

AGENDA FOR A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, AUGUST 15, 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 AUGUST 15, 2018

INTRODUCTION

Human Resources Analyst Bridget Anderson will introduce new employee, **Vincent Gonzalez**, Construction Worker I.

PRESENTATIONS

2018 WaterSmart Landscape Contest Winners: Third Place: **Patti Joyce and Jeffrey Moore**; Second Place: **Dennis and Shannon Root**; First Place: **Rhonda Holmes and Jeff Jenco**.

Information Technology Supervisor Matias Labarrere will provide an update on the Boardroom Audiovisual and Lighting Upgrades Project.

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. 5-16)

- A. REGULAR BOARD MEETING – JULY 18, 2018
- B. ENGINEERING/EQUIPMENT COMMITTEE MEETING – JULY 23, 2018

Approved minutes become a permanent public record of the District.

Recommendation: Approve Minutes

1.2 WARRANT LIST THROUGH AUGUST 15, 2018 – \$4,448,783.19 (pp.17-23)

Recommendation: Approve Warrant List

1.3 FINANCIAL REPORTS (pp. 24-39)

- A. WATER METER COUNT – JULY 31, 2018
- B. WATER PRODUCTION/SALES REPORT – 2018/2019
- C. WATER REVENUE AND EXPENSE REPORT – JULY 31, 2018
- D. SEWER REVENUE AND EXPENSE REPORT – JULY 31, 2018
- E. RESERVE FUNDS ACTIVITY – JULY 31, 2018
- F. INVESTMENT REPORT – JULY 31, 2018
- G. LEGAL FEES SUMMARY – JULY 31, 2018

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

ACTION ITEMS

2.1 CONSTRUCTION CONTRACT AWARD FOR ROCK SPRINGS SEWER REPLACEMENT PROJECT (pp. 40-44)

This gravity sewer pipeline is currently budgeted for replacement and upsizing.

Recommendation: 1) Reject protest letter; 2) Approve Amendment #6 to the Engineering Services Agreement with Infrastructure Engineering Corporation; 3) Execute construction contract with Burtech Pipeline

2.2 WATEREUSE ASSOCIATION BOARD OF DIRECTORS CALL FOR
NOMINATIONS (pp. 45-46)

The Nominating Committee is seeking nominations to fill two Board vacancies.

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

4.1 MEETINGS (pp. 47)

SDNEDC North County Water Symposium and Supplier Fair
October 10, 2018 – California Center for the Arts, Escondido, CA

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

5.1 DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

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

6.1 ADJOURNMENT

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

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

Audio and video recordings of all Board meetings are available to the public at the District website www.vwd.org

AFFIDAVIT OF POSTING

I, Diane Posvar, Executive Secretary of the Vallecitos Water District, hereby certify that I caused the posting of this Agenda in the outside display case at the District office, 201 Vallecitos de Oro, San Marcos, California by 5:00 p.m., Friday, August 10, 2018.

Diane Posvar

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, JULY 18, 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 Evans led the pledge of allegiance.

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

Staff Present: Legal Counsel Gilpin
District Engineer Gumpel
Administrative Services Manager Emmanuel
Finance Manager Owen
Operations & Maintenance Manager Pedrazzi
Capital Facilities Senior Engineer Hubbard
Development Services Senior Engineer Scholl
Accounting Supervisor Glenn
Public Information/Conservation Supervisor Robbins
Financial Analyst Arthur
Executive Secretary Posvar

ADOPT AGENDA FOR THE REGULAR MEETING OF JULY 18, 2018

18-07-01 MOTION WAS MADE by Director Martin, seconded by Director Evans, and carried unanimously, to adopt the agenda for the Regular Board Meeting of July 18, 2018.

INTRODUCTIONS

Administrative Services Manager Emmanuel introduced new employees Anthony Glenn, Accounting Supervisor, and Arturo Sanchez, Wastewater Treatment Plant Operator I.

PRESENTATION

President Hernandez presented Arturo Alvarez, Meter Services Worker II, with his Certificate for Cross-Connection Control Specialist from the American Backflow Prevention Association.

PUBLIC COMMENT

None.

CONSENT CALENDAR

Director Elitharp requested Item 1.1B be pulled for discussion.

18-07-02 MOTION WAS MADE by Director Martin, seconded by Director Sannella, and carried unanimously, to approve the Consent Calendar as presented with the exception of Item 1.1B.

1.1 Approval of Minutes

- A. Closed Session Board Meeting – June 20, 2018
- B. Regular Board Meeting – June 20, 2018
- C. Finance Committee Meeting – June 25, 2018

1.2 Warrant List through July 18, 2018 - \$6,217,471.09

1.3 Financial Reports

- A. Water Meter Count – June 30, 2018
- B. Water Production/Sales Report – 2017/2018
- C. Quarterly Financial Report – June 30, 2018
- D. Water Revenue and Expense Report – June 30, 2018
- E. Sewer Revenue and Expense Report – June 30, 2018
- F. Reserve Funds Activity – June 30, 2018
- G. Investment Report – June 30, 2018

1.4 Operations & Maintenance Metrics Quarterly Report – June 30, 2018

1.5 Final Acceptance of Water and Sewer Improvements for San Elijo Hills Town Center (SEH Lifestyle Center, LLC)

Director Elitharp suggested a correction to Item 1.1B, minutes of the June 20, 2018 Regular Board meeting. It is stated in the minutes that Motion 18-06-14 carried unanimously 3-1. He recommended deleting the word “unanimously” from the minutes.

18-07-03 MOTION WAS MADE by Director Elitharp, seconded by Director Martin, and carried unanimously, to approve Item 1.1B of the Consent Calendar as amended.

PUBLIC HEARING

PUBLIC HEARING TO ADOPT A RESOLUTION OF THE BOARD OF DIRECTORS OF THE VALLECITOS WATER DISTRICT APPROVING THE SEWER SERVICE FEES TO BE COLLECTED ON THE TAX ROLL FOR IMPROVEMENT DISTRICT “A” FOR THE FISCAL YEAR JULY 1, 2018 TO JUNE 30, 2019

President Hernandez opened the hearing as duly noted and posted to collect sewer service fees on the tax roll. The hearing was opened at 5:06 p.m.

District Engineer Gumpel stated the Board adopted Resolution No. 1540 on June 20, 2018 electing to collect sewer service fees on the tax roll for Improvement District "A" which includes all parcels that receive sewer service but do not receive water service. The sewer service fees will be collected by the County of San Diego and then transferred to the District. The purpose of the hearing was to receive public input on the sewer service fees collected on the tax roll for Improvement District "A."

Staff recommended the Board adopt the resolution authorizing the sewer service fees for Improvement District "A" to be collected on the tax roll.

There being no persons wishing to address the Board, President Hernandez closed the hearing at 5:07 p.m.

18-07-04 MOTION WAS MADE by Director Martin, seconded by Director Elitharp, and carried unanimously, to adopt the resolution authorizing sewer service fees for Improvement District "A" to be collected on the tax roll.

Resolution No. 1541 - The roll call vote was as follows:

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

ACTION ITEMS

ORDINANCE ESTABLISHING PUMP ZONE CHARGES FOR FISCAL YEARS 2018/19 AND 2019/20

Financial Analyst Arthur stated that on May 17, 2017 the Board of Directors adopted pump zone charges to recover the cost of electricity related to pumping water to customers in higher elevations. Only the cost of electricity is included in the pump zone charges and only customers directly benefiting from the additional cost of pumping are charged. The Board's direction was to smooth the charges over a three-year period with a step approach. Cost recovery is estimated to be 62% in Fiscal Year (FY) 2017/18, 77% in FY 2018/19, ultimately reaching 95% in FY 2019/20 and beyond. Financial Analyst Arthur facilitated a presentation on the District's ten pump zones which included the following:

- SDG&E Recovery %
- Pass Through Charges – Current
- Pass Through Charges – FY 2018/19
- Pass Through Charges – FY 2019/20

Staff recommended the Board adopt the ordinance establishing pump zone charges for Fiscal Years 2018/19 and 2019/20. The charges for FY 2018/19 would be effective as soon as administratively practical. The charges for FY 2019/20 would be effective July 1, 2019.

General discussion took place during which it was noted that charges for several pump zones have decreased. Financial Analyst Arthur explained that previously the charges were set separately for each individual pump zone. The charges are now calculated homogenously using the weighted lift volume approach (how high the water has to be lifted).

18-07-05 MOTION WAS MADE by Director Evans, seconded by Director Elitharp, and carried unanimously, to adopt the ordinance establishing pump zone charges for Fiscal Years 2018/19 and 2019/20.

Ordinance No. 208 - The roll call vote was as follows:

AYES: Elitharp, Evans, Martin, Sannella, Hernandez

NOES:

ABSTAIN:

ABSENT:

ORDINANCE ESTABLISHING ADMINISTRATIVE CHARGES TO RECOVER INDIRECT COSTS FOR FISCAL YEAR 2018/19

Finance Manager Owen stated the overhead rate moves a portion of operating costs to the cost of an appropriate project or asset, is required by Generally Accepted Accounting Principles (GAAP) and eliminates an unfair burden on the rate payers. He provided a presentation on the overhead rate as follows:

- Purpose
- Background/Methodology
- Methodology
- Current Year Calculation
- Prior Year Comparisons
- Recommendation

Finance Manager Owen further stated Black & Veatch prepared a 2013 Cost of Service Report which recommended using a single overhead rate to be applied to direct labor based on the approved budget effective July 1 of each fiscal year. The overhead rate applies to outside contractor costs, developer projects and miscellaneous billings, and is calculated by using budgeted indirect costs and employee benefits divided by direct labor costs. The proposed overhead rate for FY 2018/19 is 219.43% which is a decrease from 221.65% the previous fiscal year.

Staff recommended the Board adopt the ordinance establishing the new overhead rate of 219.43% for FY 2018/19.

General discussion took place.

18-07-06 MOTION WAS MADE by Director Martin, seconded by Director Elitharp, and carried unanimously, to adopt the ordinance establishing the new overhead rate.

Ordinance No. 209 – The roll call vote was as follows:

AYES: Elitharp, Evans, Sannella, Martin, Hernandez

NOES:

ABSTAIN:

ABSENT:

CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) 2018 BOARD ELECTIONS – SEAT A

District Engineer Gumpel stated CSDA has provided a ballot for the District's use in voting to elect a representative to the CSDA Board of Directors in the District's network (Southern Network) for Seat A. The current Director serving Seat A, Jo MacKenzie, is running for re-election.

General discussion took place.

18-07-07 MOTION WAS MADE by Director Martin, seconded by Director Evans, and carried unanimously, to support Jo MacKenzie for Seat A on the CSDA Board of Directors.

REPORTS

GENERAL MANAGER

District Engineer Gumpel reported the following:

- The Engineering/Equipment Committee will meet on Monday, July 23. Items for discussion will include the Rock Springs sewer project, groundwater study scope and fee, locker room expansion project and Stargaze pilot project.
- A meeting to discuss the Strategic Plan is scheduled for Tuesday, July 24.
- The Board Room lighting/audiovisual upgrade project is on schedule to begin August 2. It is anticipated that the project will be completed prior to the August 15 Regular Board meeting; however, if delays occur, accommodations will be made for that meeting.
- The Employee Appreciation Luncheon is scheduled for August 2.
- The Stargaze and River Run pilot project involving the pipe lining was to be completed on July 23; however, delays and equipment problems have occurred.

The project is approximately one week behind schedule. Customers will be re-connected to the main line during the week of July 31. Measures will be taken to accelerate the project schedule if possible without further inconveniencing customers. Affected residents will not be responsible for the commodity charge during the time they are connected to the high line and will be receiving a letter regarding the schedule update and a reminder that the commodity charge is going to be waived.

- General Manager Pruiam will return from vacation on July 19.

DISTRICT LEGAL COUNSEL

Legal Counsel Gilpin stated AB 2649 is moving forward. The bill would allow GSAs to apply to the State Board for temporary emergency permits for putting water into groundwater basins. The water bill, SB 998, has moved over to the Assembly side and is being considered by the Environmental Safety and Toxics Committee.

SAN DIEGO COUNTY WATER AUTHORITY

Director Evans stated it didn't appear the water tax was added to a trailer bill or had much support, but it is still alive and could be signed at the last minute. The Coca Cola Company is supporting the water tax.

Director Evans further stated the Metropolitan Water District voted to support the Delta fix; however, they were challenged for a Brown Act violation. A re-vote on the issue passed.

ENCINA WASTEWATER AUTHORITY

President Hernandez reported on his attendance to the Capital Improvement Committee meeting this morning at which a contract with Kennedy Jenks was approved to perform an assessment of EWA's assets. The Committee also reviewed capital improvements.

Director Elitharp reported on his attendance to the Policy and Finance Committee meeting on July 10 at which the committee received and filed the annual auditor's communication and recommended a resolution to the Board appropriating funds for Fiscal Year 2019 operating and capital program budgets.

STANDING COMMITTEES

Director Martin stated the Finance/Investment Committee met on June 25 at which the Committee received an excellent review of overhead charges. He further stated Other Post Employment Benefits (OPEB) is fully funded now after making monthly payments of \$200,000 during the past nine months.

President Hernandez stated the Engineering/Equipment Committee will meet on Monday, July 23.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

Director Evans reported that she has participated in three telephone conferences in preparation for the ACWA Region 10 event to be held on October 18. The theme will be removing barriers to innovation and moving forward.

Directors Elitharp, Hernandez, Martin, and Sannella reported on their attendance to the Council of Water Utilities meeting on July 17.

OTHER BUSINESS

None.

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

Director Sannella requested an update on the District owned property adjacent to the District office.

Director Evans inquired about the August 1 Regular Board meeting. It was determined that there will not be a quorum for that meeting.

Director Evans commented on the recent heat wave and expressed her appreciation for staff who had to work in the hot conditions.

ADJOURNMENT

There being no further business to discuss, President Hernandez adjourned the Regular Meeting of the Board of Directors at the hour of 5:37 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, August 1, 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:

James Gumpel, District Engineer
Vallecitos Water District

MINUTES OF A MEETING OF THE
ENGINEERING/EQUIPMENT COMMITTEE
OF THE VALLECITOS WATER DISTRICT
MONDAY, JULY 23, 2018 AT 3:00 P.M.
AT THE DISTRICT OFFICE, 201 VALLECITOS DE ORO,
SAN MARCOS, CALIFORNIA

Director Elitharp called the meeting to order at the hour of 3:03 p.m.

