

**AGENDA FOR A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, FEBRUARY 18, 2026, AT 5:00 P.M.
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA**

CALL TO ORDER – PRESIDENT KERSCHBAUM

NOTICE TO THE PUBLIC: Meetings of the Board of Directors of the Vallecitos Water District will be held in the Board Room at the District Office located at 201 Vallecitos de Oro, San Marcos, California, on the date and time identified above.

MEETING BROADCAST: Members of the public may watch the meeting live via computer or smart device by going to the District’s website: vwd.org/meetings and clicking on the “Watch Live” icon; however, they will not be able to participate in the meeting remotely.

LISTEN TO THE MEETING: Members of the public may listen to the meeting live on their phone by dialing (888) 788-0099 (Toll Free) or (877) 853-5247 (Toll Free). When prompted, enter the meeting ID and Passcode displayed on the District’s website.

PLEDGE OF ALLEGIANCE

ROLL CALL

ADDITIONS TO THE AGENDA:

Items may be added to the Agenda if the Board determines, by majority vote, that an emergency exists, or by a two-thirds vote of those present, or unanimously if fewer than two-thirds are present, that immediate action is needed and the necessity arose after the agenda was posted (Government Code Section 54954.2).

ADOPT AGENDA FOR THE REGULAR MEETING OF FEBRUARY 18, 2026.

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 Board 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.

CONSENT ITEMS

All matters listed under the Consent Calendar are expected to be routine and non-controversial, to be acted upon by the Board 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.

1.1 APPROVAL OF MINUTES

- A. P 3 Committee Meeting – February 3, 2026
- B. Regular Board Meeting – February 4, 2026

Recommendation: Approve Minutes.

1.2 WARRANT LIST THROUGH FEBRUARY 18, 2026 – \$9,027,741.15

Recommendation: Approve Warrant List.

1.3 FINANCIAL REPORTS

- A. Financial Statement Staff Report
- B. Legal Fees Summary – January 2026
- C. Reserve Funds Activity – January 31, 2026
- D. VWD Reserve Report – January 31, 2026
- E. Per Capita Water Consumption Report – January 31, 2026
- F. Water Production and Sales Report – January 31, 2026
- G. Investment Report – January 31, 2026
- H. Revenue and Expense Report – Sewer – January 31, 2026
- I. Revenue and Expense Report – Water – January 31, 2026

1.4 AUTHORIZATION TO EXECUTE A CLOUD HOSTING AGREEMENT WITH TOTAL RESOURCE MANAGEMENT FOR IBM MAXIMO

Recommendation: Authorize the General Manager to execute a two-year IBM Maximo cloud hosting agreement with Total Resource Management in the total amount of \$233,000, which includes both the hosting subscription and related implementation and upgrade services.

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

ACTION ITEMS

2.1 OPERATIONS AND MAINTENANCE METRICS – CALENDAR YEAR 2025 RECAP

Recommendation: For information only.

2.2 ADOPTION OF ORDINANCE NO. 232, ESTABLISHING A POLICY REGARDING BOARD TRAVEL AND AMENDING ORDINANCE NO. 229

- Recommendation:**
- 1) Adopt Ordinance No. 232 approving the changes to the Board Travel Policy, and
 - 2) Amend Section 2.3 of Ordinance No. 229 by removing the reference to District Resolution No. 1365 and substituting with a reference to the newly adopted Ordinance No. 232.

*******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
- 3.5 STANDING COMMITTEES
- 3.6 DIRECTORS REPORTS ON MEETINGS/CONFERENCES/SEMINARS ATTENDED

*******END OF REPORTS*******

OTHER BUSINESS

- 4.1 QUARTERLY BOARD EXPENSES

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

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

- 5.1 None.

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

ADJOURNMENT

- 6.1 ADJOURNMENT

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

In compliance with the Americans with Disabilities Act, if you have any disability which would require accommodation to enable your participation in this meeting, please notify the Board Secretary at BoardSecretary@VWD.org at least 48 hours prior to the meeting.

Video recordings of all Board meetings can be accessed on the District website www.vwd.org.

AFFIDAVIT OF POSTING

I, Kirsten Peraino, Executive Assistant/Board Secretary of the Vallecitos Water District, certify that this Agenda was posted in the outside display case at the District office, 201 Vallecitos de Oro, San Marcos, California, at least 72 hours prior to the meeting (per Government Code §54954.2).

A handwritten signature in blue ink, appearing to be 'K Peraino', followed by a horizontal line extending to the right.

Kirsten Peraino, Executive Assistant/Board Secretary

MINUTES FOR THE **PUBLIC AWARENESS/PERSONNEL/POLICY COMMITTEE**
OF THE VALLECITOS WATER DISTRICT
TUESDAY, FEBRUARY 3, 2026, AT 10:00 AM
AT THE DISTRICT OFFICE IN THE UPPER CONFERENCE ROOM
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

Chair Brown called the meeting to order at 10:00 a.m.

Present: Chair Brown
Director Pennock
General Manager Gumpel
Assistant General Manager Hubbard
Director of Administrative Services Aviles
Public Information / Conservation Supervisor Robbins
Human Resources Assistant Ramirez

PUBLIC COMMENT

None.

ITEM(S) FOR DISCUSSION

1. DRAFT BOARD REPORT FOR PUBLIC SECTOR VACANCY RATE (PER AB 2561)
Director of Administrative Services Aviles provided the committee with a draft Board Report per AB 2561. AB 2561 mandates public agencies to hold a Public hearing, annually (prior to Budget adoption), regarding the District's job vacancies, recruitment, and retention efforts. *The Public Hearing is tentatively scheduled for the March 18, 2026 Board Meeting.*
2. QUARTERLY OUTREACH UPDATE
Public Information/Conservation Supervisor Robbins provided a quarterly update on community outreach, recent achievements, and infrastructure milestones for the District, as well as key events and initiatives planned for the first half of 2026.

ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at 11:02 AM.

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, FEBRUARY 4, 2026, AT 5:00 P.M.
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

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

Present: Director Kerschbaum (President)
Director Pennock
Director Hernandez
Director Brown

Absent: Director Elitharp (Vice President)

Staff Present: General Manager Gumpel
Assistant General Manager Hubbard
Legal Counsel Gilpin
Director of Engineering Lopez
Director of Operations Bennett
Chief Financial Officer Owen
Chief Technology Officer Labarrere
Director of Administrative Services Aviles
Information Technology Analyst Todd
Human Resources Assistant Ramirez

Director Brown led the pledge of allegiance.

ADDITIONS TO THE AGENDA

None.

ADOPT AGENDA FOR THE REGULAR MEETING OF FEBRUARY 4, 2026.

MOTION WAS MADE by Director Pennock, seconded by Director Brown, and carried with four (4) affirmative votes; the Board adopted the agenda for the Regular Board Meeting of February 4, 2026.

PUBLIC COMMENT

None.

CONSENT CALENDAR

MOTION WAS MADE by Director Hernandez, seconded by Director Brown, and carried with four (4) affirmative votes, to approve the following Consent Calendar items:

CONSENT CALENDAR (Continued)

- 1.1 APPROVAL OF MINUTES –
 - A. Regular Board Meeting – January 21, 2026
 - B. Engineering & Equipment Committee Meeting – January 27, 2026
- 1.2 WARRANT LIST THROUGH FEBRUARY 4, 2026 – \$ 1,617,270.35
- 1.3 AWARD OF CONSTRUCTION CONTRACT FOR THE REPAIR OF ASPHALT ROADS
- 1.4 APPROVAL OF CONSTRUCTION AGREEMENT FOR RESTAURANT ROW WATER AND SEWER IMPROVEMENTS

ACTION ITEM(S)

2.1 DEVELOPMENT SERVICES – CALENDAR YEAR 2025 UPDATE

Director of Engineering Lopez provided an update on the District’s Development Services Projects for Calendar Year 2025, highlighting a number of higher volume projects.

This item was for informational purposes only; no action was requested or required.

2.2 APPROVAL OF DOUBLE PEAK PUMP STATION BUDGET REQUEST

Director of Operations Bennett provided an overview of the Double Peak Pump Station, which has been in operation since 2007, highlighting its critical role in water delivery and fire protection for the San Elijo neighborhood. A budget of \$70,000 has been allocated for the refurbishment of the pump station’s three 100hp pumps as part of the Fiscal Year 2024/25 Capital Improvement Projects. The refurbishment strategy focuses on a comprehensive overhaul of the existing pumps rather than a complete replacement, to ensure cost efficiency.

Initial assessments revealed the necessity of refurbishing the electric motors, thereby expanding the project scope to include these essential components. While the first pump and motor were overhauled within the allocated budget, unforeseen challenges with the second pump led to additional costs.

MOTION WAS MADE by Director Pennock, seconded by Director Kerschbaum, and carried with four (4) affirmative votes, to approve a budget increase of \$66,100 for FY 2025/26 to complete the Double Peak Pump Station refurbishment project.

REPORTS

3.1 GENERAL MANAGER

General Manager Gumpel presented a report covering various informational items.

REPORTS (Continued)

3.2 DISTRICT LEGAL COUNSEL

None.

3.3 SAN DIEGO COUNTY WATER AUTHORITY (SDCWA)

None.

3.4 ENCINA WASTEWATER AUTHORITY (EWA)

Director Pennock provided highlights from the January 28, 2026 EWA Board Meeting.

3.5 STANDING COMMITTEES

None.

3.6 DIRECTORS REPORTS ON TRAVEL / CONFERENCES / SEMINARS ATTENDED

None.

OTHER BUSINESS

4.1 OTHER BUSINESS

None.

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

5.1 DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

None.

ADJOURNMENT

6.1 ADJOURNMENT

There being no further business to discuss, President Kerschbaum adjourned the Regular Meeting of the Board of Directors at the hour of 5:41 PM.

Jennifer Kerschbaum, Board President
Vallecitos Water District

ATTEST:

Kirsten Peraino, Board Secretary
Vallecitos Water District

VALLECITOS WATER DISTRICT

WARRANTS LIST

February 18, 2026

2/10/2026 12:43

PAYEE	DESCRIPTION	CHECK#	AMOUNT
Garnishment	Payroll Garnishments	133424	-
Accurate Security Pros, Inc.	Door Access Controller Troubleshooting Svcs - MRF	133425	450.00
ACWA/Joint Powers Insurance	Medical Insurance - Mar	133426	263,469.91
Advanced Imaging Solutions	Copier Lease - Jan	133427	3,246.27
AIS Specialty Products, Inc.	Printer Lease Oct - Jan	133428	679.38
Aqua-Metric Sales Co	MXU Ports - 189 & 6" Meter	133429	41,365.99
AT&T	Phone Svc - Jan	133430	531.30
Bemus Landscape	Landscaping Svcs - HQ - Jan	133431	2,573.00
Best Best & Krieger	Legal Svcs - Dec	133432	11,422.84
Cal Desal	Annual Membership Dues 25-26	133433	5,000.00
Casamar Group, LLC	Chlorine Contact Tank Expansion Prj 20161-2	133434	1,054.52
Cass Construction Inc	Emergency 8" Water Main Repair - 1341 Deer Brook	133435	57,415.28
CCI	Water Treatment Svcs - Jan	133436	220.00
CDW Government	Dell Docking Stations - 10 & Dell Monitors - 16 Prj 20261-10, & Copilot Licenses - 10	133437	9,232.62
Chad Knoche	Closed Account Refund	133438	100.86
Akeso Occupational Health	Medical Svcs - Jan	133439	195.00
Consolidated Water Technologies, Inc.	Trioxyn	133440	15,031.46
Conсор North America, Inc.	Sodium Hypochlorite Conversion Prj 20171-2	133441	6,008.75
Cook Industrial Supply	Pressure Washer Annual Service & Repair	133442	892.51
Core & Main	Fire Hydrant Meter	133443	1,226.10
Core Logic Information Solutions Inc	Real Quest Engineering Map Svcs - Jan	133444	100.00
CWC Highpoint 36 LLC	Closed Account Refund	133445	632.20
Daniel Seidel & Eva Schmidt	Closed Account Refund	133446	24.77
Data Center Warehouse, LLC	Dell Laptops - 11 Prj 20261-10	133447	38,869.16
Debra & Mark Anthony	Closed Account Refund	133448	20.73
DirecTV	Satellite Svcs - MRF & HQ - Feb	133449	249.98
DLT Solutions LLC	AutoCAD Annual Subscription Renewal 25-26	133450	1,500.00
California Office Cleaning Inc.	Janitorial Svcs - MRF & HQ - Jan	133451	6,250.00
EC Constructors Inc	Closed Account Refund	133452	684.92
EDCO	Trash Svc - MRF & HQ - Jan	133453	1,391.30
Encina Wastewater Authority	Sewer Sampling Svcs	133454	12,879.16
Farwest Corrosion Control Company	Cad Weld Pods for Ductile Iron Pipes - 80	133455	800.18
Fisher Scientific	Ph Meter Calibration Buffer Solution - MRF	133456	412.93
G & R Auto & Truck Repair Inc	Clean Truck Check Testing Svcs - Veh 283	133457	100.00
Garage Door Enterprises, Inc.	Annual Maintenance Svcs - Roll Up Doors and 1 Vehicle Gate	133458	1,687.00
GEI Consultants	Land Outfall Parallel Sewer Section A Prj 20211-2	133459	21,465.63
Global Equipment Company Inc.	Hardware Supplies	133460	180.46
GMC Electrical, Inc.	Handhole Covers & Gaskets - 20	133461	726.65
Government Portfolio Advisors LLC	Investment Management Svcs - Dec	133462	2,815.34
Grainger Inc	Pressure Regulators - 2, Valve Repair Kits - 2, Tarp, & Sump Pump Check Valve	133463	6,608.66
Gregory A Wood	Closed Account Refund	133464	723.84
Hach Company	NTU Immersion Probe - MRF	133465	8,275.34
Harper & Associates Inc	Chlorine Tank Expansion Prj 20161-2	133466	21,400.00
Harris	1099 & W-2 Forms - 2025	133467	513.17
Hoch Consulting	Water Efficiency Regulatory & Legislative Support - Dec	133468	5,457.51
Interstate Batteries	Vehicle Batteries - 2	133469	339.97
Irwin Painting & Finishing Inc	Painting of Main Entry Handrails, Water Spouts, & Back Stairwell - Bldg A - HQ	133470	8,200.00
Ambius	Plant Maintenance Svcs - Jan	133471	1,141.62
Jack Henry & Assoc Inc	Remit Plus Support - Dec	133472	124.68
Jeffrey Brizes	Closed Account Refund	133473	86.97
Joe's Paving Co Inc	Asphalt Repair - Fuel Island Trenching - HQ	133474	4,000.00
Ken Grody Ford	Fleet Supplies	133475	127.14
Khair Atta	Closed Account Refund	133476	222.38
Khanh Hoang	Closed Account Refund	133477	83.09
Kiewit Infrastructure West Co.	Montiel Lift Station Replacement Prj 20201-2	133478	1,374,120.33
Kleinfelder, Inc.	Chlorine Contact Tank Expansion - MRF Prj 20161-2	133479	6,152.09
Knight Security & Fire Systems	Answering, Monitoring, & Patrol Svcs - MRF & HQ - Jan	133480	352.00
Lark Label LLC	Garden Signs - 18 - For New Art - Prj 20261-50	133481	1,360.00
LB3 Enterprises Inc	Closed Account Refund	133482	307.56
Lisa Kirby	Closed Account Refund	133483	202.64
Lloyd Pest Control	Pest Control Svcs - Jan	133484	410.00
Lori Jenks	Closed Account Refund	133485	56.96
Lykos Holdings LLC	Closed Account Refund	133486	23.71
Manpower Temp Services	Temp Svcs - Warehouse - Week Ending 1-18-26 & 1-25-26	133487	1,800.00
Mar-Con Products, Inc.	Concrete For Antenna Mast Footing Prj 20201-22	133488	680.97
Matheson Tri-Gas Inc	Cylinder Rentals - 3	133489	211.02

VALLECITOS WATER DISTRICT

WARRANTS LIST

February 18, 2026

2/10/2026 12:43

PAYEE	DESCRIPTION	CHECK#	AMOUNT
Mauricio Martinez	Closed Account Refund	133490	51.19
MBN Group, Inc.	Roof Replacement Construction Svcs Prj 20241-6	133491	12,255.00
McMaster-Carr Supply Co	Lights - 3 - Village R PRS, Cla Val Fittings, & Hardware For Veh 302	133492	5,008.51
Michael Baker International, Inc.	Montiel Lift Station Replacement Prj - 20201-2	133493	6,150.00
Michael Jedlowski	Closed Account Refund	133494	80.71
Motion Industries Inc	Motor - Storm Wet Well - MRF	133495	4,861.67
Muniquip, LLC	Influent Pump Parts - MRF	133496	856.40
National Safety Compliance, Inc	DOT Alcohol & Drug Testing Svcs - Jan	133497	640.38
Noregon Systems, Inc.	Truck Check Up Software Renewal 25-26	133498	650.00
North County Auto Parts	Fleet Supplies - Jan	133499	1,721.75
NV5, Inc.	Fleet Electrification - Planning & Design Svcs Prj 20241-8	133500	5,111.25
Olivenhain MWD	OMWD - NSDWRC Support Svcs - Oct	133501	6,361.47
Ostari Inc	IT Support - & DUO Software Subscription - Jan	133502	1,844.73
Pacific Advanced Civil Engineering, Inc	Expert Engineering Witness Support Svcs - Dec	133503	322.51
Pacific Hydrotech Corporation	Chlorine Tank Expansion & Sodium Hypochlorite Prj 20161-2 & 20171-2	133504	314,343.31
Pacific Safety Center	Membership Renewal 26-27	133505	320.00
Pitney Bowes	Postage Meter Refill - Jan	133506	1,066.38
Global Safety Network	Background Check Svcs - Jan	133507	72.43
Rincon Consultants Inc.	Urban Water Management Plan Svcs - Prj 20251-34	133508	4,952.75
Rincon Del Diablo MWD	Calendars -300 & Coloring Pages - 50 - Prj 20261-50	133509	662.83
Roger Mayers	Closed Account Refund	133510	64.22
Roth Staffing Companies, LP	Temp Svcs - Purchasing - Jan & Feb	133511	4,681.84
SDG&E	Power - Jan	133512	86,006.58
San Marcos Unified School District	Transportation Svcs To Jack's Pond Prj 20261-52	133513	100.00
Savannah Boone	Closed Account Refund	133514	42.70
Scott Jacobson	Closed Account Refund	133515	79.45
Shady Awad	Closed Account Refund	133516	25.80
Breakaway Promo	Warehouse Restock of District Logo T-Shirts - 50	133517	1,135.28
Silsby Strategic Advisors, Inc.	SCADA Remote Site Upgrade Svcs Prj 20251-2	133518	2,700.00
Smart Sights Technologies, LLC	Win-911 Licensing Subscription Renewal 25-26	133519	9,000.00
Specialty Seals & Accessories	Pump 2 Mechanical Seal - NTOPS Prj 20261-27	133520	990.20
Standard Insurance Company	LIFE, LTD, & ADD Insurance - Feb	133521	6,708.96
Staples Advantage	Office Supplies - Jan	133522	178.44
State Water Resources Control	Annual Water System Fees - HQ - 25-26	133523	94,602.56
Stericycle, Inc.	Shredding Services - Jan	133524	415.41
Tank Specialists of California	Fuel Island Inspection Svcs - Jan	133525	240.00
Thayer Water, Inc.	Sodium Hypochlorite Conv. Prj 20171-2, & Land Outfall Parallel Sewer Section A Prj 20211-2	133526	13,337.00
Tom Ponton Industries, Inc.	Headworks Sensor Connection Cables - 2	133527	403.79
Total Resource Mgt Inc	Maximo Support - Dec	133528	1,650.00
Traffic Supply Inc.	Tank Signs - 7 - South Lake & Coggan Tanks & Fuel Island Safety Signs - 8	133529	1,006.72
Trussell Technologies Inc	Chlorine Tank Expansion Prj 20161-2	133530	476.25
Univar USA Inc	Sodium Hypo Liquichlor	133531	3,254.67
Allied Universal	Weekly Deposit Svcs - Customer Service - Dec	133532	188.70
Valley Construction Management Inc	Montiel Force Main Prj 20201-2, & Chlorine Contact Tank Expansion Prj 20161-2	133533	101,380.52
Vinson LA	Closed Account Refund	133534	27.21
Walters Wholesale Electric	Electrical Supplies - Barham Pressure Station	133535	1,190.17
Waxie Sanitary Supply	Janitorial Supplies	133536	776.48
William Johnston	Closed Account Refund	133537	85.42
Zebtron Contracting Inc	Manhole Rehabilitation Svcs - 3 Manholes	133538	13,300.00
Air Pollution Control District	Emission Fee Renewal - LS3	133539	1,516.00
Airgas	Cylinder Rentals - 4	133540	248.59
Aloha Printing	Warehouse Requisition Forms - Qty 2,000	133541	497.38
B & C Crane Service, Inc.	Crane Rental - School House PS - Prj 20261-25	133542	720.00
Backflow Solutions, Inc.	Backflow Testing Svcs - Qty 134 - Jan	133543	2,137.30
Blue Ribbon Technologies LLC	Employee Records Management Services - Feb	133544	499.00
Boot Barn	Safety Boots	133545	234.79
Boot World Inc	Safety Boots - 2 Pairs	133546	500.00
Cintas	Eyewash Station & First Aid Kit Servicing - HQ - Jan	133547	455.16
Core & Main	Sampling Grit Catcher - Land Outfall West Prj 20231-5	133548	416.04
Ewing Irrigation Products	Landscaping Chemicals	133549	1,540.22
Ferguson Enterprises, Inc	Cla Val Rebuild Parts - Barham PRS	133550	1,150.01
Fisher Scientific LLC	Lab Supplies -Water Quality	133551	188.18
Fleet Pride	Fleet Supplies	133552	37.62
Hawthorne Rental Co.	Track Dozer Rental - For Grading	133553	5,710.50
Isolved Benefit Services	Administrative Services -Jan	133554	82.44
Jeffrey Colwell	Video Production Svcs - Dec Prj 20261-51	133555	262.50

VALLECITOS WATER DISTRICT

WARRANTS LIST

February 18, 2026

2/10/2026 12:43

PAYEE	DESCRIPTION	CHECK#	AMOUNT
Kevin Crawford Consulting	Retainer Fee - Feb	133556	4,000.00
Lloyd Pest Control	Pest Control Svcs - Jan	133557	885.00
Pacific Pipeline Supply	Palos Vista PS - Pump Control Valve, Repair Kits - 3, & Magnetic Lid Lifting Tool	133558	21,337.48
Patriot Portable Restrooms	Portable Restroom Rental - Mahr - Feb	133559	326.76
Richard W. Gittings	Hillside Development Svcs - Jan Prj 20261-5	133560	1,400.00
Rusty Wallis	Water Softener Tank Svc - Feb - Water Ops & Mahr, & Carbon Tank Svc - MRF - Feb	133561	2,960.00
Schmidt Fire Protection	Quarterly Fire Sprinkler Inspection - HQ - Jan	133562	436.00
Specialty Seals & Accessories	Pump 2 Mechanical Seal - Coggan PS Prj 20211-8	133563	2,387.04
Statix Electric	Outdoor Lighting Replacements - HQ - Bldg A & B, & Ice Machine Circuit Repairs - HQ	133564	4,526.00
Uline Inc	55 Gallon Drums - 8 - Used For Carbon Disposal	133565	746.90
Underground Service Alert	State of CA Regulatory Fees & Dig Alert Svcs - Jan	133566	964.56
Unifirst Corporation	Uniform Delivery	133567	2,024.17
Weck Laboratories, Inc.	Water Sampling Svcs	133568	1,504.00
T.S. Industrial Supply	Locking Extension Bars - 5 & Sump Pump Parts - MRF	133569	480.56
Total Disbursements (145 Checks)			<u>2,725,443.69</u>
WIRES			
San Diego County Water Authority	December Water Bill	Wire	2,253,050.30
San Diego County Water Authority	January Water Bill	Wire	2,991,255.59
Encina Wastewater Authority	Monthly Billing - January 2026	Wire	489,214.00
Public Employees Retirement System	Retirement Contribution - February 02, 2026 Payroll	Wire	93,610.50
Total Wires			<u>5,827,130.39</u>
PAYROLL			
Total Direct Deposits		Wire	284,557.31
Payroll & Garnishments	Payroll Garnishments	133424	1,233.21
IRS	Federal Payroll Tax Deposits	Wire	111,665.70
Employment Development Department	California Payroll Tax Deposits	Wire	25,926.97
Empower 457	Deferred Compensation Withheld	Wire	51,667.60
Total February 04, 2026 Payroll Disbursements			<u>475,050.79</u>
Total Direct Deposits		Wire	66.48
IRS	Federal Payroll Tax Deposits	Wire	39.69
Employment Development Department	California Payroll Tax Deposit	Wire	10.11
Special Payroll Disbursements (i.e., Final Checks, Accrual Payouts, etc.)			<u>116.28</u>
Total Payroll Disbursements			<u>475,167.07</u>
TOTAL DISBURSEMENTS			<u><u>9,027,741.15</u></u>

**VALLECITOS WATER DISTRICT
DISBURSEMENTS SUMMARY
January 31, 2026**

2/5/2026 18:28

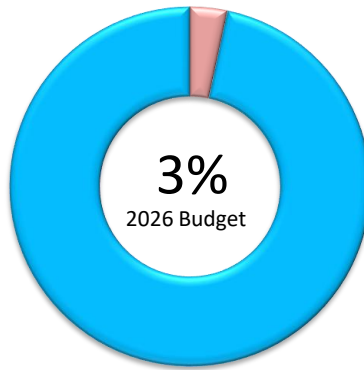
M:\Finance\Accounting\Common\1 Accounts Payable\[Warrant List.xlsx]Charts 01-31-26

Summary

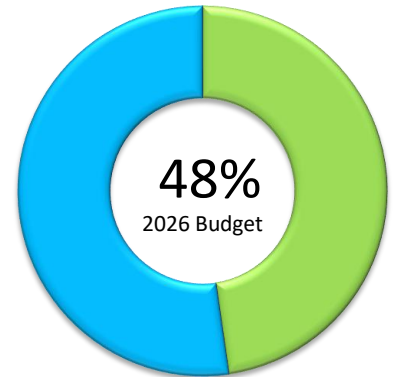
■ January Disbursements	\$ 4,025,567 *
■ YTD Disbursements	\$ 57,431,810 *
■ FY2026 Budget	\$ 120,326,000

* Excludes Debt Service

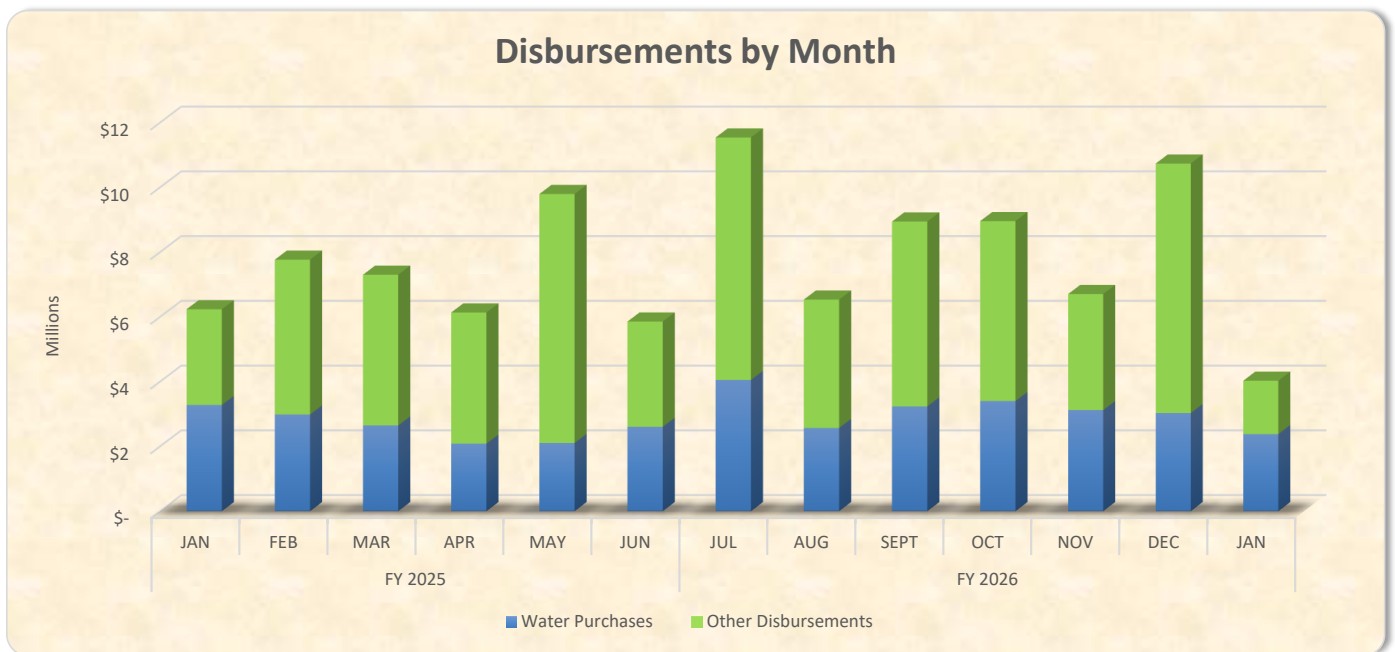
JANUARY



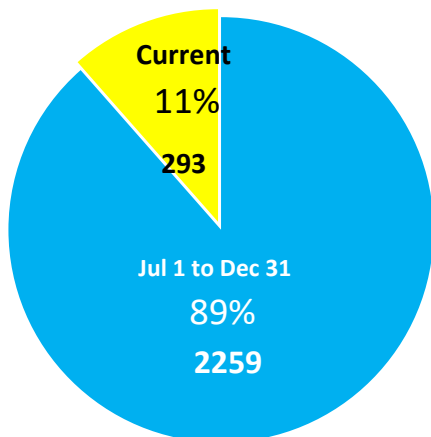
FYTD



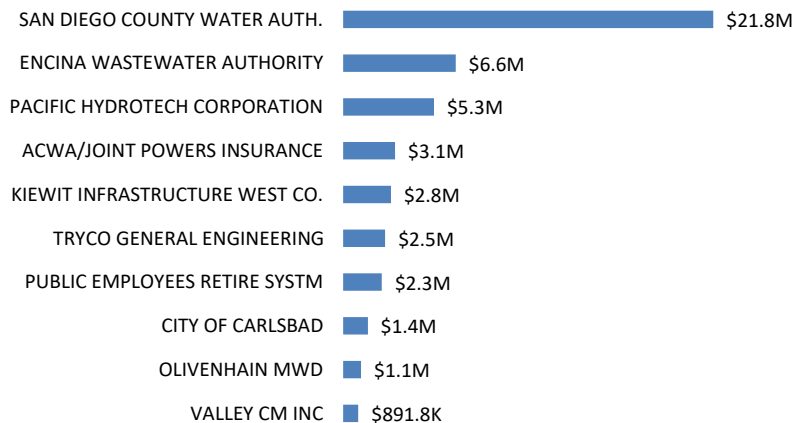
Disbursements by Month



Invoices Processed



Top 10 Vendors - FYTD



DATE: FEBRUARY 18, 2026
TO: BOARD OF DIRECTORS
SUBJECT: MONTHLY FINANCIAL REPORTS

BACKGROUND:

The Monthly Revenue and Expense Reports and the Reserve Report for the seven months ended January 31, 2026, are presented.

