AGENDA FOR A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, NOVEMBER 20, 2019, AT 5:00 P.M.
AT THE DISTRICT OFFICE
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

CALL TO ORDER – PRESIDENT MARTIN
PLEDGE OF ALLEGIANCE
ROLL CALL

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

ADOPT AGENDA FOR THE REGULAR MEETING OF NOVEMBER 20, 2019

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.

INTRODUCTION

Human Resources Analyst Bridget Anderson will introduce new employee, Susan Bowman,
Asset Management Supervisor.

CONSENT CALENDAR

1.1 APPROVAL OF MINUTES (pp. 5-28)
A. ENGINEERING/EQUIPMENT COMMITTEE MEETING – OCTOBER 28, 2019
B. FINANCE/INVESTMENT COMMITTEE MEETING – OCTOBER 29, 2019
C. BOARD WORKSHOP MEETING – OCTOBER 31, 2019
D. SPECIAL BOARD MEETING – NOVEMBER 6, 2019
E. REGULAR BOARD MEETING – NOVEMBER 6, 2019

Approved minutes become a permanent public record of the District.

Recommendation: Approve Minutes

1.2 WARRANT LIST THROUGH NOVEMBER 20, 2019 – $2,821,108.01 (pp. 29-32)

Recommendation: Approve Warrant List

1.3 FINANCIAL REPORTS (pp. 33-53)

A. WATER METER COUNT – OCTOBER 31, 2019
B. WATER PRODUCTION/SALES REPORT – 2019/2020
C. PER CAPITA WATER CONSUMPTION – OCTOBER 31, 2019
D. WATER REVENUE AND EXPENSE REPORT – OCTOBER 31, 2019
E. SEWER REVENUE AND EXPENSE REPORT – OCTOBER 31, 2019
F. RESERVE FUNDS ACTIVITY – OCTOBER 31, 2019
G. INVESTMENT REPORT – OCTOBER 31, 2019
H. LEGAL FEES SUMMARY – OCTOBER 31, 2019

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

ACTION ITEMS

2.1 ACCEPTANCE OF ROCK SPRINGS SEWER REPLACEMENT PROJECT (pp. 54-57)

Due to its location, ongoing capacity issues, and inflow and infiltration problems, this sewer was budgeted for replacement and upsizing in the 2018/19 fiscal year.

Recommendation: 1) Accept project; 2) Authorize the filing of a Notice of Completion and release of retention funds

2.2 ENCINA WASTEWATER AUTHORITY REVISED ESTABLISHMENT DOCUMENT AMENDMENT (pp. 58-78)

The Revised Establishment Document serves as the Joint Exercise of Powers Agreement to operate, maintain, and administer the Encina Joint System.

Recommendation: Approve Revised Establishment Document

2.3 CALL FOR NOMINATIONS TO THE LOCAL AGENCY FORMATION COMMISSION AND THE SPECIAL DISTRICTS ADVISORY COMMITTEE (pp. 79-100)

The San Diego Local Agency Formation Commission has solicited nominations for eight open seats on the 16-member Special Districts Advisory Committee.

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. 101-102)

   CASA Winter Conference
   January 21-23, 2020 – Renaissance Resort and Spa, Indian Wells, CA
   Estimated Cost Based on a Two-Night Stay Per Person: $1,806.36

*****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, November 15, 2019.

Diane Posvar
MINUTES OF A MEETING OF THE
ENGINEERING/EQUIPMENT COMMITTEE
OF THE VALLECITOS WATER DISTRICT
MONDAY, OCTOBER 28, 2019 AT 3:00 P.M.
at the district office, 201 vallecitos de oro,
San marcos, california

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

Present:  Director Hernandez
Director Elitharp
General Manager Pruim
District Engineer Gumpel
Operations & Maintenance Manager Pedrazzi
Capital Facilities Senior Engineer Morgan
Development Services Senior Engineer Scholl
Administrative Secretary Johnson

ITEM(S) FOR DISCUSSION

MEADOWLARK RECLAMATION FACILITY SYSTEM OVERVIEW

General Manager Pruim stated this item was previously discussed at the June 21, 2017 Board meeting. Cost estimates have been updated since that time and the information provided to this Committee is informational only to ensure the Committee understands the functionality of the Meadowlark Reclamation Facility (MRF) and what would be entailed if discontinued use of MRF was considered.

District Engineer Gumpel facilitated a presentation on the MRF System Overview as follows:

- MRF Decommission
- Sewer Service Area Overview
- Sewer System Overview
- Decommission Steps 1, 2, 3, 4, 5
- Direct Expenses
- Offsetting Direct Costs
- Summary of Costs
- Timing and Other Items

District Engineer Gumpel discussed steps that would be involved with decommissioning the MRF system starting with Lift Station 1 (LS1) and then MRF including abandoning pipelines in-place, disconnecting pipelines, removing biohazards, severing plumbing, and removing electrical/mechanical equipment. Structures at LS1 and MRF would remain. Step 2 would involve building a new MRF lift station and force main. Step 3
would require rehabilitation of the existing gravity main. Step 4 would require a new land outfall. Step 5 would require the purchase of liquid capacity at Encina Wastewater Authority (EWA) at an estimated cost of $59.2 million. Total direct expenses are estimated to be $132.8 million plus approximately $2.5 million in additional annual O&M expenses at EWA and a new MRF lift station compared to current year O&M costs. Offsetting direct costs if LS1, Mahr Reservoir, and MRF were decommissioned are estimated to be approximately $42 million. In summary, on the capital side, the net of new costs would be approximately $91 million, and on the operations side, a net of $1.4 million in increases.

District Engineer Gumpel stated the timeline to plan, design, and build the required infrastructure would be 8 to 12 years and other considerations include possible additional debt, depletion of reserves, loss of direct potable reuse (DPR) opportunities at MRF, and site development opportunities at LS1 and MRF.

General Manager Pruim stated that there are no plans or funds budgeted for decommissioning MRF.

General discussion took place regarding future DPR. District Engineer Gumpel stated projects at MRF are planned with consideration of future DPR.

General Manager Pruim stated he will review the information presented at this meeting with President Martin in order to determine whether he wants this item to be presented to the Board.

OTHER BUSINESS

None.

PUBLIC COMMENT

None.

ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at the hour of 3:36 p.m.
Director Sannella called the meeting to order at the hour of 4:04 p.m.

Present: Director Sannella  
Director Martin  
General Manager Pruim  
Finance Manager Owen  
Accounting Supervisor Glenn  
Principal Financial Analyst Arthur  
Administrative Secretary Johnson

Others Present: Todd Cristiano, Senior Manager, Raftelis

ITEM(S) FOR DISCUSSION

COST OF SERVICE STUDY

General Manager Pruim stated the previous Cost of Service Study (COSS) was for a two-year period and the last rate increase from the result of that COSS took place on January 1, 2019. The District cannot increase water or wastewater rates without going through the Prop. 218 process. The adopted budget for the current fiscal year assumes an approximate 3.5% increase in revenue. He introduced Todd Cristiano, Senior Manager of Raftelis, who has been retained to perform the current COSS for the District. He further stated that Mr. Cristiano would provide an overview of the COSS process which is already underway. The tentative plan is to initiate the next Prop. 218 process in early January with the required 45-day formal notice to the public. Rate increases would be considered at a public hearing in February, and March 1, 2020 would be the target date for a rate increase to be effective. General Manager Pruim noted that Raftelis will be performing the COSS for water only. Staff will perform the wastewater COSS.

Mr. Cristiano provided a brief summary of his background and facilitated a presentation on the Water Cost of Service Rate Study as follows:

- Study Objectives
- Scope of Work
- Rate Setting is a 3-Step Process
  - Financial Plan
  - Cost of Service
  - Rate Design
Cost of Service Analysis
Rate Design
Current Readiness to Serve Charges
Current Commodity Thresholds and Rates
Pricing Objectives Inform the “Right” Rate Structure
Rate Structure Pricing Goals
Rate Structure Pricing Objectives
Balancing Competing Objectives
Revenue Distribution by Rate Structure Component
Possible Considerations to Meet Objectives
Schedule

Director Sannella expressed his concern of moving too quickly on the Prop. 218 process and COSS regarding pricing objectives, etc. brought up during the presentation. He suggested the Board spend most of 2020 holding workshops to obtain public comment and educate the Board on what the pricing objectives mean with the goal of having something ready to go for 2021.

Director Martin concurred with Director Sannella, stating there is no need to rush this process and no problem delaying it for a year.

General Manager Pruim reaffirmed that the current fiscal year budget is structured with assumptions of revenue increases. If the COSS is delayed, staff could provide the Board with an estimate of how much revenue would be lost resulting in a shortfall.

Finance Manager Owen stated that the proposed timetable for doing a water rate structure is very doable. With the number of meetings and workshops planned, there would be sufficient time to inform the Board and provide them with all the details. If delayed by nine months, the District would lose the funds paid on the contract to Raftelis to perform the COSS.

General discussion took place during which Director Martin recalled that during previous discussions the Prop. 218 process was tentatively scheduled for the end of this year to keep it out of the 2020 election cycle. Director Sannella stated he believes there will be a huge learning curve for the Board and that customers should be given the opportunity to attend workshops to learn and provide feedback. Principal Financial Analyst Arthur recommended continuing with the COSS and if any problems arise, the Board could stop it and re-evaluate. Finance Manager Owen stated he does not anticipate any major changes to the current rate structure. General Manager Pruim stated that completing the COSS does not commit the Board to go through the Prop. 218 process.

Michael Hunsaker, member of the public, stated he is president of the Twin Oaks Valley Property Owners Association, a self-styled citizen advocate, is involved in a lawsuit against the Newland Sierra development and a participant in a lawsuit in San Diego. He further stated that water and Prop. 218 matter. Issues regarding Prop. 218 that he feels need to be addressed are fire and leased capacity. In 2010 Cal Fire specified they
needed to increase water capacity flows for new developments. In 2011 the state mandated all homes be required to go from 25 gallons per minute (gpm) capacity to 35 gpm. In 2012 the District increased capacity fees and ready-to-serve fees (RTS) to accommodate the added capacity which he believes came to approximately $6 per month in the RTS fees for new homes. The capacity fees were later changed and went back to 500 gallons per day. There was a large hike to customers with 3/4-inch meters to cover the capacity charges. Since then, the cost of service for the most common meter, 5/8-inch, has increased dramatically supposedly to cover this capacity. They are paying for capacity they don’t use. Vista does not charge 3/4-inch and 5/8-inch the same; there is about $8 to $9 per month difference in fees. The 5/8-inch meters have been charged accelerated rate increases. He doesn’t believe it’s fair to charge people for services they don’t use or need.

General Manager Pruim clarified that there is a common driver for the two issues Mr. Hunsaker spoke of. Fire flow is a common driver for impacts on capacity fees and RTS, but they are not directly related.

Mr. Hunsaker stated that an apartment with an 8-inch meter is charged per inch. An apartment pays something like $.22 per month versus about $6 per month for a home. Another issue is whether people who are leasing capacity are paying their fair share of both capacity fees upfront; they pay for their consumption not the capacity costs that new developments don’t pay. He commented on the Forest Hills legal case which questioned whether leased meters are phantom meters. General Manager Pruim stated the District does not have phantom meter charges.

PERS ADDITIONAL DISCRETIONARY PAYMENT (ADP)

General Manager Pruim stated the PERS ADP has not been made yet.

Finance Manager Owen provided background on the PERS unfunded accrued liability (UAL) funding policy approved by the Board on June 13, 2019, amortization bases, methodology used to determine how to apply the ADP, and results. Staff had to wait for CalPERS’ Actuarial Valuation which came out on August 31 before analysis could be performed to determine which bases to allocate the ADP to. The District must instruct CalPERS as to how the ADP will be allocated.

Finance Manager Owen stated per the District’s UAL funding policy, the District will pay off the UAL over three years with the first payment of $8,054,000 in Fiscal Year 2019/20 and explained how the payment will be allocated to the amortization bases. The District sent an ADP in the amount of $834,000 on June 25, 2019. That amount was a combination of the Encina Wastewater Authority settlement and JPIA refund check. Because we are now in the middle of the CalPERS 2019 valuation period, the ADP will not be applied until the CalPERS valuation period after that, and the District will have to pay the $1.3 million required UAL contribution.
Finance Manager Owen explained how the amortization bases work. Every year when the assumptions CalPERS makes are not met exactly, it creates new liability. There is a maximum of four potential changes to that liability every year: Non-Asset (Gain)/Loss; Asset (Gain)/Loss; Method Change; and Assumption Change. The changes for the District started in 2013. Staff calculated what the interest savings would be for each base if paid off, determined which bases had the highest savings and which bases to apply the ADP to. The net results of making the $8,054,000 ADP is a savings of $10,368,324. The UAL balance will now be $12.1 million based on the 2020/21 forecast.

General Manager Pruim stated that during the budget process next year, the Board will be asked to determine how much of the $12.1 million (subject to change) should be paid down in that budget while complying with the three-year payoff per the District’s policy.

Mr. Hunsaker stated this is a good idea. There is no getting around the liabilities and increasing liabilities’ costs of carrying over unfunded liability. We are probably not out of the woods yet and could have one new recession. He hasn’t heard anyone talk about COLAs and purchasing power floors which should be kicking in about now for some. Anything to pay off those debts is going to save the District a lot of money.

**OPEB FUNDING STATUS**

Principal Financial Analyst Arthur provided a presentation on Other Post Employment Benefits (OPEB) Funding Status which included:

- Background
- Actual Accrued Liability (AAL)
- California Employer’s Retiree Benefit Trust (CERBT) Balance
- OPEB % Funded
- History
- Next Steps/Questions

The District has money invested in the CERBT which was established in March 2012. The District’s OPEB is a closed system as of July 2013 meaning it is no longer available to new hires. Currently there are approximately 76 active employees eligible for OPEB and 28 retirees (includes employees, spouses, and children). Current retiree health cost is approximately $375,000 per year which is being paid out of the District’s budget. OPEB is for retiree medical coverage only until age 65.

Principal Financial Analyst Arthur stated that the District’s CERBT is currently super funded at 110.7%. Budgeted payments into the CERBT stopped on June 30, 2018. He recommended the District begin drawing down on those funds (reimbursing itself) before July 1, 2020 as originally planned. The funds cannot be used to pay down PERS. Finance Manager Owen stated that plans are to revise the current reserve policy which currently directs funds above the ceiling to go towards OPEB.
OTHER BUSINESS

None.

PUBLIC COMMENT

Mr. Hunsaker stated he wanted to emphasize to the Board that selling the 35-acres possibly isn’t the best way to utilize the property. It’s okay to use for development as far as he’s concerned, but the District should retain ownership and lease the property. This is probably in the long term the best solution for the rate payers. The Port of San Diego has property it chose not to sell, and they are charging a royalty of 11% on the rents. That is vastly more profitable for the government. This would be a way to address any shortfalls due to major new developments in regard to water and waste treatment capacity.

ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at the hour of 6:00 p.m.
President Martin called the Workshop Meeting to order at the hour of 3:00 p.m.

Director Evans led the pledge of allegiance.

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

Staff Present: General Manager Pruim
Legal Counsel Gilpin
District Engineer Gumpel
Finance Manager Owen
Capital Facilities Senior Engineer Morgan
Development Services Senior Engineer Scholl
Executive Secretary Posvar

Others Present: Kevin Ross, Vice President, TerraVerde Energy

ADOPT AGENDA FOR THE WORKSHOP MEETING OF OCTOBER 31, 2019

19-10-16 MOTION WAS MADE by Director Hernandez, seconded by Director Sannella, and carried unanimously, to adopt the agenda for the Workshop Meeting of October 31, 2019.

PUBLIC COMMENT

None.

ITEM(S) FOR DISCUSSION

POWER PURCHASE AGREEMENT

General Manager Pruim stated the Board would receive an update at this workshop on the District-wide solar project. Staff has been working with the consultant, TerraVerde Energy, for quite some time. Approval of a Power Purchase Agreement (PPA) is scheduled for the November 6 Board meeting.
District Engineer Gumpel provided an overview of the District-wide solar project to date. TerraVerde Energy was awarded the contract in January 2018 to review three possible sites: Twin Oaks Reservoir; Lift Station 1 (LS1); and Mahr Reservoir. After further evaluation and completion of a feasibility study, TerraVerde Energy presented information to the Board in September 2018 at which time the Board decided to move forward with the Twin Oaks Reservoir and LS1 sites. In March 2019 the Board took action to move forward with the Mitigated Negative Declaration which the Board will be certifying at the November 6 Board meeting. After going through the Request for Proposal process for solar site developers, staff conducted interviews with three firms in September 2019 and presented the results to the Engineering/Equipment Committee on October 1, 2019.

District Engineer Gumpel stated that actual savings based on the proposed PPA rates would be presented to the Board. He introduced Kevin Ross of TerraVerde Energy who facilitated a presentation on the Solar Energy PPA Project Review as follows:

- Definitions
- Feasibility Study Results – May 2018
- Interconnection Status
- PPA Provider Selection Process
- Benefits of the Solar Energy PPA
- Project Description – Lift Station 1
- Lift Station 1 Proposed Array Layout
- Project Description – Twin Oaks Reservoir
- Twin Oaks Reservoir Proposed Array Layout
- Economic Projections Comparison
- Explanation of Savings Projections
- Project & PPA Risks
- Board Meeting Agenda
- Next Steps – Design/Build
- Questions & Answers

General question and answer took place during the presentation including:

- When will the interconnection construction begin and end, and when will the District start receiving credit? Mr. Ross reviewed the process once the PPA is signed. The deadline for commercial operation is September 30, 2020. There are provisions in the contract for delays.
- The District will have the ability to reallocate where energy produced is credited at the Twin Oaks site. Are there limits on how/when/frequency of doing this? Mr. Ross stated the District can make as many changes as it wants but only once per year.
• What does mitigate energy production shortfall mean? Mr. Ross stated the PPA defines the value of the energy in the event the performance guarantee is not met, using the value as a multiplier for determining the amount of the check that would be provided to the District.

• Can additional panels be added in the future? Mr. Ross stated the PPA does provide for future changes.

• If there is a shutdown/repair of the system, is there a timeframe to collect full credit during that time? Mr. Ross stated there is a period of time which is allowed for annual regular maintenance during which the system would be shut down. The PPA includes a response time of 48 hours and specifies how much time the provider has for maintenance and repairs.

• Why doesn't energy storage make sense? Mr. Ross stated that at the time of the analysis, the cost of battery systems and available state incentives were not as robust as they may be in the near future. TerraVerde Energy will continue to advise the District on eligibility for those incentives and may recommend performing a feasibility assessment on batteries in the future. The addition of batteries, which would be owned by the District, will have no impact on the operation of the solar.

• How many accounts are allowed under the Renewable Energy Self-generation Bill Credit Transfer (RES-BCT) tariff? Mr. Ross stated the number of accounts is limited to 50. Eleven accounts are currently identified as part of the allocation, selected based on their overall consumption and the time of use rate they are on.

• How much savings will be realized at the LS1 site? Mr. Ross stated that depending on system size, the first-year savings would be approximately $30,000 for the 236.52 kWdc system. Over a 25-year period, taking system degradation into consideration, savings would be a little less than $1 million. Director Hernandez and President Martin recommended staff talk with the City of San Marcos to determine if there will be additional costs at that site such as fencing or a wall around the facility.

General Manager Pruim stated the Board will consider approval of the PPA at the November 6 Board meeting during which staff will provide information focused on questions brought up during this workshop that need further explanation.

President Martin asked what would happen if the Board decided not to go forward with the LS1 site? Mr. Ross stated the provider would allow removing the LS1 project from the contract, and the PPA rate, terms, and conditions would remain the same.

Mike Hunsaker, member of the public, addressed the Board stating the consultant’s presentation is by far the clearest, most detailed analysis he has seen. He stated the District has various maintenance issues with reservoirs from time to time. Will there be enough access to make repairs that occur in the ceiling or underwater? Is it advisable to allow access for the future? He further stated that 80% of the cost of power is related to distribution, not to the energy cost. Is the consultant talking about just the power component or is there a distribution credit? He commented on the REC and the fact that
these credits are now substantial and are increasing dramatically. Who gets the benefit of those credits? He requested clarification on what Time of Use (TOU) is being grandfathered.

District Engineer Gumpel and Mr. Ross responded to Mr. Hunsaker’s questions. The layout on the reservoirs allows access wide enough for a vehicle or equipment for repairs. With the RES-BCT project, the commodity (energy) is received. With the Net Energy Metering (NEM) project, the full credit including distribution charges is received. The District will receive REC credits. The TOU from 12:00-6:00 p.m. will be grandfathered until July 2027 and is more valuable to the District in terms of solar production than the 4:00-9:00 p.m. TOU currently and into the foreseeable future.

USES FOR LIFT STATION #1 PROPERTY

General Manager Pruim stated it has come to his attention that other uses for the Lift Station 1 (LS1) property have been proposed. The property is approximately three acres and is zoned MU-3 for mixed use which does not allow residential. LS1 is located on the property and diverts sewer flows from the main sewer outfall to Meadowlark Reclamation Facility. Also on site are chemical storage and injection equipment, a grit dewatering area, waterman valves, a paved area for all weather access, and enhanced landscaping.

General Manager Pruim further stated that other proposed uses for the LS1 site include solar as discussed today, a septage receiving facility, commercial/industrial development, potable water reuse treatment, and wastewater flow attenuation (underground storage for use during peak flows). If used as a PPA site for solar, the property would be encumbered until the buy out option in 10 years. Current zoning does not appear to provide unique or exceptional development opportunities as there are many similarly zoned properties along San Marcos Boulevard that are vacant. Direct potable reuse potential is at least 10 years away. The cost of flow attenuation may be greater than the cost to upsize downstream facilities.

Staff recommended the Board proceed with the PPA. As the City of San Marcos is currently updating their general plan, this might be a good time to talk about zoning and potential uses for the property. The Board may also consider exploring potential uses prior to the PPA buy out options at 10, 20 and 25 years.

General discussion took place regarding the first PPA buy out option at 10 years, possible temporary uses for the LS1 property, zoning, and the pros and cons of not pursuing solar at the LS1 site at this time. Directors Evans, Sannella and Elitharp recommended the District move forward with the solar project at Twin Oaks Reservoir and LS1 as proposed. President Martin stated he would like the LS1 property to remain a passive use with an option in 10 years and in the meantime, the District would receive some money from the solar production.
Mike Hunsaker requested clarification on the REC value and buy out option. He believes that will be a major component that may make doing much of anything in the future a question. Director Hernandez’s question about fencing is germane and it calls for bifurcation. A third option would be to go with Creekside and it’s going to come very quickly. There is little parking. It’s been on the back burner for a long time but can’t wait much longer. There is going to be a massive need for parking for all of these apartments. We’ve had a lot of problems in Lake San Marcos just from student parking issues. He believes this is a very good site for a major parking structure. Before anything is done that can’t be undone for 10 years, more coordination with the City is necessary as to what they are planning for parking and other potential uses. The REC is a major concern to him.

OTHER BUSINESS

None.

ADJOURNMENT

There being no further business to discuss, President Martin adjourned the Workshop Meeting of the Board of Directors at the hour of 5:14 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, November 6, 2019, at 5:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.

