

AGENDA FOR A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, NOVEMBER 15, 2017, AT 5:00 P.M.
AT THE DISTRICT OFFICE
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

CALL TO ORDER – PRESIDENT ELITHARP

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 NOVEMBER 15, 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. 4-16)

- A. LEGAL/LEGISLATIVE COMMITTEE MEETING – OCTOBER 30, 2017
- B. FINANCE/INVESTMENT COMMITTEE MEETING – OCTOBER 31, 2017
- C. CLOSED SESSION BOARD MEETING – NOVEMBER 1, 2017
- D. REGULAR BOARD MEETING – NOVEMBER 1, 2017
- E. LEGAL/LEGISLATIVE COMMITTEE MEETING – NOVEMBER 7, 2017

Approved minutes become a permanent public record of the District.

Recommendation: Approve Minutes

1.2 WARRANT LIST THROUGH NOVEMBER 15, 2017 – \$1,392,877.22 (pp. 17-20)

Recommendation: Approve Warrant List

1.3 FINANCIAL REPORTS (pp. 21-32)

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

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

ACTION ITEMS

2.1 NOTICE OF PREPARATION FOR A DRAFT PROGRAM ENVIRONMENTAL IMPACT REPORT FOR THE 2017 WATER, WASTEWATER AND RECYCLED WATER MASTER PLAN (pp. 33-38)

A Notice of Preparation is intended to make the public aware that the impacts of the 2017 Master Plan will be evaluated in the Program Environmental Impact Report.

Recommendation: Approve initiation of the 30-day public review period for the Notice of Preparation of a draft Program Environmental Impact Report Supplement

2.2 DISTRICT POLICY FOR BILLING ADJUSTMENTS (pp. 39)

This item was placed on the agenda at Director Martin's request.

Recommendation: For Board discussion

*****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. 40-42)

Recommendation: For Information Only

4.2 MEETINGS (pp. 43)

SDNEDC North County Business Breakfast

December 6, 2017 – California State University San Marcos

*****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

AFFIDAVIT OF POSTING

I, Diane Posvar, Executive Secretary of the Vallecitos Water District, hereby certify that I caused the posting of this Agenda in the outside display case at the District office, 201 Vallecitos de Oro, San Marcos, California by 5:30 p.m., Thursday, November 9, 2017.

Diane Posvar

MINUTES OF A MEETING OF THE
LEGAL/LEGISLATIVE COMMITTEE
OF THE VALLECITOS WATER DISTRICT
MONDAY, OCTOBER 30, 2017 AT 4:00 P.M.
AT THE DISTRICT OFFICE, 201 VALLECITOS DE ORO,
SAN MARCOS, CALIFORNIA

Director Sannella called the meeting to order at the hour of 4:00 p.m.

Present: Director Martin
 Director Sannella
 General Manager Pruim
 Administrative Secretary Johnson

ITEM(S) FOR DISCUSSION

REVIEW PROCESS FOR LEGAL SERVICE PROPOSALS

General Manager Pruim stated the Request for Proposal (RFP) for legal services was sent to ten law firms. The deadline for submitting proposals was 5:00 p.m. Friday, October 27. Five firms submitted proposals: Procopio, Cory, Hargreaves & Savitch, LLP; Scott Jackson Law; Best, Best & Krieger; Nossaman, LLP; and Atkinson, Andelson, Loya, Ruud & Romo. A representative of Rutan & Tucker had indicated to General Manager Pruim that they would be submitting a proposal, but it has not been received. Copies of the RFP and proposals were provided to the Committee.

General discussion took place as to how to proceed with the screening process, establishing criteria, possibly assigning point values or a weighting system, or even the need for a detailed preliminary screening since only five proposals were received. Director Sannella suggested a spreadsheet comparison of the five firms be created to include basic information such as hourly rates, overall costs, retainers if applicable, their current clients, and the name of the attorney designated to represent the District. Director Martin concurred with Director Sannella and stated he would like to review all five firms before making a recommendation to the Board. If questions arise after the review, those questions could be submitted to the candidate firms for clarification.

General discussion took place regarding the locations of the firms and their ability to respond timely to the District's needs, and the interview process. The most important factor identified was to interview the attorney designated to represent the District.

A timeline for the selection process was discussed. Director Sannella requested a week to review the proposals and suggested the Committee meet again in November to review their notes, questions, and a comparison of the firms. General Manager Pruim estimated contract approval in December with the selected firm to be on board the first part of January 2018. Board meetings are scheduled for November 1, November 15,

and December 6. The December 20 Board meeting will most likely be cancelled per District protocol. A Special Board meeting may be necessary. Timing of the interviews will have to take into consideration the Board's availability, the attorneys' schedules, and the upcoming holidays. He suggested the Committee make their recommendation to the Board within two weeks, if possible.

General Manager Pruim will create a spreadsheet comparison of the firms to be reviewed at the next Committee meeting.

General Manager Pruim is also preparing information per Director Martin's request on how much the District has been charged by the District's current legal counsel for 1) the cost of Lake San Marcos litigation; 2) the cost of litigation in general; and 3) non-litigation costs such as attending Board meetings, providing legal advice, and reviewing contracts.

The consensus of the Committee was to meet on Tuesday, November 7 at 4:00 p.m. to determine if there are any additional questions to be asked of the law firms, possibly narrowing the field of firms to be considered and determine the next step in the process.

General discussion took place regarding the interview panel. District Engineer Gumpel and Administrative Services Manager Emmanuel were selected to be included in the preliminary screening process as well as the interview panel.

OTHER BUSINESS

None.

PUBLIC COMMENT

None.

ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at the hour of 4:47 p.m.

MINUTES OF A MEETING OF THE
FINANCE/INVESTMENT COMMITTEE
OF THE VALLECITOS WATER DISTRICT
TUESDAY, OCTOBER 31, 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 3:04 p.m.

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

ITEM(S) FOR DISCUSSION

PLANNING FOR FUTURE COMMITTEE MEETINGS

Director Martin requested Return on Investment information be included in staff reports to the Board and in the budget process for expenditures such as replacing systems or vehicles.

The following topics for future meetings were discussed:

- Purchases/finance-related items should be discussed at a Committee meeting before the items are placed on a Board agenda as a sort of “pre-Board” meeting. The types of purchases or threshold of fiscal impact this would pertain to were identified to be unordinary or infrequent expenses.
- Determine how to collect and analyze more data to increase efficiency, innovation and cost efficacy. Identify trending of reoccurring expenses on the warrants list.
- Updates concerning interest earned on the District’s investments and savings
- OPEB and PERS
- MOU negotiations
- Analysis of outsourced IT supervisor position
- District property assets
- Review of warrants list
- Energy analysis
- Desal
- Reserve policy
- Debt planning

General Manager Pruim will prioritize the topics for discussion at future meetings. OPEB and PERS will be discussed at the next Committee meeting unless something of a more urgent nature is necessary.

The consensus of the Committee was to tentatively hold regular monthly meetings on the fourth Thursday of each month.

OTHER BUSINESS

Director Martin commented on the lobby posters that were produced for the District's Water Academy Tour, expressing his concern that the average customer may not understand some of the information contained in the poster. He recommended staff ask non-water industry folks to review outreach materials for comprehension.

PUBLIC COMMENT

Mike Hunsaker, member of the public, commented on the lobby poster and a presentation he saw regarding pensions at a San Marcos City Council meeting.

ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at the hour of 4:13 p.m.

MINUTES OF A CLOSED SESSION MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, NOVEMBER 1, 2017, AT 4:30 PM AT THE DISTRICT OFFICE,
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

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

Director Evans led the pledge of allegiance.

Present: Director Evans
Director Hernandez
Director Martin
Director Sannella
Director Elitharp

Staff Present: General Manager Pruiam
Legal Counsel Scott
Executive Secretary Posvar

ADOPT AGENDA FOR THE CLOSED SESSION MEETING OF NOVEMBER 1, 2017

17-11-01 MOTION WAS MADE by Director Martin, seconded by Director Sannella, and carried unanimously, to adopt the agenda for the Closed Session Meeting of November 1, 2017.

PUBLIC COMMENT

None.

CLOSED SESSION

17-11-02 MOTION WAS MADE by Director Hernandez, seconded by Director Sannella, and carried unanimously, to move into Closed Session pursuant to Government Code Sections 54956.9, 55956.9(d)(2) and 54957.95.

CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9 – EXISTING LITIGATION

A. Citizens Development Corporation vs. County of San Diego et. al.
United States District Court, Southern District of California
Case No. 12-CV-0334 IEG (KSC)

The Board in Closed Session discussed the status of the Citizens Development Corporation vs. County of San Diego case.

CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 55956.9 (d) (2) – CONFERENCE WITH LEGAL COUNSEL CONCERNING EXISTING LITIGATION

San Diego County Office of Education, et. al. vs. County of San Diego, et. al.
Sacramento Superior Court
Case No. 37-2017-00019775-CU-MW-CTL

The Board in Closed Session discussed the status of the San Diego County Office of Education vs. County of San Diego case.

CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957.95 –
CONFERENCE WITH LABOR NEGOTIATOR

Employee Organization: Vallecitos Employees Association

Agency Designated Representative: General Manager Glenn Pruim

The Board in Closed Session discussed the status of labor issues with its agency designated representative.

REPORT AFTER CLOSED SESSION

The Board reconvened to Open Session at the hour of 4:58 p.m.

ADJOURNMENT

There being no further business to discuss, President Elitharp adjourned the Closed Session Meeting of the Board of Directors at the hour of 4:59 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, November 1, 2017 at 5:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.

Craig Elitharp, President
Board of Directors
Vallecitos Water District

ATTEST:

Glenn Pruim, Secretary
Board of Directors
Vallecitos Water District

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, NOVEMBER 1, 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 Evans
Director Hernandez
Director Martin
Director Sannella

Staff Present: General Manager Pruum
Assistant General Manager Scaglione
Legal Counsel Scott
District Engineer Gumpel
Operations & Maintenance Manager Pedrazzi
Capital Facilities Senior Engineer Hubbard
Development Services Senior Engineer Scholl
Capital Facilities Engineer Santos
Accounting Supervisor Owen
Public information/Conservation Supervisor Robbins
Financial Analyst Arthur
Systems Administrator Drummond
Executive Secretary Posvar

ADOPT AGENDA FOR THE REGULAR MEETING OF NOVEMBER 1, 2017

President Elitharp stated he received a request to remove Item 2.2 from the agenda.

17-11-03 MOTION WAS MADE by Director Martin, seconded by Director Evans, and carried unanimously, to adopt the agenda for the Regular Board Meeting of November 1, 2017 as amended with the removal of Item 2.2 – California Department of Food and Agriculture Public Forum on “Managed Groundwater Recharge to Support Sustainable Water Management”.

PRESENTATIONS

Public Information/Conservation Supervisor Robbins presented the “Imagine a Day Without Water” video. The video was created by staff, joining over 700 organizations on October 12 to participate in the nationwide Imagine a Day Without Water event - a day of education and advocacy about the value of water.

Public information/Conservation Supervisor Robbins presented feedback received from attendees of the District’s Water Academy Tour held on October 19, 2017, as well as a video of the tour.

PUBLIC COMMENT

Mike Hunsaker, member of the public, addressed the Board regarding the Finance/Investment Committee meeting he attended. He commented on topics discussed at the meeting such as the pension fund and an inventory of District owned property. He encouraged the Board to hold workshop meetings regarding the pension fund and bonds.

A representative from Senator Joel Anderson's office addressed the Board and distributed invitations for the Board to attend the Holiday Legislative Open House on December 12 at Toyota of El Cajon. Attendees will have the opportunity to meet with Senator Anderson to discuss legislative issues.

CONSENT CALENDAR

Director Martin requested Item 1.1A be pulled from the consent calendar for discussion.

17-11-04 MOTION WAS MADE by Director Martin, seconded by Director Sannella, and carried unanimously, to approve Items 1.1B, 1.2, 1.3, 1.4 and 1.5 of the Consent Calendar as presented.

1.1 Approval of Minutes

B. Regular Board Meeting – October 18, 2017

1.2 Warrant List through November 1, 2017 - \$5,116,835.18

1.3 Construction Contract Award for Nursery Valve Relocation

1.4 Approval of Construction Agreement for Palisades Estates, APN's 172-110-07, 08, 35 & 174-260-03, 04, 09 & 22 (Program Resources, Inc.)

1.5 Purchase of Nimble Storage for Computer Servers

Discussion of Item 1.1A took place as follows:

1.1 Approval of Minutes

A. Public Awareness/Personnel/Policy Committee Meeting – October 16, 2017

Director Martin stated the Board had directed the Public Awareness/Personnel/Policy Committee to review a billing issue that was to be brought back to the Board for further discussion. Director Hernandez stated he had misunderstood the Board's directive.