DISCUSSION:

The Monthly Revenue and Expense reports summarize revenues by service type and expenses by department over the 7-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 any excess of expenses above revenues are paid for out of reserves. It's important to note that amounts shown in the in the Revenue and Expense reports are unaudited and do not reflect actual transfers to/from reserves. Actual transfers will be posted upon completion of the fiscal year-end audit.

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, debt service, PERS UAL Additional Discretionary Payments (ADP), and interest expense. Unaudited amounts for operating transfers are reflected in the reserve report using the most recent information available at the time of reporting. Actual transfers will be posted upon completion of the audit in November of the following fiscal year which may result in adjustments to the beginning reserve balances.

STRATEGIC PLAN / TACTICAL INITIATIVES:

Strategic Focus Area No. 4: Fiscal Responsibility

RECOMMENDATION:

For information only.

**VALLECITOS WATER DISTRICT
SUMMARY OF LEGAL FEES**

Matter Description	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Total
General Counsel Services	\$ 9,482	\$ 7,809	\$ 8,158	\$ 5,987	\$ 7,572	\$ 6,461	\$ 4,990	\$ 5,807	\$ 5,732	\$ 7,131	\$ 6,607	\$ 9,957	\$ 6,401	\$ 92,094
Labor/Employment	568	-	449	538	-	1,663	-	185	216	-	1,201	1,355	-	6,175
Employee Benefits	168	-	-	-	-	-	-	-	-	-	-	-	-	168
Engineering - Construction/Contracting	1,196	1,166	1,385	1,166	92	1,047	-	1,170	-	524	-	497	1,584	9,828
Fees and Taxes	201	395	30	436	-	1,863	345	216	2,450	138	3,311	462	-	9,845
Adv. Butler	-	-	-	-	-	-	-	-	-	-	-	-	1,421	1,421
Litigation	-	1,969	691	389	-	-	-	-	-	-	-	-	-	3,048
Regional Board	1,910	-	-	-	-	-	-	-	-	1,967	5,693	-	154	9,723
Telecommunications	1,166	2,549	168	-	-	-	-	-	-	-	-	-	-	3,882
Real Property	1,914	598	2,424	552	-	-	431	-	-	-	-	-	1,863	7,782
VWD V. Holbrook	-	-	-	-	19	-	-	-	-	-	-	-	-	19
Total	\$ 16,604	\$ 14,486	\$ 13,304	\$ 9,067	\$ 7,683	\$ 11,034	\$ 5,766	\$ 7,378	\$ 8,397	\$ 9,759	\$ 16,812	\$ 12,271	\$ 11,423	\$ 143,983

VALLECITOS WATER DISTRICT

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RESERVE ACTIVITY FOR THE SEVEN MONTHS ENDED JANUARY 31, 2026

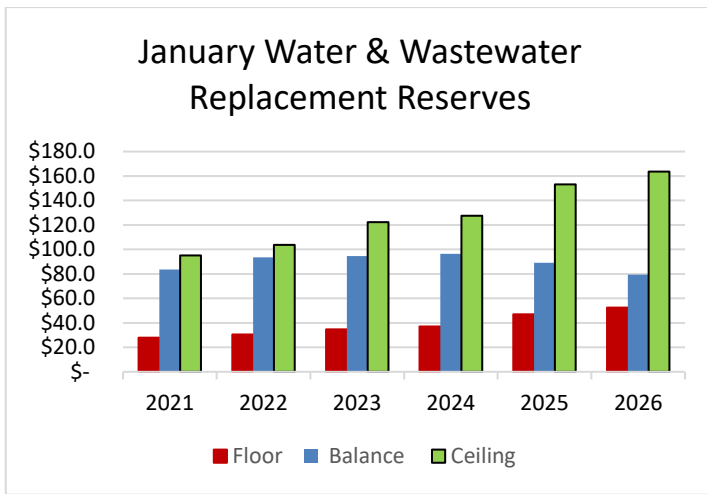
	110 Water		210 Wastewater		220	Total
	Replacement	Capacity	Replacement	Capacity		
BEGINNING BALANCE ⁽¹⁾	\$ 38,859,878	\$ 6,033,252	\$ 61,563,647	\$ 10,839,897		\$ 117,296,674
REVENUES						
Capital Facility Fees	-	2,020,620	-	9,800,496		11,821,116
FY 25/26 Operating Transfers ⁽²⁾	884,571	-	3,941,065	-		4,825,636
Investment Earnings	845,186	131,702	1,034,632	219,717		2,231,237
Property Tax	1,020,364	-	802,122	-		1,822,486
RDA pass-through	845,389	-	812,236	-		1,657,625
Annexation Fees	(15,730)	-	(32,477)	-		(48,207)
TOTAL REVENUES	<u>3,579,780</u>	<u>2,152,322</u>	<u>6,557,578</u>	<u>10,020,213</u>		<u>22,309,893</u>
LESS DISTRIBUTIONS						
Carryover Projects						
Chlorine Contact Tank Expansion	-	-	2,875,066	1,174,323		4,049,389
Encina Wastewater Authority Five Year Plan	-	-	3,268,806	-		3,268,806
Montiel Lift Station And Forcemain Replacement	-	-	1,382,138	1,438,552		2,820,690
Tres Amigos Water Line Replacement Phase 1	2,356,543	-	-	-		2,356,543
MRF - Conversion to Sodium Hypochlorite	-	-	1,370,148	-		1,370,148
Replace Roofing on Admin and Operations Buildings	431,942	-	415,003	-		846,945
Land Outfall Parallel Sewer Section A	-	-	38,128	724,420		762,548
Twin Oaks Valley Rd SAMP Study	-	-	74,088	248,034		322,122
SCADA Remote Site Upgrades	125,444	-	120,524	-		245,968
District-Wide Valve Replacement Program	158,824	-	-	-		158,824
Las Posas Manhole Rehab	-	-	94,950	-		94,950
Land Outfall West Repair and Rehab	-	-	89,685	-		89,685
SCADA - MRF Improvements	-	-	80,251	-		80,251
Fuel Island Updates (Veeder-Root)	33,479	-	32,166	-		65,645
Meadowlark Tank 1: Replace Altitude Control Valve	64,073	-	-	-		64,073
HVAC System for District Headquarters	30,797	-	29,589	-		60,386
LS Odor Control in Scada	-	-	58,611	-		58,611
North Twin Oaks Pump Station: Refurbish P&M	55,412	-	-	-		55,412
City of San Marcos Joint Projects Relocate/Adjust	28,893	-	25,622	-		54,515
Rock Springs Valve Replacement	54,320	-	-	-		54,320
Double Peak Pump Station: Refurbish Pumps	52,878	-	-	-		52,878
Lake San Marcos Lift Station - Generator	-	-	45,343	-		45,343
Trussell Flow Control Facility: Valve Upgrade	43,414	-	-	-		43,414
PC / Laptop Refresh Plan	21,044	-	20,219	-		41,263
Wulff Pump Station: Replace Motor Soft Starter	40,040	-	-	-		40,040
Xana Pressure Station: Install Isolation Valves	38,310	-	-	-		38,310
Mountain Belle Tank Interior & Exterior Refurb	37,493	-	-	-		37,493
Coggan Pump Station - Generator	31,834	-	-	-		31,834
Technology Infrastructure Upgrades	15,864	-	15,242	-		31,106
Server Room Resiliency Assessment	15,419	-	14,814	-		30,233
Wireless Radio Network Upgrades	14,021	-	13,471	-		27,492
Concrete Pads for Hatches at Twin Oaks Reservoirs	23,025	-	-	-		23,025
Fleet Electrification Project	10,745	-	10,323	-		21,068
District Headquarters Land Entitlements	10,623	-	10,206	-		20,829
VWD Headquarter Solar Repair/Upgrade	8,096	-	7,778	-		15,874
Via Vera Cruz Tank Hill Stabilization	15,320	-	-	-		15,320
Building A: Repairs and Lighting Upgrades	7,546	-	7,250	-		14,796
Pipeline Corrosion Protection Improvements	13,161	-	269	-		13,430
Palos Vista Tank - Chlorine Injection Replacement	12,686	-	-	-		12,686
Wulff Pressure Reducing Station	-	11,388	-	-		11,388
All Other Capital Projects	16,762	-	16,280	-		33,042
Capital Budget - Facilities and Equipment	25,720	-	6,941	-		32,661
Total Capital Project Expenditures	<u>3,793,728</u>	<u>11,388</u>	<u>10,122,911</u>	<u>3,585,329</u>		<u>17,513,356</u>
Debt Service	-	838,122	-	1,143,983		1,982,105
TOTAL DISTRIBUTIONS	<u>3,793,728</u>	<u>849,510</u>	<u>10,122,911</u>	<u>4,729,312</u>		<u>19,495,461</u>
ENDING BALANCE	\$ 38,645,930	\$ 7,336,064	\$ 57,998,314	\$ 16,130,798		\$ 120,111,106
Less: Operating Reserves	<u>7,853,900</u>	<u>-</u>	<u>9,347,200</u>	<u>-</u>		<u>17,201,100</u>
Replacement Reserves	<u>\$ 30,792,030</u>	<u>\$ 7,336,064</u>	<u>\$ 48,651,114</u>	<u>\$ 16,130,798</u>		<u>\$ 102,910,006</u>
Replacement Reserve Floor	<u>\$ 16,741,100</u>	<u>-</u>	<u>\$ 35,720,500</u>	<u>-</u>		<u>\$ 52,461,600</u>
Replacement Reserve Ceiling	<u>\$ 61,388,400</u>	<u>-</u>	<u>\$ 102,163,200</u>	<u>-</u>		<u>\$ 163,551,600</u>

Notes:

- (1) Beginning balances represent ending balances from the prior year which are adjusted to actual cash and investment balances after completion of the audit around November of the current year
- (2) Operating transfers from the unaudited revenue and expense reports are calculated using the most recent information available at the time of this report. Included for reporting purposes, actual transfer amounts will differ.

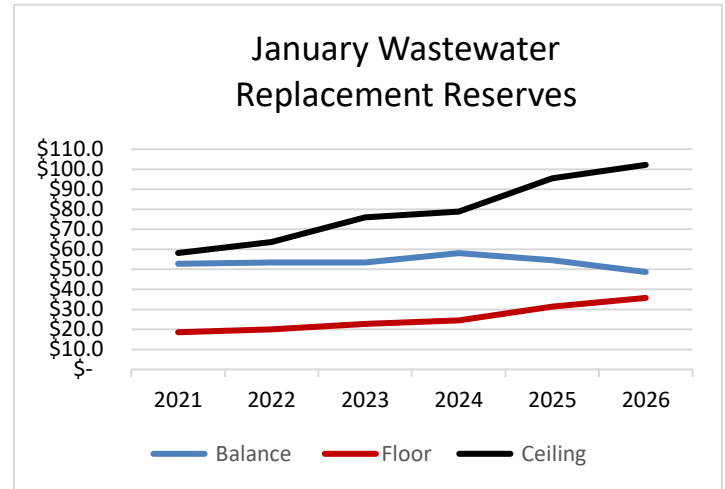
REPLACEMENT RESERVES

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 for replacement reserves after funding operating reserves as the sum of three years of projected system replacement costs, and a ceiling as the sum of ten years of projected system replacement costs for water or the sum of eight years of projected system replacement costs for sewer. As of January 31, 2026, the total water and wastewater replacement reserve balance was \$79.4 million, 11.0 percent lower than January 31, 2025.



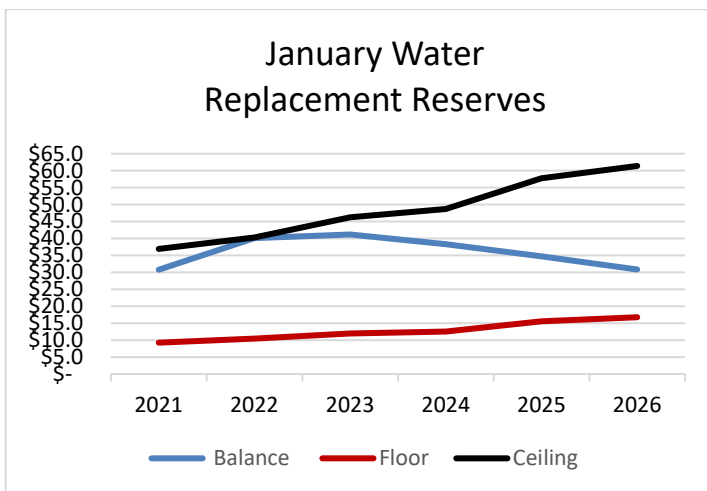
WASTEWATER REPLACEMENT RESERVE

As of January 31, 2026, the balance in the District’s wastewater replacement reserve totaled \$48.7 million, a decrease of 10.7 percent, or \$5.8 million, from the same month of the prior year. The month-end balance is within the approved floor and ceiling.



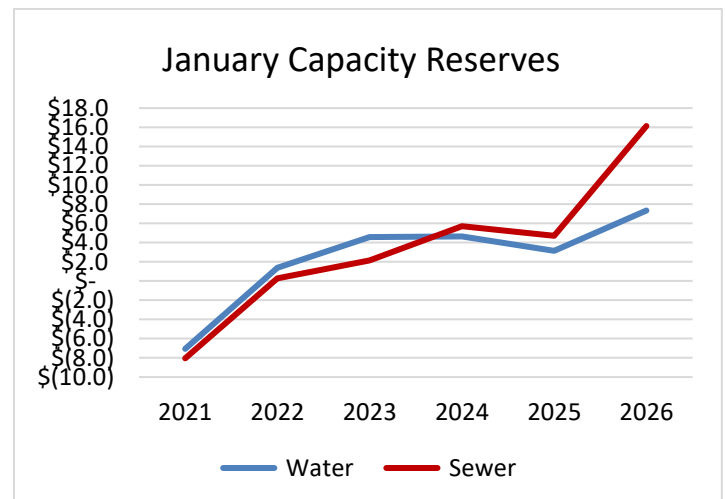
WATER REPLACEMENT RESERVE

As of January 31, 2026, the District’s water replacement reserve totaled \$30.8 million, a decrease of 11.4 percent, or \$4.0 million lower 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.



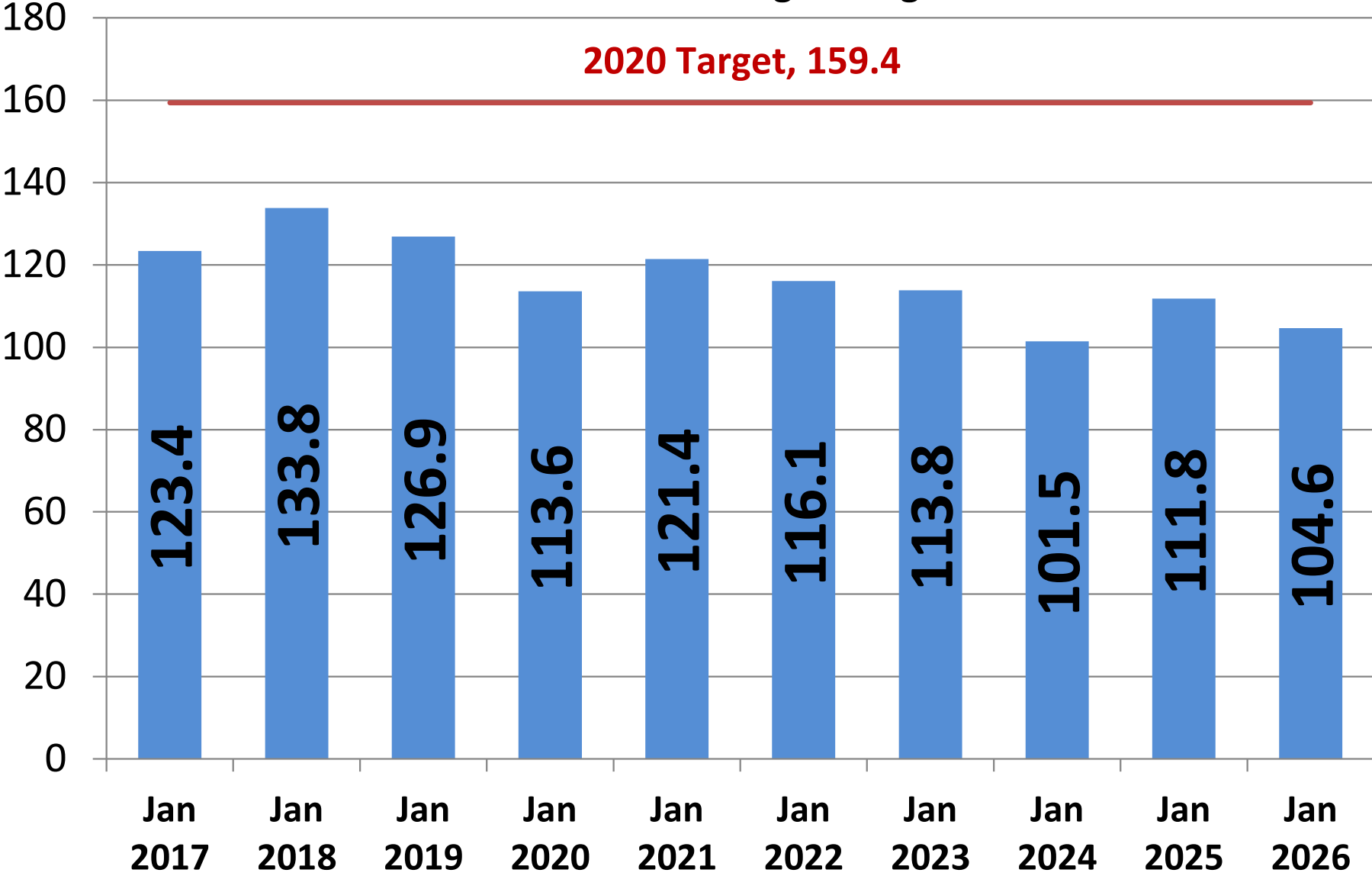
CAPACITY RESERVES

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 January 31, 2026, the water capacity fund had a balance of \$7.3 million and the sewer capacity fund had a balance of \$16.1 million. The District’s capital facility fees situation has improved as a result of the adoption of the Master Plan and the corresponding capacity fee study.



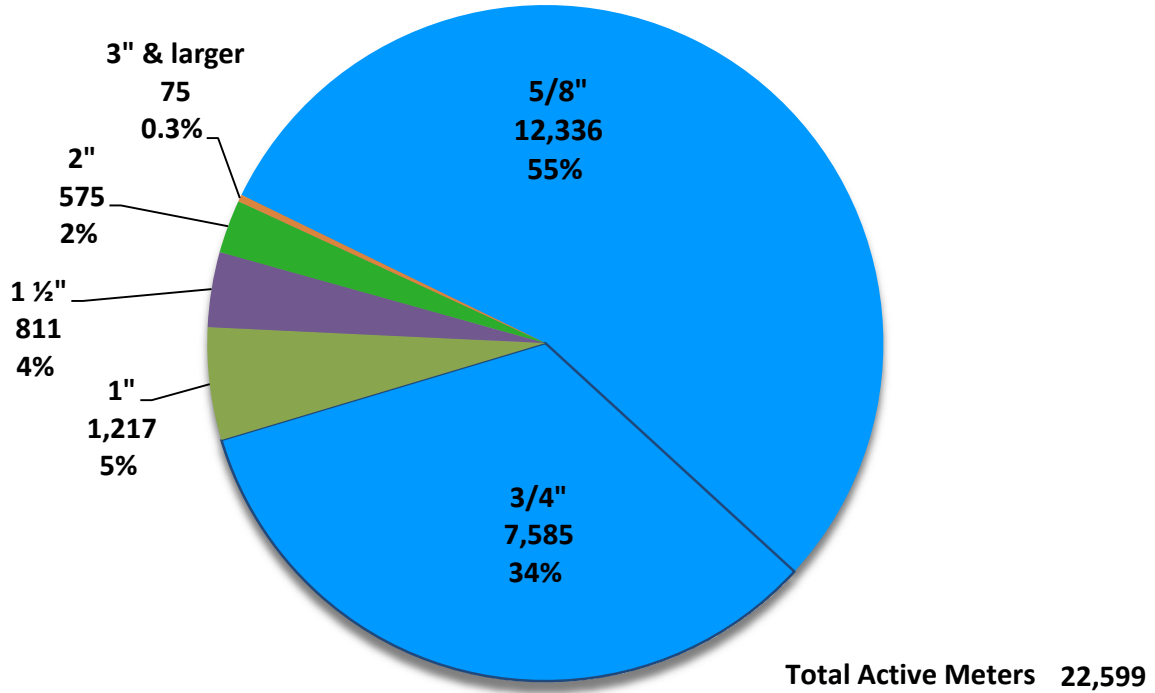
Gallons per Capita per Day 12-Month Rolling Average

2020 Target, 159.4

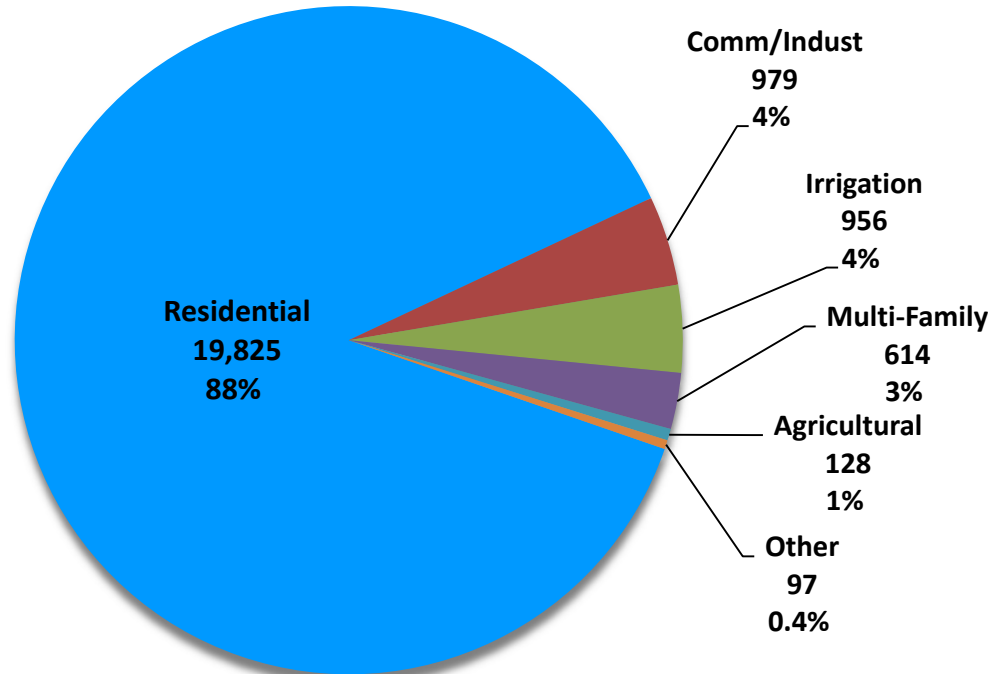


Vallecitos Water District
Active Water Meters
January 31, 2026

Active Meters by Size as of January 31, 2026

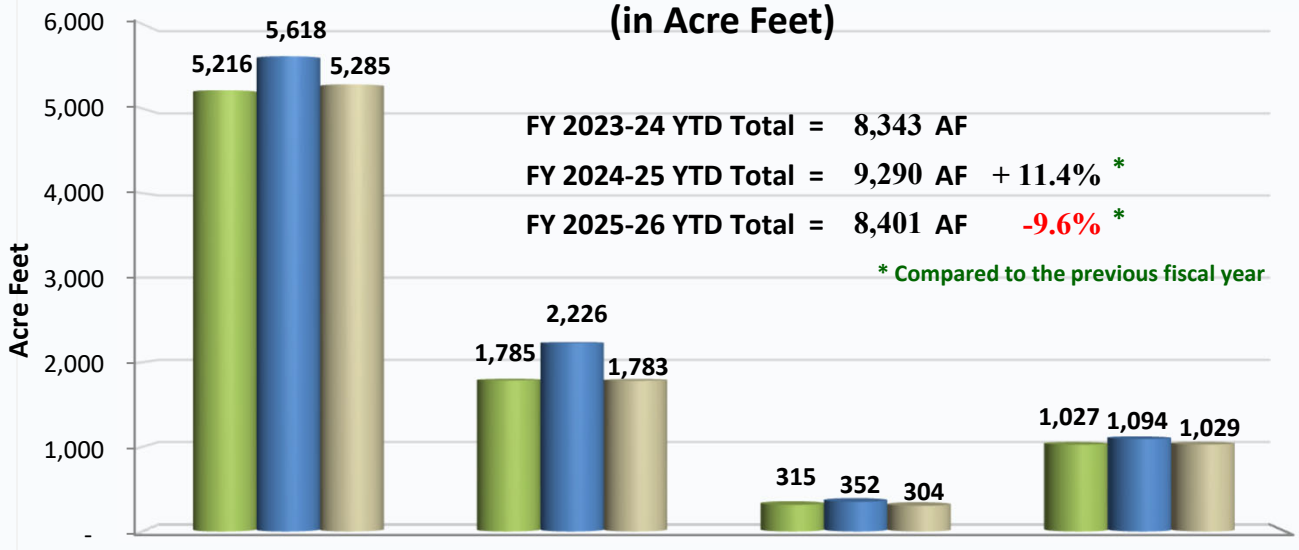


Active Meters by Type as of January 31, 2026



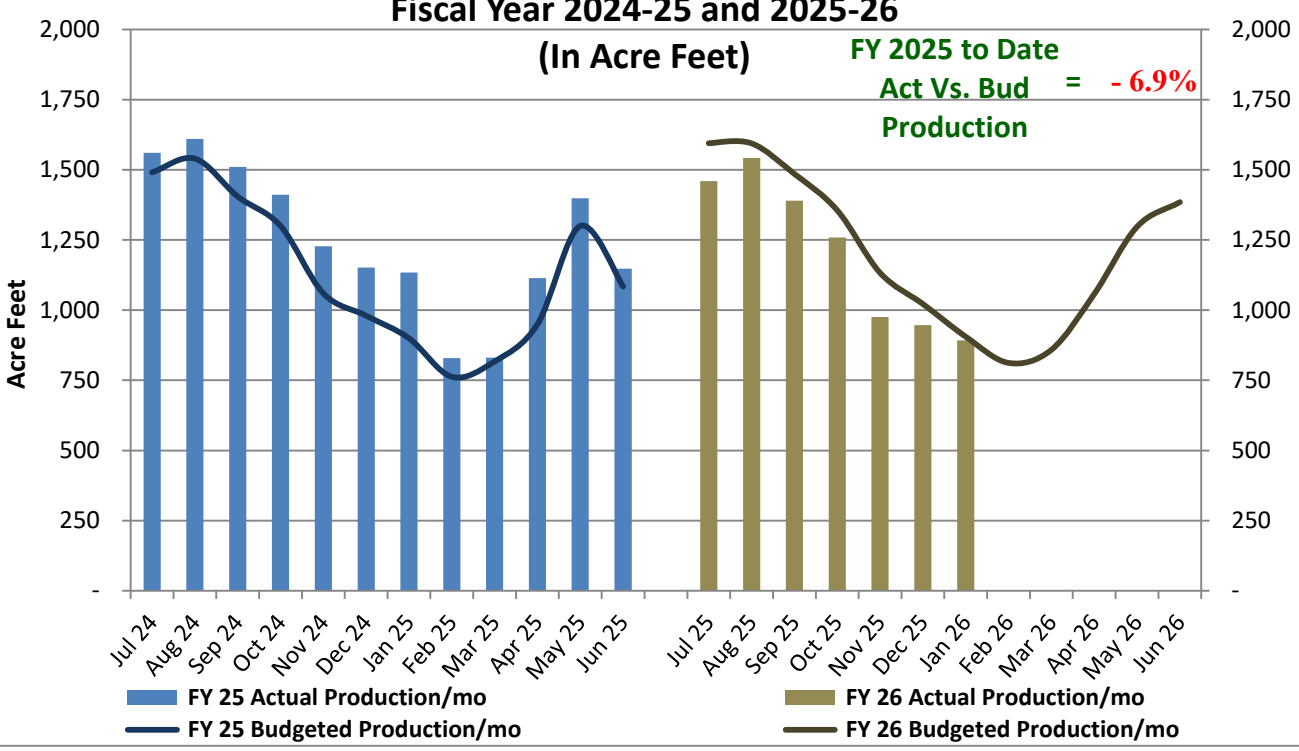
Vallejos Water District
 Water Production/Sales
 January 31, 2026

