

AGENDA FOR A **REGULAR MEETING OF THE BOARD OF DIRECTORS**
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, APRIL 15, 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 APRIL 15, 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 CALENDAR ITEM(S)

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. Closed Session Board Meeting – April 1, 2026
- B. Regular Board Meeting – April 1, 2026

Recommendation: Approve Minutes.

1.2 WARRANT LIST THROUGH APRIL 15, 2026 - \$3,013,668.76

Recommendation: Approve Warrant List.

1.3 FINANCIAL REPORTS

- A. Financial Statement Staff Report
- B. Legal Fees Summary – March 2026
- C. Reserve Funds Activity – March 31, 2026
- D. VWD Reserve Report – March 31, 2026
- E. Per Capita Water Consumption Report – March 31, 2026
- F. Water Production and Sales Report – March 31, 2026
- G. Investment Report – March 31, 2026
- H. Revenue and Expense Report – Sewer – March 31, 2026
- I. Revenue and Expense Report – Water – March 31, 2026
- J. VWD Quarterly Financial Report Fiscal Year 2025-26 – Q3

Recommendation: Receive and File.

1.4 REQUEST APPROVAL OF TEMPORARY OFF-SITE WATER AGREEMENT FOR SARA SFR, 3676 EL PASO ALTO, VISTA (CHRISTOPHER SARA AND KENDRA DUNCAN)

Recommendation: Approve the Temporary Off-Site Water Agreement for APN 178-210-45 with the following conditions: (1) Execution of a Temporary Off-Site Water Agreement which will be recorded against the Property; and (2) Payment of \$500 Administration Fee and County of San Diego Recording Fees.

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

ACTION ITEM(S)

2.1 QUARTERLY WATER SUPPLY UPDATE

Recommendation: For information only, no action required.

2.2 INDEPENDENT AUDIT SERVICES FOR FISCAL YEAR 2025/26 AND 2026/27

Recommendation: Authorize the General Manager to Enter into a Two-year Agreement to Extend the Contract with The Pun Group Accountants & Advisors for Audit Services.

*******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 None.

*******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, consisting of stylized initials 'KP' followed by a horizontal line extending to the right.

Kirsten Peraino, Executive Assistant/Board Secretary

MINUTES OF A **CLOSED SESSION** MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, APRIL 1, 2026, AT 4:00 P.M.
AT THE DISTRICT OFFICE IN THE BOARD ROOM
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

President Kerschbaum called the Closed Session meeting to order at the hour of 4:00 p.m.

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

Staff Present: General Manager Gumpel
Legal Counsel Gilpin
Executive Assistant/Board Secretary Peraino

ADDITIONS TO THE AGENDA

None.

ADOPT AGENDA FOR THE CLOSED SESSION MEETING OF APRIL 1, 2026

MOTION WAS MADE by Director Pennock, seconded by Director Brown, and unanimously carried, to adopt the agenda for the Closed Session Meeting of April 1, 2026.

PUBLIC COMMENT

None.

CLOSED SESSION

1.1 PUBLIC EMPLOYEE PERFORMANCE EVALUATION – Government Code Section 54957
Title: General Counsel.

MOTION WAS MADE by Director Elitharp, seconded by Director Pennock, and unanimously carried, to move into Closed Session pursuant to Government Code Section 54957.

REPORT AFTER CLOSED SESSION

Legal Counsel Gilpin stated that the Board adjourned to Open Session at 4:41 PM. There was no reportable action from the Closed Session Meeting.

ADJOURNMENT

2.1 ADJOURNMENT

There being no further business to discuss, President Kerschbaum adjourned the Closed Session Meeting of the Board of Directors at the hour of 4:42 PM.

Jennifer Kerschbaum, Board President
Vallecitos Water District

ATTEST:

Kirsten Peraino, Board Secretary
Vallecitos Water District

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, APRIL 1, 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 Elitharp (Vice President)
Director Pennock
Director Hernandez
Director Brown

Staff Present: General Manager Gumpel
Legal Counsel Gilpin
Director of Engineering Lopez
Director of Operations Bennett
Director of Administrative Services Aviles
Chief Technology Officer Labarrere
Engineering Manager Roman-Philips
Mechanical Maintenance Manager Muller
Executive Assistant / Board Secretary Peraino

Legal Counsel Gilpin led the pledge of allegiance.

ADDITIONS TO THE AGENDA

None.

ADOPT AGENDA FOR THE REGULAR MEETING OF APRIL 1, 2026.

MOTION WAS MADE by Director Hernandez, seconded by Director Brown, and unanimously carried; the Board adopted the agenda for the Regular Board Meeting of April 1, 2026.

PUBLIC COMMENT

None.

CONSENT CALENDAR

MOTION WAS MADE by Director Brown, seconded by Director Pennock, and unanimously carried, to approve the following Consent Calendar as presented:

1.1 APPROVAL OF MINUTES

- A. Finance / Investment Committee Meeting – March 17, 2026
- B. Closed Session Board Meeting – March 18, 2026
- C. Regular Board Meeting – March 18, 2026

CONSENT CALENDAR (continued)

- 1.2 WARRANT LIST THROUGH APRIL 1, 2026 - \$2,272,720.87
- 1.3 AUTHORIZATION TO APPROVE ANNUAL VMWARE SOFTWARE RENEWAL WITH CDW-G IN THE AMOUNT OF \$128,447
- 1.4 FINAL ACCEPTANCE OF THE WULFF WATERLINE IMPROVEMENTS PROJECT
- 1.5 SURPLUS PERSONAL PROPERTY LISTING

ACTION ITEM(S)

- 2.1 REQUEST APPROVAL OF CONSTRUCTION CONTRACT AWARD FOR THE ROCK SPRINGS VALVE REPLACEMENT & PIPELINE CONDITION ASSESSMENT PROJECT

President Kerschbaum recused herself from discussing or acting on the item, stating that her employment with Hoch Consulting—the firm providing engineering design and construction phase services for the project—gave rise to a conflict of interest. President Kerschbaum left the room during the deliberation and subsequent action on this matter.

Director of Engineering Lopez provided a report on the project to replace non-functional valves and perform an internal condition assessment on approximately 1,900 feet of an 18-inch bar-wrapped steel transmission main. The project, originally advertised in 2025, was re-scoped to include the condition assessment to optimize the required system shutdown for valve replacement and reduce future customer impacts. Public bids were opened on March 19, 2026, with three bids received. Shaw Equipment Rentals, Inc. was identified as the lowest responsive and responsible bidder with a bid of \$926,820.

Staff further reported that Hoch Consulting, the District's as-needed engineering design consultant, completed the design and bid phase services for the project under previous task orders totaling \$45,610. Staff obtained a proposal from Hoch Consulting for Amendment No. 2 under the current Task Order No. 3 for construction phase services in the amount of \$15,990, resulting in a total of \$61,600 for Hoch's services. The total estimated project cost, including construction, engineering phase services, and contingencies, is \$1,365,906.71. This project is fully funded through the FY 25/26 Approved Budget and supports the District's strategic focus on infrastructure integrity.

MOTION WAS MADE by Director Hernandez, seconded by Director Pennock, and carried with 4 affirmative votes (noting the recusal of Director Kerschbaum), to authorize the General Manager to execute the following: (1) A construction agreement with Shaw Equipment Rentals, Inc. in the amount of \$926,820, subject to the provisions of the contract; and (2) Amendment No. 2 under the current Task Order No. 3 with Hoch Consulting in the amount of \$15,990.

- 2.2 GENERAL COUNSEL SERVICES TWO YEAR AGREEMENT EXTENSION AND RATE ADJUSTMENT

General Manager Gumpel provided background information on the District's original legal services agreement with Best Best & Krieger (BB&K), which was established in March 2023 and set to expire on March 31, 2026. The Board reviewed a formal proposal from General

Counsel James Gilpin requesting a contract extension and a rate adjustment to better align with regional market benchmarks. The request highlighted that current rates are 16% below inflation, resulting in a -27% net margin for the firm. This disparity was attributed to a 2023 agreement to cap annual adjustments at 3% and an increased reliance on high-level specialists for complex matters such as construction disputes and labor negotiations.

The proposed rate adjustments included two alternatives to address the current market disparity: Option 1: Blended Rates This option establishes a flat "blended" rate for all attorneys regardless of seniority. General Counsel services are set at \$350 per hour for attorneys and \$200 per hour for paralegals. Special Counsel services are set at \$398 per hour for attorneys and \$215 per hour for paralegals. Option 2: Tiered Rates This option utilizes a tiered structure based on the level of experience of the legal staff. For General Counsel, the rates are \$365 per hour for Partners and \$335 per hour for Associates. For Special Counsel, the rates are \$385 per hour for Partners and \$350 per hour for Associates. Paralegal rates are set at \$200 for General Counsel and \$220 for Special Counsel.

The requested action also redefines the scope of "Special Counsel" to include 14 specific non-routine categories, such as cybersecurity, labor and employment, environmental matters, and public contract disputes. Additionally, the agreement establishes an annual cost-of-living adjustment beginning April 1, 2027, tied to the San Diego County Consumer Price Index and capped at 5%.

MOTION WAS MADE by Director Hernandez, seconded by Director Elitharp, and unanimously carried to authorize the General Manager to extend the Legal Services PSA with BB&K for two additional years, effective April 1, 2026, and approve Rate Adjustment Option 2 (Tiered Rates).

REPORTS

3.1 GENERAL MANAGER

None.

3.2 DISTRICT LEGAL COUNSEL

None.

3.3 SAN DIEGO COUNTY WATER AUTHORITY (SDCWA)

President Kerschbaum reported on the San Diego County Water Authority (SDCWA) Board meeting held on March 19, 2026, and shared highlights and photographs from the SDCWA-coordinated tour of the Carlsbad Desalination Plant on March 25, 2026.

3.4 ENCINA WASTEWATER AUTHORITY (EWA)

Director Pennock reported on the EWA Budget Workshop held on March 18, 2026.

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 5:34 PM.

Jennifer Kerschbaum, Board President
Vallecitos Water District

ATTEST:

Kirsten Peraino, Board Secretary
Vallecitos Water District

VALLECITOS WATER DISTRICT

WARRANTS LIST

April 15, 2026

4/7/2026 14:00

PAYEE	DESCRIPTION	CHECK#	AMOUNT
Garnishment	Payroll Garnishments	133807	-
Acc Ramco	Concrete Recycling Svcs	133808	50.00
Accurate Security Pros	Blue Wave Printable Access Cards - 100	133809	676.50
Advanced Imaging Solutions	Copier Lease - Mar	133810	2,617.31
Andrew Fiorica	Closed Account Refund	133811	69.55
Best Best & Krieger	Legal Svcs - Feb	133812	22,120.70
Boot Barn	Safety Boots	133813	250.00
Candall Properties LLC	Closed Account Refund	133814	92.18
Conсор North America, Inc.	Sodium Hypochlorite Conversion - MRF - Prj 20171-2	133815	2,557.50
Construction Diamond Products Inc	Chop Saw Bevelers - 4 - Warehouse	133816	1,704.73
Cristina Barolet Garcia	Closed Account Refund	133817	69.99
CWEA	Membership & Cert Fee Renewal - A Fisher	133818	365.00
DirecTV	Satellite Svcs - MRF & HQ - Apr	133819	406.22
Dudek	Land Outfall Parallel Sewer Section A - Prj 20211-2	133820	13,387.30
California Office Cleaning, Inc.	Janitorial Svcs - MRF & HQ & SCADA OPS Room Floor Buffing Svcs - Mar	133821	7,354.00
Ferguson	Couplings - 2, PVC Pipes 20 & Pipe Restraints - 2	133822	3,036.29
Ferreira Power West	Closed Account Refund	133823	289.76
Florencio Arce-Ramirez	Overpayment Refund	133824	1,247.88
Isabella Garcia	Closed Account Refund	133825	97.06
Johnathan Dilworth	Closed Account Refund	133826	56.71
Kinship Pump Sales, LLC	Odor Scrubber - Motor Replacement - MRF	133827	2,828.53
Kleinfelder, Inc.	Chlorine Contact Tank Expansion - MRF - Prj 20161-2	133828	5,932.52
Lennar Homes of Ca	Closed Account Refund	133829	92.43
Lloyd Pest Control	Pest Control Svcs, & Rodent & Ant Control Svcs - Mar	133830	1,043.00
Manpower Temp Services	Temp Svcs - Warehouse - Week Ending 3-22-26	133831	900.00
Michael & Angelyne Sucharda	Closed Account Refund	133832	126.23
Michael Baker International, Inc.	Montiel Lift Station Replacement Prj 20201-2	133833	4,022.50
Motion Industries Inc	Portable Hoist Crane, Overhead Lifting Equipment, & Battery Powered Hoist Chain Swivel	133834	18,735.57
New Fresh Investments LLC	Closed Account Refund	133835	66.82
Nicole Meyer Stabler	Closed Account Refund	133836	26.33
NV5	Via Vera Cruz Tank Hill Stabilization Prj 20261-11 & Fleet Electrification Prj 20241-8	133837	3,865.87
ODP Business Solutions	Office Supplies & Coffee Makers - 2	133838	700.11
Olivenhain MWD	NSDWRC Support Services	133839	1,383.51
Pacific Pipeline Supply	PVC Pipes - 44, Air Release Valve, & Fire Service Upgrade Supplies Prj 20261-12	133840	1,339.17
San Diego Refrigeration	HVAC Quarterly Maintenance - MRF & HQ	133841	3,823.75
Enterprise Automation	SCADA Hypochlorite Construction Prj 20171-2	133842	2,520.00
Pitney Bowes	Postage Meter Refill	133843	57.53
Education & Outreach Co.	Water Conservation Cards - 250 - Prj 20261-50	133844	984.28
Raymond Allyn Business Supplies	Desk, Hutch, & Credenza - Conservation Dept	133845	7,181.90
Rick Post Welding	Coupling & Pipe Welding Svcs - Rock Springs - Prj 20161-7	133846	1,248.75
Roth Staffing Companies	Temp Svcs - Purchasing - Week Ending 3-22-26	133847	1,578.76
Safety-Kleen Systems Inc	Wash Bay Separator Tank Grit Removal & Hazardous Waste Disposal Svcs	133848	10,845.00
SDG&E	Power - Mar	133849	18,839.73
Selcer & Selcer	Closed Account Refund	133850	4,333.25
Southern Counties Lubricants	Diesel & Unleaded Fuel	133851	43,074.18
Standard Insurance Company	LIFE, LTD, & ADD Insurance - Apr	133852	7,282.68
Stericycle Inc.	Shredding Svcs - Mar	133853	462.33
Tammy Terrell Muldrow	Closed Account Refund	133854	88.45
Teresa Favian	Closed Account Refund	133855	107.70
Thayer Water Inc.	Lake San Marcos LS Improvements Prj 20221-5 & Aeration Cntrl Basins - MRF Prj 20261-31	133856	6,792.00
Think Forward	Troubleshooting Svcs - Connectivity Issues - PVPS & SLPS	133857	300.00
Water/Wastewater Design Associates	Activated Sludge System Rehab - MRF - Prj 20261-19	133858	28,489.48
Traffic Safety Solutions LLC	Traffic Control Svcs - Ranch Santa Fe Rd x Melrose Dr	133859	3,190.00
Trang Le	Closed Account Refund	133860	94.07
MISCO Water	Primary Sludge Pump Parts - MRF	133861	22,224.57
Valley Construction Management	Chlorine Tank Expansion Prj 20161-2, & Montiel Force Main Improvement Prj 20261-26	133862	79,176.00
Veterans Green Projects	Closed Account Refund	133863	52.61
Waxie Sanitary Supply	Janitorial Supplies	133864	438.02
ACWA/Joint Powers Insurance	Medical Insurance - May	133865	280,003.69
Airgas	Cylinder Rentals - 4	133866	248.59
Aqua Metric	1 1/2 Meters - 50 & MXU's - 162	133867	83,757.65
Backflow Solutions, Inc.	Backflow Tests - Qty 379 - Mar	133868	6,045.05
Blue Ribbon Technologies LLC	Employee Records Management Services - Apr	133869	499.00
Bonsall Petroleum Construction	Service Call - Diesel Sump Pump	133870	150.00
Municipal Sewer Tools	Air Vac Cans - 4, & Water Sampling Stations - 2	133871	3,482.18
CCI	Water Treatment Svc - Mar	133872	220.00