Hal J. Martin, President
Board of Directors
Vallecitos Water District

ATTEST:

 Glenn Pruim, Secretary
Board of Directors
Vallecitos Water District
President Martin called the Special meeting to order at the hour of 4:30 p.m.

District Engineer Gumpel led the pledge of allegiance.

Present: Director Elitharp
Director Evans
Director Hernandez
Director Martin

Absent: Director Sannella

Staff Present: General Manager Pruim
Legal Counsel Gilpin
District Engineer Gumpel
Operations & Maintenance Manager Pedrazzi
Capital Facilities Senior Engineer Morgan
Development Services Senior Engineer Scholl
Executive Secretary Posvar

Others Present: Kevin Ross, Vice President, TerraVerde Energy

ADOPT AGENDA FOR THE SPECIAL MEETING OF NOVEMBER 6, 2019

19-11-01 MOTION WAS MADE by Director Evans, seconded by Director Elitharp, and carried unanimously, with Director Sannella absent, to adopt the agenda for the Special Board Meeting of November 6, 2019.

PUBLIC COMMENT

None.

ACTION ITEM

RESOLUTION ADOPTING THE FINAL MITIGATED NEGATIVE DECLARATION FOR THE DISTRICT WIDE SOLAR PROGRAM AND APPROVING A MITIGATION MONITORING AND REPORTING PROGRAM, AND AUTHORIZE THE GENERAL MANAGER TO ENTER INTO A COST REIMBURSEMENT AGREEMENT WITH SOLAR PROVIDER

General Manager Pruim stated the Special meeting was scheduled to clarify minor issues concerning the notification of the November 6, 2019 Regular Board meeting. The Board would be considering two items during the Special meeting related to the Power Purchase Agreement (PPA); adoption of the Mitigated Negative Declaration (MND) and authorization of the General Manager to enter into a Cost Reimbursement Agreement (CRA).
District Engineer Gumpel stated staff would present information on the MND and a summary of the information that was presented at the October 31, 2019 Board Workshop. The PPA would be addressed at the Regular Board meeting today at 5:00 p.m.

Development Services Senior Engineer Scholl provided background information on the MND. On August 21, 2019 the Board approved the public circulation of the Draft MND. The District received ten comment letters during the public review period which ended on October 16. He briefly reviewed the letters in which the comments were for the most part very minor. The letters are included in the Final MND which was made available to the public on the District’s website on November 1.

Development Services Senior Engineer Scholl stated that a Mitigation Monitoring and Reporting Program (MMRP) was also prepared. The purpose of the MMRP is to demonstrate how the District proposes to mitigate any significant effects on the environment.

District Engineer Gumpel stated that in addition to the MND and MMRP, the Board would be asked to act on a Cost Reimbursement Agreement (CRA) associated with the PPA. The CRA sets forth the terms and provisions contained in the PPA under which the solar provider will reimburse the District for its development costs such as inspection, consultants, staff time, and legal costs. Total costs are approximately $300,000.

General discussion took place regarding any conditions the City of San Marcos may impose with regard to solar panels being installed at the Lift Station 1 site. District Engineer Gumpel stated the City’s main concern is the view from the street; however, since there are no residences facing that site, the District may be required to install privacy slots or screening on the front gates only. Even if block walls, fencing, or other conditions are imposed, the cost would be covered under the PPA and would not be the District’s responsibility.

General Manager Pruim stated staff was requesting the Board to authorize the General Manager to enter into the CRA contingent on the Board approving the PPA.

Staff recommended the Board adopt the proposed resolution to adopt the Final MND for the District Wide Solar Program and approve the District Wide Solar Program Final MND Mitigation Monitoring and Reporting Program, and authorize the General Manager to enter into a CRA with SSA Solar of CA 5, LLC, subject to the Board’s approval of the PPA.

19-11-02 MOTION WAS MADE by Director Evans, seconded by Director Hernandez, and carried unanimously, with Director Sannella absent, to adopt the resolution.

Resolution No. 1559 - The roll call vote was as follows:

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

There being no further business to discuss, President Martin adjourned the Special Meeting of the Board of Directors at the hour of 4:46 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, November 6, 2019, at 5:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.

Hal J. Martin, President
Board of Directors
Vallecitos Water District

ATTEST:

Glenn Pruim, Secretary
Board of Directors
Vallecitos Water District
President Martin called the Regular meeting to order at the hour of 5:00 p.m.

Public Information/Conservation Supervisor Robbins led the pledge of allegiance.

Present:  Director Elitharp  
Director Evans  
Director Hernandez  
Director Martin  

Absent:  Director Sannella  

Staff Present:  General Manager Pruim  
Legal Counsel Gilpin  
Administrative Services Manager Emmanuel  
District Engineer Gumpel  
Finance Manager Owen  
Operations & Maintenance Manager Pedrazzi  
Development Services Senior Engineer Scholl  
Capital Facilities Senior Engineer Morgan  
Public Information/Conservation Supervisor Robbins  
Executive Secretary Posvar  

Others Present:  Kevin Ross, Vice President, TerraVerde Energy  

ADOPT AGENDA FOR THE REGULAR MEETING OF NOVEMBER 6, 2019

19-11-03  MOTION WAS MADE by Director Hernandez, seconded by Director Evans, and carried unanimously, with Director Sannella absent, to adopt the agenda for the Regular Board Meeting of November 6, 2019.

PUBLIC COMMENT

Michael Hunsaker, member of the public, addressed the Board commenting on the District’s environmental approach of not requiring plastic cups for drinking. He doesn’t think it is a wise idea. Only about 25% of our trash is recycled. Most of it is shipped or buried. Straws are almost universally ignored. Plastic bags are available almost anywhere. He believes plastic cups for drinking water is a good idea. This District and many others have made a note that it is improper for a restaurant to serve a glass of water because it takes seven glasses of water to clean the glass after use. Forgoing plastic cups means you either have to forgo washing which presents a health danger or you do something that is more symbolic than useful, and you undermine your own water conservation program. He does not believe the health of the rate payers and citizens, nor the environment, nor our water, should be compromised to be politically correct. He thanked the Board.
PRESENTATION

Public Information/Conservation Supervisor Robbins presented the District’s recent video, “Imagine a Day Without Water,” a national effort to raise awareness, educate communities, and a call for action to invest in our nation’s water infrastructure.

CONSENT CALENDAR

19-11-04 MOTION WAS MADE by Director Elitharp, seconded by Director Evans, and carried unanimously, with Director Sannella absent, to approve the Consent Calendar as presented.

1.1 Approval of Minutes

A. Closed Session Board Meeting – October 16, 2019
B. Regular Board Meeting – October 16, 2019
C. Public Awareness/Personnel/Policy Committee Meeting – October 22, 2019

1.2 Warrant List through November 6, 2019 - $4,334,756.66

1.3 Operations & Maintenance Metrics Quarterly Update – September 30, 2019

1.4 Final Acceptance of Sewer Improvements for Firestine Residence, 862 Rock Springs Road, APN: 226-012-46 (Ryan Firestine)

1.5 Project Acceptance for OSHA Compliant Ladder Climb Safety Systems

PUBLIC HEARING

PUBLIC HEARING TO CONSIDER A POWER PURCHASE AGREEMENT AND RESOLUTION TO ADOPT FINDINGS REQUIRED BY GOVERNMENT CODE SECTION 4217.12 REGARDING ANTICIPATED ENERGY COST SAVINGS AND OTHER BENEFITS THE DISTRICT MAY RECEIVE

President Martin opened the hearing as duly noticed and posted to consider a resolution to adopt findings required by California Government Section 4217.12 regarding anticipated energy cost savings and other benefits, and to consider approval of a Power Purchase Agreement (PPA). The hearing opened at 5:14 p.m.

General Manager Pruim stated a Special Board meeting was held earlier today to address two items associated with the PPA. During the Special Board meeting, the Board adopted the Mitigated Negative Declaration (MND) and authorized the General Manager to enter into a Cost Reimbursement Agreement (CRA) subject to the approval of the PPA. He further stated the Board considered the PPA at a Board Workshop held on October 31, 2019.
District Engineer Gumpel provided a brief presentation similar to what was presented at the October 31, 2019 Board Workshop highlighting the main points of the Solar PPA Project as follows:

- Lift Station 1
- Twin Oaks Reservoir
- PPA Overview
- Saving Potential – Projected vs. PPA Rate
- PPA Risks and Options
- Recommendations

District Engineer Gumpel discussed the two proposed sites and solar system sizes. The Lift Station 1 (LS1) site has two system size options, 230kWdc and 168 kWdc. The Twin Oaks Reservoir site would have a 1,900 kWdc system. He explained that the PPA is a third-party partnership with the District. The PPA rate is $0.0779/kWh and is fixed for 25 years with 0% escalation during those years. There is no capital expense to the District and the PPA provider will reimburse the District for all development costs for both sites. The PPA includes buy out options at years 10, 20 and 25 based on fair market value. If the Board decides not to proceed with the LS1 site, there would be no change in the PPA rate at Twin Oaks. Any site development conditions imposed by the City of San Marcos would be paid 100% by the PPA contractor.

District Engineer Gumpel stated the Board will be asked if they want to enter into a PPA, and if so, should LS1 be included? If LS1 is to be included, staff recommends the smaller 168 kWdc system for that site which would be a hedge against future rainy years where LS1 is used very little.

Staff recommended the Board conduct a public hearing per California Government Code Section 4217 to hear public comments, authorize the General Manager to enter into a PPA between PCI (SSA Solar of CA 5, LLC) and the District, and adopt California Government Code Section 4217 Board Resolution approving 4217 findings and the PPA.

General discussion took place regarding staff’s recommendation to downsize the system at LS1 and whether the smaller system could be enlarged in the future. Director Hernandez questioned elements of the PPA such as the 85% output guarantee, clarification that TerraVerde Energy has no contractual connection with PCI (SSA Solar of CA 5, LLC), verification that prevailing wage applies as this is a project for a public agency, the construction schedule, liquidated damages related to delays, termination values paid to the provider should a project be cancelled, and metering tests. Director Hernandez recommended the PPA be modified to address the bifurcation of the two projects should the Board decide to eliminate the LS1 site. District Engineer Gumpel stated this issue would be in the contract per Board direction or the General Manager would not be authorized to sign it. Director Hernandez suggested the Board consider having the real estate firm Cresa search for other opportunities for the LS1 site before making a decision on that site.
Michael Hunsaker, member of the public, addressed the Board expressing his concerns that the state controls the cap and trade market and some of what’s going on with renewable energy credits. He is not convinced because of the relatively small amount of money that we’re getting, tens of thousands of dollars per year. He is concerned about just how valuable these credits are going to be and also the grandfathering of the time of use. If you have time of use, you may be paying $.48 per kilowatt hour. Most of that is distribution costs. Why should we expect Sempra to continue subsidizing the distribution of our solar power? We have massive reserves. If this is a good idea, let’s fund it and do it ourselves. He believes the PPA is not an agreement but is a template with no time limits that could be changed at any time by the General Manager or his designee.

District Engineer Gumpel responded that the value of the credits could vary from year to year and that the PPA is an agreement. The General Manager only has the authority to move forward based on the Board’s direction and any change would need Board approval.

There being no additional persons wishing to address the Board, President Martin closed the hearing at 5:51 p.m.

19-11-05 MOTION WAS MADE by Director Hernandez to authorize the General Manager to enter into a modified PPA with language added regarding bifurcation of the project and requesting Cresa explore alternate uses for the LS1 site.

General Manager Pruim expressed his concern regarding the deadline for signing the PPA. Real estate negotiations can take a long time. Kevin Ross of TerraVerde Energy stated that time is of the essence because of the investment tax credit value which will decrease from its current 30% to 26% beginning on January 1. An IRS rule stipulates how much of the project has to be started, and in this case, in terms of funds spent on engineering and materials.

19-11-06 MOTION WAS MADE by Director Hernandez, seconded by Director Evans, and carried unanimously, with Director Sannella absent to authorize the General Manager to enter into the PPA.

General discussion took place whether to include the LS1 site in the PPA. If the Board decides to include the LS1 site and subsequently decides not to include LS1, the decision to bifurcate the project would have to be made within the next two weeks. The PPA contains provisions that would allow for the elimination of the LS1 site.

19-11-07 MOTION WAS MADE by Director Evans, seconded by Director Elitharp, and carried unanimously, with Director Sannella absent, to include LS1 with the larger system in the PPA.

Further general discussion took place during which Director Hernandez requested a real estate firm be asked to look at alternate uses for LS1. Mr. Ross clarified that the District’s decision to eliminate the LS1 site would have to be made before the PPA provider begins
funding the LS1 site, otherwise there would be an added cost to the District to do so. The 
process and cost of securing a real estate firm was also discussed.

19-11-08 MOTION WAS MADE by Director Hernandez, seconded by Director Evans, 
and carried unanimously, with Director Sannella absent, to adopt findings 
required by California Government Section 4217.12 regarding anticipated 
energy cost savings and other benefits, and to consider approval of a Power 
Purchase Agreement.

Resolution No. 1560 - The roll call vote was as follows:

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

ACTION ITEMS

APPROVAL OF A JOINT USE AGREEMENT WITH THE SAN DIEGO COUNTY WATER 
AUTHORITY AND THE CITY OF ESCONDIDO FOR ACCESS TO DISTRICT FACILITIES 
AT THE VALLECITOS 2 FLOW CONTROL FACILITY

Development Services Senior Engineer Scholl stated the San Diego County Water Authority 
(SDCWA) is currently designing a replacement for the Vallecitos 2 Flow Control Facility 
connection to their aqueduct system. This connection is within a SDCWA easement on a 
property north of Rincon Avenue and east of North Broadway owned by the City of 
Escondido. During planning of the project, the SDCWA discovered no agreements or 
easements exist for the District’s connection facility from Rincon Avenue to the Vallecitos 2 
Flow Control Facility. The purpose of the proposed Joint Use Agreement between the 
District, the SDCWA, and the City of Escondido is to remedy this deficiency. There is no 
cost to the District associated with the agreement.

Development Services Senior Engineer Scholl further stated that a separate agreement is 
currently being drafted for the new Vallecitos 11 Flow Control Facility with the SDCWA. The 
Vallecitos 11 Flow Control Facility agreement will address the operation and maintenance 
responsibilities of the actual flow control facility. Staff anticipates this agreement will be 
ready for Board approval within a couple of months.

Staff recommended the Board approve the Joint Use Agreement with the SDCWA and the 
City of Escondido for its connection facilities to the Vallecitos 2 Flow Control Facility.

19-11-09 MOTION WAS MADE by Director Elitharp, seconded by Director Evans, and 
carried unanimously, with Director Sannella absent, to approve the Joint Use 
Agreement for access to District facilities at the Vallecitos 2 Flow Control 
Facility.
AWARD OF PROFESSIONAL SERVICES AGREEMENT FOR THE MONTIEL LIFT STATION AND FORCE MAIN REPLACEMENT PROJECT

Capital Facilities Senior Engineer Morgan stated the Montiel Lift Station was constructed in 1985 as a temporary facility that was intended to be in operation for less than five years. The Montiel Lift Station pumps flows from the local sewershed through a 6-inch force main on Montiel Road, discharging into a gravity system at the intersection of Nordahl Road and Montiel Road. The 6-inch force main serving the Montiel Lift Station is in danger of failing and is in severe need of replacement. The existing 8-inch gravity sewer that transports wastewater from the 6-inch force main through the Nordahl Shopping Center is undersized and cannot serve additional development in the Montiel sewershed. These three projects are identified in the District’s 2018 Master Plan at a total cost of $2.1 million.

Capital Facilities Senior Engineer Morgan further stated the District previously worked with the City of Escondido in the early 2000’s to evaluate the Montiel Gravity Outfall project which would redirect flows through gravity, decommission the lift station, and tie into the City of Escondido’s sewer system. This idea was not endorsed by the City of Escondido. As a result, the existing Montiel Lift Station and force main will require replacement. The District submitted a Request for Proposal on July 17, 2019 to five firms requesting their experience in designing wastewater projects similar to the Montiel Lift Station and Force Main Replacement Project. On August 16, 2019 staff reviewed proposals received from four firms and selected Michael Baker International, Inc. as the most qualified. The not-to-exceed fee for design, bid and engineering services is $522,172.

Staff recommended the Board authorize the General Manager to enter into a professional engineering services agreement with Michael Baker International, Inc. in the amount of $522,172 for design, bid and engineering services during construction for the Montiel Lift Station and Force Main Replacement Project.

General discussion took place.

19-11-10 MOTION WAS MADE by Director Evans, seconded by President Martin, and carried unanimously, with Director Sannella absent, to authorize the General Manager to enter into a professional engineering services agreement with Michael Baker International, Inc. in the amount of $522,172.

CONSTRUCTION CONTRACT AWARD FOR LAWRENCE WELK COURT WATER LINE REPLACEMENT

Capital Facilities Senior Engineer Morgan stated that on September 9, 2018 staff responded to a break underneath Lawrence Welk Court and attempted to excavate and repair a 12-inch concrete mortar lined and coated steel pipe. Staff excavated to a depth of 12 feet but were unable to reach the pipe. The pipe was isolated and a temporary highline was installed to place a resident back in water service. Staff planned and budgeted to relocate and realign the pipe in the 2019/2020 fiscal year. On October 17, 2019 staff invited four contractors to
the jobsite and conducted a pre-bid meeting. Staff received and opened bids on October 29, 2019. After staff and legal counsel completed their evaluation of qualifications, Southland Paving, Inc. was determined to be the lowest responsive, responsible bidder.

Staff recommended the Board authorize the General Manager to execute a construction contract with Southland Paving, Inc., in the amount of $144,975 subject to the provisions of the Lawrence Welk Court Waterline Replacement Agreement and General Conditions.

General discussion took place regarding the estimated cost of the project. Staff clarified the total budget was $679,000; however, with an anticipated budget surplus of $419,527 due to staff’s ability to plan, design and perform construction management, the project cost is estimated to be $259,473.

19-11-11 MOTION WAS MADE by Director Evans, seconded by Director Elitharp, and carried unanimously, with Director Sannella absent, to authorize the General Manager to execute a construction contract with Southland Paving, Inc. in the amount of $144,975.

REPORTS

GENERAL MANAGER

General Manager Pruim provided the Board copies of a calendar the SDCWA has developed as part of their “Faces of the Water Industry” public outreach campaign to inspire the public’s confidence. Pictures of employees who work for member agencies are included in the calendar. Several of the District’s employees are featured in the calendar: Administrative Services Manager Rhondi Emmanuel, Senior Water Systems Operator Richard Arballo, and Senior Pump/Motor Technician Dale Austin.

DISTRICT LEGAL COUNSEL

Legal Counsel Gilpin clarified for Director Hernandez that in 2012 the legislature specifically amended the prevailing wage with provisions to include power purchase agreements. The District’s solar project is on public property and the public entity is receiving benefit either from the energy generated or credits received.

Legal Counsel Gilpin stated the law firm of Driscoll and Omens, located in Northern California, set up a web page, waterbilloverpay.com, which has been taken down. It was a means to solicit plaintiffs to file Proposition 218 actions all across California. In the past month this law firm has started submitting claims to California water agencies. Vallecitos received a similar claim today. All of the claims submitted are generic and allege violation of Proposition 218 relative to the rates. He believes the intent of the law firm is to file all of these claims and then eventually file one gigantic class action suit.
SAN DIEGO COUNTY WATER AUTHORITY

Director Evans reported the Fiscal Sustainability Task Force had an update recently. Their last two meetings focused on the Transitional Special Agricultural Water Rate. They are considering making it a permanent rule. It was going to be available for new enrollees. They are looking at ways to accommodate the different types of agriculture there are today and will be presenting information in November. The Legislation and Public Outreach Committee commented that Governor Newsom signed 870 bills and vetoed 172 bills this legislative year. There were 2,600 plus bills introduced in 2019; 1,042 were sent to Governor Newsom and 1,583 became two-year bills and are still active in the legislation for next year.

Director Evans noted there is a citizen’s water academy through the SDCWA. The current class will produce their 700th graduate. Vallecitos employees’ pictures and write-ups from the “Faces of the Water Industry” calendar are posted at the SDCWA. She’s been told that Vallecitos is the most active agency at pursuing grants.

Director Evans stated that interviews for the SDCWA General Manager position are scheduled for November 14 and asked the Board to forward any questions they would like her to ask to her or General Manager Pruim.

Director Evans reviewed an article regarding Metropolitan Water District’s (MWD) mid-cycle biennial budget review. MWD is forecasting that water sales next year will continue to track below budget through 2020, and without any additional financial management actions, they anticipate withdrawing more than $135 million from reserves to cover the shortfall. To mitigate the forecasted fiscal year 2020 revenue gap and capital expenditures which are tracking at $100 million above budget, MWD plans to issue $190 million in unplanned debt to cover the capital expenditures and shift $90 million in pay-as-you-go revenues to fund it. MWD issued unplanned dept in fiscal years 2015, 2016 and 2017 to reimburse itself for hundreds of millions in capital expenditures to free up the pay-as-you-go revenues to fund operating expenses and replenish unrestricted reserves. The last time MWD updated its long-range finance plan was in 2004.

ENCINA WASTEWATER AUTHORITY

Director Hernandez stated the Capital Improvement Committee met this morning at which the status of capital projects was discussed. Final design of the network improvement project is taking place. Five bids for the solid thickening predesign were received. Two firms were selected for further consideration and allowed to display their equipment. This will be a four-year project after the equipment has been selected. The co-generation building shoring design has been completed and the project will go out to bid. The primary area improvement project, an $11 million contract, is in the design phase. The project is anticipated to be completed in June of 2021. A design contract was awarded for additional services for digester improvements.

President Martin stated the Policy and Finance Committee met earlier this week. The Committee received the technical plant status report which will be presented at the next
EWA Board meeting and an update on the South Parcel. The Committee reviewed a revised established document amendment pertaining to PERS and who would pay their portion of PERS if EWA should disperse for any reason.

STANDING COMMITTEES

None.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

None.

OTHER BUSINESS

QUARTERLY BOARD EXPENSES (SEPTEMBER 30, 2019)

Recommendation: For information only

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

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

ADJOURNMENT

There being no further business to discuss, President Martin adjourned the Regular Meeting of the Board of Directors at the hour of 6:49 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, November 20, 2019, at 5:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.

