

AGENDA FOR A REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE VALLECITOS WATER DISTRICT  
WEDNESDAY, MAY 16, 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 MAY 16, 2018

PRESENTATIONS

Chris Palmer, Public Affairs Field Coordinator with the California Special Districts Association, will present the Vallecitos Water District with the “District Transparency Certificate of Excellence” award from the Special District Leadership Foundation.

Maureen Stapleton, General Manager, San Diego County Water Authority, will provide an update on current water issues of interest to the District.

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. 5-11)

- A. FINANCE/INVESTMENT COMMITTEE MEETING – APRIL 25, 2018
- B. REGULAR BOARD MEETING – MAY 2, 2018

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

**Recommendation: Approve Minutes**

1.2 WARRANT LIST THROUGH MAY 16, 2018 – \$3,259,756.53 (pp. 12-14)

**Recommendation: Approve Warrant List**

1.3 FINANCIAL REPORTS (pp. 15-27)

- A. WATER METER COUNT – APRIL 30, 2018
- B. WATER PRODUCTION/SALES REPORT – 2017/2018
- C. WATER REVENUE AND EXPENSE REPORT – APRIL 30, 2018
- D. SEWER REVENUE AND EXPENSE REPORT – APRIL 30, 2018
- E. RESERVE FUNDS ACTIVITY – APRIL 30, 2018
- G. INVESTMENT REPORT – APRIL 30, 2018

1.4 FINAL ACCEPTANCE FOR CRAVEN ROAD SEWER REPLACEMENT  
(BROOKFIELD RANCHO CORONADO, LLC) (pp. 28-30)

*Installation of sewer facilities has been completed.*

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

1.5 APPROVAL OF TEMPORARY OFF-SITE WATER SERVICE AGREEMENT  
FOR CASE SINGLE FAMILY RESIDENCE (LIONTRIBE, LLC) (pp. 31-38)

*The property is located within the District's water service boundary at 752 Flynn Heights Drive and is not located adjacent to an existing District water main.*

**Recommendation: Approve Temporary Off-Site Water Service Agreement with Conditions**

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

ACTION ITEMS

- 2.1 REQUEST FOR AGRICULTURAL WATER TO REPLACE SINGLE FAMILY RESIDENCE RATE AT APN: 187-560-16 (LIONTRIBE, LLC) (pp. 39-40)

*The property owner has requested approval of an agricultural water rate account for an existing single-family residential metered account.*

**Recommendation: Request Board direction**

- 2.2 CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM INFORMATIONAL UPDATE (pp. 41)

*The District is a member of the California Public Employees' Retirement System.*

**Recommendation: Receive staff presentation and provide 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

- 4.1 QUARTERLY BOARD EXPENSES (pp. 42-44)

**Recommendation: For Information Only**

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

5.1 DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

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

6.1 ADJOURNMENT

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

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

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

AFFIDAVIT OF POSTING

I, Diane Posvar, Executive Secretary of the Vallecitos Water District, hereby certify that I caused the posting of this Agenda in the outside display case at the District office, 201 Vallecitos de Oro, San Marcos, California by 5:00 p.m., Friday, May 11, 2018.

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

MINUTES OF A MEETING OF THE  
FINANCE/INVESTMENT COMMITTEE  
OF THE VALLECITOS WATER DISTRICT  
WEDNESDAY, APRIL 25, 2018 AT 4:00 P.M.  
AT THE DISTRICT OFFICE, 201 VALLECITOS DE ORO,  
SAN MARCOS, CALIFORNIA

Director Martin called the meeting to order at the hour of 4:08 p.m.

Present: Director Martin  
General Manager Pruum  
Finance Manager Owen  
Financial Analyst Arthur  
Administrative Secretary Johnson

Absent: Director Sannella

ITEM(S) FOR DISCUSSION

2018/19 BUDGET REVIEW

Finance Manager Owen updated the Committee on the budget process to date, provided a draft of the FY 2018/19 budget, explained changes that have been made since the Committee met on March 22, and facilitated a presentation which included:

- Agenda
- Budget Calendar
- Budget to Actual - Water
- Budget to Actual - Sewer
- Operating Changes
- Draft Operating Budget – Water
- Draft Operating Budget - Sewer
- Salary and Benefit Estimates
- Draft Capital Budget
- Capital Improvement Projects by Function
- Reserve Projections – No Debt
- Reserve Projections – With Debt
- Next Steps – Budget Calendar

During general discussion, Director Martin asked about change order contingencies. Staff explained that they are calculated based on the contract value per District Ordinance No. 146.

Finance Manager Owen stated the draft water operating budget is 3.58% higher than last year due in part to the addition of the groundwater study and Northstar customer billing system review.

Question and answer took place regarding unbilled water, video production costs, meter additions, debt service payments and reserves.

Financial Analyst Arthur discussed water sales and purchases. He anticipates information on the fixed charges from the San Diego County Water Authority will be available in mid-May and anticipates a 3% demand increase from the current fiscal year to the next.

Finance Manager Owen stated the draft sewer operating budget is 1.06% less than last year. He further stated savings in salary and benefits are projected to be approximately \$1.3 million due to four retirements, four vacated positions, two employees on leave without pay and two employees working reduced schedules.

General discussion took place regarding the draft capital budget, carryover projects and the City of San Marcos Joint Capital Improvement Program (CIP) projects. Director Martin indicated he would like more information on the joint CIP projects at a future Board meeting.

Finance Manager Owen stated 12 new projects totaling \$3 million have been requested which is less than last year when there were 25 requests for \$5.5 million.

Finance Manager Owen provided a brief preview of the Five-Year Plan and explained debt service coverage and days in operating cash in relation to the District's AA+ rating.

A Board workshop will be scheduled for May 21 to review the proposed budget with the intent of adopting the approved budget on May 30.

#### OTHER BUSINESS

None.

#### PUBLIC COMMENT

None.

#### ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at the hour of 5:13 p.m.

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE VALLECITOS WATER DISTRICT  
WEDNESDAY, MAY 2, 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.

The winners of the Poster Contest for the North County Water Agencies' 2019 calendar and the Water Management Internship Program interns led the pledge of allegiance.

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

Staff Present: General Manager Pruiam  
Legal Counsel Gilpin  
Administrative Services Manager Emmanuel  
District Engineer Gumpel  
Finance Manager Owen  
Operations & Maintenance Manager Pedrazzi  
Capital Facilities Senior Engineer Hubbard  
Information Technology Supervisor Labarrere  
Public Information/Conservation Supervisor Robbins  
Purchasing/Warehouse Supervisor Bowman  
Systems Administrator Drummond  
Human Resources Analyst Anderson  
Executive Secretary Posvar

ADOPT AGENDA FOR THE REGULAR MEETING OF MAY 2, 2018

18-05-01 MOTION WAS MADE by Director Martin, seconded by Director Sannella, and carried unanimously, to adopt the agenda for the Regular Board Meeting of May 2, 2018.

INTRODUCTION

Human Resources Analyst Bridget Anderson introduced new employee, Matias Labarrere, Information Technology Supervisor.

PRESENTATIONS

Public Information/Conservation Supervisor Robbins presented certificates and gift cards to Megan Orr, Audrey Pearl, and Phoebe Nuyen, the top three entrants in the Poster Contest selected to represent Vallecitos Water District in the North County Water Agencies' 2019 calendar.

General Manager Pruum introduced Bill Dean and Kathy Hacker of BCK Programs. The District, along with Olivenhain Municipal Water District, assisted BCK Programs in developing a year-long water management internship curriculum to teach students important water issues as well as providing hands-on experience to improve their school campus. The Water Management Internship Program is modeled on the successful Storm Water Pollution Prevention Internship Program also developed by BCK Programs which is now being conducted in 11 schools throughout North County. BCK Programs hopes to expand their programs into the District's service area.

Henry, Winston, and Kyle, students from La Costa Heights Elementary School and current interns in the Water Management Internship Program, provided a presentation on the program and several projects they are participating in.

#### PUBLIC COMMENT

None.

#### CONSENT CALENDAR

18-05-02 MOTION WAS MADE by Director Martin, seconded by Director Elitharp, and carried unanimously, to approve the Consent Calendar as presented.

##### 1.1 Approval of Minutes

- A. Board Workshop Meeting – April 10, 2018
- B. Regular Board Meeting – April 18, 2018
- C. Engineering/Equipment Committee Meeting – April 23, 2018

1.2 Warrant List through May 2, 2018 - \$3,059,477.28

1.3 Construction Contract Award of Equipment Storage Roof Replacement Project

1.4 Resolution Declaring National Public Works Week

#### ACTION ITEM

#### CONSTRUCTION CONTRACT AWARD OF BOARDROOM AUDIOVISUAL AND LIGHTING UPGRADES PROJECT

Capital Facilities Senior Engineer Hubbard provided background information on the project to date. He stated the goals of the project are to upgrade existing audiovisual equipment which is beginning to fail, add flexibility to the Boardroom for Board meetings as well as other events, improve the public's visual experience, and add functionality for future use. The project was presented at the April 18 Board meeting at which the Board



directed the Engineering/Equipment Committee to further review the bid from Audio Associates of San Diego.

Capital Facilities Senior Engineer Hubbard reviewed the equipment included in the base bid and optional equipment included in the additive/alternative bid. He stated staff met with the Engineering/Equipment Committee on April 23 at which the Committee evaluated a mock set up of the proposed Boardroom improvements and reviewed the Architect's Estimate and comparative costs of similar projects by other public agencies.

Staff and the Engineering/Equipment Committee recommended the Board waive a minor bid irregularity and authorize the General Manager to enter into a construction contract with Audio Associates of San Diego for the base bid amount of \$243,349, subject to the provisions of the contract.

General discussion took place regarding the need for a two or four camera system. General Manager Pruim suggested the Board approve the base bid which includes two cameras and wiring for additional cameras, and at a later date, have a demonstration of how four cameras could be utilized.

18-05-03 MOTION WAS MADE by Director Martin, seconded by Director Evans, and carried unanimously, to authorize the General Manager to enter into a construction contract with Audio Associates of San Diego for the base bid amount of \$243,349, subject to the provisions of the contract.

## REPORTS

### GENERAL MANAGER

General Manager Pruim reported the following:

- The State Department of Water Resources increased the "Table A" allocation to 30%, recognizing water supply reliability and availability.
- The San Diego North Economic Development Council published a document titled, "2018 North County Indicators" which includes information on employment, transportation, housing, and economic drivers. Copies will be provided to Board members interested in receiving the information.
- A biologist will be conducting gnat-catching surveys on the property adjacent to the District office during the next six weeks as part of the potential sale of the property to the school district.
- Board workshops regarding the California Public Employees' Retirement System cost issue and strategic planning will be scheduled within the next month.

DISTRICT LEGAL COUNSEL

Legal Counsel Gilpin thanked Director Hernandez, Director Martin and General Manager Pruim for their attendance to the presentation, "The Bill Is Due, Now What? Infrastructure, Pensions and the Environment," on April 24.

Legal Counsel Gilpin stated SB 623, the water tax bill, is not likely to move forward as part of a budget trailer bill; however, there is some concern that SB 623 may resurface in August.

Legal Counsel Gilpin commented on a presentation scheduled on May 9 at the Association of California Water Agencies' conference regarding the recent formation of the Santa Clarita Valley Water Agency.

SAN DIEGO COUNTY WATER AUTHORITY

Director Evans stated the SDCWA recently held a workshop and closed session meeting to discuss the water fix and the Metropolitan Water District litigation. She further stated SDCWA had a group lobbying against SB 623, and that SDCWA is supporting AB 2050, the Small System Water Authority Act of 2018. AB 2050 would allow a small water authority to come together to provide safe drinking water to disadvantaged communities served by chronically non-compliant systems rather than taxing everyone.

ENCINA WASTEWATER AUTHORITY

President Hernandez stated the Capital Improvement Committee will meet on May 16.

Director Elitharp stated the Policy and Finance Committee has not met since the last Board meeting and will not meet in May. The next meeting is scheduled for June 12.

STANDING COMMITTEES

Director Martin stated the Finance/Investment Committee met on April 25. Director Sannella was unable to attend the meeting due to travel delays; however, the meeting was held during which many of Director Martin's questions regarding the upcoming budget were addressed and answered.

President Hernandez stated the Engineering/Equipment Committee met on April 23 to discuss the bid for the Boardroom audiovisual and lighting project.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

Director Martin and President Hernandez reported on their attendance to the presentation, "The Bill Is Due, Now What? Infrastructure, Pensions and the Environment," on April 24 and the San Marcos Boys & Girls Club Annual Auction on April 28.

Director Sannella stated the District contributed an artistic rain barrel with succulent plants to the auction which generated a great deal of interest.

OTHER BUSINESS

None.

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

Director Martin commented on the great presentation the students provided on the Water Management Internship Program earlier in the meeting and the importance of the program.

President Hernandez concurred with Director Martin's comments.

ADJOURNMENT

There being no further business to discuss, President Hernandez adjourned the Regular Meeting of the Board of Directors at the hour of 6:10 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, May 16, 2018, at 5:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.

