.13%	414,984.00 409,088.66	106.02 0.32%	424,084.00 6,233.33	0.55% 14,995.34	A2 / A- A+	2.03 1.95
90331HNL3	US Bank NA Callable Note Cont 12/23/2022 2.85% Due 1/23/2023	480,000.00	07/22/2019 2.24%	489,580.80 485,535.06	105.19 0.22%	504,891.36 6,004.00	0.65% 19,356.30	A1 / AA- AA-	2.06 1.92
69353RFL7	PNC Bank Callable Note Cont 5/9/2023 3.5% Due 6/8/2023	500,000.00	06/11/2019 2.44%	519,580.00 511,780.95	107.35 0.36%	536,757.50 1,118.06	0.69% 24,976.55	A2 / A A+	2.44 2.28
69371RQ82	Paccar Financial Corp Note 0.8% Due 6/8/2023	300,000.00	06/01/2020 0.85%	299,583.00 299,661.83	101.07 0.36%	303,213.30 153.33	0.39% 3,551.47	A1 / A+ NR	2.44 2.41
931142EK5	Wal-Mart Stores Callable Note Cont 5/26/2023 3.4% Due 6/26/2023	500,000.00	05/21/2019 2.65%	514,115.00 508,436.22	107.39 0.31%	536,972.00 236.11	0.69% 28,535.78	Aa2 / AA AA	2.48 2.33
<b>Total Corporate</b>		<b>8,240,000.00</b>	<b>2.93%</b>	<b>8,203,752.40</b> <b>8,249,151.44</b>	<b>0.30%</b>	<b>8,483,917.62</b> <b>46,521.52</b>	<b>10.88%</b> <b>234,766.18</b>	<b>A1 / A+</b> <b>A+</b>	<b>1.24</b> <b>1.16</b>
<b>LAIF</b>									
90LAIF\$00	Local Agency Investment Fund State Pool	19,732,731.31	Various 0.52%	19,732,731.31 19,732,731.31	1.00 0.52%	19,732,731.31 23,986.81	25.21% 0.00	NR / NR NR	0.00 0.00
<b>Total LAIF</b>		<b>19,732,731.31</b>	<b>0.52%</b>	<b>19,732,731.31</b>	<b>0.52%</b>	<b>19,732,731.31</b> <b>23,986.81</b>	<b>25.21%</b> <b>0.00</b>	<b>NR / NR</b> <b>NR</b>	<b>0.00</b> <b>0.00</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>LOCAL GOV INVESTMENT POOL</b>									
90SDCP\$00	County of San Diego Pooled Investment Pool	5,551,000.00	Various 1.06%	5,551,000.00 5,551,000.00	1.00 1.06%	5,551,000.00 0.00	7.08% 0.00	NR / NR AAA	0.00 0.00
<b>Total Local Gov Investment Pool</b>		<b>5,551,000.00</b>	<b>1.06%</b>	<b>5,551,000.00</b>	<b>1.06%</b>	<b>5,551,000.00</b> <b>0.00</b>	<b>7.08%</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	281,620.01	Various 0.03%	281,620.01 281,620.01	1.00 0.03%	281,620.01 0.00	0.36% 0.00	Aaa / AAA NR	0.00 0.00
<b>Total Money Market Fund FI</b>		<b>281,620.01</b>	<b>0.03%</b>	<b>281,620.01</b>	<b>0.03%</b>	<b>281,620.01</b> <b>0.00</b>	<b>0.36%</b> <b>0.00</b>	<b>Aaa / AAA</b> <b>NR</b>	<b>0.00</b> <b>0.00</b>
<b>NEGOTIABLE CD</b>									
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	100.12 0.17%	1,001,155.00 7,083.33	1.29% 1,155.00	P-1 / A-1+ F-1+	0.14 0.14
20033AQU3	Comenity Capital Bank Negotiable CD 1.65% Due 6/30/2021	245,000.00	06/30/2016 1.65%	245,000.00 245,000.00	100.78 0.08%	246,912.96 22.15	0.32% 1,912.96	NR / NR NR	0.50 0.49
06417MMB8	Bank of Nova Scotia Houston Yankee CD 0.28% Due 11/24/2021	1,000,000.00	11/24/2020 0.28%	1,000,000.00 1,000,000.00	100.00 0.28%	1,000,000.00 287.78	1.28% 0.00	P-1 / A-1 F-1+	0.90 0.90
<b>Total Negotiable CD</b>		<b>2,245,000.00</b>	<b>0.75%</b>	<b>2,245,000.00</b>	<b>0.21%</b>	<b>2,248,067.96</b> <b>7,393.26</b>	<b>2.88%</b> <b>3,067.96</b>	<b>Aaa / AAA</b> <b>AAA</b>	<b>0.51</b> <b>0.51</b>
<b>SUPRANATIONAL</b>									
459058GH0	Intl. Bank Recon & Development Note 2.75% Due 7/23/2021	750,000.00	07/24/2018 2.86%	747,607.50 749,555.65	101.43 0.20%	760,705.50 9,052.08	0.98% 11,149.85	Aaa / AAA NR	0.56 0.55



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>									
459058JM6	Intl. Bank Recon & Development Note 0.25% Due 11/24/2023	395,000.00	11/17/2020 0.32%	394,150.75 394,180.22	100.04 0.24%	395,169.85 101.49	0.50% 989.63	Aaa / AAA AAA	2.90 2.88
<b>Total Supranational</b>		<b>1,145,000.00</b>	<b>1.99%</b>	<b>1,141,758.25</b> <b>1,143,735.87</b>	<b>0.21%</b>	<b>1,155,875.35</b> <b>9,153.57</b>	<b>1.49%</b> <b>12,139.48</b>	<b>Aaa / AAA</b> <b>AAA</b>	<b>1.35</b> <b>1.34</b>
<b>US TREASURY</b>									
912828N89	US Treasury Note 1.375% Due 1/31/2021	750,000.00	10/30/2018 2.86%	725,859.38 749,120.03	100.09 0.30%	750,678.75 4,315.56	0.96% 1,558.72	Aaa / AA+ AAA	0.08 0.08
912828U81	US Treasury Note 2% Due 12/31/2021	750,000.00	11/08/2018 3.05%	726,650.39 742,596.47	101.87 0.13%	764,004.00 41.44	0.97% 21,407.53	Aaa / AA+ AAA	1.00 0.99
912828W55	US Treasury Note 1.875% Due 2/28/2022	1,000,000.00	01/30/2019 2.56%	979,921.88 992,443.91	102.03 0.13%	1,020,312.00 6,370.86	1.31% 27,868.09	Aaa / AA+ AAA	1.16 1.15
912828W89	US Treasury Note 1.875% Due 3/31/2022	750,000.00	09/27/2018 2.92%	724,013.67 740,782.97	102.19 0.12%	766,406.25 3,592.89	0.98% 25,623.28	Aaa / AA+ AAA	1.25 1.23
912828XR6	US Treasury Note 1.75% Due 5/31/2022	750,000.00	09/24/2018 2.93%	719,208.98 738,201.36	102.30 0.12%	767,256.00 1,153.85	0.98% 29,054.64	Aaa / AA+ AAA	1.41 1.40
912828XW5	US Treasury Note 1.75% Due 6/30/2022	350,000.00	09/07/2018 2.80%	336,792.97 344,817.98	102.43 0.13%	358,517.60 16.92	0.46% 13,699.62	Aaa / AA+ AAA	1.50 1.49
9128282P4	US Treasury Note 1.875% Due 7/31/2022	1,000,000.00	12/28/2018 2.53%	977,617.19 990,143.35	102.76 0.13%	1,027,617.00 7,846.47	1.32% 37,473.65	Aaa / AA+ AAA	1.58 1.56
912828L24	US Treasury Note 1.875% Due 8/31/2022	750,000.00	09/20/2018 2.94%	720,439.45 737,539.41	102.90 0.13%	771,738.00 4,778.14	0.99% 34,198.59	Aaa / AA+ AAA	1.67 1.63
9128282W9	US Treasury Note 1.875% Due 9/30/2022	1,000,000.00	03/19/2019 2.43%	981,406.25 990,818.44	103.04 0.14%	1,030,352.00 4,790.52	1.32% 39,533.56	Aaa / AA+ AAA	1.75 1.72
912828M80	US Treasury Note 2% Due 11/30/2022	800,000.00	12/24/2019 1.70%	806,875.00 804,484.81	103.58 0.13%	828,656.00 1,406.59	1.06% 24,171.19	Aaa / AA+ AAA	1.92 1.88
9128284D9	US Treasury Note 2.5% Due 3/31/2023	1,000,000.00	02/21/2019 2.51%	999,414.06 999,679.65	105.30 0.14%	1,052,969.00 6,387.36	1.35% 53,289.35	Aaa / AA+ AAA	2.25 2.19
912828R28	US Treasury Note 1.625% Due 4/30/2023	1,000,000.00	12/04/2019 1.60%	1,000,898.44 1,000,614.15	103.45 0.14%	1,034,492.00 2,783.15	1.32% 33,877.85	Aaa / AA+ AAA	2.33 2.29

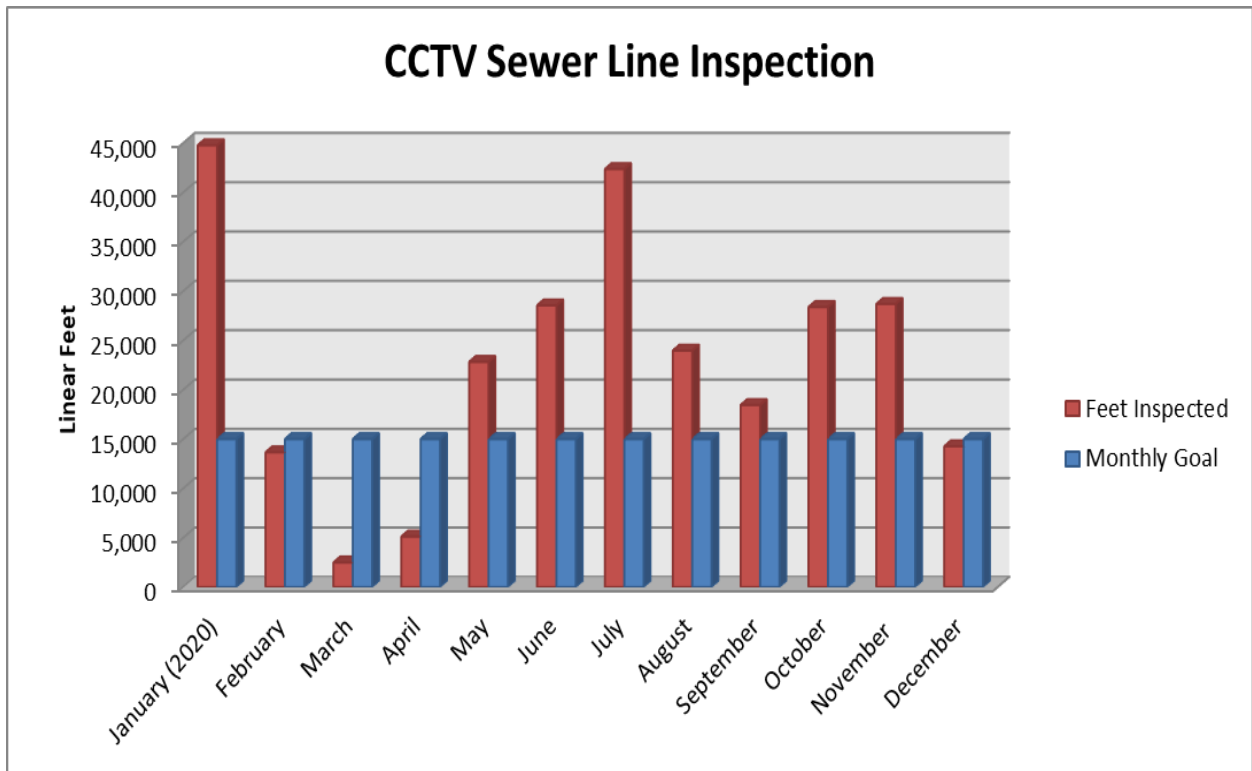


CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>US TREASURY</b>									
912828R69	US Treasury Note 1.625% Due 5/31/2023	1,100,000.00	Various 2.00%	1,083,765.62 1,090,505.30	103.57 0.14%	1,139,230.40 1,571.43	1.46% 48,725.10	Aaa / AA+ AAA	2.41 2.37
912828T91	US Treasury Note 1.625% Due 10/31/2023	1,000,000.00	09/25/2019 1.60%	1,000,898.44 1,000,620.38	104.18 0.15%	1,041,758.00 2,783.15	1.33% 41,137.62	Aaa / AA+ AAA	2.83 2.77
912828V80	US Treasury Note 2.25% Due 1/31/2024	1,000,000.00	12/16/2019 1.71%	1,021,210.94 1,015,844.83	106.39 0.17%	1,063,906.00 9,415.76	1.37% 48,061.17	Aaa / AA+ AAA	3.08 2.97
912828X70	US Treasury Note 2% Due 4/30/2024	1,000,000.00	03/03/2020 0.71%	1,052,539.06 1,042,052.01	105.99 0.19%	1,059,922.00 3,425.41	1.36% 17,869.99	Aaa / AA+ AAA	3.33 3.23
<b>Total US Treasury</b>		<b>14,000,000.00</b>	<b>2.22%</b>	<b>13,857,511.72</b> <b>13,980,265.05</b>	<b>0.15%</b>	<b>14,477,815.00</b> <b>60,679.50</b>	<b>18.55%</b> <b>497,549.95</b>	<b>Aaa / AA+</b> <b>AAA</b>	<b>1.95</b> <b>1.91</b>
<b>TOTAL PORTFOLIO</b>		<b>76,861,613.08</b>	<b>1.30%</b>	<b>76,909,642.58</b> <b>77,003,869.48</b>	<b>0.33%</b>	<b>78,157,573.44</b> <b>223,653.16</b>	<b>100.00%</b> <b>1,153,703.96</b>	<b>Aa1 / AA+</b> <b>AAA</b>	<b>1.28</b> <b>1.24</b>
<b>TOTAL MARKET VALUE PLUS ACCRUED</b>						<b>78,381,226.60</b>			

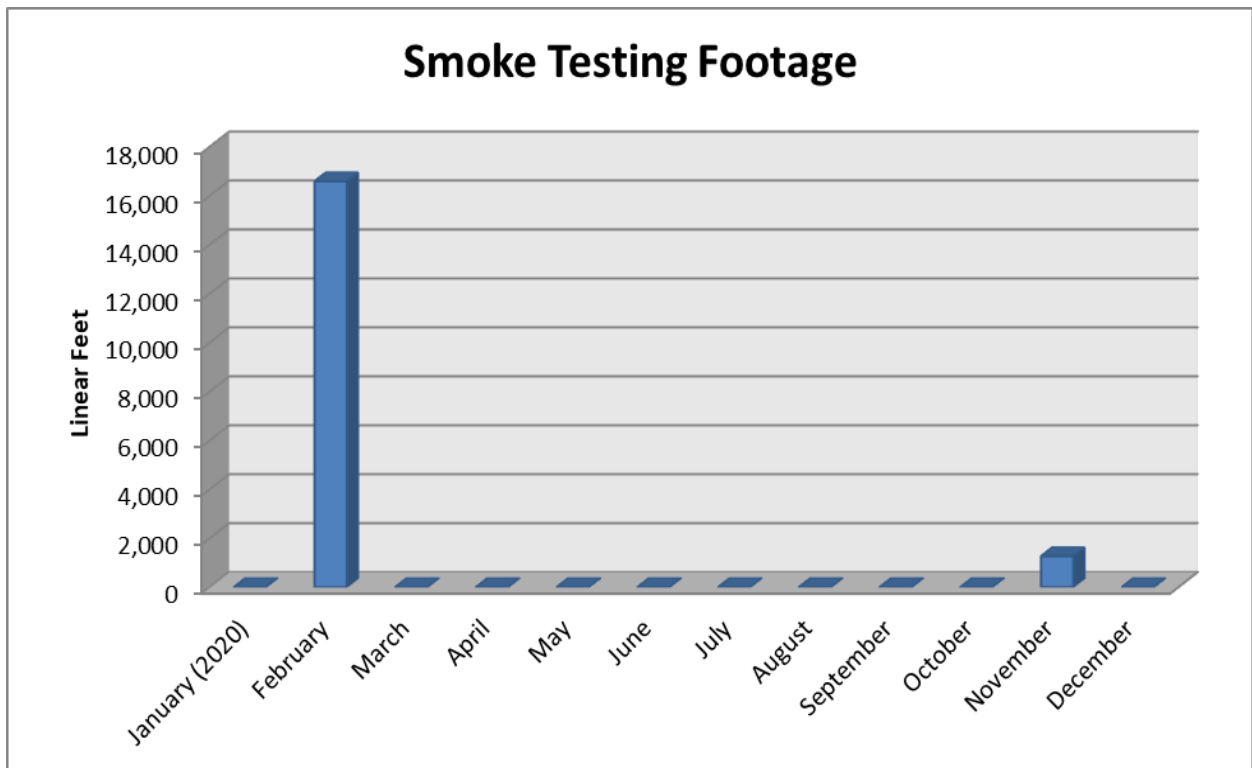
**VALLECITOS WATER DISTRICT  
SUMMARY OF LEGAL FEES**

<b>Matter Description</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>Sep-20</b>	<b>Oct-20</b>	<b>Total</b>
General Counsel Services	\$ 10,083	\$ 7,810	\$ 18,504	\$ 5,857	\$ 11,254	\$ 9,723	\$ 9,182	\$ 6,304	\$ 8,572	\$ 46,859	\$ 9,405	\$ 32,375	\$ 6,534	\$ 182,461
Labor/Employment	2,359	3,504	4,073	468	1,666	2,089	889	2,297	559	541	601	785	1,123	20,953
Engineering - Construction/Contracting	4,143	3,433	1,615	2,200	2,662	8,528	7,968	8,966	9,810	6,164	10,280	11,791	7,949	85,509
Fees and Taxes	1,204	-	1,802	1,812	2,562	2,550	240	-	180	215	156	-	-	10,721
Environmental	678	-	-	-	-	-	870	870	-	829	-	-	-	3,247
Adv. Butler	1,702	138	2,831	8,593	1,063	81	646	319	797	908	34	2,949	658	20,716
Renewable Energy	4,710	1,824	-	-	-	305	-	630	-	92	-	-	-	7,561
Litigation	-	-	-	-	-	-	-	-	565	61	768	4,386	5,312	11,092
Driscoll & Omens Prop 218 Sole	-	-	-	-	-	500	691	592	188	834	3,450	887	1,462	8,604
Driscoll & Omens Prop 218 Shared	-	-	-	-	-	2,323	1,089	1,406	466	429	1,433	1,685	1,021	9,853
Driscoll & Omens Prop 218 PRA Requests	-	-	-	-	-	-	-	-	-	-	-	2,138	964	3,102
<b>Total</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>\$ 26,126</b>	<b>\$ 56,996</b>	<b>\$ 25,024</b>	<b>\$ 363,819</b>

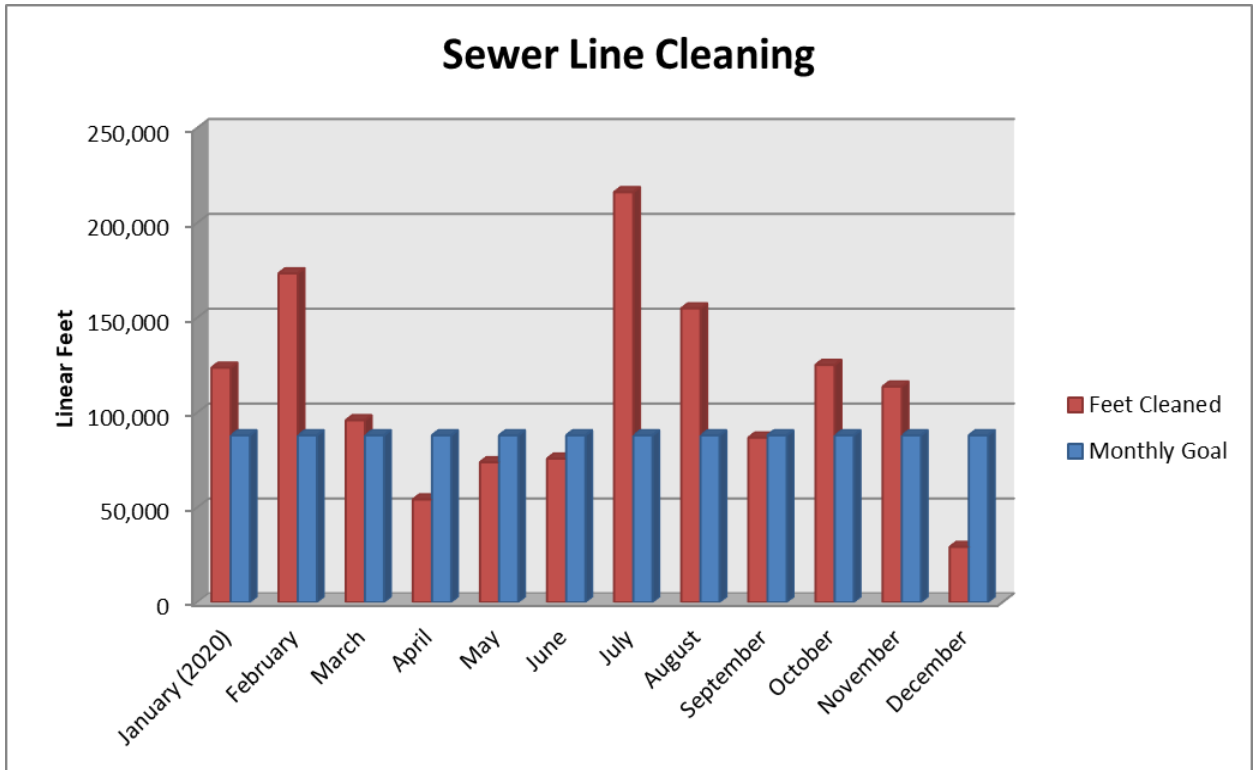
# Quarterly O&M Metrics Report



CCTV Sewer Line Inspection Totals in Feet  
 Total for Calendar Year 2020 = 273,477 ft.  
 (Goal is to inspect at least 180,000 feet of gravity lines per calendar year)



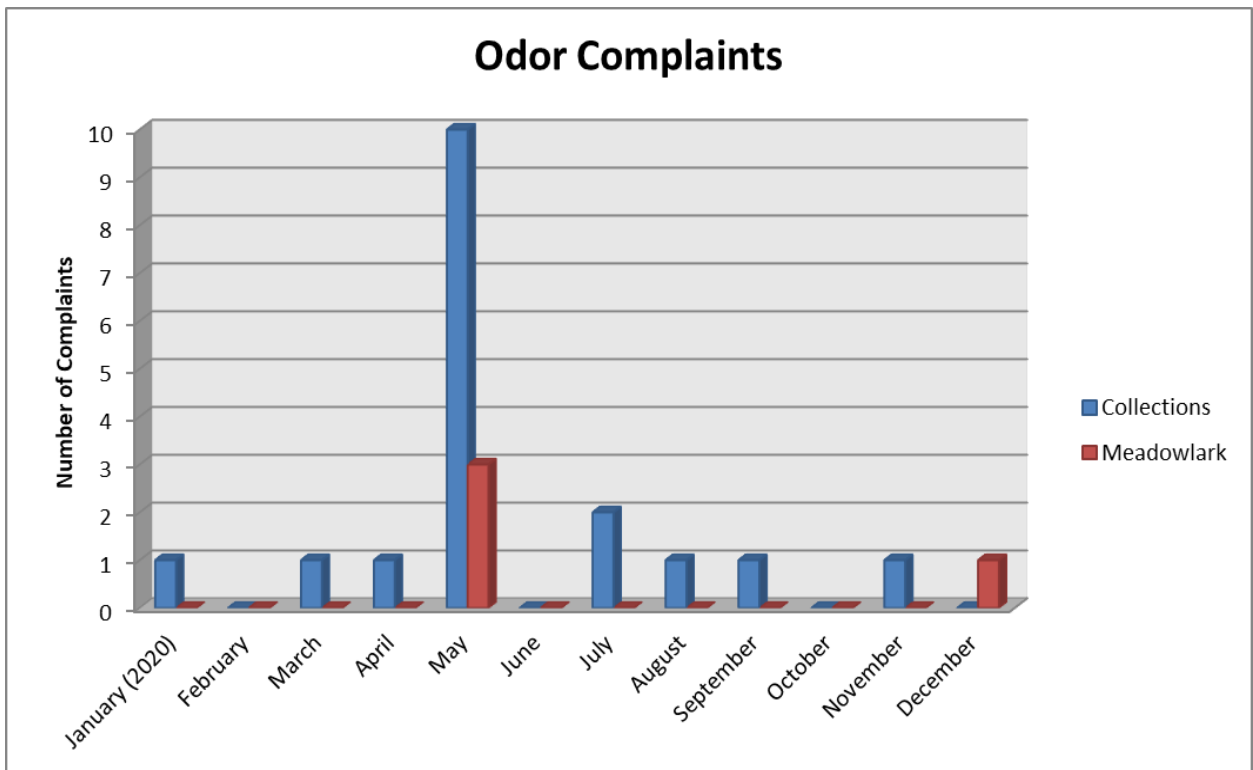
Smoke Testing of Sewer Lines in Feet  
 (Goal is to smoke test three areas per calendar year based on suspected I&I)



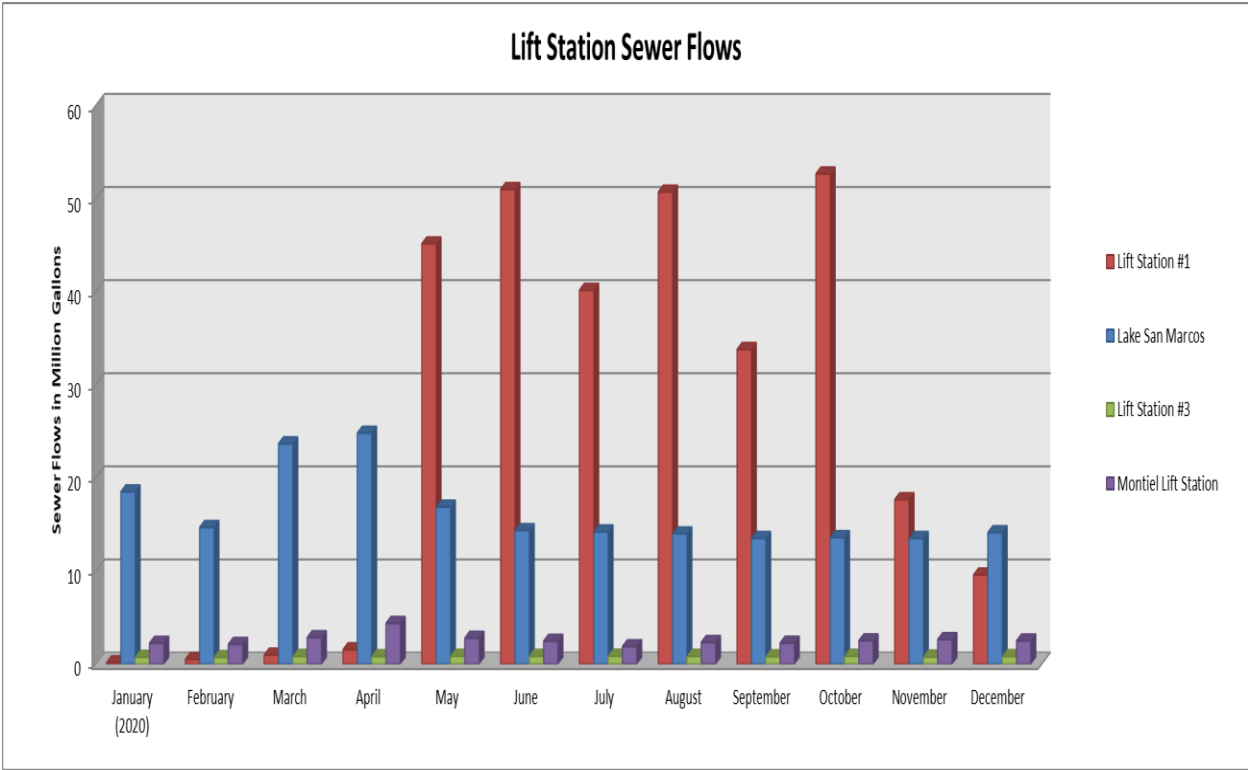
#### Sewer Line Cleaning Totals in Feet

Total for Calendar Year 2020 = 1,322,110 ft.