Hal J. Martin, President
Board of Directors
Vallecitos Water District

ATTEST:

Glenn Pruim, Secretary
Board of Directors
Vallecitos Water District
Summary

- October Disbursements: $4,849,492
- YTD Disbursements: $21,480,405
- FY2020 Budget: $92,718,000

* Excludes Debt Service

October

FYTD

Disbursements by Month

Invoices Processed

Top 10 Vendors - FYTD

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<tr>
<th>Vendor</th>
<th>Amount</th>
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<tbody>
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<td>SAN DIEGO COUNTY WATER AUTH.</td>
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<td>ENCINA WASTEWATER AUTHORITY</td>
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<td>PUBLIC EMPLOYEES RETIRE SYSTM</td>
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<td>Adamson Police Products</td>
<td>Lights &amp; Console - New Vehicle Set Up Veh 281 Prj 20191-21</td>
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<td>Annual Seismic Preventative Maintenance</td>
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<td>Allied Universal Protection Svcs</td>
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<tr>
<td>Arthur A. Brown Plumbing</td>
<td>Valve Installation - Bldg Restroom</td>
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<tr>
<td>Arvid Alto</td>
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<tr>
<td>AT&amp;T</td>
<td>Phone Svc - SCADA - Oct</td>
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<tr>
<td>AT&amp;T</td>
<td>Phone Svc - Sep</td>
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<td>Barbara Harding</td>
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<td>Best Best &amp; Krieger</td>
<td>Legal Svcs - Sep</td>
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<td>Boncor Water Systems</td>
<td>Soft Water Svc - Oct</td>
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<td>Boot World Inc</td>
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<td>BRG Consulting Inc</td>
<td>District Solar Project - Jul &amp; Aug</td>
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<td>CA Dept of Forestry/Fire Protection</td>
<td>Crew Work - May &amp; Jun</td>
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<td>California Special Dist Assn.</td>
<td>Membership Renewal - 2020</td>
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<td>City of Carlsbad</td>
<td>Right of Way Permit Prj 2016-2019</td>
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<td>Geotechnical Svcs - Aug</td>
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<td>DirectTV Inc</td>
<td>Satellite Svc - Oct</td>
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<td>Dive/Corr Inc</td>
<td>Tank Inspections &amp; Cleanings - 6 Tanks</td>
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<td>Elgomer Inc</td>
<td>Maintenance &amp; Support Agreement 19-20</td>
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<td>Fisher Scientific LLC</td>
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<td>G &amp; W Truck Accessories</td>
<td>Tool Boxes 3, Bed Cover &amp; Box, Side Steps</td>
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<td>Glen &amp; Georlea Philipp</td>
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<td>Grangetto's Farm Garden Supply</td>
<td>Hardware Supplies</td>
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<td>Haaker Equipment Co.</td>
<td>Vactor Check Valve Labor &amp; Installation Veh 240</td>
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<td>Haldeman Inc</td>
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<td>Harper &amp; Associates Inc</td>
<td>Schoolhouse Tank Rehab Prj 20181-03</td>
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<td>Huntington &amp; Associates, Inc.</td>
<td>Control Valve Rebuild Kit</td>
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<td>Training - &quot;Dealing With Difficult People&quot; - J Childs, L Miniter, M Preston</td>
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<td>Lloyd Pest Control</td>
<td>Termite Treatment - District Headquarters</td>
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<td>Mark Wankier</td>
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<td>Hal Martin</td>
<td>WateReuse Symposium 9-9-19</td>
</tr>
<tr>
<td>Matias Labarrere</td>
<td>Radio Equipment Supplies, MISAC Conference 9-29-19</td>
</tr>
<tr>
<td>Mike Arthur</td>
<td>TSAWR Meeting 9-30-19</td>
</tr>
<tr>
<td>Mike Sannella</td>
<td>COWU Meeting 10-15-19</td>
</tr>
<tr>
<td>NCB Repographics</td>
<td>Bond Paper &amp; Copies - North Twin Oaks Prj 2019-03</td>
</tr>
<tr>
<td>Oceu Med Ltd</td>
<td>Medical Svcs - Aug &amp; Sep</td>
</tr>
<tr>
<td>Ostari Inc</td>
<td>IT Support &amp; DUO Software Subscription - Oct</td>
</tr>
<tr>
<td>Pacific Safety Center</td>
<td>Respiratory Fit Testing</td>
</tr>
<tr>
<td>Pamela Lynn &amp; Erick Moris</td>
<td>Closed Account Refund</td>
</tr>
<tr>
<td>Patricia &amp; Peter Sollenne</td>
<td>Closed Account Refund</td>
</tr>
<tr>
<td>Paula Bruno</td>
<td>Closed Account Refund</td>
</tr>
<tr>
<td>Penco, Inc.</td>
<td>Sulfend RT</td>
</tr>
<tr>
<td>Pitney Bowes</td>
<td>Mail System Lease Aug - Nov</td>
</tr>
<tr>
<td>Process Solutions, Inc.</td>
<td>Generator Repair - Salt Tank Twin Oaks Reservoir</td>
</tr>
<tr>
<td>Recycled Aggregate Materials Co Inc</td>
<td>Concrete Recycling</td>
</tr>
<tr>
<td>Rebecca &amp; Scott Lester</td>
<td>Closed Account Refund</td>
</tr>
<tr>
<td>Rene Lopez</td>
<td>Closed Account Refund</td>
</tr>
<tr>
<td>Richard &amp; Richard Construction</td>
<td>Closed Account Refund</td>
</tr>
<tr>
<td>Robin Hinnenkamp</td>
<td>Closed Account Refund</td>
</tr>
<tr>
<td>Ryan Morgan</td>
<td>State of CA -Engineering Cert, CWEA Membership</td>
</tr>
<tr>
<td>Ryan Morgan</td>
<td>Closed Account Refund</td>
</tr>
<tr>
<td>S &amp; J Supply Company, Inc.</td>
<td>Pressure Regulator, Brass Inventory</td>
</tr>
<tr>
<td>SDG&amp;E</td>
<td>Power - Sep &amp; Oct</td>
</tr>
<tr>
<td>San Marcos Trophy</td>
<td>Engraved Retirement Plate</td>
</tr>
<tr>
<td>Sarah &amp; Tyler Polston</td>
<td>Closed Account Refund</td>
</tr>
<tr>
<td>Scott Kandall</td>
<td>Closed Account Refund</td>
</tr>
<tr>
<td>Shaw Equipment Rentals, Inc</td>
<td>Sewer Bypass Repair Prj 2019-1-6</td>
</tr>
<tr>
<td>Shred-It US JV LLC</td>
<td>Shredding Svcs - Sep</td>
</tr>
<tr>
<td>Southern Counties Lubricants, LLC</td>
<td>Unleaded &amp; Diesel Fuel, Oil</td>
</tr>
<tr>
<td>Standard Insurance Company</td>
<td>LIFE, LTD &amp; ADD Insurance - Nov</td>
</tr>
<tr>
<td>State Water Resources Control</td>
<td>Water Distribution Cert Renewal - A Torres</td>
</tr>
<tr>
<td>Talley Communications</td>
<td>SCADA Radio Upgrade Prj 2020-04</td>
</tr>
<tr>
<td>Trussell Technologies Inc</td>
<td>MRF Biological Selector Improvements Jul &amp; Aug Prj 2019-02</td>
</tr>
<tr>
<td>Union-Tribune Publishing Co.</td>
<td>Advertising Svcs - Sep</td>
</tr>
<tr>
<td>Unitis, Inc.</td>
<td>Sand, Gravel, &amp; Concrete Inventory</td>
</tr>
<tr>
<td>Univair USA Inc</td>
<td>Sodium Bisulfite</td>
</tr>
<tr>
<td>UPS</td>
<td>Shipping Svcs - Oct</td>
</tr>
<tr>
<td>Veolia Environmental Services LLC</td>
<td>Hazardous Waste Disposal</td>
</tr>
<tr>
<td>Verizon Wireless</td>
<td>Cell Phone &amp; Ipad Svcs - Sep</td>
</tr>
<tr>
<td>RDO Equipment Co.</td>
<td>John Deere Skip Loader Prj 2020-1-32</td>
</tr>
<tr>
<td>Visser Construction Inc</td>
<td>Bottle Fill Station Installations - MRF &amp; Bldg A Prj 2019-1-67</td>
</tr>
<tr>
<td>Viviana Romo</td>
<td>Closed Account Refund</td>
</tr>
<tr>
<td>Alicia Yerman</td>
<td>MWEL Workshop 9-26-19</td>
</tr>
<tr>
<td>Your Home Brokerage</td>
<td>Closed Account Refund</td>
</tr>
<tr>
<td>Ace Rain Systems Inc.</td>
<td>Rain Gutter Cleaning - District Headquarters</td>
</tr>
<tr>
<td>ACWA</td>
<td>Membership Dues 2020</td>
</tr>
<tr>
<td>Air Pollution Control District</td>
<td>Emission Fee Renewals - 2 - LS 1 &amp; 3896 El Paso Alto</td>
</tr>
<tr>
<td>AIS Specialty Products, Inc.</td>
<td>Copier Lease - Nov</td>
</tr>
<tr>
<td>All Star Signs, Inc.</td>
<td>Name Plates - 12</td>
</tr>
<tr>
<td>American Water Works Assn</td>
<td>Membership Renewal 2020</td>
</tr>
<tr>
<td>Aqua-Metric Sales Co</td>
<td>Meters 24</td>
</tr>
<tr>
<td>Atlas Portable Services Inc</td>
<td>Wet Well Cleaning Svc - Montiel Lift Station</td>
</tr>
<tr>
<td>Flow Barn</td>
<td>Safety Boots</td>
</tr>
<tr>
<td>CCI</td>
<td>Water Treatment - Oct</td>
</tr>
<tr>
<td>County of San Diego</td>
<td>Facility Permit - District Headquarters</td>
</tr>
<tr>
<td>Doane &amp; Hartwig Water Systems Inc</td>
<td>Chlorine Regulator Cleaning, Injection Tube, Hardware Supplies - MRF</td>
</tr>
<tr>
<td>Electrical Sales Inc</td>
<td>Schoolhouse Tank - Outdoor Lights, Hardware Supplies</td>
</tr>
<tr>
<td>Employment Screening Services Inc</td>
<td>Employment Screening Svcs</td>
</tr>
<tr>
<td>FTR, Ltd</td>
<td>FTR Reporter Software - For Board Room - Support 19-20</td>
</tr>
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### PAYEE

<table>
<thead>
<tr>
<th>PAYEE</th>
<th>DESCRIPTION</th>
<th>CHECK#</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grainger Inc</td>
<td>Cleaning &amp; Hardware Supplies, Tables 6, Racks 2</td>
<td>117763</td>
<td>3,780.32</td>
</tr>
<tr>
<td>Infosend Inc</td>
<td>Processing, Postage, Printing, Door Hangers - Sep &amp; Oct</td>
<td>117764</td>
<td>18,485.52</td>
</tr>
<tr>
<td>Mallory Safety &amp; Supply, LLC</td>
<td>Helmets, Safety Supplies</td>
<td>117765</td>
<td>1,050.57</td>
</tr>
<tr>
<td>Marcon Products Inc</td>
<td>Sand Prj 20171-5</td>
<td>117766</td>
<td>1,802.92</td>
</tr>
<tr>
<td>One Source Distributors LLC</td>
<td>Hardware Supplies Prj 20201-4</td>
<td>117767</td>
<td>434.74</td>
</tr>
<tr>
<td>Pacific Pipeline Supply</td>
<td>Air Valves 10, Couplings 4, Pressure Regulators 5, Hardware Supplies</td>
<td>117768</td>
<td>6,392.38</td>
</tr>
<tr>
<td>Plumbers Depot Inc</td>
<td>Check Valves - 6</td>
<td>117769</td>
<td>1,919.29</td>
</tr>
<tr>
<td>Rick Post Welding</td>
<td>Fire Svc Upgrades - Bldg A, B, &amp; C Prj 20171-5</td>
<td>117770</td>
<td>1,957.50</td>
</tr>
<tr>
<td>RK Controls</td>
<td>Ethernet Cables &amp; Connectors - 110 Prj 20201-4</td>
<td>117771</td>
<td>1,943.83</td>
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<tr>
<td>T.S. Industrial Supply</td>
<td>Hardware Supplies</td>
<td>117772</td>
<td>314.78</td>
</tr>
<tr>
<td>Traffic Safety Solutions LLC</td>
<td>Traffic Control - Lane Closure Prj 20161-4</td>
<td>117773</td>
<td>1,650.00</td>
</tr>
<tr>
<td>Traffic Supply Inc</td>
<td>Shoring Pump, Customs Signs 10, Yellow Bollards 8 Bldg C &amp; D - Fire Svc Upgrade</td>
<td>117774</td>
<td>2,327.79</td>
</tr>
<tr>
<td>Unifirst Corporation</td>
<td>Uniform Delivery</td>
<td>117775</td>
<td>3,448.69</td>
</tr>
<tr>
<td>Univar USA Inc</td>
<td>Sodium Bisulfite</td>
<td>117776</td>
<td>2,148.32</td>
</tr>
<tr>
<td>Vortex Industries Inc</td>
<td>Preventative Maintenance - Door at MRF</td>
<td>117777</td>
<td>969.00</td>
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<tr>
<td>Walters Wholesale Electric</td>
<td>Hardware Supplies Prj 20181-9</td>
<td>117778</td>
<td>416.93</td>
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<tr>
<td>Waxe Sanitary Supply</td>
<td>Cleaning Supplies</td>
<td>117779</td>
<td>919.48</td>
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<tr>
<td>White Cap Construction Supply</td>
<td>Concrete Inventory</td>
<td>117780</td>
<td>1,822.71</td>
</tr>
<tr>
<td>Woodard &amp; Curran Inc</td>
<td>Groundwater Study Prj 20191-5</td>
<td>117781</td>
<td>251.33</td>
</tr>
<tr>
<td>Zoho Corporation</td>
<td>Annual Subscription Fee - Manage Engine Software 19-20</td>
<td>117782</td>
<td>3,999.00</td>
</tr>
</tbody>
</table>

Total Disbursements (142 Checks)                  |                                                                                          |          | 617,913.71 |

### WIRES

<table>
<thead>
<tr>
<th>WIRES</th>
<th>DESCRIPTION</th>
<th>CHECK#</th>
<th>AMOUNT</th>
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<tbody>
<tr>
<td>Encina Wastewater Authority</td>
<td>Quarterly UAL Additional Discretionary Payment</td>
<td>Wire</td>
<td>197,239.00</td>
</tr>
<tr>
<td>Encina Wastewater Authority</td>
<td>Quarterly Billing</td>
<td>Wire</td>
<td>1,529,625.24</td>
</tr>
<tr>
<td>Public Employees Retirement System</td>
<td>Retirement Contribution - November 6, 2019 Payroll</td>
<td>Wire</td>
<td>74,973.41</td>
</tr>
</tbody>
</table>

Total Wires                                                                                           |                                                                                          |          | 1,801,837.65|

### PAYROLL

<table>
<thead>
<tr>
<th>PAYROLL</th>
<th>DESCRIPTION</th>
<th>CHECK#</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total direct deposits</td>
<td></td>
<td>Wire</td>
<td>245,659.51</td>
</tr>
<tr>
<td>VWD Employee Association</td>
<td></td>
<td>117638</td>
<td>572.00</td>
</tr>
<tr>
<td>Payroll &amp; Garnishments</td>
<td></td>
<td>117639 through 117640</td>
<td>1,001.06</td>
</tr>
<tr>
<td>IRS</td>
<td>Federal payroll tax deposits</td>
<td>Wire</td>
<td>92,074.74</td>
</tr>
<tr>
<td>Employment Development Department</td>
<td>California payroll tax deposit</td>
<td>Wire</td>
<td>17,546.64</td>
</tr>
<tr>
<td>CalPERS</td>
<td>Deferred compensation withheld</td>
<td>Wire</td>
<td>19,255.94</td>
</tr>
<tr>
<td>VOYA</td>
<td>Deferred compensation withheld</td>
<td>Wire</td>
<td>7,237.17</td>
</tr>
</tbody>
</table>

Total November 6, 2019 Payroll Disbursements                                                   |                                                                                          |          | 383,347.06 |

<table>
<thead>
<tr>
<th>PAYROLL</th>
<th>DESCRIPTION</th>
<th>CHECK#</th>
<th>AMOUNT</th>
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</thead>
<tbody>
<tr>
<td>Total direct deposits</td>
<td></td>
<td>Wire</td>
<td>6,213.92</td>
</tr>
<tr>
<td>IRS</td>
<td>Federal payroll tax deposits</td>
<td>Wire</td>
<td>4,920.21</td>
</tr>
<tr>
<td>Employment Development Department</td>
<td>California payroll tax deposit</td>
<td>Wire</td>
<td>875.46</td>
</tr>
<tr>
<td>VOYA</td>
<td>Deferred compensation withheld</td>
<td>Wire</td>
<td>6,000.00</td>
</tr>
</tbody>
</table>

Special Payroll Disbursements (i.e., final checks, accrual payouts, etc.)                   |                                                                                          |          | 18,009.59  |

Total Payroll Disbursements                                                                     |                                                                                          |          | 401,356.65 |

TOTAL DISBURSEMENTS                                                                          |                                                                                          |          | 2,821,108.01|

32  Item 1.2
Vallecitos Water District
Active Water Meters
October 31, 2019

Active Meters by Size as of October 31, 2019

- 5/8" (18,165, 83%)
- 3/4" (1,292, 6%)
- 1" (1,075, 5%)
- 2" (545, 3%)
- 1 ½" (742, 3%)
- 3/4" & larger (66, 0.3%)

Total Active Meters: 21,885

Active Meters by Type as of October 31, 2019

- Residential (19,290, 88%)
- Multi-Family (555, 3%)
- Comm/Indust (957, 4%)
- Irrigation (872, 4%)
- Agricultural (118, 1%)
- Other (93, 0.4%)

Item 1.3
Vallecitos Water District
Water Production/Sales
October 31, 2019

Water Sales FY 17-18, FY 18-19 and FY 19-20 (FYTD)
(in Acre Feet)

<table>
<thead>
<tr>
<th></th>
<th>FY 2017-18</th>
<th>FY 2018-19</th>
<th>FY 2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>3,509 AF</td>
<td>3,554 AF</td>
<td>3,309 AF</td>
</tr>
<tr>
<td>Irrigation</td>
<td>1,357 AF</td>
<td>1,567 AF</td>
<td>1,260 AF</td>
</tr>
<tr>
<td>Agricultural</td>
<td>435 AF</td>
<td>419 AF</td>
<td>320 AF</td>
</tr>
<tr>
<td>Commer/ Indust/Construct/ Other</td>
<td>666 AF</td>
<td>692 AF</td>
<td>653 AF</td>
</tr>
</tbody>
</table>

FY 2017-18 YTD Total = 5,967 AF
FY 2018-19 YTD Total = 6,231 AF + 4.4% *
FY 2019-20 YTD Total = 5,542 AF -11.1% *

* Compared to the previous fiscal year

Water Production Budget vs. Actual
Fiscal Year 2018-19 and 2019-20
(In Acre Feet)
Gallons per Capita per Day
12-Month Rolling Average

2020 Target, 159.4

Oct 2015: 117.2
Oct 2016: 121.9
Oct 2017: 126.4
Oct 2018: 136.0
Oct 2019: 116.1
DATE: NOVEMBER 20, 2019
TO: BOARD OF DIRECTORS
SUBJECT: MONTHLY FINANCIAL REPORTS

BACKGROUND:
The Monthly Revenue and Expense Reports and the Reserve Report for the four months ended October 31, 2019 are presented.

DISCUSSION:
The Monthly Revenue and Expense reports summarize revenues by service type and expenses by department over the 4-month period. Comparisons to prior year actual and current year budget amounts are also presented. 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 Four Months Ended October 31, 2019

<table>
<thead>
<tr>
<th></th>
<th>Current Year Actual</th>
<th>Prior Year Actual</th>
<th>Variance</th>
<th>Current Year Budget</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount</td>
<td>$</td>
<td>%</td>
<td>Amount</td>
<td>$</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water Sales</td>
<td>$12,159,375</td>
<td>$13,480,547</td>
<td>(-1,321,172)</td>
<td>-9.8%</td>
<td>$13,418,000</td>
</tr>
<tr>
<td>Ready-to-serve</td>
<td>4,776,494</td>
<td>4,515,986</td>
<td>260,508</td>
<td>5.8%</td>
<td>4,602,000</td>
</tr>
<tr>
<td>Pumping cost recovery</td>
<td>165,046</td>
<td>142,925</td>
<td>22,121</td>
<td>15.5%</td>
<td>144,000</td>
</tr>
<tr>
<td>Late &amp; lock charges</td>
<td>119,138</td>
<td>155,211</td>
<td>(36,073)</td>
<td>-23.2%</td>
<td>154,000</td>
</tr>
<tr>
<td>Backflow fees</td>
<td>31,959</td>
<td>30,541</td>
<td>1,418</td>
<td>4.6%</td>
<td>32,000</td>
</tr>
<tr>
<td>Other revenue</td>
<td>40,733</td>
<td>49,303</td>
<td>(8,570)</td>
<td>-17.4%</td>
<td>41,700</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>17,292,745</td>
<td>18,374,513</td>
<td>(1,081,768)</td>
<td>-5.9%</td>
<td>18,391,700</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water costs</td>
<td>11,410,633</td>
<td>11,901,247</td>
<td>(490,614)</td>
<td>-4.1%</td>
<td>12,170,000</td>
</tr>
<tr>
<td>Pumping costs</td>
<td>292,799</td>
<td>304,262</td>
<td>(11,463)</td>
<td>-3.8%</td>
<td>384,000</td>
</tr>
<tr>
<td>Water quality</td>
<td>37,341</td>
<td>41,133</td>
<td>(3,792)</td>
<td>-9.2%</td>
<td>74,000</td>
</tr>
<tr>
<td>Water treatment</td>
<td>186,519</td>
<td>149,932</td>
<td>36,587</td>
<td>24.4%</td>
<td>163,000</td>
</tr>
<tr>
<td>Tanks &amp; reservoirs</td>
<td>146,735</td>
<td>108,118</td>
<td>38,617</td>
<td>35.7%</td>
<td>155,000</td>
</tr>
<tr>
<td>Trans &amp; distribution</td>
<td>567,268</td>
<td>732,723</td>
<td>(165,455)</td>
<td>-22.6%</td>
<td>614,000</td>
</tr>
<tr>
<td>Services</td>
<td>16,424</td>
<td>31,598</td>
<td>(15,174)</td>
<td>-48.0%</td>
<td>29,000</td>
</tr>
<tr>
<td>Meters</td>
<td>246,482</td>
<td>198,636</td>
<td>47,846</td>
<td>24.1%</td>
<td>258,000</td>
</tr>
<tr>
<td>Backflow prevention</td>
<td>17,738</td>
<td>14,656</td>
<td>3,082</td>
<td>21.0%</td>
<td>22,000</td>
</tr>
<tr>
<td>Customer accounts</td>
<td>199,540</td>
<td>202,933</td>
<td>(3,393)</td>
<td>-1.7%</td>
<td>223,000</td>
</tr>
<tr>
<td>Building &amp; grounds</td>
<td>111,136</td>
<td>134,497</td>
<td>(23,361)</td>
<td>-17.4%</td>
<td>131,000</td>
</tr>
<tr>
<td>Equipment &amp; vehicles</td>
<td>77,350</td>
<td>67,920</td>
<td>9,430</td>
<td>13.9%</td>
<td>110,000</td>
</tr>
<tr>
<td>Engineering</td>
<td>511,598</td>
<td>482,645</td>
<td>28,953</td>
<td>6.0%</td>
<td>540,000</td>
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<tr>
<td>Safety &amp; compliance</td>
<td>68,941</td>
<td>82,602</td>
<td>(13,661)</td>
<td>-16.5%</td>
<td>80,000</td>
</tr>
<tr>
<td>Information Technology</td>
<td>308,001</td>
<td>246,106</td>
<td>61,895</td>
<td>25.1%</td>
<td>346,000</td>
</tr>
<tr>
<td>General &amp; administrative</td>
<td>967,405</td>
<td>809,959</td>
<td>157,446</td>
<td>19.4%</td>
<td>995,000</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>15,165,910</td>
<td>15,508,967</td>
<td>(343,057)</td>
<td>-2.2%</td>
<td>16,294,000</td>
</tr>
<tr>
<td><strong>Net Operating Income</strong></td>
<td>$2,126,835</td>
<td>$2,865,546</td>
<td>(738,711)</td>
<td>-25.8%</td>
<td>$2,097,700</td>
</tr>
</tbody>
</table>

**Explanation of Significant Variances**

- **Late & lock charges** are lower than prior year and budget due to lower than anticipated delinquent accounts so far this year.