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James Hernandez, President  
Board of Directors  
Vallecitos Water District

ATTEST:

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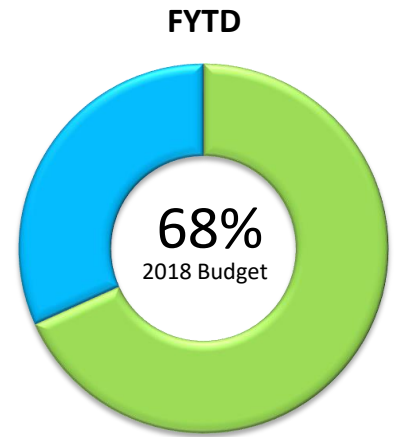
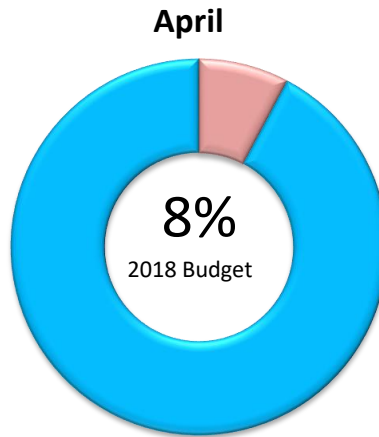
Glenn Pruum, Secretary  
Board of Directors  
Vallecitos Water District

**VALLECITOS WATER DISTRICT  
DISBURSEMENTS SUMMARY  
April 30, 2018**

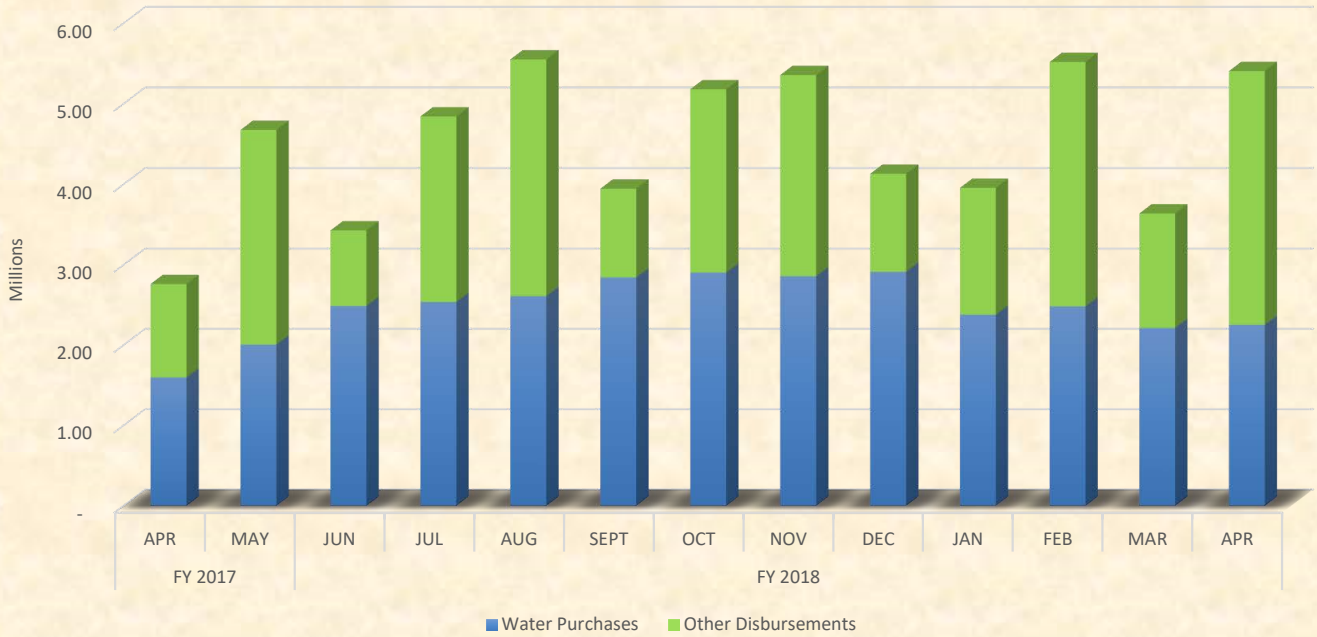
**Summary**

April Disbursements	\$	5,406,463	*
YTD Disbursements	\$	47,527,926	*
FY2018 Budget	\$	69,615,000	

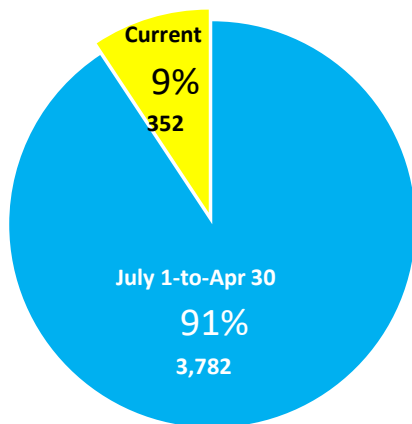
\* Excludes Debt Service



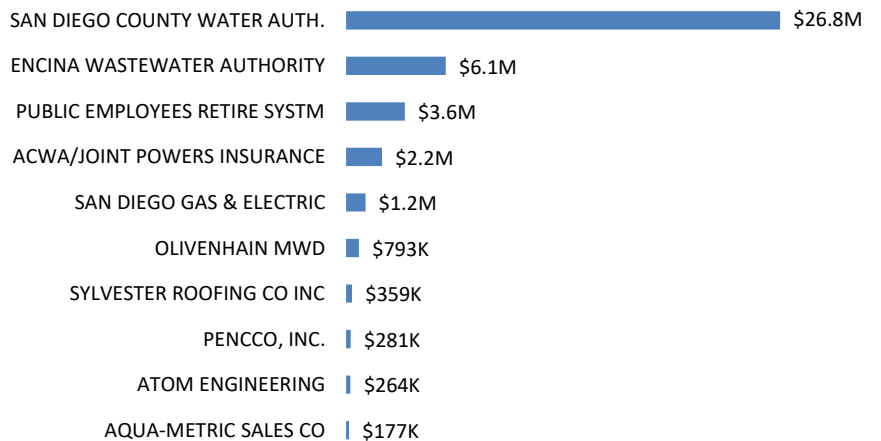
**Disbursements by Month**



**Invoices Processed**



**Top 10 Vendors - FYTD**



Item 1.2

VALLECITOS WATER DISTRICT  
WARRANTS LIST  
May 16, 2018

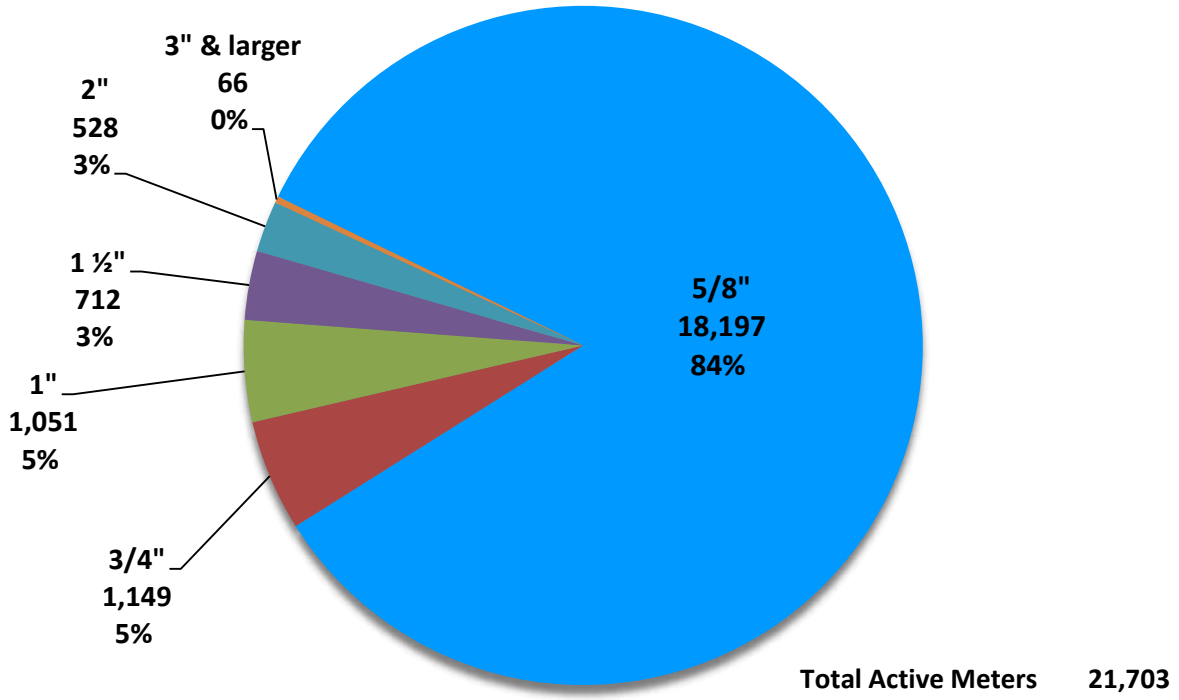
PAYEE	DESCRIPTION	CHECK#	AMOUNT
CHECKS			
Garnishments	Payroll Garnishments	113579 through 113582	-
Allied Universal Security Svc	Weekly Deposit Svc Feb	113583	59.36
Amanda Evans	Closed Account Refund	113584	24.54
Aqua-Metric Sales Co	Propagation Study Fee	113585	600.00
Backflow Solutions, Inc.	Backflow Reports Nov & Apr Qty 429	113586	5,555.55
Brookfield Rancho Coronado LLC	Closed Account Refund	113587	45.90
Cal State University SM	Closed Account Refund	113588	189.08
California Special Dist Assn.	Meeting 5-17-18, Hernandez, Martin, Sannella	113589	90.00
Cass Construction Inc	Nursery Valve Replacement Prj 20181-10	113590	4,230.00
CCI	Water Treatment Apr	113591	220.00
Council of Water Utilities	Meeting 5-15-18, Elitharp, Hernandez, Martin, Sannella, Pruim	113592	225.00
Craig Elitharp	COWU Meeting 4-17-18	113593	18.09
CWEA	Cert & Membership C Deering	113594	265.00
CWEA	Membership J Scott	113595	180.00
CWEA	Cert J Bakken	113596	95.00
CWEA	Cert D Saavedra	113597	85.00
CWEA	Membership M Smith	113598	180.00
DirecTV Inc	Satellite Svc May	113599	71.54
EDCO Waste & Recycling Serv	Trash Svc Apr	113600	873.64
Eliminator USA	Closed Account Refund	113601	40.08
Emcor Service	HVAC Preventative Maintenance	113602	410.50
Encina Wastewater Authority	Sewer Testing	113603	20,858.50
Betty Evans	COWU Meeting 4-17-18	113604	18.09
First Call Auto Glass	Windshield Replacement Veh 161 & 244	113605	557.09
David L Harmon	Water Distribution Cert SWRCB	113606	120.00
James R Hernandez	WateReuse Conference 3-24-18	113607	1,165.52
Idexx Distribution Corp.	Lab Supplies	113608	17.82
James A Herbinaux	Closed Account Refund	113609	268.89
JMD Landscape Inc	Closed Account Refund	113610	118.97
Joe's Paving Co Inc	Closed Account Refund	113611	247.04
JCI Jones Chemicals Inc	Chlorine	113612	2,043.21
Kelli Tobolski	Closed Account Refund	113613	118.75
Lauren Boone	Closed Account Refund	113614	36.78
Liebert Cassidy Whitmore	Professional Svcs Mar	113615	2,850.00
Major League Pest	Bee Removals 2	113616	250.00
Hal Martin	COWU Meeting 4-17-18 and Best, Best & Krieger Presentation 4-24-18	113617	101.26
Jose Mendoza	PAPA Membership Dues	113618	45.00
Michael Baker International, Inc.	Montiel Outfall Prj 20161-3	113619	11,687.50
Mike Arthur	MAFO Meeting 4-17-18	113620	31.39
Morton Salt, Inc.	Industrial Salt	113621	3,446.05
Naim Aro	Closed Account Refund	113622	60.40
Olivenhain MWD	North San Diego Water Reuse Coalition Apr - Sept 2018	113623	6,566.28
Ed Pedrazzi	CWEA Conference 4-16-18	113624	448.56
Penco, Inc.	Trioxyn, Sulfend RT	113625	11,302.81
Rajesh Badri & Bhumika Talsania	Closed Account Refund	113626	79.68
Readdle Inc.	Fluix Yearly Subscription 18-19	113627	600.00
Rita Garland	Closed Account Refund	113628	26.17
SDG&E	Power Apr	113629	18,971.11
SEH Life Style Center LLC	Closed Account Refund	113630	80.34
Shane Formanek	Closed Account Refund	113631	69.06
Shred-It US JV LLC	Shredding Svcs Mar & Apr	113632	173.62
Smart & Final	Office Supplies Apr	113633	812.09
Southern Counties Lubricants, LLC	Diesel Fuel	113634	18,515.11