VALLECITOS WATER DISTRICT

WARRANTS LIST

April 15, 2026

4/7/2026 14:00

PAYEE	DESCRIPTION	CHECK#	AMOUNT
Integrated Power Services	Dble Peak PS Pump 1 Motor Refurb. Prj 20251-18, S. Lake PS Pump 2 Mtr Refurb. Prj 20261-2	133873	44,066.20
Cintas	Eye Wash Station & First Aid Kit Servicing - HQ - Mar	133874	555.40
City of San Diego	AED Program Maintenance Agreement Renewal 26-28	133875	300.00
Coast News Group	Advertisement - WaterSmart Landscape Contest Prj 20261-50	133876	450.00
Fisher Scientific LLC	Lab Supplies - MRF	133877	421.10
GMC Electrical, Inc.	Handhole Covers & Gaskets - 20 - For Cathodic Equipment Protection	133878	726.52
Grainger Inc	Silicone Sealant, Calcium, Lime, Rust Remover, Dry Wipe Rolls, & Water Filters - 6	133879	1,105.39
Graul Mechanical Inc	HVAC Svcs - Hot Water Pressure - HQ	133880	4,868.00
Hawthorne Machinery	Oil	133881	405.99
USA Blue Book	Sulfide Test Kits - 3 - Collections Dept	133882	371.59
Inland Kenworth Us Inc	Fleet Supplies	133883	24.39
Jacobs Project Management Company	Railway Worker Protection Training - Class Held 3-5-26 - 23 Employees	133884	3,990.51
Jeffrey Colwell	Video Production Svcs - Mar - Prj 20261-51	133885	428.75
Kevin Crawford Consulting	Retainer Fee - Apr	133886	4,000.00
Mallory Safety & Supply Inc.	Respirator Masks - 5 & Padlocks - 24	133887	2,515.62
Mar-Con Products	Concrete - For Fire Service Line - 1555 La Mirada Prj 20261-12	133888	1,620.25
MBN Group Architects	HVAC Replacement - HQ - Prj 20231-3	133889	71,401.95
McMaster-Carr	Pipe & Fittings - MRF Bisulfite Upgrade Prj 20251-20	133890	2,755.12
Title 8 Builders Inc.	Repair - Confined Space Entry Winches	133891	829.46
San Marcos Deli	Pastry Platter - Landscape Workshop Prj 20261-50	133892	241.42
Pacific Hydrotech Corporation	CCT Expansion & Sodium Hypochlorite Conversion Prj 20161 & 20171-2	133893	700,301.83
Patriot Portable Restrooms	Portable Restroom Rental Svcs - Mahr - Apr	133894	326.76
Pipeline Products	Fire Hydrant Meter Locking Devices - 17	133895	2,773.13
Global Safety Network	Background Check Svcs - Jan	133896	72.43
Rusty Wallis	Soft Water Svc - Water Operations & Mahr - Apr, & Carbon Tank Svc - MRF - Apr	133897	2,960.00
San Marcos Chamber of Commerce	Membership Dues - 2026	133898	780.00
San Marcos Hospitality	Temporary Construction Easement Refund Prj 20201-2	133899	21,890.39
Break Away Promo	Custom Vinyl Stickers For Pad Locks - 500	133900	521.33
Uline Inc	Eyewash Station - NTOR, & Table - TOR	133901	2,344.92
Underground Service Alert	Dig Alert Svc & State of CA Regulatory Fees - Mar	133902	919.40
Unifirst Corporation	Uniform Delivery	133903	1,993.36
Vaughan's Industrial Repair Inc.	Pump 2 Refurb. - S. Lake PS - Prj 20261-26 & Pump 1 Refurb. Schoolhouse PS - Prj 20261-25	133904	40,230.85
T.S. Industrial Supply	Hardware Supplies	133905	116.20
Total Disbursements (98 Checks)			<u>1,631,410.73</u>
WIRES			
Home Depot	Home Depot Payment-Statement Date 3/30/26	Wire	9,118.96
Encina Wastewater Authority	Monthly Billing - March 2026	Wire	774,408.00
Public Employees Retirement System	Retirement Contribution - April 1, 2026 Payroll	Wire	97,715.09
Employment Development Department	California LTD Tax Deposits	Wire	4.80
Bridget Anderson	Interview Panel & LCW Training Supplies Reimbursement	Wire	99.11
Trevor Partain	Membership Reimbursement - CWEA	Wire	62.00
Craig Durban	Collection Cert Renewal - CWEA Reimbursement	Wire	124.00
Total Wires			<u>881,531.96</u>
PAYROLL			
Total Direct Deposits		Wire	308,841.38
Payroll & Garnishments	Payroll Garnishments	133807	1,233.21
IRS	Federal Payroll Tax Deposits	Wire	121,069.34
Employment Development Department	California Payroll Tax Deposits	Wire	28,583.49
Empower 457	Deferred Compensation Withheld	Wire	40,998.65
Total April 1, 2026 Payroll Disbursements			<u>500,726.07</u>
TOTAL DISBURSEMENTS			<u><u>3,013,668.76</u></u>

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

4/3/2026 14:43

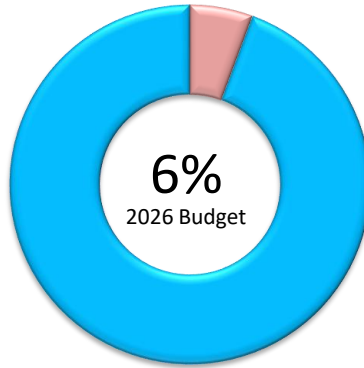
M:\Finance\Accounting\Common\1 Accounts Payable\[Warrant List.xlsx]Charts 03-31-26

Summary

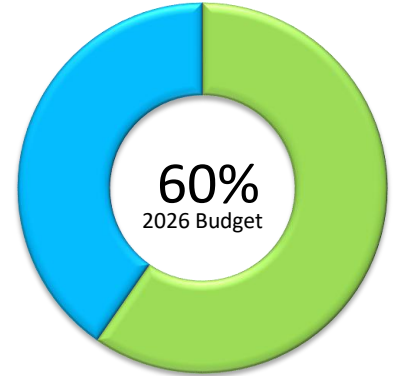
March Disbursements	\$	6,809,378 *
YTD Disbursements	\$	71,786,702 *
FY2026 Budget	\$	120,326,000

* Excludes Debt Service

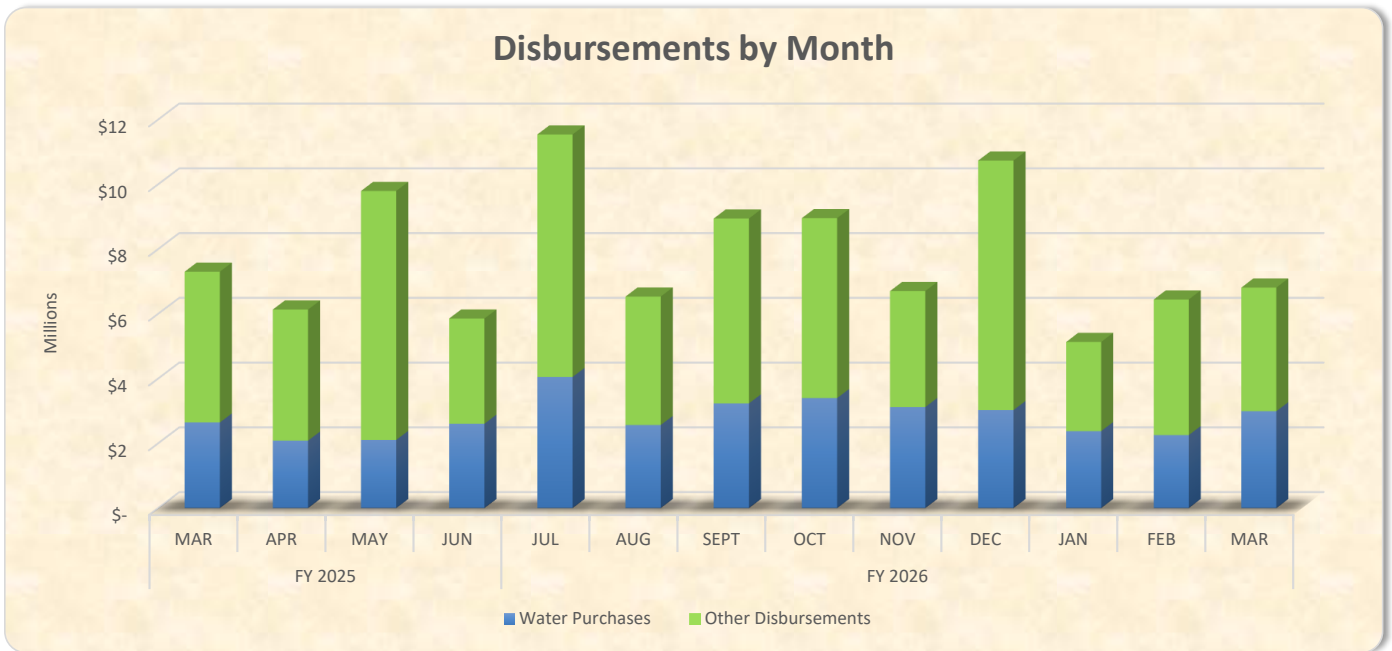
MARCH



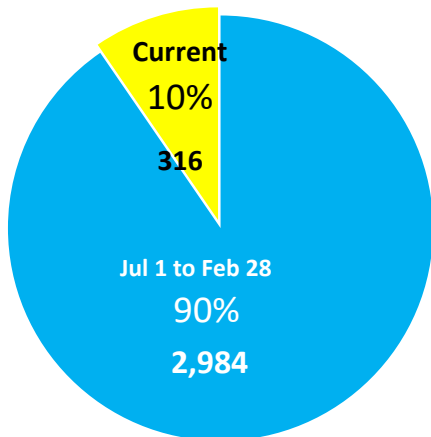
FYTD



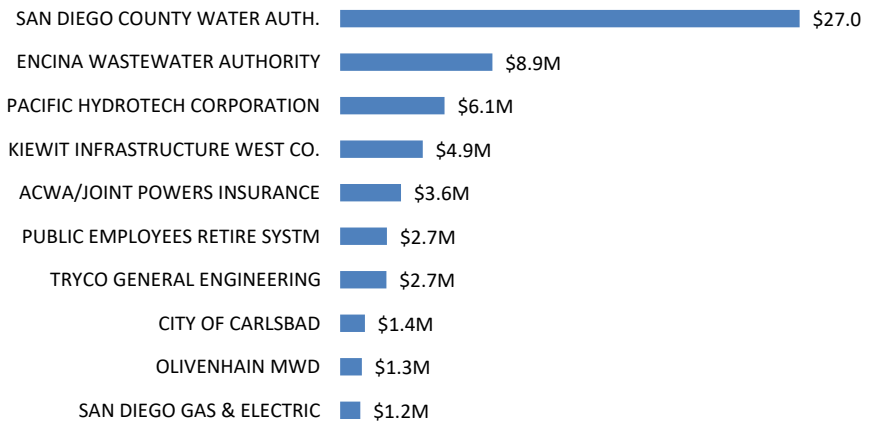
Disbursements by Month



Invoices Processed



Top 10 Vendors - FYTD



DATE: APRIL 15, 2026
TO: BOARD OF DIRECTORS
SUBJECT: MONTHLY FINANCIAL REPORTS

BACKGROUND:

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

DISCUSSION:

The Monthly Revenue and Expense reports summarize revenues by service type and expenses by department over the 9-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	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Total
General Counsel Services	\$ 8,158	\$ 5,987	\$ 7,572	\$ 6,461	\$ 4,990	\$ 5,807	\$ 5,732	\$ 7,131	\$ 6,607	\$ 9,957	\$ 6,401	\$ 6,058	\$ 7,561	\$ 88,421
Labor/Employment	449	538	-	1,663	-	185	216	-	1,201	1,355	-	8,408	7,262	21,278
Engineering - Construction/Contracting	1,385	1,166	92	1,047	-	1,170	-	524	-	497	1,584	3,064	5,640	16,170
Fees and Taxes	30	436	-	1,863	345	216	2,450	138	3,311	462	-	-	518	9,767
Environmental	-	-	-	-	-	-	-	-	-	-	-	-	518	518
Adv. Butler	-	-	-	-	-	-	-	-	-	-	1,421	-	-	1,421
Litigation	691	389	-	-	-	-	-	-	-	-	-	-	-	1,079
Regional Board	-	-	-	-	-	-	-	1,967	5,693	-	154	-	623	8,436
Telecommunications	168	-	-	-	-	-	-	-	-	-	-	-	-	168
Real Property	2,424	552	-	-	431	-	-	-	-	-	1,863	1,786	-	7,056
VWD V. Holbrook	-	-	19	-	-	-	-	-	-	-	-	-	-	19
Total	\$ 13,304	\$ 9,067	\$ 7,683	\$ 11,034	\$ 5,766	\$ 7,378	\$ 8,397	\$ 9,759	\$ 16,812	\$ 12,271	\$ 11,423	\$ 19,317	\$ 22,121	\$ 154,332

VALLECITOS WATER DISTRICT

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RESERVE ACTIVITY FOR THE NINE MONTHS ENDED MARCH 31, 2026

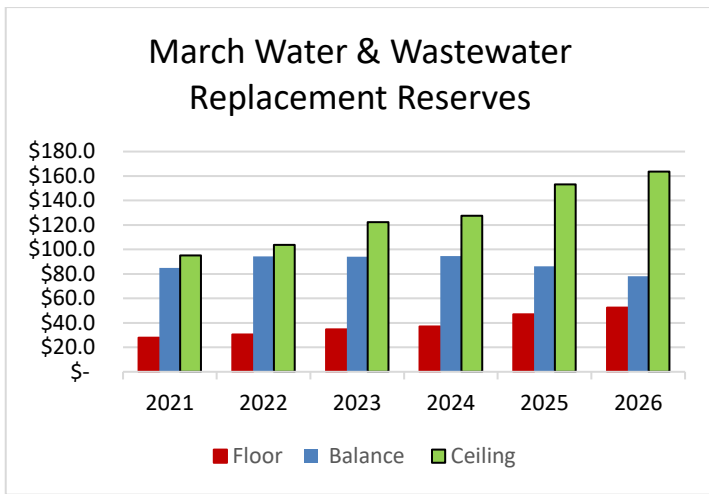
	110	120	210	220	Total
	Water	Wastewater	Water	Wastewater	
	Replacement	Capacity	Replacement	Capacity	
BEGINNING BALANCE ⁽¹⁾	\$ 38,859,878	\$ 6,033,252	\$ 61,563,647	\$ 10,839,897	\$ 117,296,674
REVENUES					
Capital Facility Fees	-	2,132,449	-	10,152,705	12,285,154
FY 25/26 Operating Transfers ⁽²⁾	611,836	-	5,721,824	-	6,333,660
Investment Earnings	1,238,743	164,870	1,402,374	275,275	3,081,262
Property Tax	1,112,787	-	875,082	-	1,987,869
RDA pass-through	845,389	-	812,236	-	1,657,625
Annexation Fees	(13,730)	-	(32,477)	-	(46,207)
TOTAL REVENUES	3,795,025	2,297,319	8,779,039	10,427,980	25,299,363
LESS DISTRIBUTIONS					
Carryover Projects					
Chlorine Contact Tank Expansion	-	-	4,115,242	1,680,873	5,796,115
Montiel Lift Station And Forcemain Replacement	-	-	2,464,684	2,565,283	5,029,967
Encina Wastewater Authority Five Year Plan	-	-	2,857,016	-	2,857,016
Tres Amigos Water Line Replacement Phase 1	2,637,116	-	-	-	2,637,116
MRF - Conversion to Sodium Hypochlorite	-	-	2,203,549	-	2,203,549
Replace Roofing on Admin and Operations Buildings	486,782	-	467,693	-	954,475
Land Outfall Parallel Sewer Section A	-	-	42,010	798,185	840,195
SCADA Remote Site Upgrades	178,894	-	171,878	-	350,772
Twin Oaks Valley Rd SAMP Study	-	-	75,477	252,684	328,161
District-Wide Valve Replacement Program	175,314	-	-	-	175,314
Land Outfall West Repair And Rehab	-	-	103,625	-	103,625
Hvac System For District Headquarters	52,768	-	50,699	-	103,467
North Twin Oaks Pump Station: Refurbish P&M	98,520	-	-	-	98,520
Coggan Pump Station - Generator	96,474	-	-	-	96,474
Las Posas Manhole Rehab	-	-	94,950	-	94,950
SCADA - MRF Improvements	-	-	94,638	-	94,638
Rock Springs Valve Replacement	88,171	-	-	-	88,171
Pc / Laptop Refresh Plan	44,306	-	42,569	-	86,875
Double Peak Pump Station: Refurbish Pumps	69,861	-	-	-	69,861
Fuel Island Updates (Veeder-Root)	35,519	-	34,126	-	69,645
Meadowlark Tank 1: Replace Altitude Control Valve	64,073	-	-	-	64,073
LS Odor Control In Scada	-	-	62,819	-	62,819
City of San Marcos Joint Projects Relocate/Adjust	28,893	-	25,622	-	54,515
Technology Infrastructure Upgrades	26,541	-	25,500	-	52,041
Lake San Marcos Lift Station - Generator	-	-	51,553	-	51,553
Mountain Belle Tank Interior & Exterior Refurb	47,509	-	-	-	47,509
Trussell Flow Control Facility: Valve Upgrade	43,933	-	-	-	43,933
Wulff Pump Station: Replace Motor Soft Starter	40,040	-	-	-	40,040
Xana Pressure Station: Install Isolation Valves	38,414	-	-	-	38,414
VWD Headquarter Solar Repair/Upgrade	18,174	-	17,462	-	35,636
District Headquarters Land Entitlements	15,866	-	15,244	-	31,110
Server Room Resiliency Assessment	15,419	-	14,814	-	30,233
Wireless Radio Network Upgrades	14,998	-	14,410	-	29,408
Fire Services - Backflow Preventer Upgrades	28,432	-	-	-	28,432
Fleet Electrification Project	13,351	-	12,828	-	26,179
Mrf: Neuros Blowers Master Control Panel	-	-	23,669	-	23,669
Maximo 9 Upgrade (MAS 9)	11,998	-	11,528	-	23,526
Replace Twin Oaks Res. Seismic Monitoring System	23,384	-	-	-	23,384
Concrete Pads for Hatches at Twin Oaks Reservoirs	23,025	-	-	-	23,025
MRF: Waste Back Wash Pumps	-	-	21,354	-	21,354
School House Pump Station: Refurbish Pumps & Motor	19,780	-	-	-	19,780
Via Vera Cruz Tank Hill Stabilization	19,466	-	-	-	19,466
South Lake Pump Station: Refurbish Pumps & Motor	19,057	-	-	-	19,057
Building A: Repairs and Lighting Upgrades	7,546	-	7,250	-	14,796
Pipeline Corrosion Protection Improvements	13,621	-	278	-	13,899
Palos Vista Tank - Chlorine Injection Replacement	12,686	-	-	-	12,686
Wulff Pressure Reducing Station	-	12,359	-	-	12,359
Mountain Belle Fence and Hydroseed Project	10,129	-	-	-	10,129
All Other Capital Projects	16,067	-	31,887	-	47,954
Capital Budget - Vehicles/Mobile Equipment	18,144	-	17,433	-	35,577
Capital Budget - Facilities and Equipment	18,497	-	-	-	18,497
Total Capital Project Expenditures	4,572,768	12,359	13,171,807	5,297,025	23,053,959
Debt Service	-	838,122	-	1,353,807	2,191,929
TOTAL DISTRIBUTIONS	4,572,768	850,481	13,171,807	6,650,832	25,245,888
ENDING BALANCE	\$ 38,082,135	\$ 7,480,090	\$ 57,170,879	\$ 14,617,045	\$ 117,350,149
Less: Operating Reserves	7,853,900	-	9,347,200	-	17,201,100
Replacement Reserves	\$ 30,228,235	\$ 7,480,090	\$ 47,823,679	\$ 14,617,045	\$ 100,149,049
Replacement Reserve Floor	\$ 16,741,100	-	\$ 35,720,500	-	\$ 52,461,600
Replacement Reserve Ceiling	\$ 61,388,400	-	\$ 102,163,200	-	\$ 163,551,600

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.

