

MINUTES OF THE REGULAR AND SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF
VISTA IRRIGATION DISTRICT

November 1, 2023

A Regular and Special Meeting of the Board of Directors of Vista Irrigation District was held on Wednesday, November 1, 2023 at the offices of the District, 1391 Engineer Street, Vista, California.

1. CALL TO ORDER

President MacKenzie called the meeting to order at 9:02 a.m.

2. ROLL CALL

Directors present: Miller, Vásquez, Kuchinsky, Sanchez, and MacKenzie.

Directors absent: None.

Staff present: Brett Hodgkiss, General Manager; Lisa Soto, Secretary of the Board; Lesley Dobalian, Director of Water Resources; Randy Whitmann, Director of Engineering; Frank Wolinski, Director of Operations and Field Services; Shallako Goodrick, Director of Administration; and Ranae Ogilvie, Administrative Assistant. Don Smith, Director of Water Resources Engineering was present via teleconference. General Counsel Elizabeth Mitchell of Burke, Williams & Sorensen was also present.

Other attendees: LaVonne Peck and Stephanie Zehren of the San Luis Rey Indian Water Authority were present via teleconference.

Present in the Boardroom for agenda Item 5, "Oral Communications" were Steve and Nouria Harvey, Jackie Malloy and Charles Piccirillo, all residents living in the vicinity of Cabrillo Circle, Vista. Also present in the Boardroom for agenda Item 16, "Closed Session for Conference with Real Property Negotiators" were Jim Simmons and the negotiating parties for Nutmeg 134 LLC.

3. PLEDGE OF ALLEGIANCE

Director Kuchinsky led the Pledge of Allegiance.

4. APPROVAL OF AGENDA

President MacKenzie suggested that agenda Item 16 be moved up in the agenda to follow agenda Item 7 in order to accommodate those present to comment on the matter.

23-11-115	<i>Upon motion by Director Miller, seconded by Director Kuchinsky and unanimously carried (5 ayes: Miller, Vásquez, Kuchinsky, Sanchez, and MacKenzie), the Board of Directors approved the agenda as reordered with Item 16 to immediately follow Item 7.</i>
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5. ORAL COMMUNICATIONS

Mr. Charles Piccirillo addressed the Board regarding damage to his property caused by flooding associated with the water main break on Cabrillo Circle. He stated that the District's insurance provider has already addressed his claim, but he would like the District to pay for drainage improvements that could

prevent future flooding. Mr. Piccirillo stated that he is seeking an additional \$3,300 for the extension of drainage areas in his backyard.

Mr. Steve Harvey said that he lives down slope of the District's reservoir on Cabrillo Circle, and his yard was also affected by the water main break. He noted that he and his wife, Nouria Harvey, have already received a payment for damages from the District's insurance provider; in order to prevent future flooding, he and his wife would like to install drainage improvements in their yard that would connect with Mr. Piccirillo's drainage system at a cost of \$2,500. Mrs. Harvey provided additional clarification about their request.

Ms. Jackie Malloy said she lives in a house directly below the reservoir on Cabrillo Circle. She stated that she has experienced two floods in the 14 years that she has lived at this address. She said that dealing with the damage due to the recent flood caused by the water main break has been stressful, and she asked that the District assess the infrastructure around the reservoir and replace any aging pipes to help prevent future flooding.

Following the above statements, the speakers all left the Boardroom.

6. CONSENT CALENDAR

It was noted that the recommended purchase of two dump trucks in Consent Calendar Item 6.B would be at a cost in excess of the amount budgeted; General Manager Brett Hodgkiss stated that the difference would be paid for out of the District's capital reserves. Director of Operations and Field Services Frank Wolinski provided additional clarification regarding the purchase of the two dump trucks, noting that the electric vehicle equivalents are significantly higher in cost.

23-11-116 *Upon motion by Director Kuchinsky, seconded by Director Miller and unanimously carried (5 ayes: Miller, Vásquez, Kuchinsky, Sanchez, and MacKenzie), the Board of Directors pulled Item 6.B of the Consent Calendar to the regular agenda for additional discussion.*

With regard to Item 6.A of the Consent Calendar, Director Vásquez requested a change going forward to the graph provided in the Cash Flow Projection to add a line for the previous quarter's Projected Cash Balance in a different color for comparison. Mr. Hodgkiss responded affirmatively.

23-11-117 *Upon motion by Director Sanchez, seconded by Director Miller and unanimously carried (5 ayes: Miller, Vásquez, Kuchinsky, Sanchez, and MacKenzie), the Board of Directors approved Items A, C, D, and E of the Consent Calendar, including Resolution No. 2023-42 approving disbursements.*

A. Treasurer's Report as of September 30, 2023

See staff report attached hereto. The Board noted and filed the Treasurer's Report as of September 30, 2023, an informational report concerning the investments of the District.

C. Minutes of the Public Affairs Committee meeting October 5, 2023

See staff report attached hereto. The Board noted and filed the Minutes of the Public Affairs Committee meeting October 5, 2023, which were provided for informational purposes.

D. Minutes of Board of Directors meeting on October 17, 2023

The minutes of October 17, 2023 were approved as presented.

E. Resolution ratifying check disbursements

RESOLUTION NO. 2023-42

BE IT RESOLVED, that the Board of Directors of Vista Irrigation District does hereby approve checks numbered 73269 through 73367 drawn on US Bank totaling \$1,065,441.21.

FURTHER RESOLVED that the Board of Directors does hereby authorize the execution of the checks by the appropriate officers of the District.

PASSED AND ADOPTED unanimously by a roll call vote of the Board of Directors of Vista Irrigation District this 1st day of November 2023.

B. Dump trucks

See staff report attached hereto.

The Board discussed the cost of the two dump trucks and noted that the disposition of the trucks being replaced will offset a portion of each truck’s cost. The Board discussed future emissions standards, electric vehicles, and the District’s plans to meet upcoming standards by the required deadlines. The Board also discussed the different avenues for purchasing vehicles, including via cooperative purchasing agreements such as those offered by the State of California and Sourcewell.

President MacKenzie suggested that staff continue to communicate with the Board, the California Special Districts Association (CSDA), the Association of California Water Agencies (ACWA) and legislators about the mandate to purchase zero emissions vehicles and the financial impact it will have on the District and its ratepayers.

23-11-118 *Upon motion by Director Sanchez, seconded by Director Kuchinsky and unanimously carried (5 ayes: Miller, Vásquez, Kuchinsky, Sanchez, and MacKenzie), the Board of Directors authorized the purchase of a 2025 Kenworth Class 6 (T280) and a 2025 Kenworth Class 8 (T880) dump truck from Inland Kenworth (US) Inc. in the amount of \$443,823.78.*

7. DIVISION REPORTS

See staff report attached hereto.

Mr. Hodgkiss stated that the District applied for and received a Risk Control Grant from ACWA Joint Powers Insurance Authority (JPIA) for a solar system with battery storage project at two District flow-control facilities about a year ago. He showed a video made by District System Controls Technician I Stephen Huynh describing the project that will be sent to ACWA JPIA. The Board viewed the video and commended Mr. Huynh on a job well done.

Director of Engineering Randy Whitmann updated the Board regarding the preparation of bid documents for the Deodar Reservoir Rehabilitation, stating that the Request for Proposals (RFP) will be issued in mid-November; after reviewing bids in December, the matter will be presented for consideration by the Board in January 2024.

Director Kuchinsky commended staff for its outreach efforts at the Alta Vista Botanical Gardens Fall Fun Fest event on October 14, 2023. He also thanked staff for hosting the upcoming WaterSmart Landscape Makeover Workshop on November 4, 2023.

23-11-119 *Upon motion by Director Kuchinsky, seconded by Director Sanchez and unanimously carried (5 ayes: Miller, Vásquez, Kuchinsky, Sanchez, and MacKenzie), the Board of Directors accepted the Division Reports for October / November 2023.*

16. CLOSED SESSION FOR CONFERENCE WITH REAL PROPERTY NEGOTIATORS

President MacKenzie announced the closed session for a conference with real property negotiators pursuant to Government Code section 54956.8, regarding the following:

- Real Property Negotiations: 224-260-23, 46
- Property: 50-foot wide Vista Flume easement south of Nutmeg Street
- VID Negotiators: Brett Hodgkiss, General Manager and
Randy Whitmann, Director of Engineering
- Negotiating Parties: Nutmeg 134 LLC
- Under Negotiation: Price and terms

President MacKenzie said that she has known Mr. Jim Simmons for about 30 years and that she met with him on Monday, October 30, 2023 regarding the property. President MacKenzie stated that her relationship with Mr. Simmons would not affect her ability to be fair and impartial in the matter.

Mr. Simmons stated that he is a consultant representing the Nutmeg 134 LLC, a small developer made up of two families. He noted that developing the property requires the purchase of a District easement which is no longer used and protection of a section of Vista Flume during construction and into the future.

Mr. Simmons reviewed the appraisal process and negotiations with District staff, stating that there is an agreed upon price for the easement and that he hopes the Board will accept the offer. He reviewed the terms of the bond that has also been agreed upon to protect the Vista Flume and the additional non-refundable cash deposit to be made to the District. Mr. Simmons also talked about the concept of developing a Community Facilities District (CFD). He requested that the Board accept the offer made by Nutmeg 134 LLC to purchase the easement right and accept the request for District participation in the CFD.

At this time, Mr. Simmons and the Nutmeg 134 LLC parties left the meeting. President MacKenzie adjourned the meeting to closed session at 9:57 a.m. for a conference with real property negotiators pursuant to Government Code section 54956.8.

The meeting reconvened in open session at 10:19 a.m. and General Counsel Mitchell declared that direction was given to staff and no reportable action was taken.

A brief break was taken from 10:20 a.m. to 10:26 a.m.

8. MUNICIPAL FINANCIAL ADVISOR SERVICES

See staff report attached hereto.

Director of Administration Shallako Goodrick provided an overview of the RFP for municipal financial advisor services process, stating that the RFP was sent to seven firms and posted on CSDA’s RFP Clearinghouse webpage. She noted that the District received six proposals, five of which were deemed responsive. Ms. Goodrick said that following the evaluation and ranking process, the top three firms were

invited to make presentations and be interviewed. Ms. Goodrick stated that NHA Advisors (NHA) was selected by staff as the best fit for the District's needs.

Mr. Goodrick reviewed the tasks to be performed by NHA. Mr. Hodgkiss said that it was communicated to NHA that an emphasis will be placed on Board and staff education throughout the process. He said it has also been communicated to NHA that they will be coordinating their work with several other consultants (tasked grant research and writing, public relations and a water rate study) as the District assesses its financing/funding options.

The Board commented and discussed the matter and received clarification as needed.

23-11-120 *Upon motion by Director Sanchez, seconded by Director Vásquez, and unanimously carried (5 ayes: Miller, Vásquez, Kuchinsky, Sanchez, and MacKenzie), the Board of Directors authorized the General Manager to enter into an agreement with NHA Advisors to provide municipal financial advisor services in an amount not to exceed \$100,000.*

9. HONORARY NAMING OF A DISTRICT PROGRAM NOMINATION

See staff report attached hereto.

The Board discussed the nomination made by the District's Public Affairs Committee to name the 2024 Scholarship Contest after the District's first Board President, George S. Henry. President MacKenzie suggested that additional biographical information be researched and added to the scholarship application if it is to bear Mr. Henry's name. Mr. Hodgkiss said staff can research additional information and include it in the scholarship brochure.

23-11-121 *Upon motion by Director Miller, seconded by Director MacKenzie, and unanimously carried (5 ayes: Miller, Vásquez, Kuchinsky, Sanchez, and MacKenzie), the Board of Directors directed the General Manager to place on the November 15, 2023 Board agenda an item to consider approving the nomination of George S. Henry as the name for the 2024 Scholarship Contest.*

10. MATTERS PERTAINING TO THE ACTIVITIES OF THE SAN DIEGO COUNTY WATER AUTHORITY

See staff report attached hereto.

Director Miller reported on the business conducted at the October 26, 2023 meeting of the San Diego County Water Authority (Water Authority) Board of Directors. He noted that there was a long discussion regarding the performance of General Counsel and a salary adjustment. Director Miller reported on the Metropolitan Water District (MWD) Hoover Dam tour that he hosted, which was attended by Director Sanchez; he said it was a good, informative trip.

11. MEETINGS AND EVENTS

See staff report attached hereto.

Director Sanchez reported on his attendance on the recent MWD Hoover Dam tour. He reviewed infrastructure he saw on the tour, stating that he was impressed with how the engineering from the 1930s and 1940s has held up in present day.

Director Vásquez reported on his attendance at the County of San Diego Office of Sustainability and Environmental Justice, Closing Assembly for the Regional Water Equity Report. He said the purpose of the report was a regional assessment of the drought impacts and water-use best practices. Director Vásquez shared some of the findings in the report; he noted that a public comment period will take place in December 2023, and the final report will be issued in March 2024.

Director Kuchinsky reported on his attendance at the CSDA Leadership Academy. He said he learned a lot, and he will be bringing forward different takeaways from the training at future Board meetings. He noted that staff from other agencies were in attendance at the Leadership Academy and encouraged District staff to consider attending in the future.

The Board members all reported on the recent Sexual Harassment Training on October 30, 2023.

Director Kuchinsky expressed interest in attending a future MWD Hoover Dam tour and requested that the Board Secretary let him know when the next tour is offered.

Director MacKenzie reported on her attendance at the CSDA Legislative Committee planning session where the discussion centered on the upcoming November 15, 2023 Congressional Hearing concerning the definition of special districts. She also reported on potential legislation requiring special districts to use a “.gov” or “.ca.gov” extension in their internet domain names and email addresses.

Directors Kuchinsky and Sanchez and President MacKenzie requested to attend the City of Vista, State of the Community Luncheon in Vista on January 22, 2024. Director Vásquez requested to attend the San Diego Chapter, CSDA Quarterly meeting on November 16, 2023 in Kearny Mesa, adding that he will make a final decision regarding his attendance after he is able to review the agenda for the meeting. Director Vásquez requested authorization after the fact for his attendance at the Closing Assembly for the Regional Water Equity Report.

23-11-122 *Upon motion by Director Kuchinsky, seconded by Director Sanchez and unanimously carried (5 ayes: Miller, Vásquez, Kuchinsky, Sanchez, and MacKenzie), the Board of Directors authorized Directors Kuchinsky, Sanchez, and MacKenzie to attend the State of the Community Luncheon in Vista on January 22, 2024; Director Vásquez to attend the San Diego Chapter, CSDA Quarterly meeting on November 16, 2023 in Kearny Mesa; and authorized Director Vásquez’s attendance after the fact at the Closing Assembly for the Regional Water Equity Report.*

12. ITEMS FOR FUTURE AGENDAS AND/OR PRESS RELEASES

See staff report attached hereto.

Director Kuchinsky requested a future agenda item regarding forgiveness of large water bills resulting from private leaks.

Director Kuchinsky said he would like to have a future agenda item regarding the development of a District communications and engagement plan; he would like the item to include a discussion regarding the use of social media. President MacKenzie queried whether the Board was desirous of having such an agenda item prepared by staff for discussion by the Board; hearing no objection, Mr. Hodgkiss stated that this agenda item would be prepared for a future Board of Directors meeting in 2024.

13. COMMENTS BY DIRECTORS

In response to a query by Director Miller, Mr. Wolinski updated the Board regarding backflow requirements for apartments and multi-family dwellings, including duplexes. He stated that District policy requires backflow prevention device be installed on each meter serving a property.

Director Sanchez complimented the arrangement of framed resolutions and proclamations on the wall in the Board room.

Director Kuchinsky said that the North County Climate Alliance (NCCCA) suggested that the District add a dashboard to its own website.

14. COMMENTS BY GENERAL COUNSEL

Ms. Mitchell informed the Board about new updates to the Ralph M. Brown Act.

15. COMMENTS BY GENERAL MANAGER

Mr. Hodgkiss pointed out a memorandum that was provided to the Board at the dais regarding the pass through of wholesale water rates and charges (attached hereto as Exhibit A). He stated that a typical residential customer's water bill (3/4" meter and 24 units/bi-monthly billing) will increase by about 4.6% as a result of the pass-through increases.

17. CLOSED SESSION: CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

President MacKenzie adjourned the meeting to closed session at 12:11 p.m. for a conference with Legal Counsel to discuss existing litigation pursuant to Government Code Section 54956.9(d)(1).

Number of cases: 2

Case Name: In re Aqueous Film-Forming Foam (AFFF) Product Liability Litigation (MDL 2873)
Multidistrict Litigation Case No. 2:18-mn-2873-RMG

Case Name: City of Camden, et al., v. 3M Company, et al.
U.S. District Court, D. South Carolina Case No. 2:23-cv-03147-RMG

At 12:10 p.m., the meeting reconvened in open session and President MacKenzie declared direction had been given to staff; no reportable action had been taken.

18. CLOSED SESSION WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

President MacKenzie adjourned the meeting to closed session at 12:10 p.m. for a conference with Legal Counsel to discuss anticipated litigation pursuant to Government Code Section 54956.9(d)(2):

Number of cases: 1

At 12:28 p.m., the meeting reconvened in open session and General Counsel Mitchell declared that no reportable action had been taken.

19. NOVEMBER 15, 2023 BOARD OF DIRECTORS MEETING

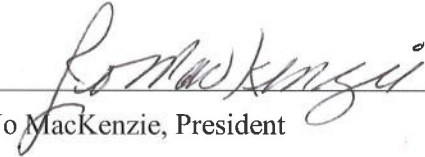
The Board discussed this matter briefly and took the following action to accommodate Director Miller's scheduling conflict on November 15, 2023.

23-11-123	<i>Upon motion by Director Miller, seconded by Director Kuchinsky, and unanimously carried (5 ayes: Miller, Vásquez, Kuchinsky, Sanchez, and MacKenzie), the Board of Directors changed the start time of the November 15, 2023 Board meeting to 8:00 a.m.</i>
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20. ADJOURNMENT

Director Kuchinsky commented that it was nice to meet the newly hired Finance Supervisor Branden O'Donnell before the start of the Board meeting, and the Board agreed. It was noted that the pandemic prevented face-to-face meetings between the Board and new District employees in recent years, and the Board was happy to resume the practice.

There being no further business to come before the Board, at 12:34 p.m. President MacKenzie adjourned the meeting to November 15, 2023 at 8:00 a.m.


Jo MacKenzie, President

ATTEST:



Lisa R. Soto, Secretary
Board of Directors
VISTA IRRIGATION DISTRICT



STAFF REPORT

Agenda Item: 6.A

Board Meeting Date:	November 1, 2023
Prepared By:	Susan Montgomery
Reviewed By:	Shallako Goodrick
Approved By:	Brett Hodgkiss

SUBJECT: TREASURER’S REPORT AS OF SEPTEMBER 30, 2023

RECOMMENDATION: Informational report concerning the investments of the District.

SUMMARY: Attached for review by the Board of Directors is the Treasurer’s Report as of September 30, 2023. The report is formatted to provide information as required by the California Government Code and the Vista Irrigation District Investment Policy. The Treasurer’s Report contains both an investment summary and a detailed security listing. Also attached is a five-year cash flow forecast, which indicates the District’s investments are sufficiently liquid to meet anticipated cash flow needs.

DETAILED REPORT: Activity for the quarter included deposits and withdrawals from the District’s cash and cash equivalent accounts: checking, California Asset Management Program (CAMP), and Local Agency Investment Fund (LAIF). During the quarter, \$4.5 million of Treasury bills matured and \$2.55 million of new Treasury bills were purchased.

As of September 30, 2023, the net unrealized gain on the portfolio was as follows:

	<u>Unrealized Gain (Loss)</u>
Treasury Bills	\$ 269,296
LAIF	<u>(90,435)</u>
Net Unrealized Gain	<u>\$ 178,861</u>

All investment transactions have been made in accordance with the District’s Investment Policy.

The following is a five-year summary of the District’s investment portfolio:

	<u>9/30/19</u>	<u>9/30/20</u>	<u>9/30/21</u>	<u>9/30/22</u>	<u>9/30/23</u>
Total Portfolio	\$44,243,160	\$48,989,055	\$51,511,211	\$51,108,671	\$30,424,524
Unrealized Gain (Loss)	\$311,151	\$215,390	\$10,276	\$(314,858)	\$178,861
Weighted Average Maturity	79 Days	71 Days	67 Days	67 Days	64 Days
Portfolio Interest Rate	2.23%	0.60%	0.11%	1.97%	4.65%

ATTACHMENTS:

- Treasurer’s Report
- Securities Detail
- Cash Flow Projection

Vista Irrigation District
TREASURER'S REPORT
September 30, 2023

<u>Category</u>	<u>Maturity Value</u>	<u>Percentage Permitted by Board Policy</u>	<u>Actual Percentage</u>	<u>Weighted Average Maturity (in Days)</u>	<u>Current Interest Rate</u>
Cash and Cash Equivalents					
Checking/Petty Cash	\$ 1,085,533	n/a	3.6%	0	0.00%
California Asset Management Program	11,084,196	40%	36.4%	1	5.55%
Local Agency Investment Fund	6,604,795	40%	21.7%	1	3.48%
	<u>18,774,524</u>		<u>61.7%</u>	<u>1</u>	<u>4.50%</u>
Securities					
U.S. Treasury	11,650,000	100%	38.3%	167	4.89%
Total Portfolio	<u><u>\$ 30,424,524</u></u>		<u><u>100.0%</u></u>	<u><u>64</u></u>	<u><u>4.65%</u></u>

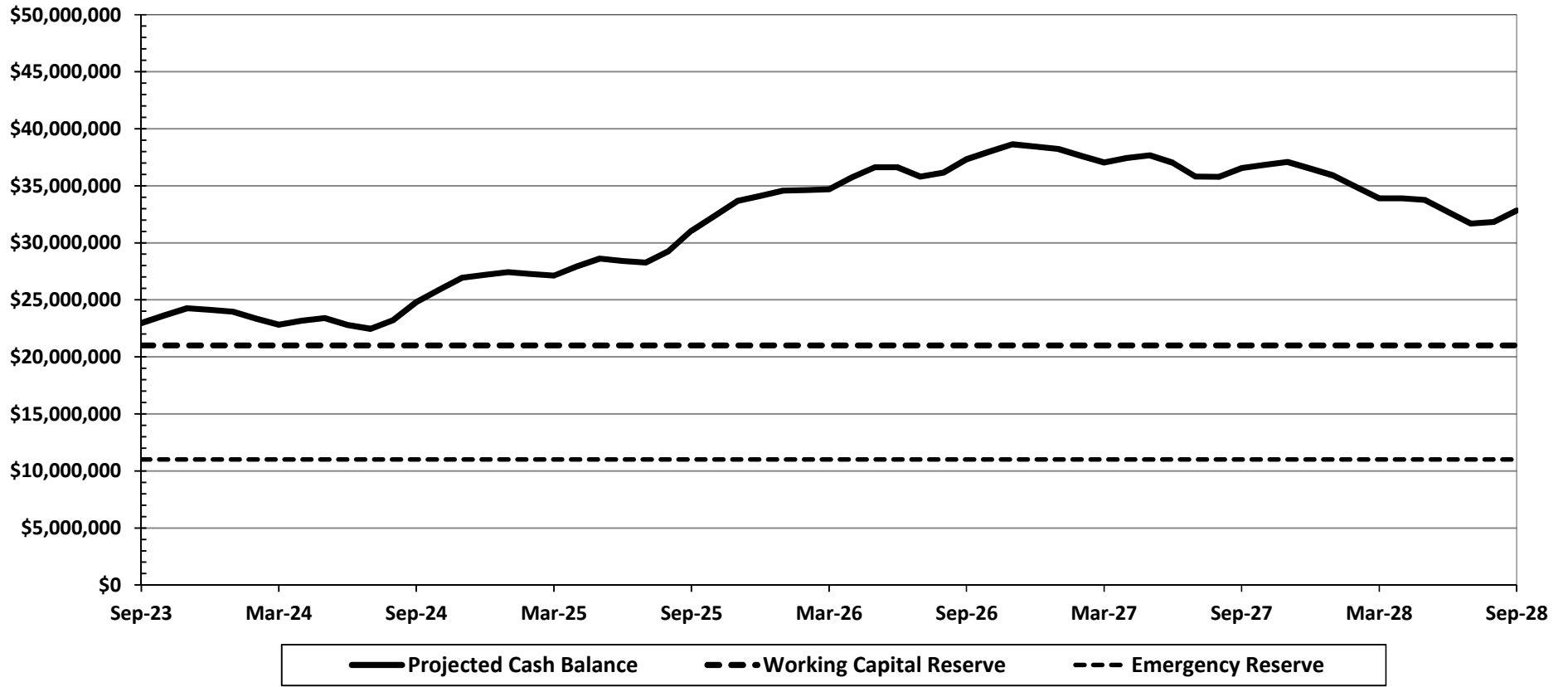
Notes:

- ◆ This report excludes accrued interest and employee flexible spending accounts.
- ◆ California Asset Management Program (CAMP) is a California Joint Powers Authority (JPA) established to provide California public agencies with professional investment services. The CAMP pool is a permitted investment for all local agencies under California Government Code Section 53601(p). The market valuation is provided by PFM Asset Management LLC.
- ◆ Local Agency Investment Fund (LAIF) is a pool of funds invested for California governmental agencies and is managed by the State Treasurer's Office of the State of California. The market valuation is provided by the State Treasurer's Office.
- ◆ The above portfolio is in full compliance with the District's Investment Policy.
- ◆ The District's investment portfolio is adequate to meet the District's cash flow requirements for the next six months.

Vista Irrigation District
SECURITIES DETAIL
September 30, 2023

Issuer	Investment Type	Interest Rate	Maturity Date	Days to Maturity	Maturity Value	Cost	Market Value	Unrealized Gain
U.S. Treasury	Treasury Bill	4.134%	10/05/23	5	\$ 1,000,000	\$ 960,011	\$ 999,284	\$ 39,273
U.S. Treasury	Treasury Bill	4.730%	11/02/23	33	1,000,000	954,449	995,230	40,781
U.S. Treasury	Treasury Bill	4.784%	11/30/23	61	1,000,000	953,944	991,118	37,174
U.S. Treasury	Treasury Bill	4.741%	12/28/23	89	1,000,000	954,348	987,064	32,716
U.S. Treasury	Treasury Bill	4.692%	01/25/24	117	850,000	811,583	835,565	23,982
U.S. Treasury	Treasury Bill	5.046%	02/22/24	145	850,000	808,790	832,121	23,331
U.S. Treasury	Treasury Bill	4.617%	03/21/24	173	850,000	812,270	828,607	16,337
U.S. Treasury	Treasury Bill	4.770%	04/18/24	201	850,000	811,067	825,496	14,429
U.S. Treasury	Treasury Bill	4.896%	05/16/24	229	850,000	810,079	822,067	11,988
U.S. Treasury	Treasury Bill	5.208%	06/13/24	257	850,000	807,629	818,758	11,129
U.S. Treasury	Treasury Bill	5.428%	07/11/24	285	850,000	805,911	815,501	9,590
U.S. Treasury	Treasury Bill	5.351%	08/08/24	313	850,000	806,512	812,170	5,658
U.S. Treasury	Treasury Bill	5.417%	09/05/24	341	850,000	805,997	808,905	2,908
		<u>4.893%</u>		<u>167</u>	<u>\$ 11,650,000</u>	<u>\$ 11,102,590</u>	<u>\$ 11,371,886</u>	<u>\$ 269,296</u>

**Vista Irrigation District
CASH FLOW PROJECTION
through September 2028**



Emergency Reserve	\$11 million
Working Capital Reserve	\$10 million
Total Reserves	\$21 million



STAFF REPORT

Agenda Item: 6.B

Board Meeting Date: November 1, 2023
Prepared By: Frank Wolinski
Approved By: Brett Hodgkiss

SUBJECT: DUMP TRUCKS

RECOMMENDATION: Authorize the purchase of a 2025 Kenworth Class 6 (T280) and a 2025 Kenworth Class 8 (T880) dump truck from Inland Kenworth (US) Inc. in the amount of \$443,823.78.