Water Sales FY 23-24, FY 24-25 and FY 25-26 (FYTD)
(in Acre Feet)



	Residential	Irrigation	Agricultural	Commer/ Indust/ Const/ Oth
FY 23-24	5,216	1,785	315	1,027
FY 24-25	5,618	2,226	352	1,094
FY 25-26	5,285	1,783	304	1,029

Water Production Budget vs. Actual
Fiscal Year 2024-25 and 2025-26
(In Acre Feet)



VALLECITOS WATER DISTRICT
INVESTMENT REPORT FOR JANUARY 2026

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 January follows:

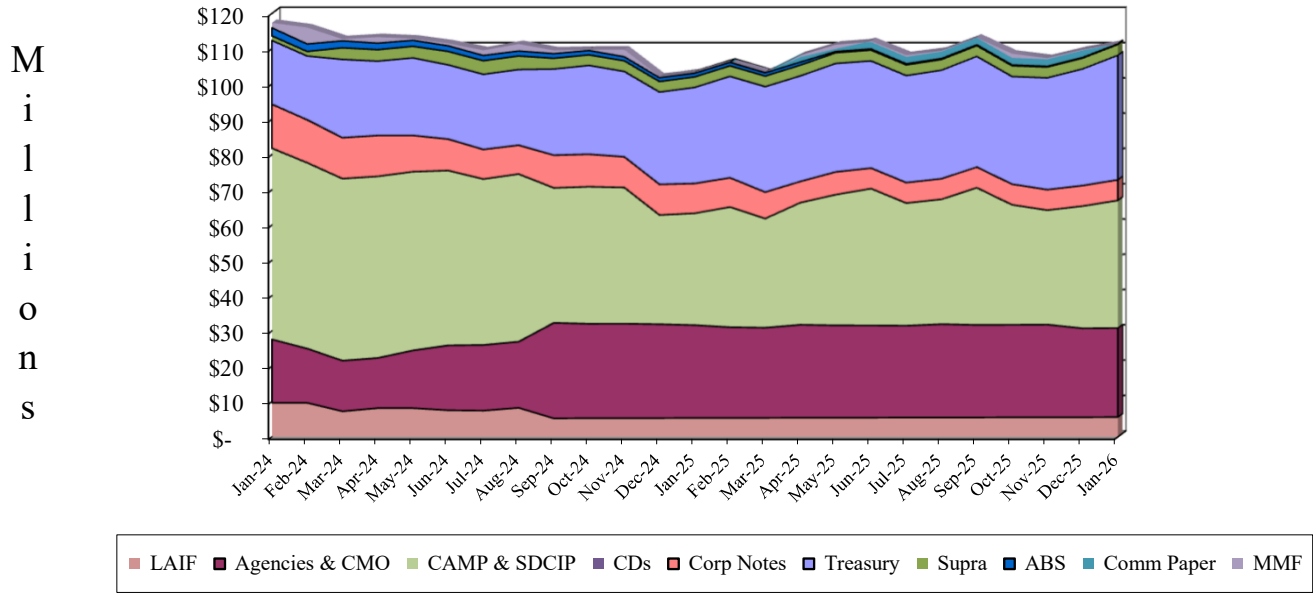
Date	Activity	Investment	Amount	Maturity	Yield
01/02/26	Deposit	CAMP	400,000	Open	3.85%
01/06/26	Deposit	CAMP	1,900,000	Open	3.85%
01/12/26	Withdrawal	CAMP	(1,900,000)	Open	3.85%
01/15/26	Deposit	CAMP	300,000	Open	3.85%
01/15/26	Interest	LAIF	58,439	Open	3.93%
01/23/26	Deposit	CAMP	600,000	Open	3.85%
01/23/26	Matured	MUFG BK LTD CP	(2,000,000)	Open	3.50%
01/23/26	Purchased	US TREASURY NOTE	1,996,250	Open	3.59%
01/27/26	Deposit	CAMP	400,000	Open	3.85%
01/28/26	Withdrawal	CAMP	(600,000)	Open	3.85%
01/29/26	Deposit	CAMP	300,000	Open	3.85%
01/30/26	Interest	CAMP	113,618	Open	3.85%
01/16-01/26/26	Paid Down	Various	(18,477)	Various	Various
Change in investments during the month			<u>\$ 1,549,830</u>		

	<u>Current</u>
Weighted average annual yield for total Vallecitos investments	4.030%
Weighted average days to maturity	526

The State Treasurer's Office provides fair market values of LAIF quarterly on their web site. The most recent valuation, which is used on this report, is as of December 31, 2025. 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 December 31, 2025. Fair values for federal agency obligations and corporate notes are provided by US Bank trust account reporting.

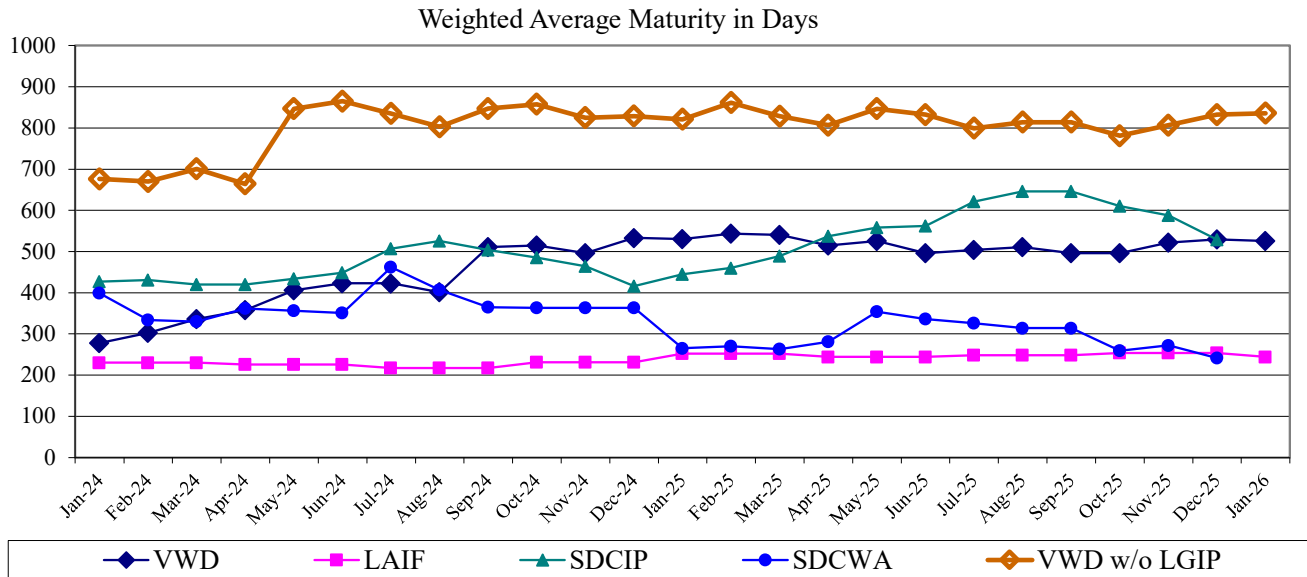
Safety

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.



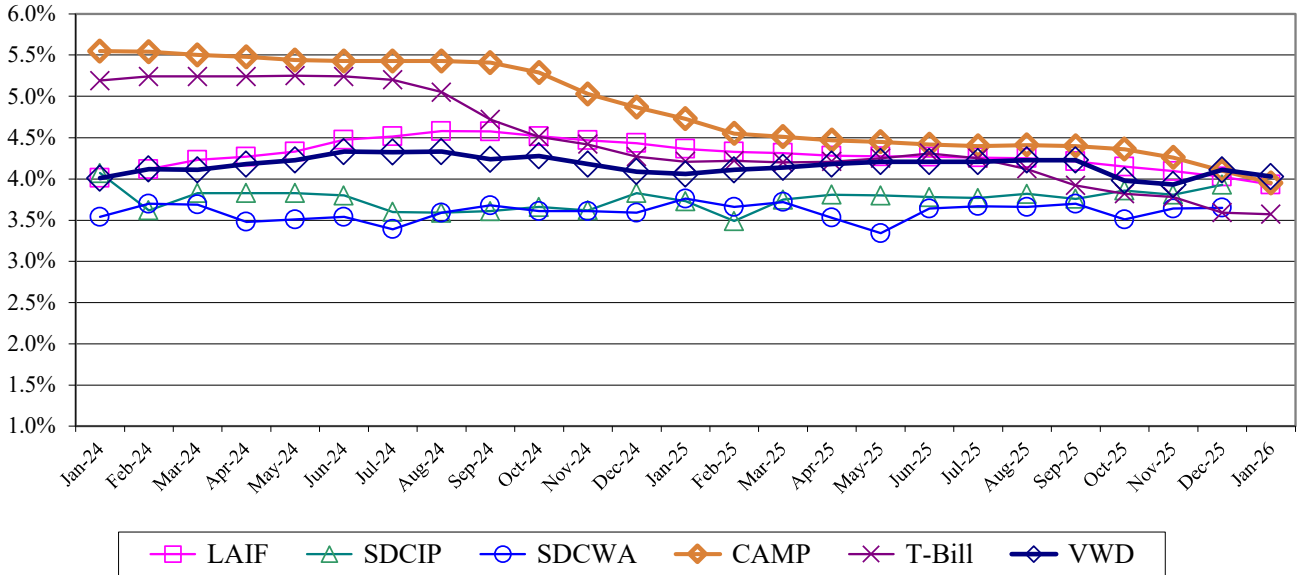
Liquidity

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 & CAMP (LGIP). With LAIF and CAMP the District is in fact very liquid with \$40.7 million available the same or next day. But for comparative purposes LGIP are 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), CAMP, and the average 91-day Treasury bill rate.



Investment/Debt Management

On February 7, 2024 the District entered into a contract with Government Portfolio Advisors (GPA) to provide professional investment management and advisory services. GPA 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). GPA’s portfolio summary is attached.

Monthly Investment Report Vallecitos Water District

January 31, 2026

Total Aggregate Portfolio

Month End Commentary - January 2026

Yields rose in January as the curve steepened with yields on 2-year Treasury notes rising by 5 basis points to 3.52% while 10-year yields climbed by seven basis points to 4.24%. Stocks marched forward with the Dow Jones Industrial Average gaining 1.8%, outpacing the S&P 500 for a fourth straight month as investors continued to rotate out of mega-cap tech names. Other notable developments included a Fed meeting, the announcement of the next Fed Chair, and a partial government shutdown that delayed the release of some key labor data including January's nonfarm payrolls report.

After lowering the fed funds rate three consecutive times in late 2025, the FOMC left the benchmark rate unchanged in January at a median 3.625%. Chairman Jerome Powell pointed to firm economic activity, elevated inflation and labor market stabilization as support for the pause. Markets were mostly unchanged after the meeting with fed funds futures contracts continuing to price in just under two rate cuts for 2026 versus the Fed's December projections that forecast only one rate cut for the year. Of course, the Fed will remain data dependent and carefully monitor risks posed to their dual mandate of stable prices and maximum employment. At this juncture, the FOMC is sympathetic to both sides of their mandate as the labor market remains sluggish while inflation continues to run above target. The Fed estimates their preferred inflation index, the PCE deflator, advanced by 2.9% in December based on data from December's CPI report. Powell noted that the elevated readings are a product of recently implemented tariffs where their effects are evident in the core goods sector. However, the Fed believes that the boost to inflation from tariffs will be temporary and that disinflation will resume toward their 2% target once the effects from the new duties are passed through.

The labor market added a less-than-expected 50 thousand workers to payrolls in December as the unemployment rate ticked down to 4.4%. While the report was downbeat, it portrayed a job market that is not falling off a cliff and offered hope that it was stabilizing after softening over the latter half of 2025. But just as some key economic data began to flow in a timely manner, the federal government partially shut down, forcing the BLS to delay the January jobs report and leaving the Fed without pertinent information they use to guide policy – again. The Fed is likely to remain on the sidelines for the next couple of meetings which will mark the end of Chairman Powell's term that expires on May 15th. His newly announced successor, Kevin Warsh, will take over once confirmed by the Senate. Markets welcomed the announcement of Warsh, a former Fed Governor, who is a seasoned Wall Street and Fed veteran widely viewed as well-qualified. However, noting Warsh's historical reputation as an inflation hawk, questions linger about whether his views have shifted or if he will be sympathetic to political pressure to lower interest rates.

We continue to manage portfolio durations neutral to their strategic targets to lock in earnings while opportunistically adding spread products where value is offered. Corporate spreads tightened for a second consecutive month in January and are trading near 1-year lows while agency bullet issuance remains limited, and spreads compressed inside five years with many issues offered rich to Treasuries.

Treasury Curve Total Returns Last 12 Months

Treasuries	Total Return
3 month bill	4.094%
1 year note	4.080%
2 year note	4.619%
3 year note	5.366%
5 year note	6.201%

Treasury Benchmark Total Returns In Month

Benchmark	Period Return	YTM	Duration (Years)
ICE BAML 90 Day Bill	0.29%	3.55%	0.24
ICE BAML 0-1 Year Treasury	0.28%	3.63%	0.5
ICE BAML 0-3 Year Treasury	0.23%	3.58%	1.41
ICE BAML 0-5 Year Treasury	0.19%	3.62%	2.08

Changes In The Treasury Market (Absolute Yield Levels)

Treasuries	01/31/2025	11/30/2025	12/31/2025	01/31/2026	1 Month Change	12 Month Change
3 month bill	4.28%	3.77%	3.63%	3.65%	0.03%	-0.63%
6 month bill	4.30%	3.76%	3.60%	3.62%	0.02%	-0.68%
1 year bill	4.15%	3.59%	3.47%	3.46%	-0.01%	-0.69%
2 year note	4.20%	3.49%	3.47%	3.52%	0.05%	-0.68%
3 year note	4.24%	3.49%	3.54%	3.59%	0.05%	-0.65%
5 year note	4.33%	3.60%	3.73%	3.79%	0.07%	-0.54%
10 year note	4.54%	4.01%	4.17%	4.24%	0.07%	-0.30%

Compliance Report

Vallecitos Water District | Total Aggregate Portfolio

Category	Policy Limit	Actual Value*	Status
Policy Diversification Constraint			
US Treasury Obligations Maximum % of Holdings	100.000	31.632	Compliant
US Agency Obligations Issuer Concentration	35.000	10.237	Compliant
US Agency Obligations Maximum % of Holdings	100.000	20.627	Compliant
Supranationals - Issuer is IADB, IBRD, or IFC	0.000	0.000	Compliant
Supranationals Issuer Concentration	5.000	1.829	Compliant
Supranationals Maximum % of Holdings	15.000	2.729	Compliant
Municipal Bonds Issuer Concentration	5.000	1.887	Compliant
Municipal Bonds Maximum % of Holdings	20.000	1.887	Compliant
Mortgages, CMOs and Asset Backed Securities Issuer Concentration	5.000	0.104	Compliant
Mortgages, CMOs and Asset Backed Securities Maximum % of Holdings	20.000	0.160	Compliant
Corporate Notes Issuer Concentration	5.000	0.000	Compliant
Corporate Notes Maximum % of Holdings	25.000	5.204	Compliant
Corporate Notes must be Issued by US Corporation	0.000	0.000	Compliant
Commercial Paper Issued and Operating in the US	0.000	0.000	Compliant
Commercial Paper Issuer Concentration	5.000	0.000	Compliant
Commercial Paper Maximum % of Holdings	25.000	0.000	Compliant
Negotiable CDs Issuer Concentration	5.000	0.000	Compliant
Negotiable CDs Maximum % of Holdings	10.000	0.000	Compliant
Non-Negotiable CDs Issuer Concentration	5.000	0.000	Compliant
Non-Negotiable CDs Maximum % of Holdings	10.000	0.000	Compliant
Banker's Acceptance Issuer Concentration	5.000	0.000	Compliant
Banker's Acceptance Maximum % of Holdings	20.000	0.000	Compliant
Money Market Issuer Concentration	20.000	0.205	Compliant
Money Market Maximum % of Holdings	20.000	0.205	Compliant
LGIP Maximum % of Holdings	100.000	5.040	Compliant
County Investment Pool Maximum % of Holdings	100.000	0.949	Compliant
Bank Time Deposits/Savings Accounts Issuer Concentration	50.000	-0.140	Compliant
Bank Time Deposits/Savings Accounts Maximum % of Holdings	100.000	-0.140	Compliant
Repurchase Agreements Issuer Concentration	10.000	0.000	Compliant
Repurchase Agreements Maximum % of Holdings	25.000	0.000	Compliant
JPA Pool Max % Holdings	50.000	31.708	Compliant

1) Actual values are based on market value.

2) The compliance report allows for resolutions to be documented if an actual value exceeds a limit. The specific resolution can be found on the client portal site.

Compliance Report

Vallecitos Water District | Total Aggregate Portfolio

Category			
Policy Maturity Structure Constraint	Policy Limit	Actual %	Status
Maturity Constraints Under 5 years Minimum % of Total Portfolio	100.000	100.000	Compliant
Policy Maturity Constraint	Policy Limit	Actual Term	Status
US Treasury Maximum Maturity At Time of Purchase (years)	5.000	4.967	Compliant
US Agency Maximum Maturity At Time of Purchase (years)	5.000	5.000	Compliant
Supranationals Maximum Maturity At Time of Purchase (years)	5.000	4.962	Compliant
Municipals Maximum Maturity At Time of Purchase (years)	5.000	4.986	Compliant
Mortgages, CMOs and Asset Backed Securities Maximum Maturity At Time of Purchase (years)	5.000	4.920	Compliant
Corporate Maximum Maturity At Time of Purchase (years)	5.000	4.956	Compliant
Commercial Paper Days to Final Maturity (days)	270.000	0.000	Compliant
Negotiable CDs Maximum Maturity At Time of Purchase (years)	5.000	0.000	Compliant
Non-Negotiable CDs Maximum Maturity At Time of Purchase (years)	5.000	0.000	Compliant
Banker's Acceptance Maximum Maturity At Time of Purchase (days)	180.000	0.000	Compliant
Repurchase Agreements Maximum Maturity At Time of Purchase (days)	365.000	0.000	Compliant
Policy Credit Constraint			Status
Supranationals Ratings AA-/Aa3/AA- or better (Rated by 1 NRSRO)			Compliant
Municipal Bonds Ratings Minimum A-/A3/A- (Rated by 1 NRSRO)			Compliant
Mortgages, CMOs and Asset Backed Securities Minimum Credit Rating AA/Aa3/AA (Rated by 1 NRSRO)			Compliant
Corporate Notes Ratings Minimum A-/A3 (Rated by 1 NRSRO)			Compliant
Commercial Paper Ratings Minimum A1/P1/F1 (Rated by 1 NRSRO)			Compliant
Commercial Paper Minimum Long Term Rating A-/A3/A- (Rated by 1 NRSRO)			Compliant
Negotiable Certificates of Deposit Minimum Long Term Rating A-/A3/A- (Rated by 1 NRSRO)			Compliant
Banker's Acceptance Ratings Minimum A-/A3/A- (Rated by 1 NRSRO)			Compliant
Money Market Ratings Minimum AAA/Aaa/AAA (Rated by 1 NRSRO)			Compliant

1) Actual values are based on market value.

2) The compliance report allows for resolutions to be documented if an actual value exceeds a limit. The specific resolution can be found on the client portal site.

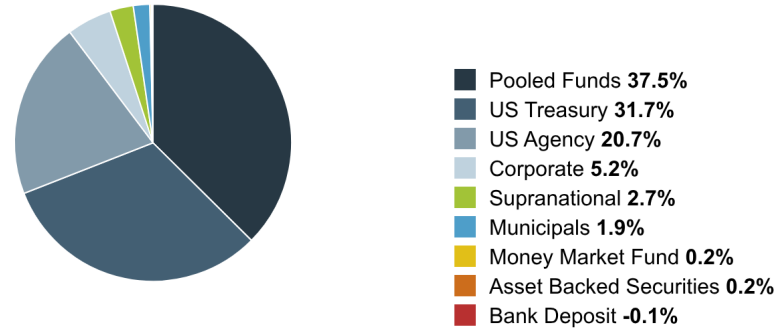
Summary Overview

Vallecitos Water District | Total Aggregate Portfolio

Portfolio Characteristics

Metric	Value
Cash and Cash Equivalents	41,850,163.35
Investments (Market Value + Accrued)	69,598,644.74
Book Yield	4.03%
Market Yield	3.73%
Effective Duration	1.33
Years to Maturity	1.44
Avg Credit Rating	AA+

Allocation by Asset Class



Strategic Structure

Account	Par Amount	Original Cost	Book Value	Market Value	Net Unrealized Gain (Loss)	Yield at Cost	Effective Duration	Benchmark Duration	Benchmark
VWD-Investment Core	69,429,719.40	68,032,835.93	68,491,956.11	69,048,637.69	556,681.58	4.14%	2.12	2.08	ICE BofA 0-5 Year US Treasury Index
VWD-Liquidity	41,778,443.20	41,778,443.20	41,778,443.20	41,778,443.20	0.00	3.85%	0.01	0.08	ICE BofA US 1-Month Treasury Bill Index
Total	111,208,162.60	109,811,279.13	110,270,399.31	110,827,080.89	556,681.58	4.03%	1.33		

Portfolio Activity

Vallecitos Water District | Total Aggregate Portfolio

Accrual Activity Summary

	Month to Date	Fiscal Year to Date (07/01/2025)
Beginning Book Value	108,571,170.80	112,895,363.28
Maturities/Calls	(4,000,000.00)	(9,925,000.00)
Purchases	4,219,443.36	11,944,520.10
Sales	0.00	0.00
Change in Cash, Payables, Receivables	1,467,777.96	(4,318,869.47)
Amortization/Accretion	30,484.12	228,720.07
Realized Gain (Loss)	0.00	0.00
Ending Book Value	110,270,399.31	110,270,399.31

Fair Market Activity Summary

	Month to Date	Fiscal Year to Date (07/01/2025)
Beginning Market Value	109,215,092.24	113,361,785.71
Maturities/Calls	(4,000,000.00)	(9,925,000.00)
Purchases	4,219,443.36	11,944,520.10
Sales	0.00	0.00
Change in Cash, Payables, Receivables	1,467,777.96	(4,318,869.47)
Amortization/Accretion	30,484.12	228,720.07
Change in Net Unrealized Gain (Loss)	(87,239.86)	90,259.15
Net Realized Gain (Loss)	0.00	0.00
Ending Market Value	110,827,080.89	110,827,080.89

Maturities/Calls	Market Value
Month to Date	(4,000,000.00)
Fiscal Year to Date	(9,925,000.00)

Purchases	Market Value
Month to Date	4,219,443.36
Fiscal Year to Date	11,944,520.10

Sales	Market Value
Month to Date	0.00
Fiscal Year to Date	0.00

Return Management-Income Detail

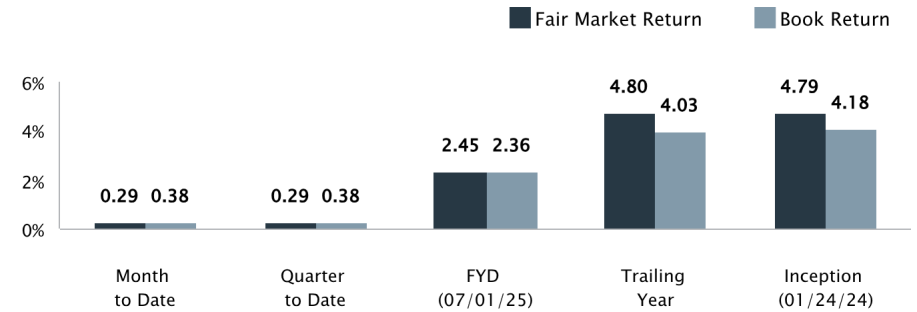
Vallecitos Water District | Total Aggregate Portfolio

Accrued Book Return

	Month to Date	Fiscal Year to Date (07/01/2025)
Amortization/Accretion	30,484.12	228,720.07
Interest Earned	382,109.69	2,568,544.60
Realized Gain (Loss)	0.00	0.00
Book Income	412,593.81	2,797,264.67
Average Portfolio Balance	109,206,740.47	109,566,704.29
Book Return for Period	0.38%	2.36%

Return Comparisons

Periodic for performance less than one year. Annualized for performance greater than one year.