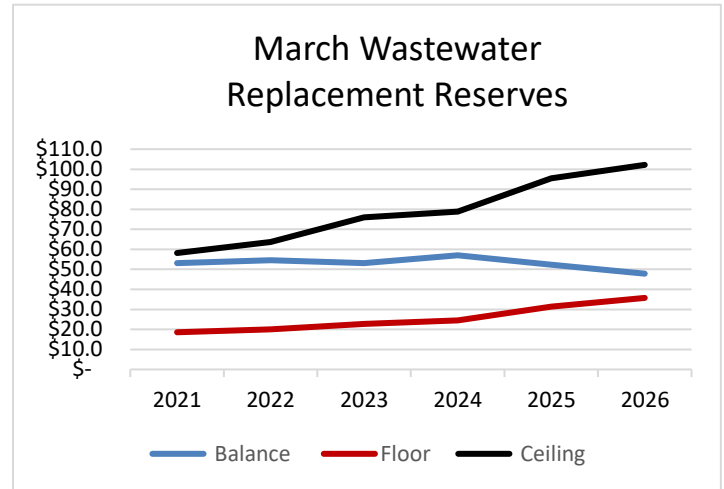
REPLACEMENT RESERVES

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 March 31, 2026, the total water and wastewater replacement reserve balance was \$78.1 million, 9.4 percent lower than March 31, 2025.



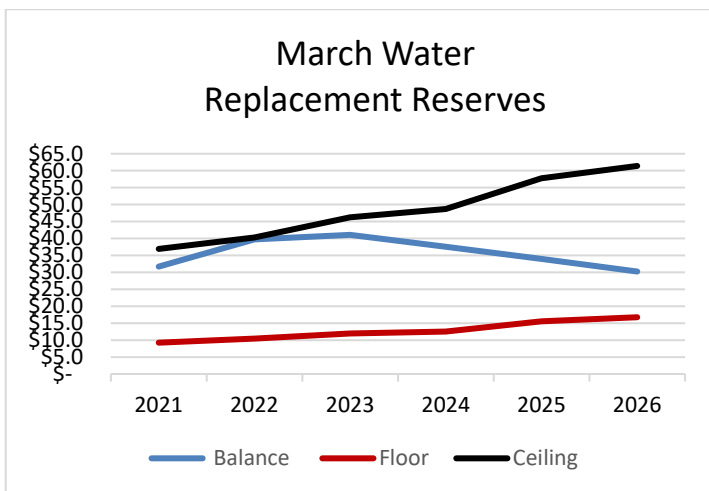
WASTEWATER REPLACEMENT RESERVE

As of March 31, 2026, the balance in the District’s wastewater replacement reserve totaled \$47.8 million, a decrease of 8.4 percent, or \$4.4 million, from the same month of the prior year. The month-end balance is within the approved floor and ceiling.



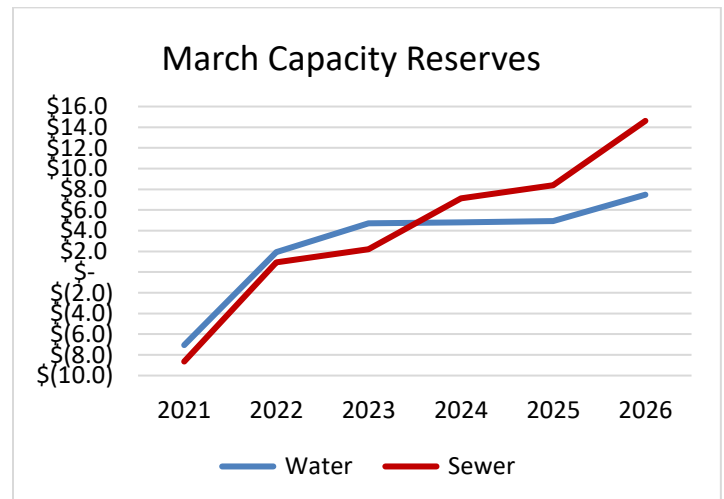
WATER REPLACEMENT RESERVE

As of March 31, 2026, the District’s water replacement reserve totaled \$30.2 million, a decrease of 11.0 percent, or \$3.7 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.



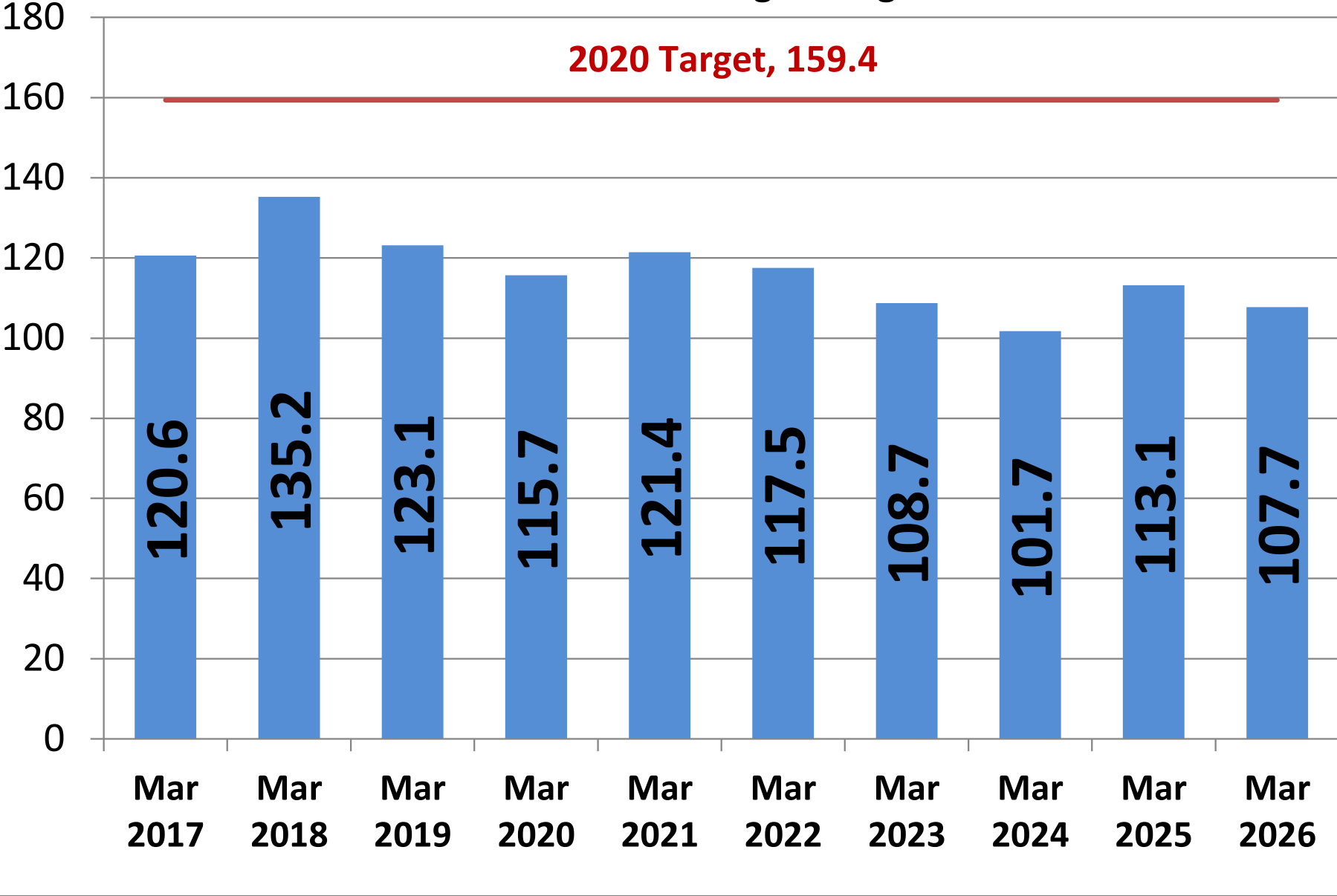
CAPACITY RESERVES

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 March 31, 2026, the water capacity fund had a balance of \$7.5 million and the sewer capacity fund had a balance of \$14.6 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.



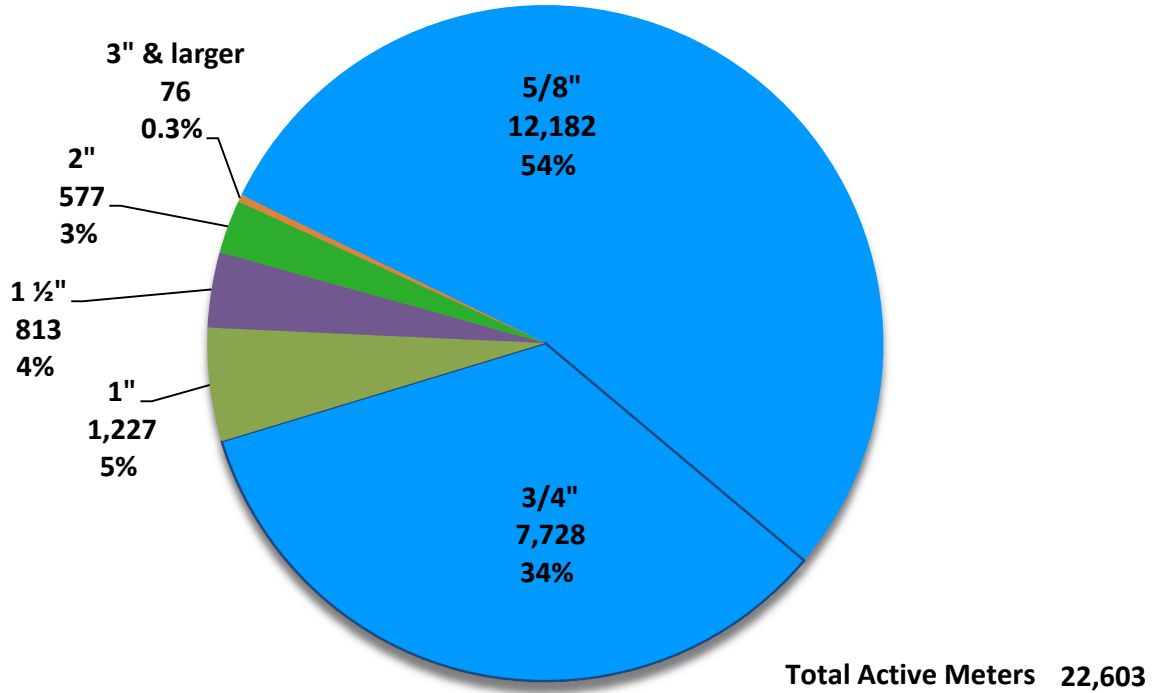
Gallons per Capita per Day 12-Month Rolling Average

2020 Target, 159.4

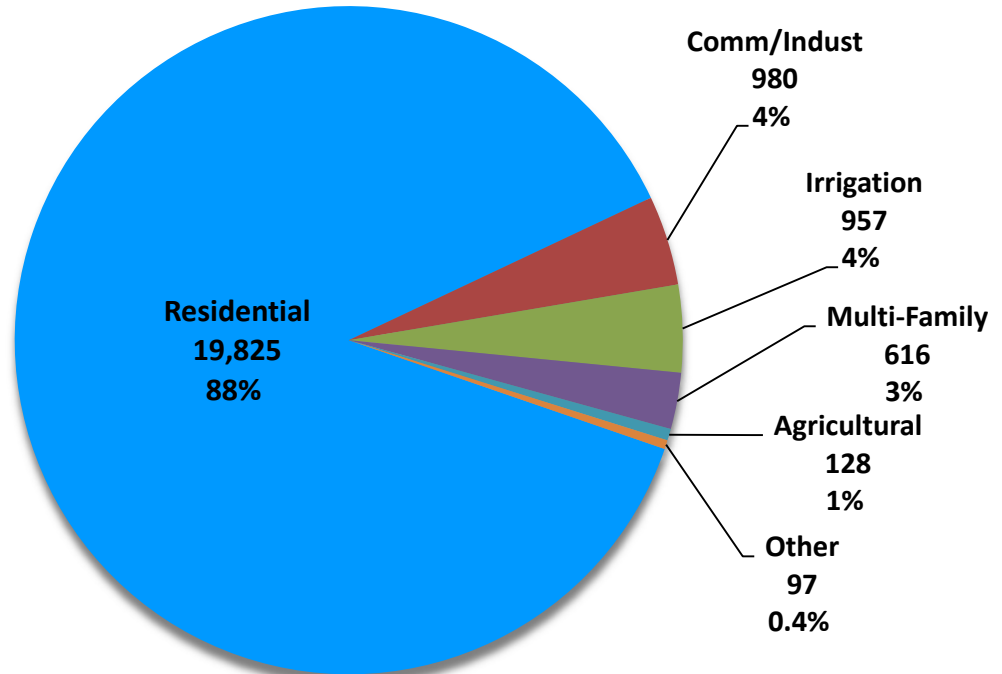


Vallecitos Water District
Active Water Meters
March 31, 2026

Active Meters by Size as of March 31, 2026

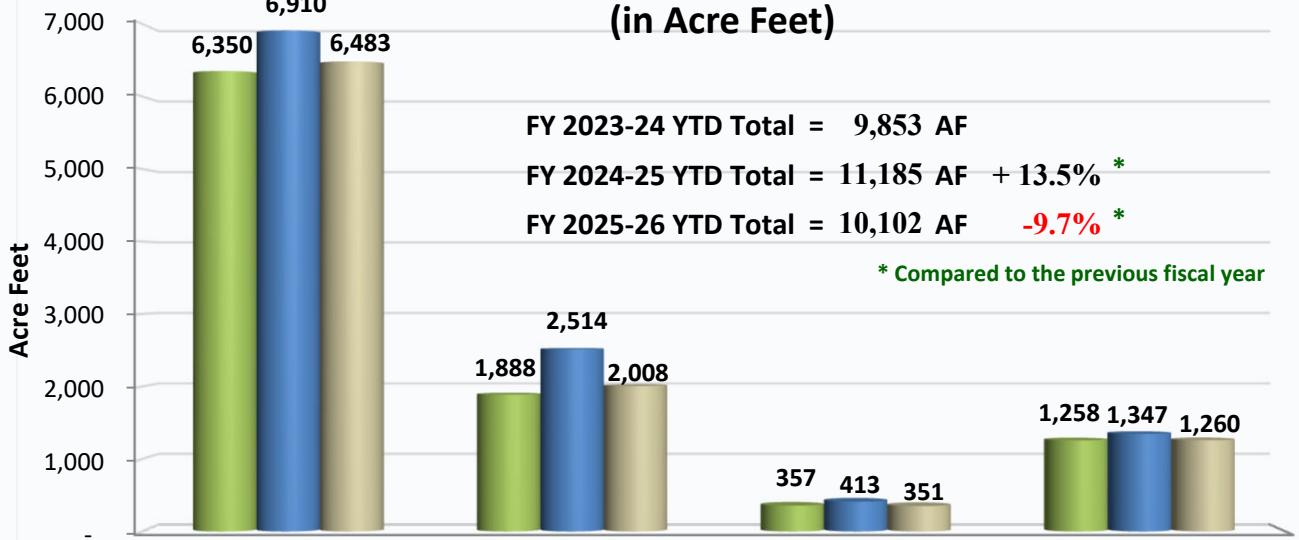


Active Meters by Type as of March 31, 2026



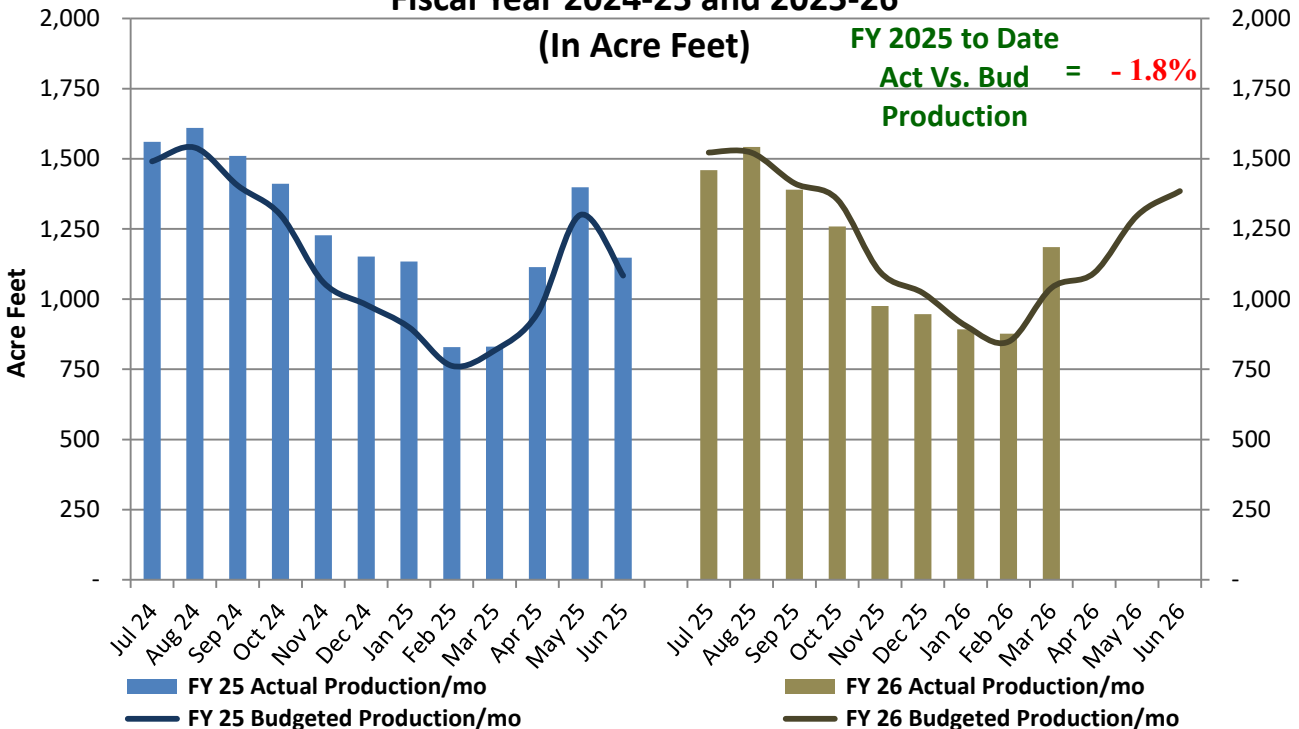
Vallejos Water District
 Water Production/Sales
 March 31, 2026