PRIOR BOARD ACTION: \$365,000 was included in the Fiscal Year 2023 budget for the purchase of two dump trucks (Kenworth T280 – \$150,000; Kenworth T880 – \$210,000).

FISCAL IMPACT: \$443,823.78 (Kenworth T280 – \$184,414.09; Kenworth T880 – \$259,409.69)

SUMMARY: The District needs to replace a 1990 Chevrolet K50 and a 1999 Sterling (10-wheel) dump truck. Staff recommends replacing the Chevrolet dump truck with a Kenworth T280 and the Sterling dump truck with a Kenworth T880, each of equal size and hauling capability. District staff proposes to utilize Sourcewell's cooperative purchasing program to procure the dump trucks.

DETAILED REPORT: The Chevrolet K50 dump truck was purchased in May 1990 for \$28,793 and has logged approximately 39,000 miles. The dump truck has been used at Lake Henshaw since the late 1990s; due to its age, it has numerous oil leaks and repair parts are no longer available. If the purchase of the Kenworth T280 is approved, a 2012 International dump truck that is currently used by the Field Services Department will replace the Chevrolet K50 at Lake Henshaw, and the new Kenworth T280 will be used for construction/maintenance activities in town.

The Sterling dump truck was purchased in April 2000 for \$83,362 and has over 74,000 miles. In 2012, the dump truck was equipped with a diesel particulate filter in order to meet emissions compliance. Over the last few years, the dump truck has been experiencing mechanical issues and the longevity of the diesel particulate filter is uncertain.

Kenworth was selected over other manufacturers to replace both dump trucks due to their proven reliability, ease of maintenance and customer support the District has experienced from previous Kenworth purchases as well as feedback from staff. The proposed 2025 Kenworth T280 will be ordered with a 5-7 yard dump bed, 8.9-liter diesel engine, Allison transmission and a 7-year/200,000 mile warranty. The proposed 2025 Kenworth T880 will be ordered with an 8-9 yard dump bed, 12.9-liter diesel engine, Allison transmission and a 5-year/100,000 mile warranty.

Staff obtained pricing for the dump trucks through Sourcewell's cooperative purchasing program. The purchasing program assists with vendor sourcing and allows the District to purchase vehicles at a lower cost than can be obtained through traditional procurement procedures; the 2025 Kenworth T280 dump truck provisioned through Sourcewell is 14% less than Kenworth's list price (savings of \$20,179.74) and the T880 is 34.5% less than list price (savings of \$97,427.66). As Inland Kenworth (US) Inc. is the contracted Kenworth dealer for Sourcewell's cooperative purchasing program for the San Diego region, staff recommends that the dump trucks be purchased from Inland Kenworth (US) Inc. in accordance with the District's purchasing policy and procedures.

Cash Disbursement Report



Payment Dates 10/5/2023 - 10/18/2023

Payment Number	Payment Date	Vendor	Description	Amount
73269	10/11/2023	Refund Check 73269	Customer Refund	2,549.24
73270 - 73272	10/11/2023	Refund Checks 73270 - 73272	Customer Refunds	1,467.31
73273	10/11/2023	ACWA/JPIA	Medical & Dental Insurance 11/2023 - Cobra	33.72
	10/11/2023		Medical & Dental Insurance 11/2023 - Cobra	69.09
	10/11/2023		Medical & Dental Insurance 11/2023 - Cobra	69.09
	10/11/2023		Medical & Dental Insurance 11/2023 - Cobra	69.09
	10/11/2023		Medical & Dental Insurance 11/2023 - Cobra	33.72
	10/11/2023		Medical & Dental Insurance 11/2023 - Cobra	69.09
	10/11/2023		Medical & Dental Insurance 11/2023 - Cobra	69.09
	10/11/2023		Medical & Dental Insurance 11/2023 - Cobra	69.09
	10/11/2023		Medical & Dental Insurance 11/2023 - Employees	178,454.47
	10/11/2023		Medical & Dental Insurance 11/2023 - Retirees	40,929.75
	10/11/2023		Medical & Dental Insurance 11/2023 - P Kuchinsky	1,537.77
	10/11/2023		Medical & Dental Insurance 11/2023 - J MacKenzie	1,537.77
	10/11/2023		Medical & Dental Insurance 11/2023 - M Miller	1,537.77
	10/11/2023		Medical & Dental Insurance 11/2023 - R Vasquez	2,021.67
	10/11/2023		Medical & Dental Insurance 11/2023 - P Sanchez	1,537.77
73274	10/11/2023	ACWA/JPIA	Dam Failure Insurance 10/2023 - 09/2024	48,360.00
73275	10/11/2023	Amazon Capital Services	Electrical Code Books	625.08
	10/11/2023		Head Lamps - Truck 17	86.59
	10/11/2023		Cell Phone Case	37.78
	10/11/2023		Paper Bags for Organic Trash Disposal (300)	126.63
	10/11/2023		Batteries for Dewalt Tools	162.38
	10/11/2023		Office Supplies	137.94
	10/11/2023		Office Supplies - Copy Paper	1,038.60
	10/11/2023		Lumbar Support	32.46
	10/11/2023		Office Supplies	362.76
	10/11/2023		Volvo Excavator Key	18.26
	10/11/2023		Warehouse Supplies	359.59
	10/11/2023		Oil for Valve Turning Equipment	84.88
73276	10/11/2023	Aqua-Metric Sales Company	Register Unit for 2" Meter	738.93
73277	10/11/2023	Asbury Environmental Services	Used Oil Disposal	100.00
	10/11/2023		Waste Antifreeze Disposal	5.00

Payment Number	Payment Date	Vendor	Description	Amount
73278	10/11/2023	Boot World Inc	Footwear Program (1)	180.00
73279	10/11/2023	Burke, Williams & Sorensen, LLP	Legal 09/2023	2,600.00
	10/11/2023		Legal 09/2023	609.00
73280	10/11/2023	Cecilia's Safety Service Inc	Traffic Control - Camino Loma Verde	5,367.50
73281	10/11/2023	Citi Cards	Kitchen & Restroom Supplies	1,027.75
	10/11/2023		Refreshments - 100 Yr Celebration	110.95
73282	10/11/2023	Coastal Chlorination & Backflow	Chlorination of Main - Olive Ave	480.00
73283	10/11/2023	Rancho Coastal	Tree Removal (10) - MD Bench	5,125.00
73284	10/11/2023	Complete Office of California, Inc	Office Supplies	112.30
	10/11/2023		Office Supplies	107.12
73285	10/11/2023	Core & Main	EII 10" DI PO 45 Degree (2)	766.26
73286	10/11/2023	Cosco Fire Protection, Inc	Annual WCRH Fire Sprinkler Inspection	795.00
73287	10/11/2023	Craneworks Southwest Inc	Crane Base O-Ring	127.28
	10/11/2023		Hydraulic Hose - B10	113.44
73288	10/11/2023	Don Smith	ENR Regional Best Project Luncheon Event	175.00
73289	10/11/2023	Employee Relations, Inc	Background Checks	194.19
73290	10/11/2023	Ferguson Waterworks	Check Valve Spacer (1)	124.49
73291	10/11/2023	Habitat Restoration Sciences, Inc	Weed Abatement - Twin Oaks Bench	2,190.00
73292	10/11/2023	Hawthorne Machinery Co	Water Tank Kit - B10	2,574.03
	10/11/2023		Parts Manual for B10	385.10
	10/11/2023		2017 Used Cat Model: 246D Skid Steer Loader	44,716.25
73293	10/11/2023	Home Depot Credit Services	Grinder	106.09
	10/11/2023		Lumber	42.19
	10/11/2023		Tool - Volt Tester	46.52
	10/11/2023		Padlocks, Water Filter	135.23
	10/11/2023		Plumbing Parts	27.60
	10/11/2023		Toilet Seat	31.37
	10/11/2023		Supplies - Road House Garage	1,016.55
	10/11/2023		Door - Road House Garage	298.29
	10/11/2023		Siding, Supplies - Road House Garage	1,130.51
	10/11/2023		Supplies - Road House Garage	173.61
	10/11/2023		Side Door, Door Handle - Road House Garage	298.49
	10/11/2023		Trim, Door Threshold - Road House Garage	749.68
	10/11/2023		Supplies - Road House Garage	127.61
	10/11/2023		Tools & Supplies	54.58
	10/11/2023		Paint	19.44
	10/11/2023		Pressure Regulator	93.97
	10/11/2023		Supplies - Mulberry Rectifier	26.81

Payment Number	Payment Date	Vendor	Description	Amount
	10/11/2023		Freight (credit next statement)	99.25
	10/11/2023		Paint	14.03
73294	10/11/2023	J & R Concrete Products, Inc	6x6x4 Precast Concrete Vault	9,147.13
73295	10/11/2023	Joe's Paving	Patch Paving	21,098.00
73296	10/11/2023	Lanair Technology Group	SECURE Breach Prevention Platform - 100 Users	180.00
73297	10/11/2023	Major League Pest	Monthly Pest Control	225.00
73298	10/11/2023	Mallory Safety and Supply, LLC	Vest Lime Hi-Viz MED (8)	178.84
	10/11/2023		Vest Lime Hi-Viz LG (4)	89.41
	10/11/2023		Vest Lime Hi-Viz 2XL (5)	111.77
	10/11/2023		Vest Lime Hi-Viz XL (5)	111.77
73299	10/11/2023	McMaster-Carr Supply Company	Wire Crimper, Supplies	93.99
73300	10/11/2023	Mitsogo Inc	Hexnode MDM Subscription	361.58
73301	10/11/2023	Moodys	Dump Fees (6)	1,800.00
73302	10/11/2023	MRC, Smart Technology Solutions	Managed Print Services	934.31
	10/11/2023		Managed Print Services	129.26
73303	10/11/2023	NAPA Auto Parts	Filter - Truck 55	12.61
73304	10/11/2023	North County Auto Parts	Ignition Coil, Brake Hardware Kit	79.28
	10/11/2023		Gas Cap - Truck 10	18.93
	10/11/2023		Brake Parts, Bearings, Seals, Shocks - Truck 33	880.93
	10/11/2023		Shop Chemicals, Wipers	108.01
	10/11/2023		Battery Core - Truck 14	(12.99)
	10/11/2023		Shocks - Truck 33	(153.33)
73305	10/11/2023	Pacific Pipeline Supply	#4424 Handwheel Brass for 1" Gate Valves (15)	552.08
	10/11/2023		2" Bimetal Holesaw / Steel / 351-01-516 (2)	138.56
	10/11/2023		1.5" Ball Valves (6), Brass Handles (6)	2,221.05
	10/11/2023		Meter Adapters (10)	1,992.76
73306	10/11/2023	Parkhouse Tire Inc	Rear Tires (6) - Truck 22	2,446.13
73307	10/11/2023	Paychex of New York LLC	Onboarding/Recruiting/Flex Benefits 10/2023	812.50
73308	10/11/2023	San Diego Gas & Electric	Gas 09/2023	98.45
	10/11/2023		Electric 09/2023 - VID Headquarter	9,911.00
73309	10/11/2023	SePro Corporation	HABs Lab Analysis	510.00
73310	10/11/2023	The UPS Store 0971	Shipping 09/2023	1,955.37
73311	10/11/2023	Bend Genetics, LLC	HABs Lab Analysis	2,271.00
73312	10/11/2023	Midas Service Experts	Tires (2) - Truck 33	513.43
73313	10/11/2023	Umpqua Bank	Association of State Dam Safety Officials Membership	58.00
	10/11/2023		Cloud Base Phone System	27.25
	10/11/2023		Domain Validation Certificate Renewal	356.40
	10/11/2023		GFI FaxMaker	15.50

Payment Number	Payment Date	Vendor	Description	Amount
	10/11/2023		Microsoft Azure	727.18
	10/11/2023		Employee Event	1,917.28
	10/11/2023		Employment Advertising - Utility Worker Trainee	100.00
	10/11/2023		eCompliance Subscription Renewal	2,102.69
	10/11/2023		CRWUA Conference - M Miller	157.41
	10/11/2023		CRWUA Conference - M Miller	146.26
	10/11/2023		CRWUA Conference - P Sanchez	146.26
	10/11/2023		CRWUA Conference - R Vasquez	146.26
	10/11/2023		CRWUA Conference - J MacKenzie	146.26
	10/11/2023		CRWUA Conference - P Sanchez	550.00
	10/11/2023		CRWUA Conference - M Miller	550.00
	10/11/2023		CRWUA Conference- J MacKenzie	550.00
	10/11/2023		CRWUA Conference - R Vasquez	550.00
	10/11/2023		Food - 100 Yr Celebration	4,515.65
	10/11/2023		Cakes, Balloons - 100 Yr Celebration	354.27
73314	10/11/2023	UniFirst Corporation	Uniform Service	260.43
73315	10/18/2023	Refund Check 73315	Customer Refund	4,841.45
73316	10/18/2023	Refund Check 73316	Customer Refund	1,016.82
73317	10/18/2023	Airgas USA LLC	First Aid Kit Restock	60.29
	10/18/2023		First Aid Kit Restock	41.39
	10/18/2023		First Aid Kit Restock	95.30
73318	10/18/2023	Amazon Capital Services	Standing Desk Frame (4)	822.64
	10/18/2023		Dual Monitor Mount (1)	62.77
	10/18/2023		Fluid Evacuation Hand Pumps (3)	38.82
73319	10/18/2023	AquaTechnex, LLC	Performance Bond for Algaecide Applicator	7,500.00
73320	10/18/2023	Boot Barn Inc	Footwear Program (1)	180.00
	10/18/2023		Footwear Program (1)	180.00
	10/18/2023		Footwear Program (1)	170.21
	10/18/2023		Footwear Program (1)	180.00
73321	10/18/2023	Brown and Caldwell	Flume Replacement Alignment Study 07/28/23 - 08/24/23	157,773.70
73322	10/18/2023	Bryan and the Bee's	Live Bee Removal (1)	192.50
	10/18/2023		Live Bee Removal (1)	192.50
	10/18/2023		Live Bee Removal (1)	192.50
	10/18/2023		Live Bee Removal (1)	192.50
	10/18/2023		Live Bee Removal (1)	192.50
	10/18/2023		Live Bee Removal (1)	192.50
	10/18/2023		Live Bee Removal (1)	192.50
	10/18/2023		Live Bee Removal (1)	192.50

Payment Number	Payment Date	Vendor	Description	Amount
	10/18/2023		Live Bee Removal (1)	192.50
	10/18/2023		Live Bee Removal (1)	192.50
	10/18/2023		Live Bee Removal (1)	192.50
	10/18/2023		Live Bee Removal (1)	192.50
	10/18/2023		Live Bee Removal (1)	192.50
	10/18/2023		Live Bee Removal (1)	192.50
	10/18/2023		Live Bee Removal (1)	192.50
	10/18/2023		Live Bee Removal (1)	192.50
	10/18/2023		Live Bee Removal (1)	192.50
	10/18/2023		Live Bee Removal (1)	192.50
	10/18/2023		Live Bee Removal (1)	192.50
	10/18/2023		Live Bee Removal (1)	192.50
73323	10/18/2023	California Department of Justice	Fingerprinting (1)	49.00
73324	10/18/2023	CDW Government Inc	Ivanti Patch/Microsoft System Center Subscription	634.00
	10/18/2023		VMware vSphere Standard (v. 8) - license - 1 proce	1,027.02
	10/18/2023		VMW VSPH 8 STD 1PROC PSNS 1Y	352.55
	10/18/2023		Cisco SMARTnet - ASA5516 JMX2044Y2A3	1,117.02
73325	10/18/2023	Cecilia's Safety Service Inc	Traffic Control - Olive Ave	6,222.50
	10/18/2023		Traffic Control - Calle Dulce	1,472.50
	10/18/2023		Traffic Control - Sunset Dr	1,425.00
73326	10/18/2023	Core & Main	3" Meter Spools (2)	768.58
	10/18/2023		Parts for Mainline Installation - Olive Dr	1,696.15
73327	10/18/2023	Cosco Fire Protection, Inc	Fire Sprinkler Inspection - Henshaw Road House	595.00
	10/18/2023		Fire Sprinkler/Fire Alarm Inspection - VID Headquarter	595.00
73328	10/18/2023	County of San Diego	Permit Fee 08/2023	45.50
73329	10/18/2023	Davis Farr LLP	Auditing Services 09/2023	10,000.00
73330	10/18/2023	Diamond Environmental Services	Portable Restroom Service	104.57
	10/18/2023		Portable Restroom Service	97.01
73331	10/18/2023	EDCO Waste & Recycling Services Inc	Trash Service - VID Headquarter	456.58
73332	10/18/2023	Electrical Sales Inc	LED Light Bulbs (50)	430.29
73333	10/18/2023	Ferguson Waterworks	8" CLAVAL 100-01 angle valve (1)	9,877.81
	10/18/2023		Visqueen Black 20'x100'x.006 (4)	644.09
	10/18/2023		Flange 6" SOW 8-hole (3)	73.23
	10/18/2023		Coupling 1"x1" Female Flare x Super Grip (5)	166.43
	10/18/2023		Flange 8" SOW (5)	216.50
	10/18/2023		Zinc Anode Bar 15lb (50)	4,638.51
	10/18/2023		3/4" x 1" Meter Bushing/Ford/A34NL (sets of 2) (19)	562.93

Payment Number	Payment Date	Vendor	Description	Amount
	10/18/2023		Adapter / 2" / PVC / Sch 40 / Female (9)	18.51
	10/18/2023		Bushing / 1.25" x 1" / PVC / S x S / Sch 40 (7)	9.41
	10/18/2023		Nipple / 0.75" x 2.5" / Brass (5)	17.59
	10/18/2023		Coupling / 0.5" / PVC / S x S / Sch 40 (5)	1.73
	10/18/2023		Plug / 1.25" / Brass (10)	52.28
	10/18/2023		Adapter / 0.5" / PVC / Sch 40 / Male (9)	4.28
	10/18/2023		Bushing / 2" x 1" / Black (5)	36.10
	10/18/2023		H Regulator Pilot Controls Parts	1,514.31
	10/18/2023		Brass Parts	99.59
	10/18/2023		Ell / 1.5" / 45° / Brass (10)	157.50
	10/18/2023		Proselect / 32 oz. / Pipe Joint Lubricant (12)	58.46
	10/18/2023		Reducer / 1" x 3/4" / Copper (10)	43.84
	10/18/2023		Nipple / 1" x CL / Brass (10)	40.59
	10/18/2023		Reducer / 1.25" x 1" / Copper (10)	61.16
	10/18/2023		Ell / 0.75" 90° / C x C (10)	21.11
	10/18/2023		Coupling / 0.75" / No-Stop / Copper (10)	18.94
	10/18/2023		Coupling / 0.75" / WithStop / Copper (10)	17.32
	10/18/2023		Ell / 0.75" / 90° / Street / Copper (10)	29.77
	10/18/2023		2" Compression Couplings (3)	387.10
73334	10/18/2023	Gateway Pacific Contractors, Inc	E Reservoir Replacement & Pump Station 07/2023 - 08/2023	272,117.53
73335	10/18/2023	Hawthorne Machinery Co	Operation/Maintenance Manual - B10	145.46
73336	10/18/2023	HELIX Environmental Planning, Inc	Flume Replacement Alignment Study 08/21/23- 09/24/23	1,920.00
73337	10/18/2023	Hi-Line Inc	Shop Supplies	129.73
73338	10/18/2023	InfoSend Inc	Data Processing/Mailing Service 09/2023	5,594.13
73339	10/18/2023	Inland Kenworth (US) Inc	Diesel Exhaust Fluid (10)	122.30
73340	10/18/2023	Joe's Paving	Patch Paving	5,634.00
73341	10/18/2023	Ken Grody Ford Carlsbad	Battery - Truck 33	196.38
73342	10/18/2023	Kronick Moskovitz Tiedemann & Girard	Legal 08/2023	7,679.00
73343	10/18/2023	Lightning Messenger Express	Messenger Service 10/13/23	66.00
73344	10/18/2023	Major League Pest	Pest Control Service - Henshaw Dam House	250.00
	10/18/2023		Pest Control Service - Henshaw Road House	250.00
	10/18/2023		Pest Control Service - Henshaw Weir House	250.00
73345	10/18/2023	Mallory Safety and Supply, LLC	Rain Jacket LG (1)	115.83
73346	10/18/2023	Moodys	Dump Fee (1)	300.00
73347	10/18/2023	Multiquip	Fuel Tanks for Tampers (2)	176.54
73348	10/18/2023	NAPA Auto Parts	Filters (2)	40.33
	10/18/2023		Filters (2)	13.47
73349	10/18/2023	North County Auto Parts	Trailer Cord Adapters, Tail Lamps	113.57

Payment Number	Payment Date	Vendor	Description	Amount
	10/18/2023		Battery - Truck 14	151.37
	10/18/2023		Shocks - Truck 33	244.45
73350	10/18/2023	Pacific Pipeline Supply	1 1/2" Customer Valves (10)	3,719.15
	10/18/2023		#3 Metal Meter Box Lids marked "Water" (20)	1,082.50
	10/18/2023		Gate Valve 8" POxFL R/W (2)	3,442.35
	10/18/2023		Ell 2" Brass Street 90 Degree (5)	167.79
	10/18/2023		Pipe 8" PVC DR-14 C900 (40)	1,385.57
	10/18/2023		Coupling 8" Macro (15)	6,413.81
	10/18/2023		Adapter FH 4"x2.5" FHT (2)	160.21
	10/18/2023		Tubing 1" Copper Soft 60' (300)	2,533.05
	10/18/2023		Sleeve 8"x12" Galvanized Top Sections (50)	703.63
	10/18/2023		Nut Bolt Gasket Kit 6"-8"(6" gskt) 3/4 x3 1/4 (36)	553.37
	10/18/2023		Service Saddle 8x2 PVC (2)	469.81
	10/18/2023		Fire Hydrant 6x4x2.5 (4)	16,354.41
	10/18/2023		Fire Hydrant Spool 6x6 DI (3)	405.94
	10/18/2023		Ell 6"x16" POxFL Bury DI	1,861.90
	10/18/2023		Fire Hydrant LB400 Check Valve (4)	8,443.50
	10/18/2023		Service Saddle 6x1 PVC (2)	348.57
	10/18/2023		Coupling 6" Macro (7)	2,652.13
	10/18/2023		Fire Hydrant 6" Break Off Spool LB400 (2)	580.22
	10/18/2023		Gate Valve 6" FL R/W (3)	3,279.98
73351	10/18/2023	R & R Controls Inc	Troubleshoot/Resolved VAV Communication Issue	1,941.56
73352	10/18/2023	RC Auto & Smog	Smog Inspection - Truck 6	90.00
	10/18/2023		Smog Inspection - Truck 13	50.00
	10/18/2023		Smog Inspection - Truck 14	50.00
	10/18/2023		Smog Inspection - Truck 29	50.00
	10/18/2023		AC Repair - Truck 62	420.45
	10/18/2023		Smog Inspection - Truck 73	50.00
	10/18/2023		Smog Inspection - Truck 17	50.00
73353	10/18/2023	Right-of-Way Engineering Services, Inc	As-Built Surveys - Taylor St & Airborne Dr	2,880.00
73354	10/18/2023	S & R Towing	Towing Service - Truck 55	176.00
	10/18/2023		Towing Service - Truck 4	500.00
73355	10/18/2023	San Diego Gas & Electric	Electric 09/2023 - T&D	106.74
	10/18/2023		Electric 09/2023 - Reservoirs	318.45
73356	10/18/2023	Schneider Electric Systems USA, Inc	E reservoir pump station pressure transmitters (2)	2,572.54
73357	10/18/2023	SePro Corporation	HABs Lab Analysis	510.00
73358	10/18/2023	Sloan Electric Company	15HP Variable Frequency Drive	2,013.33
73359	10/18/2023	Spok, Inc	Pagers	51.06

Payment Number	Payment Date	Vendor	Description	Amount
73360	10/18/2023	Stillwater Sciences	HABs Management Plan 7/31/23 - 9/03/23 - Phase II	27,020.90
73361	10/18/2023	Bend Genetics, LLC	HABs Lab Analysis	2,271.00
73362	10/18/2023	Midas Service Experts	Tires - T23	675.32
	10/18/2023		Alignment - Truck 33	79.99
73363	10/18/2023	The San Diego Union-Tribune LLC	RFQ Advertisement- Deordor Reservoir Rehabilitation	889.88
73364	10/18/2023	TS Industrial Supply	Counter Brush / 9 Inch / Plastic Handle (2)	18.40
	10/18/2023		Sea 398 Duct Tape / 2 x 60 (4)	47.98
	10/18/2023		Construction Marking Paint Blue #254 (12)	55.73
	10/18/2023		Metal Cutting Wheel / Type 27 / PN 618070 (20)	87.25
	10/18/2023		Striping Paint White #710 (12)	99.37
	10/18/2023		Striping Paint Blue #750 (12)	99.37
	10/18/2023		Striping Paint Black #770 (12)	99.37
	10/18/2023		Masonry Cut Off Wheel/Flexovit 14"x1/8" x 20mm (10)	129.03
	10/18/2023		2" Pipe Wrap Tape / 100' / 10 Mil (1)	340.99
	10/18/2023		Gatorade Lemon Lime / 144 pk / 2.12 oz (1)	169.95
	10/18/2023		Probe Soil 3/8"x4' SSP 400 SS (1)	83.35
	10/18/2023		Wrench Fire Hydrant (1)	18.97
	10/18/2023		Lifter SS 36" Meter Lid (2)	90.91
	10/18/2023		Towel Wypall X80 (10)	496.33
	10/18/2023		Shovel Spade (2)	114.20
	10/18/2023		Towel Scrub in a Bucket (6)	149.39
	10/18/2023		Hat Hard Full Brim with Ratchet Head Gear (6)	181.86
	10/18/2023		Gloves Thickster Nitrile LG 100 per box (10)	281.45
	10/18/2023		Shut-Off Tool #85 (1)	385.37
	10/18/2023		Shop Supplies	63.31
73365	10/18/2023	Umpqua Bank	E Res Replacement & Pump Sta 07/23-08/23 - Retainage D2346	14,321.97
73366	10/18/2023	UniFirst Corporation	Uniform Service	274.23
73367	10/18/2023	Vulcan Materials Company and Affiliates	Cold Mix	3,235.19
Grand Total:				1,065,441.21



STAFF REPORT

Agenda Item: 7

Board Meeting Date: November 1, 2023
Prepared By: Randy Whitmann, Don Smith, Frank Wolinski & Shallako Goodrick
Approved By: Brett Hodgkiss

SUBJECT: DIVISION REPORTS

RECOMMENDATION: Note and file informational report.

