

AGENDA FOR A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, MARCH 21, 2018, AT 5:00 P.M.
AT THE DISTRICT OFFICE
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

CALL TO ORDER – 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 MARCH 21, 2018

PRESENTATION

Andy Sells, Chief Executive Officer, and **Bill Knutson**, Executive Committee member of the Association of California Water Agencies/Joint Powers Insurance Agency, will present Vallecitos Water District with a refund check due to the District's low insurance claims history.

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. 4-9)

A. REGULAR BOARD MEETING – MARCH 7, 2018

Approved minutes become a permanent public record of the District.

Recommendation: Approve Minutes

- 1.2 WARRANT LIST THROUGH MARCH 21, 2018 – \$1,485,716.46 (pp. 10-13)

Recommendation: Approve Warrant List

- 1.3 FINANCIAL REPORTS (pp. 14-25)

- A. WATER METER COUNT – FEBRUARY 28, 2017
- B. WATER PRODUCTION/SALES REPORT – 2017/2018
- C. WATER REVENUE AND EXPENSE REPORT – FEBRUARY 28, 2018
- D. SEWER REVENUE AND EXPENSE REPORT – FEBRUARY 28, 2018
- E. RESERVE FUNDS ACTIVITY – FEBRUARY 28, 2018
- F. INVESTMENT REPORT – FEBRUARY 28, 2018

- 1.4 REQUEST TO START NEW EMPLOYEE AT STEP D OF SALARY RANGE (pp. 26-28)

The General Manager must receive Board approval to start a new employee above Step C of the District Salary Schedule.

Recommendation: Approve Request

- 1.5 RESOLUTION CONCURRING IN THE NOMINATION OF JO MACKENZIE TO THE CALIFORNIA SPECIAL DISTRICTS ASSOCIATION BOARD OF DIRECTORS (pp. 29-32)

Jo MacKenzie is seeking re-election of Seat A for the 2019-21 term.

Recommendation: Adopt Resolution

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

ACTION ITEMS

- 2.1 CONSTRUCTION CONTRACT AWARD OF STARGAZE COURT AND RIVER RUN CIRCLE WATER LINE REHABILITATION (pp. 33-37)

Existing 8" water lines on Stargaze Court and River Run Circle have failed on numerous occasions over the past few years primarily due to external damage and related corrosion.

Recommendation: 1) Award construction contract; 2) Increase budget

- 2.2 SAN MARCOS BOYS & GIRLS CLUB ANNUAL AUCTION (pp. 38-39)

The Boys & Girls Club is not on the list of organizations that are pre-approved for per diem and expenses related to attending the event.

Recommendation: Request Board direction

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

REPORTS

- 3.1 GENERAL MANAGER
- 3.2 DISTRICT LEGAL COUNSEL
- 3.3 SAN DIEGO COUNTY WATER AUTHORITY
- 3.4 ENCINA WASTEWATER AUTHORITY
 - *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

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

- 4.1 DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

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

- 5.1 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 5:00 p.m., Friday, March 16, 2018.

Diane Posvar

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, MARCH 7, 2018, AT 5:00 PM AT THE DISTRICT OFFICE,
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

President Hernandez called the Regular meeting to order at the hour of 5:00 p.m.

Director Martin led the pledge of allegiance.

Present: Director Elitharp
Director Martin
Director Sannella
Director Hernandez

Absent: Director Evans

Staff Present: General Manager Pruiam
Administrative Services Manager Emmanuel
District Engineer Gumpel
Operations & Maintenance Manager Pedrazzi
Capital Facilities Senior Engineer Hubbard
Development Services Senior Engineer Scholl
Accounting Supervisor Owen
Executive Secretary Posvar

ADOPT AGENDA FOR THE REGULAR MEETING OF MARCH 7, 2018

18-03-01 MOTION WAS MADE by Director Martin, seconded by Director Sannella, and carried unanimously, with Director Evans absent, to adopt the agenda for the Regular Board Meeting of March 7, 2018.

PUBLIC COMMENT

None.

CONSENT CALENDAR

18-03-02 MOTION WAS MADE by Director Martin, seconded by Director Elitharp, and carried unanimously, with Director Evans absent, to approve the Consent Calendar as presented.

1.1 Approval of Minutes

- A. Closed Session Board Meeting – February 21, 2018
- B. Regular Board Meeting – February 21, 2018
- C. Finance/Investment Committee Meeting – February 26, 2018

- 1.2 Warrant List through March 7, 2018 - \$3,523,727.52
- 1.3 Project Acceptance of Nursery Valve Relocation
- 1.4 Request for Annexation of Certain Property Designated as “Menchaca Annexation” Into the Vallecitos Water District for Water and Sewer Service (Jesse D. Menchaca and Linda S. Menchaca)
- 1.5 Request for Annexation of Certain Property Designated as “Nordahl Road 4 Lot Subdivision” Into the Vallecitos Water District for Water and Sewer Service (California Property Development, LLC)
- 1.6 Request for Extension of Requirements for Annexation of Certain Property Designated as “Nordahl Road 15 Lot Subdivision” Into the Vallecitos Water District for Water and Sewer Service (Trustees of the Tellier Family Trust and Waring Family Trust)
- 1.7 Adoption of Resolution Ordering the Annexation of Certain Properties Designated as the “Brookfield Rancho Coronado – Southlake Property,” A Portion of APN 222-190-02, Into the Sewer Improvement District

ACTION ITEMS

GENERAL COUNSEL SERVICES AGREEMENT

General Manager Pruim stated the District receives its legal advice services via a professional services agreement, currently provided by the law firm of Scott Jackson Law. Per District policy, all professional services agreements with a value of greater than \$100,000 per year shall be competitively evaluated at least every five years. On September 29, 2017, the District released a Request for Proposal (RFP) seeking law firms interested in providing general counsel services to the District. The Board interviewed four firms, selected Best Best & Krieger (BBK) to provide general counsel services, and directed the General Manager to negotiate a professional services agreement with BBK for the Board’s consideration.

General Manager Pruim briefly summarized the agreement with BBK pertaining to the general counsel services BBK will provide to the District, compensation, and terms of the agreement. BBK’s designated General Counsel is James Gilpin, with Nicholaus Norvell acting as the Assistant General Counsel.

Staff recommended the Board authorize the General Manager to enter into an agreement with Best Best & Krieger to provide general counsel legal services.

General discussion took place.

18-03-03 MOTION WAS MADE by Director Martin, seconded by Director Sannella, and carried unanimously, with Director Evans absent, to authorize the General Manager to enter into an agreement with Best Best & Krieger to provide general counsel legal services.

INVESTMENT ADVISORY FIRM SELECTION

General Manager Pruim stated that historically the District's investment portfolio has been managed by Finance Department staff. Based on the size of the portfolio, the importance of investment returns, and the current staffing situation, he believes it is in the best interest of the District to retain a professional investment advisory firm.

General Manager Pruim further stated that on January 18, 2018, the District issued a Request for Proposal (RFP) for investment advisory services. The District received six proposals which staff evaluated according to established criteria including the firm's experience, personnel to be assigned to the District, responsiveness to the RFP, and fees.

Staff recommended the Board authorize the General Manager to enter into an agreement with Chandler Asset Management to manage the District's investments.

General discussion took place.

18-03-04 MOTION WAS MADE by Director Martin, seconded by Director Elitharp, and carried unanimously, with Director Evans absent, to authorize the General Manager to enter into an agreement with Chandler Asset Management for investment advisory services.

PROPOSED 2018 INVESTMENT POLICY

Accounting Supervisor Owen provided a presentation on the proposed 2018 investment policy which included background information, delegation of authority, permissible investments, and advisor review. The proposed policy accommodates the use of an investment advisor and allows more permissible investments in accordance with California Government Code.

Accounting Supervisor Owen further stated that the Finance/Investment Committee discussed the policy at their January 30, 2018 meeting at which no changes were recommended.

Staff recommended the Board adopt the investment policy for 2018.

General discussion took place during which the Board requested quarterly reporting and trending data be provided on a regular basis.

18-03-05 MOTION WAS MADE by Director Martin, seconded by Director Sannella, and carried unanimously, with Director Evans absent, to adopt the investment policy for 2018.

Resolution No. 1531 - The roll call vote was as follows:

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

CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) BOARD OF DIRECTORS
CALL FOR NOMINATIONS – SEAT A

General Manager Pruim stated the District is a member of the CSDA in its southern network. Seat A will be available soon due to the expiring term of Jo MacKenzie. The CSDA Elections and Bylaws Committee is seeking Independent Special District Board members or General Managers who are interested in leading the direction of the CSDA for the 2019-2021 term. The deadline to submit nominations is April 18, 2018. A resolution or minute action and candidate information sheet must accompany the nomination form.

Director Martin requested the General Manager submit a letter of support to CSDA for Jo MacKenzie.

REPORTS

GENERAL MANAGER

General Manager Pruim reported the following:

- On March 6, 2018, the State Water Resources Control Board (SWRCB) adopted water quality requirements that will facilitate indirect potable reuse. The standards establish the quality of recycled water and the mix ratio of recycled water to other surface water quantities. The expert panel that developed the standards over a two-year period believes the proposed standards will adequately protect public health. In 2014 the SWRCB set the requirements for the use of recycled water to recharge groundwater basins. The SWRCB is now working to establish standards for direct potable reuse. It is anticipated that the standards for direct potable reuse will be completed in 2023.

- The San Diego County Water Authority (SDCWA) has requested Metropolitan Water District release their rate model. Metropolitan refused to do so and SDCWA filed a lawsuit under the Public Records Act. On March 5, 2018, the San Francisco Superior Court did not issue a ruling and extended the deadline until March 16 for further review.
- The latest snowpack measurement in the Sierras indicates an increase from 22% of normal levels to almost 40% due to recent storms.

DISTRICT LEGAL COUNSEL

None.

SAN DIEGO COUNTY WATER AUTHORITY

None.

ENCINA WASTEWATER AUTHORITY

President Hernandez stated the Capital Improvement Committee has not met since the last Board meeting.

Director Elitharp stated the Policy and Finance Committee will meet on March 13.

STANDING COMMITTEES

Director Martin stated the minutes of the February 26 Finance/Investment Committee were included in the Board agenda packet.

President Hernandez stated the Engineering/Equipment Committee will meet in April to receive an update on the men's locker room project.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

Director Sannella reported on his attendance to the San Marcos State of the City Address this morning.

President Hernandez reported on his attendance to the San Marcos State of the City Address.

Director Elitharp reported on his attendance to the San Marcos State of the City Address as well as the CASA/ACWA Washington, D.C. conferences.

OTHER BUSINESS

None.

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

President Hernandez requested a monthly report detailing the billing for general counsel services be provided to the Board.

ADJOURNMENT

There being no further business to discuss, President Hernandez adjourned the Regular Meeting of the Board of Directors at the hour of 5:36 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, March 21, 2018, at 5:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.

James Hernandez, President
Board of Directors
Vallecitos Water District

ATTEST:

Glenn Prui, Secretary
Board of Directors
Vallecitos Water District

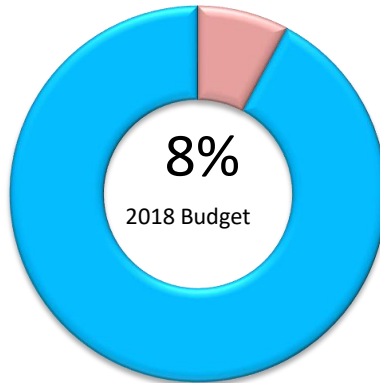
**VALLECITOS WATER DISTRICT
DISBURSEMENTS SUMMARY
February 28, 2018**

Summary

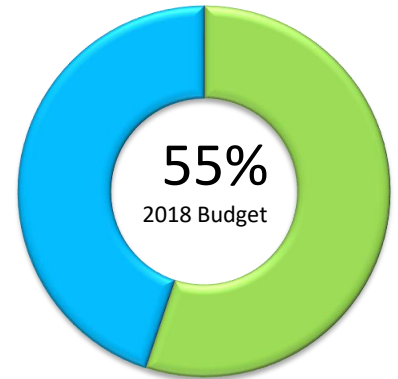
February Disbursements	\$	5,455,737	*
YTD Disbursements	\$	38,354,146	*
FY2018 Budget	\$	69,615,000	