General discussion took place. During general discussion, General Manager Prui clarified that the billing issue Director Martin was referring to was related to a billing error. The issue has not been resolved. Director Evans further clarified that the Committee discussed the billing error as a matter of practice and not policy, making sure the proper procedures were followed, and did not make a decision concerning the error.

The billing issue will be placed on a future Board agenda for further discussion of the issue itself and policy.

17-11-05 MOTION WAS MADE by Director Martin, seconded by Director Sannella, and carried unanimously, to approve Item 1.1A of the Consent Calendar as presented.

ACTION ITEMS

COMMUNICATIONS SITE LICENSE AGREEMENT WITH THE REGENTS OF THE UNIVERSITY OF CALIFORNIA FOR THE INSTALLATION, USE, MAINTENANCE AND REPAIR OF RADIO COMMUNICATION FACILITIES

Operations & Maintenance Manager Pedrazzi stated the District was approached by a representative for The Regents of the University of California requesting the installation of radio communication facilities at the Coronado Hills Tank. The Board approved the same agreement with the County of San Diego in May of 2015; however, the contract was never signed by the County. The radio communication facilities would become part of a network which includes the University of California San Diego's High Performance Wireless Research and Education Network infrastructure project for the benefit of public safety communities, especially firefighters in San Diego County in their function as first responders.

General discussion took place.

Staff recommended the Board authorize the execution of a communications site license agreement with The Regents of the University of California for the installation, use, maintenance, and repair of radio communication facilities on the Coronado Hills Tank site.

Mike Hunsaker, member of the public, addressed the Board asking if there is an existing emergency-powered generator system at the Coronado Hills Tank site and requested more information regarding hazardous materials at the site and how the equipment was to be powered.

Operations & Maintenance Manager Pedrazzi stated there is no emergency generator, hazardous material, or fuel of any kind at the site. A portable battery pack is available for backup power and electrical power runs up to the repeater at the top of the hill.

17-11-06 MOTION WAS MADE by Director Sannella, seconded by Director Hernandez, and carried unanimously, to authorize the execution of the communications site license agreement with the Regents of the University of California.

MEETING WITH STATE SENATOR JOEL ANDERSON TO DISCUSS LEGISLATIVE ISSUES

General Manager Pruim stated the meeting with Senator Anderson on November 2 is not on the approved list of organizations for which meetings are considered compensable under District Ordinance No. 203; therefore, approval for per diem and expense reimbursement is required.

17-11-07 MOTION WAS MADE by Director Sannella, seconded by Director Martin, and carried unanimously, to authorize per diem and mileage reimbursement for attendance to the meeting with Senator Joel Anderson.

REPORTS

GENERAL MANAGER

General Manager Pruim reported that repairs will be made to a service leak along Travelers Way in San Marcos on the evening of November 2. No impact to traffic on San Marcos Boulevard is anticipated.

DISTRICT LEGAL COUNSEL

Legal Counsel Scott reported that the California Supreme Court granted the City of Oroville's petition for review of the lower court's ruling. The case involves a sewage back-up from the City's sewer main through a private lateral of an office building. The lower court found the City liable for inverse condemnation despite the fact that the building owner had failed to install a backwater valve which was required by a District Ordinance.

SAN DIEGO COUNTY WATER AUTHORITY

Director Evans stated the majority of the SDCWA Board meeting took place in closed session. SDCWA expects to work cooperatively with Metropolitan Water District to try to settle the lawsuit.

ENCINA WASTEWATER AUTHORITY

Director Hernandez stated the Capital Improvement Committee will meet on November 8.

Director Elitharp stated the Policy & Finance Committee will meet on November 7.

STANDING COMMITTEES

Director Sannella stated that at their meeting on October 30, the Legal/Legislative Committee was provided with proposals for legal services received from five law firms. The Committee will discuss the proposals and next steps of the selection process at their November 7 meeting.

Director Martin reported the Finance/Investment Committee met on October 31 to discuss future planning for the Committee.

Director Hernandez stated the Engineering/Equipment Committee will meet on November 13.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

Directors Martin and Hernandez reported on their attendance to the District's Water Academy Tour on October 19 and the San Diego North Economic Development Council monthly meeting on October 25.

OTHER BUSINESS

None.

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

None.

ADJOURNMENT

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

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, November 15, 2017, at 5:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.

Craig Elitharp, President
Board of Directors
Vallecitos Water District

ATTEST:

Glenn Pruiam, Secretary
Board of Directors
Vallecitos Water District

MINUTES OF A MEETING OF THE
LEGAL/LEGISLATIVE COMMITTEE
OF THE VALLECITOS WATER DISTRICT
TUESDAY, NOVEMBER 7, 2017 AT 4:00 P.M.
AT THE DISTRICT OFFICE, 201 VALLECITOS DE ORO,
SAN MARCOS, CALIFORNIA

Director Sannella called the meeting to order at the hour of 4:00 p.m.

Present: Director Martin
 Director Sannella
 General Manager Pruim
 Administrative Secretary Johnson

ITEM(S) FOR DISCUSSION

REVIEW PROCESS FOR LEGAL SERVICE PROPOSALS

General Manager Pruim distributed a comparison chart of legal service proposals received from the five legal firms under consideration which provided the basis for a general discussion on hourly rates, billing hours, retainer fees, location of the firms, the District's current legal counsel, and possible interview questions.

During general discussion, one of the five firms was eliminated from further consideration due to their lack of experience in the water industry, no knowledge of their general counsel, and their physical location. Director Sannella will report to the Board the Committee's recommendation that the Board consider the remaining four firms.

Director Sannella requested General Manager Pruim provide information on a ten-year trend of the current legal counsel's fees for general services. General Manager Pruim commented on a survey comparing VWD's and other districts' legal expenses that he had seen, and he will provide that information to the Committee as well. Director Martin requested information as to who initiated the survey and when it was conducted.

The Committee discussed the process for the Board to interview the candidate firms, suggesting the interviews be conducted over two half days, allowing 1 1/2 to 2 hours per interview. General Manager Pruim stated the goal of approving a contract by December 20 may be too ambitious as interviews need to be conducted, a firm selected and a contract will need to be negotiated. Interviews could be conducted in early December and hopefully a decision made before the end of the year. Director Martin suggested General Manager Pruim schedule breakfast and lunch meetings with the candidate firms on the day of their interviews to get to know the firms individually, and recommended Administrative Services Manager Emmanuel and District Engineer Gumpel attend those meetings as well.

General discussion took place regarding possible terms of a contract for legal services.

The consensus of the Committee was to recommend the following to the Board:

- Four of the five firms be interviewed;
- Allow 1 1/2 to 2 hours for each firm;
- Conduct the interviews over two half days;
- The firms should be required to bring their general counsel and may bring up to three additional staff to the interview; and
- District staff should be involved in the interviews and possibly before/after the interviews.

General Manager Pruim will provide the Committee with ten-year trending of the District's legal expenses, separating costs related to lawsuits from general legal counsel if possible, and a survey comparing VWD's legal expenses compared to other districts.

OTHER BUSINESS

None.

PUBLIC COMMENT

None.

ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at the hour of 5:00 p.m.

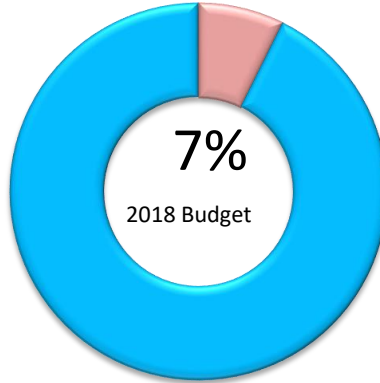
**VALLECITOS WATER DISTRICT
DISBURSEMENTS SUMMARY
October 31, 2017**

Summary

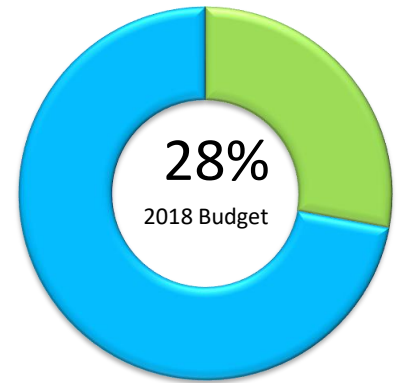
October Disbursements	\$	5,113,899 *
YTD Disbursements	\$	19,453,976 *
FY2018 Budget	\$	69,615,000

* Excludes Debt Service

October



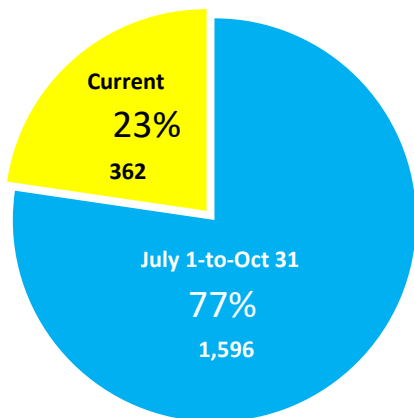
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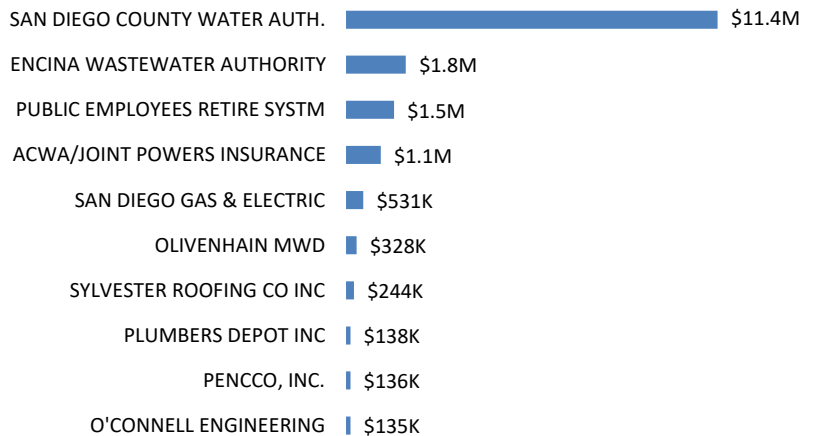
Disbursements by Month



Invoices Processed



Top 10 Vendors - FYTD



VALLECITOS WATER DISTRICT
WARRANTS LIST
November 15, 2017

PAYEE	DESCRIPTION	CHECK#	AMOUNT
CHECKS			
Garnishments	Payroll Garnishments	112218 through	112220 -
AGB	Annual Seismic Preventative Maintenance	112221	4,552.55
Bridget Anderson	PELRAC Conference 10-4-17	112222	190.32
AT&T	Phone Svc Sept	112223	42.03
AT&T	Phone Svc SCADA Oct	112224	244.61
Automated Water Treatment	Calcium Hypochlorite Tablets	112225	3,471.29
Bentley Systems Inc	Water Gems Subscription July - Sept	112226	3,208.25
Boris & Marsha Siegal	Closed Account Refund	112227	53.19
California Special Dist Assn.	Meeting 11-16-17 - Hernandez, Martin, Sannella	112228	90.00
Capital One Commercial DBA Costco	Office Supplies Oct	112229	851.12
Common Sense Solutions, Inc.	Generator Housing Roof Repair - MRF	112230	6,934.00
Country Estates	Deposit Refund Prj 20151-862	112231	975.41
County of San Diego	District Wide Facility Permits 17-18	112232	2,471.00
Craig Elitharp	COWU Meeting 10-17-17	112233	16.52
CWEA	Membership Renewal D Saavedra	112234	180.00
Dan Trybulski	Closed Account Refund	112235	17.77
Dane Bustrum	Closed Account Refund	112236	115.73
Dawnyel & John Debrun	Closed Account Refund	112237	143.54
Deep Mainline Tools	Vactor Tools - Replacements	112238	1,723.23
DirecTV Inc	Satellite Svc Nov	112239	69.54
Dive/Corr Inc	2017 Reservoir Inspections 6	112240	18,000.00
DLT Solutions LLC	Auto Cad Subscription 17-18	112241	2,652.66
EDCO Waste & Recycling Serv	Trash Svc Oct	112242	873.64
Eloisa Ocop	Closed Account Refund	112243	159.93
Rhondi Emmanuel	PELRAC Conference 10-4-17	112244	82.60
Encina Wastewater Authority	Sewer Testing	112245	16,084.00
ESRI Inc	GIS Sewer Upgrade For SQL Server	112246	2,840.00
Betty Evans	COWU Meetings 9-19-17 & 10-17-17	112247	33.04
Ewing Irrigation Products	PVC Supplies	112248	378.14
Ferguson Enterprises, Inc	Water Sampling Station, Air Vac Enclosure	112249	5,527.59
Fisher Scientific LLC	Lab Supplies MRF	112250	149.27
Freedom Automation Inc	Svc Calls - Water Ops 2, San Elijo Hills Pump Station	112251	825.00
G & W Truck Accessories	Hardware Supplies Prj 20171-18	112252	258.60
Hazard Construction Co	Closed Account Refund	112253	785.87
Home Depot Credit Services	Hardware Supplies Oct	112254	686.83
Ignacio Ventura	Closed Account Refund	112255	114.46
Infosend Inc	Support Fee Sept, Postage & Printing Sept & Oct	112256	8,500.79
James & Monique Esmay	Closed Account Refund	112257	248.91
Janice Johnson	Closed Account Refund	112258	82.73
Jessica Ovbiagele	Closed Account Refund	112259	263.47
John & Elizabeth Peck	Overpayment Refund	112260	381.45
John Lohman	Closed Account Refund	112261	150.00
JCI Jones Chemicals Inc	Chlorine	112262	1,944.35
La Moree Project	Deposit Refund Prj 20171-279	112263	2,424.36
Ligia Bowman	Closed Account Refund	112264	23.61
Nancy Dillard	Closed Account Refund	112265	166.95
Ostari Inc	IT Support Sept, Memory & Cables - For Nimble Storage	112266	13,068.99
Parkhouse Tire Inc	Tires 6 For Backhoes 166 & 193	112267	3,712.82
Paul Miller	Closed Account Refund	112268	187.07
Paul Sumner	Closed Account Refund	112269	135.25
PCMG, Inc.	Microsoft Office Annual License Renewal, Additional Licenses Ordered 45	112270	72,144.31
Penco, Inc.	Trioxyn, Sulfend RT	112271	21,880.72
Petty Cash Custodian	Petty Cash	112272	764.52
Pitney Bowes	Postage Meter Refill	112273	1,000.00
Rick Post Welding	Welding Svcs - Lake San Marcos Lift Station, Montiel Lift Station	112274	1,300.00
Premier Wireless Solutions	North & South Pressure Stations - Software Upgrade 20141-8	112275	2,260.43
Rimay Lowe	Claim Settlement	112276	1,586.28
Robert & Leilani Lemon	Closed Account Refund	112277	63.98
Rogers, Anderson, Malody & Scott LLP	Audit Svc FY 17	112278	13,100.00
Ryan Roberts	Closed Account Refund	112279	98.81
SDG&E	Power Sept & Oct	112280	23,917.35
Scada Integrations	SCADA Laptop Set Up - MRF	112281	1,000.00