PRIOR BOARD ACTION: None.

FISCAL IMPACT: None.

SUMMARY: Previous month's and anticipated activities are reported by each division.

ENGINEERING DIVISION

October

- The District has replaced approximately 10.43 miles of Nipponite pipe since 2002 with 5.49 miles remaining as shown below. Replacement of 0.54 miles of Nipponite pipe is currently in design and 0.39 miles is in construction.

Miles of Nipponite Remaining

Diameter	Risk			Total
	High	Medium	Low	
4-inch	0.04	0.33	0.00	0.38
6-inch	0.00	0.10	0.34	0.44
8-inch	0.40	1.29	1.03	2.72
Sub-total	0.44	1.72	1.37	3.53
10-inch	0.39	0.14	0.53	1.06
12-inch	0.00	0.00	0.90	0.90
Total	0.84	1.86	2.79	5.49

- The District has replaced approximately 3,428 feet (0.65 miles) of pipe (steel – 1,284 feet, PVC – 0 feet, non-Nipponite asbestos cement – 108 feet and Nipponite – 2,036 feet) in Fiscal Year 2024.
- Edgehill (E) Reservoir Replacement and Pump Station – Gateway Pacific continued pump station construction and reservoir exterior waterproofing and backfilling. As of August 31, 2023, the project was approximately 76.7 percent complete based on time and 74.2 percent complete based on cost (\$6.90 million of \$9.30 million contract amount has been invoiced).
- Flume Replacement Alignment Study – Brown and Caldwell completed fine screening analysis and submitted draft Workshop No. 3 materials.
- Deodar Reservoir Rehabilitation – prequalified aluminum dome roof manufacturers; Consor continued updating project bid documents.
- Projects along Flume
 - The Villages – 380 dwelling unit residential subdivision along Country Club Lane, between Nutmeg Street and Pamela Lane in Escondido. Project is under construction; storm drain work along the Jones Siphon is pending and the relocation of an 18-inch transmission main that feeds the Bennett service area has been completed.

- Nutmeg Homes – 137 dwelling unit residential subdivision along Nutmeg Street between Centre City Parkway and Interstate 15 in Escondido. Project is in the design phase and requires District review and approval of grading, street and utility improvement plans along Nutmeg Street. Draft plans call for additional fill along Nutmeg Street and over approximately 400 feet of the Caldwell Siphon section of the Flume. The District has been requested to allow the additional fill and also to quitclaim the portion of the District’s Flume easement over the property. Staff is currently working with the developer to accept their requests.

November

- Mainline Replacement Projects in design (current projects): Independence Wy., Elm Dr., Warmlands Ave., Lonsdale Ln.*, McGavran Dr., Plumosa Ave., Via Christina, Lado De Loma Dr.*, Eddy Dr., Rancho Vista Rd., Camino Patricia, Camino Corto, Goetting Wy., Oro Avo Dr., Shale Rock Rd.*, Nevada Ave., N. Citrus Ave., Lemon Ave., Hillside Terrace, Buena Creek Rd., Estrelita Dr., Victory Dr., Oak Dr.*, Queens Wy., Watson Wy. (Total length = 6.22 miles).
- Mainline Replacement Projects in planning (future projects): Camino Culebra*, Alta Vista Dr., Catalina Ave.*, Friendly Dr.*, E. Vista Wy., Nordahl Rd.*, HN Line - Gopher Canyon Rd. to Fairview Dr., Buena Creek Rd.*, Lower Ln., Easy St.*, West AB Line – Esplendido Ave. and Bella Vista Dr.*, Colavo Dr.*, Broadway, Rancho Vista Rd., Bandini Pl., HP Line – Hardell Ln. to Camino de las Lomas, Crescent Dr.*, Descanso Ave., San Clemente Ave.* (Total length = 7.76 miles).
- Edgehill (E) Reservoir Replacement and Pump Station – Gateway Pacific to continue pump station and retaining wall construction and backfilling/grading around the reservoir.
- Flume Replacement Alignment Study – Brown and Caldwell to finalize Workshop No. 3 materials.
- Deodar Reservoir Rehabilitation – Consor to finalize project bid documents; issue construction bid solicitation.

*Nipponite pipe

ADMINISTRATION DIVISION

October

- Participated in the Alta Vista Botanical Gardens Fall Fun Fest event on October 14, 2023.
- Completed recruitment for the Finance Supervisor position. Branden O’Donnell accepted a job offer for position.
- Continued recruitment for Utility Worker Trainee position.
- Coordinated the annual Employee Health and Wellness Fair.
- Coordinated the sexual harassment prevention training for all employees and Board of Directors.

November

- Host the WaterSmart Landscape Makeover Workshop on November 4, 2023.
- Continue recruitment for Utility Worker Trainee position.

WATER RESOURCES DIVISION

**VID Water Production
September 2023**

Description	Current Month Production		Average Production of Last 12 Months		Total, Fiscal Year-to-Date
	(mgd)	(af)	(mgd)	(af)	(af)
VID's EVWTP Water Production					
Local Water	4.95	455.70	2.27	212.52	795.40
SDCWA Raw Water	7.64	703.30	7.72	720.79	3,079.00
Subtotal (EVWTP Water Production)	12.59	1,159.00	9.99	933.31	3,874.40
Oceanside Contract Water	2.20	202.30	1.17	108.23	274.70
SDCWA Treated Water	1.02	94.20	2.36	222.69	699.50
TOTAL WATER PRODUCTION	15.81	1,455.50	13.52	1,264.23	4,848.60

Lake Henshaw and Warner Ranch Wellfield statistics are summarized as follows:

Lake Henshaw

Storage as of October 23, 2023: 23,580 af (45% of 51,832 af capacity)
 Current releases: 10 - 15 cfs
 Change in storage for month of September: 3,169 af (loss)
 Total releases for month of September: 2,209 af
 Hydrologic year-to-date rain total: 2.72 inches (October 23, 2023)
 Percent of yearly average rain: 11% (30-year average: 23.78 inches)
 Percent of year-to-date average rain: 152% (30-year average through October: 1.79 in.)

Warner Ranch Wellfield

Number of wells running in September: 0
 Total production for month of September: 9 af
 Average depth to water table (October): 84 ft (see attached historical water table chart)

October

- Harmful Algal Blooms
 - Performed sampling for Harmful Algal Blooms (HABs) in Lake Henshaw on September 25, 2023 and October 2 and 10, 2023. Anatoxin-a has consistently remained “non-detect” over this period. Microcystin concentrations have been consistently below the “caution” threshold.
- Completed delivery of the 2023 Rincon Water Entitlement.
- Coordinated a consultation with the San Luis Rey Indian Water Rights Settlement Implementing Parties (SIPs) on October 11, 2023; discussed the status of Phase II of HABs management and mitigation plan, including a pilot oxygenation project. The SIPs also discussed the availability of funding for projects that utilize hydrogen fuel as an energy source; it was suggested designing the oxygenation pilot project to use hydrogen as an energy source might allow the SIPs to access this source of grant funding.
- Mark Sauer Construction completed repairs and maintenance at the Warner Carrillo Ranch House, including the application of the hydraulic lime plaster system.
- Attended the Engineering-News Record California Regional Best Projects Awards breakfast to receive an Award of Merit for the District's participation in the San Pasqual Undergrounding Project.

November

- Coordinate a tour of the Warner Ranch for the San Luis Rey Indian Water Authority.

ATTACHMENTS:

- Lake Henshaw Resort, Inc., Activity Reports – August 2023
- VID's Warner Wellfield – Water Table Depth vs. Monthly Wellfield Production
- Fiscal Year 2024 Budget and Expenses related to HABs

OPERATIONS & FIELD SERVICES

October

- Water Quality Calls/Incidents for October – received 30 taste and odor calls. All calls were attributed to source water changes at the Escondido-Vista Water Treatment Plant. The blend from Lake Wohlford was decreased to resolve the issue.
- Inspected and tested 13 new backflow devices that were integrated into the District’s cross-connection control program.
- Continued planning for water service line inventory as required by the Environmental Protection Agency’s (EPA’s) new Lead and Copper Rule revisions.
- Continued mainline replacement of Nipponite pipe on Olive Avenue – install approximately 2,000’ of various sizes of PVC pipe, 38 services and 3 hydrant laterals. Approximately 75% complete.
- Continued mainline replacement of Nipponite and non-Nipponite AC pipe on Camino Loma Verde and Grandview Road – install approximately 1,850’ of various sizes of PVC pipe, 19 services and 2 hydrant laterals. Approximately 35% complete.

November

- Continue planning for water service line inventory as required by the EPA’s new Lead and Copper Rule revisions.
- Continue mainline replacement of Nipponite and non-Nipponite AC pipe on Camino Loma Verde and Grandview Road – install approximately 1,850’ of various sizes of PVC pipe, 19 services and 2 hydrant laterals.
- Continue mainline replacement of Nipponite pipe on Olive Avenue – install approximately 2,000’ of various sizes of PVC pipe, 38 services and 3 hydrant laterals.
- Begin layout and potholing for mainline replacement on Watson Way.

Electrical Energy Use at VID Headquarters

September 2023

	Current Month Production	Average of Last 12 Months	Total, Fiscal Year-to-Date
Description	(kWh)	(kWh)	(kWh)
Solar Production (\$0.19 per kWh)	4,000	20,108	33,790
Power purchased from Direct Energy (\$0.05 per kWh)	46,940	21,734	109,195
TOTAL ELECTRICAL ENERGY USE	50,940	41,842	142,985

ACHIEVEMENTS – FISCAL YEAR 2024

- Received proclamations from Congressman Mike Levin, County of San Diego Board of Supervisors and City of Vista and resolutions from Senator Catherine Blakespear and Assemblywoman Laurie Davies and the Rincon Band of Luiseño Indians recognizing and congratulating the District on its 100th Anniversary (September 2023).
- Received a gift from the San Luis Rey Indian Water Authority in honor of the District's 100th Anniversary (September 2023).
- Held the District's 100th Anniversary Celebration event (September 2023).
- Completed mainline replacement of steel and AC pipe on East Taylor Street and Airborne Drive – installed approximately 1,400' of various-size PVC pipe, 10 services and 1 hydrant lateral (August 2023).
- Reduced Workers' Compensation experience modifier from 1.19 to 0.69, resulting in an annual premium savings of \$76,000 (August 2023).
- Received a proclamation from the San Diego County Water Authority and resolution from the Olivenhain Municipal Water District recognizing and congratulating the District on its 100th Anniversary (August 2023).
- Received a resolution from the Santa Fe Irrigation District recognizing and congratulating the District on its 100th Anniversary (July 2023).
- Received Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for the Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2022 (July 2023).
- Received Association of California Water Agencies Joint Powers Insurance Authority 2023 Wellness Grant (July 2023).

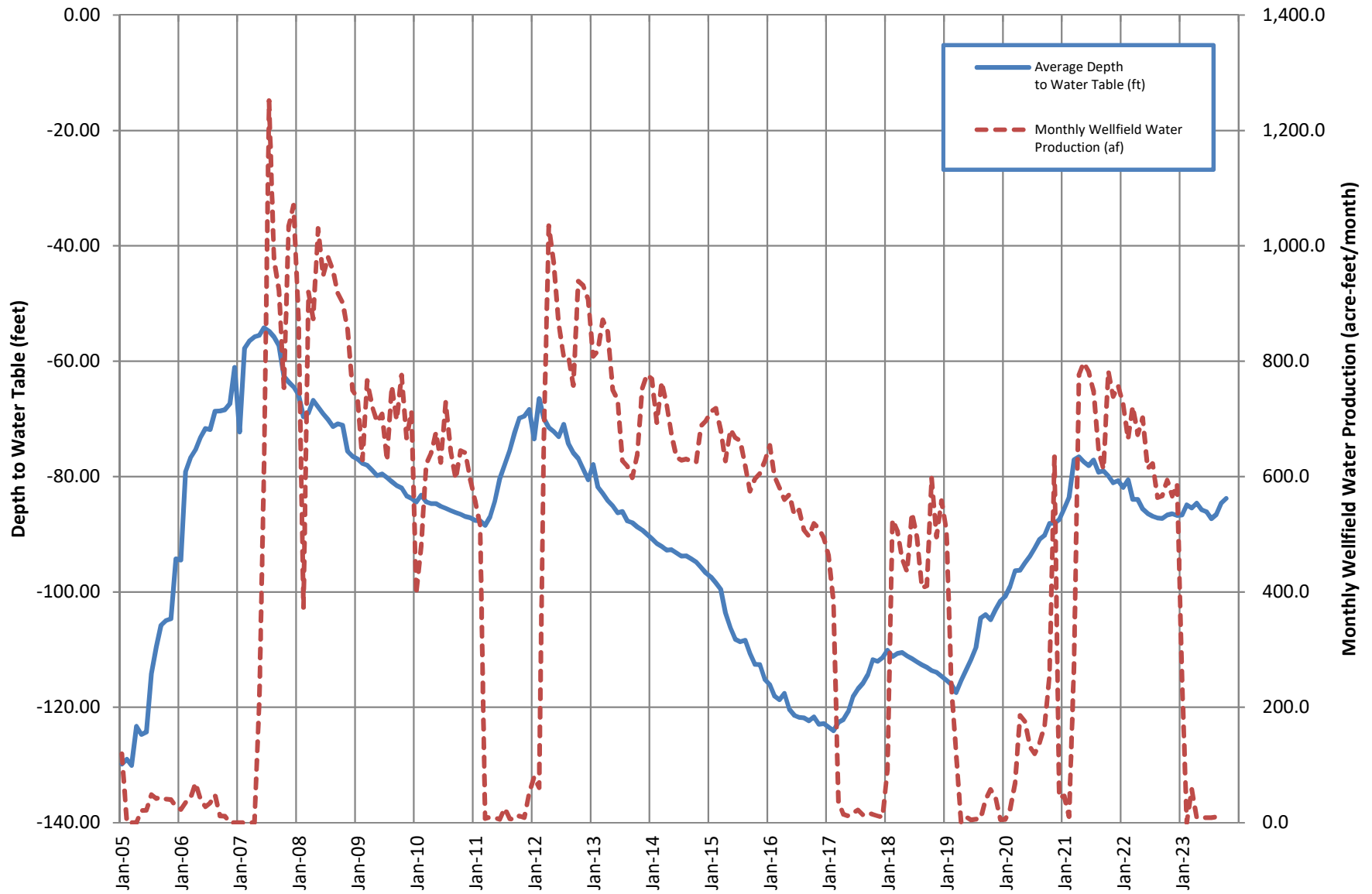


**LAKE HENSHAW RESORT, INC.
ACTIVITY REPORT
AS OF AUGUST 31, 2023**

	2022 Aug	2022 Sep	2022 Oct	2022 Nov	2022 Dec	2023 Jan	2023 Feb	2023 Mar	2023 Apr	2023 May	2023 Jun	2023 Jul	2023 Aug	12 MO AVG
Fishing Permits	336	324	232	170	73	63	144	166	451	635	1,019	671	441	366
Boat Launches	2	2	0	6	2	2	0	2	24	44	48	37	26	16
Motor Boats (full day rental)	11	3	5	10	8	7	3	0	22	35	43	31	30	16
Motor Boats (half day rental)	0	5	2	2	0	0	0	0	3	8	3	26	9	5
Campground/Head Count	939	517	408	145	86	80	59	868	579	2,157	820	1,318	453	624
Campground/Cars, Trucks, etc.	347	472	175	55	40	30	44	51	186	732	268	416	244	226
Campground/Recreational Vehicles	0	0	6	13	3	10	12	7	22	6	0	16	0	8
Mobile Home/Spaces	72	72	72	72	73	70	70	70	70	70	71	72	72	71
M.H.P. (Residents/Head Count)	98	98	98	98	99	101	101	101	101	101	101	101	101	100
Storage	6	6	5	5	6	6	6	6	6	6	6	6	6	6
Cabins	169	174	148	148	162	78	81	180	210	187	51	215	130	147
Hunters	0	0	0	32	142	143	0	0	0	0	0	0	0	26

VID's Warner Wellfield

Water Table Depth vs. Monthly Wellfield Production



FY 2024 Budget and Expenses related to HABs

as of 10/18/2023

Description	Amount
Water Quality Testing Services & Supplies	
Cyanotoxin/Cyanobacteria Testing - Bend Genetics	\$ 51,098
Other Lab Testing	\$ 35,008
Sample bottles, misc. supplies & equipment	\$ 706
Shipping	\$ 9,268
Subtotal, approx. total expenses	\$ 96,080
VID Portion of approximate expenses	\$ 48,040
VID FY 2024 Budget	\$ 64,700
Percent of VID Budget	74%
Water Treatment Services & Supplies	
Copper algaecide purchase	\$ 116,557
Copper algaecide application	\$ 23,750
Peroxide algaecide purchase	\$ 393,331
Peroxide algaecide application	\$ 89,810
Lanthanum-modified clay purchase	\$ 634,432
Lanthanum-modified clay application	\$ 49,900
Subtotal, approx. total expenses	\$ 1,307,780
VID Portion of approximate expenses	\$ 653,890
VID FY 2024 Budget	\$ 767,800
Percent of VID Budget	85%
HABs Consultants	
VID Portion of approximate expenses	\$ 27,055
VID FY 2024 Budget	\$ 105,000
Percent of VID Budget	26%
Total VID Expenses, FY 2024 to date	\$ 728,985



STAFF REPORT

Agenda Item: 8

Board Meeting Date:

November 1, 2023

Prepared By:

Shallako Goodrick

Approved By:

Brett Hodgkiss

SUBJECT: MUNICIPAL FINANCIAL ADVISOR SERVICES

RECOMMENDATION: Authorize the General Manager to enter into an agreement with NHA Advisors to provide municipal financial advisor services in an amount not to exceed \$100,000.

PRIOR BOARD ACTION: Consultant-led municipal financial advisor services is included in the Fiscal Year 2024 Budget (budgeted amount - \$40,000).

FISCAL IMPACT: Not to exceed \$100,000.

SUMMARY: The District solicited proposals from consulting firms to provide municipal financial advisor services to assist the District with evaluating financing options, including but not limited to, state and federal loans, bonds and grants, for capital improvement projects, debt management, long-term strategic financial planning, credit rating strategies, policy development and alternative financing instruments.

DETAILED REPORT: Staff issued a Request for Proposal (RFP) to seven firms and posted the RFP on California Special Districts Association's RFP Clearinghouse webpage. Proposals were received from six firms with five firms, Columbia Capital Management, Fieldman, Rolapp & Associates Inc., NHA Advisors, PFM Financial Advisors LLC and Urban Futures Inc., submitting responsive proposals (KNN Public Finance LLC's submittal did not include all required documents). A committee comprised of the District's Director of Administration and staff with financing experience from Olivenhain Municipal Water District and the San Diego County Water Authority reviewed and ranked each firm's proposal based on their understanding of the scope of work, technical competence, past experience, organization/scheduling and cost. The top three firms, Fieldman, Rolapp & Associates Inc., NHA Advisors, PFM Financial Advisors LLC, were asked to make in-person presentations and answer questions posed by District staff; NHA Advisors was selected as the best fit for the District's needs. Staff recommends entering into an agreement with NHA Advisors for an initial two-year term for phase one work (highlighted on the attached Scope of Work) with the option to extend for an additional one-year term.

If awarded, NHA Advisors will first conduct a due diligence and financial review to better understand our goals; this information will be used to analyze the District's debt capacity and financial status and to develop a financial model which includes all planned capital projects. Once the financial model is completed, various funding scenarios will be explored taking into account each scenarios impact on water rates and charges. During this time, NHA Advisors will also be educating District staff and the Board on all aspects of the financing process. Staff and NHA Advisors anticipate that initial phase one work will be completed within 12 to 18 months. Following the completion of phase one, and depending on the path selected and timing, an amendment to the agreement with NHA Advisors for phase two work, assistance in obtaining the various financing instruments, will be presented to the Board for its consideration.

ATTACHMENTS:

- Scope of Work
- Proposal from NHA Advisors

SCOPE OF WORK

The Proposer shall perform the tasks as outlined below in accordance with all applicable local, state, and federal laws, rules, and regulations. Proposers should also include any additional recommended tasks they believe are required to meet the objectives of this proposal including the reasoning for such recommendations.

- Review the overall financial status of the District and provide advice and recommendations related to the District's capital projects construction timeline and projected cash flow needs.
- Review the District's Investment Policy and make recommendations on any updated required.
- Assist the District in drafting a Debt Management Policy to ensure that principals, controls and guidelines for the District debt are current and appropriate.
- Provide as needed financial advice regarding market conditions and trends, financial products, credit analysis, alternative financing, State or Federally subsidized loan programs (e.g. State Revolving Fund, Water Infrastructure Finance and Innovation Act, etc.), and other specialty financing.
- Assist the District in developing credit rating strategies. Coordinate presentations with these parties on behalf of the District to the extent needed or as requested. Clearly communicate any considerations that may affect the District's credit rating and work with the District in examining their financials related to the bond sale(s).
- Manage the implementation of approved financing strategies.
- Serve as the District's bond market expert, including tax-exempt and taxable markets, fixed-rate and variable-rate markets, and provide on-going analysis of current and upcoming trends and events in these and related areas.
- Coordinate and participate in all aspects of the bond issuance process, from creating and maintaining a schedule, conducting independent analysis of financing alternatives, reviewing bond documents, reviewing all aspects of negotiated pricings, monitoring performance of underwriting teams, to post issuance analysis and all related tasks during the process.
- Coordinate the efforts of District staff, Legal Counsel and the District Board of Directors with respect to the preparation and approval of financing documents and assist in preparation of documents.

- Provide financial advice to the District related to financing documents.
- Compute sizing and design structure of the proposed debt issue.
- Attend meetings with District staff, consultants and the Board as requested and make presentations to explain debt related issues.
- Providing District staff with educational opportunities, information, advice and training to gain knowledge of financial advisory principles, policies, procedures, and philosophy/approach to debt management as well as the development and strategies used to ensure it is consistent with the District's Debt Management and Investment policies.

AUGUST 10,
2023



REQUEST FOR PROPOSALS/REQUEST FOR QUALIFICATIONS

MUNICIPAL FINANCIAL ADVISORY SERVICES

SUBMITTED BY:



ADDRESS	4040 Civic Center Drive, Suite 200 San Rafael, CA 94903
PHONE	415.785.2025 x2001
CONTACT	Craig Hill, Managing Principal
EMAIL	Craig@NHAadvisors.com



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1. TRANSMITTAL LETTER

August 10, 2023

Shallako Goodrick, *Director of Administration* | sgoodrick@vidwater.org
Vista Irrigation District
1391 Engineer Street, Vista, CA 92081

RE: Vista Irrigation District RFP for Municipal Financial Advisory Services

Dear Ms. Goodrick,

[NHA Advisors, LLC](#) (“NHA”) is pleased to submit our proposal to provide municipal financial advisory services to the Vista Irrigation District (the “District”). As demonstrated, NHA has significant depth and relevant experience providing the necessary services to the District, including evaluating and developing financing options for the identified capital improvement projects. Our approach goes beyond traditional bond financing and includes expertise with various funding options provided by State and Federal programs. Our team members are experts at developing long-term strategic financial plans, managing debt issuance and drafting financial policies. We see our core mission as developing a *strategic* and *realistic* plan to meet the District’s objectives and ultimately deliver the lowest cost funding for the District and its ratepayers.

Based on the terms of the RFP, NHA commits to perform all necessary municipal financial advisory services to the District through (1) the identification of the funding plan, and (2) implementation of all funding components (bonds, grants, and Federal/State loan programs). Based on NHA’s experience, we anticipate that this process could take 2-3 years to completion.

NHA has been in business since 2000, initially under the corporate name of Northcross Hill & Ach, Inc. from 2000-2011 and subsequently as NHA Advisors, LLC from 2011-Present. NHA currently has 10 registered municipal advisors. Each of the firm’s three principals have over 30 years’ experience and our vice presidents have nearly two decades experience each, providing the District with a deep bench of industry experts to deliver services to the District.

We strive to be a trusted advisor by bringing our fiduciary ethos to all our advisory engagements. NHA’s process is always to conduct extensive due diligence, educate decision-makers on their options, and translate complex financing structures in an objective way to allow for a thorough, client-specific, decision-making process. For the District, this approach requires a thorough investigation of all facts and options to develop a comprehensive funding strategy from which the District Board can select a path forward on its capital projects.

We believe our team is the best qualified team to deliver the services the District seeks with the key experience and expertise that will directly translate to securing District goals. Key highlights of our strengths include:

1. **NHA has diverse utility experience.** We have provided funding solutions for California public utilities during Proposition 218 litigation, ballot measure rate challenges, droughts, earthquakes, and fires. We have worked for water retailers, water wholesalers and State Water Project contractors. We have delivered funding for a major P3 utility project. We serve both water and wastewater utilities ranging in size from 900 accounts to over 100,000 accounts. The best indicator of a municipal advisor’s utility experience is not the par value of the bond issues the advisory firm has worked on, but rather the depth and diversity of the firm’s experience. NHA has what the District needs.
2. **NHA has Retail Water Clients with similar challenges.** NHA has worked with agencies that navigate the complexities of imported water and also currently works with three water utility clients that own dams. The District’s Henshaw Dam supplies 10% to 25% of the District’s water supply and we understand dam

ownership comes with seismic risks, spillway safety and sediment removal, which are all key potential cost elements for dam operation. The NHA team has been involved with finding grant funds for dam safety projects for our clients.

3. **Holistic funding approach.** The NHA approach to developing funding options and plans includes the complex world of Federal and State grants, as well as below market rate lending. Examples include the State Water Resources Control Board’s State Revolving Fund (SRF) and the Environmental Protection Agency’s Water Infrastructure Finance and Innovation Act (WIFIA), and identification of potential grant opportunities working with a grant consultant. As discussed in our proposal, NHA has experience working with alternative funding sources such as WIFIA, SRF and USDA loans and we look forward to exploring these options for the District’s Flume Project or other capital improvement projects.
4. **NHA is the top-ranked municipal advisor to cities and special districts.** NHA is the #1 municipal advisor to special districts and cities in California since 2021, having completed more financing transactions for unique issuances than any other municipal advisor (based on California State Treasurer’s data).

In summary, our top ranked team (1) knows the retail water business, (2) understands the complexities of imported water and dam ownership and operations, and (3) knows below market rate lenders and grant funding sources.