* Excludes Debt Service

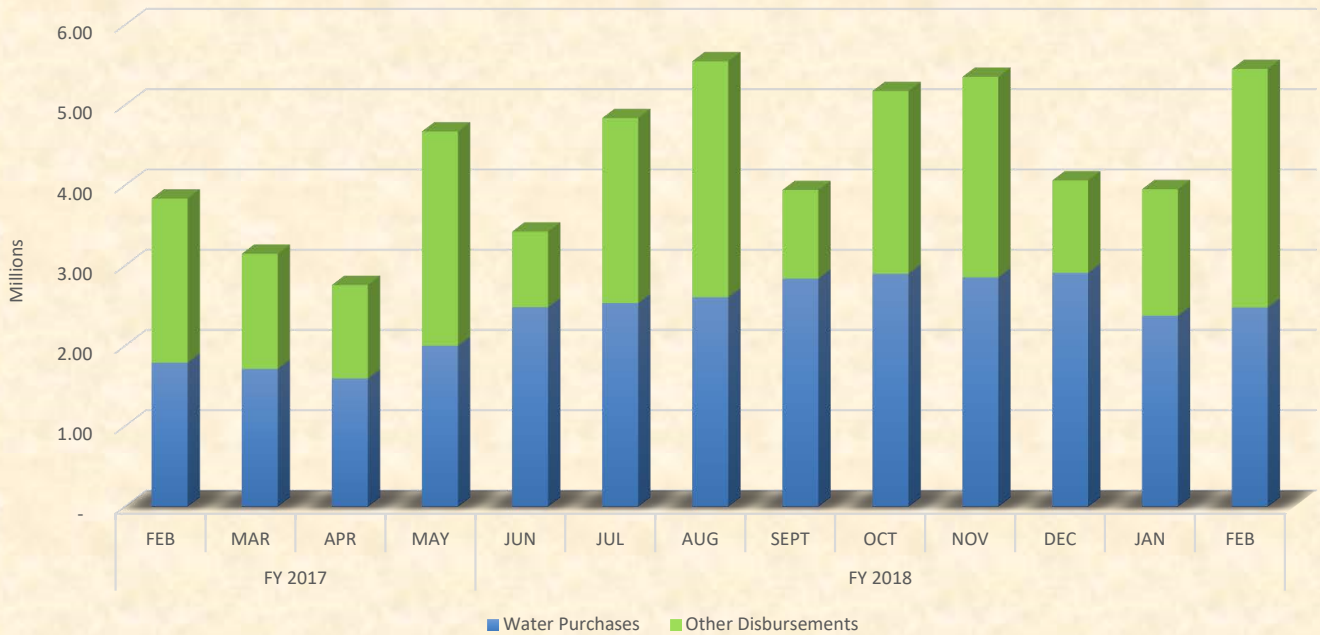
February



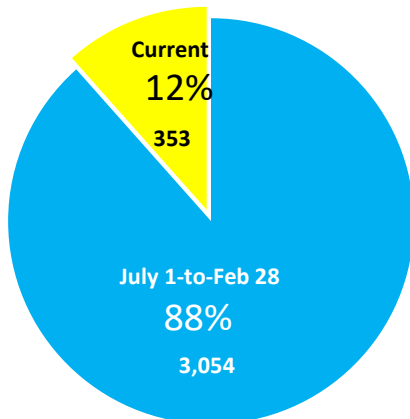
FYTD



Disbursements by Month



Invoices Processed



Top 10 Vendors - FYTD

SAN DIEGO COUNTY WATER AUTH.	\$22.0M
ENCINA WASTEWATER AUTHORITY	\$4.5M
PUBLIC EMPLOYEES RETIRE SYSTM	\$2.9M
ACWA/JOINT POWERS INSURANCE	\$1.9M
SAN DIEGO GAS & ELECTRIC	\$995K
OLIVENHAIN MWD	\$637K
SYLVESTER ROOFING CO INC	\$359K
PENCCO, INC.	\$252K
O'CONNELL ENGINEERING &...	\$167K
PLUMBERS DEPOT INC	\$146K

VALLECITOS WATER DISTRICT
WARRANTS LIST
March 21, 2018

PAYEE	DESCRIPTION	CHECK#	AMOUNT
CHECKS			
Garnishments	Payroll Garnishments	113125 through 113127	-
ACWA/Joint Powers Insurance	Group Insurance Apr	113128	206,250.32
Air Pollution Control District	Emergency Engine Maintenance Settlement - Twin Oaks	113129	1,350.00
Air Pollution Control District	Emergency Engine Maintenance Settlement - High Point PS	113130	500.00
J.C. Ehrlich Co Inc	Plant Maintenance Mar	113131	263.00
Aqua-Metric Sales Co	Meters 85, Meter Registers 100	113132	31,032.36
AT&T	Phone Svc Jan	113133	20.31
Audrey Hickman	Closed Account Refund	113134	47.37
Biotechnical Services Inc	Lab Equipment Calibration & Maintenance	113135	800.00
Boncor Water Systems	Drinking Water Svc Mar	113136	46.00
Bonsall Petroleum Constr Inc	Svc Call - Fuel Island	113137	112.50
Jeffrey Colwell	Video Production Prj 20181-44	113138	385.00
Core & Main LP	Hydrant Valve, Gate Valves 2, 6 inch Restraints Qty 6, Hardware Supplies	113139	5,939.67
Diamond Environmental Services	Portable Restroom Rental MRF	113140	319.69
Dion International Trucks LLC	Fleet Supplies	113141	196.43
DirecTV Inc	Satellite Svc Mar	113142	75.79
EDCO Waste & Recycling Serv	Trash Svc Feb	113143	873.64
Electrical Sales Inc	LED Screen Protectors 3, Hardware Supplies	113144	1,572.34
Rhondi Emmanuel	LCW Conference 2-25-18	113145	128.50
Ewing Irrigation Products	PVC Supplies	113146	1,801.99
Faith Ainsworth	Closed Account Refund	113147	22.43
Fisher Scientific LLC	Hardware Supplies	113148	128.13
Glenn Pruiam	Urban Water Institute Conference 2-7-18	113149	120.99
Ken Grody Ford	Fleet Supplies Prj 20181-29	113150	268.14
James Gumpel	AWWA Conference 2-20-18	113151	142.47
Vineet Gupta	Closed Account Refund	113152	85.81
Harris	Budget Module Training	113153	2,220.00
Harrison Power Equipment	Fleet Supplies	113154	140.00
Home Depot Credit Services	Hardware Supplies Feb	113155	854.57
Infinisource	Admin Svcs Jan & Feb, 18-19	113156	2,164.56
Infrastructure Engr Corp	NCTD Sewer Prj 20161-11	113157	205.00
Interstate Batteries	Battery Veh 226 & 242	113158	258.34
Jason Hubbard	AWWA Conference 2-20-18	113159	75.99
Jeff Katz	Locker Room Expansion Bldg B Prj 20161-5	113160	441.00
JLMR Investments, LP	Closed Account Refund	113161	51.03
JCI Jones Chemicals Inc	Chlorine	113162	2,043.21
Kristina Krutop	Closed Account Refund	113163	96.00
Laser Cut Concrete Cutting Inc	Core Drilling MRF	113164	470.00
Lautzenhisers Stationery Inc	Minute Book 3" Capacity	113165	256.92
Law Offices of Jeffrey G Scott	Legal Svcs Feb	113166	22,838.85
NCB Reprographics	Bond Copies Prj 20161-5	113167	1,625.99
Mission Capital	Closed Account Refund	113168	71.31
Patricia Peters-Ferrera	Closed Account Refund	113169	35.65
Pencoco, Inc.	Trioxyn	113170	4,049.05
Pitney Bowes	Postage Meter Refill	113171	1,000.00
SDG&E	Power Feb	113172	15,315.28
SDG&E	District Wide Solar Transformer Upgrade Supplemental Review	113173	2,500.00
Robert Scholl	AWWA Conference 2-20-18	113174	91.54
Seabreeze Janitorial	Cleaning Svcs Mar	113175	553.13
Shred-It US JV LLC	Shredding Svcs Feb	113176	259.46
Smart & Final	Office Supplies	113177	18.90
Socal Real Estate Investment LP	Closed Account Refund	113178	87.39
Sound Image Inc	Board Room AV Podium Repair	113179	250.00
Southern Counties Lubricants, LLC	Diesel Fuel	113180	822.69
Standard Insurance Company	LTD, LIFE, ADD Mar	113181	6,246.88
Staples Advantage	Office Supplies Feb	113182	351.31
State Water Resources Control	Water System Fees 7-17 To 8-18	113183	48,691.30

VALLECITOS WATER DISTRICT
WARRANTS LIST
March 21, 2018

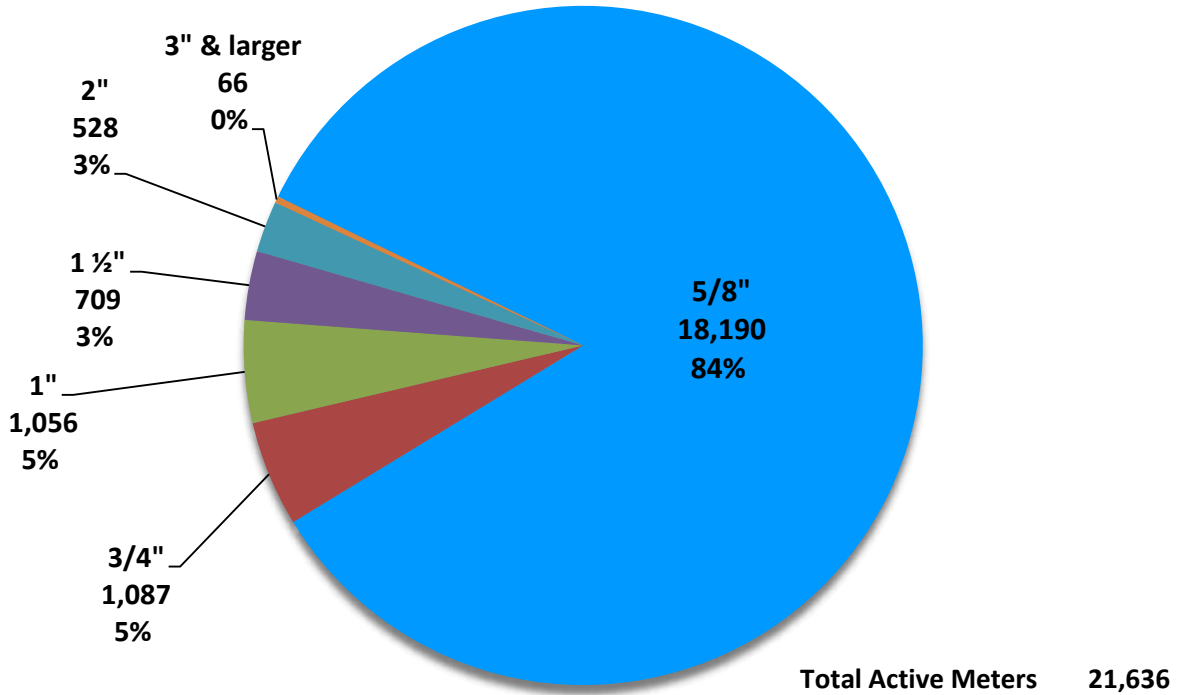
PAYEE	DESCRIPTION	CHECK#	AMOUNT
Susan & William Bodily	Closed Account Refund	113184	28.00
Talley Communications	Hardware Supplies	113185	190.23
Terry Moritz	Collection Cert Renewal T Moritz	113186	90.00
Total Resource Mgt Inc	Maximo Upgrade Version 7.6	113187	1,793.00
Trussell Technologies Inc	Biological Evaluation	113188	12,505.00
Union Bank FKA 1st Bank Card	Meetings & Travel Feb	113189	1,975.91
Union Bank FKA 1st Bank Card	Meetings & Travel Feb	113190	5,293.38
Union Bank FKA 1st Bank Card	Meetings & Travel Feb	113191	2,424.56
Union Bank FKA 1st Bank Card	Meetings & Travel Feb	113192	4,428.27
Univar USA Inc	Sodium Bisulfite	113193	937.43
Verizon Wireless	Ipad & Cell Phone Svc Feb	113194	1,925.04
Viasat Inc	Internet Svc Feb	113195	207.56
VWR International	Lab Supplies	113196	672.67
Xerox Corporation	Copier Lease Jan & Feb	113197	5,170.96
Ababa Bolt Inc	Hardware Supplies	113198	46.36
AH Water Inc	LS1 Scrubber Prj 20171-4	113199	12,100.33
APGN Inc.	Turbo Blower Lease Payments 23 & 24	113200	8,138.00
Atom Engineering Construction, Inc.	North & South Pressure Reducing Stations Prj 20141-7 & 20141-8	113201	133,786.70
Backflow Solutions, Inc.	Backflow Reports Qty 303	113202	3,923.85
Bentley Systems Inc	Water CAD/GEMS, Sewer GEMS Subscription	113203	3,643.75
CA Dept of Forestry/Fire Prot	Crew Work Jan	113204	2,855.00
Cardiac Science Corp	Automated External Defibrillator Battery	113205	304.85
CCI	Water Treatment Feb	113206	220.00
CDW Government Inc	Batteries 10 - Customer Service Head Sets	113207	324.66
D & M Manufacturing, Inc.	Fire Hydrant Construction Meter Guards 10	113208	1,462.57
Fleet Pride	Fleet Supplies	113209	4.22
Flo Systems Inc	Influent Pump Replacement MRF Prj 20181-9	113210	55,428.76
Grainger Inc	Water Hoses 2, Hand Sanitizer Dispenser, Cleaning Towels, Hardware Supplies	113211	1,127.61
Hach Company	Turbidity Meters 5, Annual Calibration - Water Quality Instruments, Lab Supplies	113212	15,218.66
Harrington Industrial	Hardware Supplies	113213	558.83
JWC Environmental LLC	Grinder Rebuild LS1	113214	21,468.11
Safety-Kleen Systems Inc	Parts Washer Rental	113215	236.65
Knight Security & Fire Systems	Answering ,Monitoring, Patrol Svc Mar	113216	588.19
Lawnmowers Plus Inc	Brush Cutter Repair, Expansion Poles, Hardware Supplies	113217	970.84
Mallory Safety & Supply, LLC	Safety Supplies	113218	537.68
Manpower Temp Services	Customer Service Rep Week Ending 2-25-18	113219	638.55
Mission Resource Conservation District	Water Use Evaluations 3 Prj 20181-46	113220	187.50
North County Auto Parts	Fleet Supplies Feb	113221	959.91
Olivenhain MWD	Treated Water Feb	113222	76,825.00
One Source Distributors LLC	Support SCADA System Tanks 18-19, Fire Extinguishers 2	113223	6,268.83
Ostari Inc	IT Support Feb	113224	9,750.00
Ovivo USA LLC	Motor For Roughing Filter MRF	113225	3,102.47
Pacific Pipeline Supply	Hardware Supplies, Brass Inventory	113226	2,898.93
Recycled Aggregate Materials Co Inc	Concrete Recycling	113227	125.00
Reed Electric Co	Motor Rebuild North Twin Oaks PS Prj 20181-17 & Wulff PS Prj 20181-18	113228	19,400.33
Rupe's Hydraulics	Hardware Supplies	113229	80.00
Rusty Wallis Inc	Soft Water Svc Mar	113230	201.00
San Marcos Trophy	Engraving Svcs	113231	8.00
SD County Superintendent	Splash Labs 2 Prj 20181-46	113232	1,866.00
Specialty Seals & Accessories	Refurbish Mechanical Seal MRF	113233	846.69
T.S. Industrial Supply	Rack For Copper & Brass Storage, Hardware Supplies	113234	3,847.91
Underground Service Alert	Dig Alert Svc Feb	113235	267.40
Unifirst Corporation	Uniform Delivery	113236	865.05
Urban Villages San Marcos LLC	Refund Warranty Bond Prj 20161-84	113237	13,093.68
Visser Construction Inc	Repairs SCADA Room MRF	113238	8,803.00
Walters Wholesale Electric	Hardware Supplies	113239	576.56
Total Disbursements (112 Checks)			<u>817,767.67</u>

