

**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, SEPTEMBER 15, 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

PLEDGE OF ALLEGIANCE

ROLL CALL

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

ADOPT AGENDA FOR THE REGULAR MEETING OF SEPTEMBER 15, 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.

PRESENTATION

President Sannella will acknowledge Meter Services Supervisor Chris Tapia's attainment of his certifications for Backflow Prevention Assembly General Tester and Cross – Connection Control Program Specialist from the American Water Works Association California-Nevada Section.

CONSENT CALENDAR

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

1.1 APPROVAL OF MINUTES (pp. 7-15)

- A. FINANCE/INVESTMENT COMMITTEE MEETING – AUGUST 24, 2021
- B. REGULAR BOARD MEETING – SEPTEMBER 1, 2021

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

**Recommendation: Approve Minutes**

1.2 WARRANT LIST THROUGH SEPTEMBER 15, 2021 - \$1,830,254.30 (pp. 16-18)

**Recommendation: Approve Warrant List**

1.3 FINANCIAL REPORTS (pp. 19-38)

- A. WATER METER COUNT – AUGUST 31, 2021
- B. WATER PRODUCTION/SALES REPORT – 2021/2022
- C. PER CAPITA WATER CONSUMPTION – AUGUST 31, 2021
- D. WATER REVENUE AND EXPENSE REPORT – AUGUST 31, 2021
- E. SEWER REVENUE AND EXPENSE REPORT – AUGUST 31, 2021
- F. RESERVE FUNDS ACTIVITY – AUGUST 31, 2021
- G. INVESTMENT REPORT – AUGUST 31, 2021
- H. LEGAL FEES SUMMARY – AUGUST 31, 2021

1.4 FINAL ACCEPTANCE OF WATER AND SEWER IMPROVEMENTS FOR ORCHARD HILLS SUBDIVISION IMPROVEMENTS (WARMINGTON RESIDENTIAL CALIFORNIA, INC.) (pp. 39-41)

*The project is located on Richland Road between Tuscany Avenue and Tres Rancheros Lane in unincorporated San Diego County.*

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

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

ACTION ITEM(S)

2.1 WATER SUPPLY CONDITIONS UPDATE (pp. 42)

**Recommendation: For information only**

2.2 REDISTRICTING PROCESS (pp. 43)

*The Board requested additional information on the District's redistricting process.*

**Recommendation: For information only**

2.3 WATER SERVICE SHUT-OFF MORATORIUM (pp. 44)

*Executive Order N-42-20 prohibiting water service shutoffs for non-payment is set to expire on September 30, 2021.*

**Recommendation: Request Board direction**

2.4 DISCUSSION REGARDING THE RETURN TO IN-PERSON PUBLIC MEETINGS  
(pp. 45)

*The Executive Order temporarily modifying the Brown Act rules regarding how public meetings are conducted is set to expire on September 30, 2021.*

**Recommendation: For discussion and Board direction**

\*\*\*\*\*END OF ACTION ITEMS\*\*\*\*\*

REPORTS

3.1 GENERAL MANAGER

3.2 DISTRICT LEGAL COUNSEL

3.3 SAN DIEGO COUNTY WATER AUTHORITY

3.4 ENCINA WASTEWATER AUTHORITY

- Board of Directors Meeting
- Capital Improvement Committee
- Policy and Finance Committee

3.5 STANDING COMMITTEES

3.6 DIRECTORS REPORTS ON MEETINGS/CONFERENCES/SEMINARS  
ATTENDED

\*\*\*\*\*END OF REPORTS\*\*\*\*\*

OTHER BUSINESS

4.1 MEETINGS (pp. 46)

**Association of California Water Agencies Fall Conference**

November 30 – December 2, 2021

Option of Virtual or In-Person Attendance – Pasadena Convention Center

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

5.1 DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

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

6.1 ADJOURNMENT

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

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

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

AFFIDAVIT OF POSTING

I, Diane Posvar, Executive Secretary of the Vallecitos Water District, hereby certify that I caused the posting of this Agenda in the outside display case at the District office, 201 Vallecitos de Oro, San Marcos, California by 5:00 p.m., Friday, September 10, 2021.

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



American Water Works Association  
**California-Nevada** Section

**Christopher J. Tapia**

Be it known that

acceptable evidence of qualification by education, training, and experience  
is hereby granted this Certificate of competency as a

having submitted

*Backflow Prevention Assembly*

*General Tester*

Witness our Hand and Seal,

this July 24, 2021

Certificate Number: 18333

Certification Director  
California-Nevada Section, AWWA



American Water Works Association  
**California-Nevada** Section

**Christopher J. Tapia**

Be it known that

acceptable evidence of qualification by education, training, and experience  
is hereby granted this Certificate of competency as a

having submitted

*Cross-Connection Control Program*

*Specialist*

Witness our Hand and Seal,

this July 31, 2021

Certificate Number: 03299

Certification Director  
California-Nevada Section, AWWA

MINUTES OF A MEETING OF THE  
FINANCE/INVESTMENT COMMITTEE  
OF THE VALLECITOS WATER DISTRICT  
MONDAY, AUGUST 24, 2021 AT 3:30 P.M.  
VIA TELECONFERENCE

Director Sannella called the meeting to order at the hour of 3:30 p.m. The meeting was held via teleconference.

Present: Director Boyd-Hodgson  
Director Sannella  
General Manager Pruim  
District Engineer Gumpel  
Finance Manager Owen  
Accounting Supervisor Rathsam  
Public Information/Conservation Supervisor Robbins  
Principal Financial Analyst Arthur  
Administrative Secretary Johnson

ITEM(S) FOR DISCUSSION

SCHOLARSHIP PROGRAM

General Manager Pruim stated Director Hernandez requested the District consider funding a scholarship program targeting students headed to an institution of higher education in a field related to the work that is done at the District and suggested an amount of \$5,000 per scholarship.

The Committee was generally in favor of a scholarship program as a compliment to the proposed internship program. Staff will present additional information at the next Public Awareness/Personnel/Policy (P3) Committee meeting.

BILL PAYMENT PLANS/SHUTOFFS

General Manager Pruim stated the District curtailed shutoffs due to non-payment for water and wastewater accounts in February 2020 ahead of the state-wide Water Shutoff Emergency Executive Order which will expire on September 30, 2021.

Finance Manager Owen discussed efforts Customer Service staff have made to reach out to customers, including letters, phone calls and bill inserts, reminding them of the approaching deadline and asking them to contact the District to set up payment plans for past due balances. Staff will be seeking direction from the Board regarding potential service shutoffs after September 30.

General discussion took place regarding the need for flexibility, possibly extending the District's shutoff moratorium through the end of this year, offering payments plans, the number of customers affected, and how to handle customers who do not respond to the District regarding their past due accounts.

#### UTILITY BILL PAYMENT ARREARAGES FUNDING PROGRAM

Finance Manager Owen discussed the State Water Resources Control Board's (SWRCB) Water and Wastewater Arrearage Payment Program. Several staff participated in the SWRCB's webinar on August 19 regarding the program. The SWRCB has \$985 million to distribute through the program. Past due bills from March 2020 to June 2021 will be eligible for the program and must be for water service only not including late fees or wastewater charges. Agricultural and irrigation are not eligible. Past due wastewater bills will be considered if there are funds left over after the water bills have been processed.

Finance Manager Owen stated the District will be participating in the SWRCB's survey which is required to be eligible for the program. Staff is gathering information to be submitted prior to the September 10 survey deadline. The District will need to determine how funds received through the program will be distributed to the past due accounts. Staff will update the Board as new information is received.

#### TIMING OF COLLECTION OF CAPACITY FEES

District Engineer Gumpel stated this item was discussed at the August 18, 2021, Board meeting in conjunction with questions Director Boyd-Hodgson had regarding construction agreements, specifically the impact of collecting capacity fees immediately as compared to what is expected at project completion.

Director Boyd-Hodgson requested a discussion on a process where a percentage of capacity fees are paid up front, a percentage paid at some point along the construction process, and a percentage paid when the service is turned on. Director Sannella expressed his opinion that the current policy of collecting capacity fees at the completion of a project benefits the District in that developers who delay paying capacity fees at the front end must pay the current fees which may have increased since the start of their project. He requested staff provide analysis of this.

Finance Manager Owen presented an analysis of the timing of the collection of capacity fees and he concurred with Director Sannella. It does benefit the District to collect capacity fees at the completion of a project rather than inception in most scenarios. The District's capacity fees are reviewed every year using the Construction Inflation Index.

General discussion took place regarding the frequency of capacity fees studies, the capacity fee rate model, and the correlation between the Master Plan and capacity fees and capacity fee studies. It was noted that developers are allowed to pay capacity fees



up front if they wish, and that debt is issued to pay for projects and capacity fees pay for the debt service costs of projects.

Staff plans to provide a presentation regarding the Master Plan process to the Board in October. General Manager Pruim suggested the timing of the collection of capacity fees be brought before the Board shortly after they have heard the Master Plan presentation. The Committee concurred with this suggestion.

### 2015 DEBT REFINANCING

Finance Manager Owen stated the District's debt management policy requires staff to proactively communicate with the investment community, including municipal advisers, to ensure the District's debt is financed at the lowest possible rate at all times. He briefly reviewed the District's outstanding debt issuances, two of which are private placement loans currently at extremely low interest rates that would not benefit the District to refinance. The 2015 debt, currently at 5%, is a tax exempt debt issuance, which is bonds that are issued to the market and are callable typically after a ten-year period. Often the most opportune time to refinance tax exempt debt is when it is callable. The 2015 debt is not callable until 2025; however, staff is considering two options to refinance the debt: 1) Taxable Advance Refunding and 2) Tax Exempt Forward Direct Purchase. The first option would be to refund the debt now which would result in savings to the District, but it would change the debt status to taxable and would have negative arbitrage of approximately \$1.4 million. The second option would allow the District to maintain its tax exempt status for the bonds, lock in a rate at today's interest rates, sell the bonds to Morgan Stanley, and then in four years they would refinance it automatically. The District would continue to pay 5% during the next four years. This option would not extend the debt out further and has the potential to save the District approximately \$2.8 million over 20 years. Staff is reviewing the benefits to the District of the second option as well as the costs involved.

General discussion took place. The Committee recommended this item be brought to the Board for consideration.

### COST OF SERVICE STUDY UPDATE

Public Information/Conservation Supervisor Robbins discussed proposed revisions to the District's current drought ordinance to bring the ordinance in line with the District's recently approved Urban Water Management Plan and the related Water Shortage Contingency Plan. Revisions to the ordinance include:

- The state suggests six levels of drought. The current ordinance has four.
- The revised ordinance is in line with what the San Diego County Water Authority (SDCWA) proposes for more consistency among the agencies throughout the region.
- Permanent water waste prohibitions will remain in place.
- Penalties/fines for violations were not revised.

Public Information/Conservation Supervisor Robbins stated the revised drought ordinance ties in with the Cost of Service Study (COSS) to include three different drought rates that would go into effect if the various levels of drought were invoked. He would like to present the revised drought ordinance to the P3 Committee in September and to the Board for approval in October. He feels there may be efforts in the region to invoke some of the voluntary drought measures and he would like to ensure the District is prepared if that happens.

General Manager Pruim noted the drought ordinance may be revised without changes to rates, but rates cannot be changed to include drought rates without the ordinance.

General discussion took place regarding the SDCWA's messaging of adequate water supplies in the region and the District's water conservation messaging.

Finance Manager Owen stated staff is working with Raftelis to develop drought rates to be included in the rate ordinance. He provided an update on the COSS. The rate model has been updated to include the most recent SDCWA rate increases and the budgeted revenue requirements. Additional items under consideration are pass-through of fixed charges and a potential irrigation rate. Raftelis is currently drafting a preliminary report to be used in conjunction with the rate model.

Finance Manager Owen presented a tentative schedule for the COSS as follows:

- 9/15/21 – Board Workshop
- 10/6/21 – Board Workshop
- 10/15/21 – Notice of Public Hearing Mailed
- 12/1/21 – Public Hearing
- 1/1/22 – New Rates in Effect

General discussion took place. The Committee recommended delaying the rate model implementation until February 1, 2022, so that the public hearing is not scheduled during the start of the holiday season and the process does not coincide with possible COVID relief funds coming in and the end of service shutoffs.

#### OTHER BUSINESS

None.

#### PUBLIC COMMENT

None.

#### ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at the hour of 5:10 p.m.

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE VALLECITOS WATER DISTRICT  
WEDNESDAY, SEPTEMBER 1, 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  
Systems Administrator Drummond  
Administrative Secretary Johnson

Director Pennock led the pledge of allegiance.

ADOPT AGENDA FOR THE REGULAR MEETING OF SEPTEMBER 1, 2021

21-09-01 MOTION WAS MADE by Director Hernandez, seconded by Director Pennock, and carried unanimously, to adopt the agenda for the Regular Board Meeting of September 1, 2021.

PUBLIC COMMENT

None.

CONSENT CALENDAR

21-09-02 MOTION WAS MADE by Director Boyd-Hodgson, seconded by Director Elitharp, and carried unanimously, to approve the Consent Calendar as presented.

1.1 Approval of Minutes

A. Regular Board Meeting – August 18, 2021

1.2 Warrant List through September 1, 2021 - \$2,049,722.76

1.3 Approval of Construction Agreement for Murai Residential Development Water and Sewer Improvements (CR Murai, LLC.)

1.4 Financial Institution Registry and Authorization

ACTION ITEM(S)

ADOPTION OF RESOLUTION RECOGNIZING THE ANNEXATION INTO THE VALLECITOS WATER DISTRICT OF CERTAIN PROPERTIES DESIGNATED AS "MURAI RESIDENTIAL DEVELOPMENT" ORDERING ANNEXATION INTO SEWER IMPROVEMENT DISTRICTS 1, 2 & 6 (CR MURAI, LLC.)

District Engineer Gumpel provided background information about the Murai Residential Development. The 91.65 acre project property is within the District's water service area; however, none of the project is currently within the District's sewer service area. The Board approved the sewer-only annexation with conditions on October 7, 2020. The developer has met all of the conditions, paid the annexation fees, and is ready to move forward with the development which will consist of 67.59 developed acres. The remaining 24.06 acres will be dedicated open space that will not be developed or annexed.

Staff recommended the Board adopt the resolution recognizing the annexation of 67.59 acres of the Murai Residential Development into the Vallecitos Water District and ordering the annexation of 67.59 acres into Sewer Improvement Districts 1, 2 & 6.

21-09-03 MOTION WAS MADE by Director Elitharp, seconded by Director Pennock, and carried unanimously, to adopt the resolution recognizing the annexation of 67.59 acres of the Murai Residential Development into the Vallecitos Water District and ordering the annexation of 67.59 acres into Sewer Improvement Districts 1, 2 & 6.

Resolution No. 1601 - The roll call vote was as follows:

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

APPROVAL OF CONSTRUCTION AGREEMENT AMENDMENT FOR THE WAIVER OF FULL PROPERTY LINE FRONTAGE SEWER MAIN EXTENSION FOR MISSION VILLAS IMPROVEMENTS (KB HOME COASTAL, INC.)

District Engineer Gumpel provided a brief history of the project, which was discussed at the August 18, 2021, Board meeting. At that meeting, KB Home Coastal, Inc. (KB), the project developer, requested the Board consider waiving a condition of the construction agreement that was approved by the Board at their June 16, 2021, meeting, specifically the requirement to construct a 203 linear foot (LF) sewer extension along the entire Woodward Street frontage of the property. Staff discussed several options with KB, including an in lieu

payment to build the sewer extension and limit the District's potential liability, and an agreement with the neighboring Reza/Shera property that they would sewer to the north. The agreement was not completed. The Board requested this item be placed on this agenda for consideration of the waiver of the 203 LF sewer extension.