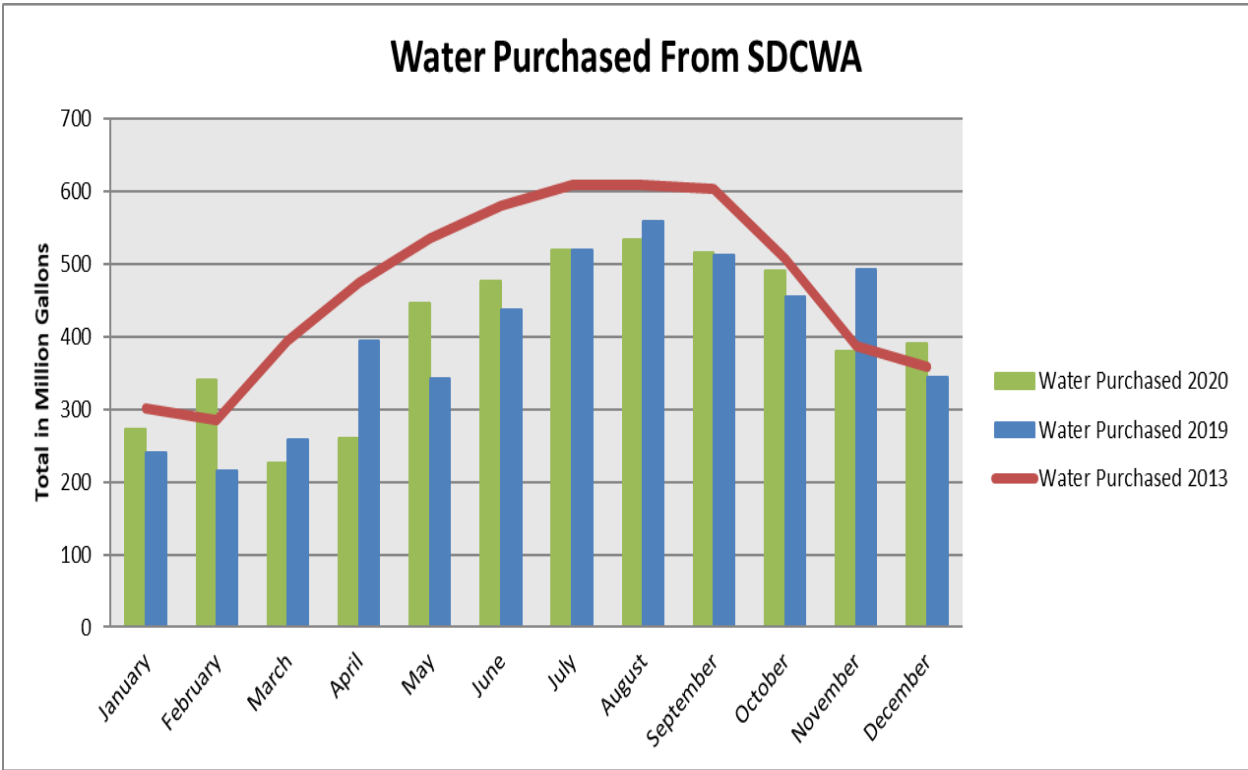
(Goal is to clean 1,000,000 ft. of gravity lines per year and clean the entire system in 15 months or less)



#### Customer Sewer Odor Complaints

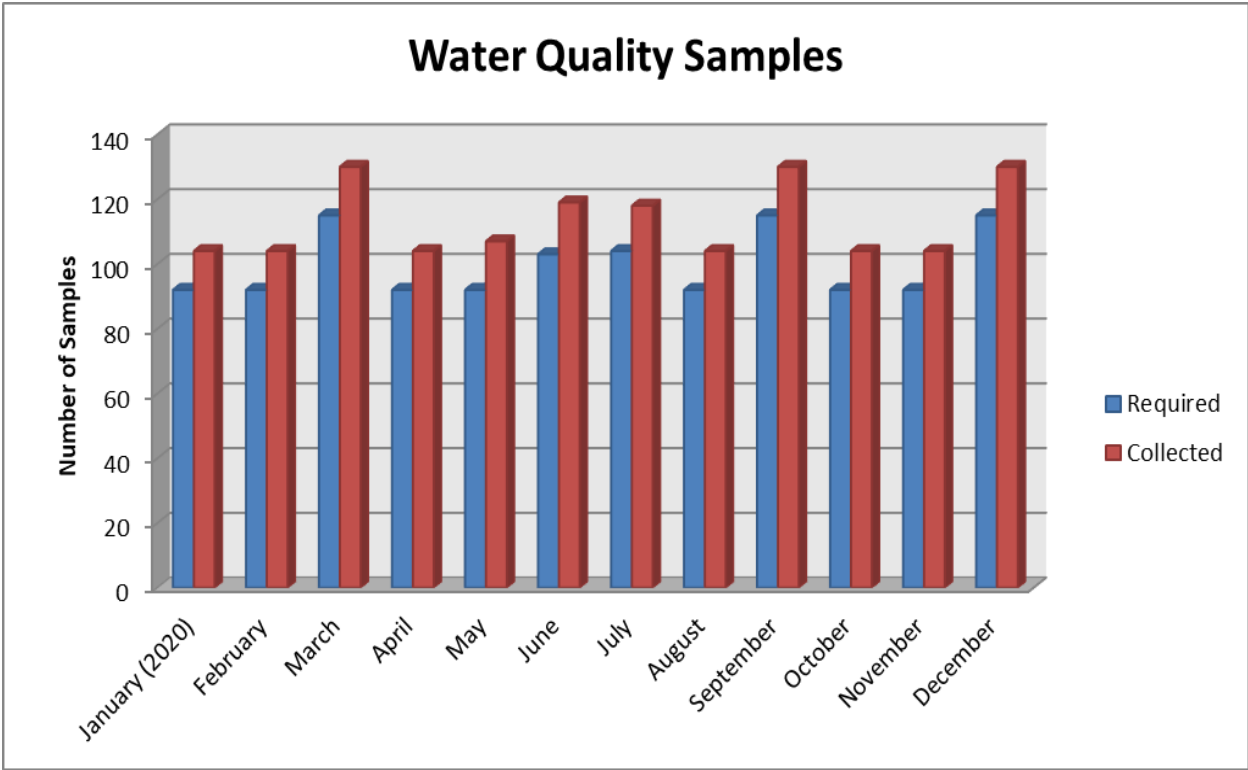


Sewer Flows Pumped from District Lift Stations



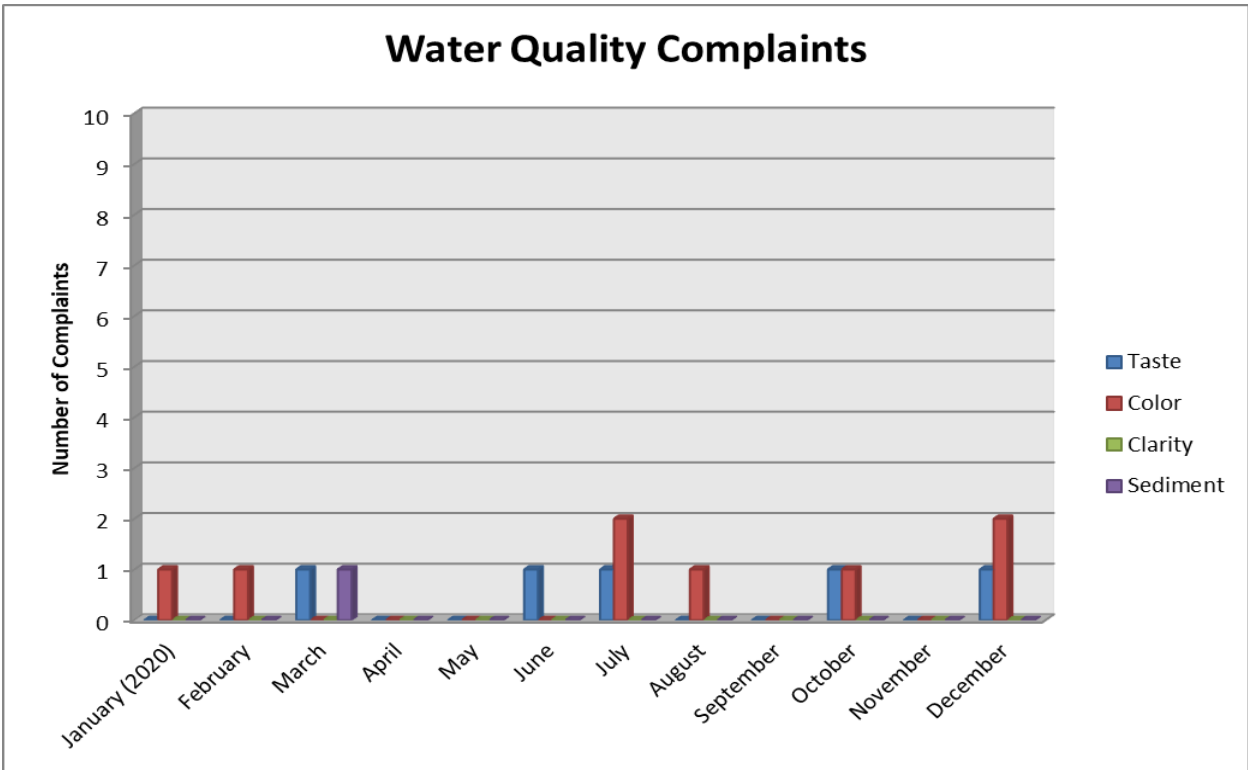
Water Purchased from the San Diego County Water Authority  
 Calendar Year 2013 was used by the SWRCB as a baseline for water conservation efforts  
 (Includes water from the desalination and OMWD plants)





#### Bacteriological Water Quality Samples

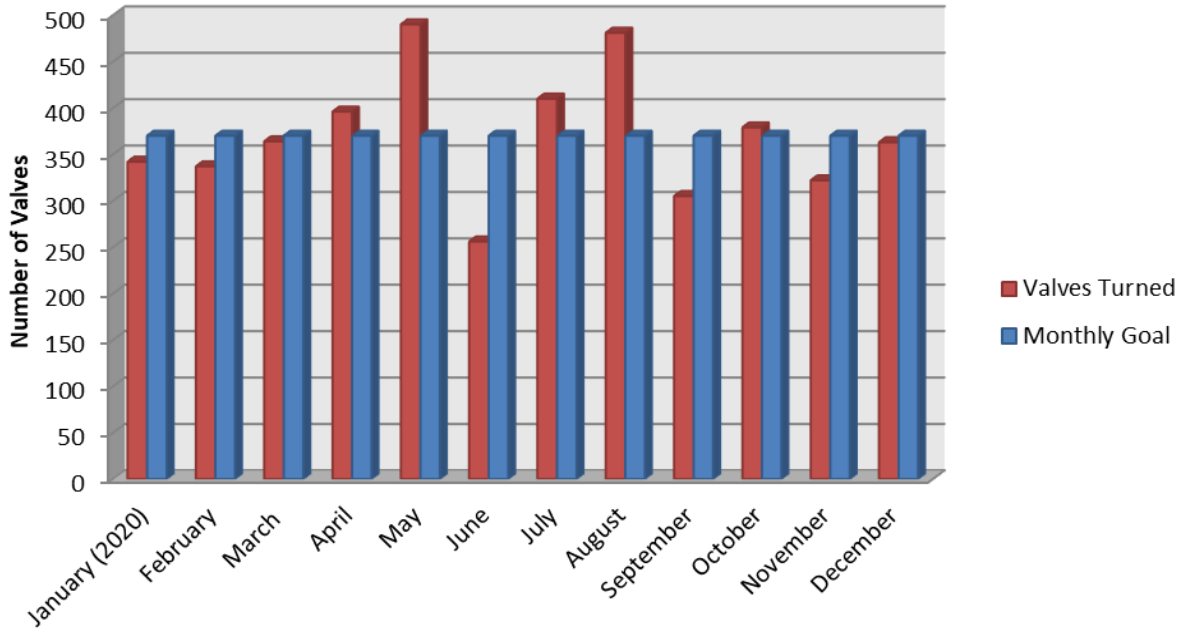
(Number of samples required each month is based on SWRCB regulations & the number of weeks per month)



#### Customer Water Quality Complaints

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

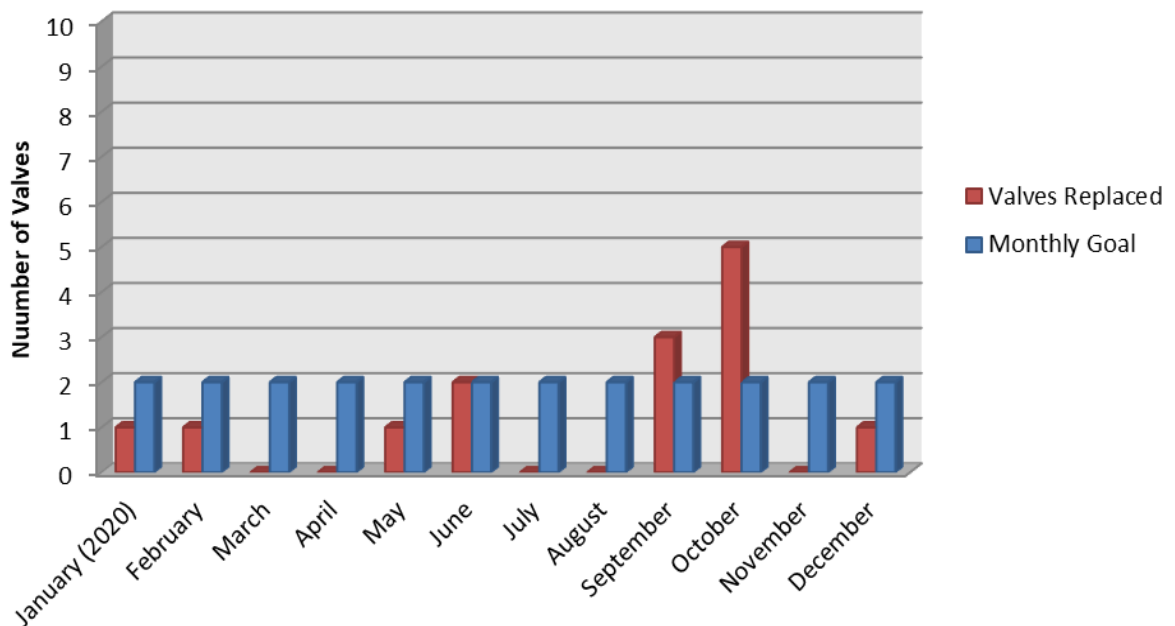
## Valve Turning and Maintenance



### Water Valves Turned in the Distribution System

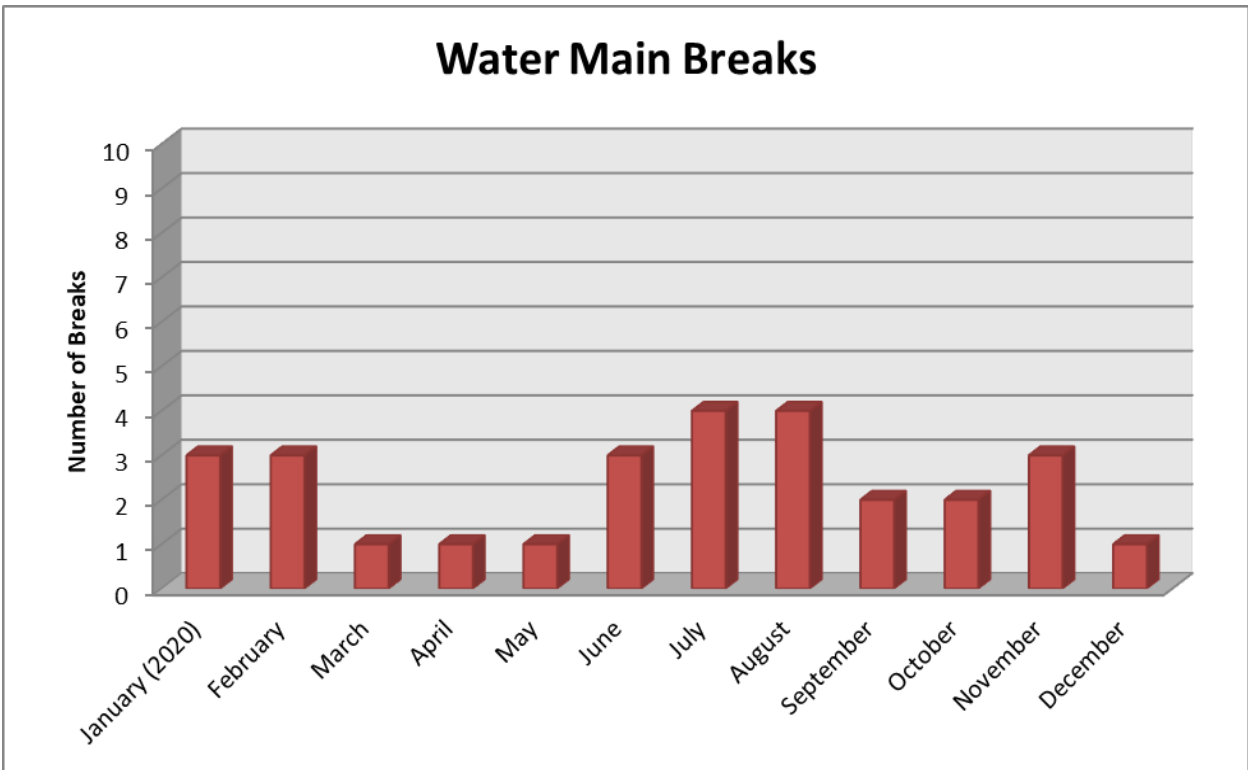
The District has 8,874 valves / 50% of the valves have been turned in Calendar Year 2020  
(Goal is to turn 50% of valves every calendar year or about 370/Month)

## Valves Replaced

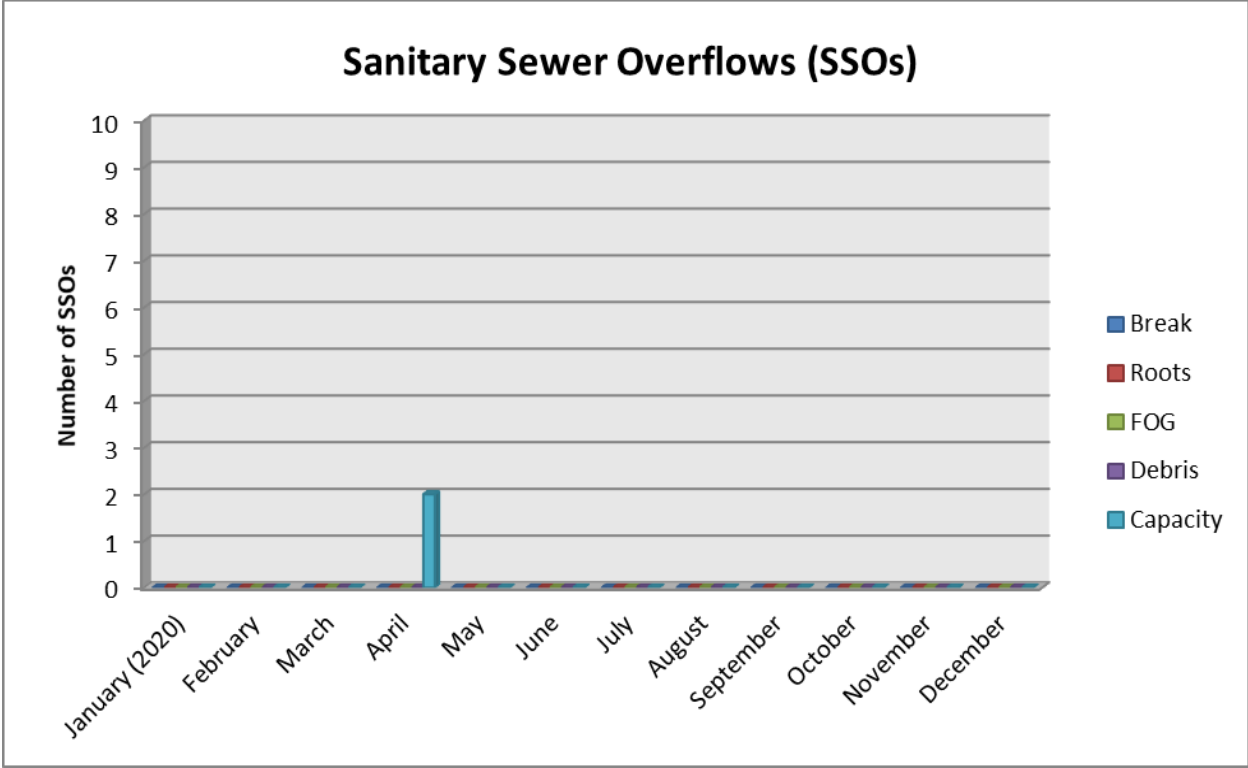


### Water Valves Replaced in the Distribution System

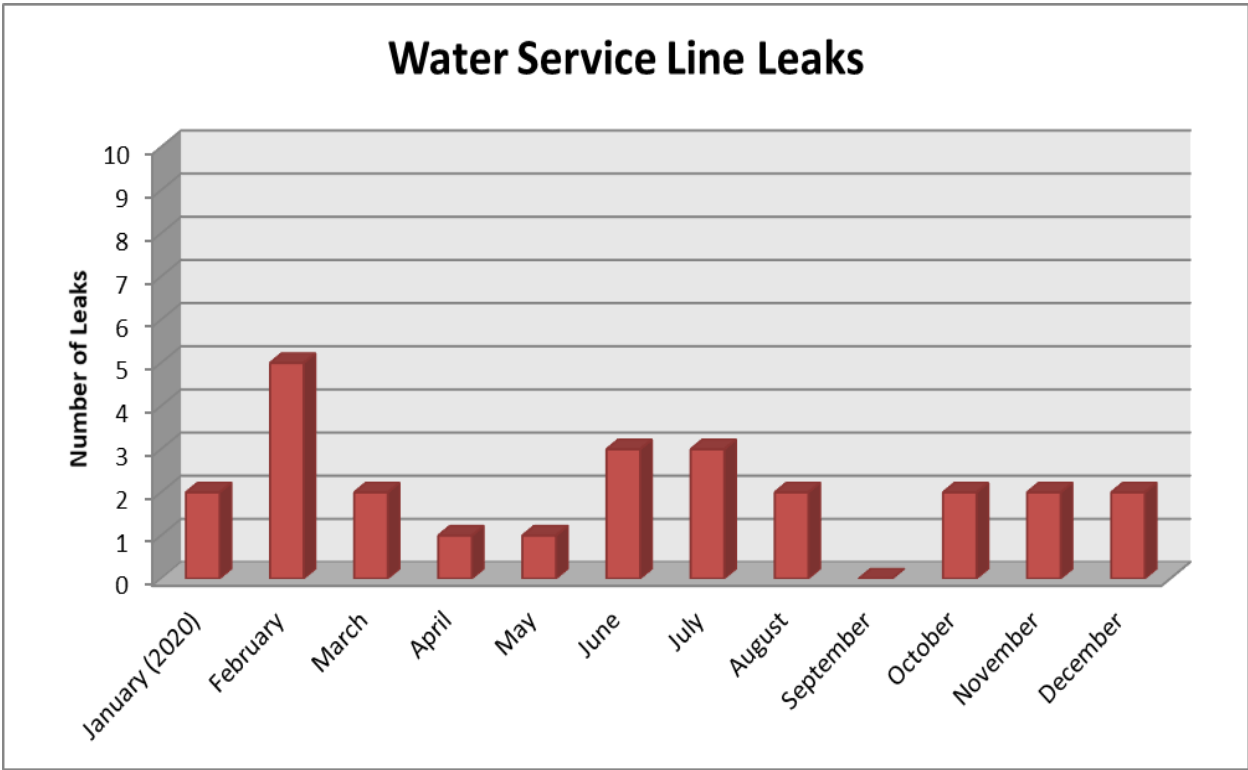
Total replaced in 2020 = 14 / There are currently 35 broken valves that need replacing  
(Goal is to replace 20 valves every fiscal year or around 2 per month)