VALLECITOS WATER DISTRICT
WARRANTS LIST
November 15, 2017

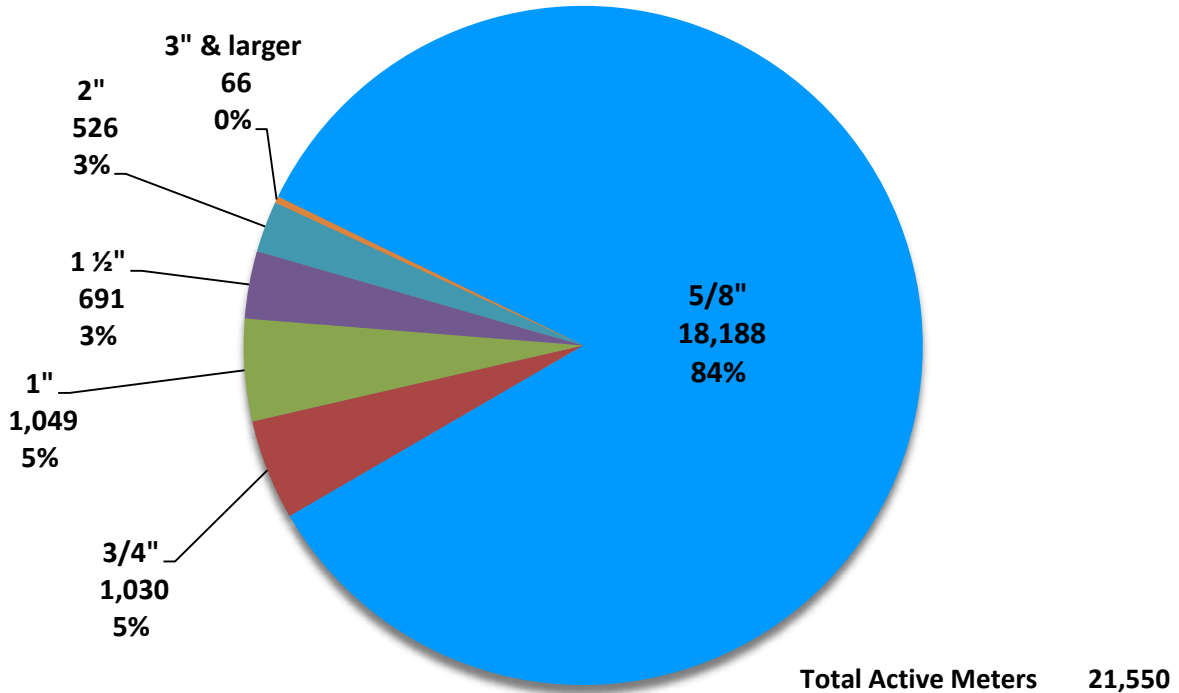
PAYEE	DESCRIPTION	CHECK#	AMOUNT
Schmidt Fire Protection Co Inc	Quarterly Sprinkler Inspection	112282	305.00
Sea Breeze Janitorial	Cleaning Svcs Nov - MRF	112283	553.13
Sean Butland	Closed Account Refund	112284	85.81
Shandell Sosna	Closed Account Refund	112285	150.00
Shred-It US JV LLC	Shredding Svcs Sept	112286	170.12
Smart & Final	Water Academy Supplies Prj 20181-503, Office Supplies	112287	324.11
Southern Counties Lubricants, LLC	Unleaded & Diesel Fuel	112288	24,397.47
Standard Insurance Company	LIFE, ADD, LTD Nov	112289	6,231.94
Staples Advantage	Office Supplies	112290	391.13
Stephen Cheidel & Evelyn Cuevas	Closed Account Refund	112291	10.63
Steve Dagostini Construction	Closed Account Refund	112292	788.50
Test America Laboratories Inc	Water Sampling	112293	932.00
Think Forward, LLC	District Annual Radio Administration Services	112294	2,836.06
Thuy Doan	Closed Account Refund	112295	34.56
Timothy Lawrence	Closed Account Refund	112296	72.69
Total Resource Mgt Inc	Maximo Support Sept	112297	4,417.50
Traffic Supply Inc	Hardware Supplies	112298	8.94
Uline Inc	55 Gallon Fiber Drums 10	112299	523.66
Union Bank FKA 1st Bank Card	Meetings & Travel Oct	112300	1,461.17
Union Bank FKA 1st Bank Card	Meetings & Travel Oct	112301	1,815.08
Union Bank FKA 1st Bank Card	Meetings & Travel Oct	112302	7,969.40
Union Bank FKA 1st Bank Card	Meetings & Travel Oct	112303	513.35
Univar USA Inc	Sodium Hypo Liquichlor, Sodium Bisulfite	112304	3,666.11
UPS	Shipping Svcs Oct	112305	78.39
UPS Freight	Freight Svcs Oct	112306	253.33
Xerox Corporation	Copier Lease Sept	112307	4,863.06
ACWA/Joint Powers Insurance	Group Ins Dec	112308	189,843.27
American Compressor Company	Oil For Blowers - MRF	112309	712.59
Aqua-Metric Sales Co	Meters 5	112310	8,799.97
Black & Veatch Corporation	Water & Sewer Master Plan Prj 20141-3	112311	57,929.80
Boot World Inc	Safety Boots	112312	748.33
CA Dept of Forestry/Fire Protection	Crew Work Sept	112313	2,284.00
Calolympic Safety	Hardware Supplies	112314	113.08
City of Carlsbad	Quarterly Sewer Service	112315	6,674.40
Jeffrey Colwell	Video Production Prj 20181-44	112316	568.75
Core & Main LP	Flushing Meter - Water Ops	112317	699.79
County of San Diego	Recording Fees Aug	112318	2.88
Delbert & Cynthia Milholland	Deposit Refund Prj 20171-225	112319	169.67
Desert Pumps & Parts	Supplies For Pump Rebuild -MRF	112320	602.65
Diversified Waterscapes Inc	South Lake Algae Treatment	112321	18,677.21
Electrical Sales Inc	Hardware Supplies	112322	336.34
Emcor Service	HVAC Preventative Maint, Chilled Water Pumps Piping Repair - Chiller Room	112323	14,364.00
Eurofins Eaton Analytical Inc	Algae Sampling Mahr	112324	210.00
First Call Auto Glass	Windshield Replacement Veh 248, Chip Repair Veh 205	112325	376.58
Fleet Pride	Hardware Supplies	112326	63.04
Grainger Inc	Wire Grates - For Shelving Safety, Hardware Supplies	112327	4,580.49
Haaker Equipment Co.	Vactor 183 Repairs - Water Pump Exchange, Oil Leak Repair	112328	13,567.73
Hach Company	Flow Meter Repair	112329	800.25
Harrington Industrial	Hardware Supplies	112330	89.29
Hollandia Dairy	Deposit Refund Prj 20161-169	112331	1,013.12
Knight Security & Fire Systems	Monitoring, Answering & Patrol Svc Nov	112332	545.61
KRC Rock Inc	Landscaping Supplies Prj 20181-43	112333	44.64
Lawnmowers Plus Inc	Lawnmower Repair & Supplies	112334	507.13
Major League Pest Inc.	Bee Removal	112335	120.00
Marcon Products Inc	Concrete	112336	283.21
Matt Chlor Inc	Water Tank Disinfection Device Prj 20181-37	112337	748.80
McMaster-Carr Supply Co	Hardware Supplies	112338	587.89
Michael Baker International, Inc.	Montiel Outfall Prj 20161-3	112339	28,475.14
Mission Resource Conservation District	Water Use Evaluations 16 Prj 20181-46	112340	1,094.00
Montiel Rd Partners LP	Deposit Refund Prj 20171-211	112341	3,122.63
Northern Tool & Equipment Co Inc	Generator Prj 20181-37	112342	1,849.00
Pacific Pipeline Supply	Ball Valves, Meter Stops	112343	4,270.97
PC Specialists Inc	Mac Book 2 YR Extended Warranty, Computers 3 & Docking Station	112344	3,349.22

VALLECITOS WATER DISTRICT
WARRANTS LIST
November 15, 2017

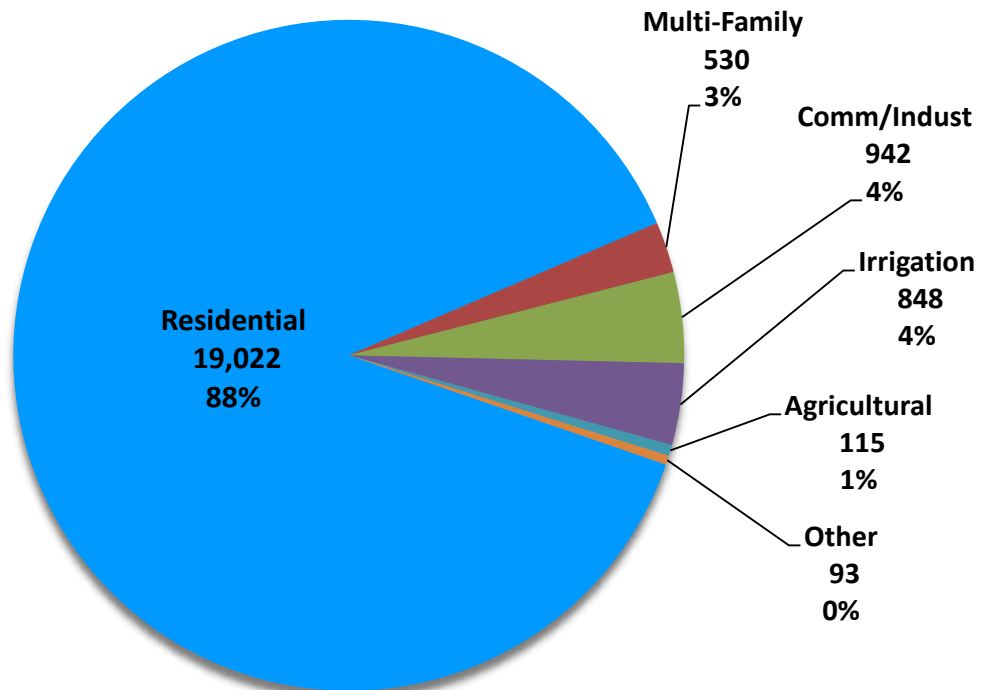
PAYEE	DESCRIPTION	CHECK#	AMOUNT
Plumbers Depot Inc	Hardware Supplies	112345	228.30
Ryan Herco Products Corp.	Replace Pump & Motor - Palos Vista Chlorine Building	112346	558.19
Steven Enterprises Inc	Paper For OCE Printer, Ink For Epsom Plotter	112347	1,366.34
Sylvester Roofing Co Inc	Building B Roof Replacement Prj 20171-3	112348	76,300.00
T.S. Industrial Supply	Suction Hoses 24, Hardware Supplies	112349	825.80
Thyssen Krupp Elevator	Elevator Maintenance Nov - Jan	112350	962.71
Unifirst Corporation	Uniform Delivery	112351	1,428.98
VAP Enterprises Inc	Right of Way Acquisition Prj 20141-695	112352	1,545.00
VWR International	Lab Supplies Water Quality	112353	464.12
Waxie Sanitary Supply	Cleaning Supplies	112354	254.42
West Coast Cabling Inc	Server Rack For Server Room & Network Cable Replacement	112355	7,361.70
Total Disbursements (135 Checks)			<u>767,583.05</u>
WIRES			
CalPERS CERBT	OPEB funding November 27, 2017	Wire	200,000.00
Public Employees Retirement System	Retirement Contribution - November 8, 2017 Payroll	Wire	66,239.20
Total Wires			<u>266,239.20</u>
PAYROLL			
Total direct deposits			Wire 225,353.10
VWD Employee Association		112218	510.00
Garnishments		112219 through 112220	970.14
IRS	Federal payroll tax deposit	Wire	94,482.45
Employment Development Department	California payroll tax deposit	Wire	17,048.42
CalPERS	Deferred compensation withheld	Wire	16,960.45
VOYA	Deferred compensation withheld	Wire	3,730.41
Total November 8, 2017 Payroll Disbursements			<u>359,054.97</u>
 TOTAL DISBURSEMENTS			 <u>1,392,877.22</u>