VALLECITOS WATER DISTRICT
WARRANTS LIST
March 21, 2018

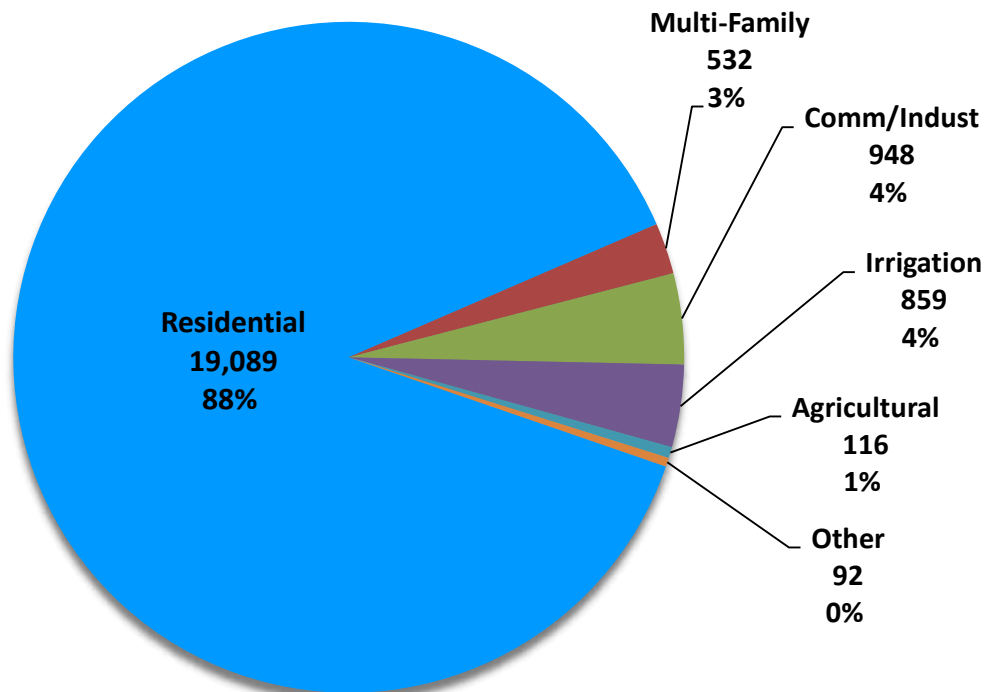
PAYEE	DESCRIPTION	CHECK#	AMOUNT
WIRES			
Public Employees Retirement System	Retirement Contribution - March 14, 2018 Payroll	Wire	72,411.17
Union Bank	Union Bank debt payment - Principal	Wire	200,000.00
Total Wires			<u>272,411.17</u>
PAYROLL			
Total direct deposits			Wire 245,677.92
VWD Employee Association		113125	612.00
Garnishments	113126 through	113127	970.14
IRS	Federal payroll tax deposit	Wire	98,473.29
Employment Development Department	California payroll tax deposit	Wire	19,562.13
CalPERS	Deferred compensation withheld	Wire	21,806.13
VOYA	Deferred compensation withheld	Wire	6,566.56
Total March 14, 2018 Payroll Disbursements			<u>393,668.17</u>
Total direct deposits			Wire 1,088.92
IRS	Federal payroll tax deposits	Wire	648.51
Employment Development Department	California payroll tax deposit	Wire	132.02
Special Payroll Disbursements (i.e., final checks, accrual payouts, etc.)			<u>1,869.45</u>
Total Payroll Disbursements			<u>395,537.62</u>
TOTAL DISBURSEMENTS			<u><u>1,485,716.46</u></u>

Vallecitos Water District
 Active Water Meters
 February 28, 2018

Active Meters by Size as of February 28, 2018

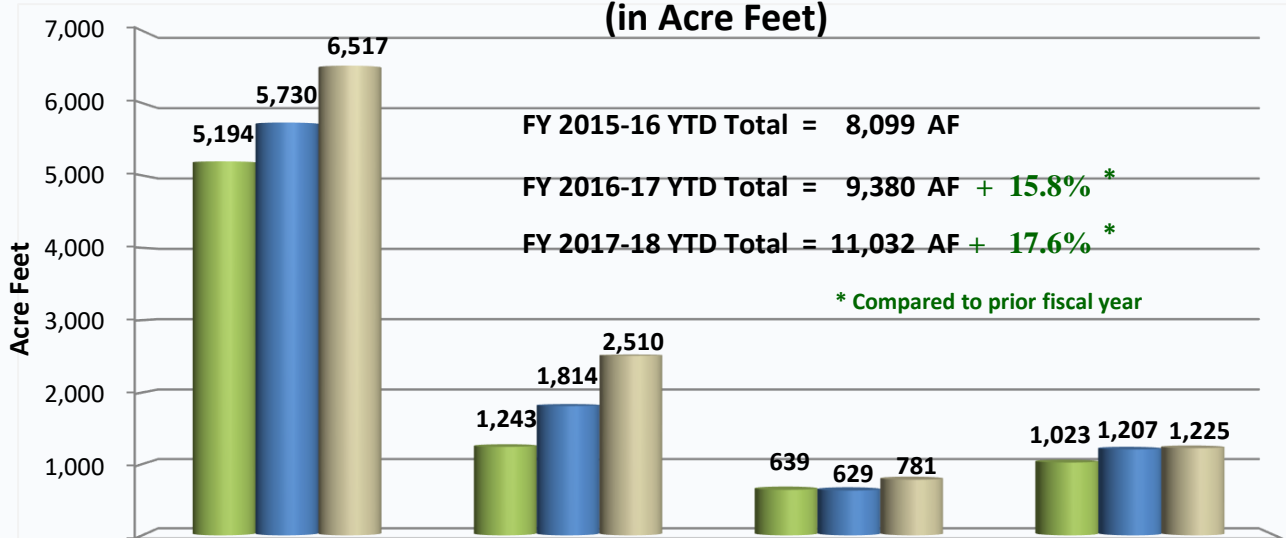


Active Meters by Type as of February 28, 2018



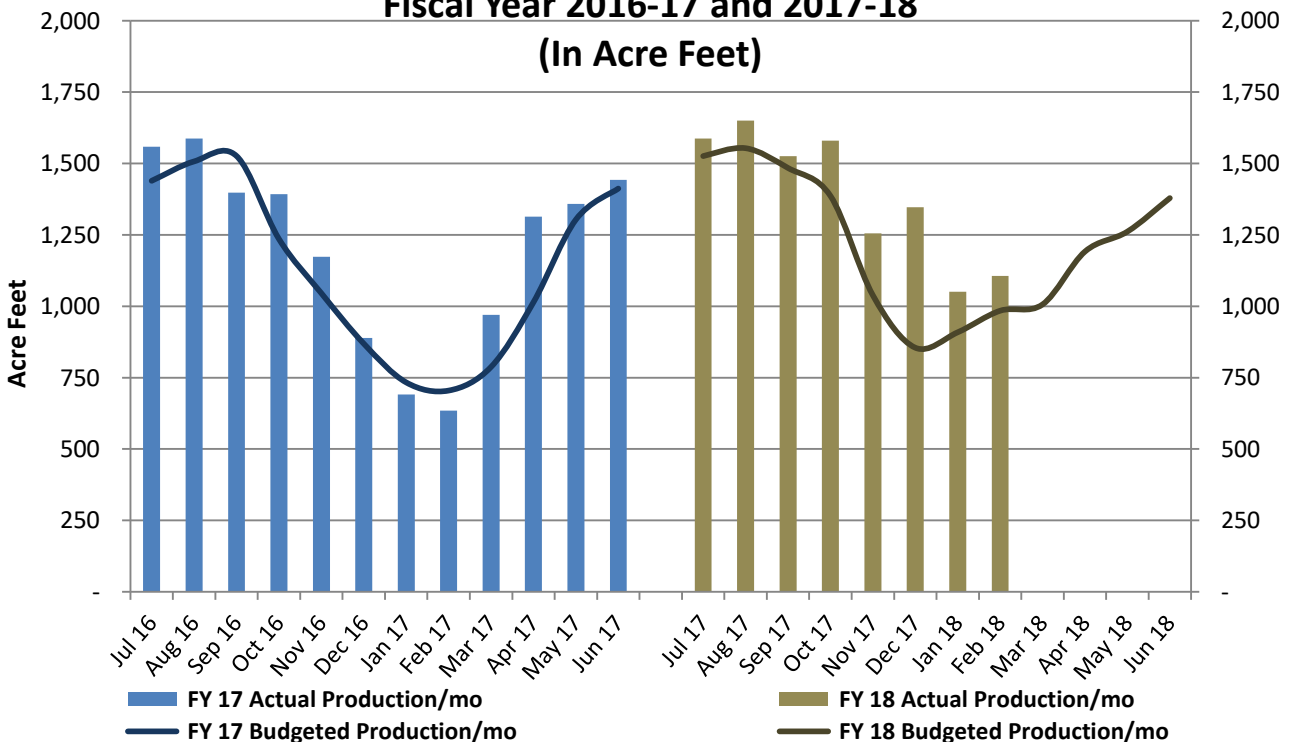
Vallejos Water District
 Water Production/Sales
 February 28, 2018

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	5,194	1,243	639	1,023
FY 2016-17	5,730	1,814	629	1,207
FY 2017-18	6,517	2,510	781	1,225

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



DATE: MARCH 21, 2018
TO: BOARD OF DIRECTORS
SUBJECT: MONTHLY FINANCIAL REPORTS

BACKGROUND:

The Monthly Revenue and Expense Reports and the Reserve Report for the eight months ended February 28, 2018 are presented.

DISCUSSION:

The Monthly Revenue and Expense reports summarize revenues by service type and expenses by department over the 8-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 Eight Months Ended February 28, 2018

	Current	Prior Year Actual			Current Year Budget		
	Year	Amount	Variance		Amount	Variance	
	Actual		\$	%		\$	%
Revenue							
Water Sales	\$ 20,654,561	\$ 15,446,358	\$ 5,208,203	33.7%	\$ 17,312,000	\$ 3,342,561	19.3%
Ready-to-serve	9,230,595	9,193,980	36,615	0.4%	9,079,000	151,595	1.7%
Pumping cost recovery	227,180	115,868	111,312	96.1%	175,000	52,180	29.8%
Late & lock charges	315,233	297,469	17,764	6.0%	307,000	8,233	2.7%
Backflow fees	60,530	58,705	1,825	3.1%	65,000	(4,470)	-6.9%
Other revenue	124,257	141,828	(17,571)	-12.4%	79,400	44,857	56.5%
Total Revenue	30,612,356	25,254,208	5,358,148	21.2%	27,017,400	3,594,956	13.3%
Expenses							
Water costs	20,753,784	17,483,827	3,269,957	18.7%	18,362,000	2,391,784	13.0%
Pumping costs	502,890	367,320	135,570	36.9%	473,000	29,890	6.3%
Water quality	80,923	62,120	18,803	30.3%	117,000	(36,077)	-30.8%
Water treatment	292,980	264,825	28,155	10.6%	297,000	(4,020)	-1.4%
Tanks & reservoirs	211,190	187,104	24,086	12.9%	277,000	(65,810)	-23.8%
Trans & distribution	930,850	1,122,841	(191,991)	-17.1%	1,223,000	(292,150)	-23.9%
Services	173,628	89,622	84,006	93.7%	163,000	10,628	6.5%
Meters	429,888	406,274	23,614	5.8%	418,000	11,888	2.8%
Backflow prevention	27,763	51,711	(23,948)	-46.3%	42,000	(14,237)	-33.9%
Customer accounts	356,952	350,080	6,872	2.0%	408,000	(51,048)	-12.5%
Building & grounds	259,672	253,630	6,042	2.4%	241,000	18,672	7.7%
Equipment & vehicles	182,831	170,792	12,039	7.0%	202,000	(19,169)	-9.5%
Engineering	925,846	852,131	73,715	8.7%	926,000	(154)	0.0%
Safety & compliance	147,787	139,314	8,473	6.1%	174,000	(26,213)	-15.1%
Information Technology	553,225	506,705	46,520	9.2%	667,000	(113,775)	-17.1%
General & administrative	2,015,260	1,807,241	208,019	11.5%	1,874,000	141,260	7.5%
Total Expenses	27,845,469	24,115,537	3,729,932	15.5%	25,864,000	1,981,469	7.7%
Net Operating Income	\$ 2,766,887	\$ 1,138,671	1,628,216	143.0%	\$ 1,153,400	1,613,487	139.9%

Explanation of Significant Variances

Water Sales has a favorable prior year variance as a result of anticipated increases in demand.