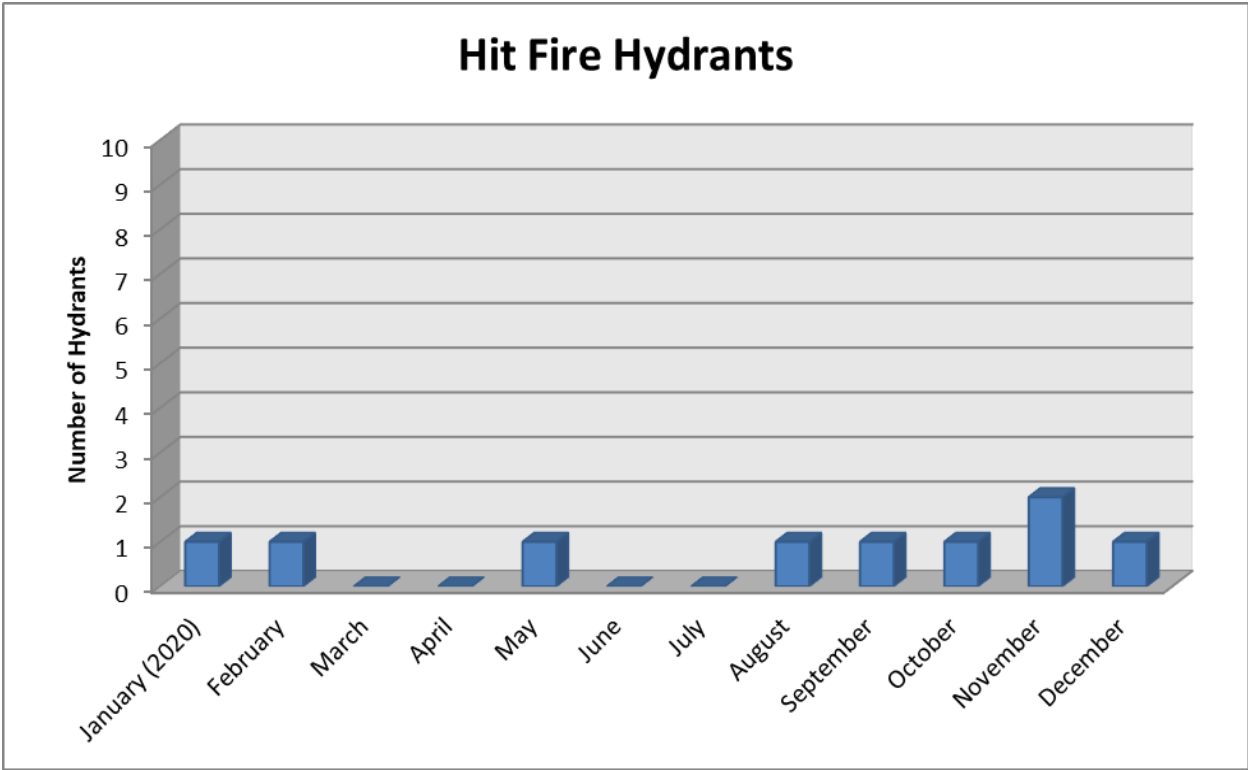
Water Mainline Breaks in the Distribution System  
 (There have been 28 water main breaks in calendar year 2020 / There were 23 in 2019)



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)

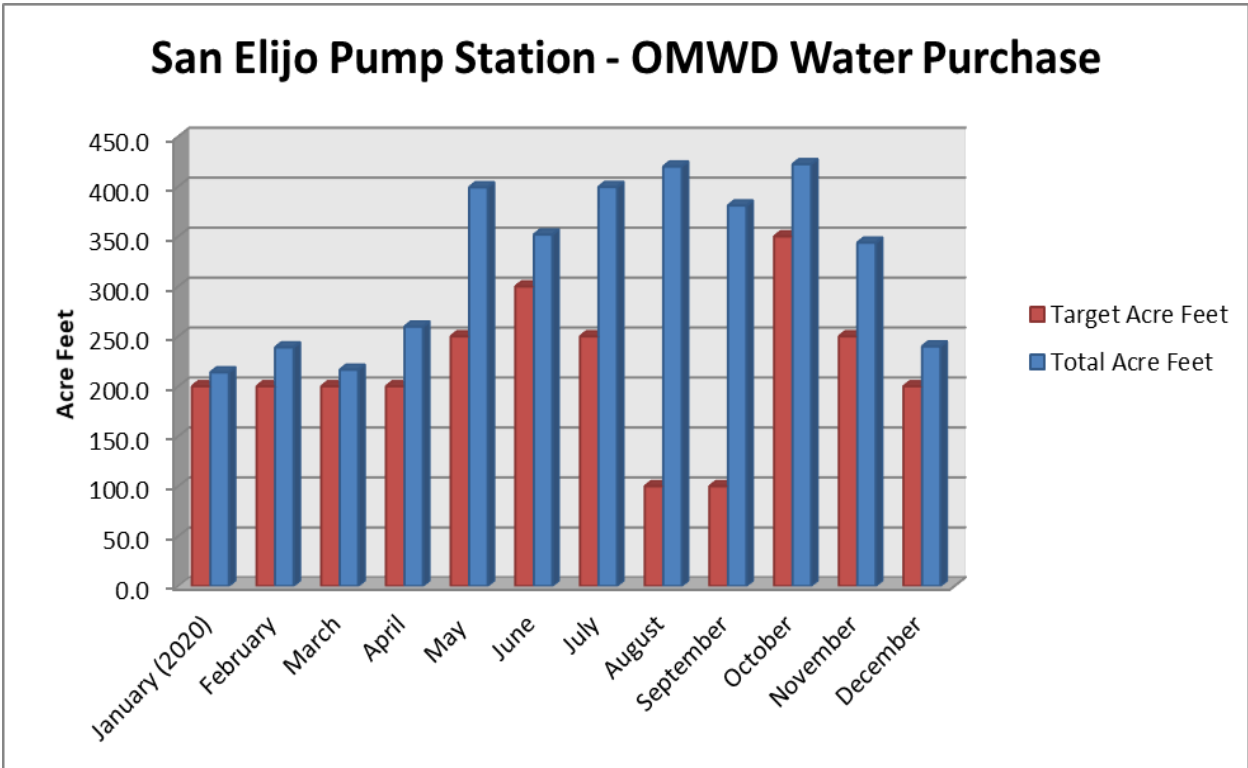


Water Service Line Leaks in the Distribution System  
 (There have been 25 water service line leaks in calendar year 2020 / There were 10 in 2019)



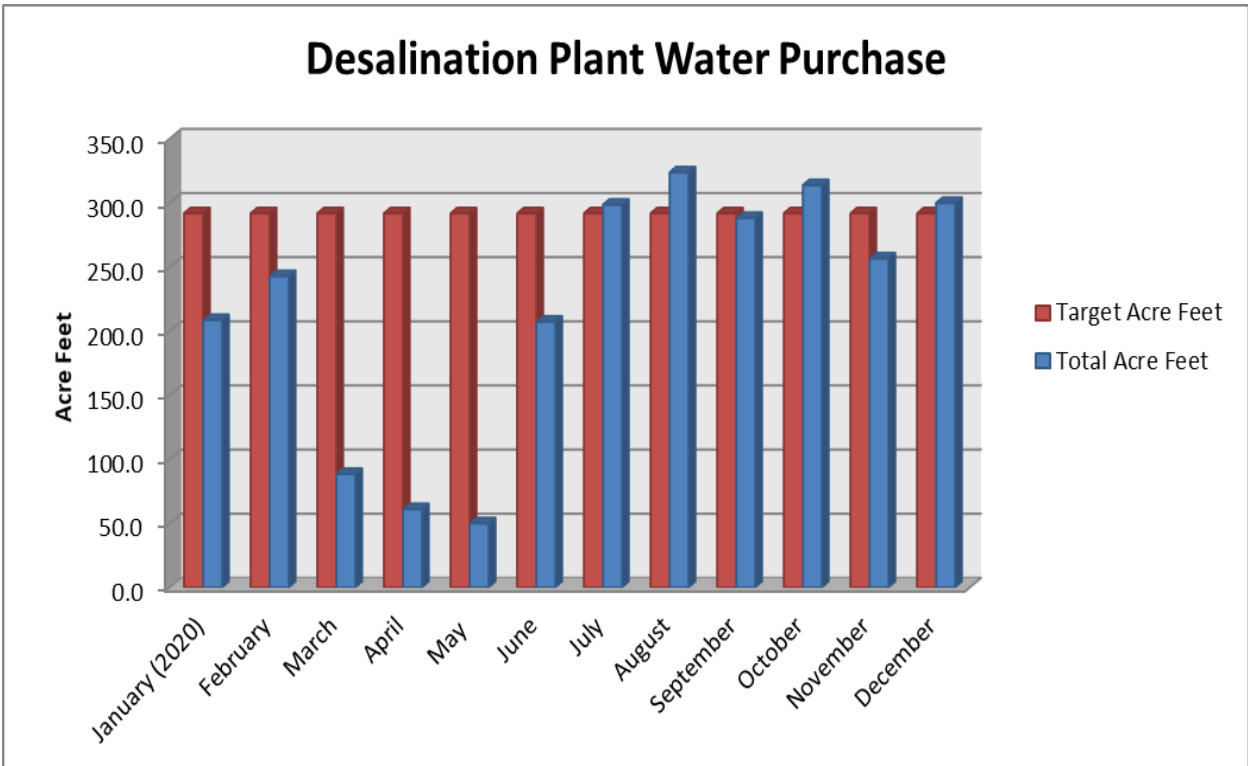
Fire Hydrants Hit in the Distribution System  
 (There have been 9 fire hydrants hit in calendar year 2020 / There were 4 in 2019)

## 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 3,887 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 2,638 AF in CY 2020  
 (Our monthly Target Acre Feet is based on our purchase agreement with SDCWA)

**DATE: JANUARY 20, 2021**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: APPROVAL OF CONSTRUCTION AGREEMENT FOR DISCOVERY STREET SEGMENT 2 WATER & SEWER IMPROVEMENTS APN's 221-100-55, 221-100-33, 221-100-32, 221-100-24, 221-100-16, 221-080-29, 221-080-28, 221-080-27, 221-080-26, 221-080-25, 221-080-08, 221-080-07, 221-142-22, 221-142-21, 221-142-20, 221-142-19 & 221-142-18 (DISCOVERY SL, LLC.)**

**BACKGROUND:**

Discovery SL, LLC, owner of the project, has completed the plan check process with the District. The project is located on Discovery Street between Craven Road and Twin Oaks Valley Road. Segments 1, 2 & 3 are part of a backbone infrastructure project, bringing water and sewer facilities for future residential development of 131 single-family homes and 89 townhome units.

**DISCUSSION:**

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

Segment 2 will construct 2,081 feet of 10-inch diameter PVC water main and 2,885 feet of 10-inch diameter PVC sewer main. Segment 2 will tie into Segment 1 & 3 improvements to complete the backbone phase of the water and sewer infrastructure. Segments 1 & 3 were approved by the Board for construction at its 12/16/20 meeting.

Upon completion of the water and sewer facilities, water and sewer service will be available to 131 single family homes and 89 townhome units.

All engineering fees and inspection deposits have been paid prior to Board approval of the Construction Agreement. Water and wastewater capital facility fees are due and payable prior to issuance of the final building inspection and/or utility release per Resolution 1441. Based on the current fees, this will total \$1,745,700 for water and \$2,871,220 for sewer Capital Facility Fees for Discovery Village South.

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

Labor and Materials	\$382,913.00
Faithful Performance	\$382,913.00

**FISCAL IMPACT:**

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

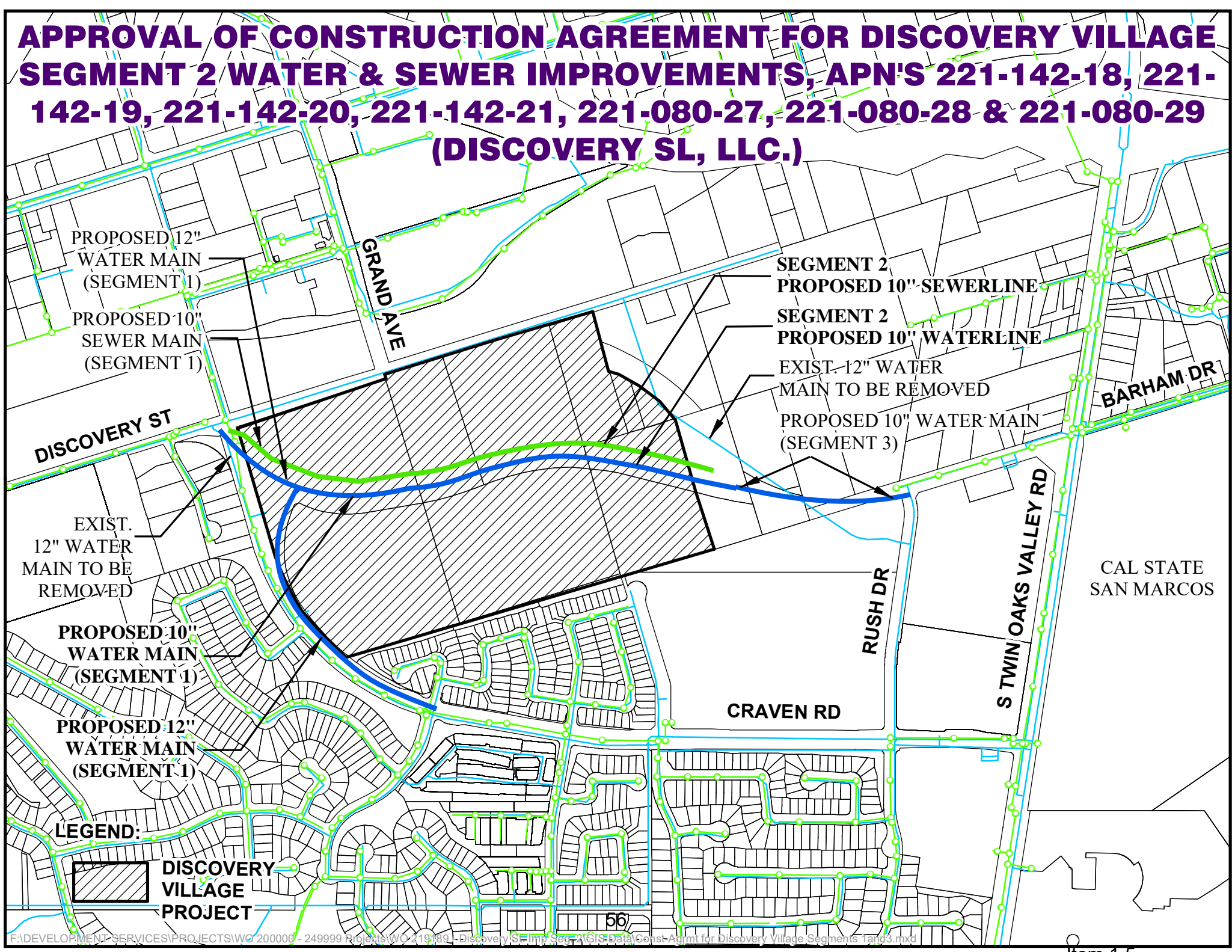
**RECOMMENDATION:**

Approve the construction agreement for Discovery Village Segment 2 Water and Sewer Improvements.

**ATTACHMENTS:**

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

# APPROVAL OF CONSTRUCTION AGREEMENT FOR DISCOVERY VILLAGE SEGMENT 2 / WATER & SEWER IMPROVEMENTS, APN'S 221-142-18, 221-142-19, 221-142-20, 221-142-21, 221-080-27, 221-080-28 & 221-080-29 (DISCOVERY SL, LLC.)



PROPOSED 12"  
WATER MAIN  
(SEGMENT 1)

PROPOSED 10"  
SEWER MAIN  
(SEGMENT 1)

SEGMENT 2  
PROPOSED 10" SEWERLINE

SEGMENT 2  
PROPOSED 10" WATERLINE

EXIST. 12" WATER  
MAIN TO BE REMOVED

PROPOSED 10" WATER MAIN  
(SEGMENT 3)

DISCOVERY ST

GRAND AVE

BARHAM DR

EXIST.  
12" WATER  
MAIN TO BE  
REMOVED

PROPOSED 10"  
WATER MAIN  
(SEGMENT 1)

PROPOSED 12"  
WATER MAIN  
(SEGMENT 1)

RUSH DR

S TWIN OAKS VALLEY RD

CAL STATE  
SAN MARCOS

CRAVEN RD

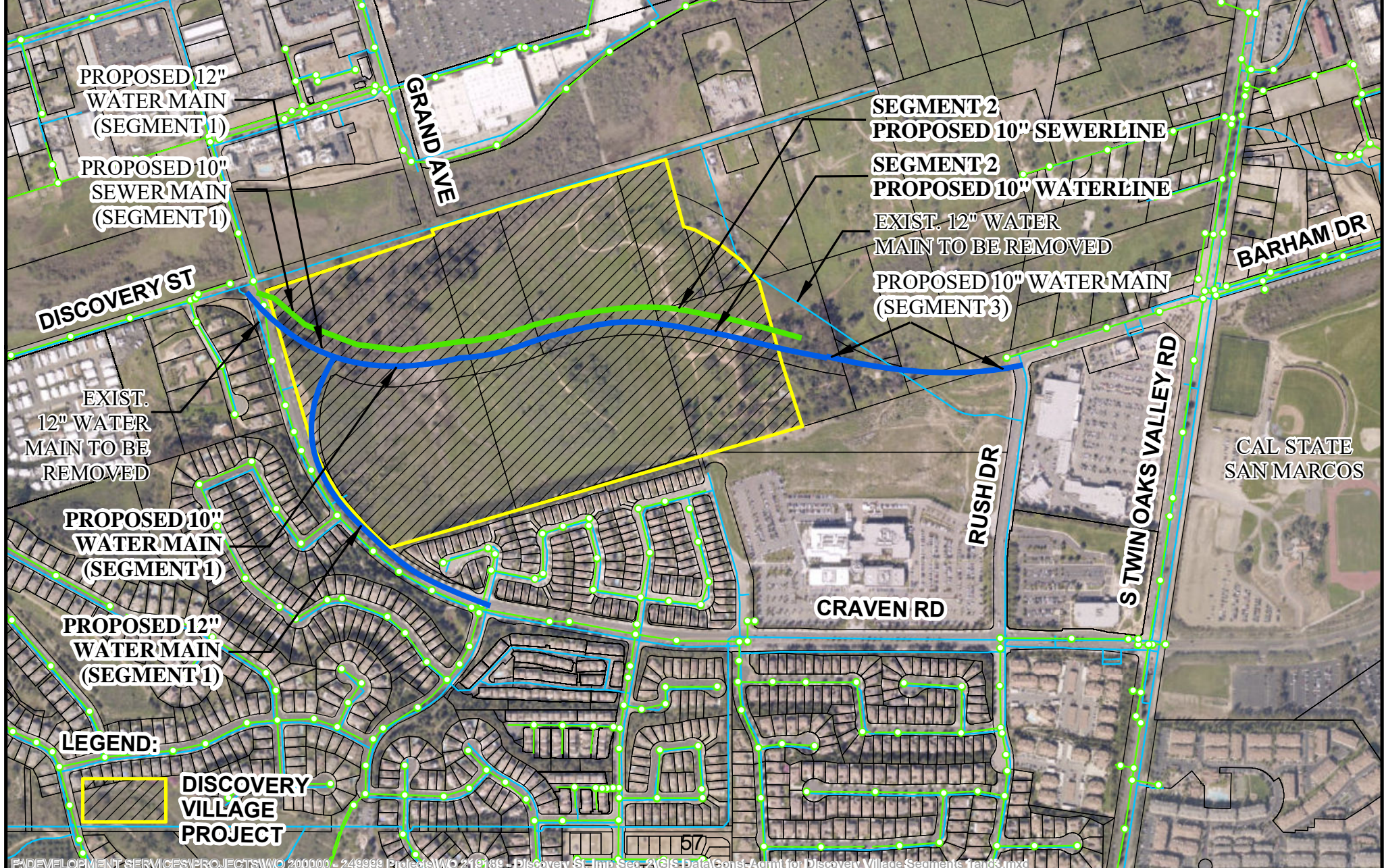
LEGEND:

 DISCOVERY VILLAGE PROJECT

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# APPROVAL OF CONSTRUCTION AGREEMENT FOR DISCOVERY VILLAGE SEGMENT 2 WATER & SEWER IMPROVEMENTS, APN'S 221-142-18, 221-142-19, 221-142-20, 221-142-21, 221-080-27, 221-080-28 & 221-080-29 (DISCOVERY SL, LLC.)



PROPOSED 12"  
WATER MAIN  
(SEGMENT 1)

PROPOSED 10"  
SEWER MAIN  
(SEGMENT 1)

SEGMENT 2  
PROPOSED 10" SEWERLINE

SEGMENT 2  
PROPOSED 10" WATERLINE

EXIST. 12" WATER  
MAIN TO BE REMOVED

PROPOSED 10" WATER MAIN  
(SEGMENT 3)

DISCOVERY ST

GRAND AVE

BARHAM DR

EXIST.  
12" WATER  
MAIN TO BE  
REMOVED

PROPOSED 10"  
WATER MAIN  
(SEGMENT 1)

PROPOSED 12"  
WATER MAIN  
(SEGMENT 1)

RUSH DR

S TWIN OAKS VALLEY RD

CAL STATE  
SAN MARCOS

CRAVEN RD

LEGEND:

DISCOVERY  
VILLAGE  
PROJECT

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

THIS AGREEMENT is entered into by and between VALLECITOS WATER DISTRICT (“DISTRICT”), a County Water District organized and operating pursuant to the County Water District Law, California Water Code §§ 30000 et seq., and **DISCOVERY SL, LLC**, (“DEVELOPER”), a Delaware Limited Liability Company.

**RECITALS**

1. DEVELOPER desires to improve certain real property which lies within the boundaries of the DISTRICT consisting of approximately **4.87** acres commonly described as Tax Assessor's Parcel Nos. **221-100-55, 221-100-33, 221-100-32, 221-100-24, 221-100-16, 221-080-29, 221-080-28, 221-080-27, 221-080-26, 221-080-25, 221-080-08, 221-080-07, 221-142-22, 221-142-21, 221-142-20, 221-142-19 & 221-142-18** (“PROJECT”).

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

3. DEVELOPER is required to submit plans and specifications for construction of the FACILITIES for review and approval by DISTRICT. The plans and specifications have been prepared by **Hunsaker and Associates – 9707 Waples Street San Diego, CA 92121 Phone# 858-558-4500** and are identified as **Public Improvements for Discovery Street Segment 2 - VWD WO# 219189 PN# 2020100740**. DEVELOPER shall construct the FACILITIES pursuant to the approved plans and specifications which shall include DISTRICT's standard specifications and applicable special provisions. DEVELOPER shall comply with all terms of this Agreement. All work covered by this Agreement shall be completed on or before \_\_\_\_\_, 202\_\_\_. In the event work is not completed by that date, this AGREEMENT shall terminate unless DEVELOPER obtains a written extension from DISTRICT.

