

**PURSUANT TO EXECUTIVE ORDERS 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, FEBRUARY 17, 2021, AT 5:00 P.M.  
VIA TELECONFERENCE

**NOTICE TO THE PUBLIC**

Due to the evolving situation with the COVID-19 Novel Coronavirus, 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 FEBRUARY 17, 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. 5-19)

- A. PUBLIC AWARENESS/PERSONNEL/POLICY COMMITTEE MEETING – FEBRUARY 1, 2021
- B. CLOSED SESSION BOARD MEETING – FEBRUARY 3, 2021
- C. REGULAR BOARD MEETING – FEBRUARY 3, 2021
- D. ENGINEERING/EQUIPMENT COMMITTEE MEETING – FEBRUARY 8, 2021

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

**Recommendation: Approve Minutes**

1.2 WARRANT LIST THROUGH FEBRUARY 17, 2021 - \$3,014,862.05 (pp. 20-22)

**Recommendation: Approve Warrant List**

1.3 FINANCIAL REPORTS (pp. 23-42)

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

1.4 WINTER 2021 BETWEEN THE PIPES – VALLECITOS WATER DISTRICT QUARTERLY NEWSLETTER (pp. 43-46)

**Recommendation: Approve Winter 2021 Between the Pipes Newsletter**

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

ACTION ITEM(S)

2.1 AWARD OF CONSTRUCTION CONTRACT FOR THE MEADOWLARK RECLAMATION FACILITY VALVE ACTUATORS REPLACEMENT PROJECT (pp. 47-49)

*The tertiary effluent valve actuators are over ten years old and need to be replaced.*

**Recommendation:** 1) Increase project budget by \$2,002.58; 2) Authorize the General Manager to execute a construction contract with R&B Automation for \$65,691.18

- 2.2 CONSTRUCTION MANAGEMENT AND INSPECTION AMENDMENT NO. 1 FOR THE SAN MARCOS INTERCEPTOR PROJECT, PHASE 2 (pp. 50-53)

*Additional unforeseen underground utilities delayed construction progress due to pipeline and tunnel alignment redesign and approvals.*

**Recommendation:** Authorize the General Manager to execute Amendment No. 1 with Valley CM in the amount of \$142,560 for additional construction management, inspection, and geotechnical engineering services

- 2.3 AWARD OF PROFESSIONAL SERVICES AGREEMENT FOR DUCTILE IRON PIPE CONDITION ASSESSMENT PILOT PROJECT (pp. 54-57)

*Approximately 100 miles of the District's water distribution and transmission system is ductile iron pipe, installed between 1972 and 2015.*

**Recommendation:** Authorize the General Manager to enter into a professional engineering services agreement with V&A Consulting in the amount of \$70,402 for project management, inspection services, and evaluation of the pilot project

\*\*\*\*\*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 QUARTERLY BOARD EXPENSES (pp. 58-60)

**Recommendation: For Information Only**

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

5.1 DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

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

6.1 ADJOURNMENT

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

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

Audio and video recordings of all Board meetings are available to the public at the District website [www.vwd.org](http://www.vwd.org)

AFFIDAVIT OF POSTING

I, Diane Posvar, Executive Secretary of the Vallecitos Water District, hereby certify that I caused the posting of this Agenda in the outside display case at the District office, 201 Vallecitos de Oro, San Marcos, California by 5:30 p.m., Thursday, February 11, 2021.

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Diane Posvar



MINUTES OF A MEETING OF THE  
PUBLIC AWARENESS/PERSONNEL/POLICY COMMITTEE  
OF THE VALLECITOS WATER DISTRICT  
MONDAY, FEBRUARY 1, 2021 AT 10:00 A.M.  
VIA TELECONFERENCE

Director Boyd-Hodgson called the meeting to order at the hour of 10:00 a.m.

Present:                    Director Boyd-Hodgson  
                                 Director Pennock  
                                 General Manager Pruim  
                                 Administrative Services Manager Emmanuel  
                                 District Engineer Gumpel  
                                 Public Information/Conservation Supervisor Robbins  
                                 Human Resources Analyst Anderson  
                                 Engineering Technician III Stichter  
                                 Pump & Motor Technician II Toth  
                                 Executive Secretary Posvar  
                                 Administrative Secretary Johnson

Director Boyd-Hodgson recognized staff who submitted videos that were shared at the recent California Association of Sanitation Agencies (CASA) conference. The video regarding Mahr Reservoir won CASA's Award for Excellence in Innovation and Resiliency.

ITEMS FOR DISCUSSION

PERSONNEL

**INTRODUCTION OF INGRID STICHTER AND DEAN TOTH**

General Manager Pruim introduced representatives of the Vallecitos Water District Employees' Association, Pump & Motor Technician II Dean Toth (Vice President) and Engineering Technician III Ingrid Stichter (President).

**UPDATE ON RECRUITMENT FOR DEVELOPMENT SERVICES ENGINEER**

District Engineer Gumpel stated the job description for the vacant Development Services Engineer position is currently under review. The existing job description includes former Development Services Senior Engineer Rob Scholl's planning expertise and other duties over the 14 years he was with the District that do not match comparable positions at other water agencies.

General Manager Pruim stated job recruitment updates are not typically brought to this Committee; however, if this position changes resulting in a new position, it would require Board approval. If the position is downgraded, the result may be lower pay but more outside consulting assistance may be required in the future. Human Resources Analyst Anderson provided a brief overview of the recruitment process.

## **UPDATE ON INCLUSIVE LANGUAGE – ADD PRONOUN OPTION / TIMELINE**

Director Boyd-Hodgson stated she wants job applicants who do not fit in the binary gender designations to feel included and wants to ensure the District is complying with applicable federal and state laws.

Human Resources Analyst Anderson stated a voluntary demographics form is included with the District's employment application. It includes the options male, female, or decline to say, and ethnicity, choices which all come from the federal government for required reporting purposes. Prior to forwarding applications to the appropriate supervisor, the applicant's name, address, gender, and name of college attended are removed.

General discussion took place during which Director Boyd-Hodgson suggested the option of non-binary be added to the voluntary demographics form. Human Resources Analyst Anderson stated this could be done; however, it is not included in the government reporting process. The use of sex designations such as transgender male or female and pronouns were also discussed.

General Manager Pruim will work with Human Resources staff on additional gender or sex designation choices for applicants and report back to the Committee next month.

## **CLOSED CAPTIONING OF MEETINGS**

Director Boyd-Hodgson asked if closed captioning of meetings can be done automatically to include the hearing impaired.

Public Information/Conservation Supervisor Robbins stated there are several closed caption applications available such as Rev, Verbit, and Total Caption. Their accuracy rates may be less than 80% which could be problematic relative to a person's enunciation or use of acronyms and could result in misinformation. A possible pilot program using one the closed caption applications was discussed.

Staff will research the cost and accuracy rates for closed caption options as well as a concept for a pilot program and report back to the Committee next month if possible.

## **WORKPLACE SAFETY TRAINING**

Human Resources Analyst Anderson stated employees and the Board are required to complete sexual harassment prevention training. She briefly reviewed a spreadsheet provided by the Safety Department which details annual required training for specific work groups. Director Boyd-Hodgson asked about workplace violence training. Human Resources Analyst Anderson stated it is addressed in the annual emergency preparedness and business plan training employees receive. Management staff and the Board also receive ethics training.

Public Information/Conservation Supervisor Robbins stated the District has achieved the Special District Leadership Foundation's designation as a District of Distinction and was awarded the District Transparency Certificate of Excellence. There is a fair amount of Board training that must be completed to attain and maintain this status which is due to expire on June 30, 2021. Staff will provide the Board with information on training to be completed.

## PUBLIC AWARENESS

### **UPCOMING EVENTS OR CONTESTS**

Public Information/Conservation Supervisor Robbins provided an overview of tentative upcoming events and contests, depending on COVID restrictions, which included:

- San Diego County blood drive (would love to have Board members participate)
- Future Fair in coordination with the San Marcos Promise (tentative dates for a virtual event are March 22-26; targets high school age students)
- Spring Festival on April 11 (hosted by the San Marcos Chamber of Commerce)
- Annual youth poster/calendar contest for fourth grade students
- Annual landscape contest (showcases customers' low water use landscape)

General discussion took place regarding outreach activities with the Gear Up program through Palomar College, High Tech High, and trade schools pertaining to the need to recruit for future jobs in the water industry. The District participates in the San Diego County Water Authority's intern program which partners interns with host agencies in areas such as water treatment or water distribution. General Manager Prum stated he is interested in the District developing its own intern program which could target high school age individuals. Director Pennock suggested retired military veterans could be included as well as many retire at a young age and may have transferrable experience. Administrative Services Manager Emmanuel stated the District is very open to hiring veterans. The experience may not always be a perfect match; however, District job descriptions and announcements include language that states any combination of knowledge, skills, and abilities relating to the position will be considered.

### **SPEAKERS SERIES PLANNING**

Public Information/Conservation Supervisor Robbins stated the District's speaker's bureau is not currently active due to COVID restrictions. Issues such as drought or desal increase community groups' interest in having staff provide a presentation. He usually invites Board members to speaking engagements within their division. Past topics have included an overview of the District and its wastewater services, water supply reliability and sources, treatment processes, conservation, and landscaping.

### **VIRTUAL TOURS PLANNING**

General discussion took place regarding the possibility of creating virtual tours for use in conjunction with the District's water academy for interested customers who are not able to attend in person.

Public Information/Conservation Supervisor Robbins stated his staff is planning to create a video about the District's Meadowlark Reclamation Facility (MRF) as part of the Work We Do video series. The video would include a virtual tour of staff working in various stations of the MRF facility.

## POLICY

### **UPDATE ON CONSOLIDATION OF RESOLUTIONS/ORDINANCES/PRACTICES DOCS / PLANNING TIMELINE**

General Manager Pruim stated the District does not currently have an approved administrative code. The District has rules, regulations, ordinances, and resolutions that are not consolidated into a centralized document. Resolutions and ordinances can be viewed on the District's website via a list organized by number; however, there is not a name or description of the resolution or ordinance. Staff will work to improve this by adding an index to make it easier for the public to find what they are looking for.

General Manager Pruim further stated staff is trying to determine the best way to organize the District's practices, resolutions, and ordinances into an administrative code. Work on this started last year before the COVID pandemic hit. Staff reviewed administrative codes from other agencies and determined that Padre Dam Municipal Water District (PDMWD) has a good administrative code structure. Staff reviewed the table of contents from PDMWD's administrative code and compared it to applicable topics for VWD to determine if there is a corresponding practice, item in the Employee Handbook, resolution, or ordinance that could be incorporated into a similar administrative code structure. He briefly reviewed a chart of this comparison. The day-to-day operations of the District have always been the highest priority. As staff are brought back to the workplace during the COVID pandemic, more effort will be put forth on this project. General Manager Pruim anticipates a basic structure of the administrative code, including language we already have, could be ready by the end of this fiscal year and that a reasonable goal is to have a draft administrative code completed by the end of this calendar year.

General discussion took place. The Committee approved of staff's approach to this project and timeline. General Manager Pruim will provide the comparison chart to the Committee for their review to determine if they have any particular areas of interest. He noted the administrative code will have to be reviewed by the District's legal counsel.

### DISCUSSION REGARDING LEVEL OF DETAIL REQUIRED FOR POTENTIAL FUTURE ITEMS

General Manager Pruim stated sometimes ideas come to staff's attention that may be worthy of the Committee's or Board's consideration, but staff does not want to spend a lot of effort, time, and money to fully vet the idea. He asked the Committee if they would be open to allowing staff to bring ideas that are in rudimentary stages of development to the Committee for discussion.

General discussion took place. The Committee is open to discussing items not fully vetted.

NEXT MEETING DATE – MARCH 1, 2021

General Manager Pruim confirmed this Committee will meet on the first Monday of every month at 10:00 a.m. There may be a couple of exceptions to this schedule such as the Labor Day holiday which falls on the first Monday of the month.

Staff will provide a list of recommended meeting dates to the Committee.

ADJOURNMENT

There being no further business to discuss, the meeting adjourned at the hour of 11:38 a.m.

MINUTES OF A CLOSED SESSION MEETING  
OF THE BOARD OF DIRECTORS  
OF THE VALLECITOS WATER DISTRICT  
WEDNESDAY, FEBRUARY 3, 2021, AT 4:00 PM, VIA TELECONFERENCE

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 FEBRUARY 3, 2021

21-02-01 MOTION WAS MADE by Director Hernandez, seconded by Director Boyd-Hodgson, and carried unanimously, to adopt the agenda for the Closed Session Meeting of February 3, 2021.

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

21-02-02 MOTION WAS MADE by Director Elitharp, seconded by Director Boyd-Hodgson, 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 4:55 p.m. There was no reportable action from the Closed Session Meeting.

ADJOURNMENT

There being no further business to discuss, President Sannella adjourned the Closed Session Meeting of the Board of Directors at the hour of 4:56 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, February 3, 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 Pruijm, Secretary  
Board of Directors  
Vallecitos Water District

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE VALLECITOS WATER DISTRICT  
WEDNESDAY, FEBRUARY 3, 2021, AT 5:00 PM, VIA TELECONFERENCE

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  
Capital Facilities Senior Engineer Morgan  
Executive Secretary Posvar

ADOPT AGENDA FOR THE REGULAR MEETING OF FEBRUARY 3, 2021

21-02-03 MOTION WAS MADE by Director Boyd-Hodgson, seconded by Director Hernandez, and carried unanimously, to adopt the agenda for the Regular Board Meeting of February 3, 2021.

PUBLIC COMMENT

None.

CONSENT CALENDAR

21-02-04 MOTION WAS MADE by Director Elitharp, seconded by Director Pennock, and carried unanimously, to approve the Consent Calendar as presented.

1.1 Approval of Minutes

- A. Engineering/Equipment Committee Meeting – January 11, 2021
- B. Closed Session Board Meeting – January 13, 2021
- C. Public Awareness/Personnel/Policy Committee Meeting – January 14, 2021
- D. Closed Session Board Meeting – January 20, 2021
- E. Regular Board Meeting – January 20, 2021

1.2 Warrant List through February 3, 2021 - \$8,918,823.85



- 1.3 Final Acceptance of Water Improvements for Greens Storage Escondido – APNS 187-170-62, 187-170-63 & 187-100-36 (Greens Escondido, LLC)

ACTION ITEM(S)

ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) REGION 10 BOARD NOMINATION

General Manager Pruim stated the ACWA Region 10 Board of Directors is seeking candidates from Region 10 to fill one vacancy on its Board. At the January 20, 2021 Board meeting, Director Hernandez expressed his interest in serving on the ACWA Region 10 Board. To be considered, a resolution of support from the Vallecitos Water District Board of Directors is required.

- 21-02-05 MOTION WAS MADE by President Sannella , seconded by Director Pennock, and carried unanimously, to adopt the resolution nominating Director Hernandez for the ACWA Region 10 Board of Directors.

Resolution No. 1583 - The roll call vote was as follows:

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

REPORTS

GENERAL MANAGER

General Manager Pruim reported the following:

- Progress continues on the San Marcos Sewer Interceptor project. A line has been placed under San Marcos Boulevard. All westbound traffic lanes have been restored. The contractor is working to restore the number two eastbound lane. Traffic lanes should be fully restored in two to three weeks and paving will be completed after that.
- At the recent California Association of Sanitation Agencies (CASA) Winter Conference, the District won CASA's 2020 Award of Excellence in Innovation and Resiliency for the video on the Mahr Reservoir water quality improvements.
- The District is no longer considered a COVID outbreak. The District had experienced 3 outbreaks in a 14-day period which required employees to be tested weekly. Building A was closed to control spread of the virus and testing costs. The most recent testing indicated no positive results. Staff will be returning to the office in phases and safety protocols will remain in place to keep employees safe.

### DISTRICT LEGAL COUNSEL

Legal Counsel Gilpin provided a brief presentation on the Brown Act pertaining to limitations on internal communications between Directors and also between Directors and staff outside of public meetings. Serial meetings involving three members of the Board are prohibited. The Brown Act does not preclude staff or Directors from answering questions or providing information outside of a meeting as long as that person does not communicate comments or positions of Board members to other Board members.

Legal Counsel Gilpin commented on the redistricting requirements that are now in place in California relative to the 2020 census. Work on this for election purposes will need to be completed this year.

### SAN DIEGO COUNTY WATER AUTHORITY

Director Elitharp reported on his attendance to the virtual Board meeting on January 28 at which the Board adopted resolutions honoring retiring Board members Christy Guerin and Betty Evans. The Board also awarded an approximate \$11.4 million construction contract for the Hauck Mesa Storage Reservoir project and kicked off their fiscal years 2022 and 2023 budget process. The Board hopes to adopt the two-year budget at their June 24 meeting. A Closed Session Board meeting was held regarding the rate litigation with Metropolitan Water District.

Director Elitharp announced he has been assigned to the SDCWA's Legislation and Public Outreach Committee, Water Planning and Environmental Committee, and Colorado River Workgroup, as well as an alternate on the SANDAG Regional Planning Committee.

### ENCINA WASTEWATER AUTHORITY

President Sannella stated the Policy and Finance Committee will meet next week. He reported on his attendance to the virtual Board meeting on January 27 at which the Board recognized staff for their outstanding performance in 2020. Consent items included an operations report for 2020 and the monthly flow and capacity management report. The Board took action on committee assignments for 2021 and the 2020 Tactical Plan and Achievement Report. A Closed Session Board meeting was held to discuss labor agreements leftover from 2020.

Director Hernandez stated the Capital Improvement Committee will meet on February 17. He announced that EWA was awarded CASA's 2020 Award of Excellence in Innovation and Resiliency for EWA's primary effluent conveyance rehabilitation project.

STANDING COMMITTEES

Director Boyd-Hodgson stated the Public Awareness/Personnel/Policy Committee met this week and is making progress on issues such as inclusivity at the District, establishing and organizing an Administrative Code, and exploring possibilities for events and virtual programs to increase awareness of the great work being done at the District.

Director Elitharp reported on the January 11 Engineering/Equipment Committee meeting. Three items discussed at the Committee meeting went to the Board on January 20 – the 2020 Urban Water Management Plan, aeration basin improvements at the Meadowlark Reclamation Facility, and the land outfall condition assessment. The Committee received several updates including the Asset Management Plan update and committed to meeting monthly on the Monday following the first Board meeting of each month.

President Sannella stated a Finance/Investment Committee meeting is being planned for February 22.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

Directors Boyd-Hodgson, Hernandez, and Elitharp reported on their attendance to the virtual CASA Winter Conference January 27-28.

Directors Elitharp and Hernandez reported on their attendance to the virtual Council of Water Utilities meeting on February 1.

OTHER BUSINESS

MEETINGS

General Manager Pruiim noted a possible scheduling conflict on February 17. A Closed Session Board meeting will be scheduled for that afternoon and may conflict with the Urban Water Institute Virtual Spring Conference also scheduled for that day.

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

Director Boyd-Hodgson commented on her recent speaking engagements with the San Marcos Rotary Club and North County San Diego Women’s March at which she discussed the District’s work, water equity, Senate Bill 222 and Senate Bill 223, and a monthly town hall she conducted on her Facebook page on January 27. She stated she attended the EWA Board meeting as an alternate.

Director Boyd-Hodgson congratulated staff involved in submitting the video that won the CASA 2020 Award of Excellence in Innovation and Resiliency and commented on two other

videos that staff had submitted, the Work We Do series and a video on the Rock Springs Sewer Replacement project.

Director Boyd-Hodgson thanked staff for putting together the budget primer for her and Director Pennock's benefit.

Gayle Martin, member of the public, addressed the Board, stating that she had difficulty joining this meeting as there was not a pass code or identification number for the meeting posted on the District's website. She suggested that in the future speakers identify themselves before speaking to make it easier to follow along for individuals like her who are participating via phone.

### ADJOURNMENT

There being no further business to discuss, President Sannella adjourned the Regular Meeting of the Board of Directors at the hour of 5:46 p.m.

A Regular Meeting of the Vallecitos Board of Directors has been scheduled for Wednesday, February 17, 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 Prui, Secretary  
Board of Directors  
Vallecitos Water District

MINUTES OF A MEETING OF THE  
ENGINEERING/EQUIPMENT COMMITTEE  
OF THE VALLECITOS WATER DISTRICT  
MONDAY, FEBRUARY 8, 2021 AT 3:00 P.M.  
VIA TELECONFERENCE

Director Elitharp called the meeting to order at the hour of 3:00 p.m.