The favorable variance to prior year in **Pumping cost recovery** is the result of rate increases effective July 1, 2017.

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.

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 unfavorable prior year variance in **Services** resulted from an increase in asphalt work in the current year.

Variances are considered significant if they exceed \$66666 and 20%.

Vallecitos Water District
Sewer Revenue and Expense Report
For the Eight Months Ended February 28, 2018

	Current Year Actual	Prior Year Actual			Current Year Budget		
		Amount	Variance		Amount	Variance	
			\$	%		\$	%
Revenue							
Sewer service charges	\$ 12,037,393	\$ 11,559,894	\$ 477,499	4.1%	\$ 11,692,000	\$ 345,393	3.0%
Reclaimed water sales	1,373,957	1,147,045	226,912	19.8%	1,369,000	4,957	0.4%
Other revenue	29,590	64,643	(35,053)	-54.2%	50,000	(20,410)	-40.8%
Total Revenue	<u>13,440,963</u>	<u>12,771,582</u>	669,381	5.2%	<u>13,111,000</u>	329,963	2.5%
Expenses							
Collection & conveyance	1,218,159	1,150,054	68,105	5.9%	1,504,000	(285,841)	-19.0%
Lift stations	127,445	147,606	(20,161)	-13.7%	208,000	(80,555)	-38.7%
Source Control	96,395	82,444	13,951	16.9%	118,000	(21,605)	-18.3%
Effluent disposal	1,889,515	1,551,040	338,475	21.8%	1,913,000	(23,485)	-1.2%
Meadowlark	1,729,264	1,693,928	35,336	2.1%	2,316,000	(586,736)	-25.3%
Customer Accounts	244,699	231,325	13,374	5.8%	304,000	(59,301)	-19.5%
Building & grounds	164,110	120,120	43,990	36.6%	171,000	(6,890)	-4.0%
Equipment & vehicles	130,462	125,487	4,975	4.0%	152,000	(21,538)	-14.2%
Engineering	358,333	362,568	(4,235)	-1.2%	473,000	(114,667)	-24.2%
Safety & compliance	97,908	81,903	16,005	19.5%	126,000	(28,092)	-22.3%
Information technology	483,315	400,533	82,782	20.7%	554,000	(70,685)	-12.8%
General & administrative	868,063	764,423	103,640	13.6%	969,000	(100,937)	-10.4%
Total Expenses	<u>7,408,888</u>	<u>6,711,431</u>	697,457	10.4%	<u>8,808,000</u>	(1,399,112)	-15.9%
Net Operating Income	<u>\$ 6,032,075</u>	<u>\$ 6,060,151</u>	(28,076)	-0.5%	<u>\$ 4,303,000</u>	1,729,075	40.2%

Explanation of Significant Variances

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

The unfavorable variance to prior year in **Effluent disposal** is the result of budgeted increases in operating costs at Encina Wastewater Authority.

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

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

Information technology has an unfavorable variance to prior year resulting from budgeted expenditures for hardware upgrades.

Variances are considered significant if they exceed \$66666 and 20%.

VALLECITOS WATER DISTRICT

RESERVE ACTIVITY FOR THE EIGHT MONTHS ENDED FEBRUARY 28, 2018

	110	120	210	220	Total
	Water	Water	Wastewater	Wastewater	
	Replacement	Capacity	Replacement	Capacity	
BEGINNING BALANCE	\$ 29,885,306	\$ (9,889,055)	\$ 45,384,737	\$ (6,501,911)	\$ 58,878,989
REVENUES					
FY 17/18 Operating Transfers	2,766,887		6,032,075		8,798,962
Capital Facility Fees	-	1,989,223	-	1,896,041	3,885,264
Property Tax	806,609	-	643,746	-	1,450,355
RDA pass-through	421,847	-	421,847	-	843,694
Investment Earnings	252,424	-	326,896	-	579,320
Payment on Land Sale to City	70,573	-	70,573	-	141,146
Annexation Fees	7,376	-	18,588	-	25,964
TOTAL REVENUES	<u>4,325,716</u>	<u>1,989,223</u>	<u>7,513,725</u>	<u>1,896,041</u>	<u>15,724,705</u>
LESS DISTRIBUTIONS					
Capital Projects					
Encina Wastewater Auth 5 Year Cap Plan	-	-	2,484,958	-	2,484,958
Main Facility Roof Replacement	183,460	-	176,265	-	359,725
Lift Station 1 Wet Well Room Repairs	-	-	175,833	-	175,833
Nursery Valve Relocation	-	-	171,389	-	171,389
San Marcos interceptor sewer	-	-	41,927	93,318	135,245
Water & Sewer Master Plan	-	59,487	-	59,485	118,972
Montiel Gravity Outfall	-	-	41,505	50,729	92,234
South Vista Pressure Reducing Station Upgrade	79,993	-	-	-	79,993
Rock Springs Sewer Replacement	-	-	31,634	38,664	70,298
North Vista Pressure Reducing Station Upgrade	67,870	-	-	-	67,870
Mountain Belle Tank - Valve Replacement	60,428	-	-	-	60,428
City of San Marcos Joint Projects	34,390	-	21,989	-	56,379
District Wide Valve Replacement	50,675	-	-	-	50,675
Expansion of the Men's Locker Room in Building B	25,234	-	24,245	-	49,479
Fulton Road And Nctd Sewer Line Rehabilitation	-	-	39,782	-	39,782
South Lake Pump Station Valves	36,194	-	-	-	36,194
Fire Services - Backflow Preventer Upgrades	31,187	-	-	-	31,187
Palos Vista Pump Station Motor Replacement	30,599	-	-	-	30,599
Gates For Twin Oaks Reservoir Access Road	-	26,058	-	-	26,058
MRF Refurbish Backwash Pumps And Motors	-	-	23,908	-	23,908
Refurbish Pumps At North Twin Oaks Pump Station	23,180	-	-	-	23,180
Wulff Pump Station Pumps & Motors	23,068	-	-	-	23,068
Tertiary Filter Media	-	-	21,151	-	21,151
Moymo Solids Pump Rotor Replacment MRF	-	-	19,136	-	19,136
Schoolhouse Tank Refurbishment	18,032	-	-	-	18,032
HVAC Pump and Motor Replacement	8,541	-	8,206	-	16,747
Laurels Sewer Lining	-	-	16,697	-	16,697
Palos Vista Pump Station Generator	15,879	-	-	-	15,879
MRF - Failsafe Line De-Chlorination System	-	-	15,789	-	15,789
Coronado Hills Chlorine Injection System	15,449	-	-	-	15,449
All other capital projects	16,001	4,998	9,390	4,667	35,055
Capital Budget - Vehicles/Mobile Equipmnt	100,367	-	213,352	-	313,719
Debt Service	-	572,909	-	1,554,462	2,127,370
Interest Expense	-	67,697	-	47,360	115,057
TOTAL DISTRIBUTIONS	<u>820,546</u>	<u>731,149</u>	<u>3,537,157</u>	<u>1,848,685</u>	<u>6,937,537</u>
ENDING BALANCE	\$ 33,390,476	\$ (8,630,981)	\$ 49,361,305	\$ (6,454,555)	\$ 67,666,157
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>\$ 27,851,376</u>	<u>\$ (8,630,981)</u>	<u>\$ 42,843,305</u>	<u>\$ (6,454,555)</u>	<u>\$ 55,609,057</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 FEBRUARY 2018**

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.

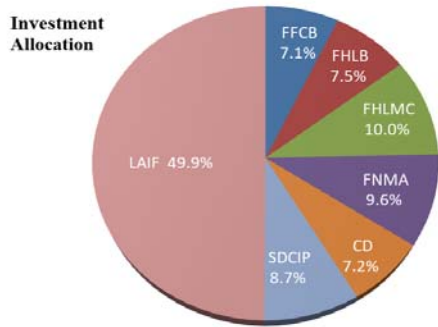
Investment activity for the month of February follows:

<u>Date</u>	<u>Activity</u>	<u>Investment</u>	<u>Amount</u>	<u>Maturity</u>	<u>Yield</u>
02/07/18	Deposit	LAIF	700,000	Open	1.41%
02/13/18	Withdrawal	LAIF	(1,000,000)	Open	1.41%
02/15/18	Withdrawal	LAIF	(2,000,000)	Open	1.41%
02/22/18	Deposit	LAIF	800,000	Open	1.41%
Change in investments during the month			<u>\$ (1,500,000)</u>		

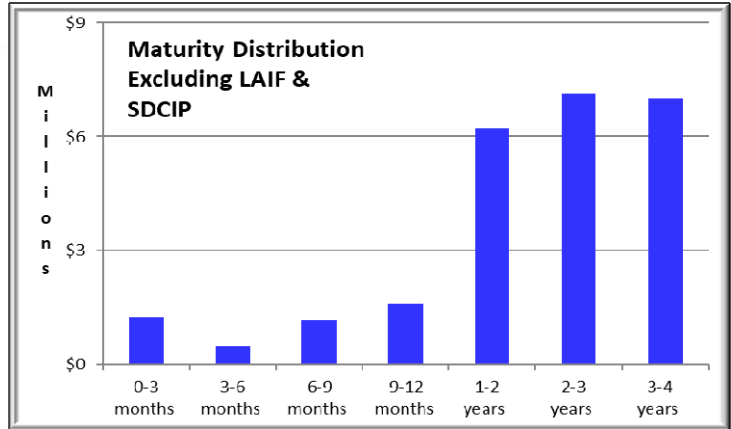
	<u>Current</u>
Weighted average annual yield for total Vallecitos investments	1.445%
Weighted average days to maturity	328

The State Treasurer's Office provides fair market values of LAIF quarterly on their web site. The most recent valuation, which is used on this report, is as of December 31, 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 January 31, 2018. Fair values for federal agency obligations and corporate notes are provided by Union Bank trust account reporting.

Portfolio Snapshot:

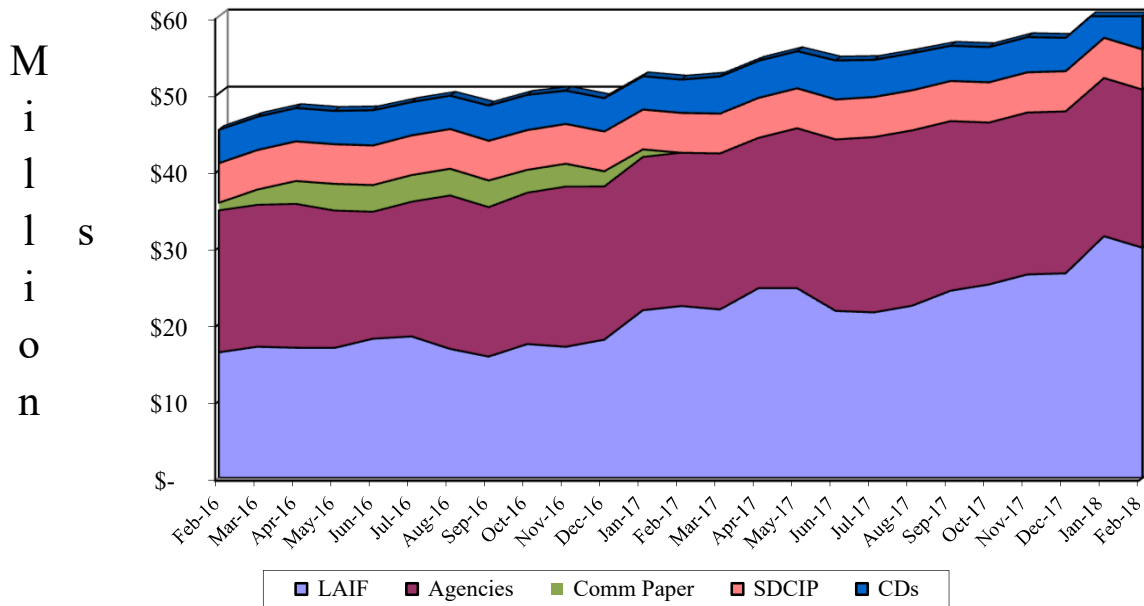


Agencies
34.2%



Safety

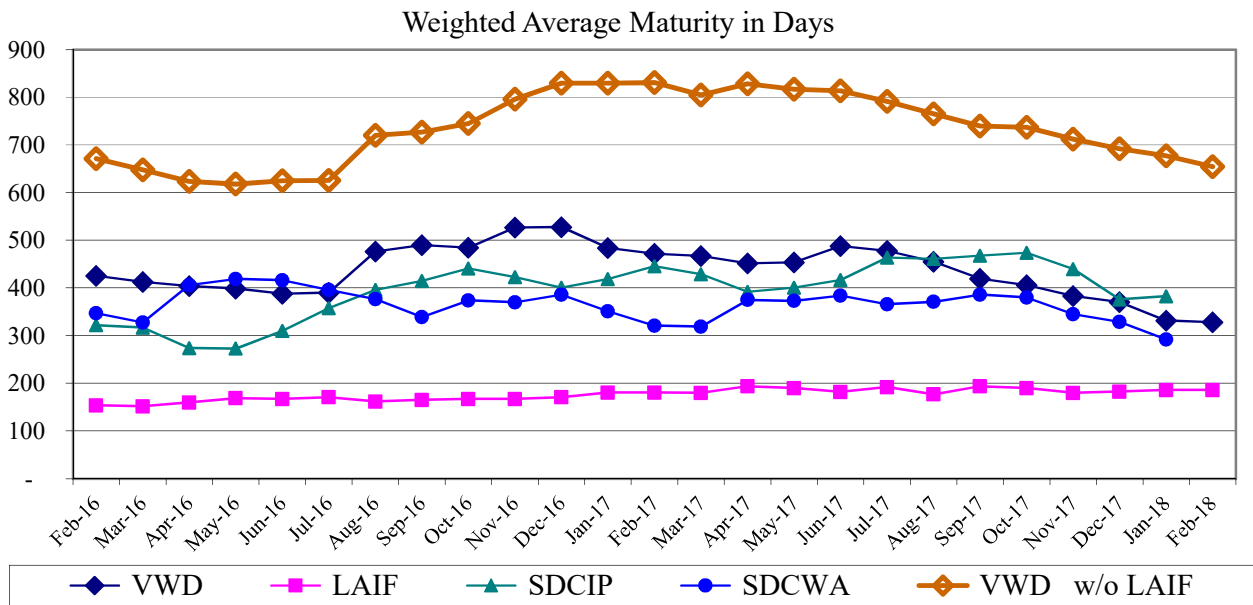
Criteria for selecting investments and the absolute order of priority are safety, liquidity and yield. To meet the objective of safety and avert credit risk, the District acquires only those investments permitted by adopted Board policy and with in limits established in the policy. Credit risk is the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



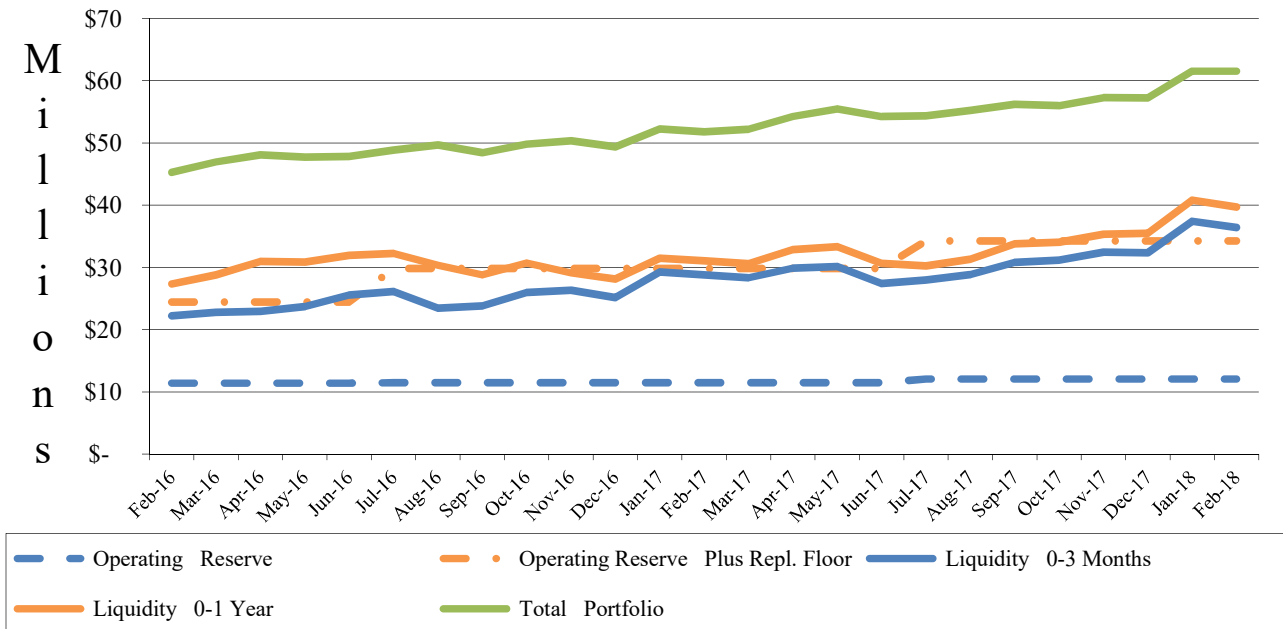
The graph above represents investment levels in the State of California’s Local Agency Investment Fund (LAIF), federal agency obligations, commercial paper, FDIC backed corporate notes, the San Diego County Investment Pool (SDCIP), and certificates of deposit.

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 \$30.0 million available the same day. But for comparative purposes LAIF is eliminated from the District’s portfolio and shown separately.

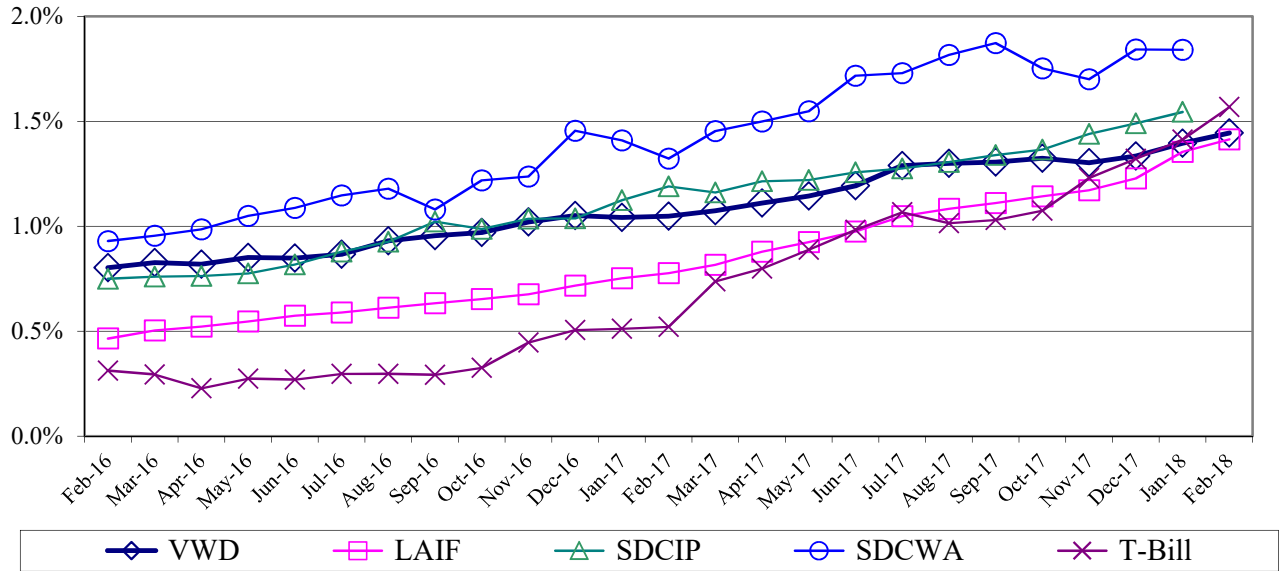


The graph below trends the *relationship of liquidity to adopted reserve levels*. District staff is sensitive to this relationship, but also recognizes the risk of being too liquid if rates fall further.



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 2.48339%) 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	
FFCB	AA+	0.930	0.930	10/21/15	01/13/18	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	01/25/18	01/25/19	499,900	-	-	-	499,900
FFCB	AA+	1.150	1.396	03/07/17	01/31/18	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	01/31/18	06/13/19	497,500	-	-	-	497,500
FHLB(s)	AA+	1.125	1.250	07/07/17	03/28/18	06/28/19	-	500,000	-	-	500,000
FHLMC(s)	AA+	1.250	1.500	06/28/16	03/28/18	06/28/19	-	750,000	-	-	750,000
FFCB	AA+	1.080	1.080	07/12/16	01/31/18	07/12/19	499,675	-	-	-	499,675
FHLMC(s)	AA+	1.125	1.500	08/30/16	02/28/18	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	01/28/18	10/28/19	500,000	-	-	-	500,000
FHLMC(s)	AA+	1.250	1.250	08/22/16	02/22/18	11/22/19	-	750,000	-	-	750,000
FNMA	AA+	1.350	1.350	06/30/16	03/30/18	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	03/30/18	03/30/20	500,000	-	-	-	500,000
FHLB	AAA	1.670	1.670	04/28/17	01/31/18	04/28/20	-	750,000	-	-	750,000
FNMA	AA+	1.500	1.500	05/27/16	02/28/18	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	01/31/18	07/13/20	492,970	-	-	-	492,970
FNMA	AA+	1.400	1.400	08/24/16	02/24/18	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	01/31/18	12/07/20	-	249,438	-	-	249,438
FHLMC(s)	AA+	1.400	1.500	06/27/17	03/22/18	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	01/28/18	01/28/21	500,000	-	-	-	500,000
FFCB	AA+	1.620	1.620	11/18/16	01/31/18	02/17/21	-	149,667	-	-	149,667
FHLMC(s)	AA+	1.250	1.250	02/26/16	02/26/18	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	03/22/18	03/22/21	-	274,381	-	-	274,381
FFCB	AA+	1.620	1.620	04/12/16	01/31/18	04/12/21	749,925	-	-	-	749,925
FFCB	AA+	1.990	1.990	05/03/17	01/31/18	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	01/27/18	07/27/21	-	500,000	-	-	500,000
JPM Chase CD		1.650	1.650	08/16/16	02/16/18	08/16/21	-	245,000	-	-	245,000
FHLMC	AA+	1.600	1.600	08/25/16	02/25/18	08/25/21	1,000,000	-	-	-	1,000,000
FHLB	AA+	1.625	1.625	09/30/16	03/30/18	09/30/21	-	1,000,000	-	-	1,000,000
FNMA	AA+	1.550	1.550	10/31/16	01/28/18	10/28/21	1,000,000	-	-	-	1,000,000
FHLMC	AA+	1.875	1.875	11/30/16	02/26/18	11/26/21	-	1,000,000	-	-	1,000,000
SDCIP	AAA	na	1.545	Various	na	Open	-	5,212,632	-	-	5,212,632
LAIF		na	1.414	Various	na	Open	14,971,883	14,984,957	-	-	29,956,840
Total Cost							25,845,574	34,189,770	-	-	60,035,344
Unrealized Gain/(Loss)							(226,017)	(295,256)	-	-	(521,273)
Market Value							\$ 25,619,557	\$ 33,894,514	\$ -	\$ -	\$ 59,514,071