VALLECITOS WATER DISTRICT  
WARRANTS LIST  
May 16, 2018

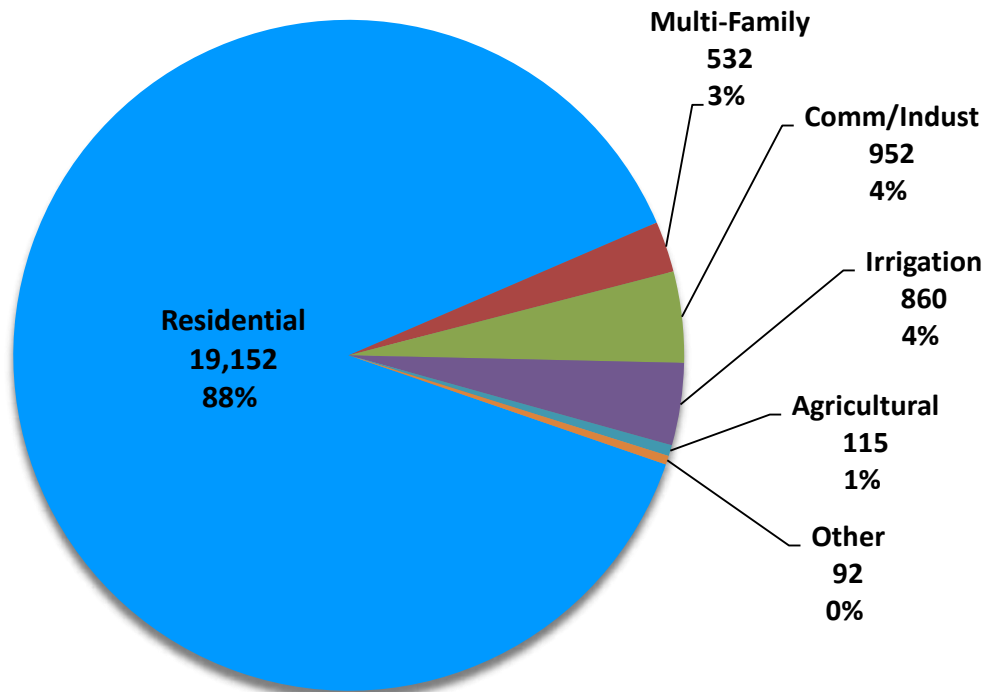
PAYEE	DESCRIPTION	CHECK#	AMOUNT
Standard Insurance Company	LTD, LIFE, ADD, May	113635	6,165.11
Staples Advantage	Office Supplies May	113636	649.85
T.S. Industrial Supply	Compressor Parts	113637	620.81
Thyssen Krupp Elevator	Elevator Maintenance May - July	113638	994.28
Tinna Lopez	Closed Account Refund	113639	59.68
Turner Designs Inc	Mahr Algae Meter Calibration	113640	260.24
Univar USA Inc	Sodium Hypo Liquichlor, Caustic Soda, Sodium Bisulfite	113641	5,596.74
UPS	Shipping Svcs Apr	113642	130.71
Valley Chain & Gear Inc	Hardware Supplies	113643	27.21
Vijay Patel	Closed Account Refund	113644	151.82
VWR International	Hardware Supplies	113645	24.47
Youstina Atalla	Closed Account Refund	113646	32.92
Action Mail	Spring Splash Mailing Prj 20181-43	113647	1,233.32
Black & Veatch Corporation	Water/Sewer Master Plan Prj 20141-3	113648	2,015.82
Cliniqa	Refund Prj 20171-282 Balance	113649	4,757.24
Core & Main LP	Hardware Supplies Prj 20171-5	113650	518.02
Diamond Environmental Services	Portable Restroom Rental Mahr	113651	319.69
Diesel Pollution Solutions Inc	Filter Cleaning - Veh 210	113652	222.07
Dion International Trucks LLC	Exhaust Repair - Veh 231	113653	3,820.46
Doane & Hartwig Water Systems Inc	Odor Scrubber Repair 2 - MRF, PH Probe & CL2 Sensor - Palos Vista Tank	113654	3,696.35
Dream Home Investments	Refund Prj 20171-283 Balance	113655	813.22
Electrical Sales Inc	Variable Frequency Drive MRF, Hardware Supplies	113656	1,790.34
Employment Screening Services Inc	Employment Screening	113657	106.75
Ewing Irrigation Products	PVC Supplies	113658	5.52
Golden State Graphics	Spring Splash Prj 20181-43	113659	3,533.12
Hacienda Vallecitos	Overpayment Refund	113660	18,776.89
Harrington Industrial	Hardware Supplies	113661	381.56
Industrial Electric Machinery	Grinder Motors 3 - Lake San Marcos Lift Station & LS3	113662	1,799.00
Timothy Miles Mork	Janitorial Svcs May MRF	113663	553.13
Bens Asphalt & Maintenance Co Inc	Lake San Marcos Manhole Frame & Cover Replacement	113664	18,200.00
Steven Enterprises Inc	Color Bond Paper	113665	218.27
Varidesk, LLC	Sit/Stand Desks 2, Stands/Arms 3	113666	1,697.07
Total Disbursements (84 Checks)			<u>194,317.05</u>
 WIRES			
San Diego County Water Authority	April Water Bill	Wire	2,440,863.99
CalPERS CERBT	OPEB funding May 30, 2018	Wire	200,000.00
Public Employees Retirement System	Retirement Contribution - May 9, 2018 Payroll	Wire	65,792.40
Total Wires			<u>2,706,656.39</u>
 PAYROLL			
Total direct deposits		Wire	226,543.62
VWD Employee Association		113579	606.00
Garnishments		113582	1,270.14
IRS	Federal payroll tax deposit	113580 through	90,703.38
Employment Development Department	California payroll tax deposit	Wire	17,752.19
CalPERS	Deferred compensation withheld	Wire	15,615.48
VOYA	Deferred compensation withheld	Wire	6,292.28
Total May 9, 2018 Payroll Disbursements			<u>358,783.09</u>
TOTAL DISBURSEMENTS			<u>3,259,756.53</u>

Vallecitos Water District  
 Active Water Meters  
 April 30, 2018

Active Meters by Size as of April 30, 2018

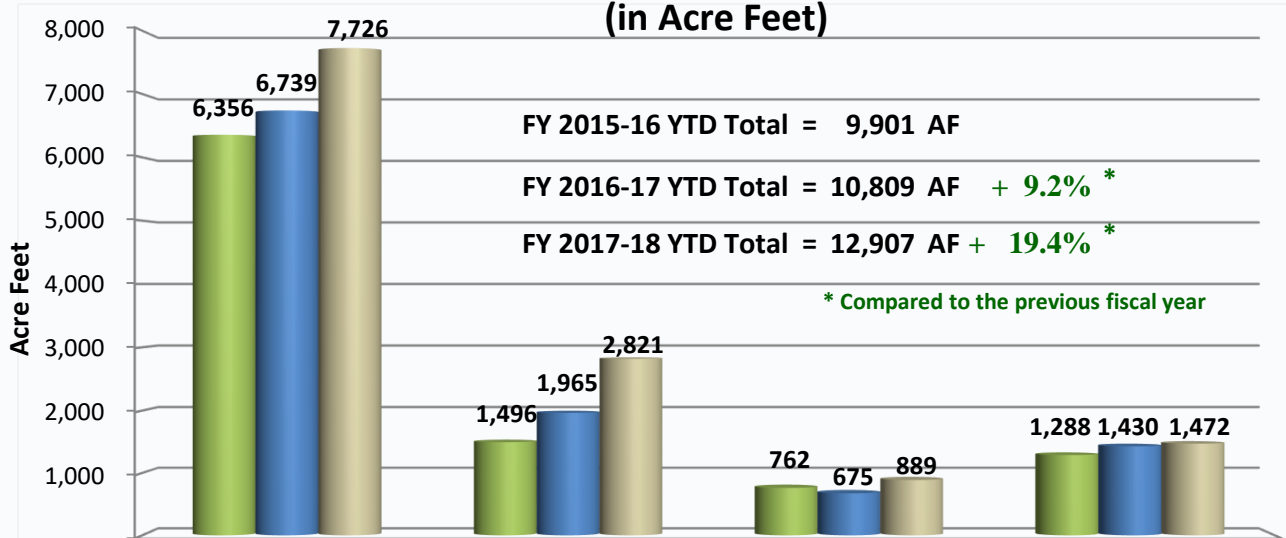


Active Meters by Type as of April 30, 2018



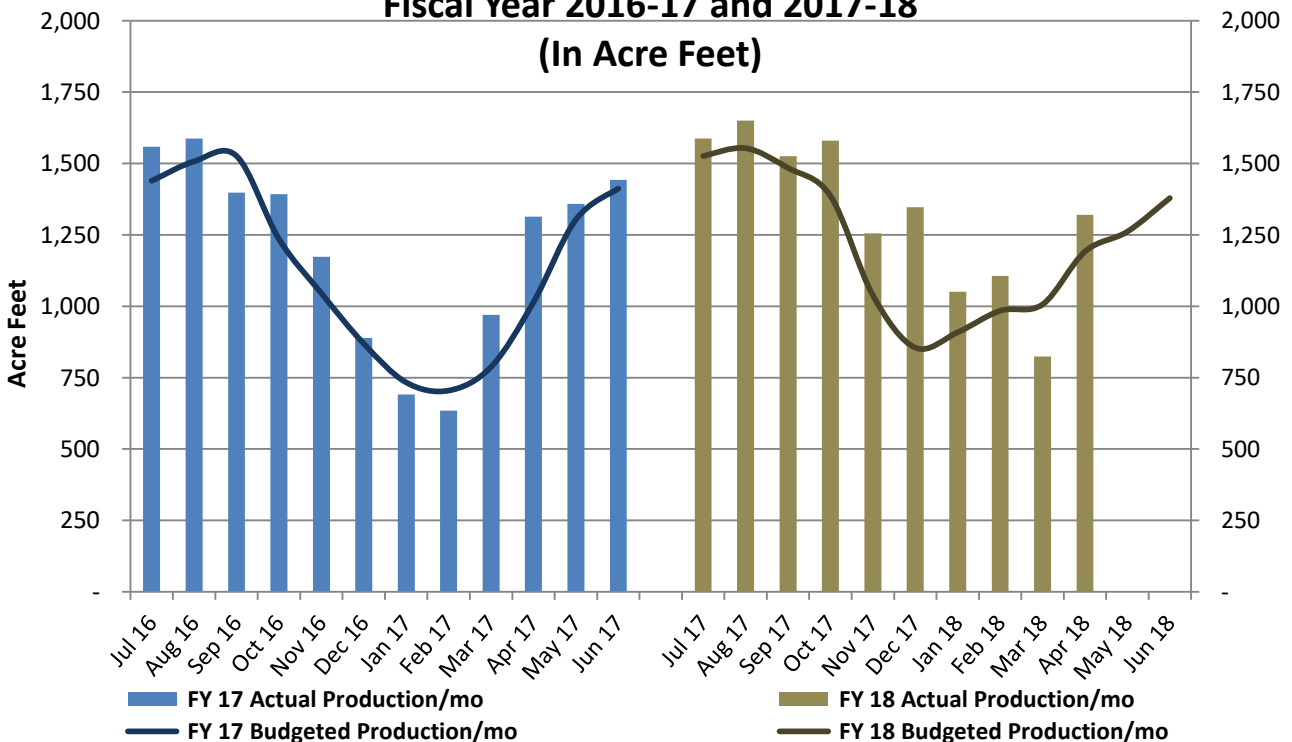
Vallecitos Water District  
 Water Production/Sales  
 April 30, 2018

**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	6,356	1,496	762	1,288
FY 2016-17	6,739	1,965	675	1,430
FY 2017-18	7,726	2,821	889	1,472

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





Vallecitos Water District  
Water Revenue and Expense Report  
For the Ten Months Ended April 30, 2018

	Current Year Actual	Prior Year Actual			Current Year Budget		
		Amount	Variance		Amount	Variance	
			\$	%		\$	%
<b>Revenue</b>							
Water Sales	\$ 24,180,025	\$ 17,916,372	\$ 6,263,653	35.0%	\$ 20,080,000	\$ 4,100,025	20.4%
Ready-to-serve	11,472,583	11,499,858	(27,275)	-0.2%	11,349,000	123,583	1.1%
Pumping cost recovery	263,120	128,541	134,579	104.7%	203,000	60,120	29.6%
Late & lock charges	380,141	357,478	22,663	6.3%	385,000	(4,859)	-1.3%
Backflow fees	75,618	73,677	1,941	2.6%	81,000	(5,382)	-6.6%
Other revenue	225,098	180,627	44,471	24.6%	100,200	124,898	124.6%
<b>Total Revenue</b>	<b>36,596,585</b>	<b>30,156,553</b>	<b>6,440,032</b>	<b>21.4%</b>	<b>32,198,200</b>	<b>4,398,385</b>	<b>13.7%</b>
<b>Expenses</b>							
Water costs	25,294,011	21,925,332	3,368,679	15.4%	23,027,000	2,267,011	9.8%
Pumping costs	599,699	473,517	126,182	26.6%	549,000	50,699	9.2%
Water quality	127,246	87,917	39,329	44.7%	146,000	(18,754)	-12.8%
Water treatment	355,570	378,617	(23,047)	-6.1%	372,000	(16,430)	-4.4%
Tanks & reservoirs	266,253	246,903	19,350	7.8%	347,000	(80,747)	-23.3%
Trans & distribution	1,141,904	1,434,438	(292,534)	-20.4%	1,529,000	(387,096)	-25.3%
Services	178,891	118,418	60,473	51.1%	205,000	(26,109)	-12.7%
Meters	541,540	504,542	36,998	7.3%	523,000	18,540	3.5%
Backflow prevention	37,206	65,208	(28,002)	-42.9%	53,000	(15,794)	-29.8%
Customer accounts	477,286	449,094	28,192	6.3%	511,000	(33,714)	-6.6%
Building & grounds	316,358	321,485	(5,127)	-1.6%	301,000	15,358	5.1%
Equipment & vehicles	215,552	220,217	(4,665)	-2.1%	253,000	(37,448)	-14.8%
Engineering	1,169,533	1,110,418	59,115	5.3%	1,158,000	11,533	1.0%
Safety & compliance	189,457	181,257	8,200	4.5%	218,000	(28,543)	-13.1%
Information Technology	658,572	647,046	11,526	1.8%	835,000	(176,428)	-21.1%
General & administrative	2,517,577	2,365,874	151,703	6.4%	2,343,000	174,577	7.5%
<b>Total Expenses</b>	<b>34,086,655</b>	<b>30,530,283</b>	<b>3,556,372</b>	<b>11.6%</b>	<b>32,370,000</b>	<b>1,716,655</b>	<b>5.3%</b>
<b>Net Operating Income</b>	<b>\$ 2,509,930</b>	<b>\$ (373,730)</b>	<b>2,883,660</b>	<b>-771.6%</b>	<b>\$ (171,800)</b>	<b>2,681,730</b>	<b>-1561.0%</b>

Explanation of Significant Variances

**Water Sales** has a favorable prior year and budget variance as a result of greater than 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 District received a retrospective premium reimbursement from JPIA resulting in a favorable budget variance in **Other revenue**.

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

**Information Technology** has a favorable budget variance as a result of deferred software upgrades.

*Variances are considered significant if they exceed \$83333 and 20%.*

Vallecitos Water District  
Sewer Revenue and Expense Report  
For the Ten Months Ended April 30, 2018

	Current	Prior Year Actual			Current Year Budget		
	Year	Amount	Variance		Amount	Variance	
	Actual		\$	%		\$	%
<b>Revenue</b>							
Sewer service charges	\$ 15,008,848	\$ 14,530,791	\$ 478,057	3.3%	\$ 14,571,000	\$ 437,848	3.0%
Reclaimed water sales	1,716,457	1,613,389	103,068	6.4%	1,711,000	5,457	0.3%
Other revenue	113,524	86,542	26,982	31.2%	61,000	52,524	86.1%
<b>Total Revenue</b>	<b>16,838,829</b>	<b>16,230,722</b>	<b>608,107</b>	<b>3.7%</b>	<b>16,343,000</b>	<b>495,829</b>	<b>3.0%</b>
<b>Expenses</b>							
Collection & conveyance	1,523,488	1,577,428	(53,940)	-3.4%	1,880,000	(356,512)	-19.0%
Lift stations	168,283	237,512	(69,229)	-29.1%	260,000	(91,717)	-35.3%
Source Control	120,761	118,502	2,259	1.9%	148,000	(27,239)	-18.4%
Effluent disposal	2,264,753	2,256,587	8,166	0.4%	2,391,000	(126,247)	-5.3%
Meadowlark	2,153,749	2,409,006	(255,257)	-10.6%	2,896,000	(742,251)	-25.6%
Customer Accounts	329,722	313,115	16,607	5.3%	380,000	(50,278)	-13.2%
Building & grounds	202,312	178,868	23,444	13.1%	213,000	(10,688)	-5.0%
Equipment & vehicles	162,518	152,405	10,113	6.6%	190,000	(27,482)	-14.5%
Engineering	468,035	460,638	7,397	1.6%	591,000	(122,965)	-20.8%
Safety & compliance	125,407	125,711	(304)	-0.2%	157,000	(31,593)	-20.1%
Information technology	577,882	540,581	37,301	6.9%	692,000	(114,118)	-16.5%
General & administrative	1,095,968	1,011,447	84,521	8.4%	1,211,000	(115,032)	-9.5%
<b>Total Expenses</b>	<b>9,194,101</b>	<b>9,381,800</b>	<b>(187,699)</b>	<b>-2.0%</b>	<b>11,009,000</b>	<b>(1,814,899)</b>	<b>-16.5%</b>
<b>Net Operating Income</b>	<b>\$ 7,644,728</b>	<b>\$ 6,848,922</b>	<b>795,806</b>	<b>11.6%</b>	<b>\$ 5,334,000</b>	<b>2,310,728</b>	<b>43.3%</b>

Explanation of Significant Variances

*Lift stations* has a budget variance resulting from greater than anticipated decreases in outside services and materials used during the year thus far.

