

AGENDA FOR A REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE VALLECITOS WATER DISTRICT  
WEDNESDAY, AUGUST 16, 2017, AT 5:00 P.M.  
AT THE DISTRICT OFFICE  
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

CALL TO ORDER – VICE PRESIDENT HERNANDEZ

PLEDGE OF ALLEGIANCE

ROLL CALL

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

ADOPT AGENDA FOR THE REGULAR MEETING OF AUGUST 16, 2017

PUBLIC COMMENT

Persons wishing to address a matter not on the Agenda may be heard at this time; however, no action will be taken until the matter is placed on a future agenda in accordance with Board policy. Public comments are limited to three minutes. A Request to Speak form is required to be submitted to the Executive Secretary prior to the start of the meeting, if possible. 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.

NOTICE TO THE PUBLIC

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

CONSENT CALENDAR

1.1 APPROVAL OF MINUTES (pp. 6-20)

- A. CLOSED SESSION BOARD MEETING – JULY 17, 2017
- B. CLOSED SESSION BOARD MEETING – JULY 19, 2017
- C. REGULAR BOARD MEETING – JULY 19, 2017
- D. FINANCE/INVESTMENT COMMITTEE MEETING – JULY 24, 2017

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

**Recommendation:            Approve Minutes**

1.2 WARRANT LIST THROUGH AUGUST 16, 2017 – \$6,379,762.99 (pp. 21-24)

**Recommendation: Approve Warrant List**

1.3 FINANCIAL REPORTS (pp. 25-42)

- A. WATER METER COUNT – JULY 31, 2017
- B. WATER PRODUCTION/SALES REPORT – 2017/2018
- C. WATER REVENUE AND EXPENSE REPORT – JULY 31, 2017
- D. SEWER REVENUE AND EXPENSE REPORT – JULY 31, 2017
- E. RESERVE FUNDS ACTIVITY – JULY 31, 2017
- F. INVESTMENT REPORT – JUNE 30, 2017 & JULY 31, 2017

1.4 FINAL ACCEPTANCE OF SEWER IMPROVEMENTS FOR NORTH CITY DRIVE SEWER RELOCATION (QUAD SM, LLC) (pp. 43-45)

*Installation of sewer facilities has been completed.*

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

1.5 FINAL ACCEPTANCE OF WATER AND SEWER IMPROVEMENTS FOR NORTH CITY EAST – UNIT 1 (BLOCK C), APN'S 220-200-02, 43, 52, 79, 81 & 82 (URBAN VILLAGES SAN MARCOS, LLC) (pp. 46-48)

*Installation of water and sewer facilities has been completed.*

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

1.6 FINAL ACCEPTANCE OF WATER AND SEWER IMPROVEMENTS FOR REDEL ROAD WATER AND SEWER RELOCATIONS (URBAN VILLAGES SAN MARCOS, LLC) (pp. 49-51)

*Installation of water and sewer facilities has been completed.*

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

1.7 FINAL ACCEPTANCE OF WATER AND SEWER IMPROVEMENTS FOR SHANE PARK PLAZA, APN 219-074-24 (RSF ASSOCIATES, LLC) (pp. 52-54)

*Installation of water and sewer facilities has been completed.*

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

1.8 APPROVAL OF CONSTRUCTION AGREEMENT FOR RANCHO CORONADO PARK CROSSINGS, APN'S 222-080-09, 59 & 222-170-28 (BROOKFIELD RANCHO CORONADO, LLC) (pp. 55-70)

*The project is located southwest of Santa Barbara Drive and Twin Oaks Valley Road.*

**Recommendation: Approve Construction Agreement**

- 1.9 CONSTRUCTION CONTRACT AWARD OF NORTH AND SOUTH PRESSURE REDUCING STATION UPGRADES (pp. 71-74)

*This project will upgrade the North and South Vista Pressure Reducing Stations to meet all current standards.*

**Recommendation: Award Construction Contract**

- 1.10 RESOLUTION ADOPTING THE DISTRICT PAY SCHEDULE (pp. 75-78)

*The California Public Employees' Retirement System requires all agencies to have their pay schedules be publicly available and approved and adopted by the governing body.*

**Recommendation: Adopt Resolution**

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

ACTION ITEMS

- 2.1 APPROVAL TO DISPOSE OF SURPLUS LAND CONSISTING OF THE UNDEVELOPED PORTION OF THE DISTRICT HEADQUARTERS SITE (APN 220-220-06) (pp. 79-81)

*Approximately 32.7 acres of undeveloped hillside property are located at the southwest corner of West Mission Road and Knoll Road.*

**Recommendation: 1) Approve disposition of the property; 2) Direct staff to provide written offers to sell or lease the property to applicable public agencies**

- 2.2 ORDINANCE ESTABLISHING ADMINISTRATIVE CHARGES TO RECOVER INDIRECT COSTS FOR FISCAL YEAR 2017-18 (pp. 82-87)

*The proposed ordinance maintains the District's desire to recover all administrative expenses incurred in connection with providing direct services.*

**Recommendation: Adopt Ordinance**

- 2.3 ACWA COMMITTEE APPOINTMENT NOMINATIONS FOR THE 2018-2019 TERM

*ACWA is requesting committee nominations from ACWA members for the 2018-2019 term. (pp. 88-92)*

**Recommendation: Request Board direction**

2.4 CAPITAL IMPROVEMENT PROJECTS YEAR END REPORT

**Recommendation: For information only**

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

REPORTS

3.1 GENERAL MANAGER

3.2 DISTRICT LEGAL COUNSEL

3.3 SAN DIEGO COUNTY WATER AUTHORITY

3.4 ENCINA WASTEWATER AUTHORITY  
- *Capital Improvement Committee*  
- *Policy and Finance Committee*

3.5 STANDING COMMITTEES

3.6 DIRECTORS REPORTS ON MEETINGS/CONFERENCES/SEMINARS ATTENDED

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

OTHER BUSINESS

4.1 QUARTERLY BOARD EXPENSES (pp. 93-94)

**Recommendation: For Information Only**

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

5.1 DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

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

6.1 ADJOURNMENT

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

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

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

AFFIDAVIT OF POSTING

I, Diane Posvar, Executive Secretary of the Vallecitos Water District, hereby certify that I caused the posting of this Agenda in the outside display case at the District office, 201 Vallecitos de Oro, San Marcos, California by 5:00 p.m., Friday, August 11, 2017.

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

MINUTES OF A CLOSED SESSION MEETING OF THE BOARD OF DIRECTORS  
OF THE VALLECITOS WATER DISTRICT  
MONDAY, JULY 17, 2017, AT 4:00 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 4:00 p.m.

Director Hernandez led the pledge of allegiance.

Present: Director Elitharp  
Director Evans  
Director Hernandez  
Director Martin

Absent: Director Sannella

Staff Present: General Manager Pruum  
Legal Counsel Scott  
District Engineer Gumpel  
Executive Secretary Posvar

Others Present: Ted Hendrickson, MAI – Hendrickson Appraisal Company, Inc.  
Mark Hendrickson, MAI - Hendrickson Appraisal Company, Inc.

ADOPT AGENDA FOR THE CLOSED SESSION MEETING OF JULY 17, 2017

17-07-06 MOTION WAS MADE by Director Hernandez, seconded by Director Martin, and carried unanimously, with Director Sannella absent, to adopt the agenda for the Closed Session Meeting of July 17, 2017.

PUBLIC COMMENT

None.

CLOSED SESSION

CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.8 –  
CONFERENCE WITH REAL PROPERTY NEGOTIATOR

Property: Located at the Southwest Corner of West Mission Road & Knoll Road  
Parcel Number 220-022-06

Parties: District and To Be Determined

Under Negotiation: Price and Terms

17-07-07 MOTION WAS MADE by Director Hernandez, seconded by Director Martin, and carried unanimously, with Director Sannella absent, to move into Closed Session pursuant to Government Code Section 54956.8.

REPORT AFTER CLOSED SESSION

The Board reconvened to Open Session at the hour of 5:00 p.m. The Board, in Closed Session, directed management to take appropriate action to bring the matter back to the full Board at a future 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 5:01 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, July 19, 2017 at 5:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.

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Craig Elitharp, President  
Board of Directors  
Vallecitos Water District

ATTEST:

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Glenn Pruiam, Secretary  
Board of Directors  
Vallecitos Water District

MINUTES OF A CLOSED SESSION MEETING OF THE BOARD OF DIRECTORS  
OF THE VALLECITOS WATER DISTRICT  
WEDNESDAY, JULY 19, 2017, AT 4:00 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 4:01 p.m.

General Manager Pruim led the pledge of allegiance.

Present: Director Elitharp  
Director Hernandez (arrived 4:35 pm)  
Director Martin  
Director Sannella

Absent: Director Evans

Staff Present: General Manager Pruim  
Legal Counsel Scott  
Operations & Maintenance Manager Pedrazzi  
Executive Secretary Posvar

ADOPT AGENDA FOR THE CLOSED SESSION MEETING OF JULY 19, 2017

17-07-08 MOTION WAS MADE by Director Sannella, seconded by Director Martin, and carried unanimously, with Director Evans absent, to adopt the agenda for the Closed Session Meeting of July 19, 2017.

PUBLIC COMMENT

None.

CLOSED SESSION

CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(4) –  
CONFERENCE WITH LEGAL COUNSEL

Discussion will include potential initiation of litigation.

17-07-09 MOTION WAS MADE by Director Sannella, seconded by Director Martin, and carried unanimously, with Director Evans absent, to move into Closed Session pursuant to Government Code Section 54956.9(d)(4).

REPORT AFTER CLOSED SESSION

The Board reconvened to Open Session at the hour of 4:55 p.m. The Board, in Closed Session, directed staff to take appropriate action concerning the potential litigation matter.



ADJOURNMENT

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

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, July 19, 2017 at 5:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.

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Craig Elitharp, President  
Board of Directors  
Vallecitos Water District

ATTEST:

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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, JULY 19, 2017, 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.

Director Sannella led the pledge of allegiance.

Present: Director Elitharp  
Director Hernandez  
Director Martin  
Director Sannella

Absent: Director Evans

Staff Present: General Manager Pruim  
Assistant General Manager Scaglione  
Legal Counsel Scott  
District Engineer Gumpel  
Finance Manager Fusco  
Operations & Maintenance Manager Pedrazzi  
Capital Facilities Senior Engineer Hubbard  
Development Services Senior Engineer Scholl  
Public Information/Conservation Supervisor Robbins  
Financial Analyst Arthur  
Human Resources Analyst Anderson  
Executive Secretary Posvar

ADOPT AGENDA FOR THE REGULAR MEETING OF JULY 19, 2017

17-07-10 MOTION WAS MADE by Director Hernandez, seconded by Director Sannella, and carried unanimously, with Director Evans absent, to adopt the agenda for the Regular Board Meeting of July 19, 2017.

PUBLIC COMMENT

Mike Hunsaker, member of the public, addressed the Board regarding a San Marcos City Council meeting and a meeting regarding Newland Sierra he recently attended. He expressed his concerns about 7,000 new houses being built in San Marcos, overcrowded schools, the inadequacy of the Newland Sierra EIR, population growth, and over building. He thanked the Board.

INTRODUCTION

Human Resources Analyst Bridget Anderson introduced new employee Deborah Vale, Customer Service Representative I.

PRESENTATIONS

President Elitharp presented Fernando Mata, Wastewater Treatment Plant Operator I, with his Certificate for Wastewater Treatment Plant Operator Grade III from the State Water Resources Control Board.

Public Information/Conservation Supervisor Robbins introduced the 2017 WaterSmart Landscape Contest Winners: Third Place: Connie and Tom Nute; Second Place: Charlie and Cheryl Newman; First Place: Cynthia Jones. The winners received a gift card to a local nursery and a gift bag containing water conservation materials.

CONSENT CALENDAR

17-07-11 MOTION WAS MADE by Director Hernandez, seconded by Director Sannella, and carried unanimously, with Director Evans absent, to approve the Consent Calendar as presented.

1.1 Approval of Minutes

- A. Regular Board Meeting – July 5, 2017
- B. Engineering/Equipment Committee Meeting – July 10, 2017

1.2 Warrant List through July 19, 2017 - \$1,420,146.83

1.3 Financial Reports

- A. Water Meter Count – June 30, 2017
- B. Water Production/Sales Report – 2016/2017
- C. Quarterly Financial Report – June 30, 2017
- D. Water Revenue and Expense Report – June 30, 2017
- E. Sewer Revenue and Expense Report – June 30, 2017
- F. Reserve Funds Activity – June 30, 2017

1.4 Operations & Maintenance Metrics Quarterly Report – June 30, 2017

1.5 Schoolhouse Tank Interior Refurbishment

1.6 Request for Annexation of Certain Property Designated as “Nordahl Road Subdivision” (APN: 226-290-01) into the Vallecitos Water District for Water and Sewer Service (Trustees of the Tellier Family Trust and Waring Family Trust)

PUBLIC HEARING

PUBLIC HEARING TO ADOPT A RESOLUTION OF THE BOARD OF DIRECTORS OF THE VALLECITOS WATER DISTRICT APPROVING THE SEWER SERVICE FEES TO BE COLLECTED ON THE TAX ROLL FOR IMPROVEMENT DISTRICT "A" FOR THE FISCAL YEAR JULY 1, 2017 TO JUNE 30, 2018

President Elitharp opened the hearing as duly noted and posted to collect sewer service fees on the tax roll. The hearing was opened at 5:24 p.m.

General Manager Pruim stated the purpose of the hearing was to receive public input on the sewer service fees collected on the tax roll for Improvement District "A." District "A" includes all parcels that receive sewer service but do not receive water service. State Health Code requires the District to specify on an annual basis the method it will use to collect sewer service fees. The sewer service fees will be collected by the County of San Diego and then transferred to the District.

Staff recommended the Board adopt the resolution authorizing the sewer service fees to be collected on the tax roll.

There being no persons wishing to address the Board, President Elitharp closed the hearing at 5:25 p.m.

17-07-12 MOTION WAS MADE by Director Martin, seconded by Director Hernandez, and carried unanimously, with Director Evans absent, to adopt the resolution authorizing sewer service fees to be collected on the tax roll.

Resolution No. 1521 - The roll call vote was as follows:

AYES: Hernandez, Martin, Sannella, Elitharp  
NOES:  
ABSTAIN:  
ABSENT: Evans

ACTION ITEMS

RESOLUTION DECLARING INTENT TO REIMBURSE CERTAIN EXPENDITURES

General Manager Pruim stated this item was previously presented to the Board at the July 5, 2017 Board meeting at which the Board requested it be brought back for further discussion. The inducement resolution allows for reimbursement of costs for identified projects from the proceeds of a future bond issuance and establishes the date from which project costs can be reimbursed. Six projects are listed in the resolution that could benefit from the proceeds of a future bond issuance, all of which are included in the District's Capital Improvement Program.

General Manager Pruim further stated the inducement resolution allows reimbursement of project costs and preserves the District's options and flexibility; however, it does not commit the District to pursue any of the projects, nor does it commit the District to issue future debt.

Staff recommended the Board adopt the inducement resolution.

Mike Hunsaker, member of the public, addressed the Board stating he is familiar with bonds and has concerns about whether this would qualify for tax exemption, if undercharges for capacity fees are included and what form of bond would be issued. He thanked the Board.

President Elitharp stated this item in no way concerns any type of bonding action. General Manager Pruim concurred, stating the resolution would allow the District to be reimbursed from a future issuance of bonds. If there was a bond issuance in the future, the bond would be fully vetted at a public meeting.

General discussion took place during which Director Sannella asked if the District ever under collects capacity fees. General Manager Pruim stated there is currently a deficit in capacity fees; however, it doesn't necessarily mean under collection has occurred. A study of the deficit is currently underway which will correct any under collection.

17-07-13 MOTION WAS MADE by Director Martin, seconded by Director Sannella, and carried unanimously, with Director Evans absent, to adopt the resolution.

Resolution No. 1522 - the roll call vote was as follows:

AYES: Hernandez, Martin, Sannella, Elitharp

NOES:

ABSTAIN:

ABSENT: Evans

SAN MARCOS CHAMBER OF COMMERCE – MEET YOUR ELECTED OFFICIALS  
SUNDOWNER BUSINESS MIXER – PER DIEM/EXPENSE REIMBURSEMENT  
APPROVAL

General Manager Pruim stated District Ordinance No. 203 specifies organizations for which meetings are considered compensable. The San Marcos Chamber of Commerce is not included on the list of approved organizations; therefore, approval for per diem and expense reimbursement is required for the San Marcos Chamber of Commerce Meet Your Elected Officials Sundowner Business Mixer.

General discussion took place regarding past practice of which reimbursement was not authorized for this annual event.

- 17-07-14 MOTION WAS MADE by Director Hernandez, seconded by President Elitharp, and carried 2 - 2, with Directors Martin and Sannella abstaining, and Director Evans absent, to approve per diem only for attendance to the San Marcos Chamber of Commerce Meet Your Elected Officials event.

## REPORTS

### GENERAL MANAGER

General Manager Pruim reported the following:

- A water main break occurred on July 12 on Barnett Drive just east of Vineyard Road. Difficulties closing the valves to isolate the system resulted in the replacement of the isolation valves which has delayed the repairs. Repairs are expected to be completed within the next week or two. No residences are out of water.
- The Proposition 218 Notice for the proposed adjustments to water and sewer rates will be taken to the post office on July 24 for mailing. The public hearing is set for September 20, 2017.
- The District's Employee Appreciation Luncheon will be held on July 20.
- A Finance/Investment Committee meeting will be scheduled in July.
- Encina Wastewater Authority conducted a follow-up inspection today to ensure that Diamond Environmental Services takes the proper steps to control and eliminate any future illegal discharges.

### DISTRICT LEGAL COUNSEL

Legal Counsel Scott commented this is the first time he's ever heard the District being accused of undercharging for capital facilities fees. He stated the District has fought very hard over the years to ensure the District is collecting the appropriate charges, taking a case all the way to the Supreme Court to make sure of this as well as taking a leadership role in legislation related to capacity fees.

### SAN DIEGO COUNTY WATER AUTHORITY

None.

### ENCINA WASTEWATER AUTHORITY

Director Hernandez reported on his attendance to the Capital Improvement Committee meeting this morning at which the annual Capital Improvement Project status report was reviewed. The water reuse feasibility study is currently underway and will be discussed at the August Managers' meeting and at a quarterly regional meeting tentatively scheduled for September 10.

A bio-waste and recycling study is being conducted to identify opportunities. A septic tank disposal study is underway and is expected to conclude in August or September. The study will determine if it is economically beneficial and how they want to do it.

Director Hernandez stated the California Water Environment Association will be holding a tri-state conference in September that the Board may want to consider attending.

President Elitharp reported on his attendance to the Policy and Finance Committee on July 11 at which the Committee recommended two items to be forwarded to the Board for their consideration: 1) to receive and file the independent auditor's communication regarding the annual audit of financial statements; and 2) adoption of a resolution appropriating funds for FY 2018 Operations and Capital Program budgets.

#### STANDING COMMITTEES

Director Hernandez reported the Engineering/Equipment Committee met on July 10 to discuss the locker room expansion project. Only one bid was received for the project in the amount of \$613,046 with \$72,069 for additive items. After receiving this information, Director Hernandez presented his preliminary design and cost estimate to the Committee to expand the men's locker room into the space where the women's locker room is currently and build a smaller addition for a new women's locker room.

The Committee considered a different method of construction other than tilt-up walls such as stud and stucco with a hard finish on the stucco and a reduced wall height of 12'. The consensus of the Committee was to recommend to the Board revising the current design to include the modification to the building for just the men's lockers without showers, toilets, and sinks which would fulfill the need for today, with an alternate design showing the addition of showers, sinks and toilets in the future if necessary.

Director Martin asked the Committee to work on further reducing the cost and to consider what is really needed.

Director Hernandez stated the Committee's discussion included eliminating items such as tile for flooring and changing out sinks which will decrease the cost of the project.

Director Hernandez recommended the Board direct staff to proceed with the revised design which could dramatically reduce the construction costs.

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

Director Sannella reported on his attendance to the Council of Water Utilities (COWU) meeting on July 18.

Director Martin reported on his attendance to the COWU meeting and the San Diego North Economic Development Council (SDNEDC) meeting.

President Elitharp reported on his attendance to the COWU meeting.

Director Hernandez reported on his attendance to the COWU meeting and the SDNEDC meeting.

OTHER BUSINESS

None.

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

Director Martin asked how many District plastic tote bags were made, at what cost, who's getting them, are they a part of our advertising campaign, and what funds were used to pay for them? General Manager Pruim stated he will provide this information to the Board.

Director Martin commented that a Newland Sierra draft EIR meeting was held last night at which at least one speaker tried to speak for the District stating untruths. He recommended that in the future a Board member attend these types of meetings to respond to any false statements that are made about the District. He requested staff inform the Board of any such meetings to ensure a Board member is available to attend to represent the District.

ADJOURNMENT

There being no further business to discuss, President Elitharp adjourned the Regular Meeting of the Board of Directors at the hour of 5:58 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, August 2, 2017, at 5:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.

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Craig Elitharp, President  
Board of Directors  
Vallecitos Water District

ATTEST:

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Glenn Pruim, Secretary  
Board of Directors  
Vallecitos Water District



MINUTES OF THE  
FINANCE/INVESTMENT COMMITTEE  
OF THE VALLECITOS WATER DISTRICT  
MONDAY, JULY 24, 2017 AT 3:00 P.M.  
AT THE DISTRICT OFFICE, 201 VALLECITOS DE ORO,  
SAN MARCOS, CALIFORNIA

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

Present:                    Director Martin  
                              Director Sannella  
                              General Manager Pruim  
                              Assistant General Manager Scaglione  
                              Finance Manager Fusco  
                              Administrative Secretary Johnson

ITEMS FOR DISCUSSION

RESERVE POLICY

Assistant General Manager Scaglione provided a presentation on the District's current reserve policy as follows:

- Objectives of the Presentation
- VWD Reserve Policy
  - What Works
  - What Needs to be Addressed
- Reserve Trends
- Water Replacement Reserves – Projected
- Sewer Replacement Reserves – Projected
- Water Replacement Reserves – Targets and Costs
- Sewer Replacement Reserves – Targets and Costs
- Reserves – Agency Comparisons
  - Operating Reserves
  - Capital Replacement Reserves
  - Rate Stabilization Funds
  - Other Reserve Funds
  - Bottom Line

Assistant General Manager Scaglione suggested changes to the District's reserve policy such as, providing more management discretion on rate stabilization which would allow more flexibility in terms of debt service coverage, and adding language regarding restricted reserves. When a draft revised reserve policy is completed, it will be presented to this Committee for review.

General discussion took place regarding the current capacity deficit of \$16.4 million which is water and sewer combined, status on the District's Master Plan, and re-evaluation of the District's divisions.

This item was presented for information only.

#### PUBLIC EMPLOYEE RETIREMENT SYSTEM

Finance Manager Fusco distributed a Circular Letter from CalPERS containing data to be used as a planning tool. He provided a presentation on CalPERS discount rate changes which included the following:

- Objectives of the Presentation
- What is CalPERS doing now?
- How are pension benefits paid?
- Background Information
  - Required Employer Contributions
  - Amortization Policy
- CalPERS Projected Impact of Proposed Changes to VWD
- CalPERS Projected Impact of Proposed Changes vs. VWD Budget
- Strategies to Consider

Finance Manager Fusco stated CalPERS is changing the discount rate from 7.5% to 7.0%, phasing in the change over a three-year period beginning in FY 2018/19. The reason for the change is that CalPERS is now cash flow negative, meaning it's paying out more in benefits each year than it receives in contributions.

General discussion took place.

This item was presented for information only.

#### OTHER POST EMPLOYMENT BENEFITS INFORMATION

Finance Manager Fusco stated the District is required to prepare an actuarial valuation biennially of the District's liability to provide Other Post-Employment Benefits (OPEB) to its retirees. In July 2017, Nyhart, an actuary and employee benefits consulting firm, provided the District with their report on the OPEB Actuarial Valuation Retiree Health Program (Valuation) projected through June 30, 2022. District staff compared this information to the assets of the District's irrevocable trust that was set up in 2011 from which only future retiree medical premiums are to be paid. The trust has grown from \$2.6 million in 2011 to \$3.56 million as of June 30, 2017.

Finance Manager Fusco further stated OPEB is available to employees (and their spouses) hired before July 1, 2013, with at least five years of service (ten to receive 100% of the benefit), to age 65 when they become eligible for Medicare. The 2017 valuation estimates the District's OPEB liability to be \$5.49 million as of June 30, 2017,

leaving a net OPEB liability of \$1.93 million. The District's FY 2017/18 budget includes \$1.96 million to fully fund the liability.

The District has two options concerning the OPEB liability. One option is to bring the liability onto the balance sheet and not fund the trust. The other option is to continue to fund the trust as it is now and at the point where the liabilities and assets meet, start drawing on those funds to pay the OPEB benefits to retirees. The market's effect on the growth of assets along with what happens with health care are things to be considered. Finance Manager Fusco recommended the Committee review this again in May of 2018 when more information will be available on the value of the trust's assets and what health care costs will be at that time. The decision to fund the trust does not need to be made until June 30, 2018.

The consensus of the Committee was to review this at the appropriate time next year.

#### INDEPENDENT AUDIT SERVICES FOR FY 2014/15 AND SUBSEQUENT YEARS

General discussion took place regarding the term of Rogers, Anderson, Malody & Scott, LLP Certified Public Accountants' contract which is in its last year of a three-year contract. Directors Martin and Sannella stated information they obtained recommend changing auditing firms every two to three years.

Assistant General Manager Scaglione stated the Government Finance Officers Association (GFOA) best practice recommends governmental entities enter multiyear agreements of at least five years in duration when obtaining the services of independent auditors.

Director Martin asked about the status of rebidding any contracts the District pays over \$100,000 per year. General Manager Pruim stated staff has developed a very short list of vendors meeting that criteria. Staff is in the process of preparing a Request for Proposal (RFP) for legal services which should be ready by the end of August.

The consensus of the Committee was to recommend the Board direct staff to begin a complete RFP process for independent audit services at the completion of the FY 2016/17 audit.

#### ORDINANCE ESTABLISHING ADMINISTRATIVE CHARGES TO RECOVER INDIRECT COSTS FOR FY 2017/18

Finance Manager Fusco stated the proposed ordinance was presented to the Board at the June 21, 2017 Board meeting at which it was tabled for further discussion. On August 21, 2013, the District accepted a Cost of Service Study (COSS) titled, "Water Validation, Cost of Service & Rate Design Analysis; Wastewater Validation & Rate Analysis; Miscellaneous Fees & Overhead Rate Analysis (Report)", which included a recommended method to calculate an annual overhead rate to recover indirect costs. Prior to the 2013 COSS, the District's adopted rate was 75% beginning in 1990.

Finance Manager Fusco provided a brief history of adopted overhead charges, how the rate is calculated and the types of activities where the charge is applied.

General discussion took place regarding the large overhead rate increase from 205% on July 20, 2016 to the proposed increase on June 21, 2017 of 221%. General Manager Prum discussed the dynamics of the overhead rate calculation. Finance Manager Fusco stated the fee is charged to recover the District's indirect costs.

Director Martin requested staff provide the Board data comparing costs from 2016 and 2017 to explain the 17% increase.

The Committee requested staff bring the ordinance back to the Board for consideration.

#### MISCELLANEOUS FEE STUDY

Finance Manager Fusco explained the correlation between the budget, overhead charges and miscellaneous fees, and how the miscellaneous fees are calculated. He provided copies of four red-lined ordinances containing miscellaneous fees as a starting point for discussion and review of the current fees and the maximums that can be charged based on the methodology established in the 2013 COSS.