The enclosed proposal represents the terms for NHA to serve as the municipal financial advisor to the District through the funding of the Flume Project. Craig Hill, Managing Principal for NHA is authorized to answer questions and bind the firm (contact information below)

Sincerely,



Craig Hill, Managing *Principal*
415.785.2025 x2001 | 4040 Civic Center Dr., Suite 200, San Rafael, CA 94903 (Office & Mailing Address)

2. TECHNICAL PROPOSAL

We intend to demonstrate throughout our proposal that NHA is a municipal advisor that is passionate about our fiduciary-first approach. This approach ensures that every step in the planning and funding process is in the best interest of the District. We bring a broad scope of experience that we believe is unmatched with a very defined technical approach when working with each public agency on specific engagements. In tandem, our fiduciary focus puts concrete significance on stakeholder engagement, accessibility and assessing every option for our clients. With over 30+ years of experience for each of the firm’s three principals, our team draws from a deep well of knowledge on structuring considerations, constraint factors and potential solutions for each unique engagement.

The District’s Scope of Work aligns with the “NHA Way”, which is our methodology for delivering services through a comprehensive yet efficient process which begins by (i) listening to understand the District’s goals, (ii) conducting robust due diligence, (iii) developing and presenting a comprehensive set of options to stakeholders and elected officials, (iv) distilling complex financial subject matter in an understandable way, and (v) executing on the approved plan.

As one of the most active municipal advisory firms in California, our processes are up-to-date and efficient, which provides confidence to each of our public agency clients that their objectives will be met.

In our technical discussion, we will provide more detail on NHA’s approach and experience with projects and demonstrate how our approach will tailor to the District’s needs. Being an active municipal advisor for a variety of public agencies in California means that NHA has experience preparing finance plans for projects of all sizes and credits.

BUILDING THE DISTRICT’S FUNDING PLAN

NHA will tackle the District’s complex financial project by first understanding the broader public agency objectives, environmental mandates, and capital project requirements while also identifying potential impacts on conflicting needs or priorities. Utility projects are complex with conflicting needs on the revenue stream (operation & maintenance expenses, pay-go CIP and other outflows), coverage covenants and future rate management to address capital needs and projected increased operating costs.

First, understand key objectives and address topics and takeaways from our initial review of District Documents, as noted in the adjacent table. Once engaged, NHA intends to work closely with District staff to gain a better understanding of the objectives and priorities to build long-term strategic plans that fit within such objectives.

District Documents Reviewed by NHA Advisors

Already Reviewed?	District Document	Topics for Future Discussion
✓	Annual Comprehensive Financial Reports	Line-item revenue and expense detail to refine the calculation of 2022 net revenues available for coverage
✓	Fiscal Year 2024 Budget	
✓	2021 Rate Study	Importance of multi-year rate increases to support the project; strategic value of third-party rate study consultant
✓	2020 Urban Water Management Plan	
✓	2011 Strategic Plan	
✓	Water Supply Planning Workshop Materials (April 2019, August 2019, March 2020)	Timing of project construction; Further understanding of HAB treatment costs required in conjunction with Flume Project
✓	Board Meeting Agendas (Last 12 Months)	
✓	VID “Reflections” Newsletters	
✓	Investment Policy	



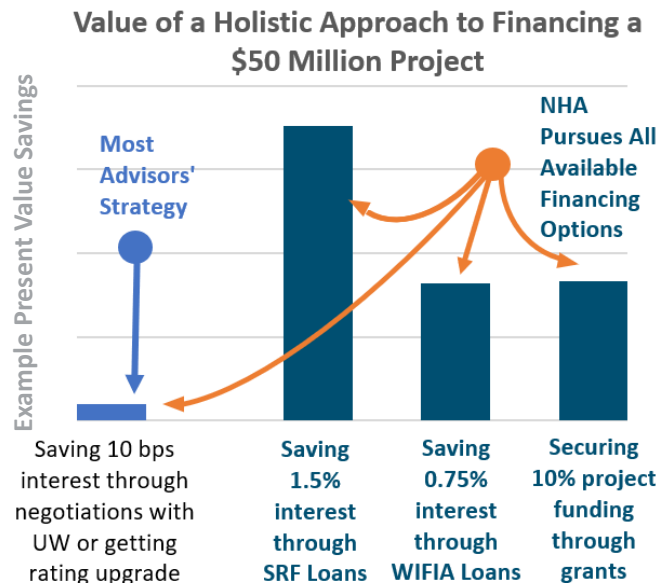
Second, develop a comprehensive impact analysis that incorporates long-term revenue and expenditure projections, anticipated one-time costs and any other items that may affect the overall cash flows of the District. Understanding the structural financial strength and policy objectives prior to developing a financing plan is critical to the viability of any plan that will become the working document going forward for 5-10 years as capital projects and future financings are implemented.

Third, work with impact analysis to develop the financial capacity necessary to support all funding components anticipated for the Vista Flume replacement project (“Project” or “Flume Project”) and other CIP priorities. NHA will begin the process of developing the strategic financing options for the Project. Multiple options will be developed for District staff and Board consideration along with the impact of such options on District ratepayers.

HOLISTIC FUNDING APPROACH

Our core mission is to deliver a realistic plan for funding the District's CIP with the lowest possible impact on ratepayers. By funding (vs. solely financing), we incorporate both traditional capital market financing with Federal and State grant and loan programs. Examples include the State Water Resources Control Board’s State Revolving Fund (SRF) and the Environmental Protection Agency’s Water Infrastructure Finance and Innovation Act (WIFIA), and identification of potential grant opportunities working with a grant consultant.

With this integrated approach, we will evaluate the universe of potential funding sources early in the project. The adjacent graphic illustrates the relative value of a comprehensive approach to addressing capital funding needs. While a municipal advisor should always seek to save a client interest cost on a financing through advocating for a rating upgrade or negotiation with bond underwriters, the potential amount saved through this approach often pales in comparison to the potential impact from pursuing a holistic funding approach for capital projects. We have significant experience with each of these funding sources as detailed in **Section 6** “Firm Qualifications and Experience.”



We understand that the District has several CIP projects, with Flume Project estimated at \$170M. Other projects noted include reservoir and wellfield rehabilitation projects. With a CIP of this significance, any reduction in market rate debt can greatly benefit the District’s financial flexibility and impact on ratepayers.

As part of our work, NHA will detail and evaluate alternative funding options, including, (1) funding the full CIP with publicly offered bonds, (2) potential grant opportunities, working with a grant partner, (3) below market rate financing options such as WIFIA and SRF and (4) funding with a mix of multiple options. Our financing options will compare and contrast these alternative funding sources and the impact on water rates, to make sure the District Board has the information needed to make informed decisions.

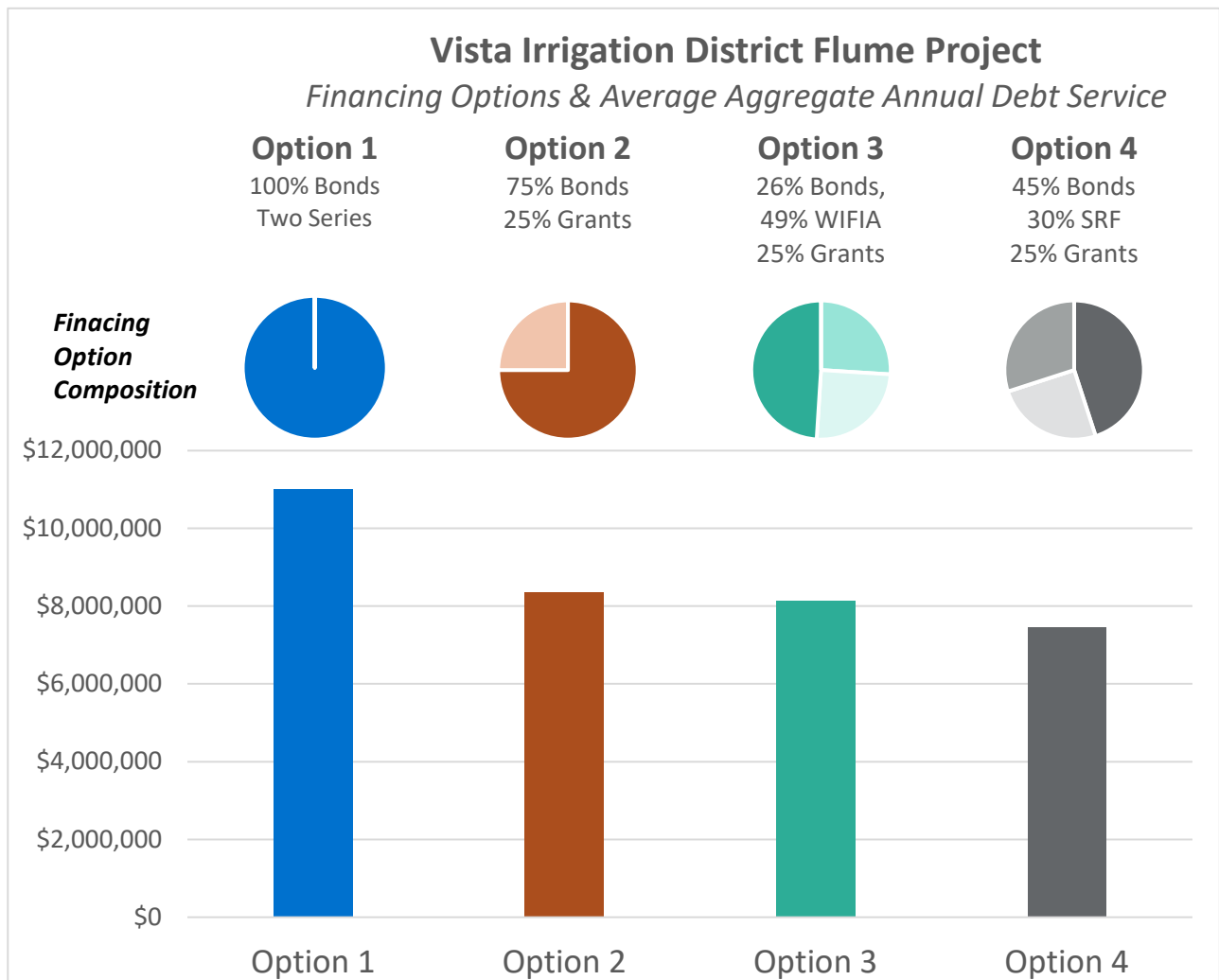
In the ensuing discussion, we have surveyed some of these ideas, starting first with the worst-case scenario (from a rate pressure perspective) of issuing approximately \$170M in debt to fund the District’s Flume Project. This would assume that no grant / subsidized funding is secured. After demonstrating a full bond funded project, our

subsequent analyses demonstrate how incorporating additional funding sources as part of the Project “capital stack” results in lower annual debt service payments and subsequently less pressure on rate increases. The capital stack refers to the layers of capital that go into funding a project such as cash, grants, subsidized funding, debt financing, etc., that, when added together, equal the total project cost.

The analyses presented herein are not exhaustive of all potential options but serve to highlight how NHA approaches the District’s funding challenge. Our team methodically and systematically identifies and analyzes ways to solve such challenges while meeting the District’s established objectives and constraints.

FUNDING OPTIONS FOR THE DISTRICT

As part of our initial due diligence process to assess holistic funding solutions for the District, we evaluated four funding options for the Flume Project. The table below summarizes some key takeaways for each of those options.



Our primary focus for this analysis is on the affordability of the debt service and long-term ratepayer impact. Accordingly, we analyzed the net revenues (revenues after paying operating costs) needed to pay the debt service on the Flume Project funding options and provide the necessary debt service coverage for those funding options.

Our table on the next page also compares the projected required net revenues to the District’s FY 2022 net revenues (which we calculated to be about \$8.5M based on the 2022 Audit, treating the Burden Allocation as an

O&M). As seen below, Option 1 presents the highest annual debt service and would require net revenues to increase approximately 60% over their current levels over the next 5-10 years. Option 4 has the lowest average annual debt service and may require only a 10% increase in net revenues during the same period. We highlight that our calculation is based on the increase in **net** revenues. Gross water rates may need to be adjusted differently to account for increases in SDCWA rates (partially offset by SDCWA rebates the District has received from SDCWA and MWD disputes in the near-term), CPI adjustments, and other expense changes.

**Vista Irrigation District Flume Project
Summary of Funding Options**

	Option 1	Option 2	Option 3	Option 4
Summary of Financing Option	100% Bonds, 2 series	75% Bonds, 25% Grants	49% WIFIA, 25% grants, 26% Bonds	30% SRF, 25% grants, 45% bonds
Total Funding from Bonds	\$170,000,000	\$127,500,000	\$44,200,000	\$76,500,000
Total Funding from Grants	\$0	\$42,500,000	\$42,500,000	\$42,500,000
Total Funding from WIFIA	\$0	\$0	\$83,300,000	\$0
Total Funding from SRF	\$0	\$0	\$0	\$51,000,000
Total Project Funding	\$170,000,000	\$170,000,000	\$170,000,000	\$170,000,000
Average Aggregate Annual Debt Service	\$10,990,000	\$8,350,000	\$8,125,000	\$7,445,000
Implied Net Revenues Needed (125% Coverage)	\$13,737,500	\$10,437,500	\$10,156,250	\$9,306,250
Amount Net Revenues Need to Increase over 2022 Net Revenues in the Next 10 Years to Provide Coverage	62%	23%	20%	10%

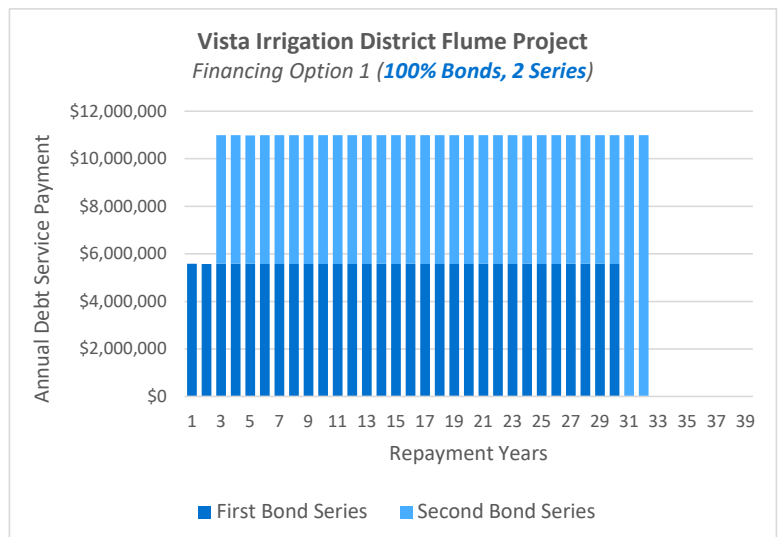
While there are several key considerations and assumptions we will assess with the District, the fundamental takeaway from our analysis is that the use of alternative funding sources results in materially lower annual debt service and significantly reduces long-term ratepayer impact. Developing the right funding approach to the District’s project early in the process will allow time to plan for and implement appropriate rate management strategies.

The following provides a more in-depth discussion of each of each option summarized above.

Option 1 – Project is 100% Bond Funded

This first option serves as a baseline and assumes the District funds the \$170M Flume Project with all bonds. This option is the most expensive option and would require the greatest increase in the District’s net revenues over the next 5-10 years. We assume that the bonds are sold to the public markets with a 30-year term.

In order to mitigate the ratepayer impact of this option, we split the financing into two series, with the second series issued two years after the first. This is intended to allow the District’s revenues to “ramp up” at a more gradual pace over time. The adjacent graph provides a simple look at the 100% bond funding option; however,



we recognize that the lengthy planning and construction timeline for the Flume Project may give the District the flexibility to issue more than two series of bonds to allow for a more gradual “ramp up” of District revenues over time.

The aggregate average annual debt service for this Option 1 is estimated at just under \$11M annually at current market rates once both series of bonds start amortizing. Though this option is the most expensive of the four, there are some scenarios where this can be the best option for an issuer – particularly situations where the money is needed quickly or where the project specifications make it ineligible for grant or below-market rate funding. Since the District is quite early in the planning process for the Flume Project, we expect that there may be flexibility on timing for when the funds are needed, as well as on project design, to maximize eligibility for grants and other funding sources. Accordingly, we provide this Option 1 to serve as a baseline that can be used for comparing the benefits of the strategies behind the other options.

Option 2 – Project is Funded with 25% Grant funding and 75% Bonds

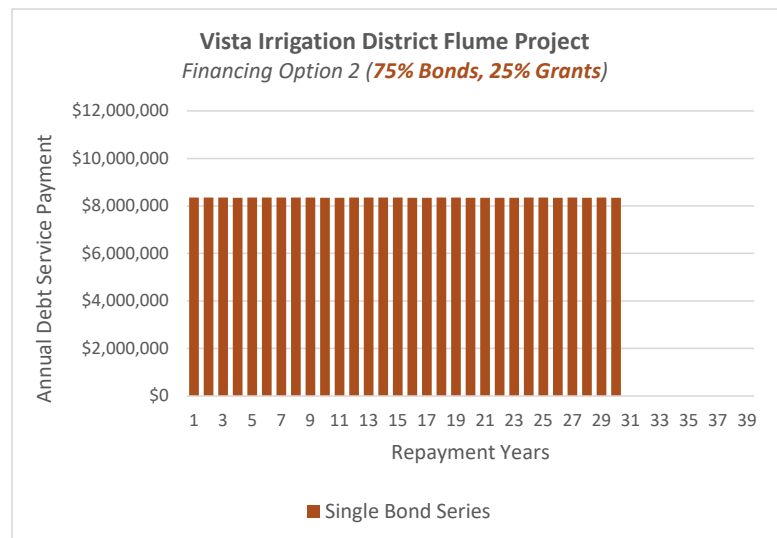
This second option assumes the District secures 25% grant funding and funds the remainder of the project with Bonds. Relative to Option 1, the average annual debt service for this Option 2 is \$2.6M less annually.

Since the Flume Project is still in its early stages, we assume that the District will be able to engage a grant writing specialist and work with its engineering team to design the Flume Project in a way to maximize its eligibility for grants. NHA is not a grant writer, and while we are knowledgeable about the universe of grants and their applicability to financing projects, we would defer to the District’s grant consultant for assistance with any applications.

One nuanced consideration when pursuing significant grant funding on large projects is that it can sometimes make financial sense to expand the project scope and include future components if those additional components increase the District’s grant eligibility for the current project. To illustrate this point: would it be worthwhile to expand the scope with a \$15M add-on if it made the whole project eligible for a \$20M grant? Or would it be worthwhile to accelerate a future component of the project and build that component now if it meant that a portion of that component could be covered by grant funding today? While NHA is not an engineering firm nor a grant consultant, these are examples of how we look at grants through a holistic lens and are illustrative of the types of questions we would ask if part of the District’s funding team.

For the bond financing component of this option, we utilized very similar assumptions to Option 1 above (30-year term, sold to public markets). There are myriad of options for the 75% bond funding component, which could include multiple series over time (like Option 1), ramped up debt service, or the use of capitalized interest on the front end of the debt amortization. If engaged as the District’s municipal advisor, our analysis of this option would expand to include these additional variations and model their long-term impact on the District and ratepayers.

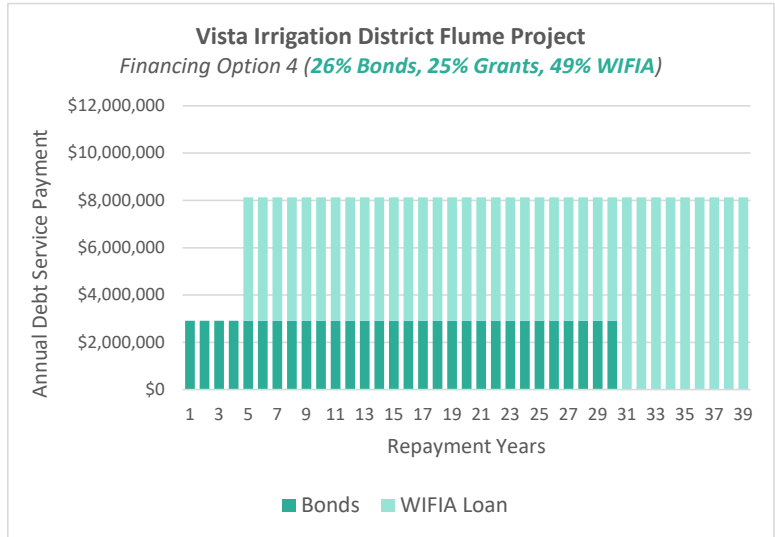
While grants are an optimal funding source, some additional key considerations are as follows:



- Free money, though it often has strings attached; usually requires agencies to do rigorous tracking of dollars to confirm that money is used for eligible purposes
- Availability is limited, timing often out of District’s hands (works best when you have years until project construction begins)
- Significant competition for funds and over-subscription to grant programs

Option 3 – Project is funded with mix of WIFIA (49%), Grants (25%) Bonds (26%)

This third option explores the financial benefit of a below-market rate Water Infrastructure Finance and Innovation Act loan (“WIFIA”) administered by the United States Environmental Protection Agency (“EPA”). For an issuer the District’s size, WIFIA funding is capped at 49% of the total eligible project costs. This scenario builds upon Option 2 in that it assumes that the District is able to secure 25% of the project funding sources from grants. Accordingly, the bond component often becomes a final piece of the funding puzzle and simply fills up what is needed (about 26% of the total project cost in this scenario). Relative to Option 1, this third option is about \$2.9M cheaper annually. The difference is less drastic when comparing Options 2 and 3, with Option 3 costing about \$225,000 less annually in our analysis. This may seem like a small difference, but over the 35-year term common to WIFIA loans, this is a there is potential for millions in cumulative savings (estimated \$8M in our analysis).



A key benefit of WIFIA loans is that the repayment of the loan does not begin until the year after substantial project completion. Unlike a bond funding where payments are typically due within a year of issuance, the delayed repayment provision for WIFIA loans provide an issuer with the flexibility to secure funding for a large project and then to increase rates gradually during the 3-5 year construction period in order to support the future debt service. WIFIA loans also utilize a draw schedule, which means that the District would only pay interest on actual amounts drawn from the loan authorization – an option that could have significant benefits if construction progress is slower than initially anticipated.

It is important to note that compared to the bond financing process, the WIFIA loan process can take 2-3 times as long (18-months is a good estimate). Accordingly, we would typically recommend pursuing WIFIA funding if the project is still in early design stages and construction is 1-2 years out. The graph above assumes that the WIFIA loan is issued after a bond issuance and wraps around the bond issuance, but in a situation where the project construction is 1-2 years out, we would typically pursue WIFIA funding first and then issue the bonds after the WIFIA loan is completed. However, as with Options 1 and 2, there is a wide variety of ways we could implement this Option 3 and we would work with the District to evaluate those variations.

In addition to the points discussed above, below are some key characteristics of WIFIA Loans:

- Total federal/state funding for WIFIA loans is capped at 80% (issuer must fund at least 20% from cash or bonds); the 80% cap includes the 49% WIFIA funding
- Longer amortizations are possible (35 years)

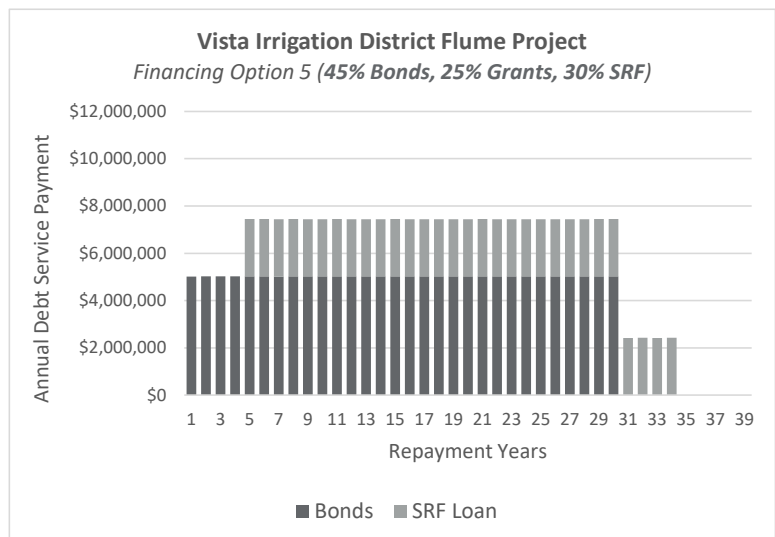
- 18-month process from start until funding is available
- Limit to 1 project fund disbursement/month; EPA will only send money to the issuer, not the vendor; EPA requires 15 days to process a disbursement (timing can introduce liquidity issues)
- WIFIA Loan interest rate is fixed, but there is a re-set option until the first draw happens
- EPA generally open to negotiating key terms and structuring; can result in advantages to the issuer

One final observation about WIFIA loan funding as a strategy for the District is that in May 2022, the EPA implemented the Buy America, Build America Act (“BABAA”) requirements for WIFIA-funded projects. To date we have been able to secure BABAA waivers on our WIFIA loan financing projects since they were under design prior to May 2022, but if the District does not have documentation of design work being done prior to May 2022, eligibility for a WIFIA loan may require the District to source materials in compliance with BABAA’s domestic preference requirements (American iron and steel requirement, for example). This requirement can increase the cost of the project (depending on design, of course) and so we would expect to work closely with the District’s engineers to quantify the higher cost of implementing BABAA compliant design versus the financial benefits from a WIFIA loan.

NHA is actively pursuing and has successfully completed WIFIA loans for our clients. Please see the City of Oxnard case study in Section 6 of this proposal for one example of a WIFIA loan funding project where NHA was involved from start to finish.

Option 4 - Mix of SRF (30%), Grants (25%) and Bonds (45%)

The final option we analyzed looked at the financial impact to the District from financing the Flume Project with funding from the State of California’s Clean Water State Revolving Fund (“SRF”) loan program, grant funding (similar to Options 2 and 3 above) and bond funding for the remaining portion. While the amount of the SRF funding available to the District will depend on a variety of factors (including project design factors and the quantity and types of projects competing with the District for SRF money), we have assumed for this analysis that the District can secure 30% of the \$170M Flume Project cost from SRF sources.



Because SRF loan rates are set to be half of the State of California’s average general obligation bond rate obtained by the State treasurer for the previous calendar year, the current SRF loan rate is 2.1%. Our analysis conservatively assumes a future SRF loan rate slightly higher than the current rate given the uncertainties in market rates between now and when the District would secure the SRF loan.

Option 4 has the lowest average annual debt service of all the options we analyzed, with debt service at just under \$7.5M (almost \$700K per year lower than the WIFIA loan Option 3). This kind of annual savings can translate into over \$20M in cumulative debt service savings over the life of the loan.

With the demonstrated potential for interest savings, it is no surprise that SRF loans are highly sought after. Due to high demand, SRF has a backlog of applications in various stages of processing and it can take about two years to make it through the SRF review and funding process. Our understanding of the Flume Project timing doesn’t

necessarily rule out SRF as a funding source since the 2-year application and financing process could happen concurrently with the project planning and design stages.