Staff recommended the Board authorize the General Manager to execute an amendment to the construction agreement for the Mission Villas project, waiving the approximate 203 LF of full frontage sewer main line extension for the project on Woodward Street.

General discussion took place during which it was clarified that the recommended amendment to the construction agreement does not include the in lieu payment.

21-09-04 MOTION WAS MADE by Director Hernandez, seconded by President Sannella, and carried 4 – 1, with Director Boyd-Hodgson voting no, to authorize the General Manager to execute an amendment to the construction agreement for the Mission Villas project, waiving the approximate 203 LF of full frontage sewer main line extension for the project on Woodward Street.

#### VOTING REDISTRICTING PRESENTATION

General Manager Pruum stated public agencies with elected offices are required to redraw their political boundaries every decade based on the most recent census data.

District Engineer Gumpel stated districting is the process of creating or adjusting the election district division boundaries for a government agency such as Vallecitos Water District. The District's divisions are only for the purpose of electing members to its Board of Directors and serve no other operational purpose. He presented an overview of redistricting which included:

- Districting – General Criteria
- Redistricting – Primary Drivers for Vallecitos are Census and Growth
- Redistricting Process
- Division Boundary Changes – Pre-2010 to 2012
- Division Population and Director Changes – 2012 to 2016 to 2020

General discussion took place. Director Boyd-Hodgson proposed allowing communities of interest input to be included in the District's redistricting process before the first draft of the maps are drawn.

Legal Counsel Gilpin recommended placing staff's proposed redistricting process on the next Board agenda. Staff will provide more detail and a timeline of the process for the Board's consideration.

This item was presented for information only.

## REPORTS

### GENERAL MANAGER

General Manager Pruim provided an update on the State Water Resources Control Board's (SWRCB) Water and Wastewater Arrearage Payment Program to assist customers who have fallen behind on their water and wastewater bills. Staff attended the SWRCB's workshop on August 19, and is the process of applying to be eligible to receive funding from the program. \$985 million was set aside for overdue water and wastewater bills starting with water bills and then wastewater bills if there are funds left over. Bills from March 2020 to June 2021 are eligible. Accounts must be more than 60 days past due and only residential and commercial customers are eligible. Late fees are not eligible and will need to be deducted from the bills when submitting them for funding. Funds received by the District must be credited to eligible customer accounts, lowering or eliminating balances on their overdue accounts. Higher balances will receive consideration for funding before lower balances. Customers with remaining balances after credits have been applied must be offered a payment plan, and customers on a payment plan cannot have their services shut off unless they fail to comply with the terms of the payment plan. Staff will update the Board as new information is received.

### DISTRICT LEGAL COUNSEL

Legal Counsel Gilpin stated the deadline to complete the SWRCB's survey to be eligible for the Water and Wastewater Arrearage Payment Program is September 10.

### SAN DIEGO COUNTY WATER AUTHORITY

Director Elitharp provided a summary of actions the SDCWA Board took at their August 26, Board meeting.

### ENCINA WASTEWATER AUTHORITY

Director Hernandez stated the ad hoc committee has hired a consultant in the General Manager recruitment process, final criteria has been determined, and the process is moving forward.

### STANDING COMMITTEES

President Sannella stated the Finance/Investment Committee met last week. Agenda items included the proposed scholarship program, bill payment plans/shutoffs, timing of collection of capacity fees, potential refinancing of 2015 debt, and a Cost of Service Study update.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

President Sannella and Director Hernandez reported on their attendance to the California Special Districts Association San Diego Chapter quarterly dinner meeting on August 19.

OTHER BUSINESS

None.

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

None.

ADJOURNMENT

There being no further business to discuss, President Sannella adjourned the Regular Meeting of the Board of Directors at the hour of 5:57 p.m.

A Regular Meeting of the Vallecitos Board of Directors has been scheduled for Wednesday, September 15, 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





VALLECITOS WATER DISTRICT  
WARRANTS LIST  
September 15, 2021

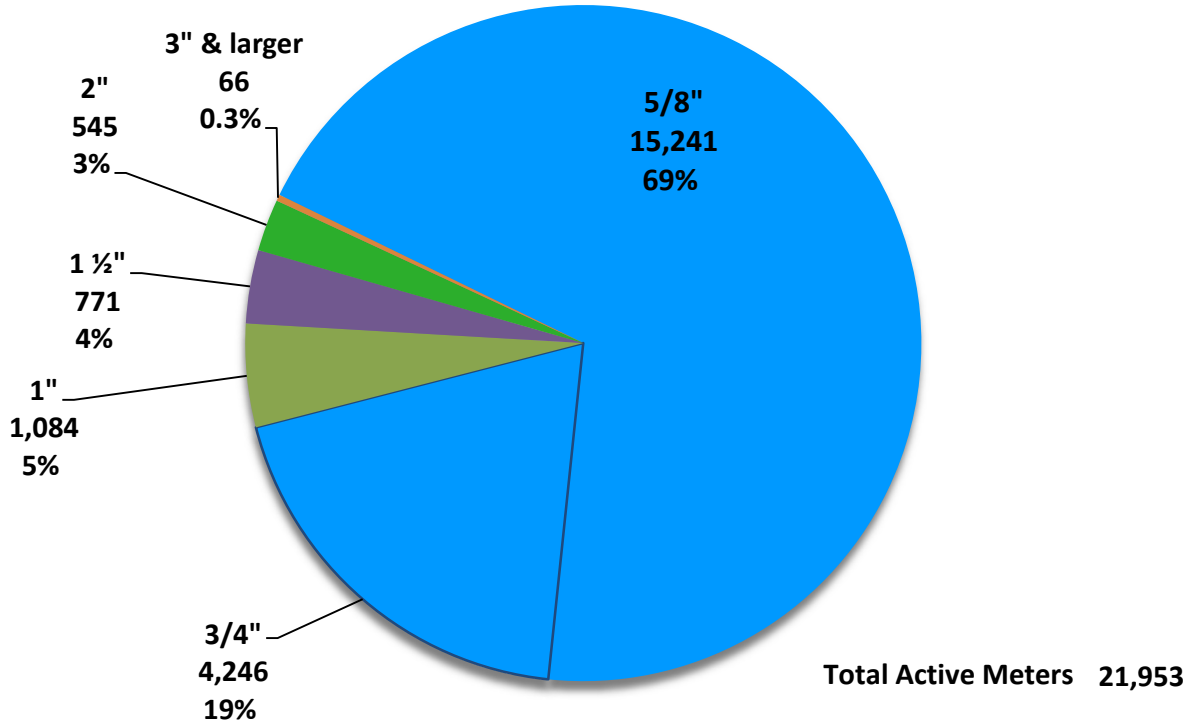
PAYEE	DESCRIPTION	CHECK#	AMOUNT
<b>CHECKS</b>			
Advanced Imaging Solutions	Copier Lease - Aug	122418	2,451.32
Aloha Printing	Engineering Grid Pads	122419	161.86
Audio Associates of San Diego	Technology Infrastructure Upgrades Prj 20201-23	122420	9,905.00
Garnishments	Payroll Garnishments	122421 through	-
AM Conservation Group Inc	Out Reach & Advertising Prj 20211-42	122423	777.00
Shawn Askine	Office Supplies Reimbursement	122424	113.41
AT&T	Phone Svc - Aug	122425	23.33
Black & Veatch Corporation	MRF - Tertiary Chamber Prj 20181-11 & Soduim Hypochlorite Prj 20171-2	122426	24,122.13
Boncor Water Systems	Soft Water Svc - Aug	122427	1,037.50
CCI	Water Treatment - Aug	122428	220.00
Core & Main LP	Valve Replacement Prj 20221-12	122429	2,155.90
CWC San Marcos 100 LLC	Closed Account Refund	122430	2,507.80
CWEA	CWEA Cert & Membership Renewal - D. Saavedra	122431	293.00
CWEA	CWEA Cert Renewal - I. Murgia	122432	192.00
Doane & Hartwig Water Systems Inc	Chlorine Analyzer Parts - MRF	122433	1,737.69
Doris Devereux	Closed Account Refund	122434	94.39
Emily Brandenberger	Closed Account Refund	122435	82.05
Employment Screening Services Inc	Employee Screening Services	122436	105.00
Fedex	Shipping Svcs Prj 20211-727	122437	23.67
Fisher Scientific LLC	Lab Supplies	122438	149.78
Greg McIntosh	Closed Account Refund	122439	196.95
Gregory Clayton	Deposit Refund Prj 20221-681	122440	2,000.00
Honora & Nicholas Hoo	Closed Account Refund	122441	55.22
Infrastructure Engr Corp	Wulff Pressure Reducing Station Prj 20221-10 & Sewer Bypass Rehab Prj 20211-3	122442	31,202.50
Instrumart	MRF - Level Sensor & Display Tank 1	122443	1,564.75
Interstate Batteries	Batteries 12 - Coggan Tank & Vehicle Batteries - 2	122444	957.92
ITI Cabling	Meraki Hardware Installation	122445	7,088.00
Jack Henry & Assoc Inc	Remit Plus Services - July	122446	167.60
Jan-Pro of San Diego	Bldg B Cleaning Svcs - Aug	122447	770.00
JCI Jones Chemicals Inc	Chlorine	122448	8,868.18
Lloyd Tucker	Closed Account Refund	122449	55.13
Marissa Alvarez	Closed Account Refund	122450	41.77
Matthew Drogo	Closed Account Refund	122451	33.99
NV5, Inc.	MRF - Failsafe Rehabilitation Prj 20201-5	122452	3,535.00
Ostari Inc	Scada Network Development Prj 20201-4	122453	2,700.00
Pacific Pipeline Supply	Brass Inventory & Consumable Stock Refill, Couplings, Pipes, Restraints	122454	11,401.70
Parkhouse Tire Inc	Tire Replacement - 1	122455	146.17
Patriot Portable Restroom Inc	Portable Restroom Rental - Aug	122456	267.74
Perrault Corporation	Gravel	122457	677.85
Pollard Water	Aluminum Dechlorinator	122458	1,204.16
Progressive Business Publications	Payroll Newsletter 21-22	122459	299.00
Raftelis Financial Consultants Inc	Water Cost of Service Study	122460	2,850.00
Recon Environmental Inc	District Headquarters Environmental Review of Antenna Site Prj 20201-4	122461	3,591.50
Reed Electric Co	Motor Repair of Roughing Pump 2 - MRF	122462	3,985.98
Rosemarie Lucio	Closed Account Refund	122463	132.15
Safety-Kleen Systems Inc	Parts Washer Rental	122464	898.24
SDG&E	Power - July	122465	55,881.94
Scada Integrations	Support Svcs - MRF	122466	425.00
Signpost Homes Inc	Closed Account Refund	122467	94.61
Southern Counties Lubricants, LLC	Diesel Fuel	122468	1,232.04
Standard Insurance Company	LIFE, LTD, & ADD Insurance June - Sept	122469	5,937.46
Staples Advantage	Office Supplies - July	122470	350.37
Steel-Toe-Shoes.com	Safety Boots	122471	150.00
Steven Enterprises Inc	Color Printer/Plotter Replacement - Engineering	122472	5,847.61
TB Penick & Sons Inc	Closed Account Refund	122473	773.04
Terra Verde Energy LLC	Energy Management Study Prj 20221-6	122474	23,600.00
Univar USA Inc	Sodium Bisulfite	122475	2,226.55
V & A Consulting Engineers Inc	Ductile Iron Pipe Condition Assessment Prj 20201-10	122476	38,377.00
Verizon Wireless	Ipad Svc - July	122477	446.06
Walters Wholesale Electric	District Yard Lighting Upgrades - LED Replacements of Old Light Fixtures	122478	11,654.19
Waxie Sanitary Supply	Disinfecting Wipes & Cleaning Supplies	122479	1,091.72
Work Partners Occupational Health	Medical Svcs - July	122480	325.00

VALLECITOS WATER DISTRICT  
WARRANTS LIST  
September 15, 2021

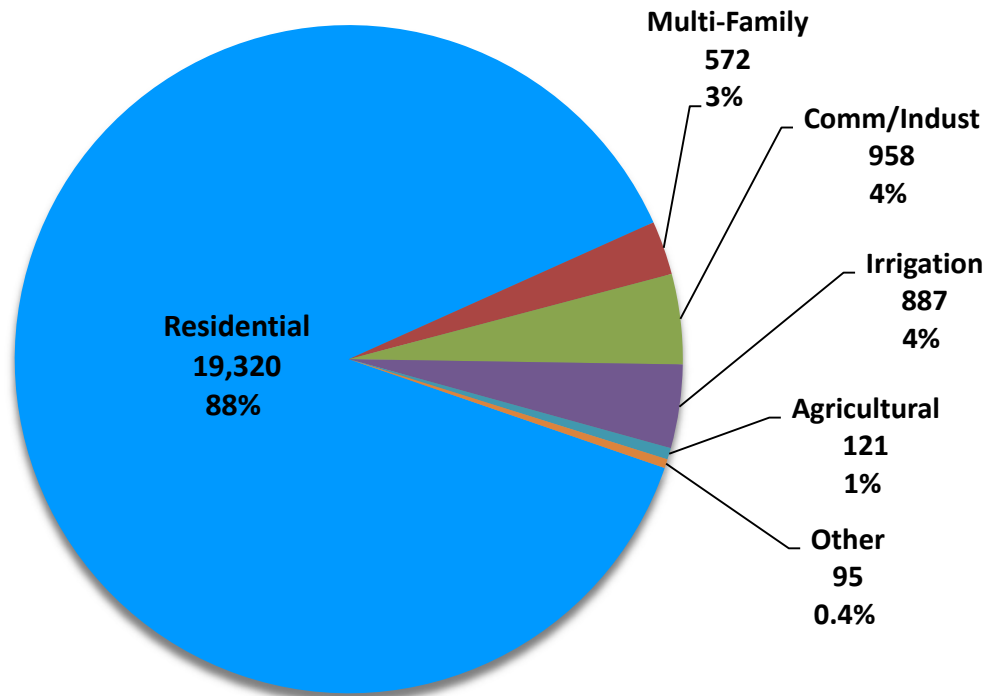
PAYEE	DESCRIPTION	CHECK#	AMOUNT
Allen Instruments & Supplies, LLC	Tools For New Line Locator	122481	1,510.60
Aqua-Metric Sales Co	2" Meters - 10	122482	12,463.66
B & C Crane Service Inc	Crane Rental	122483	435.00
Boot Barn	Safety Boots	122484	150.00
Chris Tapia	AWWA Backflow Course Certification	122485	311.01
Complete Paperless Solutions	Additional Laserfiche Licenses - 6	122486	1,413.58
CWC San Marcos 100 LLC	Closed Account Refund	122487	139.14
Electrical Sales Inc	Hardware Supplies	122488	217.93
Ferguson Enterprises, Inc	Copper Tubing Stock Order	122489	5,762.91
Grainger Inc	Sink & Water Heater Repair - Bldg C & Hardware Supplies	122490	4,112.54
Hach Company	Nitrate Test Strips, Reagent, Lab Supplies	122491	1,109.30
Harper & Associates Inc	Sage Canyon Tank Rehab Prj 20201-6	122492	11,100.00
Hawthorne Machinery Co.	Hardware Supplies	122493	316.14
Hoch Consulting, APC	Land Outfall West Condition Assessment Prj 20201-9	122494	1,955.00
Idexx Distribution Corp.	Lab Supplies	122495	332.39
Jack Doheny Companies, Inc.	Sewer Rakes For Vactors - 4	122496	1,346.87
Lawnmowers Plus Inc	Hardware Supplies	122497	156.38
Lloyd Pest Control	Pest Control Svcs - Aug	122498	504.00
Mallory Safety & Supply, LLC	Safety Supplies	122499	210.74
MGM Plastics Inc	Fabrication of 2 Switch Covers - Headworks MRF	122500	400.00
Michael Baker International, Inc.	Montiel Lift Station Prj 20201-2	122501	3,246.25
Opendoor Labs, Inc	Closed Account Refund	122502	60.65
Penco, Inc.	Calcium Nitrate	122503	32,114.01
San Elijo Joint Powers Authority	North San Diego Water Reuse Coalition 2021	122504	611.11
SHI International Corp.	LED Monitors 15, Meraki Cloud Wireless Access Subscription - 3 Years	122505	5,894.22
Trussell Technologies Inc	Construction Phase Services - MRF Aeration Basin Prj 20191-2	122506	3,740.00
Unifirst Corporation	Uniform Delivery	122507	1,685.64
Weck Analytical Environmental Services, Inc.	Water Sampling	122508	1,640.00
Total Disbursements (89 Checks)			<u>372,195.99</u>
<b>WIRES</b>			
Public Employees Retirement System	Retirement Contribution - September 7, 2021 Payroll	Wire	76,087.68
Bank of America	Bank of America loan payment - Principal	Wire	761,433.40
Bank of America	Bank of America loan payment - Interest	Wire	22,433.40
Union Bank	Union Bank debt payment - Principal	Wire	200,000.00
Union Bank	Union Bank debt payment - Interest	Wire	12,892.57
Total Wires			<u>1,072,847.05</u>
<b>PAYROLL</b>			
Total direct deposits		Wire	242,008.81
VWD Employee Association		122421	554.00
Payroll & Garnishments		122422	689.06
IRS	Federal payroll tax deposits	Wire	96,471.66
Employment Development Department	California payroll tax deposit	Wire	19,605.28
CalPERS	Deferred compensation withheld	Wire	17,955.49
VOYA	Deferred compensation withheld	Wire	7,926.96
Total September 7, 2021 Payroll Disbursements			<u>385,211.26</u>
<b>TOTAL DISBURSEMENTS</b>			<u><u>1,830,254.30</u></u>