By Investment Type					Total					
Reference	Settled	Coupon	Yield	Matures	CDs	Agencies	LGIPs	LAIF	Cost	Market
FFCB	10/21/15	0.930	0.930	04/13/18	-	499,705	-	-	499,705	499,465
Am Exp CD	04/29/15	1.100	1.100	04/30/18	245,000	-	-	-	245,000	244,944
FNMA	11/12/15	0.875	1.090	05/21/18	-	497,325	-	-	497,325	499,165
Synchrony CD	06/13/14	1.600	1.600	06/13/18	245,000	-	-	-	245,000	244,990
Goldman CD	08/19/15	1.700	1.700	08/20/18	245,000	-	-	-	245,000	245,073
GE Cap CD	09/05/14	1.800	1.800	09/05/18	245,000	-	-	-	245,000	245,179
FHLB	06/29/15	1.200	1.260	09/26/18	-	499,050	-	-	499,050	497,935
Capital 1 CD	10/13/15	1.650	1.650	10/09/18	179,000	-	-	-	179,000	178,993
Ally Bank CD	10/29/15	1.600	1.600	10/29/18	245,000	-	-	-	245,000	244,951
Sallie Mae CD	12/09/15	1.600	1.600	12/10/18	245,000	-	-	-	245,000	244,733
FHLB	02/08/17	1.240	1.240	01/23/19	-	500,000	-	-	500,000	496,000
FNMA	07/25/16	1.000	1.000	01/25/19	-	499,900	-	-	499,900	495,155
FFCB	03/07/17	1.150	1.396	02/22/19	-	365,260	-	-	365,260	363,367
BMW Bk CD	03/10/17	1.350	1.350	03/11/19	245,000	-	-	-	245,000	243,505
Whitney Bank CD	04/20/17	1.650	1.650	04/22/19	245,000	-	-	-	245,000	244,025
Enerbank CD	06/18/15	1.500	1.579	05/15/19	232,301	-	-	-	232,301	231,527
FFCB	05/26/17	1.180	1.180	06/13/19	-	497,500	-	-	497,500	493,400
FHLB(s)	07/07/17	1.125	1.250	06/28/19	-	500,000	-	-	500,000	496,750
FHLMC(s)	06/28/16	1.250	1.500	06/28/19	-	750,000	-	-	750,000	745,597
FFCB	07/12/16	1.080	1.080	07/12/19	-	499,675	-	-	499,675	491,890
FHLMC(s)	08/30/16	1.125	1.500	08/28/19	-	750,000	-	-	750,000	746,040
Barclays CD	09/16/15	1.900	1.900	09/16/19	245,000	-	-	-	245,000	244,434
FHLMC	09/25/15	1.250	1.317	10/02/19	-	498,665	-	-	498,665	492,280
FHLB	10/28/16	1.190	1.190	10/28/19	-	500,000	-	-	500,000	490,360
FHLMC(s)	08/22/16	1.250	1.250	11/22/19	-	750,000	-	-	750,000	741,780
FNMA	06/30/16	1.350	1.350	12/30/19	-	500,000	-	-	500,000	491,090
Key Bank CD	03/08/17	1.700	1.700	03/09/20	245,000	-	-	-	245,000	241,690
FNMA	10/19/16	1.300	1.300	03/30/20	-	500,000	-	-	500,000	488,940
FHLB	04/28/17	1.670	1.670	04/28/20	-	750,000	-	-	750,000	738,517
FNMA	05/27/16	1.500	1.500	05/29/20	-	750,000	-	-	750,000	735,150
HSBC Bank CD	09/16/16	1.400	1.400	07/08/20	244,510	-	-	-	244,510	239,142
FHLB	11/22/16	1.200	1.200	07/13/20	-	492,970	-	-	492,970	486,125
FNMA	08/24/16	1.400	1.400	08/24/20	-	1,000,000	-	-	1,000,000	974,520
Discover CD	10/26/16	1.500	1.500	10/26/20	245,000	-	-	-	245,000	237,584
FFCB	11/04/16	1.380	1.380	11/02/20	-	499,600	-	-	499,600	485,380
FFCB	12/07/16	1.770	1.770	12/07/20	-	249,438	-	-	249,438	245,175
FHLMC(s)	06/27/17	1.400	1.500	12/22/20	-	750,000	-	-	750,000	744,165
Northern Bk & Trust	06/29/17	1.850	1.850	12/29/20	245,000	-	-	-	245,000	240,899
FNMA	10/28/16	1.400	1.400	01/28/21	-	500,000	-	-	500,000	481,915
FFCB	11/18/16	1.620	1.620	02/17/21	-	149,667	-	-	149,667	145,236
FHLMC(s)	02/26/16	1.250	1.250	02/26/21	-	514,000	-	-	514,000	507,020
Wells Fargo CD(s)	03/04/16	1.150	1.150	03/04/21	243,000	-	-	-	243,000	241,987
FHLB(s)	04/06/17	1.500	1.500	03/22/21	-	274,381	-	-	274,381	270,856
FFCB	04/12/16	1.620	1.620	04/12/21	-	749,925	-	-	749,925	727,395
FFCB	05/03/17	1.990	1.990	05/03/21	-	750,000	-	-	750,000	736,733
Comenty Bk CD	06/30/16	1.650	1.650	06/30/21	245,000	-	-	-	245,000	237,822
FNMA	07/27/16	1.500	1.500	07/27/21	-	500,000	-	-	500,000	480,885
JPM Chase CD	08/16/16	1.650	1.650	08/16/21	245,000	-	-	-	245,000	236,329
FHLMC	08/25/16	1.600	1.600	08/25/21	-	1,000,000	-	-	1,000,000	965,950
FHLB	09/30/16	1.625	1.625	09/30/21	-	1,000,000	-	-	1,000,000	961,530
FNMA	10/31/16	1.550	1.550	10/28/21	-	1,000,000	-	-	1,000,000	960,330
FHLMC	11/30/16	1.875	1.875	11/26/21	-	1,000,000	-	-	1,000,000	967,440
SDCIP	Various		1.545	Open	-	-	5,212,632	-	5,212,632	5,183,000
LAIF	Various		1.414	Open	-	-	-	29,956,840	29,956,840	29,899,728
Total Cost					4,328,811	20,537,061	5,212,632	29,956,840	60,035,344	
Unrealized Gain/(Loss)					(41,004)	(393,525)	(29,632)	(57,112)	(521,273)	
Market Value					\$ 4,287,807	\$ 20,143,536	\$ 5,183,000	\$ 29,899,728	\$ 59,514,071	\$ 59,514,071
Percentage of Portfolio					7.2%	34.2%	8.7%	49.9%		
Investment Policy Limits					20.0%	60.0%	40.0%	60.0%		

DATE: MARCH 21, 2018
TO: BOARD OF DIRECTORS
SUBJECT: REQUEST TO START NEW EMPLOYEE AT STEP D OF SALARY RANGE

BACKGROUND:

The District's Employee Handbook, Section V – Compensation and Classification, B. Salary Schedule, states “New employees are hired at the entry level step A unless the General Manager adjusts the entry step based on their experience and qualifications. The General Manager must receive Board approval to start a new employee above step C.” These requests are rare and only used when necessary; the last employee to be hired above step C of a salary range was in 2005.

DISCUSSION:

The Information Technology (IT) Supervisor position was opened for recruitment on February 8, 2018 and advertised as “Open Until Filled” with a 1st review of applications on February 26, 2018. As a sufficient number of qualified applicants was obtained, the recruitment closed on February 26, 2018 and interviews were scheduled for eight applicants. Two applicants withdrew from consideration on the day of interviews because they were offered positions with other agencies, both outside of San Diego County. Interviews were held with the six remaining applicants on March 8, 2018 and a candidate was selected for consideration. The selected candidate has a bachelor's degree in computer technology, numerous professional certifications including Microsoft Certified Systems Engineer, and 15 years of related experience including currently working as an IT supervisor at a comparable public agency. During job offer discussions, the starting salary for the position was a concern when compared to the candidate's current salary. As the candidate exceeds the minimum qualifications for the position, the General Manager requests approval to offer the position at step D. References checked provided positive feedback and highly recommend this candidate.

FISCAL IMPACT:

The fiscal impact of increased salary and benefits is approximately \$7,000 per year.

RECOMMENDATION:

Approve the request to offer the position at step D of the IT Supervisor salary range.

ATTACHMENT:

Vallecitos Water District Personnel Classification and Annual Pay Schedule

VALLECITOS WATER DISTRICT PERSONNEL CLASSIFICATION AND ANNUAL PAY SCHEDULE

Effective January 12, 2018

POSITION/TITLE	EXPERIENCE STEPS							LONGEVITY	
	A	B	C	D	E	F	G	H	I
Accountant	69,624	73,104	76,764	80,592	84,624	88,860	93,300	97,968	102,864
Accounting Supervisor	91,056	95,604	100,380	105,408	110,676	116,208	122,016	128,124	134,532
Accounting Technician	55,896	58,692	61,632	64,704	67,944	71,340	74,904	78,660	82,584
Administrative Secretary	63,156	66,312	69,624	73,104	76,764	80,592	84,624	88,860	93,300
Administrative Services Manager	137,844	144,744	151,980	159,576	167,556	175,932	184,728	193,968	203,664
Applications Specialist I	73,104	76,764	80,592	84,624	88,860	93,300	97,968	102,864	108,012
Applications Specialist II	86,712	91,056	95,604	100,380	105,408	110,676	116,208	122,016	128,124
Assistant General Manager	159,576	167,556	175,932	184,728	193,968	203,664	213,852	224,544	235,764
Buildings & Grounds Worker	38,772	40,704	42,744	44,880	47,124	49,476	51,960	54,552	57,276
Buildings & Grounds Worker (Y-rating)	54,612	54,612	54,612	54,612	54,612	54,612	54,612	54,612	54,612
Capital Facilities Coordinator	71,340	74,904	78,660	82,584	86,712	91,056	95,604	100,380	105,408
Capital Facilities Engineer	88,860	93,300	97,968	102,864	108,012	113,412	119,076	125,028	131,280
Capital Facilities Senior Engineer	102,864	108,012	113,412	119,076	125,028	131,280	137,844	144,744	151,980
Cashier / Receptionist	44,880	47,124	49,476	51,960	54,552	57,276	60,144	63,156	66,312
CMMS Planner	66,312	69,624	73,104	76,764	80,592	84,624	88,860	93,300	97,968
Construction Inspection Supervisor	78,660	82,584	86,712	91,056	95,604	100,380	105,408	110,676	116,208
Construction Inspector I	58,692	61,632	64,704	67,944	71,340	74,904	78,660	82,584	86,712
Construction Inspector II	67,944	71,340	74,904	78,660	82,584	86,712	91,056	95,604	100,380
Construction Supervisor	78,660	82,584	86,712	91,056	95,604	100,380	105,408	110,676	116,208
Construction Worker I	45,984	48,288	50,700	53,232	55,896	58,692	61,632	64,704	67,944
Construction Worker II	53,232	55,896	58,692	61,632	64,704	67,944	71,340	74,904	78,660
Control Systems Technician	73,104	76,764	80,592	84,624	88,860	93,300	97,968	102,864	108,012
Customer Service Representative I	43,800	45,984	48,288	50,700	53,232	55,896	58,692	61,632	64,704
Customer Service Representative II	49,476	51,960	54,552	57,276	60,144	63,156	66,312	69,624	73,104
Customer Service Representative III	51,960	54,552	57,276	60,144	63,156	66,312	69,624	73,104	76,764
Customer Service Supervisor	73,104	76,764	80,592	84,624	88,860	93,300	97,968	102,864	108,012
Development Services Coordinator	73,104	76,764	80,592	84,624	88,860	93,300	97,968	102,864	108,012
Development Services Senior Engineer	102,864	108,012	113,412	119,076	125,028	131,280	137,844	144,744	151,980
District Engineer	141,252	148,320	155,736	163,524	171,696	180,276	189,288	198,756	208,692
Electrical/Instrumentation Technician	69,624	73,104	76,764	80,592	84,624	88,860	93,300	97,968	102,864
Engineering Services Assistant	53,232	55,896	58,692	61,632	64,704	67,944	71,340	74,904	78,660
Engineering Technician I	53,232	55,896	58,692	61,632	64,704	67,944	71,340	74,904	78,660
Engineering Technician II	61,632	64,704	67,944	71,340	74,904	78,660	82,584	86,712	91,056
Engineering Technician III	71,340	74,904	78,660	82,584	86,712	91,056	95,604	100,380	105,408
Executive Secretary	76,764	80,592	84,624	88,860	93,300	97,968	102,864	108,012	113,412
Facility Locator	58,692	61,632	64,704	67,944	71,340	74,904	78,660	82,584	86,712
Finance Assistant	49,476	51,960	54,552	57,276	60,144	63,156	66,312	69,624	73,104
Finance Manager	137,844	144,744	151,980	159,576	167,556	175,932	184,728	193,968	203,664
Financial Analyst	86,712	91,056	95,604	100,380	105,408	110,676	116,208	122,016	128,124
General Manager	240,084	240,084	240,084	240,084	240,084	240,084	240,084	240,084	240,084
GIS/CADD Technician	60,144	63,156	66,312	69,624	73,104	76,764	80,592	84,624	88,860
Human Resources Analyst	67,944	71,340	74,904	78,660	82,584	86,712	91,056	95,604	100,380
Information Technology Supervisor	97,968	102,864	108,012	113,412	119,076	125,028	131,280	137,844	144,744
Information Technology Technician	66,312	69,624	73,104	76,764	80,592	84,624	88,860	93,300	97,968
Landscape Maintenance Worker I	44,880	47,124	49,476	51,960	54,552	57,276	60,144	63,156	66,312
Landscape Maintenance Worker II	49,476	51,960	54,552	57,276	60,144	63,156	66,312	69,624	73,104
Mechanic	57,276	60,144	63,156	66,312	69,624	73,104	76,764	80,592	84,624
Mechanic Assistant	47,124	49,476	51,960	54,552	57,276	60,144	63,156	66,312	69,624

