

AGENDA FOR A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, SEPTEMBER 21, 2022, AT 5:00 P.M.
AT THE DISTRICT OFFICE
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

CALL TO ORDER – PRESIDENT ELITHARP

NOTICE TO THE PUBLIC

Meetings of the Board of Directors of the Vallecitos Water District will be held in the Board Room at the District Office located at 201 Vallecitos de Oro, San Marcos, California, on the date and time identified above.

Vallecitos Water District is following the guidance issued by the County of San Diego, effective March 1, 2022, which follows the California Department of Public Health guidance which recommends that persons attending public meetings are strongly recommended to wear a face covering in indoor public settings, whether vaccinated or not. The Department of Industrial Relations also strongly recommends, but does not require, the use of face coverings by all visitors.

BROADCAST OF THE MEETING. Members of the public may watch the meeting live via computer or smart device by going to the District's website: www.vwd.org/meetings and clicking on the "Watch Live" icon; however, they will not be able to participate in the meeting remotely.

LISTEN TO THE MEETING. Members of the public may listen to the meeting live on their phone by dialing (888) 788-0099 (Toll Free) or (877) 853-5247 (Toll Free). When prompted, enter the meeting ID and Passcode displayed on the District's website.

PLEDGE OF ALLEGIANCE

ROLL CALL

ADDITIONS TO THE AGENDA

Items may be added to the Agenda in accordance with Section 54954.2(b)(2) of the Government Code upon a determination by a majority vote of the Vallecitos Board that an emergency situation exists, as defined in Section 54956.5, or upon a determination by a two-thirds vote of the Board present at the meeting, or, if less than two-thirds of the Board are present, a unanimous vote of Board members present, that there is a need to take immediate action and that the need for action came to the attention of the Vallecitos Water District subsequent to the agenda being posted.

ADOPT AGENDA FOR THE REGULAR MEETING OF SEPTEMBER 21, 2022

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 Senior Executive Assistant prior to the start of the meeting, if possible. 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 are expected to be routine and non-controversial, to be acted upon by the Board by one motion. There will be no separate discussion of these items, unless a Board member or member of the public requests that a particular item(s) be removed from the Consent Calendar, in which case it will be considered separately under Action Items.

1.1 APPROVAL OF MINUTES (pp. 6-17)

- A. CLOSED SESSION BOARD MEETING – SEPTEMBER 7, 2022
- B. REGULAR BOARD MEETING – SEPTEMBER 7, 2022
- C. PUBLIC AWARENESS/PERSONNEL/POLICY COMMITTEE MEETING – SEPTEMBER 14, 2022

Approved minutes become a permanent public record of the District.

Recommendation: Approve Minutes

1.2 WARRANT LIST THROUGH SEPTEMBER 21, 2022 - \$4,339,036.09 (pp. 18-21)

Recommendation: Approve Warrant List

1.3 FINANCIAL REPORTS (pp. 22-43)

- A. WATER METER COUNT – AUGUST 31, 2022
- B. WATER PRODUCTION/SALES REPORT – 2022/2023
- C. PER CAPITA WATER CONSUMPTION – AUGUST 31, 2022
- D. WATER REVENUE AND EXPENSE REPORT – AUGUST 31, 2022
- E. SEWER REVENUE AND EXPENSE REPORT – AUGUST 31, 2022
- F. RESERVE FUNDS ACTIVITY – AUGUST 31, 2022
- G. INVESTMENT REPORT – AUGUST 31, 2022
- H. LEGAL FEES SUMMARY – AUGUST 31, 2022

- 1.4 ADOPTION OF RESOLUTION ORDERING THE ANNEXATION OF CERTAIN PROPERTY DESIGNATED AS THE "PAPP-LUNDBLADE ANNEXATION" INTO THE VALLECITOS WATER DISTRICT AND SEWER IMPROVEMENT DISTRICT 5 (SZILARD PAPP AND JEFF LUNDBLADE) (pp. 44-49)

The property is located south of East Olive Street and east of Sycamore Drive in the City of San Marcos.

Recommendation: Adopt the resolution ordering the annexation

- 1.5 APPROVAL OF ADDITIONAL AS-NEEDED ENGINEERING PROFESSIONAL SERVICES AGREEMENT (pp. 50)

Vallecitos Water District routinely requires minor engineering and design services for its budgeted capital and asset management projects.

Recommendation: Authorize the General Manager to enter into an as-needed engineering professional services agreement with V&A Consulting Engineers

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

ACTION ITEM(S)

- 2.1 POTABLE REUSE ADVOCACY AGENCY (pp. 51-53)

Encina Wastewater Authority staff is soliciting advocacy agencies to actively support a future Regional Potable Reuse project.

Recommendation: Approve letter of advocacy

- 2.2 WATER SUPPLY CONDITIONS UPDATE (pp. 54)

Recommendation: For information only

- 2.3 ADOPTION OF REVISED ORDINANCE NO. 216 (pp. 55-62)

The Public Awareness/Personnel/Policy Committee has several recommendations for revisions to Ordinance No. 216.

Recommendation: Approve revisions to Ordinance No. 216

- 2.4 AMENDMENT TO THE CONFLICT-OF-INTEREST CODE PURSUANT TO THE POLITICAL REFORM ACT OF 1974 BIENNIAL REVIEW AND ADOPTION (pp. 63-77)

All public agencies are required to adopt and maintain a Conflict-of-Interest Code.

Recommendation: Adopt resolution approving the District's amended Conflict-of-Interest Code

*******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

*******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 Senior Executive Assistant 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

AFFIDAVIT OF POSTING

I, Anthony Flores, Senior Executive Assistant 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., Thursday, September 15, 2022.

Anthony Flores

MINUTES OF A CLOSED SESSION MEETING
OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, SEPTEMBER 7, 2022, AT 4:30 PM, AT THE DISTRICT OFFICE
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

President Elitharp called the Closed Session meeting to order at the hour of 4:30 p.m.

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

Staff Present: General Manager Pruim
 Assistant General Manager Gumpel
 District Engineer Hubbard
 Legal Counsel Gilpin

ADDITIONS TO THE AGENDA

None.

ADOPT AGENDA FOR THE CLOSED SESSION MEETING OF SEPTEMBER 7, 2022

22-09-01 MOTION WAS MADE by Director Sannella, seconded by Director Pennock, and carried unanimously, to adopt the agenda for the Closed Session Meeting of September 7, 2022.

PUBLIC COMMENT

None.

CLOSED SESSION

CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Property: Permanent easement on 2175 Montiel Road, San Marcos, CA (APN 228-360-43)
Agency Negotiator: Glenn Pruim, General Manager
Negotiating Parties: Montiel RD, LLC
Under Negotiation: Price and terms of payment

CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Property: Permanent and temporary easements on APNs 228-370-04 and 228-370-38 (Montiel Road and Lenora Lane, San Marcos, CA)
Agency Negotiator: Glenn Pruim, General Manager
Negotiating Parties: San Marcos Hospitality, LLC
Under Negotiation: Price and terms of payment

22-09-02 MOTION WAS MADE by Director Hernandez, seconded by Director Sannella, and carried unanimously, to move into Closed Session.

REPORT AFTER CLOSED SESSION

The Board adjourned to Open Session at 4:57 p.m. There was no reportable action from the Closed Session Meeting.

ADJOURNMENT

There being no further business to discuss, President Elitharp adjourned the Closed Session Meeting of the Board of Directors at the hour of 4:58 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, September 7, 2022, at 5:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.

Craig Elitharp, President
Board of Directors
Vallecitos Water District

ATTEST:

Glenn Pruim, Secretary
Board of Directors
Vallecitos Water District

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, SEPTEMBER 7, 2022, AT 5:00 PM, AT THE DISTRICT OFFICE
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

President Elitharp 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 Pruiam
Assistant General Manager Gumpel
Legal Counsel Gilpin
District Engineer Hubbard
Chief Financial Officer Owen
Operations & Maintenance Manager Pedrazzi
Capital Facilities Senior Engineer Morgan
Development Services Senior Engineer Lopez
Capital Facilities Engineer Santos
Asset Management Supervisor Bennett
Public Information/Conservation Supervisor Robbins
Information Technology Analyst Todd
Senior Executive Assistant Flores
Executive Assistant Johnson

Others Present: John Bekmanis, Black & Veatch

Director Pennock led the pledge of allegiance.

ADDITIONS TO THE AGENDA

None.

ADOPT AGENDA FOR THE REGULAR MEETING OF SEPTEMBER 7, 2022

22-09-03 MOTION WAS MADE by Director Hernandez, seconded by Director Boyd-Hodgson, and carried unanimously, to adopt the agenda for the Regular Board Meeting of September 7, 2022.

PUBLIC COMMENT

None.

PRESENTATIONS

The Board presented scholarships in the amount of \$1,200 each to three of the five student winners of the District's scholarship contest.

CONSENT CALENDAR

22-09-04 MOTION WAS MADE by Director Hernandez, seconded by Director Sannella, and carried unanimously, to approve the Consent Calendar as presented.

1.1 Approval of Minutes

- A. Public Awareness/Personnel/Policy Committee Meeting – August 1, 2022
- B. Closed Session Board Meeting – August 3, 2022
- C. Regular Board Meeting – August 3, 2022
- D. Engineering/Equipment Committee Meeting – August 4, 2022

1.2 Warrant List through September 7, 2022 - \$6,852,847.58

1.3 Financial Reports

- A. Water Meter Count – July 31, 2022
- B. Water Production/Sales Report – 2022/2023
- C. Per Capita Water Consumption – July 31, 2022
- D. Water Revenue and Expense Report – July 31, 2022
- E. Sewer Revenue and Expense Report – July 31, 2022
- F. Reserve Funds Activity – July 31, 2022
- G. Investment Report – July 31, 2022
- H. Legal Fees Summary – July 31, 2022

1.4 Final Acceptance of Water and Sewer Improvements for Villa Serena Phase 1 Improvements (VS Phase 1, LP)

1.5 Approval of Additional As-Needed Information Technology Professional Services Agreement with Ostari

1.6 Approval of As-Needed Consultant Professional Services Agreement with Quartic

1.7 Award of Construction Contract for the Fiscal Year 2022/2023 Vault Net Fall Protection Installation Project

1.8 Job Classification Retitle and Pay Adjustment for Finance Supervisor

- 1.9 Award of Construction Contract for the Meadowlark Water Reclamation Facility Battery Energy Storage System Retaining Wall Project
- 1.10 Adoption of Resolution Ordering the Annexation of Certain Property Designated as the “Montiel Road Partners/Ramirez Sewer Annexation” into the Sewer Improvement Districts 5 and 6 (Montiel Partners, LP)
- 1.11 Authorization to Execute an Agreement for Door Access Control System Expansion for Meadowlark Water Reclamation Facility and Mahr Reservoir
- 1.12 Approval of Temporary Off-Site Water and Sewer Service Agreements for Merriam Residence (Robert Merriam)
- 1.13 Fall 2022 Between the Pipes – Vallecitos Water District Quarterly Newsletter

PUBLIC HEARING

PUBLIC HEARING REGARDING A REPORT ON DISTRICT WATER QUALITY RELATIVE TO PUBLIC HEALTH GOALS

President Elitharp opened the hearing as duly noticed and posted. The hearing opened at 5:12 p.m.

General Manager Pruim provided information on the District’s legal requirement to prepare a Public Health Goals Report every three years and to hold a public hearing for the purpose of accepting and responding to public comments on the report. He noted that the District’s water meets regulatory standards.

There being no persons wishing to address the Board, President Elitharp closed the hearing at 5:16 p.m.

22-09-05 MOTION WAS MADE by Director Sannella, seconded by Director Boyd-Hodgson, and carried unanimously, to accept the Public Health Goals Report.

ACTION ITEM(S)

AWARD OF AMENDMENT NO. 3 FOR THE MONTIEL LIFT STATION AND FORCEMAIN REPLACEMENT PROJECT

Capital Facilities Senior Engineer Morgan provided details of the project and Amendment Nos. 1 and 2 that were included in the staff report. The Montiel Lift Station, constructed in 1985 as a temporary facility intended to be in operation for less than 5 years, has a history of operational ineffectiveness including occasional pump failure

requiring emergency action to make repairs. The 6-inch force main serving the Montiel Lift Station is in danger of failing and is in severe need of replacement, and the existing 8-inch gravity sewer transporting wastewater from the 6-inch force main through the Nordahl Shopping Center is undersized and cannot serve additional development in the Montiel sewershed without enlargement.

Capital Facilities Senior Engineer Morgan stated that on July 17, 2022, the District initiated a request for additional design engineering services to address continued coordination with the Hotel Leora Lane development. Staff received a final version of the proposal from Michael Baker International, Inc. (MBI) for Amendment No. 3 on August 25, 2022, with a time and materials not-to-exceed fee of \$74,281.

Staff recommended the Board authorize the General Manager to execute Amendment No. 3 under the current professional services agreement with MBI in the amount of \$74,281 for additional engineering design services for the Montiel Lift Station and Forcemain Replacement Project.

General discussion took place.

22-09-06 MOTION WAS MADE by Director Hernandez, seconded by Director Pennock, and carried unanimously, to approve staff's recommendation.

ADOPTION OF RESOLUTION APPROVING AN ADDENDUM TO THE 2018 PROGRAM ENVIRONMENTAL IMPACT REPORT FOR THE MONTIEL LIFT STATION AND FORCEMAIN REPLACEMENT PROJECT

Capital Facilities Senior Engineer Morgan stated that as part of Michael Baker International, Inc.'s scope of work for the project, an Addendum to the Certified 2018 Water, Wastewater, and Recycled Water Master Plan Program Environmental Impact Report (PEIR) was prepared to address proposed infrastructure improvements under California Environmental Quality Act (CEQA) guidelines. No conditions were identified that would require the preparation of a subsequent EIR; therefore, pursuant to CEQA guidelines, the proposed Addendum is intended to inform the District's consideration and action on the project.

Staff recommended the Board adopt the resolution approving the Addendum to the Certified 2018 Water, Wastewater, and Recycled Water Master Plan PEIR for the Montiel Lift Station and Forcemain Replacement Project. The resolution also directs staff to file a Notice of Determination with the San Diego County Clerk and a Certificate of Fee Exemption with the California Department of Fish and Wildlife.

General discussion took place.

22-09-07 MOTION WAS MADE by President Elitharp, seconded by Director Sannella, and carried unanimously, to adopt the resolution.

Resolution No. 1624 - The roll call vote was as follows:

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

AWARD OF PROFESSIONAL SERVICES AGREEMENT FOR THE ASSET MANAGEMENT PLAN PROJECT

Asset Management Supervisor Bennett facilitated a presentation, "Asset Management Plan (AMP) Update" as follows:

- Asset Management Principals
- Strategic Alignment
- Asset Management Activities Progression
- Asset Management Plan
 - Development Scope
 - Consultant Fee (Black & Veatch)
 - Budget
 - Next Steps

Asset Management Supervisor Bennett stated the project is identified in the Fiscal Year (FY) 2022/2023 budget with a total Capital Improvement Program (CIP) budget of \$704,000, of which approximately \$274,000 is allocated for the current fiscal year. To support the creation and implementation of the proposed AMP as well as other projects within the Asset Management Program under the CIP budget, \$401,650 will be needed in FY 2022/2023. Therefore, \$128,391 will need to be reallocated from FY 2023/2024 to the current fiscal year.

General discussion took place.

Staff recommended the Board authorize the General Manager to execute a professional services agreement with Black & Veatch in the amount of \$305,750 for the AMP project and reallocate \$128,391 from FY 2023/2024 to FY 2022/2023.

22-09-08 MOTION WAS MADE by Director Hernandez, seconded by Director Pennock, and carried unanimously, to approve staff's recommendation.

AWARD OF CONSTRUCTION CONTRACT FOR THE 16-INCH EMERGENCY BYPASS PIPELINE REHABILITATION PROJECT

Capital Facilities Engineer Santos reviewed background information on the project as detailed in the staff report. The Emergency Bypass pipeline, a critical infrastructure asset serving as a relief in the District's sewer system, has had three failures and repairs over the past five years and has been considered inoperable since 2019 due to the history of failures and regulatory risk. Rehabilitation or replacement of the pipeline was prioritized, and the planning phase of the project was initiated in Winter 2020. It was determined that the 12-inch diameter Meadowlark Failsafe Outfall (Failsafe) could be added to the project which would result in significant cost savings. The Failsafe has also experienced several failures in the past five years, requiring emergency repairs.

Capital Facilities Engineer Santos stated that during the design phase of the project, rehabilitation of the pipeline was selected over replacement for numerous reasons. Staff and District Counsel completed their evaluations of the project bids received on August 25, 2022, and determined that Burtech Pipeline was the lowest responsive and responsible bidder. Staff conducted a Request for Proposal solicitation for inspection, construction, and geotechnical services, and on July 22, 2022, selected Valley Construction Management.

Staff recommended the Board authorize the General Manager to execute a construction contract with Burtech Pipeline in the amount of \$1,696,000 subject to provisions of the contract, and to execute a contract with Valley Construction Management in the amount of \$285,080.

General discussion took place.

22-09-09 MOTION WAS MADE by Director Boyd-Hodgson, seconded by Director Sannella, and carried unanimously, to approve staff's recommendation.

FISCAL YEAR 2022 TACTICAL PLAN INITIATIVES FINAL REPORT

General Manager Pruim stated the Board adopted Strategic Plan 2022 on December 15, 2021. The Strategic Plan lays out the District's strategic direction for the next five to six years and is broken into six Strategic Focus Areas (SFAs). Each SFA contains a number of Supporting Strategies. The Board also adopted a Fiscal Year (FY) 2022 Tactical Plan on March 2, 2022. The Tactical Plan contains 37 initiatives covering the time period of March 2, 2022, through June 30, 2022. During that timeframe, 19 initiatives were completed, 16 were in process, but not fully completed, and 2 were not initiated. In total, 94.6% of the FY 2022 initiatives were either fully or partially completed. Initiatives not completed will be rolled forward into the FY 2023 Tactical Plan. General Manager Pruim briefly reviewed the FY 2022 Tactical Plan Initiatives Report Card.

General discussion took place.

This item was presented for information only.

REPORTS

GENERAL MANAGER

General Manager Pruim reported the following:

- The District is currently experiencing a COVID outbreak in Building B. Three individuals tested positive for COVID in a 14-day period. As a result, the employee appreciation event currently scheduled for September 15 may need to be rescheduled.
- The District is doing everything possible to reduce its power consumption during the current heat wave.

DISTRICT LEGAL COUNSEL

Legal Counsel Gilpin reported that Senate Bill 222, the Affordable Water Act, passed in the state legislature. He also commented that the Board currently approves committee minutes. As an alternative, some agencies list committee reports on their agendas and their Board of Directors receive the minutes but do not approve them.

SAN DIEGO COUNTY WATER AUTHORITY

Director Elitharp reported on actions taken at the SDCWA Board's regular meeting on August 25. He noted that David Edwards was appointed as the new General Counsel.

ENCINA WASTEWATER AUTHORITY

None.

STANDING COMMITTEES

None.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

Director Hernandez reported on his attendance to the Urban Water Institute Annual Conference August 24-26.

Director Pennock reported on his attendance to the California Association of Sanitation Agencies Annual Conference August 10-12 and the California Special Districts Association (CSDA) Annual Conference August 22-24.

Director Sannella reported on his attendance to the CSDA San Diego Chapter quarterly dinner meeting on August 18.

OTHER BUSINESS

None.

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

Director Boyd-Hodgson requested a presentation be provided to the Board regarding the Hillside Property Development Ad Hoc Committee.

Director Hernandez inquired about that status of South Lake. Assistant General Manager Gumpel stated the South Lake Agreement has been blessed by the San Marcos City Manager and reviewed by the City's legal counsel. District staff is currently addressing minor comments. The City is ready to make the necessary improvements to make South Lake safe and accessible.

ADJOURNMENT

There being no further business to discuss, President Elitharp adjourned the Regular Meeting of the Board of Directors at the hour of 6:56 p.m.

A Regular Meeting of the Vallecitos Board of Directors has been scheduled for Wednesday, September 21, 2022, at 5:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.

Craig Elitharp, President
Board of Directors
Vallecitos Water District

ATTEST:

Glenn Pruijm, Secretary
Board of Directors
Vallecitos Water District

MINUTES OF A MEETING OF THE
PUBLIC AWARENESS/PERSONNEL/POLICY COMMITTEE
OF THE VALLECITOS WATER DISTRICT
MONDAY, SEPTEMBER 14, 2022, AT 10:00 A.M.
AT THE DISTRICT OFFICE IN THE BOARD ROOM
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

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

Present: Director Boyd-Hodgson
Director Pennock
General Manager Pruum
Assistant General Manager Gumpel
Information Technology Analyst Todd
Senior Executive Assistant Flores
Executive Assistant Johnson

PUBLIC COMMENT

None.

ITEMS FOR DISCUSSION

PERSONNEL

(New Business) Update on Palomar College Fall 2022 Semester Intern Recruitment

General Manager Pruum provided the Committee with a status update on the selection process for the next intern at the District and that staff was currently interviewing candidates.

Director Boyd-Hodgson suggested that future interns be introduced to the full Board.