## COVENANTS

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

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

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

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

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

**5. COMMERCIAL GENERAL LIABILITY AND AUTOMOBILE LIABILITY INSURANCE.** Prior to construction of FACILITIES under this Agreement, the DEVELOPER

shall provide and maintain the following commercial general liability and automobile liability insurance:

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

  - A. Insurance Services Office (ISO) Commercial General Liability Coverage (Occurrence Form CG 0001);
  - B. Insurance Services Office (ISO) Business Auto Coverage (Form CA 0001), covering Symbol 1 (any auto).
- 5.2 LIMITS.** The DEVELOPER shall maintain limits no less than the following:

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

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

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

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

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

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

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

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

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

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

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

**8. WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY INSURANCE.** The DEVELOPER and all sub-DEVELOPERS shall insure (or be a qualified self-insured) under

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

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

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

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

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

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

**13. SECURITY.** Upon execution of this Agreement and prior to Board approval, DEVELOPER shall provide the DISTRICT with a payment bond and a performance bond, each in the amount of **\$ 382,913.00**. Each payment and performance bond shall represent 100% of the estimated construction costs of the FACILITIES. Bonds shall be furnished by surety companies satisfactory to the DISTRICT. Surety companies, to be acceptable to the DISTRICT,

must have an acceptable rating from Best's Key Rating Guide, authorized to do business and have an agent for service of process in California.

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

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

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

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

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

**15. EASEMENTS.** Prior to execution of this Agreement, DEVELOPER shall provide DISTRICT with a current preliminary title report issued within the last 90 days covering all properties in which easements are to be granted to the DISTRICT. The cost of the preliminary title report shall be borne solely by DEVELOPER. DEVELOPER shall provide the DISTRICT with such easements as the DISTRICT may require, as determined by the DISTRICT in its sole discretion. All easements to be conveyed to the DISTRICT shall be prepared on the DISTRICT's standard form easements. All easements shall: (1) be of a width satisfactory to

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

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

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



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

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

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

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

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

**22. WATER SERVICE MAINTENANCE AFTER ACCEPTANCE OF WORK.** Due to the uncertainty of prompt sale/construction/occupancy of the project's lots and based on the

need to provide adequate flow to residences, DEVELOPER shall be responsible for periodic flushing of the services within the subdivision until such time as the subdivision is sold. The DISTRICT and DEVELOPER will cooperate to provide manpower and schedule work.

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

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

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

**26. WARRANTY.** DEVELOPER shall and hereby does guarantee all work and materials for the FACILITIES to be free from all defects due to faulty materials or workmanship for a period of one (1) year after the date of acceptance of the work by the DISTRICT. The DEVELOPER shall repair or remove and replace any and all such work, together with any other work which may be displaced in so doing, that is found to be defective in workmanship and/or materials within said one-year period without expense whatsoever to the DISTRICT, ordinary wear and tear and unusual abuse or neglect excepted. In the event DEVELOPER fails to comply with the above-mentioned conditions within one (1) week after being notified in writing, the DISTRICT is authorized to proceed to have the defects remedied and made good at the expense of DEVELOPER who agrees to pay the cost and charges therefore immediately upon demand. Such action by the DISTRICT will not relieve the DEVELOPER of the guarantee

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

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

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

**29. CASH DEPOSITS.** DEVELOPER shall provide the DISTRICT with an initial cash deposit in the amount of **\$ 27,313.00** to cover all DISTRICT fees and costs associated with the FACILITIES. When this deposit has been drawn down to **\$ 2,000.00**, DEVELOPER agrees to deposit such additional sums as the DISTRICT may determine from time to time to cover all fees and costs of the DISTRICT. Prior to final acceptance of the project, a final accounting will be forwarded to the developer for payment. Additional deposits for additional inspections after acceptance of the project may be requested.

**30. MISCELLANEOUS PROVISIONS.**

**30.1 VENUE.** In the event of any legal or equitable proceeding to enforce or interpret the terms or conditions of this Agreement, the parties agree that venue shall lie only in the federal or state courts in or nearest to the North County Judicial District, County of San Diego, State of California.

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

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

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

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

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

**“DISTRICT”  
VALLECITOS WATER DISTRICT**

By: \_\_\_\_\_

Glenn Pruim, Secretary  
Board of Directors  
Vallecitos Water District

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

**“DEVELOPER”**

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Company: \_\_\_\_\_

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

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

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

**DATE: JANUARY 20, 2021**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: APPROVAL OF CONSTRUCTION AGREEMENT FOR DISCOVERY VILLAGE SOUTH RESIDENTIAL WATER & SEWER IMPROVEMENTS APN'S 221-100-55, 221-100-33, 221-100-32, 221-100-24, 221-100-16, 221-080-29, 221-080-28, 221-080-27, 221-080-26, 221-080-25, 221-080-08, 221-080-07, 221-142-22, 221-142-21, 221-142-20, 221-142-19 & 221-142-18 (DISCOVERY SL, LLC.)**

**BACKGROUND:**

Discovery SL, LLC, owner of the project, has completed the plan check process with the District. The project is located south of Discovery Street between Craven Road and Twin Oaks Valley Road.

**DISCUSSION:**

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

Discovery Village South will construct approximately 7,450 feet of 8-inch diameter PVC water main, 7,018 feet of 8-inch diameter PVC sewer main. Upon completion of the water and sewer facilities, water and sewer service will be available to 131 single family homes and 89 townhome units.

All engineering fees and inspection deposits have been paid prior to Board approval of the Construction Agreement. Water and wastewater capital facility fees are due and payable prior to issuance of the final building inspection and/or utility release per Resolution 1441. Based on the current fees this will total \$1,745,700 for water and \$2,871,220 sewer Capital Facility Fees.

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

Labor and Materials	\$3,112,885.55
Faithful Performance	\$3,112,885.55

**FISCAL IMPACT:**

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

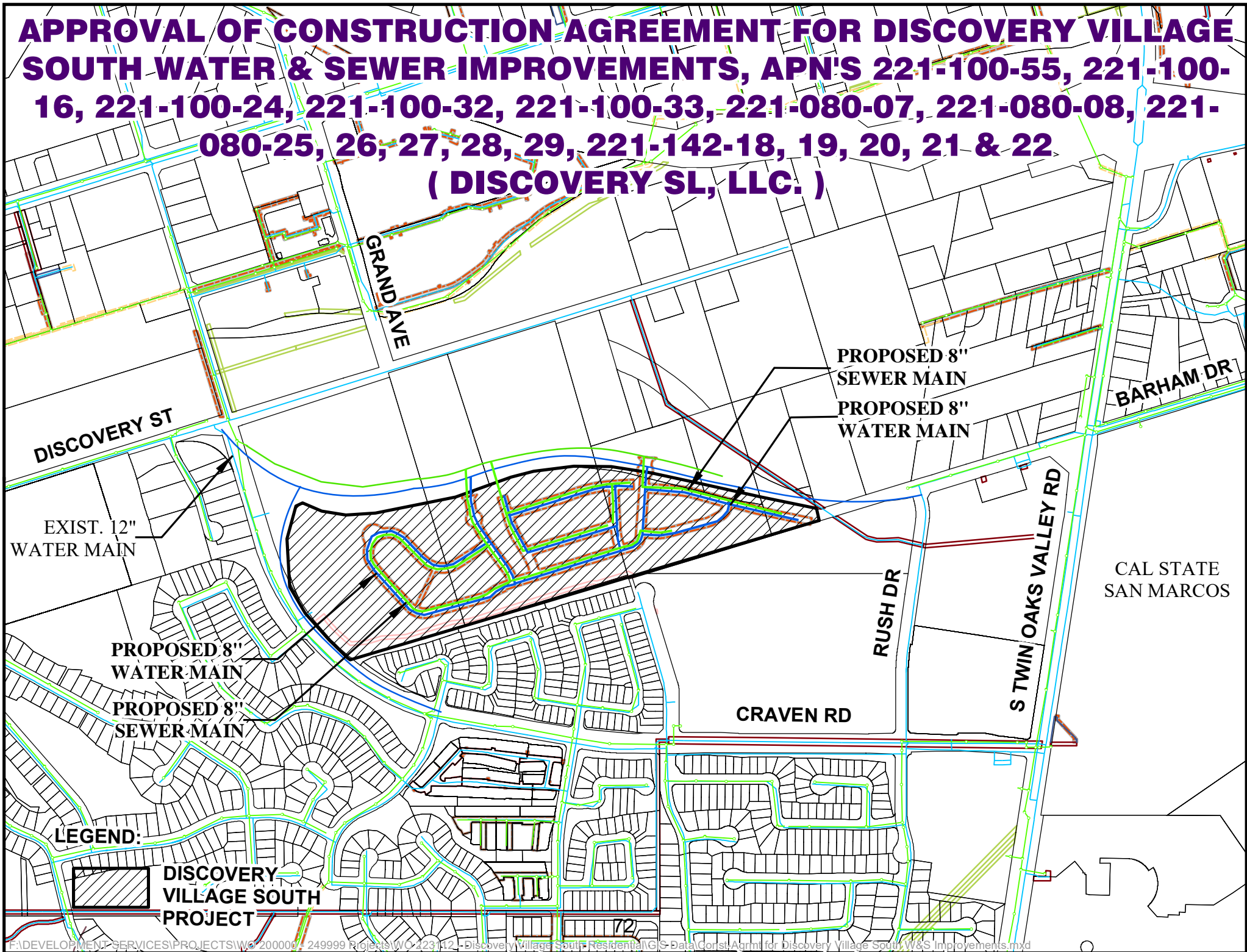
**RECOMMENDATION:**

Approve the construction agreement for Discovery Village South Residential Water and Sewer Improvements.

**ATTACHMENTS:**

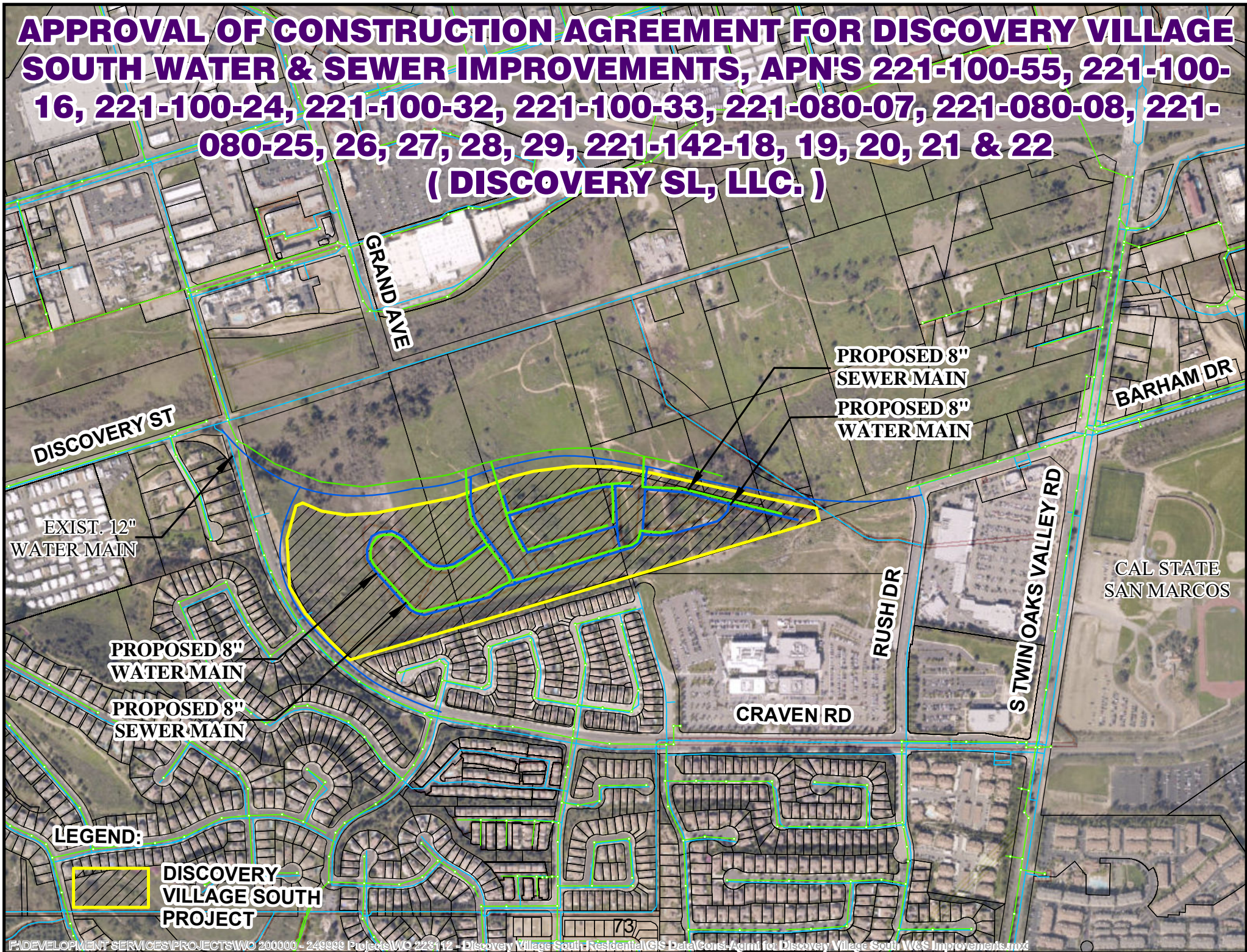
2 Map Exhibits – 1 Plat Map & 1 Aerial  
Construction Agreement

**APPROVAL OF CONSTRUCTION AGREEMENT FOR DISCOVERY VILLAGE  
SOUTH WATER & SEWER IMPROVEMENTS, APN'S 221-100-55, 221-100-  
16, 221-100-24, 221-100-32, 221-100-33, 221-080-07, 221-080-08, 221-  
080-25, 26, 27, 28, 29, 221-142-18, 19, 20, 21 & 22  
( DISCOVERY SL, LLC. )**





**APPROVAL OF CONSTRUCTION AGREEMENT FOR DISCOVERY VILLAGE  
SOUTH WATER & SEWER IMPROVEMENTS, APN'S 221-100-55, 221-100-  
16, 221-100-24, 221-100-32, 221-100-33, 221-080-07, 221-080-08, 221-  
080-25, 26, 27, 28, 29, 221-142-18, 19, 20, 21 & 22  
( DISCOVERY SL, LLC. )**





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

THIS AGREEMENT is entered into by and between VALLECITOS WATER DISTRICT (“DISTRICT”), a County Water District organized and operating pursuant to the County Water District Law, California Water Code §§ 30000 et seq., and DISCOVERY SL, LLC. (“DEVELOPER”), a Delaware Limited Liability Company.

**RECITALS**

1. DEVELOPER desires to improve certain real property which lies within the boundaries of the DISTRICT consisting of approximately **38.99** acres commonly described as Tax Assessor's Parcel Nos. **APN's 221-100-55, 221-100-33, 221-100-32, 221-100-24, 221-100-16, 221-080-29, 221-080-28, 221-080-27, 221-080-26, 221-080-25, 221-080-08, 221-080-07, 221-142-22, 221-142-21, 221-142-20, 221-142-19 & 221-142-18**(“PROJECT”).

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

3. DEVELOPER is required to submit plans and specifications for construction of the FACILITIES for review and approval by DISTRICT. The plans and specifications have been prepared by **Hunsaker & Associates – 9707 Waples Street San Diego, CA 92121 Phone # 858-558-4500** and are identified as **Improvement Plans for Discovery Village South VWD WO# 223112 PN# 2020100773**. DEVELOPER shall construct the FACILITIES pursuant to the approved plans and specifications which shall include DISTRICT's standard specifications and applicable special provisions. DEVELOPER shall comply with all terms of this Agreement. All work covered by this Agreement shall be completed on or before \_\_\_\_\_, 202\_\_\_. In the event work is not completed by that date, this AGREEMENT shall terminate unless DEVELOPER obtains a written extension from DISTRICT.

## COVENANTS

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

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

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

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

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

**5. COMMERCIAL GENERAL LIABILITY AND AUTOMOBILE LIABILITY INSURANCE.** Prior to construction of FACILITIES under this Agreement, the DEVELOPER

shall provide and maintain the following commercial general liability and automobile liability insurance:

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

  - A. Insurance Services Office (ISO) Commercial General Liability Coverage (Occurrence Form CG 0001);
  - B. Insurance Services Office (ISO) Business Auto Coverage (Form CA 0001), covering Symbol 1 (any auto).
  
- 5.2 LIMITS.** The DEVELOPER shall maintain limits no less than the following:

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

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

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

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

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

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

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

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

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

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

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

**8. WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY INSURANCE.** The DEVELOPER and all sub-DEVELOPERS shall insure (or be a qualified self-insured) under

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

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

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

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

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

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

**13. SECURITY.** Upon execution of this Agreement and prior to Board approval, DEVELOPER shall provide the DISTRICT with a payment bond and a performance bond, each in the amount of **\$ 3,112,885.55**. Each payment and performance bond shall represent 100% of the estimated construction costs of the FACILITIES. Bonds shall be furnished by surety companies satisfactory to the DISTRICT. Surety companies, to be acceptable to the DISTRICT,

must have an acceptable rating from Best's Key Rating Guide, authorized to do business and have an agent for service of process in California.

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

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

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

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

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

**15. EASEMENTS.** Prior to execution of this Agreement, DEVELOPER shall provide DISTRICT with a current preliminary title report issued within the last 90 days covering all properties in which easements are to be granted to the DISTRICT. The cost of the preliminary title report shall be borne solely by DEVELOPER. DEVELOPER shall provide the DISTRICT with such easements as the DISTRICT may require, as determined by the DISTRICT in its sole discretion. All easements to be conveyed to the DISTRICT shall be prepared on the DISTRICT's standard form easements. All easements shall: (1) be of a width satisfactory to

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

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

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



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

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

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

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

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

**22. WATER SERVICE MAINTENANCE AFTER ACCEPTANCE OF WORK.** Due to the uncertainty of prompt sale/construction/occupancy of the project's lots and based on the

need to provide adequate flow to residences, DEVELOPER shall be responsible for periodic flushing of the services within the subdivision until such time as the subdivision is sold. The DISTRICT and DEVELOPER will cooperate to provide manpower and schedule work.

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

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

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

**26. WARRANTY.** DEVELOPER shall and hereby does guarantee all work and materials for the FACILITIES to be free from all defects due to faulty materials or workmanship for a period of one (1) year after the date of acceptance of the work by the DISTRICT. The DEVELOPER shall repair or remove and replace any and all such work, together with any other work which may be displaced in so doing, that is found to be defective in workmanship and/or materials within said one-year period without expense whatsoever to the DISTRICT, ordinary wear and tear and unusual abuse or neglect excepted. In the event DEVELOPER fails to comply with the above-mentioned conditions within one (1) week after being notified in writing, the DISTRICT is authorized to proceed to have the defects remedied and made good at the expense of DEVELOPER who agrees to pay the cost and charges therefore immediately upon demand. Such action by the DISTRICT will not relieve the DEVELOPER of the guarantee

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

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

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

**29. CASH DEPOSITS.** DEVELOPER shall provide the DISTRICT with an initial cash deposit in the amount of \$ 67,386.20 to cover all DISTRICT fees and costs associated with the FACILITIES. When this deposit has been drawn down to \$ 2,000.00, DEVELOPER agrees to deposit such additional sums as the DISTRICT may determine from time to time to cover all fees and costs of the DISTRICT. Prior to final acceptance of the project, a final accounting will be forwarded to the developer for payment. Additional deposits for additional inspections after acceptance of the project may be requested.

**30. MISCELLANEOUS PROVISIONS.**

**30.1 VENUE.** In the event of any legal or equitable proceeding to enforce or interpret the terms or conditions of this Agreement, the parties agree that venue shall lie only in the federal or state courts in or nearest to the North County Judicial District, County of San Diego, State of California.

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

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

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

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

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

**“DISTRICT”  
VALLECITOS WATER DISTRICT**

By: \_\_\_\_\_

Glenn Pruim, Secretary  
Board of Directors  
Vallecitos Water District

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

**“DEVELOPER”**

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Company: \_\_\_\_\_

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

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

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

**DATE: JANUARY 20, 2021**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: ADOPTION OF RESOLUTION RECOGNIZING THE ANNEXATION INTO THE VALLECITOS WATER DISTRICT OF CERTAIN PROPERTY DESIGNATED AS "SAN MARCOS HIGHLANDS" (PORTIONS OF APNS 182-240-32, 182-240-33, 184-241-06 & 184-241-05) AND ORDERING ANNEXATION INTO SEWER IMPROVEMENT DISTRICTS 1, 2 & 6 (KB HOME CALIFORNIA, LLC)**

**BACKGROUND:**

The 288.53-acre San Marcos Highlands development is a proposed 189-lot single-family residential development located along the proposed northerly extension of Las Posas Road north of Borden Road in the City of San Marcos. 140.17 acres of the development are located within the Vallecitos Water District (VWD) Sphere of Influence. The remaining 148.36 acres are located within the Vista Irrigation District (VID).

**DISCUSSION:**

Farouk Kubba (Vista San Marcos, LTD), the previous owner of the property, originally requested annexation into the District's water and sewer service areas in March 2016. The latest conditions for annexation into the District's water and sewer service area were approved at the May 15, 2019 Board of Directors meeting. These conditions are as follows:

1. Payment of VWD's water annexation fee of \$4,714.00 per acre (45.22 acres) = \$213,167.08 prior to Board approval of Project improvements.
2. Payment of VWD's sewer annexation fee of \$8,831.00 per acre (66.53 acres) = \$587,526.43 prior to Board approval of Project improvements.
3. Payment of VWD's Water Capital Facility Fees (Current fee is \$7,756.00 per single-family home (187 homes) = \$1,450,372.00).
4. Payment of SDCWA's Capacity Fees (Current fee is \$5,413.00 per ¾" meter (187 meters) = \$1,012,231.00).
5. Payment of VWD's Wastewater Capital Facility Fees (Current fee is \$9,963.00 per single-family home (187 homes) = \$1,863,081.00).
6. Payment of State Board of Equalization fee of \$1,200.00 for VWD water annexation prior to Board approval of Project improvements.
7. Payment of State Board of Equalization fee of \$1,500.00 for VWD sewer annexation prior to Board approval of Project improvements.
8. Submittal of a copy of title report initiated or updated within the last six months showing ownership and a geographic description of the property including a plat map to complete the annexation prior to Final Acceptance of Project improvements.
9. Submittal of the recorded Final Map required to complete the annexation prior to Final Acceptance of Project improvements.

67.99 acres of the entire 288.53-acre project is developable. The remaining 220.54 acres will be dedicated open space. 45.55 acres of the developable area will be annexed into the Vallecitos Water District and must also be detached from VID. 67.99 acres will also be annexed into VWD Sewer Improvement Districts 1, 2 & 6. The remaining 220.54 acres will be dedicated open space and will not be annexed into VWD.

An application was made to LAFCO on June 7, 2017. LAFCO approval was granted on January 6, 2020, per Certificate of Completion LAFCO File No. RO17-07. KB Home California, LLC, as the new property owner, has paid \$221,874.05 in water annexation fees and \$657,735.26 in sewer annexation fees in accordance with District Ordinance No. 200. They have also paid \$2,700.00 in State Board of Equalization fees per the conditions of annexation listed in the May 15, 2019 staff report.

**FISCAL IMPACT:**

Payment of \$221,874.05 (\$4,871/acre x 45.55 acres) in water annexation fees and \$657,735.26 (\$9,674.00/acre x 67.99 acres) in sewer annexation fees have been collected in accordance with Ordinance No. 200. All other fees will cover actual costs and have no fiscal impact.

**RECOMMENDATION:**

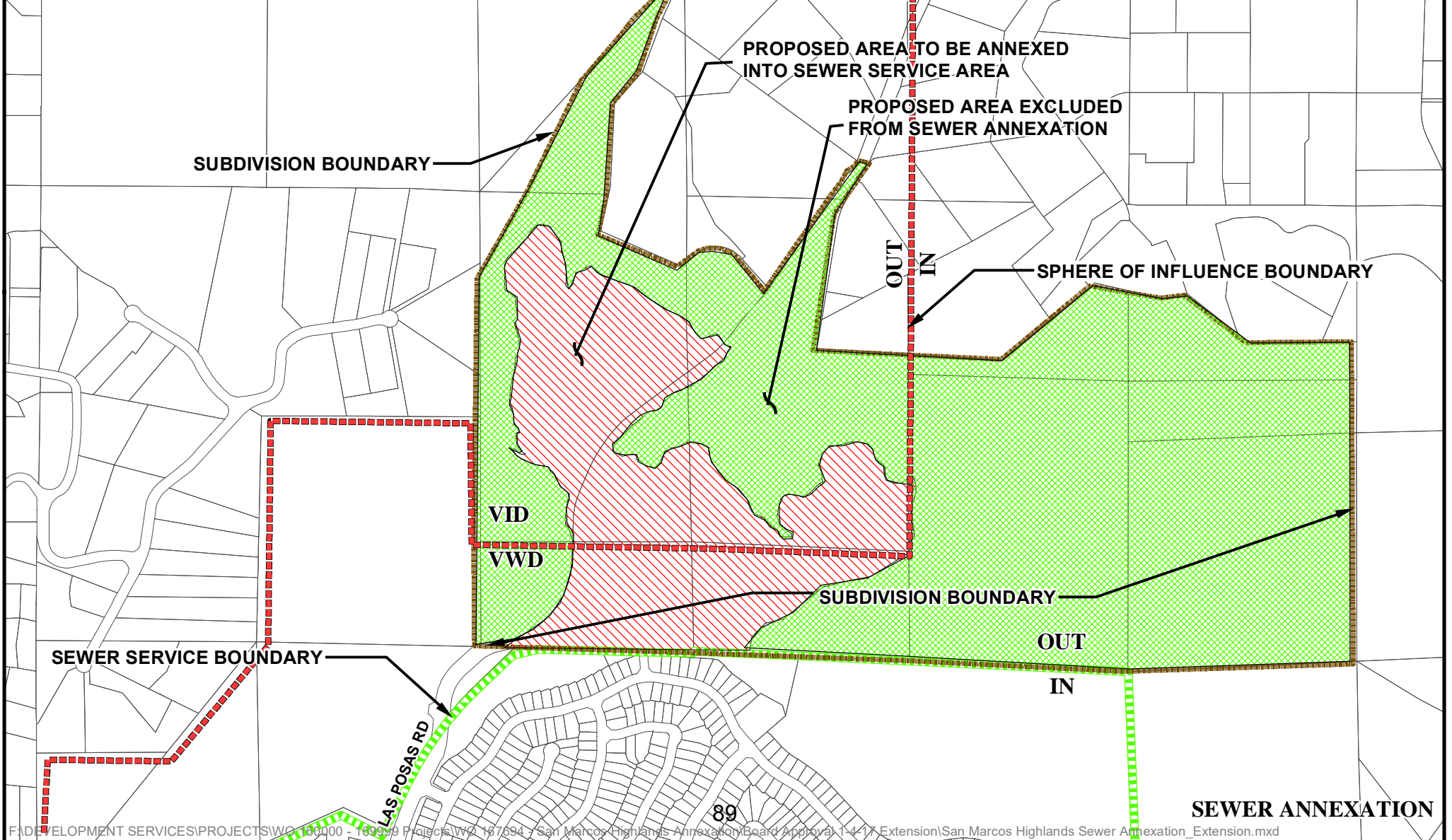
Adopt the resolution recognizing the annexation of 45.55 acres of the San Marcos Highlands property into the Vallecitos Water District and ordering the annexation of 67.99 acres into Sewer Improvement Districts 1, 2 & 6.