In the past 2-3 years, SRF has made a fundamental shift in the way they calculate a borrower’s ability to repay the loan. Previously, SRF required that a borrower meet their 120% debt service coverage requirement by dividing current year net revenues by current year total debt service due. However, SRF now requires a borrower to divide current year net revenues by the maximum aggregate debt service due in the current year plus the next five years. While most issuers would have capacity to meet this new test for small SRF loans, this change in requirement means that issuers who have ramping up debt service for a very large projects (like the Flume Project) typically need to have a series of rate increases completed before they close on a SRF loan. Because the District is still in the planning stages of the Flume Project, the District is in a good position to implement rate increases to create the capacity needed for a SRF loan.

Finally, any discussion about SRF loans would be incomplete without mentioning the impact on loan eligibility that comes from serving a disadvantaged community (DAC) or small, disadvantaged community (SDAC). DACs and SDACs have a higher priority for traditional SRF loan funding and are also eligible for principal forgiveness loans and SRF grants. Based on our review, we do not believe the District’s service area falls under the definition of a DAC (local MHI <80% of the state’s MHI), but we recognize that the benefits of a SRF loan are substantial and NHA would look forward to working diligently with District staff to further evaluate this funding option.

DEBT FINANCING PROCESS AND PRE-FINANCING STRATEGIES

While executing on a chosen financing plan may be years in the future, after the decision has been made to Flume (or not) and design is completed, we have included a discussion of important legal considerations and proactive strategies for the District to consider before taking on any debt.

Since the District has not carried debt in 20 years, the markets will view the District as a new borrower. The lack of outstanding debt presents the District with a unique opportunity to structure the debt and legal covenants in an optimal way for the District. This “clean slate” provides the District with some opportunities to implement policies and consider strategies on structuring the District’s debt for the long-term.

Build Flexibility into Legal Documents

While some lenders, like SRF, will have their own legal documents with mandatory provisions, if the District utilizes a bond funding, the District has the opportunity to write its bond documents in such a way that the District preserves the most flexibility for the future. During the financing process, NHA takes an active role in negotiating legal provisions on the District’s behalf to maximize the benefit to the District. Below are just a few of the areas that we would advocate on the District’s behalf.

One strategy considers the District’s Additional Bonds Test (“ABT”). This is the hurdle that the District must cross in order to issue any future debt on a parity basis with existing debt. Since the District has no outstanding debt, there is no existing ABT requirement to govern future debt issues. Accordingly, we would work with the District’s bond counsel to optimize the ABT provisions for the first financing. The strategy is to write the ABT in such a way that Net Revenues may include estimated revenues from future rate increases that have been formally approved and adopted by the Board through a Proposition 218 process. This ABT language should be written to provide maximum flexibility for future large projects and, since we are setting provisions now that could apply for the next 30-35 years, we believe a forward-thinking advisor needs to be advocating on the District’s behalf.

A second strategy relates to whether the District sets up a Rate Stabilization Fund (“RSF”) and the mechanics of how that RSF operates. A RSF is a restricted fund that the District would hold its books, but could dip into in any given year if the net revenues drop below the minimum required amount to cover the debt service. In those years, the District can transfer money from the restricted RSF to the general cash account and consider that transfer as “revenues” for purposes of calculating coverage. There are some nuances to the legal structure of the RSF that we would work with the District and bond counsel to ensure the District captures the most benefit by establishing the RSF.

Finally, any financing (bonds, WIFIA, SRF, even some grants) will require periodic reporting going for the life of the loan or bonds. NHA takes an active role in negotiating these provisions, as the District would need to comply with them for the life of the financing. We understand the importance of ensuring that the reporting requirements are reasonable and that the District is able to comply without undue cost. Something as simple as negotiating the annual due date for the District’s audited financial statements can save a significant cost in the long run.

Be Strategic on the Rate Covenant

When issuing debt secured by water revenues, the District will covenant that it will raise water rates or decrease operating expenses as needed to ensure that the net revenues are sufficient to provide a minimum required coverage on debt service. That minimum required coverage generally ranges from 110% to 125%, meaning District net revenues will need to equate to 110% to 125% of annual debt service payments.

The analysis we have included in our proposal assumes that the District will target a 125% rate covenant, however, we recognize that there are many competing factors in determining the minimum debt service coverage and would work with the District to determine an ideal coverage requirement that balances optimizing the credit rating with minimizing the long-term ratepayer impact.

Engage an Independent, Third-Party Rate Consultant for Prop 218 Rate Studies

Part of developing funding options includes evaluating ways to maximize net revenues through increasing revenues or reducing expenses. Due to the requirements of Proposition 218, the process for increasing revenues is lengthy. NHA often assists our clients with preliminary evaluation of needed rate increases, but we are not a rate consultant. NHA would work with the District and its rate consultant to ensure future rate increases maintain the required debt coverage and capacity for pay-as-you-go capital improvements.

We note that the District prepares their own rate studies and as part of the process of taking on significant CIP, we would suggest that the District work with an external rate consultant on the District’s next rate study or engage in a third-party review of the District’s rate study.

Work with the Board to Adopt Operating and Financial Policies & Practices

The rating agencies give extra credit where there are robust, board-approved policies governing the operations and finances of the issuer. One of the items in the District’s scope of services identifies a Debt Management Policy in compliance with SB 1029. NHA has prepared SB 1029 compliant debt policies for many issuers statewide. In addition to those debt policies, we work with our clients ahead of a major financing to optimize reserve policies, cybersecurity policies, CalPERS pension funding policies, capitalization policies, and asset management policies. We would also work with the District to optimize budgeting practices to maximize the District’s management score from the rating agencies. While each of these items taken independently are unlikely to change the District’s inaugural credit rating, attention to detail of this nature across the financing is essential to make sure the District achieves the highest credit rating possible (discussed further in this section).

As part of our holistic “*extension-of-staff*” services, we often assist our clients with a review of their investment policies not only to ensure compliance with California Government Code Sections 5922 and 53601 et seq., but also to optimize that policy in advance of a close review by the rating agencies. Most recently, we assisted Pajaro Valley Water Management Agency in optimizing their investment policy ahead of a bond/WIFIA loan financing for a \$160M aquifer recharge and recovery project. If selected as the District’s municipal advisor, we would work with District staff to review and update, as needed, the District’s investment policy to ensure that the District is implementing the latest strategies utilized by other California peers.

Managing Cash Balances during Construction

One of the key metrics that rating agencies evaluate is the District’s cash balance - both historical and plans for future cash balances. For public agencies that are undertaking significant capital projects, it is vital to ensure sufficient cash balances for O&M while maintaining necessary reserves. Bond funding options typically deliver cash upfront to a bond trustee and the public agency draws those funds as needed to pay construction costs. With this process, it is rare for a project to stress cash balances. However, alternative funding options (WIFIA, SRF, grants) are completed on a reimbursement basis which introduces risk to the District that the reimbursement will be delayed, stressing cash balances.

NHA will assist the District with monitoring current cash balances and projecting future cash balances (utilizing the construction draw schedule and other financial projections). If we see the District’s cash balances dipping below board-required minimums, we will provide some options for temporary cash infusions (e.g., short term financing notes, or lines of credit). While the execution of a short-term funding option to ensure availability of construction funding typically takes 2-3 months, we do not foresee any issues with securing short term construction funding if the District needs it to bolster cash balances.

ASSESSING THE DISTRICT’S CREDIT

As one of the leading municipal advisors of utility bonds in California, NHA has extensive experience working with clients to develop comprehensive rating strategies, particularly for issuers seeking an inaugural credit rating (the District’s will be considered inaugural due to no outstanding debt for 20 years). Based on our review of the District’s financial reports, 2021 Water Rate Study, and various economic data, we performed an initial high-level review of the District’s potential credit rating. The rating will be in part impacted by the financing structure ultimately selected and the use of District cash reserves. As the District is years away from executing a potential bond financing, we would work with the District to position itself most favorably during the rating process.

The following highlights some of the key takeaways credit analysis of the District:

- Essential service provider with a customer base that is primarily residential
- Revenue growth from \$47.38M to \$54.99M (16%) over a five-year period (FYE 2017-2022)
 - Based on the District’s FY 2022 audit, it had robust liquidity position of \$48.9M, compared to \$46.5M of operating expenses (net of non-cash expenses) equating to 384 days of operating expenses (although we understand this has been/will be impacted by a planned spenddown of CIP reserves)
- Proactive planning and management policies which include long-term financial plans, such as investment policy, capital improvement plan and reserve policy (Emergency and contingency reserve of \$10M, working capital reserve of \$10M and water purchase stabilization reserve)
- Rate Adjustment Policy permitting the automatic pass-through of all SDCWA fees and charges for wholesale water and water related services to District customers and the adjustment of District water rates to reflect inflationary costs.

- Strong service area income levels with median household income of 114% of the national median
- Strengths will be offset somewhat by the District’s large CIP needs

Rating Strategies for a Special District Financing:

- Despite the District’s name of Irrigation District, the District municipal and industrial users make up 95% of water deliveries and only 5% of deliveries are attributable to agriculture. NHA will work to demonstrate to rating agencies that the District is primarily a water provider and not an Irrigation District. S&P Global Ratings assesses Economic Fundamentals more strictly for irrigation districts than water providers.
- Program necessary rate increases to support debt service with a minimum coverage of 1.20x.
- Proactively address and implement certain financial policies (i.e., debt management policy) prior to the rating process
- Maintain adequate reserves to demonstrate robust liquidity position

Based on our preliminary credit review, we believe the District is well positioned to obtain a high-grade investment grade rating. NHA would work with the District on funding strategies and nuances that will impact the District’s ultimate rating. The District has time to implement strategies to bolster its rating and mitigate any potential issues.

NHA VALUE ADD FOR PUBLICLY OFFERED DEBT

For a debt issuance process, NHA routinely provides the entire Scope of Services listed in the District’s RFP. The following discussion highlights our approach and value add to the debt issuance process including, the development of the financing team, to the credit rating process, bond sales, and municipal market evaluation.

RFP/Q Preparation and Proposal Evaluation

NHA has experience preparing formal RFPs and evaluating proposals for various financing team members and we also make sure to discuss with our clients what process aligns best with staff and stakeholders, as well as procurement requirements. In our experience, some financing team members are more efficiently and effectively selected without a formal RFP process. The decision as to how best to onboard a new member of the financing team is ultimately the District’s, but NHA will be available to provide advice on this process and suggest alternative methods, if desired by the District.

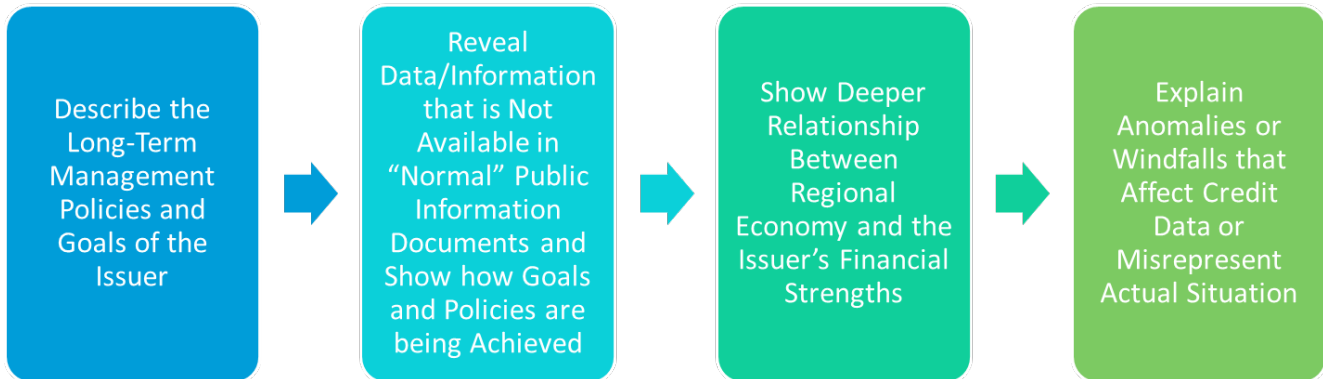
For underwriting services, NHA generally recommends a formal RFP process for debt issuance. NHA has worked with all major California underwriting firms and has significant experience advising issuers in underwriter selection (negotiated & competitive) and private placements. We will be available to take an active role in this process, at the pleasure of the District. Our services for RFPs include the full suite of proposal writing, RFP distribution, proposal evaluation, and communicating recommendations.

Credit Rating Process

NHA notes that any bond financing will require a rating and is not something the District has done in a significant period of time. NHA has assisted multiple agencies in their first credit rating process. Whether it is a first issuance, or not, NHA takes an active role in the credit rating process by leading the due diligence review and crafting the credit presentation. NHA understands that a portion of the rating criteria is outside of the District’s control, such as economic indicators and demographics. However, a large element of the rating is controllable, and NHA has a strong record of executing a multi-pronged approach to ensure our clients obtain the highest rating possible. As the graphic below indicates, NHA equips our clients and enables them to tell their story. Our goal in the credit

rating process is to ensure that the rating analysts are educated and supported with critical and key information to defend and advocate the District’s position and make positive rating recommendations to their committees.

NHA Strategic Goals for Credit Rating Presentations



Method of Sale Evaluation

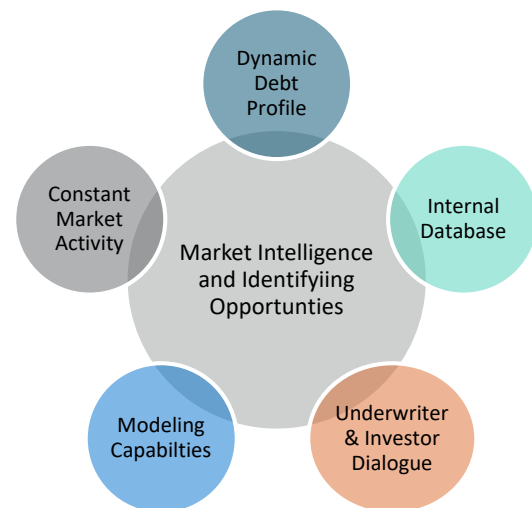
As the District’s municipal advisor, NHA will evaluate all available sale strategies (competitive vs. negotiated) for a bond issuance. Our services provided for any competitive financing are comprehensive and robust, including preparing the Notice of Sale, communicating with underwriting desks or potential buyers and evaluating bids received and awarding the winning bidder.

Municipal Market Evaluation

As an active municipal advisor in California for special district and city financings, NHA assesses the capital markets to identify trends or opportunities that could lead to the lowest possible cost for an issuer. NHA has extensive experience with public issuances, both negotiated and competitive, as well as experience working with nearly every major underwriting firm.

NHA utilizes TM3 and EMMA to stay current with the market and maintain a database of bond market data, including all deals that have priced (detailing coupons, yields, take-downs, etc.), general interest rate data like MMD and U.S. Treasury data, and general market supply/demand information. For every public offering, NHA develops a pricing comparable chart and analyzes the proposed underwriter pricing to ensure that our client is receiving the most aggressive pricing (lowest interest rates and yields).

While it is very easy for most advisors to access this data in real time, NHA distinguishes itself from our competitors in a few areas. First, three of NHA’s professionals worked on the underwriting side for an extensive portion of their public finance careers. They understand that underwriting is as much of an art as a science, and that the initial strategy is just as important as the math of couponing optimization. Secondly, and because of this experience, NHA understands how important the initial strategies are for a successful pricing process, so we actively insert ourselves on behalf of our clients early in the process – before the typical pre-pricing and pricing calls. While NHA will never stand in the way of the underwriter (they are experts, in the market daily, and an ally to the client and its team), we do not shy away from



asking the tough questions to ensure that all pricing alternatives are being considered – early in the process. Whether our client wants to be part of those discussions or not (or just be briefed by NHA during the process), NHA leans into this part of the process on every project.

We pay very close attention to the ultimate true interest cost in combination with the very important aspect of optionality for early redemption (i.e., the call feature) to both create maximum savings and maximum ability to tailor an aggregate debt payment structure to fit our client's ongoing needs in the future. This is especially important in this market with a preference for 5% coupons and a very volatile economic environment that can potentially drastically undermine revenues, as well as create 'spikes' in expenditure line items.

TECHNICAL SUMMARY



What does this mean for the Vista Irrigation District?

By utilizing our deep team and experience with providing similar services, NHA will be able to effectively provide expertise on the District's Scope of Work, including research and due diligence on the District's priorities and objectives, performing financial impact analysis and projections, developing and presenting a comprehensive set of holistic funding options to stakeholders and elected officials, and delivering a comprehensive suite of debt issuance and debt management services.

3. LICENSE TO PRACTICE IN CALIFORNIA

NHA and all assigned key professional staff are properly licensed to practice in California. The Firm holds all licenses and registrations required by applicable federal and state laws for businesses offering municipal financial advisory services and all required licenses and registrations are current and in good standing to perform the work. The District may electronically access NHA Advisors’ most recent Form MA and each most recent Form MA-I filed with the SEC at the following website: www.sec.gov/edgar/searchedgar/companysearch.html. The table below summarizes NHA Company information.

NHA Advisors, LLC – Company Information	
Organization Type	California Limited Liability Company (LLC)
California Secretary of State Entity Number	201136110287
Years in Business / Organizational History	DBA: NHA Advisors, LLC 2011-Present DBA: Northcross Hill & Ach 2000-2011
Firm Ownership	NHA Advisors, LLC Principals
Number of Licensed Municipal Advisors on Staff	10
Licenses held by NHA Staff	Municipal Advisor Representative (MSRB Series 50 – 10 individuals) & Municipal Advisor Principal (MSRB Series 54 – 1 individual)
Registrations with Regulatory Bodies	SEC and MSRB
Office Location / Office from which Services will be Performed	4040 Civic Center Drive, Suite 200 San Rafael, CA 94903

4. INDEPENDENCE

NHA is independent of the District and has had no professional relationship involving the District for the past five years.

5. AGREEMENT AND INSURANCE REQUIREMENTS

NHA has reviewed the District’s sample agreement for insurance requirements and confirms its ability to comply with the District’s insurance requirements. A summary of NHA’s insurance coverage is in the table below.

NHA Advisors’ Insurance Coverage	
Coverage Type	Amount (Per Occurrence / Aggregate)
Commercial General Liability	\$2,000,000 / \$4,000,000
Automobile Liability	\$1,000,000 / \$1,000,000
Worker’s Compensation	\$1,000,000
Professional Liability	\$1,000,000 / \$2,000,000

6. FIRM QUALIFICATIONS AND EXPERIENCE

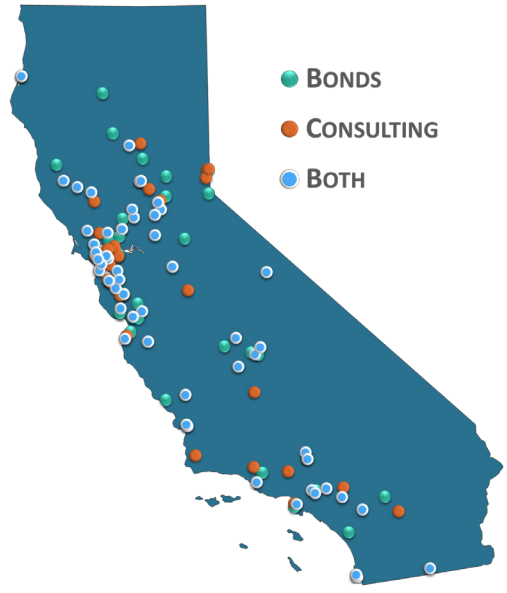
NHA Advisors, LLC (“NHA”), a California limited liability company, is an Independent Registered Municipal Advisor registered with the SEC and MSRB and headquartered in San Rafael, California. Since 2012, NHA has provided comprehensive financial and consulting services to over **170** public agencies throughout California. NHA’s bond and consulting groups are currently working with over 100 public agencies to develop project funding solutions, financial policies, pension liability strategies, and compliance requirements.

Our experience with special districts includes rural, small agencies to major metropolitan agencies - providing the greatest exposure to problems. This allows us to bring creative examples and solutions to our clients. We understand the time and staff resource constraints required to develop funding strategies and financing plans and believe our holistic approach allows us to be an “extension of staff” that will integrate with District staff to provide the best solution and process for the project.

Providing municipal advisory services to California public agencies is our core focus as shown by our continued professional staffing growth and increasing engagements.

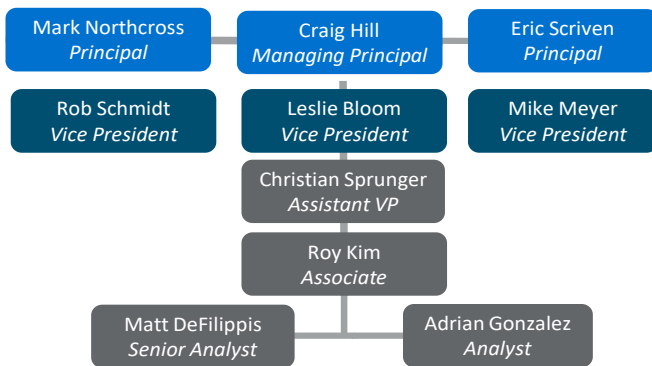
NHA has developed a team of **ten** registered municipal advisors all focused on California public agencies. NHA is led by its three Principals (Mark Northcross, Eric Scriven, and Craig Hill), each of whom have more than 30 years of public finance experience. These Principals are supported by three Vice Presidents, and four additional advisors serving as support staff. All ten NHA professionals maintain their Series 50.

NHA Clients Served*








*Dots represent client engagements from 2012 - Present

NHA Advisors, LLC



DISTRICT TEAM

NHA’s assigned team for the District is provided in the table below. All team members will be engaged on a fulltime basis and have nearly 100 years of combined experience serving public agencies across the state. The District’s assigned lead day-to-day contact is Managing Principal, Craig Hill. Mr. Hill is authorized to execute agreements on behalf of NHA. Please refer to **Section 7** for a summary of qualifications and **Appendix A** for resumes of the NHA team assigned to the District.

NHA Advisors, LLC – Professional Licenses		
	Craig Hill <i>Managing Principal</i>	MSRB Series 50
	Mark Northcross <i>Principal</i>	MSRB Series 50
	Leslie Bloom <i>Vice President</i>	MSRB Series 50
	Christian Sprunger <i>Asst. Vice President</i>	MSRB Series 50
	Roy Kim <i>Associate</i>	MSRB Series 50

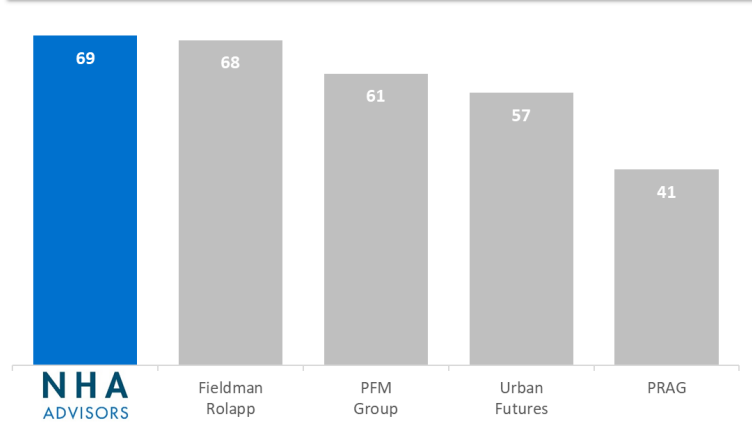
Contact Information	
Lead Contact	Craig Hill, Managing Principal Craig@NHAAdvisors.com (415) 785-2025 x 2001
Corporate Headquarters	4040 Civic Center Drive Suite 200 San Rafael, CA 94903
Website	www.NHAAdvisors.com

NHA QUALIFICATIONS

NHA is ranked as the **#1** municipal advisor, by number of unique bond transactions, for California cities and special districts since January 2021. NHA has managed projects including water and wastewater revenue, general obligation, tax allocation, lease revenue, land secured, pension obligation, and short-term cash flow notes. Our work includes a wide range of financing sizes, from under \$1,000,000 to over \$400,000,000.

Many clients rely on NHA for strategic financial planning, policy advice, cross-collaboration with other consultants and general financial staff support. NHA provides a combination of ongoing municipal advisory consulting and financing services to a variety of public agencies throughout the state.

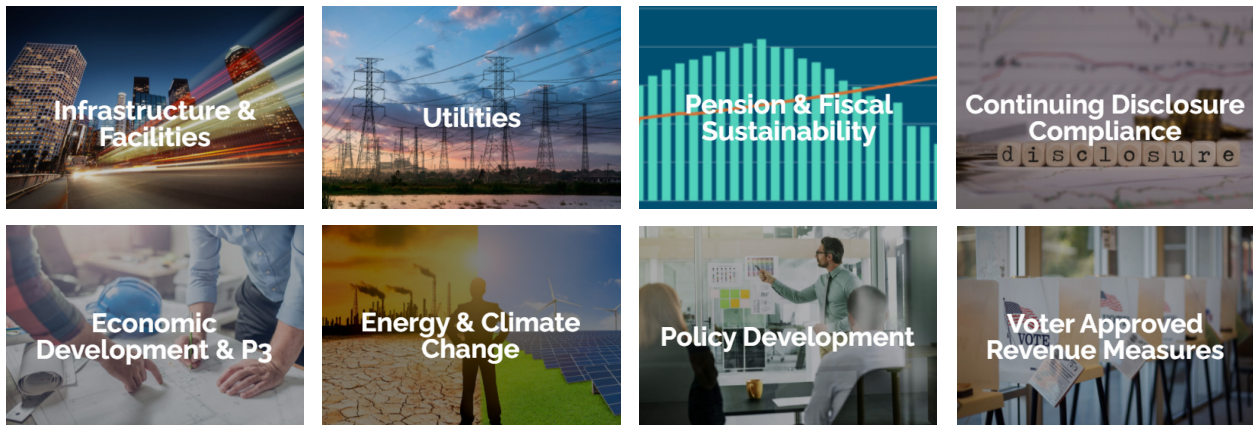
MUNICIPAL ADVISOR RANKINGS FOR CALIFORNIA CITIES & SPECIAL DISTRICTS Unique Transactions (January 2021 - Present)¹



¹Source: California State Treasurer; sold City & Special District unique transactions as of July 24, 2023 (excludes conduit financings)

Since 2016, NHA staff has completed over 300 unique consulting projects, many of which did not result in financing. While this level of service may not be common with other municipal advisors, our “*extension of staff*” style has become a core part of our services and a critical benefit to many of our public agency clients.

NHA formed eight practice groups to address issues our clients told us mattered to them. NHA has made it our business to become an expert in areas such as climate change impacts (i.e., wildfire risks, rising sea levels), P3 & economic development negotiations, pension liabilities, and continuing disclosure to provide meaningful ideas and advice to our clients when those issues arise.