PUBLIC AWARENESS

(New Business) Notifying Residents of Rate Hearings Who Live in Mobile Home Parks

General discussion took place in regard to notification of water rate increases and other information to residents who are not the owner of record and may reside in mobile home parks, apartment complexes, lease from private homeowners or commercial property.

Director Boyd-Hodgson suggested the District inform the public of the September 28, 2022, public hearing to consider rate increases using the District's social media

platforms. General Manager Pruim informed the Committee that the District will accommodate this request and will make the messaging as transparent and general as possible in an effort to not exclude any particular group. In addition, General Manager Pruim informed the Committee that the District will clarify the legal protocols that define an official protest and will have form letters available to the public at the public hearing to make it as easy as possible for residents to submit an official protest.

POLICY

None.

NEXT MEETING DATE – OCTOBER 3, 2022

The next Committee meeting is scheduled for 10:00 a.m. on Monday, October 3, 2022, in the Board Room.

ADJOURNMENT

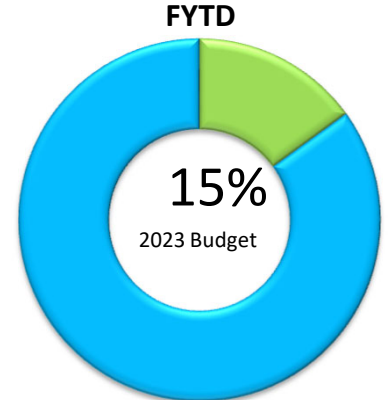
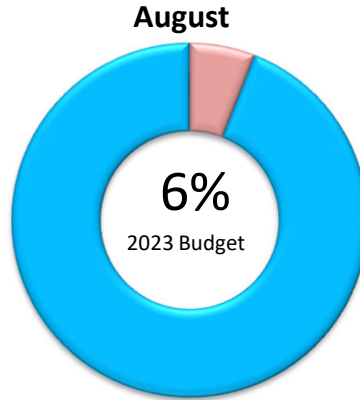
There being no further business to discuss, the meeting adjourned at the hour of 10:21 a.m.

**VALLECITOS WATER DISTRICT
DISBURSEMENTS SUMMARY
August 31, 2022**

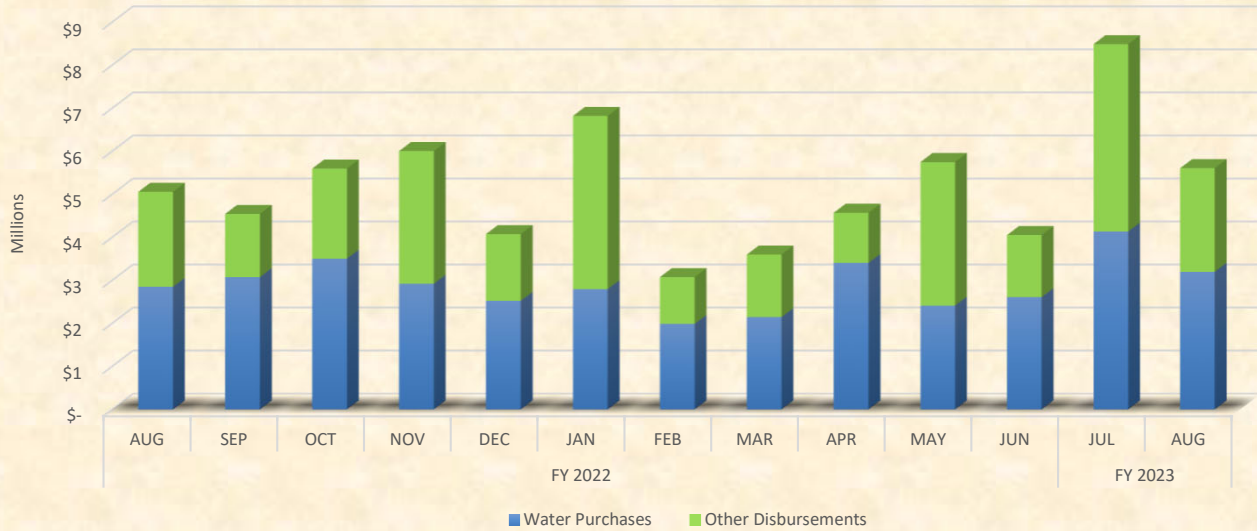
Summary

August Disbursements	\$	5,604,590 *
YTD Disbursements	\$	14,092,523 *
FY2023 Budget	\$	93,704,000

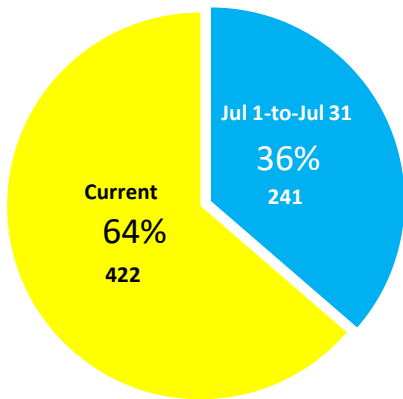
* Excludes Debt Service



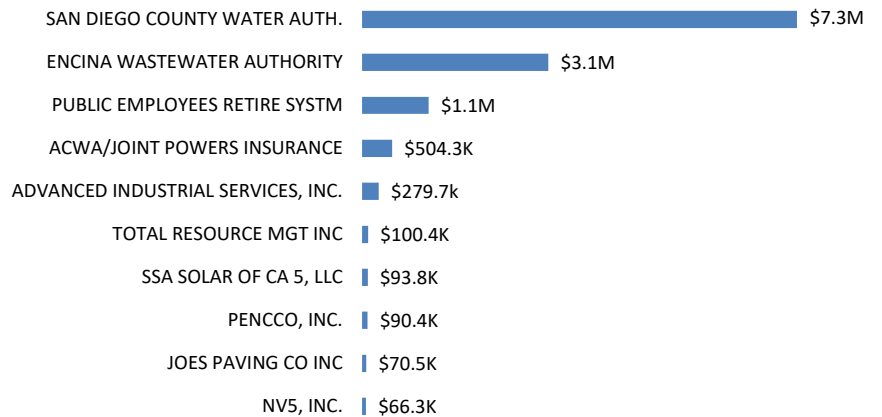
Disbursements by Month



Invoices Processed



Top 10 Vendors - FYTD



VALLECITOS WATER DISTRICT
WARRANTS LIST
September 21, 2022

PAYEE	DESCRIPTION	CHECK#	AMOUNT
Government Finance Officers Association	CAFR Award Application FY 20-21	124916	460.00
Garnishments	Payroll Garnishments 124917 through	124918	-
ACWA	Fall Conference & Exhibition Registration - J Gumpel	124919	775.00
ACWA	Fall Conference & Exhibition Registration - J Pennock	124920	775.00
ACWA/Joint Powers Insurance	Property Insurance 22-23	124921	84,867.15
ACWA/Joint Powers Insurance	Cyber Liability Program 22-23	124922	14,586.30
ACWA/Joint Powers Insurance	Medical Insurance - Oct	124923	232,763.97
Aerotek Inc.	Temp Agency Part-Time Help For Meter Dept - PPE 8-13-22 & 8-20-22	124924	1,994.22
Air Pollution Control District	Emission Fee Renewals - 3 Sites	124925	5,649.06
Airgas USA LLC	Welder, Welding Supplies & Utility Cart	124926	1,175.85
Akeso Occupational Health	Covid Testing & Medical Svcs - July	124927	2,473.00
Alison Fretwell	Reimbursement - Shipping Svcs	124928	59.73
Kevin Anctil	Reimbursement - Meals For Crew During Water Main Break	124929	51.33
Anderson & Brabant Inc	Easement Appraisals 2 - Prj 20201-2	124930	9,500.00
Bridget Anderson	Reimbursement - Interview Panel Lunch	124931	48.95
Richard Arballo	Reimbursement - Hardware Supplies	124932	24.79
Shawn Askine	Reimbursement - Twin Oaks Reservoir Lunch	124933	42.83
AT&T	Phone Svc - Aug	124934	25.96
Audio Associates of San Diego	Boardroom & Training Room Repairs Prj 20231-8	124935	921.36
Best Best & Krieger	Legal Svcs - July	124936	13,104.25
Bill Howe Plumbing	Garbage Disposal & Toilet Repair - MRF	124937	718.98
Black & Veatch Corporation	Onsite Generation of Sodium Hypochlorite Prj 20171-2, Chlorine Tank Expansion Prj 20161-2	124938	883.47
Bluebeam, Inc.	Engineering PDF Document Software - Annual Maintenance Agreement 22-23	124939	495.00
Boncor Water Systems	Soft Water Svc - Aug	124940	1,151.50
Boot Barn	Safety Boots - 8 Pairs	124941	1,200.00
Boot World Inc	Safety Boots	124942	150.00
CalDesal	Membership Dues 22-23	124943	1,000.00
California Special Dist Association	Dinner Meeting Registration - T Boyd-Hodgson	124944	65.00
CCI	Water Treatment Svcs - Aug	124945	440.00
Consolidated Electrical Distributors, Inc.	LED Light Bulbs - Qty 160	124946	1,465.40
Centre Builders, Inc.	Closed Account Refund	124947	930.89
Christian Wheeler Engineering	Tesla Prj 20221-6	124948	960.00
Jeffrey Colwell	Video Production Svcs Prj 20231-65	124949	192.50
County of San Diego	Facility Permits - 3 Locations	124950	2,953.00
CWEA	Membership Renewal - E Pedrazzi	124951	202.00
CWEA	Membership Renewal - J Bakken	124952	202.00
DirecTV Inc	Satellite Svc - Aug	124953	121.99
Edco Waste & Recycling Serv	Trash Svc - Aug	124954	957.72
David Elpin	Reimbursement - Safety Boots	124955	107.58
Employment Screening Services Inc	Employment Screening Svcs	124956	131.50
Federal Express Corp.	Shipping Svcs - July	124957	2.41
Ferguson Enterprises, Inc	Cla-Val Replacement Parts & Rebuild Kits	124958	2,070.08
J.R. Filanc Construction Co Inc	Construction Contract MRF Tertiary Structure Rehabilitation	124959	55,860.00
Financial Credit Network, Inc.	Commission Dues - Water Accounts In Collections - June	124960	2,860.81
Fleet Pride	Oil & Filters - Annual Fleet Servicing, Coolant	124961	1,295.00
Friends of San Marcos Parks & Recreation	Booth Rental - Double Peak Challenge Prj 20231-65	124962	25.00
James Gumpel	Reimbursement - Meals For Crew During Water Main Break	124963	52.59
Hach Company	Turbidimeter, Nitrate Test Strips	124964	2,689.20
Hawthorne Machinery Co.	Hardware Supplies	124965	194.40
James R Hernandez	CSDA Meeting 8-18-22	124966	34.40
Infosend Inc	Postage, Printing, Processing, Door Hangers - July	124967	5,908.27
Interstate Batteries	Vehicle Batteries - 4	124968	642.21
J W D'Angelo Co Inc	Meter Valve Box Frames, Lids & Covers - 12	124969	1,869.41
Jack Henry & Assoc Inc	Remit Plus Support - August	124970	140.36
JCI Jones Chemicals Inc	Chlorine	124971	15,896.68
Ken Grody Ford	Platform/Step - Veh 280	124972	418.07
Kleinfelder, Inc.	Chlorine Tank Expansion Prj 20161-2	124973	13,076.38
KRC Rock Inc	Mulch - Bldg A	124974	1,488.19
Kurt Larson	Closed Account Refund	124975	14.45
Larry Ostrow	Closed Account Refund	124976	10.00
Liebert Cassidy Whitmore	Employment Relations Consortium Membership 22-23	124977	4,480.00
Lloyd Pest Control	Pest Control Svcs May - Aug	124978	812.00
Matheson Tri-Gas Inc	Plasma Torch For Welding Shop	124979	2,565.90
McCall's Meters, Inc.	Meter Testing - 1 Meter	124980	126.02
McKim & Creed, Inc	Leak Detection Svcs - Fairview Drive, Vista	124981	2,000.00
Mexico City Cuisine	Meals - Employee Recognition Lunch	124982	2,875.54
Michael Baker International, Inc.	Montiel Lift Station Prj 20201-2	124983	28,626.10
Mike Sannella	CSDA Meeting 8-18-22	124984	34.40
Mission Resource Conservation District	Water Use Evaluation Prj 20221-51	124985	75.00

VALLECITOS WATER DISTRICT
WARRANTS LIST
September 21, 2022

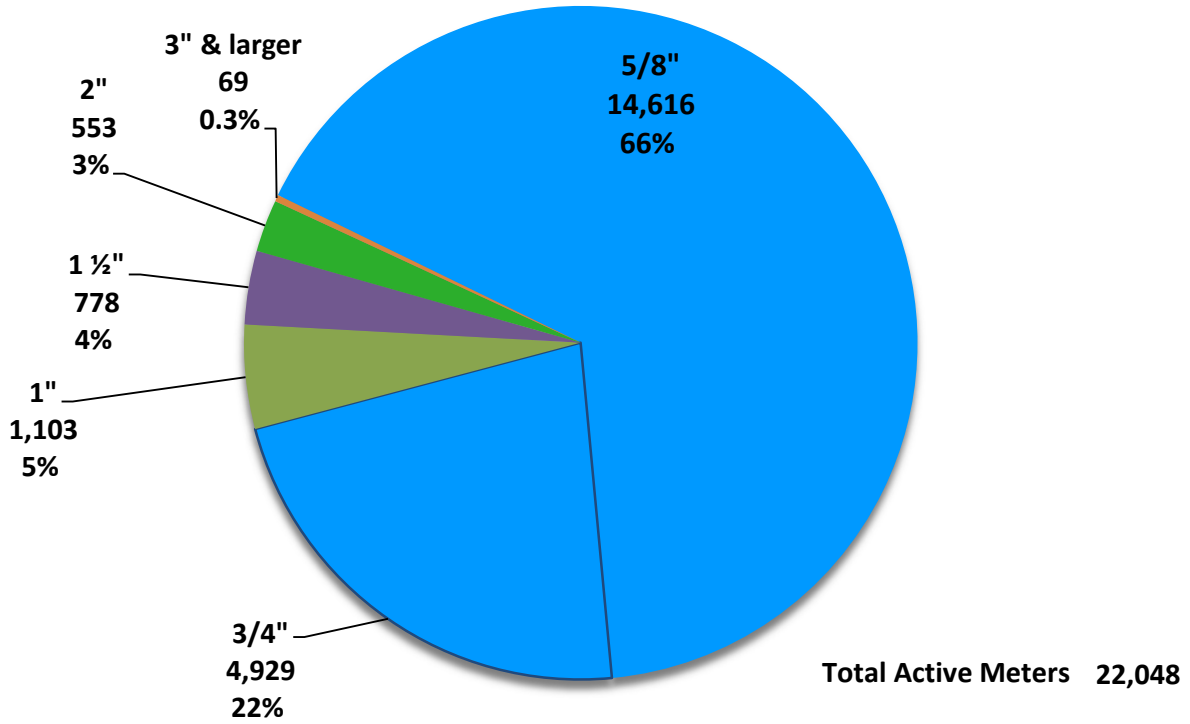
PAYEE	DESCRIPTION	CHECK#	AMOUNT
NV5, Inc.	Las Posas Waterline Replacement Prj 20181-4, Tres Amigos Waterline Replacement Prj 20201-3	124986	4,505.00
Ostari Inc	IT Support & Duo Software Support - Aug	124987	3,931.00
Pacific Pipeline Supply	Hardware Supplies	124988	149.51
Parkhouse Tire Inc	Fleet Tires - 7	124989	2,486.34
Patriot Portable Restroom Inc	Portable Restroom Rental - Aug	124990	308.05
Pencco, Inc.	Calcium Nitrate	124991	39,025.96
Raymond Allyn Business Supplies	Storage Table Replacement - Warehouse	124992	1,736.88
Rick Crawford	Reimbursement - Meals For After Hours Crew	124993	46.12
Rick Post Welding	Emergency Welding Svcs - Water Main Repair	124994	1,831.81
SDG&E	Power - July	124995	5,658.95
SecureWorks, Inc.	Security Network Monitoring Subscription Renewal 22-23	124996	2,601.80
Shelly Guerra	Closed Account Refund	124997	27.80
SHI International Corp.	Laptops 18, Microsoft Office Software - Qty 160, Veeam Maintenance Renewal 22-23	124998	49,378.89
Staples Advantage	Office Supplies - July & Aug	124999	666.09
Stericycle, Inc.	Shredding Svcs - July & Aug	125000	371.02
T.S. Industrial Supply	Shovels, TOR Onsite Generation Injection Hose	125001	642.40
Tracker	Portfolio Accounting & Reporting Annual Subscription 22-23	125002	7,140.00
Trussell Technologies Inc	Onsite Generation of Sodium Hypochlorite Prj 20171-2	125003	1,380.00
TTR Substations	Closed Account Refund	125004	677.07
Union-Tribune Publishing Co.	Legal Advertising - July	125005	537.00
Univar USA Inc	Sodium Bisulfite, Caustic Soda	125006	7,595.38
UPS	Shipping Svcs - Aug	125007	132.67
Lisa Urabe	Reimbursement - Conservation Supplies Prj 20231-65 & 69	125008	307.38
Versatile Systems Inc.	Semi-Annual Inspections - Water Tank Climbing Systems	125009	3,000.00
Erik Warner	Reimbursement - Worn Out Appliance Parts	125010	95.79
Water Education Group	Careers In Waters Brochures Prj 2201-50	125011	404.06
Airwave Mechanical	Remove & Replace Mini Split - Collections Dept, IT Ducting Addition - New Office	125012	6,200.00
Cart Mart, Inc.	Repair Parts For Warehouse Cart	125013	501.79
Doane & Hartwig Water Systems Inc	Fittings 2 - For Odor Scrubber 2, Chlorine Analyzer Parts - MRF	125014	1,268.05
Dell Computers	Standard Support For Servers 22-23	125015	2,000.00
Dive/Corr Inc	Tank Inspections & Cleanings - 6 Tanks	125016	15,000.00
Electrical Sales Inc	Timing Delays For Alarms MRF - 3	125017	700.90
Fisher Scientific LLC	Lab Supplies	125018	63.76
Grainger Inc	Small Tools For Veh 218, Bookcases - 3, Supplies For Air Compressor Servicing	125019	8,285.69
Greg's Seal Coating Co.	Asphalt Replacement 748 Sq. Ft, Crack Refill 2,700 Sq. Ft. & Cleaning Prj 20221-24 & 36	125020	28,794.40
Jan-Pro of San Diego	Janitorial Svcs MRF - Aug	125021	997.00
Kristian Gabriel Films LLC	Adobe Illustrator Training - Prj 20231-66	125022	695.00
Lawnmowers Plus Inc	Hardware Supplies	125023	76.44
Lloyd Pest Control	Pest Control Svcs - Aug	125024	62.00
Mallory Safety & Supply, LLC	Calibration Gas For Gas Meter	125025	555.74
Nimmo Machine	Emergency HVAC Repair - Bldg A	125026	987.50
Ramco	Concrete Recycling	125027	210.00
Richard W. Gittings	Hillside Development - Aug	125028	1,400.00
Road Soup LLC	Asphalt	125029	3,715.75
Underground Service Alert	Dig Alert Svc & State of CA Regulatory - Sept	125030	882.74
Unifirst Corporation	Uniform Delivery	125031	1,799.61
Waxie Sanitary Supply	Cleaning Supplies - Aug	125032	1,381.57
Total Disbursements (115 Checks)			<u>739,985.06</u>
WIRES			
Encina Wastewater Authority	Quarterly Billing	Wire	2,100,207.00
Public Employees Retirement System	Retirement Contribution - September 6, 2022 Payroll	Wire	78,720.47
Bank of America	Bank of America loan payment - Principal	Wire	779,642.80
Bank of America	Bank of America loan payment - Interest	Wire	7,642.80
Union Bank	Union Bank debt payment - Principal	Wire	200,000.00
Union Bank	Union Bank debt payment - Interest	Wire	21,127.32
Total Wires			<u>3,187,340.39</u>
PAYROLL			
Total direct deposits		Wire	256,707.55
VWD Employee Association		124917	566.00
Payroll & Garnishments	Payroll Garnishments	124918	997.37
IRS	Federal payroll tax deposits	Wire	100,716.31
Employment Development Department	California payroll tax deposit	Wire	20,952.05
CalPERS	Deferred compensation withheld	Wire	21,619.77
VOYA	Deferred compensation withheld	Wire	10,151.59
Total September 6, 2022 Payroll Disbursements			<u>411,710.64</u>