**ATTACHMENTS:**

2 Map Exhibits: 1-Plat & 1-Aerial  
Resolution

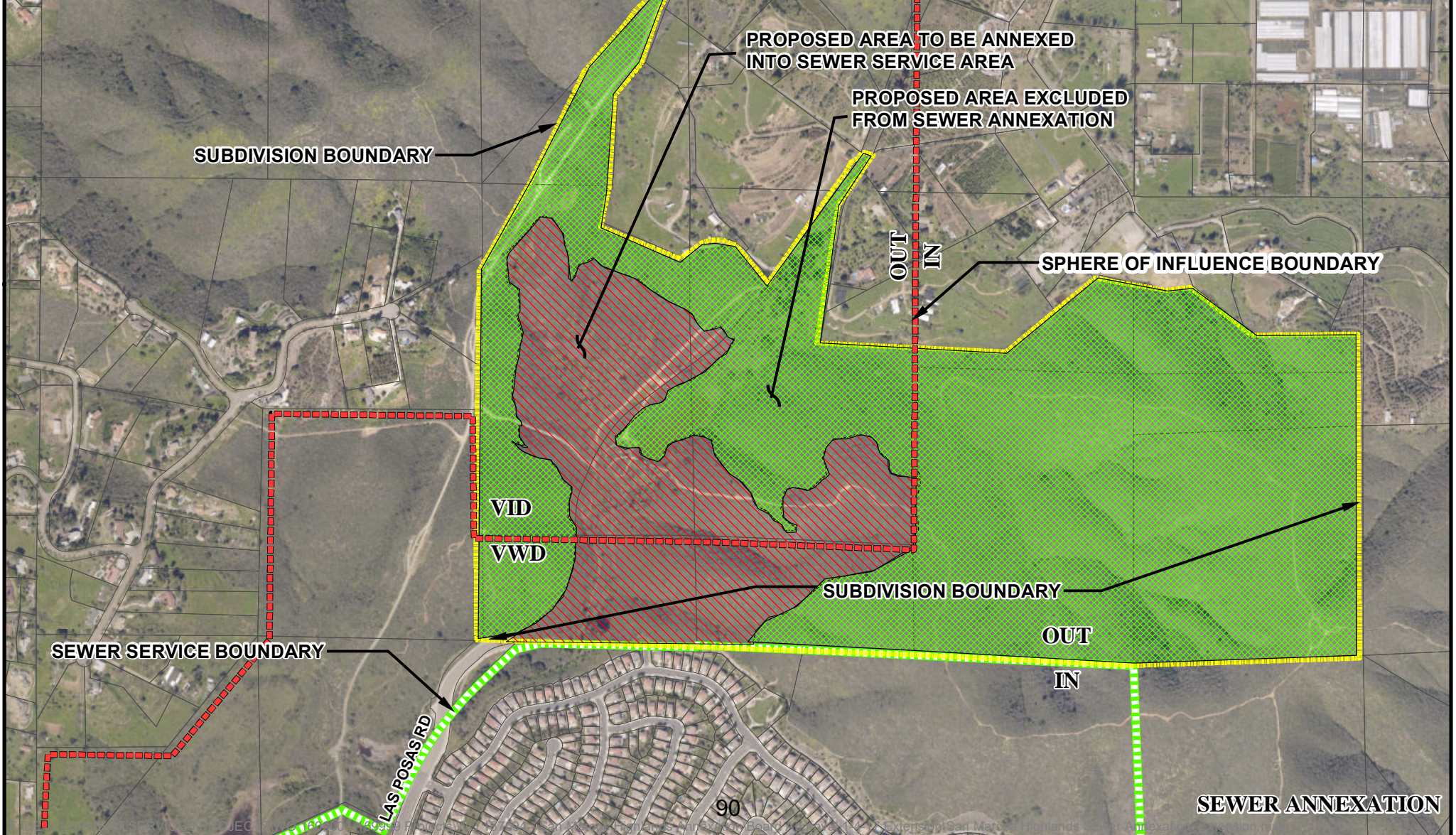


**ADOPTION OF RESOLUTION RECOGNIZING THE ANNEXATION INTO THE VALLECITOS WATER DISTRICT OF CERTAIN PROPERTY DESIGNATED AS "SAN MARCOS HIGHLANDS" (PORTION OF APN 184-240-32, 184-240-33, 184-241-06 & 184-241-05 AND ORDERING ANNEXATION INTO SEWER IMPROVEMENT DISTRICTS 1, 2 & 6 ( KB HOME CALIFORNIA, LLC )**



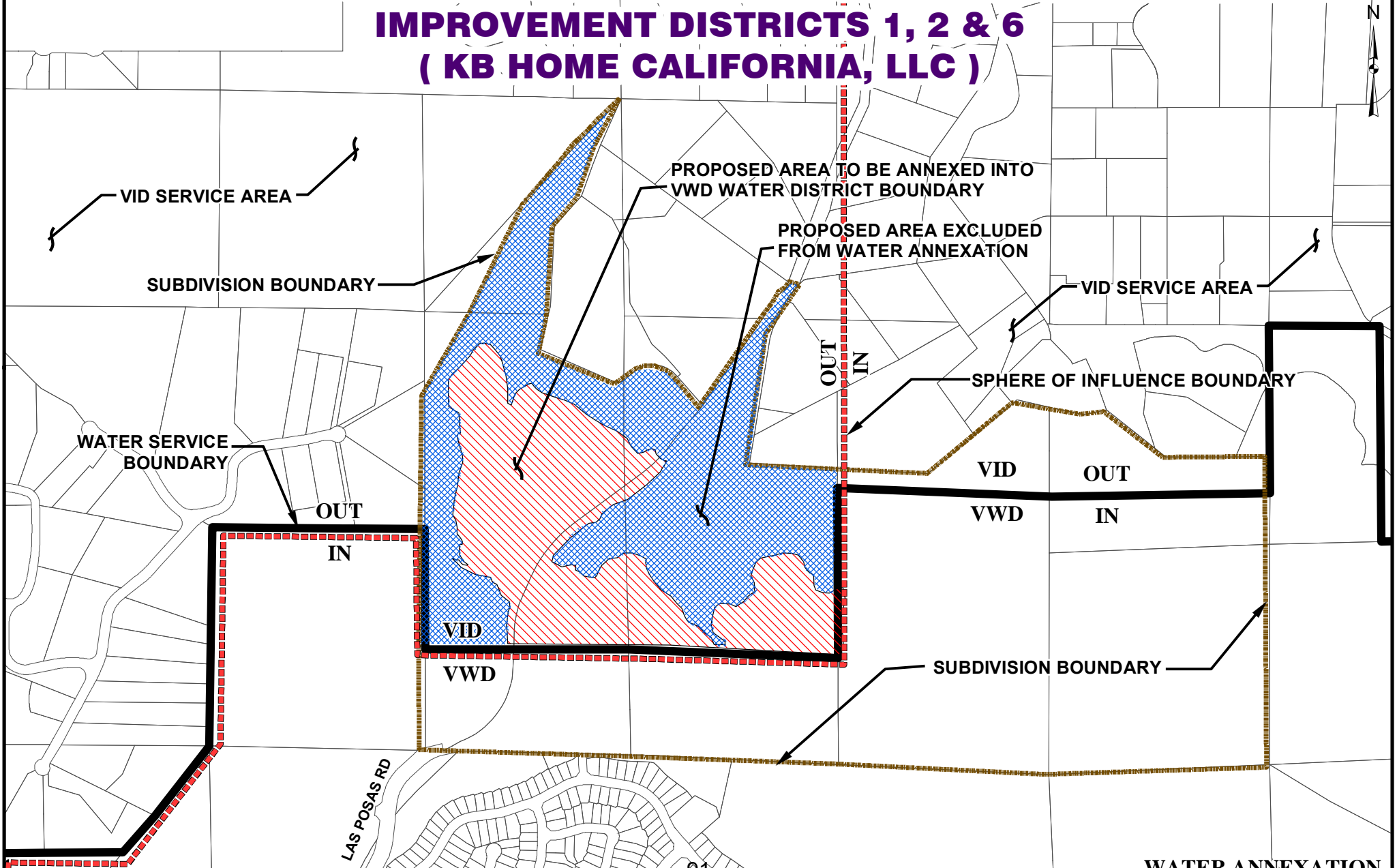


**ADOPTION OF RESOLUTION RECOGNIZING THE ANNEXATION INTO THE VALLECITOS WATER DISTRICT OF CERTAIN PROPERTY DESIGNATED AS "SAN MARCOS HIGHLANDS" (PORTION OF APN 184-240-32, 184-240-33, 184-241-06 & 184-241-05 AND ORDERING ANNEXATION INTO SEWER IMPROVEMENT DISTRICTS 1, 2 & 6 ( KB HOME CALIFORNIA, LLC )**



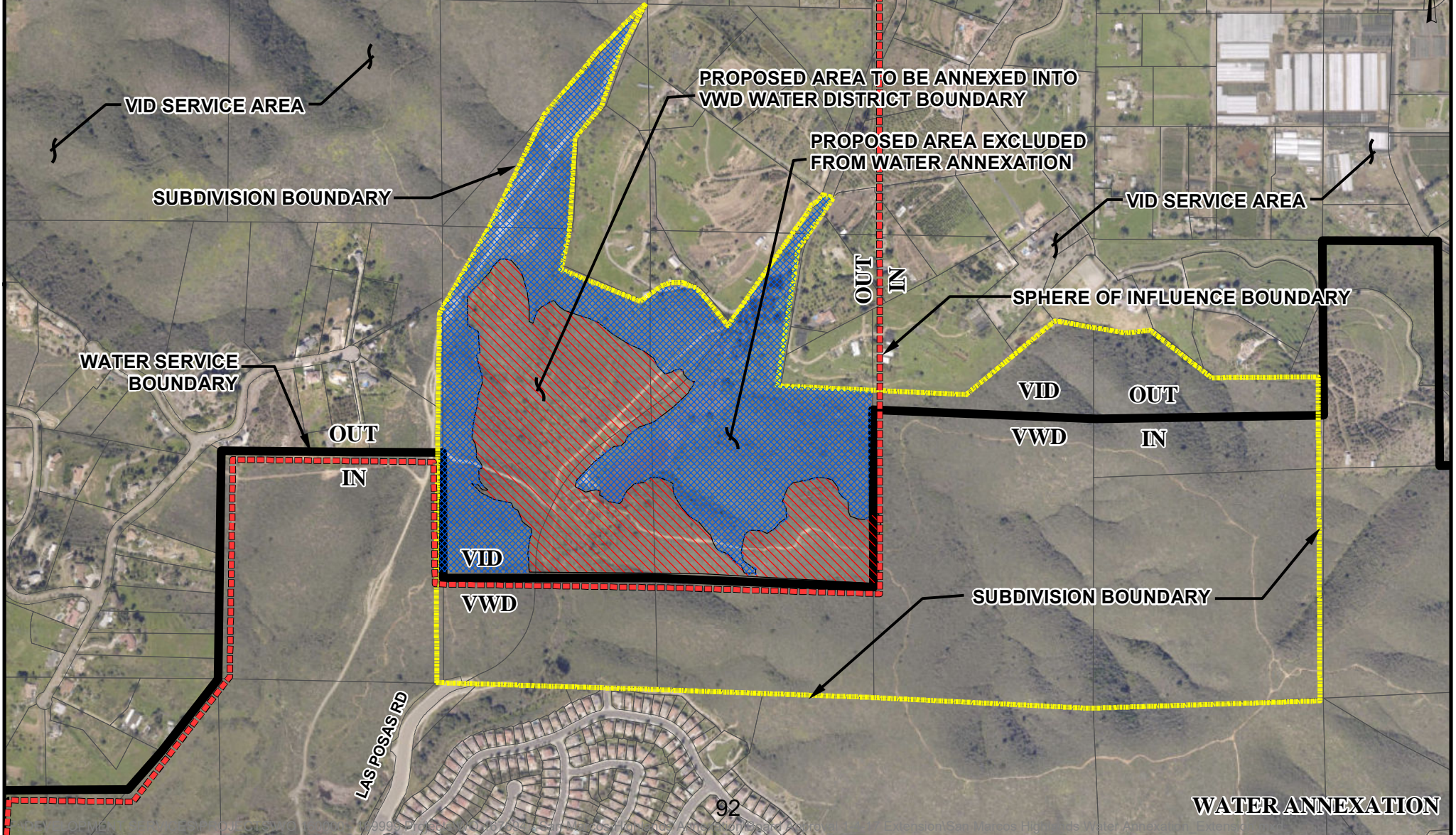


**ADOPTION OF RESOLUTION RECOGNIZING THE ANNEXATION INTO THE VALLECITOS WATER DISTRICT OF CERTAIN PROPERTY DESIGNATED AS "SAN MARCOS HIGHLANDS" (PORTION OF APN 184-240-32, 184-240-33, 184-241-06 & 184-241-05 AND ORDERING ANNEXATION INTO SEWER IMPROVEMENT DISTRICTS 1, 2 & 6 ( KB HOME CALIFORNIA, LLC )**





**ADOPTION OF RESOLUTION RECOGNIZING THE ANNEXATION INTO THE VALLECITOS WATER DISTRICT OF CERTAIN PROPERTY DESIGNATED AS "SAN MARCOS HIGHLANDS" (PORTION OF APN 184-240-32, 184-240-33, 184-241-06 & 184-241-05 AND ORDERING ANNEXATION INTO SEWER IMPROVEMENT DISTRICTS 1, 2 & 6 (KB HOME CALIFORNIA, LLC)**



**WATER ANNEXATION**



**RESOLUTION NO.**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
VALLECITOS WATER DISTRICT RECOGNIZING THE ANNEXATION  
INTO THE VALLECITOS WATER DISTRICT OF CERTAIN PROPERTY DESIGNATED AS  
“SAN MARCOS HIGHLANDS”  
(PORTIONS OF APN 184-240-32, 184-240-33, 184-241-06 & 184-241-05)  
AND ORDERING ANNEXATION INTO SEWER IMPROVEMENT DISTRICTS 1, 2 & 6**

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

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

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

Section 1.2: That the owners of the land described in this resolution, consisting of approximately 67.99 acres, and also referred to as portions of APN 184-240-32 & 33 and 184-241-05 & 06 as described in Exhibit “A” & Exhibit “B”, have given their written consent to the annexation of said lands to the Vallecitos Water District hereinafter designated and have, in writing, requested the annexation of said lands to said Water District.

Section 1.3: That the owners of the land described in this resolution, consisting of approximately 45.55 acres, and also referred to as portions of APN 184-240-32 & 33 and 184-241-05 & 06 as described in Exhibit “C” & “D”, have given their written consent to the annexation of said lands to the Sewer Improvement Districts hereinafter designated and have, in writing, requested the annexation of said lands to said Sewer Improvement Districts.

Section 1.4: That the owners of the land described in this resolution have advanced to the Secretary of the Vallecitos Water District the costs of this annexation, including, but not limited to, advertising, engineering and attorney’s fees.

Section 1.5: The inclusion of said land within the designated Sewer Improvement Districts will be for the best interest of the designated Sewer Improvement Districts.

Section 1.6: The inclusion of said land within said Sewer Improvement Districts will be for the best interest of the land, and the owners thereof consent to the inclusion of said land in the designated Sewer Improvement Districts of the Vallecitos Water District.

Section 1.7: The Board of Directors determines that all the land hereinafter described shall be included in the designated Sewer Improvement Districts; that the proceedings had for the annexation and inclusion herein and above referred to were genuine and sufficient and in all respects complied with the Water Code of the State of California commencing at Section 32550.

Section 1.8: That the land herein described was previously not within the boundaries of the Vallecitos Water District and said lands are not a part of an Improvement District constituted for a purpose similar to the purpose of Improvement Districts 1, 2 & 6 of the Vallecitos Water District.

Section 1.9: That the San Diego Local Agency Formation Commission has approved and ordered the proposed annexation to Vallecitos Water District and detachment from Vista Irrigation District as the "San Marcos Highlands Reorganization" per Certificate of Completion LAFCO File No. RO17-07 and recorded with the San Diego County Recorder on January 6, 2020 as document number 2020-0004898.

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

SECTION 3: The Board of Directors of the Vallecitos Water District does hereby order the annexation of such lands to Sewer Improvement Districts 1, 2 & 6 of the Vallecitos Water District pursuant to this resolution and the proceedings above referred to, which description contained in Exhibit "B" attached hereto and made a part hereof, is sufficient to identify the land.

SECTION 4: The condition of said annexation to Vallecitos Water District and Sewer Improvement Districts 1, 2 & 6 of the Vallecitos Water District are as follows:

Section 4.1: Payment by petitioners of the sum of \$4,871.00 per acre or fraction thereof for annexation of the territory into the Vallecitos Water District and \$9,674.00 per acre or fraction thereof for annexation of the territory into Sewer Improvement Districts 1, 2 & 6 (together not individually) for the use or right of use of the existing property in the Improvement Districts.

Section 4.2: Payment by the petitioners of the sum of \$3,000.00 to cover costs of annexation, which includes attorney fees, publication, filing fees and miscellaneous costs of annexation.

Section 4.3: The lands annexed to Vallecitos Water District and Sewer Improvement Districts 1, 2 & 6 shall be subject to existing bond issues and indebtedness of the Improvement District from and after the filing with the San Diego County Assessor of a certified copy of this resolution as set forth in Section 32553 of the Water Code of the State of California.

SECTION 5: This resolution shall become effective immediately upon its final passage; this resolution being adopted pursuant to Section 32552 of the Water Code of the State of California. This resolution being adopted without notice and hearing and without an election being conducted in said territory, all in accordance with Section 32552 of the Water Code of the State of California. The Secretary of this District shall comply with the provisions of the Water Code, Section 32553, and shall file a certified copy of this resolution together with a map of the

territory thus annexed with the San Diego County Assessor and the San Diego County Tax Collector and with the State Board of Equalization.

PASSED AND ADOPTED by the Board of Directors of the Vallecitos Water District at a regular meeting held on this 20<sup>th</sup> day of January 2021, by the following roll call vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT

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

ATTEST:

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Glenn Pruim, Secretary  
Board of Directors  
Vallecitos Water District

# EXHIBIT "A"

## LEGAL DESCRIPTION VWD WATER ANNEXATION

BEING A PORTION OF THE SOUTHWEST QUARTER AND THE SOUTHEAST QUARTER OF SECTION 34, TOWNSHIP 12 SOUTH, RANGE 3 WEST, SAN BERNARDINO BASE AND MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS AND ILLUSTRATED ON EXHIBIT "B" ATTACHED HERETO AND MADE A PART OF THIS DOCUMENT:

### PARCEL A

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 34; THENCE LEAVING SAID CORNER SOUTH 88°44'52" EAST A DISTANCE OF 1385.11 FEET; THENCE NORTH 3°07'41" WEST A DISTANCE OF 17.34 FEET TO THE BEGINNING OF A 344.00 FOOT RADIUS CURVE, CONCAVE WESTERLY, A RADIAL LINE TO SAID POINT BEARS NORTH 15°06'58" WEST; THENCE EASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 0°24'36", AN ARC LENGTH OF 2.46 FEET; THENCE NORTH 69°06'45" EAST A DISTANCE OF 153.23 FEET TO THE BEGINNING OF A 458.00 FOOT RADIUS CURVE, CONCAVE NORTHWESTERLY; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 72°36'45", AN ARC LENGTH OF 580.44 FEET; THENCE NORTH 03°30'00" WEST A DISTANCE OF 101.09 FEET TO THE BEGINNING OF A 542.00 FOOT RADIUS CURVE, CONCAVE EASTERLY; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 02°54'53", AN ARC LENGTH OF 27.57 FEET; THENCE NORTH 88°47'49" WEST A DISTANCE OF 30.69 FEET TO THE **TRUE POINT OF BEGINNING**; THENCE NORTH 34°49'53" EAST A DISTANCE OF 40.33 FEET; THENCE NORTH 03°19'26" WEST A DISTANCE OF 86.76 FEET TO THE BEGINNING OF A 150.00 FOOT RADIUS CURVE, CONCAVE EASTERLY; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 34°32'30", AN ARC LENGTH OF 90.43 FEET; THENCE NORTH 40°51'12" WEST A DISTANCE OF 100.01 FEET; THENCE NORTH 23°11'55" WEST A DISTANCE OF 76.16 FEET; THENCE NORTH 56°18'36" WEST A DISTANCE OF 36.06 FEET; THENCE NORTH 75°57'50" WEST A DISTANCE OF 123.69 FEET; THENCE NORTH 54°27'44" WEST A DISTANCE OF 86.02 FEET; THENCE NORTH 45°00'00" WEST A DISTANCE OF 56.57 FEET; THENCE NORTH 68°11'55" EAST A DISTANCE OF 53.85 FEET; THENCE NORTH 00°00'00" EAST A DISTANCE OF 80.00 FEET; THENCE NORTH 18°26'06" WEST A DISTANCE OF 63.92 FEET; THENCE NORTH 08°10'44" WEST A DISTANCE OF 155.89 FEET; THENCE NORTH 09°01'14" EAST A DISTANCE OF 333.35 FEET; THENCE NORTH 19°47'59" WEST A DISTANCE OF 107.96 FEET; THENCE NORTH 09°09'31" EAST A DISTANCE OF 122.79 FEET; THENCE NORTH 34°22'37" WEST A DISTANCE OF 61.49 FEET TO THE BEGINNING OF A 45.00 FOOT RADIUS CURVE, CONCAVE NORTHEASTERLY; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 56°20'10", AN ARC LENGTH OF 44.25 FEET; THENCE NORTH 08°03'27" WEST A DISTANCE OF 42.27 FEET; THENCE NORTH 01°27'47" EAST A DISTANCE OF 75.66 FEET TO THE BEGINNING OF A 145.00 FOOT RADIUS CURVE, CONCAVE EASTERLY; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 40°27'50", AN ARC LENGTH OF 102.40 FEET; THENCE NORTH 40°53'00" EAST A DISTANCE OF 215.05 FEET TO THE



BEGINNING OF A 50.00 FOOT RADIUS CURVE, CONCAVE SOUTHERLY; THENCE EASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 71°29'38", AN ARC LENGTH OF 62.39 FEET; THENCE SOUTH 67°37'22" EAST A DISTANCE OF 15.49 FEET TO THE BEGINNING OF A 170.00 FOOT RADIUS CURVE, CONCAVE SOUTHWESTERLY; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 52°36'57", AN ARC LENGTH OF 156.11 FEET; THENCE SOUTH 15°00'24" EAST A DISTANCE OF 205.79 FEET; THENCE NORTH 50°01'20" EAST A DISTANCE OF 136.88 FEET; THENCE SOUTH 45°25'28" EAST A DISTANCE OF 98.76 FEET; THENCE SOUTH 72°21'28" EAST A DISTANCE OF 189.58 FEET; THENCE SOUTH 53°28'41" EAST A DISTANCE OF 239.63 FEET; THENCE SOUTH 66°05'52" EAST A DISTANCE OF 150.83 FEET; THENCE SOUTH 36°44'16" EAST A DISTANCE OF 126.12 FEET TO THE BEGINNING OF A 25.00 FOOT RADIUS CURVE, CONCAVE NORTHERLY; THENCE EASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 80°36'49", AN ARC LENGTH OF 35.17 FEET; THENCE NORTH 62°38'54" EAST A DISTANCE OF 55.15 FEET TO THE BEGINNING OF A 32.00 FOOT RADIUS CURVE, CONCAVE SOUTHERLY; THENCE EASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 70°11'39", AN ARC LENGTH OF 39.20 FEET; THENCE SOUTH 47°09'27" EAST A DISTANCE OF 122.06 FEET; THENCE SOUTH 41°49'38" WEST A DISTANCE OF 202.77 FEET; THENCE SOUTH 53°45'54" WEST A DISTANCE OF 165.15 FEET; THENCE SOUTH 66°20'17" WEST A DISTANCE OF 129.85 FEET; THENCE SOUTH 35°00'10" WEST A DISTANCE OF 72.25 FEET; THENCE SOUTH 55°30'51" WEST A DISTANCE OF 40.39 FEET; THENCE SOUTH 57°20'51" WEST A DISTANCE OF 160.15 FEET; THENCE SOUTH 45°26'05" WEST A DISTANCE OF 112.27 FEET; THENCE SOUTH 22°44'31" WEST A DISTANCE OF 81.69 FEET; THENCE SOUTH 71°23'20" EAST A DISTANCE OF 263.21 FEET; THENCE NORTH 26°28'52" EAST A DISTANCE OF 109.97 FEET; THENCE NORTH 68°52'19" EAST A DISTANCE OF 157.74 FEET; THENCE SOUTH 75°09'05" EAST A DISTANCE OF 109.24 FEET; THENCE SOUTH 30°09'30" EAST A DISTANCE OF 38.46 FEET; THENCE SOUTH 04°12'48" EAST A DISTANCE OF 67.81 FEET; THENCE SOUTH 38°18'00" EAST A DISTANCE OF 53.21 FEET; THENCE SOUTH 19°51'19" EAST A DISTANCE OF 23.97 FEET; THENCE SOUTH 50°28'32" EAST A DISTANCE OF 152.05 FEET; THENCE SOUTH 42°46'24" EAST A DISTANCE OF 75.97 FEET; THENCE SOUTH 27°25'13" EAST A DISTANCE OF 103.07 FEET; THENCE SOUTH 65°37'13" EAST A DISTANCE OF 64.07 FEET; THENCE SOUTH 47°28'15" EAST A DISTANCE OF 108.99 FEET TO THE BEGINNING OF A 60.00 FOOT RADIUS CURVE, CONCAVE WESTERLY; THENCE SOUTHERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 51°15'16", AN ARC LENGTH OF 53.67 FEET; THENCE NORTH 87°40'56" WEST A DISTANCE OF 553.79 FEET; THENCE NORTH 88°47'49" WEST A DISTANCE OF 762.41 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING 37.78 ACRES OR 1645718.37 SQUARE FEET MORE OR LESS.