Fair Market Return

	Month to Date	Fiscal Year to Date (07/01/2025)
Fair Value Change	(117,723.98)	(138,460.92)
Amortization/Accretion	30,484.12	228,720.07
Interest Earned	382,109.69	2,568,544.60
Fair Market Earned Income	294,869.83	2,658,803.75
Average Portfolio Balance	109,206,740.47	109,566,704.29
Fair Market Return for Period	0.29%	2.45%

Interest Income

	Month to Date	Fiscal Year to Date (07/01/2025)
Beginning Accrued Interest	500,361.90	483,890.01
Coupons Income	304,564.08	2,498,933.79
Purchased Accrued Interest	43,862.88	68,370.07
Sold Accrued Interest	0.00	0.00
Ending Accrued Interest	621,727.20	621,727.20
Interest Earned	382,109.69	2,568,544.60

Notation: Book and Fair Market Returns are not annualized

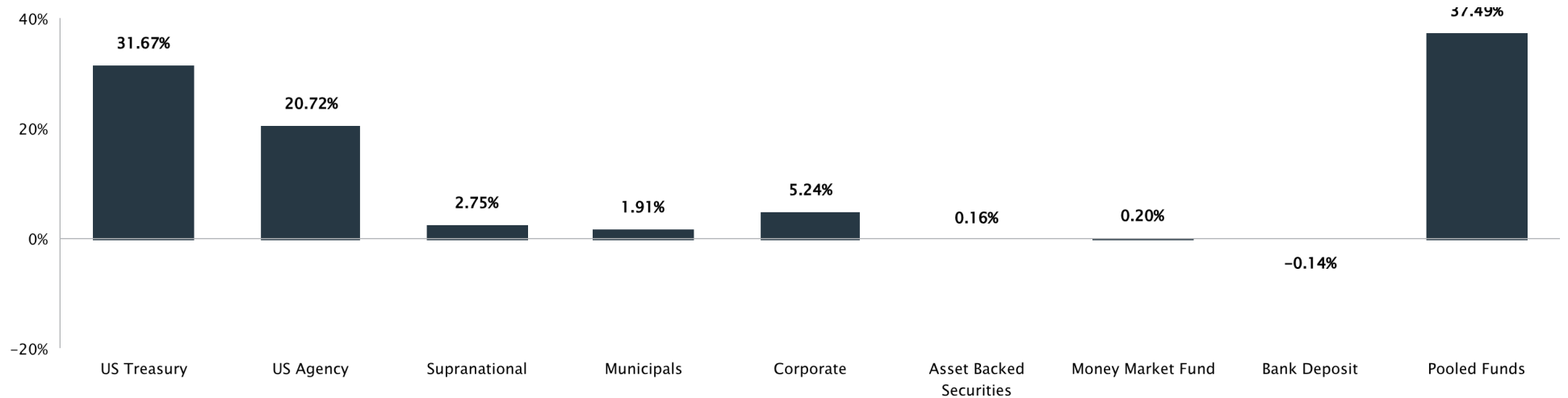
Security Type Distribution

Vallecitos Water District | Total Aggregate Portfolio

Security Type Distribution

Security Type	Par Amount	Book Yield	Market Value + Accrued	% of Market Value + Accrued
US Treasury	35,605,000.00	4.00%	35,297,126.52	31.67%
US Agency	22,832,225.48	4.22%	23,091,057.12	20.72%
Supranational	3,000,000.00	4.27%	3,063,978.89	2.75%
Municipals	2,000,000.00	3.78%	2,133,568.33	1.91%
Corporate	5,745,000.00	4.71%	5,835,216.52	5.24%
Asset Backed Securities	175,773.77	5.45%	177,697.35	0.16%
Money Market Fund	227,203.84	3.57%	227,203.84	0.20%
Bank Deposit	(155,483.69)		(155,483.69)	(0.14%)
Pooled Funds	41,778,443.20	3.85%	41,778,443.20	37.49%
Total	111,208,162.60	4.03%	111,448,808.09	100.00%

Security Type Distribution



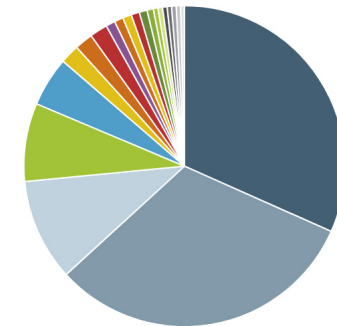
Risk Management-Credit/Issuer

Vallecitos Water District | Total Aggregate Portfolio

Credit Rating S&P/Moody's/Fitch

	Market Value + Accrued	%
S&P		
A	2,910,145.94	2.61
A+	2,925,070.59	2.62
AA+	57,425,557.17	51.53
AA-	2,133,568.33	1.91
AAA	3,871,121.67	3.47
AAAm	227,203.84	0.20
NA	41,956,140.55	37.65
Moody's		
A1	3,346,391.46	3.00
A2	1,204,195.77	1.08
Aa1	58,388,183.64	52.39
Aa2	3,161,043.03	2.84
Aa3	257,154.60	0.23
Aaa	3,313,396.39	2.97
NA	41,778,443.20	37.49
Fitch		
A	698,210.77	0.63
A+	1,732,071.14	1.55
AA	2,649,988.58	2.38
AA+	57,374,021.38	51.48
AA-	1,764,204.46	1.58
AAA	1,263,579.76	1.13
NA	45,463,897.00	40.79
WR	502,835.00	0.45
Total	111,448,808.09	100.00

Issuer Concentration



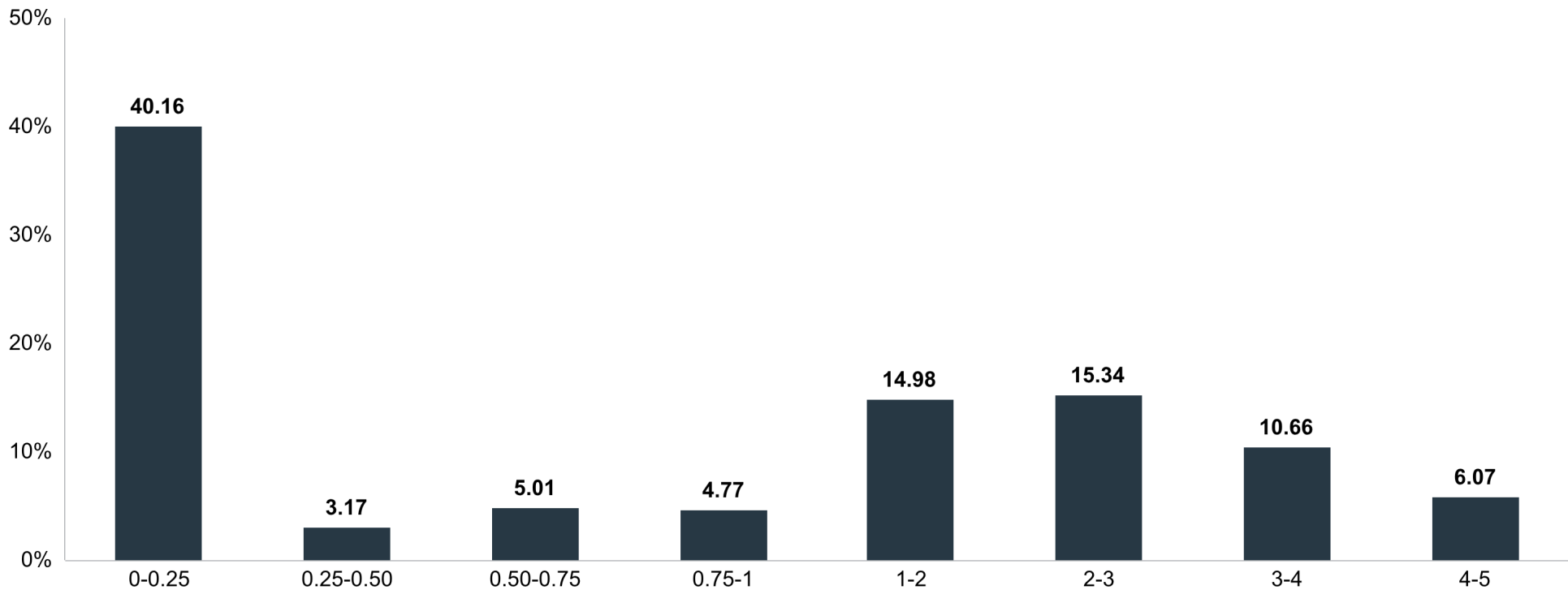
- United States **31.7%**
- California Asset Management Program **31.5%**
- Federal Home Loan Banks **10.3%**
- Farm Credit System **7.9%**
- CALIFORNIA LAIF **5.0%**
- State of California **1.9%**
- Inter-American Development Bank **1.9%**
- Federal Home Loan Mortgage Corporation **1.8%**
- San Diego County Investment Pool **0.9%**
- International Bank for Reconstruction and De... **0.9%**
- JPMorgan Chase & Co. **0.9%**
- Other **0.8%**
- Federal National Mortgage Association **0.8%**
- Deere & Company **0.6%**
- Bank of America Corporation **0.5%**
- Toyota Motor Corporation **0.5%**
- NextEra Energy, Inc. **0.5%**
- Northern Trust Corporation **0.5%**
- Chubb Limited **0.5%**
- Public Service Enterprise Group Incorporated **0.5%**
- PACCAR Inc **0.4%**

Risk Management-Maturity/Duration

Vallecitos Water District | Total Aggregate Portfolio

1.33 Yrs	Effective Duration	1.44 Yrs	Years to Maturity	525	Days to Maturity
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Distribution by Effective Duration



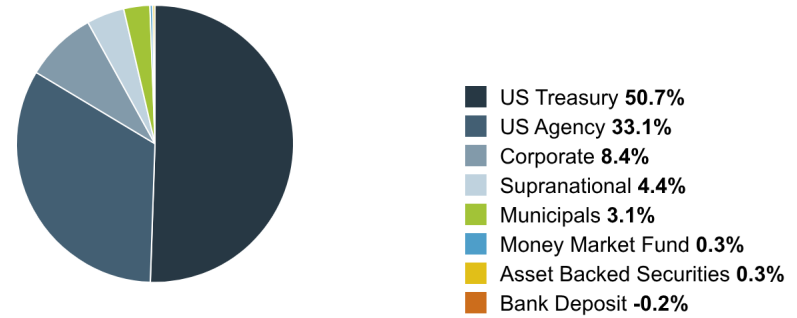
Summary Overview

Vallecitos Water District | Investment Core

Portfolio Characteristics

Metric	Value
Cash and Cash Equivalents	71,720.15
Investments (Market Value + Accrued)	69,598,644.74
Book Yield	4.14%
Market Yield	3.66%
Effective Duration	2.12
Years to Maturity	2.29
Avg Credit Rating	AA+

Allocation by Asset Class



Strategic Structure

Account	Par Amount	Original Cost	Book Value	Market Value	Net Unrealized Gain (Loss)	Yield at Cost	Effective Duration	Benchmark Duration	Benchmark
VWD-Investment Core	69,429,719.40	68,032,835.93	68,491,956.11	69,048,637.69	556,681.58	4.14%	2.12	2.08	ICE BofA 0-5 Year US Treasury Index
Total	69,429,719.40	68,032,835.93	68,491,956.11	69,048,637.69	556,681.58	4.14%	2.12	2.08	

Accrual Activity Summary

	Month to Date	Fiscal Year to Date (07/01/2025)
Beginning Book Value	68,375,785.01	66,986,718.01
Maturities/Calls	(4,000,000.00)	(9,925,000.00)
Purchases	4,219,443.36	11,944,520.10
Sales	0.00	0.00
Change in Cash, Payables, Receivables	(115,279.45)	(188,667.40)
Amortization/Accretion	30,484.12	228,720.07
Realized Gain (Loss)	0.00	0.00
Ending Book Value	68,491,956.11	68,491,956.11

Fair Market Activity Summary

	Month to Date	Fiscal Year to Date (07/01/2025)
Beginning Market Value	69,019,706.45	67,453,140.44
Maturities/Calls	(4,000,000.00)	(9,925,000.00)
Purchases	4,219,443.36	11,944,520.10
Sales	0.00	0.00
Change in Cash, Payables, Receivables	(115,279.45)	(188,667.40)
Amortization/Accretion	30,484.12	228,720.07
Change in Net Unrealized Gain (Loss)	(87,239.86)	90,259.15
Net Realized Gain (Loss)	0.00	0.00
Ending Market Value	69,048,637.69	69,048,637.69

Maturities/Calls	Market Value
Month to Date	(4,000,000.00)
Fiscal Year to Date	(9,925,000.00)

Purchases	Market Value
Month to Date	4,219,443.36
Fiscal Year to Date	11,944,520.10

Sales	Market Value
Month to Date	0.00
Fiscal Year to Date	0.00

Return Management-Income Detail

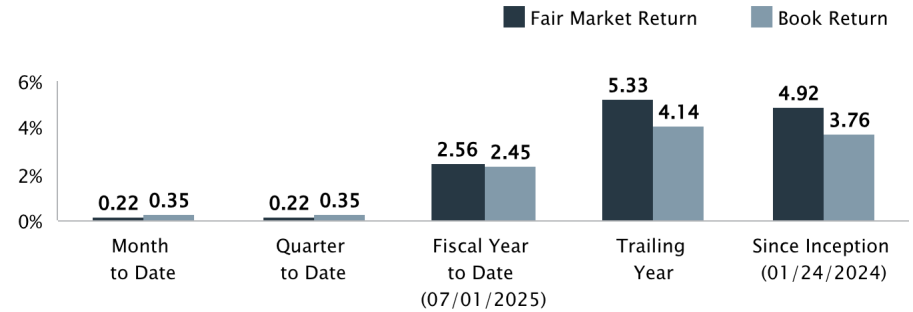
Vallecitos Water District | Investment Core

Accrued Book Return

	Month to Date	Fiscal Year to Date (07/01/2025)
Amortization/Accretion	30,484.12	228,720.07
Interest Earned	210,052.28	1,423,355.22
Realized Gain (Loss)	0.00	0.00
Book Income	240,536.40	1,652,075.29
Average Portfolio Balance	68,960,288.31	68,269,236.89
Book Return for Period	0.35%	2.45%

Return Comparisons

Periodic for performance less than one year. Annualized for performance greater than one year.



Fair Market Return

	Month to Date	Fiscal Year to Date (07/01/2025)
Fair Value Change	(117,723.98)	(138,460.92)
Amortization/Accretion	30,484.12	228,720.07
Interest Earned	210,052.28	1,423,355.22
Fair Market Earned Income	122,812.42	1,513,614.37
Average Portfolio Balance	68,960,288.31	68,269,236.89
Fair Market Return for Period	0.22%	2.56%

Interest Income

	Month to Date	Fiscal Year to Date (07/01/2025)
Beginning Accrued Interest	500,361.90	483,890.01
Coupons Income	132,506.67	1,353,744.41
Purchased Accrued Interest	43,862.88	68,370.07
Sold Accrued Interest	0.00	0.00
Ending Accrued Interest	621,727.20	621,727.20
Interest Earned	210,052.28	1,423,355.22

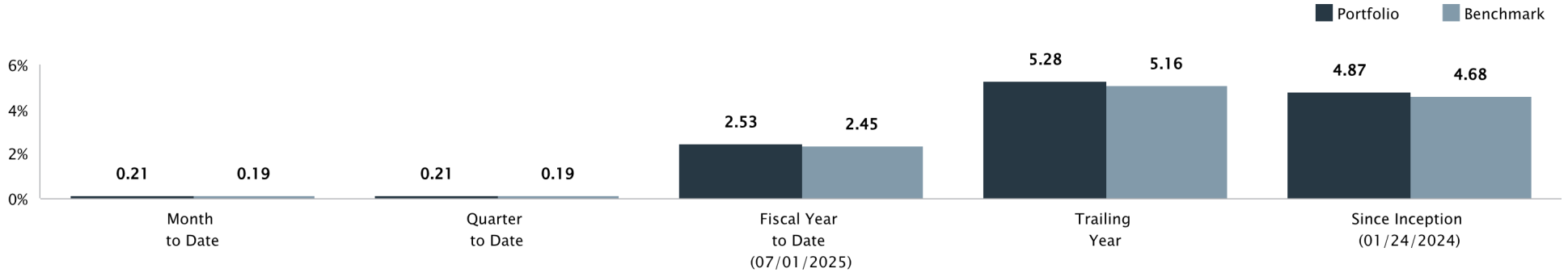
Notation: Book and Fair Market Returns are not annualized

Return Management-Performance

Vallecitos Water District | Investment Core

Performance Returns Net of Fees

Periodic for performance less than one year. Annualized for performance greater than one year.



Historical Returns

Period	Month to Date	Quarter to Date	Fiscal Year to Date (07/01/2025)	Trailing Year	Trailing 3 Years	Trailing 5 Years	Since Inception (01/24/2024)
Return (Net of Fees)	0.213%	0.213%	2.527%	5.283%			4.868%
Return (Gross of Fees)	0.217%	0.217%	2.556%	5.334%			4.918%
ICE BofA 0-5 Year US Treasury Index	0.187%	0.187%	2.451%	5.156%			4.678%

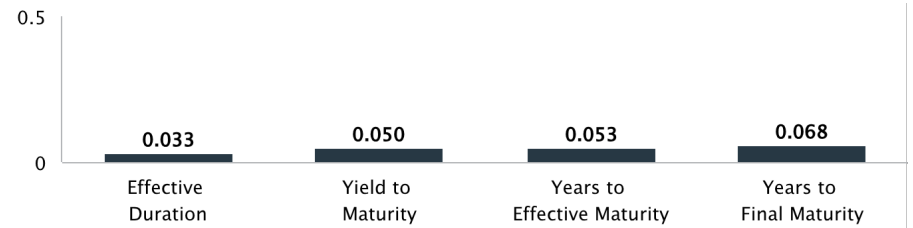
Risk Management-Relative to Benchmark

Vallecitos Water District | Investment Core

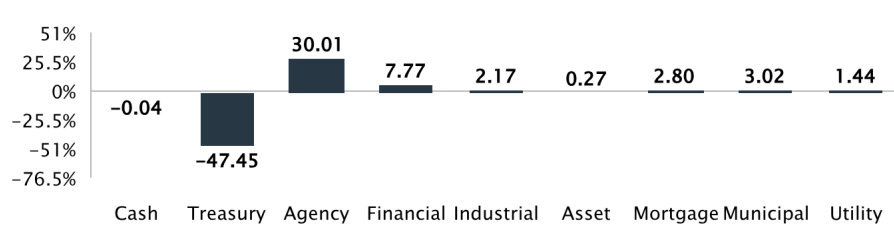
Benchmark Comparison Summary

Risk Metric	Portfolio	Benchmark	Difference
Effective Duration	2.12	2.08	0.03
Yield to Maturity	3.67	3.62	0.05
Years to Effective Maturity	2.28	2.23	0.05
Years to Final Maturity	2.29	2.23	0.07
Avg Credit Rating	AA+	AA+	---

Benchmark Comparison Summary



Benchmark vs. Portfolio Variance-Market Sector



Benchmark Comparison-Market Sector

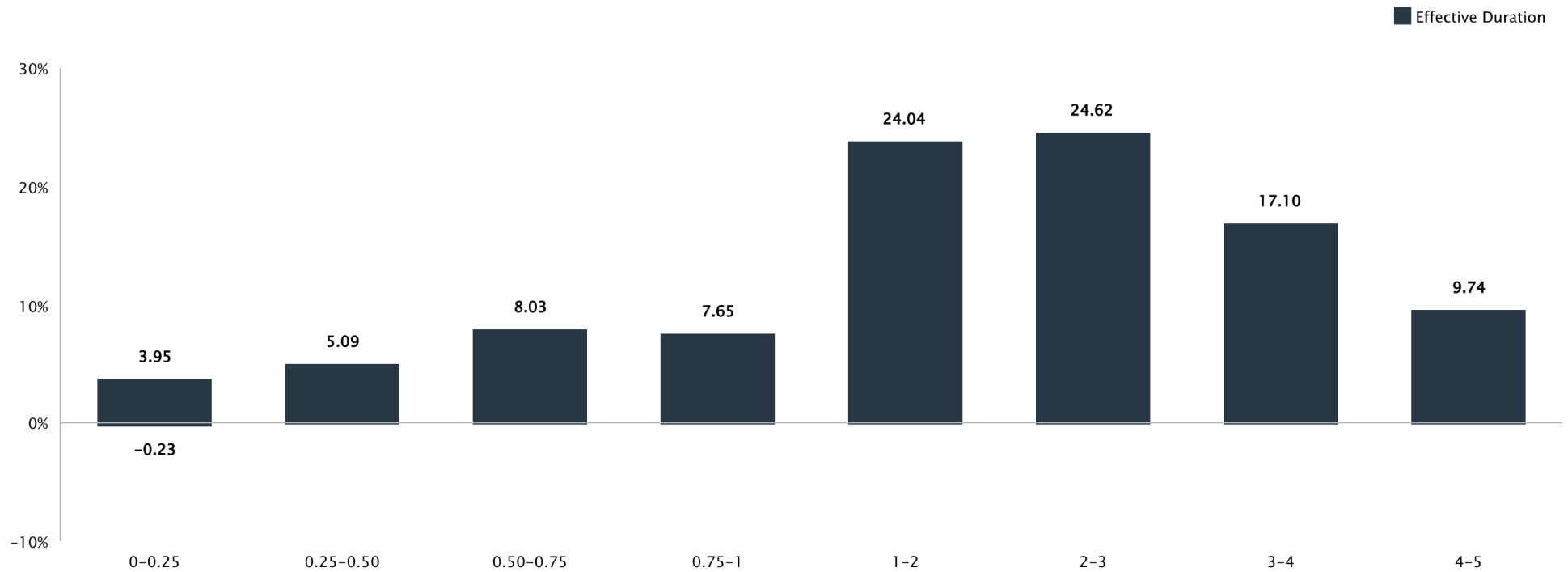
Market Sector	Portfolio	Benchmark	Difference
Cash	0.00	0.04	(0.04)
Treasury	52.51	99.96	(47.45)
Agency	30.01	0.00	30.01
Financial	7.77	0.00	7.77
Industrial	2.17	0.00	2.17
Asset Backed	0.27	0.00	0.27
Mortgage Backed	2.80	0.00	2.80
Municipal	3.02	0.00	3.02
Utility	1.44	0.00	1.44

Risk Management-Maturity/Duration

Vallecitos Water District | Investment Core

2.12 Yrs	Effective Duration	2.29 Yrs	Years to Maturity	839	Days to Maturity
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Distribution by Effective Duration



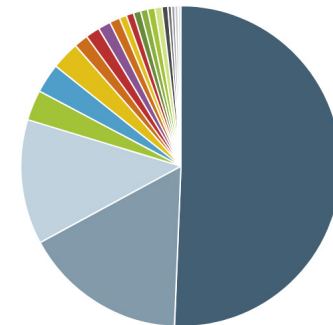
Risk Management-Credit/Issuer

Vallecitos Water District | Investment Core

Credit Rating S&P/Moody's/Fitch

	Market Value + Accrued	%
S&P		
A	2,910,145.94	4.18
A+	2,925,070.59	4.20
AA+	57,425,557.17	82.42
AA-	2,133,568.33	3.06
AAA	3,871,121.67	5.56
AAAm	227,203.84	0.33
NA	177,697.35	0.26
Moody's		
A1	3,346,391.46	4.80
A2	1,204,195.77	1.73
Aa1	58,388,183.64	83.81
Aa2	3,161,043.03	4.54
Aa3	257,154.60	0.37
Aaa	3,313,396.39	4.76
Fitch		
A	698,210.77	1.00
A+	1,732,071.14	2.49
AA	2,649,988.58	3.80
AA+	57,374,021.38	82.35
AA-	1,764,204.46	2.53
AAA	1,263,579.76	1.81
NA	3,685,453.80	5.29
WR	502,835.00	0.72
Total	69,670,364.89	100.00

Issuer Concentration



- United States **50.7%**
- Federal Home Loan Banks **16.4%**
- Farm Credit System **12.6%**
- State of California **3.1%**
- Inter-American Development Bank **3.0%**
- Federal Home Loan Mortgage Corporation **2.8%**
- International Bank for Reconstruction and Dev... **1.4%**
- JPMorgan Chase & Co. **1.4%**
- Federal National Mortgage Association **1.3%**
- Deere & Company **1.0%**
- Bank of America Corporation **0.7%**
- Toyota Motor Corporation **0.7%**
- NextEra Energy, Inc. **0.7%**
- Northern Trust Corporation **0.7%**
- Chubb Limited **0.7%**
- Public Service Enterprise Group Incorporated **0.7%**
- PACCAR Inc **0.6%**
- Morgan Stanley **0.4%**
- U.S. Bancorp **0.3%**
- Other **0.3%**
- PepsiCo, Inc. **0.3%**

Holdings by Security Type

Vallecitos Water District | Investment Core

Settlement Date	Cusip	Par Amount	Security	Coupon Rate	Maturity Date	Call Date	Book Yield	Market Yield	Market Value + Accrued	Net Unrealized Gain (Loss)	% Asset	Eff Dur
US Treasury												
05/29/2025	91282CGR6	2,000,000.00	United States	4.625%	03/15/2026		4.21%	3.86%	2,037,197.96	774.83	2.92	0.12
03/18/2024	91282CJP7	2,000,000.00	United States	4.375%	12/15/2026		4.50%	3.58%	2,024,958.46	15,446.73	2.91	0.85
11/30/2022	91282CEF4	1,000,000.00	United States	2.500%	03/31/2027		4.01%	3.55%	996,606.48	4,038.62	1.43	1.13
02/02/2026	91282CET4	2,250,000.00	United States	2.625%	05/31/2027		3.55%	3.54%	2,233,677.12	99.14	3.21	1.29
12/16/2024	912828ZV5	1,300,000.00	United States	0.500%	06/30/2027		4.17%	3.51%	1,246,897.59	9,547.42	1.79	1.39
12/20/2022	91282CEW7	700,000.00	United States	3.250%	06/30/2027		3.78%	3.53%	699,330.05	2,057.78	1.00	1.37
	91282CFH9	2,000,000.00	United States	3.125%	08/31/2027		4.00%	3.53%	2,014,088.40	13,333.84	2.89	1.51
07/27/2023	9128283F5	1,000,000.00	United States	2.250%	11/15/2027		4.27%	3.54%	982,698.07	10,516.79	1.41	1.73
01/23/2026	91282CGH8	2,000,000.00	United States	3.500%	01/31/2028		3.60%	3.53%	1,998,873.37	2,384.27	2.87	1.88
09/16/2024	91282CBP5	2,000,000.00	United States	1.125%	02/29/2028		3.51%	3.54%	1,913,471.82	(3,726.27)	2.75	2.02
10/02/2023	91282CHX2	1,000,000.00	United States	4.375%	08/31/2028		4.65%	3.59%	1,037,871.88	25,638.95	1.49	2.38
03/08/2024	91282CJN2	2,000,000.00	United States	4.375%	11/30/2028		4.12%	3.61%	2,056,164.23	27,896.40	2.95	2.63
05/17/2024	91282CEE7	2,000,000.00	United States	2.375%	03/31/2029		4.38%	3.63%	1,941,641.32	38,472.05	2.79	2.99
10/31/2024	91282CEV9	2,000,000.00	United States	3.250%	06/30/2029		4.11%	3.66%	1,979,885.86	26,799.37	2.84	3.19
06/03/2025	91282CFY2	2,000,000.00	United States	3.875%	11/30/2029		4.00%	3.71%	2,025,213.46	20,186.08	2.91	3.51
	91282CGB1	1,980,000.00	United States	3.875%	12/31/2029		4.27%	3.71%	1,998,464.32	39,020.59	2.87	3.60
02/28/2025	912833XX3	2,000,000.00	United States	0.000%	02/15/2030		4.22%	3.80%	1,717,380.00	22,484.52	2.47	3.97
08/15/2025	91282CMU2	500,000.00	United States	4.000%	03/31/2030		3.76%	3.74%	511,793.19	360.30	0.73	3.76
09/30/2025	91282CAE1	1,500,000.00	United States	0.625%	08/15/2030		3.77%	3.77%	1,309,210.84	(1,166.53)	1.88	4.38
11/17/2025	91282CJG7	2,000,000.00	United States	4.875%	10/31/2030		3.70%	3.79%	2,118,868.34	(6,993.26)	3.04	4.18
	91282CJM4	2,375,000.00	United States	4.375%	11/30/2030		3.74%	3.80%	2,452,833.77	(6,015.58)	3.52	4.30
Total		35,605,000.00					4.00%	3.65%	35,297,126.52	241,156.04	50.66	2.53
US Agency												
09/27/2024	3130AWFZ8	2,000,000.00	Federal Home Loan Banks	4.260%	06/26/2026		3.71%	3.58%	2,013,603.33	1,145.27	2.89	0.40
11/10/2023	3133EPZY4	1,000,000.00	Farm Credit System	5.000%	07/30/2026		4.85%	3.75%	1,006,258.89	5,445.14	1.44	0.49
08/14/2023	3133EPSW6	1,045,000.00	Farm Credit System	4.500%	08/14/2026		4.58%	3.59%	1,071,809.48	5,420.93	1.54	0.52
09/06/2024	3133ERRW3	2,000,000.00	Farm Credit System	3.875%	09/03/2026		3.78%	3.61%	2,034,881.11	1,922.04	2.92	0.57
09/13/2023	3130AWTQ3	750,000.00	Federal Home Loan Banks	4.625%	09/11/2026		4.83%	3.62%	768,012.08	5,380.13	1.10	0.59
	3130AXU63	2,500,000.00	Federal Home Loan Banks	4.625%	11/17/2026		4.58%	3.59%	2,543,767.36	19,289.35	3.65	0.77
12/09/2022	3137BVZ82	500,000.00	Federal Home Loan Mortgage Corporation	3.430%	01/25/2027		4.06%	3.70%	497,052.59	1,438.56	0.71	0.81