Vallejos Water District  
 Active Water Meters  
 August 31, 2021

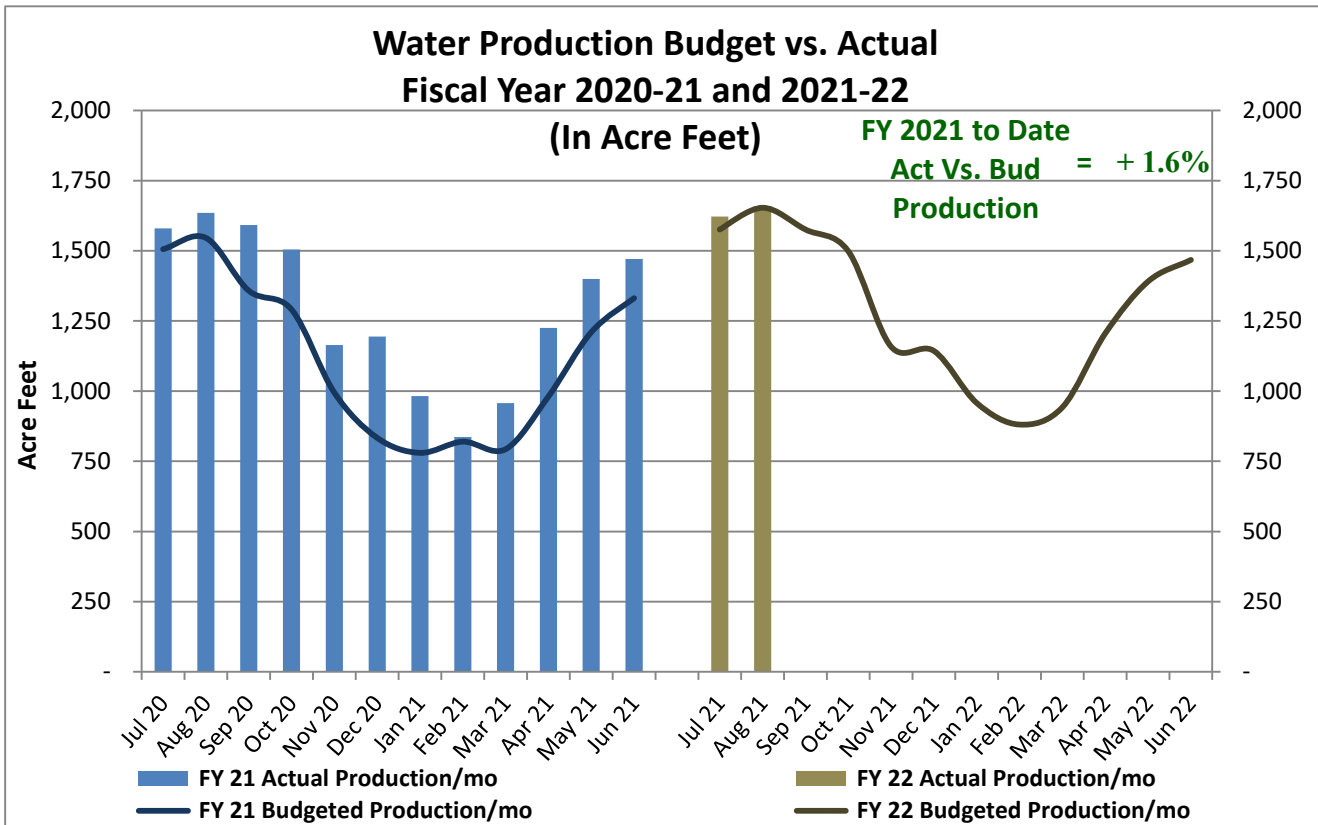
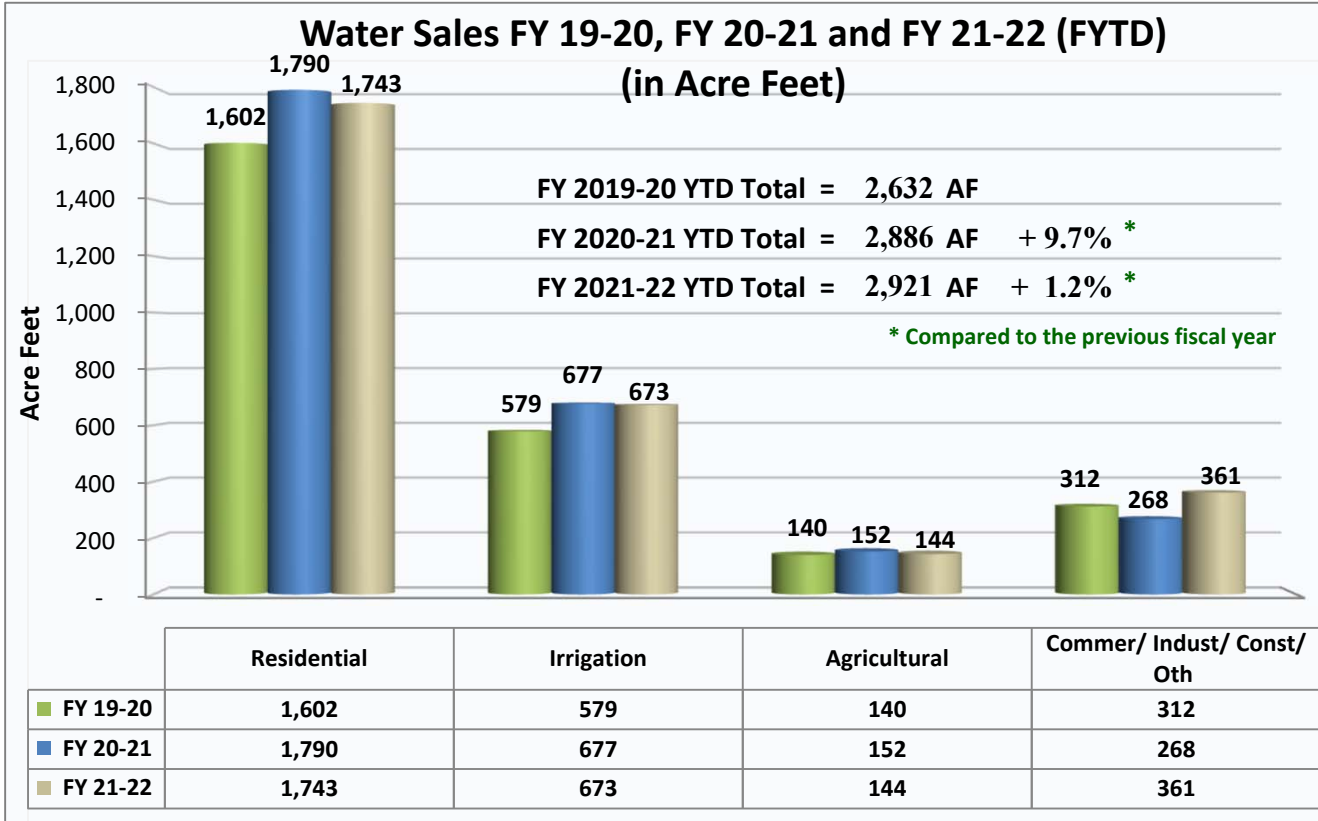
**Active Meters by Size as of August 31, 2021**



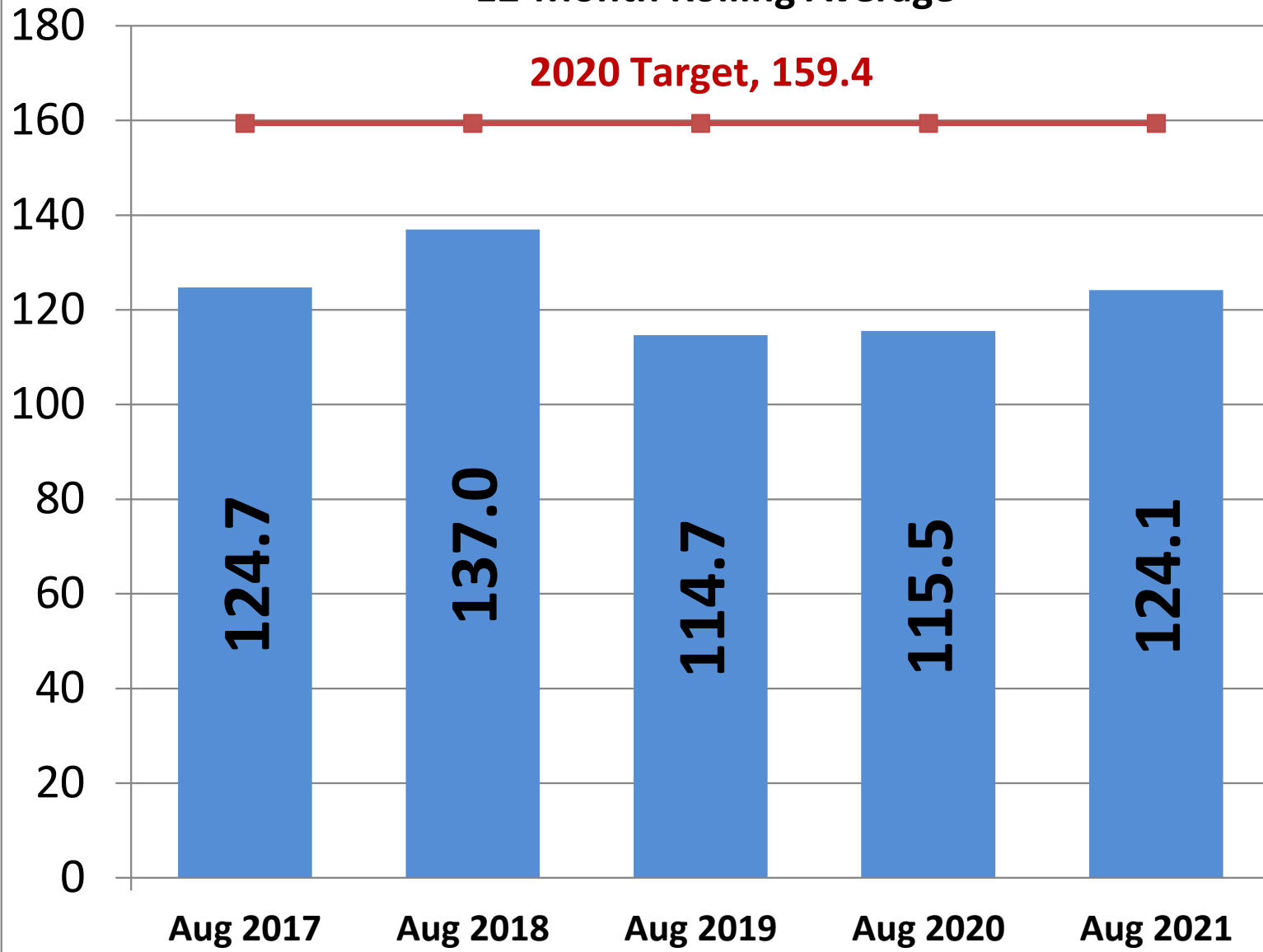
**Active Meters by Type as of August 31, 2021**



Vallejos Water District  
 Water Production/Sales  
 August 31, 2021



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



**DATE: SEPTEMBER 15, 2021**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: MONTHLY FINANCIAL REPORTS**

**BACKGROUND:**

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

**DISCUSSION:**

The Monthly Revenue and Expense reports summarize revenues by service type and expenses by department over the 2-month period. Comparisons to prior year actual and current year budget amounts are also presented. Each statement contains footnotes regarding significant variances exceeding predetermined dollar and percentage amounts. Any excess of revenues over expenses are transferred to reserves and any excess of expenses above revenues are paid for out of reserves. It's important to note that amounts shown in the in the Revenue and Expense reports are unaudited and do not reflect actual transfers to/from reserves. Actual transfers will be posted upon completion of the fiscal year-end audit.

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, debt service, PERS UAL Additional Discretionary Payments (ADP), and interest expense. Unaudited amounts for operating transfers are reflected in the reserve report using the most recent information available at the time of reporting. Actual transfers will be posted upon completion of the audit in November of the following fiscal year which may result in adjustments to the beginning reserve balances.

**RECOMMENDATION:**

For information only.