UTILITY FINANCING EXPERIENCE

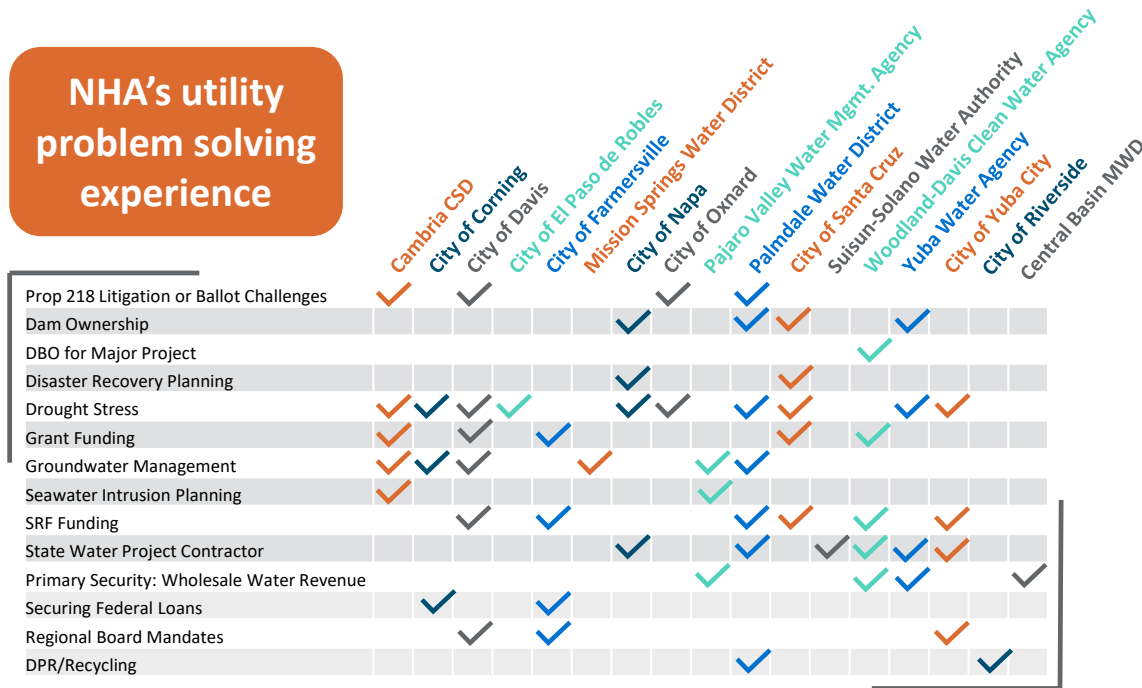
Since 2018, NHA has served as municipal advisor for 48 wastewater/water financing transactions for 32 unique California special districts and cities, totaling over **\$1.2B**. Many of our competitors can provide statistics showing billions of dollars of water or wastewater financings nationwide. But does water financing experience in Florida or New York really apply to dealing with the nuances of water financing and Proposition 218 in California? **We believe that true expertise in utility finance is not measured by the dollar amount of financings, but by the breadth and diversity of the firm’s clients.**

This diversity of experience enables us to truly serve our water industry clients. We know the business from the customer management challenges of a retail utility to the high-level complexities of State Water Project contracts and supply contracts with DWR. Based on experience, we know when alternative financing vehicles, such as SRF funding and grants, are a realistic option and can advise staff accordingly. We have dealt with the “four seasons” of California (fire, flood, earthquake, and drought) for our water clients. Equally as important, we have developed financial solutions for utilities facing major Prop 218 challenges. **NHA’s diversity of experience makes it uniquely qualified to provide insight and financial management expertise to California’s water utilities.**

Makeup of NHA’s Water Utility Expertise

- ✓ Major Water Retailers
- ✓ Major Water Wholesalers
- ✓ Major Water Suppliers
- ✓ State Water Project Contractors
- ✓ State Water Project Suppliers
- ✓ Urban Water Utilities
- ✓ Agricultural Water Utilities

Below is chart summarizing our experience in meeting water utility challenges:



Experience WIFIA, SRF and USDA loans. In 2022, we completed a 1.5-year process to take the City of Oxnard through the full WIFIA process – from letter of intent (“LOI”) to funding – on a \$48M WIFIA Loan. We are continuing to support Oxnard post-closing on their WIFIA loan, including the annual WIFIA reporting, and structuring scenarios for the matching water bonds. We are currently working with the Big Bear Area Regional Wastewater Agency on the closing a \$63M WIFIA Loan, and we are in the application stage with Pajaro Valley Water Management Agency on a \$78M WIFIA Loan and with the Palmdale Water District on a \$121M WIFIA Loan.

We have completed 7 SRF loans and 12 USDA loans for our utility clients. As mentioned in our Option 4 under the “Funding Options for the District” section above, a key element to consider regarding SRF is that their backlog for review is now about 2 years and their revised (more restrictive) coverage test. Nevertheless, SRF remains the

lowest cost debt financing program for utilities in California. USDA sees themselves as a lender of last resort. Consequently, despite the advantages of a 40-year amortization period, we are not confident the District would qualify for USDA funding.

CASE STUDIES

We believe the best way of demonstrating our approach to water financing is to do a "deep dive" into recent water utility projects through the following case studies that we believe are applicable to the District and which demonstrate the high quality of service NHA provides. References for some of our water-related financing experience are provided in **Section 9**.

El Toro Water District 2022A Water and Wastewater Revenue Bonds

Par Amount: \$40,905,000

Bond Rating: "AA" (S&P)

The El Toro Water District is located in south Orange County and serves ~48,000, covering the City of Laguna Woods and portions of Aliso Viejo, Laguna Hills, Lake Forest, and Mission Viejo. The district provides water, wastewater, and recycled water services to its customers.



NHA won a competitive RFP process in July 2021 to develop and execute a financing plan. Working with district staff over an eight-month process, NHA collaborated, educated, presented options to staff and the district board and **delivered** the financing that provided several financing options for potable water, recycled water, and wastewater system improvements totaling \$25.5M. Throughout the eight-month financing process, NHA prepared several financing analyses to guide staff decisions. NHA also participated in multiple staff and Board meetings, in which NHA educated the District and its Board about the various financing options, policy decisions, and the bond underwriting and continuing disclosure processes.

In addition to providing a financing strategy for the identified projects, NHA took a comprehensive look at the district's outstanding obligations and identified some benefits to restructuring its SRF loans. Prepaying the SRF loans accomplished multiple objectives, including eliminating a senior/subordinate structure, releasing restricted reserves and allowing all debt obligations to access the same pledge of net revenues. This restructuring also allowed the 2022 bonds to be issued on parity with existing bonds resulting in significant interest savings.



One interesting consideration from this project was whether the district should structure the new obligation as a revenue bond or certificate of participation. While legally the same credit, NHA performed quantitative analysis that indicated a revenue bonds structure would have a lower interest rate. The bonds were sold through a newly formed financing authority. This resulting structure was estimated to benefit the

district with interest rates as much as 15 basis points lower than the alternative.

As part of our work for the district, NHA developed a *unique* credit presentation given the inaugural credit process with S&P Global Ratings. The presentation highlighted the district’s seasoned management team, strong financial policies and practices, strong financial metrics, and very strong economic fundamentals. The district achieved an S&P rating of “AA”, which provided the district with an all-in interest rate of 3.08%.

West County Wastewater District 2021 Energy Efficiency Improvements

Par Amount: \$79,575,000

Bond Rating: “AA-” (S&P) “Aa3” (Moody’s)

The West County Wastewater District serves ~34,000 residential and 900 commercial accounts in the cities of Richmond, San Pablo, El Sobrante and the Bayview neighborhood. The district collaborates with the East Bay Municipal Utility District and the City of Richmond to coordinate wastewater collection and treatment.

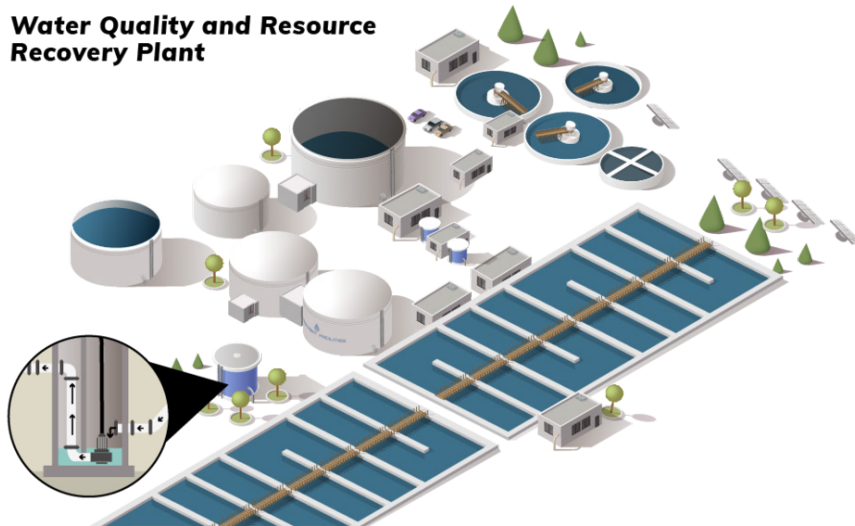


NHA began working with the district on what was intended to be a traditional financing for deferred capital projects. The initial work included analyzing the district’s financial position, existing SRF obligations, rate structure and projected capital plan. The district had gone years without implementing some larger capital projects and the district board was reluctant to raise user rates or initiate such projects.

NHA developed educational materials and presentations for the district board to understand the bond financing process and disclosure obligations as well as assisting their rate consultant in developing a rate study that addressed the future operational needs of the district and identified capital projects and the restrictions around the outstanding SRF obligations.

Throughout the process, the scope of work evolved as the financial feasibility of some identified energy efficiency projects were introduced to the CIP plan. While NHA staff analyzed the economic benefits of projects that included solar photovoltaic, energy efficiency improvements and the installation of electric vehicle charging stations, district staff recognized opportunity to accelerate certain treatment plant improvements while some of the efficiency projects were being implemented. This adaptation increased overall project costs by over 125% and required NHA staff to assess the district’s ability to maintain coverage requirements, which included

Water Quality and Resource Recovery Plant



incorporating projected energy savings from the more efficient equipment. The final proposed project included strategic energy efficiency projects, including cogeneration improvements whereby the district would take methane from the digesters to generate the electricity to power the plant. As a result, the district’s plant will utilize waste sent to the plant to generate self-sustaining electricity, resulting in a carbon-neutral wastewater

treatment facility. A notable innovative plan on the district’s part was to use the byproducts of the plant as fertilizer.

As part of the second phase of our work for the district, NHA managed the entire process of issuing revenue bonds including running RFPs for legal and underwriting services. NHA completed the \$80M Wastewater Revenue Bond financing in 2021. NHA also guided the district through its inaugural credit ratings with S&P and Moody’s. NHA managed the credit rating process, crafted and refined the credit rating presentations and corresponded with the rating agencies to ensure that they were well informed about the district’s operational, financial and management strengths. The 2021 Bonds were rated “AA-” by S&P and “Aa3” by Moody’s and achieved an all-in true interest cost of 2.61% for the 30-year financing.

Oxnard 2022 WIFIA Loan for City of Oxnard’s Groundwater Recharge Project

NHA has been assisting the city since 2020 on their \$98M Aquifer Storage and Recovery (“ASR”) groundwater recharge project. Over the past few years, we assisted with a small \$6.25M financing in early 2021 to fund construction of the demonstration pilot program injection well.



We also worked with the city in 2021 to develop and submit a letter of Interest to the US Environmental Protection Agency (“EPA”) for a Water Infrastructure Finance and Innovation Act (“WIFIA”) loan. We took the city’s WIFIA Loan through the whole process – from LOI to application to funding.



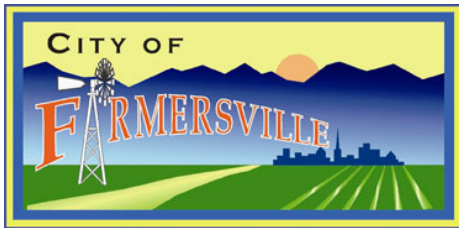
During the application process, NHA prepared the 30-year coverage projections for all of the city’s debt and modeled structuring options for the WIFIA loan and the matching city-issued bonds. Our dynamic model allowed city staff to easily update the projected debt service schedule on both the WIFIA loan and the city’s matching bonds by updating key inputs.

As part of the process of finalizing the loan, NHA served as project manager and quarterback to present the structure and credit of the loan to EPA staff and negotiate covenants related to the city’s water fund, debt service coverage, and parity debt structure. One key covenant that NHA negotiated was to allow the city to postpone funding the debt service reserve fund until amortization payments kick in following substantial project completion. This saved the city a significant amount of accrued interest over the 5-year construction period. We

also structured the WIFIA Loan to wrap around the city’s other outstanding debt, minimizing near-term impact on the city’s ratepayers.

In all, the process took approximately 1.5 years from LOI to closing on the city’s \$48.3M WIFIA Loan. Post-closing, NHA has been assisting the city’s rate consultant with matching bond structuring scenarios to facilitate the city’s next Proposition 218 rate study process. This work will lay the groundwork for the city’s 51% matching bond that will be issued in the future.

Farmersville 2018 Wastewater Treatment Plant Upgrades (Multi-Funding Sources)



A holistic financing approach leveraged three revenue sources and a line of credit for interim funding needs to fund a new \$23.6M wastewater treatment plant, the largest capital project ever completed by the city. The approach required significant coordination between Clean Water SRF and USDA.

NHA worked with the city to secure financing from multiple alternative sources for their wastewater treatment plant upgrades. Local median income and poverty rates in this heavily agricultural community meant that financing the \$23.6M plant improvements through a traditional bond offering would necessitate drastic rate increases. Instead, the financing plan aimed to acquire below-market rate loans through Clean Water SRF and USDA to minimize these required rate increases. The city’s demographic profile met SRF’s “Disadvantaged Community” definition, and city hoped to take advantage of SRF grants and SRF loan forgiveness programs in addition to a loan.

The final funding package was a combination of city reserves, USDA loan, SRF loan, SRF principal forgiveness loan, and SRF disadvantaged community grant. These five sources of project funding were successfully secured in time to enable the city to sign a contract with the winning bidder prior to the project’s bid expiration deadline.

NHA was brought in to serve as a project manager and advisor after the city had a winning bidder. The city desired to award the contract but was unable to until adequate funding was secured. To meet the accelerated timeline, NHA created a comprehensive funding and construction draw-down schedule that helped enable all parties to stay coordinated and meet key deadlines.

Due to project delays, the USDA loan application had been in progress for five years and required a funding extension. NHA managed the process of applying for an extension and submitted the 611-page application for extension on behalf of the city. The application was approved by USDA without complication.

Securing SRF or USDA funding was contingent upon securing a loan from the other agency. NHA worked with the city’s grants consultant to ensure that both agencies were kept aware of the status of the other agency’s loan.

To meet each agency’s requirements regarding acceptable uses of funding and deadlines to utilize grant and loan funds, NHA developed an analytical model that allocated funding to project costs in line with each loan’s stipulations and prioritized use of funds from each source that helped the city to draw down funds prior to the respective deadlines.

Finally, NHA worked with the city to secure a \$2M line of credit to help ensure that the city would have adequate liquidity to pay construction invoices while waiting for reimbursement from SRF and USDA.

7. STAFF QUALIFICATIONS AND EXPERIENCE

ASSIGNED NHA TEAM

NHA believes that to provide the best service to the District, the assembling of the specific professionals with the expertise necessary to deliver superior service will be determined once the initial discussions about the District's comprehensive objectives (beyond the proposed bond issuance) have occurred. The preliminary NHA team will consist of Craig Hill (Managing Principal), Mark Northcross (Principal), Leslie Bloom (Vice President), Christian Sprunger (Assistant Vice President) and Roy Kim (Associate). A summary of qualifications for each of the five NHA team members can be found below. Detailed resumes can be found in **Appendix A**.



Craig Hill, Managing Principal. Mr. Hill's career serving California public agencies began in 1989. Craig's extensive utility experience dates back to his employment with the Sacramento MUD in the 1980s and includes 30+ years of working with water, irrigation and municipal utilities on water and wastewater issues. Current projects include the Parajo Valley WMA, Aromas WD and Sausalito. Prior experience also includes working for the State of California on facility finance and energy efficiency projects. Mr. Hill holds a B.S. in Managerial Economics and a B.S. in Agricultural Economics, from the University of California, Davis. He maintains his MSRB Series 50 License.

Recent Relevant Projects: Oxnard 2022 WIFIA Loan, Morgan Hill 2022 Water Revenue Bonds; North Marin Water District 2022 Water Loan; Aromas Water District 2022 Water Loan; Oxnard 2021 Water Bonds; West County WD 2021 Wastewater Bonds; Suisun Solano Water Authority 2021 Water Bonds



Mark Northcross, Principal. Mr. Northcross's first utility revenue bond issue was for the San Bernardino Valley Municipal Water District in 1983. Since then, he has successfully delivered funding to utilities facing the challenges of drought, earthquake, flooding, and Prop 218 litigation. Mr. Northcross is a leading advisor on climate change infrastructure and leads NHA's alternative financing practice that focuses on "holistic" funding solutions, with special emphasis on SRF, WIFIA, Federal and State grants. Mr. Northcross received his B.A. in Social Sciences, from the University of California, Irvine.

Recent Relevant Projects: El Toro Water District 2022A Water and Wastewater Revenue Bonds; Central Basin MWD 2022 Standby Charge Refunding Revenue Bonds; Palmdale Water District 2021 Water Revenue Bonds; City of Riverside 2018 Sewer Revenue Bonds



Leslie Bloom, Vice President. Ms. Bloom has 20 years of experience in accounting and financial analysis with 16 years dedicated to public finance. Prior to joining NHA Advisors in February 2021, Ms. Bloom worked in Public Finance Debt Investment Banking, where she completed over 250 senior managed and private placement financings totaling more than \$3.5B, for a wide variety of public agencies throughout California. Over the last several years, the water/wastewater sectors have been a primary area of focus for Ms. Bloom. Her work in the sector has included project finance, debt structuring and restructuring, rate planning, and policy development. Project experience includes funding for water supply, recycled water, wastewater treatment plants, and other capital improvements. She brings a strong background in

cashflow modeling, pricing analysis and structuring, given her work in investment banking. Ms. Bloom holds a B.S. in Accounting and Finance from the University of Arizona. She maintains her MSRB Series 50 License.

Recent Relevant Projects: Lakeport 2022 Water Revenue Loan; Aromas Water District 2022 Loan; El Toro Water District 2022A Water and Wastewater Revenue Bonds; Central Basin MWD 2022 Bonds; East Niles CSD 2021 COPs; Mendota 2021 Wastewater Revenue Bonds



Christian Sprunger, Assistant Vice President. Mr. Sprunger has worked in public finance since 2016, during which time he has worked on over one hundred financings for California municipal issuers, totaling over \$2.2B. Mr. Sprunger has worked on a variety of sewer utility financings – from combination SRF/USDA fundings for Wastewater Treatment facilities, to energy efficiency improvements for sewer, to WIFIA Loans to using treated water for groundwater recharge, to traditional water and sewer bonds. Mr. Sprunger holds a M.S. in Finance, from Indiana University, and a B.S. in Biological Sciences, from Biola University. He maintains his MSRB Series 50 License.

Biola University. He maintains his MSRB Series 50 License.

Recent Relevant Projects: Oxnard 2022 WIFIA Loan; Pittsburg 2022 Water Bonds; Central Basin MWD 2022 Bonds; North Marin Water District 2022 Water Loan; Mendota 2021 Wastewater Bonds; West County WD 2021 Wastewater Bonds; Suisun Solano Water Authority 2021 Water Bonds; City of Riverside 2018 Sewer Revenue Bonds



Roy Kim, Associate (Support Staff). Mr. Kim will be available to provide support to the assigned team. Mr. Kim has provided municipal advisory and consulting services to numerous California public agencies since 2018, totaling \$2.0B in financings. He supports NHA’s Vice Presidents and Principals on a broad range of engagements, including for pension cost management strategies, financial forecasts, credit rating presentation development, debt refinancing research and management of a debt issuance process. Mr. Kim holds an M.S. in Finance, from Johns Hopkins University, and a B.A. in Global Studies, from the University of California, Santa Barbara. He maintains his MSRB Series 50 License.

from the University of California, Santa Barbara. He maintains his MSRB Series 50 License.

Recent Relevant Projects: Novato Sanitary District 2020 Wastewater Revenue Refunding Bonds; Martinez 2020 Water Revenue Bonds; Calaveras County WD 2019 Taxable Water Revenue Refunding Loan; City of Riverside 2018 Sewer Revenue Bonds

8. PRIOR ENGAGEMENTS WITH THE DISTRICT

NHA has not previously participated in engagements with the District within the last five years.

9. REFERENCES

NHA has extensive experience working with California water/wastewater public agencies on consulting and bond transactions. Following, we have provided two lists, one for consulting assignments and one for bond/loan transactions.

As a consultant (for projects not involving financing), NHA has worked on 34 water/wastewater projects for 24 unique California public agencies since 2018. 11 of these water/wastewater consulting projects have been for special districts across California. A complete list of NHA’s water/wastewater consulting projects since 2018 can be found in the table below.

NHA Advisors - California Water/Wastewater Consulting Projects (2018 - Present)					
Client	Scope of Work	Date*	Engagement Partner	Total Staff Hours	
Banning, City of	2023-24 Consulting (Wastewater)	Ongoing	Eric Scriven	1	
Central Basin Mun. Water District	2022-23 Consulting (General)	Ongoing	Mark Northcross	6	
Gonzales, City of	2022-23 Consulting (Wastewater)	Ongoing	Eric Scriven	31	
Humboldt Bay Mun. Water District	2023-24 Consulting (Project Funding & Bonding Capacity)	Ongoing	Mark Northcross	17	
North of River Sanitary District	2022-23 Consulting (Capital Financing Planning)	Ongoing	Eric Scriven	123	
Palmdale Water District	2023-24 Consulting (WIFIA Loan)	Ongoing	Mark Northcross	143	
Pajaro Valley Water Mgmt Agency	2022-23 Consulting (WIFIA Loan)	Ongoing	Craig Hill	103	
Yuba County Water Agency	2022-23 Consulting (Comprehensive Financial Plan)	7/13/2023	Mark Northcross	326	
Santa Paula, City of	2023-24 Consulting (SRF Loan Consulting)	7/12/2023	Eric Scriven	5	
Calaveras County Water District	2022-23 Consulting (Rate Study Review)	6/22/2023	Eric Scriven	36	
Big Bear Area Reg. WW Agency	2022-23 Consulting (Phase 1: WIFIA Loan)	4/12/2023	Craig Hill	78	
Exeter, City of	2022-23 Consulting (Water Fund S&P Rating Surveillance)	4/12/2023	Christian Sprunger	8	
Farmersville, City of	2022-23 Consulting (Wastewater)	4/12/2023	Christian Sprunger	37	
West County Wastewater District	2022 San Francisco Bay Restoration Authority Project (North Richmond Living Levee)	4/10/2023	Mark Northcross	255	
Santa Paula, City of	2022-23 Consulting (Water & WW Rating Surveillance)	10/13/2022	Eric Scriven	6	
Pittsburg, City of	2022-23 Consulting (Water CIP)	10/1/2022	Eric Scriven	70	
Hidden Valley Lake CSD	2021-22 Consulting (Utility Financing Options)	7/22/2022	Craig Hill	25	
El Toro Water District	2021-22 Consulting (Capital Projects Funding Strategies)	12/1/2021	Mark Northcross	136	
Morro Bay, City of	2021-22 Consulting (WIFIA and SRF Loans)	11/2/2021	Craig Hill	45	
Palmdale Water District	2021 Consulting (Debt Projections & Analysis)	10/26/2021	Mark Northcross	12	
El Monte, City of	2021-22 Consulting (Utility)	7/22/2021	Eric Scriven	39	
West County Wastewater District	2021 General Consulting	6/18/2021	Mark Northcross	53	
Yuba County Water Agency	2020-21 Three Rivers Levee Improvement Area Consulting (Plumas Lake)	12/4/2020	Mark Northcross	119	
Atherton, Town of	2020 Solid Waste JPA Termination Consulting	9/14/2020	Craig Hill	30	
Yuba County Water Agency	2020 Plumas Lake Consulting	8/5/2020	Mark Northcross	125	
Farmersville, City of	2019-20 Wastewater Fund Consulting	2/13/2020	Christian Sprunger	34	
Yuba County Water Agency	2019 Plumas Lake Consulting	2/6/2020	Mark Northcross	228	
Chico, City of	2018 Wastewater Consulting	6/30/2019	Mark Northcross	105	
Yuba County Water Agency	2019 SB 1 Consulting (Joint Financing with Yuba County)	6/30/2019	Mark Northcross	178	
Yuba County Water Agency	2019 Camptonville Consulting (Biomass)	6/30/2019	Mark Northcross	60	
Riverside, City of	2018 Sewer Consulting	10/2/2018	Mark Northcross	45	
Oxnard, City of	2018 Wastewater Fund Consulting (Rating, Litigation)	6/11/2018	Craig Hill	38	
Palmdale Water District	2018 SRF Loan Consulting	2/26/2018	Mark Northcross	24	

*Date indicates the invoicing date of the consulting project



As a municipal advisor, NHA has worked on 45 water/wastewater bond financings for 30 unique California public agencies since 2018, totaling over \$1.0B. Of the 45 California water/wastewater bond transactions completed since 2018, NHA has managed 17 water/wastewater bond transactions for 12 unique special districts across California. A complete list of NHA's water/wastewater bond transactions since 2018 can be found in the table below.