Present: Director Hernandez  
Director Elitharp  
General Manager Pruim  
District Engineer Gumpel  
Capital Facilities Senior Engineer Morgan  
Asset Management Supervisor Bowman  
Executive Secretary Posvar  
Administrative Secretary Johnson

ITEM(S) FOR DISCUSSION

ASSET MANAGEMENT PIPELINE CONDITION ASSESSMENT PROGRAM

District Engineer Gumpel stated staff will be providing multiple presentations to the Committee and the Board in the future regarding different aspects of the Asset Management Program.

Asset Management Supervisor Bowman facilitated a presentation on the status of the Pipeline Condition Assessment Program as follows:

- Asset Management Component Condition Assessment
- Asset Management Activities Progression
- Pipe Inventory
- Pipeline Condition Assessment Program Overview
- Example of Methodologies
- Business Risk Exposure
- Likelihood of Failure
- Planned Condition Assessments

Asset Management Supervisor Bowman reviewed an activities progression chart which illustrates progress during the past year. Good progress is being made in the categories of Condition Assessment Consultant, GIS-CMMS Integration, Business Process Mapping, Business Risk Exposure & Level of Service, Data Quality Control Auditing and Training Staff. She also reviewed the inventory of existing pipes by pipe age and material type. The District currently has 265 miles of sewer pipe and 357 miles of water pipe. The earliest pipes were originally installed by farmers in the 1950's. Pipe failures

are not necessarily related to the age of the pipe. Pipe condition depends on many variables such as construction factors, dry utility interference, and fire hydrant use.

Asset Management Supervisor Bowman discussed planned condition assessments. The Steel Pipeline Condition Assessment is scheduled to start in the summer/fall of 2021 utilizing Smart Ball and HydraSnake tools with a budget of \$855,000. The Land Outfall West Condition Assessment is currently underway and will use closed-circuit television and sonar technologies with a budget of \$609,000. The Ductile Iron Pipeline Condition Assessment is scheduled for this spring and will involve leak detection and soil corrosivity analysis with a budget of \$605,000.

Mike Hunsaker, member of the public, asked if the asset management plan is for water only and if there are any Techite water distribution pipelines within the District. He does not see a correlation between rating factors and the life of ductile iron pipe in the risk assessment. Staff responded that the current focus is on the water distribution system and that there is an asset management plan for sewer. There are no Techite water pipes in the District's water distribution system.

#### DUCTILE IRON PIPELINE CONDITION ASSESSMENT AWARD TO V & A CONSULTING

Asset Management Supervisor Bowman discussed the Ductile Iron Pipe Condition Assessment Pilot Project to be performed by V&A Consultants (V&A) which will evaluate recommended assessment technologies to determine if the technology is successful at identifying pipes that should be prioritized for repair or replacement. The scope for the pilot testing includes Project Management, In-situ Soil Resistivity Testing, Soil Analysis, Leak Detection Survey, and delivery of a Technical Memorandum. V&A will coordinate, perform, and oversee the technology pilot testing and summarize the findings. The first pilot testing area will include approximately 25 miles of ductile iron pipe.

Staff asked for the Committee's support of their recommendation that the Board authorize the General Manager to enter into a professional engineering services agreement with V&A in the amount of \$70,402 for project management, oversight of inspection services, and evaluation of results of the pilot project.

The Committee supports staff's recommendation.

#### SAN MARCOS INTERCEPTOR CONSTRUCTION MANAGEMENT AMENDMENT

Capital Facilities Senior Engineer Morgan provided a brief update on the progress of the San Marcos Interceptor Phase 2 Project which is almost 60% complete. Phase 2 is the final phase of the interceptor improvements for which construction started in the early 2000's.

Capital Facilities Senior Engineer Morgan stated that on June 17, 2020, the Board approved a professional services agreement with Valley CM (VCM) in the amount of \$493,614 as part of the San Marcos Interceptor Phase 2 Project for construction management and inspections (CM&I) services. The original VCM scope of work for CM&I services was based on a 10-month construction duration. Due to the discovery of additional unforeseen underground utilities, construction was delayed approximately two months for required pipeline and tunnel alignment redesign and approvals. The delay and additional night shifts have required additional onsite inspections, testing, and coordination services. Staff received Amendment No. 1 from VCM on January 24, 2021. Staff reviewed the amendment for content and completeness for additional inspections, testing, and coordination services. VCM's time and material not-to-exceed Amendment No. 1 fee is \$142,560.

Staff asked the Committee to support their recommendation that the Board authorize the General Manager to execute Amendment No. 1 for \$142,560 with VCM for additional construction management, inspection, and geotechnical engineering services for this project.

The Committee supports staff's recommendation.

#### OTHER BUSINESS

None.

#### PUBLIC COMMENT

None.

#### ADJOURNMENT

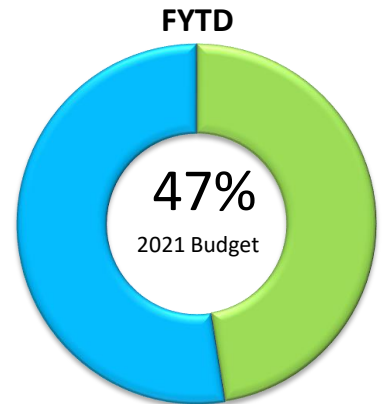
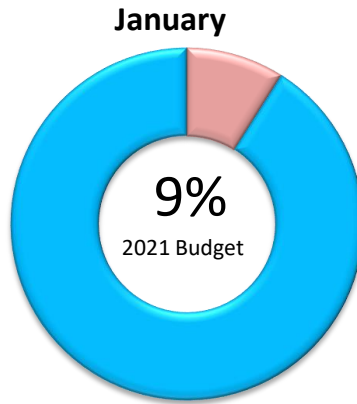
There being no further business to discuss, the meeting was adjourned at the hour of 3:55 p.m.

**VALLECITOS WATER DISTRICT  
DISBURSEMENTS SUMMARY  
January 31, 2021**

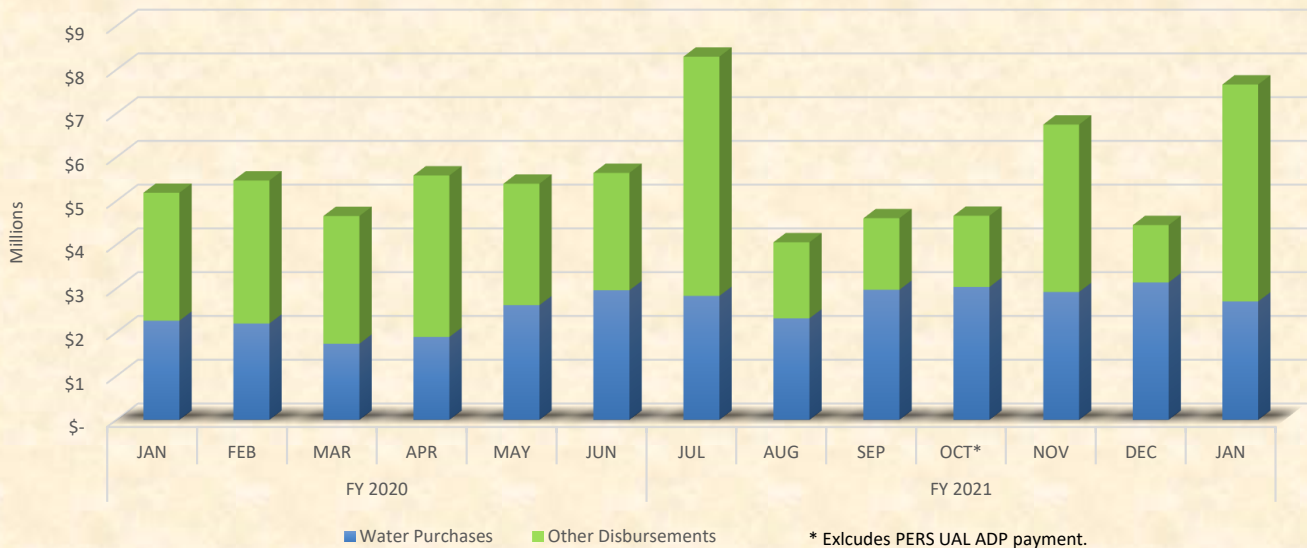
**Summary**

January Disbursements	\$	7,662,502 *
YTD Disbursements	\$	40,475,844 *
FY2021 Budget	\$	85,271,000

\* Excludes Debt Service

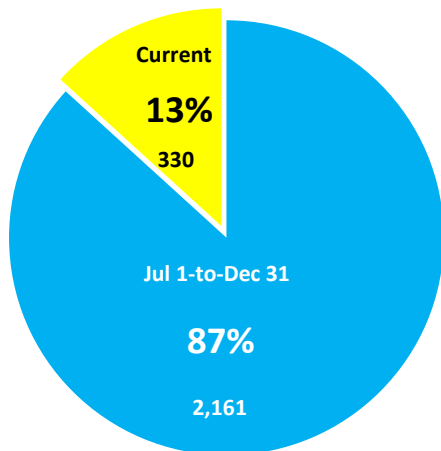


**Disbursements by Month**



**Top 10 Vendors - FYTD**

**Invoices Processed**



SAN DIEGO COUNTY WATER AUTH.	\$19.6M
ENCINA WASTEWATER AUTHORITY	\$6.2M
TC CONSTRUCTION CO INC	\$3.6M
PUBLIC EMPLOYEES RETIRE SYSTEM	\$2.0M
ACWA/JOINT POWERS INSURANCE	\$1.8M
SAN DIEGO GAS & ELECTRIC	\$861.7K
OLIVENHAIN MWD	542.7K
CAPITAL INDUSTRIAL COATINGS, LLC	\$354.8K
PENCCO, INC.	\$307.9K
HAAKER EQUIPMENT CO.	\$288.7K



VALLECITOS WATER DISTRICT  
WARRANTS LIST  
February 17, 2021

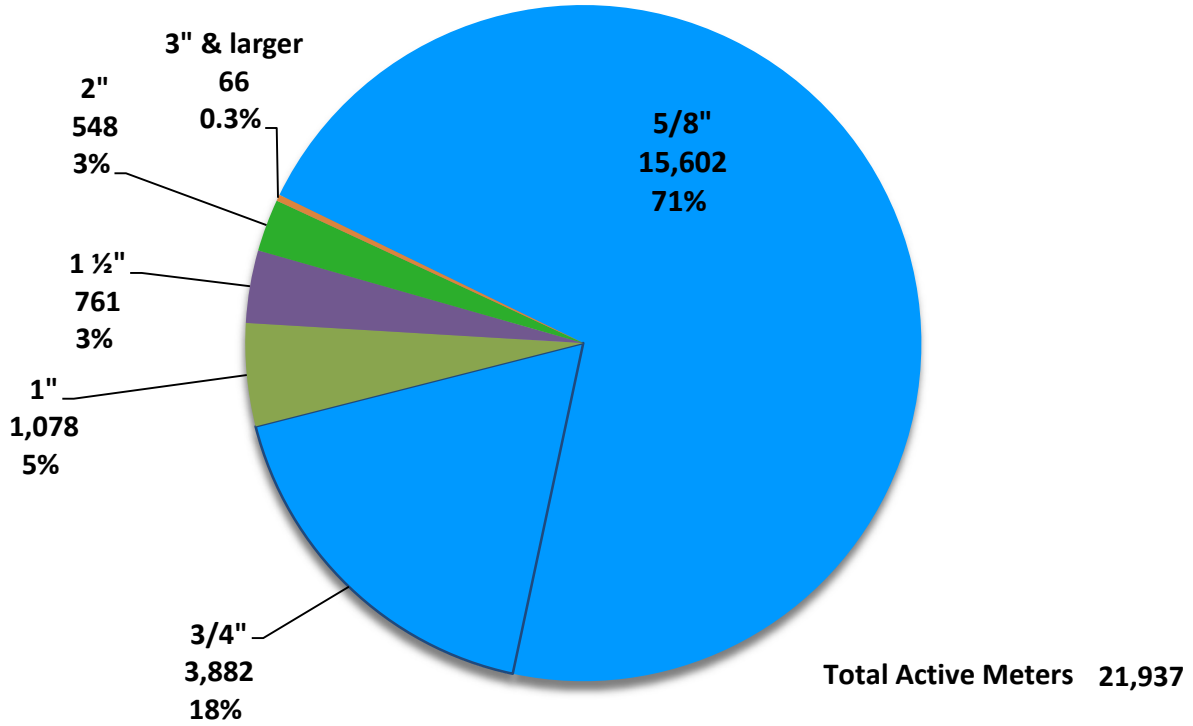
PAYEE	DESCRIPTION	CHECK#	AMOUNT
<b>CHECKS</b>			
ACWA/Joint Powers Insurance	Worker's Compensation Quarter Ending 12-31-20	120798	30,153.88
Kevin Ancil	Water Distribution Cert Renewal - SWRCB	120799	140.00
Andressa Rodrigues	Closed Account Refund	120800	71.97
AT&T	SCADA Phone Svc - Jan	120801	520.30
AT&T	Phone Svc - Dec	120802	23.51
Beverly Maris	Closed Account Refund	120803	25.03
Boncor Water Systems	Soft & Drinking Water Svc - Jan & Feb	120804	1,887.50
Boot Barn	Safety Boots	120805	150.00
City of Carlsbad	Quarterly Sewer Service - Quarter Ending 9-30-20 & 12-31-20	120806	13,963.20
Chris Tapia	IT Supplies	120807	54.11
Core Logic Information Solutions Inc	Real Quest Engineering Map Svcs - Dec	120808	212.18
Countrywide RE LLC	Closed Account Refund	120809	393.82
CWEA	Membership & Cert Renewal - D McDougale	120810	298.00
CWEA	Membership Renewal - Jorge Aceves	120811	192.00
CWEA	Collection Cert Renewal - Raul Rodarte	120812	91.00
Dell Computers	Webcams - 13	120813	1,221.17
DirecTV Inc	Satellite Svc - Feb	120814	81.99
Donna Howell	Closed Account Refund	120815	50.56
EDCO Waste & Recycling Serv	Trash Svc - Jan	120816	895.10
Encinitas Ford	Ford F-550 Truck - Prj 20211-32	120817	40,985.54
Hallmark Communities	Closed Account Refund	120818	483.57
David L Harmon	Water Distribution Cert Renewal - SWRCB	120819	120.00
Hawthorne Machinery Co.	Fleet Supplies	120820	154.48
Jason & Rebecca Diaz	Closed Account Refund	120821	85.38
Jenny O'Curran	Closed Account Refund	120822	50.79
Jessica & Jason Stewart	Closed Account Refund	120823	81.21
JCI Jones Chemicals Inc	Chlorine	120824	2,043.21
Kennedy/Jenks Consultants	San Marcos Interceptor Prj 71004	120825	2,160.88
Land Surveying Consultants Inc	Emergency Bypass Repair - Survey Prj 20211-3	120826	18,000.00
Larry Thompson	Closed Account Refund	120827	150.22
Michael Baker International, Inc.	Montiel Lift Station Prj 20201-2	120828	1,650.00
Natan & Christine Overbeek	Closed Account Refund	120829	5.85
Patriot Portable Restroom Inc	Portable Restroom Rental Nov - Jan	120830	769.83
Peter Hwang	Closed Account Refund	120831	86.59
Pitney Bowes	Mail System Lease Nov - Feb	120832	601.80
Pitney Bowes	Postage Meter Refill - Jan	120833	1,075.58
RAMCO	Concrete Recycling	120834	125.00
Richard W. Gittings	Hillside Development & Rincon Payment - November	120835	7,298.30
SDG&E	Power - Dec & Jan	120836	111,063.10
Sheila & Eric Laituri	Closed Account Refund	120837	14.37
State of California - DPH	Electrician Cert Renewal - D Joiner	120838	100.00
State Water Resources Control	Drinking Water Cert Renewal - J Shore	120839	60.00
Tamer Reda	Closed Account Refund	120840	50.56
Terra Verde Energy LLC	District Wide Solar Prj 20201-14	120841	3,215.00
Thyssen Krupp Elevator	Elevator Maintenance Feb - Apr	120842	1,095.36
Tova Ferrin	Closed Account Refund	120843	126.08
Traffic Supply Inc	Customs Traffic Signs - 6	120844	169.12
UPS	Shipping Svcs - Jan	120845	27.51
USA Blue Book	Hardware Supplies	120846	392.68
Velocity EHS	MSD Online Subscription 20-21	120847	2,924.00
Verizon Wireless	Ipad Svc - Dec	120848	385.94
Waxie Sanitary Supply	Cleaning Supplies	120849	734.26
Work Partners Occupational Health Specialists	Medical Svcs	120850	1,505.00
Garnishments	Payroll Garnishments	120851	-
APGN Inc.	Core Rebuild - Blower 1 - MRF	120852	23,590.00
Backflow Solutions, Inc.	Backflow Tests Jan - Qty 195	120853	2,915.25
Boot Barn	Safety Boots	120854	300.00
Garnishments	Payroll Garnishments	120855	-
CDW Government Inc	VMware Subscription 21-22	120856	7,671.42
Chandler Asset Management, Inc.	Investment Management Svcs - Jan	120857	3,929.72
Core-Rosion Products	Tank For Sodium Bisulfite - 1,150 Gallon	120858	10,053.88
County of San Diego	Facility Permits - 7 District Locations	120859	5,712.00
Doane & Hartwig Water Systems Inc	Pump Tubing - TORF, Annual Chlorine Equipment Rebuild - MRF	120860	9,444.97
Diversified Waterscapes Inc	MRF - Aeration Influent Channel Mixing Prj 20211-23	120861	232.05