Vallecitos Water District  
Water Revenue and Expense Report  
For the Two Months Ended August 31, 2021

	Current	Prior Year Actual			Current Year Budget		
	Year	Amount	Variance		Amount	Variance	
	Actual		\$	%		\$	%
<b>Revenue</b>							
Water Sales	\$ 6,796,129	\$6,598,373	\$ 197,756	3.0%	\$6,438,000	\$ 358,129	5.6%
Ready-to-serve	2,445,496	2,433,472	12,024	0.5%	2,380,000	65,496	2.8%
Pumping charges	85,430	90,914	(5,484)	-6.0%	86,000	(570)	-0.7%
Late & lock charges	47,374	40,943	6,431	15.7%	62,000	(14,626)	-23.6%
Backflow fees	19,897	17,875	2,022	11.3%	11,918	7,979	66.9%
Other revenue	52,320	18,208	34,112	187.3%	19,000	33,320	175.4%
Total Revenue	<u>9,446,646</u>	<u>9,199,785</u>	246,861	2.7%	<u>8,996,918</u>	449,728	5.0%
<b>Expenses</b>							
Water costs	6,355,919	6,116,090	239,829	3.9%	6,737,000	(381,081)	-5.7%
Pumping cost recovery	117,836	119,770	(1,934)	-1.6%	190,000	(72,164)	-38.0%
Water quality	10,135	19,122	(8,987)	-47.0%	34,000	(23,865)	-70.2%
Water treatment	59,946	76,115	(16,169)	-21.2%	81,000	(21,054)	-26.0%
Tanks & reservoirs	66,015	29,727	36,288	122.1%	65,000	1,015	1.6%
Trans & distribution	261,867	234,753	27,114	11.6%	316,000	(54,133)	-17.1%
Services	10,376	19,708	(9,332)	-47.4%	10,000	376	3.8%
Meters	130,639	119,693	10,946	9.1%	160,000	(29,361)	-18.4%
Backflow prevention	-	13,692	(13,692)	-100.0%	12,000	(12,000)	-100.0%
Customer accounts	138,077	105,741	32,336	30.6%	148,000	(9,923)	-6.7%
Building & grounds	61,817	57,645	4,172	7.2%	85,000	(23,183)	-27.3%
Equipment & vehicles	38,315	44,066	(5,751)	-13.1%	52,000	(13,685)	-26.3%
Engineering	199,323	237,825	(38,502)	-16.2%	269,000	(69,677)	-25.9%
Safety & compliance	16,213	34,174	(17,961)	-52.6%	52,000	(35,787)	-68.8%
Information Technology	127,013	135,927	(8,914)	-6.6%	188,000	(60,987)	-32.4%
General & administrative	356,241	329,555	26,686	8.1%	526,000	(169,759)	-32.3%
Total Expenses	<u>7,949,732</u>	<u>7,693,603</u>	256,129	3.3%	<u>8,925,000</u>	(975,268)	-10.9%
Net Operating Income	<u>\$ 1,496,914</u>	<u>\$1,506,182</u>	(9,268)	-0.6%	<u>\$ 71,918</u>	1,424,996	1981.4%

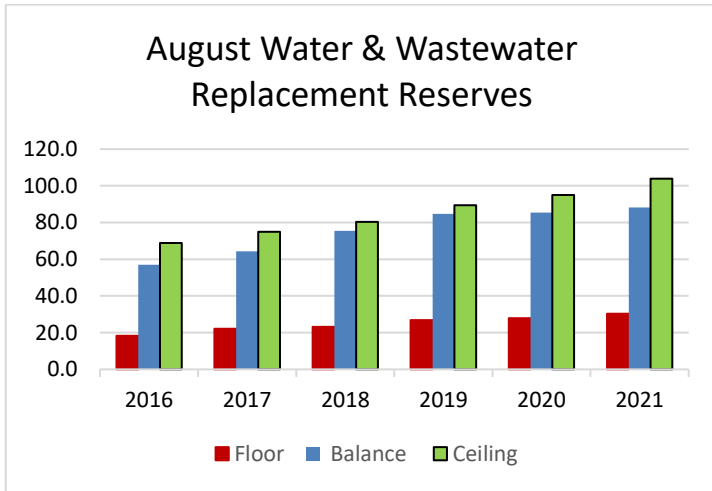
Vallecitos Water District  
Sewer Revenue and Expense Report  
For the Two Months Ended August 31, 2021

	Current	Prior Year Actual			Current Year Budget		
	Year	Amount	Variance		Amount	Variance	
	Actual		\$	%		\$	%
<b>Revenue</b>							
Sewer service charges	\$ 3,102,425	\$ 3,035,720	\$ 66,705	2.2%	\$ 2,919,000	\$ 183,425	6.3%
Reclaimed water sales	495,833	465,667	30,166	6.5%	494,000	1,833	0.4%
Other revenue	29,097	19,479	9,618	49.4%	38,000	(8,903)	-23.4%
Total Revenue	<u>3,627,355</u>	<u>3,520,866</u>	106,489	3.0%	<u>3,451,000</u>	176,355	5.1%
<b>Expenses</b>							
Collection & conveyance	310,789	307,017	3,772	1.2%	394,000	(83,211)	-21.1%
Lift stations	30,022	29,344	678	2.3%	36,000	(5,978)	-16.6%
Source Control	25,089	23,923	1,166	4.9%	33,000	(7,911)	-24.0%
Effluent disposal	556,500	507,500	49,000	9.7%	558,000	(1,500)	-0.3%
Meadowlark	349,044	306,328	42,716	13.9%	508,000	(158,956)	-31.3%
Customer accounts	74,165	66,396	7,769	11.7%	95,000	(20,835)	-21.9%
Building & grounds	42,501	31,234	11,267	36.1%	59,000	(16,499)	-28.0%
Equipment & vehicles	28,227	27,979	248	0.9%	42,000	(13,773)	-32.8%
Engineering	89,977	120,758	(30,781)	-25.5%	149,000	(59,023)	-39.6%
Safety & compliance	8,962	15,312	(6,350)	-41.5%	30,000	(21,038)	-70.1%
Information technology	120,825	117,260	3,565	3.0%	143,000	(22,175)	-15.5%
General & administrative	168,786	224,660	(55,874)	-24.9%	237,000	(68,214)	-28.8%
Total Expenses	<u>1,804,887</u>	<u>1,777,711</u>	27,176	1.5%	<u>2,284,000</u>	(479,113)	-21.0%
Net Operating Income	<u>\$ 1,822,468</u>	<u>\$ 1,743,155</u>	79,313	4.5%	<u>\$ 1,167,000</u>	655,468	56.2%



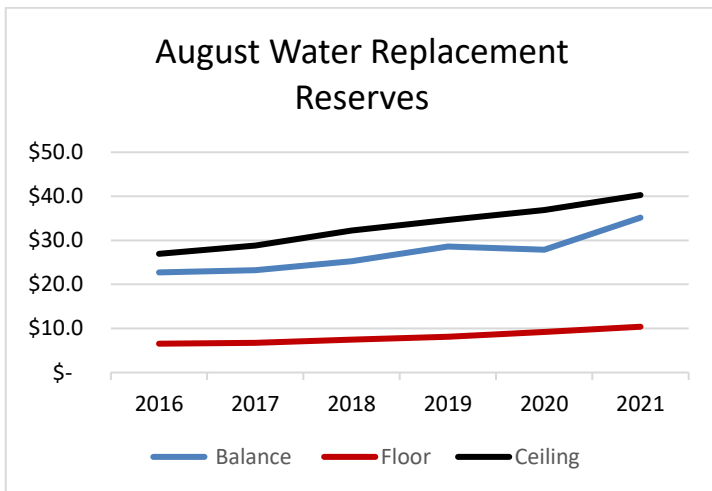
**REPLACEMENT RESERVES**

The District maintains two replacement reserves in cash equivalents and investments: One for the District’s water system, and the other for the District’s wastewater system. The District’s reserve policy establishes a floor of the sum of the next three years of projected system replacement costs, and a ceiling of the sum of the next ten years of system replacement costs. As of August 31, 2021, the total water and wastewater replacement reserve balance was \$88.2 million, 10.6 percent greater than August 31, 2020.



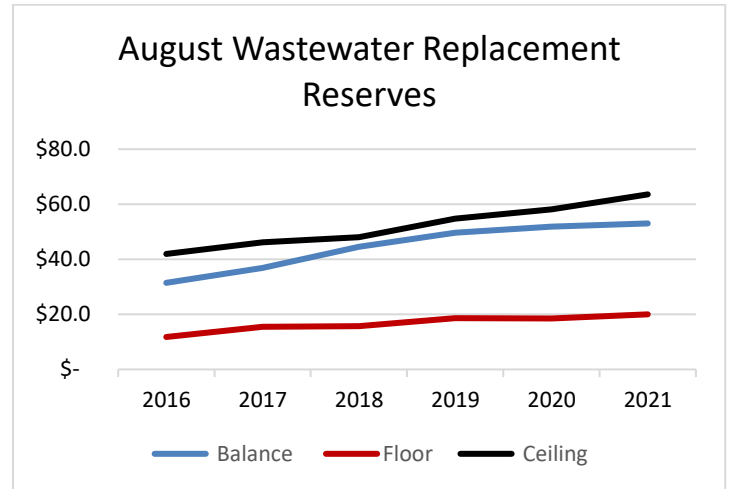
**WATER REPLACEMENT RESERVE**

As of August 31, 2021, the District’s water replacement reserve totaled \$35.2 million, an increase of 26.1 percent, or \$7.3 million, from the same month of the prior year. The month-end balance is within the floor and ceiling established by the reserve policy, leaving the District with sufficient reserves to meet infrastructure replacement needs.



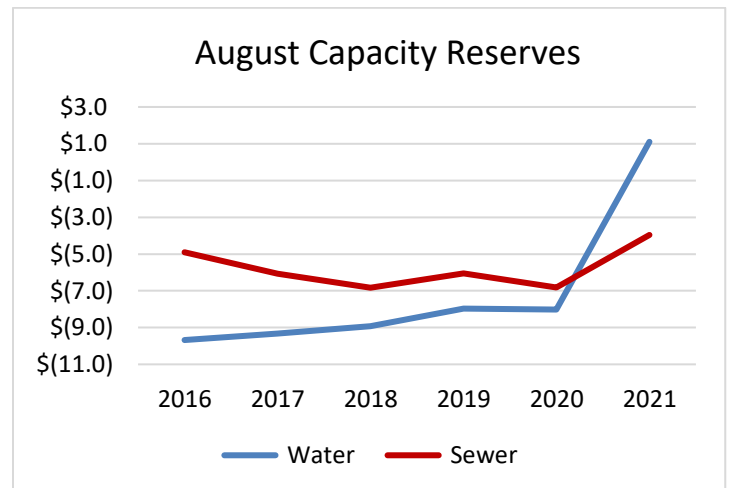
**WASTEWATER REPLACEMENT RESERVE**

As of August 31, 2021, the balance in the District’s wastewater replacement reserve totaled \$53.0 million, a increase of 2.3 percent, or \$1.2 million, from the same month of the prior year. The month-end balance is within the approved floor and ceiling.



**CAPACITY RESERVES**

The District collects capital facility fees from new development and increased demands from existing customers, maintains the collected fees in separate funds (one for water and one for wastewater), and uses the funds exclusively to provide capacity to serve new development and fund future construction of facilities identified in the District’s Master Plan and capital budget. As of August 31, 2021, the water capacity fund had a balance of \$1.1 million and the sewer capacity fund had a deficit of \$3.9 million. The District’s capital facility fees situation is expected to improve with the adoption of the new Master Plan and the corresponding capacity fee study.



**VALLECITOS WATER DISTRICT**

**RESERVE ACTIVITY FOR THE TWO MONTHS ENDED AUGUST 31, 2021**

	110	Water	120	210	Wastewater	220	Total
	Replacement		Capacity	Replacement		Capacity	
BEGINNING BALANCE <sup>(1)</sup>	\$ 39,389,445	\$	(7,925,005)	\$ 60,698,440	\$	(10,591,638)	\$ 81,571,242
REVENUES							
Debt Proceeds	-		-	9,713,631.00		5,150,325.00	14,863,956
Interfund Transfer	-		8,419,000.00	-		1,294,631.00	9,713,631
FY 21/22 Operating Transfers <sup>(2)</sup>	1,496,914		-	1,822,468		-	3,319,382
Capital Facility Fees	-		627,450.38	-		933,195.32	1,560,646
Annexation Fees	765,563.76		-	112,014.80		-	877,579
Investment Earnings	148,607.15		-	72,855.53		-	221,463
Property Tax	28,132.12		-	22,697.81		-	50,830
<b>TOTAL REVENUES</b>	<b>2,439,217</b>		<b>9,046,450</b>	<b>11,743,667</b>		<b>7,378,151</b>	<b>30,607,486</b>
LESS DISTRIBUTIONS							
Capital Projects							
Encina Wastewater Authority Five Year Plan	-		-	1,636,401		-	1,636,401
San Marcos Interceptor Sewer	-		-	321,127		714,768	1,035,895
MRF Headworks - Upgrade/Replace Equipment	-		-	409,706		-	409,706
MRF Biological Selector Improvements	-		-	178,214		-	178,214
MRF Site Lighting Upgrade and Repairs	-		-	84,456		-	84,456
MRF - Replacement of Valve Actuators	-		-	66,451		-	66,451
District-Wide Valve Replacement Program	57,090		-	-		-	57,090
South Lake Pump Station Fence	56,974		-	-		-	56,974
Technology Infrastructure Upgrades	28,737		-	27,610		-	56,347
Land Outfall West Condition Assessment	-		-	38,231		-	38,231
MRF: Conversion to Sodium Hypochlorite	-		-	27,620		-	27,620
Montiel Lift Station And Forcemain Replacement	-		-	18,572		7,586	26,158
Tres Amigos Water Line Replacement Phase 1	25,298		-	-		-	25,298
16-Inch Emergency Bypass Pipeline Rehabilitation	-		-	24,428		-	24,428
Failsafe Buena Sewer Outfall Condition Assessment	-		-	22,279		-	22,279
GEMS AB Suite 6.1 Upgrade	9,906		-	9,517		-	19,423
District Wide Solar Project	9,725		-	9,344		-	19,070
Via Vera Cruz Tank I: Asphalt Repair and Sealcoat	14,140		-	-		-	14,140
District-Wide Valve Replacement Program	14,065		-	-		-	14,065
Ductile Iron Pipe Condition Assessment	13,456		-	-		-	13,456
Sewer Lining and Rehab	-		-	11,837		-	11,837
Palos Vista Tank I: Asphalt Repair and Sealcoat	11,760		-	-		-	11,760
Wulff Pressure Reducing Station	11,121		-	-		-	11,121
Richland Tank I: Asphalt Repair and Sealcoat	10,294		-	-		-	10,294
District-Wide SCADA Upgrade Project	4,310		-	4,141		-	8,452
Richland Tank II: Asphalt Repair and Sealcoat	7,277		-	-		-	7,277
MRF - Tertiary Influent Chamber Repairs	-		-	6,796		-	6,796
Sage Canyon Tank Refurbishment	5,534		-	-		-	5,534
Energy Management Study	2,374		-	2,281		-	4,655
Fire Services - Backflow Preventer Upgrades	4,100		-	-		-	4,100
MRF - Fall Protection Grating Installation	-		-	3,266		-	3,266
Las Posas Water Line Replacement	3,022		-	-		-	3,022
MRF - Odor Scrubber #1 Replacement	-		-	1,572		-	1,572
All other capital projects	539		-	938		-	1,477
Capital Budget - Vehicles/Mobile Equipmnt	2,909		-	2,795		-	5,705
Total Capital Project Expenditures	292,632		-	2,907,585		722,353	3,922,570
Interfund Transfer	-		-	9,713,631		-	9,713,631
Interest Expense	-		16,852	-		25,400	42,252
<b>TOTAL DISTRIBUTIONS</b>	<b>292,632</b>		<b>16,852</b>	<b>12,621,216</b>		<b>747,753</b>	<b>13,678,453</b>
ENDING BALANCE	\$ 41,536,031	\$	1,104,594	\$ 59,820,891	\$	(3,961,240)	\$ 98,500,275
Less: Operating Reserves	6,375,900		-	6,791,700		-	13,167,600
Replacement Reserves/Restricted Funds	\$ 35,160,131	\$	1,104,594	\$ 53,029,191	\$	(3,961,240)	\$ 85,332,675
Replacement reserve floor	\$ 10,394,000			\$ 20,006,200			
Replacement reserve ceiling	\$ 40,281,800			\$ 63,574,100			

**Notes:**

(1) Beginning balances represent ending balances from the prior year which are adjusted to actual cash and investment balances after completion of the audit around November of the current year

(2) Operating transfers from the unaudited revenue and expense reports are calculated using the most recent information available at the time of this report. Included for reporting purposes, actual transfer amounts will differ.