VALLECITOS WATER DISTRICT
WARRANTS LIST
September 21, 2022

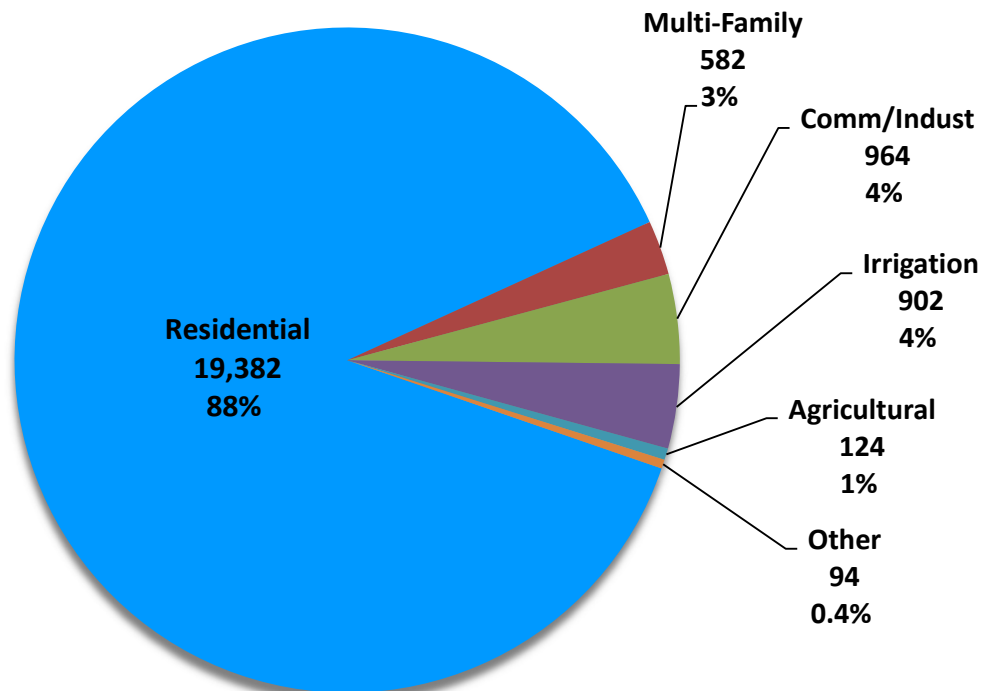
<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHECK#</u>	<u>AMOUNT</u>
TOTAL DISBURSEMENTS			<u>4,339,036.09</u>

Vallecitos Water District
 Active Water Meters
 August 31, 2022

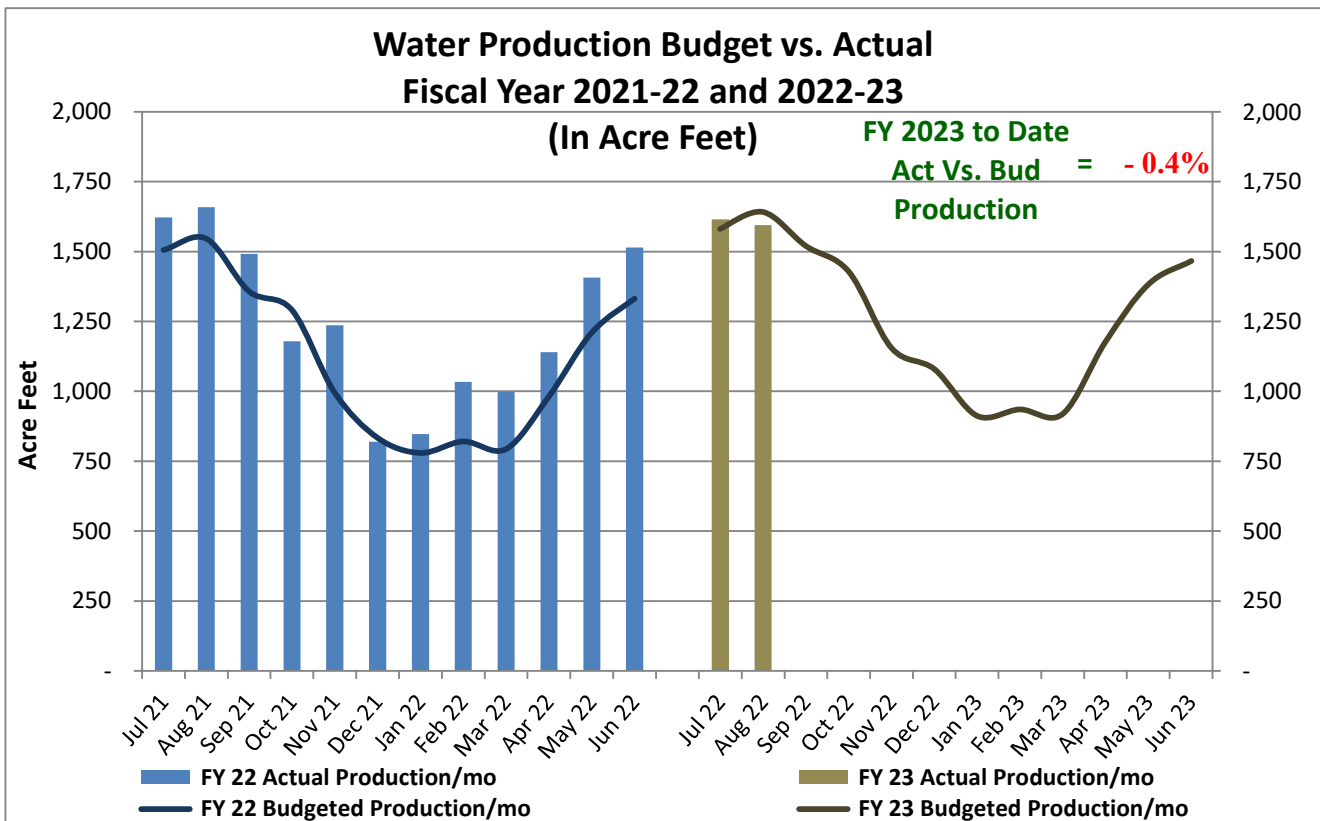
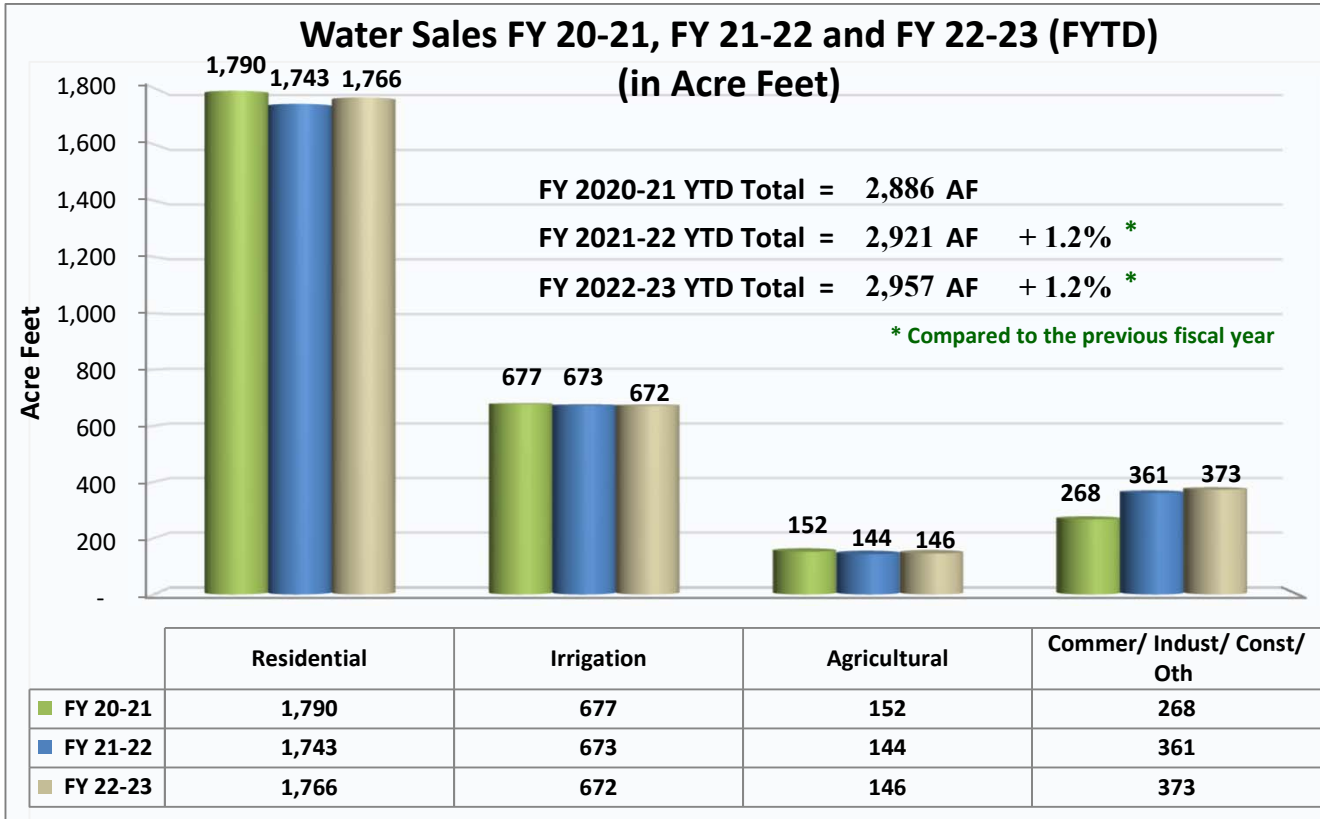
Active Meters by Size as of August 31, 2022



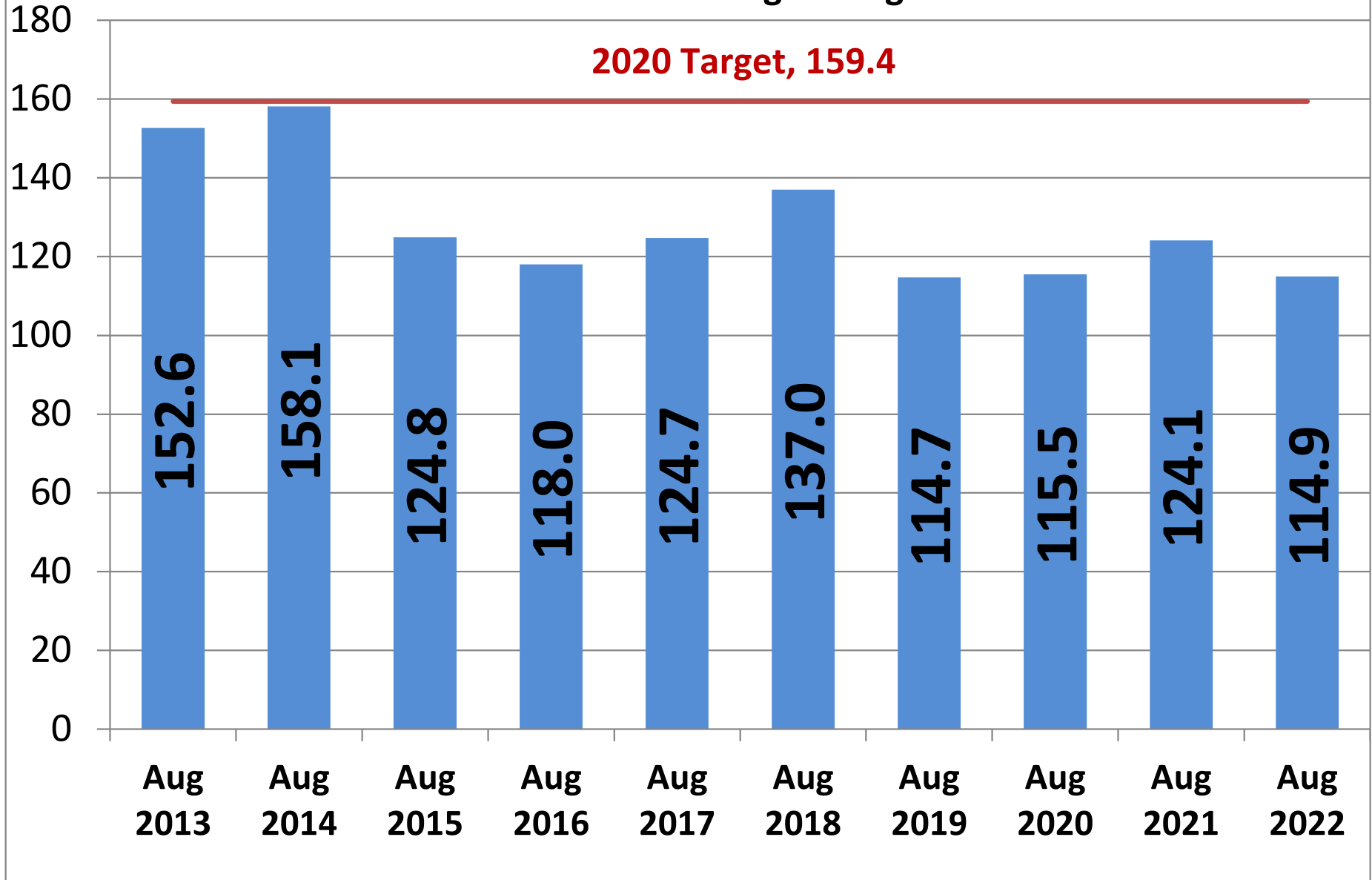
Active Meters by Type as of August 31, 2022



Vallecitos Water District
 Water Production/Sales
 August 31, 2022



Gallons per Capita per Day 12-Month Rolling Average



DATE: SEPTEMBER 21, 2022
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, 2022 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 is 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 Payment, 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, 2022

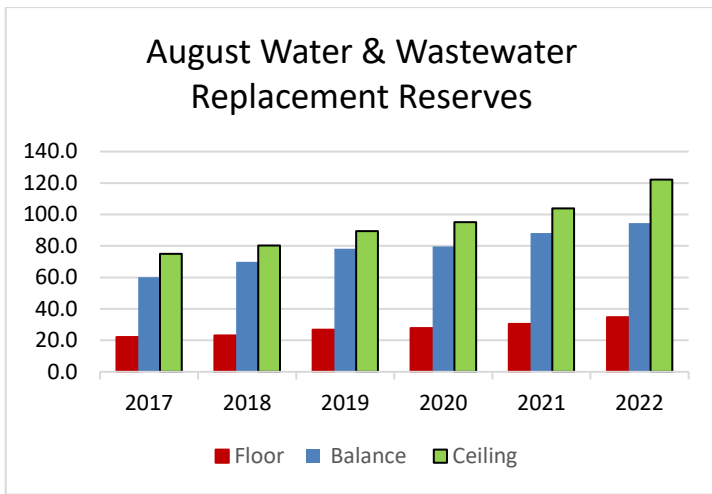
	Current	Prior Year Actual			Current Year Budget		
	Year	Amount	Variance		Amount	Variance	
	Actual		\$	%		\$	%
Revenue							
Water Sales	\$ 8,032,726	\$6,796,129	\$ 1,236,597	18.2%	\$6,553,000	\$ 1,479,726	22.6%
Ready-to-serve	2,867,211	2,445,496	421,715	17.2%	2,470,000	397,211	16.1%
Pumping charges	46,618	85,430	(38,812)	-45.4%	90,000	(43,382)	-48.2%
Late & lock charges	64,159	47,374	16,785	35.4%	62,000	2,159	3.5%
Backflow fees	10,751	19,897	(9,146)	-46.0%	15,000	(4,249)	-28.3%
Other revenue	23,965	52,320	(28,355)	-54.2%	41,000	(17,035)	-41.5%
Total Revenue	11,045,430	9,446,646	1,598,784	16.9%	9,231,000	1,814,430	19.7%
Expenses							
Water costs	6,669,936	6,355,919	314,017	4.9%	6,758,000	(88,064)	-1.3%
Pumping cost recovery	76,453	117,836	(41,383)	-35.1%	171,000	(94,547)	-55.3%
Water quality	10,520	10,135	385	3.8%	26,000	(15,480)	-59.5%
Water treatment	100,857	59,946	40,911	68.2%	83,000	17,857	21.5%
Tanks & reservoirs	46,585	66,015	(19,430)	-29.4%	81,000	(34,415)	-42.5%
Trans & distribution	321,695	261,867	59,828	22.8%	315,000	6,695	2.1%
Services	15,360	10,376	4,984	48.0%	12,000	3,360	28.0%
Meters	86,082	130,639	(44,557)	-34.1%	161,000	(74,918)	-46.5%
Backflow prevention	23,617	-	23,617	100.0%	14,000	9,617	68.7%
Customer accounts	66,580	138,077	(71,497)	-51.8%	147,000	(80,420)	-54.7%
Building & grounds	60,336	61,817	(1,481)	-2.4%	93,000	(32,664)	-35.1%
Equipment & vehicles	50,346	38,315	12,031	31.4%	60,000	(9,654)	-16.1%
Engineering	182,826	199,323	(16,497)	-8.3%	279,000	(96,174)	-34.5%
Safety & compliance	34,284	16,213	18,071	111.5%	63,000	(28,716)	-45.6%
Information Technology	188,551	127,013	61,538	48.5%	186,000	2,551	1.4%
General & administrative	377,072	356,241	20,831	5.8%	552,000	(174,928)	-31.7%
Total Expenses	8,311,100	7,949,732	361,368	4.5%	9,001,000	(689,900)	-7.7%
Net Operating Income	\$ 2,734,330	\$1,496,914	1,237,416	82.7%	\$ 230,000	2,504,330	1088.8%

Vallecitos Water District
Sewer Revenue and Expense Report
For the Two Months Ended August 31, 2022

	Current	Prior Year Actual			Current Year Budget		
	Year	Amount	Variance		Amount	Variance	
	Actual		\$	%		\$	%
Revenue							
Sewer service charges	\$ 3,641,098	\$ 3,102,425	\$ 538,673	17.4%	\$ 2,997,000	\$ 644,098	21.5%
Reclaimed water sales	513,333	495,833	17,500	3.5%	515,000	(1,667)	-0.3%
Other revenue	18,993	29,097	(10,104)	-34.7%	34,000	(15,007)	-44.1%
Total Revenue	<u>4,173,424</u>	<u>3,627,355</u>	546,069	15.1%	<u>3,546,000</u>	627,424	17.7%
Expenses							
Collection & conveyance	383,353	310,789	72,564	23.3%	444,000	(60,647)	-13.7%
Lift stations	26,760	30,022	(3,262)	-10.9%	43,000	(16,240)	-37.8%
Source Control	21,329	25,089	(3,760)	-15.0%	32,000	(10,671)	-33.3%
Effluent disposal	533,394	556,500	(23,106)	-4.2%	554,000	(20,606)	-3.7%
Meadowlark	499,813	349,044	150,769	43.2%	485,000	14,813	3.1%
Customer accounts	56,761	74,165	(17,404)	-23.5%	96,000	(39,239)	-40.9%
Building & grounds	34,563	42,501	(7,938)	-18.7%	62,000	(27,437)	-44.3%
Equipment & vehicles	37,169	28,227	8,942	31.7%	47,000	(9,831)	-20.9%
Engineering	76,402	89,977	(13,575)	-15.1%	145,000	(68,598)	-47.3%
Safety & compliance	17,721	8,962	8,759	97.7%	50,000	(32,279)	-64.6%
Information technology	161,712	120,825	40,887	33.8%	149,000	12,712	8.5%
General & administrative	234,234	168,786	65,448	38.8%	260,000	(25,766)	-9.9%
Total Expenses	<u>2,083,211</u>	<u>1,804,887</u>	278,324	15.4%	<u>2,367,000</u>	(283,789)	-12.0%
Net Operating Income	<u>\$ 2,090,213</u>	<u>\$ 1,822,468</u>	267,745	14.7%	<u>\$ 1,179,000</u>	911,213	77.3%

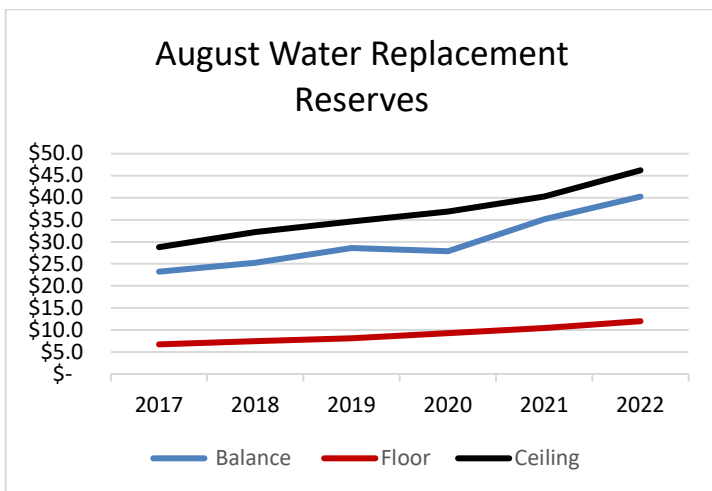
REPLACEMENT RESERVES

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 for replacement reserves after funding operating reserves as the sum of three years of projected system replacement costs, and a ceiling as the sum of ten years of projected system replacement costs for water or the sum of eight years of projected system replacement costs for sewer. As of August 31, 2022, the total water and wastewater replacement reserve balance was \$94.6 million, 7.3 percent higher than August 31, 2021.



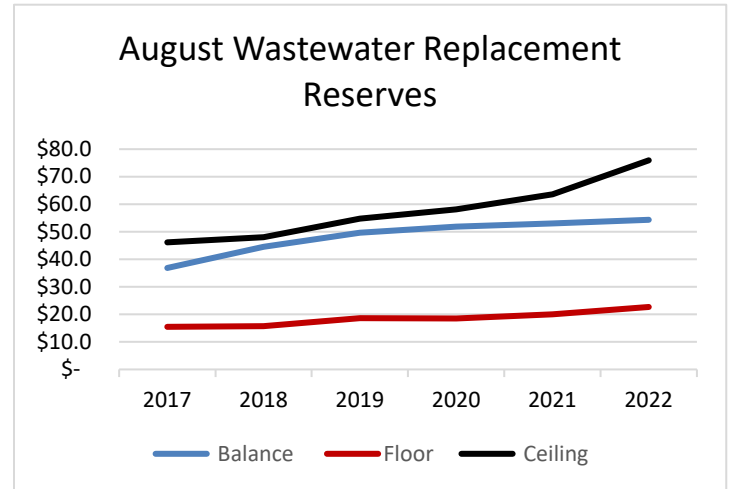
WATER REPLACEMENT RESERVE

As of August 31, 2022, the District’s water replacement reserve totaled \$40.3 million, an increase of 14.5 percent, or \$5.1 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.