VALLECITOS WATER DISTRICT  
WARRANTS LIST  
February 17, 2021

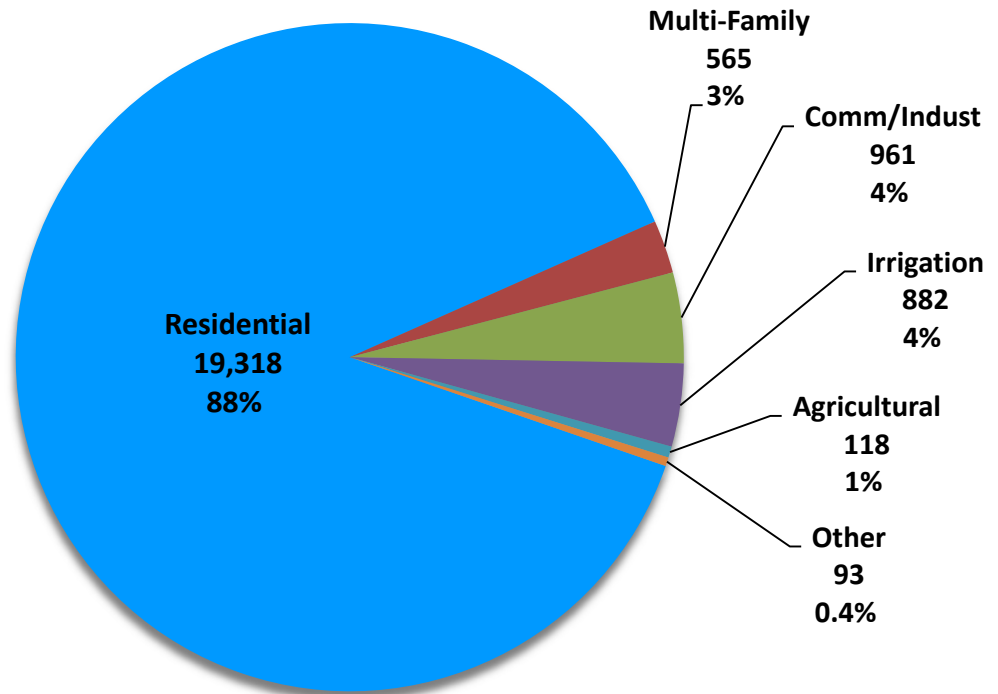
PAYEE	DESCRIPTION	CHECK#	AMOUNT
Electrical Sales Inc	Two Chlorine Analyzers - MRF	120862	724.86
Grainger Inc	Hardware Supplies	120863	103.24
Haaker Equipment Co.	Slither Hose	120864	1,670.13
Harrington Industrial	Piping - Secondary Hose Bibs, Channel Mixing Pump - MRF	120865	7,174.48
Infosend Inc	Support, Postage, & Printing - Jan	120866	5,388.93
Interstate Batteries	Vehicle Batteries - 2	120867	299.28
Kaman Industrial Technologies	Hardware Supplies	120868	1,427.19
Ken Grody Ford	Fleet Supplies	120869	216.92
Left Coast Window Cleaning	Disinfecting & Cleaning Svcs Feb - MRF Prj 20211-850	120870	1,323.13
Lloyd Pest Control	Pest Control Svcs - Jan	120871	455.00
McMaster-Carr Supply Co	Hydrogen Gas Blower - MRF, Hardware Supplies	120872	1,366.75
Morton Salt, Inc.	Industrial Salt	120873	8,500.84
One Source Distributors LLC	District Wide SCADA Upgrade Prj 20201-4	120874	2,915.56
Pacific Pipeline Supply	Hardware Supplies	120875	34.96
Penco, Inc.	Calcium Nitrate	120876	5,304.31
PSI Water Technologies, Inc	Pump Replacement - TORF	120877	1,348.28
Ryan Herco Products Corp.	Tank Sensors 2 - Mahr	120878	1,089.23
Schmidt Fire Protection Co Inc	Svc Repairs Sprinklers	120879	2,630.00
Six To Six Equipment Rentals	Flow Control Valve & Actuator - MRF Prj 20211-16	120880	410.00
Southern Counties Lubricants, LLC	Oil & Diesel Fuel	120881	1,439.87
T.S. Industrial Supply	Marking Paint & Valves, Hardware Supplies	120882	646.35
Technique Data Systems Inc	Printer & Ink Cartridges	120883	2,614.00
Traffic Safety Solutions LLC	Traffic Control Svcs - San Elijo & Wild Canyon	120884	895.00
Turner Designs Inc	Algae Meter Calibration Solution	120885	587.24
Underground Service Alert	Dig Alert Svc - Jan	120886	562.75
Unifirst Corporation	Uniform Delivery	120887	2,300.67
Univar USA Inc	Caustic Soda	120888	4,353.72
Weck Analytical Environmental Services, Inc.	Water Sampling	120889	1,160.00
R F Yeager Engineering LLC	Pipeline Corrosion Test Station Survey	120890	23,860.00
Total Disbursements (91 Checks)			<u>392,868.51</u>
<b>WIRES</b>			
San Diego County Water Authority	January Water Bill	Wire	2,155,741.84
Public Employees Retirement System	Retirement Contribution - February 9, 2021 Payroll	Wire	76,448.05
Total Wires			<u>2,232,189.89</u>
<b>PAYROLL</b>			
Total direct deposits		Wire	232,689.00
VWD Employee Association		120851	560.00
Payroll & Garnishments		120855	689.06
IRS	Federal payroll tax deposits	Wire	95,597.50
Employment Development Department	California payroll tax deposit	Wire	19,971.86
CalPERS	Deferred compensation withheld	Wire	29,605.17
VOYA	Deferred compensation withheld	Wire	10,691.06
Total February 9, 2021 Payroll Disbursements			<u>389,803.65</u>
<b>TOTAL DISBURSEMENTS</b>			<u><u>3,014,862.05</u></u>

Vallecitos Water District  
 Active Water Meters  
 January 31, 2021

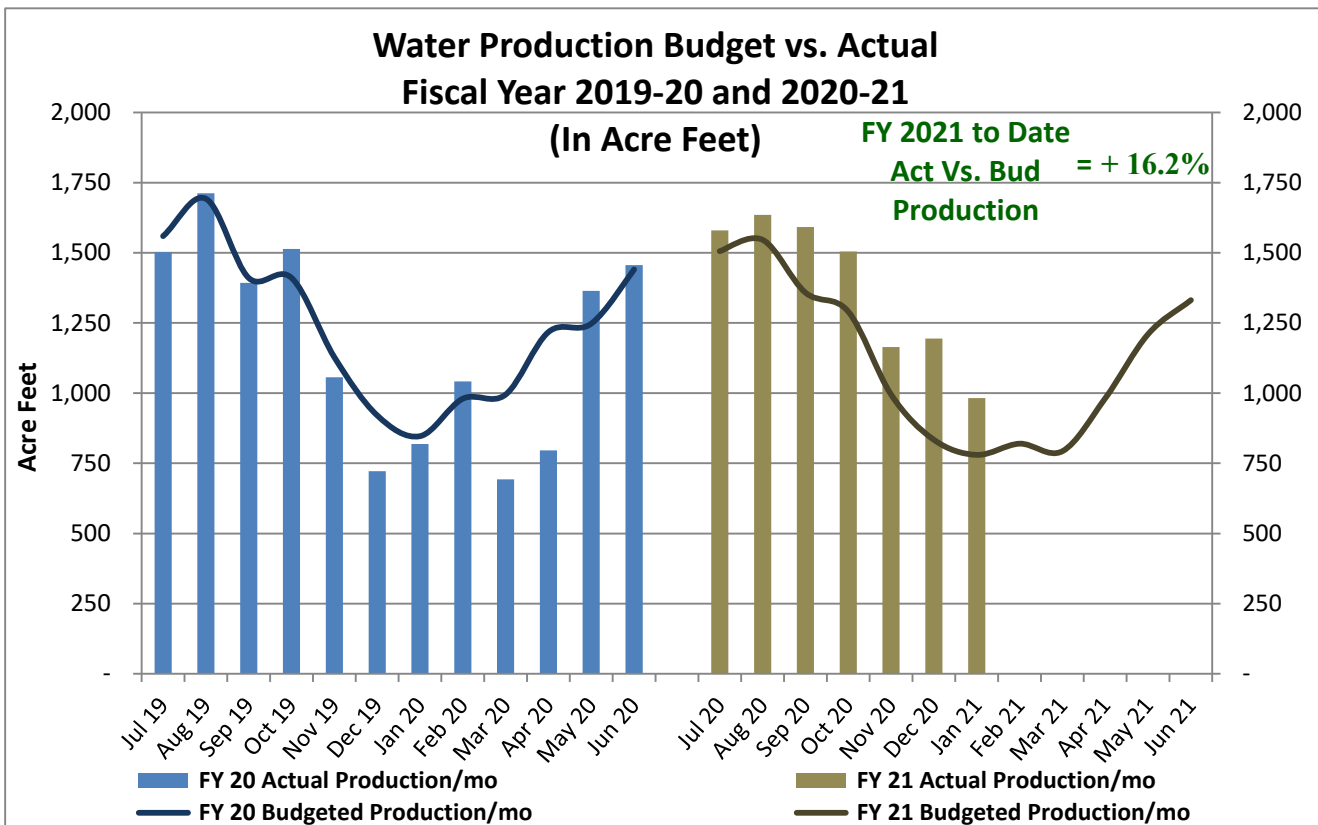
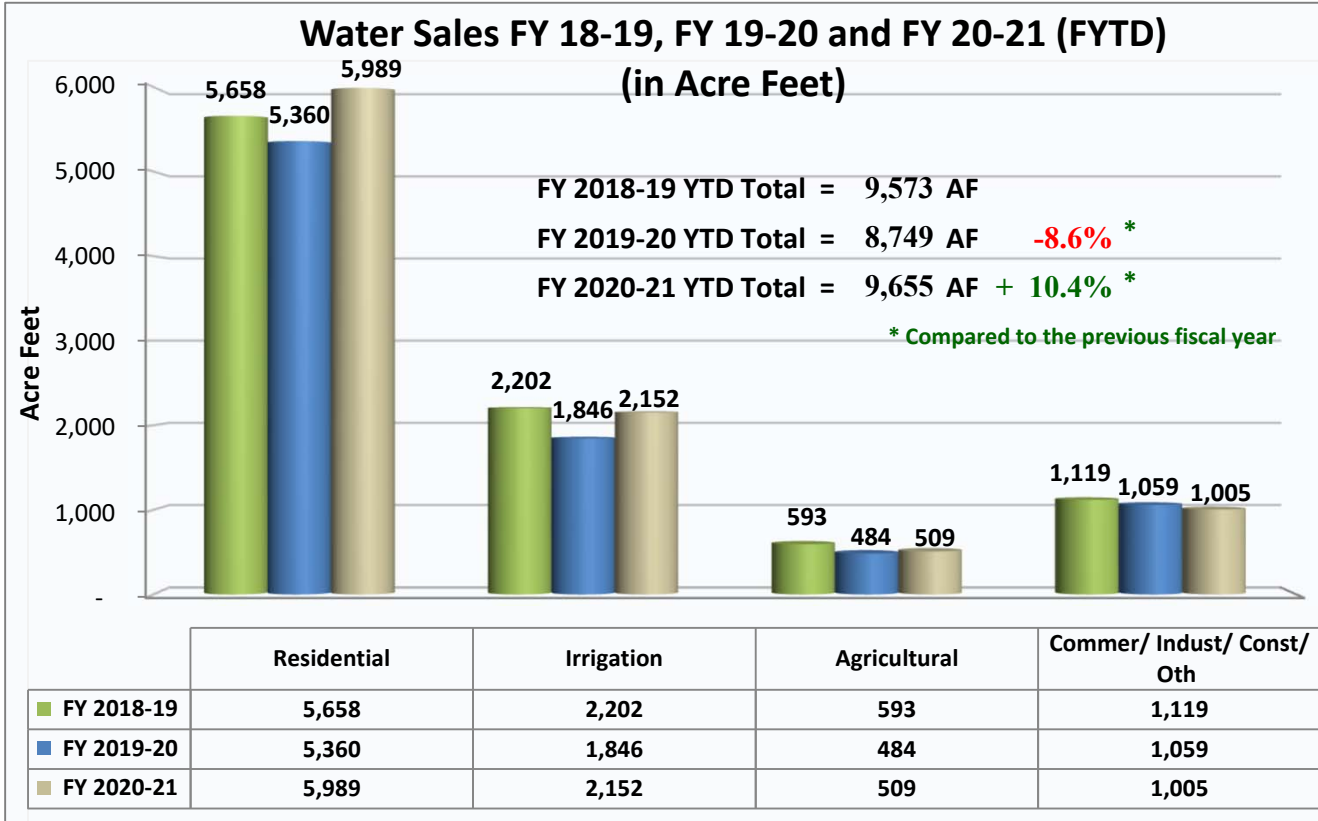
Active Meters by Size as of January 31, 2021



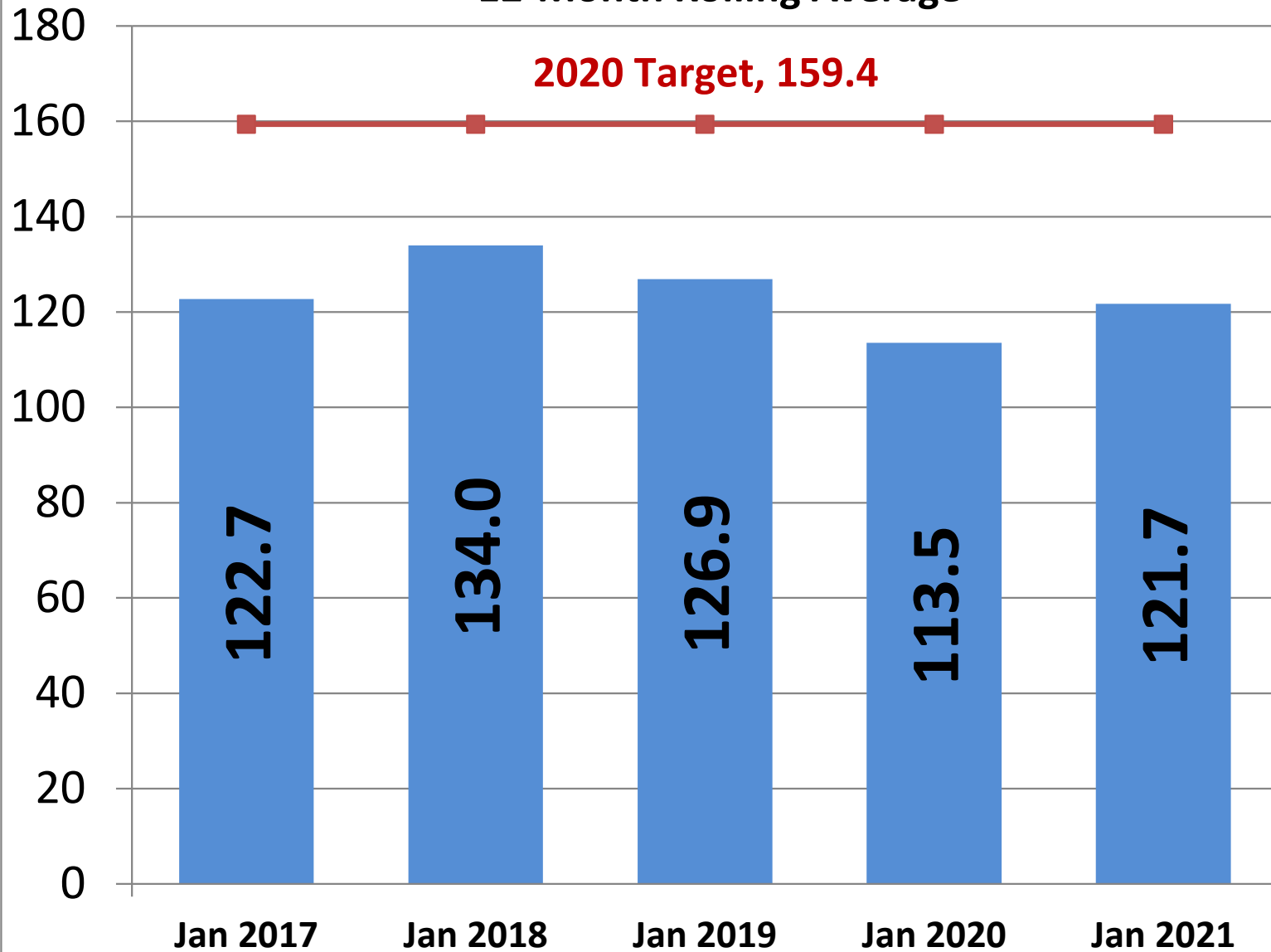
Active Meters by Type as of January 31, 2021



Vallejos Water District  
 Water Production/Sales  
 January 31, 2021



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



**DATE: FEBRUARY 17, 2021**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: MONTHLY FINANCIAL REPORTS**

**BACKGROUND:**

The Monthly Revenue and Expense Reports and the Reserve Report for the seven months ended January 31, 2021 are presented.

**DISCUSSION:**

The Monthly Revenue and Expense reports summarize revenues by service type and expenses by department over the 7-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 Seven Months Ended January 31, 2021

	Current Year Actual	Prior Year Actual			Current Year Budget		
		Amount	Variance		Amount	Variance	
			\$	%		\$	%
<b>Revenue</b>							
Water Sales	\$21,911,343	\$18,924,710	\$ 2,986,633	15.8%	\$17,401,000	\$ 4,510,343	25.9%
Ready-to-serve	8,520,078	8,364,508	155,570	1.9%	8,430,000	90,078	1.1%
Pumping cost recovery	302,392	258,842	43,550	16.8%	269,000	33,392	12.4%
Late & lock charges	188,201	204,754	(16,553)	-8.1%	33,000	155,201	470.3%
Backflow fees	61,623	56,928	4,695	8.2%	60,000	1,623	2.7%
Other revenue	86,672	220,384	(133,712)	-60.7%	169,000	(82,328)	-48.7%
Total Revenue	<u>31,070,309</u>	<u>28,030,126</u>	3,040,183	10.8%	<u>26,362,000</u>	4,708,309	17.9%
<b>Expenses</b>							
Water costs	19,006,269	17,269,472	1,736,797	10.1%	16,713,000	2,293,269	13.7%
Pumping costs	441,636	472,604	(30,968)	-6.6%	675,000	(233,364)	-34.6%
Water quality	57,896	61,953	(4,057)	-6.5%	121,000	(63,104)	-52.2%
Water treatment	267,729	300,964	(33,235)	-11.0%	271,000	(3,271)	-1.2%
Tanks & reservoirs	155,861	198,750	(42,889)	-21.6%	269,000	(113,139)	-42.1%
Trans & distribution	1,094,594	986,446	108,148	11.0%	1,095,000	(406)	0.0%
Services	60,239	34,896	25,343	72.6%	47,000	13,239	28.2%
Meters	520,644	426,485	94,159	22.1%	428,000	92,644	21.6%
Backflow prevention	42,698	44,877	(2,179)	-4.9%	38,000	4,698	12.4%
Customer accounts	446,859	375,555	71,304	19.0%	603,000	(156,141)	-25.9%
Building & grounds	236,144	205,415	30,729	15.0%	244,000	(7,856)	-3.2%
Equipment & vehicles	146,609	138,736	7,873	5.7%	185,000	(38,391)	-20.8%
Engineering	965,634	958,793	6,841	0.7%	949,000	16,634	1.8%
Safety & compliance	120,382	123,330	(2,948)	-2.4%	169,000	(48,618)	-28.8%
Information Technology	500,534	526,150	(25,616)	-4.9%	630,000	(129,466)	-20.6%
General & administrative	1,602,153	1,928,390	(326,237)	-16.9%	1,802,000	(199,847)	-11.1%
Total Expenses	<u>25,665,881</u>	<u>24,052,816</u>	1,613,065	6.7%	<u>24,239,000</u>	1,426,881	5.9%
Net Operating Income	<u>\$ 5,404,428</u>	<u>\$ 3,977,310</u>	1,427,118	35.9%	<u>\$ 2,123,000</u>	3,281,428	154.6%

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** favorable budget variance is due to less than anticipated labor costs and outside repair costs during the year thus far.

The unfavorable prior year and budget variance in **Meters** is a result of the construction departments helping out with meter replacement and charging their time to meters.

**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.

Vallecitos Water District  
Sewer Revenue and Expense Report  
For the Seven Months Ended January 31, 2021

	Current Year Actual	Prior Year Actual			Current Year Budget		
		Amount	Variance		Amount	Variance	
			\$	%		\$	%
<b>Revenue</b>							
Sewer service charges	\$10,670,303	\$10,810,331	\$ (140,028)	-1.3%	\$10,156,000	\$ 514,303	5.1%
Reclaimed water sales	1,761,319	1,438,501	322,818	22.4%	1,630,000	131,319	8.1%
Other revenue	82,283	229,216	(146,933)	-64.1%	61,000	21,283	34.9%
<b>Total Revenue</b>	<b>12,513,905</b>	<b>12,478,048</b>	<b>35,857</b>	<b>0.3%</b>	<b>11,847,000</b>	<b>666,905</b>	<b>5.6%</b>
<b>Expenses</b>							
Collection & conveyance	1,406,554	1,357,561	48,993	3.6%	1,372,000	34,554	2.5%
Lift stations	170,610	118,888	51,722	43.5%	170,000	610	0.4%
Source Control	95,157	112,270	(17,113)	-15.2%	119,000	(23,843)	-20.0%
Effluent disposal	1,631,829	1,723,053	(91,224)	-5.3%	1,776,000	(144,171)	-8.1%
Meadowlark	1,482,257	1,449,687	32,570	2.2%	1,809,000	(326,743)	-18.1%
Customer Accounts	259,089	246,404	12,685	5.1%	350,000	(90,911)	-26.0%
Building & grounds	137,060	119,374	17,686	14.8%	178,000	(40,940)	-23.0%
Equipment & vehicles	113,891	119,584	(5,693)	-4.8%	132,000	(18,109)	-13.7%
Engineering	438,824	368,368	70,456	19.1%	437,000	1,824	0.4%
Safety & compliance	77,012	83,633	(6,621)	-7.9%	116,000	(38,988)	-33.6%
Information technology	422,681	416,535	6,146	1.5%	483,000	(60,319)	-12.5%
General & administrative	838,750	824,773	13,977	1.7%	822,000	16,750	2.0%
<b>Total Expenses</b>	<b>7,073,714</b>	<b>6,940,130</b>	<b>133,584</b>	<b>1.9%</b>	<b>7,764,000</b>	<b>(690,286)</b>	<b>-8.9%</b>
<b>Net Operating Income</b>	<b>\$ 5,440,191</b>	<b>\$ 5,537,918</b>	<b>(97,727)</b>	<b>-1.8%</b>	<b>\$ 4,083,000</b>	<b>1,357,191</b>	<b>33.2%</b>

Explanation of Significant Variances

**Reclaimed water sales** are higher than prior year due to anticipated increases in capital recovery.

**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.

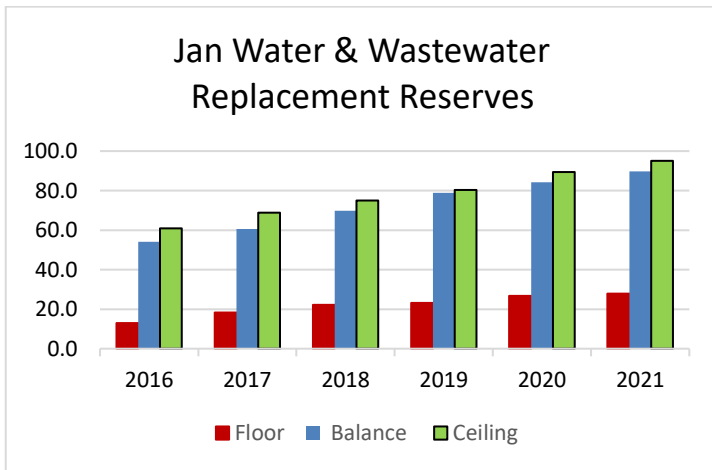
**Customer accounts** has a favorable budget variance due to less than anticipated bad debt expense when compared to COVID-19 projections.