NHA Advisors - California Water/Wastewater Bond Transactions (2018 - Present)				
Client	Scope of Work	Date*	Par Amount	Engagement Partner
Palmdale Water District	2023 Water Revenue Bonds <i>(Sale Pending)</i>	Sept. 2023	\$42mm	Mark Northcross
Pajaro Valley Water Management Agency	2023 Water Revenue Certificates of Participation	6/13/2023	\$40.4mm	Craig Hill
Ventura, City of	2023 Water WIFIA Loan	4/11/2023	\$63.6mm	Craig Hill
Ventura, City of	2023 Wastewater WIFIA Loan	4/11/2023	\$110.3mm	Craig Hill
Lakeport, City of	2022 Water Revenue Loan	6/22/2022	\$6.0mm	Eric Scriven
Turlock, City of	2022 Sewer Loan	6/22/2022	\$32.9mm	Eric Scriven
Morgan Hill, City of	2022 Water Revenue Bonds	6/1/2022	\$15.4mm	Craig Hill
North Marin Water District	2022 Water Loan	5/31/2022	\$20.0mm	Craig Hill
Pittsburg, City of	2022 Water Revenue Bonds	5/26/2022	\$43.9mm	Eric Scriven
Aromas Water District	2022 Water Loan	5/12/2022	\$5.8mm	Craig Hill
Oxnard, City of	2022 WIFIA Loan	5/11/2022	\$48.3mm	Craig Hill
El Toro Water District	2022A Water and Wastewater Revenue Bonds	3/10/2022	\$40.9mm	Mark Northcross
Central Basin MWD	2022A/B Standby Charge Ref. Revenue Bonds	3/9/2022	\$44.7mm	Mark Northcross
Mendota, City of	2021 Wastewater Revenue Refunding Bonds	11/10/2021	\$4.0mm	Eric Scriven
Oxnard, City of	2021 Water Refinancing	11/2/2021	\$24.2mm	Craig Hill
East Niles CSD	2021 Water and Wastewater Revenue COPs	10/7/2021	\$10.4mm	Eric Scriven
West County Wastewater District	2021 Wastewater Revenue Bonds	9/30/2021	\$79.6mm	Craig Hill
Palmdale Water District	2021 Water Revenue Refunding Bonds	8/31/2021	\$10.5mm	Mark Northcross
Palmdale Water District	2021 Water Revenue Bonds	7/20/2021	\$9.4mm	Mark Northcross
Solano Irrigation District	2021 Water Revenue COPs	7/15/2021	\$22.9mm	Craig Hill
Gilroy, City of	2021 Wastewater Revenue Bonds	6/21/2021	\$47.1mm	Craig Hill
Suisun-Solano Water Authority	2021 Water Revenue Refunding Bonds	4/29/2021	\$9.1mm	Craig Hill
Oxnard, City of	2021 Water Revenue Bonds	3/3/2021	\$23.3mm	Craig Hill
Martinez, City of	2020A/B Water Revenue Bonds	12/17/2020	\$11.6mm	Eric Scriven
Morgan Hill, City of	2020 Sewer Revenue Bonds	12/16/2020	\$17.7mm	Craig Hill
Palmdale Water District	2020 Taxable Water Revenue Refunding Bonds	11/3/2020	\$14.6mm	Mark Northcross
Santa Paula, City of	2020A/B Wastewater Revenue Bonds	10/22/2020	\$69.1mm	Eric Scriven
Novato Sanitary District	2020 Wastewater Revenue Refunding Bonds	10/15/2020	\$6.5mm	Craig Hill
Chico, City of	2020 Sewer Revenue Refunding Bonds	10/14/2020	\$19.7mm	Mark Northcross
Willits, City of	2020 Wastewater Revenue Refunding Bonds	8/13/2020	\$16.1mm	Eric Scriven
Palmdale Water District	2020 Water Revenue Refunding Bonds	5/28/2020	\$9.0mm	Mark Northcross
Exeter, City of	2020 Sewer Revenue Refunding Bonds	4/28/2020	\$3.5mm	Eric Scriven
Ukiah, City of	2020 Wastewater Refunding	2/19/2020	\$25.0mm	Eric Scriven
Exeter, City of	2020 Water Revenue Bonds	1/23/2020	\$4.4mm	Eric Scriven
Wheatland, City of	2019B Water Revenue Refunding Bonds	12/19/2019	\$2.2mm	Mark Northcross
Paso Robles, City of	2019 Water Revenue Bonds	4/25/2019	\$8.1mm	Craig Hill
Suisun-Solano Water Authority	2019 Water Revenue Bonds	4/20/2019	\$8.8mm	Craig Hill
Calaveras County Water District	2019 Taxable Water Revenue Refunding Loan	2/26/2019	\$5.7mm	Eric Scriven
Wheatland, City of	2019A Wastewater Revenue Refunding Bonds	1/18/2019	\$3.2mm	Mark Northcross
Oxnard, City of	2018 Wastewater Refunding Revenue Bonds	12/28/2018	\$24.6mm	Craig Hill
Oxnard, City of	2018 Water Refunding Revenue Bonds	12/28/2018	\$40.4mm	Craig Hill
Riverside, City of	2018 Sewer Revenue Refunding Bonds	11/27/2018	\$153.7mm	Mark Northcross
Davis, City of	2018 Water Revenue Refunding Bonds	10/31/2018	\$20.1mm	Mark Northcross
Winters, City of	2018 Water Revenue Refunding Bonds	10/9/2018	\$3.0mm	Eric Scriven
Winters, City of	2018 Sewer Revenue Refunding Bonds	10/9/2018	\$3.5mm	Eric Scriven
Yuba City, City of	2018 Wastewater Revenue Bonds	9/25/2018	\$23.4mm	Mark Northcross
Lakeport, City of	2018 Wastewater Revenue Bonds	7/25/2018	\$3.6mm	Eric Scriven
Palmdale Water District	2018 Water Revenue Bonds	6/26/2018	\$12.8mm	Mark Northcross

*Date indicates the closing date of the financing

References	Public Entity	Contact Information
Brian Lockwood, PG, CHg <i>General Manager</i>	Pajaro Valley Water Management Agency	lockwood@pvwater.org (831) 722-9292 x 15
Dennis Cafferty, P.E. <i>General Manager</i>	El Toro Water District	dcafferty@etwd.com (949) 837-7050 x223
Dennis Hoffmeyer <i>Finance Manager/CFO</i>	Palmdale Water District	dhoffmeyer@palmdalewater.org (661) 456-1021
Dr. Alejandro Rojas <i>General Manager</i>	Central Basin Municipal Water District	alexr@centralbasin.org (323) 201-5548

10. FEE PROPOSAL

NHA proposes an engagement process whereby the initial work related to the development of funding strategies and alternative be completed under a traditional consulting arrangement. NHA proposes to work under an hourly time-and-material basis for the initial phase to avoid the implication of a bias towards any financing structure. NHA is agnostic to the funding strategy selected by the District and does not want to create any perceived conflict through recommendations or development of funding alternatives. NHA’s hourly rate schedule is provided in the adjacent table.

Staff Allocation	Hourly Rate
Principal	\$350
Director / Senior Vice President	\$325
Vice President	\$300
Assist. Vice President / Sr. Associate	\$275
Associate	\$250
Senior Analyst	\$225
Analyst	\$200
Administrative	\$100

We noted a staff report for the June 7, 2023, Board meeting identified a budget for MA services in 2024. We believe our proposal is in line with the District’s budget. Since we are charging on an hourly basis, the actual amounts charged in FY 2024 and FY 2025 will be a function of the number of hours spent on the District’s project. For services requested under the Scope of Work, NHA estimates the following budget over a **2–3-year service period.**

Task	Estimated 2-3 Year Budget
Project Due Diligence	\$5,000
Analyze Debt Capacity & Financial Status of District	\$10,000
Review CIP for Grant Eligibility	\$2,500
Review CIP for SRF and WIFIA Eligibility	\$3,500
Development of Financial Model	\$10,000
Develop Funding Scenarios (Grant Funding and/or Debt Financing)	\$45,000
Determine Potential Water Rate Impact of Funding Scenarios	\$15,000
Development & Review of Debt-Related Policies	\$3,000
Board Meetings & Stakeholder Education	TBD based on staff direction
Estimated Total (Exclusive of Education)	\$94,000

For the management and implementation of approved financing strategies, NHA estimates the following fees by financing type.

Financing Type	Estimated Fee
Water Revenue Bonds	\$47,500 - \$67,500
WIFIA Loan (Letter of Interest to Funding)	\$75,000*
SRF Loan	\$50,000*
Short-Term Bridge Financing	\$25,000 - \$50,000
Other Financing Structures	TBD
<i>*Based on hourly, time and materials</i>	

Expenses (Out-of-Pocket)

NHA does not anticipate any out-of-pocket expenses that will require reimbursement except for charges related to third-party data purchases or other required services provided by outside companies.

All expenses will be billed directly at cost to the District. Expenses will be limited to those necessary for the completion of the project.



APPENDIX A: NHA ADVISORS RESUMES



**Public Finance
Professional Since:
1989**

Expertise

- Utility – Water, Wastewater, Refuse
- Renewable & Energy Efficiency Financing
- Educational Presentations, Public Speaking
- Public Finance and Policy Leadership
- Voter-Approved Financing

Education



- B.S. Managerial Economics
- B.S. Agricultural Economics

Licenses & Registrations

- Registered with the SEC and MSRB
- Series 50 License

Craig Hill, *Managing Principal*

Mr. Hill has been a public finance professional since 1989 and is a founding partner of NHA Advisors, LLC. His clients include California cities, special districts, counties, K-12 school districts and former redevelopment agencies throughout the State. In addition to providing traditional financial advisory expertise on public finance, Mr. Hill's expertise includes advising on public policies related to financial matters, appropriate reserve levels and capital finance requirements. His understanding of local government and the operational components (public safety, water, sewer, marinas, airports, golf courses and other enterprise funds) provides a professional basis to assist public agencies in developing sound financial planning practices.

Mr. Hill's technical experience includes advising on the issuance of water and sewer revenue bonds, general obligation bonds, tax allocation bonds, certificates of participation, tax and revenue anticipation notes, land-secured improvement bonds, and bond anticipation notes. In addition to traditional projects, Mr. Hill is also active in energy efficiency and renewable energy project financing including power purchase agreements.

Mr. Hill regularly speaks on public finance, renewable and energy efficiency project finance and public policy matters to professional associations including the League of California Cities, the California Society of Municipal Finance Officers, California Debt and Investment Advisory Commission, Municipal Management Association of Northern California (MMANC), the Milken Institute and Carbon War Room.

Prior to founding NHA Advisors, Mr. Hill began his public finance career as a financial analyst for the Sacramento Municipal Utility District (SMUD) to evaluate the financial and economic feasibility of the Rancho Seco Nuclear Power Plant Plan. In addition to working for the SMUD, Mr. Hill worked for the State of California (Office of Energy Assessments) to develop financing programs for statewide facility upgrades mandated by the governor. Since joining the private practice, he managed the financial services group of Jones Hall Hill & White, a premier bond counsel firm in San Francisco. Mr. Hill began his own municipal advisory practice with Mark Northcross in 1996 after working for Kelling, Northcross & Nobriga.

In addition to working as a municipal advisor, Mr. Hill serves as a board member for the HdL Companies and has served as a member of the Novato Park & Recreation Commission, Novato Investment Committee, and Novato Budget Committee. He has also served on the board of directors for the Novato Youth Soccer Association and as President of the Novato Lacrosse Club.



**Public Finance
Professional Since:
1981**

Expertise

- Climate change finance
- Utility Revenue Bonds
- Development/Land-Secured Financing
- P3

Education



- B.A. Social Sciences

Licenses & Registrations

- Registered with the SEC and MSRB
- Series 50 License

Mark Northcross, *Principal*

During a California public finance career that spans back to 1981, Mr. Northcross has structured debt for nearly every kind of issuer and nearly every kind of revenue source legally available in the State.

A leader in climate change adaptation, Mr. Northcross works with Resilient by Design, the Bay Conservation and Development Commission, the Mayor of Sacramento, The Resources Legacy Fund, the North Richmond Living Levee Project and the Yuba Water Agency on climate change adaptation projects. Mr. Northcross serves as financial advisor to the Town of Paradise for their wildfire recovery program. He also prepared an article on financing recovery from wildfires at the invitation of the Federal Reserve Bank of San Francisco.

Mr. Northcross has structured about 90 sewer and water revenue bond issues for over 30 sewer districts, water districts and cities since 1983, including private placements with commercial banks. He has successfully delivered funding to California utilities facing the challenges of drought, earthquake, flooding, and Prop 218 litigation.

Mr. Northcross is a leader in California in negotiating both public-private partnerships for both land secured debt and redevelopment. He has negotiated public-private partnerships (P3) for the successful development of major mixed-use projects throughout the State.

He is also a leader in negotiating joint ventures between different public agencies – with notable success in putting together bond funded risk sharing programs for cities, counties, and school districts in California. In the mid 1980's, Mr. Northcross structured four financings to fund nearly \$100 million in reserves for new JPA's formed to provide liability insurance for California cities, counties and school districts

When not working on solutions to tough problems for his clients, Mr. Northcross serves on a variety of non-profit corporation boards. He is also a proud recipient of the Norman Bright trophy in the annual Dipsea Race, the oldest cross country foot race in the nation. Mr. Northcross is also the Treasurer of the West Point Inn Association, a non-profit that runs a 118-year-old hike-in hotel in the parklands of Mt. Tamalpais.



**Public Finance
Professional Since:
2007**

Expertise

- Utility Financing
- Project Management
- Financial Modeling
- Credit Analysis and Presentations
- General Fund Financing
- Land-secured Debt

Education



THE UNIVERSITY
OF ARIZONA

- B.S. Accounting and Finance

Licenses & Registrations

- Registered with the SEC and MSRB
- Series 50 License

Leslie Bloom, Vice President

Since 2007, Ms. Bloom has provided municipal advisory and investment banking services for public agencies throughout California. Prior to joining NHA Advisors, Ms. Bloom worked in Public Finance Debt Investment Banking, most recently with Raymond James. In an investment banking role, Ms. Bloom completed over 250 senior managed and private placement financings totaling more than \$3.5 billion par, working with a wide variety of public agencies throughout the State. Ms. Bloom's experience includes utility (water and wastewater), general fund lease, tax allocation, land secured, sales tax, general obligation, pension obligation, and short-term notes.

Ms. Bloom is active with Women in Public Finance and is currently a Board Member for the San Diego Chapter of Women in Public Finance. Ms. Bloom is also active with CSMFO, the National Federation of Municipal Analysts and California Society of Municipal Analysts.

Ms. Bloom received her BS in both Accounting and Finance from the University of Arizona.



**Public Finance
Professional Since:
2016**

Expertise

- Utility Financing
- Budgeting and Cashflow Analysis
- Market Research and Refinancing Analysis
- Demographic Research and Credit Presentations

Education



- M.S. Finance
- B.S. Biological Sciences (Biola University)

Licenses & Registrations

- Registered with the SEC and MSRБ
- Series 50 License

Christian Sprunger, Asst. Vice President

Mr. Sprunger has covered a variety of public finance assignments for California special districts and cities throughout the State. He has assisted on over 100 financings for California agencies, representing over \$2.2 billion in par.

In recent years, Mr. Sprunger has developed expertise in a variety of utility financings – from combination SRF/USDA fundings for Treatment facilities, to WIFIA Loans for groundwater recharge, to energy efficiency financings for plant improvements, to traditional water and sewer bonds.

Mr. Sprunger’s recent utility financings have included the Oxnard 2022 WIFIA Loan, Pittsburg 2022 Water Bonds, Central Basin MWD 2022 Bonds, North Marin WD 2022 Water Loan, Mendota 2021 Wastewater Bonds, West County WD 2021 Wastewater Bonds, and Suisun Solano Water Authority 2021 Water Bonds.

Outside of his utility expertise, Mr. Sprunger has experience with equipment leases, competitive general fund and general obligation bond financings, tax and revenue anticipation notes, and pension obligation bonds.

Prior to making a career switch into public finance in 2016, Mr. Sprunger was an R&D microbiologist at a veterinary pharmaceutical company and taught microbiology laboratory techniques as adjunct faculty at Biola University for several years.



Roy Kim, Associate

Since joining the firm in 2018, Mr. Kim has committed to providing the highest level of support to California public agencies as a municipal advisor and consultant. He works closely with the firm’s Pension and Fiscal Sustainability Group and has assisted on all major types of financings available to California municipalities, representing over \$2 billion in par. Mr. Kim has worked with municipalities and special districts serving communities of all sizes across the state.

As part of NHA’s Pension and Fiscal Sustainability Group, Mr. Kim has worked on nearly all of the firm’s recent engagements to assist clients with CalPERS education, unfunded liability cost management strategies and UAL restructuring projects. As the nuances of managing CalPERS-related costs differ for each agency, Mr. Kim and the NHA team have prepared tailored educational materials for numerous councils, boards, commissions, staff and community stakeholders over the course of the past several years.

Mr. Kim has experience with the issuance of utility revenue bonds, general fund-backed and general obligation bonds, special tax bonds and pension obligation bonds. Mr. Kim’s recent utility financings have included the Novato Sanitary District 2020 Wastewater Revenue Refunding Bonds, Martinez 2020 Water Revenue Bonds, Calaveras County Water District 2019 Taxable Water Revenue Refunding Loan and Riverside 2018 Sewer Revenue Bonds.

Mr. Kim enjoys working with clients on fiscal sustainability initiatives, including budgetary forecasting & cost management strategies, in addition to new project financings.

**Public Finance
Professional Since:
2018**

Expertise

- Pension Obligations
- Fiscal Sustainability
- Financial Modeling and Cash Flow Analysis
- Credit Analysis and Research

Education



- M.S. Finance
- B.A. Global Studies (UC Santa Barbara)

Licenses & Registrations

- Registered with the SEC and MSRB
- Series 50 License



APPENDIX B: ACKNOWLEDGEMENT OF ADDENDUM NO. 1

VISTA IRRIGATION DISTRICT
MUNICIPAL FINANCIAL ADVISORY
SERVICES

ADDENDUM NO. 1

The following ADDENDUM shall be made part of the Contract Documents, and the proposer shall acknowledge receipt thereof on the acknowledgement of Addendum No. 1 (attached).

Requests for Information:

Question 1 (Submitted by Fieldman Rolapp & Associates, Inc. (NHA Advisors had a similar question)): In connection with your requirement for References, should the response be focused on engagements similar to the District's intended engagement? Certain engagements, for example land-secured financings that provide funding for real estate development projects, or tax and revenue anticipation notes for cities and counties, are significantly different and may have minimal relevance compared to the District's proposed project.

Answer 1: References should be similar to the intended engagement for the District's proposed project or related to water or other utility projects.

Question 2 (Submitted by Fieldman Rolapp & Associates, Inc.): In connection with your requirement for Independence, should the response be focused on providing written notice of any professional relationships entered into during the period of the contract, or only those professional relationships that create a potential conflict, or actual conflict of interest? Does the term professional relationships mean a binding legal arrangement?

Answer 2: The written notice requirement pertains to potential or actual conflicts of interest; professional relationships are not limited to only binding legal arrangements.

This addendum shall be incorporated into and made a part of the Contract Documents. Enclosed please find a form to be signed acknowledging the receipt of this addendum. This form is to be returned with your Bid Documents. Failure to sign and submit this form with your Bid Documents will be cause for rejection of your bid.

VISTA IRRIGATION DISTRICT
Shallako Goodrick
Director of Administration

****END OF ADDENDUM NO. 1****

ACKNOWLEDGEMENT
OF ADDENDUM NO. 1
VISTA IRRIGATION DISTRICT
MUNICIPAL FINANCIAL ADVISORY
SERVICES

Signing of this form acknowledges that the Contractor has received Addendum No. 1 and has read and understood the changes set forth in the Addendum.

This form must be signed by the Contractor's authorized representative and returned with the Bid Documents.

Authorized Representative Craig Hill, Managing Principal



Name of Contractor NHA Advisors, LLC

Date August 4, 2023



APPENDIX C: NHA'S REQUIRED DISCLOSURES

Fiduciary Duty

NHA Advisors, LLC (“NHA”) is registered as a Municipal Advisor with the U. S. Securities and Exchange Commission (“SEC”) and Municipal Securities Rulemaking Board (“MSRB”). As such, NHA has a fiduciary duty to the District and must provide both a Duty of Care and a Duty of Loyalty that entail the following.

Duty of Care:

- a) exercise due care in performing its municipal advisory activities;
- b) possess the degree of knowledge and expertise needed to provide the District with informed advice;
- c) make a reasonable inquiry as to the facts that are relevant to the District’s determination as to whether to proceed with a course of action or that form the basis for any advice provided to the District; and
- d) undertake a reasonable investigation to determine that NHA is not forming any recommendation on materially inaccurate or incomplete information; NHA must have a reasonable basis for:
 - i. any advice provided to or on behalf of the District;
 - ii. any representations made in a certificate that it signs that will be reasonably foreseeably relied upon by the District, any other party involved in the municipal securities transaction or municipal financial product, or investors in the District securities; and
 - iii. any information provided to the District or other parties involved in the municipal securities transaction in connection with the preparation of an official statement.

Duty of Loyalty:

NHA must deal honestly and with the utmost good faith with the District and act in the District’s best interests without regard to the financial or other interests of NHA. NHA will eliminate or provide full and fair disclosure (included herein) to the District about each material conflict of interest (as applicable). NHA will not engage in municipal advisory activities with the District as a municipal entity, if it cannot manage or mitigate its conflicts in a manner that will permit it to act in the District’s best interest.

Conflicts of Interest and Other Matters Requiring Disclosures

As of the commencement date of the Project, there are no actual or potential material conflicts of interest, other than those potential conflicts noted below, that NHA is aware of that might impair its ability to render unbiased and competent advice or to fulfill its fiduciary duty. If NHA becomes aware of any material potential conflict of interest that arises after this disclosure, NHA will disclose the detailed information in writing to the District in a timely manner.

Pursuant to MSRB Rule G-42, on Duties of Non-Solicitor Municipal Advisors, Municipal Advisors are required to make certain written disclosures to clients which include, amongst other things, Conflicts of Interest and any Legal or Disciplinary events of NHA and its associated persons.

The following are potential conflicts of interest to be considered.

- NHA represents that in connection with the issuance of municipal securities, NHA may receive compensation from the District for services rendered, which compensation is contingent upon the successful closing of a transaction and/or is based on the size of a transaction. Consistent with the requirements of MSRB Rule G-42, NHA hereby discloses that such contingent and/or transactional compensation may present a potential conflict of interest regarding NHA’s ability to provide unbiased advice to enter into such transaction. The contingent fee arrangement creates an incentive for NHA to

recommend unnecessary financings or financings that are disadvantageous to the District, or to advise the District to increase the size of the issue. This potential conflict of interest will not impair NHA' ability to render unbiased and competent advice or to fulfill its fiduciary duty to the District.

- NHA's fees under this potential agreement may be based on hourly fees of NHA's personnel, with the aggregate amount equaling the number of hours worked by such personnel times an agreed-upon hourly billing rate. This form of compensation presents a potential conflict of interest because it could create an incentive for NHA to recommend alternatives that would result in more hours worked. This conflict of interest will not impair NHA' ability to render unbiased and competent advice or to fulfill its fiduciary duty to the District.
- NHA's fees under this potential agreement may be a fixed amount established at the outset of this potential agreement. The amount is usually based upon an analysis by the District and NHA of, among other things, the expected duration and complexity of the transaction and the scope of services to be performed by NHA. This form of compensation presents a potential conflict of interest because, if the transaction requires more work than originally contemplated, NHA may suffer a loss. Thus, NHA may recommend less time-consuming alternatives, or fail to do a thorough analysis of alternatives. This conflict of interest will not impair NHA' ability to render unbiased and competent advice or to fulfill its fiduciary duty to the District.
- The fee paid to NHA increases the cost of investment to the District. The increased cost occurs from compensating NHA for municipal advisory services provided.
- NHA serves a wide variety of other clients that may, from time to time, have interests that could have a direct or indirect impact on the interests of another NHA client. For example, NHA serves as municipal advisor to other municipal advisory clients and, in such cases, owes a regulatory duty to such other clients just as it does to the District. These other clients may, from time to time and depending on the specific circumstances, have competing interests. In acting in the interests of its various clients, NHA could potentially face a conflict of interest arising from these competing client interests. NHA fulfills its regulatory duty and mitigates such conflicts through dealing honestly and with the utmost good faith with the District.
- Gerald Craig Hill, the Managing Principal of NHA Advisors is currently serving as an outside director for the HdL Companies based in Diamond Bar, CA. HdL Companies is a software and professional services consulting company providing revenue data and collections information to local governments, potentially including NHA Advisors' clients. HdL Companies have affiliates including, but not limited to, HdL Coren & Cone. From time to time, NHA Advisors utilizes the services of HdL Coren & Cone for its clients. NHA Advisors is mindful of this conflict of interest and fulfills its regulatory duty and mitigates such conflicts through dealing honestly and with the utmost good faith when this situation arises.
- NHA does not have any affiliate that provides any advice, service, or product to or on behalf of the District that is directly or indirectly related to the municipal advisory activities to be performed by NHA.
- NHA has not made any payments directly or indirectly to obtain or retain NHA's municipal advisory business.
- NHA has not received any payments from third parties to enlist NHA's recommendation to the District of its services, any municipal securities transaction, or any municipal finance product.
- NHA has not engaged in any fee-splitting arrangements involving NHA and any provider of investments or services to the District.
- NHA does not have any legal or disciplinary event that is material to the District's evaluation of the municipal advisory or the integrity of its management or advisory personnel.
- NHA does not act as principal in any of the transaction(s) related to this potential agreement.

Legal Events and Disciplinary History

NHA does not have any legal events and disciplinary history on its Form MA and Form MA-I, which includes information about any criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation. The District may electronically access NHA's most recent Form MA and each most recent Form MA-I filed with the Commission at the following website:

www.sec.gov/edgar/searchedgar/companysearch.html

There have been no material changes to a legal or disciplinary event disclosure on any Form MA or Form MA-I filed with the SEC.

Recommendations

If NHA makes a recommendation of a municipal securities transaction or municipal financial product or if the review of a recommendation of another party is requested in writing by the District and is within the scope of the engagement, NHA will determine, based on the information obtained through reasonable diligence of NHA whether a municipal securities transaction or municipal financial product is suitable for the District. In addition, NHA will inform the District of:

- the evaluation of the material risks, potential benefits, structure, and other characteristics of the recommendation;
- the basis upon which NHA reasonably believes that the recommended municipal securities transaction or municipal financial product is, or is not, suitable for the District; and
- whether NHA has investigated or considered other reasonably feasible alternatives to the recommendation that might also or alternatively serve the District objectives.

If the District elects a course of action that is independent of or contrary to the advice provided by NHA, NHA is not required on that basis to disengage from the District.

Municipal Securities Rulemaking Board Rule G-10 Disclosure

Pursuant to MSRB Rule G-10, on Investor and Municipal Advisory Client Education and Protection, Municipal Advisors are required to provide certain written information to their municipal entity and obligated person clients which include the following:

- NHA is currently registered as a Municipal Advisor with the SEC and MSRB.
- Within the MSRB website at www.msrb.org, the District may obtain the Municipal Advisory client brochure that is posted on the MSRB website. The brochure describes the protections that may be provided by the MSRB Rules along with how to file a complaint with financial regulatory authorities.

Record Retention

Effective July 1, 2014, pursuant to the SEC record retention regulations, NHA is required to maintain, in writing, all communication and created documents between NHA and the District for five (5) years.

If there are any questions regarding the above, please do not hesitate to contact NHA.



STAFF REPORT

Agenda Item: 9

Board Meeting Date: November 1, 2023
Prepared By: Shallako Goodrick
Approved By: Brett Hodgkiss

SUBJECT: HONORARY NAMING OF A DISTRICT PROGRAM NOMINATION

RECOMMENDATION: Consider nomination to name the 2024 Scholarship Contest after Vista Irrigation District's first Board President, George S. Henry.

PRIOR BOARD ACTION: None.

FISCAL IMPACT: None.

SUMMARY: At its October 4, 2023 meeting, the Board adopted a policy establishing the criteria for the naming of a District program or activity in honor of exemplary public service rendered by a past Board member or employee in support of the District and its mission. Key criteria for evaluating naming proposals include the nominee making a substantial, important and positive impact upon the District as a member of the Board of Directors and/or as an employee and attaining personal achievements of highest distinction in a public service role while maintaining close ties with and providing significant support to the District and its mission; also, the naming must be done as a posthumous honor. The Board has the sole discretion whether to name a program or activity and the chosen name.