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	6,350	1,888	357	1,258
FY 24-25	6,910	2,514	413	1,347
FY 25-26	6,483	2,008	351	1,260

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



VALLECITOS WATER DISTRICT
INVESTMENT REPORT FOR MARCH 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 February follows:

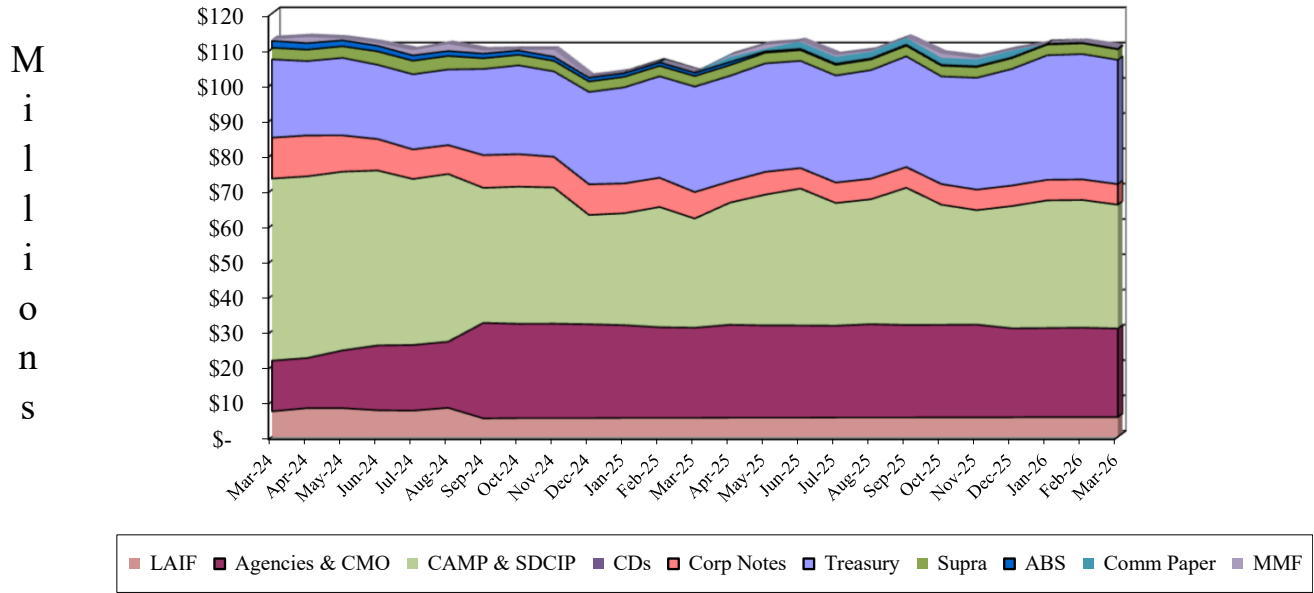
Date	Activity	Investment	Amount	Maturity	Yield
03/06/26	Purchase	CAMP	300,000	Open	3.80%
03/10/26	Purchase	CAMP	500,000	Open	3.80%
03/11/26	Withdrawal	CAMP	(2,700,000)	Open	3.80%
03/12/26	Withdrawal	CAMP	(900,000)	Open	3.80%
03/13/26	Purchase	CAMP	500,000	Open	3.80%
03/16/26	Matured	US Treasury Note	(2,000,000)	03/15/26	4.63%
03/16/26	Purchase	US Treasury Note	2,000,000	02/28/31	4.25%
03/17/26	Purchase	CAMP	300,000	Open	3.80%
03/19/26	Purchase	CAMP	700,000	Open	3.80%
03/20/26	Purchase	CAMP	500,000	Open	3.80%
03/24/26	Purchase	CAMP	300,000	Open	3.80%
03/26/26	Withdrawal	CAMP	(1,000,000)	Open	3.80%
03/27/26	Purchase	CAMP	300,000	Open	3.80%
03/31/26	Interest	CAMP	110,274	Open	3.80%
03/16-03/26/26	Paid Down	Various	(15,945)	Various	Various
Change in investments during the month			<u>\$ (1,105,671)</u>		

	<u>Current</u>
Weighted average annual yield for total Vallecitos investments	4.010%
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 February 28, 2026. Fair values for federal agency obligations and corporate notes are provided by US Bank trust account reporting.

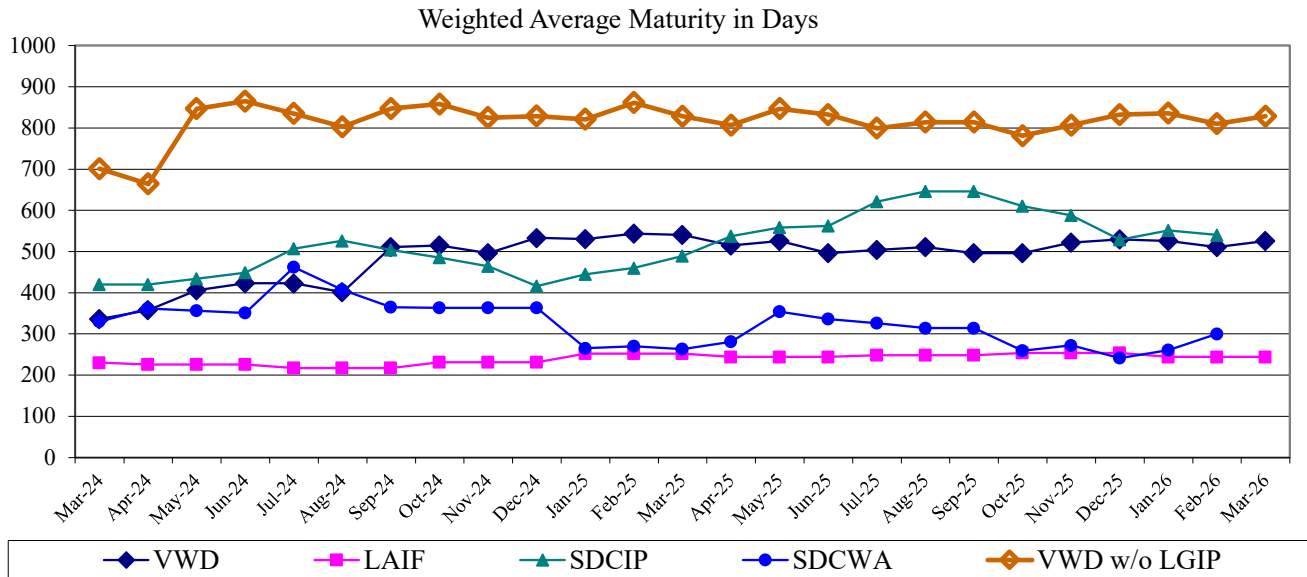
Safety

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.



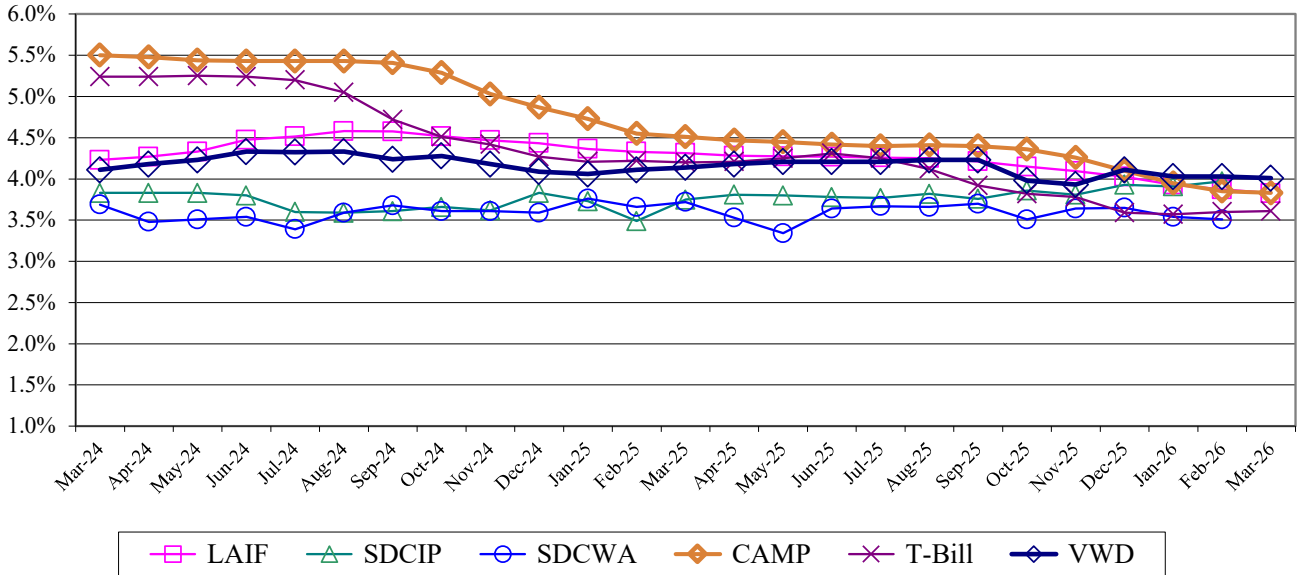
Liquidity

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 \$39.6 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

March 31, 2026

Total Aggregate Portfolio

Month End Commentary - March 2026

Spring is here, bringing longer days and volatile weather with it. Meanwhile in capital markets, the length of the day stayed the same, but there was certainly no shortage of volatility. Stocks plunged in March with the S&P 500 falling by 5% while interest rates spiked. The yield on the policy-sensitive 2-year Treasury note rose by 42 basis points to 3.80% while 10-year yields increased by 38 basis points to 4.32%. March's market turmoil was driven by escalating tensions in the Iranian conflict that sent oil prices surging, leading market participants to fear an oil shock that could result in a global inflation spike and slower economic growth.

While we received a good deal of economic data in March along with a FOMC meeting that brought the Fed's first official projections of 2026, it all played second fiddle to rising geopolitical tensions amid the ongoing conflict in Iran that began on the last day of February. Within two weeks of the start of the conflict, oil surged over 40%, topping \$100 a barrel. Equities and bonds both traded lower, reminding investors of the 1970's oil shocks that ignited inflation and slowed economic growth. A price spike of this scale in a commodity that the global economy is dependent on has markets fearing that businesses would be forced to pass along higher prices driven by rising supplier and shipping costs. Crucially, the Strait of Hormuz, a critical waterway for oil, fertilizers, and critical minerals, remains closed, risking a greater supply shock and further adding to inflationary pressures.

Meeting for the second time this year, the FOMC voted to leave the federal funds rate unchanged in what was a widely expected decision as the committee continues to grapple with above-target inflation and a softening labor market. In their official Summary of Economic Projections, the Fed revised their growth and inflation forecasts higher while keeping their projections for unemployment largely unchanged. Powell acknowledged the ongoing conflict in Iran stating that the impact of the war is uncertain but pointed out that longer term inflation expectations remain well anchored allowing the Fed to see through short-term geopolitical shocks when guiding policy. The recent rise in oil prices will surely show up in headline inflation measures however, the Fed does not have tools to address supply shocks and therefore will focus on core prices, inflation expectations and of course the job market. The labor market beat expectations in March, adding 178 thousand jobs after a revised contraction of 133 thousand in February. The March payrolls report ran counter to the labor market's gradually cooling theme, with broad job gains across categories and the unemployment rate falling to 4.3%.

Credit spreads widened for a third consecutive month in March and are now trading near their rolling 5-year averages, which has led us to start building allocations closer to neutral relative to respective targets. With the Fed likely on hold for some time, we view the recent back-up in yields as an opportunity to anchor portfolio earnings by maintaining durations aligned with benchmark targets.

Treasury Curve Total Returns Last 12 Months

Treasuries	Total Return
3 month bill	4.00%
1 year note	3.67%
2 year note	3.48%
3 year note	3.68%
5 year note	3.80%

Treasury Benchmark Total Returns In Month

Benchmark	Period Return	YTM	Duration (Years)
ICE BAML 90 Day Bill	0.29%	3.63%	0.23
ICE BAML 0-1 Year Treasury	0.24%	3.76%	0.5
ICE BAML 0-3 Year Treasury	-0.23%	3.80%	1.41
ICE BAML 0-5 Year Treasury	-0.53%	3.83%	2.08

Changes In The Treasury Market (Absolute Yield Levels)

Treasuries	03/31/2025	01/31/2026	02/28/2026	03/31/2026	1 Month Change	12 Month Change
3 month bill	4.29%	3.65%	3.65%	3.67%	0.02%	-0.62%
6 month bill	4.22%	3.62%	3.62%	3.69%	0.07%	-0.53%
1 year bill	4.02%	3.46%	3.48%	3.66%	0.18%	-0.37%
2 year note	3.88%	3.52%	3.37%	3.79%	0.42%	-0.09%
3 year note	3.87%	3.59%	3.38%	3.82%	0.44%	-0.06%
5 year note	3.95%	3.79%	3.50%	3.94%	0.44%	-0.01%
10 year note	4.21%	4.24%	3.94%	4.32%	0.38%	0.11%

Compliance Report

Vallecitos Water District | Total Aggregate Portfolio



March 31, 2026

Category	Policy Limit	Actual Value*	Status
Policy Diversification Constraint			
US Treasury Obligations Maximum % of Holdings	100.000	31.805	Compliant
US Agency Obligations Issuer Concentration	35.000	10.287	Compliant
US Agency Obligations Maximum % of Holdings	100.000	20.728	Compliant
Supranationals - Issuer is IADB, IBRD, or IFC	0.000	0.000	Compliant
Supranationals Issuer Concentration	5.000	1.834	Compliant
Supranationals Maximum % of Holdings	15.000	2.738	Compliant
Municipal Bonds Issuer Concentration	5.000	1.889	Compliant
Municipal Bonds Maximum % of Holdings	20.000	1.889	Compliant
Mortgages, CMOs and Asset Backed Securities Issuer Concentration	5.000	0.089	Compliant
Mortgages, CMOs and Asset Backed Securities Maximum % of Holdings	20.000	0.137	Compliant
Corporate Notes Issuer Concentration	5.000	0.000	Compliant
Corporate Notes Maximum % of Holdings	25.000	5.220	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	0.450	Compliant
Money Market Maximum % of Holdings	20.000	0.450	Compliant
LGIP Maximum % of Holdings	100.000	5.083	Compliant
County Investment Pool Maximum % of Holdings	100.000	0.961	Compliant
Bank Time Deposits/Savings Accounts Issuer Concentration	50.000	0.001	Compliant
Bank Time Deposits/Savings Accounts Maximum % of Holdings	100.000	0.001	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	30.989	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



March 31, 2026

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

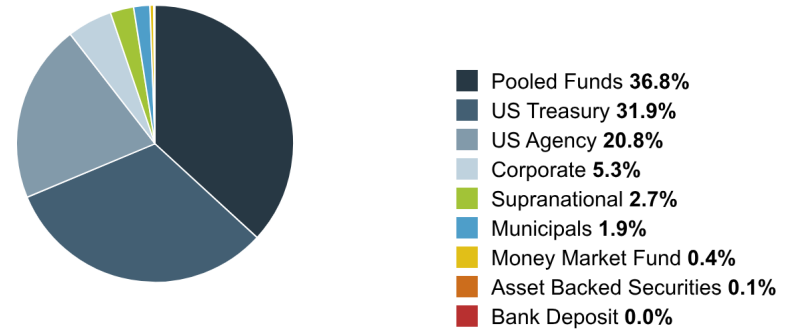


March 31, 2026

Portfolio Characteristics

Metric	Value
Cash and Cash Equivalents	41,189,900.21
Investments (Market Value + Accrued)	69,294,417.23
Book Yield	4.01%
Market Yield	3.85%
Effective Duration	1.32
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	69,821,399.15	68,466,254.84	68,984,563.60	69,192,931.44	208,367.84	4.12%	2.09	2.08	ICE BofA 0-5 Year US Treasury Index
VWD-Liquidity	40,694,165.81	40,694,165.81	40,694,165.81	40,694,165.81	0.00	3.81%	0.01	0.08	ICE BofA US 1-Month Treasury Bill Index
Total	110,515,564.96	109,160,420.65	109,678,729.41	109,887,097.25	208,367.84	4.01%	1.32		

Portfolio Activity

Vallecitos Water District | Total Aggregate Portfolio



March 31, 2026

Accrual Activity Summary

	Month to Date	Fiscal Year to Date (07/01/2025)
Beginning Book Value	110,460,409.19	112,895,363.28
Maturities/Calls	(2,000,000.00)	(11,925,000.00)
Purchases	2,047,734.38	13,992,254.48
Sales	0.00	0.00
Change in Cash, Payables, Receivables	(841,419.65)	(4,979,132.61)
Amortization/Accretion	27,950.69	281,913.42
Realized Gain (Loss)	0.00	0.00
Ending Book Value	109,678,729.41	109,678,729.41

Fair Market Activity Summary

	Month to Date	Fiscal Year to Date (07/01/2025)
Beginning Market Value	111,269,205.39	113,361,785.71
Maturities/Calls	(2,000,000.00)	(11,925,000.00)
Purchases	2,047,734.38	13,992,254.48
Sales	0.00	0.00
Change in Cash, Payables, Receivables	(841,419.65)	(4,979,132.61)
Amortization/Accretion	27,950.69	281,913.42
Change in Net Unrealized Gain (Loss)	(600,428.36)	(258,054.59)
Net Realized Gain (Loss)	0.00	0.00
Ending Market Value	109,887,097.25	109,887,097.25