VALLECITOS WATER DISTRICT PERSONNEL CLASSIFICATION AND ANNUAL PAY SCHEDULE

Effective January 12, 2018

POSITION/TITLE	EXPERIENCE STEPS							LONGEVITY	
	A	B	C	D	E	F	G	H	I
Mechanical Maintenance Worker I	49,476	51,960	54,552	57,276	60,144	63,156	66,312	69,624	73,104
Mechanical Maintenance Worker II	57,276	60,144	63,156	66,312	69,624	73,104	76,764	80,592	84,624
Mechanical/Electrical Supervisor	80,592	84,624	88,860	93,300	97,968	102,864	108,012	113,412	119,076
Meter Service Supervisor	73,104	76,764	80,592	84,624	88,860	93,300	97,968	102,864	108,012
Meter Service Worker I	43,800	45,984	48,288	50,700	53,232	55,896	58,692	61,632	64,704
Meter Service Worker II	50,700	53,232	55,896	58,692	61,632	64,704	67,944	71,340	74,904
Operations & Maintenance Assistant	49,476	51,960	54,552	57,276	60,144	63,156	66,312	69,624	73,104
Operations & Maintenance Manager	137,844	144,744	151,980	159,576	167,556	175,932	184,728	193,968	203,664
Public Information Representative	69,624	73,104	76,764	80,592	84,624	88,860	93,300	97,968	102,864
Public Information/Conservation Supervisor	82,584	86,712	91,056	95,604	100,380	105,408	110,676	116,208	122,016
Pump & Motor Technician I	57,276	60,144	63,156	66,312	69,624	73,104	76,764	80,592	84,624
Pump & Motor Technician II	66,312	69,624	73,104	76,764	80,592	84,624	88,860	93,300	97,968
Purchasing/Warehouse Assistant	54,552	57,276	60,144	63,156	66,312	69,624	73,104	76,764	80,592
Purchasing/Warehouse Supervisor	73,104	76,764	80,592	84,624	88,860	93,300	97,968	102,864	108,012
Risk Management Supervisor	91,056	95,604	100,380	105,408	110,676	116,208	122,016	128,124	134,532
Safety Technician	63,156	66,312	69,624	73,104	76,764	80,592	84,624	88,860	93,300
Senior Construction Systems Worker	61,632	64,704	67,944	71,340	74,904	78,660	82,584	86,712	91,056
Senior Customer Service Representative	55,896	58,692	61,632	64,704	67,944	71,340	74,904	78,660	82,584
Senior Pump and Motor Technician	71,340	74,904	78,660	82,584	86,712	91,056	95,604	100,380	105,408
Senior Wastewater Collection Systems Worker	58,692	61,632	64,704	67,944	71,340	74,904	78,660	82,584	86,712
Senior Wastewater Treatment Plant Operator	71,340	74,904	78,660	82,584	86,712	91,056	95,604	100,380	105,408
Senior Water Systems Operator	67,944	71,340	74,904	78,660	82,584	86,712	91,056	95,604	100,380
Source Control Technician	61,632	64,704	67,944	71,340	74,904	78,660	82,584	86,712	91,056
Systems Administrator	78,660	82,584	86,712	91,056	95,604	100,380	105,408	110,676	116,208
Valve Maintenance Technician	58,692	61,632	64,704	67,944	71,340	74,904	78,660	82,584	86,712
Warehouse Assistant I	44,880	47,124	49,476	51,960	54,552	57,276	60,144	63,156	66,312
Warehouse Assistant II	51,960	54,552	57,276	60,144	63,156	66,312	69,624	73,104	76,764
Wastewater Collection Systems Supervisor	78,660	82,584	86,712	91,056	95,604	100,380	105,408	110,676	116,208
Wastewater Collection Systems Worker I	44,880	47,124	49,476	51,960	54,552	57,276	60,144	63,156	66,312
Wastewater Collection Systems Worker II	51,960	54,552	57,276	60,144	63,156	66,312	69,624	73,104	76,764
Wastewater Treatment Plant Operator I	51,960	54,552	57,276	60,144	63,156	66,312	69,624	73,104	76,764
Wastewater Treatment Plant Operator II	60,144	63,156	66,312	69,624	73,104	76,764	80,592	84,624	88,860
Wastewater Treatment Plant Supervisor	84,624	88,860	93,300	97,968	102,864	108,012	113,412	119,076	125,028
Water Systems Operator I	51,960	54,552	57,276	60,144	63,156	66,312	69,624	73,104	76,764
Water Systems Operator II	60,144	63,156	66,312	69,624	73,104	76,764	80,592	84,624	88,860
Water Systems Supervisor	84,624	88,860	93,300	97,968	102,864	108,012	113,412	119,076	125,028

DATE: MARCH 21, 2018
TO: BOARD OF DIRECTORS
SUBJECT: RESOLUTION CONCURRING IN THE NOMINATION OF JO MACKENZIE TO THE CALIFORNIA SPECIAL DISTRICTS ASSOCIATION BOARD OF DIRECTORS

DISCUSSION:

The California Special Districts Association is holding an election for its Board of Directors for the Southern Network, Seat A for the 2019-21 term. The incumbent, Jo MacKenzie of Vista Irrigation District, is seeking re-election for this position. Ms. MacKenzie is requesting a resolution concurring in her nomination to represent the Southern Network, Seat A, on the Board of Directors.

RECOMMENDATION:

Adopt Resolution.



2018 CSDA BOARD CANDIDATE INFORMATION SHEET

The following information **MUST** accompany your nomination form and Resolution/minute order:

Name: Jo MacKenzie

District/Company: Vista Irrigation District

Title: President, Board of Directors

Elected/Appointed/Staff: Elected

Length of Service with District: 26 years

1. Do you have current involvement with CSDA (such as committees, events, workshops, conferences, Governance Academy, etc.):

- President 2011, Vice President 2010, Treasurer 2008-2009
- CSDA Legislative Advocate of the Year 2010
- Finance Corporation 2007-present, President 2012, 2013, 2015- present
- Special District Leadership Foundation Board of Directors, Treasurer 2014-present
- Fiscal and Audit Committees; Membership Committee 2011- present
- Legislative Committee 2004-present; Chair, 2006-2010 and 2012
- San Diego Chapter, Board of Directors 1993-present, President 1998-2000
- Graduate of CSDA Governance Academy
- Attend Annual Conference and Legislative Days

2. Have you ever been associated with any other state-wide associations (CSAC, ACWA, League, etc.):

- ACWA: Past Board Director; Local Government, Chair 2014-2015 and Membership Committees
- ACWA Region 10 Board, Vice Chair, Alternate Chair, Director 1997-2010
- Special District Official of the Year by PublicCEO 2011

3. List local government involvement (such as LAFCO, Association of Governments, etc.):

- San Diego LAFCO, 1994-present, Current Chair; served on Advisory Committee for 14 years
- CALAFCO Board member
- Served on City of San Marcos Planning and Traffic Commissions
- Personally initiated the City of San Marcos Budget Review Committee in 1980, Chair 1996-2006

4. List civic organization involvement:

- San Marcos Chamber of Commerce, Lifetime Ambassador
- Graduate Leadership 2000, Cal State San Marcos
- Soroptimist International

****Candidate Statement-**Although it is not required, each candidate is requested to submit a candidate statement of no more than 300 words in length. **Any statements received in the CSDA office after May 31, 2018 will not be included with the ballot mailing.**

Board Member Southern Network,

Nominations are now in progress for the CSDA Board of Directors, Seat A. There are three directors in each Network with rotating 3-year terms. I am running for my seat on the CSDA Board. I would appreciate your board of directors considering approving a concurring nomination resolution on my behalf. I have attached my Candidate Information Sheet and a Concurring Nomination Resolution Template.

It has been a privilege and honor to represent the California Special Districts Southern Network. I have served as President and Treasurer, plus serving on other CSDA Committees. I am presently President of the CSDA Finance Corp---if you need money for a capital improvement project, the Finance Corp provides competitive financing. I believe during my tenure on the board of directors I have provided the leadership necessary to grow the association so that it has the influence and visibility needed in the Capitol to represent the diverse needs of all special districts. I hope to continue this leadership role to provide the direction, ideas and participation necessary for CSDA to continue its upward progress.

Serving on the CSDA Board of Directors requires a commitment of time along with an interest in the issues confronting special districts statewide. Also, it's imperative that a Board Member have a true interest in seeing that our members have the information and assistance they need in a timely fashion in order for them stay on top of new legislation affecting special districts and the educational opportunities provided by CSDA. I try to connect with new members so that they know what CSDA has to offer in the way of educational opportunities along with how CSDA represents our members at the Capitol.

I would truly be honored if your district would approve the concurring resolution.

Jo MacKenzie, Vice President
Vista Irrigation District

RESOLUTION NO.

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
CONCURRING IN THE NOMINATION OF JO MACKENZIE
TO THE CSDA BOARD OF DIRECTORS

WHEREAS, the California Special Districts Association (CSDA) is holding an election for its Board of Directors for the Southern Network, Seat A for the 2019-21 term; and

WHEREAS, the Vallecitos Water District is a voting member of CSDA and a voting member of the Southern Network; and

WHEREAS, the incumbent, Jo MacKenzie, of the Vista Irrigation District is seeking re-election for this position; and

WHEREAS, Jo MacKenzie has been involved with the CSDA Board since 2003 and has served in a wide variety of roles including Board President in 2011, Vice President in 2010, and Treasurer in 2008 and 2009; and

WHEREAS, the Board of Directors of the Vallecitos Water District believes that Jo MacKenzie is an effective member of the CSDA Board.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Vallecitos Water District does concur in the nomination of Jo MacKenzie to represent the Southern Network, Seat A, on the CSDA Board of Directors; and

BE IT FURTHER RESOLVED that the District Secretary is hereby directed to transmit a certified copy of this resolution to the attention of the Board Secretary of the Vista Irrigation District at 1391 Engineer Street, Vista, CA 92081, or email Lsota@vidwater.org forthwith.

PASSED AND ADOPTED by the following roll call vote of the Board of Directors for the Vallecitos Water District this 21st day of March, 2018.

AYES:
NOES:
ABSTAIN:
ABSENT:

James Hernandez, President
Board of Directors
Vallecitos Water District

ATTEST:

Glenn Pruiam, Secretary
Board of Directors
Vallecitos Water District

DATE: MARCH 21, 2018
TO: BOARD OF DIRECTORS
SUBJECT: CONSTRUCTION CONTRACT AWARD OF STARGAZE COURT AND RIVER RUN CIRCLE WATER LINE REHABILITATION

BACKGROUND:

An existing 8" ductile iron pipe (DIP) water line on Stargaze Court in San Elijo Hills has failed on numerous occasions over the past few years. The primary cause for failure has been external damage and related corrosion. A replacement project was adopted in the approved 2017/2018 Budget to replace the water line on Stargaze Court.

This fiscal year, an existing 8" DIP water line on River Run Circle, off Borden Road, also failed on numerous occasions under similar conditions. Due to the timing of this failure relative to the 2017/2018 budget adoption, a replacement project for this location was not included in the current budget. Failures in both areas have negatively impacted customers. Affected customers have requested the District to propose a solution. Due to the corrosive conditions in these areas and the material of the pipe, failures for these water lines are likely to continue.

DISCUSSION:

During planning discussions for replacement of the Stargaze Court and River Run Circle water lines, staff reviewed alternate methods to traditional open-cut installation, including trenchless technology options. Sanexen Water Inc. (Sanexen) was contacted for a possible pilot project for installation of their composite structural liner product, Aqua Pipe. Sanexen has provided water management solutions in North America for approximately 20 years. Aqua Pipe meets industry standards for structural liners and is certified for potable water applications. Sanexen is currently working with other water districts in the San Diego region and the District may benefit from shared mobilization costs.

Traditional open-cut method for replacing water lines involves heavy equipment and work crews excavating in the street to remove and replace asphalt pavement, trench soil, and removal and replacement of the water line, along with reconnections for each house service. Use of Sanexen's Aqua Pipe will involve excavations at either end of the water line only. The structural liner is pulled into place and cured. House services are restored internally using a remote robot. Trenchless installation methods significantly reduce disruption to the community, including the timeline of the project and impacts due to traffic and noise.

Often, trenchless methods for water line rehabilitation cost more than traditional open-cut replacement projects, but with advances in technology, the cost gap is closing and projects need to be evaluated on a case-by-case basis. Sanexen is also motivated to show success in the San Diego region. Staff worked with Sanexen to provide a quote in the amount of \$383,500 for rehabilitation of both the Stargaze Court and River Run Circle water lines. The fully loaded cost for using Aqua Pipe, including a 10% contingency (\$38,350) as well as staff inspection and construction management

(\$51,030) will be \$472,880. An analysis, comparing the fully loaded costs of these projects are as follows:

Replacement - Stargaze Ct 730 LF at \$438.50/LF = \$320,105

Aqua Pipe (Rehab) Stargaze Ct/River Run Cir 1600 LF at \$295.55/LF = \$472,880

Though River Run Circle water line replacement estimates were not determined, they are likely to be in line with Stargaze Court construction costs. Considering this added project will result in the following comparative costs:

Replacement - Stargaze Ct	730 LF at \$438.50/LF =	\$320,105
Replacement - River Run Cir	870 LF at \$438.50/LF =	<u>\$381,495</u>
	Total	\$701,600
Aqua Pipe (Rehab) Stargaze Ct/River Run Cir	1600 LF at \$295.55/LF =	<u>\$472,880</u>
	Total	\$472,880
	Difference	\$228,720

The quote provided by Sanexen will allow the District to rehabilitate the water lines on both Stargaze Court and River Run Circle with only a moderate increase to the original Stargaze Court Replacement budget.

Rehabilitation of the water lines versus replacement of the water lines will reduce project construction costs by approximately 67% and planning and design costs by approximately 90%. Combining both projects under one budget will further reduce design and construction costs. In addition to reducing project costs, use of Sanexen's Aqua Pipe will strengthen and extend the life cycle while reducing impacts to customers.