Vallecitos Water District
 Active Water Meters
 October 31, 2017

Active Meters by Size as of October 31, 2017

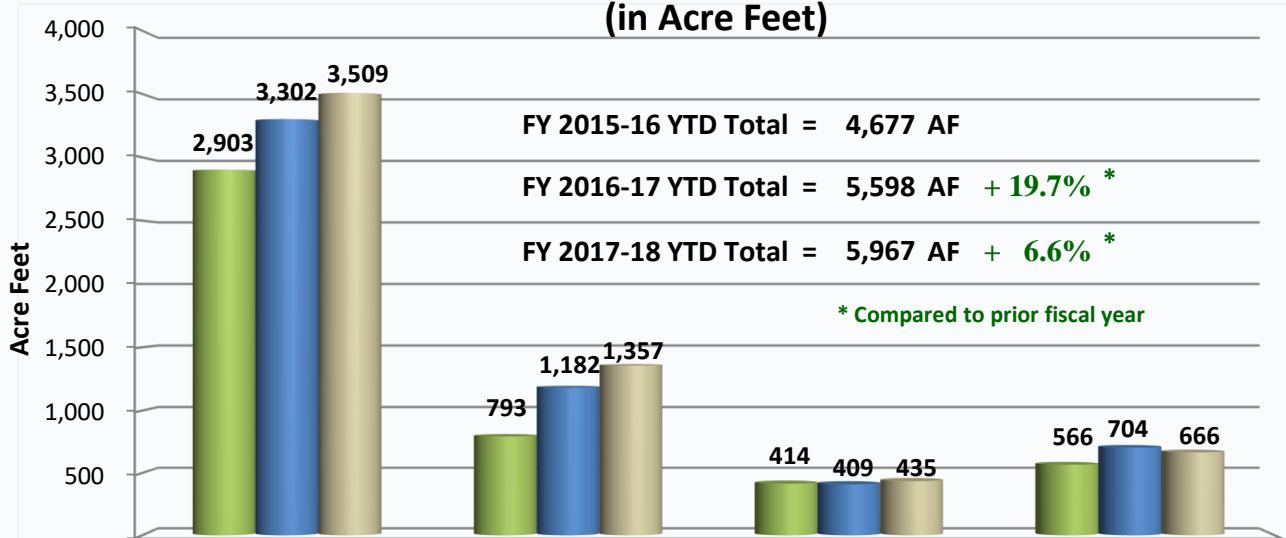


Active Meters by Type as of October 31, 2017



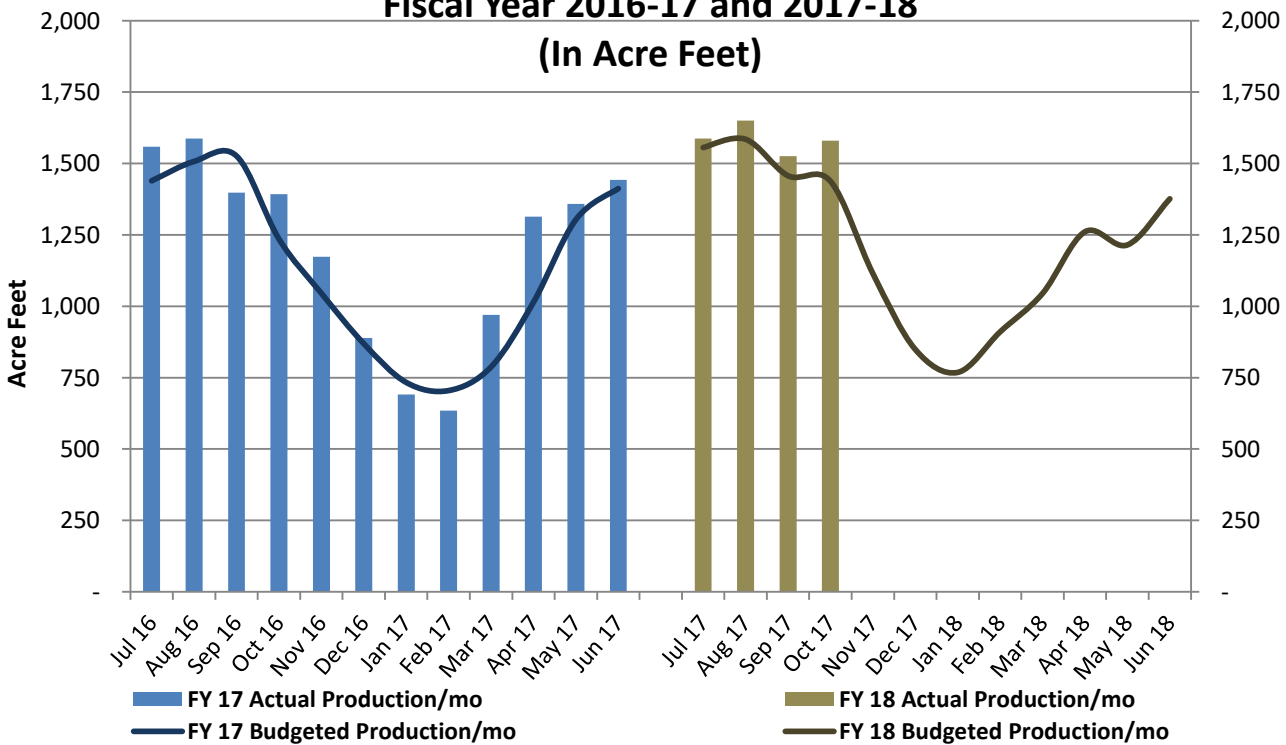
Vallejos Water District
 Water Production/Sales
 October 31, 2017

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	2,903	793	414	566
FY 2016-17	3,302	1,182	409	704
FY 2017-18	3,509	1,357	435	666

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



DATE: NOVEMBER 15, 2017
TO: BOARD OF DIRECTORS
SUBJECT: MONTHLY FINANCIAL REPORTS

BACKGROUND:

The Monthly Revenue and Expense Reports and the Reserve Report for the four months ended October 31, 2017 are presented.

DISCUSSION:

The Monthly Revenue and Expense reports summarize revenues by service type and expenses by department over the 4-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 Four Months Month Ended October 31, 2017

	Current Year Actual	Prior Year Actual			Current Year Budget		
		Amount	Variance		Amount	Variance	
			\$	%		\$	%
Revenue							
Water Sales	\$ 11,188,497	\$ 9,346,654	\$ 1,841,843	19.7%	\$ 10,476,000	\$ 712,497	6.8%
Ready-to-serve	4,652,948	4,585,011	67,937	1.5%	4,540,000	112,948	2.5%
Pumping charges	118,778	71,549	47,229	66.0%	80,000	38,778	48.5%
Late & lock charges	153,903	151,951	1,952	1.3%	154,000	(97)	-0.1%
Backflow fees	30,192	29,170	1,022	3.5%	32,000	(1,808)	-5.7%
Other revenue	64,537	70,897	(6,360)	-9.0%	41,700	22,837	54.8%
Total Revenue	16,208,855	14,255,232	1,953,623	13.7%	15,323,700	885,155	5.8%
Expenses							
Water costs	11,488,226	10,251,595	1,236,631	12.1%	10,767,000	721,226	6.7%
Pumping costs	245,896	201,494	44,402	22.0%	218,000	27,896	12.8%
Water quality	42,565	34,605	7,960	23.0%	60,000	(17,435)	-29.1%
Water treatment	153,652	139,969	13,683	9.8%	147,000	6,652	4.5%
Tanks & reservoirs	81,022	64,857	16,165	24.9%	139,000	(57,978)	-41.7%
Trans & distribution	468,969	412,257	56,712	13.8%	612,000	(143,031)	-23.4%
Services	50,882	32,380	18,502	57.1%	82,000	(31,118)	-37.9%
Meters	215,858	209,790	6,068	2.9%	210,000	5,858	2.8%
Backflow prevention	13,397	22,321	(8,924)	-40.0%	21,000	(7,603)	-36.2%
Customer accounts	154,908	177,496	(22,588)	-12.7%	204,000	(49,092)	-24.1%
Building & grounds	127,076	136,487	(9,411)	-6.9%	119,000	8,076	6.8%
Equipment & vehicles	76,920	76,839	81	0.1%	102,000	(25,080)	-24.6%
Engineering	431,365	425,644	5,721	1.3%	462,000	(30,635)	-6.6%
Safety & compliance	72,488	70,562	1,926	2.7%	87,000	(14,512)	-16.7%
Information Technology	223,720	243,464	(19,744)	-8.1%	334,000	(110,280)	-33.0%
General & administrative	926,552	804,197	122,355	15.2%	938,000	(11,448)	-1.2%
Total Expenses	14,773,496	13,303,957	1,469,539	11.0%	14,502,000	271,496	1.9%
Net Operating Income	\$ 1,435,359	\$ 951,275	484,084	50.9%	\$ 821,700	613,659	74.7%

Explanation of Significant Variances

The favorable variance to prior year and favorable budget variance in **Pumping Charges** is the result of rate increases passed after the budget was adopted.

The **Pumping costs** unfavorable variance to prior year is a result of increased power costs which were anticipated due to rate increases and the addition of the San Elijo Hills pump station.

The **Tanks and reservoirs** favorable budget variance is due to timing of outside services being performed and materials purchased. This variance should smooth over time.

Transmission and distribution has a favorable budget variance as a result of lower than anticipated repairs due to main breaks during the year thus far.

The **Customer Accounts** favorable budget variance is due to staffing within the department.

The favorable budget variance in **Information technology** is a result of timing of budgeted expenditures for hardware upgrades.

Variances are considered significant if they exceed \$33333 and 20%.

Vallecitos Water District
Sewer Revenue and Expense Report
For the Four Months Month Ended October 31, 2017

	Current Year Actual	Prior Year Actual			Current Year Budget		
		Amount	Variance		Amount	Variance	
			\$	%		\$	%
Revenue							
Sewer service charges	\$ 6,031,445	\$ 5,781,306	\$ 250,139	4.3%	\$ 5,797,000	\$ 234,445	4.0%
Reclaimed water sales	685,000	646,000	39,000	6.0%	685,000	-	0.0%
Other revenue	23,295	30,619	(7,324)	-23.9%	22,000	1,295	5.9%
Total Revenue	6,739,740	6,457,925	281,815	4.4%	6,504,000	235,740	3.6%
Expenses							
Collection & conveyance	548,074	600,193	(52,119)	-8.7%	752,000	(203,926)	-27.1%
Lift stations	61,994	129,001	(67,007)	-51.9%	104,000	(42,006)	-40.4%
Source control	45,166	46,815	(1,649)	-3.5%	59,000	(13,834)	-23.4%
Effluent disposal	986,682	995,112	(8,430)	-0.8%	957,000	29,682	3.1%
Meadowlark	849,553	933,080	(83,527)	-9.0%	1,158,000	(308,447)	-26.6%
Customer Accounts	104,241	121,865	(17,624)	-14.5%	152,000	(47,759)	-31.4%
Building & grounds	84,529	73,880	10,649	14.4%	85,000	(471)	-0.6%
Equipment & vehicles	58,681	58,264	417	0.7%	76,000	(17,319)	-22.8%
Engineering	171,350	189,755	(18,405)	-9.7%	236,000	(64,650)	-27.4%
Safety & compliance	46,953	48,580	(1,627)	-3.3%	63,000	(16,047)	-25.5%
Information technology	190,547	200,558	(10,011)	-5.0%	277,000	(86,453)	-31.2%
General & administrative	409,386	338,668	70,718	20.9%	484,000	(74,614)	-15.4%
Total Expenses	3,558,194	3,735,771	(177,577)	-4.8%	4,403,000	(844,806)	-19.2%
Net Operating Income	\$3,181,546	\$2,722,154	459,392	16.9%	\$2,101,000	1,080,546	51.4%

Explanation of Significant Variances

The **Collection & conveyance** department has a favorable budget variance due to the timing of chemical purchases. We expect this variance to smooth over time.