Present: Director Elitharp
General Manager Pruiam
District Engineer Gumpel
Capital Facilities Senior Engineer Hubbard
Development Services Senior Engineer Scholl
Capital Facilities Engineer Santos
Administrative Secretary Johnson

Absent: Director Hernandez

Others Present: Kevin Ross, TerraVerde Energy

ITEM(S) FOR DISCUSSION

SOLAR FEASABILITY REPORT

District Engineer Gumpel introduced Kevin Ross of TerraVerde Energy (TVE) who provided an overview of the solar feasibility report executive summary his firm completed for the District.

Mr. Ross stated that in preparing the report, TVE studied the District's properties and electrical loads to locate sites with open space and large electrical loads which could be offset with a preferred Net Energy Metering (NEM) project. California law allows anyone (commercial or residential) with a solar project to send unused energy to the power grid for credit which provides an offset to normal utility billing. Renewable Energy Self-Generation Bill Credit Transfer (RES-BCT) is another program available only to commercial entities which allows the building of a solar generating project on their own or leased property and transferring energy produced to the grid for monetary bill credit. The credits can be allocated by the commercial entity to their various meters.

Mr. Ross discussed possible sites for a solar project. Lift Station 1 has been identified as a possible site for a NEM project because the site has a fairly large electrical load and approximately 2 ½ acres of open, graded, fenced, drained property. The project would only take up roughly a third of the 2 ½ acre site. Based on current rates and Time of Use (TOU) periods, projected savings is a little over \$1 million over 25 years for an optimal-sized project, assuming a cash purchase scenario. There are financing options

available such as third-party Power Purchase Agreements (PPAs) with terms of 20 or 25 years which could be considered as well.

Twin Oaks Reservoir was identified as another possible site for a RES-BCT solar project. Savings at the Twin Oaks site are estimated to be approximately \$4 million over 20 years. South Lake is not a good option because of its surrounding topography. The Mahr Reservoir could be considered for a RES-BCT project but would require floating solar panels which are more expensive.

Mr. Ross stated that due to excessive amounts of energy being on the grid, particularly during mid-day, and increasing demands in the late afternoon and early evening hours, the California Public Utilities Commission (CPUC) has granted investor-owned utilities the ability to change the definition of TOU periods effective January 1, 2018 in SDG&E territory. The TOU periods are used to define the cost of energy at any given time. The most valuable period for net metering credit was from 11:00 a.m. – 6:00 p.m. but has now shifted to 4:00 p.m. – 9:00 p.m. This makes RES-BCT solar projects less attractive because the credit earned during that time of production is mid or off-peak credit.

Mr. Ross further stated the CPUC has allowed commercial entities that already had solar projects in place or in progress to be grandfathered on their meter where the solar is interconnected to delay the new TOU period schedules for up to 10 years. District Engineer Gumpel stated the District has grandfathered the Twin Oaks Reservoir and Lift Station 1 sites until 2027.

District Engineer Gumpel stated staff is seeking direction from the Committee whether they wish to move forward on the projects to be considered: a NEM project at Lift Station 1, a RES-BCT project at Twin Oaks Reservoir, or a RES-BCT project at Mahr Reservoir, before refining the report and bringing it back to the Board for consideration.

District Engineer Gumpel explained that the consulting contract with TVE has three phases, the first and current of which is planning. The second phase of the contract, if the Board decides to move forward with one or more of the projects, is the design phase during which the Request for Proposal process, contract and PPA negotiation, etc. would take place. The third phase is TVE's assistance in the construction process. Funds have been budgeted for all consulting phases of the contract. If the District chooses to finance a solar project with a PPA, the District would have several buy-out options during the 20 or 25-year term. If the District does not exercise a buy-out option they could take over ownership and maintain the system, remove the system, or ask for an extension of the PPA.

District Engineer Gumpel noted that the scope of the study does not include the Mahr Reservoir site. He will reach out to Olivenhain Municipal Water District (OMWD) to see if they are interested in partnering with VWD for a possible solar project at that site.

Director Elitharp was agreeable to moving forward with the Lift Station 1 and Twin Oaks Reservoir sites. Additional information is needed on the Mahr Reservoir site.

Staff will complete the review of the solar feasibility report for the Lift Station 1 and Twin Oaks Reservoir sites and meet with OMWD regarding the Mahr Reservoir site. Once all the information has been gathered, staff will bring a recommendation to the Board for consideration in September or October.

Mike Hunsaker, member of the public, inquired about the annual increase in the cost of power over the past decade. Mr. Ross stated costs have increased less than 5% annually over the past 30 years and that SDG&E recently announced a rate increase of 28% over a five-year period with 18% of that increase effective in the first two years.

VWD GROUNDWATER BASIN STUDY

District Engineer Gumpel provided background on the study to date. At the Committee's direction, staff is researching what the potential for the groundwater basin is, the costs involved, and possible grant funding for the study. Staff met with Woodard and Curran on September 25, 2017 to discuss the best approach to identify options and funding. Woodard and Curran proposed three options to evaluate time, effort and potential costs. On December 6, 2017 the Board considered the contract for Woodard and Curran to perform the groundwater basin study; however, the contract was not awarded.

General Manager Pruim stated sufficient information needs to be gathered before a decision can be made as to whether this is something worth pursuing. Director Elitharp concurred with him.

Staff will work with Woodard and Curran to update the scope of the study and bring it back to the Committee for further discussion.

AWARD OF ROCK SPRINGS SEWER PROJECT

Capital Facilities Engineer Santos provided a presentation on the Rock Springs Sewer Replacement capital improvement project which included background information, objectives, design issues and budget. The need for the project was identified in the 2002 and 2008 Master Plans. A planning study was completed in 2009. Bid documents were completed in May 2018. Bids were received on July 19 and are currently under legal review.

Staff anticipates presenting a construction contract for this project to the Board for approval at the August 15 Regular Board meeting.

Mike Hunsaker, member of the public, asked if the need for the Rock Springs Sewer Project had been missed in the 2002 Master Plan. Staff clarified that the project was identified in the Master Plan in phases. The Rock Springs project is to be completed in the current phase.

STARGAZE PILOT PROJECT UPDATE

Capital Facilities Senior Engineer Hubbard provided an update on the Stargaze Court and River Run Court Pilot Project which included project background, location, overview, schedule, pictures, challenges, and next steps. Equipment delays last week put the project behind schedule.

Capital Facilities Senior Engineer Hubbard stated the pipe liner has been installed and all services on Stargaze Court have been reinstated. Pipe reassembly is taking place now and later this week the disinfection process will begin. Final connections to the District system will be made next week with the completion of the switchover by the end of that week. As for River Run Circle, services have all been reinstated as of today, although some will have to be reinstated again from the outside due to a problem with the epoxy material. This will put the River Run Circle location about a week behind schedule. It is anticipated that all services will be switched over by August 10. Commodity charges are being waived for customers during the time their service was connected to the highline.

Capital Facilities Senior Engineer Hubbard further stated that some of the challenges of the project were technical issues with the highline, customer complaints, irrigation disruptions, and heated water from the highline. Staff has been and continues to be very responsive to customer issues. Customer complaints have been mainly regarding access ramps which the District supplied to all who requested one. In response to irrigation disruptions, staff has encouraged residents to supplement their irrigation during the project and both the contractor and District crews have been regularly watering front yards.

The project is expected to come in over budget by approximately \$20,000; however, if the contingency for change orders does not materialize, the project will be within budget. District Engineer Gumpel noted that the original "dig and lay" plan would have cost \$400,000 for Stargaze Court alone with an additional \$400,000 to \$500,000 for River Run Circle. By utilizing the pilot program, only \$82,000 was added for River Run Circle.

Staff will continue to work with the contractor to maintain the current project schedule, send a letter to customers and update the District's website with schedule updates, and respond to customer issues.

OTHER BUSINESS

MEN'S LOCKER ROOM EXPANSION PROJECT UPDATE

Capital Facilities Senior Engineer Hubbard provided a brief update and presented photos of the progress being made on the Men's Locker Room Expansion project. The project is currently on schedule.

WATER MAIN BREAK

General Manager Pruim briefed the Committee on repairs made following the water main break that occurred on Twin Oaks Valley Road on Thursday, July 19.

PUBLIC COMMENT

Mike Hunsaker, member of the public, commended staff for the manner in which they are handling the pipe relining project on Stargaze Court and River Run Circle.

ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at the hour of 4:44 p.m.

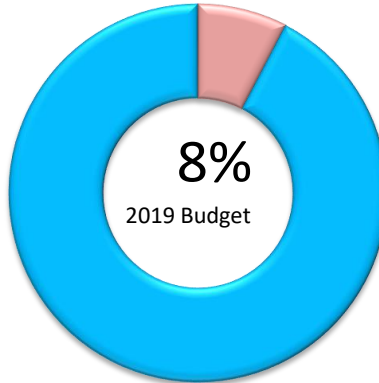
**VALLECITOS WATER DISTRICT
DISBURSEMENTS SUMMARY
July 31, 2018**

Summary

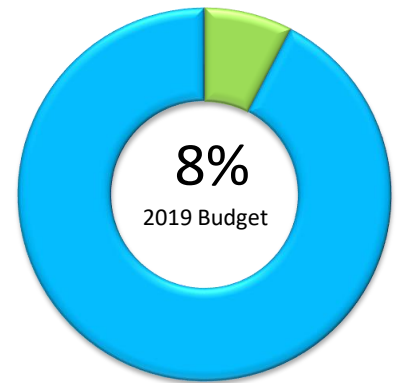
July Disbursements	\$	5,722,465 *
YTD Disbursements	\$	5,722,465 *
FY2019 Budget	\$	74,880,200

* Excludes Debt Service

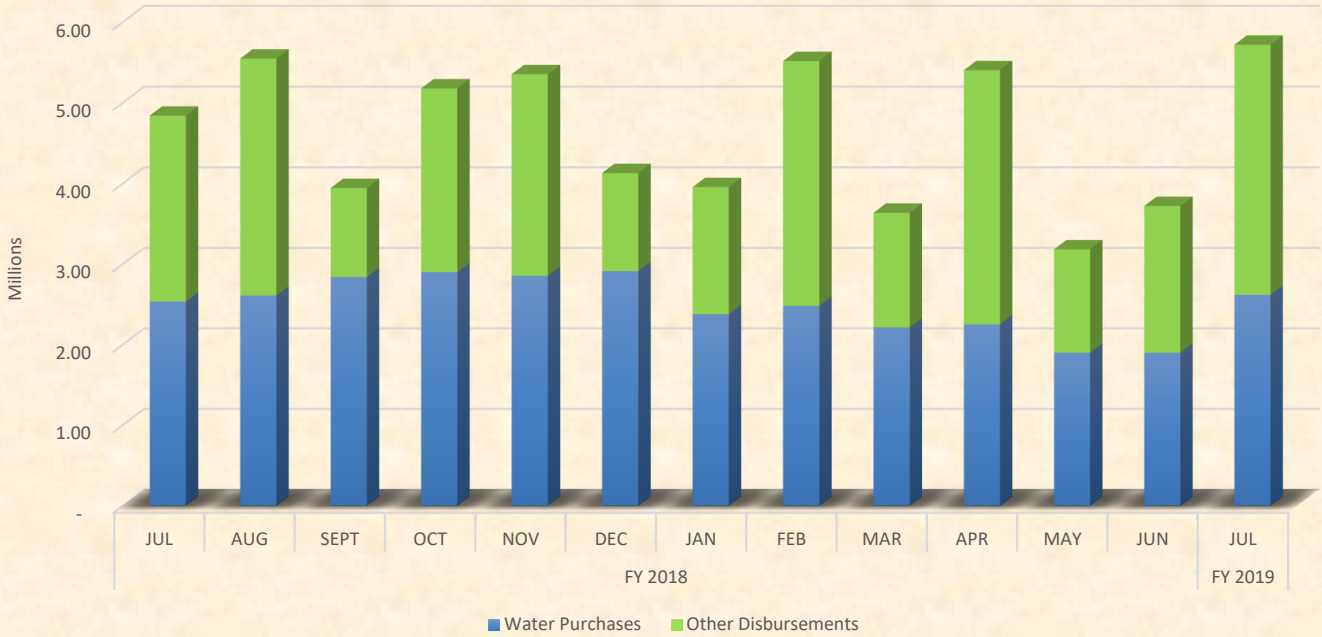
July



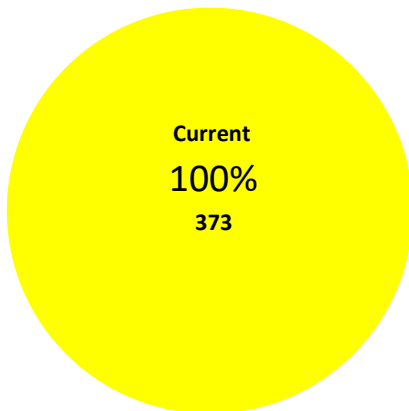
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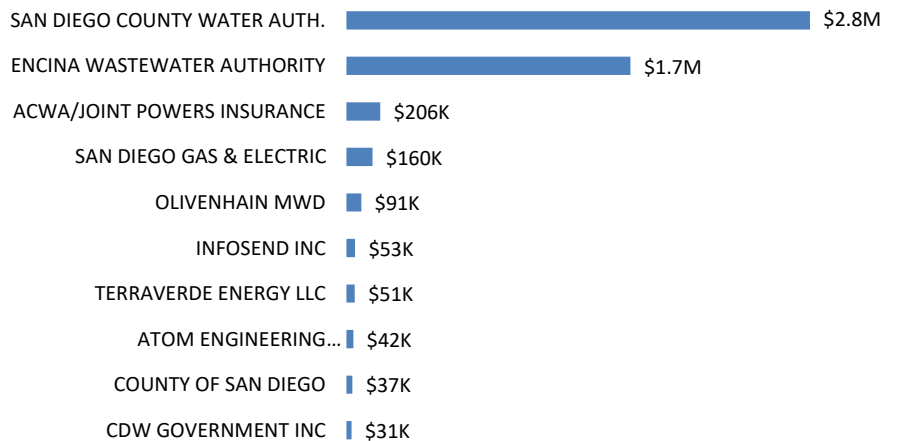
Disbursements by Month