Maturities/Calls	Market Value
Month to Date	(2,000,000.00)
Fiscal Year to Date	(11,925,000.00)

Purchases	Market Value
Month to Date	2,047,734.38
Fiscal Year to Date	13,992,254.48

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

Return Management-Income Detail

Vallecitos Water District | Total Aggregate Portfolio



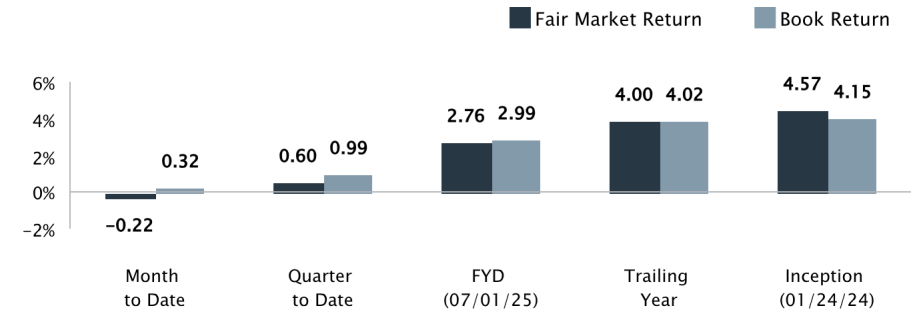
March 31, 2026

Accrued Book Return

	Month to Date	Fiscal Year to Date (07/01/2025)
Amortization/Accretion	27,950.69	281,913.42
Interest Earned	322,340.30	3,195,174.35
Realized Gain (Loss)	0.00	0.00
Book Income	350,290.99	3,477,087.76
Average Portfolio Balance	110,936,029.78	109,869,193.02
Book Return for Period	0.32%	2.99%

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	(628,379.05)	(539,968.01)
Amortization/Accretion	27,950.69	281,913.42
Interest Earned	322,340.30	3,195,174.35
Fair Market Earned Income	(278,088.06)	2,937,119.75
Average Portfolio Balance	110,936,029.78	109,869,193.02
Fair Market Return for Period	(0.22%)	2.76%

Interest Income

	Month to Date	Fiscal Year to Date (07/01/2025)
Beginning Accrued Interest	660,249.42	483,890.01
Coupons Income	388,204.92	3,153,159.50
Purchased Accrued Interest	3,695.65	72,065.72
Sold Accrued Interest	0.00	0.00
Ending Accrued Interest	597,220.20	597,220.20
Interest Earned	322,340.30	3,195,174.35

Notation: Book and Fair Market Returns are not annualized

Security Type Distribution

Vallecitos Water District | Total Aggregate Portfolio

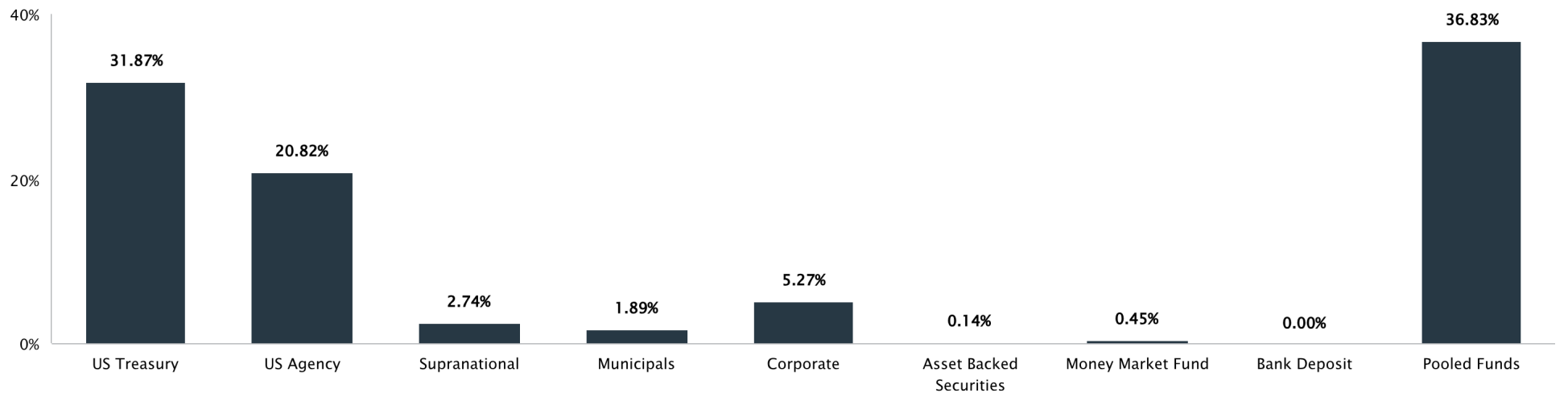


March 31, 2026

Security Type Distribution

Security Type	Par Amount	Book Yield	Market Value + Accrued	% of Market Value + Accrued
US Treasury	35,605,000.00	3.97%	35,209,771.82	31.87%
US Agency	22,826,103.19	4.22%	23,005,561.92	20.82%
Supranational	3,000,000.00	4.28%	3,026,702.22	2.74%
Municipals	2,000,000.00	3.78%	2,083,941.67	1.89%
Corporate	5,745,000.00	4.71%	5,817,572.58	5.27%
Asset Backed Securities	149,561.56	5.45%	150,867.02	0.14%
Money Market Fund	494,533.42	3.54%	494,533.42	0.45%
Bank Deposit	1,200.98		1,200.98	0.00%
Pooled Funds	40,694,165.81	3.81%	40,694,165.81	36.83%
Total	110,515,564.96	4.01%	110,484,317.44	100.00%

Security Type Distribution



Risk Management-Credit/Issuer

Vallecitos Water District | Total Aggregate Portfolio

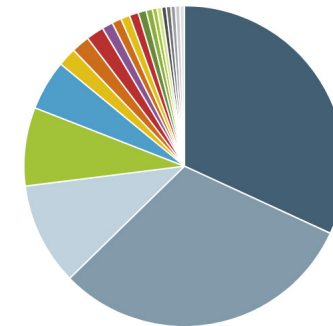


March 31, 2026

Credit Rating S&P/Moody's/Fitch

	Market Value + Accrued	%
S&P		
A	2,910,859.34	2.63
A+	2,906,713.25	2.63
AA+	57,259,161.15	51.83
AA-	2,083,941.67	1.89
AAA	3,984,075.79	3.61
AAAm	494,533.42	0.45
NA	40,845,032.83	36.97
Moody's		
A1	3,338,934.12	3.02
A2	1,204,371.67	1.09
Aa1	58,215,333.74	52.69
Aa2	3,099,718.03	2.81
Aa3	258,490.43	0.23
Aaa	3,673,303.65	3.32
NA	40,694,165.81	36.83
Fitch		
A	697,133.34	0.63
A+	1,732,741.14	1.57
AA	2,589,401.92	2.34
AA+	57,206,342.06	51.78
AA-	1,766,174.46	1.60
AAA	1,655,593.10	1.50
NA	44,335,133.10	40.13
WR	501,798.33	0.45
Total	110,484,317.44	100.00

Issuer Concentration



- United States **31.9%**
- California Asset Management Program **30.8%**
- Federal Home Loan Banks **10.3%**
- Farm Credit System **7.9%**
- CALIFORNIA LAIF **5.1%**
- State of California **1.9%**
- Inter-American Development Bank **1.8%**
- Federal Home Loan Mortgage Corporation **1.8%**
- Other **1.1%**
- San Diego County Investment Pool **1.0%**
- International Bank for Reconstruction and De... **0.9%**
- JPMorgan Chase & Co. **0.9%**
- Federal National Mortgage Association **0.8%**
- Deere & Company **0.6%**
- Toyota Motor Corporation **0.5%**
- NextEra Energy, Inc. **0.5%**
- Northern Trust Corporation **0.5%**
- Chubb Limited **0.5%**
- Bank of America Corporation **0.5%**
- Public Service Enterprise Group Incorporated **0.5%**
- U.S. Bancorp **0.4%**

Risk Management-Maturity/Duration

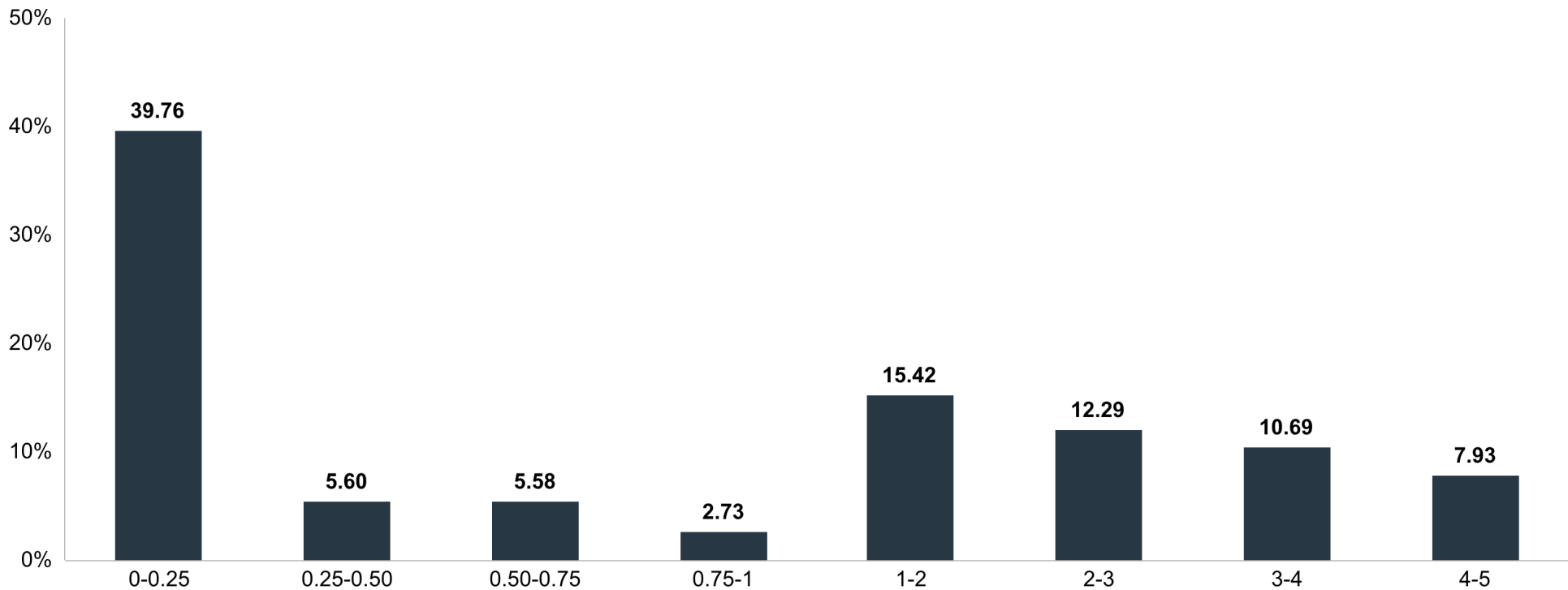
Vallecitos Water District | Total Aggregate Portfolio



March 31, 2026



Distribution by Effective Duration



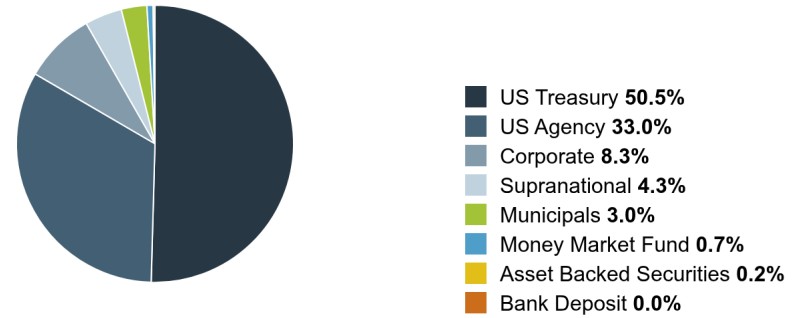
Summary Overview

Vallecitos Water District | Investment Core

Portfolio Characteristics

Metric	Value
Cash and Cash Equivalents	495,734.40
Investments (Market Value + Accrued)	69,294,417.23
Book Yield	4.12%
Market Yield	3.87%
Effective Duration	2.09
Years to Maturity	2.27
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	69,821,399.15	68,466,254.84	68,984,563.60	69,192,931.44	208,367.84	4.12%	2.09	2.08	ICE BofA 0-5 Year US Treasury Index
Total	69,821,399.15	68,466,254.84	68,984,563.60	69,192,931.44	208,367.84	4.12%	2.09	2.08	

Accrual Activity Summary

	Month to Date	Fiscal Year to Date (07/01/2025)
Beginning Book Value	68,681,517.30	66,986,718.01
Maturities/Calls	(2,000,000.00)	(11,925,000.00)
Purchases	2,047,734.38	13,992,254.48
Sales	0.00	0.00
Change in Cash, Payables, Receivables	243,306.43	235,346.85
Amortization/Accretion	27,950.69	281,913.42
Realized Gain (Loss)	0.00	0.00
Ending Book Value	68,984,563.60	68,984,563.60

Fair Market Activity Summary

	Month to Date	Fiscal Year to Date (07/01/2025)
Beginning Market Value	69,490,313.50	67,453,140.44
Maturities/Calls	(2,000,000.00)	(11,925,000.00)
Purchases	2,047,734.38	13,992,254.48
Sales	0.00	0.00
Change in Cash, Payables, Receivables	243,306.43	235,346.85
Amortization/Accretion	27,950.69	281,913.42
Change in Net Unrealized Gain (Loss)	(600,428.36)	(258,054.59)
Net Realized Gain (Loss)	0.00	0.00
Ending Market Value	69,192,931.44	69,192,931.44

Maturities/Calls	Market Value
Month to Date	(2,000,000.00)
Fiscal Year to Date	(11,925,000.00)

Purchases	Market Value
Month to Date	2,047,734.38
Fiscal Year to Date	13,992,254.48

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

Return Management-Income Detail

Vallecitos Water District | Investment Core



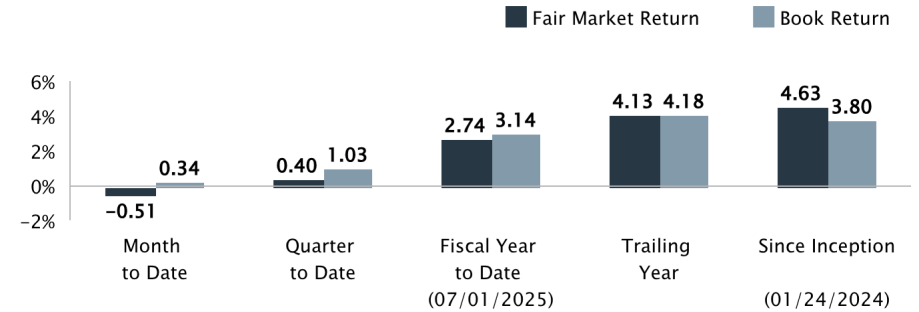
March 31, 2026

Accrued Book Return

	Month to Date	Fiscal Year to Date (07/01/2025)
Amortization/Accretion	27,950.69	281,913.42
Interest Earned	212,066.38	1,838,262.36
Realized Gain (Loss)	0.00	0.00
Book Income	240,017.07	2,120,175.77
Average Portfolio Balance	69,192,129.06	68,472,064.29
Book Return for Period	0.34%	3.14%

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	(628,379.05)	(539,968.01)
Amortization/Accretion	27,950.69	281,913.42
Interest Earned	212,066.38	1,838,262.36
Fair Market Earned Income	(388,361.98)	1,580,207.76
Average Portfolio Balance	69,192,129.06	68,472,064.29
Fair Market Return for Period	(0.51%)	2.74%

Interest Income

	Month to Date	Fiscal Year to Date (07/01/2025)
Beginning Accrued Interest	660,249.42	483,890.01
Coupons Income	277,931.00	1,796,247.51
Purchased Accrued Interest	3,695.65	72,065.72
Sold Accrued Interest	0.00	0.00
Ending Accrued Interest	597,220.20	597,220.20
Interest Earned	212,066.38	1,838,262.36

Notation: Book and Fair Market Returns are not annualized

Return Management-Performance

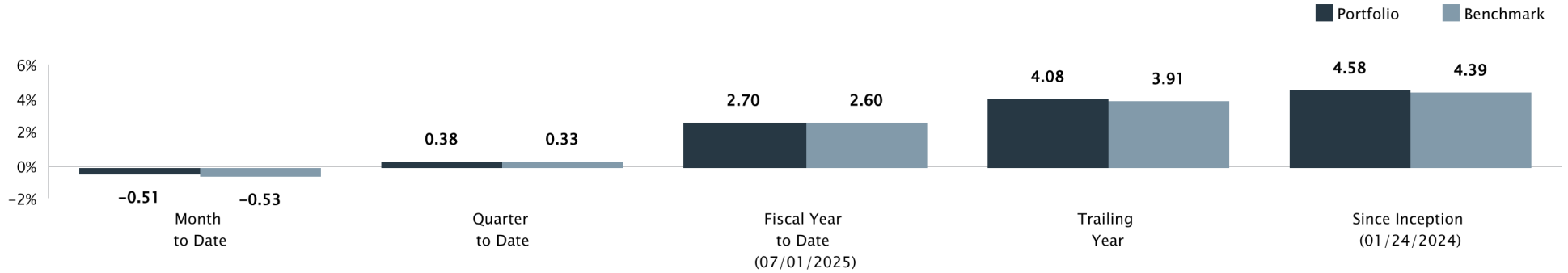
Vallecitos Water District | Investment Core



March 31, 2026

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)	(0.511%)	0.384%	2.702%	4.084%			4.582%
Return (Gross of Fees)	(0.507%)	0.396%	2.739%	4.135%			4.632%
ICE BofA 0-5 Year US Treasury Index	(0.534%)	0.329%	2.596%	3.911%			4.392%