The Committee requested staff provide a chart of all current miscellaneous fees, staff's recommended justified fee, and other comparable agencies' miscellaneous fees.

#### OTHER BUSINESS

None.

#### PUBLIC COMMENT

None.

#### ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at the hour of 5:03 p.m.

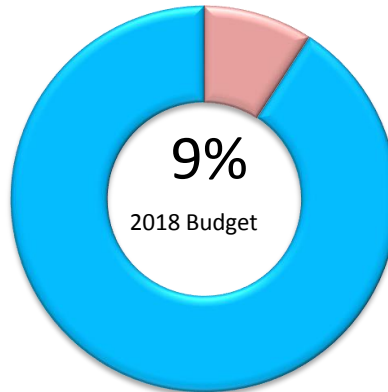
**VALLECITOS WATER DISTRICT  
WARRANTS LIST SUMMARY  
August 16, 2017**

**Summary**

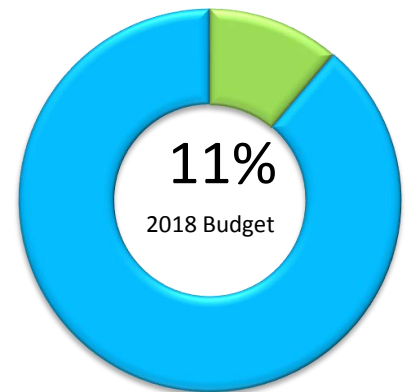
August Warrants	\$	6,379,763 *
YTD Warrants	\$	7,799,910 *
FY2018 Budget	\$	69,615,000

\* Excludes Debt Service

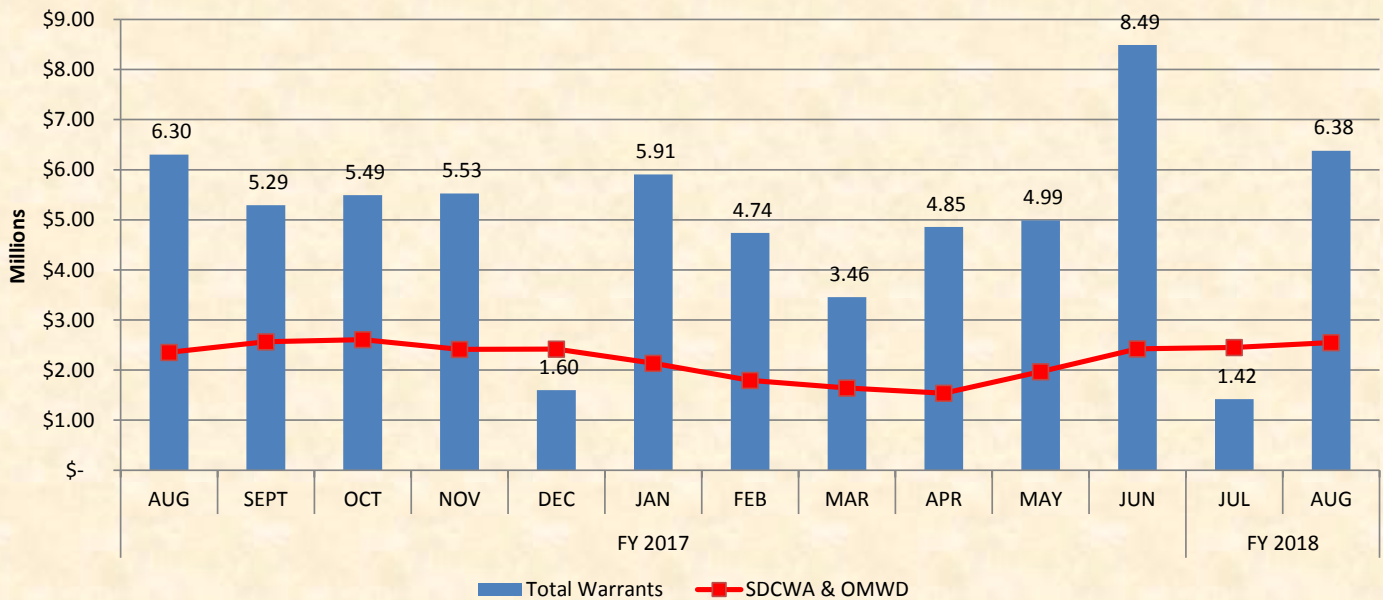
**August**



**FYTD**

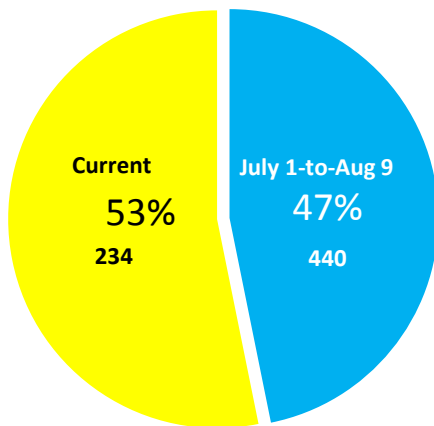


**Historical Warrants by Month\*\***



\*\* Historical Warrants by Month chart summarizes amounts in the Warrants List for the given month not amounts paid during the month with the exception of SDCWA & OMWD payments.

**Invoices Processed**



**Top 10 Vendors - FYTD**

SAN DIEGO COUNTY WATER AUTH.	\$5.5M
ENCINA WASTEWATER AUTHORITY	\$1.6M
PUBLIC EMPLOYEES RETIRE SYSTM	\$872K
ACWA/JOINT POWERS INSURANCE	\$229K
SAN DIEGO GAS & ELECTRIC	\$128K
OLIVENHAIN MWD	\$87K
COUNTY OF SAN DIEGO	\$37K
DESERT PUMPS & PARTS	\$30K
BENS ASPHALT & MAINTENANCE CO...	\$28K
INDUCTIVE AUTOMATION LLC	\$27K

VALLECITOS WATER DISTRICT  
WARRANTS LIST  
August 16, 2017

PAYEE	DESCRIPTION	CHECK#	AMOUNT
CHECKS			
Garnishments	Payroll Garnishments	111407 through 111410	-
ACWA/Joint Powers Insurance	Workers Compensation Quarter Ending 6-30-17	111411	45,311.49
Adrienne & Corey Sherk	Closed Account Refund	111412	50.05
Airgas USA LLC	Cylinder Rental	111413	94.55
Ajit Dhanjani	Closed Account Refund	111414	95.31
Ambius	Plant Maintenance July	111415	263.00
Ann Johnson	Strengthening Your People Skills Class 7-17-17	111416	36.49
Aqua-Metric Sales Co	Meters 66, Batteries 3 For Handheld Reader	111417	22,605.41
Ashlee & Wesley Exxon	Closed Account Refund	111418	29.69
AT & T	Phone Svcs June	111419	2,915.18
AT & T	Phone Svc SCADA July	111420	238.90
B & C Crane Service Inc	Crane Rental MRF Prj 20161-20	111421	1,824.00
Backflow Solutions, Inc.	Backflow Test Reports 158	111422	2,046.10
Bentley Systems Inc	WaterCAD & Sewer Gems Subscription July	111423	3,643.75
Best Best & Krieger	2015 General Rate Case	111424	569.55
Boot Barn	Safety Boots	111425	291.91
Boot World Inc	Safety Boots	111426	300.00
Breckenridge Prop. Fund 2016	Closed Account Refund	111427	12.43
Capital One Commercial DBA Costco	Office Supplies	111428	361.48
Chris & Anna Dorazio	Closed Account Refund	111429	85.90
Christina Lonergan	Closed Account Refund	111430	196.60
Core Logic Information Solutions Inc	Real Quest Svc For Engineering Maps, Engineering Maps June	111431	600.00
Corodata Media Storage Inc	Backup Storage Tape June	111432	139.59
Council Of Water Utilities	Meeting 7-18-17, Hernandez, Martin, Sannella, Pruim, Scaglione	111433	200.00
County of San Diego	Inspection Svcs	111434	664.00
County of San Diego	Recording Fees June	111435	156.52
CWEA	Membership Renewal I Murguia	111436	172.00
Danielle Durfee	Closed Account Refund	111437	30.60
David Zieve	Closed Account Refund	111438	70.35
DirecTV Inc	Satellite Svc July	111439	156.98
Dodge Data & Analytics LLC	South Pressure Reducing Station Upgrades Prj 20141-7	111440	540.00
Patrick Drummond	Cybersecurity Training 6-27-17	111441	94.70
Esri Inc	GIS Training P Cosmano & D Lopez 6-15-17	111442	2,260.00
Betty Evans	COWU Meeting 6-20-17	111443	16.52
Evantec Corporation	Media & Equipment Sterilizer MRF Prj 20171-21	111444	13,814.99
Federal Express Corp.	Shipping Svcs July	111445	18.66
Ferguson Enterprises, Inc	Air Vacs 3	111446	856.61
Fieldman Rolapp & Associates	Consulting Svcs - New Debt Analysis	111447	120.00
Forest & Julie Rees	Closed Account Refund	111448	62.41
George & Krogh Welding Inc	Water Valve Cage Cover Replacement Prj 20171-290	111449	1,731.33
Grangetto's Farm Garden Supply	Hardware Supplies	111450	184.99
Haley Flowers	Closed Account Refund	111451	82.97
Hedia Phanthapirat	Closed Account Refund	111452	90.59
Infosend Inc	Support Fee, Postage & Printing June, Postage & Printing July	111453	8,553.17
Infrastructure Engr Corp	Fulton Sewer Repair Prj 20161-11, Crestwind Easement Survey	111454	3,988.25
Jeff Katz	Bldg B Locker Room Expansion Prj 20161-05	111455	3,014.61
John Gillett	Closed Account Refund	111456	65.31
JCI Jones Chemicals Inc	Chlorine	111457	5,833.05
Kristi Gutjahr	Closed Account Refund	111458	13.70
L & L Hawaiian BBQ	Employee Appreciation Luncheon	111459	2,215.20
Law Offices of Jeffrey G Scott	Legal Svcs June	111460	11,284.50
Lloyd Pest Control	Pest Control June	111461	764.00
Matheson Tri-Gas Inc	Cylinder Rental	111462	49.18
NCB Reprographics	Color, Black & White Copies Prj 20141-07	111463	306.06
Michael St. Onge	Closed Account Refund	111464	102.29
North County Auto Parts	Fleet Supplies	111465	3,684.77
Occu Med Ltd	Medical Svcs	111466	84.00
Olivenhain MWD	Treated Water June	111467	86,662.60
Ostari Inc	IT Support July, CISCO Support June 2017 to June 2020	111468	2,485.00
Pacific Pipeline Supply	Hydrant Extensions 3, Hardware Supplies	111469	1,093.18
Petty Cash Custodian	Petty Cash	111470	675.38
Pitney Bowes	Mail System Lease May - July	111471	641.16

VALLECITOS WATER DISTRICT  
WARRANTS LIST  
August 16, 2017

PAYEE	DESCRIPTION	CHECK#	AMOUNT
Pitney Bowes	Red Ink & Adhesive For Postage Machine	111472	493.60
Pollard Water	Dechlorinator - Water Quality	111473	2,484.13
Polydyne Inc	Clarifloc	111474	16,069.08
Recycled Aggregate Materials Co Inc	Concrete Recycling	111475	150.00
Rancheros Drive LLC	Closed Account Refund	111476	73.97
Rely Environmental	Fuel Island Maintenance July	111477	175.00
Robin & Dan Guidera	Customer Refund - Duplicate Payment	111478	232.83
Rogers Anderson Malody & Scott LLP	Auditing Svcs Year Ending 6-30-17	111479	10,100.00
Roxane Singer & David Kirksey	Closed Account Refund	111480	47.94
Rusty Wallis Inc	Soft Water Tank Svc July	111481	225.00
SDG&E	Power June	111482	85,730.56
Scada Integrations	Misc Programming MRF	111483	2,125.00
Schmidt Fire Protection Co Inc	Inspection - Fire Sprinklers - MRF	111484	768.00
Sea Breeze Janitorial	Cleaning Svcs July MRF	111485	553.13
Smart & Final	Office Supplies	111486	82.92
Southern Counties Lubricants, LLC	Unleaded & Diesel Fuel, Motor Oil Prj 20161-8	111487	20,635.90
Standard Insurance Company	Supplemental Life Insurance Dec 16 - July 17	111488	5,576.34
Staples Advantage	Office Supplies June	111489	62.34
State Board of Equalization	Annual Diesel Fuel Tax Return 16-17	111490	184.00
State Board of Equalization	Storage Tank Fees Apr - Jun	111491	257.74
Sunrise RV	Hardware Supplies	111492	20.81
Sunset Publishing Corporation	Water Wise Booklets 500 Prj 20181-43	111493	829.68
Suzanne Smyth-Cohen & Robert Cohen	Closed Account Refund	111494	55.33
Taylor Dougherty	Closed Account Refund	111495	84.60
Thomas Beier	Systems Security Certified Practitioner Cert Renewal	111496	65.00
Dean Toth	CWEA Membership	111497	172.00
Union-Tribune Publishing Co.	Advertising Svcs	111498	239.63
Univar USA Inc	Sodium Hypo Liquichlor, Sodium Bisulfite, Caustic Soda	111499	9,709.76
Valley Chain & Gear Inc	Parts - Lab Vacuum Repair MRF, Ball Bearings 6 MRF, Hardware Supplies	111500	2,291.99
Vaughan's Indust Repair Inc.	Rebuild Backwash P2 MRF Prj 20161-20, Refurbish Rotating Assembly P1 LSMLS	111501	17,693.59
Verizon Wireless	IPad Svc June	111502	294.60
Walters Wholesale Electric	Hardware Supplies Prj 20161-20	111503	137.93
Work Partners Occupational Health Specialists	Medical Svcs	111504	1,312.65
Xerox Corporation	Copier Lease June	111505	413.18
Branding 365	Tote Bags 1000 Prj 20181-43	111506	2,510.58
Carbon Activated Corp.	Tertiary Media MRF Prj 20121-4	111507	20,227.80
County of San Diego	LAFCO Fees FY 17-18	111508	36,373.23
CUES	CCTV Software Renewal FY 17-18	111509	2,850.00
Diamond Environmental Services	Portable Restroom MRF	111510	300.90
Dion International Trucks LLC	Fleet Supplies	111511	19.59
Electrical Sales Inc	Tipping Weir Upgrade Materials MRF	111512	433.79
Ewing Irrigation Products	PVC Supplies	111513	151.47
Ferguson Enterprises, Inc	Hardware Supplies	111514	9.75
Fleetpride	Fleet Supplies	111515	12.53
Freedom Automation Inc	PLC Programming Collection Dept	111516	6,525.00
GSG Printing Inc.	Prop 218 Reports 25,000 Prj 20181-43	111517	2,583.00
Grainger Inc	Hardware Supplies	111518	594.57
Ken Grody Ford	Fleet Supplies	111519	424.53
Haaker Equipment Co.	Hardware Supplies	111520	159.85
Hach Company	Water Quality Testing Device	111521	4,919.37
Harrington Industrial	Hardware Supplies	111522	224.77
Hodge Products Inc	Facility Locks 114	111523	1,606.81
Hughes Supply CA LLC	Hardware Supplies	111524	430.46
Inductive Automation LLC	SCADA Software - Migrating to Another SCADA Platform	111525	27,292.50
KRC Rock Inc	Sealant - Concrete Tables - District Headquarters Prj 20181-47	111526	93.75
Lantelligence, Inc.	Phone System Support FY 17-18	111527	8,333.47
Major League Pest	Bee Removal	111528	120.00
Mallory Safety & Supply, LLC	Safety Supplies	111529	1,117.39
Nth Generation Computing, Inc.	Varonis DatAdvantage Security Annual Support FY 17-18	111530	4,731.00
PDQ Connect Inc	Radios 4 Twin Oaks Reservoir	111531	394.59
Rupe's Hydraulics	Fleet Supplies	111532	252.68
Shred-It US JV LLC	Shredding Svcs July	111533	152.88
Technique Data Systems Inc	Check Scanner Maintenance FY 17-18	111534	425.00

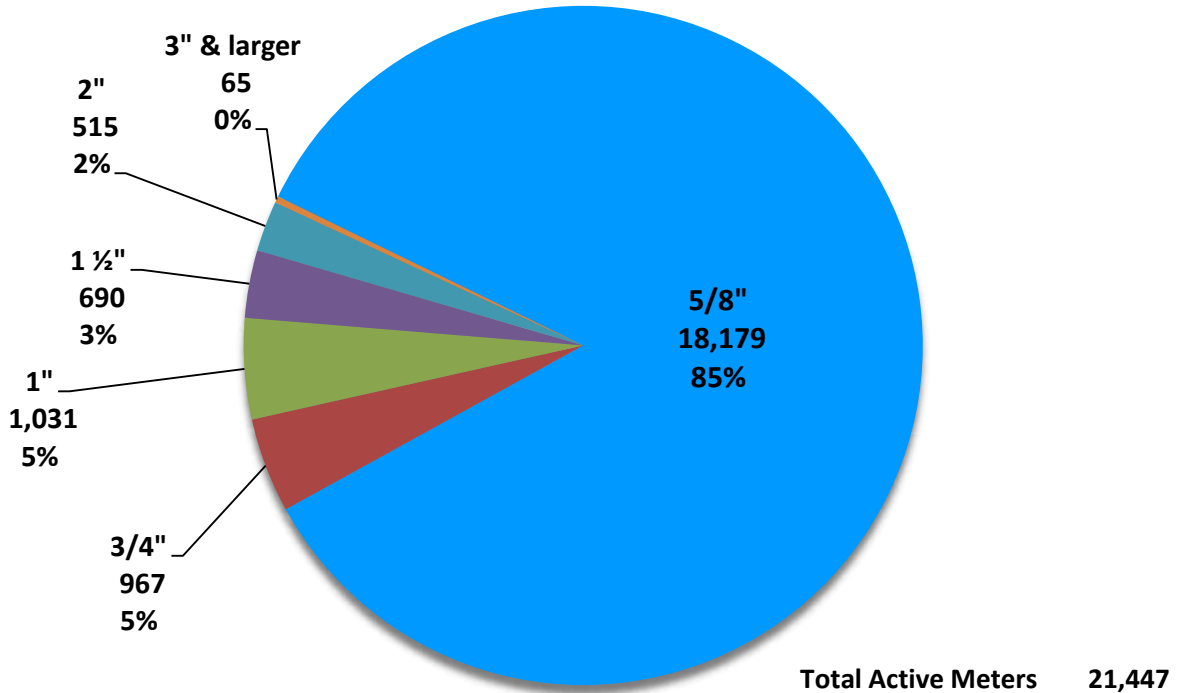
VALLECITOS WATER DISTRICT  
WARRANTS LIST  
August 16, 2017

PAYEE	DESCRIPTION	CHECK#	AMOUNT
Unifirst Corporation	Uniform Delivery	111535	1,290.76
HD Supply Facilities Maintenance Ltd	Hardware Supplies	111536	211.03
VAP Enterprises Inc	Right of Way Acquisition - Harmony Grove Prj 20161-26	111537	920.48
Water & Wastewater Jobs	Job Posting	111538	195.00
Waxie Sanitary Supply	Cleaning Supplies	111539	1,015.87
State Water Resource Control Board	Annual ELAP Fees - MRF FY 17-18	111540	3,592.00
Garnishments	Payroll Garnishments	111541 through 111544	-
Total Disbursements (130 Checks)			<u>544,395.64</u>
<b>WIRES</b>			
San Diego County Water Authority	June Water Bill	Wire	2,549,532.36
Encina Wastewater Authority	Quarterly Billing	Wire	1,630,069.91
Public Employees Retirement System	Retirement Contribution - FY 17-18	Wire	735,053.00
Public Employees Retirement System	Retirement Contribution - July 19, 2017 Payroll	Wire	67,955.76
Public Employees Retirement System	Retirement Contribution - August 2, 2017 Payroll	Wire	67,911.65
Total Wires			<u>5,050,522.68</u>
<b>PAYROLL</b>			
Total direct deposits		Wire	228,160.69
VWD Employee Association		111406	516.00
Garnishments		111407 through 111410	1,715.06
IRS	Federal payroll tax deposit	Wire	100,773.48
Employment Development Department	California payroll tax deposit	Wire	17,934.15
CalPERS	Deferred compensation withheld	Wire	12,127.40
VOYA	Deferred compensation withheld	Wire	6,190.65
Total July 19, 2017 Payroll Disbursements			<u>367,417.43</u>
Total direct deposits		Wire	5,460.81
IRS	Federal payroll tax deposits	Wire	3,682.94
Employment Development Department	California payroll tax deposit	Wire	684.09
CalPERS	Deferred compensation withheld	Wire	100.00
Special Payroll Disbursements (i.e., final checks, accrual payouts, etc.)			<u>9,927.84</u>
Total direct deposits		Wire	249,587.46
VWD Employee Association		111541	516.00
Garnishments		111542 through 111544	1,715.06
IRS	Federal payroll tax deposits	Wire	109,877.07
Employment Development Department	California payroll tax deposit	Wire	20,322.06
CalPERS	Deferred compensation withheld	Wire	15,628.78
AETNA	Deferred compensation withheld	Wire	9,852.97
Total August 2, 2017 Payroll Disbursements			<u>407,499.40</u>
Total Payroll Disbursements			<u>784,844.67</u>
<b>TOTAL DISBURSEMENTS</b>			<u><u>6,379,762.99</u></u>

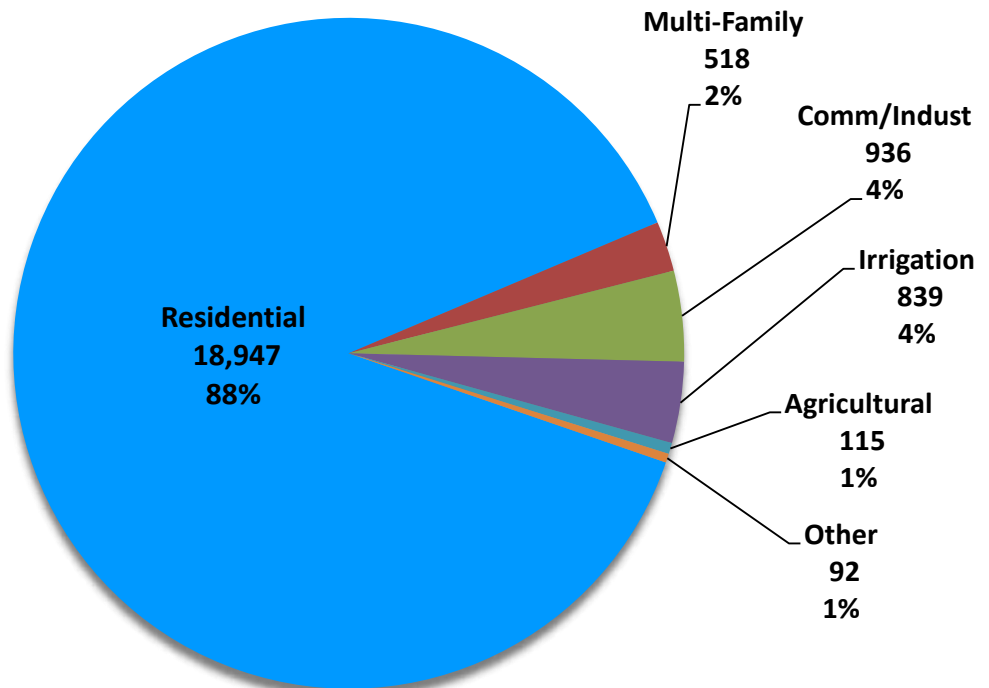


Vallecitos Water District  
 Active Water Meters  
 July 31, 2017

Active Meters by Size as of July 31, 2017

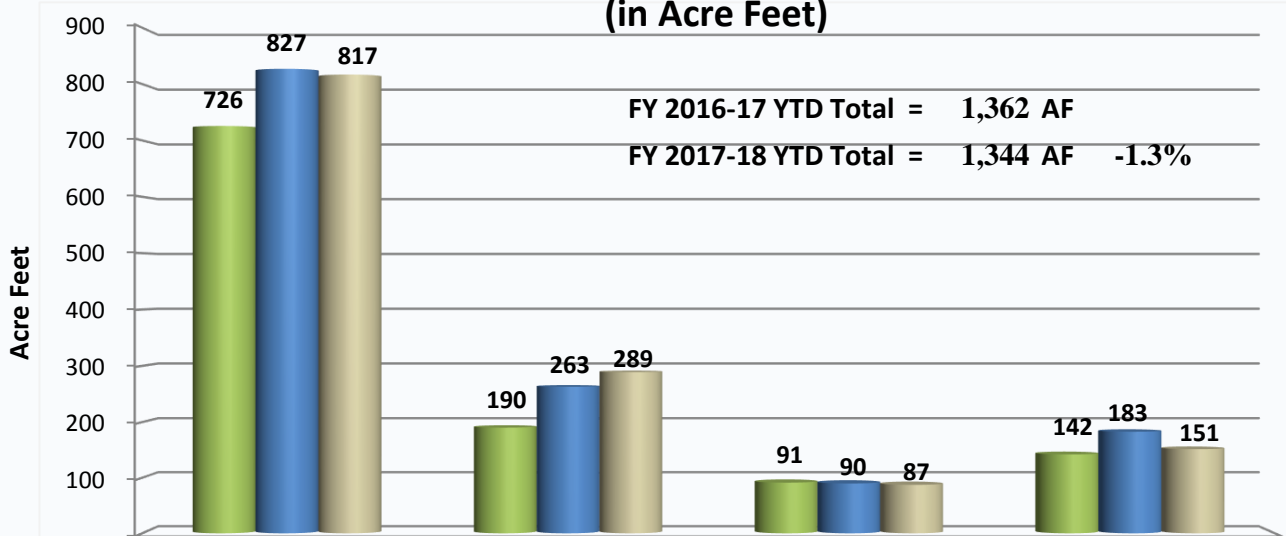


Active Meters by Type as of July 31, 2017



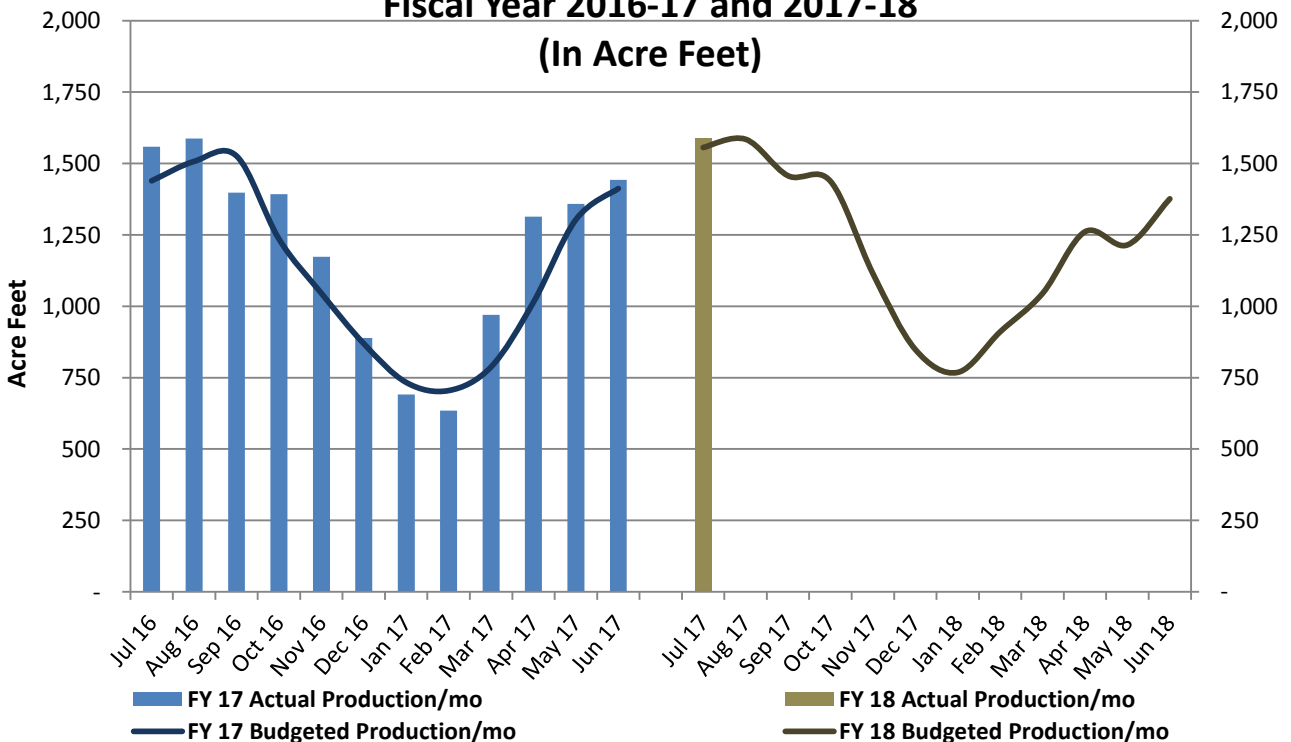
Vallecitos Water District  
Water Production/Sales  
July 31, 2017

**Water Sales FY 15-16, FY 16-17 and FY 17-18 (FYTD)**  
**(in Acre Feet)**



	Residential	Irrigation	Agricultural	Commer/ Indust/ Construct/ Other
FY 2015-16	726	190	91	142
FY 2016-17	827	263	90	183
FY 2017-18	817	289	87	151

**Water Production Budget vs. Actual**  
**Fiscal Year 2016-17 and 2017-18**  
**(In Acre Feet)**



**DATE: AUGUST 16, 2017**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: MONTHLY FINANCIAL REPORTS**

**BACKGROUND:**

The Monthly Revenue and Expense Reports and the Reserve Report for the month ended July 31, 2017 are presented.