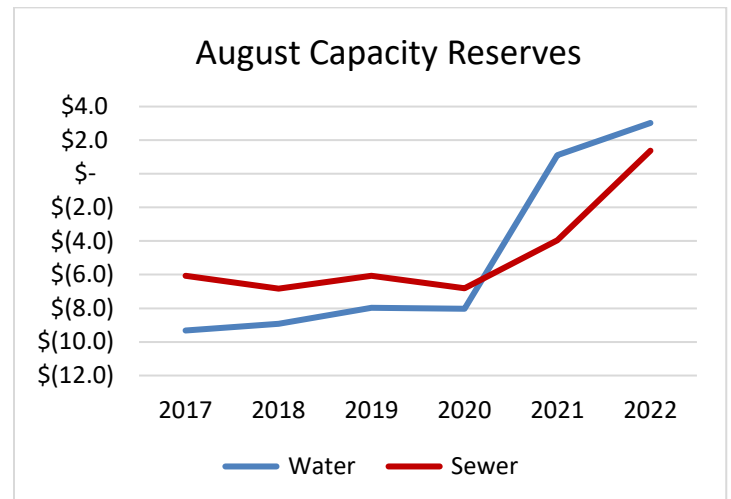
WASTEWATER REPLACEMENT RESERVE

As of August 31, 2022, the balance in the District’s wastewater replacement reserve totaled \$54.3 million, an increase of 2.5 percent, or \$1.3 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, 2022, the water capacity fund had a balance of \$3.0 million and the sewer capacity fund had a balance of \$1.4 million. The District’s capital facility fees situation has improved as a result of 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, 2022

	110 Water 120		210 Wastewater 220		Total
	Replacement	Capacity	Replacement	Capacity	
BEGINNING BALANCE ⁽¹⁾	\$ 44,495,222	\$ 2,853,201	\$ 63,145,239	\$ 318,305	\$ 110,811,967
REVENUES					
FY 22/23 Operating Transfers ⁽²⁾	2,734,330	-	2,090,213	-	4,824,543
Debt Proceeds	335,807	-	977,692	27,261	1,340,760
Interfund Transfer	-	335,807	-	977,692	1,313,499
Capital Facility Fees	-	131,718	-	521,474	653,192
Investment Earnings	139,070	5,799	95,802	2,021	242,693
Property Tax	43,069	-	34,954	-	78,023
Annexation Fees	5,725	-	12,215	-	17,940
TOTAL REVENUES	3,258,001	473,324	3,210,877	1,528,448	8,470,650
LESS DISTRIBUTIONS					
Carryover Projects					
Encina Wastewater Authority Five Year Plan	-	-	3,621,358	-	3,621,358
Sage Canyon Tank Refurbishment	322,030	-	-	-	322,030
MRF - Biological Selector Improvements	-	-	70,561	-	70,561
MRF - Tertiary Influent Chamber Repairs	-	-	68,324	-	68,324
Montiel Lift Station And Forcemain Replacement	-	-	28,374	27,261	55,635
16-Inch Emergency Bypass Pipeline Rehabilitation	-	-	49,848	-	49,848
MRF - Conversion to Sodium Hypochlorite	-	-	38,025	-	38,025
Energy Management Study	17,301	-	16,622	-	33,923
District-Wide Valve Replacement Program	33,407	-	-	-	33,407
Trussel FCF - Water Quality Analyzer	28,747	-	-	-	28,747
San Elijo Pump Station - Water Quality Analyzer	28,747	-	-	-	28,747
District-Wide Valve Replacement Program	22,015	-	-	-	22,015
Administration Building - Roof Improvements	20,843	-	-	-	20,843
Coggan Pump Station: Facility Improvements	19,713	-	-	-	19,713
Failsafe Buena Sewer Outfall Condition Assessment	-	-	18,824	-	18,824
Mountain Belle Tank: Asphalt Repair & Sealcoat	16,048	-	-	-	16,048
Meadowlark - Landscaping Improvements	-	-	14,724	-	14,724
Chlorine Contact Tank Expansion	-	-	13,262	-	13,262
Service Line Replacement & Meter Relocations	12,608	-	-	-	12,608
Sewer Lining and Rehab	-	-	10,027	-	10,027
District-Wide SCADA Upgrade Project	5,097	-	4,897	-	9,994
Las Posas Water Line Replacement	9,219	-	-	-	9,219
N. Twin Oaks #2 Tank: Asphalt Improvements	7,952	-	-	-	7,952
5 Year Pc/Laptop Refresh Plan	3,551	-	3,412	-	6,964
MRF Battery Energy Storage System Retaining Wall	-	-	6,706	-	6,706
Tres Amigos Water Line Replacement Phase 1	4,558	-	-	-	4,558
Rock Springs Valve Replacement	4,282	-	-	-	4,282
Asset Management Replacement Schedule	2,161	-	2,077	-	4,238
Wulff Pressure Reducing Station	3,973	-	-	-	3,973
Palos Vista Pump Station - Motor Starter Upgrade	3,817	-	-	-	3,817
Meadowlark FCF - Water Quality Analyzer	1,872	-	-	-	1,872
Craven Pressure Station - Interior Refurbishment	1,708	-	-	-	1,708
MRF - Flow Control Valve & Actuator	-	-	1,540	-	1,540
Schoolhouse Pump Station - Roof Improvements	1,446	-	-	-	1,446
All other capital projects	3,433	-	934	167	4,534
Capital Budget - Vehicles and Equipmnt	15,739	-	38,409	-	54,148
Total Capital Project Expenditures	590,264	-	4,007,924	27,428	4,625,616
Interfund Transfer	335,807	-	977,692	-	1,313,499
Debt Service	-	302,113	-	444,397	746,510
TOTAL DISTRIBUTIONS	926,071	302,113	4,985,616	471,826	6,685,625
ENDING BALANCE	\$ 46,827,152	\$ 3,024,412	\$ 61,370,499	\$ 1,374,928	\$ 112,596,992
Less: Operating Reserves	6,563,800	-	7,021,000	-	13,584,800
Replacement Reserves/Restricted Funds	\$ 40,263,352	\$ 3,024,412	\$ 54,349,499	\$ 1,374,928	\$ 99,012,192
Replacement reserve floor	\$ 11,981,000	-	\$ 22,684,800	-	-
Replacement reserve ceiling	\$ 46,233,100	-	\$ 72,950,000	-	-

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 2022

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:

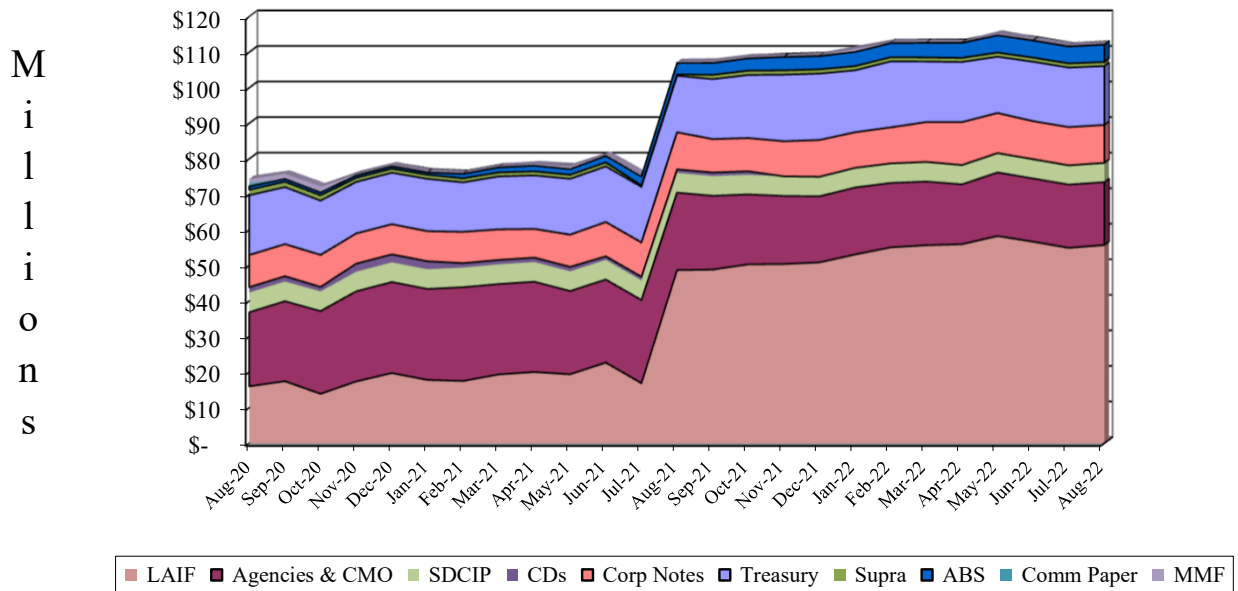
<u>Date</u>	<u>Activity</u>	<u>Investment</u>	<u>Amount</u>	<u>Maturity</u>	<u>Yield</u>
08/01/22	Deposit	LAIF	1,000,000	Open	1.21%
08/10/22	Withdrawal	LAIF	(2,800,000)	Open	1.21%
08/11/22	Purchase	Verizon Master Trust	194,991	07/20/27	3.56%
08/15/22	Paid Down	John Deere	(16,214)	08/15/24	1.10%
08/15/22	Paid Down	Toyota Auto Receivables	(12,702)	01/15/25	0.35%
08/15/22	Paid Down	Toyota Auto Rec. Trust	(27,368)	05/15/25	0.26%
08/17/22	Deposit	LAIF	1,800,000	Open	1.21%
08/18/22	Sold	US Treasury Note	(999,531)	09/30/22	1.88%
08/18/22	Purchase	US Treasury Note	980,234	12/31/25	2.63%
08/22/22	Paid Down	Honda Auto Receivables	(8,326)	04/21/25	0.27%
08/29/22	Deposit	LAIF	800,000	Open	1.21%
Change in investments during the month			<u>\$ 911,085</u>		

	<u>Current</u>
Weighted average annual yield for total Vallecitos investments	1.310%
Weighted average days to maturity	281

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, 2022. 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, 2022. Fair values for federal agency obligations and corporate notes are provided by US Bank trust account reporting.

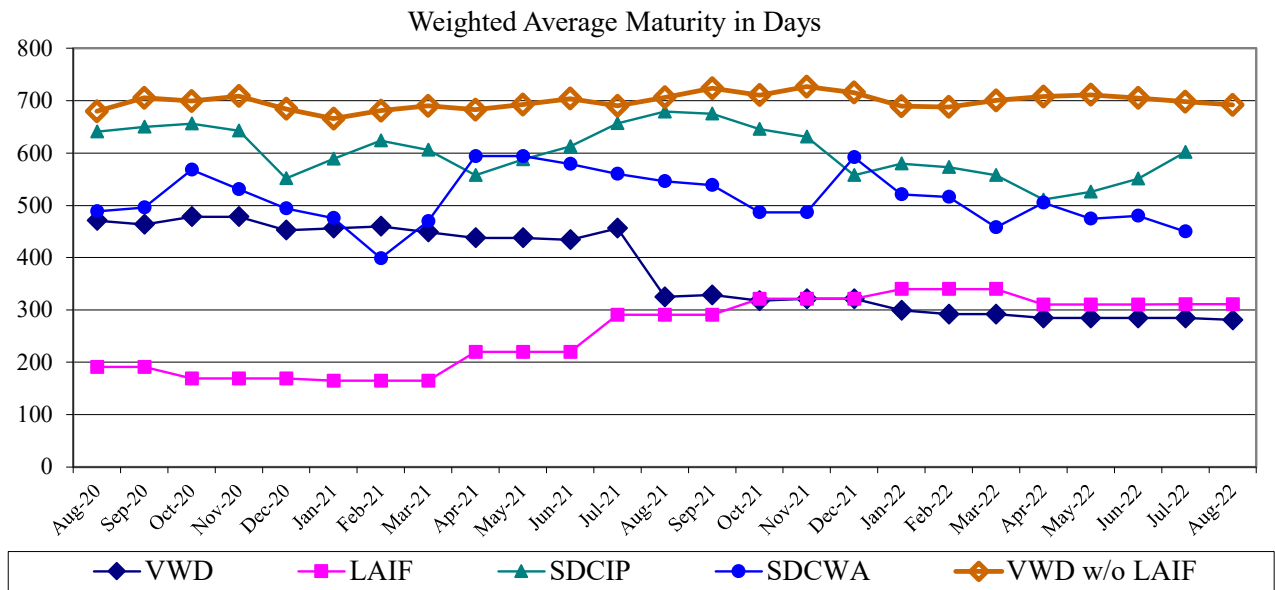
Safety

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.



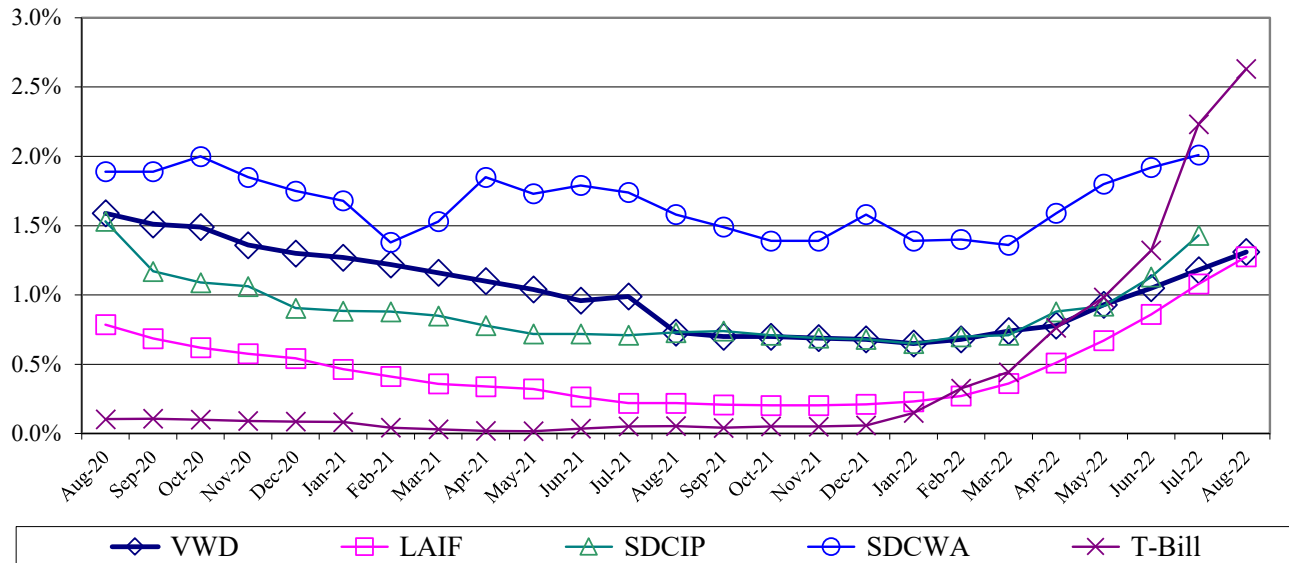
Liquidity

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 \$55.7 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	0.77
Average Coupon	1.36%
Average Purchase YTM	1.31%
Average Market YTM	2.39%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	0.88 yrs
Average Life	0.79 yrs

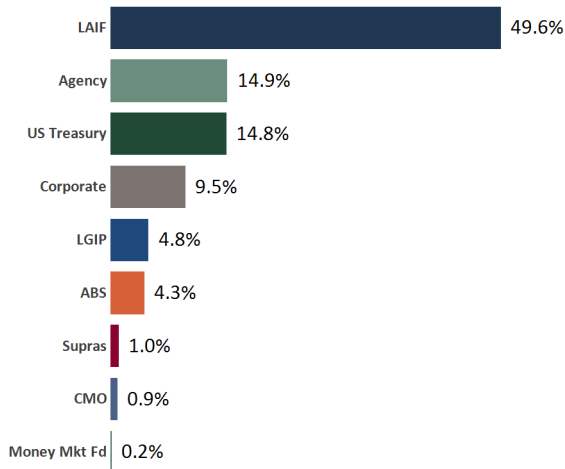
ACCOUNT SUMMARY

	Beg. Values as of 7/31/22	End Values as of 8/31/22
Market Value	111,809,022	112,276,880
Accrued Interest	213,362	262,883
Total Market Value	112,022,384	112,539,763
Income Earned	112,561	112,532
Cont/WD		
Par	113,292,484	114,179,537
Book Value	113,344,209	114,207,371
Cost Value	113,524,932	114,410,812

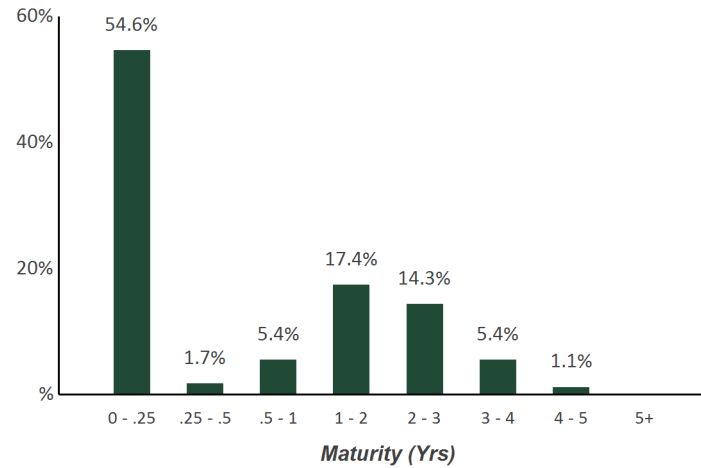
TOP ISSUERS

Local Agency Investment Fund	49.6%
Government of United States	14.8%
Federal Home Loan Mortgage Corp	5.4%
County of San Diego Pooled Inve	4.8%
Federal Farm Credit Bank	4.1%
Federal Home Loan Bank	3.3%
Federal National Mortgage Assoc	3.0%
JP Morgan Chase & Co	0.8%
Total	85.7%

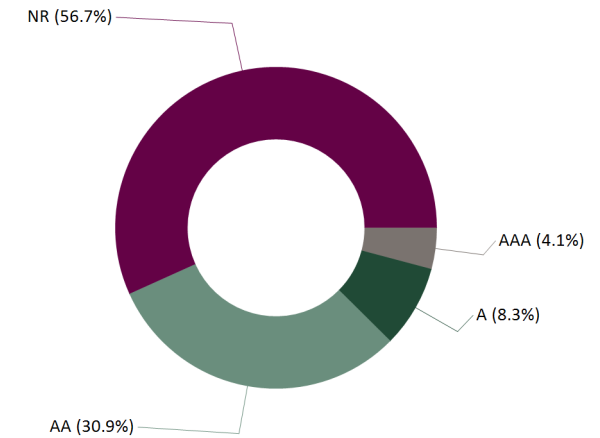
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



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Vallecitos Water District Consolidated Account