*Variances are considered significant if they exceed \$58333 and 20%.*



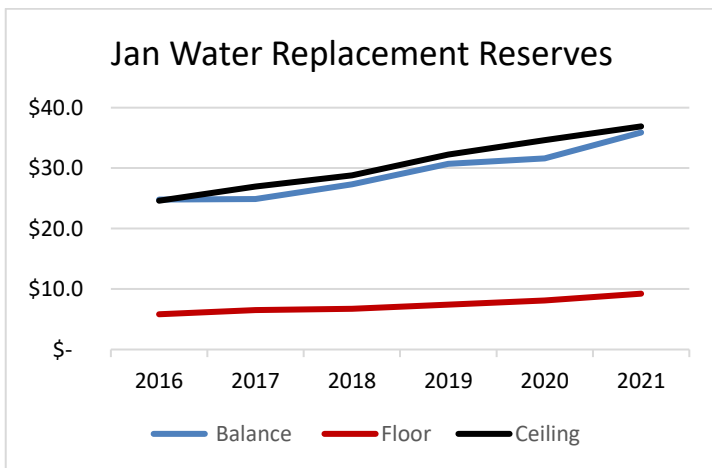
**REPLACEMENT RESERVES**

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 January 31, 2021, the total water and wastewater replacement reserve balance was \$89.3 million, 6.1 percent higher than January 31, 2020.



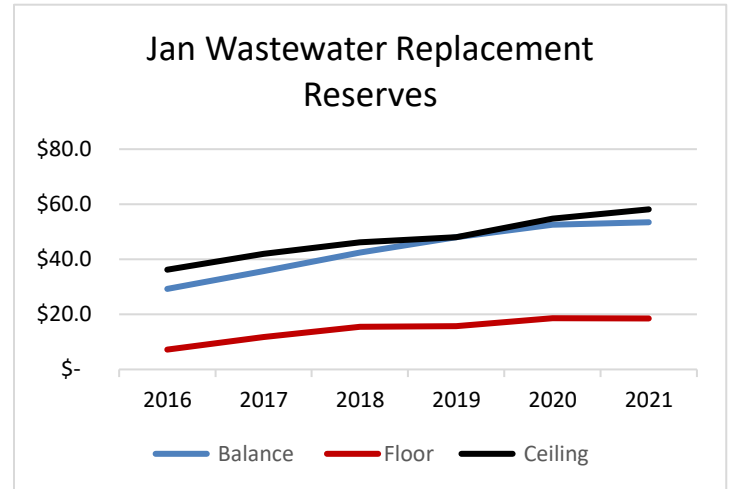
**WATER REPLACEMENT RESERVE**

As of January 31, 2021, the District’s water replacement reserve totaled \$35.9 million, an increase of 13.5 percent, or \$4.3 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.



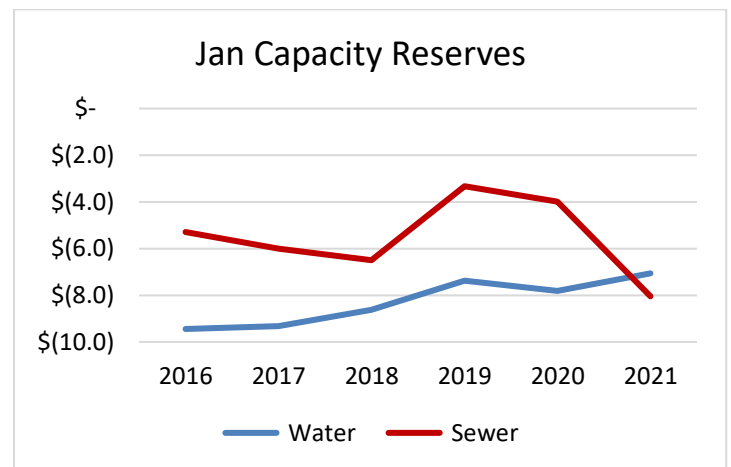
**WASTEWATER REPLACEMENT RESERVE**

As of January 31, 2021, the balance in the District’s wastewater replacement reserve totaled \$53.5 million, an increase of 1.6 percent, or \$0.8 million, from the same month of the prior year. The month-end balance is within the approved floor and ceiling.



**CAPACITY RESERVES**

The District collects capital facility fees from new development and increased demands from existing customers, maintains the collected fees in separate funds (one for water and one for wastewater), and uses the funds exclusively to provide capacity to serve new development and fund future construction of facilities identified in the District’s Master Plan and capital budget. As of January 31, 2021, the water capacity fund had a deficit of \$7.1 million and the sewer capacity fund had a deficit of \$8.0 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 SEVEN MONTHS ENDED JANUARY 31, 2021**

	110 Water	120	210 Wastewater	220	
	Replacement	Capacity	Replacement	Capacity	Total
BEGINNING BALANCE	\$ 37,926,769	\$ (8,191,036)	\$ 59,840,514	\$ (7,282,511)	\$ 82,293,735
REVENUES					
FY 20/21 Operating Transfers	5,404,428		5,440,191		10,844,619
Capital Facility Fees	-	1,701,901	-	3,685,768	5,387,669
Property Tax	780,466	-	623,707	-	1,404,173
RDA pass-through	656,410	-	630,669	-	1,287,079
Annexation Fees	307,515	-	670,795	-	978,310
Investment Earnings	474,378	-	463,966	-	938,343
TOTAL REVENUES	<u>7,623,197</u>	<u>1,701,901</u>	<u>7,829,327</u>	<u>3,685,768</u>	<u>20,840,193</u>
LESS DISTRIBUTIONS					
Capital Projects					
San Marcos interceptor sewer	-	-	1,298,643	2,890,525	4,189,168
Encina Wastewater Authority Five Year Plan	-	-	3,768,979	-	3,768,979
North Twin Oaks Tank 1 Refurb	449,512	-	-	-	449,512
District-Wide SCADA Upgrade Project	108,232	-	103,987	-	212,219
District-Wide Valve Replacement Program	96,879	-	-	-	96,879
MRF Biological Selector Improvements	-	-	83,130	-	83,130
MRF Grinder Pump 1	-	-	72,894	-	72,894
16-Inch Emergency Bypass Pipeline Rehabilitation	-	-	65,386	-	65,386
South Lake - Ultrasonic Algae Control System	63,865	-	-	-	63,865
District Wide Solar Project	30,065	-	28,886	-	58,951
Tres Amigos Water Line Replacement Phase 1	39,698	-	-	-	39,698
Sewer Rehabilitation And Repairs	-	-	32,775	-	32,775
Septage Hauler Disposal Siting Study	-	-	29,981	-	29,981
Asset Managment Replacement Schedule	14,882	-	14,297	-	29,179
SSO Training Facility	-	-	27,257	-	27,257
MRF - Odor Scrubber #1 Replacement	-	-	24,273	-	24,273
MRF Headworks - Upgrade/Replace Equipment	-	-	23,258	-	23,258
Failsafe Buena Sewer Outfall Condition Assessment	-	-	22,455	-	22,455
MRF - Fall Protection Grating Installation	-	-	22,337	-	22,337
Wireless Radio Network Upgrades	8,946	-	8,595	-	17,541
Land Outfall West Condition Assessment	-	-	15,903	-	15,903
MRF - Tertiary Influent Chamber Repairs	-	-	15,699	-	15,699
MRF - Flow Control Valve & Actuator	-	-	14,146	-	14,146
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
District Wide Valve Replacement	10,651	-	-	-	10,651
MRF - AT&T Phone Line Relocation	-	-	8,768	-	8,768
Encina Land Parallel Outfall	-	-	-	6,953	6,953
DHS - Upgrades for Critical Infrastructure	2,901	-	2,787	-	5,688
South Lake Pump Station Fence	5,277	-	-	-	5,277
MRF - Aeration Influent Channel Mixing	-	-	4,468	-	4,468
Montiel Lift Station And Forcemain Replacement	-	-	2,931	1,197	4,128
Door Access Control System Expansion	2,055	-	1,975	-	4,030
Technology Infrastructure Upgrades	1,974	-	1,896	-	3,870
MRF Site Lighting Upgrade and Repairs	-	-	2,150	-	2,150
Palos Vista Pump Station - Motor Starter Upgrade	1,868	-	-	-	1,868
All other capital projects	784	-	1,623	-	2,407
Capital Budget - Vehicles/Mobile Equipmnt	31,192	-	365,016	-	396,208
Total Capital Project Expenditures	889,765	-	6,085,112	2,898,676	9,873,553
Debt Service	-	500,629	-	1,477,755	1,978,384
Fund PERS UAL	2,456,470	-	1,570,530	-	4,027,000
Interest Expense	-	71,118	-	71,468	142,586
TOTAL DISTRIBUTIONS	<u>3,346,235</u>	<u>571,746</u>	<u>7,655,642</u>	<u>4,447,900</u>	<u>16,021,523</u>
ENDING BALANCE	\$ 42,203,730	\$ (7,060,882)	\$ 60,014,200	\$ (8,044,643)	\$ 87,112,405
Less: Operating Reserves	6,310,400	-	6,563,800	-	12,874,200
Replacement Reserves/Restricted Funds	\$ 35,893,330	\$ (7,060,882)	\$ 53,450,400	\$ (8,044,643)	\$ 74,238,205
Replacement reserve floor	\$ 9,233,800		\$ 18,557,900		
Replacement reserve ceiling	\$ 36,905,000		\$ 58,145,300		

VALLECITOS WATER DISTRICT  
INVESTMENT REPORT FOR JANUARY 2021

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 January follows:

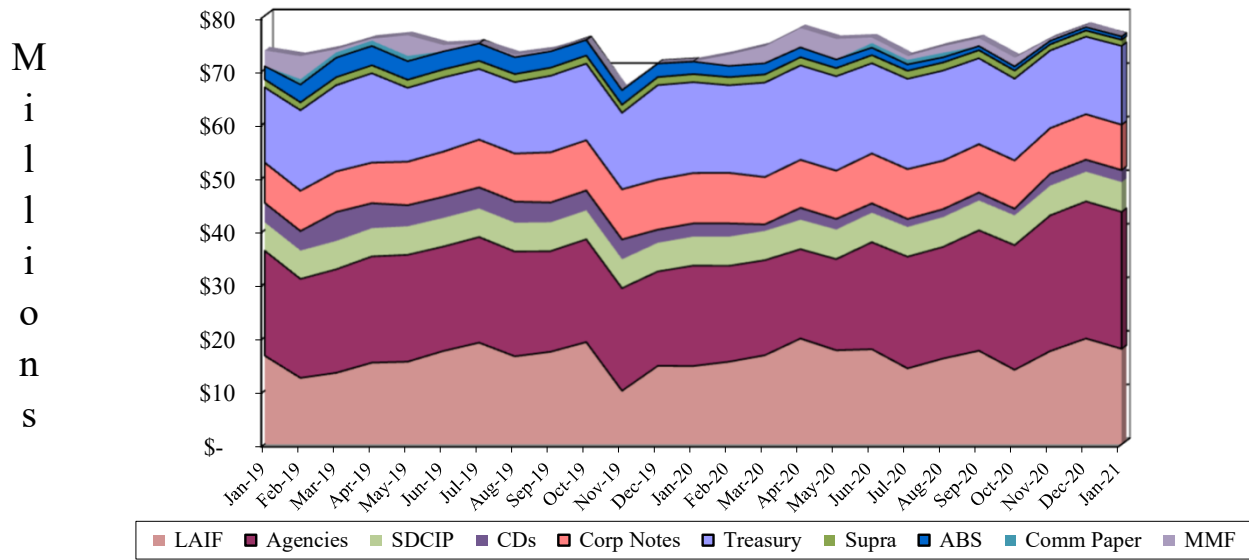
<u>Date</u>	<u>Activity</u>	<u>Investment</u>	<u>Amount</u>	<u>Maturity</u>	<u>Yield</u>
01/05/21	Deposit	LAIF	1,700,000	Open	0.46%
01/13/21	Sold	US Treasury Note	(750,469)	01/31/21	1.38%
01/15/21	Purchased	US Treasury Note	996,445	01/15/24	0.13%
01/15/21	Interest	LAIF	26,062	Open	0.46%
01/19/21	Sold	Honda Auto Rec	(5,981)	05/18/22	3.01%
01/19/21	Withdrawal	LAIF	(5,100,000)	Open	0.46%
01/21/21	Sold	HAROT 2018-3 A3	(10,531)	08/22/22	2.95%
01/21/21	Deposit	LAIF	4,200,000	Open	0.46%
01/25/21	Deposit	LAIF	850,000	Open	0.46%
01/28/21	Withdrawal	LAIF	(3,600,000)	Open	0.46%
Change in investments during the month			<u>\$ (1,694,474)</u>		

	<u>Current</u>
Weighted average annual yield for total Vallecitos investments	1.270%
Weighted average days to maturity	456

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

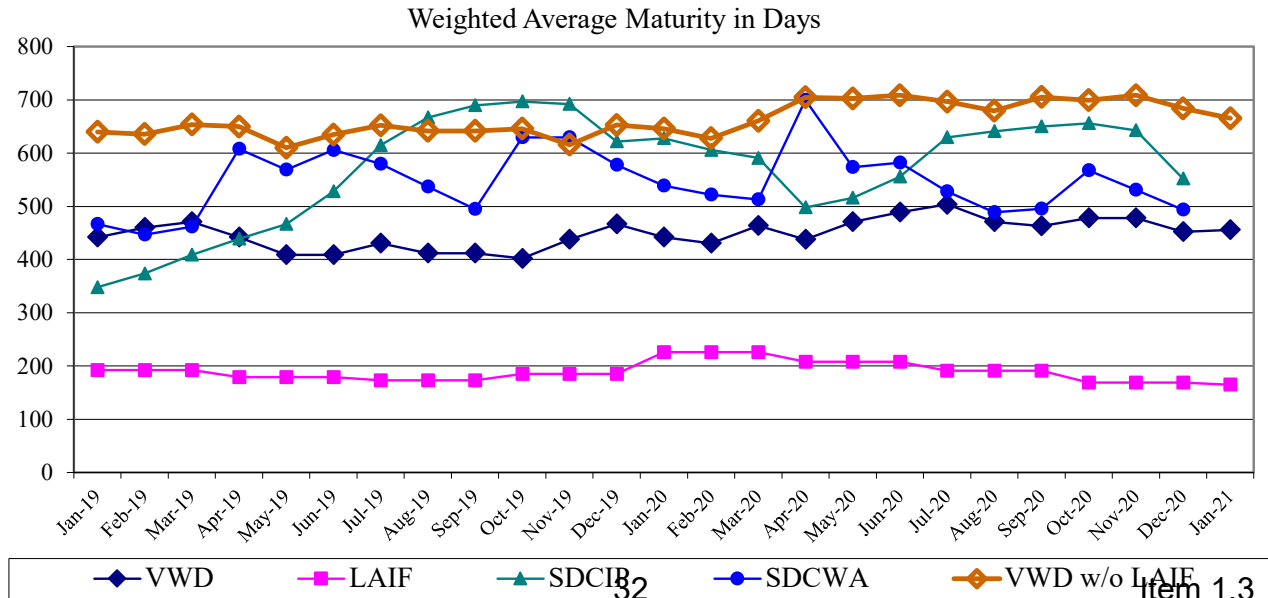
Safety

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



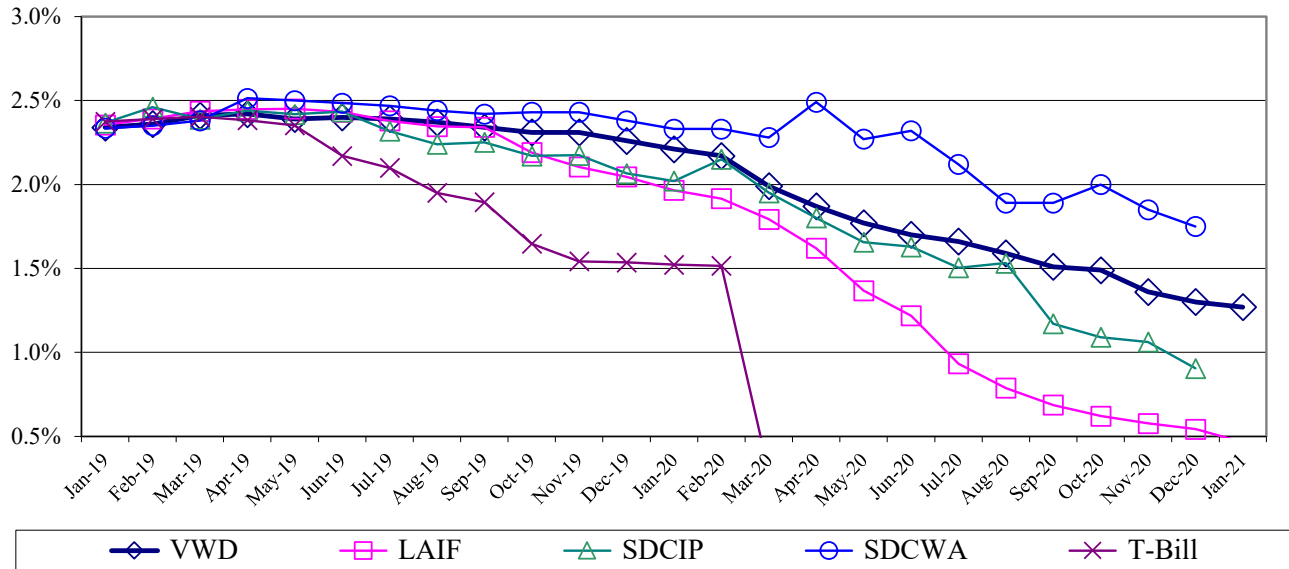
Liquidity

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of investments. The District averts interest rate risk by limiting terms of investments in accordance with the Investment Policy. Maturity in days is a measure of liquidity. The next graph compares the District's liquidity to other managed portfolios. The District's liquidity is graphed with and without LAIF. With LAIF the District is in fact very liquid with \$17.8 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	1.25
Average Coupon	1.30%
Average Purchase YTM	1.27%
Average Market YTM	0.29%
Average S&P/Moody Rating	AA+/Aa1
Average Final Maturity	1.29 yrs
Average Life	1.26 yrs

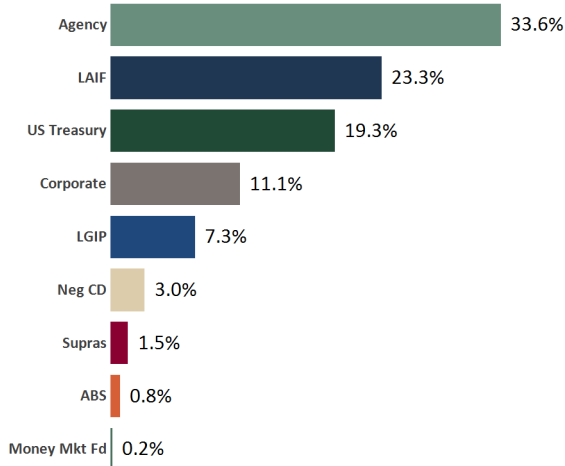
**ACCOUNT SUMMARY**

	Beg. Values as of 12/31/20	End Values as of 1/31/21
Market Value	78,157,573	76,247,267
Accrued Interest	223,653	208,941
<b>Total Market Value</b>	<b>78,381,227</b>	<b>76,456,207</b>
Income Earned	78,966	79,407
Cont/WD		
Par	76,861,613	75,010,560
Book Value	77,003,869	75,148,236
Cost Value	76,909,643	75,079,177