**DISCUSSION:**

The Monthly Revenue and Expense reports summarize revenues by service type and expenses by department over the 1-month period. Comparisons to prior year actual and current year budget amounts are also presented. Any excess of revenues over expenses are transferred to reserves and reflected in the Reserve Report. Any excess of expenses above revenues are paid for out of reserves in the current fiscal year.

The Monthly Reserve Report presents the balances in each of the District's reserve funds. The report summarizes all sources and uses of reserves. Sources consist of operating transfers, capital facility fees, property taxes, dissolved RDA distributions, investment earnings and annexation fees. Uses are distributions for capital projects and debt service.

**RECOMMENDATION:**

For information only.

Vallecitos Water District  
Water Revenue and Expense Report  
For the One Month Ended July 31, 2017

	Current	Prior Year Actual			Current Year Budget		
	Year	Amount	Variance		Amount	Variance	
	Actual		\$	%		\$	%
<b>Revenue</b>							
Water Sales	\$2,447,767	\$2,275,016	\$ 172,751	7.6%	\$2,646,000	\$(198,233)	-7.5%
Ready-to-serve	1,161,232	1,144,404	16,828	1.5%	1,135,000	26,232	2.3%
Pumping charges	25,112	16,132	8,980	55.7%	31,000	(5,888)	-19.0%
Late & lock charges	35,956	35,182	774	2.2%	37,000	(1,044)	-2.8%
Backflow fees	7,272	7,091	181	2.6%	8,000	(728)	-9.1%
Other revenue	16,704	11,965	4,739	39.6%	10,500	6,204	59.1%
<b>Total Revenue</b>	<b>3,694,043</b>	<b>3,489,790</b>	<b>204,253</b>	<b>5.9%</b>	<b>3,867,500</b>	<b>(173,457)</b>	<b>-4.5%</b>
<b>Expenses</b>							
Water costs	2,755,848	2,659,037	96,811	3.6%	2,725,000	30,848	1.1%
Pumping costs	43,929	39,104	4,825	12.3%	85,000	(41,071)	-48.3%
Water quality	9,930	8,043	1,887	23.5%	15,000	(5,070)	-33.8%
Water treatment	35,428	16,150	19,278	119.4%	36,000	(572)	-1.6%
Tanks & reservoirs	19,494	8,902	10,592	119.0%	35,000	(15,506)	-44.3%
Trans & distribution	107,722	55,065	52,657	95.6%	154,000	(46,278)	-30.1%
Services	11,055	2,811	8,244	293.3%	20,000	(8,945)	-44.7%
Meters	44,910	31,049	13,861	44.6%	50,000	(5,090)	-10.2%
Backflow prevention	390	2,718	(2,328)	-85.7%	5,000	(4,610)	-92.2%
Customer accounts	47,180	27,794	19,386	69.7%	51,000	(3,820)	-7.5%
Building & grounds	20,387	18,453	1,934	10.5%	29,000	(8,613)	-29.7%
Equipment & vehicles	5,052	7,506	(2,454)	-32.7%	26,000	(20,948)	-80.6%
Engineering	100,134	69,164	30,970	44.8%	115,000	(14,866)	-12.9%
Safety & compliance	15,027	12,091	2,936	24.3%	22,000	(6,973)	-31.7%
Information Technology	46,457	20,318	26,139	128.6%	82,000	(35,543)	-43.3%
General & administrative	266,325	164,858	101,467	61.5%	235,000	31,325	13.3%
<b>Total Expenses</b>	<b>3,529,268</b>	<b>3,143,063</b>	<b>386,205</b>	<b>12.3%</b>	<b>3,685,000</b>	<b>(155,732)</b>	<b>-4.2%</b>
<b>Net Operating Income</b>	<b>\$ 164,775</b>	<b>\$ 346,727</b>	<b>(181,952)</b>	<b>-52.5%</b>	<b>\$ 182,500</b>	<b>(17,725)</b>	<b>-9.7%</b>

Vallecitos Water District  
Sewer Revenue and Expense Report  
For the One Month Ended July 31, 2017

	Current Year Actual	Prior Year Actual			Current Year Budget		
		Amount	Variance		Amount	Variance	
			\$	%		\$	%
<b>Revenue</b>							
Sewer service charges	\$ 1,479,288	\$ 1,393,537	\$ 85,751	6.2%	\$ 1,317,000	\$ 162,288	12.3%
Reclaimed water sales	171,250	161,500	9,750	6.0%	172,000	(750)	-0.4%
Other revenue	5,859	5,931	(72)	-1.2%	7,000	(1,141)	-16.3%
Total Revenue	<u>1,656,397</u>	<u>1,560,968</u>	95,429	6.1%	<u>1,496,000</u>	160,397	10.7%
<b>Expenses</b>							
Collection & conveyance	123,950	73,514	50,436	68.6%	188,000	(64,050)	-34.1%
Lift stations	10,787	25,205	(14,418)	-57.2%	26,000	(15,213)	-58.5%
Source Control	10,639	7,083	3,556	50.2%	15,000	(4,361)	-29.1%
Effluent disposal	239,167	224,500	14,667	6.5%	240,000	(833)	-0.3%
Meadowlark	175,188	128,541	46,647	36.3%	288,000	(112,812)	-39.2%
Customer Accounts	25,648	15,521	10,127	65.2%	38,000	(12,352)	-32.5%
Building & grounds	13,159	10,004	3,155	31.5%	22,000	(8,841)	-40.2%
Equipment & vehicles	9,638	3,434	6,204	180.7%	19,000	(9,362)	-49.3%
Engineering	36,601	24,934	11,667	46.8%	59,000	(22,399)	-38.0%
Safety & compliance	11,589	4,733	6,856	144.9%	15,000	(3,411)	-22.7%
Information technology	33,232	12,562	20,670	164.5%	70,000	(36,768)	-52.5%
General & administrative	81,574	30,287	51,287	169.3%	121,000	(39,426)	-32.6%
Total Expenses	<u>771,499</u>	<u>560,318</u>	211,181	37.7%	<u>1,101,000</u>	(329,501)	-29.9%
Net Operating Income	<u>\$ 884,898</u>	<u>\$ 1,000,650</u>	(115,752)	-11.6%	<u>\$ 395,000</u>	489,898	124.0%

**VALLECITOS WATER DISTRICT**

**RESERVE ACTIVITY FOR THE MONTH ENDED JULY 31, 2017**

	110 Water		120		210 Wastewater		220		Total
	Replacement	Capacity	Replacement	Capacity	Replacement	Capacity	Replacement	Capacity	
BEGINNING BALANCE	\$ 29,885,306	\$ (9,889,055)	\$ 45,384,737		\$ (6,501,911)		\$ 58,878,989		
<b>REVENUES</b>									
FY 17/18 Operating Transfers	164,775		884,898				1,049,673		
Capital Facility Fees	-	313,082	-		59,546		372,628		
Property Tax	26,115	-	21,470		-		47,585		
Investment Earnings	11,214	-	11,031		-		22,244		
<b>TOTAL REVENUES</b>	<b>202,104</b>	<b>313,082</b>	<b>917,399</b>		<b>59,546</b>		<b>1,492,131</b>		
<b>LESS DISTRIBUTIONS</b>									
Capital Projects									
Encina Wastewater Auth 5 Year Cap Plan	-	-	1,101,781		-		1,101,781		
Palos Vista Pump Station Motor Replacement	21,419	-	-		-		21,419		
Tertiary Filter Media	-	-	20,857		-		20,857		
Moymo Solids Pump Rotor Replacment Mrf	-	-	19,136		-		19,136		
MRF Refurbish Backwash Pumps And Motors	-	-	18,308		-		18,308		
MRF- Failsafe Line De-Chlorination System	-	-	11,588		-		11,588		
Rock Springs Sewer Replacement	-	-	4,606		5,630		10,236		
North Vista Pressure Reducing Station Upgrade	9,397	-	-		-		9,397		
Expansion of the Men's Locker Room in Building B	4,530	-	4,352		-		8,882		
MRF - Aeration System Blower Replacement	-	-	8,000		-		8,000		
Fulton Road And Nctd Sewer Line Rehabilitation	-	-	6,801		-		6,801		
South Vista Pressure Reducing Station Upgrade	6,783	-	-		-		6,783		
Water & Sewer Master Plan	-	3,048	-		3,047		6,095		
San Marcos interceptor sewer	-	-	943		2,099		3,042		
Nursery Valve Relocation	-	-	2,957		-		2,957		
Schoolhouse Tank Refurbishment	2,137	-	-		-		2,137		
City of San Marcos Joint Projects	724	-	463		-		1,187		
Land Outfall Clearing & Access Road	-	-	983		-		983		
Lift Station 1 Wet Well Room Repairs	-	-	914		-		914		
Palos Vista Pump Station Generator	488	-	-		-		488		
Montiel Gravity Outfall	-	-	209		255		464		
Fire Services - Backflow Preventer Upgrades	286	-	-		-		286		
Capital Budget - Vehicles/Mobile Equipmnt	1,744	-	14,607		-		16,351		
<b>TOTAL DISTRIBUTIONS</b>	<b>47,508</b>	<b>3,048</b>	<b>1,216,506</b>		<b>11,032</b>		<b>1,278,093</b>		
ENDING BALANCE	\$ 30,039,903	\$ (9,579,021)	\$ 45,085,631		\$ (6,453,397)		\$ 59,093,027		
Less: Operating Reserves	5,539,100	-	6,518,000		-		12,057,100		
Replacement Reserves/Restricted Funds	\$ 24,500,803	\$ (9,579,021)	\$ 38,567,631		\$ (6,453,397)		\$ 47,035,927		
Replacement reserve floor	\$ 6,721,600		\$ 15,472,900						
Replacement reserve ceiling	\$ 28,785,100		\$ 46,161,000						

**VALLECITOS WATER DISTRICT  
INVESTMENT REPORT FOR JUNE 2017**

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.

When investments are being made, two or three institutions are contacted to obtain prevailing rates. Consideration is given to Safety, Liquidity, and Yield, in that order. Necessary approvals and reviews are obtained. This 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.

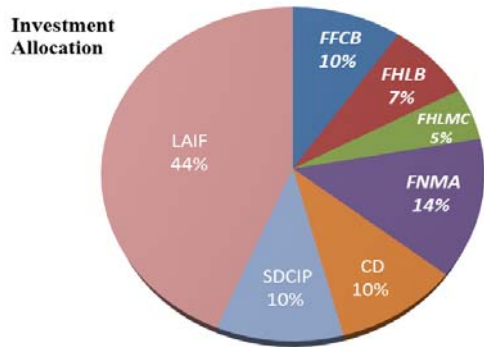
Investment activity for the month of June follows:

<u>Date</u>	<u>Activity</u>	<u>Investment</u>	<u>Amount</u>	<u>Maturity</u>	<u>Yield</u>
06/01/17	Reinvest Interest	SD County Inv Pool	1,929	Open	1.04%
06/02/17	Deposit	LAIF	1,000,000	Open	0.98%
06/06/17	Deposit	LAIF	600,000	Open	0.98%
06/09/17	Deposit	LAIF	750,000	Open	0.98%
06/15/17	Withdrawl	LAIF	(2,350,000)	Open	0.98%
06/15/17	Settle	FHLMC step	750,000	06/15/20	1.50%
06/22/17	Withdrawl	LAIF	(2,800,000)	Open	0.98%
06/27/17	Settle	FHLMC step	750,000	12/22/20	1.30%
06/27/17	Withdrawl	LAIF	(150,000)	Open	0.98%
06/29/17	Settle	Northern Bank & Trust	245,000	12/29/20	1.85%
Change in investments during the month			<u>\$ (1,203,071)</u>		

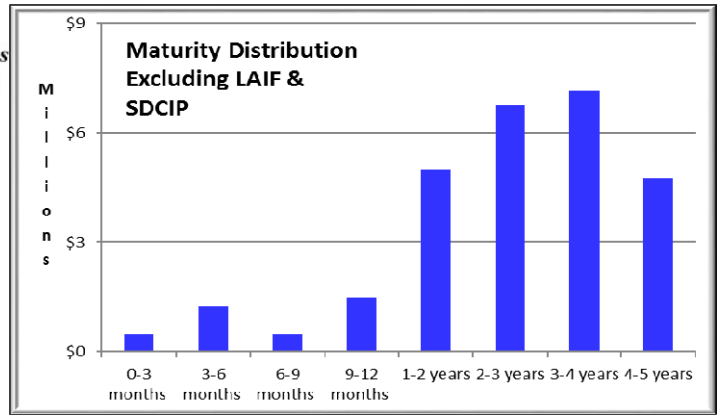
	<u>Quarter End</u>	
	<u>Current</u>	<u>Previous</u>
Weighted average annual yield for total Vallecitos investments	1.194%	1.075%
Weighted average days to maturity	488	467

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, 2017. 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 June 30, 2017. Fair values for federal agency obligations and corporate notes are provided by Union Bank trust account reporting.

**Portfolio Snapshot:**

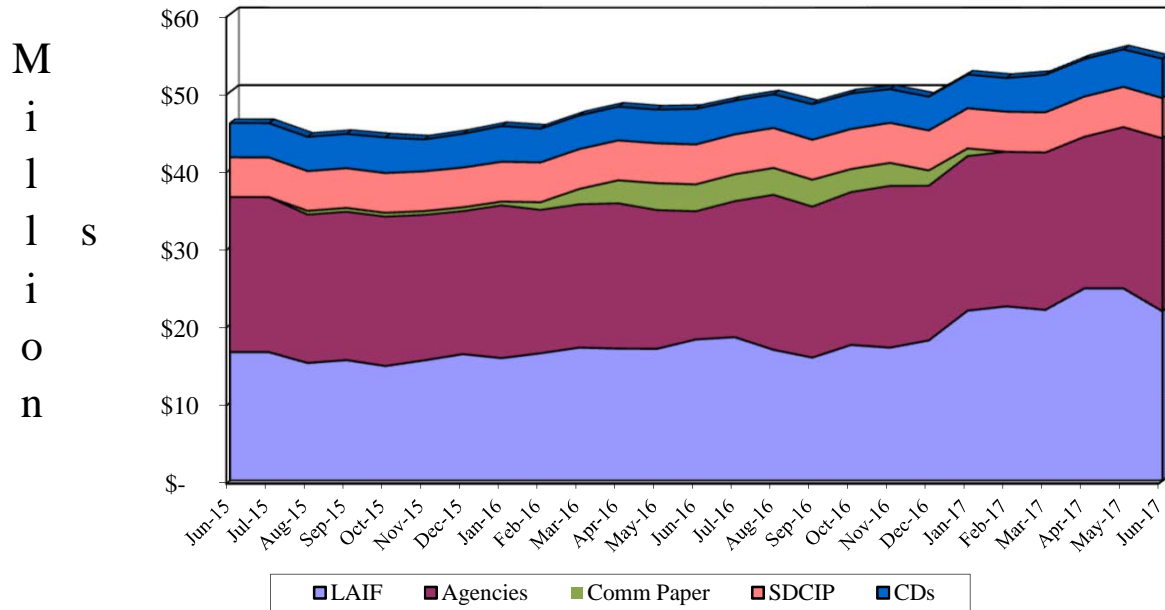


Agencies  
32.7%



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 adopted Board policy and with in limits established in 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 instruments to insure diversification as indicated in the graph below.

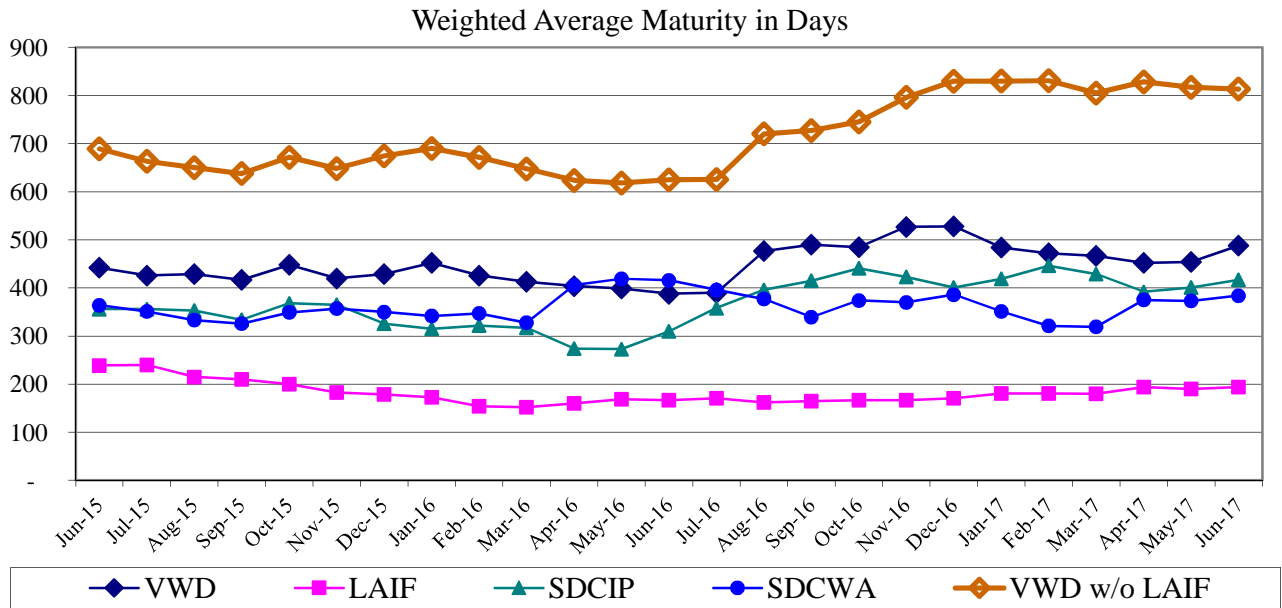


The graph above represents investment levels in the State of California’s Local Agency Investment Fund (LAIF), federal agency obligations, commercial paper, FDIC backed corporate notes, the San Diego County Investment Pool (SDCIP), and certificates of deposit.

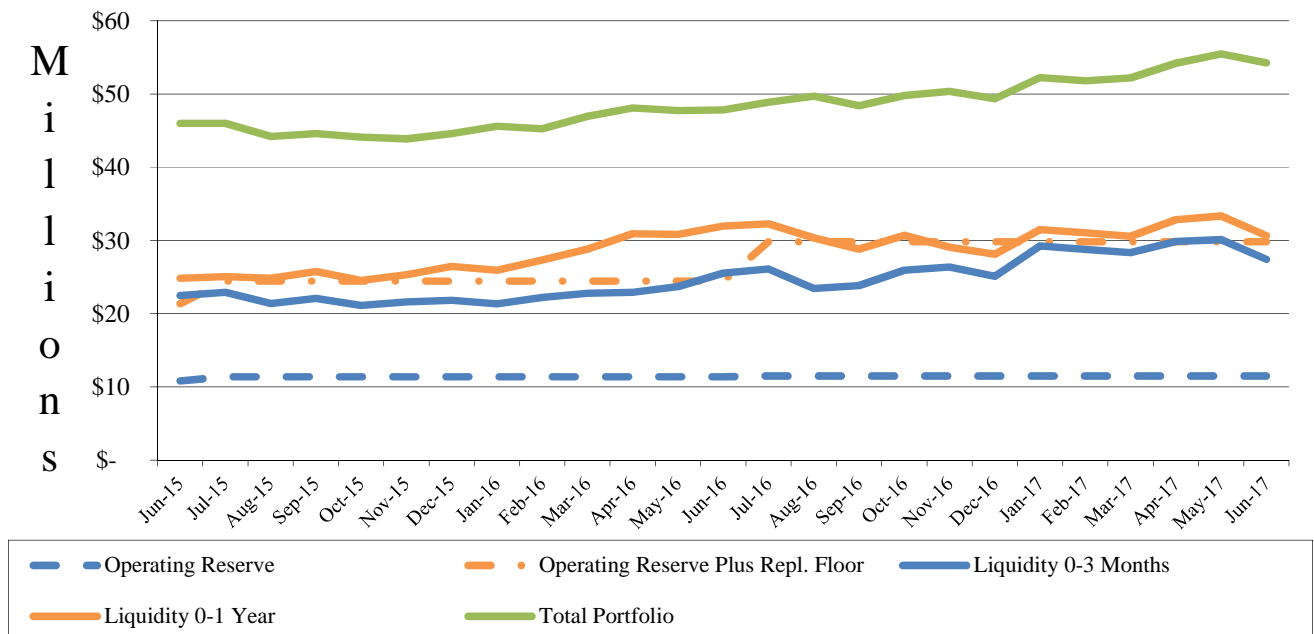


Liquidity

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 \$21.7 million available the same day. But for comparative purposes LAIF is eliminated from the District's portfolio and shown separately.

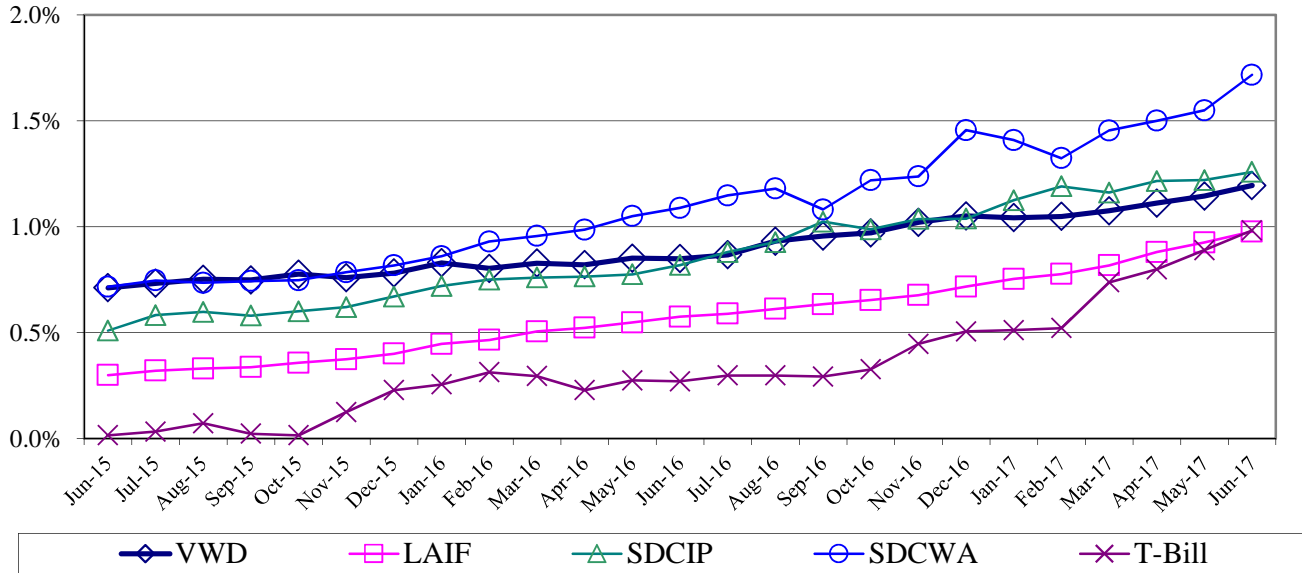


The graph below trends the *relationship of liquidity to adopted reserve levels*. District staff is sensitive to this relationship, but also recognizes the risk of being too liquid if rates fall further.



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 July 9, 2015, the District refunded most of its 2007 Certificates of Participation with Revenue Bonds containing interest rates ranging between 4% and 5%. The District is obligated to transfer semi-annual debt service payments each June 25<sup>th</sup> (maximum of \$3.9 million in year 2030) and each December 26<sup>th</sup> (maximum of \$980,000 in year 2021) to the trustee for payment to bondholders for both the remaining 2007 COPs and 2015 Revenue Bonds. Staff targets these dates for maturities and proposes user rates that, given all other budget assumptions, satisfy debt service coverage requirements. On November 12, 2008, the District secured a private placement, variable rate loan (currently at 1.70895%) from Union Bank for \$8 million to fund remaining and prior construction costs of the Encina Wastewater Authority Phase V expansion. The District is debt financing certain sewer projects with a \$7.1 million 10-year loan received from Bank of America in December of 2012, at a 1.98% fixed rate.

Investment Strategy

Staff is sensitive to the need to maintain minimum liquidity and invests to insure that a portion of the portfolio equal to the operating reserves matures within three months, and a portion of the portfolio equal to the operating reserves plus the replacement reserve floors matures within one year. Staff also recognizes that too much liquidity presents interest rate risk and, therefore, maintains investment maturities close to the liquidity targets. When total investment maturities are projected to remain above liquidity targets, investment are made further out on the curve to ladder maturities, maintain diversity among investment types and issuers, and maximize yield.

The District continues to diversify various aspects of the portfolio and avoid speculating since the portfolio is passively managed (no staff dedicated solely to investing and monitoring credits). Staff diversifies the portfolio by investment type, maturity and settlement dates (time averaging), and call provisions. The District continues to maintain investments of varying types within limits allowed by investment policy (60% in federal agency obligations, 60% in LAIF, 40% in other local government investment pools, 20% in FDIC-backed corporate notes, 20% in commercial paper, 20% in certificates of deposit).