Account #10594

Holdings Report

As of August 31, 2022



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
ABS									
47789KAC7	John Deere Owner Trust 2020-A A3 1.1% Due 8/15/2024	110,483.12	03/04/2020 1.11%	110,476.36 110,480.14	99.04 3.73%	109,426.79 54.01	0.10% (1,053.35)	Aaa / NR AAA	1.96 0.36
36262XAC8	GM Financial Auto Lease Trust 2021-3 A2 0.39% Due 10/21/2024	360,000.00	08/10/2021 0.39%	359,995.10 359,997.20	96.84 3.92%	348,616.08 42.90	0.31% (11,381.12)	NR / AAA AAA	2.14 0.90
58769KAD6	Mercedes-Benz Auto Lease Trust 2021- B A3 0.4% Due 11/15/2024	255,000.00	06/22/2021 0.40%	254,980.75 254,989.63	96.87 3.96%	247,017.23 45.33	0.22% (7,972.40)	NR / AAA AAA	2.21 0.88
09690AAC7	BMW Vehicle Lease Trust 2021-2 A3 0.33% Due 12/26/2024	160,000.00	09/08/2021 0.34%	159,983.49 159,990.46	97.25 3.88%	155,596.64 8.80	0.14% (4,393.82)	Aaa / NR AAA	2.32 0.78
89236XAC0	Toyota Auto Receivables 2020-D A3 0.35% Due 1/15/2025	153,049.51	10/06/2020 0.36%	153,021.00 153,033.61	98.27 3.85%	150,396.70 23.81	0.13% (2,636.91)	NR / AAA AAA	2.38 0.49
05601XAC3	BMW Vehicle Lease Trust 2022-1 A3 1.1% Due 3/25/2025	170,000.00	01/11/2022 1.11%	169,974.59 169,981.77	96.88 3.91%	164,699.74 31.17	0.15% (5,282.03)	NR / AAA AAA	2.57 1.12
43813GAC5	Honda Auto Receivables Trust 2021-1 A3 0.27% Due 4/21/2025	121,674.26	02/17/2021 0.27%	121,672.03 121,673.13	97.54 4.00%	118,684.72 9.13	0.11% (2,988.41)	Aaa / NR AAA	2.64 0.66
89240BAC2	Toyota Auto Receivables Owners 2021- A A3 0.26% Due 5/15/2025	429,858.68	02/02/2021 0.27%	429,778.90 429,819.11	97.52 3.96%	419,180.13 49.67	0.37% (10,638.98)	Aaa / NR AAA	2.71 0.67
47788UAC6	John Deere Owner Trust 2021-A A3 0.36% Due 9/15/2025	185,000.00	03/02/2021 0.37%	184,964.44 184,979.04	96.48 4.12%	178,493.55 29.60	0.16% (6,485.49)	Aaa / NR AAA	3.04 0.94
44933LAC7	Hyundai Auto Receivables Trust 2021-A A3 0.38% Due 9/15/2025	225,000.00	04/20/2021 0.38%	224,976.33 224,986.77	96.84 4.03%	217,890.00 38.00	0.19% (7,096.77)	NR / AAA AAA	3.04 0.87
43815EAC8	Honda Auto Receivables 2021-3 A3 0.41% Due 11/18/2025	340,000.00	08/17/2021 0.41%	339,995.04 339,996.60	95.70 4.00%	325,373.20 50.34	0.29% (14,623.40)	NR / AAA AAA	3.22 1.21
44934KAC8	Hyundai Auto Receivables Trust 2021-B A3 0.38% Due 1/15/2026	465,000.00	07/20/2021 0.39%	464,897.37 464,933.22	96.03 3.99%	446,545.55 78.53	0.40% (18,387.67)	NR / AAA AAA	3.38 1.11
43815GAC3	Honda Auto Receivables Trust 2021-4 A3 0.88% Due 1/21/2026	175,000.00	11/16/2021 0.89%	174,963.11 174,971.86	95.31 3.99%	166,791.10 42.78	0.15% (8,180.76)	Aaa / NR AAA	3.39 1.53

Vallecitos Water District Consolidated Account

Account #10594

Holdings Report

As of August 31, 2022



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
ABS									
47789QAC4	John Deere Owner Trust 2021-B A3 0.52% Due 3/16/2026	220,000.00	07/13/2021 0.52%	219,980.38 219,986.37	95.03 4.12%	209,060.06 50.84	0.19% (10,926.31)	Aaa / NR AAA	3.54 1.40
89238JAC9	Toyota Auto Receivables Trust 2021-D A3 0.71% Due 4/15/2026	160,000.00	11/09/2021 0.71%	159,996.59 159,997.42	95.28 3.99%	152,450.72 50.49	0.14% (7,546.70)	NR / AAA AAA	3.62 1.46
05602RAD3	BMW Vehicle Owner Trust 2022-A A3 3.21% Due 8/25/2026	185,000.00	05/10/2022 3.23%	184,990.38 184,991.28	98.80 4.16%	182,788.70 98.98	0.16% (2,202.58)	Aaa / AAA NR	3.99 1.30
362554AC1	GM Financial Securitized Term 2021-4 A3 0.68% Due 9/16/2026	130,000.00	10/13/2021 0.68%	129,996.69 129,997.53	95.02 4.27%	123,521.58 36.83	0.11% (6,475.95)	Aaa / AAA NR	4.05 1.41
47787JAC2	John Deere Owner Trust 2022-A A3 2.32% Due 9/16/2026	215,000.00	03/10/2022 2.34%	214,952.44 214,958.72	96.99 3.97%	208,532.59 221.69	0.19% (6,426.13)	Aaa / NR AAA	4.05 1.85
380146AC4	GM Financial Auto Receivables 2022-1 A3 1.26% Due 11/16/2026	115,000.00	01/11/2022 1.27%	114,990.01 114,991.86	95.94 4.10%	110,333.88 60.38	0.10% (4,657.98)	NR / AAA AAA	4.21 1.44
362585AC5	GM Financial Securitized ART 2022-2 A3 3.1% Due 2/16/2027	170,000.00	04/05/2022 3.13%	169,964.47 169,968.47	98.52 3.95%	167,476.18 219.58	0.15% (2,492.29)	Aaa / AAA NR	4.47 1.80
02582JIT8	American Express Credit Trust 2022-2 A 3.39% Due 5/17/2027	475,000.00	05/17/2022 3.42%	474,894.93 474,904.60	98.86 3.87%	469,589.75 715.67	0.42% (5,314.85)	NR / AAA AAA	4.71 2.53
92348KAV5	Verizon Master Trust 2022-5 A1A 3.72% Due 7/20/2027	195,000.00	08/02/2022 3.75%	194,991.42 194,991.60	100.00 3.96%	194,991.42 403.00	0.17% (0.18)	NR / AAA AAA	4.89 1.85
Total ABS		5,015,065.57	1.18%	5,014,435.82 5,014,620.39	3.98%	4,867,456.31 2,361.53	4.33% (147,164.08)	Aaa / AAA AAA	3.32 1.26
AGENCY									
3130AFE78	FHLB Note 3% Due 12/9/2022	1,000,000.00	01/25/2019 2.71%	1,010,700.00 1,000,750.74	99.98 3.07%	999,751.00 6,833.33	0.89% (999.74)	Aaa / AA+ AAA	0.27 0.27
3137EAER6	FHLMC Note 0.375% Due 5/5/2023	985,000.00	05/05/2020 0.39%	984,586.30 984,906.89	97.93 3.49%	964,617.40 1,190.21	0.86% (20,289.49)	Aaa / AA+ AAA	0.68 0.67
3135G04Q3	FNMA Note 0.25% Due 5/22/2023	1,055,000.00	05/20/2020 0.35%	1,051,824.45 1,054,237.29	97.62 3.61%	1,029,889.95 725.31	0.92% (24,347.34)	Aaa / AA+ AAA	0.72 0.71
3135G05G4	FNMA Note 0.25% Due 7/10/2023	875,000.00	07/08/2020 0.32%	873,118.75 874,463.97	97.29 3.48%	851,285.75 309.90	0.76% (23,178.22)	Aaa / AA+ AAA	0.86 0.84

Vallecitos Water District Consolidated Account

Account #10594

Holdings Report

As of August 31, 2022



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
3133EKZK5	FFCB Note 1.6% Due 8/14/2023	1,000,000.00	08/28/2019 1.48%	1,004,700.00 1,001,127.87	98.16 3.58%	981,592.00 755.56	0.87% (19,535.87)	Aaa / AA+ AAA	0.95 0.93
3137EAEV7	FHLMC Note 0.25% Due 8/24/2023	1,000,000.00	09/24/2020 0.24%	1,000,230.00 1,000,077.24	96.79 3.61%	967,912.00 48.61	0.86% (32,165.24)	Aaa / AA+ AAA	0.98 0.96
3130A3DL5	FHLB Note 2.375% Due 9/8/2023	700,000.00	10/09/2019 1.44%	724,864.00 706,472.64	98.75 3.63%	691,282.90 7,989.24	0.62% (15,189.74)	Aaa / AA+ NR	1.02 0.98
3137EAEW5	FHLMC Note 0.25% Due 9/8/2023	660,000.00	09/02/2020 0.26%	659,782.20 659,926.28	96.66 3.62%	637,938.84 792.92	0.57% (21,987.44)	Aaa / AA+ AAA	1.02 1.00
3133EMBS0	FFCB Note 0.2% Due 10/2/2023	1,000,000.00	11/12/2020 0.28%	997,720.00 999,142.56	96.50 3.51%	965,047.00 827.78	0.86% (34,095.56)	Aaa / AA+ AAA	1.09 1.07
3137EAEY1	FHLMC Note 0.125% Due 10/16/2023	825,000.00	10/14/2020 0.25%	821,922.75 823,847.79	96.32 3.49%	794,600.40 386.72	0.71% (29,247.39)	Aaa / AA+ AAA	1.13 1.10
3137EAEZ8	FHLMC Note 0.25% Due 11/6/2023	1,075,000.00	11/03/2020 0.28%	1,074,032.50 1,074,619.53	96.26 3.51%	1,034,768.13 858.51	0.92% (39,851.40)	Aaa / AA+ AAA	1.18 1.16
3137EAF2	FHLMC Note 0.25% Due 12/4/2023	770,000.00	12/02/2020 0.28%	769,237.70 769,680.46	95.96 3.56%	738,914.33 465.21	0.66% (30,766.13)	Aaa / AA+ AAA	1.26 1.23
3130A3VC5	FHLB Note 2.25% Due 12/8/2023	1,000,000.00	02/13/2020 1.46%	1,029,240.00 1,009,718.68	98.38 3.57%	983,778.00 5,187.50	0.88% (25,940.68)	Aaa / AA+ NR	1.27 1.23
3135G0V34	FNMA Note 2.5% Due 2/5/2024	1,000,000.00	01/30/2020 1.44%	1,041,280.00 1,014,698.61	98.74 3.41%	987,414.00 1,805.56	0.88% (27,284.61)	Aaa / AA+ AAA	1.43 1.39
3133EKM1	FFCB Note 2.23% Due 2/23/2024	750,000.00	07/30/2019 1.91%	760,425.00 753,375.00	98.14 3.53%	736,086.75 371.67	0.65% (17,288.25)	Aaa / AA+ AAA	1.48 1.44
3133EMRZ7	FFCB Note 0.25% Due 2/26/2024	850,000.00	02/22/2021 0.26%	849,694.00 849,848.26	95.23 3.57%	809,494.10 29.51	0.72% (40,354.16)	Aaa / AA+ AAA	1.49 1.46
3130A7PH2	FHLB Note 1.875% Due 3/8/2024	1,000,000.00	03/03/2020 0.85%	1,040,350.00 1,015,258.63	97.60 3.51%	975,995.00 9,010.42	0.88% (39,263.63)	Aaa / AA+ NR	1.52 1.47
3133ENKS8	FFCB Note 1.125% Due 1/6/2025	395,000.00	01/06/2022 1.20%	394,111.25 394,301.06	94.72 3.49%	374,124.25 678.91	0.33% (20,176.81)	Aaa / AA+ AAA	2.35 2.28
3133ENPY0	FFCB Note 1.75% Due 2/25/2025	750,000.00	03/03/2022 1.76%	749,865.00 749,887.44	95.84 3.51%	718,827.00 218.75	0.64% (31,060.44)	Aaa / AA+ AAA	2.49 2.40

Vallecitos Water District Consolidated Account

Account #10594

Holdings Report

As of August 31, 2022



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
3135G05X7	FNMA Note 0.375% Due 8/25/2025	500,000.00	12/20/2021 1.06%	487,610.00 489,953.31	91.27 3.48%	456,373.50 31.25	0.41% (33,579.81)	Aaa / AA+ AAA	2.99 2.92
Total Agency		17,190,000.00	0.90%	17,325,293.90 17,226,294.25	3.51%	16,699,692.30 38,516.87	14.87% (526,601.95)	Aaa / AA+ AAA	1.21 1.18
CMO									
3137BKRJ1	FHLMC K047 A2 3.329% Due 5/25/2025	500,000.00	05/19/2022 3.05%	502,890.63 502,621.23	98.62 3.83%	493,113.50 1,387.08	0.44% (9,507.73)	NR / NR AAA	2.73 2.45
3137BM7C4	FHLMC K051 A2 3.308% Due 9/25/2025	500,000.00	05/16/2022 2.96%	503,886.72 503,546.92	98.40 3.84%	491,981.00 1,378.33	0.44% (11,565.92)	NR / NR AAA	3.07 2.74
Total CMO		1,000,000.00	3.00%	1,006,777.35 1,006,168.15	3.83%	985,094.50 2,765.41	0.88% (21,073.65)	NR / NR AAA	2.90 2.59
CORPORATE									
06051GEU9	Bank of America Corp Note 3.3% Due 1/11/2023	400,000.00	09/05/2019 2.13%	414,984.00 401,621.22	99.93 3.49%	399,703.20 1,833.33	0.36% (1,918.02)	A2 / A- AA-	0.36 0.36
90331HNL3	US Bank NA Callable Note Cont 12/23/2022 2.85% Due 1/23/2023	480,000.00	07/22/2019 2.24%	489,580.80 480,867.49	99.81 3.33%	479,086.56 1,444.00	0.43% (1,780.93)	A1 / AA- AA-	0.40 0.39
69353RFL7	PNC Bank Callable Note Cont 5/9/2023 3.5% Due 6/8/2023	500,000.00	06/11/2019 2.44%	519,580.00 503,432.68	99.95 3.56%	499,730.00 4,034.72	0.45% (3,702.68)	A2 / A A+	0.77 0.67
69371RQ82	Paccar Financial Corp Note 0.8% Due 6/8/2023	300,000.00	06/01/2020 0.85%	299,583.00 299,893.37	97.93 3.54%	293,801.40 553.33	0.26% (6,091.97)	A1 / A+ NR	0.77 0.75
931142EK5	Wal-Mart Stores Callable Note Cont 5/26/2023 3.4% Due 6/26/2023	500,000.00	05/21/2019 2.65%	514,115.00 502,574.25	100.27 3.01%	501,354.00 3,069.44	0.45% (1,220.25)	Aa2 / AA AA	0.82 0.72
808513BN4	Charles Schwab Corp Callable Note Cont 2/18/2024 0.75% Due 3/18/2024	600,000.00	Various 0.70%	600,858.00 600,430.61	95.81 3.56%	574,867.80 2,037.50	0.51% (25,562.81)	A2 / A A	1.55 1.51

Vallecitos Water District Consolidated Account

Account #10594

Holdings Report

As of August 31, 2022



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
CORPORATE									
023135BW5	Amazon.com Inc Note 0.45% Due 5/12/2024	420,000.00	05/10/2021 0.50%	419,386.80 419,653.68	94.88 3.59%	398,485.92 572.25	0.35% (21,167.76)	A1 / AA AA-	1.70 1.66
91324PEB4	United Health Group Inc Callable Note Cont 5/15/2022 0.55% Due 5/15/2024	230,000.00	11/08/2021 0.78%	228,679.80 229,104.51	95.14 3.51%	218,831.89 372.47	0.19% (10,272.62)	A3 / A+ A	1.71 1.67
14913R2L0	Caterpillar Financial Service Note 0.45% Due 5/17/2024	665,000.00	05/10/2021 0.50%	664,108.90 664,492.66	94.63 3.72%	629,295.49 864.50	0.56% (35,197.17)	A2 / A A	1.71 1.67
24422EVQ9	John Deere Capital Corp Note 0.45% Due 6/7/2024	395,000.00	06/07/2021 0.49%	394,506.25 394,708.63	94.73 3.55%	374,185.48 414.75	0.33% (20,523.15)	A2 / A A	1.77 1.73
89114QCA4	Toronto Dominion Bank Note 2.65% Due 6/12/2024	500,000.00	08/25/2021 0.61%	528,130.00 517,925.98	97.71 4.00%	488,531.00 2,907.64	0.44% (29,394.98)	A1 / A AA-	1.78 1.71
89236TJH9	Toyota Motor Credit Corp Note 0.5% Due 6/18/2024	400,000.00	06/15/2021 0.54%	399,524.00 399,715.09	94.56 3.66%	378,220.40 405.56	0.34% (21,494.69)	A1 / A+ A+	1.80 1.76
06367TQW3	Bank of Montreal Note 0.625% Due 7/9/2024	500,000.00	12/15/2021 1.21%	492,645.00 494,674.51	94.20 3.89%	471,015.00 451.39	0.42% (23,659.51)	A2 / A- AA-	1.86 1.81
79466LAG9	Salesforce.com Inc Callable Note Cont 7/15/2022 0.625% Due 7/15/2024	105,000.00	06/29/2021 0.64%	104,946.45 104,966.72	94.74 3.55%	99,476.16 83.85	0.09% (5,490.56)	A2 / A+ NR	1.87 1.83
69371RR40	Paccar Financial Corp Note 0.5% Due 8/9/2024	255,000.00	08/03/2021 0.52%	254,862.30 254,911.05	93.91 3.79%	239,474.58 77.92	0.21% (15,436.47)	A1 / A+ NR	1.94 1.90
78015K7C2	Royal Bank of Canada Note 2.25% Due 11/1/2024	500,000.00	05/19/2021 0.74%	525,645.00 516,119.71	96.18 4.11%	480,905.00 3,750.00	0.43% (35,214.71)	A1 / A AA-	2.17 2.07
89236TJT3	Toyota Motor Credit Corp Note 1.45% Due 1/13/2025	275,000.00	01/10/2022 1.50%	274,631.50 274,709.17	94.46 3.92%	259,764.18 531.67	0.23% (14,944.99)	A1 / A+ A+	2.37 2.28
46647PBY1	JP Morgan Chase & Co Callable Note Cont 2/16/2024 0.563% Due 2/16/2025	365,000.00	02/09/2021 0.56%	365,000.00 365,000.00	94.56 3.76%	345,149.84 85.62	0.31% (19,850.16)	A2 / A- AA-	2.47 2.39
57636QAN4	MasterCard Inc Callable Note 1x 02/03/2025 2% Due 3/3/2025	600,000.00	10/28/2021 1.04%	618,294.00 613,620.57	95.95 3.71%	575,698.80 5,933.33	0.52% (37,921.77)	A1 / A+ NR	2.51 2.39
24422EWB1	John Deere Capital Corp Note 2.125% Due 3/7/2025	215,000.00	03/02/2022 2.14%	214,907.55 214,922.56	96.00 3.80%	206,409.25 2,208.23	0.19% (8,513.31)	A2 / A A	2.52 2.39
87612EBL9	Target Corp Callable Note Cont 4/15/25 2.25% Due 4/15/2025	500,000.00	03/15/2022 2.53%	495,935.00 496,542.04	96.19 3.79%	480,968.00 4,250.00	0.43% (15,574.04)	A2 / A A	2.62 2.49

Vallecitos Water District Consolidated Account

Account #10594

Holdings Report

As of August 31, 2022



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
CORPORATE									
06406RBC0	Bank of NY Mellon Corp Callable Note Cont 3/25/2025 3.35% Due 4/25/2025	475,000.00	04/19/2022 3.35%	474,933.50 474,941.27	98.67 3.88%	468,697.23 5,525.17	0.42% (6,244.04)	A1 / A AA-	2.65 2.48
46647PCH7	JP Morgan Chase & Co Callable Note Cont 6/1/2024 0.824% Due 6/1/2025	555,000.00	05/24/2021 0.78%	555,720.85 555,420.28	93.60 4.02%	519,491.10 1,143.30	0.46% (35,929.18)	A2 / A- AA-	2.75 2.66
438516CB0	Honeywell Intl Callable Note Cont 5/1/2025 1.35% Due 6/1/2025	500,000.00	03/09/2022 2.31%	485,140.00 487,334.94	93.89 3.71%	469,425.00 1,687.50	0.42% (17,909.94)	A2 / A A	2.75 2.65
63743HFE7	National Rural Utilities Note 3.45% Due 6/15/2025	160,000.00	04/27/2022 3.46%	159,956.80 159,961.36	98.40 4.06%	157,445.44 1,794.00	0.14% (2,515.92)	A2 / A- A	2.79 2.60
26442UAA2	Duke Energy Progress LLC Callable Note Cont 5/15/25 3.25% Due 8/15/2025	500,000.00	04/18/2022 3.21%	500,605.00 500,532.68	98.61 3.75%	493,050.00 722.22	0.44% (7,482.68)	Aa3 / A NR	2.96 2.79
857477BR3	State Street Bank Callable Note Cont 2/6/2025 1.746% Due 2/6/2026	175,000.00	02/02/2022 1.75%	175,000.00 175,000.00	94.20 4.23%	164,843.53 212.19	0.15% (10,156.47)	A1 / A AA-	3.44 3.26
Total Corporate		11,070,000.00	1.48%	11,171,259.50 11,103,077.03	3.71%	10,667,906.25 46,965.88	9.52% (435,170.78)	A1 / A A+	1.90 1.82
LAIF									
90LAIF\$00	Local Agency Investment Fund State Pool	55,746,238.51	Various 1.38%	55,746,238.51 55,746,238.51	1.00 1.38%	55,746,238.51 111,307.05	49.63% 0.00	NR / NR NR	0.00 0.00
Total LAIF		55,746,238.51	1.38%	55,746,238.51	1.38%	55,746,238.51 111,307.05	49.63% 0.00	NR / NR NR	0.00 0.00
LOCAL GOV INVESTMENT POOL									
90SDCP\$00	County of San Diego Pooled Investment Pool	5,436,000.00	Various 1.46%	5,436,000.00 5,436,000.00	1.00 1.46%	5,436,000.00 0.00	4.83% 0.00	NR / NR AAA	0.00 0.00
Total Local Gov Investment Pool		5,436,000.00	1.46%	5,436,000.00	1.46%	5,436,000.00 0.00	4.83% 0.00	NR / NR AAA	0.00 0.00



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
MONEY MARKET FUND									
261908206	Dreyfus Treasury Money Market Fund	172,232.57	Various 1.93%	172,232.57 172,232.57	1.00 1.93%	172,232.57 0.00	0.15% 0.00	Aaa / AAA NR	0.00 0.00
Total Money Market Fund		172,232.57	1.93%	172,232.57	1.93%	172,232.57 0.00	0.15% 0.00	Aaa / AAA NR	0.00 0.00