FISCAL IMPACT:

The total estimated cost and budget summary are as follows:

Budget	\$400,000
Construction	\$383,500
10% Contingency	\$ 38,350
Design	\$ 9,120
Staff	\$ 16,840
Overhead	<u>\$ 34,190</u>
Total	\$482,000
Budget Increase	\$ 82,000

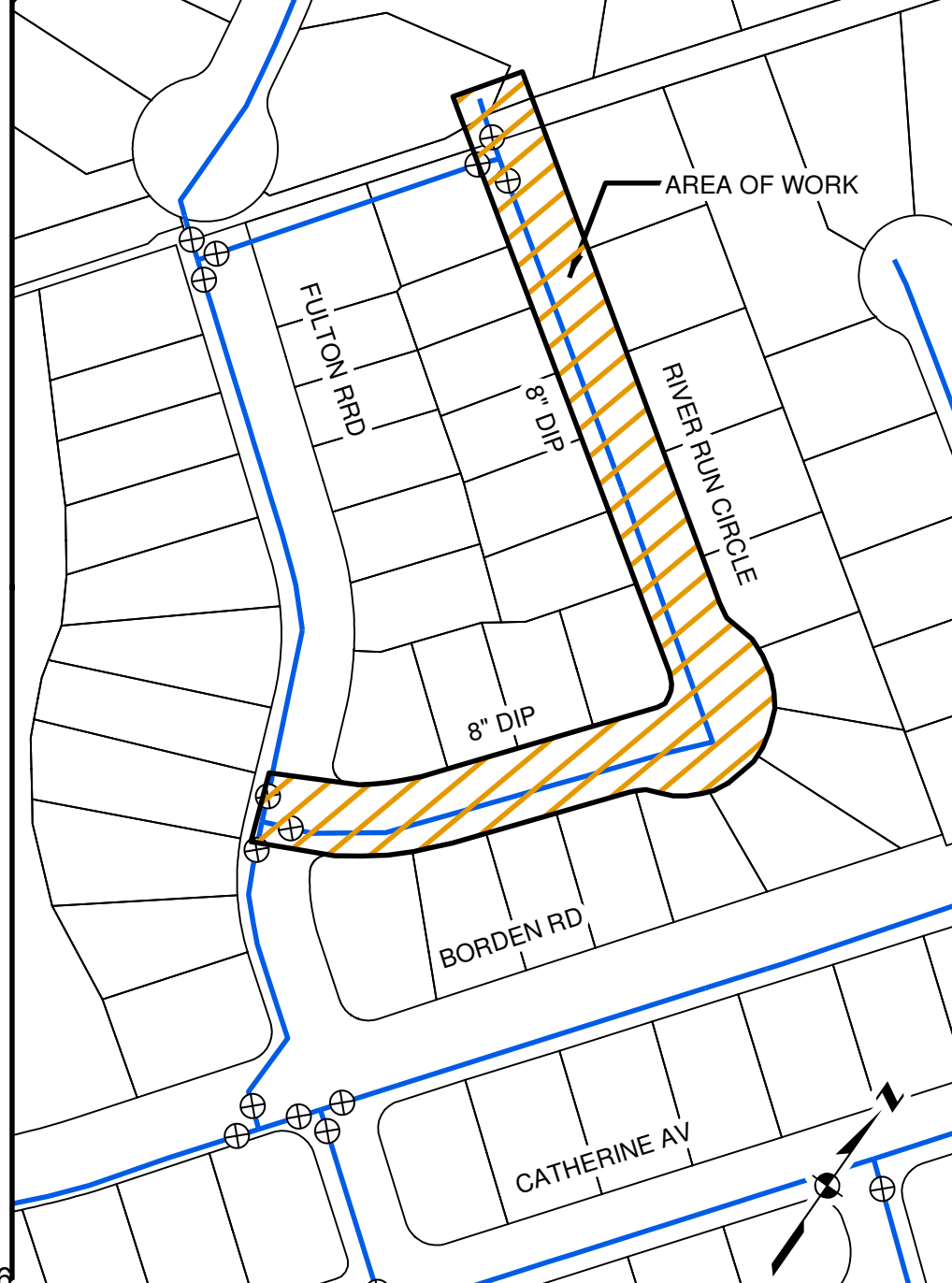
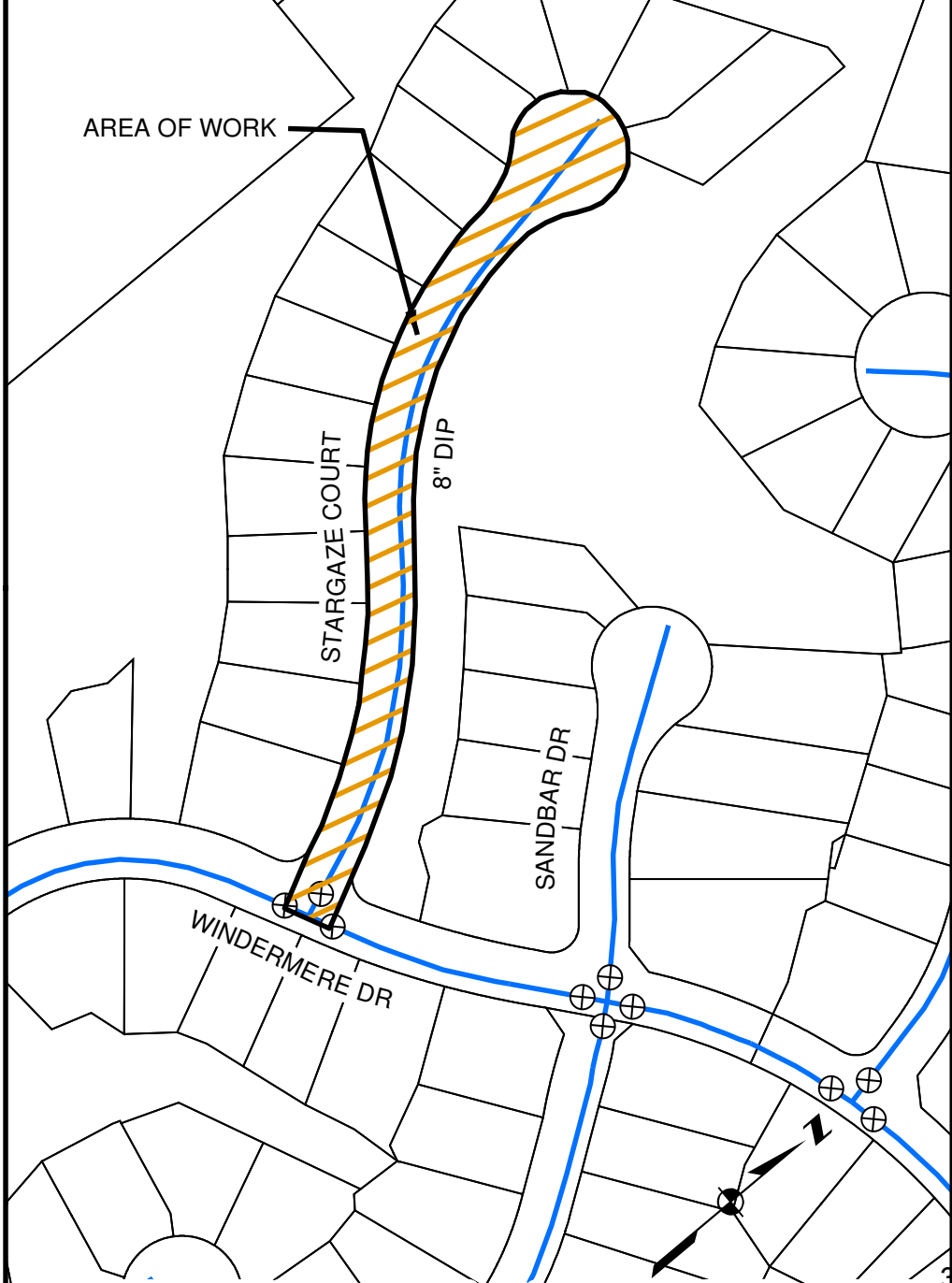
RECOMMENDATION:

Authorize the General Manager to execute a construction contract with Sanexen in the amount of \$383,500 for the Stargaze Court and River Run Circle Water Line Rehabilitation Project, subject to provisions of the contract and increase the budget by \$82,000 for the Stargaze Court and River Run Circle Water Line Rehabilitation Project.

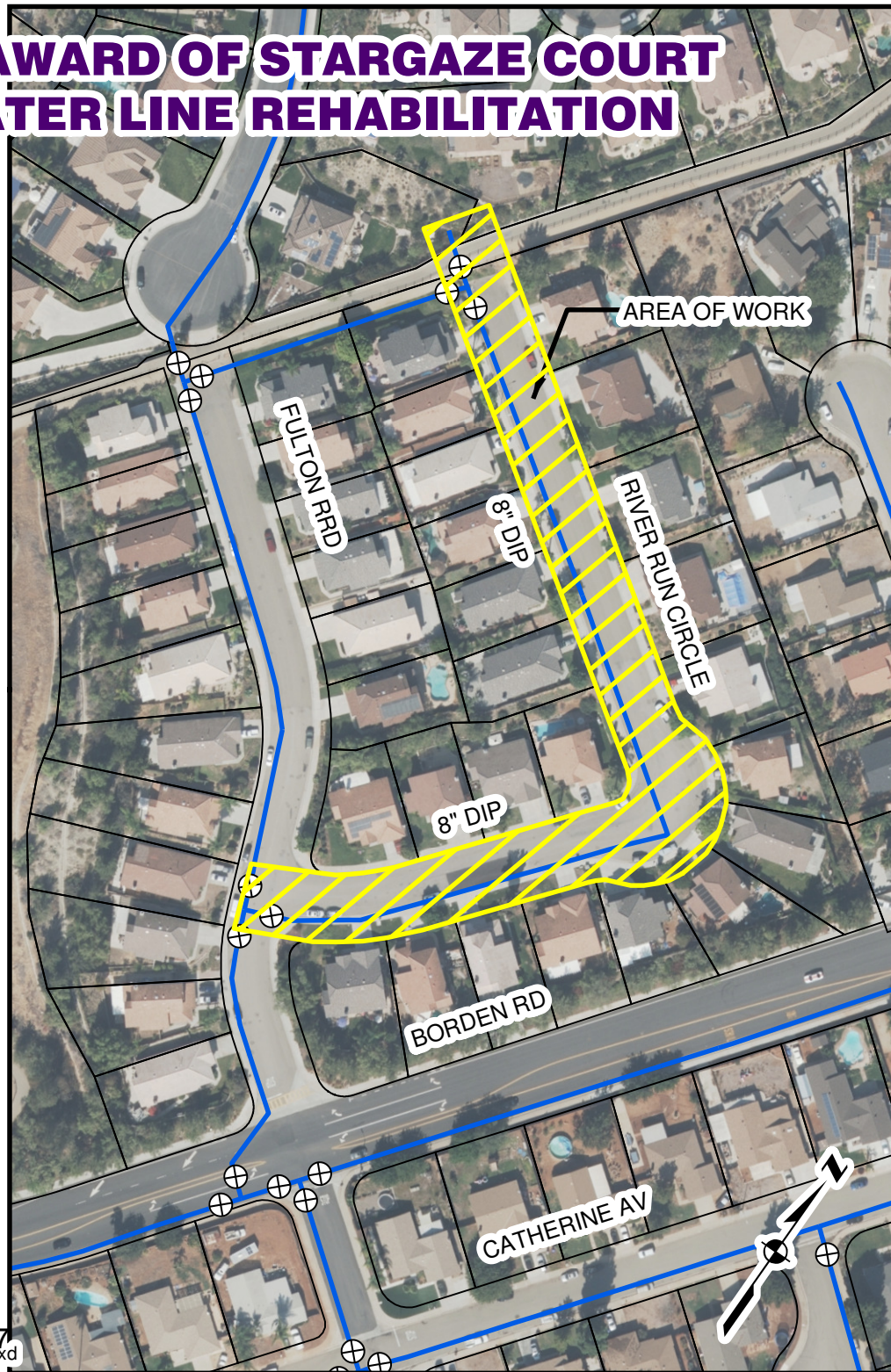
ATTACHMENTS:

Plat and Aerial Exhibit

CONSTRUCTION CONTRACT AWARD OF STARGAZE COURT AND RIVER RUN CIRCLE WATER LINE REHABILITATION



CONSTRUCTION CONTRACT AWARD OF STARGAZE COURT AND RIVER RUN CIRCLE WATER LINE REHABILITATION



DATE: MARCH 21, 2018
TO: BOARD OF DIRECTORS
SUBJECT: SAN MARCOS BOYS & GIRLS CLUB ANNUAL AUCTION

BACKGROUND:

The Board has previously approved District sponsorship of the Boys & Girls Club by way of purchasing a table or individual tickets for the Boys and Girls Club Annual Auction.

DISCUSSION:

The San Marcos Boys & Girls Club will be holding its annual auction on Saturday, April 28, 2018. Additional information is attached. Staff is seeking Board direction on whether the District is interested in sponsoring this year's Annual Auction. In addition, staff is seeking direction as to whether individual Directors attending the event are eligible for per diem and expenses related to the event. The Boys & Girls Club is not on the list of organizations that are pre-approved for per diem and expenses related to meeting attendance.

FISCAL IMPACT:

Individual ticket is \$150 and table sponsorship is \$1,500.

RECOMMENDATION:

Presented for Board discussion.



Save the Date for our 39th Annual Auction

Saturday, April 28, 2018
Boys & Girls Club of San Marcos

1 Positive Place | San Marcos, CA 92069

Grab your Mickey ears for our **39th Annual Auction: Where Dreams Really Do Come True!** Each year, the Boys & Girls Club of San Marcos provides a whole new world of opportunities for over 3,300 kids and teens in the community. Join us for the evening as we transform our Club into the happiest place in San Marcos to explore a vast silent and live auction selection, enjoy a delicious dinner, and listen to stories about the magic that happens inside our doors every day!

Table sponsorship is \$1500, individual tickets are \$150.