By Fund							Replacement		Capacity		Total
Reference	S&P	Coupon	Yield	Settled	Callable	Matures	Water 110	Sewer 210	Water 120	Sewer 220	
Cardnl Bk CD		1.000	1.000	01/30/15	na	07/31/17	-	245,000	-	-	245,000
Mbank CD		1.500	1.500	09/20/13	na	09/20/17	245,000	-	-	-	245,000
FNMA	AA+	0.875	0.917	02/24/15	na	10/26/17	-	499,465	-	-	499,465
FNMA	AA+	0.875	0.917	12/02/15	na	10/26/17	-	499,625	-	-	499,625
Compass CD		1.300	1.300	12/09/15	na	12/11/17	-	245,000	-	-	245,000
FFCB	AA+	0.840	0.840	10/22/15	07/31/17	01/22/18	-	500,000	-	-	500,000
FFCB	AA+	0.930	0.930	10/21/15	10/13/17	04/13/18	499,705	-	-	-	499,705
Am Exp CD		1.100	1.100	04/29/15	na	04/30/18	245,000	-	-	-	245,000
FNMA	AA+	0.875	1.090	11/12/15	na	05/21/18	-	497,325	-	-	497,325
Synchrony CD		1.600	1.600	06/13/14	na	06/13/18	245,000	-	-	-	245,000
Goldman CD		1.700	1.700	08/19/15	na	08/20/18	-	245,000	-	-	245,000
GE Cap CD		1.800	1.800	09/05/14	na	09/05/18	-	245,000	-	-	245,000
FHLB	AA+	1.200	1.260	06/29/15	na	09/26/18	499,050	-	-	-	499,050
Capital 1 CD		1.650	1.650	10/13/15	na	10/09/18	179,000	-	-	-	179,000
Ally Bank CD		1.600	1.600	10/29/15	na	10/29/18	245,000	-	-	-	245,000
Sallie Mae CD		1.600	1.600	12/09/15	na	12/10/18	-	245,000	-	-	245,000
FHLB	AA+	1.240	1.240	02/08/17	01/23/18	01/23/19	-	500,000	-	-	500,000
FNMA	AA+	1.000	1.000	07/25/16	10/25/17	10/25/19	499,900	-	-	-	499,900
FFCB	AA+	1.150	1.396	03/07/17	07/31/17	02/22/19	-	365,260	-	-	365,260
BMW Bk CD		1.350	1.350	03/10/17	na	03/11/19	-	245,000	-	-	245,000
hitney Bank CD		1.650	1.650	04/20/17	na	04/22/19	-	245,000	-	-	245,000
Enerbank CD		1.500	1.579	06/18/15	na	05/15/19	232,301	-	-	-	232,301
FFCB	AA+	1.180	1.180	05/26/17	07/31/17	06/13/19	497,500	-	-	-	497,500
FHLMC(s)	AA+	1.250	1.250	06/28/16	09/28/17	06/28/19	-	750,000	-	-	750,000
FFCB	AA+	1.080	1.080	07/12/16	07/31/17	07/12/19	499,675	-	-	-	499,675
FHLMC(s)	AA+	1.000	1.000	08/30/16	08/28/17	08/28/19	750,000	-	-	-	750,000
Barclays CD		1.900	1.900	09/16/15	na	09/16/19	-	245,000	-	-	245,000
FHLMC	AA+	1.250	1.317	09/25/15	na	10/02/19	498,665	-	-	-	498,665
FHLB	AA+	1.190	1.190	10/28/16	07/28/17	10/28/19	500,000	-	-	-	500,000
FHLMC(s)	AA+	1.000	1.000	08/22/16	08/22/17	11/22/19	-	750,000	-	-	750,000
FNMA	AA+	1.350	1.350	06/30/16	09/30/17	12/30/19	-	500,000	-	-	500,000
Key Bank CD		1.700	1.700	03/08/17	na	03/09/20	-	245,000	-	-	245,000
FNMA	AA+	1.300	1.300	10/19/16	09/30/17	03/30/20	500,000	-	-	-	500,000
FHLB	AAA	1.670	1.670	04/28/17	07/28/17	04/28/20	-	750,000	-	-	750,000
FNMA	AA+	1.500	1.500	05/27/16	08/28/17	05/29/20	750,000	-	-	-	750,000
FHLMC(s)	AA+	1.500	1.500	06/15/17	09/15/17	06/15/20	-	750,000	-	-	750,000
HSBC Bank CD		1.400	1.400	09/16/16	07/08/18	07/08/20	-	244,510	-	-	244,510
FHLB	AA+	1.200	1.200	11/22/16	07/13/17	07/13/20	492,970	-	-	-	492,970
FNMA	AA+	1.400	1.400	08/24/16	08/24/17	08/24/20	-	1,000,000	-	-	1,000,000
Discover CD		1.500	1.500	10/26/16	na	10/26/20	245,000	-	-	-	245,000
FFCB	AA+	1.380	1.380	11/04/16	na	11/02/20	-	499,600	-	-	499,600
FFCB	AA+	1.770	1.770	12/07/16	12/07/17	12/07/20	-	249,438	-	-	249,438
FHLMC(s)	AA+	1.300	1.300	06/27/17	09/22/17	12/22/20	-	750,000	-	-	750,000
Northern Bk & Trust		1.850	1.850	06/29/17	06/29/18	12/29/20	245,000	-	-	-	245,000
FNMA	AA+	1.400	1.400	10/28/16	07/28/17	01/28/21	500,000	-	-	-	500,000
FFCB	AA+	1.620	1.620	11/18/16	07/31/17	02/17/21	-	149,667	-	-	149,667
FHLMC(s)	AA+	1.250	1.250	02/26/16	08/26/17	02/26/21	-	514,000	-	-	514,000
Wells Fargo CD(s)		1.150	1.150	03/04/16	09/04/18	03/04/21	-	243,000	-	-	243,000
FHLB(s)	AA+	1.500	1.500	04/06/17	09/22/17	03/22/21	-	274,381	-	-	274,381
FFCB	AA+	1.620	1.620	04/12/16	07/31/17	04/12/21	749,925	-	-	-	749,925
FFCB	AA+	1.990	1.990	05/03/17	08/03/17	05/03/21	-	750,000	-	-	750,000
Comenty Bk CD		1.650	1.650	06/30/16	na	06/30/21	-	245,000	-	-	245,000
FNMA	AA+	1.500	1.500	07/27/16	07/27/17	07/27/21	-	500,000	-	-	500,000
JPM Chase CD		1.650	1.650	08/16/16	08/16/17	08/16/21	-	245,000	-	-	245,000
FHLMC	AA+	1.600	1.600	08/25/16	08/25/17	08/25/21	1,000,000	-	-	-	1,000,000
FHLB	AA+	1.625	1.625	09/30/16	09/30/17	09/30/21	-	1,000,000	-	-	1,000,000
FNMA	AA+	1.550	1.550	10/31/16	07/28/17	10/28/21	1,000,000	-	-	-	1,000,000
FHLMC	AA+	1.875	1.875	11/30/16	08/26/17	11/26/21	-	1,000,000	-	-	1,000,000
SDCIP	AAA	na	1.038	Various	na	Open	-	5,180,890	-	-	5,180,890
LAIF		na	0.977	Various	na	Open	10,868,880	10,868,881	-	-	21,737,761
Total Cost							21,987,571	32,281,042	-	-	54,268,613
Unrealized Gain/(Loss)							(122,720)	(127,154)	-	-	(249,874)
Market Value							\$ 21,864,851	\$ 32,153,888	\$ -	\$ -	\$ 54,018,739

By Investment Type						Total				
Reference	Settled	Coupon	Yield	Matures	CDs	Agencies	LGIPs	LAIF	Cost	Market
Cardnl Bk CD	01/30/15	1.000	1.000	07/31/17	245,000	-	-	-	245,000	245,064
Mbank CD	09/20/13	1.500	1.500	09/20/17	245,000	-	-	-	245,000	245,289
FNMA	02/24/15	0.875	0.917	10/26/17	-	499,465	-	-	499,465	499,645
FNMA	12/02/15	0.875	0.917	10/26/17	-	499,625	-	-	499,625	499,645
Compass CD	12/09/15	1.300	1.300	12/11/17	245,000	-	-	-	245,000	245,149
FFCB	10/22/15	0.840	0.840	01/22/18	-	500,000	-	-	500,000	499,045
FFCB	10/21/15	0.930	0.930	04/13/18	-	499,705	-	-	499,705	498,290
Am Exp CD	04/29/15	1.100	1.100	04/30/18	245,000	-	-	-	245,000	245,034
FNMA	11/12/15	0.875	1.090	05/21/18	-	497,325	-	-	497,325	498,290
Synchrony CD	06/13/14	1.600	1.600	06/13/18	245,000	-	-	-	245,000	245,492
Goldman CD	08/19/15	1.700	1.700	08/20/18	245,000	-	-	-	245,000	245,865
GE Cap CD	09/05/14	1.800	1.800	09/05/18	245,000	-	-	-	245,000	246,152
FHLB	06/29/15	1.200	1.260	09/26/18	-	499,050	-	-	499,050	499,405
Capital 1 CD	10/13/15	1.650	1.650	10/09/18	179,000	-	-	-	179,000	179,601
Ally Bank CD	10/29/15	1.600	1.600	10/29/18	245,000	-	-	-	245,000	245,813
Sallie Mae CD	12/09/15	1.600	1.600	12/10/18	245,000	-	-	-	245,000	245,600
FHLB	02/08/17	1.240	1.240	01/23/19	-	500,000	-	-	500,000	498,420
FNMA	07/25/16	1.000	1.000	01/25/19	-	499,900	-	-	499,900	495,595
FFCB	03/07/17	1.150	1.396	02/22/19	-	365,260	-	-	365,260	364,611
BMW Bk CD	03/10/17	1.350	1.350	03/11/19	245,000	-	-	-	245,000	244,238
Whitney Bank CD	04/20/17	1.650	1.650	04/22/19	245,000	-	-	-	245,000	245,368
Enerbank CD	06/18/15	1.500	1.579	05/15/19	232,301	-	-	-	232,301	232,646
FFCB	05/26/17	1.180	1.180	06/13/19	-	497,500	-	-	497,500	496,980
FHLMC(s)	06/28/16	1.250	1.250	06/28/19	-	750,000	-	-	750,000	747,300
FFCB	07/12/16	1.080	1.080	07/12/19	-	499,675	-	-	499,675	495,530
FHLMC(s)	08/30/16	1.000	1.000	08/28/19	-	750,000	-	-	750,000	746,963
Barclays CD	09/16/15	1.900	1.900	09/16/19	245,000	-	-	-	245,000	246,999
FHLMC	09/25/15	1.250	1.317	10/02/19	-	498,665	-	-	498,665	497,250
FHLB	10/28/16	1.190	1.190	10/28/19	-	500,000	-	-	500,000	495,030
FHLMC(s)	08/22/16	1.000	1.000	11/22/19	-	750,000	-	-	750,000	746,738
FNMA	06/30/16	1.350	1.350	12/30/19	-	500,000	-	-	500,000	495,220
Key Bank CD	03/08/17	1.700	1.700	03/09/20	245,000	-	-	-	245,000	244,748
FNMA	10/19/16	1.300	1.300	03/30/20	-	500,000	-	-	500,000	493,895
FHLB	04/28/17	1.670	1.670	04/28/20	-	750,000	-	-	750,000	747,068
FNMA	05/27/16	1.500	1.500	05/29/20	-	750,000	-	-	750,000	737,363
FHLMC(s)	06/15/17	1.500	1.500	06/15/20	-	750,000	-	-	750,000	749,010
HSBC Bank CD	09/16/16	1.400	1.400	07/08/20	244,510	-	-	-	244,510	241,935
FHLB	11/22/16	1.200	1.200	07/13/20	-	492,970	-	-	492,970	491,795
FNMA	08/24/16	1.400	1.400	08/24/20	-	1,000,000	-	-	1,000,000	986,980
Discover CD	10/26/16	1.500	1.500	10/26/20	245,000	-	-	-	245,000	240,387
FFCB	11/04/16	1.380	1.380	11/02/20	-	499,600	-	-	499,600	488,305
FFCB	12/07/16	1.770	1.770	12/07/20	-	249,438	-	-	249,438	248,467
FHLMC(s)	06/27/17	1.300	1.300	12/22/20	-	750,000	-	-	750,000	748,770
Northern Bk & Trust	06/29/17	1.850	1.850	12/29/20	245,000	-	-	-	245,000	244,767
FNMA	10/28/16	1.400	1.400	01/28/21	-	500,000	-	-	500,000	490,300
FFCB	11/18/16	1.620	1.620	02/17/21	-	149,667	-	-	149,667	148,281
FHLMC(s)	02/26/16	1.250	1.250	02/26/21	-	514,000	-	-	514,000	510,078
Wells Fargo CD(s)	03/04/16	1.150	1.150	03/04/21	243,000	-	-	-	243,000	243,216
FHLB(s)	04/06/17	1.500	1.500	03/22/21	-	274,381	-	-	274,381	274,103
FFCB	04/12/16	1.620	1.620	04/12/21	-	749,925	-	-	749,925	729,810
FFCB	05/03/17	1.990	1.990	05/03/21	-	750,000	-	-	750,000	747,007
Comenty Bk CD	06/30/16	1.650	1.650	06/30/21	245,000	-	-	-	245,000	241,585
FNMA	07/27/16	1.500	1.500	07/27/21	-	500,000	-	-	500,000	490,700
JPM Chase CD	08/16/16	1.650	1.650	08/16/21	245,000	-	-	-	245,000	239,779
FHLMC	08/25/16	1.600	1.600	08/25/21	-	1,000,000	-	-	1,000,000	986,660
FHLB	09/30/16	1.625	1.625	09/30/21	-	1,000,000	-	-	1,000,000	983,110
FNMA	10/31/16	1.550	1.550	10/28/21	-	1,000,000	-	-	1,000,000	973,590
FHLMC	11/30/16	1.875	1.875	11/26/21	-	1,000,000	-	-	1,000,000	991,030
SDCIP	Various		1.038	Open	-	-	5,180,890	-	5,180,890	5,159,000
LAIF	Various		0.977	Open	-	-	-	21,737,761	21,737,761	21,714,733
Total Cost					5,063,811	22,286,151	5,180,890	21,737,761	54,268,613	
Unrealized Gain/(Loss)					(9,082)	(195,875)	(21,890)	(23,027)	(249,874)	
Market Value					\$ 5,054,729	\$ 22,090,276	\$ 5,159,000	\$ 21,714,734	\$ 54,018,739	\$ 54,018,739
Percentage of Portfolio					9.3%	41.1%	9.5%	40.1%		
Investment Policy Limits					20.0%	60.0%	40.0%	60.0%		

**VALLECITOS WATER DISTRICT  
INVESTMENT REPORT FOR JULY 2017**

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.

When investments are being made, two or three institutions are contacted to obtain prevailing rates. Consideration is given to Safety, Liquidity, and Yield, in that order. Necessary approvals and reviews are obtained. This 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.

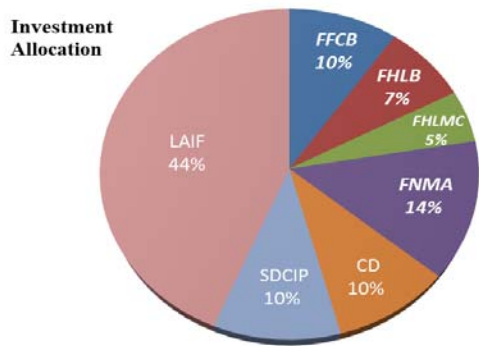
Investment activity for the month of July follows:

<u>Date</u>	<u>Activity</u>	<u>Investment</u>	<u>Amount</u>	<u>Maturity</u>	<u>Yield</u>
07/03/17	Withdrawal	LAIF	(50,000)	Open	1.05%
07/07/17	Settle	FHLB step	500,000	06/28/19	1.13%
07/11/17	Deposit	LAIF	500,000	Open	1.05%
07/14/17	Deposit	LAIF	800,000	Open	1.05%
07/14/17	Reinvest Interest	LAIF	54,964	Open	0.92%
07/18/17	Withdrawal	LAIF	(2,150,000)	Open	1.05%
07/21/17	Deposit	LAIF	275,000	Open	1.05%
07/25/17	Reinvest Interest	SD Co Investment Pool	15,438	Open	1.26%
07/31/17	Maturity	Cardinal Bank CD	(245,000)	07/31/17	1.00%
07/31/17	Deposit	LAIF	375,000	Open	1.05%
Change in investments during the month			<u>\$ 75,402</u>		

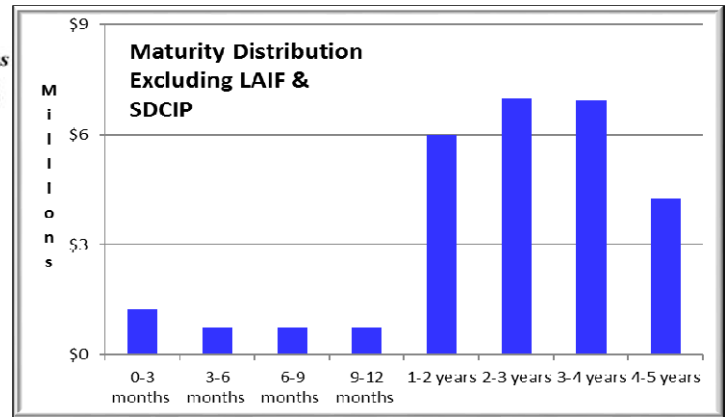
	<u>Current</u>
Weighted average annual yield for total Vallecitos investments	1.289%
Weighted average days to maturity	478

The State Treasurer's Office provides fair market values of LAIF quarterly on their web site. The most recent valuation, which is used on this report, is as of June 30, 2017, 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 June 30, 2017. Fair values for federal agency obligations and corporate notes are provided by Union Bank trust account reporting.

**Portfolio Snapshot:**

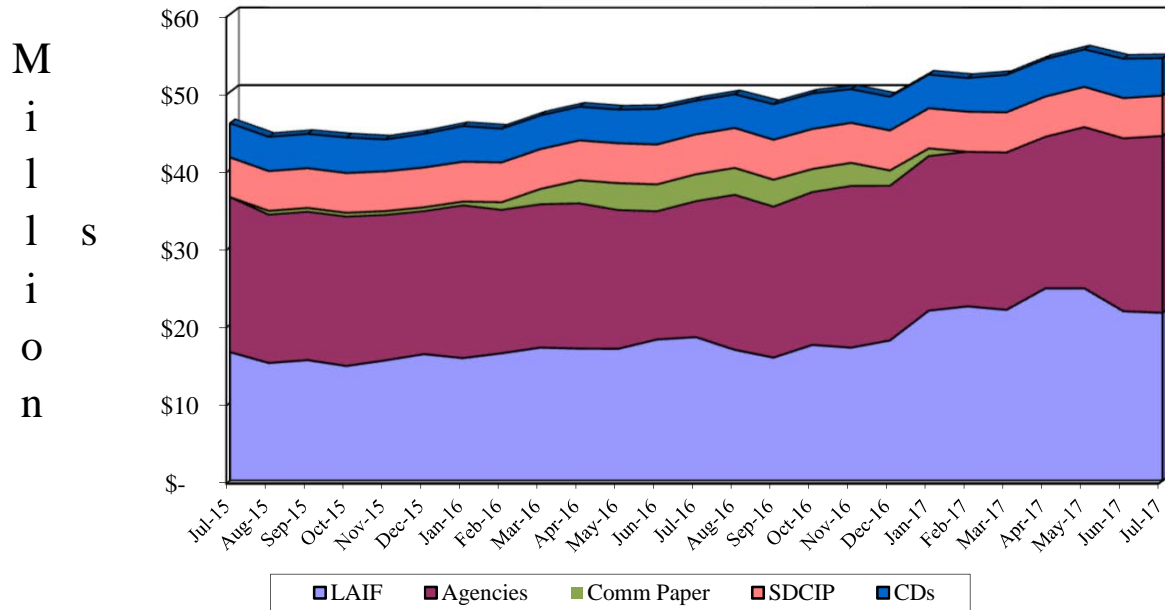


Agencies  
32.7%



Safety

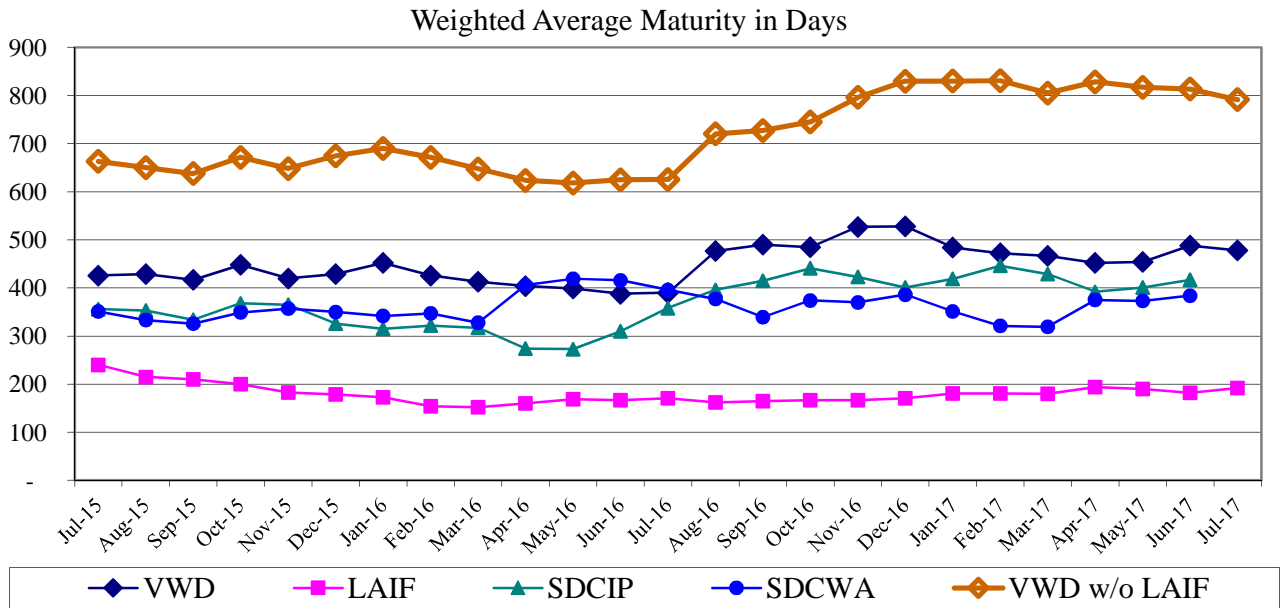
Criteria for selecting investments and the absolute order of priority are safety, liquidity and yield. To meet the objective of safety and avert credit risk, the District acquires only those investments permitted by adopted Board policy and with in limits established in the policy. Credit risk is the 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 instruments to insure diversification as indicated in the graph below.



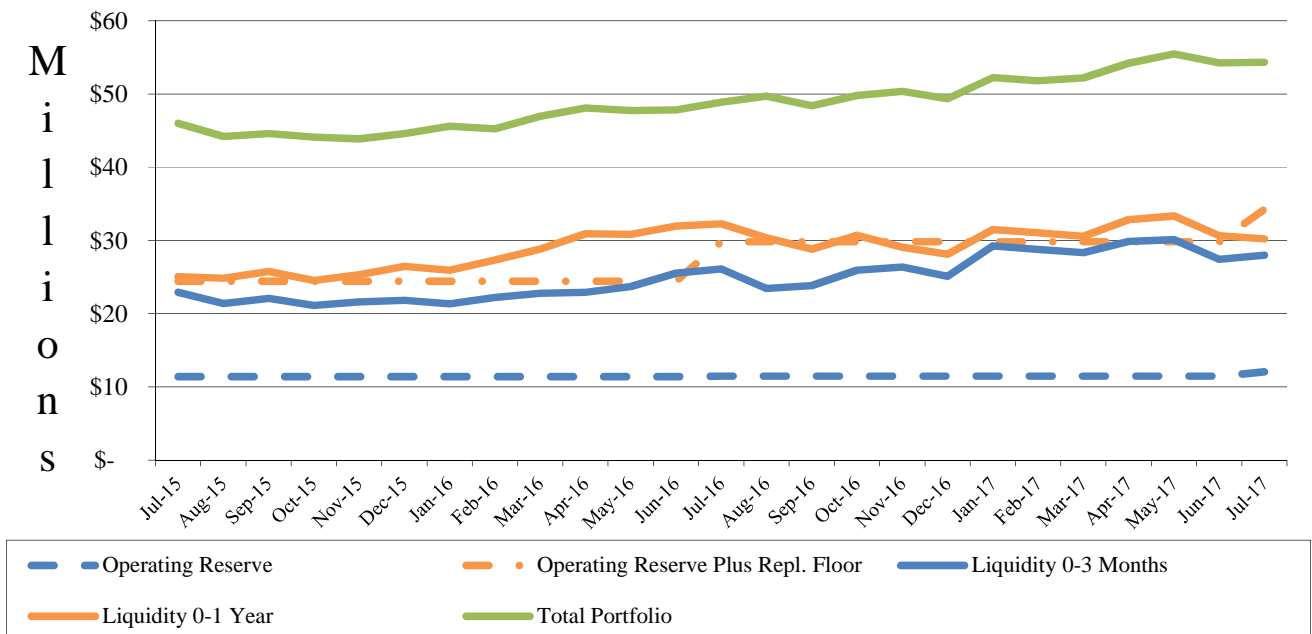
The graph above represents investment levels in the State of California’s Local Agency Investment Fund (LAIF), federal agency obligations, commercial paper, FDIC backed corporate notes, the San Diego County Investment Pool (SDCIP), and certificates of deposit.

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 \$21.5 million available the same day. But for comparative purposes LAIF is eliminated from the District's portfolio and shown separately.

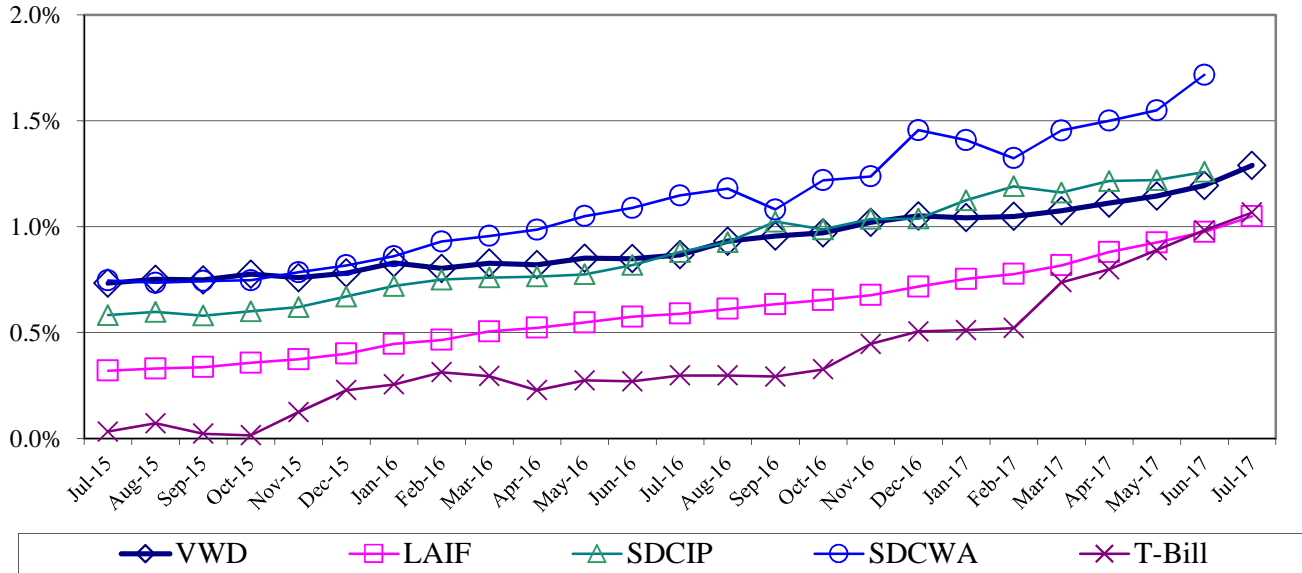


The graph below trends the *relationship of liquidity to adopted reserve levels*. District staff is sensitive to this relationship, but also recognizes the risk of being too liquid if rates fall further.