- The **Pumping costs** and **Water quality** favorable budget variances are a result of less than anticipated outside services being performed so far this year.

- The **Water treatment** unfavorable prior year variance is related to anticipated increases in material and supply costs.

- The **Tanks and reservoirs** unfavorable prior year variance is due to anticipated increases in outside repair costs.

- **Transmission and distribution** has a favorable prior year variance as a result of fewer main breaks during the year thus far.

- The unfavorable prior year variance in **Information technology** is a result of anticipated increases in outside services.

- The unfavorable prior year variance in **Meters** is related to anticipated increases in material and supply costs.

Variance are considered significant if they exceed $33333 and 20%.
### Vallecitos Water District

#### Sewer Revenue and Expense Report

For the Four Months Ended October 31, 2019

<table>
<thead>
<tr>
<th></th>
<th>Current Year Actual</th>
<th>Prior Year Actual</th>
<th>Variance</th>
<th>Current Year Budget</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$6,211,742</td>
<td>$6,187,590</td>
<td>$24,152</td>
<td>0.4%</td>
<td></td>
</tr>
<tr>
<td><strong>Recovery</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sewer service charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>822,000</td>
<td>658,000</td>
<td>164,000</td>
<td>24.9%</td>
<td></td>
</tr>
<tr>
<td>Reclaimed water sales</td>
<td>24,593</td>
<td>660,827</td>
<td>(636,234)</td>
<td>-96.3%</td>
<td></td>
</tr>
<tr>
<td>Total Revenue</td>
<td>7,058,335</td>
<td>7,506,417</td>
<td>(448,082)</td>
<td>-6.0%</td>
<td></td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collection &amp; conveyance</td>
<td>771,962</td>
<td>634,689</td>
<td>137,273</td>
<td>21.6%</td>
<td></td>
</tr>
<tr>
<td>Lift stations</td>
<td>67,177</td>
<td>58,224</td>
<td>8,953</td>
<td>15.4%</td>
<td></td>
</tr>
<tr>
<td>Source control</td>
<td>53,612</td>
<td>63,009</td>
<td>(9,397)</td>
<td>-14.9%</td>
<td></td>
</tr>
<tr>
<td>Effluent disposal</td>
<td>1,171,667</td>
<td>925,667</td>
<td>246,000</td>
<td>26.6%</td>
<td></td>
</tr>
<tr>
<td>Meadowlark</td>
<td>841,665</td>
<td>1,072,563</td>
<td>(230,898)</td>
<td>-21.5%</td>
<td></td>
</tr>
<tr>
<td>Customer Accounts</td>
<td>131,794</td>
<td>142,370</td>
<td>(10,576)</td>
<td>-7.4%</td>
<td></td>
</tr>
<tr>
<td>Building &amp; grounds</td>
<td>60,170</td>
<td>92,443</td>
<td>(32,273)</td>
<td>-34.9%</td>
<td></td>
</tr>
<tr>
<td>Equipment &amp; vehicles</td>
<td>67,860</td>
<td>55,492</td>
<td>12,368</td>
<td>22.3%</td>
<td></td>
</tr>
<tr>
<td>Engineering</td>
<td>195,846</td>
<td>186,739</td>
<td>9,107</td>
<td>4.9%</td>
<td></td>
</tr>
<tr>
<td>Safety &amp; compliance</td>
<td>49,505</td>
<td>51,915</td>
<td>(2,410)</td>
<td>-4.6%</td>
<td></td>
</tr>
<tr>
<td>Information technology</td>
<td>241,411</td>
<td>201,398</td>
<td>40,013</td>
<td>19.9%</td>
<td></td>
</tr>
<tr>
<td>General &amp; administrative</td>
<td>421,336</td>
<td>417,986</td>
<td>3,350</td>
<td>0.8%</td>
<td></td>
</tr>
<tr>
<td>Total Expenses</td>
<td>4,074,005</td>
<td>3,902,495</td>
<td>171,510</td>
<td>4.4%</td>
<td></td>
</tr>
<tr>
<td><strong>Net Operating Income</strong></td>
<td>$2,984,330</td>
<td>$3,603,922</td>
<td>(619,592)</td>
<td>-17.2%</td>
<td>$2,120,000</td>
</tr>
</tbody>
</table>

### Explanation of Significant Variances

**Reclaimed water sales** are higher than prior year because a greater amount of capital costs are being recovered through reclaimed water sales.

**Other revenues** are low compared to prior year because of the litigation settlement related to illegal dumping in the Encina disposal system in FY19.

**Collection & conveyance** has an unfavorable prior year variance due to anticipated increases in material, supply, and chemical costs.

**Lift stations** has a favorable budget variance due to less than anticipated materials and supplies being used during the year thus far.

The **Effluent disposal** unfavorable prior year variance is due to anticipated increases in treatment costs.

The **Meadowlark Plant** has a favorable prior year and budget variance as a result of less than anticipated outside services being performed thus far.

**Customer Accounts** has a favorable budget variance due to less than anticipated materials and supplies being used during the year thus far.

Variance are considered significant if they exceed $333,333 and 20%.
REPLACEMENT RESERVES

The District maintains two replacement reserves in cash equivalents and investments: One for the District’s water system, and the other for the District’s wastewater system. The District’s reserve policy establishes a floor of the sum of the next three years of projected system replacement costs, and a ceiling of the sum of the next ten years of system replacement costs. As of October 31, 2019, the total water and wastewater replacement reserve balance was $86.9 million, 13 percent greater than October 31, 2018.

WATER REPLACEMENT RESERVE

As of October 31, 2019, the District’s water replacement reserve totaled $33.1 million, an increase of 12 percent, or $3.7 million, from the same month of the prior year. The month-end balance is within the floor and ceiling established by the reserve policy, leaving the District with sufficient reserves to meet infrastructure replacement needs.

WASTEWATER REPLACEMENT RESERVE

As of October 31, 2019, the balance in the District’s wastewater replacement reserve totaled $53.8 million, an increase of 14 percent, or $6.5 million, from the same month of the prior year. The month-end balance is within the approved floor and ceiling.

CAPACITY RESERVES

The District collects capital facility fees from new development and increased demands from existing customers, maintains the collected fees in separate funds (one for water and one for wastewater), and uses the funds exclusively to provide capacity to serve new development and fund future construction of facilities identified in the District’s Master Plan and capital budget. As of October 31, 2019, the water capacity fund had a deficit of $7.5 million and the sewer capacity fund had a deficit of $6.5 million. The District’s capital facility fees situation is expected to improve with the adoption of the new Master Plan and the corresponding capacity fee study.
### Vallecitos Water District

#### Reserve Activity for the Month of October 2019

<table>
<thead>
<tr>
<th></th>
<th>110 Water Replacement</th>
<th>120 Water Capacity</th>
<th>210 Wastewater Replacement</th>
<th>220 Wastewater Capacity</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beginning Balance</strong></td>
<td>$37,641,145</td>
<td>$(8,333,147)</td>
<td>$58,689,994</td>
<td>$(6,268,379)</td>
<td>$81,729,614</td>
</tr>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 19/20 Operating Transfers</td>
<td>2,126,835</td>
<td>2,984,330</td>
<td>5,111,165</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Facility Fees</td>
<td>-</td>
<td>843,767</td>
<td>-</td>
<td>1,391,532</td>
<td>2,235,299</td>
</tr>
<tr>
<td>Investment Earnings</td>
<td>285,005</td>
<td>-</td>
<td>287,309</td>
<td>-</td>
<td>572,314</td>
</tr>
<tr>
<td>Property Tax</td>
<td>43,800</td>
<td>-</td>
<td>40,400</td>
<td>-</td>
<td>84,201</td>
</tr>
<tr>
<td>RDA pass-through</td>
<td>43,514</td>
<td>-</td>
<td>33,666</td>
<td>-</td>
<td>77,179</td>
</tr>
<tr>
<td>Annexation Fees</td>
<td>1,757</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,757</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>2,500,911</td>
<td>843,767</td>
<td>3,345,705</td>
<td>1,391,532</td>
<td>8,081,915</td>
</tr>
<tr>
<td><strong>Less Distributions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Projects</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rock Springs Sewer Replacement</td>
<td>-</td>
<td>-</td>
<td>355,807</td>
<td>434,876</td>
<td>790,683</td>
</tr>
<tr>
<td>Schoolhouse Tank Refurbishment</td>
<td>350,376</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>350,376</td>
</tr>
<tr>
<td>Montiel Lift Station And Forecmain Replacement</td>
<td>-</td>
<td>-</td>
<td>204,689</td>
<td>83,606</td>
<td>288,295</td>
</tr>
<tr>
<td>OSHA Compliant Ladder Systems</td>
<td>164,873</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>164,873</td>
</tr>
<tr>
<td>District-Wide SCADA Upgrade Project</td>
<td>83,028</td>
<td>-</td>
<td>79,772</td>
<td>-</td>
<td>162,800</td>
</tr>
<tr>
<td>San Marcus Interceptor Sewer</td>
<td>-</td>
<td>-</td>
<td>33,591</td>
<td>74,767</td>
<td>108,358</td>
</tr>
<tr>
<td>MRF Biological Selector Improvements</td>
<td>-</td>
<td>-</td>
<td>80,095</td>
<td>-</td>
<td>80,095</td>
</tr>
<tr>
<td>Sewer Bypass Repair</td>
<td>-</td>
<td>-</td>
<td>73,096</td>
<td>-</td>
<td>73,096</td>
</tr>
<tr>
<td>MRF - Influent Pumps &amp; Motors</td>
<td>-</td>
<td>-</td>
<td>67,488</td>
<td>-</td>
<td>67,488</td>
</tr>
<tr>
<td>District Wide Valve Replacement</td>
<td>63,158</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>63,158</td>
</tr>
<tr>
<td>Fire Services - Backflow Preventer Upgrades</td>
<td>58,993</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>58,993</td>
</tr>
<tr>
<td>Technology Infrastructure Upgrades</td>
<td>29,790</td>
<td>-</td>
<td>28,622</td>
<td>-</td>
<td>58,412</td>
</tr>
<tr>
<td>Asset Managment Replacement Schedule</td>
<td>18,283</td>
<td>-</td>
<td>17,567</td>
<td>-</td>
<td>35,850</td>
</tr>
<tr>
<td>Lawrence Welk Court Water Line Replacement</td>
<td>26,939</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>26,939</td>
</tr>
<tr>
<td>Building A Kitchens</td>
<td>13,706</td>
<td>-</td>
<td>13,169</td>
<td>-</td>
<td>26,875</td>
</tr>
<tr>
<td>Door Access System Expansion</td>
<td>11,079</td>
<td>-</td>
<td>10,645</td>
<td>-</td>
<td>21,724</td>
</tr>
<tr>
<td>Cal State San Marcos Meter Upgrade</td>
<td>15,093</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>15,093</td>
</tr>
<tr>
<td>North Twin Oaks Tank 1 Refurbishment</td>
<td>13,740</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>13,740</td>
</tr>
<tr>
<td>Sewer Rehabilitation And Repairs</td>
<td>-</td>
<td>-</td>
<td>13,609</td>
<td>-</td>
<td>13,609</td>
</tr>
<tr>
<td>Palos Vista Pump Station Generator</td>
<td>12,036</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>12,036</td>
</tr>
<tr>
<td>All other capital projects</td>
<td>6,600</td>
<td>-</td>
<td>9,080</td>
<td>1,344</td>
<td>17,024</td>
</tr>
<tr>
<td>Capital Budget - Vehicles/Mobile Equipmnt</td>
<td>227,608</td>
<td>-</td>
<td>233,245</td>
<td>-</td>
<td>460,853</td>
</tr>
<tr>
<td>Debt Service</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>979,472</td>
<td>979,472</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>-</td>
<td>46,147</td>
<td>-</td>
<td>37,058</td>
<td>83,205</td>
</tr>
<tr>
<td><strong>Total Distributions</strong></td>
<td>1,095,302</td>
<td>46,147</td>
<td>1,220,476</td>
<td>1,611,122</td>
<td>3,973,046</td>
</tr>
<tr>
<td><strong>Ending Balance</strong></td>
<td>$39,046,754</td>
<td>$(7,535,526)</td>
<td>$60,815,223</td>
<td>$(6,487,969)</td>
<td>$85,838,482</td>
</tr>
<tr>
<td>Less: Operating Reserves</td>
<td>5,970,100</td>
<td>-</td>
<td>7,024,900</td>
<td>-</td>
<td>12,995,000</td>
</tr>
<tr>
<td>Replacement Reserves/Restricted Funds</td>
<td>$33,076,654</td>
<td>$(7,535,526)</td>
<td>$53,790,323</td>
<td>$(6,487,969)</td>
<td>$72,843,482</td>
</tr>
<tr>
<td>Replacement reserve floor</td>
<td>$8,136,700</td>
<td>-</td>
<td>$18,603,400</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Replacement reserve ceiling</td>
<td>$34,640,500</td>
<td>-</td>
<td>$54,762,600</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>
VALLECITOS WATER DISTRICT
INVESTMENT REPORT FOR OCTOBER 2019

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 October follows:

<table>
<thead>
<tr>
<th>Date</th>
<th>Activity</th>
<th>Investment</th>
<th>Amount</th>
<th>Maturity</th>
<th>Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>10/01/19</td>
<td>Withdrawal</td>
<td>LAIF</td>
<td>(200,000)</td>
<td>Open</td>
<td>2.19%</td>
</tr>
<tr>
<td>10/02/19</td>
<td>Matured</td>
<td>FHMLC</td>
<td>(500,000)</td>
<td>10/02/19</td>
<td>1.25%</td>
</tr>
<tr>
<td>10/03/19</td>
<td>Deposit</td>
<td>LAIF</td>
<td>600,000</td>
<td>Open</td>
<td>2.19%</td>
</tr>
<tr>
<td>10/07/19</td>
<td>Deposit</td>
<td>LAIF</td>
<td>600,000</td>
<td>Open</td>
<td>2.19%</td>
</tr>
<tr>
<td>10/09/19</td>
<td>Deposit</td>
<td>LAIF</td>
<td>600,000</td>
<td>Open</td>
<td>2.19%</td>
</tr>
<tr>
<td>10/10/19</td>
<td>Purchased</td>
<td>FHLB BDS</td>
<td>724,864</td>
<td>09/08/23</td>
<td>2.38%</td>
</tr>
<tr>
<td>10/15/19</td>
<td>Interest Earned</td>
<td>LAIF</td>
<td>108,912</td>
<td>Open</td>
<td>2.19%</td>
</tr>
<tr>
<td>10/15/19</td>
<td>Withdrawal</td>
<td>LAIF</td>
<td>(2,000,000)</td>
<td>Open</td>
<td>2.19%</td>
</tr>
<tr>
<td>10/15/19</td>
<td>Sold</td>
<td>TAOT 2017-B</td>
<td>(27,204)</td>
<td>07/15/21</td>
<td>1.76%</td>
</tr>
<tr>
<td>10/15/19</td>
<td>Sold</td>
<td>TAOT 2019-A</td>
<td>(29,991)</td>
<td>10/15/21</td>
<td>2.83%</td>
</tr>
<tr>
<td>10/15/19</td>
<td>Sold</td>
<td>JDOT 2017-B</td>
<td>(31,256)</td>
<td>10/15/21</td>
<td>1.82%</td>
</tr>
<tr>
<td>10/15/19</td>
<td>Sold</td>
<td>JDOT 2018-B</td>
<td>(26,769)</td>
<td>04/15/21</td>
<td>2.83%</td>
</tr>
<tr>
<td>10/17/19</td>
<td>Deposit</td>
<td>LAIF</td>
<td>700,000</td>
<td>Open</td>
<td>2.19%</td>
</tr>
<tr>
<td>10/18/19</td>
<td>Sold</td>
<td>HAROT 2017-3</td>
<td>(22,226)</td>
<td>09/20/21</td>
<td>1.79%</td>
</tr>
<tr>
<td>10/22/19</td>
<td>Deposit</td>
<td>LAIF</td>
<td>800,000</td>
<td>Open</td>
<td>2.19%</td>
</tr>
<tr>
<td>10/28/19</td>
<td>Deposit</td>
<td>LAIF</td>
<td>600,000</td>
<td>Open</td>
<td>2.19%</td>
</tr>
<tr>
<td>10/28/19</td>
<td>Matured</td>
<td>FHLB BDS</td>
<td>(500,000)</td>
<td>10/28/19</td>
<td>1.19%</td>
</tr>
<tr>
<td>10/31/19</td>
<td>Purchased</td>
<td>FHLB BDS</td>
<td>660,433</td>
<td>06/09/23</td>
<td>2.13%</td>
</tr>
</tbody>
</table>

Change in investments during the month $2,056,763

Weighted average annual yield for total Vallecitos investments 2.310%
Weighted average days to maturity 402

The State Treasurer’s Office provides fair market values of LAIF quarterly on their web site. The most recent valuation, which is used on this report, is as of September 30, 2019. The San Diego County Treasurer provides the fair values for the County investment pool. The most recent values and returns, which are used for this report, are for September 30, 2019. 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.

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 $19.1 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.
Vallecitos Water District Consolidated Account
Account #10594

PORTFOLIO CHARACTERISTICS

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Modified Duration</td>
<td>1.10</td>
</tr>
<tr>
<td>Average Coupon</td>
<td>2.13%</td>
</tr>
<tr>
<td>Average Purchase YTM</td>
<td>2.31%</td>
</tr>
<tr>
<td>Average Market YTM</td>
<td>1.87%</td>
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<tr>
<td>Average S&amp;P/Moody Rating</td>
<td>AA+/Aa1</td>
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<tr>
<td>Average Final Maturity</td>
<td>1.33 yrs</td>
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<tr>
<td>Average Life</td>
<td>1.19 yrs</td>
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ACCOUNT SUMMARY

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<th>Beg. Values as of 9/30/19</th>
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<td>314,319</td>
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<td>Cost Value</td>
<td>72,857,668</td>
<td>74,732,362</td>
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TOP ISSUERS

- Local Agency Investment Fund 25.2%
- Government of United States 18.9%
- Federal Home Loan Bank 7.9%
- Federal Farm Credit Bank 7.9%
- County of San Diego Pooled Inv 7.1%
- Federal National Mortgage Assoc 6.9%
- Federal Home Loan Mortgage Corp 2.6%
- Bank of Montreal Chicago 1.3%
- Total 78.0%

SECTOR ALLOCATION

- Agency 25.4%
- LAIF 25.2%
- US Treasury 18.9%
- US Corp 12.5%
- LGIP 7.1%
- Neg CD 4.9%
- ABS 3.8%
- Supra 2.0%
- Money Mkt Fd 0.1%

CREDIT QUALITY (S&P)

- AAA (3.9%)
- AA (51.5%)
- A (8.0%)
- NR (36.6%)

MATURITY DISTRIBUTION

- 0 - 25: 34.4%
- 25.1 - 50: 5.3%
- 50.1 - 100: 5.9%
- 100.1 - 500: 23.1%
- 500.1 - 1000: 18.9%
- 1000.1 - 5000: 10.0%
- 5000.1 - 10000: 2.3%
<table>
<thead>
<tr>
<th>CUSIP</th>
<th>Security Description</th>
<th>Par Value/Units</th>
<th>Purchase Date</th>
<th>Book Yield</th>
<th>Cost Value Book Value</th>
<th>Mkt Price</th>
<th>Mkt YTM</th>
<th>Market Value</th>
<th>% of Port.</th>
<th>Moody/S&amp;P</th>
<th>Fitch</th>
<th>Maturity</th>
<th>Duration</th>
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<tbody>
<tr>
<td>47788EAB4</td>
<td>John Deere Owner Trust 2018-B A2</td>
<td>141,676.88</td>
<td>01/29/2019</td>
<td>2.95%</td>
<td>141,555.13</td>
<td>141,633.44</td>
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<td>141,905.96</td>
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<td>AAA</td>
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<td>0.20</td>
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<td>247,778.67</td>
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<td>2.78%</td>
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<td>247,613.40</td>
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<td>242,690.84</td>
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<td>291,624.45</td>
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<td><strong>Total ABS</strong></td>
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<td><strong>2,877,040.30</strong></td>
<td><strong>2,883,550.62</strong></td>
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<td>AAA</td>
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**AGENCY**

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<th>Security Description</th>
<th>Par Value/Units</th>
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<th>Book Yield</th>
<th>Cost Value Book Value</th>
<th>Mkt Price</th>
<th>Mkt YTM</th>
<th>Market Value</th>
<th>% of Port.</th>
<th>Moody/S&amp;P</th>
<th>Fitch</th>
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<th>Duration</th>
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<td>Mkt YTM</td>
<td>Market Value Accrued Int.</td>
<td>% of Port. Gain/Loss</td>
<td>Moody/S&amp;P</td>
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<td>Market Value</td>
<td>% of Port. Gain/Loss</td>
<td>Moody/S&amp;P</td>
<td>Maturity</td>
<td>Duration</td>
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<td>2.36</td>
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<td>500,000.00</td>
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<td>2.68%</td>
<td>507,580.00</td>
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<td>AAA / AA+</td>
<td>2.86</td>
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<td>3130AFE78</td>
<td>FHLB Note 3% Due 12/9/2022</td>
<td>1,000,000.00</td>
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<td>2.71%</td>
<td>1,010,700.00</td>
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<td>2.94</td>
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<td>313383G43</td>
<td>FHLB Note 2.125% Due 6/9/2023</td>
<td>650,000.00</td>
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<td>1.66%</td>
<td>660,432.50</td>
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<td>662,622.35</td>
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<td>3133EKZ5</td>
<td>FFCB Note 1.6% Due 8/14/2023</td>
<td>1,000,000.00</td>
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<td>1.48%</td>
<td>1,004,700.00</td>
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<td>FHLB Note 2.375% Due 9/8/2023</td>
<td>700,000.00</td>
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<td>724,864.00</td>
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<td>721,260.40</td>
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<td>3133EKMX1</td>
<td>FFCB Note 2.23% Due 2/23/2024</td>
<td>750,000.00</td>
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<td>1.91%</td>
<td>760,425.00</td>
<td>102.85</td>
<td>771,390.00</td>
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<td>Local Agency Investment Fund State Pool</td>
<td>19,062,593.02</td>
<td>Various</td>
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<td>19,062,593.02</td>
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Vallecitos Water District Consolidated Account