Holdings by Security Type

Vallecitos Water District | Investment Core

Settlement Date	Cusip	Par Amount	Security	Coupon Rate	Maturity Date	Call Date	Book Yield	Market Yield	Market Value + Accrued	Net Unrealized Gain (Loss)	% Asset	Eff Dur
09/06/2024	3130AVBC5	2,000,000.00	Federal Home Loan Banks	4.500%	03/12/2027		3.69%	3.52%	2,056,010.00	4,289.36	2.95	1.07
06/14/2023	3137FBU79	1,000,000.00	Federal Home Loan Mortgage Corporation	3.187%	09/25/2027		4.22%	3.70%	962,626.47	7,595.78	1.38	1.54
12/11/2023	3133EPH81	1,000,000.00	Farm Credit System	4.500%	10/04/2027		4.41%	3.55%	1,029,975.00	14,035.34	1.48	1.59
02/23/2023	3130ATUS4	1,000,000.00	Federal Home Loan Banks	4.250%	12/10/2027		4.26%	3.58%	1,017,910.83	12,079.56	1.46	1.77
05/30/2023	3137FETN0	520,000.00	Federal Home Loan Mortgage Corporation	3.350%	01/25/2028		4.17%	3.72%	517,109.67	4,095.73	0.74	1.78
04/28/2023	3133EPGW9	500,000.00	Farm Credit System	3.875%	04/25/2028		3.77%	3.56%	508,501.67	2,278.99	0.73	2.11
06/09/2023	3130AVVX7	1,000,000.00	Federal Home Loan Banks	3.750%	06/09/2028		4.00%	3.56%	1,009,656.67	9,598.17	1.45	2.23
07/10/2023	3130AWC24	1,000,000.00	Federal Home Loan Banks	4.000%	06/09/2028		4.49%	3.57%	1,015,387.78	19,913.21	1.46	2.22
09/08/2023	3130AWTR1	1,000,000.00	Federal Home Loan Banks	4.375%	09/08/2028		4.49%	3.61%	1,036,188.47	21,463.34	1.49	2.41
05/13/2024	3133ERDH1	2,000,000.00	Farm Credit System	4.750%	04/30/2029		4.55%	3.66%	2,090,253.89	54,892.41	3.00	2.97
04/15/2025	3133ETBF3	1,000,000.00	Farm Credit System	4.000%	04/01/2030		4.23%	3.75%	1,022,943.33	17,991.81	1.47	3.76
08/26/2025	31358DDR2	1,050,000.00	Federal National Mortgage Association	0.000%	05/15/2030		3.86%	3.91%	889,108.50	(1,433.21)	1.28	4.21
Total		22,865,000.00					4.22%	3.62%	23,091,057.12	206,841.91	33.14	1.55
Supranational												
	459058KT9	1,000,000.00	International Bank for Reconstruction and Development	3.500%	07/12/2028		4.41%	3.61%	999,277.22	17,485.81	1.43	2.32
03/08/2024	4581X0EN4	2,000,000.00	Inter-American Development Bank	4.125%	02/15/2029		4.21%	3.66%	2,064,701.67	31,246.36	2.96	2.79
Total		3,000,000.00					4.27%	3.64%	3,063,978.89	48,732.17	4.40	2.64
Municipals												
09/06/2024	13063EBP0	2,000,000.00	State of California	5.125%	09/01/2029		3.78%	3.76%	2,133,568.33	3,545.07	3.06	3.20
Total		2,000,000.00					3.78%	3.76%	2,133,568.33	3,545.07	3.06	3.20
Corporate												
08/28/2023	00440EAV9	500,000.00	Chubb Limited	3.350%	05/03/2026	03/05/2026	5.18%	3.63%	503,704.44	1,721.24	0.72	0.22
08/10/2023	69371RS56	400,000.00	PACCAR Inc	5.050%	08/10/2026		5.07%	3.82%	412,143.00	2,582.70	0.59	0.51
09/27/2024	06428CAA2	500,000.00	Bank of America Corporation	5.526%	08/18/2026	07/18/2026	3.96%	3.82%	516,420.25	483.84	0.74	0.44
12/04/2023	437076CV2	190,000.00	The Home Depot, Inc.	4.950%	09/30/2026	08/30/2026	5.04%	3.71%	194,506.33	1,442.56	0.28	0.56
11/01/2023	61690U7W4	250,000.00	Morgan Stanley	5.882%	10/30/2026	09/30/2026	5.88%	3.77%	257,154.60	3,437.50	0.37	0.64
11/10/2023	713448FW3	205,000.00	PepsiCo, Inc.	5.125%	11/10/2026	10/10/2026	5.13%	3.71%	209,331.91	1,982.25	0.30	0.67
01/23/2024	24422EXF1	250,000.00	Deere & Company	4.500%	01/08/2027		4.52%	3.64%	252,671.25	1,999.07	0.36	0.91

Holdings by Security Type

Vallecitos Water District | Investment Core

Settlement Date	Cusip	Par Amount	Security	Coupon Rate	Maturity Date	Call Date	Book Yield	Market Yield	Market Value + Accrued	Net Unrealized Gain (Loss)	% Asset	Eff Dur
11/30/2022	665859AW4	500,000.00	Northern Trust Corporation	4.000%	05/10/2027	04/10/2027	4.58%	3.74%	505,985.00	4,769.70	0.73	1.17
06/11/2024	24422EXR5	450,000.00	Deere & Company	4.900%	06/11/2027		5.06%	3.65%	460,433.50	8,272.17	0.66	1.30
09/27/2024	46647PDW3	500,000.00	JPMorgan Chase & Co.	6.070%	10/22/2027	10/22/2026	4.23%	3.87%	516,121.25	1,330.63	0.74	0.70
06/26/2023	74456QBU9	500,000.00	Public Service Enterprise Group Incorporated	3.700%	05/01/2028	02/01/2028	4.79%	3.87%	502,835.00	9,018.25	0.72	2.04
05/31/2023	341081GN1	500,000.00	NextEra Energy, Inc.	4.400%	05/15/2028	03/15/2028	4.73%	3.77%	511,054.44	9,727.57	0.73	2.04
06/02/2025	46647PCJ3	500,000.00	JPMorgan Chase & Co.	2.069%	06/01/2029	06/01/2028	4.61%	4.05%	479,874.17	5,479.15	0.69	2.24
08/15/2025	89236TKU8	500,000.00	Toyota Motor Corporation	4.550%	05/17/2030		4.25%	4.12%	512,981.39	2,522.71	0.74	3.84
Total		5,745,000.00					4.71%	3.81%	5,835,216.52	54,769.34	8.38	1.35
Asset Backed Securities												
11/08/2023	438123AC5	175,000.00	Honda Motor Co., Ltd.	5.670%	06/21/2028		5.74%	4.21%	115,867.15	1,229.50	0.17	0.70
01/17/2024	36268GAD7	80,000.00	Gm Financial Consumer Automobile Receivables Trust 2024-1	4.850%	12/18/2028		4.91%	4.03%	61,830.21	407.54	0.09	0.75
Total		255,000.00					5.45%	4.15%	177,697.35	1,637.04	0.26	0.71
Money Market Fund												
	31846V567	227,203.84	U.S. Bancorp	3.580%	01/31/2026		3.57%	3.57%	227,203.84	0.00	0.33	0.00
Total		227,203.84					3.57%	3.57%	227,203.84	0.00	0.33	0.00
Bank Deposit												
	CCYUSD	-2,233,577.98	US Dollar		01/31/2026				(2,233,577.98)	0.00	(3.21)	
	CCYUSD	2,078,094.29	US Dollar		01/31/2026				2,078,094.29	0.00	2.98	
Total		-155,483.69							(155,483.69)	0.00	(0.22)	
Portfolio Total		69,541,720.15					4.14%	3.66%	69,670,364.89	556,681.58	100.00	2.12

Transactions

Vallecitos Water District | Investment Core

Cusip	Security	Trade Date	Settlement Date	Coupon Payment	Price	Par Amount	Principal Amount	Accrued Amount	Total Amount	Broker
Buy										
91282CGH8	US TREASURY 3.500 01/31/28	01/21/2026	01/23/2026	0.00	99.81	2,000,000.00	1,996,250.00	33,478.26	2,029,728.26	BMO-CHICAGO BRANCH
31846V567	FIRST AMER:GVT OBLG;Z	01/22/2026	01/22/2026	0.00	1.00	287,436.74	287,436.74	0.00	287,436.74	Direct
91282CET4	US TREASURY 2.625 05/31/27	01/29/2026	02/02/2026	0.00	98.81	2,250,000.00	2,223,193.36	10,384.62	2,233,577.98	TD Securities
Total				0.00		4,537,436.74	4,506,880.10	43,862.88	4,550,742.98	
Sell										
31846V567	FIRST AMER:GVT OBLG;Z	01/21/2026	01/21/2026	0.00	1.00	246,681.40	246,681.40	0.00	246,681.40	Direct
Total				0.00		246,681.40	246,681.40	0.00	246,681.40	
Maturity										
62479MAP8	MUFG BANK NY 01/23/26 MATD	01/23/2026	01/23/2026	0.00	100.00	2,000,000.00	2,000,000.00	0.00	2,000,000.00	
91282CJV4	US TREASURY 4.250 01/31/26 MATD	01/31/2026	01/31/2026	0.00	100.00	2,000,000.00	2,000,000.00	0.00	2,000,000.00	
Total				0.00		4,000,000.00	4,000,000.00	0.00	4,000,000.00	
Coupon										
3137BVZ82	FH-K063-A2	01/01/2026	01/01/2026	1,445.68		0.00	16.51	0.00	1,445.68	
3137FBU79	FH-K069-A2	01/01/2026	01/01/2026	2,579.18		0.00	0.00	0.00	2,579.18	
3137FETN0	FH-K073-A2	01/01/2026	01/01/2026	1,451.67		0.00	0.00	0.00	1,451.67	
24422EXF1	JOHN DEERE CAP 4.500 01/08/27 MTN	01/08/2026	01/08/2026	5,625.00		0.00	0.00	0.00	5,625.00	
459058KT9	IBRD 3.500 07/12/28 MTN	01/12/2026	01/12/2026	17,500.00		0.00	0.00	0.00	17,500.00	
36268GAD7	GMFCAR-241-A3	01/16/2026	01/16/2026	268.04		0.00	0.00	0.00	268.04	
438123AC5	HONDO-234-A3	01/21/2026	01/21/2026	586.00		0.00	0.00	0.00	586.00	
3133EPZY4	FED FARM CR BNKS 5.000 07/30/26	01/30/2026	01/30/2026	25,000.00		0.00	0.00	0.00	25,000.00	
91282CJV4	US TREASURY 4.250 01/31/26 MATD	01/31/2026	01/31/2026	42,500.00		0.00	0.00	0.00	42,500.00	
91282CGH8	US TREASURY 3.500 01/31/28	01/31/2026	01/31/2026	35,000.00		0.00	0.00	0.00	35,000.00	
Total				131,955.57		0.00	16.52	0.00	131,955.57	
Custody Fee										
CCYUSD	US DOLLAR	01/26/2026	01/26/2026	0.00		3,000.00	(3,000.00)	0.00	(3,000.00)	
Total				0.00		3,000.00	(3,000.00)	0.00	(3,000.00)	
Principal Paydown										

Transactions

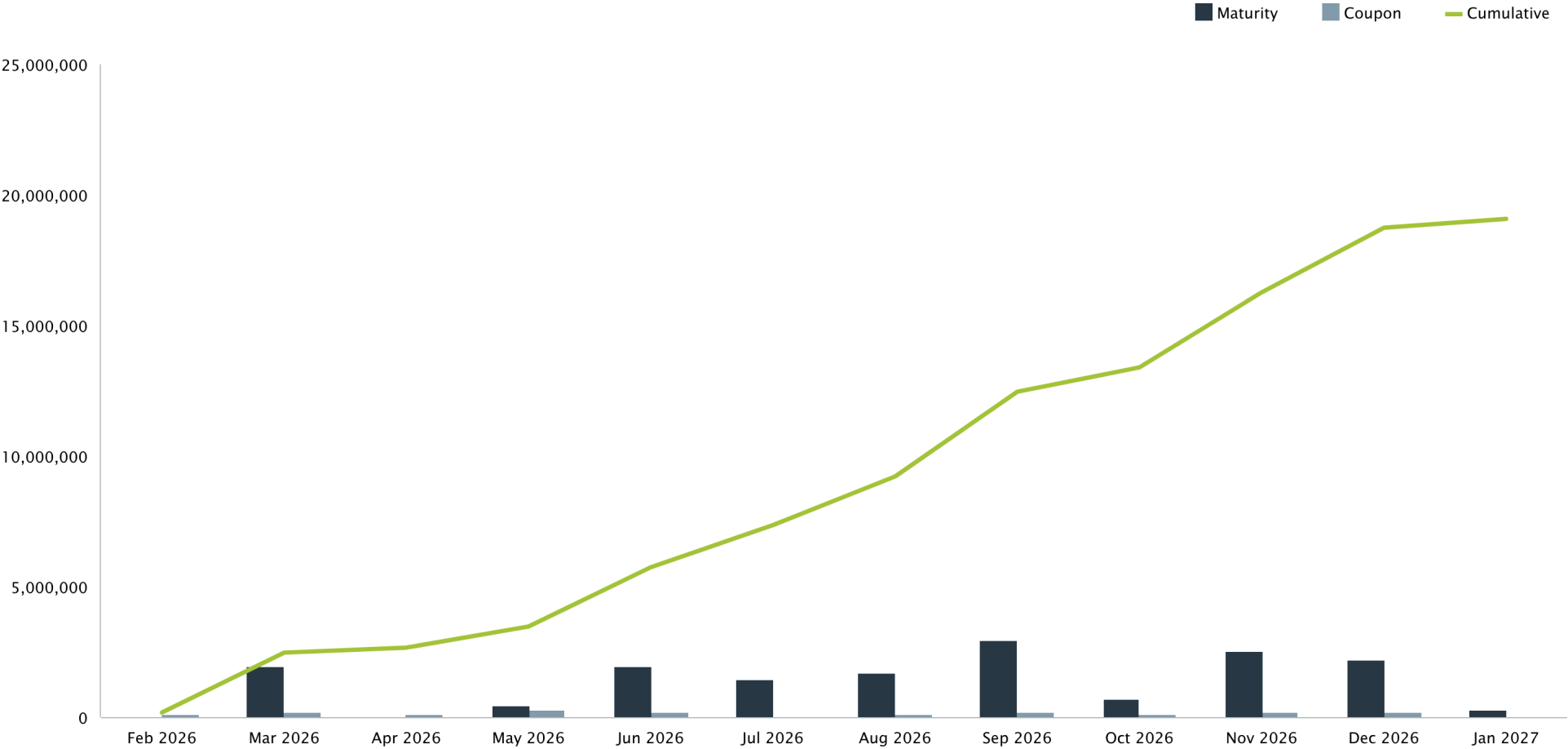
Vallecitos Water District | Investment Core

Cusip	Security	Trade Date	Settlement Date	Coupon Payment	Price	Par Amount	Principal Amount	Accrued Amount	Total Amount	Broker
3137BVZ82	FH-K063-A2	01/01/2026	01/01/2026	0.00		2,239.76	2,239.76	0.00	2,239.76	
3137FBU79	FH-K069-A2	01/01/2026	01/01/2026	0.00		1,671.69	1,671.69	0.00	1,671.69	
36268GAD7	GMFCAR-241-A3	01/16/2026	01/16/2026	0.00		5,012.17	5,012.17	0.00	5,012.17	
438123AC5	HONDO-234-A3	01/21/2026	01/21/2026	0.00		9,553.32	9,553.31	0.00	9,553.31	
Total				0.00		18,476.93	18,476.93	0.00	18,476.93	
Interest Income										
31846V567	FIRST AMER:GVT OBLG;Z	01/31/2026	01/31/2026	594.29		0.00	22.24	0.00	594.29	
Total				594.29		0.00	22.24	0.00	594.29	

Cash Flow Forecasting

Vallecitos Water District | Investment Core

One Year Projection



Shock Analysis

Vallecitos Water District | Investment Core

Account	Market Value	Duration	+10 BP FMV Change	+25 BP FMV Change	+50 BP FMV Change	+100 BP FMV Change
VWD-Investment Core	69,048,637.69	2.117	(67,607.15)	(169,017.88)	(338,035.76)	(1,441,486.54)
Total	69,048,637.69	2.117	(67,607.15)	(169,017.88)	(338,035.76)	(1,441,486.54)

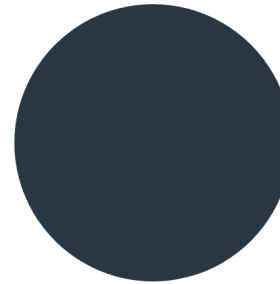
The changes in market values displayed represent approximations of principal changes given an instantaneous increase in interest rates. Changes in interest rates over longer periods would most likely mitigate the impact of an instantaneous change through the addition of the interest income received on the investments within the portfolio. Additional impacts to consider when estimating future principal changes also include, but are not limited to, changes in the shape of the yield curve, changes in credit spreads.

Summary Overview

Vallecitos Water District | Liquidity

Portfolio Characteristics

Metric	Value
Cash and Cash Equivalents	41,778,443.20
Book Yield	3.85%
Market Yield	3.85%
Effective Duration	0.01
Years to Maturity	0.01
Avg Credit Rating	NA



■ Pooled Funds 100.0%

Strategic Structure

Account	Par Amount	Original Cost	Book Value	Market Value	Net Unrealized Gain (Loss)	Yield at Cost	Effective Duration	Benchmark Duration	Benchmark
VWD-Liquidity	41,778,443.20	41,778,443.20	41,778,443.20	41,778,443.20	0.00	3.85%	0.01	0.08	ICE BofA US 1-Month Treasury Bill Index
Total	41,778,443.20	41,778,443.20	41,778,443.20	41,778,443.20	0.00	3.85%	0.01	0.08	

Return Management-Income Detail

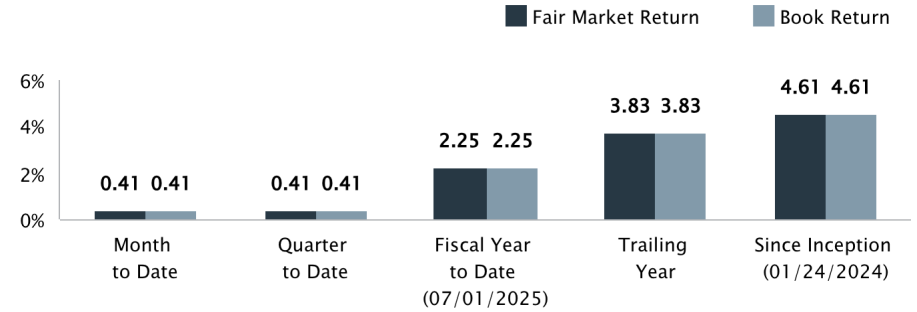
Vallecitos Water District | Liquidity

Accrued Book Return

	Month to Date	Fiscal Year to Date (07/01/2025)
Interest Earned	172,057.41	1,145,189.38
Book Income	172,057.41	1,145,189.38
Average Portfolio Balance	40,246,452.16	41,297,467.40
Book Return for Period	0.41%	2.25%

Return Comparisons

Periodic for performance less than one year. Annualized for performance greater than one year.



Interest Income

	Month to Date	Fiscal Year to Date (07/01/2025)
Beginning Accrued Interest	0.00	0.00
Coupons Income	172,057.41	1,145,189.38
Purchased Accrued Interest	0.00	0.00
Sold Accrued Interest	0.00	0.00
Ending Accrued Interest	0.00	0.00
Interest Earned	172,057.41	1,145,189.38

Notation: Book and Fair Market Returns are not annualized

Holdings by Security Type

Vallecitos Water District | Liquidity

Settlement Date	Cusip	Par Amount	Security	Coupon Rate	Maturity Date	Call Date	Book Yield	Market Yield	Market Value + Accrued	Net Unrealized Gain (Loss)	% Asset	Eff Dur
Pooled Funds												
	CAL_CAMP	35,141,130.27	California Asset Management Program	3.840%	01/31/2026		3.84%	3.84%	35,141,130.27	0.00	84.11	0.01
	CAL_LGIP	5,585,312.93	CALIFORNIA LAIF	3.931%	01/31/2026		3.93%	3.93%	5,585,312.93	0.00	13.37	0.01
	SANDIEGO_POOL	1,052,000.00	San Diego County Investment Pool	3.810%	01/31/2026		3.81%	3.81%	1,052,000.00	0.00	2.52	0.01
Total		41,778,443.20					3.85%	3.85%	41,778,443.20	0.00	100.00	0.01
Portfolio Total		41,778,443.20					3.85%	3.85%	41,778,443.20	0.00	100.00	0.01

Transactions

Vallecitos Water District | Liquidity

Cusip	Security	Trade Date	Settlement Date	Coupon Payment	Price	Par Amount	Principal Amount	Accrued Amount	Total Amount	Broker
Buy										
CAL_LGIP	CALIFORNIA LAIF	01/31/2026	01/31/2026	0.00	1.00	58,439.14	58,439.14	0.00	58,439.14	Direct
CAL_CAMP	CALIFORNIA ASSET MANAGEMENT PROGRAM	01/31/2026	01/31/2026	0.00	1.00	1,513,618.27	1,513,618.27	0.00	1,513,618.27	Direct
SANDIEGO_POOL	SAN DIEGO COUNTY INVESTMENT POOL	01/31/2026	01/31/2026	0.00	1.00	11,000.00	11,000.00	0.00	11,000.00	Direct
Total				0.00		1,583,057.41	1,583,057.41	0.00	1,583,057.41	
Interest Income										
CAL_CAMP	CALIFORNIA ASSET MANAGEMENT PROGRAM	01/31/2026	01/31/2026	113,618.27		0.00	113,618.27	0.00	113,618.27	
CAL_LGIP	CALIFORNIA LAIF	01/31/2026	01/31/2026	58,439.14		0.00	58,439.14	0.00	58,439.14	
Total				172,057.41		0.00	172,057.41	0.00	172,057.41	

This report is for general informational purposes only and is not intended to provide specific advice or recommendations. Government Portfolio Advisors (GPA) is an investment advisor registered with the Securities and Exchange Commission and is required to maintain a written disclosure statement of our background and business experience.

Questions About an Account: GPA's monthly & quarterly reports are intended to detail the investment advisory activity managed by GPA. The custodial bank maintains the control of assets and settles all investment transactions. The custodial statement is the official record of security and cash holdings and transactions. GPA recognizes that clients may use these reports to facilitate record keeping and that the custodial bank statement and the GPA report should be reconciled, and differences documented.

Trade Date versus Settlement Date: Many custodial banks use settlement date basis and post coupons or maturities on the following business days when they occur on weekend. These items may result in the need to reconcile due to a timing difference. GPA reports are on a trade date basis in accordance with GIPS performance standards. GPA can provide all account settings to support the reason for any variance.

Bank Deposits and Pooled Investment Funds Held in Liquidity Accounts Away from the Custodial Bank are Referred to as Line Item Securities: GPA relies on the information provided by clients when reporting pool balances, bank balances and other assets that are not held at the client's custodial bank. GPA does not guarantee the accuracy of information received from third parties. Balances cannot be adjusted once submitted however corrective transactions can be entered as adjustments in the following months activity. Assets held outside the custodial bank that are reported to GPA are included in GPA's oversight compliance reporting and strategic plan.

Account Control: GPA does not have the authority to withdraw or deposit funds from or to any client's custodial account. Clients retain responsibility for the deposit and withdrawal of funds to the custodial account. Our clients retain responsibility for their internal accounting policies, implementing and enforcing internal controls and generating ledger entries or otherwise recording transactions.

Custodial Bank Interface: Our contract provides for the ability for GPA to interface into our client's custodial bank to reconcile transactions, maturities and coupon payments. The GPA client portal will be available to all clients to access this information directly at any time.

Market Price: Generally, GPA has set all securities market pricing to match custodial bank pricing. There may be certain securities that will require pricing override due to inaccurate custodial bank pricing that will otherwise distort portfolio performance returns. GPA may utilize Refinitiv pricing source for commercial paper, discount notes and supranational bonds when custodial bank pricing does not reflect current market levels. The pricing variances are obvious when market yields are distorted from the current market levels.

Performance Calculation: Historical returns are presented as time-weighted total return values and are presented gross and net of fees.

Amortized Cost: The original cost on the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discounts or premiums are amortized on a straight-line basis on all securities. This can be changed at the client's request.

Callable Securities: Securities subject to redemption in whole or in part prior to the stated final maturity at the discretion of the security's issuer are referred to as "callable". Certain call dates may not show up on the report if the call date has passed or if the security is continuously callable until maturity date. Bonds purchased at a premium will be amortized to the next call date while all other callable securities will be amortized to maturity. If the bond is amortized to the call date, amortization will be reflected to that date and once the call date passes, the bond will be fully amortized.

Duration: The duration is the effective duration. Duration on callable securities is based on the probability of the security being called given market rates and security characteristics.

Benchmark Duration: The benchmark duration is based on the duration of the stated benchmark that is assigned to each account.

Rating: Information provided for ratings is based upon a good faith inquiry of selected sources, but its accuracy and completeness cannot be guaranteed.

Coupon Payments and Maturities on Weekends: On occasion, coupon payments and maturities occur on a weekend or holiday. GPA's report settings are on the accrual basis so the coupon postings and maturities will be accounted for in the period earned. The bank may be set at a cash basis, which may result in a reconciliation variance.

Cash and Cash Equivalents: GPA has defined cash and cash equivalents to be cash, bank deposits, LGIP pools and repurchase agreements. This may vary from your custodial bank which typically defines cash and equivalents as all securities that mature under 90 days. Check with your custodial bank to understand their methodology.

Account Settings: GPA has the portfolio settings at the lot level, if a security is sold our setting will remove the lowest cost security first. First-in-first-out (FIFO) settings are available at the client's request.

Historical Numbers: Data was transferred from GPA's legacy system, however, variances may exist from the data received due to a change of settings on Clearwater. GPA is utilizing this information for historical return data with the understanding the accrual settings and pricing sources may differ slightly.

Financial Situation: In order to better serve you, GPA should be promptly notified of any material change in your investment objective or financial situation.

No Guarantee: The securities in the portfolio are not guaranteed or otherwise protected by GPA, the FDIC (except for non-negotiable certificates of deposit) or any government agency. Investment in securities involves risks, including the possible loss of the amount invested.