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 July 9, 2015, the District refunded most of its 2007 Certificates of Participation with Revenue Bonds containing interest rates ranging between 4% and 5%. The District is obligated to transfer semi-annual debt service payments each June 25<sup>th</sup> (maximum of \$3.9 million in year 2030) and each December 26<sup>th</sup> (maximum of \$980,000 in year 2021) to the trustee for payment to bondholders for the 2015 Revenue Bonds. Staff targets these dates for maturities and proposes user rates that, given all other budget assumptions, satisfy debt service coverage requirements. On November 12, 2008, the District secured a private placement, variable rate loan (currently at 1.70895%) from Union Bank for \$8 million to fund remaining and prior construction costs of the Encina Wastewater Authority Phase V expansion. The District is debt financing certain sewer projects with a \$7.1 million 10-year loan received from Bank of America in December of 2012, at a 1.98% fixed rate.

Investment Strategy

Staff is sensitive to the need to maintain minimum liquidity and invests to insure that a portion of the portfolio equal to the operating reserves matures within three months, and a portion of the portfolio equal to the operating reserves plus the replacement reserve floors matures within one year. Staff also recognizes that too much liquidity presents interest rate risk and, therefore, maintains investment maturities close to the liquidity targets. When total investment maturities are projected to remain above liquidity targets, investment are made further out on the curve to ladder maturities, maintain diversity among investment types and issuers, and maximize yield.

The District continues to diversify various aspects of the portfolio and avoid speculating since the portfolio is passively managed (no staff dedicated solely to investing and monitoring credits). Staff diversifies the portfolio by investment type, maturity and settlement dates (time averaging), and call provisions. The District continues to maintain investments of varying types within limits allowed by investment policy (60% in federal agency obligations, 60% in LAIF, 40% in other local government investment pools, 20% in FDIC-backed corporate notes, 20% in commercial paper, 20% in certificates of deposit).



By Fund							Replacement		Capacity		Total
Reference	S&P	Coupon	Yield	Settled	Callable	Matures	Water 110	Sewer 210	Water 120	Sewer 220	
Mbank CD		1.500	1.500	09/20/13	na	09/20/17	245,000	-	-	-	245,000
FNMA	AA+	0.875	0.917	02/24/15	na	10/26/17	-	499,465	-	-	499,465
FNMA	AA+	0.875	0.917	12/02/15	na	10/26/17	-	499,625	-	-	499,625
Compass CD		1.300	1.300	12/09/15	na	12/11/17	-	245,000	-	-	245,000
FFCB	AA+	0.840	0.840	10/22/15	08/31/17	01/22/18	-	500,000	-	-	500,000
FFCB	AA+	0.930	0.930	10/21/15	10/13/17	04/13/18	499,705	-	-	-	499,705
Am Exp CD		1.100	1.100	04/29/15	na	04/30/18	245,000	-	-	-	245,000
FNMA	AA+	0.875	1.090	11/12/15	na	05/21/18	-	497,325	-	-	497,325
Synchrony CD		1.600	1.600	06/13/14	na	06/13/18	245,000	-	-	-	245,000
Goldman CD		1.700	1.700	08/19/15	na	08/20/18	-	245,000	-	-	245,000
GE Cap CD		1.800	1.800	09/05/14	na	09/05/18	-	245,000	-	-	245,000
FHLB	AA+	1.200	1.260	06/29/15	na	09/26/18	499,050	-	-	-	499,050
Capital 1 CD		1.650	1.650	10/13/15	na	10/09/18	179,000	-	-	-	179,000
Ally Bank CD		1.600	1.600	10/29/15	na	10/29/18	245,000	-	-	-	245,000
Sallie Mae CD		1.600	1.600	12/09/15	na	12/10/18	-	245,000	-	-	245,000
FHLB	AA+	1.240	1.240	02/08/17	01/23/18	01/23/19	-	500,000	-	-	500,000
FNMA	AA+	1.000	1.000	07/25/16	10/25/17	01/25/19	499,900	-	-	-	499,900
FFCB	AA+	1.150	1.396	03/07/17	08/31/17	02/22/19	-	365,260	-	-	365,260
BMW Bk CD		1.350	1.350	03/10/17	na	03/11/19	-	245,000	-	-	245,000
Hitney Bank CD		1.650	1.650	04/20/17	na	04/22/19	-	245,000	-	-	245,000
Enerbank CD		1.500	1.579	06/18/15	na	05/15/19	232,301	-	-	-	232,301
FFCB	AA+	1.180	1.180	05/26/17	08/31/17	06/13/19	497,500	-	-	-	497,500
FHLB(s)	AA+	1.125	1.125	07/07/17	09/28/17	06/28/19	-	500,000	-	-	500,000
FHLMC(s)	AA+	1.250	1.250	06/28/16	09/28/17	06/28/19	-	750,000	-	-	750,000
FFCB	AA+	1.080	1.080	07/12/16	08/31/17	07/12/19	499,675	-	-	-	499,675
FHLMC(s)	AA+	1.000	1.000	08/30/16	08/28/17	08/28/19	750,000	-	-	-	750,000
Barclays CD		1.900	1.900	09/16/15	na	09/16/19	-	245,000	-	-	245,000
FHLMC	AA+	1.250	1.317	09/25/15	na	10/02/19	498,665	-	-	-	498,665
FHLB	AA+	1.190	1.190	10/28/16	10/28/17	10/28/19	500,000	-	-	-	500,000
FHLMC(s)	AA+	1.000	1.000	08/22/16	08/22/17	11/22/19	-	750,000	-	-	750,000
FNMA	AA+	1.350	1.350	06/30/16	09/30/17	12/30/19	-	500,000	-	-	500,000
Key Bank CD		1.700	1.700	03/08/17	na	03/09/20	-	245,000	-	-	245,000
FNMA	AA+	1.300	1.300	10/19/16	09/30/17	03/30/20	500,000	-	-	-	500,000
FHLB	AAA	1.670	1.670	04/28/17	08/28/17	04/28/20	-	750,000	-	-	750,000
FNMA	AA+	1.500	1.500	05/27/16	08/28/17	05/29/20	750,000	-	-	-	750,000
FHLMC(s)	AA+	1.500	1.500	06/15/17	09/15/17	06/15/20	-	750,000	-	-	750,000
HSBC Bank CD		1.400	1.400	09/16/16	07/08/18	07/08/20	-	244,510	-	-	244,510
FHLB	AA+	1.200	1.200	11/22/16	08/31/17	07/13/20	492,970	-	-	-	492,970
FNMA	AA+	1.400	1.400	08/24/16	08/24/17	08/24/20	-	1,000,000	-	-	1,000,000
Discover CD		1.500	1.500	10/26/16	na	10/26/20	245,000	-	-	-	245,000
FFCB	AA+	1.380	1.380	11/04/16	na	11/02/20	-	499,600	-	-	499,600
FFCB	AA+	1.770	1.770	12/07/16	12/07/17	12/07/20	-	249,438	-	-	249,438
FHLMC(s)	AA+	1.300	1.300	06/27/17	09/22/17	12/22/20	-	750,000	-	-	750,000
Northern Bk & Trust		1.850	1.850	06/29/17	06/29/18	12/29/20	245,000	-	-	-	245,000
FNMA	AA+	1.400	1.400	10/28/16	10/28/17	01/28/21	500,000	-	-	-	500,000
FFCB	AA+	1.620	1.620	11/18/16	08/31/17	02/17/21	-	149,667	-	-	149,667
FHLMC(s)	AA+	1.250	1.250	02/26/16	08/26/17	02/26/21	-	514,000	-	-	514,000
Wells Fargo CD(s)		1.150	1.150	03/04/16	09/04/18	03/04/21	-	243,000	-	-	243,000
FHLB(s)	AA+	1.500	1.500	04/06/17	09/22/17	03/22/21	-	274,381	-	-	274,381
FFCB	AA+	1.620	1.620	04/12/16	08/31/17	04/12/21	749,925	-	-	-	749,925
FFCB	AA+	1.990	1.990	05/03/17	08/03/17	05/03/21	-	750,000	-	-	750,000
Comenty Bk CD		1.650	1.650	06/30/16	na	06/30/21	-	245,000	-	-	245,000
FNMA	AA+	1.500	1.500	07/27/16	10/27/17	07/27/21	-	500,000	-	-	500,000
JPM Chase CD		1.650	1.650	08/16/16	08/16/17	08/16/21	-	245,000	-	-	245,000
FHLMC	AA+	1.600	1.600	08/25/16	08/25/17	08/25/21	1,000,000	-	-	-	1,000,000
FHLB	AA+	1.625	1.625	09/30/16	09/30/17	09/30/21	-	1,000,000	-	-	1,000,000
FNMA	AA+	1.550	1.550	10/31/16	10/28/17	10/28/21	1,000,000	-	-	-	1,000,000
FHLMC	AA+	1.875	1.875	11/30/16	08/26/17	11/26/21	-	1,000,000	-	-	1,000,000
SDCIP	AAA	na	1.717	Various	na	Open	-	5,196,328	-	-	5,196,328
LAIF		na	1.049	Various	na	Open	10,771,362	10,771,363	-	-	21,542,725
Total Cost							21,890,053	32,453,962	-	-	54,344,015
Unrealized Gain/(Loss)							(101,692)	(124,607)	-	-	(226,299)
Market Value							\$ 21,788,361	\$ 32,329,355	\$ -	\$ -	\$ 54,117,716

By Investment Type					Total					
Reference	Settled	Coupon	Yield	Matures	CDs	Agencies	LGIPs	LAIF	Cost	Market
Mbank CD	09/20/13	1.500	1.500	09/20/17	245,000	-	-	-	245,000	245,191
FNMA	02/24/15	0.875	0.917	10/26/17	-	499,465	-	-	499,465	499,720
FNMA	12/02/15	0.875	0.917	10/26/17	-	499,625	-	-	499,625	499,720
Compass CD	12/09/15	1.300	1.300	12/11/17	245,000	-	-	-	245,000	245,071
FFCB	10/22/15	0.840	0.840	01/22/18	-	500,000	-	-	500,000	498,965
FFCB	10/21/15	0.930	0.930	04/13/18	-	499,705	-	-	499,705	498,855
Am Exp CD	04/29/15	1.100	1.100	04/30/18	245,000	-	-	-	245,000	244,900
FNMA	11/12/15	0.875	1.090	05/21/18	-	497,325	-	-	497,325	498,445
Synchrony CD	06/13/14	1.600	1.600	06/13/18	245,000	-	-	-	245,000	245,311
Goldman CD	08/19/15	1.700	1.700	08/20/18	245,000	-	-	-	245,000	245,625
GE Cap CD	09/05/14	1.800	1.800	09/05/18	245,000	-	-	-	245,000	245,894
FHLB	06/29/15	1.200	1.260	09/26/18	-	499,050	-	-	499,050	499,380
Capital 1 CD	10/13/15	1.650	1.650	10/09/18	179,000	-	-	-	179,000	179,440
Ally Bank CD	10/29/15	1.600	1.600	10/29/18	245,000	-	-	-	245,000	245,600
Sallie Mae CD	12/09/15	1.600	1.600	12/10/18	245,000	-	-	-	245,000	245,424
FHLB	02/08/17	1.240	1.240	01/23/19	-	500,000	-	-	500,000	498,800
FNMA	07/25/16	1.000	1.000	01/25/19	-	499,900	-	-	499,900	496,105
FFCB	03/07/17	1.150	1.396	02/22/19	-	365,260	-	-	365,260	364,952
BMW Bk CD	03/10/17	1.350	1.350	03/11/19	245,000	-	-	-	245,000	244,194
Whitney Bank CD	04/20/17	1.650	1.650	04/22/19	245,000	-	-	-	245,000	245,301
Enerbank CD	06/18/15	1.500	1.579	05/15/19	232,301	-	-	-	232,301	232,634
FFCB	05/26/17	1.180	1.180	06/13/19	-	497,500	-	-	497,500	496,835
FHLB(s)	07/07/17	1.125	1.125	06/28/19	-	500,000	-	-	500,000	499,815
FHLMC(s)	06/28/16	1.250	1.250	06/28/19	-	750,000	-	-	750,000	747,855
FFCB	07/12/16	1.080	1.080	07/12/19	-	499,675	-	-	499,675	495,875
FHLMC(s)	08/30/16	1.000	1.000	08/28/19	-	750,000	-	-	750,000	747,600
Barclays CD	09/16/15	1.900	1.900	09/16/19	245,000	-	-	-	245,000	246,906
FHLMC	09/25/15	1.250	1.317	10/02/19	-	498,665	-	-	498,665	497,790
FHLB	10/28/16	1.190	1.190	10/28/19	-	500,000	-	-	500,000	495,645
FHLMC(s)	08/22/16	1.000	1.000	11/22/19	-	750,000	-	-	750,000	747,533
FNMA	06/30/16	1.350	1.350	12/30/19	-	500,000	-	-	500,000	495,615
Key Bank CD	03/08/17	1.700	1.700	03/09/20	245,000	-	-	-	245,000	244,569
FNMA	10/19/16	1.300	1.300	03/30/20	-	500,000	-	-	500,000	494,835
FHLB	04/28/17	1.670	1.670	04/28/20	-	750,000	-	-	750,000	748,335
FNMA	05/27/16	1.500	1.500	05/29/20	-	750,000	-	-	750,000	746,258
FHLMC(s)	06/15/17	1.500	1.500	06/15/20	-	750,000	-	-	750,000	749,873
HSBC Bank CD	09/16/16	1.400	1.400	07/08/20	244,510	-	-	-	244,510	241,673
FHLB	11/22/16	1.200	1.200	07/13/20	-	492,970	-	-	492,970	492,845
FNMA	08/24/16	1.400	1.400	08/24/20	-	1,000,000	-	-	1,000,000	989,050
Discover CD	10/26/16	1.500	1.500	10/26/20	245,000	-	-	-	245,000	240,156
FFCB	11/04/16	1.380	1.380	11/02/20	-	499,600	-	-	499,600	489,485
FFCB	12/07/16	1.770	1.770	12/07/20	-	249,438	-	-	249,438	248,983
FHLMC(s)	06/27/17	1.300	1.300	12/22/20	-	750,000	-	-	750,000	749,475
Northern Bk & Trust	06/29/17	1.850	1.850	12/29/20	245,000	-	-	-	245,000	244,446
FNMA	10/28/16	1.400	1.400	01/28/21	-	500,000	-	-	500,000	491,455
FFCB	11/18/16	1.620	1.620	02/17/21	-	149,667	-	-	149,667	148,623
FHLMC(s)	02/26/16	1.250	1.250	02/26/21	-	514,000	-	-	514,000	510,772
Wells Fargo CD(s)	03/04/16	1.150	1.150	03/04/21	243,000	-	-	-	243,000	243,175
FHLB(s)	04/06/17	1.500	1.500	03/22/21	-	274,381	-	-	274,381	274,516
FFCB	04/12/16	1.620	1.620	04/12/21	-	749,925	-	-	749,925	731,723
FFCB	05/03/17	1.990	1.990	05/03/21	-	750,000	-	-	750,000	749,498
Comenty Bk CD	06/30/16	1.650	1.650	06/30/21	245,000	-	-	-	245,000	241,423
FNMA	07/27/16	1.500	1.500	07/27/21	-	500,000	-	-	500,000	491,975
JPM Chase CD	08/16/16	1.650	1.650	08/16/21	245,000	-	-	-	245,000	239,794
FHLMC	08/25/16	1.600	1.600	08/25/21	-	1,000,000	-	-	1,000,000	989,170
FHLB	09/30/16	1.625	1.625	09/30/21	-	1,000,000	-	-	1,000,000	985,710
FNMA	10/31/16	1.550	1.550	10/28/21	-	1,000,000	-	-	1,000,000	976,360
FHLMC	11/30/16	1.875	1.875	11/26/21	-	1,000,000	-	-	1,000,000	993,638
SDCIP	Various		1.717	Open	-	-	5,196,328	-	5,196,328	5,159,000
LAIF	Various		1.049	Open	-	-	-	21,542,725	21,542,725	21,519,905
Total Cost					4,818,811	22,786,151	5,196,328	21,542,725	54,344,015	
Unrealized Gain/(Loss)					(12,082)	(154,068)	(37,328)	(22,821)	(226,299)	
Market Value					\$ 4,806,729	\$ 22,632,083	\$ 5,159,000	\$ 21,519,904	\$ 54,117,716	\$ 54,117,716
Percentage of Portfolio					8.9%	41.9%	9.6%	39.6%		
Investment Policy Limits					20.0%	60.0%	40.0%	60.0%		

**DATE: AUGUST 16, 2017**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: FINAL ACCEPTANCE OF SEWER IMPROVEMENTS FOR NORTH CITY DRIVE SEWER RELOCATION (QUAD SM, LLC)**

**BACKGROUND:**

Quad SM, LLC, owner of the project, has completed the installation of sewer facilities for their project. The project is located on North City Drive in the University District development, between Redel Road and Campus Way.

**DISCUSSION:**

In order to accommodate the City of San Marcos's new streetscape requirements including significant bio-retentions facilities, 306 feet of existing 8-inch sewer main was relocated to the north side of North City Drive. This sewer main ties into the new 8-inch sewer main installed as part of the Block 'C' improvements

Upon final acceptance of the project, the new sewer main will serve the eastern portion of the University District development.

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

Along with the sewer mains, assorted appurtenances were replaced such as sewer laterals and manholes.

No Capital Facility Fees are required for this project because no new services were installed.

**FISCAL IMPACT:**

None.

**RECOMMENDATION:**

Accept the project improvements and approve the filing of a Notice of Completion for the North City Drive Sewer Relocation.

**ATTACHMENTS:**

2 Map Exhibits – 1 Plat Map & 1 Aerial

# FINAL ACCEPTANCE OF SEWER IMPROVEMENTS FOR NORTH CITY DRIVE SEWER RELOCATION ( QUAD SM, LLC )





**DATE: AUGUST 16, 2017**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: FINAL ACCEPTANCE OF WATER AND SEWER IMPROVEMENTS FOR**  
**NORTH CITY EAST – UNIT 1 (BLOCK C)**  
**APN 220-200-02, 43, 52, 79, 81 & 82**  
**(URBAN VILLAGES SAN MARCOS, LLC)**

**BACKGROUND:**

Urban Villages San Marcos, LLC, owner of the project, has completed the installation of water and sewer facilities for their project. The project is located north of Barham Drive at Campus Way and North City Drive.

**DISCUSSION:**

The project constructed approximately 1,975 feet of 12-inch diameter PVC water main, 835 feet of 8-inch diameter PVC sewer main and 600 feet of 12-inch sewer main.

Upon final acceptance of the project, water and sewer service will be available to 0.82 acres of mixed use commercial space with 28 dwelling units above and 169 multi-family dwelling units on 2.11 acres. The facilities will also provide a portion of the backbone infrastructure for the future development of the rest of the University District East development.

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

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

To date, the developer has paid \$2,606,885.00 of the required Water and Wastewater Capital Facility fees. An estimated \$1,095,923.00 in future Water and Wastewater Capital Facility fees are still due. The remaining fees will be paid prior to final building inspection or utility release per District Resolution No. 1441.

**FISCAL IMPACT:**

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

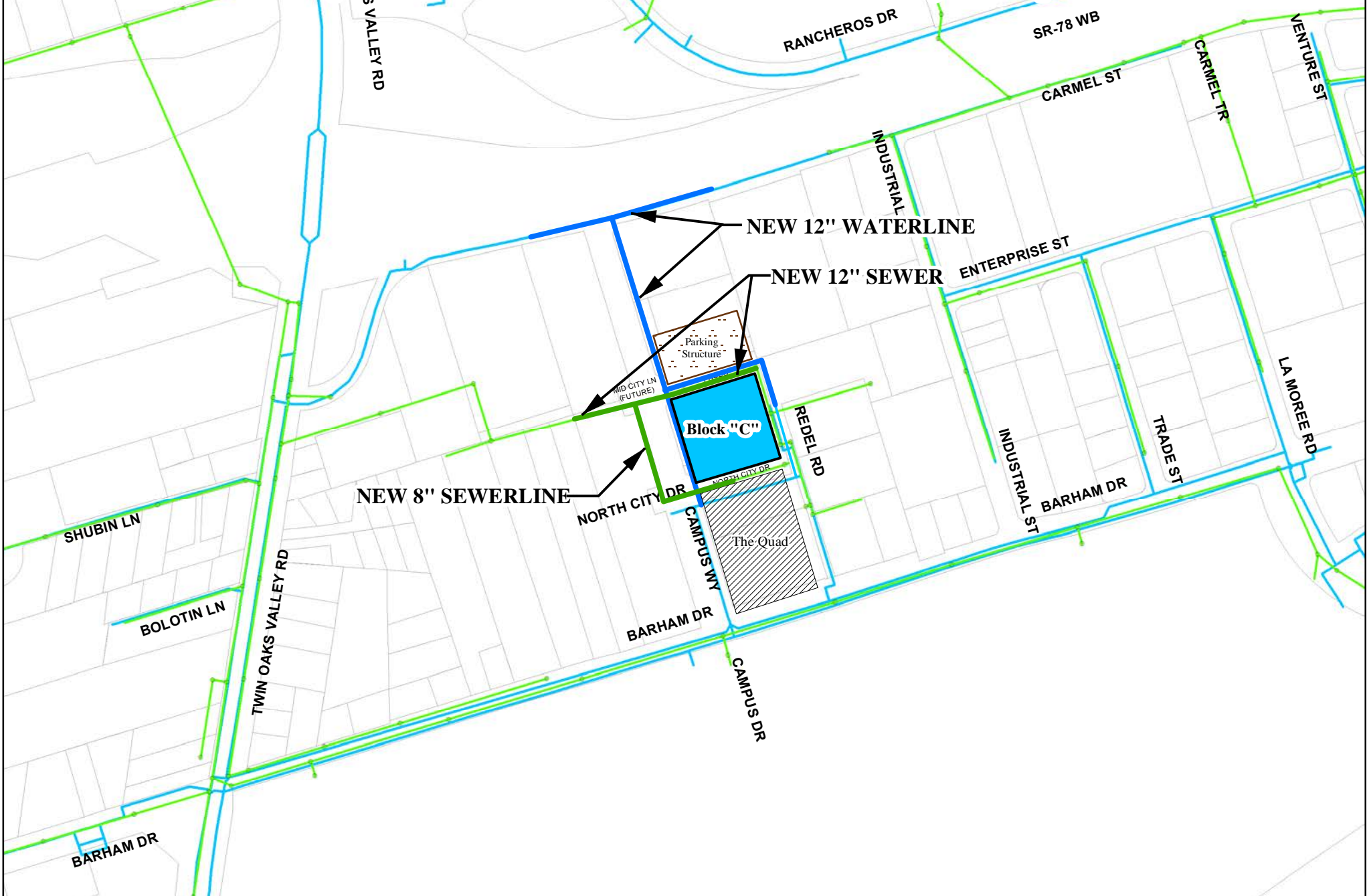
**RECOMMENDATION:**

Accept the project improvements and approve the filing of a Notice of Completion for North City East – Unit 1.

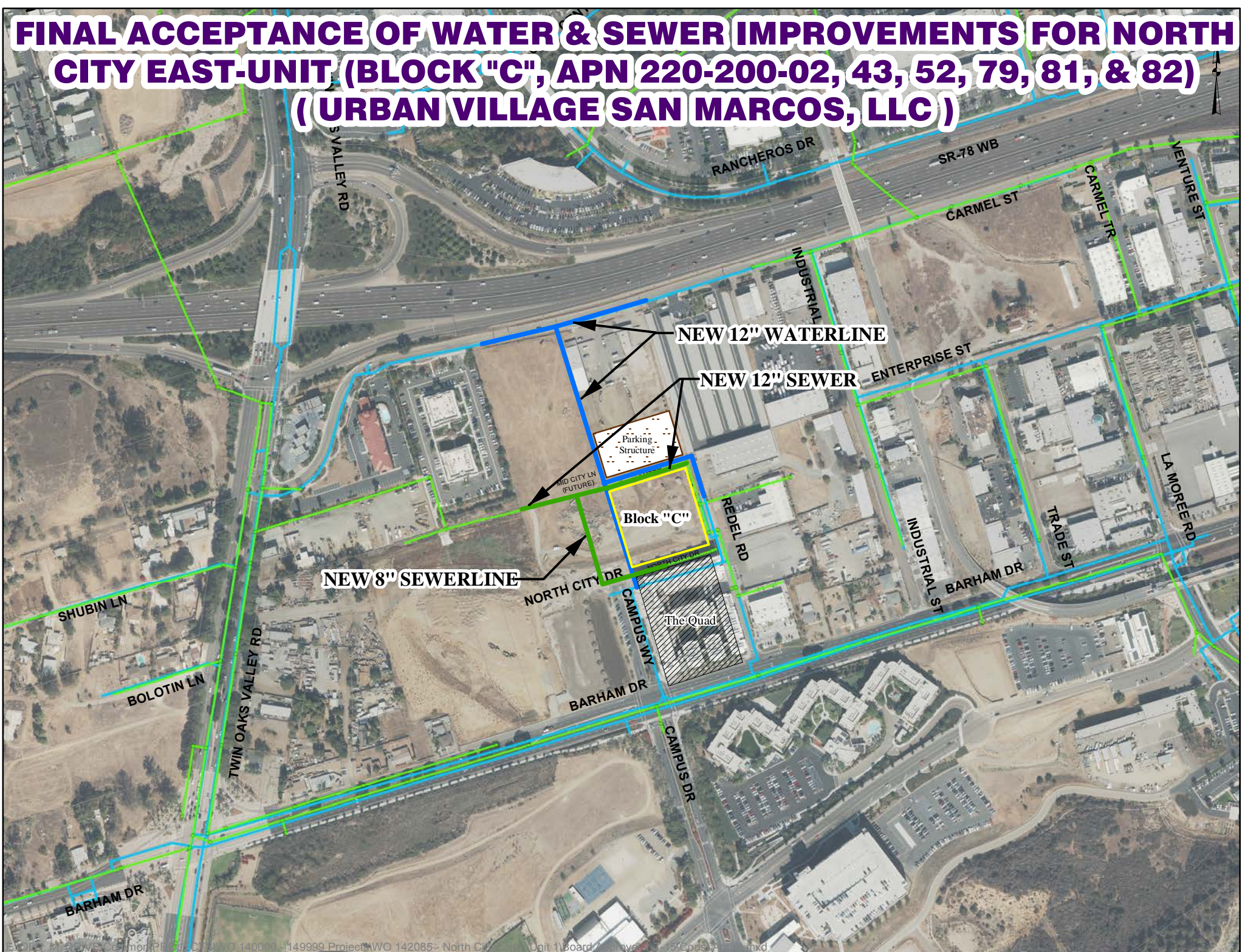
**ATTACHMENTS:**

2 Map Exhibits – 1 Plat Map & 1 Aerial

# FINAL ACCEPTANCE OF WATER & SEWER IMPROVEMENTS FOR NORTH CITY EAST-UNIT (BLOCK "C", APN 220-200-02, 43, 52, 79, 81, & 82) ( URBAN VILLAGE SAN MARCOS, LLC )



# FINAL ACCEPTANCE OF WATER & SEWER IMPROVEMENTS FOR NORTH CITY EAST-UNIT (BLOCK "C", APN 220-200-02, 43, 52, 79, 81, & 82) (URBAN VILLAGE SAN MARCOS, LLC)





**DATE: AUGUST 16, 2017**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: FINAL ACCEPTANCE OF WATER AND SEWER IMPROVEMENTS FOR REDEL ROAD WATER AND SEWER RELOCATIONS (URBAN VILLAGES SAN MARCOS, LLC)**

**BACKGROUND:**

Urban Villages San Marcos, LLC, owner of the project, has completed the installation of water and sewer facilities for their project. The project is located on Redel Road in the University District development, between the new Paseo and North City Drive.

**DISCUSSION:**

The 163 feet of existing 12-inch water main and 277 feet of existing 8-inch sewer main were relocated because they were in conflict with proposed development.