Holdings Report
As of October 31, 2019

As of October 31, 2019

Chandler Asset Management - CONFIDENTIAL
## Holdings Report

**As of October 31, 2019**

### Vallecitos Water District Consolidated Account

#### Account #10594

<table>
<thead>
<tr>
<th>CUSIP</th>
<th>Security Description</th>
<th>Par Value/Units</th>
<th>Purchase Date</th>
<th>Cost Value</th>
<th>Mkt Price</th>
<th>Market Value</th>
<th>% of Port. Gain/Loss</th>
<th>Moody/S&amp;P</th>
<th>Fitch</th>
<th>Maturity</th>
<th>Duration</th>
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<tbody>
<tr>
<td>90SDCP$00</td>
<td>County of San Diego Pooled Investment Pool</td>
<td>5,415,000.00</td>
<td>Various</td>
<td>5,415,000.00</td>
<td>1.00</td>
<td>5,415,000.00</td>
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<td>NR / NR</td>
<td>AAA</td>
<td>0.00</td>
<td>0.00</td>
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</table>

**Total Local Gov Investment Pool**

|          | 5,415,000.00 | 2.18% | 5,415,000.00 | 2.18% | 5,415,000.00 | 7.14% | NR / NR | AAA   | 0.00 | 0.00 | 0.00 |

### MONEY MARKET FUND FI

| 261908206 | Dreyfus Treasury Money Market Fund                        | 48,450.75      | Various       | 48,450.75  | 1.00      | 48,450.75   | 0.06%               | Aaa / AAA | NR    | 0.00 | 0.00 |

**Total Money Market Fund FI**

|          | 48,450.75    | 1.43% | 48,450.75    | 1.43% | 48,450.75   | 0.06% | Aaa / AAA | NR    | 0.00 | 0.00 | 0.00 |

### NEGOTIABLE CD

| 06417G5R5 | Bank of Nova Scotia Yankee CD 2.61% Due 12/17/2019    | 1,000,000.00   | 03/25/2019   | 999,999.51 | 100.00    | 999,999.05  | 1.34%               | P-1 / A-1 | F-1+ | 0.13 | 0.13 |

| 06370RVP1 | Bank of Montreal Chicago Yankee CD 2.69% Due 3/5/2020 | 1,000,000.00   | 03/06/2019   | 1,000,000.00 | 100.00    | 1,000,000.00 | 1.34%               | P-1 / A-1 | F-1+ | 0.35 | 0.35 |

| 49306SXK7 | Key Bank Negotiable CD 1.7% Due 3/9/2020               | 245,000.00     | 03/08/2017   | 245,000.00  | 100.05    | 245,110.74  | 0.32%               | NR / NR   | NR   | 0.36 | 0.36 |

| 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 | 244,510.00 | 99.84     | 244,612.41  | 0.32%               | (299.52)  | NR / NR | 0.69 | 0.69 |

| 25467L89 | Discover Bank Negotiable CD 1.5% Due 10/26/2020     | 245,000.00     | 10/26/2016   | 245,000.00  | 99.57     | 243,955.57  | 0.32%               | (1,044.43) | NR / NR | 0.99 | 0.99 |

| 66476QBW7 | Northern Nevada Bank Callable Neg CD Qtrly 6/29/18 1.85% Due 12/29/2020 | 245,000.00 | 06/29/2017 | 245,000.00 | 100.12    | 243,282.85  | 0.32%               | 137.20    | NR / NR | 1.16 | 1.16 |

| 94986TXN2 | Wells Fargo Callable NCD Qtrly 9/4/18 2.3% Due 3/4/2021 | 243,000.00 | 03/04/2016 | 243,000.00 | 100.12    | 243,282.85  | 0.32%               | 282.85    | NR / NR | 1.34 | 1.34 |

| 20033AQU3 | Comenity Capital Bank Negotiable CD 1.65% Due 6/30/2021 | 245,000.00 | 06/30/2016 | 245,000.00 | 99.76     | 244,411.51  | 0.32%               | (588.49)  | NR / NR | 1.67 | 1.67 |
## Holdings Report

**As of October 31, 2019**

### Vallecitos Water District Consolidated Account

#### Account #10594

<table>
<thead>
<tr>
<th>CUSIP</th>
<th>Security Description</th>
<th>Par Value/Units</th>
<th>Purchase Date</th>
<th>Book Yield</th>
<th>Cost Value</th>
<th>Mkt Price</th>
<th>Mkt YTM</th>
<th>Market Value</th>
<th>% of Port. Gain/Loss</th>
<th>Moody/S&amp;P</th>
<th>Fitch</th>
<th>Maturity</th>
<th>Duration</th>
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<tr>
<td>48126XAH8</td>
<td>JP Morgan Chase Bank NA Callable Neg. CD Qtrly 8/16/17</td>
<td>245,000.00</td>
<td>08/16/2016</td>
<td>1.65%</td>
<td>245,000.00</td>
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<td>243,728.21</td>
<td>(1,271.79)</td>
<td>852.80</td>
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<td>1.76</td>
<td>1.79</td>
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<td>1.65% Due 8/16/2021</td>
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<td><strong>2.23%</strong></td>
<td><strong>3,712,504.51</strong></td>
<td><strong>2.18%</strong></td>
<td><strong>37,522.83</strong></td>
<td>(2,673.44)</td>
<td><strong>2.18%</strong></td>
<td><strong>3,712,910.98</strong></td>
<td><strong>2.18%</strong></td>
<td><strong>852.80</strong></td>
<td><strong>1.65</strong></td>
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<td>4581X0CD8</td>
<td>Inter-American Dev Bank Note 2.125% Due 11/9/2020</td>
<td>750,000.00</td>
<td>05/22/2018</td>
<td>2.81%</td>
<td>737,865.00</td>
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<td>459058GH0</td>
<td>Intl. Bank Recon &amp; Development Note 2.75% Due 7/23/2021</td>
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<td>2.86%</td>
<td>747,607.50</td>
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<td><strong>2.84%</strong></td>
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<td><strong>1,493,578.20</strong></td>
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<td>40428HPV8</td>
<td>HSBC USA Inc Note 2.75% Due 8/7/2020</td>
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<td>10/10/2018</td>
<td>3.26%</td>
<td>247,772.50</td>
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<td>251,762.00</td>
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<td>Chubb INA Holdings Inc Callable Note Cont 10/3/2020 2.3% Due 11/3/2020</td>
<td>500,000.00</td>
<td>09/27/2018</td>
<td>3.21%</td>
<td>490,920.00</td>
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<td>IBM Corp Note 2.25% Due 2/19/2021</td>
<td>500,000.00</td>
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<td>3.07%</td>
<td>489,640.00</td>
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<td>502,795.00</td>
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<td>Paccar Financial Corp Note 2.8% Due 3/1/2021</td>
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<td>297,585.00</td>
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<td>08/24/2018</td>
<td>3.05%</td>
<td>493,125.00</td>
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<td>349,247.50</td>
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<td>Moody/S&amp;P</td>
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<td>State Street Bank Note 1.95% Due 5/19/2021</td>
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<td>3.30%</td>
<td>483,360.00</td>
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<td>Charles Schwab Corp Callable Note Cont 4/21/2021 3.25% Due 5/21/2021</td>
<td>320,000.00</td>
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<td>290,000.00</td>
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<td>Toyota Motor Credit Corp Note 3.4% Due 9/15/2021</td>
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<td>05/31/2018</td>
<td>3.03%</td>
<td>505,785.00</td>
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<td>John Deere Capital Corp Note 2.65% Due 1/6/2022</td>
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<td>489,627.50</td>
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<td>292,848.00</td>
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<td>037833CQ1</td>
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<td>10/30/2018</td>
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<td>Aa1 / AA+</td>
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<td>Oracle Corp Callable Note Cont 3/15/2022 2.5% Due 5/15/2022</td>
<td>500,000.00</td>
<td>Various</td>
<td>3.28%</td>
<td>486,304.00</td>
<td>490,812.88</td>
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<td>507,762.00</td>
<td>0.68%</td>
<td>A1 / AA-</td>
<td>A</td>
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<td>Berkshire Hathaway Note 3% Due 5/15/2022</td>
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<td>495,015.00</td>
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<td>517,245.50</td>
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<td>Aa2 / AA-</td>
<td>AA+</td>
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<td>3.36%</td>
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<td>519,941.50</td>
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<td>414,984.00</td>
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<td>90331HNL3</td>
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<td>07/22/2019</td>
<td>2.24%</td>
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<td>Moody/S&amp;P Fitch</td>
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<td>Par Value/Units</td>
<td>Purchase Date Book Yield</td>
<td>Cost Value Book Value</td>
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<td>% of Port. Gain/Loss</td>
<td>Moody/S&amp;P</td>
<td>Fitch</td>
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<td>04/11/2019 2.30%</td>
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<td><strong>TOTAL PORTFOLIO</strong></td>
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<td><strong>TOTAL MARKET VALUE PLUS ACCRUED</strong></td>
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## VALLECITOS WATER DISTRICT
### SUMMARY OF LEGAL FEES

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<td>General Counsel Services</td>
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<td>1,800</td>
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<td>VWD v. Brian Thomas Boyd</td>
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DATE: NOVEMBER 20, 2019
TO: BOARD OF DIRECTORS
SUBJECT: ACCEPTANCE OF 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 was budgeted for replacement and upsizing in the 2018/19 Fiscal Year.

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 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.

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.

DISCUSSION:
District staff received and opened bids from 8 contractors and Burtech Pipeline was the lowest responsive and responsible bidder. The Board awarded a contract to Burtech Pipeline for $2,163,994 on August 15, 2018.

Construction began on October 19, 2018. The project was substantially completed on August 16, 2019, and the Final Punch List was completed on October 4, 2019. There was a total of thirty-four Change Orders that amounted to $62,598.28, or 2.9% of the Original Contract.
FISCAL IMPACT:
The total cost and budget summary are as follows:

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<th>Amount</th>
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<td>Budget</td>
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<td>Construction</td>
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<td>Change Orders</td>
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<td>District Furnished Materials</td>
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<td>Tree Services and Landscaping</td>
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<td>Right of Way Services and Acquisitions</td>
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<td>Planning and Design (IEC)</td>
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<tr>
<td>Staff &amp; Overhead: Planning and Designing</td>
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<tr>
<td>Construction Phase Services (IEC)</td>
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<td>Geotechnical Services (Christian Wheeler)</td>
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<td>Staff &amp; Overhead Construction Phase Engineering,</td>
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<td>Construction Management and Inspection Services</td>
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<td>Total</td>
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<td>Budget Surplus</td>
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Staff performed the construction management, engineering, and inspection services during construction. IEC provided construction phase services, including biological and archeological monitoring and support in accordance with the Mitigated Negative Declaration. Geotechnical services were performed by Christian Wheeler Engineering.

RECOMMENDATION:
Staff recommends the Board accept the project as complete and authorize the filing of a Notice of Completion (NOC) and release of retention funds to the contractor following the 60-day notice period, provided no claims are filed, in conformance with the contract documents.

ATTACHMENTS:
Plat and Aerial Exhibit
DATE: NOVEMBER 20, 2019  
TO: BOARD OF DIRECTORS  
SUBJECT: ENCINA WASTEWATER AUTHORITY REVISED ESTABLISHMENT DOCUMENT AMENDMENT

BACKGROUND:
Vallecitos Water District is a member agency of the Encina Wastewater Authority (EWA), a Joint Powers Authority established to provide for the treatment and disposal of its Member Agencies’ wastewater and management of wastewater treatment byproducts. There are six Member Agencies of EWA. EWA has prepared a Revised Establishment Document (RED), which serves as the Joint Exercise of Powers Agreement to operate, maintain and administer the Encina Joint System. The six Member Agencies are jointly responsible for the costs to operate the joint system, including the costs of EWA personnel.

Assembly Bill 1912 (AB1912), which became effective January 1, 2019, requires the Member Agencies to be jointly liable for all retirement obligations of the EWA personnel in the event the Joint Powers Authority dissolves, ceases to operate or withdraws from its retirement system.

On March 5, 2019, EWA staff held the 2019 Policy Development Workshop to obtain clear direction on updating the RED to conform with AB1912. On March 27, 2019, the EWA Board of Directors directed staff to work with the Member Agencies to review and update the existing RED. Vallecitos staff and legal counsel have worked closely with EWA staff and the other Member Agencies and their legal counsels to review the existing RED and provide comments relative to AB1912. Recommended changes have been incorporated into the updated RED being presented to the Board. Any amendments to the RED require written approval by all Member Agencies.

DISCUSSION:
The updated RED includes several minor changes, such as clarifying the legal names of some of the Member Agencies. For example, the current RED refers to “Leucadia County Water District”, and the proposed RED references “Leucadia Wastewater District.” The proposed document also corrects several clerical errors in the existing document.

The primary change proposed is to amend the document’s recitals to reflect the new law, which requires the Member Agencies to assume responsibility for EWA’s public retirement system pension obligations. The change also permits the Member Agencies to mutually agree to apportion EWA’s pension obligations among themselves, provided the agreement equals 100 percent of EWA’s liability.

EWA already allocates all its costs, including pension obligations, to its Member Agencies according to each Member Agencies’ ownership share of EWA and the
operational demands they place on the system. AB1912 does not place any additional financial obligations on the EWA Member Agencies than are already provided via the EWA budgeting and cost allocation process. The primary purpose of AB1912 is to clarify that the Member Agencies are responsible for pension costs in the event EWA dissolves or ceases to operate, neither of which is a likely occurrence.

The EWA Board and Joint Advisory Committee considered this item at their meeting on November 13, 2019, and recommended forwarding the RED to its Member Agencies for approval.

**FISCAL IMPACT:**
There is no fiscal impact associated with this item.

**RECOMMENDATION:**
Approve the Revised Establishment Agreement and direct staff to forward the approved document to Encina Wastewater Authority.

**ATTACHMENTS:**
1. Amended Revised Establishment Document
2. Redline Version of Amended Revised Establishment Document
REVISED ESTABLISHMENT DOCUMENT
FOR THE
ENCINA WASTEWATER AUTHORITY
AS AMENDED
EFFECTIVE NOVEMBER 13, 2019

Ref: Admin.19-13842b

THIS AGREEMENT (hereinafter the Revised Establishment Document, “RED”) is made and entered into this ____________, by and among the CITY OF VISTA, a Charter City (hereafter VISTA), the CITY OF CARLSBAD, a Charter City (hereafter CARLSBAD), the BUENA SANITATION DISTRICT, a County Sanitation District (hereafter BUENA), the VALLECITOS WATER DISTRICT, a County Water District (hereafter VALLECITOS), the LEUCADIA WASTEWATER DISTRICT, a County Water District (hereafter LEUCADIA), and the CITY OF ENCINITAS, a General Law City (hereafter ENCINITAS), herein called the “member agencies”, for the operation, maintenance, and administration of their jointly owned sewerage system.

RECITALS

WHEREAS, each of the member agencies is a public agency authorized and empowered to contract for the joint exercise of powers under the Joint Exercise of Powers Act (Government Code Section 6500 et seq.; hereafter JPA Act); and

WHEREAS, each of the member agencies has the authority and power to collect, transmit, treat and dispose or reuse wastewater and wastewater treatment byproducts, and to construct and operate facilities for such purposes; and

WHEREAS, the member agencies recognize the need to operate, maintain and administer the Encina Joint System on a cooperative basis for the collection, transmission, treatment, and disposal of wastewater, and the management of wastewater treatment byproducts; and

WHEREAS, on August 1, 1988, the member agencies entered into a Joint Exercise of Powers Agreement, which was replaced on November 9, 1994 by a prior Revised Establishment Document, which this RED is to replace, pursuant to the provisions of the JPA Act, creating a public agency then known as the Encina Administrative Agency (now Operator/Administrator of the Encina Joint System); and

WHEREAS, the Joint Exercise of Powers Agreement establishing the Encina Wastewater Authority (hereafter EWA) was adopted as a supplement to the “Basic Agreement” establishing the Encina Joint Powers Authority; and

WHEREAS, the member agencies have since adopted a Revised Basic Agreement that was most recently amended October 22, 2014; and
WHEREAS, the member agencies desire to (a) retain the EWA as the Operator/Administrator of the Joint System and (b) affirm the organization, administration, rules, and specific powers of the EWA detailed in the prior Revised Establishment Document.

WHEREAS, effective January 1, 2019, Government Code Section 6508.1 requires the member agencies to assume responsibility for the EWA’s public retirement system liability; and

WHEREAS, Government Code Section 6508.02 permits the member agencies to mutually agree to apportion the EWA’s public system retirement liability among themselves, provided the agreement equals 100 percent of EWA’s liability; and

WHEREAS, in the absence of an apportionment agreement by the member agencies, the CalPERS Board of Administration will elect to apportion the EWA’s public retirement system liability among the member agencies based upon each member agency’s “share of service received” from the EWA of each member agency’s population, subject to challenge by a member agency through arbitration; and

WHEREAS, the member agencies wish to amend the prior Revised Establishment Document to eliminate uncertainty in the potential future application of Government Code Section 6508.2 to the EWA’s public retirement system liability, set forth their mutual agreement regarding apportionment of 100 percent of the EWA’s public retirement system liability, and provide for timely requests for amendment of the EWA’s contract with CalPERS in accordance with Government Code Section 20575 to the extent required by law; and

WHEREAS, the member agencies wish to make other non-substantive revisions to the prior Revised Establishment Document to correct clerical errors and ensure consistent use of terminology.

NOW THEREFORE, THE PARTIES HERETO COVENANT WITH EACH OTHER AS FOLLOWS:

Section 1. DEFINITIONS

For the purposes of this RED and the RBA, the following terms shall have the meanings indicated below:

1.1 Basic Agreement. That agreement by and among Vista, Carlsbad, Buena, Vallecitos, Leucadia, and Encinitas including all supplements and amendments thereto entered into beginning July 13, 1961, and superseded by the Revised Basic Agreement.

1.2 Joint Advisory Committee. The Joint Advisory Committee (JAC) as defined in the Revised Basic Agreement.

1.3 Joint System. The Joint System as defined in the Revised Basic Agreement.
1.4 Revised Basic Agreement. That agreement by and among Vista, Carlsbad, Buena, Vallecitos, Leucadia, and Encinitas including all amendments thereto entered into beginning December 17, 1990, most recently amended October 22, 2014 and superseding the Basic Agreement.

Section 2. TERMS

2.1 Establishment of Agency: There is hereby established a public agency known as the Encina Wastewater Authority, herein called the EWA (formerly known as the Encina Administrative Agency). For the purposes of this agreement, the EWA is a public agency separate from the parties hereto, but it is the intent of these parties that the EWA be subordinate to and dependent upon the member agencies in all matters.

2.2 General Duties of the EWA. The EWA shall operate, maintain, and administer the Joint System utilizing funds contributed by the member agencies and grants received from the Federal and State governments.

2.3 Powers. The EWA shall have the following powers as needed to fulfill its duties:

2.3.1 To operate, maintain, administer and manage the Joint System, including any buildings, works or improvements comprising part of the Joint System and located either inside or outside the boundaries of the member agencies, in accordance with sound engineering and accounting practices with local, state and federal laws and regulations;

2.3.2 To make and enter contracts in connection with the administration, management, maintenance and operation of the Joint System;

2.3.3 To employ agents and employees to operate, maintain, administer and manage the Joint System;

2.3.4 To incur debts, liabilities or obligations in connection with the operation, maintenance, administration and management of the Joint System;

2.3.5 To sue and be sued in its own name, provided that the EWA shall not commence or intervene in any lawsuit without the approval of all of its member agencies, except pursuant to paragraph 2.3.10 hereof;

2.3.6 To acquire, hold, and dispose of such equipment as may be reasonably necessary to the proper operation, maintenance, administration and management of wastewater treatment and disposal facilities;

2.3.7 To file reports associated with the operation, maintenance, administration and management of the Joint System;
2.3.8 In an emergency, to reconstruct or cause to be reconstructed such portions of the Joint system when reconstruction is immediately required to permit the Joint System to continue to function;

2.3.9 To maintain at all times with a responsible insurer or insurers sufficient insurance against loss or damage to the Joint System or portion thereof, workers’ compensation insurance, and insurance against public liability and property damage;

2.3.10 To adopt industrial pretreatment regulations that comply with federal and state pretreatment regulations. The regulations shall include technically based local limits, shall be followed by each member agency, shall apply to industrial connections and groundwater cleanup sites that discharge or have the potential to discharge into the Joint System, and shall allow the EWA to take enforcement action against dischargers that violate the regulation;

2.3.11 To review and amend the industrial pretreatment regulations from time to time as the need arises;

2.3.12 To implement all requirements of the pretreatment regulations and all aspects of the EWA service area pretreatment program, including permitting, inspection, monitoring, reporting, and enforcement activities, except that industrial pretreatment permits shall be jointly issued by the member agency in whose jurisdiction the discharge is located and the EWA;

2.3.13 To charge and bill the industrial dischargers for their respective share of the EWA’s cost to implement the pretreatment regulations, including application review, permit issuance, sampling, monitoring, inspection and enforcement costs;

2.3.14 To purchase, lease or condemn real property upon such terms and conditions as approved unanimously by the member agencies;

2.3.15 To operate and maintain other facilities outside the Joint System as recommended by JAC and in accordance with the EWA executed operation agreements, or as authorized in the Revised Basic Agreement, which may include budgeting responsibilities.

2.3.16 The powers enumerated herein shall be exercised subject to the restrictions upon the manner of exercising the powers of the Leucadia County Water District pursuant to the County Water District Law (Water Code §§30000 et seq.).

2.4 Board of Directors. The EWA shall be administered by the governing body of the EWA which shall be known as the Board of Directors of the EWA, herein called the Board. Members of the JAC shall serve as the Board.

2.5 Officers of the Board. The Board shall elect its own officers, which shall include a Chairman, Vice-Chairman, Secretary, Treasurer, and Auditor. The Chairman and Vice-Chairman shall be members of the Board and the Secretary may, but need not, be a member of the Board.
2.5.1 Treasurer. The Treasurer shall be appointed by the Board to serve at the Board’s pleasure. The Treasurer shall be the depository and have custody of all money of the EWA from whatever source. The Board shall appoint the Treasurer from among the officers and employees of the EWA. The Board may appoint one or more persons to act as assistants to the Treasurer from among the officers and employees of the EWA. Upon appointment, an assistant shall be considered an “other officer” of the EWA under Section 2.5.3 of this RED. The person appointed as Treasurer may simultaneously hold the office of Auditor.

2.5.2 Auditor. The Auditor shall be appointed by the Board of Directors to serve at the Board’s pleasure. The Auditor shall draw all warrants to pay demands against the EWA approved by the Board of Directors. The Board shall appoint the Auditor from among the officers and employees of the Authority. The Board may appoint one or more persons to act as assistants to the Auditor from among the officers and employees of the Authority. Upon appointment, an assistant shall be considered an “other officer” of the EWA under Section 2.5.3 of the RED. The person appointed as Auditor may simultaneously hold the office of Treasurer.