The *Meadowlark* favorable budget variance is due to budgeted repairs that have not yet been performed, timing of chemical purchases, 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.

*Variances are considered significant if they exceed \$83333 and 20%.*

**VALLECITOS WATER DISTRICT**

RESERVE ACTIVITY FOR THE TEN MONTHS ENDED APRIL 30, 2018

	110 Water Replacement	120 Capacity	210 Wastewater Replacement	220 Capacity	Total
BEGINNING BALANCE	\$ 29,885,306	\$ (9,889,055)	\$ 45,384,737	\$ (6,501,911)	\$ 58,878,989
REVENUES					
FY 17/18 Operating Transfers	2,509,930		7,644,728		10,154,658
Capital Facility Fees	-	2,512,551	-	2,762,494	5,275,045
Property Tax	1,064,463	-	849,000	-	1,913,463
RDA pass-through	421,847	-	421,847	-	843,694
Investment Earnings	273,051	-	381,371	-	654,422
Payment on Land Sale to City	70,573	-	70,573	-	141,146
Annexation Fees	7,376	-	18,588	-	25,964
TOTAL REVENUES	<u>4,347,240</u>	<u>2,512,551</u>	<u>9,386,107</u>	<u>2,762,494</u>	<u>19,008,392</u>
LESS DISTRIBUTIONS					
Capital Projects					
Encina Wastewater Auth 5 Year Cap Plan	-	-	3,510,674	-	3,510,674
Main Facility Roof Replacement	183,460	-	176,265	-	359,725
North Vista Pressure Reducing Station Upgrade	222,998	-	-	-	222,998
Lift Station 1 Wet Well Room Repairs	-	-	187,933	-	187,933
South Vista Pressure Reducing Station Upgrade	180,149	-	-	-	180,149
Nursery Valve Relocation	-	-	174,483	-	174,483
Water & Sewer Master Plan	-	70,397	-	70,395	140,792
San Marcos interceptor sewer	-	-	43,459	96,730	140,189
Montiel Gravity Outfall	-	-	45,821	56,004	101,825
District Wide Valve Replacement	78,226	-	-	-	78,226
Rock Springs Sewer Replacement	-	-	33,497	40,940	74,437
Expansion of the Men's Locker Room in Building B	36,510	-	35,078	-	71,588
Mountain Belle Tank - Valve Replacement	60,428	-	-	-	60,428
MRF - Influent Pumps & Motors	-	-	58,643	-	58,643
City of San Marcos Joint Projects	34,626	-	22,140	-	56,766
Refurbish Pumps At North Twin Oaks Pump Station	53,139	-	-	-	53,139
Wulff Pump Station Pumps & Motors	42,932	-	-	-	42,932
Fulton Road And Nctd Sewer Line Rehabilitation	-	-	40,139	-	40,139
Fire Services - Backflow Preventer Upgrades	36,294	-	-	-	36,294
South Lake Pump Station Valves	36,194	-	-	-	36,194
Palos Vista Pump Station Motor Replacement	30,599	-	-	-	30,599
Gates For Twin Oaks Reservoir Access Road	-	26,058	-	-	26,058
Audiovisual Upgrade	12,337	-	11,853	-	24,190
MRF Refurbish Backwash Pumps And Motors	-	-	23,908	-	23,908
Palos Vista Pump Station Generator	23,330	-	-	-	23,330
Tertiary Filter Media	-	-	21,151	-	21,151
Laurels Sewer Lining	-	-	20,023	-	20,023
Schoolhouse Tank Refurbishment	19,453	-	-	-	19,453
Moymo Solids Pump Rotor Replacment MRF	-	-	19,136	-	19,136
HVAC Pump and Motor Replacement	8,541	-	8,206	-	16,747
MRF - Failsafe Line De-Chlorination System	-	-	15,790	-	15,790
Coronado Hills Chlorine Injection System	15,449	-	-	-	15,449
Palomar Tank - Valve Replacement	11,224	-	-	-	11,224
Stargaze Court Water Line Replacement	10,744	-	-	-	10,744
All other capital projects	14,379	4,998	20,473	4,667	44,516
Capital Budget - Vehicles/Mobile Equipmnt	123,171	-	248,829	-	372,000
Debt Service	-	572,909	-	1,819,030	2,391,938
Interest Expense	-	74,213	-	51,003	125,216
TOTAL DISTRIBUTIONS	<u>1,234,182</u>	<u>748,575</u>	<u>4,717,501</u>	<u>2,138,768</u>	<u>8,839,026</u>
ENDING BALANCE	\$ 32,998,365	\$ (8,125,079)	\$ 50,053,343	\$ (5,878,185)	\$ 69,048,356
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>\$ 27,459,265</u>	<u>\$ (8,125,079)</u>	<u>\$ 43,535,343</u>	<u>\$ (5,878,185)</u>	<u>\$ 56,991,256</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 APRIL 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.

The process and the presentation of the information to the Board are in compliance with requirements outlined in the District Investment Policy adopted on an annual basis. In addition to the investment portfolio, there are sufficient funds in the Operating Account to meet District obligations for the next 30 days. Maturity dates on investments are structured to meet the future financial obligations of the District (i.e., bond payments and construction projections). In that regard, the District will be able to meet expenditure requirements for the next six months without a need to liquidate an investment earlier than scheduled maturity dates.

Investment activity for the month of April follows:

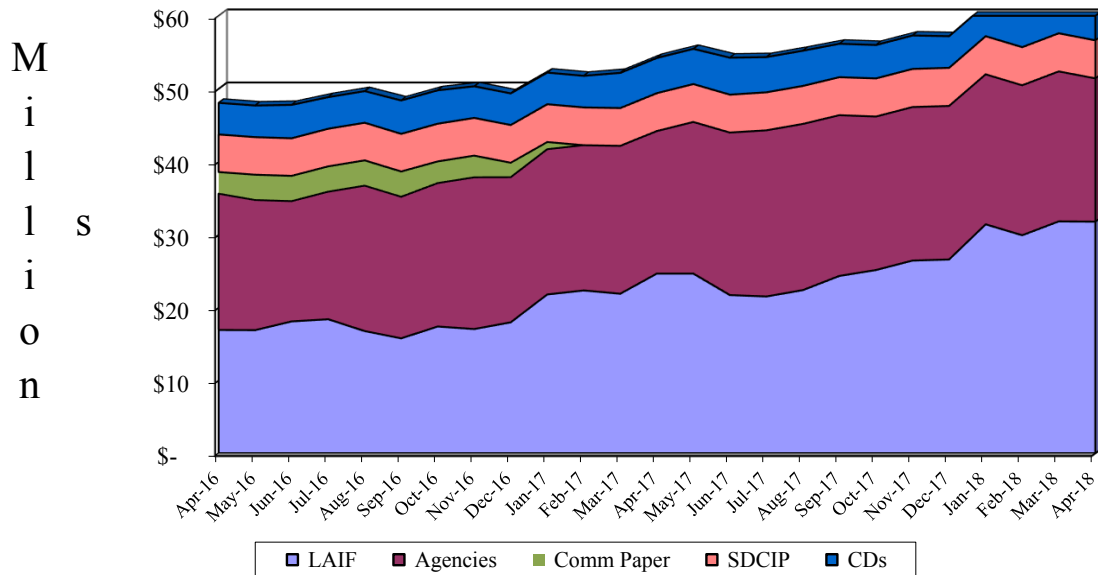
<u>Date</u>	<u>Activity</u>	<u>Investment</u>	<u>Amount</u>	<u>Maturity</u>	<u>Yield</u>
04/05/18	Deposit	LAIF	1,100,000	Open	1.66%
04/10/18	Deposit	LAIF	500,000	Open	1.66%
04/13/18	Maturity	FFCB	(499,705)	Open	0.93%
04/13/18	Interest	LAIF	113,378	Open	1.66%
04/16/18	Withdrawal	LAIF	(800,000)	Open	1.66%
04/19/18	Deposit	LAIF	800,000	Open	1.66%
04/23/18	Withdrawal	LAIF	(1,250,000)	Open	1.66%
04/27/18	Withdrawal	LAIF	(300,000)	Open	1.66%
04/30/18	Maturity	Am Exp CD	(245,000)	Open	1.10%
04/30/18	Withdrawal	LAIF	(200,000)	Open	1.66%
Change in investments during the month			<u>\$ (781,327)</u>		

	<u>Current</u>
Weighted average annual yield for total Vallecitos investments	1.581%
Weighted average days to maturity	298

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 March 31, 2018. 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 March 31, 2018. Fair values for federal agency obligations and corporate notes are provided by Union Bank trust account reporting.

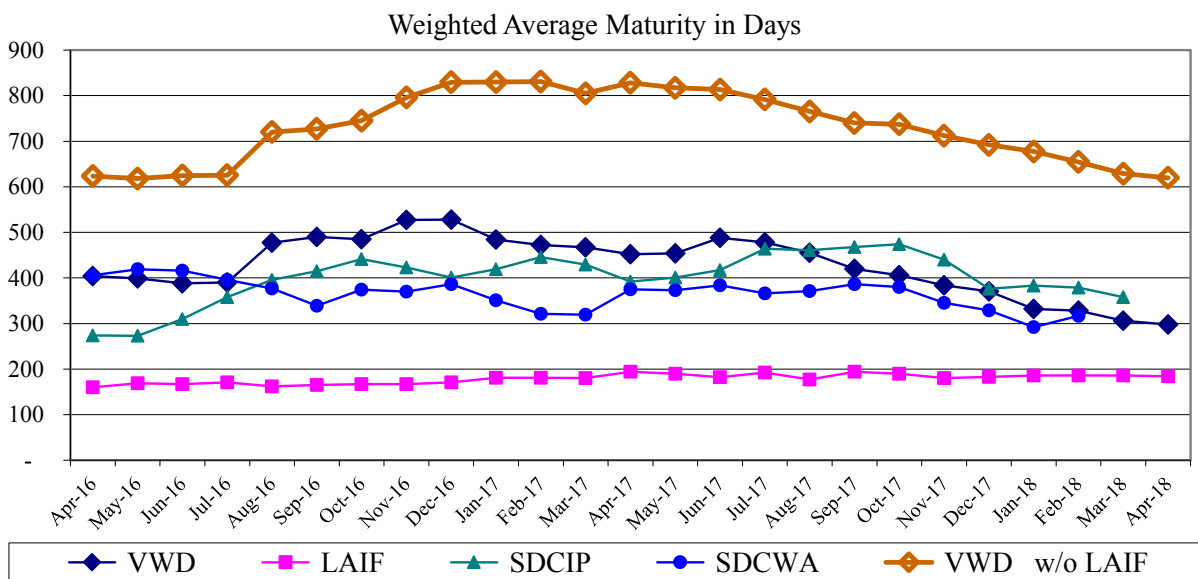
Safety

Criteria for selecting investments and the absolute order of priority are safety, liquidity and yield. To meet the objective of safety and avert credit risk, the District acquires only those investments permitted by 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.



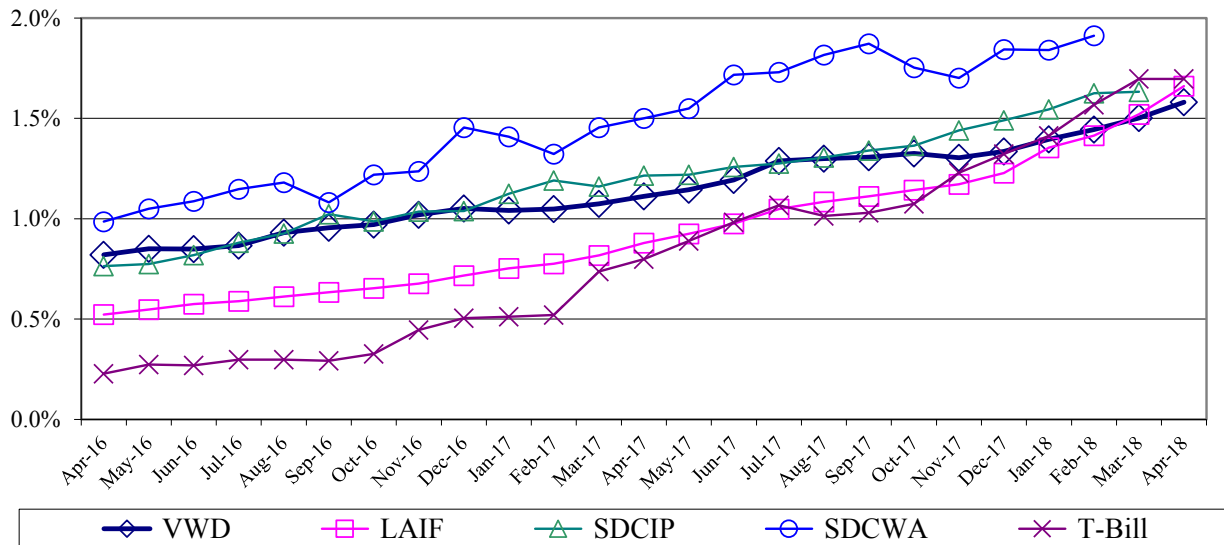
Liquidity

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 \$31.8 million available the same day. But for comparative purposes LAIF is eliminated from the District’s portfolio and shown separately.