Upon final acceptance of the project, the new water and sewer facilities will serve the eastern portion of the University District development.

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

Along with the water and sewer main relocations, assorted appurtenances were installed such as air vac assemblies, fire hydrants, sewer laterals and manholes.

No Capital Facility Fees are required for this project because no new services were installed. Existing water meters and sewer laterals were relocated along with the water and sewer mains, respectively, to facilitate the development.

**FISCAL IMPACT:**

None. All costs incurred by the District were recovered from the project owner.

**RECOMMENDATION:**

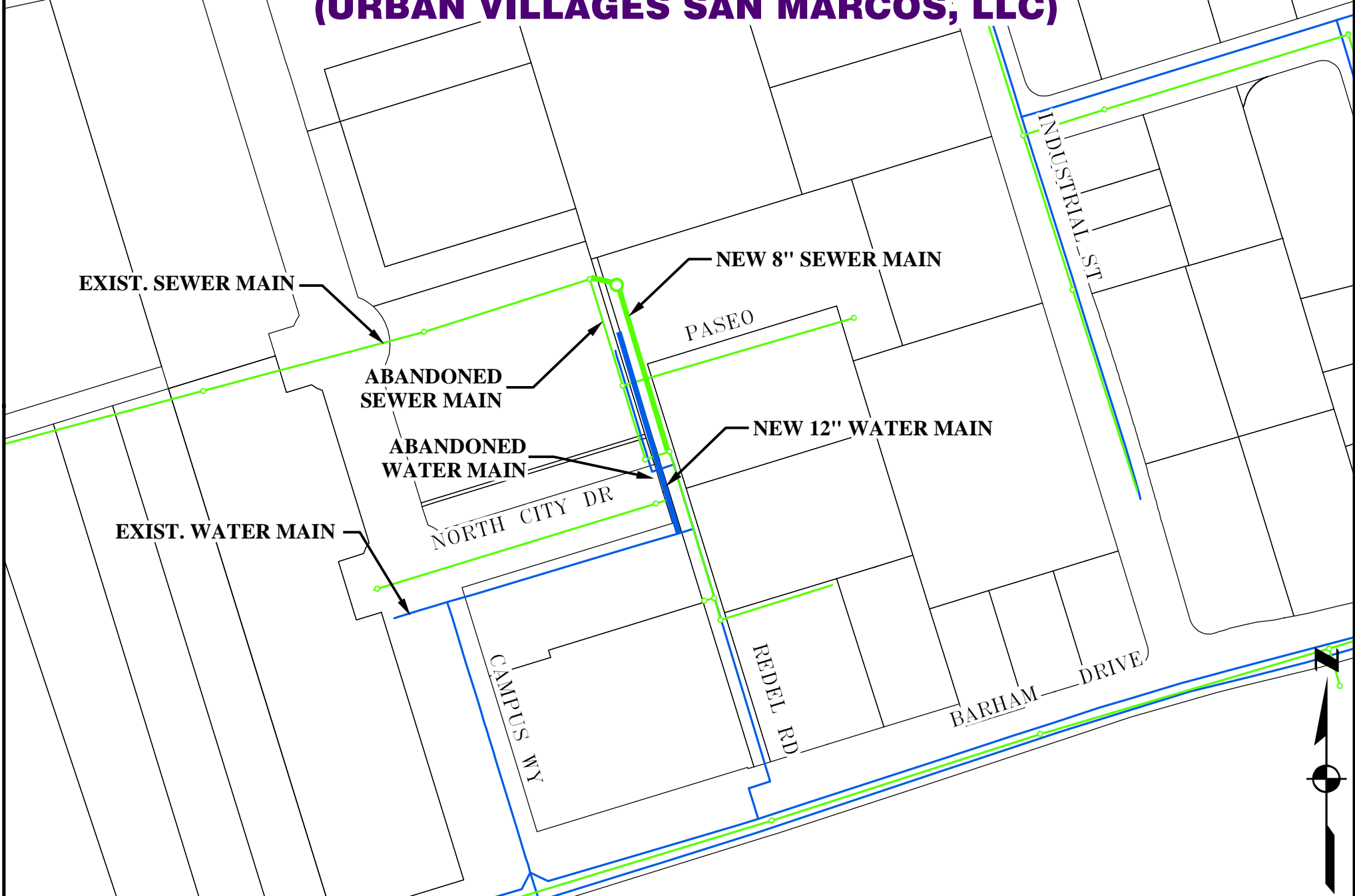
Accept the project improvements and approve the filing of a Notice of Completion for the Redel Road water and sewer relocations.

**ATTACHMENTS:**

2 Map Exhibits – 1 Plat Map & 1 Aerial

# FINAL ACCEPTANCE OF WATER & SEWER IMPROVEMENTS FOR REDEL ROAD WATER AND SEWER RELOCATIONS (URBAN VILLAGES SAN MARCOS, LLC)

SR-78





**DATE: AUGUST 16, 2017**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: FINAL ACCEPTANCE OF WATER AND SEWER IMPROVEMENTS FOR SHANE PARK PLAZA APN 219-074-24 (RSF ASSOCIATES, LLC)**

**BACKGROUND:**

RSF Associates, LLC, owner of the project, has completed the installation of water and sewer facilities for their project. The project is located on the west side of Rancho Santa Fe Road between 8<sup>th</sup> and 9<sup>th</sup> Streets.

**DISCUSSION:**

The project replaced existing 6-inch diameter ACP water main with 302 feet of new 10-inch diameter PVC water main.

Upon final acceptance of the project, water and sewer service will be available to 23 senior apartments and commercial space.

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

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

The owner has paid a total of \$236,481.76 in water and wastewater Capital Facility fees for the project.

**FISCAL IMPACT:**

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

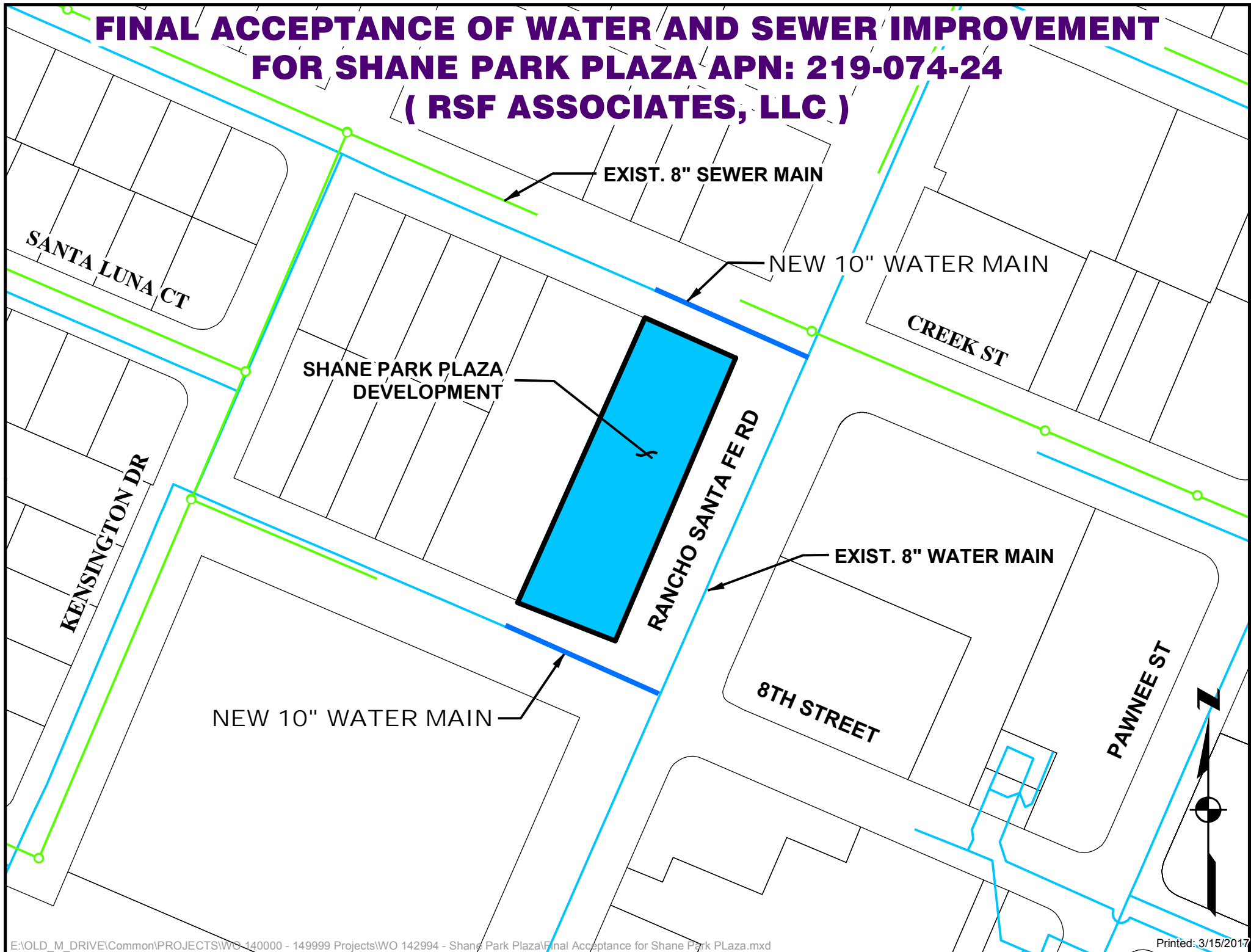
**RECOMMENDATION:**

Accept the project improvements and approve the filing of a Notice of Completion for Shane Park Plaza.

**ATTACHMENTS:**

2 Map Exhibits – 1 Plat & 1 Aerial

**FINAL ACCEPTANCE OF WATER AND SEWER IMPROVEMENT  
FOR SHANE PARK PLAZA APN: 219-074-24  
( RSF ASSOCIATES, LLC )**



EXIST. 8" SEWER MAIN

NEW 10" WATER MAIN

SHANE PARK PLAZA  
DEVELOPMENT

CREEK ST

SANTA LUNA CT

KENSINGTON DR

RANCHO SANTA FE RD

EXIST. 8" WATER MAIN

NEW 10" WATER MAIN

8TH STREET

PAWNEE ST





**DATE: AUGUST 16, 2017**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: APPROVAL OF CONSTRUCTION AGREEMENT FOR RANCHO CORONADO PARK CROSSINGS APN 222-080-09, 59 & 222-170-28 (BROOKFIELD RANCHO CORONADO, LLC.)**

**BACKGROUND:**

Brookfield Rancho Coronado, LLC, owner of the project, has completed the plan check process with the District. The project is located southwest of Santa Barbara Drive and Twin Oaks Valley Road.

**DISCUSSION:**

A Construction Agreement is typically entered into between a developer and the District to ensure that the required public facilities are constructed to support the demands of the development. This Agreement contains the District's conditions in order to accept the facilities including construction requirements, insurance, payment and performance bonding, and granting of real property or easements.

The project will construct approximately 385 feet of 8-inch diameter PVC water main and 370 feet of 8-inch diameter PVC sewer main.

Upon completion of the water and sewer facilities, water and sewer service will be available to the 40-acre park site.

All engineering fees and inspection deposits have been paid prior to Board consideration of the Construction Agreement. No water or wastewater capital facility fees are currently due for the project.

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

Labor and Materials	\$146,844.00
Faithful Performance	\$146,844.00

**FISCAL IMPACT:**

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

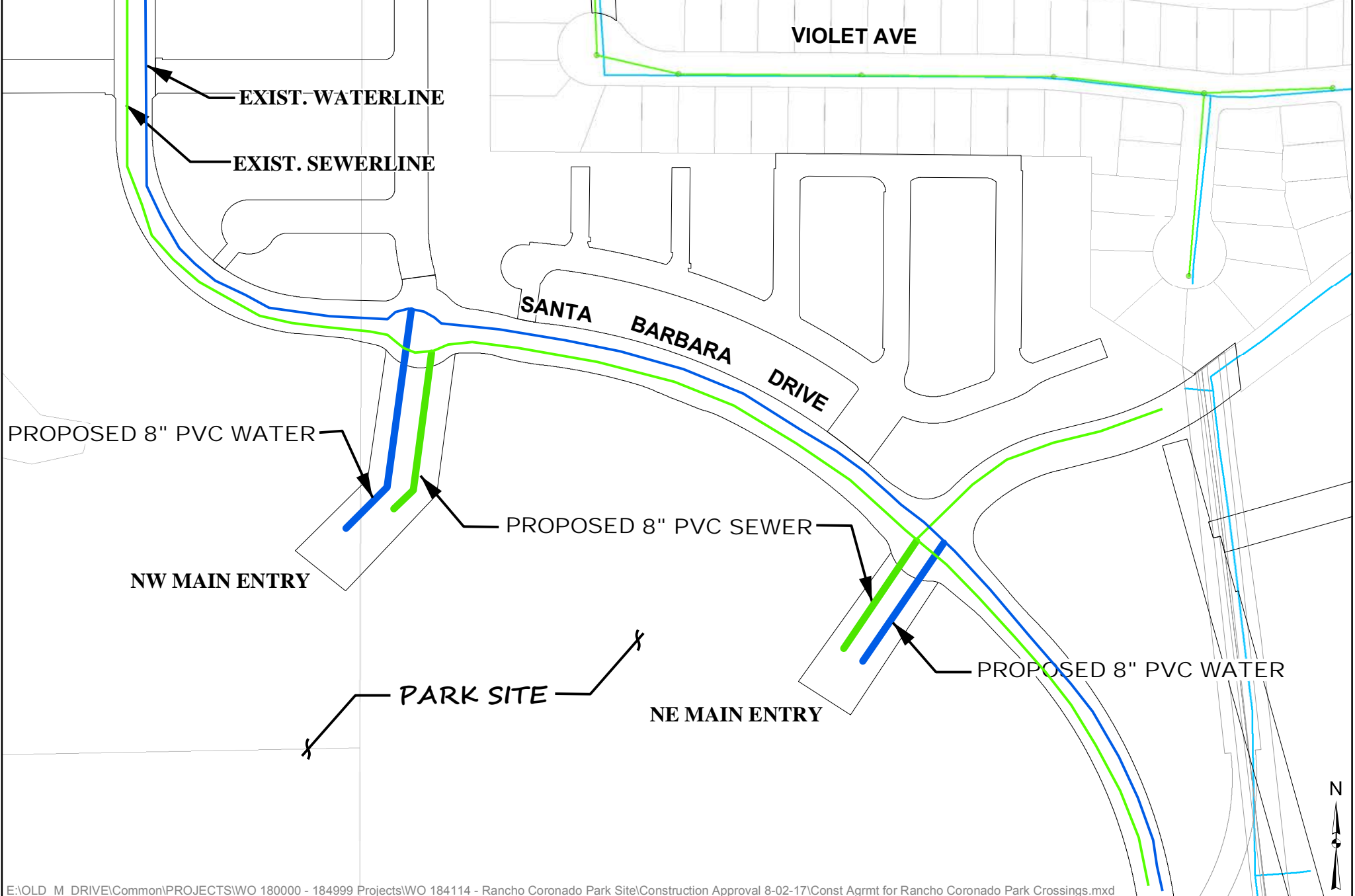
**RECOMMENDATION:**

Approve the construction agreement for Rancho Coronado Park Crossings.

**ATTACHMENTS:**

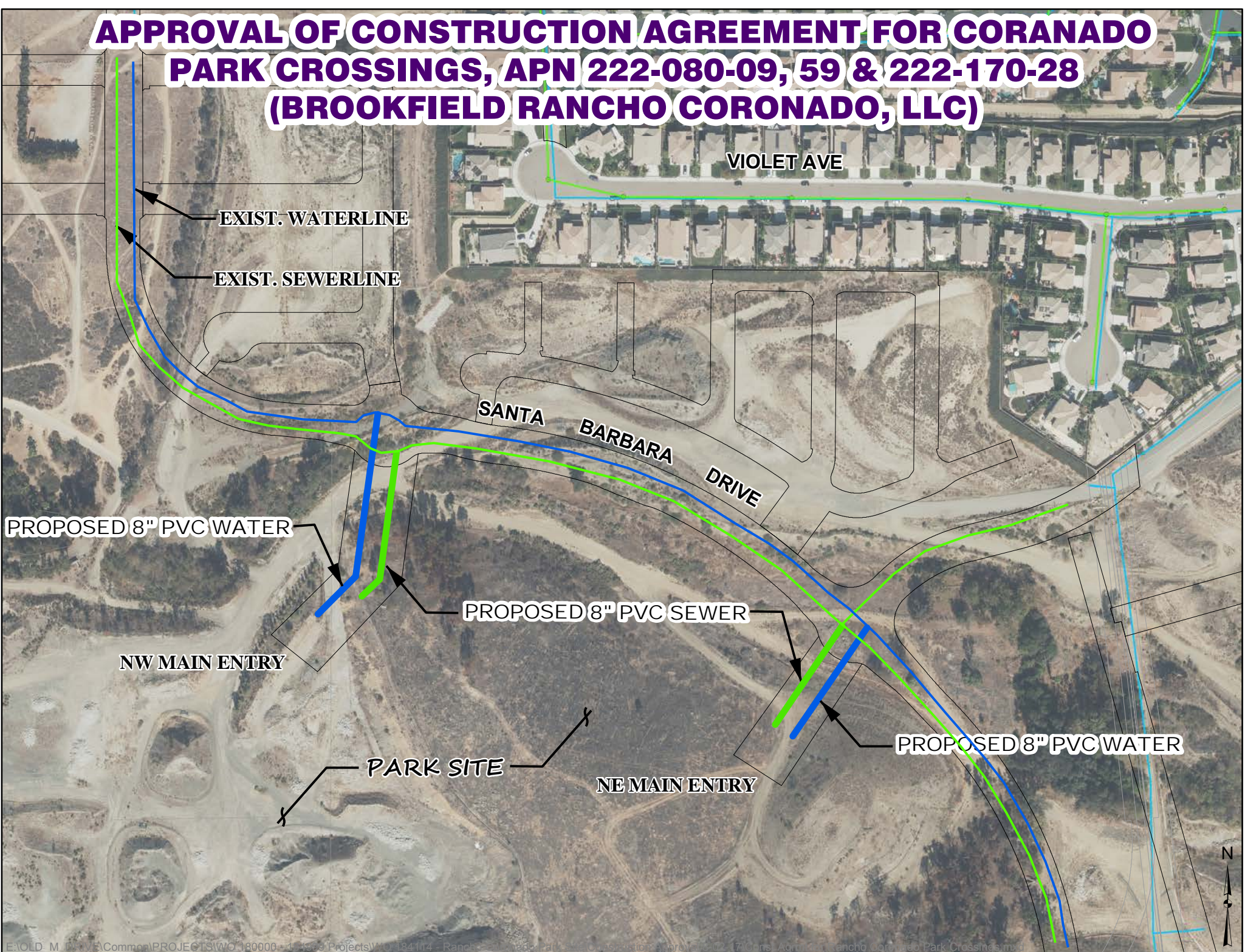
2 Map Exhibits – 1 Plat Map & 1 Aerial  
Construction Agreement

# APPROVAL OF CONSTRUCTION AGREEMENT FOR CORANADO PARK CROSSINGS, APN 222-080-09, 59 & 222-170-28 (BROOKFIELD RANCHO CORONADO, LLC)





# APPROVAL OF CONSTRUCTION AGREEMENT FOR CORANADO PARK CROSSINGS, APN 222-080-09, 59 & 222-170-28 (BROOKFIELD RANCHO CORONADO, LLC)



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

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

**RECITALS**

1. DEVELOPER desires to improve certain real property which lies within the boundaries of the DISTRICT consisting of approximately **190.67** acres commonly described as Tax Assessor's Parcel Nos. 222-080-09, 222-080-59 & 222-170-28 ("PROJECT").

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

3. DEVELOPER is required to submit plans and specifications for construction of the FACILITIES for review and approval by DISTRICT. The plans and specifications have been prepared by **Hunsaker & Associates San Diego, Inc.** and are identified as **Rancho Coronado Park Crossings - VWD WO 184114**. DEVELOPER shall construct the FACILITIES pursuant to the approved plans and specifications which shall include DISTRICT's standard specifications and applicable special provisions. DEVELOPER shall comply with all terms of this Agreement. All work covered by this Agreement shall be completed on or before \_\_\_\_\_, 201\_\_\_. In the event work is not completed by that date, this AGREEMENT shall terminate unless DEVELOPER obtains a written extension from DISTRICT.

## COVENANTS

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

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

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

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

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

**5. COMMERCIAL GENERAL LIABILITY AND AUTOMOBILE LIABILITY INSURANCE.** Prior to construction of FACILITIES under this Agreement, the DEVELOPER shall provide and maintain the following commercial general liability and automobile liability insurance:

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

A. Insurance Services Office (ISO) Commercial General Liability Coverage (Occurrence Form CG 0001);

B. Insurance Services Office (ISO) Business Auto Coverage (Form CA 0001), covering Symbol 1 (any auto).

**5.2 LIMITS.** The DEVELOPER shall maintain limits no less than the following:

A. General Liability - One million dollars (\$1,000,000) per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit or products-completed operations aggregate limit is used, either the general aggregate limit shall apply separately to the project/location (with the ISO CG 2503, or ISO CG 2504, or insurer's equivalent endorsement provided to DISTRICT) or the general aggregate limit and products-completed operations aggregate limit shall be twice the required occurrence limit.

B. Automobile Liability - One million dollars (\$1,000,000) for bodily injury and property damage each accident limit.

**5.3 REQUIRED PROVISIONS.** The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

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

B. For any claims related to this project, the DEVELOPER's insurance shall be primary insurance as respects DISTRICT, its directors, officers, employees, or authorized volunteers. Any insurance, self-insurance, or other

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

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

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

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

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

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

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

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

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

**8. WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY INSURANCE.** The DEVELOPER and all sub-DEVELOPERs shall insure (or be a qualified self-insured) under the applicable laws relating to workers' compensation insurance, all of their employees working on or

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

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

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

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

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

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

**13. SECURITY.** Upon execution of this Agreement and prior to Board approval, DEVELOPER shall provide the DISTRICT with a payment bond and a performance bond, each in the amount of \$ 146,844.00. Each payment and performance bond shall represent 100% of the estimated construction costs of the FACILITIES. Bonds shall be furnished by surety companies satisfactory to the DISTRICT. Surety companies, to be acceptable to the DISTRICT, must have an acceptable rating from Best's Key Rating Guide, authorized to do business and have an agent for service of process in California.

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

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

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

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

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

**15. EASEMENTS.** Prior to execution of this Agreement, DEVELOPER shall provide DISTRICT with a current preliminary title report issued within the last 90 days covering all properties in which easements are to be granted to the DISTRICT. The cost of the preliminary title report shall be borne solely by DEVELOPER. DEVELOPER shall provide the DISTRICT with such easements as the DISTRICT may require, as determined by the DISTRICT in its sole discretion. All easements to be conveyed to the DISTRICT shall be prepared on the DISTRICT's standard form easements. All easements shall: (1) be of a width satisfactory to DISTRICT, in no case less than twenty (20) feet without specified approval of the Board of Directors; (2) be free and clear of all liens and/or encumbrances which could affect title to the easement; and (3) have recorded subordination agreements for all trust deeds or other liens to insure that the DISTRICT

has prior rights in any easements being conveyed to the DISTRICT. DEVELOPER shall procure a policy of title insurance in favor of the DISTRICT covering easements to be granted in amounts determined by the DISTRICT subject only to those conditions of record acceptable to the DISTRICT. All fees and costs to procure easements required by the DISTRICT shall be borne solely by DEVELOPER. Nothing in this Agreement shall obligate the DISTRICT to exercise its condemnation authorities to acquire any easement determined necessary by the DISTRICT. All easements being conveyed to the DISTRICT must be in a recordable form acceptable to the DISTRICT prior to approval of plans and specifications by the DISTRICT.

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

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

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



and approvals necessary to construct the FACILITIES. DEVELOPER shall provide verification that permits, licenses and approvals have been obtained promptly upon demand from DISTRICT.

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

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

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

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

**22. WATER SERVICE MAINTENANCE AFTER ACCEPTANCE OF WORK.** Due to the uncertainty of prompt sale/construction/occupancy of the project's lots and based on the need to provide adequate flow to residences, DEVELOPER shall be responsible for periodic flushing of the services within the subdivision until such time as the subdivision is sold. The DISTRICT and DEVELOPER will cooperate to provide manpower and schedule work.

**23. LIABILITY FOR WORK PRIOR TO FORMAL ACCEPTANCE.** Until the Board of Directors of the DISTRICT has formally accepted all work performed in accordance with this Agreement, DEVELOPER shall be solely responsible for all damage to the work regardless of

cause and for all damages or injuries to any person or property from any cause excepting injury or damage caused by the sole or active negligence of DISTRICT, its agents, servants or employees.

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

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

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

**27. INDEMNITY.** DEVELOPER shall be solely responsible and liable for design defects or defects in work performed to construct the FACILITIES required by this Agreement. This shall include liability and responsibility for injury or damage to the work itself. DEVELOPER hereby agrees to hold harmless, indemnify and defend the DISTRICT, the DISTRICT's representatives and each of the DISTRICT's officers, employees and agents from any and all claims, suits or

action of every name, kind and description brought for or on account of injuries to or death of any person or damage to any property resulting from design or construction of the FACILITIES except where the injury or damage has been caused by the sole and active negligence of the DISTRICT, its agents, servants or employees. In the event that any suit is instituted naming the DISTRICT as a party, the DISTRICT shall be entitled to appoint its own independent counsel to represent the DISTRICT; and DEVELOPER agrees to pay all attorney's fees and litigation costs associated with this defense. This indemnity shall extend to any claims arising because DEVELOPER has failed to properly secure any necessary easement, land right, contract or approval

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

**29. CASH DEPOSITS.** DEVELOPER shall provide the DISTRICT with an initial cash deposit in the amount of \$ 10,960.00 to cover all DISTRICT fees and costs associated with the FACILITIES. When this deposit has been drawn down to \$ 1,000.00, DEVELOPER agrees to deposit such additional sums as the DISTRICT may determine from time to time to cover all fees and costs of the DISTRICT. Prior to final acceptance of the project, a final accounting will be forwarded to the developer for payment. Additional deposits for additional inspections after acceptance of the project may be requested.

**30. MISCELLANEOUS PROVISIONS.**

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

**30.2 MODIFICATION.** This Agreement may not be altered in whole or in part except by a modification, in writing, executed by all the parties to this Agreement.

**30.3 ATTORNEY'S FEES.** In the event of any legal or equitable proceeding to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to all reasonable attorney's fees and costs in addition to any other relief granted by law. This provision shall apply to the entire Agreement.