2.5.3 Other Officers. The General Manager and Attorney for the EWA shall be appointed by the Board. Subject to the limits of the EWA’s approved budget, the Board shall also have the power to appoint and employ such other officers, consultants, advisors, and independent contractors as it may deem necessary or convenient for the business of the EWA, who shall serve at the pleasure of the Board. The public officer, officers, or persons who have charge of, handle, or have access to any substantial property of the EWA shall file an official bond in an amount to be fixed by the Board. The General Manager shall have the power to appoint, promote, demote and remove employees of the EWA subject to the provisions of the personnel policy of the EWA and the EWA’s approved budget.

2.6 Meetings of the Board.

2.6.1 Regular Meetings. The Board shall provide for its regular meetings; provided, however, it shall hold at least one regular meeting per month. The dates, hour, and place of the regular meetings shall be fixed by resolution, and a copy of such resolution shall be furnished to each member agency.

2.6.2 Ralph M. Brown Act. All meetings of the Board, including, without limitations, regular, adjourned regular, and special meetings, shall be called, noticed, held, and conducted in accordance with the provisions of the Ralph M. Brown Act (commencing with Government Code Section 54950).

2.6.3 Minutes. The Secretary of the EWA shall cause to be kept minutes of all meetings of the Board, and shall cause a copy of the minutes to be forwarded to each member of the Board and to each member agency.
2.6.4 Quorum and Vote. A majority of the Board or their alternates shall constitute a quorum for the transaction of business; except that less than a quorum may adjourn from time to time. The affirmative vote of a majority of a quorum shall be required for the approval of any action. However, when voting on a matter involving the treatment plant (Unit I) or the ocean outfall (Unit J), any member of the Board may call for a weighted vote. In such case, the affirmative vote of members representing a majority of the capacity of the Unit involved shall be required for the approval of any action, to be calculated as follows:

The total vote of all members of the Board shall be 100 percent. Each regularly appointed member shall have a percentage of vote equal to one-half of the percentage of capacity of the member agency he or she represents in the Unit involved. Where only one member is present, said member shall have a percentage of vote equal to the total percentage of capacity of the agency he or she represents. At any meeting where no regularly appointed member is represented, each alternative of such regularly appointed member shall have a percentage of vote equal to one-half of the percentage of capacity of the agency he or she represents. Provided, however, at any meeting where any agency is represented by only one alternate, said alternate shall have a percentage of vote equal to the total percentage of the capacity of the agency he or she represents.

2.7 Rules. The Board shall adopt rules and regulations, including a conflict of interest code and a purchasing procedure. The Board may, from time to time, review and revise these rules and regulations as needed.

2.8 Budgeting. Annually, the EWA shall prepare an operation, maintenance, and administration budget (hereafter referred to as the O&M budget) and a capital improvement program budget (hereafter referred to as the capital budget). The budgets shall be prepared in accordance with the RBA and generally accepted accounting principles.

2.9 Accounting and Audits.

2.9.1 Fiscal Year. The fiscal year of the EWA shall be from July 1 to June 30.

2.9.2 Accounting Procedures and Audit. Full books and accounts shall be maintained for the EWA in accordance with practices established by or consistent with those utilized by the Controller of the State of California for like public agencies. The Auditor of the EWA shall either make or contract with a certified public accountant to make an annual audit of the accounts and records of the EWA. The minimum requirements of the audit shall be those prescribed by the State Controller for special districts under Government Code Section 26909 and the audit shall conform to generally accepted accounting principles. A report of the audit shall be filed as a public record with each member agency and with the San Diego County Auditor within 30 days of its completion. Such report shall be filed within 12 months of the end of the fiscal year under examination.
2.10 **Liabilities.** The debts, liabilities and obligations of the EWA shall be the debts, liabilities and obligations of the EWA alone, and not the member agencies; except as provided by Section 2.11

2.11 **Withdrawal or Dissolution.** Upon withdrawal of a member from the EWA or upon dissolution of the EWA, there shall be a partial or complete distribution of assets and discharge of liabilities as provided in this section. The distribution of assets may be made in kind or assets may be sold and the proceeds thereof distributed to a member agency at the time of withdrawal or to the member agencies at the time of dissolution; provided that, all property and rights in property assigned or transferred by any member agency to the EWA shall be reconveyed to said member agency free and clear of all encumbrances and liens of any kind.

2.11.1 Withdrawal. Upon withdrawal of any member agency from the EWA, the withdrawing member shall receive its proportionate or otherwise defined share of any assets of the EWA and shall contribute its proportionate or otherwise defined share toward discharge of any enforceable liability incurred by the EWA.

2.11.2 Dissolution. Upon dissolution of the EWA, each member agency shall receive its proportionate or otherwise defined share of any assets of the EWA and shall contribute its proportionate or otherwise defined share toward discharges of any enforceable liability incurred by the EWA.

2.11.3 Share of Public Retirement System Liability. Notwithstanding the foregoing, in the event of the withdrawal of any member agency or agencies from the EWA ("Member Withdrawal"), or prior to the filing of a notice of termination pursuant to Government Code Sections 20570 or 20571 by the EWA ("EWA Termination Event"), unless otherwise unanimously agreed among the member agencies, responsibility for any public retirement system liability incurred by the EWA shall be apportioned as follows:

a. If there is a Member Withdrawal, the withdrawing agency shall assume responsibility for its share of the EWA’s public retirement system liability, determined in accordance with paragraph c below, on the effective date of the Member Withdrawal. The EWA shall continue to be responsible for the remaining share of public retirement system liability.

b. If there is an EWA Termination Event, each member agency shall assume responsibility for its share of public retirement system liability, determined in accordance with paragraph c below, on the effective date of the EWA Termination Event.

c. A member agency’s share shall be calculated using its allocated share of EWA’s salaries and benefits in each program, as defined in Section 13 of the RBA, averaged for the three fiscal years prior to the effective date of such Member Withdrawal or EWA Termination Event, calculated to adequately fund 100 percent of the termination liability calculated by CalPERS (otherwise known as termination liability). With respect to a Member Withdrawal: Recognizing that termination liability may not be determinable at the time a member withdraws, prior to
withdrawing as a member of the EWA, each member agency, including, if necessary, a previously withdrawn member agency, shall negotiate in good faith to enter into a contract with the CalPERS Board of Administration to fund its share of the EWA’s public retirement system liability by: (i) making annual contributions; or (ii) making a lump-sum payment; or (iii) providing for payment by any other actuarially sound payment method. Each member agency agrees to defend and indemnify the others, and the EWA, against any claim that a member agency or the EWA has not timely met its legally required notice or funding obligations in the manner agreed upon herein, including the cost of any arbitration resulting from a dispute arising under Government Code Sections 6508.02 or 20575.

2.11.4 Notice to Public Retirement System. Upon approval of this RED, and also prior to filing any notice of termination with CalPERS, the EWA shall provide a copy of this RED to CalPERS, as required by Government Code Section 6508.2.

2.12 Rescission or Termination. The EWA shall continue as Operator/Administrator until such time as the EWA is terminated by written consent of a majority of the member agencies, evidenced by certified copies of resolutions by their governing bodies. Upon termination of the EWA and replacement with another Operator/Administrator, employees of the EWA shall become the employees of the new Operator/Administrator subject to existing employment contracts, seniority, retirement rights and any other employee benefits or rights now enjoyed by those employees.

2.13 Notices. All notices, statements, demands, requests, consents, approvals, authorizations, agreements, appointments or designations hereunder shall be given in writing and addressed to the principal office of the EWA.

2.14 Severability. If any one or more of the terms, provisions, promises, covenants or conditions of this agreement shall by any extent be adjudged invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, each and all of the remaining terms, provisions, promises, covenants and conditions of this agreement shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

2.15 Modification of Agreement. This agreement shall contain all of the terms and conditions made between the parties hereto and shall not be amended except by an agreement in writing signed by all the member agencies.

2.16 Succession. The provisions of this agreement shall be binding upon and shall inure to the benefit of the successors of the parties thereto.

2.17 Approval. This agreement shall be approved as of the date that all of the member agencies have approved it.
IN WITNESS WHEREOF, each party hereto has pursuant to resolution duly passed and adopted by their respective governing bodies caused this RED to be executed effective as of the day and year first above written.

CITY OF VISTA
BY: ____________________________  ATTEST: ____________________________
    MAYOR                          City Clerk

CITY OF CARLSBAD
BY: ____________________________  ATTEST: ____________________________
    MAYOR                          City Clerk

LEUCADIA WASTEWATER DISTRICT
BY: ____________________________
    PRESIDENT

VALLECITOS WATER DISTRICT
BY: ____________________________
    PRESIDENT

BUENA SANITATION DISTRICT
BY: ____________________________
    CHAIRPERSON

CITY OF ENCINITAS
BY: ____________________________  ATTEST: ____________________________
    MAYOR                          City Clerk

APPROVED AS TO FORM:
BY: ____________________________
    EWA COUNSEL
REVISED ESTABLISHMENT DOCUMENT FOR THE ENCINA WASTEWATER AUTHORITY AS AMENDED EFFECTIVE NOVEMBER 13, 2019

Ref: Admin.02-7081

THIS AGREEMENT (hereinafter the Revised Establishment Document, “RED”) is made and entered into this _______________________ 17th day of December 1990, by and among the CITY OF VISTA, a Charter City (hereafter VISTA), the CITY OF CARLSBAD, a Charter City (hereafter CARLSBAD), the BUENA SANITATION DISTRICT, a County Sanitation District (hereafter BUENA), the VALLECITOS WATER DISTRICT, a County Water District (hereafter VALLECITOS), the LEUCADIA-COUNTY-WATER WASTEWATER DISTRICT, a County Water District (hereafter LEUCADIA), and the CITY OF ENCINITAS SANITARY DISTRICT, a General Law City (hereafter ENCINITAS), herein called the “member agencies”, for the operation, maintenance, and administration of their jointly owned sewerage system.

RECITALS

WHEREAS, each of the member agencies is a public agency authorized and empowered to contract for the joint exercise of powers under the Joint Exercise of Powers Act Government (Government code of the State of California Code Section 6500 et seq.; hereafter JPA Act); and

WHEREAS, each of the member agencies has the authority and power to collect, transmit, treat and dispose or reuse wastewater and wastewater treatment byproducts, and to construct and operate facilities for such purposes; and

WHEREAS, the member agencies recognize the need to operate, maintain and administer the Encina Joint System on a cooperative basis for the collection, transmission, treatment, and disposal of wastewater, and the management of wastewater treatment byproducts; and

WHEREAS, on August 1, 1988, the member agencies entered into a Joint Exercise of Powers Agreement, which was replaced on November 9, 1994 by a prior Revised Establishment Document, which this RED is to replace, pursuant to the provisions of Article 1, Chapter 5, division 7, title 1 of the California Government Code the JPA Act, creating a public agency then known as the Encina Administrative Agency (now Operator/Administrator of the Encina Joint System); and

WHEREAS, the Joint Exercise of Powers Agreement establishing the EWA—Encina Wastewater Authority (hereafter EWA) was adopted as a supplement to the “Basic Agreement” establishing the Encina Joint Powers Authority; and

__________________________

69 Item 2.2
WHEREAS, the member agencies desire to revise and condense the Basic Agreement and have drafted legal documents known collectively as the Revised Basic Agreement that are to be considered concurrently with this Agreement was most recently amended October 22, 2014; and

WHEREAS, the member agencies desire to (a) retain the EWA as the Operator/Administrator of the Encina Joint Powers System and (b) reestablish affirm the organization, administration, rules, and specific powers of the EWA organization, administration, rules, and specific powers of the EWA by entering into a revised agreement, to be known as the “Revised Establishment Document” (“RED”), separate from the Revised Basic Agreement (“RBA”), pursuant to Article 1, Chapter 5, Division 7, Title 1 of the California Government Code relating to the joint exercise of powers detailed in the prior Revised Establishment Document.

WHEREAS, effective January 1, 2019, Government Code Section 6508.1 requires the member agencies to assume responsibility for the EWA’s public retirement system liability; and

WHEREAS, Government Code Section 6508.02 permits the member agencies to mutually agree to apportion the EWA’s public system retirement liability among themselves, provided the agreement equals 100 percent of EWA’s liability; and

WHEREAS, in the absence of an apportionment agreement by the member agencies, the CalPERS Board of Administration will elect to apportion the EWA’s public retirement system liability among the member agencies based upon each member agency’s “share of service received” from the EWA of each member agency’s population, subject to challenge by a member agency through arbitration; and

WHEREAS, the member agencies wish to amend the prior Revised Establishment Document to eliminate uncertainty in the potential future application of Government Code Section 6508.2 to the EWA’s public retirement system liability, set forth their mutual agreement regarding apportionment of 100 percent of the EWA’s public retirement system liability, and provide for timely requests for amendment of the EWA’s contract with CalPERS in accordance with Government Code Section 20575 to the extent required by law; and

WHEREAS, the member agencies wish to make other non-substantive revisions to the prior Revised Establishment Document to correct clerical errors and ensure consistent use of terminology.

NOW THEREFORE, THE PARTIES HERETO COVENANT WITH EACH OTHER AS FOLLOWS:

Section 1. DEFINITIONS

For the purposes of this RED and the RBA, the following terms shall have the meanings indicated below:
1.1 Basic Agreement. That agreement by and among Vista, Carlsbad, Buena, Vallecitos, Leucadia, and Encinitas including all supplements and amendments thereto entered into beginning July 13, 1961, and superseded by the Revised Basic Agreement.

1.2 Joint Advisory Committee. The Joint Advisory Committee (JAC) as defined in the Revised Basic Agreement.

1.3 Joint System. The Encina Joint System as defined in the Revised Basic Agreement.

1.4 Revised Basic Agreement. That agreement by and among Vista, Carlsbad, Buena, Vallecitos, Leucadia, and Encinitas including all amendments thereto entered into beginning December 17, 1990, most recently amended October 22, 2014, and superseding the Basic Agreement.

Section 2. TERMS

2.1 Establishment of Agency. There is hereby established a public agency known as the Encina Wastewater Authority, herein called the EWA (formerly known as the Encina Administrative Agency). For the purposes of this agreement, the EWA is a public agency separate from the parties hereto, but it is the intent of these parties that the EWA be subordinate to and dependent upon the member agencies in all matters.

2.2 General Duties of the EWA. The EWA shall operate, maintain, and administer the Encina Joint System utilizing funds contributed by the member agencies and grants received from the Federal and State governments.

2.3 Powers. The EWA shall have the following powers as needed to fulfill its duties:

2.3.1 To operate, maintain, administer and manage the Joint System, including any buildings, works or improvements comprising part of the Joint System and located either inside or outside the boundaries of the member agencies, in accordance with sound engineering and accounting practices with local, state and federal laws and regulations;

2.3.2 To make and enter contracts in connection with the administration, management, maintenance and operation of the Joint System;

2.3.3 To employ agents and employees to operate, maintain, administer and manage the Joint System;

2.3.4 To incur debts, liabilities or obligations in connection with the operation, maintenance, administration and management of the Joint System;
2.3.5 To sue and be sued in its own name, provided that the EWA shall not commence or intervene in any lawsuit without the approval of all of its member agencies, except pursuant to paragraph 2.3.10 hereof;

2.3.6 To acquire, hold, and dispose of such equipment as may be reasonably necessary to the property operation, maintenance, administration and management of wastewater treatment and disposal facilities;

2.3.7 To file reports associated with the operation, maintenance, administration and management of the Joint System;

2.3.8 In an emergency, to reconstruct or cause to be reconstructed such portions of the Joint System when reconstruction is immediately required to permit the Joint System to continue to function;

2.3.9 To maintain at all times with a responsible insurer or insurers sufficient insurance against loss or damage to the Joint System or portion thereof, workers’ compensation insurance, and insurance against public liability and property damage;

2.3.10 To adopt industrial pretreatment regulations that comply with federal and state pretreatment regulations. The regulations shall include technically based local limits, shall be followed by each member agency, shall apply to industrial connections and groundwater cleanup sites that discharge or have the potential to discharge into the Joint System, and shall allow the EWA to take enforcement action against dischargers that violate the regulation;

2.3.11 To review and amend the industrial pretreatment regulations from time to time as the need arises;

2.3.12 To implement all requirements of the pretreatment regulations and all aspects of the Encina EWA service area pretreatment program, including permitting, inspection, monitoring, reporting, and enforcement activities, except that industrial pretreatment permits shall be jointly issued by the member agency in whose jurisdiction the discharge is located and the EWA;

2.3.13 To charge and bill the industrial dischargers for their respective share of the EWA’s cost to implement the pretreatment regulations, including application review, permit issuance, sampling, monitoring, inspection and enforcement costs;

2.3.14 To purchase, lease or condemn real property upon such terms and conditions as approved unanimously by the member agencies;

2.3.15 To operate and maintain other facilities outside the Joint System as recommended by JAC and in accordance with the EWA executed operation agreements, or as authorized in the Revised Basic Agreement, which may include budgeting responsibilities.
2.3.16 The powers enumerated herein shall be exercised subject to the restrictions upon the manner of exercising the powers of the Leucadia County Water District pursuant to the County Water District Law (Water Code §30000 et seq.).

2.4 Board of Directors. The EWA shall be administered by the governing body of the EWA which shall be known as the Board of Directors of the EWA, herein called the Board. Members of the JAC shall serve as the Board.

2.5 Officers of the Board. The Board shall elect its own officers, which shall include a Chairman, Vice-Chairman, Secretary, Treasurer, and Auditor. The Chairman and Vice-Chairman shall be members of the Board and the Secretary may, but need not, be a member of the Board.

2.5.1 Treasurer. The Treasurer shall be appointed by the Board of Directors to serve at the Board’s pleasure. The Treasurer shall be the depository and have custody of all money of the EWA from whatever source. The Board shall appoint the Treasurer from among the officers and employees of the Authority EWA. The Board may appoint one or more persons to act as assistants to the Treasurer from among the officers and employees of the Authority EWA. Upon appointment, an assistant shall be considered an “other officer” of the EWA under Section 2.5.3 of this RED. The person appointed as Treasurer may simultaneously hold the office of Auditor.

2.5.2 Auditor. The Auditor shall be appointed by the Board of Directors to serve at the Board’s pleasure. The Auditor shall draw all warrants to pay demands against the EWA approved by the Board of Directors. The Board shall appoint the Auditor from among the officers and employees of the Authority. The Board may appoint one or more persons to act as assistants to the Auditor from among the officers and employees of the Authority. Upon appointment, an assistant shall be considered an “other officer” of the EWA under Section 2.5.3 of the RED. The person appointed as Auditor may simultaneously hold the office of Treasurer.

2.5.3 Other Officers. The General Manager and Attorney for the EWA shall be appointed by the Board. Subject to the limits of the EWA’s approved budget, the Board shall also have the power to appoint and employ such other officers, consultants, advisors, and independent contractors as it may deem necessary or convenient for the business of the EWA, who shall serve at the pleasure of the Board. The public officer, officers, or persons who have charge of, handle, or have access to any substantial property of the EWA shall file an official bond in an amount to be fixed by the Board. The General Manager shall have the power to appoint, promote, demote and remove employees of the EWA subject to the provisions of the personnel policy of the EWA and the EWA’s approved budget.

2.6 Meetings of the Board.

2.6.1 Regular Meetings. The Board shall provide for its regular meetings; provided, however, it shall hold at least one regular meeting per month. The dates, hour, and place of the regular meetings shall be fixed by resolution, and a copy of such resolution shall be furnished to each member agency.
2.6.2 Ralph M. Brown Act. All meetings of the Board, including, without limitations, regular, adjourned regular, and special meetings, shall be called, noticed, held, and conducted in accordance with the provisions of the Ralph M. Brown Act (commencing with Section 54950 of the California Government Code Section 54950).

2.6.3 Minutes. The Secretary of the EWA shall cause to be kept minutes of all meetings of the Board, and shall cause a copy of the minutes to be forwarded to each member of the Board and to each of the parties hereto member agency.

2.6.4 Quorum and Vote. A majority of the Board or their alternates shall constitute a quorum for the transaction of business; except that less than a quorum may adjourn from time to time. The affirmative vote of a majority of a quorum shall be required for the approval of any action. However, when voting on a matter involving the treatment plant (Unit I) or the ocean outfall (Unit J), any member of the Board may call for a weighted vote. In such case, the affirmative vote of members representing a majority of the capacity of the Unit involved shall be required for the approval of any action, to be calculated as follows:

The total vote of all members of the Board shall be 100 percent. Each regularly appointed member shall have a percentage of vote equal to one-half of the percentage of capacity of the member agency he or she represents in the Unit involved. Where only one member is present, said member shall have a percentage of vote equal to the total percentage of capacity of the agency he or she represents. At any meeting where no regularly appointed member is represented, each alternative of such regularly appointed member is represented, each alternative of such regularly appointed member shall have a percentage of vote equal to one-half of the percentage of capacity of the agency he or she represents. Provided, however, at any meeting where any agency is represented by only one alternate, said alternate shall have a percentage of vote equal to the total percentage of the capacity of the agency he or she represents.

2.7 Rules. The Board shall adopt rules and regulations, including a conflict of interest code and a purchasing procedure. The Board may, from time to time, review and revise these rules and regulations as needed.

2.8 Budgeting. Annually, the EWA shall prepare an operation, maintenance, and administration budget (hereafter referred to as the O&M budget) and a capital improvement program budget (hereafter referred to as the capital budget). The budgets shall be prepared in accordance with the RBA and generally accepted accounting principles.

2.9 Accounting and Audits.

2.9.1 Fiscal Year. The fiscal year of the EWA shall be from July 1 to June 30.
2.9.2 Accounting Procedures and Audit. Full books and accounts shall be maintained for the EWA in accordance with practices established by or consistent with those utilized by the Controller of the State of California for like public agencies. The Auditor of the EWA shall either make or contract with a certified public accountant to make an annual audit of the accounts and records of the EWA. The minimum requirements of the audit shall be those prescribed by the State Controller for special districts under Section 26909 of the California Government Code and the audit shall conform to generally accepted accounting principles. A report of the audit shall be filed as a public record with each member agency and with the San Diego County Auditor within 30 days of its completion. Such report shall be filed within 12 months of the end of the fiscal year under examination.

2.10 Liabilities. Except as provided hereinabove, the debts, liabilities and obligations of the EWA shall be the debts, liabilities and obligations of the EWA alone, and not the member agencies; except as provided by Section 2.11.

2.11 Withdrawal or Dissolution. Upon withdrawal of a member from the EWA or upon dissolution of the EWA, there shall be a partial or complete distribution of assets and discharge of liabilities as follows provided in this section. The distribution of assets may be made in kind or assets may be sold and the proceeds thereof distributed to a member agency at the time of withdrawal or to the member agencies at the time of dissolution; provided that, all property and rights in property assigned or transferred by any member agency to the EWA shall be reconveyed to said member agency free and clear of all encumbrances and liens of any kind.

2.11.1 Withdrawal. Upon withdrawal of any member agency from the EWA, the withdrawing member shall receive its proportionate or otherwise defined share of any assets of the EWA and shall contribute its proportionate or otherwise defined share toward discharge of any enforceable liability incurred by the EWA.

2.11.2 Dissolution. Upon dissolution of the EWA, each member agency shall receive its proportionate or otherwise defined share of any assets of the EWA and shall contribute its proportionate or otherwise defined share toward discharges of any enforceable liability incurred by the EWA.