**PARCEL B**

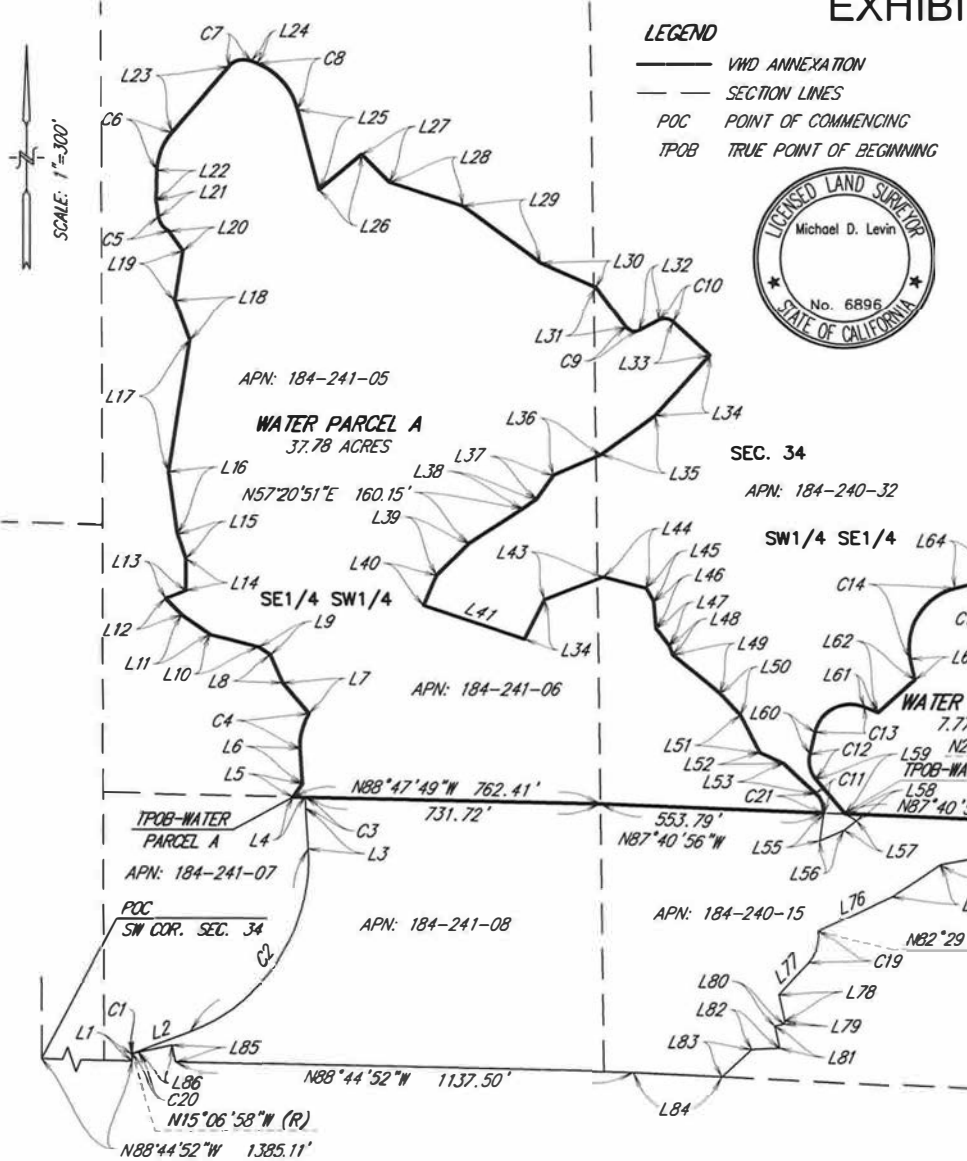
COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 34; THENCE LEAVING SAID CORNER SOUTH 88°44'52" EAST A DISTANCE OF 1385.11 FEET; THENCE NORTH 3°07'41" WEST A DISTANCE OF 17.34 FEET TO THE BEGINNING OF A 344.00 FOOT RADIUS CURVE, CONCAVE WESTERLY, A RADIAL LINE TO SAID POINT BEARS NORTH 15°06'58" WEST; THENCE EASTERLY ALONG THE ARC OF SAID

CURVE THROUGH A CENTRAL ANGLE OF  $0^{\circ}24'36''$ , AN ARC LENGTH OF 2.46 FEET; THENCE NORTH  $69^{\circ}06'45''$  EAST A DISTANCE OF 153.23 FEET TO THE BEGINNING OF A 458.00 FOOT RADIUS CURVE, CONCAVE NORTHWESTERLY; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF  $72^{\circ}36'45''$ , AN ARC LENGTH OF 580.44 FEET; THENCE NORTH  $03^{\circ}30'00''$  WEST A DISTANCE OF 101.09 FEET TO THE BEGINNING OF A 542.00 FOOT RADIUS CURVE, CONCAVE EASTERLY; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF  $02^{\circ}54'53''$ , AN ARC LENGTH OF 27.57 FEET; THENCE NORTH  $88^{\circ}47'49''$  WEST A DISTANCE OF 30.69 FEET; THENCE NORTH  $34^{\circ}49'53''$  EAST A DISTANCE OF 40.33 FEET; THENCE NORTH  $03^{\circ}19'26''$  WEST A DISTANCE OF 86.76 FEET TO THE BEGINNING OF A 150.00 FOOT RADIUS CURVE, CONCAVE EASTERLY; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF  $34^{\circ}32'30''$ , AN ARC LENGTH OF 90.43 FEET; THENCE NORTH  $40^{\circ}51'12''$  WEST A DISTANCE OF 100.01 FEET; THENCE NORTH  $23^{\circ}11'55''$  WEST A DISTANCE OF 76.16 FEET; THENCE NORTH  $56^{\circ}18'36''$  WEST A DISTANCE OF 36.06 FEET; THENCE NORTH  $75^{\circ}57'50''$  WEST A DISTANCE OF 123.69 FEET; THENCE NORTH  $54^{\circ}27'44''$  WEST A DISTANCE OF 86.02 FEET; THENCE NORTH  $45^{\circ}00'00''$  WEST A DISTANCE OF 56.57 FEET; THENCE NORTH  $68^{\circ}11'55''$  EAST A DISTANCE OF 53.85 FEET; THENCE NORTH  $00^{\circ}00'00''$  EAST A DISTANCE OF 80.00 FEET; THENCE NORTH  $18^{\circ}26'06''$  WEST A DISTANCE OF 63.92 FEET; THENCE NORTH  $08^{\circ}10'44''$  WEST A DISTANCE OF 155.89 FEET; THENCE NORTH  $09^{\circ}01'14''$  EAST A DISTANCE OF 333.35 FEET; THENCE NORTH  $19^{\circ}47'59''$  WEST A DISTANCE OF 107.96 FEET; THENCE NORTH  $09^{\circ}09'31''$  EAST A DISTANCE OF 122.79 FEET; THENCE NORTH  $34^{\circ}22'37''$  WEST A DISTANCE OF 61.49 FEET TO THE BEGINNING OF A 45.00 FOOT RADIUS CURVE, CONCAVE NORTHEASTERLY; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF  $56^{\circ}20'10''$ , AN ARC LENGTH OF 44.25 FEET; THENCE NORTH  $08^{\circ}03'27''$  WEST A DISTANCE OF 42.27 FEET; THENCE NORTH  $01^{\circ}27'47''$  EAST A DISTANCE OF 75.66 FEET TO THE BEGINNING OF A 145.00 FOOT RADIUS CURVE, CONCAVE EASTERLY; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF  $40^{\circ}27'50''$ , AN ARC LENGTH OF 102.40 FEET; THENCE NORTH  $40^{\circ}53'00''$  EAST A DISTANCE OF 215.05 FEET TO THE BEGINNING OF A 50.00 FOOT RADIUS CURVE, CONCAVE SOUTHERLY; THENCE EASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF  $71^{\circ}29'38''$ , AN ARC LENGTH OF 62.39 FEET; THENCE SOUTH  $67^{\circ}37'22''$  EAST A DISTANCE OF 15.49 FEET TO THE BEGINNING OF A 170.00 FOOT RADIUS CURVE, CONCAVE SOUTHWESTERLY; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF  $52^{\circ}36'57''$ , AN ARC LENGTH OF 156.11 FEET; THENCE SOUTH  $15^{\circ}00'24''$  EAST A DISTANCE OF 205.79 FEET; THENCE NORTH  $50^{\circ}01'20''$  EAST A DISTANCE OF 136.88 FEET; THENCE SOUTH  $45^{\circ}25'28''$  EAST A DISTANCE OF 98.76 FEET; THENCE SOUTH  $72^{\circ}21'28''$  EAST A DISTANCE OF 189.58 FEET; THENCE SOUTH  $53^{\circ}28'41''$  EAST A DISTANCE OF 239.63 FEET; THENCE SOUTH  $66^{\circ}05'52''$  EAST A DISTANCE OF 150.83 FEET; THENCE SOUTH  $36^{\circ}44'16''$  EAST A DISTANCE OF 126.12 FEET TO THE BEGINNING OF A 25.00 FOOT RADIUS CURVE, CONCAVE NORTHERLY; THENCE EASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF  $80^{\circ}36'49''$ , AN ARC LENGTH OF 35.17 FEET; THENCE NORTH  $62^{\circ}38'54''$  EAST A DISTANCE OF 55.15 FEET TO THE BEGINNING OF A 32.00 FOOT RADIUS CURVE, CONCAVE SOUTHERLY; THENCE EASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF  $70^{\circ}11'39''$ , AN ARC LENGTH OF 39.20 FEET; THENCE SOUTH  $47^{\circ}09'27''$  EAST A DISTANCE OF 122.06 FEET;

THENCE SOUTH 41°49'38" WEST A DISTANCE OF 202.77 FEET; THENCE SOUTH 53°45'54" WEST A DISTANCE OF 165.15 FEET; THENCE SOUTH 66°20'17" WEST A DISTANCE OF 129.85 FEET; THENCE SOUTH 35°00'10" WEST A DISTANCE OF 72.25 FEET; THENCE SOUTH 55°30'51" WEST A DISTANCE OF 40.39 FEET; THENCE SOUTH 57°20'51" WEST A DISTANCE OF 160.15 FEET; THENCE SOUTH 45°26'05" WEST A DISTANCE OF 112.27 FEET; THENCE SOUTH 22°44'31" WEST A DISTANCE OF 81.69 FEET; THENCE SOUTH 71°23'20" EAST A DISTANCE OF 263.21 FEET; THENCE NORTH 26°28'52" EAST A DISTANCE OF 109.97 FEET; THENCE NORTH 68°52'19" EAST A DISTANCE OF 157.74 FEET; THENCE SOUTH 75°09'05" EAST A DISTANCE OF 109.24 FEET; THENCE SOUTH 30°09'30" EAST A DISTANCE OF 38.46 FEET; THENCE SOUTH 04°12'48" EAST A DISTANCE OF 67.81 FEET; THENCE SOUTH 38°18'00" EAST A DISTANCE OF 53.21 FEET; THENCE SOUTH 19°51'19" EAST A DISTANCE OF 23.97 FEET; THENCE SOUTH 50°28'32" EAST A DISTANCE OF 152.05 FEET; THENCE SOUTH 42°46'24" EAST A DISTANCE OF 75.97 FEET; THENCE SOUTH 27°25'13" EAST A DISTANCE OF 103.07 FEET; THENCE SOUTH 65°37'13" EAST A DISTANCE OF 64.07 FEET; THENCE SOUTH 47°28'15" EAST A DISTANCE OF 108.99 FEET TO THE BEGINNING OF A 60.00 FOOT RADIUS CURVE, CONCAVE WESTERLY; THENCE SOUTHERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 55°26'26", AN ARC LENGTH OF 58.06 FEET; THENCE SOUTH 07°58'12" WEST A DISTANCE OF 65.92 FEET; THENCE NORTH 66°02'26" EAST A DISTANCE OF 65.99 FEET; THENCE NORTH 52°15'15" EAST A DISTANCE OF 38.70 FEET; THENCE NORTH 59°31'21" WEST A DISTANCE OF 33.60 FEET TO THE **TRUE POINT ● OF BEGINNING**; THENCE NORTH 39°49'39" WEST A DISTANCE OF 112.41 FEET TO THE BEGINNING OF A 70.00 FOOT RADIUS CURVE, CONCAVE EASTERLY; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 53°00'21", AN ARC LENGTH OF 64.76 FEET; THENCE NORTH 13°10'42" EAST A DISTANCE OF 55.83 FEET TO THE BEGINNING OF A 90.00 FOOT RADIUS CURVE, CONCAVE SOUTHEASTERLY; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 99°59'44", AN ARC LENGTH OF 157.07 FEET; THENCE SOUTH 66°49'33" EAST A DISTANCE OF 36.22 FEET; THENCE NORTH 48°08'44" EAST A DISTANCE OF 122.64 FEET; THENCE NORTH 11°36'25" WEST A DISTANCE OF 54.07 FEET TO THE BEGINNING OF A 150.00 FOOT RADIUS CURVE, CONCAVE SOUTHEASTERLY; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 87°31'56", AN ARC LENGTH OF 229.16 FEET; THENCE NORTH 75°55'32" EAST A DISTANCE OF 118.67 FEET TO THE BEGINNING OF A 90.00 FOOT RADIUS CURVE, CONCAVE SOUTHWESTERLY; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 74°23'15", AN ARC LENGTH OF 116.85 FEET; THENCE SOUTH 29°41'13" EAST A DISTANCE OF 89.30 FEET; THENCE SOUTH 43°14'43" EAST A DISTANCE OF 54.47 FEET; THENCE SOUTH 05°16'30" EAST A DISTANCE OF 68.75 FEET; THENCE SOUTH 61°16'40" EAST A DISTANCE OF 66.08 FEET; THENCE NORTH 62°52'46" EAST A DISTANCE OF 74.22 FEET; THENCE SOUTH 00°41'07" WEST A DISTANCE OF 388.05 FEET TO THE BEGINNING OF A 75.00 FOOT RADIUS CURVE, CONCAVE NORTHWESTERLY, A RADIAL LINE TO SAID POINT BEARS SOUTH 25°32'23" EAST; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 05°16'49", AN ARC LENGTH OF 6.91 FEET; THENCE NORTH 87°40'56" WEST A DISTANCE OF 699.50 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING 7.77 ACRES OR 338249.38 SQUARE FEET MORE OR LESS.

# EXHIBIT 'B'



CURVE TABLE				LINE TABLE			LINE TABLE		
NO.	DELTA	RADIUS	LENGTH	NO.	BEARINGS	LENGTH	NO.	BEARING	LENGTH
C1	00°24'36"	344.00'	2.46'	L1	N03°07'41"W	17.34'	L45	N30°09'30"W	38.46'
C2	72°36'45"	458.00'	580.44'	L2	N69°06'45"E	153.23'	L46	N04°12'48"W	67.81'
C3	02°54'53"	542.00'	27.57'	L3	N03°30'00"W	101.09'	L47	N38°18'00"W	53.21'
C4	34°32'30"	150.00'	90.43'	L4	N88°47'49"W	30.69'	L48	N19°51'19"W	23.97'
C5	56°20'10"	45.00'	44.25'	L5	N34°49'53"E	40.33'	L49	N50°28'32"W	152.05'
C6	40°27'50"	145.00'	102.40'	L6	N03°19'26"W	86.76'	L50	N42°46'24"W	75.97'
C7	71°29'38"	50.00'	62.39'	L7	N40°51'12"W	100.01'	L51	N27°25'13"W	103.07'
C8	52°36'57"	170.00'	156.11'	L8	N23°11'55"W	76.16'	L52	N65°37'13"W	64.07'
C9	80°36'49"	25.00'	35.17'	L9	N56°18'36"W	36.06'	L53	N47°28'15"W	108.99'
C10	70°11'39"	32.00'	39.20'	L10	N75°57'50"W	123.69'	L54	N39°49'39"W	112.41'
C11	55°26'26"	60.00'	58.06'	L11	N54°27'44"W	86.02'	L55	N07°58'12"E	65.92'
C12	53°00'21"	70.00'	64.76'	L12	N45°00'00"W	56.57'	L56	N67°02'26"E	65.99'
C13	99°59'44"	90.00'	157.07'	L13	N68°11'55"E	53.85'	L57	N52°15'15"E	38.70'
C14	87°31'56"	150.00'	229.16'	L14	N00°00'00"E	80.00'	L58	N59°31'21"W	33.60'
C15	74°23'15"	90.00'	116.85'	L15	N18°26'06"W	63.92'	L59	N39°49'39"W	112.41'
C16	106°42'44"	35.00'	65.19'	L16	N08°10'44"W	155.89'	L60	N13°10'42"E	55.83'
C17	30°03'26"	237.14'	124.40'	L17	N09°01'14"E	333.35'	L61	N66°49'33"W	36.22'
C18	76°24'14"	75.00'	100.01'	L18	N19°47'59"W	107.96'	L62	N48°08'44"E	122.64'
C19	50°31'41"	95.00'	83.78'	L19	N09°09'31"E	122.79'	L63	N11°36'25"W	54.07'
C20	02°35'12"	344.00'	15.53'	L20	N34°22'37"W	61.49'	L64	N75°55'32"E	118.67'
C21	51°15'16"	60.00'	53.67'	L21	N08°03'27"W	42.27'	L65	N29°41'13"W	89.30'
C22	05°16'49"	75.00'	6.91'	L22	N01°27'47"E	75.66'	L66	N43°14'43"W	54.47'
				L23	N40°53'00"E	215.05'	L67	N05°16'30"W	68.75'
				L24	N67°37'22"W	15.49'	L68	N61°16'40"W	66.08'
				L25	N15°00'24"W	205.79'	L69	N62°52'46"E	77.52'
				L26	N50°01'20"E	136.88'	L70	N19°38'55"E	66.12'
				L27	N45°25'28"W	98.76'	L71	N25°40'46"W	57.75'
				L28	N72°21'28"W	189.58'	L72	N01°03'58"W	58.74'
				L29	N53°28'41"W	239.63'	L73	N75°20'16"E	172.38'
				L30	N66°05'52"W	150.83'	L74	N79°34'28"E	292.74'
				L31	N36°44'16"W	126.12'	L75	N55°51'21"E	144.22'
				L32	N62°39'54"E	55.15'	L76	N64°26'36"E	202.62'
				L33	N47°09'27"W	122.06'	L77	N43°00'52"E	108.76'
				L34	N41°49'38"E	202.77'	L78	N12°35'44"W	65.23'
				L35	N53°45'54"E	165.15'	L79	N09°54'16"E	8.00'
				L36	N66°20'17"E	129.85'	L80	N77°24'16"E	23.66'
				L37	N35°00'10"E	72.25'	L81	N12°35'44"W	55.38'
				L38	N55°30'51"E	40.39'	L82	N67°23'48"E	69.58'
				L39	N45°26'05"E	112.27'	L83	N46°36'32"E	99.93'
				L40	N22°44'31"E	81.69'	L84	N87°14'53"W	219.17'
				L41	N71°23'20"W	263.21'	L85	N12°07'10"W	42.65'
				L42	N26°28'52"E	109.97'	L86	N77°52'50"E	84.70'
				L43	N68°52'19"E	157.74'	L87	N62°52'46"E	74.22'
				L44	N75°09'05"W	109.24'	L88	N00°41'07"W	388.05'

VALLECITOS WATER DISTRICT		
Date: 08-14-2020	<b>WATER ANNEXATION LIMITS</b>	Drawn By: EXCEL ENG.
Scale: 1" = 300'	<b>HIGHLANDS</b>	Do c. No.
APN: 184-240-14 & 15 184-241-07 & 08	POR. OF SEC. 34, T11S & SEC. 3 & 4, T12S, R3W	VWD Chk:

# EXHIBIT "C"

## LEGAL DESCRIPTION VWD SEWER ANNEXATION

BEING A PORTION OF THE SOUTHWEST QUARTER AND THE SOUTHEAST QUARTER OF SECTION 34, TOWNSHIP 12 SOUTH, RANGE 3 WEST, SAN BERNARDINO BASE AND MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS AND ILLUSTRATED ON EXHIBIT "B" ATTACHED HERETO AND MADE A PART OF THIS DOCUMENT:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 34; THENCE LEAVING SAID CORNER SOUTH 88°44'52" EAST A DISTANCE OF 1385.11 FEET; THENCE NORTH 3°07'41" WEST A DISTANCE OF 17.34 FEET TO THE BEGINNING OF A 344.00 FOOT RADIUS CURVE, CONCAVE WESTERLY, A RADIAL LINE TO SAID POINT BEARS NORTH 15°06'58" WEST; THENCE EASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 0°24'36", AN ARC LENGTH OF 2.46 FEET TO THE **TRUE POINT OF BEGINNING**; THENCE NORTH 69°06'45" EAST A DISTANCE OF 153.23 FEET TO THE BEGINNING OF A 458.00 FOOT RADIUS CURVE, CONCAVE NORTHWESTERLY; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 72°36'45", AN ARC LENGTH OF 580.44 FEET; THENCE NORTH 03°30'00" WEST A DISTANCE OF 101.09 FEET TO THE BEGINNING OF A 542.00 FOOT RADIUS CURVE, CONCAVE EASTERLY; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 02°54'53", AN ARC LENGTH OF 27.57 FEET; THENCE NORTH 88°47'49" WEST A DISTANCE OF 30.69 FEET; THENCE NORTH 34°49'53" EAST A DISTANCE OF 40.33 FEET; THENCE NORTH 03°19'26" WEST A DISTANCE OF 86.76 FEET TO THE BEGINNING OF A 150.00 FOOT RADIUS CURVE, CONCAVE EASTERLY; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 34°32'30", AN ARC LENGTH OF 90.43 FEET; THENCE NORTH 40°51'12" WEST A DISTANCE OF 100.01 FEET; THENCE NORTH 23°11'55" WEST A DISTANCE OF 76.16 FEET; THENCE NORTH 56°18'36" WEST A DISTANCE OF 36.06 FEET; THENCE NORTH 75°57'50" WEST A DISTANCE OF 123.69 FEET; THENCE NORTH 54°27'44" WEST A DISTANCE OF 86.02 FEET; THENCE NORTH 45°00'00" WEST A DISTANCE OF 56.57 FEET; THENCE NORTH 68°11'55" EAST A DISTANCE OF 53.85 FEET; THENCE NORTH 00°00'00" EAST A DISTANCE OF 80.00 FEET; THENCE NORTH 18°26'06" WEST A DISTANCE OF 63.92 FEET; THENCE NORTH 08°10'44" WEST A DISTANCE OF 155.89 FEET; THENCE NORTH 09°01'14" EAST A DISTANCE OF 333.35 FEET; THENCE NORTH 19°47'59" WEST A DISTANCE OF 107.96 FEET; THENCE NORTH 09°09'31" EAST A DISTANCE OF 122.79 FEET; THENCE NORTH 34°22'37" WEST A DISTANCE OF 61.49 FEET TO THE BEGINNING OF A 45.00 FOOT RADIUS CURVE, CONCAVE NORTHEASTERLY; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 56°20'10", AN ARC LENGTH OF 44.25 FEET; THENCE NORTH 08°03'27" WEST A DISTANCE OF 42.27 FEET; THENCE NORTH 01°27'47" EAST A DISTANCE OF 75.66 FEET TO THE BEGINNING OF A 145.00 FOOT RADIUS CURVE, CONCAVE EASTERLY; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 40°27'50", AN ARC LENGTH