SUPRANATIONAL									
459058JM6	Intl. Bank Recon & Development Note 0.25% Due 11/24/2023	395,000.00	11/17/2020 0.32%	394,150.75 394,651.77	96.05 3.56%	379,395.92 266.08	0.34% (15,255.85)	Aaa / AAA AAA	1.23 1.21
4581X0DZ8	Inter-American Dev Bank Note 0.5% Due 9/23/2024	830,000.00	09/15/2021 0.52%	829,385.80 829,578.02	94.02 3.53%	780,357.70 1,821.39	0.70% (49,220.32)	Aaa / AAA NR	2.07 2.01
Total Supranational		1,225,000.00	0.46%	1,223,536.55 1,224,229.79	3.54%	1,159,753.62 2,087.47	1.03% (64,476.17)	Aaa / AAA AAA	1.79 1.75

US TREASURY									
912828T91	US Treasury Note 1.625% Due 10/31/2023	1,000,000.00	09/25/2019 1.60%	1,000,898.44 1,000,255.24	97.95 3.44%	979,453.00 5,475.54	0.88% (20,802.24)	Aaa / AA+ AAA	1.17 1.13
91282CBE0	US Treasury Note 0.125% Due 1/15/2024	1,000,000.00	01/12/2021 0.24%	996,445.31 998,373.61	95.57 3.46%	955,664.00 163.04	0.85% (42,709.61)	Aaa / AA+ AAA	1.38 1.35
912828V80	US Treasury Note 2.25% Due 1/31/2024	1,000,000.00	12/16/2019 1.71%	1,021,210.94 1,007,281.58	98.32 3.47%	983,242.00 1,956.52	0.88% (24,039.58)	Aaa / AA+ AAA	1.42 1.38
912828X70	US Treasury Note 2% Due 4/30/2024	1,000,000.00	03/03/2020 0.71%	1,052,539.06 1,021,008.70	97.68 3.44%	976,797.00 6,739.13	0.87% (44,211.70)	Aaa / AA+ AAA	1.67 1.61
91282CCC3	US Treasury Note 0.25% Due 5/15/2024	1,000,000.00	05/12/2021 0.36%	996,875.00 998,223.26	94.73 3.46%	947,305.00 740.49	0.84% (50,918.26)	Aaa / AA+ AAA	1.71 1.67
91282CCG4	US Treasury Note 0.25% Due 6/15/2024	1,000,000.00	06/10/2021 0.33%	997,695.31 998,626.86	94.48 3.46%	944,766.00 532.79	0.84% (53,860.86)	Aaa / AA+ AAA	1.79 1.76
91282CCX7	US Treasury Note 0.375% Due 9/15/2024	1,000,000.00	09/10/2021 0.44%	997,929.69 998,592.72	93.98 3.46%	939,805.00 1,732.34	0.84% (58,787.72)	Aaa / AA+ AAA	2.04 2.00

Vallecitos Water District Consolidated Account

Account #10594

Holdings Report

As of August 31, 2022



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US TREASURY									
912828YM6	US Treasury Note 1.5% Due 10/31/2024	1,000,000.00	08/06/2021 0.45%	1,033,554.69 1,022,512.09	95.98 3.44%	959,844.00 5,054.35	0.86% (62,668.09)	Aaa / AA+ AAA	2.17 2.09
91282CDH1	US Treasury Note 0.75% Due 11/15/2024	1,000,000.00	11/29/2021 0.81%	998,164.06 998,631.11	94.26 3.47%	942,617.00 2,221.47	0.84% (56,014.11)	Aaa / AA+ AAA	2.21 2.15
91282CDN8	US Treasury Note 1% Due 12/15/2024	500,000.00	03/15/2022 2.03%	486,347.66 488,643.43	94.63 3.46%	473,125.00 1,065.57	0.42% (15,518.43)	Aaa / AA+ AAA	2.29 2.23
912828ZC7	US Treasury Note 1.125% Due 2/28/2025	1,250,000.00	02/09/2022 1.59%	1,232,666.02 1,235,824.73	94.45 3.46%	1,180,615.00 38.85	1.05% (55,209.73)	Aaa / AA+ AAA	2.50 2.43
912828ZF0	US Treasury Note 0.5% Due 3/31/2025	1,000,000.00	03/03/2021 0.54%	998,515.63 999,060.30	92.74 3.46%	927,422.00 2,103.83	0.83% (71,638.30)	Aaa / AA+ AAA	2.58 2.52
912828ZL7	US Treasury Note 0.375% Due 4/30/2025	950,000.00	04/12/2021 0.66%	939,238.28 942,922.60	92.18 3.47%	875,744.20 1,200.41	0.78% (67,178.40)	Aaa / AA+ AAA	2.67 2.61
912828ZT0	US Treasury Note 0.25% Due 5/31/2025	1,000,000.00	10/14/2021 0.78%	980,976.56 985,588.74	91.62 3.47%	916,172.00 635.25	0.81% (69,416.74)	Aaa / AA+ AAA	2.75 2.69
9128285C0	US Treasury Note 3% Due 9/30/2025	650,000.00	04/29/2022 2.90%	652,005.86 651,809.62	98.64 3.47%	641,189.25 8,204.92	0.58% (10,620.37)	Aaa / AA+ AAA	3.08 2.88
9128285J5	US Treasury Note 3% Due 10/31/2025	975,000.00	06/02/2022 2.87%	978,999.02 978,710.17	98.61 3.47%	961,479.68 9,855.98	0.86% (17,230.49)	Aaa / AA+ AAA	3.17 2.96
912828M56	US Treasury Note 2.25% Due 11/15/2025	1,000,000.00	07/08/2022 3.18%	970,742.19 971,986.19	96.30 3.48%	963,008.00 6,664.40	0.86% (8,978.19)	Aaa / AA+ AAA	3.21 3.04
9128285T3	US Treasury Note 2.625% Due 12/31/2025	1,000,000.00	08/17/2022 3.25%	980,234.38 980,459.17	97.43 3.45%	974,258.00 4,493.89	0.87% (6,201.17)	Aaa / AA+ AAA	3.34 3.14
Total US Treasury		17,325,000.00	1.31%	17,315,038.10 17,278,510.12	3.46%	16,542,506.13 58,878.77	14.75% (736,003.99)	Aaa / AA+ AAA	2.27 2.19
TOTAL PORTFOLIO		114,179,536.65	1.31%	114,410,812.30 114,207,370.81	2.39%	112,276,880.19 262,882.98	100.00% (1,930,490.62)	Aa1 / AA AAA	0.88 0.77
TOTAL MARKET VALUE PLUS ACCRUED						112,539,763.17			

**VALLECITOS WATER DISTRICT
SUMMARY OF LEGAL FEES**

Matter Description	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Total
General Counsel Services	\$ 16,885	\$ 6,265	\$ 5,404	\$ 9,160	\$ 14,725	\$ 10,616	\$ 8,361	\$ 17,888	\$ 3,317	\$ 5,420	\$ 22,505	\$ 9,905	\$ 7,227	\$ 137,677
Labor/Employment	1,627	1,075	368	461	890	1,965	860	1,934	829	1,013	184	1,658	1,044	13,907
Engineering - Construction/Contracting	2,640	2,640	990	2,915	3,025	2,915	3,548	3,316	2,303	2,533	4,298	4,810	2,088	38,019
Fees and Taxes	645	-	-	461	-	-	154	-	-	-	276	3,776	2,198	7,509
Environmental	-	-	-	-	-	-	-	-	-	1,689	-	215	-	1,903
Adv. Butler	1,458	1,267	3,489	2,947	-	550	1,100	1,089	1,013	1,965	4,115	4,225	1,488	24,705
Renewable Energy	276	-	-	215	-	-	110	399	-	307	92	-	-	1,399
Litigation	-	3,745	3,469	3,991	4,329	368	1,228	1,259	1,842	4,166	2,456	450	92	27,395
Driscoll & Omens Prop 218 Sole	163	3,935	333	324	2,945	647	1,074	795	246	43	-	-	-	10,504
Driscoll & Omens Prop 218 Shared	281	229	151	85	95	23	602	240	223	170	-	34	-	2,133
Driscoll & Omens Prop 218 PRA Requests	767	252	545	835	290	1,028	186	17	104	-	-	-	-	4,023
Total	\$ 24,742	\$ 19,407	\$ 14,751	\$ 21,392	\$ 26,299	\$ 18,112	\$ 17,221	\$ 26,936	\$ 9,876	\$ 17,305	\$ 33,927	\$ 25,072	\$ 14,136	\$ 269,174

DATE: SEPTEMBER 21, 2022
TO: BOARD OF DIRECTORS
SUBJECT: ADOPTION OF RESOLUTION ORDERING THE ANNEXATION OF CERTAIN PROPERTY DESIGNATED AS THE “PAPP-LUNDBLADE ANNEXATION” INTO THE VALLECITOS WATER DISTRICT AND SEWER IMPROVEMENT DISTRICT 5 (SZILARD PAPP & JEFF LUNDBLADE)

BACKGROUND:

Szilard Papp, owner of APN 182-101-43 (1.16 acres), and Jeff Lundblade, owner of APN 182-101-44 (1.15 acres), located south of East Olive Street and east of Sycamore Drive in the City of San Marcos have met all conditions for annexation into the District's water and sewer service boundary approved at the August 19, 2020, Board of Directors meeting.

DISCUSSION:

Both parcels are vacant and currently within the Vista Irrigation District (VID) service boundary. The parcels will need to detach from VID and annex into the Vallecitos Water District (VWD) and Sewer Improvement District 5 to receive water and sewer service from VWD. The owners will extend a water main down a private road off Olive Street to serve these parcels and eliminate the need for adjacent parcels 182-101-29 and 30 to remain on Temporary Off-Site Water Agreements. There is an 8-inch Ductile Iron Pipe (DIP) sewer main currently fronting both annexing parcels, so both parties will be connecting in the future.

The VWD annexation and the VID detachment of APNs 182-101-43 and 182-101-44 has been adopted by LAFCO File No. RO20-17.

FISCAL IMPACT:

Payment of \$11,499.18 (\$4,978.00/acre x 2.31 acres) in water annexation fees and \$24,536.82 (\$10,622.00/acre x 2.31 acres) in sewer annexation fees have been collected in accordance with Ordinance No. 200. All other fees will cover actual costs and have no fiscal impact.

The water and wastewater capital facility fees will be due prior to occupancy per Ordinance Nos. 175 and 176.

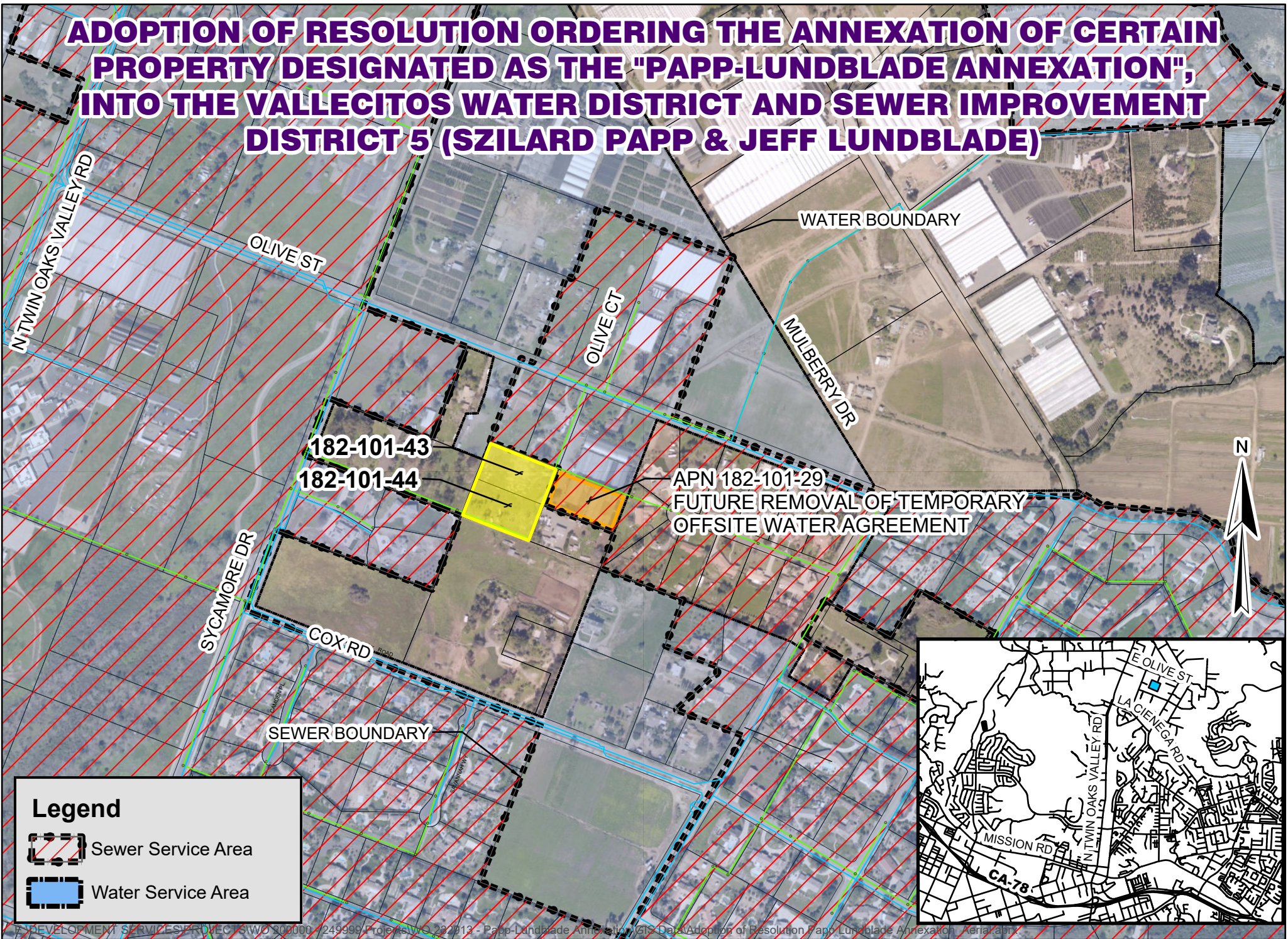
RECOMMENDATION:

Adopt the resolution ordering the annexation of APNs 182-101-43 and 182-101-44 into the Vallecitos Water District and Sewer Improvement District 5.

ATTACHMENT(S):

1 Map Exhibit - 1 Aerial
Resolution Ordering the Annexation

ADOPTION OF RESOLUTION ORDERING THE ANNEXATION OF CERTAIN PROPERTY DESIGNATED AS THE "PAPP-LUNDBLADE ANNEXATION", INTO THE VALLECITOS WATER DISTRICT AND SEWER IMPROVEMENT DISTRICT 5 (SZILARD PAPP & JEFF LUNDBLADE)



Legend

- Sewer Service Area
- Water Service Area

RESOLUTION NO.

RESOLUTION OF THE BOARD OF DIRECTORS OF THE VALLECITOS WATER DISTRICT ORDERING THE ANNEXATION INTO THE VALLECITOS WATER DISTRICT AND SEWER IMPROVEMENT DISTRICTS 5 FOR SEWER SERVICE OF CERTAIN PROPERTY DESIGNATED AS APN #182-101-43 AND 182-101-44, "SZILARD PAPP & JEFF LUNDBLADE"

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

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

Section 1.1: That the Vallecitos Water District owns, operates, and maintains a sewage disposal system under and by virtue of Improvement Districts 5 of the Vallecitos Water District.

Section 1.2: That the owners of the land described in this resolution have given their written consent to the annexation of said lands to the Improvement Districts hereinafter designated and have, in writing, requested the annexation of said lands to said Improvement Districts.

Section 1.3: That the owners of the land described in this resolution have advanced to the Secretary of the Vallecitos Water District the costs of this annexation, including, but not limited to, advertising, engineering, and attorney's fees.

Section 1.4: The inclusion of said land within the designated Improvement Districts will be for the best interest of the designated Improvement District.

Section 1.5: The inclusion of said land within said Improvement Districts will be for the best interest of the land, and the owners thereof consent to the inclusion of said land in the designated Improvement Districts of the Vallecitos Water District.

Section 1.6: The Board of Directors determines that all the land hereinafter described shall be included in the designated Improvement Districts; that the proceedings had for the annexation and inclusion herein and above referred to were genuine and sufficient and in all respects complied with the Water Code of the State of California commencing at Section 32550.

Section 1.7: That the land herein described is within the boundaries of the Vallecitos Water District and said lands are not a part of an Improvement District constituted for a purpose similar to the purpose of Improvement Districts 5 of the Vallecitos Water District.

Section 1.8: All of the owners of the land within the territory to be annexed have given their written consent to such annexation and the Board is thereby authorized to order the annexation by resolution without notice and hearing by the Board and without an election.

SECTION 2: The Board of Directors of the Vallecitos Water District does hereby order the annexation of all the lands hereinafter described to Improvement Districts 5 of the Vallecitos Water District pursuant to this resolution and the proceedings above referred to, which description contained in Exhibit "A-1" & "A-2" attached hereto and made a part hereof, is sufficient to identify the land.

SECTION 3: The condition of said annexation to Improvement Districts 5 of the Vallecitos Water District are as follows:

Section 3.1: Payment by petitioners of the sum of \$36,036.00 for annexation of the territory into Improvement Districts 5 (together not individually) for the use or right of use of the existing property in the Improvement Districts.

Section 3.2: Payment by the petitioners of the sum of \$2500.00 to cover costs of annexation, which includes attorney fees, publication, filing fees and miscellaneous costs of annexation.

Section 3.3: The lands annexed to an Improvement District shall be subject to existing bond issues and indebtedness of the Improvement District from and after the filing with the San Diego County Assessor of a certified copy of this resolution as set forth in Section 32553 of the Water code of the State of California.

SECTION 4: This resolution shall become effective immediately upon its final passage; this resolution being adopted pursuant to Section 32552 of the Water Code of the State of California. This resolution being adopted without notice and hearing and without an election being conducted in said territory, all in accordance with Section 32552 of the Water Code of the State of California. The Secretary of this District shall comply with the provisions of the Water Code, Section 32553, and shall file a certified copy of this resolution together with a map of the territory thus annexed with the San Diego County Assessor and the San Diego County Tax Collector and with the State Board of Equalization.

PASSED AND ADOPTED by the Board of Directors of the Vallecitos Water District at a regular meeting held on this 21st day of September 2022, by the following roll call vote:

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

Craig Elitharp, President
 Board of Directors
 Vallecitos Water District

ATTEST:

Glenn Pruijm, Secretary
 Board of Directors
 Vallecitos Water District

EXHIBIT A-1



Approved by the Local Agency Formation Commission of San Diego

APR - 5 2021

Kenny Spear



7/30/2020
DATE

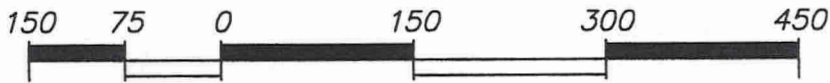
LEGEND



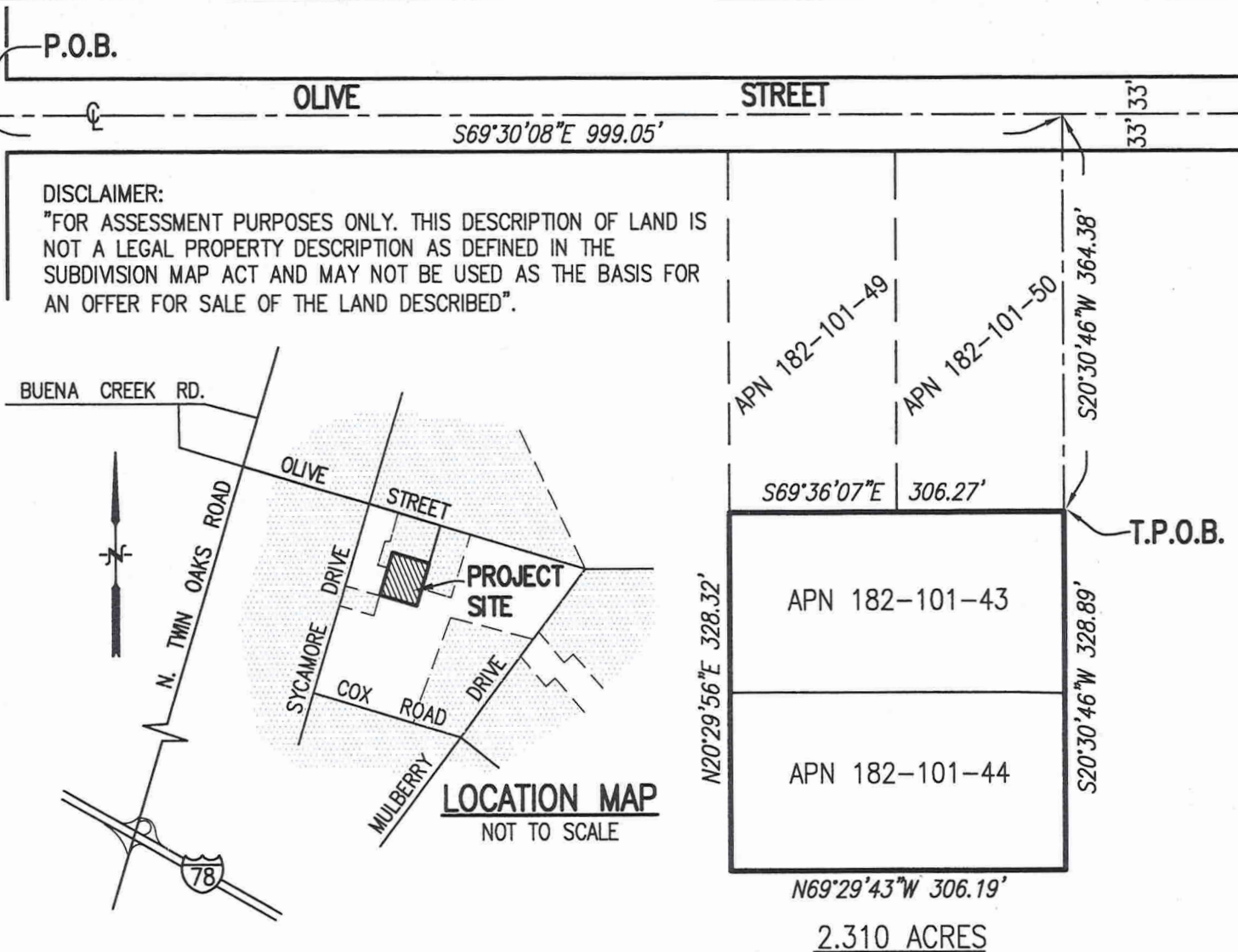
VALLECITOS WATER DISTRICT (SHOWN ON LOCATION MAP)



PROPOSED VALLECITOS WATER DISTRICT ANNEXATION BOUNDARY



SCALE: 1" = 150'



ASSESSOR'S PARCEL NUMBER(S): 182-101-43 & 182-101-44	LAFCO RESOLUTION NO.	ACREAGE: 2.310	DATE: 7-30-20	SCALE: 1"=150'
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VALLECITOS WATER DISTRICT ANNEXATION NO.
BEING A PORTION OF RANCHO LOS VALLECITOS DE SAN MARCOS T.11S., R.3W., S.B.M.