Risk Management-Relative to Benchmark



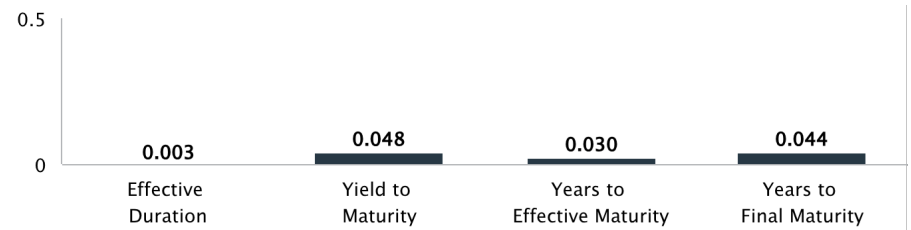
March 31, 2026

Vallecitos Water District | Investment Core

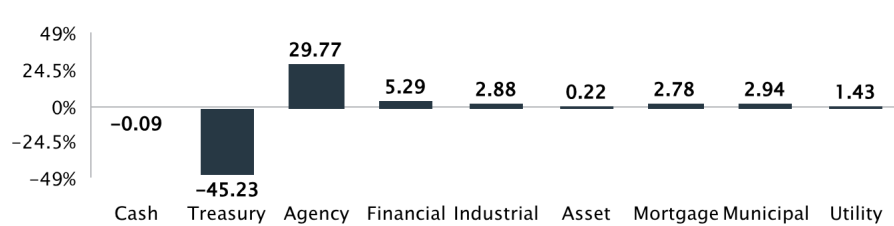
Benchmark Comparison Summary

Risk Metric	Portfolio	Benchmark	Difference
Effective Duration	2.09	2.08	0.00
Yield to Maturity	3.88	3.83	0.05
Years to Effective Maturity	2.25	2.22	0.03
Years to Final Maturity	2.27	2.22	0.04
Avg Credit Rating	AA+	AA+	---

Benchmark Comparison Summary



Benchmark vs. Portfolio Variance-Market Sector



Benchmark Comparison-Market Sector

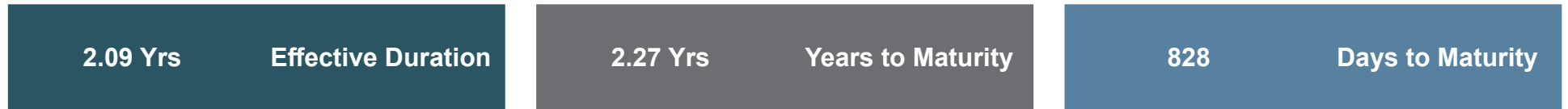
Market Sector	Portfolio	Benchmark	Difference
Cash	0.00	0.09	(0.09)
Treasury	54.68	99.91	(45.23)
Agency	29.77	0.00	29.77
Financial	5.29	0.00	5.29
Industrial	2.88	0.00	2.88
Asset Backed	0.22	0.00	0.22
Mortgage Backed	2.78	0.00	2.78
Municipal	2.94	0.00	2.94
Utility	1.43	0.00	1.43

Risk Management-Maturity/Duration

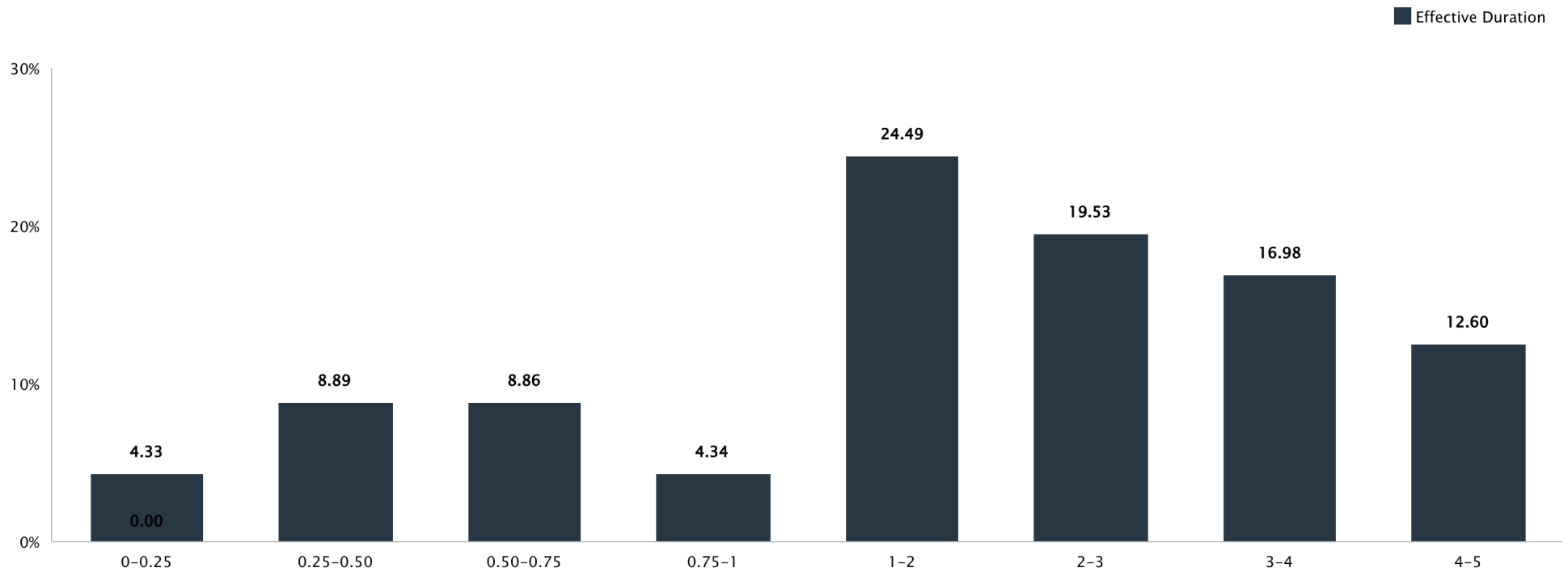
Vallecitos Water District | Investment Core



March 31, 2026



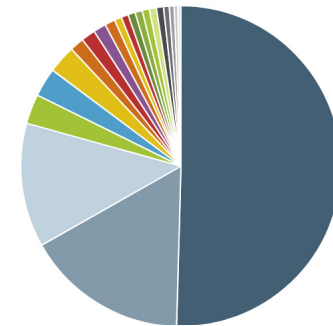
Distribution by Effective Duration



Credit Rating S&P/Moody's/Fitch

	Market Value + Accrued	%
S&P		
A	2,910,859.34	4.17
A+	2,906,713.25	4.16
AA+	57,259,161.15	82.04
AA-	2,083,941.67	2.99
AAA	3,984,075.79	5.71
AAAm	494,533.42	0.71
NA	150,867.02	0.22
Moody's		
A1	3,338,934.12	4.78
A2	1,204,371.67	1.73
Aa1	58,215,333.74	83.41
Aa2	3,099,718.03	4.44
Aa3	258,490.43	0.37
Aaa	3,673,303.65	5.26
Fitch		
A	697,133.34	1.00
A+	1,732,741.14	2.48
AA	2,589,401.92	3.71
AA+	57,206,342.06	81.97
AA-	1,766,174.46	2.53
AAA	1,655,593.10	2.37
NA	3,640,967.29	5.22
WR	501,798.33	0.72
Total	69,790,151.63	100.00

Issuer Concentration



- United States **50.5%**
- Federal Home Loan Banks **16.4%**
- Farm Credit System **12.5%**
- State of California **3.0%**
- Inter-American Development Bank **2.9%**
- 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%**
- Toyota Motor Corporation **0.7%**
- NextEra Energy, Inc. **0.7%**
- Northern Trust Corporation **0.7%**
- Chubb Limited **0.7%**
- Bank of America Corporation **0.7%**
- Public Service Enterprise Group Incorporated **0.7%**
- U.S. Bancorp **0.7%**
- PACCAR Inc **0.6%**
- Other **0.5%**
- Morgan Stanley **0.4%**
- PepsiCo, Inc. **0.3%**

Holdings by Security Type

Vallecitos Water District | Investment Core



March 31, 2026

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												
03/18/2024	91282CJP7	2,000,000.00	United States	4.375%	12/15/2026		4.50%	3.75%	2,034,301.15	10,229.51	2.91	0.69
11/30/2022	91282CEF4	1,000,000.00	United States	2.500%	03/31/2027		4.01%	3.71%	988,318.31	1,974.11	1.42	0.98
02/02/2026	91282CET4	2,250,000.00	United States	2.625%	05/31/2027		3.55%	3.82%	2,239,308.17	(6,899.88)	3.21	1.13
12/16/2024	912828ZV5	1,300,000.00	United States	0.500%	06/30/2027		4.17%	3.81%	1,249,529.98	3,863.14	1.79	1.22
12/20/2022	91282CEW7	700,000.00	United States	3.250%	06/30/2027		3.78%	3.82%	700,853.92	(670.17)	1.00	1.20
	91282CFH9	2,000,000.00	United States	3.125%	08/31/2027		4.00%	3.84%	1,985,834.78	3,587.67	2.85	1.37
07/27/2023	9128283F5	1,000,000.00	United States	2.250%	11/15/2027		4.27%	3.84%	983,635.19	4,830.75	1.41	1.56
01/23/2026	91282CGH8	2,000,000.00	United States	3.500%	01/31/2028		3.60%	3.82%	2,000,202.21	(7,995.53)	2.87	1.75
09/16/2024	91282CBP5	2,000,000.00	United States	1.125%	02/29/2028		3.51%	3.82%	1,903,276.52	(13,496.31)	2.73	1.86
10/02/2023	91282CHX2	1,000,000.00	United States	4.375%	08/31/2028		4.65%	3.83%	1,016,304.35	18,479.42	1.46	2.27
03/08/2024	91282CJN2	2,000,000.00	United States	4.375%	11/30/2028		4.12%	3.82%	2,056,986.92	15,285.96	2.95	2.47
05/17/2024	91282CEE7	2,000,000.00	United States	2.375%	03/31/2029		4.38%	3.83%	1,918,329.78	25,434.14	2.75	2.86
10/31/2024	91282CEV9	2,000,000.00	United States	3.250%	06/30/2029		4.11%	3.85%	1,980,019.78	13,843.87	2.84	3.03
06/03/2025	91282CFY2	2,000,000.00	United States	3.875%	11/30/2029		4.00%	3.88%	2,025,515.27	7,572.16	2.90	3.35
	91282CGB1	1,980,000.00	United States	3.875%	12/31/2029		4.27%	3.89%	1,997,980.42	24,903.05	2.86	3.43
02/28/2025	912833XX3	2,000,000.00	United States	0.000%	02/15/2030		4.22%	3.95%	1,718,740.00	11,640.34	2.46	3.80
08/15/2025	91282CMU2	500,000.00	United States	4.000%	03/31/2030		3.76%	3.90%	501,849.64	(2,645.27)	0.72	3.67
09/30/2025	91282CAE1	1,500,000.00	United States	0.625%	08/15/2030		3.77%	3.92%	1,303,825.40	(10,296.70)	1.87	4.23
11/17/2025	91282CJG7	2,000,000.00	United States	4.875%	10/31/2030		3.70%	3.94%	2,118,839.23	(19,481.07)	3.04	4.01
	91282CJM4	2,375,000.00	United States	4.375%	11/30/2030		3.74%	3.95%	2,452,789.47	(20,697.60)	3.51	4.14
03/16/2026	91282CKC4	2,000,000.00	United States	4.250%	02/28/2031		3.72%	3.96%	2,033,331.30	(21,372.42)	2.91	4.39
Total		35,605,000.00					3.97%	3.86%	35,209,771.82	38,089.17	50.45	2.63
US Agency												
09/27/2024	3130AWFZ8	2,000,000.00	Federal Home Loan Banks	4.260%	06/26/2026		3.71%	3.74%	2,024,743.33	(216.04)	2.90	0.23
11/10/2023	3133EPZY4	1,000,000.00	Farm Credit System	5.000%	07/30/2026		4.85%	3.71%	1,012,632.22	3,707.58	1.45	0.33
08/14/2023	3133EPSW6	1,045,000.00	Farm Credit System	4.500%	08/14/2026		4.58%	3.88%	1,053,396.58	2,553.52	1.51	0.36
09/06/2024	3133ERRW3	2,000,000.00	Farm Credit System	3.875%	09/03/2026		3.78%	3.76%	2,006,867.78	44.75	2.88	0.42
09/13/2023	3130AWTQ3	750,000.00	Federal Home Loan Banks	4.625%	09/11/2026		4.83%	3.73%	754,844.58	3,547.20	1.08	0.44
	3130AXU63	2,500,000.00	Federal Home Loan Banks	4.625%	11/17/2026		4.58%	3.74%	2,556,588.19	12,984.43	3.66	0.61
12/09/2022	3137BVZ82	500,000.00	Federal Home Loan Mortgage Corporation	3.430%	01/25/2027		4.01%	3.90%	494,107.61	298.92	0.71	0.65

Holdings by Security Type

Vallecitos Water District | Investment Core



March 31, 2026

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%	3.78%	2,018,030.00	(1,212.26)	2.89	0.92
06/14/2023	3137FBU79	1,000,000.00	Federal Home Loan Mortgage Corporation	3.187%	09/25/2027		4.20%	3.96%	956,172.58	3,033.53	1.37	1.38
12/11/2023	3133EPH81	1,000,000.00	Farm Credit System	4.500%	10/04/2027		4.41%	3.77%	1,032,665.00	9,352.50	1.48	1.42
02/23/2023	3130ATUS4	1,000,000.00	Federal Home Loan Banks	4.250%	12/10/2027		4.26%	3.81%	1,020,214.17	7,283.04	1.46	1.60
05/30/2023	3137FETN0	520,000.00	Federal Home Loan Mortgage Corporation	3.350%	01/25/2028		4.15%	4.01%	514,884.07	1,157.94	0.74	1.63
04/28/2023	3133EPGW9	500,000.00	Farm Credit System	3.875%	04/25/2028		3.77%	3.83%	508,845.83	(529.47)	0.73	1.94
06/09/2023	3130AVVX7	1,000,000.00	Federal Home Loan Banks	3.750%	06/09/2028		4.00%	3.80%	1,010,506.67	3,830.14	1.45	2.06
07/10/2023	3130AWC24	1,000,000.00	Federal Home Loan Banks	4.000%	06/09/2028		4.49%	3.83%	1,015,974.44	13,125.54	1.46	2.05
09/08/2023	3130AWTR1	1,000,000.00	Federal Home Loan Banks	4.375%	09/08/2028		4.49%	3.81%	1,015,725.14	15,418.55	1.46	2.29
05/13/2024	3133ERDH1	2,000,000.00	Farm Credit System	4.750%	04/30/2029		4.55%	3.84%	2,092,247.22	41,617.87	3.00	2.80
04/15/2025	3133ETBF3	1,000,000.00	Farm Credit System	4.000%	04/01/2030		4.23%	3.83%	1,026,160.00	14,216.46	1.47	3.60
08/26/2025	31358DDR2	1,050,000.00	Federal National Mortgage Association	0.000%	05/15/2030		3.86%	4.02%	890,956.50	(5,600.58)	1.28	4.04
Total		22,865,000.00					4.22%	3.81%	23,005,561.92	124,613.63	32.96	1.39
Supranational												
	459058KT9	1,000,000.00	International Bank for Reconstruction and Development	3.500%	07/12/2028		4.41%	3.81%	1,000,840.56	11,889.25	1.43	2.15
03/08/2024	4581X0EN4	2,000,000.00	Inter-American Development Bank	4.125%	02/15/2029		4.21%	3.84%	2,025,861.67	19,662.58	2.90	2.67
Total		3,000,000.00					4.28%	3.83%	3,026,702.22	31,551.83	4.34	2.50
Municipals												
09/06/2024	13063EBP0	2,000,000.00	State of California	5.125%	09/01/2029		3.78%	3.93%	2,083,941.67	(7,976.41)	2.99	3.11
Total		2,000,000.00					3.78%	3.93%	2,083,941.67	(7,976.41)	2.99	3.11
Corporate												
08/28/2023	00440EAV9	500,000.00	Chubb Limited	3.350%	05/03/2026		5.18%	4.37%	506,406.11	262.41	0.73	0.09
08/10/2023	69371RS56	400,000.00	PACCAR Inc	5.050%	08/10/2026		5.07%	4.17%	404,065.67	1,227.93	0.58	0.35
09/27/2024	06428CAA2	500,000.00	Bank of America Corporation	5.526%	08/18/2026	07/18/2026	3.96%	4.03%	505,460.25	(55.72)	0.72	0.29
12/04/2023	437076CV2	190,000.00	The Home Depot, Inc.	4.950%	09/30/2026	08/30/2026	5.04%	4.05%	190,727.23	774.62	0.27	0.41
11/01/2023	61690U7W4	250,000.00	Morgan Stanley	5.882%	10/30/2026	09/30/2026	5.88%	3.99%	258,490.43	2,322.50	0.37	0.48
11/10/2023	713448FW3	205,000.00	PepsiCo, Inc.	5.125%	11/10/2026	10/10/2026	5.13%	4.09%	210,199.40	1,095.72	0.30	0.51
01/23/2024	24422EXF1	250,000.00	Deere & Company	4.500%	01/08/2027		4.52%	4.08%	253,376.25	821.01	0.36	0.74