Yield

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



Investment/Debt Management

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



**PORTFOLIO CHARACTERISTICS**

Average Duration	0.68
Average Coupon	1.61 %
Average Purchase YTM	1.62 %
Average Market YTM	2.05 %
Average S&P/Moody Rating	AA+/Aaa
Average Final Maturity	0.80 yrs
Average Life	0.75 yrs

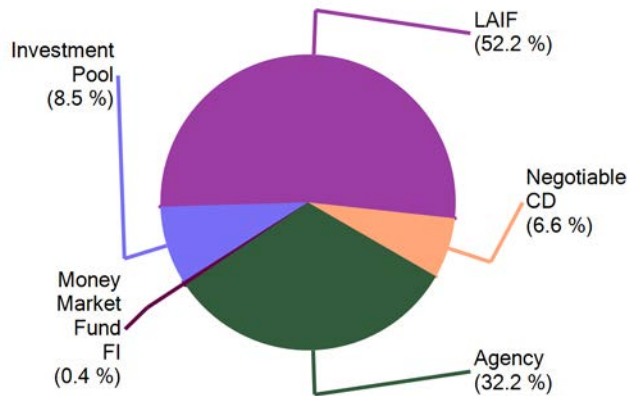
**ACCOUNT SUMMARY**

	Beg. Values as of 3/31/18	End Values as of 4/30/18
<b>Market Value</b>		60,944,593
<b>Accrued Interest</b>	0	125,485
<b>Total Market Value</b>		<b>61,070,078</b>
<b>Income Earned Cont/WD</b>		194,635
<b>Par</b>		61,431,088
<b>Book Value</b>		61,422,143
<b>Cost Value</b>		61,411,255

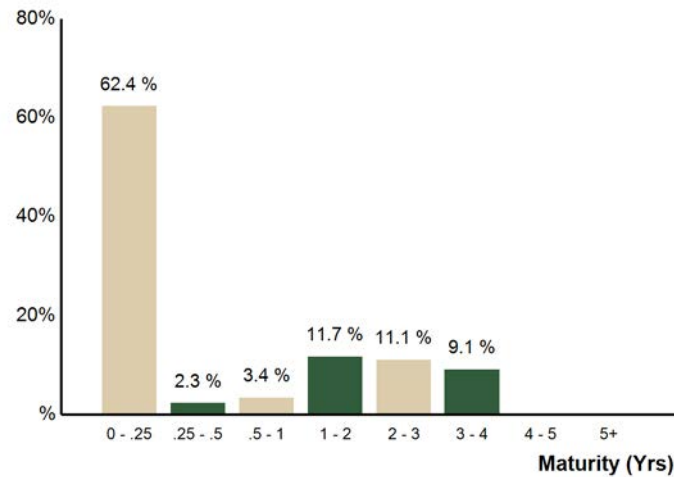
**TOP ISSUERS**

Issuer	% Portfolio
Local Agency Investment Fund	52.2 %
Federal Home Loan Mortgage Corp	9.7 %
Federal National Mortgage Assoc	9.2 %
County of San Diego Pooled Inve	8.5 %
Federal Home Loan Bank	7.3 %
Federal Farm Credit Bank	6.1 %
Goldman Sachs Inc.	0.8 %
Blackrock Liquidity Funds T-Fun	0.4 %
	<b>94.2 %</b>

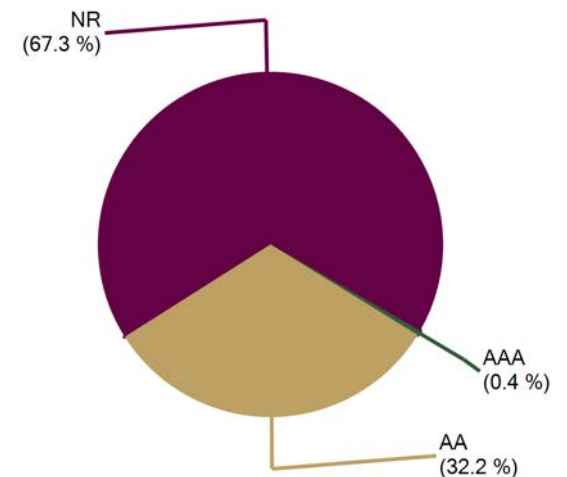
**SECTOR ALLOCATION**



**MATURITY DISTRIBUTION**



**CREDIT QUALITY (S&P)**





CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>AGENCY</b>									
3135G0WJ8	FNMA Note 0.875% Due 5/21/2018	500,000.00	11/12/2015 1.09 %	497,325.00 499,941.91	99.95 1.70 %	499,758.50 1,944.44	0.82 % (183.41)	Aaa / AA+ AAA	0.06 0.06
3130A5K73	FHLB Note 1.2% Due 9/26/2018	500,000.00	06/29/2015 1.26 %	499,050.00 499,881.35	99.67 2.03 %	498,335.50 583.33	0.82 % (1,545.85)	Aaa / AA+ NR	0.41 0.40
3130AAN20	FHLB Callable Note Cont 1/23/2018 1.24% Due 1/23/2019	500,000.00	02/08/2017 1.24 %	500,000.00 500,000.00	99.32 2.18 %	496,601.00 1,687.78	0.82 % (3,399.00)	Aaa / AA+ NR	0.73 0.72
3136G3YA7	FNMA Callable Note Qtrly 10/25/2016 1% Due 1/25/2019	500,000.00	07/25/2016 1.01 %	499,900.00 499,970.57	99.12 2.21 %	495,599.50 1,333.33	0.81 % (4,371.07)	Aaa / AA+ AAA	0.74 0.73
3133EFYS0	FFCB Callable Note Cont 02/22/17 1.15% Due 2/22/2019	367,000.00	03/07/2017 1.40 %	365,260.42 366,279.42	99.10 2.28 %	363,683.79 808.93	0.60 % (2,595.63)	Aaa / AA+ AAA	0.82 0.80
3133EGEF8	FFCB Callable Note Cont 6/13/2017 1.18% Due 6/13/2019	500,000.00	05/26/2017 1.43 %	497,500.00 498,636.36	98.72 2.34 %	493,622.50 2,261.67	0.81 % (5,013.86)	Aaa / AA+ AAA	1.12 1.10
3134G9YQ4	FHLMC Callable Note Qtrly 12/28/2016 1.5% Due 6/28/2019	750,000.00	06/28/2016 1.50 %	750,000.00 750,000.00	99.45 2.71 %	745,908.75 3,838.54	1.23 % (4,091.25)	Aaa / AA+ AAA	1.16 0.65
3130ABJS6	FHLB Callable Note Qtrly 9/28/2017 1.375% Due 6/28/2019	500,000.00	07/07/2017 1.38 %	500,000.00 500,000.00	99.33 2.43 %	496,645.50 628.47	0.81 % (3,354.50)	Aaa / AA+ NR	1.16 0.89
3133EGLC7	FFCB Callable Note Cont 10/12/2016 1.08% Due 7/12/2019	500,000.00	07/12/2016 1.10 %	499,675.00 499,870.30	98.35 2.48 %	491,754.00 1,635.00	0.81 % (8,116.30)	Aaa / AA+ AAA	1.20 1.18
3134GAEV2	FHLMC Callable Note Qtrly 2/28/2017 1.5% Due 8/28/2019	750,000.00	08/30/2016 1.53 %	750,000.00 750,000.00	99.48 2.65 %	746,107.50 1,953.13	1.22 % (3,892.50)	Aaa / AA+ AAA	1.33 0.54
3137EADM8	FHLMC Note 1.25% Due 10/2/2019	500,000.00	09/25/2015 1.32 %	498,665.00 499,528.02	98.34 2.44 %	491,715.50 503.47	0.81 % (7,812.52)	Aaa / AA+ AAA	1.42 1.40
3130A9UP4	FHLB Callable Note Cont 4/28/2017 1.19% Due 10/28/2019	500,000.00	10/28/2016 1.19 %	500,000.00 500,000.00	98.01 2.56 %	490,040.00 49.58	0.80 % (9,960.00)	Aaa / AA+ NR	1.50 1.47
3134G9V95	FHLMC Callable Note Qtrly 2/22/2017 1.25% Due 11/22/2019	750,000.00	08/22/2016 1.25 %	750,000.00 750,000.00	98.84 2.53 %	741,307.50 1,796.88	1.22 % (8,692.50)	Aaa / AA+ AAA	1.56 1.28
3136G3VH5	FNMA Callable Note Qtrly 12/30/2016 1.35% Due 12/30/2019	500,000.00	06/30/2016 1.35 %	500,000.00 500,000.00	98.17 2.48 %	490,854.00 2,268.75	0.81 % (9,146.00)	Aaa / AA+ AAA	1.67 1.63
3135G0Q63	FNMA Callable Note Qtrly 3/30/2017 1.3% Due 3/30/2020	500,000.00	10/19/2016 1.30 %	500,000.00 500,000.00	97.73 2.52 %	488,651.50 559.72	0.80 % (11,348.50)	Aaa / AA+ AAA	1.92 1.87
3130ABAY2	FHLB Callable Note Cont 7/28/2017 1.67% Due 4/28/2020	750,000.00	04/28/2017 1.67 %	750,000.00 750,000.00	98.36 2.52 %	737,700.00 104.38	1.21 % (12,300.00)	Aaa / AA+ NR	2.00 1.63
3136G3NZ4	FNMA Callable Note Qtrly 11/29/2016 1.5% Due 5/29/2020	750,000.00	05/27/2016 1.50 %	750,000.00 750,000.00	97.90 2.54 %	734,227.50 4,750.00	1.21 % (15,772.50)	Aaa / AA+ AAA	2.08 1.79
3130A8M67	FHLB Callable Note Cont 7/13/2017 1.2% Due 7/13/2020	500,000.00	11/22/2016 1.60 %	492,970.00 495,747.09	97.12 2.55 %	485,581.00 1,800.00	0.80 % (10,166.09)	Aaa / AA+ NR	2.21 2.15
3135G0N66	FNMA Callable Note Qtrly 2/24/2017 1.4% Due 8/24/2020	1,000,000.00	08/24/2016 1.40 %	1,000,000.00 1,000,000.00	97.38 2.57 %	973,820.00 2,605.56	1.60 % (26,180.00)	Aaa / AA+ AAA	2.32 2.25
3133EGC94	FFCB Callable Note Cont 2/2/2017 1.38% Due 11/2/2020	500,000.00	11/04/2016 1.40 %	499,600.00 499,748.87	96.83 2.70 %	484,163.50 3,430.83	0.80 % (15,585.37)	Aaa / AA+ AAA	2.51 2.42





CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>AGENCY</b>									
3133EGR49	FFCB Callable Note Cont 12/7/2017 1.77% Due 12/7/2020	250,000.00	12/07/2016 1.83 %	249,437.50 249,633.86	97.75 2.67 %	244,370.00 1,770.00	0.40 % (5,263.86)	Aaa / AA+ AAA	2.61 2.10
3134GBTA0	FHLMC Callable Note Qtrly 9/22/2017 1.6% Due 12/22/2020	750,000.00	06/27/2017 1.60 %	750,000.00 750,000.00	99.01 2.51 %	742,552.50 1,297.92	1.22 % (7,447.50)	Aaa / AA+ AAA	2.65 2.08
3136G4GA5	FNMA Callable Note Qtrly 4/28/2017 1.4% Due 1/28/2021	500,000.00	10/28/2016 1.40 %	500,000.00 500,000.00	96.77 2.63 %	483,859.00 1,808.33	0.80 % (16,141.00)	Aaa / AA+ AAA	2.75 2.66
3133EFC54	FFCB Callable Note Cont 2/17/2017 1.62% Due 2/17/2021	150,000.00	11/18/2016 1.67 %	149,667.00 149,780.50	96.53 2.92 %	144,798.00 499.50	0.24 % (4,982.50)	Aaa / AA+ AAA	2.81 2.37
3134G8LH0	FHLMC Callable Note Qtrly 8/26/2016 1.5% Due 2/26/2021	514,000.00	02/26/2016 1.50 %	514,000.00 514,000.00	98.71 2.68 %	507,369.40 1,388.51	0.83 % (6,630.60)	Aaa / AA+ AAA	2.83 1.29
3130A7ES0	FHLB Callable Note Qtrly 6/22/2016 1.75% Due 3/22/2021	275,000.00	04/06/2017 2.11 %	274,381.25 274,548.13	98.33 2.79 %	270,396.22 519.44	0.44 % (4,151.91)	Aaa / AA+ NR	2.90 1.84
3133EFZ91	FFCB Callable Note Cont 4/12/2017 1.62% Due 4/12/2021	750,000.00	04/12/2016 1.62 %	749,925.00 749,955.76	96.65 2.81 %	724,902.00 641.25	1.19 % (25,053.76)	Aaa / AA+ AAA	2.95 2.85
3133EHM8	FFCB Callable Note Cont 8/3/2017 1.99% Due 5/3/2021	750,000.00	05/03/2017 1.99 %	750,000.00 750,000.00	97.83 2.75 %	733,717.50 7,379.58	1.21 % (16,282.50)	Aaa / AA+ AAA	3.01 2.15
3136G3A70	FNMA Callable Note Qtrly 1/27/2017 1.5% Due 7/27/2021	500,000.00	07/27/2016 1.50 %	500,000.00 500,000.00	95.90 2.83 %	479,485.00 1,958.33	0.79 % (20,515.00)	Aaa / AA+ AAA	3.24 2.80
3134G95L7	FHLMC Callable Note Qtrly 11/25/2016 1.6% Due 8/25/2021	1,000,000.00	08/25/2016 1.60 %	1,000,000.00 1,000,000.00	96.24 2.79 %	962,421.00 2,933.33	1.58 % (37,579.00)	Aaa / AA+ AAA	3.32 3.19
3130A9F89	FHLB Callable Note Qtrly 12/30/2016 1.625% Due 9/30/2021	1,000,000.00	09/30/2016 1.63 %	1,000,000.00 1,000,000.00	95.91 2.89 %	959,080.00 1,399.31	1.57 % (40,920.00)	Aaa / AA+ NR	3.42 2.93
3136G4GF4	FNMA Callable Note Qtrly 4/28/2017 1.55% Due 10/28/2021	1,000,000.00	10/31/2016 1.55 %	1,000,000.00 1,000,000.00	95.77 2.83 %	957,744.00 129.17	1.57 % (42,256.00)	Aaa / AA+ AAA	3.50 3.36
3134GAYX6	FHLMC Callable Note Qtrly 5/26/2017 1.875% Due 11/26/2021	1,000,000.00	11/30/2016 1.88 %	1,000,000.00 1,000,000.00	96.44 2.93 %	964,410.00 8,072.92	1.59 % (35,590.00)	Aaa / AA+ AAA	3.58 2.78
<b>Total Agency</b>		<b>20,056,000.00</b>	<b>1.49 %</b>	<b>20,037,356.17</b> <b>20,047,522.14</b>	<b>2.59 %</b>	<b>19,621,181.66</b> <b>64,341.38</b>	<b>32.23 %</b> <b>(426,340.48)</b>	<b>Aaa / AA+</b> <b>AAA</b>	<b>2.17</b> <b>1.85</b>
<b>INVESTMENT POOL</b>									
90SDCP\$00	County of San Diego Pooled Investment Pool	5,200,000.00	03/31/2018 1.72 %	5,200,000.00 5,200,000.00	1.00 1.72 %	5,200,000.00 7,451.60	8.53 % 0.00	NR / NR AAA	0.00 0.00
<b>Total Investment Pool</b>		<b>5,200,000.00</b>	<b>1.72 %</b>	<b>5,200,000.00</b> <b>5,200,000.00</b>	<b>1.72 %</b>	<b>5,200,000.00</b> <b>7,451.60</b>	<b>8.53 %</b> <b>0.00</b>	<b>NR / NR</b> <b>AAA</b>	<b>0.00</b> <b>0.00</b>
<b>LAIF</b>									
90LAIF\$00	Local Agency Investment Fund State Pool	31,820,218.24	Various 1.70 %	31,820,218.24 31,820,218.24	1.00 1.70 %	31,820,218.24 44,588.31	52.18 % 0.00	NR / NR NR	0.00 0.00
<b>Total LAIF</b>		<b>31,820,218.24</b>	<b>1.70 %</b>	<b>31,820,218.24</b> <b>31,820,218.24</b>	<b>1.70 %</b>	<b>31,820,218.24</b> <b>44,588.31</b>	<b>52.18 %</b> <b>0.00</b>	<b>NR / NR</b> <b>NR</b>	<b>0.00</b> <b>0.00</b>