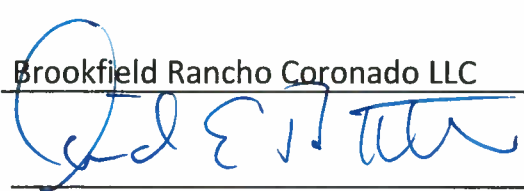
- 30.4 ENTIRE AGREEMENT.** This Agreement, together with all the exhibits attached to this Agreement, contains all representations and the entire understanding between the parties with respect to the subject matter of this Agreement. Any prior correspondence, memoranda or agreements are in conflict with this Agreement are intended to be replaced in total by this Agreement and its exhibits.
- 30.5 ASSIGNMENTS.** DEVELOPER shall not be entitled to assign all or any portion of its rights or obligations contained in this Agreement without obtaining the prior consent of the DISTRICT, which consent shall not be unreasonably withheld. Any purported assignment without the DISTRICT's prior written consent shall be void.
- 30.6 BINDING EFFECT.** This Agreement shall inure to the benefit of and be binding upon the parties and their respective purchasers, successors, heirs and assigns.
- 30.7 UNENFORCEABLE PROVISIONS.** The terms, conditions and covenants of this Agreement shall be construed whenever possible as consistent with all applicable laws and regulations. To the extent that any provision of this Agreement, as so interpreted, is held to violate any applicable law or regulation, the remaining provisions shall nevertheless be carried into full force and effect and remain enforceable.
- 30.8 REPRESENTATION OF CAPACITY TO CONTRACT.** Each of the parties to this Agreement represents and warrants that he has the authority to execute this Agreement on behalf of the entity represented by that individual.
- 30.9 OPPORTUNITY TO BE REPRESENTED BY INDEPENDENT COUNSEL.** DEVELOPER has been advised and understands that this Agreement has been prepared by The Law Offices of Jeffrey G. Scott, general counsel, who represents only the DISTRICT. DEVELOPER warrants and represents that DEVELOPER has been advised to consult independent legal counsel of its own choosing and has had a reasonable opportunity to do so prior to executing this Agreement.
- 30.10 NO WAIVER.** The failure of either party to enforce any term, covenant or condition of this Agreement on the date it is to be performed shall not be construed as a waiver of that party's right to enforce this, or any other, term,

covenant or condition of this Agreement at any later date or as a waiver of any term, covenant or condition of this Agreement.

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

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

<b>"DISTRICT"</b> <b>VALLECITOS WATER DISTRICT</b>	
By: _____ Glenn Prum, Secretary Board of Directors Vallecitos Water District	Dated: _____

<b>"DEVELOPER"</b>	
Name: <u>David E. Bartlett</u>	
Title: <u>Vice President</u>	
Company: <u>Brookfield Rancho Coronado LLC</u>	
Signature*: <u></u>	Dated: <u>7/10/17</u>

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

A notary public or other officer completing this certificate verified only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA )  
 )  
COUNTY OF Orange ) SS.

On July 11, 2017, before me, Meagan Knecht  
David E. Bartlett, Notary Public, personally appeared \_\_\_\_\_  
\_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she~~/they executed the same in his/~~her~~/their authorized capacity(ies) and that by his/~~her~~/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Meagan Knecht  
Notary Public

**DATE: AUGUST 16, 2017**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: CONSTRUCTION CONTRACT AWARD OF NORTH AND SOUTH PRESSURE REDUCING STATION UPGRADES**

**BACKGROUND:**

Built in 1964, North and South Vista Pressure Reducing Stations (PRS) are some of the oldest stations in the District. They are located in the most northerly section of the District, requiring up to 35-minutes one-way travel time, to operate and monitor the stations. The District does not have Supervisory Control and Data Acquisition (SCADA) systems at these sites due to the lack of electrical power. SCADA allows for remote monitoring and control. There are thirty PRS's in the District's water system and these stations are two of the last four remaining sites without SCADA monitoring. This project will upgrade both PRS's to meet all current standards, including structural and mechanical improvements, electrical power, and SCADA monitoring equipment. The upgrades will allow staff to monitor and control the stations remotely, reducing staff time and potential customer water service interruption.

On July 18, 2017 at 2:00 p.m., District staff received and opened bids from six contractors with bid results as follows:

<b><u>Bidder</u></b>	<b><u>Amount</u></b>
ATOM Engineering	\$387,398
MMC Inc.	\$440,000
Tharsos Inc.	\$468,000
SS Mechanical Construction	\$531,200
Bali Construction	\$537,000
Charles King Company	\$604,400

**DISCUSSION:**

The Engineer's Estimate was \$365,000. Staff and Counsel completed the evaluation of qualifications and determined that ATOM Engineering was the lowest responsive, responsible bidder.

Dudek performed the design. District staff will perform construction management and inspection

**FISCAL IMPACT:**

The total estimated cost and budget summary are as follows:

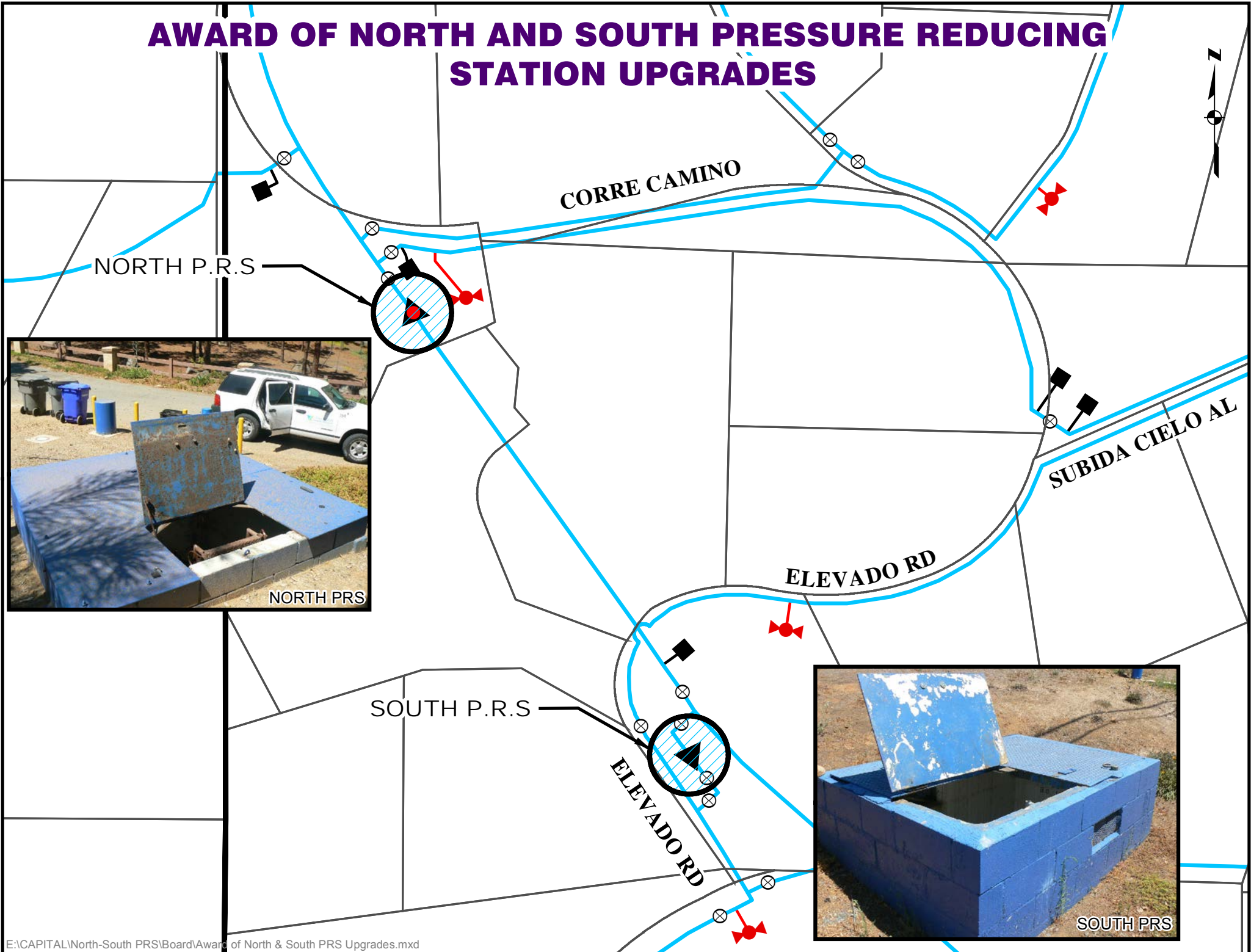
Budget	\$620,000
Construction	\$387,398
10% Contingency	\$ 38,740
Design Consultant	\$ 56,710
Staff	\$ 49,088
Staff Overhead	<u>\$ 88,064</u>
Total	\$620,000

**RECOMMENDATION:**

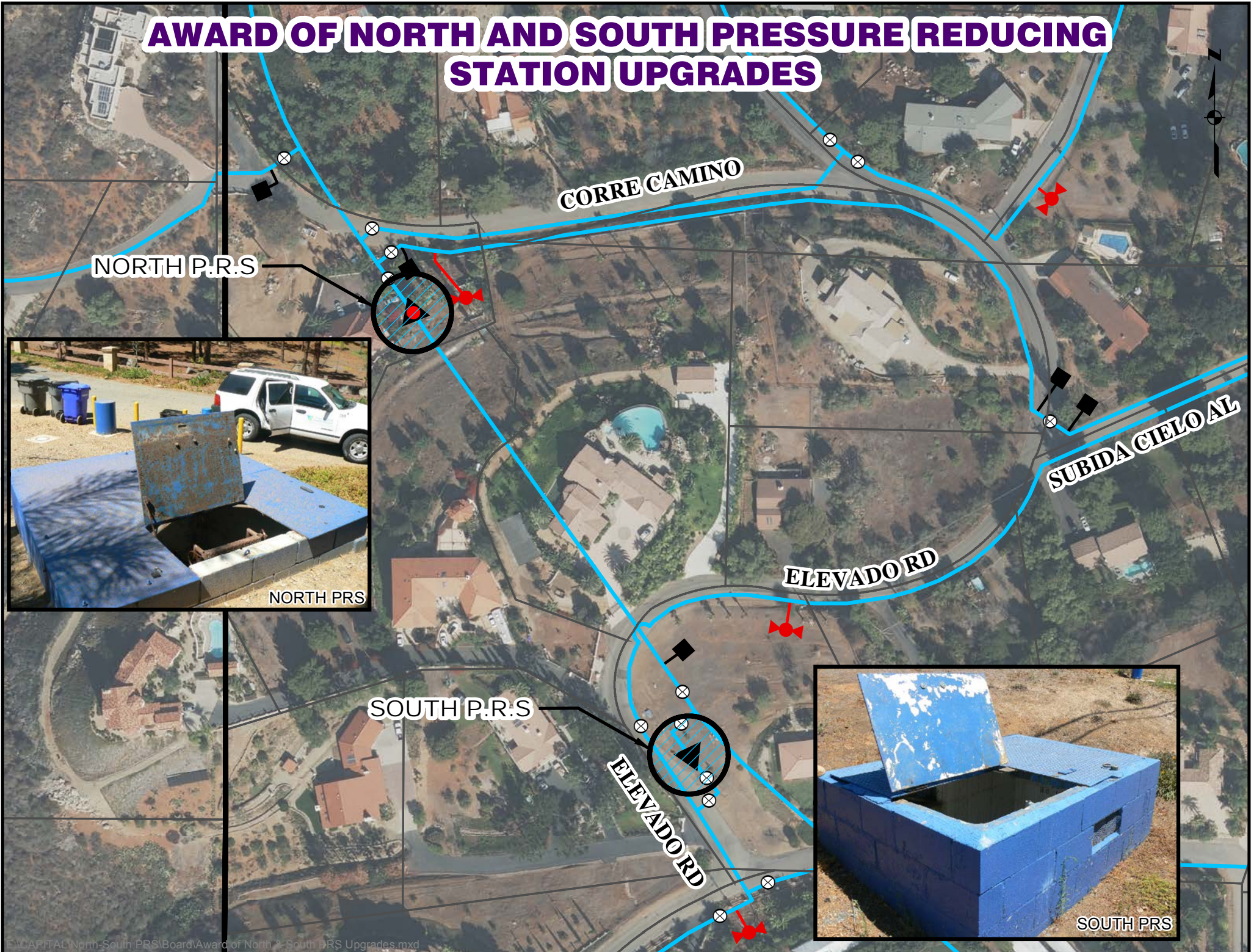
Award the construction contract to ATOM Engineering in the amount of \$387,398 for the North and South Vista Pressure Reducing Station Upgrades project, subject to provisions of the contract.



# AWARD OF NORTH AND SOUTH PRESSURE REDUCING STATION UPGRADES



# AWARD OF NORTH AND SOUTH PRESSURE REDUCING STATION UPGRADES



**DATE: AUGUST 16, 2017**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: RESOLUTION ADOPTING THE DISTRICT PAY SCHEDULE**

**BACKGROUND:**

The California Public Employees' Retirement System (CalPERS) requires all agencies to have their pay schedules be publicly available and approved and adopted by the governing body in accordance with the requirements of applicable public meeting laws. Required elements for a publicly available schedule include identifying the position title for every employee position, the payrates and time base (i.e. monthly pay) for each position, and effective date, among other requirements. All requirements must be met in order for CalPERS to approve the pay amount as payrate and reportable compensation earnable.

**DISCUSSION:**

The attached pay schedule reflects prior actions taken by the Board including position changes in the budget for Fiscal Year 2017/18 approved on June 7, 2017 and the cost of living salary adjustment (COLA) for Fiscal Year 2017/18 from the Memorandum of Understanding with the Vallecitos Water District Employees' Association approved June 15, 2016. A resolution is provided to adopt the District pay schedule.

**FISCAL IMPACT:**

None.

**RECOMMENDATIONS:**

Adopt resolution.

**ATTACHMENT:**

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

**VALLECITOS WATER DISTRICT PERSONNEL CLASSIFICATION AND MONTHLY PAY SCHEDULE**

has been duly approved and adopted by Vallecitos Water District Board in accordance with requirements of applicable public meeting laws.

Effective July 1, 2017

General Manager Salary retroactive to January 13, 2017

<b>POSITION TITLE</b>	<b>RANGE</b>	<b>STEPS A - G</b>	<b>H</b>	<b>I</b>
Accountant	59.0	5644-7563	7942	8339
Accounting Supervisor	64.5	7381-9891	10386	10905
Accounting Technician	54.5	4531-6072	6376	6695
Administrative Secretary	57.0	5119-6860	7203	7563
Administrative Services Manager	73.0	11174-14975	15724	16510
Applications Specialist I	60.0	5926-7942	8339	8756
Applications Specialist II	63.5	7030-9420	9891	10386
Assistant General Manager	76.0	12936-17335	18202	19112
Building and Grounds Worker	47.0	3143-4212	4422	4643
Building and Grounds Worker (Y-rating)	47.0Y	4551-4551	N/A	N/A
Capital Facilities Coordinator	59.5	5783-7750	8138	8545
Capital Facilities Engineer	64.0	7203-9653	10136	10642
Capital Facilities Senior Engineer	67.0	8339-11174	11733	12320
Cashier / Receptionist	50.0	3638-4875	5119	5375
CMMS Planner	58.0	5375-7203	7563	7942
Construction Inspection Supervisor	61.5	6376-8545	8972	9420
Construction Inspector I	55.5	4758-6376	6695	7030
Construction Inspector II	58.5	5508-7381	7750	8138
Construction Supervisor	61.5	6376-8545	8972	9420
Construction Worker I	50.5	3728-4996	5246	5508
Construction Worker II	53.5	4316-5783	6072	6376
Customer Service Representative I	49.5	3550-4758	4996	5246
Customer Service Representative II	52.0	4011-5375	5644	5926
Customer Service Representative III	53.0	4212-5644	5926	6222
Customer Service Supervisor	60.0	5926-7942	8339	8756
Development Services Coordinator	60.0	5926-7942	8339	8756
Development Services Senior Engineer	67.0	8339-11174	11733	12320
District Engineer	73.5	11450-15345	16112	16918
Electrical/Instrumentation Technician	59.0	5644-7563	7942	8339
Engineering Services Assistant	53.5	4316-5783	6072	6376
Engineering Technician I	53.5	4316-5783	6072	6376
Engineering Technician II	56.5	4996-6695	7030	7381
Engineering Technician III	59.5	5783-7750	8138	8545
Executive Secretary	61.0	6222-8339	8756	9193
Facility Locator	55.5	4758-6376	6695	7030
Finance Assistant	52.0	4011-5375	5644	5926
Finance Manager	73.0	11174-14975	15724	16510
Financial Analyst	63.5	7030-9420	9891	10386
General Manager	N/A	18020	18020	18020
GIS/CADD Technician	56.0	4875-6534	6860	7203
Human Resources Analyst	58.5	5508-7381	7750	8138
Information Technology Supervisor	66.0	7942-10642	11174	11733
Information Technology Technician	58.0	5375-7203	7563	7942
Landscape Maintenance Worker I	50.0	3638-4875	5119	5375

**VALLECITOS WATER DISTRICT PERSONNEL CLASSIFICATION AND MONTHLY PAY SCHEDULE**

has been duly approved and adopted by Vallecitos Water District Board in accordance with requirements of applicable public meeting laws.

Effective July 1, 2017

General Manager Salary retroactive to January 13, 2017

<b>POSITION TITLE</b>	<b>RANGE</b>	<b>STEPS A - G</b>	<b>H</b>	<b>I</b>
Landscape Maintenance Worker II	52.0	4011-5375	5644	5926
Mechanic	55.0	4643-6222	6534	6860
Mechanic Assistant	51.0	3820-5119	5375	5644
Mechanical / Electrical Supervisor	62.0	6534-8756	9193	9653
Mechanical Maintenance Worker I	52.0	4011-5375	5644	5926
Mechanical Maintenance Worker II	55.0	4643-6222	6534	6860
Meter Service Supervisor	60.0	5926-7942	8339	8756
Meter Service Worker I	49.5	3550-4758	4996	5246
Meter Service Worker II	52.5	4110-5508	5783	6072
Operations and Maintenance Assistant	52.0	4011-5375	5644	5926
Operations and Maintenance Manager	73.0	11174-14975	15724	16510
Public Information Representative	59.0	5644-7563	7942	8339
Public Information/Conservation Supervisor	62.5	6695-8972	9420	9891
Pump and Motor Technician I	55.0	4643-6222	6534	6860
Pump and Motor Technician II	58.0	5375-7203	7563	7942
Purchasing/Warehouse Assistant	54.0	4422-5926	6222	6534
Purchasing/Warehouse Supervisor	60.0	5926-7942	8339	8756
Risk Management Supervisor	64.5	7381-9891	10386	10905
Safety Technician	57.0	5119-6860	7203	7563
Senior Construction Systems Worker	56.5	4996-6695	7030	7381
Senior Customer Service Representative	54.5	4531-6072	6376	6695
Senior Electrical/Instrumentation Technician	60.0	5926-7942	8339	8756
Senior Pump and Motor Technician	59.5	5783-7750	8138	8545
Senior Wastewater Collections Systems Worker	55.5	4758-6376	6695	7030
Senior Wastewater Treatment Plant Operator	59.5	5783-7750	8138	8545
Senior Water Systems Operator	58.5	5508-7381	7750	8138
Source Control Technician	56.5	4996-6695	7030	7381
Systems Administrator	61.5	6376-8545	8972	9420
Valve Maintenance Technician	55.5	4758-6376	6695	7030
Warehouse Assistant I	50.0	3638-4875	5119	5375
Warehouse Assistant II	53.0	4212-5644	5926	6222
Wastewater Collection Systems Supervisor	61.5	6376-8545	8972	9420
Wastewater Collection Systems Worker 1	50.0	3638-4875	5119	5375
Wastewater Collection Systems Worker II	53.0	4212-5644	5926	6222
Wastewater Treatment Plant Operator I	53.0	4212-5644	5926	6222
Wastewater Treatment Plant Operator II	56.0	4875-6534	6860	7203
Wastewater Treatment Plant Supervisor	63.0	6860-9193	9653	10136
Water Systems Operator I	53.0	4212-5644	5926	6222
Water Systems Operator II	56.0	4875-6534	6860	7203
Water Systems Supervisor	63.0	6860-9193	9653	10136

**RESOLUTION NO.**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
VALLECITOS WATER DISTRICT ADOPTING DISTRICT PAY SCHEDULE**

WHEREAS, California Code of Regulations (CCR) Section 570.5 requires public agencies to have a pay schedule duly approved and adopted by the employer's governing body in accordance with requirements of applicable public meeting laws in order for the California Public Employees Retirement System (CalPERS) to consider pay as "compensation earnable" for purposes of calculating a member's retirement benefit;

WHEREAS, the District previously negotiated with the Vallecitos Water District Employees' Association for a cost of living increase for Fiscal Year 2017/18 as set forth in the Memorandum of Understanding; and,

WHEREAS, the Board of Directors previously approved position changes in the budget for Fiscal Year 2017/18.

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

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

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Vallecitos Water District at a regular meeting held on the 16<sup>th</sup> day of August, 2017 by the following roll call vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

\_\_\_\_\_  
James Hernandez, Vice President  
Board of Directors  
Vallecitos Water District

ATTEST:

\_\_\_\_\_  
Glenn Pruijm, Secretary  
Board of Directors  
Vallecitos Water District

**DATE: AUGUST 16, 2017**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: APPROVAL TO DISPOSE OF SURPLUS LAND CONSISTING OF THE UNDEVELOPED PORTION OF THE DISTRICT HEADQUARTERS SITE (APN 220-220-06)**

**BACKGROUND:**

Vallecitos Water District's current Administration, Operations and Maintenance buildings were constructed in 1997 on a 62.1-acre parcel. The property was originally intended to include District Administration and Operations facilities as well as a Central San Marcos Water Reclamation Facility. It was eventually determined that the reclamation facility was no longer required at this location and, in 2006, the City of San Marcos acquired 14 acres of the District owned property to build baseball fields in conjunction with San Marcos Youth Baseball. Of the remaining 48.1 acres, 15.4 acres have been developed as the District headquarters, and approximately 32.7 acres remain as an undeveloped hillside area located at the southwest corner of West Mission Road and Knoll Road ("Hillside Property").

**DISCUSSION:**

The Board has shown interest in exploring the development of the 32.7-acre undeveloped Hillside Property which is currently zoned as "Residential and Industrial". On October 15, 2016, VWD's Board of Directors were presented preliminary options for development of the Hillside Property. On January 18, 2017, the Board approved an agreement with Hendrickson Appraisal Company to evaluate the market values of the Hillside Property as raw property, entitled property, and improved property as well as the long-term lease value for commercial, industrial, and residential rental development. The appraisal results were presented to the Board on July 17, 2017 in closed session. The Board directed staff to start the process of the disposition of surplus land for the Hillside Property. In accordance with Government Code 54222 surplus land shall first be offered for sale or lease to other public agencies for the purpose of developing low-moderate-income housing, or for park and recreational purposes, or for open-space purposes.

**FISCAL IMPACT:**

The fiscal impact is unknown until a sale or lease is negotiated. Sale/lease proceeds in excess of selling expenses will be placed in reserves.

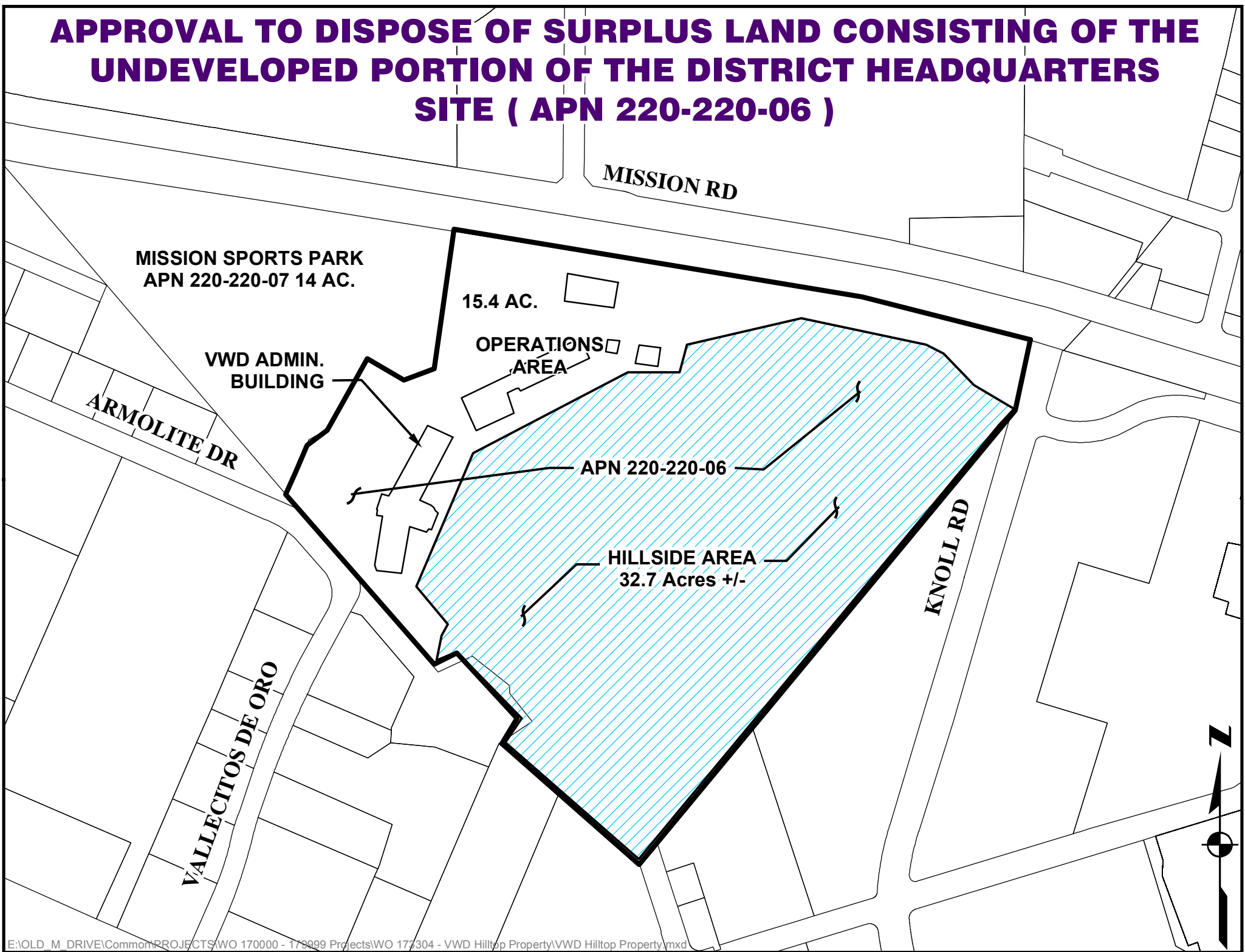
**RECOMMENDATION:**

Approve the disposition of the Hillside Property as surplus land which consists of approximately 32.7 acres of undeveloped property (a portion of APN 220-220-06) and direct staff to provide written offers to sell or lease the property to the applicable public agencies in accordance with Government Code 54222.

**ATTACHMENTS:**

2 Map Exhibits – 1 Plat Map & 1 Aerial

# APPROVAL TO DISPOSE OF SURPLUS LAND CONSISTING OF THE UNDEVELOPED PORTION OF THE DISTRICT HEADQUARTERS SITE ( APN 220-220-06 )







**DATE: AUGUST 16, 2017**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: ORDINANCE ESTABLISHING ADMINISTRATIVE CHARGES TO RECOVER INDIRECT COSTS FOR FISCAL YEAR 2017-18**

**BACKGROUND:**

On June 21, 2017, the Board of Directors was presented with the information presented herein and the attached ordinance establishing a rate (overhead rate) to facilitate the recovery of indirect costs via an administrative charge. More information was requested, including:

- the formula used to calculate the rate
- types of activities where the rate is applied

On July 24, 2017, the Finance Committee met to review the above requested information as presented by staff. The Finance Committee members requested a “side-by-side” comparison of previous fiscal year’s calculations be included in the staff report when re-presented to the full Board of Directors at the next Board meeting. The side-by-side comparison is included below.