Invoices Processed



Top 10 Vendors - FYTD



VALLECITOS WATER DISTRICT
WARRANTS LIST
August 15, 2018

PAYEE	DESCRIPTION	CHECK#	AMOUNT
CHECKS			
Garnishments	Payroll Garnishments	114158 through 114160	-
Adobe Lock & Safe	Emergency Lock Repair	114161	198.19
Airgas USA LLC	Cylinder Rental	114162	103.95
Aloha Printing	Door Hanger Stock 1000	114163	202.75
Blue Cross Of California	EAP FY 17-18	114164	30,246.36
AP Technology LLC	Secure Check 9 Upgrade	114165	3,495.00
AT&T	Internet Service July	114166	55.00
Atom Engineering Construction, Inc.	N S Pressure Stations Prj 20141-7&8	114167	42,181.80
Backflow Solutions, Inc.	Backflow Report Nov 17 & Apr 18	114168	5,555.55
Mneilly 5 Enterprises Inc.	Uniform Shirts 210	114169	2,533.96
Boot World Inc	Safety Boots	114170	261.77
California Special Dist Assn.	CSDA SD Chapter Membership 18-19	114171	150.00
California Water Efficiency Partnership	2018 Dues Proj 20181-48	114172	1,846.03
Brandon Coleman	Lab Analyst Workshop	114173	15.70
Core Logic Information Solutions Inc	Realquest Service Engineering Maps June	114174	200.00
Corodata Shredding, Inc.	Tape Storage June	114175	188.38
County Of San Diego	Recording Fees May	114176	267.48
Craig Elitharp	COWU Meeting 7-17-18	114177	18.09
CSMFO	Membership Dues Owen 18-19	114178	155.00
CWEA	Membership Cert E-I 2 D.Joiner	114179	640.00
Davis Farr LLP	Audit Services FYE 18	114180	6,500.00
DirecTV Inc	Satellite Service July 18	114181	174.23
ENM Studio 1, LLC	Wellness Event	114182	420.00
Emcor Service	HVAC Preventative Maintenance	114183	5,801.00
GMC Electrical, Inc.	Cathodic Service 15 Tanks	114184	4,500.00
Grainger Inc	Hardware Supplies	114185	631.14
Hodge Products Inc	Padlocks 156	114186	3,778.90
Infosend Inc	Postage, Printing & Support Fee June	114187	40,637.17
Infrastructure Engr Corp	Rock Springs Prj 90003	114188	483.00
Jesse Halbig	Renewal Collections 3 Cert J.Halbig	114189	195.00
Ken Grody Ford	Fleet Supplies Proj 20181-30	114190	42.61
Laser Cut Concrete Cutting Inc	Core Drill 7 Holes Prj 20181-9	114191	420.00
Leigh Rayner	Claim Settlement	114192	350.00
Lennar Homes	Refund Proj Balance 20141-783	114193	9,269.55
Lloyd Pest Control	Pest Control June	114194	764.00
Manpower Temp Services	Customer Service Rep Week Ending 7-1-18	114195	1,213.57
Hal Martin	COWU Meeting 7-17-18	114196	18.09
Matheson Tri-Gas Inc	Cylinder Rental	114197	52.18
MCR Technologies Inc	Refrigerated Composition Sampler	114198	1,395.36
Mike Sannella	COWU Meeting 7-17-18	114199	18.09
Olivenhain MWD	Treated Water June 18	114200	90,937.00
Ostari Inc	IT Support 6-19-18 To 6-18-21	114201	4,659.25
Petty Cash Custodian	Petty Cash	114202	615.48
Phil's BBQ	Employee Appreciation Luncheon	114203	2,515.86
Rick Post Welding	Welding Services South Lake Prj 20181-13	114204	625.00
Quantum Group	Employee Appreciation Gifts	114205	2,474.25
Rusty Wallis Inc	Soft Water Tank Service June	114206	381.00

VALLECITOS WATER DISTRICT
WARRANTS LIST
August 15, 2018

PAYEE	DESCRIPTION	CHECK#	AMOUNT
San Diego Gas & Electric	Power June	114207	129,077.28
San Diego Gas & Electric	Power June	114208	8,504.37
San Marcos Unified School Dist	Transportation Prj 20181-45	114209	150.00
Solar Care Inc.	Window Film - Frost	114210	165.00
Southern Counties Lubricants, LLC	Diesel Fuel	114211	2,775.99
Spatial Wave Inc	Field Mapplet Maintenance 9-18 To 8-19	114212	3,400.00
State Water Resources Control	D2 Cert Renewal J.Scott	114213	80.00
Terraverde Energy LLC	District Wide Solar Analysis	114214	51,370.08
Thomas Beier	SSCP Cert Renewal Thomas Beier	114215	65.00
Total Resource Mgt Inc	Maximo Support June	114216	2,037.50
Dean Toth	Steel Toe Boots	114217	150.00
Underground Service Alert	Digital Alert Service June	114218	287.20
VAP Enterprises Inc	Harmony Grove Proj 20161-26	114219	1,066.50
Verizon Wireless	Ipad Service June	114220	294.60
Erik Warner	Renewal D2 Cert	114221	80.00
Xerox Corporation	Printers Lease June	114222	5,324.05
All Star Signs, Inc	Nameplates 5	114223	86.20
J.C.Ehrlich Co Inc	Plant Maintenance July	114224	263.00
B & C Crane Service Inc	Crane Rental MRF	114225	1,305.00
Boot Barn	Safety Boots Lee Kubota	114226	450.00
CDW Government Inc	Cisco Smartnet Support - 2 Yrs	114227	24,243.27
County Of San Diego	LAFCO Fees FY 18-19	114228	36,728.00
Dell Computers	Dell Latitude 7390	114229	2,393.89
Electrical Sales Inc	SCADA Materials	114230	3,526.41
Employment Screening Services Inc	Employment Screening	114231	248.00
Ferguson Enterprises, Inc	Gaskets 32	114232	720.10
Fisher Scientific LLC	Ph Buffer Solution	114233	1,172.65
FleetPride	Fleet Supplies Proj 20181-33	114234	199.55
Grangettos Farm Garden Supply	Weed Killer	114235	467.03
Hach Company	Water Quality Testing Supplies	114236	1,198.12
Harrington Industrial	Harware Supplies	114237	796.11
IDEXX Distribution Corp.	Lab Supplies	114238	2,227.86
Jeff Katz	Locker Room Expansion Prj 20161-5	114239	424.00
JCI Jones Chemicals Inc	Chlorine	114240	4,086.42
Safety-Kleen Systems Inc	Parts Washer Rental	114241	615.50
Judy Hall	Valves 4	114242	275.99
LANtelligence, Inc.	Shoretel Support Jul-17 to Jul-18	114243	8,018.56
Mallory Safety And Supply, LLC	Safety Supplies	114244	888.96
San Diego Printing Group, Inc.	Digital Prints Rock Springs Prj 90003	114245	408.89
Pacific Pipeline Supply	PVC Supplies, Brass Inventory	114246	4,266.50
Plumbers Depot Inc	CCTV Camera Repair	114247	555.57
Powerseal	Repair Clamps & Couplings	114248	4,812.15
Air Quality Compliance Solutions, Inc.	Fuel Island Maintenance July	114249	175.00
T.S. Industrial Supply	Marking Paint, Hardware Supplies	114250	451.66
The Light House	Fleet Supplies Ford F-150 Proj 20181-33	114251	387.81
Traffic Supply Inc	Traffic Signs 5	114252	420.23
Uline Inc	55 Gallon Fiber Drums 12	114253	781.63

VALLECITOS WATER DISTRICT
WARRANTS LIST
August 15, 2018

PAYEE	DESCRIPTION	CHECK#	AMOUNT
Unifirst Corporation	Uniform Delivery	114254	1,187.27
Univar USA Inc	Sodium Hypo Liquichlor, Bisulfate	114255	3,238.48
UPS	Shipping Services July	114256	85.82
Waxie Sanitary Supply	Cleaning Supplies	114257	766.10
State Board of Equalization	Annual Diesel Fuel Tax Return 17-18	114258	1,609.00
Garnishments	Payroll Garnishments 114259 through	114261	-
Environmental Resource Associates	Lab Samples For ELAP Certification MRF	114262	582.68
Ababa Bolt Inc	Hardware Supplies	114263	39.87
ACWA/Joint Powers Insurance	Workers Compensation QE 6-30-18	114264	36,654.78
Adriana Avila	Closed Account Refund	114265	85.76
Allister & Courtney Finley	Closed Account Refund	114266	39.19
Amanda & Jerry Hill	Closed Account Refund	114267	14.14
Anita Villani Barnes	Service Fire Extinguisher	114268	37.95
Aqua-Metric Sales Co	Meters 96	114269	24,802.32
Phil Rado Inc	Water Heater Repair	114270	180.00
B & C Crane Service Inc	15 Ton Crane Rental Proj 20181-9	114271	652.50
Barrett Engineered Pumps	Impeller Repair Parts	114272	2,822.94
Black & Veatch Corporation	Engineering Services Master Plan Prj 20141-3	114273	4,895.75
Bombardier Mass Transit Corporation	Roadway Worker Protection Class	114274	4,081.22
Boncor Water Systems	Soft Water Service Aug	114275	1,680.00
Bonsall Petroleum Constr Inc	Service Island Repairs	114276	1,071.54
Brookfield Rancho Coronado LLC	Overpayment Refund	114277	1,270.62
Brookfield Rancho Coronado LLC	Closed Account Refund	114278	975.30
Brookfield Rancho Coronado LLC	Overpayment Refund	114279	8,018.71
Calatlantic Group, Inc	Closed Account Refund	114280	85.65
California Special Dist Assn.	CSDA Meeting 8-16-18 Director Martin	114281	60.00
Carl Glienke	Closed Account Refund	114282	16.36
Carol Meeker	Closed Account Refund	114283	46.63
CDW Government Inc	Varonis Software Subscriptions & Support July	114284	4,627.00
Christian Wheeler Engineering	Lab Test Materials Stargaze Prj 20181-5	114285	2,445.00
Clarissa James	Closed Account Refund	114286	193.91
County Of San Diego	Recording Fees June	114287	264.60
CWC Rancho Coronado 71, LLC	Closed Account Refund	114288	403.41
Cynthia Custodio	Closed Account Refund	114289	28.13
Doane & Hartwig Water Systems Inc	Quarterly Calibrations CL2 Sensors	114290	1,149.77
Diamond Environmental Services	Portable Restroom Rental Mahr	114291	326.29
Patrick Drummond	MISAC Meeting 7-26-18	114292	44.04
EDCO San Marcos	Trash Service July	114293	873.64
Electrical Sales Inc	Circuit Breaker & Relay Heater Prj 20181-9	114294	2,445.02
Emcor Service	Maintenance HVAC Equipment	114295	3,048.00
Encina Wastewater Authority	Water Testing	114296	4,473.00
Enrique Francia	Closed Account Refund	114297	99.96
Ewing Irrigation Products	PVC Piping	114298	149.16
First Call Auto Glass	Windshield Replacement	114299	395.24
Fisher Scientific LLC	Lab Supplies	114300	68.39
Gabriel Ramirez	Closed Account Refund	114301	46.36
Grainger Inc	PVC Shower, Magnetic Pump Prj 20181-15, Hardware Supplies	114302	5,313.64

VALLECITOS WATER DISTRICT
WARRANTS LIST
August 15, 2018

PAYEE	DESCRIPTION	CHECK#	AMOUNT
Haaker Equipment Co.	Hardware Supplies	114303	5,681.47
Hach Company	Reagents, Lab Supplies	114304	334.47
Harrington Industrial	60 Gal Tank, Adapter, Hardware Supplies	114305	1,827.52
Hawthorne Machinery Co.	Drum Roller & Wheel Loader Bucket Rental	114306	9,446.43
James R Hernandez	COWU 7-17-18	114307	18.09
IDEXX Distribution Corp.	Coliform	114308	213.05
Industrial Electric Machinery	Baldor 5Hp Motor	114309	1,840.07
Ira Falk	Closed Account Refund	114310	7.74
Jeanine Edmond	Closed Account Refund	114311	9.52
Jennifer & Bob Olevson	Closed Account Refund	114312	13.95
Jennifer Kiss	Closed Account Refund	114313	62.06
Jon Parrette	Closed Account Refund	114314	103.48
JCI Jones Chemicals Inc	Chlorine	114315	6,129.63
Kennedy/Jenks Consultants	Engineering Services San Marcos Interceptor Prj 71004	114316	5,830.10
Liebert Cassidy Whitmore	Professional Services June 18	114317	3,360.00
Lindsay Blanchard	Closed Account Refund	114318	24.54
Mallory Safety And Supply, LLC	Safety Supplies	114319	149.24
Marcy Edson	Closed Account Refund	114320	40.53
Michelle & Jacob Lindquist	Closed Account Refund	114321	23.31
Municipal Information Technology Association	Membership Dues 2019	114322	130.00
Mitchell Instrument Co Inc	Hardware Supplies	114323	591.25
Morton Salt, Inc.	Salt	114324	3,856.95
Nicholas & Lauren Waltz	Closed Account Refund	114325	22.52
North County Auto Parts	Undercoating, Fleet Supplies	114326	1,489.57
Occu Med Ltd	Medical Services	114327	468.50
Parkhouse Tire Inc	Tire Disposal	114328	108.83
PDQ Connect Inc	5 Port Switch	114329	206.13
Penco, Inc.	Trioxyn, Sulfend	114330	51,340.04
Pitney Bowes	Mail System Lease Apr-July	114331	641.16
Polydyne Inc	Clarifloc	114332	15,917.80
Raymond Allyn Business Supplies	5 Drawer Lateral File Cabinet 2	114333	1,181.89
Rick Post Welding	Emergency Main Break-Fairview	114334	755.50
San Diego Gas & Electric	Power July	114335	69,235.31
San Diego Gas & Electric	Power July	114336	25,526.23
San Marcos Chamber Of Commerce	Fall Festival Conservation Proj 20191-26	114337	230.00
Save Camino Cantera Association	Camino Cantera Road Maintenance	114338	2,762.60
Save Elevado Road Association	Elevado Road Maintenance	114339	1,188.70
Schmidt Fire Protection Co Inc	Quarterly Fire Inspection Service	114340	640.00
Shred-It US JV LLC	Shredding Service July	114341	175.95
Southern Counties Lubricants, LLC	Unleaded Gasoline	114342	20,229.99
Standard Insurance Company	Life, LTD & ADD Insurance Aug 18	114343	6,466.34
State Water Resources Control	Operator Certification C Deering	114344	255.00
Manning Performance Hotrods, Inc.	Repair Tail Gate Veh 224	114345	1,139.00
Sureride Charter Inc	Transportation Proj 20191-503	114346	678.00
Sunbelt Rentals Inc	Dump Truck Rental	114347	7,376.02
T.S. Industrial Supply	Marking Paint, Pressure Gauge, Fire Hose, Hardware Supplies	114348	3,670.85
Teledyne Isco Inc	Lab Supplies MRF	114349	599.09