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>MONEY MARKET FUND FI</b>									
09248U718	Blackrock Treasury Money Market Fund	269,869.79	Various 1.56 %	269,869.79 269,869.79	1.00 1.56 %	269,869.79 0.00	0.44 % 0.00	Aaa / AAA NR	0.00 0.00
<b>Total Money Market Fund FI</b>		<b>269,869.79</b>	<b>1.56 %</b>	<b>269,869.79</b> <b>269,869.79</b>	<b>1.56 %</b>	<b>269,869.79</b> <b>0.00</b>	<b>0.44 %</b> <b>0.00</b>	<b>Aaa / AAA</b> <b>NR</b>	<b>0.00</b> <b>0.00</b>
<b>NEGOTIABLE CD</b>									
87164WAN8	Synchrony Bank Negotiable CD 1.6% Due 6/13/2018	245,000.00	06/13/2014 1.60 %	245,000.00 245,000.00	99.99 1.65 %	244,982.61 1,492.82	0.40 % (17.39)	NR / NR NR	0.12 0.12
38148JD40	Goldman Sachs Bank USA Negotiable CD 1.7% Due 8/20/2018	245,000.00	08/19/2015 1.70 %	245,000.00 245,000.00	99.98 1.77 %	244,946.35 810.18	0.40 % (53.65)	NR / NR NR	0.31 0.30
36161T2B0	Goldman Sachs Bank USA Negotiable CD 1.8% Due 9/5/2018	245,000.00	09/05/2014 1.80 %	245,000.00 245,000.00	100.00 1.80 %	244,995.10 688.68	0.40 % (4.90)	NR / NR NR	0.35 0.35
140420WJ5	Capital One Bank USA NA Negotiable CD 1.65% Due 10/9/2018	179,000.00	10/13/2015 1.65 %	179,000.00 179,000.00	99.92 1.83 %	178,855.37 194.20	0.29 % (144.63)	NR / NR NR	0.44 0.44
02006LVC4	Ally Bank Negotiable CD 1.6% Due 10/29/2018	245,000.00	10/29/2015 1.60 %	245,000.00 245,000.00	99.89 1.82 %	244,730.75 21.48	0.40 % (269.25)	NR / NR NR	0.50 0.49
795450XC4	Sallie Mae Bank Negotiable CD 1.6% Due 12/10/2018	245,000.00	12/09/2015 1.60 %	245,000.00 245,000.00	99.81 1.92 %	244,528.38 1,535.78	0.40 % (471.62)	NR / NR NR	0.61 0.60
05580AGN8	BMW Corp Negotiable CD 1.35% Due 3/11/2019	245,000.00	03/10/2017 1.35 %	245,000.00 245,000.00	99.37 2.08 %	243,467.28 471.21	0.40 % (1,532.72)	NR / NR NR	0.86 0.85
966594AY9	Whitney Bank Negotiable CD 1.65% Due 4/22/2019	245,000.00	04/20/2017 1.65 %	245,000.00 245,000.00	99.52 2.15 %	243,830.37 121.83	0.40 % (1,169.63)	NR / NR NR	0.98 0.96
29266NK97	Enerbank USA Negotiable CD 1.5% Due 5/15/2019	233,000.00	06/18/2015 1.58 %	232,301.00 232,814.35	99.31 2.17 %	231,387.87 153.21	0.38 % (1,426.48)	NR / NR NR	1.04 1.03
06740KJJ7	Barclays Bank Delaware Negotiable CD 1.9% Due 9/16/2019	245,000.00	09/16/2015 1.90 %	245,000.00 245,000.00	99.60 2.19 %	244,019.76 586.66	0.40 % (980.24)	NR / NR NR	1.38 1.35
49306SXX7	Key Bank Negotiable CD 1.7% Due 3/9/2020	245,000.00	03/08/2017 1.70 %	245,000.00 245,000.00	98.48 2.54 %	241,282.86 616.19	0.40 % (3,717.14)	NR / NR NR	1.86 1.81
40434AZ44	HSBC Bank USA NA Callable Neg. CD S/A 7/8/2018 1.4% Due 7/8/2020	245,000.00	09/16/2016 1.45 %	244,510.00 244,718.54	97.31 2.67 %	238,399.95 1,061.89	0.39 % (6,318.59)	NR / NR NR	2.19 2.13
254672L89	Discover Bank Negotiable CD 1.5% Due 10/26/2020	245,000.00	10/26/2016 1.50 %	245,000.00 245,000.00	96.53 2.96 %	236,487.23 50.34	0.39 % (8,512.77)	NR / NR NR	2.49 2.42
66476QBW7	Northern Nevada Bank Callable Neg CD Qtrly 6/29/18 1.85% Due 12/29/2020	245,000.00	06/29/2017 1.85 %	245,000.00 245,000.00	97.68 2.75 %	239,317.47 24.84	0.39 % (5,682.53)	NR / NR NR	2.67 2.60



Holdings Report

As of 4/30/18

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>NEGOTIABLE CD</b>									
94986TXN2	Wells Fargo Callable Neg CD Qtrly 9/4/18 1.15% Due 3/4/2021	243,000.00	03/04/2016 1.15 %	243,000.00 243,000.00	99.47 1.79 %	241,706.27 444.06	0.40 % (1,293.73)	NR / NR NR	2.85 0.83
20033AQU3	Comenity Capital Bank Negotiable CD 1.65% Due 6/30/2021	245,000.00	06/30/2016 1.65 %	245,000.00 245,000.00	96.28 2.88 %	235,876.69 11.08	0.39 % (9,123.31)	NR / NR NR	3.17 3.08
48126XAH8	JP Morgan Chase Bank NA Callable Neg. CD Qtrly 8/16/17 1.65% Due 8/16/2021	245,000.00	08/16/2016 1.65 %	245,000.00 245,000.00	95.72 3.02 %	234,508.61 819.58	0.39 % (10,491.39)	NR / NR NR	3.30 3.18
<b>Total Negotiable CD</b>		<b>4,085,000.00</b>	<b>1.61 %</b>	<b>4,083,811.00</b> <b>4,084,532.89</b>	<b>2.24 %</b>	<b>4,033,322.92</b> <b>9,104.03</b>	<b>6.62 %</b> <b>(51,209.97)</b>	<b>NR / NR</b> <b>NR</b>	<b>1.48</b> <b>1.33</b>
<b>TOTAL PORTFOLIO</b>		<b>61,431,088.03</b>	<b>1.63 %</b>	<b>61,411,255.20</b> <b>61,422,143.06</b>	<b>2.02 %</b>	<b>60,944,592.61</b> <b>125,485.32</b>	<b>100.00 %</b> <b>(477,550.45)</b>	<b>Aaa / AA+</b> <b>AAA</b>	<b>0.80</b> <b>0.68</b>
<b>TOTAL MARKET VALUE PLUS ACCRUED</b>						<b>61,070,077.93</b>			

**DATE: MAY 16, 2018**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: FINAL ACCEPTANCE FOR CRAVEN ROAD SEWER REPLACEMENT**  
**(BROOKFIELD RANCHO CORONADO, LLC)**

**BACKGROUND:**

Brookfield Rancho Coronado, LLC, owner of the project, has completed the installation of sewer facilities located on Craven Road south of Discovery Street.

**DISCUSSION:**

Water and/or sewer facilities are often constructed by a developer as a condition of development. When complete, those facilities are accepted by the Board of Directors and become District property.

The subject project constructed approximately 2,490 feet of 12-inch diameter PVC sewer main and 86 feet of 8-inch diameter PVC sewer main, replacing the existing 8-inch sewer along Craven Road. Along with the sewer mains, assorted appurtenances were installed, including 12 manholes.

Based on the water and sewer study performed for the Rancho Coronado Development, this portion of sewer main along Craven Road was required to be upsized. Upon final acceptance of the project, sewer service will be available to 346 single family homes and 195 multi-family residential units.

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

The owner has paid a total of \$1,441,096.00 in water capital facility fees and \$1,589,791.00 in wastewater capital facility fees for the Rancho Coronado Development. Prior to occupancy, the developer will be required to pay an additional \$1,279,196.00 in water capital facility fees and \$1,289,408.00 in wastewater capital facility fees for the remaining lots.

**FISCAL IMPACT:**

None. Future sewer revenues will offset costs of service.

**RECOMMENDATION:**

Accept the project improvements and approve the filing of a Notice of Completion for Craven Road Sewer Replacement.

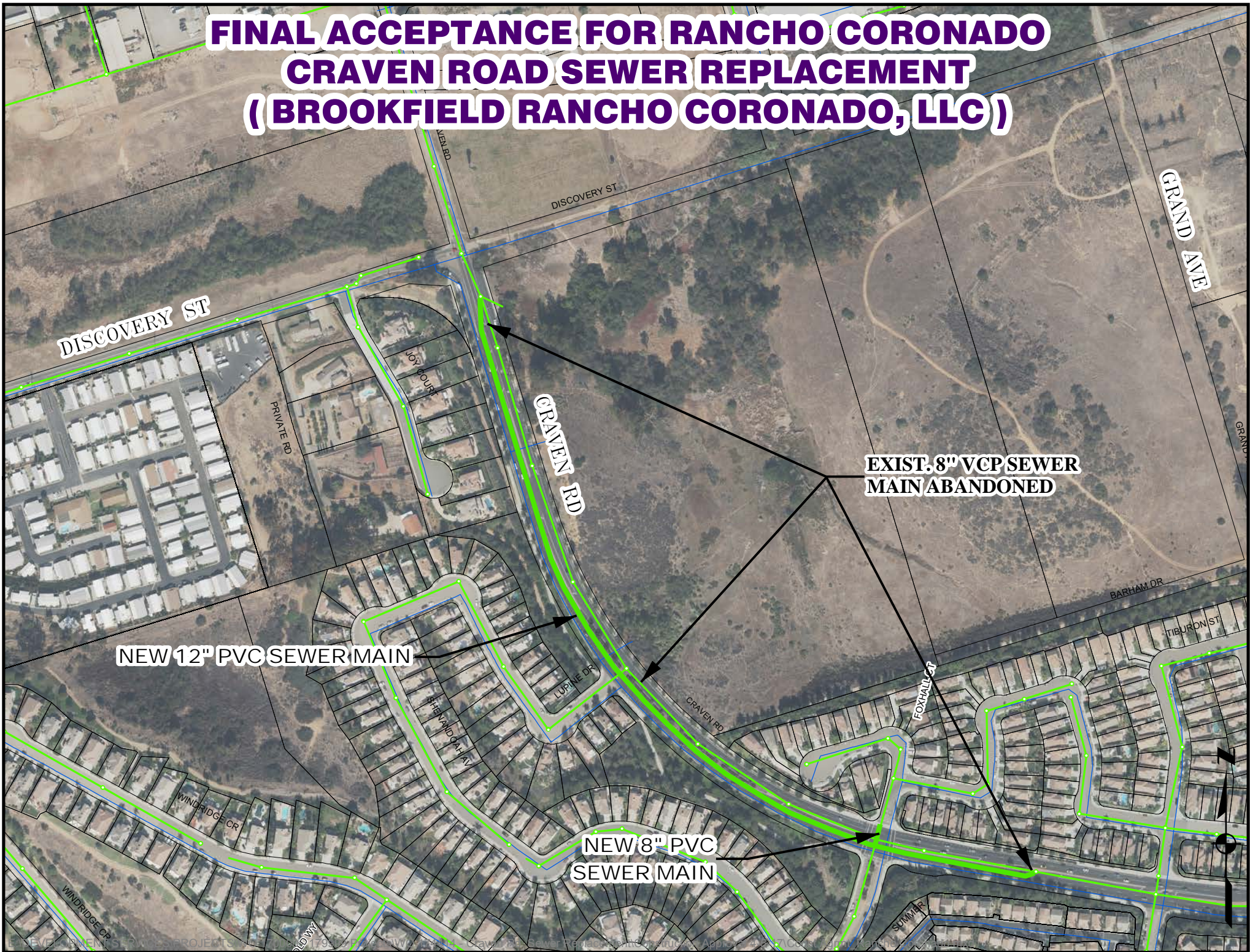
**ATTACHMENTS:**

2 Map Exhibits – 1 Plat Map & 1 Aerial





# FINAL ACCEPTANCE FOR RANCHO CORONADO CRAVEN ROAD SEWER REPLACEMENT (BROOKFIELD RANCHO CORONADO, LLC)





**DATE: MAY 16, 2018**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: APPROVAL OF TEMPORARY OFF-SITE WATER SERVICE AGREEMENT FOR CASE SINGLE FAMILY RESIDENCE APN 187-560-16 (LIONTRIBE, LLC)**

**BACKGROUND:**

Robert Case, owner of the property, sole member of Liontribe, LLC, has requested approval of a Temporary Off-Site Water Service Agreement to provide water service for a single-family residence and an agricultural operation on the above-referenced property. The subject property is located within the District's water service boundary, at 752 Flynn Heights Drive, and is not located adjacent to an existing District water main. An existing 8-inch ACP water main is located in Flynn Heights Drive, approximately 250 feet from the subject property.