2.11.3 Share of Public Retirement System Liability. Notwithstanding the foregoing, in the event of the withdrawal of any member agency or agencies from the EWA ("Member Withdrawal"), or prior to the filing of a notice of termination pursuant to Government Code Sections 20570 or 20571 by the EWA ("EWA Termination Event"), unless otherwise unanimously agreed among the member agencies, responsibility for any public retirement system liability incurred by the EWA shall be apportioned as follows:

a. If there is a Member Withdrawal, the withdrawing agency shall assume responsibility for its share of the EWA’s public retirement system liability, determined in accordance with paragraph c below, on the effective date of the Member Withdrawal. The EWA shall continue to be responsible for the remaining share of public retirement system liability.
b. If there is an EWA Termination Event, each member agency shall assume responsibility for its share of public retirement system liability, determined in accordance with paragraph c below, on the effective date of the EWA Termination Event.

c. A member agency’s share shall be calculated using its allocated share of EWA’s salaries and benefits in each program, as defined in Section 13 of the RBA, averaged for the three fiscal years prior to the effective date of such Member Withdrawal or EWA Termination Event, calculated to adequately fund 100 percent of the termination liability calculated by CalPERS (otherwise known as termination liability). With respect to a Member Withdrawal: Recognizing that termination liability may not be determinable at the time a member withdraws, prior to withdrawing as a member of the EWA, each member agency, including, if necessary, a previously withdrawn member agency, shall negotiate in good faith to enter into a contract with the CalPERS Board of Administration to fund its share of the EWA’s public retirement system liability by: (i) making annual contributions; or (ii) making a lump-sum payment; or (iii) providing for payment by any other actuarially sound payment method. Each member agency agrees to defend and indemnify the others, and the EWA, against any claim that a member agency or the EWA has not timely met its legally required notice or funding obligations in the manner agreed upon herein, including the cost of any arbitration resulting from a dispute arising under Government Code Sections 6508.02 or 20575.

2.11.4 Notice to Public Retirement System. Upon approval of this RED, and also prior to filing any notice of termination with CalPERS, the EWA shall provide a copy of this RED to CalPERS, as required by Government Code Section 6508.2.

2.12 Rescission or Termination. The EWA shall continue as Operator/Administrator until such time as the EWA is terminated by written consent of a majority of the member agencies, evidenced by certified copies of resolutions by their governing bodies. Upon termination of the EWA and replacement with another Operator/Administrator, employees of the EWA shall become the employees of the new Operator/Administrator subject to existing employment contracts, seniority, retirement rights and any other employee benefits or rights now enjoyed by those employees.

2.13 Notices. All notices, statements, demands, requests, consents, approvals, authorizations, agreements, appointments or designations hereunder shall be given in writing and addressed to the principal office of the EWA.

2.14 Severability. If any one or more of the terms, provisions, promises, covenants or conditions of this agreement shall by any extent be adjudged invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, each and all of the remaining terms, provisions, promises, covenants and conditions of this agreement shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.
2.15 **Modification of Agreement.** This agreement shall contain all of the terms and conditions made between the parties hereto and shall not be amended except by an agreement in writing signed by all the member agencies.

2.16 **Succession.** The provisions of this agreement shall be binding upon and shall inure to the benefit of the successors of the parties thereto.

2.17 **Approval.** This agreement shall be approved as of the date that all of the member agencies have approved the agreement and the Revised Basic Agreement it.

**IN WITNESS WHEREOF,** each party hereto has pursuant to resolution duly passed and adopted by their respective governing bodies caused this Revised Establishment Document RED to be executed effective as of the day and year first above written.

**CITY OF VISTA**

BY: ______________________________

MAYOR ______________________________

ATTEST:

______________________________

City Clerk

**CITY OF CARLSBAD**

BY: ______________________________

MAYOR ______________________________

ATTEST:

______________________________

City Clerk

**LEUCADIA WASTEWATER DISTRICT**

BY: ______________________________

PRESIDENT ______________________________

**VALLECITOS WATER DISTRICT**

BY: ______________________________

PRESIDENT ______________________________

**BUENA SANITATION DISTRICT**

BY: ______________________________

CHAIRPERSON ______________________________

**CITY OF ENCINITAS**

BY: ______________________________

MAYOR ______________________________

ATTEST:

______________________________

City Clerk
APPROVED AS TO FORM:

BY: ________________________________

EWA COUNSEL
DATE: NOVEMBER 20, 2019
TO: BOARD OF DIRECTORS
SUBJECT: CALL FOR NOMINATIONS TO THE LOCAL AGENCY FORMATION COMMISSION AND THE SPECIAL DISTRICTS ADVISORY COMMITTEE

BACKGROUND:
On August 12, 2019, the San Diego Local Agency Formation Commission (LAFCO) solicited nominations pursuant to Government Code Section 56332(1) to fill eight open seats on the 16-member Special Districts Advisory Committee. A total of 11 nominations were received following a 60-day filing period. All terms on the Advisory Committee are four-year terms.

DISCUSSION:
LAFCO is now issuing ballots to all 58 independent special districts in San Diego County and inviting each district to cast a ballot selecting up to eight eligible nominees. Write-in candidates are permitted, and spaces have been provided for that purpose. The ballot and vote certification form along with nominee resumes provided by the candidates are attached. Only one vote may be cast for each nominee on the ballot and vote certification form. A ballot that is cast for more than the indicated number of positions will be disregarded.

State law specifies a district’s vote is to be cast by its presiding officer or an alternate member designated by the Board. A valid signature is required on the ballot. A ballot received without a signature will be voided. A minimum of 30 ballots must be received to certify that a legal election was conducted. A candidate for a Special Districts Advisory Committee member must receive at least a majority of the votes cast to be elected.

The deadline for receipt of the ballot by LAFCO is Monday, January 6, 2020. Any ballots received after the deadline will be voided.

RECOMMENDATION:
Request Board direction.

ATTACHMENTS:
Election Ballot and Vote Certification Form
Nominee Resumes
ATTACHMENT A
SPECIAL DISTRICTS ADVISORY COMMITTEE MEMBER
ELECTION BALLOT and VOTE CERTIFICATION

VOTE FOR ONLY EIGHT NOMINEES

Richard S. Williamson (Yuima Municipal Water District) [ ]
Michael (Mike) Sims (Bonita-Sunnyside Fire Protection District) [ ]
* Jack Bebee (Fallbrook Public Utility District) [ ]
James E. Gordon (Deer Springs Fire Protection District) [ ]
* Robert Thomas (Pomerado Cemetery District) [ ]
Albert C. Lau (Santa Fe Irrigation District) [ ]
* Thomas (Tom) Kennedy (Rainbow Municipal Water District) [ ]
Courtney G. Provo (Mission Resources Conservation District) [ ]
* Kimberly A. Thorner (Olivenhain Municipal Water District) [ ]
Brian Boggeln (Alpine Fire Protection District) [ ]
* Mark Robak (Otay Water District) [ ]
Write-Ins [ ]

I hereby certify that I cast the votes of the ____________________________ (Name of District)
for the Special Districts Advisory Committee Election as:

[ ] the presiding officer, or
[ ] the duly-appointed alternate board member.

(Signature)

(Print name)

(Title)

(Date)

NOTE: The Nominating Committee believes all candidates are equally qualified and recommends each special district proceed with voting as they see fit. Additionally, a candidate's forum is tentatively scheduled for November 21, 2019 as part of the quarterly meeting of the San Diego Chapter of the California Association of Special Districts.

Return Ballot and Vote Certification Form to:
San Diego LACFO
Tamarack Luckett
9335 Hazard Way, Suite 200
San Diego, CA 92123
(858) 614-7755 (office) · (858) 614-7766 (FAX)
Email: tamarack.luckett@sdcourts.ca.gov

* Incumbent member
RICHARD S. WILLIAMSON

EXPERIENCE

1979 – 1982
DRINKING WATER PROGRAM MANAGER, STATE OF ARIZONA, DHS
- Developed program Regulations and Compliance Strategies for the State’s compliance with the Safe Drinking Water Act.
- Managed State’s implementation of Electronic Data Processing of program data.
- Coordinated with the Governor’s office on the implementation of the Groundwater Management Act and contracts for the use of Central Arizona Project water.

1982 - 1985
GENERAL MANAGER/DISTRICT ENGINEER, NORTHERN GILA COUNTY SANITARY DISTRICT
- Managed construction of new innovative nutrient removal plant.
- Obtained grant funds for project, and negotiated a waiver from more restrictive standards.
- Developed Strategic Plan, budgets, policies, built reclaimed water line which eliminated any stream discharge from the facility.

1985 - 2002
PRESIDENT/CHIEF EXECUTIVE OFFICER, UTILITY SYSTEMS GROUP, INC.
- Formed first Contract Operations firm in Arizona for water and wastewater systems, which managed municipal and private water and wastewater facilities.
- Purchased twenty-seven water and wastewater utility companies and became largest Arizona-owned private provider of water and wastewater services in the State.
- This Holding Company owned the utilities cited above, as well as providing for contract operations services, engineering consulting and licensed contracting for treatment, pipeline and excavation projects.

2002 - 2006
PLANNING AND ENGINEERING MANAGER, TUCSON WATER DEPARTMENT
- Oversaw development of the City of Tucson 50-year Water Plan.
- Coordinator between the Water Department and the Mayor’s office, as well as the liaison with the Pima County Wastewater Management Department.
- Negotiated over $200 million in system improvements with area developers to allow for extension and improvements in service.
2006 - 2008
GENERAL MANAGER, RED ROCK UTILITIES, INC.
- Developed all the administrative and field protocols for this start-up utility.
- Served new communities developed by the parent company.
- The housing collapse in 2007 and 2008 slowed growth in this company, and left for more active challenges and opportunities with a new position.

2008 - 2010
GENERAL MANAGER/DISTRICT ENGINEER, BORREGO WATER DISTRICT
- Initiated a series of studies to determine the water supply sustainability of the Borrego groundwater basin which determined community only had a 35-year supply.
- Developed new Strategic Plan and partnerships with federal and local water agencies to address the water supply sustainability issues.
- Directed the consolidation of the District with a smaller Community Services District and took over wastewater, recreation, and solid waste services in the community.

2010 - 2015
ASSISTANT GENERAL MANAGER, RANCHO CALIFORNIA WATER DISTRICT
- Responsible for filling in for the General Manager in his absence for this utility located in Temecula, CA.
- Primary responsibilities included development and implementation of the District’s Strategic Plan, oversight of the Integrated Water Resource Management Planning efforts in Southern Riverside County, manage the Water Conservation program, coordinate activities with other local agencies including federal, state and local governments.

2015 - 2017
WATER UTILITY MANAGER, CITY OF CARLSBAD, CA
- Overall responsibility for the operation and maintenance of the City’s water and reclaimed water activities.
- Coordinated with Mayor’s office on regional issues.
- Developed and managed water conservation program during the severe drought that California experienced during this period.

2017 - PRESENT
GENERAL MANAGER/DISTRICT ENGINEER, YUIMA MUNI. WATER DISTRICT
- Total administrative and operations responsibility to the Board of Directors.
- Assisted with development of the Groundwater Sustainability Agency (GSA). Serve as Administrator of the GSA
- Overseen Capital Improvements program; setting policies and insuring consistency with the District Strategic Plan.
EDUCATION

JUNE, 1975
WATER RESOURCES ENGINEERING, UNIVERSITY OF CALIFORNIA, LOS ANGELES

APRIL, 1979
MASTER BUSINESS ADMINISTRATION, GOLDEN GATE UNIVERSITY
20 units of credits toward degree, when transferred to Arizona. Specialized in organizational behavior, accounting and marketing.

SKILLS

- Strategic Planning for Organizations in the Infrastructure Sector.
- Excellent Communication Skills, with experience in Expert Witness Testimony and Seminars.
- Results driven with integrity and experience

- Strong Governmental and Private Sector experience
- Team organizer to address all facets of an issue in the industry.
- Utilization of Networking from experience in the geographic area and subject matter.

REGISTRATIONS AND LICENSES

- Registered Civil Engineer (California and Arizona)
- Registered Land Surveyor (California and Arizona)
- Certified Water System Operator (Arizona) non-active status
- Certified Wastewater System Operator (Arizona) non-active status
- Licensed Commercial Contractor, Pipelines, Treatment Plants, Excavation (Arizona) non-active
EXPERIENCE: Malcolm Pirnie, Inc. 2000-2009
Environmental Engineering Consulting
Sr. Project Engineer/Project Manager

Served as project Manager and/or Design Manager on 5-10 projects at any time. Managed overall project budget and resources for projects. Coordinated design and start-up with operations staff. Responsible for technical quality on numerous design projects valued at $6 to $50 million dollars in construction. Developed planning studies for facilities or agencies to guide future improvements, detailed design drawings for civil and mechanical and instrumentation and control disciplines and oversee construction of facilities.

EDUCATION: California State University – San Marcos 2005-2007
Masters of Business Administration

University of Illinois at Urbana-Champaign 1998-2000
M.S. Environmental Engineering

B.S. Physics-Engineering

LICENSCEs: Professional Civil Engineer, State of California.
Grade 4 Water Distribution Operator
Grade 4 Water Treatment Operator
Grade 4 Wastewater Treatment Operator

PROFESSIONAL ORGANIZATIONS/COMMITTEES:

American Water Works Association – Chair of the Management and Leadership Division: as chair of the Division lead efforts to plan, develop and review standards, manuals and presentations for industry best practices for utility management.
San Diego LAFCO – Advisory Group Member
ACWA, CSDA, WateReuse, California Water Environment Association - Member
San Diego County Water Authority – Board Member
SUMMARY: Over twenty years experience in the management of operations, design and planning of water and wastewater infrastructure, including water treatment, distribution and wastewater collections and reclamation facilities. Oversee entire District operation with a staff of 68 FTE’s with 11 direct reports in my current position as both General Manager for the Fallbrook Public Utilities District.

EXPERIENCE:

**Fallbrook Public Utilities District**
**General Manager**
9/2017-Present

Oversee all District functions including Finance, Customer Service, Public Relations, Human Resources, Operations, and Engineering. Responsible for establishing a productive and positive work environment. Facilitates development and implementation of the Board of Directors overall vision for the District. Communicates and Coordinates District operational needs with the Board of Directors.

**Fallbrook Public Utilities District**
**Assistant General Manager/District Engineer**
2013-Present

Oversee all operations, engineering and planning functions of the District including maintenance/construction, meter services, purchasing, water system operations and wastewater treatment/water reclamation. Responsible for Planning and setting goals for each department and monitoring performance. Responsible for developing and implementing all capital projects.

**Fallbrook Public Utilities District**
**Engineering and Planning Manager**
2009-2013

Served as the head of Engineering and Planning Department. Responsible for planning and overseeing all capital improvements projects for the District Facilities and supporting wastewater and water Operations. The projects include a new groundwater treatment plant and major wastewater reclamation plant rehabilitation as well as water distribution, storage and wastewater collections construction.
Michael Sims
(619) 479-2346

msims@bonitafd.org
4900 Bonita Road, Bonita CA 91902
Bonitafd.org

Objectives
Serve on the LAFCO Special District Advisory Committee

Education
Columbia Southern University
Bachelor Degree in Public Administration

Experience
Fire Chief
Bonita Sunnyside Fire Protection District

Hired in 1995 as a firefighter and worked through the ranks of Captain, Deputy Chief and was selected as Fire Chief in 2018

Special Assignments
San Diego County Fire Chiefs Liaison to the County Training Officers Section

San Diego County Fire Chiefs - Executive Board - Member at Large

As the past Chair of County Training Officers Section I helped to revitalize countywide participation and collaboration on all manor of training topics in our local fire service by investing in and utilizing the vast talents of the fire training officers in our region.

FAIRA Board Member
PASIS Board Member
James E. Gordon  
Director, Deer Springs Fire Protection District  
415.852.1086  
jegordon888@gamail.com

Professional History

• Director, Berkeley Research Group; October 2012 to 2014
• Managing Director, Navigant Consulting Asia; March 2005 to October 2012.
• Vice President of Pinkerton Consulting & Investigations; March 2001 to March 2005.
• Executive Vice President and CEO of OnlineSecurity; March 2000 to March 2001.
• Managing Director of Kroll Associates; March 1999 to March 2000.
• Managing Director of The Investigative Group, Inc.; June 1990 to March 1999.

Former Professional Associations

• American Bar Association (Associate Member)
• Inter-Pacific Bar Association
• High Technology Crime Investigator Association (HTCIA)

Professional Designations

• Licensed Private Investigator in California
• Chartered Life Underwriter (CLU)

James Gordon retired in 2014 after a successful international consulting career and is serving his second term (till 2022) as a Director of the Deer Springs Fire Protection District. Mr. Gordon’s professional career includes more than 25 years of experience and expertise advising clients faced with complex high stakes business disputes, litigation and investigations, especially in cross-border matters. Mr. Gordon has served as a consulting and testifying expert as well as a third-party neutral in a diverse range of business and discovery disputes.

Mr. Gordon was based in Hong Kong from 2009 to 2012 as Managing Partner for a global expert services and consulting firm. Mr. Gordon was the consulting expert and project lead on a diverse range of complex matters, including: special committee forensic investigations for Boards of U.S. listed Chinese companies; cross-border discovery; allegations of business fraud; undisclosed related third party asset transfers; Foreign Corrupt Practices Act (FCPA) investigations; deep-dive M&A and FCPA due diligence; international arbitration; royalty disputes; intellectual property rights (IPR); and dumping/trade issues.

Mr. Gordon worked on many of the highest-profile regulatory and enforcement investigations in US history, including: the Wall Street IPO Securities Litigation; Tyco; WorldCom; Parmalat; HealthSouth; and Enron. His work involved matters throughout Asia, China, Canada, UK and the United States.
advising clients and their counsel in responding to investigations by: U.S. Department of Justice (DOJ); Securities and Exchange Commission (SEC); Federal Energy Regulatory Commission (FERC); the New York Stock Exchange (NYSE); NASDAQ; Federal Trade Commission (FTC); United States International Trade Counsel (USITC) and Congressional and Senate Investigations.

Mr. Gordon was a frequent presenter at In-House Corporate Counsel events, American Bar Association conferences and at the International Pacific Bar Association on topics critical to managing business risks and resolving cross-border disputes including; "Anti-Corruption and Fraud Investigations in Asia," "Managing Counterparty Business Risk with Business Intelligence and Analytics," "Developing Cost Effective Strategies for Managing Cross-Border Discovery," "Electronic Discovery in Asia-U.S. Cross-Border Disputes," and "Evidentiary Issues in CIETAC Arbitrations."

Representative Client Assignments

Special Committee Investigation for Chinese Board of US Listed Company

- For a US listed Chinese company, Mr. Gordon was retained by the Board of Directors to conduct an internal investigation in response to whistle blower allegations. Mr. Gordon led an extensive investigation throughout China to drill down on allegations of accounting irregularities; numerous dealings with related undisclosed third parties; and the sale of one of the company's manufacturing facilities that was not an arm's length transaction. Based on Mr. Gordon’s investigation, the company restated its financial statements, changed auditors and Mr. Gordon presented his team’s findings to US based regulatory agencies.

Audit Committee Internal Bank Investigation

- Mr. Gordon worked with the bank's general counsel and the auditors pertaining to a wide-ranging internal investigation which included: investigating whistle blower allegations; an in-depth information technology review; investigation of an external data breach; and investigation of internal misconduct. The summary of Mr. Gordon's findings was provided to numerous regulatory and law enforcement agencies as well as the AMEX and NASDAQ stock exchanges resulting in no adverse impact to the client.

Major US Financial Institution – Breach of Contract Dispute

- Mr. Gordon was retained as the Court appointed Third-party Neutral Expert in a matter pertaining to allegations of a breach of an Insurance Recovery Agreement for thousands of real estate properties owned by the bank. Mr. Gordon led a team in analyzing hundreds of millions of fields of data from disparate sources including bank loan foreclosure and real estate owned ("REO") property records, asset manager records, hazard insurance recovery provider data, and insurance claims. The case successfully resolved within a week of Mr. Gordon’s testimony.
August 28, 2019

RE: Resume for Special District Advisory Committee

To Whom It May Concern:

My professional career consists of working in local government for twenty-seven years in both northern and southern California.

The last year thirteen years before I retired, I was the Community Services Director for the City of Poway overseeing the parks, recreational and cultural activities of the City.

I have been a Trustee of the Pomerado Cemetery District since 2004 appointed by the San Diego County Board of Supervisors. Dearborn Cemetery is a public cemetery serving the communities of Poway, Rancho Bernardo, and portions of North County and Inland San Diego.

I am now completing my first four year term on the Special District Advisory Committee.

Sincerely,

Robert Thomas
Albert C. Lau, P.E., MBA

Qualification Summary

Over 25 years of progressively responsible and successful engineering, planning, and utility management experience, including 18 years in leadership and senior management capacity overseeing in-house staff, consultants, and contractors. In my current position as the General Manager with Santa Fe Irrigation District, I am responsible for interfacing with elected officials, regulatory agencies, and other public agencies. I am also responsible for, under direction of the Board of Directors, planning, organizing, directing and reviewing the overall activities and operations of the District. I receive policy direction from the Board of Directors, and advise and assist the Board of Directors. Additionally, I represent the District’s interests at local, regional, State and Federal levels, and coordinates activities with outside agencies and the community.

Education

- M.B.A. (2004), San Diego State University, San Diego, CA
- M.S. Civil Engineering (1994), University of Colorado, Boulder, CO
- B.S., Civil Engineering (1992), California Polytechnic State University, Pomona, CA

Professional Experience

<table>
<thead>
<tr>
<th>Position/Employer/Dates</th>
<th>Dates</th>
<th>Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Manager</td>
<td>March '19 to present</td>
<td>Directly responsible for the development of District-wide work plans; assign work activities, projects and programs.</td>
</tr>
<tr>
<td>Santa Fe Irrigation District</td>
<td></td>
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<tr>
<td>Rancho Santa Fe, CA</td>
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</tr>
<tr>
<td>Director of Engineering and Planning</td>
<td>July ‘9’ to March ‘19</td>
<td>Member of the executive team for PDMWD. Successful re-organized the department to improved efficiency and effectiveness that has received numerous project awards.</td>
</tr>
<tr>
<td>Padre Dam Municipal Water District</td>
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<tr>
<td>Santee, CA</td>
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<td></td>
</tr>
<tr>
<td>Engineering Manager</td>
<td>Sep '00 to July '09</td>
<td>Directly responsible for capital project implementation and increased the quality, timeliness, responsiveness, efficiency, and overall production of my working group.</td>
</tr>
<tr>
<td>Padre Dam Municipal Water District</td>
<td></td>
<td></td>
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<tr>
<td>Santee, CA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior Engineer</td>
<td>Apr '98 to Sep '00</td>
<td>Project manager/engineer consistently completed assignments/projects on time and within budget. Maintained strong working relationships with public agencies and clients.</td>
</tr>
<tr>
<td>Dudek &amp; Associates</td>
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<tr>
<td>Encinitas, CA</td>
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</tr>
<tr>
<td>Project Manager/Engineer</td>
<td>July '94 to Apr '98</td>
<td>Project engineer in charge of civil works for various projects.</td>
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<tr>
<td>Tetra Tech, Inc.</td>
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<tr>
<td>San Diego, CA</td>
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Key Accomplishments

- Provided leadership, under policy directions from the Board of Directors, to develop a fair and equitable rate structure that would fit the unique and diverse consumption profile of Santa Fe Irrigation District.
- Directed the implementation of the East County Advanced Water Purification Program, a partnership between Padre Dam, County of San Diego, Helix Water District and City of El Cajon. This is a $500M surface water augmentation program, one of the first in the State of California. This regional water supply program will produce up to 30% of East San Diego County drinking water supply locally and provide long term price certainty and enhance local control for the program partners. To date, this program had received
approximately $40M in grants and over $101M in State Revolving Fund and received conditional regulatory approvals. Served as media spokesperson for interviews and conducted key elected official briefings.