VALLECITOS WATER DISTRICT  
INVESTMENT REPORT FOR AUGUST 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 August follows:

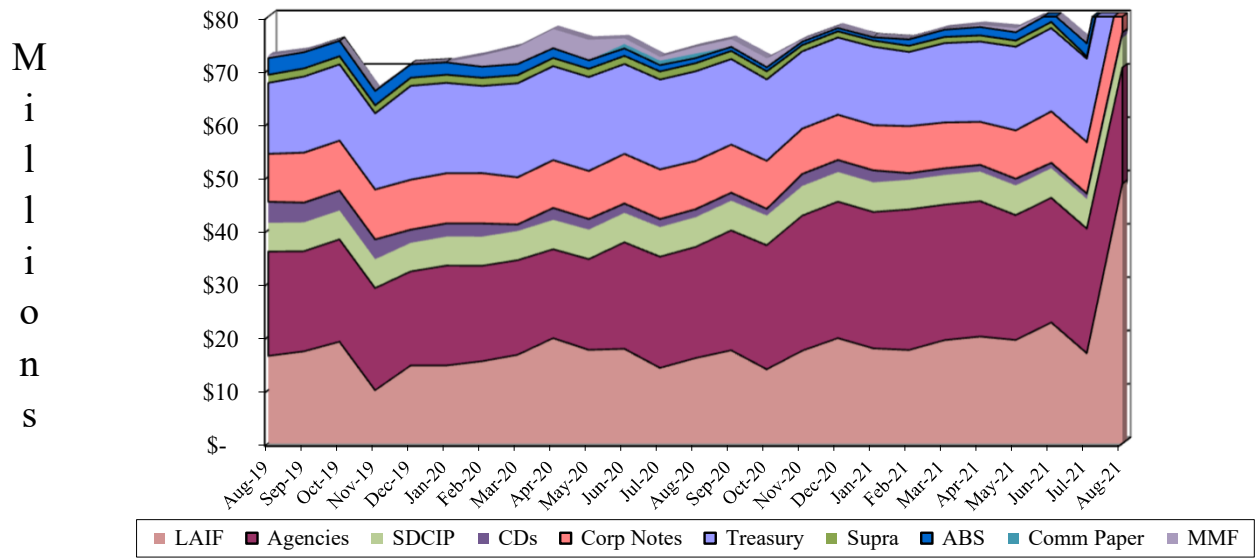
<u>Date</u>	<u>Activity</u>	<u>Investment</u>	<u>Amount</u>	<u>Maturity</u>	<u>Yield</u>
08/03/21	Deposit	LAIF	700,000	Open	0.22%
08/09/21	Sold	FFCB	(1,051,365)	05/06/22	0.25%
08/09/21	Purchased	Paccar Financial	254,862	08/09/24	0.50%
08/09/21	Purchased	US Treasury	1,033,555	10/31/24	1.50%
08/11/21	Deposit	LAIF	750,000	Open	0.22%
08/16/21	Withdrawal	LAIF	(1,750,000)	Open	0.22%
08/18/21	Deposit	LAIF	2,450,000	Open	0.22%
08/18/21	Purchased	GM Corp Note	359,995	10/21/24	0.00%
08/18/21	Sold	Honda Auto Rec	(1,405)	05/18/22	3.01%
08/18/21	Sold	US Treasury	(759,932)	05/31/22	1.75%
08/23/21	Deposit	LAIF	28,000,000	Open	0.22%
08/23/21	Sold	Honda Auto Rec	(7,946)	08/22/22	2.95%
08/25/21	Purchased	Honda Auto Rec	339,995	11/18/25	0.41%
08/26/21	Sold	FHLB	(506,605)	03/11/22	2.50%
08/27/21	Deposit	LAIF	800,000	Open	0.22%
08/27/21	Purchased	Toronto Dominion Note	528,130	06/12/24	2.65%
08/31/21	Deposit	LAIF	850,000	Open	0.22%
Change in investments during the month			<u>\$ 31,989,284</u>		

	<u>Current</u>
Weighted average annual yield for total Vallecitos investments	0.730%
Weighted average days to maturity	325

The State Treasurer's Office provides fair market values of LAIF quarterly on their web site. The most recent valuation, which is used on this report, is as of June 30, 2021. The San Diego County Treasurer provides the fair values for the County investment pool. The most recent values and returns, which are used for this report, are for July 31, 2021. Fair values for federal agency obligations and corporate notes are provided by Union Bank trust account reporting.

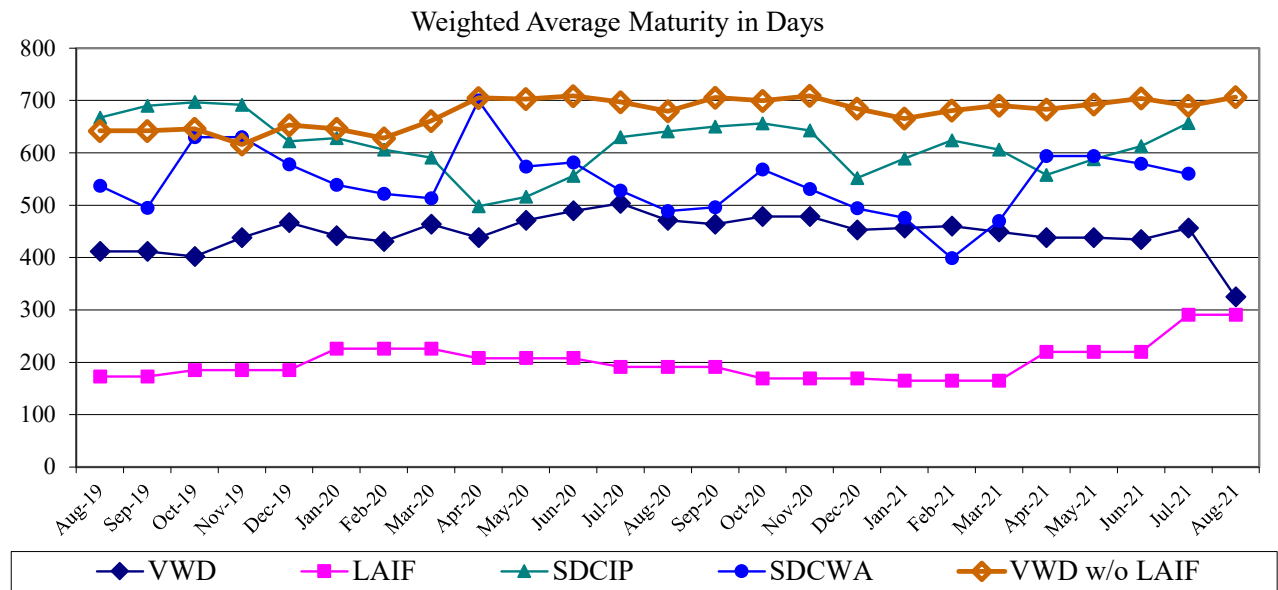
Safety

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.



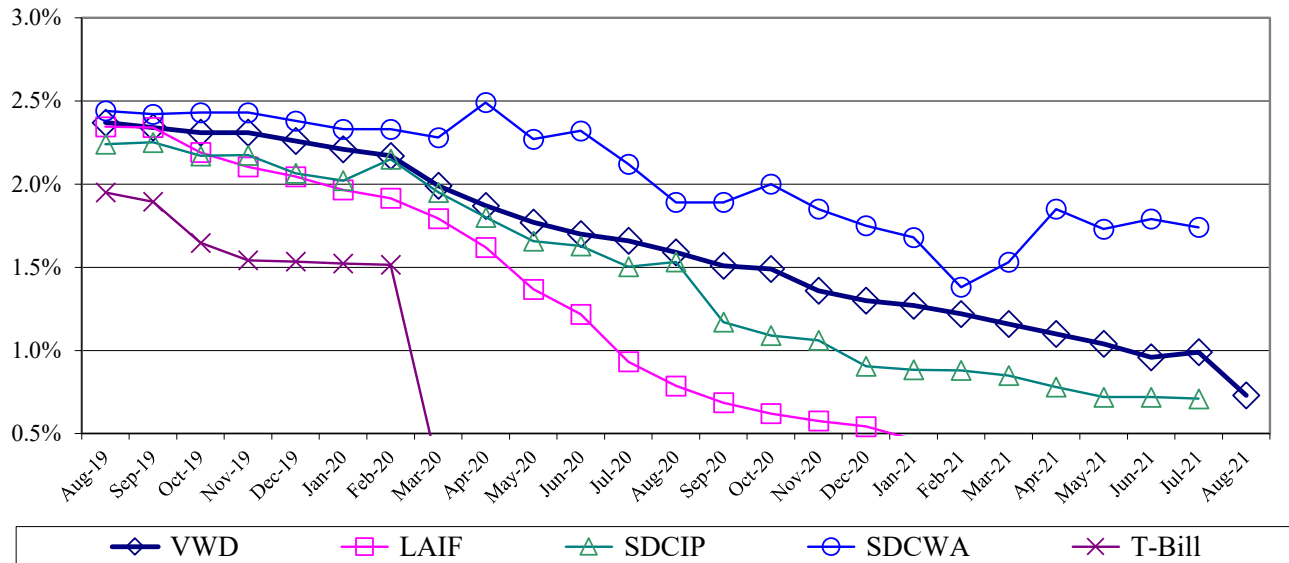
Liquidity

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 \$48.7 million available the same day. But for comparative purposes LAIF is eliminated from the District’s portfolio and shown separately.



Yield

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



Investment/Debt Management

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



**PORTFOLIO CHARACTERISTICS**

Average Modified Duration	0.89
Average Coupon	0.82%
Average Purchase YTM	0.73%
Average Market YTM	0.27%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	0.97 yrs
Average Life	0.90 yrs

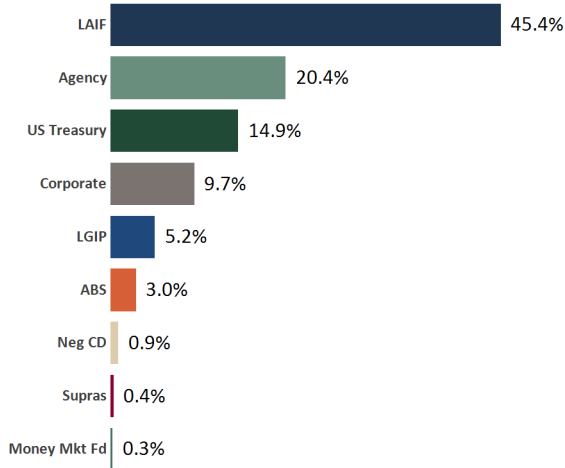
**ACCOUNT SUMMARY**

	Beg. Values as of 7/31/21	End Values as of 8/31/21
Market Value	75,411,227	107,200,315
Accrued Interest	176,030	195,741
<b>Total Market Value</b>	<b>75,587,257</b>	<b>107,396,056</b>
Income Earned	61,341	59,143
Cont/WD		
Par	74,573,138	106,375,589
Book Value	74,724,148	106,588,171
Cost Value	74,777,016	106,671,184

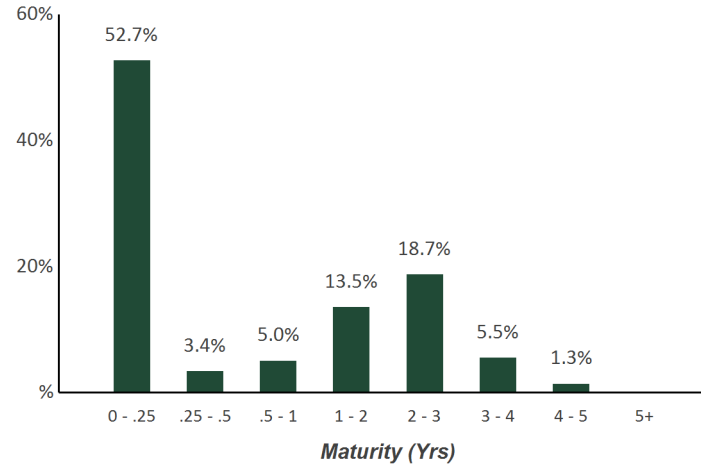
**TOP ISSUERS**

Local Agency Investment Fund	45.4%
Government of United States	14.9%
Federal Farm Credit Bank	6.0%
Federal Home Loan Mortgage Corp	5.9%
County of San Diego Pooled Inve	5.2%
Federal Home Loan Bank	4.7%
Federal National Mortgage Assoc	3.7%
Bank of Nova Scotia Houston	0.9%
<b>Total</b>	<b>86.7%</b>