**DISCUSSION:**

Per District Ordinance No. 118, a "Temporary Off-Site Water Service Agreement" is defined as service to those properties that do not abut, traverse, or are adjacent to existing pipelines, but future pipeline extensions to serve and benefit the property may occur.

The property's original APN was 187-091-06. The parcel owner received approval for a temporary off-site water service for this property in June 1991. In 1993, according to County of San Diego records, the parcel number changed to 187-560-16. The District was not notified of this change.

Liontribe, LLC purchased the parcel in 2017 and inquired about water service for a commercial growing operation and a single-family residence. Through this inquiry the APN change was discovered. Liontribe, LLC has agreed to execute a new temporary off-site agreement to reflect the new APN.

While it is not likely that future pipeline extensions would be constructed which could serve this property, future development plans in the area may change that determination. If a pipeline extension is ever constructed which can serve this property, the Temporary Off-Site Water Service Agreement requires the owners to relocate the water meter to the new main at that time.

**FISCAL IMPACT:**

None. Future water revenues will offset costs of service.

**RECOMMENDATION:**

Approve a Temporary Off-Site Water Service Agreement for APN 187-560-16 with the following conditions:

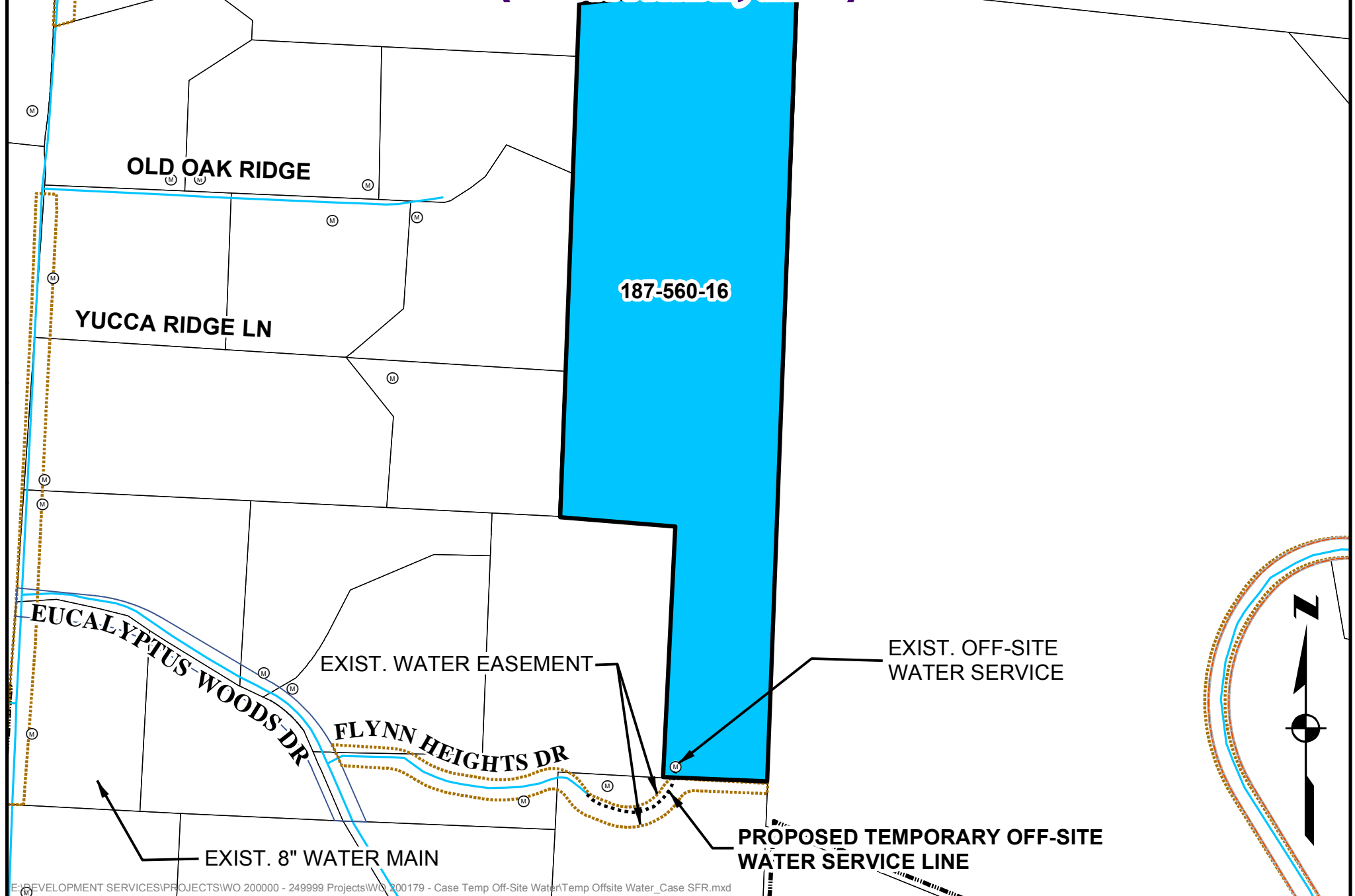
1. Execution of a Temporary Off-Site Water Service Agreement which will be recorded against the property.
2. Payment of \$500 Administration fee and County recording fees.

**ATTACHMENTS:**

2 Map Exhibits – 1 Plat Map & 1 Aerial  
Temporary Water Connection Agreement

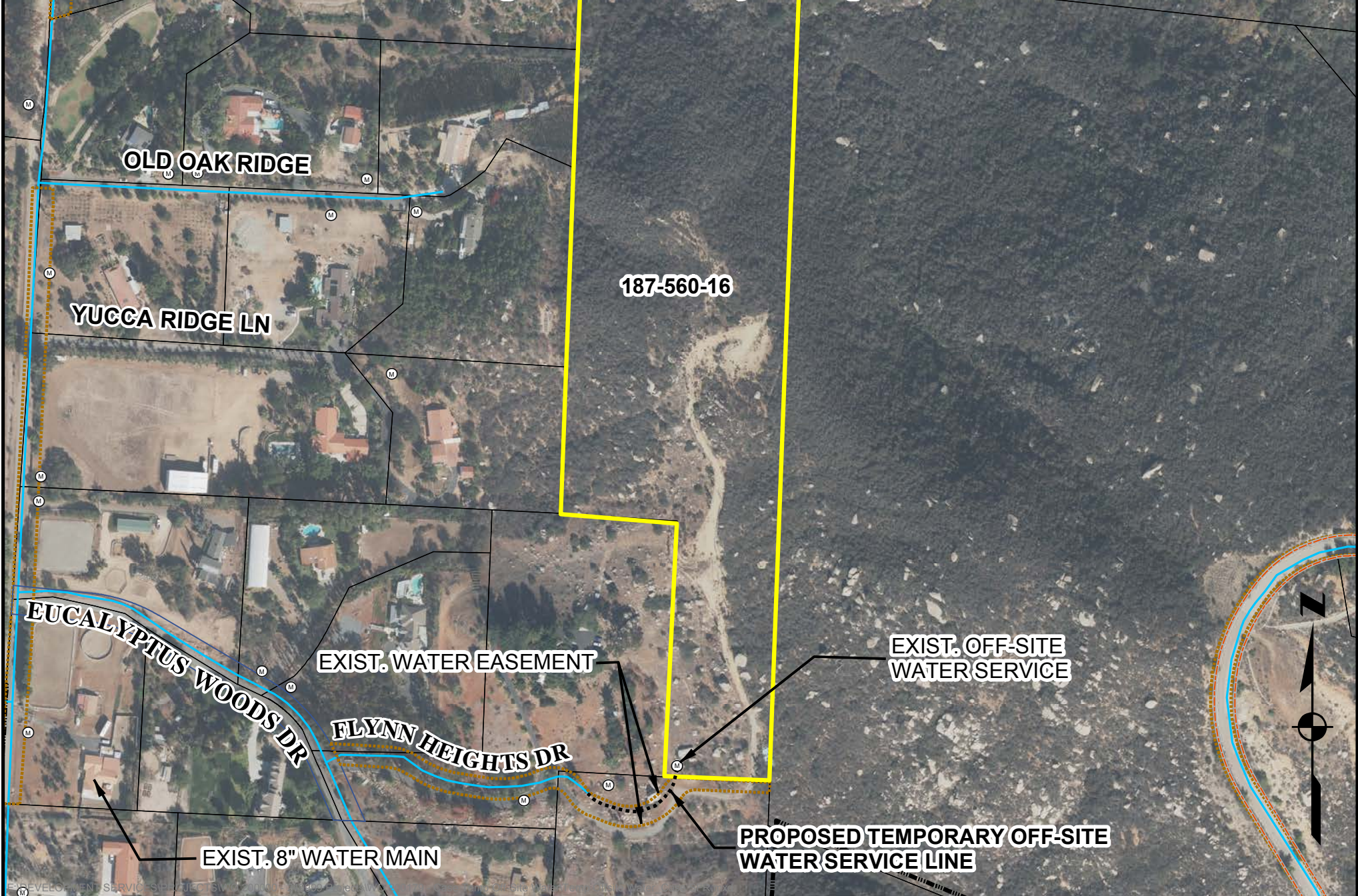


# APPROVAL OF TEMPORARY OFF-SITE WATER SERVICE AGREEMENT FOR CASE SINGLE FAMILY RESIDENCE APN 187-560-16 ( LIONTRIBE, LLC )





# APPROVAL OF TEMPORARY OFF-SITE WATER SERVICE AGREEMENT FOR CASE SINGLE FAMILY RESIDENCE APN 187-560-16 (LIONTRIBE, LLC)





Recording requested by &  
when recorded, return to:

Vallecitos Water District  
201 Vallecitos de Oro  
San Marcos, CA 92069

APN: 187-560-16

(Space above for Recorder's Use)  
Document Transfer Tax: NONE

**VALLECITOS WATER DISTRICT  
TEMPORARY WATER CONNECTION AGREEMENT**

**RECITALS**

1. LIONTRIBE LLC. "OWNER" has title to real property situated in the County of San Diego, State of California, within the boundaries of the District; the real property of OWNER is more particularly described in Exhibit "A" attached hereto and made a part hereof.
2. The property of OWNER is not adjacent to any water main of the DISTRICT, and OWNER has applied for permission to connect to a District main at a location removed from their property for the purpose of providing a water supply for the property.
3. DISTRICT is willing to permit a TEMPORARY connection at the nearest main, subject to the terms and conditions of the Agreement.

**COVENANTS**

IT IS, THEREFORE, AGREED by and between OWNER, on behalf of themselves and their successors and assigns in interest in the above described property, and DISTRICT, as follows:

4. OWNER will pay the regular charge for the installation of a meter and service connection to the District's nearest main, and acquire any easement or encroachment permit which might be necessary to install a service from the meter to the place of use on OWNER's property.
5. The cost of acquiring any such easement or encroachment permit, the installation and subsequent maintenance of the service extending from the discharge side of the meter shall be entirely at the OWNER's expense, and the DISTRICT shall have no liability or responsibility therefore.

6. The connection provided under the terms of this agreement shall be available to serve water to the property of OWNER, as above described, only so long as such connection shall serve only one parcel.

7. The service and use of the connection may be terminated by the DISTRICT upon thirty (30) days written notice addressed to OWNER at their last know address on file in the District in the event the service is extended to any subdivision or the property into two or more separate parcels to be served from such connection, or in the event of the construction of two or more residences thereon.

8. Should DISTRICT or others hereafter install or provide a DISTRICT water main adjacent to OWNER's property which would extend to OWNER's property so as to serve substantial portions thereof, the temporary connection permitted by the agreement shall, upon demand by the DISTRICT, be terminated, and after such termination, any future water service shall be provided by a connection to the new DISTRICT main upon payment to the DISTRICT by OWNER of any connection fee then established by DISTRICT. The amount of such fee shall include the expense incurred by the DISTRICT in moving the meter to the new main, together with such other reasonable charges as DISTRICT may establish, including a prorata share of the cost of the installation of such new main.

9. OWNER being the owner or owners of the property described in Exhibit "A", in consideration of the Agreement for temporary water service consent on behalf of OWNER, their heirs, successors and assigns to participate in any future SPECIAL ASSESSMENT IMPROVEMENT DISTRICT which Vallecitos Water District may establish under the IMPROVEMENT DISTRICT ACT OF 1911, Division 7 (Section 5000 et seq) of the Streets and Highways Code of the State of California, or under MUNICIPAL IMPROVEMENT ACT OF 1913, Division 12 (Section 10,000 et seq) of the Streets and Highways Code of the State of California, or under the IMPROVEMENT BOND ACT OF 1915, Division 10 (Section 8500 et seq) of the Streets and Highways Code of the State of California, or any combination of said Acts; OWNER further consents that Vallecitos Water District may, under the provisions of said Acts or a combination of said Acts, conduct all proceedings for the formation of a SPECIAL IMPROVEMENT DISTRICT for the construction of improvements designed to provide water service to the area in which OWNER's land is located; OWNERS for themselves, their heirs, successors and assigns hereby waive and request the DISTRICT to dispense with any and all proceedings and any and all limitations under the SPECIAL ASSESSMENT INVESTIGATION, LIMITATION AND MAJORITY PROTEST ACT OF 1931.

**10.** OWNER understands that in entering into this Agreement for temporary water service, DISTRICT does so in material reliance on the provisions of the Agreement, including, but not limited to, the consent to participate in assessment district proceedings and waiver of all proceedings and all limitations under the SPECIAL ASSESSMENT INVESTIGATION, LIMITATION AND MAJORITY PROTEST ACT OF 1931.

**11.** Any breach or violation of the terms and conditions established by this Agreement or of DISTRICT's rules and regulations shall, at the option of the DISTRICT, permit DISTRICT to terminate this Agreement and the temporary connection, if such breach or violation is not cured within thirty days after written notice is given OWNER or their successors in interest, by DISTRICT. In the event of such termination, DISTRICT may disconnect the line without further liability or obligation to OWNER or their successors in interest.