SPEAR & ASSOCIATES, INC.
475 PRODUCTION STREET
SAN MARCOS, CA. 92078
PHONE (760) 736-2040

EXHIBIT A-2

ANNEXATION NO.

ANNEXATION TO VALLECITOS WATER DISTRICT

GEOGRAPHIC DESCRIPTION

ALL THAT CERTAIN REAL PROPERTY, SITUATED IN THE CITY OF SAN MARCOS, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE CENTERLINE INTERSECTION OF SYCAMORE DRIVE AND OLIVE DRIVE; THENCE ALONG THE CENTERLINE OF OLIVE DRIVE SOUTH 69°30'08" EAST 999.05 FEET; THENCE LEAVING SAID CENTERLINE SOUTH 20°30'46" WEST 364.38 FEET TO THE **TRUE POINT OF BEGINNING**;

THENCE, (1) SOUTH 20°30'46" WEST 328.89 FEET;

THENCE, (2) NORTH 69°29'43" WEST 306.19 FEET;

THENCE, (3) NORTH 20°29'56" EAST 328.35 FEET;

THENCE, (4) SOUTH 69°36'07" EAST 306.27 FEET TO THE **TRUE POINT OF BEGINNING** AND CONTAINING **2.31** ACRES OF LAND MORE OR LESS.

LOCATED ORIGINALLY WITHIN RANCHO LAND, THE RELATIVE LOCATION OF THIS LAND ALONGSIDE THE GOVERNMENT SURVEY SYSTEM INDICATES SECTION 36, TOWNSHIP 11 SOUTH, RANGE 3 WEST, SAN BERNARDINO BASE AND MERIDIAN.



Approved by the Local Agency Formation
Commission of San Diego

APR - 5 2021

Keene

For assessment purposes only. This description of land is not a legal property description as defined in the Subdivision Map Act and may not be used as the basis for an offer for sale of the land described.

DATE: SEPTEMBER 21, 2022
TO: BOARD OF DIRECTORS
SUBJECT: APPROVAL OF ADDITIONAL AS-NEEDED ENGINEERING PROFESSIONAL SERVICES AGREEMENT

BACKGROUND:

Vallecitos Water District routinely requires minor engineering and design services for its budgeted capital and asset management projects and other unscheduled or unforeseen small projects. The level of effort and associated costs of these services does not require the formal engineering Request for Proposal selection process.

DISCUSSION:

Based on past experience it is often in the best interests of the District to negotiate standard fees for these types of services. Over the past few years, staff has negotiated reduced rates, on an annual basis, with selected engineering/design/specialty firms which have submitted resumes, provided statements of qualifications and/or proposals and have successfully completed projects and provided services to the District. In 2017, the agreements and standard fees were revised to a two-calendar year basis. All as-needed agreements will be reviewed and renewed on a bi-annual basis. Staff and Counsel have reviewed the engineering services agreements and find them consistent with similar, past agreements.

Staff has selected V&A Consulting Engineers (V&A) for as-needed services. V&A specializes in corrosion engineering and has worked with District staff during the past on asset management strategies such as condition assessments and soil testing.

FISCAL IMPACT:

There are no direct costs associated with the staff recommendation to enter into an as-needed consultant services agreement. Fees associated with specific work under these as-needed contracts will be directly reimbursed through developer deposits or charged to specific capital projects. V&A Consulting has submitted a proposal for engineering related services on a time and material basis. The hourly rates are often reduced from their normal rates because certain administration/marketing costs are not required for the “on-call” nature of the work involved. As-needed agreements are utilized for contracts in accordance with the District’s purchasing policy.

RECOMMENDATION:

Authorize the General Manager to enter into an as-needed engineering professional services agreement with V&A Consulting Engineers.

DATE: SEPTEMBER 21, 2022
TO: BOARD OF DIRECTORS
SUBJECT: POTABLE REUSE ADVOCACY AGENCY

BACKGROUND:

The Encina Water Pollution Control Facility (EWPCF) has a secondary effluent water supply available to produce approximately 20,000 acre-feet per year (AFY) of purified water for potable reuse by 2040. Encina Wastewater Authority (EWA) staff is soliciting advocacy agencies among the local North San Diego County water agencies (wholesale and retail) to actively support a future Regional Potable Reuse project with the understanding that these agencies will have input into the final potable reuse concept, institutional structure, financing approach and branding efforts.

DISCUSSION:

EWA staff efforts since development of the *Encina Water Reuse Feasibility Study* (2018) have been primarily directed at potential stakeholders and development of interest and support for the project. The benefits of a potable reuse project to EWA Member Agencies that only provide wastewater services is different than local water purveyors.

Wastewater benefits include:

- Embraces EWA core mission and values
- Reduced ocean discharges
- Position for future treatment requirements (potential avoided costs related to future flow and nutrient limitations)
- Consistent with goals and commitments of Climate Change Action Plans

Water supply benefits to local water agencies include:

- Increase water supply reliability (locally controlled source)
- Addresses sustainability and resiliency objectives
- Environmental and political benefits from reduced ocean discharges
- Address future water efficiency regulations
- Cost competitive compared with imported water
- Further reduce Metropolitan Water District purchases

A regional approach represents the best opportunity for success of this potential future potable reuse supply for North San Diego County. Key assets available to North San Diego County Water Purveyors from EWA include:

- Available land adjacent to the EWPCF for advanced treatment facility
- Treated secondary effluent
- An ocean outfall for disposal of brine
- Technically capable engineering and operations staff

EWA would likely be the producer of advanced treated water, while local water purveyors and others will ultimately control the end beneficial use of the product. Developing the roles and

responsibilities of EWA in a large-scale beneficial reuse project is critical to the formation of a business case and structure to implement a project if it is to be technically and financially feasible.

Six North San Diego County water agencies included the EWA Potable Reuse Project in their 2020 Urban Water Management Plans (UWMP) as a likely future supply. Vallecitos Water District (VWD) indicated the EWA Potable Reuse project could provide as much as 5,500 AFY by 2035. Although not in their 2020 UWMP, other North San Diego County water agencies have also expressed interest in partnering on the EWA Project.

ROLE OF ADVOCACY AGENCIES

The current EWA staff effort is directed towards forming a group of agencies that will advocate for the EWA Potable Reuse Project. It is envisioned that this advocacy group will function in a similar manner as the North San Diego Water Reuse Coalition (NSDWRC) through a regional collaboration to address water challenges in North San Diego County. Nine water and wastewater agencies in North San Diego County (including VWD) joined together several years ago to form the NSDWRC to develop and implement a regional (non-potable to date) recycled water program and have been very successful in obtaining millions of dollars in State and Federal funding.

The role of the advocacy agencies during the next couple of years is anticipated to be as follows:

- Cooperate with EWA in refining project concepts and costs
- Review and provide input on any documentation produced by EWA for distribution
- Advocate for the project and solicit additional regional partners (wholesale and retail)
- Participate in stakeholder meetings to discuss project concepts, regulatory, and funding strategies
- Participate in pursuit of funding opportunities
- Engage with regional stakeholders regarding potential institutional arrangements
- Consider financial participation in future phases of the project

EWA staff anticipates that the advocacy agencies would likely meet on a quarterly basis (at least initially) to obtain input on refined project concepts, updated costs, review business case evaluation, assist with branding efforts, participate in discussion of potential institutional arrangements, and provide feedback on future activities needed to further develop an implementation strategy. Attached is a copy of the Principals of Understanding that each advocacy agency is being asked to sign.

FISCAL IMPACT:

There are no fiscal impacts to this action.

RECOMMENDATION:

Authorize staff to sign on as an advocacy agency for EWA Potable Reuse Project.

ATTACHMENT(S):

Principals of Understanding – Advocacy Agency

**ENCINA WASTEWATER AUTHORITY
ONE WATER NORTH SAN DIEGO**

**PRINCIPLES OF UNDERSTANDING
ADVOCACY AGENCY**

March 2022

BACKGROUND

The wastewater flows and facilities at the Encina Water Pollution Control Facility (EWPCF) represents a unique opportunity for large-scale production of purified water. EWPCF is estimated to produce approximately 20,000 acre-feet per year of purified water for potable reuse in North San Diego County. Key assets available at the EWPCF site to support a potable reuse project include an ocean outfall, available land for advanced treatment facility, treated secondary effluent, and technically capable staff. A regional approach to this future potable reuse project represents the best opportunity for success.

The purpose of this Principles of Understanding is to establish a framework for activities through 2022 – 2023 and set expectations for those agencies that are willing to advocate for the project and would likely desire to participate in future phases of the project.

BENEFITS OF PROJECT

Wastewater Benefits

- Embraces Encina Wastewater Authority (EWA) Core Mission and Values
- Reduced ocean discharges
- Position for future treatment requirements (potential avoided costs flow and nutrients)
- Consistent with goals and commitments of Climate Change Action Plans

Water Supply Benefits

- Increase water supply reliability (locally controlled source)
- Addresses sustainability and resiliency objectives of local agencies
- Environmental and Political benefits from reduced ocean discharges
- Address future water efficiency regulations
- Reduced staffing for Advanced Treatment
- Cost competitive compared with imported water
- Further reduce Metropolitan Water District purchases

ROLE OF ADVOCACY AGENCY

Role of Advocacy Agency during 2022 – 2023

- Cooperate with EWA in refining project concepts and costs
- Review and provide input on any documentation produced by EWA for distribution
- Advocate for the project and solicit additional regional partners (wholesale and retail)
- Participate in stakeholder meetings to discuss project concepts, regulatory, and funding strategies
- Participate in pursuit of funding opportunities
- Engage with regional stakeholders regarding potential institutional arrangements
- Consider financial participation in future phases of the project

SIGNATURE

Advocate Agency

Date

DATE: SEPTEMBER 21, 2022
TO: BOARD OF DIRECTORS
SUBJECT: WATER SUPPLY CONDITIONS UPDATE

BACKGROUND:

On April 20, 2022, the Vallecitos Water District’s Board of Directors declared a Level 2 – Drought Alert (mandatory) condition within the District’s service area. Residential and commercial landscape irrigation is limited to no more than three days per week from June through October. This shall not apply to commercial growers, agricultural water accounts or nurseries.

DISCUSSION:

Statewide for the current water year (October 1, 2021- September 30, 2022) precipitation is 74% of average, as of August 5, 2022, and unchanged since the May update. On average, only 10% of the water year total precipitation shows up from May through September. While conditions have largely been dry, monsoon moisture has resulted in some thunderstorms in parts of the state.

At the end of July, all the automated snow sensors reported no snow. The Northern Sierra 8-Station Precipitation Index shows values of 78% to date for the current water year. Snowpack water content statewide is 0% of average. Lake Oroville is at 36% of capacity and the San Luis Reservoir is at 27% of capacity.

On the Colorado River, Lake Mead is currently 27% full and Lake Powell is 28% full. Upper Basin precipitation is 96% to date.

Locally, the National Weather Service/NOAA three-month temperature outlook shows the San Diego area as “above normal favored.” Precipitation is “equal chances.”

FISCAL IMPACT:

Conservation measures can reduce revenues. There currently is no expected financial impact beyond seasonal changes.

RECOMMENDATION:

For information only.

DATE: SEPTEMBER 21, 2022
TO: BOARD OF DIRECTORS
SUBJECT: ADOPTION OF REVISED ORDINANCE NO. 216

BACKGROUND:

The Vallecitos Water District Board of Directors requested that the Public Awareness/Personnel/Policy (P3) Committee review Ordinance No. 216 (Establishing the General Provisions for Conducting the Business of the Board). At their February 7, 2022, meeting the P3 Committee reviewed Ordinance No. 216 in its entirety. The P3 Committee made recommendations and brought those items to the Board of Directors on March 2, 2022. The Board discussed the recommendations at length, but took no specific action, referring the item back to the P3 Committee.

The P3 Committee met again on April 4, 2022, to further discuss the Board’s concerns regarding the sections discussed at that meeting. The Committee met again on August 1, 2022, and their recommendations are included as an attachment to this report.

DISCUSSION:

Upon their review of pertinent sections of Ordinance No. 216, the P3 Committee made the following recommendations for the Board’s consideration:

Section 1.5: Agenda – Clarify that a second is needed when requesting an item be placed on a future agenda.

Section 1.8A: Standing Advisory Committees – Add text that the Board will approve all committee appointments.

Section 1.8B: Standing Advisory Committees – Ad Hoc advisory committees will follow the same procedures as standing advisory committees.

Section 1.8C: Standing Advisory Committees – Clarify that committee members serve at the pleasure of the Board, rather than the Board President. Further, the General Manager *or his/her designee* shall be a member of committees.

Section 1.9B: Board Reorganization – Clarify and codify the existing rotation of the Board President position.

Section 1.9C: Board Reorganization – Remove this section.

Section 2.1: Authorized District Memberships – Add memberships to the California Water Efficiency Partnership (CalWEP) & Alliance for Water Efficiency (AWE) and the US Water Alliance. Remove the North County Water Group. Add text including the San Marcos Chamber event “Meet Your Elected Officials” as a per diem reimbursement.

FISCAL IMPACT:

CalWEP dues were \$3,971.45 for 2022, with the Metropolitan Water District of Southern California paying half of that dues amount. VWD already paid \$1,985.72 in 2022.

US Water Alliance dues would be \$2,750 annually.

RECOMMENDATION:

Staff recommends that the Board adopt an Ordinance approving the recommended changes, including the membership additions and deletions.

ATTACHMENT:

Draft update to Ordinance No. 216

ORDINANCE NO. 216

**ORDINANCE OF THE VALLECITOS WATER DISTRICT
ESTABLISHING THE GENERAL PROVISIONS FOR
CONDUCTING THE BUSINESS OF THE BOARD AND
REPEALING ORDINANCE NO. 21~~2~~6**

BE IT ORDAINED by the Board of Directors of the VALLECITOS Water District as follows:

SECTION 1: BOARD OF DIRECTORS

Section 1.1: Regular Meetings - Time and Place

Regular Meetings of the Board of Directors of the Vallecitos Water District shall be held with notice on the first and third Wednesday of each month, at the hour of 5:00 p.m. at the location of the principal place of business of the District, namely, 201 Vallecitos de Oro, San Marcos, California. Notification, including the location, shall be made in accordance with the Ralph M. Brown Act (California Government Code §54950 through §54926), as amended. Closed Sessions will be scheduled before the start of the meeting.

Section 1.2: Adjourned Meetings

A majority vote by the Board of Directors may terminate and adjourn a Board meeting at any place in the agenda to any time and place specified in the order of adjournment, except that if no Directors are present at any regular or adjourned regular meeting, the General Manager may declare the meeting adjourned to a stated time and place, and he/she shall cause written notice of adjournment in accordance with the Ralph M. Brown Act, as amended.

Section 1.3: Special Meetings

A. Special non-emergency Board meetings may be called by the Board President or a majority of the Board. Written notification shall be made and posted at least 24 hours in accordance with the Ralph M. Brown Act, as amended.

B. Special emergency Board Meetings may be held with notice in the event of an emergency situation involving matters upon which prompt action is necessary due to the disruption or threatened disruption of public facilities. An emergency situation means a crippling disaster which impairs public health, safety, or both, as determined by the General Manager, Board President or Vice President in the President's absence.

Section 1.4: Rules for Conducting Meetings

Except as otherwise provided by law, or ordinance adopted by the Board, "Roberts Rules of Order, Revised," are hereby adopted as the rules of practice and procedure governing the conduct of the business and procedure before the Board. The Board President shall preside at all meetings and shall have a vote on all matters before the Board. In the absence of the President, the Vice President shall preside, and in the absence of both, the presiding officer shall be elected by a majority vote of the members of the Board.

#

Section 1.5: Agenda

The General Manager, in cooperation with the Board President, shall prepare an agenda for each regular, adjourned, and special meeting. Any Director may request any item to be placed on ~~the a future~~ agenda during a Board meeting. The request must have support from at least one other Director.

Section 1.6: Minutes of Meetings

A. The minutes of the Meetings of the Board shall be recorded and kept by the Secretary in a book maintained for that purpose for each calendar year. Unless otherwise expressly directed by the Board at the time of adoption, all ordinances and resolutions adopted by the Board may be referred to in the minutes of the meetings of the Board by number and title, but the same shall be recorded in full in separate books kept for that purpose for each calendar year.

B. The Board President or other person who may preside at the meeting, or the Secretary, shall authenticate the minutes, ordinances and resolutions after these have been transcribed into the appropriate books, and when so authenticated, these shall constitute the official minutes, ordinances and resolutions of the Board.

C. The Minute Book, the Ordinance Book and the Resolution Book shall be kept at the office of the Secretary at the principal place of business of the District.

Section 1.7: District Seal

The seal, an impression of which is herewith affixed to this document, bearing the words "Vallecitos Water District, Organized March 24, 1955," is adopted as the official seal of this District.

Section 1.8: Standing Advisory Committees

A. The District shall have the following standing advisory committees, each of whose function is to advise the Board of Directors and General Manager with respect to the subjects under its jurisdiction: Engineering/Equipment, Finance/Investment, Public Awareness/Personnel/Policy, and Legal/Legislative Affairs. Other standing committees may be established by the Board President. The precise and/or additional duties and responsibilities of each standing committee shall be as specified by the President from time to time. Each standing committee shall have two (2) members ~~appointed~~ recommended by the President from the members of the Board; however, in no event shall the same two (2) members be permitted to serve together on more than one (1) standing committee without the unanimous approval of the Board. Committee appointments recommended by the President require approval by a majority of the Board. The President shall appoint a committee chairman from the two (2) members of the Board serving on each committee; however, no member shall be permitted to chair more than one (1) standing committee without the unanimous approval of the Board.

B. Ad Hoc advisory committees for special purposes not falling within the assigned function of an existing standing committee may be created and appointments made thereto from the members of the Board, not to exceed two (2) such members on any one ad hoc committee, from time to time by the President. ~~Ad hoc committees may include members of the~~

public and said appointment shall be made by the Board. Appointments to Ad Hoc advisory committees shall follow the same procedures as standing advisory committees.

C. All committee members shall serve at the pleasure of the Board ~~President~~. The General Manager or his/her designee shall be an ex-officio non-voting member of each committee. Each committee shall meet at such times, places, and frequency as may be directed by its chairman, by the President, or by the Board in accordance with the Ralph M. Brown Act, as amended. Each committee shall cause to be prepared and filed promptly with the Board current minutes of all of its meetings.

Section 1.9: Board Reorganization

A. Following a District election, on the first Tuesday after the first Monday in November in each even numbered year, the Board shall reorganize at the first meeting after the election is certified by the Registrar of Voters and appoint or reappoint its officers pursuant to the County Water District Act in conformance with the Uniform District Election Law, Elections Code, §23500 et. seq.

B. In addition to the minimum reorganization requirement, Board policy determines that the Board will reorganize annually. Directors will rotate into the office of the President in the following order: Division 5, Division 1, Division 4, Division 3, and Division 2. Directors will rotate into the office of Vice President in the following order: Division 1, Division 4, Division 3, Division 2, and Division 5. to provide that each elected Director will have the opportunity to hold the office of President once during their first term. If a Director chooses to forgo his/her opportunity to be President, the rotation for President and Vice President will skip over their divisional sequence. The President serves at the pleasure of the Board.