DETAILED REPORT: The Public Affairs Committee, Directors Sanchez and Kuchinsky, propose to name the 2024 Scholarship Contest after the District's First Board President, George S. Henry. The Committee has submitted a nomination form, including the supporting rationale for the requested naming, as required by the District's policy. The naming proposal is being presented to the Board for its consideration.

Pursuant to the District's policy, the decision to name the 2024 Scholarship Contest after George S. Henry shall be a two-step process; the Board shall review and discuss the naming proposal at the November 1, 2023 Board meeting and decide whether to name the program as proposed at a subsequent Board meeting. The decision to name a program must be made by the full Board.

ATTACHMENTS:

- Honorary Naming of District Programs and Activities Policy
- Nomination

1.16 HONORARY NAMING OF DISTRICT PROGRAMS AND ACTIVITIES

1.16.1 Purpose

The purpose of this policy is to establish criteria for the naming of a District program or activity in honor of exemplary public service rendered by a past Board member or employee in support of the District and its mission.

1.16.2 Definitions

Program or Activity: Any program, contest, award, event or other activity sponsored by the District.

1.16.3 Policy

Periodically, the Board of Directors may wish to consider naming a District program or activity in honor of exemplary public service rendered by a past member of the Board of Directors and/or employee. To insure the judicious consideration of naming proposals, the Board of Directors have established the following policy:

- A. Programs and activities encompassed by this policy include, but are not limited to, District-sponsored scholarships, landscape contest award(s) and events.
- B. The criteria for naming a program or activity after a past Board member or employee shall be based on the following:
 - 1. Substantial, important and positive impact upon the District as a member of the Board of Directors and/or as an employee.
 - 2. Personal achievements of highest distinction in a public service role while maintaining close ties with and providing significant support to the District and its mission.
 - 3. Naming of programs and activities shall only be done so as a posthumous honor.
 - 4. The Board of Directors has the sole discretion whether to name or rename a program or activity and the chosen name; the name of a program or an activity shall be reviewed annually by the Board of Directors.

1.16.4 Guidelines for Recognition

- A. Requests to name or rename a District program or activity under this policy may be made by a member of the Board of Directors, District employees, District customers or any member of the public.

- B. All requests for recognition under this policy must be submitted in writing to the Board of Directors on the approved Nomination Form (Attachment A); the recognition and supporting rationale for the requested naming must meet the criteria set forth in section 1.16.3(B) and be clearly stated on the Nomination Form.
- C. All recommendations for naming a District program or activity must be decided by the full Board of Directors. The decision to name or rename a program or activity shall be a two-step process; the Board of Directors shall review and discuss the nomination for the naming or renaming a program or an activity at one Board meeting and decide whether to name or rename the program or activity at a subsequent Board meeting.
- D. The Board of Director's decision shall be final and be implemented by the General Manager or a designee. The assigned name shall be included on promotional materials, awards, etc. for the designated program or activity.
- E. The requestor shall be informed of the Board of Director's decision regarding their proposal for recognition of an individual.



NOMINATION FORM

HONORARY NAMING OF DISTRICT PROGRAMS AND ACTIVITIES

Nominator Name: PUBLIC AFFAIRS COMMITTEE PATRICK SANCHEZ
PETER KUCHINSKY III

Address: 1391 ENGINEER STREET VISTA CA 92084

Phone (Daytime): _____ Cel (760) 224-4322 P. Kuchinsky

Email address: peter.kuchinsky@vidwater.org

What group (if any) does the nominator represent: PUBLIC AFFAIRS COMMITTEE

Requested program or activity to be named: 2024 SCHOLARSHIP PROGRAM

Is the requested program or activity already named? If yes, please state: NO

Requested name: FIRST BOARD PRESIDENT - GEORGE S. HENLEY
2024 SCHOLARSHIPS

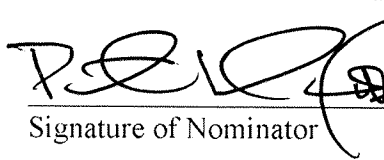
Please discuss the reason for this nomination as it relates to the criteria set forth in this policy; additional supporting information and articles may be attached.

SEE ATTACHED
HONORARY NAMING FOR 2024
SCHOLARSHIPS PROGRAM

Reason for nomination (continued)

Submit form to: Vista Irrigation District
Board of Directors
1391 Engineer Street
Vista, CA 92081-8840

I have read the Vista Irrigation District's Honorary Naming of District Programs and Activities Policy, and this nomination is meet with the criteria set forth in section 1.16.3(B). The statements contained within this nomination are true to the best of my knowledge.


Signature of Nominator

VID Director
Div. 3

10/10/2023
Date

First Board President – George S. Henry 2024 Scholarships

Vista Irrigation District (VID) was formed in August 1923, when a vote of the people netted 104 votes “in favor” and just 4 votes “against”. The overwhelming passage of the vote prompted a big celebration as the people of Vista welcomed the opportunity to live in a community with ample water for their farms and orchards. George S. Henry became the First Board President along with Jules J. Delpy, F.J. “Jack” Knight, Harry S. Merriam and Chester D. Gunn that were elected to serve as the first VID Board of Directors. These five men were respected and influential members of the community who not only brought water to Vista but were notable to the history of Vista in other ways as well. George S. Henry was the first VID Board President, and a founding member of the Vista Chamber of Commerce. Some of the guiding leadership included in October 1924, when VID’s Board voted unanimously to issue \$1.7million of bonds to finance the construction of a 12-mile long concrete flume to complete the connection between Lake Henshaw and Vista to bring water to Vista residents.



Agenda Item: 10

STAFF REPORT

Board Meeting Date: November 1, 2023
Prepared By: Brett Hodgkiss

SUBJECT: MATTERS PERTAINING TO THE ACTIVITIES OF THE SAN DIEGO COUNTY WATER AUTHORITY

SUMMARY: Informational report by staff and directors concerning the San Diego County Water Authority. No action will be required.



STAFF REPORT

Agenda Item: 11.A

Board Meeting Date:	November 1, 2023
Prepared By:	Lisa Soto
Approved By:	Brett Hodgkiss

SUBJECT: REPORTS ON MEETINGS AND EVENTS ATTENDED BY DIRECTORS

SUMMARY: Directors will present brief reports on meetings and events attended since the last Board meeting.



San Diego County Water Authority
And Its 24 Member Agencies

SUMMARY OF FORMAL BOARD OF DIRECTORS' MEETING OCTOBER 26, 2023

1. Monthly Treasurer's Report on Investments and Cash Flow.
The Board noted and filed the Treasurer's report.
2. Establish 2024 Board meeting dates.
The Board approved combining the November and December Board meeting dates to November 21, 2024, and approved the 2024 Board meeting dates calendar.
3. Amendment to Agreement with Kinnectics, LLC, for As-Needed Organizational Support Consulting Services.
The Board authorized the General Manager, or designee, to execute a second amendment to the professional services contract with Kinnectics, LLC, to provide as-needed organizational support services for an additional two years, for an additional amount of \$182,013.
4. Amendment to extend the agreement with Industrial Scientific Corporation for Lease of Air Monitoring Equipment System.
The Board approved amending the agreement with Industrial Scientific Corporation for continued services to the Water Authority through December 31, 2024 by \$60,189.78 for a period of 14 additional months; increasing total contract funding to an amount not to exceed \$206,364.96.
5. Maximo Application Suite License Renewal.
The Board authorized the General Manager to renew a licensing agreement with Second-to-None Solutions, Inc. (STONS), for a second year of Maximo Application Suite software licenses for an additional \$107,760. The renewal will increase the licensing agreement from \$135,643.20 to a new, cumulative two-year total of \$243,403.20.
6. Resolution considering the Final Environmental Impact Report (EIR) for Escondido Research and Technology Center Specific Plan; approving the project and authorizing the filing of a Notice of Determination; and authorizing the General Manager to execute the Purchase and Sale Agreement for the real property and improvements, located at, or to be located at, 1960 Citracado Parkway, Escondido for use as the Operations and Maintenance Facility.
The Board adopted Resolution No. 2023-31 that: a. Resolves that the Final Environmental Impact Report (EIR) adopted by the City of Escondido as Lead Agency complies with the California Environmental Quality Act (CEQA) and the State CEQA Guidelines; that no further environmental analysis is required for the action of the San Diego County Water Authority (Water Authority), and approves the project and authorizes the filing of a Notice of Determination (NOD); and, b. Authorizes the General Manager to execute a purchase and sale agreement, in the form provided, with such minor modifications as subsequently approved by the General Manager and General Counsel, to purchase the real property and improvements located at, or to be located at, 1960 Citracado Parkway, Escondido, for an amount not-to-exceed \$38,760,360, plus customary closing costs and fees.



7. Construction contract with Kiewit Infrastructure West Co. for the Southern First Aqueduct Structures Rehabilitation project.
The Board authorized the General Manager, or designee, to award a construction contract to Kiewit Infrastructure West Co. in the amount of \$41,554,000 for the Southern First Aqueduct Structures Rehabilitation project.
8. Professional services contracts with Pure Technologies U.S. Inc., and Pipeline Inspection and Condition Analysis Corporation for pipeline condition assessment of the First Aqueduct.
The Board approved the following actions to support the condition assessment of the First Aqueduct pipelines: a. authorized the General Manager to award a professional services contract to Pure Technologies U.S. Inc., for a not-to-exceed amount of \$1,999,000 for pipeline condition assessment services for a period of three years; and, b. authorized the General Manager to award a professional services contract to Pipeline Inspection and Condition Analysis Corporation, for a not-to-exceed amount of \$3,170,000 for pipeline condition assessment services for a period of three years.
9. Construction contract with Kiewit Infrastructure West Co. for the Helix 9 Flow Control Facility project.
The Board authorized the General Manager, or designee, to award a construction contract to Kiewit Infrastructure West Co. in the amount of \$9,017,500 for the Helix 9 Flow Control Facility project.
10. Approval of Minutes.
The Board approved the minutes of the Special Board of Directors' meeting of September 7, 2023 and the Formal Board of Directors' meeting of September 28, 2023.
11. ACTION FOLLOWING CLOSED SESSION
The Board approved a salary adjustment of 8.75% for the General Counsel to match cost-of-living increase provided to represented employees on June 30, 2023, and a mid-year evaluation in June 2024.



STAFF REPORT

Agenda Item: 11.B

Board Meeting Date: November 1, 2023
Prepared By: Lisa Soto
Approved By: Brett Hodgkiss

SUBJECT: SCHEDULE OF UPCOMING MEETINGS AND EVENTS

SUMMARY: The following is a listing of upcoming meetings and events. Requests to attend any of the following events should be made during this agenda item.

	SCHEDULE OF UPCOMING MEETINGS AND EVENTS	ATTENDEES
1 *	Vista Chamber Government Affairs <i>Nov. 2, 2023; Noon-1:30 p.m.; The Film Hub, Vista; Registration deadline: None</i>	Kuchinsky ◊
2 *	CSDA Quarterly Meeting <i>Nov. 16, 2023; 6:00 p.m.; The Butcher Shop Steakhouse, Kearny Mesa</i> <i>Registration deadline: TBD</i>	
3	ACWA Fall Conference <i>Nov. 28-30, 2023; Indian Wells</i> <i>Registration deadline: 11/6/23; Cancel by 11/17/23</i>	Kuchinsky (R, H) Sanchez (R, H) MacKenzie (R, H) Vásquez (R, H) Miller (R, H)
4 *	Vista Chamber Government Affairs <i>Dec. 7, 2023; Noon-1:30 p.m.; The Film Hub, Vista; Registration deadline: None</i>	Kuchinsky ◊
5 *	Vista Chamber of Commerce Business Mixer <i>Dec. 13, 2023; 5:00 p.m. – 7:00 p.m.; CoLab Public House, Vista</i> <i>Registration deadline: None</i>	
6	Colorado River Water Users Association Conference <i>Dec. 13-15, 2023; Paris, Las Vegas</i> <i>Registration deadline: 11/10/23; Cancel by 11/28/23</i>	Miller (R, H) MacKenzie (R, H) Vásquez (R, H) Sanchez (R, H)
7 *	State of the Community Luncheon <i>Jan. 22, 2024</i> <i>Reservation deadline: TBD</i>	
8	Urban Water Institute’s Spring Water Conference <i>Feb. 21-23, 2024; Palm Springs Hilton</i> <i>Registration deadline: TBD</i>	
9	ACWA Spring Conference <i>May 7-9, 2024; Sacramento</i> <i>Registration deadline: TBD</i>	
10	Special Districts Legislative Days (CSDA) <i>May 21-22, 2024; Sheraton Grand Sacramento Hotel; Sacramento</i> <i>Registration deadline: TBD</i>	
11	CSDA Annual Conference <i>Sept. 9-12, 2024; Indian Wells; Registration deadline: TBD</i>	
12	ACWA Fall Conference <i>Dec. 3-5, 2024; Palm Desert; Registration deadline: TBD</i>	
13	Colorado River Water Users Association Conference <i>Dec. 4-6, 2024; Paris, Las Vegas; Registration deadline: TBD</i>	

* Non-per diem meeting except when serving as an officer of the organization

The following abbreviations indicate arrangements that have been made by staff:

R=Registration; **H**=Hotel; **A**=Airline; **S**=Shuttle; **C**=Car; **T**=Tentative; **◊**=Attendee to Self-Register



Agenda Item: 12

STAFF REPORT

Board Meeting Date: November 1, 2023
Prepared By: Brett Hodgkiss

SUBJECT: ITEMS FOR FUTURE AGENDAS AND/OR PRESS RELEASES

SUMMARY: This item is placed on the agenda to enable the Board to identify and schedule future items for discussion at upcoming Board meetings and/or identify press release opportunities.

Staff-generated list of tentative items for future agendas:

- Harmful Algal Blooms Management and Mitigation Plan Phase II (December)
- Annual Organizational Meeting (December)
- General Manager Performance Feedback (December)
- Vista Flume Replacement Alignment Study Workshop (December 11, 2023 at 1:30 PM)



STAFF REPORT

Agenda Item: 13

Board Meeting Date: November 1, 2023
Prepared By: Lisa Soto

SUBJECT: COMMENTS BY DIRECTORS

SUMMARY: This item is placed on the agenda to enable individual Board members to convey information to the Board and the public not requiring discussion or action.



Agenda Item: 14

STAFF REPORT

Board Meeting Date: November 1, 2023
Prepared By: Brett Hodgkiss

SUBJECT: COMMENTS BY GENERAL COUNSEL

SUMMARY: Informational report by the General Counsel on items not requiring discussion or action.



Agenda Item: 15

STAFF REPORT

Board Meeting Date:

November 1, 2023

Prepared By:

Brett Hodgkiss

SUBJECT: COMMENTS BY GENERAL MANAGER

SUMMARY: Informational report by the General Manager on items not requiring discussion or action.



EXHIBIT

A

INTEROFFICE MEMORANDUM

DATE: November 1, 2023
TO: Board of Directors
FROM: Brett Hodgkiss
RE: Pass Through of Wholesale Water Fees and Charges

Per the District Rules and Regulations Section 4.4.3(A), all San Diego County Water Authority (CWA) fees and charges for wholesale water and water-related services are to be passed through to its customers. In January 2022, the Board approved the pass through of these costs for a period of five years terminating on December 31, 2026. Pass-through costs are calculated by dividing the total billings from CWA for usage charges by the quantity of budgeted water sales.

During 2021 and 2022, CWA was successful in its decade-long rate case litigation against MWD and received payments for damages interest and legal fees from MWD totaling over \$91.1 million. Consistent with a decision made by the CWA Board of Directors in 2012, the total amount of monies received was distributed pro-rata to its member agencies. The District received its pro-rata share of the disbursements, which totaled just over \$3.183 million; the Board approved using the monies (rebates) received to offset the financial impact of CWA rate increases beginning in April 2022 and continuing over a five-year period.

Staff has calculated the impact of new wholesale water fees and charges on the District's water rate. The impact is 43 cents per unit (52.6 cents per unit minus the 9.6 cents per unit rebate), resulting in the District's Tier 1 water rate increasing from \$4.99 to \$5.42 per unit and the Tier 2 water rate increasing from \$5.46 to \$5.89 per unit. CWA's monthly Infrastructure Access Charge, shown as "County Water Authority Emergency Storage Fee" on District water bills, is increasing from \$4.24 to \$4.41 for a ¾ meter.

CWA is adjusting its fees and charges on January 1, 2024. Since the District bills most of its customers two months in arrears, the new rates will be effective on bills mailed on or after March 1, 2024.

Attached are tables showing the cost drivers of the pass through rate increases and the rates effective March 1, 2024. A typical residential customer's water bill (¾" meter and 24 units/bi-monthly billing) will increase by about 4.6% as a result of the pass-through increases.

Enclosure

**Vista Irrigation District
CWA Pass Through
January 1, 2024**

Pass Through Components

	Amount
CWA	21.3¢
IID	10.3¢
QSA Canal	4.7¢
Operational Storage Utilization	-3.2¢
Desalination	11.7¢
MWD	7.8¢
Total Pass Through	52.6¢
Less Rebate	-9.6¢
Final Pass Through Increase	43.0¢

Rates Effective March 1, 2024

	Before Pass Through	After Pass Through
Tier 1	\$ 4.99	\$ 5.42
Tier 2	5.46	5.89
Emergency Storage Fee ¹	\$ 4.24	\$ 4.41

¹ Charge per equivalent meter.

Vista Irrigation District Water Authority Pass-through Calculation

Overview

The San Diego County Water Authority (Water Authority) is responsible for supplying water to 24 member agencies within San Diego County. Not simply a water provider, the Water Authority is also responsible for the construction and maintenance of regional storage, delivery and treatment infrastructure necessary to ensure the reliable delivery of water to local water agencies like Vista Irrigation District (District). The District seeks to pass-through any increases or decreases in the cost of purchased water directly to the ratepayer when the changes occur.

The Water Authority has both fixed and variable costs. Fixed costs are allocated to member agencies based on each agency's percentage of demand in prior years, which are updated annually. Variable costs are charged based on actual water purchased by a member agency and have separate charges for raw melded supply, treatment and transportation.

The District uses a fiscal year ending June 30; The Water Authority uses a calendar year with increases effective January 1 each year. The District typically increases its rates for the pass-through on March 1 because the District bills the majority of its customers every two months and usage starting January 1 would be seen on billings mailed on or after March 1.

The calculation for the pass-through compare the increases/decreases in fixed and variable charges against the volume of water purchased to create a per unit charge.

Explanation of Pass-through Calculation

Water Authority Fixed Costs - The Water Authority typically calculates fixed costs that will be charged to each member agency effective January 1 each year. The fixed charges are divided by 12 months and billed to member agencies regardless of the volume of water purchased in the calendar year. This part of the calculation totals the fixed costs.

Prior Fiscal Year True Up Between Budget and Actual for Fixed Costs - The pass-through must be spread across the volume of water purchased to get to an amount per unit. The budgeted water volume (in acre-feet) is used to determine the fixed costs per unit. Once actual units are known, the rate is adjusted in the current year to make up for the difference between budgeted and actual volumes. If the amount results in a large increase, the District spreads the amount across several years to help stabilize the increase/decrease to ratepayers. The line "i prior" presents any amounts not adjusted for in the prior year in order to smooth rates.

Fixed Costs Change between Prior Actual and Current Budget - The section above adjusts the rate from prior year's budget to prior year's actual volume purchased. This section takes the prior year actual volume and adjusts it to the District's current year budgeted volume.

Water Authority Variable Costs - Each year, the Water Authority calculates variable costs for actual water purchased. This section compares the prior calendar year costs of raw water, treatment of water and transportation of water against the current year costs per unit. Since the District has its own local water supply (Lake Henshaw), it calculates the percentage of purchased

water against total water and adjusts the amount per unit lower to account for the volume of local water delivered.

Summary - The summary adds up the various increases and decreases for the coming year and then adjusts for lost water; every year the District must buy more water than is sold because of water loss. This increase/decrease is added to billings starting March 1 of each year. If the Water Authority was to increase/decrease at another point in time during the year, the District would also complete that calculation and adjust rates accordingly.

Rebate (Credit) Details - During 2021 and 2022, the Water Authority was successful in its decade-long rate case litigation against Metropolitan Water District (MWD) and received payments for damages interest and legal fees from MWD totaling over \$91.1 million. Consistent with a decision made by the Water Authority Board of Directors in 2021, the total amount of monies received was distributed pro-rata to its member agencies. The District received its pro-rata share of the disbursements totaling just over \$3.183 million; the Board approved using the monies (rebates) received to offset the financial impact of the Water Authority rate increases. For the increase effective March 1, 2024, the pass-through increase was decreased by 9.6 cents. The rebate will continue for a total of five years at which point the 9.6 cents will be added back into the water rate.

**VISTA IRRIGATION DISTRICT
2024 WATER AUTHORITY PASS THROUGH CALCULATION**

WATER AUTHORITY FIXED COSTS		Calendar 2023	Calendar 2024
(a)	MWD - Net Ready to Service	\$ 383,868	\$ 399,707
(b)	MWD - Capacity Reservation	268,325	305,983
(c)	CWA - Customer Service	903,758	1,013,264
(d)	CWA - Storage	2,230,766	2,382,111
(e)	CWA - Supply Reliability Charge	1,556,797	1,618,003
(f)	Total Fixed Costs (a) + (b) + (c) + (d) + (e)	\$ 5,343,514	\$ 5,719,068
			7.0%

PRIOR FY TRUE UP BETWEEN BUDGET AND ACTUAL FOR FIXED COSTS		Budgeted 2023	Actual 2023
(g)	FY Water Sales (Budgeted/Actual)	15,700	14,346
(h)	FY Fixed Costs to Rate Per AF (f) / (g)	340.35	372.47
(i)	FY True Up Pass Through Per HCF ((h) Actual - (h) Budgeted) / 435.6		\$ 0.074
(i prior)	Prior Year Calculation hold over if any		\$ -
(i.1)	True Up		0.074

FIXED COSTS CHANGE BETWEEN PRIOR ACTUAL AND CURRENT BUDGET		FY 23 Actual	FY 24 Budgeted
(j)	FY Actual & FY Budgeted Water Sales	14,346	16,200
(k)	Fixed Costs to Rate Per Acre Foot (f) / (j)	372.47	353.03
(l)	Fixed Cost Pass Through Per HCF ((k) Budget- (k) Actual) / 435.6		\$ (0.045)

WATER AUTHORITY VARIABLE COSTS		Prior FY 2023	Current FY 2024
(m)	Raw Melded Supply (A/F)	\$ 1,085	\$ 1,200
(n)	Treatment (A/F)	350	400
(o)	Transportation (A/F)	173	189
(p)	Total Variable Charges Per AF (m) + (n) + (o)	\$ 1,608	\$ 1,789
(q)	Variable Costs Per HCF ((p) Current - (p) Prior) / 435.6		\$ 0.416
(r)	10 Year Average Local Water Production	1,870	11%
(s)	Imported Water	15,330	89%
	FY 2024 Budgeted Total Water Supplied	17,200	100%
(t)	Variable Cost Pass Through - HCF (q) x (s)		\$ 0.370

SUMMARY

(u) Pass Through Per HCF (i.1) + (l) + (t)	\$	0.399
Adjusted for 6% Water Loss (u) / .94	\$	0.425
Rebate Credit Refund Prior Year Expired	\$	0.096
Total Increase/(Decrease) Required Adjusted for Water Loss	\$	0.521
Total Increase/(Decrease) Required Adjusted for Water Loss	\$	0.521
Rebate Credit Refund Current Year	\$	(0.096)
Total Increase/(Decrease) After Rebate	\$	0.425
Total Pass Through Rounded	\$	0.430

Rebate Tracking Area	Acres Feet Actual	Amount	Rebate Rate
Total Rebate		\$ 3,183,171	
Rebate Amount Year 1 (April 2022-June 2022 Fiscal Year 2022)	4111	(145,051)	0.081
Rebate Amount Year 1 (July 2022-February 2023 Fiscal Year 2023)	9564	(337,452)	0.081
Rebate Amount Year 2 (March 2023-June 2023 Fiscal Year 2023)	4782	(199,972)	0.096
Rebate Amount Year 2 (July 2023-February 2024 Fiscal Year 2024)			0.096
Rebate Amount Year 3			0.096
Rebate Amount Year 4			0.096
Rebate Amount Year 5			0.096
Rebate Amount Remaining		2,500,696	



Agenda Item: 16

STAFF REPORT

Board Meeting Date: November 1, 2023
Prepared By: Brett Hodgkiss

SUBJECT: CLOSED SESSION FOR CONFERENCE WITH REAL PROPERTY NEGOTIATORS

SUMMARY: Discussion concerning real property transactions in compliance with Government Code section 54956.8 regarding:

Real Property Negotiations: 224-260-23, 46
Property: 50 foot wide Vista Flume easement south of Nutmeg Street
VID Negotiators: Brett Hodgkiss, General Manager and
Randy Whitmann, Director of Engineering
Negotiating Parties: Nutmeg 134 LLC
Under Negotiation: Price and terms



Agenda Item: 17

STAFF REPORT

Board Meeting Date: November 1, 2023
Prepared By: Brett Hodgkiss

SUBJECT: CLOSED SESSION: CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

SUMMARY: Discussion concerning existing litigation pursuant to Government Code Section 54956.9(d)(1):

Number of Cases: 2

Case Name: In re Aqueous Film-Forming Foam (AFFF) Product Liability Litigation (MDL 2873)
Multidistrict Litigation Case No. 2:18-mn-2873-RMG

Case Name: City of Camden, et al., v. 3M Company, et al.
U.S. District Court, D. South Carolina Case No. 2:23-cv-03147-RMG



Agenda Item: 18

STAFF REPORT

Board Meeting Date: November 1, 2023
Prepared By: Brett Hodgkiss

SUBJECT: CLOSED SESSION WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

SUMMARY: Significant exposure to litigation pursuant to Government Code section 54956.9(d)(2)

Number of cases: 1

NOTICE OF ADJOURNED MEETING
OF THE BOARD OF DIRECTORS OF THE
VISTA IRRIGATION DISTRICT

A REGULAR MEETING OF THE BOARD OF DIRECTORS OF VISTA IRRIGATION DISTRICT, HELD ON NOVEMBER 1, 2023 WAS ADJOURNED UNTIL 8:00 AM, WEDNESDAY, NOVEMBER 15, 2023 AT THE OFFICE OF THE VISTA IRRIGATION DISTRICT, 1391 ENGINEER STREET, VISTA, CALIFORNIA.

* * * * *

AFFIDAVIT OF POSTING ORDER OF ADJOURNMENT OF MEETING

STATE OF CALIFORNIA)
COUNTY OF SAN DIEGO)

I, Lisa R. Soto, hereby certify that I am the duly appointed, qualified Secretary of the Board of Directors of Vista Irrigation District; that the foregoing is duly noted in the Minutes of said Regular Meeting of the Board of Directors of Vista Irrigation District; that said Regular Board Meeting was ordered adjourned to the time and place above specified; and that I posted a copy of this order of adjournment near the public entrance to the Board Room at the offices of the District.



Lisa R. Soto, Secretary
Board of Directors
Vista Irrigation District

POSTED: November 1, 2023