**12.** Granting of this temporary water service does not constitute reservation of sewer capacity rights now or in the future.

**13.** OWNER agrees to abide by all applicable rules and regulations on file with the DISTRICT, and that the DISTRICT shall not guarantee and uninterrupted supply of water; that in the event of a water shortage caused by drought, equipment failure or insufficient pumping, transmission or storage facilities, DISTRICT shall be the sole judge as to the allocation of the available supply.

**14.** Parties agree that this Agreement shall be binding upon OWNER, their heirs, assigns and successors in interest to the property described in Exhibit "A" attached hereto and mad a part hereof.

**15.** In the event of litigation to enforce this Agreement, the prevailing party shall be entitled to reasonable Attorney's fees and costs of litigation.

**16.** This Agreement is executed in the North County Judicial District, County of San Diego, and State of California.

**17.** The effective date of this Agreement is \_\_\_\_\_.

IN WITNESS WHEREOF, this Agreement is executed by the duly authorized officers of DISTRICT and OWNER.

<b>DISTRICT</b> <b>VALLECITOS WATER DISTRICT</b>	
Accepted By: _____	Date: _____, 2018
Glenn Pruum, Secretary Board of Directors Vallecitos Water District	

<b>OWNER*</b>	
By: _____	Date: _____, 2018
Robert Aston Case	
Title: <b><u>Sole Managing Mbr – Liontribe LLC</u></b>	
By: _____	Date: _____, 20__
Title: _____	

\* If the land is held by husband and wife, both parties must sign the Agreement and the signatures must be notarized; if the OWNER is a corporation, partnership or other legal entity, the appropriate notarization showing the identity of the OWNER and the authority to execute this Agreement must be attached.

**DATE: MAY 16, 2018**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: REQUEST FOR AGRICULTURAL WATER TO REPLACE SINGLE FAMILY RESIDENCE RATE AT APN 187-560-16 (LIONTRIBE, LLC)**

**BACKGROUND:**

Robert Case, owner of the subject property, sole member of Liontribe, LLC, has requested approval of an agricultural water rate account for an existing single-family residential metered account on the above-referenced property. The subject property is located within the District's water service boundary at 872 Flynn Heights Drive.

**DISCUSSION:**

In the past, neither the San Diego County Water Authority (CWA) nor Vallecitos (VWD) has granted new accounts into the agricultural water rate programs. Agricultural accounts are typically grandfathered into the billing system per the following requirements, contained in the "Annual Certification and Enrollment Form" for agricultural water accounts:

- In accordance with San Diego County Water Authority (CWA) rules, VWD and Owner acknowledge that Agricultural Water Rate Programs shall be limited to water used for the growing or raising, in conformity with recognized practices of husbandry, for the purposes of commerce, trade, or industry, or agricultural, horticultural, or floriculture products, and produced (1) for human consumption or for the market, or (2) for the feeding of fowl or livestock produced for human consumption or for the market, or (3) for the feeding of fowl or livestock for the purpose of obtaining their products for human consumption or for the market, such products to be grown or raised on a parcel of land having an area of not less than one acre fully utilized exclusively therefore.
- Minimum of one acre densely planted for commercial purposes.
- The customer meter account must have been enrolled in Metropolitan Water District's Interim Agricultural Water Program (IAWP) as of January 1, 2009.
- Meter and account must be in compliance with all VWD ordinances, resolutions, rules, and regulations.

Specifically, the CWA does not grant their Transitional Special Agricultural Water Rate (TSAWR) to accounts that were not enrolled in the IAWP as of January 1, 2009. VWD has no ability to change CWA requirements. TSAWR customers receive a reduced agricultural water rate, but in times of drought must reduce their consumption by the same percentage as any mandated water supply reductions.

VWD has a separate agricultural water rate that is not part of CWA's program. Titled the "Certified Non-Participating Agricultural Water Rate (CNPAGR)," it was established in mid-2009 to provide agricultural water to customers concerned about the TSAWR program's drought restrictions. This rate is not discounted to the same level as TSAWR water, but does not have mandatory restrictions in times of drought. In the past, VWD

has followed the CWA's requirements and has not granted VWD's CNPAWR to accounts that were not enrolled in the IAWP as of January 1, 2009. Previous rate Ordinances (Nos. 165 and 171) were restrictive of access to the CNPAWR, however, current Ordinance No. 207 is silent on the subject of CNPAWR accounts.

**RECOMMENDATION:**

It is recommended that the District update and clarify existing Ordinance No. 207 with regard to CNPAWR accounts. A report will also be provided to the Board listing the pros and cons of making this change to help determine if VWD should offer the CNPAWR to current and future customers.



**DATE: MAY 16, 2018**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM**  
**INFORMATIONAL UPDATE**

**BACKGROUND:**

The District is a member of the California Public Employees' Retirement System (CalPERS). CalPERS manages pensions and health benefits for more than 1.6 million California public employees, retirees and their families. This informational presentation will provide the Board with an update on the financial status of CalPERS and an estimate of the impact on the District.

**DISCUSSION:**

According to their website, CalPERS has over \$360 billion in assets, but its pension program is underfunded by an estimated \$150 billion. CalPERS derives its income from investments earnings, employer contributions and employee contributions. Recently, in an effort to reduce the funding shortfall, the CalPERS Board voted to lower their expected annual rate of return on investments, known as the Discount Rate, from 7.5% to 7.0% over a three-year period. This action, which will decrease the anticipated revenue from investment returns, will increase the amount of funding required from member employers.

The purpose of this presentation is to provide the Board with an estimate of the financial impacts these changes will have on the District and its employees. The objective of the presentation is to ensure that all Board members have a common understanding of the financial impacts prior to the Board CalPERS Workshop, currently scheduled for May 22 at 3:00 p.m. At the workshop, the Board will be presented with alternative funding solutions to address the increased PERS costs.

**FISCAL IMPACT:**

There is no fiscal impact associated with this presentation. The ultimate fiscal impacts associated with the changing CalPERS Discount Rate will be addressed in subsequent budget cycles.

**RECOMMENDATION:**

Receive the staff presentation and provide staff direction to assist in the preparation for the CalPERS Workshop on May 22 at 3:00 p.m.

<b>VWD DIRECTOR'S COMPENSATION FOR January - March 2018</b>
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Payments from EWA (Encina Wastewater Authority)

<u>VENDOR</u>	<u>NAME</u>	<u>EWA DATE</u>	<u>CHECK NO</u>	<u>INVOICE NET</u>	<u>DESCRIPTION</u>
2212	CRAIG ELITHARP	01/30/18	1884	200.00	BOD MEETING 1/24/18
2212	CRAIG ELITHARP	02/27/18	1937	200.00	PFC MEETING 02/13/18
2212	CRAIG ELITHARP	03/27/18	2017	200.00	PFC MEETING 3/13/18
			Meetings Only	600.00	
2028	JIM HERNANDEZ	01/30/18	185845	200.00	BOD MEETING 1/24/18
2028	JIM HERNANDEZ	02/27/18	185968	200.00	CIC MEETING 02/21/18
2028	JIM HERNANDEZ	03/13/18	186034	200.00	BOD MEETING 02/28/18
2028	JIM HERNANDEZ	03/13/18	186034	200.00	AD HOC COMMITTEE MEETING 3/5/18
2028	JIM HERNANDEZ	03/27/18	186084	200.00	CIC MEETING 3/21/18
			Meetings Only	1,000.00	

San Diego County Water Authority  
Board of Directors  
1st Quarter 2018 Expenses  
January, February, March

Director	Per Diem Payments	Mileage	Travel/Other	Total
Betty Evans	\$1,650.00	\$283.45	\$0.00	\$1,933.45

VALLECITOS WATER DISTRICT  
Board of Directors Per Diem and Expenses (1)  
Paid January 1, 2018 through March 31, 2018

Director Meeting/Seminar	Per Diem		Meeting				Reimbursements		
	#	Payments	Benefits	Registration	Travel	Lodging	Meals	Other Agencies	Total
<b>ELITHARP, Craig</b>									
Paid by VWD:									
VWD Meetings	16	\$ 3,200.00	-	-	-	-	51.73	-	\$ 3,251.73
ACWA	1	200.00	-	1,389.00	-	-	-	-	1,589.00
CASA	3	600.00	-	1,225.00	175.99	418.62	93.38	-	2,512.99
CASA / ACWA	4	800.00	-	-	1,040.08	1,446.48	87.29	-	3,373.85
COWU - Council of Water Utilities	2	400.00	-	120.00	36.18	-	-	-	556.18
San Marcos - State of the City	-	-	-	75.00	-	-	-	-	75.00
UWI - Urban Water Institute	3	600.00	-	375.00	179.99	364.82	103.12	-	1,622.93
Water Reuse	-	-	-	500.00	-	-	-	-	500.00
Group Insurance.	-	-	271.14	-	-	-	-	-	271.14
<b>Paid by EWA - Encina JPA</b>	<b>3</b>	<b>600.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>600.00</b>
	<b>32</b>	<b>\$ 6,400.00</b>	<b>\$ 271.14</b>	<b>\$ 3,684.00</b>	<b>\$ 1,432.24</b>	<b>\$ 2,229.92</b>	<b>\$ 335.52</b>	<b>\$ -</b>	<b>\$ 14,352.82</b>
<b>EVANS, Betty</b>									
Paid by VWD:									
VWD Meetings	12	\$ 2,400.00	-	-	-	-	8.46	-	\$ 2,408.46
COWU - Council of Water Utilities	1	200.00	-	40.00	18.09	-	-	-	258.09
North County Group - Rincon	1	200.00	-	-	-	-	-	-	200.00
Group Insurance	-	-	2,344.14	-	-	-	-	-	2,344.14
Paid by VWD - SDCWA pmt differential	-	550.00	-	-	-	-	-	-	550.00
<b>Paid by SDCWA **</b>	<b>11</b>	<b>1,650.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>283.45</b>	<b>1,933.45</b>
	<b>25</b>	<b>\$ 5,000.00</b>	<b>\$ 2,344.14</b>	<b>\$ 40.00</b>	<b>\$ 18.09</b>	<b>\$ -</b>	<b>\$ 8.46</b>	<b>\$ 283.45</b>	<b>\$ 7,694.14</b>
<b>HERNANDEZ, James</b>									
Paid by VWD:									
VWD Meetings	14	\$ 2,800.00	-	-	-	-	63.64	-	\$ 2,863.64
ACWA	1	200.00	-	699.00	-	-	-	-	899.00
CASA	3	600.00	-	550.00	156.99	418.62	19.95	-	1,745.56
COWU - Council of Water Utilities	2	400.00	-	120.00	36.17	-	-	-	556.17
CSDA - CA Special Districts Assoc	1	200.00	-	30.00	30.60	-	-	-	260.60
San Marcos - State of the City	-	-	-	75.00	-	-	-	-	75.00
UWI - Urban Water Institute	3	600.00	-	375.00	120.99	364.82	19.86	-	1,480.67
Group Insurance	-	-	6,218.52	-	-	-	-	-	6,218.52
<b>Paid by EWA - Encina JPA</b>	<b>5</b>	<b>1,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,000.00</b>
	<b>29</b>	<b>\$ 5,800.00</b>	<b>\$ 6,218.52</b>	<b>\$ 1,849.00</b>	<b>\$ 344.75</b>	<b>\$ 783.44</b>	<b>\$ 103.45</b>	<b>\$ -</b>	<b>\$ 15,099.16</b>
<b>MARTIN, Hal</b>									
Paid by VWD:									
VWD Meetings	19	\$ 3,800.00	-	-	-	-	69.78	-	\$ 3,869.78
ACWA	1	200.00	-	544.00	-	-	-	-	744.00
CAL Desal confr.	3	600.00	-	250.00	188.00	283.48	17.01	-	1,338.49
CASA	3	600.00	-	550.00	125.99	418.62	51.71	-	1,746.32
COWU - Council of Water Utilities	3	600.00	-	120.00	36.18	-	-	-	756.18
CSDA - CA Special Districts Assoc	1	200.00	-	30.00	30.60	-	-	-	260.60
UWI - Urban Water Institute	3	600.00	-	375.00	122.99	364.82	26.51	-	1,489.32
WaterReuse	4	800.00	-	500.00	-	-	-	-	1,300.00
Group Insurance.	-	-	1,987.29	-	-	-	-	-	1,987.29
	<b>37</b>	<b>\$ 7,400.00</b>	<b>\$ 1,987.29</b>	<b>\$ 2,369.00</b>	<b>\$ 503.76</b>	<b>\$ 1,066.92</b>	<b>\$ 165.01</b>	<b>\$ -</b>	<b>\$ 13,491.98</b>
<b>SANELLA, Mike</b>									
Paid by VWD:									
VWD Meetings	14	\$ 2,800.00	-	-	-	-	30.91	-	\$ 2,830.91
ACWA	-	-	-	699.00	-	-	-	-	699.00
COWU - Council of Water Utilities	2	400.00	-	120.00	18.09	-	-	-	538.09
CSDA - CA Special Districts Assoc	-	-	-	30.00	-	-	-	-	30.00
San Marcos - State of the City	-	-	-	75.00	-	-	-	-	75.00
SDNEDC	-	-	-	120.00	-	-	-	-	120.00
Group Insurance.	-	-	2,093.40	-	-	-	-	-	2,093.40
	<b>16</b>	<b>\$ 3,200.00</b>	<b>\$ 2,093.40</b>	<b>\$ 1,044.00</b>	<b>\$ 18.09</b>	<b>\$ -</b>	<b>\$ 30.91</b>	<b>\$ -</b>	<b>\$ 6,386.40</b>
<b>TOTALS</b>	<b>139</b>	<b>\$ 27,800.00</b>	<b>\$ 12,914.49</b>	<b>\$ 8,986.00</b>	<b>\$ 2,316.93</b>	<b>\$ 4,080.28</b>	<b>\$ 643.35</b>	<b>\$ 283.45</b>	<b>\$ 57,024.50</b>

(1) Includes both expenses paid directly by the Agencies and reimbursements of expenses paid by Board members. Presented in accordance with ordinance number 194, effective 5/17/2015. (Board per Diem, \$200/meeting)

\* As of 4th Qtr 2017 - EWA meetings are \$200 each - VWD payment differential no longer applies

\*\* SDCWA only required to publish report for Boardmember payments once per year. Fiscal Year End, June 30th