~~C. Each elected Director, who desires, shall have an opportunity to hold a position on the Encina Wastewater Authority and San Diego County Water Authority Boards at least once during their four-year term.~~

Section 1.10: Adoption of Ordinances and Resolutions

Except as otherwise provided by law, ordinances and resolutions of the District shall be adopted, amended, and repealed (in whole or in part) by the Board only in the following manner:

A. Ordinances shall be adopted by the Board, and may be amended or repealed (in whole or in part) only by an ordinance adopted by the Board. The Board may adopt the ordinance (in whole or in part) as originally proposed or as modified by the Board.

B. Formal resolutions, that is, resolutions which are numbered and titled documents separate from the minutes of the meetings of the Board and required to be kept in the Resolution Book shall be adopted by the Board, and may be amended or repealed (in whole or in part) only by a formal resolution or an ordinance adopted by the Board, only at a duly held meeting of the Board. The number and title of formal resolutions may but are not required to be, set forth in the agenda for the meeting.

C. At the time of presentation to the Board of the proposed ordinance or the proposed formal resolution, as the case may be, the reading in full thereof shall be deemed waived

unless otherwise requested by any member of the Board. Ordinances and formal resolutions adopted by the Board shall contain the signed approval and attestation of the then Presiding Officer and Secretary, respectively, of the District.

D. Minute resolutions, as distinguished from formal resolutions, shall be adopted by the Board, and may be amended or repealed (in whole or in part) only by a minute resolution or a formal resolution or an ordinance adopted by the Board, only at a duly held meeting of the Board.

SECTION 2: DISTRICT MEMBERSHIPS, PER DIEM COMPENSATION, REIMBURSEMENTS, ETHICS TRAINING AND ELIGIBILITY FOR EMPLOYEE BENEFITS

Section 2.1: Authorized District Memberships

The Board has determined it to be in the best interests of the District, and its constituents, to maintain memberships in affiliated national, state, and local organizations which have applicability to the functions of the District. The District shall hold membership in the following organizations:

American Water Works Association (AWWA)
 Association of California Water Agencies (ACWA)
 CalDesal
 California Association of Sanitation Agencies (CASA)
 California Special Districts Association (CSDA)
[California Water Efficiency Partnership \(CalWEP\) & Alliance for Water Efficiency \(AWE\)](#)
 California Water Environment Association
 Council of Water Utilities
[North County Water Group](#)
 *San Marcos Chamber of Commerce
 Southern California Alliance of Publicly Owned Treatment Works (SCAP)
 Southern California Water Coalition
[US Water Alliance](#)
 Urban Water Institute
 Water Education Foundation (WEF)
 Water Environment Federation
 WaterReuse

* The only San Marcos Chamber of Commerce events that is-are eligible for per diem reimbursement is the "State of the City address" and "[Meet Your Elected Officials](#)" unless approved by the Board.

In addition to the above listed organizations, the Board may remove existing memberships or approve additional memberships and authorize attendance at meetings, events, or conferences by motion from time to time. The General Manager may approve District membership of, and employee participation in, professional, technical, and business related associations and organizations.

Section 2.2: Per Diem Compensation

Each Director shall receive compensation of \$200 per diem for attending meetings of the Board or for each day's service as a member of the Board, not to exceed compensation for one meeting in any 24-hour period or ten meetings per month. The Board may consider an annual

increase in the per diem equivalent to the San Diego Consumer Price Index (CPI-U), up to a maximum of 5 percent, following the operative date of the last adjustment. Public notice shall be provided annually in accordance with Water Code Section 20203 if an increase is to be considered. Any increase adopted by this Section shall become effective 60 days from the date of approval. Compensable meetings which are pre-designated and considered occasions that constitute performance of official duties include the following:

A. Regular, Adjourned, and Special meetings of the Board, including pre-meetings with the Board Chair.

B. Committee Meetings, limited to the two Directors serving on the committee, other meetings, such as District sponsored special functions, open houses, and community out-reach functions, including pre-meetings with the appropriate representative(s).

C. Meetings of other public agencies of which the District is a member or sub-member agency such as the Encina Wastewater Authority, San Diego County Water Authority, the Metropolitan Water District of Southern California, and Local Agency Formation Commission (LAFCO), including pre-meetings with the appropriate representative(s).

D. Conferences, meetings, and other functions in which the District is a member of as listed in Section 2.1 above, and which have a significant and meaningful link to the purposes, policies, and interests of the District.

E. Meetings which provide educational training including ethics training in accordance with Government Code Section 53232.1.

F. Other meetings or conferences which the Board approves as an agenda item at a regular meeting that serves a benefit to the District and constitute the performance of official duties.

Any amounts paid as a per diem compensation by other organizations shall be deducted from the \$200 District per diem.

Board members shall report on meetings or conferences attended at a regularly scheduled Board meeting after the event, which may include a written report that can be distributed to all Board members electronically.

Section 2.3: Reimbursement of Expenses and Reporting

Each Director shall be entitled to payment and/or reimbursement for actual and necessary expenses incurred in the performance of official duties including expenses incurred relating to travel, meals, lodging, and other actual and necessary expenses incurred for attendance at meetings and conferences of organizations listed in Section 2.1 or approved in accordance with Section 2.2F. Lodging expenses may not exceed the maximum group rate published by the conference or activity sponsor. Requests for Reimbursement must be submitted on a District approved Expense Form and shall include receipts documenting each expense in accordance with District Resolution 1365.

Director expenses and per diems shall be reported on a cumulative quarterly basis, (attaching a summary of per diems and expenses from District appointed positions to other agencies).

Section 2.4: Ethics training

In accordance with Government Code Section 53234, Board members and any designated employees shall have at least (2) hours of ethics training every two (2) years. Certificates of completion of ethics training shall be maintained for at least five (5) years.

Section 2.5: Eligibility for Employee Benefits

Members of the Board shall be eligible for all benefits, allowable by law, the same as full time, regular employees.

ALL OTHER ORDINANCES OR AMENDMENTS IN CONFLICT HEREWITH ARE HEREBY REPEALED.

This Ordinance shall become effective upon adoption, and a summary shall be published one time in a newspaper of general circulation within the District.

PASSED, APPROVED, AND ADOPTED by the Board of Directors of the Vallecitos Water District at a regular meeting held this ~~26st~~ day of ~~February 2020~~, by the following roll call vote:

AYES: ~~ELITHARP, HERNANDEZ, MARTIN, SANNELLA, EVANS~~
NOES:
ABSTAIN:
ABSENT:

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

ATTEST:

Glenn Pruim
General Manager
Vallecitos Water District

DATE: SEPTEMBER 21, 2022
TO: BOARD OF DIRECTORS
SUBJECT: AMENDMENT TO THE CONFLICT-OF-INTEREST CODE PURSUANT TO THE POLITICAL REFORM ACT OF 1974 BIENNIAL REVIEW AND ADOPTION

DISCUSSION:

The Political Reform Act of 1974, Government Code section 81000 et seq. (the “Act”), requires all public agencies to adopt and maintain a conflict-of-interest code establishing the rules for disclosure of personal assets and the disqualification from making or participating in the making of any decisions that may affect any personal assets designating positions and establishing disclosure categories.

Pursuant to Section 87306 of the Act, the District must amend its Code when necessitated by changed circumstances including the creation of new positions that must be designated, revises the titles of existing positions, revised disclosure categories and delete titles of positions that have been abolished and/or positions that no longer make or participate in making governmental decisions.

RECOMMENDATION:

Staff recommends the Board adopt a resolution approving and adopting the amended Conflict-of-Interest Code pursuant to the Political Reform Act of 1974.

ATTACHMENT(S):

Legislative Version of Proposed Amended Conflict of Interest Code
Draft Resolution

**CONFLICT OF INTEREST CODE
OF THE
VALLECITOS WATER DISTRICT**

CONFLICT OF INTEREST CODE OF THE VALLECITOS WATER DISTRICT

(Amended ~~September 16, 2020~~ September 21, 2022)

1. Standard Code of FPPC

The Political Reform Act of 1974 (Gov. Code, § 81000, et seq.) requires each state and local government agency to adopt and promulgate a conflict of interest codes. The Fair Political Practices Commission (FPPC) has adopted a regulation 2 Cal. Code of Regs, Section 18730, which contains the terms of a standard conflict of interest code that can be incorporated by reference as a district's code. After public notice and hearing, Section 18730 may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act.

2. Adoption of Standard Code of FPPC

Therefore, the terms of 2 Cal. Code of Regs. Section 18730, and any amendments to it duly adopted by the Fair Political Practices Commission, are hereby incorporated by reference. This regulation (attached) and the attached Appendix designating officials and employees and establishing disclosure categories, shall constitute the Conflict of Interest Code of the **Vallecitos Water District (the “District”)**. This code shall take effect when approved by the San Diego County Board of Supervisors and shall thereupon supersede all prior codes adopted by the Vallecitos Water District.

3. Filing of Statements of Economic Interests

All officials and designated positions required to submit a statement of economic interests shall file their statements with the General Manager as the District's Filing Officer. The Filing Officer shall make and retain a copy of all statements filed by the General Manager and Members of the Board of Directors, and forward the originals of such statements to the Clerk of the Board of Supervisors. The Filing Officer shall retain the original statements of all other officials and designated positions and will make this Code and all retained statements available for public inspection and reproduction during regular business hours (Gov. Code § 81008).

APPENDIX
CONFLICT OF INTEREST CODE
OF THE
VALLECITOS WATER DISTRICT
(Amended ~~September 16, 2020~~ September 21, 2022)

PART “A”

OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

Officials who manage public investments as defined by 2 Cal. Code of Regs. §18700.3(b), are NOT subject to the District’s Conflict of Interest Code but must file disclosure statements under Government Code section 87200 et seq.[Regs., §18730(b)(3)] [These positions are listed here for informational purposes only.](#)

It has been determined that the positions listed below are officials who manage public investments¹:

- Members of the Board of Directors
- General Manager
- Assistant General Manager
- Treasurer/Director of Administrative Services
- Financial Consultants

¹ Individuals holding one of the above-listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by § 87200.

DESIGNATED POSITIONS

GOVERNED BY THE CONFLICT OF INTEREST CODE

<u>DESIGNATED EMPLOYEES'</u> <u>TITLE OR FUNCTION</u>	<u>DISCLOSURE CATEGORIES</u> <u>ASSIGNED</u>
Administrative Services Manager	5
Asset Management Supervisor	5
Capital Facilities Coordinator <u>Assistant Engineer</u>	5
Capital Facilities Engineer	2, 3, 5
Capital Facilities Senior Engineer	2, 3, 5
Computerized Maintenance Management System Planner (CMMS Planner)	5
Construction Inspector II	2, 3, 5
Construction Inspection Supervisor	2, 3, 5
Construction Supervisor	2, 3, 5
Development Services Coordinator	2, 3, 5
Development Services Senior Engineer	2, 3, 5
District Engineer	2, 3, 5
Finance Manager <u>Chief Financial Officer</u>	1, 2
<u>Engineering Technician III</u>	<u>2, 3, 5</u>
<u>Finance Supervisor</u>	<u>5</u>
General Counsel	1, 2
Human Resource Analyst	5
Information Technology Supervisor <u>Chief Technology Officer</u>	5
<u>Maintenance Services Supervisor</u>	<u>5</u>
Mechanical/Electrical Supervisor	5

<u>Operations & Maintenance Contract Coordinator</u>	<u>4</u>
Operations & Maintenance Manager	4
<u>Principal Financial Analyst</u>	<u>5</u>
Public Information Conservation Supervisor	5
Purchasing/Warehouse Assistant	4
Risk Management Supervisor	6
Senior Purchasing Specialist	4
System Administrator	5
Wastewater Collection Systems Supervisor	5
Wastewater Treatment Plant Supervisor	5
Water Operations Supervisor	5
Water System Supervisor	5

Consultants and New Positions²

² Individuals serving as a consultant as defined in FPPC Reg 18700.3 or in a new position created since this Code was last approved that makes or participates in making decisions must file under the broadest disclosure set forth in this Code subject to the following limitation:

The General Manager may determine that, due to the range of duties or contractual obligations, it is more appropriate to assign a limited disclosure requirement. A clear explanation of the duties and a statement of the extent of the disclosure requirements must be in a written document. (Gov. Code Sec. 82019; FPPC Regulations 18219 and 18734.) The General Manager's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code. (Gov. Code Sec. 81008.)

PART “B”

DISCLOSURE CATEGORIES

The disclosure categories listed below identify the types of economic interests that the designated position must disclose for each disclosure category to which ~~he or she~~ the designated is assigned.³ “Investment” means financial interest in any business entity (including a consulting business or other independent contracting business) and are reportable if they are either located in, doing business in, planning to do business in, or have done business during the previous two years in the jurisdiction of the District.

Category 1: All investments and business positions in business entities, and sources of income located in, that do business in or own real property within the jurisdiction of the District.

Category 2: All interests in real property which is located in whole or in part within, or not more than two (2) miles outside, the jurisdiction of the District, including any leasehold, beneficial or ownership interest or option to acquire property.

Category 3: All investments and business positions in, and sources of income from, business entities that are engaged in land development, construction, or the acquisition or sale of real property within the jurisdiction of the District.

Category 4: All Investments and business positions in, and sources of income from business entities including gifts, loans and travel payments, that provide services, products, supplies, materials, machinery, vehicles or equipment of the type purchased or leased by the District.

Category 5: All investments and business positions in, and sources of income from business entities, including gifts, loans and travel payments, that provide services, products, supplies, materials, machinery, vehicles or equipment of a type purchased or leased by ~~the District~~ the Designated Position's department, unit or division.

Category 6: All investments and business positions in business entities, and sources of income, including gifts, loans, and travel payments, if such entities or sources have filed claims against the agency in the past 2 years, or have a claim pending before the District.

³ This Conflict of Interest Code does not require the reporting of gifts from outside this agency's jurisdiction if the source does not have some connection with or bearing upon the functions or duties of the position. (Reg. 18730.1)

RESOLUTION NO.

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
VALLECITOS WATER DISTRICT ADOPTING AN AMENDED CONFLICT-OF-
INTEREST CODE PURSUANT TO THE POLITICAL REFORM ACT OF 1974**

WHEREAS, the State of California enacted the Political Reform Act of 1974, Government Code Section 81000 et seq. (the "Act"), which contains provisions relating to conflicts of interest which potentially affect all officers, employees and consultants of the Vallecitos Water District (the "District") and requires all public agencies to adopt and promulgate a Conflict of Interest Code; and

WHEREAS, the Board of Directors adopted a Conflict of Interest Code (the "Code") which was adopted on September 16, 2020, in compliance with the Act; and

WHEREAS, subsequent changed circumstances within the District have made it advisable and necessary pursuant to Sections 87306 and 87307 of the Act to amend and update the District's Code; and

WHEREAS, the potential penalties for violation of the provisions of the Act are substantial and may include criminal and civil liability, as well as equitable relief which could result in the District being restrained or prevented from acting in cases where the provisions of the Act may have been violated; and

WHEREAS, notice of the time and place of a public meeting on, and of consideration by the Board of Directors of, the proposed amended Code was provided each affected designated employee and publicly posted for review at the offices of the District; and

WHEREAS, a public meeting was held upon the proposed amended Code at a regular meeting of the Board of Directors on September 21, 2022, at which all present were given an opportunity to be heard on the proposed amended Code.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Vallecitos Water District, that the Board of Directors does hereby adopt the proposed amended Conflict of Interest Code, a copy of which is attached hereto and shall be on file with the Senior Executive Assistant and available to the public for inspection and copying during regular business hours;

BE IT FURTHER RESOLVED that the said amended Conflict of Interest Code shall be submitted to the Board of Supervisors of the County of San Diego for approval and said Code shall become effective immediately after the Board of Supervisors approves the proposed amended Code as submitted.

PASSED AND ADOPTED by the Board of Directors of the Vallecitos Water District at a regular meeting held on this 21st day of September, 2022, by the following roll call vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Craig Elitharp, President
Board of Directors
Vallecitos Water District

ATTEST:

Glenn Pruiam, Secretary
Board of Directors
Vallecitos Water District

**CONFLICT OF INTEREST CODE
OF THE
VALLECITOS WATER DISTRICT**

CONFLICT OF INTEREST CODE OF THE VALLECITOS WATER DISTRICT (Amended September 21, 2022)

1. Standard Code of FPPC

The Political Reform Act of 1974 (Gov. Code, § 81000, et seq.) requires each state and local government agency to adopt and promulgate a conflict of interest codes. The Fair Political Practices Commission (FPPC) has adopted a regulation 2 Cal. Code of Regs, Section 18730, which contains the terms of a standard conflict of interest code that can be incorporated by reference as a district's code. After public notice and hearing, Section 18730 may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act.

2. Adoption of Standard Code of FPPC

Therefore, the terms of 2 Cal. Code of Regs. Section 18730, and any amendments to it duly adopted by the Fair Political Practices Commission, are hereby incorporated by reference. This regulation (attached) and the attached Appendix designating officials and employees and establishing disclosure categories, shall constitute the Conflict of Interest Code of the **Vallecitos Water District (the "District")**. This code shall take effect when approved by the San Diego County Board of Supervisors and shall thereupon supersede all prior codes adopted by the Vallecitos Water District.

3. Filing of Statements of Economic Interests

All officials and designated positions required to submit a statement of economic interests shall file their statements with the General Manager as the District's Filing Officer. The Filing Officer shall make and retain a copy of all statements filed by the General Manager and Members of the Board of Directors, and forward the originals of such statements to the Clerk of the Board of Supervisors. The Filing Officer shall retain the original statements of all other officials and designated positions and will make this Code and all retained statements available for public inspection and reproduction during regular business hours (Gov. Code § 81008).

APPENDIX
CONFLICT OF INTEREST CODE
OF THE
VALLECITOS WATER DISTRICT
(Amended September 21, 2022)

PART “A”

OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

Officials who manage public investments as defined by 2 Cal. Code of Regs. §18700.3(b), are NOT subject to the District’s Conflict of Interest Code but must file disclosure statements under Government Code section 87200 et seq.[Regs., §18730(b)(3)] These positions are listed here for informational purposes only.

It has been determined that the positions listed below are officials who manage public investments¹:

- Members of the Board of Directors
- General Manager
- Assistant General Manager
- Treasurer/Director of Administrative Services
- Financial Consultants

¹ Individuals holding one of the above-listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by § 87200.

DESIGNATED POSITIONS

GOVERNED BY THE CONFLICT OF INTEREST CODE

<u>DESIGNATED EMPLOYEES'</u> <u>TITLE OR FUNCTION</u>	<u>DISCLOSURE CATEGORIES</u> <u>ASSIGNED</u>
Administrative Services Manager	5
Asset Management Supervisor	5
Capital Facilities Assistant Engineer	5
Capital Facilities Engineer	2, 3, 5
Capital Facilities Senior Engineer	2, 3, 5
Chief Financial Officer	1, 2
Chief Technology Officer	5
Computerized Maintenance Management System Planner (CMMS Planner)	5
Construction Inspection Supervisor	2, 3, 5
Construction Inspector II	2, 3, 5
Construction Supervisor	2, 3, 5
Development Services Senior Engineer	2, 3, 5
District Engineer	2, 3, 5
Engineering Technician III	2, 3, 5
Finance Supervisor	5
General Counsel	1, 2
Human Resource Analyst	5
Maintenance Services Supervisor	5
Mechanical/Electrical Supervisor	5
Operations & Maintenance Contract Coordinator	4

Operations & Maintenance Manager	4
Principal Financial Analyst	5
Public Information Conservation Supervisor	5
Risk Management Supervisor	6
Senior Purchasing Specialist	4
System Administrator	5
Wastewater Collection Systems Supervisor	5
Wastewater Treatment Plant Supervisor	5
Water System Supervisor	5

Consultants and New Positions²

² Individuals serving as a consultant as defined in FPPC Reg 18700.3 or in a new position created since this Code was last approved that makes or participates in making decisions must file under the broadest disclosure set forth in this Code subject to the following limitation:

The General Manager may determine that, due to the range of duties or contractual obligations, it is more appropriate to assign a limited disclosure requirement. A clear explanation of the duties and a statement of the extent of the disclosure requirements must be in a written document. (Gov. Code Sec. 82019; FPPC Regulations 18219 and 18734.) The General Manager's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code. (Gov. Code Sec. 81008.)

BBK – September 2022

PART “B”

DISCLOSURE CATEGORIES

The disclosure categories listed below identify the types of economic interests that the designated position must disclose for each disclosure category to which the designated is assigned.³ “Investment” means financial interest in any business entity (including a consulting business or other independent contracting business) and are reportable if they are either located in, doing business in, planning to do business in, or have done business during the previous two years in the jurisdiction of the District.

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Category 5: All investments and business positions in, and sources of income from business entities, including gifts, loans and travel payments, that provide services, products, supplies, materials, machinery, vehicles or equipment of a type purchased or leased by the Designated Position’s department, unit or division.

Category 6: All investments and business positions in business entities, and sources of income, including gifts, loans, and travel payments, if such entities or sources have filed claims against the agency in the past 2 years, or have a claim pending before the District.

³ This Conflict of Interest Code does not require the reporting of gifts from outside this agency’s jurisdiction if the source does not have some connection with or bearing upon the functions or duties of the position. (Reg. 18730.1)