Vallecitos Water District
Sewer Revenue and Expense Report
For the Seven Months Ended January 31, 2026

2/11/2026 11:49

M:\Finance\Accounting\Common\1 Monthly Reports\Financial Statements\FY 2026[Revenue and expense report 25-26.xlsx]January 26 water

	Current Year Actual	Prior Year Actual			Current Year Budget		
		Amount	Variance		Amount	Variance	
			\$	%		\$	%
Revenue							
Sewer service charges	\$ 11,410,068	\$ 11,236,895	\$ 173,173	1.5%	\$ 11,427,000	\$ (16,932)	-0.1%
Reclaimed water sales	1,607,932	2,160,309	(552,377)	-25.6%	2,269,000	(661,068)	-29.1%
Other revenue	68,094	(3,027)	71,121	-2349.6%	136,000	(67,906)	-49.9%
Total Revenue	<u>13,086,094</u>	<u>13,394,177</u>	<u>(308,083)</u>	<u>-2.3%</u>	<u>13,832,000</u>	<u>(745,906)</u>	<u>-5.4%</u>
Expenses							
Collection & conveyance	1,753,951	1,677,870	76,081	4.5%	1,822,000	(68,049)	-3.7%
Lift stations	88,529	179,780	(91,251)	-50.8%	198,000	(109,471)	-55.3%
Source control	128,977	108,271	20,706	19.1%	157,000	(28,023)	-17.8%
Effluent disposal	2,968,838	2,472,333	496,505	20.1%	2,901,000	67,838	2.3%
Meadowlark	1,141,074	1,801,831	(660,757)	-36.7%	2,453,000	(1,311,926)	-53.5%
Customer accounts	319,827	283,887	35,940	12.7%	358,000	(38,173)	-10.7%
Building & grounds	257,532	255,442	2,090	0.8%	333,000	(75,468)	-22.7%
Equipment & vehicles	131,623	127,998	3,625	2.8%	191,000	(59,377)	-31.1%
Engineering	402,977	439,158	(36,181)	-8.2%	584,000	(181,023)	-31.0%
Safety & compliance	94,450	84,183	10,267	12.2%	137,000	(42,550)	-31.1%
Information technology	638,583	604,936	33,647	5.6%	719,000	(80,417)	-11.2%
General & administrative	1,218,668	1,093,947	124,721	11.4%	1,206,000	12,668	1.1%
Total Expenses	<u>9,145,029</u>	<u>9,129,636</u>	<u>15,393</u>	<u>0.2%</u>	<u>11,059,000</u>	<u>(1,913,971)</u>	<u>-17.3%</u>
Net Operating Income	<u>\$ 3,941,065</u>	<u>\$ 4,264,541</u>	<u>(323,476)</u>	<u>-7.6%</u>	<u>\$ 2,773,000</u>	<u>1,168,065</u>	<u>42.1%</u>

Explanation of Significant Variances

Reclaimed water sales has an unfavorable prior year and budget variance due to lower demand resulting from the Meadowlark plant being shut down since December 2024 and unanticipated delays in completion/start up.

Other revenue has a favorable prior year variance because of voided reimbursements that occurred in the prior year. The unfavorable budget variance is due less grant funds received thus far.

Lift stations has a favorable prior year and budget variance due to lower labor, materials and supplies, outside repair, and power costs thus far.

Effluent disposal has an unfavorable prior year and budget variance due to the shutdown of the Meadowlark plant for ongoing unplanned maintenance. As a result, less flow has been directed to recycled water production and more has been sent to the Encina Wastewater Authority (EWA) for treatment. This shift increased the District's share of EWA expenses beyond what was projected during budget development.

Meadowlark has a favorable prior year and budget variance due to the Meadowlark plant being shut down since December 2024 and unanticipated delays in completion.

Buildings & grounds has a favorable budget variance because of lower than anticipated materials and supplies, outside repair, and power costs to date.

Equipment & vehicles has a favorable budget variance due to lower than anticipated labor and materials and supplies costs thus far.

Engineering has a favorable budget variance primarily due to lower than anticipated labor, materials and supplies, and timing of outside services.

Variances are considered significant if they exceed \$58333 and 20%.

Vallecitos Water District
Water Revenue and Expense Report
For the Seven Months Ended January 31, 2026

2/9/2026 15:12

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	Current Year Actual	Prior Year Actual			Current Year Budget		
		Amount	Variance		Amount	Variance	
			\$	%		\$	%
Revenue							
Water sales	\$22,160,509	\$23,715,747	\$ (1,555,238)	-6.6%	\$25,664,000	\$ (3,503,491)	-13.7%
Ready-to-serve	10,197,086	9,554,545	642,541	6.7%	10,525,000	(327,914)	-3.1%
Pumping charges	403,665	453,224	(49,559)	-10.9%	545,000	(141,335)	-25.9%
Late & lock charges	232,922	211,274	21,648	10.2%	154,000	78,922	51.2%
Backflow fees	69,365	65,163	4,202	6.4%	56,000	13,365	23.9%
Other revenue	114,299	30,333	83,966	276.8%	248,000	(133,701)	-53.9%
Total Revenue	33,177,846	34,030,286	(852,440)	-2.5%	37,192,000	(4,014,154)	-10.8%
Expenses							
Water costs	24,624,877	23,610,164	1,014,713	4.3%	26,717,000	(2,092,123)	-7.8%
Pumping costs	643,009	650,280	(7,271)	-1.1%	758,000	(114,991)	-15.2%
Water quality	61,997	62,946	(949)	-1.5%	111,000	(49,003)	-44.1%
Water treatment	402,818	377,507	25,311	6.7%	428,000	(25,182)	-5.9%
Tanks & reservoirs	172,901	258,475	(85,574)	-33.1%	341,000	(168,099)	-49.3%
Trans & distribution	981,333	1,191,593	(210,260)	-17.6%	1,387,000	(405,667)	-29.2%
Services	53,641	78,048	(24,407)	-31.3%	82,000	(28,359)	-34.6%
Meters	499,391	466,273	33,118	7.1%	518,000	(18,609)	-3.6%
Backflow prevention	44,248	33,069	11,179	33.8%	67,000	(22,752)	-34.0%
Customer accounts	456,983	421,604	35,379	8.4%	535,000	(78,017)	-14.6%
Building & grounds	339,277	355,185	(15,908)	-4.5%	461,000	(121,723)	-26.4%
Equipment & vehicles	125,052	153,117	(28,065)	-18.3%	213,000	(87,948)	-41.3%
Engineering	943,661	1,013,414	(69,753)	-6.9%	1,178,000	(234,339)	-19.9%
Safety & compliance	140,391	113,719	26,672	23.5%	201,000	(60,609)	-30.2%
Information technology	789,793	723,193	66,600	9.2%	860,000	(70,207)	-8.2%
General & administrative	2,013,903	2,095,515	(81,612)	-3.9%	2,223,000	(209,097)	-9.4%
Total Expenses	32,293,275	31,604,102	689,173	2.2%	36,080,000	(3,786,725)	-10.5%
Net Operating Income	\$ 884,571	\$ 2,426,184	(1,541,613)	-63.5%	\$ 1,112,000	(227,429)	-20.5%

Explanation of Significant Variances

Pumping charges has an unfavorable budget variance due to lower demand than anticipated.

Late & lock charges has a favorable budget variance due to higher delinquency charges collected than expected.

Other revenue has a favorable prior year variance because of voided reimbursements that occurred in the prior year. The unfavorable budget variance is due to lower reimbursement revenue received than anticipated thus far.

Tanks & reservoirs has favorable prior year and budget variances as a result of lower than anticipated labor, materials and supplies, and outside services costs thus far.

Trans & distribution has a favorable budget variance due to lower labor, materials and supplies, and outside services costs than anticipated to date.

Buildings & Grounds has a favorable budget variance due to lower than anticipated labor, materials and supplies, and outside services costs.

Equipment & vehicles has a favorable budget variance due to lower labor and materials and supplies costs than anticipated to date.

Safety and compliance has a favorable budget variance due to lower than anticipated outside services to date and lower labor costs.

Variances are considered significant if they exceed \$58333 and 20%.

DATE: FEBRUARY 18, 2026
TO: BOARD OF DIRECTORS
SUBJECT: AUTHORIZATION TO EXECUTE A CLOUD HOSTING AGREEMENT WITH TOTAL RESOURCE MANAGEMENT (TRM) FOR IBM MAXIMO

BACKGROUND:

Since 2007, the District has relied on IBM Maximo and Rules Manager software for asset management, maintenance operations, labor tracking, purchasing, and critical business rules. With Maximo 7.6 soon becoming unsupported, the District risks service disruptions, security gaps, and software incompatibilities by remaining on an outdated platform. Upgrading Maximo to the current version preserves vendor support, security updates, and vital interoperability.

On September 4, 2024, the Board of Directors authorized the General Manager to execute a three-year IBM Maximo Enterprise Support and Maintenance Agreement with Total Resource Management (TRM) for a total contract cost of \$242,117 and to enter a professional services contract for the IBM MAS 9 upgrade. That authorization assumed the District's Maximo system would continue to operate on District-managed, on-premises infrastructure.

Since that approval, IBM and its certified partners have continued to transition away from on-premises deployments toward hosted cloud environments. As part of the MAS 9 upgrade effort, staff evaluated this deployment model and determined a hosted approach would reduce long-term infrastructure risk, align with vendor-supported architectures, and improve operational resiliency for this mission-critical system.

TRM, the District's existing Maximo implementation partner, has proposed a two-year cloud hosting agreement to support the MAS 9 platform and ongoing system operations.

DISCUSSION:

Staff proposes to pivot from an on-premises Maximo deployment to a hosted cloud environment operated by TRM. This action represents a change in delivery model only and does not expand the scope of services previously authorized by the Board, nor does it increase the total project budget.

Under the proposed agreement, TRM will host the District's Maximo production environment in a secure cloud infrastructure for a fixed two-year term. The hosting subscription replaces the on-premises support and infrastructure construct previously contemplated, while associated implementation services align with the MAS 9 upgrade and as-needed support services already authorized under the prior Board action.

The total cost over the first two years consists of a hosting subscription of \$121,800 and hosting implementation and upgrade services totaling \$111,200, for a combined two-year cost of approximately \$233,000. These costs are fully funded within existing Board-approved appropriations, including \$188,000 in CIP funding and \$45,000 in operating budget funds. No additional funding authority is requested.

This approach reduces the District's contractual commitment from a three-year on-premises model to a two-year hosted agreement while eliminating the need to maintain and support production infrastructure internally. The existing three-year licensing and support authorization

remains in effect through the end of the current fiscal year. If the hosted model performs as expected, staff anticipate evaluating a potential hosting renewal beginning in FY 2026/27 through the normal operating budget process, subject to annual appropriation and Board consideration.

FISCAL IMPACT:

There is no increase to the previously approved Capital Improvement Project (CIP) or overall project cost. All costs associated with the cloud hosting subscription and implementation services will be funded using existing CIP and operating budget appropriations previously authorized by the Board. This action does not create a future funding obligation beyond the two-year term of the agreement. Any potential renewal would be addressed through the normal annual budget process and subject to Board approval.

STRATEGIC FOCUS AREA:

This action aligns with the District's Strategic Focus Area 2: Organizational Improvement/Efficiency supporting technology modernization objectives by reducing infrastructure risk, aligning enterprise systems with vendor-supported deployment models, and improving the long-term reliability and resiliency of the District's Enterprise Asset Management platform.

RECOMMENDATION:

Authorize the General Manager to execute a two-year IBM Maximo cloud hosting agreement with Total Resource Management (TRM) in the total amount of \$233,000, which includes both the hosting subscription and related implementation and upgrade services.

DATE: FEBRUARY 18, 2026
TO: BOARD OF DIRECTORS
SUBJECT: OPERATIONS AND MAINTENANCE METRICS REPORT

BACKGROUND:

The District tracks a variety of operational and regulatory performance metrics across the Water Distribution and Wastewater Collections systems. These metrics are used to monitor system performance, regulatory compliance, and asset condition. The Operations and Maintenance (O&M) Metrics Report compiles this information quarterly into a single report to provide management and the Board with a clear view of District performance throughout the calendar year.

DISCUSSION:

Operational metrics are quantifiable data points tracking work completed, system condition, regulatory compliance, and service levels. These measurements allow staff to evaluate whether operational goals are being met, identify trends, and prioritize maintenance or capital improvements. Metrics also support transparency, accountability, and data driven decision making.

The O&M metrics include activities performed by multiple departments. Wastewater Collections staff track sewer cleaning, closed-circuit television (CCTV) inspections, smoke testing, and odor complaints. These metrics are used to evaluate system condition, identify inflow and infiltration sources, and ensure the sewer system is maintained in accordance with regulatory requirements and District performance goals.

Water Distribution staff monitor water quality and regulatory compliance through metrics such as water purchases, bacteriological sampling, and customer complaints. Water quality sampling requirements are established by the State Water Resources Control Board, and the District routinely exceeds minimum requirements to maintain high water quality standards.

Construction staff monitor system reliability through valve maintenance, valve replacements, main breaks, service line leaks, and hydrants struck by vehicles. These indicators provide insight into system integrity, infrastructure condition, and operational readiness during routine and emergency conditions.

Consolidating these metrics into a single report allows management to compare performance across departments, identify areas requiring additional resources, and monitor trends. The O&M Metrics Report also provides the Board with a high-level overview of operational performance and helps demonstrate compliance with regulatory and strategic objectives.

FISCAL IMPACT:

There is no direct fiscal impact associated with consolidating performance metrics. However, the information provided through these metrics supports budget development, capital improvement planning, staffing decisions, and resource allocation.

STRATEGIC PLAN / TACTICAL INITIATIVES:

The O&M Metrics Report aligns with Strategic Focus Area 1: Infrastructure Integrity, Focus Area 2: Organizational Improvement/Efficiency, and Focus Area 6: Environmental Stewardship. Monitoring key performance indicators ensures the District continues to provide reliable water and wastewater services to its customers.

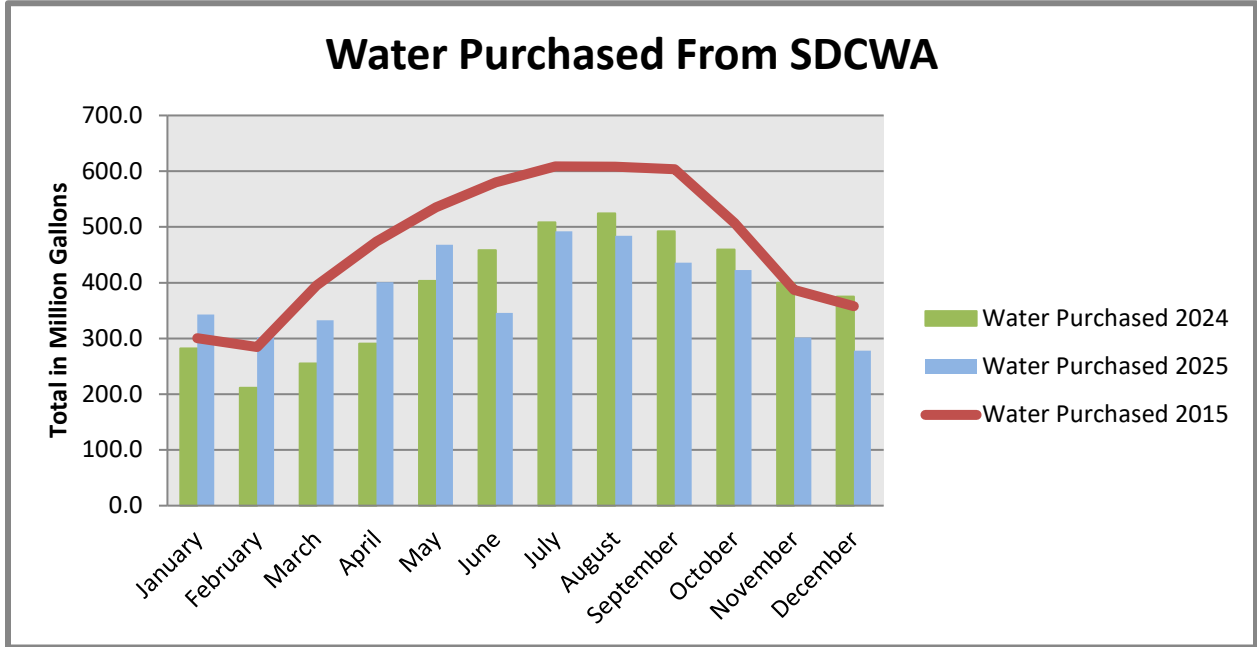
RECOMMENDATION:

This item is presented for informational purposes only.

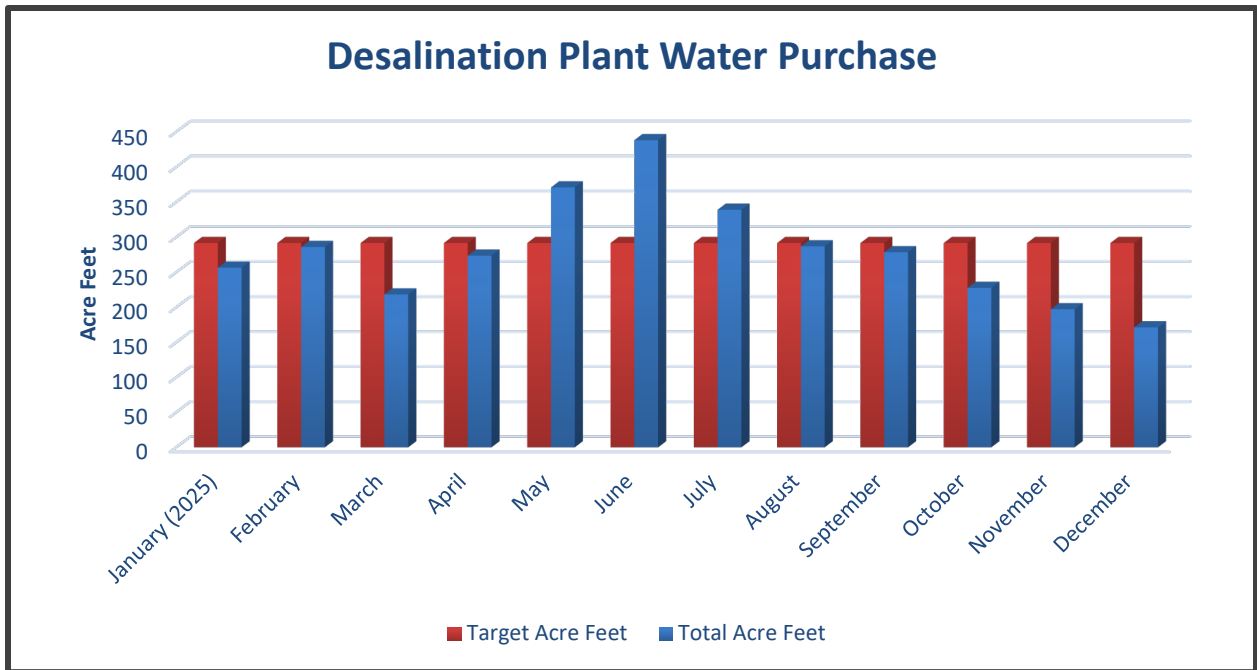
ATTACHMENTS:

Quarterly O&M Metrics Report.

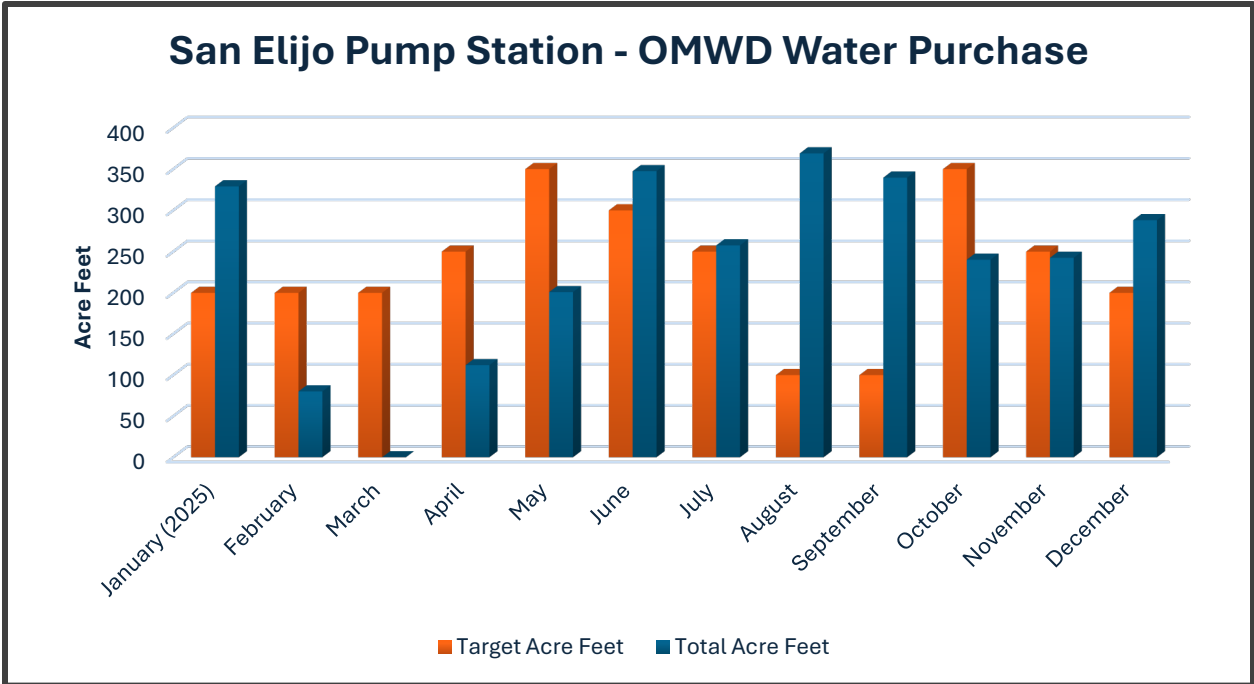
Quarterly O&M Metrics Report



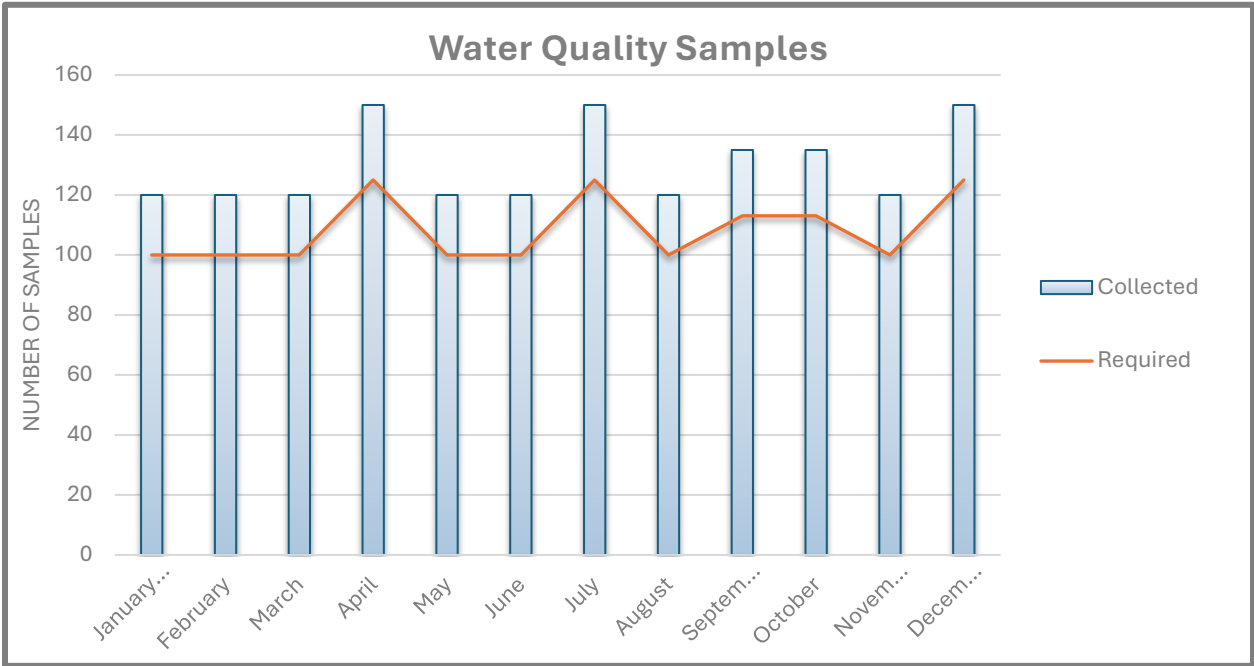
Water Purchased from the San Diego County Water Authority
 Calendar Year 2015 was used by the SWRCB as a baseline for water conservation efforts.
 (Includes water from the desalination and OMWD plants)



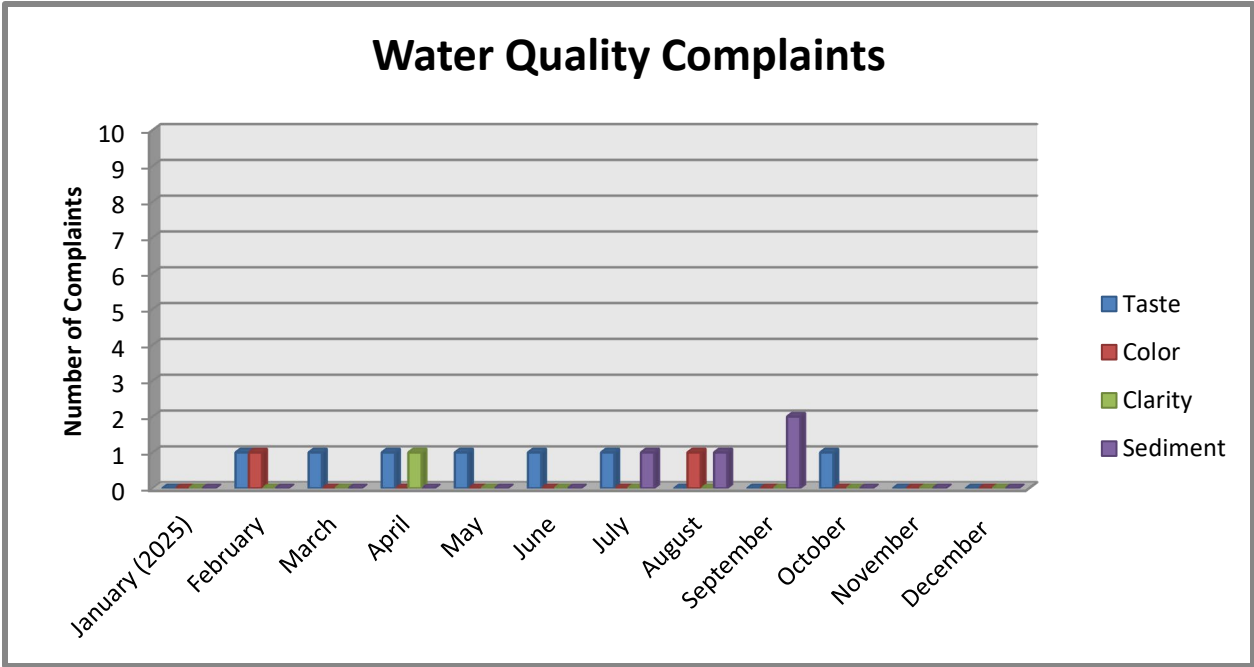
Acre Feet (AF) of Water Purchased from the Carlsbad Desalination Plant
 Our annual minimum take from Desal is 3,500 AF / We have purchased 3345.1 AF in CY 2025