Lift stations has a favorable variance to prior year and a favorable budget variance resulting from an anticipated decrease in outside services and less than anticipated materials used during the year thus far.

The **Meadowlark** favorable budget variance is a result of budgeted repairs that have not yet been performed and less than anticipated plant labor to date.

The **Customer Accounts** favorable budget variance is due to staffing within the department.

The **Engineering** favorable budget variance is a result of timing of outside services being performed and higher than anticipated labor charged to projects.

The favorable budget variance in **Information technology** is due to the timing of budgeted expenditures for hardware upgrades.

General & Administrative has a favorable budget variance resulting from lower than anticipated labor charged to G&A.

Variances are considered significant if they exceed \$33333 and 20%.

VALLECITOS WATER DISTRICT

RESERVE ACTIVITY FOR THE FOUR MONTHS ENDED OCTOBER 31, 2017

	<u>110 Water</u>	<u>120</u>	<u>210 Wastewater</u>	<u>220</u>	
	<u>Replacement</u>	<u>Capacity</u>	<u>Replacement</u>	<u>Capacity</u>	<u>Total</u>
BEGINNING BALANCE	\$ 29,885,306	\$ (9,889,055)	\$ 45,384,737	\$ (6,501,911)	\$ 58,878,989
REVENUES					
FY 17/18 Operating Transfers	1,435,539		3,181,546		4,617,085
Capital Facility Fees	-	1,099,478	-	847,812	1,947,290
Investment Earnings	105,240	-	144,207	-	249,447
Property Tax	74,681	-	60,548	-	135,229
TOTAL REVENUES	<u>1,615,460</u>	<u>1,099,478</u>	<u>3,386,301</u>	<u>847,812</u>	<u>6,949,051</u>
LESS DISTRIBUTIONS					
Capital Projects					
Encina Wastewater Authority Five Year Plan	-	-	1,554,918	-	1,554,918
Main Facility Roof Replacement	124,810	-	119,915	-	244,725
Lift Station 1 Wet Well Room Repairs	-	-	165,702	-	165,702
San Marcos interceptor sewer	-	-	34,985	77,869	112,854
Montiel Gravity Outfall	-	-	20,029	24,479	44,508
Nursery Valve Relocation	-	-	39,756	-	39,756
Palos Vista Pump Station Motor Replacement	30,599	-	-	-	30,599
Mrf Refurbish Backwash Pumps And Motors	-	-	23,908	-	23,908
Rock Springs Sewer Replacement	-	-	10,331	12,627	22,958
Water & Sewer Master Plan	-	11,478	-	11,478	22,956
Mountain Belle Tank - Valve Replacement	22,507	-	-	-	22,507
Tertiary Filter Media	-	-	21,151	-	21,151
Fulton Road And Nctd Sewer Line Rehabilitation	-	-	19,317	-	19,317
Moymo Solids Pump Rotor Replacment Mrf	-	-	19,136	-	19,136
North Vista Pressure Reducing Station Upgrade	18,667	-	-	-	18,667
Fy 15/16 District Wide Valve Replacement	14,708	-	-	-	14,708
South Vista Pressure Reducing Station Upgrade	14,429	-	-	-	14,429
Mrf - Failsafe Line De-Chlorination System	-	-	13,086	-	13,086
Expansion of the Men's Locker Room in Building B	5,185	-	4,982	-	10,167
All other capital projects	15,454	4,896	16,507	3,265	40,121
Capital Budget - Vehicles/Mobile Equipmnt	78,091	-	172,889	-	250,979
Debt Service	-	-	-	985,640	985,640
Interest Expense	-	30,494	-	21,647	52,141
TOTAL DISTRIBUTIONS	<u>324,449</u>	<u>46,868</u>	<u>2,236,611</u>	<u>1,137,005</u>	<u>3,744,933</u>
ENDING BALANCE	\$ 31,176,318	\$ (8,836,445)	\$ 46,534,427	\$ (6,791,105)	\$ 62,083,108
Less: Operating Reserves	<u>5,539,100</u>	<u>-</u>	<u>6,518,000</u>	<u>-</u>	<u>12,057,100</u>
Replacement Reserves/Restricted Funds	<u>\$ 25,637,218</u>	<u>\$ (8,836,445)</u>	<u>\$ 40,016,427</u>	<u>\$ (6,791,105)</u>	<u>\$ 50,026,008</u>
Replacement reserve floor	<u>\$ 6,721,600</u>		<u>\$ 15,472,900</u>		
Replacement reserve ceiling	<u>\$ 28,785,100</u>		<u>\$ 46,161,000</u>		

**VALLECITOS WATER DISTRICT
INVESTMENT REPORT FOR OCTOBER 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.

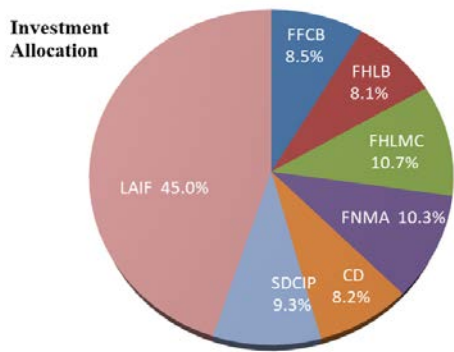
Investment activity for the month of October follows:

<u>Date</u>	<u>Activity</u>	<u>Investment</u>	<u>Amount</u>	<u>Maturity</u>	<u>Yield</u>
10/02/17	Withdrawal	LAIF	(150,000)	Open	1.14%
10/06/17	Deposit	LAIF	500,000	Open	1.14%
10/13/17	Reinvest Interest	LAIF	60,649	Open	1.14%
10/16/17	Withdrawal	LAIF	(1,500,000)	Open	1.14%
10/20/17	Deposit	LAIF	950,000	Open	1.14%
10/25/17	Reinvest Interest	SD Co Investment Pool	16,304	Open	1.34%
10/26/17	Maturity	FNMA	(999,090)	10/26/17	0.88%
10/26/17	Deposit	LAIF	950,000	Open	1.14%
Change in investments during the month			<u>\$ (172,137)</u>		

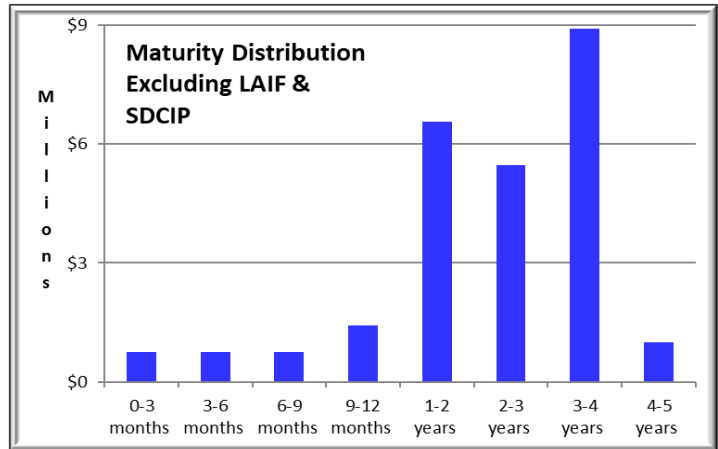
	<u>Current</u>
Weighted average annual yield for total Vallecitos investments	1.325%
Weighted average days to maturity	406

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

Portfolio Snapshot:

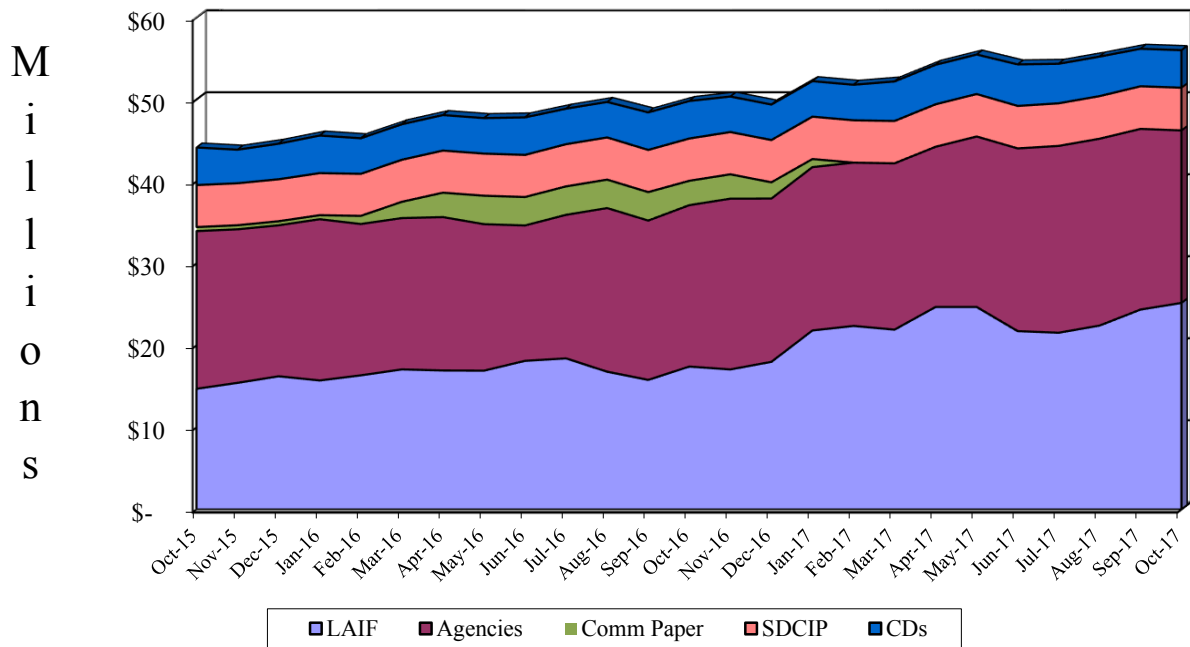


Agencies
37.6%



Safety

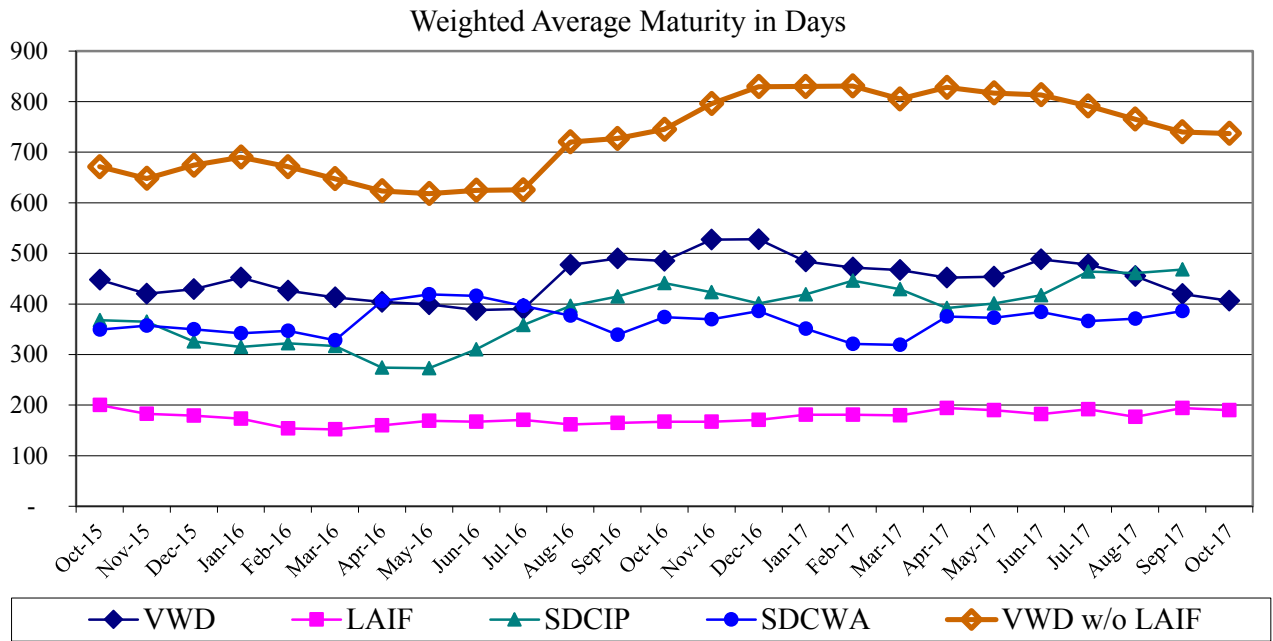
Criteria for selecting investments and the absolute order of priority are safety, liquidity and yield. To meet the objective of safety and avert credit risk, the District acquires only those investments permitted by adopted Board policy and with in limits established in the policy. Credit risk is the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