VALLECITOS WATER DISTRICT
WARRANTS LIST
August 15, 2018

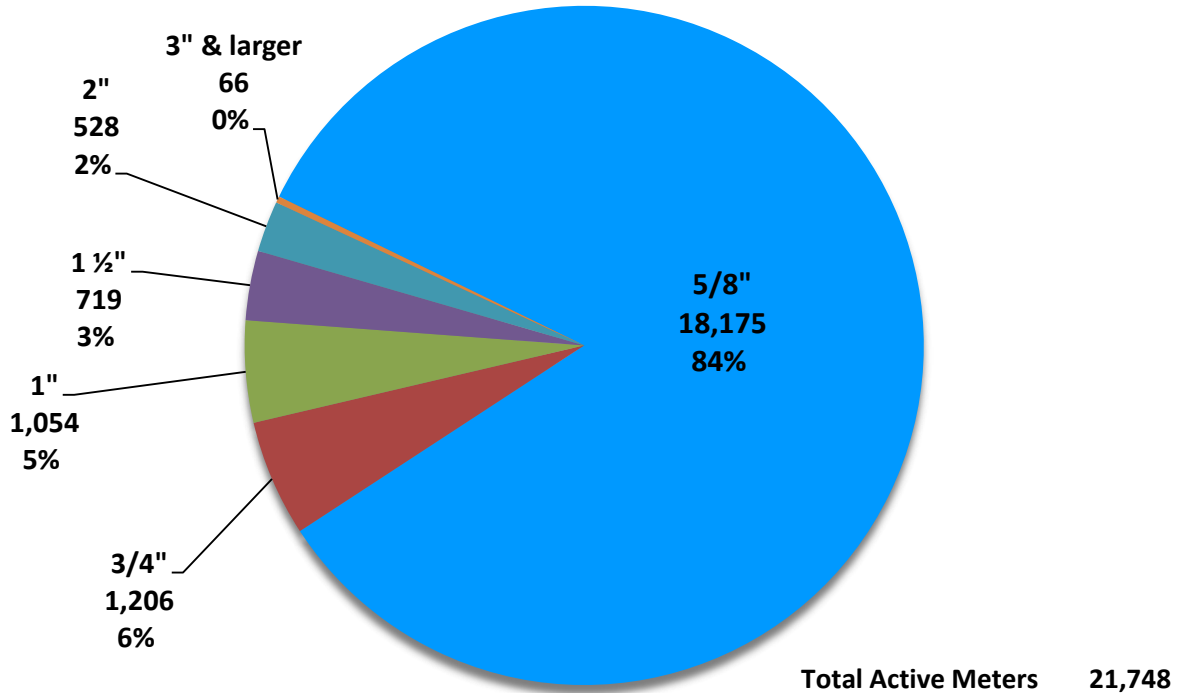
PAYEE	DESCRIPTION	CHECK#	AMOUNT
Teodora Lukanova	Closed Account Refund	114350	17.00
Terry Bodoïn	Closed Account Refund	114351	87.35
Turner Designs Inc	Solution For Algae Meter MRF	114352	183.50
Unifirst Corporation	Uniform Delivery	114353	1,393.93
Union Bank	Meetings & Travel July	114354	4,553.76
Union-Tribune Publishing Co.	Advertising Svcs - Legal Notice	114355	238.12
Valley Chain & Gear Inc	Optibelt Power Banded Belt	114356	170.34
Vaughans Indust Repair Inc.	Pump Repair	114357	18,131.77
Verizon Wireless	Ipad Service July	114358	1,800.40
Vista Irrigation District	Chlorine Plant Lease 18-19	114359	360.00
Erik Warner	Collections System Maintenance Grade 1 Test	114360	345.00
Waxie Sanitary Supply	Cleaning Supplies	114361	835.92
George Weir Asphalt	Closed Account Refund	114362	733.37
Wiebke Ziebis	Closed Account Refund	114363	69.06
Windsong Landowners Assoc	Windsong Ln Maintenance Assessment	114364	2,400.00
Tri-City Emergency Medical Group	Medical Services June	114365	620.00
Xiaohong Song	Closed Account Refund	114366	90.39
Brady Sand And Material Inc	Rock & Cold Mix	114367	8,667.50
CCI	Water Treatment July	114368	220.00
DirecTV Inc	Satellite Service Aug	114369	71.54
Ferguson Enterprises, Inc	Couplings 6	114370	446.09
Gallade Chemical Inc.	Calcium Hypochlorite	114371	426.69
Inductive Automation LLC	Phone Support 2018-19	114372	6,550.20
Interstate Batteries	Batteries	114373	780.09
Jeff Katz	Locker Room Expansion Prj 20161-5	114374	848.00
Ken Grody Ford	Fleet Supplies Ford F-150 Prj 20181-33	114375	1,613.53
Laser Cut Concrete Cutting Inc	Core Drilling Coggan PS	114376	480.00
The New York Blower Company	Odor Scrubber Fan MRF	114377	2,659.32
O.G. Supply Inc	Meter Washers 2000	114378	274.15
Pacific Pipeline Supply	Supplies Prj 20181-15	114379	1,430.96
Staples Advantage	Office Supplies	114380	1,365.37
Testamerica Laboratories Inc	Water Testing	114381	940.00
Umetech, Inc.	IT Support July	114382	190.00
Univar USA Inc	Sodium Hypo Liquichlor, Bisulfate	114383	4,433.97
UPS	Shipping Services July	114384	80.28
Viasat Inc	Internet Service Aug	114385	198.18
Total Disbursements (222 Checks)			<u>1,011,707.71</u>
WIRES			
Encina Wastewater Authority	Supplemental Billing	Wire	739,860.00
Encina Wastewater Authority	Quarterly Billing	Wire	1,736,316.66
Public Employees Retirement System	Retirement Contribution - July 18, 2018 Payroll	Wire	69,059.10
Public Employees Retirement System	Retirement Contribution - August 1, 2018 Payroll	Wire	<u>70,309.88</u>
Total Wires			<u>2,615,545.64</u>

VALLECITOS WATER DISTRICT
WARRANTS LIST
August 15, 2018

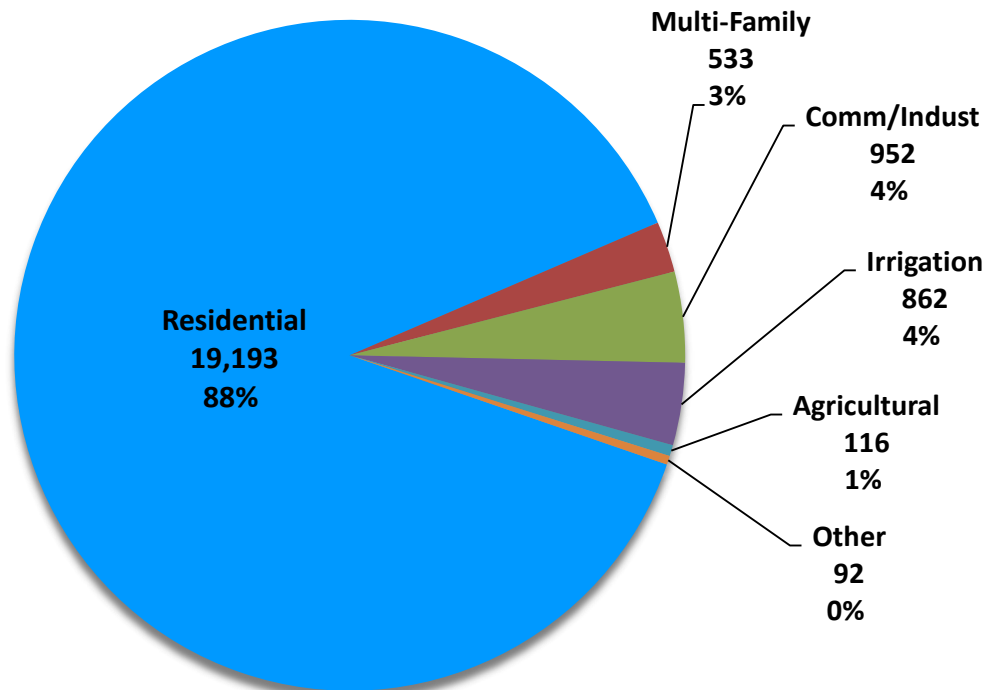
PAYEE	DESCRIPTION	CHECK#	AMOUNT
PAYROLL			
Total direct deposits		Wire	233,694.48
VWD Employee Association		114158	582.00
Garnishments	114159 through	114160	657.22
IRS	Federal payroll tax deposit	Wire	91,111.93
Employment Development Department	California payroll tax deposit	Wire	18,374.35
CalPERS	Deferred compensation withheld	Wire	13,872.89
VOYA	Deferred compensation withheld	Wire	5,116.60
Total July 18, 2018 Payroll Disbursements			<u>363,409.47</u>
Total direct deposits		Wire	293,425.76
VWD Employee Association		114259	594.00
Garnishments	114260 through	114261	657.22
IRS	Federal payroll tax deposits	Wire	113,922.80
Employment Development Department	California payroll tax deposit	Wire	23,425.57
CalPERS	Deferred compensation withheld	Wire	18,009.68
VOYA	Deferred compensation withheld	Wire	8,085.34
Total August 1, 2018 Payroll Disbursements			<u>458,120.37</u>
Total Payroll Disbursements			<u>821,529.84</u>
TOTAL DISBURSEMENTS			<u><u>4,448,783.19</u></u>

Vallecitos Water District
 Active Water Meters
 July 31, 2018

Active Meters by Size as of July 31, 2018

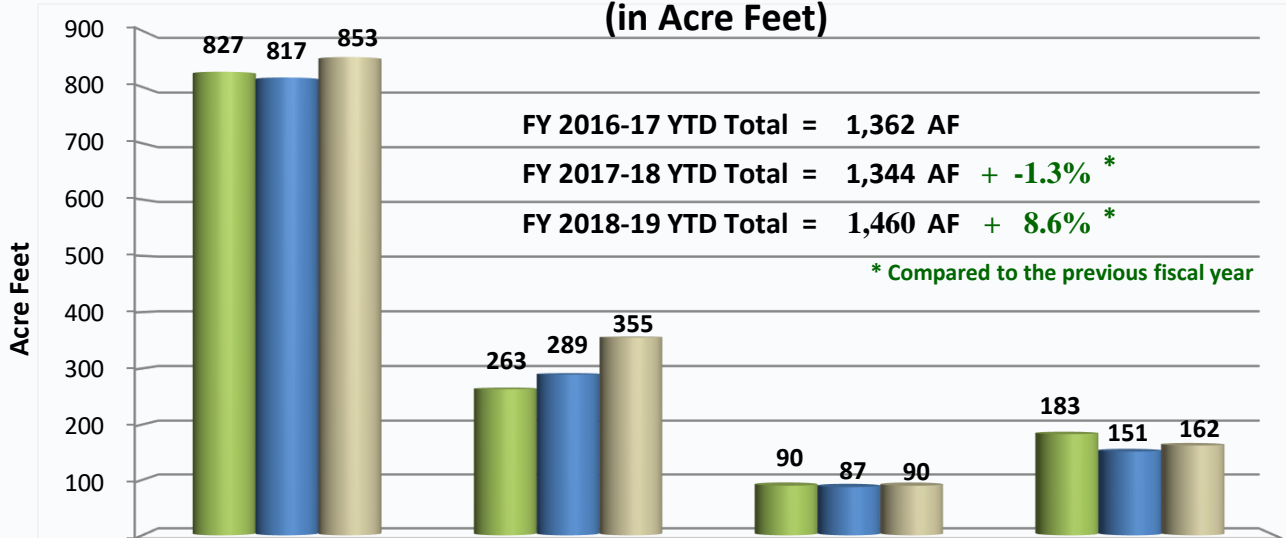


Active Meters by Type as of July 31, 2018



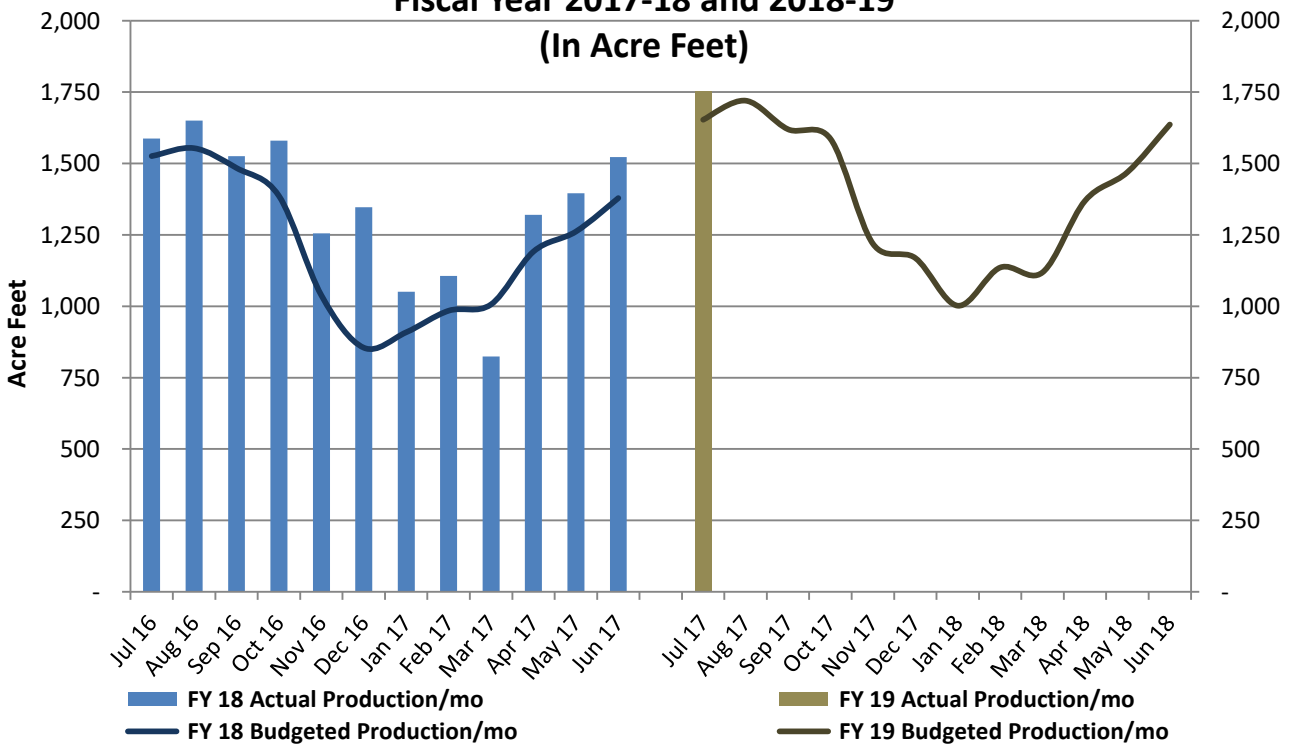
Vallecitos Water District
 Water Production/Sales
 July 31, 2018

Water Sales FY 16-17, FY 17-18 and FY 18-19 (FYTD)
(in Acre Feet)



	Residential	Irrigation	Agricultural	Commer/ Indust/ Construct/ Other
FY 2016-17	827	263	90	183
FY 2017-18	817	289	87	151
FY 2018-19	853	355	90	162

Water Production Budget vs. Actual
Fiscal Year 2017-18 and 2018-19
(In Acre Feet)



DATE: AUGUST 15, 2018
TO: BOARD OF DIRECTORS
SUBJECT: MONTHLY FINANCIAL REPORTS

BACKGROUND:

The Monthly Revenue and Expense Reports and the Reserve Report for the month ended July 31, 2018 are presented.