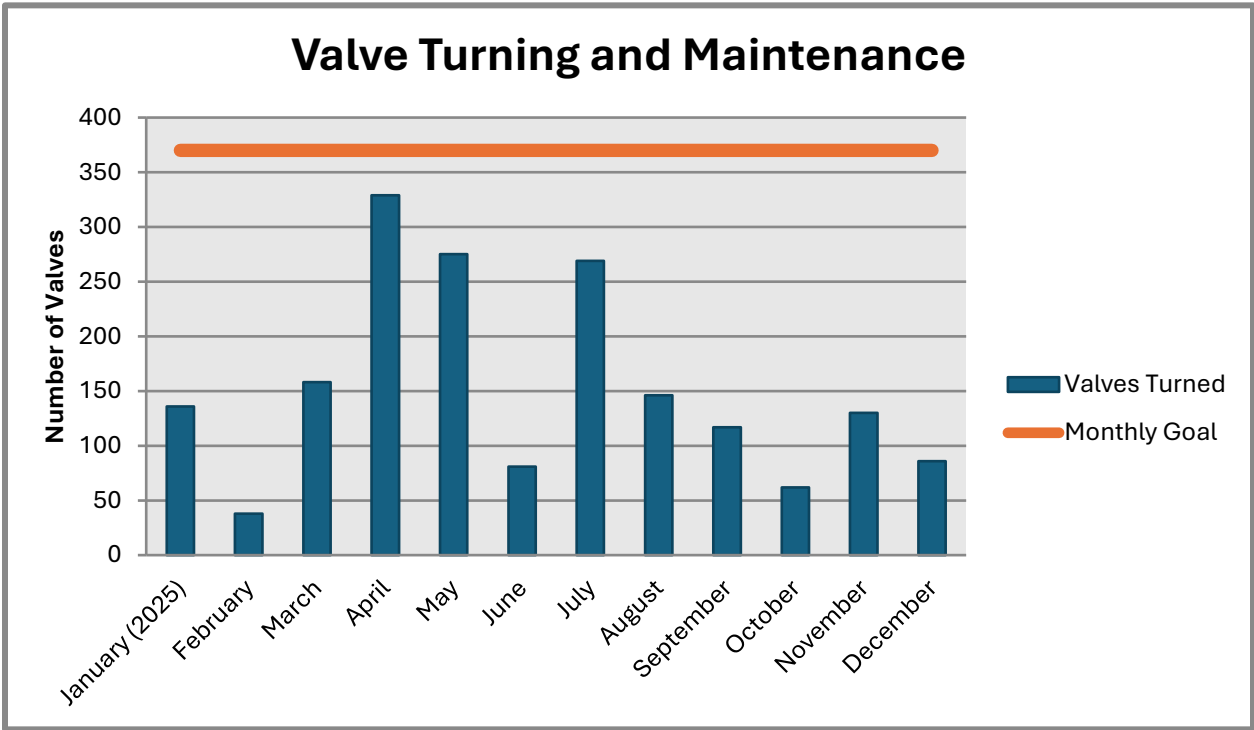
Acre Feet (AF) of Water Purchased from Olivenhain MWD – San Elijo Pump Station
 Our annual minimum take from OMWD is 2,750 AF / We have purchased 2806.9 AF in CY 2025 (The monthly Target Acre Feet varies throughout the year based on the agreement with OMWD)



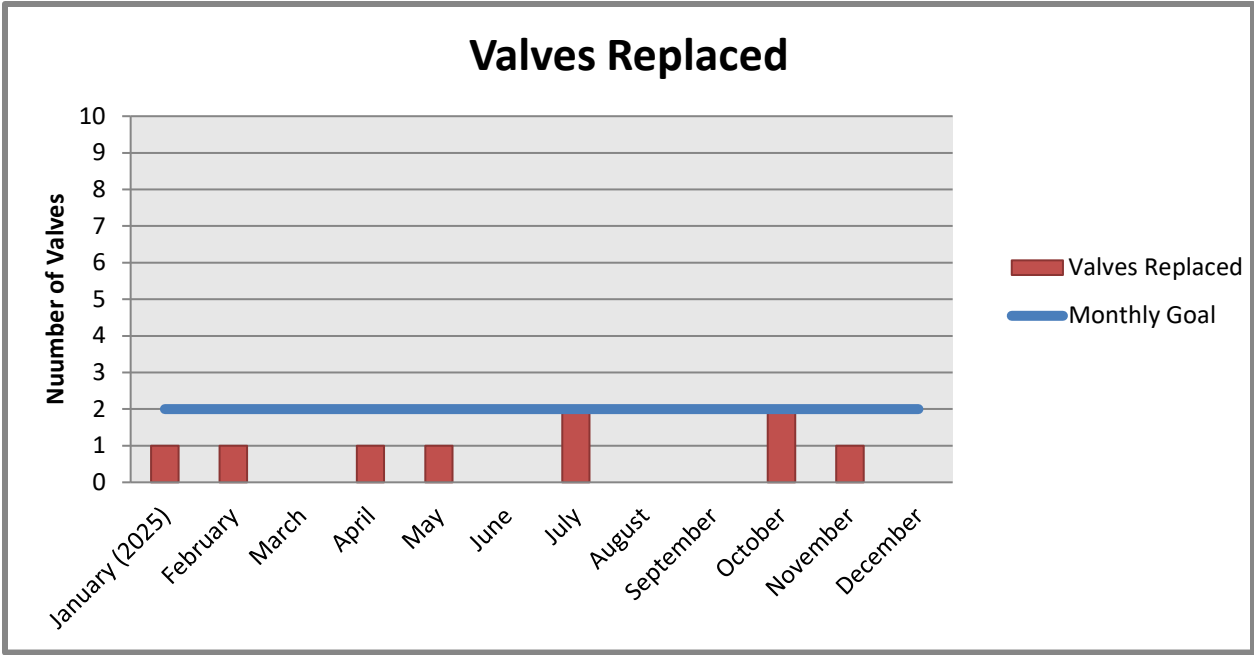
Bacteriological Water Quality Samples
 (Number of samples required each month is based on SWRCB regulations & the number of weeks per month)



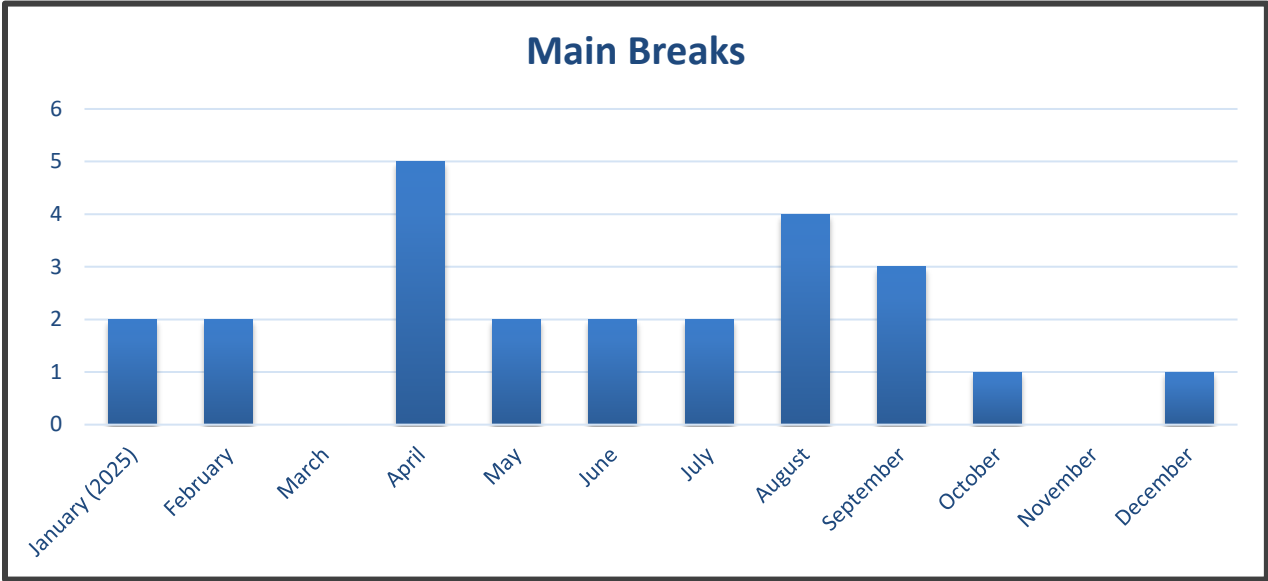
Customer Water Quality Complaints
 (Water quality issues are typically caused by main breaks, construction activities & customers' plumbing)



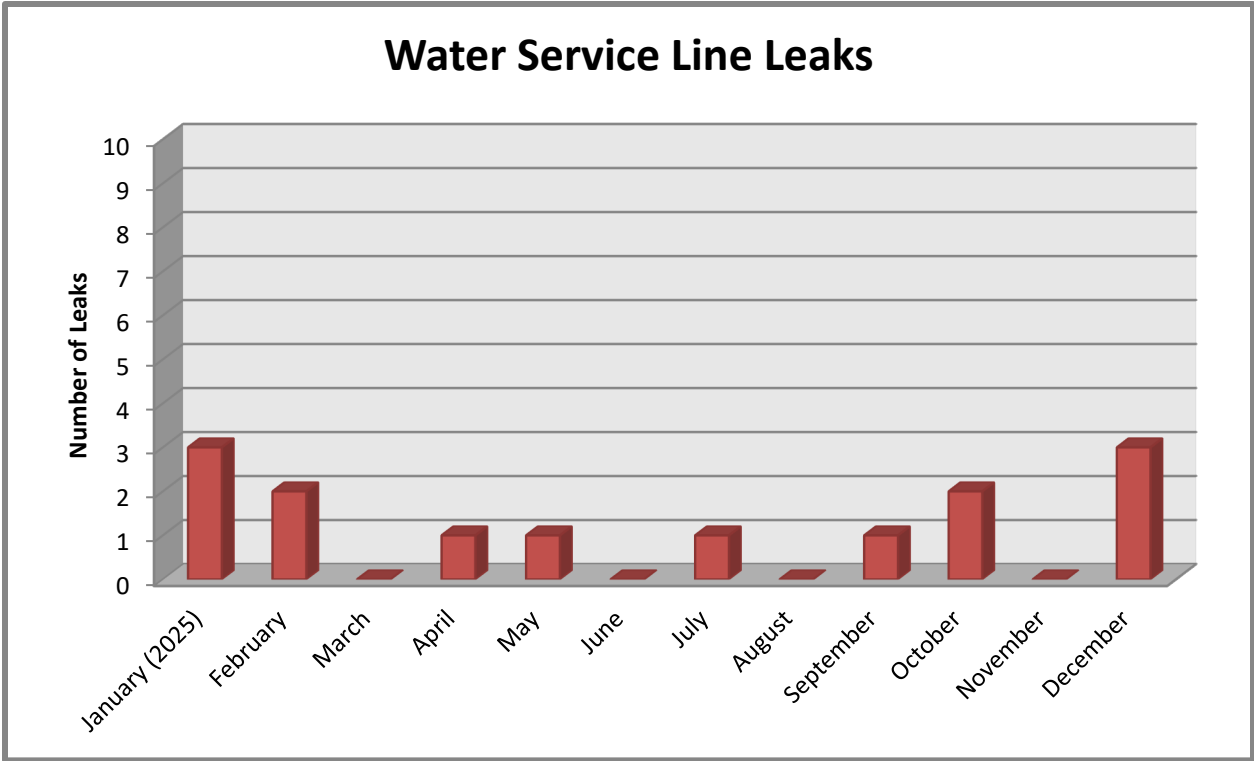
Water Valves Turned in the Distribution System
 The District has 8,874 valves / 20.5% of the valves have been turned in Calendar Year 2025
 (Goal is to turn 50% of valves every calendar year or about 370/Month)



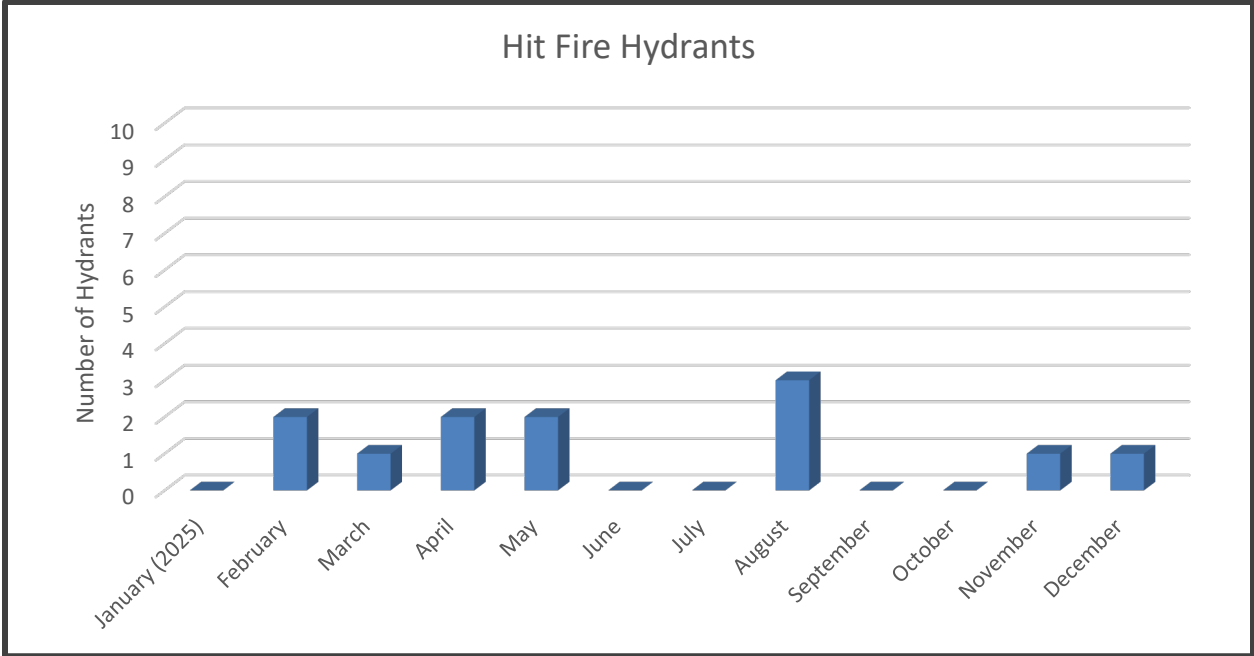
Water Valves Replaced in the Distribution System
(Goal is to replace 20 valves every fiscal year or around 2 per month)



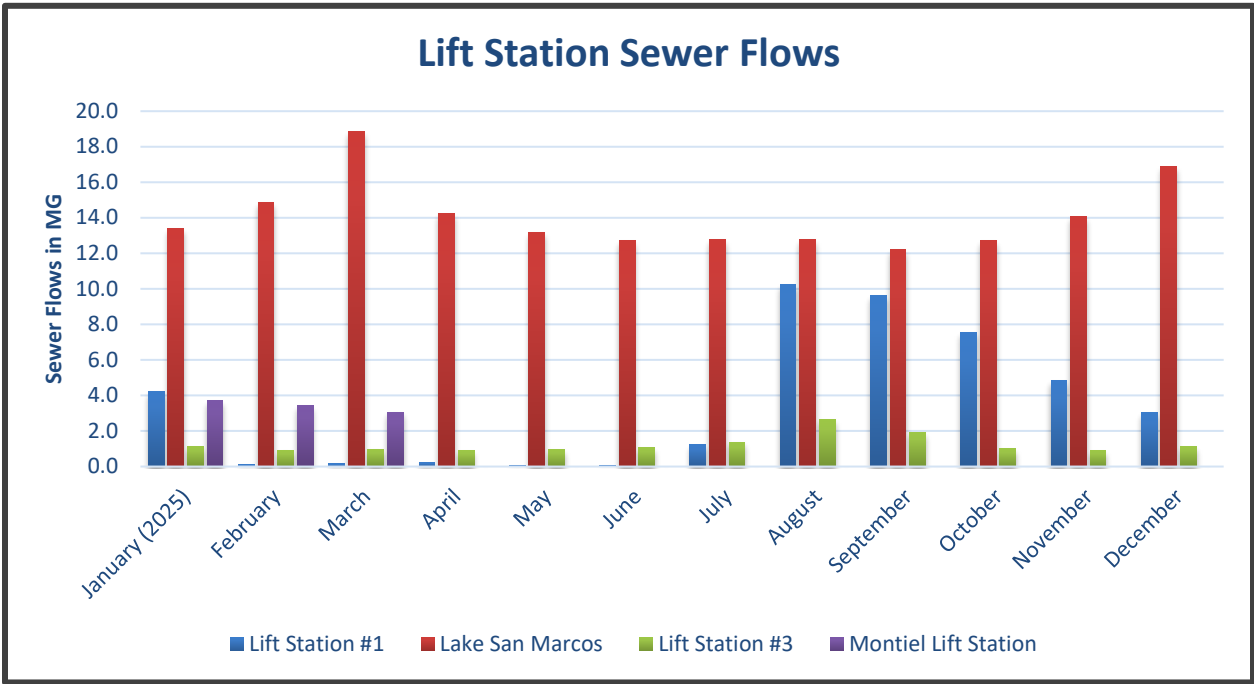
Water Mainline Breaks in the Distribution System
(There have been 24 water main breaks in calendar year 2025 / There were 38 in 2024)



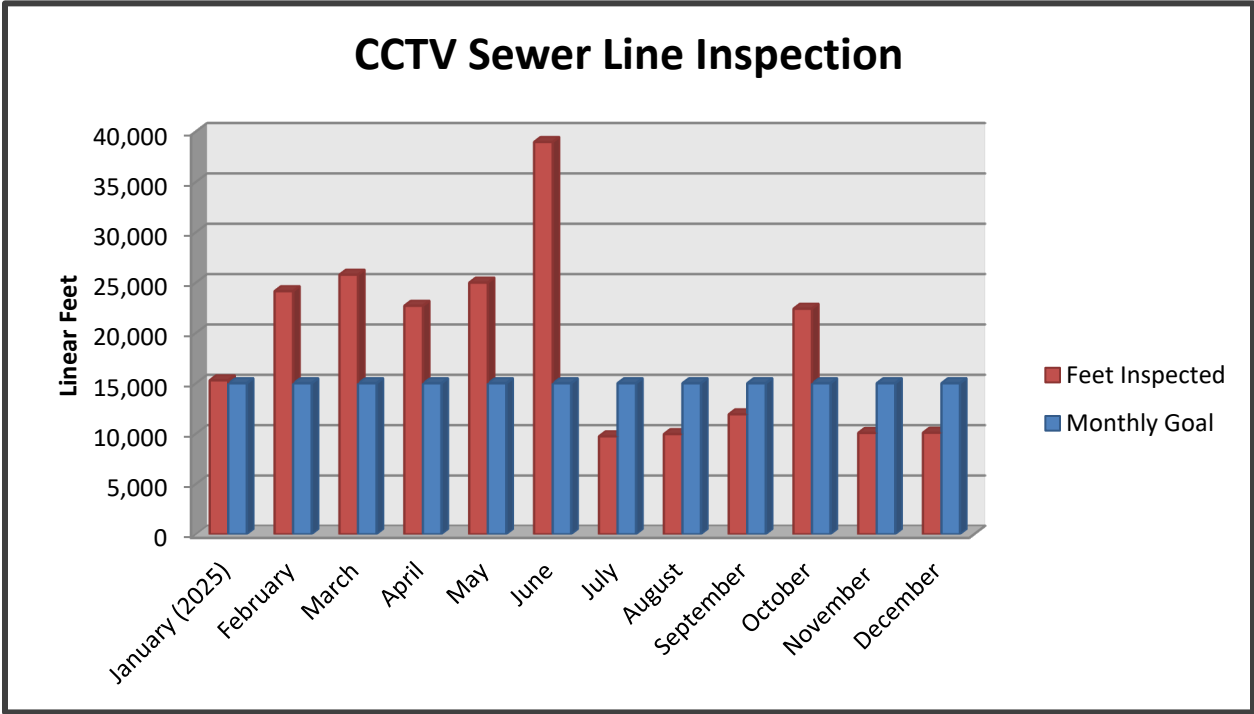
Water Service Line Leaks in the Distribution System
 (There have been 14 water service line leaks in calendar year 2025 / There were 20 in 2024)



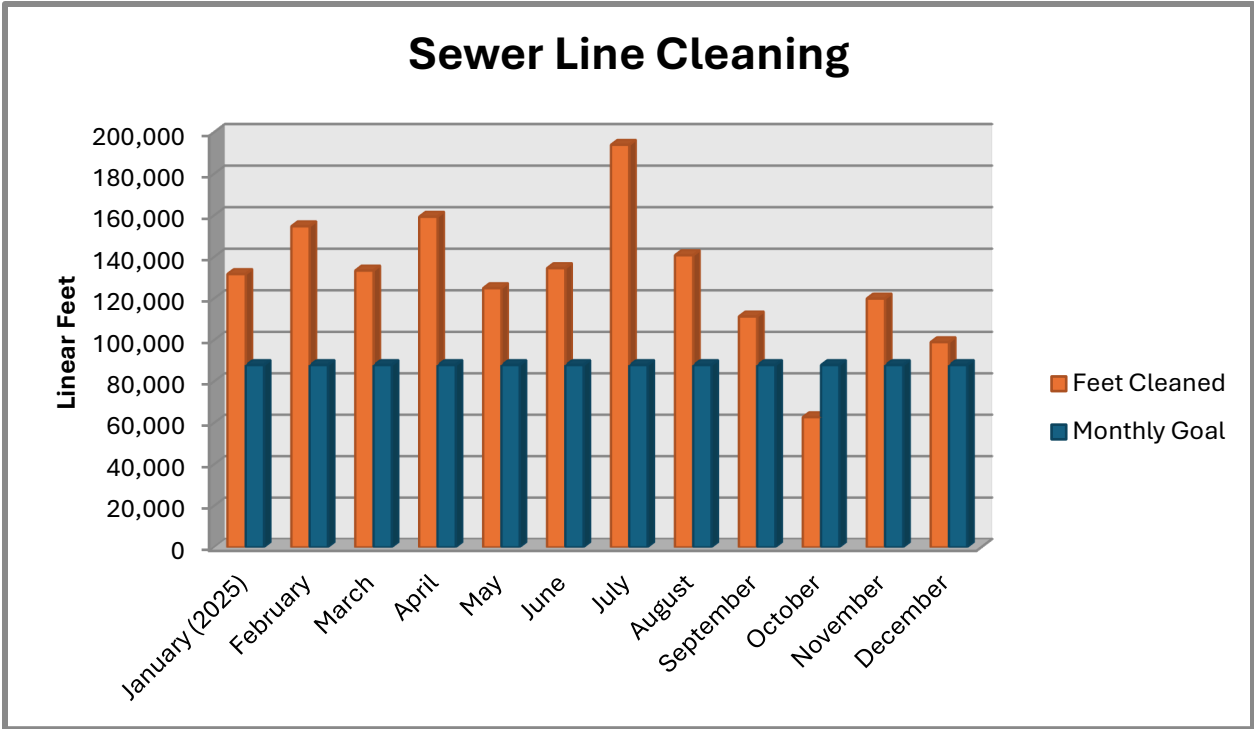
Fire Hydrant hit by vehicles in the Distribution System
 (There have been 12 hit fire hydrants in calendar year 2025 / There were 5 in 2024)



Sewer Flows Pumped from District Lift Stations



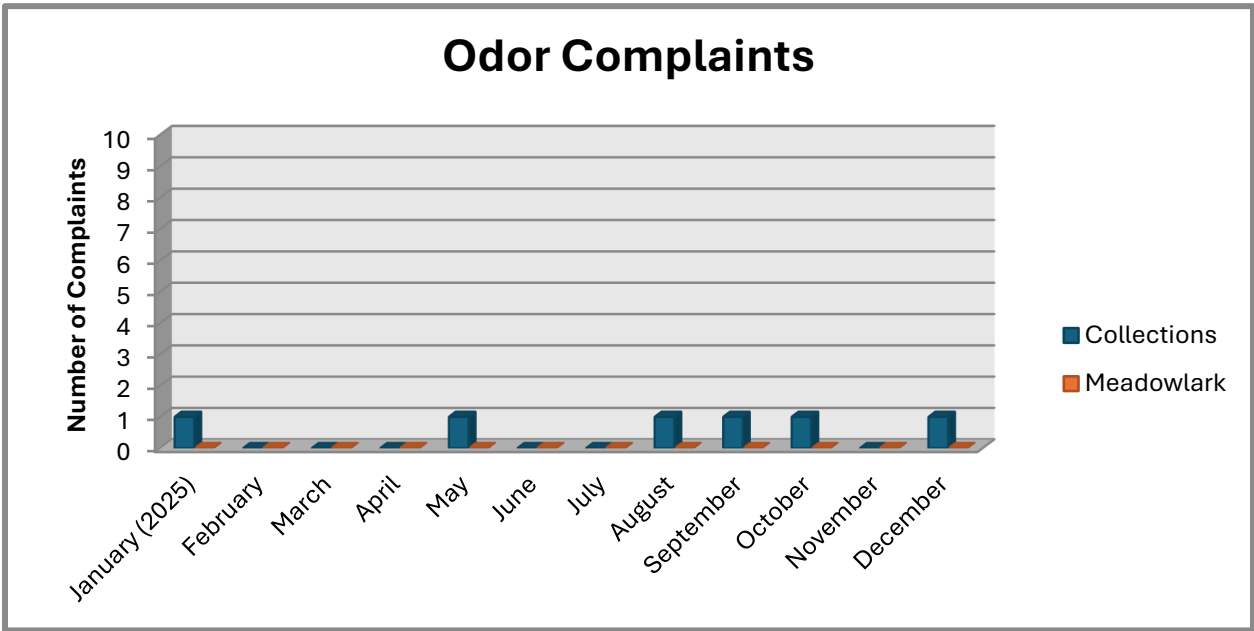
CCTV Sewer Line Inspection Totals in Feet
 Total for Calendar Year 2025 = 226,000 ft.
 (Goal is to inspect at least 180,000 feet of gravity lines per calendar year)



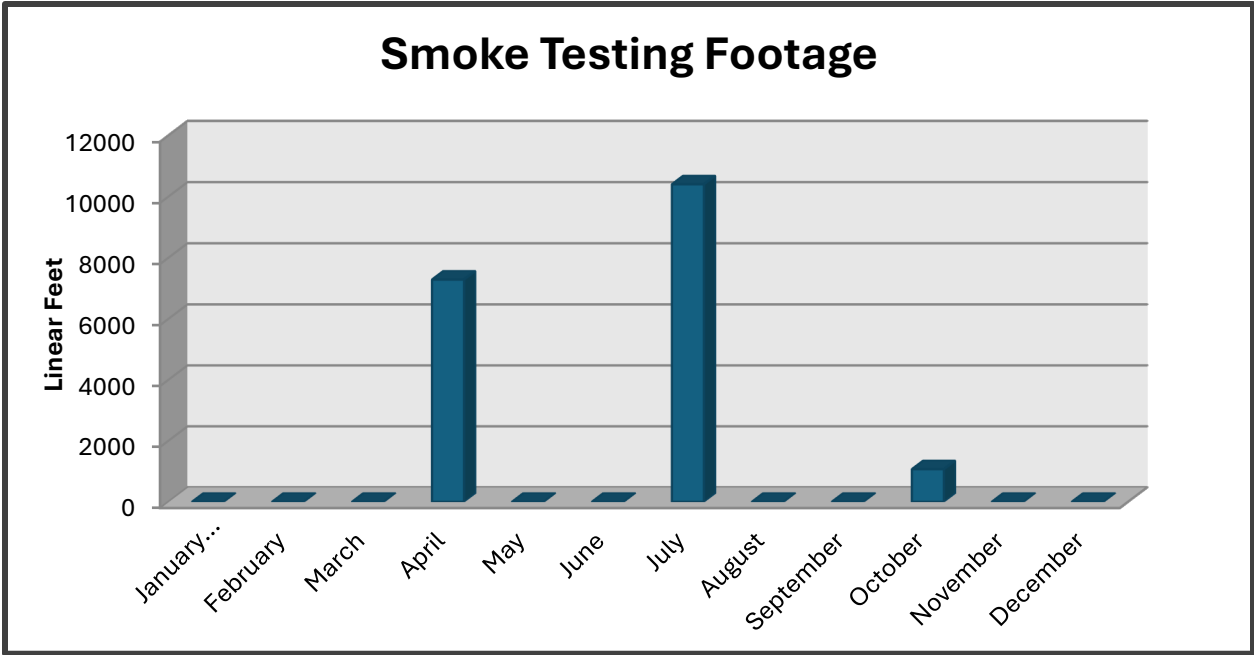
Sewer Line Cleaning Totals in Feet (Monthly Goal 88,000)

Total for Calendar Year 2025 = 1,567,478 ft.