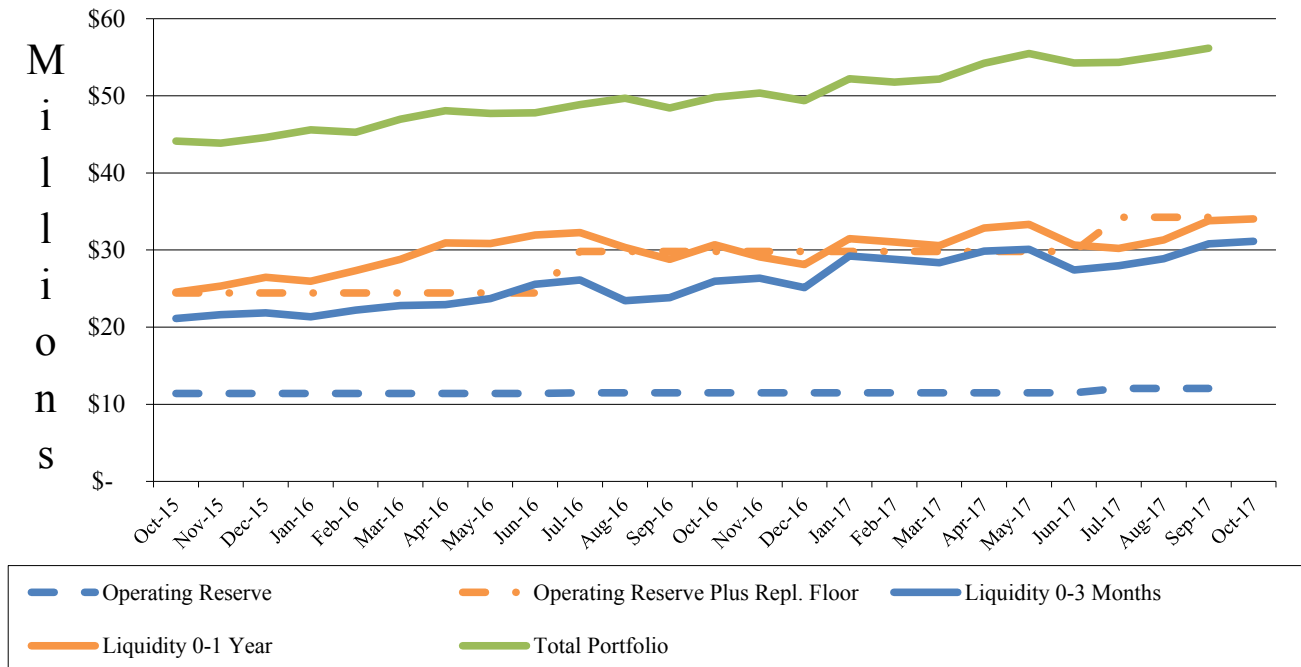
The graph above represents investment levels in the State of California’s Local Agency Investment Fund (LAIF), federal agency obligations, commercial paper, FDIC backed corporate notes, the San Diego County Investment Pool (SDCIP), and certificates of deposit.

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 \$25.2 million available the same day. But for comparative purposes LAIF is eliminated from the District’s portfolio and shown separately.

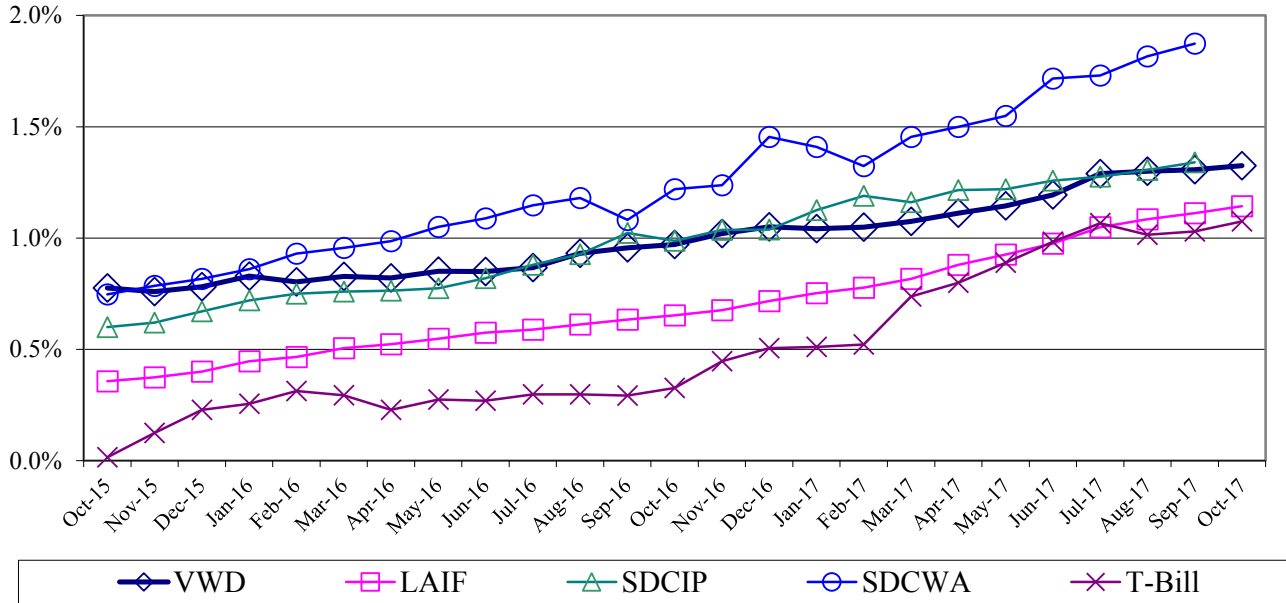


The graph below trends the *relationship of liquidity to adopted reserve levels*. District staff is sensitive to this relationship, but also recognizes the risk of being too liquid if rates fall further.



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 25th (maximum of \$3.9 million in year 2030) and each December 26th (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	
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	10/31/17	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	10/31/17	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
Whitney 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	10/31/17	06/13/19	497,500	-	-	-	497,500
FHLB(s)	AA+	1.125	1.125	07/07/17	12/28/17	06/28/19	-	500,000	-	-	500,000
FHLMC(s)	AA+	1.250	1.250	06/28/16	12/28/17	06/28/19	-	750,000	-	-	750,000
FFCB	AA+	1.080	1.080	07/12/16	10/31/17	07/12/19	499,675	-	-	-	499,675
FHLMC(s)	AA+	1.125	1.125	08/30/16	11/28/17	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+	1.250	1.250	08/22/16	11/22/17	11/22/19	-	750,000	-	-	750,000
FNMA	AA+	1.350	1.350	06/30/16	12/30/17	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	12/30/17	03/30/20	500,000	-	-	-	500,000
FHLB	AAA	1.670	1.670	04/28/17	10/31/17	04/28/20	-	750,000	-	-	750,000
FNMA	AA+	1.500	1.500	05/27/16	11/29/17	05/29/20	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	10/31/17	07/13/20	492,970	-	-	-	492,970
FNMA	AA+	1.400	1.400	08/24/16	11/24/17	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+	1.400	1.400	06/27/17	12/22/17	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	10/31/17	02/17/21	-	149,667	-	-	149,667
FHLMC(s)	AA+	1.250	1.250	02/26/16	11/26/17	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	12/22/17	03/22/21	-	274,381	-	-	274,381
FFCB	AA+	1.620	1.620	04/12/16	10/31/17	04/12/21	749,925	-	-	-	749,925
FFCB	AA+	1.990	1.990	05/03/17	10/31/17	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	11/16/17	08/16/21	-	245,000	-	-	245,000
FHLMC	AA+	1.600	1.600	08/25/16	11/25/17	08/25/21	1,000,000	-	-	-	1,000,000
FHLB	AA+	1.625	1.625	09/30/16	12/30/17	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	11/26/17	11/26/21	-	1,000,000	-	-	1,000,000
SDCIP	AAA	na	1.717	Various	na	Open	-	5,212,632	-	-	5,212,632
LAIF		na	1.143	Various	na	Open	12,582,650	12,595,724	-	-	25,178,374
Total Cost							23,456,341	32,545,537	-	-	56,001,878
Unrealized Gain/(Loss)							(119,651)	(179,143)	-	-	(298,794)
Market Value							\$ 23,336,690	\$ 32,366,394	\$ -	\$ -	\$ 55,703,084

By Investment Type					Total					
Reference	Settled	Coupon	Yield	Matures	CDs	Agencies	LGIPs	LAIF	Cost	Market
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	499,565
FFCB	10/21/15	0.930	0.930	04/13/18	-	499,705	-	-	499,705	498,880
Am Exp CD	04/29/15	1.100	1.100	04/30/18	245,000	-	-	-	245,000	245,010
FNMA	11/12/15	0.875	1.090	05/21/18	-	497,325	-	-	497,325	498,755
Synchrony CD	06/13/14	1.600	1.600	06/13/18	245,000	-	-	-	245,000	245,336
Goldman CD	08/19/15	1.700	1.700	08/20/18	245,000	-	-	-	245,000	245,608
GE Cap CD	09/05/14	1.800	1.800	09/05/18	245,000	-	-	-	245,000	245,784
FHLB	06/29/15	1.200	1.260	09/26/18	-	499,050	-	-	499,050	498,910
Capital 1 CD	10/13/15	1.650	1.650	10/09/18	179,000	-	-	-	179,000	179,360
Ally Bank CD	10/29/15	1.600	1.600	10/29/18	245,000	-	-	-	245,000	245,439
Sallie Mae CD	12/09/15	1.600	1.600	12/10/18	245,000	-	-	-	245,000	245,284
FHLB	02/08/17	1.240	1.240	01/23/19	-	500,000	-	-	500,000	497,655
FNMA	07/25/16	1.000	1.000	01/25/19	-	499,900	-	-	499,900	495,400
FFCB	03/07/17	1.150	1.396	02/22/19	-	365,260	-	-	365,260	363,881
BMW Bk CD	03/10/17	1.350	1.350	03/11/19	245,000	-	-	-	245,000	244,226
Whitney Bank CD	04/20/17	1.650	1.650	04/22/19	245,000	-	-	-	245,000	245,149
Enerbank CD	06/18/15	1.500	1.579	05/15/19	232,301	-	-	-	232,301	232,574
FFCB	05/26/17	1.180	1.180	06/13/19	-	497,500	-	-	497,500	495,660
FHLB(s)	07/07/17	1.125	1.125	06/28/19	-	500,000	-	-	500,000	498,560
FHLMC(s)	06/28/16	1.250	1.250	06/28/19	-	750,000	-	-	750,000	747,578
FFCB	07/12/16	1.080	1.080	07/12/19	-	499,675	-	-	499,675	494,845
FHLMC(s)	08/30/16	1.125	1.125	08/28/19	-	750,000	-	-	750,000	747,443
Barclays CD	09/16/15	1.900	1.900	09/16/19	245,000	-	-	-	245,000	246,539
FHLMC	09/25/15	1.250	1.317	10/02/19	-	498,665	-	-	498,665	496,325
FHLB	10/28/16	1.190	1.190	10/28/19	-	500,000	-	-	500,000	494,075
FHLMC(s)	08/22/16	1.250	1.250	11/22/19	-	750,000	-	-	750,000	746,018
FNMA	06/30/16	1.350	1.350	12/30/19	-	500,000	-	-	500,000	495,170
Key Bank CD	03/08/17	1.700	1.700	03/09/20	245,000	-	-	-	245,000	244,424
FNMA	10/19/16	1.300	1.300	03/30/20	-	500,000	-	-	500,000	493,235
FHLB	04/28/17	1.670	1.670	04/28/20	-	750,000	-	-	750,000	745,598
FNMA	05/27/16	1.500	1.500	05/29/20	-	750,000	-	-	750,000	743,535
HSBC Bank CD	09/16/16	1.400	1.400	07/08/20	244,510	-	-	-	244,510	241,712
FHLB	11/22/16	1.200	1.200	07/13/20	-	492,970	-	-	492,970	491,325
FNMA	08/24/16	1.400	1.400	08/24/20	-	1,000,000	-	-	1,000,000	987,160
Discover CD	10/26/16	1.500	1.500	10/26/20	245,000	-	-	-	245,000	240,071
FFCB	11/04/16	1.380	1.380	11/02/20	-	499,600	-	-	499,600	487,935
FFCB	12/07/16	1.770	1.770	12/07/20	-	249,438	-	-	249,438	247,845
FHLMC(s)	06/27/17	1.400	1.400	12/22/20	-	750,000	-	-	750,000	749,228
Northern Bk & Trust	06/29/17	1.850	1.850	12/29/20	245,000	-	-	-	245,000	244,020
FNMA	10/28/16	1.400	1.400	01/28/21	-	500,000	-	-	500,000	489,540
FFCB	11/18/16	1.620	1.620	02/17/21	-	149,667	-	-	149,667	147,663
FHLMC(s)	02/26/16	1.250	1.250	02/26/21	-	514,000	-	-	514,000	510,464
Wells Fargo CD(s)	03/04/16	1.150	1.150	03/04/21	243,000	-	-	-	243,000	242,973
FHLB(s)	04/06/17	1.500	1.500	03/22/21	-	274,381	-	-	274,381	273,856
FFCB	04/12/16	1.620	1.620	04/12/21	-	749,925	-	-	749,925	740,453
FFCB	05/03/17	1.990	1.990	05/03/21	-	750,000	-	-	750,000	746,228
Comenty Bk CD	06/30/16	1.650	1.650	06/30/21	245,000	-	-	-	245,000	241,212
FNMA	07/27/16	1.500	1.500	07/27/21	-	500,000	-	-	500,000	489,400
JPM Chase CD	08/16/16	1.650	1.650	08/16/21	245,000	-	-	-	245,000	239,737
FHLMC	08/25/16	1.600	1.600	08/25/21	-	1,000,000	-	-	1,000,000	983,490
FHLB	09/30/16	1.625	1.625	09/30/21	-	1,000,000	-	-	1,000,000	980,090
FNMA	10/31/16	1.550	1.550	10/28/21	-	1,000,000	-	-	1,000,000	971,170
FHLMC	11/30/16	1.875	1.875	11/26/21	-	1,000,000	-	-	1,000,000	987,370
SDCIP	Various		1.717	Open	-	-	5,212,632	-	5,212,632	5,155,000
LAIF	Various		1.143	Open	-	-	-	25,178,374	25,178,374	25,154,250
Total Cost					4,573,811	21,037,061	5,212,632	25,178,374	56,001,878	
Unrealized Gain/(Loss)					(14,283)	(202,760)	(57,632)	(24,119)	(298,794)	
Market Value					\$ 4,559,528	\$ 20,834,301	\$ 5,155,000	\$ 25,154,255	\$ 55,703,084	\$ 55,703,084
Percentage of Portfolio					8.2%	37.6%	9.3%	45.0%		
Investment Policy Limits					20.0%	60.0%	40.0%	60.0%		