DISCUSSION:

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

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

RECOMMENDATION:

For information only.

Vallecitos Water District
Water Revenue and Expense Report
For the One Month Ended July 31, 2018

	Current	Prior Year Actual			Current Year Budget		
	Year	Amount	Variance		Amount	Variance	
	Actual		\$	%		\$	%
Revenue							
Water Sales	\$ 3,240,103	\$2,447,767	\$ 792,336	32.4%	\$3,261,000	\$ (20,897)	-0.6%
Ready-to-serve	1,146,672	1,161,232	(14,560)	-1.3%	1,110,000	36,672	3.3%
Pumping charges	29,014	25,112	3,902	15.5%	36,000	(6,986)	-19.4%
Late & lock charges	38,112	35,956	2,156	6.0%	37,000	1,112	3.0%
Backflow fees	7,677	7,272	405	5.6%	8,000	(323)	-4.0%
Other revenue	14,107	16,704	(2,597)	-15.5%	10,500	3,607	34.4%
Total Revenue	<u>4,475,685</u>	<u>3,694,043</u>	781,642	21.2%	<u>4,462,500</u>	13,185	0.3%
Expenses							
Water costs	3,078,903	2,755,848	323,055	11.7%	3,157,000	(78,097)	-2.5%
Pumping cost recovery	59,360	43,929	15,431	35.1%	86,000	(26,640)	-31.0%
Water quality	6,521	9,930	(3,409)	-34.3%	12,000	(5,479)	-45.7%
Water treatment	27,811	35,428	(7,617)	-21.5%	38,000	(10,189)	-26.8%
Tanks & reservoirs	15,163	19,494	(4,331)	-22.2%	38,000	(22,837)	-60.1%
Trans & distribution	82,907	107,722	(24,815)	-23.0%	143,000	(60,093)	-42.0%
Services	3,694	11,055	(7,361)	-66.6%	11,000	(7,306)	-66.4%
Meters	42,478	44,910	(2,432)	-5.4%	57,000	(14,522)	-25.5%
Backflow prevention	2,227	390	1,837	471.0%	6,000	(3,773)	-62.9%
Customer accounts	43,380	47,180	(3,800)	-8.1%	52,000	(8,620)	-16.6%
Building & grounds	23,832	20,387	3,445	16.9%	31,000	(7,168)	-23.1%
Equipment & vehicles	6,096	5,052	1,044	20.7%	27,000	(20,904)	-77.4%
Engineering	108,685	100,134	8,551	8.5%	132,000	(23,315)	-17.7%
Safety & compliance	16,847	15,027	1,820	12.1%	22,000	(5,153)	-23.4%
Information Technology	49,793	46,457	3,336	7.2%	83,000	(33,207)	-40.0%
General & administrative	140,566	266,325	(125,759)	-47.2%	250,000	(109,434)	-43.8%
Total Expenses	<u>3,708,263</u>	<u>3,529,268</u>	178,995	5.1%	<u>4,145,000</u>	(436,737)	-10.5%
Net Operating Income	<u>\$ 767,422</u>	<u>\$ 164,775</u>	602,647	365.7%	<u>\$ 317,500</u>	449,922	141.7%

Vallecitos Water District
Sewer Revenue and Expense Report
For the One Month Ended July 31, 2018

	Current	Prior Year Actual			Current Year Budget		
	Year	Amount	Variance		Amount	Variance	
	Actual		\$	%		\$	%
Revenue							
Sewer service charges	\$ 1,481,206	\$1,479,288	\$ 1,918	0.1%	\$1,433,000	\$ 48,206	3.4%
Reclaimed water sales	164,500	171,250	(6,750)	-3.9%	164,000	500	0.3%
Other revenue	642,722	5,859	636,863	10869.8%	5,000	637,722	12754.4%
Total Revenue	<u>2,288,428</u>	<u>1,656,397</u>	632,031	38.2%	<u>1,602,000</u>	686,428	42.8%
Expenses							
Collection & conveyance	87,257	123,950	(36,693)	-29.6%	191,000	(103,743)	-54.3%
Lift stations	13,819	10,787	3,032	28.1%	26,000	(12,181)	-46.9%
Source Control	11,827	10,639	1,188	11.2%	16,000	(4,173)	-26.1%
Effluent disposal	231,417	239,167	(7,750)	-3.2%	233,000	(1,583)	-0.7%
Meadowlark	177,467	175,188	2,279	1.3%	283,000	(105,533)	-37.3%
Customer Accounts	23,847	25,648	(1,801)	-7.0%	39,000	(15,153)	-38.9%
Building & grounds	13,725	13,159	566	4.3%	21,000	(7,275)	-34.6%
Equipment & vehicles	8,928	9,638	(710)	-7.4%	20,000	(11,072)	-55.4%
Engineering	38,842	36,601	2,241	6.1%	56,000	(17,158)	-30.6%
Safety & compliance	10,499	11,589	(1,090)	-9.4%	16,000	(5,501)	-34.4%
Information technology	31,875	33,232	(1,357)	-4.1%	72,000	(40,125)	-55.7%
General & administrative	73,810	81,574	(7,764)	-9.5%	121,000	(47,190)	-39.0%
Total Expenses	<u>723,396</u>	<u>771,499</u>	(48,103)	-6.2%	<u>1,094,000</u>	(370,604)	-33.9%
Net Operating Income	<u>\$ 1,565,032</u>	<u>\$ 884,898</u>	680,134	76.9%	<u>\$ 508,000</u>	1,057,032	208.1%

VALLECITOS WATER DISTRICT

RESERVE ACTIVITY FOR THE MONTH ENDED JULY 31, 2018

	<u>110 Water</u>	<u>120</u>	<u>210 Wastewater</u>	<u>220</u>	
	<u>Replacement</u>	<u>Capacity</u>	<u>Replacement</u>	<u>Capacity</u>	<u>Total</u>
BEGINNING BALANCE	\$ 32,797,105	\$ (9,161,412)	\$ 51,638,959	\$ (6,820,836)	\$ 68,453,816
REVENUES					
FY 18/19 Operating Transfers	767,422		1,565,032		2,332,454
Capital Facility Fees	-	57,544	-	70,469	128,013
Property Tax	12,936	-	5,068	-	18,004
Investment Earnings	8,321	-	2,826	-	11,147
TOTAL REVENUES	<u>788,679</u>	<u>57,544</u>	<u>1,572,926</u>	<u>70,469</u>	<u>2,489,618</u>
LESS DISTRIBUTIONS					
Capital Projects					
Encina Wastewater Authority Five Year Plan	-	-	1,206,736	-	1,206,736
Stargaze Court Water Line Replacement	40,198	-	-	-	40,198
South Vista Pressure Reducing Station Upgrade	39,614	-	-	-	39,614
South Lake - Facility Upgrades	36,897	-	-	-	36,897
Replace Roofs On Equipment Storages	14,881	-	14,298	-	29,179
Refurbish Pumps At North Twin Oaks Pump Station	15,355	-	-	-	15,355
North Vista Pressure Reducing Station Upgrade	14,646	-	-	-	14,646
Wulff Pump Station Pumps & Motors	12,873	-	-	-	12,873
Laurels Sewer Lining	-	-	11,619	-	11,619
Rock Springs Sewer Replacement	-	-	5,111	6,247	11,358
Coronado Hills Chlorine Injection System	7,468	-	-	-	7,468
San Marcos interceptor sewer	-	-	2,157	4,801	6,958
MRF - Influent Pumps & Motors	-	-	4,396	-	4,396
Water & Sewer Master Plan	-	1,269	-	1,270	2,539
Locker Room Expansion Building B	1,214	-	1,167	-	2,381
Admin Emergency Generator	953	-	953	-	1,906
Montiel Gravity Outfall	-	-	523	640	1,163
South Lake Pump Station Valves	916	-	-	-	916
Fulton Road And Nctd Sewer Line Rehabilitation	-	-	856	-	856
Land Outfall Clearing & Access Road	-	-	740	-	740
Palos Vista Pump Station Generator	631	-	-	-	631
Solar Panel Inverter Replacement	299	-	287	-	586
Encina Land Parallel Outfall	-	-	-	323	323
Capital Budget - Vehicles/Mobile Equipment	47,293	-	352	-	47,645
TOTAL DISTRIBUTIONS	<u>233,238</u>	<u>1,269</u>	<u>1,249,193</u>	<u>13,281</u>	<u>1,496,981</u>
ENDING BALANCE	\$ 33,352,547	\$ (9,105,138)	\$ 51,962,692	\$ (6,763,648)	\$ 69,446,453
Less: Operating Reserves	<u>5,748,700</u>	<u>-</u>	<u>6,468,600</u>	<u>-</u>	<u>12,217,300</u>
Replacement Reserves/Restricted Funds	<u>\$ 27,603,847</u>	<u>\$ (9,105,138)</u>	<u>\$ 45,494,092</u>	<u>\$ (6,763,648)</u>	<u>\$ 57,229,153</u>
Replacement reserve floor	<u>\$ 7,428,200</u>		<u>\$ 15,665,900</u>		
Replacement reserve ceiling	<u>\$ 32,224,700</u>		<u>\$ 48,081,900</u>		

VALLECITOS WATER DISTRICT
INVESTMENT REPORT FOR JULY 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 June follows:

<u>Date</u>	<u>Activity</u>	<u>Investment</u>	<u>Amount</u>	<u>Maturity</u>	<u>Yield</u>
07/03/18	Deposit	LAIF	800,000	Open	1.94%
07/10/18	Deposit	LAIF	650,000	Open	1.94%
07/13/18	Reinvest Interest	LAIF	151,355	Open	1.94%
07/17/18	Withdrawal	LAIF	(1,600,000)	Open	1.94%
07/20/18	Withdrawal	LAIF	(3,000,000)	Open	1.94%
07/23/18	Deposit	LAIF	650,000	Open	1.94%
07/23/18	Purchase	US Treasury	735,293	10/31/20	1.75%
07/24/18	Purchase	American Honda BDS	478,045	09/09/21	1.70%
07/24/18	Purchase	US Treasury	735,938	04/15/20	1.50%
07/25/18	Purchase	Paccar Financial Co.	297,585	03/01/21	2.80%
07/25/18	Reinvest Interest	SD Co Investment Pool	24,036	Open	1.91%
07/26/18	Purchase	Interes Bank Recon & Dev	747,608	07/23/21	2.75%
Change in investments during the month			<u>\$ 669,859</u>		

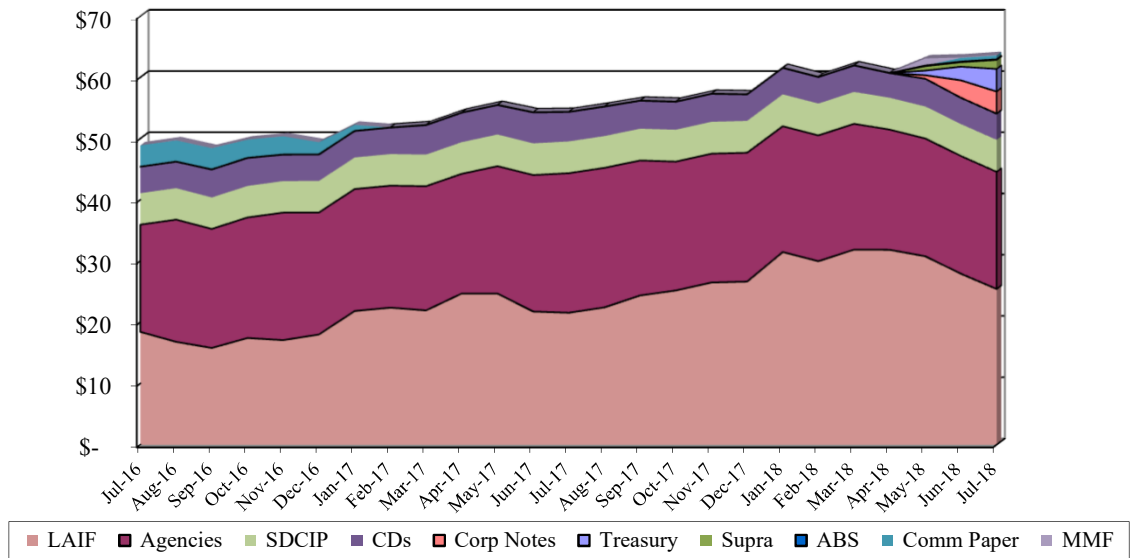
	<u>Current</u>
Weighted average annual yield for total Vallecitos investments	1.930%
Weighted average days to maturity	343

The State Treasurer's Office provides fair market values of LAIF quarterly on their web site. The most recent valuation, which is used on this report, is as of June 30, 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 June 30, 2018. Fair values for federal agency obligations and corporate notes are provided by Union Bank trust account reporting

Safety

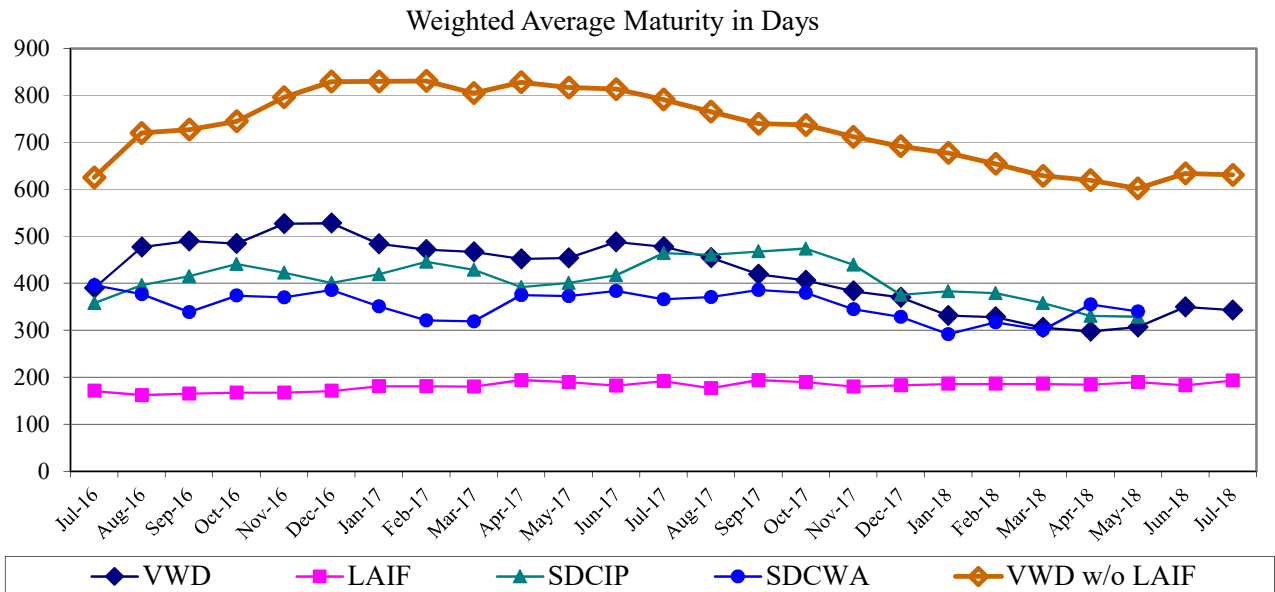
Criteria for selecting investments and the absolute order of priority are safety, liquidity and yield. To meet the objective of safety and avert credit risk, the District acquires only those investments permitted by the Board adopted investment policy and within the limits established by the policy. Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligation. The District also limits risk by investing in a range of investments to ensure diversification as indicated in the graph below.