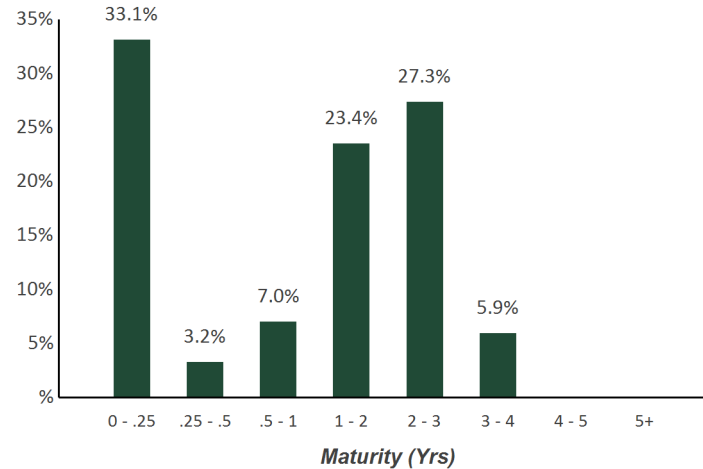
**TOP ISSUERS**

Local Agency Investment Fund	23.3%
Government of United States	19.3%
Federal Home Loan Mortgage Corp	10.9%
Federal Farm Credit Bank	10.0%
Federal Home Loan Bank	7.4%
County of San Diego Pooled Inve	7.3%
Federal National Mortgage Assoc	5.3%
Intl Bank Recon and Development	1.5%
<b>Total</b>	<b>85.0%</b>

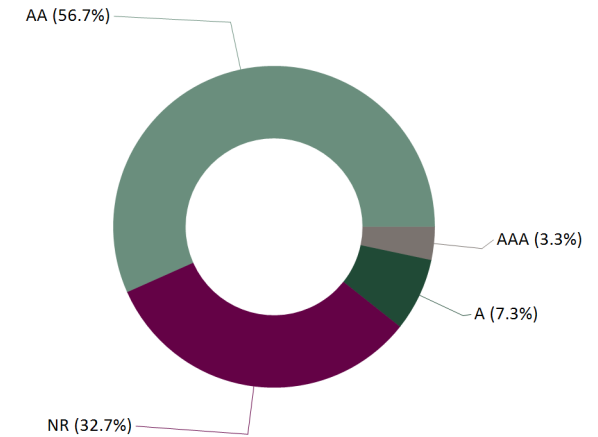
**SECTOR ALLOCATION**



**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	32,764.49	05/22/2018 3.03%	32,763.78 32,764.26	100.75 0.21%	33,010.94 35.61	0.04% 246.68	NR / AAA AAA	1.29 0.27
43815HAC1	Honda Auto Receivables Trust 2018-3 A3 2.95% Due 8/22/2022	81,984.86	08/21/2018 2.98%	81,973.61 81,980.48	101.10 0.30%	82,887.11 67.18	0.11% 906.63	Aaa / NR AAA	1.56 0.42
47789KAC7	John Deere Owner Trust 2020-A A3 1.1% Due 8/15/2024	275,000.00	03/04/2020 1.11%	274,983.20 274,986.60	101.30 0.23%	278,561.80 134.44	0.36% 3,575.20	Aaa / NR AAA	3.54 1.48
89236XAC0	Toyota Auto Receivables 2020-D A3 0.35% Due 1/15/2025	220,000.00	10/06/2020 0.36%	219,959.01 219,961.94	99.98 0.36%	219,961.94 34.22	0.29% 0.00	NR / AAA AAA	3.96 1.88
<b>Total ABS</b>		<b>609,749.35</b>	<b>1.19%</b>	<b>609,679.60</b> <b>609,693.28</b>	<b>0.28%</b>	<b>614,421.79</b> <b>271.45</b>	<b>0.80%</b> <b>4,728.51</b>	<b>Aaa / AAA</b> <b>AAA</b>	<b>3.30</b> <b>1.42</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 1,000,816.59	102.38 0.09%	1,023,793.00 3,422.22	1.34% 22,976.41	Aaa / AA+ AAA	0.88 0.87
3137EADB2	FHLMC Note 2.375% Due 1/13/2022	1,000,000.00	03/25/2020 0.63%	1,031,090.00 1,016,348.24	102.16 0.10%	1,021,635.00 1,187.50	1.34% 5,286.76	Aaa / AA+ AAA	0.95 0.94
3133EKBV7	FFCB Note 2.55% Due 3/1/2022	750,000.00	02/27/2019 2.55%	750,075.00 750,026.89	102.62 0.13%	769,624.50 7,968.75	1.02% 19,597.61	Aaa / AA+ AAA	1.08 1.06
313378WG2	FHLB Note 2.5% Due 3/11/2022	500,000.00	04/08/2019 2.36%	501,945.00 500,734.62	102.64 0.12%	513,196.00 4,861.11	0.68% 12,461.38	Aaa / AA+ NR	1.11 1.09
3133ELWD2	FFCB Note 0.375% Due 4/8/2022	930,000.00	04/03/2020 0.45%	928,623.60 929,187.36	100.31 0.12%	932,856.03 1,094.69	1.22% 3,668.67	Aaa / AA+ AAA	1.18 1.18
3135G0V59	FNMA Note 2.25% Due 4/12/2022	1,000,000.00	03/24/2020 0.59%	1,033,760.00 1,019,633.16	102.65 0.03%	1,026,532.00 6,812.50	1.35% 6,898.84	Aaa / AA+ AAA	1.19 1.18
3133ELYR9	FFCB Note 0.25% Due 5/6/2022	1,050,000.00	04/30/2020 0.31%	1,048,666.50 1,049,161.54	100.18 0.10%	1,051,930.95 619.79	1.38% 2,769.41	Aaa / AA+ AAA	1.26 1.26
3134GVJ66	FHLMC Note 0.25% Due 6/8/2022	1,000,000.00	06/04/2020 0.28%	999,400.00 999,595.62	100.25 0.07%	1,002,480.00 368.06	1.31% 2,884.38	Aaa / NR AAA	1.35 1.35
3133ELN26	FFCB Note 0.26% Due 6/22/2022	1,000,000.00	06/17/2020 0.28%	999,530.00 999,674.22	100.18 0.13%	1,001,839.00 281.67	1.31% 2,164.78	Aaa / AA+ AAA	1.39 1.39



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%	507,580.00 503,366.97	104.81 0.13%	524,042.50 6,163.19	0.69% 20,675.53	Aaa / AA+ AAA	1.61 1.56
3130AFE78	FHLB Note 3% Due 12/9/2022	1,000,000.00	01/25/2019 2.71%	1,010,700.00 1,005,126.29	105.43 0.07%	1,054,329.00 4,333.33	1.38% 49,202.71	Aaa / AA+ AAA	1.85 1.81
3137EAER6	FHLMC Note 0.375% Due 5/5/2023	985,000.00	05/05/2020 0.39%	984,586.30 984,688.49	100.50 0.15%	989,965.39 882.40	1.30% 5,276.90	Aaa / AA+ AAA	2.26 2.25
3135G04Q3	FNMA Note 0.25% Due 5/22/2023	1,055,000.00	05/20/2020 0.35%	1,051,824.45 1,052,563.96	100.22 0.16%	1,057,303.07 505.52	1.38% 4,739.11	Aaa / AA+ AAA	2.30 2.30
3133834G3	FHLB Note 2.125% Due 6/9/2023	650,000.00	10/30/2019 1.66%	660,432.50 656,796.57	104.68 0.13%	680,451.85 1,995.14	0.89% 23,655.28	Aaa / AA+ NR	2.35 2.30
3137EAES4	FHLMC Note 0.25% Due 6/26/2023	965,000.00	06/24/2020 0.35%	962,182.20 962,748.33	100.21 0.16%	967,054.49 234.55	1.27% 4,306.16	Aaa / AA+ AAA	2.40 2.39
3135G05G4	FNMA Note 0.25% Due 7/10/2023	875,000.00	07/08/2020 0.32%	873,118.75 873,472.67	100.22 0.16%	876,934.63 127.60	1.15% 3,461.96	Aaa / AA+ AAA	2.44 2.43
3133EKZK5	FFCB Note 1.6% Due 8/14/2023	1,000,000.00	08/28/2019 1.48%	1,004,700.00 1,003,003.32	103.56 0.19%	1,035,598.00 7,422.22	1.36% 32,594.68	Aaa / AA+ AAA	2.53 2.48
3137EAEV7	FHLMC Note 0.25% Due 8/24/2023	1,000,000.00	09/24/2020 0.24%	1,000,230.00 1,000,202.09	100.22 0.16%	1,002,245.00 1,111.11	1.31% 2,042.91	Aaa / AA+ AAA	2.56 2.55
3130A3DL5	FHLB Note 2.375% Due 9/8/2023	700,000.00	10/09/2019 1.44%	724,864.00 716,512.20	105.75 0.16%	740,278.70 6,603.82	0.98% 23,766.50	Aaa / AA+ NR	2.60 2.52
3137EAEW5	FHLMC Note 0.25% Due 9/8/2023	660,000.00	09/02/2020 0.26%	659,782.20 659,811.93	100.22 0.16%	661,463.88 673.75	0.87% 1,651.95	Aaa / AA+ AAA	2.60 2.59
3133EMBS0	FFCB Note 0.2% Due 10/2/2023	1,000,000.00	11/12/2020 0.28%	997,720.00 997,893.22	99.99 0.21%	999,866.00 661.11	1.31% 1,972.78	Aaa / AA+ AAA	2.67 2.66
3137EAEY1	FHLMC Note 0.125% Due 10/16/2023	825,000.00	10/14/2020 0.25%	821,922.75 822,226.26	99.86 0.18%	823,866.45 300.78	1.08% 1,640.19	Aaa / AA+ AAA	2.71 2.70
3137EAEZ8	FHLMC Note 0.25% Due 11/6/2023	1,075,000.00	11/03/2020 0.28%	1,074,032.50 1,074,110.18	100.10 0.21%	1,076,043.83 642.01	1.41% 1,933.65	Aaa / AA+ AAA	2.76 2.75
3137EAFA2	FHLMC Note 0.25% Due 12/4/2023	770,000.00	12/02/2020 0.28%	769,237.70 769,278.77	100.12 0.21%	770,932.47 304.79	1.01% 1,653.70	Aaa / AA+ AAA	2.84 2.83
3130A3VC5	FHLB Note 2.25% Due 12/8/2023	1,000,000.00	02/13/2020 1.46%	1,029,240.00 1,021,830.29	105.93 0.16%	1,059,318.00 3,312.50	1.39% 37,487.71	Aaa / AA+ NR	2.85 2.77





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 1,030,945.92	106.82 0.23%	1,068,205.00 12,222.22	1.41% 37,259.08	Aaa / AA+ AAA	3.01 2.89
3133EKMX1	FFCB Note 2.23% Due 2/23/2024	750,000.00	07/30/2019 1.91%	760,425.00 756,981.25	106.07 0.24%	795,535.50 7,340.42	1.05% 38,554.25	Aaa / AA+ AAA	3.06 2.95
3130A7PH2	FHLB Note 1.875% Due 3/8/2024	1,000,000.00	03/03/2020 0.85%	1,040,350.00 1,031,150.75	105.08 0.23%	1,050,752.00 7,447.92	1.38% 19,601.25	Aaa / AA+ NR	3.10 3.01
<b>Total Agency</b>		<b>25,040,000.00</b>	<b>0.96%</b>	<b>25,270,078.45</b> <b>25,187,887.70</b>	<b>0.15%</b>	<b>25,578,072.24</b> <b>88,900.67</b>	<b>33.57%</b> <b>390,184.54</b>	<b>Aaa / AA+</b> <b>AAA</b>	<b>2.11</b> <b>2.08</b>
<b>CORPORATE</b>									
69371RN93	Paccar Financial Corp Note 2.8% Due 3/1/2021	300,000.00	07/23/2018 3.12%	297,585.00 299,928.82	100.21 0.29%	300,625.50 3,500.00	0.40% 696.68	A1 / A+ NR	0.08 0.08
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%	493,125.00 499,477.76	100.28 0.22%	501,389.50 3,680.56	0.66% 1,911.74	A1 / A AA-	0.20 0.12
369550BE7	General Dynamics Corp Note 3% Due 5/11/2021	350,000.00	06/28/2018 3.08%	349,247.50 349,928.85	100.74 0.32%	352,605.40 2,333.33	0.46% 2,676.55	A2 / A NR	0.27 0.28
857477AV5	State Street Bank Note 1.95% Due 5/19/2021	500,000.00	10/12/2018 3.30%	483,360.00 498,117.89	100.52 0.21%	502,600.00 1,950.00	0.66% 4,482.11	A1 / A AA-	0.30 0.30
808513AW5	Charles Schwab Corp Callable Note Cont 4/21/2021 3.25% Due 5/21/2021	320,000.00	Various 3.09%	321,372.10 320,102.57	100.67 0.22%	322,150.09 2,022.23	0.42% 2,047.52	A2 / A A	0.30 0.22
931142EJ8	Wal-Mart Stores Note 3.125% Due 6/23/2021	290,000.00	06/20/2018 3.13%	289,985.50 289,998.11	101.16 0.18%	293,366.03 956.60	0.38% 3,367.92	Aa2 / AA AA	0.39 0.39
02665WBG5	American Honda Finance Note 1.7% Due 9/9/2021	500,000.00	07/20/2018 3.19%	478,045.00 495,774.19	100.87 0.27%	504,332.00 3,352.78	0.66% 8,557.81	A3 / A- NR	0.61 0.60
89233P5F9	Toyota Motor Credit Corp Note 3.4% Due 9/15/2021	500,000.00	05/31/2018 3.03%	505,785.00 501,090.42	101.94 0.27%	509,713.50 6,422.22	0.68% 8,623.08	A1 / A+ A+	0.62 0.61
24422ETL3	John Deere Capital Corp Note 2.65% Due 1/6/2022	500,000.00	Various 3.29%	489,627.50 497,211.18	102.23 0.25%	511,152.00 920.14	0.67% 13,940.82	A2 / A A	0.93 0.92
74005PBA1	Praxair Callable Note Cont 11/15/2021 2.45% Due 2/15/2022	300,000.00	06/27/2018 3.15%	292,848.00 297,957.34	101.71 0.28%	305,131.80 3,389.17	0.40% 7,174.46	A2 / A NR	1.04 0.78



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%	483,395.00 494,013.43	102.40 0.28%	512,007.00 2,555.56	0.67% 17,993.57	Aa1 / AA+ NR	1.27 1.18
68389XBB0	Oracle Corp Callable Note Cont 3/15/2022 2.5% Due 5/15/2022	500,000.00	Various 3.28%	486,304.00 495,356.83	102.47 0.29%	512,361.50 2,638.89	0.67% 17,004.67	A3 / A A-	1.28 1.11
084664BT7	Berkshire Hathaway Note 3% Due 5/15/2022	500,000.00	12/11/2018 3.31%	495,015.00 498,132.12	103.59 0.21%	517,927.00 3,166.67	0.68% 19,794.88	Aa2 / AA A+	1.28 1.27
09247XAJ0	Blackrock Inc Note 3.375% Due 6/1/2022	500,000.00	11/28/2018 3.36%	500,215.00 500,081.53	104.10 0.29%	520,487.00 2,812.50	0.68% 20,405.47	Aa3 / AA- NR	1.33 1.31
06051GEU9	Bank of America Corp Note 3.3% Due 1/11/2023	400,000.00	09/05/2019 2.13%	414,984.00 408,707.91	105.76 0.33%	423,030.80 733.33	0.55% 14,322.89	A2 / A- A+	1.95 1.89
90331HNL3	US Bank NA Callable Note Cont 12/23/2022 2.85% Due 1/23/2023	480,000.00	07/22/2019 2.24%	489,580.80 485,297.08	104.93 0.24%	503,652.00 304.00	0.66% 18,354.92	A1 / AA- AA-	1.98 1.86
69353RFL7	PNC Bank Callable Note Cont 5/9/2023 3.5% Due 6/8/2023	500,000.00	06/11/2019 2.44%	519,580.00 511,355.30	107.10 0.36%	535,488.00 2,576.39	0.70% 24,132.70	A2 / A A+	2.35 2.20
69371RQ82	Paccar Financial Corp Note 0.8% Due 6/8/2023	300,000.00	06/01/2020 0.85%	299,583.00 299,673.64	101.06 0.35%	303,176.40 353.33	0.40% 3,502.76	A1 / A+ NR	2.35 2.33
931142EK5	Wal-Mart Stores Callable Note Cont 5/26/2023 3.4% Due 6/26/2023	500,000.00	05/21/2019 2.65%	514,115.00 508,137.34	107.29 0.25%	536,453.50 1,652.78	0.70% 28,316.16	Aa2 / AA AA	2.40 2.25
<b>Total Corporate</b>		<b>8,240,000.00</b>	<b>2.93%</b>	<b>8,203,752.40</b> <b>8,250,342.31</b>	<b>0.27%</b>	<b>8,467,649.02</b> <b>45,320.48</b>	<b>11.13%</b> <b>217,306.71</b>	<b>A1 / A+</b> <b>A+</b>	<b>1.15</b> <b>1.08</b>
<b>LAIF</b>									
90LAIF\$00	Local Agency Investment Fund State Pool	17,808,793.43	Various 0.44%	17,808,793.43 17,808,793.43	1.00 0.44%	17,808,793.43 7,994.88	23.30% 0.00	NR / NR NR	0.00 0.00
<b>Total LAIF</b>		<b>17,808,793.43</b>	<b>0.44%</b>	<b>17,808,793.43</b>	<b>0.44%</b>	<b>17,808,793.43</b> <b>7,994.88</b>	<b>23.30%</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 1.02%	5,551,000.00 5,551,000.00	1.00 1.02%	5,551,000.00 0.00	7.26% 0.00	NR / NR AAA	0.00 0.00
<b>Total Local Gov Investment Pool</b>		<b>5,551,000.00</b>	<b>1.02%</b>	<b>5,551,000.00</b>	<b>1.02%</b>	<b>5,551,000.00</b> <b>0.00</b>	<b>7.26%</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	121,016.84	Various 0.03%	121,016.84 121,016.84	1.00 0.03%	121,016.84 0.00	0.16% 0.00	Aaa / AAA NR	0.00 0.00
<b>Total Money Market Fund FI</b>		<b>121,016.84</b>	<b>0.03%</b>	<b>121,016.84</b>	<b>0.03%</b>	<b>121,016.84</b> <b>0.00</b>	<b>0.16%</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	100.05 0.01%	1,000,522.00 7,944.44	1.32% 522.00	P-1 / A-1+ F-1+	0.05 0.05
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	100.66 0.05%	246,609.41 22.15	0.32% 1,609.41	NR / NR NR	0.41 0.41
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%	1,000,000.00 528.89	1.31% 0.00	P-1 / A-1 F-1+	0.81 0.81
<b>Total Negotiable CD</b>		<b>2,245,000.00</b>	<b>0.75%</b>	<b>2,245,000.00</b>	<b>0.13%</b>	<b>2,247,131.41</b> <b>8,495.48</b>	<b>2.95%</b> <b>2,131.41</b>	<b>Aaa / AAA</b> <b>AAA</b>	<b>0.43</b> <b>0.43</b>
<b>SUPRANATIONAL</b>									
459058GH0	Intl. Bank Recon & Development Note 2.75% Due 7/23/2021	750,000.00	07/24/2018 2.86%	747,607.50 749,623.50	101.24 0.15%	759,309.00 458.33	0.99% 9,685.50	Aaa / AAA NR	0.47 0.48