Holdings by Security Type

Vallecitos Water District | Investment Core



March 31, 2026

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%	4.11%	507,238.33	2,271.13	0.73	1.03
06/11/2024	24422EXR5	450,000.00	Deere & Company	4.900%	06/11/2027		5.06%	4.04%	461,183.50	5,239.76	0.66	1.14
09/27/2024	46647PDW3	500,000.00	JPMorgan Chase & Co.	6.070%	10/22/2027	10/22/2026	4.23%	4.32%	518,169.58	(233.68)	0.74	0.53
06/26/2023	74456QBU9	500,000.00	Public Service Enterprise Group Incorporated	3.700%	05/01/2028	02/01/2028	4.79%	4.30%	501,798.33	4,120.58	0.72	1.92
05/31/2023	341081GN1	500,000.00	NextEra Energy, Inc.	4.400%	05/15/2028	03/15/2028	4.73%	4.18%	510,316.11	5,087.87	0.73	1.90
06/02/2025	46647PCJ3	500,000.00	JPMorgan Chase & Co.	2.069%	06/01/2029	06/01/2028	4.61%	4.44%	479,198.33	1,184.41	0.69	2.07
08/15/2025	89236TKU8	500,000.00	Toyota Motor Corporation	4.550%	05/17/2030		4.25%	4.42%	510,943.06	(3,089.44)	0.73	3.67
Total		5,745,000.00					4.71%	4.21%	5,817,572.58	21,029.12	8.34	1.19
Asset Backed Securities												
11/08/2023	438123AC5	175,000.00	Honda Motor Co., Ltd.	5.670%	06/21/2028		5.74%	4.34%	97,903.18	850.35	0.14	0.63
01/17/2024	36268GAD7	80,000.00	Gm Financial Consumer Automobile Receivables Trust 2024-1	4.850%	12/18/2028		4.91%	4.30%	52,963.85	210.14	0.08	0.67
Total		255,000.00					5.45%	4.33%	150,867.02	1,060.50	0.22	0.65
Money Market Fund												
	31846V567	494,533.42	U.S. Bancorp	3.540%	03/31/2026		3.54%	3.54%	494,533.42	0.00	0.71	0.00
Total		494,533.42					3.54%	3.54%	494,533.42	0.00	0.71	0.00
Bank Deposit												
	CCYUSD	1,200.98	US Dollar		03/31/2026				1,200.98	0.00	0.00	
Total		1,200.98							1,200.98	0.00	0.00	
Portfolio Total		69,965,734.40					4.12%	3.87%	69,790,151.63	208,367.84	100.00	2.09

Transactions

Vallecitos Water District | Investment Core



March 31, 2026

Cusip	Security	Trade Date	Settlement Date	Coupon Payment	Price	Par Amount	Principal Amount	Accrued Amount	Total Amount	Broker
Buy										
91282CKC4	US TREASURY 4.250 02/28/31	03/10/2026	03/16/2026	0.00	102.39	2,000,000.00	2,047,734.38	3,695.65	2,051,430.03	RBC CAPITAL MARKETS
31846V567	FIRST AMER:GVT OBLG;Z	03/11/2026	03/11/2026	0.00	1.00	307,682.74	307,682.74	0.00	307,682.74	Direct
Total				0.00		2,307,682.74	2,355,417.12	3,695.65	2,359,112.77	
Sell										
31846V567	FIRST AMER:GVT OBLG;Z	03/16/2026	03/16/2026	0.00	1.00	861.57	861.57	0.00	861.57	Direct
Total				0.00		861.57	861.57	0.00	861.57	
Maturity										
91282CGR6	US TREASURY 4.625 03/15/26 MATD	03/15/2026	03/15/2026	0.00	100.00	2,000,000.00	2,000,000.00	0.00	2,000,000.00	
Total				0.00		2,000,000.00	2,000,000.00	0.00	2,000,000.00	
Coupon										
3137BVZ82	FH-K063-A2	03/01/2026	03/01/2026	1,419.57		0.00	(0.00)	0.00	1,419.57	
3137FBU79	FH-K069-A2	03/01/2026	03/01/2026	2,570.28		0.00	(0.00)	0.00	2,570.28	
3137FETN0	FH-K073-A2	03/01/2026	03/01/2026	1,451.67		0.00	0.00	0.00	1,451.67	
13063EBP0	CALIFORNIA STATE 5.125 09/01/29	03/01/2026	03/01/2026	51,250.00		0.00	0.00	0.00	51,250.00	
3133ERRW3	FED FARM CR BNKS 3.875 09/03/26	03/03/2026	03/03/2026	38,750.00		0.00	0.00	0.00	38,750.00	
3130AWTR1	FHLBANKS 4.375 09/08/28	03/08/2026	03/08/2026	21,875.00		0.00	0.00	0.00	21,875.00	
3130AWTQ3	FHLBANKS 4.625 09/11/26	03/11/2026	03/11/2026	17,343.75		0.00	0.00	0.00	17,343.75	
3130AVBC5	FHLBANKS 4.500 03/12/27	03/12/2026	03/12/2026	45,000.00		0.00	0.00	0.00	45,000.00	
91282CGR6	US TREASURY 4.625 03/15/26 MATD	03/15/2026	03/15/2026	46,250.00		0.00	0.00	0.00	46,250.00	
36268GAD7	GMFCAR-241-A3	03/16/2026	03/16/2026	229.33		0.00	(0.00)	0.00	229.33	
438123AC5	HONDO-234-A3	03/21/2026	03/21/2026	498.18		0.00	(0.00)	0.00	498.18	
437076CV2	HOME DEPOT 4.950 09/30/26 '26	03/30/2026	03/30/2026	4,702.50		0.00	0.00	0.00	4,702.50	
91282CEE7	US TREASURY 2.375 03/31/29	03/31/2026	03/31/2026	23,750.00		0.00	0.00	0.00	23,750.00	
91282CEF4	US TREASURY 2.500 03/31/27	03/31/2026	03/31/2026	12,500.00		0.00	0.00	0.00	12,500.00	
91282CMU2	US TREASURY 4.000 03/31/30	03/31/2026	03/31/2026	10,000.00		0.00	0.00	0.00	10,000.00	
Total				277,590.28		0.00	(0.01)	0.00	277,590.28	
Principal Paydown										
3137BVZ82	FH-K063-A2	03/01/2026	03/01/2026	0.00		1,327.12	1,327.12	0.00	1,327.12	

Transactions

Vallecitos Water District | Investment Core



March 31, 2026

Cusip	Security	Trade Date	Settlement Date	Coupon Payment	Price	Par Amount	Principal Amount	Accrued Amount	Total Amount	Broker
3137FBU79	FH-K069-A2	03/01/2026	03/01/2026	0.00		2,001.66	2,001.66	0.00	2,001.66	
36268GAD7	GMFCAR-241-A3	03/16/2026	03/16/2026	0.00		4,089.13	4,089.13	0.00	4,089.13	
438123AC5	HONDO-234-A3	03/21/2026	03/21/2026	0.00		8,527.29	8,527.29	0.00	8,527.29	
Total				0.00		15,945.20	15,945.20	0.00	15,945.20	
Interest Income										
31846V567	FIRST AMER:GVT OBLG;Z	03/31/2026	03/31/2026	1,200.98		0.00	48.08	0.00	1,200.98	
Total				1,200.98		0.00	48.08	0.00	1,200.98	

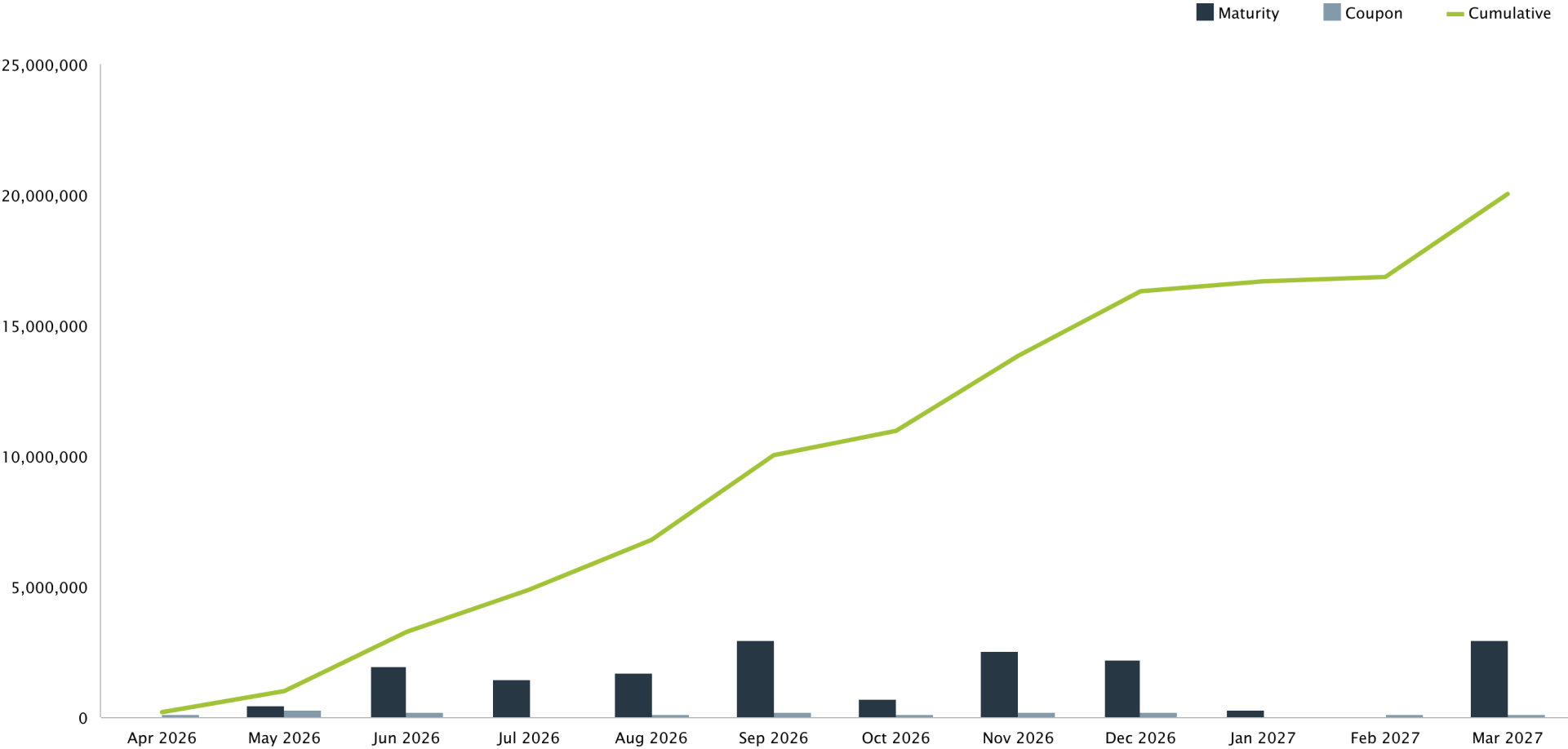
Cash Flow Forecasting

Vallecitos Water District | Investment Core



March 31, 2026

One Year Projection



Shock Analysis

Vallecitos Water District | Investment Core



March 31, 2026

Account	Market Value	Duration	+10 BP FMV Change	+25 BP FMV Change	+50 BP FMV Change	+100 BP FMV Change
VWD-Investment Core	69,192,931.44	2.086	(67,774.45)	(169,436.12)	(338,872.23)	(1,418,485.05)
Total	69,192,931.44	2.086	(67,774.45)	(169,436.12)	(338,872.23)	(1,418,485.05)

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

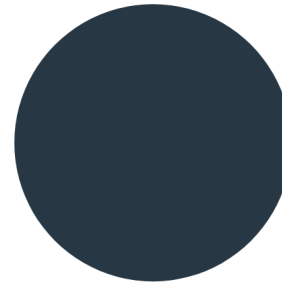
Vallecitos Water District | Liquidity



March 31, 2026

Portfolio Characteristics

Metric	Value
Cash and Cash Equivalents	40,694,165.81
Book Yield	3.81%
Market Yield	3.81%
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	40,694,165.81	40,694,165.81	40,694,165.81	40,694,165.81	0.00	3.81%	0.01	0.08	ICE BofA US 1-Month Treasury Bill Index
Total	40,694,165.81	40,694,165.81	40,694,165.81	40,694,165.81	0.00	3.81%	0.01	0.08	

Return Management-Income Detail

Vallecitos Water District | Liquidity



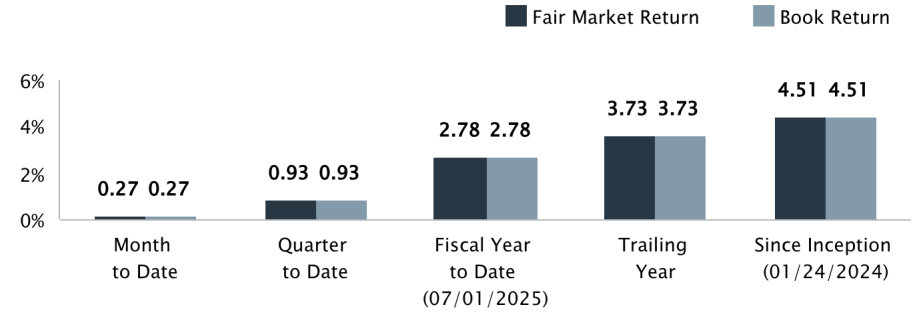
March 31, 2026

Accrued Book Return

	Month to Date	Fiscal Year to Date (07/01/2025)
Interest Earned	110,273.92	1,356,911.99
Book Income	110,273.92	1,356,911.99
Average Portfolio Balance	41,743,900.73	41,397,128.73
Book Return for Period	0.27%	2.78%

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	110,273.92	1,356,911.99
Purchased Accrued Interest	0.00	0.00
Sold Accrued Interest	0.00	0.00
Ending Accrued Interest	0.00	0.00
Interest Earned	110,273.92	1,356,911.99

Notation: Book and Fair Market Returns are not annualized

Holdings by Security Type

Vallecitos Water District | Liquidity



March 31, 2026

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	34,052,852.88	California Asset Management Program	3.800%	03/31/2026		3.80%	3.80%	34,052,852.88	0.00	83.68	0.01
	CAL_LGIP	5,585,312.93	CALIFORNIA LAIF	3.820%	03/31/2026		3.82%	3.82%	5,585,312.93	0.00	13.73	0.01
	SANDIEGO_POOL	1,056,000.00	San Diego County Investment Pool	3.970%	03/31/2026		3.97%	3.97%	1,056,000.00	0.00	2.59	0.01
Total		40,694,165.81					3.81%	3.81%	40,694,165.81	0.00	100.00	0.01
Portfolio Total		40,694,165.81					3.81%	3.81%	40,694,165.81	0.00	100.00	0.01

Transactions

Vallecitos Water District | Liquidity



March 31, 2026

Cusip	Security	Trade Date	Settlement Date	Coupon Payment	Price	Par Amount	Principal Amount	Accrued Amount	Total Amount	Broker
Buy										
SANDIEGO_POOL	SAN DIEGO COUNTY INVESTMENT POOL	03/31/2026	03/31/2026	0.00	1.00	5,000.00	5,000.00	0.00	5,000.00	Direct
Total				0.00		5,000.00	5,000.00	0.00	5,000.00	
Sell										
CAL_CAMP	CALIFORNIA ASSET MANAGEMENT PROGRAM	03/31/2026	03/31/2026	0.00	1.00	1,089,726.08	1,089,726.08	0.00	1,089,726.08	Direct
Total				0.00		1,089,726.08	1,089,726.08	0.00	1,089,726.08	
Interest Income										
CAL_CAMP	CALIFORNIA ASSET MANAGEMENT PROGRAM	03/31/2026	03/31/2026	110,273.92		0.00	110,273.92	0.00	110,273.92	
Total				110,273.92		0.00	110,273.92	0.00	110,273.92	

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 Nine Months Ended March 31, 2026

4/8/2026 12:41

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	Current Year Actual	Prior Year Actual			Current Year Budget		
		Amount	Variance		Amount	Variance	
			\$	%		\$	%
Revenue							
Sewer service charges	\$ 14,656,713	\$ 14,400,550	\$ 256,163	1.8%	\$ 14,622,000	\$ 34,713	0.2%
Reclaimed water sales	2,046,265	2,779,976	(733,711)	-26.4%	2,919,000	(872,735)	-29.9%
Other revenue	1,033,603	113,900	919,703	807.5%	172,000	861,603	500.9%
Total Revenue	<u>17,736,581</u>	<u>17,294,426</u>	442,155	2.6%	<u>17,713,000</u>	23,581	0.1%
Expenses							
Collection & conveyance	2,202,888	2,060,372	142,516	6.9%	2,342,000	(139,112)	-5.9%
Lift stations	110,193	224,178	(113,985)	-50.8%	254,000	(143,807)	-56.6%
Source control	160,997	140,459	20,538	14.6%	201,000	(40,003)	-19.9%
Effluent disposal	4,008,661	3,196,319	812,342	25.4%	3,729,000	279,661	7.5%
Meadowlark	1,491,376	2,153,361	(661,985)	-30.7%	3,155,000	(1,663,624)	-52.7%
Customer accounts	418,235	366,537	51,698	14.1%	462,000	(43,765)	-9.5%
Building & grounds	376,148	336,830	39,318	11.7%	427,000	(50,852)	-11.9%
Equipment & vehicles	169,945	168,083	1,862	1.1%	245,000	(75,055)	-30.6%
Engineering	543,680	567,240	(23,560)	-4.2%	752,000	(208,320)	-27.7%
Safety & compliance	124,332	115,577	8,755	7.6%	177,000	(52,668)	-29.8%
Information technology	822,670	736,942	85,728	11.6%	923,000	(100,330)	-10.9%
General & administrative	1,585,632	1,396,744	188,888	13.5%	1,550,000	35,632	2.3%
Total Expenses	<u>12,014,757</u>	<u>11,462,642</u>	552,115	4.8%	<u>14,217,000</u>	(2,202,243)	-15.5%
Net Operating Income	<u>\$ 5,721,824</u>	<u>\$ 5,831,784</u>	\$ (109,960)	-1.9%	<u>\$ 3,496,000</u>	\$ 2,225,824	63.7%

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 and budget variance because of grant funds received.

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

Effluent disposal has an unfavorable prior year 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.

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.

Equipment & vehicles has a favorable budget variance because of lower labor and materials and supplies costs than anticipated.

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

Variances are considered significant if they exceed \$75000 and 20%.