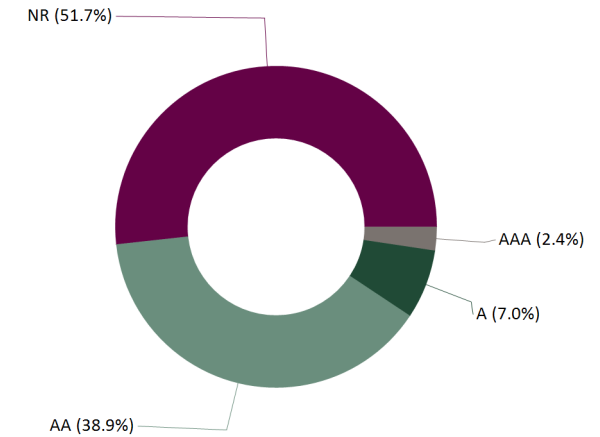
**SECTOR ALLOCATION**



**MATURITY DISTRIBUTION**



**CREDIT QUALITY (S&P)**



Vallecitos Water District Consolidated Account

Account #10594

Holdings Report

As of August 31, 2021



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>									
43815HAC1	Honda Auto Receivables Trust 2018-3 A3 2.95% Due 8/22/2022	17,777.36	08/21/2018 2.98%	17,774.92 17,776.76	100.32 0.23%	17,833.61 14.57	0.02% 56.85	Aaa / NR AAA	0.98 0.12
47789KAC7	John Deere Owner Trust 2020-A A3 1.1% Due 8/15/2024	275,000.00	03/04/2020 1.11%	274,983.20 274,988.80	100.77 0.20%	277,106.50 134.44	0.26% 2,117.70	Aaa / NR AAA	2.96 0.85
36262XAC8	GM Financial Auto Lease Trust 2021-3 A2 0.39% Due 10/21/2024	360,000.00	08/10/2021 0.39%	359,995.10 359,995.18	100.06 0.36%	360,208.44 50.70	0.34% 213.26	NR / AAA AAA	3.14 1.95
58769KAD6	Mercedes-Benz Auto Lease Trust 2021- B A3 0.4% Due 11/15/2024	255,000.00	06/22/2021 0.40%	254,980.75 254,982.07	100.14 0.33%	255,358.79 45.33	0.24% 376.72	NR / AAA AAA	3.21 1.89
89236XAC0	Toyota Auto Receivables 2020-D A3 0.35% Due 1/15/2025	220,000.00	10/06/2020 0.36%	219,959.01 219,967.52	100.13 0.24%	220,277.64 34.22	0.21% 310.12	NR / AAA AAA	3.38 1.15
43813GAC5	Honda Auto Receivables Trust 2021-1 A3 0.27% Due 4/21/2025	130,000.00	02/17/2021 0.27%	129,997.62 129,998.02	99.99 0.28%	129,981.41 9.75	0.12% (16.61)	Aaa / NR AAA	3.64 1.41
89240BAC2	Toyota Auto Receivables Owners 2021- A A3 0.26% Due 5/15/2025	475,000.00	02/02/2021 0.27%	474,911.84 474,927.82	100.00 0.26%	475,015.68 54.89	0.44% 87.86	Aaa / NR AAA	3.71 1.27
47788UAC6	John Deere Owner Trust 2021-A A3 0.36% Due 9/15/2025	185,000.00	03/02/2021 0.37%	184,964.44 184,969.17	100.04 0.34%	185,068.82 29.60	0.17% 99.65	Aaa / NR AAA	4.04 1.95
44933LAC7	Hyundai Auto Receivables Trust 2021-A A3 0.38% Due 9/15/2025	225,000.00	04/20/2021 0.38%	224,976.33 224,979.01	99.99 0.38%	224,983.80 38.00	0.21% 4.79	NR / AAA AAA	4.04 1.85
43815EAC8	Honda Auto Receivables 2021-3 A3 0.41% Due 11/18/2025	340,000.00	08/17/2021 0.41%	339,995.04 339,995.07	100.02 0.40%	340,058.14 23.23	0.32% 63.07	NR / AAA AAA	4.22 2.23
44934KAC8	Hyundai Auto Receivables Trust 2021-B A3 0.38% Due 1/15/2026	465,000.00	07/20/2021 0.39%	464,897.37 464,900.51	99.96 0.40%	464,831.21 78.53	0.43% (69.30)	NR / AAA AAA	4.38 2.22
47789QAC4	John Deere Owner Trust 2021-B A3 0.52% Due 3/16/2026	220,000.00	07/13/2021 0.52%	219,980.38 219,981.00	100.15 0.46%	220,322.96 127.11	0.21% 341.96	Aaa / NR AAA	4.54 2.49
<b>Total ABS</b>		<b>3,167,777.36</b>	<b>0.45%</b>	<b>3,167,416.00</b> <b>3,167,460.93</b>	<b>0.33%</b>	<b>3,171,047.00</b> <b>640.37</b>	<b>2.95%</b> <b>3,586.07</b>	<b>Aaa / AAA</b> <b>AAA</b>	<b>3.75</b> <b>1.76</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>AGENCY</b>									
3133EJ3B3	FFCB Note 2.8% Due 12/17/2021	1,000,000.00	12/26/2018 2.70%	1,002,780.00 1,000,273.90	100.80 0.08%	1,008,014.00 5,755.56	0.94% 7,740.10	Aaa / AA+ AAA	0.30 0.29
3137EADB2	FHLMC Note 2.375% Due 1/13/2022	1,000,000.00	03/25/2020 0.63%	1,031,090.00 1,006,331.40	100.84 0.07%	1,008,445.00 3,166.67	0.94% 2,113.60	Aaa / AA+ AAA	0.37 0.37
3133EKBV7	FFCB Note 2.55% Due 3/1/2022	750,000.00	02/27/2019 2.55%	750,075.00 750,012.39	101.25 0.06%	759,348.00 9,562.50	0.72% 9,335.61	Aaa / AA+ AAA	0.50 0.49
3135G0V59	FNMA Note 2.25% Due 4/12/2022	1,000,000.00	03/24/2020 0.59%	1,033,760.00 1,010,064.81	101.33 0.08%	1,013,331.00 8,687.50	0.95% 3,266.19	Aaa / AA+ AAA	0.61 0.61
3133ELN26	FFCB Note 0.26% Due 6/22/2022	1,000,000.00	06/17/2020 0.28%	999,530.00 999,810.71	100.14 0.08%	1,001,438.00 498.33	0.93% 1,627.29	Aaa / AA+ AAA	0.81 0.81
313383WD9	FHLB Note 3.125% Due 9/9/2022	500,000.00	01/30/2019 2.68%	507,580.00 502,146.80	103.07 0.11%	515,372.00 7,465.28	0.49% 13,225.20	Aaa / AA+ AAA	1.02 1.00
3130AFE78	FHLB Note 3% Due 12/9/2022	1,000,000.00	01/25/2019 2.71%	1,010,700.00 1,003,518.64	103.60 0.16%	1,036,020.00 6,833.33	0.97% 32,501.36	Aaa / AA+ AAA	1.27 1.25
3137EAER6	FHLMC Note 0.375% Due 5/5/2023	985,000.00	05/05/2020 0.39%	984,586.30 984,768.74	100.31 0.19%	988,036.76 1,190.21	0.92% 3,268.02	Aaa / AA+ AAA	1.68 1.67
3135G04Q3	FNMA Note 0.25% Due 5/22/2023	1,055,000.00	05/20/2020 0.35%	1,051,824.45 1,053,178.77	100.14 0.17%	1,056,492.83 725.31	0.98% 3,314.06	Aaa / AA+ AAA	1.72 1.72
3133834G3	FHLB Note 2.125% Due 6/9/2023	650,000.00	10/30/2019 1.66%	660,432.50 655,117.23	103.44 0.18%	672,368.45 3,146.18	0.63% 17,251.22	Aaa / AA+ NR	1.77 1.74
3135G05G4	FNMA Note 0.25% Due 7/10/2023	875,000.00	07/08/2020 0.32%	873,118.75 873,836.89	100.09 0.20%	875,804.13 309.90	0.82% 1,967.24	Aaa / AA+ AAA	1.86 1.85
3133EKZK5	FFCB Note 1.6% Due 8/14/2023	1,000,000.00	08/28/2019 1.48%	1,004,700.00 1,002,314.25	102.64 0.24%	1,026,414.00 755.56	0.96% 24,099.75	Aaa / AA+ AAA	1.95 1.93
3137EAEV7	FHLMC Note 0.25% Due 8/24/2023	1,000,000.00	09/24/2020 0.24%	1,000,230.00 1,000,156.22	100.03 0.23%	1,000,309.00 48.61	0.93% 152.78	Aaa / AA+ AAA	1.98 1.97
3130A3DL5	FHLB Note 2.375% Due 9/8/2023	700,000.00	10/09/2019 1.44%	724,864.00 712,823.49	104.32 0.23%	730,249.80 7,989.24	0.69% 17,426.31	Aaa / AA+ NR	2.02 1.96
3137EAEW5	FHLMC Note 0.25% Due 9/8/2023	660,000.00	09/02/2020 0.26%	659,782.20 659,853.94	100.12 0.19%	660,770.22 792.92	0.62% 916.28	Aaa / AA+ AAA	2.02 2.01
3133EMBS0	FFCB Note 0.2% Due 10/2/2023	1,000,000.00	11/12/2020 0.28%	997,720.00 998,352.25	99.95 0.22%	999,543.00 827.78	0.93% 1,190.75	Aaa / AA+ AAA	2.09 2.08



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CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>AGENCY</b>									
3137EAEY1	FHLMC Note 0.125% Due 10/16/2023	825,000.00	10/14/2020 0.25%	821,922.75 822,822.04	99.78 0.23%	823,176.75 386.72	0.77% 354.71	Aaa / AA+ AAA	2.13 2.12
3137EAEZ8	FHLMC Note 0.25% Due 11/6/2023	1,075,000.00	11/03/2020 0.28%	1,074,032.50 1,074,297.33	100.00 0.25%	1,074,987.10 858.51	1.00% 689.77	Aaa / AA+ AAA	2.18 2.17
3137EAF2	FHLMC Note 0.25% Due 12/4/2023	770,000.00	12/02/2020 0.28%	769,237.70 769,426.36	99.97 0.26%	769,756.68 465.21	0.72% 330.32	Aaa / AA+ AAA	2.26 2.25
3130A3VC5	FHLB Note 2.25% Due 12/8/2023	1,000,000.00	02/13/2020 1.46%	1,029,240.00 1,017,380.27	104.51 0.26%	1,045,090.00 5,187.50	0.98% 27,709.73	Aaa / AA+ NR	2.27 2.21
3135G0V34	FNMA Note 2.5% Due 2/5/2024	1,000,000.00	01/30/2020 1.44%	1,041,280.00 1,024,976.37	105.38 0.28%	1,053,781.00 1,805.56	0.98% 28,804.63	Aaa / AA+ AAA	2.43 2.37
3133EKMX1	FFCB Note 2.23% Due 2/23/2024	750,000.00	07/30/2019 1.91%	760,425.00 755,656.25	104.68 0.33%	785,088.00 371.67	0.73% 29,431.75	Aaa / AA+ AAA	2.48 2.42
3133EMRZ7	FFCB Note 0.25% Due 2/26/2024	850,000.00	02/22/2021 0.26%	849,694.00 849,746.26	99.87 0.30%	848,912.85 29.51	0.79% (833.41)	Aaa / AA+ AAA	2.49 2.48
3130A7PH2	FHLB Note 1.875% Due 3/8/2024	1,000,000.00	03/03/2020 0.85%	1,040,350.00 1,025,311.71	103.91 0.32%	1,039,064.00 9,010.42	0.98% 13,752.29	Aaa / AA+ NR	2.52 2.45
<b>Total Agency</b>		<b>21,445,000.00</b>	<b>1.01%</b>	<b>21,678,955.15</b> <b>21,552,177.02</b>	<b>0.20%</b>	<b>21,791,812.57</b> <b>75,869.98</b>	<b>20.36%</b> <b>239,635.55</b>	<b>Aaa / AA+</b> <b>AAA</b>	<b>1.70</b> <b>1.67</b>
<b>CORPORATE</b>									
02665WBG5	American Honda Finance Note 1.7% Due 9/9/2021	500,000.00	07/20/2018 3.19%	478,045.00 499,846.33	100.03 0.37%	500,147.50 4,061.11	0.47% 301.17	A3 / A- NR	0.02 0.02
89233P5F9	Toyota Motor Credit Corp Note 3.4% Due 9/15/2021	500,000.00	05/31/2018 3.03%	505,785.00 500,067.55	100.12 0.44%	500,575.00 7,838.89	0.47% 507.45	A1 / A+ A+	0.04 0.04
24422ETL3	John Deere Capital Corp Note 2.65% Due 1/6/2022	500,000.00	Various 3.29%	489,627.50 498,955.22	100.76 0.46%	503,801.50 2,024.30	0.47% 4,846.28	A2 / A A	0.35 0.35
74005PBA1	Praxair Callable Note Cont 11/15/2021 2.45% Due 2/15/2022	300,000.00	06/27/2018 3.15%	292,848.00 299,099.94	100.46 0.19%	301,392.90 326.67	0.28% 2,292.96	A2 / A NR	0.46 0.21
037833CQ1	Apple Inc Callable Note Cont 4/11/2022 2.3% Due 5/11/2022	500,000.00	10/30/2018 3.30%	483,395.00 496,748.67	101.22 0.30%	506,089.50 3,513.89	0.47% 9,340.83	Aa1 / AA+ NR	0.69 0.61
084664BT7	Berkshire Hathaway Note 3% Due 5/15/2022	500,000.00	12/11/2018 3.31%	495,015.00 498,978.25	101.99 0.17%	509,961.00 4,416.67	0.48% 10,982.75	Aa2 / AA A+	0.70 0.70

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CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>CORPORATE</b>									
09247XAJ0	Blackrock Inc Note 3.375% Due 6/1/2022	500,000.00	11/28/2018 3.36%	500,215.00 500,045.89	102.31 0.29%	511,537.00 4,218.75	0.48% 11,491.11	Aa3 / AA- NR	0.75 0.74
06051GEU9	Bank of America Corp Note 3.3% Due 1/11/2023	400,000.00	09/05/2019 2.13%	414,984.00 406,104.14	104.10 0.28%	416,394.00 1,833.33	0.39% 10,289.86	A2 / A- AA-	1.36 1.34
90331HNL3	US Bank NA Callable Note Cont 12/23/2022 2.85% Due 1/23/2023	480,000.00	07/22/2019 2.24%	489,580.80 483,669.57	103.45 0.21%	496,572.96 1,444.00	0.46% 12,903.39	A1 / AA- AA-	1.40 1.29
69353RFL7	PNC Bank Callable Note Cont 5/9/2023 3.5% Due 6/8/2023	500,000.00	06/11/2019 2.44%	519,580.00 508,444.39	105.39 0.30%	526,925.00 4,034.72	0.49% 18,480.61	A2 / A A+	1.77 1.64
69371RQ82	Paccar Financial Corp Note 0.8% Due 6/8/2023	300,000.00	06/01/2020 0.85%	299,583.00 299,754.37	100.83 0.33%	302,485.50 553.33	0.28% 2,731.13	A1 / A+ NR	1.77 1.75
931142EK5	Wal-Mart Stores Callable Note Cont 5/26/2023 3.4% Due 6/26/2023	500,000.00	05/21/2019 2.65%	514,115.00 506,093.36	105.51 0.22%	527,530.50 3,069.44	0.49% 21,437.14	Aa2 / AA AA	1.82 1.69
808513BN4	Charles Schwab Corp Callable Note Cont 2/18/2024 0.75% Due 3/18/2024	600,000.00	Various 0.70%	600,858.00 600,727.10	100.68 0.47%	604,074.60 2,037.50	0.56% 3,347.50	A2 / A A	2.55 2.43
023135BW5	Amazon.com Inc Note 0.45% Due 5/12/2024	420,000.00	05/10/2021 0.50%	419,386.80 419,449.46	100.04 0.44%	420,154.14 572.25	0.39% 704.68	A1 / AA AA-	2.70 2.67
14913R2L0	Caterpillar Financial Service Note 0.45% Due 5/17/2024	665,000.00	05/10/2021 0.50%	664,108.90 664,195.90	100.06 0.43%	665,422.94 864.50	0.62% 1,227.04	A2 / A A	2.71 2.69
24422EVQ9	John Deere Capital Corp Note 0.45% Due 6/7/2024	395,000.00	06/07/2021 0.49%	394,506.25 394,543.74	100.04 0.44%	395,149.31 399.94	0.37% 605.57	A2 / A A	2.77 2.74
89114QCA4	Toronto Dominion Bank Note 2.65% Due 6/12/2024	500,000.00	08/25/2021 0.61%	528,130.00 527,992.11	105.71 0.58%	528,542.50 2,907.64	0.49% 550.39	A1 / A AA-	2.78 2.68
89236TJH9	Toyota Motor Credit Corp Note 0.5% Due 6/18/2024	400,000.00	06/15/2021 0.54%	399,524.00 399,556.57	99.79 0.57%	399,175.20 405.56	0.37% (381.37)	A1 / A+ A+	2.80 2.77
79466LAG9	Salesforce.com Inc Callable Note Cont 7/15/2022 0.625% Due 7/15/2024	105,000.00	06/29/2021 0.64%	104,946.45 104,948.94	100.22 0.37%	105,229.11 89.32	0.10% 280.17	A2 / A+ NR	2.87 0.87
69371RR40	Paccar Financial Corp Note 0.5% Due 8/9/2024	255,000.00	08/03/2021 0.52%	254,862.30 254,865.19	99.85 0.55%	254,623.62 77.92	0.24% (241.57)	A1 / A+ NR	2.94 2.91
78015K7C2	Royal Bank of Canada Note 2.25% Due 11/1/2024	500,000.00	05/19/2021 0.74%	525,645.00 523,548.62	104.86 0.69%	524,321.50 3,750.00	0.49% 772.88	A2 / A AA-	3.17 3.05