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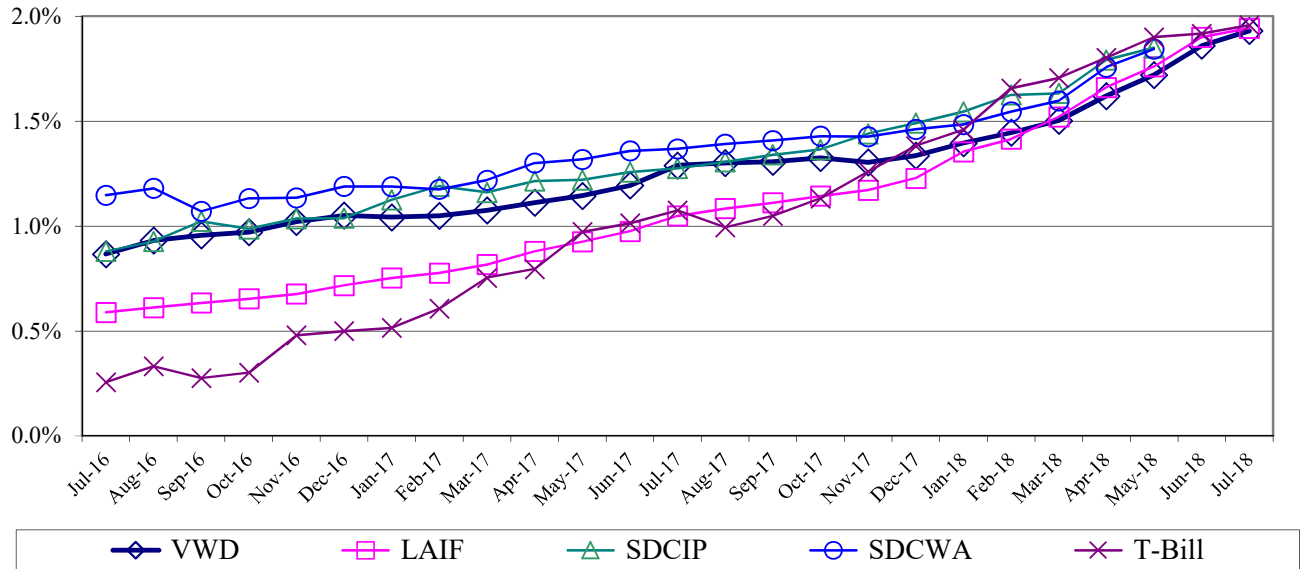
Liquidity

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of investments. The District averts interest rate risk by limiting terms of investments in accordance with the Investment Policy. Maturity in days is a measure of liquidity. The next graph compares the District’s liquidity to other managed portfolios. The District’s liquidity is graphed with and without LAIF. With LAIF the District is in fact very liquid with \$25.4 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	0.94
Average Coupon	1.84 %
Average Purchase YTM	1.94 %
Average Market YTM	2.39 %
Average S&P/Moody Rating	AA+/Aa1
Average Final Maturity	1.03 yrs
Average Life	0.98 yrs

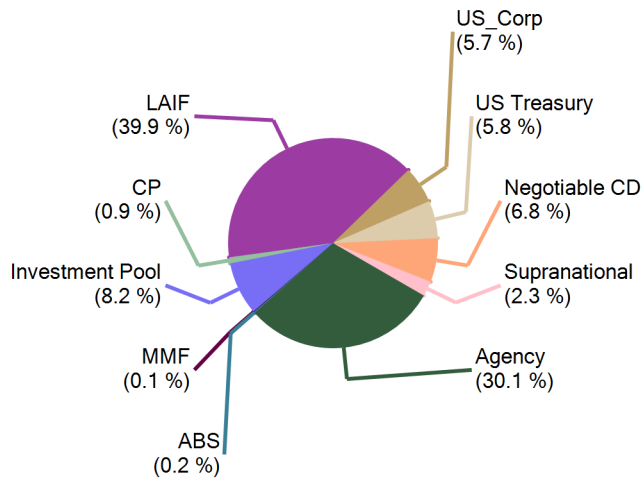
ACCOUNT SUMMARY

	Beg. Values as of 6/30/18	End Values as of 7/31/18
Market Value	62,965,721	63,621,604
Accrued Interest	261,634	183,537
Total Market Value	63,227,355	63,805,141
Income Earned Cont/WD	86,520	107,077
Par	63,500,887	64,235,790
Book Value	63,418,761	64,102,762
Cost Value	63,408,057	64,087,428

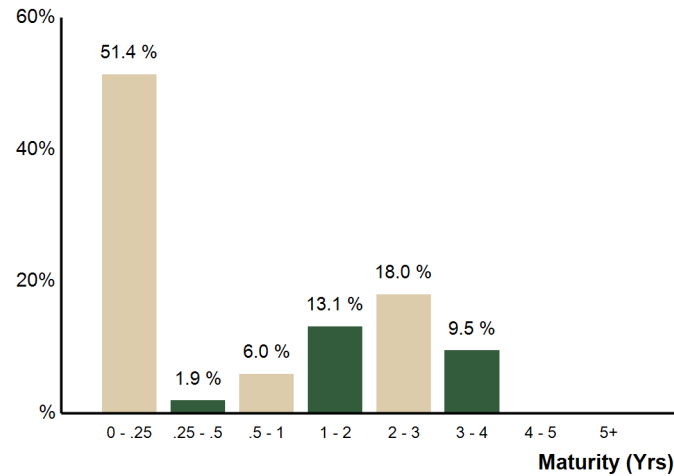
TOP ISSUERS

Issuer	% Portfolio
Local Agency Investment Fund	39.9 %
Federal Home Loan Mortgage Corp	9.3 %
County of San Diego Pooled Inve	8.2 %
Federal National Mortgage Assoc	8.0 %
Federal Home Loan Bank	7.0 %
Government of United States	5.8 %
Federal Farm Credit Bank	5.8 %
Intl Bank Recon and Development	1.2 %
	85.2 %

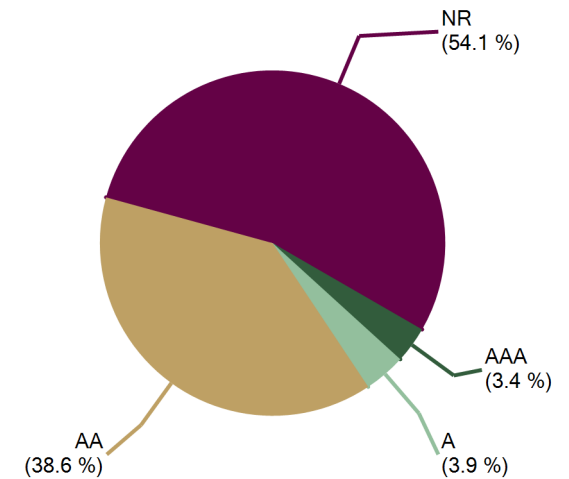
SECTOR ALLOCATION



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
ABS									
43814UAG4	Honda Auto Receivables 2018-2 A3 3.01% Due 5/18/2022	105,000.00	05/22/2018 3.03 %	104,997.71 104,997.81	99.95 3.05 %	104,949.32 114.13	0.16 % (48.49)	NR / AAA AAA	3.80 2.19
Total ABS		105,000.00	3.03 %	104,997.71 104,997.81	3.05 %	104,949.32 114.13	0.16 % (48.49)	NR / AAA AAA	3.80 2.19
AGENCY									
3130A5K73	FHLB Note 1.2% Due 9/26/2018	500,000.00	06/29/2015 1.26 %	499,050.00 499,955.11	99.87 2.05 %	499,348.50 2,083.33	0.79 % (606.61)	Aaa / AA+ NR	0.16 0.15
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	99.54 2.22 %	497,689.50 137.78	0.78 % (2,310.50)	Aaa / AA+ NR	0.48 0.47
3136G3YA7	FNMA Callable Note Qtrly 10/25/2016 1% Due 1/25/2019	500,000.00	07/25/2016 1.01 %	499,900.00 499,980.63	99.39 2.27 %	496,965.00 83.33	0.78 % (3,015.63)	Aaa / AA+ AAA	0.49 0.48
3133EFYS0	FFCB Callable Note Cont 02/22/17 1.15% Due 2/22/2019	367,000.00	03/07/2017 1.40 %	365,260.42 366,502.63	99.31 2.39 %	364,472.10 1,864.05	0.57 % (2,030.53)	Aaa / AA+ AAA	0.56 0.55
3133EGEF8	FFCB Callable Note Cont 6/13/2017 1.18% Due 6/13/2019	500,000.00	05/26/2017 1.43 %	497,500.00 498,943.85	98.93 2.43 %	494,666.50 786.67	0.78 % (4,277.35)	Aaa / AA+ AAA	0.87 0.85
3134G9YQ4	FHLMC Callable Note Qtrly 12/28/2016 2% Due 6/28/2019	750,000.00	06/28/2016 2.00 %	750,000.00 750,000.00	99.67 2.79 %	747,538.50 1,364.58	1.17 % (2,461.50)	Aaa / AA+ AAA	0.91 0.41
3130ABJS6	FHLB Callable Note Qtrly 9/28/2017 1.5% Due 6/28/2019	500,000.00	07/07/2017 1.50 %	500,000.00 500,000.00	99.52 2.51 %	497,604.00 685.76	0.78 % (2,396.00)	Aaa / AA+ NR	0.91 0.89
3133EGLC7	FFCB Callable Note Cont 10/12/2016 1.08% Due 7/12/2019	500,000.00	07/12/2016 1.10 %	499,675.00 499,897.60	98.59 2.59 %	492,962.50 285.00	0.77 % (6,935.10)	Aaa / AA+ AAA	0.95 0.93
3134GAEV2	FHLMC Callable Note Qtrly 2/28/2017 1.75% Due 8/28/2019	750,000.00	08/30/2016 1.76 %	750,000.00 750,000.00	99.64 2.79 %	747,283.50 2,291.67	1.17 % (2,716.50)	Aaa / AA+ AAA	1.08 0.57
3137EADM8	FHLMC Note 1.25% Due 10/2/2019	500,000.00	09/25/2015 1.32 %	498,665.00 499,611.69	98.52 2.54 %	492,597.50 2,065.97	0.78 % (7,014.19)	Aaa / AA+ AAA	1.17 1.15
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	98.18 2.69 %	490,875.00 1,537.08	0.77 % (9,125.00)	Aaa / AA+ NR	1.24 1.22
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	98.99 2.68 %	742,444.50 4,140.63	1.17 % (7,555.50)	Aaa / AA+ AAA	1.31 1.04
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	97.99 2.81 %	489,951.50 581.25	0.77 % (10,048.50)	Aaa / AA+ AAA	1.42 1.39
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	97.80 2.66 %	489,015.50 2,184.72	0.77 % (10,984.50)	Aaa / AA+ AAA	1.67 1.63
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	98.33 2.65 %	737,507.25 3,235.63	1.16 % (12,492.75)	Aaa / AA+ NR	1.75 1.47
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	97.92 2.67 %	734,378.25 1,937.50	1.15 % (15,621.75)	Aaa / AA+ AAA	1.83 1.78
3130A8M67	FHLB Callable Note Cont 7/13/2017 1.2% Due 7/13/2020	500,000.00	11/22/2016 1.60 %	492,970.00 496,233.74	97.08 2.75 %	485,409.50 300.00	0.76 % (10,824.24)	Aaa / AA+ NR	1.95 1.91