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%	394,150.75 394,204.26	100.05 0.23%	395,179.73 183.78	0.52% 975.47	Aaa / AAA AAA	2.81 2.80
<b>Total Supranational</b>		<b>1,145,000.00</b>	<b>1.99%</b>	<b>1,141,758.25</b> <b>1,143,827.76</b>	<b>0.18%</b>	<b>1,154,488.73</b> <b>642.11</b>	<b>1.51%</b> <b>10,660.97</b>	<b>Aaa / AAA</b> <b>AAA</b>	<b>1.27</b> <b>1.27</b>
<b>US TREASURY</b>									
912828U81	US Treasury Note 2% Due 12/31/2021	750,000.00	11/08/2018 3.05%	726,650.39 743,226.99	101.73 0.10%	763,008.00 1,325.97	1.00% 19,781.01	Aaa / AA+ AAA	0.92 0.91
912828W55	US Treasury Note 1.875% Due 2/28/2022	1,000,000.00	01/30/2019 2.56%	979,921.88 992,997.67	101.90 0.11%	1,018,984.00 7,976.52	1.34% 25,986.33	Aaa / AA+ AAA	1.08 1.06
912828W89	US Treasury Note 1.875% Due 3/31/2022	750,000.00	09/27/2018 2.92%	724,013.67 741,412.33	102.04 0.12%	765,322.50 4,790.52	1.01% 23,910.17	Aaa / AA+ AAA	1.16 1.15
912828XR6	US Treasury Note 1.75% Due 5/31/2022	750,000.00	09/24/2018 2.93%	719,208.98 738,911.57	102.16 0.12%	766,230.75 2,271.63	1.01% 27,319.18	Aaa / AA+ AAA	1.33 1.32
912828XW5	US Treasury Note 1.75% Due 6/30/2022	350,000.00	09/07/2018 2.80%	336,792.97 345,112.73	102.31 0.11%	358,093.75 541.44	0.47% 12,981.02	Aaa / AA+ AAA	1.41 1.40
9128282P4	US Treasury Note 1.875% Due 7/31/2022	1,000,000.00	12/28/2018 2.53%	977,617.19 990,673.83	102.63 0.12%	1,026,289.00 51.80	1.34% 35,615.17	Aaa / AA+ AAA	1.50 1.49
912828L24	US Treasury Note 1.875% Due 8/31/2022	750,000.00	09/20/2018 2.94%	720,439.45 738,175.78	102.77 0.12%	770,742.00 5,982.39	1.02% 32,566.22	Aaa / AA+ AAA	1.58 1.55
9128282W9	US Treasury Note 1.875% Due 9/30/2022	1,000,000.00	03/19/2019 2.43%	981,406.25 991,265.26	102.91 0.12%	1,029,141.00 6,387.36	1.35% 37,875.74	Aaa / AA+ AAA	1.66 1.63
912828M80	US Treasury Note 2% Due 11/30/2022	800,000.00	12/24/2019 1.70%	806,875.00 804,285.63	103.43 0.12%	827,437.60 2,769.23	1.09% 23,151.97	Aaa / AA+ AAA	1.83 1.80
9128284D9	US Treasury Note 2.5% Due 3/31/2023	1,000,000.00	02/21/2019 2.51%	999,414.06 999,691.78	105.11 0.13%	1,051,094.00 8,516.48	1.39% 51,402.22	Aaa / AA+ AAA	2.16 2.10
912828R28	US Treasury Note 1.625% Due 4/30/2023	1,000,000.00	12/04/2019 1.60%	1,000,898.44 1,000,591.73	103.32 0.15%	1,033,164.00 4,174.72	1.36% 32,572.27	Aaa / AA+ AAA	2.24 2.21
912828R69	US Treasury Note 1.625% Due 5/31/2023	1,100,000.00	Various 2.00%	1,083,765.62 1,090,839.77	103.43 0.15%	1,137,726.70 3,093.75	1.49% 46,886.93	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>									
912828T91	US Treasury Note 1.625% Due 10/31/2023	1,000,000.00	09/25/2019 1.60%	1,000,898.44 1,000,601.76	104.01 0.16%	1,040,117.00 4,174.72	1.37% 39,515.24	Aaa / AA+ AAA	2.75 2.69
91282CBE0	US Treasury Note 0.125% Due 1/15/2024	1,000,000.00	01/12/2021 0.24%	996,445.31 996,500.50	99.83 0.18%	998,281.00 58.70	1.31% 1,780.50	Aaa / AA+ AAA	2.96 2.95
912828V80	US Treasury Note 2.25% Due 1/31/2024	1,000,000.00	12/16/2019 1.71%	1,021,210.94 1,015,408.21	106.14 0.19%	1,061,445.00 62.15	1.39% 46,036.79	Aaa / AA+ AAA	3.00 2.92
912828X70	US Treasury Note 2% Due 4/30/2024	1,000,000.00	03/03/2020 0.71%	1,052,539.06 1,040,979.08	105.76 0.22%	1,057,617.00 5,138.12	1.39% 16,637.92	Aaa / AA+ AAA	3.25 3.14
<b>Total US Treasury</b>		<b>14,250,000.00</b>	<b>2.05%</b>	<b>14,128,097.65</b> <b>14,230,674.62</b>	<b>0.14%</b>	<b>14,704,693.30</b> <b>57,315.50</b>	<b>19.31%</b> <b>474,018.68</b>	<b>Aaa / AA+</b> <b>AAA</b>	<b>2.03</b> <b>1.99</b>
<b>TOTAL PORTFOLIO</b>		<b>75,010,559.62</b>	<b>1.27%</b>	<b>75,079,176.62</b> <b>75,148,235.94</b>	<b>0.29%</b>	<b>76,247,266.76</b> <b>208,940.57</b>	<b>100.00%</b> <b>1,099,030.82</b>	<b>Aa1 / AA+</b> <b>AAA</b>	<b>1.29</b> <b>1.25</b>
<b>TOTAL MARKET VALUE PLUS ACCRUED</b>						<b>76,456,207.33</b>			

**VALLECITOS WATER DISTRICT  
SUMMARY OF LEGAL FEES**

<b>Matter Description</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>Nov-20</b>	<b>Dec-20</b>	<b>Total</b>
General Counsel Services	\$ 18,504	\$ 5,857	\$ 11,254	\$ 9,723	\$ 9,182	\$ 6,304	\$ 8,572	\$ 46,859	\$ 9,405	\$ 32,375	\$ 6,534	\$ 34,002	\$ 7,971	\$ 214,350
Labor/Employment	4,073	468	1,666	2,089	889	2,297	559	541	601	785	1,123	1,013	2,859	22,466
Engineering - Construction/Contracting	1,615	2,200	2,662	8,528	7,968	8,966	9,810	6,164	10,280	11,791	7,949	5,363	6,985	93,714
Fees and Taxes	1,802	1,812	2,562	2,550	240	-	180	215	156	-	-	-	-	9,517
Environmental	-	-	-	-	870	870	-	829	-	-	-	-	-	2,569
Adv. Butler	2,831	8,593	1,063	81	646	319	797	908	34	2,949	658	1,412	-	20,425
Renewable Energy	-	-	-	305	-	630	-	92	-	-	-	215	92	3,158
Litigation	-	-	-	-	-	-	565	61	768	4,386	5,312	3,937	3,197	18,227
Driscoll & Omens Prop 218 Sole	-	-	-	500	691	592	188	834	3,450	887	1,462	2,972	911	12,487
Driscoll & Omens Prop 218 Shared	-	-	-	2,323	1,089	1,406	466	429	1,433	1,685	1,021	502	547	10,901
Driscoll & Omens Prop 218 PRA Requests	-	-	-	-	-	-	-	-	-	2,138	964	1,280	3,544	7,926
<b>Total</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>\$ 50,695</b>	<b>\$ 26,106</b>	<b>\$ 415,742</b>



## SAN MARCOS INTERCEPTOR PROJECT

### Project Background

The San Marcos Interceptor Project consists of replacing the District's existing 1960's era 21-inch diameter sewer interceptor with more than 12,000-feet of 42-inch diameter sewer pipeline between Twin Oaks Valley Road and Pacific Street. The Interceptor is a large trunk sewer pipeline that receives flow from District customers and conveys this wastewater by gravity to Lift Station 1 and Encina Wastewater Authority. This replacement project was originally identified in the District's 1991 Master Plan and has been phased to be completed prior to City of San Marcos (City) development of the Creek District.

The prior Phases 1 and 1A of the project have been completed, summarized as follows:

- 2002 - Portion behind the Creekside Market place from SR-78 to Grand Avenue.
- 2005 - Section from Twin Oaks Valley Road to east of Johnston Lane.
- 2013 - Grand Avenue to Via Vera Cruz.
- 2014 - East of Johnston Lane to the south side of SR-78.

Phase 2, extending from Via Vera Cruz to Pacific Street, will complete the remaining 3,400-feet of the westernmost project corridor. Planning and design began in 2013 for Phase II which required coordination with the City of San Marcos Creekside Improvement District which is developing City property adjacent to the San Marcos Creek. With advance planning and consistency with City environmental permitting, the Interceptor will be installed before the City develops around District sewer easements in San Marcos Creek. Design was finalized in early 2020 and advertised for bid in the summer of 2020.

### The Project Team

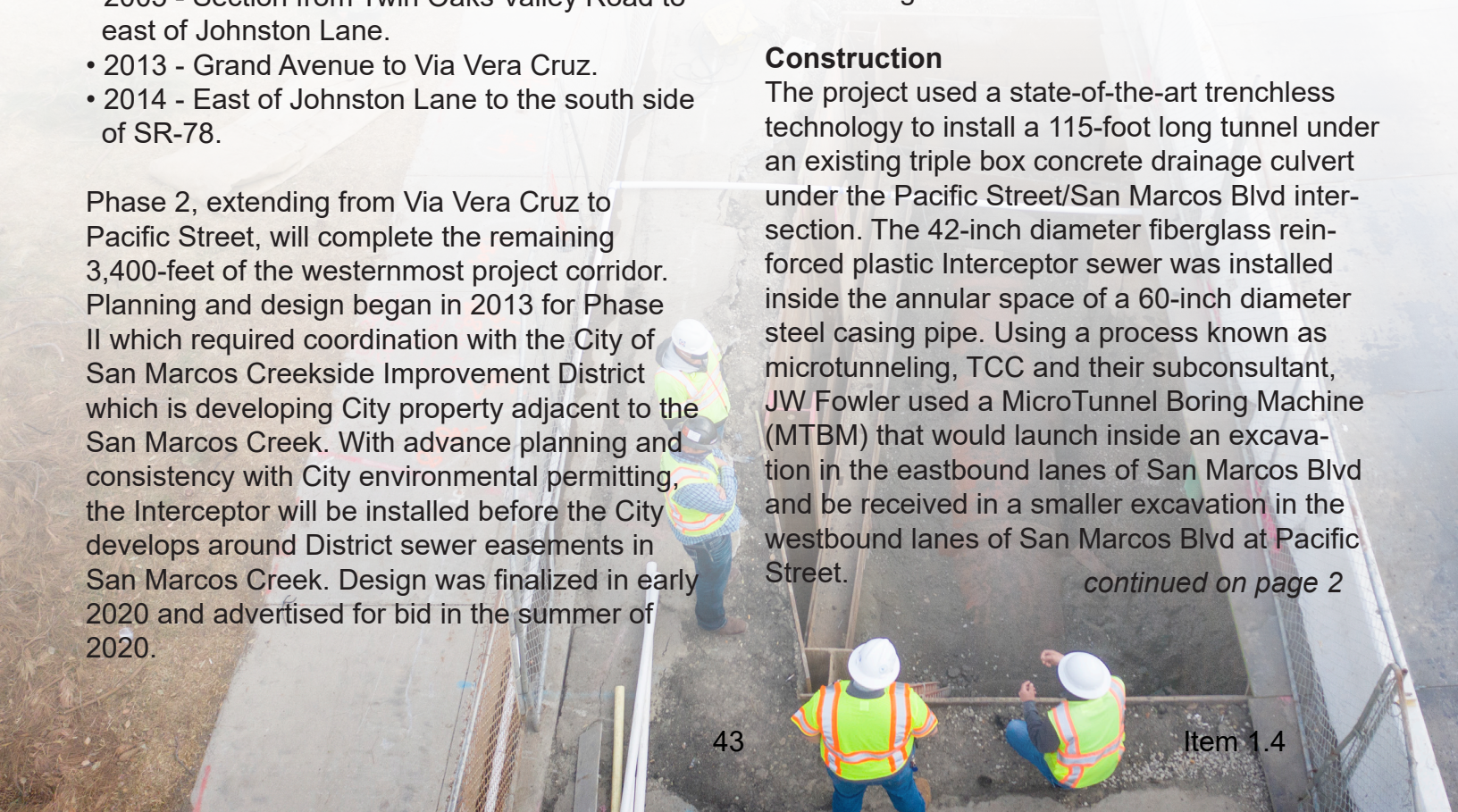
The project team consists of Kennedy/Jenks (KJ) as the design consultant and Engineer of Record, Valley Construction Management (VCM) provided construction management and inspection services, and TC Construction (TCC) was awarded the project as the prime construction contractor. District Capital Facilities and Inspection staff provided active project management services, engineering, and inspection oversight throughout construction.

The project was identified in the District's FY 20/21 Budget with an amount of \$8,500,000. The completion of Phase II of the Interceptor is 30+ years in the making with the project exchanging numerous hands in planning, design, and construction throughout that time. This is a milestone project for the District both in size and significance.

### Construction

The project used a state-of-the-art trenchless technology to install a 115-foot long tunnel under an existing triple box concrete drainage culvert under the Pacific Street/San Marcos Blvd intersection. The 42-inch diameter fiberglass reinforced plastic Interceptor sewer was installed inside the annular space of a 60-inch diameter steel casing pipe. Using a process known as microtunneling, TCC and their subconsultant, JW Fowler used a MicroTunnel Boring Machine (MTBM) that would launch inside an excavation in the eastbound lanes of San Marcos Blvd and be received in a smaller excavation in the westbound lanes of San Marcos Blvd at Pacific Street.

*continued on page 2*





continued from page 1

The MTBM is larger than 60-inches diameter to be large enough to bore through native soils, rock and back-fill along the Interceptor alignment. Spoils are removed and the tunnel wall is pressurized internally using hydraulic fluids before the steel casing is permanently installed. The MTBM is remote controlled by an operator on the surface and is laser-guided to prevent significant deviations from the designed horizontal and vertical alignment (line and grade). The MTBM provides a high level of accuracy and can be used when groundwater is present. Line installation accuracy was critical to avoiding conflicts with existing underground wet and dry utility lines, including a 16-inch diameter high pressure SDG&E gas line. The existing underground conflicts provided a difficult target of approximately 5-feet by 5-feet which had to be hit at the receiving pit. The microtunnel installation was a 24-hour, 7-day a week process until it was completed.

The microtunnel successfully allowed the District to “thread the needle” in San Marcos Blvd and the tunnel was completed in under a week (not including excavations and MTBM setup). There was no damage to any of the existing utilities in San Marcos Blvd and traffic impacts were minimized after completion of the tunnel when both westbound travel lanes were reopened.



Microtunneling Boring Machine - Cutting Head



Existing Triple Box Concrete Culvert in San Marcos Blvd

As the Interceptor sewer construction activities in the San Marcos Creek are adjacent to the ongoing City of San Marcos Creekside Improvements construction, the project team had to coordinate and be proactive as good neighbors in construction. As part of the City’s work to build earthen levees and make improvements to the San Marcos Creek, the neighboring Interceptor project was subject to complying with the City’s Environmental permit. The project required biological and archeological monitors for work adjacent to the creek or predetermined environmental sensitive areas. Special mitigating measures and biological monitoring were required for construction during bird nesting season between February 15 and September 15 in these environmentally impacted areas. Additionally, tribal paleological monitors from Native American tribes of significance in the area were represented during excavation work in the creek.

The Interceptor construction is over 50% complete, with the work on San Marcos Blvd wrapping up and the final leg of the project about to begin in the easements adjacent to the creek between Via Vera Cruz and McMahr. Project coordination and control of the groundwater/surface water in the creek will continue to be a key issue during rain season in San Diego County. Construction completion is expected in June 2021.

## WaterSmart Landscape Contest *Looking for entries!*

To further encourage customers to reduce outdoor water use, Vallecitos participates in a regional “WaterSmart” landscape contest to award customers whose yards best exhibit the beauty of California-friendly, low-water gardening. Vallecitos’ first place winner receives a \$250 gift certificate to a local nursery and recognition at a Vallecitos Board meeting. Second and third place winners also earn gift certificates (in lesser amounts). If you’re proud of your water-wise yard, we encourage you to enter! To learn more about the contest, visit this link: <https://www.landscapecontest.com>



# Valve Maintenance Program

Just as you need to perform routine maintenance to keep your car running smoothly, water systems need regular maintenance to provide reliable service. The Vallecitos Water District's (VWD) Valve Maintenance Program ensures these vital components in its water distribution remain in good working condition throughout the District. Valves left without proper maintenance for long periods can become a serious problem, especially in an emergency water shutdown.

VWD's Construction Department manages the program. Two-person teams use maps to familiarize themselves with the location of the 4,959 valves in the system, not including fire hydrants and fire services. Critical valves serve hospitals and medical care facilities. Between 300 and 500 valves are serviced monthly, following American Water Works Association (AWWA) standards.

VWD construction worker Justin Shutt explains that valves are isolation and shutoff points for water mains along streets, "If we have a main break, where a main ruptures, we need to be able to isolate those certain sections without taking too many people out of water" by shutting the valves, said Shutt.

John Truppa, Valve Maintenance Technician, runs the maintenance program. Truppa trains crew members how to: use the truck-mounted valve exerciser machines, which provide safe, hands-free turning operation; read maps properly; and respond to customer calls. Customer service is a priority. When a customer reports a water line break, crews help with water shutoff at the meter and expedite repairs to minimize inconvenience.

VWD's geographic information system (GIS) provides a written record of valve location, condition, maintenance, and inspection records for each valve serviced.



VWD monitors valve life span to replace them prior to failure. Areas prone to water main breaks and valves on mains serving large groups of customers get added attention.

Valve maintenance involves performing a prescribed number of turns to "exercise" or test the valve. Turns are calculated in part by the size of the main. Larger transmission water mains require more valve turns, both up and down. Turning speed is also important. If valves are closed too quickly, it creates "water hammer," or sudden pressure forcing water down the line, potentially triggering water main breaks.

Regular valve maintenance prevents unanticipated shutdowns of water service to customers. "We want to take as few people out of water at a time as we possibly can," said Shutt. "We keep up on the upgrades and make sure the valves are working the way they're supposed to," ensuring reliable delivery of quality water while ensuring all systems are working properly.

For more information on this and other work that VWD performs, check out our "Work We Do" video series at: [www.vwd.org/workwedo](http://www.vwd.org/workwedo).



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 San Marcos, CA 92069  
 (760) 744-0460  
[www.vwd.org](http://www.vwd.org)



*Between the Pipes is a publication of information and interest to Vallecitos water and sewer customers. If you receive water or sewer services from another district, please disregard any information that does not apply to you.*

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ECRWSS

**Management Staff**

Glenn Pruium, General Manager  
 Rhondi Emmanuel, Administrative Services Manager  
 Ed Pedrazzi, Operations and Maintenance Manager  
 James Gumpel, District Engineer  
 Wes Owen, Finance Manager

Due to the evolving situation with the COVID-19 Novel Coronavirus and Executive Order N-29-20, VWD will hold future meetings via teleconferencing. The public is encouraged to watch or listen to the meeting from their homes and observe the meeting electronically or listen in by phone. The District’s Board meetings are held on the first and third Wednesday of each month at 5:00 p.m.

To provide public comments prior to the meeting, submit comments via e-mail at [PublicComment@VWD.org](mailto:PublicComment@VWD.org) up to 90 minutes in advance of the meeting. Comments received are handled by the Clerk of the Board of Directors as if submitted in person. 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. To comment during the meeting or to watch or listen to the live meeting, go to [www.vwd.org/meetings](http://www.vwd.org/meetings).

**Postal Customer**

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 @vallecitoswater

## WaterSmart Contractor Incentive Program Benefits San Elijo Homeowners Association

The San Diego County Water Authority and the Vallecitos Water District recently worked with the San Elijo Community Association and O’Connell Landscape Maintenance to install water-efficient devices throughout its entire association property, including 2,500 stations and 50 controllers. In addition, rebates allowed O’Connell Landscape to convert spray irrigation and rotor irrigation to drip irrigation, and add flow sensors.