OF 102.40 FEET; THENCE NORTH 40°53'00" EAST A DISTANCE OF 215.05 FEET TO THE BEGINNING OF A 50.00 FOOT RADIUS CURVE, CONCAVE SOUTHERLY; THENCE EASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 71°29'38", AN ARC LENGTH OF 62.39 FEET; THENCE SOUTH 67°37'22" EAST A DISTANCE OF 15.49 FEET TO THE BEGINNING OF A 170.00 FOOT RADIUS CURVE, CONCAVE SOUTHWESTERLY; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 52°36'57", AN ARC LENGTH OF 156.11 FEET; THENCE SOUTH 15°00'24" EAST A DISTANCE OF 205.79 FEET; THENCE NORTH 50°01'20" EAST A DISTANCE OF 136.88 FEET; THENCE SOUTH 45°25'28" EAST A DISTANCE OF 98.76 FEET; THENCE SOUTH 72°21'28" EAST A DISTANCE OF 189.58 FEET; THENCE SOUTH 53°28'41" EAST A DISTANCE OF 239.63 FEET; THENCE SOUTH 66°05'52" EAST A DISTANCE OF 150.83 FEET; THENCE SOUTH 36°44'16" EAST A DISTANCE OF 126.12 FEET TO THE BEGINNING OF A 25.00 FOOT RADIUS CURVE, CONCAVE NORTHERLY; THENCE EASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 80°36'49", AN ARC LENGTH OF 35.17 FEET; THENCE NORTH 62°38'54" EAST A DISTANCE OF 55.15 FEET TO THE BEGINNING OF A 32.00 FOOT RADIUS CURVE, CONCAVE SOUTHERLY; THENCE EASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 70°11'39", AN ARC LENGTH OF 39.20 FEET; THENCE SOUTH 47°09'27" EAST A DISTANCE OF 122.06 FEET; THENCE SOUTH 41°49'38" WEST A DISTANCE OF 202.77 FEET; THENCE SOUTH 53°45'54" WEST A DISTANCE OF 165.15 FEET; THENCE SOUTH 66°20'17" WEST A DISTANCE OF 129.85 FEET; THENCE SOUTH 35°00'10" WEST A DISTANCE OF 72.25 FEET; THENCE SOUTH 55°30'51" WEST A DISTANCE OF 40.39 FEET; THENCE SOUTH 57°20'51" WEST A DISTANCE OF 160.15 FEET; THENCE SOUTH 45°26'05" WEST A DISTANCE OF 112.27 FEET; THENCE SOUTH 22°44'31" WEST A DISTANCE OF 81.69 FEET; THENCE SOUTH 71°23'20" EAST A DISTANCE OF 263.21 FEET; THENCE NORTH 26°28'52" EAST A DISTANCE OF 109.97 FEET; THENCE NORTH 68°52'19" EAST A DISTANCE OF 157.74 FEET; THENCE SOUTH 75°09'05" EAST A DISTANCE OF 109.24 FEET; THENCE SOUTH 30°09'30" EAST A DISTANCE OF 38.46 FEET; THENCE SOUTH 04°12'48" EAST A DISTANCE OF 67.81 FEET; THENCE SOUTH 38°18'00" EAST A DISTANCE OF 53.21 FEET; THENCE SOUTH 19°51'19" EAST A DISTANCE OF 23.97 FEET; THENCE SOUTH 50°28'32" EAST A DISTANCE OF 152.05 FEET; THENCE SOUTH 42°46'24" EAST A DISTANCE OF 75.97 FEET; THENCE SOUTH 27°25'13" EAST A DISTANCE OF 103.07 FEET; THENCE SOUTH 65°37'13" EAST A DISTANCE OF 64.07 FEET; THENCE SOUTH 47°28'15" EAST A DISTANCE OF 108.99 FEET TO THE BEGINNING OF A 60.00 FOOT RADIUS CURVE, CONCAVE WESTERLY; THENCE SOUTHERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 55°26'26", AN ARC LENGTH OF 58.06 FEET; THENCE SOUTH 07°58'12" WEST A DISTANCE OF 65.92 FEET; THENCE NORTH 66°02'26" EAST A DISTANCE OF 65.99 FEET; THENCE NORTH 52°15'15" EAST A DISTANCE OF 38.70 FEET; THENCE NORTH 59°31'21" WEST A DISTANCE OF 33.60 FEET; THENCE NORTH 39°49'39" WEST A DISTANCE OF 112.41 FEET TO THE BEGINNING OF A 70.00 FOOT RADIUS CURVE, CONCAVE EASTERLY; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 53°00'21", AN ARC LENGTH OF 64.76 FEET; THENCE NORTH 13°10'42" EAST A DISTANCE OF 55.83 FEET TO THE BEGINNING OF A 90.00 FOOT RADIUS CURVE, CONCAVE SOUTHEASTERLY; THENCE NORTHEASTERLY ALONG THE ARC OF SAID

CURVE THROUGH A CENTRAL ANGLE OF 99°59'44", AN ARC LENGTH OF 157.07 FEET; THENCE SOUTH 66°49'33" EAST A DISTANCE OF 36.22 FEET; THENCE NORTH 48°08'44" EAST A DISTANCE OF 122.64 FEET; THENCE NORTH 11°36'25" WEST A DISTANCE OF 54.07 FEET TO THE BEGINNING OF A 150.00 FOOT RADIUS CURVE, CONCAVE SOUTHEASTERLY; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 87°31'56", AN ARC LENGTH OF 229.16 FEET; THENCE NORTH 75°55'32" EAST A DISTANCE OF 118.67 FEET TO THE BEGINNING OF A 90.00 FOOT RADIUS CURVE, CONCAVE SOUTHWESTERLY; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 74°23'15", AN ARC LENGTH OF 116.85 FEET; THENCE SOUTH 29°41'13" EAST A DISTANCE OF 89.30 FEET; THENCE SOUTH 43°14'43" EAST A DISTANCE OF 54.47 FEET; THENCE SOUTH 05°16'30" EAST A DISTANCE OF 68.75 FEET; THENCE SOUTH 61°16'40" EAST A DISTANCE OF 66.08 FEET; THENCE NORTH 62°52'46" EAST A DISTANCE OF 77.52 FEET TO THE BEGINNING OF A 35.00 FOOT RADIUS CURVE, CONCAVE SOUTHWESTERLY; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 106°42'44", AN ARC LENGTH OF 65.19 FEET TO THE BEGINNING OF A 237.14 FOOT COMPOUND RADIUS CURVE, CONCAVE WESTERLY, A RADIAL LINE TO SAID POINT BEARS NORTH 79°35'30" EAST; THENCE SOUTHERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 30°03'26", AN ARC LENGTH OF 124.40 FEET; THENCE SOUTH 19°38'55" WEST A DISTANCE OF 66.12 FEET; THENCE SOUTH 25°40'46" EAST A DISTANCE OF 57.75 FEET; THENCE SOUTH 01°03'58" EAST A DISTANCE OF 58.74 FEET TO THE BEGINNING OF A 75.00 FOOT RADIUS CURVE, CONCAVE NORTHWESTERLY; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 76°24'14", AN ARC LENGTH OF 100.01 FEET; THENCE SOUTH 75°20'16" WEST A DISTANCE OF 172.38 FEET; THENCE SOUTH 79°34'28" WEST A DISTANCE OF 292.74 FEET; THENCE SOUTH 55°51'21" WEST A DISTANCE OF 144.22 FEET; THENCE SOUTH 64°26'36" WEST A DISTANCE OF 202.62 FEET TO THE BEGINNING OF A 95.00 FOOT RADIUS CURVE, CONCAVE WESTERLY, A RADIAL LINE TO SAID POINT BEARS SOUTH 82°29'11" WEST; THENCE SOUTHERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 50°31'41", AN ARC LENGTH OF 83.78 FEET; THENCE SOUTH 43°00'52" WEST A DISTANCE OF 108.76 FEET; THENCE SOUTH 12°35'44" EAST A DISTANCE OF 65.23 FEET; THENCE SOUTH 09°54'16" WEST A DISTANCE OF 8.00 FEET; THENCE SOUTH 77°24'16" WEST A DISTANCE OF 23.66 FEET; THENCE SOUTH 12°35'44" EAST A DISTANCE OF 55.38 FEET; THENCE SOUTH 87°23'48" WEST A DISTANCE OF 69.58 FEET; THENCE SOUTH 46°36'32" WEST A DISTANCE OF 99.93 FEET; THENCE NORTH 87°14'53" WEST A DISTANCE OF 219.17 FEET; THENCE NORTH 88°44'52" WEST A DISTANCE OF 1137.50 FEET; THENCE NORTH 12°07'10" WEST A DISTANCE OF 42.65 FEET; THENCE SOUTH 77°52'50" WEST A DISTANCE OF 84.70 FEET TO THE BEGINNING OF A 344.00 FOOT RADIUS CURVE, CONCAVE SOUTHERLY; THENCE WESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 02°35'12", AN ARC LENGTH OF 15.53 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING 67.99 ACRES OR 2961740.21 SQUARE FEET MORE OR LESS.

# EXHIBIT "D"

SCALE: 1" = 300'

**LEGEND**  
 ——— VWD ANNEXATION  
 - - - SECTION LINES  
 POC POINT OF COMMENCING  
 TPOB TRUE POINT OF BEGINNING



**CURVE TABLE**

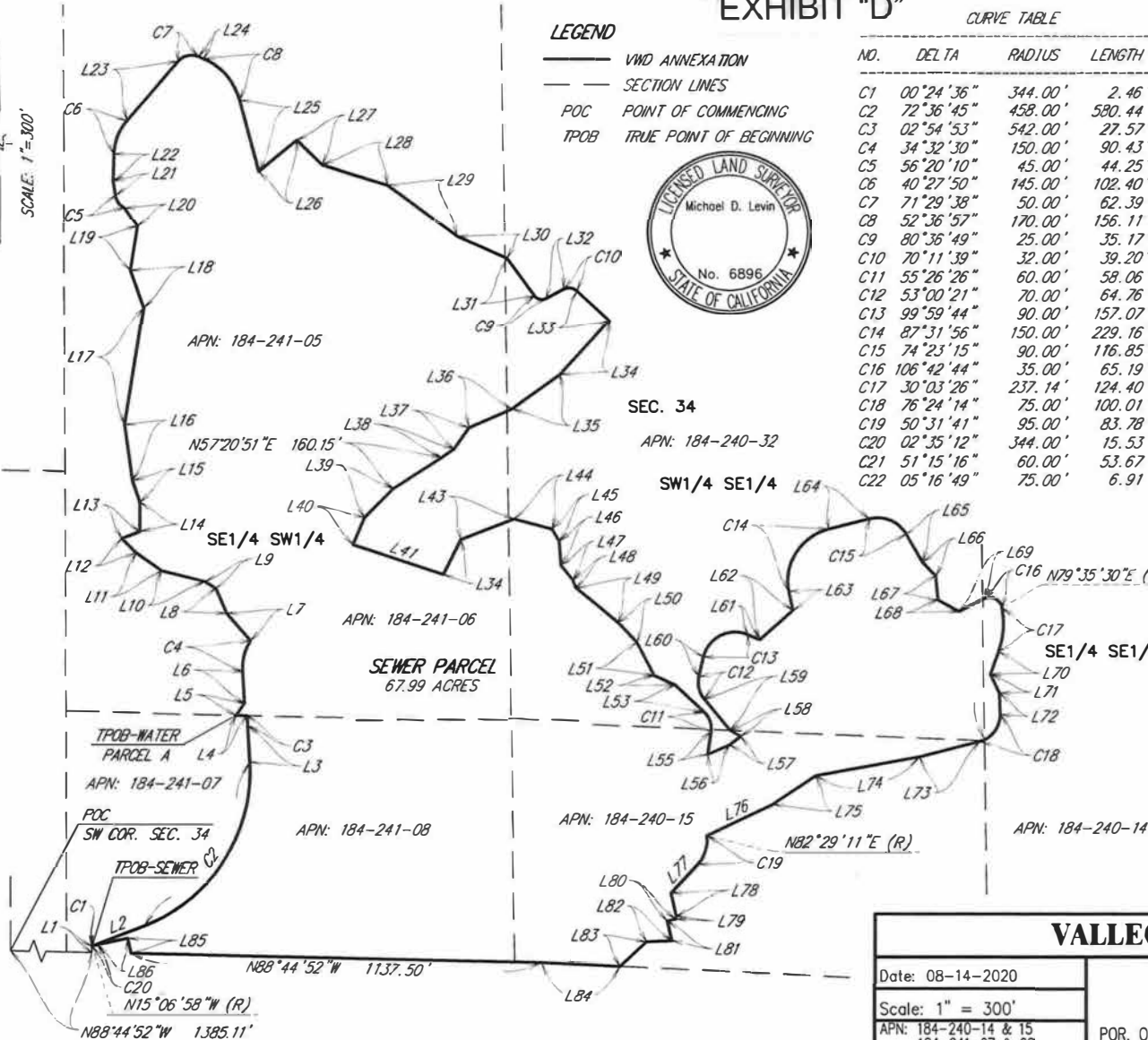
NO.	DELTA	RADIUS	LENGTH
C1	00°24'36"	344.00'	2.46'
C2	72°36'45"	458.00'	580.44'
C3	02°54'53"	542.00'	27.57'
C4	34°32'30"	150.00'	90.43'
C5	56°20'10"	45.00'	44.25'
C6	40°27'50"	145.00'	102.40'
C7	71°29'38"	50.00'	62.39'
C8	52°36'59"	170.00'	156.11'
C9	80°36'49"	25.00'	35.17'
C10	70°11'39"	32.00'	39.20'
C11	55°26'26"	60.00'	58.06'
C12	53°00'21"	70.00'	64.76'
C13	99°59'44"	90.00'	157.07'
C14	87°31'56"	150.00'	229.16'
C15	74°23'15"	90.00'	116.85'
C16	106°42'44"	35.00'	65.19'
C17	30°03'26"	237.14'	124.40'
C18	76°24'14"	75.00'	100.01'
C19	50°31'41"	95.00'	83.78'
C20	02°35'12"	344.00'	15.53'
C21	51°15'16"	60.00'	53.67'
C22	05°16'49"	75.00'	6.91'

**LINE TABLE**

NO.	BEARING	LENGTH
L1	N03°07'41"W	17.34'
L2	N69°06'45"E	153.23'
L3	N03°30'00"W	101.09'
L4	N88°47'49"W	30.69'
L5	N34°49'53"E	40.33'
L6	N03°19'26"W	86.76'
L7	N40°51'12"W	100.01'
L8	N23°11'55"W	76.16'
L9	N56°18'36"W	36.06'
L10	N75°57'50"W	123.69'
L11	N54°27'44"W	86.02'
L12	N45°00'00"W	56.57'
L13	N68°11'55"E	53.85'
L14	N00°00'00"E	80.00'
L15	N18°26'06"W	63.92'
L16	N08°10'44"W	155.89'
L17	N09°01'14"E	333.35'
L18	N19°47'59"W	107.96'
L19	N09°09'31"E	122.79'
L20	N34°22'37"W	61.49'
L21	N08°03'27"W	42.27'
L22	N01°27'47"E	75.66'
L23	N40°53'00"E	215.05'
L24	N67°37'22"W	15.49'
L25	N15°00'24"W	205.79'
L26	N50°01'20"E	136.88'
L27	N45°25'28"W	98.76'
L28	N72°21'28"W	189.59'
L29	N53°28'41"W	239.63'
L30	N66°05'52"W	150.83'
L31	N36°44'16"W	126.12'
L32	N62°38'54"E	55.15'
L33	N47°09'27"W	122.06'
L34	N41°49'38"E	202.77'
L35	N53°45'54"E	165.15'
L36	N66°20'17"E	129.85'
L37	N35°00'10"E	72.25'
L38	N55°30'51"E	40.39'
L39	N45°26'05"E	112.27'
L40	N22°44'31"E	81.69'
L41	N71°23'20"W	263.21'
L42	N26°28'52"E	109.97'
L43	N68°52'19"E	157.74'
L44	N75°09'05"W	109.24'

**LINE TABLE**

NO.	BEARING	LENGTH
L45	N30°09'30"W	38.46'
L46	N04°12'48"W	67.81'
L47	N38°18'00"W	53.21'
L48	N19°51'19"W	23.97'
L49	N50°28'32"W	152.05'
L50	N42°46'24"W	75.97'
L51	N27°25'13"W	103.07'
L52	N65°37'13"W	64.07'
L53	N47°28'15"W	108.99'
L54	N39°49'39"W	112.41'
L55	N07°58'12"E	65.92'
L56	N66°02'26"E	65.99'
L57	N52°15'15"E	38.70'
L58	N59°31'21"W	33.60'
L59	N39°49'39"W	112.41'
L60	N13°10'42"E	55.83'
L61	N66°49'33"W	36.22'
L62	N48°08'44"E	122.64'
L63	N11°36'25"W	54.07'
L64	N75°55'32"E	118.67'
L65	N29°41'13"W	89.30'
L66	N43°14'43"W	54.47'
L67	N05°16'30"W	68.75'
L68	N61°16'40"W	66.08'
L69	N62°52'46"E	77.52'
L70	N19°38'55"E	66.12'
L71	N25°40'46"W	57.75'
L72	N01°03'58"W	58.74'
L73	N75°20'16"E	172.38'
L74	N79°34'28"E	292.74'
L75	N55°51'21"E	144.22'
L76	N64°26'36"E	202.62'
L77	N43°00'52"E	108.76'
L78	N12°35'44"W	65.23'
L79	N09°54'16"E	8.00'
L80	N77°24'16"E	23.66'
L81	N12°35'44"W	55.38'
L82	N87°23'48"E	69.58'
L83	N46°36'32"E	99.93'
L84	N87°14'53"W	219.17'
L85	N12°07'10"W	42.65'
L86	N77°52'50"E	84.70'
L87	N62°52'46"E	74.22'
L88	N00°41'07"W	388.05'



## VALLECITOS WATER DISTRICT

Date: 08-14-2020	SEWER ANNEXATION LIMITS	Drawn By: EXCEL ENG.
Scale: 1" = 300'		Doc. No.
APN: 184-240-14 & 15 184-241-07 & 08	POR. OF SEC. 34, T11S & SEC. 3 & 4, T12S, R3W	VWD Chk:



**DATE: JANUARY 20, 2021**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: CONSTRUCTION CONTRACT AWARD FOR THE MRF AERATION BASINS CAPITAL IMPROVEMENT PROJECT**

**BACKGROUND:**

The Meadowlark Water Reclamation Facility (MRF) is a wastewater treatment plant that has the ability to produce secondary effluent, that can be legally discharged through an ocean outfall, or recycled water, used for landscape irrigation regionally. The treatment process includes three (3) separate and distinct stages, primary, secondary, and tertiary treatment.

Effluent from the primary treatment process flows into the secondary process of a roughing filter, aeration basins, and secondary clarifiers. Secondary effluent from this process is then either discharged to Encina Wastewater Authority (EWA) through the failsafe pipeline to EWA's ocean outfall or is further treated in the tertiary process at MRF into recycled water and conveyed to Mahr Reservoir.

The District is a wholesale distributor of recycled water to the Carlsbad Municipal Water District (CMWD) and Olivenhain Municipal Water District (OMWD). Any improvements to the tertiary process are paid for by the recycled water customers through the recycled water rates charged by the District.

The existing membrane panels in the aeration basin are failing and in need of replacement. The existing panels were installed in 2011 which replaced the panels from the 2007 MRF upgrades. The failing panels were considered more efficient at the time of design but have not lasted under intended use. Replacement of the panels are necessary to treat wastewater to the secondary or tertiary effluent standard.

**DISCUSSION:**

Proposed Improvement Alternative 1 will replace the existing membrane panels in the aeration basin with ceramic disk diffusers. Ceramic disks have a long history of use for wastewater treatment with positive results. Improvement Alternative 2 will do this in addition to installing a full anaerobic selector zone (bio selector).

A bio selector allows greater nutrient removal from the secondary effluent which will improve recycled water quality at MRF. This project will add to Alternate 1 by modifying the aeration basin to include geo-membrane baffling, a new compressed air mixing system, and process control sensors to create and monitor the new anaerobic selector zone. The benefit of the bio selector is reduction in phosphorus in the secondary effluent. This reduction is not required for secondary effluent discharge but benefits recycled water quality.

Trussell Technologies (Trussell) was selected from the District's As-Needed Engineering Services list to initially study Improvement Alternative 2 to address the failing aeration

panels and improve treatment efficiency in the secondary process. On February 20, 2019, the Board approved a purchase order for Trussell in the amount of \$110,537 to conduct the study, planning, design, and technical specifications for Alternative 2. An amendment was approved on July 23<sup>rd</sup>, 2019, for \$31,736 for professional services for Alternative 1. A second amendment for \$26,740 was approved on July 28, 2020 to finalize both Alternatives and to assist staff and provide flexibility throughout bid phase.

On December 3<sup>rd</sup>, 2020, District staff received and opened construction bids from 6 contractors, with the following results:

<b>No.</b>	<b>COMPANY</b>	<b>Alternative 1 – Bid Price</b>	<b>Alternative 2 - Bid Price</b>
<b>1</b>	<b>SS Mechanical Const.</b>	\$427,500.00	<b>\$865,390.00</b>
2	GSE	\$416,300.00	\$869,500.00
3	Filanc	\$517,648.00	\$951,407.00
4	Metro Builders	\$607,880.00	\$986,280.00
5	Pacific Hydro	\$618,660.00	\$1,060,300.00
6	Ahrens Mechanical	\$583,400.00	\$1,106,600.00

Staff presented the bid results and discussed the benefits and differences between both alternatives with District recycled water customers. OMWD and the CMWD, as a result stakeholder determined Alternative 2 was the preferred option. The delta between the apparent low Alternative 1 and Alternative 2 is \$449,090. The District will recoup this amount through its recycled water rates.

Staff and District Counsel completed the evaluation of qualifications, references, bid forms, and determined SS Mechanical Construction was the lowest responsive, responsible bidder for Alternative 2.

Staff will provide active project management and construction management including self-performing inspection services. Trussell will provide engineering services during construction.

**FISCAL IMPACT:**

The project is identified in the FY 20/21 Budget with a budget amount of \$1,700,000.00. The project funding source is 100% from Fund 250, Reclaimed Water funds. The total estimated project cost and budget summary are as follows:

Budget	\$1,700,000
Construction	\$ 865,390
10% Contingency (Ord. No. 146)	\$ 86,539
Construction Support Services (Trussell)	\$ 54,534
Planning and Design (Trussell)	\$ 155,823

Staff & Overhead: Planning and Design	\$ 92,000
Staff & Overhead: Construction Phase	\$ 115,000
Total	\$ 1,369,106
Estimated Budget Surplus	\$ 330,894

**RECOMMENDATION:**

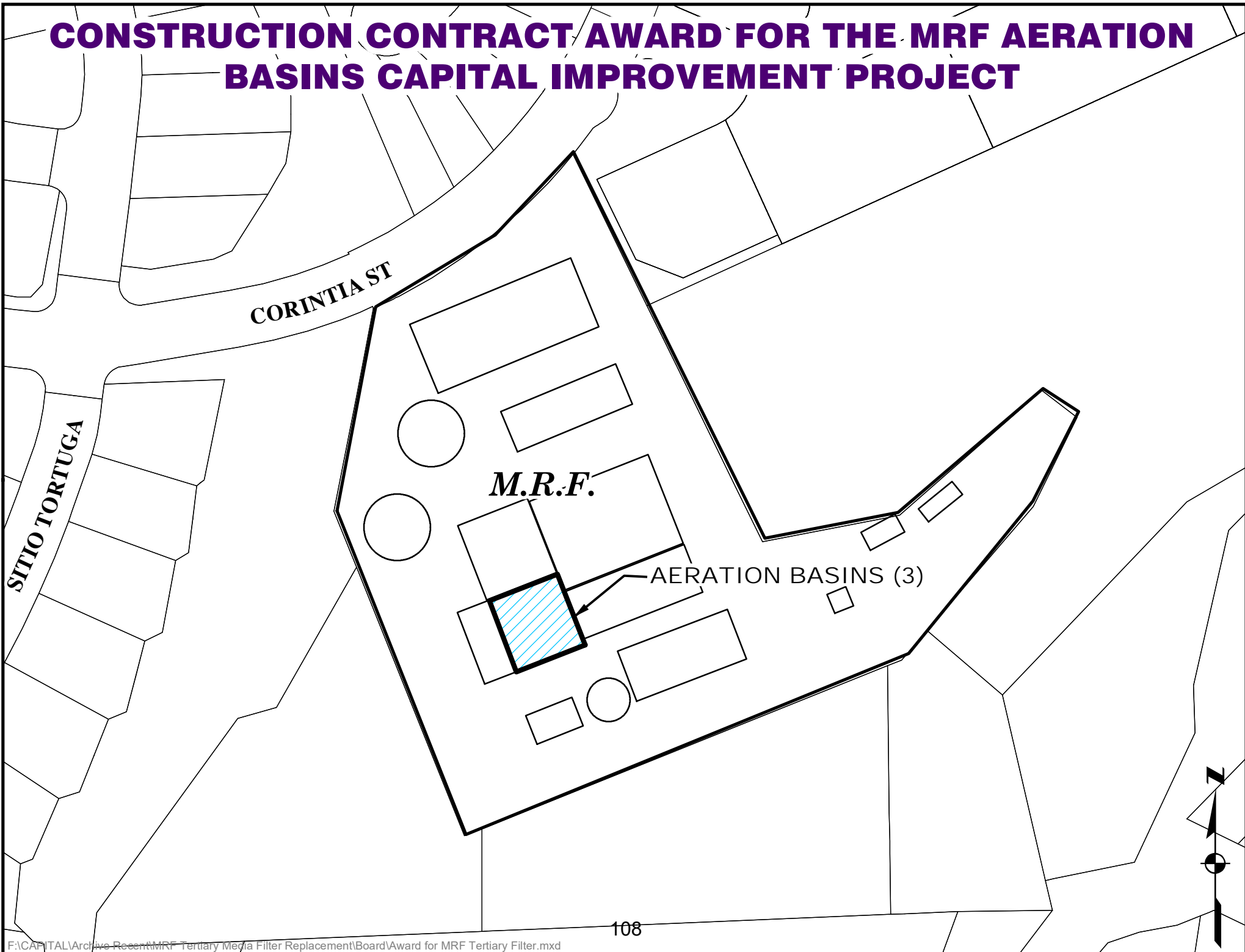
Staff recommendations for the MRF Aeration Basins Capital Improvement Project are as follows:

1. Authorize the General Manager to execute a construction contract with SS Mechanical Construction in the amount of \$865,390.00, subject to the provisions of the contract.
2. Approve Construction Support Services Amendment for Trussell for \$54,354.