DATE: NOVEMBER 15, 2017
TO: BOARD OF DIRECTORS
SUBJECT: NOTICE OF PREPARATION FOR A DRAFT PROGRAM ENVIRONMENTAL IMPACT REPORT FOR THE 2017 WATER, WASTEWATER AND RECYCLED WATER MASTER PLAN

BACKGROUND:

The District updates its Water, Wastewater, and Recycled Water Master Plan approximately every five to ten years to keep up with General Plan amendments made by land use agencies within the District's boundaries. In addition, the 2007 Integrated Water Resources Plan (IRP) that identified available water sources for the District is becoming dated as the state and regional water supply outlook continues to change.

The 2017 Master Plan will update the District's water and wastewater profile and incorporate approved land uses for each jurisdictional agency within the District's boundary. It will also identify and evaluate various water supply alternatives that may be available to the District now and in the near future.

A Program Environmental Impact Report (PEIR) Supplement will be prepared in conjunction with the 2017 Master Plan. This document will supplement the assessments of environmental effects associated with the 2011 PEIR for the District's 2008 Master Plan.

DISCUSSION:

A PEIR Supplement is currently being prepared in conjunction with the 2017 Master Plan because the 2017 Master Plan describes a long-term Capital Improvement Program (CIP) that would be implemented through ultimate build-out of the District. This document details the impacts, at a programmatic level, that the CIP projects may create on the community and the environment. The Notice of Preparation is intended to make the public aware that the impacts of the 2017 Master Plan will be evaluated in the PEIR Supplement.

The CEQA process requires that the Notice of Preparation for the PEIR Supplement be distributed to agencies and interested parties that may be concerned with the project. Such agencies include approximately 40 different federal, state and local agencies, tribes, non-profits and other interested parties. These parties have 30 calendar days to respond with comments. A public scoping meeting is being scheduled during this 30-day comment review period for December 7, 2017. Attendees may submit comments directly to the District at this scoping meeting, as well.

Any comments received during the comment period or at the public scoping meeting will be considered in the preparation of the draft PEIR Supplement. The draft PEIR Supplement is scheduled to be completed around February 2018 and will require Board authorization for 45-day public circulation at that time.

RECOMMENDATION:

Approve initiation of the 30-day public review period for the Notice of Preparation of a draft Program Environmental Impact Report Supplement for the 2017 Water, Wastewater and Recycled Water Master Plan.

ATTACHMENTS:

Notice of Preparation w/ Attached Figure

Notice of Preparation of a Program Environmental Impact Report and Scoping Meeting

Date: November 16, 2017

To: State Clearinghouse, Responsible Agencies, Trustee Agencies, Organizations, Stakeholders and Interested Persons

Lead Agency: Vallecitos Water District
201 Vallecitos De Oro
San Marcos, CA 92069
Contact: Robert Scholl
Phone: (760) 744-0460
E-Mail: rscholl@vwd.org

Project Title: Vallecitos Water District 2017 Water, Wastewater, & Recycled Water Master Plan

Project Location: San Diego, California

Project Applicant: Vallecitos Water District

Case Number: 15-071

NOTICE OF PREPARATION (NOP): In accordance with the California Environmental Quality Act (CEQA) Article 7, Sec. 15082, this NOP is to notify public agencies and the general public that the Vallecitos Water District (VWD), as the Lead Agency, will prepare a Program Environmental Impact Report (PEIR) Supplement which will supplement the assessments of environmental effects associated with implementation of the 2011 PEIR for the VWD 2008 Water, Wastewater, and Water Reclamation Master Plan Update (2008 Master Plan; State Clearinghouse Number 2010071073). The 2017 Master Plan describes a long-term Capital Improvement Program (CIP) that would be implemented through the Year 2030; intended to complement approved land use development plans and growth projections within the VWD service area and adjacent areas of influence, consistent with forecasts projected by the San Diego Association of Governments (SANDAG). The CIP involves the new construction and expansion of potable water, wastewater and recycled water facilities, including pipelines, pump stations, lift stations and reservoirs. The PEIR Supplement will provide the basis for subsequent environmental review of future CIP projects.

The VWD would like to know the views of your agency or interested party as to the scope and content of the environmental information that is germane to your agency's or interested party's statutory responsibilities in connection with implementation of VWD's 2017 Master Plan. VWD requests that any potential responsible or trustee agency or interested party respond to this NOP in a manner consistent with State CEQA Guidelines Section 15082 (b). If you are responding as an interested organization or individual citizen, VWD would like to know your views as to the environmental information you would like us to address in the 2017 Master Plan update. Public agencies may need to use the PEIR Supplement prepared by VWD when considering applicable permits or other approvals for the master plan. The general public is also encouraged to provide input on the scope of the EIR.

NOP Comment Period: Due to the time limits mandated by state law, your response must be sent at the earliest possible date but *not later than 5:00 P.M. on Monday, December 18, 2017*. Please send your response to the Vallecitos Water District, c/o Robert Scholl, at the above address.

Project Description:

Master Plan Update

The VWD attempts to update its master plan document approximately every 5 to 10 years. The purpose of the 2017 Master Plan is to update the 2008 Master Plan as a reasonable planning tool to meet the demands of planned development and future growth-based development within the VWD service boundary up to 2035. This PEIR Supplement supplements the assessments of environmental effects associated with implementation of the 2011 PEIR for the VWD 2008 Water, Wastewater, and Water Reclamation Master Plan Update (2008 Master Plan; State Clearinghouse Number 2010071073).

The 2017 Master Plan updates the land use, potable water, wastewater, and recycled water projections utilized in the 2008 Master Plan to accommodate the projected population growth within the District. VWD routinely updates its Master Plan to:

- Evaluate the existing and future needs for water, wastewater and recycled water services to meet the demands of growth forecast for the region by SANDAG through 2035, and;
- Develop a facilities plan and Capital Improvement Program (CIP) to accommodate these needs.

The Master Plan addresses many local and regional issues, including imported water supply, local water supply development, service territory growth, wastewater collection, and treatment and disposal capacity. The 2017 Master Plan includes a comprehensive CIP that provides VWD with the strategy and capability for meeting projected water supply, wastewater, and recycled water customer service demands in a timely and reliable manner through the year 2035. The complete 2017 Master Plan is available for review at the VWD District Office, located at 201 Vallecitos de Oro, San Marcos, CA 92069.

Capital Improvement Program

CIP projects proposed in the 2017 Master Plan include a combination of water storage reservoirs, water pump/wastewater lift stations, and water/wastewater pipelines. The following paragraphs provide an overview of definitions, issues, and construction information associated with each of these facilities. The 2017 Master Plan CIPs would generally be constructed in a similar manner as described in the 2011 PEIR for the 2008 Master Plan; however, changes in projected population estimates and service demand have slightly altered the size and phasing of the CIPs, and negated the need for certain CIPs present in the 2008 Master Plan.

Water storage projects generally involve the construction and/or alteration of potable water-holding reservoirs. Typical reservoir sites consist of a steel or concrete storage tank (reservoir) constructed on a level graded pad; and include underground water supply and delivery pipelines, fencing for security purposes, and an access road for maintenance purposes. In addition, the placement of storage projects is an essential attribute of the facility because optimizing the elevation at which a storage project is located can greatly increase efficiency by reducing the amount of pumping (energy) needed to move water to and from a reservoir.

Pump and lift station projects involve the movement of water or wastewater uphill, or to higher pressure zones. Pressure reducing valves are used when water is moving to lower pressure zones (downhill). Pump and lift stations typically consist of buildings containing pumps, electric power-line connections, pipeline connections, fencing, and access roads. Pressure reducing valves are installed along pipelines and typically in a vault.

Pipeline projects (including the wastewater land outfall) typically involve trench excavation, preparing the bed for pipe placement, laying the pipe in the trench, filling the trench, and restoring the disturbed surface area. Where pipelines are not installed within street rights-of-way, and to the extent feasible, an access road traverses the length of the pipeline installation. VWD intends to align all pipelines within existing and planned street rights-of-way as much as possible. Where it is not feasible to install a pipeline within a street right-of-way, VWD strives to use the shortest possible route between connection points to minimize ground-level impacts. In this practice, VWD considers factors such as engineering principles and site-specific constraints. Transmission lines generally transport large quantities of water or wastewater over broad areas.

Program Environmental Impact Report: The PEIR Supplement prepared for the 2017 Master Plan will analyze the project-specific impacts pertaining to all the environmental issue areas identified in Appendix G of the CEQA Guidelines, as amended with significance thresholds specific to this project. The PEIR Supplement analysis will focus on aesthetics and visual quality, biological resources, cultural resources, geology and soils, greenhouse gases, hydrology and water quality, hazardous materials, land use, population and housing, noise, public services and recreation, transportation and traffic, and utilities and services systems. Other required sections of CEQA will be addressed including cumulative impacts and project alternatives.

SCOPING MEETING: On Thursday, December 7, 2017 starting at 5:00 P.M. the Vallecitos Water District will conduct a public scoping open house to solicit input and comments from public agencies and the general public on the proposed PEIR Supplement which supplements the 2011 PEIR for the VWD 2008 Water, Wastewater, and Water Reclamation Master Plan Update (2008).