(Goal is to clean 1,056,000 ft. of gravity lines per year and clean the entire system in 15 months or less)



Customer Sewer Odor Complaints



Smoke Testing of Sewer Lines in Feet
Total for Calendar Year 2025 = 18,763 ft.
(Goal is to smoke test three areas per calendar year based on suspected I&I)

DATE: FEBRUARY 18, 2026
TO: BOARD OF DIRECTORS
SUBJECT: ADOPTION OF ORDINANCE NO. 232, ESTABLISHING A POLICY REGARDING BOARD TRAVEL AND AMENDING ORDINANCE NO. 229

BACKGROUND:

Director Hernandez has requested that the Board consider amending the Board Travel Policy to allow Board Members to stay overnight at multi-day conferences held within San Diego County.

It has been the District's practice to not reimburse Board Members for overnight lodging for conferences or events held within San Diego County. The current Board Policy for Reimbursement of Expenses and Reporting is set forth in Ordinance No. 229 adopted by the Board on February 19, 2025. Section 2.3 of the Ordinance provides:

Each Director shall be entitled to payment and/or reimbursement for actual and necessary expenses incurred in the performance of official duties including expenses incurred relating to travel, meals, lodging, and other actual and necessary expenses incurred for attendance at meetings and conferences of organizations listed in Section 2.1 or approved in accordance with Section 2.2F Lodging. [...] Requests for Reimbursement must be submitted on a District approved Expense Form and shall include receipts documenting each expense in accordance with District Resolution 1365.

On November 20, 2024, the Board adopted Resolution No. 1678, which rescinded and superseded previous Resolutions No. 1365 (2010) and No. 1499 (2016). This resolution formally approved the Employee Handbook, including Supplement #10 (Travel Policy). This policy outlines travel procedures for all District employees, department heads, and elected officials. Currently, travel for the Board of Directors is governed by both Supplement #10 and Ordinance No. 229, which establishes general provisions for Board business.

DISCUSSION:

To address the request for local travel flexibility, staff has drafted Ordinance No. 232 – Establishing Policy Regarding Board Travel. Section 1.5 of Ordinance No. 232 includes a proposed revision which permits reimbursement for lodging expenses incurred for multi-day conferences held within San Diego County upon request by a Board Member. Proposed Section 1.5 provides:

Lodging will be paid by the District, for single occupancy, economy/standard rooms, at the group or government rate established for the conference.

- *Lodging for an overnight stay prior to the beginning or after the end of the function may be paid by the District if the function(s) starts too early or ends too late to permit reasonable travel. Upon the request by a Board Member, lodging for multi-day conferences held within San Diego County, will be permitted.*
- *The cost for all nonessential items charged to the lodging bill, such as telephone calls, movies, valet or laundry service, beverages, and snacks (unless consumed as a regular meal), etc., are not eligible for reimbursement.*
- *The costs of basic travel amenities, such as shampoo, toothpaste, etc., are not eligible for reimbursement.*

Staff is also requesting the Board approve an amendment Section 2.3 of Ordinance No. 229 to remove the reference to “District Resolution 1365” and replace it with a reference to “Ordinance 232.”

FISCAL IMPACT:

Minimum significant fiscal impact resulting from adoption of Ordinance No. 232 based upon the updated travel policy.

STRATEGIC PLAN/TACTICAL INITIATIVES:

N/A

RECOMMENDATION(S):

Staff recommend that the Board:

- 1) Adopt Ordinance No. 232 approving the changes to the Board Travel Policy, and
- 2) Amend Section 2.3 (Reimbursement of Expenses and Reporting) of Ordinance No. 229 by removing the reference to District Resolution No. 1365 and substituting with a reference to the newly adopted Ordinance No. 232.

ATTACHMENT(S):

Draft Ordinance No. 232 (*red-lined*)

Amended Ordinance No. 229 (*red-lined*)

ORDINANCE NO. 232

ORDINANCE OF THE BOARD OF DIRECTORS OF THE VALLECITOS WATER DISTRICT ESTABLISHING POLICY REGARDING BOARD TRAVEL

BE IT ORDAINED by the Board of Directors of the VALLECITOS Water District as follows:

SECTION 1: BOARD TRAVEL POLICY

Section 1.1: Introduction.

The Board of Directors may attend conferences, meetings, seminars, training, and other functions for the purpose of furthering the interests of the District. Cost for travel and associated expenses for these events will be paid or reimbursed by the District under this policy.

Section 1.2: Policy.

All travel should be prudently planned, ensuring the best interests of the public are served at the most reasonable cost. Expenses should be ordinary and necessary to conduct District business as determined jointly by the supervisor and employee. Members of the Board of Directors are expected to abide by this policy and exercise the same economy as a practical person when traveling, bearing in mind that public funds are in use. The General Manager has the right to refuse charges or reimbursements that are not considered reasonable; in that instance, employees may be required to re-pay those charges.

Costs incurred for accommodation upgrades, non-business-related change fees, travel companions, pleasure tours, unrelated social events or side trips, and extended travel days are examples of expenses that are not allowed. Any additional costs associated with changes for personal or non-District business shall be the responsibility of the employee, including direct expenses like hotel and additional transportation costs. Employees will not be paid work hours for personal or non-District business. If travel or registration expenses are incurred by the District and not used, the attendee may be required to reimburse the District unless the reason was due to personal illness, or events that prevented a good faith effort to attend. These events could include transportation delays or cancellations, meeting cancellations or date changes, or a sudden event within the District that requires the presence of a member of the Board of Directors.

Section 1.3: Registration.

Registration fees should take advantage of early registration discounts and be paid beforehand when possible.

Section 1.4: Transportation.

Mode and route of transportation to events should be selected based on economy and practicality, as jointly determined by the supervisor and employee. Travel should occur during regular work hours/days when reasonable. In all cases, if an attendee prefers one means of transportation over another for any reason, reimbursement or advance

payment will be made for the lower cost option and the attendee is responsible for paying the difference in cost. Air transportation must be coach or economy class, utilizing promotional, corporate, or other discounts. Train transportation may be used when reasonable. Mileage for travel to an airport or train station may be reimbursable. A rental car may be used if local transportation by shuttle, bus, or taxi is not reasonably available. Multiple attendees shall share the use of rental cars, taxis, and shuttles when practical. Rental car insurance is not necessary and will not be reimbursed. Parking fees necessary to travel, such as airport, hotels, or event parking, are reimbursable.

The District will reimburse for approved mileage according to the IRS established rate. All mileage will be calculated based on the roundtrip distance between the District office and the event if travel commences from the District. If travel commences from the Board of Directors' home, resulting in less mileage traveled to the event, the employee is responsible for adjusting the claimed mileage to reflect the lesser amount.

Section 1.5: Lodging.

Lodging will be paid by the District, for single occupancy, economy/standard rooms, at the group or government rate established for the conference.

- Lodging for an overnight stay prior to the beginning or after the end of the function may be paid by the District if the function(s) starts too early or ends too late to permit reasonable travel. *Upon the request by a Board Member, lodging for multi-day conferences held within San Diego County, will be permitted.*
- The cost for all nonessential items charged to the lodging bill, such as telephone calls, movies, valet or laundry service, beverages, and snacks (unless consumed as a regular meal), etc., are not eligible for reimbursement.
- The costs of basic travel amenities, such as shampoo, toothpaste, etc., are not eligible for reimbursement.

Section 1.6: Meals

Meal expenses for Members of the Board of Directors on overnight travel will follow the IRS regulations relating to meal reimbursements for government employees. If meals are provided at/by the conference during regular conference hours, and a Director chooses not to eat it, the District will not pay for the alternative meal. Alcoholic beverages are not eligible for reimbursement. The District will pay or reimburse reasonable costs for meals, as determined by the supervisor, including tips.

Section 1.7: Single Day/Non-Overnight Travel & Training

Parking and mileage to single day events may be reimbursed per the policy above. Meals are not reimbursed. Time spent traveling to and from a training is considered work time less the normal commuting time for the employee, and will be paid in accordance with the FLSA.

Section 1.8: Reimbursement of Expenses and Reporting

Each Director shall be entitled to payment and/or reimbursement for actual and necessary expenses incurred in the performance of official duties including expenses incurred relating to travel, meals, lodging, and other actual and necessary expenses incurred for attendance at meetings and conferences of organizations listed in Section 2.1 or approved in accordance with Section 2.2F Lodging expenses may not exceed the maximum group rate published by the conference or activity sponsor. Requests for Reimbursement must be submitted on a District approved Expense Form and shall include receipts documenting each expense in accordance with District Policy.

Section 1.9: Per Diem and Travel Authorization

Authorization for Directors' travel and payment of per diems for attendance at meetings, seminars, trainings, or conferences, shall be in accordance with Ordinance No. 229 (Establishing General Business of the Board).

All other Ordinances, Articles or Sections of Ordinances in conflict with this Ordinance are hereby repealed.

This ordinance is effective immediately upon adoption or as otherwise established by State law for the Vallecitos Water District.

PASSED, APPROVED, AND ADOPTED by the Board of Directors of the Vallecitos Water District at a regular meeting held this 4th day of February 2026, by the following roll call vote:

ATTEST:

Jennifer Kerschbaum, *Board President*
Vallecitos Water District

Kirsten Peraino, *Board Secretary*
Vallecitos Water District

ORDINANCE NO. 229

ORDINANCE OF THE VALLECITOS WATER DISTRICT ESTABLISHING THE GENERAL PROVISIONS FOR CONDUCTING THE BUSINESS OF THE BOARD AMENDMENT TO SECTION 2.3 – REIMBURSEMENT OF EXPENSES AND REPORTING

BE IT ORDAINED by the Board of Directors of the VALLECITOS Water District as follows:

SECTION 1: BOARD OF DIRECTORS

Section 1.1: Regular Meetings - Time and Place

Regular Meetings of the Board of Directors of the Vallecitos Water District shall be held with notice on the first and third Wednesday of each month, at the hour of 5:00 p.m. at the location of the principal place of business of the District, namely, 201 Vallecitos de Oro, San Marcos, California. Notification, including the location, shall be made in accordance with the Ralph M. Brown Act (California Government Code §54950 through §54926), as amended. Closed Sessions will be scheduled before the start of the meeting.

Section 1.2: Adjourned Meetings

A majority vote by the Board of Directors may terminate and adjourn a Board meeting at any place in the agenda to any time and place specified in the order of adjournment, except that if no Directors are present at any regular or adjourned regular meeting, the General Manager may declare the meeting adjourned to a stated time and place, and he/she shall cause written notice of adjournment in accordance with the Ralph M. Brown Act, as amended.

Section 1.3: Special Meetings

- A. Special non-emergency Board meetings may be called by the Board President or a majority of the Board. Written notification shall be made and posted at least 24 hours in accordance with the Ralph M. Brown Act, as amended.
- B. Special emergency Board Meetings may be held with notice in the event of an emergency situation involving matters upon which prompt action is necessary due to the disruption or threatened disruption of public facilities. An emergency situation means a crippling disaster which impairs public health, safety, or both, as determined by the General Manager, Board President or Vice President in the President's absence.

Section 1.4: Rules for Conducting Meetings

Except as otherwise provided by law, or ordinance adopted by the Board, "Roberts Rules of Order, Revised," are hereby adopted as the rules of practice and procedure governing the conduct of the business and procedure before the Board. The Board President shall preside at all meetings and shall have a vote on all matters before the Board. In the absence of the President, the Vice President shall preside, and in the absence of both, the presiding officer shall be elected by a majority vote of the members of the Board.

Section 1.5: Agenda

The General Manager, in cooperation with the Board President, shall prepare an agenda for each regular, adjourned, and special meeting. Any Director may request any item to be placed on a future agenda during a Board meeting. The request must have support from at least one other Director.

Section 1.6: Minutes of Meetings

- A. The minutes of the Meetings of the Board shall be recorded and kept by the Secretary in a book maintained for that purpose for each calendar year. Unless otherwise expressly directed by the Board at the time of adoption, all ordinances and resolutions adopted by the Board may be referred to in the minutes of the meetings of the Board by number and title, but the same shall be recorded in full in separate books kept for that purpose for each calendar year.
- B. The Board President or other person who may preside at the meeting, or the Secretary, shall authenticate the minutes, ordinances and resolutions after these have been transcribed into the appropriate books, and when so authenticated, these shall constitute the official minutes, ordinances and resolutions of the Board.
- C. The Minute Book, the Ordinance Book and the Resolution Book shall be kept at the office of the Secretary at the principal place of business of the District.

Section 1.7: District Seal

The seal, an impression of which is herewith affixed to this document, bearing the words "Vallecitos Water District, Organized March 24, 1955," is adopted as the official seal of this District.

Section 1.8: Standing Advisory Committees

- A. The District shall have the following standing advisory committees, each of whose function is to advise the Board of Directors and General Manager with respect to the subjects under its jurisdiction: Engineering/Equipment, Finance/Investment, Public Awareness/Personnel/Policy, and Legal/Legislative Affairs. Other standing committees may be established by the Board President. The precise and/or additional duties and responsibilities of each standing committee shall be as specified by the President from time to time. Each standing committee shall have two (2) members recommended by the President from the members of the Board; however, in no event shall the same two (2) members be permitted to serve together on more than one (1) standing committee without the unanimous approval of the Board. Committee appointments recommended by the President require approval by a majority of the Board. The President shall appoint a committee chairman from the two (2) members of the Board serving on each committee; however, no member shall be permitted to chair more than one (1) standing committee without the unanimous approval of the Board.
- B. Ad Hoc advisory committees for special purposes not falling within the assigned function of an existing standing committee may be created and appointments made thereto from the members of the Board, not to exceed two (2) such members on

any one Ad Hoc committee, from time to time by the President. Ad Hoc committees may include members of the public and said appointment shall be made by the Board. Appointments to Ad Hoc advisory committees shall follow the same procedures as standing advisory committees.

- C. All committee members shall serve at the pleasure of the Board. The General Manager or his/her designee shall be an ex-officio non-voting member of each committee. Each committee shall meet at such times, places, and frequency as may be directed by its chairman, by the President, or by the Board in accordance with the Ralph M. Brown Act, as amended. Each committee shall cause to be prepared and filed promptly with the Board current minutes of all of its meetings.

Section 1.9: Board Reorganization

- A. Following a District election, on the first Tuesday after the first Monday in November in each even numbered year, the Board shall reorganize at the first meeting after the election is certified by the Registrar of Voters and appoint or reappoint its officers pursuant to the County Water District Act in conformance with the Uniform District Election Law, Elections Code, §23500 et. seq.
- B. In addition to the minimum reorganization requirement, Board policy determines that the Board will reorganize annually. The Directors shall annually elect one of its members as President and one of its members as Vice President. It is the intent of the Board that Directors will rotate into the office of the President in the following order: Division 5, Division 1, Division 4, Division 3, and Division 2, and that Directors will rotate into the office of Vice President in the following order: Division 1, Division 4, Division 3, Division 2, and Division 5. If a Director chooses to forgo his/her opportunity to be President, the rotation for President and Vice President will skip over their divisional sequence. Notwithstanding the rotation described above, the Board may elect the President and Vice President at its pleasure. The President and Vice President serve at the pleasure of the Board.

Section 1.10: Adoption of Ordinances and Resolutions

Except as otherwise provided by law, ordinances and resolutions of the District shall be adopted, amended, and repealed (in whole or in part) by the Board only in the following manner:

- A. Ordinances shall be adopted by the Board and may be amended or repealed (in whole or in part) only by an ordinance adopted by the Board. The Board may adopt the ordinance (in whole or in part) as originally proposed or as modified by the Board.
- B. Formal resolutions, that is, resolutions which are numbered and titled documents separate from the minutes of the meetings of the Board and required to be kept in the Resolution Book shall be adopted by the Board, and may be amended or repealed (in whole or in part) only by a formal resolution or an ordinance adopted by the Board, only at a duly held meeting of the Board. The number and title of formal resolutions may but are not required to be, set forth in the agenda for the meeting.
- C. At the time of presentation to the Board of the proposed ordinance or the proposed formal resolution, as the case may be, the reading in full thereof shall be deemed

waived unless otherwise requested by any member of the Board. Ordinances and formal resolutions adopted by the Board shall contain the signed approval and attestation of the then Presiding Officer and Secretary, respectively, of the District.

- D. Minute resolutions, as distinguished from formal resolutions, shall be adopted by the Board, and may be amended or repealed (in whole or in part) only by a minute resolution or a formal resolution or an ordinance adopted by the Board, only at a duly held meeting of the Board.

SECTION 2: DISTRICT MEMBERSHIPS, PER DIEM COMPENSATION, REIMBURSEMENTS, ETHICS TRAINING AND ELIGIBILITY FOR EMPLOYEE BENEFITS

Section 2.1: Authorized District Memberships

The Board has determined it to be in the best interests of the District, and its constituents, to maintain memberships in affiliated national, state, and local organizations which have applicability to the functions of the District. The District shall hold membership in the following organizations:

American Water Works Association (AWWA)
Association of California Water Agencies (ACWA)
CalDesal
California Association of Sanitation Agencies (CASA)
California Special Districts Association (CSDA)
California Water Environment Association (CWEA)
Council of Water Utilities
San Marcos Chamber of Commerce
US Water Alliance
Urban Water Institute
Water Education Foundation (WEF)
Water Environment Federation

** The only San Marcos Chamber of Commerce events that are eligible for per diem reimbursement are the "State of the City Address" and "Meet Your Elected Officials" unless approved by the Board.*

In addition to the above listed organizations, the Board may remove existing memberships or approve additional memberships and authorize attendance at meetings, events, or conferences by motion from time to time. The General Manager may approve District membership of, and employee participation in, professional, technical, and business-related associations and organizations.

Section 2.2: Per Diem Compensation

Each Director shall receive compensation of \$200 per diem for attending meetings of the Board or for each day's service as a member of the Board, not to exceed compensation for one meeting in any 24-hour period or ten meetings per month. The Board may consider an annual increase in the per diem equivalent to the San Diego Consumer Price Index (CPI-U), up to a

maximum of 5 percent, following the operative date of the last adjustment. Public notice shall be provided annually in accordance with Water Code Section 20203 if an increase is to be considered. Any increase adopted by this Section shall become effective 60 days from the date of approval. Compensable meetings which are pre-designated and considered occasions that constitute performance of official duties include the following:

- A. Regular, Adjourned, and Special meetings of the Board, including pre-meetings with the Board Chair.
- B. Committee meetings, limited to the two Directors serving on the committee.
- C. Meetings of other public agencies of which the District is a member or sub-member agency such as the Encina Wastewater Authority, San Diego County Water Authority, the Metropolitan Water District of Southern California, and Local Agency Formation Commission (LAFCO), including pre-meetings with the appropriate representative(s).
- D. Conferences, meetings, and other functions in which the District is a member of as listed in Section 2.1 above.
- E. Additionally, the following District meetings or events are eligible for per diem compensation:
 1. District Water Academy and Open House
 2. Employee Appreciation Lunch
 3. All District-initiated facility tours
 4. All District Special Events (events shall be labeled Special Event when inviting the Board)
 5. Monthly 1:1 meetings with General Manager
 6. Meeting with the General Manager or General Council initiated by the General Manager or General Council
- F. Meetings which provide educational training including ethics training in accordance with Government Code Section 53232.1.
- G. Other meetings or conferences which the Board approves as an agenda item at a regular meeting that serves a benefit to the District and constitute the performance of official duties.

Any amounts paid as a per diem compensation by other organizations shall be deducted from the \$200 District per diem.

Board members shall report on meetings or conferences attended at a regularly scheduled Board meeting after the event, which may include a written report that can be distributed to all Board members electronically.

Section 2.3: Reimbursement of Expenses and Reporting

Each Director shall be entitled to payment and/or reimbursement for actual and necessary expenses incurred in the performance of official duties including expenses incurred relating to travel, meals, lodging, and other actual and necessary expenses incurred for attendance

at meetings and conferences of organizations listed in Section 2.1 or approved in accordance with Section 2.2F Lodging expenses may not exceed the maximum group rate published by the conference or activity sponsor. Requests for Reimbursement must be submitted on a District approved Expense Form and shall include receipts documenting each expense in accordance with District Ordinance No. 232.

Director expenses and per diems shall be reported on a cumulative quarterly basis, (attaching a summary of per diems and expenses from District appointed positions to other agencies).

Section 2.4: Ethics training

In accordance with Government Code Section 53234, Board members and any designated employees shall have at least (2) hours of ethics training every two (2) years. Certificates of completion of ethics training shall be maintained for at least five (5) years.

Section 2.5: Eligibility for Employee Benefits

Members of the Board shall be eligible for all benefits, allowable by law, the same as full time, regular employees.

ALL OTHER ORDINANCES OR AMENDMENTS IN CONFLICT HEREWITH ARE HEREBY REPEALED.

PASSED, APPROVED, AND ADOPTED by the Board of Directors of the Vallecitos Water District at a regular meeting held this 18th day of February 2026, by the following roll call vote:

ATTEST:

Jennifer Kerschbaum, *Board President*
Vallecitos Water District

Kirsten Peraino, *Board Secretary*
Vallecitos Water District

Board of Directors Per Diem and Expenses (1)
Paid October 1st, 2025 through December 31st, 2025

Director Meeting/Seminar	Per Diem		Benefits	Meeting				Reimb from Other Agencies	Total
	#	Payments		Registration	Travel	Lodging	Meals		
BOYD-HODGSON, Tiffany									
Paid by VWD:									
VWD Meetings	1	\$ 200.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200.00
CASA	-	-	-	-	77.02	-	6.94	-	83.96
	<u>1</u>	<u>\$ 200.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77.02</u>	<u>\$ -</u>	<u>\$ 6.94</u>	<u>\$ -</u>	<u>\$ 283.96</u>
BROWN, TANIS									
Paid by VWD:									
VWD Meetings	2	\$ 400.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400.00
Group Insurance	-	-	7.00	-	-	-	-	-	7.00
	<u>2</u>	<u>\$ 400.00</u>	<u>\$ 7.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 407.00</u>
ELITHARP, Craig									
Paid by VWD:									
VWD Meetings	5	\$ 1,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000.00
GM Meeting	2	400.00	-	-	-	-	-	-	400.00
Group Insurance	-	-	272.10	-	-	-	-	-	272.10
	<u>7</u>	<u>\$ 1,400.00</u>	<u>\$ 272.10</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,672.10</u>
HERNANDEZ, James									
Paid by VWD:									
VWD Meetings	7	\$ 1,400.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,400.00
ACWA	-	-	-	999.00	-	-	-	-	999.00
CASA	-	-	-	-	273.55	-	-	-	273.55
COWA California Onsite Water Assoc.	1	200.00	-	-	-	-	-	-	200.00
COWU - Council of Water Utilities	-	-	-	62.00	-	-	-	-	62.00
CSDA - CA Special Districts Assoc	1	200.00	-	-	-	-	-	-	200.00
GM Meeting	3	600.00	-	-	-	-	-	-	600.00
UWI - Urban Water Institute	-	-	-	612.85	159.60	-	-	-	772.45
Group Insurance	-	-	5,043.75	-	-	-	-	-	5,043.75
Paid by EWA - Encina JPA	8	2,080.00	-	-	-	-	-	82.00	2,162.00
	<u>20</u>	<u>\$ 4,480.00</u>	<u>\$ 5,043.75</u>	<u>\$ 1,673.85</u>	<u>\$ 433.15</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 82.00</u>	<u>\$ 11,712.75</u>
KERSCHBAUM, Jennifer									
Paid by VWD:									
VWD Meetings	8	\$ 1,600.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,600.00
CASA	-	-	-	-	182.72	-	-	-	182.72
CSDA - CA Special Districts Assoc	-	-	-	80.00	-	-	-	-	80.00
GM Meeting	2	400.00	-	-	-	-	-	-	400.00
P3 Committee	1	200.00	-	-	-	-	-	-	200.00
Group Insurance	-	-	10.50	-	-	-	-	-	10.50
Paid by VWD - SDCWA pmt differential	4	200.00	-	-	-	-	-	-	200.00
Paid by SDCWA	5	750.00	-	-	-	-	-	210.00	960.00
	<u>20</u>	<u>\$ 3,150.00</u>	<u>\$ 10.50</u>	<u>\$ 80.00</u>	<u>\$ 182.72</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 210.00</u>	<u>\$ 3,633.22</u>
PENNOCK, James									
Paid by VWD:									
VWD Meetings	15	\$ 3,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000.00
CSDA - CA Special Districts Assoc	1	200.00	-	-	-	-	-	-	200.00
GM Meeting	3	600.00	-	-	-	-	-	-	600.00
Napa Sanitation	1	200.00	-	-	-	-	-	-	200.00
Group Insurance	-	-	6,953.22	-	-	-	-	-	6,953.22
Paid by EWA - Encina JPA	8	2,080.00	-	-	-	-	-	38.00	2,118.00
	<u>28</u>	<u>\$ 6,080.00</u>	<u>\$ 6,953.22</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38.00</u>	<u>\$ 13,071.22</u>
TOTALS ⁽¹⁾	<u>76</u>	<u>\$ 15,310.00</u>	<u>\$ 12,279.57</u>	<u>\$ 1,753.85</u>	<u>\$ 692.89</u>	<u>\$ -</u>	<u>\$ 6.94</u>	<u>\$ 330.00</u>	<u>\$ 30,780.25</u>

(1) Includes both expenses paid directly by the Agencies and reimbursements of expenses paid by Board members.
Presented in accordance with ordinance number 216, effective 02/26/2020. (Board per Diem, \$200/meeting)

VWD Director's Compensation for Oct - Dec 2025
Payments from EWA (Encina Wastewater Authority)

<u>NAME</u>	<u>EWA DATE</u>	<u>CHECK NO</u>	<u>INVOICE NET</u>	<u>DESCRIPTION</u>
JAMES PENNOCK	10/15/2025	195182	\$260.00	PFC MEETING 10/14/2025
JAMES PENNOCK	10/29/2025	195219	260.00	BOARD MEETING 10/22/2025
JAMES PENNOCK	10/29/2025	195219	260.00	NAPA SAN VISIT 10/23/2025
JAMES PENNOCK	11/12/2025	195273	260.00	PFC MEETING 11/4/2025
JAMES PENNOCK	11/12/2025	195273	38.00	REIMBURSEMENTFOR PARKING - TOUR
JAMES PENNOCK	11/25/2025	195322	260.00	BOARD MEETING 11/19/2025
JAMES PENNOCK	12/23/2025	195416	260.00	EMPLOYEE RECOGNITION EVENT DEC
JAMES PENNOCK	12/23/2025	195416	260.00	BOARD MEETING 12/17/2025
JAMES PENNOCK	12/23/2025	195416	260.00	PFC MEETING 12/09/2025
		Meetings Only	<u>\$2,118.00</u>	
JIM HERNANDEZ	10/29/2025	195220	\$260.00	CIC MEETING 10/15/2025
JIM HERNANDEZ	10/29/2025	195220	260.00	NAPA SAN VISIT 10/23/2025
JIM HERNANDEZ	10/29/2025	195220	260.00	BOARD MEETING 10/22/2025
JIM HERNANDEZ	11/25/2025	195323	82.00	TOUR OF NAPA SANITATION
JIM HERNANDEZ	11/25/2025	195323	260.00	MEETING WITH GM 11/17/2025
JIM HERNANDEZ	11/25/2025	195323	260.00	BOARD MEETING 11/19/2025
JIM HERNANDEZ	11/25/2025	195323	260.00	CIC MEETING 11/12/2025
JIM HERNANDEZ	12/23/2025	195417	260.00	BOARD MEETING 12/17/2025
JIM HERNANDEZ	12/23/2025	195417	260.00	EMPLOYEE RECOGNITION EVENT DEC
		Meetings Only	<u>\$2,162.00</u>	
			\$4,280.00	

VWD Director's Compensation for Oct - Dec 2025
Payments from SDCWA (San Diego County Water Authority)

<u>Director</u>	<u>Check</u>	<u>Chk Date</u>	<u>Per Diem Payments</u>	<u>Mileage</u>	<u>Other</u>	<u>Total</u>
JENNIFER KERSCHBAUM	239928	10/2/2025	\$150.00	\$42.00	\$0.00	\$192.00
JENNIFER KERSCHBAUM	240688	11/13/2025	450.00	126.00	0.00	576.00
JENNIFER KERSCHBAUM	241195	12/11/2025	150.00	42.00	0.00	192.00
Total			\$750.00	\$210.00	\$0.00	\$960.00