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>									
46647PBY1	JP Morgan Chase & Co Callable Note Cont 2/16/2024 0.563% Due 2/16/2025	365,000.00	02/09/2021 0.54%	365,000.00 365,000.00	99.75 0.66%	364,102.47 85.62	0.34% (897.53)	A2 / A- AA-	3.47 2.44
46647PCH7	JP Morgan Chase & Co Callable Note Cont 6/1/2024 0.824% Due 6/1/2025	555,000.00	05/24/2021 0.74%	555,720.85 555,675.46	100.13 0.77%	555,742.59 1,143.30	0.52% 67.13	A2 / A- AA-	3.75 2.71
<b>Total Corporate</b>		<b>10,240,000.00</b>	<b>1.78%</b>	<b>10,295,461.85</b> <b>10,308,310.77</b>	<b>0.42%</b>	<b>10,419,950.34</b> <b>49,668.65</b>	<b>9.75%</b> <b>111,639.57</b>	<b>A1 / A+</b> <b>A+</b>	<b>1.85</b> <b>1.69</b>
<b>LAIF</b>									
90LAIF\$00	Local Agency Investment Fund State Pool	48,697,067.70	Various 0.22%	48,697,067.70 48,697,067.70	1.00 0.22%	48,697,067.70 8,991.21	45.35% 0.00	NR / NR NR	0.00 0.00
<b>Total LAIF</b>		<b>48,697,067.70</b>	<b>0.22%</b>	<b>48,697,067.70</b>	<b>0.22%</b>	<b>48,697,067.70</b> <b>8,991.21</b>	<b>45.35%</b> <b>0.00</b>	<b>NR / NR</b> <b>NR</b>	<b>0.00</b> <b>0.00</b>
<b>LOCAL GOV INVESTMENT POOL</b>									
90SDCP\$00	County of San Diego Pooled Investment Pool	5,553,000.00	Various 0.74%	5,553,000.00 5,553,000.00	1.00 0.74%	5,553,000.00 0.00	5.17% 0.00	NR / NR AAA	0.00 0.00
<b>Total Local Gov Investment Pool</b>		<b>5,553,000.00</b>	<b>0.74%</b>	<b>5,553,000.00</b>	<b>0.74%</b>	<b>5,553,000.00</b> <b>0.00</b>	<b>5.17%</b> <b>0.00</b>	<b>NR / NR</b> <b>AAA</b>	<b>0.00</b> <b>0.00</b>
<b>MONEY MARKET FUND</b>									
261908206	Dreyfus Treasury Money Market Fund	277,743.62	Various 0.01%	277,743.62 277,743.62	1.00 0.01%	277,743.62 0.00	0.26% 0.00	Aaa / AAA NR	0.00 0.00
<b>Total Money Market Fund</b>		<b>277,743.62</b>	<b>0.01%</b>	<b>277,743.62</b>	<b>0.01%</b>	<b>277,743.62</b> <b>0.00</b>	<b>0.26%</b> <b>0.00</b>	<b>Aaa / AAA</b> <b>NR</b>	<b>0.00</b> <b>0.00</b>

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CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>NEGOTIABLE CD</b>									
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 2,177.78	0.93% 0.00	P-1 / A-1 F-1+	0.23 0.23
<b>Total Negotiable CD</b>		<b>1,000,000.00</b>	<b>0.28%</b>	<b>1,000,000.00</b>	<b>0.28%</b>	<b>1,000,000.00</b> <b>2,177.78</b>	<b>0.93%</b> <b>0.00</b>	<b>Aaa / AA</b> <b>AAA</b>	<b>0.23</b> <b>0.23</b>
<b>SUPRANATIONAL</b>									
459058JM6	Intl. Bank Recon & Development Note 0.25% Due 11/24/2023	395,000.00	11/17/2020 0.32%	394,150.75 394,368.69	99.92 0.29%	394,672.15 266.08	0.37% 303.46	Aaa / AAA AAA	2.23 2.22
<b>Total Supranational</b>		<b>395,000.00</b>	<b>0.32%</b>	<b>394,150.75</b> <b>394,368.69</b>	<b>0.29%</b>	<b>394,672.15</b> <b>266.08</b>	<b>0.37%</b> <b>303.46</b>	<b>Aaa / AAA</b> <b>AAA</b>	<b>2.23</b> <b>2.22</b>
<b>US TREASURY</b>									
9128282P4	US Treasury Note 1.875% Due 7/31/2022	1,000,000.00	12/28/2018 2.53%	977,617.19 994,301.62	101.64 0.09%	1,016,367.00 1,630.43	0.95% 22,065.38	Aaa / AA+ AAA	0.92 0.91
912828L24	US Treasury Note 1.875% Due 8/31/2022	750,000.00	09/20/2018 2.94%	720,439.45 742,527.75	101.77 0.11%	763,242.00 38.85	0.71% 20,714.25	Aaa / AA+ AAA	1.00 0.99
9128282W9	US Treasury Note 1.875% Due 9/30/2022	1,000,000.00	03/19/2019 2.43%	981,406.25 994,320.98	101.91 0.10%	1,019,141.00 7,889.34	0.96% 24,820.02	Aaa / AA+ AAA	1.08 1.07
912828M80	US Treasury Note 2% Due 11/30/2022	800,000.00	12/24/2019 1.70%	806,875.00 802,923.48	102.34 0.12%	818,750.40 4,065.57	0.77% 15,826.92	Aaa / AA+ AAA	1.25 1.23
9128284D9	US Treasury Note 2.5% Due 3/31/2023	1,000,000.00	02/21/2019 2.51%	999,414.06 999,774.70	103.70 0.16%	1,037,031.00 10,519.13	0.98% 37,256.30	Aaa / AA+ AAA	1.58 1.55
912828R28	US Treasury Note 1.625% Due 4/30/2023	1,000,000.00	12/04/2019 1.60%	1,000,898.44 1,000,438.37	102.43 0.16%	1,024,297.00 5,475.54	0.96% 23,858.63	Aaa / AA+ AAA	1.66 1.64
912828R69	US Treasury Note 1.625% Due 5/31/2023	1,100,000.00	Various 2.00%	1,083,765.62 1,093,127.13	102.54 0.17%	1,127,973.00 4,542.01	1.05% 34,845.87	Aaa / AA+ AAA	1.75 1.72
912828T91	US Treasury Note 1.625% Due 10/31/2023	1,000,000.00	09/25/2019 1.60%	1,000,898.44 1,000,474.44	102.98 0.24%	1,029,805.00 5,475.54	0.96% 29,330.56	Aaa / AA+ AAA	2.17 2.12



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>US TREASURY</b>									
91282CBE0	US Treasury Note 0.125% Due 1/15/2024	1,000,000.00	01/12/2021 0.24%	996,445.31 997,188.71	99.61 0.29%	996,133.00 163.04	0.93% (1,055.71)	Aaa / AA+ AAA	2.38 2.37
912828V80	US Treasury Note 2.25% Due 1/31/2024	1,000,000.00	12/16/2019 1.71%	1,021,210.94 1,012,422.34	104.73 0.28%	1,047,305.00 1,956.52	0.98% 34,882.66	Aaa / AA+ AAA	2.42 2.36
912828X70	US Treasury Note 2% Due 4/30/2024	1,000,000.00	03/03/2020 0.71%	1,052,539.06 1,033,641.61	104.44 0.33%	1,044,414.00 6,739.13	0.98% 10,772.39	Aaa / AA+ AAA	2.67 2.59
91282CCC3	US Treasury Note 0.25% Due 5/15/2024	1,000,000.00	05/12/2021 0.36%	996,875.00 997,180.64	99.73 0.35%	997,305.00 740.49	0.93% 124.36	Aaa / AA+ AAA	2.71 2.69
91282CCG4	US Treasury Note 0.25% Due 6/15/2024	1,000,000.00	06/10/2021 0.33%	997,695.31 997,859.33	99.70 0.36%	996,953.00 532.79	0.93% (906.33)	Aaa / AA+ AAA	2.79 2.78
912828YM6	US Treasury Note 1.5% Due 10/31/2024	1,000,000.00	08/06/2021 0.45%	1,033,554.69 1,032,900.10	103.37 0.43%	1,033,672.00 5,054.35	0.97% 771.90	Aaa / AA+ AAA	3.17 3.08
912828ZF0	US Treasury Note 0.5% Due 3/31/2025	1,000,000.00	03/03/2021 0.54%	998,515.63 998,696.19	99.89 0.53%	998,867.00 2,103.83	0.93% 170.81	Aaa / AA+ AAA	3.58 3.54
912828ZL7	US Treasury Note 0.375% Due 4/30/2025	950,000.00	04/12/2021 0.66%	939,238.28 940,264.94	99.34 0.56%	943,766.10 1,200.41	0.88% 3,501.16	Aaa / AA+ AAA	3.67 3.63
<b>Total US Treasury</b>		<b>15,600,000.00</b>	<b>1.37%</b>	<b>15,607,388.67</b> <b>15,638,042.33</b>	<b>0.27%</b>	<b>15,895,021.50</b> <b>58,126.97</b>	<b>14.85%</b> <b>256,979.17</b>	<b>Aaa / AA+</b> <b>AAA</b>	<b>2.19</b> <b>2.16</b>
<b>TOTAL PORTFOLIO</b>		<b>106,375,588.68</b>	<b>0.73%</b>	<b>106,671,183.74</b> <b>106,588,171.06</b>	<b>0.27%</b>	<b>107,200,314.88</b> <b>195,741.04</b>	<b>100.00%</b> <b>612,143.82</b>	<b>Aa1 / AA</b> <b>AAA</b>	<b>0.97</b> <b>0.89</b>
<b>TOTAL MARKET VALUE PLUS ACCRUED</b>						<b>107,396,055.92</b>			

**VALLECITOS WATER DISTRICT  
SUMMARY OF LEGAL FEES**

<b>Matter Description</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>Jan-21</b>	<b>Feb-21</b>	<b>Mar-21</b>	<b>Apr-21</b>	<b>May-21</b>	<b>Jun-21</b>	<b>Total</b>
General Counsel Services	\$ 8,572	\$ 46,859	\$ 9,405	\$ 32,375	\$ 6,534	\$ 34,002	\$ 7,971	\$ 4,303	\$ 33,300	\$ 10,756	\$ 4,232	\$ 13,238	\$ 16,885	\$ 228,432
Labor/Employment	559	541	601	785	1,123	1,013	2,859	1,275	1,183	800	2,241	2,487	1,627	17,093.60
Engineering - Construction/Contracting	9,810	6,164	10,280	11,791	7,949	5,363	6,985	5,005	3,575	4,180	1,348	3,033	2,640	78,120.97
Fees and Taxes	180	215	156	-	-	-	-	-	-	890	491	-	645	2,577.00
Environmental	-	829	-	-	-	-	-	154	1,934	-	-	-	-	2,916.50
Adv. Butler	797	908	34	2,949	658	1,412	-	138	2,757	4,150	1,722	275	1,458	17,254.49
Renewable Energy	-	92	-	-	-	215	92	-	307	-	-	645	276	1,627.10
Litigation	565	61	768	4,386	5,312	3,937	3,197	5,198	4,276	7,568	6,060	4,840	-	46,168.16
Driscoll & Omens Prop 218 Sole	188	834	3,450	887	1,462	2,972	911	2,598	2,938	1,609	1,209	1,562	163	20,783.26
Driscoll & Omens Prop 218 Shared	466	429	1,433	1,685	1,021	502	547	429	204	142	301	318	281	7,758.87
Driscoll & Omens Prop 218 PRA Requests	-	-	-	2,138	964	1,280	3,544	774	1,272	510	619	481	767	12,348.91
<b>Total</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>\$ 19,873</b>	<b>\$ 51,745</b>	<b>\$ 30,605</b>	<b>\$ 18,223</b>	<b>\$ 26,877</b>	<b>\$ 24,742</b>	<b>\$ 435,081</b>

**DATE: SEPTEMBER 15, 2021**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: FINAL ACCEPTANCE OF WATER AND SEWER IMPROVEMENTS FOR ORCHARD HILLS SUBDIVISION IMPROVEMENTS (WARMINGTON RESIDENTIAL CALIFORNIA, INC.)**

**BACKGROUND:**

Warmington Residential California, Inc., owner of the project, has completed the plan check process with the District. The proposed project is a 20-lot single-family residential development located on Richland Road, between Tuscany Avenue and Tres Rancheros Lane in unincorporated San Diego County.

**DISCUSSION:**

January 15, 2019, the Board approved Resolution 1563 recognizing the Orchard Hills property completed the conditions for annexation into the District's water and sewer service area.

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

The project constructed approximately 856 feet of 8-inch diameter PVC water main and 1,858 feet of 8-inch diameter PVC sewer main.

Upon final acceptance of the project, water and sewer service will be available to 20 single family homes.

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

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

The owner has paid a total of \$177,660.00 in water capital facility fees and \$199,260.00 in wastewater capital facility fees.

**FISCAL IMPACT:**

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

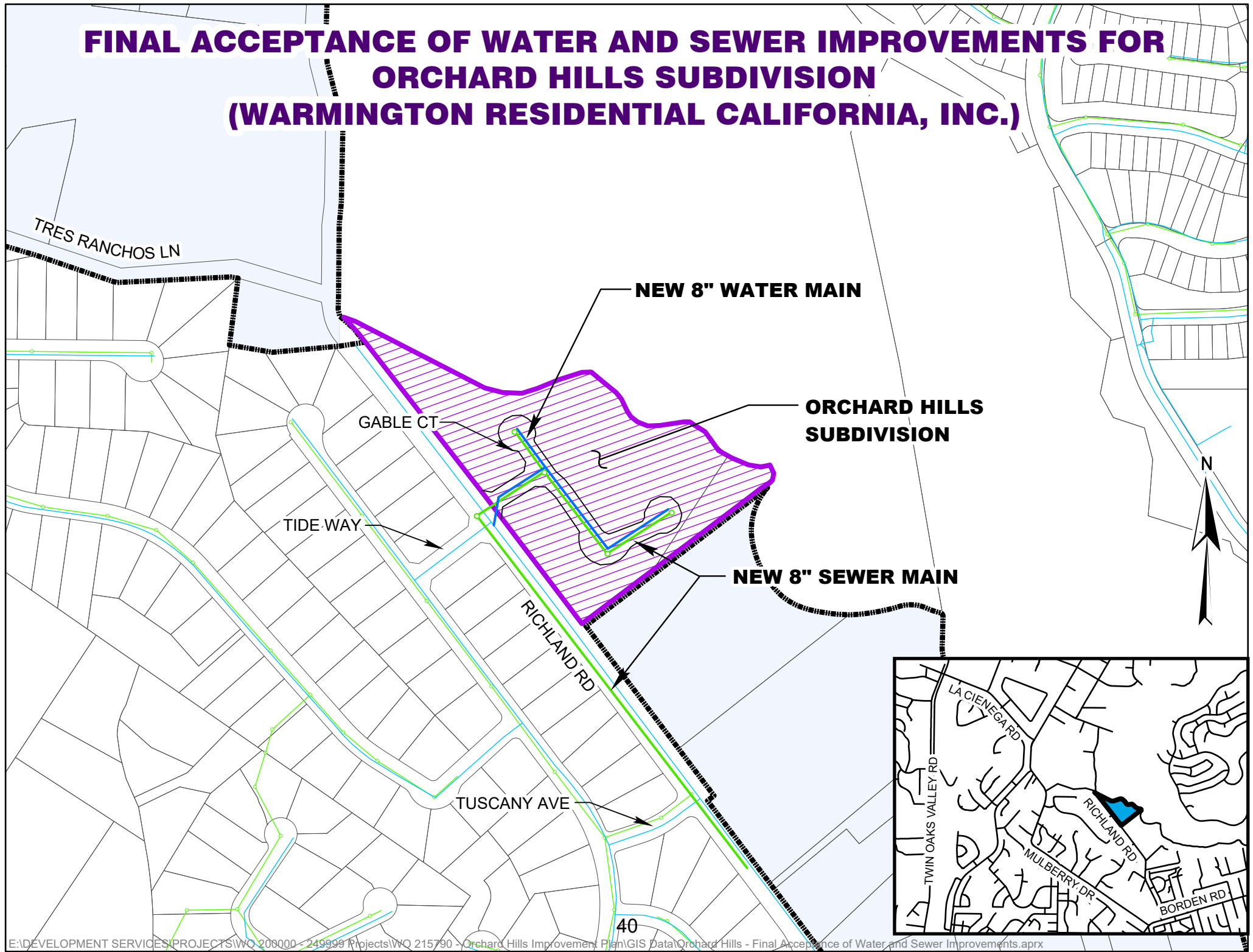
**RECOMMENDATION:**

Accept the project improvements and approve the filing of a Notice of Completion for Orchard Hills Improvements.