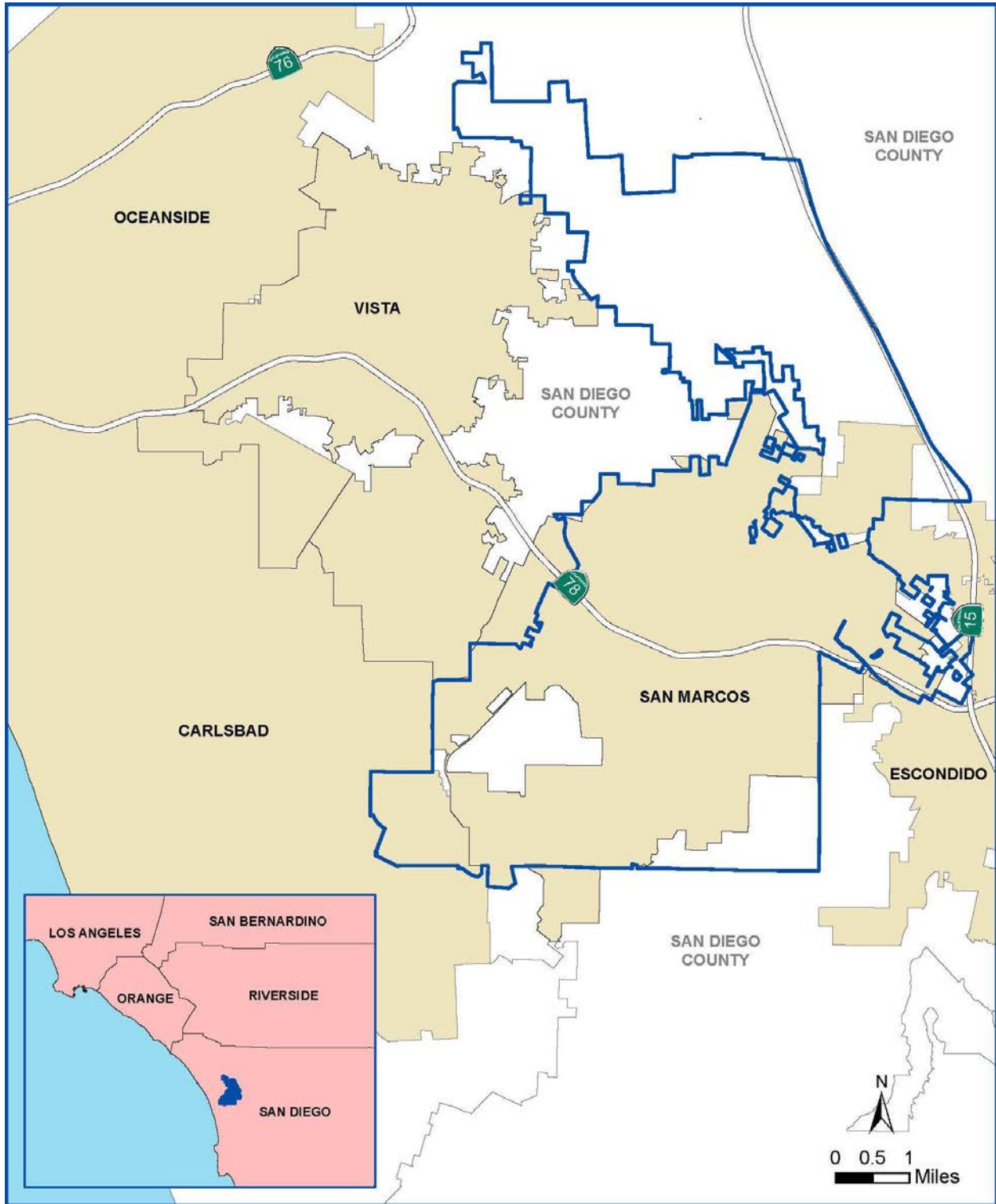
This meeting will be held in the Board Room of the Vallecitos Water District's headquarters located at 201 Vallecitos de Oro, San Marcos, CA 92069. The meeting will run from 5:00 P.M. to 6:00 P.M.

This meeting will be an open house format, and interested parties may drop in to discuss the proposed project and submit written comments on the scope of the PEIR Supplement during the meeting. Representatives from the Vallecitos Water District and the PEIR consultant will be available to address questions regarding the EIR process. Information is also available at www.vwd.org.

If you have any questions regarding this scoping meeting, please contact Robert Scholl, Senior Engineer, at rscholl@vwd.org or (760) 744-0460.

Attachments: Figure 1-1

Figure 1-1 Study Area Location



DATE: NOVEMBER 15, 2017
TO: BOARD OF DIRECTORS
SUBJECT: DISTRICT POLICY FOR BILLING ADJUSTMENTS

BACKGROUND:

The District's Public Awareness/Personnel/Policy Committee met on October 16, 2017, to discuss the need for a policy for handling billing adjustments. Director Hernandez, member of the Committee, reported out at the November 1, 2017, Board meeting that the Committee met, reviewed policy and procedures, and did not recommend any policy changes. Director Martin asked that consideration of a policy for billing adjustments be brought to the full Board.

DISCUSSION:

District Ordinance No. 186, Section 1.1 provides that "the customer is responsible for prompt payment of costs associated with services provided by the District." District staff maintain procedure manuals for establishing accounts and billing attributes. Billing adjustments related to errors found subsequent to account set up are quantified on a case by case basis. Adjustments to accounts are limited to three years from the time an error is discovered, consistent with existing statute of limitations for such claims. Staff currently performs routine surveillance of customer accounts to look for anomalies

RECOMMENDATION:

Presented for discussion.

VWD DIRECTOR'S COMPENSATION FOR July - Sept 2017

Payments from EWA (Encina Wastewater Authority)

<u>VENDOR</u>	<u>NAME</u>	<u>EWA DATE</u>	<u>VOUCHER</u>	<u>INVOICE NET</u>	<u>DESCRIPTION</u>
2212	CRAIG ELITHARP	071817	36850	182.00	
2212	CRAIG ELITHARP	080117	37218	182.00	
2212	CRAIG ELITHARP	092617	37999	182.00	
			Meetings Only	<u>546.00</u>	
2028	JIM HERNANDEZ	070517	36625	182.00	
2028	JIM HERNANDEZ	080117	37036	182.00	
2028	JIM HERNANDEZ	082917	37643	182.00	
2028	JIM HERNANDEZ	080117	37225	182.00	
2028	JIM HERNANDEZ	082917	37571	182.00	
2028	JIM HERNANDEZ	082917	37712	182.00	
2028	JIM HERNANDEZ	092617	38155	182.00	
			Meetings Only	<u>1,274.00</u>	

**San Diego County Water Authority
 Director Evans, Betty D.
 January - September 2017 Expenses**

Director	Per Diem Payments	Mileage & Parking	Travels & Meetings	TOTAL EXPENSES
Evans, Betty D.	4,950.00	1,027.75	135.00	6,112.75
TOTALS:	\$ 4,950.00	\$ 1,027.75	\$ 135.00	\$ 6,112.75

VWD Reported on 2017 Q1	(1,200.00)	(242.89)	(55.00)	(1,497.89)
VWD Reported on 2017 Q2	0	0	0	0
VWD Reporting for 2017 Q3	3,750.00	784.86	80.00	4,614.86

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

Director Meeting/Seminar	Per Diem		Meeting				Reimbursements		Total
	#	Payments	Benefits	Registration	Travel	Lodging	Meals	Other Agencies	
ELITHARP, Craig									
Paid by VWD:									
VWD Meetings	22	\$ 4,400.00	-	-	-	-	17.24	-	\$ 4,417.24
CASA	3	600.00	-	-	-	-	-	-	600.00
Chamber of Commerce - San Marcos	1	200.00	-	-	-	-	-	-	200.00
COWU - Council of Water Utilities	3	600.00	-	50.00	33.04	-	-	-	683.04
CSDA - CA Special Districts Assoc	-	-	-	580.00	-	-	-	-	580.00
Group Insurance	-	-	271.14	-	-	-	-	-	271.14
Paid by VWD - EWA pmt differential	-	18.00	-	-	-	-	-	-	18.00
Paid by EWA - Encina JPA	3	546.00	-	-	-	-	-	-	546.00
	32	\$ 6,364.00	\$ 271.14	\$ 630.00	\$ 33.04	\$ -	\$ 17.24	\$ -	\$ 7,315.42
EVANS, Betty									
Paid by VWD:									
VWD Meetings	15	\$ 3,000.00	-	-	-	-	17.80	-	\$ 3,017.80
CASA	3	600.00	-	550.00	148.77	-	-	-	1,298.77
COWU - Council of Water Utilities	3	600.00	-	50.00	33.04	-	-	-	683.04
Group Insurance	-	-	2,200.14	-	-	-	-	-	2,200.14
Paid by VWD - COWU pmt differential	-	100.00	-	-	-	-	-	-	100.00
Paid by VWD - SDCWA pmt differential	-	850.00	-	-	-	-	-	-	850.00
Paid by SDCWA *	25	3,750.00	-	-	-	-	-	864.86	4,614.86
	46	\$ 8,900.00	\$ 2,200.14	\$ 600.00	\$ 181.81	\$ -	\$ 17.80	\$ 864.86	\$12,764.61
HERNANDEZ, James									
Paid by VWD:									
VWD Meetings	11	\$ 2,200.00	-	-	-	-	12.87	-	\$ 2,212.87
ACWA	-	-	-	699.00	415.92	-	-	-	1,114.92
CASA	3	600.00	-	-	188.72	-	21.32	-	810.04
Chamber of Commerce - San Marcos	1	200.00	-	-	-	-	-	-	200.00
COWU - Council of Water Utilities	3	600.00	-	75.00	16.52	-	-	-	691.52
CSDA - CA Special Districts Assoc	-	-	-	610.00	407.63	-	-	-	1,017.63
SDNEDC	3	600.00	-	-	16.27	-	8.91	-	625.18
UWI - Urban Water Institute	3	600.00	-	375.00	116.15	-	-	-	1,091.15
WEF	-	-	-	525.00	-	-	-	-	525.00
Group Insurance	-	-	5,813.52	-	-	-	-	-	5,813.52
Paid by EWA - Encina JPA	7	1,274.00	-	-	-	-	-	-	1,274.00
	31	\$ 6,074.00	\$ 5,813.52	\$ 2,284.00	\$ 1,161.21	\$ -	\$ 43.10	\$ -	\$15,375.83
MARTIN, Hal									
Paid by VWD:									
VWD Meetings	14	\$ 2,800.00	-	-	-	-	23.71	-	\$ 2,823.71
ACWA	-	-	-	699.00	-	-	-	-	699.00
CASA	3	600.00	-	-	204.77	-	-	-	804.77
Chamber of Commerce - San Marcos	1	200.00	-	-	-	-	-	-	200.00
COWU - Council of Water Utilities	3	600.00	-	75.00	33.04	-	-	-	708.04
CSDA - CA Special Districts Assoc	1	200.00	-	610.00	30.03	-	-	-	840.03
SDNEDC	4	800.00	-	-	8.55	-	17.82	-	826.37
UWI - Urban Water Institute	-	-	-	-	32.83	-	-	-	32.83
Group Insurance	-	-	1,780.32	-	-	-	-	-	1,780.32
	26	\$ 5,200.00	\$ 1,780.32	\$ 1,384.00	\$ 309.22	\$ -	\$ 41.53	\$ -	\$ 8,715.07
SANELLA, Mike									
Paid by VWD:									
VWD Meetings	12	\$ 2,400.00	-	-	-	-	29.93	-	\$ 2,429.93
COWU - Council of Water Utilities	1	200.00	-	75.00	16.52	-	-	-	291.52
CSDA - CA Special Districts Assoc	4	800.00	-	30.00	-	-	-	-	830.00
SDNEDC	2	400.00	-	-	5.89	-	-	-	405.89
Group Insurance.	-	-	1,780.32	-	-	-	-	-	1,780.32
	19	\$ 3,800.00	\$ 1,780.32	\$ 105.00	\$ 22.41	\$ -	\$ 29.93	\$ -	\$ 5,737.66
TOTALS (1)	154	\$30,338.00	\$11,845.44	\$ 5,003.00	\$ 1,707.69	\$ -	\$ 149.60	\$ 864.86	\$49,908.59

(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)

* Payments by SDCWA include April - September 2017

2017

North County Business Breakfast

**Wednesday,
December 6, 2017**
7:30 a.m. - 9:30 a.m.
Networking @ 7 a.m.

NORTH COUNTY 2025

Building on the Challenges & Opportunities
Facing our Region in the Next Decade

Event will be held at California State University San Marcos in the University Student Union Ballroom.
Moderated by **Josh Williams, President, BW Research**



Kirby Brady
Director of Research,
San Diego Regional
Economic Development
Corporation



Erik Bruvold
Chief Economist,
National University
System Institute for
Policy Research



**Dr. Katherine
Kantardjieff**
Dean, College of
Science & Math,
CSUSM



Kevin Ham
Economic Development
Director, City of Vista



Kristi Jaska
Vice President,
Engineering,
ViaSat, Inc



Peter Ronchetti
General Manager,
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Table Sponsorship - \$1,000

Includes one table (10 seats); listing in event program and table
sign.

**For info or to register please contact Karen
Pearson at kpearson@sdnedc.org or
call 760-510-3179.**

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