Van Dyke Landscape Architects and its team of certified landscape irrigation auditors assessed the irrigation system in order to make recommendations for the system upgrades. Van Dyke performed initial irrigation audits to determine what types of irrigation upgrades would benefit San Elijo’s terrain and soil types best.

“HOAs using this program can save a lot of money, and a lot more than they think.” Yale Hooper, with Van Dyke, said the teamwork among the participants with the SDCWA and Vallecitos Water District makes the program so successful. “These programs are priceless,” said Hooper. “If I were a contractor or HOA, these are ‘must do’ programs.”





**DATE: FEBRUARY 17, 2021**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: AWARD OF CONSTRUCTION CONTRACT FOR THE MEADOWLARK RECLAMATION FACILITY VALVE ACTUATORS REPLACEMENT PROJECT**

**BACKGROUND:**

The tertiary effluent valve actuators at the Meadowlark Reclamation Facility (MRF) constantly modulate the effluent valves to maintain the tertiary filter level. This constant modulation puts excessive wear on the actuators and over time the actuators will wear out. These actuators are over ten years old and need to be replaced. Replacing the current actuators with more industrial actuators will provide a much longer lifespan and provide more accurate valve operation and positioning.

**DISCUSSION:**

R&B Automation is a sole source provider for the actuators and their installation.

**MRF - Replacement of Valve Actuators Project**

**Bidder**

R&B Automation	\$65,691.18
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Construction management will be performed by District staff.

**FISCAL IMPACT:**

The total estimated cost and budget summary are as follows:

Budget	\$65,000.00
R&B Automation	\$65,691.18
Staff Time & Overhead	\$ 1,311.40
Total	\$67,002.58
Projected Budget Shortfall	\$ 2,002.58

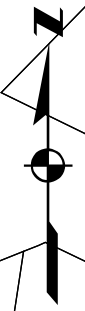
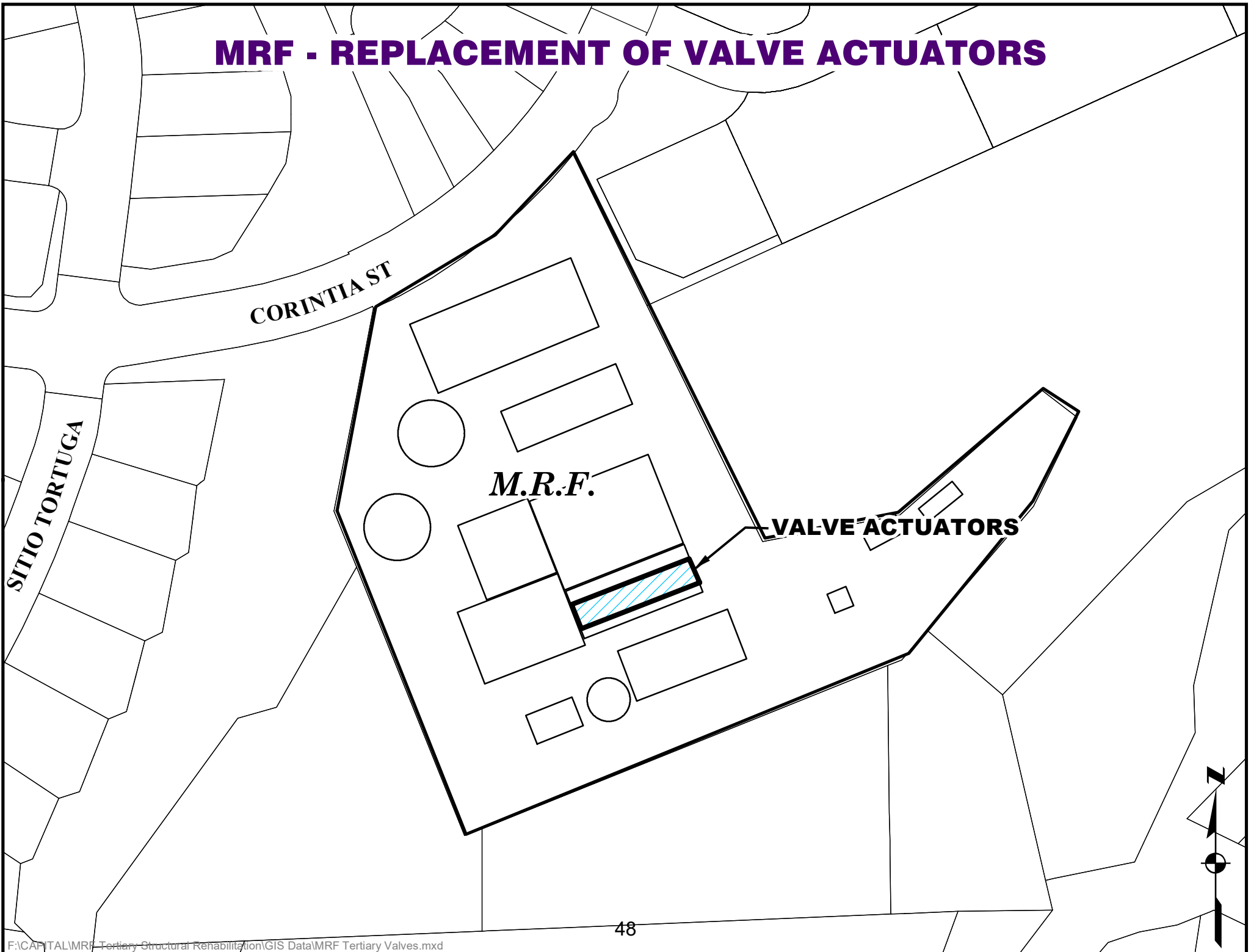
Staff doesn't expect the requested budget increase to have a financial impact as it can be offset by realized savings from previously completed projects.

**RECOMMENDATION:**

Recommendations for the MRF Valve Actuators Replacement Project are as follows:

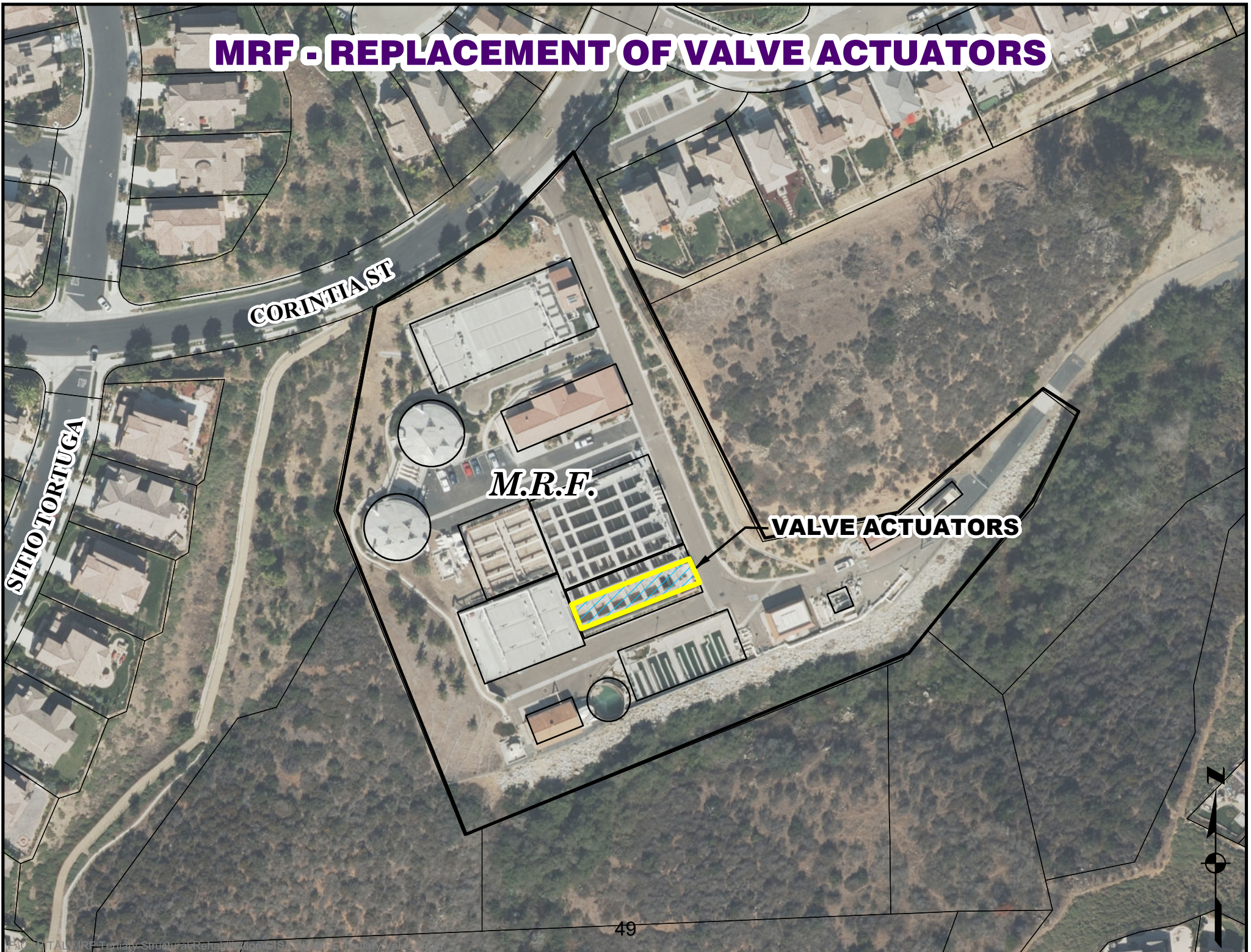
1. Increase the project budget by \$2,002.58.
2. Authorize the General Manager to execute a construction contract with R&B Automation in the amount of \$65,691.18, subject to provisions of the contract.

# MRF - REPLACEMENT OF VALVE ACTUATORS





# MRF - REPLACEMENT OF VALVE ACTUATORS





**DATE: FEBRUARY 17, 2021**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: CONSTRUCTION MANAGEMENT & INSPECTION AMENDMENT NO. 1**  
**FOR THE SAN MARCOS INTERCEPTOR PROJECT, PHASE 2**

**BACKGROUND:**

The San Marcos Interceptor Project consists of replacing the existing 1960's era 21-inch diameter sewer interceptor with approximately 12,200-feet of 42-inch diameter sewer pipeline between Twin Oaks Valley Road and Pacific Street. The project was identified in the 1991 Master Plan and initially approved in the District's 1999/2000 Budget. The project has been phased to correspond to City of San Marcos (City) initiated development of the Creek District, with the following portions already completed:

- 2002 - portion behind the Creekside Marketplace from SR-78 to Grand Avenue.
- 2005 - experimental pipe-bursting section from Twin Oaks Valley Road to east of Johnston Lane.
- 2013 - Phase 1A from Grand Avenue to Via Vera Cruz.
- 2014 - Phase 1 from east of Johnston Lane to the south side of SR-78.

Phase 2, extending from Via Vera Cruz to Pacific Street, will complete the remaining 3,400-feet of the project corridor. This project has been identified in the CIP Master Plan as CIP SP-11.

**DISCUSSION:**

The Board of Directors approved a professional services agreement with Valley CM (VCM) as part of the San Marcos Interceptor Phase 2 Project for construction management and inspections (CM&I) services in the amount of \$493,614 on June 17, 2020. The original VCM scope of work for CM&I services was based on a 10-month construction duration.

Over the course of construction between 2020 to present, the District authorized night work for the highly impacted areas of work in San Marcos Blvd, between Pacific Street and Tamarisk Lane. Additional unforeseen underground utilities delayed the progress of construction approximately two months due to required pipeline and tunnel alignment redesign and approvals. An approximate 2-month construction delay and additional (night) working shifts have required additional onsite inspections, testing, and coordination services.

Staff received Amendment No. 1 from VCM On January 24, 2021. Staff reviewed the amendment for content and completeness for additional inspections, testing, and coordination services. VCM's time and material not-to-exceed Amendment No. 1 fee is \$142,560.

VCM will perform the remaining CM&I services for the project including environmental biological monitoring and geotechnical engineering services. Staff will provide active project management services and inspection oversight services throughout construction.

**FISCAL IMPACT:**

The project is identified in the FY 20/21 Budget with a budget amount of \$8,500,000. The project funding sources are divided 29% from Sewer Replacement and 71% from Sewer Capacity funds. The total estimated cost and budget summary are as follows:

Budget	\$8,500,000
Construction	\$6,310,315
Change Order #1	\$ 259,654
Remaining 5% Contingency (Ord. 146)	\$ 55,862
Planning, Design, and Environmental (K/J)	\$ 484,195
Staff & Overhead: Planning, Design, ROW Acquisition, And Environmental Services	\$ 385,000
Bid and Construction Phase Services (K/J)	\$ 87,138
CM&I (VCM)	\$ 493,614
CM&I Amendment 1 (VCM)	\$ 142,560
<u>Staff &amp; Overhead: Construction Phase</u>	<u>\$ 264,222</u>
Total	\$8,482,560
Budget Surplus	\$ 17,440

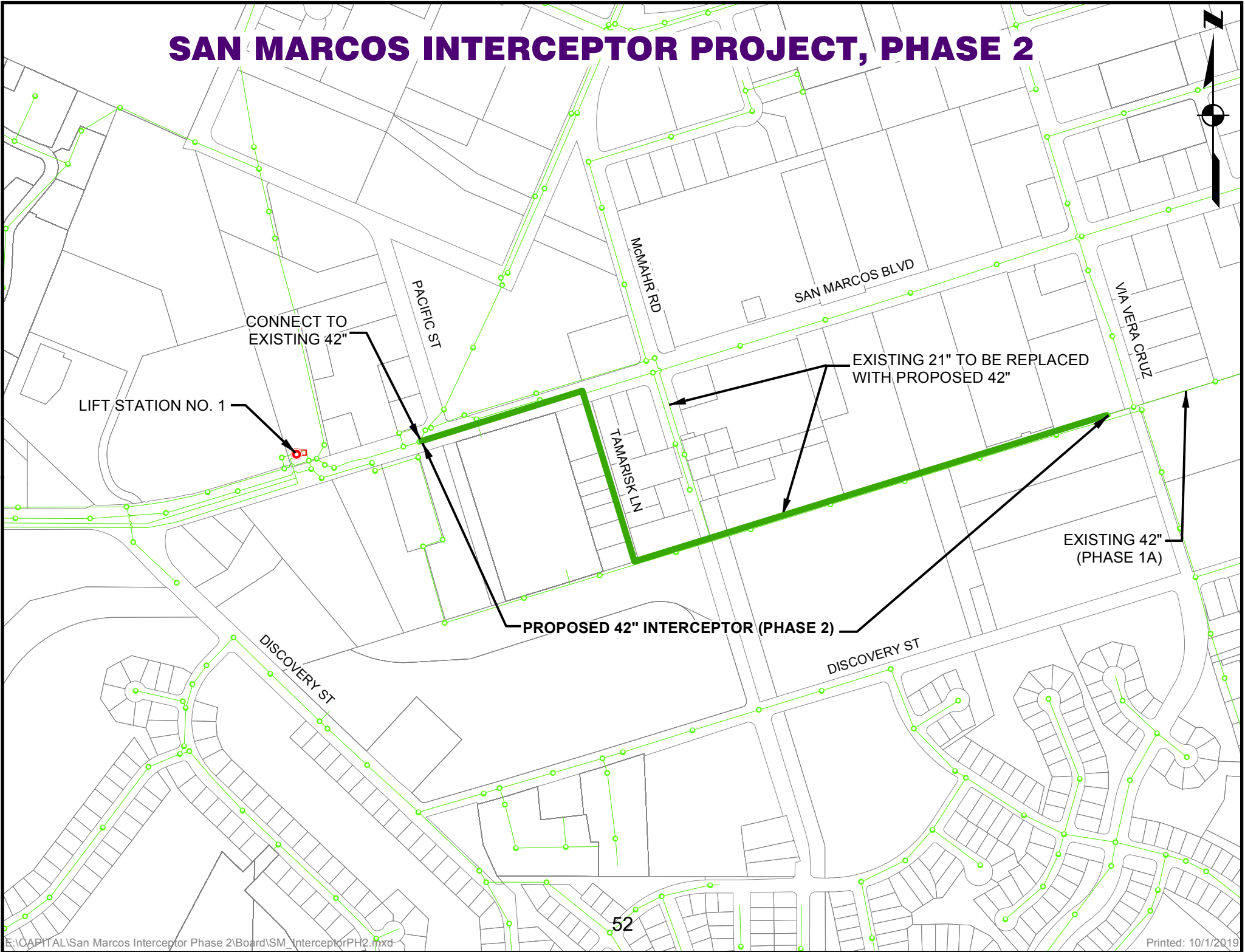
**RECOMMENDATION:**

Staff, with support from the Engineering and Equipment Committee, recommends that the Board of Directors authorize the General Manager to execute Amendment No. 1 for \$142,560 with VCM for additional construction management, inspection, and geotechnical engineering services for the San Marcos Interceptor Phase II Project.

**ATTACHMENTS:**

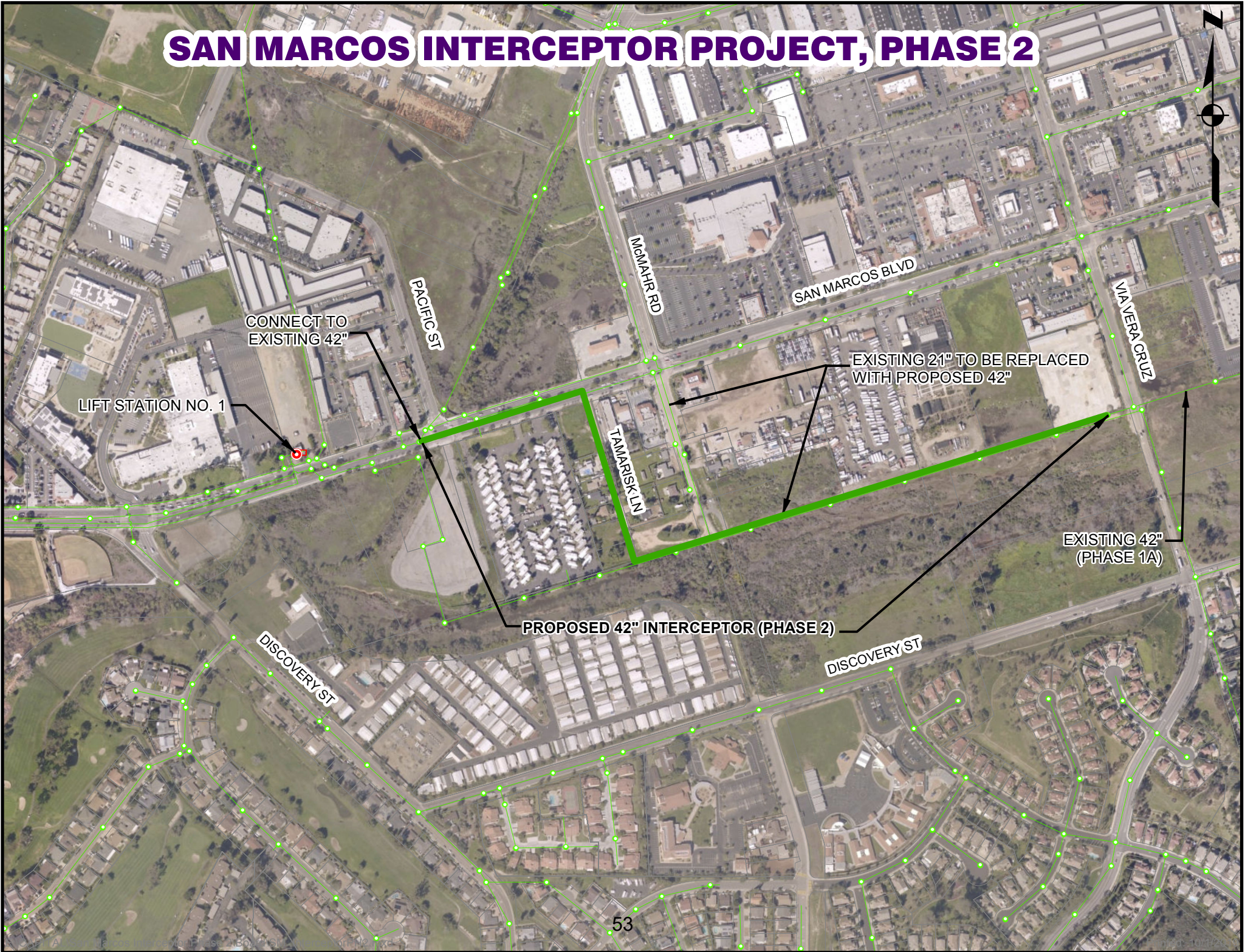
Plat/Aerial

# SAN MARCOS INTERCEPTOR PROJECT, PHASE 2





# SAN MARCOS INTERCEPTOR PROJECT, PHASE 2



LIFT STATION NO. 1

CONNECT TO EXISTING 42"