**DISCUSSION:**

The 2013 Cost of Service Report (Report) recommended a single overhead rate applied to direct labor costs and the rate be adjusted annually using the approved District budget in accordance with the methodology established in the Report. The methodology established a formula to be used when calculating the rate. The calculation to arrive at the overhead rate is Budgeted Indirect Costs and Employee Benefits divided by Direct Labor Costs as follows:

$$\text{Overhead Rate} = \frac{\text{Budgeted Indirect Costs and Employee Benefits}}{\text{Direct Labor Costs}}$$

A brief history of adopted overhead rates follow:

Ordinance	Adopted Date	Adopted Rate	Effective for FY	Indirect Costs	Direct Costs
88	3/5/1990	75%	90/91	NA	NA
182	9/4/2013	195%	13/14	10,154,626	5,215,174
192	7/16/2014	188%	14/15	10,420,378	5,535,622
192*	7/15/2015	198%	15/16	11,367,536	5,352,464
199	7/20/2016	205%	16/17	11,607,237	5,643,763
<i>Proposed**</i>	<i>6/21/2017</i>	<i>221%</i>	<i>17/18</i>	<i>12,031,103</i>	<i>5,427,897</i>
192*	This year the calculation result was 212% but because of one time expenses it was adopted at a lower rate of 198%				
<i>Proposed**</i>	<i>Presented not adopted</i>				

Excerpts from the 2013 Cost of Service Report explaining the formula and types of activities where the rate is applied:

**1.3.4 District Staff Labor Overhead Rate**

1. Black & Veatch recommends that the District utilize a 195 percent overhead rate for FY 13/14. The District can use this rate to apply to outside contractor costs, developer projects and miscellaneous billings to help recover District support associated with these costs.
2. Furthermore, Black & Veatch recommends that the District conduct an annual review of direct and indirect costs and the resulting overhead rate as these costs tend to change from year to year. The review and implementation of overhead rates should be effective as of July 1 of each fiscal year based on that year’s approved budget.

### **6.1.1 OVERHEAD RATE ANALYSIS**

The overhead rate analysis is a simple one that consists of identifying District indirect costs that support direct services provided by the District, grouping direct labor costs of the District (less benefits), and finally dividing the total indirect costs by the total direct costs. .... Table 6-1 shows the overhead calculation and resulting rate.

Examples of types of activities where the rate is applied are:

- Outside contractor costs such as when VWD provides another agency with VWD personnel on a temporary and fee for services basis.
- Developer projects where VWD staff will review plans presented by someone at the engineering counter and bill at the staff person's hourly rate plus the overhead rate.
- Miscellaneous billings such as when a VWD asset is damaged in a traffic accident and costs of repairs are billed to the responsible party.

The proposed Ordinance recommends an overhead rate of 221% and was derived by dividing adopted FY 17/18 budgeted indirect costs by direct labor costs as per the recommended methodology in the Report.

A side-by-side comparison is presented on the next page.

Side-by-side comparison:

Vallecitos Water District						
Overhead Rate Calculation						
Line		Budget				
No.	Description	FY 2017/18	FY 2016/17	FY 2015/16	FY 2014/15	FY 2013/14
	<b>Indirect Costs</b>					
1	Water - Safety & Regulatory Affairs	261,000	272,000	253,000	240,000	245,000
2	Water - Building & Grounds	362,000	318,000	349,000	339,000	327,000
3	Water - Information Technology	1,003,000	941,000	910,000	636,000	634,480
4	Water - General & Administration	2,812,000	2,773,000	3,137,000	3,033,000	3,141,000
5	Water - G & A Transfer	1,020,000	936,000	675,000	683,000	330,000
7	Wastewater - Safety & Regulatory Affairs	189,000	165,000	154,000	148,000	114,000
8	Wastewater - Building & Grounds	257,000	230,000	169,000	187,000	150,000
9	Wastewater - Information Technology	831,000	734,000	705,000	444,000	371,320
10	Wastewater - General & Administration	1,455,000	1,261,000	1,266,000	1,171,000	1,301,000
11	Wastewater - G & A Transfer	548,000	613,000	522,000	528,000	370,000
12	Water/Wastewater Benefits	<u>3,293,103</u>	<u>3,364,237</u>	<u>3,227,536</u>	<u>3,011,378</u>	<u>3,170,826</u>
	Total District Indirect Costs	<u>12,031,103</u>	<u>11,607,237</u>	<u>11,367,536</u>	<u>10,420,378</u>	<u>10,154,626</u>
	<b>Direct Costs</b>					
13	Water - Pumping Cost of Labor	104,000	86,000	115,000	69,000	53,000
14	Water - Water Quality Cost of Labor	63,000	89,000	111,000	85,000	77,000
15	Water - Water Treatment Cost of Labor	375,000	329,000	219,000	300,000	327,000
16	Water - Tanks & Reservoirs Cost of Labor	248,000	249,000	291,000	278,000	284,000
17	Water - T&D Cost of Labor	1,178,000	1,074,000	1,010,000	980,000	1,001,000
18	Water - Services Cost of Labor	100,000	120,000	99,000	116,000	139,000
19	Water - Meters Cost of Labor	565,000	595,000	575,000	570,000	545,000
20	Water - Backflow Prevention Cost of Labor	25,000	70,000	64,000	59,000	59,000
21	Water - Customer Accounts Cost of Labor	487,000	546,000	562,000	529,000	553,000
22	Water - Engineering Cost of Labor	1,315,000	1,397,000	1,281,000	1,355,000	1,293,000
23	Water - Equipment & Vehicles Cost of Labor	114,000	132,000	127,000	121,000	108,000
24	Wastewater - Collection Cost of Labor	1,517,000	1,607,000	1,555,000	1,621,000	1,537,000
25	Wastewater - Lift Stations Cost of Labor	187,000	167,000	152,000	160,000	151,000
26	Wastewater - Peroxide Station Cost of Labor	-	-	5,000	6,000	3,000
27	Wastewater - Source Control Cost of Labor	153,000	144,000	151,000	140,000	238,000
28	Wastewater - MRF Lift Station Cost of Labor	102,000	122,000	98,000	106,000	101,000
29	Wastewater - MRF Cost of Labor	1,009,000	1,033,000	1,058,000	939,000	983,000
30	Wastewater - Mahr Reservoir Cost of Labor	96,000	127,000	106,000	112,000	102,000
31	Wastewater - Customer Accounts Cost of Labor	364,000	362,000	341,000	320,000	245,000
32	Wastewater - Equip & Vehicles Cost of Labor	107,000	133,000	88,000	83,000	70,000
33	Wastewater - Engineering Cost of Labor	<u>612,000</u>	<u>626,000</u>	<u>572,000</u>	<u>598,000</u>	<u>517,000</u>
34	Total District Direct Costs	<u>8,721,000</u>	<u>9,008,000</u>	<u>8,580,000</u>	<u>8,547,000</u>	<u>8,386,000</u>
	Benefit % per budget	60.7%	59.6%	60.3%	54.4%	60.8%
	Direct Costs less Benefits	5,427,897	5,643,763	5,352,464	5,535,622	5,215,174
	Overhead Rate	<b>221.65%</b>	<b>205.66%</b>	<b>212.38%</b>	<b>188.24%</b>	<b>194.71%</b>

Changes between fiscal years:

Line No.	Description	Change from Previous Fiscal Year Budget			
		FY 2017/18	FY 2016/17	FY 2015/16	FY 2014/15
<b>Indirect Costs</b>					
1	Water - Safety & Regulatory Affairs	(11,000)	19,000	13,000	(5,000)
2	Water - Building & Grounds	44,000	(31,000)	10,000	12,000
3	Water - Information Technology	62,000	31,000	274,000	1,520
4	Water - General & Administration	39,000	(364,000)	104,000	(108,000)
5	Water - G & A Transfer	84,000	261,000	(8,000)	353,000
7	Wastewater - Safety & Regulatory Affairs	24,000	11,000	6,000	34,000
8	Wastewater - Building & Grounds	27,000	61,000	(18,000)	37,000
9	Wastewater - Information Technology	97,000	29,000	261,000	72,680
10	Wastewater - General & Administration	194,000	(5,000)	95,000	(130,000)
11	Wastewater - G & A Transfer	(65,000)	91,000	(6,000)	158,000
12	Water/Wastewater Benefits	(71,134)	136,701	216,158	(159,448)
	Total District Indirect Costs	<u>423,866</u>	<u>239,701</u>	<u>947,158</u>	<u>265,752</u>
<b>Direct Costs</b>					
13	Water - Pumping Cost of Labor	18,000	(29,000)	46,000	16,000
14	Water - Water Quality Cost of Labor	(26,000)	(22,000)	26,000	8,000
15	Water - Water Treatment Cost of Labor	46,000	110,000	(81,000)	(27,000)
16	Water - Tanks & Reservoirs Cost of Labor	(1,000)	(42,000)	13,000	(6,000)
17	Water - T&D Cost of Labor	104,000	64,000	30,000	(21,000)
18	Water - Services Cost of Labor	(20,000)	21,000	(17,000)	(23,000)
19	Water - Meters Cost of Labor	(30,000)	20,000	5,000	25,000
20	Water - Backflow Prevention Cost of Labor	(45,000)	6,000	5,000	-
21	Water - Customer Accounts Cost of Labor	(59,000)	(16,000)	33,000	(24,000)
22	Water - Engineering Cost of Labor	(82,000)	116,000	(74,000)	62,000
23	Water - Equipment & Vehicles Cost of Labor	(18,000)	5,000	6,000	13,000
24	Wastewater - Collection Cost of Labor	(90,000)	52,000	(66,000)	84,000
25	Wastewater - Lift Stations Cost of Labor	20,000	15,000	(8,000)	9,000
26	Wastewater - Peroxide Station Cost of Labor	-	(5,000)	(1,000)	3,000
27	Wastewater - Source Control Cost of Labor	9,000	(7,000)	11,000	(98,000)
28	Wastewater - MRF Lift Station Cost of Labor	(20,000)	24,000	(8,000)	5,000
29	Wastewater - MRF Cost of Labor	(24,000)	(25,000)	119,000	(44,000)
30	Wastewater - Mahr Reservoir Cost of Labor	(31,000)	21,000	(6,000)	10,000
31	Wastewater - Customer Accounts Cost of Labor	2,000	21,000	21,000	75,000
32	Wastewater - Equip & Vehicles Cost of Labor	(26,000)	45,000	5,000	13,000
33	Wastewater - Engineering Cost of Labor	(14,000)	54,000	(26,000)	81,000
34	Total District Direct Costs	<u>(287,000)</u>	<u>428,000</u>	<u>33,000</u>	<u>161,000</u>

**FISCAL IMPACT:**

The District budget estimates the recovery of \$1.6 million of overhead costs in fiscal year 2017/18.

**RECOMMENDATION:**

Adopt ordinance.

**ORDINANCE NO.**

**ORDINANCE OF THE VALLECITOS WATER DISTRICT  
ESTABLISHING A COST RECOVERY OVERHEAD RATE  
FOR FISCAL YEAR 2017-18 AND REPEALING ORDINANCE NO. 199**

WHEREAS, the Board of Directors of the Vallecitos Water District (District) wishes to recover all direct costs and expenses associated with services provided by the District, development expenses and repair costs of damaged facilities; and

WHEREAS, on August 21, 2013, the Board of Directors accepted the District's Cost of Service Study, "Water Validation, Cost of Service & Rate Design Analysis; Wastewater Validation & Rate Analysis; Miscellaneous Fees & Overhead Rate Analysis (Report)", which established the methodology for calculating the overhead rate identified below; and

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE VALLECITOS WATER DISTRICT AS FOLLOWS:

SECTION 1, DIRECT COST RECOVERY: Direct costs and expenses incurred by the District such as legal services, permits, reproduction services, consulting engineers and other professional services shall be recovered at direct costs only and the administrative overhead charge shall not apply.

SECTION 2, ADMINISTRATIVE OVERHEAD CHARGE: All direct labor costs and services provided on a time and material basis, by the District, are subject to the Administrative Overhead Charge. The charge for Fiscal Year 2017/18 is hereby established as 221% of the total direct labor costs. This charge will not apply to services provided on a fixed fee basis.

SECTION 3, ADMINISTRATIVE OVERHEAD CALCULATION: The overhead rate shall be calculated concurrent with adoption of the annual budget by the Board of Directors and utilize the following methodology:

$$\frac{\text{Budgeted indirect costs and employee benefits}}{\text{Direct labor costs}}$$

SECTION 3, EQUIPMENT USAGE CHARGE: All services provided by the District which District owned equipment is used and are charged on a time and material basis will be subject to an Equipment Usage Charge. The charge is hereby established as a per hour rate in accordance with the current State of California, Department of Transportation, Division of Construction Equipment Rental Rates and shall be included in the final actual cost determination. Direct rental costs for other equipment shall be recovered based upon actual expenses. This charge will not apply to services provided on a fixed fee basis.

All other Ordinances, Articles or Sections of Ordinances in conflict with this Ordinance are hereby repealed.

This ordinance shall be effective upon adoption.

PASSED, APPROVED, AND ADOPTED by the Board of Directors of the Vallecitos Water District at a regular meeting held this 16<sup>TH</sup> day of August, 2017, by the following roll call vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

\_\_\_\_\_  
James Hernandez, Vice President  
Board of Directors  
Vallecitos Water District

ATTEST:

\_\_\_\_\_  
Glenn Pruij, Secretary  
Board of Directors  
Vallecitos Water District

**DATE: AUGUST 16, 2017**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: ACWA COMMITTEE APPOINTMENT NOMINATIONS FOR THE 2018-2019 TERM**

**DISCUSSION:**

ACWA is requesting committee nominations from ACWA members for the 2018-2019 term. Committees are an integral part of ACWA's activities, therefore, committees need active, involved individuals able to expend the time and provide their expertise if appointed. An important part of helping committees function as effectively as possible is attendance.

Currently, Director Hernandez serves on the Groundwater Committee and Director Martin serves on the Energy and Membership Committees. A list and description of ACWA's committees is attached for reference.

The District is responsible for all costs associated with the participation of its representatives on Committees. All correspondence and forms regarding committee appointments must be submitted to ACWA no later than September 29, 2017 to be eligible for consideration.

**RECOMMENDATION:**

Request Board direction.



# MEMORANDUM

July 18, 2017

TO: ACWA MEMBER AGENCY BOARD PRESIDENTS  
ACWA MEMBER AGENCY GENERAL MANAGERS

FROM: Kathy Tiegs, ACWA PRESIDENT

SUBJECT: ACWA COMMITTEE APPOINTMENT CONSIDERATIONS FOR THE 2018-2019 TERM

## PLEASE RESPOND BY SEPTEMBER 29, 2017

Thank you for your involvement with ACWA. As you know, Committees are an integral part of ACWA's activities and policy development. With the end of the current Committee term fast approaching, it is time again to request 2018-2019 Committee nominations from ACWA members. All Committees will be reconstituted following the election of new officers (ACWA's President / Vice-President) at the 2017 ACWA Fall Conference.

In submitting names for consideration, please do so with the understanding that Committees need active, involved individuals able to expend the time and provide their expertise, if appointed. Please keep in mind that the district is responsible for all costs associated with the participation of its representatives on Committees.

The following information is available at [ACWA's website](#) or by clicking on each link.

- [ACWA Policy Committee Composition](#)
- [ACWA Committee Consideration Form](#)
- [ACWA Committee Consideration Process Timeline](#)

If you would like to reference current Committee members serving on a ACWA Committee please click [here](#).

All correspondence and forms regarding Committee appointments must be submitted to the ACWA office no later than September 29, 2017 to be eligible for consideration. Committee appointments will be made by the incoming ACWA President in December. Please contact Region and Member Services Specialist II, Ana Javaid, at [anaj@acwa.com](mailto:anaj@acwa.com) or (916) 441-4545, if you have any questions concerning the Committee appointment process.

We appreciate your timely attention to this matter.

Thank you,



Kathleen J. Tiegs  
ACWA President



# COMMITTEE INFORMATION

ACWA is currently accepting committee considerations for the 2018-2019 Term. Members interested in serving on an ACWA Committee are encouraged to review the information on ACWA's How to Get Involved in a Committee webpage.

## Business Development Committee

The Business Development Committee develops and recommends to the Board of Directors programs and activities to be provided or administered by the association that generate non-dues revenue and provide a service or benefit to association members.

## Communications Committee

The Communications Committee makes recommendations to the Board of Directors and ACWA staff regarding communications and public affairs programs. The committee promotes sound public information and education programs and practices among member agencies. It prepares and distributes materials for use by member agencies in their local outreach efforts. It also provides input and guidance to ACWA's Communications Department.

## Energy Committee

The Energy Committee recommends policies and program to the Board of Directors, the State Legislative Committee and the Federal Affairs Committee as appropriate.

## Executive Committee

The Executive Committee is comprised of the president of the association, the vice president, the most immediate active past president, the chair of the Finance Committee, and three at-large representatives selected from and by the members of the Board of Directors. The Executive Committee is responsible for supporting the Board, consistent with procedures established by Bylaws, to perform personnel actions, act between meetings, and perform other duties specifically delegated by the Board.

The Executive Committee members are:

Kathleen J. Tiegs, Cucamonga Valley WD, ACWA president

Brent Hastey, Yuba County WA, ACWA vice president

John Coleman, East Bay MUD, immediate past president

Gary Arant, Valley Center MWD, Energy Committee chair

Rick Gilmore, Byron-Bethany ID, Business Development Committee chair

Matthew Hurley, Angiola WD, Region 6 chair

Tom Scaglioni, Vallecitos WD, Finance Committee chair

## Federal Affairs Committee

The Federal Affairs Committee coordinates with other ACWA committees regarding input on federal issues before both Congress and the federal administrative branches.

## Finance Committee

The Finance Committee makes recommendations to the Board of Directors regarding annual budgets, investment strategies, annual audits and auditor selection, dues formula and schedule, and other financial matters.

## Groundwater Committee

The Groundwater Committee makes recommendations to the Board of Directors on groundwater policy issues. The committee also monitors state and federal regulations and legislation affecting the quality and management of groundwater, conducts studies and gathers data on groundwater issues, develops policies regarding groundwater management and coordinates with other committees on groundwater issues.

## Legal Affairs Committee

The Legal Affairs Committee acts on requests for assistance on legal matters of significance to ACWA member agencies. It also reviews proposed ACWA bylaw revisions and works with staff to produce publications to assist member agencies in complying with state and federal laws. The committee files amicus curiae filing on important cases, comments on proposed regulations and guidelines of state agencies such as the Fair Political Practices Commission and monitors and engages in water rights waters of interest to member agencies.

## Local Government Committee

The Local Government Committee makes recommendations to the Board of Directors and the State Legislative Committee on local government matters affecting water agencies, including planning issues, local government organization, and finance. The committee also gathers and disseminates information on the value of special districts, and shares information promoting excellence in local government service delivery.

## Membership Committee

The Membership Committee makes recommendations to the Board of Directors regarding membership policies, eligibility and applications for membership. The committee assists staff in developing

membership recruitment and retention programs and reviews and makes recommendations to the Finance Committee regarding an equitable dues structure.

## State Legislative Committee

The 40-member State Legislative Committee, comprised of four members from each of ACWA's 10 Regions, sets official state legislative policy positions on behalf of ACWA. Committee members review relevant introduced and amended legislation, and develop positions and provide recommendations to the Board of Directors on ballot measures and other major statewide policy issues. The committee also works with staff amendments to bills and provides director for staff on legislative matters.

## Water Management Committee

The Water Management Committee makes recommendations to the Board of Directors on policy and programs related to water management. The committee reviews and recommendation positions on legislation and regulations as requested by other committees. The committee also assists in gathering and disseminating information regarding agricultural and urban water management, water conservation and water use efficiency, development and use of water resources, wastewater treatment and water recycling and reuse.

## Water Quality Committee

The Water Quality Committee makes recommendations to the Board of Directors, the State Legislative Committee and the Federal Affairs Committee on policy and program regarding water quality issues. The committee promotes cost-effective state and federal water quality regulations and provides a forum for members to work together to develop and present unified comments on water quality regulations. The committee also develops and recommends positions and testimony on water quality regulatory issues.

**VWD DIRECTOR'S COMPENSATION FOR April - June 2017**

Payments from EWA (Encina Wastewater Authority)

<u>VENDOR</u>	<u>NAME</u>	<u>EWA DATE</u>	<u>CHECK NO</u>	<u>INVOICE NET</u>	<u>DESCRIPTION</u>
2212	CRAIG ELITHARP	4/1/2017	1442	182.00	BOD MEETING 04/26/17
2212	CRAIG ELITHARP	4/10/2017	1417	182.00	PFC MEETING 4/11/17
2212	CRAIG ELITHARP	5/1/2017	1495	182.00	BOD MEETING 05/24/17
2212	CRAIG ELITHARP	6/21/2017	1538	182.00	BOD MEETING 06/28/17
			Meetings Only	<u>728.00</u>	
2028	JIM HERNANDEZ	4/1/2017	184569	182.00	BOD MEETING 04/26/17
2028	JIM HERNANDEZ	4/10/2017	184490	182.00	CIC MEETING 4/19/17
2028	JIM HERNANDEZ	4/10/2017	184490	182.00	GM REVIEW 4/10/17
2028	JIM HERNANDEZ	5/1/2017	184719	182.00	BOD MEETING 05/24/17
2028	JIM HERNANDEZ	5/1/2017	184641	182.00	CIC MEETING 5/17/17
			Meetings Only	<u>910.00</u>	

VALLECITOS WATER DISTRICT  
Board of Directors Per Diem and Expenses (1)  
April 1, 2017 through June 30, 2017

Director Meeting/Seminar	Per Diem		Meeting				Reimbursements		Total
	#	Payments	Benefits	Registration	Travel	Lodging	Meals	Other Agencies	
<b>ELITHARP, Craig</b>									
Paid by VWD:									
VWD Meetings	17	\$ 3,400.00	-	-	-	-	54.93	-	\$ 3,454.93
ACWA	5	1,000.00	-	-	358.60	915.08	154.54	-	2,428.22
CA Water Policy conf #26	2	400.00	-	-	81.66	-	-	-	481.66
CASA	2	400.00	-	-	-	-	-	-	400.00
COWU - Council of Water Utilities	3	600.00	-	75.00	66.08	-	-	-	741.08
SDNEDC	1	200.00	-	-	-	-	-	-	200.00
Group Insurance.	-	-	271.14	-	-	-	-	-	271.14
Paid by VWD - EWA pmt differential	-	-	-	-	-	-	-	-	-
<b>Paid by EWA - Encina JPA</b>	<b>4</b>	<b>728.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>728.00</b>
	<b>34</b>	<b>\$ 6,728.00</b>	<b>\$ 271.14</b>	<b>\$ 75.00</b>	<b>\$ 506.34</b>	<b>\$ 915.08</b>	<b>\$ 209.47</b>	<b>\$ -</b>	<b>\$ 8,705.03</b>
<b>EVANS, Betty</b>									
Paid by VWD:									
VWD Meetings	2	\$ 400.00	-	-	-	-	31.87	-	\$ 431.87
COWU - Council of Water Utilities	-	-	-	50.00	33.04	-	-	-	83.04
CSDA - CA Special Districts Assoc	-	-	-	30.00	-	-	-	-	30.00
North County Group - Rincon	1	200.00	-	-	-	-	-	-	200.00
Group Insurance.	-	-	2,200.14	-	-	-	-	-	2,200.14
Paid by VWD - COWU pmt differential	-	50.00	-	-	-	-	-	-	50.00
Paid by VWD - SDCWA pmt differential	-	50.00	-	-	-	-	-	-	50.00
Paid by SDCWA (2)	-	-	-	-	-	-	-	-	-
	<b>3</b>	<b>\$ 700.00</b>	<b>\$ 2,200.14</b>	<b>\$ 80.00</b>	<b>\$ 33.04</b>	<b>\$ -</b>	<b>\$ 31.87</b>	<b>\$ -</b>	<b>\$ 3,045.05</b>
<b>HERNANDEZ, James</b>									
Paid by VWD:									
VWD Meetings	9	\$ 1,800.00	-	-	-	-	50.66	-	\$ 1,850.66
ACWA	5	1,000.00	-	-	213.60	1,404.04	194.19	-	2,811.83
Boys & Girls Club Auction	-	-	-	150.00	-	-	-	-	150.00
Boys & Girls Club Auction-Refunded	-	-	-	(150.00)	-	-	-	-	(150.00)
CASA	-	-	-	550.00	-	-	-	-	550.00
COWU - Council of Water Utilities	2	400.00	-	75.00	49.29	-	-	-	524.29
CSDA - CA Special Districts Assoc	1	200.00	-	30.00	30.03	-	-	-	260.03
NSDRWG leg. Outreach	3	600.00	-	-	952.73	1,202.26	45.04	-	2,800.03
SDNEDC	1	200.00	-	157.00	7.81	-	-	-	364.81
WateReuse	-	-	-	-	136.13	-	-	-	136.13
Group Insurance	-	-	5,813.52	-	-	-	-	-	5,813.52
Paid by VWD - EWA pmt differential	-	-	-	-	-	-	-	-	-
<b>Paid by EWA - Encina JPA</b>	<b>5</b>	<b>910.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>910.00</b>
	<b>26</b>	<b>\$ 5,110.00</b>	<b>\$ 5,813.52</b>	<b>\$ 812.00</b>	<b>\$ 1,389.59</b>	<b>\$ 2,606.30</b>	<b>\$ 289.89</b>	<b>\$ -</b>	<b>\$ 16,021.30</b>
<b>MARTIN, Hal</b>									
Paid by VWD:									
VWD Meetings	12	\$ 2,400.00	-	-	-	-	37.68	-	\$ 2,437.68
ACWA	8	1,600.00	-	-	348.60	1,137.05	60.65	-	3,146.30
Boys & Girls Club Auction	-	-	-	150.00	-	-	-	-	150.00
CA Water Policy conf #26	2	400.00	-	-	81.66	-	22.00	-	503.66
CASA	-	-	-	550.00	-	-	-	-	550.00
COWU - Council of Water Utilities	3	600.00	-	75.00	49.56	-	-	-	724.56
CSDA - CA Special Districts Assoc	1	200.00	-	30.00	30.03	-	-	-	260.03
SDNEDC	2	400.00	-	7.00	13.70	-	-	-	420.70
UWI - Urban Water Institute	-	-	-	375.00	-	-	-	-	375.00
WateReuse	2	400.00	-	-	-	-	-	-	400.00
Group Insurance.	-	-	1,780.32	-	-	-	-	-	1,780.32
	<b>30</b>	<b>\$ 6,000.00</b>	<b>\$ 1,780.32</b>	<b>\$ 1,187.00</b>	<b>\$ 523.55</b>	<b>\$ 1,137.05</b>	<b>\$ 120.33</b>	<b>\$ -</b>	<b>\$ 10,748.25</b>
<b>SANELLA, Mike</b>									
Paid by VWD:									
VWD Meetings	10	\$ 2,000.00	-	-	-	-	43.08	-	\$ 2,043.08
Boys & Girls Club Auction	-	-	-	150.00	-	-	-	-	150.00
COWU - Council of Water Utilities	1	200.00	-	50.00	16.52	-	-	-	266.52
CSDA - CA Special Districts Assoc	-	-	-	255.00	383.23	530.38	48.29	-	1,216.90
SDNEDC	2	400.00	-	150.00	2.57	-	-	-	552.57
Group Insurance.	-	-	1,780.32	-	-	-	-	-	1,780.32
	<b>13</b>	<b>\$ 2,600.00</b>	<b>\$ 1,780.32</b>	<b>\$ 605.00</b>	<b>\$ 402.32</b>	<b>\$ 530.38</b>	<b>\$ 91.37</b>	<b>\$ -</b>	<b>\$ 6,009.39</b>
<b>TOTALS</b>	<b>106</b>	<b>\$21,138.00</b>	<b>\$11,845.44</b>	<b>\$ 2,759.00</b>	<b>\$ 2,854.84</b>	<b>\$ 5,188.81</b>	<b>\$ 742.93</b>	<b>\$ -</b>	<b>\$44,529.02</b>

(1) Includes both expenses paid directly by the Agencies and reimbursements of expenses paid by Board members.

Presented in accordance with ordinance number 194, effective 5/17/2015. (Board per Diem, \$200/meeting)

(2) SDCWA payments to Dir. Evans for this report period have not been published in time to be included on this report.