- Served on the statewide advisory panel for the State Water Resources Control Board and Division of Drinking Water to investigate and report to the Legislature on the feasibility of developing uniform water recycling criteria for direct potable reuse and reservoir augmentation.

### Professional Memberships, Registration, and Certifications

- Registered Professional Engineer - Civil (CA 59053)
- Member, American Society of Civil Engineers (ASCE)
- Committee member, Water and Environment Committee, ASCE region 9
- Member, American Water Works Association (AWWA)
- Committee member, CA-NV AWWA, Advanced Water Operator Certification Committee
- Member, Water Reuse Association
- Member, Water Environment Federation & California Water Environmental Association
- Member, California Special District Association (CSDA)

### Recent Professional Recognitions, Publications, and Presentations

- 2016 Leadership Award, Water Environmental Federation, White House Water Summit.
Thomas Kennedy
tkennedy@rainbowmwd.com 760-728-1178

KEY ATTRIBUTES

Experienced practitioner regarding all things related to Special Districts. Deep understanding of LAFCO laws and intergovernmental relations.

EDUCATION

Bachelor of Science, Aerospace Engineering, with emphasis on Flight Mechanics and Propulsion, San Diego State University, 1989

Masters in Public Administration, with emphasis in Public Finance, California State University at Fullerton, 2000

EMPLOYMENT

2014 TO CURRENT
General Manager, Rainbow Municipal Water District

2007 TO 2014 (and 1999 TO 2005)
Operations Manager, Olivenhain Municipal Water District

2006 TO 2012
Non-Revenue Water Consultant (Offshore projects – side work)

2005-2006
Vice President, Business Solutions, Nobel Systems

2003 - 2006
Water Treatment Plant Design Consultant (US based projects – side work)

1999 TO 2005
Operations Manager, Olivenhain Municipal Water District

1991 – 1999
Water Superintendent, City of Vernon

AFFILIATIONS

President, San Diego Chapter of the California Special Districts Association – 2016 to present
Member, San Diego LAFCO Special District Advisory Committee – 2015 to present
Member, San Diego County Water Authority Board of Directors, 2015 to present
Advisory Member CSDA Formation and Reorganization Expert Feedback Team
President, Bonsall Rotary (2018-2019)
Former Chairman of the GE Water and Process Technology Drinking Water User Group
Member American Water Works Association serving on several National Committees
COURTNEY G. PROVO
Courtneyrios@gmail.com | (760) 310-0161

Executive Management
Strategic Planning • Public Sector Engagement • Budget Development • Contract Administration

PROFILE SUMMARY
Accomplished executive with extensive experience in the public sector. Highly skilled in planning, organizing and implementing functions from conception to completion, including business retention, business attraction and diversified programs. Regularly coordinates with various political subdivisions to facilitate change in the community to support organizational objectives. Possess adept skills in budgeting, management of operational services, interdepartmental project supervision, and human resources. Review of analytical data and delivering information in a comprehensible manner. Strong background in relationship management, and team building.

WORK EXPERIENCE
MISSION RESOURCE CONSERVATION DISTRICT
General Manager, July 2018 – Present

- Strengthening the District’s visibility through proactive networking, community engagement, workshops and public presentations.
- Works directly with diverse stakeholders, including other conservation districts, local, state and federal agencies.
- Directs all services and activities of the District, that includes the expanding and diversifying of staff and additional program opportunities.
- Supervising grant and contract activities such as monitoring deliverables; development and coordination of staff and sub-contractors and building relationships with internal & external stakeholders to sustain future efforts.
- Analyzing of existing economic conditions relative to business operations and program expansion; reviewing modern techniques for implementation to increase employee retention and streamlined operations.
- Coordinating with other agencies to leverage program development and further grant opportunities.
- Preparation of requests for proposal for necessary contract work, including the interview process and compliance with all provisions concerning public works and prevailing wage.
- Development of business proposals to secure District contracts, that consists of proposal presentations, contract negotiations and ongoing monitoring of deliverables.
- Coordinating with various departments in preparation of the District’s annual budget, including fiscal year-end activities.
- Implementing necessary marketing efforts to increase visibility of the District’s programs
- Monitoring of the District’s day-to-day activities and reports directly to the Board of Directors.
- Preparation of monthly Board reports and regular attendance to all meetings, including the preparation of agendas, recommendations with supporting materials and corresponding meeting minutes.
COLLINS COLLINS MUIR + STEWART
Legal Assistant, March 2016 – June 2018

- Works directly with Partner and Associate level attorneys at varying skills levels and managing their day-to-day calendars and cases.
- Responsible for overseeing status of all pending case deadlines to ensure both legal compliance and timely submittal.
- Conducts research concerning State and Federal rules to ensure compliance with submission of legal pleadings.
- Reviews and edits pleadings prior to submittal to State, Federal, Appellate and Supreme Courts.
- Collaborates with multiple attorneys and staff on as-needed work with little to no direction.

SEMNAR & HARTMAN LLP
Legal Assistant/Office Manager, May 2013 – March 2016

- Manages all office operations and day-to-day activities, included, but not limited to hiring and training of additional personnel.
- Maintains various attorney’s calendars; calendaring all appearances and corresponding deadlines.
- Researching all applicable local State and Federal rules to ensure proper compliance with jurisdictional authority.
- Maintain client accounts and expenses; assists in firm bookkeeping.
- Responsible for maintaining the life cycle of an entire caseload from conception to completion, which includes overseeing all pending deadlines and maintaining client retention.

KHASHAYAR LAW GROUP
Legal Assistant/Office Manager, August 2008 – March 2016

- Development and implementation of a records management system.
- Corresponds with diverse individuals and administrations; attorneys, staff, clientele and various government agencies.
- Manages attorney’s day-to-day calendar and caseload to ensure timely completion of pending projects, in addition to daily office maintenance and activities.
- Prepares and reviews all pleadings and other legal correspondence prior to submission.
- Researches local authority to ensure compliance with legal process and procedure.

EDUCATION
MA, Public Administration
Ashford University

BS, Criminal Justice Administration
University of Phoenix
Kimberly A. Thorner, Esq.  
Carlsbad, CA 92009  
kthorner@olivenhain.com

NATIONALITY

US Citizen, Born on US Army Base, Berlin, Germany

SKILLS

- Chief Executive Officer
- Public Agency Manager
- Lawyer
- Legislative Advocate
- Project Manager
- Community Relations
- Financial Management

EXPERIENCE

Olivenhain Municipal Water District, Encinitas, CA 2007 - Current
General Manager
- Management of approx. half billion dollar net worth public agency
- Water Supply Planning, Treatment and Maintenance, Wastewater Collection and Treatment, Recycled Water
- Parks and Recreation
- Legal
- Financial
- Engineering
- Human Resources
- Legislative (State & Federal)
- Community Relations
- Risk & Safety

Olivenhain Municipal Water District, Encinitas, CA 2002 - 2006
Assistant General Manager
- Management of public agency
- Oversight of main functions of District

Olivenhain Municipal Water District, Encinitas, CA 1996 - 2002
Project Manager
- Project Management
- Constructed World’s Largest Immersed Membrane Treatment Plant
- Project Team on the Olivenhain Dam
- Environmental Compliance
- Contract Negotiations
- Public Relations
- Budget Oversight and Management
EDUCATION

Thomas Jefferson School of Law, San Diego, CA
- Juris Doctorate, May 1995
- Editor for "The Restater" Law School Newspaper 1993-1995
- Teaching Assistant, Legal Analysis 1993-1994
- President-Student Bar Association-1994-1995
- Academic Chairperson-Student Bar Association-1993-1994

University of Colorado, Boulder, CO
- Bachelor of Arts in Political Science, May 1992
- Secondary Emphasis - German
- Active member of CU Law Club; CU Election Poll Manager -1991

ACHIEVEMENTS & PROFESSIONAL BOARDS (Last 10 years)

- Certified Special District Administrator from the Special District Leadership Foundation (2008 - present)
- WaterReuse California Board of Directors (2018 to present)
- 2015 California WaterReuse Advocate of the Year
- Founding member and lead for the North San Diego County WaterReuse Coalition (2010 to present)
  - Testified before the San Diego Grand Jury which resulted in a commendation for the coalition (2015/2016)
- Association of California Water Agencies Federal Affairs Committee (2006 to present)
- San Diego Local Agency Formation Commission Advisory Committee (2008 to present)
  - Elected Chair (2014 to present)
- Board of Directors of the San Diego North Economic Development Council (SDNEDC) (2007 to present)
  - Elected Chair (2013-2014)
- Integrated Regional Water Management Regional Advisory Committee (2008 to present)
- Sponsored AB 869 to promote water recycling in California (2017)
- OMWD bond rating increased from A- to AAA under my tenure as General Manager, while our rates remained in the lower third in the region for the average user. (2007 to present)
- Issuance of over $250 million in bond financing and refunding
- Oversaw unprecedented OMWD safety record of over 10 years of no lost time preventable injuries (2007 to present)

COMMUNITY INVOLVEMENT

- Water for People (San Diego Core Committee) Emcee at Annual Lunch (2013 to present)
- Lead Planner and Host for the North County Water Summit with the SDNEDC (2015)
- Board of Directors (President) – Arroyo Vista Homeowner’s Association (2009 to present)
- Classroom Volunteer – Olivenhain Pioneer Elementary – 2012 to 2018
- Hands On San Diego Volunteer
- hikeboss@summitfriends.com Annually guide personal and professional friends on ambitious day hikes, including Rim to Rim of the Grand Canyon and Mt. Whitney
<table>
<thead>
<tr>
<th>NOMINATED BY:</th>
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<tbody>
<tr>
<td>District Name:</td>
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<td>District Phone:</td>
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<tr>
<th>NAME OF NOMINEE:</th>
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<tr>
<td>Name:</td>
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<td>Address:</td>
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<td>Phone:</td>
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<th>NOMINATED FOR:</th>
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<tbody>
<tr>
<td>LAFCO POSITION:</td>
</tr>
<tr>
<td>( ) Alternate Special District Member (Term expires in 2019)</td>
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<tr>
<td>SPECIAL DISTRICTS ADVISORY COMMITTEE POSITION:</td>
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<thead>
<tr>
<th>DISTRICT EXPERIENCE:</th>
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<tbody>
<tr>
<td>Ms. Thomer began her tenure with Olivenhain Municipal Water District in October 1996, becoming General Manager on January 1, 2007. Under her direction, OMWD provides water, wastewater services, recycled water, hydroelectricity, and park/recreation facilities on behalf of approximately 86,000 customers over 48 square miles in northern San Diego County.</td>
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<thead>
<tr>
<th>LAFCO EXPERIENCE:</th>
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<tbody>
<tr>
<td>Ms. Thomer currently serves as Chair of the San Diego Local Agency Formation Commission’s Special Districts Advisory Committee (SDAC). She has served on the SDAC for the past 12 years. She has participated and provided input and guidance on dozens of important LAFCO issues during her tenure and has spoken at many LAFCO hearings on behalf of the SDAC.</td>
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<th>ADDITIONAL INFORMATION:</th>
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<tr>
<td>Ms. Thomer earned a bachelor's degree in political science from the University of Colorado (Boulder) and her Juris Doctorate from Thomas Jefferson School of Law in San Diego. She is past Chair of the San Diego North Economic Development Council’s Board of Directors, past member of the Ecke Y Board of Directors, past Chair of the Ecke Y Board Finance Committee, on the WaterReuse California Board of Trustees, and the SDCWA Fiscal Sustainability Task Force. Since 2008, she holds her Special Districts Administrator certification from the Special District Leadership Foundation and recently completed the Special District Leadership Academy.</td>
</tr>
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Brian Boggeln
1364 Tavern Rd Alpine, CA 91901
Phone: 619-445-2635 • E-Mail: bboggeln@alpinefire.org

<table>
<thead>
<tr>
<th>Education</th>
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<tbody>
<tr>
<td>• A.S. Degree – Fire Protection Technology</td>
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<tr>
<td>• California State Fire Marshal Fire Officer</td>
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<tr>
<td>• California State Fire Marshal Chief Officer</td>
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<tr>
<td>• California State Fire Marshal Fire Instructor</td>
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<tr>
<th>Experience</th>
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<tbody>
<tr>
<td>• 2018 – present Division Chief of Operations – Alpine Fire Protection District</td>
</tr>
<tr>
<td>• 2004 – 2018 Fire Captain/Paramedic</td>
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<tr>
<td>• 2001 – 2004 Firefighter/Paramedic</td>
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<tr>
<td>• 1997 – 1999 Firefighter Cadet</td>
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<table>
<thead>
<tr>
<th>Special Assignments</th>
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<tbody>
<tr>
<td>• Emergency Medical Services Coordinator – Alpine Fire Protection District</td>
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<tr>
<td>• Chair of Central Zone Training Officers Association</td>
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<tr>
<td>• Chair of Central Zone Operations Chiefs</td>
</tr>
<tr>
<td>• Central Zone Representative to San Diego County Regional VHF Radio Project</td>
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<thead>
<tr>
<th>Experience</th>
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<tbody>
<tr>
<td>• Division Chief of Operations – Alpine Fire Protection District – Oversee the daily operations of the Alpine Fire Protection District. Supervise the twelve operational personnel in fulfilling the mission of the District.</td>
</tr>
<tr>
<td>• Fire Captain – Supervise six personnel in daily activities on an engine company. Provide command and control of emergency incidents.</td>
</tr>
<tr>
<td>• Emergency Medical Services Coordinator – Supervise the emergency medical operations of the Alpine Fire Protection District.</td>
</tr>
</tbody>
</table>
WATER INDUSTRY – ELECTED OFFICE

2005 - Present Otay Water District Spring Valley, CA
Board Member, Former President, Vice-President & Treasurer
- Oversee a public agency with $132M annual budget, providing water and sewer and recycled water to 224,000 customers in a 126 square mile service area. Represent all of the District sewer ratepayers.
- Chair of Finance and Administration Committee. Provide guidance to finance department staff for annual budget cycle and instrumental in Board audits of District finances.
- Head of current Labor Negotiations Committee.
- Former Chair of Engineering Committee. Fully engaged in oversight of key District CIP projects.
- Chief advocate at Board level for continuing development of District strategic plan and benchmarking study, including advocating for peer review as presented by AWWA.
- Instrumental in securing a feasibility study to bring recycled water to northern service area of the District. Public speaking on expansion of recycling water to the media, including local television.
- Represented District to Water Reuse Association, attending local, state and national level conferences.
- Had District rejoin ACWA in 2017 after a long hiatus.
- Been the Board member involved in Water for People events.
- Was instrumental in the recent introduction of live streaming of Otay Board meetings.

2005 – Present Water Conservation Garden El Cajon, CA
Board Member/Former President
- Oversaw a joint-powers authority comprised of six public agencies creating an award winning five-acre display area that showcases water conservation to the general public and landscaping professionals.
- Was involved with the Garden when it opened in 1999 and have the most background of any individual.

1997 - Present San Diego Metro Wastewater Joint Powers Authority San Diego, CA
Board Member/Former Chairman/Longest serving Board Member
- Oversaw a joint-powers authority comprised of 15 other cities and districts that pay for 35% of the upkeep and capital costs of the City of San Diego’s regional wastewater facilities, with 2.2 million customers in a 450 square mile service area, treating 180 million gallons a day.
- Former Member of the Independent Rates Oversight Committee (IROC) for City of San Diego.
- Former member of the Finance Committee, that reviewed and advised on City of San Diego Bond offerings affecting Municipal and Metro systems (approx. $1.2B placed - May 2009)
- Former head of Strategic Ad-Hoc Committee charged with shaping vision and mission for the organization, along with a plan to achieve those goals.
- Assisted in development of a communications plan and design of organization website.
- Participant in American Assembly II process in 2005 that endorsed Indirect Potable Reuse.
- Developed a Twitter site for them.

1996 - 2001 Padre Dam Municipal Water District Santee, CA
President, Treasurer, Board Member
- Oversaw public agency with $40M annual budget, providing water, sewer and recycled water to 135,000 customers in an 85 square mile area.
- While President of the Board the Board (1998), championed a Competitive Challenge program that was instituted comparing the agency to best management practices of the private sector. Has saved Padre Dam ratepayers $1,800,000 annually to date.
- Represented Santee Lakes area and helped develop a Master Plan for 190-acre Santee Lakes Park & Campground, allowing it to become self-supporting and enhance recreational benefits for the community.
- Assisted in negotiations with employee bargaining unit in securing a new labor agreement.
WATER INDUSTRY

Water Conservation Garden
- Led formation and recruitment of Board Members that led to creation of Friends of the Garden foundation to assist in fundraising for the operation of the facility. This entity became the management structure for the Garden effective January 2011 and exists to this day. Our goal when we formed it was to achieve at least half of our funding from outside the industry, which the Garden did achieve.
- Obtained signage on Jamacha Road through my political connection with former Senator Dennis Hollingsworth. The Garden had previously been rebuffed by Caltrans who has jurisdiction on road.
- Started and maintained their Facebook site, which I turned over to them, as well helping start other social media sites.

Water-Wise AA Degree program/Cuyamaca College
- During my tenure (4 years) as President of the Water Conservation Garden, I was the chief advocate getting a new Water-Wise AA Degree program implemented in conjunction with Horticulture Department at Cuyamaca College. Worked with the College and SDCWA staff to achieve it.
- The program is a model for junior colleges throughout the state.

YesToTap on Twitter
- Developed and maintain the leading Tap Water advocacy site in San Diego County.
- Averages 3,000+ impressions per month. Followers throughout U.S. and world.
- Developed a tapwater pledge for organizations
- Goal is to develop website and other advocacy methods.

Conservation Action Committee
- Bought the www.ConservationActionCommittee.org for the organization and helped developed their website working with SDCWA staff
- Developed both their Facebook and Twitter sites
- Main promoter of their programs in social media

Oaty Mark
- Have the leading water Twitter site (non SDCWA) in San Diego averaging approximately 30,000 views per month with a high of approximately 90,000. Followed by opinion leaders throughout the state.
- Leading advocate of SDCWA’s member agencies on their specific accomplishments.
- Also have a website, with Facebook, Instagram, YouTube and Flickr.

Television & Media
- Have appeared in interview format on local news on water and wastewater issues
- Have relationships with local print, online and television reporters
- Was guest curator for a week on Voice of San Diego’s Instagram page for water issues

Political
- Have advised locally elected officials on water issues, including Senator Joel Anderson, when first elected to Padre Dam, prior to higher office.
- Have extensive connections with locally elected officials throughout San Diego County.
- Have helped develop social media strategy for locally elected officials.

Social Media Instruction
- Taught social media with a focus on Twitter to agencies at the San Diego Chapter of the California Special Districts Association. Analyzed all water agencies for their social media effectiveness.
- Started the Chapter’s Facebook and Twitter sites.
- Advised agencies on areas of improvement including SDCWA.

Water & Wastewater Technology Program
- Completed Water Distribution Systems – WWTR 130 – Grade A
- Completed Wastewater Collection Systems – WWTR 132 – Grade A
Preliminary Program – 11/13/19
Subject to Change

Tuesday, January 21
7:30 a.m. – 12:00 p.m. CSRMA Training Seminar
9:00 a.m. – 5:00 p.m. Registration
10:30 a.m. – 12:00 p.m. CASA Board of Directors Meeting
12:00 p.m. – 1:30 p.m. Associates Committee Meeting
12:00 p.m. – 1:30 p.m. Lunch on Your Own
1:30 p.m. – 4:00 p.m. Roundtable Series (See Attached List)
  1:30 p.m. – 2:30 p.m. Session 1 (Variety of Table Topics)
  2:30 p.m. – 3:00 p.m. Networking Break
  3:00 p.m. – 4:00 p.m. Session 2 (Repeat from Session 1)
4:15 p.m. – 5:30 p.m. Communications Committee Meeting
4:15 p.m. – 5:30 p.m. CSRMA Executive Board Meeting
5:30 p.m. – 6:30 p.m. Welcome Reception

Wednesday, January 22
7:00 a.m. – 7:45 a.m. Indian Wells Morning Jog
7:30 a.m. – 4:30 p.m. Registration
7:30 a.m. – 9:00 a.m. Breakfast
7:45 a.m. – 8:45 a.m. CASA Education Foundation Board Meeting
8:00 a.m. – 9:15 a.m. CSRMA Board of Directors Meeting
9:00 a.m. – 11:45 a.m. Morning Session
  9:00 a.m. – 9:45 a.m. Keynote Speaker - Pour Into Others: Mentor and Advocate
                       Maggie Frye, Core Consulting
9:45 a.m. – 11:00 a.m.  Cutting Edge Technologies and Research Partnerships
- Silicon Valley Biogas to Plastics
- Fuel Cell Advances in Biogas Treatment (Vijay Srivatsan)
- *Rebecca Ryals*

11:15 a.m. – 11:45 a.m.  Climate Resiliency: What Does it Mean for Your Agency?

12:00 p.m. – 1:30 p.m.  Luncheon
- Join us for a tribute to outgoing Executive Director Bobbi Larson

2:00 p.m. – 4:00 p.m.  Afternoon Session

2:00 – 3:00  Future Workforce Development Panel

3:00 – 4:00  Tailoring Solutions to Medium and Small Agencies
- Helping with Funding Decision Making (Greg Swartz)
- Enhancing Technology for Small to Medium Agencies (Bob Holt)
- Assessing Triple Bottom Line at Your Agency (*Alexander Quinn*)

4:15 p.m. – 5:30 p.m.  Bay Area Biosolids Coalition Meeting

4:00 p.m. – 5:30 p.m.  Federal Legislative Committee Meeting

5:30 p.m. – 6:30 p.m.  Associates Reception

**Thursday, January 23**

8:00 a.m. – 11:00 a.m.  Registration

8:00 a.m. – 9:30 a.m.  Breakfast

8:00 a.m. – 9:00 a.m.  State Legislative Committee Meeting

9:15 a.m. – 11:00 a.m.  Closing Session
President Bill Long, Presiding

9:15 a.m. – 9:45 a.m.  Federal and State Legislative Updates
Eric Sapirstein and Jessica Gauger

9:45 a.m. – 10:15 a.m.  Michael Thompson, Sonoma County Water Agency

10:15 a.m. – 10:45 a.m.  National Partnerships and Priorities
Adam Krantz (NACWA)

10:45 a.m. – 11:00 a.m.  President's Closing Remarks

11:00 a.m. – 3:00 p.m.  Attorneys Committee Meeting