PACIFIC ST

N OMAHA RD

SAN MARCOS BLVD

VAVERA CRUZ

TAMARISK LN

EXISTING 21" TO BE REPLACED WITH PROPOSED 42"

EXISTING 42" (PHASE 1A)

PROPOSED 42" INTERCEPTOR (PHASE 2)

DISCOVERY ST

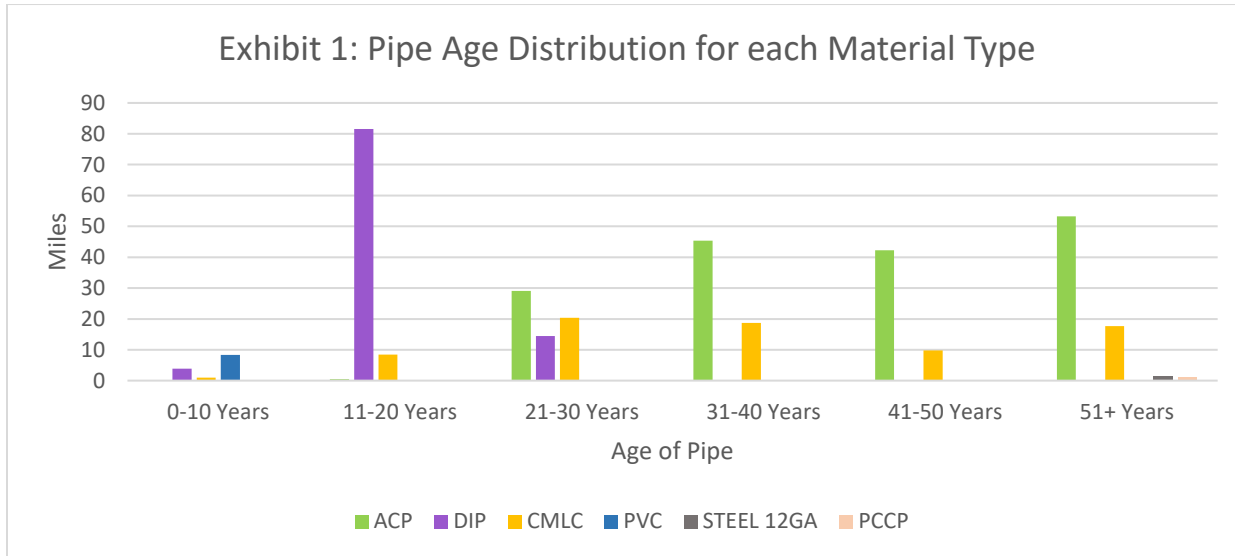
DISCOVERY ST



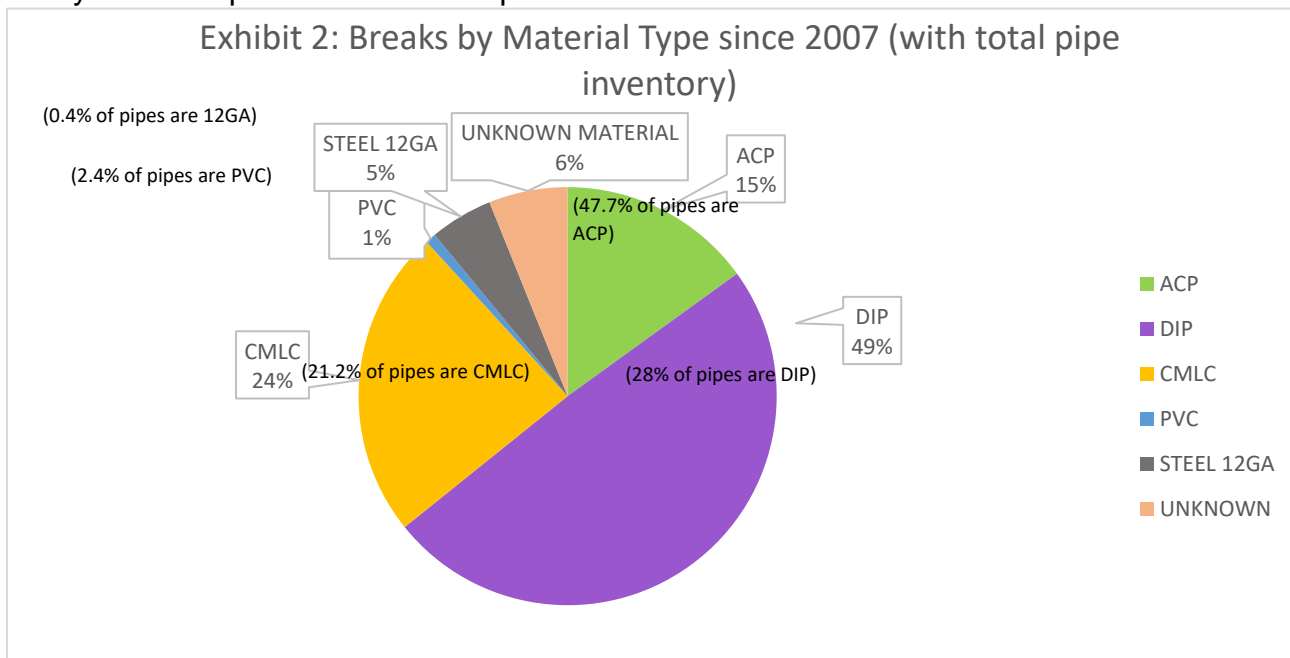
**DATE: FEBRUARY 17, 2021**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: AWARD OF PROFESSIONAL SERVICES AGREEMENT FOR DUCTILE IRON PIPE CONDITION ASSESSMENT PILOT PROJECT**

**BACKGROUND:**

The District’s water distribution and transmission system consists of over 357 miles of water pipeline. Several different materials are used to distribute potable water throughout the District’s system. Ductile iron pipe (DIP) has accounted for a significant portion of the District’s water main failures over the past dozen years. Approximately 100 miles of the system is DIP that varies in diameter from 6 to 27 inches, which was installed between 1972 and 2015.



The District maintains an average water main break per mile occurrence well below the American Water Works Association industry standard even with the increased main break frequency of the ductile iron. The District averages 18 breaks per year, the industry standard would allow for 54 breaks per year for a system of the District’s size. While remaining below the standard, the District has concerns regarding the premature failure rate of the ductile iron pipe infrastructure leading to costly and disruptive water main repairs.



**DISCUSSION:**

The District's goal is to obtain quality condition assessment data to help make informed renewal, rehabilitation, and replacement decisions. To meet this goal, the District is implementing a phased, multi-year Ductile Iron Pipe Condition Assessment Program (Program). This Program will use pipeline condition assessment technology in conjunction with the District's Asset Management Plan, to target specific areas in the water system for evaluation. The Asset Management Plan's goal for condition assessment is to reduce costly line breaks, prioritize resource allocation, and reduce overall asset lifecycle costs.

This *Ductile Iron Pipe Condition Assessment Pilot Project* with V&A Consultants (V&A) will evaluate recommended assessment technologies to determine if the technology is successful at identifying pipes that should be prioritized for repair or replacement. The scope for the pilot testing includes Project Management, In-situ Soil Resistivity Testing, Soil Analysis, Leak Detection Survey, and delivery of a Technical Memorandum. V&A will coordinate, perform, and oversee the technology pilot testing and summarize the findings.

Previously, V&A performed a risk prioritization of the DIP system and completed an evaluation of condition assessment methodologies used in the industry. The next step is to pilot test various condition assessment technologies in a selected focus area to compare the quality of data and level of effort to determine the best method for detailed assessments as part of an annual program.

As shown in Exhibit 3 below, the Program grouped the District's DIP system into twenty-five (25) Cluster Areas based on their physical location. Note that Cluster Area 25 consists of those pipes that are scattered in smaller quantities throughout the District. Each Cluster Area was assigned a risk score, which quantifies relative risk on a scale of 1 (lowest risk) to 25 (highest risk) and is calculated as the multiplication of the likelihood of failure (LoF) and consequence of failure (CoF). This methodology considers the LoF and CoF based on age, system performance, District staff input, and industry experience. Condition assessment projects can focus on assessing pipes within a Cluster Area, starting with the Cluster Areas that are higher risk. This will lead to a condition assessment program that is both time-saving and cost-effective.

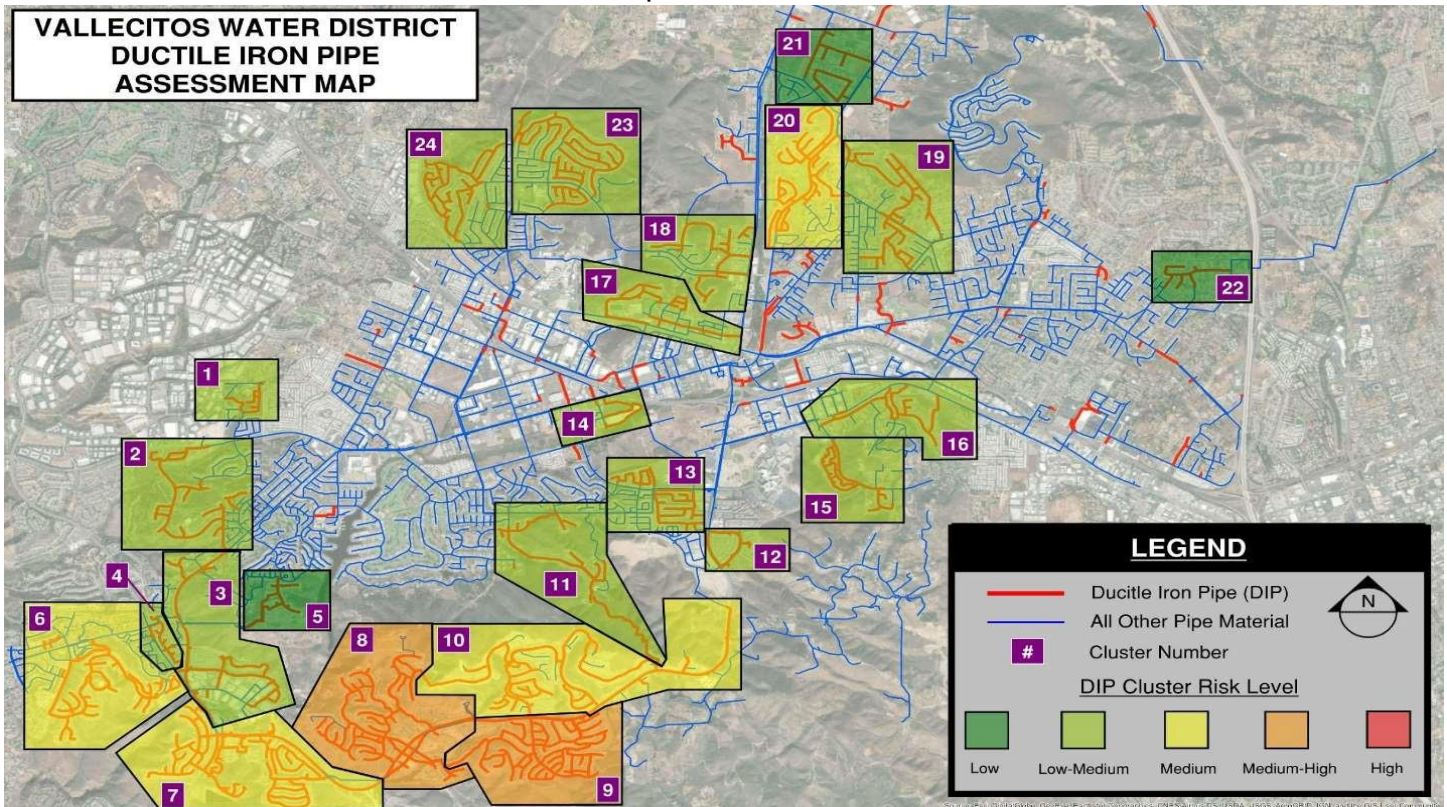
The first pilot testing area has been identified as Cluster Areas 8 through 10, which includes approximately 25 miles of ductile iron pipe to be leak detected within this scope of work.

Much of the scope of the work to be performed by V&A Consulting will be for leak detection, accounting for 75% of the budget for this contract. Manual sounding equipment will be placed to detect possible leaks at the distances required to comprehensively cover the area of investigation for the presence of leak noise based on the system pipe material, diameter, and pressure. When warranted, 3 noise loggers will be placed in a designated system area which are programmed to listen and record noise at night when listening conditions are optimal. If leak noise is indicated by the loggers, then the need for further investigation to determine the pipe condition will be documented.

Once the leak detection information is completed, V&A will evaluate this along with soil corrosivity data and integrate the findings into the Program. Future condition assessment efforts with different technologies to determine DIP wall thickness or integrity will also be conducted as part of the overall Program.

On February 8, 2021, this project was presented at the Engineering and Equipment Committee (EE Committee) for committee review and support. At the meeting, the EE Committee supported staff's recommendation.

Exhibit 3: Ductile Iron Pipe Risk-Prioritized Cluster Areas



**FISCAL IMPACT:**

The Ductile Iron Pipe Condition Assessment Program project is identified in the District's fiscal year 2020/2021 budget. The approved Capital budget amount for the Ductile Iron Pipe Condition Assessment Program is \$605,000; \$534,598 will remain for future condition assessments as a part of this Program.

VWD Budget		\$ 605,000
Project Management and Planning	\$6,916	
Inspection Services	\$53,382	
Technical Memorandum	<u>\$10,104</u>	
Subtotal	\$ 70,402	
Remaining Budget		\$ 534,598

**RECOMMENDATION:**

Staff, with support from the Engineering and Equipment Committee, recommends that the Board of Directors authorize the General Manager to enter into a professional engineering services agreement with V&A Consulting in the amount of \$70,402 for project management, inspection services, and evaluation of results of the *Ductile Iron Pipe Condition Assessment Pilot Project*.

VALLECITOS WATER DISTRICT  
Board of Directors Per Diem and Expenses (1)  
Paid October 1st, 2020 through December 31st, 2020

Director Meeting/Seminar	Per Diem		Meeting				Reimb from		Total
	#	Payments	Benefits	Registration	Travel	Lodging	Meals	Other Agencies	
<b>ELITHARP, Craig</b>									
Paid by VWD:									
VWD Meetings	15	\$ 3,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000.00
ACWA	3	600.00	-	375.00	-	-	-	-	975.00
AWWA	-	-	-	275.00	-	-	-	-	275.00
CASA	6	1,200.00	-	-	-	-	-	-	1,200.00
COWU - Council of Water Utilities	1	200.00	-	-	-	-	-	-	200.00
SDCWA	4	800.00	-	-	-	-	-	-	800.00
Water Reuse	2	400.00	-	-	-	-	-	-	400.00
Group Insurance	-	-	273.84	-	-	-	-	-	273.84
Paid by VWD - SDCWA pmt differential	1	50.00	-	-	-	-	-	-	50.00
Paid by SDCWA **	-	150.00	-	-	-	-	-	-	150.00
	<u>32</u>	<u>\$ 6,400.00</u>	<u>\$ 273.84</u>	<u>\$ 650.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,323.84</u>
<b>EVANS, Betty</b>									
Paid by VWD:									
VWD Meetings	13	\$ 2,600.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,600.00
ACWA	2	400.00	-	-	-	-	-	-	400.00
COWU - Council of Water Utilities	1	200.00	-	-	-	-	-	-	200.00
CWA	2	400.00	-	-	-	-	-	-	400.00
Group Insurance	-	-	2,855.73	-	-	-	-	-	2,855.73
Paid by VWD - COWU pmt differential	-	50.00	-	-	-	-	-	-	50.00
Paid by VWD - SDCWA pmt differential	-	350.00	-	-	-	-	-	-	350.00
Paid by SDCWA **	-	1,650.00	-	-	-	-	-	-	1,650.00
	<u>18</u>	<u>\$ 5,650.00</u>	<u>\$ 2,855.73</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,505.73</u>
<b>HERNANDEZ, James</b>									
Paid by VWD:									
VWD Meetings	12	\$ 2,400.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,400.00
COWU - Council of Water Utilities	1	200.00	-	-	-	-	-	-	200.00
CWA	2	400.00	-	-	-	-	-	-	400.00
Group Insurance	-	-	4,710.63	-	-	-	-	-	4,710.63
Paid by EWA - Encina JPA	3	652.23	-	-	-	-	-	-	652.23
	<u>18</u>	<u>\$ 3,652.23</u>	<u>\$ 4,710.63</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,362.86</u>
<b>MARTIN, Hal</b>									
Paid by VWD:									
VWD Meetings	16	\$ 3,200.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,200.00
COWU - Council of Water Utilities	2	400.00	-	-	-	-	-	-	400.00
CSDA - CA Special Districts Assoc	1	200.00	-	-	-	-	-	-	200.00
Group Insurance	-	-	2,091.90	-	-	-	-	-	2,091.90
Paid by EWA - Encina JPA	4	869.64	-	-	-	-	-	-	869.64
	<u>23</u>	<u>\$ 4,669.64</u>	<u>\$ 2,091.90</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,761.54</u>
<b>SANNELLA, Mike</b>									
Paid by VWD:									
VWD Meetings	14	\$ 2,800.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,800.00
COWU - Council of Water Utilities	2	400.00	-	-	-	-	-	-	400.00
CWA	1	200.00	-	-	-	-	-	-	200.00
Group Insurance	-	-	5,793.96	-	-	-	-	-	5,793.96
	<u>17</u>	<u>\$ 3,400.00</u>	<u>\$ 5,793.96</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,193.96</u>
<b>TOTALS (1)</b>	<u>108</u>	<u>\$ 23,771.87</u>	<u>\$ 15,726.06</u>	<u>\$ 650.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,147.93</u>

(1) Includes both expenses paid directly by the Agencies and reimbursements of expenses paid by Board members.  
Presented in accordance with ordinance number 194, effective 5/17/2015. (Board per Diem, \$200/meeting)

\* As of 3rd Qtr 2020- EWA meetings are \$217.41 each - VWD payment differential no longer applies

\*\* SDCWA only required to publish report for Boardmember payments once per year. Fiscal Year End, June 30th

**VWD Director's Compensation for Oct-Dec 2020**  
**Payments from EWA (Encina Wastewater Authority)**

<u>NAME</u>	<u>EWA DATE</u>	<u>CHECK NO</u>	<u>INVOICE NET</u>	<u>DESCRIPTION</u>
HAL MARTIN	10/01/2020	4750	\$217.41	EWA MEETING 10-28-2020
HAL MARTIN	11/01/2020	4857	217.41	EWA MEETING 11-18-2020
HAL MARTIN	11/01/2020	4807	217.41	PFC MEETING 11-10-2020
HAL MARTIN	12/01/2020	4905	217.41	PFC MEETING 12-01-2020
		Meetings Only	<u>\$869.64</u>	
JIM HERNANDEZ	10/01/2020	189559	\$217.41	EWA MEETING 10-28-2020
JIM HERNANDEZ	12/01/2020	189680	217.41	CIC MEETING 12-02-20
JIM HERNANDEZ	12/01/2020	189680	217.41	EWA MEETING 12-09-2020
		Meetings Only	<u>\$652.23</u>	

**VWD Director's Compensation for Oct-Dec 2020**  
**Payments from SDCWA (San Diego County Water Authority)**

<u>Director</u>	<u>Check</u>	<u>Chk Date</u>	<u>Per Diem Payments</u>	<u>Mileage</u>	<u>Travel/Other</u>	<u>Total</u>
BETTY EVANS	207541	10/8/2020	\$900.00	\$0.00	\$0.00	\$900.00
BETTY EVANS	209066	12/31/2020	\$750.00	\$0.00	\$0.00	\$750.00
CRAIG ELITHARP	39355	12/17/2020	\$150.00	\$0.00	\$0.00	\$150.00
<b>Total</b>			<b>\$1,800.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,800.00</b>