**ATTACHMENTS:**

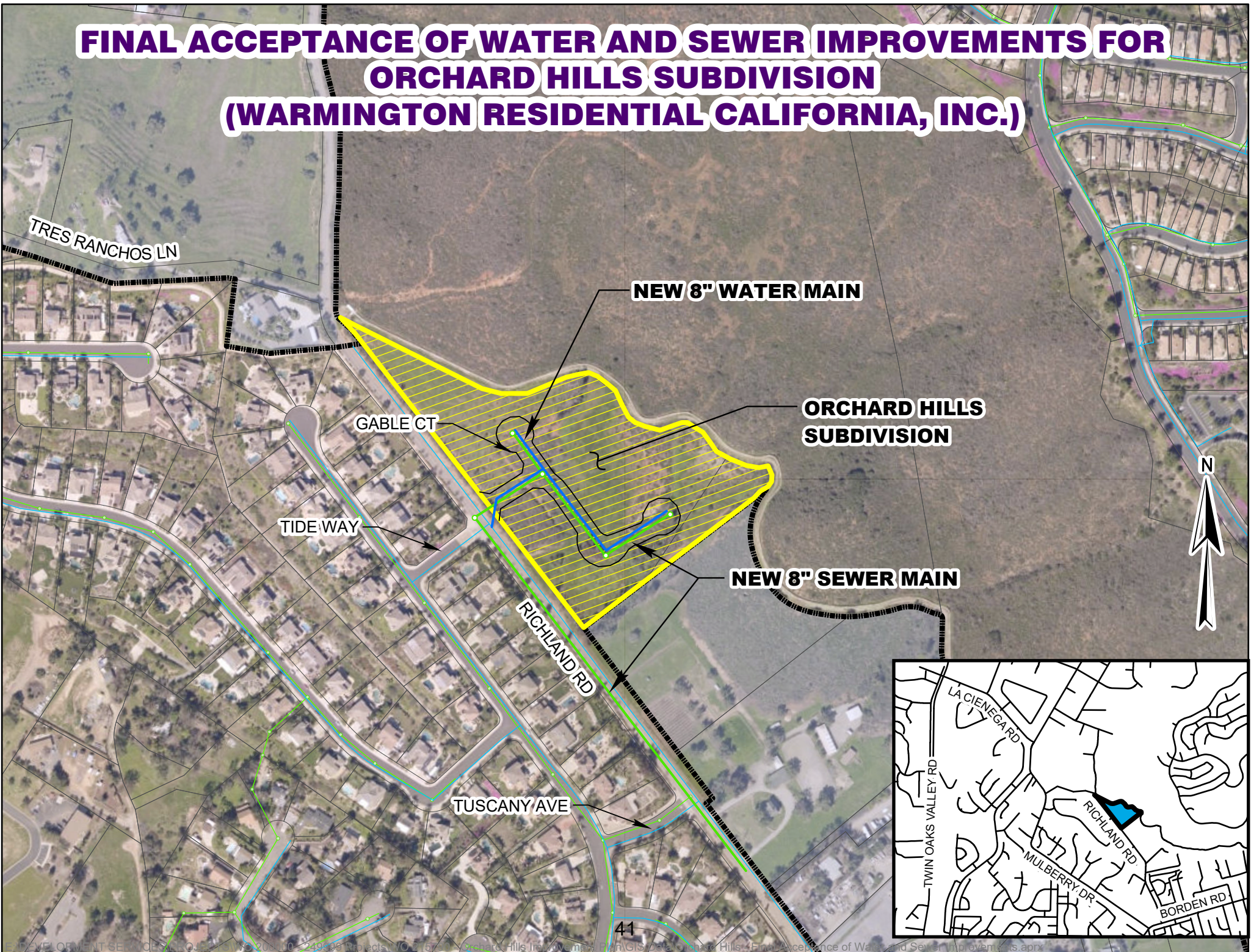
2 Map Exhibits – 1 Plat Map & 1 Aerial

# FINAL ACCEPTANCE OF WATER AND SEWER IMPROVEMENTS FOR ORCHARD HILLS SUBDIVISION (WARMINGTON RESIDENTIAL CALIFORNIA, INC.)





# FINAL ACCEPTANCE OF WATER AND SEWER IMPROVEMENTS FOR ORCHARD HILLS SUBDIVISION (WARMINGTON RESIDENTIAL CALIFORNIA, INC.)



**DATE: SEPTEMBER 15, 2021**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: WATER SUPPLY CONDITIONS UPDATE**

**BACKGROUND:**

In August, the Federal Government declared a first ever shortage on the Colorado River, meaning mandatory cutbacks next year for Arizona, Nevada, and Mexico. California is not immediately affected but U.S. Bureau of Reclamation officials warned that more cuts would likely be necessary.

All national forests in California are closed due to fire danger.

**DISCUSSION:**

The California State Water Resources Control Board (SWRCB) delivered daunting news to farmers. In August, it ordered 1,500 water-rights holders to stop diversions from the upper Russian River. The 110-mile-long Russian River is one of California's most important winegrowing water sources, sustaining hundreds of vineyards throughout Sonoma and Mendocino Counties.

The SWRCB then issued a similar emergency directive to 5,700 rights holders in the Sacramento-San Joaquin Delta watershed. That announcement affects all of California's Central Valley—not only the nation's most productive agricultural area (containing three million acres of farmland) but the source of two-thirds of the state's drinking water and 80 percent of its commercial salmon fisheries.

The Northern Sierra 8-Station Precipitation Index shows values less than 50% of normal and close to the 1976-1977 driest values ever recorded. California's snowpack was 0% of the June 1 average. Lake Oroville is at 22% of capacity and the San Luis Reservoir at 13% of capacity.

The Colorado River Upper Basin shows precipitation to date at 82%. Lake Mead is currently 35% full and Lake Powell is 31% full.

Locally, the National Weather Service/NOAA three-month temperature outlook shows the San Diego area as "above normal favored" meaning the region will probably have higher temperatures than usual.

Vallecitos is updating its Drought Ordinance to comply with the recently approved Water Shortage Contingency Plan. The Drought Ordinance will go to Committee(s) before coming before the Board.

**FISCAL IMPACT:**

Conservation measures can reduce revenues. Should actual drought be declared in San Diego County, staff will include financial impacts to the monthly update.

**RECOMMENDATION:**

For information only.

**DATE: SEPTEMBER 15, 2021**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: REDISTRICTING PROCESS**

**BACKGROUND:**

The District evaluates the voting division boundaries periodically to keep divisions relatively equal in size. Growth and new census data are typical triggers that require redistricting. The 2020 Census data has been completed. Final data on the census is expected by the end of September 2021. Each agency is required to look at its voting divisions after the release of a census.

**DISCUSSION:**

Staff presented an overview of past redistricting for the District at the September 1, 2021, Board meeting. The presentation went over general goals and requirements for redistricting, the process followed by the District, and examples of division boundary changes from pre-2010 to current.

The Board requested more detail on the process as well as a general schedule for the redistricting process.

**FISCAL IMPACT:**

None.

**RECOMMENDATION:**

This is an informational item requested by the Board.

**ATTACHMENTS:**

None.

**DATE: SEPTEMBER 15, 2021**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: WATER SERVICE SHUT-OFF MORATORIUM**

**BACKGROUND:**

The COVID pandemic has had far reaching impacts on society and has resulted in significant changes in how businesses and citizens act. Of particular interest to Vallecitos is how those societal changes may affect District operations and finances. The District curtailed shut-offs for non-payment of water and wastewater accounts in February 2020 ahead of the Governor's executive order in April 2020. Staff provided an update on the status of the water service shut-off moratorium at the Finance Committee meeting on August 24, 2021 and is now seeking guidance from the Board based on that discussion.

**DISCUSSION:**

Executive Order N-42-20 prohibiting water service shutoffs in California for non-payment is set to expire on September 30, 2021. Staff has been proactively reaching out to customers through telephone calls, letters, and bill inserts in order to encourage them to contact the District to set up payment plans or other arrangements to avoid shutting off service. Upcoming legislation may extend the water shut-off moratorium, but absent that, staff is seeking guidance from the Board about whether to commence shut-offs for non-responsive customers.

**FISCAL IMPACT:**

Loss of revenue from uncollected past due accounts.

**RECOMMENDATION:**

Provide direction on whether to commence water service shut-offs after September 30, 2021

**DATE: SEPTEMBER 15, 2021**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: DISCUSSION REGARDING THE RETURN TO IN-PERSON PUBLIC MEETINGS**

**BACKGROUND:**

Due to the COVID-19 pandemic, Governor Newsom issued a series of Executive Orders suspending certain provisions of the Brown Act governing the manner in which public meetings can be held. In particular, the Executive Orders allowed public agencies to conduct meetings in a virtual, or electronic, fashion. The intent of the Executive Orders was to allow for the orderly functioning of governmental agencies while protecting public health.

Ever since March 18, 2020, Vallecitos has conducted all public meetings, including Board and Committee meetings, via the Zoom videoconferencing platform. This method has allowed Vallecitos to continue to conduct business while allowing the public to monitor the actions of its governing body. Zoom allows the public to see and hear the elected officials conduct meetings and allows the public the opportunity to provide comments.

**DISCUSSION:**

As COVID conditions continue to improve, many agencies are contemplating the return to conventional, in person, public meetings. Although the Executive Orders still allow agencies to conduct their meetings via videoconferencing, at some time in the future those Executive Orders will expire or be terminated, and public agencies will be required to return to conventional meeting forums.

An item has been placed on the Board meeting scheduled for September 15, 2021, to provide the Board with an opportunity to discuss returning to in-person meetings. As conditions continue to change, the guidance regarding public health has also been changing. Although the State abandoned the color-based tier system on June 15, 2021, there are still public health regulations in place governing meeting protocols. The Executive Order temporarily modifying the Brown Act rules regarding how public meetings are conducted is set to expire on September 30, 2021. There have been discussions about an extension to the Brown Act Rules modifications, but nothing has been formalized as of the preparation of this report.

Staff will present several alternatives to the Board regarding ways to resume in person meetings. Unless the Brown Act Rule modifications are extended, all meetings beginning on October 1, 2021, will need to be conducted in person.

**FISCAL IMPACT:**

There are minor costs associated with the return to in-person Board meetings.

**RECOMMENDATION:**

Discuss the resumption of in-person meetings and provide direction as necessary.

★ Agenda items marked with this symbol will be accessible with the Virtual Conference Pass.

Note: Tuesday Committee meetings *will not* be available with the Virtual Conference Pass.

**ACWA JPIA - MONDAY, NOV. 29**

**8:30 – 10:00 AM**

- ACWA JPIA Program Committee

**10:15 – 11:15 AM**

- ACWA JPIA Executive Committee

**1:30 – 4:00 PM**

- ACWA JPIA Board of Directors

**4:00 – 5:00 PM**

- ACWA JPIA Town Hall

**5:00 – 6:00 PM**

- ACWA JPIA Reception

**TUESDAY, NOV. 30**

**8:00 AM – 9:45 AM**

- Agriculture Committee

**8:00 AM – 6:00 PM**

- Registration

**8:30 AM – Noon**

- ACWA JPIA Seminars

**10:00 – 11:45 AM**

- Groundwater Committee
- Energy Committee

**11:00 AM – Noon**

- Outreach Task Force

**Noon – 2:00 PM**

- Committee Lunch Break

**1:00 – 2:45 PM**

- Local Government Committee
- Finance Committee
- Water Management Committee

**1:00 – 3:00 PM**

- ACWA JPIA: Sexual Harassment Prevention for Board Members & Managers (AB 1825)

**3:00 – 4:45 PM**

- Communications Committee
- Federal Affairs Committee
- Membership Committee
- Water Quality Committee

**5:00 – 6:30 PM**

- Welcome Reception in the Exhibit Hall

**WEDNESDAY, DEC. 1**

**7:30 AM – 5 PM**

- Registration

**8:00 – 9:45 AM**

- Opening Breakfast (*Ticket Required*) ★

**8:30 AM – 6:00 PM**

- Connect in the Exhibit Hall

**10:00 – 11:00 AM**

- Attorneys Program ★
- Energy Committee Program ★
- Finance Program ★
- Region Forum ★
- Statewide Forum ★
- Water Industry Trends Program ★

**11:00 AM – 1:00 PM**

- Connect in the Exhibit Hall
- Exhibitor Demonstrations
- Networking Lunch (*Ticket Required*)

**Noon – 1:00 PM**

- General Session/Election

**1:15 – 2:45 PM**

- Attorney Program ★
- Communications Committee Program ★
- Finance Program ★
- Region Forum ★
- Statewide Forum ★
- Water Industry Trends Program ★

**3:00 – 3:30 PM**

- Ice Cream Break in the Exhibit Hall

**3:30 – 4:30 PM**

- Roundtable Talks

**3:45 – 5:30 PM**

- Legal Affairs Committee

**5:00 – 6:00 PM**

- Outreach Reception in the Exhibit Hall

**6:00 – 7:00 PM**

- CalDesal Hosted Mixer
- Jacobs Hosted Reception
- Women in Water Hosted Reception

**7:00 – 10:00 PM**

- Dinner & Entertainment (*Ticket Required*)

**THURSDAY, DEC. 2**

**7:30 AM – 4:00 PM**

- Registration

**7:45 – 9:15 AM**

- Regions 1-10 Membership Meetings

**8:00 – 9:15 AM**

- Networking Continental Breakfast in the Exhibit Hall (*Ticket Required*)

**8:00 AM – Noon**

- Connect in the Exhibit Hall

**8:30 – 10:45 AM**

- Ethics Training (AB 1234) - *Ltd. Seating*

**9:30 – 11:00 AM**

- Attorneys Program ★
- Federal Forum ★
- Finance Program ★
- Region Forum ★
- Statewide Forum ★
- Water Industry Trends Program ★

**11:15 – 11:45 AM**

- Prize Drawings in the Exhibit Hall

**Noon – 2:00 PM**

- General Session Luncheon (*Ticket Required*) ★

**2:15 – 3:15 PM**

- Attorneys Program ★
- Exhibitor Demonstrations
- Human Resource Program ★
- Statewide Forum ★
- Town Hall ★
- Water Industry Trends Program ★

**3:30 – 4:30 PM**

- Closing Reception

All conference programs are subject to change.

Last modified: August 23, 2021