**ATTACHMENTS:**

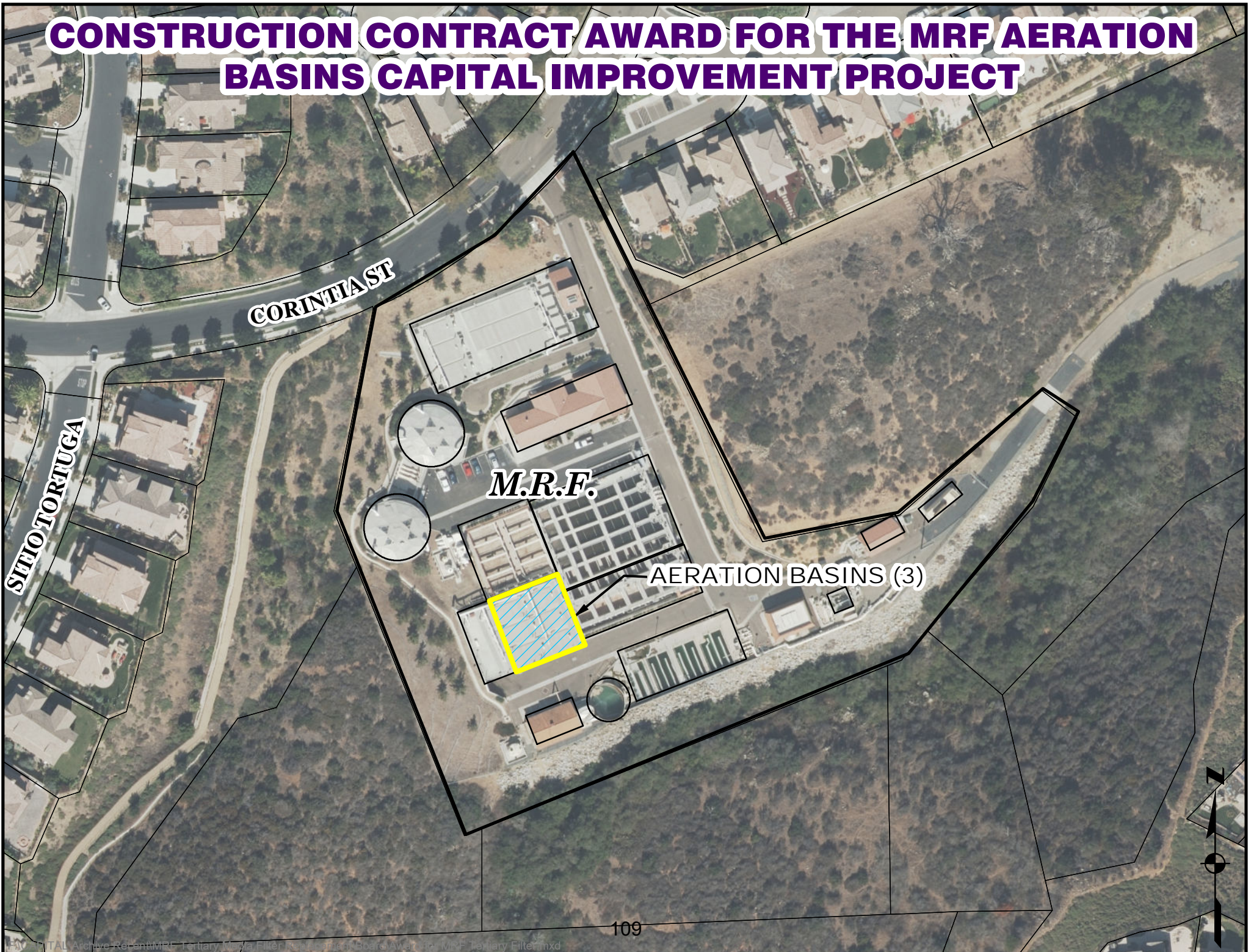
Plat and Aerial Exhibits

# CONSTRUCTION CONTRACT AWARD FOR THE MRF AERATION BASINS CAPITAL IMPROVEMENT PROJECT





# CONSTRUCTION CONTRACT AWARD FOR THE MRF AERATION BASINS CAPITAL IMPROVEMENT PROJECT





**DATE: JANUARY 20, 2021**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: AWARD FOR PROFESSIONAL SERVICES AGREEMENT FOR THE LAND OUTFALL WEST CONDITION ASSESSMENT**

**BACKGROUND:**

The existing sewer Land Outfall pipeline was installed in 1986 and connects the District's Lift Station No.1 to the Encina Water Pollution Control Facility (EWPCF). The 34,000 linear foot (LF) pipeline has both gravity and pressurized segments and consists of ductile iron (DI) and vitrified clay pipe ranges in size from 24 to 54 inches in diameter. While some eastern segments, between Melrose Drive and Acacia Drive were replaced in 2006, there has been no evaluation of the western portion of the Land Outfall from El Camino Real to the EWPCF, which is approximately 16,700 LF.

This project will evaluate the Land Outfall condition of approximately 16,700 feet of sewer pipeline ranging in size from 30-inch to 54-inch through closed-circuit television (CCTV) and Sonar/Totally Integrated Sonar and CCTV Inspection Technique (TISCIT) inspection. The western segments are comprised of both ductile iron pipe (DIP) and vitrified clay pipe (VCP). Approximately 1600 feet of the western segment is pressurized. A portion of the segment to be assessed is situated under Interstate 5; this section was lined in 2004. Results of the condition assessment will be evaluated to determine which segments require cleaning, rehabilitation, and/or replacement.

As joint partners in the Land Outfall, this project will require coordination with the Buena Sanitation District (BSD) and the City of Carlsbad (CoC). BSD and CoC will provide an owner/agent for representation throughout design and assessment. The BSD and CoC owner agents will be included in the design review cycle for all submittals and will be included on project correspondence and included at project meetings.

Through existing agreements with these agencies, the District is responsible for operating and maintaining the pipeline; however, incurred costs are distributed among the agencies as follows:

Agency		
Vallecitos WD	Buena SD	City of Carlsbad
58.03%	17.99%	23.98%

**DISCUSSION:**

The District submitted a request for proposals to four as-needed engineering firms on November 4, 2020. These firms were asked to present their experience in performing condition assessments of sewer pipelines utilizing CCTV technologies and to present their recommended approach to this project. The four firms that staff requested proposals from are:

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

On December 14, 2020, staff received proposals from three of the four firms; NV5 respectfully declined to propose. District staff, Buena Sanitation District staff and City of Carlsbad 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. Hoch Consulting was selected as the most qualified consultant with a total fee of \$149,800 for planning, design, engineering, and inspection services.

**FISCAL IMPACT:**

This project is identified in the District’s fiscal year 2020/2021 budget. The approved Capital budget amount is \$609,000 which includes this Condition Assessment and additional renewal/rehabilitation work identified. Funding for the project will come entirely from Sewer Replacement Funds. As shared stakeholders, the Buena Sanitation District and City of Carlsbad will fund 41.97% of the project’s planning, design, engineering, and inspection efforts.

VWD Budget*		\$ 609,000
Planning and Design Services	\$ 35,640	
Environmental Support Services	\$ 8,475	
Field Inspection	\$ 67,765	
Inspection under I-5	\$ 17,030	
Evaluation & Recommendations Report	\$ 20,890	
Total	\$ 149,800	
Estimated BSD Responsibility		\$ 26,949
Estimated CoC Responsibility		\$ 35,922
Estimated VWD Responsibility		\$ 86,929

\*Rehabilitation, renewal and replacement needs will be evaluated and additional costs shared by the agencies as described above.

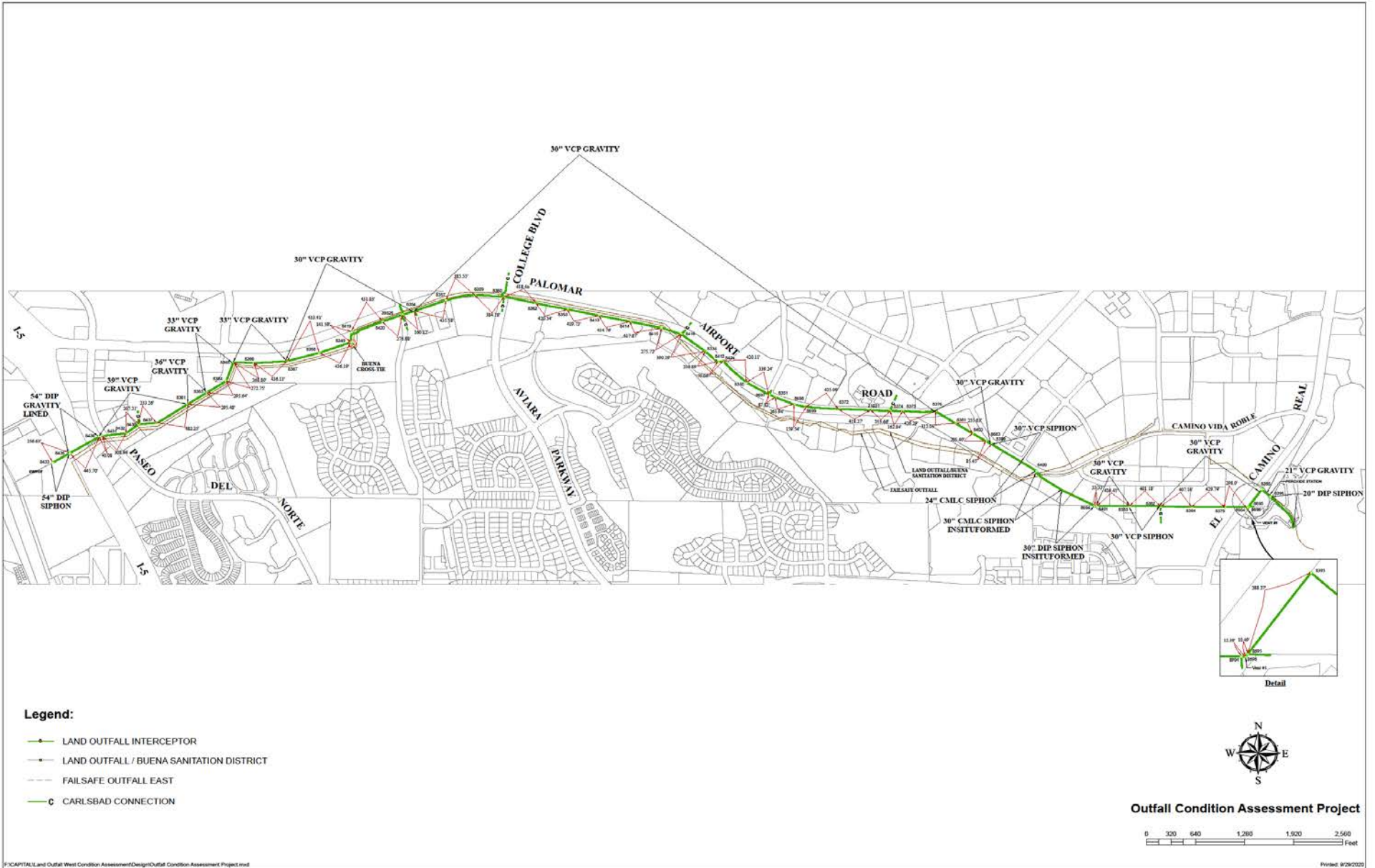
**RECOMMENDATION:**

Authorize the General Manager to enter into a professional engineering services agreement with Hoch Consulting in the amount of \$149,800 for design, planning and engineering services for the Land Outfall West Condition Assessment.

**ATTACHMENTS:**

Project exhibit

# LAND OUTFALL WEST CCTV CONDITION ASSESSMENT





**DATE: JANUARY 20, 2021**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: AWARD OF PROFESSIONAL SERVICES AGREEMENT FOR THE 2020 URBAN WATER MANAGEMENT PLAN**

**BACKGROUND:**

Urban Water Management Plans (UWMP) support the District's long-term resource planning to ensure adequate water supply availability to meet existing and future water needs. UWMPs are prepared every five (5) years by urban water suppliers.

The District has previously prepared their UWMPs internally and has sought out professional services of a qualified consultant to perform a final review of the District's 2010 and 2015 UWMPs. District staffing reassignments require consulting services to prepare the 2020 UWMP which will comply with the current plan requirements for urban retail water purveyors, as outlined in the California Department of Water Resources (DWR) 2020 UWMP Guidebook.

The District's 2020 UWMP will be useful for local, regional, and statewide water planning and will maintain consistency with the San Diego County Authority's (SDCWA) 2020 UWMP and the 2020 UWMP Guidebook from DWR.

**DISCUSSION:**

In November 2020, the District submitted a Request for Proposal to HDR, a local engineering firm in San Diego County. HDR was solicited directly due to their staff's experience on the District's last two (2) prior UWMP for review and completeness. Their familiarity with the District and background experience with UWMPs of comparable scopes of work, along with the change in District staffing ensures less assistance would be required to complete the UWMP.

On December 29, 2020, staff received HDR's proposal. Staff reviewed the proposal, contacted the firms' listed references, and discussed UWMP level of labor effort with neighboring agencies in San Diego County. HDR's scope of work, fee, and schedule is commensurate with similar UWMP planning and reporting programs.

On December 29th, staff met with HDR to discuss the scope of services for the 2020 UWMP. The scope will include evaluation and review of the District's 2015 UWMP and the production of the 2020 UWMP. HDR's professional scope of services and not-to-exceed fee of \$76,900 are considered appropriate and was verified against other local agencies.

**FISCAL IMPACT:**

Funding for the UWMP Project will be budgeted in future budget cycles from the Development Services Materials and Services Budget for outside professional services. The FY 20/21 Budget did not allocate funds for UWMP production services accordingly. Mid-year staffing changes at the District require contracting these outside services with a proposed budget as follows:

Development Services O&M Budget		\$ 0
HDR Professional Services	\$ 76,900	
Total	\$ 76,900	
Budget Shortage		\$ 76,900

**RECOMMENDATION:**

Staff recommends the following:

1. Increase FY 20/21 Development Services O&M Budget for outside professional services by \$76,900.
2. Authorize the General Manager to enter into a professional services agreement with HDR, Inc. in the amount of \$76,900 for planning, production, and reporting of the District's 2020 UWMP.

**ATTACHMENTS**

N/A

**DATE: JANUARY 20, 2021**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: APPROVE REQUEST TO ADD AN EXTRA HELP RETIRED ANNUITANT DEVELOPMENT SERVICES COORDINATOR POSITION AND APPOINT RETIRED ANNUITANT EILEEN KOONCE BEFORE 180 DAY WAIT PERIOD**

**BACKGROUND:**

A retired annuitant is a CalPERS retiree who works as an at-will employee of a CalPERS employer with certain restrictions to avoid jeopardizing his or her retirement allowance (pension payments). Retired annuitants do not accrue service credit or otherwise acquire any additional retirement benefits from the employment. The retired annuitant employment restrictions for extra help positions are authorized by Government Code.

A CalPERS retired annuitant must meet the following restrictions:

- Limited-Duration Work  
The retired annuitant has skills needed to perform work of limited duration (i.e., to eliminate a backlog, work on a special project, and work in excess of what regular staff can do).
- Compensation  
The hourly pay rate cannot be less than the minimum or exceed the maximum paid to other employees performing comparable duties as listed in the publicly available pay schedule. Also, the retired annuitant cannot receive any benefit, incentive, compensation in lieu of benefits, or other form of compensation in addition to the hourly pay rate.
- 960-Hour Limit  
The hours worked cannot exceed 960 hours in a fiscal year (July 1 through June 30) for employment with all CalPERS employers combined.

In addition to the above requirements, all retirees must meet both of the following two requirements to be eligible to work for a CalPERS employer:

1) Bona Fide Separation in Service Requirement

A retired annuitant must be “normal retirement age” upon the date of retirement unless other conditions are met (no prior agreement to return to work and 60-day separation in service).

2) 180-Day Wait Period Requirement

A retired annuitant cannot be employed for a period of 180 days after the date of requirement, unless they qualify for specific exceptions, one of which is before they begin work, the employer must certify the nature of the employment and that the appointment is necessary to fill a critically needed position sooner than 180 days. The appointment must be approved by the employer’s governing body in a public meeting as an action item.

**DISCUSSION:**

This position request for extra help is due to two vacancies in the Engineering Department, a Development Services Senior Engineer position, the supervisor of Development Services, and an Engineering Technician I/II position. The supervisor vacancy was unanticipated and happened less than a month after the retirement of the Development Services Coordinator, the lead worker

for the department. Prior to the supervisor announcing his resignation, the Development Services Coordinator position was reclassified to Engineering Technician III to focus on plan checking. Lead worker duties were not needed at that time due to the size of the department and the availability of the supervisor. With the supervisor's departure, the Development Services Department has lost two experienced employees in leadership positions within the same period which greatly impacts the ability of the District to continue to provide timely and quality service to the public for development projects, planning, and environmental review.

The District anticipates the Development Services Senior Engineer position may be challenging to fill and the recruitment will likely take two to three months to complete. The District is also in the process of filling an Engineering Technician position in the same department due to a recent promotion of a staff member from Engineering Technician II to Engineering Technician III. Due to the current workload of Development Services, appointing the former lead worker, Eileen Koonce, as an Extra Help Retired Annuitant Development Services Coordinator will greatly help the department with training existing and new staff, quality assurance/quality control for plan checks, performing water and sewer planning studies, consultant management, and minor water and sewer modeling.

In keeping with the CalPERS restrictions, Ms. Koonce would work for a limited duration, be paid at an hourly rate for comparable duties as listed in the pay schedule and work less than 960 hours in Fiscal Year 2020/21. Ms. Koonce meets the eligibility requirement for a bona fide separation in service, but not the 180-day wait period as she retired on November 28, 2020. As this appointment is necessary to fill a critically needed position sooner than 180 days, the District requests approval of the appointment through the attached Resolution as required by CalPERS.

**FISCAL IMPACT:**

The addition of an Extra Help Retired Annuitant Development Services Coordinator position for the rest of Fiscal Year 2020/21 will cost less than \$19,000 in wages; overall, there will be a savings of approximately \$25,000 in total salaries and benefits due to the time it will take to fill the two vacant positions in Development Services.

**RECOMMENDATIONS:**

1) Approve the addition of an Extra Help Retired Annuitant Development Services Coordinator position; and 2) Approve the Resolution approving the 180-Day Wait Period Exception for retired annuitant Eileen Koonce.

**ATTACHMENT:**

Resolution Approving the 180-Day Wait Period Exception G.C. Sections 7522.56 & 21224

Vallecitos Water District  
Pay Change Form

Employee: \_\_\_\_\_ Employee #: \_\_\_\_\_

Effective Date: \_\_\_\_\_ Paycheck Chg Effective: \_\_\_\_\_ Hire Date: \_\_\_\_\_

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**Position Change:**  New Hire  Retirement  Promotion  
 Reclassification  Transfer  Upgrade  
 Voluntary Separation  Involuntary Termination  
 Voluntary Demotion  Involuntary Demotion

**HR Only:** Minimum Requirements Met for Upgrade

**Pay Change:**  Step  Longevity  Merit  
 Other \_\_\_\_\_

**New Title:** \_\_\_\_\_ **New Step/Range:** \_\_\_\_\_

**Current Title:** \_\_\_\_\_ **Current Step/Range:** \_\_\_\_\_

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*For Payroll Use Only*

**New Pay Rates:**

Hourly: \$ \_\_\_\_\_ OT: \$ \_\_\_\_\_ Biweekly: \$ \_\_\_\_\_ Monthly: \$ \_\_\_\_\_ Annual: \$ \_\_\_\_\_  
(approximately) (approximately)

**Previous Pay Rates:**

Hourly: \$ \_\_\_\_\_ Monthly: \$ \_\_\_\_\_

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**Supervisor Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Manager Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**General Manager Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**RESOLUTION NO.**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE VALLECITOS WATER DISTRICT APPROVING THE 180-DAY WAIT PERIOD EXCEPTION  
G.C. SECTIONS 7522.56 & 21224**

WHEREAS, in compliance with Government Code section 7522.56 the Board of Directors must provide CalPERS this certification resolution when hiring a retiree before 180 days has passed since his or her retirement date; and

WHEREAS, Eileen Koonce, CalPERS ID 3431845281, retired from Vallecitos Water District in the position of Development Services Coordinator, effective November 28, 2020; and

WHEREAS, section 7522.56 requires that post-retirement employment commence no earlier than 180 days after the retirement date, which is May 28, 2021 without this certification resolution; and

WHEREAS, section 7522.56 provides that this exception to the 180-day wait period shall not apply if the retiree accepts any retirement-related incentive; and

WHEREAS, the Board of Directors, the Vallecitos Water District and Eileen Koonce certify that Eileen Koonce has not and will not receive a Golden Handshake or any other retirement-related incentive; and

WHEREAS, the Board of Directors hereby appoints Eileen Koonce as an extra help retired annuitant to perform the duties of Development Services Coordinator for the Vallecitos Water District under Government Code section 21224, effective January 25, 2021; and

WHEREAS, the entire employment agreement, contract or appointment document between Eileen Koonce and the Vallecitos Water District has been reviewed by this body and is attached herein; and

WHEREAS, no matters, issues, terms or conditions related to this employment and appointment have been or will be placed on a consent calendar; and

WHEREAS, the employment shall be limited to 960 hours per fiscal year; and

WHEREAS, the compensation paid to retirees cannot be less than the minimum nor exceed the maximum monthly base salary paid to other employees performing comparable duties, divided by 173.333 to equal the hourly rate; and

WHEREAS, the maximum base salary for this position is \$8,627 monthly and the hourly equivalent is \$49.77, and the minimum base salary for this position is \$6,437 monthly and the hourly equivalent is \$37.14; and

WHEREAS, the hourly rate paid to Eileen Koonce will be \$49.77; and

WHEREAS, Eileen Koonce has not and will not receive any other benefit, incentive, compensation in lieu of benefit or other form of compensation in addition to this hourly pay rate; and

THEREFORE, BE IT RESOLVED THAT the Board of Directors hereby certifies the nature of the employment of Eileen Koonce as described herein and detailed in the attached employment agreement / contract/ appointment document and that this appointment is necessary to fill the critically needed extra help retired annuitant position of Development Services Coordinator for the Vallecitos Water District by January 25, 2021 because of the loss of two experienced employees in leadership positions in Development Services, Engineering Department, which greatly impacts the ability of the District to continue to provide timely and quality service to the public for development projects, planning, and environmental review.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Vallecitos Water District at a regular meeting held on the 20<sup>th</sup> day of January, 2021 by the following roll call vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

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

ATTEST:

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Glenn Pruijm, Secretary  
Board of Directors  
Vallecitos Water District

**DATE: JANUARY 20, 2021**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) REGION 10 BOARD**

**BACKGROUND:**

The leadership of ACWA's ten geographical regions is integral to the leadership of the Association as a whole. Vallecitos Water District is a member of ACWA and is within Region 10. The Chair and Vice Chair of Region 10 serve on ACWA's Statewide Board of Directors and recommend all committee appointments for Region 10. The members of the Region 10 Board determine the direction and focus of regional issues and activities. Additionally, they support the fulfillment of ACWA's goals on behalf of members.

**DISCUSSION:**

The Region 10 Board is looking for ACWA members who are interested in leading the direction of ACWA Region 10 for the remainder of the 2020-2021 term. The Board is seeking candidates from Region 10 to fill one Board vacancy.

Should any Board members be interested in serving in a leadership role within ACWA by becoming a Region 10 Board Member, it is requested by ACWA that Board members familiarize themselves with the Role of the Regions and Responsibilities, the Region 10 Rules and Regulations, and complete the following steps:

- Complete the Nomination Form
- Obtain a Resolution of support from your agency's Board of Directors
- Submit the requested nomination form to ACWA by 5:00 p.m. February 12, 2021

If any Board members express interest in being considered for the ACWA Region 10 Board, staff will bring a resolution of support to the February 3, 2021, Board meeting for the Board's consideration. The ACWA Region 10 Board will make their appointment shortly after February 12 and will inform the region of the results.

**RECOMMENDATION:**

Request direction.