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
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	97.19 2.81 %	971,909.00 6,105.56	1.53 % (28,091.00)	Aaa / AA+ AAA	2.07 2.00
3133EGC94	FFCB Callable Note Cont 2/2/2017 1.38% Due 11/2/2020	500,000.00	11/04/2016 1.40 %	499,600.00 499,774.09	96.96 2.78 %	484,782.00 1,705.83	0.76 % (14,992.09)	Aaa / AA+ AAA	2.26 2.19
3133EGR49	FFCB Callable Note Cont 12/7/2017 1.77% Due 12/7/2020	250,000.00	12/07/2016 1.83 %	249,437.50 249,669.28	97.67 2.80 %	244,175.75 663.75	0.38 % (5,493.53)	Aaa / AA+ AAA	2.36 2.27
3134GBT A0	FHLMC Callable Note Qtrly 9/22/2017 1.7% Due 12/22/2020	750,000.00	06/27/2017 1.70 %	750,000.00 750,000.00	98.96 2.65 %	742,186.50 1,379.17	1.17 % (7,813.50)	Aaa / AA+ AAA	2.40 1.84
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	96.75 2.76 %	483,763.50 58.33	0.76 % (16,236.50)	Aaa / AA+ AAA	2.50 2.42
3133EFC54	FFCB Callable Note Cont 2/17/2017 1.62% Due 2/17/2021	150,000.00	11/18/2016 1.67 %	149,667.00 149,800.24	96.98 2.86 %	145,463.85 1,107.00	0.23 % (4,336.39)	Aaa / AA+ AAA	2.55 2.45
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	98.74 2.93 %	507,505.61 3,316.01	0.80 % (6,494.39)	Aaa / AA+ AAA	2.58 1.05
3130A7ES0	FHLB Callable Note Qtrly 6/22/2016 1.75% Due 3/22/2021	275,000.00	04/06/2017 2.11 %	274,381.25 274,587.50	98.37 2.92 %	270,516.95 1,722.57	0.43 % (4,070.55)	Aaa / AA+ NR	2.64 1.59
3133EFZ91	FFCB Callable Note Cont 4/12/2017 1.62% Due 4/12/2021	750,000.00	04/12/2016 1.62 %	749,925.00 749,959.54	96.78 2.87 %	725,843.25 3,678.75	1.14 % (24,116.29)	Aaa / AA+ AAA	2.70 2.60
3133EHHM8	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	97.59 2.91 %	731,922.00 3,648.33	1.15 % (18,078.00)	Aaa / AA+ AAA	2.76 2.64
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	95.91 2.94 %	479,543.00 83.33	0.75 % (20,457.00)	Aaa / AA+ AAA	2.99 2.89
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	96.46 2.81 %	964,613.00 6,933.33	1.52 % (35,387.00)	Aaa / AA+ AAA	3.07 2.94
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	95.72 3.05 %	957,181.00 5,461.81	1.51 % (42,819.00)	Aaa / AA+ NR	3.17 3.03
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	95.47 3.03 %	954,653.00 4,004.17	1.50 % (45,347.00)	Aaa / AA+ AAA	3.25 3.11
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	96.28 3.06 %	962,821.00 3,385.42	1.51 % (37,179.00)	Aaa / AA+ AAA	3.33 3.17
Total Agency		19,556,000.00	1.54 %	19,540,031.17 19,548,915.90	2.74 %	19,127,588.51 68,818.31	30.09 % (421,327.39)	Aaa / AA+ AAA	1.97 1.77
COMMERCIAL PAPER									
62479MK28	MUFG Bank Ltd/NY Discount CP 2.31% Due 10/2/2018	600,000.00	06/22/2018 2.36 %	596,188.50 597,613.00	99.60 2.36 %	597,613.00 0.00	0.94 % 0.00	P-1 / A-1 NR	0.17 0.17
Total Commercial Paper		600,000.00	2.36 %	596,188.50 597,613.00	2.36 %	597,613.00 0.00	0.94 % 0.00	Aaa / AA NR	0.17 0.17



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
INVESTMENT POOL									
90SDCP\$00	County of San Diego Pooled Investment Pool	5,224,000.00	Various 1.88 %	5,224,000.00 5,224,000.00	1.00 1.88 %	5,224,000.00 0.00	8.19 % 0.00	NR / NR AAA	0.00 0.00
Total Investment Pool		5,224,000.00	1.88 %	5,224,000.00 5,224,000.00	1.88 %	5,224,000.00 0.00	8.19 % 0.00	NR / NR AAA	0.00 0.00
LAIF									
90LAIF\$00	Local Agency Investment Fund State Pool	25,421,573.03	Various 1.96 %	25,421,573.03 25,421,573.03	1.00 1.96 %	25,421,573.03 45,053.77	39.91 % 0.00	NR / NR NR	0.00 0.00
Total LAIF		25,421,573.03	1.96 %	25,421,573.03 25,421,573.03	1.96 %	25,421,573.03 45,053.77	39.91 % 0.00	NR / NR NR	0.00 0.00
MONEY MARKET FUND FI									
261908206	Dreyfus Treasury Money Market Fund	79,217.06	Various 1.56 %	79,217.06 79,217.06	1.00 1.56 %	79,217.06 0.00	0.12 % 0.00	Aaa / AAA NR	0.00 0.00
Total Money Market Fund FI		79,217.06	1.56 %	79,217.06 79,217.06	1.56 %	79,217.06 0.00	0.12 % 0.00	Aaa / AAA NR	0.00 0.00
NEGOTIABLE CD									
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	99.99 1.82 %	244,983.34 1,859.99	0.39 % (16.66)	NR / NR NR	0.05 0.05
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 1.83 %	244,988.49 1,800.25	0.39 % (11.51)	NR / NR NR	0.10 0.10
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	99.95 1.89 %	178,917.30 938.65	0.28 % (82.70)	NR / NR NR	0.19 0.19
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	99.93 1.89 %	244,822.62 1,009.53	0.39 % (177.38)	NR / NR NR	0.25 0.25
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	99.86 1.98 %	244,668.52 569.21	0.38 % (331.48)	NR / NR NR	0.36 0.36
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	99.53 2.12 %	243,857.57 1,304.88	0.38 % (1,142.43)	NR / NR NR	0.61 0.60
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	99.62 2.18 %	244,070.47 1,140.76	0.38 % (929.53)	NR / NR NR	0.73 0.71
29266NK97	Enerbank USA Negotiable CD 1.5% Due 5/15/2019	233,000.00	06/18/2015 1.58 %	232,301.00 232,859.42	99.43 2.23 %	231,678.66 162.78	0.36 % (1,180.76)	NR / NR NR	0.79 0.78



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
NEGOTIABLE CD									
89113XX33	Toronto Dominion NY Yankee CD 2.68% Due 5/24/2019	500,000.00	05/23/2018 2.68 %	500,000.00 500,000.00	100.00 2.68 %	500,000.00 2,568.33	0.79 % 0.00	P-1 / A-1+ F-1+	0.81 0.80
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	99.53 2.32 %	243,853.16 1,759.97	0.38 % (1,146.84)	NR / NR NR	1.13 1.10
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	98.53 2.64 %	241,389.93 1,666.00	0.38 % (3,610.07)	NR / NR NR	1.61 1.56
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 %	244,510.00 244,750.95	97.36 2.80 %	238,543.76 225.53	0.37 % (6,207.19)	NR / NR NR	1.94 1.89
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	96.60 3.08 %	236,662.65 976.64	0.37 % (8,337.35)	NR / NR NR	2.24 2.17
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	97.61 2.88 %	239,141.07 37.25	0.37 % (5,858.93)	NR / NR NR	2.42 2.36
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	99.48 2.04 %	241,728.87 1,148.42	0.38 % (1,271.13)	NR / NR NR	2.59 0.58
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	96.16 3.03 %	235,598.86 22.15	0.37 % (9,401.14)	NR / NR NR	2.92 2.84
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	95.55 3.19 %	234,106.57 852.80	0.37 % (10,893.43)	NR / NR NR	3.05 2.94
Total Negotiable CD		4,340,000.00	1.73 %	4,338,811.00 4,339,610.37	2.41 %	4,289,011.84 18,043.14	6.75 % (50,598.53)	Aaa / AAA AAA	1.26 1.12
SUPRANATIONAL									
4581X0CD8	Inter-American Dev Bank Note 2.125% Due 11/9/2020	750,000.00	05/22/2018 2.81 %	737,865.00 738,795.35	98.43 2.84 %	738,229.50 3,630.21	1.16 % (565.85)	Aaa / AAA AAA	2.28 2.19
459058GH0	Intl. Bank Recon & Development Note 2.75% Due 7/23/2021	750,000.00	07/24/2018 2.86 %	747,607.50 747,620.63	99.71 2.85 %	747,842.25 343.75	1.17 % 221.62	Aaa / AAA NR	2.98 2.84
Total Supranational		1,500,000.00	2.84 %	1,485,472.50 1,486,415.98	2.85 %	1,486,071.75 3,973.96	2.34 % (344.23)	Aaa / AAA AAA	2.63 2.51
US CORPORATE									
459200JF9	IBM Corp Note 2.25% Due 2/19/2021	500,000.00	06/26/2018 3.07 %	489,640.00 490,004.26	98.23 2.98 %	491,126.50 5,062.50	0.78 % 1,122.24	A1 / A+ A+	2.56 2.43
69371RN93	Paccar Financial Corp Note 2.8% Due 3/1/2021	300,000.00	07/23/2018 3.12 %	297,585.00 297,602.79	98.98 3.21 %	296,938.20 3,593.33	0.47 % (664.59)	A1 / A+ NR	2.59 2.44
369550BE7	General Dynamics Corp Note 3% Due 5/11/2021	350,000.00	06/28/2018 3.08 %	349,247.50 349,271.22	99.57 3.16 %	348,484.50 2,333.33	0.55 % (786.72)	A2 / A+ NR	2.78 2.63



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US CORPORATE									
808513AW5	Charles Schwab Corp Callable Note Cont 4/21/2021 3.25% Due 5/21/2021	320,000.00	Various 3.09 %	321,372.10 321,291.56	100.15 3.19 %	320,492.80 1,993.33	0.51 % (798.76)	A2 / A A	2.81 2.57
931142EJ8	Wal-Mart Stores Note 3.125% Due 6/23/2021	290,000.00	06/20/2018 3.13 %	289,985.50 289,985.96	100.23 3.04 %	290,673.38 855.90	0.46 % 687.42	Aa2 / AA AA	2.90 2.74
02665WBG5	American Honda Finance Note 1.7% Due 9/9/2021	500,000.00	07/20/2018 3.19 %	478,045.00 478,198.67	95.47 3.24 %	477,352.50 3,352.78	0.75 % (846.17)	A2 / A+ NR	3.11 2.97
89233P5F9	Toyota Motor Credit Corp Note 3.4% Due 9/15/2021	500,000.00	05/31/2018 3.03 %	505,785.00 505,505.16	101.02 3.05 %	505,101.00 6,422.22	0.80 % (404.16)	Aa3 / AA- A	3.13 2.91
24422ETL3	John Deere Capital Corp Note 2.65% Due 1/6/2022	250,000.00	05/10/2018 3.25 %	244,895.00 245,197.55	98.56 3.10 %	246,401.00 460.07	0.39 % 1,203.45	A2 / A A	3.44 3.24
74005PBA1	Praxair Callable Note Cont 11/15/2021 2.45% Due 2/15/2022	300,000.00	06/27/2018 3.15 %	292,848.00 293,025.86	97.58 3.18 %	292,731.90 3,389.17	0.46 % (293.96)	A2 / A NR	3.55 3.32
68389XBB0	Oracle Corp Callable Note Cont 3/15/2022 2.5% Due 5/15/2022	350,000.00	06/13/2018 3.21 %	340,868.50 341,168.63	97.62 3.17 %	341,652.85 1,847.22	0.54 % 484.22	A1 / AA- A+	3.79 3.56
Total US Corporate		3,660,000.00	3.12 %	3,610,271.60 3,611,251.66	3.13 %	3,610,954.63 29,309.85	5.71 % (297.03)	A1 / A+ A+	3.04 2.86
US TREASURY									
9128283Y4	US Treasury Note 2.25% Due 2/29/2020	750,000.00	06/25/2018 2.51 %	746,835.94 747,021.76	99.43 2.62 %	745,752.00 7,061.82	1.18 % (1,269.76)	Aaa / AA+ AAA	1.58 1.53
912828X21	US Treasury Note 1.5% Due 4/15/2020	750,000.00	07/23/2018 2.62 %	735,937.50 736,115.79	98.10 2.64 %	735,762.00 3,319.67	1.16 % (353.79)	Aaa / AA+ AAA	1.71 1.66
912828XH8	US Treasury Note 1.625% Due 6/30/2020	750,000.00	05/31/2018 2.43 %	737,753.91 738,751.62	98.06 2.67 %	735,468.75 1,059.78	1.15 % (3,282.87)	Aaa / AA+ AAA	1.92 1.87
912828L65	US Treasury Note 1.375% Due 9/30/2020	750,000.00	06/27/2018 2.53 %	731,044.92 731,826.10	97.25 2.69 %	729,345.75 3,465.68	1.15 % (2,480.35)	Aaa / AA+ AAA	2.17 2.10
912828WC0	US Treasury Note 1.75% Due 10/31/2020	750,000.00	07/20/2018 2.64 %	735,292.97 735,452.25	97.91 2.71 %	734,296.50 3,316.92	1.16 % (1,155.75)	Aaa / AA+ AAA	2.25 2.18
Total US Treasury		3,750,000.00	2.55 %	3,686,865.24 3,689,167.52	2.67 %	3,680,625.00 18,223.87	5.80 % (8,542.52)	Aaa / AA+ AAA	1.93 1.87
TOTAL PORTFOLIO		64,235,790.09	1.93 %	64,087,427.81 64,102,762.33	2.35 %	63,621,604.14 183,537.03	100.00 % (481,158.19)	Aa1 / AA+ AAA	1.03 0.94
TOTAL MARKET VALUE PLUS ACCRUED						63,805,141.17			

VALLECITOS WATER DISTRICT

SUMMARY OF LEGAL FEES

Matter Description	Mar-18	Apr-18	May-18
General Counsel Services	\$ 2,417	\$ 10,347	\$ 6,959
Fees and Taxes		208	3,274
Labor/Employment		377	1,385
Engineering - Construction/Contracting		6,797	11,150
Total	\$ 2,417	\$ 17,729	\$ 22,767

DATE: AUGUST 15, 2018
TO: BOARD OF DIRECTORS
SUBJECT: CONSTRUCTION CONTRACT AWARD FOR ROCK SPRINGS SEWER REPLACEMENT PROJECT

BACKGROUND:

The District maintains an existing 8-inch gravity sewer pipeline that conveys wastewater from the intersection of Rock Springs Road and Bennett Avenue west through a greenbelt area to an existing 12-inch pipeline in Rock Springs Road at Lancer Park Avenue. Due to its location near a drainage channel, ongoing capacity issues, and inflow and infiltration problems, this sewer is currently budgeted for replacement and upsizing.

This project has been identified in the CIP Master Plan as CIP SP-5. The existing 8-inch clay pipe will be abandoned and replaced with new 15-inch PVC pipe west of Matthew Lane and 12-inch PVC pipe north and east of Matthew Lane. The pipe is being sized to handle ultimate build-out wastewater flows within its upstream collection area.

Infrastructure Engineering Corporation (IEC) completed a Sewer Planning Study in 2010 and the Board approved a design contract for IEC on July 21, 2010. The project slowed due to the commitments of higher priority capital improvement projects, additional right-of-way acquisitions, environmental coordination, and budget deferment.

On September 16, 2015, the Board adopted Resolution No. 1480 certifying the Mitigated Negative Declaration (MND) for the Rock Springs Sewer Project. Final right-of-way acquisition was completed June 6, 2017. IEC and staff finalized the bid documents May 2018 and began advertising for bid proposals June 2018. The Engineer's Estimate is \$2,225,000.