Vallecitos Water District
Water Revenue and Expense Report
For the Nine Months Ended March 31, 2026

4/6/2026 21:34

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	Current Year Actual	Prior Year Actual			Current Year Budget		
		Amount	Variance		Amount	Variance	
			\$	%		\$	%
Revenue							
Water sales	\$ 26,859,495	\$ 28,246,227	\$ (1,386,732)	-4.9%	\$ 29,370,000	\$(2,510,505)	-8.5%
Ready-to-serve	13,480,612	12,418,660	1,061,952	8.6%	13,531,000	(50,388)	-0.4%
Pumping charges	507,304	556,501	(49,197)	-8.8%	624,000	(116,696)	-18.7%
Late & lock charges	293,793	264,330	29,463	11.1%	198,000	95,793	48.4%
Backflow fees	90,598	87,621	2,977	3.4%	72,000	18,598	25.8%
Other revenue	164,991	(23,253)	188,244	-809.5%	318,800	(153,809)	-48.2%
Total Revenue	41,396,793	41,550,086	(153,293)	-0.4%	44,113,800	(2,717,007)	-6.2%
Expenses							
Water costs	30,688,804	29,209,909	1,478,895	5.1%	32,455,000	(1,766,196)	-5.4%
Pumping costs	896,520	714,710	181,810	25.4%	867,000	29,520	3.4%
Water quality	94,460	77,859	16,601	21.3%	144,000	(49,540)	-34.4%
Water treatment	500,640	470,533	30,107	6.4%	551,000	(50,360)	-9.1%
Tanks & reservoirs	227,013	346,718	(119,705)	-34.5%	436,000	(208,987)	-47.9%
Trans & distribution	1,354,298	1,464,649	(110,351)	-7.5%	1,783,000	(428,702)	-24.0%
Services	78,746	87,694	(8,948)	-10.2%	107,000	(28,254)	-26.4%
Meters	623,235	586,868	36,367	6.2%	666,000	(42,765)	-6.4%
Backflow prevention	55,811	39,034	16,777	43.0%	87,000	(31,189)	-35.8%
Customer accounts	589,532	532,932	56,600	10.6%	687,000	(97,468)	-14.2%
Building & grounds	476,567	459,001	17,566	3.8%	592,000	(115,433)	-19.5%
Equipment & vehicles	164,912	193,971	(29,059)	-15.0%	275,000	(110,088)	-40.0%
Engineering	1,206,764	1,308,445	(101,681)	-7.8%	1,511,000	(304,236)	-20.1%
Safety & compliance	175,353	149,408	25,945	17.4%	259,000	(83,647)	-32.3%
Information technology	1,006,993	888,434	118,559	13.3%	1,108,000	(101,007)	-9.1%
General & administrative	2,645,309	2,730,184	(84,875)	-3.1%	2,858,000	(212,691)	-7.4%
Total Expenses	40,784,957	39,260,349	1,524,608	3.9%	44,386,000	(3,601,043)	-8.1%
Net Operating Income	\$ 611,836	\$ 2,289,737	\$ (1,677,901)	-73.3%	\$ (272,200)	\$ 884,036	-324.8%

Explanation of Significant Variances

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.

Pumping costs has an unfavorable prior variance due increased power costs and an increase in materials and supplies costs.

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

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

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

Engineering has a favorable budget variance due to lower labor costs due to staff turnover and lower materials and supplies and outside repair costs than anticipated.

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

Variances are considered significant if they exceed \$75000 and 20%.



**VALLECITOS WATER DISTRICT
QUARTERLY FINANCIAL REPORT
QUARTER ENDED MARCH 31, 2026**

OVERVIEW

With the third quarter complete, the District’s water fund had a net operating income of \$0.6 million (before depreciation) while the sewer fund had a net operating income of \$5.7 million (before depreciation). The District is cash funding capital projects and is current on all debt service payments.

WATER FUND

Overall, the Water Fund performed better than expected during the third quarter of Fiscal Year 2026.

Revenues: Water sales and pumping charges are low because of lower demand resulting from heavy rains. Ready to Serve (RTS) performed as expected. Other revenue is also low due to lower than expected reimbursement revenue received.

Revenue	Budget	YTD Actual	Percent
Water Sales	\$ 39,540,000	\$ 26,859,495	68%
Ready to Serve	18,040,000	13,480,612	75%
Pumping Charges	840,000	507,304	60%
Other	784,000	549,382	70%
Total	\$ 59,204,000	\$ 41,396,793	70%

Expenses: Water Purchases are lower in response to Water Sales. Operating and supporting expenses are low primarily because of lower than anticipated labor, and timing of materials and supplies, and outside services costs. G&A expenses are lower than expected primarily due to less labor costs.

Expense	Budget	YTD Actual	Percent
Water Purchases	\$ 45,270,000	\$ 30,688,804	68%
Operating	6,204,000	3,830,723	62%
Supporting	5,911,000	3,620,121	61%
General & Admin	3,811,000	2,645,309	69%
Total	\$ 61,196,000	\$ 40,784,957	67%

SEWER FUND

The Sewer Fund continues to be stable as revenues received in this fund stem from monthly fixed charges.

Revenues: Sewer service charges performed as planned. Reclaimed Water Sales are low because of lower demand resulting from the Meadowlark plant being shut down since December 2024. Other revenue is high due to more grant funding received than expected.

Revenue	Budget	YTD Actual	Percent
Sewer Service	\$ 19,500,000	\$ 14,656,713	75%
Reclaimed	3,892,000	2,046,265	53%
Other	244,000	1,033,603	424%
Total	\$ 23,636,000	\$ 17,736,581	75%

SEWER FUND (continued)

Expenses: Treatment expenses were low due to the Meadowlark plant being shut down since December 2024. Operating and supporting expenses are low primarily because of lower labor, materials and supplies, and outside services costs. G&A expenses performed as expected.

Expense	Budget	YTD Actual	Percent
Treatment	\$ 9,179,000	\$ 5,500,037	60%
Operating	3,727,000	2,474,078	66%
Supporting	3,982,000	2,455,010	62%
General & Admin	2,066,000	1,585,632	77%
Total	\$ 18,954,000	\$ 12,014,757	63%

RESERVES AND FUNDS:

The following is a summary of the replacement reserves and capacity funds as of March 31, 2026.

Water:		
Revenues	Replacement	Capacity
FY 25/26 Operating Transfers	\$ 611,836	\$ -
Capital Facility Fees	-	2,132,449
Property tax & Other	3,183,189	164,870
Total Revenue	3,795,025	2,297,319
Distributions		
Capital Projects	4,572,768	12,359
Debt Service	-	838,122
Total Distributions	4,572,768	850,481
Beginning Balance	38,859,878	6,033,252
Ending Balance	38,082,135	7,480,090
Less: Operating Reserves	7,853,900	-
Replacement Reserve Balance	\$ 30,228,235	\$ 7,480,090
Replacement Reserve Floor	\$ 16,741,100	
Replacement Reserve Ceiling	\$ 61,388,400	

Wastewater:		
Revenues	Replacement	Capacity
FY 25/26 Operating Transfers	\$ 5,721,834	\$ -
Capital Facility Fees	-	10,152,705
Property tax & Other	3,057,215	275,275
Total Revenue	8,779,049	10,427,980
Distributions		
Capital Projects	13,171,807	5,297,025
Debt Service	-	1,353,807
Total Distributions	13,171,807	6,650,832
Beginning Balance	61,563,647	10,839,897
Ending Balance	57,170,889	14,617,045
Less: Operating Reserves	9,347,200	-
Replacement Reserve Balance	\$ 47,823,689	\$ 14,617,045
Replacement Reserve Floor	\$ 35,720,500	
Replacement Reserve Ceiling	\$ 102,163,200	

DATE: APRIL 15, 2026
TO: BOARD OF DIRECTORS
SUBJECT: APPROVAL OF TEMPORARY OFF-SITE WATER AGREEMENT FOR SARA SFR, 3676 EL PASO ALTO, VISTA (CHRISTOPHER SARA AND KENDRA DUNCAN)

BACKGROUND:

The 1-acre property (APN 178-210-45) located at 3676 El Paso Alto (Property) lies within the County of San Diego on the southeast corner of El Paso Alto, just north of Hardell Lane. The Property owners, Christopher Sara and Kendra Duncan, are requesting approval of a Temporary Off-Site Water Service Agreement to receive water service from Vallecitos Water District (District).

DISCUSSION:

District policy requires water services to be connected to a public District water main adjacent to the property boundary. Under certain circumstances, detailed in District Ordinance No. 118, VWD may consent to allow a Temporary Off-Site Water Service Agreement, defined as “service to those properties that do not abut, traverse, or are adjacent to existing pipelines, but future pipeline extensions to serve and benefit the property may occur.”

The Property owners are requesting a water service connection to the existing 6-inch asbestos cement pipe (ACP) District main in El Paso Alto. Per District Ordinance No. 118, approval of the Temporary Off-Site Water Service Agreement would allow for the Property’s private water service to cross the neighboring parcel, APN 178-210-46. A private access and utility easement has been dedicated to the Property owners by the neighboring property owner of APN 178-210-46.

FISCAL IMPACT:

There are no operational fiscal impacts associated with District staff’s recommended actions. Water Capital Facility fees will be required to be paid prior to occupancy.

STRATEGIC PLAN / TACTICAL INITIATIVES:

Not applicable.

RECOMMENDATION:

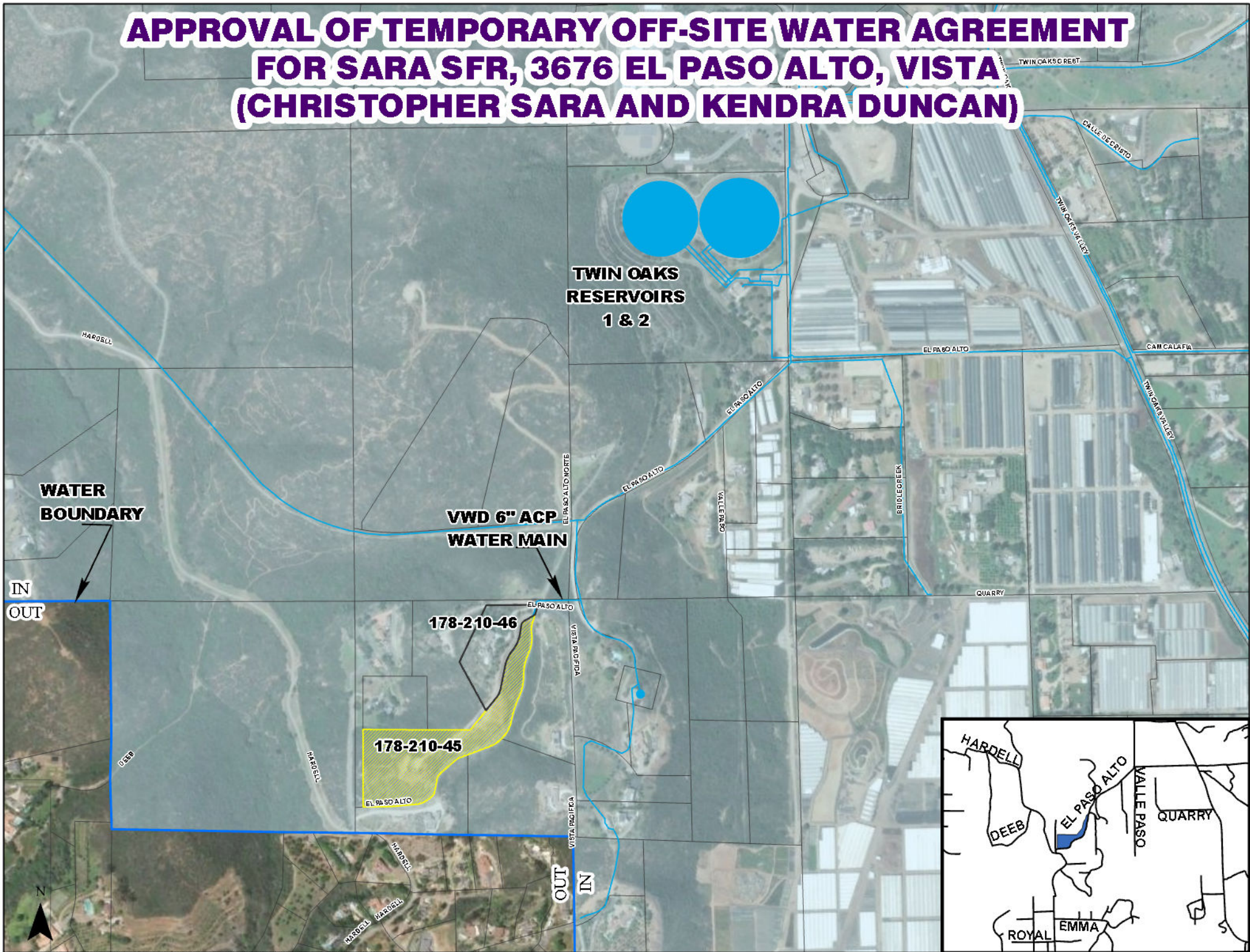
Approve the Temporary Off-Site Water Agreement for APN 178-210-45 with the following conditions:

1. Execution of a Temporary Off-Site Water Agreement which will be recorded against the Property.
2. Payment of \$500 administration fee and County of San Diego recording fees.

ATTACHMENTS:

Map Exhibit – 1 Aerial Map

APPROVAL OF TEMPORARY OFF-SITE WATER AGREEMENT FOR SARA SFR, 3676 EL PASO ALTO, VISTA (CHRISTOPHER SARA AND KENDRA DUNCAN)



DATE: APRIL 15, 2026
TO: BOARD OF DIRECTORS
SUBJECT: WATER SUPPLY UPDATE

BACKGROUND:

The Vallecitos Water District's Board of Directors rescinded the Drought Level 1 – Drought Watch effective June 5, 2024. Updates on water supplies are provided to the Board on a quarterly basis.

DISCUSSION:

The 2026 water year (October 1, 2025, through September 30, 2026) began with strong precipitation; however, conditions have shifted significantly in recent months. A dry January through March, combined with warmer-than-average temperatures, has reduced snowpack and limited ongoing water supply gains.

Drought

As of early April 2026, California remains largely free of widespread drought conditions, though some areas are beginning to show signs of abnormally dry conditions. The rapid shift from very wet conditions earlier in the water year to a drier pattern highlights the volatility of California's climate.

California Precipitation and Snowpack

The April 1 snow survey conducted by the California Department of Water Resources indicates a well below-average snowpack:

- Statewide snowpack is approximately 18% of average
- No measurable snow at Phillips Station
- Snow water content measured at approximately 4–5 inches, compared to an average of about 27 inches
- The March heatwave impacted the snowpack
- Much of the winter precipitation fell as rain rather than snow due to warmer temperatures

The Sierra Nevada snowpack, which typically supplies about 30% of California's annual water needs, is significantly diminished this year. Additionally, early snowmelt has further reduced the amount of water available for runoff into reservoirs during the spring and summer months.

California Storage

Despite the poor snowpack conditions, statewide reservoir storage remains generally near or above historical averages for this time of year due to strong early-season storms and carryover storage from previous wet years. However, below-average snowpack may limit additional inflows to reservoirs through the remainder of the water year, particularly during the critical spring/summer runoff period.

Colorado River

Conditions in the Colorado River Basin remain concerning. Utah currently suffers the worst snowpack since 1930. Snowpack in key headwater regions is below average, continuing a long-term trend of reduced runoff. The Colorado River remains a critical water source for approximately 40 million people and more than 5 million acres of farmland. Major reservoirs continue to reflect ongoing strain:

- Lake Powell is approximately 25% full
- Lake Mead is approximately 33% full

Negotiations over future water management agreements remain ongoing as existing guidelines are set to expire.

Local Conditions

San Diego County experienced a strong start to the water year with above-average rainfall early in the season. However, precipitation has tapered off significantly since January, with below-average rainfall recorded through March as well as high temperatures.

Local conditions include:

- Temperatures are expected to be likely above normal
- Precipitation shows equal chances

While early-season rainfall improved soil moisture and reduced fire risk, the recent dry and warm pattern reflects a return to more typical Southern California conditions.

FISCAL IMPACT:

None with this update.

STRATEGIC PLAN / TACTICAL INITIATIVES:

Strategic Focus Area No.6: Environmental Stewardship.

RECOMMENDATION:

For information only. Staff will return in July 2026 with an additional update on water supplies.

DATE: APRIL 15, 2026
TO: BOARD OF DIRECTORS
SUBJECT: INDEPENDENT AUDIT SERVICES FOR FISCAL YEAR 2025/26 AND FISCAL YEAR 2026/27

BACKGROUND:

On May 17, 2023, the Board of Directors entered into an agreement for audit services with The Pun Group, LLP Accountants & Advisors. The term of the contract was for the three fiscal years of 2022/23, 2023/24 and 2024/25 with the option to extend two additional years 2025/26 and 2026/27.

DISCUSSION:

The District is required to have an annual audit per California Government Code Section 26909. The Government Finance Officers Association (GFOA) best practice recommends:

“Governmental entities should enter into multiyear agreements of at least five years in duration when obtaining the services of independent auditors. Such multiyear agreements can take a variety of different forms (e.g., a series of single-year contracts), consistent with applicable legal requirements. Such agreements allow for greater continuity and help to minimize the potential for disruption in connection with the independent audit. Multiyear agreements can also help to reduce audit costs by allowing auditors to recover certain “startup” costs over several years, rather than over a single year.”

The Pun Group, LLP has performed professionally and reliably and has provided a high quality of work during the last three fiscal years. They also assisted the District in continuing to annually receive the Certificate of Achievement for Excellence in Financial Reporting by the (GFOA).

The total fees for audit services to The Pun Group, LLP over the last three fiscal years have been \$78,818 which was an approximate savings of \$2,800 over the previous auditors of the District. The contract extension states the fixed audit fees for the next two years will increase by a nominal 3% per year for a total of \$56,565 as detailed below.

DESCRIPTION	AUDIT FEE		Total
	FY 25/26	FY 26/27	
Audit of Financial Statements	\$ 27,865	\$ 28,700	\$ 56,565

Staff met with the Finance and Investment Committee (Committee) on March 17, 2026, and based on the information provided above, the Committee supported staff's recommendation to the Board of Directors to consider approving a contract extension with The Pun Group Accountants & Advisors to provide audit services over the next two fiscal years.

FISCAL IMPACT:

The Fiscal Impact will be \$56,565 over two years. Staff budgets for audit fees in each year's operating budget.

STRATEGIC PLAN / TACTICAL INITIATIVES:

Fiscal Responsibility.

RECOMMENDATION:

Staff and the Finance and Investment Committee recommend executing the two 1-year options with The Pun Group Accountants & Advisors to the full Board of Directors and request the Board authorize the General Manager to enter into a two-year agreement to extend the contract with The Pun Group Accountants & Advisors for audit services.