On July 17, 2018 at 2:00 p.m. District staff received and opened bids from 8 contractors with bid results as follows:

<u>Bidder</u>	<u>Amount</u>
Burtech Pipeline	\$2,163,994
James W. Fowler Co.	\$2,176,901
Mike Prlich and Sons, Inc.	\$2,283,385
J.R. Filanc Construction Company	\$2,449,475
Palm Engineering	\$2,477,480
Cass Construction	\$2,670,132
Utah Pacific	\$2,858,380
Charles King Company	\$2,965,575

DISCUSSION:

Staff and Counsel have reviewed the bids and determined that there were no irregularities.

A protest letter was received from James W. Fowler Co. on July 23, 2018, claiming Burtech Pipeline did not list a subcontractor for specialized service to perform “Jack and Bore” work on three bid items as outlined in the bid documents, and did not meet the minimum requirements to perform the work themselves. Staff and Counsel reviewed the letter and recommend rejecting the protest as without merit for the following reasons:

1. Technical Specification 02315, Part 1, subsection B allows for the contractor to propose alternate trenchless construction methods, 28 calendar days in advance of the actual work, subject to approval by the District.
2. Burtech Pipeline has confirmed in a telephone conversation and in a letter in response to the protest, that a “Jack and Bore” subcontractor was not listed because they do intend to propose an alternate trenchless method in accordance with the bid documents. Further, Burtech Pipeline acknowledges that they bear the responsibility in demonstrating to the satisfaction of the District that their proposed method of installation shall meet requirements indicated in the plans.

Staff and Counsel completed the evaluation of qualifications and the protest letter, and determined Burtech Pipeline was the lowest responsive, responsible bidder.

Staff will perform the construction management and inspection for the project. IEC will provide construction phase services including biological and archeological monitoring and support in accordance with the MND. Geotechnical Services shall be performed by Christian Wheeler Engineering.

FISCAL IMPACT:

The total estimated cost and budget summary are as follows:

Budget	\$3,390,000
Construction	\$2,163,994
7.5% Contingency (Ord. No. 146)	\$ 162,300
Right of Way Services and Acquisitions	\$ 77,908
Planning and Design (IEC)	\$ 254,877
Staff & Overhead: Planning and Designing	\$ 308,000
Construction Phase Services (IEC)	\$ 71,250
Geotechnical Services (Christian Wheeler)	\$ 28,085
<u>Staff & Overhead: Construction Phase</u>	<u>\$ 226,779</u>
Total	\$3,293,193
Budget Surplus	\$ 96,807

RECOMMENDATION:

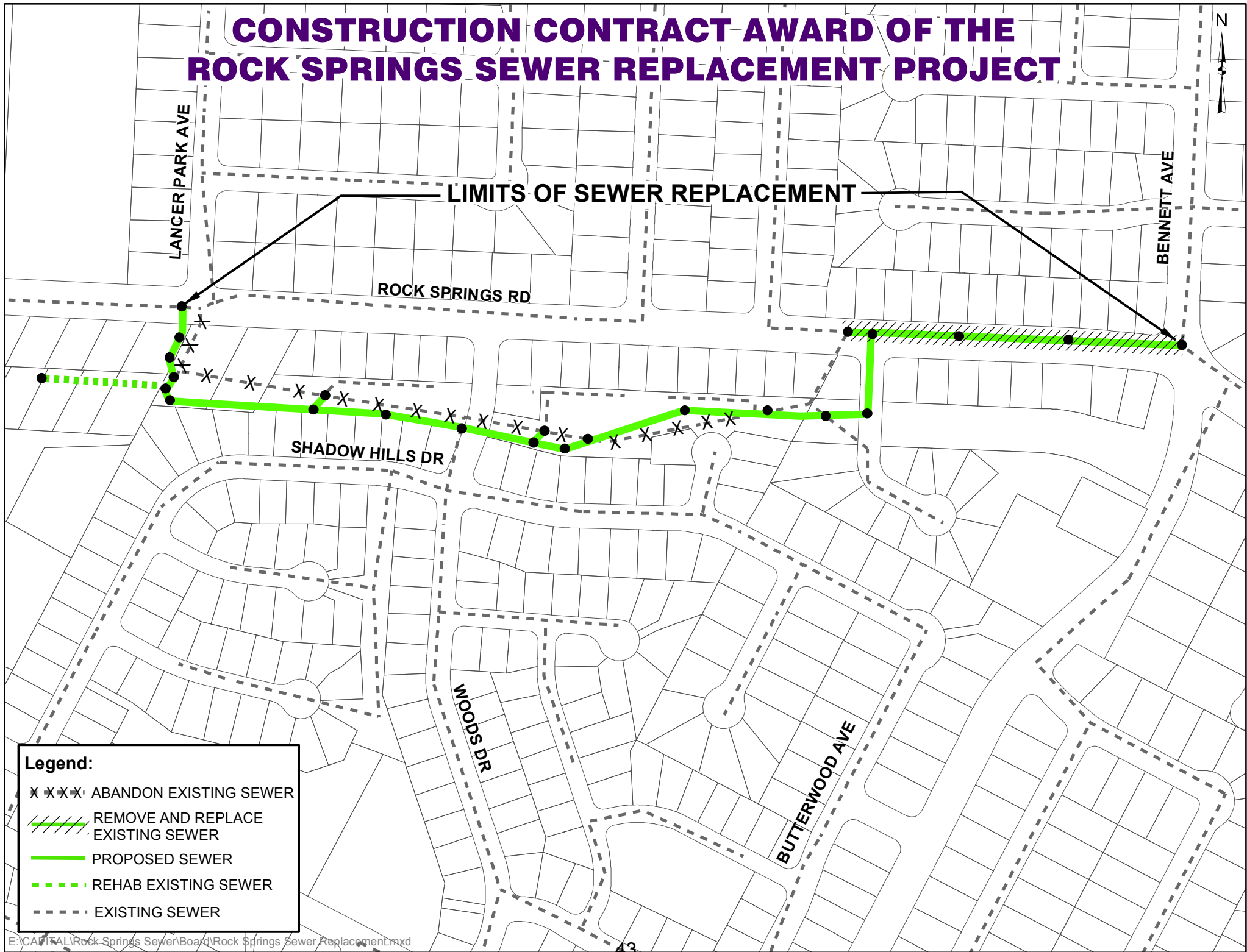
Recommendations for the Rock Springs Sewer Replacement Project are as follows:

1. Reject the protest letter from James W. Fowler Co. as without merit.
2. Approve Amendment #6 to the Engineering Services Agreement with IEC for construction phase services in the amount of \$71,250.
3. Authorize the General Manager to execute a construction contract with Burtech Pipeline in the amount of \$2,163,994, subject to provisions of the contract.

ATTACHMENTS:

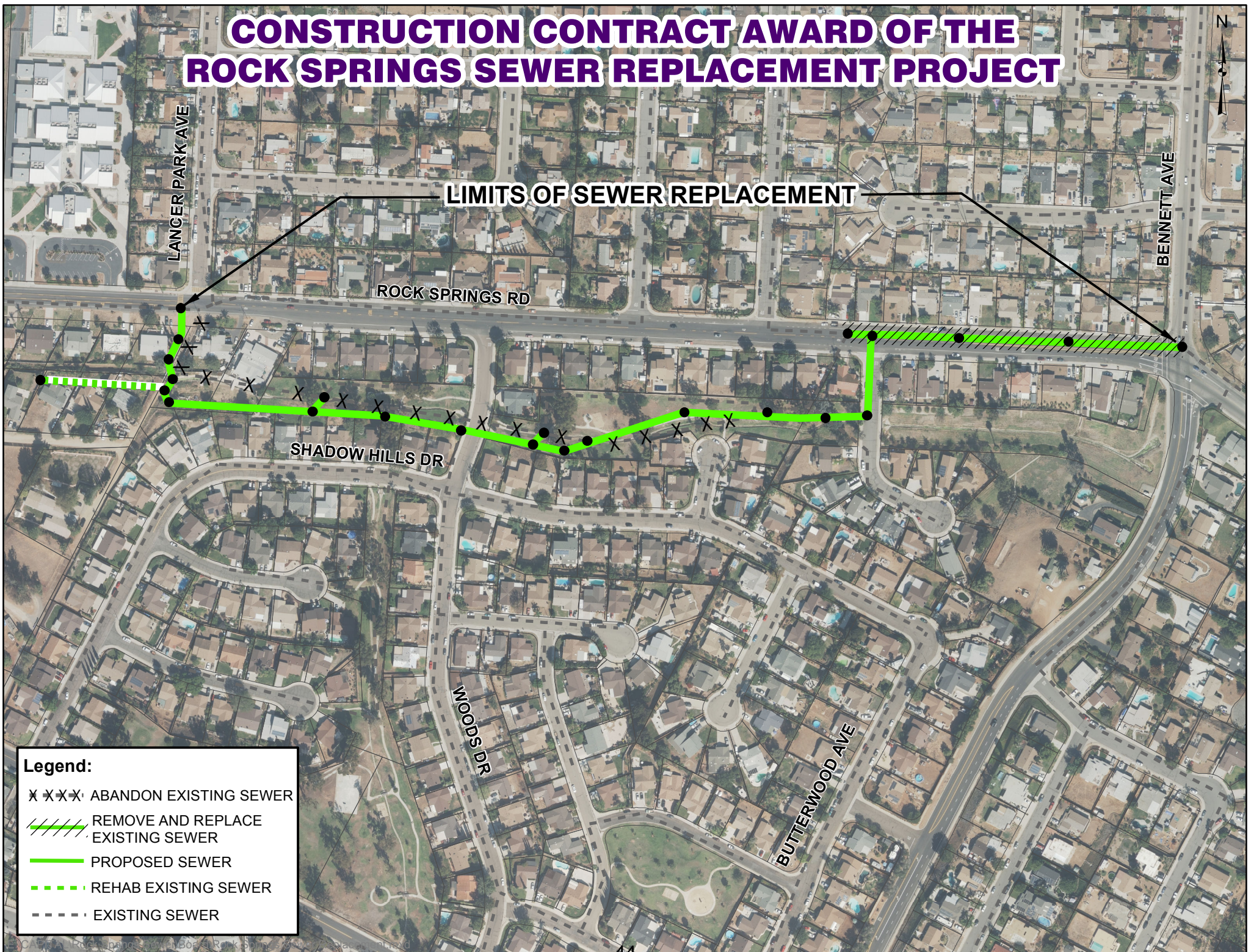
Plat and Aerial Exhibit

CONSTRUCTION CONTRACT AWARD OF THE ROCK SPRINGS SEWER REPLACEMENT PROJECT



- Legend:**
- X X X ABANDON EXISTING SEWER
 - REMOVED AND REPLACED EXISTING SEWER
 - PROPOSED SEWER
 - REHAB EXISTING SEWER
 - EXISTING SEWER

CONSTRUCTION CONTRACT AWARD OF THE ROCK SPRINGS SEWER REPLACEMENT PROJECT



DATE: AUGUST 15, 2018
TO: BOARD OF DIRECTORS
SUBJECT: WATEREUSE ASSOCIATION BOARD OF DIRECTORS CALL FOR NOMINATIONS

DISCUSSION:

The Nominating Committee of the WaterReuse Association Board of Directors is issuing a call for nominations to fill two Board vacancies. The deadline to submit nominations is Tuesday, August 21. The Nominating Committee will review nominations according to their Selection Criteria (copy attached) and identify candidates for approval by the full Board at its 3rd Quarter meeting in Austin, Texas on September 9. Directors are appointed for up to three two-year terms for a total of six years of service.

RECOMMENDATION:

Request Board direction.

ATTACHMENT:

WaterReuse Association Nomination Selection Criteria

Selection Criteria for Board Appointment

WateReuse is committed to recruiting the best and brightest leaders in the water industry to serve on its Board of Directors. The criteria for determining qualified candidates are:

Leadership

- A belief that water reuse and desalination are essential components of the water supply portfolio of the future.
- Significant professional credentials in the water industry.
- Stature and recognition within the water community.
- Recognized change agent/thought leader/innovator in the area of administration, technology, management, communication and/or education.

Commitment

- Membership in good standing with the WateReuse Association;
- A commitment to the success of WateReuse's mission and vision with sufficient time and resources dedicated to their implementation;
- Ability to attend four quarterly board meetings, including one during our Annual Symposium in September, and one via conference call;
- Ability to participate in WateReuse Association committees and initiatives, as necessary, in pursuit of the mission and vision;

Skills and Experience (one or more areas)

- Executive and managerial leadership of public, private, or not-for-profit organization;
- Stature in an international, national, regional, or state water agency;
- Experience in federal or state advocacy of laws, rules or funding for water and water reuse;
- Experience in science, education, outreach, or social research associated with water and water reuse;
- Experience with financial management or investment associated with water and water reuse infrastructure;
- Experience on professional association boards or committees;

Other Factors

WateReuse is committed to creating a diverse board that reflects and represents the membership and population of members. To ensure both balance and diversity, the following factors should be considered as part of the nominating process:

- Geographic Location
- Industry Sector
- Public, Private, Not-for-Profit Sector

Application Requirements:

Statement of Interest along with a resume or bio via email by COB Tuesday, August 21st.

Nominating Committee for 2019 WateReuse Association Board of Directors Nominations:

[Gilbert Trejo, El Paso Water](#), Chair and Vice President of WateReuse Association

[Paul Jones, Eastern Municipal Water District](#), Vice Chair and President of WateReuse Association

[Karen Pallansch, Alexandria ReNew](#), Member

[Jon Freedman, Suez North America](#), Member

[Halla Razak, Inland Empire Utilities Authority](#), Member

[Patricia Sinicropi, Staff Liaison and Executive Director of WateReuse Association](#)



PULSE of North County

**2018 Water Symposium and
Supplier Fair
October 10
California Center for the Arts,
Escondido**



Save the date for **October 10th** when SDNEDC will host at the California Center for the Arts, Escondido a symposium with state and local leaders on how water policy will impact North County's economy. Topics will include new water efficiency standards and how water pricing will be impacted by future infrastructure improvements.

Immediately after the symposium we will be holding a supplier fair to help connect North County businesses interested in learning more about how to do business with the 14 water and wastewater agencies that serve North County. Collectively these agencies annually spend more than \$450 million and we hope the supplier fair will help keep more of those dollars local.

We especially want small businesses to attend. Until September 1st we are offering a small business rate (\$50) which is our direct cost for the breakfast and room rental.

REGISTRATION IS NOW OPEN AND CAN BE FOUND HERE.

If interested in sponsoring the symposium contact Erik Bruvold at ebruvold@sdnedc.org.

Early Bird General Admission: \$70.68 (incl. fee) thru Sept. 3
General Admission: \$81.24 (incl. fee) begin Sept. 4